

Future of Governance, Risk and Compliance 2025 and Beyond

Banking and Financial Services



TREND 1

Strengthening Resilience in US Banking: Basel III Endgame and Community Reinvestment Reforms

The Basel III Endgame raises capital standards across credit, market, operational, and derivative risks, and the updated Community Reinvestment Act (CRA) emphasizes equitable access to financial services. Basel III regulations are live from 1st July, and banks have a three-year implementation window.

> Insights

- Adopt agile capital strategies that align with new risk-based rules
- Use data-driven models to meet evolving CRA expectations
- Treat compliance as a path to long-term trust and stability



TREND 2



Harmonizing operational resilience and cybersecurity norms in Europe using DORA

DORA brings unified rules for Information and Communication Technology (ICT) risk, cybersecurity defense, and third-party oversight in European finance. It transforms operational resilience from an IT issue into a board-level priority.

> Insights

- Shift from reactive risk response to real-time resilience
- Embed cybersecurity and risk monitoring into core systems
- Implement the ISO 27000 and CIS (Center for Internet Security) 20 frameworks to overcome challenges

TREND 3

Enabling ethics and transparency in financial innovation using responsible AI and the EU AI Act

The EU AI Act sets the global benchmark for responsible AI governance, classifies AI systems by risk, and mandates transparency and fairness. While most Nordic banks already use AI for fraud prevention, the AI Act provisions will become effective for EU banks in August 2026.

> Insights

- Classify and audit AI systems for compliance and fairness
- Build governance for explainability, oversight, and data ethics
- Get future-ready as global AI regulations converge



TREND 4

Elevating transparency & systemic risk oversight in EU derivatives markets using EMIR REFIT

The European Market Infrastructure Regulation Regulatory Fitness and Performance Programme (EMIR REFIT) upgrades EU derivatives reporting with more granular, real-time data. It introduces ISO 20022 standards, tighter rules on data validation, and faster trade reconciliation with a T+1 settlement period.

> Insights

- Align systems to meet dual reporting across the EU and the UK
- Implement robust data validation and reconciliation controls
- Adopt Legal Entity Identifiers (LEIs), Unique Product Identifiers (UPIs), and Unique Trade Identifiers (UTIs) for traceability

TREND 5

Harnessing AI and ML for smarter fraud detection in India with RBI's MuleHunter.AI initiative

The Reserve Bank of India's (RBI's) MuleHunter.AI tool enhances the detection of mule accounts and fraud networks to curb money laundering. This shift from reactive to adaptive regulatory thinking significantly improves the speed and accuracy of fraud detection. This tool is already being adopted by leading Indian banks like the State Bank of India (SBI) and the Punjab National Bank (PNB).

> Insights

- Collaboration amongst banks and fintechs for fraud intelligence and continuous upgradation of tools
- Enable real-time alerts and behavioral analysis
- Prepare for industry-wide adoption as AI becomes the baseline



TREND 6

Sensitizing banks and financial institutions to climate change through ESG initiatives

The Environmental, Social, & Governance (ESG) ecosystem is expanding rapidly, with regulatory clarity and innovative financial products driving institutional interest. Global disclosure standards are driving transparency and comparability in ESG reporting. As capital increasingly flows into sustainable investments, data providers and fintechs are stepping up to meet the demand for credible ESG analytics.

> Insights

- Integrate ESG metrics into product design and reporting
- Invest in ESG data infrastructure and risk scoring tools
- Treat ESG as a core product offering, not a compliance add-on