

Event information

ACC 627

Case studies "Advising financial service providers" (Spring/summer semester 2020)

In SSS 2019 the event ACC 627 was offered with great success for the eleventh time together with KPMG. The consistently positive feedback from the students, for example when asked what they particularly liked, was as follows: "Practical relevance was great", "realistic course design and close collaboration", "many opportunities for initiative and creativity". We are therefore very pleased that Mr. Gero Wiechens, partner at KPMG AG Wirtschaftsprüfungsgesellschaft, will again be offering the course in the coming semester as a lecturer at the Chair of Auditing - with the support of relevant partners and consultants at KPMG AG.

In this interactive event, case studies from the areas of accounting, management consulting, risk management and capital markets will be dealt with in small groups with a focus on the financial services sector.

In groups of three to five students, participants will discuss case studies from the consulting practice with the help of practical and scientific approaches. The results will be summarized in the form of a Consulting Report and presented in a final presentation.

While working on the case studies, the participants will be guided and supported by KPMG experts. To ensure an optimal supervision ratio and the high level of interactivity of the event, the number of participants is limited to 16 students.

The event takes place on 6th March, 17th April and 15th May at KPMG's Frankfurt am Main office and at the University of Mannheim.

Short description of the case studies

Case Study 1

The two accounting standards IFRS 16 "Leases" and IFRS 9 "Financial Instruments" are of fundamental relevance for banks. With IFRS 16, the IASB is introducing a paradigm shift in lease accounting and largely ending the off-balance sheet advantage of operating leases. The objective of IFRS 9 is to improve financial accounting and transparency regarding financial instruments.

The two standards cover a very large portion of banks' balance sheets and make up for significant parts of profit and loss. They not only have accounting consequences, but far reaching strategic implications for bank's business models and product portfolios.

The CEO of a German financial services institution which has been acquired by a foreign corporation and therefore has to apply IFRS for the first time for consolidated financial statements therefore commissions you to carry out an impact analysis, both for the business areas and for the leasing portfolio. In particular, the financial and operational effects of applying the two standards are to be examined. Furthermore, the CEO expects you to analyse the strategic options for action.

Case Study 2

Crypto currencies are not outdated! Although the hype and crash of bitcoin in 2017/18 left bad prejudices about crypto currencies in society, the blockchain industry is growing rapidly. New products have been developed (e.g. decentralised finance, lightning network, smart contracts) which led to a steady growth of crypto valuation. With increasing valuation, the industry is growing as well – exchanges and wallet platforms fight about market share with better and better conditions and innovative product features.

In this context, Cryptex as an established crypto exchange has the vision to establish crypto currencies as a viable asset class for everyone. To reach their vision the CEO asks you to carry out a strategic feasibility study to analyse the advantages of setting up a regulated bank. He defined the scope of services as such:

- Conducting a preliminary study on the business model of a future Cryptex Bank
- Rough conception of the Cryptex Bank and presentation of the financial viability within the framework of a business case
- Presentation of possible banking products and investment activities with a well-founded recommendation of a product range and associated sales channels for the start of business and subsequent years
- Brief overview of key regulatory (banking) requirements that Cryptex Bank must meet
- Presentation of the content of a licence application in accordance with §32 KWG and InvKontrollV as well as the technical preparation and elaboration of the necessary topics

- Preparation of a business case for the presentation of costs ("one-off costs and running costs")/ investments and earnings per product segment of the financial institution

The study will be created in cooperation with and under the guidance of KPMG consultants.

The learning objective of the course is to learn how a consulting project works within the framework of a realistic case study and to develop solutions to current challenges in the finance industry.