



Financial Services 2012

Hallmarks for Success

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Audit.Tax.Consulting.Corporate Finance.



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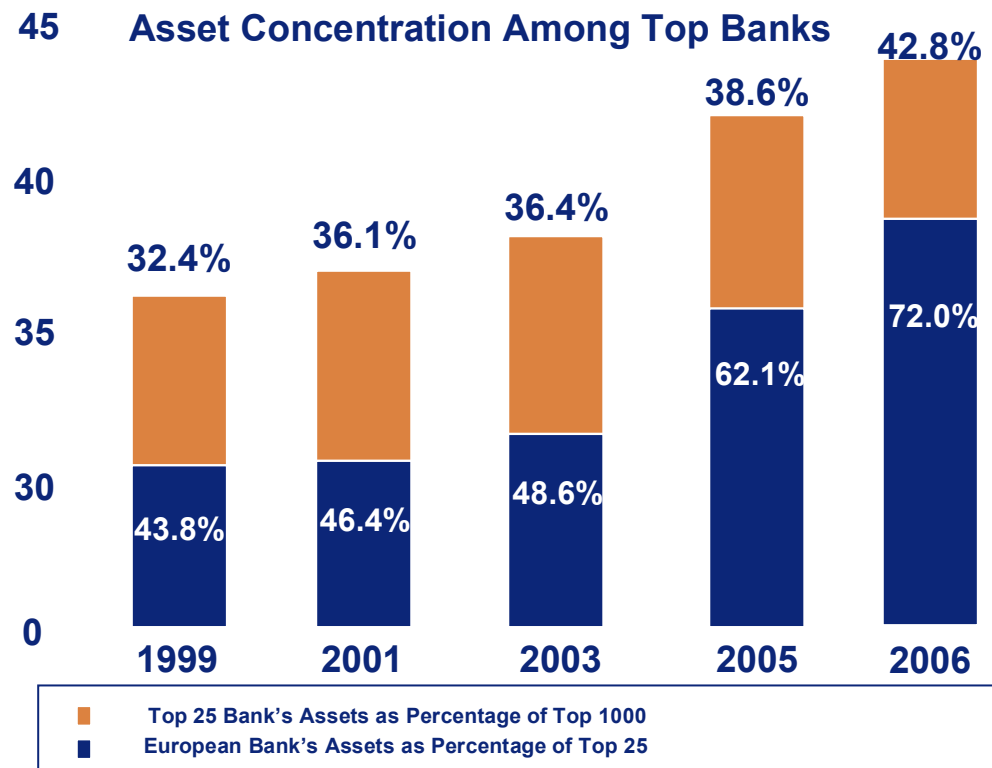
Hallmarks of Success

- Global markets and a business model to match
- Mass efficiency with focused premium service
- Consolidation with a purpose
- Winning the struggle for growth through stronger customer relations
- Transparency and compliance as a performance springboard
- Cracking the IT code value



Global Approach 2012

“Ensuring financial institutions has all the hallmarks for success in 2012 necessitates the building of a global outlook into their business – the journey needs to start today”



Source: The Banker Top 1000 World Banks; As of 30 June, Various Years

Source: The Banker 100 top banks and FT Global 500 Yr 2000 and 2007

2007 Private and confidential

Deloitte.

Key issues 2012

New Asset Classes	Retirement Market
Payments: P&L Pain or Pride	Emerging Markets

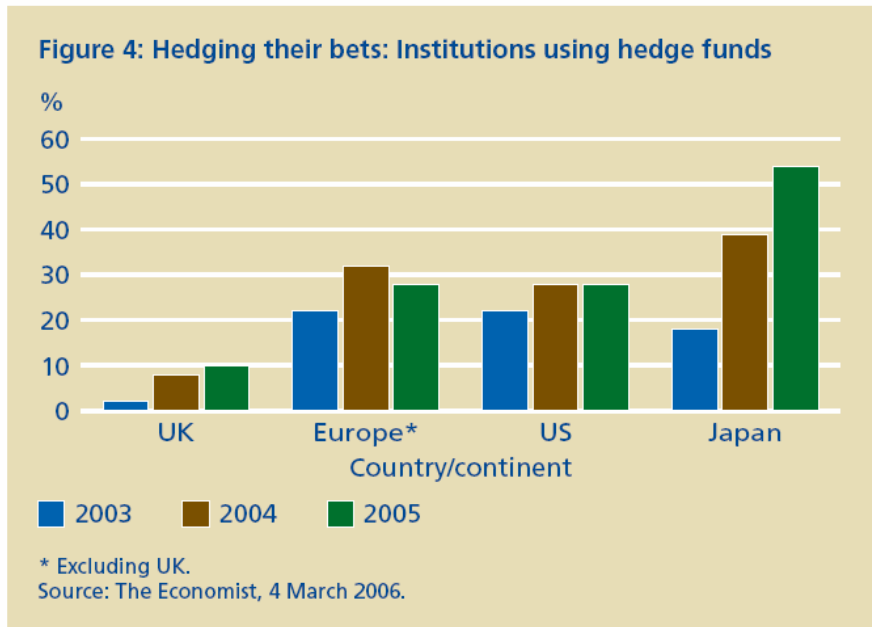
Market Drivers

Internal Controls	Offshoring
Process and Service innovation	Tax, accounting and financial reporting

Operational Challenges

New Asset Classes

“A wall of money is flowing into hedge funds and private equity, shifting the centre of gravity in the world’s capital markets, polarizing investment styles and creating headaches for regulators”



Deloitte Bottom Line

- The Virtual Enterprise
- Risk & Reward
- Brain Drain

Turning Silver into Gold

“Members of the wealthiest generation the world has ever seen are now quitting their jobs and preparing for a long, indulgent retirement – a phenomenon for which few financial services institutions are fully prepared”



Deloitte Bottom Line

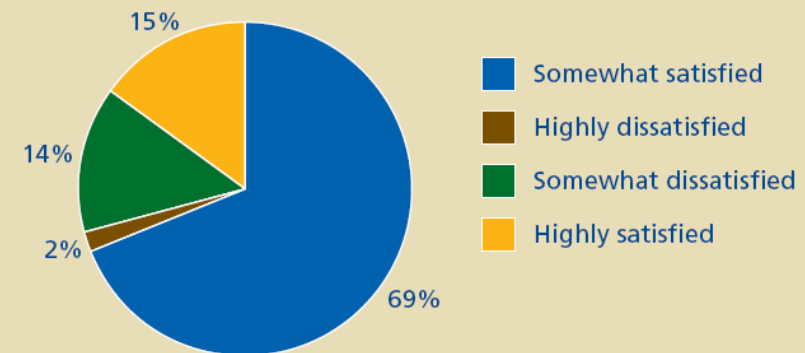
- Differentiation from the herd
- Peer-to-Peer
- Get the balance right

Payments: P&L pain or pride

“Financial institutions potentially face significant P&L pain due to the influence of emerging regulations and technology trends. Financial institutions without a payments strategy are likely to be followers by 2010”

Figure 6: Overall, how satisfied is your bank with its current approach to payments processing?

(% respondents)



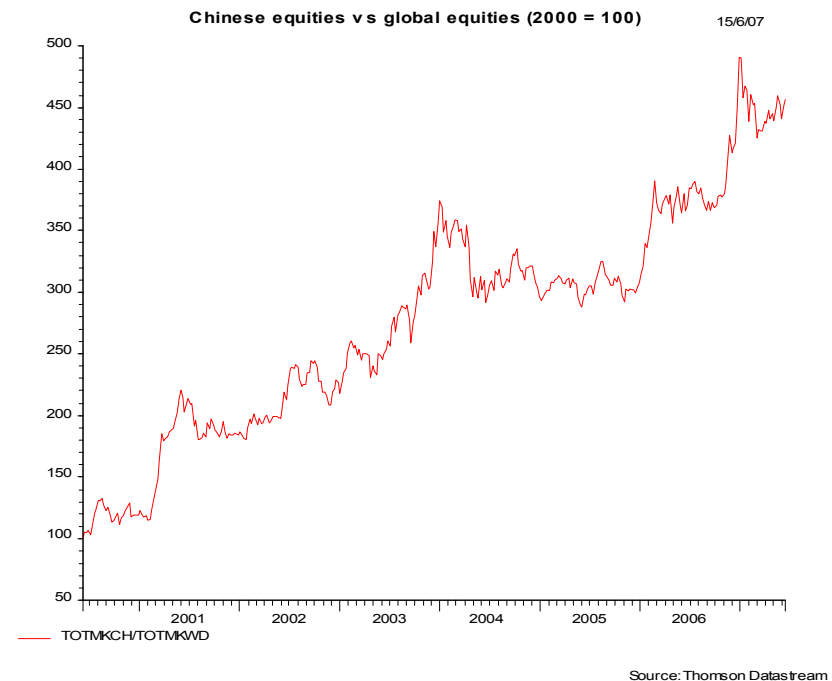
Source: Economist Intelligence Unit Survey, 2005.

Deloitte Bottom Line

- Don't dabble
- Develop new products and processes
- Take an enterprise approach

Emerging Markets

“Emerging Markets offer a possible solution to the growth problem, but only if financial institutions can be adapt their business models to operate profitably in these new and uncharted territories by 2012”



Deloitte Bottom Line

- Portfolio of Markets
- Exportable, repeatable model
- Big and beautiful

Operational Challenges

New Asset Classes	Turning Silver into Gold
Payments: P&L Pain or Pride	Emerging Markets

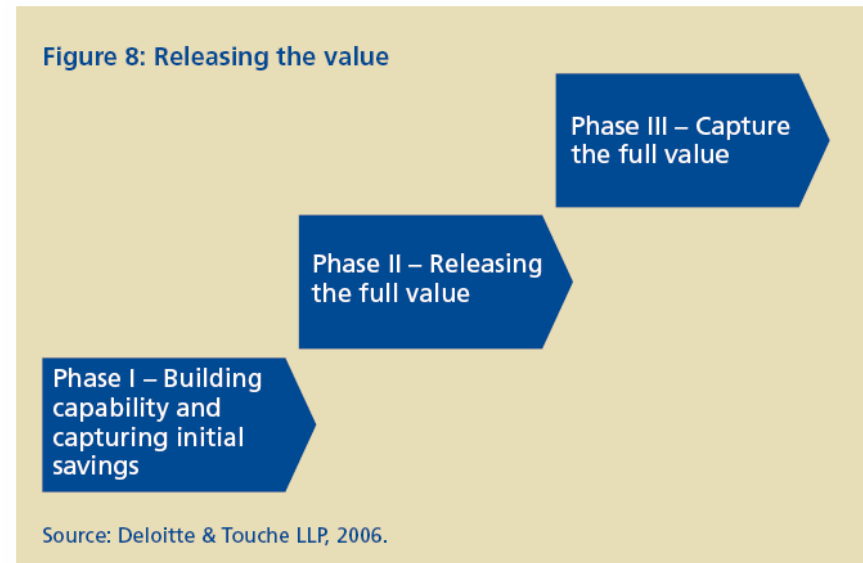
Market Drivers

Internal Controls	Off-shoring
Process and Service innovation	Tax, accounting and financial reporting

Operational Challenges

Offshoring: Optimising Operations

“To move beyond pure labour arbitrage benefits, major financial institutions will need to take their offshoring strategies to the next level by reengineering business processes and developing a truly global operating model”



Deloitte Bottom Line

- A clean state
- Cross-shore integration
- Recycling savings

Governance & Internal Controls: Springboard to Better Performance

“Building the capability to be able to consolidate and report data beyond compliance demands by regulatory authorities will be the key differentiator between winners and followers by 2012”

75 %

Major financial institutions don't have fully operational governance & controls systems

Deloitte Bottom Line

- See the big picture
- Be realistic
- Clarity of purpose

Process and Service Innovation

“In the struggle for growth in mature markets, a key hallmark of success to deliver sustainable revenue increases and enhance the customer experiences will be the ability to identify and execute service/process innovations, over product innovations”

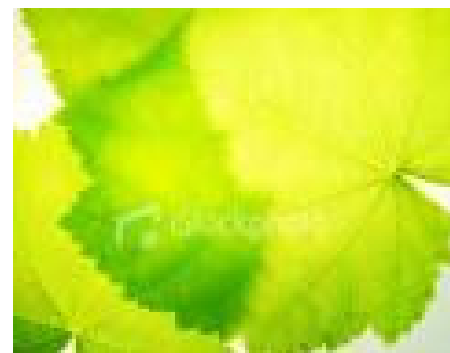


Deloitte Bottom Line

- Enhancing the customer relationship through the experience
- The virtuous cycle
- Lasting innovation

Tax, accounting and financial reporting

“A radical shift in mindset is required amongst senior executives to bring transparency and technology to tax planning and financial reporting activities to add a hallmark of success to a financial institution by 2012”



Deloitte Bottom Line

- No place to hide
- Because you're with it
- Communication matters

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