ACI ANNUAL ASSEMBLY BUCHAREST, NOV 24 2015

AXEL JESTER

HEAD OF EUROPE EAST

THE WINDS OF CHANGE CONTINUE TO BLOW

New Business Models & Entrants

- Platforms and "ecosystems" as winning models
- New entrants disrupting customers' models
- Process externalisation, industry utilities

Regulation and Cost

- Not finished yet – e.g., MIFIDII, Basel Data Standards
- Increasing cost of compliance
- Market structure still changing, future unclear
- Higher regulation "spilling" into supply chains

Technology and "Big Data"

- increased need for standards, structure and integration
- Value shifting from raw data to predictive analytics
- Over 20k FinTech startups

Changing needs and attitudes

- Away from "Desktop" and "Feeds" to integrated platform
- New generation of users with higher expectations (ubiquity, immediacy, self-service)

Global Rebalancing

- Shifting global wealth distribution
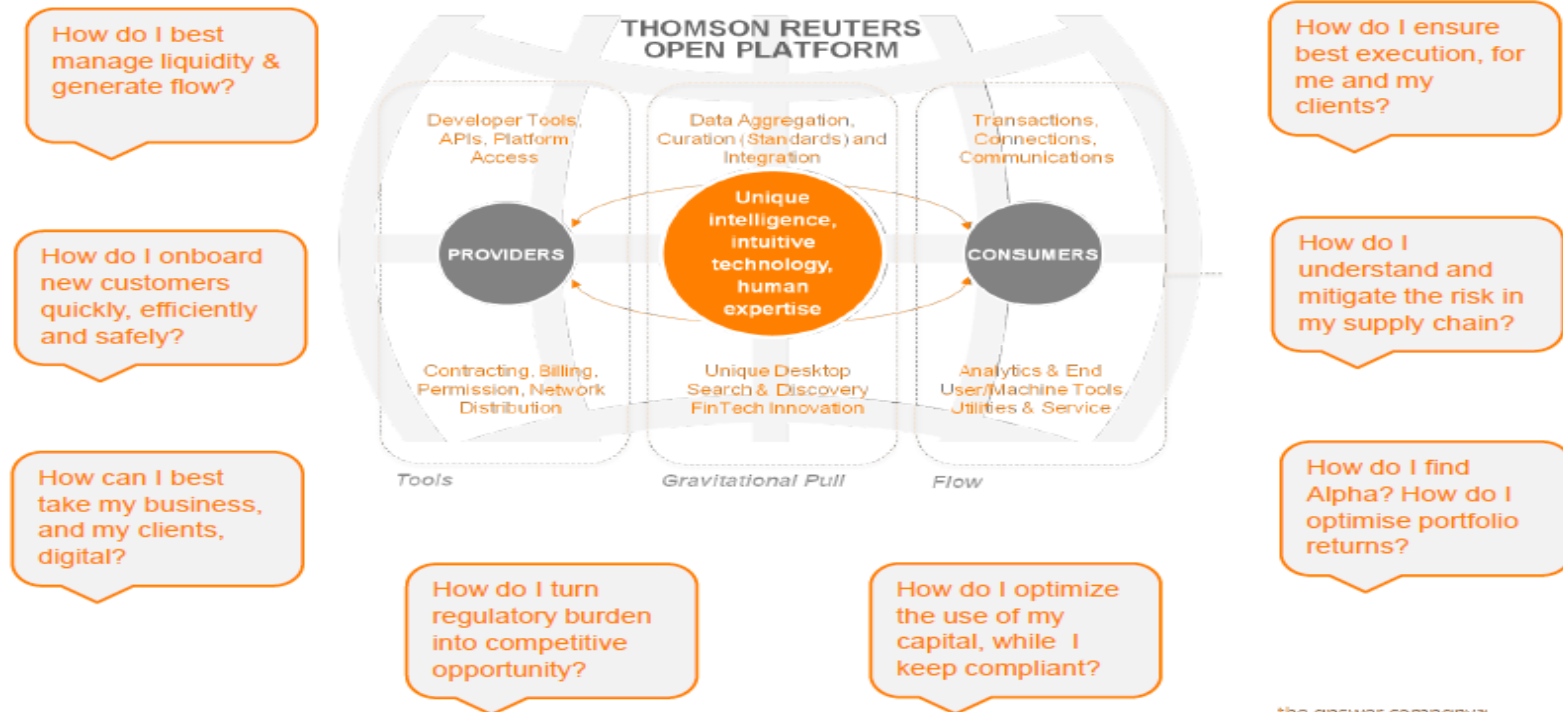- China internationalising

Globalisation of Supply Chains

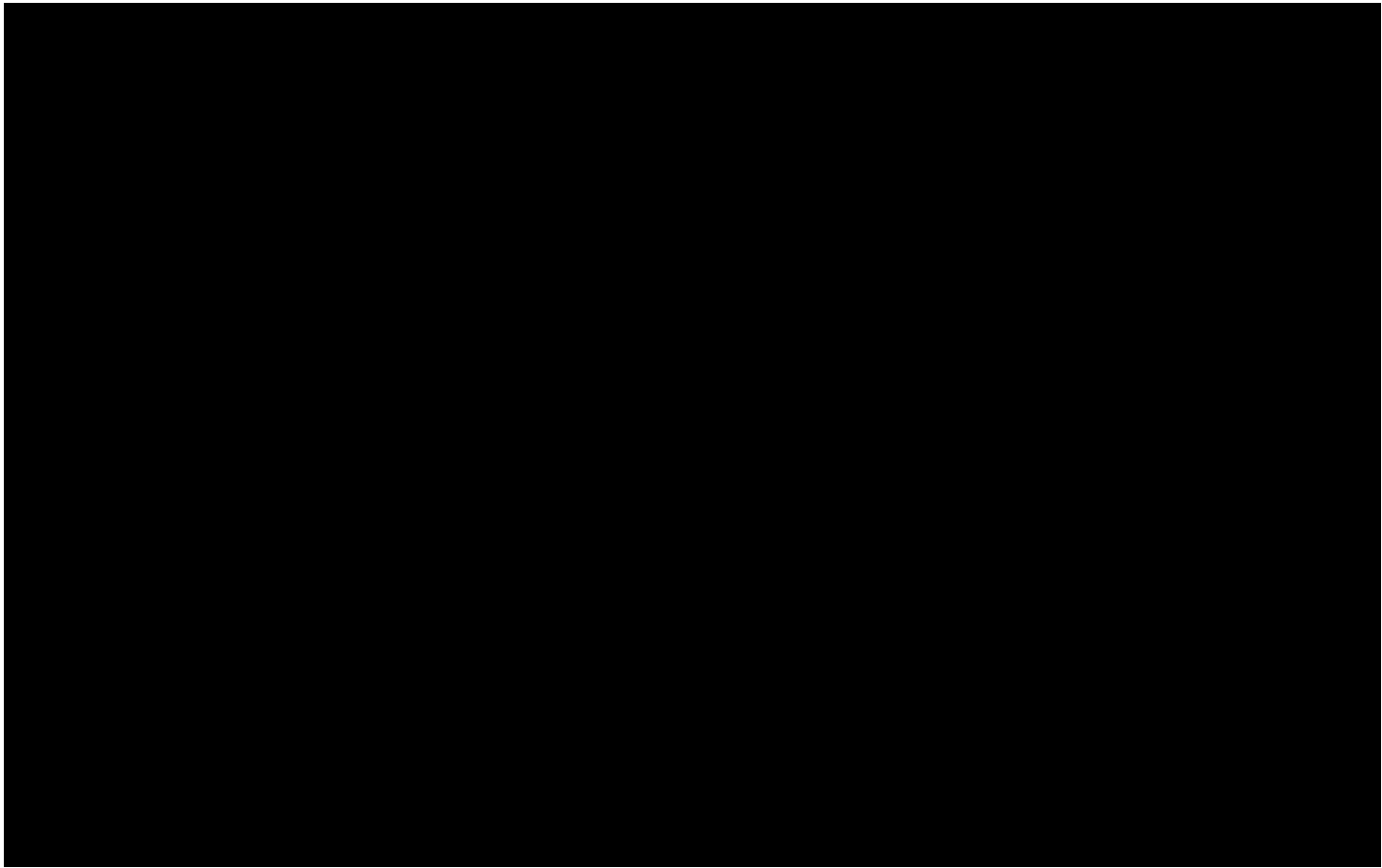- Growth in global trade & international business relationships driving complexity & risk

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Financial Services are going through a structural change

ANSWERING THE QUESTIONS THAT MATTER MOST

FX Trader Pre-Trade analytics
Eikon 4 introduced a new Set of Analytic Tools

FX&Money views – pre-build flex for FX price discovery combined with Reuters News, charts, swap points calculation etc.

Currency Performance/Value Tracker – quickly scanning the market for volatility and carry outliers and relative value opportunities

FX Options analytics – FX volatility surface chart, real-time and historical volatility data analysis, vanilla & exotic options calculators

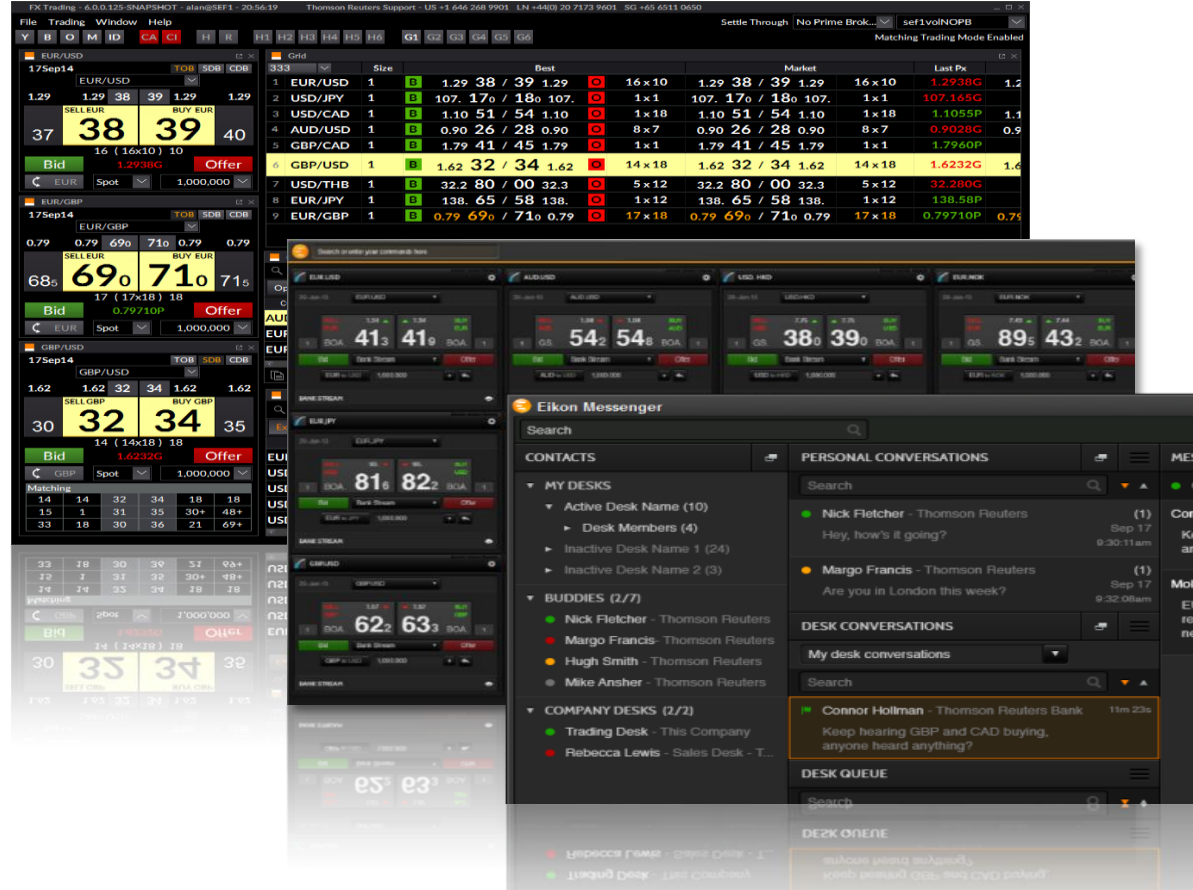**SDR View** – access to all FX derivative trades reported to DTCC (Swap Repository)

FX Volume Heatmap - a view of how active the current market volumes traded are, relative to the one month average in percentage terms

FX calculators – FX options calc, Swap Points and Outrights, Par Forward, Swap Pricer etc.

FX Polls – market benchmark polls for FX

Breadth & Depth of Commodities Content

FX Trader – The Integrated Trading Tools

- Quicktrade-Eikon/ FXAll

- Desktop –Aggregation

  Orderbook representation of Single Bank Portals (Bank stream),TR Matching and 3rd Party Venues

- TR Dealing

- Electronic Trading – Pricing Engine and Internal Trading Tool

- Regulatory Data Service & Compliance

- STP/Reporting capabilities

- Blotter components
  – Real time position monitoring
  – innovative trade archiving and search features for reporting

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MIFID II – TIMELINE

Timeline boxes above the line:
- **2nd March: submission deadline for ESMA RTS CP**
- **2nd June: ESMA submits final rules to the European Commission for approval**
- **December (est): European Commission approves final rules**
- **3rd July: MiFID is transposed into national law**
- **3rd January: Law becomes effective**

Timeline: 2015 — 2016 — 2017

Timeline boxes below the line:
- **20th March: submission deadline for ESMA RTS CP addendum**
- **December: FCA consultation on Handbook changes**
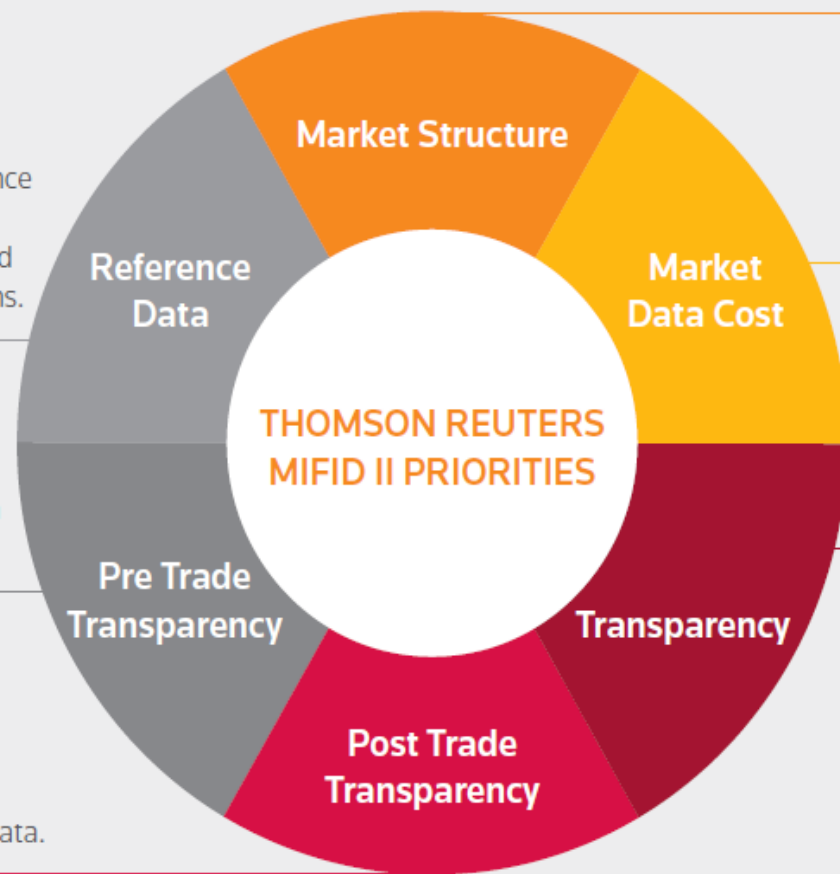
- MiFID II/MiFIR entered into force on July 2nd, 2014

- Final Rules submitted to the EC on 28th Sept (following a 3m delay):

- MiFID transposed into national laws by July 3rd, 2016

- Law becomes effective (30 months after entry into force): **January 3rd , 2017....can this date be moved ?**

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MIFID II – PILLARS & CHALLENGES

Investor Protection	Transparency	Micro Structural Issues	Trading & Clearing	Data Publication & Access	Commodity Derivatives
Investment Advisory	Data Providers	Direct Market Access	MTF, OTF & SI	Central Counterparty Clearing	Commodity Derivatives
Product Governance	Pre-trade Transparency	Algo-Trading	OTC Derivatives Trading	Access to Trading Venues	ETD & OTC
Appropriateness	Post Trade Transparency	High Frequency Trading	Clearing	Benchmarks	Position Limits
Safeguarding	Transaction Reporting				Daily Reporting
Best Execution					

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Improving Thomson Reuters reference database with new MiFID II fields to help market participants understand transparency and trading obligations.

Reference Data

Market Structure

Operate our venues as MTFs, Multilateral Trading Facilities (Fxall, Matching) as of Jan 17.

Market Data Cost

Provide clients with Unbundled (pre trade & post trade) and Disaggregated data sets.

THOMSON REUTERS MIFID II PRIORITIES

Deliver a pre trade quote publication service for non equity asset classes.

Pre Trade Transparency

Transparency

Collection and distribution of major sources of pre- and post-trade market data – better view of market activity.

Provide an Approved Publication Arrangement (APA) for post trade data.

Post Trade Transparency

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