

Ready for AI but not yet ready for DORA - PwC Luxembourg report



While 84% of financial firms believe that the failure to adopt AI will negatively impact them, few are ready with DORA-related core processes and data management.

49% of EU financial institutions expect artificial intelligence to reduce costs by at least 10% in the coming years, according to PwC Luxembourg. PwC Luxembourg's latest report, [***DORA: Laying the Groundwork for Digital Resilience and Transformation***](#), highlights a significant shift in how firms are responding to regulation. Rather than treating DORA as a compliance exercise, many are using it to modernise their operational processes, adopt AI and create strategic opportunities for transformation.

Based on a March 2025 survey of financial institutions across the European Economic Area, including banks, insurers, asset managers and payment firms, the report finds that 84% of respondents believe failing to adopt AI and digital tools within five years will harm competitiveness, reinforcing the urgency of transformation.

Key findings:

- 4% are executing DORA requirements as Business-as-Usual processes, with 65% still assessing what must be done.
- 12 % have a sound, well-designed data management strategy.
- 49% expect AI to reduce organisational costs by 10% or more.
- 84% say failure to adopt AI and digital tools will negatively impact their business within five years.
- 55% are still building methodologies to define their critical ICT functions and information assets as required by DORA, but this methodology is yet to be systematically applied across all functions.
- While 86% have implemented ICT risk taxonomies, marking significant progress in risk governance, only 39% have developed a methodology to quantify ICT risks.
- 58% believe their ICT providers have significant areas that need to be addressed if they are to become DORA compliant, while 26% anticipate terminating at least one ICT provider in 2025 due to DORA-related compliance issues.

This latest edition builds on PwC Luxembourg's January 2024 publication, which first positioned DORA as a priority for the boards and senior management of European financial institutions. It tracks implementation progress and outlines how firms can embed resilience into long-term operating models.

Olivier Carré, Deputy Managing Partner, Technology & Transformation Leader at PwC Luxembourg said: *"DORA is a catalyst for well-calibrated reinvention. We are seeing a growing number of financial institutions moving fast to use AI and risk quantification as tools to reduce costs and build smarter, resilient businesses. DORA is the lynchpin that undergirds this transformation."*

Michael Horvath, Sustainability and Sustainable Finance Leader at PwC Luxembourg said: *"This report confirms that DORA is a foundational pillar of the digital transformation. The firms leading the way aren't just complying, they are using the momentum generated by the regulation to embed resilience into corporate strategies and create new forms of value across the entire ecosystem. Those that fail to see DORA's transformative potential, particularly ICT third-party providers, risk falling by the wayside. There is no time to waste."*