

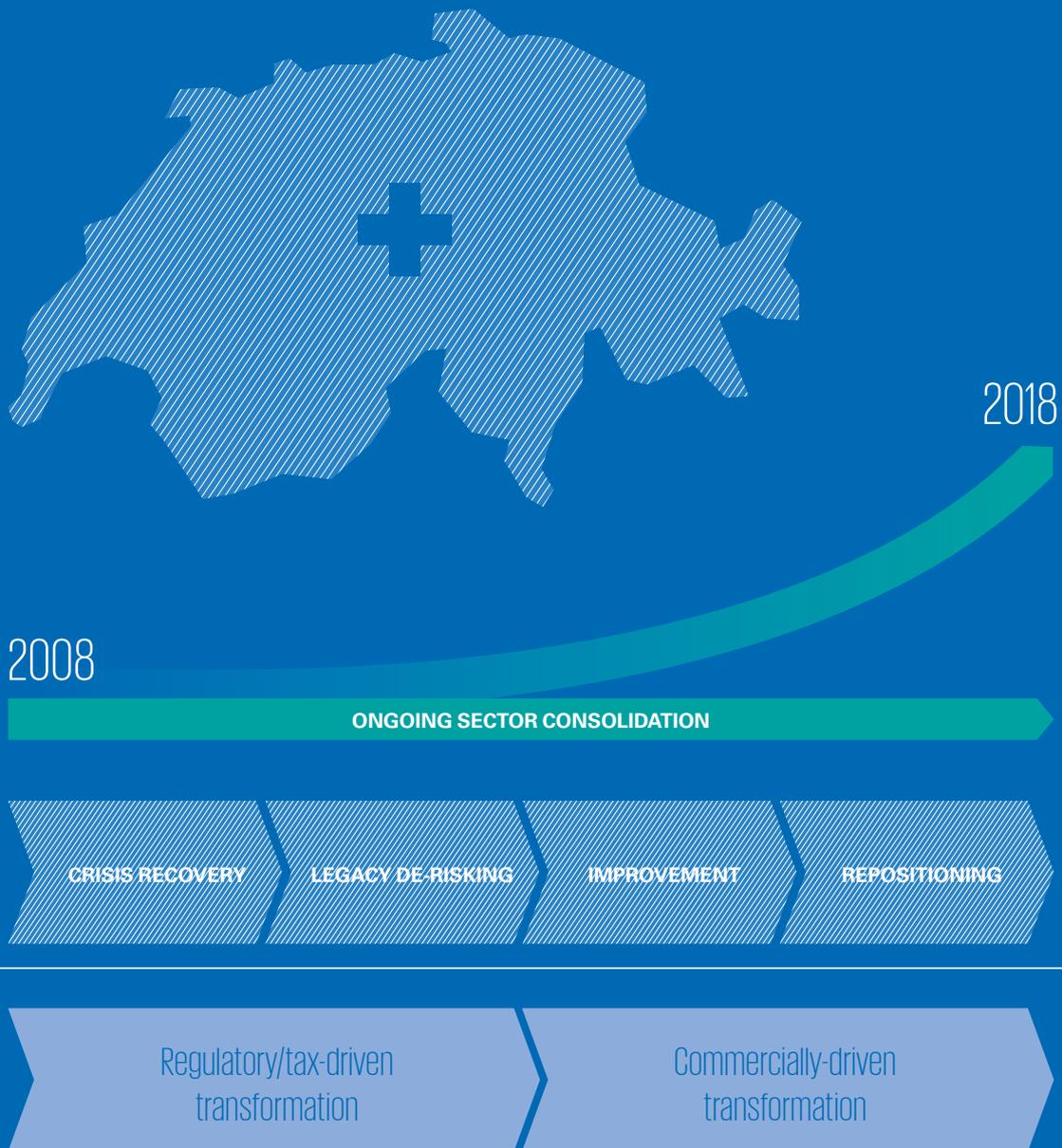


Transformation in Private Banking



The industry is now at an inflection point

Banks are now focusing on strategy and transforming their business and operating models to increase growth and efficiency.



KPMG Transformational services – How we can help you



M&A Buy (Share Deal)

We help you reach your strategic growth objectives by leveraging our broad market network to find you the right target and, with our extensive capabilities, deliver deal success through our end-to-end deal execution support

We help you grow through our integrated M&A deal approach

- Review strategic/M&A options
- Identify acquisition targets per your criteria
- Access the right acquisition targets through our broad market network
- Manage the acquisition process from kick-off to close, keeping management time to a minimum
- Assess deal-specific opportunities and risks including financial and regulatory due diligence
- Bring negotiation and deal structuring advice experience to best balance price and risk
- Provide hands-on integration expertise to make the deal a success
- Improve competitive position
- Implement growth strategy

Objective

- Inorganic growth: Introduce new/expand core client segments
- Expand geographic reach, product lines, etc.

Your Benefits

- Increased profits from cost and/or revenue synergies



M&A Sell (Share Deal)

The Private Banking industry has changed fundamentally – for some banks, the best alternative is to exit the market. We help bank owners define and execute their exit strategy whilst minimizing risk and costs.

We help you exit your Swiss Private Bank investment as cleanly and as quickly as possible

- Advise on exit strategies given the nature and composition of the bank
- Access our extensive network, in Switzerland and abroad, to identify the right buyers
- Manage the exit process from kick-off to close, keeping management time to a minimum
- Construct the best deal structure to bring optimal transaction value
- Provide negotiation support to achieve for you the best transaction terms possible
- Provide hands-on separation and, if needed, winddown expertise including all regulatory and legal aspects
- Exit the market quickly and efficiently

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- Implement strategic change through selling a non-core subsidiary

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- Fast implementation of strategic change



Client Portfolio Transfer (Asset Deal)

In the new world of Private Banking, strategic focus on client segments is fundamental. Banks can achieve client segment focus quickly by exiting non-core client segments or scaling up in core markets through client portfolio (asset) deals

We help you achieve your target client segment focus

- Advise on scope, size and structure of the client portfolio to exit/acquire
- Access our network in Switzerland and abroad to identify the right buyers/sellers
- Manage the entire deal process from kick-off to close, keeping management time to a minimum
- Bring negotiation support to achieve the best transaction terms possible
- Provide hands-on client migration support to make the deal a success
- Realign business model
- Reduce risks

- Exit non-core client segments
- Scale up in core client segments

• Quick portfolio restructure to achieve client segment focus



Private Banking Diagnostic

In this rapidly-changing environment for Swiss Private Banks, it is vital to reassess and implement new strategies to adapt to the changing environment. We provide an end-to-end assessment of your strategy, business organization and operating model to bring practical ideas for improvement and new opportunities

We can identify how your bank can perform better

- Run a holistic analysis of your strategic positioning, business, and operations
- Systematically review your:
 - Client and market strategy and segmentation
 - Value proposition
 - Sales capabilities
 - Operational processes
 - IT architecture
 - Value chain efficiency
 - Organizational set-up
- Recommend tangible actions to improve:
 - Revenues (larger volumes, higher margins)
 - Cost base (lower costs and optimization)
 - Overall effectiveness (operational excellence)

- Holistic business model, operating model and market analysis to produce viable strategic options

• Strategic assessment of the organization

• Systematic identification of new improvement and enabling options



Front Office Excellence

In a context of increasing costs related to regulation, Private Banks have to find ways to make more money. We focus on your client servicing capabilities, Front Office model, and business processes to maximize client satisfaction and increase revenue potential

We can help you grow organically whilst improving client retention

- Identify revenue-generation enhancements by analyzing critical front office elements:
 - Market coverage
 - Acquisition and retention
 - Client book management
 - Sales process
 - Coordination with Advisory, Wealth Planning
 - Front Office organization
 - Performance management
 - Recruitment and training
- Deliver practical transformation of your sales engine that provides:
 - RM professionalization to boost satisfaction
 - Model enhancement to increase NNM
 - People change to reinforce the sales focus

- Organic growth: Independent analysis of client base, product offer, distribution channels, platforms, personnel, processes, performance management resulting in a target business model
- Implement new target business model

• Reinforcement of Front Office effectiveness to deliver higher growth

• Optimized sales management to boost revenues



Cost base Optimization

Private Banks are burdened by ever-increasing operating costs. We provide top-down analysis of your cost base to identify cost optimization opportunities and deliver practical cost-reduction actions

We can assist you in achieving cost reductions

- Systematically assess your costs across the entire value chain end-to-end
- Identify cost improvement opportunities through analysis that concentrates on:
 - Personnel costs and restructuring
 - Supplier costs
 - High-effort tasks that do not add value
 - Organizational efficiency and productivity
 - Cost-to-serve
 - Systems and licenses
 - Infrastructure and premises
 - Cost management and tracking
- Identify and implement corrective measures to improve your cost/income ratio:
 - Quick wins: staff reduction, social plan, reorganization, rationalization of suppliers
 - Medium-term: IT, office utilization, client servicing

- Independent analysis of each operational block to identify areas of overspend: personnel, systems, processes, contracts, etc.
- Implement cost-reduction measures

- Quick-win cost reductions
- Medium-term cost optimization



Operational Excellence

Pressure on revenue margins requires increased operational efficiency to maintain costs under control and overall support profitability. We independently re-think your operating model, combining incremental changes to reinforce it as well as more radical options to build the engine of tomorrow's growth

We help you achieve greater operational efficiency

- Review your operational building blocks and apply lean / enhancement techniques
- Analyze critical operational dimensions:
 - Process re-engineering (e.g. onboarding, ops, credit)
 - Simplification
 - Standardization and automation
 - Acceleration and waste elimination
 - IT architecture improvement
 - Structural optimization
 - Quality management
 - Risk management and controls
- Transform workflows and technical model:
 - More effective operations (simpler, less risky)
 - Improved IT landscape (up-to-date, cost optimized)
 - Continuous improvement awareness

- Independent analysis of the operating infrastructure, IT and personnel resulting in a target operating model
- Implement new target operating model

- Increased operational efficiency
- Reinforced model to support growth



Outsourcing

More small-and-mid-sized Swiss Private Banks are turning to outsourcing as a way to reduce costs and increase operational efficiency. We review your activities, identify sourcing options, implement end-to-end outsourcing operations and help negotiate favorable outsourcing agreements

We help you to outsource certain operations

- Analyze your value chain to increase value
- Bring our deep know-how and assess:
 - Sourcing opportunity assessments
 - Selection processes of suppliers
 - Due diligence of short-listed suppliers
 - Negotiations and contracts
 - Design bilateral solutions
 - Implementation of the change
 - Risk management during the execution
 - Supplier's quality management and monitoring
- Provide expert knowledge to mitigate the complexity inherent to any sourcing move:
 - Operations and/or IT outsourcing
 - Sourcing of support functions (e.g. Finance, HR)
 - Strategic partnerships on business activities

- Independent analysis of operations to be outsourced
- Vendor selection, tender process and contract negotiation
- Implement outsourcing solution

- Value chain optimization with refocus on core activities
- Strategic partnerships development
- Reduced operating costs

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