

Bank are underestimating structural business risks and over estimating their positioning

- Banks need to be as agile and entrepreneurial as new entrants – be customer centric
- The macro-economic landscape has fundamentally changed, outmoding old strategies
- Success means excelling at change management, being efficient, removing complexity
- This means adopting a different mind-set, being more imaginative and lots of energy

Cash management banks still have an important role to play

- Depending on where you start from, your scale and your ambition, the business remains attractive
- Technology change may seem daunting at first, but if you embrace it then it will become ‘your friend’
- Commoditisation of parts of the business means that pricing strategies need to change
- Asia and China are investing heavily in payments infrastructure, which will leapfrog where Europe is today

Transaction banks have different strategies but common issues

- New entrants growing the market/ can be good customers
- Banks think new entrants have an easier compliance burden
- More value can be had from data, but the US is cautious
- Cyber crime is an increasingly important issue for banks

Payments create a huge regulatory burden, but there are others in the organisation

- Europe has a very large payments regulatory change agenda
- Policy makers in Brussels don’t seem to have a master plan
- Banks need to have someone orchestrating the organisation
- EMIR, AIFMD and MiFid are also significant challenges
- Rules on acceptable bank business is driving legal change

Treasurers need banks but want better service and performance

- Funding the real economy, rebuilding trust and objective pricing of risk are at the top of the corporate agenda
- SEPA, payment factories and efficient cash management are top priorities for 2013
- Regulatory reporting / compliance is seen as burdensome

The future is branchless, might it be ‘bankless’?

- When a physical product/ store is confronted by a change in customer behaviour / digital product, they wither / die
- There are two determinants of success; removing friction from the process and adding value in the context

Polling highlights

- Banks are torn between maintaining resilience (25%) and growing revenue (33%)
- 49% of payment professionals expect the Eurozone to muddle through as is
- 63% of participants said that they needed to optimise their processes and sort out their infrastructure to reduce costs
- Banks want to modernise their payments systems but 62% say there’s too much to do, its too risky and too expensive
- 66% of participants say that banks are not good at telling their customers about change