The Future of Banking: Is There a Sustainable Business Model for Banks?

August 18 to 20, 2014
Schloss Leopoldskron, Salzburg, Austria
The global economic crisis has turned a harsh spotlight on the role, accountability and transparency of banks and their leadership. In the outside world, public confidence and support is at an all-time low with far-reaching questions about the social utility of banks. On the inside, banks face complex challenges as they adapt to new regulatory environments and seek new ways to function as a profitable motor for the economy.

In this radically different operating landscape, the drive to rethink conventional business models is gathering momentum. This is further accelerated by big data, integrated analytics and new technologies that are transforming how banks and financial services go to market. Innovative renewal is needed if banks are to retain their central place in the payment system.

Participant Profile
The program will include 55 participants and up to 10 faculty, bringing stakeholders from different sectors together to identify options and best practices for a sustainable financial architecture that meets the needs of the economy, shareholders, entrepreneurs and the public. Participants will include representatives from:

Financial services firms wrestling with how to develop a new business model in a low interest rate and high capital requirements environment (often coupled with substantial legacy asset problems). Firms will have the chance to explain their situation more clearly to regulators and learn more about the strategies being pursued by their peers and those recommended by the leading consultants.

Regulators trying to find the right balance between increased systemic safety and the real economy’s need for financial services at affordable prices. Regulators will have the opportunity to learn more about the problems the firms they regulate are facing, and to understand the practical implications of different regulatory approaches in different jurisdiction.

Consultancy firms who will have the chance to interact with both practitioners and regulators and to explain and test out their cutting edge strategies.
Key Questions
The session will showcase intensive and highly interactive interview panels and in-depth plenary discussions and with strategic problem solving. In advance of the session in August, a series of research papers will be commissioned that will provide a springboard for debate and inform discussions in Salzburg. During the session, participants will examine a broad range of critical questions:

- Do we need a culture change in the banking world for more sustainable business models?
- How can banks make money in a low/negative interest rate environment?
- What are the consequences of the Basel III and structural reform proposals that aim to break up the banks?
- How should unresolved issues from the 2008 crisis – and the current disparity between US and European banks’ readiness to make new loans – be addressed?
- How can traditional firms compete against the shadow banking sector operating on an unequal regulatory playing field?
- How should governance, compensation and risk management be remodeled?
- How can big data and new technology support transformation of business models?

Program Goals
This will be the fourth meeting of the Salzburg Global Forum on Finance in a Changing World. The annual Forum facilitates critical analysis of the changing regulatory environment, comparison of practical experience around the world, understanding of technology-driven transformations and open dialogue on ethical and media questions. The session will provide a secluded meeting place for high-level decision makers and top young professionals from different disciplines to build trust and common understanding to advance the sustainability and resilience of financial institutions and services.

The goal of Salzburg Global’s proposed session is to help banking and other stakeholders successfully transition to a sustainable financial architecture that meets the needs of the economy, shareholders, entrepreneurs and the public. The program will also have the flexibility to be extended into a multi-year series, creating a collaborative platform to identify and address emerging issues.
Why Salzburg?

The mission of Salzburg Global Seminar is to challenge current and future leaders to solve issues of global concern. To do this we design, facilitate and host international strategic convening and multi-year programs to tackle systems challenges critical for the next generation.

Originally founded in 1947 to encourage the revival of intellectual dialogue in post-war Europe, we are now a game-changing catalyst for global engagement on critical issues in education, health, environment, economics, governance, peace-building and more. From the start, Salzburg Global Seminar has broken down barriers separating people and ideas. We challenge countries at all stages of development and institutions across all sectors to rethink their relationships and identify shared interests and goals.

Today, our program framework has three cross-cutting clusters and addresses the underlying questions that hold keys to human progress: Imagination, Sustainability and Justice.

Our exclusive setting at Schloss Leopoldskron enables our participants to detach from their working lives, immerse themselves in the issues at hand and form new networks and connections. Participants come together on equal terms, regardless of age, affiliation, region or sector.

We maintain this energy and engagement through the Salzburg Global Fellowship, which connects our Fellows across the world. It provides a vibrant hub to crowd-source new ideas, exchange best practice, and nurture emerging leaders through mentoring and support.