



# Annual Press Conference 2014

25 March 2014



# Annual Results 2013

Dr. Urs Rügsegger  
Group CEO

# Highlights of Financial Year 2013

## Strong operating result

- Group net profit up CHF 65.7 million compared with the adjusted prior-year figure\*, to CHF 210.2 million (+45.5%)
- EBIT up CHF 67.9 million compared with the adjusted prior-year figure\* (+38.4%)
- Elimination of Eurex stake's contribution to profits largely compensated

## Growth

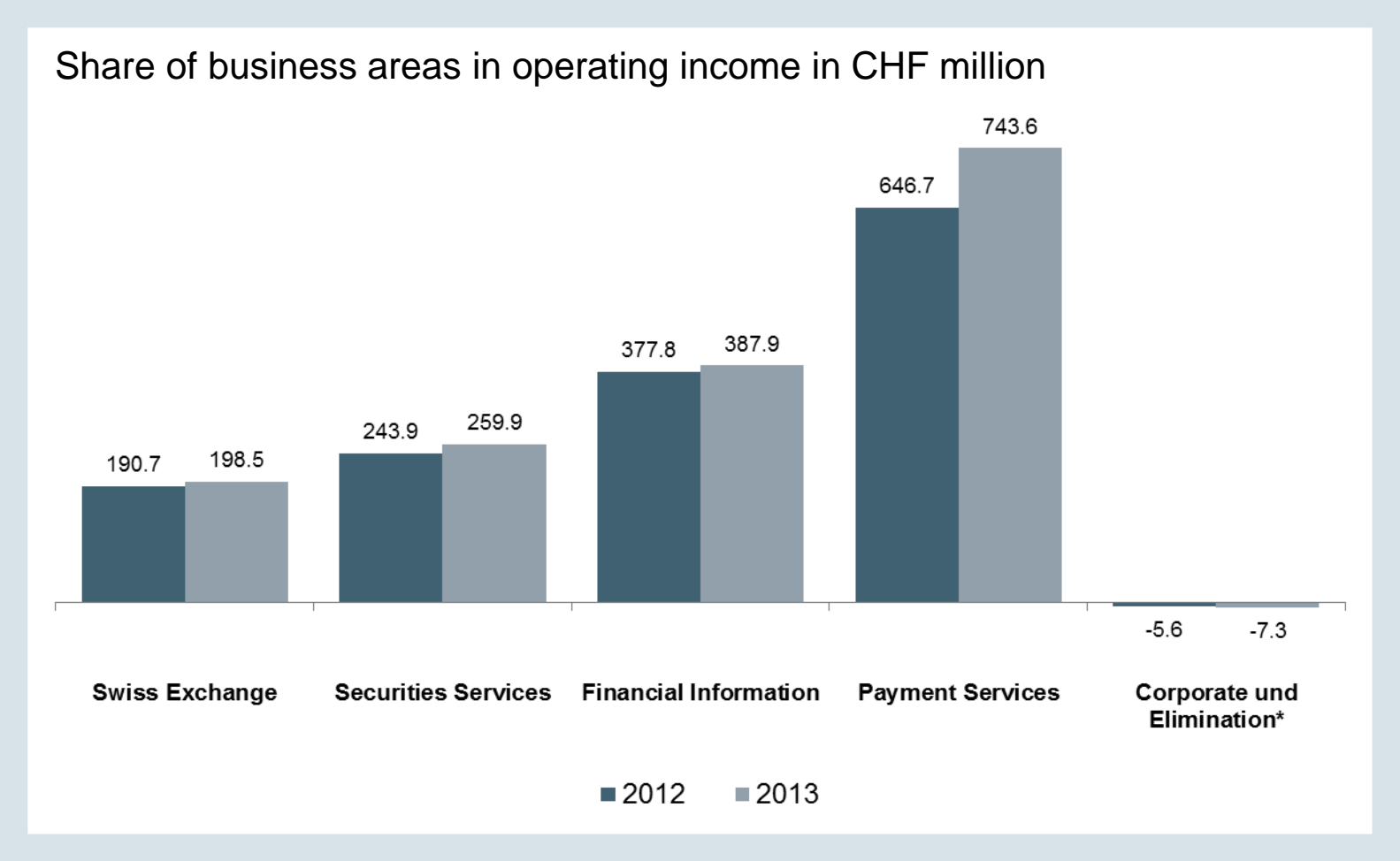
- Operating income up 8.9% to CHF 1582.7 million
- Organic growth boosts operating income by 4.5%
- Volumes doubled in international acquiring business (+104.8%) particularly by PayLife
- Marked increase in clearing transactions (+31.1%)

## Focus

- Financial turnaround of Financial Information
- Preparations for direct connection to T2S
- Development of SIX repo trading platform
- Centralization of IT functions leads to greater client focus in all business areas

*\*Prior-year figure adjusted for proceeds of CHF 266.0 million from sale of Eurex holding*

# Growth in all business areas

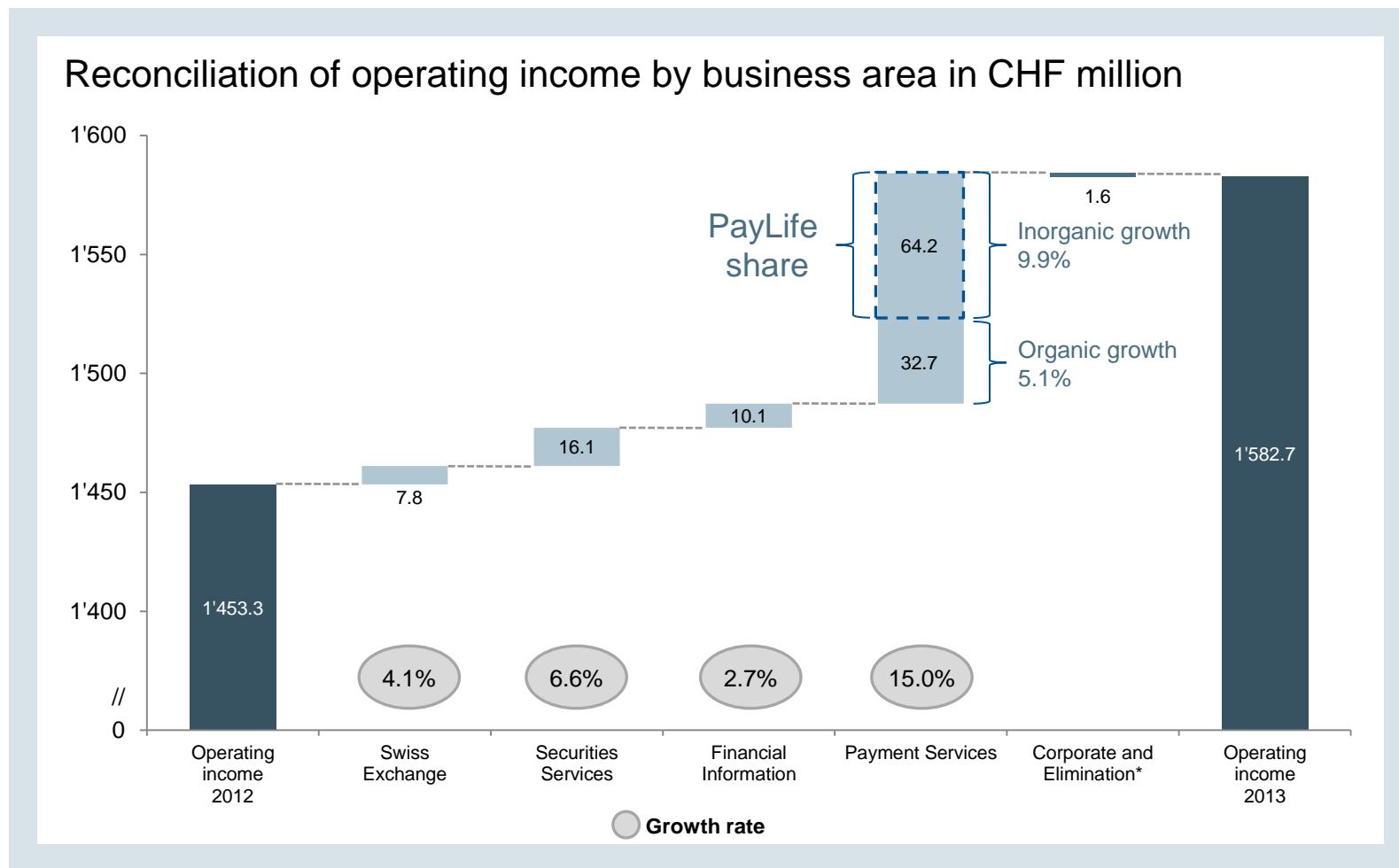


*\*The Corporate and Elimination segment essentially encompasses financial and rental income as well as consolidation bookings*

# Annual Results 2013

Dr. Stefan Mäder  
Group CFO

# Groupwide 4.5% organic growth



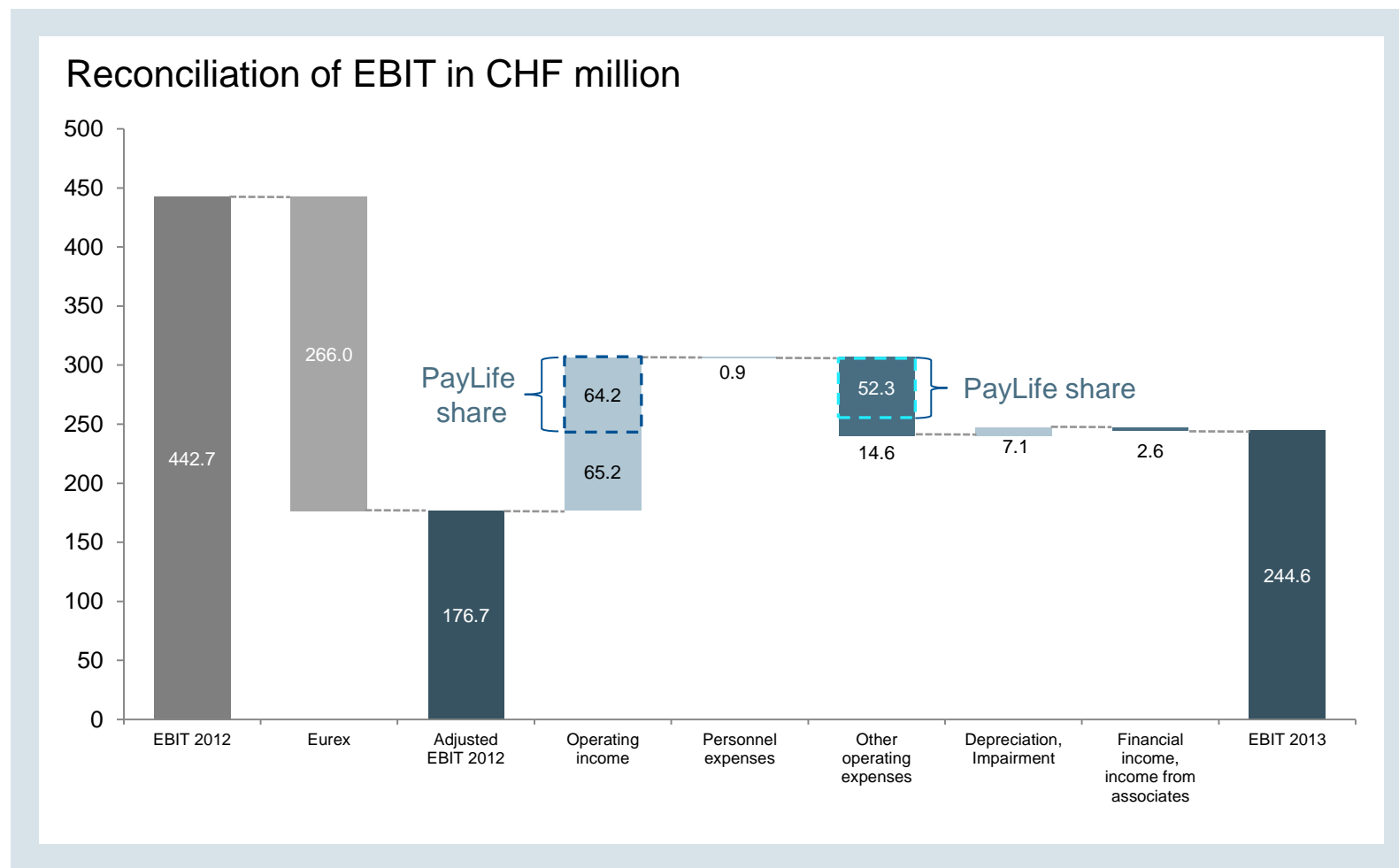
\*The Corporate and Elimination segment essentially encompasses financial and rental income as well as consolidation bookings

## Growth in European market in particular

| <b>(in CHF million)</b>       | <b>2013</b>    | <b>Dev. % on PY</b> |
|-------------------------------|----------------|---------------------|
| Switzerland                   | 1'119.8        | 3.8%                |
| Luxembourg                    | 181.6          | 21.1%               |
| Austria                       | 64.5           | 1198.4%             |
| France                        | 59.7           | -1.3%               |
| Germany                       | 25.2           | 1.2%                |
| UK                            | 22.5           | 5.1%                |
| Rest of Europe                | 68.0           | -1.8%               |
| Other                         | 41.5           | -5.6%               |
| <b>Total operating income</b> | <b>1'582.7</b> | <b>8.9%</b>         |

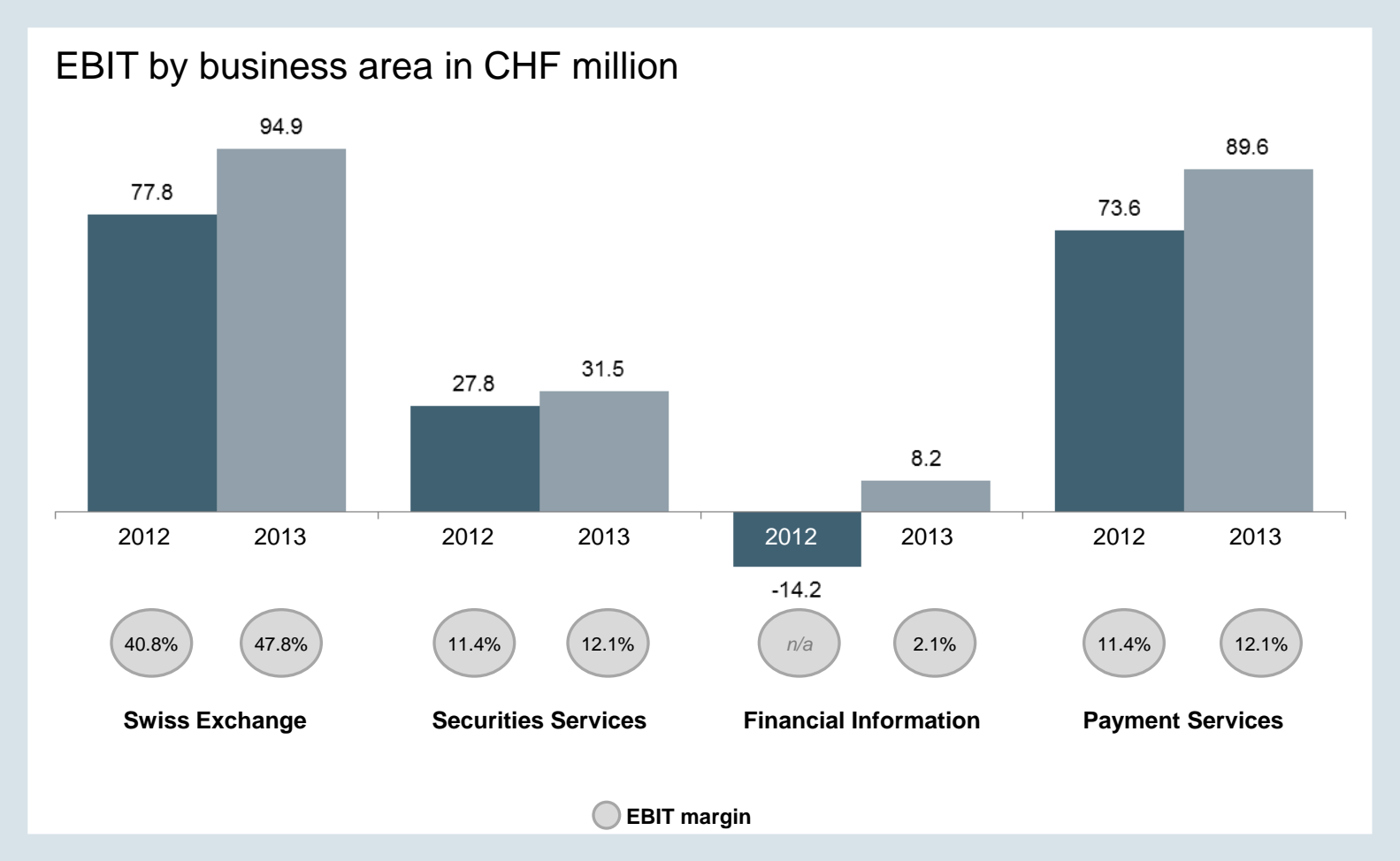
- International growth 23.5%
- Strong growth in focus markets Luxembourg and Austria
- Switzerland's share of total turnover falls (2013: 70.8% / 2012: 74.2%)

# EBIT rises by 38.4% compared with adjusted 2012 result thanks to higher revenues and cost discipline



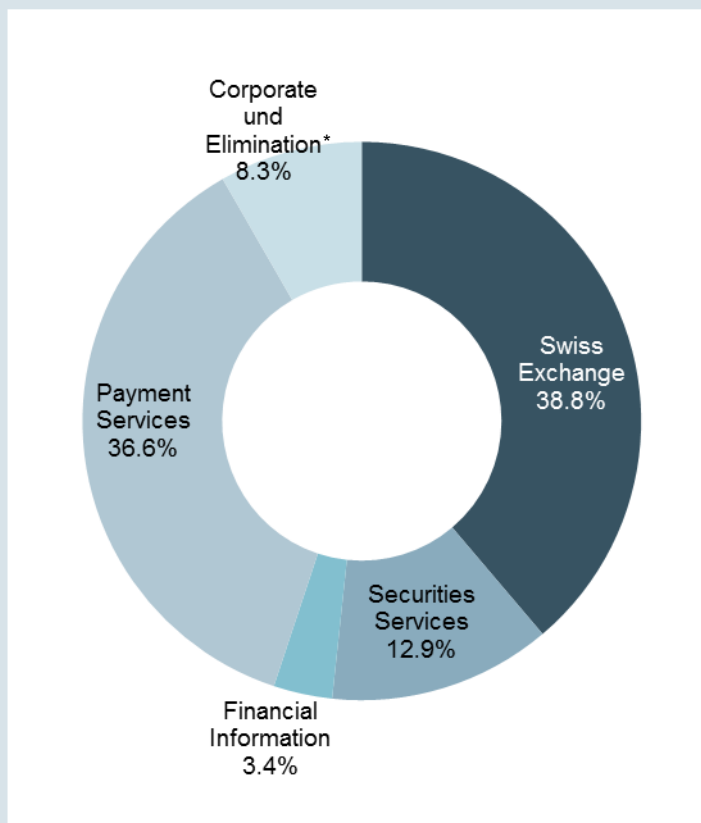


# All business areas increase profitability



# Diversified business model proves effective

Share of EBIT per segment 2013 (in %)

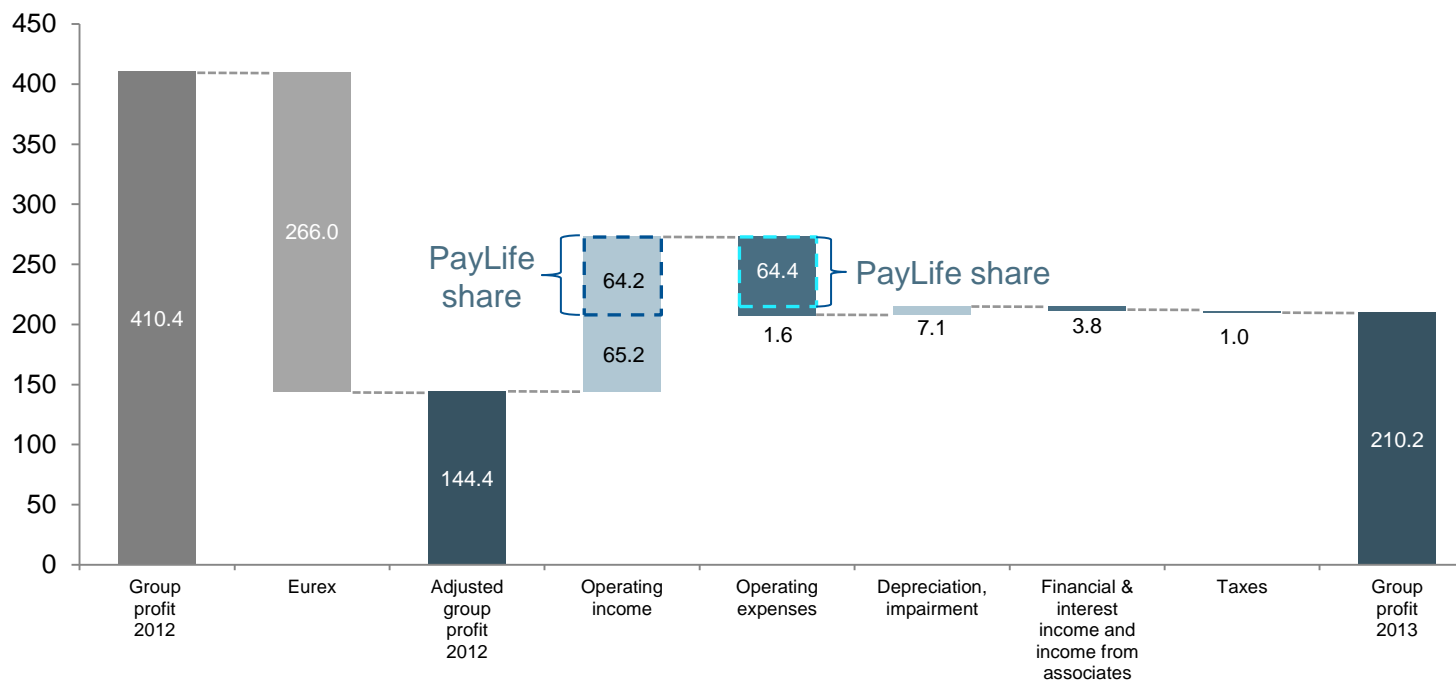


- Diversification contributes to stability of result
- Reduced reliance on securities business
- Turnaround of Financial Information supports diversification

*\*The Corporate and Elimination segment essentially encompasses financial and rental income as well as consolidation bookings*

# Group net profit up 45.5% without taking account of proceeds of sale of Eurex in the previous year

Reconciliation of Group net profit in CHF million



# Financial Highlights 2013

## Strong result

- Group net profit up 45.5% compared with adjusted\* prior-year result
- EBIT up 38.4% compared with adjusted\* prior-year result
- EBIT margin 15.5% (previous year adjusted\*: 12.2%)
- All divisions grow
- Groupwide organic growth 4.5%

## Solid capitalization

- Return on equity 9.4% (previous year adjusted\* 6.9%)
- Equity ratio 77.4% (81.8%)
- Confirmation of AA- credit rating by Standard & Poor's
- Ordinary dividend of CHF 5.00 per share proposed; total CHF 97.6 million; payout ratio 47.5%

## Stable cost base

- Cost/income ratio falls to 85.0% (previous year adjusted\* 88.3%)
- Operating income up only 4.4%, despite growth of 8.9% or CHF 58.9 million despite growth
- Workforce increases by 6.8% to 3,777.3 FTE following integration of PayLife Bank

*\*Prior-year figure adjusted for proceeds of CHF 266.0 million from sale of Eurex holding*

# Business performance

## Key points in 2014

Dr. Urs Rügsegger  
Group CEO

# Swiss Exchange business area

## The most important independent exchange in Europe

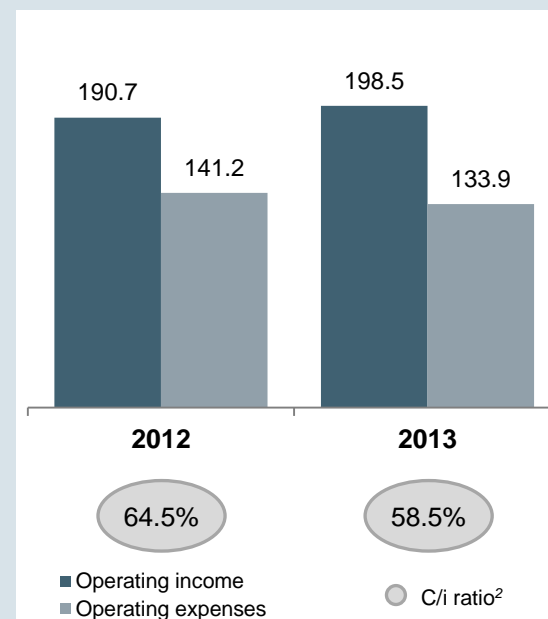
### Key figures

- Trading volume<sup>1</sup> CHF 1,004 billion (+12.5%)
- Number of transactions CHF 34.5 million (+9.3%)
- Number of tradable products 37,425 (+6.3%)

### Key points

- Position as reference market maintained: market share of blue-chip trading 66.0% (67.5%)
- Stronger growth than peer group<sup>2</sup>
- Technological lead: migration of all trading segments to high-performance platform
- New growth opportunities: Sponsored Funds
- Strengthening of Swiss market for structured products

### Cost/income comparison 2012 vs. 2013



<sup>1</sup>SIX Swiss Exchange and Scoach

<sup>2</sup>London Stock Exchange, Euronext and Deutsche Börse

\*C/i ratio: costs/(income+financial income+income from associates)

# Securities Services business area

## Strong player in the international market

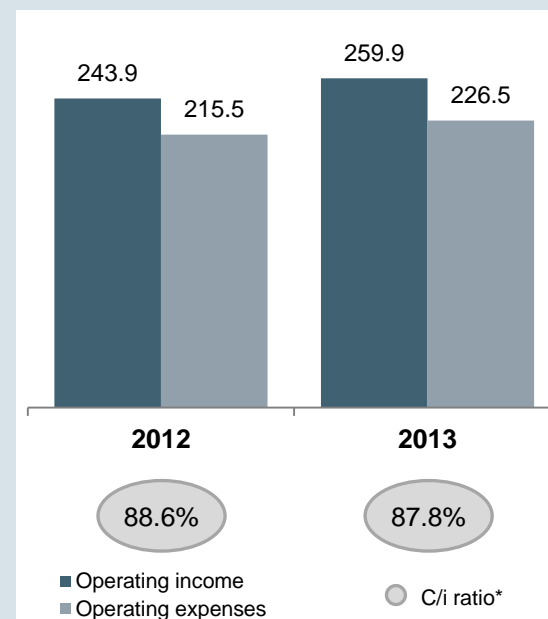
### Key figures

- Clearing transactions +31.1%
- Settlement transactions +9.3%
- Deposit volume CHF 2,892 billion (+7.6%)

### Key points

- Consistent focus of organization on clients and markets
- Position in clearing expanded
- Preparations for direct connection to T2S and thus of the Swiss financial market to the euro capital markets
- Strong growth in cross-border settlement transactions (+21.5%)
- 3 million of approx. 8 million properties in Switzerland now available on Terravis information portal

### Cost/income comparison 2012 vs. 2013



\*C/i ratio: costs/(income+financial income+income from associates)

# Financial Information business area

## Improved profitability

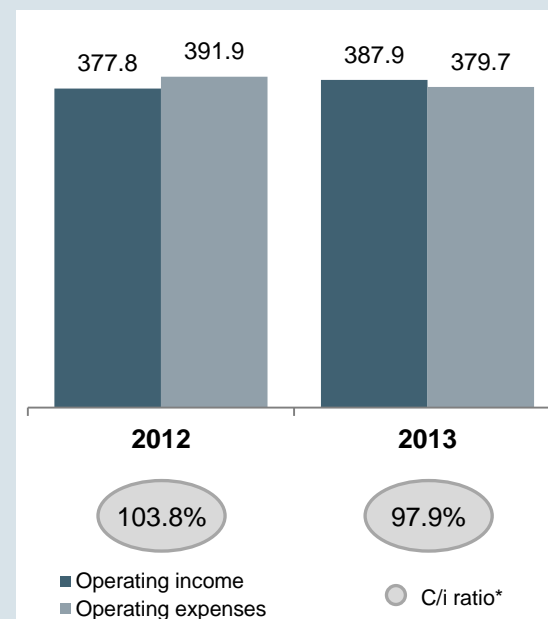
### Key figures

- Reference data growth +4.2%
- Market data growth +7.1%
- Number of financial instruments +12.6%
- Number of price updates +20.6%

### Key points

- Return to profit
- Strategic focus on the areas of reference data, valuation information and Solutions\*\*
- Success of additional services in the regulatory field (solutions for FATCA and Financial Transaction Tax, FTT)
- Expanding capacity and improving quality of the existing platform after termination of renewal project

### Cost/income comparison 2012 vs. 2013



\*C/i ratio: costs/(income+financial income+income from associates)

\*\*Individual software solutions



# Payment Services business area

## Strong international growth

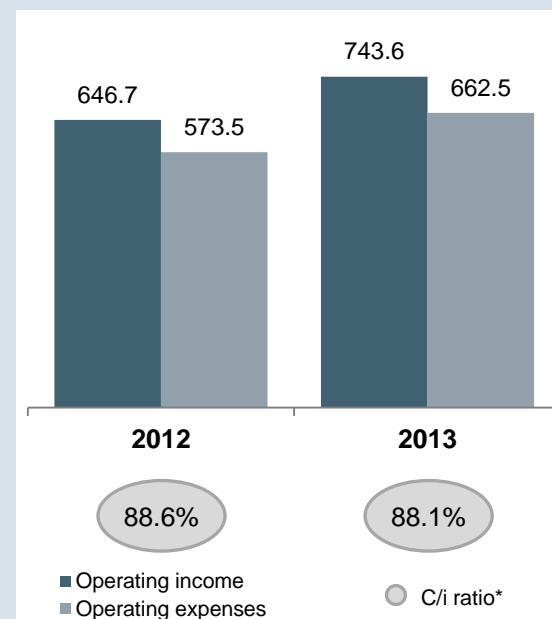
### Key figures

- Acquiring revenue CHF 50,649 million (+20.5%)
- Card transactions 2,981 million (+12.9%)
- Payment transactions 486 million (+3.0%)

### Key points

- Market leader in Switzerland, Luxembourg and Austria
- Worldwide market leader in payment solutions for the hotel industry
- Acquisition of PayLife in Austria
- New processing platform in Luxembourg
- New contactless-ready terminals
- Record sales of terminals in Switzerland
- Renewal of SIC and euroSIC platforms proceeding on schedule

### Cost/income comparison 2012 vs. 2013



\*C/i ratio: costs/(income+financial income+income from associates)

# PayLife: Austria's biggest provider in the acquiring business and leading credit card issuer

## Issuing

1.5 million credit and prepaid cards

## Acquiring

67,000 payment terminals, 87,000 acceptance points

## Quick: prepaid card with contactless function

over 9 million cards (Maestro cards + Quick prepaid cards)

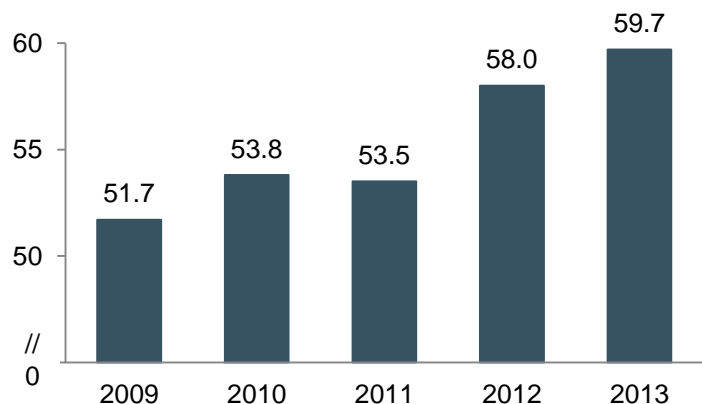
## Internat. business

over 2,350 POS terminals in 11 countries

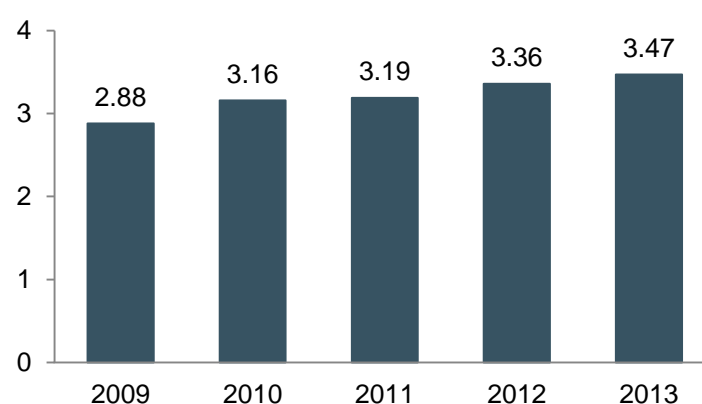
## Internat. card issuing

in 6 countries

### PayLife card transactions (in million)



### PayLife card sales (in € billion)



# Strategic considerations

Dr. Urs Rügsegger  
Group CEO

# Challenging environment

## Policy

- Continuing pressure on the Swiss financial center from Switzerland and abroad (tax issues, popular initiatives)
- Intense competition between financial centers persists

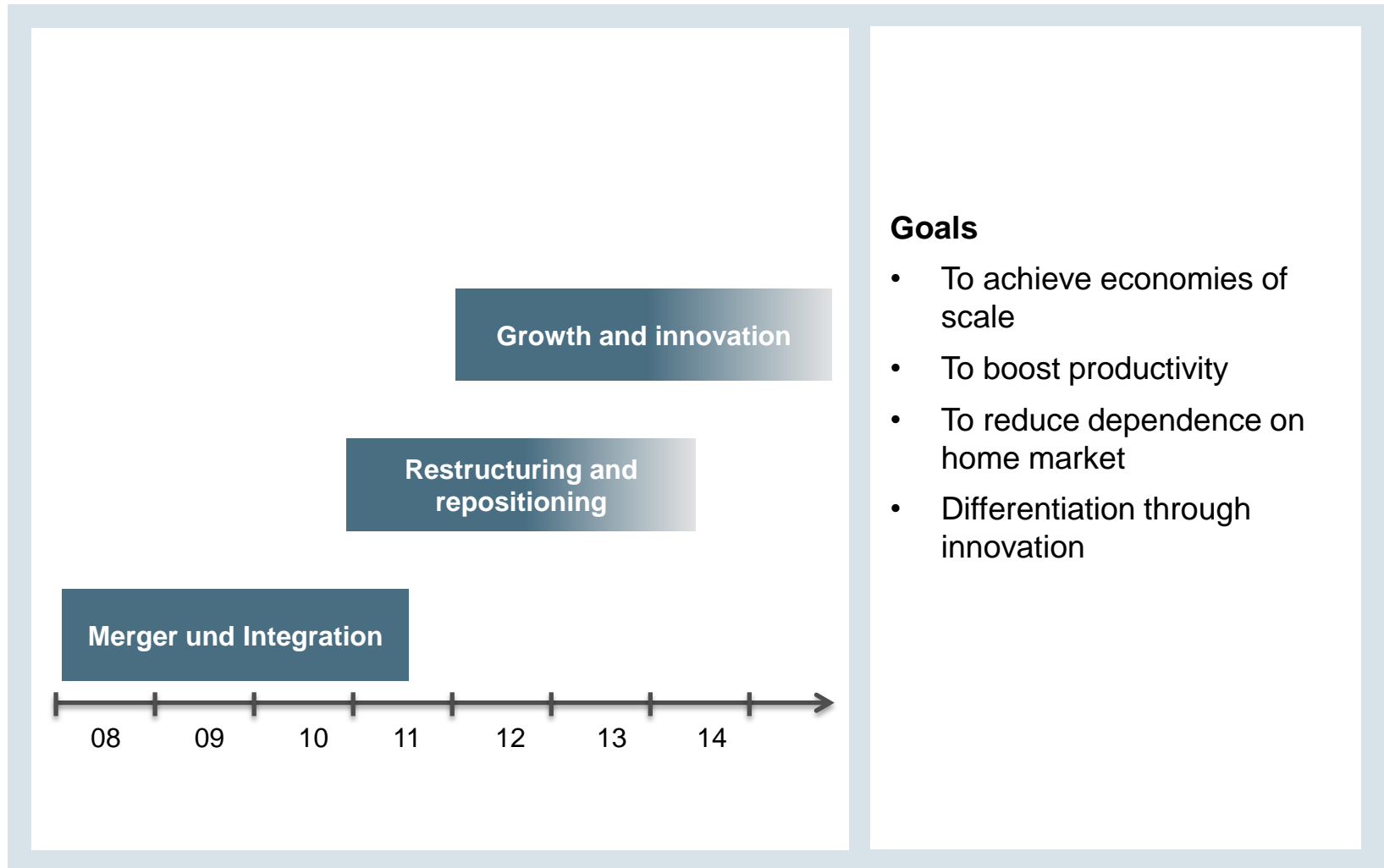
## Regulation

- Access to EU market increasingly linked to regulatory equivalence
- High number of (new) regulatory initiatives
- Increasing importance and growing pressure from supranational bodies

## Market

- Structural transformation of financial sector and change in banks' business models are leading to cost pressure
- Ongoing standardization means new differentiating features required
- New competitors, some from outside the sector, entering the market

# Consistent pursuit of the current approach



# Key points in 2014

| Strategic thrusts                               | Implementation focus   |
|---|--|
| <b>Deepening of client relations</b>            | <ul style="list-style-type: none"><li>• Upgrading and expanding the sales organizations</li><li>• Completion of top account management pilot scheme</li><li>• SIX-wide client survey on addressing the needs of our clients in a targeted manner</li></ul>   |
| <b>Innovation</b>                               | <ul style="list-style-type: none"><li>• Launch new repo market and expand TPA functionality</li><li>• Implement major projects at Payment Services (ATM Futura, P2P, e-billing/direct debits)</li><li>• Stronger positioning as innovative company</li></ul> |
| <b>Increase in business volume</b>              | <ul style="list-style-type: none"><li>• Organic expansion in foreign markets</li><li>• Consolidation of new services that have been launched (e.g. Sponsored Funds)</li><li>• Ensuring acquisition opportunities</li></ul>                                   |
| <b>Increase in efficiency and profitability</b> | <ul style="list-style-type: none"><li>• Bring all IT functions together in one division</li><li>• Integration of PayLife</li><li>• Closer involvement of foreign locations in the area of Corporate Services</li></ul>                                       |



# Questions and answers

25 March 2014



# Appendix





# Consolidated income statement

| (in CHF million)   | 2013            | 2012            | Dev.          | Dev. %       |
|--|-----------------|-----------------|---------------|--------------|
| Commission revenues                                      | 542.1           | 482.6           | 59.5          | 12.3         |
| Transaction revenues                                     | 388.2           | 357.6           | 30.6          | 8.6          |
| Service revenues   | 586.1           | 554.7           | 31.4          | 5.7          |
| Net interest income from banking business                | 3.3             | 4.5             | -1.2          | -26.1        |
| Other operating income                                   | 63.1            | 54.0            | 9.1           | 17.0         |
| <b>Operating income</b>                                  | <b>1'582.7</b>  | <b>1'453.3</b>  | <b>129.4</b>  | <b>8.9</b>   |
| Personnel expenses                                       | -572.9          | -573.8          | 0.9           | -0.2         |
| Other operating expenses                                 | -702.6          | -635.7          | -66.9         | 10.5         |
| Depreciation, amortization and impairment                | -111.0          | -118.1          | 7.1           | -6.0         |
| <b>Operating expenses</b>                                | <b>-1'386.6</b> | <b>-1'327.7</b> | <b>-58.9</b>  | <b>4.4</b>   |
| <b>Operating profit</b>                                  | <b>196.2</b>    | <b>125.6</b>    | <b>70.6</b>   | <b>56.2</b>  |
| Share of profit of an associate                          | 24.4            | 29.7            | -5.2          | -17.7        |
| Net financial result                                     | 24.0            | 287.4           | -263.4        | -91.7        |
| <b>Earnings before interest and tax (EBIT)</b>           | <b>244.6</b>    | <b>442.7</b>    | <b>-198.1</b> | <b>-44.8</b> |
| Net interest income                                      | 6.6             | 7.7             | -1.1          | -14.9        |
| Income tax expenses                                      | -41.0           | -40.0           | -1.0          | 2.4          |
| <b>Group net profit</b>                                  | <b>210.2</b>    | <b>410.4</b>    | <b>-200.2</b> | <b>-48.8</b> |
| thereof attributable to equity holders of SIX Group Ltd. | 205.5           | 407.4           | -201.9        | -49.5        |
| thereof attributable to non-controlling interests        | 4.6             | 3.0             | 1.6           | 54.1         |

# Consolidated balance sheet

| (in CHF million)                       | 31.12.2013     | 31.12.2012     | Dev.          | Dev. %      |
|--|----------------|----------------|---------------|-------------|
| Cash and cash equivalents              | 3'595.6        | 4'044.9        | -449.4        | -11.1       |
| Trade and other receivables            | 787.8          | 315.1          | 472.7         | 150.0       |
| Receivables from clearing & settlement | 1'882.0        | 2'169.9        | -287.9        | -13.3       |
| Financial assets current               | 540.9          | 501.7          | 39.2          | 7.8         |
| Other current assets                   | 81.7           | 75.7           | 6.0           | 7.9         |
| <b>Current assets</b>                  | <b>6'888.1</b> | <b>7'107.4</b> | <b>-219.3</b> | <b>-3.1</b> |
| Property, plant and equipment          | 242.0          | 242.2          | -0.2          | -0.1        |
| Intangible assets                      | 208.5          | 156.3          | 52.2          | 33.4        |
| Investments in associates              | 217.9          | 216.8          | 1.1           | 0.5         |
| Financial assets non-current           | 337.4          | 152.5          | 184.9         | 121.2       |
| Other non-current assets               | 91.1           | 68.2           | 22.8          | 33.5        |
| <b>Non-current assets</b>              | <b>1'096.9</b> | <b>836.1</b>   | <b>260.8</b>  | <b>31.2</b> |
| <b>Assets</b>                          | <b>7'985.0</b> | <b>7'943.5</b> | <b>41.5</b>   | <b>0.5</b>  |
| Trade and other payables               | 330.6          | 59.9           | 270.6         | 451.6       |
| Payables from clearing & settlement    | 4'902.1        | 5'178.3        | -276.2        | -5.3        |
| Financial liabilities                  | 98.3           | 59.5           | 38.8          | 65.2        |
| Other current liabilities              | 344.0          | 258.6          | 85.4          | 33.0        |
| Non-current liabilities                | 125.3          | 109.0          | 16.3          | 15.0        |
| <b>Liabilities</b>                     | <b>5'800.3</b> | <b>5'665.3</b> | <b>135.0</b>  | <b>2.4</b>  |
| Shareholders' equity                   | 2'179.3        | 2'261.0        | -81.8         | -3.6        |
| Non-controlling interests              | 5.4            | 17.2           | -11.7         | -68.4       |
| <b>Equity</b>                          | <b>2'184.7</b> | <b>2'278.2</b> | <b>-93.5</b>  | <b>-4.1</b> |
| <b>Liabilities and equity</b>          | <b>7'985.0</b> | <b>7'943.5</b> | <b>41.5</b>   | <b>0.5</b>  |

# Overview of segment results

| (in CHF million)                               | 2013           | 2012           | Dev.          | Dev. %       |
|--|----------------|----------------|---------------|--------------|
| <b>Operating income</b>                        |                |                |               |              |
| Swiss Exchange                                 | 198.5          | 190.7          | 7.8           | 4.1          |
| Securities Services                            | 259.9          | 243.9          | 16.1          | 6.6          |
| Financial Information                          | 387.9          | 377.8          | 10.1          | 2.7          |
| Payment Services                               | 743.6          | 646.7          | 96.9          | 15.0         |
| Corporate and elimination <sup>1</sup>         | -7.2           | -5.7           | -1.6          | -27.3        |
| <b>Total operating income</b>                  | <b>1'582.7</b> | <b>1'453.3</b> | <b>129.4</b>  | <b>8.9</b>   |
| <b>Earnings before interest and tax (EBIT)</b> |                |                |               |              |
| Swiss Exchange                                 | 94.9           | 77.8           | 17.1          | 22.1         |
| Securities Services                            | 31.5           | 27.8           | 3.6           | 13.1         |
| Financial Information                          | 8.2            | -14.2          | 22.5          | 158.0        |
| Payment Services                               | 89.6           | 73.6           | 16.0          | 21.8         |
| Corporate <sup>1</sup>                         | 20.4           | 277.8          | -257.4        | -92.7        |
| <b>Total EBIT</b>                              | <b>244.6</b>   | <b>442.7</b>   | <b>-198.1</b> | <b>-44.8</b> |

<sup>1</sup> The Corporate segment essentially encompasses financial and rental income as well as consolidation bookings

# Key regulatory developments

| Topics           | Decreets  | Swiss Exchange | Securities Services | Financial Information | Payment Services | Entire Group |
|------------------|---|----------------|---------------------|-----------------------|------------------|--------------|
| Financial market | Financial Market Infrastructure Act (FinfraG)                             | x              | x                   |                       |                  |              |
|                  | Markets in Financial Instruments Directive/Regulation (MiFID II/MiFIR)    | x              | x                   | x                     |                  |              |
|                  | European Markets Infrastructure Regulation (EMIR)                         |                | x                   |                       |                  |              |
|                  | Central Securities Depositories Regulation (CSDR)                         |                | x                   |                       |                  |              |
| Products         | Financial Services Act (FSA)  | x              |                     |                       |                  |              |
|                  | Payment Services Directive (PSD)  |                |                     |                       | x                |              |
|                  | Undertakings for Collective Investment in Transferable Securities (UCITS) | x              | x                   |                       |                  |              |
| Taxes            | Foreign Account Tax Compliance Act (FATCA)                                |                | x                   | x                     |                  | x            |
|                  | Financial Transaction Tax (FTT)   | x              | x                   | x                     |                  |              |