

# Investment Banking & Financial Management

December 12-14, 2023

**JANUS**  
CONFERENCES



Rotman School of Management, University of Toronto

## Program Outline

Day 1am

### Setting the Stage – Investment Banking Industry Overview

A look at how new technologies are reinventing investment banking globally. The industry is facing unprecedented challenges: Uncertain markets, regulatory pressure, increasing competition, ground-breaking innovations and diminishing margins. New technologies and startups develop innovative products and channels, challenging established traditional players.



## Capital Markets & Investment Banking

Most investment banks are going full speed through digital transformation efforts to contain costs and improve customer experience. Examples of automation include Goldman Sachs bond-pricing engine that can handle transactions of up to \$2 million without human intervention. Credit Suisse's Clive automates small trades. Firms are using AI and machine learning to embed intelligent systems into trading algorithms, pricing engines and risk management systems which is a key area especially for derivatives trading. Public cloud adoption is boosting digitization particularly in noncore processes.

In order to become customer centric today, investment banks are using multiple data sources and analytics to develop new client insights. Firms are gaining competitive advantage by applying analytics to help solve client's problems.

There is a new customer attitude driven by decreased risk tolerance. Banks must innovate now to maintain and gain competitive advantage. Markets are cyclical and banks must prepare accordingly.

**Additional topics** – Asset and Wealth Management, Securities Trading, Compliance & Risk Management

## Technology

Excelling at data management, modernizing core infrastructure, embracing AI and migrating to the public cloud will be key steps for investment banks in 2020. As banks adopt technologies like machine learning, and eventually AI and quantum computing existing systems will need to be upgraded.

One approach is to use microservices and cloud applications to provide new function while reducing reliance on legacy systems.

Most banks have 15-20% of their budget and staff tied up in IT. Despite this investment, few have governance practices consistent with their strategic goals and aligned with their management. The key question is how can you better align IT to your company's specific needs.

This is complicated by the move to the "Hybrid Cloud" where governance even among the largest banks is often lacking.

Day 1pm

## Facilitated Round Table Discussion

Following the review of the Investment Banking Industry in the morning, we will conduct a round table discussion to better understand the specific challenges and opportunities facing the banks represented by each of the attendees, bringing additional perspective into a facilitated panel discussion, intended to help the participants reinforce what they learned in the morning. The participants will discuss the major impacts on their banks, clarifying and expanding on points arising from the morning session.

## Day 2am

### Key technologies Overview

This day will focus on an overview of the key technologies affecting investment banking on a global basis and how banks are responding to them.

Technologies discussed will include artificial intelligence, blockchain, crypto, cybersecurity, data privacy, data analytics, hybrid cloud, digital transformation and payments.

This overview will provide a perspective on technological change in the investment banking industry.

**How have banks handled technological shifts successfully in the past?**

**What lessons can we learn?**

**How important is technology in investment banking?**

**What is the impact on competitive advantage?**

Key Technologies discussed will include:

- Artificial Intelligence
- Data Analytics & Data Management
- Cloud Computing
- Digital Transformation
- Online Portfolio Management

### Key technologies Overview

What does tomorrow's investment bank look like? Investment banks are more secure than other forms of banking because of the significant barriers for others to enter the market. These include capital requirements, regulatory scrutiny and long-standing client relationships. As execution is increasingly digitized, maximizing the value of data will be ever more critical to drive and enhance returns.

The key capabilities to optimize in this environment will be the ability to capture and store propriety data arising from market activity in a usable manner, integrate it with external data, apply ever-evolving data science techniques to generate actionable insight, and then the ability to be able to act on these insights.

Bottom line is that as with other forms of banking, technology will be the key to success in this industry.

## Day 2pm

**In the afternoon we will have a roundtable discussion with a banking technology leader highlighting specific area that attendees would like to focus on during the detailed technology discussions. Will you bank embrace the bank of the future?**

Where are the gaps in your organization. What attendees would like to achieve from our discussions relating to technology in investment banking to close those gaps.

## Day 3am

## Sharia and New Technologies Round Table Discussion

This half-day discussion presents a review the impact of some of the new technologies on the investment banking environment governed by Sharia.

Banking in many countries is governed by the rules of Islamic banking which is governed by Sharia. As a result, Islamic products can be more complex than conventional products, which can add development and implementation costs. In some cases, there will also be an inability to use some of the processes associated with western banking.

In this roundtable discussion, we will cover some of the implications to adopting new technologies.

## Next Steps

This afternoon panel discussion to discuss how some of the digital transformation and bank of the future solutions discussed in the morning could be implemented in the banks governed by Sharia.

How to begin. **How do you organize and manage for disruption, while still carrying on your day-to-day business?**

Choosing what technologies will be the most effective. Choosing what technologies must be implemented now to gain competitive advantage.

Deciding how to monitor progress, analyse results and take corrective action to ensure that improvements are achieved.

Participants will review a case study from Royal Bank of Scotland (RBS) moving from "experiment" to "pilot" to "scale" and then "run" as part of a digital transformation case study.

## Day 3pm

## Guest Speaker, Program Summary and Close

# Graduation

