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Finance inflection point

A Deloitte perspective on what leading banks are getting right—and where the opportunity still lies

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The pressure on finance to *transform* is accelerating

The largest banks in the world are running trillion-dollar balance sheets on accounting infrastructure that was never designed for the complexity, velocity or regulatory scrutiny they face today.

This did not happen by design. It happened through decades of acquisitions, product expansion, regulatory mandates, and tactical fixes layered on top of one another. The result: a patchwork of systems, siloed data, reconciliation-heavy processes, and close cycles that take too long and produce results that are difficult to fully trust.

For the chief financial officer (CFO), this is no longer a back-office inconvenience. There are *three forces* now converging that make the case for action that is urgent and unambiguous.

First

Banking's regulators are getting smarter and more demanding.

Supervisory bodies across North America and Europe have been investing heavily in their own data infrastructures and are now asking for granular, contract-level data they can analyze themselves.

Second

Finance is losing its seat at the table.

Business units that have invested in their own data capabilities are increasingly able to answer their own questions—revenue drivers, performance variance, forward planning—relegating the finance department to being a recipient of information rather than an adviser. This structural loss of relevance is difficult to recover.

Third

The cost model has reached its limit.

Tactical fixes, manual reconciliation, and offshore head count have absorbed the pressure for years, but the cost of finance operations continues to rise. And what it produces—slow, difficult-to-trace, often-questioned numbers—keeps falling short.

Most institutions recognize the need to act. The harder question is how. Those that move proactively, on their own timeline, with considered design, are poised to have a fundamentally different experience than those eventually compelled to act by regulatory pressure, a material weakness, or a competitive gap they can no longer close.

The good news is that the path forward is now well understood. Some institutions have engineered modern finance infrastructure deliberately and the results are visible: faster closes; trusted, granular numbers; and a finance function that leads rather than follows. Regulators have noticed and have begun to set those institutions as the standard others are measured against.

For everyone else, the window for acting on one's own terms is narrowing. And the scale excuse no longer holds: the emergence of hyperscale cloud platforms means the data volumes that once made modern finance infrastructure prohibitively complex can now be handled efficiently and cost-effectively. That removes one of the last credible reasons to wait.

Five shifts *defining the future* of finance in banking

Across large global banks, a pattern has emerged. The institutions setting the direction forward share a common set of architectural and operating model choices. These are not technology decisions alone—they are strategic choices about how the finance function operates; what it delivers; and how it earns the confidence of the business, regulators and investors.

1 An integrated finance platform as the end state

Legacy accounting environments in banking are fragmented, shaped by the needs of different products, markets and regions over many years. Product origination systems, accounting engines, consolidation tools and reporting platforms operate on different standards, at different levels of granularity, with limited consistency between them. The result is a reconciliation burden that grows with every new product, entity or regulatory requirement.

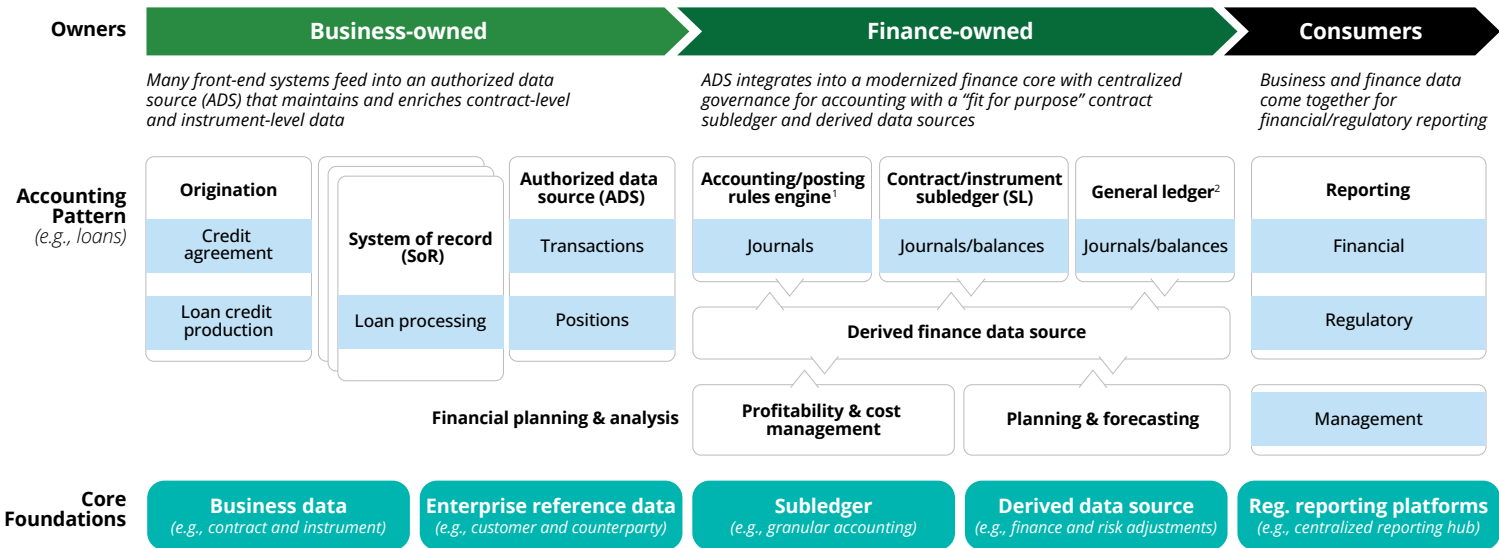
Leading institutions have converged on a different model: An integrated finance platform where accounting policy set by finance governs how entries are created across the ecosystem, data is harmonized at the source, and a single governed view of financial position is produced for all downstream consumers. This is not a

system migration. It is a fundamental redesign of how accounting entries are created, validated and consumed across finance, risk, treasury and regulatory reporting.

The potential implications extend well beyond technology. An integrated platform can change how teams are organized, how controls are designed, how fast the institution can respond to new products and regulations, and how efficiently new acquisitions can be absorbed into the financial reporting framework.

This also sets the foundation for lineage: the ability to trace any reported number back to its source transaction, through every transformation and aggregation step. For the chief accounting officer (CAO), this is the difference between a daily balance sheet the organization can stand behind with confidence, and one that requires days of manual adjustment before it can be trusted.

The standard pattern for an integrated front-to-back finance platform



2 Data as the backbone

Many finance transformation programs underestimate the data problem, and misframe it. The shift to modern finance architecture requires a deliberate data strategy—one that defines authorized data sources, establishes clear data ownership, and sets governance standards for how data is interpreted and reported across the entire finance, risk and reporting ecosystem. The objective is not perfect data—It is governed data.

Without clear data ownership—where the business certifies the data it produces and finance governs how it is interpreted and reported—gaps and misalignment will persist regardless of what technology sits underneath and even the most sophisticated accounting engine will produce inconsistent results.

Contract-level and instrument-level data are the building blocks. When financial instruments, cash flows, and modifications are represented as discrete, traceable data elements from origination through to reporting, reconciliation becomes a validation exercise

rather than a reconstruction project. Data sourced once can serve finance, risk, regulatory reporting and treasury simultaneously, eliminating redundant data feeds and parallel datasets that drive cost, complexity and control risk today.

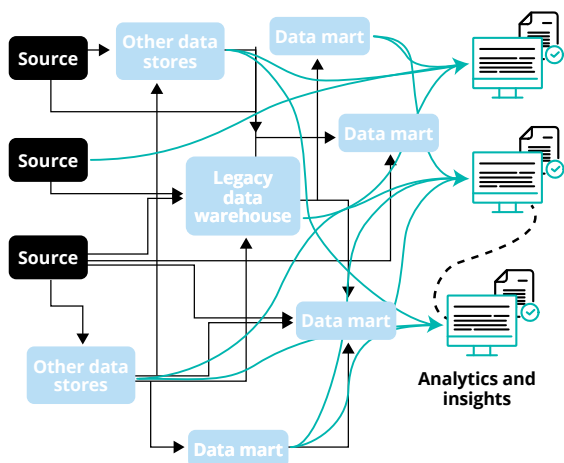
What has changed is that this end state is now achievable in a way it simply was not a decade ago. Hyperscale cloud platforms have removed the data volume constraint that made modern finance infrastructure prohibitively complex for large institutions. Banks are already moving data into these environments and taking advantage of elastic scale.

Data is the enabler for everything that comes next. The artificial intelligence (AI) capabilities that leading institutions are now deploying—anomaly detection, predictive analytics, intelligent planning—run on granular, governed data. Without this foundation, those capabilities are limited, regardless of what is invested in tooling.

From siloed sources to a unified data backbone organized by domain

Data complexities and fragmentation

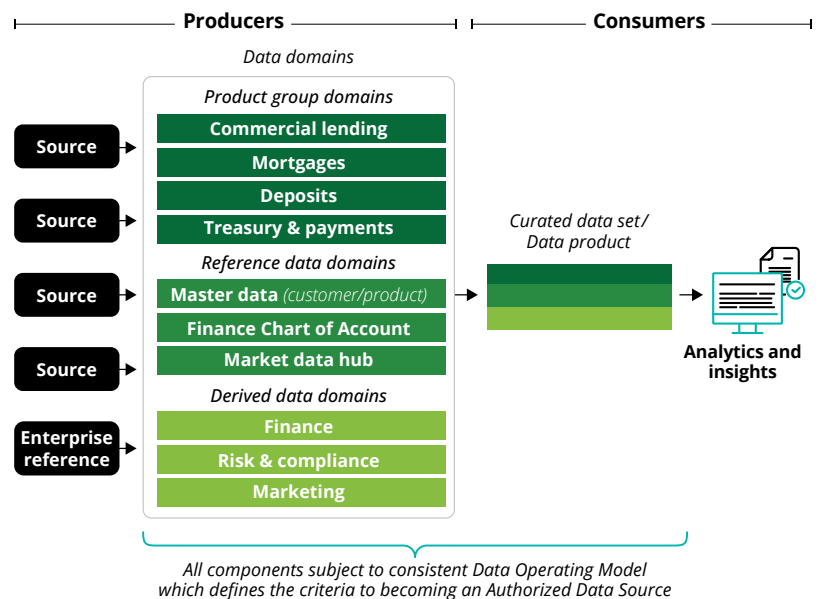
Historically, banks collected data as needed, separately for different use cases, leading to siloed and disparate data stores.



Target: Unified by domain

Leading institutions are organizing enterprise data into domains which act as a source of truth and serve all the analytical needs across the bank.

Unified finance data ecosystem



3 **Contract-level accounting as table stakes**

Summary-level accounting, produced through enterprise resource planning (ERP) and general ledger systems built around position or portfolio-level entries, is no longer sufficient for a regulatory environment that demands granular traceability or for a business that needs real-time visibility into its financial position.

Contract-level accounting raises the bar: instruments, events, fees, and modifications captured at the lowest grain, traceable end-to-end without information loss. This is not just a compliance response. It is one of the foundations for eliminating a problem that has persisted across large banks for years: different functions—finance, risk, business—each extracting and reinterpreting the same underlying data from systems of record, arriving at different numbers, and then spending enormous effort reconciling between them.

The downstream consequence of that reconciliation burden is underappreciated. When finance cannot provide a fast, authoritative answer, the business finds another way to get one and, over time, stops relying on finance for insight. Contract-level accounting, by making the data authoritative at the source, closes that gap before it becomes structural.

Whether accounting is event-based or pass-through matters less than whether the system of record (SoR) and accounting engine follow accounting policy set by finance and whether the right data, at the right grain, flows to the authorized data sources the business has certified. The architectural choice should serve the principle, not the other way around.

The institutions that get this right can build something more valuable than speed: They can build trust in the numbers. Finance, risk and the business start from the same foundation, apply their respective lenses, and arrive at results that can be compared and explained—not reconstructed.



4 Asset-class controllership as the organizing principle

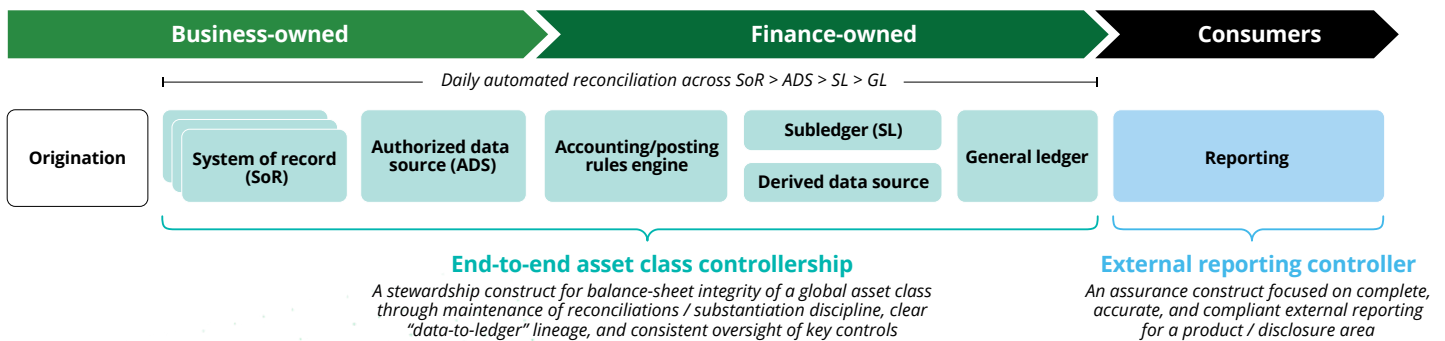
The most successful finance transformations pair new technology with a redesigned operating model. One without the other leaves value on the table.

The most effective model emerging at leading banks organizes accounting by asset class: dedicated teams with deep domain expertise in a specific instrument type—mortgages, derivatives, equities, lending—each owning the full accounting life cycle of their instrument or asset from trade capture to general ledger. These teams understand the economics of the instruments they cover. They can identify when an entry looks wrong because something upstream changed, not just because a reconciliation rule fired.

Horizontal capabilities—data governance, platform engineering, controls and attestation, regulatory reporting production—sit in centers of excellence that serve all asset-class teams. The potential result: domain depth where it matters most, shared standards and infrastructure everywhere else.

This is also a talent story. The finance professional of the future combines accounting expertise with data literacy: someone who can interrogate data lineage, work beyond spreadsheets, and engage credibly with trading desks, risk teams and product controllers. That same profile is what makes AI-enabled finance actually work in practice: someone has to design the right questions, interpret what the models surface, and know when to push back on the output. Banks that build this capability will have a durable advantage.

An integrated front-to-back operating model with embedded controls and asset-class controllership



5 AI and modern tooling are compressing the timeline

Finance transformations have historically been multi-year, resource-intensive undertakings—and for good reason. The architectural and design decisions are consequential; and getting them wrong is expensive to unwind. That fundamental reality has not changed.

What has changed is execution speed. Modern tooling, including AI, is compressing the delivery timeline for tasks that once consumed months of program effort: data profiling, migration, rules configuration, test automation, documentation and knowledge transfer. Programs that today deploy modern tooling well are executing in materially less time than they were five years ago.

But the more consequential AI story is not about transformation delivery. It is about what becomes possible once granular, governed data is in place. Institutions that have built that foundation are running capabilities that would have been implausible a few years ago:

- **Anomaly detection** that surfaces accounting irregularities midcycle rather than at close.
- **AI models that interrogate revenue drivers** against actual transaction data and explain variance in terms the business can act on.
- **Challenger planning models** that test management assumptions against historical actuals before the forecast is finalized.

The aggregate view still matters, but it becomes an output of the granular data not the starting point. The more granular, governed and consistent that data is, the more useful the models are.

Finance functions that have not built this foundation see limited returns from these capabilities—and carry risk they may not yet have recognized. AI tooling deployed on ungoverned, fragmented data does not produce cautious outputs. It produces confident-looking ones that scale and automate the underlying inconsistency and cannot be reconstructed from source. The CFO's sign-off cannot rest on that foundation; getting the architecture and data right is the prerequisite—the AI outcomes follow.



The cost of waiting is *higher* than most banks realize

The direct costs of transformation are visible and well understood. What many institutions underestimate is the cost of not transforming.

For years, the response to growing finance complexity was pragmatic: add headcount, offshore the manual work, apply tactical fixes at the margin. That approach absorbed the pressure and kept the numbers moving. It has now reached its limit. The cost of finance operations continues to climb, the head count required to sustain manual reconciliation grows with every new product and regulation, and what the function produces—slow, hard-to-trace, frequently questioned results—is increasingly inadequate relative to that investment.

The hidden costs compound quietly: close cycle inefficiency that limits management's ability to act on current information, regulatory remediation driven by data gaps that should not exist, audit fees inflated by lack of traceability, and decisions made on information that is stale before it is used. These are real, recurring costs. They have simply been normalized into the operating budget for so long that they no longer appear on anyone's transformation business case.

Leading institutions are already past this. They are closing faster, producing numbers the organization trusts on day one, and meeting regulatory inquiries with confidence. The distance between those institutions and the ones still running on patched infrastructure will only grow—and it is increasingly visible to the regulators, investors and boards watching.



Starting the conversation

Every bank's starting point is different. The path forward depends on the bank's current technology estate, organizational readiness and strategic priorities. But the destination is clear: granular, contract-level accounting on an integrated platform, governed by a modern data architecture, operated through an asset-class-aligned controllership model, and accelerated by well-done AI. The design decisions are consequential and getting them right matters. But the destination is no longer uncertain, and the tools to get there have never been better.

Deloitte works with the world's largest financial institutions on exactly these transformations—from architecture and design through implementation and operating model change. The perspective in this paper is drawn from that experience.

If any of this resonates with where your institution is today, or where it needs to be, a conversation is a good place to start.

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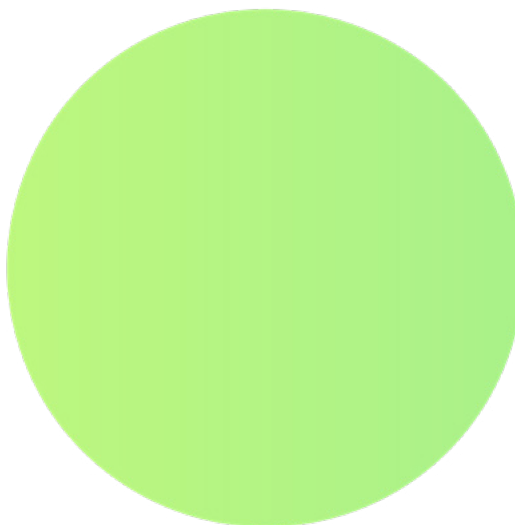
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