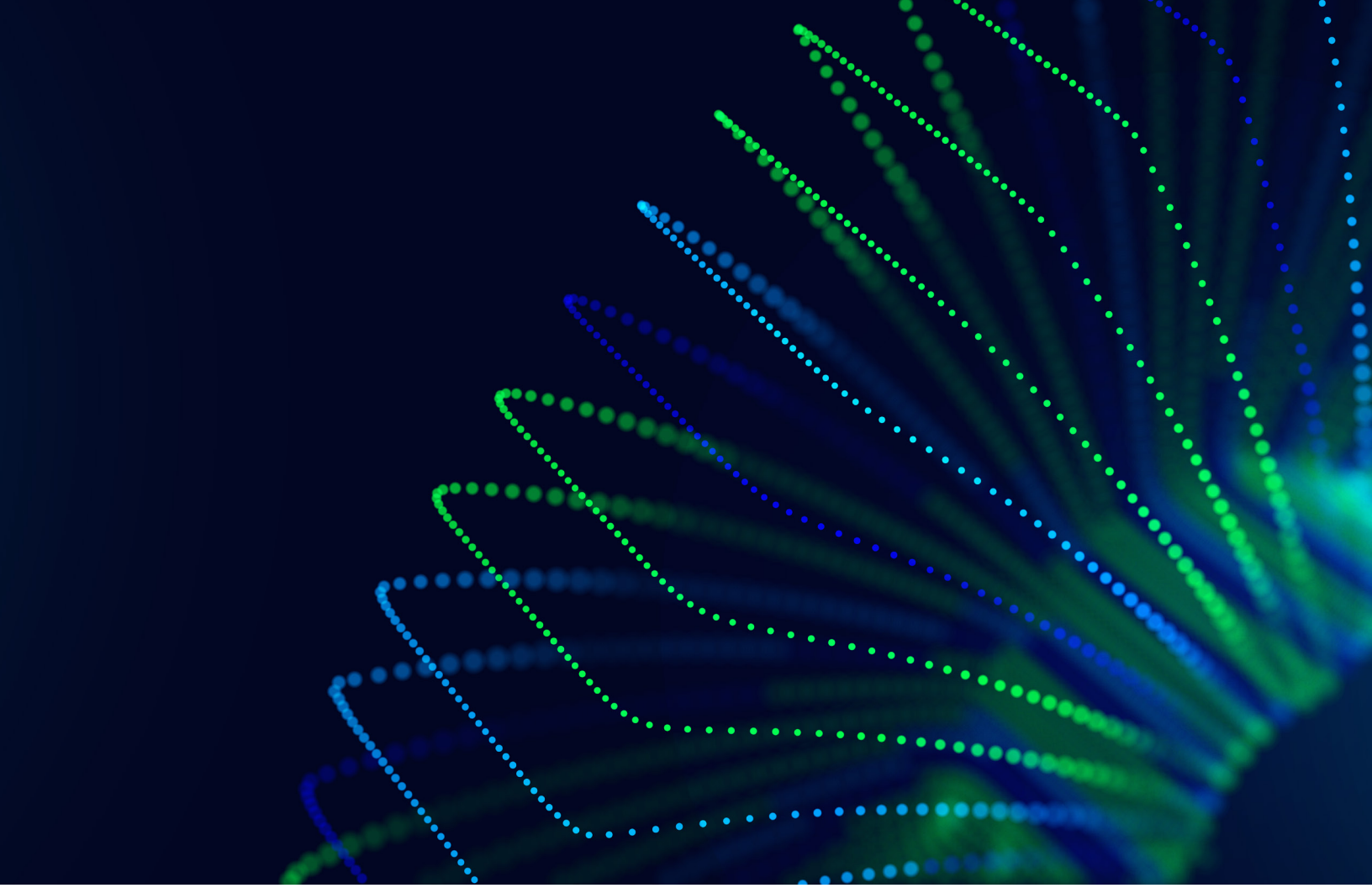




Whitepaper

Banking Landscape Transformation Index

H1 2026

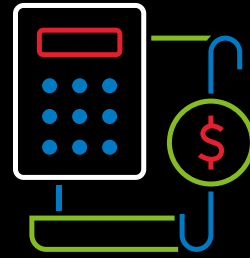
Executive introduction

2026 marks a structural turning point for US banking: capital efficiency, data integrity, and digital infrastructure are now the primary determinants of competitiveness, not just balance sheet size or branch footprint. In this context, Wolters Kluwer is introducing the **Banking Landscape Transformation Index** as a recurring, data-driven lens on how industry leaders are actually responding to these pressures in real time — where they are doubling down, where they are retrenching, and where new operating models are emerging. The index is designed to move beyond abstract trends and capture concrete peer perspectives on the disruptions that matter most: Basel III capital charges, non-bank competition, digitized collateral and payments, AI adoption, regulatory shift toward continuous supervision, and structural talent constraints.

By systematically aggregating and analyzing these viewpoints, the index gives institutions a way to benchmark their strategies against a cross-section of C-suite, lending, risk, and compliance leaders facing the same landscape. It offers an empirical foundation for decisions such as whether to remain a principal lender, pivot toward origination-as-a-service, invest in digital collateral infrastructure, or accelerate AI and data spine modernization. In doing so, it helps translate a complex, fast-moving environment into an actionable map of where peers see the greatest risks — and the most investable opportunities.

At the same time, the findings highlight a sharp divide between institutions that are re-engineering for capital efficiency and those that are not. Banks that modernize capital allocation frameworks, embed digital asset and collateral infrastructure, and adopt dynamic balance sheet management are positioning themselves to capture high-yield, high-velocity segments on sustainable terms. Those that delay or treat these shifts as incremental IT projects risk operating with structurally inferior economics, effectively pre-clearing room for private credit and fintech competitors to expand.

The sections that follow organize the index into the key thematic domains where this divergence is becoming most visible: **business and operating models, velocity and digitization of capital, oversight and capability gaps, and talent and technology foundations**. The index summarizes how industry leaders are actually responding — where consensus is forming, where views are fragmented, and where early movers may be building durable advantage.



Capital efficiency has become the organizing principle for strategy, risk, and technology decisions across the US banking sector.



Section 1: Business model and capital strategy

The question of how banks generate and deploy capital has never been more consequential. Basel III has fundamentally altered the cost structure of regulated lending, compressing the economics of high-yielding segments that institutions once anchored their balance sheets around. At the same time, private credit and fintech competitors — unburdened by equivalent capital requirements — are aggressively filling the space that banks are vacating or repricing. This section examines how institutions are responding at the strategic level: whether they are defending their principal lender positions, pivoting toward origination infrastructure models, or pursuing entirely new revenue architectures. The questions here reveal where consensus is forming around capital deployment, how institutions are ranking the competitive disadvantages they face, and whether fee income and private credit partnerships have shifted from growth considerations to operational necessities.

Over half of institutions are rethinking how they deploy capital

Capital strategies are evolving for high-yielding segments — ABL, CRE, equipment finance

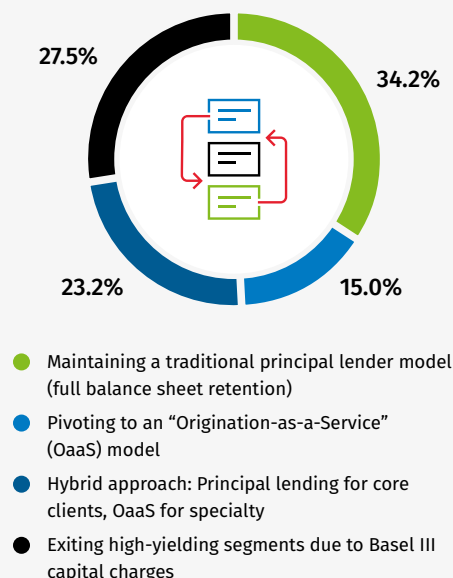
A strong plurality — 34.3 percent — report maintaining a traditional principal lender model for high-yielding segments. However, 27.5 percent are pivoting to an Origination-as-a-Service (OaaS) model and 23.2 percent are adopting a hybrid posture. Taken together, more than half of respondents are actively re-engineering their balance sheet exposure strategy in response to structural competitive and regulatory pressure.

Most consequential is that 15.0 percent of respondents indicate they are exiting high-yielding segments entirely due to Basel III capital charges. This is a market share transfer signal: assets being abandoned by regulated banks are flowing directly into private credit and fintech platforms that operate with structurally lower cost-of-capital. Institutions that do not decisively choose a capital deployment model in 2026 risk defaulting into the worst of both worlds — bearing regulatory costs without securing the yields to justify them.



Institutions need a clear thesis on where they will own risk and where they will own origination infrastructure to stay competitive in high-yield segments.

Original survey question: Which best describes your institution's primary strategy for high-yielding segments over the next 18 months?



Capital strategy for high-yielding segments

Source: BLT Index Spring 2026 | 207 respondents

Basel III is the dominant competitive handicap — by a wide margin

The leading structural disadvantage for banks versus non-bank lenders

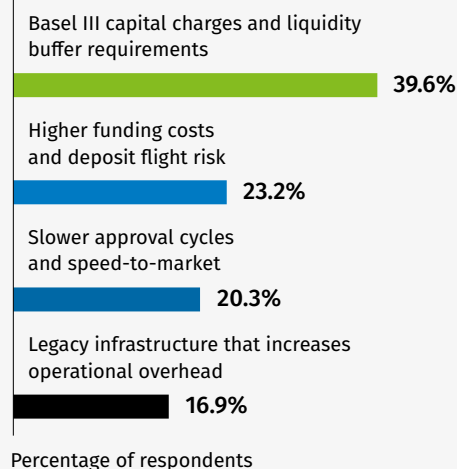
Basel III capital charges and liquidity buffer requirements dominate as the single greatest structural disadvantage, cited by 39.6 percent of respondents — nearly double the next ranked factor. This confirms the asymmetric regulatory burden that regulated banks carry relative to private credit and fintech competitors who face no equivalent capital floor, enabling them to price aggressively into yields that traditional institutions simply cannot match.

Higher funding costs and deposit flight risk (23.2 percent), slower approval cycles (20.3 percent), and legacy infrastructure overhead (16.9 percent) collectively complete a four-front competitive deficit. These disadvantages are structurally interdependent: slow legacy systems inflate operational costs, which worsen funding economics, which further compound the regulatory capital disadvantage. Institutions addressing only one dimension will find limited relief without concurrent investment across all four.



Addressing regulatory capital, funding costs, and operating speed together — not in isolation — is essential to closing the gap with private credit and fintechs.

Original survey question: What is the greatest structural disadvantage you face compared to non-bank lenders (private credit/fintechs)?



Greatest structural disadvantage vs. non-banks

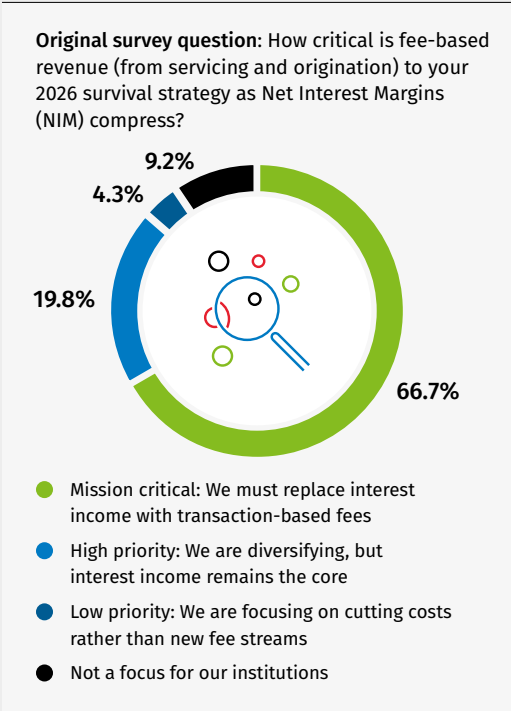
Source: BLT Index Spring 2026 | 207 respondents

Fee income is no longer optional — it is the survival mechanism

Fee-based revenue is increasingly critical as net interest margins compress

The findings here carry urgent weight: 66.7 percent of respondents classify fee-based revenue as mission critical, stating directly that they must replace interest income with transaction-based fees to sustain their institutions. This is not strategic diversification — it is a structural revenue model transition driven by NIM compression, elevated base rates, and intensifying competition for deposit funding.

An additional 19.8 percent rate it a high priority, meaning 86.5 percent of the panel is either urgently or actively reorienting their revenue mix. Only 4.3 percent report fee-based income as outside their institutional focus. Origination fees, servicing spreads, and distribution income must be treated not as secondary revenue lines but as the primary value creation levers for institutions navigating the current rate and competitive environment.



Criticality of fee-based revenue to 2026 strategy
Source: BLT Index Spring 2026 | 207 respondents

Transitioning from interest-margin dependence to diversified fee income is becoming a core survival strategy, not just a growth initiative.

The competitor-partner divide is dissolving

Private credit distribution alliances and balance sheet risk sharing is accelerating

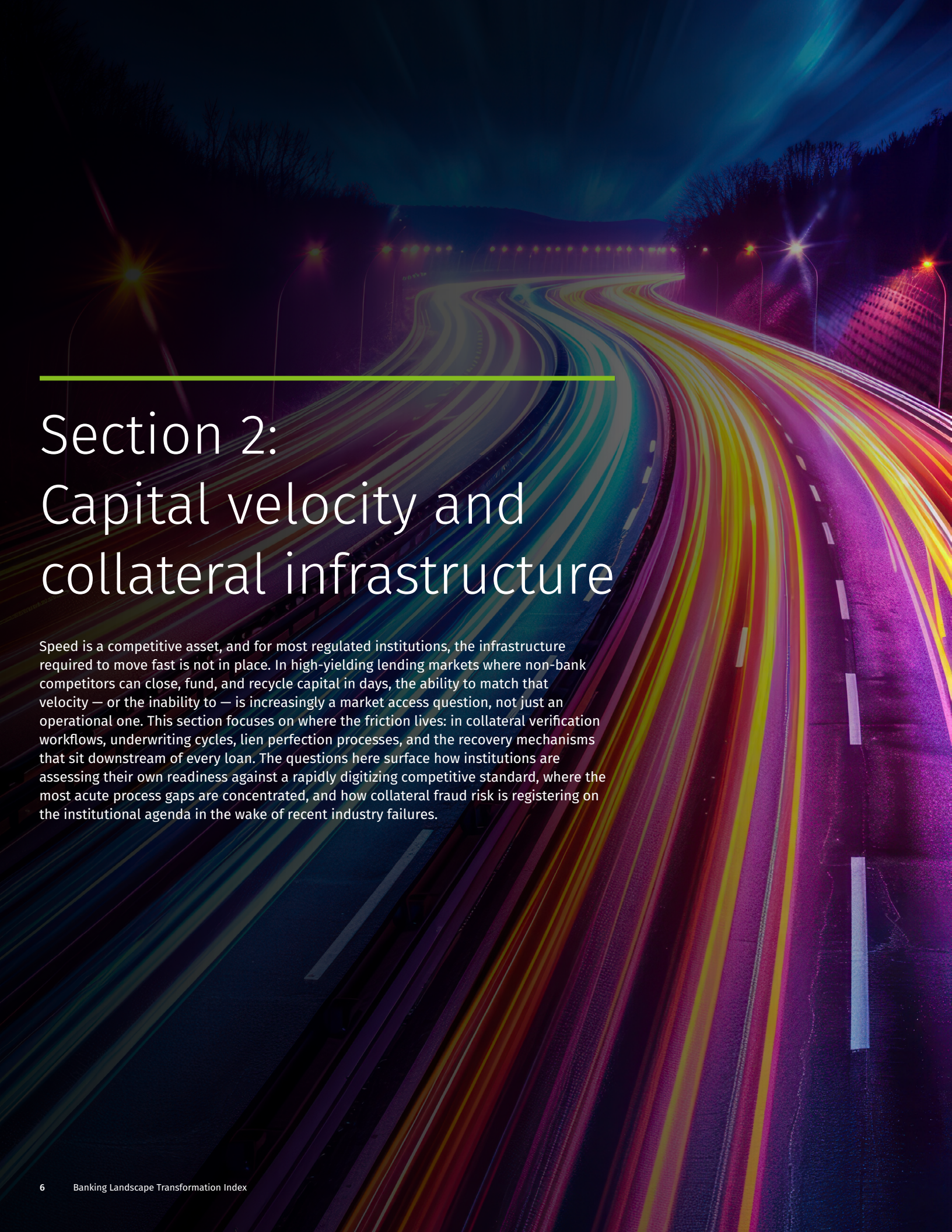
The traditional adversarial framing of banks versus private credit is giving way to a more pragmatic reality. Nearly 32.9 percent of respondents are already partnering with private credit funds to provide regulatory and compliance infrastructure, while 45.9 percent are in the planning or negotiation phase. Combined, nearly 79 percent of institutions are actively pursuing or planning co-lending, syndication, or compliance-as-infrastructure partnerships with the entities once viewed strictly as threats.

Only 15.9 percent still treat private credit funds as purely competitive. This attitudinal shift signals the emergence of a collaborative capital ecosystem in which regulated institutions contribute origination quality, compliance rigor, and supervisory infrastructure while private funds provide balance sheet capacity and yield-seeking capital. Institutions that formalize this model with structured governance frameworks rather than executing ad hoc deal-by-deal arrangements — will capture the most durable economic value from the partnership dynamic.



Distribution alliances with private credit funds
Source: BLT Index Spring 2026 | 207 respondents

Thoughtfully structured partnerships with private credit can turn former competitors into balance sheet extensions and new revenue channels.



Section 2: Capital velocity and collateral infrastructure

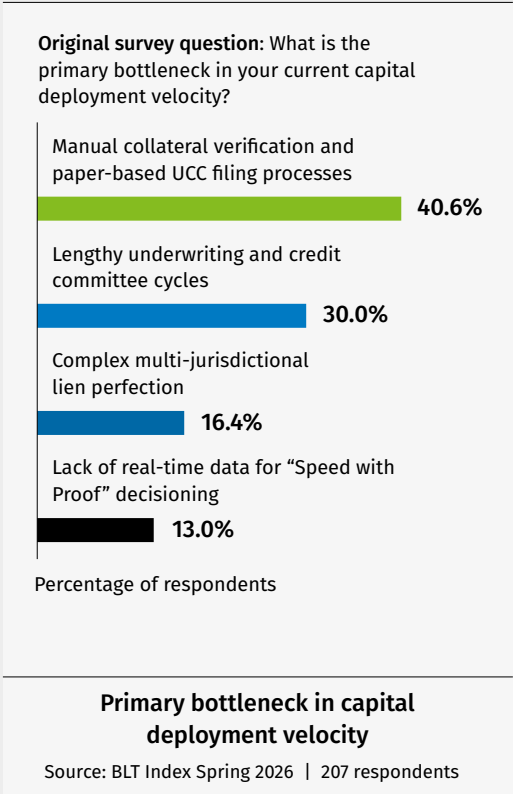
Speed is a competitive asset, and for most regulated institutions, the infrastructure required to move fast is not in place. In high-yielding lending markets where non-bank competitors can close, fund, and recycle capital in days, the ability to match that velocity — or the inability to — is increasingly a market access question, not just an operational one. This section focuses on where the friction lives: in collateral verification workflows, underwriting cycles, lien perfection processes, and the recovery mechanisms that sit downstream of every loan. The questions here surface how institutions are assessing their own readiness against a rapidly digitizing competitive standard, where the most acute process gaps are concentrated, and how collateral fraud risk is registering on the institutional agenda in the wake of recent industry failures.

Analog collateral processes are the single largest drag on capital speed

Manual processes are the primary bottleneck in capital deployment velocity

Manual collateral verification and paper-based UCC filing processes are the #1 bottleneck to capital deployment velocity, cited by 40.6 percent of respondents. In high-yielding lending segments where speed-to-funding is a defining competitive differentiator, analog collateral processes are not simply inefficient — they are disqualifying. Non-bank lenders operating with digital collateral infrastructure can close, fund, and recycle capital in timeframes that traditional institutions structurally cannot match.

Lengthy underwriting and credit committee cycles (30.0 percent) and multi-jurisdictional lien perfection complexity (16.4 percent) reinforce that the bottlenecks are systemic rather than isolated. Only 13.0 percent identify lack of real-time data as their primary constraint, suggesting that procedural and legal process transformation — not data infrastructure alone — is the most pressing lever for meaningful velocity improvement.



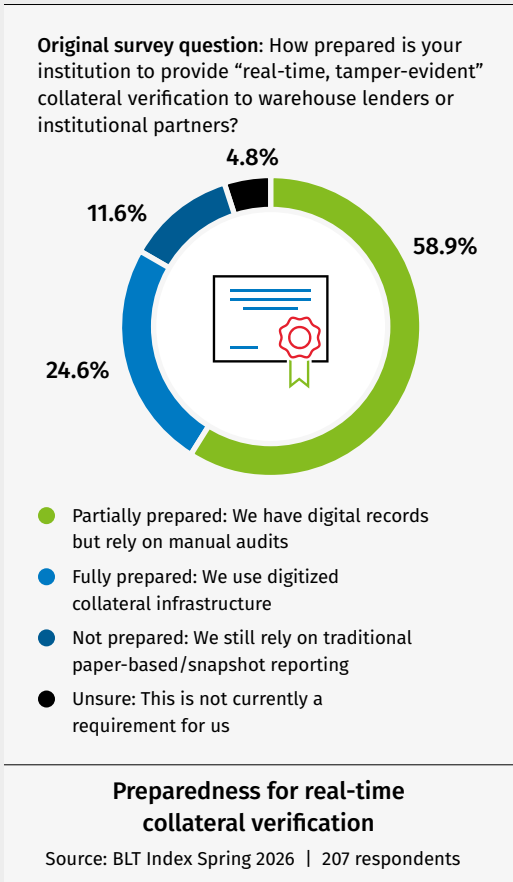
Removing manual friction from collateral and underwriting workflows is one of the fastest ways to unlock capital trapped in your processes.

Most institutions are caught between digital ambition and analog reality

Real-time collateral verification preparedness is highly piecemeal

Only 24.6 percent of respondents report being fully prepared with digitized collateral infrastructure capable of providing real-time, tamper-evident verification to warehouse lenders and institutional partners. The clear majority — 58.9 percent — are partially prepared, maintaining digital records but still dependent on manual audits for final verification.

The remaining 16.4 percent are either unprepared or uncertain about whether the requirement is even applicable to their operations. As warehouse lending terms and institutional partnership frameworks increasingly embed real-time verification covenants, this readiness gap will translate directly into higher funding costs, constrained partnership access, and diminished credibility in secondary market distribution. Digital collateral infrastructure must be reframed from a technology initiative to a capital markets access requirement.



Digitized, real-time collateral verification is rapidly becoming a prerequisite for preferred funding terms and strategic distribution partnerships.

A 30-to-180 day recovery gap is quietly inflating capital costs

Recovery timelines for collateral liquidation remain elevated

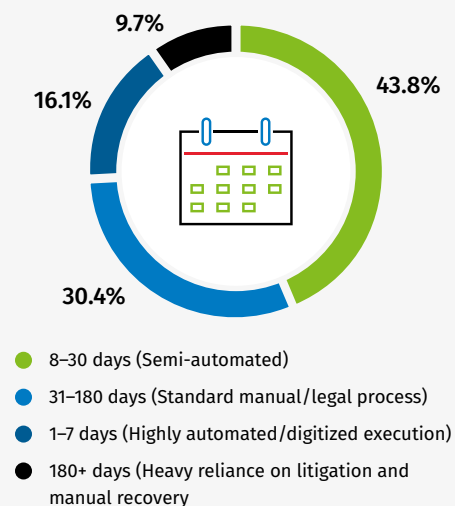
Only 16.1 percent of institutions can achieve a 1-7 day liquidation through highly automated execution. The plurality — 43.8 percent — operate on 8-30 day semi-automated timelines, while 30.4 percent require 31-180 days through standard manual and legal processes. A concerning 9.7 percent face recovery timelines exceeding 180 days, with heavy reliance on litigation and manual recovery procedures.

These recovery velocity gaps carry direct and quantifiable implications for capital efficiency. Institutions with 30-180 day recovery timelines embed illiquidity risk into their portfolios that stress-testing frameworks and sophisticated counterparties are increasingly pricing. The hidden cost of analog collateral infrastructure is not merely operational — it is a structural drag on risk-adjusted returns that compounds with every cycle of elevated rate and credit volatility.



Shortening recovery timelines directly improves capital efficiency and should be treated as a strategic lever, not only a collections issue.

Original survey question: In a scenario where an asset must be liquidated, what is your current realistic recovery timeline for commercial collateral?



Realistic recovery timeline for commercial collateral

Source: BLT Index Spring 2026 | 217 respondents

Dual-pledging fraud has moved from operational risk to strategic priority

Heightened interest in collateral fraud following industry failures

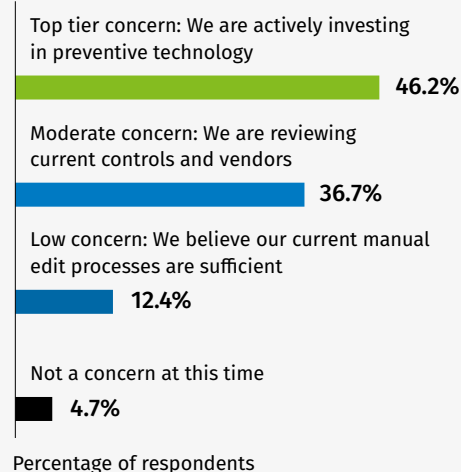
Dual-pledging fraud has sharply elevated on the institutional risk agenda: 46.2 percent of respondents classify it as a top-tier concern with active investment in preventative technology underway. A further 36.7 percent identify it as a moderate concern, triggering vendor and internal control reviews. Together, 82.9 percent of the panel is operating in a state of heightened alert — consistent with the financial and reputational damage documented in recent high-profile industry failures.

Only 4.7 percent report no concern whatsoever. The critical risk window lies between concern and action: institutions reviewing controls without yet deploying preventive technology remain exposed during the assessment phase. Organizations that move earliest from awareness to deployed prevention infrastructure will establish a meaningful competitive and reputational advantage as regulators and counterparties begin conducting more formal dual-pledge exposure inquiries.



Formalizing technology-driven controls against dual-pledging is now a key component of protecting both franchise value and lender confidence.

Original survey question: To what extent is “dual-pledging” fraud a concern for your leadership following recent high-profile industry failures (e.g., Tricolor)?



Dual-pledging fraud concern level

Source: BLT Index Spring 2026 | 169 respondents



Section 3: AI governance and regulatory exposure

Artificial intelligence is no longer a pilot program conversation — it is a deployment and governance conversation, and the stakes of getting it wrong have risen sharply. As regulators move toward continuous, data-driven supervision, the bar for model auditability, decision traceability, and explainability is rising faster than most institutions have prepared for. This section examines the internal barriers preventing AI from moving from proof-of-concept to production at scale, and the regulatory confidence — or lack of it — that institutions have in their current AI systems. The questions here probe where AI investment is actually generating returns, where governance gaps are creating near-term examination exposure, and how the supervisory environment is expected to evolve through 2028 across four distinct threat dimensions.

Dirty data, not deficient technology, is blocking enterprise AI

Quality is the critical gate preventing scale from pilot to production

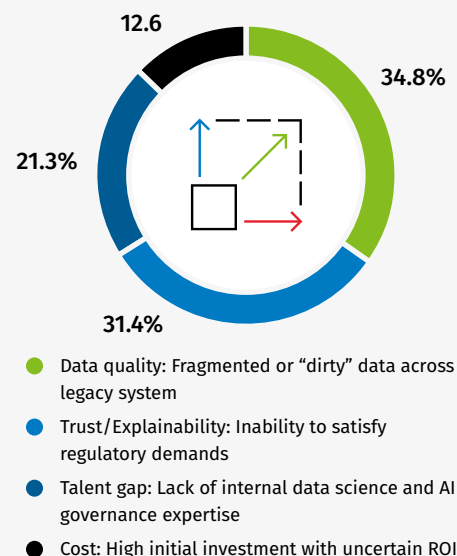
Data quality — specifically fragmented or “dirty” data across legacy systems is the primary AI scaling barrier, cited by 34.8 percent of respondents. This is closely followed by trust and explainability concerns at 31.4 percent, reflecting regulatory demands that institutions demonstrate model decision lineage and auditability before AI can operate in regulated decisioning workflows.

The talent gap in data science and AI governance (21.3 percent) and cost uncertainty (12.6 percent) round out the barriers. Critically, the two leading obstacles are data infrastructure and governance challenges — not technology limitations. Institutions investing in AI vendor solutions without first resolving data quality pipelines and model explainability frameworks are building on unstable foundations that will not survive regulatory scrutiny. A data spine investment must precede an AI layer investment.



Investing in clean, well-governed data and explainable models is the foundation for moving AI from pilots to production at scale.

Original survey question: What is the “gating factor” preventing your institution from scaling AI from pilot to enterprise-wide production?



Gating factor for scaling AI to enterprise production

Source: BLT Index Spring 2026 | 207 respondents

Nearly 30 percent of institutions are running black-box AI in regulated workflows

Mixed confidence levels in AI models under continuous regulatory audit conditions

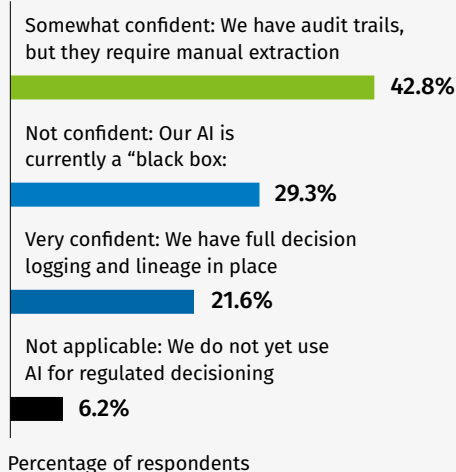
Only 21.6 percent of respondents express full confidence in their AI audit readiness, supported by complete decision logging and model lineage documentation. The largest group — 42.8 percent — report only partial confidence, able to produce audit trails but requiring manual extraction. In an environment accelerating toward continuous T+1 supervisory access, manual audit trail extraction is itself a material risk.

Most urgently, 29.3 percent describe their AI systems as currently operating as a “black box” — with no meaningful regulatory audit confidence. With the supervisory trajectory clearly pointing toward always-on monitoring and automated outlier detection, black-box AI in regulated credit and fraud decisioning functions is not a technical debt issue — it is a near-term examination exposure requiring immediate remediation roadmaps with executive ownership and defined delivery timelines.



Building ‘audit-ready by design’ AI — complete with traceable decisions and lineage — is becoming a core requirement for regulated use cases.

Original survey question: How confident are you that your AI models (for credit or fraud) could survive a “continuous data feed” audit by regulators today?



Percentage of respondents

AI model confidence under regulatory audit

Source: BLT Index Spring 2026 | 208 respondents

AI is earning its keep in origination and fraud — not yet in capital strategy

AI is delivering measurable ROI today in automation use-cases

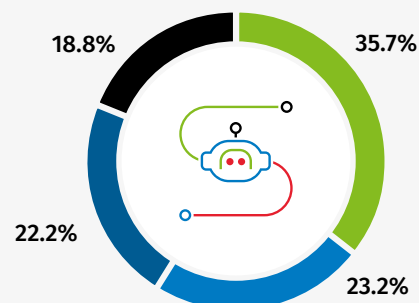
Reducing cost-per-origination through automated document preparation leads AI ROI delivery at 35.7 percent — a finding consistent with the competitive urgency to lower per-loan economics as volume and margin compress simultaneously. Fraud detection and behavioral analytics (23.2 percent) and regulatory research and compliance change monitoring (22.2 percent) follow as the second and third strongest ROI contributors.

Eighteen percent of respondents report no measurable AI ROI to date — confirming significant deployment maturity variance across the sector. Notably, current AI value creation is concentrated in operational efficiency and risk controls, not yet in dynamic capital allocation, real-time portfolio optimization, or balance sheet scenario modeling. Institutions whose AI investment thesis is tilted toward unproven capital management use cases should recalibrate toward the three proven ROI vectors before expanding scope.



Early AI wins are concentrated in cost and risk efficiency; extending these capabilities into capital and portfolio decisions is the next frontier.

Original survey question: Where is AI currently providing the most measurable ROI for your institution?



- Reducing "cost-per-origination" through automated document prep
- Enhancing fraud detection and behavioral analytics
- Regulatory research and compliance change monitoring
- We have not yet realized measurable ROI from AI

Where AI provides most measurable ROI

Source: BLT Index Spring 2026 | 207 respondents

The supervisory clock is shifting from periodic to perpetual

Continuous supervision is a potentially disruptive regulatory development

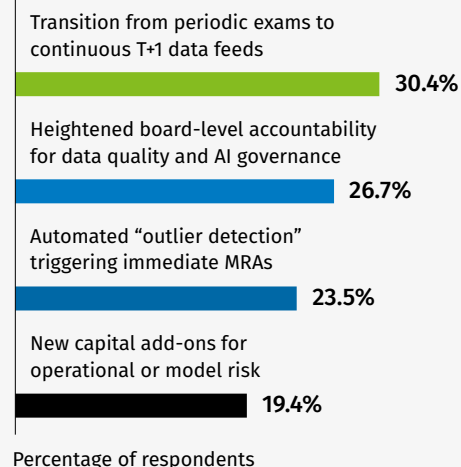
The transition from periodic examinations to continuous T+1 data feed requirements tops the regulatory threat register at 30.4 percent — signaling that the tempo of supervision, not merely rule content, is the primary operational concern for the industry. Heightened institutional accountability for data quality and AI governance (26.7 percent) reflects regulators' stated intent to trace systemic deficiencies directly to the decision-making leadership of institutions that fail to maintain clean, auditable data.

Automated outlier detection triggering immediate Matters Requiring Attention (23.5 percent) and new capital add-ons for operational and model risk (19.4 percent) produce a near-equal distribution across all four threat categories. The parity of concern across each vector indicates that institutions face a multi-directional regulatory stress environment, not a single dominant reform. Integrated scenario analysis across all four threat dimensions — run concurrently, not sequentially — is the appropriate planning posture.



Preparing for continuous, data-driven supervision requires aligning regulatory strategy, data architecture, and model governance on a common roadmap.

Original survey question: Which regulatory shift do you view as the greatest threat to your operational stability by 2028?



Greatest regulatory threat to stability by 2028

Source: BLT Index Spring 2026 | 217 respondents

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Section 4: Technology foundations, talent, and digital assets

Beneath every strategic initiative in modern banking sits a technology and talent infrastructure that is either enabling transformation or constraining it. The compliance and data science talent market cannot keep pace with institutional demand, forcing a rethinking of how capability is built and maintained. Simultaneously, the data architecture required for always-on regulatory reporting is far from universal — and the arrival of digital assets, stablecoins, and 24/7 settlement is introducing compliance, liquidity, and operational requirements that legacy systems were never designed to handle. This section examines how institutions are restructuring their workforce strategies in response to structural talent shortages, how ready their data infrastructure is for continuous regulatory access, and where digital asset integration is generating the most acute risk management challenges as programmable money moves from experiment to infrastructure.

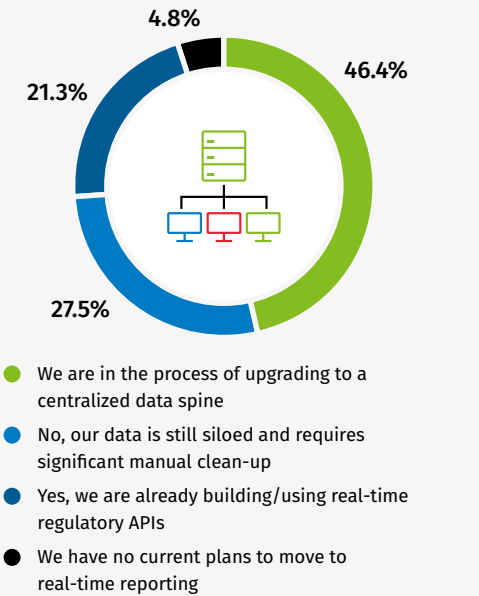
Less than a quarter of institutions are ready for always-on regulatory access

Data infrastructure readiness for continuous regulatory API feeds

Only 21.3 percent of respondents report actively building or operating real-time regulatory APIs — the early-mover cohort establishing continuous supervision readiness as a competitive differentiator. The largest group, 46.4 percent, are actively upgrading toward a centralized data spine architecture, indicating directional awareness but material execution risk in the transition period itself.

A combined 32.3 percent remain siloed with manual data clean-up requirements or report no current plans for real-time reporting. With the supervisory trajectory clearly pointing toward always-on access, institutions without credible data infrastructure roadmaps are compounding examination risk with each passing quarter. Data spine modernization should be treated as a first-order regulatory compliance investment, not an IT upgrade deferred to multi-year transformation timelines.

Original survey question: Is your data infrastructure currently capable of supporting “always-on” API feeds to regulators?



Data infrastructure for always-on regulatory APIs

Source: BLT Index Spring 2026 | 207 respondents



Modernizing the data spine for real-time reporting is emerging as a foundational compliance investment, not a discretionary technology project.

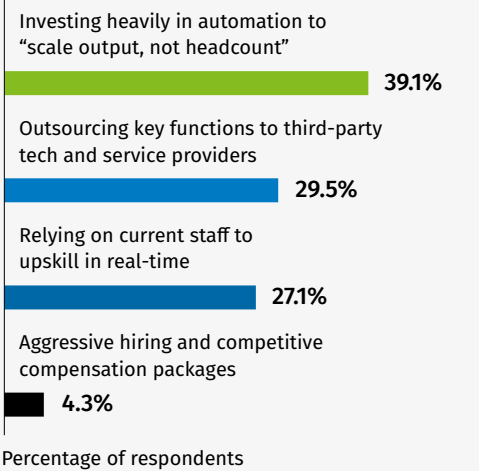
Automation and outsourcing have replaced hiring as the talent strategy

How institutions are responding to the structural compliance talent shortage

Automation to scale output without adding headcount leads strategic responses at 39.1 percent, reflecting the economic reality that the compliance and data science talent market cannot supply required volumes at competitive compensation levels. Outsourcing key functions to third-party technology and service providers (29.5 percent) and real-time upskilling of current staff (27.1 percent) follow as the second and third most common approaches.

Strikingly, only 4.3 percent are pursuing aggressive hiring with competitive compensation packages — confirming that traditional recruitment economics have effectively been abandoned as a primary talent strategy across the sector. As automation and outsourcing become the dominant operating model for compliance functions, institutions must govern this transition deliberately, ensuring that accountability clarity and regulatory ownership are explicitly maintained in functions where third-party execution does not eliminate institutional responsibility.

Original survey question: How are you addressing the “structural talent shortage” in compliance and data science?



Addressing structural talent shortage

Source: BLT Index Spring 2026 | 207 respondents



Combining automation, targeted outsourcing, and structured upskilling offers a more sustainable answer than relying on traditional hiring alone.

AML and KYC complexity — not deposit flight — is the digital asset priority

Primary concerns surrounding stablecoins, CBDCs, and 24/7 settlement

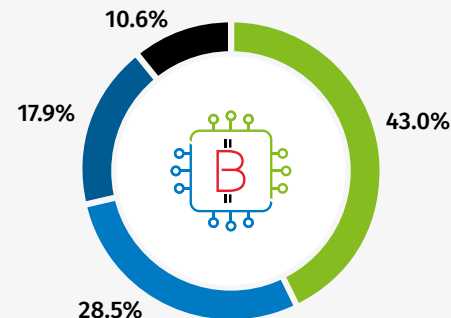
Compliance complexity — specifically extending AML and KYC frameworks to digital asset payment flows — emerges as the dominant concern at 43.0 percent. This reflects both the technical challenge of monitoring decentralized or tokenized payment rails and the regulatory ambiguity around how existing obligations map onto programmable money environments operating without batch settlement windows or geographic transaction boundaries.

Liquidity management in a 24/7 money environment (28.5 percent) surfaces as the second major concern, exposing a structural mismatch: legacy intraday liquidity frameworks were engineered for business-hours settlement, not continuous-flow capital movement. Deposit flight and disintermediation risk (17.9 percent) and back-office settlement disruption (10.6 percent) complete a risk spectrum that will activate across all four dimensions simultaneously as stablecoin-native payment infrastructure scales. Institutions that treat digital asset readiness as a single-vector risk will be systematically underprepared.



Treating digital assets and 24/7 settlement as a multi-dimensional challenge across compliance, liquidity, operations, and customer behavior will position institutions to adapt with confidence.

Original survey question: What is your primary concern regarding the rise of digital assets (Stablecoins/CBDCs) and 24/7 settlement?



- Compliance complexity (extending AML/KYC to digital asset flows)
- Liquidity management challenges in a 24/7 money environment
- Deposit flight risk and disintermediation
- Operational disruption of legacy back-office settlement processes

Primary concern: Digital assets and 24/7 settlement

Source: BLT Index Spring 2026 | 207 respondents

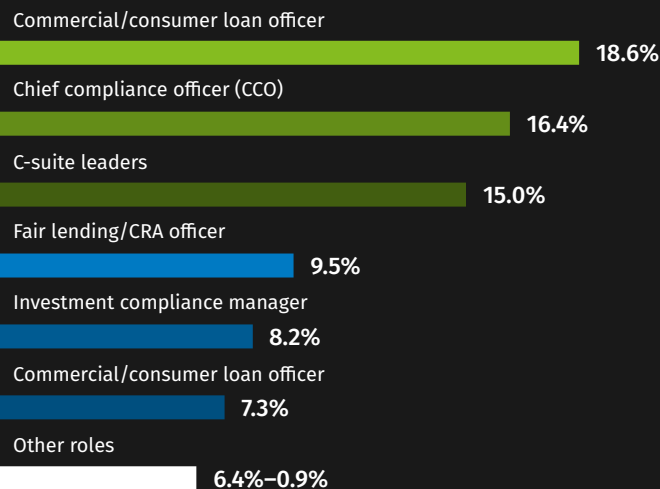
A cross-functional panel reflects industry-wide pressure

Respondent roles and institutional representation

The H1 2026 Banking Landscape Transformation Index surveyed 220 senior banking professionals across a deliberately broad institutional spectrum. The largest cohorts are commercial and consumer loan officers (18.6 percent), chief compliance officers (16.4 percent), and C-suite executives (15.0 percent), ensuring this index captures front-line lending intelligence alongside compliance leadership and strategic decision-making perspectives.

Fair lending and CRA officers (9.5 percent), investment compliance managers (8.2 percent), and regulatory change management leads (7.3 percent) further diversify a panel that reflects the multi-disciplinary pressures now converging on capital and compliance strategy. The composition of respondents makes clear that capital optimization is no longer confined to treasury — it is a cross-functional discipline that now defines institutional competitiveness at every level.

Original survey question: Which of the following best describes your current role or primary area of responsibility?



Percentage of respondents

Respondent role distribution

Source: BLT Index Spring 2026 | 220 respondents



Looking forward: Key implications for US banking institutions

Capital efficiency as the new competitive core

The H1 2026 Banking Landscape Transformation Index confirms that capital efficiency — rather than sheer balance sheet size — is emerging as the decisive competitive variable for banks heading into H2 2026. A growing share of institutions are rethinking their role in high-yielding segments and shifting toward origination-as-a-service and fee-based models to offset Basel III pressure and elevated funding costs while still monetizing underwriting and compliance strengths. Banks that make an explicit choice about where they want to own risk versus where they want to own infrastructure will be best positioned to grow earnings with greater resilience.

Digitization remains the fastest path to better returns

Survey responses show that analog collateral and manual workflows are now the primary brake on capital velocity — and therefore on returns. Manual collateral verification, paper-based UCC processing, and slow legal recovery timelines materially extend capital cycles just as non-bank competitors collapse theirs through digitization. The opportunity for H2 2026 is clear: targeted investment in digitized collateral, automated lien perfection, and faster recovery can directly improve capital turns, enhance yields, and reduce loss severity in stressed scenarios.





“Banks that align capital efficiency, digitization, and AI-ready data foundations today are best positioned to stop competing solely on balance sheet size and start leading as orchestrators of broader, high-velocity capital networks in 2026 and beyond.”



Data spine and AI governance as strategic enablers

Banks are already seeing measurable AI value in origination efficiency, fraud detection, and regulatory research, but are constrained by fragmented data, explainability gaps, and limited audit readiness. With a meaningful minority still operating “black box” AI and only a small cohort fully confident in continuous-data audit scenarios, the near-term upside lies in treating data spine modernization and AI governance as core strategic capabilities, not back-office hygiene. Institutions that standardize data lineage and industrialize model validation will be positioned to scale automation across lending, monitoring, and reporting just as supervisors move decisively toward T+1 and always-on oversight.



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From disadvantaged lenders to orchestrators of capital networks

Looking into H2 2026, the overall outlook is constructive for banks willing to move decisively on these fronts. By partnering with private credit on distribution, investing in digital collateral and recovery infrastructure, and elevating data and AI governance, banks can convert today’s structural disadvantages into differentiating strengths. Those that act now can enter the second half of 2026 not as squeezed price-takers, but as orchestrators of capital networks — owning origination, compliance, and infrastructure while flexibly accessing balance sheet capacity across an extended ecosystem.