

PwC's Financial Services Regulatory Practice



PwC assists top tier financial institutions in navigating, managing and implementing change driven by legislation, regulation and supervisory expectations

PwC is unique in that our team and our approach combines our:

- **Deep subject matter expertise** – Our US regulatory practice consists of over 25 partners and 250 professionals across banking, asset management and insurance - most of whom were in leadership and supervisory roles at the major regulators (FRB, FDIC, SEC, OCC, CFTC, CFPB, FINRA, NYDFS, UK FSA) and/or in regulatory-related roles in industry.
- **Unparalleled knowledge of industry leading practices** gained from our long leading position as auditor to 3 of the top 5 banks, 40% of the major mutual funds and hedge funds, and 40% of the leading insurers, as well as our deep advisory relationships with all of the other key industry players.
- **Full service Advisory practice**, which consists of over 1,500 strategy, risk and finance, operations and technology, and change management consultants in the US and 6,500 globally - all of whom are dedicated to the financial services industry.
- **Public sector practice**, which advises and assists key regulatory bodies such as the Fed, Treasury, FDIC, SEC, CFPB, FINRA and others execute on their statutory mandates.
- **Vast global network** of more than 50 regulatory partners and 600 professional staff members, which has representation in all of the major financial hubs and emerging markets, to support our engagement teams and help our clients effectively navigate through the maze of global regulations and supervisory expectations.

Our mission...

We have long believed that advising and assisting our clients and their boards with respect to regulatory issues is a required part of our firm **mandate and mission** in the financial services industry, and is necessary to maintaining our leadership role as the industry's preeminent auditor and business advisor.

An industry leader...

We were the first among the major consulting and accounting firms to organize a dedicated regulatory practice to help our clients respond to the after effects of the 1987 market crash, and we have been there for our clients ever since.

We evolve with you...

Since the onset of the most recent financial crisis, **we have been active in assisting financial institutions, boards of directors and regulators** with assessing, managing and implementing the changes required by Dodd-Frank and global financial reform.



... the following are examples of key selected areas where we have assisted our clients since the onset of the financial crisis:

Advising banks on how to align their business strategy and operating model to the changing regulatory environment

- We were engaged by some of the largest financial institutions to support their regulatory change efforts by providing project management oversight and support, as well as subject matter expertise to working groups responsible for assessing and managing the impact of Dodd-Frank and global financial regulatory reform on the client's business and operations.
- We are currently assisting numerous clients in developing strategy and action plans regarding OTC derivatives execution platforms, clearing opportunities, global booking strategy and understanding the impact of swap dealer/MSP registration on their businesses.
- We have helped our leading banking clients manage the impact of the Volcker Rule through spin-off support and business and compliance assessments.

Advising Boards of Directors and C-Suite executives on governance and risk matters

- We were engaged by the Boards of Directors of eight of the largest global financial institutions impacted by the financial crises to assess their company's corporate governance and risk management practices, and propose prioritized, actionable recommendations for improvements to enhance competitive positioning, operating performance and risk management capabilities.
- We have advised numerous financial firms on the design and implementation of enterprise-wide risk and compliance programs, adding critical insight we have from the OCC and Federal Reserve on their heightened supervisory risk management and governance expectations.

Assisting banks comply with new and changing regulatory requirements and associated supervisory expectations

- We provided industry insights, advice and support to all five of the U.S. pilot institutions that prepared Recovery Plans; and we also assisted five of the 11 Category 1 banks in the development of their U.S. resolution plans and are currently helping a number of Category 2 and 3 banks.
- We helped our largest capital markets clients to quickly mobilize around CCAR by facilitating the development of comprehensive capital plans and ensuring they were adequately supported with appropriate data, stress projections and governance.
- We have assisted our top banking clients with effectively improving their ICAAP documentation and associated practices to meet the supervisory guidance related to Basel II Pillar 2.
- We have been leading the industry in developing and communicating specific points of view on the impact of the OCC's/Fed's new supervisory guidance on model risk management, and assisting our clients with restructuring and expanding their existing model validation programs.

Advising major non-bank financial institutions on the transition to a new regulatory oversight regime

- We assisted several of the largest investment banks and specialty finance companies with the successful transition to a Bank Holding Company and Federal Reserve oversight.
- We have assisted a number of former thrifts and unregulated financial firms in preparing for their transition to new supervisory oversight under the Federal Reserve, OCC or CFPB.
- We are helping several of the largest non-bank financial institutions, including the top insurance companies, to assess the impact of potential 'SIFI' designation and Federal Reserve oversight at the holding company level.
- We assisted our significant hedge fund, private equity and real estate clients with preparing for SEC oversight and new reporting requirements necessary for registered investment advisers.

Assisting firms in efficiently meeting new regulatory reporting requirements

- We have a deep understanding of regulatory reporting requirements, as well as the associated data requirements, and have worked extensively with the five largest banks on 'standing up' or improving their regulatory reporting functions.
- We interact regularly with Regulators, both independently and with our clients, so we have first-hand knowledge of their expectations.

Assisting General Counsel's office manage regulatory enforcement actions

- We are currently working with banks and unaffiliated mortgage servicers to bring their compliance and control infrastructure into conformance with regulatory guidance and mandates, including 11 of 14 of the mortgage servicers subject to Consent Orders.
- We are working with more than 1/3 of the mortgage servicers currently subject to foreclosure-related Consent Orders to complete foreclosure look-backs.
- We have a large AML practice that has either evaluated, built, augmented or remediated the BSA/AML programs at nearly all of the top 25 U.S. and global banks.
- We have conducted numerous AML and OFAC investigations and look-backs, including the longest look-back ever mandated.
- We have assisted clients in meeting the remediation requirements included in SEC enforcement actions addressing insider trading and other instances of market manipulation.

Advising regulatory authorities on the establishment of new offices/agencies

- We are currently assisting new and existing agencies with setting up their operations and managing their new or expanding responsibilities, including the CFPB and the FDIC's Office of Complex Financial Institutions (OCFI).
- We have assisted the FDIC in resolving over 50 banks.

Please visit www.pwcregulatory.com

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