

About PwC

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See pwc.com for more information.

In India, PwC (www.pwc.com/India) offers a comprehensive portfolio of Advisory and Tax & Regulatory services; each, in turn, presents a basket of finely defined deliverables. Network firms of PwC in India also provide services in Assurance as per the relevant rules and regulations in India.

Complementing our depth of industry expertise and breadth of skills is our sound knowledge of the local business environment in India. We are committed to working with our clients in India and beyond to deliver the solutions that help them take on the challenges of the ever-changing business environment.

PwC has offices in Ahmedabad, Bangalore, Bhubaneswar, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune.

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Financial Services

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Our Global Thought Leadership

Capital Management in Banking

The future of banking is becoming clearer. It is a future of more capital, more liquidity, and less risk. And, inevitably, it is a future with lower returns on capital, higher costs of doing business, and slower growth with ultimate effects to be felt by shareholders and end consumers. Greater scrutiny by investors, regulators, and other stakeholders regarding balance sheet usage is also expected.



Banking Banana Skins 2010

Banking Banana Skins provides insights into how bankers and close observers of the banking market perceive the risks facing the industry. This is the 13th survey that we have produced with the Centre for the Study of Financial Innovation (CSFI) identifying high level issues where the industry may be vulnerable.



Emerging trends in Real Estate 2011

The report provides an outlook on European real estate investment and development trends, real estate finance and capital markets, property sectors, metropolitan areas, and other real estate issues. The report represents a consensus outlook for the future and reflects the views of more than 600 individuals who completed surveys and/or were interviewed as part of the research process for this report. balance sheet usage is also expected.



The New Basel III Framework: Navigating Changes in Bank Capital Management

October 2010



New basel III framework

Navigating changes in Bank capital management

The new requirements are a big step forward in the development of the post-crisis regime for banks and, through that, a step towards reducing the risk of a second severe market crisis. Many commentators suggest that the job has now been done and that the banks and regulators can turn their attention elsewhere. This report examines why in our view this is far from the case.



Private Banking Operations

Winning back trust through transformational change

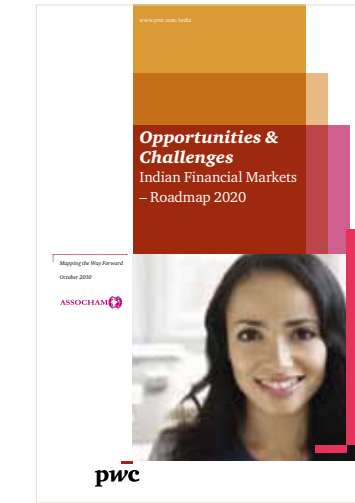
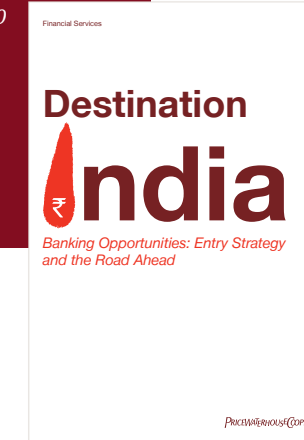
Regaining the trust of private banking clients that was lost during the financial crisis would hardly seem to be the responsibility of the Chief Operating Officer (COO). And yet, on closer consideration, it becomes clear that operations have an essential role to play. This report looks at how private banks still have a long way to go before they can once again claim to possess their clients' trust.

Our India Thought Leadership

Destination India

Banking Opportunities and the Road ahead, 2010

This publication aims to establish that India is an attractive destination for conducting business, with a strong focus on the Banking Sector. The report gives an overview of the Indian economy, showcasing the growth trajectory of India, thereby ascertaining India as an attractive destination.

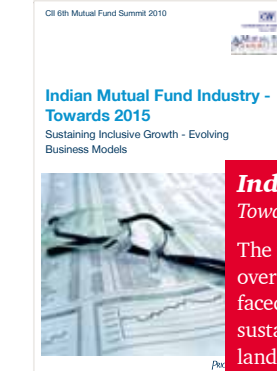
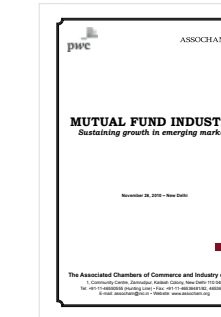


Indian Financial Roadmap 2020

The report elucidates opportunities and challenges in the backdrop of developments in the Indian banking and the capital markets sectors and attempts to look at the way forward for the industry.

Sustaining Growth in Emerging Markets 2010

The report encapsulates the growth phase of the Mutual fund industry, laying strong emphasis on the need for investor education and investor protection. It also captures the nuances of malpractice in trading and discusses ways in which this can be curtailed with investor confidence being boosted in the process. The section on regulations traces the changing regulatory landscape of the Mutual Fund industry, elaborating on the key regulations which facilitate investor protection.



Indian Mutual Fund Industry Towards 2015, 2010

The report traces the growth of the mutual fund industry over the past few years, and analyses the key challenges faced by the industry. It emphasises the need to adopt a sustainable distribution model amid the changing regulatory landscape. It charts out a roadmap for mutual fund companies to take the industry to the next level of growth.

Mobile Financial Services, 2010

The memo covers the state of the current rural population in India and the landscape of the Indian mobile market. Mobile technology is recognised as a catalyst for financial inclusion providing the dual opportunity of filling financial gaps and improving the economic lives of customers. The drivers, regulatory aspects and value creation by mobile finance are broadly discussed in the memo. Lastly, there is a section on the factors which will impact the growth of mobile finance and the ways in which mobile finance will impact businesses.

Mobile Broadband- Outlook 2015



Creating Competitive SMEs

Creating competitive SMEs

Appropriate technology investments and adequate financing options are the twin engines which will fuel the growth of SMEs. To this end, the Confederation of Indian Industry (CII) and PricewaterhouseCoopers (PwC) have co-authored this report to understand ways of creating competitive Indian SMEs.



Business Intelligence



How do you identify key business indicators and trigger points for decision making?

The identification of key business indicators begins with an understanding of business drivers and mapping value chain processes. At PwC, we map value chain process, evolve objectives, understand critical success factors and derive Key Performance Indicators (KPIs) required to monitor Critical Success Factors (CSF).

Some business imperatives driving the need for Business Intelligence (BI) solutions are:

- Revenue and growth – Using analytical platforms to support customers and channels to fuel sales
- Cost optimisation – Narrowing down on heads/dimensions where maximum money is spent without appropriate returns
- Regulatory compliance – IFRS, AML, Basel II, Solvency II




Typical CXO Challenges

- Getting a single version of truth across financial, customer and other business data
- Having a robust performance management framework that can bridge strategic imperatives to operational KPI's
- Reducing cycle time and effort behind Management Information System (MIS) creation
- Lack of powerful tools in business user's hands to perform 'what if' analysis
- Support revenue and growth initiative using analytical models such as customer scoring, profitability, churn models, propensity models, market basket analysis, etc

How we can help

- Corporate performance management
- Information architecture
- BI tool evaluation
- Balanced scorecards
- Data quality and data mining
- Data governance
- Business intelligence solutions
- Data mart and reporting solutions
- Budgeting, planning and forecasting
- Financial consolidation
- Analytics – profitability modeling, customer scoring etc
- Regulatory – IFRS, Basel II
- XBRL



At PwC's BI practice, we bring together over 250 experts who have delivered over 125 projects over the past three years. We can work with you beginning from strategy to creating a BI value proposition for implementation and sustenance through managed services. We have industry specific BI models and process maps that act as accelerators and bring best practices into every project we execute.

Select List of our Experiences

Situation

The client is a leading stock exchange in India. It used to take over three months for its budgeting cycle and required a large number of people and much time to do mid-year re-forecasts.

Value Delivered

- Established best practice and optimal finance function process
- Implemented a CPM solution on Hyperion platform that has brought down budgeting cycle to days

The client is a leading public sector bank in India and wanted to establish a business intelligence setup to support risk analytics, branch level MIS and analytical support for revenue and growth initiatives.

- Developed a BI strategy by performing business user interviews, source system study and gap analysis.
- Developed tool and vendor selection criteria

The client is a leading private life insurance company in India. It had an Information Architecture (IA) that did not deliver as per required performance criteria and was unable to support growing needs for the business.

- New data loading processes implemented by PwC brought down ETL load window from 48 hours to five hours.
- Hundreds of users across multiple levels in the organisation, including front-line sales staff, have access to reports using BO. There is consistency in information across user groups
- Data hub implementation supports

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Business Recovery Services



Are delinquencies eroding the value of your loan book?

When a loan asset is under stress, lenders face a number of challenges including decisions on continued exposure, need for increased monitoring, determining business cash needs and/or the need for operational, business or financial restructuring. PwC has an extensive experience of working with lenders in carrying out diagnostic reviews aimed at identifying the cause of stress and assisting them in determining the optimum resolution route. We also support lenders in the implementation of devised solutions and focus the borrower organisation's resources towards delivery. Our in-depth experience across sectors enables us to structure situation specific solutions.





Typical CXO Challenges

- Assessing quality of management
- Assessing viability of business model for changing market dynamics
- Establishing cash needs for the business
- Need to strengthen internal controls to effect close monitoring
- Preventing fund siphonage or ensuring end use of funds
- Developing and implementing restructuring proposals

How we can help

- Independent business plan review
- Business and financial restructuring
- Post disbursement/ post restructuring performance monitoring
- Enterprise valuation
- NPL portfolio review and management
- Performance improvement
- Balance sheet and controls review

We provide tailored financial advisory services to lenders where their loans assets are underperforming and are in distress or crisis. PwC assists the lenders over the resolution continuum starting from the identification of stress causing factors to developing, implementing and monitoring implementation of remedial measures.

Select List of our Experiences

Situation

Value Delivered

Assisted in restructuring operations for a large underperforming pharmaceutical company engaged in the animal health business.

PwC identified possible restructuring options and assisted in their implementation, including formation of JV's with market leaders to enhance revenue base.

Assisted a leading Asset Reconstruction Company (ARC) in the assessing of options for resolution of one of its stressed asset that had a presence in various agricultural and industrial sectors. The company had a debt of Rs. 20,000 million.

PwC worked with the asset reconstruction company and the portfolio company to assess the viability of the business model, identified cash flow shortfall and devised a restructuring plan including demerger of certain business units and effected de-leveraging of the balance sheet.

Assisted a foreign bank in its decision to “continue or not continue” with its exposure to a stressed asset. The mandate included review of financial statements and internal controls.

PwC provided the foreign bank with recommendations for strengthening of corporate governance mechanisms, development of robust accounting and management information systems.

Assisted a consortium of lenders to monitor performance and utilisation of cash flows of a large steel company restructured under the corporate debt restructuring mechanism.

PwC set up the TRA mechanism for the company and plugged cash leakages. The performance monitoring reports enabled the lenders to take appropriate decisions regarding the account.

Partnered with a fund to review the operating cycle of an underperforming portfolio company including balance sheet and controls review.

PwC identified several improvement opportunities in the “procure to pay” cycle. This led to the setting up of a mechanism to monitor cash flows of the investee company.

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Customer Service



Quality of service is the only sustainable differentiator to attract and retain customers in the highly competitive banking industry

Lowering costs, innovative new products and delivery channels are some service differentiators that banks offer to customers. But these are short to medium term differentiations. The key to building long-term differentiation is developing sustainable service differentiation based on transaction efficiency and the overall customer experience offered by a bank. Every channel becomes a 'Moment of Truth' for a customer who makes his business decisions based on this experience. With banks aggressively opening pan-India branches, delivering consistent and outstanding service across delivery channels is a challenge to initiate and sustain.



Typical CXO Challenges

- How do I improve 'speed'/ transaction efficiency for processes and consequently reduce customers' 'wait time'?
- How do I provide a consistent 'delightful experience' to customers across thousands of my branches?
- How do I better the customer's experience at each 'moment of truth' viz., call centre, branch, ATM, etc.?
- How do I leverage 'service' as a key differentiator to increase retention of customers and number of products per customer?

How we can help

- Strategy formulation and execution
- Improving in operational efficiency
- Technology
- Business analytics
- Risk management
- Organisational development

We have the experience and expertise to help you transform your delivery channels to provide best in class service quality standards to your customers

Select List of our Experiences

| <i>Situation</i> | <i>Value Delivered</i> |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Enhancing customer experience at a branch</i> | <p><i>Business challenge:</i> A leading bank had grown aggressively by laying a network of branches across the country but increased transaction volumes put much pressure on branches leading to unmet customer expectations</p> <p><i>Value proposition:</i> Implementation of robust 'Six Sigma' processes at the branch led to improvement in key customer experience metrics, changes in branch design for higher employee efficiency and 'feel good' factor</p> <p><i>Benefits delivered:</i> Drastic reduction in waiting time for customers for key processes, significant drop in customer complaints, branch redesign to create feeling of exclusivity for HNIs and promote cross-selling</p> |
| <i>Process re-engineering for reduced wait-time for customers</i> | <p><i>Business challenge:</i> A leading Indian bank undertook international expansion and made delivery standards promises to its NRI customers. It was unsuccessful in fulfilling them leading to increased complaints and queries by dissatisfied and anguished customers</p> <p><i>Value proposition:</i> Reengineering of the entire set of processes based on Six Sigma principles and centralisation of "deferred transactions" leading to elimination of bottlenecks and inefficiencies in the processes</p> <p><i>Benefits delivered:</i> The complete overhaul of processes reduced waiting time for customers' comparable best-in-class levels</p> |
| <i>Re-designing of credit card business for higher customer satisfaction</i> | <p><i>Business challenge:</i> A leading bank was a late entrant into the credit card business but sought to become a leader in the industry. Being a sales-focused organisation, it achieved significant growth. However, its back-end processes could not keep pace, leading to delayed delivery of cards and customer services</p> <p><i>Value proposition:</i> Changing the client's perspective on the importance of customer service along with sales led to increased focus on reducing inefficiencies in processes that led to dissatisfied customers. Business-wide cost optimisation along with redesigning of the entire gamut of processes involved in the credit card business and preparation of a call center manual ensuring best-in-class performance standards.</p> <p><i>Benefits delivered:</i> Significant improvement in service delivery levels led to high growth in sales for the bank</p> |

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Direct Tax & Regulatory Services



Tax & Regulatory Compliance can make or break your strategy

We provide comprehensive yet practical advice on direct tax matters and help you implement it in a cost effective manner. The perils of ignoring tax and regulations cannot be understated. A poorly planned tax structure, on one hand, can affect your cash flow and returns, drain your profitability and even bring the taxman to your doorstep, leading to diversion of valuable resources towards litigation. On the other hand, a well planned tax structure can keep the tax and compliance cost at the minimum. Equally important is to structure your businesses in compliance with regulatory requirements, addressing regulatory ambiguities, maintaining relationships with regulators and dealing with upcoming regulations, investment rules, licensing requirements etc.

Typical CXO Challenges

- You are a bank, an insurance company, an asset management company, a hedge fund, a private equity fund, a real estate fund, a mutual fund, a Non Banking Finance Company looking to establish business presence in India
- You want exposure in real estate investments in India
- You need approvals from Reserve Bank of India, the Securities and Exchange Board of India, Foreign Investment Promotion Board, or any other regulator to set up a presence in India
- You want to invest in corporate debt or government treasury bonds
- You want exposure in Indian public securities through public market or overseas derivative instruments
- You want to decipher the complex web of Indian tax laws
- You are concerned about the taxability of various streams of income like dividends, interests, royalties and capital gains
- You are concerned about funding into/ exit from the Indian businesses in terms of licensing conditions, exchange control and corporate law requirements.
- You want to ensure tax compliance including return filings, withholding tax obligations, RBI reportings etc.
- You are an Indian group proposing to raise funds in international markets or acquire/ set up financial services business/ branches outside India



Being part of a close-knit financial service global network, we are able to draw the knowledge and experience from the network firms and apply it to the Indian scenario. The expansive network also enables us to provide customised cross border solution to client needs.

How we can help

- As a specialised industry group within Tax & Regulatory Services, we can help you develop tax efficient and regulatory compliant strategies and manage your tax exposures, assist you in managing your regulatory risks and advise on the use of investment vehicles, hedging tools and engineered synthetic products as well as keep you abreast of new developments in the Indian Regulatory environment and corporate tax arena that affect your business model.
- We know the regulatory framework of your industry and how it can impact your business. We keep ear to the ground and have the ability to pre-empt the future directions of these regulations and the issues arising thereof.

| | |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Entry Strategy from a Tax and Regulatory perspective | Tax planning strategies for profit and dividend repatriation |
| Evaluating an appropriate structure with tax and regulatory efficiency | Tax optimisation for specific financial transactions and financial products |
| Choice of appropriate form of entity for setting up presence in India | Permanent Establishment Review |
| Setting up subsidiaries, branches or liaison offices | Tax compliance, representation before tax authorities and assistance in litigation |
| Obtaining regulatory approvals for inbound and outbound investments and repatriation of funds | Withholding tax obligations on corporate payments |
| Optimum use of corporate tax incentives | Obtaining licenses, clearances and registrations from financial services regulators |
| Regulatory risk analysis/ healthchecks | Documentation Review |

We maintain strong but independent relationships at various levels of Government authorities. Due to regular interactions at professional level, we are regarded as people with high integrity and technical capability.

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Efficiency Improvement



Improving Cost-to-Income ratio by 5% can result in a quantum leap for your bank's profitability

The banking industry is witnessing a period of immense volatility with macro economic pressures and global recession. Rising cost of funds and new players have intensified competition and have created immense pressure on bank's incomes. In 2009, Cost-to-Income Ratio (CIR) of large PSU banks had a median value of 42%. For large private sector banks and mid-size PSUs, the same was 50% and 44.5% respectively as against the benchmark of 40% set by the IBA. Employee costs, at 58%, formed the highest component of operating expense for banks across channels.

As a CEO, it has become critical to optimise every cost contributing to operating expense to achieve improved CIR. Only those organisations that strive to generate maximum income with minimum resources will emerge successful.





Typical CXO Challenges

- How do I improve cost efficiency in a scenario of income pressures?
- How do I control my costs in an economy with increasing inflation leading to spiraling operating costs?
- How do I ensure that my employee productivity levels are comparable to the best in class?
- How can I leverage my employees more efficiently to generate more income?
- How do I eliminate redundant and non-value adding activities to achieve optimal business results?
- How do I ensure the sustenance of the cost reduction initiative?

We can help you reduce costs dramatically with our experience of such successful efforts in multiple banks

We have helped leading banks improve Cost-to-Income ratios by implementing cost reduction strategies for operating costs like employee cost, technology cost, rent cost, repair & maintenance cost, overhead cost, etc.

Select List of our Experiences

| Situation | Value Delivered | Value Proposition | Benefits Delivered |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee cost optimisation at branches | A leading bank had an ambitious plan to grow aggressively by introducing 8-to-8 branch banking. Staff costs contributed to almost 65% of its total costs | Conceptualisation and implementation of a robust Dynamic Resource Modeling concept and centralisation of deferred transactions | Converting branches to '8-to-8' banking channels while achieving enhanced productivity levels |
| Employee productivity enhancement | A leading private sector bank had an aggressive growth strategy but faced a proportional increase in employee costs as it grew. | Branch transaction analysis and customer segmentation analysis led to identification of opportunities for productivity enhancement. Migration of non-time critical processes and segmentation of customers increased focus on income generation | Significant increase in productivity levels of employees and implementation of a scalable manpower model in alignment with the bank's growth plan |
| Process reengineering | A leading bank desired to improve its processes by eliminating non value-adding activities to optimise cost and quality | Understanding value stream of the process and analysis of activities at the central unit led to the discovery of several improvement opportunities. LEAN principles were implemented on critical processes, eliminating redundant activities | Application of LEAN principles led to significant improvement in productivity and cost efficiency along with improvement in Turn-Around-Time and quality |
| Technology cost reduction | A leading bank wanted to contain its technology cost and create a lower and sustainable IT operating cost model | Detailed analysis of spends across the IT department was conducted. It led to the formulation and implementation of a cost optimisation strategy on all cost heads | Significant reduction in costs of for IT department while developing a framework to monitor technology costs |
| Effective pricing mechanism for technology cost allocation | A leading bank wanted to define a cost allocation/ transfer pricing framework to allocate technology costs to respective business units based on usage | Cost elements and apportionment criterion for each cost head were identified. Based on these criterion and spend characteristics of each head, pricing mechanism per unit was defined and implemented | A model of cost allocation was defined to achieve sustainable benefits while developing dashboards for regular monitoring of costs incurred by all business units |
| Infrastructure cost rationalization | A leading bank had an aggressive growth strategy that led to tremendous cost pressure on its infrastructure department (property sourcing & rent, repair and maintenance, printing and stationery) | Spend analysis across the department led to the discovery of areas with significant opportunity for cost reduction. Optimisation of processes including centralisation of key processes along with a non-linear manpower model was implemented in keeping with the functional requirements and growth plan for the bank | Significant cost reduction in department along with quantum leaps in the employees productivity level due to centralised operations & optimum system usage along with lower Turn-Around-Time for key processes |
| Overhead cost reduction | In a scenario of economic turmoil, a leading bank was keen on reducing its overhead expenditure in high ticket size functions such as travel | Detailed analysis of trends of overhead expenditure was conducted and strategic solutions to reduce costs were implemented | Implementation of the recommendations led to a significant cost saving for the bank |

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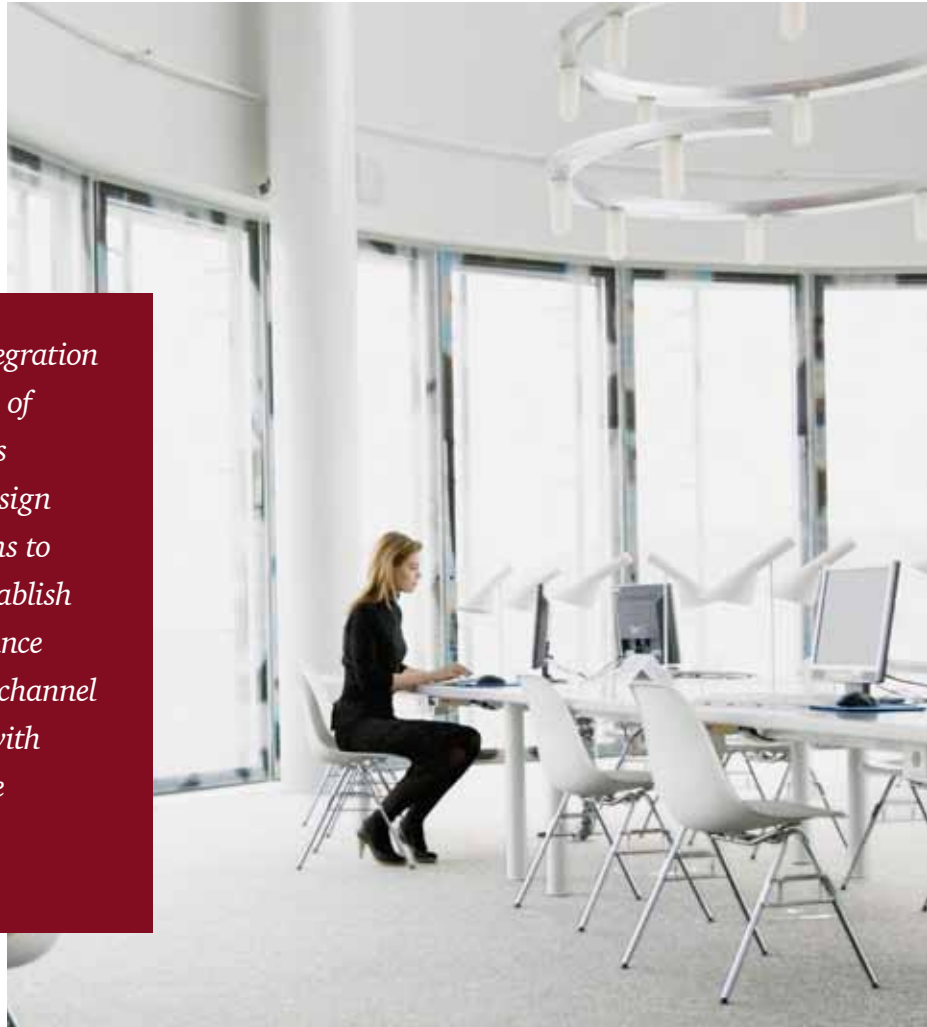
Enterprise Architecture & Implementation



Information Technology is a fundamental element of your strategies for growth, efficiency and cost management

We can support your initiatives through a wide variety of technology services and solutions ranging from Architecture Validation to integration and IT system quality assurance.

We, at PwC's Architecture and Integration (EA&I) practice, have a large pool of technical and functional specialists devoted exclusively to architect, design and implement innovative solutions to improve operational efficiency, establish security controls, improve compliance management, enrich customers' e-channel experience, improve interactions with distribution channels and enhance employee productivity.





Typical CXO Challenges

- Inconsistency in customer experience across online, mobile and physical channels
- Insufficient knowledge retention, harvesting and dissemination
- Inadequate quality assurance for IT systems and processes
- Cost intensive Risk and Compliance functions
- Increasing cost of operations and employee enablement due to a large, distributed work force
- Inefficiencies in operating processes due to disconnected/ disparate IT systems
- Legacy applications, information design and infrastructure not aligned with present and future needs
- Increasing security and privacy concerns
- Non-availability of single window for employees for corporate communication, collaboration and self service
- Inability of value chain partners to exchange information and participate in the business processes

How we can help

- Architecture review & validation
- Application Integration & SOA
- Intranet portals & Security
- Workflow & BPM systems
- Risk & Compliance technology
- Knowledge Management Solutions
- E-Learning solutions
- E-web mobile channel enablement
- Test strategy management & execution

Select List of our Experiences

Situation

The client was one of the largest Mutual Fund houses in India with more than 200 branches. The company was facing increased difficulty in getting a grip over its expense management processes, accounting processes, increased paper work, higher turnaround time, redundant manual intervention affecting its throughput, leading to a lower productivity and decreasing bottom-lines.

One of the largest banks in Central Europe wanted to reduce the cost of operation of its branch and back office business processes using a BPM system.

The biggest nationalised bank in India implemented a cash management operations nationwide through a third party product. To ensure adherence to functionalities and performance requirements, the bank wanted a third party validation and verification of the product before deployment.

A major international bank needed an e-learning solution 'AICC Complaint' on their internally developed tool to capture their risk, controls, test information and run reports.

Prior to deploying a new trading platform to support the increasing demands of the market participants and investors, a leading Stock Exchange in India wanted to ensure the adherence of the new application with expected Functional and Performance requirement.

A major international bank wanted an end-to-end functional verification of payroll application, infrastructure review and change management control review.

A major investment bank in Thailand wanted to implement an Identity Management (IDM) system to minimise the risk of exposure of user management, reduce the turn-around time in granting system access and improve efficiency of its IT operations.

Value Delivered

PwC evaluated the financial, accounting and expense management operations and analysed how a new workflow application would resolve the problem. PwC developed a company wide Enterprise Workflow solution to address the issues identified. We performed a thorough requirement analysis, designed, developed the workflow solution, integrated it with core accounting and budgeting systems, deployed the solution, conducted user training, rolled it out across all branches and are currently supporting the same in production.

PwC developed a comprehensive BPM strategy including the technical architecture, high-level design, BPM product evaluation criteria and the project plan and analysed the impact on Enterprise Architecture to guide the implementation.

PwC was responsible for certifying the product from a functional and performance standpoint. We created a framework for product testing, designed scenarios for testing and reviewed the performance.

As part of the process implementation, PwC understood the processes, setup workflow and created, modified and published the courses. This resulted in compliance with regulation, improved operations, lowered turn-around time, improved monitoring and reduced cost of maintenance.

PwC was responsible for identifying the critical user functionalities, defining the business scenarios, creating a robust testing framework, setting up the testing infrastructure and conducting an end-to-end Functional and Performance testing of all the modules of the new Trading Platform

PwC employed quality assurance processes/tools to review the payroll application, the architecture of existing configuration, the performance of application and overall security.

PwC analysed the roles and access policies, devised a governance strategy for a broad spectrum of applications/ services and implemented Single Sign On and IDM to automate on-boarding/ off-boarding process. This enhanced the end-user experience, streamlined on-boarding/ off-boarding process and also improved the turn-around time and compliance.

Contacts

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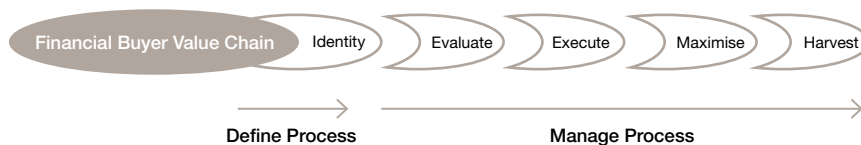
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Financial Advisory Services



Our services span the entire ‘deal continuum’

PwC has over 200 dedicated deal professionals spread across seven cities.



How we can help

We deliver expert valuation and rigorous financial, economic and strategic advice on your business, brand, products, services, customers and market needs.

Service

Value Delivered

Corporate Finance and Investment Banking

- Disposals, divestments and spin-offs- finding and approaching buyers, negotiating best value, ensuring business continuity; information memoranda and options appraisals
- Private equity- fund raising and investment options. The breadth and depth of our relationships allow us to spot opportunities for private equity investment.
- Finance raising and MBO- bank financing and securitisation, MBOs, MBIs, and IBOs

Valuations and Strategies

- Business and Asset Valuations
- Corporate Advisory Services - independent value related advice for companies considering transactions, market entry/exit, capital investment and financing decisions.
- Strategic Solutions - solutions for corporate with issues on business portfolios, investments, capital market situations and products/brands/ markets based on the application of financial economics and quantitative techniques.

Pre Investment Appraisal and Assistance/
Due Diligence

- Buy side diligence
- Sell side diligence
- Market diligence

Dispute Analysis and Investigation

- Financial disputes resolution - Quantification of claims, expert witnesses and arbitration in all types of disputes; financial, economic, and statistical services to companies and their attorneys involved in litigation, arbitration or mediation
- Misconduct investigations - Special investigations into frauds or allegations of financial wrong doing including embezzlement and asset misappropriation; specialist resources to investigate fraud or advice on ways to manage and mitigate fraud risk.
- Integrity reviews - confidential integrity reviews of current and potential business partners and associates, vendors and third parties.
- Training programmes - Designing and delivering trainings on fraud/ related topics
- Anti-fraud Compliance – Design, establish and conduct a periodic anti-fraud compliance program and review of controls to mitigate fraud and fraud risks.
- Forensic technology solutions – Data mining tools and data analytics to identify fraud red flags, preservation of data and evidence and forensic support using proprietary technological tools.

Sustainability and Climate Change Advisory Services

- Sustainability due diligence – Environment, health, safety and social due diligence, phase-I and phase-II environmental due diligence, Environment, Health and Safety (EHS) and social compliance audits
- Sustainability reporting and verification – Sustainable vision and strategy; sustainability policy and management system, corporate sustainability report review
- Green House Gas (GHG) inventory services –GHG inventory and audit, carbon foot printing; carbon strategy; Clean Development Mechanism (CDM) project development and transactions of Certified Emission Reductions (CER)
- Corporate advisory – Market survey for environment products and services, Life cycle assessment and eco-labeling.
- Training programs – Delivering trainings on climate change, implication, risk and opportunities of climate change, trainings on financial implication of carbon and climate risk and opportunities associated with business transactions.

Global Capital Markets

- Advisory assistance in the preparation of financial statements under international GAAPs
- Assistance in identification of GAAP differences in due-diligence during merger and acquisition
- Assistance with IPOs - expertise in regulatory requirements of all major exchanges
- Pre-flotation “housecleaning” of balance sheet and underlying track record
- Flexibility to respond to changes in deal structure and timing
- Supplies advisers who can deliver across borders and jurisdictions

Post Deal Support

Structuring/Restructuring Services

Helping Corporate List Overseas

Forensic



Investigate, Analyse, Resolve

Disputes and Frauds have always been and remain a fact of business life. The impetus and opportunities for fraud are unfortunately increasing in these times of great change while systems struggle to cope and keep up with the changes in the business itself.

Corporate crime poses a real and substantial threat to the stability of any business. Proper measures to prevent or react quickly to a malfeasance are critical.

Typical CXO Challenges

- Your organisation has suffered a fraud or suspects a fraud
- Your organization want to perform a forensic review of certain areas in the target entity as part of an acquisition
- Your organization want to perform an assessment of background or reputation of certain third parties, major customers, vendors, etc
- Your organisation is facing bribery and corruption claims
- Your organization suspects accounting manipulation or inappropriate, inadequate disclosure

- You want to make sure that your royalty income is correct and audit your licensing contracts
- You are involved in litigation or arbitration and require an expert witness
- You need to investigate and analyse a claim, including piracy claims
- You want to ensure that you are in compliance with relevant regulations including Anti Money Laundering, corruption and other product safety measures
- You are concerned about the effectiveness of your anti-fraud programme

PwC Forensic Services provides a national and global network of analysts, actuaries, accountants, fraud examiners, and others who are leaders in their respective fields, offering a wide variety of skills to address the issues affecting parties involved in disputes. Our aim is to work in partnership with clients to implement fraud control methodologies, assist when incidents occur and to help with strategies and practices to reduce the risk of falling victim to fraud.

We are able to work discreetly and use a range of different skills to assist our clients with their needs. This approach includes the use of experienced investigators, forensic accountants, computer forensic specialists and background researchers.

The team combines proven evidence gathering skills with control methodologies to produce effective results for our clients.

Through our team of trained specialists we are also able to offer forensic technology solutions as well as test and advice on a range of technical IT security issues.

How we can help

Dispute Analysis

- Arbitration and Mediation
- Acquisition & Shareholder Disputes
- Damage Calculations
- Licensing Management
- Insurance Claims Advisory
- Capital Project/Construction Claims

Investigations

- Accounting Irregularities and Fraud
- Misappropriation of assets
- Bribery & Corruption
- Anti-corruption Compliance
- FCPA Compliance Reviews
- Corporate Intelligence
- Computer forensics & Cyber crime
- Money laundering

Governance risk and Compliance

- Codes of Ethics and Corporate Conduct
- Anonymous Complaint Mechanisms (e.g. Hotlines, Whistleblower)
- Fraud Risk Assessment
- Evaluation of Internal Controls to Prevent & Detect fraud
- Anti fraud & anti corruption Training
- Integrated anti-fraud framework
- Forensic Technology Solutions

Forensic technology Solutions

PwC Forensic Services can assist in the investigation, analysis and resolution of business issues and disputes.

Select List of our Experiences

| <i>Situation</i> | <i>Value Delivered</i> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Client is a leading MNC Bank. The Client has asked us to conduct an Anti-Money Laundering risk review of its retail bank in India and its global off-shore operations housed in India, including compliance with the Bank's policy, domestic and international regulatory requirements. | <ul style="list-style-type: none">• The review involved visiting each department of the Bank (retail, commercial, financial markets and trade) understanding the AML governance structure, reviewing its processes, nature of banking products, types of customers, types of IT systems used and identifying areas with an exposure to AML risks and assessing whether the current controls address the AML risks sufficiently. |
| The client is a leading MNC Bank in India. The Client required to conduct verification of loan portfolio of the target NBFC company along with limited integrity review of the target NBFC key borrowers and its promoters. | <ul style="list-style-type: none">• Carried out an assessment of documentation for loans on sample basis of the total loan portfolio of the target NBFC company• Performed an assessment of the target NBFC's key borrowers and its promoters for the loan portfolio proposed to be acquired by the Client• Provided client comfort level for acquisition of loan portfolio from target NBFC company |
| The client is a large regional NBFC in India. Post acquisition of controlling stake at the company, the new management team observed irregularities in its financial accounts and subsidiary ledger. Following these concerns the investors retained us to carry out Investigation of the books of accounts of the NBFC spanning across the period of past 10 years. | <ul style="list-style-type: none">• Investigation procedures involved data analysis, retrieval of old records, interviews/ discussions with key management personnel, including former management• Forensic imaging and analysis of computer and network drives• Quantified the quantum of misstatement in the financial accounts and scheme of accounting entries recorded in books of accounts, to conceal fraudulent manipulation• Provided suggestions and guidance in redefining the access controls to financial & accounting systems/ records. |
| The client is a leading BPO working for a Financial Service Industry. The Client desired to conduct a review on the offshore environment and anti-financial crime environment in India. | <ul style="list-style-type: none">• As a part of the engagement, we examined specific control level issues• Procedures included interviews of center heads, key employees and ground level services associate staff |

Contacts

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IFRS



Moving towards IFRS: A straight forward process?

Banks that have implemented the International Financial Reporting Standards (IFRS) know that it places an enormous responsibility on the management to be able to communicate effectively to the market in the new business language. Adopting IFRS is not an accounting exercise for the finance function.

IFRS conversion is a new performance measurement system, a change in primary GAAP, which needs to be taken on board throughout the organisation. This means that all must learn a new language and a new way of working. For many banks, this will mean fundamental changes – changes that can ripple right across their business operations from investor relations to everyday procedures,

changes that can affect the viability of some products and even the reported profitability of their business itself. Implementation of IFRS in banks is challenging and can throw up complexities in various areas including loan provisioning, determination of fair values and hedge accounting. Understanding IFRS and its business implications is thus imperative for Indian banks to stay competitive. However, it might take a considerable amount of time to plan and make necessary changes and to integrate them fully across the bank while continuing to do business as effectively as usual.

PwC is proud to have a proven track record in helping banks successfully understand and work with IFRS. With our extensive worldwide experience in the Banking and Capital Markets industry, we propose practical solutions to address challenges that banks face with IFRS.



We have a team of professionals that includes individuals who have worked extensively on IFRS project implementations. Our Global Capital Markets Group (GCMG) team specialises in IFRS conversions. Thus we are able to bring with us a depth of experience that a part-time conversion consultant cannot. As a team, we are not only in a position to give you world-class advice on technical differences between the local GAAPs and IFRS, but we can also guide you through the best practices being applied by other corporations and how those interpretations may vary across the world.

Select List of our Experiences

| <i>Situation</i> | <i>Value Delivered</i> |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IFRS Diagnostic | This review provides you with a high level, timely and cost effective summary of key issues arising from adopting the IFRS and the likely impact on your business. |
| IFRS Impact Review | This detailed assessment will highlight the impact that adopting IFRS will have on your business and financial results, evaluate options that are open to you, identify significant issues to be addressed and outline resource requirements for you to successfully make the transition from Indian GAAP to IFRS. |
| Transition IFRS | This is our proven project management methodology for conversion to IFRS. Transition IFRS can be tailored to address different issues an entity may need to consider in making the change. This project management service addresses key issues involved in any IFRS conversion process including risk management, change control, stakeholder management, communications, training, converting management reporting systems and revision of annual reports and accounting manuals. |
| IFRS Accounting Advice | We also provide technical accounting advice relating to the practical application or interpretation of IFRS and how the international standards impact existing or proposed transactions. |
| IFRS Training | We provide IFRS training to audit board and committees, finance professionals, treasury groups, loans officers. Trainings are focused on industry and user-groups. |

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Indirect Taxes



Do you know the cost of your indirect taxes and their impact on your bottom line?

For financial service companies, indirect taxes are among the largest costs after staff, IT and premises. They represent a major burden for all players in the financial market. With growth in the international financial services industry, there has been a marked increase in the number of indirect tax cases coming before the judiciary. This has led to a sharp acceleration in the rate of change for indirect taxes for the financial services sector.

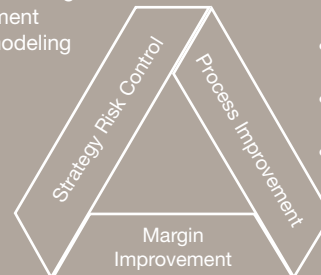
Typical CXO Challenges

- Is the correct tax treatment being applied to income, expenses and products sold to your customers?
- Have you applied the correct service tax treatment on the services rendered and received from abroad?
- Are you fully recovering the input tax credits available to you?
- Have you considered asking for an advance tax ruling to explore grey areas in service tax issues?
- Are you compliant with VAT regulation which may be applicable to your business?

Our indirect tax offerings are aimed at dovetailing challenges faced by financial services businesses. Our services are designed to ease burden on controls, provide assurance and manage risks associated with tax reporting, reduce cost of indirect taxes and advice on overall strategic direction and business fit.

Our key propositions

- Controls and process testing, review and enhancement
- Business structure modeling
- Technical consulting



- Process mapping and documentation
- Cash flow improvement and tax leakage reduction
- Provision of compliance solutions
- Data analysis

- Tax-efficient positioning of product offerings
- Transaction consulting
- Design of efficient credit recovery methodologies
- Technical analysis and structuring, including outsourcing
- Provision of cross-border cost-sharing solutions

Our Indirect Tax practice can help you manage your indirect taxes in a strategic manner. We are well positioned to service all your needs and assist you in ensuring that your business is fully optimised and compliant from an indirect tax standpoint.

How We Can Help

| | |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Consulting | <ul style="list-style-type: none"> • Structuring contracts/transactions to reduce indirect tax incidence • Assisting in contract negotiations • Reviewing contract documentation • Formulating indirect tax-efficient business models |
| Advisory | <ul style="list-style-type: none"> • Advising on the classification, and valuation of transactions and the applicability of taxes and availability of tax benefits/exemptions • Providing innovative rigorous tax planning ideas |
| Advocacy and Litigation Support | <ul style="list-style-type: none"> • Providing assistance in representation before the Government authorities on tax and trade policy issues • Developing economic justifications for tax concessions • Drafting replies to notices, appeals and submissions • Pleading before adjudication and appellate authorities up to the Tribunal level. • Briefing Senior Counsels, on a need basis |
| Health Checks/ Due Diligence Reviews | <ul style="list-style-type: none"> • Undertaking comprehensive reviews of business operations to identify tax planning opportunities and compliance gaps • Conducting detailed indirect tax due diligence reviews (buy side/sell side) |
| Trade Facilitation | <ul style="list-style-type: none"> • Obtaining registration and licences • Assistance in availing benefits under Foreign Trade Policy schemes • Setting up and operationalising EOUs/STP units/SEZ units. |
| Compliance Support and Outsourcing | <ul style="list-style-type: none"> • Providing indirect tax compliance support/outsourcing on a pan-India basis • Preparing customised compliance manuals on indirect taxes • Providing complete support for customs related party valuation assessments |

GST Services

How we can help

- Estimating the potential impact of the dual GST regime on procurement and supply of goods and services
- Developing formats for the maintenance of records including invoices
- Advising on recovery / deductibility of both central GST and state GST
- Assistance in meeting compliance obligations

Count on a strong network of indirect tax specialists to find innovative solutions that meet your requirements

Contacts

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Internal Audit



Is your internal audit function realising its full strategic potential?

PwC's Internal Audit Services (IAS) professionals bring the right mix of internal audit experience, industry-specific knowledge and highly specialised technical skills to your internal audit function. Our approach provides flexibility with knowledge to deliver relevant and focused internal audit results.



PwC's internal audit services employ highly skilled professionals who can help solve many of your problems with the right solutions, contemporary processes/methodologies and superior tools/technologies





Typical CXO Challenges

- You want an expert internal audit service provider to give you assurance on processes and controls for effectively managing business risks
- You want to improve and increase the effectiveness and efficiency of the internal audit function to add value to your organisation
- You want your internal audit professionals to develop necessary skill sets and train in best practices for internal audit techniques
- Your internal audit department lacks the focus to cover risks and support your organisation in meeting corporate objectives
- You are looking at supplementing your in-house internal audit with specialist skills
- Your internal audit function has insufficient resource to cover the geographical spread of your organisation
- Your systems, procedures and risk management practices are not formalised and are inconsistent across the organisation
- You need guidance in rebalancing internal audit priorities in Sarbanes-Oxley and Clause 49 (stock exchange listing agreement) era
- You need assistance for Sarbanes-Oxley and Clause 49 readiness and carrying out controls testing

How we can help

- Advising and assisting in development of internal audit and risk management methodologies
- Assessing the internal audit function for effective delivery to stakeholders
- Providing internal audit resourcing solutions, including full outsourcing or complementing in-house functions with specialist skills or geographical coverage
- Supporting internal audit functions with software to enhance and support their work
- Training for internal auditors using extensive market and industry knowledge
- Conducting internal audit using 'hub and spoke' method by deploying subject experts who focus on industry specific and technical risk areas

We offer a full spectrum of services designed to enhance or transform the internal audit function. These include:

Outsourcing and
co-sourcing

Our solutions range from select co-sourcing of technical, geographic or industry-specific capabilities to full outsourcing of the internal audit function.

Sarbanes-Oxley and Clause
49 related services

PwC's IAS practice has developed solutions to help organisations reach the desired level of compliance as mandated by Sarbanes-Oxley and Clause 49.

Internal audit advisory
services

We provide a suite of advisory services that address key management concerns including risk assessment, documenting policies, procedures and key controls, control self assessment and quality assurance reviews.

Contacts

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Delivering Technology Effectiveness – ITE



Are my technology setup and portfolio agile enough to adapt to changing business needs?

Financial services have traditionally been front runners for investments in technology. While being largely fruitful, these spend have also led to the creation of a complex portfolio of products. Today, some companies even manage between 500 – 2000 such systems, applications and vendors. With mergers and acquisitions, the degree of difficulty in managing post deal system integration has only increased. Managing varied portfolio of products and vendors, scaling it to meet ever changing regulatory environment or new products, innovating to extend these systems to new markets globally or indigenously to the village level at a feasible ROI are the biggest concerns and areas for innovation for the industry.





Typical CXO Challenges

- How do I manage or realign the product portfolio to bring in more value and return for investments?
- Is my portfolio robust enough to support changing business needs?
- How do I manage so many IT systems and vendors?
- How can I improve on the performance of IT service delivery and management to increase satisfaction of my user group?
- Do my people have the required IT skills and capabilities to support changing business needs?
- How do I bring in new technologies and concepts to add value to business while bringing down the cost of services at the same time?

How we can help

- Project and program management for IT implementations
- IT strategy formation for enterprise, division (eg rural initiatives) or functions (eg CRM or XRM)
- IT portfolio and investment management
- Formulation of Enterprise Payments Strategy (EPS), payment channel and product cost tracking and architecture definition
- Cost and service benchmarking using PwC 's IT Chart of Accounts and Total Spend Analysis ®
- Assessment of regulatory changes (eg IFRS), tax (eg GST) etc., changes on existing application landscape
- Post deal integration services
- IT quality management
- Advisory program for the CIO's office with benefit driven performance improvement of technology function

We help you maximise value for your IT spends, benchmark performance against industry best practices and KPIs, identify areas to reduce cost, increase effectiveness and improve service levels for a range of IT processes.

Our Focus areas include

- Project management of complex IT initiatives
- Aligning / realigning technology, network and infrastructure to your business needs
- IT sourcing / outsourcing and service management
- IT due diligence and post deal integration services
- Payment solutions
- IT cost and value management

Select List of Our Experiences

| <i>Situation</i> | <i>Value Delivered</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The client, a bank, faced the following challenges:</p> <ul style="list-style-type: none">• Branch office processes were not optimal• Branch resources were performing administrative and back-office functions rather than concentrating on customer sales and service• Process centralisation and consolidation opportunities were not fully leveraged• Data from core banking system was not providing a consolidated view of operations | <p>PwC developed a comprehensive map of existing operations and processes. We identified critical areas causing the majority of problems, re-designed and rationalised critical processes such that branches could focus on sales and service, ensured that opportunities for centralisation of processes were exploited to the maximum and developed the right information architecture such that all management, core banking and compliance reporting capabilities met the needs of the bank</p> |

Contacts

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Mergers & Acquisitions



Derive value in a deal

Our Mergers & Acquisitions (M&As) practice provides end-to-end solutions for domestic and cross-border transactions including mergers, demergers, acquisitions, divestitures, joint-ventures, corporate restructuring and family arrangements. The services consider a host of functions including advisory, due diligence, tax and regulatory functions.



Typical CXO Challenges

- You are looking at acquiring or disposing an asset or company
- You require due diligence to be performed on a target

How we can help

- Acquisition Advisory – (Buy-side)
- Acquisition Advisory – (Sell-side)
- Joint Venture Advisory

Our M&A specialists can offer you expert structuring and financial advice at all points throughout the deal cycle. Our unrivalled experience, strong international network and commercial focus allow us to add real value to your transactions.

Our Services

We deliver strategic priorities thorough speedy quantitative analysis, rigorous implementation and cutting edge structuring techniques. Our transaction structuring services are aimed towards ensuring integration of tax planning with accounting and regulatory requirements.

We can advise and assist in:

Acquisition Advisory (Buy-side)

- Examination of target industry landscape for identification of appropriate targets
- Contacting specific targets for interest in selling and establishment of preliminary interest and commencement of dialogue
- Valuation of the target and recommendation to our client
- Diligence support (actual diligence carried out by another team / vendor)
- Drafting of preliminary offer (Term Sheet), negotiation support, process advisory

- Ensuring tax efficient deal structuring
- Complete documentation support
- Conceptualising the optimum mode of corporate restructuring
- Deal closure

Acquisition Advisory (Sell-side)

- Transaction structuring and target valuation
- Identification of potential acquirers
- Establishing dialogue with short-listed acquirers and obtaining preliminary Term Sheets
- Create Diligence Data Room (DDR) and assist the diligence
- Obtain revised Term Sheets, negotiate deal parameters (including valuation, covenants, etc.)
- Documentation support (typically led by legal advisors)
- Deal closure

Joint Venture Advisory

- Identification of potential partners
- Communication with potential partners and short-listing with specific potential partner
- Discussions / negotiations regarding terms of the JV (including roles and responsibilities, valuations, share-holding patterns, representations etc.)
- Documentation Support

Contacts

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People Transformation

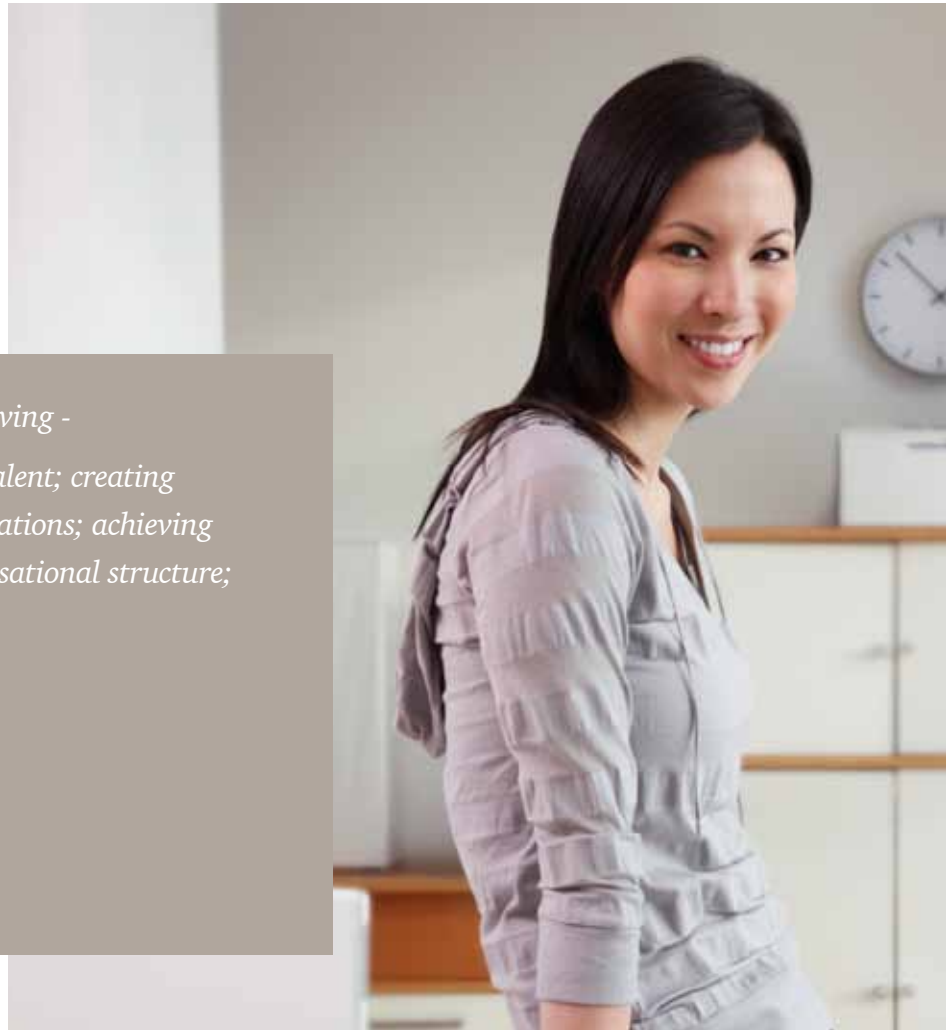


We help you address people concerns and key challenges

Developing a talent strategy is an important and critical step in today's organisational environment and context. We focus on aligning people and strategy to increase certainty of direction and outcomes, accelerate results and sustain benefits of business, process and policy changes.

We help clients in achieving -

Maximum impact of talent; creating sustainable people operations; achieving a market-driven organisational structure; Making change stick





Typical CXO Challenges

- Are people, processes and technology appropriately aligned to business strategy in your organisation?
- How do we attract and retain the right talent?
- Do we have the right talent management framework? Is it aligned to the direction we want our business to take?
- How can we create a change-ready organisation?
- How can we ensure sustainable change?
- How can we measure the effectiveness and efficiency of our HR function?
- How can we ensure that the right HR service delivery model is in place to serve internal customers at optimum cost?
- How can our people operations demonstrate value?

How we can help

- HR transformation
- Organisation design and culture
- Knowledge management
- Leadership development
- Talent management
- Change management and executing change
- Competency development
- Rewards and benefits management
- Performance management

Post Merger Integration



Delivering Deal Value

Indian financial services sector is bullish about the M&A activity and many companies are planning to undergo an M&A activity in the future. Many banks are planning to expand their global footprint and acquiring assets in emerging markets seems to be one of the key levers for their growth plans. Retail banking, private banking, investment banking and asset management are the key focus areas

for M&A presently. Based on a PwC survey of M&A in financial services sector, the following are the key drivers to M&A activity:

- Increasing competition from domestic players (e.g., non-financial service market entrants, horizontal expansion of existing financial service players, price cuts, threats to market share)
- Increasing customer demands (e.g., desire for higher yielding investments, branded product, open-architecture products)
- Increasing competition from foreign players (e.g., new market entrants)
- Economic conditions in home market

Organizations need to build capabilities for integration to ensure success

Given the increase in M&A activity in the financial services sector, organizations need to have strong integration capabilities to create sustainable value out of the acquisition.

Sustainable value creation is not achieved only by closing the transaction, but by conducting successful joint businesses afterwards. This success is usually elusive and many organizations fail in the process. Research shows that most mergers and

acquisitions fail to meet the expectations set for them. This failure could be because of mistakes in all the three phases of the acquisition, pre deal, during the execution and post deal. Post deal phase by virtue of its complexity is probably the biggest culprit. Despite the best intentions, deals often fall short when the time comes to begin translating carefully developed strategy into the right mix of people, process, and technology.

The transaction instead of generating synergies ends up reducing enterprise value.

Capturing sustained economic value in a merger or acquisition has proven to be one of the most significant challenges for today's growth minded companies.

Based on our survey of companies in India:

- 50% organizations failed to meet the objectives set for the deal
- 67% organizations reported that the integration process negatively impacted their business-as-usual
- 61% organizations lost key people
- 88% respondents believed that they could have managed the integration process better

Typical CXO Challenges

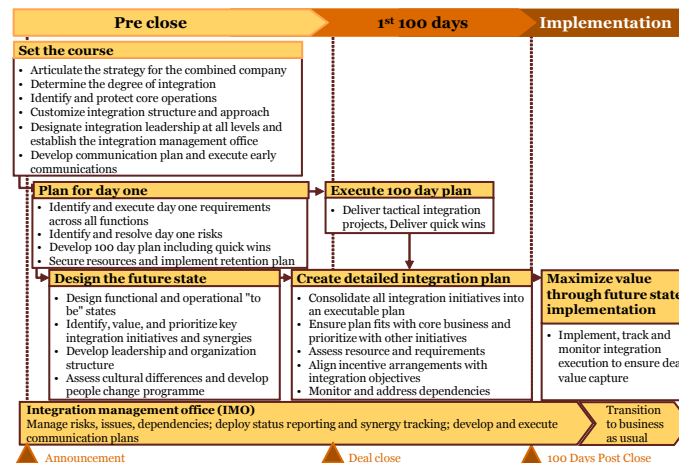
- Are you aware of the hidden costs and risks involved for acquisition of the target company?
- Have you quantified your deal objectives and how do you plan to meet them?
- Have you thought about integration planning for the acquired entity?
- Do you have a good understanding of the transition service agreements and the costs involved while carving out or buying a carved out entity?
- Are you worried about the business disruptions and not meeting customer service levels due to M&A activity?
- Are you worried about the cultural challenges involved in integration?
- Do you have mitigation plans for the risks involved in the acquisition?

- How do you plan to achieve the integration within timelines and costs?
- Are you worried about the IT, HR, finance, communication, banking operations, treasury and other functional aspects of the integration?
- Have you mitigated risks of losing key employees and key people to the competition?
- Are you concerned about the lack of resources required to handle the M&A process?
- Are you worried about the geographical/lingual challenges involved when acquiring an asset outside India?

How we Can Help

PwC has a dedicated global “Delivering Deal Value” practice to help organizations in their M&A process. We have developed a strong

global methodology based on our years of experience of helping companies in their M&A journey. We have a tailored approach that begins by listening and understanding your transaction needs, and provides you with the right balance of functional, regional and financial industry services expertise on each of your deals. We leverage our global teams and expertise for cross border acquisitions as required, to overcome lingual and cultural barriers. We have an engagement approach which provides consistent quality and scope of deliverables and, a dedicated, experienced team who brings industry focus to your deals to uncover industry issues, risks and opportunities. We leverage both integration specialists and functional specialists to support the management and coordination of the integration activities enterprise-wide and to provide tactical experience in critical functional areas as needed.



Operational due diligence

Operational due diligence is one component of the integrated business due diligence approach with a focus on the revenue & cost synergies, risks and advanced integration planning for the deal.

Post merger integration

Develop and execute post merger integration strategy with a focus on synergy realization, risks (people, process & technology), and speed and integration costs enabled by a robust integration management office.

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Product Suite



Is incorrect or delayed MIS impeding your business decisions?

PwC India has a dedicated ERP & CRM practice for SAP, Microsoft and Oracle advisory professionals working with clients on their transformation journey. The team specialises in rendering services in financial and operational excellence, integrated transaction and reporting system design and implementation, managing people and talent through employee portals, contributing to revenue growth through better customer management, implementing security and controls and better enterprise performance management.





Typical CXO Challenges

- Financial excellence – Parallel ledgers, treasury, budgeting, planning and consolidation
- Control / workflow and audit trail for financial transactions
- Automatic and secure bank payments on the web and FA accounting
- Correct and timely MIS
- Integrated IT vision and implementation
- Superior customer value through CRM
- Managing people and talent
- Cost reduction and allocation of expenses across various cost centers based on relevant ratios
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- Cost reduction and allocation of expenses across various cost centers based on relevant ratios

How we can help

- Learning management
- Procurement
- Performance management
- Financials
- Compliance
- Consolidation
- Budgeting & Planning
- HRMS

PwC can help you on your transformation journey by analysing your strategy, structure, process, people and technology. We can help you draw a blueprint of how your future state processes and technology should look like and how they will be impacted by other aspects. We can also help you configure your processes to make them more efficient. The timely and correct MIS reports will help you make proper and effective business decisions.

Our Services

| | | |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SAP | <ul style="list-style-type: none">• Large-scale enterprise wide transformation using SAP• Office of the CFO solutions (CPM, GRC, Consolidation)• Office of the CIO solutions from SAP (Netweaver XI, Portals)• Adoption of IFRS for Indian clients through SAP• SAP upgrades (functional and technical)• Project and programme management where the implementation is done by system integrators.• People and change management within SAP Transformation• Reviews and improvement of existing SAP systems• Additions to existing modular landscape• Controls review | |
| MS Dynamics Ax, NAV, MS CRM | <ul style="list-style-type: none">• Program and project management• Pre and post implementation advisory• Post implementation reviews• Third party testing• Security and control audits | <ul style="list-style-type: none">• Full cycle implementation• User training• System performance improvement• Maintenance and support• Process and application outsourcing |
| Oracle / Peoplesoft/ Hyperion/ Siebel | <p>Turnkey Implementation</p> <p>Process analysis and design Program management Change management Configuration and customisation</p> <p>ERP Effectiveness</p> <p>ERP effectiveness and consulting suggestive roadmap</p> | <p>Upgrades</p> <p>Latest version of applications Process enhancements Incorporate IFRS solutions Interface and Integrations</p> <p>Support and Maintenance</p> <p>Long Term SLA-based application support Database and system administration support</p> |

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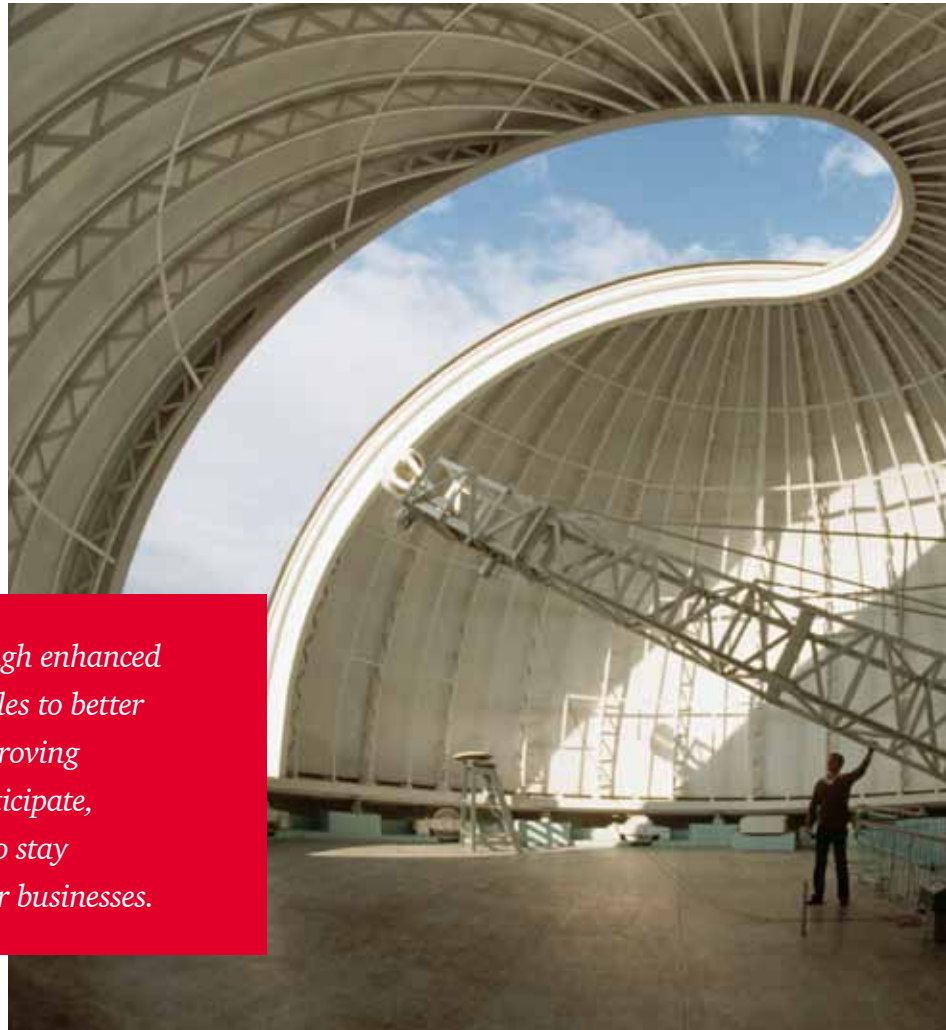
Revenue Growth



We can help you make your growth, revenues and profitability market proof

Our value proposition on “Revenue Growth” is aimed at delivering tangible benefits to an organisation through a systematic approach to strategy, marketing, customer and sales functions. We help you align your business operations with your market. We help you align your business operations with your market and business strategy.

From growing revenue through enhanced customer satisfaction and sales to better management of costs by improving processes, we help clients anticipate, create and manage change to stay competitive and excel in their businesses.





Typical CXO Challenges

Internal

- How do we transform our business model to be the best in class?
- How do we maximise our share-of-wallet for the existing customer base?
- How do we streamline our sales/marketing functions for superior performance?
- How do we bring down our cost of customer acquisition?

External

- How do we grow a profitable business in a challenging business environment?
- How do we enhance our market share?
- How do we increase share of low cost deposits and products?
- How do we enhance fee-based income and other revenue streams?

How we can help

- Strategy formulation covering corporate / business / entry / functional strategies
- Marketing performance including segmentation, CRM, quality of customer insight, customer service and development, contact centre.
- Sales performance including distribution strategy, market coverage, sales process and systems, sales force management and distribution effectiveness, channel strategy, sales generation and excellence, branch location and network optimisation, channel mix and integrations solutions, sales force attrition analysis and Incentive planning , sales pipeline management and reporting.

Select List of Our Experiences

PwC assisted a big public sector bank in reviewing its strategy and reorganising its business operations. The client faced declining market share, growing competition and a need to adopt a more commercial orientation

PwC identified growth strategies for all business divisions of an African bank. We performed a comprehensive review of internal and external factors driving the bank's ability to achieve its strategic growth objectives. An overall strategic framework which included clear strategy for different banking segments (corporate or retail banking) and international expansion was drafted and actionable steps with priority, timeline and resource required were detailed for the bank. Areas for internal capability improvements such as the internal processes, strategic sourcing and cost management, organisation design, human resources and training and MIS were identified.

PwC assisted a Sri Lankan bank in developing an integrated strategic plan to help it enhance its pre-eminent position in the local market and achieve its international growth targets

A major banking group sought to raise client satisfaction through a relationship development programme. Internal surveys showed disproportionate attention being paid to new customer propositions and a lack of focus on understanding a customer's business issues. PwC worked with the client to analyse roles of three staff segments: leadership, relationship directors /managers and support staff. This was done for a total of 2,500 employees. The result- an increase in customer satisfaction indices.

Designed the entry strategy into wealth management business including business plan for a private sector bank.

A major Australian bank lacked a standardised sales management process across its 500 branches. PwC delivered a user friendly integrated sales and campaign management model to branch managers. The model was aligned to the retail division's strategic priorities, provided structure with a degree of flexibility and captured global best in class processes and tools. The resulting improved sales management process enabled the bank to enhance its sales productivity and increased top line growth.

PwC assisted new entrants in drafting an entry strategy and business plan for establishing commodity futures exchange in India

PwC assisted a fast growing private sector bank in designing of processes during the bank branch enablement process.

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Global Risk & Compliance



Are risk management challenges keeping you awake at night?

The Risk Advisory practice in PwC has been a pioneer in India and has over two decades of experience. We assist organisations in governance, risk and compliance and IT risk management.

Typical CXO Challenges

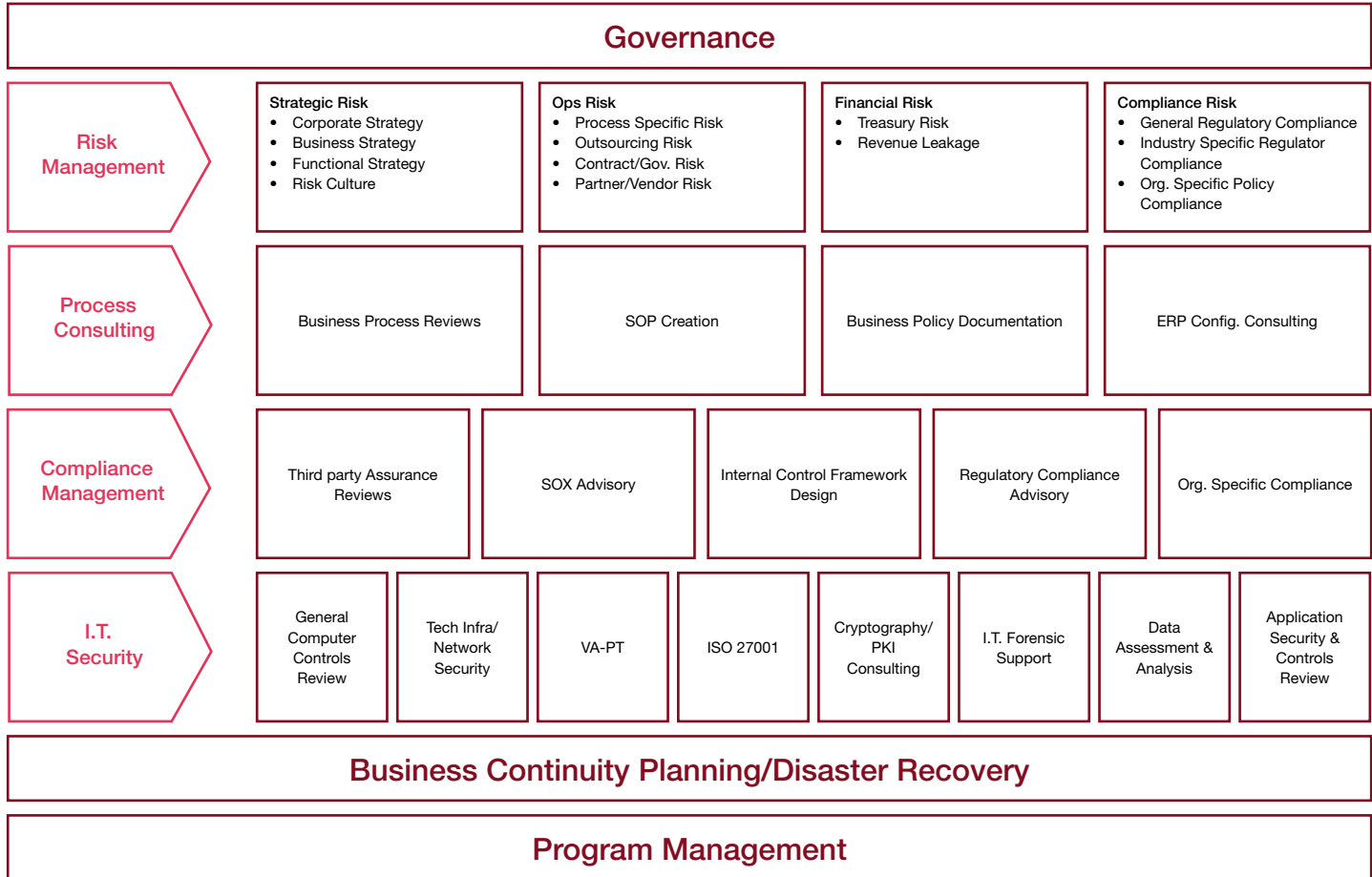
- Moving targets on risk management – is it ever enough?
- Dichotomy of IT risks –Technology leveraged to manage risks but an increased dependence on technology brings in a different set of risks. How does one control this?
- Risk management is beyond compliance management. Why does one go beyond compliance?
- Investment decisions are directly related to returns. What is the ROI on risk management and compliance?
- Multitude of guidelines and standards. Is there a suitable framework?

We can provide pragmatic advice on optimising risk management within the organisation and assist in implementation of suitable frameworks. We can assist in leveraging technology to manage operational risks and help in managing IT risks through comprehensive assessments and implementation assistance. We can ensure balanced investments in controls in relation to risks with holistic assessments maintaining a healthy ROI on risk management initiatives.

We specifically focus on the banking and capital markets sector and our team has the relevant expertise in areas related to enterprise risk, process risk and controls and technology risk within the financial services domain. PwC has extensively worked with

regulatory agencies for more than a decade and has advised and assisted a large number of organisations in achieving risk management and compliance objectives.

How we can help



Select List of Our Experiences

| <i>Situation</i> | <i>Value Delivered</i> |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leading PSU and private banks in India | <ul style="list-style-type: none">• Process risk and controls evaluation leading to significant resilience in the systems. Review of core banking systems and key peripheral systems to ensure appropriate controls are implemented. Key CBS systems reviewed – Finnacle, Flexcube among others. Process risk and controls evaluation in peripheral systems and channels delivered or interfacing with the CBS systems – Treasury systems, cash management, internet banking, ATM, RTGS, etc.• Development of a risk based supervision framework• Development of standard operating procedures• Development and assessment of business continuity and disaster recovery framework |
| International banks | <ul style="list-style-type: none">• Information security assessment, IT process and controls reviews• Quality assurance and change management for implementation of core banking systems• Review of CBS suite of applications along with peripheral applications.• IT strategy, systems requirements specification, selection of Core Banking (CBS), ATM switch and ATM vendors• Selection, bid management and project management for implementation of treasury management system |

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