



Live more,
Bank less

New Realities, New Possibilities

*A Treasury and Finance leaders' handbook to
seizing growth in a disrupted global economy*

| EU

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About the Report

GLOBAL AND PULSE SURVEY

As global macroeconomic trends continue to shape the dynamic landscape, Chief Financial Officers (CFOs) and Treasurers are progressively enhancing and expanding new capabilities to support their organisations in achieving their strategic and financial objectives.

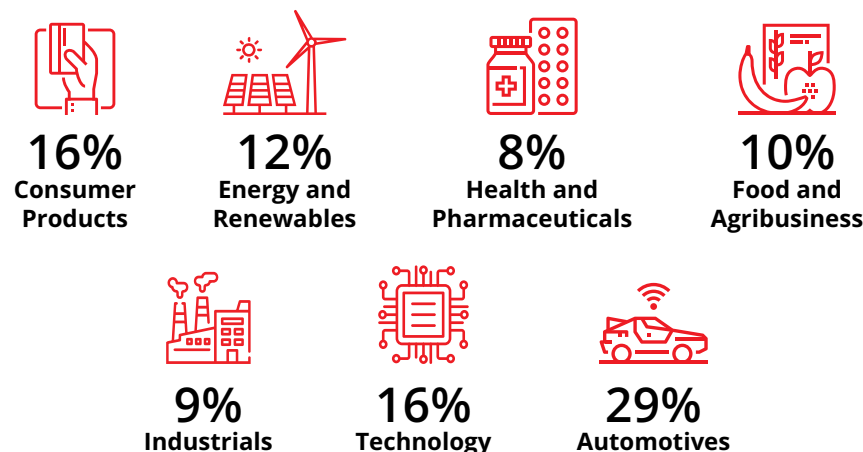
We commissioned EY-Parthenon to conduct an in-depth analysis, gathering insights from more than 800 Treasury and Finance leaders across 14 markets¹ and seven industry sectors.

The global survey conducted from Mar to Apr, is a comprehensive study that explores how macroeconomic trends have influenced the roles and priorities of these financial leaders, their self-assessments of effectiveness, and their future strategies to address key priorities.

The pulse survey conducted in May was introduced as a follow-up to the initial insights programme. It aims to capture the evolving sentiments of CFOs and Treasurers in the wake of the Liberation Day announcements, providing valuable insights into how financial leaders perceive their priorities shifting in response to these complex times.

For CFOs and Treasurers, this represents a new reality but also one filled with possibilities for growth and innovation.

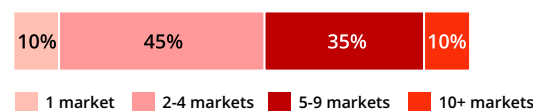
PROFILE BREAKDOWN BY SECTORS IN EU



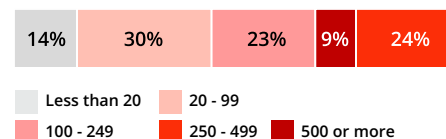
Base: All respondents, n=100

PROFILE BREAKDOWN BY SIZE OF OPERATIONS IN EU

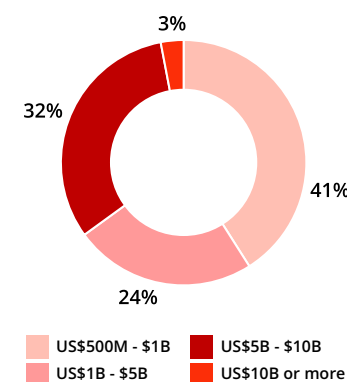
GEOGRAPHIC REACH



FTEs IN FINANCE/TREASURY FUNCTION



ANNUAL REVENUE



1. Australia, Europe (consists of France, Germany, United Kingdom), Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore, Taiwan, Thailand, United States of America, Vietnam

Executive Summary

FACING NEW REALITIES



Macrotrends shape how CFOs and Treasurers define and navigate their priorities, and select solutions to address their priorities

- Geopolitical tensions and supply chain disruptions has created an uncertain economic environment for businesses in Europe
- With volatility being the new norm, finance leaders are doubling down on data-driven financial intelligence, real-time forecasting, and smarter cash management to drive agility, long-term value, and sustain financial resilience
- In this uncertain business landscape, roles of finance leaders have shifted from oversight to strategic enablement – driving supply chain resilience, guiding capital allocation, and supporting business pivots amidst market pressures
- Similarly, digital transformation and sustainable finance are accelerating long-term strategic shifts in treasury and finance functions

NAVIGATING KEY PRIORITIES



CFOs' and Treasurers' perceptions of their own effectiveness shape how they navigate their key

priorities. To better understand this relationship, we first assessed how they evaluate their effectiveness in addressing these priorities – using our Strategic Effectiveness Indicator (SEI)

- CFOs and Treasurers are strengthening their focus across areas like capital, strategic remit and risk management to navigate today's uncertainty with greater agility
- Scale of business, business sector, and geographical distribution play a role in CFOs' and Treasurers' self-assessed effectiveness
- Our Strategic Effectiveness Indicator (SEI) demonstrates that globally most CFOs and Treasurers assess themselves to be strategically effective ~64% of the time, while for EU, the score stands at ~64%

REALISING NEW POSSIBILITIES



The path forward for CFOs and Treasurers varies; particularly from a sectorial angle as the core priorities differ

- Across sectors, CFOs and Treasurers are adopting differentiated approaches to tackle priorities depending on their organisations' stage of growth and available resources
- Reinforcing core capital management capabilities is an area finance leaders are targeting to meet strategic demands and strengthen financial resilience amidst a complex finance landscape
- An increasing interest is noted towards adopting emerging technologies like Generative AI (GenAI) for accurate insights while reducing reliance on manual processes, enhancing decision-making for businesses

Macrotrends Reshaping Priorities of CFOs and Treasurers

The new US-EU trade deal offers greater predictability by reducing threatened 30% tariffs to a baseline of 15% on most European exports, however, challenges remain for European competitiveness. Tariffs exceeds the 2024 average of 2.5%, with key sectors like industrials excluded from the baseline. Notably, steel and aluminum tariffs remain at 50%, continuing to exert pressure on these industrials, weakening their global competitiveness. Meanwhile, the Red Sea crisis is inflating shipping costs and straining Europe's export-driven sectors. As a key maritime link to Asia, the Middle East, and Africa, disruptions are interrupting supply chains – reducing container capacity, raising cost, and fueling inflation. Despite these headwinds, Europe is pivoting toward growth through rapid tech development. Strategic initiatives like the Digital Europe Programme and the AI Act are driving investment in AI, cybersecurity, and digital skills, while establishing clear regulations to support deployment and accountability.

New realities

Top 3 macrotrends with negative outlook



Top 3 macrotrends with positive outlook

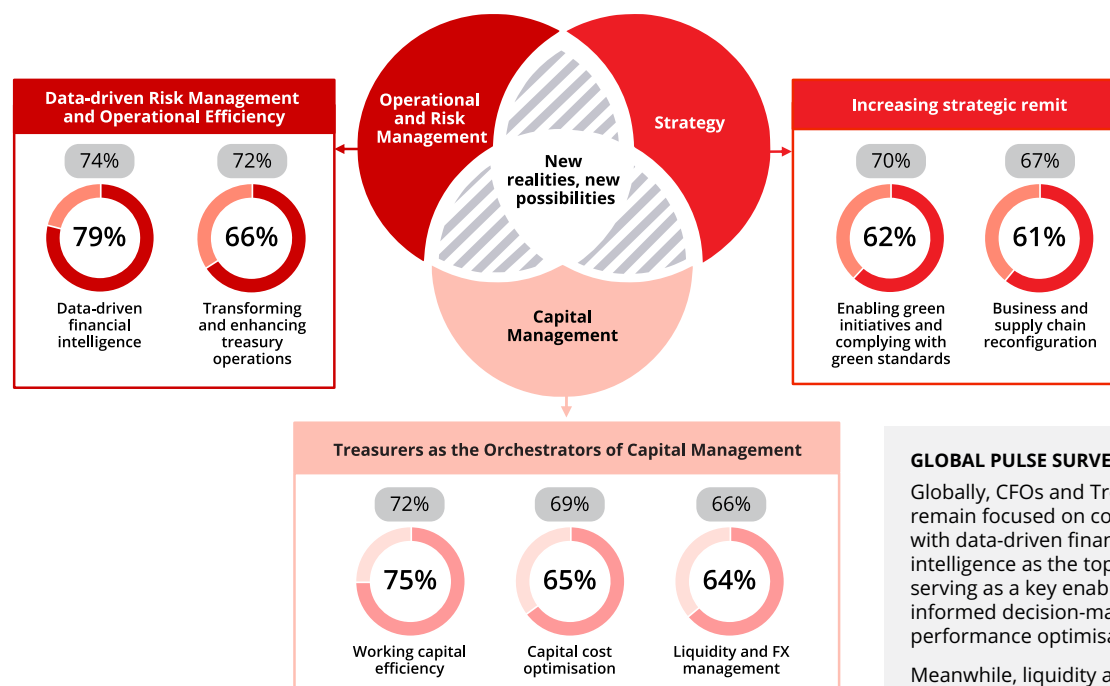


GLOBAL PULSE SURVEY SENTIMENTS

Geopolitical tensions remains the top concern, with rising tariff-related anxieties compounding supply chain risks and potential trade barriers.

While inflation and interest rate volatility have eased slightly, they remain persistent challenges – especially given the continued dominance of the USD in global trade.

Navigating key priorities (EU vs Global)



GLOBAL PULSE SURVEY SENTIMENTS

Globally, CFOs and Treasurers remain focused on core priorities, with data-driven financial intelligence as the top priority, serving as a key enabler for informed decision-making and performance optimisation.

Meanwhile, liquidity and FX management has risen to second place, driven by tariff-related pressures on cash flow and inventory buildup.

1. Examples include GenAI, AI/Machine Learning, Blockchain

The Priorities of CFOs and Treasurers

Europe's industrial sector is navigating increased complex business environments amidst geopolitical tensions and supply chain disruptions. In response to disrupted energy supply chains and predictability in trade flows, businesses are diversifying trade partnerships to adapt to the pressure from the impacted logistics and transport as well as maintain financial stability. Although Health and Pharmaceutical sector are currently exempt from US tariffs, the sector remains vulnerable due to its R&D intensive nature. As Europe's top exporter to the US, any future tariffs could severely disrupt export revenue and strain operational liquidity, posing significant risks. On the consumer front, firms face higher raw material prices and logistic costs due to ongoing geopolitical tensions and higher transport costs. This upward pressure is compounded by increasing challenges in obtaining capital as Europe banks are tightening credit standards for loans to enterprises due to the higher perceived risk and economic uncertainty prompting optimisation of capital management.

Key priorities across sectors in EU



Top priority levers for EU's **Industrials**¹ businesses



Data-driven financial intelligence



Business and supply chain reconfiguration



Liquidity and FX management



Top priority levers for EU's **Healthcare and Pharmaceutical**¹ businesses



Data-driven financial intelligence



Enabling green initiatives and complying with green standards



Working capital efficiency



Top priority levers for EU's **Consumer Products**¹ businesses



Data-driven financial intelligence



Business and supply chain reconfiguration



Capital cost optimisation



1. Sample size for individual subgroups is small (i.e., n<30), results are indicative and not representative of the subgroup. Industrials = 9, Health and Pharma = 8, Consumer Products = 16

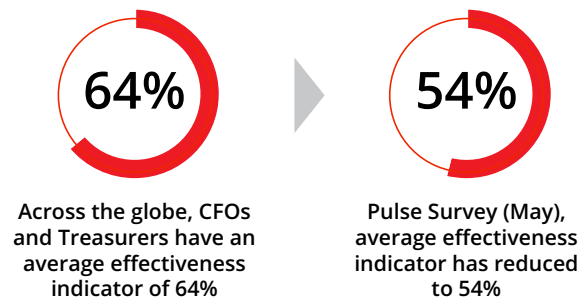
A Measure of Effectiveness for Growth and Resilience: DBS Strategic Effectiveness Indicator (SEI)

What is it?

Respondents were asked to identify core priorities for their treasury team over the next five years (shown earlier). They were then asked how effectively they are achieving these objectives.

Their responses were used to calculate a single score out of 100 articulating overall effectiveness. More details about the calculation are provided in the appendix of this document.

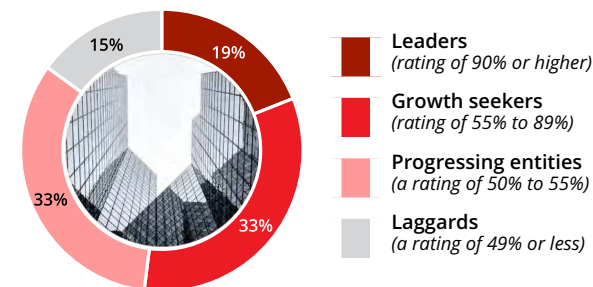
Average global effectiveness rating



Segmenting organisations by their average effectiveness rating

Effectiveness varies widely, with some organisations delivering on strategic priorities more successfully than others. CFOs and Treasurers can be broadly categorised into four segments:

Segmentation of organisations based on their effectiveness rating

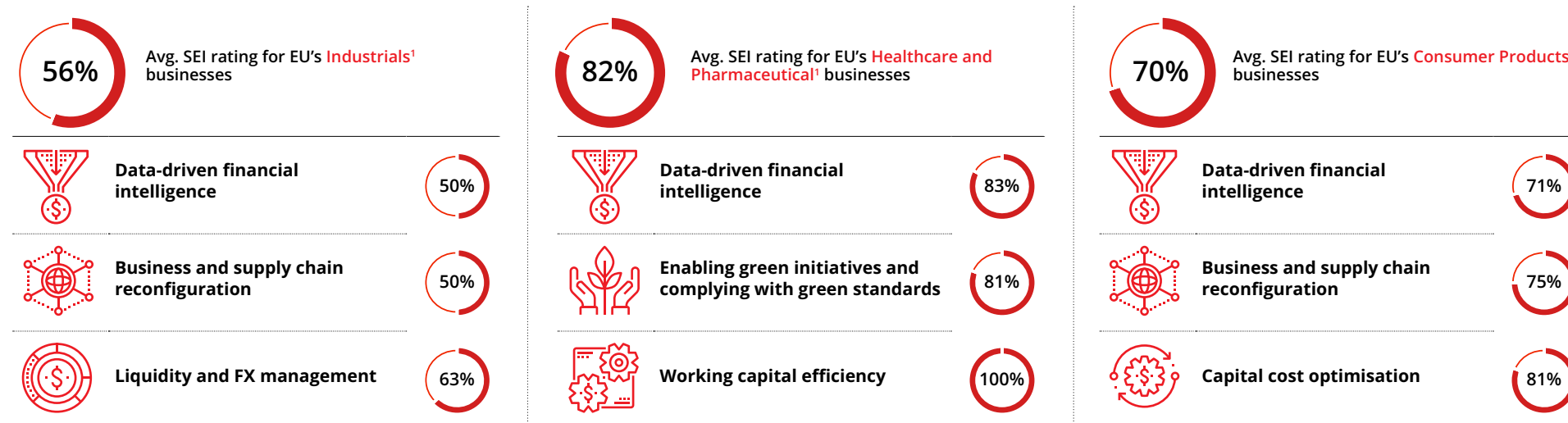


Strategic Effectiveness Indicator (SEI)

Europe is strengthening economic ties with partners like Mainland China and India, as viable alternatives to the US market, ensuring continued revenue streams. However, the industrial sector faces persistent demand weakness, straining cash flows and limiting the pursuit of strategic priorities. Structural challenges – outdated systems, high capital needs, and long lead times for technology deployment and supply chain reconfiguration – further compound the issue.

The EU has boosted business confidence in Healthcare and Pharmaceuticals and the Consumer Products sector through targeted initiatives. Despite export uncertainty, healthcare is expected to grow steadily due to an ageing population and sustained demand for healthcare services and medication. Platforms like the European Health Data Space are helping unify to identify patterns and resource needs. For Consumer Products, the Capital Market Union enables firms to diversify funding and access broader investor bases, lowering capital cost and enhancing returns on investments.

Strategic Effectiveness Indicator (SEI): Across key priorities and sectors in EU

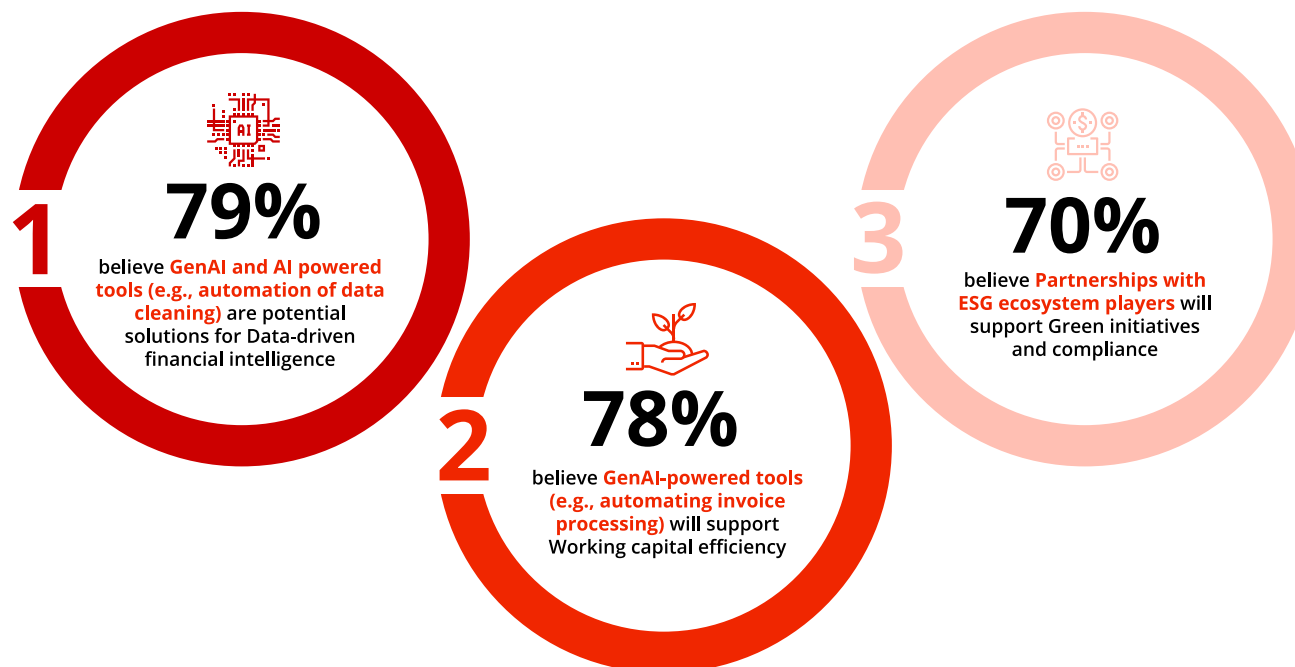


1. Sample size for individual subgroups is small (i.e., n<30), results are indicative and not representative of the subgroup. Industrials = 9, Health and Pharma = 8, Consumer Products = 16

Solutions Desired by CFOs and Treasurers of the Future

Realising New Possibilities

- European treasurers are turning to GenAI to enhance data analytics and financial management, enabling faster insights, predictive forecasting, and agile decision-making in an increasingly complex environment.
- They are also leveraging AI-driven tools to boost working capital efficiency by unlocking real-time insights, optimising cash flow forecasting, and streamlining receivables, payables, and inventory management for greater financial resilience.
- In addition, they are strengthening partnerships with ESG ecosystem players to integrate sustainability into financial strategy and unlock access to green financing, aligning with evolving regulatory and market priorities.



WHAT'S NEXT?



CFOs and Treasurers are redefining their roles to drive growth in a complex, fast-changing environment. By drawing on market-specific insights and peer benchmarks, you can identify where your financial strategy can go further.

Let's explore how our team can support you with tailored treasury solutions that drive meaningful results. Connect with us to unlock value, enhance resilience, and future-proof your financial strategy.

Appendix

The Strategic Effectiveness Indicator (SEI)

The **Strategic Effectiveness Indicator (SEI)** serves as a key indicator of the effectiveness of organisations, focusing on seven key areas related to treasury and finance functions:

- Data-driven financial intelligence
- Transforming and enhancing treasury operations
- Capital cost optimisation
- Working capital efficiency
- Liquidity and FX management
- Enabling green initiatives and complying with green standards
- Business and supply chain reconfiguration

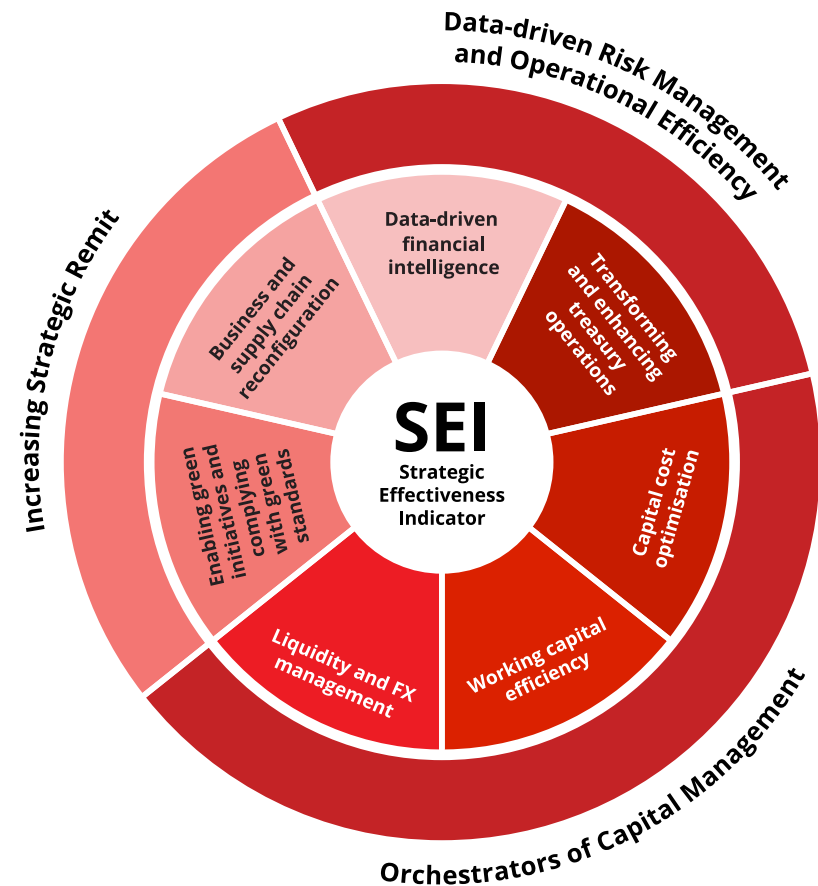
The indicator reflects how CFOs and Treasurers view and evaluate the effectiveness of their organisations. As a result, it may not accurately represent the true maturity or actual effectiveness of those organisations.

Methodology

The indicator is developed by DBS, in collaboration with EY, and derived based on data obtained from the 2025 DBS CFO and Treasurer insights programme.

Respondents were asked to evaluate the effectiveness of their organisations on a scale from 0 to 5 across the seven dimensions described on the left. The scores for each dimension were then converted into a score out of 100. These scores were subsequently averaged to produce a single overall Strategic Effectiveness Indicator (SEI) score.

This approach allows for a comprehensive assessment of overall effectiveness, with higher scores indicating greater self-assessed strategic effectiveness.





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The views reflected in this publication are the views of the author and do not necessarily reflect the views of the global EY organisation or its member firms.



World's Best & Asia's Safest

World's Best Bank, 2025, *Euromoney*
Best ESG Transaction Bank APAC, 2025, *The Asset*
World's Best Corporate Digital Bank, 2024, *Global Finance*
Safest Bank in Asia, 2009 - 2024, *Global Finance*
Best Bank for Transaction Banking APAC, 2025, *Global Finance*
World's Best Bank for Sustainable Finance, 2025, *Global Finance*