News release

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**PwC lists ten tech-driven forces shaping financial services in 2020**

**6 June 2016 –** The financial services industry has seen some dramatic technology-led changes over the past few years. While FinTech start-ups are encroaching upon established markets, many executives look to their IT departments to improve efficiency and facilitate innovation, while somehow also lowering costs and continuing to support legacy systems.

In support of this, PwC’s new report *Financial Services Technology 2020 and Beyond: Embracing disruption* captures the real-world implications of ten technological advances on the industry and those who must supervise and tackle them.

Julien Courbe, PwC’s Global FS Technology Leader, says:

“Those at the heart of financial institutions know there’s no easy way to embrace this unprecedented disruption. The public cloud is already safe and reliable enough to outcompete on-premises solutions. Soon, Blockchain may prove to have the same impact on the future of banking as the Internet had on physical stores. You get the feeling that it’s only a little while before banking operations centres are staffed by sophisticated robots, taking over manual tasks from human tellers.”

CIOs and other executives need to be able to quickly innovate when technologies, competitors and markets change, and have the skilled resources to do so. Therefore, it’s vital they can identify the imminent threats and opportunities that will be affecting their operating model, human capital approach, ability to innovate and ability to execute.

**Ten technology-driven forces, six priorities**

From that perspective, the PwC report lists the ten most important technology-driven forces that will shape competition in the financial services industry by 2020 and six priorities for financial institutions to benefit from them.

*The ten technology forces that matter:*

1. FinTech will drive the new business model
2. The sharing economy will be embedded in every part of the financial system
3. Blockchain will shake things up
4. Digital becomes mainstream
5. “Customer intelligence” will be the most important predictor of revenue growth and profitability
6. Advances in robotics and AI will start a wave of “re-shoring” and localisation
7. The public cloud will become the dominant infrastructure model
8. Cyber-security will be one of the top risks facing financial institutions
9. Asia will emerge as a key centre of technology-drive innovation
10. Regulators will turn to technology, too

*Six priorities for 2020:*

1. Update your IT operating model to get ready for the ‘new normal’
2. Slash costs by simplifying legacy systems, taking SaaS beyond the cloud, and adopting robotics/AI
3. Build the technology capabilities to get more intelligence about your customers’ needs
4. Prepare your architecture to connect to anything, anywhere
5. You can’t pay enough attention to cyber-security
6. Make sure you have access to the necessary talent and skills to execute and win

Julien Courbe adds:

“Financial services providers may feel that they have already seen this movie. The priorities we list – like updating your IT operating model and slashing costs by simplifying legacy systems – have always been good things to do. But how they will do it, and why, is quite different from what they may have thought about until now. What worked for the client server world won’t work for cloud. What worked to secure card-not-present transactions will not work with the Internet of Things. We hope our perspective is helpful, as financial institutions need to start thinking quickly about refreshing their strategy for 2020 and beyond.”

**Ends**

**Notes to editor:**

1. The report “Financial Services Technology 2020 and Beyond: Embracing disruption” can be downloaded here: [www.pwc.com/fstech2020](http://www.pwc.com/fstech2020)
2. The report complements PwC’s [Project Blue](https://www.pwc.com/gx/en/industries/financial-services/projectblue.html) and the [PwC Megatrends framework](https://www.pwc.com/gx/en/issues/megatrends.html), which examine the forces that are disrupting the role, structure, and competitive environment for financial institutions and the markets and societies in which they operate.
3. The report also continues PwC’s series of publications examining the future of financial services, including:
	* [Retail Banking 2020](https://www.pwc.com/gx/en/industries/financial-services/banking-capital-markets/banking-2020.html): Evolution or Revolution
	* [Capital Markets 2020](https://www.pwc.com/gx/en/industries/financial-services/banking-capital-markets/capital-markets-2020.htmlhttps%3A/www.pwc.com/gx/en/industries/financial-services/banking-capital-markets/capital-markets-2020.html): Will it Change for Good
	* [Asset Management 2020](https://www.pwc.com/gx/en/industries/financial-services/asset-management/publications/asset-management-2020-a-brave-new-world.html): A Brave New World
4. At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

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