DOWNLOAD PDF EVOLVING FINANCIAL SERVICES INDUSTRY

Chapter 1 : Evolving Digital Footprint with lessons from the Financial Services Industry - Insights | Infosys

What critical business and regulatory issues should the financial services industry consider in ? Learn about the trends that banks, commercial real estate firms, insurance companies, and investment management firms should keep in mind to maximize value and growth in the year ahead. For and.

Share Financial advisors are at the center of an evolving landscape. These skilled professionals wear a variety of hats, sport various levels of training, and offer a wide range of services. This legacy profession now faces a changing working environment which is squeezing financial advisors. These six broad categories illustrate the trends impacting the profession. She visits a financial planner for guidance and not only does she bring her own retirement worries, the planner must integrate her spouses retirement plan along with the more expensive college funding for the kids, and potential liability of helping her elderly parents. Social Security Changes for Any wrong move in this plan, sets off a downward spiral of financial pressures for the entire family. Expanding Industry Compliance, Regulation The evolving industry standards may be helpful for the consumer, but are stressing the financial advisor. The financial planning industry is already regulated. Yet, with the losses during the banking crisis of along with the damage from the Bernie Madoff scandal and other Ponzi schemes , regulators are in action. The industry regulation changes continue into the present requiring advisors to pay additional fees and hire personnel to implement the changes. The Department of Labor is currently working on a plan to protect workers and retirees from receiving conflicted investment advice. Squeezed by Technology Technological advances give advisors access to reams of data and analytical tools along with expedient communication applications. Technology is disrupting the financial advisors situation. In spite of the fact that most are relatively small in size, in comparison with the established advisors, their growth is explosive. Other participants in the growing online investing field have varying fee schedules. There are even some of these new technology advisors who offer access to live financial planners as well. Dearth of Human Capital It may seem ironic that the field is exploding with new investing platforms and yet is also being squeezed by a lack of new financial advisors. This occurs because many of the older, established financial advisors are retiring. This leads to a lack of new professional blood for the void left by the retirees. In other words, demand for advisors is outstripping supply. Top notch financial advisors with training, experience, and certification take years to cultivate. As the older professionals retire, the industry continues to seek high-caliber replacements. Staffing is a problem for the diversified financial planning firm. Fears of Declining Asset Values In earlier times of defined benefit plans, when employers bore the burden of coming up with an income stream for their retirees, the workers were free of concerns about market volatility. After all, these corporate personnel were confident that in retirement they could count on a monthly Social Security check as well as a pension check from their former employer. Today, the individual is primarily responsible for the quality of his own retirement funds. Compounding the fears about the future of Social Security, are other issues about managing a k or IRA. Since a portion of the retirement nest egg is the wage earners responsibility, when markets drop, there is a totally different impact on the financial advisor. The Generation Y Investment Portfolio. On a practical note, this creates more risk averse investors, who still need to earn greater returns. Consequently, the advisor is plagued with the task of squeezing greater returns from lower risk assets. Demand for Lower Revenue Services Many of the current trends squeezing financial advisors today result in a reduced fee structure. The industry is undergoing a shift from a transactional based fee structure to one that is fee based. For example, the traditional stock broker who is compensated for each client trade, is going by the wayside. For related reading, see: Additionally, the increasing demand for more simplified investing approaches is leading to packaged methods incorporating index mutual funds and exchange-traded funds ETFs. These types of strategies have advantages and disadvantages. A packaged system enables advisors to accommodate a larger client load. A downside of these schemes is a reduced fee structure. Paying Your Financial Advisor: The Bottom Line Financial advisors are in the center of a larger industry wide change. Technology, new regulation, retiring financial professionals, and novel types of services are impacting the field. For successful adaptation, the financial professional is well advised to keep abreast of the evolving developments. How to Be a Top Financial Advisor. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

DOWNLOAD PDF EVOLVING FINANCIAL SERVICES INDUSTRY

Chapter 2 : The Evolution of the Financial Services Industry

The U.S. financial services industry has undergone a period of expansion and change since the Great Recession of This white paper addresses how the sector's relationship with real estate has been changing.

This is leading organizations to rethink their approach to technology solutions in terms of changing their culture and architectural thinking, becoming more collaborative and expanding the scope of digital. We have come a long way since the early s when personal computers invaded our homes and offices, followed by web services and e-commerce during the s and s, and m-commerce at the turn of the century. These digital disruptions changed the face of almost every industry. This article includes a narration of a few remarkable transformation journeys that some of our financial services customers undertook, which can be of interest and relevance to every business leader in every industry. Enhanced interactions with customers Blurred boundaries between traditional service providers and new age start-ups Provision of superior customer experience apart from core services Conversion of customer data into insight Enhanced Customer Interactions The ecosystem of businesses has shifted to include a wealth of relevant information through social media platforms such as Google, Twitter, and Facebook that organizations can utilize meaningfully. In addition, ecosystems have evolved from comprising only humans to housing a combination of humans and a variety of devices, systems, and robots. This data is being utilized to offer proactive and innovative products. The coming years will see data analytics capabilities becoming more robust, and any organization not geared to use them will find it hard to exist. Blurred Boundaries Between Traditional Service Providers and Start-ups The ecosystem in most industries is increasingly becoming more homogeneous and accommodating of new players. In the financial services sector, the market offers various means of payment such as PayPal, mobile wallets, WhatsApp, etc. Provision of Customer Experience Apart from Core Service The success of players such as Uber and Airbnb in the platform economy is primarily credited to their user-friendly open platform s enabling quality servicing and superior customer experience. Today, the customer values an end-to-end experience rather than a fragmented solution. For example, consider the mortgage scenario. Customers assess different parameters, such as locality, infrastructure development, home renovation support, relocation support and more, before committing to a home loan. If an institution is able to facilitate the experience of buying a house rather than addressing only the home loan need of the customer, the greater value-add would drive customer loyalty. Conversion of Customer Data into Insight Many organizations are lagging behind when it comes to mining the customer data they possess. For example, banks still use physical forms to collect personal details such as customer name and contact. On the other hand, social media and internet giants, such as Google, Facebook, and Twitter, effectively use customer data to generate meaningful insights, and potentially pose a threat to banks in the financial services business. Financial services institutions have to either acquire equivalent capability or collaborate with social media platforms to leverage customer analytics and protect their business. The above trends require that technology solutions be more flexible and adaptive to accommodate the dynamic needs of the business. Changed Scope of Where Digital is Applied - Digital technologies have evolved from providing customer experience to becoming omni-channel solutions. Changed Architectural Thinking in Technology Solutions - Mammoth, inflexible legacy systems are key impediments in achieving the desired level of agility. This layer is expected to provide the flexibility and quick response times that are often required to launch new features and functions, such as overlay products, product bundling, pricing, billing, etc. The focus has shifted to agility in learning, engineering skills, and integration of IT and business. Fintech Start-Ups - The financial services sector enjoyed a monopoly owing to high customer trust and a tough regulatory framework, making it challenging for small players to do business. However, after the global financial crisis, both these advantages took a hit and provided an opportunity for fintech firms to emerge. The advantages that these start-ups provided in terms of speed and personalization of services found an immediate market, putting the big banks at risk. Regulatory environment changes that affect large banks negatively - Banks are forced to open up so that boutique firms can offer customer-centric value-added services to customers. Several other digital initiatives from Infosys using digital pathways, such as mobile, online and tablet, helped the Bank offer branchless banking and increase its customer base with a self on-boarding facility. Infosys has been involved in all the phases, starting from consulting in digital transformation to providing services such as User Experience, Visual Design Test, Automation etc. A state-of-the-art Agile Global Delivery Center was established to foster collaboration among various teams involved in executing distributed Agile programs. New Breed of Partners including Fintechs and Cloud Service Providers Infosys serviced a large UK bank in collaboration with a fintech for an integrated cloud solution, dispelling concerns about unhealthy competitions and encouraging new partnership models One of our large UK clients wanted to digitally disrupt its mortgage process by adopting cloud computing and was looking to partner with Fintech firms. Infosys offered not only the cloud solution, but was also involved in identifying the Fintech candidates with the necessary cloud capabilities and providing a collaborative partnership proposal. While offering this disruptive and collaborative solution, the key question that arose was about the Fintech firms competing with our solution. Our view was that together with the identified Fintech partners, our collaborative solution became more compelling for the Bank. The platform Subject Matter Expertise and the enduring relationship Infosys has with the Bank will help to develop and deploy the integrated solutions faster than what the client could have done had it worked directly with the Fintech companies. To offer web services on legacy platforms, we are implementing API connectors to channels and third parties. We implemented microservices architecture to simplify the applications and help achieve shorter time to market. DevOps implementation along with microservices enabled changes to be implemented in production for smaller components without impacting the larger system landscape. Domain-based design is being considered for componentization and re-engineering. In Wealth Management advisory, the data pertaining to customer wealth and investment is significant and customers want to store it in a form that lends itself to the generation of easy and quick insights.

Chapter 3 : Evolving technology revolutionizing financial services space demands - JLL Florida Blog

This article, which appeared in the GAO Journal, No. 1, Spring , discusses the functions of and changes occurring in the financial services industry as well as issues affecting its regulation and oversight.

Evolution of Investment Banking February 18, The Financial services industry, is one place where change is a constant factor. This is why the most challenging thing for any person or organization in this field, is to ensure that they keep are always on top of their game, adapting and evolving to the various changes. One of the most important tasks, is to ensure that a financial services company, must provide innovative services to respond perfectly to the needs of their customers. Apart from this, there are a few standard challenges that every company out there has to deal with, say for example higher capital charges, market electronification, digitalization, a fixed cost base, inflexible and layered technology, with an increase in complexity or regulation and reporting. All the various changes in this field can be classified as just the start of a steadily developing ecosystem. While the aforementioned statement is entirely true, there are certain standard things that every bank needs to be well aware of. While this may include the following things, but it certainly is not just limited to them. These four things are going to be a constant variable when it comes to Investment Banking , the decreased consumer profitability and heightened competition, as opposed to margin driven profitability, its more about volume driven profitability, financial engineering requirements and the most common of all, the introduction of digital currency, in trade dealings. As a direct result of these few constant factors, it is very likely that banks, as opposed to the olden times will experience a shift in the way they are supposed to conduct their business. Soon will come a time, when a bank will have to focus more on data optimization through concepts like accuracy, timelines, and financial reporting requirements and so on. It is a commonly accepted phenomenon, as the time passes by, the value of money goes on decreasing, which is inversely proportional to the need of it. Thus, the future holds a number of reviews of existing business models, mainly due to higher capital requirements. Financial technology , which is also known as fintech, is considered to play the most pivotal role in the banking sector. It is said that soon will come a time, when banks would be looking to hire more technical professionals, as opposed to traders. Thus we can infer that the area of Investment Banking has gone through a number of changes, since its inception. The pop culture and other forms of entertainment also play a great part in inspiring its evolution. They are basically the reason why so many people have been attracted towards the good, satisfied life that the field of Investment Banking offers. This is mainly the reason why a number of finance aspirants, usually opt to become Investment Bankers or Corporate Finance professionals, as they view these jobs as extremely rewarding. This is also the reason for the popularity of professional training institutes. One name is particular outshines the others, Imarticus Learning. This institute is renowned for offering industry endorsed courses in the field of Finance and Analytics, helping candidates achieve their goals and ambitions.

Chapter 4 : Evolution of Investment Banking | Financial Services

Disruptions. Evolving Digital Footprint with Lessons from the Financial Services Industry. The new digital ecosystem in the financial sector has given rise to increased customer interaction and other trends resulting in digital co-creation of products/services in today's marketplace.

English, The University of Florida. The author would like to thank his wife Sarah for standing beside him throughout his career and for all of the love and support that made that career possible. Humphreys School of Law; B. Medieval Studies, The University of Tennessee. The author would like to thank his wife and daughter for their unending support. Introduction The regulation of data privacy and cyber security in the financial services sector is in its infancy. This is partly due to the fact that the regulation of financial services is fragmented with multiple regulators covering varying risks, across different entities, serving a variety customers. This article will also address the same expectations in the regulation of the securities and investment space, with a discussion of examination trends and an overview of recent enforcement actions. The Comptroller at the OCC has repeatedly highlighted the risk of cyber threats to financial institutions, going as far to call cyber threats the foremost risk facing banks today 1Thomas J. Institutions Examination Council, https: To this end they publish various resources to focus on. There are eleven 11 such bookletsâ€"booklets covering a variety of issues including: Audit functions, Business Continuity planning, Development and Acquisition, E-banking, Outsourcing technologies as well as other topics. However, the Information Security booklet speaks directly to the process by which a financial institution protects sensitive information. It consist of two parts: From this, an institution is able to assign one of five risk levels Least, Minimal, moderate, Significant, Most to five different categories: Cyber Incident Management and Resilience There are narratives which describe the controls within each of these domains that would place an organization in one of five statuses Baseline, Evolving, Intermediate, Advanced or Innovative. If they are not aligned, an institution can then decide what actions are needed either to affect the inherent risk profile or to achieve a desired state of maturity. An institution is not currently required to utilize the Cyber Security tool and, if it does utilize it, it is not required to report the results. However as with any self-assessment, if an institution does utilize it, it must provide the results if asked by its primary regulator. The use of this tool cannot only limit regulatory liability by showcasing that an institution is doing all that it can to implement a sound approach to data privacy and cyber security, but it also may have the effects of limiting litigation liability in the event of breach, as the institution will be able to show that it was prudent in its data privacy and cybersecurity practices which can limit damages in a lot of cases. An act or practice is deceptive when: The proposed rule has since been revised and the final rule became effective on March 1, The final rule was narrowed in scope from the proposed rule, but still creates cause for concern in multiple areas. In part the rule covers: A Business related information of a Covered Entity the tampering with which, or unauthorized disclosure, access or use of which, would cause a material adverse impact to the business, operations or security of the Covered Entity; 13N. B Any information concerning an individual which because of name, number, personal mark, or other identifier can be used to identify such individual, in combination with any one or more of the following data elements: Regulation in the Securities and Investment Sector Financial industry regulators have identified cybersecurity as one of the most significant risks that brokerage and investment advisory firms face. With the cyber field steadily evolving and expanding, it is imperative we continue to enhance our coordinated approach to cybersecurity policy across the SEC and engage at the highest levels with market participants and governmental bodies concerning the latest developments in this area. Among its identified examination priorities is cybersecurity. In , we will continue our initiative to examine for cybersecurity compliance procedures and controls, including testing the implementation of those procedures and controls. This is not surprising as the OCIE has included cybersecurity as a priority since In regulating cybersecurity and data protection issues, the SEC has a variety of regulatory tools at its disposal. These regulations provide the SEC with wide latitude in requiring companies to enact adequate policies, procedures, and practices related to cybersecurity and data compliance. As noted above, regulation of cybersecurity in the financial services sector generally is relatively new. This announcement revealed that the OCIE examined 57 registered broker-dealers and 49 registered investment advisers to better understand how firms address the legal, regulatory and compliance issues associated with cybersecurity. In the examinations, the staff collected and analyzed information from the selected firms relating to their practices for: In addition to reviewing documents, the staff held interviews with key personnel at each firm regarding its: The OCIE survey found that 88 percent of broker-dealers and 74 percent of advisers have experienced cyber attacks, either directly or through a vendor. Moreover, 54 percent of broker dealers and 43 percent of advisers reported receiving fraudulent emails seeking to transfer client funds, and several of these reported losses relating to the fraudulent emails. The announcement also contained observations focusing on how firms identify cybersecurity risks; establish cybersecurity policies, procedures and oversight processes; protect their networks and information; and detect unauthorized activity. The second round exams would focus on: The OCIE has continued to conduct examinations of broker-dealers and investment advisers in these areas since that time, and its Examination Priorities Letter indicates these examinations will continue throughout FINRA recognizes there is no one-size-fits-all approach to cybersecurity, and we will tailor our assessment of cybersecurity programs to each firm based on a variety of factors, including its business model, size and risk profile. FINRA may assess controls firms use to monitor and protect this data, for example, through data loss prevention tools. In some instances, we will review how firms manage their vendor relationships, including the controls to manage those relationships. The controls should be informed by a number of factors, including a clear understanding of any customer or employee personally identifiable information or sensitive firm information to which vendors have access. The nature of the insider threat itself is rapidly changing as the workforce evolves to include more employees who are mobile, trusted external partnerships and vendors, internal and external contractors, as well as offshore resources. In and , FINRA conducted on-site reviews of firms of varying sizes and business models to assess how firms control critical information technology and cyber risks. In June , FINRA conducted a survey of firms to better understand industry information technology and cybersecurity practices and issues that may impact investor protection or market integrity. FINRA expressed four primary objectives: In February , FINRA issued its report on cybersecurity practices, which detailed the results of its survey and sweep, and provides what FINRA believes to be principles and effective practices for firms to consider in developing cybersecurity programs. The report focused on best practices and considerations regarding several key areas, including: FINRA noted, however, that while the principals and practices addressed in the report should be considered by all firms, there is no one-size-fits-all approach to cybersecurity. Exemplar Regulatory Actions In addition to other regulators discussed throughout this article, the SEC and FINRA have brought numerous actions against firms they believe have violated rules and regulations related to cybersecurity and data privacy. Factually, the SEC alleged that from to , a then-employee impermissibly accessed and transferred data regarding approximately , accounts to his personal server, which was ultimately hacked by third parties. Following the hack of the personal server, the SEC alleged that it was likely that portions of the confidential data were posted on the Internet along with offers to sell larger quantities. As a result of this conduct, the firm was alleged to have violated Rule 30 a of Reg. We expect SEC registrants of all sizes to have policies and procedures that are reasonably designed to protect customer information[. Jones Capital Equities Management, Inc. The SEC alleged that the firm failed to adopt written policies and procedures reasonably designed to safeguard customer information in violation of Rule 30 a of Reg. For example, the SEC alleged the firm failed to conduct periodic risk assessments, implement a firewall, encrypt PII stored on its server or maintain a response plan for cybersecurity incidents. Notably, there were no allegations of financial harm to any customers as a result of the attack, and the SEC noted that the firm retained a cybersecurity firm to review the incident, provided notice of the breach, and offered free identity monitoring to every affected individual. S-P, after an employee lost a laptop computer that contained unencrypted financial and personal information of customers. Specifically, FINRA alleged that the personal and confidential information of , customers was placed at risk when an Information Technology employee of the firm inadvertently left an unencrypted laptop in a restroom and it was lost. Ensuring the integrity of these records is critical to the investor protection function because they are a primary means by which regulators examine for misconduct in the securities industry. Data Breach

Prevention and Preparation In the current digital age, it is not a question of whether an organization will experience a significant security incident, but when. Indeed, the likelihood of a company experiencing a significant event is almost certainâ€”whether it is a service outage or a breach of personal identifying information. A breach is a type of a security incident, and all breaches are security incidents. Not all security incidents are breaches, however. The difference between the two is significant because a breach requires consumer notification unless it can be demonstrated that there is a low risk of harm to the consumer. Although by no means all-inclusive, the following are some tips to prevent and prepare for data breaches. Thus, a company must identify what types of data it possesses, which employees have access to the data, and how employees access the data. Identifying the type of data is a critical step because certain types of data are subject to various regulationsâ€”possibly more than oneâ€”and those regulations usually require specific safeguards. It is also important to know who has access to data because a necessary requirement under most regimes is limiting access to data on a need-to-know basis, which in turn limits exposure. Implement an Ongoing Risk Assessment Process An organization is not capable of warding off every single threatâ€”especially those that are unknown. And regulators understand this. What regulators require, however, is an ongoing process that works to identify, assess, and control risk. The greatest penalties are, and will be, levied against those companies that fail to assess and control risk. Accordingly, an ongoing risk assessment process is necessary. The Risk Assessment Process The assessment process gives a business the ability to identify and assess the risk to its assets, which, in turn, allows a business to focus its attention and resources on threats representing the greatest total risk. There are multiple risk assessment methodologies, but this process generally involves the following: Many consultants are available to assist with this process and should be considered. Take Action Based on the Assessment and Implement Safeguards After a company has identified its greatest total risk, it must then take action to mitigate that risk. This is done by implementing reasonable physical, technical, and administrative safeguards. An example of a physical safeguard is a lock on a door or filing cabinet, or security cameras. Technical safeguards refer to the technological measures to protect your information, such as encryption, two-factor authentication, passwords, and firewalls. And last but not least, there are administrative safeguards, which are the management measures that companies should put in place to ensure that employees are properly handling data. These safeguards include policies and procedures, training and enforcement protocols, and segregation of duties. It is important to emphasize that every company should have documented policies in procedures in place. Often companies might have active procedures in place, but they are not well-documented. This is a problem because the procedures will likely not be consistently understood or followed. This includes a sanction policy for employees who violate established protocol. Periodic security reminders should also be sent to employees regarding their security obligations or known threats, such as phishing emails targeting employees. Sending periodic reminders, through email, greatly increases employee awareness of their security responsibilities and results in employees being more cautious. These measures also increase the chance that employees will report suspicious behavior and perhaps avoid some malicious attacks, like phishing. This requires the implementation of an effective information governance program, which identities and deletes data that is no longer necessary. Such a program is critical for companies that quickly accumulate massive amounts of personally identifiable information. Information governance programs varyâ€”they can be manual, automated, or both.

Chapter 5 : Trends Challenging Financial Advisors | Investopedia

The Financial services industry, is one place where change is a constant factor. This is why the most challenging thing for any person or organization in this field, is to ensure that they keep are always on top of their game, adapting and evolving to the various changes.

Barnum, the nineteenth-century showman and politician, once said that money is a great master but an excellent servant. He was only repeating what man had realised centuries before him. Indeed, the well-to-do had already started trying out ways to make wealth work for them. The financial services industry manages money for individuals and corporations. It comprises such organisations as commercial and investment banks, insurance companies, hedge funds, credit-card companies, consumer finance firms, accounting agencies, and brokerage firms. Financial services form the lifeblood of economic growth and development. They facilitate the setting up of big and small businesses and the expansion of businesses. Employment and entrepreneurship created with the help of the services enable people to earn and save. Financial services show the poor ways out of poverty and of leading better lives. To the wealthy, financial services offers opportunities to make money grow. The financial services industry is the largest-earning sector in the world. Through interventions in industry and agriculture and other formal sectors, they provide lines of credit and investment. However, financial services have largely eluded the poor and small and micro units, and there is great potential to extend the services to the informal sector, too. Perhaps, the future of the financial sector lies here. Brief notes on sector history, current scenario, trends and outlook, region-wise, follow: However, during that decade, federal regulations curbing the activities of banks in mutual funds, insurance, and stocks made banks less profitable. Soon, companies that offered higher returns from mutual funds that they invested in safe government securities began sprouting, severely affecting banks. However, banks rose from the ashes, making full use of gaps in Glass-Steagal Banking Act of , which had originally restricted their functions. They began to offer more services; they sold mutual fund products, established loan subsidiaries, and set up automatic teller machines. These steps brought them unprecedented profits by The convergence of organisations offering financial products and services continued. Perhaps, a most important event was the setting up of Citigroup with the merger of Citicorp and Travelers Insurance. Other mega mergers followed, breaking the compartmentalisation of the financial services sector. Today, many banks offer products much beyond their traditional portfolios and many financial enterprises offer conventional banking services. Despite its almost permanent sheen, the financial services industry has had to face many crises. Among the more recent ones are Black Monday October 19, , when the New York Stock Exchange experienced its biggest single-day loss in history, losing nearly 26 percent of its value; the dot-com bubble of ; and the subprime mortgage housing bubble crisis of The Gramm-Leach-Bliley Act passed in the US in allowed financial services companies to engage in multi-segment transactions, but brought in stringent regulations for protecting the customer and ensuring solvency. But the industry came under strict government scrutiny following the collapse of the Enron Corporation in and accusations of fraud against top executives of JP Morgan Chase and Merrill Lynch and the bankruptcy of the financial services firm Lehman Brothers. This has made the industry more customer-oriented and led to greater competition; but regulatory measures will have to become fool proof for it to thrive once again. Financial services in Europe The financial services industry in Europe, in the face of economic crises, continues to provide the means to finance infrastructure development and business expansion and make available saving and investment options to individuals. Apart from a common currency, these nations have free-trade pacts, besides labour and capital agreements that allow the free movement of these resources. The European Central Bank decides the monetary policy of the Eurozone, whose main job is to check inflation. Political decisions related to the Eurozone and the euro are under the purview of the Eurogroup. The global economic crises since have deeply affected the financial services sector in Europe, too. Following the international financial crisis of , public funds were used generously to bail out banks and other financial institutions. This has led to the decline in public finances and calls for a more robust financial system and more transparent financial markets. The latest turbulence to hit the European finances services industry is the debt crisis, caused by mismanagement of public finances and overspending by governments. In order to stabilise the financial market and the financial services industry, the European Commission has put forward more than 40 regulatory reform measures. Efforts to fully develop a European banking union that would preserve the single market for financial services are on the cards. Commercial banks include public sector and private sector banks and are under the regulatory supervision of the RBI. Development finance institutions include industrial and agriculture banks. Non-banking finance companies NBFC provide loans, purchase stocks and debentures, and offer leasing, hire purchase, and insurance services. Reforms to put the financial services industry and the economy on the fast track include measures to make finance available to medium, small, and micro industries. India once had a heavily government-dominated financial services industry, and most services were provided by nationalised banks. Financial sector reforms were initiated in with the aim of accelerating economic growth. In the following years, industry and service sectors were opened up for foreign direct investment. The reforms ended the dominance of the public sector and reduced direct government control on industrial investments. Financial sector reforms in India have improved resource mobilisations and allocation. The liberalisation of interest rates and the easing of cash reserve norms have helped make funds available to various sectors. However, prudential norms have been tightened and transparency and regulation increased to avoid a systemic collapse that other countries have suffered. However, the Asian financial sector, particularly banks, has lived to see better days. The middle-income nations in the region have been able to strengthen their stock markets and their nonbanking financial sector. However, the financial services sector in the region is lagging way behind that in the US and Europe. But the potential to develop is huge and the sector is developing rapidly. Along with opportunities for development, the sector also faces threats to stability. Reforms and regulatory measures have to be quickly initiated. Types of financial services List and overview Brief profiles of some of the services offered by the financial services sector are given below. Accounting Accounting is the process of measuring the financial parameters of a company and presenting them to investors and managers of the company for making investment decisions and evolving management strategies. Brokerage A firm that functions as an agent for the purchase of stocks or other financial securities is known as a brokerage. Full-service brokerage firms study the market and advise their clients on which securities to buy. Portfolio and pension fund managers are among their clients. Read more about careers in financial trading. Consumer finance The grant of loans or other credit lines to consumers is called consumer finance, and includes auto loans and credit cards. Credit cards Credit cards are instruments that help the cardholder to make payments for goods or services without using cash. The bank issuing a credit card offers the cardholder a line of credit on which an interest is charged. Foreign exchange Foreign exchange is the conversion of one currency into another by individuals or corporations for completing transnational deals. It is the biggest segment of the financial market, and its daily turnover runs into trillions of dollars. Hedge funds Hedge funds are private limited investment partnerships that use a large initial investment. They have low liquidity, and funds usually have a lock-up period of at least one year. Hedge funds are flexible and help investors spread their risk through their diverse investment opportunities. Insurance Insurance is a risk management tool that an individual or company uses to transfer risk of financial loss to an insurance company in return for a one-time or periodic premium. Read more about careers in insurance industry. Investment banking An investment bank enables corporations to raise capital and assists them in issuing stocks. Investment banks underwrite new debts and equity securities for companies. They provide their clients guidance in mergers and acquisitions. Read more about careers in investment banking. Private banking Private banking is the set of speciality financial services offered by banks to high-net-worth individuals who make very large investments. A typical method of operation of a private equity fund is to take control of a company and use its returns to repay themselves. Retail banking Retail banking services are offered to individuals rather than to organisations. Read more about careers in retail banking. Venture capital Venture capital is the initial seed money provided by an investor to the holder of a new, potentially financially rewarding business idea for a share in the returns of the start-up business. Venture capital companies make investments from a long-term perspective. Venture capital funds are a big boon for start-ups that do not have access to financial markets. Wealth management Wealth management or asset management is a strategy to help the affluent maximise returns from their investments by alerting them to investment opportunities and helping them choose appropriate financial products.

Chapter 6 : Financial Services Industry in India and Abroad - Careerizma

*Effective Supervision and the Evolving Financial Services Industry by Jerry L. Jordan ISSN *Printed August Technology, market consolidation.*

Chapter 7 : Banking Industry Outlook | Deloitte US

In a bid to revolutionize their services and improve financial inclusion in the Philippines, the Pasig City-based organization will soon rely on blockchain technology to increase the efficiency of settlements and auto-update regulatory information on a secure platform, both of which will greatly enhance customer service.

Chapter 8 : The Evolving Landscape of Data Privacy and Cyber Security in the Financial Services Industry

40 The Changing Landscape of the Financial Services Industry securities underwriting and insurance will allow them to take advantage of both diversification and economy-of-scope.

Chapter 9 : Accelerating the Evolution of Financial Services Technology

Increasing globalization of the financial services industry, especially amid economic difficulties since , have posed significant challenges for human resources operations.