SimCorp Capital Market Day
A long-term strategy – a robust business –

Torben B. Munch, Executive Vice President
10 years revenue development

Past performance – doubling the business every 5th year
A bridge between past performance and future scenarios

Long term years model
- Consistent use of relations between licence and implementation
- Product profitability
- Maintenance and service

LT-MODEL vs. ACTUAL REVENUE 03-07

LT-MODEL vs. ACTUAL EBIT 03-07
Base scenario 2008-2013 revenue

- Maint: 33%
- Prof. Service: 32%
- X-sale: 19%
- License: 16%

- Maint: 39%
- Prof. Service: 28%
- X-sale: 16%
- License: 17%
Base scenario 2008-2013 revenue – extra sales

X-sale 19%

X-sale 16%
Development in licence base

2008: 345

- Extra sales 12%

2013: 507, 608

- Extra sales 8%
Existing clients – existing markets

Account Management:

• Align SimCorp with our most profitable and largest clients to forge a strategic partnership
• Make our top clients an asset for strategic development of both our product, our markets and our company
Tiers of clients

- Key Accounts: 32m EUR 18%
- Premium Accounts: 84m EUR 51%
- Serviced Accounts: 58m EUR 31%

Revenue 2008
Account management

- Empowerment of Account Managers
- Account planning
- Global is local
- Strategic cooperation & Offers
- Global Marketing campaigns
Historical development of extra-sales (de)

High percentage of Extra Sale is correlated with high fraction of non organic deals
Base scenario 2008-2013 revenue

- Prof. Service: 32%
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Base scenario 2008-2013 revenue – professional services

Prof. Service 32%

Prof. Service 28%
Professional services spearheads extra sales

Professionalizing competencies

<table>
<thead>
<tr>
<th></th>
<th>Academy</th>
<th>Basic</th>
<th>Advanced</th>
<th>Total</th>
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<tbody>
<tr>
<td>2006</td>
<td>555</td>
<td>896</td>
<td>164</td>
<td>1,615</td>
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<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2008</td>
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Commercializing competencies

<table>
<thead>
<tr>
<th>CONSULTANCY RATES INDEXED</th>
<th>Professional</th>
<th>Specialist</th>
<th>Expert</th>
<th>Project Manager</th>
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<tr>
<td>Consultant</td>
<td>100</td>
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<td>Chief Consultant</td>
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Linking to clients IT Operations

<table>
<thead>
<tr>
<th>Service categories</th>
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<tbody>
<tr>
<td>Service desk services</td>
</tr>
<tr>
<td>System transition services</td>
</tr>
<tr>
<td>System Operation services</td>
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</table>
Decomposing professional services 2008

- Service desk
- Transition Services
- Operation services
- Operations related – scales beyond Licence base growth

- Licence base related – scales with licence base
- Impl. extra sales
- Impl. initial sales

56m EUR Professional services

34%

22%

44%
Base scenario 2008-2013 revenue – geographical distribution

- Nordic: 24%
- Germany: 32%
- Benelux: 12%
- UK: 12%
- Swiss: 6%
- USA: 6%
- Asia: 8%
- France: 5%
- USA: 14%
- Nordic: 19%
- Germany: 24%
- Benelux: 11%
- UK: 13%
- Swiss: 5%
Base scenario 2008-2013 revenue – geographical distribution

- USA: 6%
- Asia: 8%
- Benelux: 12%
- UK: 12%
- France: 5%
- USA: 14%
- Asia: 9%
- Benelux: 11%
- UK: 13%
New French market unit

SimCorp France SAS
Opening date 1 January 2009
Manager: Thierry Teisseire
Expected number of staff 10-12 EOY
## New customers 2009

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Customer Name</th>
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<tr>
<td>Q1</td>
<td>KEPLER-FONDS Kapitalanlagegesellschaft</td>
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<tr>
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<td>Edmond de Rothschild Asset Management</td>
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<td>Q2</td>
<td>Nomura Bank (Luxembourg) S.A.</td>
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<td>Provinzial Rheinland Insurance</td>
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Morgan Stanley IT’s View on Software Budgets

Key Trends for 2009

**Capital Markets IT Spending Trends for 2009**

- The pace of change in the capital markets system in 2008 is unlike anything since the 1930s, and the changes will have a profound impact on the strategies and technology needs in 2009

**Buy-side**
- Buy-side IT and operations departments will face pressure from reduced fees of lower assets under management and are expected to be forced to reduce technology spending by 4-5% (based on Tower Group)
- Better enterprise-wide risk management and greater transparency will emerge as two central themes in 2009, underpinning all other issues that investment management firms face

**Sell-side**
- Technology spending is expected to decrease 14% to 16% in 2009 (based on Tower Group) on the sell-side as brokers leave no stone unturned to find savings
- Technology will always be a major component of the capital markets, but its importance in 2009 will be less than in years prior
- The unprecedented large number of government interventions in 2008 will dictate the future organizational configurations and force sell-side firms to address new initiatives for reporting and risk management in 2009

**Morgan Stanley IT Commentary**

- The consolidation or status changes of Wall Street Firms will create a climate of post merger integration for some and strategic realignment for others, as each new entity works out what businesses they will be in going forward
- In terms of Sell-side IT, there is currently no latitude for discretionary spending. Only discretionary spending with a clear ROI has a chance of being sanctioned
- Historical analysis shows that the initial lever to reduce costs is downsizing of manpower and this has already happened street-wide
- Software spending will increase/decrease in line with business priorities. This will most likely cause a hiatus in software purchasing, as the viability of whole teams, not just projects, is examined carefully
- The contraction on IT spending is across the board and is not influencing “build” more than “buy”
- Vendors who are due to negotiate or renew contracts in 2009 may come up against greater resolve from Sell-side IT departments, as an extension of the current cost pressures being experienced
- We see three short/mid term trends that further tip the threshold towards non-discretionary spend:
  - The significant increase in trading volumes, compounded by need to be available to trade in order to allay franchise fears, as other institutions failed
  - Importance of better understanding risk & pricing
  - Increases in regulation due to geographic footprint expansion and changes of institutional status
## Financial Sector Dislocation: Implications for Financial Services IT

Despite the recent headwinds for financial institutions, the potential adverse impacts on the financial services IT market is expected to be modest.

### Consolidation

- Bank consolidation globally remains strong driven by factors such as the credit crisis, increasing competition, the pressure to reduce costs and the need to generate new revenue streams.
- Consolidation in the financial sector will result in the concentration of size among 5-7 of the largest banks in the US.
  - while there will be some customer losses as banks consolidate, analysts estimate that even in a pessimistic scenario, revenue losses would be less than 5%.
  - moreover, the diversity of most financial processors across hundreds (and in some cases, thousands) of customers should, to some extent, insulate them from the effect of consolidation.

### Economic Environment

- Fears of a global recession have resulted in many financial institutions looking to decrease costs and limit spending.
  - to a large extent, this is offset by the fact that the services that financial processors provide are not discretionary.
  - while the current credit and economic climate is slowing spending, the financial services industry continues to be the largest spender of IT; spending is expected to grow strongly at CAGRs > 5% through 2011.
  - risk management, compliance/regulation, security and other such "core" initiatives are likely to be the priority areas in the current environment.
- A significant portion of revenues are tied into multi-year contracts that provide a degree of stability and recurring revenue.

### Regulatory Dynamics

- Regulatory and compliance requirements (e.g. Basel II, SarbOx, MiFID, PSD), and other initiatives (e.g. SEPA) continue to redefine the operating environment for financial institutions.
  - these changing regulatory requirements will increase demand for peripheral and bolt-on applications to help address the system challenges created by adherence to new standards.
  - while large "tier-1" institutions will likely continue to focus on in-house development, mid-size and smaller tier-2 and tier-3 institutions will tend to subscribe to the more cost efficient third-party products.
UBS financial technology software spending trends

UBS annual IT spend is c. US$3 billion ...

... IB 2008 IT spending is expected to fall back to 2005 levels (down c. 12-13%) ...

... fintech spending is expected to be flat in 2008 ...

... but strongest spending growth is coming from the asset management division...

Current outlook for 2009 is for a further 5% decline in overall IT spending

- Approximately 60% of total IT spend is with external vendors; direct spend with financial technology vendors in 2007 was US$186 million or c. 6% of the IT budget
- Typical IT spend by each UBS division as % of annual revenue
  - Investment Bank: 12-13%
  - Wealth Management: 4-5%
  - Asset Management: 5%+
- Significant growth trend in external fintech spending in the Asset management division
- 2007 growth in fintech spending driven by acquisition of ABN Prime Brokerage division and emerging markets
- The Investment Bank has a "build not buy" strategy for core trading platform

Direct fintech spending by division (US$m)

Breakdown by front/middle/back office

Note:
1 UBS Financial Technology vendors include: Advent Software, Checkfree, DST International, ERI Bancaire, CL Trade, iFlex, ION Trading, Misys, Netik, SAP, Smartstream, Sungard, Temenos, Trading Screen, Wall Street Systems, Information Mosaic, and Odyssey
The sales and marketing challenge

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<tr>
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<tr>
<td><strong>Action</strong></td>
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<td>Conceptual/Functional</td>
<td>Conceptual/Functional</td>
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**Strategic**

**Tactical**

**Operational**
Innovation – time to market

Market requirement

Time

Business needs
Traditional approaches
SimCorp Dimension Solution

10 years track record: 2 releases of SimCorp Dimension every year
Partnering with SimCorp

**SIMCORP COMMITMENT**
- Perennial guarantee
- R&D commitment
- Customer involvement
- Software & professional services
- Reliable support in your time zone
- Commitment to your industry

**CLIENT BENEFITS/COMMITMENTS**
- Commitment to upgrade cycle
- Engage with our other clients and our domain managers
- “Outsource” important change management and platform issues to SimCorp
- Make use of our methodologies and certified consultants
- Engage with our account managers, managing director and executives to align long term strategies