

# Wolters Kluwer Financial & Compliance Services 2012 Investor Event

December 7, 2012  
London

# Forward-looking Statements

*This presentation contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall", and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions, conditions in the markets in which Wolters Kluwer is engaged, behavior of customers, suppliers and competitors, technological developments, the implementation and execution of new ICT systems or outsourcing, legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions and divestments. In addition, financial risks, such as currency movements, interest rate fluctuations, liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

# Welcome

## Meg Geldens

Vice President, Investor Relations  
Wolters Kluwer

# Agenda

<b>Meg Geldens</b>	Welcome
<b>Nancy McKinstry</b>	F&CS Division in Context
<b>Brian Longe</b>	F&CS Division Overview
<b>Ken Newton</b>	Financial Services - Originations & Compliance
<b>Raffi Festekjian</b>	Financial Services - Finance, Risk & Compliance
<b>Ian Rhind</b>	Audit, Risk & Compliance
<b>Ken Newton</b>	Transport Services
<b>Nancy McKinstry</b>	Concluding remarks
	Q&A

# Financial & Compliance Services Division

Nancy McKinstry

CEO

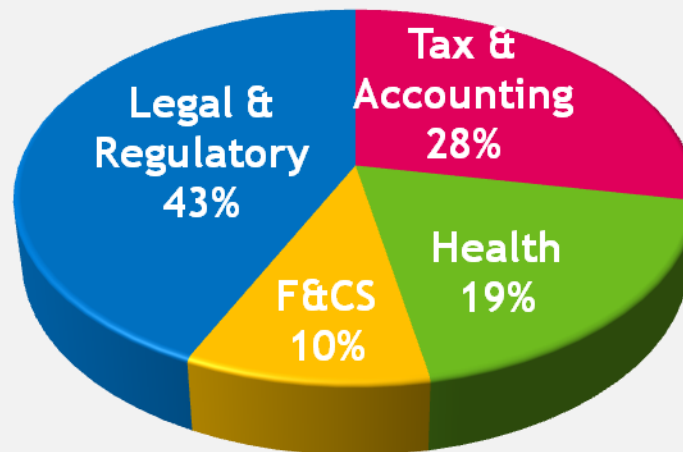
Wolters Kluwer

# F&CS in context of Wolters Kluwer

*Currently 10% of group revenue*

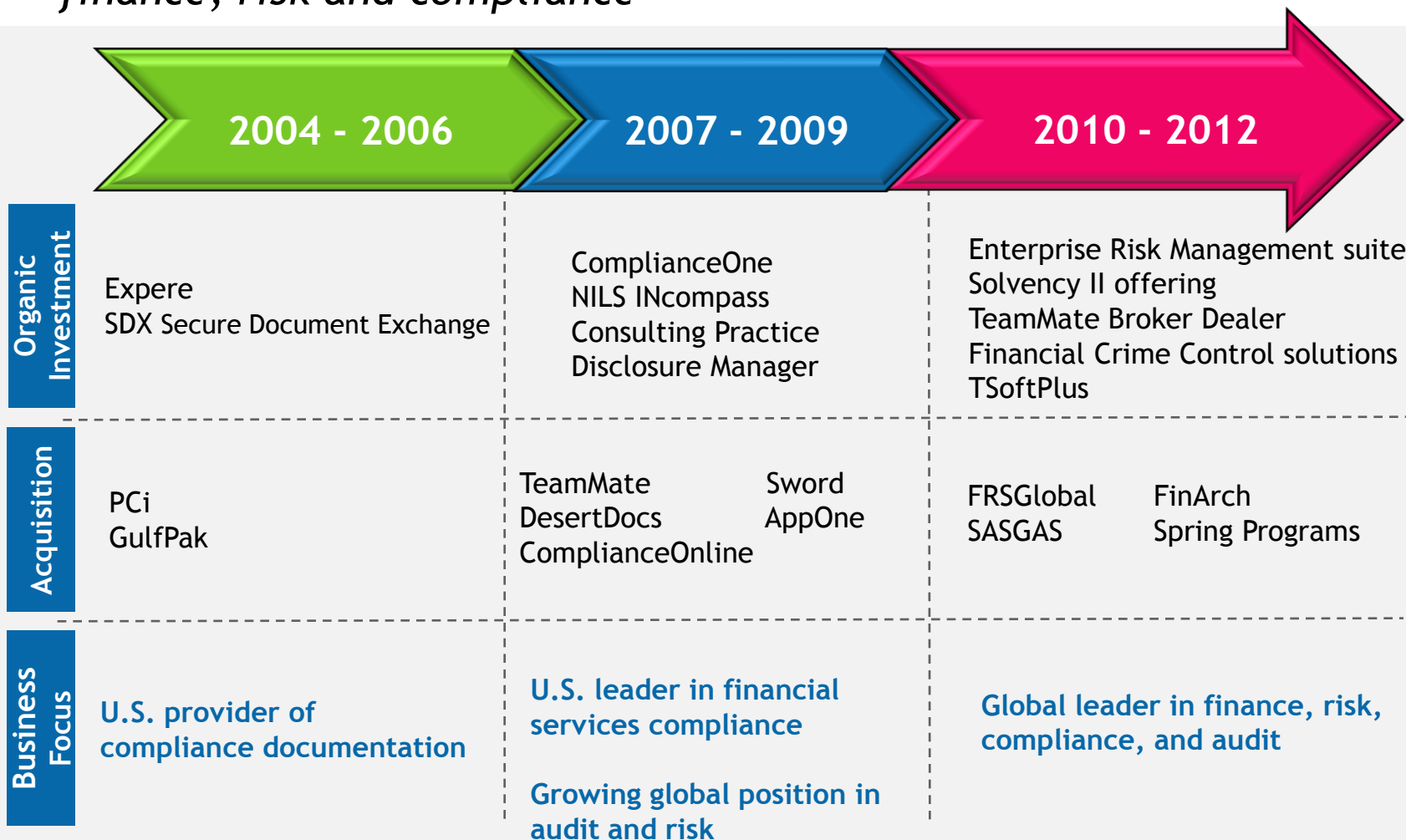


FY2011 Revenues  
by Division



# Creating a global leader

*Organic investment and acquisitions to build a global leader in finance, risk and compliance*



# Strategic priorities

*F&CS priorities mirror those of Wolters Kluwer*

## Portfolio

### Portfolio management

- Capital allocated towards higher growth market segments
- Entering adjacent markets around financial services risk
- Expanding further into business process outsourcing (BPO)

## Innovation

### Organic investment in new and enhanced products

- DocViewer next generation dynamic document technology
- TeamMate Broker-Dealer audit solution launched 2012
- Enterprise Risk Management was suite launched late 2009

## Globalization

### Organic investment in international expansion

- FRSGlobal and FinArch investing to extend global capabilities
- TeamMate international roll-out (currently 100+ countries)

## Operating Efficiencies

### Operational excellence

- F&CS “Office of Customer Experience”
- Integration synergies FRSGlobal and FinArch



# Key take-ways

*Investing to accelerate growth*



- Increasing scale
- Market leader in key niche segments
- Strategic combination of technology, knowledge and consulting services
- Positioned in growing market segments
- Investing in innovation and globalization to drive future growth
- HY2012 results demonstrate improving top line momentum



**Wolters Kluwer**  
Financial & Compliance Services

# Financial & Compliance Services Division

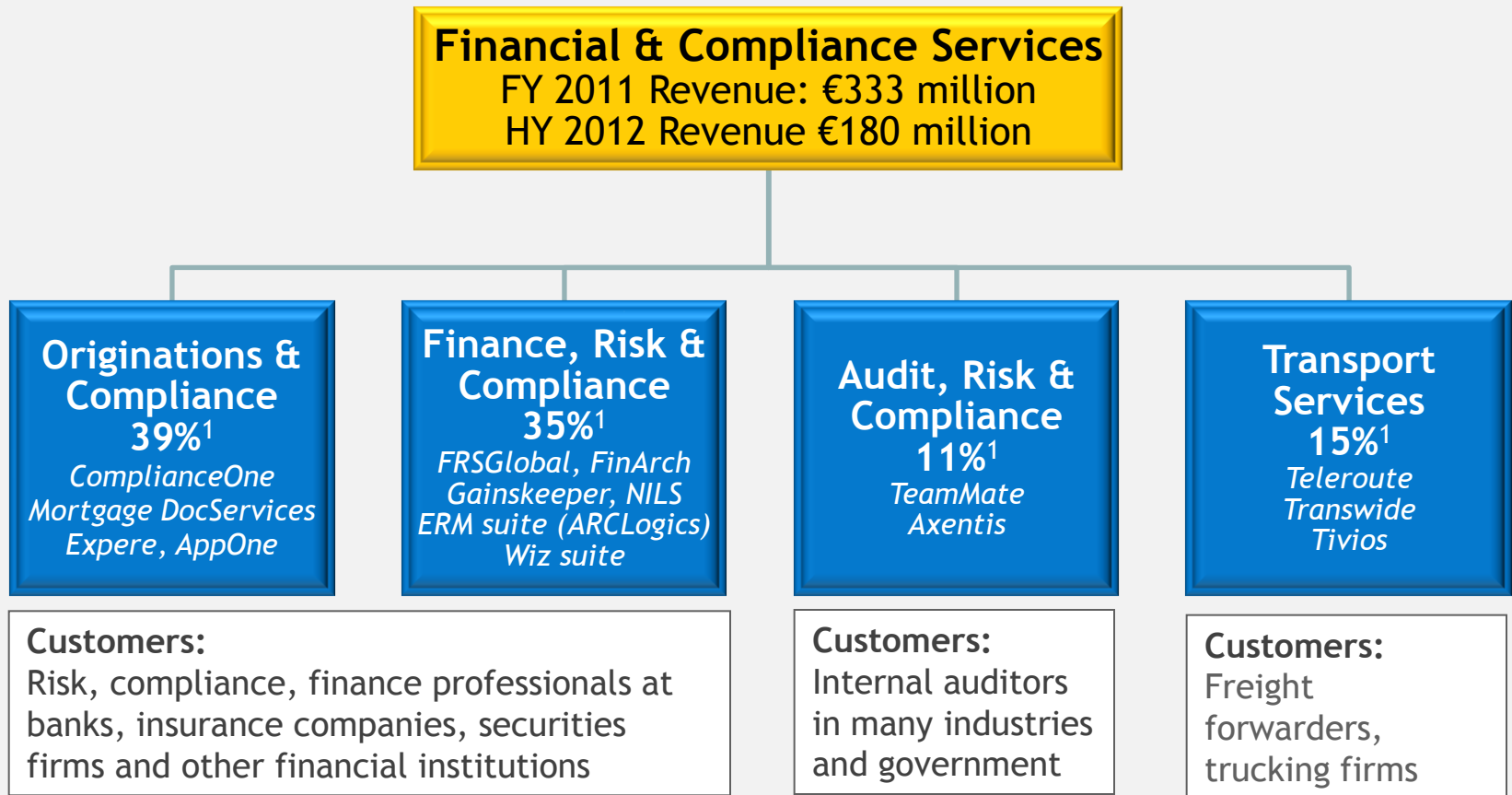
Brian Longe

CEO

Wolters Kluwer Financial & Compliance Services

# Wolters Kluwer Financial & Compliance Services

*Four business units*



<sup>1</sup> Percent of divisional revenue based on HY 2012

# Market leader

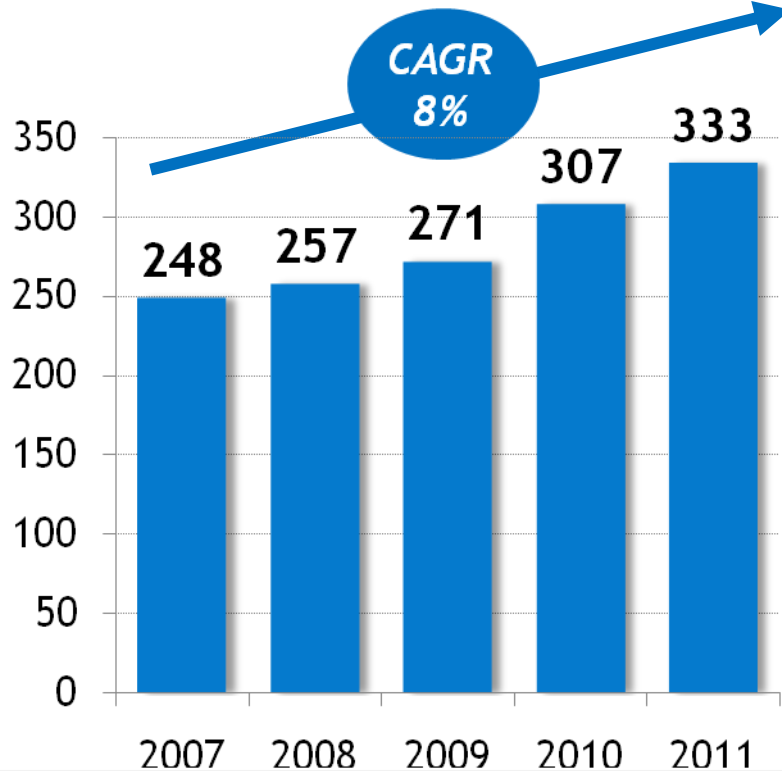
*Number 1 in key niches*



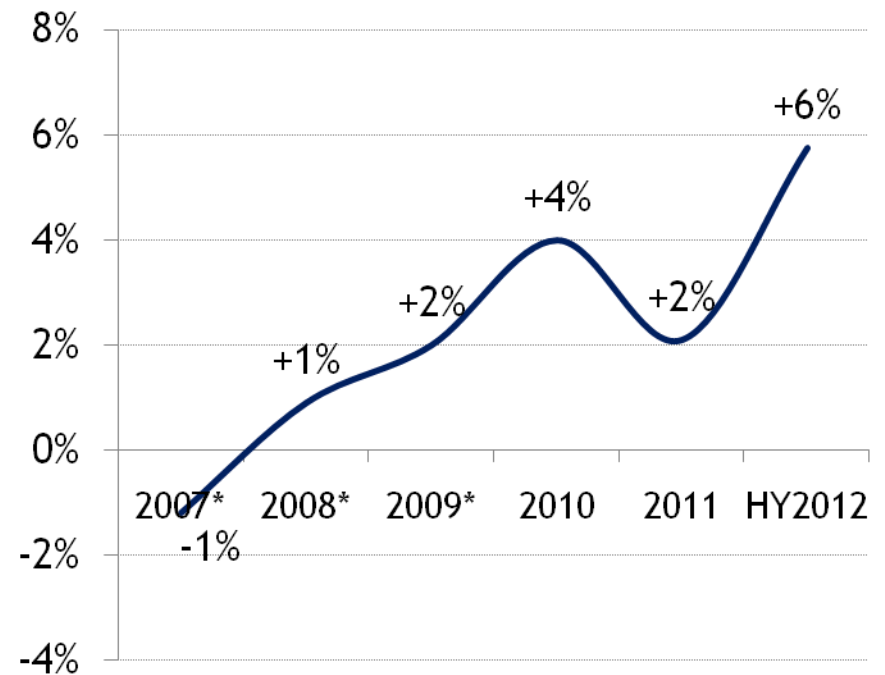
# Revenues

Revenue has grown 8% at constant currency; organic growth resilient during global banking crisis

### F&CS Revenue (€ millions)



### F&CS Organic Growth (%)



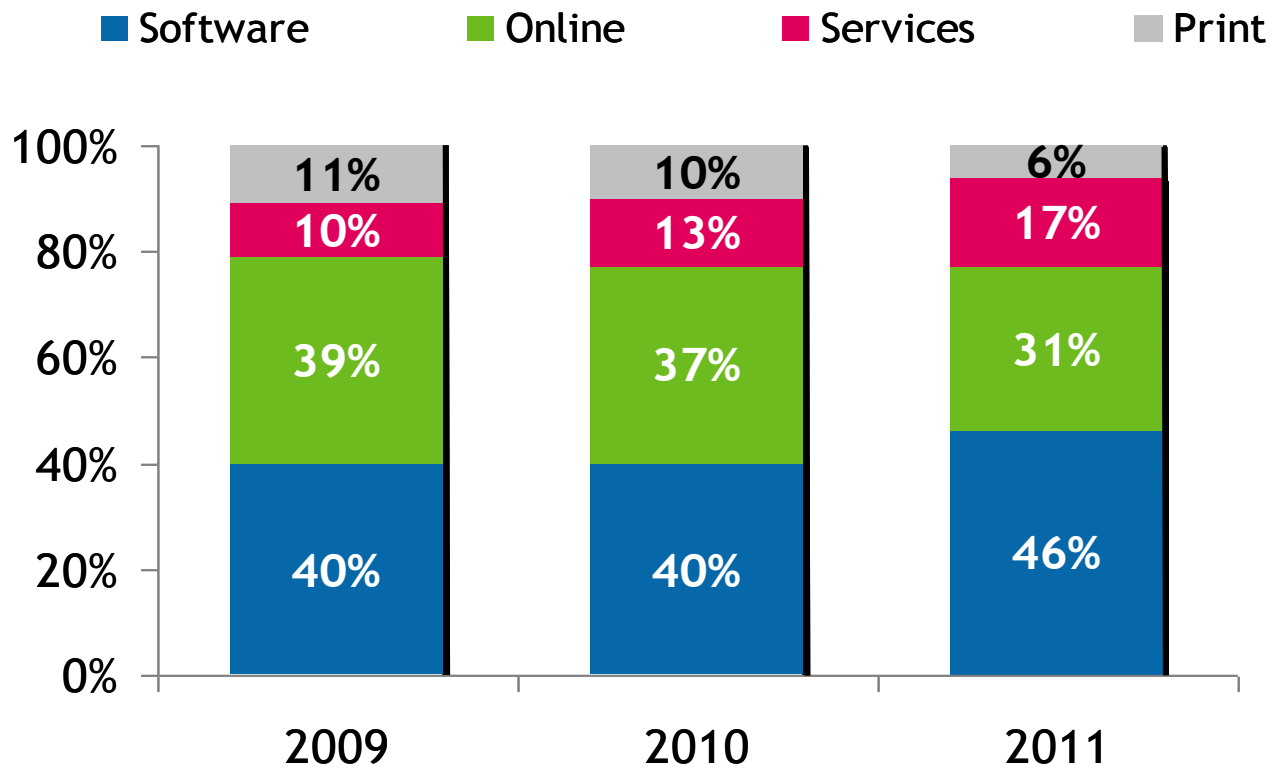
CAGR 8% at reported and constant currency

\* 2007-2009 proforma. F&CS division formed in 2010

# Revenue by media format

*Software, online and services make up 94% of F&CS revenue*

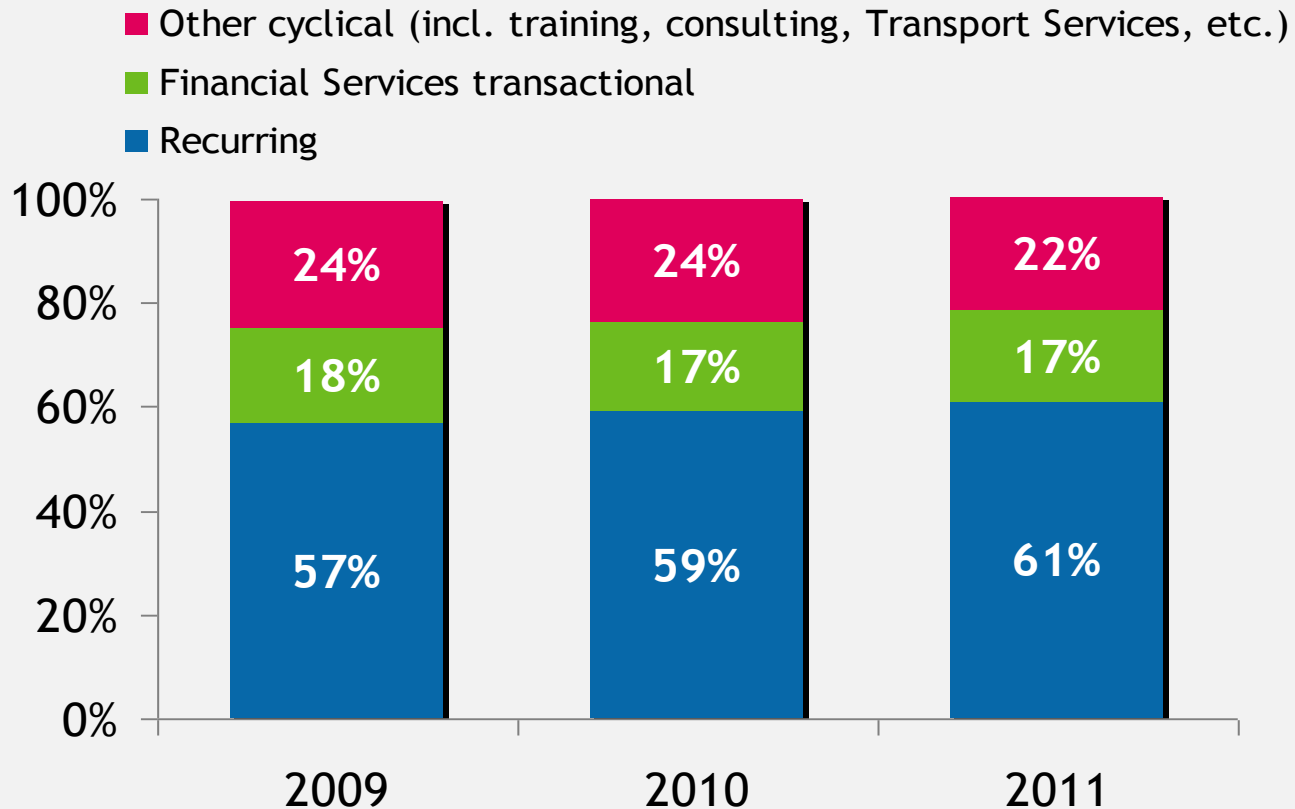
## F&CS Revenue by Media Format (€ millions)



# Revenue by type

*Over 60% of revenue is recurring*

## F&CS Revenue by Type (€ millions)

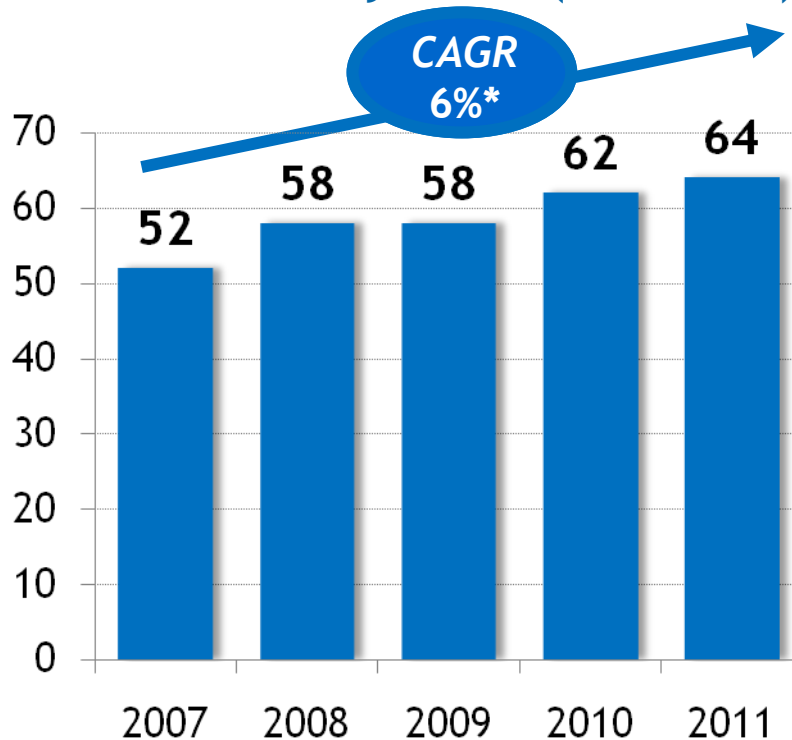




# Ordinary EBITA

*Margin impacted by investment and mixed trends in transactional revenues*

F&CS Ordinary EBITA (€ millions)



## Margin impacted by

- Investment in new product development
- Investment in global expansion
- Decline in Transport Services margin

Margin(%) 20.9 22.5 21.4 20.3 19.1

\*CAGR 6% at constant currency and 5% at reported currency

# Mission: Global Provider of Finance, Risk, Audit & Compliance Solutions

*Knowledge delivered via technology and augmented by unparalleled consulting expertise*

## CONSULTING & SERVICES

- 400+ in-house experts
- Best practices infused into products and implementation
- Complete outsourced programs, including BPO



## TECHNOLOGY

- Scope and scale to deliver solutions worldwide
- 8-10% of earnings reinvested in product development each year
- SaaS-based systems

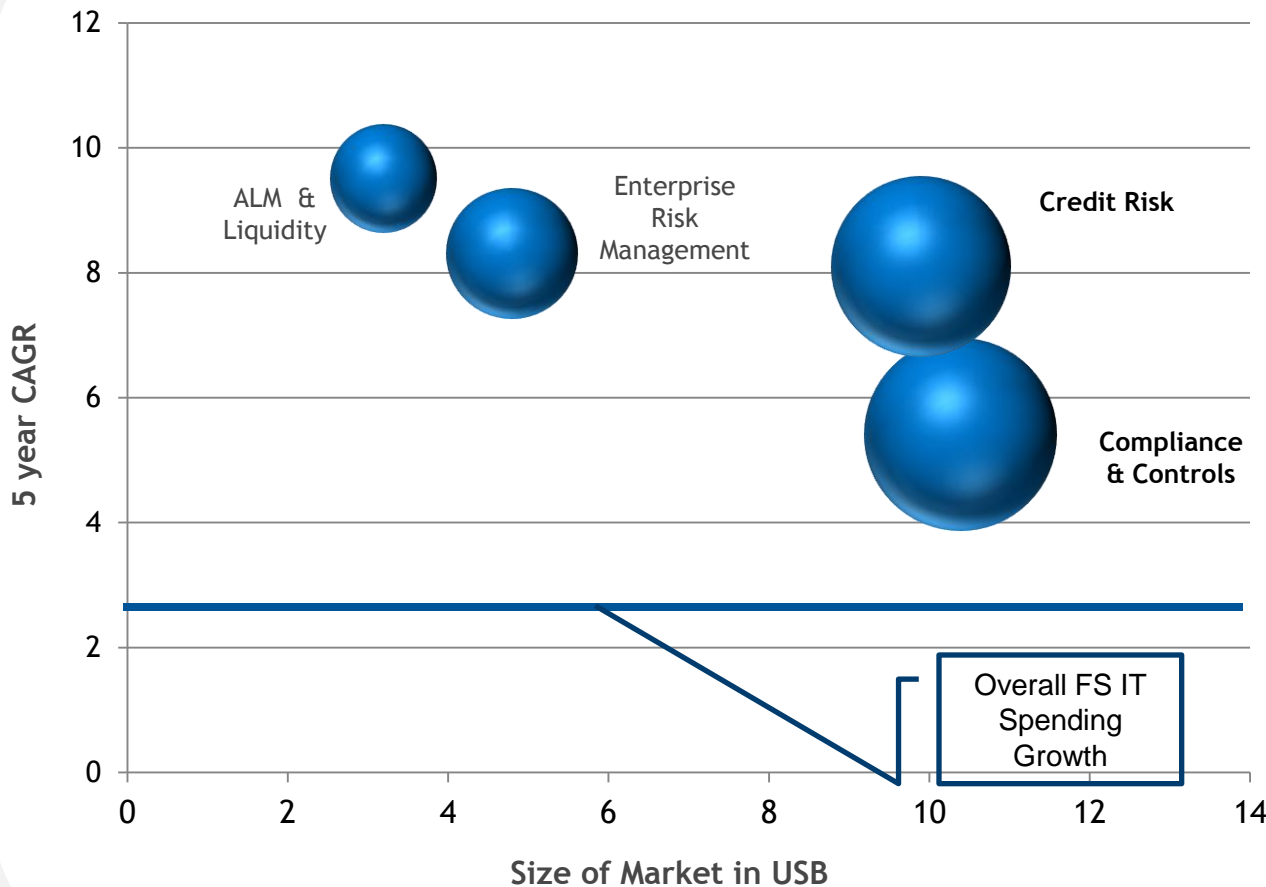
## KNOWLEDGE

- Leading content breadth and change tracking
- Relevant, actionable, applied
- Real-time marketplace knowledge

# Global risk technology spend

*Spending on risk solutions outpacing overall Financial Services IT spend*

Global Risk Spend - \$27B

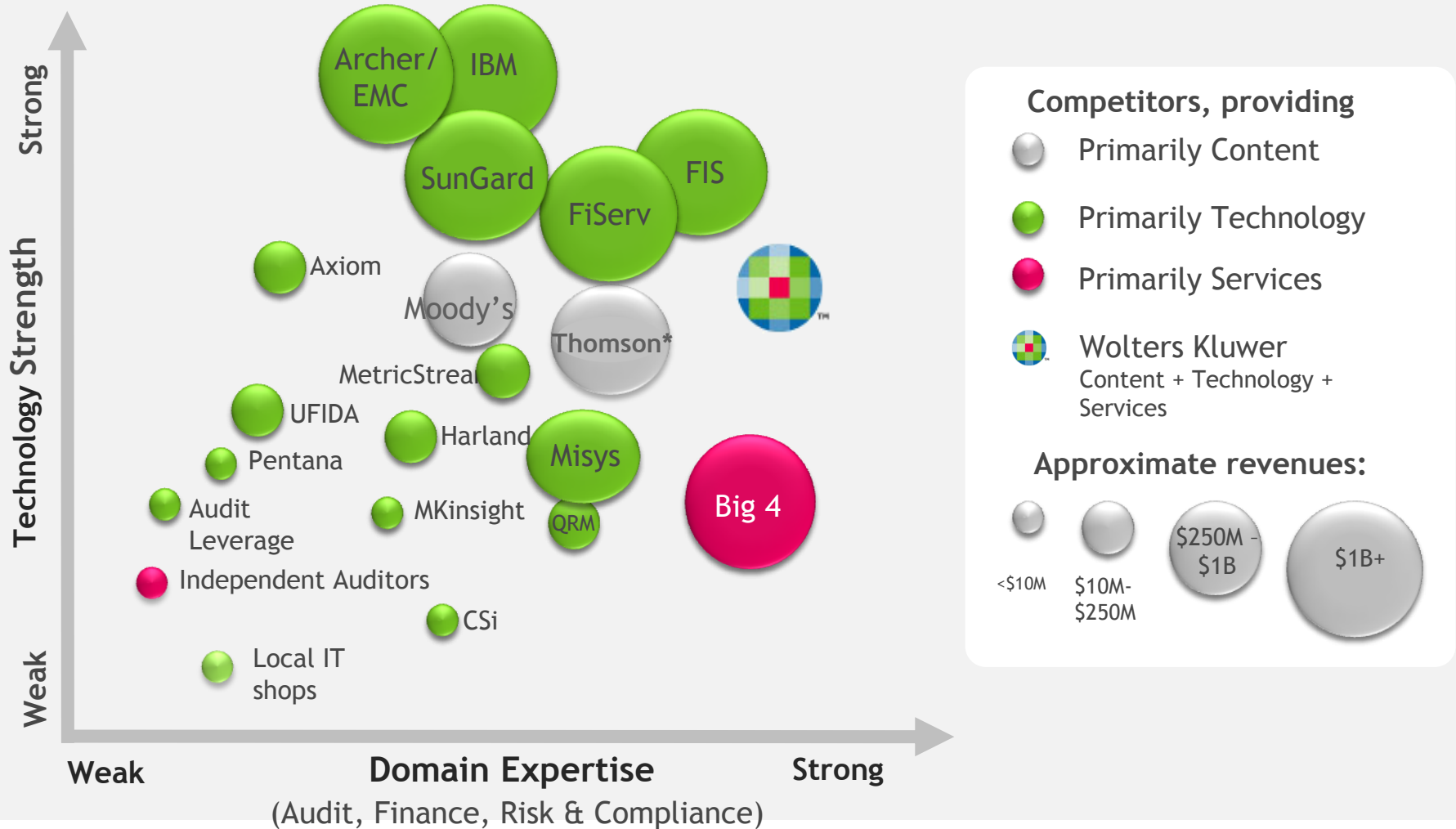


- Compliance and controls spend includes reporting (Basel II, III, IFRS, Sox, Audit and other compliance solutions)
- Spend growth rates vary by region
  - APJ 10% CAGR
  - China 18% CAGR
  - EU and Americas approximately 7%
- Across all areas, 65% of the spend will be for risk analytics and data management technology
  - Spend growth rates for risk analytics - 9% CAGR
  - Data management - 14% CAGR

Sources: Wolters Kluwer Financial Services based on IDC Financial Insights 2011 Risk Technology Spend, Chartis 2011 Global Risk IT Expenditure, 2012 IDC commissioned research – include relevant risk areas for banking, software and services spend for monitoring, reporting and data management.

# Competitive landscape

*Wolters Kluwer, a leader combining knowledge, technology and services*



\* Thomson Reuters Accelus only

# Market drivers

*Economic and regulatory pressure turn Wolters Kluwer F&CS into a mission-critical provider to our customers*

## Environment

- Increased regulatory demands
- Economic pressures

## Customer Challenges

- Increased complexity around global risk & compliance
- Resources diverted, challenging the institution's ability to deliver profitable growth
- Need for operational efficiency

## F&CS well-positioned to solve these challenges

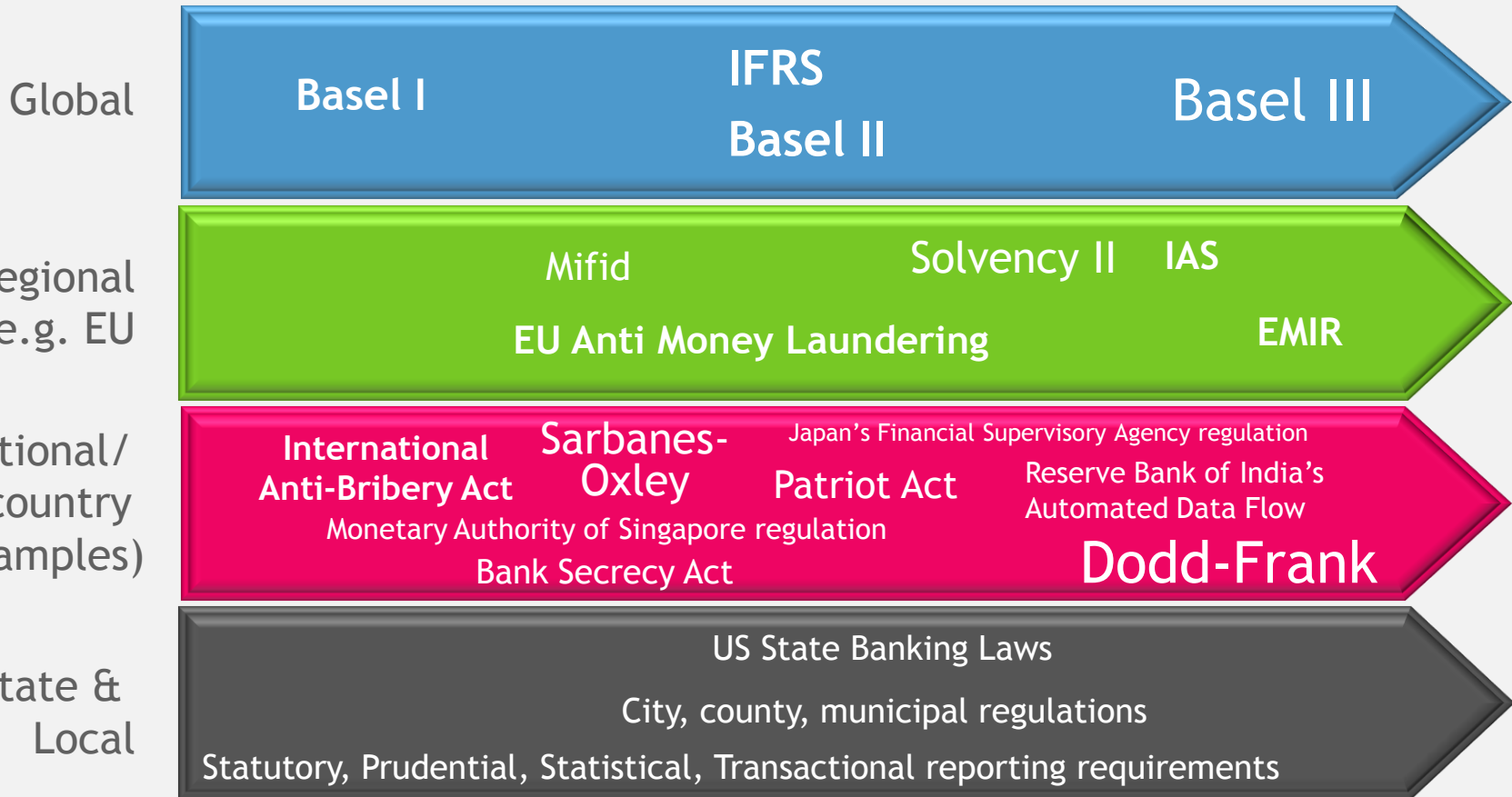
- Unique combination of specialized knowledge, technology and services
- Comprehensive and deeply embedded expertise
- Growing international footprint
- Leading financial services and audit position
- Knowledge-rich technology

# Increased regulatory complexity

*Financial Services industry facing perfect storm of regulations*

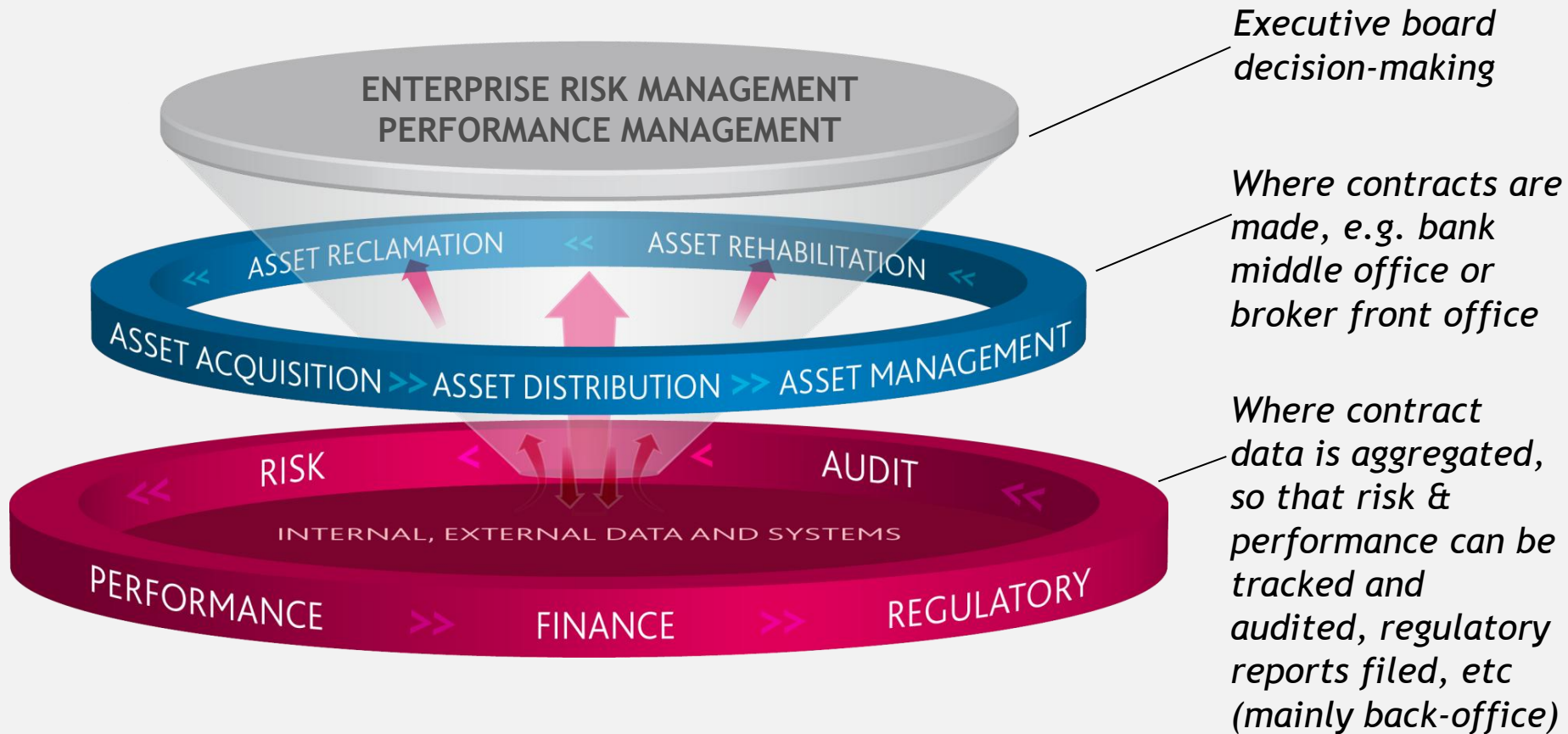
*(Illustrative)*

1990 → 2020



# Where we are positioned

*Our strong position in Middle and Back Office puts us in pole position to help financial institutions make better decisions*



# Our strategic priorities

*Three strategic goals*



**Establish global leadership**



**Broaden risk management solutions**



**Deliver comprehensive, embedded,  
knowledge-rich solutions**



# Financial & Compliance Services Division

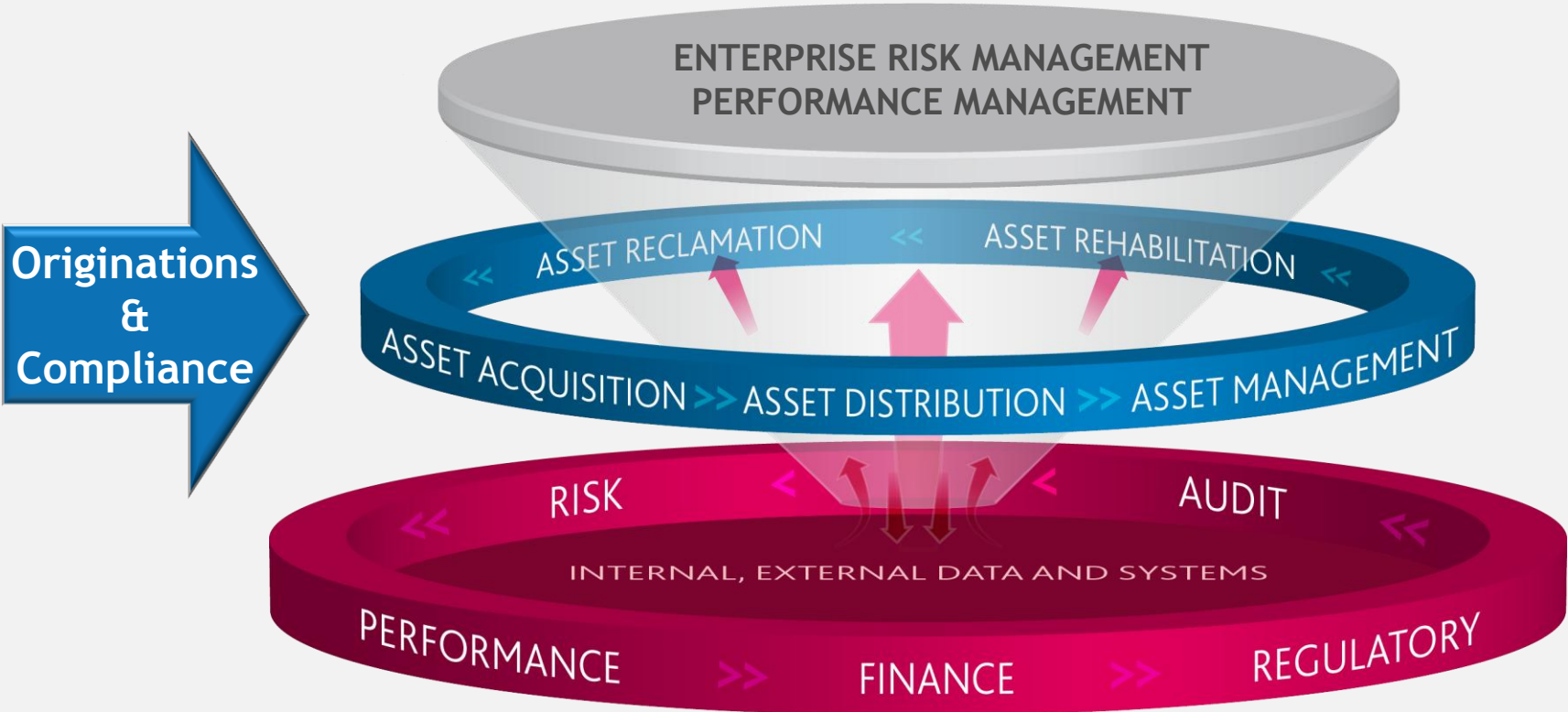
Ken Newton

CEO

Originations & Compliance

# Originations & Compliance: summary

*Market leading U.S. compliance workflow position*



# Originations & Compliance: product offerings

*Extensive range of solutions based on industry standard content*

## U.S. Banks, Lenders and Credit Unions

Consumer Lending	✓
Commercial Lending	✓
Residential Lending	✓
Indirect Lending	✓
Deposits	✓
Small Business Lending	✓
Individual Retirement Accounts	✓

# Originations & Compliance: market trends

*Leading U.S. compliance position enables us to quickly respond to evolving U.S. regulatory demands*

## Environment

- Increased regulatory demands
- Economic pressures

## Customer Challenges

- Manage complexity of Dodd Frank, e.g. default rules
- Address margin pressure in mortgage and consumer lending; focus on commercial lending and other more profitable product lines
- Improve operational efficiency without adding risk

## Opportunities for F&CS

- Leverage leading position to expand into adjacent areas, such as default risk
- Expand end-to-end workflow capabilities for commercial lending
- Create scalable and globally extensible solutions to support all customer tiers

# Case Study: Disclosure Manager

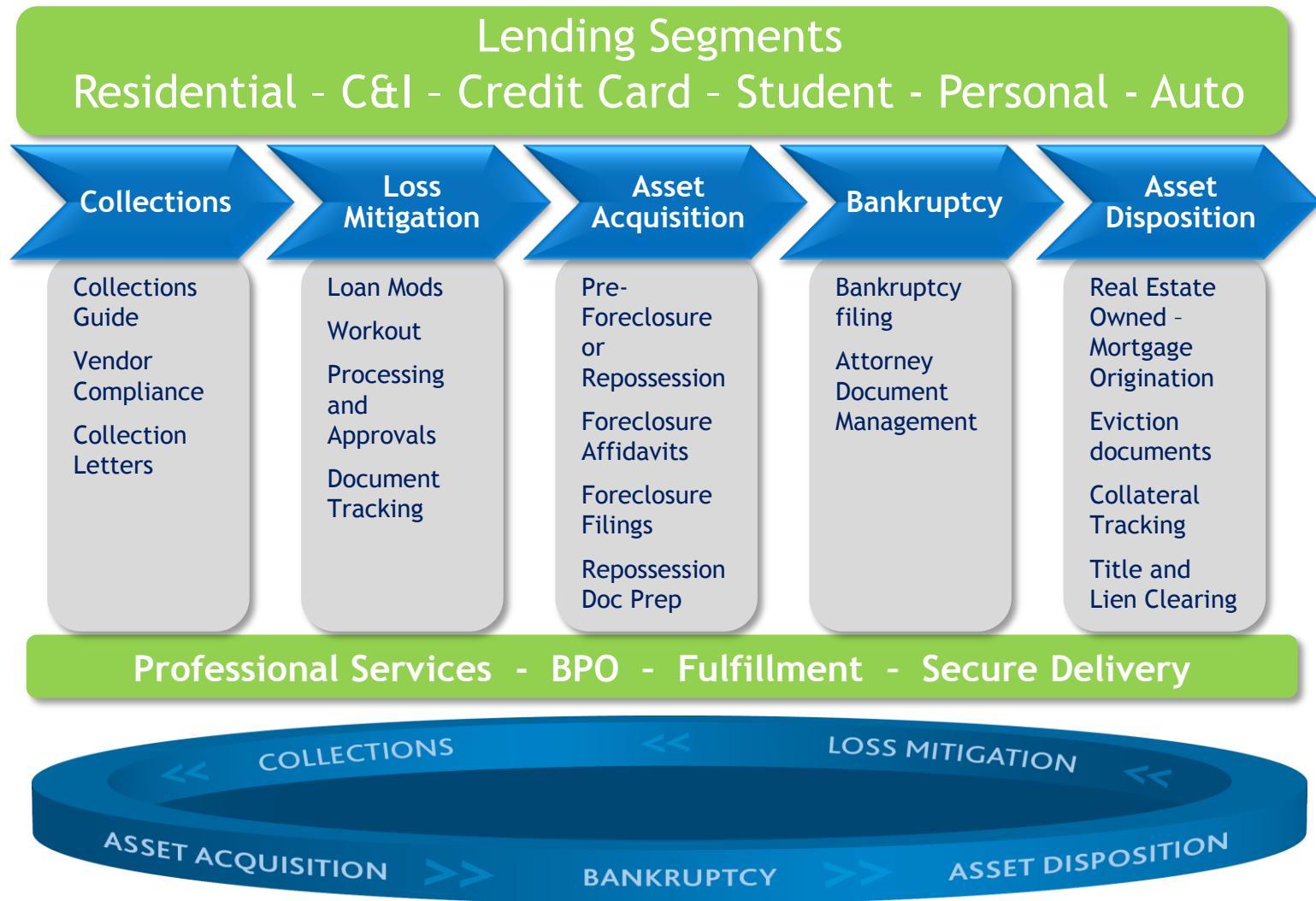
*Solving an inefficient, costly, highly-regulated process for lenders*

## Disclosure Manager



# Case Study: Default Servicing solution

*Wolters Kluwer addresses critical elements of default servicing*



# Financial & Compliance Services Division

**BREAK**

# Financial & Compliance Services Division

Raffi Festekjian

CEO

Finance, Risk & Compliance



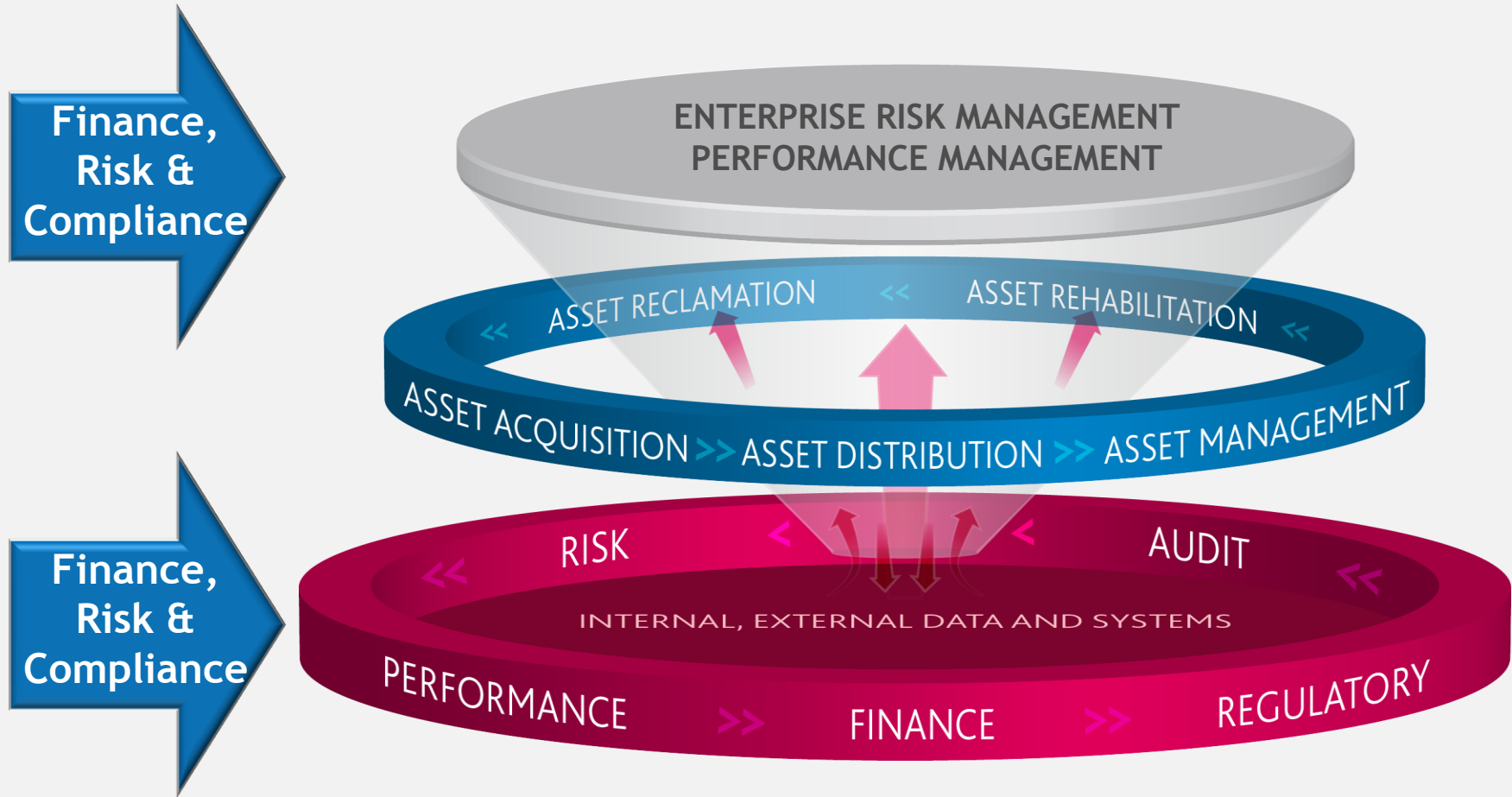
# Finance, Risk & Compliance: product offerings

*We provide a range of solutions to banks, insurance and securities firms*

Solutions for:	Banking	Insurance	Securities
Compliance management	✓	✓	✓
Regulatory reporting	✓	✓	
Financial risk	✓	✓	
Enterprise risk management	✓	✓	✓
Regulatory content and research	✓	✓	✓
Performance analytics	✓		
Finance	✓		
Investment compliance			✓

# Finance, Risk & Compliance: summary

*Leading regulatory position anchors broader risk and performance management value proposition*



# Finance, Risk & Compliance: market drivers

*We are a mission critical provider for financial institutions globally*

## Environment

- Increased regulatory demands
- Economic pressures

## Customer Challenges

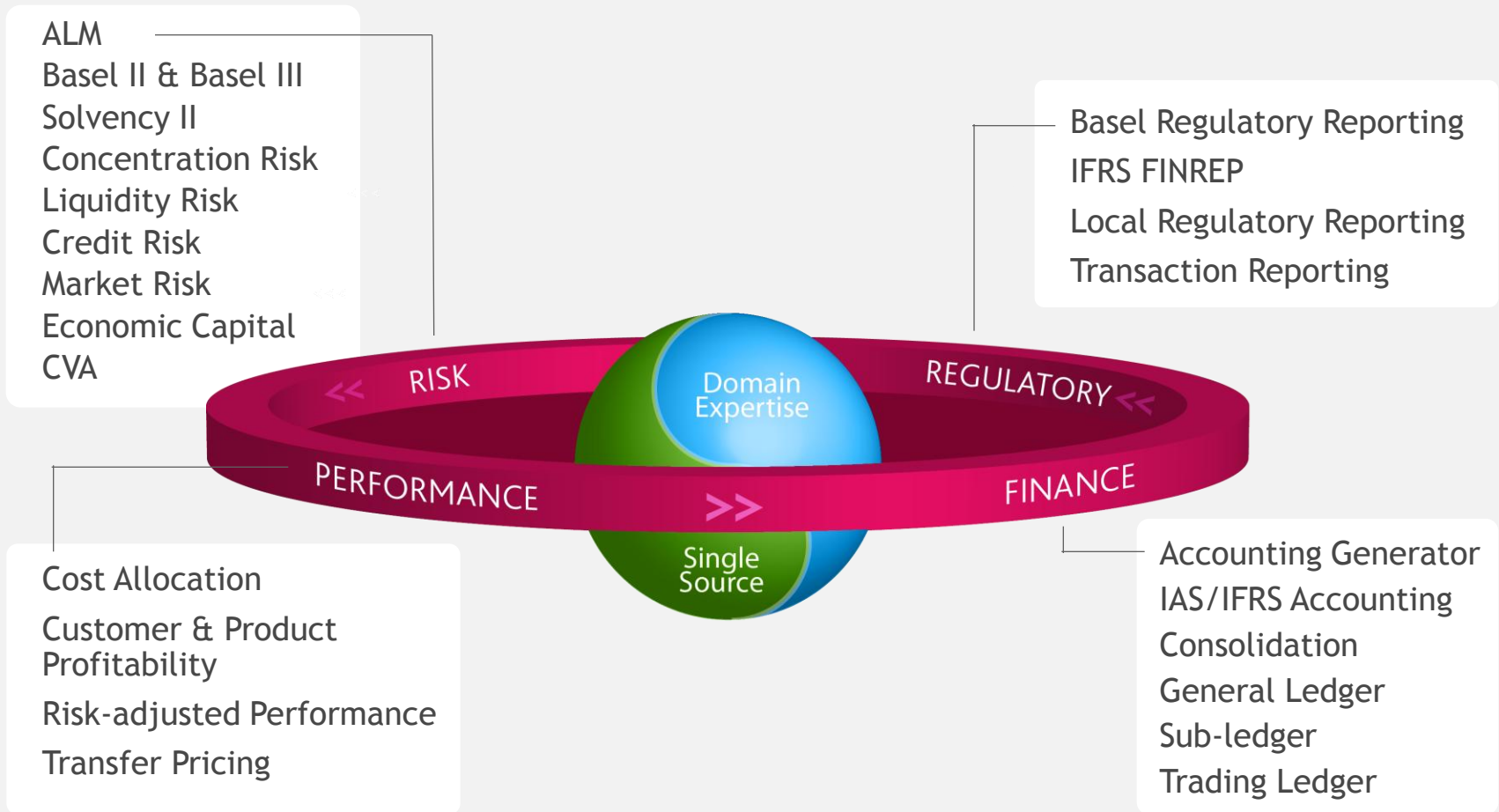
- Multi-national and global risk and regulatory complexity
- Need for holistic view of risk and performance for decision-making
- Need for operational efficiency without risk

## Opportunities for F&CS

- Leverage deep risk & compliance position and breadth of offerings to capture transformational opportunities
- Build on combined data model to extend risk solutions into key adjacent areas
- Leverage local regulatory expertise to manage global and regional mandates
- Extend into *predictive* analytics, enabling improved, data-driven decisions

# Case study: FRSGlobal + FinArch

*The advantage of building off a single source of data*



# Case study: FRS Global + FinArch

*Combination feeds higher value needs around risk & performance*



# Case study: Enterprise Risk Management

*Modular solution underpinned by common platform services*



# Financial & Compliance Services Division

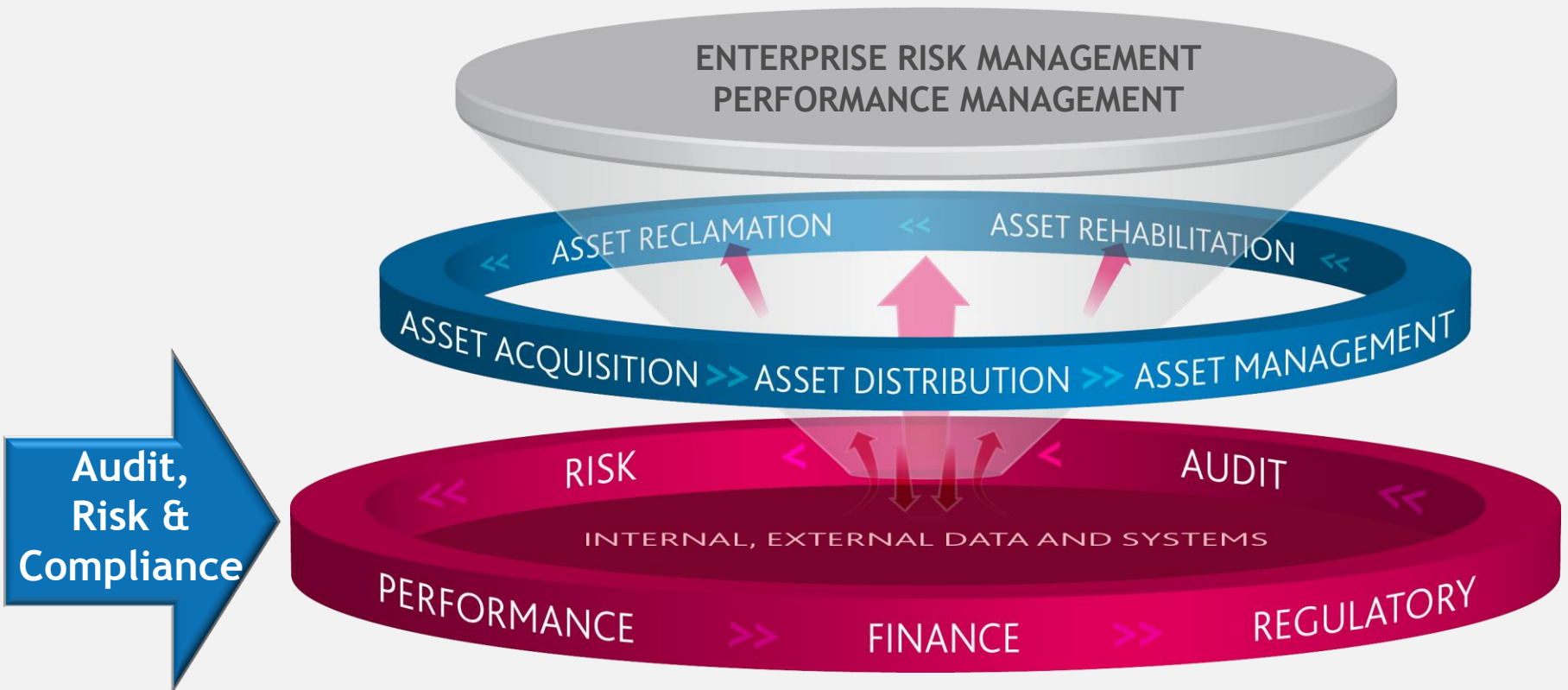
Ian Rhind

CEO

Audit

# Audit, Risk & Compliance: position

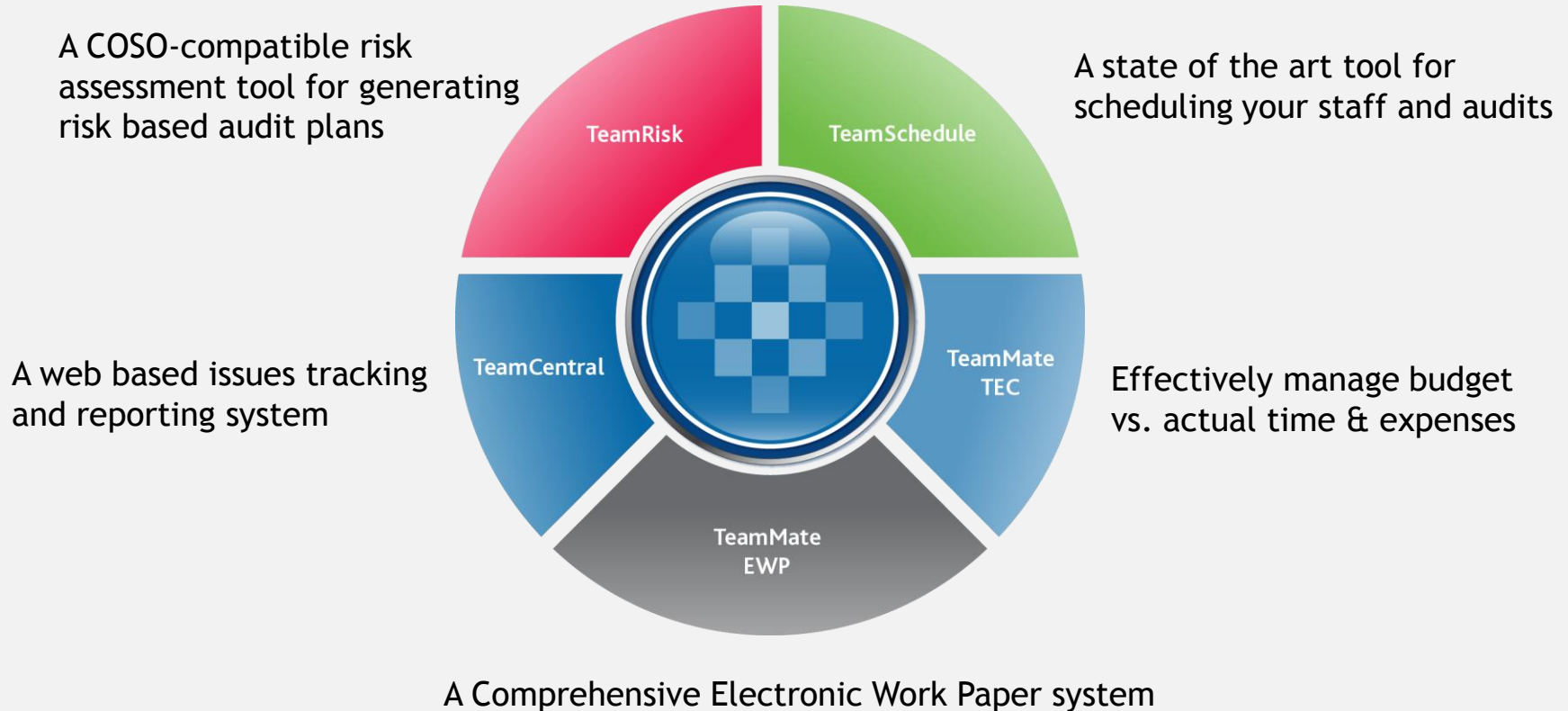
*TeamMate focused on core back office function*





# Audit Management Software

*Five integrated modules within TeamMate*



# Audit: Market drivers

*Need for efficiency and productivity is driving demand for proven internal audit solutions*

## Environment

- Increased regulatory demands
- Economic pressures

## Customer Challenges

- Need for evidence-based record to document compliance
- Need for efficiency
- Reporting to manage audit risk
- Analytics for real-time issues management

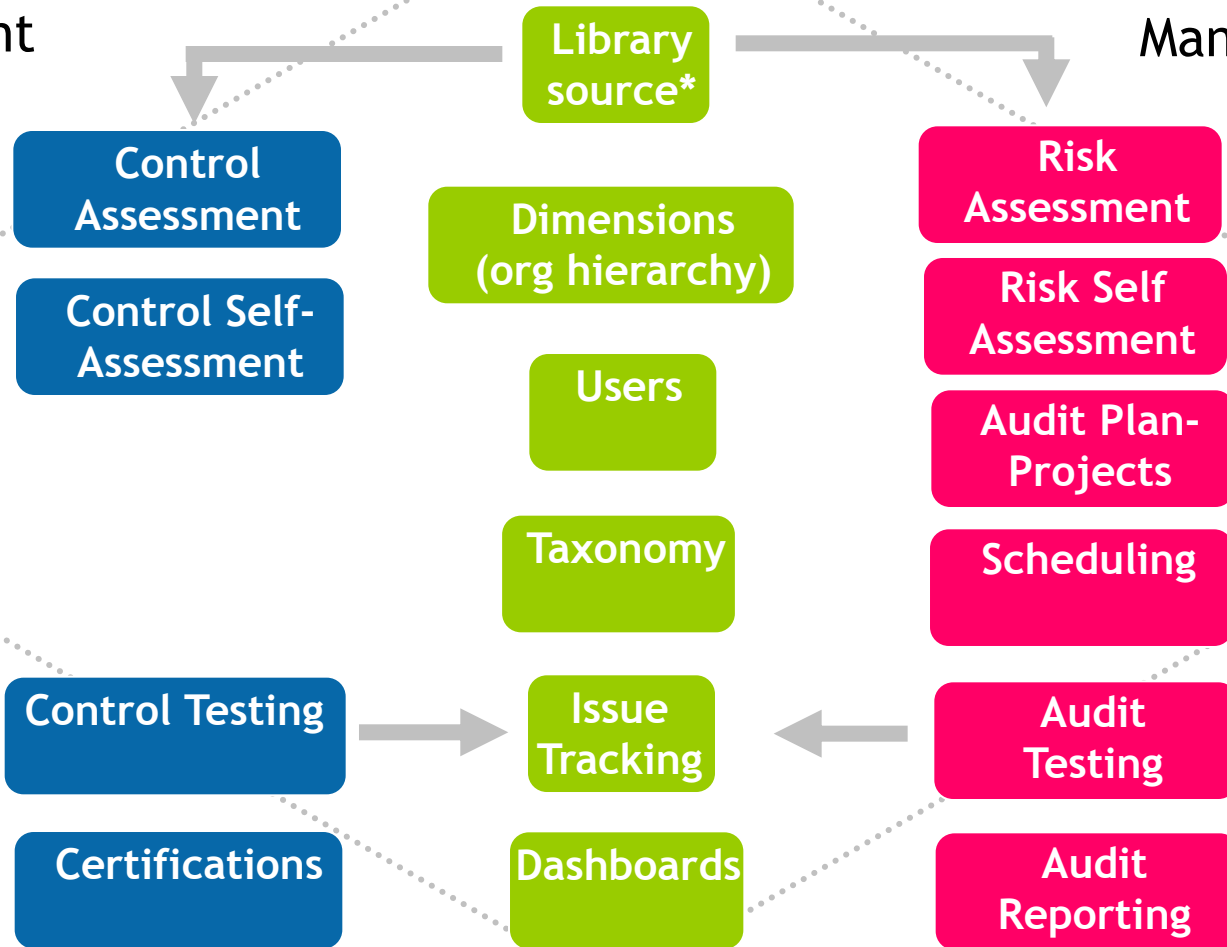
## Opportunities for F&CS

- Grow share in existing markets with purpose-built audit solution
- Leverage global footprint to gain share in fast-growing geographies
- Extend offering to adjacent markets, such as financial controls
- Extend capabilities in data analytics, content & community

# Case study: TeamMate Compliance and Audit Management

Compliance Management

Audit Management



\* Source refers to common knowledge base of Risk/Control Libraries used by both Compliance and Internal Audit

# Financial & Compliance Services Division

Ken Newton

CEO

Transport Services

# Transport Services: product offering

*Marketplace-powered TMS provider*

## Freight Exchange

Offerings: Pan-European freight exchange network

Brands: Teleroute, Bursa, Nolis

## Transport Management Software (TMS)

Offerings: End-to-end workflow offerings for transport operations

Brands: Transwide, Tivios, TAS

		Procure	Plan	Execute	Settle
SHIPPER		✓	✓	✓	✓
LOGISTICS PROVIDER		✓	✓	✓	✓
FORWARDER		✓	✓	✓	✓
TRANSPORTER		✓	✓	✓	✓
OWNER-DRIVER		✓	✓	✓	✓

# Transport Services: market trends

*A challenging environment for European road transport*

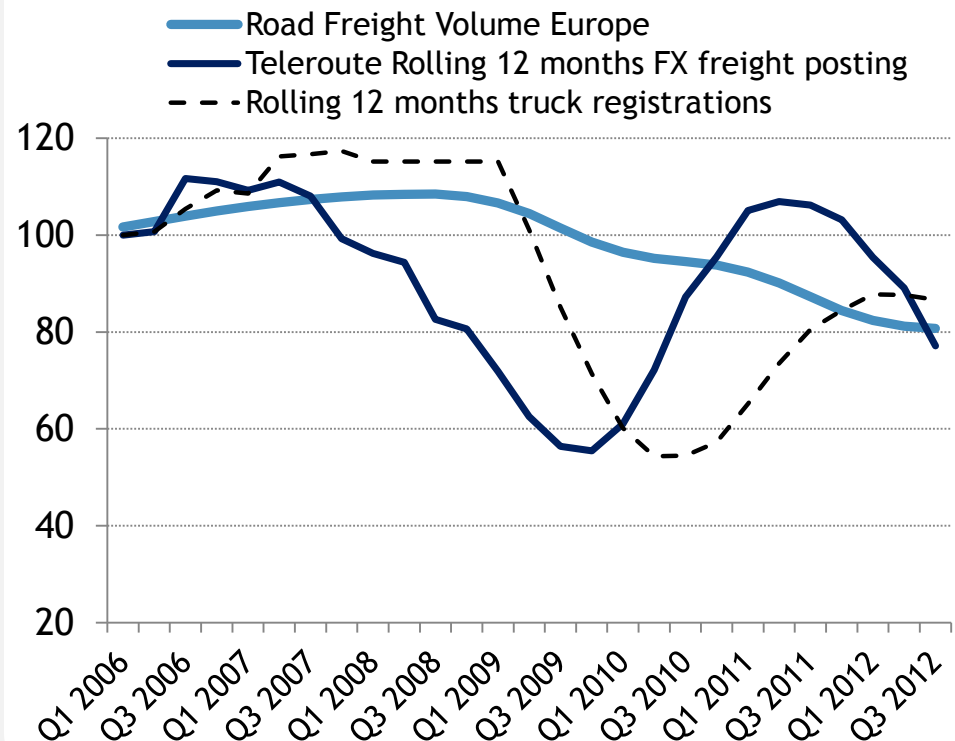
## Customer challenges

- European economic recession
- Steady decline in European road freight volumes in past four years
- High oil prices
- Rise of lower cost transporters from Eastern Europe
- Shift from spot to contractual freight

## Market trends

- Teleroute freight postings decline
- Increased competition
- Demand for Transport Management Software still dynamic

## European Road Freight Market Trends



# Transport Services: strategy

*Move towards integrated enterprise workflow solutions*

- Broaden the approach of Transport Services to cover *enterprise-wide* needs of players in the transport industry
- Provide integrated workflow solutions that
  - Connect industry partners, shippers, carriers, logistics companies
  - Integrate data and business intelligence to enable customers to plan better, thus saving them money
  - Enable deeper integration with customers' IT systems

# Case study: Teleroute

## *Collaboration - Company, Partner and Open Exchange*

### Leading pan-European market position



Over 70,000 users daily in 36 countries across Europe and beyond



Over 250,000 real-time offers every day; more than 1M tons traded daily



Reliable services with 99.98% availability





# Financial & Compliance Services Division

Nancy McKinstry

CEO

Wolters Kluwer

# Conclusions

- F&CS has strong market positions in fast growing segments of the financial services solutions market and is attaining note-worthy global scale
- F&CS' strategy is closely aligned with that of Wolters Kluwer
  - Creating value from combination of deep domain-expertise, technology and services.
  - Investing in innovation and globalization, whilst seeking operating efficiencies.
- Outlook for 2012:
  - Good growth in Financial Services overall, and in Audit, but continued weakness in Transport Services.
  - Margins will reflect investments in new growth initiatives and global expansion

# Financial & Compliance Services Division

## Q&A