



SIX and SBI Digital Asset Holdings Announce Plans for Singapore-Based Joint Exchange Venture to Drive Institutional Digital Asset Liquidity

Joint venture set to build the pre-eminent regional liquidity hub for institutional digital assets in Singapore as part of global liquidity network.

SIX Digital Exchange ("SDX") and SBI Digital Asset Holdings Co., Ltd., an SBI Group ("SBI") (8473) company today announced their intentions to work towards a joint venture to drive institutional digital asset liquidity through a Singapore-based digital issuance platform, exchange and CSD venue that is set to go-live by 2022 subject to regulatory approvals from the Monetary Authority of Singapore.

The contemplated joint venture announced by SBI and SIX is set to directly target the growing demand for public and private institutional digital assets, including regulated digital asset securities and cryptocurrency assets.

The venture will market directly to regulated institutional clients, utilizing technologies from both companies to provide institutional grade services including issuing, listing, trading, CSD infrastructure and custody of digital assets and cryptocurrencies. It will leverage the extensive networks of SIX Digital Exchange in Switzerland and Europe, and SBI in the Asian Marketplace, as well as their joint expertise in facilitating Institutional clients' needs.

Both SIX and SBI have demonstrated leadership in digital asset markets globally through several previously launched initiatives in the space.



Both entities have extensive global experience that will be leveraged in the traditional exchange ecosystem with SBI's engagement into Japannext the largest private trading venue in Japan (PTS), second only to the Tokyo Stock Exchange in terms of market share, as well as SDX's parent company, SIX, a top-10 global financial market infrastructure group, which recently acquired Bolsas y Mercados (BME Group) in Spain.

As cryptocurrency transaction volumes grow with continued adoption by institutional money, regulated digital securities markets have been growing behind the scenes. This includes newly introduced assets into the market that are defined by on-ledger tokenized securities such as digital bonds, digital equities and digital securitized loans. Note 'digital' here refers to the creation of native Distributed Ledger Technology (DLT)-based assets that are represented on chain and where transactions and corporate actions are verified. This new shift in market dynamics aims to be the focus of the proposed Singapore-based venture that target these "core" markets rather than retail and pure-cryptocurrency plays.

According to Thomas Zeeb, Chairman SDX, & Member Executive Board, SIX:

SBI Group is a natural partner for SIX given their strong position in Asia and their significant commitment to growing institutional digital asset markets.

As the operator of financial market infrastructure in both Switzerland and Spain,

SIX has significant experience in delivering trusted and secure capabilities to institutional capital markets and we look forward to bringing the best of SIX to our partnership with SBI in Asia, which we see as a strategically important region for growth.



Quote from Tim Grant, Head of SDX:

The SIX Digital Exchange strategy has always been the pursuit of a next generation global liquidity network for digital assets. This important partnership with SBI Digital Asset Holdings, which has shown itself to be a true global leader in the drive towards institutional adoption of this new asset class, builds on our Zurich-based exchange and CSD and will allow us to provide services into the Asian market as well as open up the trading channel between Europe and APAC.

Quote from Yoshitaka Kitao, CEO of SBI Holdings Inc, Chairman & Director, SBI Digital Asset Holdings Co., Ltd.

We are delighted to combine forces with SDX. This is an important step in building the necessary global infrastructure for widespread institutional adoption of digital assets. Together with SDX's strength in Switzerland and our planned digital exchange in Osaka, this venture will establish a powerful institutional corridor between Europe and Asia.

Quote from Fernando Vazquez Cao, CEO of SBI Digital Asset Holdings Co.,Ltd.

Our mission at SBI Digital Asset Holdings is to deliver trusted solutions and services for the digital economy and make digital solutions accessible to the world. SIX Digital Exchange, with its significant footprint in Switzerland and Europe working in a regulated environment, is a key partner to join forces with and help us deliver on our vision of a global digital asset ecosystem for the institutional market

The benefits of digital assets are becoming increasingly understood by leading global financial institutions, however, one of the key hurdles to market success is the availability of institutional digital market infrastructure to drive the formation of liquidity. In 2020 there have been more issuances and launches of digital-based products into market than any previous year, with expectations of digital-



AUM by leading financial institutions to continue to increase over the coming years. The proposed joint venture aims to elevate institutional digital asset liquidity alongside providing offerings for digital asset servicing required in the following ways:

- **New Public and Private Asset Classes:** DLT-based assets introduce the concept of programmable assets in token form, allowing significant customization to adapt and create new asset types based on client's demands and risk profiles.
- **Democratized Access for Investors:** Distributed ledger technology-based assets significantly reduces the barrier for entry for investors into these new asset classes through the speed of onboarding, new bespoke offerings, faster transaction and issuance speeds alongside reducing operational risk barriers.
- **Optimal Operational Efficiencies:** Middle-layer processes can be significantly reduced by the introduction of Digital Market Infrastructure (DMI), allowing for asset transactions from pre trade through post trade to have condensed processes, faster data transfer and verification as well as higher levels of (permissioned) transparency for all those handling the assets.
- **International Connectivity:** With increased operational efficiencies and new forms of asset servicing in both primary and secondary markets for public and private assets, digital assets on digital market infrastructure offer the promise of globally connected liquidity pools and global liquidity which this joint venture will aim to establish with Singapore, Japan and Switzerland as initial hubs.



The contemplated venture is set to formalize Singapore operations in 2021, with ambitions to launch into market with active offerings by 2022 or earlier, with international connectivity to respective Swiss, Japanese businesses and other partnerships to follow. The joint venture's issuance, exchange and CSD platforms are targeted to be fully regulated by existing Singapore law. This is analogous to the regulatory path of SDX's digital asset exchange and CSD in Switzerland under FINMA.

About SBI Digital Asset Holdings Co., Ltd. and the SBI Group

SBI Digital Assets Holdings is the digital assets umbrella company of SBI Holdings, Inc. Strategic investments and partners within both entities include B2C2, TaoTao, Börse Stuttgart Digital Exchange, BRD, R3 and, Ripple. SBI Digital Asset Holdings, via SBIgroup companies, has inroads to banking and securities infrastructure across Asia with businesses in Thailand, South Korea, Hong Kong, Malaysia and Cambodia. SBI Holdings, Inc. was established in 1999 as a pioneer of Internet-based financial services. The company provides financial services in a wide range of categories, including securities, banking and insurance and has formed the world's first Internet-based financial conglomerate. The SBI Group is one of the world's leading investors into the digital asset industry and this partnership is a further reflection of that commitment.

About SIX Digital Exchange (SDX)

SIX Digital Exchange (SDX) will be the first regulated market infrastructure in the world to offer a fully integrated end to end trading, settlement and custody service for digital assets. The service will provide a safe environment to issue, trade and custodise digital assets as well as enable the tokenization of existing securities and non-bankable assets to make previously untradeable assets tradeable.



About SIX

SIX operates and develops infrastructure services for the Swiss and Spanish Stock Exchanges, for Post-Trade Services, Banking Services and Financial Information with the aim of raising efficiency, quality and innovative capacity across the entire value chain of the Swiss financial center. The company is owned by its users (122 banks). With a workforce of some 3,200 employees and a presence in 20 countries, it generated operating income of CHF 1.13 billion and Group net profit of CHF 120.5 million in 2019.

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