## Big bucks, bigger risks:

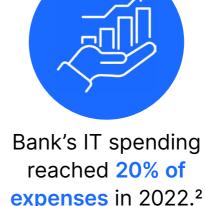
How banks are investing in digital transformation and compliance

As financial products proliferate and banking operations become more digitized and globalized, financial institutions are exposed to increased business, compliance, and regulatory risk. To stay competitive, they must transform customer engagement and provide modern experiences—all while improving governance and transparency to mitigate these risks.

Since the 2007 financial crisis, financial institutions have invested enormous resources to improve internal controls.



Globally, banks spend US\$650 billion each year on information technology.1





According to McKinsey, in 2022, applications accounted for 60% of IT expenditures, compared with 38% for infrastructure.3



It was estimated that financial institutions would spend US\$34.7 billion on financial crime compliance technology and US \$155.3 billion on operations in 2024.4



4.4% from the year before to reach US\$57.1 billion, with 2024 growth projected at **4.9%** to reach US\$59.9 billion.5



survey predicted that the level of focus on compliance, particularly in relation to regulatory expectations and scrutiny, will rise.6



staff to increase significantly in the coming years, according to Thomson Reuters.7

enhance your IT investments by improving governance and transparency.

Learn how an information management framework can

- 1 Gartner, Gartner Forecasts Worldwide Banking and Investment Services IT Spending to Reach \$652 Billion in 2023

2 McKinsey, Managing bank IT spending: Five questions for tech leaders

3 ibid

- 4 Celent, IT and Operational Spending on Fraud: 2024 Edition, 2024 5 Celent, IT Spending on Risk Management in Banks: 2024 Edition, 2024
- 6 KPMG, Managing the risk of regulatory changes
- 7 Thomson Reuters, 2023 Cost of Compliance

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