PwC report: Banking CEOs confident about revenue growth in year ahead

Hamilton, Bermuda - Banking and Capital Markets (BCM) CEOs are optimistic about their growth prospects in the year ahead with 40% saying they are very confident that they'll achieve revenue growth over the coming 12 months, up from 31% last year.

The scope for optimism includes further rises in interest rates in the US, along with a move away from the near zero rates that have prevailed in other developed markets. However, BCM CEOs are also mindful of the tough challenges ahead and over 80% of BCM CEOs see over-regulation, uncertain economic growth and geopolitical uncertainty as threats to growth.

Further, 84% of BCM CEOs believe that technology will completely reshape or have a significant impact on competition in the industry over the next 5 years. The disruptive challenges of this new competitive era are highlighted by the proportion of BCM CEOs who see the speed of technological change (75%) and changing customer behaviour that comes with it (69%) as threats to their growth prospects. But there are also huge opportunities to sharpen innovation, get closer to customers and drive down costs.

These are the main findings from the report, Setting the bar higher, which is part of PwC’s 20th Global Survey of 1,379 CEOs globally and highlights the threats to banks prospects.

Matthew Clarke, PwC Bermuda Banking & Capital Markets partner commented: “More than ever before, sustainable growth stems from differentiated products and services, along with the innovation and customer intimacy that underpins them. All of which require ongoing investment – in other words, being ‘fit for growth’. Rather than cutting costs in isolation, the key priority is to differentiate the capabilities needed to fuel growth from low-performing business and inefficient operations, with ‘good costs’ being targeted for investment and ‘bad costs’ for overhaul or elimination.”

Notes to editor:

PwC’s report ‘Setting the bar higher’ is based on the response from 206 BCM CEOs in 60 countries. To see the full results of PwC’s 20th Global CEO Survey - BCM, please visit ceosurvey
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