

# The Future of Banking & Financial Services: 10 Trends Shaping 2025–2026

Banking and Financial Services (BFSI) is at a pivotal moment, where AI, open finance, embedded systems, and sovereign data policies are transforming the very fabric of financial interactions. From agentic AI reshaping decision-making to digital wallets becoming mainstream, the sector is embracing agility, intelligence, and inclusivity to stay relevant. This snapshot curates the top trends driving disruption and innovation across BFSI for the years ahead.

## Trend #1

### Agentic AI Becomes the Financial Copilot

#### Trend Brief

Agentic AI is powering autonomous agents that reason, learn, and act independently across the financial stack—from underwriting and KYC to fraud and portfolio optimization.

#### Why It Matters:

- Enables goal-oriented execution without constant human input.
- Improves accuracy and speed in risk, fraud, and investment decisions.
- Supports 24/7 operations and adaptive client engagement.



#### Highlights

**40% of financial institutions** plan to deploy autonomous AI agents by 2026 (Capgemini, 2024).

**Agentic AI** expected to **reduce operational costs** by up to **50% in key workflows** (McKinsey, 2024).

## Trend #2

### Embedded Finance Goes Mainstream

#### Trend Brief

Financial services are being embedded into non-financial platforms—from eCommerce and travel to wellness and education.

#### Why It Matters:

- Enables access at point-of-need, not after.
- Drives new monetization channels for banks.
- Improves customer convenience and conversion.



#### Highlights

**Embedded finance** projected to **reach \$606B** in **global revenues by 2027** (McKinsey, 2023).

## Trend #3

### Real-Time Payments Reshape Customer Expectations

#### Trend Brief

Faster payment rails and API-first infrastructure are making real-time money movement the new norm.

#### Why It Matters:

- Improves liquidity and cash flow for businesses.
- Enhances customer experience and immediacy.
- Enables new B2B and peer-to-peer use cases.



#### Highlights

**Real-time payment** volume **grew 42.2% YoY** in 2023 globally (ACI Worldwide, 2024).

## Trend #4

### Hyperpersonalization Through Predictive AI

#### Trend Brief

Predictive analytics and GenAI are enabling 1:1 product offers, dynamic pricing, and real-time nudges.

#### Why It Matters:

- Increases upsell and cross-sell revenue.
- Builds deeper customer relationships.
- Improves ROI of campaigns and service.



#### Highlights

**91% of banking customers** **prefer personalized offers and experiences** (Salesforce, 2024).

## Trend #5

### Open Finance Expands the Data Ecosystem

#### Trend Brief

Regulations and APIs are enabling customers to share financial data securely across institutions and apps.

#### Why It Matters:

- Unlocks competitive innovation from fintechs.
- Gives consumers more control over their data.
- Encourages ecosystem collaboration.



#### Highlights

**Open banking users** expected to surpass **132 million** by **2025** (Statista, 2024).

## Trend #6

### Financial Inclusion Goes Digital-First

#### Trend Brief

Digital ID, mobile wallets, and microfinance platforms are expanding reach to underserved populations.

#### Why It Matters:

- Improves financial health and access.
- Unlocks new customer segments.
- Supports government-backed digital economy goals.



#### Highlights

**1.4 billion adults** remain **unbanked globally**, but **digital inclusion** is **closing the gap** (World Bank, 2023).

## Trend #7

### RegTech Matures as Compliance Gets Complex

#### Trend Brief

With growing regulation, BFSI firms are investing in automated tools to manage risk, reporting, and audits.

#### Why It Matters:

- Reduces compliance costs and manual errors.
- Improves transparency and accountability.
- Enables real-time monitoring and reporting.



#### Highlights

**Global RegTech market** to **surpass \$28B** by **2027** (MarketsandMarkets, 2023).

## Trend #8

### Green Finance Gains Momentum

#### Trend Brief

Banks and asset managers are integrating ESG criteria into loans, investments, and disclosures.

#### Why It Matters:

- Aligns with sustainability mandates and investor demands.
- Reduces risk exposure to climate-related losses.
- Enables new sustainable finance products.



#### Highlights

**\$5T+** in **sustainable finance** **projected by 2025** (BloombergNEF, 2024).

## Trend #9

### Digital Wallets & SuperApps Dominate Payments

#### Trend Brief

Digital wallets are evolving into full-service financial hubs offering lending, investing, and insurance.

#### Why It Matters:

- Captures user stickiness and daily engagement.
- Reduces reliance on traditional banking interfaces.
- Supports cross-border and micro-transactions.



#### Highlights

**Digital wallet users** will **surpass 5.2B** globally by **2026** (Juniper Research, 2024).

## Trend #10

### Data Sovereignty and Privacy Drive New Stack Decisions

#### Trend Brief

With rising data localization laws, banks are rearchitecting their cloud, analytics, and AI stacks for control and compliance.

#### Why It Matters:

- Ensures regulatory alignment and customer trust.
- Improves transparency in AI decision-making.
- Supports localization in cross-border services.



#### Highlights

By 2026, **75% of banks** will **prioritize data sovereignty** in **digital transformation initiatives** (IDC, 2024).