

World Report Series 2025  
**Cloud in Financial Services**

# Propel top-line growth with your cloud journey

Fast-track efficiency, innovation, and superior CX



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# Foreword

The financial services industry is at a defining moment. While technology adoption surges, traditional operational models struggle to meet evolving customer expectations and regulatory demands. Security breaches, data privacy concerns, and rising costs are all disrupting long-held strategies.

A bold, cloud-first approach offers solutions. But based on interviews with global financial services leaders, our research reveals a clear divide: traditional firms see cloud primarily as a cost-saving measure, while innovative disruptors leverage it to redefine their businesses.

Now is the time for all financial services organizations to transform – and Capgemini's World Cloud Report - Financial Services 2025 outlines the building blocks of a successful cloud strategy. We've analyzed the practices of industry leaders and distilled actionable insights for financial institutions. Key takeaways include:

- **Embrace cloud nativity:** Design and build applications natively for the cloud to maximize agility and scalability.
- **Strengthen AI and Gen AI foundation:** Establish a cloud first approach for maximizing business value with AI and Gen-AI adoption.
- **Attract top talent:** Invest in cloud-skilled professionals to drive innovation and overcome technical challenges.
- **Foster a culture of innovation:** Encourage experimentation, risk taking, and continuous learning to stay ahead of the curve.
- **Partner with ecosystem players:** Collaborate with technology providers and FinTech startups to accelerate development and broaden access to cutting-edge solutions.
- **Harness data for competitive advantage:** Leverage predictive analytics, artificial intelligence, and other advanced technologies to gain deeper customer insights and personalize customer experience.

Financial services organizations that adopt a data-driven, cloud-focused, and customer-centric approach can improve operational efficiency through streamlined processes, reduced costs, and enhanced scalability. As a result, they can also accelerate business through new products and services, enter new markets, and boost customer satisfaction. Cloud drives innovation as financial services firms leverage Gen AI and automation to personalize customer experiences and stay ahead of competitors.

We believe cloud adoption is a journey, not simply a destination. Join us as we explore how financial services organizations can harness the power of cloud transformation to achieve strategic goals and unlock unprecedented business value.



**Ravinder Khokhar**

Financial Services - Global Head of Cloud  
Capgemini

# Executive Steering Committee

Top executives from banking, payments, insurance, and technology made up the Executive Steering Committee for the World Cloud Report - Financial Services 2025. We are grateful for their time, experience, and vision in helping to steer report content. Committee membership represents the Americas, Europe, and Asia Pacific to ensure a mix of global perspectives and experiences.

## Banking



**Jörgen Olofsson**

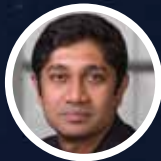
Chief Information Officer  
Euroclear Sweden



**Dennis M Tangonan**

Chief Information Officer  
Security Bank Corporation

## Payments



**Anand Jayaraman**

Global Head, Technology  
Platform Strategy and  
Enterprise Architecture  
Swift



**Romeo Alvarez**

SVP, Cloud Platform Technology  
Synchrony

## Insurance



**Roberto McQuattie**

Global Chief Transformation Officer  
Crawford & Company



**Michael Chan**

Director, IT Infrastructure and Cloud  
Gore Mutual

## Tech Players



**Arcady Lapiro**

Founder and Chief Executive Officer  
Agora Financial Technologies



**Gareth Richardson**

Chief Operating Officer  
Thought Machine

# Executive summary

The financial services industry faces a volatile landscape filled with evolving risks, tightening regulations, and shifting customer demands. As a result, bank and insurance executives are quickly moving to digitize operations, which is critical to maintaining strong customer connections and staying ahead. Cloud technology offers a powerful solution to streamline processes, foster innovation, and unlock new revenue streams.

## Embrace cloud challenges and opportunities to enhance business outcomes

Banks and insurers are increasingly adopting cloud solutions. We noted a nearly 26% increase in cloud-related terms in financial services (FS) annual reports between 2020-2023. However, firms face roadblocks in maximizing cloud value as operational challenges influence C-level decision-makers and so can slow cloud transformation initiatives and investment. These difficulties often include data collection and management efficiencies, cyber security concerns, regulatory complexities, cloud transition, and FinOps issues.

Inefficient cloud cost management, a lift-and-shift migration strategy, and rapid application scaling also prevent financial services firms from maximizing cloud investment value. Internal challenges and external factors – such as Broadcom's Q4 2023 acquisition of VMware – have impacted the FS cloud computing landscape, resulting in cost increases and complexity in managing cloud infrastructure.

As a result, traditional banks and insurers continue to use cloud primarily to drive operational efficiency. Meanwhile, new-age FinTechs and InsurTechs are leveraging cloud benefits to deliver on their innovation goals.

## Accelerate efficiency and innovation for a predictable cloud journey

Cloud-centric transformation can help FS firms navigate operational challenges, improve efficiency, and maximize cloud value by opening doors to innovative revenue drivers. Our research and analysis identified focus areas for financial firms to optimize cloud use:

- **Transformation vision:** It is essential to evolve the mindset from a lift-and-shift mentality to a cloud-native mentality by mapping the journey, fostering a culture of innovation, upskilling employees, and building scalable platforms to integrate data and support a robust, data-driven, cloud-based technology foundation.

- **Ecosystem:** Identifying the right partners, such as hyperscalers, supplemental technology providers, and FinTechs and InsurTechs, will help FS firms innovate through enhanced data insights, collaborative research and development, and accelerated product development to better support top-line growth priorities.
- **Customer experience:** Deploying cloud-powered customer experience (CX) strategies like customer relationship management (CRM) tools, omnichannel engagement, and customer data platforms can improve accessibility, visibility, and transparency, which in turn will help banks and insurers delight clients.
- **Technology and ESG:** Technologies such as artificial intelligence (including generative AI), robotic process automation (RPA), and predictive analytics will help banks and insurers support their cloud priorities. Cloud will also help financial services organizations drive their sustainability agenda through better reporting and reduced use of hardware and power.

## Boost customer centricity with a data-driven and cloud-focused approach

Our primary research found that only a few banks and insurers qualified as cloud innovators – those with a well-defined vision supported by scalable platforms and mature ecosystem partnerships, and enabled by advanced technology capabilities. Innovators are data-driven, cloud-focused, and customer-centric across the value chain: they generate superior top-line results including enhanced CX, increased data monetization, better up-selling and cross-selling opportunities, and faster development of innovative products and subscription bundles.

To replicate cloud innovators' success, banks and insurers need a clearly defined cloud transformation roadmap, including these critical mileposts:

- Migrate to an appropriate cloud platform based on platform integrity, security, and compliance while using relevant data integration, processing, and analytics technologies.
- Leverage cloud to foster a culture of collaboration and innovation by enabling real-time sharing and iteration of ideas across teams, and by setting up innovation labs to experiment with new technology.
- Deliver improved top-line growth through platform-based business models and omnichannel engagement, increased data monetization through cloud analytics, expanded market reach and impact, and faster product innovation.



A person in a dark suit is seen from behind, walking up a modern staircase with glass railings. The staircase is made of metal and glass, and the person is looking up towards a sky with a rainbow. The scene is set in a modern building with large glass windows.

# Embrace cloud challenges and opportunities to enhance business outcomes

Cloud has become a building block of financial services firms' business strategy, with a 25.9% increase in the mention of cloud-related terms in the annual reports of the top 40 Tier-One banking and insurance firms between 2020 and 2023.<sup>1</sup> Similarly, according to Capgemini's World Cloud Report - Financial Services 2023, more and more organizations have at least one cloud platform – 91% in 2023, up from only 37% of financial organizations in 2020.

Expectations that cloud will help organizations drive operational efficiency and top-line innovation fuel cloud enthusiasm and adoption. However, in reality, financial services firms face numerous challenges when attempting to maximize cloud value. As part of our 2024 Financial Services Executive Survey for the World Cloud Report – Financial Services across a range of expectations, fewer than 40% said they were highly satisfied with cloud outcomes broadly; including reduced operational costs (33%), enhanced scalability (27%), accelerated innovation (26%), advanced data and analytics (24%), and improved security and compliance (21%).

## The financial services operational landscape is complex

Financial services firms face diverse operational challenges that impact business (Figure 1):

- **Data and security:** Siloed data, inability to integrate traditional and third-party data, and apprehension about cybersecurity are roadblocks.

- **Regulations:** Compliance with complex and evolving financial regulations across different sectors and geographies constrains operational flexibility.

- **Cloud transition issues:** Managing an effective transition from on-premises to cloud infrastructure is difficult.

- **Technology:** Inadequate tech capabilities limit operational agility and the capacity to integrate and maintain advanced tech systems.

- **FinOps:** Executives struggle to optimize cloud operational costs while maintaining financial control.



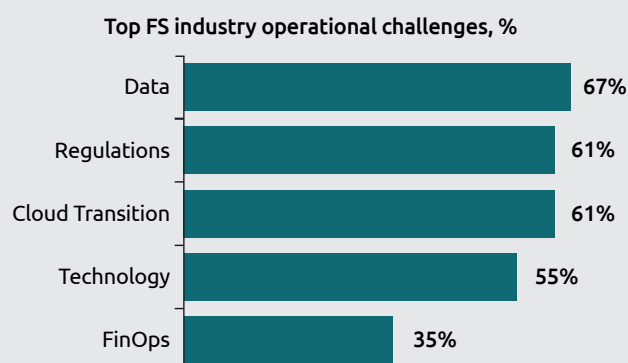
*Financial services firms are cautious cloud adopters – mindful of data integrity, security, and regulatory issues. However cloud has vast potential to generate value and as challenges are addressed and confidence rises adoption will accelerate rapidly, with AI creating transformative potential.”*

**Jörgen Olofsson**

Chief Information Officer, Euroclear Sweden

These challenges directly impact C-level leaders who oversee data, compliance, operations, technology, and finance.

**Figure 1. FS executives identified the top challenges impacting their business**



Source: Capgemini Research Institute for Financial Services analysis, 2024;  
Capgemini Cloud Survey of Financial Services Firms 2024 (N=600)

## Data and security challenges hamper efficiency and innovation

In today's data-rich world, different datasets are emerging from multiple sources, including financial, behavioral, social media, and lifestyle data. However, deriving meaningful insights from this data is no easy task.

Results from our Executive Survey reveal the top four data-related challenges for banks and insurers:

- **Data integration with legacy systems:** 71% of banks and insurers say legacy systems impede siloed data integration.
- **Data protection and cybersecurity:** 70% say protecting customer data and maintaining privacy is difficult.
- **Data integrity and quality:** 69% of executives report lackluster data quality, including incorrect and missing information.
- **Data access:** 55% say accessing relevant customer and industry data is complicated, making it tricky to derive actionable insights.



*Without cloud-based infrastructure, data is scattered across servers and software, lacking a central point for management. This outdated / legacy setup complicates integration with third-party providers and disrupts optimized interactions with B2B clients and end users, as there's no middleware to unify and streamline processes. By embracing the cloud, data can be consolidated into a cohesive entity, enhancing clarity, security, and operational efficiency."*

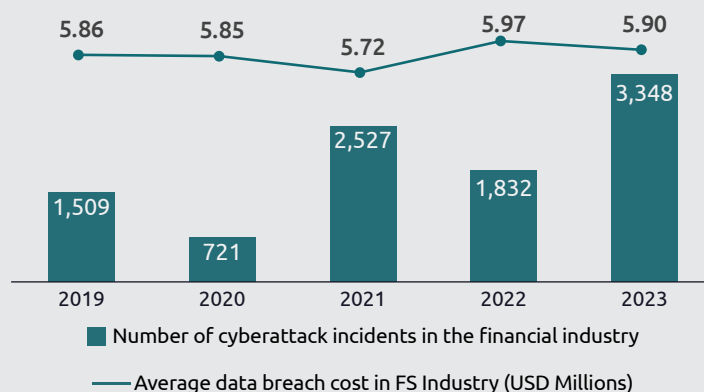
**Arcady Lapiro**

Founder and CEO,  
Agora Financial Technologies, USA

Accurate and clean data is essential for implementing new efficiency and innovation use cases. Data integrity, security, and privacy are critical for effective cloud migration and unlocking value as artificial intelligence and generative AI (Gen AI) evolve.

Rising cyberattacks and data breach costs complicate data management for financial services organizations (Figure 2).

**Figure 2. Cybersecurity concerns heighten data complexity for financial institutions**



Source: Capgemini Research Institute for Financial Services analysis, 2024, Verizon data breach investigation report 2020-2024, IBM security cost of a data breach report 2020-2024



## Cloud investments are not yet yielding expected financial benefits

Among recent cloud investments, approximately 30% yielded little benefit:<sup>2</sup> as a result, two in three banks and capital markets organizations said cloud didn't help them achieve their cost savings goals.<sup>3</sup> As cloud providers raise prices directly through rate increases or indirectly by introducing new restrictions, they add cost components while reducing discounts and funding. Berlin-based cloud optimization specialist GlobalDots predicts a 13% increase in 2024 cloud costs.<sup>4</sup>



*Cloud costs can surge if egress data transfers are not monitored, as providers often charge for data leaving their network. Financial services firms should integrate data monitoring into their strategy and negotiate terms upfront to avoid unexpected expenses. Effective cost management necessitates proactive adjustments to resource usage based on current needs.”*

**Anand Jayaraman**

Global Head, Technology platform strategy and enterprise architecture, Swift.

Why isn't cloud delivering the outcomes FS firms expect?

- **Lift-and-shift approach:** Organizations migrated existing applications from on-premises to cloud without redesigning for cloud efficiency, leading to performance bottlenecks.

- **Rapid scaling:** Firms scaled cloud operations very fast, resulting in higher-than-anticipated costs.
- **Complicated pricing models:** Complex cloud pricing models with varying costs associated with computing, storage, data transfer, and other services require more scrutiny of pricing elements.
- **Inefficient governance and management practice:** Stringent internal governance is necessary to optimize cloud use, including utilizing reserved instances (public cloud resources committed to or purchased in advance in exchange for a reduced price), demand-based resource scaling, and the shutting down of unused resources.

## Regulatory pressures force rethinking of business strategies

Bank scrutiny intensified in 2024. The Federal Reserve beefed up capital requirements, resolution planning, consumer compliance, and government frameworks in the United States.<sup>5</sup> The European Central Bank (ECB) intensified European oversight of credit risk management.<sup>6</sup> The Australian Prudential Regulation Authority (APRA) tightened supervision to bolster banks' risk management practices in Australia.<sup>7</sup>



*Regulatory overhead is a significant challenge for banks, leading to inefficiencies and wasted resources as they create departments specifically to manage paperwork. Cybersecurity is another critical issue, with expanding attack vectors and lean teams focusing on defense rather than evolution. Lastly, outdated organizational structures hinder agility and fail to align with modern, product-focused approaches.”*

**Romeo Alvarez**

SVP, Cloud Platform Technology, Synchrony, USA

In payments, anti-money laundering (AML) and data protection requirements keep regulatory complexity and costs high. AML and compliance with the Payment Card Industry Data Security Standard (PCI DSS) require significant resources

to balance compliance with operational efficiency and innovation.<sup>8</sup> Europe’s Digital Operational Resilience Act (DORA), General Data Protection Regulation (GDPR), and Payment Services Directive 2 (PSD2) require substantial investment in data security and technological upgrades.<sup>9 10</sup> Similarly, AML (Asia Pacific Group, Financial Action Task Force) and data protection (APPI, Japan) compliance in the Asia-Pacific region is complicated and requires sizable resource allocation.<sup>11 12</sup>

Premium regulations can catalyze insurability challenges in the property and casualty insurance space. In North America, the California Department of Insurance (CDI) regulates the premium rates in California.<sup>13</sup> Financial Market Supervisory Authority (FINMA) regulates premium rates covering buildings against natural forces in Switzerland.<sup>14 15</sup> In Asia Pacific, Compulsory Third Party (CTP) regulators oversee the premium rates in South Australia.<sup>16</sup>



## **DORA: EU's blueprint for a digitally secure financial services sector** <sup>17 18 19</sup>

Growing digitization in financial services makes operational resilience more crucial than ever. The European Union's Digital Operational Resilience Act (DORA) is a legislative framework to strengthen resilience against digital operational risks. Introduced in January 2023, DORA has become a cornerstone of the industry's holistic approach to digital risks.

DORA is critical to protect individual firms while ensuring the overall stability of the financial system to enhance stakeholder trust. It aims to improve the operational resilience of FS firms within the European Union. The financial sector requires a resilient framework that operates without interruption amid rising cyber threats and technology disruptions. DORA enforces detailed risk management for firms, incident reporting, and third-party oversight for regulators to assist with these issues.

The DORA timeline for compliance is stringent. FS firms must fully execute the required measures by January 2025, requiring swift action and investment in robust operational resilience frameworks. Non-compliance can result in significant penalties and reputational damage.

DORA catalyzes a change-driving regulatory evolution in financial services. The digital operational resilience approach is timely as cyber threats and technology disruptions rapidly increase. FS firms that embrace DORA's high standards can protect their interests and contribute to the overall financial system stability.

## **Dodd-Frank Section 1033 - Updated rule to give consumer greater rights, privacy, and security over their personal financial data** <sup>20</sup>

The Consumer Financial Protection Bureau (CFPB) issued a final rule in October 2024 requiring banks, credit unions, and other financial service providers to securely and reliably make consumer data available free to individuals and authorized third parties. The update defines obligations for third parties accessing consumers' data, including critical privacy protections, and promotes fair, open, and inclusive industry standards.

The finalized Section 1033 ruling allows US consumers to evaluate their account relationships, switch providers that don't benefit them, and authorize third parties to access data to provide valuable products and services they request. Increased competition can lead to innovation, attractive rates, quality service, and other benefits. Phased compliance will begin on April 1, 2026.

While offering the necessary scale and keeping the cost of data exchange low, cloud-native solutions can assist in implementing Section 1033 requirements. A secure cloud and API-based infrastructure can enable the development of new products and offerings in the open banking economy.

## Broadcom's VMware acquisition: A game-changer for cloud infrastructure and competition

VMware offers banks and insurers customizable virtualization and cloud service options, including comprehensive virtualization, flexible licensing, a vast ecosystem, and strong support. In 2023, Broadcom acquired VMware, significantly rattling the cloud computing landscape.

A pivotal aspect of the acquisition is the shift in VMware's licensing model under Broadcom's stewardship, changing from perpetual to subscription-based, which, in many cases, has increased infrastructure costs for FS firms:

- The pricing model evolved from a per-socket mechanism to a per-accessible core mechanism, leading to higher client costs in high-core environments
- Broadcom divided the product offering (initially available in multiple menu-style SKUs) into two bundles, so organizations seeking a single solution (post-acquisition) had to purchase a higher-cost bundle.

According to many financial services executives, this change has caused multifold cloud cost hikes for financial services organizations and left executives uncertain about strategic IT planning and investment; moreover, it heightens cloud infrastructure management complexity and disruption. VMware offers a comprehensive virtualization solution with no close competitors, which means banks and insurers cannot quickly leave the VMware ecosystem because few alternate options exist with matching functionality. Understandably, banking and insurance executives remain uncertain about their next steps.

## Operational inefficiencies block top-line revenue growth

Data, security, cost, and regulatory challenges, combined with other market factors, can lead to:

- **Limited data insights:** Data challenges limit the availability of insights, causing wealth managers to struggle to provide personalized investment advice, creating fraud related challenges for retail banks and leading to incomplete risk assessment for insurers.
- **Inability to prioritize innovation:** Skilled resources are limited, and fear of risk hinders innovation due to operational and security concerns.
- **Risk of regulatory non-compliance:** Flawed DataOps (processes that break down silos between the producers and consumers of data to make it more valuable) can spark financial reporting errors and data breaches that may violate protocols such as the Payment Card Industry Data Security Standard (PCI DSS).
- **Brand devaluation:** Data breaches negatively impact customer trust, damaging reputation and triggering possible long-term business growth impact.



*Compromised customer data due to cyberattacks can severely damage an organization's brand and reputation, erode customer trust, and dent the bottom line."*

**Sam Hallawell**

Head of Enterprise Cloud services, ANZ, Australia

Therefore, incumbent banks and insurers often play it safe with cloud. In fact, 84% of the bank and insurance executives we surveyed say their primary cloud business objective is to drive operational efficiency. Meanwhile, FinTechs and InsurTechs are unencumbered by many efficiency challenges and can pursue innovative revenue growth via cloud. According to our

World Cloud Report – Financial Services 2025 Survey of FinTechs (including 120 FinTechs and InsurTechs from 13 markets) conducted during June and July 2024, 62% of firms said their primary use of cloud is to drive sales through data monetization.

The following use case illustrates a new-age firm's cloud-based business optimization.

## Challenger bank enables partner API integration with a digital core banking solution and cloud platform

### Business challenge

A startup digital bank created a core based on SaaS products to achieve faster time to market. But first, it had to integrate its platforms, and the bank and its ecosystem partners needed secure platform access.

### Business strategy and implementation

The bank partnered with Capgemini to implement cloud-based “Transact for Core Banking” from Temenos to support banking and security products including an access deposit account, single and basket currency CDs, market-safe CDs, and precious metal products. Capgemini offered strategic business advice, cloud thought leadership, and technical expertise to design and implement a secure Microsoft Azure landing zone (a cloud foundation) – a modular and scalable configuration – and establish connectivity with its partner ecosystem. The team integrated SaaS platforms to process ACH and SWIFT transactions, general ledger consolidation, and customer database updates. The bank leveraged cloud to rapidly build a data platform for marketing analytics.

### Business results

The team set up the landing zone in a few sprints with VPN access for a secure, encrypted server connection. A single-sign-on system enabled bank product owners and other staff to connect with Temenos to test product functionality. A secure authentication protocol let the bank approve the APIs from ecosystem partners to interact on its behalf. Event-driven and batch services efficiently process transaction data and handle data encryption.



A photograph of a rowing team in a boat on a lake. The team consists of five people, four of whom are rowers in green and white uniforms, and one person in a grey jacket at the stern. They are all rowing in unison, with their oars dipping into the water. The background features a large, dark mountain under a sky with soft, white clouds. The water is dark and rippled. A large blue rectangular box is overlaid on the bottom half of the image, containing white text.

**Accelerate efficiency  
and innovation for a  
predictable cloud journey**

A definitive cloud transformation vision based on a hierarchy of priorities is essential as financial services firms seek innovations that drive operational efficiency and revenue growth. Based on our World Cloud Report - Financial Services 2025 research and analysis, we developed a framework for banks and insurers to maximize the value of their cloud investments. The fundamental building blocks of the framework include vision and culture, ecosystem, customer experience, and technology and sustainability (Figure 3).

### Encourage an innovation-driven, cloud-native corporate culture

The journey to operational efficiency and top-line innovation begins by evolving each FS firm's collective cloud transformation mindset from lift-and-shift to cloud-native. Start by carefully mapping the transformation journey, defining objectives, engaging business leaders and obtaining their buy-in, assessing available alternatives and contingencies, considering

transformation costs, and developing a migration strategy. Cloud-native technology will enable the necessary modularity for operational flexibility and scale.

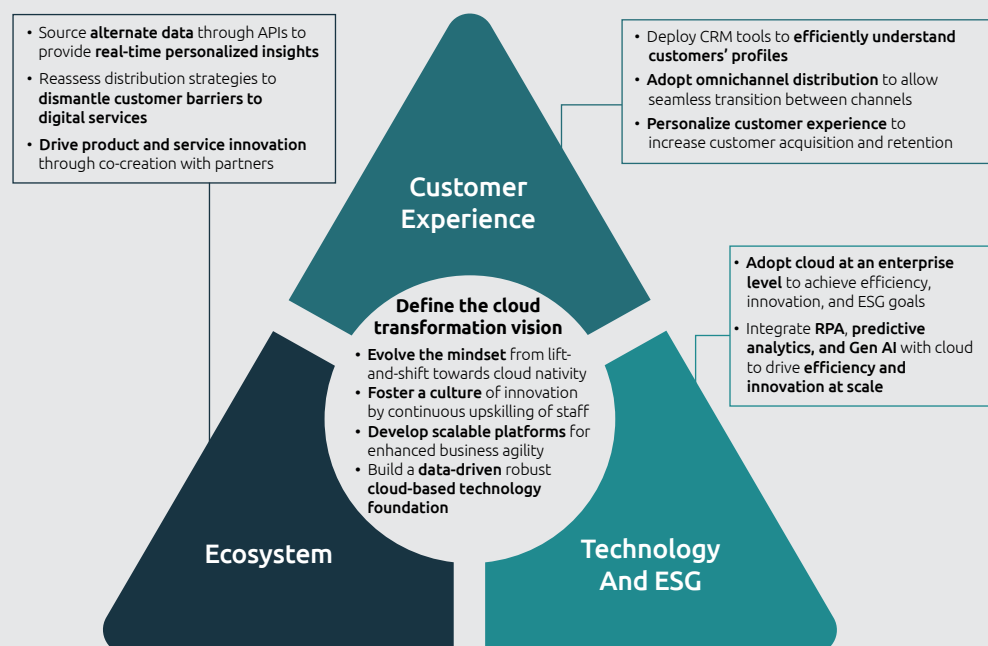
Catalyze transformation by fostering a corporate culture prioritizing agility, innovation, and open-mindedness. Upskilling employees through regular training and workshops is also necessary for cultural adjustment and expansive innovative thinking.

*"The right talent is critical during cloud transformation – including retention to benefit from company experience by upgrading and modernizing skillsets, and acquiring new specialists to drive the transformation vision."*

**Daniel Volk**

Chief Information Officer, Crawford & Company, USA

**Figure 3. Establish a cloud transformation framework around a hierarchy of success criteria**



Source: Capgemini Research Institute for Financial Services analysis, 2024

However, only 27% of the financial services executives we polled for this report said their organization operates a cloud-native standalone digital subsidiary. Of those that do, 75% registered increased agility and innovation, and 60% noted improved customer experience.

For example, Citibank brought its global transaction services into a single digital platform, CitiDirect. In 2023, the bank reported 15% year-on-year CitiDirect growth in cumulative active users and 4% in total clients.<sup>21 22</sup>

Australia and New Zealand Bank (ANZ) helps customers improve financial wellness by giving them greater visibility and control over their money and providing financial insights. In early 2022, the bank launched ANZ Plus, a modular and scalable platform that enables flexible service quality improvement while adding new features and functionalities.<sup>23</sup> Since its launch, ANZ Plus has attracted 500,000 customers (about 40% new to ANZ) and USD 10 billion in deposits.<sup>24</sup>

## Scalable platforms facilitate agile business-demand response

Cloud nativity begins with scalable platforms to increase operational agility and the capacity to bring new products and services to market quickly. According to our Financial Services Executive Survey, 72% believe scalable platforms are critical for business goal achievement. Yet, only 11% of organizations have highly scalable platforms.

Our research and analysis identified concrete actions banking and insurance executives can take to overcome this gap:

- Define business requirements by evaluating the data, equipment, applications, and locations involved.
- Design modular infrastructure using cloud-native technologies such as microservices (small independent software components that collectively perform as a complete cloud-native software) and containerization.\*
- Select cloud platform and database scaling techniques by considering cloud type (private, public, hybrid), vendor fit, lock-in, certifications, reliability, security, regulatory compliance, and performance.
- Deploy autoscaling (automatic allocation of computational resources based on system demand) and load balancing (optimized resource utilization to ensure no single resource is overburdened with traffic) by dynamically allocating compute and storage resources based on data traffic.
- Use monitoring and analytics to make business decisions based on insights from scaling patterns over time.



*Cloud services can flexibly scale resources up or down for campaign surges, fraud detection, or event-driven responses, driving revenue and cost efficiency. Dynamic scalability supports timely, targeted actions such as cross-selling, upselling, or proactive risk management, ultimately enhancing top-line growth and efficiency.”*

**Nigel Walsh**

Head of Global Insurance, Google Cloud, USA

For example, Deutsche Bank leveraged Google Distributed Cloud Virtual (GDCV) to build and maintain Autobahn FX, a real-time trading platform. The hybrid cloud infrastructure built on top of GDCV helps tackle scalability constraints driven by unpredictable transaction spikes. The GDCV components, running on the bank's hardware, can be quickly scaled up as and when additional deployments are required.<sup>25</sup>

The financial services executives we interviewed said scalable platforms help handle workload spikes efficiently, quickly store and process large data sets, and reduce operational costs.

\*Containerization is a software deployment process that groups and isolates an application's code, libraries, and files into a single, lightweight container to ensure consistency across different environments. It is essential for managing and deploying application programming interfaces (APIs).

## AI and related technologies are critical enablers of a cloud strategy

Delivering efficiency and innovation goals for banks and insurers relies on the right tech capabilities. Of the executives we polled for this report, 81% said the lack of appropriate technology impedes their business goals.

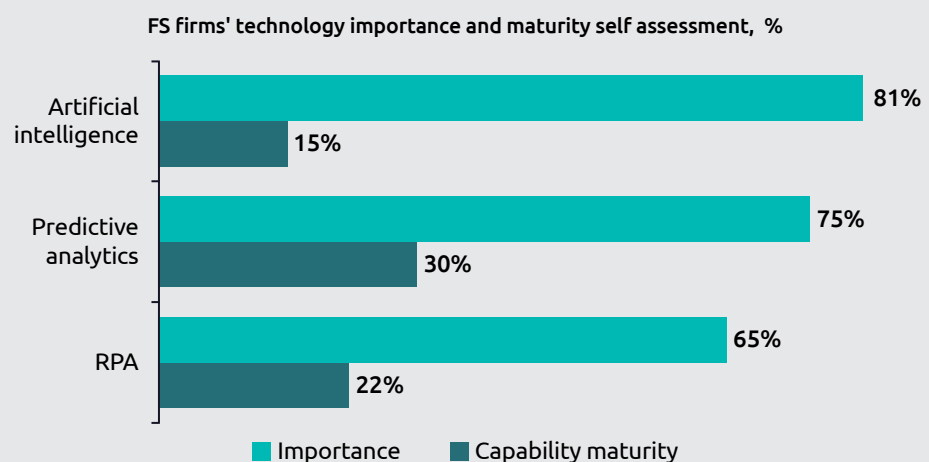
To assess the industry's technical readiness, we asked FS executives to identify essential technologies to support a cloud ecosystem and their firm's current maturity levels regarding these capabilities. Respondents identified artificial intelligence, predictive analytics, and robotic process automation (RPA). Still, there is a significant gap between the perceived importance of these technologies and FS firms' capability maturity (Figure 4).

Banks and insurers can accelerate cloud transformation by building a secure, cloud-based technology foundation to effectively ingest and integrate data and draw actionable insights. Technologies including AI, predictive analytics, and RPA can boost cloud benefits.

- AI enables efficient risk, fraud, and security management while providing customer support at lower operating costs.
- Predictive analytics enhances forward-looking decision-making and identifies up-selling and cross-selling opportunities. For example, PayPal moved its on-premises Hyperion Essbase application to Oracle Cloud to modernize financial planning and analytics. The firm deployed Oracle Analytics Cloud to provide a visualization tool for Essbase users, which helped PayPal financial teams run predictive analytics, model what-if scenarios, create advanced ad-hoc reports on demand, and operate faster.<sup>26</sup>
- RPA helps increase scalability to handle complex workloads, streamlining and automating routine manual tasks.

The right technologies position banks and insurers to leverage cloud benefits, powering operational efficiency and innovation.

**Figure 4. Banks and insurers know which technologies they need, but their capability maturity falls short**



Source: Capgemini Research Institute for Financial Services Analysis, 2024, Capgemini Cloud Survey of Financial Services Firms 2024 (N=600)



*At Vanguard, we are tapping into the power of AI to revolutionize how we serve our clients and support our advisors. As we embed AI into our processes – automating tasks like transcribing conversations, updating CRM systems, and delivering real-time insights – we anticipate significant enhancements in advisor efficiency and client interactions. By harnessing AI-driven tools, we're making our advisory services more streamlined, responsive, and attuned to the evolving expectations of our clients. This isn't just an upgrade; it's a leap forward in our mission to empower our investors and give them the best chance for investment success."*

**Eric Ziegler**

Head of Engineering and Chief Architect,  
Vanguard, USA

- 69% said cloud providers are vital to offer scalable infrastructure, enhanced data security, and advanced analytics features.
- 57% said other supplemental technology providers are critical for integrating platforms and equipping their firms with the right technology to support cloud priorities.
- 55% said FinTechs and InsurTechs are important to offer innovative solutions across payment processing, lending, digital banking, underwriting, and claims processing to help enhance customer experience.

Ecosystem partners help banks and insurers drive operational efficiency by providing access to alternative customer data, ensuring consistent organizational data flow and product creation agility. Our Executive Survey respondents said partnerships help them innovate through enhanced data insights (72%), collaborative R&D (48%), and reduced barriers to digitalization (46%).

## Ecosystems unlock synergies and faster decision-making to drive top-line growth

Financial services firms are looking for quick decision-making and faster product innovation. According to a 2022 InterSystems poll, 86% of banks and insurers lack confidence in using their data to drive decision-making.<sup>27</sup> Moreover, a study from the London-based provider of cloud-native core banking platforms, 10xBanking, found that 64% of bank managers believe that slowed digital transformation impacts their business.<sup>28</sup>

Financial services executives told Capgemini that ecosystem partnerships are an asset to their strategic priorities:



*Strategic ecosystem partnerships are crucial for bank efficiency and innovation. FinTech technologies uplift application postures, cloud providers deliver critical infrastructure, cyber security firms help optimize threat protection and data analytics, and AI specialists offer insights and automation support."*

**Dennis M. Tangonan**

Chief Information Officer,  
Security Bank Corporation, Philippines



Banking and insurance ecosystems can help provide scalability, manage financial transactions efficiently, create innovative products, improve customer relationships, and maintain compliance (Figure 5).

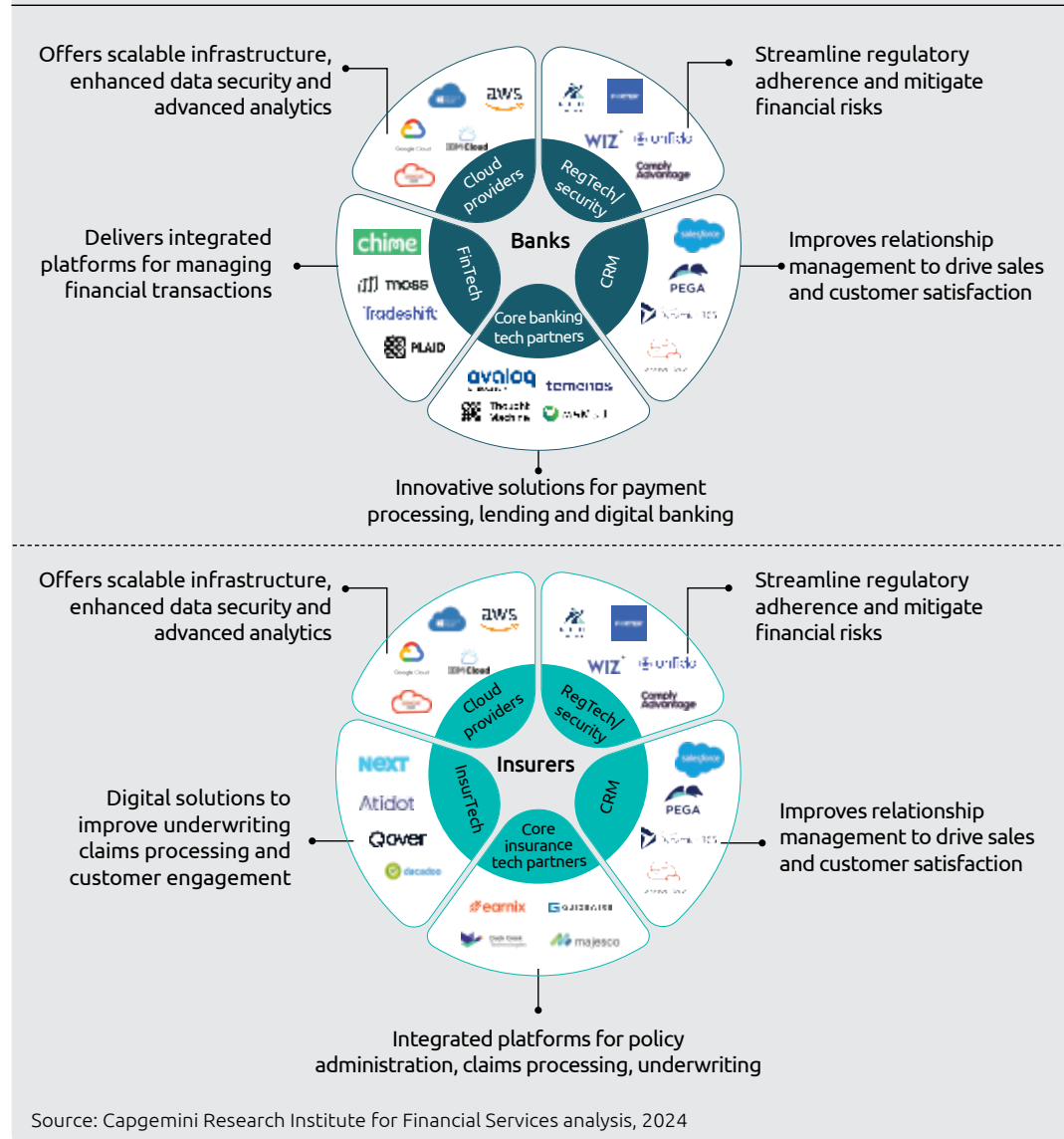
With the right innovation capabilities in place, FS firms can boost customer acquisition and top-line growth by:

- Expanding market reach by entering and serving new markets with the help of cloud systems that don't require the costs involved in building multi-location infrastructure

- Providing value-added features and services that attract new customers
- Enhancing customer engagement through personalized reach, quicker time to market new products, and faster response to evolving customer needs.

Financial services firms can leverage ecosystem partnerships to anchor business strategy around customers.

**Figure 5. An ecosystem of complementary specialists helps banks and insurers achieve operational and business goals**



## Tech giant delivers game-changing AI solutions to drive cloud flexibility and FS growth

As the financial services tech environment rapidly changes, agility is essential to achieving enterprise-wide operational efficiency and innovation-led growth.

NVIDIA, a Santa Clara-based full-stack computing company, developed powerful graphics processing units (GPUs) that accelerate deep learning algorithms. In March 2023, NVIDIA introduced cloud services to accelerate AI adoption in collaboration with cloud service providers like AWS, Google Cloud, Microsoft Azure, and IBM Cloud to offer FS firms access to the latest AI technologies and services.<sup>29 30</sup>

### NVIDIA cloud services offer:

- **Enterprise-wide AI**, through a unified data center approach which enables data integration, eliminates silos, maximizes the efficiency of processing and computing data, and reduces the need for specialized hardware.
- **AI-ready infrastructure**, including GPUs, optimized frameworks, and comprehensive development and deployment support, is essential for large-scale AI implementation.
- **Flexible cloud solutions**, to handle complex IT ecosystems agilely and deploy AI/ML models across different cloud environments.

They provide sector-specific services for the FS industry across trading, banking, and payments.

 Trading	 Banking	 Payments
<ul style="list-style-type: none"> <li>• Improved accuracy of risk assessments</li> <li>• Faster trade processing</li> <li>• Successful trade executions</li> </ul>	<ul style="list-style-type: none"> <li>• Gen AI powered chatbots</li> <li>• Recommender systems</li> <li>• Portfolio optimization</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance identity verification</li> <li>• Effective AML techniques</li> <li>• End-to-end fraud detection</li> </ul>

NVIDIA's innovative offerings can support FS firms in critical areas, including:

- **Enhanced data analytics**, through accurate and agile processing of large data sets that can improve decision-making, risk management, and fraud detection
- **AI-powered trading algorithms**, boost computational power, allowing more sophisticated AI-driven trading algorithms to analyze market data in real time, identify patterns, and execute trades at previously unattainable speed and accuracy
- **Personalized customer experience**, through Gen AI-powered chatbots and tailored recommendations facilitated by quicker data analysis
- **Operational efficiency**, by automating routine tasks and processes within financial institutions that reduce costs and free up human resources for more strategic activities.

FS players that leverage NVIDIA's innovative AI solutions report significant benefits:

- American Express said fraud detection was 50 times better versus its previous CPU-based configuration.<sup>31</sup>
- Wealthsimple shortened its model deployment time from several months to 15 minutes.<sup>32</sup>
- CCC Intelligent Solutions, a Chicago-based P&C insurance cloud platform, expedited model development 30-fold.<sup>33</sup>

## Evolving customer expectations necessitate an increased focus on enhancing experience

Of the financial service executives we polled for this report, 72% identified evolving customer expectations as a critical business challenge. Moreover, in a study by Danish-American SaaS company Zendesk, 71% of FS executives said customer experience (CX) is more vital than their financial advice.<sup>34</sup> According to Capgemini's World Life Insurance Report 2025, legacy technology remains a significant hurdle for 52% of insurers, which stifles insurers' ability to deliver exceptional CX.

*“Today's customers expect 24/7 access to their banks and personalized features. Cloud-based experience management is essential for financial institutions to enhance customer service and drive success. Banks can deliver seamless, around-the-clock experiences by leveraging robust cloud platforms and maintain a competitive edge in a secure manner.”*

**Hemanth Sundararaj**

Solutions Sales Leader-WW Financial Services,  
Microsoft, USA

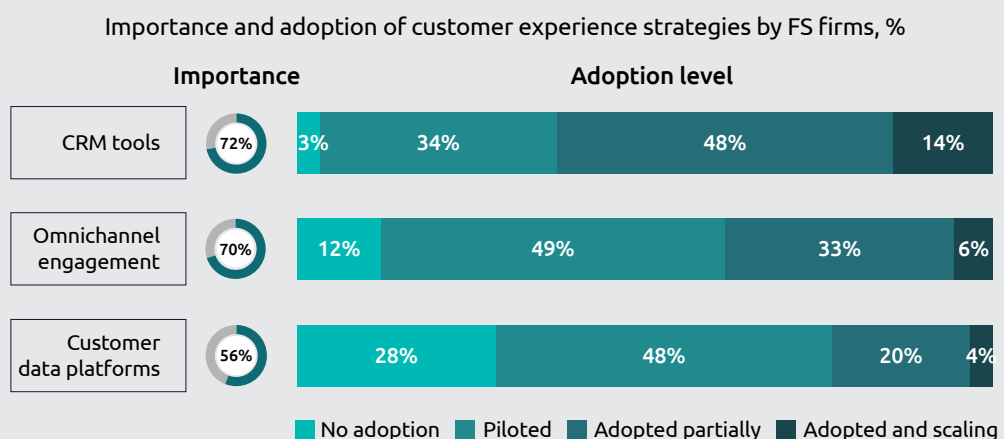
Cloud-powered CX strategies can help financial services organizations delight customers. For example, UK insurer Esure Group transformed its customer experience and increased innovation by building a cloud-native platform on AWS in 2023; they used Amazon's cloud contact center service to create personalized user experiences. The carrier integrated the service with data from other platforms to develop loyalty-building engagement. The insurer reported a 50% improvement in critical fraud detection metrics and up to 30% in IT cost savings.<sup>35</sup>

FS executives understand the importance of CRM tools, omnichannel engagement, and customer data platforms. However, adoption of these CX-boosting strategies remains low (Figure 6).

A five-step virtuous cycle that leverages cloud-based solutions can help banks and insurers delight customers by enhancing their experiences:

- **Data collection and management:** Cloud-based CRM platforms allow firms to centrally and efficiently manage real-time traditional and alternate data sourced individually and from third parties.
- **Acting on real-time analytics:** Integrating predictive analytics, AI, and ML in a cloud-based infrastructure empowers decision-makers with comprehensive customer insights through visualization, dashboards, and reporting.

**Figure 6. Cloud-powered CX strategies are critical, but adoption is limited**



Source: Capgemini Research Institute for Financial Services analysis, 2024; Capgemini Cloud Survey of Financial Services Firms 2024 (N=600)

- **Proactive engagement with customers:** Firms can use customer insights to personalize and target communications and recommendations based on individual personas.
  - **Omnichannel support and contact center modernization:** Cloud-powered customer engagement across multiple channels (web, mobile, and branch) and contact center modernization via interactive chatbots/assistants and agentic frameworks will expand and enhance customer reach.
  - **Scaling, monitoring, and iterating:** Firms orchestrating their cloud environment with Gen AI and other technologies can predict and monitor market trends and customer behavior to boost CX.
- Cloud helps banks and insurers focus on innovative new offers and value-added services that open revenue streams.
- 90% of the FS executives we surveyed believe these strategies will increase FS firms' accessibility to customers
  - 88% think it will help improve customer visibility and understanding
  - 67% believe it will increase transparency, enabling more open customer communication.
- Cloud can ensure consistent customer experience, as demonstrated in our use case.

## Multinational bank migrates mobile payment wallet to cloud for seamless CX

### Business challenge

The payments wallet of a large global bank experienced frequent downtime and slow performance. This financial institution wanted to improve cloud platform stability with support from a cloud service hosting solution. The bank also wanted to reduce its cloud expenses by leveraging a global infrastructure pricing agreement with a hyperscaler.

### Business strategy and implementation

The bank partnered with Capgemini to migrate its payment wallet – a core ledger system – to Amazon Web Services from its existing cloud provider. Migration required a detailed understanding of transferring intricate data across two cloud platforms. To ensure a seamless transition, the migration team carefully considered potential network latency spurred by cross-cloud data migration.

### Business results

The bank reported that migration to AWS resulted in a 40-50% improvement in the payment wallet's end-to-end response time. Leveraging AWS' services drove infrastructure optimization, which led to improved response times. The optimized payment wallet now ensures a consistently superior user experience.

## Cloud solutions can take the pain out of regulatory compliance

Ever-increasing regulatory mandates are often time-consuming and labor-intensive. Therefore, financial services executives seek more efficient and innovative compliance techniques. Cloud-based strategies can boost flexibility, streamline processes, and meet compliance standards.

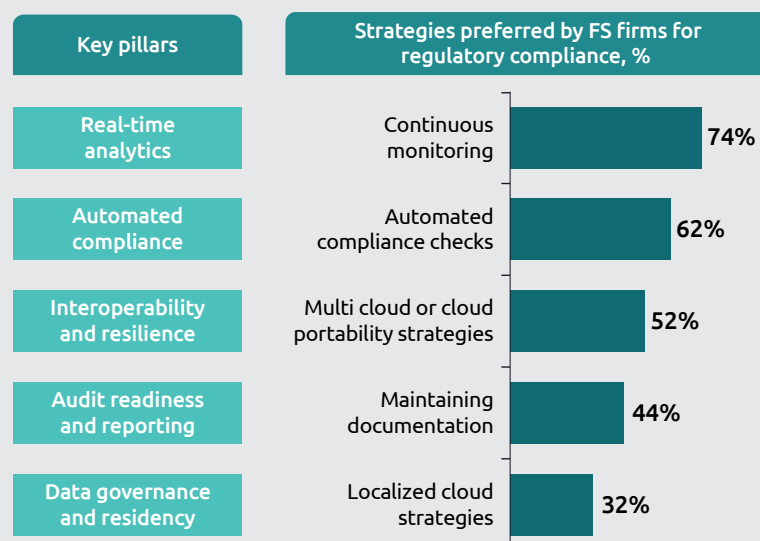
A structured cloud-based compliance strategy built across five pillars – real-time analytics, automation, interoperability and flexibility, audit readiness, and data residency – is essential to respond to ongoing regulatory demands effectively. Each pillar addresses the primary expectations of FS executives (Figure 7):

- Real-time analytics help monitor transactions continuously and identify potential regulatory breaches instantaneously, enabling financial services firms to manage risk and stay compliant with ever-changing regulations.

- Automated compliance limits manual interventions and includes systems that track regulatory changes and automatically update internal policies, increasing reporting efficiency and accuracy.
- Interoperability and flexibility help FS firms guard themselves against vendor lock-in and maximize the usability of compliance tools across different platforms.
- Audit readiness provides a thorough audit trail and detailed documentation with a centralized, secure, and accessible data storage mechanism that helps enterprises meet compliance standards and simplifies the audit process.
- Data residency enables data storage and processing under regional regulations to protect customer information and ensure FS firms' observance of local laws.

Our Executive Survey found that FS Firms leveraging cloud-based strategies garner significant benefits, including better monitoring/sampling (64%), enhanced transparency (63%), and improved customer experience (54%).

**Figure 7. Cloud-based compliance tools help meet executives' key expectations**



Source: Capgemini Research Institute for Financial Services analysis, 2024; Capgemini Cloud Survey of Financial Services Firms 2024 (N=600)





*Regulatory compliance is a crucial driver of cloud adoption. With regulations around Cyber evolving and standards like DORA emerging, it would be difficult for financial services firms to remain adequately compliant using traditional infrastructure setups. Cloud helps overcome these challenges and enables rapid evolution and agility.”*

**Nicolas Saint Supery**

Head of IT for Corporate Functions,  
Société Générale, France

## Cloud helps banks and insurers manage ESG reporting and sustainability goals

Environmental, social, and governance (ESG) factors are a growing business priority for FS firms aiming to:

- Achieve net zero targets with the help of a data-driven approach by harnessing environmental data to enhance brand equity.
- Innovate and offer low-carbon products and services and drive business value around carbon neutrality.
- Enhance climate risk and resilience by developing continuity plans to mitigate climate-related disruptions.

Cloud computing enables organizations to manage ESG initiatives and achieve sustainability goals through external transparency, accurate reporting, and reduced hardware and power use.

Leading cloud providers – AWS, Microsoft, Google Cloud, and IBM – offer comprehensive solutions to help financial services organizations achieve sustainability goals.

- Amazon Web Services (AWS) provides a customer carbon footprint tool that uses simple visualizations to show clients their historical carbon emissions and review forecasted emissions based on trend activity.<sup>36</sup>
- The Sustainability Manager from Microsoft unifies data intelligence, to provide a comprehensive, integrated, and automated sustainability management experience for organizations at different stages in their journey.<sup>37</sup>
- Tools from the Google Cloud Carbon Sense Suite measure, manage and report carbon emissions across the enterprise while assessing the potential impact of climate on FS firms’ portfolios.<sup>38</sup>
- The Cloud Carbon Calculator from IBM Cloud is an AI-informed dashboard enabling clients to access emissions data across various workloads. It allows them to track greenhouse gas emissions across cloud services.<sup>39</sup>

## Gen AI/cloud integration can facilitate innovation at scale

While a secure cloud-based technology foundation can accelerate banks’ and insurers’ efficiency and innovation journey, advanced technologies – including Gen AI – can scale innovation.

Financial institutions can harness the power of data clouds to transform their operations. By aggregating and organizing data within a unified platform, these firms can leverage AI, predictive analytics, and RPA to unlock valuable insights for analytics, reporting, and business intelligence. Integrating Gen AI into this technology stack can accelerate innovation, enabling banks and insurers to generate code, data, text, and images that drive strategic initiatives.

Gen AI features enable a variety of FS benefits (Figure 8):

- Quicker product development is achievable through fast prototyping and agile creation and assessment of design alternatives to explore a broad range of creative possibilities faster than traditional methods allow.
- Accelerated vulnerability detection and secure code development are made possible through swift risk identification and mitigation that previously required days. Acceleration streamlines code creation and empowers developers to explore unique and innovative solutions.
- Resilience-building simulations and tests can be accomplished by training algorithms on sample data to learn patterns and correlations and generate synthetic data that mimics the original. This capability ensures robust testing and preparation for real-world scenarios and safeguards software and systems' operational integrity and reliability in the face of challenges.
- Intuitive and intelligent chatbot advisory using natural language protocol (NLP) and machine learning can help firms personalize customer advice, recommendations, and information, improving over time through continuous learning from user interactions.
- Enhanced employee and workflow productivity is possible when Gen AI automates routine tasks, offers real-time

insights, and augments collaboration so staff can focus on more satisfying strategic and creative assignments.



*Generative AI offers immense potential for insurers in areas like claims summarization, where nuanced insights are crucial. While AI tools can highlight anomalies and provide precise summaries, these tools cannot fully replace human judgment in decision-making. The focus should be leveraging AI models to uncover critical insights while ensuring that technology supports, rather than replaces, human expertise."*

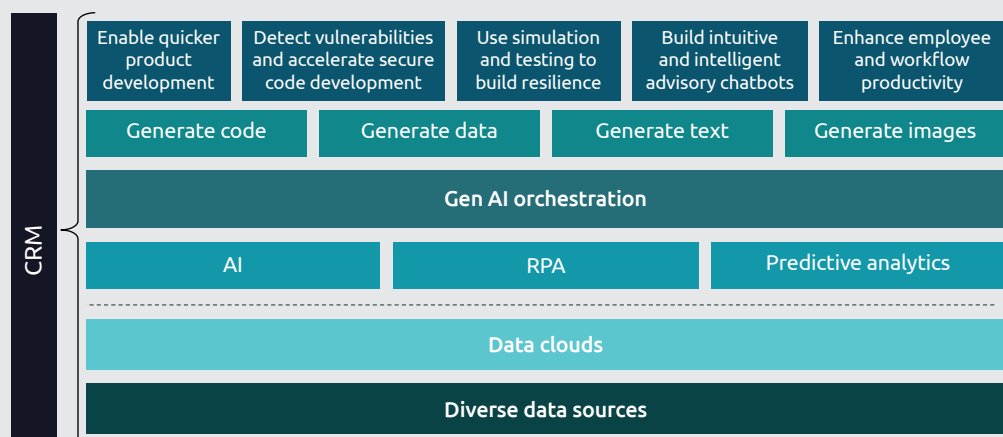
**Christina Colby**

Chief Customer Officer, Guidewire, USA


For example, Morgan Stanley's new Debrief is an Open AI-powered assistant that generates notes on behalf of financial advisors in client meetings (with client consent) and summarizes key points to save report creation time and enhance client engagement.<sup>40</sup>

When financial organizations optimize their technology infrastructure, they empower resources with increased efficiency, enabling them to focus on innovative revenue generation.

**Figure 8. Scale innovation with Gen AI orchestration**



Source: Capgemini Research Institute for Financial Services analysis, 2024



**Boost customer centricity  
with a data-driven,  
cloud-focused approach**

The goal of most cloud transformation journeys – positive revenue growth – is possible through operational efficiency and innovation. Banks and insurers that prioritize vision, mindset, ecosystem partnerships, technology, and customer experience, as referenced in the framework, can reap tangible benefits. Although some financial organizations show promise in these areas, only a few create a priority-based business roadmap to successfully navigate a cloud transformation journey.



*Cloud shouldn't be considered a destination or an end-state; rather, financial firms should view it as a means to achieve their transformative business goals. Adopting cloud is not simply about relocating applications; it's about embracing new ways of working."*

#### Scott Mullins

Managing Director, Worldwide Financial Services,  
Amazon Web Services, USA

Based on our research, we estimate that only 12% of financial services organizations are cloud innovators with a well-defined cloud transformation vision and are actively working on its implementation. Some of their features include highly scalable platforms, cloud-native mentality, mature and strategic ecosystem partnerships, substantial technology maturity, and high customer centricity.

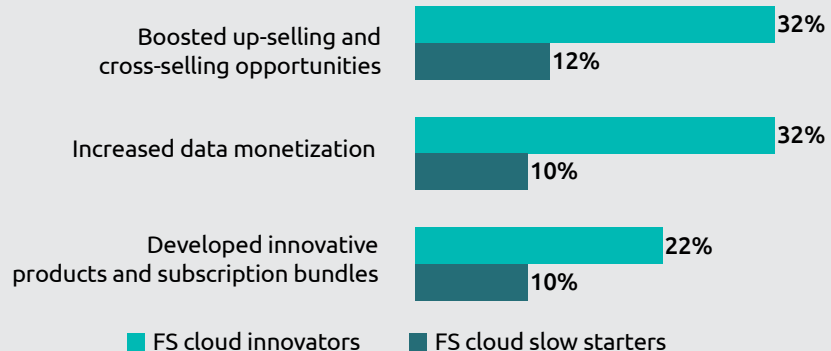
Innovators' mature tech capabilities allow them to maximize cloud benefits and regularly exceed business targets – significantly outpacing the slow starters (Figure 9).

Financial services cloud innovators are starting to reap the benefits and have achieved top-line growth benefits:

- J.P. Morgan developed an innovative API-driven cloud platform to automate partner onboarding and simplify integration with the Chase ecosystem, which resulted in a 2023 YoY 35% increase in product features' speed to market.<sup>41</sup>
- Generali Poland partnered with Zeta to utilize the firm's AI-powered marketing cloud platform to improve policyholder engagement and procure sales-ready leads. The insurer said the strategy helped increase customer conversion rates by 24%.<sup>42</sup>
- Trust Bank, a Singapore digital bank backed by Standard Chartered, leverages a highly configurable cloud-native core banking platform to ensure real-time, intuitive customer experience. In Q4 2023, the bank reported capturing 14% of the Singapore market within a year.<sup>43</sup>
- Nubank, a Brazilian neo-bank with more than 100 million active clients, adopted a cloud-native digital-only approach with an enhanced focus on CX through real-time notifications, 24/7 customer support, and a user-friendly app interface. The bank witnessed a 64% increase in revenue in Q1 2024 compared to the same quarter the previous year.<sup>44</sup>

**Figure 9. Cloud-powered top-line growth is a game changer for FS innovators**

FS firms exceeding their top-line growth transformation targets, %



Source: Capgemini Research Institute for Financial Services Analysis, 2024, Capgemini Cloud Survey of Financial Services Firms 2024 (N=600)

## Innovative US-based InsurTech unlocks top-line growth with cloud-powered, intelligent data use<sup>45</sup>

### Business challenge

New York-based online insurer Lemonade offers renters, homeowners, auto, pet, and life insurance. Founded in 2015, the firm advocates for superior customer experience via a data-centered business model that adapts quickly to new challenges and complex business needs while expanding product lines and geographic presence. By the end of 2023, the carrier served 2 million policyholders in most US states, France, Germany, the Netherlands, and the United Kingdom.

### Business strategy and implementation

Lemonade prioritizes analytics and maintaining data integrity and reliability. With 40+ teams interacting with data, the company needed a single source of truth and consistent data definitions and metrics. The firm partnered with Google Cloud's development platform Looker for data-rich experiences, including modern business intelligence, embedded analytics, and custom applications to break down data silos for a unified 360-degree organizational view to support customer delight and business growth. Looker's universal semantic modeling layer, LookerML, ensures trustworthy data, which is essential considering the diversity of insurance data points.

Lemonade's cloud-enabled operational structure enables its product managers to monitor pre-defined KPIs and ask questions about customer behavior to improve products and CX. Insights have led to new product opportunities, expanding Lemonade's overall offerings and market presence.

### Business results

The Google Cloud solution helped Lemonade generate a 150% compound annual growth rate within five years and reach 1 million paying customers at a trend-setting pace. The insurer says it improved its claims function – a pillar of customer satisfaction – by instantaneously handling 30% of claims.

## FS cloud innovators are customer-centric across the value chain

Future-focused banks and insurers can drive substantial revenue growth because they are data-driven, cloud-focused, and

customer-centric across the value chain. They optimally utilize cloud and Gen AI to become more efficient and delight their customers. We assessed banking and insurance value chain components and identified how firms strategically deployed cloud and Gen AI (Figure 10).



**Figure 10. FS innovators are data-driven, cloud-focused, and customer-centric across their value chains**

Banking					
	Product Development	Sales and marketing	Customer onboarding and account servicing	Risk management and compliance	Transaction processing and lending
Data-driven	Trendspotting and demand analysis	AI-driven product recommendations	AI-based data extraction and processing of structured/unstructured data	Gen AI powered fraud prevention and management	Streamlined loan approval and processing
	Gen AI driven market forecasting	Automated creation of targeted marketing		AI-based credit score calculation and risk assessment	Predictive analytics for loan default
Cloud-focused	Sandbox environment for product testing	Intelligent reporting and visualization	Integrated CRM system	AI-driven authentication systems for verification processes	Loan origination and management systems
	API integration/collaboration for new products		Automated and smart assistant-based onboarding	AI-driven contract analysis	Contact center modernization
Customer-centric	Cost-effective and convenient product offerings	Gen AI tailored content	E-KYC and identity recognition	AI based report generation	Omnichannel support
		Personalized engagement through AI-driven insights	AI-driven personalized financial management tool		Gen AI driven chatbot and virtual assistants Payment modernization

Insurance					
	Product Development	Sales and marketing	Underwriting	Purchase and onboarding	Claims, renewal and servicing
Data-driven	Trendspotting and demand analysis	AI-driven product recommendations	Third-party data integration	AI for processing of structured/unstructured data	Automated claims triage Gen AI powered advanced fraud detection
	Gen AI driven market forecasting	Automated creation of targeted marketing	Gen AI risk modelling and predictive analytics		Gen AI prediction of claim value patterns and automated damage evaluation
Cloud-focused	Sandbox environment for product testing	Intelligent reporting and visualization	AI-powered dynamic underwriting	Integrated CRM system	Automated FNOL
	API integration/collaboration for new products		AI-driven contract analysis	Automated and smart assistant-based onboarding	Contact center modernization Automation of policy issuance and renewal
Customer-centric	Cost-effective and convenient product offering	Gen AI tailored content	Gen AI driven personalized premium calculations/quotes	Payment modernization	Omnichannel support
		Personalized engagement through AI-driven insights		e-KYC and identity recognition	Gen AI chatbots and virtual assistance Real-time servicing and digital claims processing

Source: Capgemini Research Institute for Financial Services analysis, 2024

#### Banking and insurance cloud innovators are:

##### • Data-driven:

Cloud innovators actively integrate traditional and third-party data to draw relevant insights from customer and industry perspectives. This data enables astute insight-driven product development by efficiently identifying trends and requirements while helping forecast future market behavior.

– FS cloud Innovators actively use data to support their sales and marketing functions by recommending relevant products to their customers through targeted marketing campaigns. During customer onboarding, innovators use AI to process structured and unstructured data they obtain from their customers and maintain it in a database for future reference, enabling a seamless onboarding process.

- On the banking side, innovators actively use data to identify and prevent fraudulent transactions, calculate customer credit scores to evaluate potential risks, streamline the process of loan approvals, and estimate the probability of loan defaults.
- On the insurance side, innovators integrate traditional and third-party data for the underwriting process to help price policies better. Insurance innovators also actively leverage data during claims process to automate claims triage, identify fraudulent claims, and estimate damage value.
- Furthermore, cloud innovators have optimized KYC processes for onboarding to ensure that their customers have a seamless experience.
- These innovators provide their customers with an omnichannel experience, ensuring they have straightforward and instantaneous access to their services. They offer their customers comprehensive, personalized financial advisory services in addition to their standard products and services.
- Finally, these organizations leverage intelligent chatbots to assist their customers with the challenges they face during their financial journey.

#### • Cloud-focused:

These firms leverage the cloud across their value chain to create sandbox environments to test new products. This test environment helps them experiment with new features and code changes without affecting their customers, enabling them to identify bugs, optimize their performance, and improve their products.

- They actively leverage APIs to facilitate collaboration between different teams during product development to identify and integrate best practices.
- Innovators actively use intelligent cloud-based CRM systems to manage customer data and effectively support their various business functions. They also use cloud-based systems to automate the customer onboarding process.
- FS cloud innovators drive contact center modernization with the help of the cloud to enable faster resolution of issues and enhance upsell and cross-sell opportunities.

#### • Customer-centric:

Innovators' business strategy revolves around their customers, and they leverage their expertise to meet customer needs at various value chain touchpoints. This approach includes offering cost-effective and convenient products catering to individual customer needs.

Gen AI helps innovators manage data, re-engineer processes, make real-time automated decisions, and drive simulations to delight customers. Some critical uses of generative AI across the value chain include market forecasting, tailored content marketing, personalized credit analysis in banking and premium calculations in insurance, fraud prevention and management, and intelligent chatbots and virtual assistants.

Financial services firms can maximize total AI and Gen AI value and effectiveness by moving internal systems to appropriate cloud-enabled ecosystems and platforms. The results? More business growth use cases across FS domains in the months and years ahead.



*For CXOs, successful cloud adoption begins with a robust foundation of clear principles, aligned teams, and effective governance. When these are in place, an institution will maximize the benefits of adopting cloud infrastructure to deliver business value."*

**Gareth Richardson**  
Chief Operating Officer,  
Thought Machine, UK

# Conclusion

Cloud begins a journey that spans operational efficiency, innovative products, and long-term business success. A pivotal time has come for organizations to scale their migration to the right cloud platform and solutions, while considering business and technology criteria – including revenue projections, return on investment, platform integrity, security, and regulatory compliance. Then, based on business goals, they can prioritize relevant data integration, processing, and analytics technologies that merit deliberate and increased budgetary investment.

A well-defined cloud transformation plan can foster a collaborative corporate culture that prizes innovation. We suggest that banks and insurers create bridges between internal teams – sales, product development, and cloud – to improve agility and speed, and to encourage the sharing of ideas and best practices. Encourage real-time, cloud-powered collaboration to consider product iterations and faster service that may spark innovative business opportunities and models. Create ring-fenced innovation labs to experiment with new technologies, including IoT, Gen AI, and blockchain, which can increase agility and transformation. And be sure to democratize technology access for all regional teams.

With a cloud-enabled foundation of innovation and collaboration firmly established, financial services organizations can then actively work toward their business goals by:

- **Evolving business models:** Embrace flexible, innovative business models that leverage platform-based technologies to expand service offerings. Adopt an omnichannel approach to enhance CX and engagement to drive sustainable revenue growth.
- **Facilitating data monetization:** Use cloud-based analytics tools to uncover new revenue streams from existing data assets. Develop new data-driven products and services for internal use and external sales, bolstering overall revenue.
- **Expanding global reach and impact:** Expand global reach and impact while maintaining regulatory compliance through localized cloud that adapts applications, content, and services to meet regional requirements – all without complex infrastructure.
- **Driving product innovation:** Rapidly prototype and deploy new financial products and develop value-added services, while regularly integrating customer feedback and market trends into the product development lifecycle.

Cloud adoption is not the end game – business growth is. Now is the time to strategically accelerate cloud adoption and realize improved long-term business results: fuel top-line growth through new revenue streams, increased sales, faster customer acquisition, and, ultimately, higher market share.



*For CIOs and COOs advancing cloud adoption, begin with primary education and certifications to understand cloud architecture. Develop a long-term strategy by weighing the cost of adoption against the risk of falling behind. Embracing the cloud offers significant agility and competitive advantage, while inaction could leave you lagging as competitors innovate faster.”*

**Frederic Chanfrau**

CIO, Head of Technology, RBC Clear, USA

# Methodology

The World Cloud Report - Financial Services 2025 draws data from three primary sources: the Global Financial Services Executive Survey, administered during June and July 2024; the Global FinTech and InsurTech Survey, conducted during June and July 2024; and the Global Executive Interviews held from June through September 2024. This primary research covers insights from 13 markets: Australia, Belgium, Canada, France, Germany, Hong Kong, Japan, Luxembourg, Netherlands, Spain, the United Arab Emirates, the United Kingdom, and the United States.

## 2024 Global Financial Services Executive Survey

We polled 600 leaders of financial services firms (CxO, Head of Cloud, etc.) about the potential of cloud to drive operational efficiency and innovative top-line growth. Respondents represented six financial services domains -- retail banking, wealth management, payments, capital markets, P&C insurance, and life insurance -- with balanced participation from each. The respondents represent 13 markets covering all three regions of the globe -- the Americas (Canada and the United States), Europe (Belgium, France, Germany, Luxembourg, Netherlands, Spain, and the UK), and APAC (Australia, Hong Kong, Japan, and the UAE).

## 2024 Global FinTech and InsurTech Survey

We also surveyed 120 senior FinTech and InsurTech executives across 13 markets. These markets represent all three regions of the globe -- the Americas (Canada and the United States), Europe (Belgium, France, Germany, Luxembourg, Netherlands, Spain, and the UK), and APAC (Australia, Hong Kong, Japan, and the UAE).

## 2024 Global Executive interviews from financial services firms and hyperscalers

The report also includes insights from more than 20 focused interviews with cloud experts holding leadership positions across financial services and cloud ecosystem firms around the globe. These interviews included senior executives from banks, insurance companies, and hyperscalers.

# Partner with Capgemini

Capgemini has been privileged to support numerous financial services clients in their cloud transformation journeys. We have worked with organizations across retail and commercial banking, wholesale banking, asset and wealth management, and property and casualty, home, auto, health, and specialty insurance. As a result, we are adept at helping enterprises resolve critical challenges across multiple complex areas.

## Platform engineering for deep-learning systems

As with any software module, good development and platform engineering practices are essential for deep learning and generative AI applications.

Platform engineering practices for deep learning and Gen AI systems must go beyond the AI model and focus on essential elements of the software development lifecycle. These practices augment data scientists and ML/Gen AI engineers and reduce the overhead of building, deploying, running, and maintaining high-performance models and applications.

Our platform engineering solutions cover every aspect of a robust deep-learning system:

- **Data** – Dataset versioning and management, ETL, metadata, and artifacts store
- **Models** – Model evaluation, versioning, hosting, and updates
- **Integrations** – APIs and integrations, workflow orchestration, interactive access interfaces
- **Environments** – Deployment strategies for non-PROD and PROD environments. Model training environment management, multi-model management, and model scaling
- **Testing** – Model testing, training, tuning, and model performance management
- **DevOps** – IaC and automation, trained model promotion, updates, and patching
- **RunOps** – Logging and monitoring, run-ops enablement, and runbooks

## AI-assisted modernization

Legacy systems like IBM Z are large, high-performance business-use computers that handle massive transactions. They are vital to everyday transaction processing, and these high performance mainframes power 55% of all corporate transactions, including ATM withdrawals, credit and debit card payments, and travel bookings. Even today, 45 of the 50 top banks and eight of the top 10 insurers use mainframes to run their mission-critical IT workloads.<sup>46</sup> Despite their speed and reliability,

challenges arise due to a shortage of skilled staff, limited developer productivity, data integration issues, cloud compatibility concerns, and slower innovation cycles. Our AI-assisted legacy modernization solution addresses these challenges comprehensively, helping businesses maximize the value and ROI of their modernization efforts.

Capgemini offers all-encompassing mainframe services to guide customers through their legacy modernization journey. From hardware hosting and managed operations to software rationalization and application modernization, we provide end-to-end support for financial services clients.

For modernization services, we help customers with a balanced approach toward mainframe modernization by choosing the right workloads to migrate to the public/private cloud and identifying in-place modernization patterns to modernize workloads on the mainframe. We power our solutions with state-of-the-art Gen AI accelerators. We offer a variety of product partnerships and have received endorsements from major hyperscalers. Capgemini's unique approach and AI-powered accelerators ensure a smooth transition to an agile and efficient IT environment.

## Transform customer and employee experience with Capgemini and Microsoft Copilot Studio®

In today's digital era, innovators set the pace by anticipating market shifts, predicting customer needs, and adapting with cutting-edge solutions.

We engage and guide our clients from concept to production to create custom copilots powered by Microsoft Copilot Studio and Azure OpenAI. Our rapid deployment capability revolutionizes enterprise operations, arming businesses with AI-driven copilots that enhance productivity and transform employee and customer experiences into something extraordinary.

Our delivery model is designed for rapid deployment while meeting stringent security and compliance demands. We build custom services to spec and to address unique situations—from chatbots and voice assistants to multimodal omnichannel apps. By leveraging generative AI, Capgemini empowers your enterprise to lead among fierce competition. Banks can create custom copilots to streamline workflows and automate customer onboarding and KYC processes. Insurers can use copilots to optimize underwriting processes and automate customer claims processing.

Capgemini's concept to production with Microsoft Copilot Studio empower FS firms to innovate and accelerate business transformation.

# Ask the experts



## Ravinder Khokhar

FS-Global Head of Cloud

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Ravi leads Capgemini's worldwide financial services cloud initiatives. He is a domain-focused technology leader with a proven track record of successfully establishing long-tenured client partnerships and delivering results across financial services.



## Ramandeep Singh

FS-Global Platform engineering head and cloud solutions lead

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Raman leads the Financial Services Global Platform Engineering & Cloud Solutions capability unit. He has 20+ years of IT experience, focusing on large enterprise application design and development. He is a leader focused on business growth, customer delight, and people.



## Shashi Gupta

FS- Global Head AWS COE

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Shashi leads the Global AWS Center of Excellence for Financial Services and enables solutions across banking, capital markets, and insurance. With over 21 years of experience in the IT industry, he is a passionate and visionary leader in cloud strategy and solutions.



## Vivek Desai

FS-Global Head Microsoft COE

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Vivek leads the Global Microsoft Center of Excellence for Financial Services. He is responsible for hands-on solution architecture and strategy, and engineering at scale for complex cloud transformation initiatives across the banking, payments, capital markets, and insurance sectors.





## Daniel Wolff

FS-Global Head Google Cloud COE

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Daniel leads the Global Google Cloud Platform Center of Excellence. He is a senior technology executive known for accelerating sustainable company growth within financial services. He focuses on unlocking new opportunities for improved competitive advantage, cost containment, process re-engineering, and business agility.



## Ajay Walgude

FS-Global Head IBM/Redhat COE

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Ajay leads the Global IBM and RedHat Hybrid CoE for FS. With over 20 years of experience in financial services, he is also the founder of Turiya Lab, an initiative that builds technology labs focused on physics, chemistry, and astronomy across schools in India.



## Elias Ghanem

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Elias Ghanem manages Capgemini's global portfolio of financial services thought leadership. He leads a team of sector analysts who bring together a wide range of strategic research and analysis capabilities. Elias has extensive expertise in strategic collaboration between banks and startups, having launched a FinTech firm in 2014 after 20+ years in banking and payments.



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