2014 Banking and Capital Markets Outlook

Repositioning for growth

After five years of tumultuous change, it is no surprise that banking and capital markets firms have yet to find steady ground. However, heading into 2014, there is increasing evidence that they may have a chance to shift to a higher gear — or perhaps even accelerate.

Repositioning for growth

Competition and markets

Clients and products

Governance, risk, and compliance

Financial management

Organizational effectiveness

Technology dynamics

M&A could be spurred by increased competition

- Large bank specialization and small bank need for scale may drive M&A
- Diversification and slim margins may lead to continued consolidation of exchanges
- OTC derivatives reform may increase competition and reduce margins

Customer experience could hinge on new ways to differentiate

- Leverage analytics to improve segmentation and cross selling
- Optimize branch structures and fully integrate delivery channels
- Fee-based products, especially wealth management, will remain a focus

Re-regulation is the new norm

- Increase efforts around "getting to strong"
- Push for an enterprise-wide view of customers and counterparties
- Enhance management and governance of cyberthreats

CFOs take role in strategy to the next level

- CFOs to take on a more strategic role to improve capital efficiency
- Deploy capital management tools at the business and transaction level
- Improving cost management via new infrastructure will support investment budgets

Agility may drive operational efficiencies

- Agility will enable firms to respond to uncertain and rapidly changing environments
- Foster agility by focusing on strategies, ecosystems, and minds
- Exploring industrialization of processes may unlock new sources of efficiency

Technology may enable a new era

- Technology investments are likely to support growth, customer experience, and security
- Priority to integrate fragmented platforms for real-time insights
- Fully integrated mobile solutions may be a key retail differentiator

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