



Reimagining Financial Services with AI

A survey of the FS industry in the Chinese Mainland and Hong Kong SAR





Foreword



Wilson Chow

PwC China Artificial
Intelligence Leader



Matthew Phillips

PwC China Financial
Services Industry Leader

PwC's recent global study Value in Motion¹ highlighted that leaders are increasingly expected to demonstrate how they are harnessing AI to reconfigure their business models. Which technologies or partnerships they should leverage may not be immediately clear, but they know that they must act or face being left behind.

This research focuses on the Financial Services industry in the Chinese Mainland and Hong Kong SAR to understand how AI-enabled disruption is reshaping business models and achieving cost and revenue gains.

In China's 15th Five-Year Plan (2026–2030), AI has been elevated to a national strategic imperative. Financial services stand at the forefront of this transformation. Our research reveals how mainland and Hong Kong financial institutions (FIs) are already translating this policy momentum into tangible shifts: from cost-efficiency tools to engines for revenue creation and innovation.

Our research was conducted between October 2025 and January 2026. We collected 201 responses and conducted 20 interviews targeting the Banking, Insurance, and Asset & Wealth Management (AWM) sectors in the Chinese Mainland and Hong Kong SAR. We find that the use of AI has moved from experiment to scale, to reinventing core processes and launching new services. However, challenges arise in data quality and governance, talent and organisational culture. We conclude that future winners will tackle three main issues:

01

They will actively build an AI-first culture, show commitment with senior management leading by example, and hire and develop talent that can understand both business and algorithms

02

They will improve their data governance systems, ensure data security and privacy as well as data quality, and transform data into strategic assets

03

They will build an agile AI governance system that can control risks and promote innovation

¹ <https://www.pwc.com/gx/en/issues/value-in-motion.html>



Mat Falconer
PwC Global Financial Services Leader



In our latest Global CEO Survey, 53% of financial services CEOs said they are concerned about transforming fast enough to keep up with tech/AI. Financial institutions need to tackle organisational rigidity, emulate FinTech and build agility into their thinking and processes.



Joe Atkinson
PwC Global Chief AI Officer



We are in the early stages of the AI era, but our work with organisations already confirms that isolated, tactical AI projects often don't deliver measurable value. Tangible returns come from enterprise-scale deployment. This, in turn, demands strong AI foundations.



Dr. Anthony Neoh
Lead Independent Non-Executive Director, CITIC Limited
Former Chief Adviser, China Securities Regulatory Commission
Former Chairman, Securities and Futures Commission of Hong Kong



Through interdisciplinary collaboration and international dialogue, we must formulate AI governance standards that are both flexible and binding, ensuring that innovation serves the public good.



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01

AI has moved from
experiment to scale



Our research shows that senior management's view of AI has shifted from **whether to do it to how to do it well and capture value**. The obstacles include data quality and governance, talent and cultural resistance. We will outline these and our other findings around the following themes:



- **Strategy needs to be matched by resources.** Over the next 3-5 years, more than 75% of the organisations we surveyed intend to position AI either as “a strategic transformation engine” (41%) to reinvent and grow existing services, or as “the cornerstone for new revenues” (35%) by innovating new services. However, 61% of these organisations devote less than 10% of their total technology budget to AI. These laggards are already finding that the cost and difficulty of catching up is increasing fast.



- Three factors account for this **gap between strategic ambition and resource commitment**: “Poor data availability” (30%), “Regulatory pressure” (20%), and “Maintaining core systems is the priority” (14%).



- **Focus on cases that are scalable and based on human-AI collaboration.** A collaborative model is at the heart of the five main use cases covered in this survey: AI augments people's roles rather than replacing them. 57% of FIs surveyed plan to use AI to augment new and existing employee roles.





- **Scale is beginning to bring a degree of ROI.** The FS industry has moved beyond the experimentation phase and moved into scalable deployment with some moderate returns. **56% of FIs report ROI of their core AI applications of 11%–25%.** AI's main contribution is in the reduction of risk-related losses (30%). However, 76% say they would accept lower or even 0% ROI to pursue AI adoption and prepare for the future. **Financial return is not the primary concern of AI investment at this stage and many expect returns to follow.**



- **Organisation and talent are the main bottlenecks.** Talent and organisational rigidity are the main barriers to deploying AI at scale (46%). Although 29% of FIs have already built up an **AI-first** culture, maturity levels vary widely.



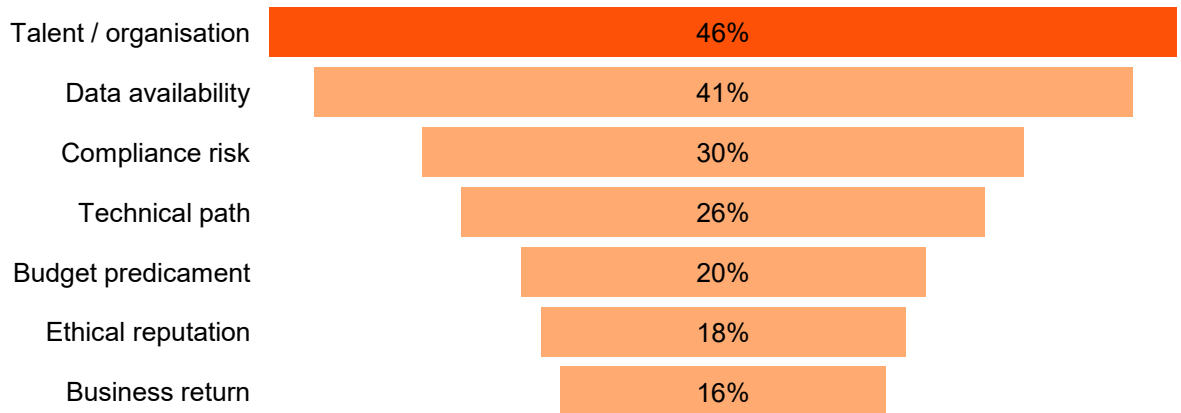
- **Data quality and the governance gap are further constraints.** Tackling internal data silos and establishing high-quality data governance are the keys to success. Nearly 90% of FIs rely on internal data, but governance is hobbled by “**scattered accountability**” and “**security & quality**” issues (together 87%). **A hybrid model (centralised for core data / decentralised for non-core)** is most popular (50%).



- **Responsible AI encourages broader adoption.** Ethical principles and regulatory compliance need to be embedded from the outset of AI development – not addressed afterwards. Compliance is still heavily reliant on traditional manual review (64%), and there is insufficient auditing for AI bias, explainability, and hallucinations. Regulatory pressure—especially around data—is pushing governance models toward greater centralisation.

Chart 1-1: Talent is the leading challenge.

What are the top two challenges you face in your AI positioning?



The future winners will succeed in three areas:

01

They will actively build an AI-first culture, show commitment with senior management leading by example, and hire and develop talent that can understand both business and algorithms

**02**

They will improve their data governance systems, ensure data security and privacy as well as data quality, and transform data into strategic assets

**03**

They will build an agile AI governance system that can control risks and promote innovation



“

AI is no longer a ‘nice to have’. It is a ‘must live’ across all industries.

Senior Executive, a tech arm of a large conglomerate

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02

Strategic ambition needs to be matched by resource allocation

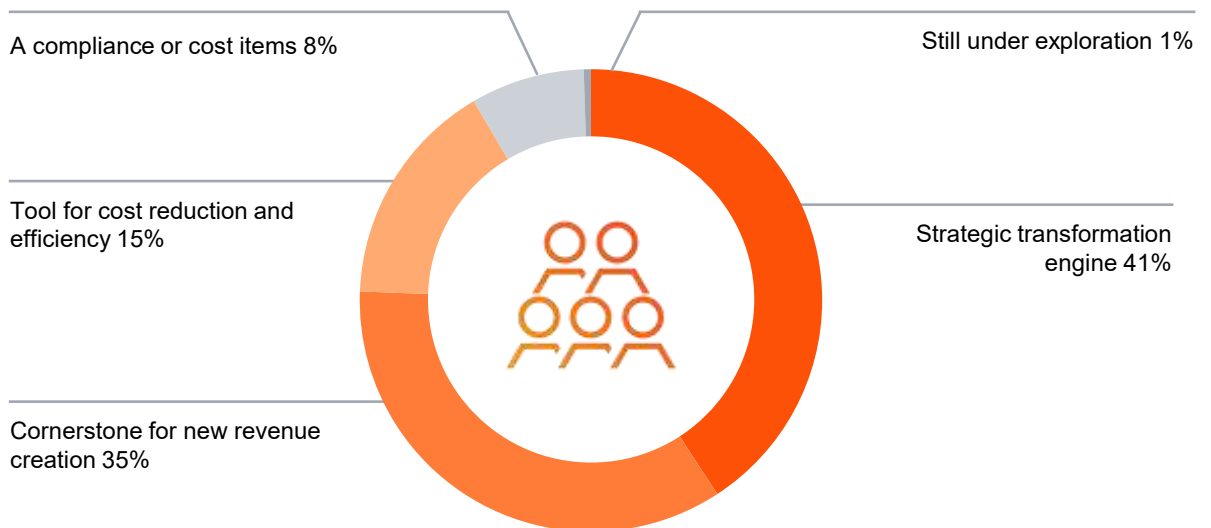


The Financial Services industry has high expectations for AI, but most FIs are trapped by a resource allocation shortfall. Over the next three to five years, more than 75% of FIs intend to position AI either as a **“strategic transformation engine” (41%)** to reinvent and grow their services, or as the **“cornerstone for new revenue creation” (35%)** based on new services. However, **61% allocate less than 10% of their total technology budget to AI.**

Our September 2025 report, “What will be left of financial services tomorrow?”² recommends that financial institutions allocate 50% of their technology budget on AI. Our survey therefore indicates an investment gap of 30-40% in each institution’s technology spend. Success will require organisations to bridge this gap or risk being left behind by leaders who are already committing resources at this level.

Chart 2-1: AI as a driver of strategic transformation

How do you define AI’s role within your institution over the next 3–5 years?

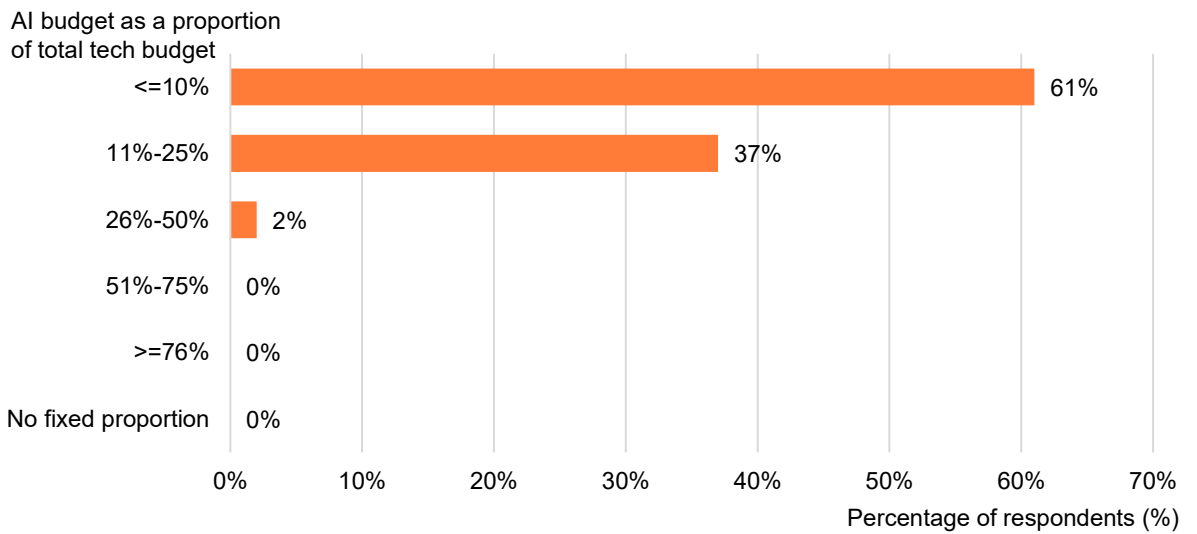


² <https://www.pwc.com/us/en/industries/financial-services/library/financial-services-tomorrow.html>

Despite its strategic importance, AI's share of technology spending remains modest: 61% of firms keep AI budgets below 10% of total technology outlays. Another 37% allocate 11%–25% to AI. These FIs have already seen tangible returns but still stop short of making AI the centrepiece of their tech investment. Only 2% devote more than 25% to AI, and none has pushed spending above 50%.

Chart 2-2: Strategic importance not matched by spending

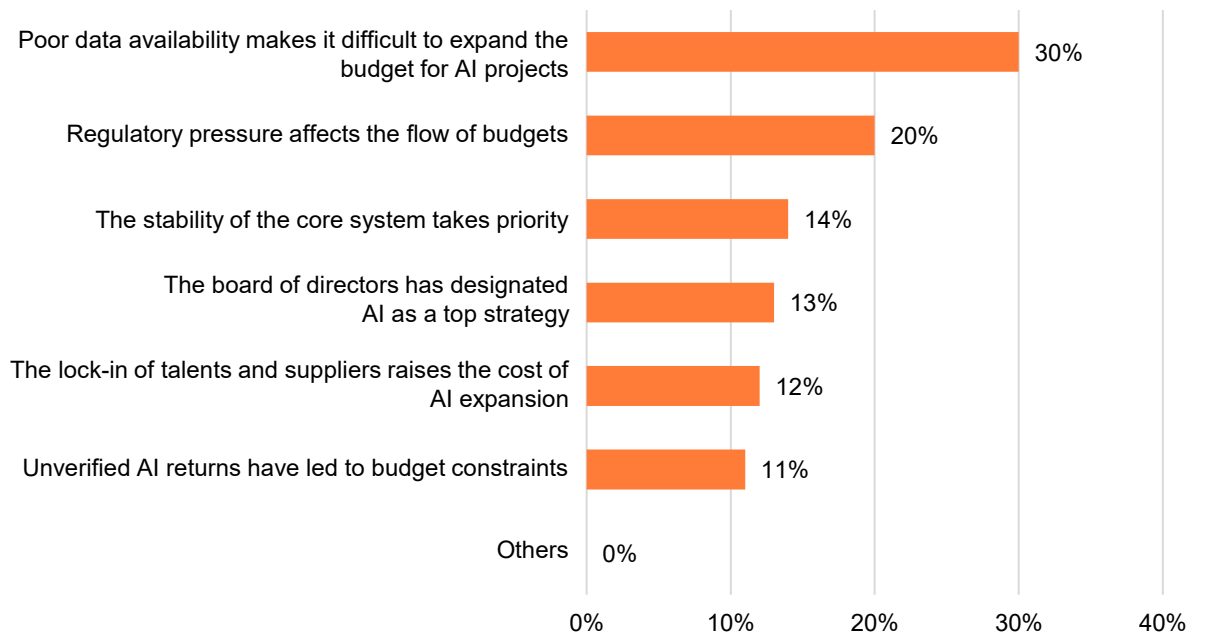
What percentage of your tech budget is AI-related?



“**Poor data availability**” (30%) is seen as the primary constraint on investment, exposing how a weak data foundation curbs the willingness to provide resources for AI adoption. “**Priority on maintaining core systems**” (14%) aligns with the findings from client interviews: the majority of FIs say that traditional business models are vulnerable to technological disruption. Business as usual spending remains the order of the day.

Chart 2-3: Factors influencing AI budget allocation

Which single factor most influences AI Budget allocation?



Taking a regional perspective, Hong Kong FIs lean most heavily on AI as a lever for modernising and transforming traditional services; Mainland firms focus on its ability to create entirely new revenue streams; MNCs are the most ambitious in terms of strategy (42% see AI as “a foundation for new value pools”) but they also face complex cross-border data issues.

Chart 2-4: Regional strategic positioning

How do you define AI’s role within your institution over the next 3–5 years?

	Chinese Mainland	Hong Kong	Chinese Mainland + HK	MNC
Strategic-transformation engine	36%	50%	58%	42%
Foundation for new value pools	38%	20%	26%	42%
Cost-efficiency tool	17%	17%	11%	16%
Compliance / cost item	9%	13%	5%	0%

“ Our AI strategy was launched last year. It aims to completely reshape our business into a human-machine collaborative model over the next five years. Our organisational and capability structure, along with our work processes, will be completely transformed.

Senior Executive, a Chinese Mainland insurance company

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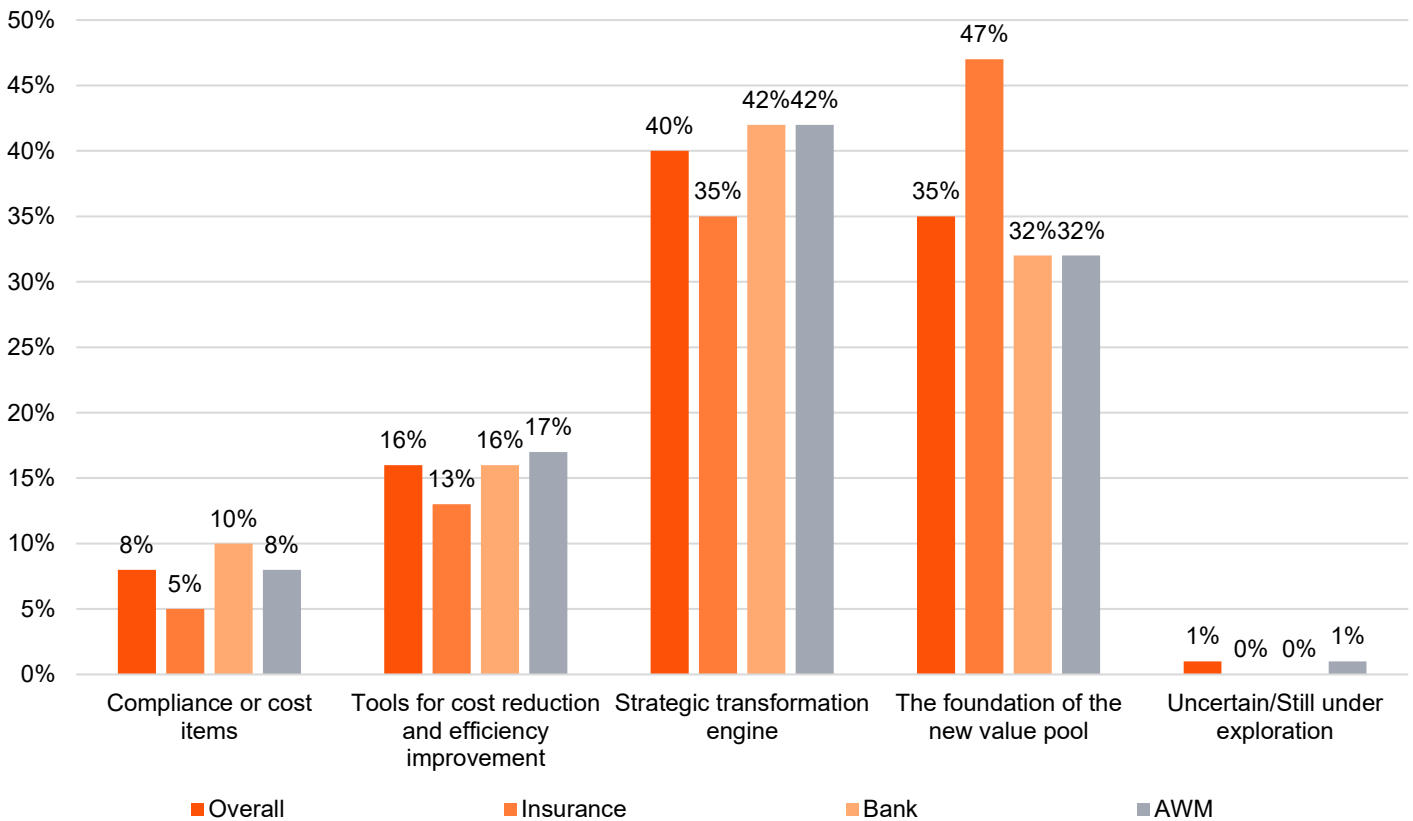


Now let’s look at strategic positioning by sector:

- Insurance has the highest ambitions of the three: 47% cite “Foundation for new value pools” - well above the average.
- Banking: only 42% label AI a “strategic transformation engine” and 68% keep AI spend ≤ 10% of their tech budget, making it the most cautious sector.
- AWM: 42% call it a “strategic transformation engine”, the highest of the three sectors, as tech-savvy boutiques and integrated platforms use AI to re-bundle advice, distribution and alpha generation.

Chart 2-5: Strategic positioning of AI by sector

How do you define AI’s role within your institution over the next 3–5 years?



- **Large FIs:** 82% invest “to build competitive advantage”. They are the least budget-constrained (< 6% cite unproven ROI as a funding hurdle); their real bottlenecks are talent and data.
- **Medium FIs: Pragmatic fast-followers** with balanced investment and many now ramping up AI spend.
- **Small FIs: Most budget-constrained** and demand a clear short-term ROI before committing further funds.

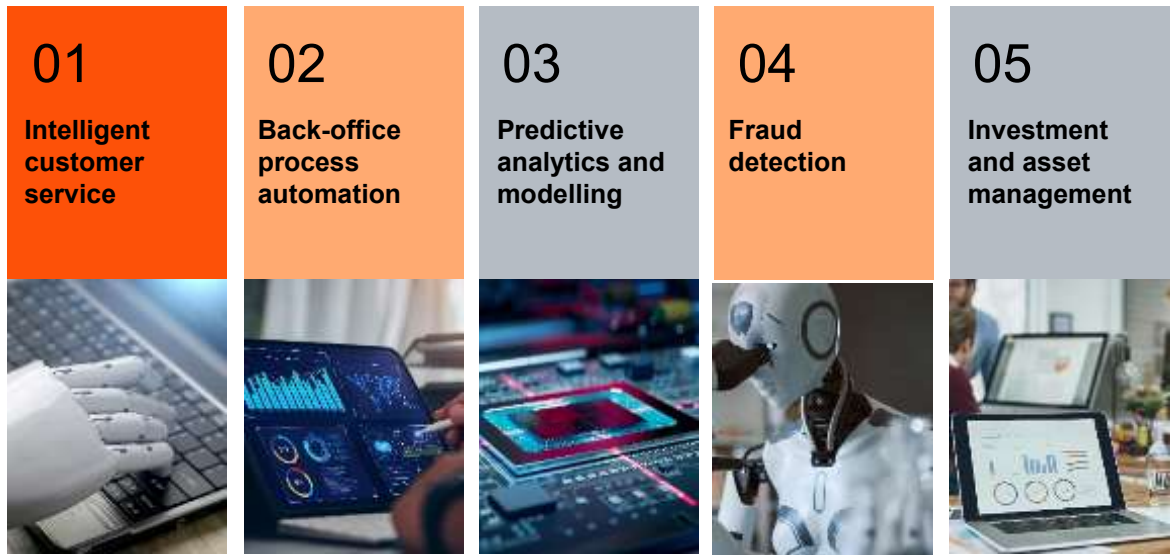
03

Focus on core use cases to achieve enterprise scale



Focusing on core use cases is key to achieving enterprise scale and human-AI collaboration. AI has been deeply embedded into core business processes, with nearly 80% of applications achieving “partial” or “significant” automation. Among FIs, 57% report that they plan to use AI to augment employees’ existing (42%) and new roles (15%).

Top five 5 use cases:



Based on the survey sample, these five use cases deliver measurable ROI and are fast becoming priorities for enterprise-scale AI adoption.

Chart 3-1: The most important AI use case in today’s FIs

Please describe the most important AI use case in your organisation



Use cases by industry sector:

- **Banking:** Anti-money-laundering, fraud detection, credit & underwriting, back-office automation and compliance monitoring.
- **Insurance:** 60% of cases are customer service, predictive modelling and fraud detection.
- **AWM:** investment & portfolio management; data & market analytics; compliance monitoring.

Use cases by company size:

- **Large FIs:** despite having bold strategies, deep pockets and the most sophisticated hybrid tech stacks and governance frameworks, they face the heaviest business-line resistance (59%) and the toughest data-processing capacity challenges (53%).
- **Medium FIs:** they post relatively high ROI (11%–50% range) on their core AI use cases, while achieving high levels of automation without the resistance to change found in larger organisations. They are currently the industry's engine for scaled value creation.
- **Small FIs:** these rely heavily on SaaS/API solutions (42%) and cloud services. They feel budget constraints (33%) and compliance pressure most acutely and narrowly focus their AI deployments on scenarios that deliver immediate risk-control or efficiency gains.

“ We are not just seeking efficiency gains from AI. We want it to create new value propositions and business models that the market has not yet explored.

Senior Executive, a local bank in Hong Kong

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Chart 3-2: For the use case you described in Use cases, what share of the end-to-end process is currently or planned to be automated

In your case, how much of the process is or will be automated?

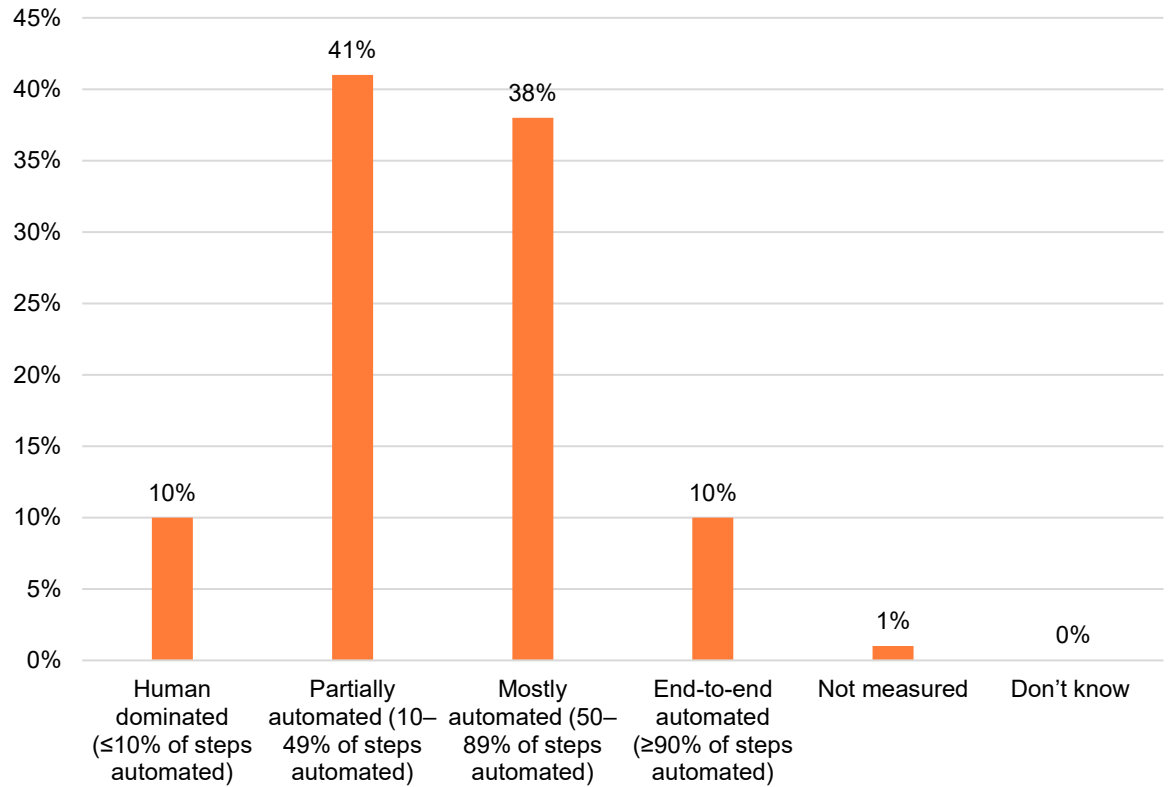
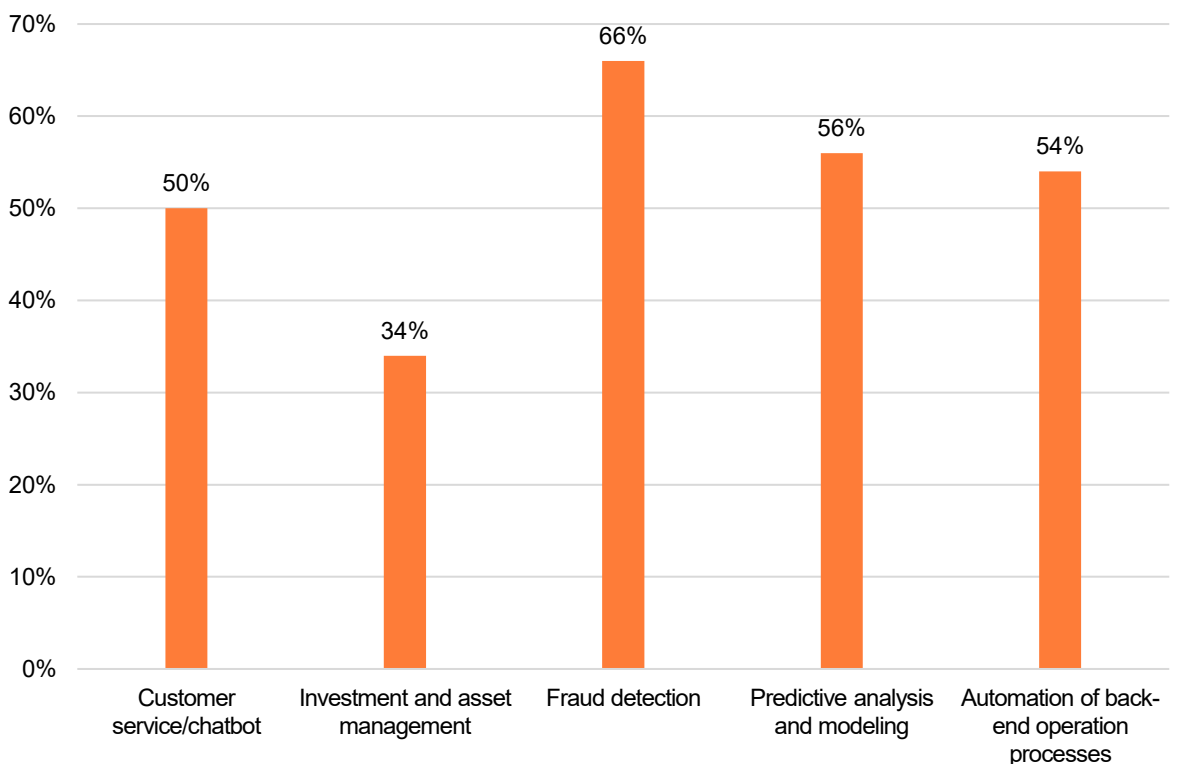


Chart 3-3: Level of automation in the top five use cases

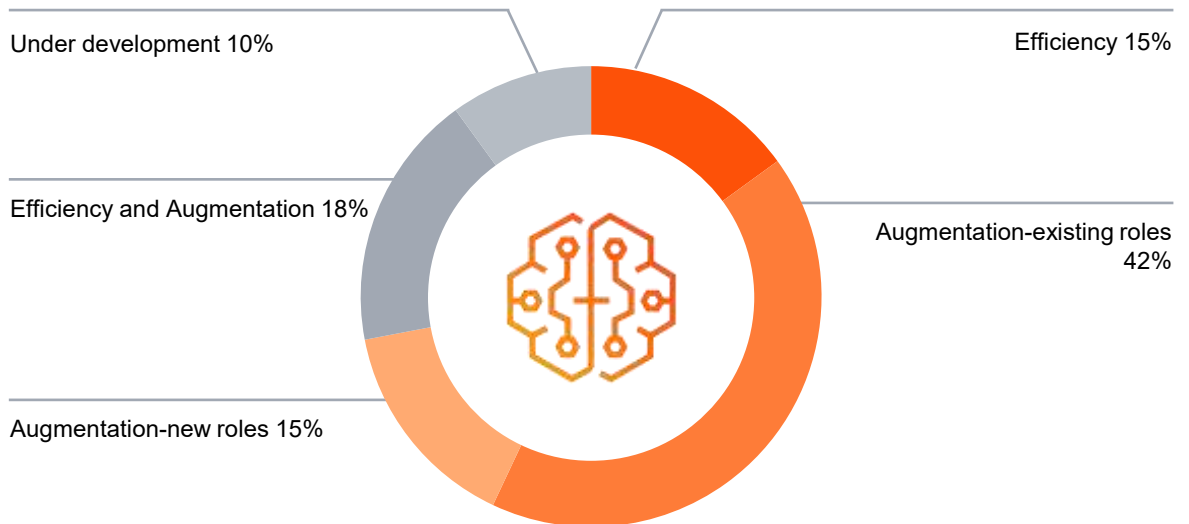
What share of the end-to-end process is currently or planned to be automated?



Human-AI collaboration is now mainstream. Among FIs, 57% report that they would use AI to augment employees' existing (42%) and new roles (15%). AI adoption tends to complement human capabilities rather than replacing people.

Chart 3-4: Human-AI collaboration measures

What is your organisation's primary strategic approach to human-AI collaboration?



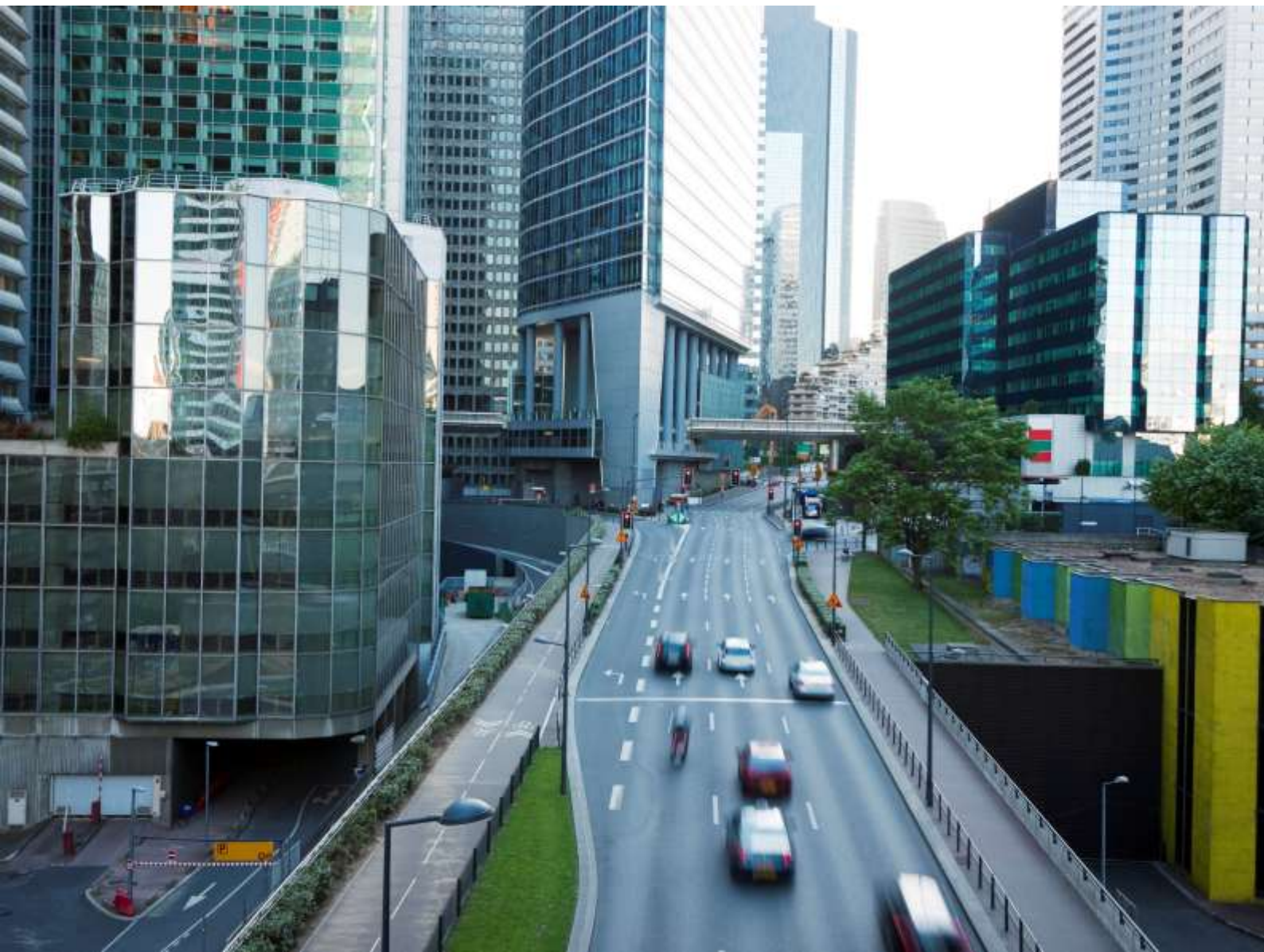
“ We primarily rely on homegrown AI tools, as these provide us with greater customisation and control. While matching the performance of leading external solutions can be challenging, we still prefer internal development due to their flexibility, governance assurance, and alignment with our internal standards.

Senior Executive, a local bank in Hong Kong

”

04

Scalable deployment is
achieving moderate ROI



The industry has moved beyond the experimental phase and entered a period of scalable deployment with moderate returns. For 56% of FIs, the ROI of their “single most important AI use-case” falls in the 11%–25% band. This represents an attractive return when viewed in the context of ROI for traditional fintech investments, which average 8%–12%. In time, we would expect the returns to increase as organisations tackle more complex and value creative use cases. In fact, **76% of respondents say they would accept <10% or even 0% ROI**, reflecting the strategic importance they see in AI initiatives.

“ We are prepared to invest in the development of AI capabilities without being primarily concerned with the ROI. These capabilities will allow us to maintain our independence, reduce our reliance on external vendors, and retain full control over our strategic direction.

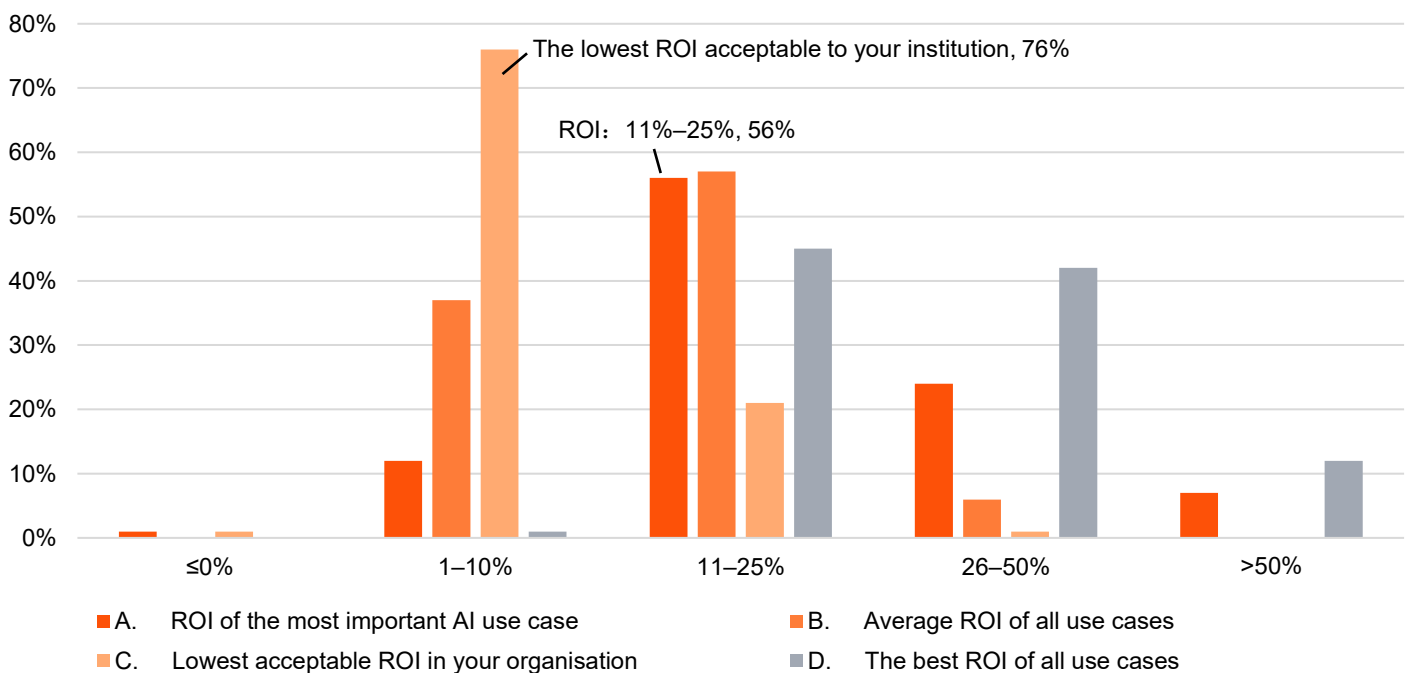
Senior Executive, a local bank in Hong Kong

“ With labour-intensive products we can calculate cost savings as “number of people involved × workload reduction”. With knowledge-intensive products the ROI calculation is less direct.

Senior Executive, a Chinese Mainland bank

Chart 4-1: ROI achieved by the FI

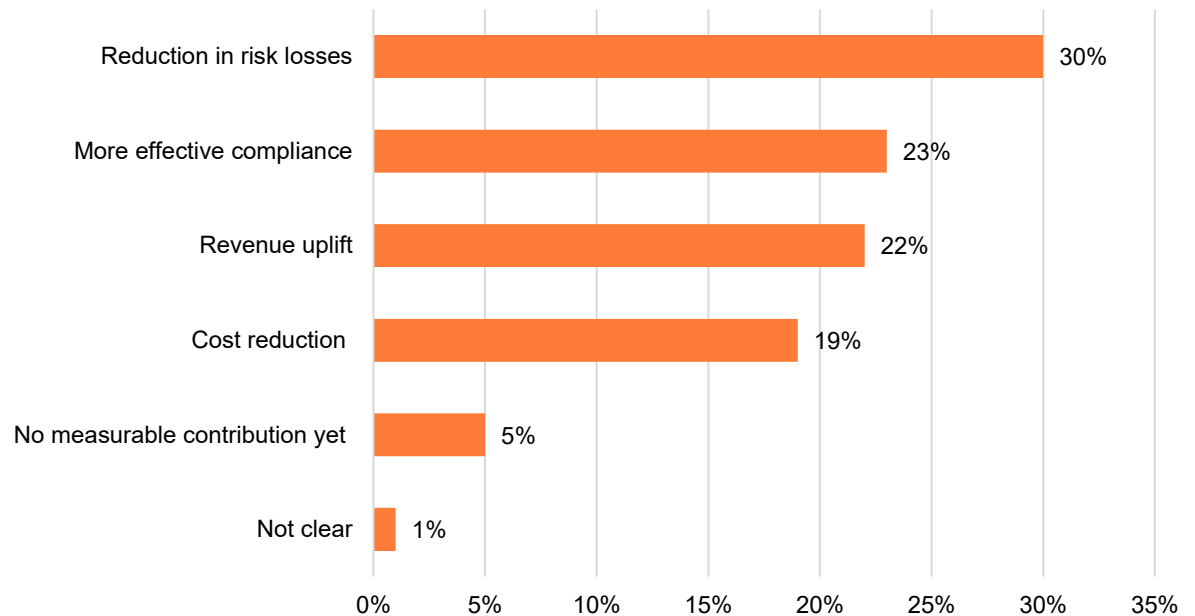
For the use case you described, what is the realised ROI?



The most visible contributions made by AI are in “risk-loss reduction” (30%), followed by “more effective compliance”(23%), “revenue uplift” (22%) and “cost reduction” (19%).

Chart 4-2: Where has AI made the greatest contribution for you in the past 12 months?

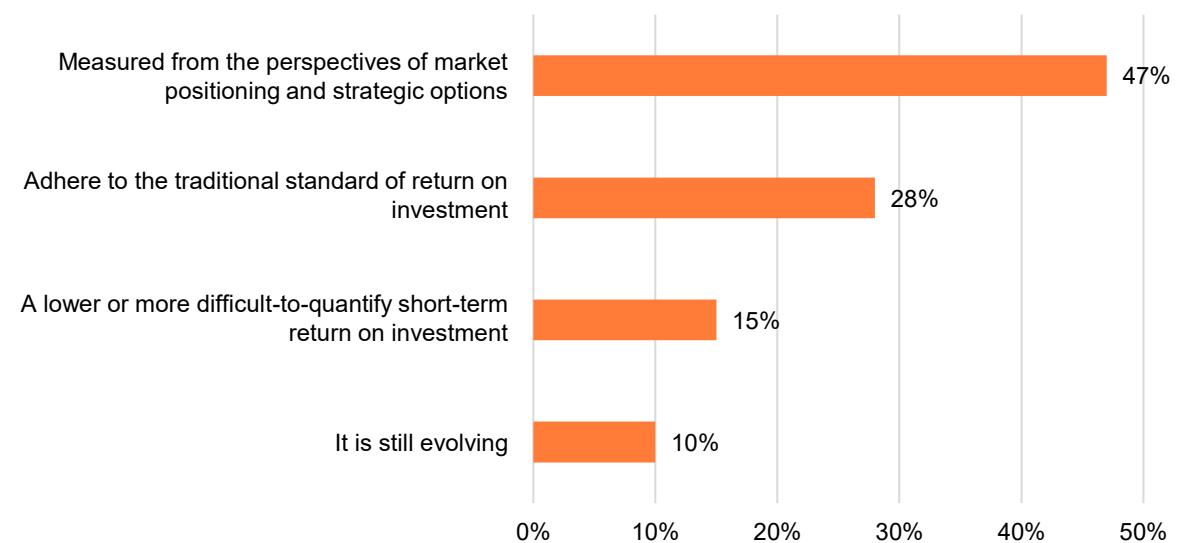
Where has AI made the greatest contribution for you in the past 12 months?



Non-financial returns are a key part of the ROI calculation. For 47% of respondents, better market positioning and broader strategic options are the main bases for evaluating an AI investment.

Chart 4-3: How FIs measure return on AI investment

How do you measure return on your AI investment?

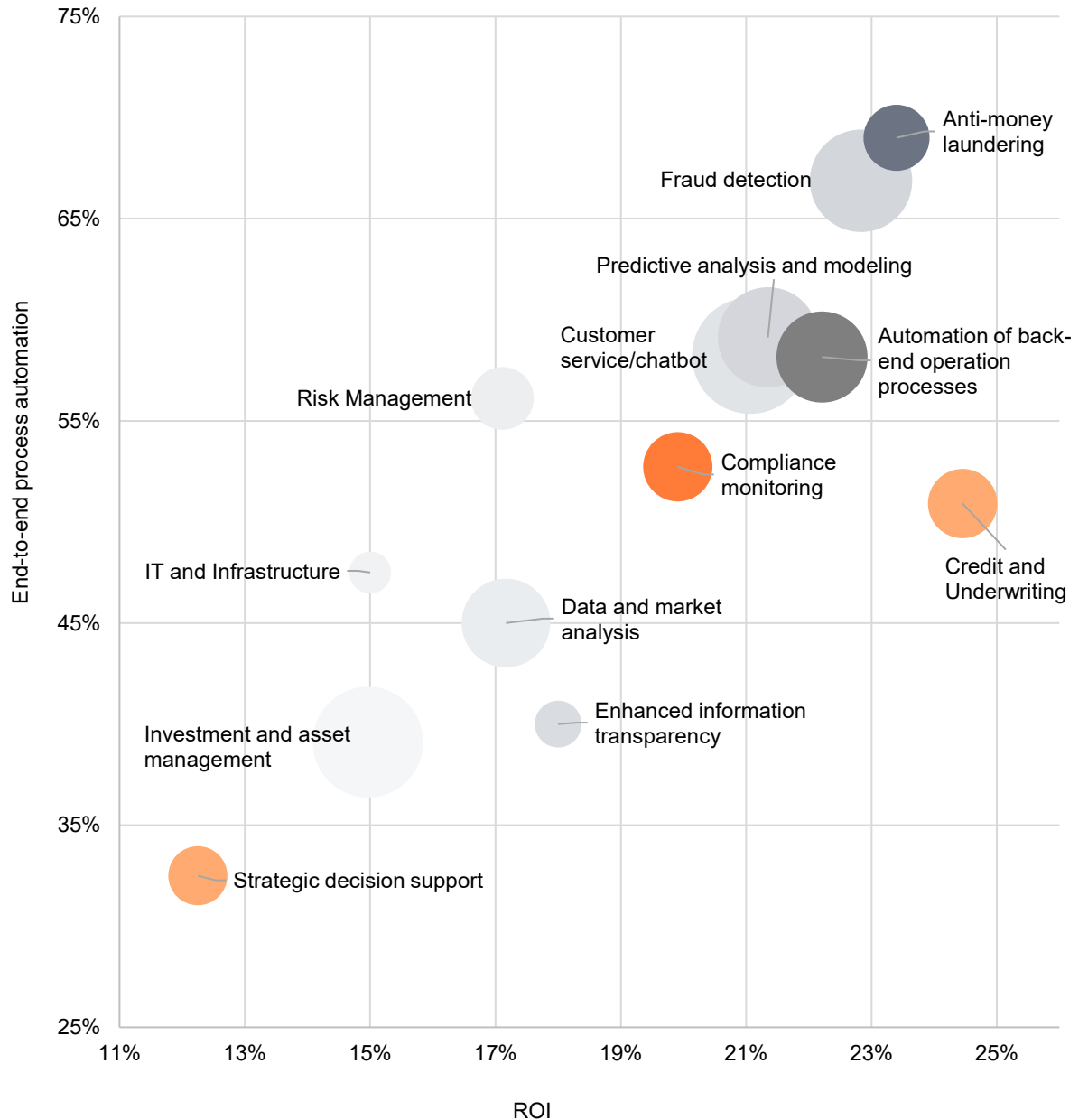


AI-driven automation appears to have a positive correlation with ROI within the core use cases reported by our respondents. “**Fraud detection**” and “**AML**” perform best, followed by “**Back-end operations**”, “**Predictive analysis**”, and “**Customer services**”.

Chart 4-4: Level of automation and ROI

What share of the end-to-end process is currently or planned to be automated?

What is the realised ROI?



“ Strict requirements within the financial services industry, such as managing the NPL ratio, can make it difficult to replace manual processes on a large scale in the short term.

Senior Executive, a tech arm of a conglomerate

”

“ What is the core strategic significance of AI for institutions like ours? It is the ability to more efficiently accumulate, refine and amplify employees' knowledge. This is more important than a financial ROI or efficiency gains.

Senior Executive, a large PE firm

”



05

Organisation and talent are
the primary bottlenecks

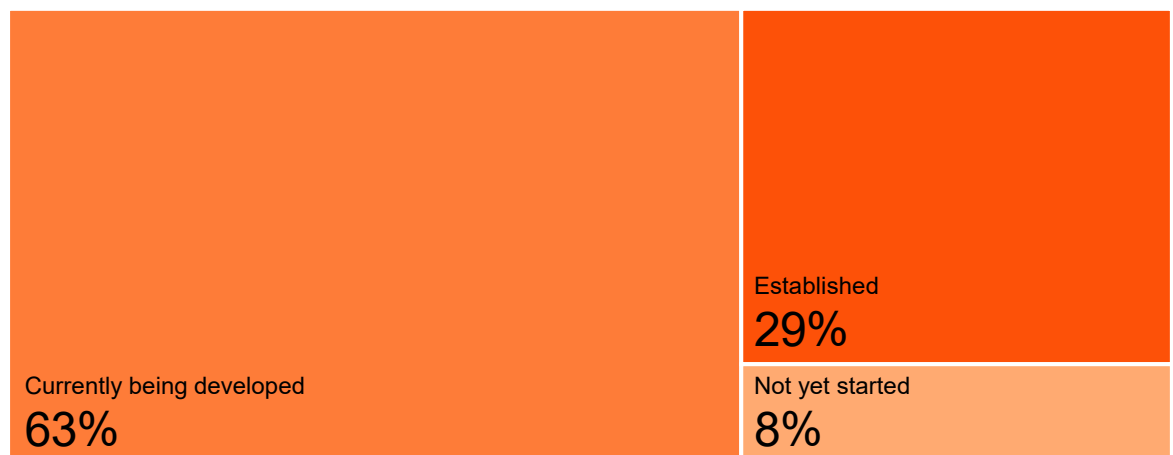


Talent and organisational rigidity are the main barriers to enterprise-scale deployment of AI, far outstripping budget or technical issues. The core pain-point is a shortage of professionals who “understand both the business and the algorithms.” The translation layer between technical and business teams remains thin and requires reskilling as well as new talent.

29% of FIs have already established an “AI-first” culture, relying chiefly on training programmes and executive role-modelling. Legacy decision-making processes persist and functional silos inhibit the cross-functional collaboration that AI demands. Without cultural transformation, technical capabilities alone cannot drive adoption.

Chart 5-1: The “AI First” culture of the FI

Do you have an AI-first culture in your FI?



“ We aim for 15% of our workforce to be AI specialists by 2026. Around two thirds of these new hires will be through campus recruitment.

Senior Executive, a large security firm

“ Culture – not technology – is the primary barrier to AI adoption. We need to strengthen our culture of experimentation, as scaling AI requires this mindset.

Senior Executive, a local bank in Hong Kong

“ AI is an enabler and an assistant, not a replacer. It assists in approval processes, risk control, marketing and other tasks, but with humans leading in the decision-making loop.

Senior Executive, Chinese Mainland bank

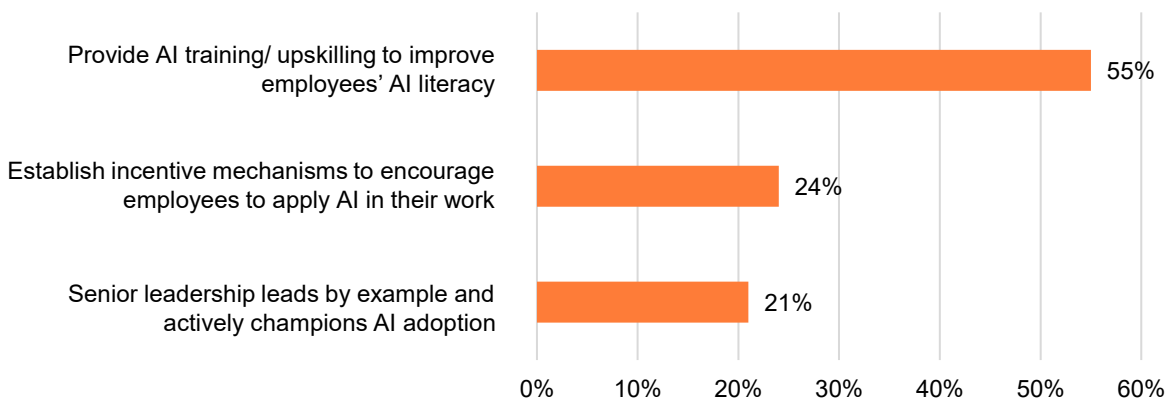


To promote an AI-first culture, FIs need to take three important steps:

- “Provide AI training/ upskilling to improve employees’ AI literacy”;
- “Establish incentive mechanisms to encourage employees to apply AI in their work”; and
- “Senior leadership leads by example and actively champions AI adoption”.

Chart 5-2: How is your organisation promoting an “AI First” culture across the FI

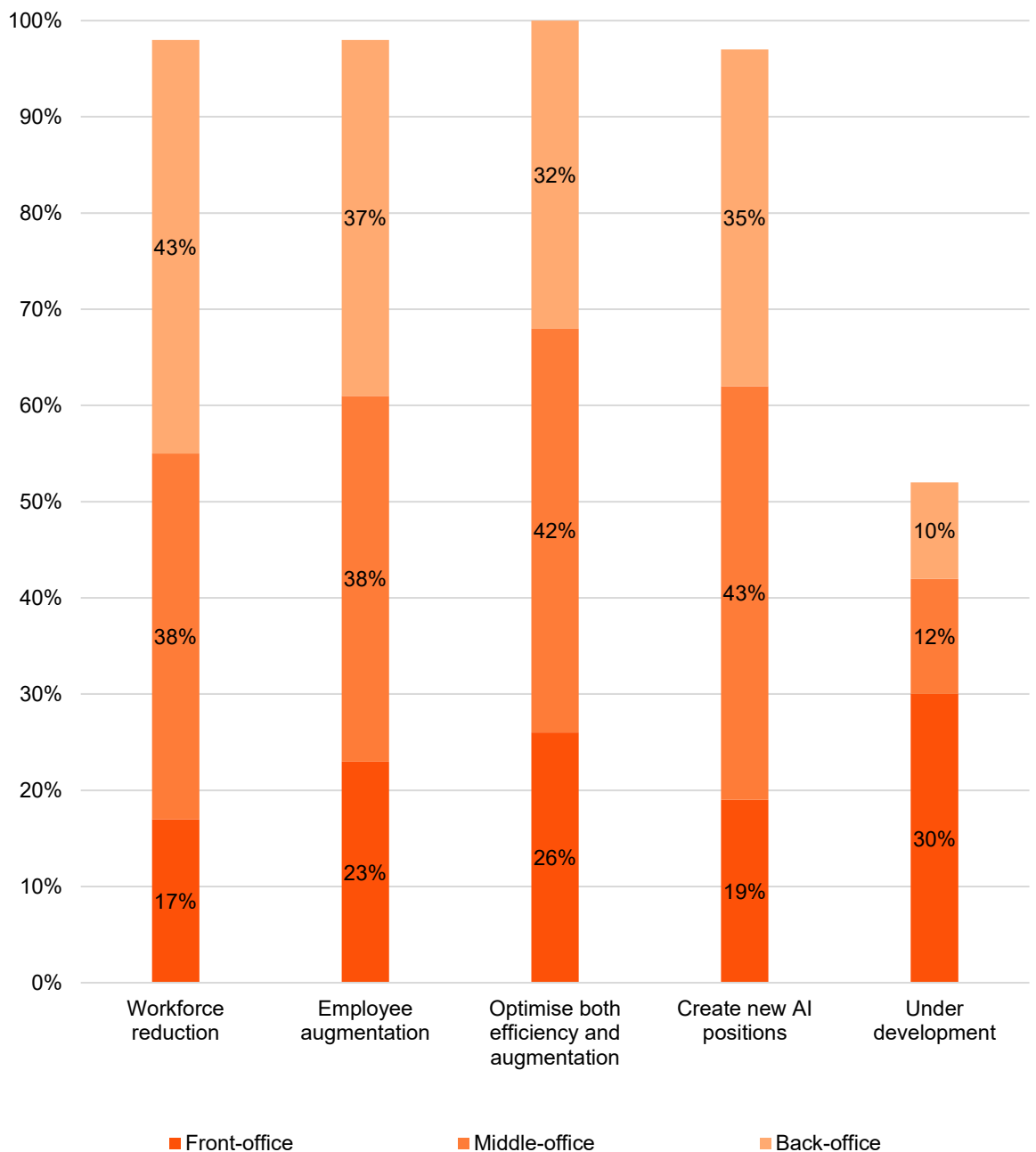
How is your organisation promoting an AI-first culture?



AI adoption has a tangible impact on how the organisation achieves Human-AI collaboration. FIs normally use “**Optimise efficiency and enhance capabilities**”, “**Workforce reduction**”, “**Employee augmentation**”, and “**Create new AI positions**” to achieve this.

Chart 5-3: Main approaches of Human-AI collaboration

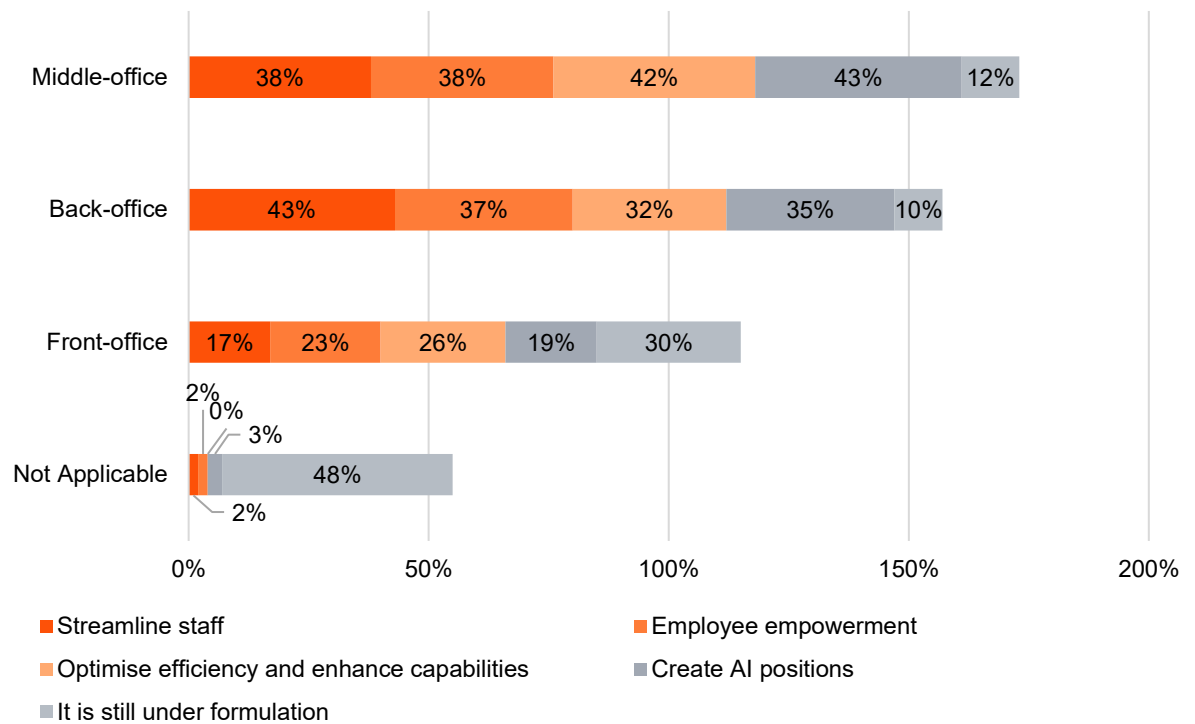
What is your organisation's primary strategic approach to human-AI collaboration?



Human-AI collaboration has different impacts depending on function: back-office functions lean toward “automation-led efficiency” (43%) while front-office functions focus on “Creating new positions” (19%) or “Balancing efficiency with empowerment” (26%).

Chart 5-4: The main strategic approaches of AI

What is your organisation's primary strategic approach to human-AI collaboration?



Pain points by industry:

- **Banking** – “talent & organisation” is the main hurdle (48%), silos slow progress, and culture-building lags that of their peers.
- **Insurance** – most active cultural build-out, but data bottlenecks are worse than in other sectors.
- **AWM** – suffering from both talent scarcity and data gaps, but showing the strongest drive to change culture.

Scale & organisation strategy:

- **Large FIs** – highest share with an AI culture already in place, and a structured push to “create new AI roles” across mid- and back-office functions.
- **Mid-size FIs** – pursuing the widest range of tactics and still experimenting.
- **Small FIs** – the largest share of functions “still formulating strategy” and the least defined organisational roadmap.

06

Data quality and governance gaps are the key constraint to AI success



Data is the fuel of AI, but without adequate data infrastructure, it is difficult to deploy AI. Data quality and governance gaps can also hinder AI's full potential value.

90% of FIs rely chiefly on internal proprietary data for their flagship AI use-cases. 75% intend to share data across their group, and 67% with clients. To enable cross-institutional data sharing within compliance requirements, some survey respondents suggested a solution of “compliance sandboxes + federated learning”. On the one hand, sandboxes are used to safeguard compliance boundaries; on the other hand, federated learning achieves value collaboration without centralised data collection.

Chart 6-1: Overwhelming reliance on proprietary data

Which data source(s) does your AI primarily use?

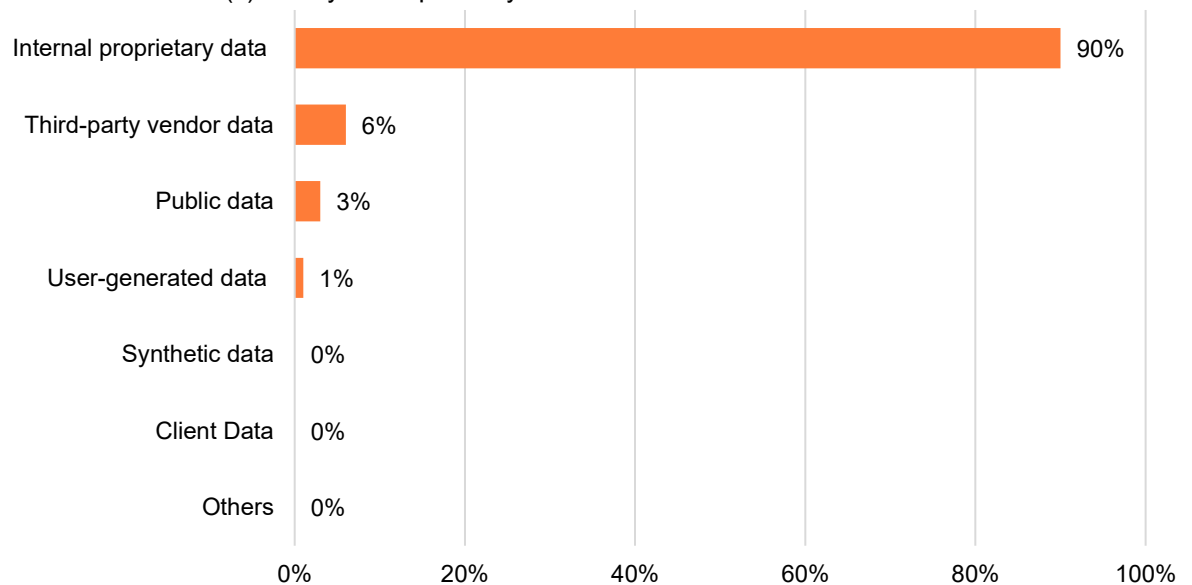
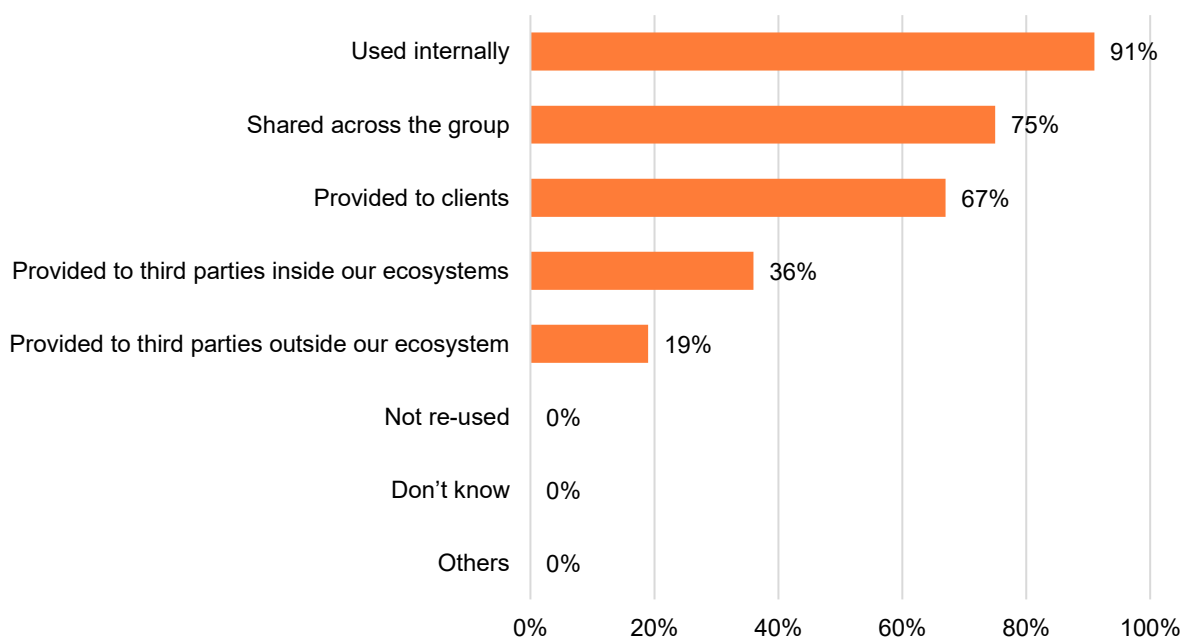


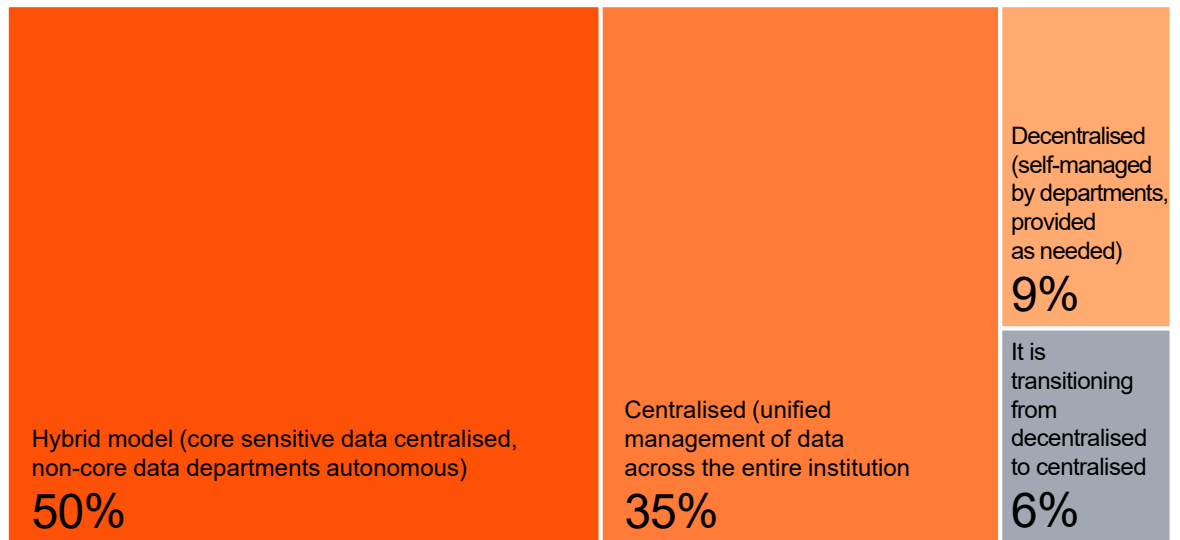
Chart 6-2: How is this data subsequently used?



To balance control with agility, a “hybrid data-governance” model (centralised for sensitive and core data, federated for non-core) has emerged as the mainstream, pragmatic choice.

Chart 6-3: Data management model adopted by FIs

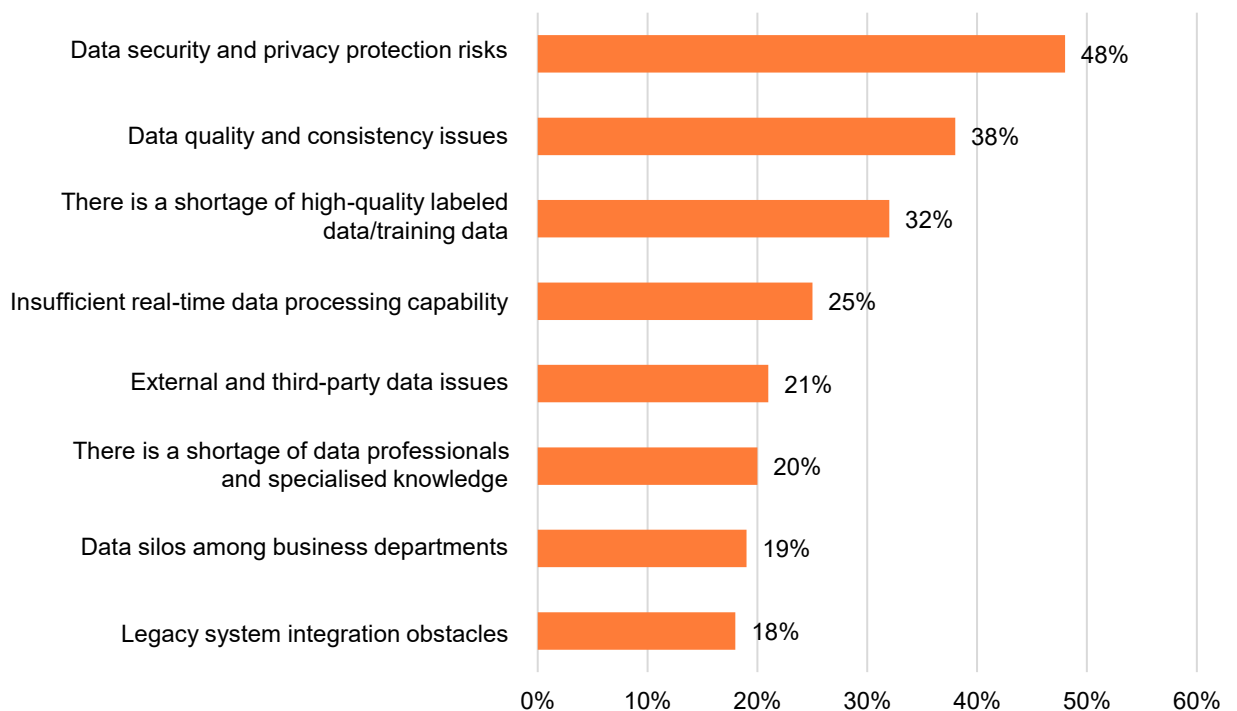
Which data management model do you use?



While governance is challenged by scattered accountability, data-security & privacy (48%) and data quality (38%) remain the top two pain-points.

Chart 6-4: Data management challenges faced by FIs

What challenges have you faced in data governance?



Distinct regional governance profiles:**At an industry level, governance patterns diverge**

- **Heavily regulated sectors (banks, pension funds)** – favour centralised governance.
- **High-agility players (hedge funds, private equity)** – lean toward hybrid data governance to maintain speed.
- **Insurers** – adopt a hybrid data model but face the sharpest “data availability” challenge (48%).

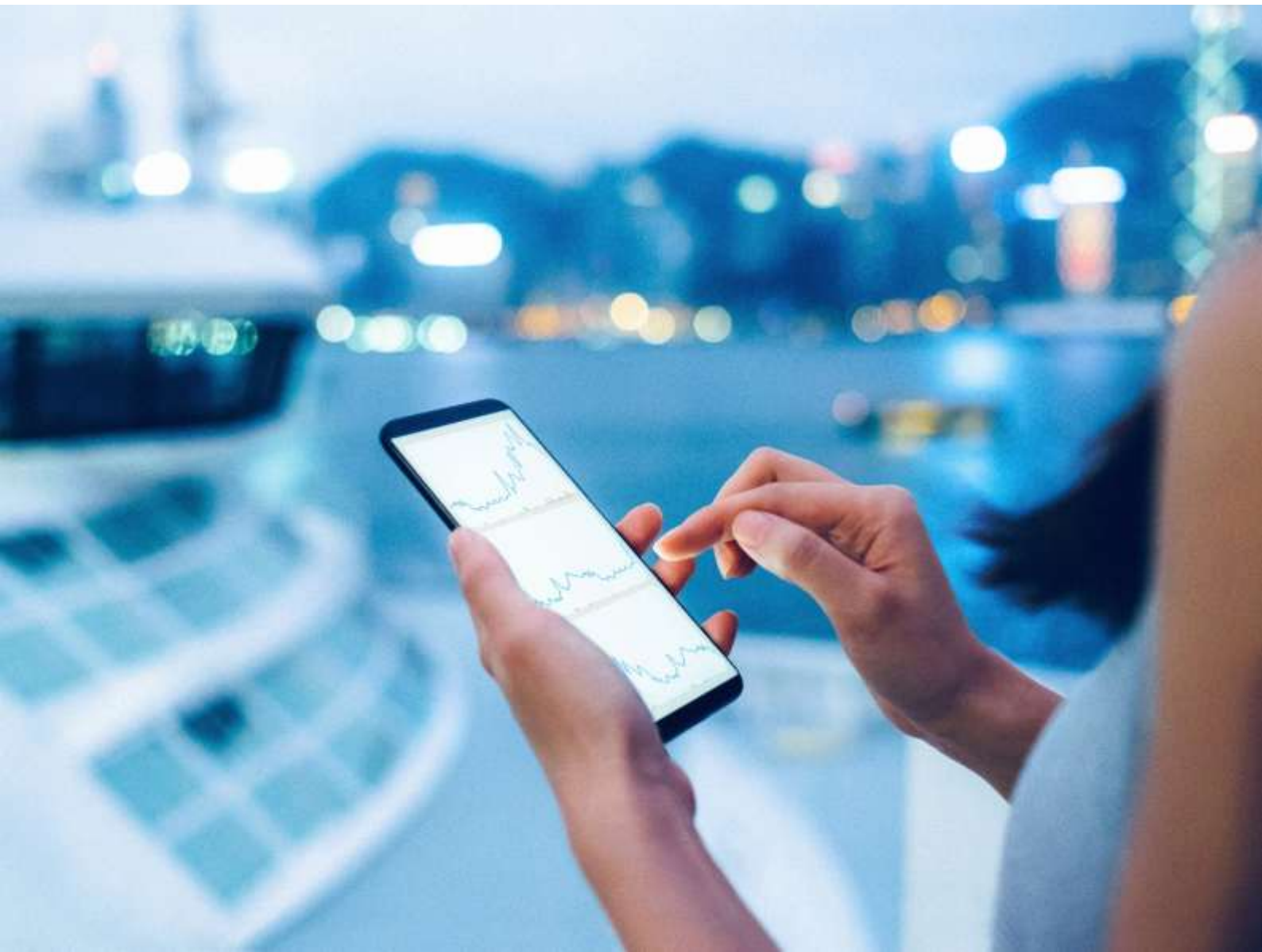
How size affects governance and tech paths

- **Large FIs** – embrace “hybrid data governance” (88%), pairing it with hybrid-model stacks and hybrid deployment strategies to maximise control and resilience; a unique pain-point is “insufficient data-processing capacity” (53%).
- **Mid-size players** – heaviest reliance on cloud services (40%); they suffer from both data quality and security challenges.
- **Small firms** – lean most on SaaS/API models (41%) and pure-cloud deployment; governance is mainly centralised (40%), with greater dependence on external/third-party data, which is where their risks also lie.



07

Responsible AI will drive
broader adoption



Case study: In order to promote the principles of responsible AI across the industry, one regulatory body engaged PwC to carry out a global regulatory benchmarking and research analysis, comparing AI regulatory developments across priority jurisdictions through a structured horizon scan and comparative analysis.

In this process, we distilled the different regulatory requirements, mapping how each jurisdiction addresses distinct AI risks (e.g., data privacy, bias and fairness, explainability and transparency, model robustness and security, accountability and human oversight, third-party risk.). We then converted these insights into actionable design principles and policy options for the client's consideration.

To facilitate adoption and build industry readiness, we also supported the regulator in organising industry seminars and workshops to socialise responsible AI principles and regulatory expectations, explored priority use cases and their risk/impact profiles, and matched them with fit for purpose solutions. These sessions were geared toward awareness-building.



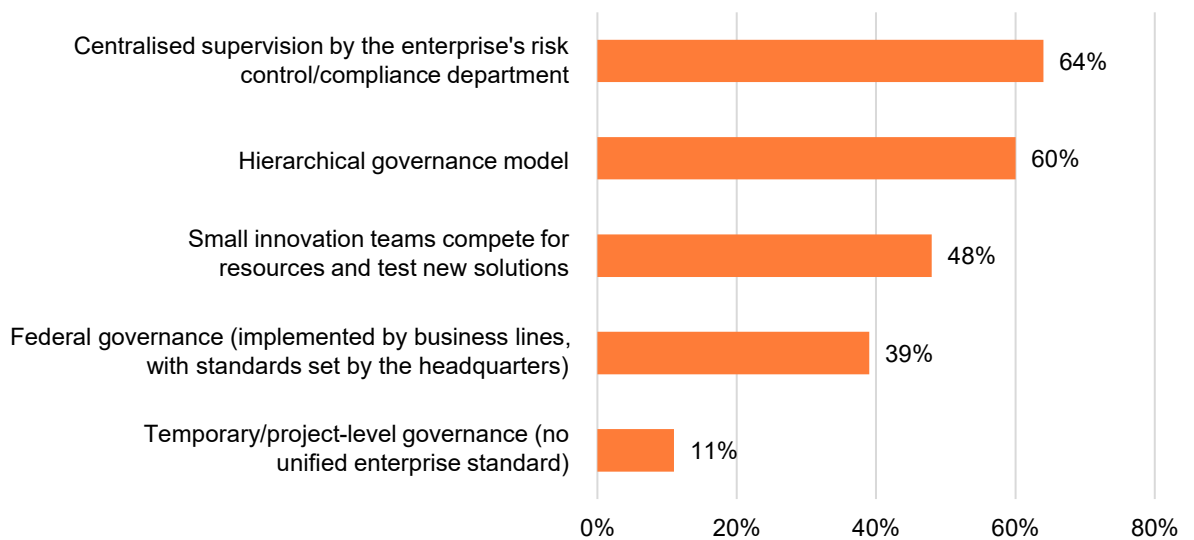
The Financial Services industry acknowledges the importance of AI governance and has developed initial frameworks. But in practice it still relies on manual controls. Key observations:

- 1. Governance frameworks are converging on “centralised” and “layered” models**, but they mainly shield their firms from conventional risk.

The dominant governance models are **“centralised oversight by enterprise risk/compliance functions” (64%)** and **“layered governance frameworks” (60%)**. This shows that financial institutions still treat AI as a new source of risk. The overriding impulse is to satisfy existing financial regulation and risk-control requirements. Governance blueprints tilt toward “control” rather than “enablement.” The top response to the question “What fundamental AI rules and key changes will shape finance over the next five years?” is “upgrade our compliance stack with AI surveillance solutions”, further confirming this compliance-first mindset.

Chart 7-1: How can FIs balance privacy, security and innovation through AI governance

How can FIs balance privacy, security and innovation through AI governance?



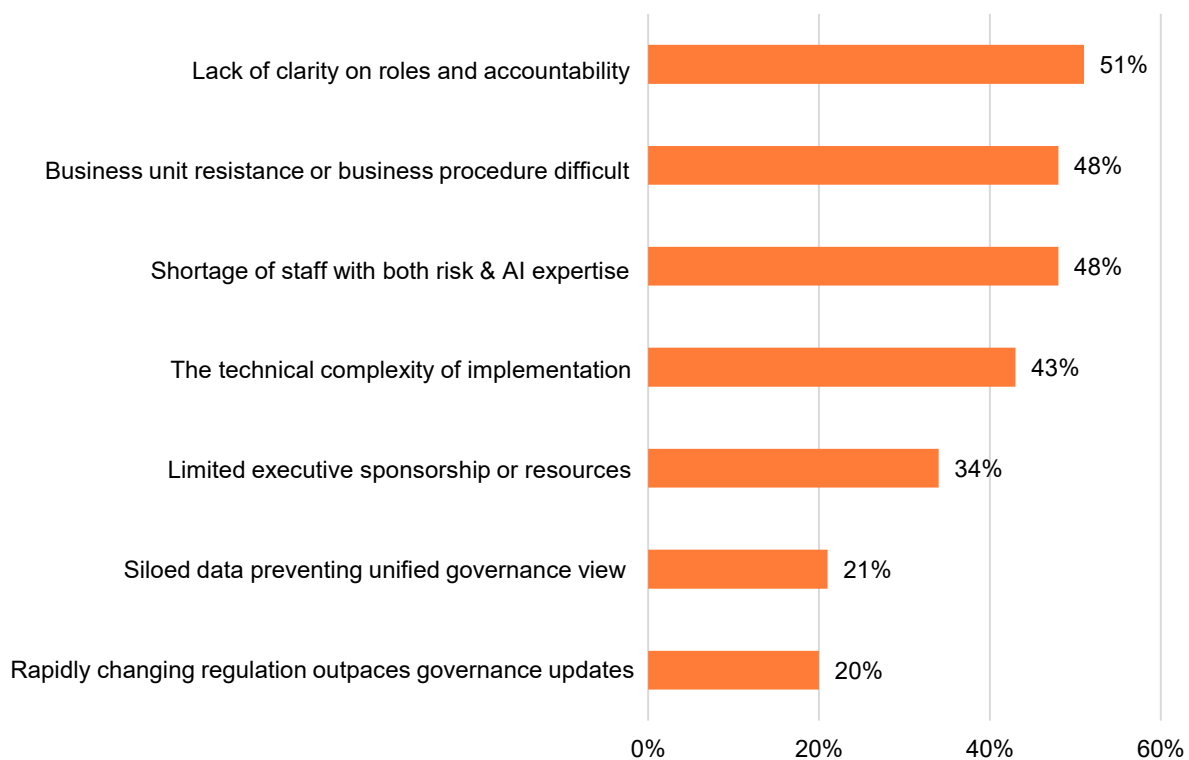


2. Obstacles to AI governance come from organisational rigidity and cultural resistance, rather than technology.

The top three obstacles arise from organisational rigidity, cultural resistance and a shortage of talent that has both risk control and AI expertise.

Chart 7-2: The biggest obstacle for organisations to carry out AI governance

What is holding back your AI governance?

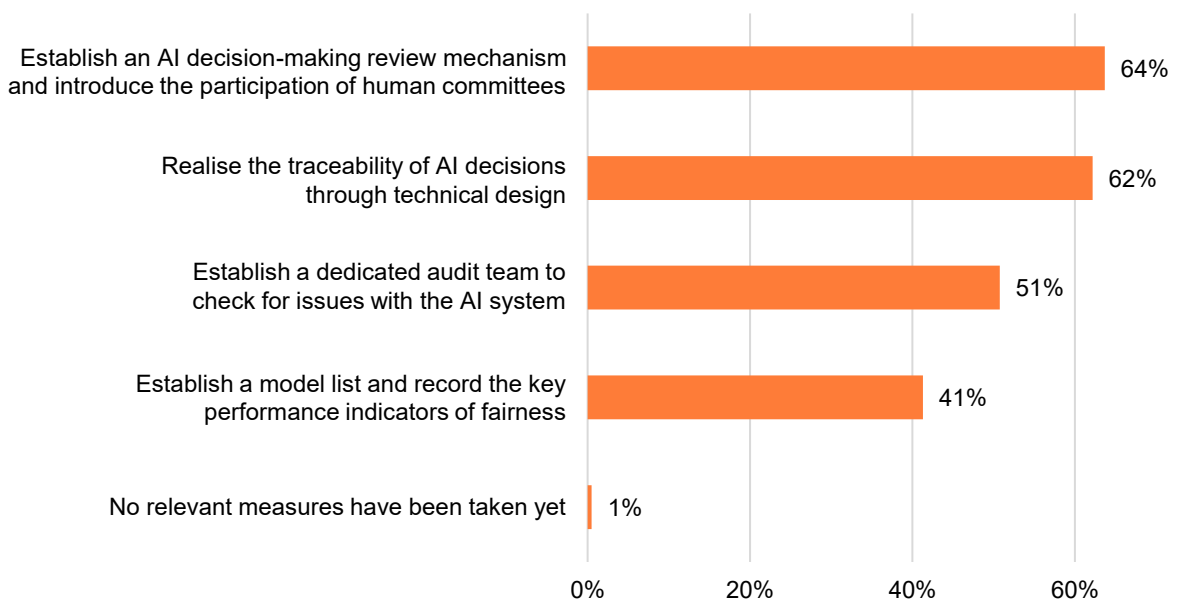


3. Decision compliance is still secured chiefly through “human intervention” and “after-the-fact reviews.”

At present, the two most common ways to keep AI decisions compliant are “Establish an AI decision-making review mechanism with a committee to make decisions” (64%) and “make decisions traceable through technical design” (62%). Deeper measures, such as “Dedicated audit team to check for bias and discrimination in AI systems” (51%) and “record fairness KPIs” (41%), lag well behind. FIs prefer to insert manual approval gates or to ensure results can be retraced.

Chart 7-3: How can FIs ensure the transparency, fairness and compliance of AI decisions

How can FIs ensure the transparency, fairness and compliance of AI decisions?



4. In core businesses, responsible AI is delivered through “process-embedded controls.”

But these controls are pinned to the input and output stages, leaving the model’s internal risks thinly monitored in real time.

Survey feedback shows that responsible AI practice is embedded in existing risk-control and compliance workflows; firms excel at erecting “guardrails” on the business-input side (compliance checks) and the output side (human signoffs, legal approval). But they lack automated tools to watch dynamic risks that can surface while the model is running—concept drift, feedback loops, generative hallucinations, etc. (only 35% of respondents cite an “auto-kill switch”).

Risks can therefore accumulate behind a façade of “compliant” process. For example, in investment workflows the main controls are “Embed pre-trade compliance checks” (58%) and “Human approval required before order release” (80%).

Chart 7-4: If AI is used in any stage above, which guardrails are in place?

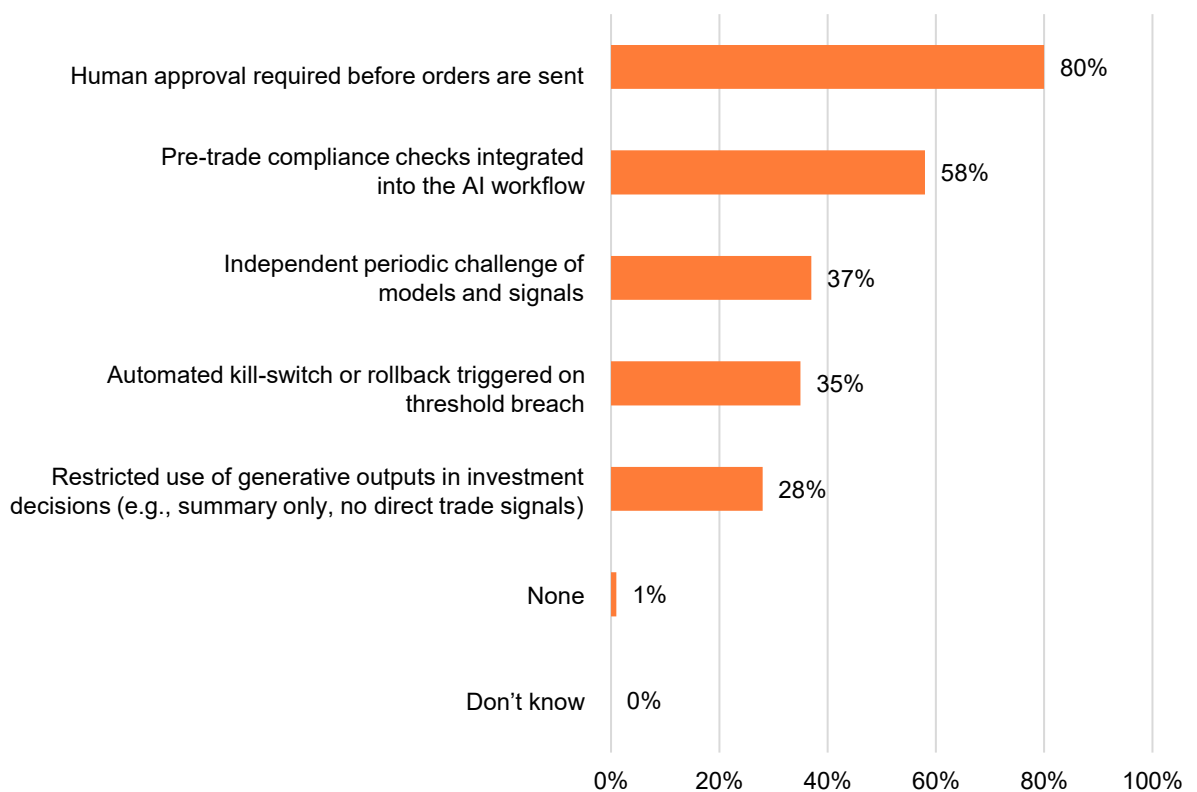
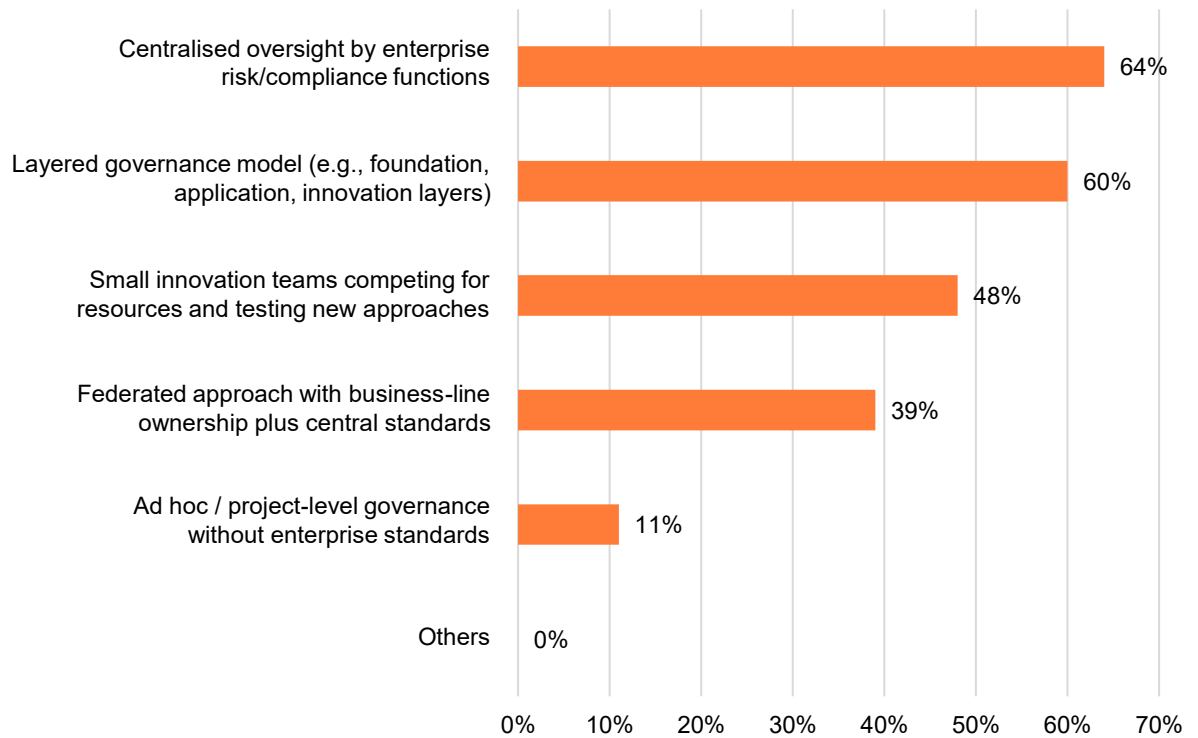


Chart 7-5: How can FIs balance privacy, security and innovation through AI governance?**Industry governance focus:**

- **Banks & insurers:** governance is compliance-driven first; budgets are channelled into traceability and explainability modules.
- **Hedge funds:** they face the dual challenges of tech-path choice and compliance risk; they favour “sandbox + canary (progressive delivery)” rollouts for rapid strategy iteration.



08

The evolution from risk control to personalised service



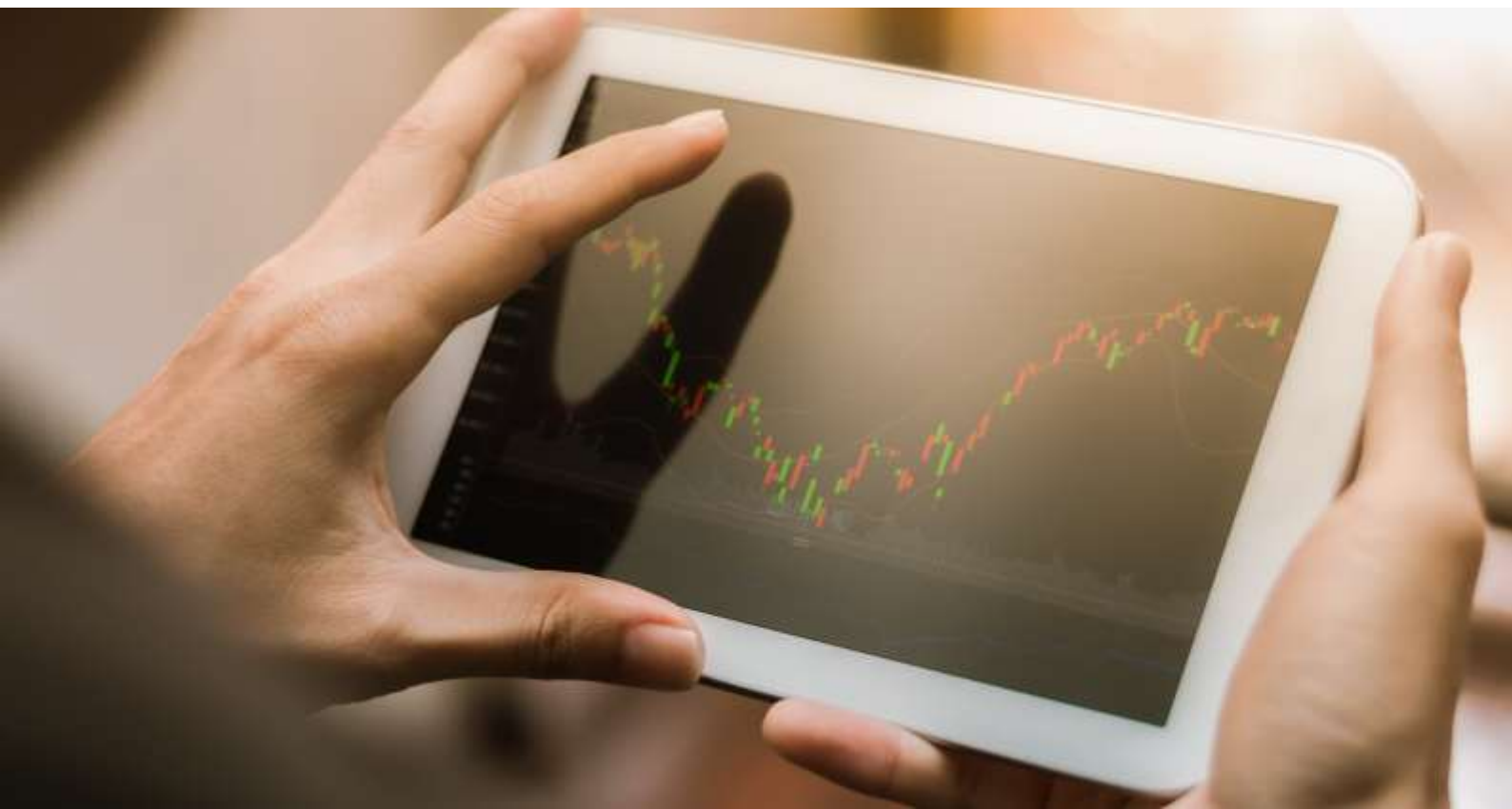
Our survey finds that AI deployments in the industry are on a path towards value realisation: from risk control, to cost saving, to revenue gain (“**defence** → **cost-cut** → **revenue-lift**”). The path is closely linked to their data readiness and ROI thresholds.

Three steps towards value realisation:

- 1. Defensive / risk control** – fraud detection & AML, credit scoring & risk assessment. Map directly to AI’s biggest proven value bucket of “risk-loss reduction”—with unambiguous pain points and easily quantified ROI.
- 2. Cost cutting / efficiency** – process automation (loan underwriting, document handling, claims, report generation, KYC, etc.). Align with today’s dominant “partial automation” reality; core payoff is higher efficiency and lower cost.
- 3. Revenue-lift / experience** – chatbots / virtual assistants, personalised services and customer insights. These correspond to the “revenue growth” value bucket, signalling the shift from efficiency tools to value creation and customer-centricity.

Multi-dimensional insights:

- **Use-case-driven infrastructure build-out:** success in foundational scenarios (risk & automation) both depends on and forces firms to hard-wire internal data governance, laying the groundwork for more complex personalisation use cases.
- **Data complexity sets the frontier:** the journey from basic use cases powered by in-house structured data to personalisation, dynamic pricing and other advanced plays that fuse internal and external multi-source data demands upgrades in governance maturity.
- **Automation propels organisational change:** deeper automation directly creates demand for new human-AI collaboration models and an “AI-first” culture.



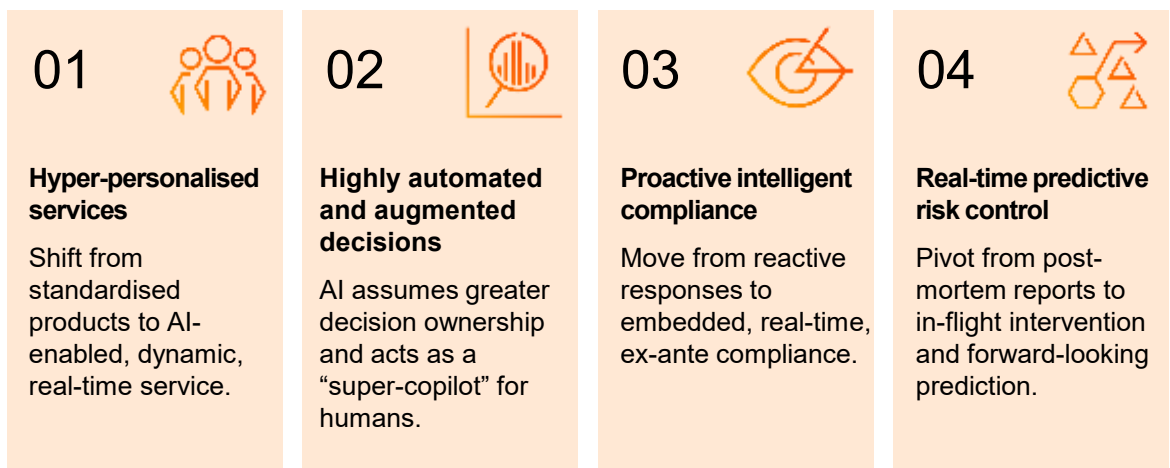
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Summary & takeaways

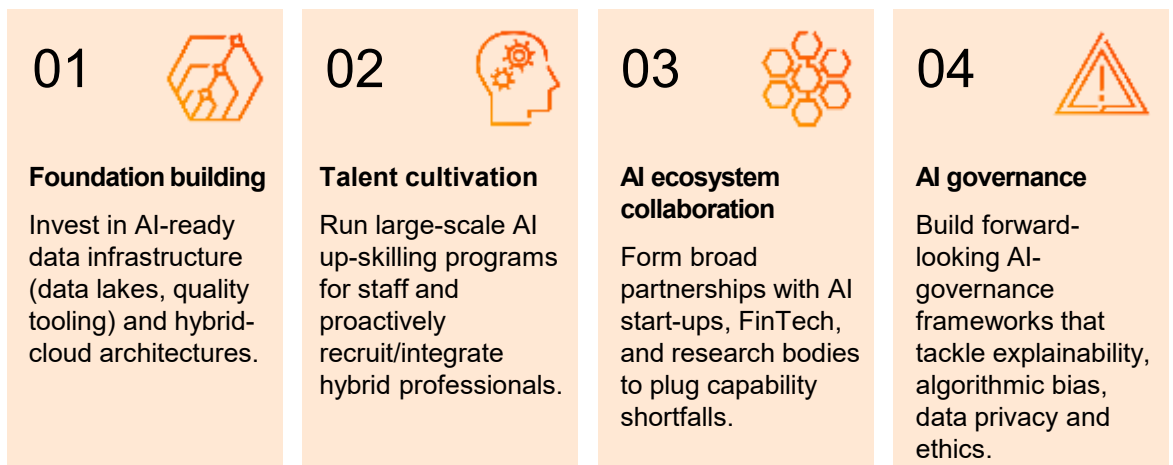


Success in AI adoption depends less on resources and more on organisational readiness, governance structure, and cultural transformation. Ethical principles and regulatory compliance must be embedded from the outset of AI development, not addressed after implementation. The future winners will be the financial institutions that can strike a balance between global standards and local adaptation.

Looking ahead over the next five years, financial institutions expect a fundamental reshaping of business models, driven by four major AI-led shifts. These are not simple “+AI” add-ons or patches that bolt AI onto traditional products. Instead, they are grounded in an AI-native mindset: from the very outset, AI is treated as the core engine, reshaping products, applications, underlying system architecture, business logic and user interactions. This represents a new breed of business model with AI built into its very DNA.



Four critical readiness initiatives now under way:



Key takeaway: The gap between a future of “**deep personalisation and automated decisions**” and today’s spend on “**data plumbing, cloud platforms and staff training**” exposes the chasm between strategic vision and foundational capabilities. The next race is for those who double down on **data management, architecture, talent and AI governance systems**.



About the survey

Our research was conducted between October 2025 and January 2026. We collected 201 survey responses and carried out 20 in-depth interviews with financial institutions in the Chinese Mainland and Hong Kong SAR, spanning the Banking, Insurance and Asset & Wealth Management (AWM) sectors and ranging from small to large organisations.

Among participating organisations:

- **By region:** around 60% are based in the Chinese Mainland, 15% in Hong Kong SAR and 25% are multinational firms operating across multiple jurisdictions
- **By industry:** 34% are in Banking, 20% in Insurance and 46% in AWM

Editorial board

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Contact us

Wilson Chow

PwC China Artificial Intelligence Leader
wilson.wy.chow@cn.pwc.com

Chinese Mainland**Qing Ni**

PwC Chinese Mainland Asset & Wealth
Management Industry Leader
qing.ni@cn.pwc.com

Jing Hu

PwC Chinese Mainland Insurance
Industry Leader
jing.hu@cn.pwc.com

Lily Gan

PwC Zhongtian Assurance Partner
lily.gan@cn.pwc.com

Eric Chen

PwC Chinese Mainland Consulting Partner
eric.y.chen@cn.pwc.com

Hong Kong SAR**Josephine Kwan**

PwC Hong Kong Asset & Wealth Management
Industry Leader
josephine.wt.kwan@hk.pwc.com

Billy Wong

PwC Hong Kong Insurance Industry Leader
billy.kl.wong@hk.pwc.com

Matthew Phillips

PwC China Financial Services Industry Leader
matthew.phillips@hk.pwc.com

Vivian Ma

PwC Chinese Mainland Banking & Capital
Markets Industry Leader
vivian.ma@cn.pwc.com

Michael Hu

PwC Zhongtian Financial Services Central
Assurance Lead Partner
michael.l.hu@cn.pwc.com

Jianping Wang

PwC Chinese Mainland Consulting Partner
jianping.j.wang@cn.pwc.com

Weibin Li

PwC Chinese Mainland Consulting Partner
weibin.w.li@cn.pwc.com

James Tam

PwC Hong Kong Banking & Capital Markets
Industry Leader
james.tam@hk.pwc.com

James Lee

PwC China Consulting AI Leader
james.tl.lee@hk.pwc.com

