



UK financial institutions look to decade of AI-driven growth as confidence strengthens

- 94% expect their business to grow over the next ten years, up from 81% in 2025
- 77% say investment in new and emerging technologies is a growth priority, almost doubling from 41% last year
- 93% believe AI and machine learning will have the biggest impact on UK financial services over the next five years
- 71% of respondents believe the UK will retain its position as a leading global financial services hub, up from 60% last year

UK financial institutions are expecting a decade of technology-led growth, with AI, emerging technologies and data now central to their expansion plans, according to the tenth annual Lloyds Financial Institutions Sentiment Survey.

Confidence builds for decade ahead

The survey of more than 100 senior decision-makers across the UK's largest financial services firms, including banks, asset and wealth managers, insurers and financial sponsors, found that 94% expect their business to grow over the next decade, up from 81% last year. With shorter-term growth outlooks also improving year-on-year, with five-year expectations rising to 92% from 83% and 12-month expectations increasing to 67% from 54%.

Investment in emerging tech drives growth aspirations

This renewed confidence is being underpinned by a dramatic shift in focus towards new and emerging technologies, as institutions move from testing to deployment. Investment in this area is now a leading growth lever, cited by 77% of respondents, compared with 41% a year ago and 25% in 2024.

AI is emerging as a central part of this shift. More than nine in 10 respondents (93%) believe artificial intelligence and machine learning will have the biggest impact on UK financial services over the next five years, while 91% expect their organisation's investment in AI to increase over the next 12 months.

Institutions are backing these ambitions with capital. Nearly two-thirds (64%) plan to increase capital expenditure year-on-year, reflecting a focus on investing for long-term competitiveness, productivity and operational resilience.

Reinforced optimism for UK as leading global financial services hub

Confidence in the UK's global position has also strengthened, with seven in 10 respondents (71%) expecting the UK to retain its position as a leading global financial services hub, up from 60% last year. This reinforces the sector's belief in the UK's underlying strengths in capital markets, regulation and international connectivity, with specialist expertise in professional services infrastructure that continues to attract global financial activity.

Lisa Francis, Global Head of CIB Coverage at Lloyds, said:

"Despite global uncertainty, financial institutions are building confidence by harnessing technology to drive long-term growth. The sector is prioritising the areas that will define future competitiveness, from AI and emerging technology to data, talent and international expansion. What is clear is that growth in the next decade will be



shaped by the ability to adapt, invest and scale new capabilities. Advanced AI and data solutions are moving from ambition to adoption, with institutions increasingly looking at how these technologies can improve productivity, deepen client relationships and create new opportunities across markets.”

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Notes

¹ The annual survey opened on 13 April and ran until 19 May 2026.

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