Thank you for your trust and long-term relationship

Introduction

Keynote Dr. Stephan Sigrist, Head W.I.R.E.

Keynote Jos Dijsselhof, SIX, CEO

Keynote Eric Vauthey, Banque Cantonale Vaudoise, Head of Trading

Keynote Marco Menotti, SIX, Head Banking Services

Keynote Dr. Marianne Janik, Microsoft Schweiz, CEO

Outlook & Quiz
Make yourself ready for the Quiz (end of event): Quizizz.com
Keynote Dr. Stephan Sigrist, Head W.I.R.E.
NAVIGATE THE FUTURE OF BANKING
Opportunities for the financial market Switzerland

W.I.R.E.
WEB FOR INTERDISCIPLINARY RESEARCH AND EXPERTISE
THINK TANK FOR BUSINESS, SCIENCE AND SOCIETY
DR. STEPHAN SIGRIST | HEAD W.I.R.E ZURICH, OCTOBER 29, 2020

WELCOME TO THE NEW NORMALCY
BOOST OF DIGITAL TRANSFORMATION
SEARCH FOR VALUES AND GUIDANCE
NEW ROLE FOR CANTONAL BANKS?
LONG TERM PERSPECTIVE FOR THE ECONOMY, SOCIETY AND FINANCIAL SERVICES

NEED FOR A DIFFERENTIATED PERSPECTIVE

PHYSICAL DISTANCING

NEW QUALITIES

W.I.R.E.

FUTURE FRAMEWORK CONDITIONS

CHANGING VALUES

BOOST OF DIGITAL TRANSFORMATION

> FOCUS ON SUSTAINABILITY

> SENSITIVITY FOR HEALTH

> RETURN OF THE STRONG STATE

> TRACKING OF EVERYDAY LIFE

> VIRTUAL WORK

> AUTOMATISATION
ADAPTATION OF THE NARRATIVE OF DIGITAL TRANSFORMATION: FROM DISRUPTION TO EVOLUTION

DIGITAL INFRASTRUCTURE AS A NETWORK, NOT ARTIFICIAL INTELLIGENCE REPLACING HUMANS

ECOSYSTEMS WITH A BASIC BACKBONE (outsourcing of custody services)
Shareholder Value Is No Longer Everything, Top C.E.O.s Say

Chief executives from the Business Roundtable, including the leaders of Apple and JPMorgan Chase, argued that companies must also invest in employees and deliver value to customers.

> INCREASING SOCIAL PRESSURE REQUIRING MORE SUSTAINABLE BUSINESS MODELS

II. THESES ON THE FUTURE OF FINANCIAL SERVICES

> TRUE TRANSFORMERS
I. FROM DISRUPTION TO COMMODITY
Digital services from payment to account holding as commodity with high margin pressure. Digital banking with limited potential as a differentiating factor.

Human interaction will stay relevant for more demanding solutions and advisory services.

II. FROM PRIVATE BANKING TO DATA DEPENDENT PRIVACY
Adaption of the business model to a data based offering, based on a new definition of privacy.

Provide a value and benefit in exchange for private data.
III. FROM ECONOMIES OF SCALE TO ECONOMIES OF VALUE
Strengthening of smaller institutions based on technological backbone for payments and account holding.

IV. FROM SHORT TERM PROFIT TO PURPOSE
Growing focus of banking on enabling transformation and social responsibility. Focus on trustworthiness and responsibility and a clear value orientation towards society.
III. AREAS OF ACTION FOR CANTONAL BANKS

1. Develop a long term oriented positioning
   Identify future needs – of clients and society

2. Set up a future oriented technical infrastructure – and data strategy

3. Build up future skills – for people and organisations
Keynote Jos Dijsselhof, SIX, CEO

SIX & BME

Together we can grow our company, by expanding our range of services and global footprint.

As a group we have an important role in supporting economies, providing fair and orderly transparent markets to finance businesses and offering investment opportunities.

Unique capacity to respond to the demands from Swiss and Spanish clients.

Attractive and cross border services offer along the entire value chain.
Compelling Industrial Logic, Consistent With Rapidly Evolving Financial Markets

1) Top-3 European & Top-10 Global exchange group
   - Enhanced relevance of the combined group in global market infrastructure sector

2) Diversified group with global reach
   - Combining two attractive and diversified market leaders with global access into Americas and Asia

3) Complementary vertically-integrated groups enhancing respective domestic market strengths
   - A true multi-asset class venue with information / data analytics services, offering products across the entire value chain

4) Significant benefits for each partner’s ecosystem
   - Expansion of current offering in each of the venues, while investing and innovating to create a platform for future growth and to be at the forefront of industry trends

5) Increased combined future strategic optionality and flexibility
   - Future investment in growth, while creating new partnership opportunities and building platform for further consolidation

1) Ranking based on selected indicators i.e. total revenues (2019), market capitalization of listed companies (FYE 2019) and financial information revenues (2019)
Total revenues
(FY2018, in €bn)

London Stock Exchange 2.4
Deutsche Börse 2.8
Euronext 1.3
Warsaw Stock Exchange 0.1

Market capitalization of listed companies
(As at September 2019, €bn)

London Stock Exchange 3,512
Euronext 4,324
Deutsche Börse 1,744
Nasdaq Nordic & Baltics 1,319

Financial Information & Data revenues
(FY2018, in €m)

London Stock Exchange 951
Deutsche Börse 433
Euronext 154
Warsaw Stock Exchange 11

Source: Company disclosure, FactSet as at 15 November 2019, World Federation of Exchanges as at 30 September 2019
Note: Data converted to € with average 2018 exchange rate or as at 30 September 2019. Rankings covering selected and predefined exchanges groups narrowed to European players (ex. Russia) as per the World Federation of Exchanges (unless stated otherwise). Refers to net revenue. Global pro forma ranking only includes listed venues and SIX

1 As per Euronext Investor Day presentation dated 11 October 2019; pro-forma of Commcise, Euronext Dublin and Oslo Børs VPS for the full year with an average EUR/NOK at 9.5975 over 2018
2 Pro forma acquisition of Oslo Børs
3 Not adjusted for any pending acquisitions

Ranking of pro-forma entity in European context

Ranking of pro-forma entity globally
Overview of Most Important Milestones of the Integration Project

1. **SIX acquires 93% of BME**
   - Jun 11th, 2020
   - BME became part of SIX

2. **Successful Day 1**
   - Jun 16th, 2020
   - Day 1 activities successfully completed

3. **Joint SIX-BME kick-off**
   - Jul 3rd, 2020
   - Starting the joint project work under one roof

4. **SIX satisfies squeeze-out condition of 95%**
   - Aug 31st, 2020
   - SIX achieves the goal to buy more than 95% of BME shares

5. **Integration roadmap established**
   - Sep 8th, 2020
   - Validated integration roadmap created through review of initial timeline ambition

6. **As-is operating model assessment complete**
   - Sep 25th, 2020
   - SIX and BME understand each others’ as-is operating models

7. **Delisting of BME**
   - Sep 30th, 2020
   - SIX attained 100% BME ownership

8. **Finalization of detailed integration plan**
   - Q1 2021
   - The detailed integration plan will mark the start of the integration execution
Key Actions for the Next Months

**Synergies**

- **Quantification of synergies**
  - Detailed and quantified quick-win and synergy initiatives
  - Focus is on growth / revenue synergies, but also scale needs to be leveraged

**Common TOM**

- **Moving towards a common target operating model (TOM)**
  - Confirmation of synergies in line with target operating model design
  - Design of target operating model considering synergy initiatives

**Integration**

- **Starting integration execution in 2021**
  - Creation of an implementation plan to achieve synergies and implement target operating model
  - Execution phase of the integration starting in 2021
«One Trade, one reporting?»

SIX – Kantonalbanken Event – 29 October 2020

Eric Vauthey, Head of Trading
Objectives

1. Sharing our experience on increasing regulatory obligations on financial transactions reportings

2. Call attention about US reporting duties with extraterritoriality effects
A glance at some reporting duties

**Type of requirements**

- **Trade Report**
  - Volume & price announcement of a financial transaction (Public information)
- **Transaction Report**
  - Announcement of all the characteristics of a financial transaction, including the Beneficial Owner (Private information)
- **Position Report**
  - Some jurisdictions ask for disclosure of financial instruments positions triggering thresholds

**Triggers**

- Exchange Members have the duty to report transactions on a (nearly) real-time basis
- Financial Institutions have the duty to produce a daily (d+1) reporting in Switzerland
- Example: US SEC require Investment Managers with more than USD 100 mios of US securities under management to report quarterly their positions
How it works – “standard” example for a Swiss Equity traded in Switzerland

Customer → Bank

Trade report (Real-time)

SIX Swiss Exchange «Reporting Office»

Transaction report (Daily d+1)

Market Transparency

Market Abuse Prevention

Regulation

Swiss FinMIA

Customer buys Nestlé shares

Nb: Illustrative set-up for a Swiss Financial Institution with no direct membership to foreign markets

BCV – E. Vauthey, SIX-KantonalBanken Event 29.10.2020
How it works – Case for an US Equity traded in US but tradeable in Switzerland

Customer → Buy Alcoa shares → Bank → Broker → NYSE

- Trade report (Real-time)
- Transaction report (Daily d+1)
- Position report (if trigger has been reached) (Quarterly)

US 13(f) Institutional Investment Manager → BX Swiss «Reporting Office» → Market Transparency → Market Abuse Prevention

NB: Illustrative set-up for a Swiss Financial Institution with no direct membership to foreign markets

SEC → Swiss FinMIA

BCW, E. Vauthey, SIX-Kantonalbanken Event 29.10.2020
How it works – Additional duty for an US Option traded on a US market

Customer

Buy Alcoa options

Broker

Bank

Transaction report (Daily d+1)

Transaction report (Daily d+1)

Trade report (Real-time)

Cboe

BX Swiss «Reporting Office»

SIX Trade Repository

US 13(f) Institutional Investment Manager

Swiss FinMIA

Regulation

Swiss FinMIA

SEC

Position report (if trigger has been reached) (Quarterly)

Market Transparency

Market Abuse Prevention

NB: Illustrative set-up for a Swiss Financial Institution with no direct membership to foreign markets

BCW, E. Vaebey, SIX-KantonalBanken Event 29.10.2020

Sensitivity: C1 Public
| Q1 | Does the Bank trade **foreign instruments on Foreign Exchanges not recognized by the FINMA** and are those foreign instruments also quoted on a Swiss Exchange?  
If yes, then daily Transaction reports for those foreign transactions have to be provided to the Swiss Exchange that lists these instruments |
| Q2 | Does the Bank make investment decision for global positions (Nostro, discretionary mandates or funds managed by the Bank) for **more than 100 mios USD equivalent of US shares**?  
If yes, then a quarterly report with their equity holdings has to be sent to the Securities and Exchange Commission (SEC – 13F) |
| Q3 | Does the Bank hold **US Futures** positions under deposit that exceed the specific thresholds defined by **US Exchanges and CFTC**?  
If yes, then a daily report with these positions and the identification of the “Trader” has to be sent to the Commodity Futures Treading Commission (CFTC – Large Traders) and to the exchange where the future is traded. Example: E-Mini S&P Future (threshold CME Exchange = 100 Futures / threshold CFTC 1’000 Futures per Investment Manager) |
Conclusion: looking forward...

Call for a standardisation / simplification of the reportings

SIX as a value-contributor / facilitator for the Swiss industry
Vorstellung Vision Banking Services

Keynote Marco Menotti, SIX, Head Banking Services SIX
Ambitious BBS growth strategy to expand the business portfolio

**Horizon 1:**
- **Ecosystems**
  - **Billing & Payments**
    - Rolled-out modernized eBill platform and QR-Bill
  - **Cards**
    - Started roll-out of next generation debit cards
  - **Cash**
    - Harmonized hardware and rolled-out standardized ATM software to 6000 ATMs
  - **Connectivity**
    - Launched the first real open banking platform in CH: b.Link

**Horizon 2:**
- Grow e-Bill Footprint
- Enable new debit card generation and grow related services
- Reduce costs & complexity in cash cycle management
- Develop b.Link into the leading open-banking platform

**Horizon 3:**
- Strategize to develop new business areas

**CH Payments Vision**
- Processing hubs to help CH Banks adapt and avoid investments
- Support CH Banks in maintaining the client interface
- Consolidate cash cycle and establish circular cash-economy
- Enable banks to offer new services by creating innovative technological / market solutions
Swiss Payments Vision

Financial service provider offering

National Payment Scheme
- Common rulebook
- Scheme processing hub (for all use cases)

Account Provider processing layer
- Account Provider
- (IP^1) Processing
  - (Instant) Payment processing hub (for interested Account Providers)

Settlement layer
- SIC5
  - Instant account-to-account

Enablers
- Connectivity (b.Link)
- Secure Swiss Finance Network (SSFN)
- Digital ID
- Data & Analytics

Customer layer
- Payer interface

Scheme & scheme processing layer
- Payee interface
Connectivity

Secure connection via a central, standardized platform

With b.Link, SIX provides financial institutions and software or service providers with a platform for standardized interfaces.

**Standardized**
A single, standardized interface to SIX instead of many proprietary interfaces between financial institutions and third-party providers

**Efficient**
A single contract with SIX instead of many individual contracts between financial institutions and third-party providers

**Future-proof**
A platform with state-of-the-art, expandable technology for additional participants and new services

**Transparent**
End users determine with whom and for what purposes they share data. Consensus is digital, transparently documented and can be recalled at any time
Connecting via OpenAPIs becomes the core competence of a modern bank – b.Link reduces complexity and effort

### Connecting directly or via b.Link

**Integration Layer**

- **API**
  - 1:1
  - TPP
  - TPP
  - Bank

- **API**
  - 1:n
  - b.Link

### Advantages of connecting via b.Link

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>API standards</strong></td>
<td>Operationalization of standardized interfaces for highest reliability</td>
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<tr>
<td><strong>Due Diligence</strong></td>
<td>Standardized admission test for all platform participants for highest security</td>
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<td><strong>Contract</strong></td>
<td>Uniform b.Link contract for all platform participants for more efficiency</td>
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<tr>
<td><strong>Consent Management</strong></td>
<td>Digital Consent Management for full transparency and a unique Token Management (Consent-as-a-Service)</td>
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<tr>
<td><strong>Infrastructure</strong></td>
<td>Secure &amp; scalable API platform, developer portal/sandboxes including support</td>
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<td><strong>Partner Management</strong></td>
<td>SIX coordinates onboarding, builds a community and manages support</td>
</tr>
<tr>
<td><strong>Monetization</strong></td>
<td>SIX offers a monetization model and manages billing processes for banks</td>
</tr>
<tr>
<td><strong>Network effect</strong></td>
<td>Efficient access to innovations and new products in the growing ecosystem</td>
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Appendix
b.Link | tomorrow: We see great potential to develop b.Link into a comprehensive Open Banking / API platform

b.Link is a strategic initiative of SIX.
As an infrastructure provider, SIX is optimally positioned to build and operate the central API platform for Switzerland.
Keynote Dr. Marianne Janik, Microsoft Schweiz, CEO
We’re in this together
Setting context

Navigating the now

Planning what’s next

Shaping the future
Resiliency

Empowering employees
Engaging customers
Remote everything
Culture

Growth mindset
Customer obsessed
Diverse and inclusive
One Microsoft
Making a difference
Remote everything

Contactless shopping  Remote selling  Curbside pickup  Virtual events

Remote learning  Telemedicine  Secure remote teamwork  Remote development
Data Challenges

- Data silos
- Incongruent data types
- Performance constraints
- Complexity of solutions
- Rising costs
Digital feedback loop

Data
Intelligent systems

Empower people

People

Transform products

Products

Engage customers

Customers

Optimize operations

Operations

Sensitivity: C1 Public
The rise of citizen developers

Unlock additional business value

**Empower everyone:**
Scale through citizen developers by empowering all employees to build apps.

- Leverage existing talent
- A visual, drag and drop approach
- Intuitive easy to learn low code tools
- Save costs by multiplying dev team

Built-in security and governance

**Eliminate shadow IT:**
Manage all aspects—users, apps, usage, settings—in a single admin experience.

- Track app health and implementation
- Identity management and multi-factor auth
- Report app inventory & usage
- Secure and control data
Charting a course...

**Navigate the now**

Remote Everything
Adapt and respond in real time
Solutions to help people stay productive and maintain business continuity

**Plan what’s next**

Adapt business models and product offerings
Focus on value, reduce cost
Restart customer demand

**Shape the future**

Realize new opportunities, scenarios
Focus on growth
Charting a course...

Navigate the now
- Remote Everything
- Adapt and respond in real time
- Solutions to help people stay productive and maintain business continuity

Plan what’s next
- Adapt business models and product offerings
- Focus on value, reduce cost
- Restart customer demand

Shape the future
- Realize new opportunities, scenarios
- Focus on growth
Thank you
Outlook

We are here for you!

Our new solutions:
Tailor made Fund offering, International Growth Strategy & many more

Let’s keep in touch!
(Physical) Cantonal Banks Event: Also in 2021

SIX: Today and Tomorrow!
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