

# From oversight to advantage

How boards can accelerate AI adoption  
in Malaysia's financial institutions

Malaysia Financial Institution Research 2026

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# Foreword

The report on the application and diffusion of artificial intelligence, developed jointly by FIDE FORUM and Accenture, resonates strongly with FIDE FORUM's 2026 theme of Disruption. The study seeks to provide insights into how AI is transforming business models, decision-making processes, governance practices, and leadership expectations across the financial sector.

This collaboration reflects both organisations' shared commitment to advancing boardroom governance and delivering meaningful value to FIDE FORUM's members and financial community. The focus on AI accountability, board leadership and culture, cybersecurity, sustainability oversight, and strategic foresight reflect issues that are increasingly shaping the next phase of boardroom governance and responsibilities. As governance expectations continue to evolve, both organisations remain committed to ensuring that FIDE FORUM's programmes, thought leadership, learning initiatives, and governance programmes remain relevant, cohesive, and accessible while supporting a culture of continuous learning and governance excellence across the financial sector and among FIDE FORUM's members.

The years ahead will require boards to operate with heightened vigilance, adaptability, and strategic agility. Technology will continue to redefine the financial sector, regulatory expectations will intensify, and stakeholders will demand greater transparency, accountability, and trust. Directors will increasingly need to demonstrate stronger strategic judgement, sharper risk oversight capabilities, and a deeper commitment to building organisational resilience in navigating an increasingly disruptive and uncertain environment.



# Executive summary

Artificial intelligence is not the next wave of technology disruption facing Malaysia's financial institutions. It is the current one; and the decisions made at the next board meeting will determine whether companies turn AI into profitable growth or let the upside slip away.

**The opportunity is real, and considerable. Our modelling across Malaysia's six largest banks puts the potential prize at US\$1.8 billion in additional pre-tax profit over three years, a 16% uplift driven by revenue growth, operating cost reduction and material improvements in loan-loss provisions.<sup>1</sup>**

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## 17%

have scaled a strategic bet to adopt generative AI across their value chain.

The country's financial institutions are actively deploying AI but not yet scaling. Most banks and insurers have deployed at least one AI application, and early returns are visible across risk, customer service and operations. Yet only 17% have scaled a strategic bet to adopt generative AI across their value chain,<sup>2</sup> compared to 50% in APAC.<sup>3</sup> Only 5% say they have made bold, strategic bets, and those few are concentrated in lower value pools.

This research makes the case that closing that gap is a board responsibility, not a management task. Boards bring something irreplaceable to this moment: the authority to set direction, allocate capital and demand accountability for outcomes.

Four board-led imperatives define the path forward: scaling the right strategic bets with explicit P&L ownership; reinventing talent enterprise-wide; treating the digital core as a strategic investment; and institutionalising Responsible AI as a governance priority rather than a compliance obligation. Boards that successfully drive this agenda will go from providing oversight to helping their companies turn strategic AI intent into lasting advantage.





# AI on the agenda

**Every generation of technology promises to change everything. In banking, two actually did.**

Computerisation through the 1970s and 1980s moved ledgers onto screens and transformed back-office efficiency—but over two decades, and largely invisibly to the customer. The internet then forced institutions to build an entirely new channel and defend their relationships against digital challengers, a transition that played out over another 20 years.

Now, AI promises to change everything again, only much more radically and with incredible speed. Previous waves of technology changed where work happened and how customers accessed banks. AI changes the nature of work itself, impacting the judgement calls at the core of financial services: credit decisions, risk assessment and customer relationships. And these changes are happening in the space of months or years, not decades.

## Different types of AI and how Malaysian financial institutions are using them.

|                              | <b>Traditional/<br/>Predictive AI</b>   | <b>Generative AI</b>   | <b>Agentic AI</b>   |
|------------------------------|---|--|---|
| <b>What it does</b>          | Analyses historical data to predict outcomes  | Creates new content, text, code, images and insights from prompts  | Autonomous AI systems that plan, decide and act across multi-step tasks with minimal human input  |
| <b>In financial services</b> | Credit scoring, fraud detection, churn prediction   | Document drafting, customer chatbots, regulatory summarisation   | End-to-end KYC review, autonomous claims processing, self-directed trading workflows  |
| <b>Maturity in Malaysia</b>  | Most mature—71% of banks have deployed at least one application, up from 56% in 2023 <sup>4</sup> | Actively piloted but cautious—most FIs limit gen AI to internal operations, avoiding customer-facing and risk functions <sup>5</sup> | Early stage—only 39% of Malaysian employees (all industries) familiar with AI agents; most organisations still experimenting <sup>6</sup> |

Leaders are already seeing tangible AI outcomes. By unifying its AI capabilities into a single platform available to 250,000 employees and investing approximately US\$2 billion annually, JPMorganChase has now realised roughly US\$2 billion in annual value.<sup>7</sup> Singapore's DBS took a longer view, spending a decade building over 2,000 AI models across more than 430 use cases. That patience paid off: the bank delivered approximately S\$1 billion (~US\$770 million) in economic value in 2025, reaching its billion-dollar milestone ahead of the original five-year target and up from S\$750 million in 2024.<sup>8,9</sup>

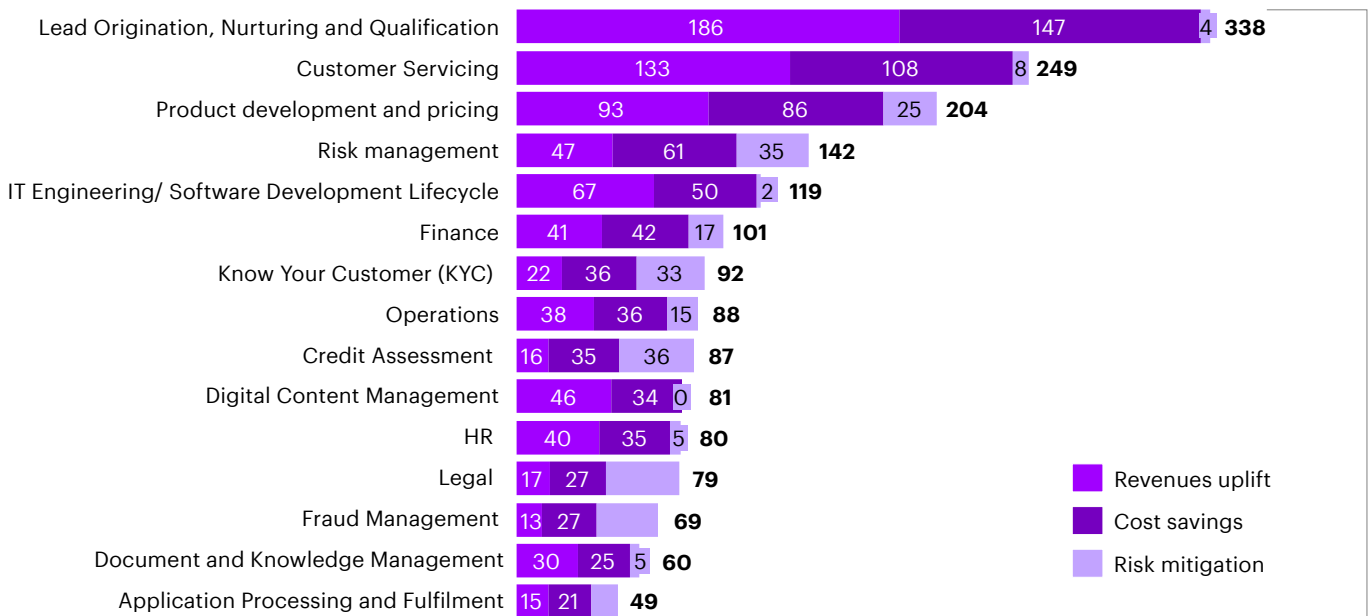
For Malaysia's top six banks, scaled AI and gen AI adoption could generate up to ~US\$1.8 billion in incremental value, equivalent to a potential ~16% uplift in pre-tax profit over three years.

When multiplied across the industry, the economic impact of AI is striking. Our research across the top 200 global banks suggests that scaled AI adoption over the next three years could generate up to US\$289 billion in pre-tax profit. In Malaysia's banking sector, this translates into an additional US\$1.8 billion (~RM7.1 billion) in profit through a 38% reduction in loan-loss provisions, an 8.3% reduction in operating costs and a 3.7% increase in revenues (Figure 1).<sup>10</sup>

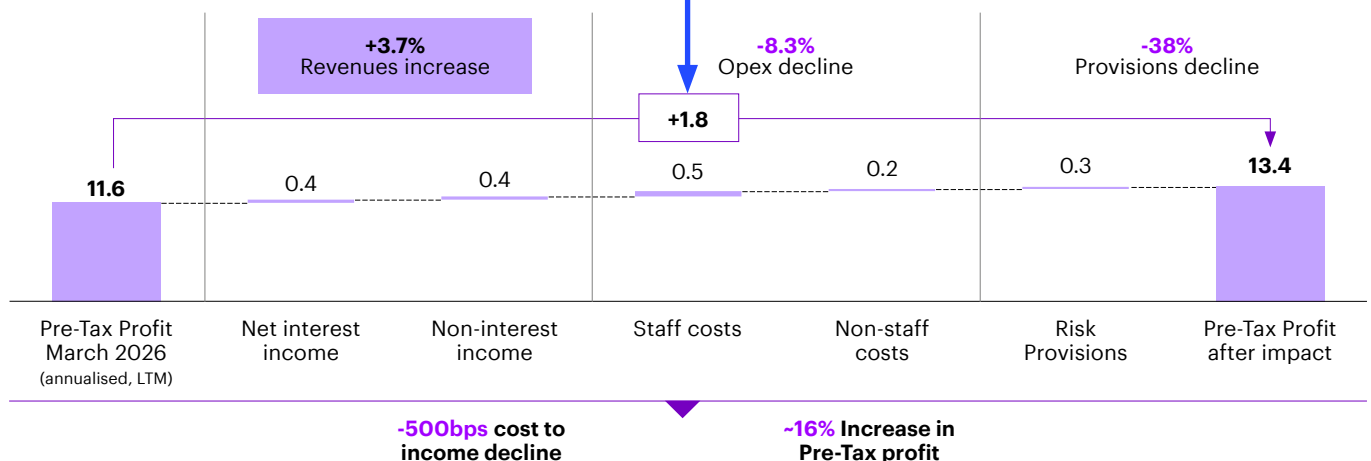
**Figure 1: AI could help Malaysia’s financial institutions improve both the top- and bottom-line across multiple value pools.**

**Total potential value among banks from implementing AI/gen AI after 3 years in a fast^ scenario. Analysis covers 6 largest Malaysian banks by assets.**

**Impact by value pool (US\$M)**



**Impact on P&L (US\$B)**



\*Totals may not exactly equal the sum of displayed components due to rounding of underlying decimal values

^Fast scenario = reflects the higher pace of AI adoption across US enterprises, reaching approximately 33% of the total gen AI potential within three years. Note: Implementation costs are not estimated.

Source(s): Accenture Research “Proprietary gen AI Value Model 2026”, Accenture research analysis.



## Financial institutions (FIs) in Malaysia have been quick to recognise the opportunity and eager to move.

Across the sector, 71% of banks and 77% of insurers and takaful operators had already implemented at least one AI application by end-2024—a deployment rate that reflects genuine institutional appetite for what AI can deliver.<sup>11</sup> Early returns are already showing up in the numbers, with meaningful progress across risk management, customer service and operational efficiency (Figure 2).

**Figure 2: From fraud detection to claims processing, Malaysia's FIs are already generating returns from their AI investments.**<sup>12, 13, 14, 15, 16, 17, 18</sup>

### Risk management, compliance and fraud detection

**RHB** developed an ML-based behavioural analytics model with early warning capabilities to strengthen oversight as part of its risk and awareness programme.

**AmBank** is piloting AI use for credit default prediction to enhance loan pre-screening, as well as AML typology monitoring through intelligent profiling.

**CIMB** invested over RM100 million in AI training and upskilling in 2025, with employees actively adopting gen AI across transaction monitoring, client onboarding and risk modelling.

### Customer service and experience

**Maybank's** AI-driven chatbots in its contact center platform reduced call volumes by around 13%.

**Hong Leong Bank's** pilot to enhance communications with customers via its first AI voicebot initiative saw a take-up rate of 82%.

**AIA's** AI-powered Customer360° allows the team to identify and prioritise customers who may require additional coverage and initiate timely conversations.

### Internal productivity and operational efficiency

**Hong Leong Bank** reported an improved cost-to-income ratio of 38.7% in FY2025, partly attributing the improvement to strategic cost management and benefits from AI realisation—the strongest publicly available local proof point.

**RHB's** gen AI tool (RHB Ask) served 4,000 branch staff, delivering 90% accuracy and 100% uptime. This saved an estimated 40,000 man-hours annually.

**MSIG Malaysia** deployed AI image analysis to assess external vehicle damage in motor insurance claims which was reported to process approximately 56% of external body damage claims with 93% accuracy.

Source(s):

1) Bank Negara Malaysia (2026); 2) Various news sources



## **National initiatives such as MADANI,<sup>19</sup> AI-RMAP<sup>20</sup> and NIMP 2030<sup>21</sup> position AI at the centre of economic transformation, with financial services a key sector for impact.**

Bank Negara Malaysia (BNM) has reinforced this direction through its Financial Sector Blueprint and recent work on AI in the financial sector.<sup>22</sup>

As the primary intermediary of capital across the economy, Malaysia's financial institutions are uniquely positioned to translate this national ambition into real economic value.

Capturing the US\$1.8 billion pre-tax profit opportunity depends on how quickly institutions move from isolated deployment to enterprise-scale adoption. The question is now whether Malaysia's financial institutions can scale AI fast enough to capture that value, and whether boards will push them to do it.



# Reality check

**Deployment is not the destination**

**Only 17% of Malaysian FIs have scaled even a single AI-related strategic bet, compared to 47% globally and 50% in APAC. Among Malaysian insurers, the number is zero.**

As much as isolated gains across individual functions are a good start, simply deploying AI is not the final destination. Boards should not settle for proving incremental projects, de-risking individual deployments and cautiously expanding pilots. They should push leadership to make bigger strategic bets. Every quarter spent in pilot purgatory is a quarter in which the gap with APAC and global peers widens; and as our data shows, that gap is already substantial.

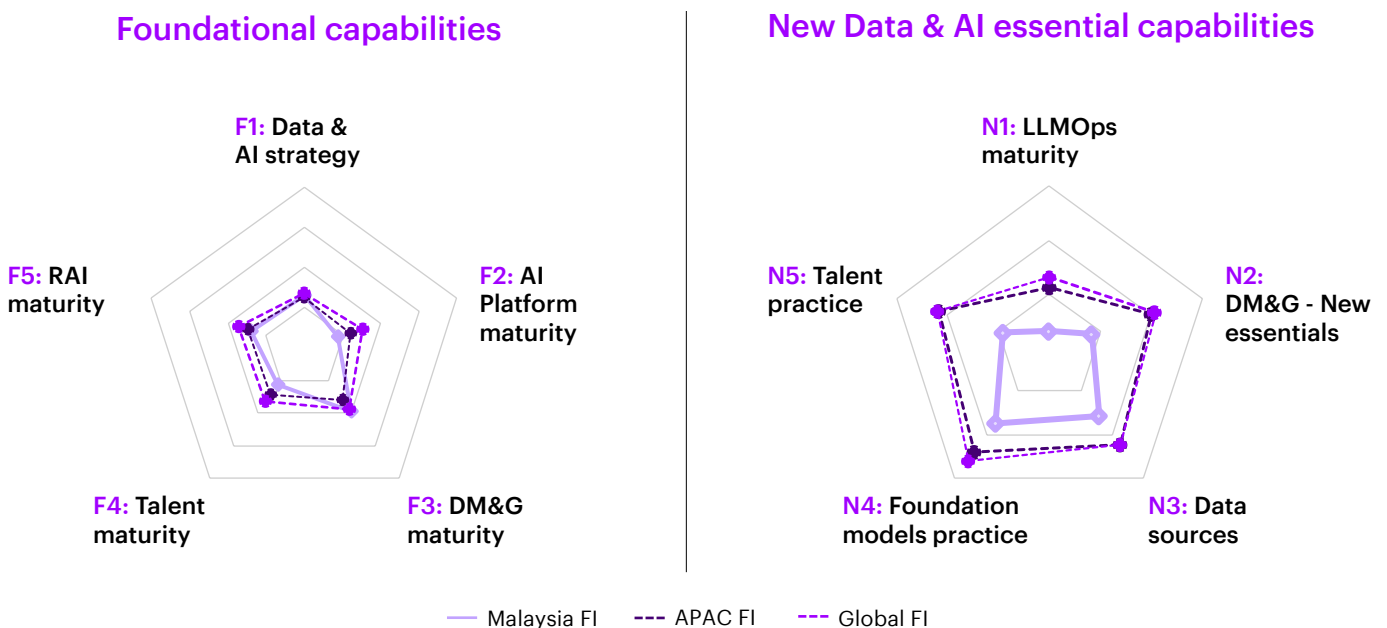
Unlike a pilot programme, a strategic bet is a long-term commitment to a specific high-value process, with a named owner, explicit P&L targets and a commitment to redesign that process end-to-end. Boards should be steering their companies toward multiple strategic bets, and, in doing so, reinventing the organisation. Yet only 17% of Malaysian FIs have scaled even a single AI-related strategic bet,<sup>23</sup> compared to 47% globally and 50% in APAC.<sup>24</sup> Among Malaysian insurers, the number is zero.



AI deployment is already widespread in Malaysia’s financial sector, but enterprise-scale adoption remains limited, with only 17% of institutions having scaled a strategic AI bet.

**The biggest gaps are in the capabilities required to scale.** Malaysian FIs are progressing on foundational capabilities such as data and AI strategy and Responsible AI (RAI) maturity, even surpassing regional peers in data management and governance (Figure 3). But when you look at the five capabilities that matter most for scaling generative AI and agentic AI—large language model operations (LLMOps) maturity, foundation model practice, data sources, AI platform maturity and talent practice—Malaysian FIs lag behind on all of them. As a result, many organisations are simply unable to execute strategic bets, even if they have already made them.

**Figure 3: Malaysia’s FIs have strengthened foundational AI capabilities but still lag on the next-generation capabilities needed to scale it.**



Source(s):  
Accenture “AI Adoption in Malaysia’s Financial Institutions Survey 2026”, Accenture research analysis.





# How boards can accelerate AI adoption

If deployment is only the starting point, boards must now lead a shift they may not yet feel ready for. AI is moving faster than the normal rhythms of board governance and arriving with unfamiliar tools, language and choices. That is understandable. But it does not make AI any less of a board issue. It makes the board's role more important.

Our survey reflects this. Among board directors who responded, 78% rated their understanding of AI as merely "aware," only 9% described themselves as fluent and none identified as expert.<sup>25</sup> This is not an indictment. It is a starting point, and a sign that board governance has not yet caught up with the pace of change.

Board AI literacy is now a governance issue: most surveyed directors describe themselves as only “aware” of AI, while none identify as expert.

This lack of familiarity is not a reason for boards to step back. It is the reason their role matters more. AI now touches every dimension of institutional strategy: capital allocation, risk appetite, talent, regulatory compliance and customer trust.

Boards bring something management cannot: the mandate to set direction, the authority to allocate capital, the standing to demand accountability and the independence to ask hard questions. These responsibilities are not new. What is new is the need to exercise them with greater urgency and intent. That means moving from oversight to active leadership.

In practice, boards need to operate in two modes. As architects, they set the mandate, define ambition, approve the bets that matter and ensure the organisation is structured to deliver. As auditors, they hold management to account by demanding outcomes, not activity; metrics, not milestones; and results, not reassurance.

These two modes translate into four board-led imperatives: scale strategic bets with P&L impact, reinvent talent and ways of working, build an AI-ready digital core and institutionalise RAI. Together, they mark the difference between a board that watches AI happen to its institution and one that decides how AI will shape it.



# Four board-led imperatives

## Imperative 1

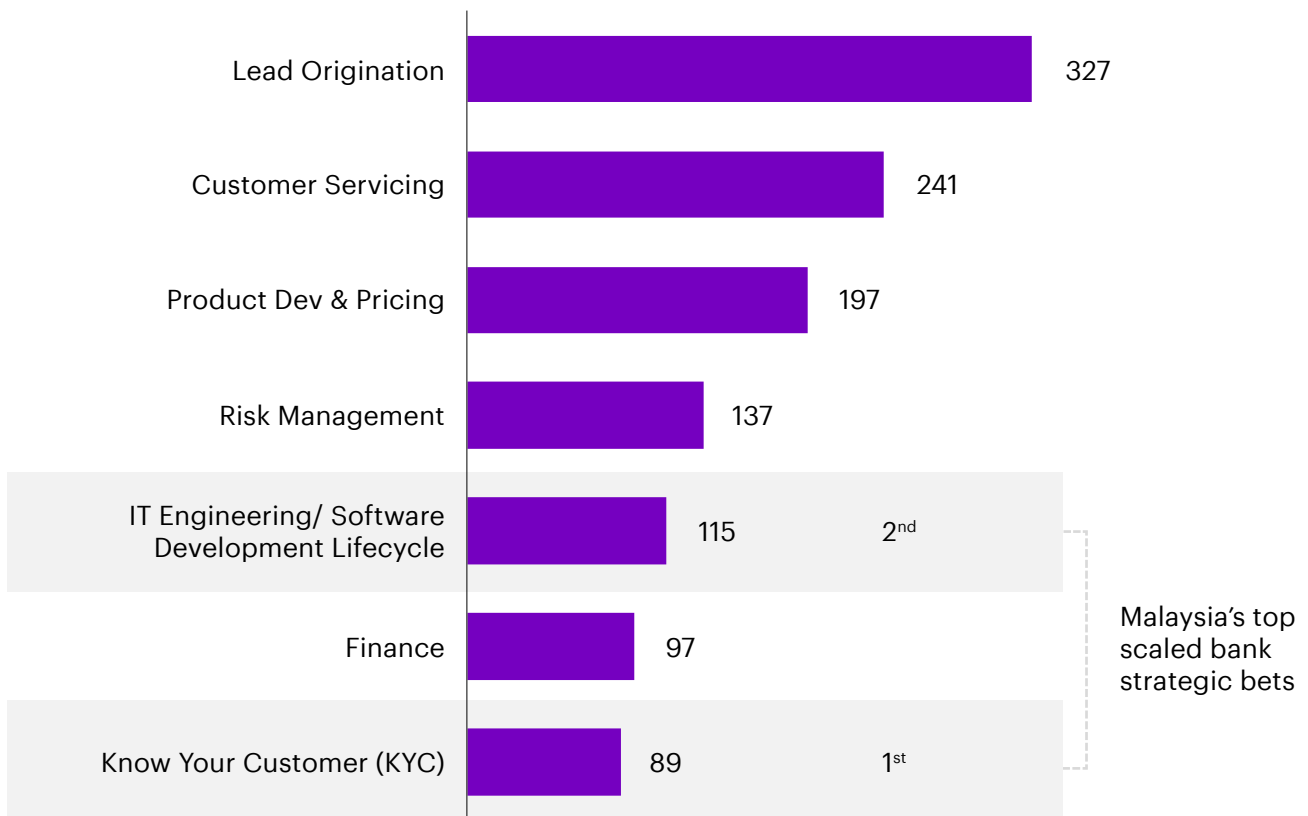
### Scale strategic bets with P&L impact

Strategic bets matter, and the numbers show why. Across the 15 value pools available to Malaysian banks, generative AI could deliver billions in P&L impact. The top three alone—lead origination, customer servicing and product development and pricing—represent a combined US\$765 million opportunity (Figure 4).<sup>26</sup>

Malaysia’s banks are trying to capture that value, but not yet in the areas that matter most. Know your customer (KYC) is the most commonly scaled generative AI strategic bet, with 21% of banks reaching scale there.<sup>27</sup> That is understandable: the regulatory imperative is clear, the process is well-defined and the technology is relatively mature. But KYC ranks only seventh in P&L impact at US\$89 million, while Malaysian FIs have yet to scale a strategic bet in any of the four highest-value pools. There is no shortage of activity. The problem is where that activity is concentrated.

**Figure 4: Boards need to focus management on the strategic bets with the greatest P&L impact, not simply the lowest hanging fruit.**

Top Banks’ strategic bets\* enabled by generative AI, by value pool (US\$M)



\*Ranking is based on share of respondents (%) selected as strategic bets. Malaysia Banking analysis only n = 14

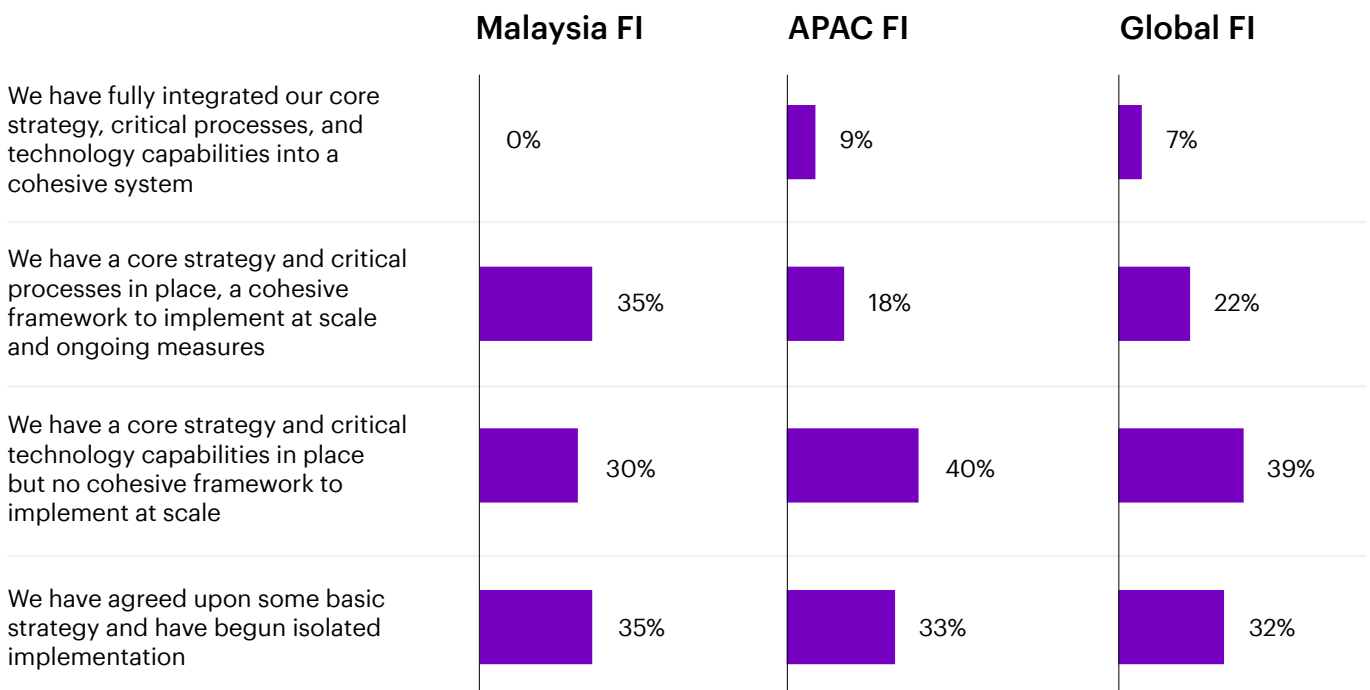
Source(s): Accenture “AI Adoption in Malaysia’s Financial Institutions Survey 2026”, Accenture research analysis.



Strategic focus is not the only problem. None of Malaysia’s FIs has yet achieved full AI integration, with AI strategy, critical processes and technology capabilities operating as a coherent enterprise-wide system. In APAC, 9% have already reached that point. In Malaysia, 35% remain at the earliest stage of isolated implementation, and none has a cohesive framework to move beyond it (Figure 5).<sup>28</sup>

**Figure 5: Most Malaysian FIs have their strategy and capabilities in place, but none has made the leap to full implementation.**

Share of respondents (%)



Source(s): Accenture “AI Adoption in Malaysia’s Financial Institutions Survey 2026”, Accenture “The front-runners’ guide to scaling AI”, Accenture research analysis.



No Malaysian FI in the study has yet reached full AI integration, suggesting that strategy, processes and technology capabilities remain disconnected at enterprise level.

Boards need to supply the missing ingredient in both areas: strategic focus and enterprise-wide integration. Technology and talent matter, but boards set the mandate. They need to stop spreading bets and start owning outcomes.

As architects, boards should approve three to five generative AI strategic bets in the highest-value pools, shaped by Malaysia's priorities such as SME lending, Islamic finance and financial inclusion in East Malaysia. Each initiative should carry a revenue, cost or risk KPI. AI should sit on every board agenda as a standing item. Boards should ask two questions every time: Which three to five initiatives will materially move our P&L, and who is personally accountable for delivery?

As auditors, boards should require P&L outcome reporting for every major AI initiative and insist on evidence of financial impact. Every bet should have a named owner who can be held to account. Boards should also challenge management to show that resources are concentrated in the highest-impact pools rather than dispersed across lower-value initiatives designed mainly to reduce risk.

A global FI shows what strategic discipline from the top can achieve. It launched its first agentic AI solution in Southeast Asia to streamline periodic KYC reviews, combining an AI case manager with more than 30 specialised agents for source-of-wealth corroboration, human oversight and a reusable agent marketplace across business units. The results were substantial: a targeted 50% cost reduction, stronger regulatory compliance and a better client experience. The bank improved operational efficiency while also supporting revenue growth.<sup>29</sup>

An Australian insurer offers a similar lesson. After deploying AI-powered assistants to automate submission intake and analysis, it expanded underwriting coverage from 20% to 100% of submissions and cut time to quote by 80%. The solution embedded underwriting standards directly into daily workflows, which allowed experts to focus on higher-value decisions and helped teams deliver more consistent outcomes across regions.<sup>30</sup>

Both institutions identified a specific high-value process, committed to redesigning it end-to-end and held leadership accountable for measurable outcomes. Malaysian boards have the same opportunity and the same responsibility to demand it.

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### Board question

**Which three to five AI initiatives will materially move revenue, cost or risk, and how will management be held accountable for delivery, not just activity?**

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## Imperative 2

# Reinvent talent and ways of working

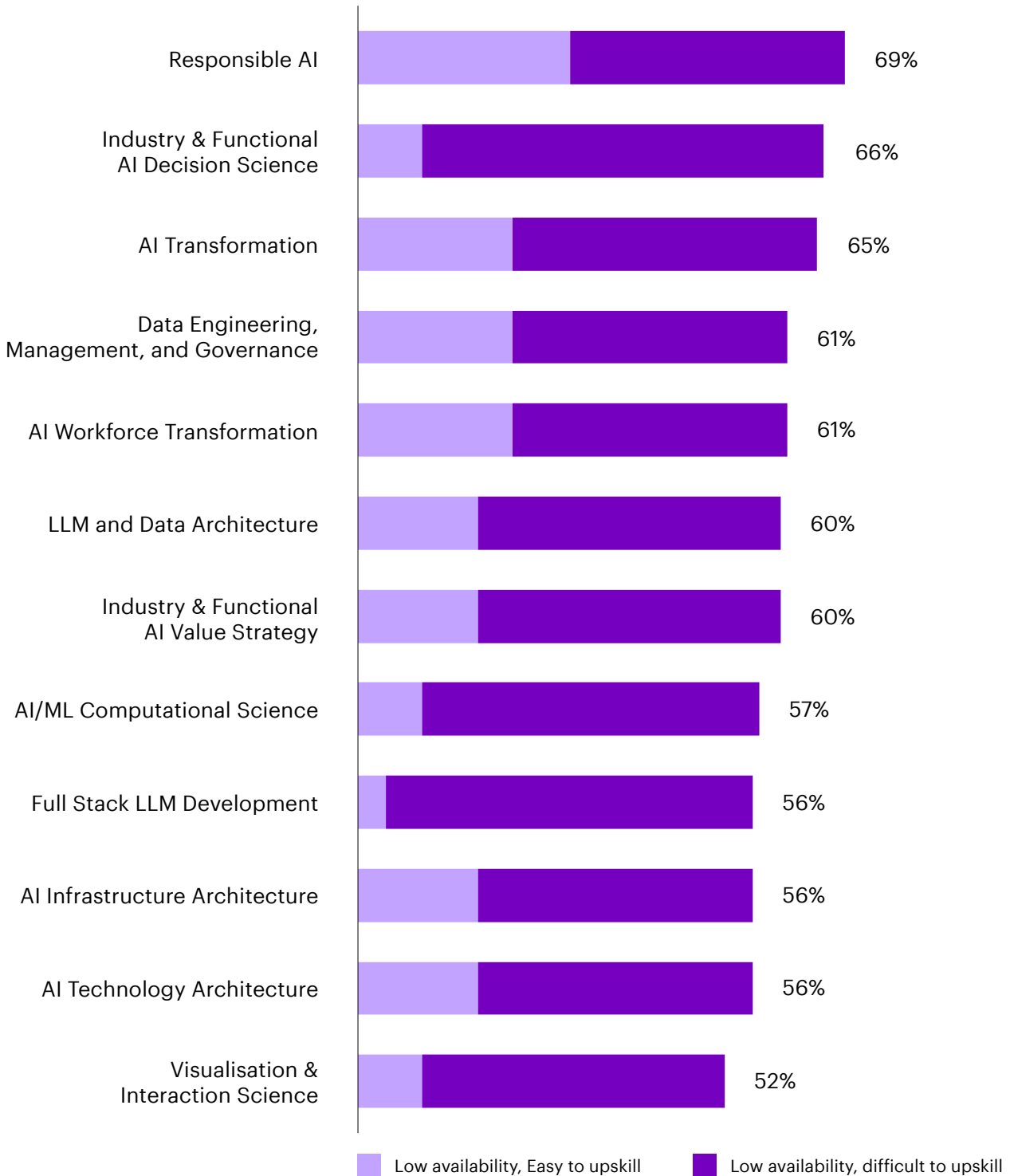
**Talent is the most critical barrier to scaling AI, and one of the most misunderstood.**

Forty-three percent of Malaysian FIs cite talent as the single most important factor for generative AI success. The instinctive response is to hire more AI specialists. That strategy runs into a hard constraint: 70% of institutions struggle to acquire and retain AI talent, compared with 32% in APAC and 40% globally.<sup>31</sup> This gap is structural, and it is widening.

The hiring challenge becomes even clearer at the role level. Across all twelve AI capability areas, including RAI, LLM architecture, AI transformation and full-stack development, Malaysian institutions do not rate a single role easy to fill (Figure 6).<sup>32</sup>

Malaysia's strong emphasis on enterprise-wide AI education is a positive foundation, but internal upskilling must be reinforced by new incentives, operating models and external partnerships.

**Figure 6: Malaysian FIs struggle most to fill the AI roles required for governance and scale.**



Source(s):  
 Accenture "AI Adoption in Malaysia's Financial Institutions Survey 2026", Accenture research analysis.



Only 13% of Malaysian FIs are confident they can attract external talent, so many institutions have turned inward.

Internal AI education is now a critical priority for 78% of Malaysian FIs, compared with 55% globally and 53% in APAC.<sup>33</sup> That response makes sense in a tight labour market, but it will not close a gap of this magnitude.

Malaysian FIs also need to pull external levers with greater force. Ecosystem partnerships provide applied capability and real-world deployment experience. Developer networks unlock specialist technical depth that no single institution can build alone. Partnerships with educational institutions help create a sustainable talent pipeline. Yet only around a quarter of Malaysian FIs use any of these levers.<sup>34</sup>

The board's role is decisive here. Setting the mandate means more than approving a training budget. As architects, boards should use their networks to build partnerships with local universities and funding ecosystems that strengthen a sustainable talent pipeline. They should also appoint a board-level AI champion to raise collective literacy and keep governance aligned with the pace of deployment.

As auditors, boards should demand regular skills audits that show where critical capabilities are strengthening and where gaps remain. They should require a credible plan to close the AI talent gap with APAC peers. They should also test that talent strategy against external standards, including Bank Negara Malaysia expectations.

There is also a harder conversation, and it belongs at the board level. As AI scales, some roles that were once core to operations will shrink or disappear. Workforce transition, including reskilling and redeploying the people whose jobs change, is a governance obligation. Boards that leave it entirely to management are abdicating a responsibility that regulators and society will increasingly expect them to own.

Companies that shift from siloed specialist teams to enterprise-wide human + AI collaboration are already reaping the rewards.

A leading Japanese life insurer has deployed AI-powered digital assistants to tens of thousands of frontline staff, strengthening personalised, data-driven customer engagement while simultaneously running enterprise-wide upskilling and leadership development programmes to embed new ways of working at scale.<sup>35</sup>

A global financial services firm offers a similar example. It has equipped nearly 40,000 employees with new AI skills through a structured, tailored learning programme. That effort goes far beyond a one-off training day. It is building enterprise-wide capability, accelerating adoption and embedding generative AI into daily work across the business.<sup>36</sup>

When boards elevate talent to a boardroom concern, institutions can start to close a gap that otherwise looks insurmountable. For Malaysian boards, the question is how quickly they will act.

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## Board question

**Do we have the talent model, skills and incentives to scale AI across the enterprise, not just within isolated teams?**

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### Imperative 3

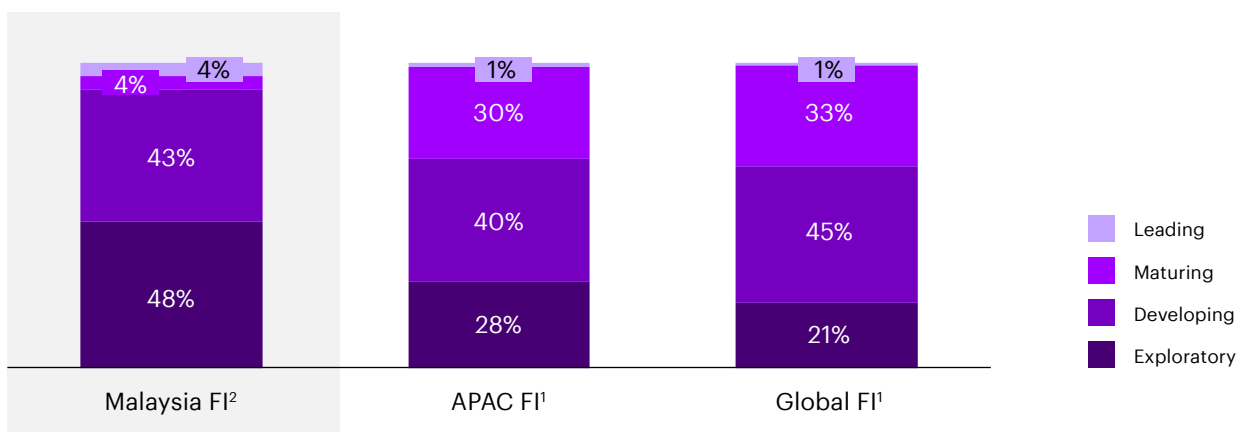
## Build an AI-ready digital core

The digital core may become the hidden ceiling on AI value, as many Malaysian FIs remain early in AI platform maturity and data readiness.

Malaysia’s digital infrastructure gap is starker than most boards may realise. Nearly half (48%) of Malaysian FIs remain at the exploratory stage for AI platforms, compared with 21% globally (Figure 7). Another 57% are still working through basic data cleansing and governance policies. Only 9% have a data platform that can handle the storage and processing demands of generative AI at scale, and only 9% describe that platform as the primary driver of AI across the business.<sup>37</sup> On the current trajectory, a weak digital core will constrain every other strategic bet.

**Figure 7: Nearly all Malaysian FIs remain in the exploratory or developing phase of AI maturity, limiting their ability to achieve their AI ambitions.**

Share of respondents, asked on the extent their organisations have an AI platform to support AI models at scale, current (%)



Source(s): Accenture “AI Adoption in Malaysia’s Financial Institutions Survey 2026”, Accenture “The front-runners’ guide to scaling AI”, Accenture research analysis.



Despite these infrastructure constraints, 65% of Malaysian FIs have chosen to develop AI solutions in-house, compared with 9% in APAC and 6% globally.<sup>38</sup> Building internally preserves institutional knowledge and reduces dependency on third parties. But when institutions build on legacy systems, they embed those weaknesses more deeply into every new AI initiative.

That makes this a strategic question, not just an IT one. No strategic bet can reach enterprise scale on a data infrastructure designed for a different era. Boards that treat digital core investment as an IT budget line place a ceiling on every AI initiative they approve.

The architect role here is clear. Boards need to designate data quality, accessibility and governance as strategic priorities and approve a unified data architecture that spans conventional and Islamic businesses, banking and insurance. Digital core modernisation should also be framed and funded as a dual-benefit investment. It enables AI scaling and advances RMiT compliance, which makes the case to the finance committee considerably easier.

The auditor role is equally clear. Boards need to press management to assess data and AI readiness at every major transformation milestone, from design to deployment. They should demand a credible investment plan, reject roadmaps that defer hard decisions and require evidence that experienced bankers' institutional knowledge is accurately embedded into AI platforms.

Institutions that make those investments show what a stronger digital core can unlock. In the UK, a leading bank replaced fragmented legacy systems with a unified, cloud-based data platform built around reusable data products. That allowed AI to operate across customer, operations and risk functions at the same time. The result was faster innovation, stronger fraud detection and more personalised service because the bank rebuilt the foundation rather than layering AI onto existing systems.<sup>39</sup>

A leading North American bank took the same approach further, retiring legacy infrastructure entirely and restructuring its data architecture to support agentic AI at scale. AI agents now automate sanctions screening end-to-end, a process that previously required significant manual intervention. The result is stronger regulatory resilience and materially simpler operations.<sup>40</sup>

In both cases, investment in the digital core created direct AI value. Malaysian boards that approve modernisation will unlock every other bet on their agenda. Those that defer it will keep returns from their AI portfolio stubbornly below the line.

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### Board question

**Is our digital core helping AI scale, or is legacy complexity the binding constraint?**

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## Imperative 4

# Institutionalise Responsible AI

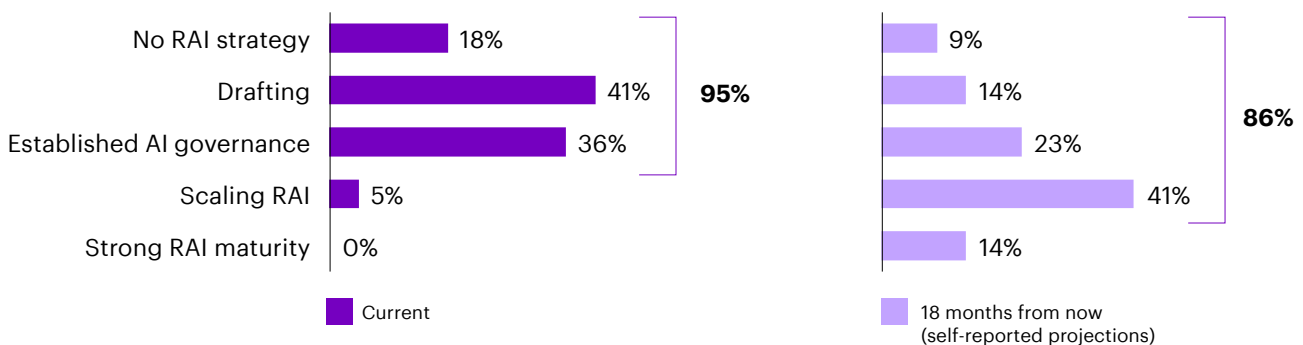
Responsible AI is not yet institutionalised, with most Malaysian FIs still in planning or early governance stages and none having fully operationalised AI risk management across the organisation.

Of the four imperatives, RAI is the one most likely to get pushed into compliance, legal or the Chief Risk Officer. That is a mistake. When boards own Responsible AI, it stops acting as a brake on scale and starts to become a source of faster, safer and more defensible adoption.

Yet 95% of Malaysia’s FIs remain in the planning or early governance stages of RAI, and none has fully operationalised an AI risk management framework across the organisation (Figure 8). Even by their own projections, 86% will still fall short of strong RAI maturity in 18 months. More troubling, 43% manage AI risk through frameworks built for other kinds of risk, applying them to a technology that behaves very differently.<sup>41</sup>

**Figure 8: Few Malaysian FIs have achieved RAI at scale today, but more than half expect to in the next 18 months.**

Share of Malaysian respondents, asked on what best describes their organisation’s current and future state of Responsible Data and AI strategy (%)



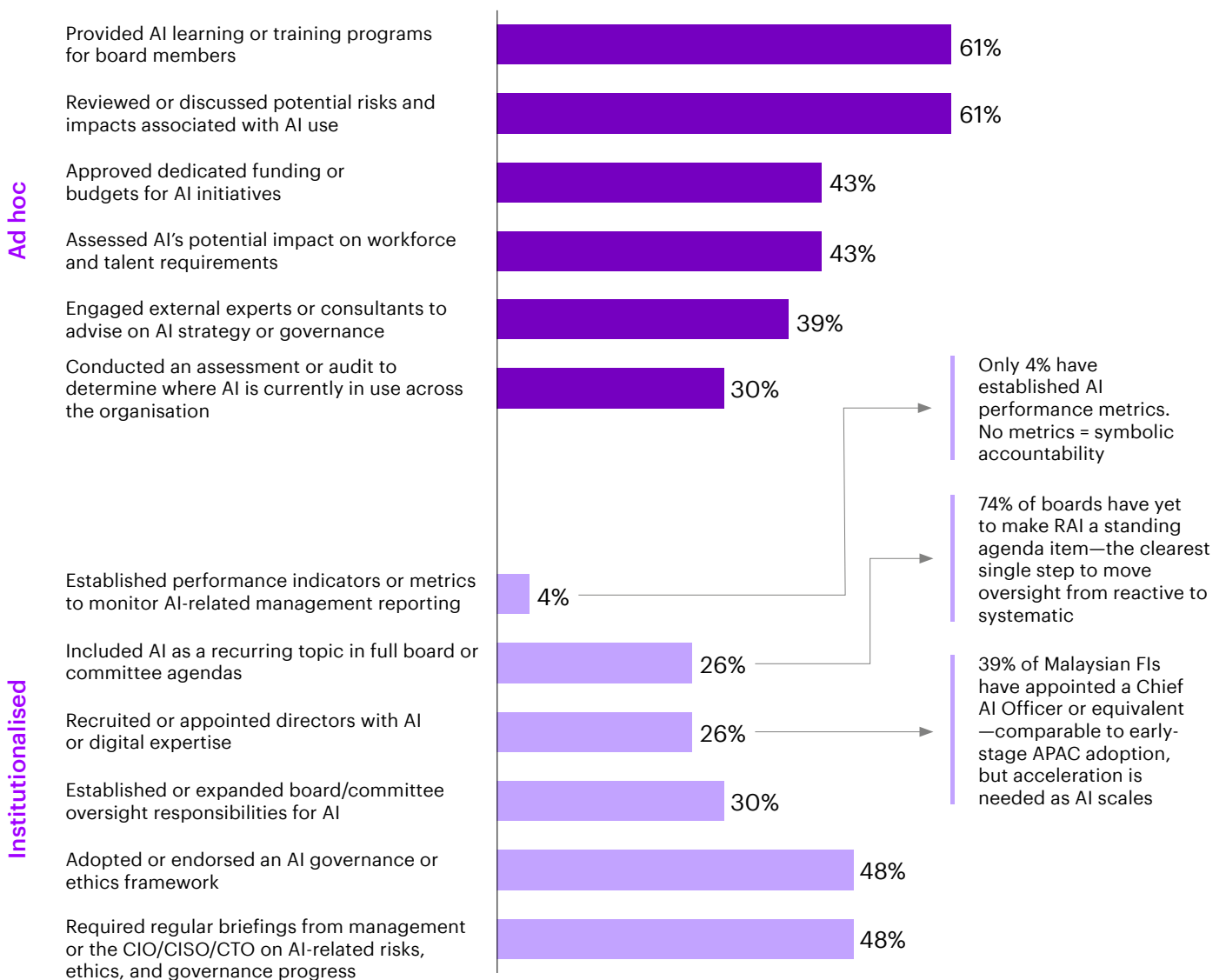
Source(s):  
Accenture “AI Adoption in Malaysia’s Financial Institutions Survey 2026”, Accenture research analysis.



RAI needs a different place in the governance structure. Only 26% of Malaysian boards have made it a recurring agenda item, and only 4% have established AI performance metrics to track it (Figure 9).<sup>42</sup> A board that reviews RAI once a year to satisfy a regulatory requirement is only acknowledging AI risk. Accountability starts when the board treats RAI as its own responsibility.

**Figure 9: Boards are engaging with AI governance, but mostly on an ad hoc basis.**

Share of Malaysian respondents, current (%)



Source(s):  
Accenture "AI Adoption in Malaysia's Financial Institutions Survey 2026", Accenture research analysis.



As architects, boards should endorse a comprehensive governance mandate that covers all four dimensions of RAI: risk, conduct, social impact and regulatory alignment. They should also establish a clear operational structure spanning roles, decision rights and human-in-the-lead controls for high-impact decisions. Boards should ask for a structured AI literacy programme built on ongoing, hands-on engagement with the technology, because a board that has never used the tools it governs cannot scrutinise them effectively. Finally, boards should plan for workforce transition alongside profit capture, as the human impact of AI scaling is a governance question.

As auditors, boards should make RAI performance reporting a standing agenda item with defined metrics across all four dimensions. They should require disclosure and explainability controls for high-impact AI systems in areas like credit, fraud and customer service, backed by independent assurance rather than management self-certification. They should also ensure that a senior AI executive is in place and that the AI oversight committee reports directly to a board risk committee for accountability.

These standards are demanding, but institutions that adopt them show they work in practice. A leading European bank built an enterprise-wide RAI framework with clear governance roles, a centralised AI inventory, robust risk assessments and strengthened third-party controls. The result was full visibility across every AI deployment, lower regulatory and financial risk and greater confidence to scale.<sup>43</sup>

A global multi-line insurer offers a similar example. As generative AI adoption accelerated, it built a coherent RAI programme across underwriting and customer service, with consistent risk identification and mitigation across both in-house and external models. The result was faster onboarding of new AI capabilities, lower reputational risk and a governance foundation that made the next wave of innovation easier to approve.<sup>44</sup>

The pattern is consistent: Institutions that treat RAI as an enabler rather than a constraint are the ones scaling fastest. Regulators will increasingly make RAI governance a non-negotiable, but boards that choose to do it proactively can turn RAI into a source of competitive advantage.

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### Board question

**Does our RAI governance across risk, conduct, social impact and regulatory compliance support faster, safer AI scaling, and is our board equipped to provide substantive oversight, not just symbolic endorsement?**

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# The next 90 days

**The next 90 days should be treated as a board decision window: institutions that define ownership, capital allocation and governance now will be better positioned to capture AI value over the next 18–24 months.**

The four imperatives in this report start with decisions boards can make at the next meeting. The following six actions put them into practice.

## 90-Day Board Action Checklist

- 01** Request briefing on **top 3–5 AI initiatives** and mandate **explicit** P&L targets for each.
- 02** Make AI and **Responsible AI** standing board agenda items.
- 03** Require a **credible** plan with a timeline and named owners.
- 04** Appoint a board-level **AI champion** to lead AI literacy development.
- 05** Demand a **digital core readiness** assessment and modernisation roadmap, identifying where legacy complexity constrains the highest-value bets.
- 06** Require management to present a **gap analysis** of existing risk frameworks against AI-specific risks.





# This is Malaysia's moment

**Malaysia's financial institutions stand at a critical inflection point.**

The decisions boards make now about strategic bets, capabilities and risk will determine whether their institutions pull ahead of regional peers or spend years trying to catch up.

The challenge is immense, and the board's role has never mattered more. AI is a strategic, financial and governance question that belongs at the board table. Boards alone can answer it with the authority it requires.

The window to act is narrowing. APAC peers that moved earlier are already pulling ahead, and every quarter of inaction makes that lead harder to close. Institutions that act decisively in the next 90 days can build lasting advantages in talent, infrastructure and institutional knowledge.

Boards need to govern AI risk. They also need to help management seize a rare opportunity to create value.

The stakes extend beyond individual institutions. Malaysia's financial sector intermediates capital across the economy and amplifies national growth. When banks and insurers capture the full value of AI, they strengthen their own balance sheets and help turn Malaysia's AI ambition into broad-based economic growth.

Malaysia starts from a position of strength. The playbook is clear, and the proof already exists in the global institutions profiled in this report and in the early results emerging across Malaysia's own financial sector. The task now is for boards to take ownership of this transformation and act with the conviction the moment demands.

## About the research

### Board-level survey of Malaysian financial institutions

Between December 2025 and March 2026, we surveyed approximately 100 board directors across Malaysian banks, insurers and takaful operators. Approximately 34% responded, which is low for a topic of this strategic significance, and a signal in itself that AI has yet to become a board-level priority. Respondents were senior board members including Directors (executive, non-executive and independent), Chairmen and C-suite leaders like CDOs and actuaries spanning conventional and Islamic banking, digital banks, insurance and takaful. We designed the survey to fill a gap in sector-wide deployment surveys, including BNM's AI Survey 2024: the board-level view from where strategy, risk appetite and capital allocation are set.

### Demographics of survey respondents (n=28)

The respondent base spans both industries and company sizes. Banking (including digital banks) accounted for 61% of respondents (17), Insurance 32% (9) and Others 7% (2). Company sizes ranged from under US\$250M to over US\$50B in assets, with the largest clusters at US\$3–5.9B (21%) and under US\$250M (21%). A majority of respondents sit on risk management and audit committees, with meaningful representation on IT & technology, strategy, nomination, remuneration and sustainability & ESG, ensuring findings reflect the views of directors with direct accountability for technology, risk and strategic oversight.

### Full questionnaire and structured interviews

In total, 34 board directors participated: 28 completed the full questionnaire, 8 took part in structured interviews and two did both. The questionnaire covered AI strategy maturity, capability development, talent, digital core readiness and Responsible AI governance. Interviews surfaced nuanced views on board literacy, oversight practices and the practical barriers to scaling AI. For strategy and capability analysis, the effective sample was n=23 (we excluded five FIs without a formal data and AI strategy); for governance and Responsible AI analysis, n=22 (we removed one invalid response). Given the sample size, we treated findings as directional rather than statistically representative.

### Benchmarking and complementary sources

Quantitative findings were benchmarked against Accenture's APAC and Global Financial Services studies, The front-runners' guide to scaling AI (2025), with APAC FI n=159 and Global FI n=444, enabling directional comparisons across strategy, capabilities, talent, digital core and Responsible AI. The analysis also draws on BNM's AI Survey 2024 for institutional deployment data, Accenture's Unconstrained Banking value model to quantify P&L impact across 15 value pools and publicly disclosed examples from Malaysian and global financial institutions to complement survey responses with qualitative insight.

### Disclaimer

We use generative AI in our research production process. Our research experts review and validate the generative AI outputs with traditional research methods where possible, applying Accenture's Responsible AI standards.



# Appendix

## Methodology

Accenture distributed surveys to approximately 100 board directors across Malaysian banks, insurers and takaful operators between December 2025 and February 2026. Only ~34% responded — low for a topic of this strategic significance, and may reflect the extent to which AI has yet to become a board-level priority. 28 completed the full questionnaire; 8 participated in structured interviews, of whom 2 did both.

## Demographics (Survey respondents, n=28)

### Industries

- Banking (including digital banks): 17 (61%)
- Insurance: 9 (32%)
- Others: 2 (7%)

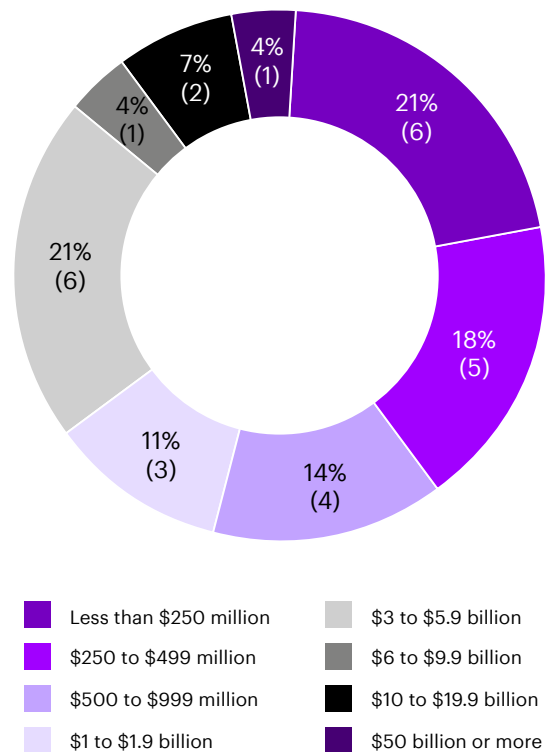
### Job titles

- Director (Executive/Non-Executive/Independent): 12
- Chairman: 1
- C-suite (e.g. CDO, Actuary): 2
- Others (non-specified): 13

## Role on board committees

| Board committee        | Chair | Member | Non-member |
|------------------------|-------|--------|------------|
| Risk Management        | 5     | 21     | 2          |
| Audit                  | 7     | 9      | 12         |
| IT and Technology      | 5     | 4      | 19         |
| Strategy               | 0     | 5      | 23         |
| Nomination             | 5     | 9      | 14         |
| Remuneration           | 3     | 9      | 16         |
| Sustainability and ESG | 0     | 7      | 21         |

## Company size



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## About Accenture

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Accenture helps the world's leading enterprises reinvent by building their digital core and unleashing the power of AI to create value at speed for organizations across industries. Our strategy is to be the reinvention partner of choice for our clients and lead in the safe, widespread adoption of AI, and to be the most client-focused, AI-enabled, great place to work in the world. We bring together the talent of our approximately 786,000 people with proprietary assets and platforms, deep process and industry expertise, and leading ecosystem relationships to deliver end-to-end solutions and measurable outcomes at scale. Through our Reinvention Services, we offer broad expertise across Cybersecurity, Digital Core, Finance, Industry and Enterprise, Song, Supply Chain and Engineering, and Talent, with advanced capabilities in AI and Data, Industry and Process, and Technology. We serve approximately 9,000 clients and generated approximately \$70 billion in FY25 revenue.

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## Accenture Research

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## About FIDE FORUM

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FIDE FORUM is a community of board leaders in the financial industry that provides a vibrant platform for networking and collaboration among esteemed industry professionals. At FIDE FORUM, we play a pivotal role in empowering board directors in the financial sector to share invaluable insights, engage in discussions on best practices, and address industry-wide challenges in corporate governance.

Established in 2010, FIDE FORUM is uniquely positioned as an exclusive membership-based organisation that specifically represents and serves the interests of financial institutions in Malaysia. Over the past years, our institutional and individual membership base has recorded sustained growth. We advocate strong corporate governance practices through our vision and mission. The organisation enables the coming together of individuals, enabling potential business opportunities to be explored, and collective partnership to be enhanced.

The formation of FIDE FORUM was initiated by alumni members of the Financial Institutions Directors' Education ("FIDE") Programme, with Perbadanan Insurans Deposit Malaysia ("PIDM") and Bank Negara Malaysia ("BNM") sharing a common vision to create a unified purpose for financial institution boards. This purpose aims to foster and synergise communication, cooperation, and collaboration among members and stakeholders. The successful formation of FIDE FORUM positions it well for growth as it evolves its strategies, structure, and synergy to adapt to changing circumstances and challenges.

Today, FIDE FORUM is a membership-based organisation that helps members connect and build relationships, access resources and information relevant to their interests, and share their views with relevant stakeholders. FIDE FORUM provides a comprehensive range of services, from talent sourcing to improving the effectiveness of board performance. The aim is to create a forward-looking environment where members can access, acquire, and grow professionally while contributing to the overall success of the organisation's mission.



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