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TOP 10 CHALLENGES FOR INVESTMENT BANKS 2017

Video Transcript

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What does 2017 hold in-store for the investment banks? Well, 2017 is going to be the year of the transition. A year where we transition from a period, which has been in place for the last five or six years and is best known for increasing regulatory pressure and cost pressure. We move into a period which has much more attractive prospects for growth for the investment banks. There are several things that are underneath that. Number one, an improving economy for the U.S., and we see it in improved corporate earnings as well as overall economic growth in the U.S. Number two, we're entering a period of rising interest rates, which bodes very well for investment banks. Of course, we have a new administration in the U.S. While we don't understand exactly know what that means, we do expect the new admiration will encourage investment banks to increase lending to continue to reinforce the economy in the U.S.

So, when we add it all up and we ask what does it mean for our clients, well the trick in 2017 will be to balance the old with the new. We don't expect the ongoing regulatory pressure to go anywhere. So, investment banks will have to continue to meet that in an excellent way. At the same time, the regulatory and also the cost cutting approach of the last five or six years will not translate very well into 2017. In order to accommodate the new opportunities for growth, we expect our clients are going to have to take a very hard look at their business model and operating model and, in some cases, that will require a certain amount of surgery in order to make sure that they're well positioned for growth in FY17 and beyond.