



# Financial Services

*GEG CONSULTING*

*A Division of Global Economics Group, LLC.*

## THE GEG CONSULTING YEAR (well, really 6 months) IN REVIEW

December 2023

It may have been a while since we've spoken, but we hope you're enjoying success in all aspects of your business and personal lives. We embarked on our journey this past summer by asking you, our clients, and friends to help us understand your perspectives on key industry challenges, especially post-SVB, Signature, and First Republic. We summarized our observations in our Global Risk Agenda client note in September. (<https://www.globaleconomicsgroup.com/the-global-risk-agenda/>)

In the ensuing months, we've met and worked with clients on various challenges and opportunities, many of which were identified in our listening tour. Not surprisingly-- liquidity risk, interest rate risk, capital management, and data-- are always top of mind, but there are several other topics that also consistently reoccur in our conversations:

1. **Getting value from Artificial Intelligence**-- whether it's new opportunities from generative AI or maximizing value from existing machine learning algos --key areas of focus include where to use them, how to use them, and importantly, how to govern their use and manage the unique risks.
2. **Reducing the cost of compliance**--how to rationalize and optimize the human and technology investments made in compliance functions over the past 10 years in areas like Governance, Risk, and Compliance platforms, financial crimes and trade surveillance--where's the pay-off and how do we start optimizing around new capabilities?
3. **Financial Crime** -- the crooks keep getting smarter! Anti-money laundering processes, sanctions screening and fraud detection and prevention continue to occupy considerable time and attention. How best to take advantage of technological innovations like machine learning algorithms to identify patterns of illicit activity and change the financial crime landscape?
4. **Managing Compliance and Conduct** -- Management, regulators and other stakeholders remain focused on building and nurturing a culture of compliance. FIs gather substantial data about employee conduct from various sources, e.g., customer complaints, employee complaints and monitoring and surveillance systems. But many FI's struggle to effectively and efficiently aggregate that data in a way that promotes proper evaluation and the means to measure, manage and report on it.
5. **Data modernization**--how to take advantage of new data strategies, capabilities and architectural patterns to overcome the challenge of siloed data sprawl to truly democratize data and create early value realization.
6. **Governance around regulatory affairs**--how to optimize regulatory response processes to streamline exams and to deepen trust with regulators.

GEG professionals include industry leaders with deep expertise in addressing these and other challenging issues. Please check out our industry experts and solutions at -- [globaleconomicsgroup.com](https://www.globaleconomicsgroup.com).

We look forward to working with you in 2024. Best wishes this holiday season and in the New Year.

*We collaborate with our clients to accelerate the design and implementation of sustainable solutions.*