PARKER FITZGERALD
TRANSFORMING FINANCIAL SERVICES

POINT OF VIEW

BANKING IN 2019: A YEAR OF TRANSITION

December 2018

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CICERO

EXECUTIVE SUMMARY

A decade on from the Global Financial Crisis (GFC), the financial sector is finally moving out of the shadows and is coming to terms with the period of digital transformation that lies ahead. But this is not the time to breathe a sigh of relief. The financial sector, as a conduit for global capital movements, will continue to find itself at the apex of major political, economic and technological shifts in the coming year.

Politically, we have seen how the forces of globalisation, which have underpinned the development of capital markets and global banking corporations, now appear to be in retreat. The rise of populist politics means that anything moving across borders – migrant workers, digital services or capital – is increasingly treated with suspicion. Maintaining a licence to operate global banking businesses is becoming more difficult in markets where politics is still preoccupied with concerns over 'too big to fail' banking corporations.

In response, the political class has created a new agenda post-GFC, in which regulation has given rise to a very different business landscape. Many banks in the West have spent the past ten years restructuring and shrinking their balance sheets to adapt to that landscape. In contrast, banks in Asia have continued to expand. The four largest banks in the world today, when measured by assets, are all Chinese: ICBC being the world's largest with a balance sheet of over $3.6 trillion in size.[1]

Beyond yielding economic power to the East, banks in Europe are having to deal with an unprecedented range of political risks, not least driven by Brexit and the future of the European project. In addition, in 2018 the world's three largest economic powers – the US, the EU, and China – fired the opening salvo in a new trade skirmish, casting concerns over a full-blown trade war in the year ahead. Creating a future-proof business strategy will become increasingly difficult when global markets and trade networks are being redrawn.

Alongside political uncertainty, banks in Europe also face great economic risks: they are naturally highly exposed to domestic markets, where the prospects of economic and real wage growth remain poor. Businesses and households are struggling to drive the kind of growth necessary to overcome increasing regulatory costs or to address the slump witnessed in shareholder returns since 2008. With the return on equity in the banking sector anticipated to remain in single digits, banks' business models must adapt in order to unlock new potential.

Many will be turning to technology for help: there is little doubt that it is already re-setting banking economics. The business case for embracing technologies such as the Cloud, artificial intelligence (AI) and blockchain are clear: on-demand scalability at speed, enhanced decision-making, and safer and cheaper financial intermediation frameworks.

But digital transformation is not a panacea. Such transformations will involve massive investments, and by their nature bring with them huge risks and uncertainty as banks carve out a new contour. The business transformation being played out must be matched by a significant maturing in the understanding and management of new and emerging risks, both at an institutional level and a systemic level.

Non-financial risks will increasingly come to the fore, and banks need to fully understand how the confluence of shifting politics, economics and technology will shape future legislation and regulation, as well as impact their digital transformation strategies, operating models and risk management frameworks.

[1] ICBC 2017 Annual Report.

INSECURITY IS THE NEW GLOBAL NORM

Mark Twigg, Cicero Group

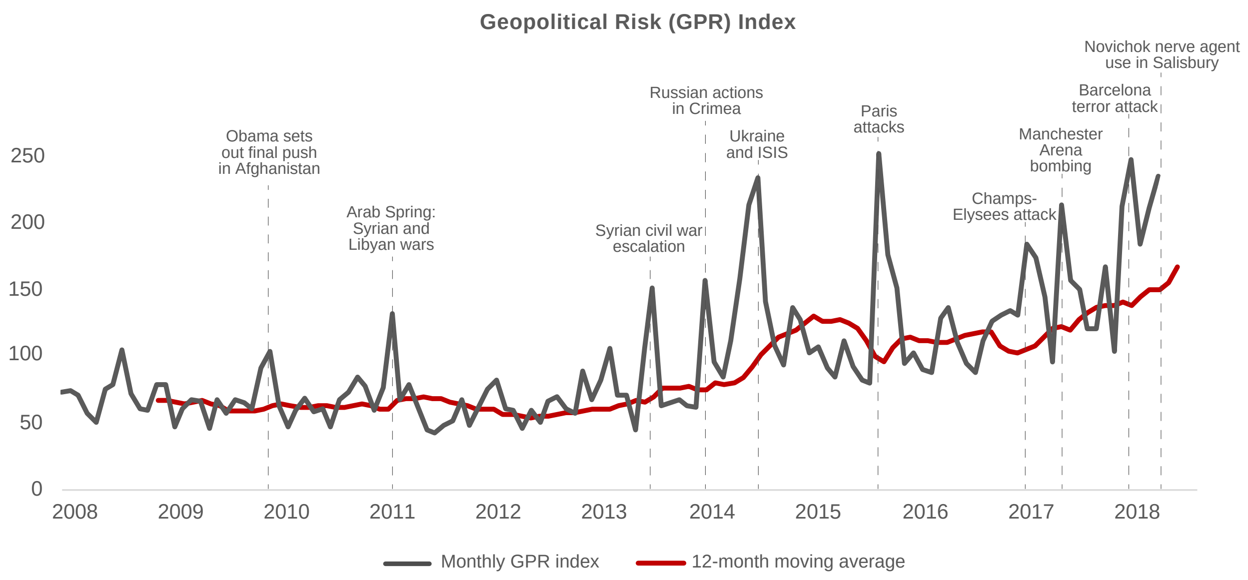
In the post-1945 world order, the industrialised economies quickly came to represent a safe harbour noted for their political security and economic stability. This was achieved by the creation of a new global rules-based system, upheld by several new institutions such as the United Nations, the World Bank, the International Monetary Fund, and the World Trade Organisation.[2] This political stability was underpinned by the fast-growing US economy, which became an anchor for the global economy, securing growth and prosperity in a new era of free trade.

The geopolitics of 2018 looked very different. The rise of emerging markets has challenged both the economic and political dominance of the post-war Washington consensus. Countries like China have industrialised, helping to lift over 600 million people out of poverty – but they have done so under a new model of State Capitalism. This new political economy has challenged the post-war rules-based international order and resulted in a weakening of support for concepts such as the protection of intellectual property, accounting standards, adhering to state aid rules, and maintaining corporate governance.

This creates challenges for market transparency, stability and oversight. We see a new frontier as geopolitical risks expand and move behind the 'Silicon Curtain', with sovereign actors unleashing cyber attacks on their diplomatic foes. Systemically significant banks and critical market infrastructures are particularly vulnerable to this new kind of international warfare. Indeed, the Bank of England included the failure of IT infrastructure caused by cyber attacks in its 2017 biennial stress test scenarios.

Despite the continued escalation of political risk in recent years, markets and the performance of financial institutions have remained resilient. But this cannot be taken for granted, with markets becoming increasingly exposed to interference and influence of politicians and governments, both domestic and foreign.

Figure 1: An increasing frequency of geopolitical conflicts



Source: Caldara and Iacoviello, 2018.

[2] Established as the General Agreement of Tariffs and Trade, which subsequently became the World Trade Organisation in 1995.

The stock market sell-off in October 2018, which saw equities markets slump by over 10 percent, was driven in part by growing political volatility and concerns over a new trade war. Yet more invidious is the potential for volatility in stock markets driven by the growth of algorithmic trading, if exploited by foreign sovereign states. This represents a weak link in which a nation's financial stability is vulnerable to attack.

Ensuring resilience in a fast-changing world must be a shared priority for all governments. This will be difficult when international collaborations face threats from a more isolationist and unilateralist America, with President Trump's repeated objection to internationally applied rules.

Nowhere is this more apparent than on free trade – the issue which paved the way for President Trump's route to the White House in 2016. In January 2018, the Trump Administration's decision to impose tariffs on steel and aluminium imports into the US served as the opening salvo in a new trade skirmish. In July, the Trump Administration further set a tariff of 25 percent on 800 categories of goods imported from China worth up to $50 billion.[3] China, India and others have all responded in kind, a series of tit-for-tat responses, similar to the beggar-thy-neighbour trade policies which had such destructive consequences for the global economy in the 1930s. History invariably repeats itself.

Rather than enforcing rules on others, the US has chosen (or been swayed by new global forces) to retreat from global rules. Instead of serving as a source of stability, the US now fuels global instability and political risk.

While this seismic political shift has caught global elites off-guard, its roots are deeply established. Uneven distribution of gains from economic growth and international trade has created winners and losers, feeding widespread disaffection in developed nations. This has in part given rise to a new generation of political extremism in Europe, as well as the Brexit vote in the UK and the politics of Trump in the US.

What this means over the medium term is the growth of political volatility. As a result, we can expect to see increased electoral support for populist parties on the extreme Left and Right. This new political narrative casts the free market, not as a liberator, but increasingly as a threat – against which governments must protect their citizens. As the demand to protect local identities moves increasingly to the forefront of the political agenda, we will not only see continued momentum towards separatist movements across many countries, but also the assumptions underpinning the growth of global capital markets and multi-national corporations openly challenged. The protectionist zeitgeist will inevitably leak into the realm of economic policies, curtailing the free movement of capital and people and dampening inward investment.

This trend towards the 'politics of identity' in developed markets, and a retreat from global markets and free trade, may express itself in different ways, but there is a common thread: they all represent a grassroots reaction to the failure of traditional politics to address new challenges and uncertainties, such as mass migration, digital transformation and insecurities in labour markets.

It has been said that an emerging market is a "country where politics matters at least as much as economics to the market". In a post-Eurozone crisis, post-Brexit, post-Trump world the notion of the US and Europe as a safe political haven has evaporated. Now, political risk is everywhere. Insecurity has become the new global norm.

[3] Reuters, Trump sets tariffs on $50 billion in Chinese goods; Beijing strikes back, 15 June 2018.

A COCKTAIL OF CAUTION AND OPTIMISM

Dr Gerard Lyons, Parker Fitzgerald Group

Near-term challenges versus longer-term opportunities. This is the main story for the world economy, particularly as monetary policy is tightened. For the UK, Brexit fits into both categories: a near-term hurdle but with longer-term promises. From an economic and financial perspective, there are a multitude of issues to focus on for the year ahead.

First, and foremost, where are we in the economic cycle and what does this mean for global growth? Over the last year there has been increased focus on the next downturn. This has been reflected in constant comment that central banks need to tighten monetary policy, so they have room to ease once a downturn occurs. We have also witnessed regular predictions of another global financial crisis, as the tenth anniversary of the 2008 credit crash provided a pertinent moment for reflection. Indeed, the stock market turmoil in the last quarter of 2018 helped to feed this thinking.

Despite this, the world economy has grown at a relatively solid pace over the past twelve months. At its recent annual meetings, the International Monetary Fund (IMF) talked of growth of 3.7 percent in 2017 and 2018. This is a solid pace, compared with the 3.3 percent growth seen in 2016.

The trouble is, the picture varies significantly, and recent indicators are mixed, with every likelihood of a slower pace of global growth in the year ahead. While the US outlook remains strong, at some stage monetary policy tightening may take its toll, while the Eurozone looks weak. Germany, for example, which is expecting annual growth at 1.6 percent, witnessed a 0.2 percent contraction in output in Q3 2018 instead. Like the euro area, the UK is expected to see modest growth in 2019, although much depends upon how present political uncertainty unfolds. In western economies like the US and the UK, unemployment rates are low (3.7 percent in the US, 4.1 percent in the UK), however while consumer confidence in the US is high, it appears to be faltering closer to home. Meanwhile, several emerging economies have appeared vulnerable against a backdrop of rising US rates and a firm dollar.

There has also been a slowdown in global trade. This underpins the IMF's forecast of the world entering a soft patch of growth in the years ahead. The escalation of trade tensions between the US and China, plus ongoing geopolitical anxieties across the globe, have fed into business uncertainty and a heightened level of risk.

Here in the UK, since the Brexit Referendum in June 2016, the economic consensus has proved too pessimistic; contrary to the forecasts, the economy has shown resilience. However, it looks like we will enter the new year with an economy that is softening, not helped by political uncertainty, monetary policy tightening over the last year that is taking its toll, and a slower global backdrop. There are some silver linings though. Consumer spending could be underpinned over the next year by a solid jobs market and rising wages, while inflation decelerates. The UK's unemployment rate stands at 4.1 percent,[4] which is the lowest it has been for over 40 years, and well below the OECD average of 5.6 percent.[5] The competitive level of the pound should help exporters. Much depends upon the Brexit endgame, with investment plans likely to have been dented or deferred by the uncertainty over recent years and thus some certainty about what lies ahead post-March could unleash pent-up investment plans.

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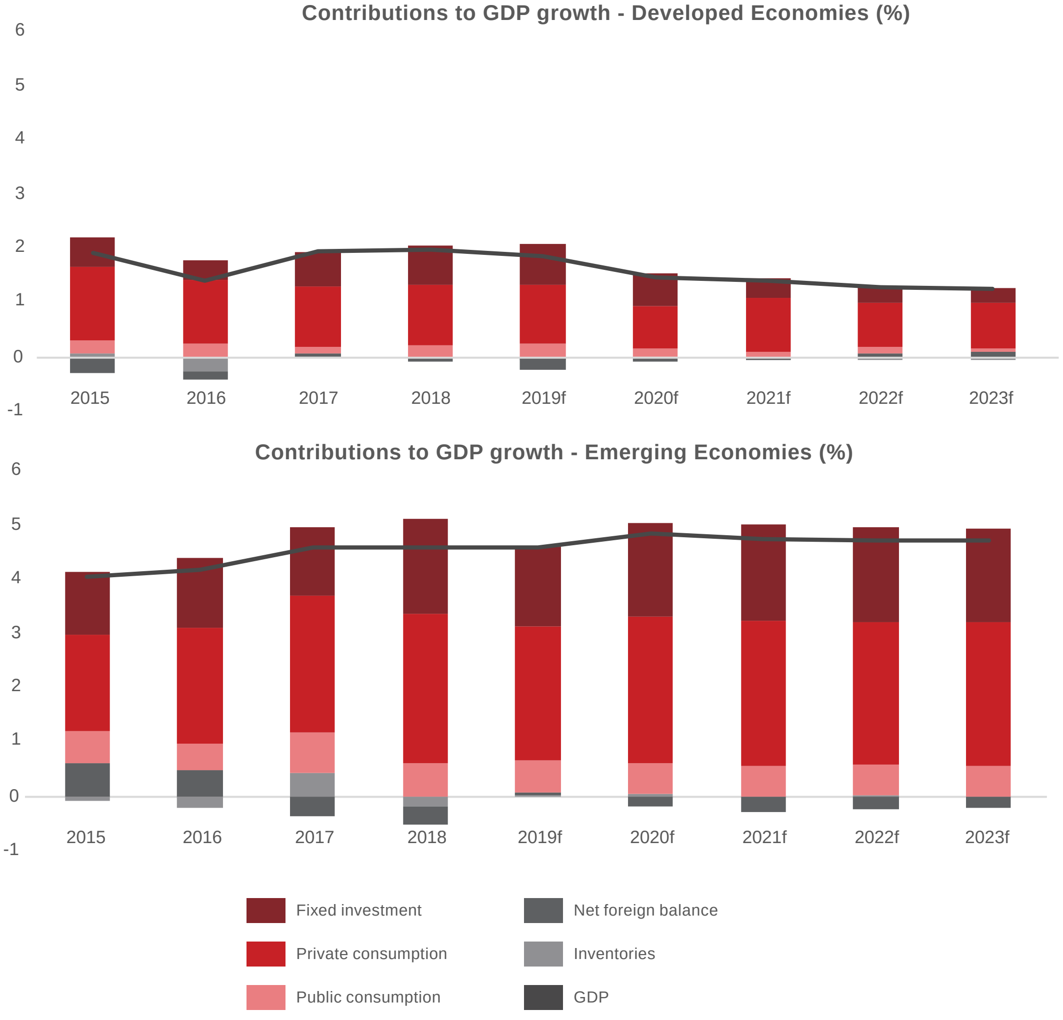
[4] Office for National Statistics, November 2018.
[5] OECD, harmonised unemployement rate as of September 2018.

Figure 2: **Developed economies to enter a soft patch due to slow investment growth**



Source: IMF World Economic Outlook, October 2018.

At this stage of previous cycles, inflation pressures might have been expected to appear. If this were to happen this time, it could catch markets and policymakers by surprise, for inflation expectations remain low across much of the globe.

Given all this, while it is far from inevitable that a sharp global downturn is imminent, much will be influenced by the regulatory and policy environment. It is vital that monetary growth and bank lending grow steadily, and thus we must be wary of too rapid a withdrawal of previous monetary stimulus as well as of excessive regulation impacting the financial sector. Also, the regulation and tax environment needs to be supportive of growth, not just here in the UK but also across western economies.

Second, and perhaps the biggest challenge in the year ahead, is the normalisation in monetary policy. The period since the 2008 global financial crisis has been characterised by active monetary policies, with very low interest rates and the introduction of quantitative easing, which have acted as the shock absorber for the world economy. Now, however, exit strategies from cheap money policies vary. Prolonged low rates mean that markets are not pricing properly for risks and leaves open the danger of credit risks emerging as monetary policy is tightened.

It is necessary to focus on the three ‘S’s: scale, sequence and shocks. The scale of tightening varies, led by the US who are most advanced, with the UK much further behind. Sequence is the interaction between raising rates and quantitative tightening.

Shocks refers to the need for policy tightening to be gradual and predictable, given the potential vulnerability of national economies and financial markets. Aggressive or unexpected tightening could hit consumer and business confidence, creating a wider shock to economies or markets, as well as impact corporate debt and credit markets.

Central banks will be heavily influenced by domestic factors. The European Central Bank (ECB) will be mindful not to tighten prematurely, given the imbalances within the Eurozone. Significantly, there has been a policy shift in China and it will be noteworthy whether this continues in 2019. China's focus on the need to deleverage their economy and prevent a build-up of risks has seen a switch to easing policy recently, largely in response to escalating trade tensions and in order to prevent slowdown.

Third, is to be mindful that there are some significant transitions underway in the global economy and it is uncertain how impactful many of these will be, particularly in the near-term. Brexit is one, and we should be mindful not only of the future relationship between the UK and EU but also the path that the EU itself chooses to take.

The UK and EU need to continue to position themselves in a changing global economy where more of future growth and innovation is likely to emanate from the Indo-Pacific, stretching from India, through east Asia to the US. China and the US already lead in the AI and technology space. President Trump appears focused on a deregulation agenda and it will be interesting to see if this is borne out in practice, giving the US a further competitive edge.

Given its scale, China's Belt Road Initiative has phenomenal potential, particularly for a global financial centre like the City of London. Likewise, the fourth industrial revolution, in particular the impact of AI, will have profound implications on business models, labour markets and investment priorities. Again, this is making disruptive inroads into finance, but is providing the City of London with an opportunity to position itself as the world's leading FinTech centre.

There is little doubt London remains the major financial centre of Europe, and by a long way. While London lost its top spot to New York in the latest Global Financial Centres Index, it is well ahead of the other major EU centres such as Frankfurt (ranked 10th), Luxembourg (21st) and Paris (23rd).[6] The issue will be how it responds to a likely intensification of competition from New York and Asian financial centres such as Singapore and Hong Kong.

The tougher regulatory environment in recent years points to increased resilience of UK-based institutions in the event of any downturn; they need to ensure they are equipped to benefit from the many longer-term opportunities ahead too.

[6] Z/Yen, The Global Financial Centre Index, September 2018.

NEW RISK CONTOURS FOR BANKING

Kuangyi Wei, Parker Fitzgerald Group

The story for many banks over the past decade has been one of ‘managed decline’ as they have been asked to shrink balance sheets in order to contain future systemic risks. The impact of subdued financial performance has fallen not only on shareholders and markets, but also on end-users: the corporate and retail clients who rely on access to a wide array of banking services. The constraints on undertaking new business has real economic impacts: as just one example there is a global SME finance gap of $2 trillion.[7]

Since 2008, the overriding focus for many firms has been adapting to more stringent regulations. Regulators have sought to raise conduct and prudential standards across the board, while simultaneously implementing new resolution mechanisms to deal with future crisis scenarios. Globally, over 300 million pages of regulatory documents related to financial services have been published since the GFC.[8] Within the EU, the financial industry witnessed what has been referred to as a regulatory tsunami: CRD III and IV, AIFM, EMIR, MiFID 2, the revised Deposit Guarantee Scheme – the list goes on.

The aim of policymakers, naturally, was to ensure a more resilient financial sector. And indeed, financial stability has been – for the most part – achieved. The global banking industry is much more liquid and well capitalised. Other measures, such as low market volatility since the crisis, further support the assertion that the financial system is contained to a large degree.

But a decade of prudential drive has its consequences. High capital thresholds and heavy compliance and litigation costs are weighing on banks’ profitability and have distracted them from seeking new avenues of growth. All the while, new competitive threats have emerged from niche FinTech players, big technology (BigTech) companies and incumbents from adjacent industries (such as telecom and retail).

The numbers are bearing this out. Overall profitability of the global banking sector has hardly moved in recent years, despite banks’ significant cost-cutting efforts (see figure 3). This is not surprising as low market volatilities have undermined the trading incomes of investment banks, while low interest rates hampered the margins of retail banks. In 2017, the Big Four UK banks averaged a return on equity of 5.7 percent – shy of their own financial targets and their Wall Street rivals.[9]

Investors are sceptical about the industry’s future potential. The average Price to Book (P/B) ratio of the banking sector – an indicator of investor expectations of future earnings – halved in the immediate aftermath of the GFC, and have struggled to regain ground since. Indeed, the world’s largest banks continue to trade at around or below book values. In the UK, the Big Four banks’ average P/B ratio is 0.7, indicating a market value 30 percent lower than the book value.

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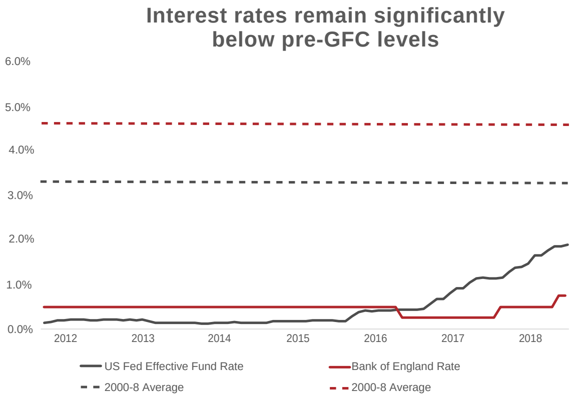
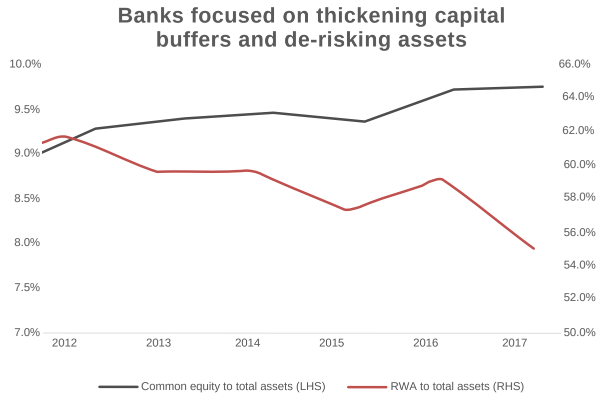
[7] Financial Times, “Banks just aren’t set up to understand small businesses”, 16 October 2017.
[8] IBM, Cognitive compliance highlights an opportunity for banks, 23 January 2017.
[9] 2017 Annual Reports of HSBC, Lloyds Banking Group, Barclays and Royal Bank of Scotland.

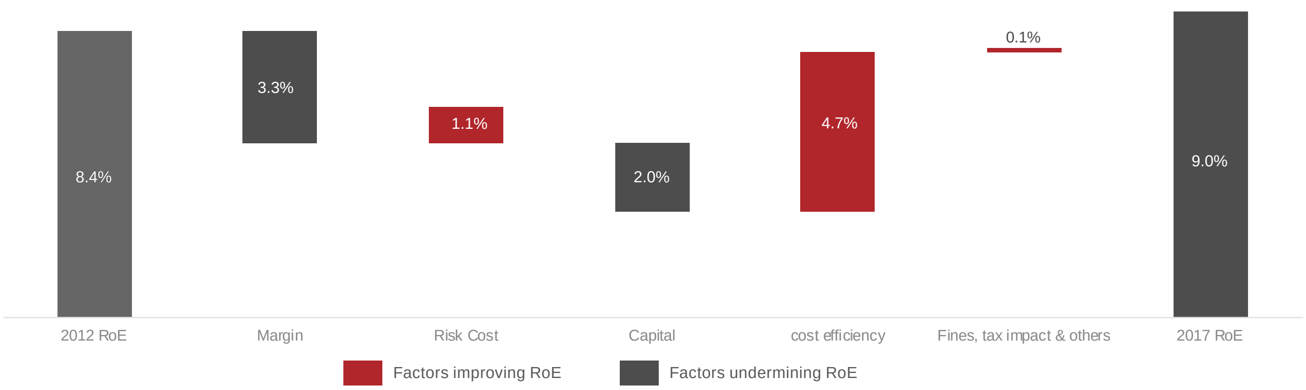
Figure 3: Gains from cost-cutting efforts erased by the impact of low rates and high capital thresholds



Source: The US Federal Reserve and Bank of England.

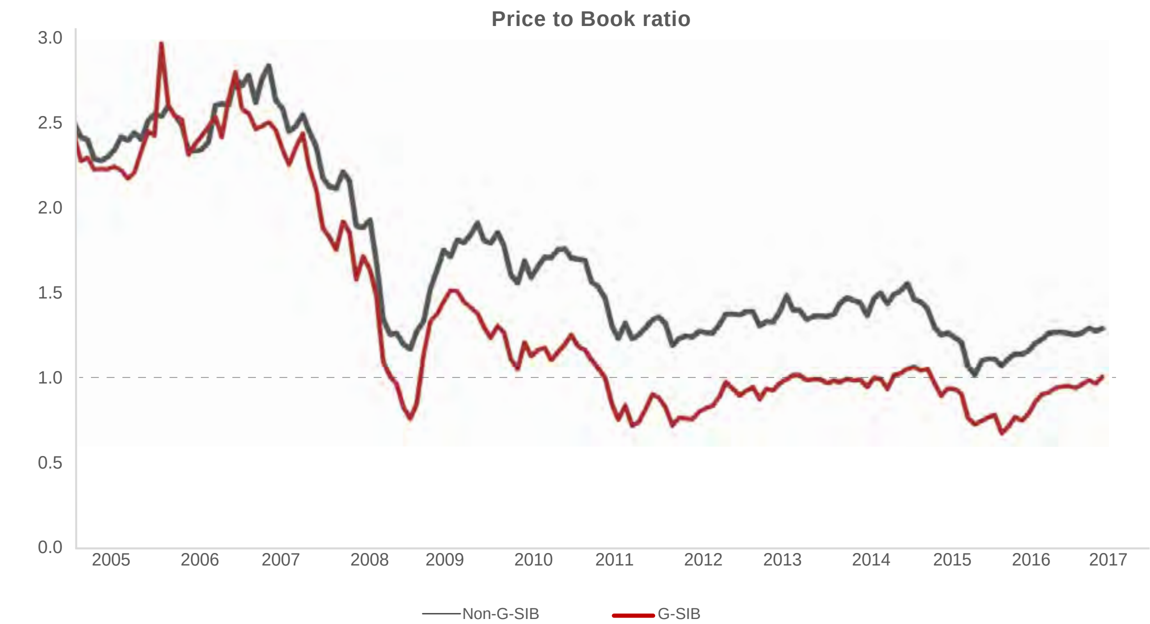


Source: IMF, Global Financial Stability Review, October 2018.



Source: McKinsey, Banks in the changing world of financial intermediation, November 2018.

Figure 4: Leading banks continue to trade below book value



Source: Bank for International Settlements, 2018.

Banks need to help the economy to grow, especially as insecurity is becoming the new global norm. Many will be turning to digital transformation for help. Indeed, over the next ten-year period, digital transformation will do to banks' business models what regulation has done to their balance sheets during the past ten years.

There is little doubt that technology is already resetting banking economics. New technologies offer exponential gains in computing power at a fraction of the cost associated with running earlier generations of IT. The business case for embracing technologies such as the Cloud, AI and blockchain are clear: on-demand scalability at speed, enhanced decision-making, safer and cheaper financial intermediation frameworks.

Leading banks are well aware of this. Lloyds Banking Group, for example, allocated £3 billion to strategic investment over the next three years to enhance the development of digital banking products and to upskill its staff for the digital age.[10] Other banks' digital ambitions may be greater still: JP Morgan set aside over $10 billion for technology spend this year, for example.[11] The aim is to not only stay on the front foot when it comes to digital innovation, but also to weave digital technologies and capabilities through existing business activities, processes and models.

But digital transformation is not a panacea. Such transformations are expensive, and by their nature, bring with them significant risks and uncertainties as banks carve out a new contour. The business transformation being played out must be matched by a significant maturing in the understanding and management of new and emerging risks, both at an institutional level and a systemic level.

A forward-looking agenda should therefore highlight the impact of digital transformation on the industry's risk landscape, as the symbiotic relationship between 'Fin' and 'Tech' brings technology risk, cybersecurity, data privacy and digital conduct to the fore.

These non-financial risks will attract intensified prudential scrutiny and potential capital charges from regulators. The Treasury Select Committee's inquiries into banks' IT failures as announced in November 2018 is a case in point.

At the same time, the speed of technology advancement and the market concentration among technology providers to the banking industry pose new systemic threats. Released in late 2017, the Financial Stability Board's (FSB) report on algorithmic trading highlighted how the lack of transparency and auditability of AI usage poses macro-level risks. Applications of AI could result in new and unexpected forms of interconnectedness between financial markets, for instance, based on the use of previously unrelated data sources in designing trading and hedging strategies.

AI can also introduce conduct issues, as Amazon uncovered when it trained a new AI candidate-screening tool with a data set containing a high proportion of male applicants and the system started demonstrating gender bias.[12] The harm could be greater still in customer-facing interactions. With Gartner predicting that by 2020, no fewer than 85 percent of all customer interactions will be handled by chatbots, the implications of any mishandling will be significant in a regulated industry like financial services.[13] The onus is on banks to have forward-looking risk management frameworks and control assurances over the use of new technologies.

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[10] Finextra, Lloyds earmarks £3 billion for three-year IT transformation, 21 February 2018.
[11] The Washington Examiner, Going 'digital everything,' JPMorgan ramps up tech spend by $1.4 billion, 06 March 2018.
[12] Reuters, Amazon scraps secret AI recruiting tool that showed bias against women, 10 October 2018.
[13] Gartner, Gartner Predicts a Virtual World of Exponential Change, 18 October 2016.

Despite all the internal management structures banks may put in place to protect themselves, an even greater threat to financial stability could come from outside the financial sector. In the technology world, a strong network effect and first-mover advantage reinforces a winner-takes-all dynamic. ‘Word of mouth’ and scalability of new technologies mean that solutions are increasingly being offered by a few large technology firms. The third-party dependencies already prevalent in the financial sector could be heightened and trigger systemic risks, if, for example, a large technology provider were to face a major disruption or insolvency. In Cloud, the three largest infrastructure providers occupy nearly two-thirds of the Infrastructure as a Service market; Amazon Web Services alone have a share of 40 percent.[13]

All these opportunities and risks brought about by FinTech call for a rethink of financial regulations. Greater global coordination and standardisation are required, particularly in overcoming hurdles to data sharing across jurisdictions and solving the inconsistencies between existing regulations.

Greater regulatory consistency globally will be key to sustaining digital innovation in the banking industry and beyond. Data and technology are borderless in nature, but the power of digital is called into question in a world retreating from globalisation. Perhaps it is the protectionist sentiment that will pose the greatest challenge to digital finance in the years ahead.

[14] Fortune, Amazon still leads Cloud rankings, but competitions is coming on strong, 15 June 2017.

CONCLUSION

Whereas European and US financial institutions could once rely on political and regulatory stability in their domestic markets, those old certainties have been erased.

Global financial institutions face a few tailwinds in 2019. Global trade and international institutions – forces that brought the financial system back from the brink of collapse following the GFC – are now under increasing threat from protectionist and nationalist sentiments. There are signs that global growth has plateaued and that the world's largest economies – the US, China and Eurozone – are entering a soft patch in the year ahead. Within the financial sector, a prolonged period of low rates and quantitative easing has distorted markets' pricing of risks. At the same time, firms' struggles with suppressed profitability and shareholder returns are likely to continue into 2019, despite strengthened prudential and conduct standards.

The final piece of the puzzle is represented by the emergence of digital technologies, which hold the power to disrupt all aspects of the financial ecosystem. Digital transformation enables financial institutions to deploy capital, data and talent more effectively, but it also brings non-financial risks to the fore, challenging the operational resilience of financial institutions with outdated risk management models.

At Parker Fitzgerald, we help financial institutions optimise risk-adjusted returns in an uncertain business environment.

This includes assisting clients responding to regulatory initiatives and safeguarding themselves from a changing risk landscape in the era of digital finance. Our practitioner knowledge of the financial services sector, regulation and technology gives us a unique insight into the key use cases, be that addressing annual stress testing requirements, building and validating risk models, or re-architecting risk frameworks and operating models for the sustainable adoption of new technologies.

Business certainty is a commodity in short supply for today's executives, but opportunities in the era of digital finance remain ample. The onus is on business leaders to strike the right balance between complying and growing.

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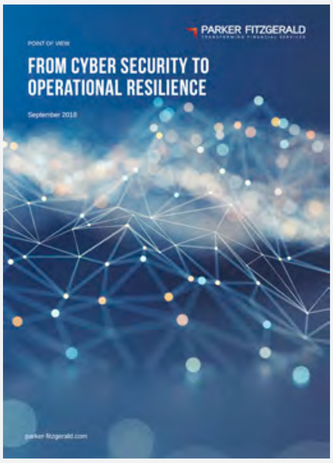

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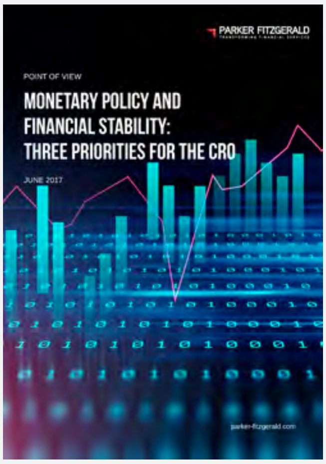

MONETARY POLICY AND FINANCIAL STABILITY: THREE PRIORITIES FOR THE CRO

June 2017

A prolonged era of low rates and cheap money has created a long list of side effects. With monetary policy normalisation now on the cards, markets and banks should watch out for risks to financial stability associated. We outline three key considerations for the CRO.

ABOUT THE AUTHORS

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Dr Gerard Lyons is Parker Fitzgerald's Senior Economic Adviser. In his role, Gerard leads the firm in the identification of future trends and macro-risk arising from shifts in economic, political and regulatory policy.

A regularly-cited and respected economic forecaster of the global economy, Gerard was formerly the Chief Economic Adviser to Boris Johnson, the Mayor of London and Chief Economist and Group Head of Global Research at Standard Chartered, a position he held for 13 years in addition to a number of other senior roles within the bank.

He has been a regular speaker at major domestic and world financial conferences and meetings, including the annual meeting of the International Monetary Fund, the annual and spring meetings of the Institute for International Finance, the World Economic Forum in Davos, and many high profile events here in the UK.

Mark Twigg
Director
Cicero Group

Mark has been a Director at Cicero for 14 years. He is currently overseeing the firm's expanding international research business. A prolific writer and researcher, Mark has undertaken largescale longitudinal studies on behalf of Aegon, BlackRock, HSBC and Scottish Widows.

Mark is also active in UK and EU government relations across a number of Cicero's blue chip corporate clients dealing with international financial regulation, tax policy and retail financial services. Previously, Mark worked for the UK Labour Government between 1997-1999 for both the Rt. Hon Nick Brown MP and the Rt. Hon John Reid MP. He also worked as an adviser to the UK Treasury-sponsored Bischoff Review.

He worked as head of government relations at Direct Line Group, lobbying across the RBS insurance brands, during which time he also served on a number of ABI and CEA (Insurance Europe) Committees.

Kuangyi Wei
Director, Strategy and External Affairs
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Kuangyi leads Parker Fitzgerald's thought leadership programme as well as the firm's engagement with industry groups, regulators and policymakers.

Prior to joining Parker Fitzgerald, Kuangyi held various thought leadership roles at both policy think tanks and commercial organisations, including Chatham House, the State Council of China, and Accenture. Her roles focused on offering strategic content and advisory for the C-suite and senior government officials. Most recently, Kuangyi was a Principal Researcher at Accenture's internal think tank, responsible for authoring the company's flagship publications at the World Economic Forum in Davos and for leading cross-industry thought leadership programmes.

Kuangyi is a regular commentator in business newspapers and broadcast media. A published author in leading business and academic journals, Kuangyi holds an MPhil in Economics from the University of Oxford, where she specialised in theory and policy relating to competition and regulation.

ABOUT PARKER FITZGERALD GROUP

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We are experts in all areas of financial and non-financial risk, regulation and financial technology. We provide independent advice, assurance and market-leading solutions to help our clients navigate their most critical issues, reduce complexity and improve their overall risk-adjusted performance.

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- Financial Regulation
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ABOUT CICERO GROUP

Cicero Group is a full-service communications and market research agency. We design and deliver award-winning corporate, brand, political and regulatory campaigns across all major business sectors from our offices in London, Brussels and Dublin.

Working in a rapidly changing, fiercely competitive world we know that you don't simply find opportunities – you must create them. It's the creed we live by and practice for our clients every day.

Our expert teams are drawn from regulators, government, business and media and have a simple mission: to design and implement communications and insight-led strategies that realise our clients' commercial ambitions, manage their reputations and clearly demonstrate return on investment.

Cicero is a vocal advocate for transparency and high ethical standards in lobbying. We expect the highest levels of integrity from our team members and we are signatories of the Association of Professional Political Consultants (APPC) code of conduct. We are also registered with the Office of the Registrar of Consultant Lobbyists (ORCL) and are the only Communications Agency to sign HM Treasury's Women in Finance Charter

Whatever the audience, consumer, business or government, Cicero is trusted to deliver.

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