Giving your business the edge in an evolving Japanese banking landscape

Survival and success: Securing the future for Japanese banks

www.pwc.com/banking

Contents

Foreword

We're pleased to introduce 'Survival and success: Securing the future for Japanese banks'. The paper examines how the country's banks can sustain profitable growth both domestically and internationally in the face of major changes in the competitive landscape.

Growth in the Japanese banking market continues to be hard-won in the face of shrinking margins and constrained credit demand. As we've been exploring, using PwC's Project Blue framework, even tougher challenges lie ahead as Japanese banks come up against transformational shifts in demographics, technology, regulation and the global economy (see page 29 for an overview of Project Blue).

But these developments also offer valuable openings for innovation, differentiation and growth. The particular focus of this paper is how Japanese banks can capitalise on the rise and interconnectivity of the emerging markets. We also focus on the opportunities to create market-leading retirement solutions for an ageing population and support the transfer of wealth between generations, as well as the implications of these developments for how banks go to market.

The strategic considerations facing major international groups, regional banks and smaller institutions differ. But all need to rethink how they plan to compete in a new and very different marketplace – simply doing what you're doing a little better won't be enough. We believe that the banks that are set to emerge strongest aren't just focusing on the immediate challenges, but also looking ahead to who their key clients and competitors will be in five years' time, and judging what investments and organisational changes are needed now, to be successful in the future.

We hope that you find the paper informative and useful. If you have any queries or would like to discuss any of the issues in more detail, please speak to your usual PwC contact or one of the authors listed on page 30.

Keigo Omi
Partner
Financial Services Markets Leader
PwC Japan

Trevor Tisseverasinghe
Partner
Banking and Capital Markets Assurance
PwC Japan

Executive summary

Japan is the world's third largest economy and second biggest banking market (by assets). But the headwinds are intensifying, creating opportunities for some and threats for others.

Challenges

- Mounting margin pressures and flat credit demand, requiring renewed efforts to cut costs and seek out new market opportunities
- Customer expectations are being reshaped by the ease and immediacy of smartphone interaction and online retail. Banks will need to keep pace or risk losing business to nimbler and more tech-enabled competitors, both from within the sector and outside
- Looking ahead, a shrinking working-age population will slow economic growth and credit demand
- As customers draw down their cash savings to pay for their retirement, banks will have a decreasing deposit base, which will reduce their ability to purchase government bonds to support the economy

Opportunities

- Using banks' strong cash balances to support the continuing globalisation of Japanese industry and commerce
- Following Japanese businesses as they extend their presence in South America, Asia, Africa and the Middle East (together these fast growth markets make up what PwC terms as 'SAAAME')
- Major Japanese banks are already strengthening their presence in Asia, and can now reach further across SAAAME. Medium to smaller banks can also look to extend their international presence as their clients move into new markets, either directly through setting up operations and greenfield development, or via agency arrangements. Overseas expansion by smaller banks may be constrained by the additional capital requirements for an 'international bank', and they will therefore have to weigh up the pros and cons of such moves
- There are growing opportunities to move beyond a Japanese client base in SAAAME markets to attract local retail and corporate customers

- As the Japanese population ages, banks have an important role to play in this transformation. This includes developing ways to better understand client needs and using this information to create more tailored and innovative retirement solutions
- The openings created by ageing include a boost for asset and wealth management as customers look for higher yielding options to fund longer retirements. Banks without a strong wealth offering will lose market share
- The demographic changes will also increase demand for products and services that allow for the efficient transfer of business assets and wealth between generations
- Developing a more effective infrastructure of client analytics, management accounting, risk management and intragroup reporting to support development across growing international groups
- Harnessing technology to improve service and enhance differentiation. This includes using mobile and social media interaction to gain a better understanding of client needs and tailoring the response to their individual demands and preferences
- Using technology to rationalise processes, allowing the fewer staff available in a smaller working population to concentrate on more value-added tasks

Making the most of the potential

Although Japanese banks have taken huge steps to address a number of these issues, there is still significant work to be done.

While some of the larger banks are making strong inroads into Asia (especially China, India and more recently in Thailand and Indonesia), the markets in South America, Africa and the Middle East are still relatively untapped. In addition to supporting Japanese clients and investment in these markets, it will be important to develop the presence on the ground needed to tap into the growing intra-SAAAME trade flows, much of which now bypass developed markets such as Japan.

As banks move into new and unfamiliar markets, they will need to develop the necessary local understanding and relationships with customers and regulators. Attracting and retaining local talent will be a crucial part of this. More overseas assignments among Japanese personnel will also be necessary as international business becomes more important to group returns and a valuable element of career development for staff seeking senior positions.

As lines of communication and oversight become more extended, it will be important to ensure governance, risk management and finance systems keep pace and that reporting is based on sufficiently accurate, aggregated and up-to-date data. A world-class infrastructure could be as important as sharp strategic planning in future success. It will also be important to ensure effective anti-money laundering controls in markets where there is less knowledge of local customers and increased tendencies for bribery and corruption.

Meeting the demands of a tech-enabled population on the one side and the need to control costs and improve efficiency on the other will require a rethink of how services are delivered. Branch optimisation and process re-engineering will be a core part of these moves for larger banks. For the medium to smaller banks, further consolidation is likely to be needed to remain competitive.

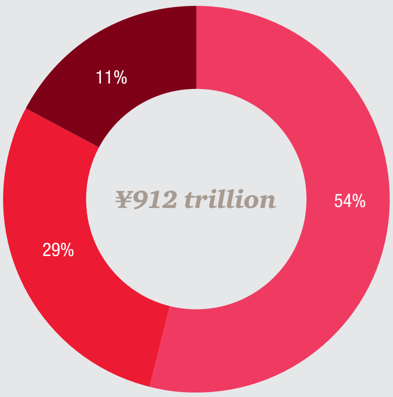
Although the challenges faced demand significant senior management involvement and investment, there are sizeable opportunities for the banks that move quickly and decisively to take advantage of the transformational trends ahead.

1

The banking landscape: Striving to regain momentum

Japanese banks have plenty of cash, but limited domestic opportunities to put it to work.

Figure 1: Japanese banks by proportion of assets, fiscal year ending 31 March 2013



Source: Japanese Banking Association website January 2014 (aggregated bank financials for the fiscal year ending 31 March 2013)

The Japanese banking industry mainly consists of 'city banks', including the three megabanks, 'regional banks', 'second-tier regional banks' and trust banks.

These institutions have combined assets of ¥912 trillion (see Figure 1 for a breakdown of assets by type of bank), total deposits of ¥641 trillion[1] and an overall loan-to-deposit ratio of 70%.[2]

While city and other large banks have nationwide networks and overseas operations, in some cases quite extensive, the regional banks cover more limited areas. Some regional banks have established overseas operations, though most haven't, as yet.

The 'excess cash' conundrum

A prolonged period of low economic growth has depressed credit demand and made many businesses and consumers reluctant to take any more than minimal risk. In turn, many banks now lack the credit expertise and appetite to lend to higher risk businesses such as technology start-ups and other innovative up-and-coming businesses, which affects both banks' returns and the ability of the country as a whole to pursue new growth opportunities.

The risk aversion is reflected in the fact that more than half of savings are held in bank deposits (see Figure 2), a much higher proportion than most other developed markets.

Banks have had little success in encouraging customers to borrow (credit had until recently been falling year-on-year). They're also finding it difficult to persuade savers to move some of their deposits into higher yielding investments.

The surplus is typically invested in Japanese government bonds (JGBs) – see Figure 3. Although the returns from JGBs are limited, bank investment has played an important role in supporting the government by retaining its debt within the nation's borders. The low yields from JGBs mean that the bulk of bank income is derived from the net interest margin on loans spreads.

1 Excludes certificates of deposit

2 Japanese Banking Association website January 2014 (aggregated bank financials for the fiscal year ending 31 March 2013)

Macroeconomic challenges: A country and industry at a crossroads

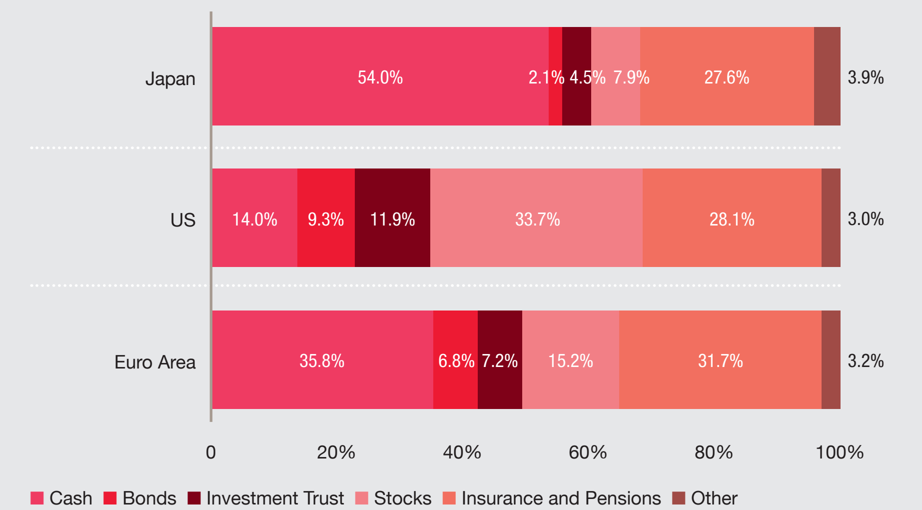
The impact of 'Abenomics' has reversed the deflation of the past two decades and led to strengthening growth and confidence within the banking sector and wider economy. The Olympics in 2020 will provide a further boost for spending and growth, with banks set to play a strong role in supporting and channelling investment.

But the longer term prospects for both the economy and banking sector are uncertain. The country is ageing – Japan has the highest life expectancy in the world[3] and by 2060 some 40% of the population will be over 60, compared to around a quarter today.[4] As the working population falls, domestic output may begin to decline and more production will be diverted abroad. Banks are already following their clients and seeking out new opportunities in fast growth SAAAME markets, a trend that will accelerate as the impact of demographic shifts heightens.

Medium to smaller institutions also need to support their clients' growing moves into international markets or risk losing them to larger competitors. Closer to home, the main challenge for regional institutions is how to stimulate local economies amid a continuing shift of working-age people and economic activity from rural areas into the cities.

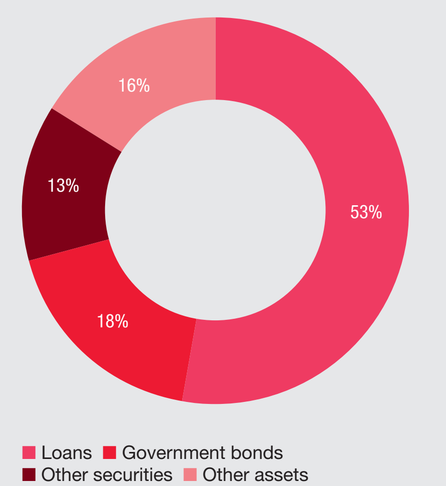
Ageing could make government debt harder to manage. In particular, banks' ability to buy JGBs will be curtailed by the withdrawal of deposits as the older population pays for its retirement. But the impact of ageing on deposit levels and consumer demand could also provide a catalyst for less risk-averse and more dynamic banking strategies. This includes greater consumer appetite for higher risk and higher yield investments as they seek ways to fund longer retirements. Banks may also be readier to lend to higher risk businesses as they have a higher return to improve their net interest margin.

Figure 2: Household savings: Where is the money?



Source: Bank of Japan Note: Japan and US figures as of 31/3/2013 and Euro Area as of 31/12/2012. Exchange rates at 1 year average – USD/JPY 84.67, USD/EUR 0.778

Figure 3: Japanese bank assets, fiscal year ending 31 March 2013



Source: Japanese Banking Association website January 2014 (aggregated bank financials for the fiscal year ending 31 March 2013)

3 World Population Review, 3 December, 2013

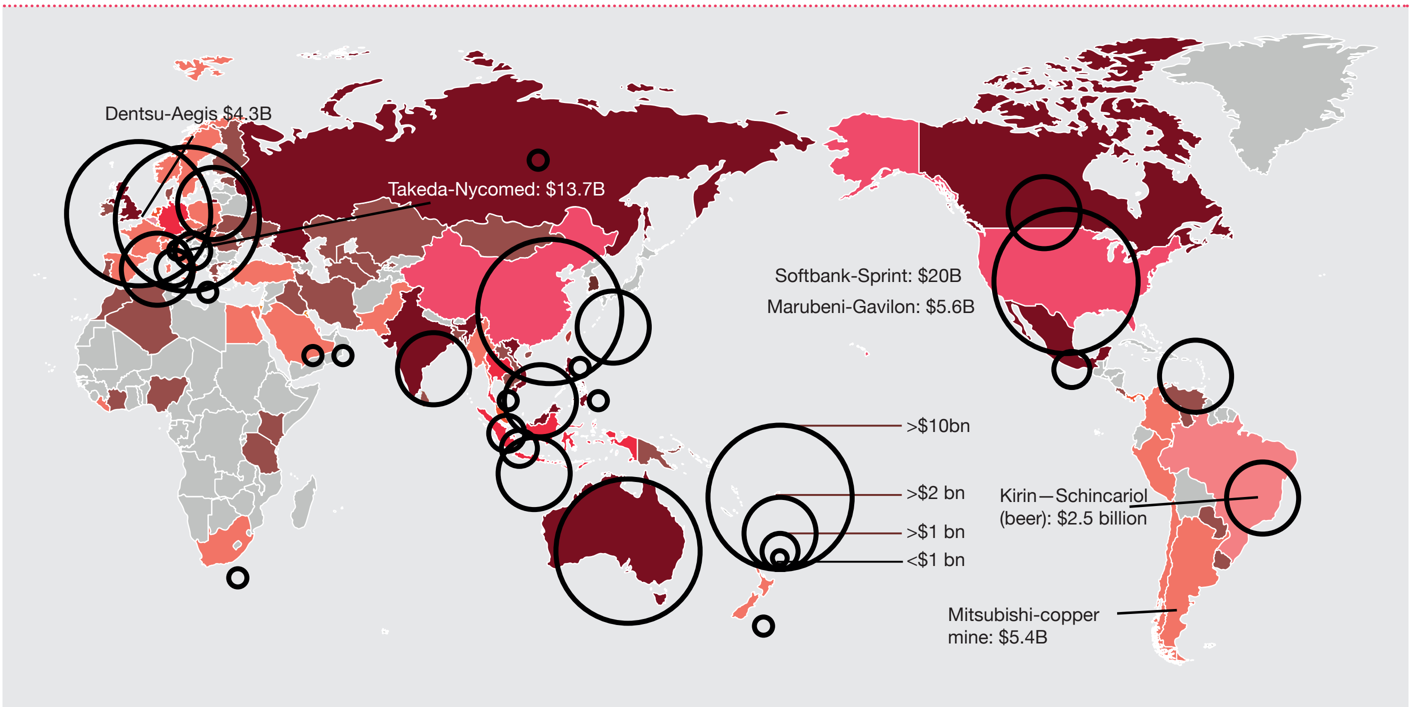
4 BBC Online reporting Health Ministry estimates, 1 January, 2014

2

Globalisation
Capitalising on the rise and interconnectivity of the emerging markets

Japan is a leading global investor, manufacturer and trading power – a position that has been reinforced by a series of major recent acquisitions (see Figure 4).

Figure 4: Japan's outward investments: Trade and FDI Flows, 2012



Source: JETRO and Thomson Reuters

The economies and banking sectors within SAAAME emerging markets are growing much faster than their mature developed market counterparts in the G7.

Yet, even the biggest Japanese banks are less globalised than corporations in areas such as vehicle manufacturing and electronics. The importance of following clients into new markets is heightened by the accelerating growth within SAAAME, which is leading to a radical shake-up in the competitive environment for financial services businesses, both within the SAAAME region and beyond.

The economies and banking sectors within SAAAME emerging markets are growing much faster than their mature developed market counterparts in the G7. PwC's projections see the combined asset value of the banking markets of the G7 being superseded by the seven biggest emerging markets (E7[5]) over the next 20 years, with Japan being overtaken by China and, eventually, India.[6]

Crucially, it's not just growth within the individual SAAAME markets, but the rapidly increasing trade between them, which is so vital (see Figure 5). As more of this commerce bypasses developed markets including Japan, banks need to find ways to tap into these intra-SAAAME trade flows or risk being left out of the loop.

Figure 5: International trade flows by region

Origin \ Destination	N America	Europe	CIS	S & C America	Africa	Asia	Middle East
N America	6.4	7.8	16.0	13.8	12.3	9.0	14.1
Europe	5.3	7.8	17.3	11.7	11.5	11.7	11.5
CIS	14.0	18.7	17.2	6.2	19.2	19.1	14.7
S & C America	9.3	12.6	13.8	16.5	17.9	23.0	15.4
Africa	13.8	42.1	16.1	23.6	17.0	22.4	20.1
Asia	8.9	12.0	27.4	22.4	21.3	14.1	17.7
Middle East	12.7	14.6	13.7	17.1	17.3	20.6	19.3

CAGR % 2002-2012 <5 5-10 10-15 15-20 20-25 >25 SAAAME

Source: WTO

Moreover, while the overseas operations of Japanese banks mainly target Japanese companies, significant opportunities also lie, for the larger Japanese banks, in developing business with non-Japanese companies and consumers located in the SAAAME markets.

Following your clients into fast growth markets

Supporting client globalisation

Building international networks will enable Japanese banks to identify investment opportunities for their clients and provide the advice, finance and other banking support to capitalise.

Managing more complex supply chains

As banks look at how to tap into the evolving global trade flows, a key opening is helping clients to manage more complex supply chains. "Over recent decades, one of the most important changes in the nature of international trade has been the growing interconnectedness of production processes across many countries, with each country specialising in particular stages of a good's production," says the World Trade Organisation (WTO).[7]

As supply chains become more fragmented, companies face the challenge of developing operational strategies that both manage production and capture the growth in trade and consumption. A key part of this is trade finance optimisation and more efficient management of working capital. This is an area where banks have a crucial role to play including provision of global supply-chain financing solutions. Moreover, many companies still work with multiple payment initiation systems and cash management banks. Banks with the right technical capabilities can benefit from the resulting demand for consolidated cross-border cash solutions as multinational companies look to put treasury on a more manageable footing.

5 E7 encompasses China, India, Brazil, Russia, Indonesia, Turkey and Mexico

6 Banking in 2050, PwC, 2011

7 WTO World Trade Report 2013

Supporting infrastructure development

The WTO World Trade Report 2013 notes the strong correlation between infrastructure investment and growth in production and trade. Although some countries have already started to support infrastructure projects in Africa, for example, there are still significant openings for Japanese companies and therefore banks to provide financing and advice.

Creating the truly international bank

The increasingly international focus of Japanese banks – especially the larger ones – is reflected in the fact that they have once again become the biggest cross-border lenders of any country (13% of global total, ahead of the US, UK and Germany)[8].

The next phase of the banking industry's moves overseas is the development of stronger networks on the ground. Japanese banks have a strong foothold, but don't have the presence of some of their US and UK rivals. Further expansion is going to be vital in preventing Japanese corporate business in international markets from being poached by foreign competitors (many are establishing dedicated Japan desks to vie for this business).

A stronger presence on the ground would also enable Japanese banks to compete for local customers and provide credit in local currencies. Making this work is going to require governance and reporting structures with greater international reach and the ability to identify risks and make decisions quickly and effectively.

The medium to small institutions are also going to want to follow their customers into new markets. Many won't have the funds, capital or reach to establish full service operations on the ground, but could seek to develop partnerships with international counterparts and manage the relationship on their clients' behalf to avoid losing their customers to the larger and more international Japanese banks. However, this will be a business decision that will need to be made, based on the costs and benefits, which could include higher capital charges.

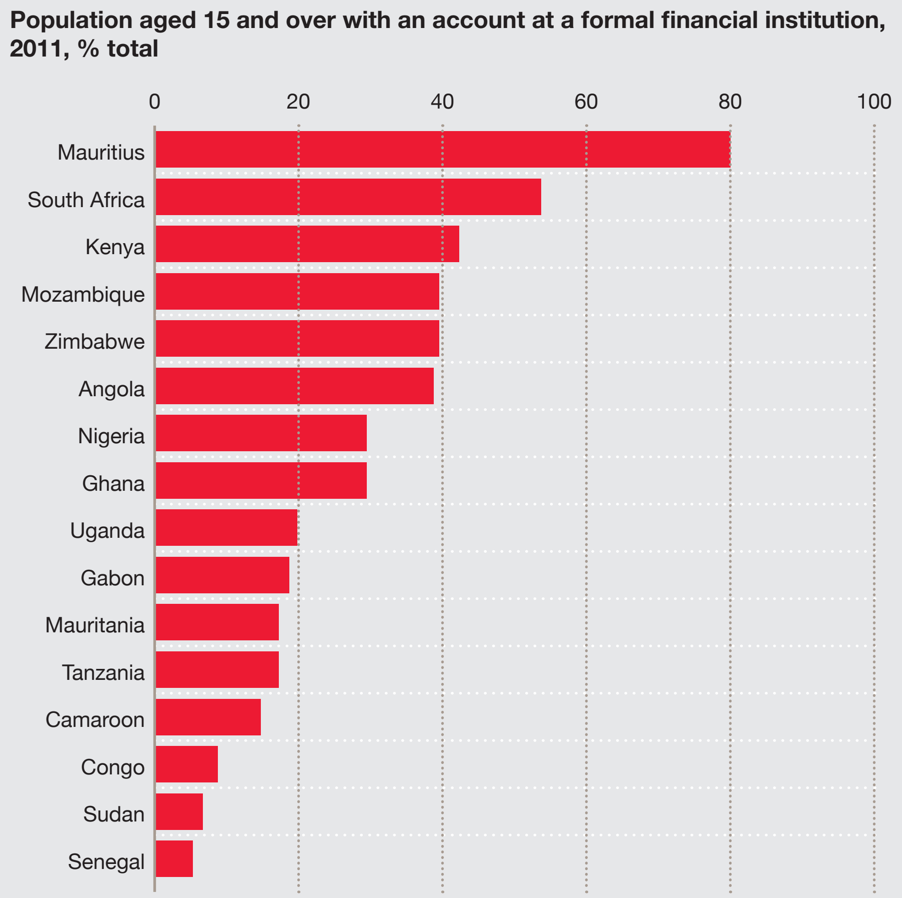
Acquisition is a crucial element of international expansion. After a period of retrenchment, the larger Japanese banks have been taking advantage of strong growth rates in developing countries and asset sales in the wake of the financial crisis, to extend their presence. Examples include:

- Mitsubishi UFJ Financial Group's (MUFG) acquisition of a controlling stake in Thailand's Bank of Ayudhya in 2013, the biggest acquisition by a Japanese bank in Southeast Asia.[9]
- MUFG has also bought a stake in Morgan Stanley[10] and took control of Union Bank in the US.[11]
- Sumitomo Mitsui Financial Group (SMFG) has purchased what could eventually be a 40% stake in Indonesia's Bank Tabungan.[12]
- SMFG also bought RBS' aviation capital business.[13]
- Mizuho has a stake in BlackRock.[14]

In addition to these headline deals, Japanese banks have also made a series of smaller acquisitions, strategic investments and joint ventures across Asia. Asia has been the primary focus as they believe they can get the most synergies and value, due to the cultural similarities, as well as geographical proximity. Beyond Asia, however, Japanese banks currently have a much less extensive international presence as compared to some of their US and

08 Bank of International Settlement Quarterly Review, September 2013
09 Reuters, 18 December, 2013
10 Morgan Stanley media release, 29 September, 2008
11 Union Bank website, 5 February, 2014
12 Bloomberg, 9 May, 2013
13 Reuters, 17 January, 2012
14 Financial Times, 12 November, 2010

Figure 6: Proportion of people with bank accounts in selected markets



Source: World Bank

Our view

Given the saturated domestic market, the larger Japanese banks have the opportunity to continue to support the globalisation of Japanese industry and commerce including the moves into SAAAME markets. They can use their huge cash reserves to capitalise on growth in these markets and help Japanese companies make strategic investments that will help to secure the economic future of the country.

European peers and are therefore limited in their ability to fully support the globalisation of Japan. Japanese banks tend to be comparatively weak in the Middle East, India, sub-Saharan Africa and South America, despite the increasingly buoyant economic outlooks in the regions (see pages 25–28 for an overview of the business development potential within the different regional markets). Moreover, what presence they do have is often limited to a representative office rather than a fully fledged branch operation.

The opportunities for Japanese banks in SAAAME markets include increased demand for trade financing solutions (including supply chain financing, cross-border/notional cash pooling, treasury centralisation, etc.). Foreign banks have been investing in the development of transaction banking solutions over the past few years and building advanced IT infrastructures to support these activities. Although Japanese banks have also been developing their capabilities in this area, there is still some catching up to do to compete on equal terms with other international groups.

As SAAAME markets become more sophisticated, Japanese banks can offer local customers a broader range of products and services to meet their evolving needs. Well-equipped and innovative banks also have an opportunity to bring in and serve a relatively large unbanked market (see Figure 6). Local understanding and regulatory relationships will be crucial. As the successful M-Pesa mobile banking model also highlights, technology is going to be important in reaching out to new customers, younger clients and remote communities.[15]

15 M-Pesa now has 15 million customers in Kenya, more than all of the country's banks put together (www.thinkm-pesa.com, 16.04.12)

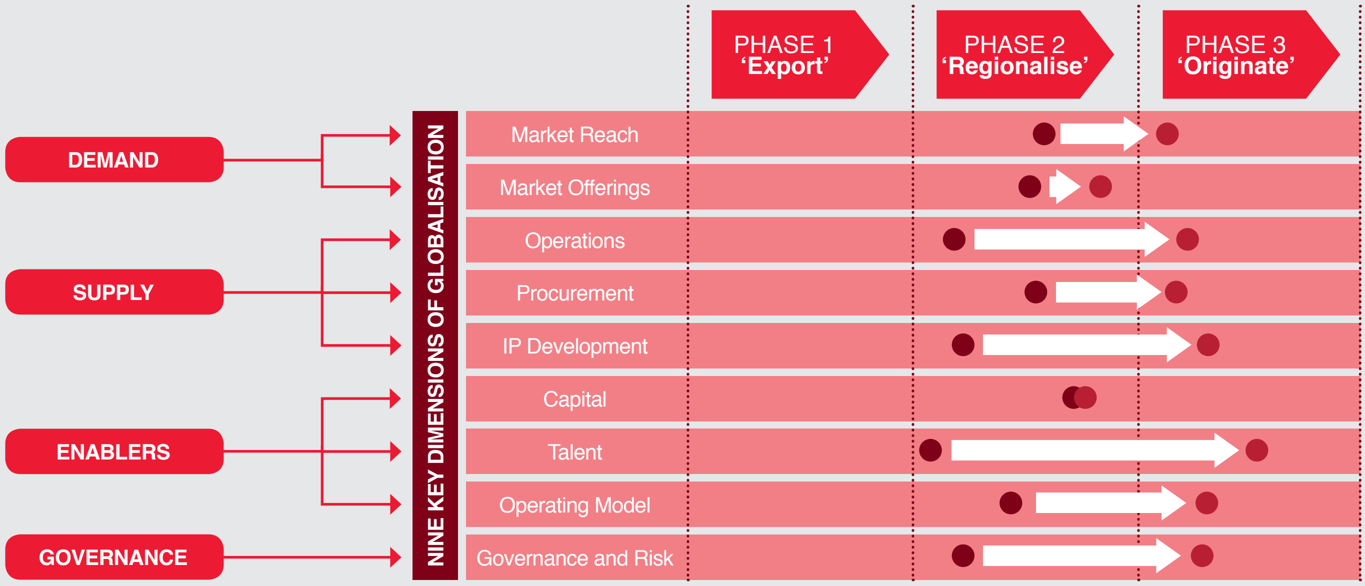
> As SAAAME markets become more sophisticated, Japanese banks can offer local customers a broader range of products and services to meet their evolving needs.

Judging the right course

As we outline in the table below, the various different approaches to international expansion have inherent pros and cons. The choice will depend on the bank's existing presence, customer requirements, timing of the opportunities, capital constraints and funds available for investment.

Approach	Pros	Cons
Representative office	• Low start-up cost • Flexible running costs by using fly-in resources as needed • Fastest way to establish a presence	• Slow growth • Unlikely to make significant inroads
Strategic alliance	• Immediate access to local knowledge, resource base and existing network • Low cost and risk • Ability to service targeted opportunities	• Restrictions on execution of the strategy, due to needing to work with partner • Decision-making can be slow as no control of the business
Establish a branch	• Medium cost • Provides capability to service Japanese companies by leveraging head-office relationships	• Regulatory hurdles to obtain required licence • Need to set up infrastructure from scratch takes significant time and investment • Challenges with placing the right resource both from head office and locally recruited • Limited business capabilities • Unlikely to capture local trade flows • Increased capital requirements
Acquisition	• Immediate access to local knowledge, resource base and existing network • Immediate access to local customer base and distribution channels • Access to local funding sources • Local brand may be better known and trusted within the local market	• High cost, especially due to the high premiums commanded • Relatively unknown business with high integration risks • Challenges with obtaining regulatory approval for controlling stake • Can take time • Challenges with risk management and oversight/governance from head office • Increased capital requirements
Establish a local subsidiary	• Better access to the local customer base and trade flows • Ability to implement head-office governance and oversight culture more easily • Easier to leverage head-office infrastructure for an integrated platform	• Challenges with obtaining regulatory approval for required licences • High setup costs in order to implement an infrastructure from scratch • Gradual build-up of customer base • Increased capital requirements

Figure 7: PwC Globalisation Maturity Model



Example analysis: ● Assess your current position ● Decide how to compete in new markets

Source: PwC

PwC's Globalisation Maturity Model

Our research shows that the globalisation develops in three distinct phases:

- In the 'Export' phase, a bank or other business sells its domestic market offerings to similar customers in selected overseas markets.
- In the 'Regionalise' phase, it focuses on adapting to local market needs.
- In the 'Originate' phase, it's fully global.

PwC's Globalisation Maturity Model integrates these elements, providing a framework banks can use to define where they are today and what they need to do to realise their strategic objectives (see Figure 7).

Building the right infrastructure to support development

As the fines for international groups in areas such as LIBOR and anti-money laundering highlight, effective governance, compliance and risk management have never been more important.

But significant expansion, especially outside of the home market, can make it harder to apply appropriate oversight and control. Moving into new territories also opens up unfamiliar risks and requires operation across a variety of different legal systems, regulatory jurisdictions and ways of working.

Historically, the overseas operations of Japanese banks have been relatively limited, which is reflected in the way they are run and the governance infrastructure that supports this. But the risk monitoring and management required in today's more complex and extensive international operations call for a new governance, compliance and risk management model, supported by an infrastructure of monitoring and reporting, capable of delivering timely, accurate and comprehensive data. The model can be organised on a centralised or regional basis, depending on what is most appropriate for the group structure. It would run from the frontline management of the businesses, and monitoring of risks, to support functions such as human resources and IT.

A rigorous and systematic approach to anti-money laundering will need to be a particular focus in markets where there is less knowledge of, and relationships with, clients.

A new operating model

While risk management and compliance are the immediate priorities, this rethink of governance, decision-making and reporting structures would provide an opportunity to review the operating model and bring it into line with the needs of a more globalised business (see Figure 8).

The finance and risk management systems within many large Japanese banks have been bolted together over numerous mergers and have served a predominantly domestic business. In smaller banks, these systems have suffered from lack of investment. This has led to overreliance on manual processes, which tend to be slow, costly and prone to error.

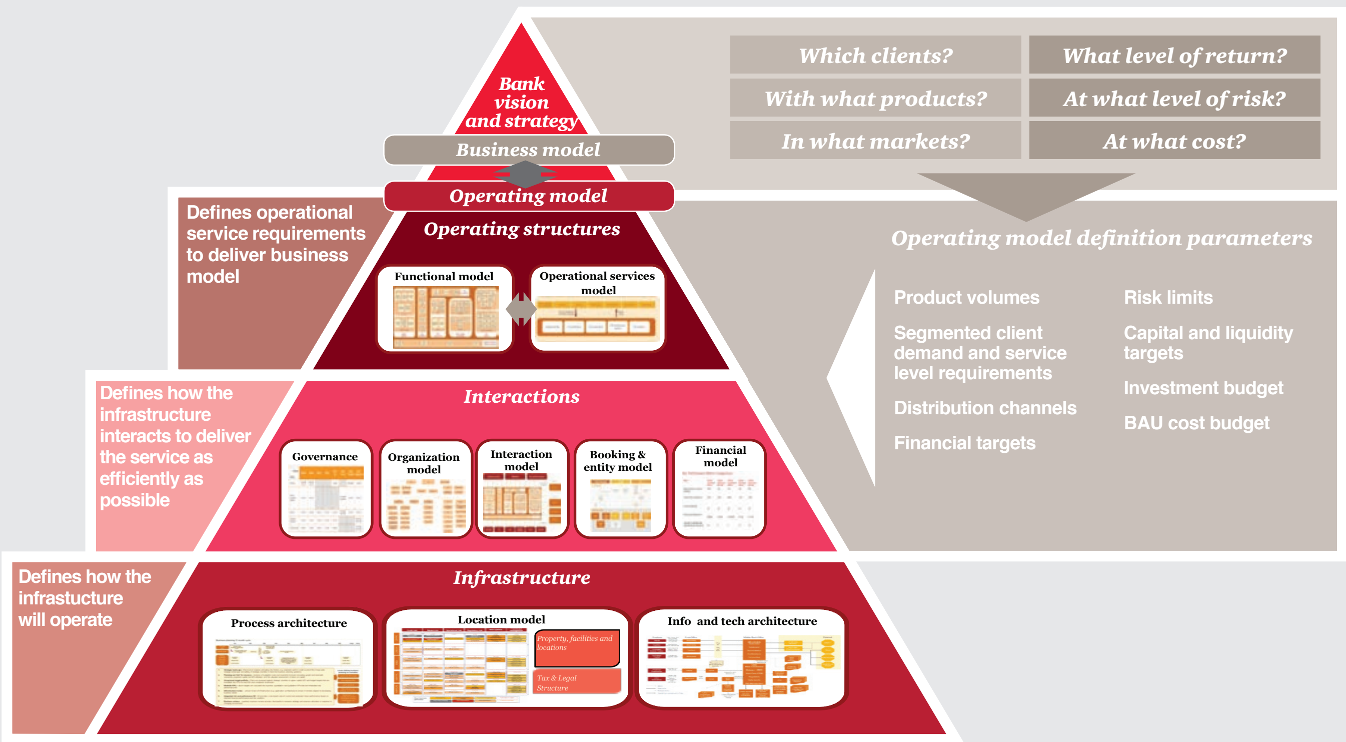
For the larger banks, increasing internationalisation is going to require a major upgrade. The starting point is the need for aggregated data, ideally from a single source to ensure consistency and speed of analysis and reporting. Continuing to rely on ageing legacy systems or manual processes is going to put the business at a disadvantage against competitors with faster and more effective reporting infrastructures. It also increases the risk of compliance lapses and undetected losses across today's complex and diffuse operations.

For the medium to small banks, the changes required to the systems to support the international business may not be significant, but provides an opportunity to review the infrastructure as a whole, required to support changes to the current business model.

Our view

Addressing the growth challenges for Japanese banks will require changes to existing business models and structures. This in turn is likely to require more effective centralised governance and better informed decision-making processes, using appropriate management information, capable of applying direction and oversight over more complex and extensive international operations.

Figure 8: A new operating model for a globalised business



Source: PwC

For the larger banks, increasing internationalisation is going to require a major upgrade. The starting point is the need for aggregated data, ideally from a single source to ensure consistency and speed of analysis and reporting.

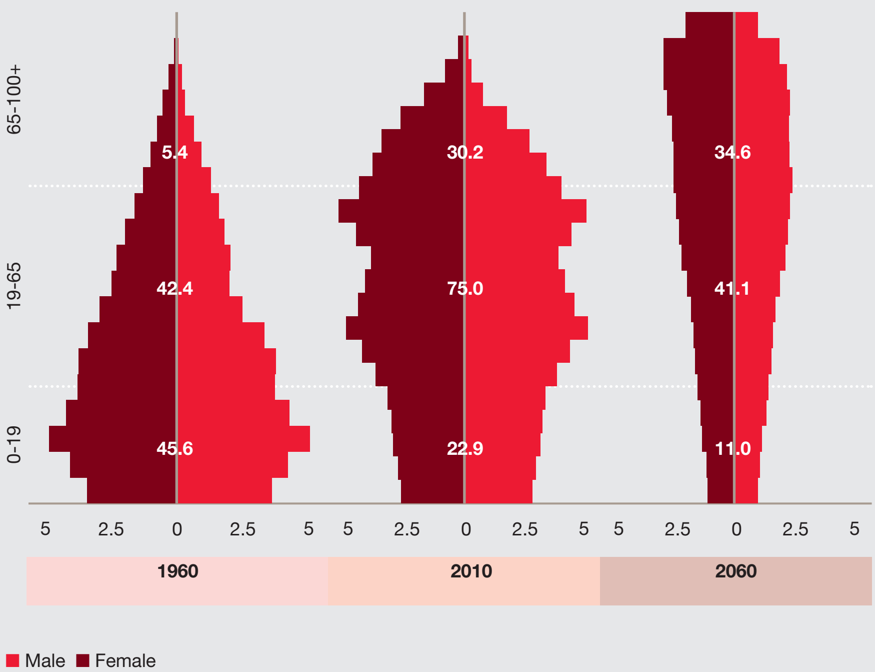
3

Demographics
Getting to grips with a declining and ageing population

Population growth and decline in different countries, combined with an ageing population around the world, is transforming economies and reshaping banking markets. The impact on market demand, competition and returns is going to be especially marked in Japan, reducing the importance of some business lines and opening up opportunities in others.

Japan's population is falling in numbers and growing older (Figure 9 sets out the population trends by age group). In 2013, the population fell by a record 244,000.[16] If current birth, mortality and immigration rates continue, the population will have dropped by more than 25% to some 95 million by 2050.[17] Having peaked at 87 million in 1995, the working-age population (15–64) is projected to fall below 60 million by 2050.[18]

Figure 9: Japan's population by age group, million



Source: National Institute of Population and Social Security Research

16 BBC Online reporting Health Ministry estimates, 1 January, 2014

17 World Population Review, 3 December, 2013

18 IPSS population projection

Our view

An ageing population will lead to a smaller domestic customer base in Japan in the long-term, but create opportunities in the short- to medium-terms. The demographic changes are an opportunity to establish Japan as a global torch bearer for how to manage the consequences of an ageing population. The banking and wider financial services sector have an important role to play in this transformation by developing new financial products and sales channels that meet the needs of an ageing population:

- Tailored consultations/private banking
- Shifting more to retirement insurance products
- Reverse mortgages
- Biometric security to counter difficulties in recalling PINS, etc.
- Discounts on regular banking fees
- Structures to optimise and transfer efficiently, businesses and other assets down the generations
- Engaging older customers with older staff 'who speak the same language'

Banks that lead the way in engaging with customers, adapting their strategy and investing in the technology to support this will reap the rewards.

National Institute of Population and Social Security Research

Many developed countries, as well as emerging markets such as China, India and Indonesia, are also experiencing an acceleration in ageing. But in Japan, the pace of population decline (both working and overall) is exacerbated by low birth and immigration rates – less than 2% of the population are immigrants[19] compared to an OECD average of 8.5%.

Japan's declining working-age population means that living standards can only be maintained through increasing productivity and growth outside Japan. The financial services industry will need to anticipate demographic developments and bring products and services into line with the changing customer base in the markets they serve.

As people live longer and state support declines, the competitive frontline will likely shift from lending towards helping people to fund and manage their retirements. Opportunities lie in managing the changing demographic picture, both in terms of product offering and the structure of the industry itself. Reputation and trust will be crucial in sustaining market share in an increasingly empowered and knowledgeable retirement market.

Other countries and regions, notably India and Africa, have young and growing populations, which will provide the spur for major industrial investment and development. India's population will increase by 400 million to 1.6 billion[20] and Africa's double to some two billion by 2050,[21] with the bulk of their populations being under 30. The challenge for financial institutions is judging how their young customers will want to interact with them and how to encourage them to save and invest, with digital development likely to be crucial.

Adapting the product mix to demographic shifts

A new future for wealth management

Although Japan has one of the largest pools of investable wealth in the world, wealth managers have found it difficult to capitalise on the potential. In particular, most customers prefer to keep their wealth in liquid forms, such as cash and government bonds. This may be seen as a legacy of the bursting of the 1990s' bubble in equity and real estate prices and the ensuing lack of confidence in the economy. At present, there are also limited margins for individually tailored services.

But the asset and wealth management markets could be poised for significant growth. The need to fund extended retirements as people live longer will require better returns than are available through deposits and other low-risk options. Moreover, increased demand for standard pension products is likely to further reduce yields. This will trigger increased demand for higher yielding investments such as managed investment trusts and create valuable growth opportunities for asset managers.

Developing international partnerships

There is a strong appetite among Japanese investors for foreign securities. To purchase these, however, most investors need to go through foreign brokerage companies, resulting in lost revenues for Japanese banks. By forming alliances with foreign brokers, Japanese institutions could take a greater share of the returns.

Non-Japanese banks also have the expertise and analytical strength to lead the way in the development of structured financial products with potential yield enhancement. These are then typically wholesaled to Japanese retail banks for onward sale to investors. Japanese banks therefore have the opportunity to deepen existing alliances with international partners to develop and market such products.

Passing on wealth

Looking ahead, as wealth passes to a generation without personal experience of the 1990s' collapses, there may also be greater readiness to take risk. Additionally, the older generations may be looking for products and services that make the transfer of businesses and other assets down the generations in the most efficient manner. This would create openings to target customers where wealth transfer is believed to be imminent. This includes developing structures to support optimal wealth transfer, as well as private banking-type consulting services for the next

19 World Population Review, 3 December, 2013

20 Ten projections for the global population in 2050, Pew Research Centre, 3 February, 2014

21 Economist, 17 December, 2011

generation and offering access to higher yielding foreign assets.

However, as the population ages and dependency ratios rise in the longer term, people will have less cash to bequeath and savings will dwindle, to fund retirement. This will mean less wealth to pass on to the next generation. There may be opportunities to develop annuity-type products that unlock value in illiquid assets, such as housing. Further openings include inheritance tax advice and optimisation products, which would help to conserve as much value as possible in existing savings.

Changes will be required to the delivery channels

Customers' use of online and mobile technology for their banking needs has grown rapidly. With the convenience of digital channels, customers are visiting branches less often, which is reducing the returns from what can be high branch investments and expenses. If the branch model stays on its current course, it will become a financial burden to banks, cutting deep into cross-channel profitability.

Branches will remain an important interaction point, playing an essential role in complex product sales and relationship building for both retail and small-business customers. Branches will also remain the most popular channel for mortgage applications and similar product sales where face-to-face interaction is paramount. But given their high fixed cost, branches will need to become dramatically more productive or significantly less costly. Shifting routine banking transactions from the branch to lower cost channels can significantly reduce costs. The cost of a branch transaction is approximately 20 times higher than a mobile transaction and more than 40 times higher than an online transaction, for example (see Figure 10 which compares transaction costs in the US).

Faced with declining revenues, banks are re-evaluating staffing levels, rental contracts and other key aspects of branch economics. The rethink of cost and service is leading to a broader rethink of how branches fit into the wider delivery model. As customers transform the way they bank, the value proposition of traditional branches is changing. Customers increasingly demand one-stop services, personalised attention, access to expertise, quick and competent service, immediate problem resolution and recognition of their value to the bank. The declining population will continue to erode the available resource pool, which also provides an opportunity to revisit current models and streamline processes including increased use of centres of excellence in strategic locations.

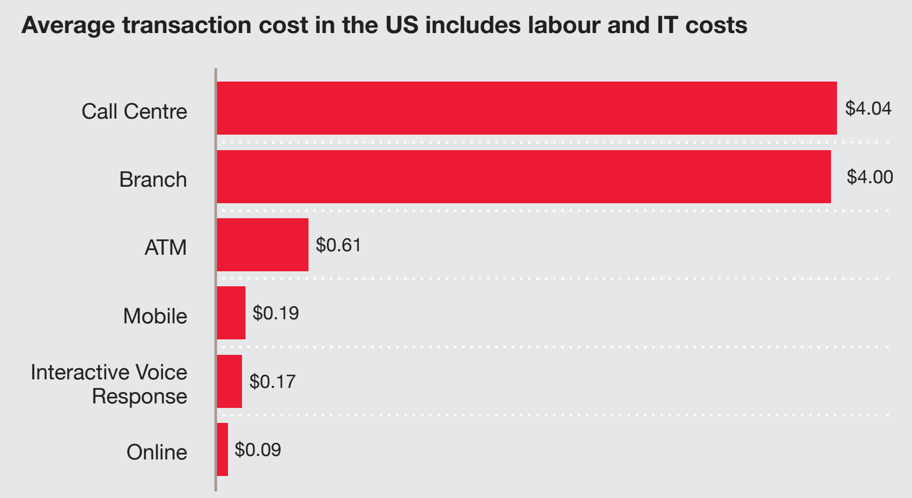
It will therefore be important to look at how to transform the physical branch network to:

- match consumer preferences and expectations
- improve customer acquisition and cross-sales
- retain a personalised service model
- direct the most value-added services to the branch, thereby increasing what we call 'right' branch interaction, and
- reduce operating cost.

Leading banks are moving away from 'managing branches' and instead are 'managing distribution' across all of their channels. A multichannel distribution strategy encompasses all distribution channels – including physical, digital, face-to-face and voice. This strategy helps banks focus on how best to acquire and service customers across all of these channels, to maximise revenue and profits for the whole bank including the branch network. While the older generation in Japan may prefer to do business in a branch, there is still some scope for optimisation.

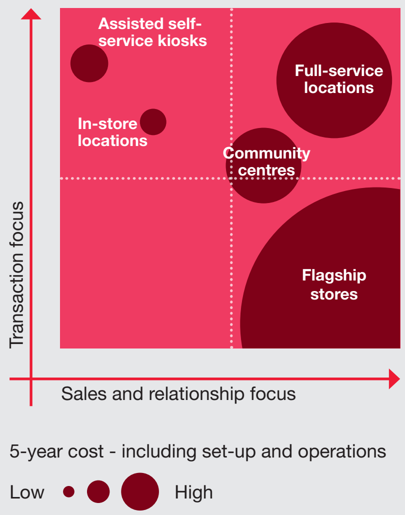
Figure 11 looks at how banks can balance the costs, returns and engagement/cross-selling potential to determine the right delivery mix.

Figure 10: Comparing transaction costs



Source: CEB TowerGroup

Figure 11: Leading banks balance customer needs, revenue opportunities and cost to determine the right mix of branch models



Source: PwC

Leading banks are moving away from 'managing branches' and instead are 'managing distribution' across all of their channels. A multi-channel distribution strategy encompasses all distribution channels – including physical, digital, face-to-face and voice.

The table below provides a basis for evaluating the costs and benefits of five selected approaches and how these can be applied to suit particular target customers in each market. This increases the bank's geographic relevance to customers and balances customer needs, revenue opportunities and cost to achieve increased returns.

Emerging Branch Models	
Assisted self-service branches	Cater to retail and small-business customers on the go with high-function kiosks, some of which may be video-enabled. Only one employee is needed on-site to assist with kiosk functionality.
In-store and corporate branches	Provide convenient access for busy customers who want simple transactions and new account openings. where they shop and work. These streamlined branch locations include grocery stores and corporate office buildings.
Full-service branches	Provide one-stop banking (sales and service) to retail and small-business customers, who prefer privacy and face-to-face interactions. There will be fewer full-service branches in the future. Those that remain will be technologically advanced with features such as video capabilities, back-office automation, and reconfigured office designs to better balance transactions, relationship building and sales.
Community centres	Provide a customised experience, based on the local community they serve. They have a smaller footprint than traditional branches. Employees know their customers by name, are engaged in community events and even host networking sessions supporting local businesses at the branch.
Flagship stores	Deliver sales and advisory expertise, while showcasing emerging capabilities to sophisticated customers.

Our view

Faced with a longer term decline in domestic demand and changing customer expectations, competition is likely to increase calling for a rethink of how services are delivered. Moreover, the declining population will result in a fall in the staff available to work in branch operations. Sharpening productivity through the right mix of automation and face-to-face interaction and directing customers to appropriate delivery channels, together with the increased use of centres of excellence, will therefore be among the keys to sustaining profitability.

Not all models work for all banks. Adopting a combination of branch models based on target customer segments in the local market as well as the bank's strategic goals is the most effective strategy.

Drivers to determine the right branch mix

Market characteristics

- Population density
- Primary usage (residential, market/commercial, industrial)
- Community concentration (ethnicity, age groups such as college students or young families)
- Competition (national versus regional versus community bank)
- Growth prospects (high growth, mature market, stagnating)

Primary customer characteristics

- Asset/income level (high net worth versus mass market)
- Financial products held (deposits, loans, investments)
- Digital adoption (high comfort, low usage)
- Engagement style (self-service, looking for advice)

Bank considerations

- Market profitability (revenue from customer base, growth potential)
- Strategic focus (target levels of penetration, market share)
- Current capabilities (number of branches and ATMs, productivity levels, branch performance)

Strengthening cyber security

Strengthening cyber security will become crucial as more banking business passes through online and mobile channels (our latest CEO survey of business leaders worldwide found that more than 70% of banking CEOs see cyber-attacks as a threat to growth[22]).

The latest Global State of Information Security© Survey, an annual worldwide study carried out by PwC, CIO magazine and CSO magazine, found that compliance is still the biggest driver for information security spending in financial services.[23] But by simply following regulatory rules, banks are never going to be able to keep pace with the constantly morphing cyber threats. Similarly, most boards still see cyber security as primarily a matter for IT rather than the business as a whole. But cyber security needs to be everyone's business, rather than just IT, to keep ahead of the threats.

Key priorities include identifying and focusing resources on the 'crown jewels' most in need of protection. Institutions also need to integrate cyber risk with other areas of business risk management, carry out more frequent risk assessments and collaborate more closely with third parties. Clearly, it's not possible to protect against everything, so a clear board-led response and mitigation plan needs to be in place.

22 133 banking CEOs were polled as part of 17th Annual Global CEO Survey Fit for the future: Capitalising on global trends, PwC, 2014

23 993 board executives and directors of IT and security from the financial services industry were interviewed for the Global State of Information Security® Survey 2014, a worldwide study carried out by PwC, CIO magazine and CSO magazine (please see http://www.pwc.com/gx/en/consulting-services/information-security-survey/download.jhtml for financial services and cross-industry findings)

Case study: Targeted branch design

A leading international banking group operates flagship branches in select markets around the world. The branches' physical design was created to deliver an engaging retail experience, while providing innovative ways for customers to bank. Some of the branch features include:

- A massive media wall that provides financial information as well as current news – all in an interactive format
- A touchscreen sales facility, which allows customers to browse the company's offerings; customers can apply for loans through the screens or scan the information to their phones
- An area for customers to hold a private videoconference with a remote adviser
- Free Wi-Fi
- A centrally located area staffed with employees to assist those customers who want hands-on service

Case study: The future of mobile looks fabulous

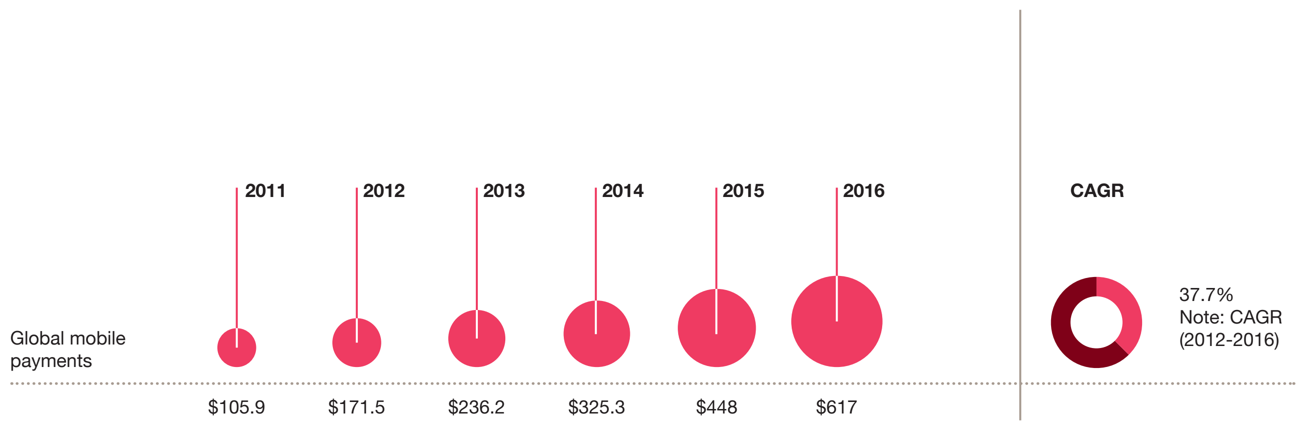
As Figure 12 highlights, mobile payment is a growing market with huge anticipated potential. Smartphone penetration in Japan has risen sharply over the past two years to more than 40% and is expected to overtake the US by the end of 2014 .

By 2020, a range of research indicates that most people will have embraced mobile payments. Mobile presents banks with an opportunity to increase business volumes by converting historically cash payments to mobile, delivering mobile value-added services, and engaging in other value streams previously non-existent and out of reach.

Beyond banking, mobile payments will enhance communications between merchants and consumers, provide new shopping experiences, change advertising and marketing, and transform the way merchants and consumers complete transactions.

Technology giants, small start-ups, mobile operators and payments' networks are at the forefront of payment innovations. For example, a smartphone can now be used as a card payment terminal, which helps to tap into the small business and self-employed markets. New capabilities include technologies that could change how users interact with the devices and how the devices interact with the environment.

Figure 12: Mobile growth is widespread ($bn)



Source: Gartner Inc, PwC analysis

4

Conclusion
One door closes, another opens

Japanese banks are at a crossroads. While credit demand in their home market is slowing, the country's banks have opportunities to use their capital and expertise to support Japan's continued globalisation and attract new customers around the world. Similarly, while an ageing population will affect domestic output and growth, it also opens up considerable opportunities in investment and wealth management business.

We believe there are three key questions bank boards will need to address if they're to take advantage of market transformation:

How will the demographic profile and location of your main customer base change?

How can you make sure you have the market presence, ability to engage and product mix to serve your changing customer base?

How will your governance, reporting and risk management systems need to change to adapt to more extended operations, and the demands of a more complex and faster moving marketplace?

A huge amount of deal-making, strategic reorientation and organisational restructuring lies ahead. The banks that will come out on top are already on the front foot, extending their presence from Asia into other parts of SAAAME, targeting local customers and tapping into fast growing trade flows. They're also reshaping their businesses to reflect the changing make-up, product demands and service expectations of their customers. To ensure they're equipped to compete, they're thinking about how their delivery model, use of talent and supporting infrastructure will need to be brought up to speed, and making the necessary investments and organisational changes.

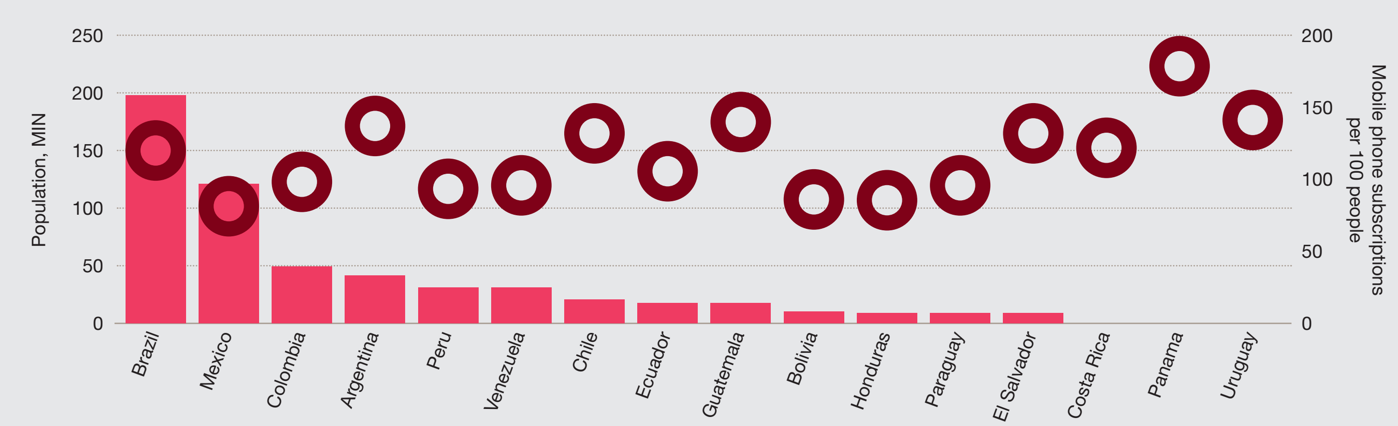
A huge amount of deal-making, strategic reorientation and organisational restructuring lies ahead. The banks that will come out on top are already on the front foot, extending their presence from Asia into other parts of SAAAME, targeting local customers and tapping into fast growing trade flows.

Appendix: SAAAME market overview

Over the following pages we provide an overview of the market opportunities and progress to date, in capitalising on them, in the respective SAAAME regions.

South America	
Market overview	Strong M&A activity as local banks seek to become regional players and international banks move to strengthen their presence. Banks are investing significant time, effort and money in setting up new structures and frameworks to respond to the more challenging regulatory landscape. This includes upgrading processes and enhancing their operational capabilities.
Current trends leading to potential opportunities	• Net foreign direct investment and portfolio investment flows continue to climb • Macroeconomic and political reforms • Growing middle class • $200bn of investment planned in the transport sector by 2020[25] • Significant growth in bond markets • Improving terms of trade driving growth and greater stability • Private savings have increased considerably as a percentage of GDP • Expanding deposit and credit portfolios • The number of mobile banking users could grow by 65% annually between 2010 and 2015, from around 18 million users to around 140 million[26]
Key challenges	• Laws and regulations are not well-developed • Skilled staff are in short supply • Increases in protectionist economic policies • Slowing economies are likely to hinder banking activity, credit growth and fee-based activities for banks • Slowdown in lending for financing commercial, industrial and mortgage activities • While Mexico, Chile and Argentina have significant foreign presence in their markets, local and state-owned banks still dominate the banking market in the rest of the region
Potential opportunities	• High-end investment advice and personalised wealth management advisory needs will continue to increase. More than 40% of Latin America's millionaires are in Brazil.[27] By 2017, the number of millionaires in Brazil could nearly double to over 400,000[28] • The number of users of mobile banking is on the rise (see Figure 13). Mobile banking provides an opportunity to develop more targeted and profitable banking products for the region's huge number of unbanked consumers • Given that South America has one of the highest rates of online banking users, banks are strengthening their security against banking crime and improving efforts to stop cyber threats
Examples of non-Japanese international bank activity	• Increasing cross-border activity is drawing Asian investors, particularly the Chinese. Aiming to secure a foothold in Brazil, China Construction acquired WestLB's assets[29] • Santander, which has already invested US$66 billion in South America, will extend the use of banking services in Argentina, Brazil, Mexico, Chile, Peru, Puerto Rico and Uruguay.[30] The region represents 19% of group assets and 52% of the group's attributable profit[31]

Figure 13: Population and mobile phone penetration, 2012



Source: Economic Commission for Latin America and the Caribbean, World Bank

25 LatAM Confidential 27 January, 2014

26 Pyramid Research cited in Mergent's Latin America Banking Sectors report

27 Standard Chartered, 22 June, 2011 – http://www.reuters.com/article/2011/06/22/wealthreport-merrill-latam-idUSN1E75K1L820110622

28 Credit Suisse, October 2012

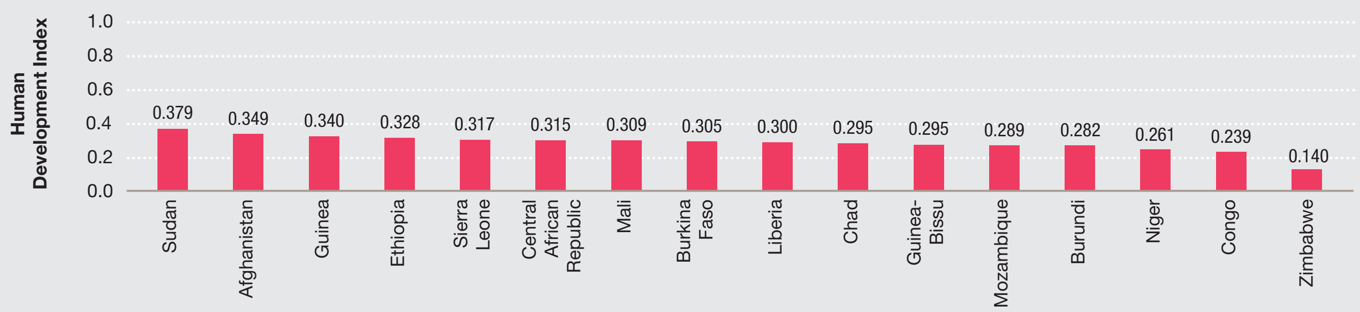
29 American Banker, 18 May, 2012

30 Jesus Zabalza, Head of Banco Santander's Latin America division at Santander-Latin America Meeting on 27 June, 2012

31 Ibid.

Africa	
Market overview	Africa continues to grow rapidly and there is considerable international deal activity in the pipeline. The value of announced merger and acquisition transactions involving regional targets in the first half of 2013 reached $15.8 billion, up 86% from the same period in 2012.[32]
Current trends leading to potential opportunities	• Increasing FDI flows • Macroeconomic and political reforms • Growing middle class, predicted to expand to 42% of the population by 2060[33] • Between 2001 and 2010, six of the world's 10 fastest-growing economies[34] • Growth in proven oil reserves[35] • 95% of the world's platinum reserves[36] • 60% of the world's uncultivated arable land[37] • Backlog in infrastructure with many major projects on the horizon • Rising incomes, new technology and rapid urbanisation are bringing more people into the reach of financial services • In a survey of 192 Japanese companies across Africa, more than 42% noted improved business performance over the last five years, while close to 60% of them are planning or considering business expansion or investment[38]
Key challenges	• Poverty and underdevelopment are still rife. As Figure 14 highlights, Africa accounts for a large proportion of the world's most deprived countries as measured by the Human Development Index (ratings based on life expectancy, education and income) • Laws and regulations are not well-developed • Skilled staff are in short supply • Limited infrastructure • Rising competition both from local and international banks • Competition from China, whose strong inroads have made it Africa's largest trading partner
Potential opportunities	• Large parts of the banking market lie untapped. Only about a quarter of adults have accounts at formal financial institutions and only 3% have credit cards[39] • On paper, the banking industry offers high returns. Net interest margins in many countries including Nigeria are as high as 8%, around twice as high as in South Africa and four times higher than those routinely achieved in developed markets.[40] This is due to scarcity of local savings and a legacy of high inflation
Examples of non-Japanese international bank activity	• Standard Chartered expects to open 100 new branches in Africa by 2016 to benefit from the continent's $1 trillion of annual retail spending. The lender opened 27 new outlets in 2012 and will also 'invest heavily' in digital technology over the next four years[41] • Bank of China entered into a pact with Ecobank, which operates in 31 African countries[42] • Brazil's Bradesco and state-controlled Banco do Brasil announced a new African holding company with Banco Espirito Santo (BES), a Portuguese firm active in Angola[43]

Figure 14: Bottom 16 countries by Human Development Index Value, 2010

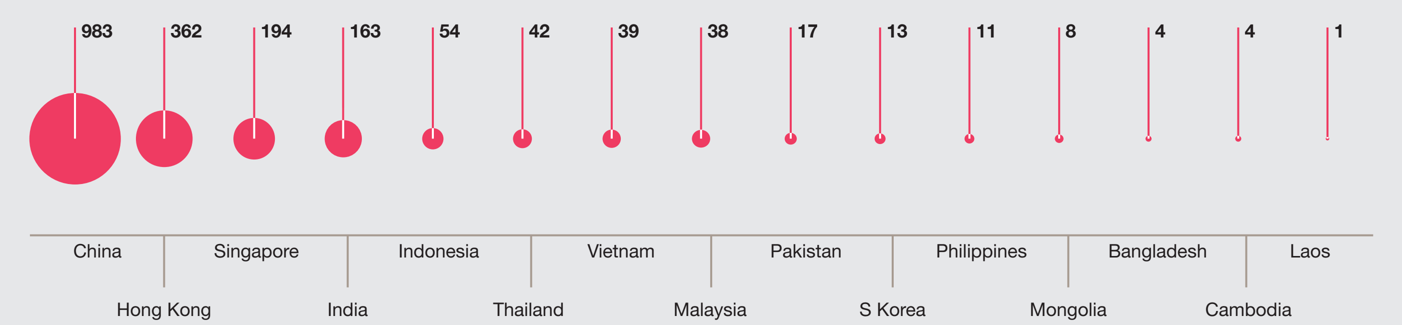


Source: United Nations Development Programme

32 Thomson Reuters' Sub-Saharan Africa Investment Banking Analysis report, 2013
33 African Development Bank, 3 October, 2012 (http://www.afdb.org/blogs/afdb-championing-inclusive-growth-across-africa/post/africa-in-the-next-50-years-9795/)
34 Economist, 6 January, 2011
35 PwC Africa Oil and Gas Review June 2013 (http://www.pwc.com/en_NG/ng/pdf/pwc-africa-oil-and-gas-review.pdf)
36 Standard Bank, 6 October, 2011 (http://www.standardbank.com/Resources/Downloads/Africa%20Macro_5%20trends%20powering%20Africa's%20allure%20(Trend%204-Resources).pdf)
37 Economist, 3 December, 2011
38 Per a Jetro 2013 survey (https://www.jetro.go.jp/en/news/announcement/20140206116-news)
39 Economist, 2 March, 2013
40 FBN Holdings media release, 31 December, 2013
41 Bloomberg, 12 September, 2013 – http://www.bloomberg.com/news/2013-09-12/standard-chartered-sees-strong-africa-retail-prospects-on-growth.html
42 Ecobank media release, 5 February, 2010
43 Economist, 16 September, 2010

Asia	
Market overview	Asset, loan and deposit growth in Asia-Pacific has slowed recently, raising questions over bank performance in the coming years. However, the economy in the region is still the fastest growing in the world, which will drive increased opportunities for innovative banking products.
Current trends leading to potential opportunities	• Strong FDI flows (see Figure 15) • Macroeconomic reforms • Growing middle class • Increasing infrastructure investment • Rising incomes, new technology and rapid urbanisation are bringing more people into the reach of financial services • Private-sector credit in Asia-Pacific is growing at healthy levels, encouraging investment • Mobile banking could rise by more than 8% a year between 2013 and 2017[44] • Retail-banking revenue in Asia continues to rise
Key challenges	• Laws and regulations are not well-developed • Skilled staff are in short supply • Rising competition both from local and international banks • Protectionist policies in major economies like India and China impede significant expansion by foreign banks • Disparate growth profiles throughout the region make strategy decisions more difficult
Potential opportunities	• Asia-Pacific retains many of the fastest-growing high net worth individuals markets, led by Hong Kong, Singapore and India • Infrastructure development will require significant support including financing • Retail banks in Asia-Pacific are the biggest spenders on IT development.[45] They are moving away from cost-cutting towards investment strategies (with mobile banking the priority) to improve customer satisfaction and drive revenue growth
Examples of non-Japanese international bank activity	• Apart from 2009, Citi has steadily increased its assets in India, with year-on-year growth averaging 16% in the last two financial years. As at the end of March 2012, Citi had 42 branches and employed around 7,000 people[46] • HSBC has been at the forefront of foreign banking activity in China. It was the first foreign bank to have access to the gold futures market, sell mutual funds and complete a two-way cross-border Yuan lending transaction in the country[47]

Figure 15: FDI Net Inflows, 2007–2011, $bn



Source: World Bank

44 Ovum research cited in Mergent's Asia-Pacific Banking Sectors report released in August 2013

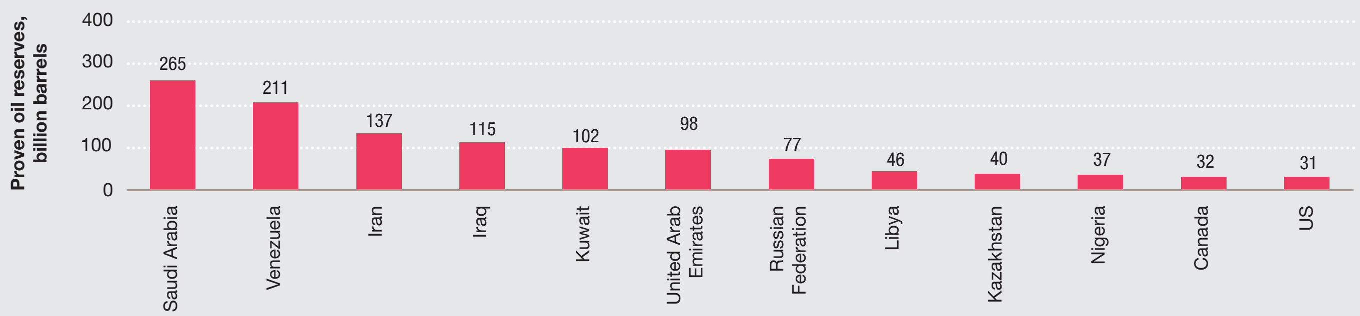
45 Ovum research cited in Mergent's Asia-Pacific Banking Sectors report released in August 2013

46 Emerging Market Insight : Financial Sector India – November 2012

47 Gold futures – HSBC website (https://globalconnections.hsbc.com/global/en/tools-data/country-guides/cn-march-2013/hsbc-in-china), Mutual Funds – FT – 26 June, 2013, Yuan lending – Reuters 6 September, 2013

Middle East	
Market overview	Despite ongoing geopolitical issues, the Middle East has almost fully recovered from the impact of the property price collapse during the financial crisis. The region is once again developing its infrastructure and reputation as a regional financial capital. M&A, equity and debt offerings in the Middle East have picked up after years of sluggish activity.
Current trends leading to potential opportunities	• Continues to be among the leading oil producing regions (see Figure 16) • Increasing FDI flows in key markets • Growing middle class • Backlog in infrastructure with many major projects on the horizon • Rising incomes, new technology and rapid urbanisation are bringing more people into the reach of financial services • Strong trade and current account positions, fuelled by high oil prices, enhancing capacity to boost investment • Government stimulus, particularly through infrastructure spending, remains a driver of growth in the Gulf Co-operation Council (GCC) countries • Growth of Islamic banking with some estimates reaching as high as $2.6tr in assets by 2017[48]
Key challenges	• Laws and regulations are not well-developed • Skilled staff are in short supply • Rising competition both from local and international banks • Regional geopolitical risk persists outside the GCC • Nascent and complex regulatory landscape • The Central Bank of UAE implemented new regulations for retail banking in May 2011, placing restrictions on lending volume and fees.
Potential opportunities	• The large concentration of sovereign wealth funds in the region, with approximately $1.7tr in assets,[49] will spur increased needs for complex financial products and advice • Rapid accumulation of private wealth and growing mass affluent segment. Region is home to five of the top 12 countries with the highest millionaire density (Qatar, Kuwait, Bahrain, UAE, Oman)[50] • Many foreign banks have been slimming down their Middle East operations, leaving the door open for those that continue to invest in the region
Examples of non-Japanese international bank Activity	• J.P. Morgan made some senior hires in the region last year while winning M&A business in a number of markets including Qatar. It was the sole global lender present in a $2.4 billion Islamic loan facility raised in late 2012 by Saudi Arabian Mining[51] • Barclays, although cutting jobs elsewhere, planned to hire 100 heads in its Middle East investment banking division, with expected growth of 10% during the year[52]

Figure 16: Top 12 countries by proven oil reserves, billion barrels, 2010



Sources: BP Statistical Review of World Energy 2011; SWF Institute, Knight Frank, Bloomberg, PwC analysis
Notes: Years production left calculated using proven oil reserves/yearly production

48 Islamic Finance, Creating Value, PwC, July 2013 (http://www.pwc.com/m1/en/publications/islamic_finance_capability_statement.pdf)

49 Sovereign Wealth Fund Institute rankings, from website 14 February, 2014 (http://www.swfinstitute.org/fund-rankings/)

50 Global Wealth 2013: Maintaining Momentum in a Complex World, BCG, May 2013

51 Reuters – 2 January, 2013

52 Bloomberg – 4 March, 2013

Appendix: Project Blue

The Project Blue framework (www.pwc.com/projectblue) seen here begins with the considerations needed to adapt to the current instability. It then goes on to assess what financial services businesses need to do to plan for, and ideally take advantage of, the changes ahead.

One of the main things we've been looking at is the extent to which these developments could disrupt existing business models. We've also been looking at how these trends are feeding off each other. A clear case in point is the extent to which a shrinking working-age population in developed markets, such as Japan, could accelerate the shift in manufacturing and investment to fast growth emerging markets.

Our clients are using the framework to help them judge the implications of these developments for their particular business, and how to respond. Will business and operational models still be viable in this new landscape? What strengths within the business would allow it to develop a leading position? What talent and investment will need to be put in place now, to prepare for the changes ahead?

Figure 17: Project Blue – Framework and impact on banking landscape

Project Blue Framework

Adapt	***Global Instability***		
	Regulatory environment	*Fiscal pressures*	*Political and social unrest*

Plan	***Demographic change***	• *Population growth discrepencies* • *Ageing populations*	• *Changing family structures* • *Belief structures*
	Technological change	• *Disruptive technologies impacting FS* • *Digital and mobile*	• *Technological and scientific R&D and innovation*
	Social and behavioural change	• *Urbanisation* • *Global affluence* • *Talent*	• *Changing customer behaviours – social media* • *Attitudes to FIs*
	Rise and interconnectivity of the emerging markets (SAAAME)	• *Economic strength* • *Trade* • *FDI*	• *Capital balances* • *Resource allocation* • *Population*
	Rise of state-directed capitalism	• *State intervention* • *Country/city economic strategies*	• *Investment strategies* • *SWFs/development banks*
	War for natural resources	• *Oil, gas and fossil fuels* • *Food and water* • *Key commodities*	• *Ecosystems* • *Climate change and sustainability*

Source: PwC Project Blue

Contacts

If you would like to discuss any of the issues raised in this Report in more detail, please speak with your usual PwC contacts or anyone listed below.

Keigo Omi
Partner
keigo.omi@jp.pwc.com
+81 80 3351 8628

Takashi Sasaki
Partner
takashi.sasaki@jp.pwc.com
+81 90 6490 9333

Yoshiteru Ito
Partner
yoshiteru.ito@jp.pwc.com
+81 90 6486 2845

Takuei Maruyama
Partner
takuei.maruyama@jp.pwc.com
+81 90 6491 4397

Kazuyuki Tsujimura
Partner
kazuyuki.tsujimura@jp.pwc.com
+81 90 6045 9165

Shinsaku Kanno
Director
shinsaku.s.kanno@jp.pwc.com
+81 90 9971 9071

Trevor Tisseverasinghe
Partner
trevor.t.tisseverasinghe@jp.pwc.com
+81 80 3520 5224

Kazuaki Ohki
Partner
kazuaki.ohki@jp.pwc.com
+81 90 6486 5332

Masahiro Komeichi
Partner
masahiro.komeichi@jp.pwc.com
+81 90 4137 5649

Susumu Adachi
Partner
susumu.s.adachi@jp.pwc.com
+81 90 1653 7956

Rei Tanaka
Partner
rei.r.tanaka@jp.pwc.com
+81 90 7680 2652

Mitsuyoshi Hirata
Senior Manager
mitsuyoshi.hirata@jp.pwc.com
+81 80 3727 0976

For more information on our Global FS Marketing Programme, please contact Áine Bryn at aine.bryn@uk.pwc.com

www.pwc.com/banking