CAPITAL MARKETS DAY 2016
LONDON, 2 JUNE 2016
Disclaimer

This presentation contains certain forward-looking statements and expectations in respect of the 2016 financial year. Such forward-looking statements are not guarantees of future performance. They involve risk and uncertainty and the actual performance may deviate materially from that expressed in such forward-looking statements due to a variety of factors. Readers are warned not to rely unduly on such forward-looking statements which apply only as at the date of this announcement. The Group’s revenue will continue to be impacted by relatively few, but large system orders, and such orders are expected to be won at relatively irregular intervals. The terms agreed in the individual license agreements will determine the impact on the order book and on license income for any specific financial reporting period. Accordingly, license revenue is likely to vary considerably from one quarter to the next. Unless required by law or corresponding obligations SimCorp A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.

The turmoil in the global financial markets with significantly increased volatility can potentially impact SimCorp’s customers, leading to lower earnings and prolonged decision processes for investments in new software which can have a negative impact on SimCorp’s revenue.

The slides shown in this presentation is part of the investor presentation and comments are given to the slides adding content that cannot be seen from the slides on a stand alone basis. The slides should thus not be viewed on a stand alone basis but together with the oral presentation given by management.
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# Q1 2016 AT A GLANCE

## REVENUE GROWTH IN LOCAL CURRENCIES UP 6.9% IN Q1 2016

<table>
<thead>
<tr>
<th>Order intake</th>
<th>Revenue growth (LC)</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUR 10.9m</strong></td>
<td>6.9% y-o-y</td>
<td><strong>EUR 5.9m</strong></td>
</tr>
</tbody>
</table>

A decline of EUR 2.2m y-o-y. Three new SimCorp Dimension and one SimCorp Coric contract was signed in Q1 2016.

Q1 2016 revenue increased 6.9% y-o-y in local currencies. Adjusted non-GAAP revenue increased 15.4% y-o-y in LC.

Q1 2016 EBIT was down EUR 0.7m y-o-y. Adjusted non-GAAP up by 61% y-o-y to EUR 10.6m.

<table>
<thead>
<tr>
<th>Recurring revenue</th>
<th>Order book</th>
<th>Free cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUR 37.7m</strong></td>
<td><strong>EUR 29.0m</strong></td>
<td><strong>EUR 21.3m</strong></td>
</tr>
</tbody>
</table>

Recurring revenue in Q1 2016 was EUR 37.7m up from EUR 36.6m last year.

The order book stood at EUR 29.0m at 31 March 2016 – up from EUR 26.1m last year.

Changed from a free cash flow of EUR 13.8m in Q1 last year.
ADJUSTED NON-GAAP REVENUE AND EBIT
Q1 2016 ADJUSTED NON-GAAP EBIT INCREASED BY 61% Y-O-Y

Comments

• Adjusted non-GAAP revenue was EUR 64.4m – an increase of 13.9% in EUR and 15.4% in local currencies

• Adjusted non-GAAP EBIT increased by 61% y-o-y to EUR 10.6m

### Adjusted non-GAAP revenue (EURm)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. non-GAAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Adjusted non-GAAP EBIT (EURm)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
</tr>
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<tr>
<td>Adj. non-GAAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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© Copyright 2016
## NEW CLIENTS IN 2016

<table>
<thead>
<tr>
<th>Q1 2016</th>
<th>Product</th>
<th>Country</th>
<th>Client</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SimCorp Dimension</td>
<td>🇺🇸Canada, 🇺🇸US</td>
<td>The Texas Treasury Safekeeping Trust Company</td>
<td>Back-office</td>
</tr>
<tr>
<td></td>
<td>SimCorp Dimension</td>
<td>🇨🇦Canada, 🇺🇸US</td>
<td>Undisclosed financial services provider</td>
<td>Middle- and back-office</td>
</tr>
<tr>
<td></td>
<td>SimCorp Dimension</td>
<td>🇺🇸US</td>
<td>Undisclosed financial services provider</td>
<td>Front-to-back/IBOR</td>
</tr>
<tr>
<td></td>
<td>SimCorp Coric</td>
<td>🇬🇧UK</td>
<td>Undisclosed financial services provider</td>
<td>Client reporting</td>
</tr>
</tbody>
</table>
2016 FULL YEAR GUIDANCE

IMPROVED OUTLOOK

Comments

• **Maintain** expectations for reported revenue growth and EBIT margin measured in local currency for 2016 of 3% - 8% and 21% - 24% in 2016 respectively

• **Update** expectations for adjusted non-GAAP revenue in local currencies to be between 8% and 15% (previously 8% - 13%) and the expectation for adjusted non-GAAP EBIT margin measured in local currencies remains between 24% and 28% (previously 24% - 27%)

• Based on exchange rates prevailing at 30 April 2016, SimCorp expects a negative impact from currency fluctuations on revenue growth of around 2% (unchanged) and a negative impact on EBIT margin of around 0.2% (previously around 0.5%)

2016 guidance

<table>
<thead>
<tr>
<th>Local currencies</th>
<th>Adjusted non-GAAP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth</td>
<td>3% - 8%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>21% - 24%</td>
</tr>
</tbody>
</table>

• SimCorp Dimension order inflow made on subscription-based terms to be income recognized in the year the order is signed, as if the orders had been signed on perpetual license terms

2016 expected revenue distribution

- Recurring revenue: 39%-45%
- Non-recurring revenue: 55%-61%
ADJUSTED NON-GAAP REVENUE AND EBIT MARGINS

FOR COMPARISON, SIMCORP WILL REPORT ADJUSTED NON-GAAP FIGURES

Comments

• For comparison, SimCorp will report adjusted non-GAAP revenue and EBIT margins in the next two to three years
  • SimCorp will adjust the SimCorp Dimension order inflow made on subscription-based terms to be income recognized in the year the order is signed, as if the orders had been signed on perpetual license terms

• SimCorp expects the change to subscription-based terms for new licenses to impact reported growth in local currencies negatively by around 5 - 7%-points in 2016, and EBIT margins in local currencies for 2016 to be negatively impacted by around 3 - 4%-points

Adjusted non-GAAP revenue growth

<table>
<thead>
<tr>
<th>Expected revenue growth (local currencies)</th>
<th>Impact of new subscription-based contracts</th>
<th>Adjusted non-GAAP revenue growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-8%</td>
<td>5-7%</td>
<td>8-15%</td>
</tr>
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</table>

Adjusted non-GAAP EBIT margin

<table>
<thead>
<tr>
<th>Expected EBIT margin (local currencies)</th>
<th>Impact of new subscription contracts</th>
<th>Adj. non-GAAP EBIT margin</th>
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<tr>
<td>21-24%</td>
<td>3-4%</td>
<td>24-28%</td>
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INTRODUCING SUBSCRIPTION MODEL AND ASP
SIMCORP WILL TO SUPPORT GROWTH INITIATE A CHANGE IN THE LICENSING MODEL AND WILL INTRODUCE AN ASP OFFERING TO ITS CLIENTS

Licensing model

- In 2016, SimCorp will change its licensing model from a perpetual license model to a subscription-based model
- The change will apply to new SimCorp Dimension licenses, as existing clients already have acquired the right to use SimCorp Dimension under the perpetual license model
  - Some existing clients, however, might want to move from a perpetual model to a subscription-based model, just as some new clients would want to enter a perpetual license model
- Given the long sales cycles, the expected split in 2016 between new license deals for SimCorp Dimension is expected to be 75/25 in the favor of subscription-based licenses
  - For 2017, it is expected that new licenses for SimCorp Dimension will be signed solely on subscription-based terms

Solutions

- SimCorp will also begin to offer to run clients SimCorp Dimension platforms in the form of an Application Solution Provider (ASP) service
- The ASP offering will consist of two parts with SimCorp as the holder of the entire contract:
  - The day-to-day operation of the SimCorp Dimension software
  - The hardware and infrastructure required to run the system, the latter is to be handled by a third-party global hosting provider on behalf of SimCorp
PERPETUAL MODEL VERSUS SUBSCRIPTION MODEL
A TRANSITION TO A MORE FAVORABLE MODEL

Comments

• Under the **perpetual model**, the client will pay the license fee for an unending period up front as well as enter a five-year maintenance contract subject to annual renewal after the initial term.

• Under the **subscription-based model**, clients will pay an annual fee (a subscription) for the right to use the system. The subscription period is expected to vary from 3-7 years. Once the subscription period expires, the client can choose to renew the contract:
  • Limited impact to SimCorp’s cash flow anticipated following the transition.

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**Perpetual license model**

<table>
<thead>
<tr>
<th>Year</th>
<th>Initial license fee (ILF)</th>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Year 2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 6</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 7</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Subscription license model**

<table>
<thead>
<tr>
<th>Year</th>
<th>Initial license fee (ILF)</th>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>1</td>
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<td>Year 2</td>
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</tr>
<tr>
<td>Year 3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 4</td>
<td>1</td>
<td></td>
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<tr>
<td>Year 5</td>
<td>1</td>
<td></td>
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<td>1</td>
<td></td>
</tr>
<tr>
<td>Year 7</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

*In addition to the initial license fee and maintenance fee, a new license sale (both perpetual and subscription) includes professional service fee (implementation). The professional service fee is the same for both models and hence has been left out for simplicity in the above illustrative examples.*
OVERALL SIMCORP WILL OFFER SIX TYPES OF CONTRACT MODELS

Comments

- Overall SimCorp will offer six types of contract models going forward depicted below for both new and current SimCorp clients.
ANNOUNCEMENT OF ORDERS

**Large contract**
SimCorp enters into a binding contract with a customer and the committed value of the contract is **EUR 5 million (or above) but below EUR 10 million** SimCorp will communicate to the market that it has signed a “**large contract**”; or

**Very large contract**
SimCorp enters into a binding contract with a customer and the committed value of the contract is **EUR 10 million (or above)** SimCorp will communicate to the market that it has signed a “**very large contract**”; or

**Contract of strategic importance**
If none of the above are met, but SimCorp still is of the opinion that the contract has **strategic importance** to the company SimCorp will communicate to the market that it has signed a “**contract of strategic importance to the company**”

- “Committed value of the contract” means **the total commitment by the customer towards SimCorp:**
  - Subscription fees (in the case of a subscription agreement); and/or
  - License fees and committed maintenance fees (in the case of a perpetual license agreement); and/or
  - Any ASP service fees (however excluding ASP services fees which are passed through to sub-suppliers of SimCorp) and/or
  - Any recurring professional services fees under a so-called enterprise assistance agreement,
ORDER BOOK IMPLICATIONS

- The change from perpetual license model to subscription based model will also impact the order book, as the order book will be depreciated quarter by quarter as the subscription revenue is recognized.

### Secured revenue:
Consists of license revenue and maintenance in a five year period

<table>
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<th>Secured revenue:</th>
<th>Initial term</th>
<th>Renewal term</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-dec</td>
<td>Q1/Y1</td>
<td>Q2/Y1</td>
</tr>
<tr>
<td>31-dec</td>
<td>10</td>
<td></td>
</tr>
</tbody>
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### Revenue recognition:
1/2 recognized as license revenue and 1/2 recognized as maintenance income

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<th>Initial term</th>
<th>Renewal term</th>
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<td>31-dec</td>
<td>Q1/Y1</td>
<td>Q2/Y1</td>
</tr>
<tr>
<td>31-dec</td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td>31-dec</td>
<td>0.25</td>
<td>0.25</td>
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### Order book:
Only license part of secured revenue is recognized in the order book (e.g. half of the committed revenue)

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<th>Renewal term</th>
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<tr>
<td>31-dec</td>
<td>Q1/Y1</td>
<td>Q2/Y1</td>
</tr>
<tr>
<td>31-dec</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>31-dec</td>
<td>4.75</td>
<td>4.5</td>
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- Add-on
- Renewal
- Maintenance
- License rev.
- New
CHANGE OF REVENUE SEGMENTATION

<table>
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<th>New segmentation</th>
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<tr>
<td>License sale (ILF and ALF)</td>
<td>Recurring revenue:</td>
</tr>
<tr>
<td>Professional Service</td>
<td>- Subscription fees</td>
</tr>
<tr>
<td>Maintenance</td>
<td>- Professional services</td>
</tr>
<tr>
<td>Other (training activities etc.)</td>
<td>- Maintenance</td>
</tr>
<tr>
<td>License sale based on subscription</td>
<td>- ASP hosting</td>
</tr>
<tr>
<td>License sale based on perpetual</td>
<td>Non recurring revenue:</td>
</tr>
<tr>
<td>Recurring professional service*</td>
<td>- License sale (ILF and ALF)</td>
</tr>
<tr>
<td>Implementation</td>
<td>- Professional Service</td>
</tr>
<tr>
<td>Maintenance based on subscription</td>
<td>- Other (training activities etc.)</td>
</tr>
<tr>
<td>Maintenance based on perpetual</td>
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* Recurring professional services fees under a so-called enterprise assistance agreement
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GROWING YOUR BUSINESS IN A COMPLEX WORLD

• Globalization
• Entry in to new geographical markets
• Introduction of new products and asset classes
• Distribution through new channels
• Provision of superior service
• Increased operational efficiency
• Mergers and acquisitions
A COMPLEX WORLD

- **AUM**
  - 74 trillion USD
- **Profit**
  - 102 billion USD

Client demands:
- Reduced risk
- Lower fees
- More profits
OPPORTUNITY KNOCKS, AT HOME AND OVERSEAS
ASSET MANAGERS SHOULD INVEST NOW TO CAPTURE GROWTH OPPORTUNITIES

Comments

• Acquisitions are on the horizon as asset managers target new markets and growth around new product lines.

• As superior returns from traditional core assets are harder to come by, asset managers are increasingly turning toward new products and asset classes.

• In the relentless search for alpha, it has become apparent that growth opportunities in mature markets are limited compared to emerging markets.

Actions taking as result of the opportunities facing?

- Preparing to enter a new product category for the first time
  - APAC: 45%
  - North America: 36%
  - EMEA: 28%

- Preparing to enter new markets
  - APAC: 42%
  - North America: 33%
  - EMEA: 33%

- Accessing new distribution channels
  - APAC: 48%
  - North America: 42%
  - EMEA: 52%

- Evaluating targets for acquisition
  - APAC: 45%
  - North America: 46%
  - EMEA: 48%

Source: State Street/FT Remark (2015), Asset Management: Opportunities for Optimism?
## Challenges Linked to Disparate Systems

**Tabb Group Market Study of 50 North American Buy-Side Firms**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Challenge Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>Have difficulty with pre-trade compliance checks</td>
</tr>
<tr>
<td>50%</td>
<td>Have front office staff who spend at least an hour daily to unravel errors</td>
</tr>
<tr>
<td>67%</td>
<td>Find it difficult to set up new geographies</td>
</tr>
<tr>
<td>52%</td>
<td>Experience trading errors due to inaccurate position/cash data</td>
</tr>
</tbody>
</table>
REGULATION CONTINUES TO GROW

Comments
- 51% have difficulty with pre-trade compliance checks, largely due to the inability of their infrastructure to cope with data volumes, integration with trading and the volume/complexity of rules to deal with.

Source: TAAB Group (2016), Breaking down buy-side barriers
INTEGRATION AND DATA MANAGEMENT ARE KEY

Comments

• Regulation, client demand and simple market dynamics are forcing to integrate infrastructure

• Integration is critical to ensure front office staff have immediate access to current positions, risk and performance metrics, compliance results, accounting profit & loss (P&L) data and more
  • Lacking this, decisions are made based on incomplete information or on guesswork and erroneous assumptions

Benefits of a fully integrated trading architecture

- Accurate trading positions & exposures
- Accurate trading cash
- Consistent data across multiple systems
- Timely and accurate access to accounting data
- Accurate and timely pre-trade compliance checks
- Clean performance & attribution metrics

Source: TAAB Group (2016), Breaking down buy-side barriers
THE INHIBITORS TO GROWTH
CLEARING THE PATH

INCREASING REGULATION
PRESSURE ON FEES
LACK OF CONFIDENCE IN DATA
MANUAL PROCESSES
The long term prospects for asset management are positive. The biggest challenge for the industry is finding the investment of resources, time and money to significantly re-architect their infrastructure to support the challenges of the future.

Steve Young,
Principal, Citisoft
ONE SYSTEM FOR A COMPLEX WORLD

GLOBALIZATION

ALTERNATIVE INVESTMENTS

REGULATION
STRATEGIC AND OPERATIONAL PRIORITIES

- FRONT OFFICE
- ASP
- ALTERNATIVE INVESTMENTS
- GROWTH MARKETS (NA FR UK)
- TALENT
- AGILE
- PRODUCT LAUNCH
- IMPLEMENTATION EFFICIENCY
- GLOBAL ORGANIZATION
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With ASP, SimCorp takes on full responsibility for client installations of SimCorp Dimension solutions for investment and portfolio management.

Many financial businesses prefer to let strategic partners manage IT infrastructures to sharpen business focus – ensures access to most up-to-date software, allows for easy scaling, and lowers the need for in-house IT capabilities.

SimCorp has already started offering ASP solutions to new and existing clients.

With a 40+ year track record in world-leading software for financial transactions, SimCorp is strongly positioned to diversify its product offering strategy in new and existing markets.

While Software-On-Premise will remain a core offering for SimCorp, moving into the ASP space will transform the way SimCorp operates, allowing for the delivery of horizontal services across markets, i.e. data management services across client solutions and industry verticals.
ASP IN A NUTSHELL

- Simplified vendor management
- Global 24x7 support
- Latest SimCorp Dimension functionality
- Transparent TCO
- Clients focus on their business
- Compliant with ISAE 3402
- Single point of contact

ASP Services

- Client
- SimCorp
- Hosting
### APPLICATION SERVICE PROVIDER (ASP) DEFINED

#### Comments
- SimCorp is rolling out its ASP offering, where SimCorp takes full responsibility for existing and future client installations of SimCorp Dimension.
- SimCorp’s ASP offering ensures access to the most up-to-date software, allows for easy scaling, and lowers need for in-house IT capabilities.

#### Delivery models

<table>
<thead>
<tr>
<th>On-Premise</th>
<th>Infrastructure</th>
<th>Platform</th>
<th>ASP</th>
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<td>Middleware</td>
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<td>O/S</td>
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<tr>
<td>Virtualization</td>
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<td>Servers</td>
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<tr>
<td>Network</td>
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<td>Network</td>
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</tr>
</tbody>
</table>

Client manages: light gray
Vendor manages: dark blue

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**APPLICATION SERVICE PROVIDER (ASP)**

**DIFFERENCE IN APPLICATION DELIVERY MODELS**

### Comments

- While SoP will remain core offering, moving into ASP will transform the way SimCorp operates.

### Delivery models

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<th>On-Premise</th>
<th>SaaS</th>
<th>ASP</th>
</tr>
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<tbody>
<tr>
<td>Standard</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Modification</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Multi Tenant</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Payment</td>
<td>Subscription / License</td>
<td>Subscription</td>
<td>Subscription</td>
</tr>
<tr>
<td>Application Management</td>
<td>Client</td>
<td>Software vendor</td>
<td>Service vendor</td>
</tr>
<tr>
<td>Infrastructure Management</td>
<td>Client</td>
<td>Software vendor</td>
<td>Service vendor</td>
</tr>
<tr>
<td>Upgrade timing</td>
<td>Client</td>
<td>Software vendor</td>
<td>Client</td>
</tr>
</tbody>
</table>
**SimCorp ASP Services**

**Tailored to SimCorp Dimension**

### Comments

- SimCorp ASP covers the full operation of SimCorp Dimension from infrastructure management to application management

- The services are operated according to SimCorp’s ASP Operational Framework and a structured Service Management governance

### SimCorp’s ASP Core Offering

<table>
<thead>
<tr>
<th>Service Management</th>
<th>Physical Infrastructure &amp; Connectivity</th>
<th>Data Center Management</th>
<th>Network &amp; Security Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Release &amp; Deployment Management</td>
<td>Preventive Maintenance Management</td>
<td>Batch Processing Management</td>
</tr>
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<td>Platform &amp; Environment Management</td>
<td>Database Management</td>
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<tr>
<td></td>
<td>Application Management</td>
<td>Server Management</td>
<td>Global Network Management</td>
</tr>
<tr>
<td></td>
<td>Infrastructure Management</td>
<td>Availability &amp; Recovery</td>
<td>Disaster Recovery &amp; Business Continuity</td>
</tr>
</tbody>
</table>

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ASP OPERATIONS CENTERS

24/7 Coverage across all time zones

North America
Europe
Asia
ASP DELIVERY MODEL WELL UNDERWAY
THREE NEW CLIENTS IN Q1 2016 – ALL BASED ON ASP

Main conclusions

3 out of 3 new clients in North America in 2016 have chosen ASP delivery model

Comments

• The expectation is that growth in ASP solutions will be led by North American clients, but increasingly, we will also see businesses in other markets making the transition. While Software-On-Premise will remain a core offering for SimCorp, now offering ASP will transform the way SimCorp operates.
FINANCIAL IMPACT OF ASP

SimCorp Services
Professional Services Margin

Third party licenses/Hosting
Limited or no margin
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CV

SimCorp: (2014 – Present):
• Managing Director – United Kingdom, Ireland & Middle East

SimCorp: (2006 - 2014):
• Managing Director – Asia Pacific

Fiserv (1997 - 2006):
• Managing Director – Asia Pacific
• Retail Banking enterprise software

IBM (1979 - 1997):
• From salesman to General Manager, Financial Services

Education:
Australian Graduate School of Management, Graduate Diploma.
University of NSW, Bachelor of Commerce

Why I joined SimCorp?

• SimCorp makes a difference
  • Business case works

• Sustainable business model
  • Institutional Buy Side growth
  • Premium solution - enterprise
  • R&D future proof

• Independent
  • Transparent numbers
  • Consistent, organic growth
  • Listed entity
WHY UK?
THE LARGEST MARKET IN TERMS OF AUM IN EUROPE

The largest market in Europe in terms of AuM – almost twice as large as number two (France)

More than EUR 6,000 bn AuM

150 potential clients
WELL KNOWN REFERENCES
21 CLIENTS AND MORE TO COME
UK UNIVERSE

Number of Prospects

Asset Management
Bank
Life & Pension
Fund
Insurance
Other
Service Provider
Wealth Management

Tier 1
Tier 2
Tier 3
Tier 4
UK TOP 20 – OPPORTUNITY IS LEGACY REPLACEMENT, IBOR

Outsourced v In-House Back Office

Outsourced Back Office

- 11 of top 20 Outsourced
- 6 are outsourced to own subsidiary
- Service Providers operating on legacy

In-House Back Office

- 9 of top 20 In-House
- 3 SimCorp Dimension
- In-House Back Office mix of Home-Build and Legacy
OUTSOURCING VERSUS INSOURCING

Comments

• Outsourcing continues to be common – a large part of asset managers in the UK as outsourced part of their operations (mainly back-office) to third party providers

• According to a survey*, operations and fund administration were most commonly outsourced

• IT and Compliance were also areas outsourced by a small number of firms (under 10%)

Source: The Investment Association
IBOR, FRONT OFFICE PROVIDES ENTRY
PREVIOUSLY DIFFICULT TO PENETRATE THE ASSET MANAGERS

Comments

• Front Office typically the first investment

• SimCorp provides a one platform, all asset classes

• Real-time cash & positions to the front office, using single IBOR

• Integrated Risk & Performance, Analytics

• Front Office Suite with best-of-breed capabilities as an enterprise or stand-alone solution

• High degree of automated front office workflows

Solutions
UK MARKET DRIVERS
MARKET DRIVERS IN FAVOUR FOR SIMCORP

- Regulation
- Agility
- Simplification
**UBS GLOBAL ASSET MANAGEMENT**

*WHY SIMCORP?*

**Deal overview**

<table>
<thead>
<tr>
<th>Business drivers</th>
<th>• Rationalizing its current technology platform and to support its ambitions to grow</th>
</tr>
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<tbody>
<tr>
<td><strong>Business Scope</strong></td>
<td>• <strong>Functional coverage</strong>: Portfolio accounting, derivatives processing, regulatory and client reporting, and associated asset management functionality</td>
</tr>
<tr>
<td></td>
<td>• <strong>Asset classes</strong>: Equities, Fixed Income, Derivatives, Multi Asset</td>
</tr>
<tr>
<td><strong>Competition</strong></td>
<td>• SS&amp;C Advent, Fiserv</td>
</tr>
</tbody>
</table>
BREXIT?
REFERENDUM ON THURSDAY, 23 JUNE

Comments

• Volatility pre / post referendum
  • Data accuracy, real time, holistic view

• What happens? Bilateral agreements !
  • Financial passport
  • Regulatory equivalence
  • Payment & clearing systems
SIMCORP UK AT A GLANCE
VERY STRONG 2015

Comments
• 2015 revenue growth 65%
• Two new clients were signed in 2015 – M&G Investments and UBS Global Asset Management
• In addition, existing UK clients increased their investments with SimCorp
• The total installed license base grew 18%
• 21 additional professionals in 2015

SimCorp UK business trend
GBPm

<table>
<thead>
<tr>
<th>Year</th>
<th>Total revenue</th>
<th>Number of employees (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>17.1</td>
<td>53</td>
</tr>
<tr>
<td>2014</td>
<td>14.6</td>
<td>54</td>
</tr>
<tr>
<td>2015</td>
<td>24.1</td>
<td>69</td>
</tr>
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</table>
INVESTING FOR GROWTH

SIMCORP UK BUSINESS GROWTH

- London Consulting Headcount + 23
- London P.D Headcount + 10
- Broader/Deeper Management Team to Support our Business
- Formalised Partner Programme – Deeper Skills Base in Market
- Local Events, LUCM, IUCM, GTS and Electronic Delivery including Webinars
SALES & PIPELINE
BUY SIDE IS INVESTING!

• RECENT SALES
  • Current London Client – Back Office only
    • Extension to include Front Office after competitive review
  • Large Middle East client
    • Long term refresh: Front Office, Collateral, Instruments, Data Warehouse

• PIPELINE: DRIVERS
  • IBOR, FO analytics
  • Instrument coverage
  • Holistic views: all asset classes / all managers
  • Simplification, less systems, operational risk
PRIORITIES

- Close the pipeline
- Deliver UK projects
- On board new hires
- New structure, go to market
- Commercial awareness
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SIMCORP DIMENSION SOLUTION PORTFOLIO
IT’S TIME TO BRING A COMPLEX WORLD INTO ONE SYSTEM

SIMCORP DIMENSION - AN INTEGRATED SYSTEM
PRODUCT PRIORITIES SUPPORT INDUSTRY TRENDS

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<th>Industry trends</th>
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<td>New regulation</td>
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<td>Changes to asset flows</td>
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<td>Lower fees and margin pressure</td>
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<td>Increased client demands</td>
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# PRODUCT PRIORITIES SUPPORT INDUSTRY TRENDS

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## Product priorities

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<th>Integrated Front Office based on IBOR</th>
<th>Alternative Investments</th>
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<td>Regulation/Derivatives</td>
<td>Operational Efficiency</td>
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<td>Data Lifecycle &amp; Reporting</td>
<td>Cloud, Mobility &amp; Analytics</td>
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WHAT IS BLOCKCHAIN?

Blockchain is a protocol for implementing a distributed database, which maintains a continuously growing list of data records secured from tampering and revision by using cryptographic functions and decentralized consensus.

It can be said that at its most basic, blockchain is a protocol for digital value exchange, solving the problem of double spending, inherent in the transfer of any digital asset, while at the same time removing the need for a centralized authority of trust – a party that would record and verify transactions.
WHY IS IT IMPORTANT?

By potentially providing a common, ubiquitous distributed ledger technology, blockchain could reduce the friction created in financial networks when different intermediaries use different technology infrastructures. In theory, the distributed nature of blockchain could also reduce or altogether remove the need for intermediaries to validate financial transactions.

A recent Oliver Wyman’s report with Santander put a figure of US$15 billion to $20 billion savings per year by 2022 in the areas of cross-border payments, securities trading and regulatory compliance.

Spending by financial institutions on blockchain projects will exceed $1bn in 2017, making it one of the fastest developing enterprise software markets of all time,

According to boutique investment bank Magister Advisors
BLOCKCHAIN SCENARIOS
- THREE SCENARIOS

• ‘Disruption of financial services’
  - Under the most optimistic scenario, distributed ledger technology would become the primary means of issuing, trading and settling financial assets
  - Most financial intermediaries, such as sell-side firms, exchanges, multi-lateral trading facilities, clearing houses, central securities depositories, payment processors and messaging networks would be significantly disintermediated and disrupted, some to the point of obsolescence

• ‘Significant level of adoption’
  - Adoption of blockchain technology only for the issuance, trading and post-trade processing (including settlement) of illiquid products that currently exhibit a low level of automation
  - Syndicated loans, OTC, smart contracts, emerging markets

• ‘Blockchain hype to dry up’
BLOCKCHAIN SCENARIOS
SIMCORP POSITION ON THE THREE SCENARIOS

‘Disruption of financial services’
• SimCorp believes this scenario of total disruption is unlikely to happen, at least in the short-to-medium term

‘Significant level of adoption’
• SimCorp judges this scenario of distributed ledger technology emergence in the financial infrastructure landscape and therefore in the enterprise infrastructure stack the most likely in the short-to-medium term

‘Blockchain hype to dry up’
• SimCorp does not believe this very likely to happen in the short term, especially since a lot of significant market players have invested heavily in the innovation and exploration stage
SIGNIFICANT LEVEL OF ADOPTION
WHAT DOES IT MEAN FOR SIMCORP

• The introduction of the blockchain technology in the existing mix of multiple layers of orchestrated interactions, reconciliations and workflows, while perhaps solving a particular and isolated efficiency problem, would **add to the complexity of the landscape**

• The value proposition of existing technology vendors such as IMS providers would not be diminished; on the contrary, it would require them **to provide integration** and simplification of access to this new technology in addition to their existing offering

• We do not see this as a threat; on the contrary, in this scenario we would either positioning ourselves as a wallet provider or integrate to wallet providers or full nodes in the network
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CHALLENGES LINKED TO DISPARATE SYSTEMS
TABB GROUP MARKET STUDY OF 50 NORTH AMERICAN BUY-SIDE FIRMS

51% HAVE DIFFICULTY WITH PRE-TRADE COMPLIANCE CHECKS
50% HAVE FRONT OFFICE STAFF WHO SPEND AT LEAST AN HOUR DAILY TO UNRAVEL ERRORS
67% FIND IT DIFFICULT TO SET UP NEW GEOGRAPHIES
52% EXPERIENCE TRADING ERRORS DUE TO INACCURATE POSITION/CASH DATA
INVESTMENT BOOK OF RECORD - IBOR

MIDDLE OFFICE
- Risk
- Performance
- Attribution
- Compliance

PORTFOLIO MANAGEMENT & TRADING
- Equities
- Fixed Income
- Derivatives
- FX/MM
- Alternatives...

INVESTMENT PROCESSING
- Confirmation, Settlement
- Corporate Actions
- Collateral
- Lending, FX, MM
- Fees...

ACCOUNTING
- NAV
- Valuation, Accruals, Amortizations
- General Ledger...

IBOR

ABOR
INTEGRATED FRONT OFFICE

- Portfolio Management
- Trading
- Compliance

- Front Office Based on IBOR
- Cross-Asset Class Coverage
- Integrated Risk Analytics
- Integrated Performance Analytics
- Integrated Accounting Analytics
INTEGRATED FRONT TO BACK BENEFITS

Front, middle and back offices view the same data
  • Single Security Master
  • Single Price Feed

Accurate, real-time cash and positions
  • Opportunity cost of PMs and traders reconciling each morning
  • Financial and reputational risk of trading on incorrect information

Integrated Pre and Post Trade Compliance
  • Identify potential problems at any point in the trade life cycle
  • Resolve compliance breaches in real-time from the front, middle or back office

CHALLENGES LINKED TO DISPARATE SYSTEMS

<table>
<thead>
<tr>
<th>Have difficulty with pre-trade compliance checks</th>
<th>Have front office staff who spend at least an hour daily to unravel errors</th>
<th>Find it difficult to set up new geographies</th>
<th>Experience trading errors due to inaccurate position/cash data</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>50%</td>
<td>67%</td>
<td>52%</td>
</tr>
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FRONT OFFICE ROADMAP PRIORITIES

- Risk analytics
- Scenario analysis
- Performance analytics
- Accounting analytics
- Collateral optimization
- OTC trading
CLIENT UPDATE
STATUS AND NEW SALES 2015

CLIENT STATUS
- Live
- Project
- Contract

SOURCE OF SALE
- ILF
- ALF
<table>
<thead>
<tr>
<th>2015 Wins</th>
<th>Scope</th>
<th>AuM</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>AXA Investment Management</td>
<td>Front and Middle office with IBOR</td>
<td>$700B</td>
<td>New client</td>
</tr>
<tr>
<td>Hong Kong- based Hedge Fund</td>
<td>Front Office</td>
<td>Undisclosed</td>
<td>Existing client</td>
</tr>
<tr>
<td>European Bank</td>
<td>Front to Back with IBOR</td>
<td>Undisclosed</td>
<td>New client</td>
</tr>
<tr>
<td>Folketrygdfondet</td>
<td>Front Office</td>
<td>$26B</td>
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<td>Nordic Investment Manager</td>
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<td>Norwegian Pension</td>
<td>Front Office</td>
<td>$62B</td>
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<td>Groupama</td>
<td>Front to Back with IBOR</td>
<td>$102B</td>
<td>New client</td>
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<td>Nordic Insurance</td>
<td>Front Office</td>
<td>$22B</td>
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<td>US Asset Manager</td>
<td>Front to Back with IBOR</td>
<td>Undisclosed</td>
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<td>KBC</td>
<td>Front and Middle office with IBOR</td>
<td>$108B</td>
<td>New client</td>
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CASE STUDY - AXA INVESTMENT MANAGERS

Countries: France, US; 22 in total
AuM/IPE Rank: €623bn/#20
Sector: Asset Management - Insurance
Client since: February 2015
Asset Classes: Equities, Fixed Income, OTC, Alternatives, Hedge Funds
SCD Scope: IBOR, AM, CM, OM, Performance, RiskMetrics Integration
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ALTERRNATIVE INVESTMENTS IN A NUTSHELL

SITUATION TODAY

“Alternatives have grown twice as fast as non alternatives since 2005”

Source: McKinsey
2015 The Trillion-Dollar Convergence

“Alternatives reached $7.4Tn of AuM in 2015”

Source: Preqin
2016 Global Private Equity & Venture Capital

“US pensions average 23% exposure to Alternatives”

Source: Cliffwater
2015 Report on State Pension Asset Allocation and Performance

“Alternatives represent more than 11% global AUM”

Source: Boston Consulting Group
Global Asset Management 2015 Sparking Growth with Go-to-Market Excellence

PERSPECTIVES FOR TOMORROW

“Two-third of the investors plan to increase their exposure to Private Equity, Real Estate and Infrastructure investments”

Source: Preqin
2016 Global Private Equity & Venture Capital

“Alternative could double to $15Tn AuM”

Source: PwC’s
Asset management 2020: Fast forward to centre stage

“Alternatives could account for 40% of revenues in the global asset management industry”

Source: McKinsey
Global Asset Management Growth cube
ALTERNATIVE INVESTMENTS – DEFINITION

Private Equity
- Venture Capital
- Development
- Buy-out
- Distress

Real Estate
- Residential
- Office
- Retail
- Industrial

Infrastructure
- Roads
- Railway Systems
- Airports
- Networks
- Harbors
- Utility systems
- Education
- Healthcare
- Social infrastructure

Hedge Funds

Natural resources/real assets
- Timber
- Farmland
- Livestock
- Oil & Gas

Private Debt

Others
- Collectibles
- Sports
PERSPECTIVES FOR ALTERNATIVES
ALTERNATIVE INVESTMENTS SEGMENTATION

LIMITED PARTNERS
- Pensions
- Banks
- Insurances
- Sovereign funds
- Family Offices
- Fund of Funds

SERVICE PROVIDERS
- Fund administration
- Custody
- Accounting
- Transfer Agency
- Domiciliation

GENERAL PARTNERS
- Asset managers
- Fund of funds
POSITIONING OF SIMCORP DIMENSION

Provide the best IBOR and ABOR for Alternative Investment management with:

- Integration across Alternative and Traditional asset classes:
- Multi-standard accounting with Simcorp
- Front to back office coverage
- Highly configurable but standardized solutions
- Mature, tested and proven functionalities
- Easy to implement and support features

None of the existing AI system vendors can and will offer traditional and alternative assets combined
Focus on existing clients and prospects at first then later on compete on the largest standalone Alternatives opportunities

The annual total market targeted is estimated to range between €50 to €70 Millions per year.
AI - HIGH LEVEL ROADMAP

2016

Development partnerships
Core asset types
Alternative Asset Manager
Enhance Core Transaction flow

2017

Pilot clients on core solution
Portfolio Management
Fund Forecasting
Dashboards
Compliance
Pipeline Management

2018

Core Portfolio Management Solution
Front office
Portfolio Monitoring
Excel modelling
Data collection
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STRONG DEMAND FOR CONTINUOUS R&D INVESTMENTS

- New geographies and Industries, e.g. Insurance NA
- Continuous improvement for existing geographies and segments
- Quality
- Product Expansions, e.g. AI and DWH
- Technology adaption, e.g. mobility, cloud
- Time-to-Market
- Scalability
- TCO Improvements
INTERNAL IMPROVEMENT OBJECTIVES

Employee Engagement

Quality

Time – to - Market

Efficiency
INTERNAL IMPROVEMENT OBJECTIVES

Employee Engagement

Quality

Time – to - Market

Efficiency

Errors

Market Fit
INTERNAL IMPROVEMENT OBJECTIVES

Employee Engagement  Quality  Time – to - Market  Efficiency

Errors  Market Fit
QUALITY – CUSTOMER REPORTED ERRORS
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TRADITIONAL WATERFALL MODEL …

… FOR ONE PIECE OF SOFTWARE
... FOR AN ENTREPRISE PRODUCT
SIMCORP’S DEVELOPMENT LIFECYCLE

WATERFALL WITH FIXED RELEASE CYCLES
Advantages of the waterfall model

- Process predictability, known milestones
- Formal communication, documentation
- Fewer touch points with clients needed
- Well suited for big teams
PAST IMPROVEMENTS

Push Quality Upstream

Feature Teams

Milestone Demos

Development Partnership

PRIORiTiES

1.
2.
3.

Top Priority List
STATUS 2015

Waterfall with agile elements, however not all improvements are consistently implemented

More radical approach: Industry Best Practice and synchronization across all teams
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Agile Manifesto

www.agilemanifesto.org
We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

**Individuals and interactions** over **processes and tools**

**Working software** over **comprehensive documentation**

**Customer collaboration** over **contract negotiation**

**Responding to change** over **following a plan**

That is, while there is value in the items on the right, we value the items on the left more.
VENDORS TEND TO BUILD THE WRONG THING

Features and functions used in a typical system

- Never: 45%
- Rarely: 19%
- Sometimes: 16%
- Often: 13%
- Always: 7%

Nearly half of the stuff we build is never used!

Cost vs. Complexity

Sources: Standish group study reported at XP2002 by Jim Johnson, Chairman

This graph courtesy of Mary Poppendieck
TRADITIONAL, PREDICTIVE APPROACH
INCREMENTAL DEVELOPMENT
RESPONDING TO CHANGE OVER FOLLOWING A PLAN

Responding to change over following a plan

Changed target happens because:
- The customers discover what they want
- The developers discover how to build it
- Many things change along the way

- Support
- Lost productivity

Plan Based → Agile

Agile takes you where you actually need to go, not where you thought you needed to go!
SCRUM – ONE IMPLEMENTATION OF AGILE
FROM TEAM TO ENTREPRISE LEVEL

- Prescriptive framework
- Industry Best Practice with increasing traction
- Fixed cadence across programs fits our DNA
- Alignment across teams based on **lean** principles
WHAT WE OPTIMIZE

“What will customers buy?”

Uncertain demand

Variable demand

Stable demand

Agile

Lean

What we optimize

Value

Flow

Resource utilization & planning

Waterfall
ART = Agile Release Train
PRODUCT DIVISION STRUCTURE

PD Services

Global Product Management

Enterprise Architecture

Front Office

Portfolio Analytics & Reporting

Back Office

Alternative Investments

Technology

IBOR

Data Management
SIGNIFICANT CHANGE PROJECT

- Behavior & Mindset
- Leadership
- Processes & Roles
- Organization
- Tools
SUMMARY

- SimCorp changes to an agile development model, to
  - Improve quality
  - Increase efficiency
  - Increase employee engagement
  - Prepare for continuous delivery

(IMPORTANT: SimCorp continuous a semi-annual release cycle)

- SAFe (Scaled Agile Framework) allows agile development in large enterprises
- Benefits will be seen from 2017 and onwards
- The transformation is a multi-year change project
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JAMES CORRIGAN - MANAGING DIRECTOR

CV

SimCorp: (2014 – Present):
• Managing Director – North America

SunGard: (2007 - 2014):
• SVP – Trading Segment
• SVP – Global Trading Segment
• EVP – Head of Americas – Global Trading

• Director of Business Development
• Focus on post merger integration and Target Operating Model’s (TOM) for buy-side institutions

Headstong (1999 - 2006):
• Consulting, Sales & Management roles
• Large system integration and outsourcing with specialization in Financial Services

Education: Marquette University, Bachelors of Science in Finance

Why I joined SimCorp?
• Systematic product investment.
• Positive reputation globally and in the North American market.
• Front to Back integrated solution with one database.
• Focus on organic growth.
• Large market opportunity
SIMCORP NORTH AMERICA AT A GLANCE
A TURNAROUND

Comments

• SimCorp North America started in 2000

• Solid performance up until beginning of 2013
  • Turnaround in 2014 and part of 2015
  • On track in 2016 – already signed 3 new SimCorp Dimension deals and pipeline looks solid

• Currently 105 employees, but expected increase over the coming years
MAYBE FEW CLIENTS – BUT GREAT BRAND RECOGNITION

22 CLIENTS AND MORE TO COME
WHY NORTH AMERICA?
THE LARGEST MARKETS IN TERMS OF AUM IN THE WORLD

- The largest market in terms of asset under management – and still growing
- 500 of the 1,200 potential clients are located in North America
- 18 North American asset managers in top 25 global ranking
MARKET OVERVIEW
LARGEST MARKET GLOBALLY FOR AUM >USD 20BN

Comments

- SimCorp North America has 4% of the 500 target market
- Asset Management and Pension funds make up the majority of the market
  - These two segments are our traditional areas of strength in the region
- Potential in Insurance market based on recent functionality build-out for the market along with key hires in that area

Target Market Industry Breakdown

- Asset management: 54%
- Fund: 14%
- Bank: 8%
- Insurance: 12%
- Pension: 12%
North American managers’ assets increased by 5.8% in 2014 – outgrowing the European and Asian market.

The top 50 managers increased their proportion of assets at the expense of managers ranked between 51 and 250.

Source: Towers Watson
## NORTH AMERICAN MARKET DRIVERS

### MARKET DRIVERS IN FAVOR FOR SIMCORP

| Low interest rates…Quest for growth | • Drive money into new asset classes: alternative/illiquid (Loans, Real Estate, PE, FoHF), passives and derivatives  
| | • Improve client relationship → digital, reporting  
| | • Focus on core competencies → Outsource BO and “non core” competencies |

| Reduce Costs and Risks | • Remove legacy (« Burning platforms ») with better integrated solution / more automation / STP  
| | • Hosted solution / ASP / BPO |

| Business Model | • Market fatigue with vendors focused on cost reduction and margin only  
| | • SimCorp Dimension’s 20% investment in R&D resonating in the market along with Front to Back and asset class coverage |
NORTH AMERICAN OPPORTUNITIES
SEVERAL DIFFERENTIATORS TO COMPETITORS

Front Office a differentiator for North America

- Positioned as competitor to Blackrock as full suite buy side solution provider
- Current sales cases validate this view but also our ability to displace standalone Portfolio Mgt. and OMS tools is becoming more understood in the market
- For the first time ever best of breed does not necessarily mean multiple vendors – no need to sacrifice in any area (front, middle or back) if you choose SimCorp

IBOR - component based solution that opens up broader opportunities

- SimCorp Dimension is uniquely positioned with best and most advanced IBOR solution
- The IBOR allows investment managers to maintain an overview of all their positions
- SimCorp IBOR solution can be implemented as:
  - part of front office infrastructure
  - part of accounting infrastructure
  - stand-alone component
  - part of integrated front-to-back office system

Best-in-class client communications platform…and differentiator

- SimCorp Coric is a best-in-class client communications platform
- SimCorp Coric is system-independent, and integrates seamlessly with any investment management platform, enabling users to extract data from any source
SimCorp has signed license agreement with three investment managers in North America in the beginning of 2016:

- Texas Treasury Safekeeping Trust Company is focused on preserving and growing the State of Texas’ financial resources, currently manages assets in excess of USD 50 billion
- Undisclosed North American financial services provider
- Undisclosed US financial services provider

Two of the three contracts o a 5-year subscription license agreement

- Under the subscription-based model, clients will pay an annual fee (a subscription) for the right to use the system
- Once the subscription period expires, the clients can choose to renew the contract
- The last on a standard perpetual license agreement

The firms have selected SimCorp’s investment management solution, SimCorp Dimension, for its investment operations:

- Back-office (Texas Treasury Safekeeping Trust Company)
- Back- and middle-office (undisclosed North American financial services provider)
- Front-to-back/IBOR (Undisclosed US financial services provider)
THREE NEW CLIENTS IN Q1 2016 – ALL BASED ON ASP

Main conclusions

3 out of 3 new clients in 2016 have chosen ASP delivery model

Comments

• The expectation is that growth in ASP solutions will be led by North American clients, but increasingly, we will also see businesses in other markets making the transition. While Software-On-Premise will remain a core offering for SimCorp, now offering ASP will transform the way SimCorp operates.
## Deal overview

### Business drivers
- Primary drivers of this business transformation were to improve efficiencies and reduce regulatory and reputational risk
- In their legacy environment employed an in-house developed system and relied heavily on spreadsheets and other manual workarounds which was cumbersome and produced errors on a regular basis.

### Business Scope
- **Functional coverage**: Full middle and back office functionality including cash and securities management, client management, collateral management, corporate actions, fund administration, general ledger, investment accounting, settlement processing, and trade management
- **Asset classes**: Equities, Fixed Income, Floating Rate Notes, Asset and Mortgage Backed Securities, Alternatives, Commodities, Repos and Money Markets

### Competition
- A formal RFP process was conducted in conjunction with Cutter Associates resulting in a short listing of two vendors, SimCorp and Eagle Investment Systems
- One notable outcome from the selection process is the conclusion from Cutter that SimCorp was three to four years ahead of the main competitor in terms of functionality
SIMCORP CHALLENGES FOR THE US MARKET
STILL ROOM FOR IMPROVEMENTS

• Greatest opportunity around Front Office

• Brand is building. Go to Market team size has driven more of this

• Increased partner/influencer outreach

• Brand perception recognition - the market does not really know enough about SimCorp and if so it is only for back office. SimCorp’s front office capabilities are not understood in North America at all. But that is changing

• Staff is growing and we’ve been able to scale. Clearly our biggest challenge
MY FIRST 1,000 DAYS..... 21 MONTHS

• North America now has 18 people focused full time on sales activities. We had 7 in September of 2014

• Dedicated inside sales function to uncover more sales processes is working

• Capstone Process for client engagement is driving move to FO with existing clients

• Formal process to engage partners & market influencers

• Feedback from the market has been that we are more aggressive and now more present in the market

• We’ve built for scale
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MISSION OF SIMCORP SERVICES
ACCELERATE CLIENT VALUE

DISCOVER
DELIVER
OPERATE
SIMCORP SERVICES – SETTING THE SCENE

SERVICES IS A BUSINESS PRIORITY

31%

DELIVERY QUALITY FOCUS

KNOWLEDGE DRIVEN

SIMCORP SERVICES

GLOBAL APPROACH
GLOBAL DELIVERY MODEL
LEVERAGING A GLOBAL PRESENCE

LOCAL
CANADA
US

GLOBAL
NORDIC
UK
BENELUX
FRANCE
CENTRAL
EUROPE
POLAND

NEAR SHORE
SINGAPORE
AUSTRALIA
HONGKONG

COST
RISK
KNOW HOW
24/5
QUALITY
STANDARD
GLOBAL NETWORK
OF EXPERTISE AND CAPABILITY

• A global network of specialists and experts

• > 400 employees in PS globally
  - > 225 Consulting Services
  - > 60 Operational Services
  - > 100 Customer Services

• Knowledge Networks
  - Local and Global Networks
  - Specialist, Experts & Solution Architects
  - Center of Excellence

CERTIFIED STAFF

• 10 - SOLUTION ARCHITECTS
• 55 – EXPERTS
• 305 - SPECIALISTS
GLOBAL CENTER OF EXCELLENCE MODEL
DEEP KNOWHOW FOR GLOBAL DEPLOYMENT

Operating Model for Global Knowledge:
• Consolidation of expertise
• Leveraging experts globally
• Addressing the delivery of ‘SimCorp Practices’ based solutions

Current Centers of Excellence (CoE):
• Validation & Test (Upgrade Service)
• Regulatory Services
• Client Reporting – Coric
• Front Office
• Configuration Delivery Center (Poland)
SERVICES MARKET ACCESS IS GROWING
SERVICES ADDRESSABLE MARKET IS GROWING

• Introducing new categories
  - Operational Services
    Significant business potential
  - Advisory
    Strategic impact
• Broadening reach in categories
  - More offerings in how we deliver solutions
  - New support offerings
MAINTAINING PROFITABILITY
CALIBRATING THE BUSINESS MODEL TO THE CHANGING REQUIREMENTS

Strong focus on managing the business model

• Foundation
  - Growing billrate
  - Maintaining utilization > 70%

• Scale
  - Using near shore with attractive margin
  - Introduction of repeatable modules with attractive margin
  - Establishing a highly controlled delivery eco-system to manage P/L risk

• Quality
  - Strengthening delivery governance to manage risk
  - Strong quality assurance to manage project risk
SIMCORP SERVICES
VALUE DISCOVERY
SimCorp releases 2 versions of Dimension per year
- Capturing the full value of the new version releases requires a dedicated effort
- Changes in business over time need to be reflected in Dimension to get full value
- Changes in operating model need to be reflected in Dimension to get full value
- Non-strategic day-2-day operational issues tend to get 75% of focus leading to slower benefit realization
- Initial implementation might have mirrored as-is operational set-up and not captured all benefits
INTRODUCING VALUE DISCOVERY

The Value Discovery Service enhances business value and reduces cost through establishing:

- A strong, easy-to-communicate and visual link between the strategic business objectives and a prioritized IT roadmap
- A prioritization framework that will keep you on track and continue to increase the benefits from your SimCorp Dimension investment.

**PRIMARY OBJECTIVE**
compare strategic direction with functionality available in current and future versions of SimCorp Dimension

**SECONDARY OBJECTIVE**
assess if adjustments of existing business processes are needed to support the strategic direction
# AGENDA

<table>
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<tr>
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Value is increased with the use of a modular approach, where a continuously higher degree of standardization, enable delivering more value in less time. Accelerate value and delivery efficiency simultaneously.

CUSTOMIZED DELIVERY

STANDARDIZED DELIVERY
STANDARDS – PRE-CONFIGURATION

Pre-Configuration Package (PCP): Re-use specific part of configuration from other projects but adjusted/customized to new client specific needs

Normal Project

Project adding pre-configuration

Deliver higher quality at lower effort and risk
CONFIGURATION DELIVERY CENTER
A MODULAR APPROACH TO STANDARDIZATION

DELIVERY EFFICIENCY

STANDARD MODULES

POLAND

LOWER RISK

COST EFFICIENCY
80-90% of configuration work can be done remote leaving only a minor part to be delivered onsite in the customer installation/context.
CUSTOMER SUPPORT
CUSTOMER SUPPORT
ASSISTING CLIENTS WITH PROBLEMS

Support is an integrated component of SimCorp business model and part of the Maintenance Contract

Standard Service Level Agreement for support during local business hours

Support services can be extended:

• Outside normal business hours

• Work-thru on critical errors 24/5

• 24/5 "Follow the Sun" for critical problems needs
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UPGRADE ASSISTANCE
THE YEARLY UPGRADE AS A SERVICE

Upgrade Service:
• Project Management
• Upgrade Impact Analysis
• Technical Upgrade
• Production Deployment
• Early Care Support
• Full regression testing
• Full result validation and reporting for audit purpose

Highest measured Net Promoter Score globally in SimCorp

Top Score
NPS 75%
OPERATIONAL ASSISTANCE
REDUCING THE COMPLEXITY IN OPERATING SIMCORP DIMENSION

- Can we Reduce Cost of Operation?
- Ready for Platform Extension?
- Do we have Right Expertise and Skills?
- Proactive Approach To Performance Challenges?
- What Do Other SimCorp Dimension Customers Do?
- Minimize Risk of System Downtime?
- Focus on the Business and not IT Operation?
EFFICIENT KNOWLEDGE TRANSFER
KNOWLEDGE IS KEY TO GETTING FULL VALUE OUT OF SIMCORP DIMENSION

Bespoke product training:
• Sessions focusing on a specific area of the system functionality
• Can be delivered in a classroom environment via a predetermined course structure

End user eLearning:
• Online access to the widest range of SimCorp Education training offerings
• 1000+ pieces of e-learning components across 12 domains and growing
• Ease of access and scheduling: accessed directly via Dimension
• Users are able to plan the timing of the training sessions
• Unlimited access to all eLearning content, no set training ‘syllabus’
• Features released in new versions are included in the eLearning content
• E-Portal is an annual subscription so it is a ‘time-free’ solution; where you like, when you like
ENTERPRISE ASSISTANCE
DRIVEN BY 3 COMPONENTS

Service Management

RISK ASSESSMENT
APPLICATION
INFRASTRUCTURE
ORGANIZATION

PROGRAMS
IMPROVE OPERATIONS
BUILD KNOWLEDGE

PREMIUM ATTENTION
INCIDENT & PROBLEM MANAGEMENT
SYSTEM PERFORMANCE SERVICE
ENTERPRISE ASSISTANCE – OFFERINGS PORTFOLIO

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<td>Validation and Test Management Service</td>
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Service Delivery Management

Operational Account Management

Build Knowledge
INVESTOR RELATIONS CONTACT

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