EgonZehnder

Leadership ROI in Financial Services

What a Decade of CEO Turnover Reveals

Introduction

Financial Services leaders have spent the past decade navigating an environment defined by intense pressure and disruption. Recent CEO turnover patterns reflect a period marked by intensified regulatory scrutiny, frequent economic and sector-specific shocks, and accelerating digital and AI transformation.

Against this backdrop, understanding how CEO leadership has evolved becomes essential. This report examines CEO transitions over the past ten years (2015-2025) in 186 publicly listed Financial Services organizations globally.

Across most sectors, leadership transitions have surged to historic highs. Financial Services has followed this broader pattern, with CEO turnover peaking just ahead of the pandemic in 2019 and again more recently in 2023. While the sector has exhibited relatively greater overall stability than many others, the influence of a turbulent decade is clearly visible in how boards have been approaching leadership change.

These shifts raise a central question for Financial Services boards: Will long-tenured CEOs continue to be the prevailing leadership model?

For boards, CEO succession has always been among the most consequential decisions they face. Today, that responsibility carries even greater weight. Succession choices no longer simply ensure continuity; they shape an institution's ability to navigate regulatory complexity, manage risk in increasingly fragile systems, and modernize operating models while preserving trust built with customers, regulators, and markets over decades.

The findings in this report point to a defining pattern: Despite rising volatility, boards continue to place a premium on stability, institutional knowledge, and proven execution, favoring leaders with the experience and credibility to lead through extended periods of change.

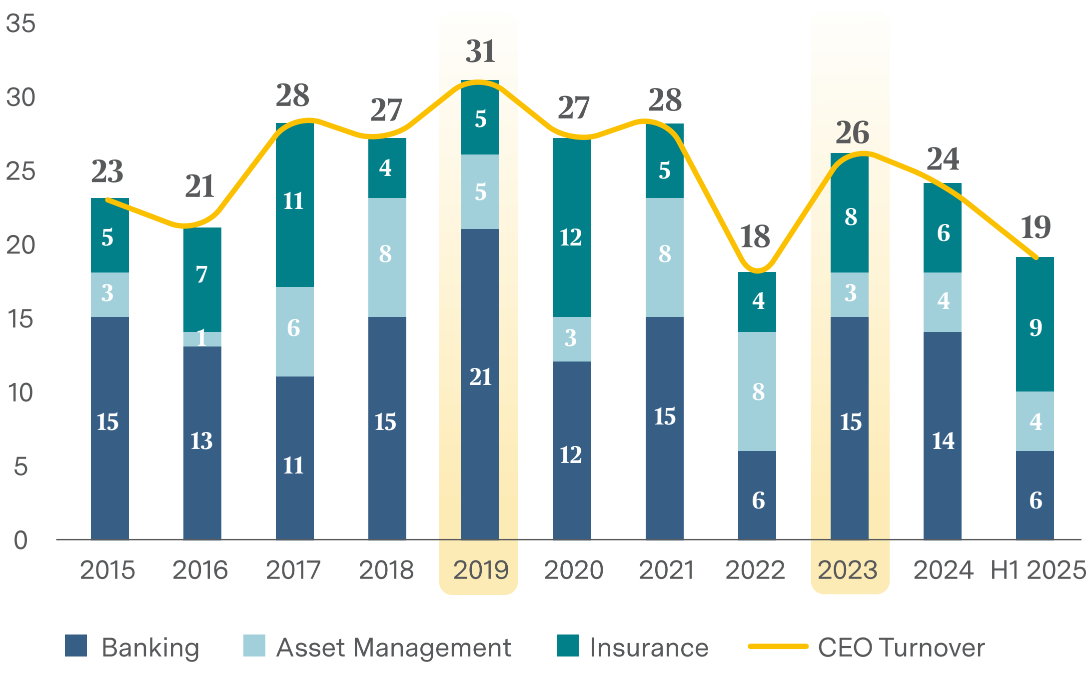
Key Findings

CEO Turnover Has Been Volatile

Over the last decade, CEO turnover in Financial Services has been volatile, following a peak-plateau-dip-rebound pattern. Across our sample of 186 companies, turnover spiked sharply in 2019, with 31 CEO exits, against a backdrop of heightened governance and conduct scrutiny across the industry.

So far, the first half of 2025 has recorded 19 CEO exits, but it deserves to be noted that this reflects only half-year data. CEO turnover rates across industries indicate that Financial Services boards are choosing consistency and stability overall. When necessary, they are replacing leaders to deal with tougher regulatory environments, higher risks, and AI transformation demands, with many insurers facing ongoing pressures related to capital requirements, underwriting performance, and modernization.

CEO Turnover in Financial Services

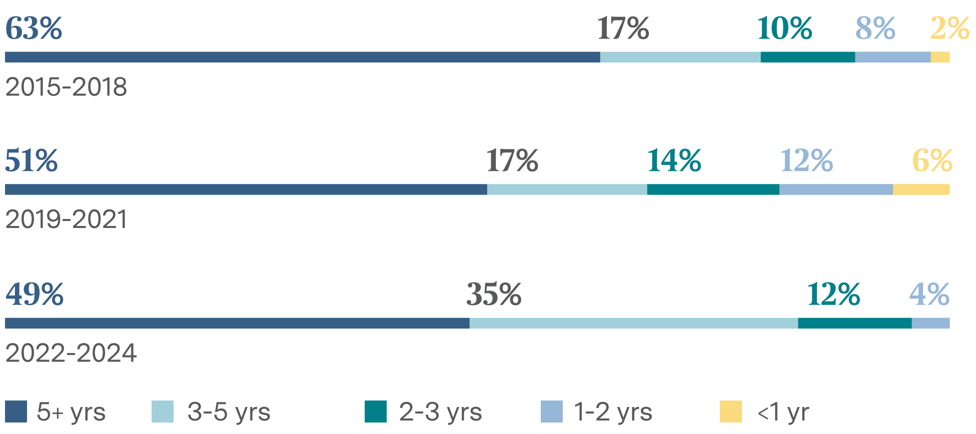


CEO Tenure Patterns Have Been Changing

CEO tenure patterns in Financial Services have shifted from long-term stability to shorter leadership cycles. Globally, the share of CEOs with 5+ years of tenure fell from 63% to 49%, while midterm tenures rose to 35%. At the regional level, the following trends emerge:

- In the United States, turnover is often shaped by performance expectations, shareholder scrutiny, and strategic repositioning, reflected in a higher incidence of short tenures, frequently under three years, across several large banks and asset managers.
- In EMEA (Europe, Middle East and Africa), tenure patterns are more balanced, with a concentration of 3–5-year terms as boards manage transitions linked to regulation, strategy shifts, and ownership structures.
- APAC shows the highest proportion of 5+ year CEO tenures, consistent with more structured succession planning across major markets. This is alongside a set of shorter 2–3-year transitions in India, where tighter regulatory oversight and strategic pivots have accelerated leadership change.

Tenure of Outgoing CEOs



Internal Successors Dominate CEO Appointments

External appointments remain the exception rather than the rule in Financial Services. They tend to re-emerge during periods of heightened change, particularly when boards look beyond established succession pipelines to access transformational leadership, new capabilities, or a different strategic perspective.

Since 2022, the preference has shifted back toward internal successors as boards increasingly prioritized continuity, risk stewardship, and institutional knowledge.

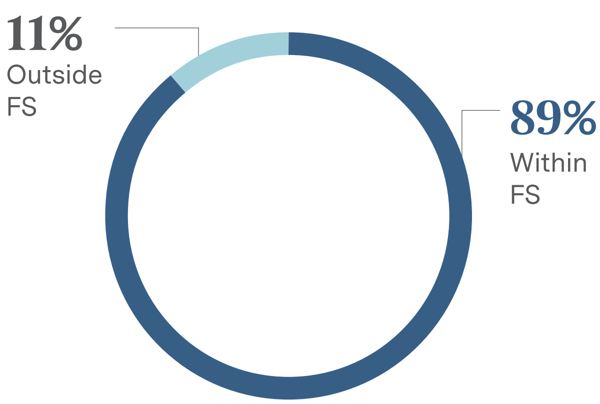
Deep internal pipelines underpin this approach, with long-tenured CFOs, COOs, and business heads continuing to move into CEO roles.

Internal Versus External CEO Appointments

Successful examples of external hires do occur, especially when boards seek proven regulatory experience, transformational capability, or fresh strategic energy.

External CEO Appointments

Within vs. Outside Financial Services



When boards look beyond traditional Financial Services leadership pools, the decision is rarely opportunistic and typically reflects a deliberate shift in leadership requirements.

These appointments are usually triggered by:

Customer-trust or service challenges requiring consumer-industry skillsets

Large-scale digital and **operational transformation**

Strategic resets demanding independent thinking

Governance or control pressures where external credibility is essential

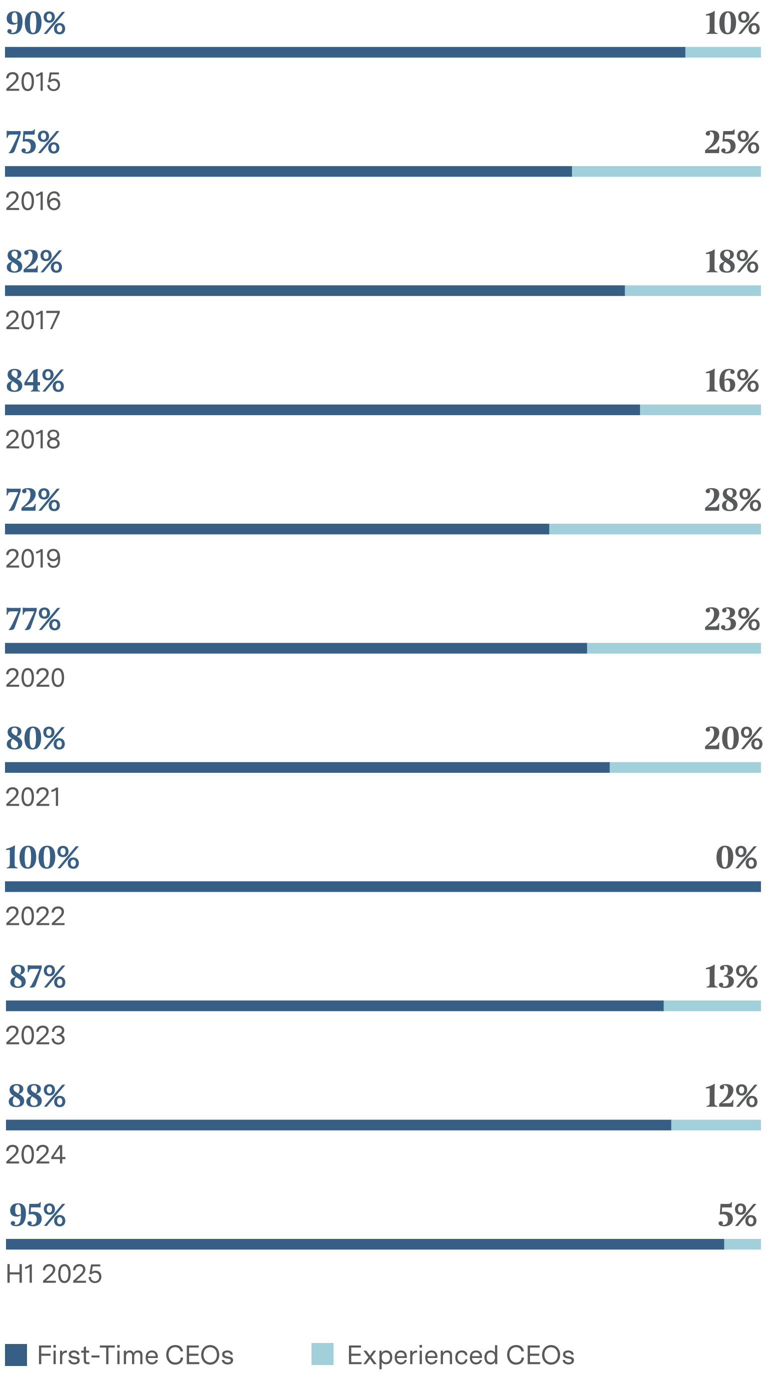
Financial Services Will Remain a First-Time-CEO Sector Sustained by Strong Internal Talent Pipelines

Financial Services remains a first-time CEO market, sustained by strong internal talent pipelines. Between 2015 and 2025, approximately 85–90% of CEO appointments were first-time CEOs, supported by the fact that more than two-thirds of leaders were promoted internally. This pattern suggests boards are prioritizing continuity and institutional knowledge while simultaneously placing significant trust in internal leaders to step into the role at the highest level.

Importantly, first-time CEOs tend to stay longer than their externally experienced counterparts, with global data indicating an average tenure of roughly two additional years. Many of these first-time CEOs reach the five-plus-year tenure category, reinforcing stability during extended transformation cycles. Insurance stands out as a partial exception, as it is more likely than other subsectors to appoint experienced CEOs, likely reflecting the sector's exposure to long-tail risk exposure, and the premium placed on proven leadership under scrutiny.

Most Financial Services CEOs Are First-Time CEOs

First-Time vs. Experienced CEOs



Pathway Pipelines Are Shifting

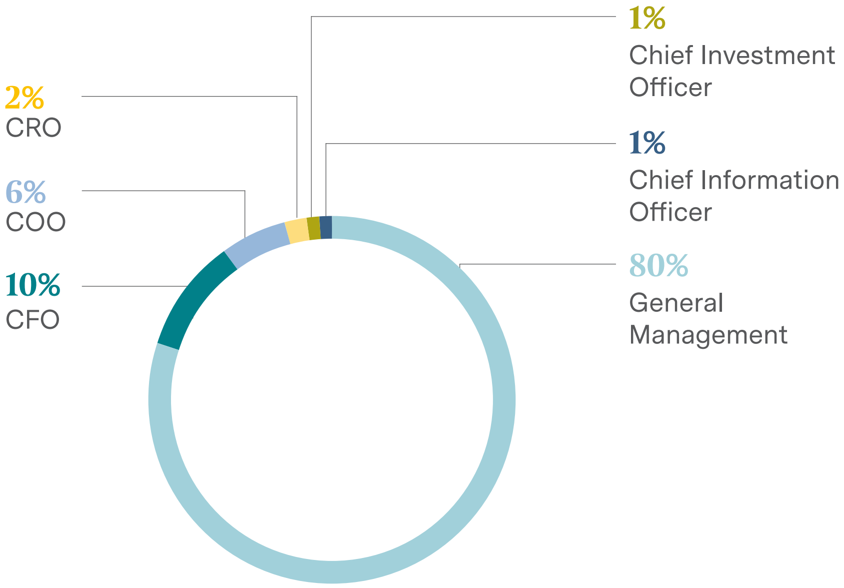
CEO pipelines in Financial Services are evolving, and general management remains the dominant pathway. Over the past decade, on average 80% of CEOs have risen from roles such as business unit leaders, country or divisional CEOs, or from prior CEO positions. This reflects boards' continuous preference for leaders with broad P&L accountability, enterprise oversight, and multi-market experience.

Alongside this core pipeline, finance and risk leadership pathways are gaining strategic importance. Approximately 10% of CEOs now emerge from CFO or CRO roles, most often during periods defined by regulatory intensity, restructuring, or heightened capital discipline. These transitions demonstrate how financial stewardship and risk governance have become critical CEO capabilities.

COO-to-CEO successions are less common, representing roughly 5–6% of appointments. These transitions tend to be highly situational, usually occurring when organizations face execution-heavy agendas, including operational turnarounds, post-merger integration, or large-scale transformation. In these contexts, deep operational expertise and a track record of delivery outweigh broader market-facing experience.

Financial Services CEO Pipelines

Breakdown by Functional Background



Looking ahead, CEO pathways are expected to diverge further by region.

Based on recent succession patterns, we expect EMEA to likely continue drawing heavily from CFO and CRO talent pools, reflecting ongoing regulatory complexity and financial scrutiny. APAC, for example, continues to lean toward general management leaders well suited to driving multi-market growth, scale, and organizational expansion.

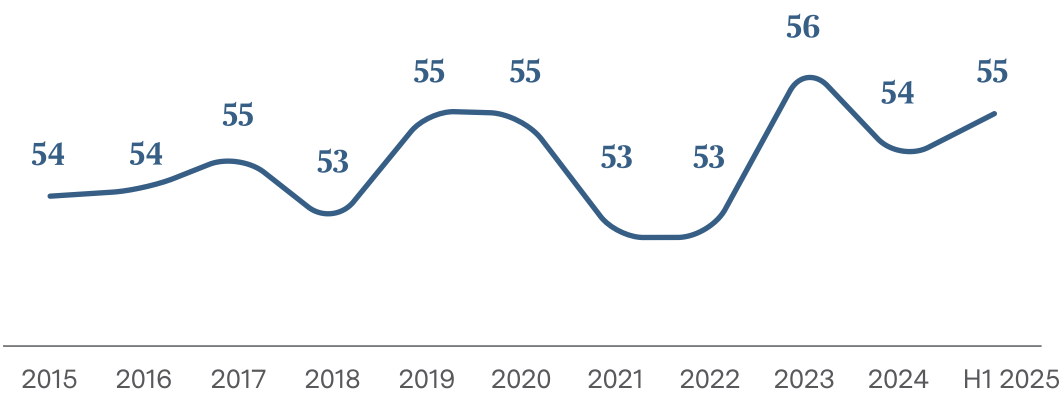
Most CEOs Are Appointed in Their Mid-50s

The average age of CEOs at appointment in Financial Services has edged up to about 55 years, with APAC trending older and Asset Management and parts of EMEA skewing slightly younger. This reflects a growing emphasis on leaders with deeper operational and market experience.

Data from 2015–2025 shows a gradual rise followed by stabilization rather than a sharp increase, reinforced by consistently older appointments in APAC and in regulated segments such as Banking and Insurance.

Banking and Insurance continue to appoint older CEOs, given the demands of navigating complex products, risk environments, and regulatory scrutiny.

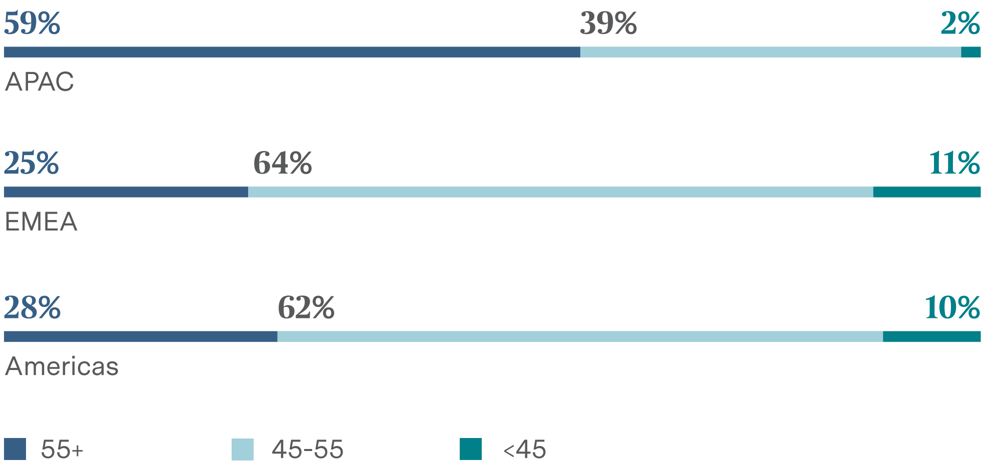
CEO Appointment Age Is Stabilizing in the Mid-50s:
Average Age at Hire



Younger CEO appointments (under 45 years) are rare. When they do occur, they are typically tied to specific circumstances driven by a high-potential internal successor, a transformation or digital agenda that requires a fresh perspective, or founder-led or specialist expertise context.

Looking ahead, we expect this average age at appointment to remain generally anchored in the mid-50s with some variances and potential for a small drift upward.

Age Distribution of Current CEOs Across Regions



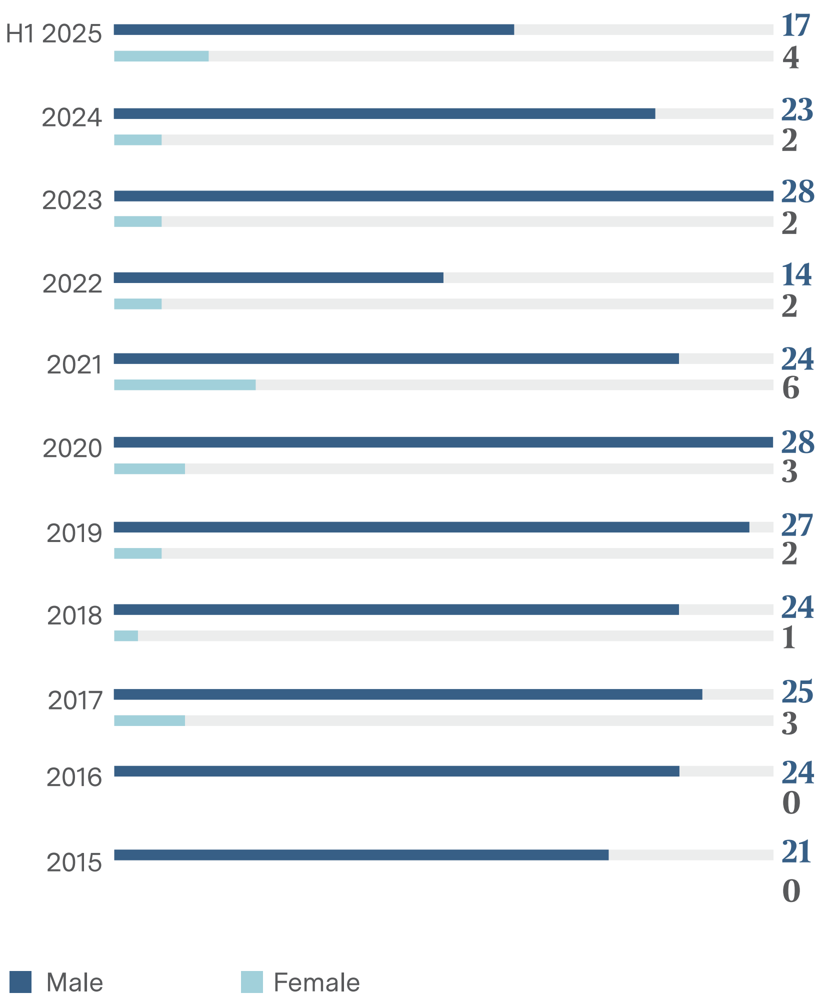
Gender Diversity Progress Is Visible but Minimal and Incremental

While there are signs of improvement in the industry, gender diversity in CEO appointments across Financial Services remains limited. The number of female CEO appointments rose from near zero in 2015 to four in 2025. For comparison, there were 21 male CEOs appointed in 2015 and 17 in 2025.

However, there is stronger momentum in some regions, mostly in the Americas, and some slower increases in EMEA, partially fueled by governance expectations, stakeholder pressures, and policies. Other regions have more limited appointments, such as in APAC, where female CEO appointments are few and far between.

On an encouraging note, the presence of female CEOs across the industry may be a signal that progress is moving beyond isolated appointments—slowly. For sustained progress, a continuous focus on building and maintaining leadership pipelines and embedding diversity considerations into succession planning will be needed.

CEO Gender Distribution by Year



What Financial Services Boards Can Do to Prepare for Ongoing CEO Turnover

CEO turnover appears to be becoming a more persistent feature of the Financial Services landscape rather than a purely episodic phenomenon. Volatility tied to regulation, risk, AI transformation, reputational scrutiny, and geopolitics means boards must plan for leadership change as a continuous governance responsibility, not a contingency.

Looking ahead, boards need to take several steps:

1. **Treat CEO succession as an ongoing strategic risk**

   Boards should elevate CEO succession from a periodic consideration to a standing agenda item. Recent turnover patterns show a sustained “rebound” after the pandemic and deferred transitions, indicating that leadership volatility is likely to persist.

2. **Build and stress-test internal succession pipelines continuously**

   Financial Services remains an internal-first CEO market, with boards favoring long-tenured CFOs, COOs, and business heads for their institutional credibility and risk stewardship. This is especially important because internal successors are associated with longer tenures and greater stability during extended transformation cycles.

   Boards should:

   - Maintain multiple potential internal successors, not a single “heir apparent”
   - Regularly evaluate readiness of internal candidates against what will be required to be the future CEO
   - Invest in clear development plans to address gaps in experience and/or competencies for high potential executives
   - Get to know the external market so that, if a search becomes necessary, the board is prepared and can bring in strategic talent when appropriate

3. **Plan explicitly for sudden, unplanned and accelerated exits**

   CEO departures in Financial Services are increasingly driven by external shocks—regulatory enforcement, governance failures, or sudden market dislocation—rather than orderly retirements.

   Boards should ensure they have:

   - Clear emergency succession protocols
   - Pre-agreed interim leadership options

- Well-understood decision rights between chair, Senior / Lead Independent Director, and committees

4. **Align future CEO profiles with the strategy, risk and regulatory cycle ahead**

   Boards continue to value experience, judgment, and credibility over novelty, particularly as AI adoption intersects with prudential oversight and reputational risk. This is reflected in CEO appointment ages stabilizing in the mid-50s and a premium placed on leaders with multi-jurisdictional regulatory experience.

5. **Strengthen board–CEO transition governance**

   The transition of the current CEO—timing, role clarity, and narrative control—remains one of the most delicate aspects of succession for the Board and for the CEO.

   Boards should, ideally in partnership with the CEO:

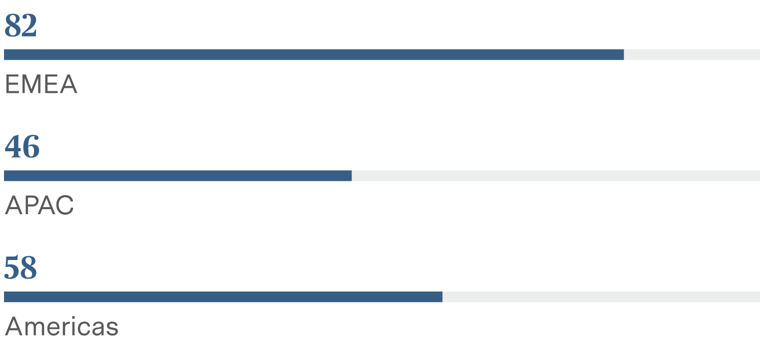
   - Set clear expectations on handover roles, timeframes, and how the incoming CEO will be supported during onboarding
   - Protect the authority of the incoming CEO from day one
   - Manage external signaling to regulators, investors, and employees

For Financial Services boards, preparing for ongoing CEO turnover means **normalizing succession as a continuous capability**, not a one-off decision. The boards best equipped for volatility are those that invest early in internal pipelines, rehearse disruption scenarios, and govern transitions with the same rigor they apply to capital, risk, and regulation.

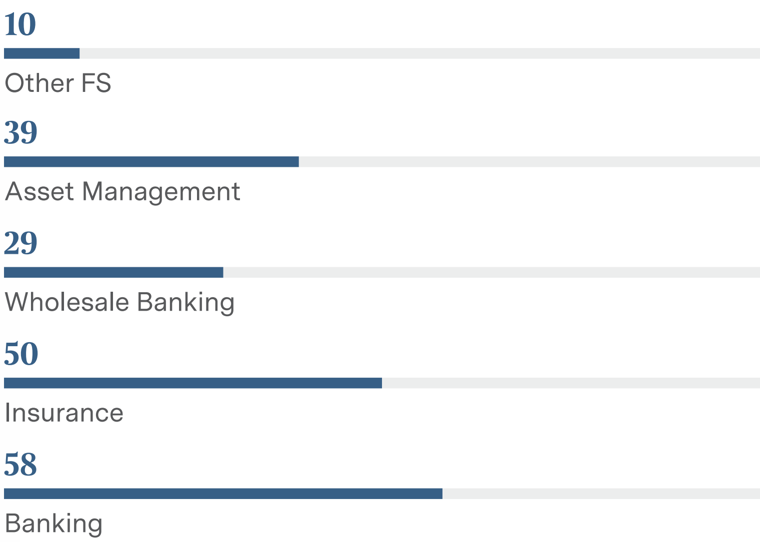
Company Data

The study investigates CEO transitions during the period of January 2015 to June 2025 for the publicly listed Financial Services companies with assets over US$100 billion.

Number of Companies by Region



Number of Companies by Sector



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