

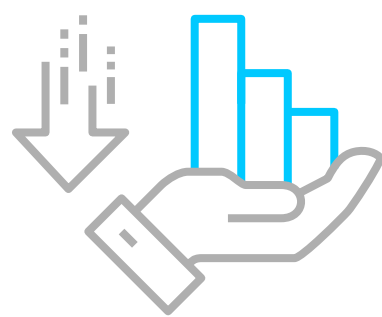


TOP 10 CHALLENGES FOR INVESTMENT BANKS 2017

01

Pruning for Growth and Distinctiveness

Revenues have **fallen** substantially

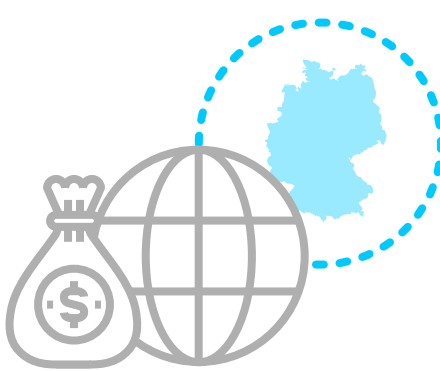
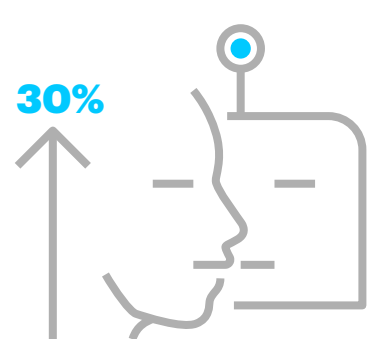


Compliance costs and capital requirements **keep climbing**

03

Turn Automation into Intelligence

Machines can take on as much as **30%** of the current workload

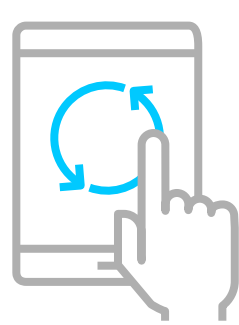


\$1.2 trillion gain in Gross Value Added for Germany alone through AI

05

Getting It Right with Digital Talent

Only **7%** of US graduates saw banking and capital markets as a top industry to work for

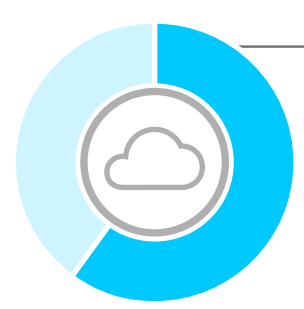


82% of employees expect digital to transform their work in the next three years

07

Accelerating the Journey to Cloud

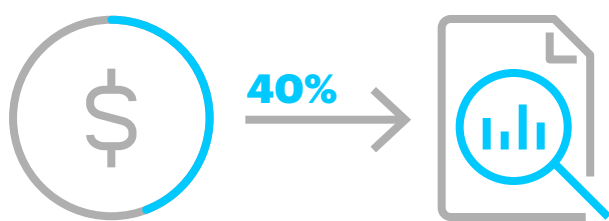
90% of banking respondents agree that cloud helps businesses



60% of capital markets institutions say that cloud-based entrants will challenge traditional industry models

09

Rethinking the Research Function



An estimated **40%** of trading commissions were allocated to supporting research between 2000 and 2003

(https://warrington.ufl.edu/graduate/academics/msf/docs/speakers/prereading_McMahon_Ward0405FortuneMag.pdf)

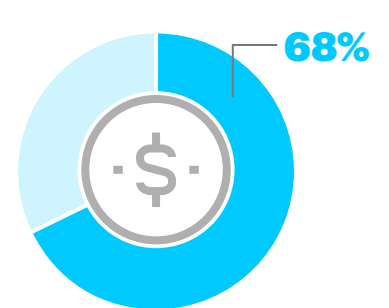


Research budgets will likely shrink further by **25 to 30%** or **\$15 billion** (Quinlan & Associates)

02

Getting Fit: Aggressive Cost Reduction

The industry's average cost-to-income ratio was **68%** in Q1 2016



Up to **11%** additional run-rate savings are possible with a public cloud model

04

Pressing the Reset Button on Location Strategy

To consider:

Operating model flexibility



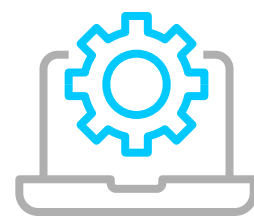
Maximize leverage of low cost sites

Market, compliance and regulatory factors



06

Liquid Standards: Improving the Client Experience



78%

78% of users expect tailored solutions



76% of users want a self-directed experience

76%

08

Getting Innovation Right

From 2010 to 2015:

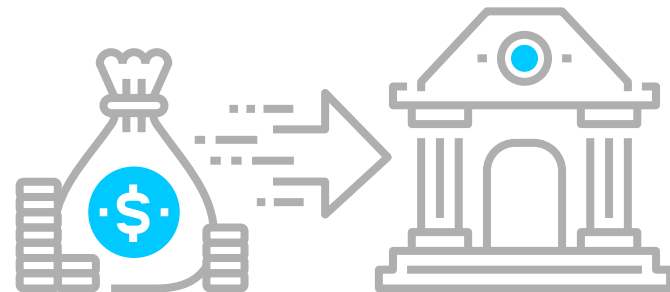
\$47 billion global investment in fintechs



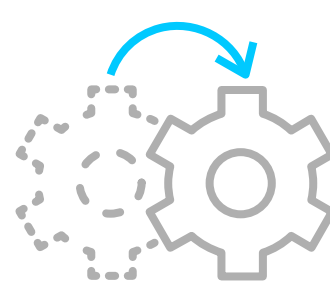
\$700 million in trading fintech alone

10

Using Distributed Ledgers: Blockchain Moves to Early Adoption



Up to **30%** and more operational cost saving potential by blockchain adoption (Accenture/McLagan)



2018 is supposed to be the "year of growth" in blockchain

For more information and a complete view of the **Top 10 Challenges for Investment Banks 2017**, please visit:

WWW.ACCTURE.COM/10CHALLENGES