



Global banking and capital markets credentials

KPMG International

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A message from our sector leader

In the past decade, banking and capital markets has witnessed a period of evolution during which the sector has become one that is vastly different from what it once was. However, this period must be seen as only a precursor to the changes that we expect to witness with even greater and more dramatic scale in the years ahead. In effect, we have moved from a period of fixing the problems of the past to an era of significant restructuring and reinvention, driven by a fundamental shift in market structures and business models. Forces driving this sector-wide disruption include technology transformation, digital and data revolutions, cyber security, the rise of utilities infrastructure across Financial Services (FS), the emergence of new 'shadow banking' alternatives and the continuing complexities of implementing regulatory reform. It all adds up to change on a massive scale.

As the pace of change increases, the value of independent insight and perspective has never been more relevant. At KPMG, we stand ready to advise and assist member firm clients to successfully navigate the currents of change and to harness the unique power of our sector insight and our global network of talented professionals to fully equip clients to grow and prosper in this challenging but exciting future.

We have prepared an overview of our strengths as a strategic advisor and trusted business partner and I am pleased to have the opportunity to share these with you in the form of this brochure.

On behalf of our worldwide banking and capital markets leadership, I thank you for considering KPMG for your needs in advisory, tax and audit related matters. We look forward to having the opportunity to work with you.



Bill Michael
Global Head of Banking and
Capital Markets

A voice for change in the industry known for innovation and agility

In a post global financial crisis (GFC) world, banks must face a number of challenges in achieving their business objectives with a diverse and demanding set of stakeholders. From shareholder expectations for a return to growth and improved return on equity (ROE) to the increasing demands of regulatory compliance and the ever-shifting needs of customers who are redefining what they expect a bank to be, the banking sector is facing more challenges than ever before. The business environment is changing into one in which ambitious and thoughtful executives now look for a trusted advisor who offers both insight on the future of the sector and is simultaneously respected by the global market leaders, regulators and influencers alike.

According to independent research firm IDC and their detailed analysis of buyer

perception, KPMG is a market leader in banking and capital markets. An analysis which we believe is rooted in KPMG member firms' strong and differentiated ability to meet clients' needs by **being a voice for change** in the marketplace, **being an innovative and agile organization** able to respond to unanticipated but dramatic forces affecting clients and **by delivering a 'one firm — one sector approach'** that conveys the full value of global expertise to local client needs.

Taken together, KPMG firms are focused on **creating a trusted and enduring business relationship** that sustains above and beyond the functional parameters of audit, advisory or tax consulting.

“Delivering a 'one firm — one sector approach' that conveys the full value of global expertise.”



Tailored to meet your needs

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KPMG member
firms support banks
in all phases of their
operations.”

Our breadth of expertise in banking and capital markets allows us to combine our services to deliver an approach tailored to the specific needs of individual clients. In capital markets, for example, KPMG firms service clients that are active throughout the trade lifecycle and cover organizations across a wide variety of asset classes (ranging from cash trading and derivatives to commodities), reducing

their costs, uncovering efficiencies, better managing risk and information and enhancing value across the enterprise. In retail banking, KPMG member firms support banks in all phases of their operations with some of the banking sector's leading insights and services on territory as wide-as risk management, cyber security and cost optimization to customer journey transformation and fintech innovation.



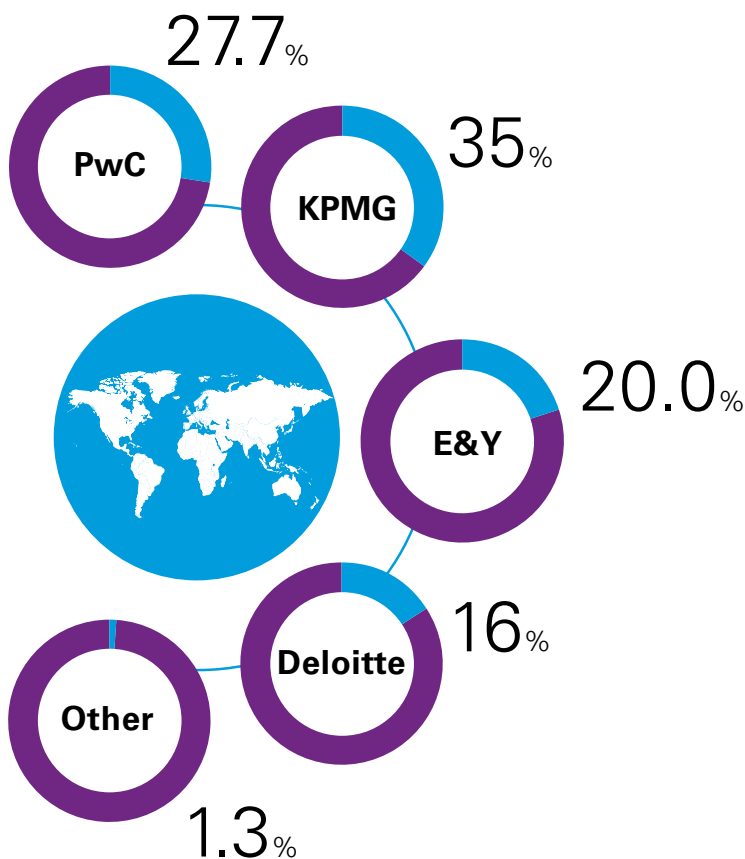
A trusted resource to banks around the world

Evidence of our success in realizing this vision can be seen in KPMG's strong presence and market leadership across all segments of the banking sector.

In audit, for example, where trust and expertise is paramount, KPMG audits 15 of the top 50 banks globally, as measured by capitalization, and has more than 30 percent of the global market share in this category.

When considering the banking and capital markets sector from the perspective of the largest global retail and investment banks, KPMG audits 11 of the world's 30 global systemically important financial institutions (G-SIFI), more than any other of the big four accounting firms. It is a measure of the strong vote of confidence and trust placed in KPMG firms by the world's largest financial institutions.

Audit market share (number of G-SIFI audits)



Source: KPMG Global 1200 and KPMG research



G-SIFI Clients

Bank of New York Mellon

Barclays

Citigroup

Credit Suisse Group

Deutsche Bank

Groupe BPCE

ICBC

ING Group

Standard Chartered

Sumitomo Mitsui Financial

Wells Fargo

Knowledge and insight that's second to none

A pedigree of confidence with regulators

One of the major factors that impacts the market realities of clients on a daily basis is the evolving realities of regulation in banking and the financial services sector. To be effective in serving clients' needs, KPMG firms have invested significant resources and expertise into clearly understanding the impact of bank regulation in markets around the world. In particular, in our major European and US markets, our regulatory centres of excellence make important and insightful contributions to our sector knowledge regarding regulatory concerns, issues and trends.

It is not surprising, then, that KPMG firms are also recognized as the leading auditor of central banks within the top 20 countries globally, ranked by gross domestic product (GDP). In fact, KPMG firms audit more central banks than any other of the big four firms.

These include such important central banks as the US Federal Reserve System, Banque de France, Bank of England, Reserve Bank of Australia and Banco de España to name just a few. We also act in an advisory capacity to the European Central Bank. Taken together, it is evident that few firms match our network's scope and scale of expertise in regard to regulatory clients.

Our consistently high standard of insight and the value it provides to clients focused on regulatory affairs is evident in the popular *Evolving Banking Regulation* series, which provides analysis and insight across the financial services industry sectors and distils the impact of regulatory reform developments on your key markets.

The publication captures the insight and analysis of KPMG's Regulatory Centre of Excellence teams and evaluates global regulatory policy initiatives addressing systemic financial risk and emerging regulatory requirements to strategically interpret how these will impact KPMG's financial services clients. From evaluating financial stability, strategic structural reform and the evolving conduct and culture agenda to analyzing risk, governance and changes in market infrastructure, the *Evolving Banking Regulation* series has become a 'must-have' for banking executives seeking to anticipate the changing dimension of regulatory compliance. In addition, the series creates real value for our banking clients seeking to make well-informed business decisions in one of the most highly scrutinized and regulated sectors in the global economy.



Knowledge that sets us apart

Supporting a client's growing need for perspective on European regulatory affairs

On 4 November 2014, the European Central Bank (ECB) assumed, with the uniform banking supervision, the central control over 6,000 credit institutions in the Eurozone, a milestone in European integration. With the KPMG-ECB office, KPMG firms provide clients with the relevant information and answers to all the pressing issues in a centralized and compact form. The ECB office bundles the entire know-how from the worldwide KPMG network for your benefit and offers client information and

solutions to deal with and respond to the new ECB supervisory approach.

The KPMG-ECB office is there to work through our member firm network to help clients quickly and smoothly adapt to these new challenges. KPMG firms can then support clients in every aspect of their ECB banking supervision and help them understand how the new uniform supervisory mechanism functions and how cooperation with the national authorities now works. We can also analyze, in partnership with clients, how the ECB banking supervision will impact their bank operations and how to best contact the ECB in the future.



Perspective that matters and Advisory services that create and enable powerful business transformation

In a sector challenged by sometimes dramatic and unforeseen change, KPMG offers banking clients an advisory portfolio that combines agility and innovation to deliver sector-specific insight and approaches or methodologies designed to meet the unique needs of banks around the globe.

Providing industry knowledge and intellectual capacity to foresee emerging issues and discuss their implications with authority. At KPMG, we target challenge and opportunity for the global banking leaders of tomorrow.

More often than not, it is clear from the lessons of history that the business leaders of today who seek out, understand and embrace new and emerging market trends become true innovators and the market leaders of tomorrow. In short, as famed Xerox PARC research scientist Alan Kay noted, **"The best way to predict the future is to invent it."** Today's forward-looking bank executive is a core consideration for KPMG and we work actively to draw clients' attention to the latest

trends and advances in areas such as fintech, customer-focused business transformation and data and analytics. In each of these areas, **we identify powerful waves of innovation** that will likely **shape and transform the banking and capital markets sector** for decades to come.

Our industry research tools, such as Bottlenose and Astrus provide valuable insight into how the sector is being shaped by transformative and strategic changes and how banks can best prepare to capitalize on and leverage these trends to their advantage. Through research, insight and analysis, our thought leadership initiatives provide clients with valuable perspectives that they can adapt and use in their critical long-term business plans.

Invested in the future

The insight that KPMG provides is not solely based on extensive industry and sector analysis, but also on our active participation in technologies and solutions that we recognize as 'ready now' to shape the future. Through our investment arm, KPMG Capital, **our network is strategically invested** in many emerging technologies in **fintech** and **data and analytics**, where we see unique value that can be successfully applied to a client's need for innovation.

From onboarding solutions that dramatically improve efficiency and transparency for Know Your Client (KYC) demands to customer experience mapping tools that integrate human behavior, cognitive research and business infrastructure, KPMG expertise helps identify where the right digital experience at the right time can increase stakeholder engagement. Our investment in proprietary tools gives our banking and capital markets team the power to dynamically recognize cyber security threats in real time and take a proactive and strategic approach to threat management and response. KPMG is **harnessing real world innovation today to deliver exclusive benefits to our firms' clients** in the banking sector and to address many of the critical strategic needs involved in **enabling powerful business transformation**.

At the same time, KPMG recognizes that in today's highly diversified global economy, the next big thing often comes from small but ambitious entrepreneurs. This is why KPMG is actively engaged in the fintech startup community as a sponsor and a partner in some of the leading financial technology incubators and accelerators around the world, including Australia, Belgium, Canada, Hong Kong, Israel, Netherlands, the

United Kingdom and the United States. By working with the global fintech community, we are able to collectively generate insight and perspective into the pace and scale of vital innovation in the banking sector and share that insight and knowledge with the global sector leaders of today and the new, emerging financial services giants of tomorrow.

Differentiating between what is new and what will make a lasting, beneficial impact

Often, innovation can be a pursuit employed by a vendor to satisfy their own growth agenda, but still fall substantially short of addressing the most substantial and transformative strategic needs of clients. Making the right choice for innovation is often difficult for banks that need to be certain of where they make commitments so that the sometime varying demands of customers, shareholders and regulators can all be fully addressed.

At KPMG firms, we integrate our deep financial services sector experience to strategically evaluate the character of innovation and its ultimate value to the needs of our firms' banking clients. With proprietary insight and knowledge, we continually evaluate advances in fintech, data and analytics and digital and mobility platforms to define key criteria around degrees of **innovation, utility** and **sustainability**. At KPMG, we strategically assess the value of specific approaches **for enterprise-wide benefit** and true **business transformation** potential. We recognize that the choices banks make need to balance the value of improved performance with need to create long term and sustainable benefit in a sector where the expectations of key regulatory and customer stakeholder communities are second to none.

“Integrating our deep financial services sector experience to strategically evaluate the character of innovation and its ultimate value to the needs of our firms' banking clients.”

People and expertise matched to meet your needs

The success of KPMG is rooted in our proven ability to match the needs of our clients with the industry's best talent and experience, regardless of their location or need. KPMG member firms deliver on the promise of providing a seamless 'one firm, one approach' client experience because we recognize that the depth of experience in industry specific issues, challenges, trends and risk is what makes the biggest impact for a client's needs.

With a network of more than 35,000 financial services partners and professionals in more than 115 locations worldwide, KPMG is built to provide global bench strength and customized client care that is second to none and strongly leveraged to be of maximum impact in the financial capitals of global economic leaders such as the United States, the United Kingdom, Germany, France, Canada, China, Japan, India, Italy, Australia and Switzerland.

Financial services is our largest line of business and accounts for more than one-third of our revenues globally. It is evident by our firms' scope of clients, engagements and locations that our team is well-equipped, balanced and highly respected to meet the needs of clients in each and every region where they operate. Furthermore, KPMG is resourced and connected to share and

engage as a truly global knowledge leader, able to apply the benefits of global perspective and talent across our network to ensure that strategy, design and implementation are industry-leading but also locally relevant and effective.

Banking and capital markets are the core of our financial services network accounts and our largest pool of talent and expertise. Our banking and capital market sector sets the standard within our firm for creating a high-performance culture that attracts and retains among the best people, with the skills and determination to deliver above and beyond our client expectations. Our commitment to professionalism and integrity is at the heart of everything we do at KPMG. It is also central to the character of those outstanding professionals we recruit to our firm, who are technically brilliant, insightful and astute, but also carry with them the ability to be forward-thinking, confident and globally minded. They must add value to our member firms' clients and communities and be genuinely passionate about and proud to be part of KPMG.

It's an approach that continues to serve the needs of our clients and has gained recognition and acknowledgement from the leading analysts of the global banking industry.

KPMG's global banking practice has been named a leader by IDC in the MarketScape sector report for 2015.

KPMG considered 'strongest of all firms' in banking and capital markets

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In terms of maximizing the value of a project, delivering value-creating innovation and directly improving clients' overall commercial performance, KPMG is considered the strongest of all firms.”

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Clients see KPMG as best at challenging corporate culture, among the best for industry insight and for helping clients comply with regulations.”

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KPMG is also viewed as among the best at providing industry insights, supporting enterprise-wide business change, leveraging appropriate analytics and helping clients reduce costs and identify growth opportunities.”

Source: IDC MarketScape: Worldwide Business Consulting Services for the Banking Industry 2015 Vendor Assessment (Report# FI253532)



Get the power of KPMG working for you today

If you're looking for sector insight, knowledge and strategic thinking that is second to none, an unwavering focus on the transformative power of innovation and the benefits of a network that is truly global and dedicated to meeting and exceeding your expectations for superior client service, look no further than KPMG.

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