

Financial Services

Capability statement





Madeleine Mattera

National Head of Financial Services
Grant Thornton Australia

Changing customer demographics and demands, a tsunami of regulation, new entrants and the impact of technology is transforming the Financial Services Industry.

The customer is at the heart of all these changes happening within the financial services sector. To succeed and grow, organisations need to understand these challenges, think of their customers and adapt appropriately. The right culture, the right moment to invest in technology and the right competitive strategy will see organisations capitalise on the changing environment.

Drawing on our industry expertise, we will work with you to successfully anticipate and navigate the opportunities and risks of this sector, including regulatory changes and reporting requirements, board strategy, financial audits, risk culture and conduct, technology strategy and business planning.

Industry trends

We work with our clients to understand how industry trends impact them and how they can take advantage of the changes taking place within the banking sector.

1 Increasing investment in technology

Industry leaders are investing heavily in technology by either partnering with fintech start-ups or developing innovations and technology internally.

These technologies are helping banks to track customers' needs and spending patterns. This is enabling banks to develop a competitive advantage when developing new products and services.

2 Open banking

In 2017, the Australian Government announced the introduction of open banking in Australia. Open Banking aims to provide customers with more visibility and control over their data.

An open data system will give more convenience to customers in terms of managing their finances. Customers will also be allowed to share data with other service providers. This will result in customer empowerment and competitive challenge.

3 New entrants/disruptors

The banking sector is seeing new entrants from all directions – whether they be international banks, regional ADIs becoming national, the merger of ADIs to become larger market players, Fintechs, non-traditional ADIs or pureplay digital banks, there is a raft of competition. Understanding your value proposition and the needs of your customer base is critical to success in this constantly changing competitive landscape.

4 Governance, culture, remuneration & accountability

In no other industry is the success of an organisation as dependant on good governance and risk culture than financial services.

The understanding of an organisations propensity to risk will drive the culture of the organisation, and the behaviour of individuals, much of what we have seen examined in the Royal Commission.

5 Tsunami of regulation

Technology, cyber security threats, Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF), globalisation and the changing way in which we access banking services has created a tsunami of regulation.

Ensuring all regulatory requirements are adhered to, but also focusing on the customer and growth of the business is a challenge for all banking organisations.

6 Modern slavery, whistleblowing & cyber risk

Issues such as modern slavery, whistleblowing & cyber risk are becoming more prevalent. It's important to understand the risks for each one, and have effective internal controls in place to prevent and manage them effectively.

7 Globalisation

Today's dynamic market place demands that financial service institutions provide technologically advanced services that are reliable and globally connected, operating across borders seamlessly.

The regulatory environment



Royal Commission Implementation Roadmap

In September 2019, the Federal Government released its implementation roadmap accepting all 76 of the Royal Commission's recommendations plus committing to an additional 18 actions. These are progressing, and are expected for completion by the end of 2021.



BEAR

Banking Executive Accountability Regime (BEAR) commenced on 1 July 2018 for large authorised deposit-taking institutions (ADIs) and 1 July 2019 for medium and small ADIs. The regime establishes accountability obligations for ADIs and their senior executives and directors. It also establishes deferred remuneration, key personnel and notification obligations for ADIs. BEAR will become 'EAR' as it extends to insurers and superannuation funds as well as APRA and ASIC executives.



CPS 511

APRA has proposed a significant new prudential standard on remuneration – CPS 511 which is set to impact insurers, superannuation funds, credit unions, and mutual banks.



Focus on GCRA

In November 2019 APRA published its plans to significantly raise the standards of governance, culture, remuneration and accountability (GCRA) across financial institutions.



Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

AUSTRAC has widened its enforcement activities on reporting entities subject to the AML/CTF Act; in particular, where they have concerns about systemic failures to address money laundering and terrorism financing risks. AUSTRAC will soon make it compulsory for all AML plans to be reviewed by an independent party every two years.

This means reporting entities, those providing designated services such as financial services, gold bullion dealers, gaming services, and payroll services, should ensure their money laundering and terrorism financing (ML/TF) risks are clearly identified, articulated and appropriately managed.

We work with clients to ensure their AML plan is robust and exposure points are addressed, including:

- Undertaking risk assessments
- Writing AML programs
- Reviewing internal controls and risk profile
- Assessing third party suppliers exposure points
- Reviewing employee policies and training
- Monitoring enforceable undertaking
- Remediation post-issue.

Supporting future growth

Sustainable growth

We make it our business to understand your business and take a hands-on and practical approach to the design and delivery of all advice, so it reflects your growth plans.

Above all, we are committed to providing you with the advice and support you require as your business grows.



Tax Advisory

Our Tax team offers full-service tax support designed for management of tax issues.

Contact: Himashini Weeraratne



Audit & Assurance

Our team has extensive audit and assurance experience for small to mid-sized financial institutions, from credit unions and neobanks to superannuation firms and insurers.

Contacts: Madeleine Mattera, Claire Gilmartin, Darren Scammell, Matt Leivesley, Matt Adam-Smith, Bronwyn Wundersitz



Human capital

We partner with organisations across Australasia to ensure that they are equipped with people strategies, initiatives, processes, systems and structures to help realise strategic ambitions.

Contact: Matt Croxford



GST

We understand the GST issues affecting financial services institutions and how to manage them through your business lifecycle.

Contact: Andrew Barrah



Business Risk

Risk management is becoming increasingly important in the financial services industry. Our team of Business Risk professionals has experience working with clients to identify, evaluate and improve areas of exposure or weakness.

Contact: George Sutton



Internal audit & governance

As governance, culture, remuneration and accountability are increasingly enforced by the regulators, financial services institutions rely on internal audit and governance more than ever. We have experience working with a broad range of organisations to ensure the right frameworks are in place.

Contact: George Sutton



Technology risk & cyber risk

Every business is a target for cyber risk. Our technology & cyber risk team provide detailed, actionable insight that incorporates industry best practice and standards so you can strengthen your cybersecurity position and make better informed commercial decisions.

Contact: Matthew Green



Whistleblowing and modern slavery

Our specialist team works with organisations to assess their risks and internal control environment's and supports clients in preparing Modern Slavery Statements.

Contact: Katherine Shamai

Our offerings

With a team of specialists focused on providing positive outcomes to our financial services clients, we have a broad range of experience across the sector, in all areas of tax, advisory and assurance services.



Achieve sustainable growth

- Strategy development, review and facilitation
- Feasibility studies and market reviews
- Business planning
- Group rationalising or restructuring
- Efficient structuring
- Business model optimisation
- Data analytics
- IT requirements
- Debt advisory

Finance growth

- Capex cost/benefit analysis
- Solvency advice
- Financial restructuring
- Viability review
- Mortgages and joint ventures
- Fundraising for sale and leaseback
- Asset management
- Valuation services
- Cross-border investment support
- Alternative finance strategies
- Introduction to banks and financiers

Optimise operations

- Profit/performance improvement
- Operational restructuring
- Portfolio benchmarking and review
- Outsourcing
- Interim management solutions
- Tax structuring: local and international
- Project management cycle reviews
- Efficiency/best use reviews
- Technology solutions
- Payments solutions
- Fleet optimisation

Manage talent for growth

- Culture review
- Change management
- Culture surveys
- Remuneration packages
- Benchmarking
- Share scheme structure
- Employee benefit advice
- Executive recruitment
- Leadership training and mentoring
- FBT management
- CPS 511 reviews
- GCRA assessments

Manage risk and regulation

- Governance
- Risk review and strategy
- Regulatory review and recommendation
- Financial audit
- Control reviews
- Internal audit
- Whistleblower services
- Anti-money laundering (AML/CTF) services
- Fraud strategy
- Forensics
- IT security review, cyber security and strategies under CPS 234
- ICAAP reviews

Ownership and stakeholder value

- Minimise tax leakage
- Accessing available tax reliefs
- Business owner issues
- Asset protection
- Succession and estate planning
- Superannuation /pension
- Philanthropic pursuits
- Exit strategies



“I am very impressed with the quality and speed of responses, as well as the content of the advice provided. The team are extremely proactive and have assisted me in navigating the complexities of tax. Compared to my experience with other firms, the GT team are more client focused and the service more personalised.”

Rafael Uy, Go Blank

Our clients

We service the largest portfolio of major banks & mutual banks in Australia – as well as neobanks, fintechs, foreign banks, and non-bank lenders. We also work closely with all industry regulators and membership associations.

We are proud of the strong sense of community our clients have in the services they provide. Our services reflect this spirit and demonstrate our knowledge of unique challenges, disruptions and highly complex regulations are clients are required to navigate to be a successful financial services provider.

Selected banking clients we work with:

86 400	Ratecity
Advent Partners	Ratesetter
AMP	Regional Australia Bank
BankSA	Southern Cross Credit Union
Bendigo and Adelaide Bank (Melbourne)	State Bank of India
BOQ	Summerland Financial Services
Cairns Penny Savings & Loans	Suncorp
Endeavour Mutual Bank	Teachers Mutual Bank
Galileo Management Services Trust	Unity Bank Limited
Horizon Credit Union	Volt Corporation
Hume Bank	Xinja Bank
IFM Investors	Yellow Brick Road
Macarthur Credit Union	
Macquarie Bank	
McMillan Shakespeare	
Members Alliance Group	
Mercury Capital Investments	
My Life My Finance	
Police Bank	
Quadrant Private Equity	

Our Financial Services team

**Madeleine Mattera**

Partner & National Head of Financial Services
D +61 2 8297 2773
E madeleine.mattera@au.gt.com

**Andrew Barrah**

Partner - Tax
D +61 3 8663 6063
E andrew.barrah@au.gt.com

**Himashini Weeraratne**

Partner - Financial Services - Tax
D +61 2 8297 2693
E himashini.weeraratne@au.gt.com

**Matthew Croxford**

Partner & National Head of Human Capital
D +61 2 8297 2538
E matthew.croxford@au.gt.com

**Darren Scammell**

Partner - Audit & Assurance
D +61 3 8663 6135
E darren.scammell@au.gt.com

**George Sutton**

Partner & National Head of Business Risk
D +61 2 8297 2451
E george.sutton@au.gt.com

**Claire Scott**

Partner - Audit & Assurance
D +61 2 8297 2469
E claire.scott@au.gt.com

**Simon Ford**

Principal - Grant Thornton Consulting
D +61 2 8297 2444
E simon.ford@au.gt.com

**Matt Adam-Smith**

Partner & International Business Centre Director
D +61 2 8297 2566
E matt.adam-smith@au.gt.com

**Matthew Green**

Partner - Grant Thornton Consulting
D +61 3 8663 6168
E matthew.green@au.gt.com

**Bronwyn Wundersitz**

Partner - Audit & Assurance
D +61 8 8372 6529
E bronwyn.wundersitz@au.gt.com

**Katherine Shamai**

Partner - Grant Thornton Consulting
D +61 3 8663 6123
E katherine.shamai@au.gt.com

**Matthew Leivesley**

Partner - Audit & Assurance
D +61 2 9286 5771
E matthew.leivesley@au.gt.com



Grant Thornton
An instinct for growth™

grantthornton.com.au

Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities.

Liability limited by a scheme approved under Professional Standards Legislation.