

SIX

SIX 2020



SIX is realigning



SIX was founded ten years ago. The merger of its various predecessor organizations was a conscious move to strengthen Switzerland's financial market structure. On 7 November 2017, the Board of Directors of SIX passed a resolution approving a realignment of SIX. This resolution paves the way for us to push on with developing our company so that it can successfully meet future challenges.

I would like, at this point, to stress that SIX will remain SIX. We will continue to guarantee the security and stability of the Swiss financial market infrastructure. This is, and will remain, a crucial task. It testifies to the great trust our customers and shareholders place in us. I firmly believe that this realignment will enable us to actively continue the success story of SIX.

I would like to thank you for your support in joining together to shape a successful future for SIX.

A handwritten signature in blue ink, appearing to read 'R. Lacher'.

Dr Romeo Lacher
Chairman of the Board of Directors

Zurich, 10 November 2017

“SIX will focus consistently on infrastructure services for shareholders and the financial centre in securities, payment services and financial information.”

The environment in which SIX operates has changed considerably and at an increasing rate over the last decade. Within a short period, new technologies, new providers, steadily increasing pressure on costs and margins, and ever tighter regulatory requirements have in some cases fundamentally altered the financial industry. This new environment has naturally changed banks' needs in terms of the financial market infrastructure. In November 2017, in order to better service these needs, the Board of Directors passed a resolution approving a realignment of SIX. This logical further development of the company will strengthen the competitiveness of SIX and the Swiss financial centre for the long term.

By realigning, SIX is focussing more heavily on shareholder requirements and thus on strengthening the Swiss business. SIX will focus consistently on infrastructure services for shareholders and the financial centre in **securities, payment services** and **financial information**. The card business (merchant acquiring and international card processing) will be hived off from the core organization and further developed as part of a strategic partnership. The aim is to create a leading European provider.

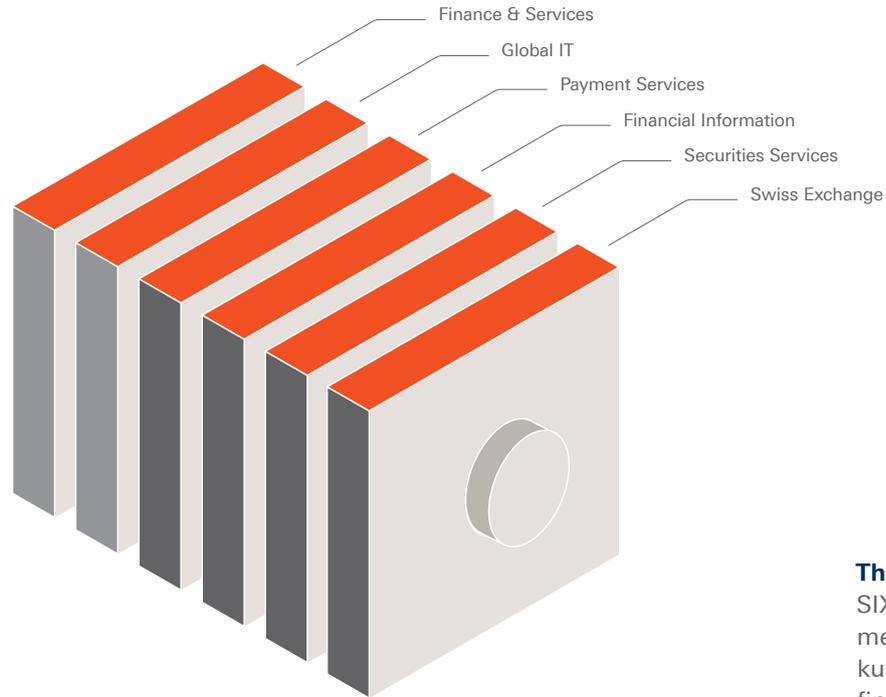
Securities – exchange trading and post-trading – will be bundled in one organizational unit and thus offered from a single source.

Swiss payment services will also be merged and standardized. SIX will expand its leading position in data business, in particular reference data, internationally. SIX is also setting up a Group-wide innovation unit aimed at strengthening its innovative capacity.

Both the international business and business with non-shareholders will remain integral parts of the SIX business model. SIX is also retaining its successful “user-owned, user-governed” model and existing shareholder structure.

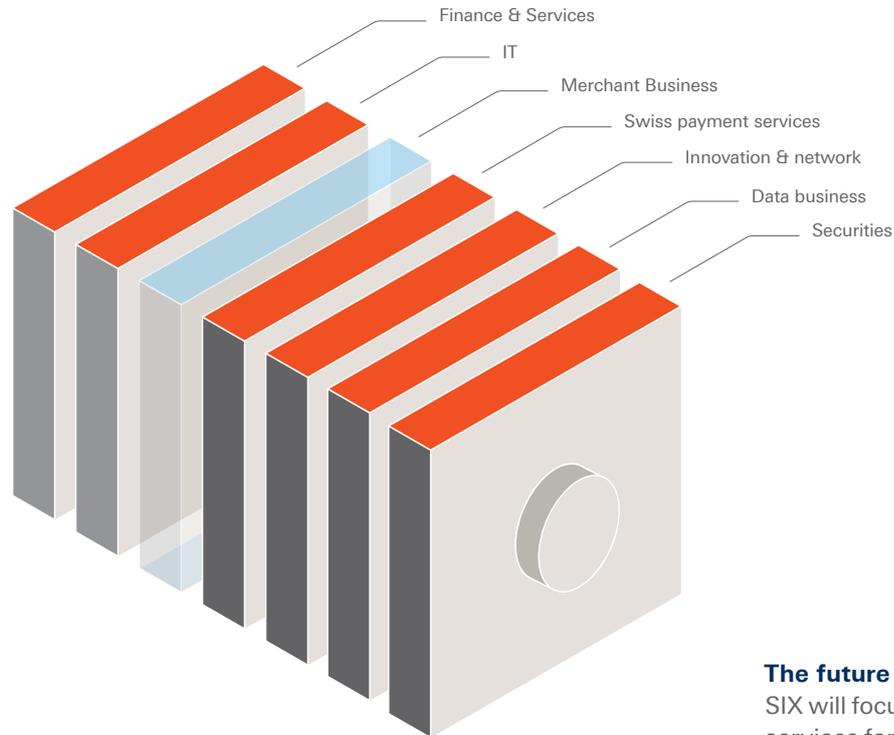
In future, SIX will operate exclusively under the “SIX” brand.

SIX TODAY



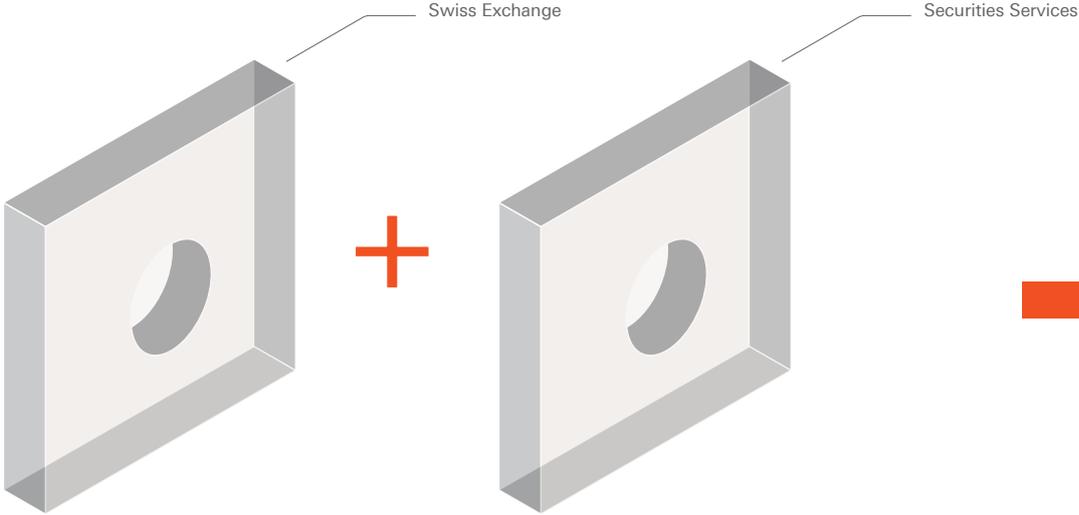
The present

SIX was formed ten years ago from the merger of the former SWX, SIS and Telekurs. This move strengthened the Swiss financial market infrastructure as, for the first time, all services could be provided from a single source.



The future

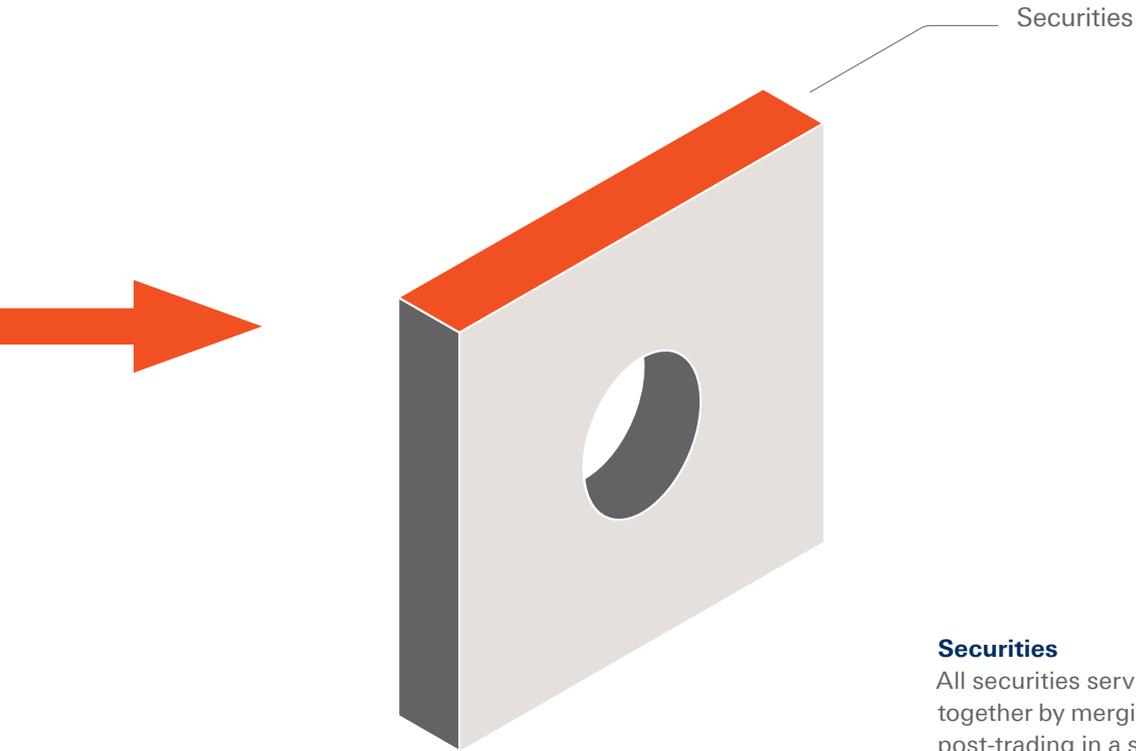
SIX will focus consistently on infrastructure services for shareholders and the financial centre in securities, payment services and financial information.



Securities

One key element of the realignment is the sustainable strengthening of the competitiveness of the securities business. This will be achieved by bundling the Swiss value

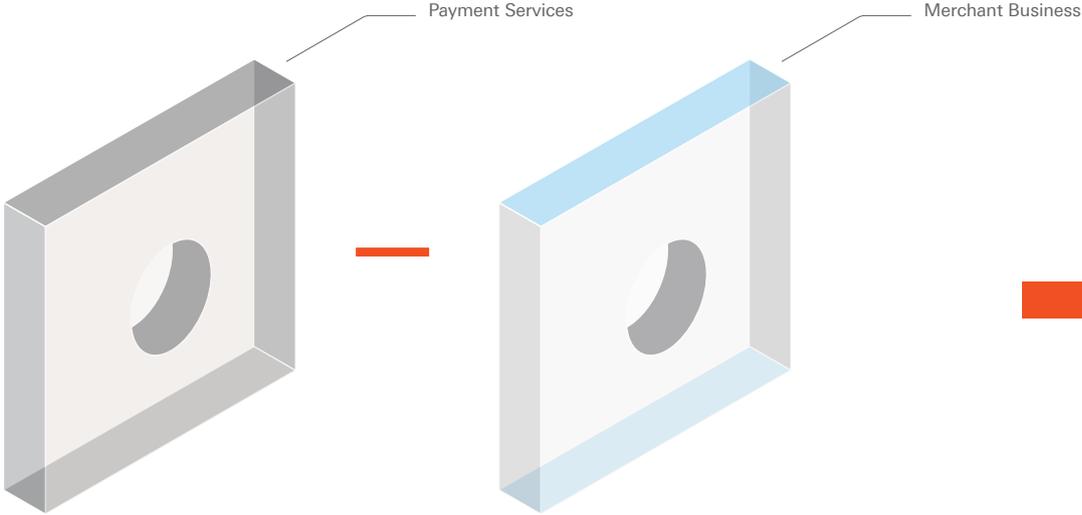
chain, which has to date been split between the Swiss Exchange and Securities Services business areas.



Securities

All securities services will now be brought together by merging exchange trading and post-trading in a single organizational unit.

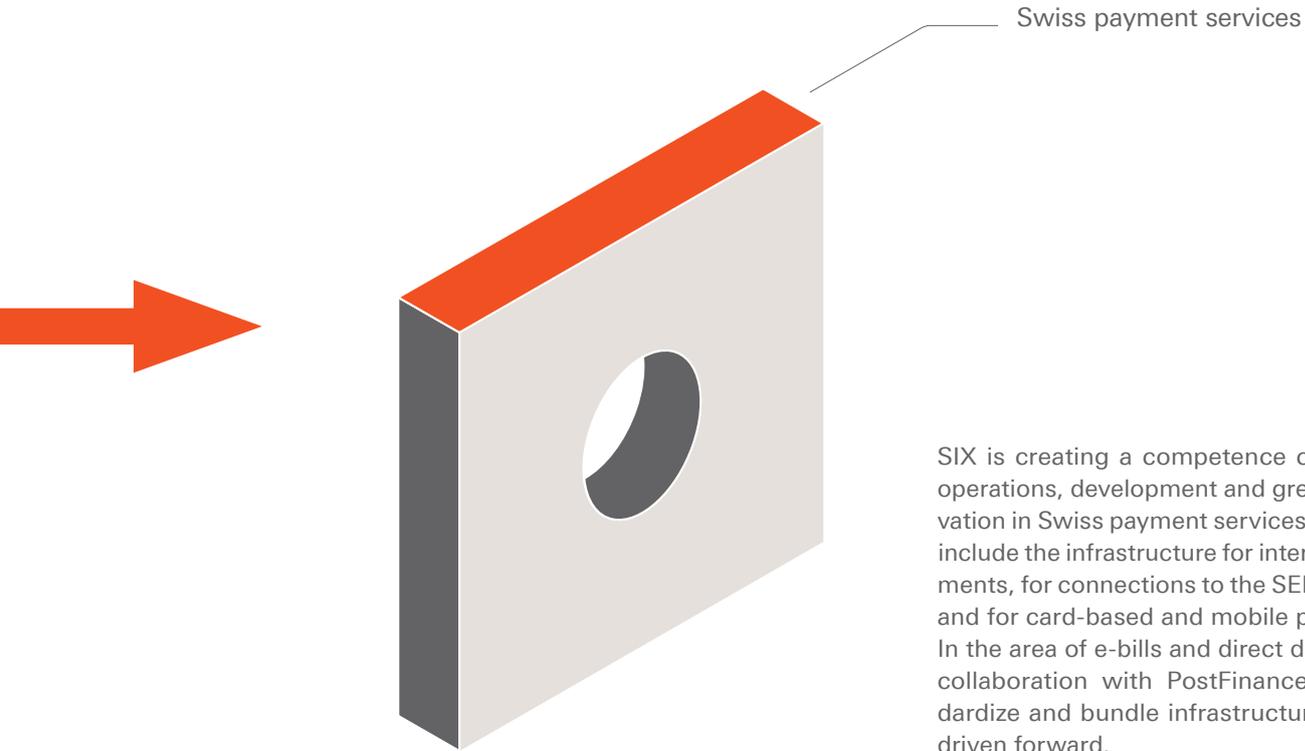
PAYMENT SERVICES



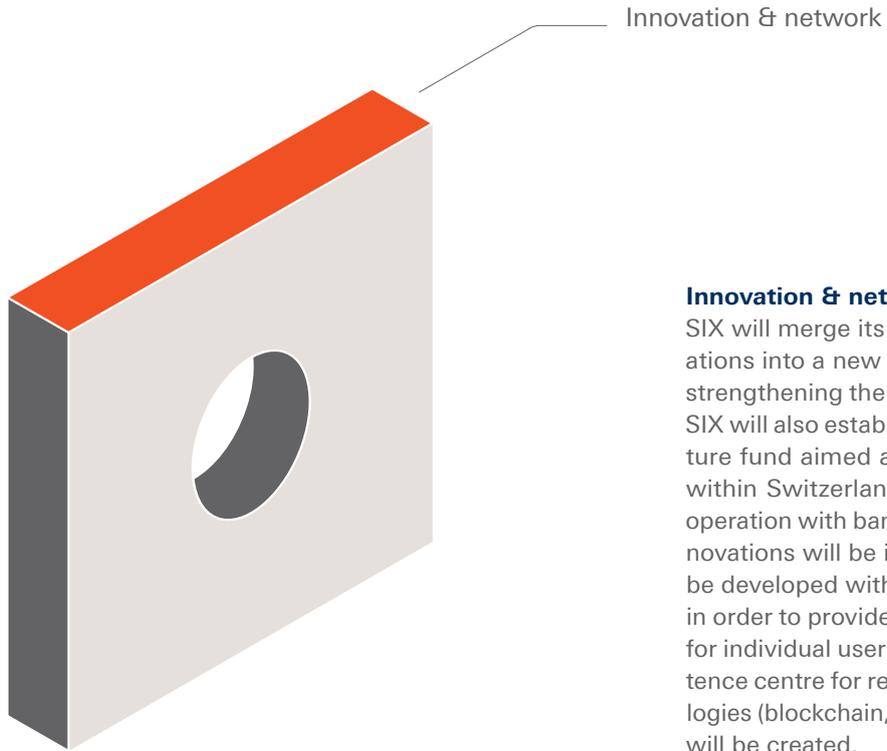
Swiss payment services

The card business (merchant acquiring and international card processing) will be separated from the core organization and, with

the aim of creating a leading European provider, further developed as part of a strategic partnership.

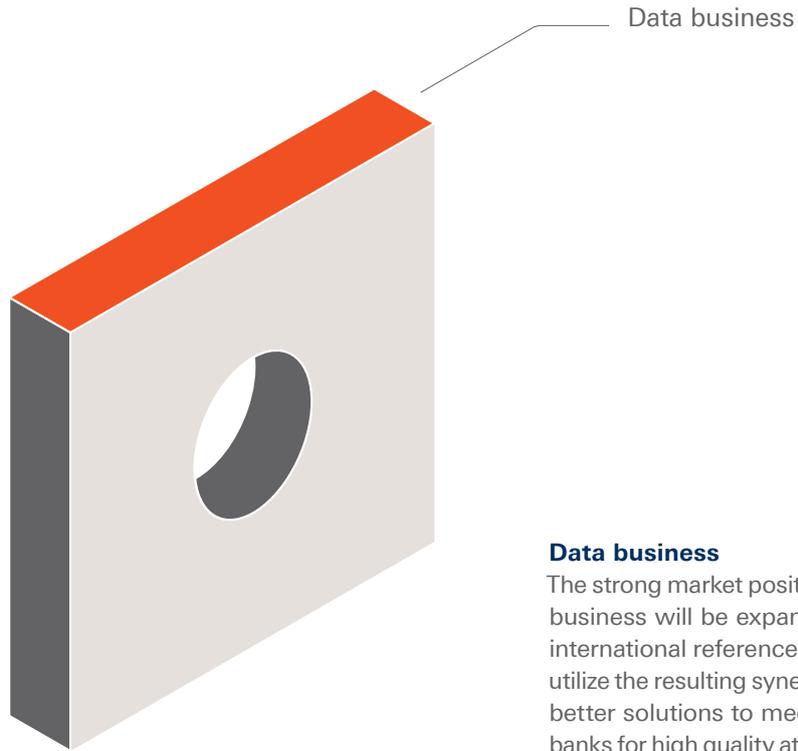


SIX is creating a competence centre for operations, development and greater innovation in Swiss payment services. This will include the infrastructure for interbank payments, for connections to the SEPA region and for card-based and mobile payments. In the area of e-bills and direct debits, the collaboration with PostFinance to standardize and bundle infrastructure will be driven forward.



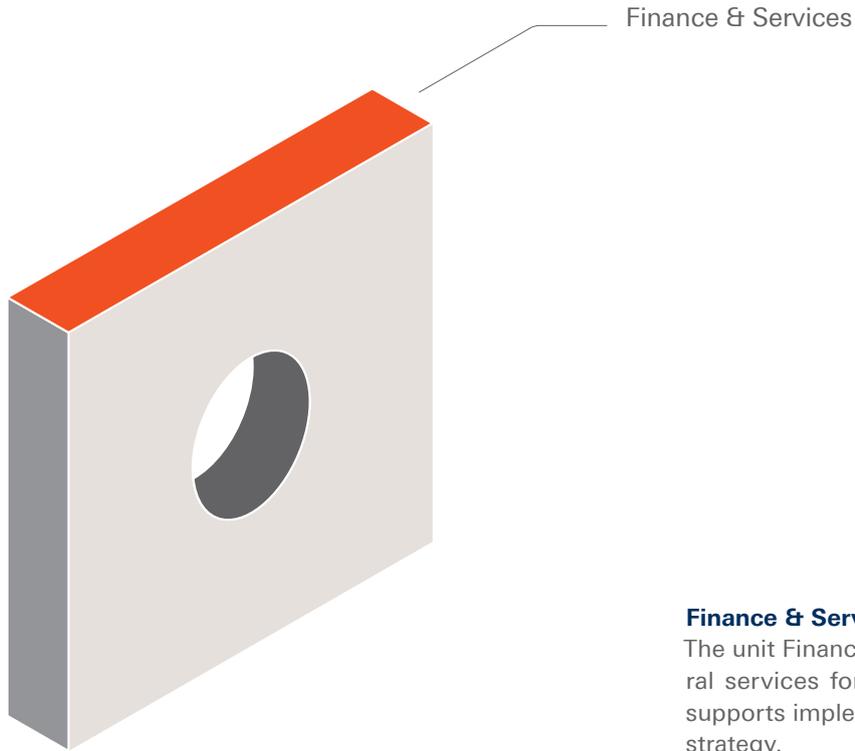
Innovation & network

SIX will merge its own innovation organizations into a new central unit. Aside from strengthening the organizational structure, SIX will also establish a CHF 50 million venture fund aimed at promoting innovation within Switzerland's financial centre. Cooperation with banks over infrastructure innovations will be intensified. Services will be developed with individual bank groups in order to provide more specific solutions for individual user requirements. A competence centre for relevant disruptive technologies (blockchain, advanced analytics etc.) will be created.



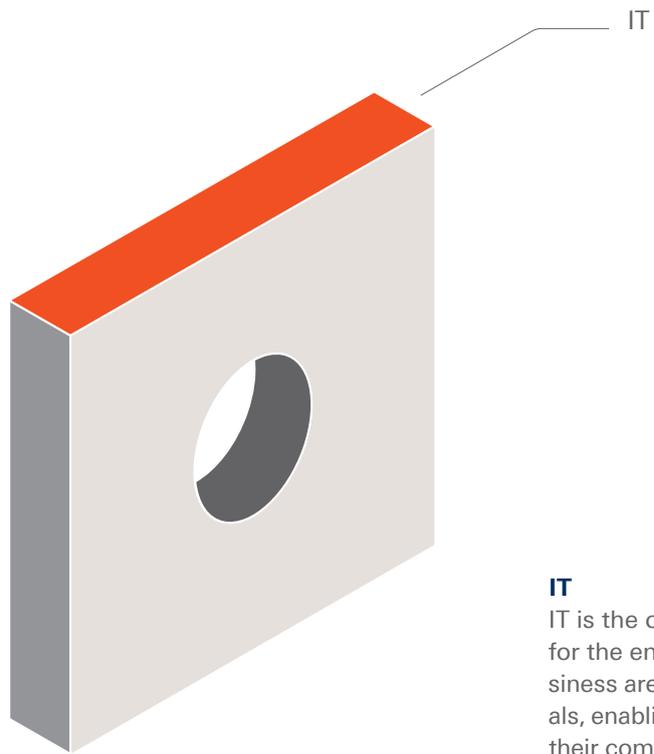
Data business

The strong market position of SIX in the data business will be expanded, in particular in international reference data. SIX intends to utilize the resulting synergies to provide even better solutions to meet the demand from banks for high quality at attractive conditions.



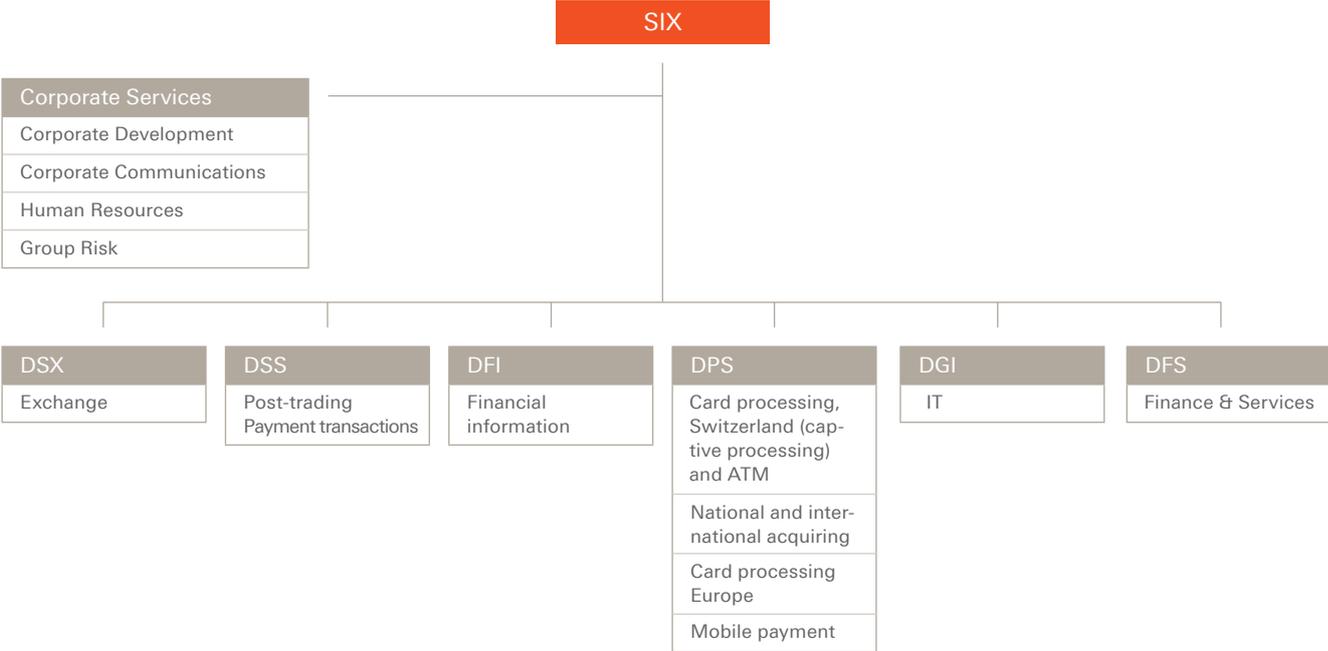
Finance & Services

The unit Finance & Services provides central services for the whole company and supports implementation of the corporate strategy.

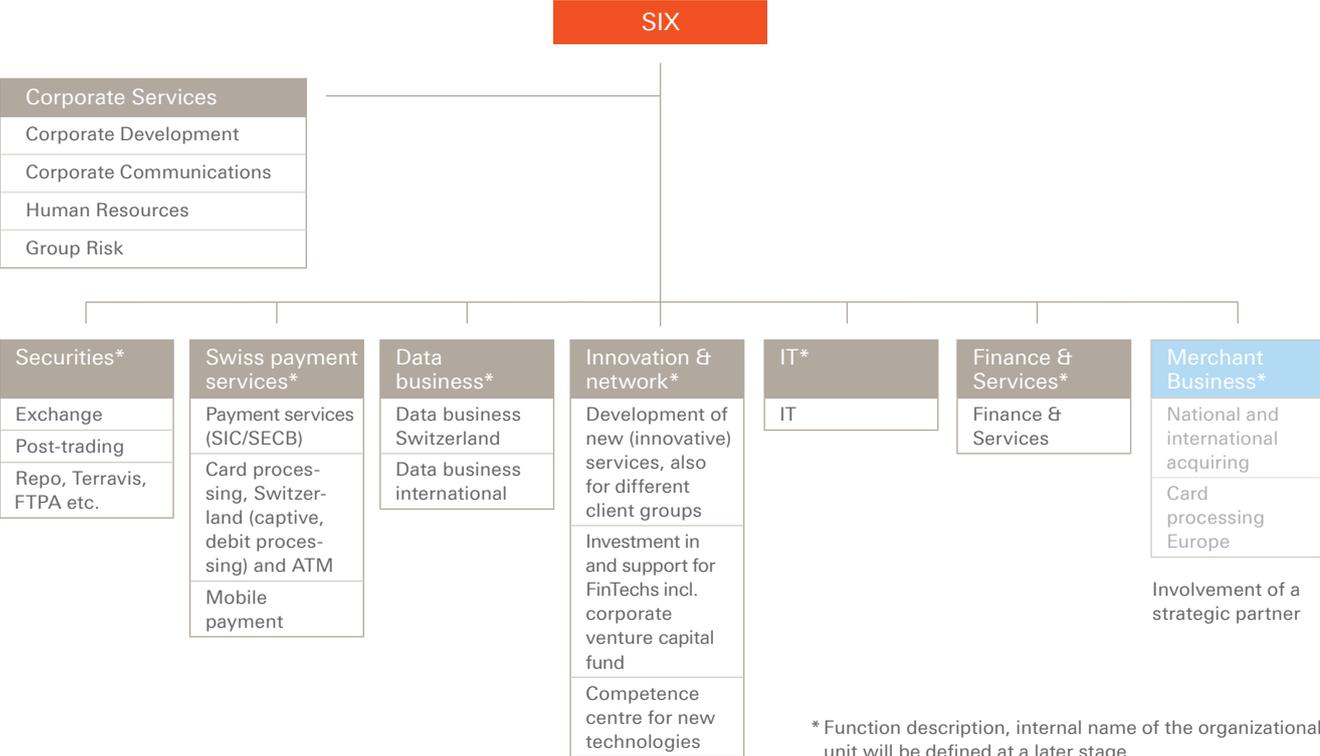
**IT**

IT is the central area providing IT services for the entire company. It supports the business areas in achieving their strategic goals, enabling them to maintain and enhance their competitiveness.

CURRENT ORGANIZATIONAL STRUCTURE



NEW ORGANIZATIONAL STRUCTURE



* Function description, internal name of the organizational unit will be defined at a later stage

Focus and simplification

Consistent focus on shareholder requirements

Focus on services that are relevant for SIX shareholders (securities, payment services, financial information)

International business and business with third parties will continue to be a component of SIX, if the requirements are met (creation of synergies, increased competitiveness and innovative capacity, improved economies of scale, higher efficiency and quality)

Simplified financial management

Clear mandate for each organizational unit

Clearly defined, consistent management logic for each unit

Clear business management of company

Strengthening SIX as a company

Strengthening functional management

Strengthening the SIX brand outside the company

Effects on previous units

Securities services from a single source

Bundling of the securities business (securities trading and post-trading) in a single organizational unit

Enhanced efficiency and simplification of governance and management

Greater efficiency, quality and innovation across the entire value chain (end-to-end)

Simplification of client interfaces and attractive prices

Bundling and harmonization of payment services

Creation of a competence centre for the operation and further development of payment services

Simplification of governance and management

Reduced complexity for users by bundling Swiss payment services (discussions with PostFinance)

Strengthening of innovative capacity and attractive prices

Separation of card business (Merchant Business)

Further development with a strong strategic partner

No longer the core business of SIX

Challenges: market consolidation, major investments required, technological developments

Expansion of leading position in reference data

Expansion of market position in Switzerland and abroad

Clear focus on profit in international business

Comprehensive coverage of users' needs in Switzerland

TIMELINE

01/01/2018

New CEO starts



31/01/2018

Executive Board appointed
Names of organizational units decided

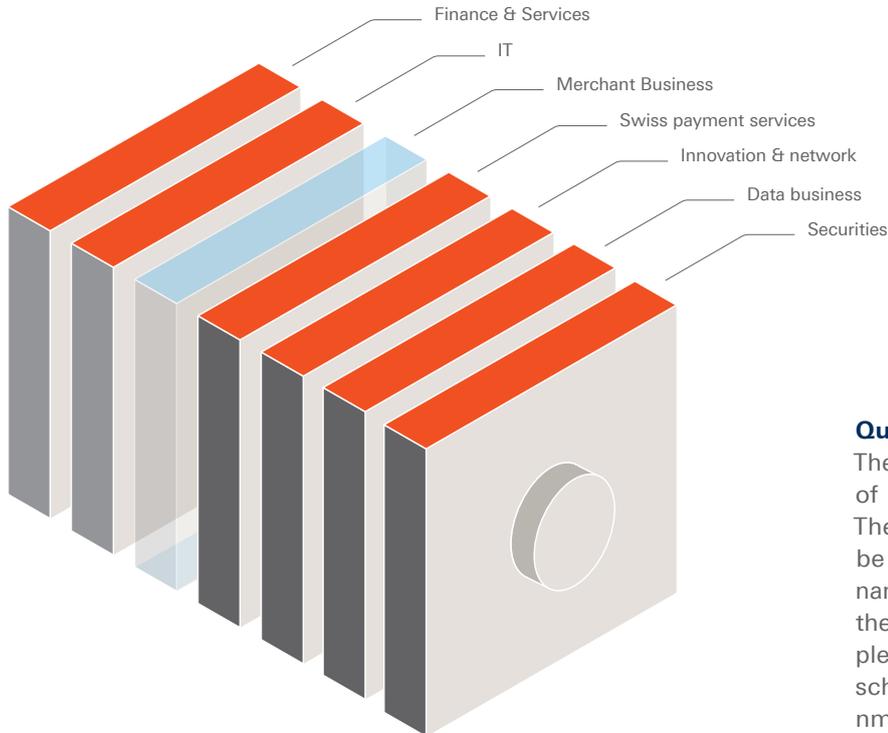
2nd quarter

Go-live of target structure, pricing system and management logic

2nd half

Go-live of first services of innovation unit





Quick and consistent implementation

The SIX realignment decided by the Board of Directors will be implemented rapidly. The members of the Executive Board will be appointed and the specific form and name of the organizational units defined by the end of January 2018. After that, all implementation work will be commenced as scheduled in order to complete the realignment by mid-2018. The existing organizational structures, strategic focuses and defined objectives will remain unchanged until the realignment is implemented.

“SIX develops and operates infrastructure services for the Swiss financial centre and Swiss banks in the areas of payment services, securities, financial information and digital infrastructure with the aim of increasing efficiency, quality and innovative capacity along the entire Swiss banking value chain.”



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