



TRENDS IN CORPORATE BANKING

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CONTENT

- TRENDS IN BANKING ENVIRONMENT – KEY DRIVERS
 - LOW INTEREST RATES & MARKET LIQUIDITY
 - DIGITALIZATION – IMPROVES CUSTOMER EXPERIENCE AND SAVES COST
 - BIG DATA
 - INCREASING REGULATION
 - PEER TO PEER LENDING?

 - WHAT WILL REMAIN OF CORPORATE BANKING AS WE KNOW IT?
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LOW (NEGATIVE) INTEREST RATES AND MARKET LIQUIDITY

- LOW INTEREST RATES ENVIRONMENT (ON CZK / EUR) EXPECTED AT LEAST UNTIL 2018
- COMPRESSION OF MARGINS AND NET INTEREST INCOME
 - DEPOSITS
 - LOANS – EXCESSIVE LIQUIDITY & LACK OF INVESTMENT OPPORTUNITIES FURTHER WORSEN NII
- NEGATIVE INTEREST RATES – WHERE IS THE BOTTOM?
ALTERNATIVES TO SAVING

DIGITALIZATION TO CONTINUE AND ACCELERATE

- CHANGING CUSTOMER BEHAVIOURS AND PRESSURE ON PROCESSING EFFICIENCY

- DIGITALIZATION
 - IMPROVES CUSTOMER EXPERIENCE

 - REDUCES PROCESSING COST AND ERROR

 - REQUIRES SIGNIFICANT INVESTMENT

BIG DATA

- LOT OF VALUABLE INFO CURRENTLY AVAILABLE IN BANKS BUT NOT SYSTEMATICALLY COLLECTED AND ANALYSED

- BIG DATA MANAGEMENT
 - DATA INGESTION (PAYMENT FLOWS, TRANSACTIONS, PRODUCT USAGE, EXTERNAL DATA ...)

 - DATA / CLIENT ANALYSIS AND NEEDS IDENTIFICATION

INCREASING REGULATION

- REGULATION FOCUS IS PUT ON
 - SYSTEMIC RISK MITIGATION / INCREASING CAPITAL REQUIREMENTS
 - CLIENT PROTECTION
 - AML
- REGULATION INCREASES COST OF DOING BUSINESS BUT AT THE SAME TIME PROTECTS INDUSTRY FROM COMPETITION

(GOOGLE, FACEBOOK)

PEER TO PEER LENDING ?

- INCREASING BUT FAR FROM PLAYING SIGNIFICANT ROLE SO FAR
- EFFICIENT PLATFORM FOR SMALL LENDING

WHAT WILL REMAIN OF CORPORATE BANKING AS WE KNOW IT?

PEOPLE DO BUSINESS WITH PEOPLE