



Passion. Purpose. Perspective.

2015 KPMG International Annual Review



Quality, clients, innovation, talent and community. Focusing on these with passion, purpose and perspective has a measurable impact for our clients, our people and the world.

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Chairman's message



As I've traveled across the KPMG network this past year, meeting with the companies we have the privilege of working with, our people, regulators and other stakeholders, I've been immensely proud of the passion and commitment to quality that I see our people putting into everything we do.

Whether it be fulfilling our critical role in the capital markets system, working shoulder-to-shoulder with clients to help them meet their most critical challenges and capitalize on their biggest opportunities, or contributing to the communities in which we live and work, our commitment to delivering exceptional quality across all our services has never been greater.

In 2015, we've accelerated the pace at which we are innovating and investing across the business. Alongside acquiring new skills and developing innovative services, we've also made significant investments in new services and solutions for our clients, completing 29 transactions across the KPMG network in the past 12 months. We've developed a number of strategic alliances, including Microsoft, where we are working together to help address the disruptive challenges topping the Board agenda. In the UK, KPMG has been working with McLaren Applied Technologies to enhance a wide

range of audit and advisory services using predictive analytics and technology. Developing new services and solutions is also inextricably linked to our efforts to continuously improve the quality of services provided.

Over the last several years, we've focused heavily on our Purpose. We've been working hard at all levels of our business to engage our people on how they make a difference and why the work KPMG does matters, not just to the companies we work with, but to all of our stakeholders, including regulators, the public and the financial markets. One of the key dimensions of being Purpose-driven, is explicitly recognizing the essential and trusted role we play in the capital markets system.

I am very proud of how 174,000 KPMG people around the world bring our Purpose, and the importance of the work we do, to life every single day. We know that it's having a measurable

impact on the engagement of our people – which leads to better outcomes for our stakeholders. The quality of our people is one of the ways our clients tell us we stand out in the marketplace, which makes it critically important that we motivate and retain the very best of them. Talking explicitly about our higher Purpose and building pride in what we do is an important part of this.

Providing people with the opportunity to build rich and diverse careers is an enduring part of our global strategy. In today's increasingly complex and rapidly changing world, this means not only appealing to the best graduates, but also attracting experienced and diverse talent, and offering them an unparalleled opportunity to build their career. The people we recruit and aim to recruit, want to work where they believe they can make a difference, and they also want flexibility to change paths many times over the course of their career.

In this year's annual review, we've focused on some of the unique and diverse people that are building rewarding careers with KPMG, working with some of the world's most exciting and ground-breaking businesses, and helping to ensure our teams bring our innovative approaches and deep expertise to help solve the most critical challenges clients are facing.

At KPMG, we measure our success against a broad range of metrics focused on delivering real results, with highly engaged people providing high quality, globally consistent services. Financial performance is also important, and I am proud that for the financial year of 2015, KPMG achieved an overall growth, in local currency, of 8.1 percent, and gave 24,000 new graduates the ability to build a career with KPMG.

The only way that we can achieve these results is by truly understanding the myriad of issues clients are facing,

matching their geographic footprint and bringing expertise and leading-edge thinking, derived from the full suite of our professional skills. So we believe it has never been more important that we offer a full range of professional services, combined with deep sector expertise at all levels of our business. To deliver the quality of services that the markets and investors rightly need and demand, we have to have the best and brightest people, the same people who thirst for diverse careers and experiences. Similarly, if we're going to truly understand the challenges that these companies are facing, we need to have broad knowledge of, and actual experience with, the most complex issues affecting their business. We believe strongly that this is the operating model, as a broadly skilled, multi-disciplinary service provider, that will enable our people to deliver on the increasingly high expectations that the global marketplace and all our stakeholders have for KPMG.

Clients are increasingly looking for us to work closely with their teams to develop solutions that deal with accelerated pace of change, technology disruption and responding to new market entrants. KPMG has never been better placed or more prepared to deal with these challenges and capture the opportunities that exist in the global marketplace. We, like our clients, are transforming how we do business, and I am very excited about what KPMG will achieve, and the important role we will play in the global marketplace, in 2016 and beyond.

Thank you,

John Veihmeyer
Chairman, KPMG International

Global perspectives

Watch leaders from across the KPMG network talk about their 2015 highlights, the KPMG difference, our extraordinary talent and the future.



▶ [2015 highlights](#)



▶ [KPMG difference](#)



▶ [Focus on talent](#)



▶ [Looking to the future](#)

The financial information set forth represents combined information of the separate KPMG member firms that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

Unless the context otherwise requires, throughout this document "KPMG" and "KPMG network" ("we", "our", and "us") generally refers to the member firms of the KPMG network of independent firms affiliated with KPMG International, a Swiss entity that services as a coordinating entity for the KPMG network. KPMG International provides no client services.

Headcount figures are expressed as full-time equivalent (FTE) and are based on average headcount for the financial year.

Building trust

It is the driving principle behind our
work and the foundation of our brand.



Focusing on audit quality



can rapidly develop the necessary knowledge for new clients and can facilitate a client's transition to another auditor in those instances where we have to rotate out of an engagement. It is in the best interest of the capital markets for everyone to get this right. Notwithstanding the disruption caused by audit rotation, we are doing everything we can to support the goal of enhancing audit quality.

How would you describe the auditor and client relationship?

We work in the public interest – independence, objectivity and professional skepticism are the cornerstones of our role as auditors. Of course, building appropriate relationships with audit committees and effectively working with management in the day-to-day audit process is critical to an effective audit. Dealing with some of the most challenging matters, such as following up on a possible fraud, material error or weakness in internal control often requires auditors to work in close cooperation with members of the audit committee and appropriate members of management. But we recognize that we do this to serve and protect the capital markets, and we take our responsibility in this regard very seriously. Our clients expect that of us and respect us for it.

To learn more about KPMG's commitment to audit quality, see the [2015 KPMG International Transparency Report](#)

An interview with Bill O'Mara, Global Head of Audit, KPMG International.

Where does quality rank as a priority for you?

First, second and third. It begins with instilling a passion in people from the day they join KPMG for the importance of the work they do in the public interest and why audit quality is key to that work. It is critical that everyone involved in performing audits recognizes that audit quality is their responsibility.

How does innovation apply to auditing?

Innovation is fundamental to audit. It applies to the way an audit is conducted. It also applies to the role of the auditor – including the information auditors report on and how they report. Audit is not a static process; it continues to evolve to meet the needs of investors and other users of our services. The investment in our Dynamic Audit transformation program is specifically focused on innovating to increase the value and relevance of audit.

What has changed to require innovation in audit?

For one, the complexity of global capital markets – information has become borderless and immediate. Then technology, which is changing at an exponential speed, is having a profound impact on every organization. It is changing their customers, the competition and the way they go to market. It is also changing the investors that we serve, the information they have access to and the way they use that information. As auditors, the relevance and value of our role is dependent on our understanding of these developments and innovating to respond to them.

What are some ways KPMG is innovating to improve audit quality?

Data and analytics (D&A) is playing a much bigger role, driven by the incredible pace of technology. Advanced

data and analytic tools are increasingly providing the ability to analyze entire populations of data and dig deeper to reveal more about a business and its risks. We have built some powerful analytic capabilities and one of the new ones we are developing involves using big data and analytics to gain further insight into risks. This capability will enable greater analysis of interconnected business risks – analyzing external data points, including economic and unstructured data, as well as client data, and assessing the implications.

How do you help ensure consistent audit quality globally?

It begins with leadership, and with the tone at the top that drives the relentless pursuit of audit quality at a global level and in every KPMG member firm and audit engagement. Our professionals share information and communicate across the network, something we facilitate at every level. This is supported with a globally consistent methodology delivered through an electronic workflow so that each of our more than 70,000 auditors worldwide access our proprietary tools and deep technical and industry guidance.

We globally deploy training – including on-the-job training – as well as guidance. We also have inspection teams across our network of firms that supplement with targeted guidance as needed. And we are piloting a new tool that uses statistical analysis to provide additional insight on audit procedures to enhance the audit process across multiple jurisdictions.

What is KPMG doing to prepare for mandatory audit firm rotation?

Changing auditors, especially for a large multinational, is extremely complex. We have enhanced our processes for on-boarding clients – so that our teams

Value of audit

KPMG has taken an active role in expanding the dialogue related to audit and corporate reporting with the Value of Audit roundtable series.

Over the past year these roundtables have brought together audit committee chairs, regulators, national standard setters and CFOs for a series of enlightening discussions that have taken place over four continents in London, Johannesburg, Singapore, Toronto and Frankfurt.

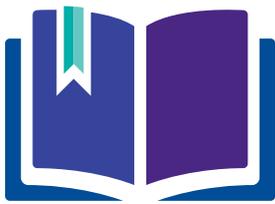
Hosted by *economia*, the Value of Audit roundtables have provided a forum for business and policy leaders to engage in substantive debates on the value of audit, what they expect from it and how it can be enhanced. Themes have included audit quality and how it can be better assessed; the impact of corporate

governance on audit quality and how it can be strengthened; ways that corporate reporting should change to better meet the needs of stakeholders; and the value of enhanced auditor reporting.

The Value of Audit program has created an insightful global debate – one that has extended over social media. We plan to continue, and to broaden, the discussion. In the next stage, the Value of Audit will focus on the views of investors – what changes they believe are needed to the corporate reporting model and the role of the audit in better serving the capital markets.



Business and policy leaders meet in Singapore as part of Value of Audit program.



case study

Extraordinary service to deliver a high quality audit

Having just completed a significant merger, an audit client was in the process of implementing a complex systems integration and refining its business processes throughout the organization.

It was critical for the merged company to have a robust control environment, with processes in place to ensure that the information it was producing was complete and accurate.

Early in the audit process, the client identified numerous control gaps and a need to redesign many of its existing financial and operating controls.

“We have a critical role to play in these circumstances to understand and assess the control environment and to make the audit committee and management aware of our findings,” said Bill O’Mara, KPMG Global Head of Audit. “As auditors we do not advise

on the controls, but we have to bring our knowledge and experience to help the client understand where we have identified weaknesses that give rise to potential risks of misstatement.”

Given the complexity of the client’s systems and processes, the engagement team included a wide range of KPMG professionals that provided a multi-disciplinary approach to the audit, with the broad scope of insights needed for identifying and evaluating the potential risks.

Through its extraordinary effort along with the foundation provided by the KPMG team, the client was able

to address its systems control and business process issues, in many instances with ‘best-in-class’ changes, prior to their year-end. This enabled KPMG to obtain the necessary audit evidence and to issue an unqualified opinion on the financial statements and on the operating effectiveness of the company’s internal controls over financial reporting.

“Our team worked with passion and with a consistently high level of service so that the audit approach appropriately responded to the company’s changing processes and environment to deliver a high quality audit and meet an aggressive and critical timeline,” added O’Mara.

Tax transparency



KPMG is at the forefront of the rapidly evolving global tax landscape

Tax transparency and responsibility have remained at the forefront of public policy, media and business discussion over the past year. The level of interest in, and scrutiny of, professional tax advice has never been greater and the pace of tax regulatory and legislative change around the world stands at an unprecedented level. We believe we have an important role to play in tax policy discussions, sharing our expertise and insights, and helping to create well-considered policy decisions.

OECD BEPS action plan: Taking the Pulse series

One good example of the constructive role we play in the development of tax policy is the involvement of KPMG leaders across our network with the OECD (Organisation for Economic Co-operation and Development) work on Base Erosion and Profit Shifting (BEPS), the vitally important initiative to address international tax rules.

KPMG has produced a series of [Taking the Pulse](#) reports that look at how BEPS-related tax policy is evolving in response to the final BEPS Action Plan recommendations from the OECD. The reports explore recent trends, new challenges and opportunities, and offer insights into how tax leaders of multinational organizations are responding.

Working with clients to navigate the tax environment of tomorrow

Tax regulation is not only being influenced by the work of the OECD, the European Commission and Parliament and many countries are also keenly interested in changing the current tax systems. Multinationals in particular must assess their reporting, compliance and control systems to be sure of meeting new requirements for multi-jurisdictional reporting. We see greater client demand for the help of our tax professionals in complying with the cross-border web of corporate, indirect, employment and other tax regulation. Our teams continue to redefine our tax compliance offerings, complemented by leading technology,

to help clients stay ahead of rapidly developing policy changes.

While clients look to us to help them navigate this rapidly evolving environment, we in turn are guided by the KPMG International [Global Code of Conduct](#), which sets the standards of ethical conduct across the entire KPMG member firm network, and our [Principles for a Responsible Tax Practice](#), which bring to life KPMG's values in the everyday situations we face as tax professionals.

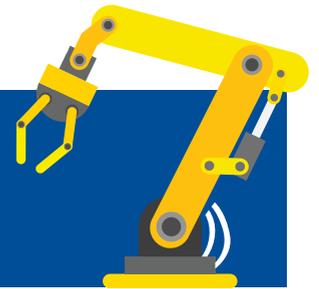
The future for tax

As the tax strategies of multinationals and domestic companies continue to be examined by both tax authorities and the public alike, we will continue to work with clients to help them develop tax policies and planning that are fit for purpose in the tax systems of today and tomorrow. We anticipate increasing legislative change, increasing tax disputes and complexities in compliance, and reporting will continue to expand the demand for quality services from KPMG tax professionals.

Innovating for clients

We work shoulder-to-shoulder with clients to deliver real results and address their most critical challenges – putting innovation at the heart of everything we do.





Opportunities and challenges

Mark A. Goodburn, Global Head of Advisory, KPMG International

In KPMG’s 2015 Global CEO Outlook, more than half of the CEOs we spoke with were confident in the ability of their company to grow and prosper, and said that growth was going to be the primary focus of their business over the next 3 years.

At the same time, CEOs were quick to recognize that there are significant challenges that are causing disruption across all aspects of their organization. These challenges are reflected in their strategic priorities as they face increasingly complex disruptors – from cost and regulatory pressures, to cyber security risks, to technological change that affects their entire value chain.

These challenges strike at the core of their organizations and require fundamental changes to the way they do business. However, they also present opportunities for forward-thinking businesses that use market disruption to transform their organizations and compete at a new level.

Maintaining the status quo, while incredibly comfortable, is actually the most risky thing a business can do in today’s world. Embracing transformation, embracing the disruptors affecting your business or participating fully in a disruptive environment, are not only a necessity for business survival but also key to long-term success.

Not participating is what will really drive enterprise risk. The question every business needs to ask is, are they moving as fast as the world around them?



CEOs’ competitive challenges

The top competitive challenges and concerns identified in KPMG’s 2015 Global CEO Outlook survey.



Meeting client challenges

Hear from lead partners how KPMG is meeting the challenges of some of our largest clients.



[▶ Meeting client challenges](#)

Innovation to results



Every business and every industry is facing disruptive forces – from shifting customer demand, to globalization, technology and new competition.

These forces are radically impacting financial, business and operating models and increasing pressure for a broader range of strategy and transformation capabilities that can help businesses go from innovation to results.

“The phrase we increasingly hear from clients is ‘continual transformation,’” says Steve Hasty, Head of KPMG’s Global Transformation Group. “Change is occurring so quickly that they need to be prepared to continually adapt and transform their business, and they need an advisor that can help with strategic direction all the way through execution and implementation.”

Successful business transformation begins with sound strategy. KPMG

has built a Global Strategy Group that changes the game for strategy consulting by providing a broad ranging offering that bridges the gap many strategy houses have between strategy development and implementation.

Plans are to quadruple the strategy business in the coming years.

“With our Global Strategy Group we have brought all of our strategy practices around the world onto a single

platform so that we can better deliver consistent proposition and problem solving frameworks to clients,” says Nicholas Griffin, Head of KPMG’s Global Strategy Group. “This enables greater cross-sector and cross-border insights to help clients solve their most complex business challenges. It also facilitates moving KPMG professionals around the world to bring specialized resources to wherever clients need us to be.”

“The phrase we increasingly hear from clients is ‘continual transformation’...they need an advisor that can help with strategic direction all the way through execution and implementation.”





case study

The strategy behind a potential billion dollar business innovation

How does a brilliant engineering innovation become a potential billion dollar business?

This was the challenge for one of the world's leading oil and lubrication companies that developed a concept to revolutionize the auto engine lubrication business – reducing the time it takes to change engine oil from 20 minutes to 20 seconds, while delivering game-changing environmental and automotive design benefits.

KPMG in the UK was engaged as strategy advisor to help the client build the business case, develop go-to-market propositions, create the valuation model and advise on supply chain requirements to commercialize this breakthrough innovation.

“Bringing this new innovation to market is a massive undertaking,” said Andy Cox,

Global Lead Partner with KPMG in the UK. “First, it means fundamentally changing the global automobile engine lubrication market, and second, it requires getting automobile manufacturers to design the new technology into their platforms, which is a hugely complex proposition.”

The team applied KPMG’s 9 Levers of Value methodology to develop the strategic framework to link the financial opportunity, the business model and the operating model to help bring the client’s innovation to market.

“The 9 Levers of Value approach was extremely valuable to the client in thinking through and designing the new business – as a way to pull together the

financial, market and operating aspects,” according to Cox. “It is a simple but powerful tool, integrating the breadth of KPMG’s capabilities, including corporate finance and supply chain as part of the strategic process.”

KPMG’s global automotive sector strength has also been a hugely valuable and differentiating asset. “The go-to-market aspect was where KPMG’s global automotive expertise played a big role,” said Charlie Simpson, Client Engagement Partner with KPMG’s Strategy team in the UK. “We were able to draw on the knowledge of KPMG sector professionals in the US, UK, Germany, China, Japan and Brazil to provide the client with insights on automobile manufacturers’ platforms and how to articulate the value proposition in the most meaningful way for each manufacturer.”

Eighteen months into a 25-year business plan, the innovation launched in the market and is on the road to success. “In the automotive market, the commercialization journey from a smart idea to actually being integrated onto an auto platform can be 5 to 10 years,” said Cox. “By working closely with the client throughout the process, they have been able to significantly accelerate that timeframe.”





Transforming for results in a global life sciences company

For a leading life sciences company, a major corporate restructuring had established it as a new, standalone company, with the need for a complete transformation of its global operations.

“The model the client required was 180 degrees from the legacy model they were operating under,” said Denis Berry, Global Lead Partner with KPMG in the US. “They had a radically different vision of the operations design they wanted, including the technology platform, service model and global governance.”

The operations structure of the company had become fragmented, with resources and decision-making often managed in individual markets, spanning more than 150 countries. The company sought to become a much more agile organization, better capable of growth and able to better manage and scale business processes to accommodate acquisitions or new product introductions.

The process began with KPMG transformation professionals working with the client’s top executives to create a new operations strategy incorporating leading practices for business processes, including finance, human resources and procurement.

Expertise with the life sciences sector was also critical. Through a deep understanding of regulatory and standards requirements in the client’s markets, KPMG professionals helped the



client establish processes to meet strict standards and reporting requirements.

“Ultimately we helped mature its business operations from fragmented and country-based to an approach that leveraged common technologies and processes with global transparency. The results achieved the client’s objectives, creating a more agile, streamlined model,” said Rick Bertheaud, Transformation Lead with KPMG in the US.

“The timeframe for the transformation was critical as well,” added Berry. “The client completed in a 2 year window what other companies might have taken 5 years or more to do. This took a very collaborative and connected approach – KPMG professionals were embedded with the client’s critical process teams to successfully deploy the new model across all of the company’s global operations.”



case study

Collaborating to achieve business transformation

For a global consumer products company, international growth and rapidly changing consumer needs and tastes had combined to dramatically increase operating costs.

As a result, the company needed to totally transform its business to bring costs in line and get positioned for continued global expansion.

KPMG in the US led a global team in taking on the transformation challenge.

“It has been an innovative and collaborative approach to help the client see what they want their future operating model to be and then building the road map to get there,” said John Farrell, Global Lead Partner with KPMG in the US. “The company’s footprint extends across every continent, so there is geographic complexity and there is a large change-management component to address all the functions of the organization.”

“The work has already achieved a much more effective and agile operating model so that they can align products with shifting demographics and also be better able to innovate and change products in response to consumer demand.”

Finance transformation was at the heart of reshaping the company’s operating structure. It required applying world-class finance knowledge and working with the client to create centers of excellence in areas including internal audit, tax and treasury that centralized expertise within the organization.

Better use of data and analytics was also a critical need. “Data use was distributed around the world and it was a priority

in the transformation to accelerate the client’s data and analytics capability and use it centrally in functions such as marketing and human resources. As a result the data is being optimized and has become a more valuable asset for the client,” noted Farrell.

As important as the strategic thinking and global resources that the KPMG client team contributed are – of equal value was the collaborative approach. “The client has taken note of the difference in working with KPMG professionals throughout the project,” added Farrell. “They see us rolling up our sleeves and taking co-ownership of the work that is being done. They also value that we tailor our approach to their culture and are equally passionate about their business and vision.”



Innovating for value



D&A – turning data into insights, into value

Just a few years ago ‘big data’ was a buzz phrase that received little serious attention from the c-suite. Today, data and analytics (D&A) has entered the mainstream, with organizations increasingly turning their attention to the potential for business-changing benefits that can be gained from their big data.

But with this increased focus, many businesses are questioning whether their organizations are effectively capturing all of their data and if they are getting the most relevant and actionable insights that will create business value.

According to KPMG International 2015 research, more than half of the business leaders surveyed said they still have difficulties evaluating data quality and reliability; fewer than 20 percent are “very satisfied” with the insights their D&A tools are providing; and only 14 percent report they have all the talent and capabilities they need to fully leverage D&A.

As a result, businesses are increasingly turning to KPMG member firms to help them turn the ever increasing volume of data, into actionable insights and tangible business value.

D&A is in our DNA

D&A is a key strategic priority for KPMG. It has become an integral part of solving business issues for KPMG professionals – combining innovative algorithms and

technologies with in-depth business knowledge and experience to capture the value in the ever-increasing amounts and sources of data.

In 2015, investments in D&A across KPMG Audit, Tax and Advisory functions and member firms totalled more than US\$250 million, with more than 4,300 KPMG professionals globally who are directly focused on helping clients address data issues, from privacy to security and forensics.

“We like to say D&A is in our DNA,” according to Christian Rast, KPMG Global Head of D&A. “Across every service offering, D&A is enabling our professionals to harness clients’ data and gain new insights that enable them to run their businesses more profitably and successfully.

“We have a growing D&A portfolio, where we are matching services with the key business issues of clients. In 2015 we launched 16 pre-built globally enabled D&A solutions that clients can benefit from today to turn their data into business value. We also have built an ecosystem

of alliances and investments offering new ways for clients to grow their businesses, reduce costs and manage risks.”

Building a D&A ecosystem

The need for innovation has never been greater. Organizations around the world are looking for new ways to improve their operations, grow their market share and create strategic advantage – and to do so more quickly than their competitors. Through an expanding network of investments and alliances, KPMG is accelerating access to innovation in D&A.



Investing through KPMG Capital

KPMG Capital is a global investment vehicle created in 2013 to identify, acquire and develop innovative technologies to help address clients' most pressing needs. KPMG Capital has successfully invested in the following disruptive technologies:

- **Bottlenose** – providing cloud-based technology that analyzes real-time streaming data to spot trends and identify emerging opportunities and potential threats to a business.
- **Astrus** – cutting-edge analytics platform used to help manage third-party risks.
- **Customer Compass** – analytics software platform that gives companies a 360-degree view of their customers' experience, enabling improvement of customer satisfaction and loyalty.
- **Financial Microscope** – an artificial intelligence platform for predicting a company's long-term financial solvency.
- **Norse** – intelligence solutions to help pre-emptively block cyber attacks.

Alliances with market leaders

Technology is at the heart of D&A, and it is constantly changing. We are working with leading edge alliance partners, including IBM, Oracle, SAP and Microsoft, to provide agile, cost effective technology capabilities for differentiated D&A solutions that meet client needs. The expanded strategic alliance relationship with Microsoft, announced in March 2015, enables the creation of new services in collaboration with Microsoft's advanced technology solutions.



Colleagues collaborate in KPMG's innovative Insight Center in Hong Kong to find the value in their data.

New ways to collaborate

KPMG is creating new ways for clients to visualize and collaborate on D&A solutions. In the UK, the KPMG Data Observatory launched at Imperial College London is the largest data visualization facility of its kind in Europe. In a surround-vision environment, clients can see their data transformed into visual insights – so that big data representing everything from global transactions, to migration patterns, to cyber attacks, can be observed and analyzed visually.

We have also created Insights Centers, located in Frankfurt and Hong Kong, with more planned where clients can interact directly with their data and see solutions come to life in ways they never imagined. In these collaborative,

next-generation working environments, KPMG professionals are able to demonstrate to clients what's possible with D&A to help them address their most critical risk, performance and growth concerns.



▶ [Singh Mecker discusses KPMG's alliance strategy and highlights](#)



D&A changes the game for revenue assurance

For one of Australia's largest communications providers, data and analytics has rapidly yielded benefits in assuring key revenue streams.

KPMG Australia was engaged on various tactical revenue recovery projects, and identified the opportunity to do more, using the company's vast volumes of data.

"We had a number of projects investigating billing and other errors that were recovering lost revenues for the client," said Phil Thornley, Advisory Director with KPMG Australia. "We suggested rather than just recovering revenue, there was an opportunity for us to prevent the revenue from being lost in the first place, using the data that had already been collected."

The client had a large investment in big data infrastructure and tools, but had not yet identified a business use

case for this information. In addition, third-party IT assurance vendors were being engaged to provide data on an intermittent basis to support the tactical recovery.

"Our approach was to leverage the client's existing investment and work with the client teams to configure the controls and analytics for persistent monitoring of critical revenue streams," added Thornley.

The innovative KPMG approach enabled the client to abandon plans for a traditional revenue assurance solution and move to an accelerated analytics solution, which is owned by the business.

"We completely changed the paradigm for the client," said Mathea Beck,

Engagement Partner, KPMG Australia. "We showed the client how they could bring the big data world to revenue assurance, analyzing data on a real-time basis. Moreover, the big data solution brought results after month three, where the traditional vendor solution might have taken 18 months. Just 6 months in, we achieved revenue coverage for almost half of the client's revenue streams."

"We have worked shoulder-to-shoulder with the client on this project," said Beck. "We are working jointly with their big data team and helping develop their in-house capabilities in employing our analytic processes. Longer term, there are plans to expand our big data approach to other areas of their business."



Cyber security: bringing new capabilities

An interview with Prasad Jayaraman, Global Head of Identity Management.

Prasad Jayaraman founded leading cyber identity management firm Qubera, which became part of KPMG in 2014. Prasad talks about why he decided to bring his company to KPMG.

How did Qubera come about?

I started Qubera with two other founders in 2009, focusing entirely on cyber security, specifically, identity and access management (IAM). We set our mission to become thought leaders in this space, and accomplished that by attracting some of the best and brightest minds in the industry while working with leading technology vendors. In less than 5 years, we grew to 100 people across the US, UK, and India.

What brought you and Qubera to KPMG?

First and foremost, we wanted to ensure that we joined an organization that provided an enriching career path for our people and fostered a culture that was motivating and fun to work in. I am proud that virtually the entire team joined KPMG with me.

Second, while Qubera was increasingly taking on large, complex projects,

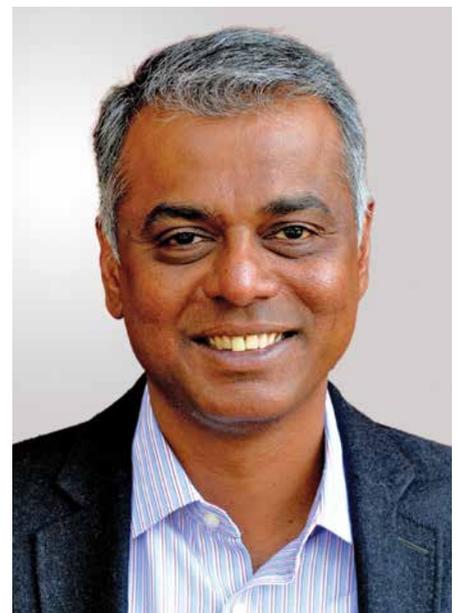
Fortune 100 companies were not always comfortable with a small boutique driving their long-term identity management strategy. So it was important for us to land on a platform that would enable us to grow. KPMG's global brand along with its established and highly-respected cyber offering, was a clear choice for us.

Why focus on identity management?

Almost every data breach is precipitated by a failure to enforce robust controls for access to sensitive information assets. The rapid evolution of IT with the proliferation of cloud services, virtual offices and connected devices has compounded the challenge for businesses. IAM helps to ensure that the right people have access to the right data at the right time and for the right reasons, and that user access is monitored and evaluated on an ongoing basis.

What distinguishes KPMG in identity management?

It is the ability to service clients with an end-to-end range of IAM capabilities – from executive-level



advisory services, strategic planning, architecture and design, all the way to hands-on implementation of identity management software. The acquisition of Qubera provides the critical technical enablement component to KPMG's cyber capabilities. To deliver on these service offerings, we have focused heavily on attracting the best talent in the industry and that will continue to be a major priority for us as we grow the IAM practice.



Rapid response to a cyber attack

Data breaches are becoming more commonplace for e-commerce companies, and it is essential for any internet business to have robust processes for detecting, containing and responding to cyber attacks.



With the assistance of KPMG professionals, the client was able to contain the extent of the data breach and quickly take necessary remediation steps.

“Speed was of the essence – the client was under immense scrutiny not only from customers but regulators and oversight bodies, to effectively manage this crisis. Its reputation and business were on the line,” said Jajoo.

With a diverse team of KPMG professionals on the ground, helping to navigate the entire process, the client was able to drive critical decisions in days that could have taken months.

“The client saw a difference in not only the deep technical capabilities of the KPMG team but also the insights in analyzing the crisis management issues and helping to develop a path for executing on decisions with agile, rapid implementation,” added Jajoo.

“There are only two types of companies – those that know their network has been breached and those that don’t know,” noted Vijay Jajoo, Global Lead Partner with KPMG in the US. “It’s not a matter of if a breach will occur, but of when.”

In the case of one global e-commerce company, a major data breach occurred that compromised large amounts of

customer data. An extensive team was formed to rapidly assist the client in responding.

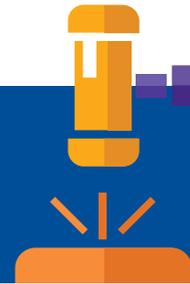
“We mobilized an experienced team at a moment’s notice,” said Jajoo.

“This included cyber security experience, forensics and data and analytics – to analyze the large volumes of data impacted – and security remediation as well as crisis management capabilities.”

KPMG Capital Limited and KPMG Capital Holding Limited comprise an investment fund for KPMG member firms. The investment fund is not open to third-party investment and will not, itself, provide professional services to clients. KPMG Capital Limited and KPMG Capital Holding Limited are legally distinct and separate from KPMG International Cooperative and each KPMG member firm.

Like every member firm in the KPMG global network, KPMG Capital, and the entities it invests in, is subject to the same rules and regulations promulgated by the regulatory bodies responsible for establishing standards for auditor Independence (for example, the US SEC, PCAOB, AICPA, IESBA and those established by the various countries in which the investments reside). These rules apply to member firms, the individuals at such member firms and the targets for potential joint venture, alliance or acquisition related to the activities of KPMG Capital. All existing Independence protocols apply to KPMG Capital.

Regulatory innovation



Regulatory positioning system — intelligent compliance

Businesses in every industry face a dynamic, challenging global regulatory environment. It is not a surprise that according to KPMG International research, CEOs see regulation as one of the top issues impacting their business.

“For many large, global companies today there is a disconnect between the global nature of their business and operations, and their approach to regulation,” according to Jim Low, KPMG’s Global Regulatory Lead. “Regulatory compliance has typically been delegated to individual legal entities and departments by country, it has not been centralized or managed from a top-down approach.”

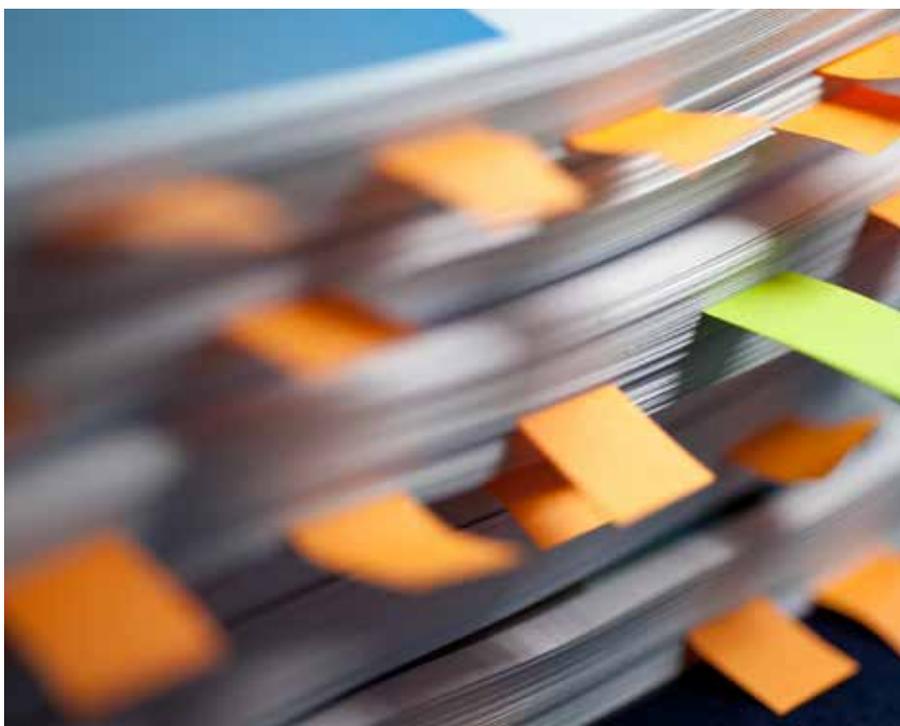
KPMG professionals are engaged globally to help clients better understand and respond to regulatory trends and key changes. A new technology innovation, KPMG’s Regulatory Positioning System (RPS), has the capability to bring greater global insights. The RPS is a web-based technology that uses KPMG’s data and analytics tools to provide a consolidated view of key regulations and regulatory

themes, as well as enabling analysis of trends and the ability to track regulations throughout their lifecycle.

“Consider a large multinational company, with operations in 50 or 60 countries in all regions. It is likely managing regulation locally, with legal and compliance each doing their own research, identifying obligations and changes to local requirements,” said Low. “The RPS can transform the approach, centralizing the identification of regulatory changes, prioritizing the company’s regulatory footprint, and ultimately enabling a scorecard of which regulations need to be managed centrally versus those that have minimal effect and can be managed within a country.”

“Using the RPS, clients will have a much more effective and efficient process for managing regulation and demonstrating its compliance efforts around the world.”

The RPS will soon incorporate the Regulatory Trends Index. The Index will provide an in-depth perspective on trends, providing the ability to drill into industry-specific data and global news sources to gain insight into trends.





Helping financial institutions keep pace with global regulatory requirements

For a global financial services organization with entities operating in more than 20 countries, managing the pace of regulatory change across all of these geographies was becoming an increasingly difficult and costly challenge.

“There is extreme pressure on the senior management and boards of every business, particularly financial institutions, to maintain a thorough understanding of changing regulatory requirements across the globe. They need confidence that the organization is managing the necessary operational responses to ensure compliance,” said John Ivanoski, Global Lead Partner with KPMG in the US. “In this case, as with most businesses today, the client was tracking regulatory change locally and regionally, and did not have processes to fully understand the common issues and potential impact of extraterritorial regulations.”

“As a result, the client was looking for help in managing regulation more holistically across all parts of their business and geographies. KPMG in the US led a global team that included KPMG regulatory and transformation professionals from Asia Pacific, Latin America, and Europe, to take on the challenge.”

The first step involved evaluating whether the client had captured all key existing rules and regulations globally, which numbered in the tens of thousands. KPMG professionals then helped put in

place a sustainable way of monitoring and identifying changes that are occurring very rapidly, so that new requirements around the globe are being captured and communicated within the organization.

“The client now has a centralized operating model for managing regulation, with new accountabilities across the business and geographies, and with centralized oversight. This has been a transformative shift for the client,” said Hoan Wagner, Managing Director, Financial Services Regulatory Practice for KPMG in the US. “They now have a process for their regulatory compliance

efforts and have gained efficiencies from minimizing silos of activity and different ways of managing change around the globe.”

“The next phase will be to assist the client with defining an overall technology architecture, supporting their regulatory change framework, and enabling the client to track new regulations and emerging trends so that they can better prepare and align their business.”





Extraordinary talent

Great careers are built at KPMG – just look at the stories from a few of our people. A warning though – there is no such thing as a ‘typical’ career at KPMG.

Building a career



Recruiting and engaging extraordinary talent

Rachel Campbell, Global Head of People, Performance & Culture, KPMG International

Recruiting extraordinary talent has never been more critical to our business, and the breadth and depth of talent we are now recruiting has never been greater.

We continue to recruit many new graduates – in the past year we recruited more than 24,000, the most in our history. But across the KPMG network we are also bringing in record numbers of people with new skills and capabilities, with diverse backgrounds and experience and fresh perspectives. From engineers to data scientists and cyber security specialists, to healthcare and other sector professionals, we have a broader range of skilled people than ever before, working together to ensure we can meet the complex and challenging needs of clients.

But our talent agenda is about so much more than recruiting extraordinary people – we want our people to be motivated to give their best every day, for each other, for clients and for society. So ensuring our people are motivated is at the heart of our talent strategy. We want them to know KPMG is a great place to develop their potential and build a career.

We believe KPMG is a very special place to work and our values and culture set us apart. But none of us takes that culture for granted. We want our people to be proud to work for KPMG, proud of our values and inclusive culture, certain that they are making a difference. We want people to be inspired by their leaders, and their colleagues, and in turn to want to be inspirational leaders themselves one day.



It is rewarding to see the overall levels of people engagement continue to increase year on year, according to our surveys, helping us to create a dynamic force of extraordinary people who work with passion and purpose for our clients and our communities.

Great place to build a career

There is no such thing as a ‘typical’ career at KPMG – take a look at the stories from a few of our people below.



Mary Hemmingsen

Partner, KPMG in Canada, Global LNG Head

Passionate for energy expertise innovation

Collaborates with

Calgary
San Francisco
Houston
Chicago
Munich

Mumbai
Beijing
Johannesburg
Sydney

I started my career at KPMG before moving into the energy sector. I gained a lot of experience in the industry, and was excited to re-join when KPMG in Canada was looking to strengthen its platform in power and utilities. Since then, I’ve helped build a team of industry experts and high-performing KPMG professionals that are passionate about the energy sector and its evolution and transformation.

There are two things that made me return to KPMG, and these same two things actually set us apart from the competition. First, our commitment to sector expertise and geographic coverage ensures that our clients get the benefit of services grounded

in industry experience and globally-informed solutions in each engagement. Having access to our global network means that I can call colleagues in the US, UK, Australia and Asia to advise on projects, which means that the client gets the whole of KPMG feeding into their complex energy challenges.

Second, we have a consistent approach of not consulting ‘to’ but ‘with’ clients. Our team works shoulder-to-shoulder with clients, listening to their challenges, then using the power of our network to collaborate in accelerating solutions. Our clients see the value we bring and I’ve enjoyed solving challenges with some of the industry’s best and brightest people.



Rohan Padha

Senior Consultant, KPMG in India, Management Consulting

A home for an engineer

Collaborates with

Bangalore
New York
Lisbon

Johannesburg
Melbourne

Worked/works in

Dubai

Cotonou

I began my career as an intern with KPMG in India’s Management Consulting practice. Even as a new joiner, I was able to meet face-to-face with clients, including a meeting with a CFO during my second month with KPMG. Later on I was encouraged to take on projects requiring travel – initially, within India, and then abroad, including Dubai, South Africa, Mozambique, Swaziland and the US. This breadth of experience allowed me to apply my engineering background to large, complex projects, helping to solve our clients’ biggest technology challenges.

One of my most interesting assignments was working with a South African telecommunications client on an extensive data analytics project.

While on-site, I managed a number of the technical requirements, but I had visibility into the full scope of the project, which helped me appreciate my purpose within the engagement. I wasn’t just working on a technical issue – I was making an impact on our client’s business.

I’m proud of my accomplishments so far, which have included four promotions in 6 years, and I hope to manage a team soon. I truly believe that KPMG is not just a job, or a stepping stone to something else – it’s a rewarding opportunity for people who have an open mind about where their career might take them. In a few months, I’m going to be married to a fellow KPMGer, and I can’t wait for what the future holds for both of us at KPMG!



Shaun Kendrigan

**Partner, KPMG Australia, Financial Services
–currently on assignment in the US**

Saying yes to new opportunities

Collaborates with

London

Tokyo

Worked/works in

Sydney
Brisbane

New York

In my experience, KPMG has always been about opportunities, and it started with a summer internship with the firm – my first real job. I got to work with two client teams, and learning on-the-job in a high-performance environment sold me on KPMG.

After qualifying as a CPA with KPMG, I took a 6-month assignment at a client site, working in their financial reporting team. Years later, I was again assigned to work alongside the CFO of a large publicly listed company in Australia. These opportunities taught me a lot about the challenges faced by c-level executives and what it means to both deliver and receive high-quality client service. I now realize these

assignments were critical points in my career, developing skills and providing a perspective I may not have otherwise obtained.

My breadth of experience has led to additional opportunities, such as a 2-year assignment in KPMG’s New York office. It has been a career highlight for me, and I have agreed to extend my stay in the US. The extent of opportunities I’ve had at KPMG is beyond anything I would have imagined, and I look forward to taking on the challenges that lie ahead.



Laurie Hatten-Boyd

**Principal, KPMG in the US,
National Tax Practice**

Bringing public sector experience to KPMG

Collaborates with

Seattle

San Francisco

Washington, D.C.

New York

London

Luxembourg

Zurich

Hong Kong

Following 6 years as Attorney-Advisory with the Internal Revenue Service (IRS) Office of Associate Chief Counsel (International), I wanted to join a firm that was known for outstanding technical expertise, a track record for great client relationships and a global approach to solving complex tax challenges. KPMG absolutely fit the bill.

KPMG aligns people with deep tax technical backgrounds with those who have great depth in operational tax matters, so collectively we are better able to support clients in meeting their compliance obligations.

Most of the tax complexities I deal with are global in nature, such as a multinational company with operations

in the US or a US company making payments outside the US. I frequently collaborate with colleagues around the world, and my international colleagues regularly consult with me regarding US tax issues. My clients get the confidence of working with someone who intimately knows US tax obligations, alongside the benefit of KPMG’s global knowledge network and experience.

While I love the challenge of navigating the tax code, my favorite part of working at KPMG is the people – both my team in the US and our global network. We regularly share our leading practices and know how to match our knowledge to client challenges. Given the global nature of tax, each day is different, which makes it fun to come to work.



Barry Li

Associate Director, KPMG China, Transaction Services

Mentoring makes the difference

Collaborates with

Hong Kong Singapore Chicago

Worked/works in

Shanghai Amsterdam

I have always loved math, but it was the opportunity to work with people that drew me into accounting. I grew up in China, and finished my schooling in Australia, which led to a job at a boutique accounting firm in Canberra. After working for a few years, I realized that I wanted to rejoin China’s growing economy, so I moved back to Shanghai and came to KPMG.

From day one, I knew I had made the right decision. I immediately appreciated the collaborative culture at KPMG China, where, as an assistant manager, I directly interacted with clients, and received regular mentoring and on-the-job coaching from the partners on my team. I even had the opportunity

to take a 6 month assignment in the Netherlands with their local transaction services team. When I returned to China, because I had worked on mergers and acquisitions projects with large Dutch clients, I quickly became a go-to person when advising Chinese companies on corporate transactions in Europe.

Now, as an associate director, one of the best parts of my job is mentoring my team members, just as I was mentored in my KPMG career. I am excited about inspiring others to identify their purpose within the firm and see the potential for their own careers.



Erik Bleekrode

Partner, KPMG in the Netherlands, Insurance –currently on assignment in Hong Kong

Collaborates with

Toronto New York London Amsterdam Kuala Lumpur Singapore

Worked/works in

Amstelveen Sao Paolo

I tell any person at KPMG not to pass up the opportunity for a mobility assignment. After 23 years with KPMG in the Netherlands, in 2012 I took an assignment with KPMG in Brazil’s insurance practice for 2 years. It was one of the best career decisions I have ever made. Working overseas quickly expanded my network and strengthened my ability to manage teams in a new environment.

In fact, my assignment in Brazil led to my next role in Hong Kong’s Financial Services practice where I am now the regional lead partner for two global insurance clients and oversee our proposition on accounting change for insurers. These two mobility experiences have enormously broadened my global exposure to the business and have allowed me to develop and refine skills

in a way I never would have done by staying in my home country.

Having worked for KPMG on three continents, I have experienced that KPMG people everywhere are linked by a common culture: a group of high-performing people working collaboratively to do great things for clients. This has been true across all geographies, industries and client projects I have worked on.

For me, KPMG has always been about opportunities – both in my recent international experiences, and when I joined as a new graduate. Now, I’m empowered to help clients tackle their toughest challenges, and am excited to take on new experiences that will add value to both my career and every client project.



Foundation of our business

Building and supporting an inclusive workplace

Building an inclusive workplace is a global priority across the KPMG network.

First, we believe it is the right thing to do – we are committed to KPMG being a place where people can bring their whole selves to work and flourish. We also recognize that an inclusive work environment enables us to enhance the value we bring to clients. In a more inclusive environment, we are better able to harness more successfully a broad range of skills, experience and perspectives as we seek to address clients' most complex challenges. We have made a commitment to advancing the role of women in the workplace a priority. Our partnerships with WomenCorporateDirectors Foundation and the 30% Club support the progression of women to leadership roles. We also host the KPMG Women's Leadership Summit in the US, held on-site during the KPMG Women's PGA Championship.

KPMG member firms strategically work with local organizations, and programs and event opportunities that challenge the status quo and help drive positive and sustainable changes. These relationships allow us to make a direct impact with organizations working to address local challenges, and include groups like Global Female Leaders

(Germany), Association of Women in Finance (Canada), Chief Executive Women (Australia), Young Women's Leadership Connection (Singapore), Glowork (Saudi Arabia) and World Women Forum (Mexico).

We continue to look for new ways to increase inclusivity among our people, and our well-established Global Diversity Network drives the changes necessary to promote inclusive leadership across our network.



Lynne Doughtie, Chairman and CEO of KPMG in the US, speaks at the inaugural KPMG Women's Leadership Summit

Global mobility – bringing our best talent to clients

Deploying our best talent around the world is critical to our strategy.

It is important that we bring the best of KPMG to our clients as we work shoulder-to-shoulder with them on their most challenging issues and that we are able to bring them a global perspective. In 2015, our Global Mobility program supported more than 2,500 people on assignments to over 95 countries. We were able to bring specialist skills and knowledge to specific client needs

in areas such as cyber security and transformation and assist clients as they expand in strategically important markets and high-growth economies around the world.

Ensuring that clients have access to our best people wherever they might be is only one part of the story. Giving our people the opportunity to work

internationally helps them become extraordinary - by developing new skills and cultural awareness, building leadership capability and broadening their global perspective. Many of our international assignees go on to assume senior leadership positions across our network. Every one of them makes a positive impact on their clients and the markets they work in.

Future business leaders compete at the KPMG International Case Competition

The KPMG International Case Competition (KICC) takes place annually and attracts students from around the world who participate in an intense 4-day, case-style showdown.



The winning team from 2015 KICC celebrates their hard-won victory.

In 2015, over 21,000 students from more than 550 universities across 28 countries submitted applications to KICC, making the 2015 class the strongest yet in the competition's 12-year history.

"It's thrilling to see the energy and drive displayed by the students," said Rachel Campbell, Global Head of People, Performance & Culture, KPMG International, in Dubai for the finals. "This year's competition continued our legacy of assembling high-caliber young people, eager to tackle real-world business challenges."

Through several rounds of competition, students work in teams to solve

complex business challenges related to a specific case study, presenting their recommendations to senior executives from KPMG's global network.

"It's so much more than a competition, though," added Rachel. "It's a great opportunity for young talented people to learn about themselves and their strengths. It's also an opportunity to give them greater insight into the world of business. Since KICC's inception, many participants have started their careers at KPMG."

The finalists in 2015 came from Spain, Sweden and the UK, with team Sweden winning the title.

Empowering our communities

KPMG endeavors to empower our communities and inspire confidence through our actions and investments.





KPMG endeavors to empower our communities and inspire confidence through our actions and investments.

Increasingly over the past decade, and now with the adoption of the UN’s Sustainable Development Goals, society expects business to demonstrate its values and the societal value it creates.

A commitment to Citizenship helps to define the role and purpose of business in society. It shows that a business is helping to shape the world while building trust in itself, through partnerships with governments and civil society. This is reflected not only in how a company operates, but also how it empowers its communities and wider stakeholders.

In September 2015, the 193 Member States of the United Nations adopted 17 new Sustainable Development Goals (SDGs), more commonly known as the Global Goals for Sustainable Development, to make our world more prosperous, inclusive, sustainable

and resilient. The Global Goals are an ambitious plan of action for people, planet and prosperity. They are universal, applying to all nations and people, seeking to tackle inequality and leave nobody behind. The ambition is to end extreme poverty and hunger by 2030.

KPMG has been helping to shape the Global Goals with others in business and community organizations, participating in events held in conjunction with the four related UN Summits: The World Conference on Disaster Risk Reduction (Sendai, March), The Conference on Financing for Development (Addis Ababa, July), The Summit to Adopt the Sustainable Development Goals (New York, September) and the Conference on Climate Change (Paris, December). Our approach to citizenship has four components that can help



Lord Dr Michael Hastings, CBE Global Head of Citizenship, KPMG International

deliver upon the UN Global Goals for Sustainable Development:

- Inclusive development
- Advancing sustainability
- Lifelong learning
- Business and human rights.

To find out more about KPMG’s Citizenship programs please visit kpmg.com/citizenship.



Inclusive development

Inclusive development seeks to ensure that all people benefit from economic and social development.

This is fundamental to our work and support for the Global Goals for Sustainable Development.

Empowering business with the SDG Industry Matrix

Together with the UN Global Compact, over the last 12 months KPMG has developed the SDG Industry Matrix for seven industries to help businesses identify innovative ways to tailor investments and existing market activities to align with the Global Goals.

Furthering the Goals calls for solutions to provide jobs, strengthen access to electricity, help ensure peaceful societies,

deliver core infrastructure investments and ensure environmental sustainability while empowering women, among other goals. The purpose of the Matrix is to demonstrate how different industries can shape markets while advancing the sustainable development agenda.

For more information, please visit unglobalcompact.org.

Global Goals for Sustainable Development

To find out more about the work KPMG is doing to help achieve the Global Goals for Sustainable Development, please visit kpmg.com/globalgoals.



▶ [Leading a Millennium Village Project](#)

Leading a Millennium Village Project

The Millennium Village Project (MVP) was created a decade ago in 10 Sub-Saharan African countries and is a collaboration between Millennium Promise Alliance, the Earth Institute at Columbia University and the United Nations Development Program. With the ambition to enable and facilitate communities to achieve the Millennium Development Goals (MDGs), nearly half a million people are now seeing first hand that change is possible; the MVP is having a real and tangible impact.

In 2008, KPMG firms began their involvement with the community of Kiuyu Mbuyuni, which became the Kiuyu Mbuyuni MVP, providing investment in excess of US\$2million.

In the beginning, there was no electricity and no sanitation, with health and education services insufficient to meet the acute needs of the community. Mobile phones were unheard of. Today, living conditions have improved significantly, and even mobile phones are everywhere. The biggest achievement, however, is affirming the people of Kiuyu Mbuyuni with dignity and supporting their ambition to improve their lives.

The Millennium Village Project

Key achievements



With the new maternity ward, infant and child mortality reduced to zero in 2015



School attendance reaching 68%



Reforestation with over 300,000 trees and mangroves planted



Over 3,000 villages work in seaweed farming creating revenues in excess of US\$3 million



Over 90% of the village now has access to safe and clean water



Women's livelihoods and handicrafts are improving incomes

In 2015, the transition process of the MVP to the Government of Zanzibar and its partners has begun, with the goal of ensuring that the people of Kiuyu Mbuyuni thrive through the Global Goals for Sustainable Development.

Providing assistance in times of disaster

KPMG's response to the 2015 Nepal earthquakes

The Nepal earthquakes devastated lives and communities throughout the region. Given the scale of suffering, KPMG International swiftly launched a global appeal for financial support, raising US\$1.1 million from KPMG International and member firms, partners and staff across 41 countries. The funds

were mostly deployed through the International Federation of the Red Cross and Red Crescent Societies, which were well-established in Nepal even prior to the earthquakes.

Insights into countries' capacity for change

2015 Change Readiness Index

KPMG International Development Assistance Services (IDAS), in collaboration with Oxford Economics,

developed the Change Readiness Index which assesses the capacity of 127 developed and developing countries to prepare for and respond to accelerating change, brought about by everything from natural disasters and economic and political shocks, to long term trends such as demographics, and new technologies.

Find out more about KPMG's International Development Assistance Services at kpmg.com/IDAS.

Advancing sustainability



We are committed to reducing our impact on the environment, addressing local environmental challenges and working with clients to advance environmental sustainability. Over the last 12 months we have continued to reduce our climate change impact as well as advising clients on how they can effectively manage theirs.

Global Green Initiative

In 2008, KPMG International announced the Global Green Initiative (GGI), a commitment to address climate change by focusing on three pillars:

1. To measure, reduce and report KPMG’s global emissions.
2. To support environmental projects within our wider commitment to our communities.
3. To work with our partners, employees, suppliers and clients to help them reduce their climate change impacts.

The GGI started with an ambition to reduce combined greenhouse gas emissions per full-time equivalent (FTE) employee by 25 percent by 2010, on a 2007 baseline. We achieved this target. A new target was set in 2011 that seeks a further 15 percent reduction in net emissions per FTE by 2015, compared to 2010.

As of 2014, we have achieved a 10 percent net emissions reduction. Furthermore, 27 percent of our total purchased electricity is now procured from renewable sources.

KPMG global emissions Per full-time equivalent (metric tonnes)

	Gross	Net
2010	3.34	2.75
2011	3.25	2.72
2012	3.04	2.54
2013	3.04	2.55
2014	3.02	2.48
(2013-2014) % change	-0.62%	-2.99%
(2010-2014) % change	-9.58%	-9.94%

UNFCCC Paris Climate Change Conference of the Parties (COP)

For the UN’s 21st Climate Talks (COP 21) 190 UN Member States have come together in Paris to broker a universal agreement on combatting climate change.

This event, alongside the adoption of the Global Goals for Sustainable Development, is significant for private and public sector clients. KPMG member firms are working with their clients to help them respond to the

outcomes of the conference and prepare for transition to a global, low-carbon economy. KPMG is also working to help unlock significant public and private sector finance to help fund green growth.

Find out more about KPMG’s climate change and sustainability services at kpmg.com/sustainability

Sustainable Firm of the Year award

KPMG International won, for the fourth consecutive year, the prestigious

2015 International Accounting Bulletin (IAB) “Sustainable Firm of the Year” award. We secured this award for our commitment to sustainability internally, as well as for the services we provide clients through KPMG sustainability services and other lines of business.



Supporting the sustainability goals of clients

India’s first green bond issue raises US\$150 million, twice the target

Over the last year, KPMG helped a leading private sector Indian bank issue India’s first green bond. The issue received an overwhelming response, as the bank raised about US\$150 million to finance renewable energy and energy efficiency projects, nearly twice the amount targeted initially.

The bond issuance was intended to provide debt financing to renewable energy projects with a total generation capacity of 5 GW. The additional capital raised by the bank may allow it to double its commitment towards financing renewable energy projects in India.

KPMG will provide assurance services on an annual basis to validate that the funds raised by the bond are being used as per green bond principles.

True Value – monetary value on innovations

Pressure is increasing on large companies to account not only for their financial performance but also for the value they create for society and the environment. This is especially true following the adoption of the UN’s Global Goals for Sustainable Development.

KPMG has developed the KPMG True Value methodology to help clients achieve this and it is now being used by several major companies in sectors including materials, utilities, transport, pharmaceuticals and telecommunications.

In 2015, KPMG collaborated with a major European auto manufacturer to build socio-economic and environmental values into investment calculations for city buses. The results provided a new view that is dramatically different to the conventional total cost of ownership model. The company is sharing the results widely to show how the transportation sector can play a key role in developing the sustainable cities of the future and to help city municipalities and transport authorities worldwide to make decisions on city planning and the future development of their transport systems.

Lifelong learning

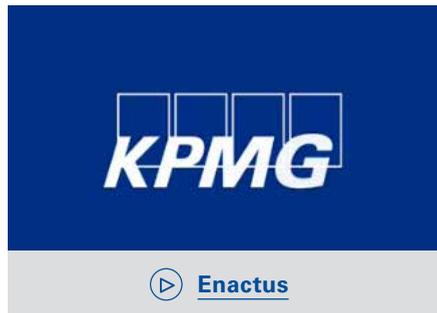
At KPMG, we understand and value the benefits of a foundation of education and lifelong learning.

It can be the key to unlocking potential and to help people out of a life in poverty. That is why lifelong learning is central to our citizenship strategy. Through our ongoing collaboration with organizations such as Junior Achievers and One Young World, we help young people to develop the skills for their future success. Across KPMG we support education initiatives and schools to expand learning opportunities.

Enactus

Enactus continues to be a strong part of our citizenship program around the world. We have been an active supporter and participant with Enactus for more than 20 years, helping to mobilize students to make a difference in their communities, while they develop the skills that will enable them to become the next generation of socially responsible business leaders. In 2015, the Enactus World Cup competition took place in Johannesburg, South Africa. It brought together student teams from 36 countries, joined by academic and business leaders, to showcase

how entrepreneurial action can help to achieve social progress within communities, including in some of the world's least developed countries.



KPMG's Family for Literacy

KPMG started KPMG's Family for Literacy (KFFL) in 2008 in the US to help provide new books to children from low-income families. In 7 years, the program has expanded not only throughout all 90 KPMG offices in the US, but globally, to become a foundation educational program for KPMG in India, Mexico, South Africa, Zambia, the UK and Kenya. with books donated and activities in 12 additional countries.

In 2015, KPMG in Kenya launched KFFL to coincide with the "Educate Her Parade," which celebrates the advancement of women and girls by providing scholarships for girls who hail from communities where their education is not a priority.

Business and human rights



Over the last 12 months, KPMG has continued to work to carry out its commitment to the UN Guiding Principles for Business and Human Rights.

We aspire to serve as a role model in helping to influence and empower communities around the world, as they seek to bring meaningful change to their local societies. We have continued to develop our services, allowing us to work with clients on a broad range of issues related to human rights.

service human rights and social impact advisory business. Servicing clients in 10 countries, Banarra's capabilities span human rights risk, ethical sourcing and supply chain management, social impact management and measurement, complex stakeholder engagement, and strategy and report development.

from poverty. KPMG in the UK has championed the Living Wage for the last 10 years, playing an integral role in creating and sustaining the Living Wage foundation. The impact of this work has been helping to lift more than 100,000 families out of working poverty, with 2,000 employers including 25 of the FTSE 100 becoming accredited Living Wage employers.

KPMG Australia buys Banarra human rights consultancy

In August 2015, KPMG Australia announced it acquired market-leading human rights and social impact consultancy, Banarra. Founded by Richard Boele in 2006, Banarra is a full

KPMG in the UK recognized for championing Living Wage

The Living Wage is an hourly rate set independently and updated annually, calculated according to the basic cost of living in the UK and London, ensuring working families can live free

As a result of its work with the Living Wage foundation, KPMG in the UK was recognized at the Ethical Corporation Awards, winning the prestigious "Best Corporate/NGO partnership" award.

Financials and organization

FY15

Combined global revenues

\$24.44

US\$ in billions

Growth

8.1%

In local currency

People

173,965

People growth

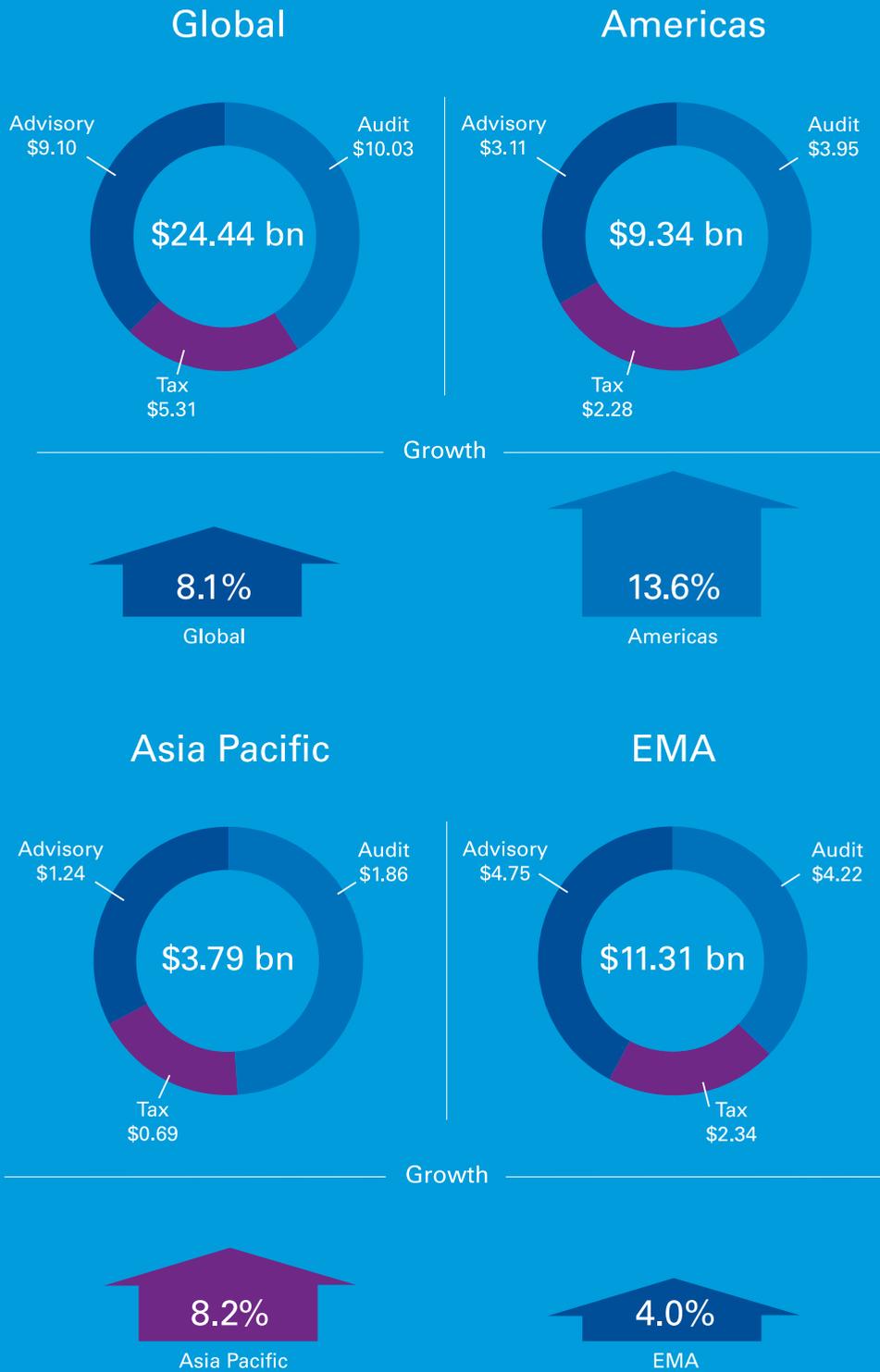
7.4%

*FY14 revenues: US\$24.82 billion. The relative strength of the US dollar impacted FY15 global revenues when expressed in US\$.



Global total revenues

By region



The financial information set forth represents combined information of the separate KPMG member firms that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

*FY14 = 1 October 2013 to 30 September 2014

**FY15 = 1 October 2014 to 30 September 2015

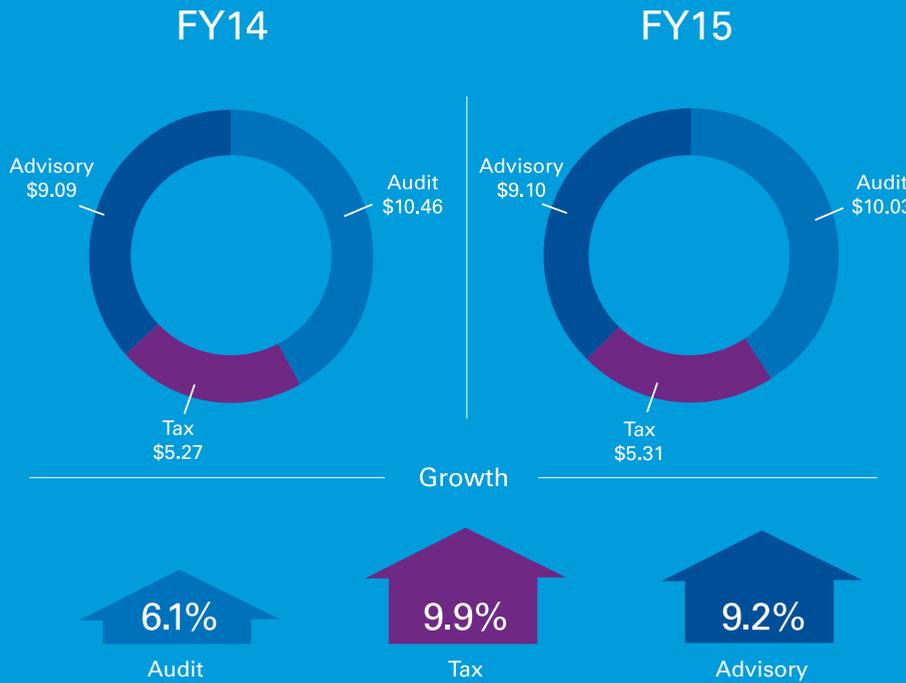
***Growth in local currency

**** Revenues in USD billions

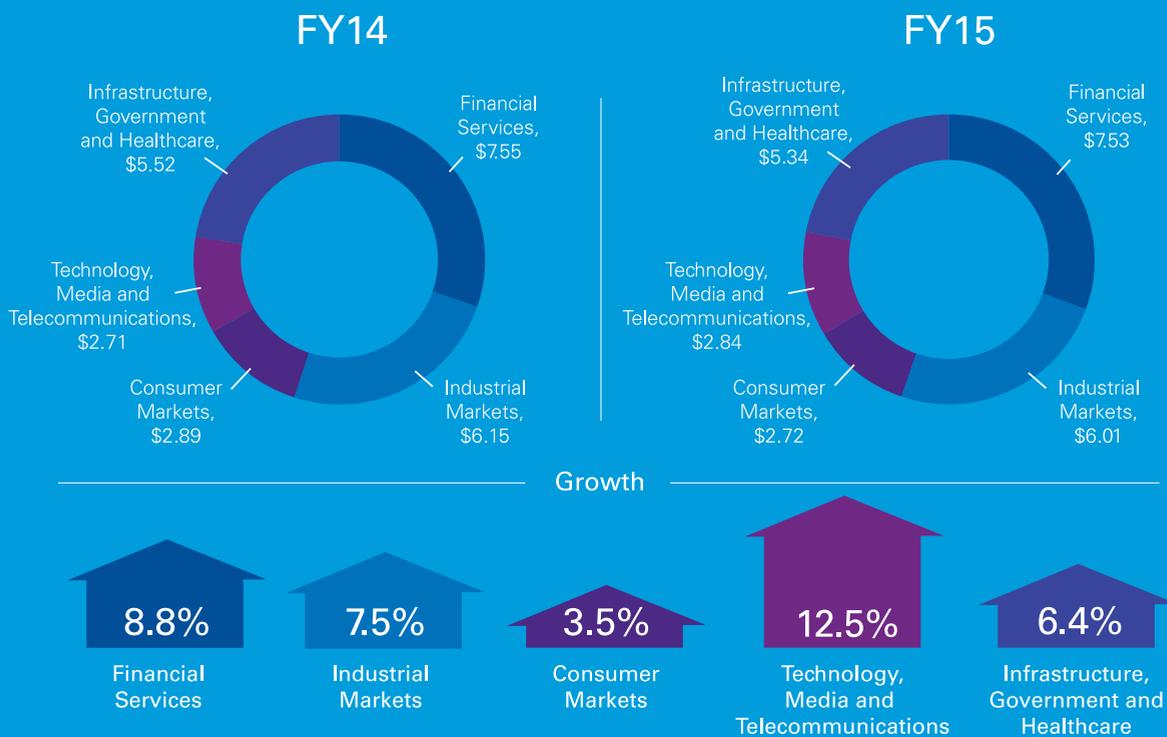
***** Headcount figures are expressed as full-time equivalent (FTE) and are based on average headcount for the financial year.

Global total revenues

By function



By industry



The financial information set forth represents combined information of the separate KPMG member firms that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

*FY14 = 1 October 2013 to 30 September 2014

**FY15 = 1 October 2014 to 30 September 2015

***Growth in local currency

**** Revenues in USD billions

***** Headcount figures are expressed as full-time equivalent (FTE) and are based on average headcount for the financial year.

People



Total FY15: 173,965

FY14

FY15

Americas



49,578

Asia Pacific



35,274

EMA



89,113

Partners

9,039

9,445

Professionals

124,827

134,064

Professional support staff

28,165

30,456

Total

162,031

173,965

The financial information set forth represents combined information of the separate KPMG member firms that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

*FY14 = 1 October 2013 to 30 September 2014

**FY15 = 1 October 2014 to 30 September 2015

***Growth in local currency

**** Revenues in USD billions

***** Headcount figures are expressed as full-time equivalent (FTE) and are based on average headcount for the financial year.

Global Board

As at 30 September 2015

John Veihmeyer

Chairman

John Scott

Global Deputy Chairman
EMA Chairman,
Spain

Bill Thomas

Americas Chairman,
Canada

Sai Choy Tham

ASPAC Chairman,
Singapore

Seyi Bickersteth

Africa

Peter Nash

Australia

Pedro Melo

Brazil

Richard Cysarz

Central and Eastern Europe

Honson To

China

Oleg Goshchansky

Commonwealth of Independent States

Jay Nirsimloo

France

Klaus Becker

Germany

Richard Rekhy

India

Shaun Murphy

Ireland

Domenico Fumagalli

Italy

Tsutomu Takahashi

Japan

Kyo Tae Kim

Republic of Korea

Abdullah Al Fozan

Middle East and South Asia

Guillermo Garcia-Naranjo

Mexico

Stefan Pfister

Switzerland

Simon Collins

United Kingdom

Lynne Doughtie

United States

Global Management team

As at 30 September 2015

John Veihmeyer

Chairman

John Scott

Global Deputy Chairman
Chair of Global
Management Team

Isabelle Allen

Global Head
Sales & Markets

Rachel Campbell

Global Head
People, Performance & Culture

Philip Davidson

Chief Operating Officer

Mark Goodburn

Global Head
Advisory

Larry Leva

Global Head
Quality, Risk & Regulatory

Bill O'Mara

Global Head
Audit

Tom Wethered

General Counsel

Greg Wiebe

Global Head
Tax



Countries in which KPMG member firms operate

As at 30 September 2015

Afghanistan	Chile	Hungary	Moldova	South Africa
Albania	China	Iceland	Monaco	Spain
Algeria	Colombia	India	Mongolia	Sri Lanka
Andorra	Congo	Indonesia	Montenegro	St. Lucia
Angola	(Democratic Republic of the)	Iraq	Morocco	St. Maarten
Antigua and Barbuda	Congo	Ireland	Mozambique	St. Vincent and the Grenadines
Argentina	(Republic of the)	Israel	Myanmar	Surinam
Armenia	Cook Islands	Italy	Namibia	Swaziland
Aruba	Costa Rica	Ivory Coast	Netherlands	Sweden
Australia	Croatia	Jamaica	New Caledonia	Switzerland
Austria	Curaçao	Japan	New Zealand	Taiwan
Azerbaijan	Cyprus	Jersey	Nicaragua	Tanzania
Bahamas	Czech Republic	Jordan	Nigeria	Thailand
Bahrain	Denmark	Kazakhstan	Norway	Togo
Bangladesh	Dominican Republic	Kenya	Oman	Trinidad and Tobago
Barbados	Ecuador	Korea (Republic of)	Pakistan	Tunisia
Belarus	Egypt	Kuwait	Panama	Turkey
Belgium	El Salvador	Kyrgyzstan	Papua New Guinea	Turks and Caicos Islands
Bermuda	Estonia	Laos	Peru	Uganda
Bolivia	Fiji Islands	Latvia	Philippines	Ukraine
Bosnia and Herzegovina	Finland	Lebanon	Poland	United Arab Emirates
Botswana	France	Liechtenstein	Portugal	United Kingdom
Brazil	French Polynesia	Lithuania	Qatar	United States of America
British Virgin Islands	Gabon	Luxembourg	Romania	Uruguay
Brunei Darussalam	Georgia	Macedonia	Russia	Venezuela
Bulgaria	Germany	Malawi	Rwanda	Vietnam
Cambodia	Ghana	Malaysia	Saudi Arabia	Yemen
Cameroon	Gibraltar	Maldives	Senegal	Zambia
Canada	Greece	Mali	Serbia	Zimbabwe
Cayman Islands	Guatemala	Malta	Sierra Leone	
	Guernsey	Mauritius	Singapore	
	Honduras	Mexico	Slovakia	
			Slovenia	

KPMG values

Our Values create a sense of shared identity. They define what we stand for and how we do things. Our Values help us to work together in the most effective and fulfilling way.

We lead by example

At all levels we act in a way that exemplifies what we expect of each other and our member firms' clients.

We work together

We bring out the best in each other and create strong and successful working relationships.

We respect the individual

We respect people for who they are and for their knowledge, skills and experience as individuals and team members.

We seek the facts and provide insight

By challenging assumptions and pursuing facts, we strengthen our reputation as trusted and objective business advisors.

We are open and honest in our communication

We share information, insight and advice frequently and constructively and manage tough situations with courage and candor.

We are committed to our communities

We act as responsible corporate citizens by broadening our skills, experience and perspectives through work in our communities and protecting the environment.

Above all, we act with integrity

We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.



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