

Banking CEOs work out a new normal

Fifth digital gathering with CEOs from the banking world, hosted by Egon Zehnder's Financial Services Practice

Banks are endeavoring to return to a new normal, looking at reopening branches while adapting to a changing world, as Egon Zehnder found out in its latest call with global banking CEOs.

What will the banking industry look like once the COVID-19 pandemic has finally passed? Different for sure, with banks and their customers calling for change, says Jean Pierre Mustier, Group Chief Executive Officer of UniCredit. "We're using this opportunity to develop and drive a new multi-channel business model, very much focused on increased digital and remote services. This approach is generating support and buy-in from both team members and customers."

This crisis will take a long time to resolve, but, Mustier says, there is light at the end of the tunnel – even if the tunnel is very long. But to misquote Timothy Geithner during the 2009 financial crisis, let's hope "that light isn't an oncoming train".

The current uncertainty is causing the greatest stress for banks and their people, confirms the CEO of a Dubai-based bank. "No one knows where the end is and what the end looks like. No one even knows what the middle looks like and when normal will return."

Nevertheless, banks are gradually reopening branches and head offices. UniCredit, for example, is rotating branch openings (open by appointment only) and available staff to ensure certain essential services are permanently available. The CEO of an Asian bank, which has recently opened its Wuhan branch, was surprised by the strong desire from colleagues in China to go back to work, particularly among female colleagues.

The next challenge is to work out whom to allow back into the workplace, says a UK bank's CEO. "Employees with asthma or those judged at higher risk won't be coming back for far longer so you have quite a difficult scenario when trying to think of your workforce. It all seems pretty complex at the moment."

Managing reputations

Going forward, banks face a backlash if the public sees them as a problem and not a solution, particularly when companies start to go bankrupt, predicts an UK CEO. Another CEO also admits to being worried about investors' views of banks in future – actions taken by regulators in terms of pricing controls or stopping dividends, for example, might cause issues.

First quarter results are ahead, although these results are going to be “largely irrelevant” this year, says Mustier. As second-quarter GDP is set to plummet, a Brazilian bank CEO calls for “some clear messaging so that there shouldn’t be an overreaction in the marketplace”.

Each area in Brazil is deploying different strategies to manage the crisis. This means that the bank has had to deal with almost 3,000 differing local demands from nationwide authorities. “It’s a lot of noise when you’re running an organization,” he points out.

Meanwhile, UniCredit has been examining the potential rise of fraud, whilst also working on underwriting priorities and focusing on obtaining guarantees on the worst credit, while examining legal risks.

Mustier, who is also the current chairman of the European Banking Federation, says that the bank is working with the European Commission and the European Central Bank to try and ensure a future level playing field. For example, a SME in Bavaria could possibly receive more aid than one in northern Italy and subsequently gain more market share after the crisis. It is important to ensure there are similar and consistent offers for SMEs across the different markets to try to mitigate unfair competitive that could emerge.”

To read more about UniCredit’s activities, please visit: <https://one.unicreditgroup.eu/>

For more information, contact:



Miranda Pode
London
miranda.pode@egonzehnder.com



Hans Horn
Amsterdam
hans.horn@egonzehnder.com



Roopa Foley
Dallas
roopa.foley@egonzehnder.com

COVID-19 Micro-Website

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

About Egon Zehnder

Egon Zehnder is the world's preeminent leadership consulting firm, sharing one goal: to help people and organizations transform through leadership. We know what great leaders can do and are passionate about delivering the best solutions for our clients. As One Firm, our more than 500 Consultants in 68 offices and 40 countries combine our individual strengths to form one powerful collaborative team. We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide a comprehensive range of integrated services: Board advisory, CEO search and succession, executive search, executive assessment, leadership development and organizational transformation.

Our leadership solutions cover individual, team and organizational effectiveness, development and cultural transformation. We work with world-class partners including Sinequanon (SQN), a firm we have invested in that uses AI and advanced analytics to improve workplace culture and performance, and Mobius Executive Leadership, a transformational leadership development firm. In addition, we have partnered with Paradox Strategies, co-founded by Harvard University Professor Linda Hill, to develop the Innovation Quotient (IQ), a proprietary culture diagnostic.

Our goal is that the work we do contributes to successful careers, stronger companies – and a better world.

For more information visit www.egonzehnder.com and follow us on [LinkedIn](#), [Twitter](#), and [Instagram](#).