

REVEALED: FINANCIAL INSTITUTIONS' STRATEGIES FOR RISK, INNOVATION AND TECHNOLOGY

From rising interest rates to nimble competitors like digital banks, financial institutions are facing a diverse and fast-changing set of challenges. But our new research reveals that companies are also deploying innovation and new technologies to address these risks and find a competitive advantage.

Based on a survey of senior decision makers at large global financial institutions, regional banks, community banks and credit unions around the world, *The Global Innovation Report: Creating Advantage in Uncertainty* offers new insights into the macro risks confronting financial institutions – and the strategies they've chosen to manage them.*

High risk, high optimism

43% of financial institutions say they face more risk now than in the past.

Only **19%** say they face less risk.

Despite their concerns, **95%** of financial executives are confident that they can mitigate these risks.

What have they done so far?

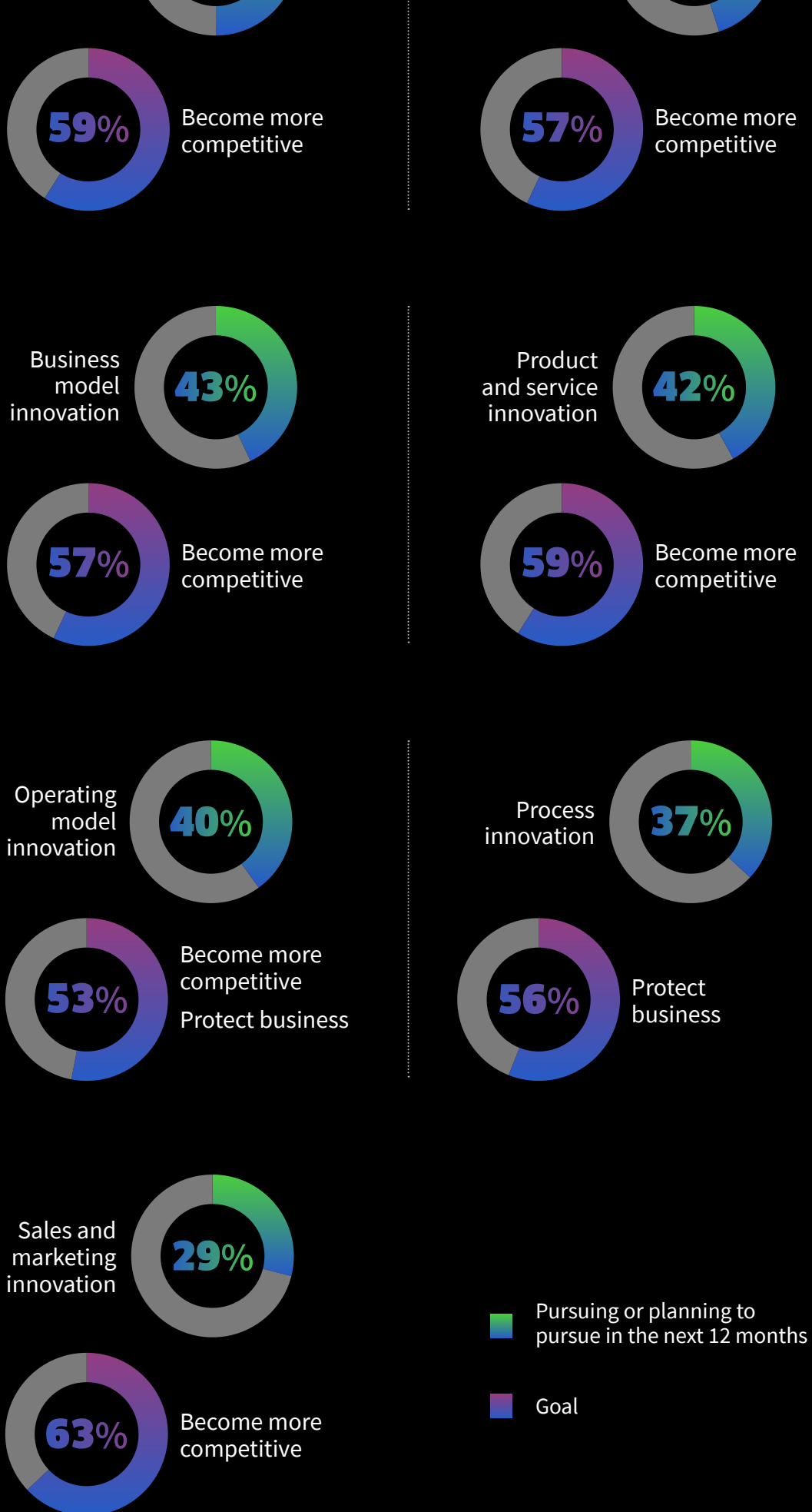
	Financial risk	Strategic risk	Legal and regulatory risk	Environment and transition risk	Operational risk	Reputational risk
Assigned existing staff	48%	43%	50%	39%	53%	47%
Hired additional staff	38%	42%	44%	51%	47%	49%
Hired outside consultants	39%	35%	42%	38%	45%	40%
Adopted new technology	49%	46%	47%	39%	51%	45%
Acquired / partnered with other businesses	36%	37%	38%	42%	47%	44%
Restructured business model	40%	42%	40%	50%	47%	48%

*Percentages are the proportion of those experiencing the risk and have taken this step to mitigate it.

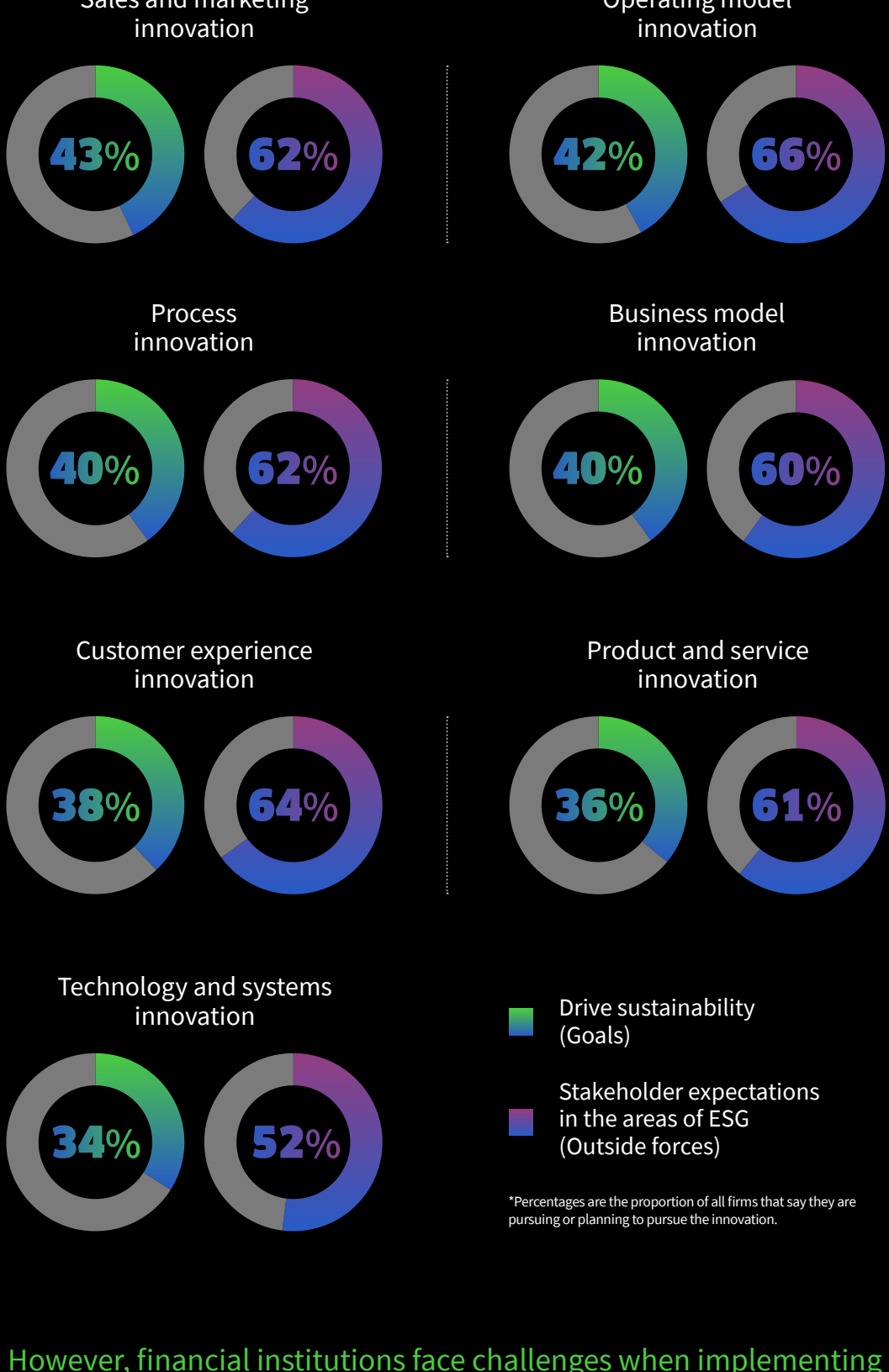
Innovation** plays a critical role

93% agree that innovation plays an important role in managing the risks currently faced by their organization.

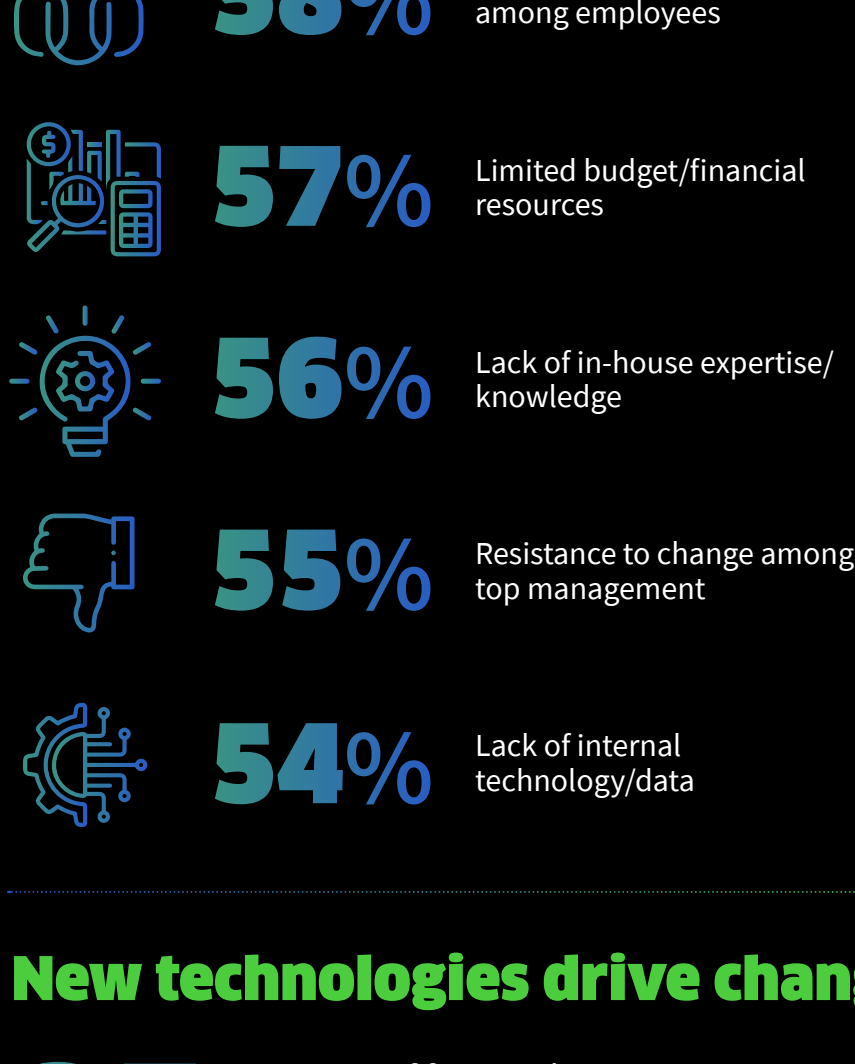
Financial institutions are deploying a range of innovation strategies to mitigate risk. The goals for each strategy vary too.



Sustainability and stakeholder pressure around ESG are also driving innovation.



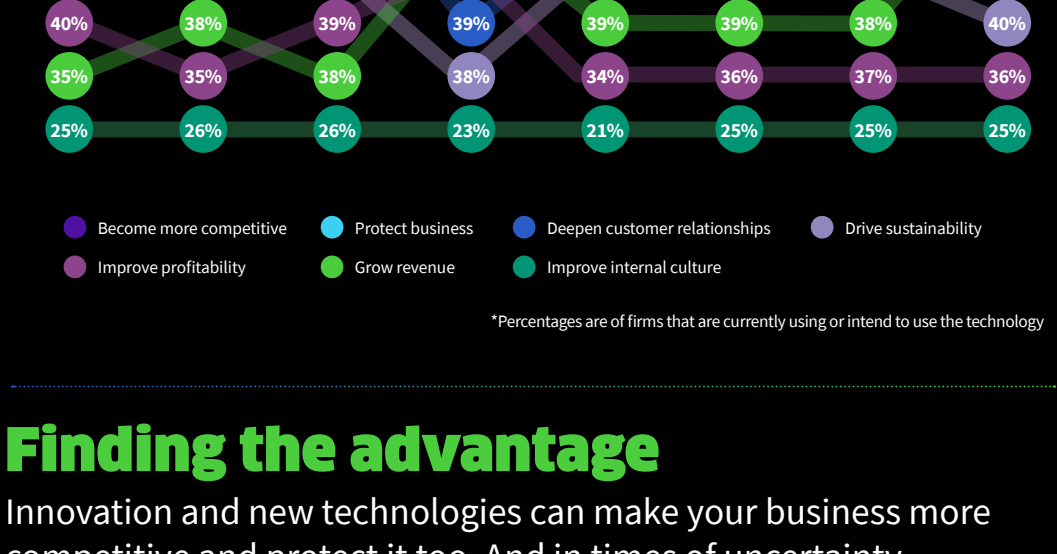
However, financial institutions face challenges when implementing innovative solutions in response to risk – with nearly equal responses to all of the barriers we asked about.



New technologies drive change

85% of financial institution executives that use or plan to use one of these technologies say they mitigate macro risks.

But they're also embracing these advances for specific benefits to their business.



Finding the advantage

Innovation and new technologies can make your business more competitive and protect it too. And in times of uncertainty, it's more urgent than ever to take advantage of the latest developments. Whether you need to adopt new technology, reassess your operations or augment in-house skills, the right partner will help you invest wisely and stay ahead of the fast pace of change.

WANT TO LEARN MORE?

DOWNLOAD your copy of *The Global Innovation Report 2023: Creating Advantage in Uncertainty* or **EXPLORE** how we are helping companies like yours achieve their goals faster.

*All data is based on a survey of 411 executives from financial institutions in North America, Europe and APAC. The survey was conducted by Savanta on FIS' behalf in June 2023.

**Innovation is defined as the conception, development and delivery of new products, services, processes and business models.