



# Financial Services Consulting

## Mazars in APAC

mazars



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## Foreword

### A word from our Managing Partners

“The APAC region offers unprecedented growth opportunities as well as challenges for our clients. As a regional consulting practice dedicated to the financial services industry and being an integral member of a leading international audit and advisory firm, we bring a unique blend of in-depth expertise and breadth of advisory services to our clients, helping them to successfully navigate the dynamically changing environment, and capitalize on the tremendous APAC growth trajectory.”



**Justin Tan**  
Managing Partner, Financial  
Services Consulting



**Sean Choo**  
Managing Partner, Financial  
Services Consulting





## Who we are

# Mazars at a glance

We, at Mazars, are dedicated to delivering tailor-made solutions and services to our clients wherever they are in the world. International, integrated and independent, we are a partnership specialising in audit, tax and advisory services. We care about the success of our clients and people, we preserve the integrity of our industry, and we are committed to passing on a just and prosperous world to future generations.

Our values guide us in everything we do: how we work with our clients, how we develop our people and what role we play in our communities. Not only have our values contributed to our firm's decades-long story of growth, they also demonstrate our commitment to going above and beyond what is expected of us – today and tomorrow.

**Integrity**

**Responsibility**

**Diversity and respect**

**Technical excellence**

**Independence**

**Stewardship**

## Who we are Mazars in APAC

1

global integrated partnership

17

countries

25%

growth in 2019

as a result of a balanced combination of external (+9.9%) and organic (+11.2%) growth

57

offices

€263M+

fee income in the Asia-Pacific region in 2019

6,000

professionals in APAC

20+

specialist financial services consultants

These figures are valid as of 1 January 2020. For current information, please visit [www.mazars.sg](http://www.mazars.sg)



## Who we are

### About our Financial Services Consulting team

**Our services help clients tackle some of the most salient issues they face in their businesses. We help clients take advantage of opportunities evolving from new technologies and business models in the areas of digital and analytics, while also tackling the key foundational disciplines of profitability and risk.**

The Asia-Pacific region is at the centre of explosive change, with its financial services firms facing unprecedented challenges and potential rewards. Will they be able to innovate and transform themselves into agile, innovative and technologically versatile competitors able to win in the new landscape, or will they risk fading into obsolescence as they become increasingly less relevant to customers and the industry as a whole?

We are at the forefront of working with our clients to not only navigate these winds of change, but also to help them thrive and succeed. We partner with our clients across a broad spectrum of high value consulting engagements including; strategy development, business line optimisation, development of new analytical models, and building up robust risk management capabilities, platform and culture. We aim to be a strategic, long-term partner to our financial services clients in the region.

## What we do

# A deep understanding of Financial Services

**Our services help clients tackle some of the most salient issues they face in their businesses. We help clients take advantage of opportunities evolving from new technologies and business models in the areas of digital and analytics, while also tackling the key foundational disciplines of profitability and risk.**

### **Strategy**

We provide strategic advice to our long-term clients, from ‘top of the house’ strategic positioning to individual business line strategies, in particular across corporate banking, retail banking, wealth management and private banking. Beyond strategy formulation, we are a ‘hands-on’ consulting partner to our clients, by working closely, and in many cases jointly, with their internal teams to drive implementation and help realise the strategic vision.

### **Profitability**

We help clients address profitability issues in their business, and deliver superior financial returns from their portfolios. We provide detailed diagnostic audits, build models that measure profitability down to an individual account or transaction level, and identify specific actions that can be implemented quickly to deliver in-year results.

### **Digital and Analytics**

We partner with our clients on their digital journey, be it digitising specific parts of their business, building targeted tools and applications using state-of-the-art machine learning / AI techniques applied to big datasets, or developing new digital propositions tailored to target customer segments. In particular, we work with clients to effectively ‘bridge’ the use of advanced analytics in the digital space ensuring tangible benefits and value are delivered.

### **Risk Management & Governance**

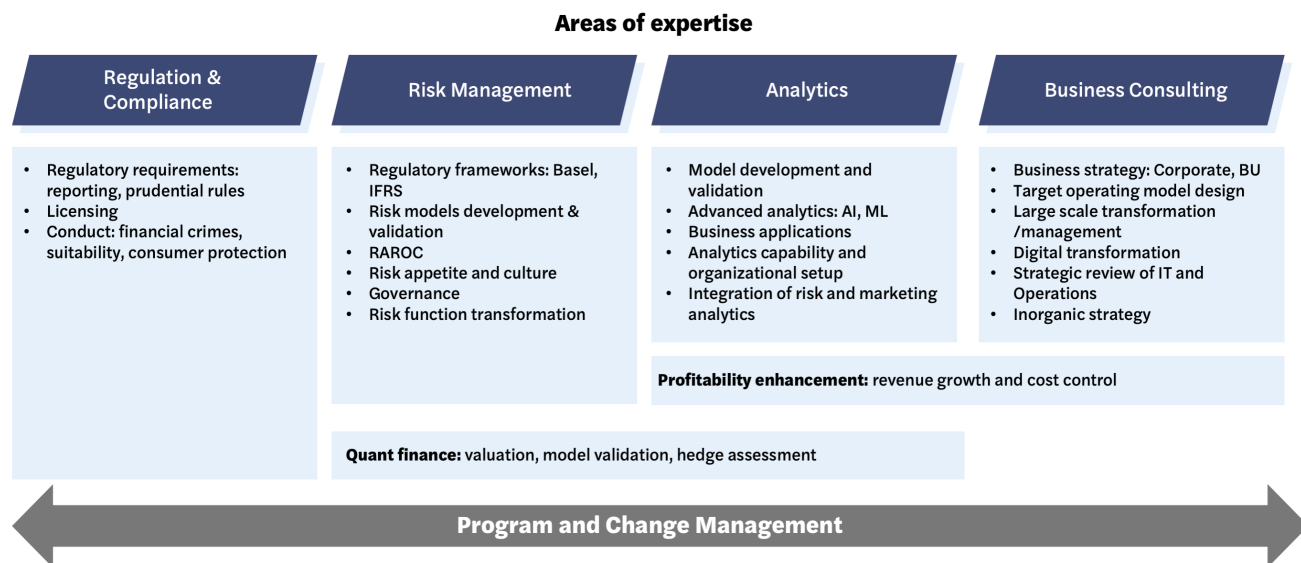
We assist clients in building up their overall risk management and governance capability, across multiple levels. At the topmost level, we help to define the organisational risk appetite and culture, and the overall governance framework. We also work with executive management and individual business leaders to develop a robust understanding of their risk-adjusted performance and return on capital. At a more technical and specific level, we help our clients to build the necessary risk models and parameters (including modelling needs driven by regulatory requirements such as Basel) and link them to business applications to derive tangible benefits.



# What we do

## Creating value for our clients

We create value for our clients across a wide range of day-to-day challenges.



### Retail Banking

We work with leading retail banks and consumer finance businesses at a local, regional and global level.

### Wealth Management & Private Banking

We help wealth managers enhance their business and help banks expand into the wealth management arena, across the full spectrum of wealth tiers.

### Corporate and Wholesale Banking

We work with leading corporate and wholesale banks at a local, regional and global level.

### Non-banking Financial Institutions

We work with a range of non-banking organisations offering financial services, including insurers, securities firms and asset managers.

## Focus On

# Digital and Analytics in Retail Banking

**A leading regional bank aims to leverage their data analytics capability to develop insights into their digital banking customers, and use such insights to drive business applications and tangible benefits.**

### Project Scope

- Analysis of input data ranging from demographic data to historical sales performance to digital behavioral data
- Development of customer propensity models using machine learning techniques, and providing guidance to the client team to 'shadow build' similar models
- Development of a 'value model' for digital customers, incorporating their modelled product propensities and product economics, in order to provide a forecast of the potential value tier of each customer
- Development of multiple scenarios for application of the propensity and value models, e.g. optimising customer targeting and pricing, and cross-sell
- Schematic design of a digital analytics 'dashboard', as the basis for guiding future platform development

### Deliverables

- Propensity models of digital customers across key retail banking products, e.g. unsecured personal loans, credit card, funds
- Customer potential value model incorporating modelled propensities and product economics
- Schematic of use-case scenarios leveraging analytical models and insights, to guide future digital analytics platform development

### Facts

**Company:** A leading Asian bank

**Partner in charge:** Justin Tan

**Sub-Sector:** Retail Banking

**Expertise:** Analytics / Digital



**Justin Tan**  
Managing Partner

“We help clients scale up their analytics capability, drive fundamental change in their ‘analytics culture’, and accrue tangible benefits from investment in analytics.”

## Focus On

# Wealth Management / Private Banking Strategy

**A leading Asian bank would like to take advantage of the recent regulatory push towards development of Private Banking in the onshore domestic market, by applying for regulatory approval to conduct HNW wealth management business and develop a new organization and capabilities to enable this ‘new’ business.**

### Project Scope

- **Phase 1:** development of overall Private Banking strategy, covering key topics such as target client segment, strategic value proposition, product and service offerings, organisational structure, talent model, and risk control and compliance
- **Phase 2:** assistance in development of application to the regulator, focusing on articulating the key business and control aspects of the proposed Private Banking business, and commence setting up of Program Office with multiple implementation workstreams
- **Phase 3:** overall steering of the Program Office, providing guidance and ‘deep dive’ trouble-shooting as required across multiple workstreams, and assistance in the delineation of required policies (e.g. client onboarding, suitability assessment, monitoring and control), conducting targeted training, etc.

### Deliverables

- Delineation of overall Private Banking strategy and supporting case studies, analyses, arguments, etc., as well as development roadmap (e.g. product staging, resourcing plan) and multi-year business case
- Key inputs to guide detailing of regulatory application, and provision of key support as needed towards achieving eventual approval
- Set up of Program Office charter, project management tools, proposed timelines and guidelines for multiple workstreams
- ‘Strawman’ / key guidance for core policies to enable subsequent operationalisation of the Private Banking business, and targeted training workshops

## Facts

**Company:** A leading Asian bank

**Partner in charge:** Sean Choo

**Sub-Sector:** Wealth Management / Private Banking

**Expertise:** Strategy



**Sean Choo**  
Managing Partner

“We help wealth managers enhance their business and help banks expand into the wealth management arena.”

## Focus On

# Profit Enhancement

**A leading Australian bank wanted to identify ways to improve the profitability of their credit card business which had been impacted by regulatory pressure on revenues and intense external scrutiny.**

### Project Scope

- An expert-led review of product revenue and cost drivers with the objective of increasing profitability without negatively impacting customer experience or market competitiveness
- Deep dive into fee collection performance, flagging areas of under-collection and identifying corrective actions required.
- A forensic analysis of key supplier contracts, invoices and billing arrangements identifying actions to reduce cost on an ongoing basis.
- A highly granular review of transaction-level and account-level profitability, identifying key segments requiring differential treatment.
- Review of product set-up and configuration in the context of international best practice, identifying areas where further optimisation could be beneficial.

### Deliverables

- Over 20 individual recommendations were made to remedy leakages, improve efficiency and better align revenue and cost drivers including:
  - Re-classification of transactions to fully align with terms and conditions
  - Adjustment to reward program delivery to better align with commercial drivers
  - Re-negotiation of key supplier agreements
  - Tighter application of existing processes
- The project is forecast to increase profit per active credit card by approximately 7 USD per annum with no adverse impact on customer experience or market competitiveness.

## Facts

**Company:** A leading Australian bank

**Partner in charge:** Jonathan Causier

**Sub-Sector:** Credit cards

**Expertise:** Profit Enhancement



**Jonathan Causier**  
Executive Director

“Our projects deliver in-year benefits at an exceptional ROI.”

## Focus On

# Risk Management

**A leading Asian bank looks to take advantage of Basel IRB approach to develop in-house Loss-Given-Default (LGD) and Exposure-at-Default (EaD) models for their Corporate and Retail loan portfolios, aiming to generate substantial capital savings in accordance with regulatory guidelines.**

### Project Scope

- Guidance on historical data collection, analysis of collated data, and trouble-shooting and solutioning for data gaps
- Development of LGD and EaD models for Corporate lending portfolio
- Development of LGD model for Retail lending portfolio
- Provision of advice and recommendations for the estimation and modelling of key technical parameters such as definition of default, restructuring pathways, discount rate, etc.
- Validation of developed models
- Recommendations on possible business applications of developed models

### Deliverables

- LGD and EAD models for Corporate lending portfolio
- LGD models for Retail lending portfolio
- Parameterization of key risk metrics
- Validation of above-built models
- Recommendations on business applications
- Methodology documentation and knowledge transfer / technical training

### Facts

**Company:** A leading Asian bank

**Partner in charge:** Joseph Huang

**Sub-Sector:** Banking

**Expertise:** Risk Management



**Joseph Huang**  
Managing Director, Taiwan

“We help clients effectively navigate the complex regulatory and capital requirements of banking.”

# Focus On

## Regulation and Compliance

### A leading Chinese bank aims to apply for regulatory approval to establish its Private Banking business in Hong Kong as part of its strategy to build its Private Banking business in the APAC region.

#### Project Scope

- Workstream A: advisory and compilation support on the application documents required to obtain approval from regulators (HKMA / SFC) with respect to the establishment of the bank's Private Banking business in Hong Kong
- Workstream B: advisory and support on the establishment of key policies and procedures for the contemplated private banking business
- Workstream C: post-implementation regulatory review of the Private Banking business in Hong Kong covering the key areas of concerns by regulators including governance and internal control, risk management, anti-money laundering ("AML"), and investment / insurance product suitability

#### Deliverables

- Workstream A: the application documents for obtaining regulators' approval on the Private Banking business which includes the business plan, the organisation structure and key personnel, descriptions of the key business processes, and the risk assessment and risk monitoring of the contemplated Private Banking business in Hong Kong
- Workstream B: the key policies and procedures for the Private Banking business in Hong Kong including the governance and internal control framework, policies for suitability of selling of investment and insurance products, risk management framework, AML policies, policies for identifying and mitigating conflicts of interest
- Workstream C: an assessment report on the Private Banking business' compliance with the relevant regulations in Hong Kong

#### Facts

**Company:** A leading Chinese bank

**Partner in Charge:** Ernest Yiu

**Sub-sector:** Private Banking

**Expertise:** Regulatory Compliance



**Ernest Yiu**  
Managing Director, Hong Kong

“We help clients overcome the challenges of obtaining regulatory approval by enhancing their understanding of the different regulatory requirements and regulators' expectations across different jurisdictions.”

# Our people

## Blending global and local expertise

### Practitioners and advisors

Our experts blend experience gained in both a practitioner and advisory capacity, many having held senior positions in leading international banks and also having spent many years advising clients across multiple different environments. This blend of experience means that our advisory work is always delivered with a focus on practical execution in 'real-life' environments.

### Deep specialist expertise

Within our team we have some of the leading global experts in their fields, able to offer deep specialist expertise gained over many years. We are especially strong in areas such as data analytics, risk management, product profitability and strategic consulting in specific domains such as private banking and wealth management.

### Blending global and local expertise

When delivering projects for our clients we make sure you have direct access to our global experts. We also provide in-market consultants who understand the local context in which your business operates and are close at hand to work with you on a day-to-day basis.

“We invest in our people, in our firm’s transformation and in the growth of our clients. We celebrate the diversity of our international team and we encourage an entrepreneurial mindset.”



**Justin Tan**  
Managing Partner



**Sean Choo**  
Managing Partner



**Jonathan Causier**  
Executive Director



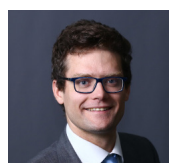
**Roger Loh**  
Director



**Marc-Olivier Francq**  
Director



**Ernest Yiu**  
Managing Director, Hong Kong



**Pierre Latrobe**  
Executive Director, Hong Kong



**Joseph Huang**  
Managing Director, Taiwan



**David Chung**  
Director, Taiwan

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws

**[www.mazars.sg](http://www.mazars.sg)**