



## Media Release

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### SIX achieves strong results in the first half of 2017

- **SIX posts operating income of CHF 929.7 million for the first half of 2017. Adjusted for special effects in the first half of 2016 (CHF 29.9 million), operating income is up by 4.8%.**
- **Earnings before interest and tax (EBIT) adjusted for special effects rose by 14.7% to CHF 164.0 million.**
- **Group net profit was CHF 124.5 million. Adjusted for the previous year's special effects, this equates to an increase of 18.5%.**
- **Successful opening of the Swiss Finance Museum.**

SIX can look back on a strong first half in 2017 which reflects its successful strategy. On the one hand, this success is due to the consistent focus on the core business and the development of new central infrastructure services for the Swiss financial center overall. On the other hand, SIX continues to benefit from its broadly diversified business model and strict cost discipline in implementing this strategy.

#### Highlights of the first half of the year

Business volume increased further during the strong first half period. Nearly all business areas contributed to the gratifying growth. SIX Swiss Exchange gained three new issuers through the initial public offerings of Galenica Santé, Idorsia and Rapid Nutrition. In fact, SIX was responsible for the second biggest IPO in Europe in the first half of the year, that of Galenica Santé.

As part of the "ATM Futura" project, the Payment Services business area worked with Credit Suisse to launch the pilot operation of a new uniform software for all Swiss ATMs.

The Securities Services business area launched another central banking service, Advanced Settlement, which brings substantial increases in efficiency and risk minimization throughout the entire securities settlement process.

The Financial Information business area introduced a platform for bidirectional exchange of regulatory information in the form of the Regulatory Hub, which enables SIX to bring sellers and producers of financial products together in a comprehensive solution for the first time. SIX is thereby assisting financial market participants to comply with new EU regulations while simultaneously boosting their efficiency and taking a new step in industrialization.



In March 2017, FINMA granted the request submitted by SIX for the CO:RE trading platform to be recognized as a multilateral trading system. This represents a further milestone for SIX in its efforts to implement the regulatory requirements relating to the Swiss value chain. The trading system for repo transactions is already being used by more than 160 national and international institutions including banks, insurance companies and the Swiss National Bank.

At the end of June, SIX moved into its new premises, the Hard Turm Park building at Pfingstweidstrasse 110, 8005 Zurich. At the same time, the two Zurich offices at Selnaustrasse and Brandschenkestrasse were closed. On completing the move, SIX also opened the new [Swiss Finance Museum](#) at Hard Turm Park.

### **Performance of the business areas in 2017**

Operating income in the **Swiss Exchange** business area rose by 5.7% to CHF 101.0 million. At the same time, EBIT increased by 4.2% to CHF 35.7 million. The increase in operating income is attributable to the increased volatility in the global markets. The number of stock exchange trades climbed by 2.1% compared with the previous year, while trading turnover went up by 5.1%. At 67.0%, the average market share in trading with Swiss blue chip stock is up on the previous year's level (64.2%).

The SIX Swiss Exchange At Midpoint (SwissAtMid) service was launched successfully. The trading volume is rising steadily and more than half of participants have indicated to SIX they are considering using the service.

Once again, the **Securities Services** business area achieved the strongest growth of all the business areas in the first half of 2017. Operating income was CHF 189.1 million, which represents an increase of 9.6% compared with operating income in 2016 adjusted for special effects. This growth is largely due to the international securities custody business, which posted both greater deposit volumes and higher interest income. With the launch of the new Tax Reclaim Service as part of a globally innovative overall solution for banks and investors, SIX Securities Services was able to realize market-wide economies of scale and significant cost savings in the banks' operational business field.

The **Financial Information** business area posted a decline in operating income of 2.7% to CHF 196.0 million due to currency effects and client portfolio reallocations. However, EBIT grew by 6.4% to CHF 26.5 million, primarily due to rigorous cost discipline and a reorganization in France, as well as higher financial income. For the first time, SIX Financial Information won the "Best Overall Data/Service Provider" award at the Inside Market Data and Inside Reference Data Awards run by WatersTechnology, and also won the "Most Innovative Regulatory Solution" category. For the eighth successive time, SIX was named "Best Corporate Actions Provider".

The **Payment Services** business area boosted operating income by 6.8% to CHF 452.8 million. Net operating income (operating income corrected for interchange) benefited from higher transaction volumes and rose by 2.6% to CHF 304.2 million. EBIT (adjusted for special effects) fell by 7.9% to CHF 38.8 million, mainly because of the participation in Twint AG and the associated costs. At the



same time, Twint can look back on a successful launch in April 2017. To date, Twint has recorded more than 600,000 downloads, in excess of 375,000 registered users and more than 270,000 transactions per month.

Segment information mCHF	Actual	Prior year		Act adjusted <sup>1</sup>	Prior year adjusted <sup>1</sup>	
	Jun 2017	Jun 2016	Act / Py (%)	Jun 2017	Jun 2016	Act / Py (%)
<b>Operating income</b>						
Swiss Exchange	101.0	95.5	5.7	101.0	95.5	5.7
Securities Services	189.1	198.5	-4.7	189.1	172.5	9.6
Financial Information	196.0	201.5	-2.7	196.0	201.5	-2.7
Payment Services	452.8	424.1	6.8	452.8	424.1	6.8
Global IT	211.9	198.9	6.5	211.9	198.9	6.5
Corporate and elimination	-221.1	-205.2	7.7	-221.1	-205.2	7.7
<b>Total operating income</b>	<b>929.7</b>	<b>913.3</b>	<b>1.8</b>	<b>929.7</b>	<b>887.3</b>	<b>4.8</b>
<b>Operating expenses</b>						
Swiss Exchange	65.7	61.3	7.2	65.7	61.3	7.2
Securities Services	156.6	151.9	3.1	156.6	151.9	3.1
Financial Information	171.8	175.8	-2.3	171.8	175.8	-2.3
Payment Services	405.6	380.5	6.6	405.6	380.5	6.6
Global IT	207.4	194.9	6.4	207.4	194.9	6.4
Corporate and elimination	-237.8	-217.5	9.3	-237.8	-217.5	9.3
<b>Total operating expenses</b>	<b>769.3</b>	<b>746.9</b>	<b>3.0</b>	<b>769.3</b>	<b>746.9</b>	<b>3.0</b>
<b>Earnings before interest and tax (EBIT)</b>						
Swiss Exchange	35.7	34.3	4.2	35.7	34.3	4.2
Securities Services	32.7	46.6	-29.9	32.7	20.7	58.1
Financial Information	26.5	24.9	6.4	26.5	24.9	6.4
Payment Services	38.8	46.0	-15.7	38.8	42.1	-7.9
Global IT	4.5	4.0	11.9	4.5	4.0	11.9
Corporate	25.8	17.0	52.2	25.8	17.0	52.2
<b>Total EBIT</b>	<b>164.0</b>	<b>172.9</b>	<b>-5.1</b>	<b>164.0</b>	<b>143.0</b>	<b>14.7</b>

<sup>1</sup> There are no special effects in 2017

The special effects in 2016 total 29.9 mCHF and are included in the following positions:

- Total operating income: gain from the sale of a property (26.0 mCHF - DSS: 26.0 mCHF)

- Net financial result: gain from the sale of the companies of the sub-group SIX Payment Services (Luxembourg) (3.9 mCHF - DPS: 3.9 mCHF)



Key figures SIX mCHF	Actual	Prior year		Act adjusted <sup>1</sup>	Prior year adjusted <sup>1</sup>	
	Jun 2017	Jun 2016	Act / Py (%)	Jun 2017	Jun 2016	Act / Py (%)
<b>Income statement</b>						
Total operating income	929.7	913.3	1.8	929.7	887.3	4.8
Total operating expenses	769.3	746.9	3.0	769.3	746.9	3.0
Operating profit	160.4	166.4	-3.6	160.4	140.4	14.2
Share of profit of associates	-5.4	1.5	-471.5	-5.4	1.5	-471.5
Net financial result	9.1	5.0	80.4	9.1	1.1	696.0
Earnings before interest and tax (EBIT)	164.0	172.9	-5.1	164.0	143.0	14.7
Group net profit	124.5	134.9	-7.7	124.5	105.0	18.5
<b>Workforce (in full-time equivalents)</b>						
Total SIX	3'720.5	3'821.7	-2.6	n/a	n/a	n/a
<b>Key ratios</b>						
EBIT margin (in %)	17.6	18.9	-6.8	17.6	16.1	9.5
Cost/income ratio (in %)	83.2	81.7	1.9	83.2	84.0	-1.0
Return on equity <sup>2</sup> (in %, average)	8.4	28.5	-70.7	8.4	9.5	-11.0
Equity ratio <sup>3</sup> (in %, average)	77.6	77.3	0.4	n/a	n/a	n/a
<b>Balance sheet</b>						
Total assets	9'918.2	10'279.5	-3.5	n/a	n/a	n/a
Total liabilities	7'333.5	7'725.1	-5.1	n/a	n/a	n/a
Total equity	2'584.7	2'554.4	1.2	n/a	n/a	n/a

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<sup>2</sup> Return on equity = Profit previous 12 months / average equity previous 12 months

The return on equity has been adjusted by the impact of the following special effects:

- 06.2017: gain from the sale of SIX SAG Ltd (5.4 mCHF), impact of the reorganization in France (-34.4 mCHF), IAS 19 impact of the changes to the Swiss pension plan (26.8 mCHF).
- 06.2016: gain from the sale of a property (26.0 mCHF), gain from the sale of the companies belonging to the SIX Payment Services (Luxembourg) Ltd sub-group (3.9 mCHF), impact from the sale of the shares in STOXX Ltd and Indexium Ltd (net gain: 464.3 mCHF and extraordinary dividend: -387.7 mCHF).

<sup>3</sup> Equity ratio = Average equity previous 12 months / (total average adjusted liabilities previous 12 months + average equity previous 12 months)

The SIX 2017 Interim Report is available in English at <https://www.six-group.com/interim-report>

If you have any questions, please do not hesitate to contact Stephan Meier, Head Media Relations.

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## SIX

SIX operates the infrastructure underpinning the Swiss financial sector and offers a comprehensive range of services around the world in the fields of securities trading and settlement, financial information and payment transactions. The company is owned by its users (approximately 130 banks of various orientation and size). Its workforce of over 4,000 employees and presence in 25 countries throughout the world generated operating income of CHF 1.8 billion and a Group net profit of CHF 221.1 million in 2016.

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