**Data to anchor a new age of risk management**

The growth of AI and real-time compliance drives new requirements in data and analytics

### 1. Increasing regulatory burden
Since 2008, regulatory change in developed markets has increased by 500%.

Operating costs related to compliance increased over the past decade by 60%.

- $181 billion is now spent by financial institutions globally.

As a result of regulations and the importance of compliance:
- $181 billion per year is spent on financial crime compliance.
- $10,000 per employee is the average cost of compliance according to large banks – a 10% tax on revenue.

### 2. Costs of non-compliance financial and productivity


Costs go beyond fines:
- Up to $15 million is lost for non-compliance on average in a year at a bank – 2.71 times higher than what firms typically pay to stay compliant.

### 3. Compliance problems are fundamentally data problems

Among risk and compliance teams:
- 60% can't gather the necessary data.
- 45% are unable to organise data.

### 4. Safeguarding customers and reputation management

Fraud and money laundering are major customer, reputational and compliance concerns for financial firms.

- The UK estimates is laundered each year.
- Losses from fraud cases are expected to reach $502.5 billion and in 2021 are forecast to reach $721.3 billion.
- Stock price reactions to negative press were 9x greater than penalties as they destroyed brand and reputation.

### 5. Financial institutions are looking to data and AI solutions

According to 2021 ACAMS research, financial institutions are accelerating adoption of AI and machine learning for AML.

### 6. Safy results

AI adopters believe that AI is key to market leadership, today and in the future, according to a Deloitte 2020 global survey.

**Learn more about how data and AI can modernise risk and compliance**

### Notes
1. Ascent RegTech (June 2020), The not so hidden costs of compliance
2. LexisNexis Risk Solutions (June 2021), True cost of financial crime compliance study
4. Chartis Research and Tata Consultancy Services (October 2019), The state of AI in risk management
5. W McCurdy (August 2021), FStech, A third of financial institutions accelerating use of AI for AML
6. Deloitte (December 2020), Advanced analytics and innovation in financial crime compliance