



Financial Services

May 2019

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[Asset Management](#)

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Asset Management



[KPMG Evolving Asset Management Regulation Report](#)

[KPMG's Evolving Asset Management Regulation \(EAMR\) report](#) reviews the top regulatory challenges for the global asset and fund management industry.

[Integrating ESG into asset management](#)

[Read further](#) on how with the rising prominence of responsible investing, and the impact of Environmental, Social and Governance (ESG) factors, KPMG's Asset Management practice is committed to raising understanding of these important investment considerations and supporting member firm clients in incorporating ESG into their activities.

[Fintech regulation: Balancing risk and innovation](#)

[Read the article](#) on how asset managers should respond to regulatory uncertainties around fintech innovation?

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Banking and Capital Markets



Reshaping the banking experience

It is clear that banks today face profound industry challenges driven by evolving customer expectations, digital challengers and increasing regulatory scrutiny.

Nonetheless, we believe **the future is open with opportunities**, particularly in **10 key trends** we are seeing in technology innovation and new business models. Our latest article series, [Reshaping the banking experience](#), aims to arm banks with practical insights as they seek to leverage those trends for sustainable competitive advantage and growth.

Global Banking Fraud Survey

We are delighted to share our inaugural [Global Banking Fraud Survey](#), conducted to obtain a global perspective of how banks are tackling internal and external fraud threats.

The survey looks at trends in fraud typologies, challenges banks are facing in mitigating threats, security in a digital age and how banks are structuring their teams and deploying resources to optimize their fraud risk management efforts.

Survey results have identified that fraud costs are increasing at a faster rate than fraud risk management spend, and that a radical rethink is urgently required. We're seeing fraudsters becoming more sophisticated, quickly changing and adapting their approaches. Banks need to be agile to respond to new threats and embrace new technologies to predict and prevent fraud.

Global Banking M&A Trends 2019

In the most recent edition of KPMG International Banking Trends [report](#), you will find a snapshot of 10 trends and opportunities affecting the banking M&A environment around the world. We analyze 7 key geographies and 3 high impact sectors including non-performing loans, Fintech and private equity.

2018 was characterized by falling deal volume but rising deal value. Regulatory uncertainty, Brexit and US-China trade disputes may have dampened enthusiasm somewhat, but 2019 turns a corner and shows us there is plenty to be optimistic about.

With healthy liquidity, Private Equity investors and sovereign wealth funds are actively

acquiring non-banking financial companies, banks, mortgage financing, distressed bank assets and fintechs. It's estimated that Private Equity players have more than US\$1 trillion in 'dry powder'.

M&A activity is also driven by the need to acquire fintech technologies and keep pace with disruption in e-commerce and e-banking. Meanwhile, consolidation continues to throw up deal opportunities in many markets, especially amongst small and mid-size banks. On top of this, there is increasing pressure to de-leverage non-performing loans (NPLs) in a low-yield environment.

Domestic transactions still account for three-quarters of all banking deals. And the US, India, China and the UK remain the most targeted economies. However, international investors should gradually shift their investments from Europe towards Asia.

Despite undoubted tensions, we believe there are many opportunities and remain prudently optimistic about the 2019 deal environment.

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Insurance



Powering Insurance with Artificial Intelligence (AI)

As insurers continue to adopt artificial intelligence (AI) into their value chain to improve customer experience, detect fraud and predict claims value, **newer AI applications are now taking hold on the sales and distribution side** to drive lead generation, automate targeted marketing and grow sales by matching agent to client profiles.

As insurance companies begin to leverage AI in their business models and value chain, find out why [insurers that focus first on their use cases and business objectives, rather than the data, tend to enjoy greater success](#).

For insurers that have yet to start their AI journey, there is no time to waste. Those that have adopted AI are already finding competitive advantage.

IFRS 17 Insurance Contracts - Fine-tuning and finalising the proposal

Discussions about possible amendments to address stakeholders' concerns and implementation challenges have now concluded, giving insurers more clarity about proposed changes to IFRS 17 Insurance Contracts.

At its April 2019 meeting, the International Accounting Standards Board confirmed that it will propose that IFRS 17's effective date be deferred to 2022. An exposure draft to amend IFRS 17 is expected to be published in late June 2019. The Board also proposed some additional clarifying amendments to some of IFRS 17's requirements.

[Read our web article](#) to find out more.

IFRS 17 Insurance Contracts - Final steps before exposure draft

The forthcoming exposure draft (ED) of the amendments to IFRS 17 will have a comment period of 90 days and is due for release in late June.

The International Accounting Standards Board made this decision at its May meeting – it also proposed three narrow-scope amendments and clarifications to IFRS 17 to address sweep issues.

With only weeks remaining until the ED is released, insurers should have a laser focus on how the Board's proposed amendments will impact their specific business and IFRS 17 implementation plans.

Read our web article to find out more.

Tax reimaged for insurers

The role of tax is rapidly evolving as geopolitics, economic, social, regulatory and technological developments are driving significant changes to the operational structure of tax functions.

In particular, technology is critical in enabling tax leaders to improve performance, manage risk and deliver value. Yet based on KPMG research, only 45 percent of tax leaders are managing to stay on top of the pace of technological advancement.

As insurers today are being challenged to embrace their tax functions as a value driver and strategic enabler, there are [three key advice for tax leaders in insurance companies to transform their tax functions and drive strategic value](#).

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Real Estate



The Global Construction Survey 2019

Is your organization future ready? The Global Construction Survey 2019 benchmarks how prepared companies are for a highly competitive and unpredictable future.

The survey – which has been running annually since 2005 – features the perspectives of senior executives from 223 engineering & construction companies and project owners from a variety of industries. The Index is based upon their responses to questions covering governance and controls, innovation and technology, and people.

[Watch the preview](#), read the articles or download the full report on [our website](#), [take the self-assessment](#) to see where you could place on the Index, or [see the Future-Ready value map](#) to plan out your organization's next steps.

Venture Pulse Q1 2019

KPMG Enterprise's Global Network for Innovative Startups launched the Q1'19 edition of the Venture Pulse Report. The report analyses the latest global trends in venture capital investment data and provides insights from both a global and regional perspective. This edition of the quarterly series provides in-depth analysis on venture capital investments across North America, EMA and ASPAC and will cover a range of issues such as financing and deal sizes, unicorns, industry highlights and corporate investment.

You can view the publication [here](#).

Global Leisure Perspectives 2019

The latest version of KPMG's Global Leisure Perspectives shares key industry trends affecting leisure operators around the world, presenting our views on the opportunities and challenges that lie ahead within travel and tourism, hotels, restaurants and bars, sports, and gaming.

You can view the publication [here](#).

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Other



Tapping into Africa's potential

As more African citizens enter the formal financial system, Africa offers pioneering financial institutions exciting growth prospects – regulatory-driven banking consolidation, a growing middle-class, a large unbanked population, an active insurance market and a dynamic fintech sector.

By examining the current concerns for investors, global financial institutions' penetration strategies and local African banks' and insurers' tactics, we have identified a [five-pillar approach to tapping into Africa's potential](#) and tapping latent opportunities in the region.

Even though much of the prospects are currently untapped, the race is on for providers to explore better and innovative ways to get customers on board – so long as they can navigate challenging regulatory and political environments in Africa

Frontiers in Finance

In this edition of [Frontiers in Finance](#) we focus on **risk and regulation**, exploring a wide range of challenges and opportunities facing banks, insurers and asset managers around the world. We also interviewed risk management executives from financial institutions for their practical insights in navigating today's complex landscape.

The business risks facing financial services executives today are daunting. New technologies, the rising focus on social responsibility, ongoing operational and geopolitical risks are radically transforming traditional business models.

The ability to capitalize on the regulatory and risk landscape – better manage the risks, more effectively respond to changing regulation and uncover opportunities for competitive advantage – **will be key to achieving long-term success.**

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CONTACT US



[Pierre Fourie](#)
Financial Services
+27824908077



[Joelene Pierce](#)
Financial Services:
Banking &
Capital Markets
+27 83 291 4217



[Zola Beseti](#)
Financial Services:
Asset Management
+27 82 719 2282



[Mark Danckwerts](#)
Financial Services:
Insurance
+27 82 710 3261

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