



Future Sourcing

Evaluating the risks and benefits of sourcing

FINANCIAL SERVICES

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Executive Summary



Financial services organizations with complex global sourcing operations face a critical need for processes and structures that can provide a clear view of sourcing's risks and benefits. KPMG International surveyed top-level financial services executives, service providers, regulators, and consumers throughout Europe about sourcing and arrived at the following findings.

- Respondents reported 86 percent of their businesses' sourcing activity was in the country of domicile and not offshore.
- Financial services organizations largely have been granted "permission" from consumers to outsource and offshore customer-facing processes on the proviso that service levels are not negatively impacted.
- Many organizations take a short-term view when making global sourcing decisions, and they may not be adequately measuring benefits and risks. More than 40 percent of survey respondents said the industry takes a short-term, tactical view of sourcing policy rather than creating a platform for the long-term transformation of their operations.
- Although executives generally said they believe they understand the benefits and risks of global sourcing strategies, many organizations are not adequately tracking either of them. One reason is that many organizations do not have formal means to monitor and manage benefits and risks.
- Ten percent of organizations that said the most important benefit of sourcing is cost savings admitted they are unable to measure it. In addition, nearly 15 percent who said they could measure sourcing's cost savings use qualitative methods to do so.
- These results indicate that some organizations may be using informal or subjective methods to measure benefits of sourcing, a critical business initiative that has significant operational, regulatory, and financial consequences. This subjective process may indicate an absence of underlying systems and processes that provide a view across an organization.
- More than 25 percent of respondents stated that their organizations are unable to measure operational and financial risk. Technology and regulatory risks are not measured by nearly 35 percent of companies, and nearly 40 percent of companies could not measure strategic and reputation risk. It is striking that while almost half are not able to measure reputation risk, about 65 percent stated that this particular risk is the second most important in their rankings.
- About a third of respondents have incorporated the management of their sourcing supply chain into an existing procurement function. Such a decision could be viewed as being short-sighted, primarily because a sourcing decision is a strategic call and should not be entrusted to a part of the business structure that deals with the purchase of products.
- We believe that it is important for financial services executives to increase their focus on the longer term because there is a strong likelihood that reliance on sourcing will continue to grow, and governance of the process will be a critical factor in the success of the overall organization.

Introduction



There can be little debate that the task of measuring risk and weighing trade-offs in financial services is proving to be difficult.

With global sourcing having emerged as a significant component in the way financial services companies structure their operating models, it is becoming increasingly vital for organizations to have in place processes and structures that can provide a clear view of sourcing's risks and benefits. Yet uneasiness exists among some industry observers not only about whether organizations have that view but also about the way management makes decisions on sourcing strategies.

Strategic, operational, technology, financial, and regulatory risks were difficult enough to understand and manage when business processes and IT functions were handled in-house. But now, with many operations and functions sourced – and sub-sourced – to independent businesses in disparate global locations, those risks can be much more acute.

In some ways, sourcing activity in the financial services sector mirrors sourcing developments a decade or more ago in the manufacturing sector. In that time, manufacturing has achieved considerable maturity in creating and managing global supply chains and in having an uncluttered view of their onshore and offshore sourced operations. Both industries seek competitive advantage in an increasingly global economy. Also, both want to boost shareholder value through improved operational efficiency, take advantage of high-quality skills in lower cost economies, and tap into markets with growing affluence. The element that sets these industries apart is the rigid, and rapidly changing, regulatory environment in which the financial services sector operates.

There can be little debate that the task of measuring risk and weighing trade-offs in financial services is proving to be difficult. Not surprisingly, some organizations are meeting this challenge better than others. Many are wrestling with the complexity of these virtual supply chains that are configured across service provider entities and geographies. Very often, organizations find it particularly difficult to maintain an uncluttered, end-to-end sight line of their service delivery processes. Such murky vision presents a threat to the industry as a myriad of regulators are stepping up enforcement activities.

Traditional performance management frameworks that focus on a defined organization boundary simply are no longer adequate when managing service delivery that spans the globe and involves third-party service providers. The issue is not restricted to managing different suppliers and locations across the organization, which by itself is significant. This challenge can be exacerbated by the fact that often the supply chain for one business process could comprise different providers located across diverse geographies. The challenge is to integrate and manage the supply chain to ensure a seamless delivery.

KPMG International Surveys the Industry

With the understanding that sourcing is here to stay for at least the foreseeable future, and that managing the complexity of the process is proving to be a huge undertaking, KPMG set out to talk to the people in the industry who manage the relationships on a day-to-day basis. The idea was to try to get an understanding of the strategies employed by insurers, retail banks, asset managers, and investment banks. We also sought to get a grasp of how they manage the inevitable trade-off between risk and return when employing those strategies. Further, we included service providers and regulators in the survey in order to gauge their role in the process, and to get their perspective on how financial services firms are managing the job. Finally, we also spoke to “real” people – those who use the services offered by banks, insurance companies, and investment houses. The results, we think, provide an interesting glimpse of a rapidly changing world, where global has become local and where boundaries – both geographic and those within the industry – have all but vanished.

The survey covers organizations in Europe, including both businesses headquartered there as well as global companies that have significant presence in this market. The countries covered are Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, and the United Kingdom. The survey targeted chief executive officers, chief operating officers and other “C-level” executives from some of the largest financial services organizations – in terms of asset size – in each country for each industry sector. Also targeted were senior executives of the leading service providers in each country, including global, national, and regional players.



The idea was to try to get an understanding of the strategies employed by insurers, retail banks, asset managers, and investment banks.

Current State



At the same time these executives must maintain regulatory integrity across borders.

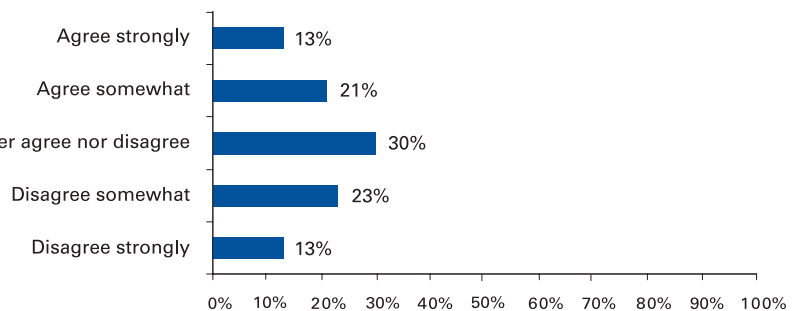
Overview

We begin with the understanding that there is nothing new about a business contracting for some services from an external party. That kind of business activity is as old as trade itself. But rapid developments in cross-border trade and information technology have helped to make the supply chains of financial services organizations very complex. The use by financial services companies of inter-connected service providers for fundamental business processes has had a profound impact on executives who find themselves stretched – sometimes across the globe – to develop structures and processes that reduce costs and improve operations and customer service. At the same time, these executives must maintain regulatory integrity across borders. It is a knotty task, which requires an appreciation of cultural and political sensibilities as well as sharp operational, financial, information technology, and human resources skills.

When viewed in total, the responses provided by financial services industry executives, service providers, and regulators showed that many financial services organizations and service providers have developed positive relationships that have improved productivity and profitability, while providing a better experience for customers. But the results also tell a story of many organizations taking a short-term view when making global sourcing decisions about sourcing critical operations. Fully one third of respondents said they believe the industry has allowed the benefits of a sourcing policy to outweigh its risks (*Figure 1*).

Figure 1: Sourcing Strategies Allow Benefits to Outweigh the Risks

The financial services industry has allowed the “benefits” to outweigh the risks, with regard to their sourcing policies.

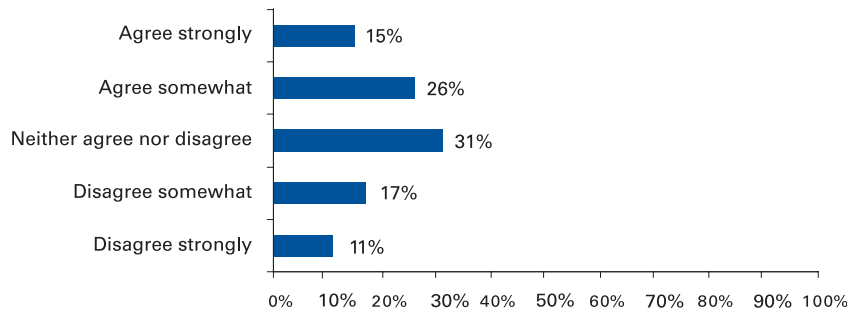


Source: KPMG International, 2005.

The responses also indicate some in the industry may not be adequately measuring benefits and risks, and they may not have an adequate picture of the risks they face. Furthermore, the results indicate a general short-term focus on results rather than on the creation of a platform for the long-term transformation of their operations. More than 40 percent of survey respondents said they agree that the industry, as a whole, typically takes a short-term, tactical view of sourcing policy (*Figure 2*).

Figure 2: Sourcing Strategies Reflect Short-Term Tactical Aims

The industry as a whole is taking a short-term tactical view of sourcing policy.

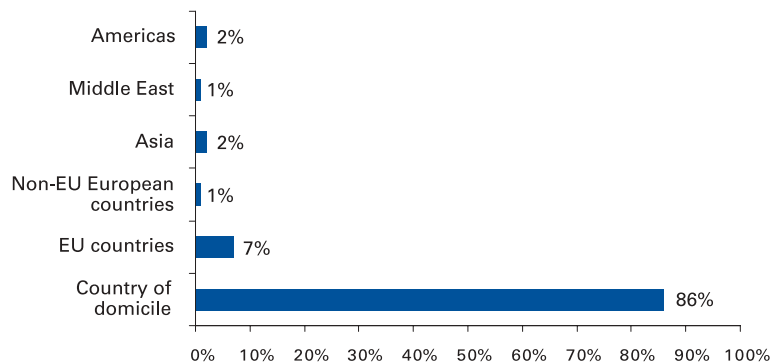


Source: KPMG International, 2005.

Although executives generally said they believe they understand the benefits and risks of global sourcing strategies, many organizations may not be adequately tracking either of them. While the primary purpose of the study is to provide insights into how sourcing's benefits are managed and balanced by financial services firms across borders and among industry participants, one finding gave us pause. Because there has been intense media focus in the past two years on offshoring, we were surprised to find that respondents reported 86 percent of their businesses' sourcing activity was in their country of domicile (*Figure 3*).

Figure 3: Geographic Split of Sourcing Activities

With reference to your operations and IT budgets, how are they geographically split in percentage terms?



Source: KPMG International, 2005.

While 13 percent of sourcing activity being done outside the home country is still a significant portion, one might have expected the number to be greater, given the amount of publicity regarding jobs being shipped to nations with lower costs.

"It doesn't matter so long as the money in my account is unaffected."

Consumer, Belgium

"It doesn't affect customer service, I don't see outsourcing to be a problem."

Consumer, United Kingdom

"When we do have a need to call – I have not noticed any real difference in service."

Consumer, Spain

"As long as I get the same service when calling, it's okay."

Consumer, United Kingdom

Also of note is the finding that consumers are generally not put off by the knowledge that their bank or insurer has outsourced some of its processes. Indeed, of those customers who noticed that their financial services provider had outsourced or offshored some customer-facing processes, the majority reported no change or improvement to service levels. Household and motor insurance customers had noticed some of the largest improvements in service quality. There is of course a spatial distribution of attitudes toward outsourcing and offshoring but most negative responses were anecdotal or a reaction to local jobs being lost. Financial services organizations seem to have largely been granted "permission" by their customers to outsource and offshore processes on the proviso that service levels are not negatively impacted and, interestingly, that cost savings achieved by the company are passed on to them through cheaper products or higher returns.

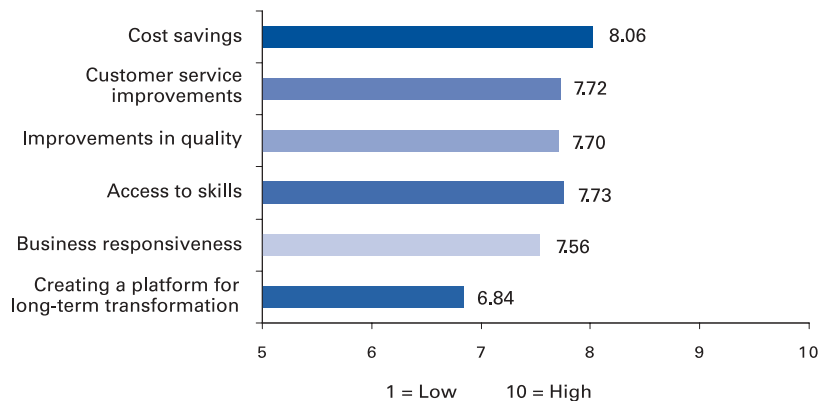
Financial services organizations largely seem to have been granted "permission" by their customers to outsource and offshore processes

An Industry View of Sourcing's Benefits

Margins associated with the delivery of financial services are under pressure as consumers become increasingly sensitive to price and return. It comes as no surprise that cost savings was identified by survey respondents as the key benefit of an organization adopting a global sourcing strategy (Figure 4).

Figure 4: Rating of Potential Benefits

Please rate the following "benefit" factors in terms of importance.



Source: KPMG International, 2005.

In a scoring scale of 1 to 10, with 10 being most important, no distinction was really made between the importance of improvement in quality, better business responsiveness, access to skills, and customer service improvement. However, cost savings was clearly identified as the most important potential benefit of implementing a sourcing strategy. This was contrasted with creating a platform for long-term transformation being deemed the least important benefit of all the benefits.

These results seem to indicate that this set of industry professionals was predominantly focused on short-term results and had less interest in the longer term benefits that come with creating a platform for long-term transformation.

We recognize that executives are under constant pressure from investors and other stakeholders to produce immediate financial and operational results. Controlling costs can provide a quick way to respond to those pressures. However, we believe that it is important for financial services executives to increase their focus on the longer term because there is strong likelihood that reliance on sourcing will continue to grow, and governance of the process will be a critical factor in the success of the overall organization. The scale of the activities being sourced, both within the country of origin and offshore, is increasing while the kinds of sourced activities are getting more complex. Data-entry work has given way to analytical work, budgeting, and research, and the importance of governance associated with these activities is growing more acute.

Who is responsible for developing the overall picture of benefits?

Process/product owner	13.3%
Business unit head	36.7%
COO of business unit	14.2%
COO of group	25.8%
Finance director of business unit	4.2%
Finance director of group	10.8%
Head of sourcing of business unit	7.5%
Head of sourcing of group	5.8%
Other	14.2%

Note: equals more than 100% as a number of people often share the responsibility for developing the picture of benefits

Source: KPMG International, 2005.

An Industry View on Sourcing's Risks

The challenges associated with the management of global sourcing in the financial sector create a set of risks that need to be addressed by organizations as they embark on sourcing models. These include, among others:

- Strategic risk
- Operational risk
- Financial risk
- Regulatory risk
- Technology risk
- Reputation risk

Types of Risks

Strategic Risks are associated with the scenarios, plans, directives and decisions that dynamically define and integrate the internal and external resources and services required to fulfill the enterprise's business objective.

Operational Risks include operational problems with service or product delivery or inability of an entity to recover fully and timely from unforeseen events.

Financial Risks may be attributable to issues such as: interest rate and foreign exchange rate movements, financial statement mis-statements resulting from global processing, or the entity's inability to meet payment obligations as and when they fall due.

Regulatory Risks may arise from violation of laws, rules, regulations, prescribed practices, and ethical standards.

Technology Risks relate to the failure of the outsourced entity's IT environment to fulfill the enterprise business objectives.

Reputation Risks involve negative publicity regarding business practices associated with the outsourced operation.



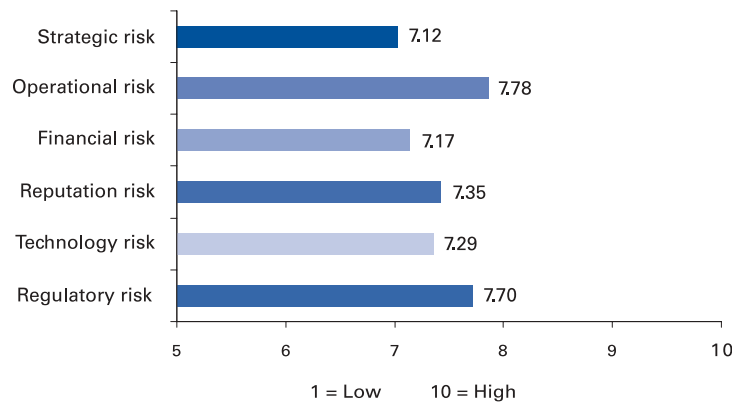


Regulators are seeking assurance that organizations are in fact managing their supply chains effectively and managing risks.

The financial services executives in the survey ranked each of the sourcing risks listed in the sidebar on the previous page fairly equally, but gave slightly more weight to regulatory and operational risk (Figure 5).

Figure 5: Rating of Potential Risks

Please rate the following "risk" factors in terms of importance.



Source: KPMG International, 2005.

The possible impact any of these risks could have on the long-term viability of the organizations (and the financial services sector) has led regulatory bodies to develop principles to provide oversight to global sourcing initiatives of organizations. While recognizing the benefits of global sourcing, the publication of these principles underscores the implications of transferring risk, management, and compliance to third parties who may not be regulated, and who may operate offshore. Regulators are seeking assurance that organizations are in fact managing their supply chains effectively and managing risks.

It is interesting to note that service providers scored the importance of risks higher than did the industry as a whole. In a number of cases financial services organizations have outsourced specific processes as a means of passing risk on to a third party. There is a danger that a number of companies may be divesting too much responsibility in this area.

While global sourcing has come to be accepted as an industry norm rather than an exception, the long-term success of this strategy will depend on how organizations monitor the benefits and risks and how well they manage the trade-off between the risks and benefits that accrue from sourcing.

Much has been written about the global sourcing trend and quantifying the economic and financial impact and cost savings. However, not much has been written on the way organizations arrive at and manage this "risk-benefit" trade-off. Anecdotal evidence indicates that many organizations do not have formal means to monitor and manage this trade-off, implying the possibility of long-term risks inherent in organizations. The initial exuberance of financial returns flowing from global sourcing may have led to this possibility being overlooked in many instances.

Who is responsible for developing the overall picture of risk?

Process/product owner	10.8%
Business unit head	30.2%
COO of business unit	10.3%
COO of group	20.8%
Finance director of business unit	5.7%
Finance director of group	15.1%
Head of sourcing of business unit	5.8%
Head of sourcing of group	5.3%
Other	25.8%

Note: equals more than 100% as a number of people often share the responsibility for developing the picture of risks

Source: KPMG International, 2005.

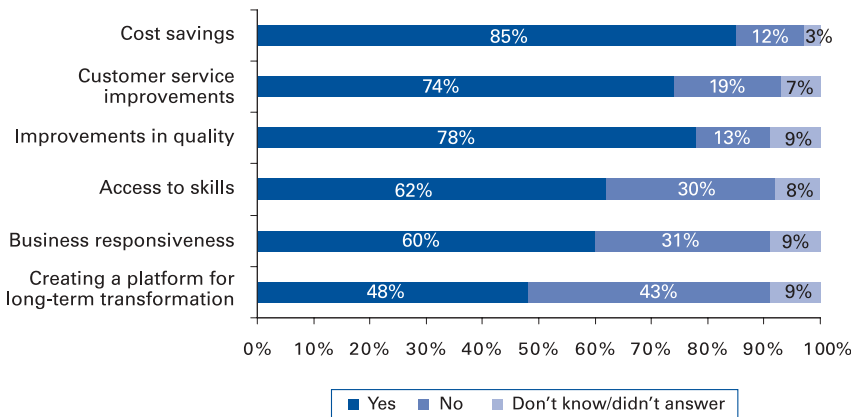
Measuring Benefits and Risks

One of the fundamental questions the survey seeks to answer is whether financial service organizations are comfortable with the trade-off they make when balancing the benefits of sourcing with the risks it presents. And, crucial to answering that question is how organizations measure benefits and risks.

When asked if they could measure the benefits associated with sourcing, at least 80 percent of respondents said they could measure cost savings; around 75 percent could measure customer-service improvement and improvements in quality (Figure 6).

Figure 6: Measuring “Benefit” Factors

Is your organization able to measure “benefit” factors?



Source: KPMG International, 2005.



12 percent of respondents could not measure the cost savings associated with sourcing

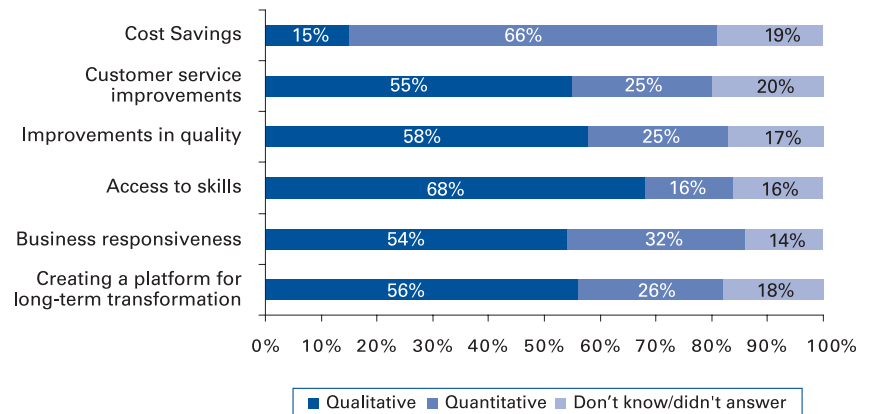
These results indicate that although financial services organizations are prioritizing the benefits of sourcing, some of these same organizations cannot measure them.

Just over 60 percent said they could measure access to skills and business responsiveness. Less than half (48 percent) said they could take a measurement of how sourcing was being used to create a platform for long-term transformation of their business operations model.

These results indicate that although financial services organizations are prioritizing the benefits of sourcing, some of these same organizations cannot measure them. Ten percent of organizations that said the most important benefit of sourcing is cost savings are unable to measure it. Similarly, about a third of those businesses that said business responsiveness is important are unable to measure it. What's more, the survey found that many of those who say they are measuring the impact of this strategy are not using quantitative methods. (Figure 7)

Figure 7: Types of Measurement

If your organization is able to measure "benefit" factors, is this done qualitatively or quantitatively?



Source: KPMG International, 2005.

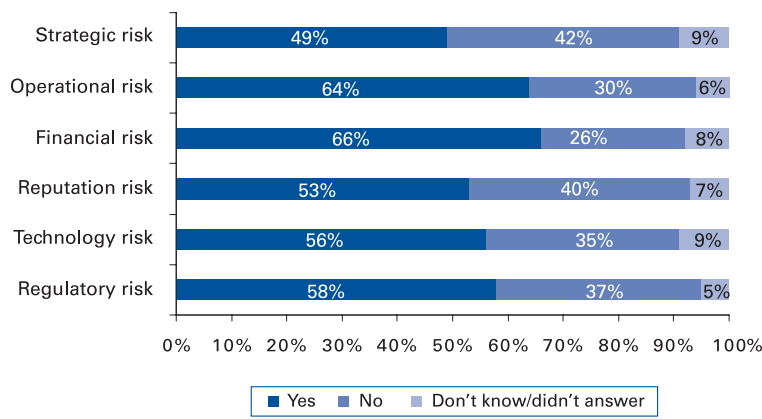
Overall, in areas other than cost savings, more than half of the respondents who provided a definite response said their businesses used qualitative methods to measure the benefits associated with sourcing. Such results indicate that some organizations may be using an informal or subjective method or no method to measure benefits of a critical business initiative that has significant operational, regulatory, and financial consequences. This subjective process may indicate an absence of underlying systems and processes that provide a view across an organization.

Risk

An analysis of respondents' answers to questions about risk measurement indicates a reinforcement of the idea that many organizations cannot or do not take an enterprise-wide view of their organization's risks (Figure 8).

Figure 8: Measuring "Risk" Factors

Is your organization able to measure these "risk" factors?



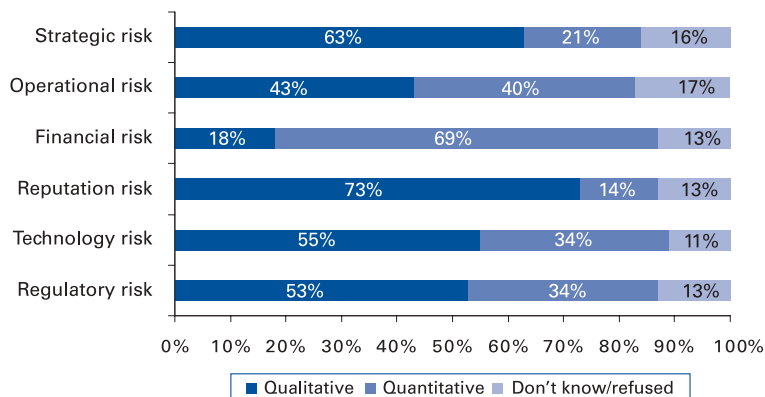
Source: KPMG International, 2005.

Further, the analysis appears to indicate that these organizations are taking a short-term view when deciding to source. Nearly 30 percent of respondents stated that their organizations are unable to measure operational and financial risk. Technology and regulatory risks are not measured by nearly 35 percent of companies, and 40 percent of companies could not measure strategic and reputation risk. It is striking that while about 40 percent are not able to measure reputation risk, about 65 percent stated that this particular risk is the second most important in their rankings.

Measurement of both strategic and reputation risk was undertaken using predominantly qualitative methods (Figure 9). It is also noteworthy that 18 percent of respondents use qualitative methods to measure financial risks.

Figure 9: Types of Measurement

If your organization is able to measure these "risk" factors, is this done qualitatively or quantitatively?



Source: KPMG International, 2005.



Measurement of both strategic and reputation risk was undertaken using predominantly qualitative methods.



18 percent of respondents use qualitative rather than quantitative methods to measure financial risk

Approaches to Arrive at Sourcing Decisions

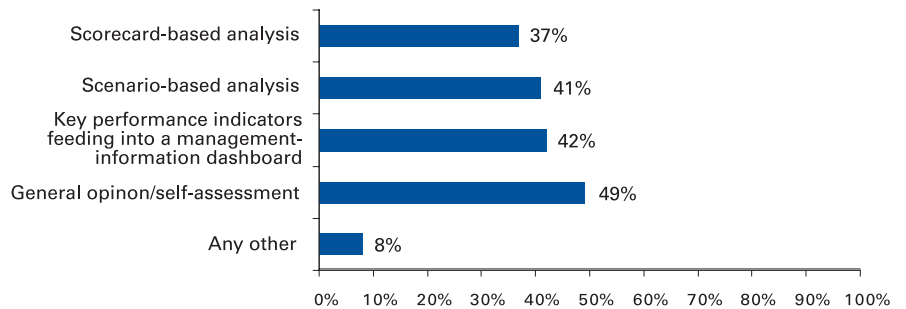
When balancing benefits and risks to arrive at a decision on sourcing, industry executives say they primarily choose among a number of methods, including:

- Scorecard-based analysis
- Scenario-based analysis
- Key performance indicators feeding into a management-information dashboard
- General opinion/self-assessment

Almost half of the respondents use some sort of general opinion or self-assessment methods. (Figure 10).

Figure 10: Balancing Benefits and Risks

What approaches do you follow to balance benefits and risks to arrive at a sourcing decision?

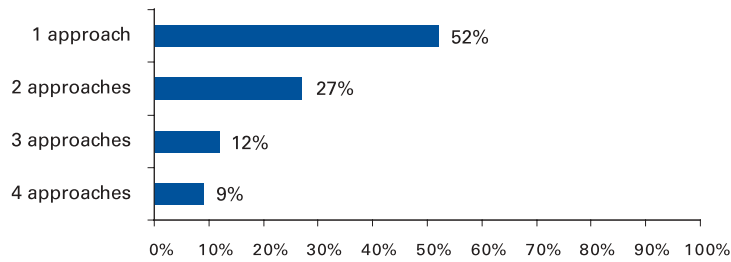


Source: KPMG International, 2005.

Further, 52 percent of respondents said they used only one method on which to base their sourcing decisions, and one third of that group of respondents use only general opinion to reach a decision. However, of the other 48 percent who use more than one method as the basis for making their sourcing decisions, all use general opinion in conjunction with some form of scoring mechanism (Figure 11).

Figure 11: Balancing Benefits and Risks

How many approaches do you follow to balance benefits and risks to arrive at a sourcing decision?



Source: KPMG International, 2005.

18 percent of respondents use *only* general opinion/self-assessment as the basis for making their sourcing decisions

While it is appropriate to have a general discussion on the benefits and risks prior to deciding a sourcing policy, it may be prudent to reinforce the discussions with at least one other method that includes quantifiable measurement rigor.

Who is responsible for assessing the risk/reward trade-off and arriving at a sourcing decision?

Process/product owner	9.2%
Business unit head	32.5%
COO of business unit	13.3%
COO of group	22.5%
Finance director of business unit	5.8%
Finance director of group	14.2%
Head of sourcing of business unit	5.8%
Head of sourcing of group	5.3%
Other	21.6%

Note: equals more than 100% as a number of people often share the responsibility

Source: KPMG International, 2005.

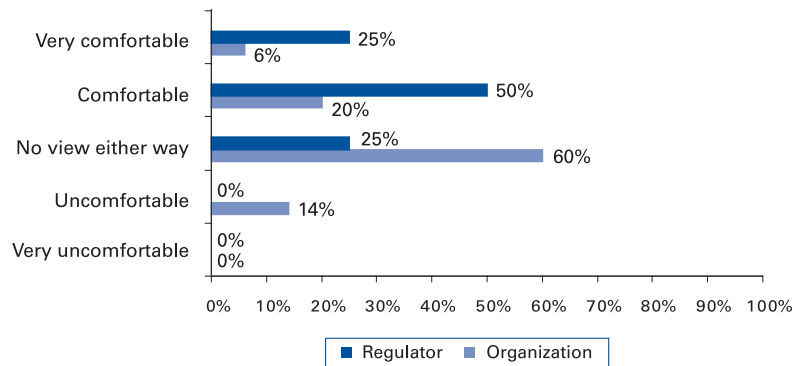


The survey revealed that both financial services organizations and service providers believe that service providers should play an active role in the development of the sourcing strategy. Not surprisingly, service providers were more enthusiastic about having a more active role in the development of a company's sourcing strategy.

Given the lack of rigor with which many financial services organizations balance risks and benefits against sourcing, they have no view either way on their levels of comfort with their ability to make good quality sourcing decisions (see *Figure 12*). Many regulators stated that they are comfortable with financial services organizations' ability to effectively balance risks and benefits.

Figure 12: Comfort Levels to Trade-off Approach

How comfortable are you with the approaches used to make the risk/rewards trade-off?



Source: KPMG International, 2005.

“Engage early on in the process; keep the business involved.”

Service Provider, United Kingdom

“Ensure that the outsource process provider is actively included in business strategy development.”

Service Provider, United Kingdom

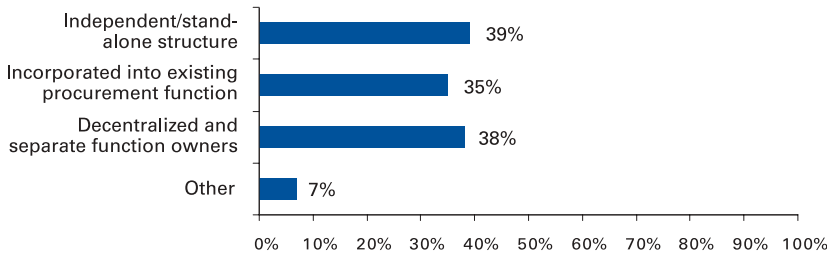
Sourcing Management Structure

We asked respondents about the management structures they implemented after making their sourcing decisions. We wanted to know if they employed an independent structure, a stand-alone sourcing management structure, a management structure that is incorporated into an existing procurement function, or a management structure that is decentralized and has separate function owners. In other words: Now that you've decided on a course of action, how are you managing the consequences of that decision?

About a third of respondents have incorporated the management of their sourcing supply chain into an existing procurement function (*Figure 13*).

Figure 13: Management of Sourcing Model

Once you have implemented your sourcing decisions, what management structure(s) have you put in place?



Source: KPMG International, 2005.

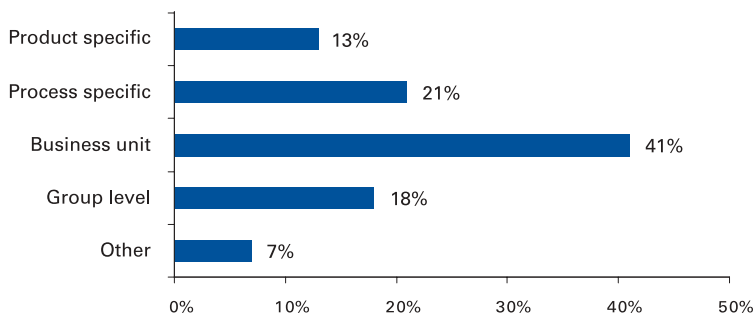
Such a decision could be viewed as short-sighted, primarily because a sourcing decision is a strategic call and should not be located in a part of the business structure that deals with the purchase of products.

An independent, stand-alone management structure could provide a significantly more useful apparatus to keep track of this important strategic initiative. Another 38 percent of respondents said their organization employed a decentralized structure, which may make getting a group-wide view of the sourcing supply chain more difficult. It may also lead to a silo mentality, where geographic silos and product silos can hamper the overall management of the supply chain.

Irrespective of what management structure is used, the level at which the global supply chain is organized has a direct impact on the organization's ability to obtain an entity-wide view.

Figure 14: Organization of Global Supply Chain

At what level is your global supply chain organized?



Source: KPMG International, 2005.



“Ensure those executing the process are competent and experienced.”

Asset Manager, United Kingdom

Organization at the group level allows companies to leverage scale to potentially generate greater benefits, but 41 percent of respondents who said they used a business unit’s view was still deemed to be a strong result. We are, however, assuming here that business unit heads have the forum to discuss these issues relatively frequently, thereby enabling them to aggregate their individual results.

There should be a link between the monitoring of the supply chain and the actual relationship with the service provider. To help ensure continuity, the higher the supply chain is organized the more appropriate it is that a single person has complete visibility. It was interesting to note that no matter how businesses organize their supply chain, service providers said they would prefer to have access to as senior a representative as possible.

More than 40 percent of respondents structure their global supply chain at the process, product, or other level. As sourcing strategies become more refined, we would expect this percentage to reduce as more and more organizations focus their structures toward achieving a group-wide view.

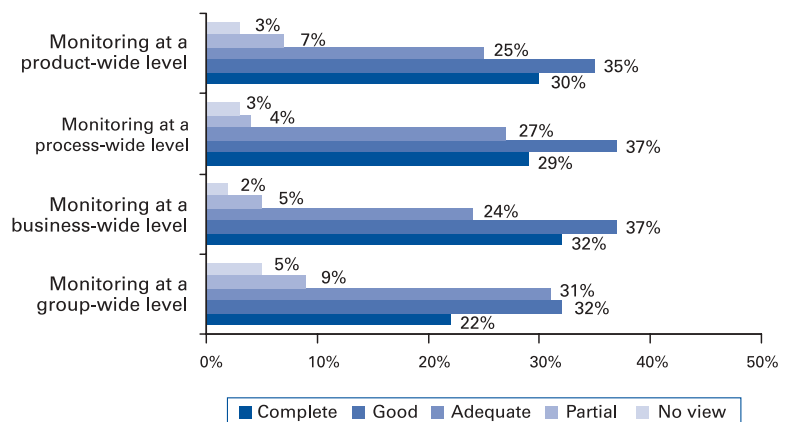
Monitoring Benefits and Risks

Having balanced the risks and benefits, and implemented a sourcing model, it is essential to monitor the model’s performance on an ongoing basis (Figure 15). A minority of organizations represented in the survey (22 percent) reported having a complete group-wide view of the risks and benefits associated with their sourcing supply chains.

More than 30 percent of organizations were unable to monitor at anything more than an adequate level

Figure 15: Monitoring Benefits and Risks

To what extent are you able to monitor, on an ongoing basis, the benefits and risks associated with your global supply chain?



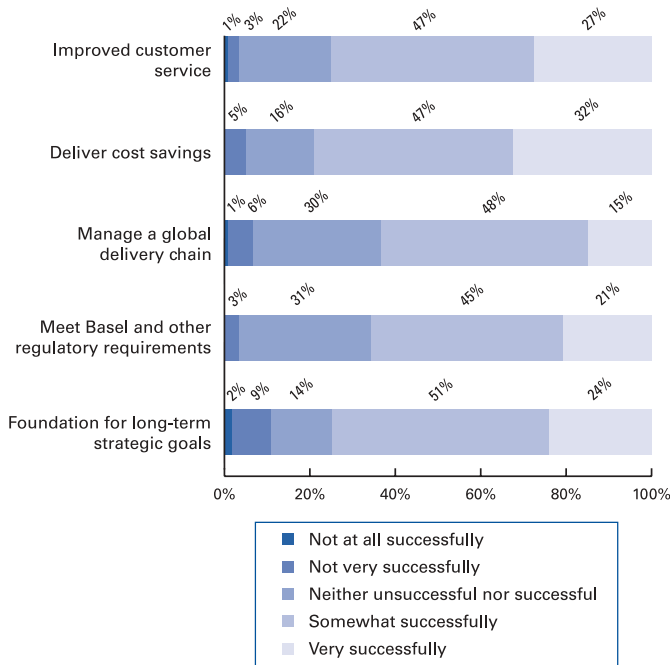
Source: KPMG International, 2005.

Across all levels at which organizations were monitoring the supply chain, about 35 percent of respondents felt they had a good level of visibility. However, it was interesting to note that even at the product or process levels as many as 10 percent of firms were unable to obtain any more than a partial view. Additionally, almost 40 percent of the respondents said they felt the industry does not have sufficient procedures in place to monitor the ongoing risks and benefits of their chosen sourcing models.

Those above responses stand in curious counterpoint to those given when asked if they believed they are in control of their sourcing arrangements and if their global sourcing strategies have been successful (Figure 16).

Figure 16: Success of Sourcing Strategies

How successful do you feel your sourcing strategies have been in the following areas?



Source: KPMG International, 2005.

When measured along a number of dimensions, 75 percent said their organizations' sourcing strategy had enabled them to improve customer service, cost savings, delivery of cost savings, or establish a foundation for long-term sourcing goals.

When many of the respondents say they cannot obtain a complete, group-wide view of the benefits and risks of an operation it begs the question of how their sourcing operations can be successful.



“The things we have outsourced have been done better than we ourselves could have done them. They are experts in their respective areas, and their services work out cheaper.”

Retail Bank, Sweden

KPMG International

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Keeping You Informed



Thought Leadership

The KPMG firms' thought leadership library explores the challenges for the financial services sector raised by change in the broader business environment – the economy, the regulatory framework and the forces of globalization. Listed below is a recent selection of KPMG International and KPMG member firms' publications.

Alliances and Joint Ventures

Banking Beyond Borders

Banking Insiders: www.kpmginsiders.com

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Basel II – A Closer Look: Managing Operational Risk

Basel II – A Closer Look: Managing Economic Capital

Basel II – A Worldwide Challenge for the Banking Business

Basel Briefing series

Branch Capital Attribution for Banks – A Survey of International Capital

China's City Commercial Banks: Opportunity Knocks?

Customer Satisfaction: At What Price?

Foreign Insurers in China: Opportunity and Risk

Frontiers in Finance – Regulation: All Risk and No Reward?

Frontiers in Finance – ASPAC Special Edition

Frontiers in Finance – Opportunities in a Changing Market

Frontiers in Finance – New Markets, New Risks, New Challenges

Global Anti-Money Laundering Survey

Hedge Funds: A Catalyst Reshaping Global Investment

Hungry for More – Acquisition Appetite

Hungry for More – Global Update

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MiFID: The Markets in Financial Instruments Directive

Rethinking the Business Model

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Risk and Capital Management: A New Perspective for Insurers

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Sourcing: Voices of Experience - Real Life Experiences with Outsourcing and Offshoring

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Conferences and Industry Events in 2006

KPMG International and KPMG member firms' hold and support a range of major conferences and industry events around the globe.

<i>March 7 – March 8</i>	<i>IEA Retail Banking in Europe Conference</i>	<i>Milan, IT</i>
<i>June 5 – June 7</i>	<i>KPMG's Global Actuarial Conference</i>	<i>Paris, FR</i>
<i>June 6 – June 8</i>	<i>Derivatives and Risk Management Summit: Solvency II Risk Management</i>	<i>Monte Carlo, MC</i>
<i>June 12 – June 14</i>	<i>MAR Bermuda – Hedge Fund Conference</i>	<i>Cannes, FR</i>
<i>June 28 – June 29</i>	<i>Global Financial Services Tax Conference</i>	<i>Edinburgh, SCT</i>
<i>July 4 – July 6</i>	<i>Fund Forum</i>	<i>Monte Carlo, MC</i>
<i>July 10 – July 14</i>	<i>Global Alternative Investment Management (GAIM) Conference</i>	<i>Cannes, FR</i>
<i>July 16 – July 19</i>	<i>International Insurance Society Conference</i>	<i>Chicago, US</i>

If you would like to be informed about issues of the day or talk to our professionals, please contact Nick Hopwood (nicholas.hopwood@kpmg.co.uk) or visit our Web site at: www.kpmg.com/financial_services

