

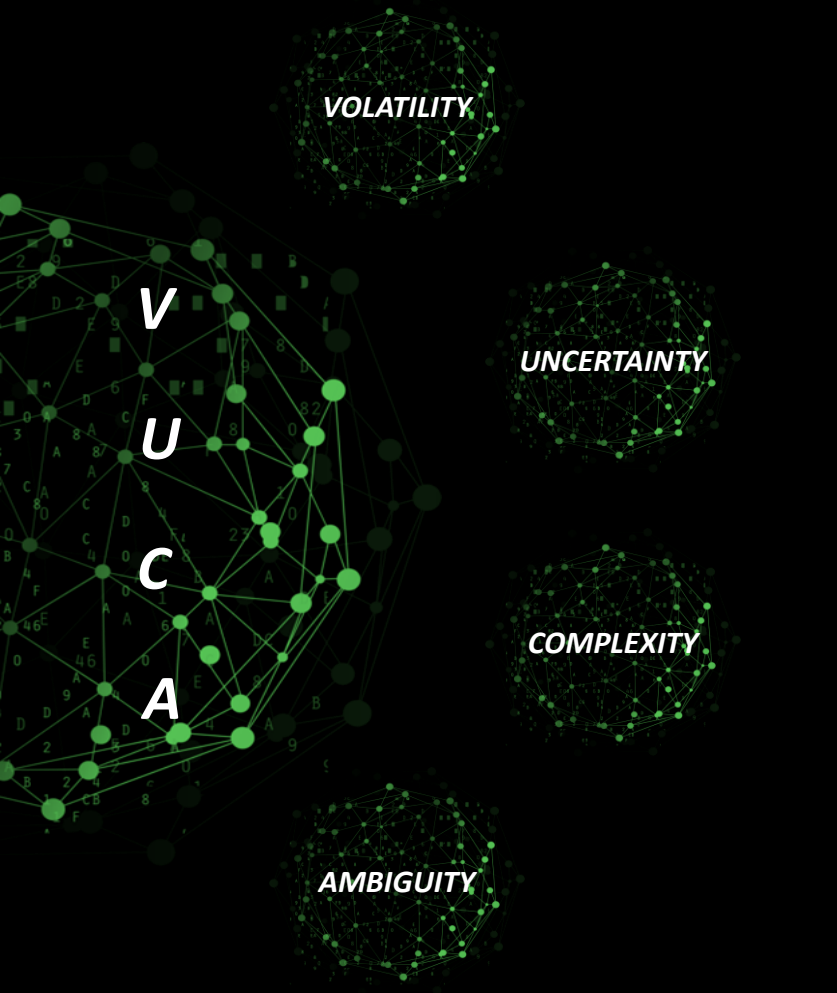


How can Banks thrive in an uncertain environment

Insight-Driven Performance to make more effective decisions

A world characterized by disruption

In order for Banks to thrive, it is key to understand impending challenges and threats...



- D.** Recent interest rate hikes – as a response to **high inflation** – has amplified interest rate risk for financial institutions, driven by the mismatch between fixed interest rate assets and its floating funding origin
- D.** Assessment of clients’ risk-profiles becomes ever-changing due to **macroeconomic conditions**, leaving Banks blind and vulnerable to unexpected credit and liquidity shocks
- D.** A difficult trade-off between protecting shareholders and institutions with **increasing regulatory** oversight versus Banks lobbying for the easing of regulations to maximise profits
- D.** **Interconnectivity** of bank lending and fear of a domino effect highlight the need for efficient internal and external controls within Banks
- D.** News and social media can also challenge the perception of Banks, fuelling the **lack of trust** in Banks and the ability to share (dis)information at a rapid pace

Current Situation for Banking Clients

...and to analyse how they are impacting every financial institutions' journey

Siloed Risk Architecture

The majority of business leaders say their finance and risk architectures are somewhat dated or very siloed, and feel an increased collaboration across these areas would facilitate both information-sharing and the quality of insights generated

Governance

Business leaders point to a lack of governance as being detrimental to a bank's ability to respond rapidly to economic volatility

Embrace Digitalization

Organizations are facing outdated and obsolete back-office technologies, which lack efficiency and the granularity for deeper insights. The lack of digitalization is often driven by a reluctance to embrace change internally and historic large front-end, customer-led investments of the past

Scenario Based-Modelling

Carrying out scenario-based modelling is perceived as the most challenging aspect of complying with new capital and liquidity regulations by most leading bank-professionals. The inability to quickly and accurately set up a "base case" is seen as one of the major causes and would be their first priority to solve



Stress-Test Oriented

Banks are expanding Stress-Testing capabilities to gain insight on the potential outcomes of stressors and anticipate the necessary responses. An increased focus on liquidity and interest rate risk becomes pivotal for organizations to thrive

Data-Driven Planning

A significant number of business leaders cite difficulty in obtaining accurate and timely data as the biggest challenges for developing data-driven planning

Integrated Balance Sheet Management

Integrated balance-sheet positioning and optimization are key to understanding an organization's strength and threats. This is essential in meeting stakeholders' and regulators' expectations

Communication

Financial Institutions face difficulties instilling trust towards their external stakeholders due to their more passive, regulatory-driven communication style. In addition, third party communication can cause a contagion effect which may heavily impact a bank's operations and should therefore be monitored closely

Insight-Driven Performance as an answer to disruption

In order to adapt, threats needs to become opportunities for change...



“It is more difficult than ever to make effective decisions”

To survive and thrive in a VUCA environment, Banks need to make effective and dynamic decisions to tackle the challenges head-on



Finance needs to be the catalysator and steward of performance management across functions, with the CFO increasingly co-ordinating Finance as the ‘Centre For Optimisation’ of the business

“It has never been more important to make effective decisions”



Components of Insight-driven Performance

...by reconciling strategy and execution in daily management activities...



Deep dive into the key elements of Insight-Driven Performance.

[Learn more](#)

Our Solution

...with Deloitte's Banking Connected Planning solution as a guide



Banking Connected Planning Solution powered by Anaplan

Linking operational execution to effective strategic decisions

Deloitte's Banking Connected Planning Solution will help your organization to **thrive in uncertain times** encompassing real **time scenario modelling capabilities** and business drivers



Seeing is believing.
For an exclusive demonstration of the Deloitte Banking solution that will transform forecasting modeling in the banking sector, please click on this link.

[Watch the demo](#)

The Banking Connected Planning solution enables complex scenario modelling at an enterprise level with no appreciable loss in resources or time:

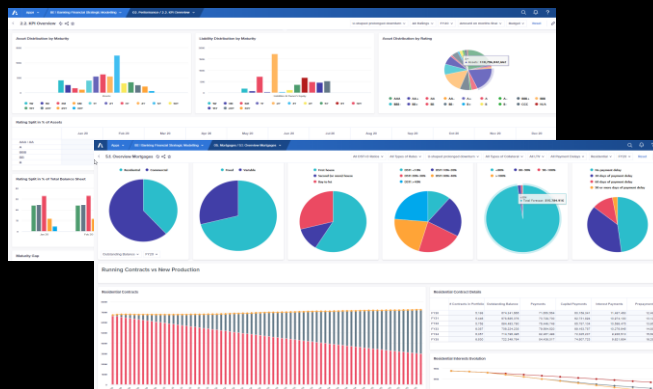


- Effective Scenario Planning Execution
- Instant simulation results to support decision making
- Integrated model with broad connection capabilities
- Fast corporate strategy execution to remain ahead of the curve

Powered by Anaplan differentiators and Deloitte advanced modelling capabilities

Modelling in action

We developed vibrant and user-friendly dashboards thanks to Anaplan's new user interface:



01

Capital Management: It is essential for financial institutions to monitor, allocate and maximize their capital while safeguarding its stakeholders from external risks

02

Scenario-Based Simulations: End-user driven scenario analysis on both internal and external drivers, such as interest rates and liquidity shocks, with real-time impact

03

Fund Transfer Pricing: Measure how variable funding is contributing to overall profitability of the bank, and how uncertainty in interest rates impacts performance

04

Business Driver Planning: Calculate the income and play with drivers on contract data, automatically connect with the required funding – as well as create visibility on the exposures on different type of risks associated

05

Hedging Strategy: Enhance hedging instruments to protect your firm from macroeconomic shifts and/or individual product movements

Typical goals for a bank

Build a flexible **financial forecast model**

Adjust **strategic direction** to align with the actual situation

Strengthen **strategic outcomes assessment**

Enhance **collaboration across the company** and **towards your external stakeholders**

Set up the bank for a **dynamic decision-making process**

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