



# KPMG 2023 CCO Survey

## Financial Services: Banking & Capital Markets

The KPMG 2023 Chief Ethics & Compliance Officer (CCO) Survey explores how 240 CCOs from some of the world’s largest (>\$5 billion in revenue) companies across six industries are adapting to new global challenges and evolving risks. CCOs representing Banking & Capital Markets (B&CM) organizations are focused on new regulatory requirements, progressing their ESG initiatives, and expanding their use of technology.

### Compliance pressure builds

Much like the majority of CCO respondents across industries, participants in B&CM say they feel the most pressure from their boards.

Top pressure drivers:

#### Banking



#### Capital Markets

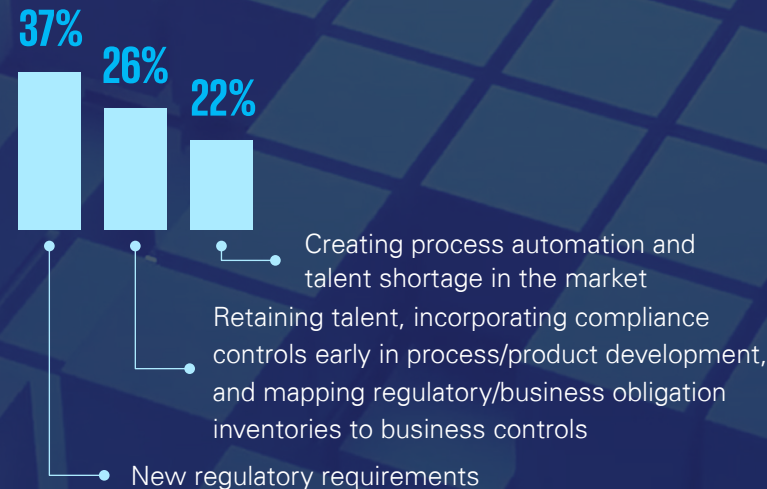


### Challenges on the horizon

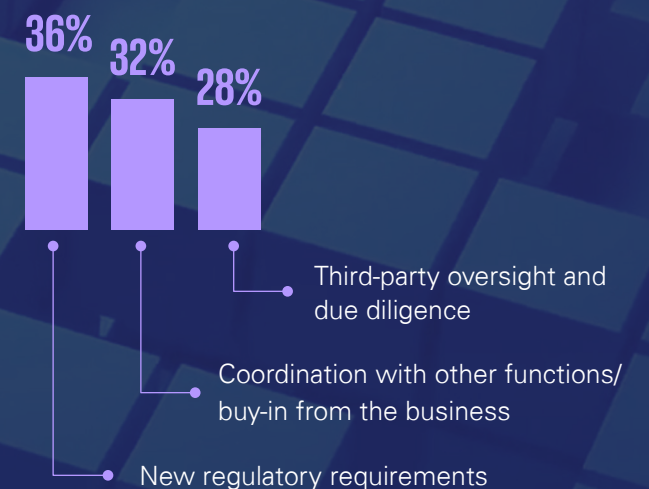
New regulatory requirements top the list of compliance challenges over the next two years for CCOs across B&CM. Today, recent supervisory pressures, consumer protection agendas, and little grace on compliance deadlines may have CCOs even more concerned with new regulatory requirements.

Top challenges:

#### Banking



#### Capital Markets



## Top processes to improve

In the next two years, like most sectors, CCOs from B&CM identify industry-specific regulations as the most important process to improve.

Top areas to improve in B&CM:

### Banking

Third-party risk management:



### Capital Markets

Industry-specific regulations:



Consumer protection:



Data collection and retention:



Cyber/information protection and anti-money laundering:



Corporate conduct/ethics:



## Bigger budgets for technology needs

Most CCOs have their sights set on technology and data and analytics as the top compliance activities to enhance over the next two years. The majority of B&CM CCOs expect their technology budgets to rise.

Budget intentions for technology in ethics and compliance functions:

	Increase	Stay about the same	Decrease
<b>Banking</b>	67%	33%	0%
<b>Capital Markets</b>	64%	32%	4%

## Automation

More and more, B&CM businesses are looking for opportunities to automate. But even with bigger budgets, there are still multiple obstacles in the way before automation can be widely implemented.

Top areas automated over the past two years:

### Banking

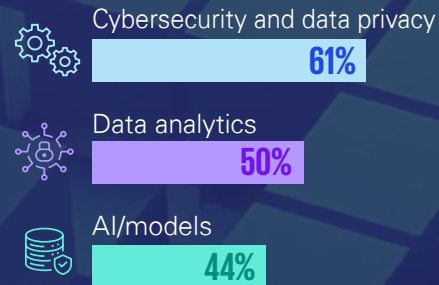


### Capital Markets

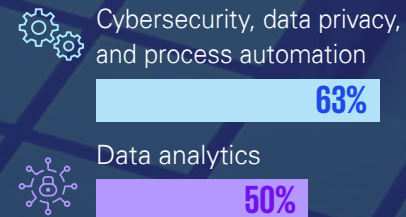


## Where will the extra money go?

### Banking



### Capital Markets



Banking and Capital Markets organizations are facing increased pressure from regulators, investors, and their own boards to comply with new regulations and expand their ESG initiatives. To stay ahead of evolving risks and economic uncertainty, it is crucial that these companies enhance their existing applications and implement advanced technologies while also promoting a technology-enabled, data-driven culture that supports the notion that compliance is everyone's responsibility."



**Peter Torrente**  
National Sector Leader  
- Banking & Capital Markets, Partner, Audit KPMG LLP

## What should B&CM firms focus on?



Prepare for increased scrutiny and expectations from regulators by bolstering compliance activities across the three lines of defense, with added focus on the first-line business owners.



Optimize existing technologies and introduce automation to better stay on top of evolving regulations, risks, and economic uncertainty.



Promote a technology-enabled, data-driven culture that supports the notion that compliance is everyone's responsibility, no matter their role or leadership level.

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The KPMG Chief Ethics & Compliance Officer Survey is conducted bi-yearly to explore the priorities and two-year outlook of CCOs from some of the largest organizations in the world. Their responses offer valuable insights into key areas of ethics and compliance across six industries: Healthcare & Life Sciences; Financial Services; Industrial Manufacturing; Consumer & Retail; Technology, Media, & Telecommunications; and Energy, Natural Resources, and Chemicals.

Read more about the overall survey findings at [read.kpmg.us/CCOSurvey](https://read.kpmg.us/CCOSurvey).

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