

# Headwinds strengthening against banks in emerging markets



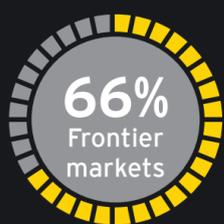
The growth of the emerging markets makes them an attractive proposition, but banks operating in these markets face increasing challenges. Almost three-quarters of bankers expect the industry to struggle to maintain current returns on equity.

Against a backdrop of political, social and economic turbulence, banks must combat three strengthening headwinds if they are to seize the opportunities in these markets.



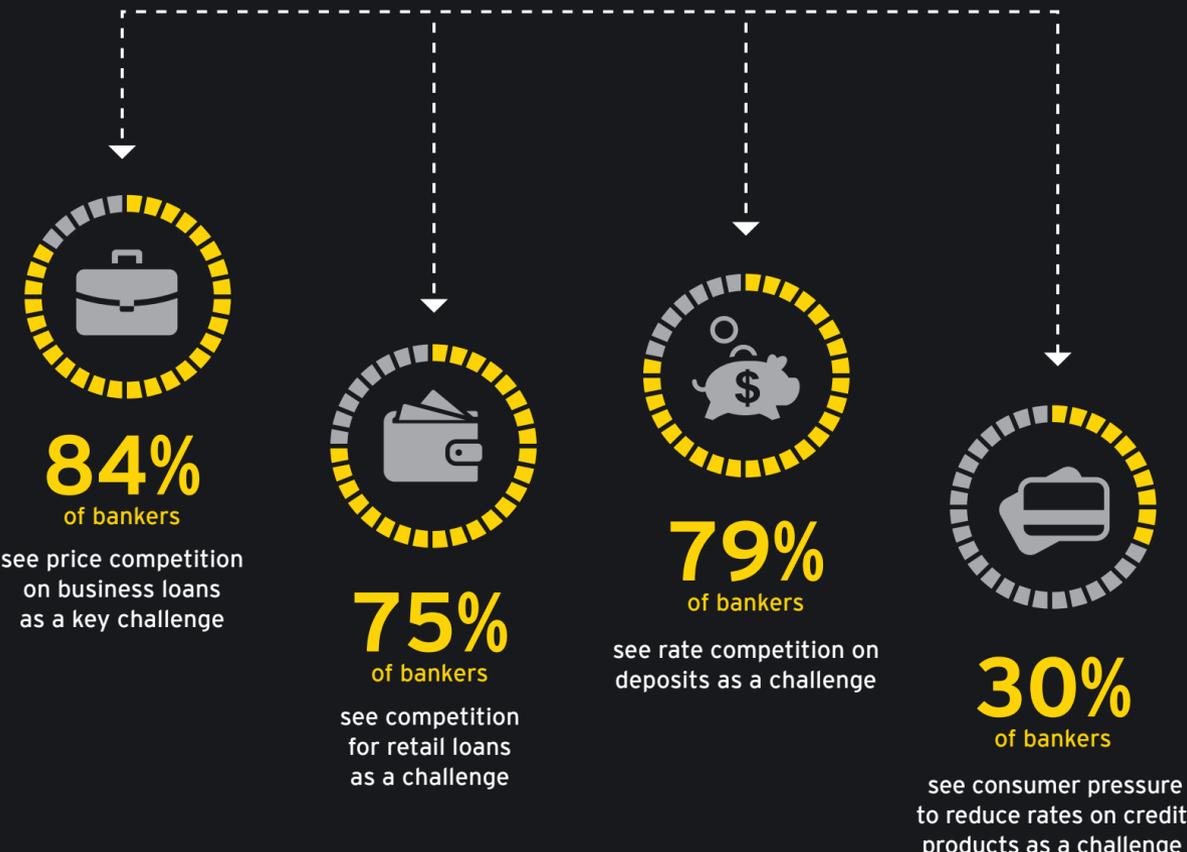
## 1. Tougher regulation

Bankers across all three categories of emerging markets expect the level of regulation to increase in the next year.



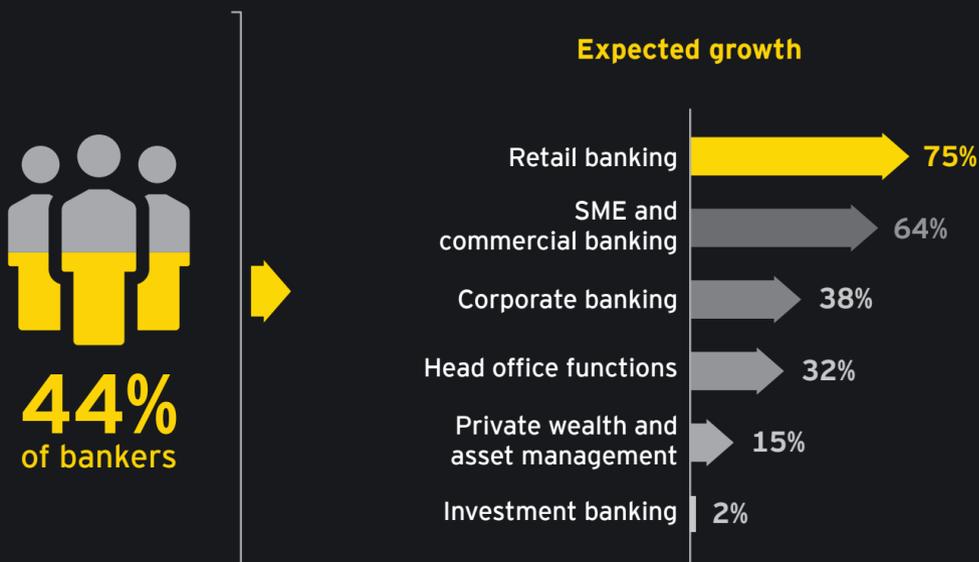
## 2. Intensifying competition

Bankers see competition as a challenge across business lines.



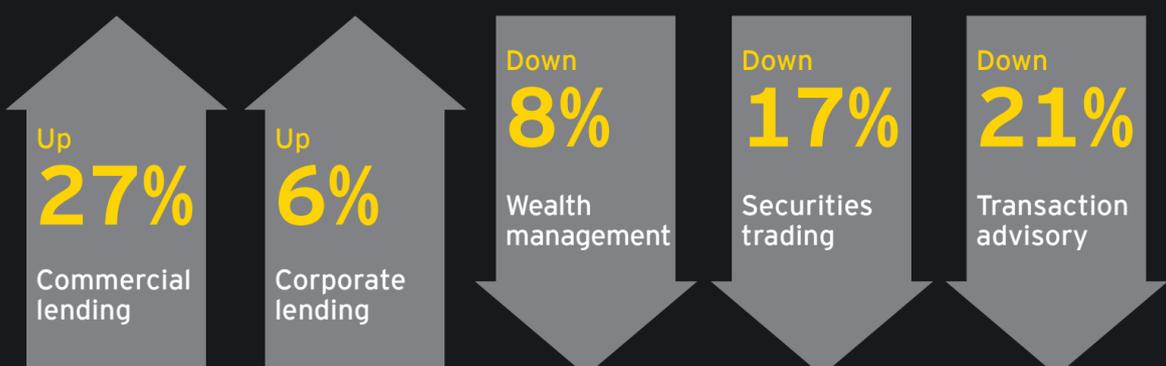
## 3. Increasing costs

Almost half of bankers expect headcount to grow, with varying expectations across business lines and functions.



## Outlook across business lines

Expectations across business lines vary, revealing challenges for both local and global banks.



EY's *Banking in emerging markets: Investing for success* explores the views of senior executives from 56 leading financial services institutions and 9,716 retail banking customers across 11 rapid-growth markets at different stages of maturity.

Learn why banks must invest in three key enablers – technology, people and partnerships – if they are to succeed in the emerging markets. Go to [ey.com/bankingbeyondbricks](http://ey.com/bankingbeyondbricks).