Tech Mahindra Releases Survey Report on ‘Building the AI-Driven Bank of Tomorrow’

Technology

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Pune – October 27th, 2025: Tech Mahindra (NSE: TECHM), a leading global provider of technology consulting and digital solutions to enterprises across industries, announced the launch of its global survey report titled “Building the AI-Driven Bank of Tomorrow,” developed in partnership with East & Partners. The report offers actionable insights into how artificial intelligence (AI), generative AI (GenAI), and agentic intelligence are reshaping the global banking landscape, enabling the rise of intelligent, invisible, and indispensable financial ecosystems.

The survey report, based on interviews with 150 senior banking executives across 25 countries spanning the Americas, Europe, the Nordics, and Asia-Pacific, provides a comprehensive perspective from CIOs, CTOs, and CDOs of leading banks and non-bank financial institutions. The report identifies key focus areas driving this transformation, including legacy modernization, regulatory compliance, customer experience, and data governance.

Key findings from the report:

- **AI Investment Acceleration**: 81% of global banks already have dedicated AI budgets, with allocations expected to nearly double to 17% of total IT spend by 2028, signaling a decisive move from experimentation to enterprise-scale adoption.

- **GenAI and Agentic AI Adoption**: Over one-third (37%) of financial institutions are already investing aggressively in GenAI to gain early-mover advantage, with European banks leading global momentum.

- **Data as a Competitive Advantage**: Only 1 in 5 banks have a robust, real-time data governance framework in place. Institutions advancing toward Data Mesh architectures and Explainable AI models are realizing stronger personalization and compliance outcomes.

- **Legacy Modernization**: 92% of banks globally have active legacy modernization initiatives underway, but only 14% have exceeded expectations, with 30% on track, 17% falling short, and 31% scaling down to optimize cost/value.

- **Regional Investment Outlook**: Banks in the Americas lead with an average IT allocation of 12% to AI (≈US$660 million annually). European institutions follow at 9%, averaging US$499 million in IT budgets. APAC (7%) and Nordics (6%) are rapidly catching up, with a sharp rise in AI and GenAI priorities expected by 2028.

- Globally 51% of banks are allocating IT spending to enhance regulatory compliance, while 48% focus on operational stability.

- Nearly 70% of banks cite customer experience as the top AI use case, surpassing automation and compliance.

Kshitij Kumar, Global Head of the Service Line: Banking, Financial Services & Insurance, Tech Mahindra, said, *"Across the BFSI industry, AI has moved from experimentation to execution, yet many institutions still grapple with fragmented legacy systems and the complexity of embedding AI responsibly at scale. The report serves as a strategic playbook for banks to navigate the evolving AI landscape with data-backed insights, proven frameworks, and actionable benchmarks to accelerate transformation. Tech Mahindra, with its 'AI Delivered Right' strategy and Agentic AI platform TechM Orion consisting of 50+ ready BFSI agents, remains committed to accelerate customer's journey towards the bank of tomorrow – one which is digital, intelligent, and indispensable."*

Through this report Tech Mahindra aims to guide CXOs in aligning technology, culture, and purpose to build future-ready, resilient, and human-centric financial ecosystems. It helps banks navigate challenges like defining ROI, addressing cybersecurity risks, and overcoming data silos. The report outlines strategic frameworks and execution models to accelerate modernization, embed AI responsibly, and deliver hyper-personalized, secure, and compliant digital experiences.

About Tech Mahindra

Tech Mahindra (NSE: TECHM) offers technology consulting and digital solutions to global enterprises across industries, enabling transformative scale at unparalleled speed. With 152,000+ professionals across 90+ countries helping 1100+ clients, Tech Mahindra provides a full spectrum of services including consulting, information technology, enterprise applications, business process services, engineering services, network services, customer experience & design, AI & analytics, and cloud & infrastructure services. It is the first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, which recognizes global companies that are actively leading the charge to create a climate and nature-positive future. Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies.

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