

Achieving excellence through the customer experience*

Banking Review: A Canadian perspective



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Harnessing the profit-building power of customer segmentation

Financial institutions' customer acquisition strategies are taking a one-two punch as the economic turmoil shrinks both their customer base and marketing budgets. The troubled economy plays no favorites as it spreads job losses, delinquencies, and foreclosures across a formerly robust customer landscape. This changing economic outlook is testing the mettle of many banking industry professionals as they seek to attract and retain profitable customers and disengage with those that do not offer value under their operating model.

Financial institutions are all pursuing those customers who offer the greatest long-term profitability and working to build mutually valuable relationships with these select clients. In fact, today's technology and information-sharing culture makes this once impractical scenario a reality that companies can achieve through the execution of a customer segmentation strategy.

By building long-term relationships with the most valuable customer segments, companies can win over a loyal—and profitable—customer base. Considering that the top reason customers leave one financial institution

for another is because they are enticed by better offers,¹ segmentation not only makes business sense, it can create a competitive advantage. With the pressure to attract and retain customers who offer the greatest value more intense than ever, segmentation is the right strategy for today's marketplace.

The goal of segmentation is to target profitable customers with product and service offerings tailored to their specific needs. Yet it's not only today's profitable customers that organizations should pursue, it's also those who represent the potential to add value in the future, such as younger borrowers who are in the process of building wealth.

Although customer segmentation is not a new concept to financial services companies, it has proven difficult for the industry to translate the theory into an actionable strategy. Some of the challenges include the existence of line of business operating silos, fueled by legacy systems that do not communicate with each other; and marketing departments that develop a segmentation strategy in isolation, without involving stakeholders to understand the needs of the customers or the business.

At a time when the competition for customers is very high, investing in keeping your existing customers, especially those who are, or likely to be most profitable, is an attractive and prudent investment endeavor with potential benefits including:

- Increased profitability;
- Higher return on marketing investments;
- Higher customer retention rates;
- Increased customer wallet share; and
- More predictability of the portfolio and earnings.

Knock down silos to better understand your customer

Many organizations, whether through mergers, consolidations, or simply everyday business operations, service their customers in separate business units, and on different systems. These operational silos prevent companies from understanding which products and services their customers have purchased across the enterprise. Because obtaining a holistic view of the customer is a critical early step in creating customer segments, these barriers must be deconstructed.

¹ PricewaterhouseCoopers, Winning the battle for growth: Building the customer-centric financial institution, 2006.

Most organizations develop a long-term segmentation strategy that they implement over a period of time.

Fortunately, obtaining a top-down customer view does not require a system overhaul. It has been achieved in leading organizations with a universal client identifier—a unique customer identification number assigned to every account that a customer has across the organization.

Gather the right data

At the heart of any successful segmentation strategy is the ability to identify and assemble the right data points—those that provide insight into customers' needs. Yet, we have found that the main criteria often used in segmentation—customers' current and potential assets²—have changed little over the years and, in fact, reveal few insights that companies can use to deliver targeted products and services.

Instead, information such as marital status, birth date, address, geography, number and ages of dependents, credit score, and loan-to-value ratio may be more reliable indicators of customers' needs. The key is to identify the most useful data points, develop processes to confirm their accuracy, and move them into a centralized system where management can leverage them to their full marketing potential.

As with any strategic undertaking, implementing a successful customer segmentation program requires careful planning and strategic decision making. The following steps will help create a segmentation strategy that addresses and overcomes the complexities and roadblocks that exist to achieve profitable returns.

Creating segments – How data tells a story

With demographic data in hand, the work of segment creation begins by grouping together customers with similar characteristics. Because the core driver behind segmentation is the assumption that customers with similar attributes will have comparable purchasing behavior, the creation of segments enables companies to move away from mass-marketing efforts and instead offer targeted products and services to customers in the same segment.

Consider your segments' value

Indeed, when it comes to profitability, not all segments are created equal. To determine the profit potential of each segment, companies must consider the segment's lifetime value, defined as the profit they expect to generate over the entire life of the customer relationship.

When calculating lifetime value, consider the value of not only the expected immediate gain that current loan products will generate, but also the potential value of future business opportunities that could arise from the existing relationship.

Understanding and forecasting each segment's lifetime value enables companies to pinpoint those segments that offer the greatest profit potential and then make strategic decisions about product, service, and retention strategies to best serve the customers within those segments. It also enables management to redirect retention efforts and other expenditures away from the least profitable segments and focus these resources elsewhere.

Offer products and services based on customers' financial life cycles

With its customer base sliced and analyzed, management now knows which client segments offer the most potential value. But to tap into that value, companies must understand what their customers want and when they want it. It's at this stage that the concept of financial life cycles becomes critical to the segmentation process.

² PricewaterhouseCoopers' 2009 Global Wealth Survey identified the critical need for effective segmentation in the current market. Given the degree of skepticism about the quality of relationship manager's advice, 53% of the private clients surveyed said that their primary source of financial advice was now their own independent research and knowledge. Faced with such difficult client perceptions, wealth managers need to significantly raise their standards. They must focus on placing clients at the very heart of their business models. Disciplined segmentation of the client base, accompanied by tiered service offerings, is an ideal way to do so.

As customers move through the various stages of their lives (Figure 1), their financial needs change based not only on their own circumstances, but also on those of the entire household. For example, young, single adults are likely to need new checking accounts, credit cards, and auto loans. When these singles marry, they are more likely to need a mortgage and might also be in the market for a savings vehicle such as a money market account.

What this means for your business

As the distressed economy looms large, banks are battling for wallet share from a dwindling customer base. The race is on to identify, attract, and retain those current and prospective customers who offer the greatest promise of long-term profitability.

Most organizations develop a long-term segmentation strategy that they implement over a period of time. When planning a segmentation strategy, keep in mind the following guidelines:

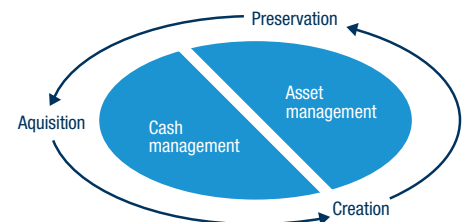
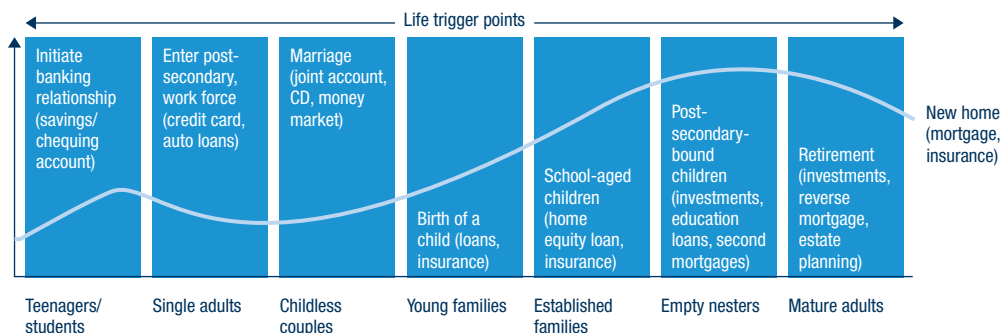
- Consider the initial set of customer segment insights as the beginning of an ongoing effort to further build out segment knowledge.
- Allow each segment’s long-term value to drive organizational priorities.
- Explore incremental growth opportunities by identifying and targeting emerging segments that are currently not represented in the portfolio.
- Set detailed financial development objectives for each priority customer segment. For example, affluent segments should have specific targets for credit growth and profitability.
- Develop strategies to achieve these financial development objectives that include service differentiation, pricing strategies, and communication approaches.
- Understand customers’ life cycles and stay updated on each segment’s change in life stage and buying habits.

Segmentation is a winning approach with the potential to help companies maximize profits and create a competitive advantage. And in today’s turbulent and competitive marketplace, it’s no longer a nice-to-have, it’s a way forward.

PricewaterhouseCoopers’ has extensive experience helping financial services companies develop and implement customer segmentation solutions that are tailored to their business needs. To learn more about how segmentation can help you achieve your strategic targets, please contact:

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Figure 1: Financial life cycles



Collateral damage

On July 1 2010, both Ontario and British Columbia will replace their outmoded PST with a tax imposed on an almost identical base to the federal GST (Ontario at 8%, B.C at 7%). The tax is imposed in a chapter of the federal Excise Tax Act, and will be collected and administered by the Canada Revenue Agency. This bold move improves the competitive edge of these two provinces, and is long overdue. For suppliers of goods and services in every sector except one, overall compliance cost will be reduced, and PST savings will further reduce the cost of doing business.

The financial sector is the unlucky one for which the change is not positive. This brief article explains why those supplying goods and services which are exempt from GST/HST will be damaged by the change as currently structured. It suggests ways to lessen the damage at the same time as improving the policy outcome.

GST/HST exemption – That's a good thing, right?

Financial services present a unique challenge to value-added taxes such as the GST. Unlike the production chain for goods, where each supplier in the chain reclaims tax borne on costs (e.g. lumber) and then charges GST on sales (e.g. furniture), remitting GST on the 'value-added', it is not possible to calculate the value-added component inherent in say, loan interest or an insurance premium. In the case of a loan, the value-added component of the financial service is not the interest rate charged to the borrower.

Rather, the value-added is a function of the spread between the interest rates paid and charged by the bank, plus many other variables that defy quantification.

The policy compromise adopted under virtually all value-added tax systems is to exempt financial services. In the case of an exempt supply, there is no visible tax on consideration paid by the consumer for the service or instrument, *but the supplier is not able to recover the GST borne on its costs*. Exemption of financial services is a way of taxing them, to the extent of the non-recoverable tax incurred by the supplier. The policy intention of such 'taxation by exemption' is that *the supplier will factor the GST cost it incurs into the price it charges the consumer for the service or instrument*.

What is the damage?

When the tax rate changes from 5% GST to 13% GST/HST in Ontario (and 12% in B.C.) on July 1, 2010, can a bank simply pass all that tax on to the consumer? No. Suppliers of GST/HST taxable goods and services will calculate the higher rate and charge the consumer, and also enjoy a cost saving of the vanished PST. In sharp contrast, suppliers of financial services are unable to revise many of their prices, being subject to fixed-price contracts, such as mortgages, running over a number of years. The increased tax is intended to be borne by the consumer, but when 'taxation by exemption', a dramatic (160%) tax rate increase, and fixed-price contracts all come into confluence, the supplier gets crunched. How crunched? Harmonization in these two provinces will cost the banks approaching \$400 million a year.

It gets worse, however; there are three more provinces still having the old PST format, and the expectation is they will now feel compelled to level the competitive playing field and harmonize. In addition, Quebec may also revise its harmonized model, with potentially more cost for banks. Make that \$400 million and rising.

Is there a fix?

Only when modernization of Canada's sales taxes into one tax, on a unified base at one rate is achieved will we maximize the economic benefit of introducing the GST. Given the inevitability of this development, detailed thought on the ways to improve the policy outcome for suppliers of financial services has been in progress for some years.

The good news is there are a range of simple and practical policy options available to improve the outcome. These options would not just move the outcome closer to the original design intent that the tax remains a tax on the consumer instead of an accidental levy on the supplier. They could also further improve the overall efficiency of the GST by removing hidden or cascading tax in the manufacturing chain further reducing the tax drag on exports. Options range from solutions unique to the structure of Canada's GST, to measures already in place in other VAT jurisdictions. One option involves minor adjustments to annual tax calculations already performed by financial institutions, to mitigate the impact or at least to phase it in over a timescale that recognizes pricing constraints. Another involves allowing the full GST/HST to be charged on interest

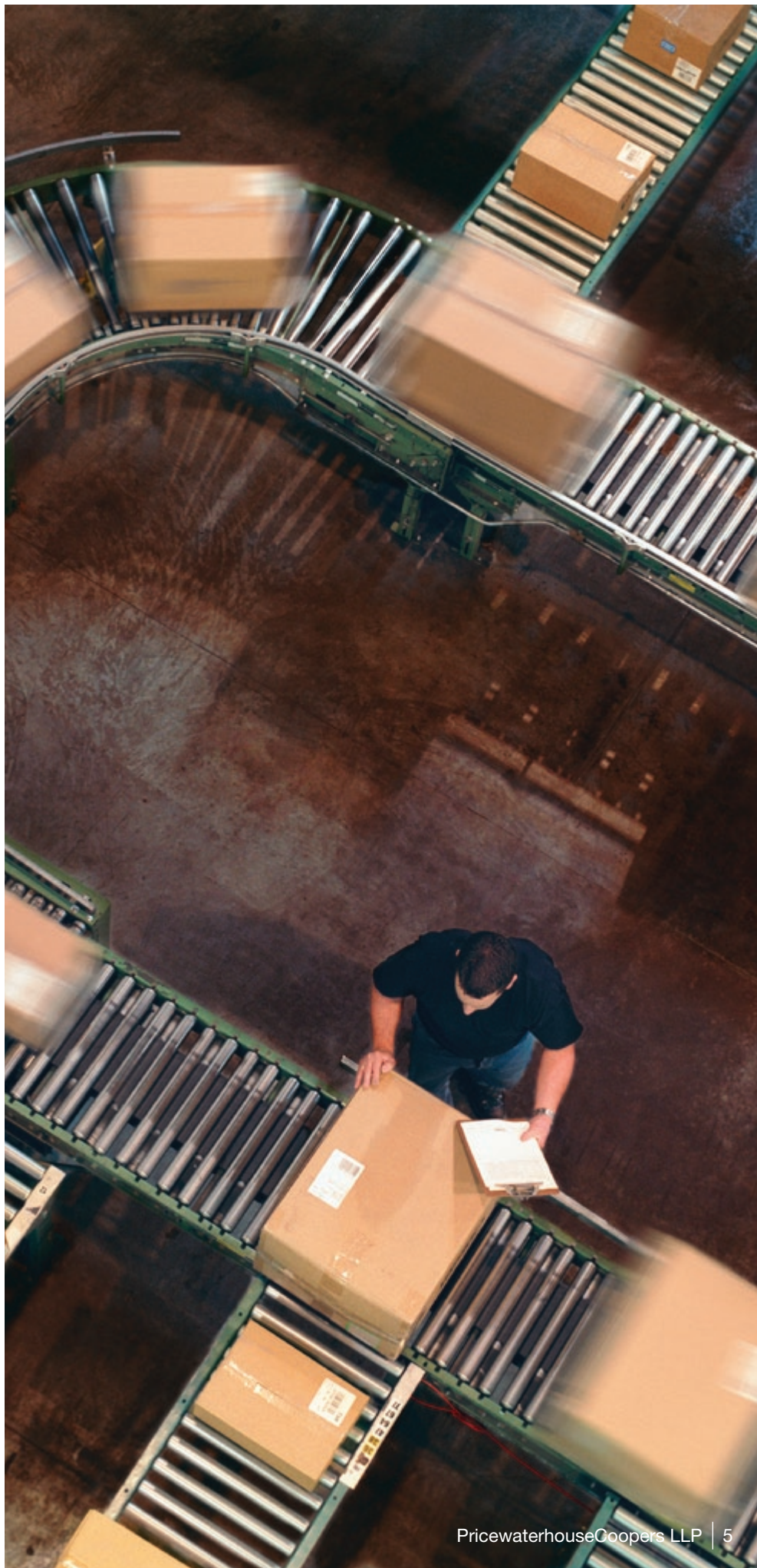
borne by manufacturers and retailers (who recover all their GST/HST) so that the GST currently 'baked into' the finance and insurance costs of exported goods is removed. Still another involves allowing a percentage of tax borne on costs of making an exempt supply to be recovered, in recognition of the increasing need for financial institutions to outsource and the barrier that unrecoverable GST can be to such business imperatives.

Now what?

The motivation for provincial harmonization was improvement of the competitive position overall, and the manufacturing sector in particular. Financial services are acknowledged as a vital component of the growth potential of Canada. Consequently, practical options to improve the negative outcomes for this sector, while enhancing the effect of the HST as a whole, should be embraced and implemented.

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Driving efficiencies and value from internal audit



In a climate of economic uncertainty and increasing cost pressures, internal audit budgets and plans are likely to face robust challenges in 2009. Effective planning of internal audit spend has become more important than ever. Internal audit functions should take the initiative to help their boards and audit committees understand how their investment in internal audit is utilized and how this compares with peers and high performing functions. The global survey *Driving efficiencies and value from internal audit* was designed to help that understanding, providing insights and data on internal audit spend within the banking and capital markets sector.

A rocky road for internal audit?

Internal audit has already undergone considerable change in the recent drive for improved quality. The Institute of Internal Auditors' requirement to carry out an independent review of internal audit has focused attention on effectiveness and driven efforts to make internal audit a strong and robust function.

However, for many Heads of Internal Audit (HIAs) this is their first experience of managing the function through a downturn. This management challenge is heightened by the particular circumstances in which they now find themselves. Some will have heightened attention by regulators whose motivations may differ.

In today's turbulent environment, senior management has enhanced expectations of, and reliance on, HIAs to provide greater assurance and comfort—but this also needs to be delivered with greater efficiency.

Organizations are under increasing cost pressures and looking to cut back overheads. The budgetary knife may well be poised over internal audit itself. But would a wiser move be to increase investment in internal audit in order to provide boards with much needed assurance in these difficult times? This is a question HIAs must help their boards and audit committees answer.

Key findings

Modest increases in internal audit spending are expected to continue, but this investment could be better leveraged to provide management with greater assurance in these challenging times. HIAs could achieve more value from their internal audit spend by improving process efficiency, strengthening risk-based approaches and adopting flexible resourcing models. The following page provides an overview of the key findings from our survey.

Challenge and opportunity

There are currently clear cost pressures for organizations within banking and capital markets, but this does not necessarily mean internal audit functions should be suffering budget cuts. In fact, investment now in internal audit could be particularly justified, as boards seek reassurance that the efficiencies they are driving are appropriate and not jeopardizing the organization's future. The downturn provides a real opportunity for HIAs to re-evaluate and re-focus the role of internal audit to ensure that it provides the increased assurance that boards and audit committees are looking for in these testing times.

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Key findings

Internal audit spending: an upward curve

Across the banking and capital markets sector, internal audit spend is expected to increase by 4%, which is consistent with the previous year. The proportion of total entity expenditure allocated to internal audit is what we would expect. However, this is low for some respondents when compared to investment in other bank functions.

Less productive functions are expecting budget cuts – suggesting a vicious circle of underinvestment.

- An average 0.44% of total firm expenditure was spent on internal audit
- In 2009 predicted budget increases are 4%
- 50% expect a budget increase and 21% expect a decrease

Focused where it counts?

Internal audit's work is becoming more risk-centric, enabling higher audit universe coverage.

Areas of expected increased focus include treasury/liquidity risk, business risk and credit risk.

HIAs need to increase engagement with senior management. In larger functions more time could be spent on providing management with valuable insight rather than on functional management, planning and the delivery of audits. This could be achieved by improving the efficiency of internal audit procedures, to free up time to build relationships with the business.

- 77% plan to increase focus on treasury/liquidity risk and 60% on business and credit risk
- 27% plan to decrease focus on branch inspections and 23% on Sarbanes-Oxley
- On average, large organizations spent 23% of their time on functional management and planning; 62% on audit execution and fieldwork; and only 15% on business communications and reporting

Flexible resourcing: agility is key

The majority of internal audit functions are struggling to meet headcount targets, which could impact the achievement of plans. Organizations of all sizes are increasingly using co-sourcing/outsourcing not only to fill headcount gaps, but also to upskill in-house teams and increase their ability to address areas of increasing focus for internal audit work.

HIAs are increasingly investing in training their staff. However, overall training levels are quite low. More senior staff receive higher levels of training.

- 62% of functions will not hit their target headcount
- External recruitment costs accounted for 17% of external spend
- 50% of respondents who co-source do so in seven or more key skill areas In 2008, organizations were spending 14% of total external spend on training, an increase of 3% on the previous year

Productivity: the biggest prize

Internal audit productivity levels are surprisingly low. Average audit days per auditor to deliver the audit plan are lower than we would expect.

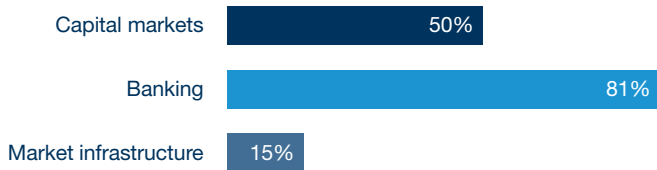
Risk-based approaches are enabling relatively high audit universe coverage.

Little use is made of automation. Even where tools are used, they have surprisingly little impact on productivity.

- In 2008 the average number of assurance days per auditor was expected to be 166. In 2007 this was 163
- Respondents cover 48% of their audit universe on average
- In 2008 planned number of days from fieldwork to report is 24, a fall from 2007 figures of 28
- Only 21% found audit systems to be fully effective

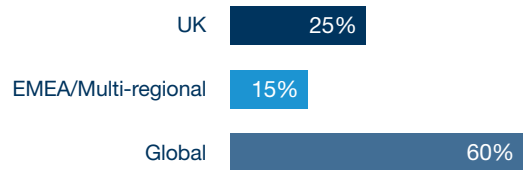
Survey sample

Sector



Sector survey sample (multiple answers allowed)

Region



Region survey sample



Enhancing performance through controls optimization

According to a recent PwC survey on internal control optimization¹:

72% don't know the cost of operating their controls
65% believe the number of key controls is excessive
55% use spreadsheets excessively

To put it simply, the current approach to controls is not sustainable

The expectations of key stakeholders have increased. Boards of directors, audit committees and regulators expect that banking institutions achieve best practices on governance and controls. They want banks to reduce volatility, predict issues and communicate these issues to them proactively. All while reducing costs.

The need to remain competitive through periods of increased regulation, significant structural change, and global economic contraction has placed additional stress on current governance and controls environments.

There is significant complexity in today's operating environment. Overlapping systems and processes and hence, overlapping controls leads to redundancy, inefficiencies and confusion. Multiple locations, changing regulatory requirements and the ever increasing complexity of products and markets do not make this any easier. *Banks are seeking to reduce this complexity by optimizing their controls structure.*

Banks have identified numerous challenges

No one is alone in dealing with these challenges. The following outlines what we've heard from the banking community:

- With an increased focus on risk management and compliance, front-line staff are spending an increasing amount of time in non-customer facing activities.
- A "one size fits all" approach to controls used across the organization may result in a misalignment between the cost of risk mitigation and the targeted risk profile.
- The broad array of control activities and processes adds to the complexity of implementing required risk mitigation activities. Sometimes more is not better.
- Misalignment of incentives and performance management with risk appetite among the senior leaders of an organization leads to confusion by those required to action risk management principles.
- Both the employee and the customer experience are affected by the increased demands and requirements of risk management.

Case Study One

Large Canadian commercial lender

A large Canadian bank was re-engineering its commercial credit processes to dramatically increase sales volumes by changing the role of the customer facing staff so that they could spend more time on sales and customer relationship management.

Key steps:

- Define risk tolerance
- Effective process design, with differentiated designs by segments and risk levels, both in clients and products; upfront data entry controls
- Clear, consistent authorities and lending limits by role
- Automated scoring and adjudication recommendations (within predefined limits and credit ratings)

Outcome: As a result of the clear definition of risks and the design of simple efficient processes to capture the data, productivity improved, sales increased, and the credit cycle time decreased. Customer facing staff increased their time to work with clients by 25%. An unanticipated benefit was the improvement in employee morale, who now felt more empowered and in control of a straightforward process. They weren't battling "the system" anymore.

Message: Achieved business objectives of growing sales; improved efficiency and improved controls.

¹ PricewaterhouseCoopers 2009 survey *Internal Controls Optimization Global Benchmark Analysis*

Case Study Two

Finance back office

At another Canadian bank, specifically in the finance function, both finance and the business were interested in changing the role of the Finance department to be a true strategic advisor.

Key steps:

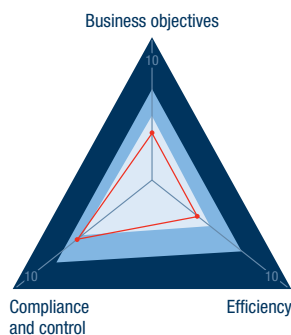
- New reporting and analysis tools to streamline analytics
- Standardized automated exception reporting to improve data quality
- Common financial language and single definition of common metrics
- Evaluating skills and redeploying resources

Outcome: By reducing the low value-add activities of downloading data to Microsoft Excel, reformatting to meet the business need, reconciling to the GL and the official book of record, the finance function was able to reduce effort and resources, while speeding up the time it took to generate accurate financial reports. This created an environment where Finance had the time to truly analyze the results to focus on business issues, and to play a major role in the strategic planning process. In short, they became a trusted business advisor.

Message: Define the analytical requirements, engineer effective control points and invest in getting them right, then let the new process generate benefits.

Approach to controls optimization

Financial institutions should look to establish the right balance between compliance, efficiency and business objectives:



There is no silver bullet. Every organization has its own unique business strategy and objectives, its own risk appetite, as well as different processes and technology.

An optimized internal control framework should reflect a company's objectives and risk appetite and establish effective and efficient internal controls at the right cost for the organization. This balance will be different for each organization, and while aligned, should vary even within an organization – a different balance for different lines of business.

Our approach to controls optimization is PwC's response to the needs of businesses to have the right controls at the right cost. The right controls are those that mitigate risk to the business in an efficient and cost effective way. In addition, the controls needs to

be supported by a consistent and embedded culture of controls awareness and sustainable monitoring.

Optimized controls can support better operational and back office functions, help to manage complexity and achieve more effective governance, regulation and compliance. Controls optimization is a process of continuous improvement. It is built around a proven risk-based approach to internal control.

Our experience shows that significant business benefits can be achieved by optimizing the system of controls – reducing costs intelligently, while improving controls

- **Reduce costs** by eliminating duplicate and ineffective controls. A large Canadian bank saved over \$2 million annually in printing and distribution costs of branch reports through a combination of elimination, automation, redesign and consolidation.
- **Free up front-line staff** by rationalizing and re-aligning control activities between front-line and back office support groups.
- **Reduce exposure** by clarifying and improving risk and controls awareness, communications processes, and roles and responsibilities.
- **Continuously improve** the effectiveness and reduce the costs of controls through on-going monitoring and process "health checks".
- **Leverage** technology enhancements to embed preventative controls and integrate reporting requirements.

Case Study Three

New controls framework

At a global insurance client, PwC was asked to provide a new integrated controls framework.

The client had three objectives:

- Be leading edge – to be the first large insurer with an integrated controls framework
- Develop a truly sustainable solution – to embed the supporting processes into “business as usual” – not the one-time documentation of a process
- Implement a scalable solution – one that could be easily tailored to their large and small operations globally

Challenge:

- As a large, successful global organization, there were many control and regulatory frameworks, each with many successful features, used around the world.

Outcome: Greater confidence in the business information provided around the world – easier to understand, reliable and consistent.

Message: A fully integrated governance and control framework can truly save money and time. Designing a new controls framework enables optimization and tradeoff analysis along each of the dimensions.

- **Reduce errors** that increase risk and negatively impact the customer experience through improved reporting and an automated control framework that provides management with the information required to identify potential risk areas, addresses risk behaviours and prevents errors from reoccurring.
- **Simplify** compliance by leveraging common policies, information, tools and processes to address multiple requirements.

First Step – The Diagnostic Workshop

PwC has used the Internal Control Diagnostic Workshop globally with 43 companies over the last two years. The workshop is ideally a discussion between PwC and representatives from the organization’s business, finance, risk and IT areas. It focuses on completing a self assessment and benchmarking survey with the following outputs:

- A **comparison** of the organization’s control attributes to leading practice, as defined by our global experience in internal controls and the organization’s priority to improve.
- A **heat map gap analysis** between the “as-is” and “desired-state” for the organization’s various controls attributes.
- The ability to **benchmark** the organization’s results at a later date with other anonymous responses from peers, both locally and globally.

Stakeholders have high expectations of financial institutions’ controls. As a result, the governance and controls infrastructure has become increasingly complex. Controls optimization provides a framework for how to find the right balance.

To discuss how a workshop could work for you, please contact:

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New developments



IFRS progress reporting

On May 28, 2009 OSFI issued a letter to all Federally Regulated Financial Institutions (FRFIs) regarding feedback on IFRS progress reporting. Within its letter, OSFI outlined guidance to FRFIs in preparing future IFRS progress reports. These guidelines are as follows:

Current vs. proposed standards

To ensure that FRFIs are ready for the 2011 IFRS conversion date, OSFI requests FRFIs to undertake an initial IFRS impact assessment using current standards. OSFI further recommends that FRFIs undertake impact assessments of any proposed standards that could have a material impact on the financial statements of the FRFI where the target implementation date falls before or on the 2011 IFRS conversion date.

Consideration of additional areas

15 additional standards were identified by FRFIs in their progress reports as having a potential impact on the financial statements. To ensure that important areas are assessed and appropriately addressed on a timely basis, OSFI recommends that FRFIs that have not already done so, consider whether these additional standards have a high impact on their financial statements.

Quantification

As quantitative impact estimates are needed for OSFI's policy development process, FRFIs are reminded to provide preliminary estimates of the range of quantitative impacts for key standards.

For more information on these guidelines and how they may impact you, please contact your local PwC representative or

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Recent PwC banking and capital markets publications

To view these publications, please visit our website at www.pwc.com and click on Publications.



The future of banking **Returning stability to the banks and the banking system**

This point-of-view presents a series of observational perspectives on the immediate ways banks can begin to build a sustainable and profitable future.



A new strategic position **Redefining internal audit in an economic downturn**

This report discusses how internal audit can refocus on strategic processes to add greater value and how an internal audit plan should reflect the current state of the economy and incorporate a cost containment view.



A new era: redefining ways to deliver trusted advice **Global Private Banking and Wealth Management Survey 2009**

With contributions from 238 wealth managers across 40 countries, the PricewaterhouseCoopers Global Private Banking and Wealth Management Survey 2009 reveals the key issues facing the wealth management industry.



Technology forecast **Spring 2009 edition**

This issue of the Technology Forecast examines the emerging technologies and methods being used to directly engage with the meaning and context of a business—its semantics.

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If there are names you would like us to add to our Banking and Capital Markets Group mailing list, or if you would like additional copies of this newsletter, please contact Laura Betts at 416 941 8383 ext. 14036 or laura.k.betts@ca.pwc.com.

The newsletter can also be viewed on our website at www.pwc.com/ca/banking.

Our services

Our team of professionals offer value-creating ideas, innovative application of leading-edge technology and deep industry experience to our clients, helping them focus on what they do best. The following provides an overview of our key services and value we bring to our clients:

Your business needs									
Solid financial management and controls		Effective strategy, operations and technology		Sound management of risks and regulations		Well executed transactions		Strong tax planning and compliance	
Our solutions	Assurance <ul style="list-style-type: none"> Annual audit 5970/SAS70 Outsourcing contract review 	Operations and Strategy <ul style="list-style-type: none"> Growth strategies Transformation of back and front office and support areas 	Risk management <ul style="list-style-type: none"> Financial, credit, trading and actuarial Model validation Enterprise risk management 	Acquisitions <ul style="list-style-type: none"> Capital sourcing Due diligence Valuations, fairness opinions, PPA 	Income and Capital <ul style="list-style-type: none"> Planning/recovery Compliance Structuring Risk management 				
	IFRS <ul style="list-style-type: none"> IFRS policy, diagnostics, conversion and embedding 	Customer <ul style="list-style-type: none"> Customer strategy and experience Customer information and profitability 	Regulatory <ul style="list-style-type: none"> Regulatory compliance and investigations 	Divestiture <ul style="list-style-type: none"> Lead advisor Vendor due diligence Valuations 	Indirect <ul style="list-style-type: none"> Planning/recovery Recovery methods Filings Audit support 				
	Accounting support <ul style="list-style-type: none"> Technical accounting Financial instruments Structuring advice 	Technology & data <ul style="list-style-type: none"> IT effectiveness IT architecture Information security Data integrity 	Forensics <ul style="list-style-type: none"> Forensic technology Forensic investigation Dispute analysis 	Merger Integration <ul style="list-style-type: none"> Planning and reporting ID and resolve risks ID, quantify, track value drivers 	Transfer Pricing <ul style="list-style-type: none"> Planning Compliance/documentation Transactions Audit defence 				
	Financial Management <ul style="list-style-type: none"> Strategic cost management Management information Finance transformation 	Business resilience <ul style="list-style-type: none"> Physical security Business continuity Disaster recovery Crisis management 	Internal Audit <ul style="list-style-type: none"> Quality assurance Co-sourcing and outsourcing 	Distressed strategy <ul style="list-style-type: none"> WC strategies Distressed M&A Restructuring, CCAA 	International <ul style="list-style-type: none"> Expatriate planning/compliance Policy analysis Reorganization Financing 				
	Controls <ul style="list-style-type: none"> Process and controls assessments SOX compliance IT controls 	Outsourcing <ul style="list-style-type: none"> Shared services Business process outsourcing advisory IT outsourcing advisory Service level agreements 	Sustainability <ul style="list-style-type: none"> Social responsibility Climate change Assurance 	Litigation and Disputes <ul style="list-style-type: none"> Loss quantification Litigation support Expert witness Mediation/arbitration 	SR&D <ul style="list-style-type: none"> Project identification Data collection Confirmation and filing/audit support 				



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