



2025 US Banking CEO Outlook

December 2025



Foreword

As we navigate the complexities of the banking industry in 2025, it's clear that CEOs are facing both challenges and opportunities. The 2025 US Banking CEO Outlook reveals that despite economic uncertainty, bank CEOs remain confident in their bank's and the industry's growth prospects, with 83 percent and 81 percent expressing confidence, respectively. However, this optimism is tempered by concerns over cybersecurity, with 43 percent citing it as a main driver of short-term decisions and 57 percent prioritizing investments in cybersecurity and digital risk resilience.

The report also highlights the significant role of AI in shaping the industry's future. 65 percent of bank CEOs are maintaining their focus on AI investment despite economic uncertainty, and 70 percent planning to allocate

10–20 percent of their budget to AI over the next 12 months. Combined with AI-driven workforce transformation, it is evident that AI integration is a top priority. As banks navigate these technological advancements, they must also contend with the pressure to ensure long-term prosperity, with 78 percent of CEOs feeling increased pressure in this regard.

The findings of this report underscore the need for banks to balance growth aspirations with the challenges posed by cybersecurity threats and AI disruption.

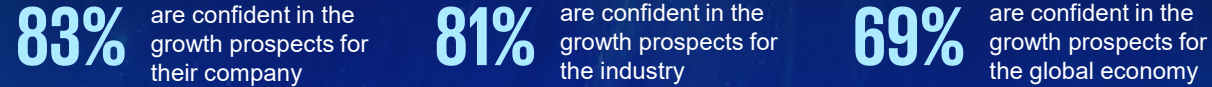


Peter Torrente
US Sector Leader – Banking &
Capital Markets
KPMG LLP

Economic and growth outlook

Bank CEOs remain confident in growth outlook as they prioritize cybersecurity and AI integration

Bank CEOs remain confident in the growth prospects for their company, industry, and global economy



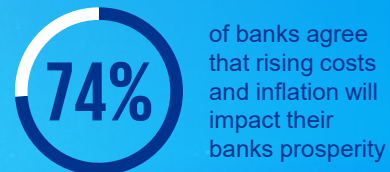
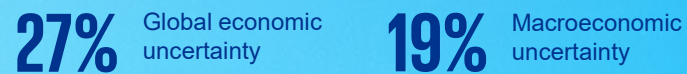
Cybersecurity is the top challenge banks are facing



AI integration is a major focus



While the banking sector is facing uncertainty, our findings show that the leading factors driving short term decision making are:



Earnings and M&A outlook

Most CEOs expect modest earnings growth

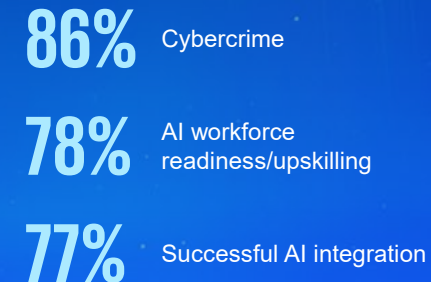


M&A

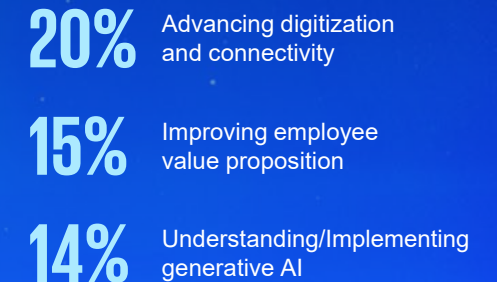


Risks and operational priorities

Top risks over the next three years:



Top three operational priorities



Technology and AI

AI investment surges as banks prioritize security and rapid innovation

AI is a top investment priority

- 65 percent of bank CEOs say that, despite economic uncertainty, AI remains a top investment focus.
- 70 percent expect to spend 10–20 percent of their budget on AI over the next 12 months.

Confidence in AI adoption and board readiness

- 79 percent are confident in their organization's ability to keep pace with AI development and its impact on operations and workforce.
- 95 percent agree their board is equipped to navigate advanced technology adoption and strategic data use for growth.

Rapid ROI and impact of agentic AI

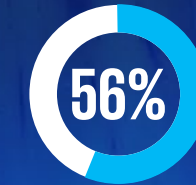
69%

anticipate seeing ROI on AI in one to three years.

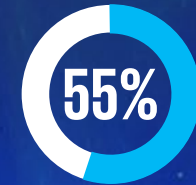
50%

expect agentic AI to have a significant impact on banking.

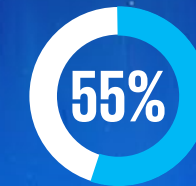
Challenges to AI implementation



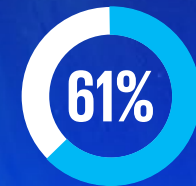
Ethical challenges



Data readiness



Lack of regulatory clarity



Lack of GenAI regulations

Top benefits of AI implementation in banking

24%

Fraud detection and cyberattack response

22%

Enhanced decision-making and data analysis capabilities

13%

Increased diversity of skills and capabilities

Top tech risks affecting cybersecurity in banking

96%

Fraud detection and prevention

94%

Identity theft and data prevention

86%

Vulnerability to cyber-attacks

Primary drivers of AI adoption in banks over next one to two years

25%

strategic differentiation (innovation, customer experience, or new business models)

22%

operational efficiency (reducing costs through automation, process optimization, and workforce transformation)

Workforce transformation

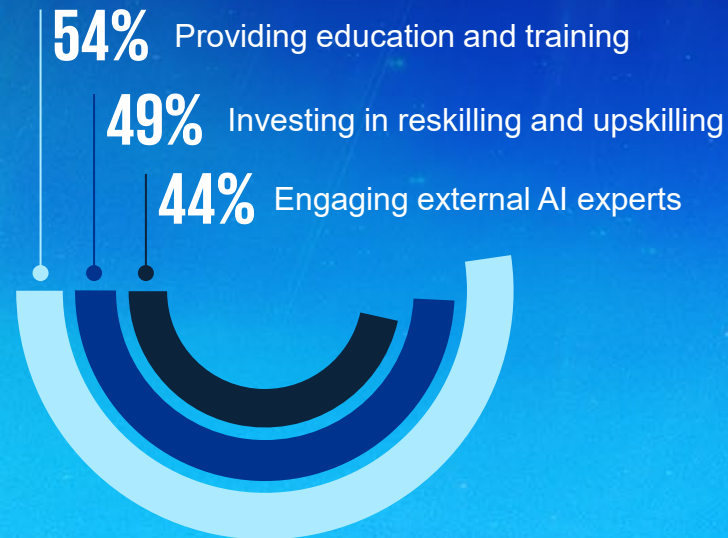
Adapting to AI disruption: Workforce transformation and the future of banking talent

Headcount growth expected

- Only 5 percent of CEOs expect headcount to remain the same over the next three years.
- 58 percent expect headcount to increase by less than 5 percent, and 24 percent expect an increase between 6 and 10 percent.

AI-driven workforce transformation

Banks are responding to AI disruption:



Challenges in attracting and retaining talent

The biggest challenges

30% Identifying candidates with suitable technical and collaborative skills

30% Bridging the gap between existing skills and desired capabilities

Hybrid work model adoption

55% of banks will be hybrid, with employees working three days in the office within three years

Impact of aging workforce

92% of bank CEOs believe that shifts in the aging workforce will affect recruitment, retention, and culture

32% see retirements and a lack of skilled replacements as the largest labor-market factor

Leadership under pressure

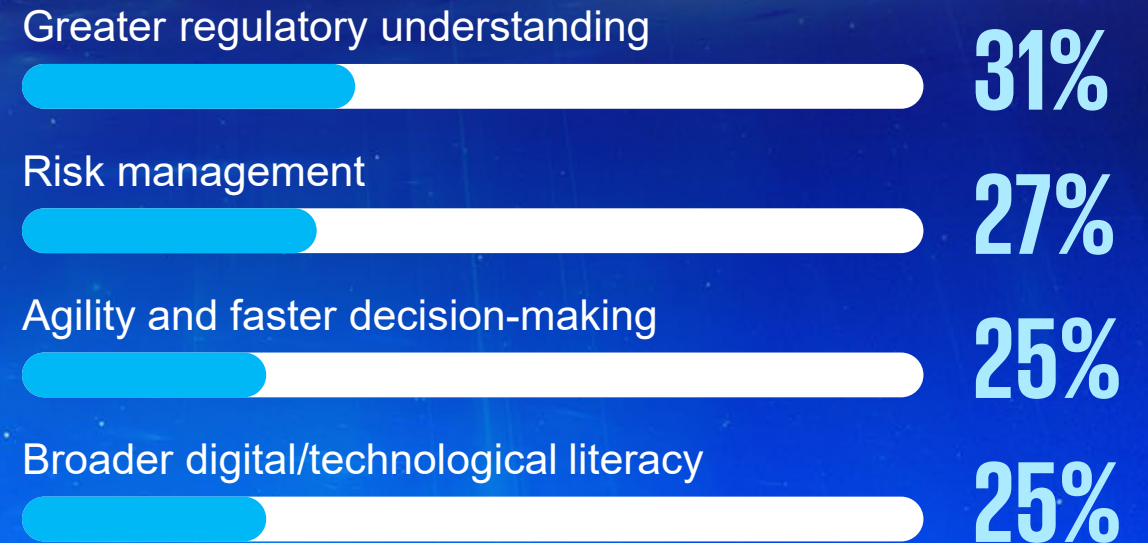
CEOs face rising expectations for long-term success

Increasing pressure on CEOs for long-term success



Leadership capabilities are rapidly evolving

The most essential leadership capabilities now include:

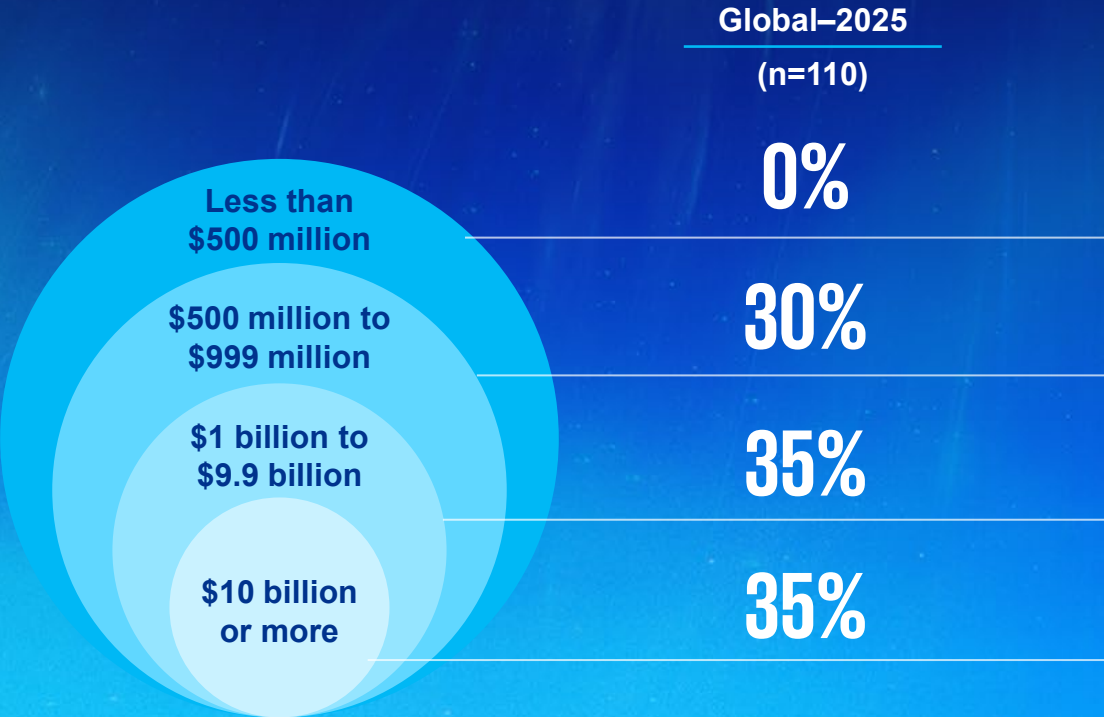


Notably, 90 percent of CEOs feel their role and expectations have evolved significantly over the past five years.

Demographics

Every year, the KPMG Banking CEO Outlook report provides leaders with insights from bank CEOs on the key challenges and opportunities driving business growth. This year we surveyed 110 bank CEOs globally.

Revenues of survey respondents' banks in most recent fiscal year



Subsector(s) in which survey respondents' banks operate

	Global-2025 (n=110)
Commercial banking	18%
Capital markets/investment banking	9%
Retail banking	13%
Operates across retail and commercial banking	35%
Operates across retail, commercial, and investment banking	25%



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