

## FSLN VIEWPOINTS

# Navigating polycrisis: geopolitical volatility and stakeholder trust

May 2026



Financial institution leaders face what one participant described as a polycrisis: geopolitical and market volatility, the potentially transformative changes driven by AI, and a highly politicized and fragmented policy environment. As boards and management teams adapt oversight and risk management to this reality, they are also determining how best to engage stakeholders, including governments and customers, and retain trust. *“The speed of change—geopolitical and technological—is a challenge. How do we as directors sift through the noise, stay focused on our long-term strategy, but also keep the agility to pivot in the face of disruption?”* one director asked.

On March 3 in New York and March 26 in London, board directors and senior executives from leading financial institutions gathered to discuss the volatility and uncertainty created by geopolitical and policy upheaval, how they are responding, and how to engage effectively with stakeholders. Participants also discussed the current state of AI deployment in financial services, emerging sources of competitive advantage, and the workforce implications that lie ahead; a companion *ViewPoints* focusing on that topic is available [here](#).

*For a list of participants, please see page 9.*

This *ViewPoints*<sup>1</sup> highlights the following themes that emerged from these meetings and related conversations:

[Financial institutions are operating in a compounding-risk environment](#)

[A highly politicized, low-trust environment is challenging firms' ability to engage effectively with stakeholders](#)

[Financial institution leaders need to think differently about political risk and engagement](#)

## Financial institutions are operating in a compounding-risk environment

Geopolitical instability and fragile markets are generating interconnected risks that must be met with agility and resilience.

### War in the Middle East could exacerbate other risks

The war with Iran has elevated concerns around cyber risk, threatened to destabilize broader international relations, and exerted significant pressure on energy markets, with weighty implications for the broader markets and the global economy. Participants described several risks of growing concern:

- Growing risk of state-sponsored cyberattacks.** *“Iran raises geopolitical risk, and cyber is a big part of that. We all have viruses in the system and are waiting for someone to activate them,”* one participant said. *“If you are pushing people to the brink and they think they have an existential risk, we may see people taking extreme measures.”* Iran is not the only state actor that poses a threat. One director said, *“I think some systemic cyberattack is one of my top concerns, whether it’s at my company, the internet, or settlement systems. When you think about Iran, North Korea, China, they all have different axes. That scares me the most, and there’s risk that may undermine the function of the financial system.”*
- Turmoil in global markets and supply chains.** The conflict with Iran has been called “the largest supply disruption in the history of the global oil market” by the International Energy Agency.<sup>2</sup> Spiking oil prices have stoked fears of inflation and are creating significant volatility in both bond and equity markets.
- Possible spillover to US-China relations.** The conflict in Iran has drawn some clear lines between those aligned with the United States and Israel, those more closely aligned with Iran, and those left in the middle. The US administration has alienated some traditional allies, while Iran has struck out against neighboring countries. Importantly, one participant suggested that China may be *“pushed to pick sides,”* possibly heightening tensions with the US. Chinese technology firms have made significant investments in the region, increasing their exposure to prolonged instability, and the

---

*“I think some systemic cyberattack is one of my top concerns whether it’s at my company, the internet, or settlement systems.”*

— Director

Chinese economy as a whole is *“highly dependent on global trade.”* China also depends heavily on oil shipments from the region: the current conflict is not only causing disruptions to its energy supply but also is raising insurance and protection costs for commercial shipping. The participant noted, *“If this conflict is resolved quickly, the impact may be limited, but a prolonged war would have significant consequences for companies operating in China.”*

## Geopolitical instability could trigger cascading financial troubles

Some participants warned that geopolitical conflict raises the risk of a broader financial unraveling. Rising interest rates and borrowing costs increase systemic vulnerability. One director cautioned, *“My concern is that global turmoil could lead to a broad repricing of risk—falling equities, widening spreads, and rising defaults as refinancing becomes difficult.”* Another participant observed, *“The UK and European markets have a huge amount of skittishness. What’s happening in yields is a theme that’s not going away.”*

Looking further ahead, a director questioned whether institutions are adequately prepared for more fundamental shifts in the global financial system: *“I see a whole lot of things that might accelerate the demise of the dollar, and I wonder how many institutions are really prepared for that.”*

Participants expressed concern that politically driven volatility and questions about the effects of AI and other technologies on entire sectors mean that *“markets are on a hair trigger and could cause problems in banks.”* One participant warned, *“I’m not predicting a run, but we’ve seen how fast things can happen, like with Silicon Valley Bank.”* Another raised the possibility of a sudden liquidity event outside the traditional banking system: *“Is there going to be a liquidity event at a private credit firm or software firm?”*

Concerns about market fragility are compounded by rising government indebtedness. One participant observed, *“There’s massive pressure on Western governments to spend—infrastructure, military, GDP growth—all adding to government indebtedness. US debt is hitting \$40 trillion. It doesn’t take a lot for confidence to unravel around servicing that debt.”*

---

*“Markets are on a hair trigger and could cause problems in banks.”*

— Participant

## A highly politicized, low-trust environment is challenging firms' ability to engage effectively with stakeholders

Increasing geopolitical instability is prompting financial services leaders to reassess how best to engage with governments and customers on salient issues. Participants cautioned that companies can no longer assume political neutrality by default. One participant put it bluntly: *"If you don't think your company is a political actor, you're wrong."*

### Public sentiment is characterized by low trust, anxiety, and pessimism

Recent research from Edelman found that trust in large institutions continues to erode, intensifying reputational risk.<sup>3</sup> One participant stated, *"We live in a very low-trust environment. Trust in the government and media are at all-time lows ... Societal institutions are failing the people they are supposed to protect."*

Compounding an overall loss of trust in institutions is a growing sense of insularity. Trust has become increasingly localized, with seven in ten people hesitant to trust those who think or live differently and consumers showing a marked preference for local over international brands.<sup>4</sup> This insularity is exacerbated by information silos, with only 39% of those surveyed saying they consult sources with political leanings different from their own.<sup>5</sup> For multinational financial institutions, this trend is concerning. One participant shared, *"One thing that worries me is Brand USA abroad."* This participant noted that perceptions of the US have turned sharply negative in the last three years. *"Brand USA matters when you have employees abroad and are selling products abroad."*

Additionally, participants noted a deteriorating outlook for the future and widespread economic anxiety. A participant said that *"only a small minority believe the next generation will be better off ... For the first time, people feel future generations will be worse off than the current generation."* Fears about what AI will mean for jobs is exacerbating economic anxiety. A participant observed, *"There is an impending sense of economic doom. More than half of people are worried about losing their job, which is the highest ever, higher than during COVID."* Another participant said, *"Our people see that you can do things 30% faster [with AI], and that it will lead to job reductions. We've been*

---

*"If you don't think your company is a political actor, you're wrong."*

— Participant

*through conversations with them about how this will make their jobs more interesting, but there is no doubt it will replace people. Our folks are on to that and think we are not being honest about the way we talk about it.”*

## Policy is increasingly politicized, especially in the US

Years of deteriorating optimism and declining trust in institutions have had political ramifications. A participant noted, *“Populism thrives when people are annoyed and want a change,”* pointing to moments such as Brexit and the election of Donald Trump as *“votes for change.”*

Populist politics, particularly in the United States, are contributing to an environment where policy decisions are increasingly driven by political interests rather than underlying fundamentals. This is leading to unpredictable policy pivots, such as the Trump administration’s proposals to cap credit card interest rates, to prevent institutional investors from buying single-family homes, and to restrict defense contractors from engaging in share repurchases. Political interference in the US Federal Reserve Bank is another example. A director noted, *“There’s a ton going on with Fed independence right now that could have real consequences. Markets are skeptical at this point, but I think they’re underestimating the importance of what could happen.”* For some, this raises even more fundamental questions: *“Will the rule of law continue to prevail?”* asked one director. *“It’s so fundamental for business and business stability. There is a real threat if the rule of law and independent institutions come under attack, and they are under attack at the moment.”*

---

*“There is an impending sense of economic doom. More than half of people are worried about losing their job, which is the highest ever, higher than during COVID.”*

— Participant

## Financial institution leaders need to think differently about political risk and engagement

Heightened geopolitical volatility, policy uncertainty, and eroding trust in institutions are forcing financial institutions to rethink not only how they manage risk, but how they lead and engage with stakeholders, including governments.

### Participants described steps boards can take to navigate volatility and uncertainty

Directors emphasized that the task in today’s geopolitical environment

is not to try to predict the future, but to focus on agility and resilience, regardless of the relentless volatility and uncertainty. A participant suggested, *“The biggest risk for financial services leaders in 2026 isn’t volatility but waiting for stability that may never return.”* Participants highlighted several practical approaches to building resilience in this context:

- **Retain a focus on long-term strategy.** Geopolitical conflicts, unpredictable policy shifts, and rapid market fluctuations are creating what one director called *“a fuel that is driving short-termism”* in decision making. Participants emphasized the importance of maintaining focus on long-term strategy, even as near-term pressures mount and demand immediate attention.
- **Run scenarios that include interconnected risks.** One director warned that companies are still not preparing rigorously enough for the current polycrisis environment and stressed the need to think in terms of interconnected risks: *“It’s not having a discrete list of 20 risks that could happen at the company. It’s coming up with compound risks and asking, ‘What if you had a Taiwan crisis, supply chain interruption, and a hurricane?’”* Another director emphasized, *“You need to think about, What is your critical infrastructure, What are your critical requirements, and How do you create safety or certainty in those supply chains?”* Directors emphasized that effective oversight in this environment requires moving beyond generic risk templates toward scenario planning that is tailored to each institution’s unique geographic footprint, product set, and operating model.
- **More explicitly assess and manage political and reputation risks.** While engaging on public issues has always entailed reputational risk, it increasingly carries the possibility both of a direct response from the Trump administration. The president has shown a willingness to engage directly, whether in the form of a social media post, an executive order, or a lawsuit against companies and their leaders, as in the case of the \$5 billion lawsuit he filed against JPMorgan after CEO Jamie Dimon criticized the administration’s investigation into Fed Chair Jerome Powell.<sup>6</sup> A participant suggested, *“I would look at my company and ask where the next shoe would drop. It’s important to look at the company, the makeup of the board, and the law firm you’re using through the lens of how this could impact us politically.”*

---

*“The biggest risk for financial services leaders in 2026 isn’t volatility but waiting for stability that may never return.”*

— Participant

## Stakeholder engagement requires a more strategic approach in the current environment

Declining trust, pessimism, and insularity demand tailored approaches to leadership, communications, and stakeholder engagement. Boards and management teams must consider if and how to communicate with customers, shareholders, and employees on politically sensitive issues, when to make those communications public, and whether and how to engage directly with government leaders on issues of relevance to their business. Participants made the following observations:

- Leading with authenticity is essential in a low-trust environment.** Participants noted that declining trust in governments, media, and other public institutions is creating an opening that employers are well positioned to fill. *“There’s never been a time where your employees have gravitated to their employer more,”* one participant said, underscoring both an opportunity and a responsibility for companies to communicate clearly and directly with their workforce. Stakeholders increasingly value visible, human, and consistent leadership over polished corporate messaging. A participant observed, *“The businesses that aren’t personalized, that seem faceless, have the least amount of trust in them.”* This has implications for the channels through which organizations communicate their message: *“People seem not to trust corporate LinkedIn handles, but they do trust company CEOs’ LinkedIn posts.”* There was broad agreement that authenticity now outweighs refinement, with people responding more strongly to leaders they feel they “know,” even when they may not agree with them: *“You may not like the person, but you know who they are.”* As one participant put it, *“You’re not so much selling a product; you’re selling trust. The ethos of a company is really in the CEO.”* Another participant said, *“Being seen to be accessible and to have the courage of your convictions is hugely important in building trust.”*
- Effective communication requires harnessing fragmented information channels.** Information sources—particularly for financial guidance—are fragmenting sharply by age, creating both risk and opportunity. One participant observed that *“for 18–34-year-olds, the number one source of financial information is Instagram,”* highlighting how information is increasingly mediated through nontraditional platforms. Despite the public’s increased skepticism toward institutions, participants stressed that demand for clear,

---

*“There’s never been a time where your employees have gravitated to their employer more.”*

— Participant

---

*“You’re not so much selling a product; you’re selling trust. The ethos of a company is really in the CEO.”*

— Participant

relevant information remains strong, especially in financial services. One participant remarked, *“Consumers of financial products are starved for information,”* reinforcing the importance of reaching out through various channels to offer timely, accessible, and trustworthy communication.

- **Engaging publicly on politically sensitive issues requires disciplined judgment and clear guardrails.** While authenticity is important, so too is being careful and strategic about when to take a stance and what to say about politically sensitive issues. Several participants agreed that companies should focus on issues closely related to their core business. One participant said, *“My advice is to have CEOs stay neutral — not go out on a limb one way or another.”* However, silence carries its own risks. Another participant warned, *“CEOs trying to get out of answering political questions, focusing only on the business, makes it very difficult for CEOs to be trusted sources of information, especially if you’re a global company.”* Given the risks, a director emphasized the need for *“established policies and principles that guide the CEO on when to speak and when not to speak”* to provide the CEO with *“air cover”* in the face of competing pressures to engage or remain silent.
- **Engaging directly with governments requires approaches beyond traditional lobbying.** Participants discussed strategies for engaging with unconventional administrations, notably the current US administration. One participant described a small, fluid inner circle holding most of the influence. Another said the Trump administration operates in a transactional, relationship-driven way. A participant emphasized, *“Developing relationships is key. Washington is a relationship city. You need boots on the ground in Washington. Connectivity and a presence in Washington are critical, not just to listen, but to engage.”*

\*\*\*\*

Reflecting on the current operating environment, one participant cited Dwight D. Eisenhower’s famous assertion that *“plans are worthless, but planning is everything.”* Financial institutions and their leaders must build resilience in the face of volatility, anticipating compound shocks and strengthening risk management, strategic planning, and scenario modeling. At the same time, an environment of declining trust and growing anxiety places a premium on earning trust through consistent actions and clear, authentic engagement.

---

*“My advice is to have CEOs stay neutral — not go out on a limb one way or another.”*

— Participant

## Meeting Participants

The following individuals participated in the meetings or related conversations:

### Participants

Matthew Adams, Non-Executive Director, Globe Life

Homaira Akbari, Non-Executive Director, Santander

Edith Avilés, Non-Executive Director, HSBC NA (North America)

Laura Barlow, Non-Executive Director, Société Générale

Andre Bechtold, President for SAP Industries and Experiences, SAP

Colin Bell, Non-Executive Director, Starling Bank

Nathanaël Benjamin, Executive Director, Financial Stability Strategy and Risk, Bank of England

Paul Bishop, Audit Committee Chair, AXA XL and Zurich Assurance; Chair of the Board, MetLife UK

David Boast, Senior Vice President, Technology Partnership Development, Bank of America

Craig Broderick, Risk Review Committee Chair, BMO Financial Group

Jan Carendi, Chair of the Board, MSIG Europe

Michael Cole-Fontayn, Non-Executive Director, JPMorgan Securities

Greg Coleman, Senior Deputy Comptroller for Large Bank Supervision, Office of the Comptroller of the Currency

Jim Coyle, Chair of Board, HSBC Global Services Limited; Risk Committee Chair, HSBC Bank (Singapore) Limited

Geoff Craddock, Chief Risk Officer, MassMutual

Martha Cummings, Nominating and Corporate Governance Committee Chair, Marqeta

Troy Dehmann, Chief Operations Officer, Beazley

Pierre-Olivier Desaulle, Senior Independent Director, Beazley

Beatrice Devillon-Cohen, Senior Independent Director and Risk Committee Chair, Mitsubishi UFJ Securities (EMEA)

Carmine Di Sibio, Audit and Finance Committee Chair, PayPal; Non-Executive Director, Prudential Financial

Kyle Dropp, Co-Founder and President, Morning Consult

Rebecca Emerson, Non-Executive Director, JPMorgan Markets

Peter Estlin, Audit Committee Chair, Rothschild & Co

Karen Fawcett, Non-Executive Director, Aegon

Shyam Gidumal, Non-Executive Director,  
Renaissance Reinsurance

Jill Goodman, Non-Executive Director, Genworth  
Financial

Emma Griffin, Non-Executive Director, iA  
Financial Group and NM Rothschild & Sons  
Limited; Chair, UK Financial Institutions Group,  
Rothschild & Co

Scott Gunter, Chief Executive Officer, AXA XL

Ashok Gupta, Risk Committee Chair, Sun Life  
Financial; Chair of the Board, Mercer UK

Brad Hu, Executive Vice President and Chief  
Risk Officer, State Street

Mark Hughes, Risk Committee Chair, UBS

Joe Hurd, Non-Executive Director, Lloyd's of  
London

Jim Islam, Chief Executive Officer, OneFamily

Philip Jacobs, Non-Executive Director, Globe  
Life

Penny James, Non-Executive Director, QBE  
Insurance Group

Dagmar Kollmann, Chair of the Board, Citigroup  
Global Markets Europe; Non-Executive Director,  
Paysafe

Brian Lee, Chair, Risk Division, Goldman Sachs

John Lister, Actuarial Committee and Risk  
Committee Chair, Old Mutual

John Liver, Non-Executive Director, Barclays UK  
Neil Maidment, Risk Committee Chair, QBE  
Insurance Group

Peter Manchester, Non-Executive Director,  
Tesco Insurance

Trevor Manuel, Chair of the Board and  
Corporate Governance and Nominations  
Committee Chair, Old Mutual

Sean McHugh, Senior Director, Market  
Assurance, Virtual Assets Regulatory Authority  
of Dubai

Eithne McManus, With Profits Committee Chair,  
Royal London

Hazel McNeilage, Human Capital and  
Compensation Committee Chair, Reinsurance  
Group of America

Cécile Nagel, Global Head of Corporate Trust,  
BNY

Sean Neary, Managing Director, US Co-Lead,  
Financial Services, Edelman Smithfield

Albert Ng, Audit and Risk Management  
Committee Chair, Ping An Insurance; Audit and  
Control Committee Chair, CICC

Ed Ocampo, Risk Committee Chair, JPMorgan  
Securities

Lewis O'Donald, Risk Committee Chair, HSBC  
Bank

Sally Orton, Non-Executive Director, Nationwide  
Building Society

Andy Ozment, Executive Vice President, Chief Technology Risk Officer, Capital One

Douglas Peterson, Non-Executive Director, Morgan Stanley

Marty Pfinsgraff, Risk Committee Chair, PNC Financial

George Quinn, Non-Executive Director, Swiss Re

Sir David Roberts, Chair of Court, Bank of England

Brian Rosenblum, Managing Director, Sixth Street

Gavin Smyth, Chief Risk Officer, Nationwide Building Society

Bob Stein, Audit Committee Chair, Talcott Financial Group and Kwh Analytics

Scott Stoll, Audit Committee Chair, Farmers Group and Farmers New World Life Insurance Company; Credit Policy Chair, Amalgamated Bank

## EY

Omar Ali, Global Financial Services Leader, EY

Jeff Gill, Americas Insurance Sector Leader, EY

Nigel Moden, Global Banking and Capital Markets Leader, EY

Jeff Schumacher, EY Parthenon Global Growth Platforms Leader, EY

Patrick Tannock, Non-Executive Director, Fidelity International

Rolf Tolle, Non-Executive Director, Marco Capital

Nick Turner, Group Chief Executive, NFU Mutual

Grace Vandecruze, Non-Executive Director, Blackstone Infrastructure Strategies

Andrew Wilde, Managing Director, UK and Global Chair, Financial Services, Edelman Smithfield

David Wildermuth, Managing Director and President, UBS Americas Holdings

Vanessa Wittman, Risk Committee Chair, AIG

Al Zollar, Technology Committee Chair, BNY

Isabelle Santenac, Global Client Service Partner, EY

Marc Saidenberg, Americas Financial Services Regulatory Lead, Principal US Financial Services Consulting, EY

Phil Vermeulen, EMEIA Financial Services Insurance Leader, EY

Jonathan Zhao, Global Insurance Leader, EY

## Tapestry Networks

Dennis Andrade, Managing Director

Eric Baldwin, Executive Director

Tiffany Luehrs, Senior Associate

Brenna McNeill, Senior Associate

Tucker Nielsen, Managing Director

## About this document

The Financial Services Leadership Network (FSLN) is a group of financial services board members, executives, stakeholders, and other subject matter experts committed to addressing pressing problems and enhancing trust in financial markets. The network is organized and led by Tapestry Networks with the support of EY as part of its continuing commitment to board effectiveness and good governance.

*ViewPoints* is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management, and their advisers as they endeavor to fulfill their respective responsibilities to the investing public. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of management, and advisers who become systematically engaged in this dialogue, the more value will be created for all.

## About Tapestry Networks

Since 2004, Tapestry has been the premier firm for building collaboration platforms with leaders of the world’s foremost organizations. Tapestry Networks brings senior leaders together to learn and to shape solutions to today’s most pressing challenges. We are a trusted convener of board directors, executives, policymakers, and other stakeholders, connecting them with information, insight, and each other. Top experts join our discussions to learn from the leaders we convene and to share their knowledge. Our platforms help educate the market, identify good practices, and develop shared solutions. We call this the power of connected thinking.

## About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the financial services industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients, and for its communities. EY supports the networks as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

*The perspectives presented in this document are the sole responsibility of Tapestry Networks and do not necessarily reflect the views of network members or participants, their affiliated organizations, or EY. Please consult your counselors for specific advice. EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Tapestry Networks and EY are independently owned and controlled organizations. This material is prepared and copyrighted by Tapestry Networks with all rights reserved. It may be reproduced and redistributed, but only in its entirety, including all copyright and trademark legends. Tapestry Networks and the associated logos are trademarks of Tapestry Networks, Inc., and EY and the associated logos are trademarks of EYGM Ltd.*

## Endnotes

<sup>1</sup> *ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals or corporations. Quotations in italics are drawn from conversations with participants in connection with the meeting.

<sup>2</sup> Grant Smith, "[Iran War Causes Biggest-Ever Oil Market Disruption, IEA Says.](#)" Bloomberg, March 12, 2026.

<sup>3</sup> Edelman Trust Institute, [2026 Edelman Trust Barometer](#) (Edelman, 2026), 15.

<sup>4</sup> Edelman Trust Institute, [2026 Edelman Trust Barometer](#), 17.

<sup>5</sup> Edelman Trust Institute, [2026 Edelman Trust Barometer](#), 14.

<sup>6</sup> Dylan Tokar, "[Trump Sues JPMorgan for \\$5 Billion for Closing His Bank Accounts.](#)" *Wall Street Journal*, January 22, 2026.