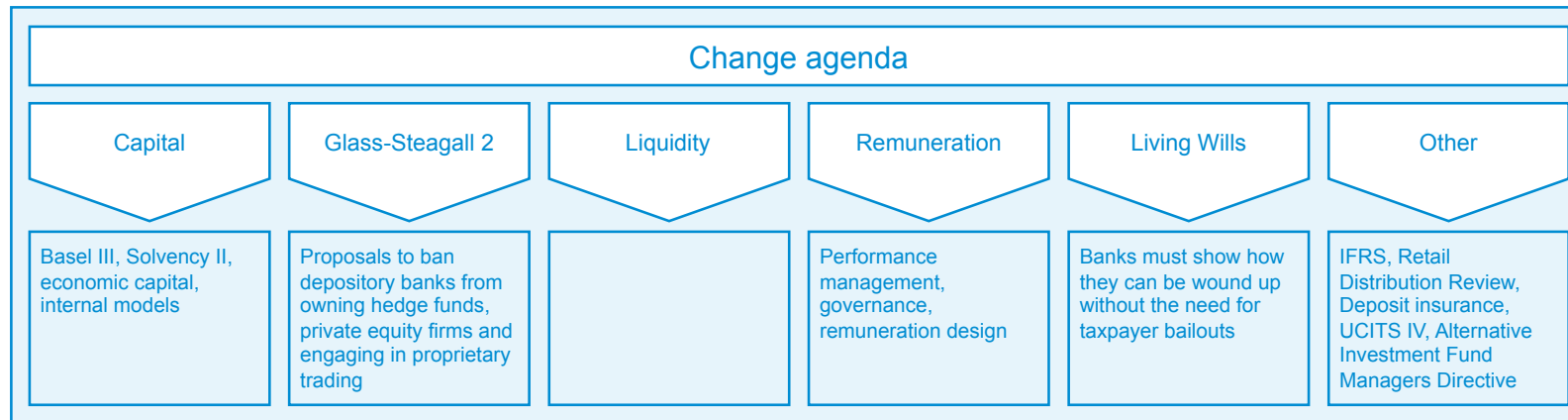


Responding to regulatory change

“Brace for impact, you are not going to escape!” warned Jose-Maria Roldan, Chair of the Standards Implementation Group of the Basel Committee, as he warned the 2009 Geneva Risk Minds Conference of the “tsunami of regulation” that was about to hit the banking industry. As we know, tsunamis cause indiscriminate and widespread destruction. This is clearly not the regulators’ intention but the impact will be unprecedented. Shaping and responding to this regulatory change is uppermost in the industry’s mind for 2010 as the change agenda is multi-dimensional and interdependent.



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While dealing with the regulatory agenda, confidence rebuilding continues. A key part of this is for stakeholders to be convinced that risk processes and frameworks are addressing these issues and that they are working as intended. As the recent financial crisis makes abundantly clear, it is harder than ever for external stakeholders to have that confidence. It is also hard for organisations to know what they must do to rebuild it. However, they do know that to break the cycle they must take responsibility themselves for rebuilding their reputations, whilst at the same time being responsive to regulatory demands.

Providing assurance has always been core to our business at PwC and is an area in which we have renowned expertise. This assurance can only be delivered when we combine the skills of our risk specialists, actuaries, quantitative modellers, change managers, and business and strategic planners.

We are working with many of our clients on the above regulatory changes. Our assistance is tailored to each client’s requirements, covering for example:

- Assessing impacts
- Independently reviewing existing processes
- Designing responses
- Evaluating options
- Designing new processes
- Implementing change
- Training and educating management and boards

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It is the ambition and breadth of regulatory change and modern risk management which makes it a challenge to do well.