



Annual Press Conference 2017

9 March 2017

Annual Results 2016



Dr. Urs Rügsegger
Group CEO

2016 financial year

Moderate growth

- **Revenue growth of 1.5%**
- **Business model pays off once again:** The decline in revenue at Swiss Exchange (2015 was dominated by the removal of the EUR/CHF floor) and Security Services (adjusted for special effects), was compensated by growth at Financial Information and Payment Services

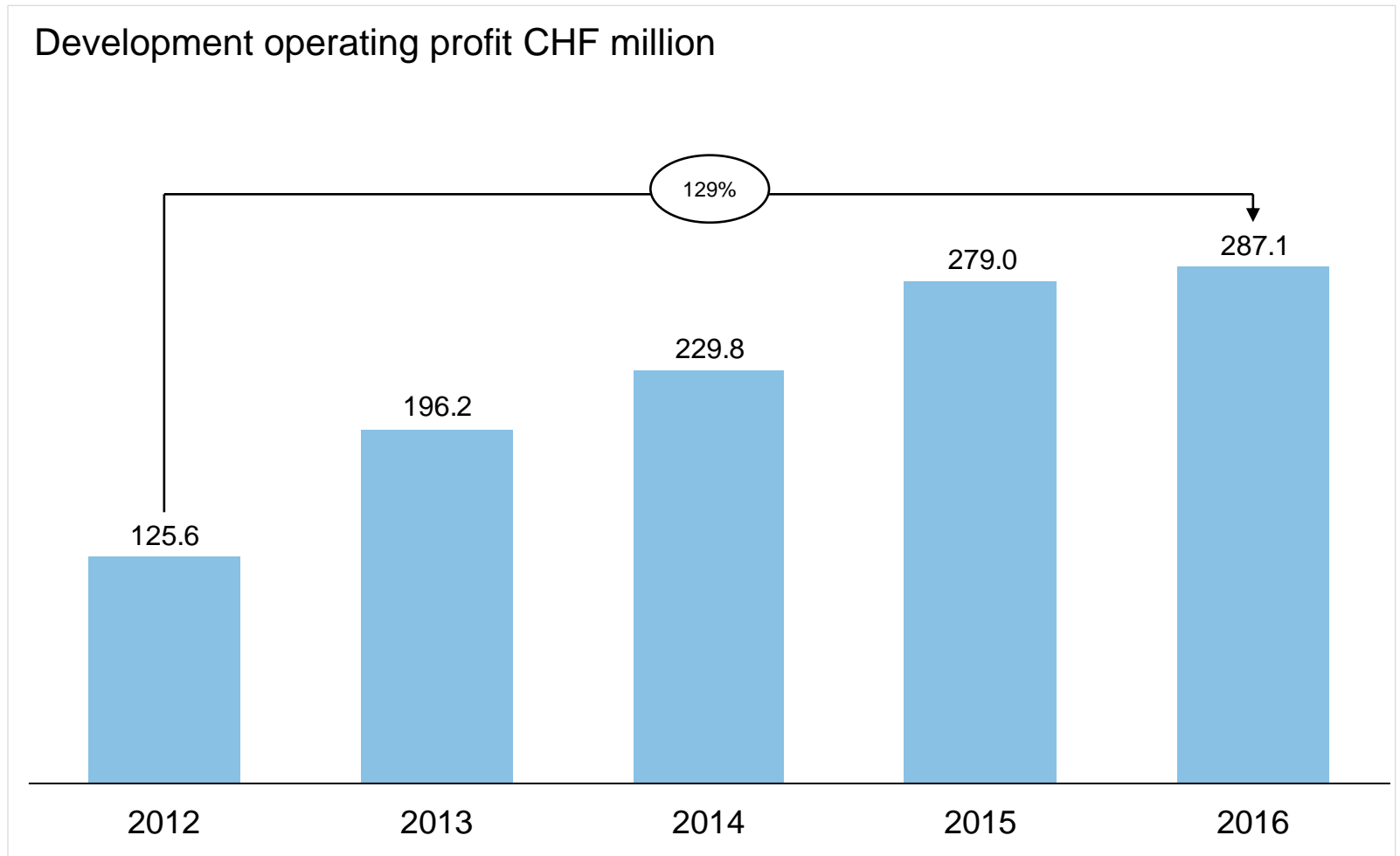
Solid operating profit

- **Operating profit up by 2.9%**
- Adjusted EBIT declined by 5.0% due to the strong previous year and substantially lower capitalization
- **Balanced divisional portfolio proves highly effective**

Highlights

- Successful start-up of the new **repo trading platform** and relaunch of the SIC interbank payment system
- Establishment of TWINT joint venture for Swiss nationwide **mobile payment**
- Successful launch of new **SwissAtMid** service
- Opening of **F10** and expansion of the FinTech Startup Accelerator program

Operating profit rose 129% since 2012

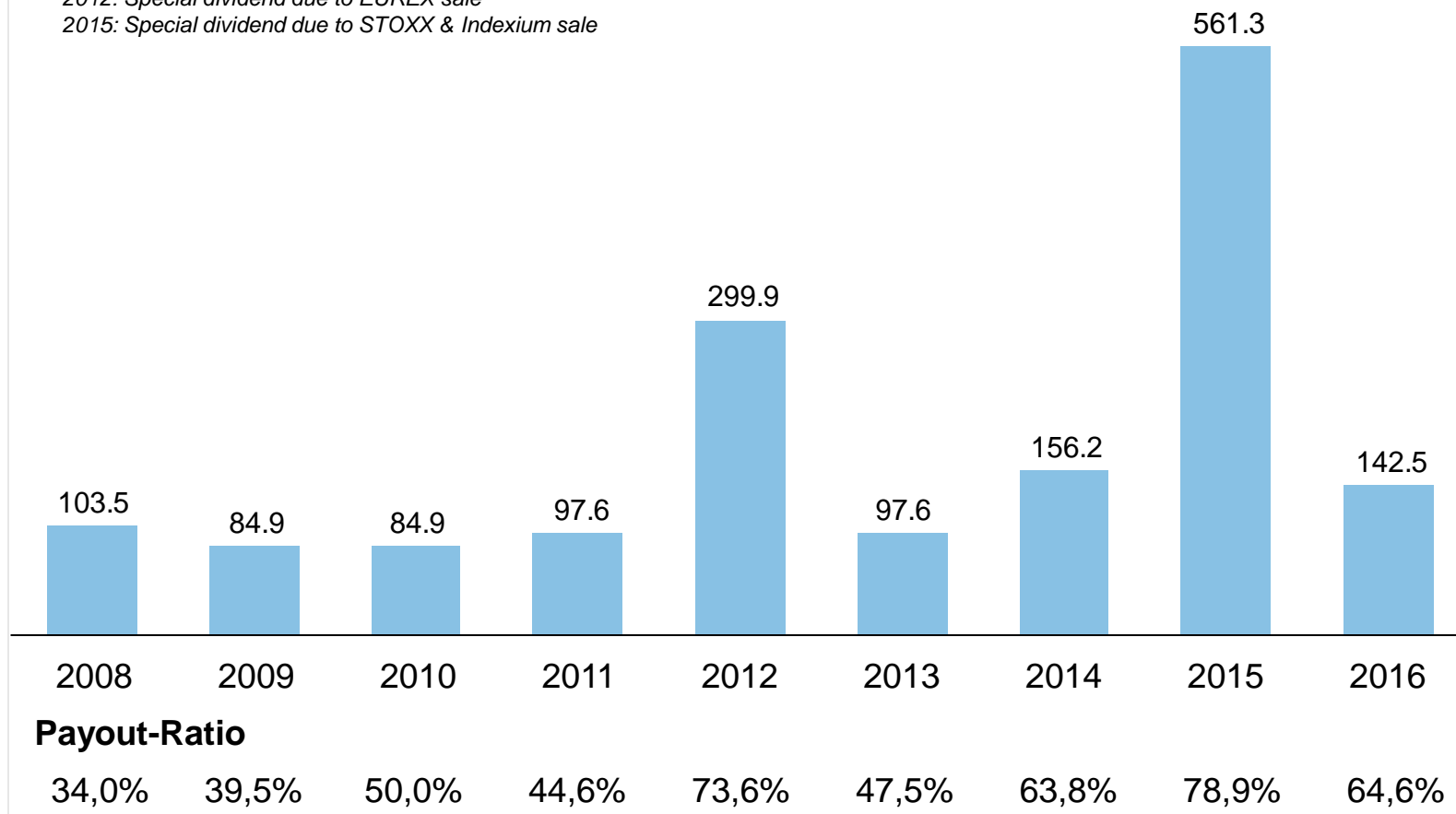


CHF 1,628 million paid out in dividends since SIX was founded

Development of dividend payments in CHF million

2012: Special dividend due to EUREX sale

2015: Special dividend due to STOXX & Indexium sale



*Payout-Ratio = (Dividends)/(Group net profit attributable to majority shareholders of SIX Group Ltd)
2008-11 RRV-FINMA; 2012-16 IFRS*

Annual Results 2016



Dr. Stefan Mäder
Group CFO

Financial Highlights 2016

Moderate result

- **Operating income up 1.5%**
- Adjusted EBIT 5.0% below the record posted in previous year (2015 driven by discontinuation of the minimum EUR/CHF exchange rate)
- **EBIT-margin at 14.8%** (previous year: 15.6%) adjusted for special effects

Solid capitalization

- **Return on equity at 8.8%** (previous year: 30.4%)
- **Equity ratio of 79.3%** (previous year: 76.4%)
- **Confirmation of AA- credit rating** by Standard & Poor's
- **Ordinary dividend of CHF 7.30 per share** proposed; total CHF 142.5 million; Payout-Ratio 64.6%

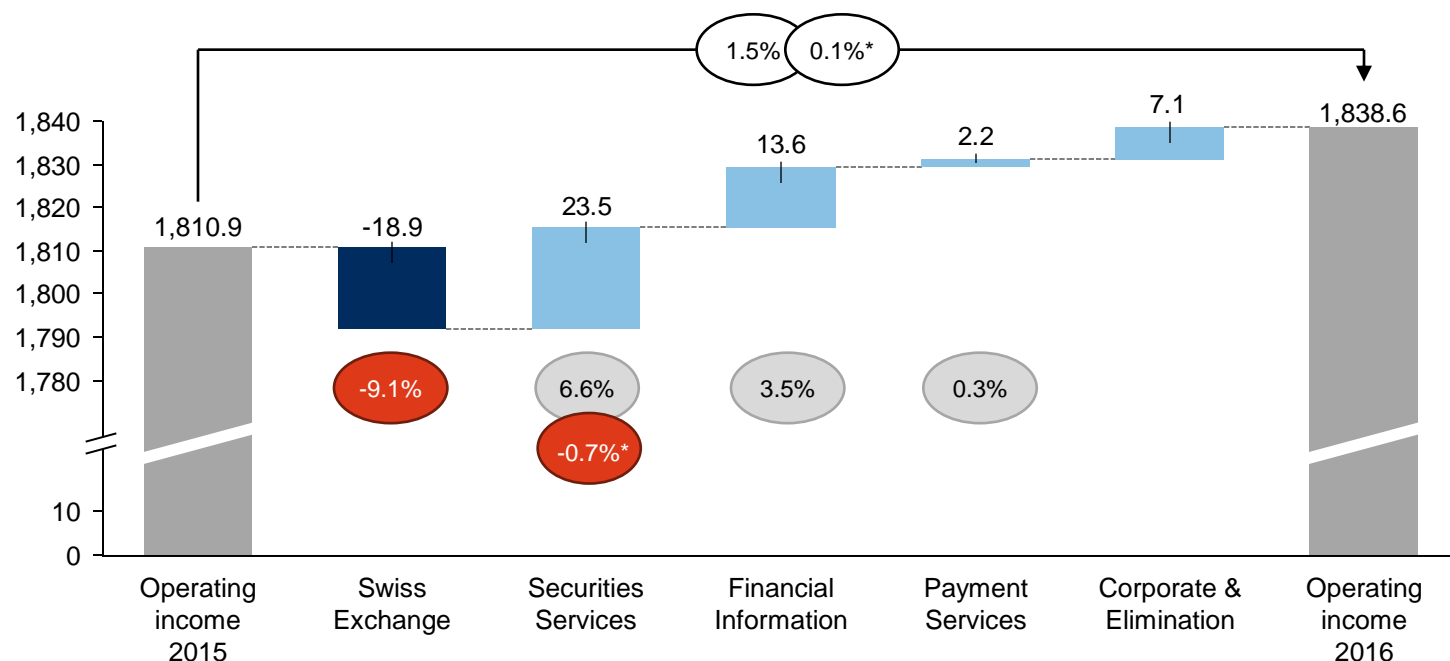
Stable cost base

- **Cost-income ratio at 85.2%** (previous year: 84.4%) adjusted for special effects
- **Operating expenses rose 0.8%** adjusted for special effects

C/I Ratio = (Operating expenses)/(Operating income+income from associates)

SIX operating income up 1.5%

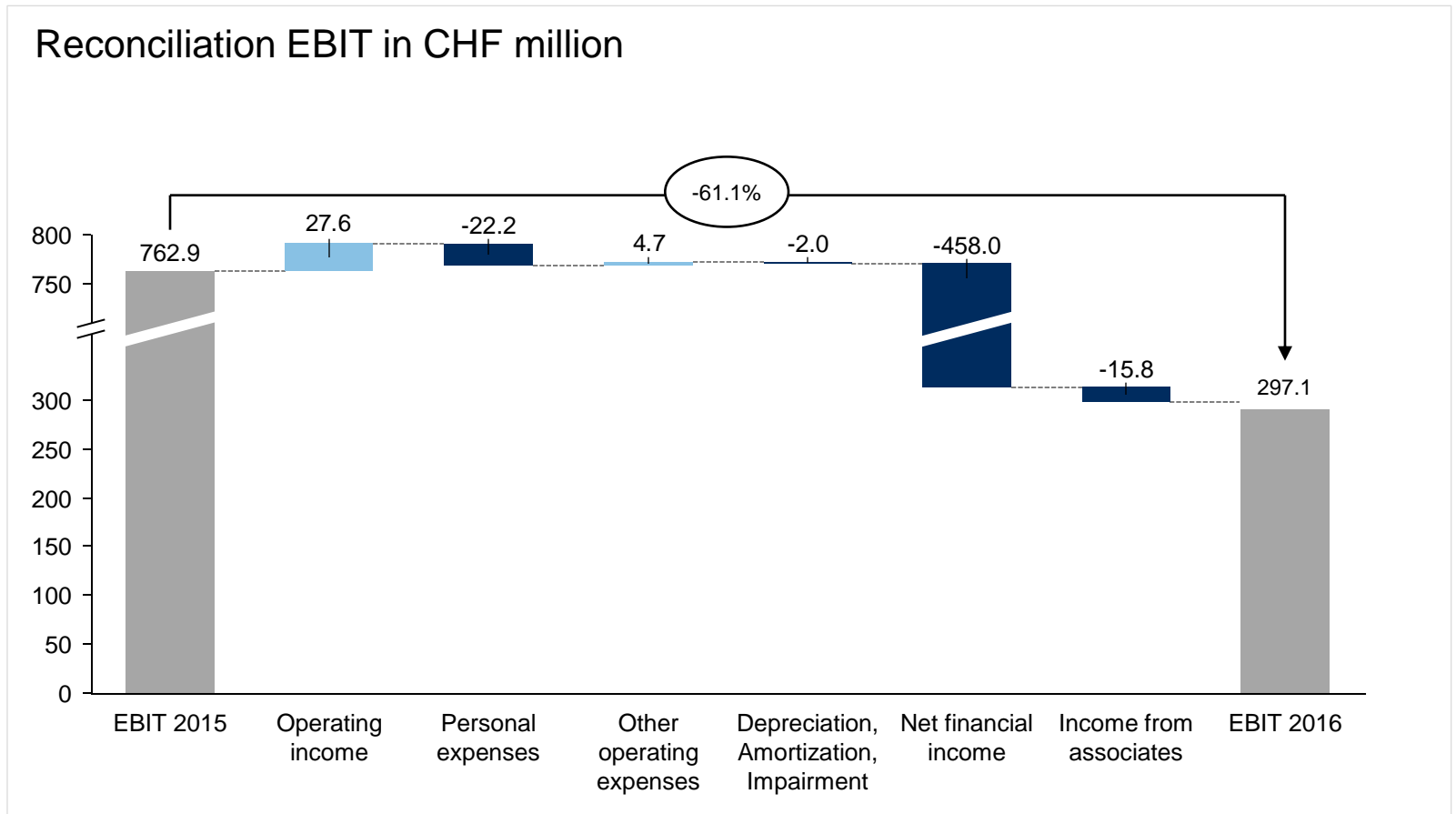
Reconciliation of operating income by business area in CHF million



* Adjusted for sale real estate in 2016

- **SIX operating income on previous year level** after adjustment for special effects
- **Payment Services Net-operating-income up 6.3%** after adjustment for Interchange Fee reduction: **SIX Net-operating-income up 2.5%**

SIX EBIT down 61.1%



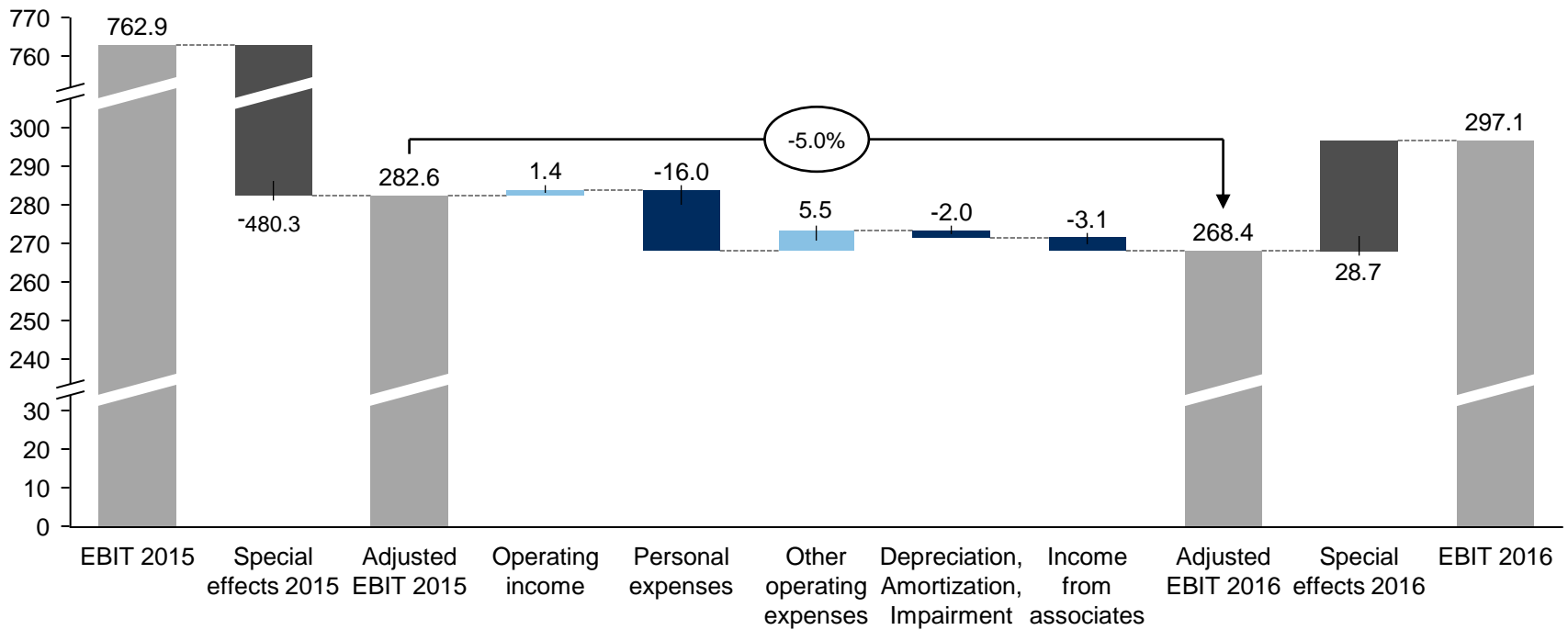
Overview of adjusted special effects

in CHF million

	2016	2015
EBIT before adjustments	297.1	762.9
STOXX/Indexium effect		-476.8
Sale real estate	-26.0	
Sale Companies Sub-Group Paym. Services (Lux) Ltd	-3.9	
Sale SIX SAG AG	-5.4	
Reorganization France	34.4	
IAS 19 changes Swiss pension plan	-26.8	
Other financial results	-1.1	-3.5
EBIT after adjustments	268.4	282.6

SIX EBIT down 5.0% adjusted for special effects

Reconciliation EBIT in CHF million

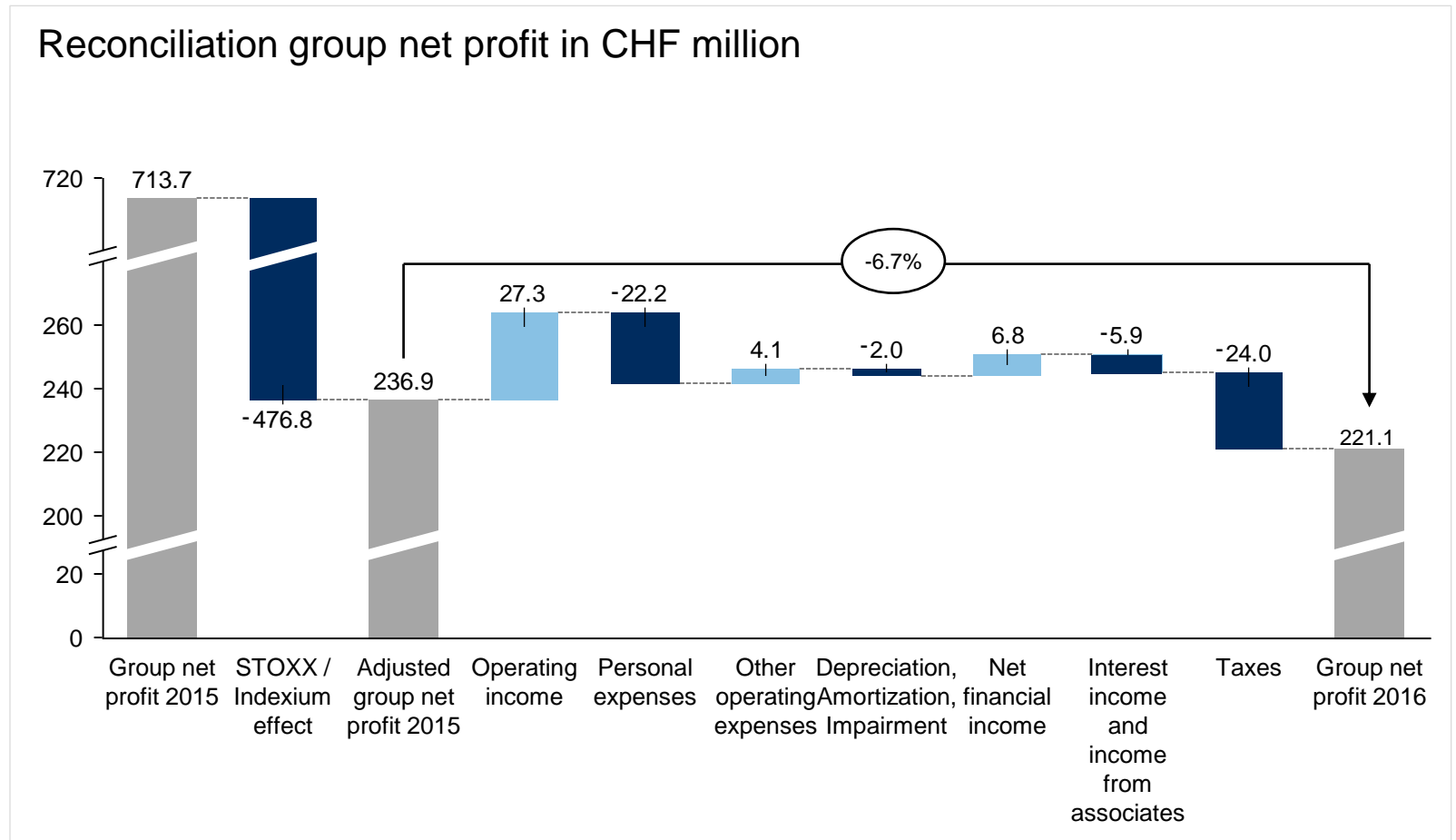


Adjusted EBITDA up 0.6%

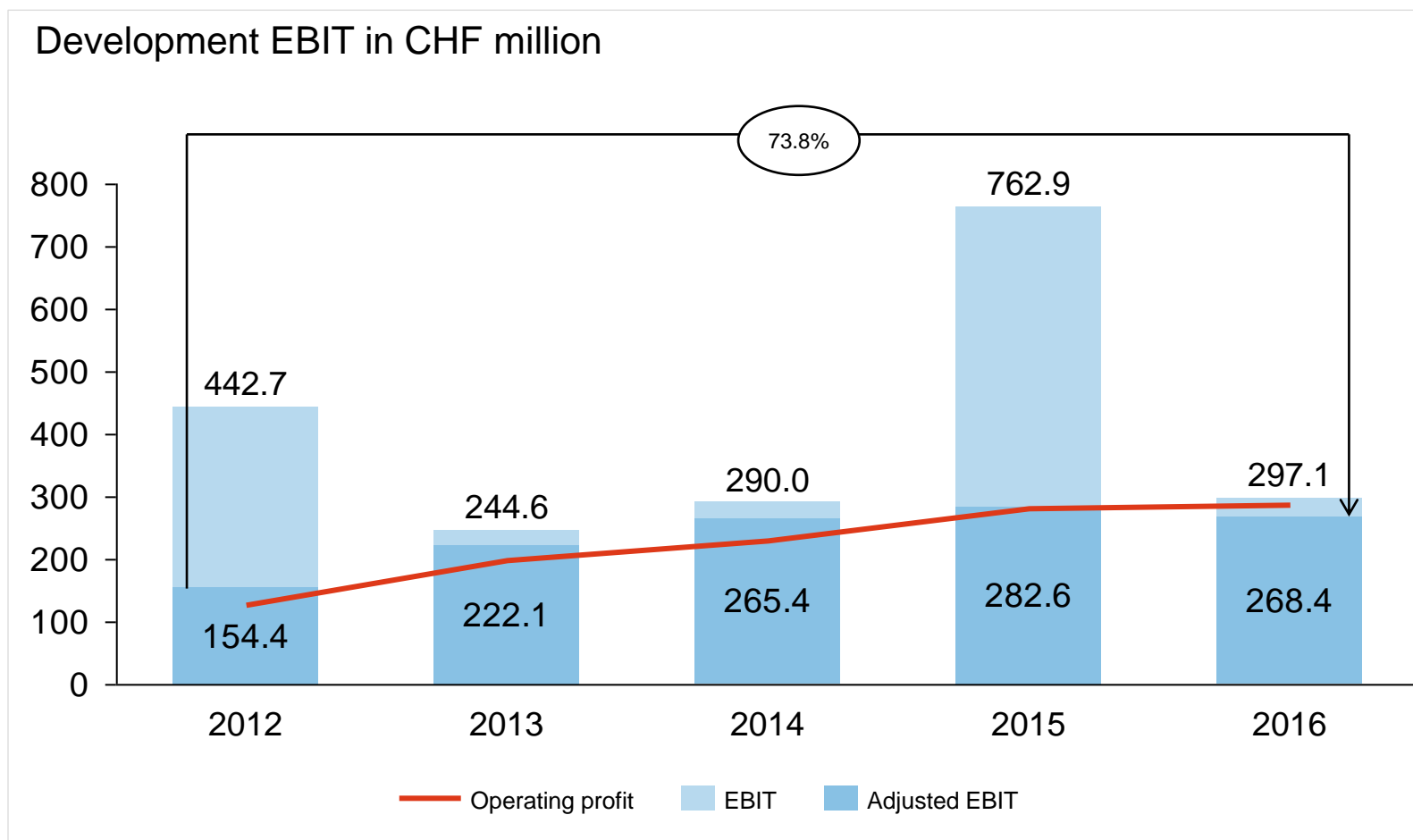
in CHF million

	2015	2016
EBIT	762.9	297.1
Depreciation, Amortization, and Impairment	82.3	84.3
Capitalised Services	-43.9	-29.7
Special effects	-480.3	-28.7
Adjusted EBITDA	321.0	323.0

SIX group net profit down 6.7% adjusted for STOXX/Indexium effect



Adjusted EBIT up 73.8% since 2012



2012 adjusted for Eurex effect

2012-14 adjusted for STOXX & Indexium effect

Business performance



Dr. Urs Rügsegger
Group CEO

SIX Swiss Exchange

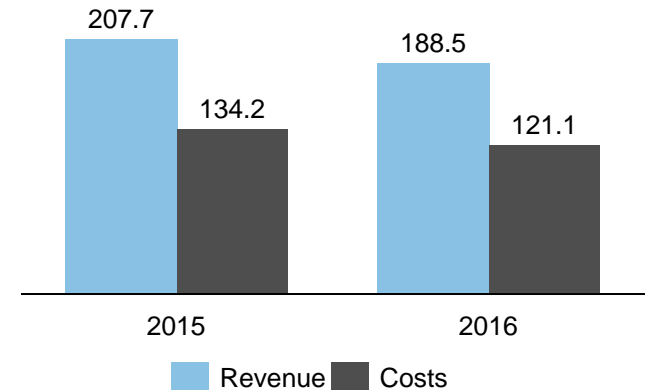
Key figures

- Trading turnover CHF 1,279.3 billion -6.8%
- Number of transactions 47.6 million -7.7%
- Blue chip equity market share 64.6% -4.9%

Areas of focus

- Successful launch of the new SIX Swiss Exchange At Midpoint (SwissAtMid) liquidity pool
- Takeover of the operations of Swiss indices and the launch of a new index family (SPI Multi Premia indices)
- Launch of "Stage Program" to support listed SMEs
- Award of the "Exchange of the Year" title at the Structured Products Europe Awards
- Record turnover in the ETF segment (CHF 103.8 billion)

Comparison of 2015 with 2016 adjusted for special effects



Cost-income ratio 2015: 64.6%
Cost-income ratio 2016: 64.2%

C/I ratio = costs/(income+income from associates)

SIX Securities Services

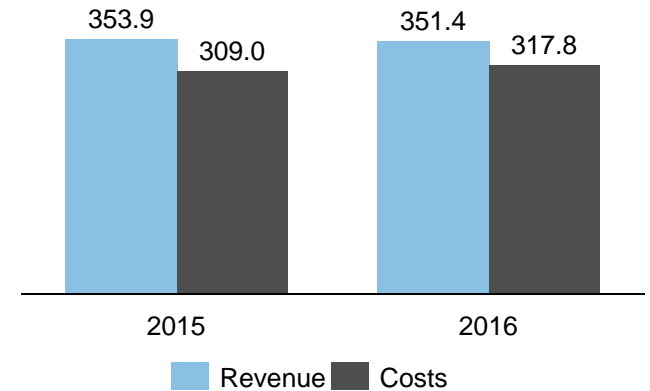
Key figures

- Clearing transactions 424 million +6.3%
- Settlement transactions 26 million -10.9%
- Deposit volume (avg. CHF YTD) 3,150 billion +0.4%

Areas of focus

- Successful relaunch of the SIC interbank payment system
- Successful start-up of the new CO:RE repo trading platform
- ESMA recognizes SIX x-clear Ltd. as a central counterparty under EMIR
- Increase in the number of settlement transactions via T2S
- Top results in the "Global Custodian Magazine" quality survey
- SIX Securities Services to supply the infrastructure for China Construction Bank's Swiss Renminbi Clearing Hub

Comparison of 2015 with 2016 adjusted for special effects



Cost-income ratio 2015: 87.3%
Cost-income ratio 2016: 90.4%

C/I ratio = costs/(income+income from associates)

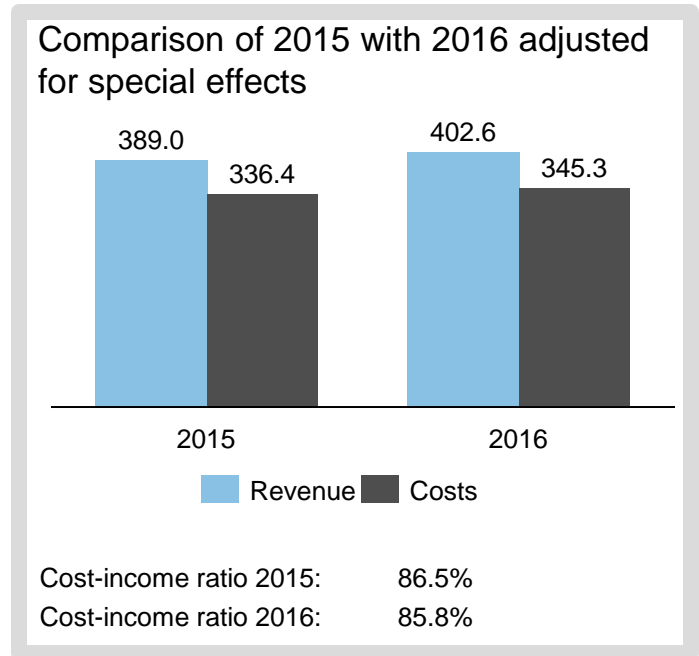
SIX Financial Information

Key figures

- Number of financial instruments 23.7 million +20.1%
- Number of price updates 1,886 billion +6.2%

Areas of focus

- Strong focus on reference data, related display products and value added services
- Focus on globally scalable product and service offering
- Expansion of regulatory services (PRIIP, MiFID II, IRS 871(m), FATCA, AIA)
- Service for sanctions wins "Best Compliance Solution" at the City Awards



C/I ratio = costs/(income+income from associates)

SIX Payment Services

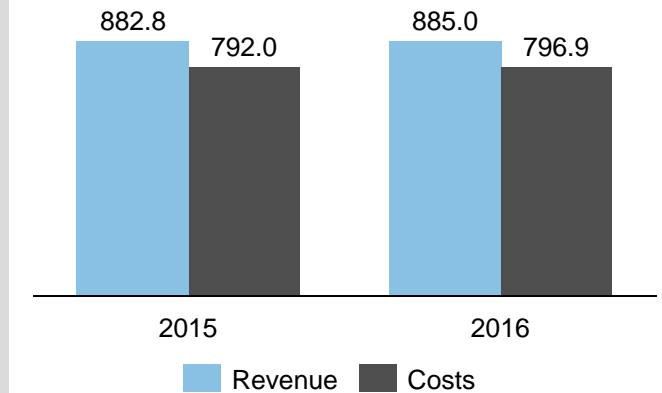
Key figures

- Acquiring revenue CHF 75,408 million (+7.5%)
- Card transactions 3,661 million (+7.7%)

Areas of focus

- Establishment of TWINT joint venture for Swiss nationwide mobile payments
- Equipment of the Swiss Post with new payment terminals from SIX – all major credit and debit cards accepted
- Collaboration with Chinese payment service provider Alipay for Europe-wide acceptance
- Preparation for the rollout of ATM Futura
- Introduction of the "cash back" function (cash withdrawal at the point of sale) in Austria

Comparison of 2015 with 2016 adjusted for special effects



Cost-income ratio 2015: 89.7%
Cost-income ratio 2016: 90.3%

C/I ratio = costs/(income+income from associates)

Key points in 17



Dr. Urs Rügsegger
Group CEO

Crucial regulation for the future: "enabling compliance"



Equivalence with EU law is vital

- for the international attractiveness of the Swiss financial center
- for the importance of Switzerland as a trading venue in Europe
- for ensuring that securities traders from the EU continue to have access to the Swiss market



SIX currently **already offers services** that enable market participants to comply with regulatory requirements:




- FATCA
- Automatic exchange of information (AEI)
- IRS 871(m)



Introduction in 2017 and 2018

- Trade repository for OTC derivatives
- Investor protection under the PRIIP KID ordinance: platform for management-related documents, data and information
- Implementation of FMIA
- Approval of financial market infrastructures (trading platforms, clearing centers, central depositories)
- Coordination with the amendments required under MiFID II / MiFIR, so as to ensure that securities traders from the EU continue to have access to the Swiss market

Strategic focuses: SIX is preparing for another ten years of success

	Expansion of business volume	<ul style="list-style-type: none">– New infrastructure and BPO services– Expansion of business volumes in foreign markets
	Strengthening of innovation capacity	<ul style="list-style-type: none">– Digitization– Opening of the F10 FinTech incubator
	Industrialization of the business model	<ul style="list-style-type: none">– Standardization of product offering– Sourcing & Shoring strategy– Consolidation of IT infrastructure abroad
	Reinforcement of transformation ability	<ul style="list-style-type: none">– Advancement of the organization's agility– Attaining of a higher level in the management of projects

Blockchain and DLT at SIX

Workshops

Understand blockchain and discuss possible use cases

Sprint on DLT in F10



2015



Gather first know-how on DLT

SIX internal, Elevance (today Digital Asset), Fincite

Group Innovation Committee

“Go” for a concept paper

2016



Group Innovation Committee

Request for Proposal

Swiss Fintech Innovations

Lead working group “DLT”. Decision for a SIX prototype (XDL)

Xchain at SIBOS

Xchain prototype presented on SIBOS

Digital Asset’s Prototype finalized

Internal presentations and discussions about the topic

KTI - PROJECT - OTC SWISS X

A Project under the Lead of Hochschule Luzern – SIX supporting

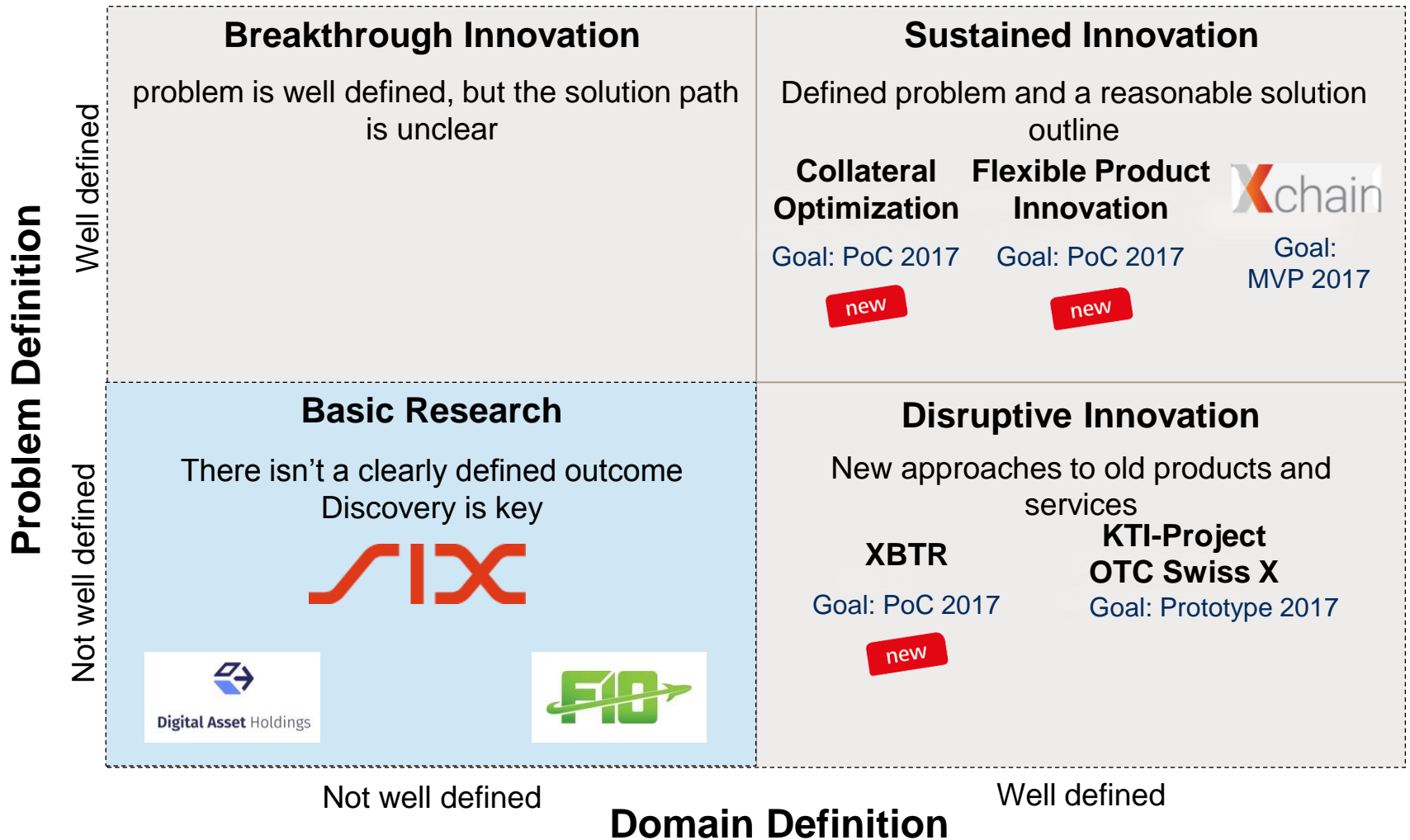
Project ETH / SIX

Collateral Optimization

2017

BUILD FEATURES FOR OUR CLIENTS

Selected DLT Initiatives and next steps Use Cases

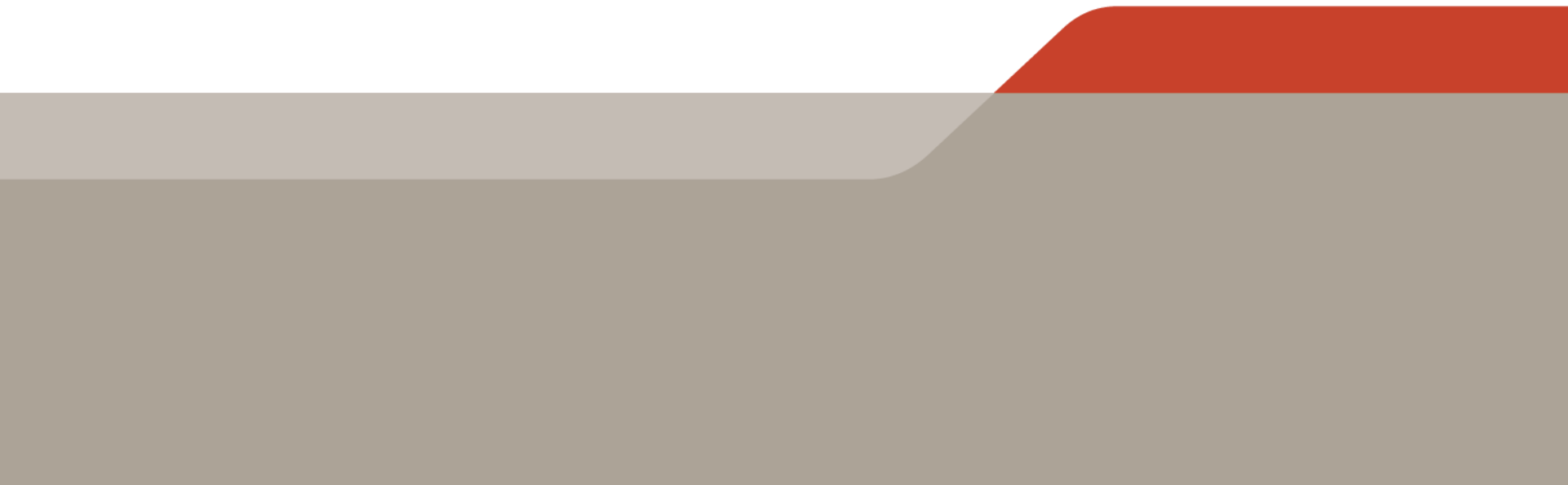


Q&A





Appendix



Consolidated balance sheet

Key figures SIX (in CHF m)	2016	2015	Dev. %
Income statement			
Total operating income	1'838.6	1'810.9	1.5
Total operating expenses	-1'551.5	-1'531.9	1.3
Operating profit	287.1	279.0	2.9
Share of profit of associates	-0.3	15.5	-102.2
Net financial result	10.4	468.4	-97.8
Earnings before interest and tax (EBIT)	297.1	762.9	-61.1
Earnings before interest and tax (EBIT) adjusted ¹	268.4	282.6	-5.0
Group net profit	221.1	713.7	-69.0
Balance sheet			
Total assets	10'279.5	8'755.8	17.4
Total liabilities	7'725.1	6'310.6	22.4
Total equity	2'554.4	2'445.3	4.5
Cash flows			
Cash flow from operating activities	953.2	-1'025.7	192.9
Cash flow from investing activities	-93.7	729.7	-112.8
Cash flow from financing activities	-157.3	-539.7	70.9
Workforce (in full-time equivalents)			
Total SIX	3'807.1	3'858.2	-1.3
Key ratios			
Earnings per share (in CHF)	11.66	37.63	-69.0
EBIT margin (in %)	16.2	42.1	-61.6
EBIT margin (in %) adjusted ¹	14.8	15.6	-5.1
Return on equity (in %, average ²)	8.8	30.4	-70.9
Equity ratio ³ (in %, average ²)	79.3	76.4	3.8

¹ The special effects in 2016 amount to CHF 28.7 million and include the gain from the sale of real estate (CHF 26.0 million), the gain from the sale of SIX SAG Ltd (CHF 5.4 million), the gain from the sale of the companies belonging to the sub-group SIX Payment Services (Luxembourg) Ltd. (CHF 3.9 million), the impact of the reorganization in France (CHF -34.4 million), the IAS 19 impact of the changes to the Swiss pension plan (CHF 26.8 million) and the other financial results (CHF 1.1 million). The special effects in 2015 amount to CHF 480.3 million and include the profit contribution of STOXX Ltd and Indexium Ltd in 2015 (CHF 476.8 million) and the other financial results (CHF 3.5 million). The shares in STOXX Ltd and Indexium Ltd have been sold in 2015.

² Average balance sheet items in the reporting period

³ Total equity / (total adjusted liabilities + total equity)

Overview of segment results

Segment information (in CHF m)	2016	2015	Dev.	Dev. %
Operating income				
Swiss Exchange	188.5	207.4	-18.9	-9.1
Securities Services	377.4	353.9	23.5	6.6
Financial Information	402.6	389.0	13.6	3.5
Payment Services	885.0	882.8	2.2	0.3
Global IT	405.3	328.0	77.4	23.6
Corporate and elimination	-420.3	-350.1	-70.3	-20.1
Total operating income	1'838.6	1'810.9	27.6	1.5
Earnings before interest and tax (EBIT)				
Swiss Exchange	69.3	85.1	-15.8	-18.6
Securities Services	70.6	47.0	23.6	50.2
Financial Information	26.7	53.9	-27.2	-50.5
Payment Services	91.8	88.1	3.7	4.2
Global IT	9.2	0.0	9.2	n/a
Corporate	29.6	488.8	-459.3	-94.0
Total EBIT	297.1	762.9	-465.8	-61.1