



Introduction to Risk Advisory Services
for Financial Services Industry

Deloitte makes an impact that matters.



Repeated natural disasters and the current pandemic have changed the world dramatically. Financial services, which used to serve "customers" who were driven by globalization and the pursuit to maximize profit and efficiency, are now expected to contribute to "society" in order to protect the global environment and human life.

The topics to which financial industries are expected to contribute, including ESG finance, regional revitalization, supply chain resilience, digitization of public administration, and economic security of financial infrastructures, are wide-ranging and some of them are even quite far from the conventional definition of financial business.

While financial industries will continue to diversify finance functions and provide speed and convenience, there is a possibility that they will shift their focus from "financial assets" to "information" based on the trust and confidence that they have built up thus far.

The challenges and risk-taking to meet these expectations must be undertaken systematically, with the support of advanced governance and cutting-edge technologies.

The Deloitte Tohmatsu Group Risk Advisory practice will help you to achieve sustainable growth by providing a wide range of support services that contribute to the transformation of financial business operators.

By helping ensure the sound performance of the socially essential function of finance, we strive in our daily practice to contribute to society and serve as the most trustworthy advisors in this field.

Developing new business, controlling associated risks, expanding or protecting your business - No matter what kinds of challenges you are facing, Deloitte Tohmatsu Group's risk advisory services can work to your advantage.

Deloitte Tohmatsu Group Risk Advisory

Introduction to Risk Advisory Services for Financial Services Industry

From conventional risk management to taking on new businesses and new risks

Governance/Internal management frameworks

- Quality assessment/Co-source/Enhancement of internal audits
- Advice on SOX/J-SOX
- Enhancement of internal control and management frameworks
- Advice on enhancement of control against fraud/response on fraud
- Global governance enhancement
- Enhancement of compliance frameworks on conduct risk
- Advice on third-party risk management
- Advice on building RAF
- Enhancement of compliance frameworks on remote work
- Advice on ESG
- Enhancement of accounting operations in Japan
- Enhancement of organization of US SEC reporting
- Advice on establishing financial holding companies
- Advice on quality assessment of internal management frameworks at agents for insurance companies
- Services for REIT asset managers
 - Compliance training, advice on internal audits and internal control frameworks, mock examinations
- Services for payment companies
 - Enhancement of internal audits and internal control and management frameworks, advice on obtaining licenses, control against fraud

Risk management

- Advice on market risk management frameworks
- Advice on credit risk management frameworks
- Risk management enhancement including risk-return analysis
- Risk assessment of structured products
- Building global markets risk management frameworks
- Enhancement of market scenario analysis
- Advice on ERM enhancement
- Advice on real estate portfolio risk management
- Foreign investment appraisal (via macro-scenario analysis)
- Business sustainability analysis
- Enhancement of global management accounting frameworks
- Enhancement of non-financial risk management frameworks
- Provision of conduct risk heat maps
- Advice on enhancement of TCFD disclosure
- Country risk research
- Advice on stress testing
- Stress Intelligence (Macroeconomics, Stress testing scenarios)

Digital transformation

- Implementation of technology to enhance privacy
- Digital strategic risk management
- Advice on data management and governance
- Promotion of DX on the middle and back office operations in asset management departments

Regulatory compliance

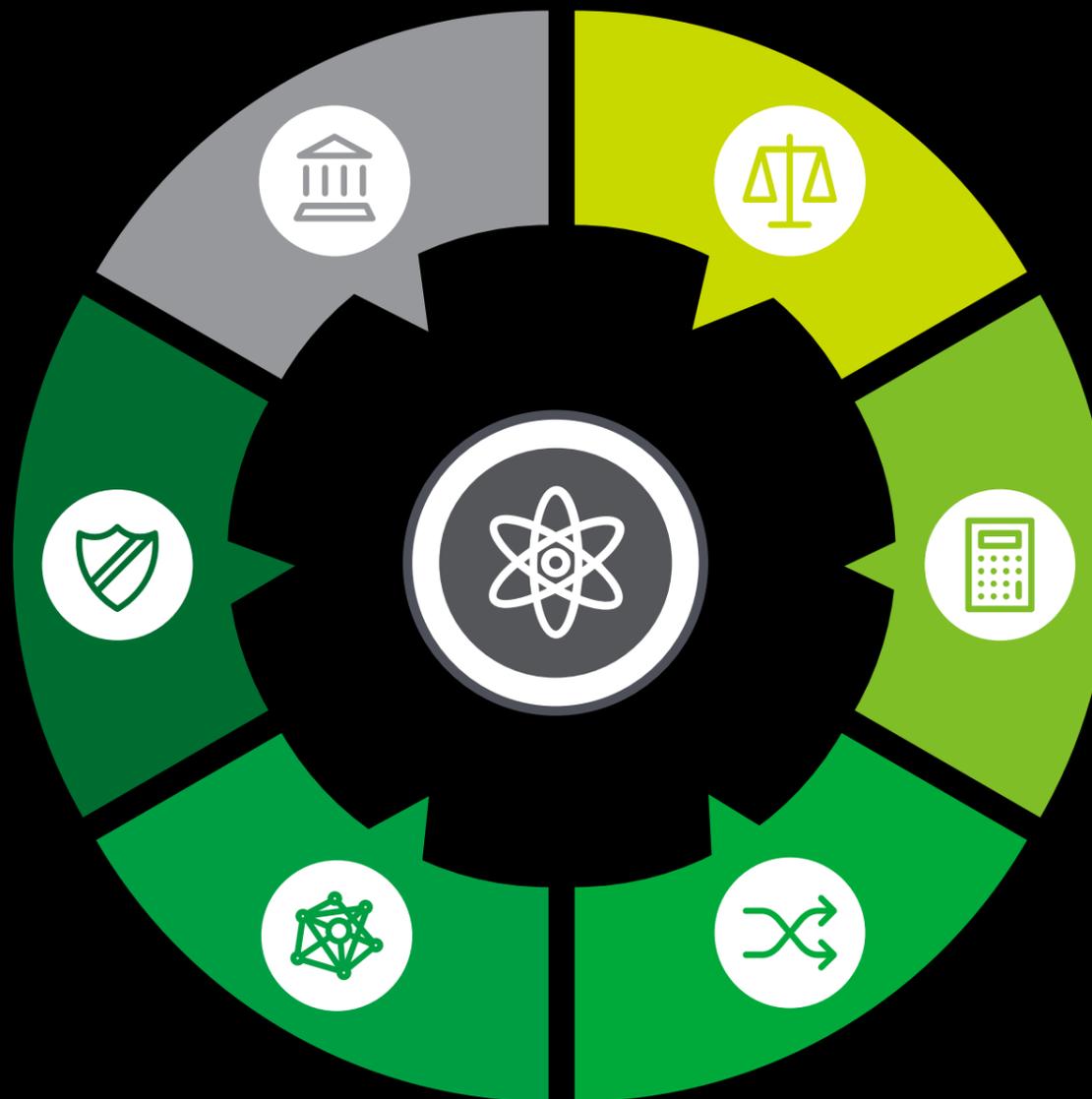
- Advice on interest rate benchmark reform
- Advice on compliance with fair value measurement accounting standards
- Advice on implementing IRB
- Advice on Basel III finalization
- Margin regulation compliance
- Advice on operational risk management
- Liquidity regulation compliance
- Advice on global booking model governance
- Advice on compliance with overseas local regulations
- Advice on OTC derivatives transaction reporting
- Compliance with US BHC regulatory reporting
- Anti-bribery and corruption capabilities improvement
- Provision of information on regulations for cross border banking transaction/stress intelligence
- Advice on financial crime, AML/CFT
- Advice on compliance risk management
- Financial regulatory authorities response
- Data privacy regulatory compliance
- Advice on recovery and resolution planning
- International financial regulation horizon scanning
- IFRS17 advisory
- ICS advisory
- Economic value-based capital regulatory compliance
- Advice on insurance product development

Valuation and quantification based on financial mathematics

- Validation of pricing models for financial instruments
- Validation of market risk calculation models
- Validation of credit risk calculation models
- Valuation of defined benefit obligation
- (Re-)Constructing retirement benefit plan
- Advice on pension governance
- Appointed actuary services

Entry into new markets

- Advice on obtaining business license in Japan
- Advice on starting financial services
- Business promotion using analytics
- Advice on the establishment of insurance companies and small-amount and short-term insurers
- Advice on M&A strategies relating to actuarial science



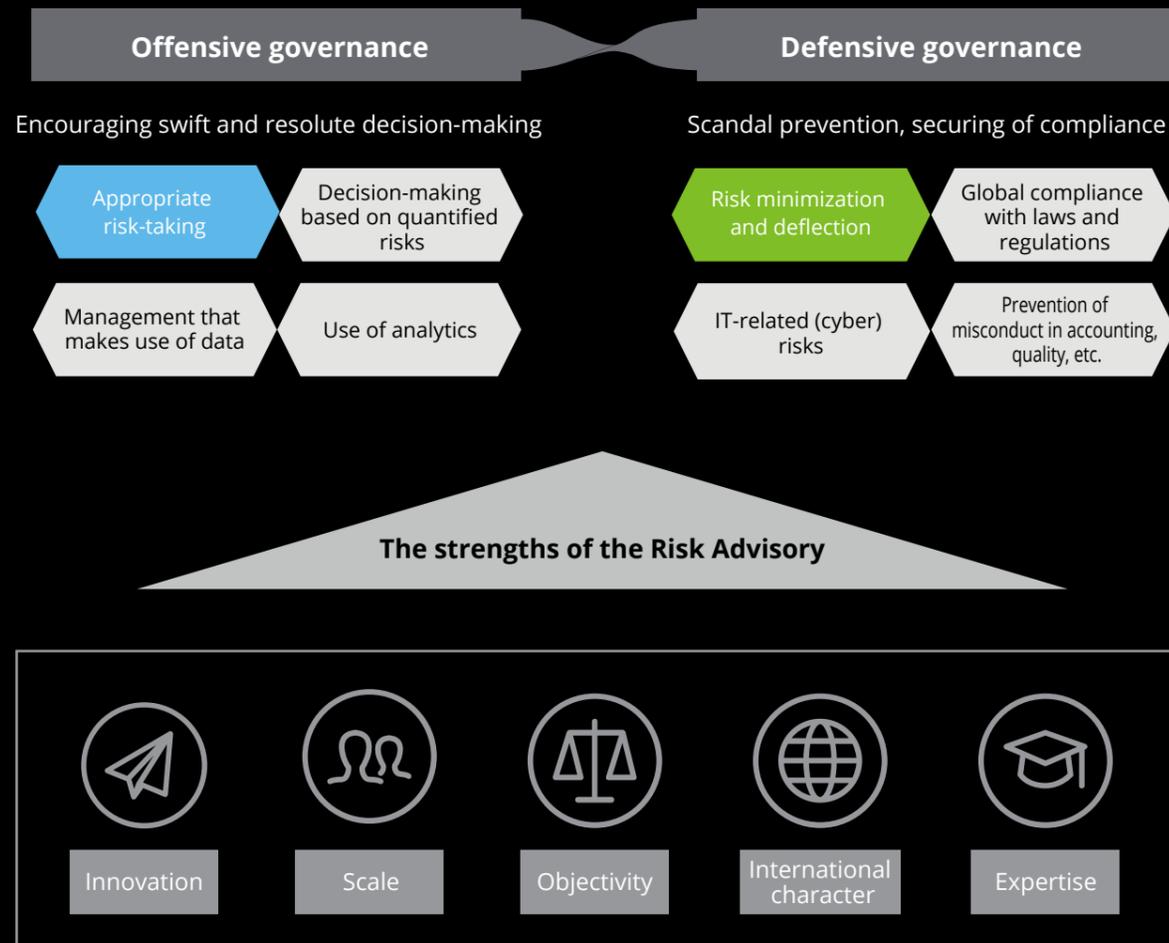
The Risk Advisory provides services allowing for appropriate risk-taking and accurate solutions to management issues, contributing to the sustained growth of companies

In a mature society, we cannot expect sustainable growth without taking risks. The traditional approach to risk management generally accepted any risks that remained after reducing, transferring, and avoiding other risks. However, in order to realize sustainable organizational growth, we need to identify which risks we have to take (accept) and then avoid, transfer, and reduce the others.

To do this, we need to manage strategic risks as well as regulatory risks, based on industry-specific insight. We also need to leverage finance/accounting information and analytics to understand and identify risks. Especially in recent years, control of risks originating from IT and IT-based risk management are particularly sought after.

Furthermore, in a society where global interconnection is growing, global social issues, such as issues that cannot be solved within a company or within a country, are increasing. To solve these issues, the entire Deloitte will do our best to achieve social transformation with our clients, and aim to leave a prosperous society for our next generation.

Deloitte Tohmatsu Risk Advisory provides services to support the sustainable growth of our clients using both dynamic and static approaches to their management challenges.

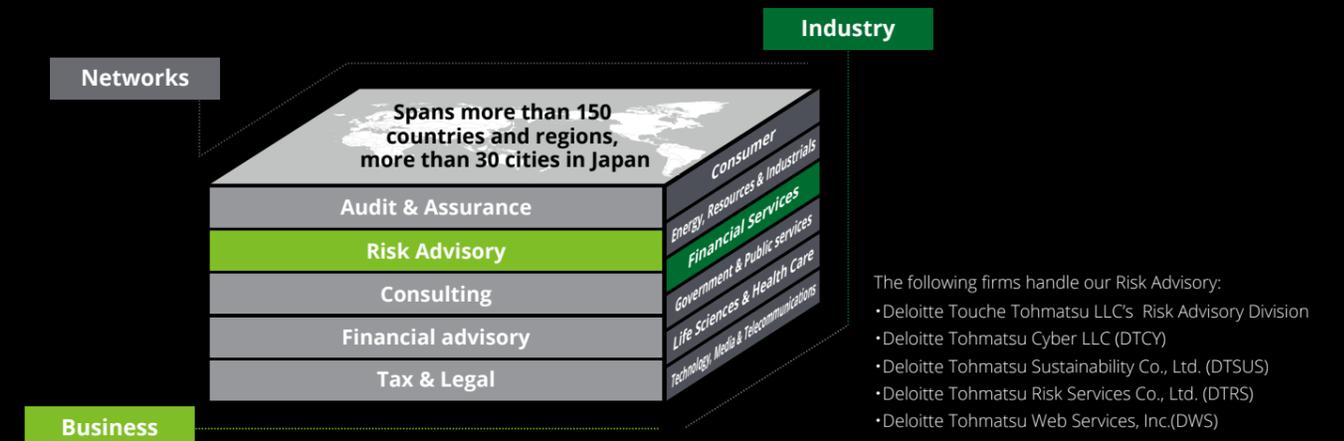


The Deloitte Tohmatsu Group has built an extensive service structure, based on high-level expertise and in-depth industry knowledge, both in Japan and abroad

The Deloitte Tohmatsu Group, with its management philosophy of “offering intellectual professional services that exceed the expectations of our clients” and building on the three key aspects of Business (high-level expertise), Industry (in-depth, specialized knowledge of specific industries), and Network (regionally specialized support drawing on the resources of the global Deloitte network), offers a wide range of comprehensive services to its clients, who are working on solving their respective issues.

The Risk Advisory utilizes the advantages of this service structure in contributing to the enhancement of companies’ business administration.

Overall excellence through services, industries, and the network



Up-to-date business insight is published on the Deloitte Tohmatsu Group's website

See here for information on the financial industry (including risk advisory):
www.deloitte.com/jp/en/industries/financial-services



See here for general information on risk advisory:
www.deloitte.com/jp/en/risk-advisory



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