Financial Statements 2015

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SIX key figures

CHF million	2015	2014
Total operating income	1,810.9	1,802.2
Total operating expenses	–1,531.9	–1,572.4
Share of profit of associates	15.5	26.6
Net financial result	468.4	33.6
Earnings before interest and tax (EBIT)	762.9	290.0
Group net profit	713.7	247.2

CHF million	31/12/2015	31/12/2014
Total assets	8,755.8	9,758.6
Total liabilities	6,310.6	7,501.8
Total equity	2,445.3	2,256.8

CHF million	2015	2014
Cash flow from operating activities	–1,025.7	1,581.0
Cash flow from investing activities	729.7	71.7
Cash flow from financing activities	–539.7	–119.9

Workforce (full-time equivalents)	31/12/2015	31/12/2014
Total SIX	3,858.2	3,824.8

Ratios	2015	2014
Earnings per share (in CHF)	37.63	12.95
Earnings per share without effect of sale of STOXX and Indexium (in CHF)	13.08	12.95
EBIT margin (in %)	42.1	16.1
EBIT margin without profit contribution of STOXX/Indexium (in %)	15.8	14.8
Return on equity (in %, average[1])	30.4	11.1
Equity ratio[2] (in %, average[1])	76.4	72.5

[1] Average for balance sheet items in the reporting period (see note 23)

[2] Total equity/(total adjusted liabilities + total equity); total adjusted liabilities (2015: CHF 726.9 million/2014: CHF 841.9 million) equal total average liabilities (2015: CHF 6,906.2 million/2014: CHF 6,651.1 million) less average payables from clearing & settlement (2015: CHF 6,111.2 million/2014: CHF 5,751.0 million) less average negative replacement values from clearing & settlement (2015: CHF 68.1 million/2014: CHF 58.1 million). The increase in the equity ratio in comparison to the previous year is mainly due to the decrease in total adjusted liabilities and increase in equity.

SIX consolidated financial statements 2015

Full-year report of SIX as at 31 December 2015

SIX rounds off exceptional year with record profit
SIX had an exceptional year in 2015, culminating in a record profit. The income from the sale of the shares in STOXX and Indexium boosted earnings before interest and tax (EBIT) by CHF 464.3 million to CHF 762.9 million and net profit by 188.7% to CHF 713.7 million. Adjusted for the contribution to earnings by STOXX and Indexium in 2014 and 2015, EBIT increased by 7.8% to CHF 286.1 million, and the EBIT margin climbed from 14.8% to 15.8%. The turbulence on the markets unleashed by the removal of the EUR/CHF floor impacted business operations in different ways: while Swiss Exchange and Securities Services benefited from the rise in volumes, the strong Swiss franc had an adverse effect on operating income in the business areas Financial Information and Payment Services. Operating income increased by 0.5% overall, and the business grew by 5.6% on a currency-adjusted basis.

Currency effects impact growth
SIX increased its 2015 operating income by CHF 8.7 million (+0.5%) on the previous year to CHF 1,810.9 million. Adjusted for negative currency effects, SIX grew by 5.6%.

Swiss Exchange and Securities Services saw a significant jump in revenue – up 3.0% and 8.0% respectively – on the back of the volatility on the stock markets and historically high trading activity triggered by the removal of the EUR/CHF floor by the Swiss National Bank (SNB). Swiss Exchange succeeded in maintaining its market share in Swiss blue-chip trading of 67.9% (68.1%), generating record high volumes in the process. Growth in Securities Services was driven by the marked rise in clearing and settlement transactions in the first half of the year. All systemically important services for the Swiss financial center have been pooled in this business area since 1 January 2015. The internationalization strategy being pursued in Financial Information (–2.9%) and Payment Services (–1.3%) is paying off: while the strong Swiss franc had an adverse effect on income, revenue was up measured in local currencies. Financial Information posted impressive growth, especially in the field of reference data; in Payment Services, meanwhile, momentum on the international payment markets stimulated transaction activity. In spite of the above-average levels of growth in local currencies, the strength of the Swiss franc meant that the proportion of revenue generated abroad fell slightly from 37.5% to 36.1%. About a quarter of all revenue originates in Austria and Luxembourg, which now both count as domestic markets of the business area Payment Services. In 2015, SIX thus made a significant step forward in the implementation of its growth and diversification strategy.

Another significant improvement in profitability
SIX faces persistently high pressure on margins and costs in all areas. In order to remain profitable, SIX is therefore committed to rigorous cost control. Operating expenses declined Group-wide by CHF 40.5 million or 2.6% to CHF 1,531.9 million. 2015 saw a further reduction in the profitability gaps between the business areas. The highest EBIT was achieved by Payment Services at CHF 88.1 million (+17.2%), fuelled by lean cost management, improved margins and foreign business, especially in Austria. In spite of the excellent operating result in the year under review, EBIT in Swiss Exchange fell by 18.3% to CHF 85.1 million in the wake of price reductions and the sale of the shares in STOXX and Indexium, meaning they ceased to contribute to revenue. Adjusted for the contribution to earnings by STOXX and Indexium in 2014 and 2015, the decline in EBIT was 8.8%. The strong growth due to rising transaction volumes resulted in 10.9% higher EBIT (CHF 47.0 million) at Securities Services. The jump in profitability was even larger at Financial Information, with EBIT climbing by 17.6% to CHF 53.9 million, attributable primarily to falling costs, a rigorous focus on the core business and a functional organization geared towards global operations.

The sale of the shares in STOXX Ltd and Indexium Ltd boosted the financial result to CHF 468.4 million (2014: CHF 33.6 million). Excluding this special effect, the net financial result decreased by CHF 29.5 million to CHF 4.1 million owing to the performance of the investments.

Given SIX's excellent liquidity and capital situation, the Board of Directors decided in September 2015 to pay shareholders an extraordinary dividend totalling CHF 400.2 million, which equates to a gross dividend of CHF 20.50 per share. The Board of Directors has recommended to the Annual General Meeting to distribute an ordinary dividend of CHF 8.25 (2014: CHF 8.00) per share.

Consolidated income statement

CHF million	Notes*	2015	2014
Commission revenues		709.5	639.8
Transaction revenues		406.9	453.4
Service revenues		615.5	619.5
Net interest income from banking business	5	11.9	4.6
Other operating income	6	67.0	84.9
Total operating income		**1,810.9**	**1,802.2**
Personnel expenses	7, 36	–606.1	–603.4
Other operating expenses	8	–843.4	–869.1
Depreciation, amortization and impairment	21, 22	–82.3	–99.9
Total operating expenses		**–1,531.9**	**–1,572.4**
Operating profit		**279.0**	**229.8**
Share of profit of associates	31	15.5	26.6
Financial income	9	556.5	50.4
Financial expenses	9	–88.1	–16.9
Earnings before interest and tax (EBIT)		**762.9**	**290.0**
Interest income	10	7.9	10.4
Interest expenses	10	–7.5	–5.5
Earnings before tax (EBT)		**763.3**	**294.9**
Income tax expenses	12	–49.6	–47.7
Group net profit		**713.7**	**247.2**
of which attributable to shareholders of SIX Group Ltd		*711.7*	*244.8*
of which attributable to non-controlling interests		*2.0*	*2.3*
Earnings per share (CHF)			
Basic profit for the period attributable to shareholders of SIX Group Ltd	11	37.63	12.95
Diluted profit for the period attributable to shareholders of SIX Group Ltd		37.63	12.95

*The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

CHF million	Notes*	2015	2014
Group net profit		**713.7**	**247.2**
Change in actuarial gains/(losses) on defined benefit plan recognized in the reporting period	36	–50.9	–105.3
Income taxes on changes in actuarial gains/(losses) on defined benefit plans	13	10.8	22.7
Change in actuarial gains/(losses) on defined benefit plans, net of tax		**–40.1**	**–82.5**
Change in fair value of equity instruments measured through other comprehensive income		94.7	–
Income taxes on change in fair value of equity instruments measured through other comprehensive income		–20.4	–
Change in fair value of equity instruments measured through other comprehensive income, net of tax		**74.3**	**–**
Total items that will not be reclassified to profit or loss		**34.3**	**–82.5**
Translation adjustment recognized in the reporting period (incl. share of associates)		–21.3	–0.6
Currency translation adjustment		**–21.3**	**–0.6**
Changes in fair value of cash flow hedges recognized in the reporting period		–	0.4
Fair value of cash flow hedges reclassified to the balance sheet	32	–	2.9
Change in fair value of cash flow hedges, net of tax		**–**	**3.3**
Total items that are or may be subsequently reclassified to profit or loss		**–21.3**	**2.7**
Total other comprehensive income, net of tax		**12.9**	**–79.8**
Total comprehensive income for the period		**726.6**	**167.4**
of which attributable to shareholders of SIX Group Ltd		*725.1*	*165.0*
of which attributable to non-controlling interests		*1.6*	*2.3*

* The accompanying notes are an integral part of the consolidated financial statements.

Consolidated balance sheet

CHF million	Notes*	31/12/2015	31/12/2014
Assets			
Cash and cash equivalents	14	4,208.4	5,103.4
Trade and other receivables	15	409.2	626.0
Receivables from clearing & settlement	16	2,660.1	2,267.9
Financial assets	17, 28, 29	758.1	659.7
Inventories	19	11.2	17.2
Current income tax receivables	12	2.0	2.9
Other current assets	20	61.0	63.6
Disposal groups and assets held for sale	18	21.4	–
Current assets		**8,131.4**	**8,740.7**
Property, plant and equipment	21	233.3	232.8
Intangible assets	22	181.9	211.5
Investments in associates	31	20.7	221.5
Financial assets	17, 28, 29	151.3	320.7
Other non-current assets		17.7	9.0
Deferred tax assets	13	19.4	22.3
Non-current assets		**624.4**	**1,017.9**
Total assets		**8,755.8**	**9,758.6**
Liabilities			
Bank overdrafts	14	0.0	35.4
Trade and other payables		139.6	320.3
Payables from clearing & settlement	16	5,622.4	6,600.0
Financial liabilities	28, 29	66.1	96.0
Provisions	25	15.2	14.7
Current income tax payables	12	35.4	37.5
Other current liabilities	26	241.7	269.7
Liabilities directly associated with disposal groups held for sale	18	10.6	–
Current liabilities		**6,131.0**	**7,373.4**
Financial liabilities	28, 29	–	6.7
Provisions	25	23.4	26.8
Other non-current liabilities	26	117.2	48.2
Deferred tax liabilities	13	38.9	46.7
Non-current liabilities		**179.6**	**128.4**
Total liabilities		**6,310.6**	**7,501.8**
Equity			
Share capital		19.5	19.5
Capital reserves		234.1	385.4
Other reserves		–47.7	–26.4
Retained earnings		2,229.8	1,871.2
Shareholders' equity	24	**2,435.7**	**2,249.7**
Non-controlling interests	31	9.5	7.0
Total equity		**2,445.3**	**2,256.8**
Total liabilities and equity		**8,755.8**	**9,758.6**

* The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

CHF million	Notes*	Share capital	Capital reserves	Other reserves
Balance at 1 January 2015		**19.5**	**385.4**	**–26.4**
Group net profit				
Total other comprehensive income				–21.2
Total comprehensive income for the year				**–21.2**
Dividends paid	23		–151.3	
Distributions			**–151.3**	
Change in scope of consolidation				
Changes in ownership interests in subsidiaries				
Balance at 31 December 2015		**19.5**	**234.1**	**–47.7**

CHF million	Notes*	Share capital	Capital reserves	Other reserves
Balance at 1 January 2014		**19.5**	**480.0**	**–29.2**
Group net profit				
Total other comprehensive income				2.7
Total comprehensive income for the year				**2.7**
Dividends paid	23		–94.6	
Distributions			**–94.6**	
Balance at 31 December 2014		**19.5**	**385.4**	**–26.4**

* The accompanying notes are an integral part of the consolidated financial statements.

Other reserves						
Treasury shares	Hedging reserves	Translation reserves	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
–23.3	–	–3.1	**1,871.2**	**2,249.7**	**7.0**	**2,256.8**
			711.7	711.7	2.0	713.7
		–21.2	34.5	13.3	–0.4	12.9
		–21.2	**746.3**	**725.1**	**1.6**	**726.6**
			–387.7	–539.1	–0.6	–539.7
			–387.7	**–539.1**	**–0.6**	**–539.7**
			–0.0	–0.0	1.5	1.5
			–0.0	**–0.0**	**1.5**	**1.5**
–23.3	–	–24.3	**2,229.8**	**2,435.7**	**9.5**	**2,445.3**

Other reserves						
Treasury shares	Hedging reserves	Translation reserves	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
–23.3	–3.3	–2.5	**1,708.9**	**2,179.3**	**5.4**	**2,184.7**
			244.8	244.8	2.3	247.2
	3.3	–0.6	–82.5	–79.8	0.0	–79.8
	3.3	–0.6	**162.3**	**165.0**	**2.3**	**167.4**
				–94.6	–0.7	–95.3
				–94.6	**–0.7**	**–95.3**
–23.3	–	–3.1	**1,871.2**	**2,249.7**	**7.0**	**2,256.8**

Consolidated statement of cash flows

CHF million	Notes*	2015	2014
Group net profit (incl. non-controlling interests)		713.7	247.2
Adjustments for:			
Depreciation, amortization and impairment		82.3	99.9
Increase/(decrease) in provisions		–1.4	–1.5
(Increase)/decrease in pension fund assets and liabilities		11.4	3.2
Share of profit of associates	31	–15.5	–26.6
Net financial result		–435.5	–33.6
(Gain)/loss on sale of property, plant, equipment and intangible assets		1.7	2.7
(Gain)/loss on settlement and curtailment	36	–	–0.4
Income tax expense	12	49.6	47.7
Changes in:			
Inventories		5.3	0.9
Trade and other receivables		156.7	153.6
Trade and other payables		–142.5	–4.7
Receivables from clearing & settlement		–404.6	–390.8
Payables from clearing & settlement		–951.6	1,522.6
Current financial assets		–1.2	2.1
Current financial liabilities		–25.3	–8.1
Other current assets		–1.1	–5.6
Other current liabilities		–4.9	17.2
Interest paid		–5.1	–0.9
Interest received		7.5	10.4
Income tax (paid)/received		–65.3	–54.3
Net cash flow from (used in) operating activities		**–1,025.7**	**1,581.0**
Investments in subsidiaries (net of cash acquired incl. bank overdrafts)		–	127.0
Disposal of subsidiaries and associates		681.6	8.1
Purchase of property, plant, equipment and intangible assets		–99.2	–89.5
Sale proceeds from property, plant, equipment and intangible assets		1.6	4.3
Investment in non-current financial assets		–18.4	–1.0
Divestment of non-current financial assets		149.0	1.3
Investments in other non-current assets		–9.7	–2.7
Divestments of other non-current assets		0.4	0.1
Other financial income received		0.1	2.5
Dividends received		24.4	21.7
Net cash flow from/(used in) investing activities		**729.7**	**71.7**
Acquisition of non-controlling interests		–	–24.6
Dividends paid to shareholders of the parent company	23	–539.1	–94.6
Dividends paid to non-controlling interests	23	–0.6	–0.7
Net cash flow from/(used in) financing activities		**–539.7**	**–119.9**
Net impact of foreign exchange rate differences on cash		–19.0	–12.8
Net change in cash and cash equivalents		**–854.6**	**1,520.1**
Balances of cash and cash equivalents			
Cash and cash equivalents at 1 January		5,068.0	3,547.9
Cash and cash equivalents at 31 December	14	4,213.4	5,068.0

* The accompanying notes are an integral part of the consolidated financial statements.

Basis of preparation

1. General information

SIX provides a comprehensive range of services in the areas of securities trading and post-trading, financial information processing and cashless payment transactions.

SIX Group Ltd is an unlisted public limited company domiciled in Switzerland with its registered office in Zurich, at Selnaustrasse 30. The company is owned by approximately 140 national and international financial institutions.

The consolidated financial statements of SIX as at and for the year ended 31 December 2015 comprise SIX Group Ltd (the "Company"), which is the parent company, and its subsidiaries as well as interests that SIX has in associates (together referred as the "Group" or "SIX"). A table of the Group subsidiaries and interests in associates is set out in note 31.

The Board of Directors of SIX approved the issuance of these consolidated financial statements on 6 April 2016.

2. Significant accounting policies

Basis of preparation

The consolidated financial statements of SIX have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The reporting period covers twelve months. Unless otherwise indicated, all amounts are stated in millions of Swiss francs (CHF) and all values are rounded to the nearest hundred thousand. The annual closing date for all the individual subsidiaries' accounts is 31 December. For all the consolidated companies, the financial year corresponds to the calendar year.

The consolidated financial statements provide comparative information in respect of the previous period.

The SIX consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value, as disclosed in the accounting policies below.

Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method at the date of acquisition, which is the date on which SIX obtains control. SIX has control over an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the relevant activities of the investee.

At the time of acquisition, all identifiable assets and liabilities that satisfy the recognition criteria are recognized at their fair values. The difference between the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed is accounted for as goodwill after taking into account any non-controlling interests and, if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree. Any negative difference, after further review, is recognized in the income statement. Directly attributable transaction costs are reported as other operating expenses.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration will be recognized in the income statement.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-Group balances, transactions, any unrealized gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

Non-controlling interests arise when SIX Group Ltd directly or indirectly holds less than 100% of a subsidiary but does control the subsidiary. Non-controlling interests in subsidiaries are reported separately within equity. Profit or loss and total other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Upon loss of control, SIX ceases to recognize the assets and liabilities of a subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the income statement. The interest retained is measured at fair value at the date when control is lost. Subsequently, it is accounted for as an investment using the equity method or as a financial asset at fair value through profit or loss, depending on the level of influence retained.

Investments in associates

Investments in associates are accounted for using the equity method. Associates are those entities where SIX has significant influence over the financial and operating policies but does not exercise control. Significant influence is generally assumed to exist whenever voting rights ranging between 20% and 50% are held. Under the equity method, investments in associates are initially recognized at cost at the date of acquisition. Cost comprises the share of net assets acquired and any applicable goodwill arising. In subsequent accounting periods, the carrying amount of the investment is adjusted by the share of profit or loss and other comprehensive income less the share of dividends distributed. Unrealized gains and losses from transactions with associates are eliminated in proportion to the interest held in the associate; unrealized losses only to the extent that there is no evidence of impairment.

Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Swiss francs, which is also the functional currency of SIX Group Ltd. Each subsidiary prepares its own financial statements in its functional currency, i.e. in the currency of the primary economic environment in which it operates.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities in their respective functional currencies using the exchange rates prevailing at the dates of the transactions.

Exchange rate gains and losses arising between the date of a transaction and its settlement and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement within financial income or expenses.

Non-monetary items recognized at historical cost are measured at the historical exchange rates, while non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any exchange rate gains and losses resulting from the foreign currency translation are recorded in the income statement as part of the fair value gain or loss.

The main exchange rates at the closing dates were the following:

Currency	31/12/2015	31/12/2014
EUR	1.0821	1.2026
GBP	1.4671	1.5396
USD	0.9899	0.9901
SEK	11.7690	12.7753

The main annual average exchange rates were the following:

Currency	2015	2014
EUR	1.0681	1.2147
GBP	1.4714	1.5067
USD	0.9626	0.9150
SEK	11.4127	13.3605

Foreign operations

The income statements of subsidiaries with a functional currency other than the Swiss franc are translated at the monthly average exchange rates. Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at the closing exchange rate. Foreign exchange translation differences are recognized as currency translation adjustments in other comprehensive income and presented in other reserves in equity. On the loss of control of a subsidiary, the accumulated exchange rate differences previously recognized in other reserves in equity are reclassified to the income statement as part of the gain or loss on disposal.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting to the Group Executive Board of SIX and the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the SIX Group CEO. Management has determined the reportable operating segments based on the reports regularly reviewed by the CODM.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, postal and bank accounts, giro and demand deposits at the Swiss National Bank, deposits held at call with banks and short-term deposits with a maximum maturity of three months from the date of initial recognition. Cash and cash equivalents are classified as current.

Cash and cash equivalents are stated at amortized cost, which is similar to the nominal value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of bank overdrafts.

Trade and other receivables

Trade and other receivables and advances are recognized initially at fair value including directly related transaction costs. Subsequent to initial recognition, receivables are measured at amortized cost less impairment losses.

Accounts receivables are classified as current if payment is due within one year. If not, they are presented as non-current.

Receivables and payables from clearing & settlement

Beside the receivables and payables from clearing & settlement incurred in the card business, these also comprise vostro accounts of participants for securities transactions and nostro accounts of SIX Securities Services with cash correspondent banks, subcustodians and other central securities depositories. These vostro and nostro accounts are on sight and carried at nominal value.

Financial assets

General criteria

Financial assets are generally recognized at the trade date. Non-fulfilled transactions from the clearing business of Securities Services are recognized at the settlement date.

SIX classifies its financial assets into the following two categories: a) financial assets at amortized cost and b) financial assets at fair value through profit or loss. The classification depends on the business model of SIX for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are initially recognized at their fair value plus, for financial assets not subsequently measured at fair value through profit or loss, directly attributable transaction costs.

Financial assets at amortized cost

A financial asset is carried at amortized cost if both of the following criteria are met: a) the financial asset is held within a business model whose objective is to hold these assets in order to collect contractual cash flows, and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition such financial assets are measured at amortized cost by applying the effective interest method. Gains or losses are recognized in the income statement when the financial asset is derecognized or impaired and through the amortization process using the effective interest method. This category consists of cash deposits with a maturity of more than three months from the date of initial recognition, receivables and debt instruments.

SIX does not apply the fair value option to any debt instruments.

Financial assets at fair value through profit or loss
If either of the above two criteria for financial assets at amortized cost is not met, the financial asset is classified as measured at fair value through profit or loss (FVtPL). Gains and losses arising from changes in the fair value are reported in financial income or expenses. This category consists of equity instruments, units in investment funds, derivatives and financial instruments from the settlement business of SIX.

Financial assets at fair value through other comprehensive income
For equity instruments which are not held for trading, SIX can make the irrevocable election on an instrument-by-instrument basis at initial recognition to recognize changes in fair value through other comprehensive income (FVtOCI) rather than profit or loss. With exceptions to dividends received, the associated gains and losses are recognized in other comprehensive income and will not be reclassified to profit or loss.

Impairment of financial assets

Financial assets that are measured at amortized cost are tested at each reporting date for any objective evidence of impairment to these assets, at both an individual and collective level.

An impairment loss is recognized where there is objective evidence of impairment, such as the downgrading of the credit rating or significant financial difficulties of the obligors or issuers.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account, and the amount of the loss is recorded in the income statement. If, at a subsequent reporting date, the fair value objectively increases as a result of events occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal of impairment losses for financial assets measured at amortized cost is recognized in the income statement.

If the Group concludes that no objective evidence of impairment exists for an individually tested financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively tests them for impairment. Assets that are individually tested for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective test of impairment.

Derivatives

Derivative financial instruments
SIX uses derivative financial instruments to mitigate its exposure to foreign exchange risks arising from operational activities. Derivative financial instruments are recognized initially and subsequent to initial recognition at fair value. Gains or losses relating to changes in fair value are recognized immediately in the income statement. Apart from forward contracts from the clearing and settlement business of Securities Services, this category includes in particular foreign currency forwards and swaps.

All derivative financial instruments are included under financial assets if their fair value is positive and under financial liabilities if their fair value is negative.

Financial instruments in this category are classified as current assets if they are expected to be settled within twelve months; otherwise, they are classified as non-current.

Hedging activities (cash flow hedge)
In rare circumstances, SIX hedges cash flows of highly probable forecast transactions. In this case, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within the financial result.

If a hedging instrument is exercised or the conditions for hedge accounting are no longer satisfied, the cumulative changes of the fair value remain in equity until the expected underlying transaction has taken place. If the expected underlying transaction is no longer likely to occur, the amounts accumulated in equity are transferred to the income statement. At the time when the underlying transaction results in the recognition of a non-financial asset, the gains and losses previously recognized in equity are removed from the reserve and included in the initial cost of the non-financial asset.

SIX documents at the inception of the transaction the relationship between hedging instruments and hedged items as well as its risk management objectives and strategy. SIX also documents its assessment, both at hedge inception (prospective hedge test) and on an ongoing basis (retrospective hedge test), whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Repurchase and reverse repurchase agreements, securities lending and borrowing

Repurchase agreements with securities are only entered into for the own account of SIX (principal). The securities which have been transferred are not recognized in or derecognized from the balance sheet unless the risks and rewards of ownership are also transferred.

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are generally treated as collateralized financing transactions. In reverse repurchase agreements, the cash delivered is derecognized and a corresponding receivable is recorded in the balance sheet. In repurchase agreements, the cash received is recognized in the balance sheet with a corresponding obligation to return it. Securities received in a reverse repurchase agreement are disclosed in the notes if SIX has the right to resell or repledge them.

Securities borrowing and lending transactions are, similarly to repurchase and reverse repurchase transactions, treated like collateralized financing transactions if they are covered with cash collateral and daily margin settlements. Securities borrowing and lending transactions which are not covered with cash collateral are not recognized in the balance sheet. Cash collateral received is recognized with a corresponding obligation to return it, and cash collateral delivered is derecognized with a corresponding receivable. Both are carried at nominal value. Securities received in a lending or borrowing transaction are disclosed in the notes if SIX has the right to resell or repledge them.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to receive cash flows have expired or when substantially all the risks and rewards of ownership of the financial assets are transferred.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value represents the estimated selling price for inventories in the ordinary course of business, less the estimated costs of completion and selling expenses.

Any write-downs and reversals of write-downs of inventories and any inventory losses are also recognized as an expense when they occur.

When inventories are sold and revenue is recognized, the carrying amount of those inventories is recognized as expenses for inventories in the income statement, except for prepaid calling cards and POS-activated PINs (mobile vouchers). For sales of mobile vouchers where SIX earns a commission, revenues are recognized on a net basis in accordance with IAS 18, as SIX is not the primary obligor towards its customer and does not bear inventory risk.

Disposal groups and non-current assets held for sale

Non-current assets are presented as held for sale if management is committed to a plan to sell an asset or disposal group and it is highly probable that the sale will be completed within one year of the date of the reclassification and the asset or disposal group is available for immediate sale in its present condition. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal, excluding finance costs and income tax expense. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Property, plant and equipment

Assets included under property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Repair and maintenance costs are recognized in the income statement as incurred. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Land has an unlimited useful life and is therefore not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost over the estimated useful lives of each component, as follows:

Asset class	Estimated useful life
Land	Impairment only
Buildings (excluding land)	8 – 60 years
Technical infrastructure	3 – 30 years
Leasehold improvements	Amortized in line with the term of the property lease
IT mainframes	4 years
IT midrange	3 years
IT other hardware	3 – 5 years
Office equipment and furniture	3 – 7 years
Other fixed assets	3 – 5 years

Depreciation starts when the asset is available for use.

The assets' residual values, their useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are calculated as the difference between the net proceeds and the carrying amount and are recognized in the income statement.

Intangible assets

Goodwill

SIX measures goodwill at the acquisition date at cost (see also *Business combinations*). Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis and in addition when indicators of impairment exist. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

In respect of investments in associates, the carrying amount of goodwill is included in the carrying amount of the investment and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

Other intangible assets excluding goodwill

Intangible assets that are acquired by SIX and have a finite useful life are measured at cost less accumulated amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset it relates to. Other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Software development expenditure for self-developed intangible assets is capitalized only if it can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and SIX intends to and has sufficient resources to complete development and to use or sell the asset. Research costs are expensed as incurred.

Depreciation starts if the internally developed asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives:

Asset class	Estimated useful life
Licenses, brands and client relationships	5 – 10 years
Software	3 – 5 years
Other intangible assets	3 – 5 years

Amortization methods, useful lives and residual values are reassessed annually and adjusted if appropriate.

Impairment of non-financial assets

Goodwill and other intangible assets with an indefinite useful life, including intangible assets not yet ready for use, are not subject to amortization and are tested for impairment on an annual basis and whenever there is an indication that the asset may be impaired.

Assets classified under property, plant and equipment, including those not yet ready for use, that are subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of impairment testing, assets are tested individually or grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, CGUs). Goodwill is allocated to the CGU at which it is monitored for internal management purposes and which is not larger than an operating segment.

If the carrying amount of the assets exceeds the recoverable amount, an impairment equal to the difference between the carrying amount and the recoverable amount is recognized as an impairment loss in the income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Any impairment loss on goodwill recognized in prior periods may not be reversed in subsequent periods. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities

Apart from the negative fair value of derivative financial instruments (see Derivatives), financial liabilities comprise short-term borrowings. Borrowings are initially recognized at fair value including transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

Leases

General criteria

Leasing includes all arrangements that transfer the right to use a specified asset for a stated period of time in return for a payment or series of payments. Lease agreements which transfer substantially all the risks and rewards incidental to ownership of the leased item to SIX are classified as finance leases. All other lease agreements are classified as operating leases.

SIX is a lessee of premises, IT equipment and vehicles and a lessor of payment terminals and premises. These lease agreements are classified and recorded as operating leases.

Operating leases

SIX as lessee

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease agreement.

SIX as lessor

Operating lease equipment is carried initially at its acquisition or manufacturing cost. The leased asset is depreciated according to the depreciation policies of SIX for property, plant and equipment on a straight-line basis to its expected residual value or over the contractual term of the lease. Rental income from operating leases is recognized on a straight-line basis over the term of the lease agreement in the income statement as other operating income.

Provisions

General criteria

Provisions are recognized when SIX has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are not recognized for future operating losses.

The amount recognized as a provision is the amount which represents the best estimate required to settle the present obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Provisions are regularly reviewed and adjusted as further information develops or circumstances change.

Restructuring provisions

Restructuring provisions are recognized only when the Group has a legal or constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline, and the employees affected have been notified of the plan's main features.

Asset retirement obligation

If a lease contract requires SIX to remove any assets it has installed in the leased property (such as internal walls or partitions), the removal obligation arises immediately upon installation. In such a situation, the Group recognizes a provision for the present value of the future cost of removal at the date the assets are installed.

The costs of removal are capitalized as part of the acquisition costs of the leasehold improvements and are depreciated over their useful lives or according to the lease term, if shorter.

Contingent liabilities and assets

Contingent liabilities are not recognized, but are disclosed, unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized, but are disclosed, where an inflow of economic benefits is probable. Where the realization of income is virtually certain, the related asset is recognized.

Equity

Ordinary shares

Ordinary shares in SIX Group Ltd are classified as share capital.

Treasury shares

Own shares held by SIX Group Ltd itself and by other members of the Group are recognized at cost within other reserves and deducted from equity. Gains or losses on the disposal or cancellation of treasury shares are recorded in other reserves.

Operating revenues

General

When SIX acts as principal, revenue is recorded gross. However, when SIX acts only as an agent, revenue is limited to the commission or fee that it retains (net of related costs). A risk of physical loss of inventory and subsequent credit risk arising from a sale of goods or from the rendering of services strongly indicate that SIX acts as principal.

Commission revenues

SIX generates commission revenues from the admission of securities to trading and post-trading services (e.g. domestic and international custody service, global fund service). SIX also receives commission from merchants in the card business and from financial institutions in the ATM business.

Admission fees are recognized at the time of admission to trading. Commission revenues generated from post-trading services are recognized as revenue when the related service is rendered. Commission fees received in the card business are calculated either as a percentage of the value of the transaction or as a fixed amount per transaction and are recorded as income at the time those transactions occur.

Transaction revenues
SIX earns transaction fees on the transactions processed for its customers. Transaction revenues are generated from trading activities on the stock exchange as well as from clearing and settlement transactions in the post-trading and payment services business.

Trading, clearing and settlement fees are recognized on the settlement day or on the day when the trade is completed (for late settlement).

Service revenues
SIX provides customers with efficient access to financial information including market information and reference data. SIX also provides support to card issuers and offers value-added services to merchants.

Revenues generated from the distribution of reference data and market information generally comprise a fixed and a variable component. The fixed component is recognized on an accrual basis over the respective service period, while the variable part is recorded at the date of each individual sale. Non-transaction-related fees charged to merchants and card issuers are recorded as fixed fees. These fees are recognized over the contract period.

Net interest income from banking activities
Interest income and expenses arise from the interest margin business of SIX Securities Services, which is part of the core business activities of SIX. Accordingly, the net interest income from banking activities has been separated from the Group's other interest income and expenses. Net interest income from banking activities is recognized applying the effective interest method. Negative interest on financial assets from banking activities is presented within interest expenses from banking business, and the related interest earned from the recharge of negative interest is presented within interest income from banking business.

Employee benefits
General
SIX maintains a number of different pension plans based on the respective legislation in each country. The retirement benefit plans include both defined benefit and defined contribution plans.

Defined contribution plans
Contributions to defined contribution plans are recognized as an employee benefit expense in the period during which the related services are rendered by employees.

Defined benefit plans
The net liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets. Actuarial assumptions used for calculation include the discount rate, future salary and pension increases, staff turnover and life expectancy. The calculation is performed annually by a qualified actuary using the projected unit credit method. Pension plan assets are valued annually at market values. Defined benefit costs consist of three components:
– service costs, curtailments and settlements
– net interest income or expense
– remeasurements

Service costs include current and past service costs and are presented as personnel expenses in the income statement. The Group recognizes gains and losses on plan curtailments or settlements in the income statement when they occur.

Net interest income or expense is calculated as the net defined benefit liability or asset at the beginning of the reporting period multiplied by the discount rate that is used to measure the defined benefit obligation. Net interest income or expenses are recognized as personnel expenses in the income statement.

Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). SIX recognizes them in other comprehensive income. Remeasurements are not recycled.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. In the

case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

Other long-term employee benefits
The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Remeasurements are recognized in profit or loss in the period in which they arise. Other long-term employee benefits include in particular long-service awards (or "jubilees"). The liability is determined by applying the projected unit credit method. The actuarial assumptions used are reassessed annually.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed when the related service is provided.

Interest and dividends

Interest income and expenses
For all financial instruments measured at amortized cost, interest income and expenses are recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Negative interest on financial assets is presented within interest expenses. Negative interest on financial liabilities is presented within interest income.

Dividend income
Dividends are recognized when the right to receive payment is established and are included in financial income.

Income taxes

General
The tax expense for the period comprises current and deferred tax. Taxes are recognized in the income statement, except to the extent that the underlying transaction is recorded either in other comprehensive income or directly in equity.

Current income taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities based on the taxable profit. The tax rates and tax laws used to calculate the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred taxes
Deferred tax is recognized by applying the liability method in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:
- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit or loss
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which they can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Calculation of deferred taxes is based on the country-specific tax rates expected to apply in the accounting period in which these tax assets will be realized or tax liabilities will be settled. Tax assets and liabilities are offset if they relate to the same taxable entity and tax authority and if there exists an offset entitlement for current taxes.

New standards, interpretations and amendments adopted by the Group

In 2015, the Group adopted the following standard and amendment early:

– SIX adopted early the requirements regarding classification and measurement and hedge accounting of IFRS 9 Financial Instruments (version 2013). In 2012, SIX already adopted early the requirements regarding classification and measurement of IFRS 9 Financial Instruments (version 2010) which were defined in phase 1 of the standard-setting project. As of 1 January 2015, SIX newly applies the requirements regarding hedge accounting of IFRS 9 Financial Instruments which were defined in phase 3 of the standard setting process. IFRS 9 Financial Instruments (version 2014), including impairment (phase 2 of the standard setting project), will not be adopted early.
– Annual Improvements to IFRSs 2012–2014 Cycle

The adoption of the standard and the amendment had no impact on the consolidated financial statements of the Group as at 31 December 2015.

IFRS and interpretations that have been approved but not yet applied

The following new and/or revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements.

Standard/interpretation	Effective date	Date planned for adoption by SIX
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	A date to be determined by the IASB	To be determined by SIX
Equity Method in Separate Financial Statements (Amendments to IAS 27)	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
IFRS 14 Regulatory Deferral Accounts	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
Disclosure Initiative: Amendments to IAS 1	Annual periods beginning on or after 1 January 2016	Financial year 2016 [1]
Recognition of Deferred Tax Assets (Amendments to IAS 12)	Annual periods beginning on or after 1 January 2017	Financial year 2017 [2]
Disclosure Initiative: Amendments to IAS 7	Annual periods beginning on or after 1 January 2017	Financial year 2017 [2]
IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after 1 January 2018	Financial year 2018 [2]
IFRS 9 Financial Instruments	Annual periods beginning on or after 1 January 2018	Financial year 2018 [3]
IFRS 16 Leases	Annual periods beginning on or after 1 January 2019	Financial year 2019 [2]

[1] The adoption of the new standard and the amendment is not expected to have any impact, or any significant impact, on the consolidated financial statements of SIX.
[2] The impact on the consolidated financial statements of SIX has not yet been fully assessed.
[3] SIX has already adopted the requirements of IFRS 9 (version 2013) regarding classification and measurement and hedge accounting, which were determined in phase 1 and phase 3 of the standard-setting process. The impact of the other element (i.e. impairment) of IFRS 9 on the consolidated financial statements of SIX is currently being assessed.

3. Use of judgments and estimates

The application of some accounting policies requires the use of assumptions, estimates and judgments that may affect the reported assets and liabilities, income and expenses and also the disclosure of contingent assets and liabilities in the reporting period. The assumptions and estimates are continually reviewed and are based upon historical experience and other factors, including anticipated developments arising from probable future events. Actual future occurrences may differ from these assumptions and estimates.

Areas that may incorporate a greater number of uncertain assumptions, estimates and judgments are listed below.

Fair value of assets and liabilities recognized in a business combination

In the case of business combinations, assets acquired and liabilities assumed are measured at fair value at the date of acquisition. In determining the fair value of the intangible assets and property, plant and equipment acquired, of the liabilities assumed at the date of acquisition and the useful lives of the intangible and tangible assets acquired, certain assumptions are made. The measurement is based upon projected cash flows and information available at the date of acquisition (see also note 32).

Fair value of level 3 instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. SIX uses judgment to determine the valuation methods and makes assumptions to estimate the inputs into the calculations as the parameters for the calculation of the fair values are not readily available in the markets. The calculations are based on information available as at the reporting date (see note 28).

If only an indicative sales price is available for announced sales transactions of unlisted equity instruments, the determination of the future cash flows requires judgment. Uncertainties such as regulatory approvals, appeals from transaction participants and restrictions to the considerations received are taken into account through deductions to the indicative sales price (see note 17).

Capitalization of development costs

SIX develops various software applications for internal and external use. Development costs for self-developed intangible assets are capitalized if the applicable criteria of IAS 38 are fulfilled. Initial capitalization of costs is based on management's judgment that the feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash flows generated from the project, the discount rates to be applied and the expected period of benefits.

All development costs are allocated to projects. Projects are broken down into four main phases. Costs incurred in the inception and transition phase are treated as non-capitalizable, whereas costs incurred in the elaboration and construction phase are treated as capitalizable. Project management is generally allocated to each single project phase and is treated as capitalizable or non-capitalizable, as applicable. Development costs which do not satisfy the requirements for capitalization are expensed as incurred.

The carrying value of an intangible asset arising from development is tested for impairment annually when the asset is not yet available for use or more frequently when an indicator of impairment arises during the reporting period. See note 22 for further details on capitalized development costs.

Impairment tests of intangible assets with an indefinite useful life

The carrying amounts of intangible assets with an indefinite useful life, which includes goodwill, are tested for recoverability annually or if events or a change of circumstances indicate a possible impairment. Note 22 includes information on the key assumptions used in performing the impairment tests on goodwill and intangible assets with an indefinite useful life. In each case, the respective budgets and financial plans provide the basis for determining the recoverable amount. The business plans contain management estimates and projections of financial performance of the respective CGU. A reasonable discount rate is also chosen to calculate the present value of these cash flow projections. The impact analysis of changes in key assumptions is also presented in note 22.

Utilization of tax losses and recognition of deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. At each closing, the entity assesses the recoverability of deferred tax assets, including those recognized in previous periods. Further details on recognized deferred tax assets and unrecognized tax losses are disclosed in note 12.

Measurement of defined benefit obligations

Accounting for defined benefit obligations requires the application of certain actuarial assumptions (e.g. discount rate, staff turnover and salary increases). These assumptions were used to calculate the present value of the obligation (or asset) as at 31 December 2015. Changes in actuarial assumptions can materially affect pension obligations and the expenses arising from employee benefit plans. A sensitivity analysis of the key factors is presented in note 36.

Provisions

SIX has a significant international operation and is therefore subject to various legal and regulatory regimes. Some entities of the Group are parties to legal proceedings. Provisions are raised for the expected amounts payable in respect of legal or regulatory requirements or legal claims. The measurement of provisions and contingencies is periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists. See note 25 for further details on the provisions.

Performance for the year

4. Segment information

Determination of operating segments
The operating segments of SIX are determined based on the management approach. Accordingly, external segment reporting reflects the internal organizational and management structure used within the Group as well as the internal financial reporting to the chief operating decision maker (CODM). For the purpose of internal reporting, SIX is broken down into six reportable operating segments, four of which reflect the business areas of SIX. The segments include Global IT, which has been presented as a separate reportable operating segment since 2015. Previously, Global IT was included in the segment "Corporate". Other business activities that are not assigned to these operating segments, but that support the Group as a whole, do not qualify as reportable operating segments under IFRS 8. They include the activities of the management company, corporate communications, strategic development, human resources, finance & risk, legal & compliance and logistics. These activities are grouped together under the segment "Corporate". The six reportable segments offer the following products and services:

Segment	Products and services
Swiss Exchange	– Cash and securitized derivatives market for trading in equities, bonds, structured products and warrants, exchange-traded products (ETPs) and funds – Admission of securities – Distribution of raw market data and index products – Index calculation service
Securities Services	– Clearing house and central counterparty – Securities financing solutions – Custody, settlement and administration services – Share register services – Electronic transactions between land registries, notaries and banks – Interbank clearing and e-bill payments
Financial Information	– Procurement, processing and distribution of reference data and market information
Payment Services	– Card acceptance and merchant services – Card issuing and services for card issuers and acquirers
Global IT	– IT-related functions including IT infrastructure, software development and IT operations
Corporate	– Corporate services such as communication, strategic development, human resources, finance & risk, legal & compliance and logistics

Since April 2014, SIX has consolidated the IT-related activities of the Swiss Group entities within Global IT. The only impact of the changes in the internal organization has been an increase in inter-segment revenues and an equivalent increase in the operating expenses of the "Global IT" segment. The change has therefore had no impact on the EBIT of the "Global IT" segment. As inter-segment revenues and expenses are eliminated, there is no impact either on the Group's operating income or operating expenses. It is assumed that the impact on the operating income and operating expenses of the "Global IT" segment in the first three months of 2014 would have been approximately CHF 5.8 million. This figure was calculated based on the development projects transferred to Global IT in April 2014.

The electronic payments business was transferred from the Payment Services operating segment to the Securities Services operating segment with effect from 1 January 2015 (see note 31). Accordingly, SIX has restated for comparative reasons the segment reporting for the period ended 31 December 2014 as follows:

						2014
	Securities Services			Payment Services		
CHF million	**As previously reported**	**Adjustments[1]**	**As restated**	**As previously reported**	**Adjustments[1]**	**As restated**
Revenues from external customers	274.7	42.9	317.7	932.2	–42.9	889.2
Inter-segment revenues	9.3	0.6	9.9	6.0	–0.8	5.2
Total operating income	**284.0**	**43.5**	**327.5**	**938.2**	**–43.8**	**894.4**
Total operating expenses	**–254.4**	**–31.0**	**–285.4**	**–852.0**	**31.3**	**–820.7**
Share of profit of associates	–	–	–	–	–	–
Financial income	0.4	0.0	0.4	3.2	–0.0	3.2
Financial expenses	–0.1	–0.0	–0.1	–1.7	0.0	–1.7
Earnings before interest and tax (EBIT)	**29.9**	**12.5**	**42.4**	**87.7**	**–12.5**	**75.2**
Capital expenditure	2.2	9.3	11.5	30.8	–9.3	21.6
Workforce (in full-time equivalent)	388.8	97.2	486.0	1,154.6	–97.2	1,057.4

[1] The difference of CHF 0.3 between the adjustments on inter-segment revenues and total operating expenses in the Securities Services operating segment and the Payment Services operating segment is due to the different intra-segment revenues and expenses.

The internal reporting is based on the measurement methods used for the IFRS consolidated financial statements.

Performance is measured based on segment earnings before interest and tax (EBIT) as included in the internal management reports that are reviewed regularly by the CODM. Segment EBIT is used to measure performance, as management believes that such information is the most relevant for evaluating the results of the segments. Transactions between the segments are based on market prices.

CHF million	Swiss Exchange	Securities Services	Financial Infor-mation	Payment Services	Global IT	Corporate	Total segments	Elimination	Total SIX
									2015
Revenues from external customers	200.0	340.8	379.5	878.5	4.4	7.8	1,810.9	–	1,810.9
Inter-segment revenues	7.4	13.0	9.5	4.3	323.6	160.7	518.6	–518.6	–
Total operating income	**207.4**	**353.9**	**389.0**	**882.8**	**328.0**	**168.5**	**2,329.5**	**–518.6**	**1,810.9**
Total operating expenses	**–134.2**	**–309.0**	**–336.4**	**–792.0**	**–327.9**	**–150.9**	**–2,050.5**	**518.6**	**–1,531.9**
Share of profit of associates	12.8	–	–	–	–	2.7	15.5	–	15.5
Financial income	2.5	2.7	5.3	2.0	0.4	543.8	556.7	–0.2	556.5
Financial expenses	–3.4	–0.5	–4.0	–4.6	–0.5	–75.3	–88.3	0.2	–88.1
Earnings before interest and tax (EBIT)	**85.1**	**47.0**	**53.9**	**88.1**	**–**	**488.8**	**762.9**	**–**	**762.9**
Interest income									7.9
Interest expenses									–7.5
Earnings before tax (EBT)									**763.3**
Income tax expenses									–49.6
Group net profit									**713.7**
Capital expenditure	3.7	8.3	8.1	11.6	67.8	0.0			99.4
Workforce (in full-time equivalent)	159.0	499.7	1,053.1	1,086.9	771.3	288.3			3,858.2

In July 2015, SIX sold its shares in STOXX Ltd and Indexium Ltd to Deutsche Börse Ltd in a single transaction. SIX had previously held 49.9% of STOXX Ltd and 50.1% of Indexium Ltd. The gain from the transaction was CHF 464.8 million and is included in financial income. The levy payable of CHF 0.5 million is included in operating expenses. The net gain from the transaction was thus CHF 464.3 million.

									2014 (restated) [1]
CHF million	**Swiss Exchange**	**Securities Services**	**Financial Infor-mation**	**Payment Services**	**Global IT**	**Corporate**	**Total segments**	**Elimination**	**Total SIX**
Revenues from external customers	193.7	317.7	390.7	889.2	2.7	8.3	1,802.2	–	1,802.2
Inter-segment revenues	7.7	9.9	9.8	5.2	265.1	143.3	441.0	–441.0	–
Total operating income	**201.4**	**327.5**	**400.5**	**894.4**	**267.7**	**151.6**	**2,243.2**	**–441.0**	**1,802.2**
Total operating expenses	**–121.5**	**–285.4**	**–360.3**	**–820.7**	**–283.2**	**–142.3**	**–2,013.4**	**441.0**	**–1,572.4**
Share of profit of associates	23.1	–	–	–	–	3.5	26.6	–	26.6
Financial income	1.4	0.4	6.7	3.2	0.1	38.7	50.5	–0.1	50.4
Financial expenses	–0.3	–0.1	–1.0	–1.7	–0.1	–13.6	–17.0	0.1	–16.9
Earnings before interest and tax (EBIT)	**104.1**	**42.4**	**45.8**	**75.2**	**–15.4**	**37.9**	**290.0**	**–**	**290.0**
Interest income									10.4
Interest expenses									–5.5
Earnings before tax (EBT)									**294.9**
Income tax expenses									–47.7
Group net profit									**247.2**
Capital expenditure	9.8	11.5	5.8	21.6	40.9	–			89.5
Workforce (in full-time equivalent)	165.7	486.0	1,075.4	1,057.4	762.3	278.1			3,824.8

[1] As a result of the changes in the internal organization mentioned in note 31 and above, SIX has restated the segment reporting for the period ended 31 December 2014.

The operating expenses of the Securities Services segment include an impairment charge of CHF 10.2 million. For further details, see note 22.

Disclosures by geographical area

SIX operates mainly in Switzerland and in some other European countries. The geographical analysis of the operating income and non-current assets is based on the location of the entity in which the transactions and assets were recorded. Non-current assets mainly consist of property, plant and equipment, intangible assets, investments in associates and other non-current assets and exclude financial instruments and deferred tax in accordance with the provisions of IFRS 8.

	Total operating income		Non-current assets	
CHF million	2015	2014	31/12/2015	31/12/2014
Switzerland	1,156.5	1,125.6	339.5	541.3
Luxembourg	236.2	211.2	30.3	37.4
Austria	213.6	243.9	70.9	80.6
France	47.6	53.9	5.3	3.6
United Kingdom	28.5	24.6	0.3	0.9
Germany	23.6	28.5	0.3	0.6
Rest of Europe	58.2	71.1	3.6	6.0
North America	35.2	31.5	2.9	4.0
Asia/Pacific	10.1	10.2	0.4	0.4
North Africa	1.6	1.7	0.2	0.0
Total	**1,810.9**	**1,802.2**	**453.7**	**674.8**

Disclosures of major customers

SIX has a large number of customers. In 2015 and 2014, there was no major customer in any of the business segments whose revenues represented more than 10% of the Group's revenues.

5. Net interest income from banking business

CHF million	2015	2014
Interest income from banking business	30.3	6.6
Interest expenses from banking business	–18.3	–2.0
Net interest income from banking business	**11.9**	**4.6**

In 2015, interest income from banking business included recharges of negative interest to customers in the amount of CHF 20.7 million (2014: nil).

In 2015, interest expenses from banking business included interest arising from negative interest rates on financial assets in the amount of CHF 15.4 million (2014: nil).

6. Other operating income

CHF million	2015	2014
Revenues from sale of payment terminals and components	22.3	30.0
Rental income	27.3	28.8
Others	17.5	26.2
Total other operating income	**67.0**	**84.9**

"Others" includes mainly revenues earned for services provided to merchants and other customers in the Payment Services segment, member and investigation fees in the Swiss Exchange segment, and fees earned from the electronic processing of land registry and mortgage transactions in the Securities Services segment.

7. Personnel expenses

CHF million	2015	2014
Salaries and wages	–468.9	–473.2
Social security expenses	–107.9	–100.4
Others	–29.3	–29.8
Total personnel expenses	**–606.1**	**–603.4**

Expenses recognized for defined contribution plans are included in social security expenses and amount to CHF 4.5 million (2014: CHF 4.6 million).

8. Other operating expenses

CHF million	2015	2014
Commission and transaction-related expenses	–462.6	–448.9
Service-related expenses	–231.2	–245.0
Expenses for IT infrastructure	–42.3	–40.6
Expenses for building infrastructure	–35.3	–37.6
Consulting and other professional fees	–21.8	–30.1
Travel and representation expenses	–18.9	–21.1
Marketing and advertising expenses	–15.7	–18.9
Expenses for inventories	–11.7	–22.3
Administration expenses	–4.2	–5.1
Value adjustments and losses	–7.6	–10.3
Others	–36.0	–32.2
Own work capitalized	43.9	43.3
Total operating expenses	**–843.4**	**–869.1**

Own work capitalized includes only costs incurred for internally developed software.

CHF million	2015	2014
Total expense for software development	74.5	58.5
of which capitalized	*43.9*	*43.3*

In 2015, 59.0% of the costs incurred for the development of software were capitalized (2014: 73.9%). The capitalization ratio depends on the nature of the costs incurred.

9. Financial income and expenses

CHF million	2015	2014
Income from financial instruments at fair value	17.5	30.8
Income from financial instruments at amortized cost	2.6	0.1
Foreign exchange rate gains	71.2	16.1
Others	465.1	3.4
Total financial income	**556.5**	**50.4**
Expenses from financial instruments at fair value	–7.3	–1.8
Expenses from financial instruments at amortized cost	–1.8	–1.7
Foreign exchange rate losses	–75.8	–10.7
Others	–3.2	–2.7
Total financial expenses	**–88.1**	**–16.9**

In July 2015, SIX sold its shares in STOXX Ltd and Indexium Ltd to Deutsche Börse Ltd in a single transaction. SIX had previously held 49.9% of STOXX Ltd and 50.1% of Indexium Ltd. The gain from the transaction was CHF 464.8 million and is included in other financial income. The levy payable of CHF 0.5 million is included in operating expenses. The net gain from the transaction was thus CHF 464.3 million.

In 2015, income from financial instruments at fair value included dividend income in the amount of CHF 7.2 million (2014: CHF 6.8 million).

Foreign exchange rate gains and losses comprise gains and losses from financial instruments at amortized cost and financial instruments at fair value including foreign currency derivatives. In 2015, the net foreign exchange rate loss excluding foreign exchange differences from financial instruments at fair value was CHF 32.7 million (2014: net loss of CHF 3.2 million).

10. Interest income and expenses

CHF million	2015	2014
Debt instruments	6.1	8.5
Cash and cash equivalents	0.7	0.7
Others	1.0	1.2
Total interest income	**7.9**	**10.4**
Debt instruments	–2.2	–4.3
Cash and cash equivalents	–4.9	–0.5
Borrowings	–0.2	–0.4
Others	–0.2	–0.3
Total interest expenses	**–7.5**	**–5.5**

In 2015, interest income mainly consisted of income from interest received or accrued on investments in debt instruments in the amount of CHF 6.1 million (2014: CHF 8.5 million). Interest expenses from the amortization of premiums on debt instruments totaled CHF 2.2 million (2014: CHF 4.3 million).

In 2015, total interest expenses included interest charges arising from negative interest rates on financial assets in the amount of CHF 4.5 million (2014: nil).

11. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of SIX by the weighted average number of ordinary shares outstanding during the year.

	Notes	2015	2014
Net profit attributable to shareholders of SIX (in CHF million)		711.7	244.8
Weighted average number of shares outstanding	24	18,914,041	18,914,041
Basic earnings per share (in CHF)		**37.63**	**12.95**

There was no dilution of earnings per share in either the year under review or the previous year.

Income taxes

12. Income taxes

Income tax expenses

The major components of income tax expense for the years ending 31 December 2015 and 31 December 2014 were:

CHF million	2015	2014
Current tax		
Current tax on profits for the year	–61.9	–59.7
Adjustments in respect of prior years	–3.2	–3.1
Total current tax expenses	**–65.1**	**–62.8**
Deferred tax		
Origination and reversal of temporary differences	14.6	2.8
Impact of change in tax rates	–0.0	–1.5
Other changes in deferred tax	0.9	13.9
Total deferred tax income	**15.5**	**15.1**
Total income tax expenses	**–49.6**	**–47.7**

Other changes in deferred tax refer mainly to the recognition, write-down and use of recognized deferred tax assets for tax losses. Deferred tax recognized and derecognized for tax losses are presented in the following tax reconciliation. In 2015, the use of recognized deferred tax assets for tax losses amounted to CHF 12.8 million (2014: CHF 2.0 million).

Tax reconciliation

The following breakdown shows the reconciliation of the income tax expenses reflected in the financial statements and the amount calculated at the weighted average tax rate:

CHF million		2015		2014
Income from operating activities, gross of tax expense		763.3		294.9
Group's weighted average applicable tax rate/Group's expected tax expenses	**23.9%**	**–182.1**	**22.0%**	**–65.0**
Utilization of tax benefits from the gain on disposal of associates	–14.5%	110.7	–	–
Impact of differences in tax rates and tax bases	–0.0%	0.2	0.1%	–0.3
Utilization of previously unrecognized tax losses[1]	–0.0%	0.0	–2.0%	5.8
Deferred tax recognized for tax losses of prior years[1]	–1.9%	14.7	–5.1%	15.0
Deferred tax not recognized for tax losses of the year[1]	0.7%	–5.4	5.0%	–14.7
Write-down of deferred tax for tax losses of prior years[1]	0.1%	–0.5	0.4%	–1.2
Impact of permanent differences	–1.1%	8.3	–1.2%	3.5
Adjustments for current tax and other items	0.5%	–3.7	0.3%	–0.7
Intercompany effects	–1.0%	8.0	–3.4%	10.0
Group's effective tax rate/tax expenses	**6.5%**	**–49.6**	**16.2%**	**–47.7**

[1] The presentation of the tax reconciliation item changed compared with the prior year. The prior-year figures were therefore adjusted to match the presentation in 2015.

Permanent differences include tax-exempt income, non-deductible expenses and the impact of specific tax regulation and participation exemptions.

The expected tax expenses at the weighted average applicable tax rate are the result of applying the domestic statutory tax rates to earnings before tax of each entity in the country in which it operates. For the Group, the change in the weighted average applicable tax rate is due to the variation in profitability by country and changes in statutory tax rates. The Group's effective tax rate in 2015 was mainly affected by a tax-free non-recurring gain on the sale of the Group's shareholdings in STOXX Ltd and Indexium Ltd.

Current income tax receivables and payables changed as follows:

Income tax receivables

CHF million	2015	2014
Carrying amount at 1 January	**2.9**	**5.9**
Recognized in income statement	4.1	1.7
Income taxes received	–4.8	–3.1
Reclassification	–	–1.5
Translation adjustments	–0.3	–0.1
Carrying amount at 31 December	**2.0**	**2.9**

Income tax payables

CHF million	Notes	2015	2014
Carrying amount at 1 January		**37.5**	**31.9**
Business combinations		–	0.2
Recognized in income statement		69.2	64.4
Income taxes paid		–70.1	–57.4
Reclassified as disposal groups and assets held for sale	18	–0.5	–
Reclassification		–	–1.5
Translation adjustments		–0.6	–0.1
Carrying amount at 31 December		**35.4**	**37.5**

The estimated amounts of current income tax receivable and payable, including any amounts related to uncertain tax positions, are based on currently known facts and circumstances. SIX believes that its income tax receivable and payable are adequate for all open tax years based on the assessments made.

13. Deferred tax assets and liabilities

Deferred taxes relating to items in the balance sheet

Deferred tax assets and liabilities relate to the following balance sheet items:

CHF million		31/12/2015			31/12/2014	
	Assets	Liabilities	Net amount	Assets	Liabilities	Net amount
Trade and other receivables	0.3	4.1	–3.8	0.1	3.5	–3.4
Financial assets	–	25.1	–25.1	–	13.4	–13.4
Inventories	–	0.3	–0.3	–	0.4	–0.4
Other assets	0.0	1.1	–1.1	0.0	1.1	–1.1
Property, plant and equipment	0.2	5.5	–5.3	0.2	5.7	–5.5
Intangible assets	2.0	20.3	–18.3	3.7	20.1	–16.4
Investments in subsidiaries and associates	0.1	–	0.1	0.1	0.5	–0.3
Provisions	1.3	9.5	–8.2	1.6	15.9	–14.3
Other liabilities	3.0	1.3	1.7	3.2	1.0	2.2
Pension fund liabilities	22.5	–	22.5	9.7	–	9.7
Tax loss carryforwards	18.3	–	18.3	18.4	–	18.4
Total deferred tax assets/liabilities	**47.8**	**67.2**	**–19.5**	**37.1**	**61.5**	**–24.4**
Offsetting	–28.4	–28.4		–14.8	–14.8	
Deferred tax assets/liabilities on the balance sheet	**19.4**	**38.9**		**22.3**	**46.7**	

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Net deferred tax assets and liabilities changed as follows:

CHF million	2015	2014
At 1 January	**–24.4**	**–61.7**
Business combinations and changes in the Group	–0.6	–0.6
Changes affecting the income statement	15.5	15.1
Changes affecting OCI	–9.5	22.7
Reclassified as disposal groups and assets held for sale	–0.2	–
Translation adjustments	–0.3	0.1
At 31 December	**–19.5**	**–24.4**

Expiry dates of recognized and unrecognized unused tax loss carryforwards

The gross values of recognized and unrecognized unused tax loss carryforwards, with their expiry dates, are as follows:

CHF million	Not recognized	Recognized	31/12/2015
One year	1.5	–	1.5
Two years	2.3	0.9	3.2
Three years	2.5	–	2.5
Four years	4.1	19.1	23.2
Five years	5.5	7.6	13.1
Six years	42.4	32.1	74.5
More than six years	128.9	20.0	148.9
Total	**187.1**	**79.8**	**266.9**
Potential tax saving	47.7		47.7

CHF million	Not recognized	Recognized	31/12/2014
One year	0.0	1.4	1.4
Two years	1.5	5.7	7.3
Three years	3.2	5.2	8.4
Four years	7.9	39.4	47.3
Five years	16.4	14.1	30.6
Six years	13.1	–	13.1
More than six years	193.1	12.7	205.8
Total	**235.3**	**78.5**	**313.8**
Potential tax saving	59.6		59.6

No deferred tax assets have been recognized for tax loss carryforwards of CHF 187.1 million (31 December 2014: CHF 235.3 million), as it seems uncertain whether the losses will be utilized in the future. The majority of unrecognized tax loss carryforwards expire after six years or have no expiry date. As at 31 December 2015, the potential tax saving from the unrecognized tax loss carryforwards was CHF 47.7 million (31 December 2014: CHF 59.6 million).

As at 31 December 2015, based on the above-mentioned estimates, tax loss carryforwards of CHF 79.8 million (31 December 2014: CHF 78.5 million) were recognized, resulting in deferred tax assets of CHF 18.3 million (31 December 2014: CHF 18.4 million).

Assets

14. Cash and cash equivalents

CHF million	31/12/2015	31/12/2014
Cash at bank and on hand	4,054.1	5,001.1
Short-term bank deposits	154.3	102.3
Cash and cash equivalents	**4,208.4**	**5,103.4**

Cash at bank includes giro balances with the Swiss National Bank (SNB) of CHF 2,721.3 million (31 December 2014: CHF 3,576.9 million) and giro balances with clearing houses approved by the SNB of CHF 543.7 million (31 December 2014: CHF 821.7 million).

Cash and cash equivalents include the following items for the purposes of the statement of cash flows:

CHF million	Notes	31/12/2015	31/12/2014
Cash and cash equivalents		4,208.4	5,103.4
Bank overdrafts		–0.0	–35.4
Cash and cash equivalents included in disposal groups and assets held for sale	18	5.0	–
Cash and cash equivalents in the statement of cash flows		**4,213.4**	**5,068.0**

15. Trade and other receivables

CHF million	31/12/2015	31/12/2014
Trade receivables due from banks	111.0	192.8
Trade receivables due from others[1]	42.1	110.4
Receivables due from cardholders[1]	251.2	315.1
Other receivables	4.9	7.7
Total trade and other receivables	**409.2**	**626.0**

[1] Starting from 2015, receivables due from cardholders are disclosed separately. The trade receivables due from others position as at 31 December 2014 has therefore been reduced by CHF 315.1 million.

At 31 December 2015, other receivables included prepayments of CHF 1.5 million (31 December 2014: CHF 2.0 million). Trade and other receivables due from related parties are disclosed in note 37.

The exposure of SIX in relation to credit risk on trade and other receivables is disclosed in note 27. The maximum exposure to credit risk at the reporting date corresponds to the carrying amount.

Age structure of trade and other receivables

The due dates of trade and other receivables break down as follows:

CHF million	31/12/2015	31/12/2014
Total neither past due nor impaired	**383.0**	**585.4**
Up to 3 months past due	18.6	23.1
Between 3 and 6 months past due	3.0	9.6
More than 6 months past due	2.1	6.9
Past due but not impaired	**23.7**	**39.6**
Impaired	**12.2**	**15.3**
Total trade and other receivables, gross	**418.8**	**640.3**
Individual allowances	–9.6	–14.3
Collective allowances	–0.0	–0.0
Total trade and other receivables, net	**409.2**	**626.0**

Changes in allowances for receivables

The table below presents the movements in allowances for trade and other receivables.

CHF million	2015	2014
Carrying amount at 1 January	**–14.3**	**–11.9**
Increase in allowances	–9.6	–8.7
Release of allowances	4.4	1.3
Receivables written off during the year as uncollectible	8.5	4.8
Translation differences	1.2	0.2
Reclassified as disposal groups and assets held for sale	0.3	–
Carrying amount at 31 December	**–9.6**	**–14.3**

Allowances for individual impairment of receivables are determined based on the difference between the nominal amount of the receivable and the estimated net amount recoverable. It is assumed that a portion of these receivables can be recovered.

Receivables that are not impaired individually are subject to a collective impairment based on statistical analysis from previous years. On past experience, SIX does not anticipate any significant defaults.

Past-due receivables for which no clear indication of impairment is available are checked on a regular basis by monitoring the default risk.

The creation and release of allowances for impaired receivables have been included in other operating expenses in the income statement.

16. Receivables and payables from clearing & settlement

CHF million	31/12/2015	31/12/2014
Receivables from clearing & settlement	819.3	950.3
Receivables from reverse repurchase agreements	1,029.1	901.8
Fed funds placements	247.5	70.7
Total receivables from clearing & settlement – Securities Services	**2,095.9**	**1,922.8**
Total receivables from clearing & settlement – Payment Services	**564.2**	**345.1**
Total receivables from clearing & settlement	**2,660.1**	**2,267.9**
Payables from clearing & settlement[1]	2,347.7	3,477.9
Payables from repurchase agreements	238.1	–
Payables from settled suspense	170.8	153.8
Collateral[1]	2,186.8	2,548.9
Total payables from clearing & settlement – Securities Services	**4,943.3**	**6,180.6**
Total payables from clearing & settlement – Payment Services	**679.1**	**419.4**
Total payables from clearing & settlement	**5,622.4**	**6,600.0**

[1] Cash collateral from the settlement business of SIX SIS Ltd has been reclassified from payables from clearing & settlement to collateral. The payables from clearing & settlement and collateral positions as at 31 December 2014 have therefore been reduced and increased by CHF 1,662.8 million respectively.

Receivables and payables from clearing & settlement – Securities Services

Receivables and payables from clearing & settlement in the Securities Services business area result from SIX x-clear Ltd and SIX SIS Ltd acting as a central counterparty (CCP) or central securities depository (CSD) for securities trading. The CCP steps into the contracts as intermediary and represents the buyer to each seller and the seller to each buyer. To fulfill the contract, SIX SIS Ltd must settle cash and securities from one trading party to another.

The reverse repurchase and repurchase agreements are conducted under the usual terms and conditions applying to such agreements. In 2015, no cash was received as collateral (31 December 2014: nil), whereas the fair value of securities received as collateral from third parties under reverse repurchase agreements with unconditional right to sell on or repledge totaled CHF 1,031.3 million (31 December 2014: CHF 902.3 million). As at 31 December 2015, SIX had repledged securities received as collateral under repurchase agreements of CHF 237.2 million (31 December 2014: CHF 200.0 million).

SIX SIS Ltd places cash balances in USD with third banks as fed funds placements. These placements are overnight borrowings between banks and other institutions used for liquidity management purposes.

The obligation to return cash from repurchase agreements amounted to CHF 238.1 million as at 31 December 2015 (31 December 2014: nil).

Payables from settled suspense relate to cross-border transactions where a seller is short of securities. In such an event, SIX SIS Ltd borrows the securities required and recognizes a corresponding liability.

As at 31 December 2015, collateral received totaled CHF 2,186.8 million (31 December 2014: CHF 2,548.9 million). For further information about the collateral received, see note 27.

Receivables and payables from clearing & settlement – Payment Services

Receivables from clearing & settlement include receivables due from card schemes and issuers of debit and credit cards. Payables from clearing & settlement include payables due to merchants, ATM providers and card schemes.

17. Financial assets (current and non-current)

Movements of financial assets

The following table shows the movements of financial assets per category:

CHF million	Financial assets measured at FVtPL	Financial assets measured at FVtOCI	Financial assets at amortized cost	2015
Carrying amount at 1 January	**561.4**	**0.0**	**419.1**	**980.5**
Additions	165.1	–	138.5	303.6
Change in value recognized in profit and loss	3.0	–	–1.5	1.5
Change in value recognized in other comprehensive income	–	94.7	–	94.7
Impairments, net	–	–	–0.7	–0.7
Disposals/matured financial assets	–160.6	–	–271.6	–432.2
Translation adjustments	–6.2	–	–31.7	–37.9
Carrying amount at 31 December	**562.7**	**94.7**	**252.1**	**909.4**
of which current	*562.7*	*94.7*	*100.8*	*758.1*
of which non-current	*–*	*–*	*151.3*	*151.3*

On 2 November 2015, Visa Inc. and Visa Europe Ltd. announced a definitive agreement for Visa Inc. to acquire Visa Europe subject to regulatory approval. The closing of the transaction is expected to occur in the second quarter of 2016. The transaction consists of an upfront consideration payable upon closing and an additional earn-out payable on the fourth anniversary of closing. SIX is a principal member of Visa Europe Ltd. and is entitled to a portion of the sales proceeds, consisting of cash and preference shares in Visa Inc. For the equity instruments associated with Visa Europe Ltd., SIX made the irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income (FVtOCI). In 2015, the change in fair value recognized in other comprehensive income was CHF 94.7 million.

During 2015, CHF 271.6 million of debt securities matured or were disposed of (2014: CHF 95.4 million). In the second half of 2015, SIX x-clear Ltd disposed of the portfolio of sovereign bonds that was held to collateralize clearing interoperability. The disposal related to a restructuring of the financing activities within the Securities Services division and totaled CHF 148.8 million.

On derecognition of the financial assets at amortized cost, a net gain of CHF 0.9 million (2014: net loss of CHF 1.5 million) was recognized within the net financial result (see note 9).

CHF million	Financial assets measured at FVtPL	Financial assets at amortized cost	2014
Carrying amount at 1 January	**512.4**	**365.9**	**878.3**
Business combinations	38.3	66.1	104.5
Additions	134.5	95.7	230.3
Change in value recognized in profit and loss	22.3	–4.3	18.0
Impairments, net	–	–0.2	–0.2
Disposals/matured financial assets	–138.9	–95.4	–234.3
Translation adjustments	–7.4	–8.7	–16.1
Carrying amount at 31 December	**561.4**	**419.1**	**980.5**
of which current	*561.4*	*98.4*	*659.7*
of which non-current	*–*	*320.7*	*320.7*

In 2015, an individual loan was identified as being impaired and an impairment charge in the amount of CHF 0.7 million was recorded (2014: CHF 0.2 million).

For more information about the exposure of SIX to credit risk, liquidity risk and market risk see note 27.

18. Disposal groups and assets held for sale

As at 31 December 2015, the disposal groups and assets held for sale comprised the following assets, liabilities and cumulative expenses recognized in other comprehensive income:

					31/12/2015
CHF million	Notes	Real estate	SIX SAG Ltd	SIX Payment Services (Luxembourg) sub-group	Total
Cash and cash equivalents		–	0.2	4.8	5.0
Trade and other receivables		–	1.6	5.2	6.7
Inventories		–	–	0.3	0.3
Other current assets		–	0.0	0.0	0.0
Property, plant and equipment	21	7.7	0.0	0.8	8.5
Intangible assets	22	–	–	0.6	0.6
Deferred tax assets	13	–	0.2	–	0.2
Disposal groups and assets held for sale		**7.7**	**2.0**	**11.8**	**21.4**
Current provisions	25	–	–	0.1	0.1
Current income tax payables	12	–	0.1	0.4	0.5
Other current liabilities		–	0.3	3.3	3.6
Other non-current liabilities		–	0.8	5.4	6.3
Liabilities directly associated with disposal groups held for sale		**–**	**1.3**	**9.3**	**10.6**
Income/(expenses) recognized in other comprehensive income		**–**	**–0.5**	**0.4**	**–0.1**

SIX has not recognized any impairment with respect to any disposal groups and assets held for sale.

Real estate

During the second quarter of 2015, management committed to a plan to sell one item of real estate and classified the real estate as held for sale. The real estate, which includes land and a building, is recorded in the Securities Services operating segment. The purchase agreement was signed in November 2015. The closing took place in January 2016.

Disposal groups

SIX SAG Ltd

During the second quarter of 2015, management committed to a plan to sell the shares in SIX SAG Ltd. The share purchase agreement was signed in July 2015, with the closing expected to occur in 2016. SIX SAG Ltd maintains share registers and special registers for companies in Switzerland and organizes general meetings for third parties. This company is part of the Securities Services operating segment.

SIX Payment Services (Luxembourg) sub-group

During the fourth quarter of 2015, management committed to a plan to sell the business of the sub-group SIX Payment Services (Luxembourg). This sub-group includes the following entities: SIX Payment Services (Luxembourg) SA, SIX Payment Services (Sweden) AB, SIX Payment Services (UK) Ltd, SIX Payment Services (Germany) GmbH and SIX Payment Services (USA) Corp. The closing of the transaction took place in February 2016. The principal activities of these companies are the providing of integrated payment solutions. The companies are part of the Payment Services operating segment.

19. Inventories

CHF million	31/12/2015	31/12/2014
Payment terminals and components	8.1	7.1
Mobile vouchers	2.3	7.7
Finished goods	0.8	2.4
Total inventories	**11.2**	**17.2**

In 2015, a write-down of inventories to the net realizable value of CHF 0.1 million was recognized (2014: CHF 0.3 million). The write-down was included in other operating expenses in the income statement.

20. Other current assets

This position includes all asset accounts not specifically covered in other areas of the balance sheet.

CHF million	31/12/2015	31/12/2014
Accrued revenues	46.8	46.5
Receivables from other taxes	14.2	17.0
Total other current assets	**61.0**	**63.6**

21. Property, plant and equipment

Reconciliation of carrying amount

CHF million	Land, buildings and leasehold improvements	Technical installations	IT hardware	Other tangible assets	2015
Historical cost at 1 January	**403.3**	**210.6**	**203.2**	**46.6**	**863.7**
Additions	6.8	9.3	32.1	3.4	51.6
Disposals	–7.4	–8.5	–25.6	–3.6	–45.1
Reclassifications	–	–1.6	5.3	–3.3	0.4
Reclassified as disposal groups and assets held for sale	–10.0	–8.9	–0.3	–2.8	–22.0
Translation adjustments	–1.0	–0.7	–7.6	–1.8	–11.2
Historical cost at 31 December	**391.8**	**200.1**	**207.1**	**38.4**	**837.3**
Accumulated depreciation at 1 January	**–267.0**	**–156.4**	**–166.7**	**–40.8**	**–630.9**
Annual depreciation	–7.0	–6.5	–21.1	–2.2	–36.7
Impairments, net	–	–	–0.0	–	–0.0
Disposals	6.7	8.5	23.1	3.6	41.8
Reclassifications	–	1.1	–4.7	3.3	–0.4
Reclassified as disposal groups and assets held for sale	7.0	4.1	0.2	2.2	13.5
Translation adjustments	1.0	0.4	5.7	1.6	8.7
Accumulated depreciation at 31 December	**–259.3**	**–148.8**	**–163.6**	**–32.3**	**–604.0**
Net carrying amount at the end of the year	**132.4**	**51.4**	**43.5**	**6.1**	**233.3**

CHF million	Land, buildings and leasehold improvements	Technical installations	IT hardware	Other tangible assets	2014
Historical cost at 1 January	**400.4**	**200.9**	**209.7**	**45.1**	**856.0**
Additions	2.2	10.7	17.9	2.4	33.3
Disposals	–0.4	–0.0	–23.8	–0.5	–24.7
Business combinations	–	–	–	0.0	0.0
Reclassifications	0.9	–0.9	–	–	–
Translation adjustments	0.1	–0.0	–0.6	–0.5	–1.0
Historical cost at 31 December	**403.3**	**210.6**	**203.2**	**46.6**	**863.7**
Accumulated depreciation at 1 January	**–258.9**	**–149.2**	**–167.2**	**–38.6**	**–614.0**
Annual depreciation	–8.5	–7.2	–20.6	–3.0	–39.2
Disposals	0.4	0.0	20.7	0.4	21.5
Reclassifications	0.1	–0.1	–	–	–
Translation adjustments	–0.1	–0.0	0.4	0.4	0.8
Accumulated depreciation at 31 December	**–267.0**	**–156.4**	**–166.7**	**–40.8**	**–630.9**
Net carrying amount at the end of the year	**136.3**	**54.2**	**36.5**	**5.8**	**232.8**

Additions

During financial year 2015, SIX acquired items of property, plant and equipment with a cost of CHF 51.6 million (2014: CHF 33.3 million). Investments in property, plant and equipment primarily relate to mid-range and mainframe servers, payment terminals, leasehold improvements and the expansion of technical installations. The total amount of capitalized expenses for property, plant and equipment at 31 December 2015 includes expenditure for assets under construction of CHF 9.1 million (2014: CHF 6.4 million).

22. Intangible assets and goodwill

Reconciliation of carrying amount

CHF million	Goodwill	Acquired software	Internally generated software	Other intangible assets	2015
Historical cost at 1 January	**50.9**	**113.0**	**517.8**	**88.9**	**770.5**
Additions	–	5.8	42.0	–	47.8
Disposals	–	–1.8	–27.2	–5.6	–34.6
Reclassifications	–	–0.4	–	–	–0.4
Reclassified as disposal groups and assets held for sale	–	–3.0	–0.9	–	–3.9
Translation adjustments	–2.8	–4.6	–2.1	–7.9	–17.5
Historical cost at 31 December	**48.1**	**108.9**	**529.6**	**75.5**	**762.0**
Accumulated amortization at 1 January	**–9.1**	**–91.0**	**–415.3**	**–43.6**	**–559.0**
Annual amortization	–	–10.0	–24.9	–10.1	–45.1
Impairments, net	–	–0.2	–0.4	–	–0.5
Disposals	–	1.8	4.7	5.6	12.1
Reclassifications	–	0.4	–	–	0.4
Reclassified as disposal groups and assets held for sale	–	2.4	0.8	–	3.2
Translation adjustments	0.0	3.6	1.9	3.2	8.7
Accumulated amortization at 31 December	**–9.1**	**–93.0**	**–433.1**	**–45.0**	**–580.2**
Net carrying amount at the end of the year	**39.0**	**15.9**	**96.4**	**30.5**	**181.9**

CHF million	Goodwill	Acquired software	Internally generated software	Other intangible assets	2014
Historical cost at 1 January	**42.6**	**100.8**	**482.4**	**88.2**	**713.9**
Additions	–	13.4	41.9	0.8	56.2
Disposals	–	–1.7	–5.9	–1.9	–9.5
Business combinations	8.1	1.4	–	3.2	12.7
Translation adjustments	0.2	–0.9	–0.6	–1.4	–2.7
Historical cost at 31 December	**50.9**	**113.0**	**517.8**	**88.9**	**770.5**
Accumulated amortization at 1 January	**–1.7**	**–83.4**	**–389.4**	**–30.8**	**–505.3**
Annual amortization	–	–10.0	–28.6	–11.9	–50.4
Impairments, net	–7.2	–0.0	–0.0	–2.9	–10.2
Disposals	–	1.7	2.2	1.7	5.6
Translation adjustments	–0.2	0.7	0.5	0.4	1.3
Accumulated amortization at 31 December	**–9.1**	**–91.0**	**–415.3**	**–43.6**	**–559.0**
Net carrying amount at the end of the year	**41.8**	**22.0**	**102.5**	**45.3**	**211.5**

Software and other intangible assets

Additions

Other intangible assets include customer lists and brand names acquired through business combinations and are assumed to have a useful life of between five to seven years.

Expenses for certain development activities have been capitalized as they satisfy the recognition criteria for internally generated intangible assets. During financial year 2015, expenditure totaling CHF 42.0 million (2014: CHF 41.9 million) was capitalized, all of which (2014: 40.8 million) related to assets that were still under construction at the reporting date.

Disposals

Due to the sale of Indexium Ltd in July 2015, internally generated software with a carrying amount of CHF 22.5 million was recognized as a disposal.

Indefinite useful life

Within intangible assets, only goodwill is assumed to have an indefinite useful life.

Impairment test for CGUs containing goodwill

CHF million	31/12/2015	31/12/2014
SIX Payment Services (Austria) GmbH[1]	21.8	24.6
CETREL Group	10.6	10.6
SIX Structured Products Exchange Ltd	4.0	4.0
SIX x-clear Ltd[2]	0.9	0.9
Others	1.7	1.7
Goodwill, net	**39.0**	**41.8**

[1] Formerly PayLife Bank GmbH
[2] In 2015, the goodwill was transferred from Oslo Clearing ASA to SIX x-clear Ltd in connection with the transfer of the clearing activities of Oslo Clearing ASA to SIX x-clear Ltd. For further details see note 32.

The above goodwill items are subject to an annual impairment test, which is conducted in the fourth quarter of each year. If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently to determine whether the carrying amount of the relevant organizational unit exceeds its recoverable amount.

For the purpose of impairment testing, goodwill has been allocated to the CGUs as follows:

CHF million					31/12/2015
Cash-generating unit	**Goodwill, net**	**Projection period**	**Long-term growth rate**	**Discount rate**	**Method**
CETREL SA	4.9	5 years	1.5%	12.5%	DCF
SIX Payment Services Ltd	5.7	5 years	1.5%	11.5%	DCF
CETREL Group	**10.6**				
Financial institution services[1]	4.8	5 years	1.5%	11.9%	DCF
Merchant services	17.0	5 years	1.5%	11.9%	DCF
SIX Payment Services (Austria) GmbH[2]	**21.8**				
Trading business	4.0	5 years	1.5%	13.6%	DCF
SIX Structured Products Exchange Ltd	**4.0**				
Custody and settlement[3]	0.9	5 years	1.0%	10.7%	DCF
SIX x-clear Ltd	**0.9**				

[1] The CGU “Financial institution services and consumer services” was renamed “Financial institution services” with effect from 1 January 2015.
[2] Formerly PayLife Bank GmbH
[3] In 2015, the goodwill was transferred from Oslo Clearing ASA to SIX x-clear Ltd in connection with the transfer of the clearing activities of Oslo Clearing ASA to SIX x-clear Ltd. For further details see note 32.

CHF million					31/12/2014
Cash-generating unit	Goodwill, net	Projection period	Long-term growth rate	Discount rate	Method
CETREL SA	4.9	5 years	1.5%	14.0%	DCF
SIX Payment Services Ltd	5.7	5 years	1.5%	14.0%	DCF
CETREL Group	**10.6**				
Financial institution services and consumer services	5.4	5 years	1.5%	13.3%	DCF
Merchant services	19.2	5 years	1.5%	13.3%	DCF
PayLife Bank GmbH	**24.6**				
Trading business	4.0	5 years	1.5%	14.4%	DCF
SIX Structured Products Exchange Ltd	**4.0**				
CCP Clearing	–	5 years	1.0%	10.7%	DCF
Custody and settlement	0.9	5 years	1.0%	10.7%	DCF
Oslo Clearing ASA	**0.9**				

The recoverable amounts for each CGU have been determined based on a value in use calculation. These calculations use post-tax cash flow projections based on financial projections approved by management covering a three-year period (the SIX medium-term planning). The impairment test of the goodwill in 2015 resulted in values in use that exceed the carrying amounts for all CGUs.

Oslo Clearing ASA

Details in respect of the goodwill of CHF 8.1 million arising from the business combination with Oslo Clearing ASA in 2014 are provided in note 32.

The recoverable amount of the CCP Clearing CGU of CHF 41.4 million as at 31 October 2014 was determined based on a value in use calculation using cash flow projections from the medium-term plan approved by senior management covering a three-year period. Compared with the previous plan, which was the basis for the pre-acquisition valuation, the projected cash flows were adjusted to reflect the changes in the market environment. Firstly, the performance of the cash markets in Norway was below expectations and, secondly, the growth in the derivatives market was delayed and less dynamic. As a result of the analysis, SIX recognized an impairment charge of CHF 10.2 million in 2014. This comprised CHF 7.2 million on goodwill and CHF 2.9 million on client relationships. The impairment charge was included in depreciation, amortization and impairment in the income statement. After recording the impairment loss, the carrying amount of the goodwill and client relationships is zero.

Key assumptions

The calculation of value in use is most sensitive to the following assumptions:

Discount rate

The discount rate calculation is based on the specific circumstances of SIX and its operating segments. It is derived from the capital asset pricing model and considers the risk-free interest rate based on long-term government bond yields and market risk premiums. The discount rate used also takes into consideration the specific risks relating to the cash-generating unit.

Perpetual growth rate

The growth rate does not exceed the long-term average growth rate for the businesses in which the CGUs operate.

Management believes that any reasonably possible change in any of the key assumptions would not cause the CGUs' carrying amounts to exceed their recoverable amounts.

Equity and liabilities

23. Capital management

The capital management policy of SIX is primarily aimed at maintaining an adequate equity base, so as to maintain shareholder and market confidence, as well as to sustain the future development of the business while complying with regulatory capital requirements.

In 2015, Standard & Poor's affirmed the AA- financial rating for SIX and the AA credit ratings for SIX SIS Ltd and SIX x-clear Ltd, in each case assigning a stable outlook.

SIX employs two ratios to monitor equity: the equity ratio and return on equity. The equity ratio equates to consolidated equity as percentage of total adjusted liabilities and equity. Return on equity is defined as Group net profit as a percentage of average equity. These ratios are reported to the Group Executive Board and the Board of Directors regularly by internal financial reporting.

The ratios are shown in the following table:

CHF million	31/12/2015	31/12/2014
Equity attributable to shareholders of SIX (average)	2,342.7	2,214.5
Non-controlling interests (average)	8.3	6.2
Total equity (average)	**2,351.0**	**2,220.7**
Total liabilities (average)	6,906.2	6,651.1
– Payables from clearing & settlement (average)	–6,111.2	–5,751.0
– Negative replacement values from clearing & settlement (average)	–68.1	–58.1
Total adjusted liabilities (average)	**726.9**	**841.9**
Equity ratio in %	**76.4**	**72.5**
Total equity (average)	2,351.0	2,220.7
Group net profit for the year	713.7	247.2
Return on equity in %	**30.4**	**11.1**

The internal dividend policy of SIX takes into account the local requirements of each subsidiary regarding the ability to make dividend payments.

On 27 May 2015, the Annual General Meeting approved the distribution of a dividend of CHF 8.00 (2014: CHF 5.00) per registered share. In addition on 23 October 2015, the extraordinary General Meeting approved the distribution of an extraordinary dividend of CHF 20.50 per registered share. The total amount distributed to holders of outstanding shares was CHF 539.1 million (2014: CHF 94.6 million). There are no income tax consequences attached to the payment of dividends by the Group to its shareholders in either 2015 or 2014.

For the year ending 31 December 2015, the Board of Directors has proposed a dividend of CHF 8.25 per share, corresponding to a total of CHF 161.1 million for 2015. There are no tax consequences. The dividend proposal will be submitted for approval by the Annual General Meeting held in May 2016.

SIX is not subject to regulatory capital requirements. However, regulatory capital adequacy requirements apply to SIX Securities Services Ltd and its subsidiaries that have a banking license. Eligible capital must be available to support business activities, in accordance with both our own internal assessment and the requirements of our regulators, in particular our lead regulators, FINMA and the SNB.

SIX Securities Services is also required to comply with Basel III regulations in respect of regulatory capital. To calculate the capital requirements for credit risks, market risks and operational risks, banks can choose from a number of different approaches under Basel III. SIX Securities Services uses the Swiss standard approach (SA-CH) for credit risks, the standard approach for market risks and the basic indicator approach for operational risks.

SIX Securities Services and its individually regulated operations complied with all externally imposed capital requirements.

24. Capital and reserves

Share capital

As at 31 December 2015, the total number of shares issued remained unchanged from the prior year at 19,521,905 shares and corresponds to the number of authorized shares. All shares issued have a par value of CHF 1.00 and are fully paid up.

Number of shares	31/12/2015	31/12/2014
Shares issued	19,521,905	19,521,905
Treasury shares	–607,864	–607,864
Shares outstanding	**18,914,041**	**18,914,041**

The shares rank equally with regard to the Company's residual assets.

The holders of the shares are entitled to receive a proportionate share of distributed dividends as declared and are entitled to one vote per share at the shareholders' meeting of the Company. The proposed dividend per share for financial year 2015, together with the 2014 figure for comparison purposes, is disclosed in note 23.

Capital reserve

The total amount of dividends distributed to holders of outstanding shares was CHF 539.1 million (2014: CHF 94.6 million). CHF 151.3 million was recorded against the capital contribution reserve, as in the prior year. The extraordinary dividend of CHF 387.7 million was recorded against retained earnings.

Treasury shares

The reserve for own shares comprises the cost of the shares held by SIX. At 31 December 2015, SIX held 607,864 shares directly or indirectly via its subsidiaries. There was no change in the number of treasury shares compared with 31 December 2014.

Hedging reserve

As described in note 2, SIX in rare circumstances uses foreign currency forward contracts to mitigate its exposure to foreign exchange risks of expected cash outflows. The effective portion of hedges, net of taxes, is accounted for in the hedging reserve.

In May 2014, a forward contract was executed to hedge the foreign currency exposure relating to the acquisition of Oslo Clearing ASA. Further information on the acquisition is provided in note 32.

The following table shows the movements in the hedging reserve:

CHF million	2015	2014
At 1 January	**–**	**–3.3**
Amount recognized in equity during the year	–	0.4
Fair value of cash flow hedges reclassified to balance sheet	–	2.9
At 31 December	**–**	**–**

Translation reserve

Reserves arising from foreign currency translation adjustments comprise the differences arising from the foreign currency translation of the financial statements of subsidiaries from their respective functional currency into Swiss francs.

25. Provisions (current and non-current)

Provisions are classified as follows:

CHF million	Notes	Provisions for legal claims	Provisions for restructuring	Provisions for asset retirement obligations	Provisions for warranties	Other provisions	2015	2014
Carrying amount at 1 January		**24.1**	**0.0**	**5.7**	**3.2**	**8.5**	**41.5**	**43.0**
Increase in provisions		0.8	–	0.9	0.3	1.2	3.2	10.2
Financial cost related to the unwinding of discount rates		–	–	0.2	–	–	0.2	0.2
Dissolution		–1.0	–	–0.8	–0.6	–0.4	–2.8	–5.6
Usage		–0.1	–0.0	–0.9	–0.5	–0.9	–2.3	–6.1
Reclassification as liabilities directly associated with disposal groups held for sale	18	–	–	–	–	–0.1	–0.1	–
Translation adjustments		–0.7	–0.0	–0.2	–0.0	–0.0	–0.9	–0.2
Carrying amount at 31 December		**23.1**	**0.0**	**5.0**	**2.4**	**8.3**	**38.7**	**41.5**
of which current		*12.2*	*0.0*	*–*	*2.4*	*0.7*	*15.2*	*14.7*
of which non-current		*10.9*	*–*	*5.0*	*–*	*7.6*	*23.4*	*26.8*

Provisions for legal claims

SIX Payment Services was accused of exploiting its market dominance, thereby disadvantaging other market participants. On 29 November 2010, the Competition Commission penalized SIX, requiring it to pay a fine of CHF 7.0 million, together with legal and other costs of CHF 0.5 million. SIX appealed against this decision at the Federal Administrative Court on 31 January 2011.

Besides the legal claim described above, SIX is also involved in legal and judicial proceedings and claims in the ordinary course of business operations. Provisions and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists. The total amount can be split into a number of individual cases in the business areas with an estimated cash outflow of less than CHF 3.0 million per case.

Restructuring provisions

In the prior period ending 31 December 2014, SIX recognized restructuring expense in the Payment Services business area in Austria. Restructuring expenses of CHF 3.2 million were recognized initially. As at 31 December 2014, the provision was fully utilized.

Provisions for asset retirement obligations

The provisions for asset retirement obligations mainly relate to cost estimates for the decommissioning of premises in Switzerland and France.

Provisions for warranties

Provisions for warranties are recognized for expected warranty claims on payment terminals sold during the last year, based on past experience of the level of repairs and returns. Assumptions used to calculate the provisions for warranties were based on current terminal sales and current information available about returns for maintenance based on the country-specific warranty periods for terminals sold.

Other provisions

Other provisions mainly include risks relating to the financial information business.

26. Other liabilities (current and non-current)

Other liabilities have been separated into current and non-current as at 31 December 2015 and 31 December 2014.

CHF million	Notes	31/12/2015	31/12/2014
Accruals for staff-related costs		79.0	90.1
Accrued interest		0.0	0.0
Accrued expenses		72.4	82.3
Deferred revenues		18.5	19.3
Prepayments		5.8	3.1
Liabilities from other taxes		47.7	57.9
Other short-term liabilities		18.4	17.0
Total other current liabilities		**241.7**	**269.7**
Pension fund liabilities	36	99.1	38.4
Other employee benefit liabilities		18.2	9.7
Other long-term liabilities		–	0.1
Total other non-current liabilities		**117.2**	**48.2**

Accruals for staff-related expenses are for vacation leave and overtime, jubilees and bonuses. The long-term portion of liabilities for jubilees and bonuses is included in other employee benefit liabilities. The methods used to measure pension fund liabilities are explained in note 36.

Financial instruments

27. Financial risk management

Risk governance

The responsibility for the overall risk management of SIX resides with the Board of Directors of SIX Group Ltd (BoD). The BoD defines risk appetite and tolerance, monitors the overall risk situation, approves the Group risk policy and delegates risk management tasks to the Risk Committee of the SIX Group Ltd BoD.

Supervision of risk management and assurance that SIX is managed in line with Group risk policy is responsibility of the Risk Committee of the SIX Group Ltd BoD.

Also delegated by the BoD, the responsibility for accounting, financial reporting and the internal controlling systems resides with the Audit Committee of the SIX Group Ltd BoD. External and internal audit report to the Audit Committee of the SIX Group Ltd BoD. Internal auditors are responsible for monitoring risk management and control, in particular the risks related to business processes.

The Group Executive Board of SIX Group Ltd (GExB) is responsible for implementing risk management activities within the Group in line with Group risk policy. Defined by the Group risk policy, Group-wide risk management methodology is delegated to the Chief Risk Officer (CRO), who leads the Group-wide risk management organization. The risk management organization is set up as a 'second line of defense' function across the organization. The CRO has oversight of the risks described below and reports the risk situation to the GExB and BoD on a quarterly basis. Within business divisions, the management committee of the division, supported by the risk management organization, is responsible for risk management performance. At SIX SIS Ltd and in SIX x-clear Ltd in particular, management of counterparty limits, margin requirements and risk model parameterization and validation is performed by the risk management organization. Group-wide balance sheet risks and Group-wide liquidity are managed by Group Treasury and division treasury functions, supervised by the Chief Financial Officer.

Credit risk

General

Counterparty credit risk is defined as the risk that a third party in a transaction will default on its obligations or commitments. Given the nature of its core business activities, SIX monitors the counterparty default risk for all its major risk-related activities:
– cash at banks and short-term deposits
– trade and other receivables
– receivables from clearing & settlement
– investments in other financial instruments held by SIX

For receivables from clearing & settlement in the Securities Services business area, an in-depth credit assessment is performed for each individual credit exposure from settlement services, such as the provision of credit lines to facilitate intraday settlements at SIX SIS Ltd. Besides a number of quantitative factors, a variety of qualitative elements form part of the analysis. The key information is condensed using an internal rating model. In cases where the counterparty is rated by at least two internationally recognized rating agencies (Standards & Poor's, Moody's or Fitch), the second-best external rating is used to override the internal rating. A risk-based approach ensures that credit reviews are conducted more frequently for large exposures than for low-risk exposures. Furthermore, whenever there is an increase in the perceived level of risk, an ad hoc credit risk analysis is performed based on the most recent annual accounts. In clearing activities a "waterfall" line of defense structure consisting of margins and a default fund is applied. The line of defense mechanism is regularly calibrated and back-tested.

In businesses other than Securities Services, counterparty credit risk arises in particular from investments of the Group's operating liquidity, which to a large extent takes the form of cash deposits with banks. Like at Securities Services, such credit exposures are limited by investment limits that vary in size depending on the credit ratings of internationally recognized rating agencies. Group Risk, working together with Group Treasury, monitors the investment limits and exposures on a daily basis.

In the context of strategic investments at Group level, SIX guards against the risk of default by means of an investment policy that imposes minimum credit ratings for direct and indirect investments in debt instruments. Group Treasury regularly monitors strict compliance with this policy.

With regard to trade receivables, SIX has a large number of debtors that are internationally dispersed, hence concentration of credit risks in this regard is considered insignificant. As credit ratings are unavailable for some non-financial customers, their credit quality is assessed by either the operating business unit or the local finance departments, taking into account the customer's financial strength as well as past experience and other factors. Acting as the first line and overseen by the second line of defense, each business unit has primary responsibility for managing and monitoring its credit risks.

The carrying amounts of financial assets and the related ratings of the counterparties are summarized in the following table:

	Investment grade		Non-investment grade		Not rated		Total	
CHF million	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Cash at bank and short-term deposits[1]	4,197.5	4,976.0	0.1	0.4	3.1	119.1	4,200.7	5,095.5
Receivables due from banks[2]	90.2	151.5	0.2	0.1	21.8	41.3	112.2	192.9
Receivables from C&S due from banks	2,162.6	1,879.8	2.3	2.5	53.2	71.2	2,218.1	1,953.6
Debt instruments	245.9	417.9	–	–	5.0	0.1	250.9	418.0
Derivative financial instruments[3]	53.8	58.2	0.5	0.0	10.5	12.3	64.8	70.5
Others	0.1	–	–	–	1.0	1.1	1.2	1.1
Total	**6,750.2**	**7,483.4**	**3.1**	**3.0**	**94.5**	**245.0**	**6,847.8**	**7,731.5**

[1] The carrying amount is the maximum credit exposure of cash at bank and short-term deposits. Cash and cash equivalents are held with the Swiss National Bank (SNB) and other clearing houses approved by the SNB (see note 14), which are rated AAA, as well as with banks and financial institutions, which are rated BBB- to AAA, based on external credit ratings. As at 31 December 2015, CHF 3.1 million (31 December 2014: CHF 119.1 million) was attributable to unrated local and regional banks, in particular savings and co-operative banks. The balances exclude cash on hand.

[2] Carrying amounts of receivables due from banks include valuation allowances of CHF 1.2 million (31 December 2014: CHF 0.1 million). As at 31 December 2015, the maximum exposure to credit risk of receivables due from banks was CHF 111.0 million (31 December 2014: CHF 192.8 million).

[3] Derivative financial instruments include in particular the positive fair value of forward contracts from the clearing and settlement business of SIX. As SIX acts as a central counterparty (CCP), SIX also recognizes a liability, which corresponds to the negative fair value of forward contracts from clearing and settlement. For further details on derivatives, see note 29.

Of the total receivables due from banks and receivables from clearing & settlement due from banks, CHF 8.6 million (31 December 2014: CHF 5.4 million) or 1% (31 December 2014: 1%) was past due and/or impaired.

Further information on the carrying amounts of the financial assets and impairment losses recognized during the year is set out in notes 17 and 28.

Collateral management

SIX SIS Ltd provides short-term interim financing for the purpose of settling securities transactions for SIX SIS's participants. In order to reduce settlement failures due to a lack of securities, SIX SIS Ltd provides securities lending and borrowing (SLB) to its participants. SIX SIS Ltd borrows securities from the lending participant and lends them on to the borrowing participant against the pledge of collateral. All credit limits provided by SIX SIS Ltd are set up on a fully collateralized basis, and collateral is provided by SIX SIS participants in the form of cash or highly liquid repo-eligible securities. As at 31 December 2015, the fair value of the securities received as collateral for SLB transactions, which can be repledged or resold was CHF 208.8 million (31 December 2014: CHF 243.4 million).

In order to protect SIX x-clear Ltd, which acts as central counterparty, against the risk of default by a clearing member before it has settled its outstanding transactions, clearing members are required under the applicable version of the clearing conditions to provide collateral in the form of cash or highly liquid repo-eligible securities. The required margin collateral is calculated based on an initial margin and variation margin. The members also have to provide collateral for the default fund. The default fund is designed to cover potential market risks that are not covered by the margin model in the event of a member's default.

Cash collateral received and recognized as a liability is included in payables from clearing & settlement. See note 16.

Liquidity risk

General

Liquidity risk is the risk that SIX will encounter difficulty in meeting current and future obligations associated with its financial liabilities. Specific to the Securities Services business area of SIX, liquidity risk exists as a result of everyday operational flows, such as repayments of cash collateral to clearing members and provision of liquidity to facilitate settlement.

Liquidity management is governed by the treasury policy of SIX. Its main purpose is to provide subsidiaries with financial resources at any time so that they are able to meet their payment obligations. The continuous monitoring of liquidity at Group level and the allocation of resources allow Group Treasury to maintain sound level of liquidity at all times. The liquidity status is reported on a monthly or quarterly basis to various committees. In the event of exceptional liquidity requirements, SIX can also access a portfolio of financial instruments such as equities and bonds that can be liquidated within a reasonable time. In addition, SIX maintains uncommitted credit lines with a limited number of financial institutions. For Swiss Group entities, the total amount of unused credit lines as at 31 December 2015 was CHF 175.0 million (31 December 2014: CHF 175.0 million). There are additional credit lines with banks in Austria and Norway in the amount of CHF 76.1 million (31 December 2014: CHF 112.8 million). As at 31 December 2015, these credit facilities had not been utilized (31 December 2014: nil). The interest rates to be applied will be determined in accordance with the market interest rate and an additional margin.

The Group's operational liquidity at 31 December 2015 amounted to CHF 4,208.4 million (31 December 2014: CHF 5,103.4 million). It is deposited with appropriate investment limits at commercial banks, the Swiss National Bank (SNB) and clearing houses approved by the SNB. Operational liquidity of the Swiss and various foreign subsidiaries, with the exception of SIX SIS Ltd and SIX x-clear Ltd, is held and managed centrally at SIX as part of a cash pool. Group Treasury is responsible for the management of the cash pool. The liquidity in excess of operational liquidity required by the subsidiaries is provided by Group Treasury to cover any short to medium-term structural liquidity requirements. SIX has invested funds available over the medium to long term in financial investments with a current market value of CHF 590.2 million (31 December 2014: CHF 584.3 million) using a professional asset manager.

The liquidity managed by SIX SIS Ltd and SIX x-clear Ltd as at 31 December 2015 totaled CHF 3,321.2 million (31 December 2014: CHF 4,542.5 million). Liquidity management is one of the main operating activities in the settlement business. Liquidity risk in the Securities Services area is managed by ensuring that the operating clearing houses within SIX have sufficient available cash to meet their payment obligations to members as a central counterparty. On a day-to-day basis the collateral and liquidity management team is tasked with ensuring that the Group can meet its financing needs at all times, in particular to ensure the business continues to operate smoothly in the event of a clearing member default.

Once a year, the liquidity strategy is reviewed by the Group's Chief Financial Officer and approved by the Board of Directors. Group Treasury monitors the implementation and execution of the liquidity strategy.

Maturity analysis for financial liabilities

The following table shows the contractual maturities of the financial liabilities held by SIX at the reporting date and in the previous year. Non-financial liabilities are not included in this analysis.

CHF million	Within 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	31/12/2015
Liabilities					
Trade and other payables	139.3	0.2	–	–	139.5
Payables from clearing & settlement	5,622.4	–	–	–	5,622.4
Non-derivative financial liabilities	**5,761.7**	**0.2**	**–**	**–**	**5,761.9**
Derivative financial instruments, net	1.4	–	–	–	1.4
Derivative financial liabilities	**1.4**	**–**	**–**	**–**	**1.4**
Total financial liabilities	**5,763.1**	**0.2**	**–**	**–**	**5,763.3**

CHF million	Within 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	31/12/2014
Liabilities					
Bank overdrafts	35.4	–	–	–	35.4
Trade and other payables	319.9	0.3	0.1	0.1	320.3
Payables from clearing & settlement	6,600.0	–	–	–	6,600.0
Borrowings	–	29.0	2.5	–	31.5
Non-derivative financial liabilities	**6,955.2**	**29.3**	**2.6**	**0.1**	**6,987.1**
Derivative financial instruments, net	0.8	–	–	–	0.8
Derivative financial liabilities	**0.8**	**–**	**–**	**–**	**0.8**
Total financial liabilities	**6,956.0**	**29.3**	**2.6**	**0.1**	**6,987.9**

The fair value of the derivative financial instruments best represents the cash flows that would have to be paid if these positions had to be settled or closed.

Market risk

General

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. With regard to SIX, market prices comprise three types of risk: foreign currency risk, interest rate risk and index price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The consolidated financial statements are published in Swiss francs. The foreign currency risks arise primarily from fluctuation of currencies against the Swiss franc, mainly the euro, the US dollar and the pound sterling. Consequently, SIX uses spot, forward and swap contracts to hedge its exposure in those currencies.

In Switzerland, SIX entities are exposed to foreign currency risk through their operating activities (when revenue or expense is not denominated in Swiss francs) and their financial investments in foreign currencies (mainly euro). Group Treasury controls the exposure to foreign currency risk by using forwards and monitoring the hedging level of the portfolio managed by the asset manager. A few Group entities, such as SIX SIS Ltd and SIX Payment Services (Austria) GmbH, hedge their exposure in foreign currencies directly with local banks. Other foreign and Swiss entities enter into foreign exchange rate contracts with Group Treasury. Group Treasury, for its part, is responsible for hedging net positions in foreign currencies with external counterparties.

The table below illustrates the hypothetical sensitivity of earnings before tax to increases and decreases in foreign exchange rates at year-end due to revaluation of balance sheet items, assuming all other variables remain unchanged. For 2014, the sensitivity rates take the increased volatility in exchange rates following the Swiss National Bank's abandonment of the minimum EUR/CHF exchange rate in January 2015 into account. For 2015, the yearly standard deviation based on historical volatility was used. Positive figures represent an increase in earnings before tax.

	2015			2014		
CHF million	Change in exchange rate +/–	Effect on earnings before tax +	Effect on earnings before tax –	Change in exchange rate +/–	Effect on Group profit before tax +	Effect on Group profit before tax –
EUR/CHF	13.3%	–0.8	0.8	12.7%	1.6	–1.6
USD/CHF	10.9%	–1.2	1.2	7.1%	0.2	–0.2
GBP/CHF	12.7%	–0.2	0.2	8.4%	–1.8	1.8
Total		**–2.3**	**2.3**		**0.1**	**–0.1**

At 31 December 2015, if the Swiss franc had strengthened against the euro by 13.3%, 10.9% against the USD and 12.7% against the GBP with all other variables unchanged, earnings before tax would have been CHF 2.3 million lower (31 December 2014: CHF 0.1 million higher). For equity instruments classified as FVtOCI, the effect on equity would have been a decrease of CHF 9.6 million (31 December 2014: nil). If the Swiss franc had weakened by the above rates, the effect on equity would have been the opposite.

For disclosure of the contract volumes of derivative financial instruments in each currency, see note 29.

Interest rate risk

SIX is exposed to interest rate risk because of the volatility of market interest rates. Interest rate risk is the risk of loss from fluctuations in the future cash flows from or fair values of financial instruments because of a change in market interest rates.

Cash deposits and investments in debt instruments are subject to interest rate risk. Fair value fluctuations of fixed-interest financial instruments (i.e. bonds), which would reflect a change in market interest rates, are not recognized in the income statement because these financial instruments are measured at amortized cost according to IFRS 9. Therefore, with respect to debt instruments a change in market interest rates would not have any effect on the Group's interest income or expense.

In interest margin business, interest rate changes could have a major impact on earnings. However, SIX is subject to hardly any interest rate risk, as the cash received from business partners is invested only in overnight interest-bearing accounts, financial instruments or secured reverse repos with a term to maturity of less than one year. From the interest earned, SIX may pay interest less a margin to the business partners for the deposits on their ordinary cash vostro accounts or may not compensate the business partner at all should the interest earned be less than the desired margin.

The interest rate risk arises primarily from investments in Swiss franc, euro, US dollar and pound sterling. The sensitivity analysis shows the impact on earnings before tax to a reasonably possible change of a +/–50 basis point move in yield curves. Positive figures represent an increase in earnings before tax.

	2015			2014		
Basis points (bps) in each currency	Change in interest rate +/–	Effect on earnings before tax +	Effect on earnings before tax –	Change in interest rate +/–	Effect on earnings before tax +	Effect on earnings before tax –
CHF	50	–	–	50	18.9	–0.2
EUR	50	0.5	1.2	50	4.1	–
USD	50	5.6	–4.7	50	3.3	–0.8
GBP	50	0.4	–0.1	50	0.5	–0.4
Total		**6.5**	**–3.6**		**26.9**	**–1.4**

According to the simulation, with a 50 bps rise in interest rates in each currency, earnings before tax would have been CHF 6.5 million higher (31 December 2014: CHF 26.9 million higher). With a 50 bps drop in interest rates, earnings before tax would have been CHF 3.6 million lower (31 December 2014: CHF 1.4 million lower).

Index price risk

Index price risk at SIX is the risk of loss resulting from declining equity and bonds indices or fair values of individual instruments.

SIX holds equity instruments (e.g. direct investments in shares and units in investment funds) and funds of bonds for liquidity reasons. These instruments are measured at fair value through profit or loss. Fluctuations in individual prices or indices therefore have a direct impact on earnings before tax.

The investment policy of SIX establishes limits on the level of risk in the invested portfolio. Investment limits help the professional external asset manager to ensure that the investment portfolio is sufficiently diversified and that it remains exposed to an acceptable level of risk. The performance of the portfolio is compared with the defined benchmarks.

SIX makes direct investments in unlisted companies to a much lesser extent. The fair value of these equity investments tends to be dominated by factors specific to the company invested in. For this reason, SIX does not include these investments in the sensitivity analysis. Additionally, debt instruments classified as measured at amortized cost are not included in the sensitivity analysis, as fluctuations in prices have no direct impact on earnings before tax.

The table below illustrates the hypothetical sensitivity of earnings before tax to increases and decreases in the respective indices, assuming all other variables remain unchanged. The sensitivity rate is based on historical volatility using the yearly standard deviation.

	2015			2014		
CHF million	Change in index +/–	Effect on earnings before tax +	Effect on earnings before tax –	Change in index +/–	Effect on earnings before tax +	Effect on earnings before tax –
Index						
SPI®	16.1%	18.1	–18.1	11.8%	12.3	–12.3
SBI®	2.6%	6.2	–6.2	1.6%	3.2	–3.2
SXI®	11.4%	8.5	–8.5	7.9%	5.7	–5.7
Total		**32.8**	**–32.8**		**21.3**	**–21.3**

If the increases in the three indices had been reflected in a change in the financial instruments classified as FVtPL held as at 31 December 2015, earnings before tax would have been CHF 32.8 million higher (31 December 2014: CHF 21.3 million higher). If the indices had fallen, the effect would have been the opposite.

If the increase (decrease) of 16.1% in the SPI® had been reflected in a change in equity instruments classified as FVtOCI, equity would have been CHF 1.8 million higher (lower) (31 December 2014: nil).

28. Fair value of financial instruments

Fair value of financial instruments

The table below shows the estimated fair values of financial instruments, including those accounted for at amortized cost, together with the carrying amounts at the reporting date. The valuation methods and assumptions applied to determine the fair values are explained further below.

	31/12/2015			31/12/2014		
CHF million	Carrying amount	Fair value	Deviation	Carrying amount	Fair value	Deviation
Assets						
Cash and cash equivalents	4,208.4	4,208.4	–	5,103.4	5,103.4	–
Trade and other receivables	409.2	409.2	–	626.0	626.0	–
Receivables from clearing & settlement	2,660.1	2,660.1	–	2,267.9	2,267.9	–
Debt instruments[1]	250.9	253.2	2.3	418.0	428.6	10.7
Others	1.2	1.2	–	1.1	1.1	–
Financial assets at amortized cost	**7,529.8**	**7,532.0**	**2.3**	**8,416.4**	**8,427.1**	**10.7**
Equity instruments at FVtPL[2]	30.7	30.7	–	52.0	52.0	–
Equity instruments at FVtOCI[3]	94.7	94.7		0.0	0.0	–
Units in investment funds at FVtPL[4]	396.7	396.7	–	355.5	355.5	–
Financial instruments from settlement business[5]	70.5	70.5	–	83.4	83.4	–
Derivative financial instruments	64.8	64.8	–	70.5	70.5	–
Financial assets at fair value	**657.3**	**657.3**	**–**	**561.4**	**561.4**	**–**
Total financial assets	**8,187.1**	**8,189.4**	**2.3**	**8,977.8**	**8,988.4**	**10.7**
of which current	*8,035.8*			*8,657.0*		
of which non-current	*151.3*			*320.7*		
Liabilities						
Bank overdrafts	0.0	0.0	–	35.4	35.4	–
Trade and other payables	139.6	139.6	–	320.3	320.3	–
Payables from clearing & settlement	5,622.4	5,622.4	–	6,600.0	6,600.0	–
Borrowings[6]	–	–	–	31.5	31.5	–
Financial liabilities at amortized cost	**5,762.0**	**5,762.0**	**–**	**6,987.1**	**6,987.1**	**–**
Derivative financial instruments	66.1	66.1	–	71.2	71.2	–
Financial liabilities at fair value	**66.1**	**66.1**	**–**	**71.2**	**71.2**	**–**
Total financial liabilities	**5,828.1**	**5,828.1**	**–**	**7,058.4**	**7,058.4**	**–**
of which current	*5,828.1*			*7,051.6*		
of which non-current	*–*			*6.7*		

[1] Debt instruments mainly include government and corporate bonds as well as European medium term notes (EMTNs) denominated in CHF, EUR, USD and NOK. According to the internal investment strategy, the requirements regarding counterparty creditworthiness are based on a minimum rating of A (Standard & Poor's) or A2 (Moody's).
[2] Equity instruments primarily include shares in other entities which are held to invest the liquidity in excess of operating liquidity and strategic investments.
[3] As at 31 December 2015, SIX had equity instruments in connection with Visa Europe Ltd. classified as FVtOCI, see note 17
[4] SIX holds certain investments in equity funds, fixed income funds, money market funds, real estate funds and funds of hedge funds denominated in foreign currencies, with the aim of diversifying its investments and taking advantage of foreign markets' performance.
[5] These financial instruments represent quoted equity instruments which SIX acquires as a result of failure by a counterparty to deliver its side of a transaction.
[6] As at 31 December 2015, SIX had no outstanding borrowings to related parties (31 December 2014: CHF 24.7 million).

Valuation methods for financial assets

The table below analyzes recurring fair value measurements for financial assets and liabilities. These fair value measurements are assigned to the different levels of the fair value hierarchy. These levels are defined as follows:

- Level 1: The fair value of listed financial instruments with a price established in an active market is determined on the basis of current quoted market prices.
- Level 2: Valuation methods are used to determine the fair value of financial instruments if no direct market prices are available. The underlying assumptions are based on observable market data, either directly or indirectly, as at the reporting date.
- Level 3: If neither current market prices nor valuation methods based on observable market data can be drawn on for the purpose of determining fair value, then valuation methods are based on unobservable market data. Those inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

The following methods and assumptions were used to estimate the fair values:

- For cash and cash equivalents including bank overdrafts, trade and other receivables, receivables and payables from clearing & settlement, trade and other payables, and short-term loans and borrowings, it is assumed that the carrying amount corresponds to their fair value.
- The fair value of quoted equity and debt instruments (e.g. bonds) and of units in investment funds is determined by reference to published price quotations in an active market at the reporting date. The valuation of financial assets from settlement business held at fair value through profit or loss is performed with reference to quoted prices from the markets to which they relate. Such financial assets therefore fall under level 1 of the fair value hierarchy.
- If there is no observable market data for the share price of an equity instrument, the share price is derived from the proportionate net asset value of the entity not traded in an active market. Such equity investments are categorized within level 3 of the fair value hierarchy. If the net asset value were to increase, the price per share would increase proportionally.
- For equity instruments which are not traded but for which a sales transaction has been announced and either an indicative or final sales price is available (e.g. sales price in a purchase agreement), the fair value is measured based on the expected cash flows from the sale considering the risks and uncertainties until the closing of the transaction. These equity instruments are assigned to level 3 of the fair value hierarchy. An increase or decrease of 10% in the estimated cash flows would lead to an increase or decrease of approximately 10% in the fair value of the financial asset.
- For equity investments in entities which are in the process of liquidation, the fair value is measured based on the discounted future liquidation proceeds estimated by the liquidator. These equity investments are assigned to level 3 of the fair value hierarchy. An increase or decrease of 10% in the estimated liquidation proceeds would lead to an increase or decrease of approximately 10% in the fair value of the financial asset.
- Foreign exchange swaps and forwards are not traded publicly. The inputs into the calculation include foreign exchange spot rates, interest rates and foreign exchange volatility. In general, these inputs are readily observable in the markets or provided by consensus data providers. Thus, foreign exchange swaps, forwards and other foreign exchange derivatives are categorized as level 2 instruments.
- For forward contracts from the clearing and settlement business as CCP, the fair value is determined as the difference between the fair value of the underlying instrument at the trade date and its fair value at the reporting date. With the exception of forward contracts from the clearing and settlement of options, all other forward contracts from clearing and settlement are assigned to level 2 of the fair value hierarchy, as the inputs used are readily available in the market.
- For forward contracts from the clearing and settlement of options, the fair value is determined based on the Black-Scholes formula. The inputs into the calculation include share price, strike price, risk-free interest rate and historical volatility. With the exception of historical volatility the inputs are readily observable in the market. Historical volatility therefore represents a level 3 input, as it does not reflect market participants' expectations.

As such, forward contracts from the clearing and settlement of options are assigned to level 3 of the fair value hierarchy.

The following table shows the fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Financial instruments in the fair value hierarchy

	Listed market prices	Valuation methods based on market data	Valuation methods not based on market data	
CHF million	**Level 1**	**Level 2**	**Level 3**	**31/12/2015**
Debt instruments and others	254.2	0.1	–	254.4
Equity instruments	28.6	–	96.7	125.4
Units in investment funds	396.7	–	–	396.7
Financial instruments from settlement business	70.5	–	–	70.5
Derivative financial instruments	–	41.9	22.9	64.8
Total financial assets	**750.1**	**42.0**	**119.6**	**911.7**
Derivative financial instruments	–	43.3	22.9	66.1
Total financial liabilities	**–**	**43.3**	**22.9**	**66.1**

	Listed market prices	Valuation methods based on market data	Valuation methods not based on market data	
CHF million	**Level 1**	**Level 2**	**Level 3**	**31/12/2014**
Debt instruments and others	428.6	1.1	–	429.8
Equity instruments	24.5	–	27.5	52.0
Units in investment funds	355.5	–	–	355.5
Financial instruments from settlement business	83.4	–	–	83.4
Derivative financial instruments	–	38.4	32.0	70.5
Total financial assets	**892.1**	**39.6**	**59.5**	**991.1**
Derivative financial instruments	–	39.2	32.0	71.2
Total financial liabilities	**–**	**39.2**	**32.0**	**71.2**

Transfers between levels

In 2015, there were no transfers between level 1 and level 2 or between level 2 and level 3.

In 2014, there were no transfers between level 1 and level 2 but forward contracts from the derivatives clearing and settlement business in the amount of CHF 36.4 million were transferred from level 2 to level 3, as the inputs into the calculation of the fair value also include historical volatility. The transferred derivative financial instruments relate to the acquisition of Oslo Clearing ASA in May 2014. For the half-year closing as at 30 June 2014, provisional amounts and classification of the assets acquired and liabilities assumed were recognized or determined. This also included option contracts from derivatives clearing and settlement, which were initially classified as level 2 instruments. The transfer was made on 31 October 2014, when the final amounts and classification of the assets acquired and liabilities assumed were recognized or determined.

Movements in level 3 financial assets

SIX carries unquoted equity instruments and option contracts from the derivative clearing and settlement business as financial instruments at fair value through profit or loss classified within the fair value hierarchy as level 3.

CHF million	2015	2014
Carrying amount at the beginning of the year	**59.5**	**27.9**
Additions	0.1	–
Disposals	–24.6	–2.0
Business combinations	–	25.6
Change in fair value of forward contracts from clearing & settlement	–9.1	6.5
Losses recognized in the income statement	–0.9	–
Gains recognized in the income statement	0.0	1.6
Gains recognized in other comprehensive income	94.7	–
Carrying amount at closing	**119.6**	**59.5**
Income on holdings at closing		
Unrealized losses recognized in the income statement	–0.1	–
Unrealized gains recognized in the income statement	0.0	1.6
Unrealized gains recognized in other comprehensive income	94.7	–

In 2015, gains recognized in other comprehensive income of CHF 94.7 million consisted of fair value changes related to the Visa Europe Ltd. equity instruments (see note 17).

As at 31 December 2015, SIX had CHF 22.9 million (31 December 2014: CHF 32.0 million) of outstanding forward contracts from clearing and settlement activities as a central counterparty in derivative trading of options, as it fulfills its task of matching buy and sell orders. As such, the positive fair values of the outstanding option contracts equal the negative fair values. Accordingly, the decrease in the fair value of the option contracts from clearing and settlement in derivative trading of CHF 9.1 million (31 December 2014: increase of CHF 6.5 million) impacted neither profit or loss nor total comprehensive income.

29. Derivative financial instruments

The following table shows the replacement values and corresponding contract volumes at 31 December 2015 and 31 December 2014.

	31/12/2015			31/12/2014		
CHF million	Positive replacement values	Negative replacement values	Contract volumes	Positive replacement values	Negative replacement values	Contract volumes
Trading derivatives						
Forward contracts	64.6	65.7	8,446.7	70.4	71.1	6,504.0
Foreign currency	*0.3*	*0.3*	*72.9*	*0.4*	*0.3*	*57.0*
Clearing & Settlement business[1]	*64.3*	*65.4*	*8,373.8*	*70.1*	*70.8*	*6,447.0*
Swaps	0.2	0.5	242.9	0.0	0.1	341.7
Foreign currency	*0.2*	*0.5*	*242.9*	*0.0*	*0.1*	*341.7*
Total trading derivatives	**64.8**	**66.1**	**8,689.6**	**70.5**	**71.2**	**6,845.7**
Total derivative financial instruments	**64.8**	**66.1**	**8,689.6**	**70.5**	**71.2**	**6,845.7**

[1] The prior-year figures have been reclassified to match the current year's presentation. In 2014, the forward contracts from the clearing and settlement of options of CHF 32.0 million were presented separately.

The breakdown by currency of the contract volumes of the foreign currency derivative financial instruments is as follows:

CHF million	31/12/2015	31/12/2014
EUR	269.7	348.9
USD	24.6	19.6
SEK	8.1	8.9
Others	13.4	21.2
Total	**315.8**	**398.7**

Derivative financial instruments held for trading purposes

SIX purchases various derivative financial instruments for the purpose of hedging as part of its risk strategy, with in general no application of hedge accounting. The majority of derivative financial instruments arise within the clearing and settlement business of Securities Services.

The positive replacement values include in particular the positive fair value of forward contracts from the clearing and settlement business of SIX. Other derivative financial assets from foreign exchange forwards and swaps represent the estimated amount that SIX would receive if the derivative contracts were settled in full on the reporting date.

The negative replacement values include in particular the negative fair value of forward contracts from the clearing and settlement business of SIX. Other derivative financial liabilities from foreign exchange forwards and swaps indicate the estimated amount that SIX would need to pay if the derivative instruments were settled in full on the reporting date.

30. Offsetting

The following tables show the effects of offsetting on the balance sheet and the related amounts not offset for financial assets and financial liabilities which are subject to enforceable netting arrangements:

31/12/2015

	Assets subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
CHF million	Gross assets before balance sheet netting	Balance sheet netting with gross liabilities	**Net assets reported on the balance sheet [1]**	Financial liabilities	Collateral received [2]	**Assets after consideration of netting potential**	**Assets not subject to enforceable netting arrangements**	**Balance sheet total**
Receivables from C&S	1,479.8	–	1,479.8	–	–1,479.8	–	1,180.3	2,660.1
Receivables from C&S	*450.7*	–	*450.7*	–	*–450.7*	–	*1,180.3*	*1,631.0*
Reverse repurchase agreements	*1,029.1*	–	*1,029.1*	–	*–1,029.1*	–	–	*1,029.1*
Financial assets (current)	82.0	–17.7	64.3	–50.2	–14.1	–	693.8	758.1
Forward contracts from C&S business	*82.0*	*–17.7*	*64.3*	*–50.2*	*–14.1*	–	*0.4*	*64.8*
Other financial assets (current)	–	–	–	–	–	–	*693.4*	*693.4*
Total assets	**1,561.8**	**–17.7**	**1,544.1**	**–50.2**	**–1,493.9**	**–**	**1,874.1**	**3,418.2**

31/12/2014

	Assets subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
CHF million	Gross assets before balance sheet netting	Balance sheet netting with gross liabilities	**Net assets reported on the balance sheet [1]**	Financial liabilities	Collateral received [2]	**Assets after consideration of netting potential**	**Assets not subject to enforceable netting arrangements**	**Balance sheet total**
Receivables from C&S	987.8	–	987.8	–17.5	–970.2	–	1,280.1	2,267.9
Receivables from C&S	*85.9*	–	*85.9*	*–17.5*	*–68.4*	–	*1,280.1*	*1,366.1*
Reverse repurchase agreements	*901.8*	–	*901.8*	–	*–901.8*	–	–	*901.8*
Financial assets (current)	402.5	–329.5	73.0	–54.7	–18.2	–	586.8	659.7
Forward contracts from C&S business	*402.5*	*–329.5*	*73.0*	*–54.7*	*–18.2*	–	*–2.5*	*70.5*
Other financial assets (current)	–	–	–	–	–	–	*589.3*	*589.3*
Total assets	**1,390.2**	**–329.5**	**1,060.7**	**–72.3**	**–988.5**	**–**	**1,866.9**	**2,927.6**

[1] The balance sheet total is the sum of “net assets/liabilities reported on the balance sheet” that are subject to enforceable netting arrangements and “assets/liabilities not subject to enforceable netting arrangements”.
[2] Financial collateral is reflected at its fair value, but has been limited to the net balance sheet exposure so as not to include any over-collateralization.

31/12/2015

CHF million	Gross liabilities before balance sheet netting	Balance sheet netting with gross assets	Net liabilities reported on the balance sheet[1]	Financial assets	Collateral pledged[2]	Liabilities after consideration of netting potential	Liabilities not subject to enforceable netting arrangements	Balance sheet total
	Liabilities subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
Payables from C&S	928.0	–	928.0	–	–238.1	690.0	4,694.4	5,622.4
Payables from C&S	690.0	–	690.0	–	–	690.0	4,694.4	5,384.3
Payables from repurchase agreements	238.1	–	238.1	–	–238.1	–	–	238.1
Financial liabilities (current)	83.1	–17.7	65.4	–50.2	–15.2	–	0.7	66.1
Forward contracts from C&S business	*83.1*	*–17.7*	*65.4*	*–50.2*	*–15.2*	*–*	*0.7*	*66.1*
Total liabilities	**1,011.1**	**–17.7**	**993.4**	**–50.2**	**–253.2**	**690.0**	**4,695.1**	**5,688.5**

31/12/2014

CHF million	Gross liabilities before balance sheet netting	Balance sheet netting with gross assets	Net liabilities reported on the balance sheet[1]	Financial assets	Collateral pledged[2]	Liabilities after consideration of netting potential	Liabilities not subject to enforceable netting arrangements	Balance sheet total
	Liabilities subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
Payables from C&S	811.2	–	811.2	–17.5	–	793.6	5,788.8	6,600.0
Financial liabilities (current)	403.2	–329.5	73.7	–54.7	–18.9	–	22.3	96.0
Forward contracts from C&S business	*403.2*	*–329.5*	*73.7*	*–54.7*	*–18.9*	*–*	*–2.4*	*71.2*
Other financial liabilities (current)	*–*	*–*	*–*	*–*	*–*	*–*	*24.7*	*24.7*
Total liabilities	**1,214.3**	**–329.5**	**884.8**	**–72.3**	**–18.9**	**793.6**	**5,811.1**	**6,695.9**

[1] The balance sheet total is the sum of "net assets/liabilities reported on the balance sheet" that could be subject to enforceable netting arrangements and "assets/liabilities not subject to enforceable netting arrangements".
[2] Financial collateral is reflected at its fair value, but has been limited to the net balance sheet exposure so as not to include any over-collateralization.

Related amounts offset

Forward contracts from clearing & settlement business are subject to the netting conditions as defined in the Clearing Rules of SIX x-clear Ltd. Open positions are settled net and offset to the extent that netting is permitted, which requires that the amounts relate to the same clearing representative, the same derivative series and the same maturity date.

Related amounts not offset

Positive/negative replacement values (RPVs) of derivatives and receivables/payables from clearing & settlement

These receivables and payables are subject to set-off under netting agreements, such as the General Terms and Conditions of Business for Clearing of Trading Platform Transactions. The netting agreements stipulate that close-out netting applies across all outstanding transactions with the same clearing member if a default event or other predetermined event occurs. Such arrangements, however, do not provide a legally enforceable right in the normal course of business.

SIX x-clear Ltd acts as central counterparty for securities trading. If one counterparty (buyer or seller) fails, it is exposed to the price fluctuation of the securities, as the remaining late leg is not offset by the settled leg. To cover this risk, SIX x-clear Ltd obtains collateral to cover the net exposure. The collateral can be realized in a default event or if another predetermined event occurs.

Repurchase agreements and reverse repurchase agreements

Receivables and payables related to repurchase and reverse repurchase agreements are subject to set-off under netting agreements, such as the Swiss Master Agreement for Repo Trades and/or Global Master Repurchase Agreement. These agreements stipulate that all outstanding transactions with the same counterparty can be offset, and close-out netting applies across all outstanding transactions covered by the agreements if a default event or other predetermined event occurs. Such arrangements, however, do not provide a legally enforceable right in the normal course of business.

Financial collateral typically comprises highly liquid securities and can be liquidated in the event of counterparty default.

Group composition

31. Interests in other entities

Subsidiaries

The list below shows SIX Group Ltd and its subsidiaries at 31 December 2015 in comparison with 31 December 2014.

Fully consolidated participations

Name of entity	Principal place of business	Principal activities	Share capital in 1,000		31/12/2015 Equity interest in %	31/12/2014 Equity interest in %
Corporate						
SIX Group Ltd	Zurich	Holding company	CHF	19,522	–	–
SIX Group Services Ltd	Zurich	IT services	CHF	52,500	100.0	100.0
SIX Management Ltd	Zurich	Management services	CHF	100	100.0	100.0
Swiss Exchange						
Indexium Ltd	Zurich	Distribution of index families	CHF	–	–	50.1
SIX Corporate Bonds Ltd (formerly SIX SIS International Ltd)	Zurich	Stock exchange services	CHF	5,100	100.0	100.0
SIX Exfeed Ltd	Zurich	Distribution of financial information	CHF	1,100	100.0	100.0
SIX Structured Products Exchange Ltd	Zurich	Stock exchange and stock exchange services	CHF	100	100.0	100.0
SIX Swiss Exchange Ltd	Zurich	Stock exchange and stock exchange services	CHF	10,000	100.0	100.0
SIX Swiss Exchange Securities Matcher Ltd	Zurich	Stock exchange services	CHF	100	100.0	100.0
SWISSTRADINGBOX Ltd	Zurich	IT services	CHF	800	50.1	50.1
Securities Services						
Oslo Clearing ASA	Oslo	Clearing	NOK	–	–	100.0
Projektgesellschaft Softwareentwicklung Oktober 2011 Ltd	Frankfurt a. M.	Inactive	EUR	50	100.0	100.0
SIX Interbank Clearing Ltd	Zurich	Interbank payment services	CHF	1,000	75.0	75.0
SIX Paynet Ltd	Zurich	E-billing services	CHF	100	100.0	100.0
SIX Repo Ltd	Zurich	Swiss money market trading platform	CHF	100	100.0	100.0
SIX SAG Ltd	Olten	Share register	CHF	100	100.0	100.0
SIX Securities Services Ltd	Zurich	Holding company	CHF	26,000	100.0	100.0
SIX SIS Ltd	Olten	Settlement and custody	CHF	26,000	100.0	100.0
SIX SIS Nominee U.K. Ltd	Olten	Nominee	CHF	100	100.0	100.0
SIX Systems Ltd	Olten	Inactive	CHF	2,500	100.0	100.0
SIX Terravis Ltd	Zurich	Real estate information portal	CHF	4,100	100.0	100.0
SIX Trade Repository Ltd (formerly Telekurs Card Services SA)	Zurich	Trade repository	CHF	100	100.0	100.0
SIX x-clear Ltd	Zurich	Clearing	CHF	30,000	100.0	100.0

Name of entity	Principal place of business	Principal activities	Share capital in 1,000		Equity interest in % 31/12/2015	Equity interest in % 31/12/2014
Financial Information						
CETREL Securities SA	Luxembourg	Financial information services	EUR	5,500	100.0	100.0
Europerformance SIX Telekurs	Nanterre Cedex	Financial information services	EUR	45	94.4	94.4
Finaccess SIX Financial Information SAM	Casablanca	Financial information services	MAD	8,548	55.0	55.0
Rolotec Ltd	Biel	Development and engineering of software	CHF	200	100.0	100.0
SIX Financial Information Ltd	Zurich	Financial information services	CHF	45,000	100.0	100.0
SIX Financial Information Belgium SA	Brussels	Financial information services	EUR	505	100.0	100.0
SIX Financial Information Denmark A/S	Copenhagen	Financial information services	DKK	1,600	100.0	100.0
SIX Financial Information Deutschland GmbH	Frankfurt a. M.	Financial information services	EUR	512	100.0	100.0
SIX Financial Information España SA	Madrid	Financial information services	EUR	424	100.0	100.0
SIX Financial Information Finland Oy	Helsinki	Financial information services	EUR	8	100.0	100.0
SIX Financial Information France SAS	Paris	Financial information services	EUR	44,900	100.0	100.0
SIX Financial Information Hong Kong Limited	Hong Kong	Inactive	HKD	4,000	100.0	100.0
SIX Financial Information Italia Srl	Milan	Financial information services	EUR	100	100.0	100.0
SIX Financial Information Japan Ltd	Tokyo	Financial information services	JPY	40,000	100.0	100.0
SIX Financial Information Luxembourg SA	Bertrange	Financial information services	EUR	31	100.0	100.0
SIX Financial Information Monaco SAM	Monaco	Financial information services	EUR	150	100.0	100.0
SIX Financial Information Nederland BV	Amsterdam	Financial information services	EUR	250	100.0	100.0
SIX Financial Information Norway AS	Oslo	Financial information services	NOK	550	100.0	100.0
SIX Financial Information Singapore Pte Ltd	Singapore	Financial information services	SGD	25	100.0	100.0
SIX Financial Information Sweden AB	Stockholm	Financial information services	SEK	100	100.0	100.0
SIX Financial Information UK Ltd	London	Financial information services	GBP	500	100.0	100.0
SIX Financial Information USA Inc	Stamford USA	Financial information services	USD	0	100.0	100.0
STK Nordic AB	Stockholm	Financial information services	SEK	100	100.0	100.0
Payment Services						
3C Payment Luxembourg SA	Luxembourg	Integrated payment solutions	EUR	31	100.0	–
C6 Ré SA	Luxembourg	Reinsurance	EUR	3,400	100.0	100.0
CETREL SA	Luxembourg	Integrated payment solutions	EUR	4,713	100.0	100.0
SIX Austria Holding GmbH	Vienna	Holding company	EUR	35	100.0	100.0
SIX Card Solutions Payment GmbH	Norderstedt	Integrated payment solutions	EUR	102	100.0	100.0
SIX Payment Services Ltd	Zurich	Integrated payment solutions	CHF	6,500	100.0	100.0
SIX Payment Services (Austria) GmbH (formerly PayLife Bank GmbH)	Vienna	Integrated payment solutions	EUR	13,235	100.0	100.0
SIX Payment Services (Europe) SA	Luxembourg	Merchant acquiring services	EUR	1,820	100.0	100.0
SIX Payment Services (Germany) GmbH	Norderstedt	Integrated payment solutions	EUR	25	100.0	100.0
SIX Payment Services (Luxembourg) SA	Leudelange	Integrated payment solutions	EUR	255	100.0	100.0
SIX Payment Services (Sweden) AB	Johanneshov	Integrated payment solutions	SEK	500	100.0	100.0
SIX Payment Services (UK) Ltd	Twickenham	Integrated payment solutions	GBP	0	100.0	100.0
SIX Payment Services (USA) Corp	Delaware	Integrated payment solutions	USD	0	100.0	100.0
Swisskey Ltd	Zurich	Inactive	CHF	100	100.0	100.0

Unless otherwise stated, the subsidiaries listed above have share capital consisting solely of ordinary shares, which are held directly by the Group, and the proportion of ownership interests held is equal to the voting rights held by SIX.

Changes to the composition of the Group during 2015

In January 2015, the electronic payments business, which includes SIX Interbank Clearing Ltd and SIX Paynet Ltd, was transferred from the Payment Services operating segment to the Securities Services operating segment. The transfer had no impact on the Group's consolidated figures as at 31 December 2015. The impact on the segment reporting is disclosed in note 4.

In February 2015, SIX SIS International Ltd was renamed SIX NCBF Ltd and was transferred from the Securities Services operating segment to the Swiss Exchange operating segment. The transfer had no impact on the Group's consolidated figures or on the segment reporting as at 31 December 2015.

In May 2015, the clearing activities of Oslo Clearing ASA were transferred to SIX x-clear Ltd. Accordingly, since May 2015, SIX x-clear Ltd has been providing the clearing services previously provided by Oslo Clearing ASA. The transfer had no impact on the Group's consolidated figures as at 31 December 2015.

In June 2015, Telekurs Card Services Ltd was renamed SIX Trade Repository Ltd and was transferred from the Payment Services operating segment to the Securities Services operating segment. The transfer had no impact on the Group's consolidated figures or on the segment reporting as at 31 December 2015.

In July 2015, SIX NCBF Ltd was renamed SIX Corporate Bonds Ltd.

In July 2015, SIX sold its shares in STOXX Ltd and Indexium Ltd to Deutsche Börse Ltd in a single transaction. SIX had previously held 49.9% of STOXX Ltd and 50.1% of Indexium Ltd. The gain from the transaction was CHF 464.8 million and is included in financial income. The levy payable of CHF 0.5 million is included in operating expenses. The net gain from the transaction was thus CHF 464.3 million.

In September 2015, PayLife Bank GmbH was renamed SIX Payment Services (Austria) GmbH.

In November 2015, Oslo Clearing ASA was liquidated. The liquidation had no impact on the Group's consolidated figures as at 31 December 2015.

In December 2015, 3C Payment Luxembourg SA was established with fully paid-up share capital of EUR 0.0 million.

Changes to the composition of the Group during 2014

In January 2014, SIX Financial Information Ltd was merged with Telekurs Holding Ltd. The merger had no impact on the Group's consolidated figures as at 31 December 2014. Subsequently in January 2014, Telekurs Holding Ltd was renamed SIX Financial Information Ltd and was transferred to the Financial Information operating segment.

In January 2014, PayLife Service GmbH was merged with PayLife Bank GmbH. The merger had no impact on the Group's consolidated figures as at 31 December 2014.

In January 2014, Scoach Switzerland Ltd was renamed SIX Structured Products Exchange Ltd.

In January 2014, CETREL Securities SA was transferred from the Payment Services operating segment to the Financial Information operating segment.

In April 2014, SIX Repo Ltd was transferred from the Swiss Exchange operating segment to the Securities Services operating segment.

In May 2014, SIX acquired 100% of Oslo Clearing ASA (see note 32).

In October 2014, SIX Paynet Ltd was established with fully paid-up share capital of CHF 0.1 million.

Commitment for joint arrangements

In August 2015, SIX and Postfinance agreed to cooperate on e-billing and direct debits. Plans are in place for Postfinance to migrate to the Paynet e-billing solution by 2019. Then, Postfinance will acquire a minority stake and certain participation rights in SIX Paynet Ltd, which will subsequently operate as a joint venture. At that time, SIX will deconsolidate SIX Paynet Ltd and account for its interest in the joint venture using the equity method. The cooperation must be approved by the relevant competition authorities prior to implementation.

Non-controlling interests in subsidiaries

The following table summarizes the information relating to the SIX subsidiaries that have material non-controlling interests (NCI), before any intra-Group elimination.

			31/12/2015
CHF million	**SIX Interbank Clearing Ltd**	**Other**	**Total**
NCI percentage	**25.0%**		
Current assets	14.8	6.7	21.4
Non-current assets	29.0	1.1	30.1
Current liabilities	8.2	3.8	11.9
Non-current liabilities	3.1	0.6	3.8
Net assets	**32.4**	**3.4**	**35.8**
NCI equity	**8.1**	**1.4**	**9.5**
Revenues	**37.9**	**15.5**	**53.4**
Net profit	6.3	1.6	7.9
Other comprehensive income	–1.5	–0.1	–1.6
Total comprehensive income	**4.8**	**1.5**	**6.3**
NCI comprehensive income	**1.2**	**0.4**	**1.6**
Cash flows from operating activities	7.6	0.9	8.6
Cash flows from investing activities	–7.0	–0.1	–7.2
Cash flows from financing activities, before dividends to NCI	1.6	–0.9	0.7
Cash flows from financing activities, dividends to NCI	–0.5	–0.1	–0.6
Net increase/decrease in cash and cash equivalents	**1.7**	**–0.2**	**1.5**

CHF million	SIX Interbank Clearing Ltd 31/12/2014	Other 31/12/2014	Total 31/12/2014
NCI percentage	**25.0%**		
Current assets	12.8	10.5	23.3
Non-current assets	25.1	21.4	46.5
Current liabilities	7.4	17.7	25.1
Non-current liabilities	1.4	14.2	15.6
Net assets	**29.2**	**–0.1**	**29.1**
NCI equity	**7.3**	**–0.3**	**7.0**
Revenues	**34.3**	**18.2**	**52.4**
Net profit	10.5	0.2	10.7
Other comprehensive income	–0.4	–0.1	–0.5
Total comprehensive income	**10.1**	**0.1**	**10.2**
NCI comprehensive income	**2.5**	**–0.2**	**2.3**
Cash flows from operating activities	19.7	7.7	27.4
Cash flows from investing activities	–9.2	–6.5	–15.7
Cash flows from financing activities, before dividends to NCI	–1.4	–1.3	–2.7
Cash flows from financing activities, dividends to NCI	–0.5	–0.3	–0.7
Net increase/decrease in cash and cash equivalents	**8.6**	**–0.3**	**8.3**

Associates

Associated companies

Name of entity	Principal place of business	Principal activities	Share capital in 1,000		Equity interest in % 31/12/2015	Equity interest in % 31/12/2014
Swiss Exchange						
STOXX Ltd	Zurich	Distribution of index families	CHF	–	–	49.9
Swiss Fund Data Ltd	Zurich	Fund information platforms	CHF	850	29.4	29.4
Corporate						
SECB Swiss Euro Clearing Bank GmbH	Frankfurt a. M.	Clearing house	EUR	30,000	25.0	25.0

All investments in associates are accounted for using the equity method. The investments in associates included at the reporting date have a total carrying amount of CHF 20.7 million (31 December 2014: CHF 221.5 million).

SECB Swiss Euro Clearing Bank GmbH (SECB) is considered a significant investment in associates. SECB provides Swiss banks with an appropriate connection to euroSIC, the clearing system for payments in euro.

For the sale of the shares in STOXX Ltd, refer to the changes to the composition of the Group during 2015 mentioned above.

AccuMatch Ltd was liquidated in December 2014. The liquidating dividend of CHF 8.1 million corresponds to the carrying amount of AccuMatch Ltd as at the date of liquidation. The liquidation therefore had no impact on the profit and loss of the Group as at 31 December 2014. In the past, although SIX owned more than half of AccuMatch Ltd and more than half of the voting rights, the management had determined that SIX did not control this entity because it was in the process of liquidation.

The following table shows a roll-forward of the investments in associates.

CHF million	STOXX Ltd	SECB Swiss Euro Clearing GmbH	Other	Total
Carrying amount at 1 January 2015	**203.2**	**18.1**	**0.3**	**221.5**
Disposals	–199.0	–	–	–199.0
Dividends received	–17.0	–0.3	–	–17.3
Share of profit	12.8	2.7	–	15.5
Carrying amount at 31 December 2015	**–**	**20.5**	**0.3**	**20.7**

The following table summarizes financial information for material associates.

CHF million	STOXX Ltd	SECB Swiss Euro Clearing GmbH
Current assets	–	1,640.2
Non-current assets	–	4.0
Current liabilities	–	–1,574.3
Non-current liabilities	–	–1.1
Net assets	**–**	**68.7**
Percentage held	0.0%	25.0%
SIX share of associates' net assets	–	17.2
Proportionate PPA assets, net of tax	–	–
Goodwill	–	–
Other adjustments	–	–
Currency translation adjustment	–	3.3
Total carrying amount	**–**	**20.5**
Revenues	**54.8**	**22.6**
Net profit	**27.6**	**10.9**
SIX share of associates' net profit	13.8	2.7
Depreciation of proportionate PPA assets, net of tax	–1.0	–
SIX share of profit	**12.8**	**2.7**

None of the SIX associates are publicly listed entities, and consequently they do not have published price quotations.

CHF million	STOXX Ltd	SECB Swiss Euro Clearing GmbH	Other	Total
Carrying amount at 1 January 2014	**194.6**	**15.0**	**8.3**	**217.9**
Disposals	–	–	–8.1	–8.1
Dividends received	–14.5	–0.5	–	–14.9
Share of profit	23.1	3.5	–	26.6
Carrying amount at 31 December 2014	**203.2**	**18.1**	**0.3**	**221.5**

CHF million	STOXX Ltd	SECB Swiss Euro Clearing GmbH
Current assets	120.7	2,339.8
Non-current assets	75.9	4.9
Current liabilities	–17.8	–2,275.9
Non-current liabilities	–30.4	–2.9
Net assets	**148.3**	**65.9**
Percentage held	49.9%	25.0%
SIX share of associates' net assets	74.0	16.5
Proportionate PPA assets, net of tax	77.7	–
Goodwill	16.0	–
Other adjustments	15.5	–
Currency translation adjustment	20.0	1.6
Total carrying amount	**203.2**	**18.1**
Revenues	**107.0**	**29.0**
Net profit	**50.7**	**14.1**
SIX share of associates' net profit	25.3	3.5
Depreciation of proportionate PPA assets, net of tax	–2.2	–
SIX share of profit	**23.1**	**3.5**

Interests in unconsolidated structured entities

In 2009, when SIX acquired a 50% interest in CETREL SA, land and buildings used by CETREL SA were spun off into FS-B S.à.r.l and FS-T S.à.r.l. These companies were founded by contributions in kind just before the acquisition of 50% interest in CETREL SA, with the purpose of ring-fencing the land and buildings from SIX.

FS-B S.à.r.l. and FS-T S.à.r.l. hold and manage the land and building and rent it to CETREL SA, the parent company of both.

Besides the ordinary shares of CETREL SA, additional class A bonus shares were allocated to the founding shareholders of CETREL SA. These class A bonus shares exclusively entitled the founding shareholders to the assets of FS-B S.à.r.l. and FS-T S.à.r.l. At the same time, the founding shareholders were exposed to all corresponding commitments, liabilities and risks. SIX had no rights or obligations in respect of the real estate and land held by FS-B S.à.r.l. and FS-T S.à.r.l. and was not exposed to any risk.

In 2014, in connection with the acquisition of the remaining 50% interest in CETREL SA (see note 32) the class A bonus shares were redeemed to the founding shareholders. SIX therefore no longer has any connection to FS-B S.à.r.l or FS-T S.à.r.l.

32. Acquisitions of subsidiaries and non-controlling interests

Acquisitions in 2014

Oslo Clearing ASA

The agreement to acquire 100% of the shares and voting interests in Oslo Clearing ASA from Norway's Oslo Børs VPS Holding ASA, which was announced in December 2012, was closed on 2 May 2014. Oslo Clearing ASA was authorized to act as a central counterparty in accordance with the Norwegian Securities Trading Act and carried out central counterparty clearing of financial derivatives, equities and securities lending products. In taking this step, SIX continued to expand its service offering across Europe. The consolidation of additional volumes and clients onto a single platform was expected to help reduce costs and increase flexibility for clients. In addition, the clearing business often constitutes a door-opener for selling additional services such as settlement and/or custody to the same clients.

In 2014 from the date of acquisition, Oslo Clearing ASA contributed CHF 4.4 million of revenues and CHF 1.1 million of profit to the Group. If the acquisition had occurred on 1 January 2014, management estimates that revenues and profit would have been CHF 2.5 million and CHF 0.6 million higher, respectively.

The Group incurred acquisition-related costs of CHF 0.6 million in external legal fees and due diligence costs. These costs were included in other operating expenses. CHF 0.1 million of this amount was incurred in 2014.

In May 2014, a forward contract that had been entered into in December 2012 to hedge the foreign currency exposure relating to the acquisition of Oslo Clearing ASA was executed. The corresponding loss of the hedge of CHF 2.9 million is part of the purchase price of Oslo Clearing ASA.

Identifiable assets acquired and liabilities assumed
The following table summarizes the final recognized amounts of assets acquired and liabilities assumed on the acquisition date:

CHF million	Notes	Fair value recognized on acquisition
Cash and cash equivalents		156.6
Trade and other receivables		0.5
Receivables from clearing & settlement		0.1
Financial assets	17	104.5
Other current assets		0.8
Current assets		**262.5**
Property, plant and equipment	21	0.0
Customer relationships	22	3.2
Software	22	1.4
Deferred tax assets	13	0.4
Non-current assets		**5.0**
Total assets		**267.5**
Trade and other payables		0.2
Payables from clearing & settlement		202.2
Financial liabilities		38.3
Current income tax payables		0.2
Other current liabilities		1.2
Current liabilities		**242.1**
Deferred tax liabilities	13	0.9
Non-current liabilities		**0.9**
Net assets acquired		**24.5**
Goodwill	22	8.1
Total purchase price		**32.6**
Purchase price hedge		–2.9
Total consideration transferred in cash only		**29.7**

Trade and other receivables
Trade and other receivables comprised gross contractual amounts of CHF 0.5 million, none of which were expected to be uncollectible at the date of acquisition.

The following assets and liabilities not recognized on the balance sheet were identified in the context of the purchase price allocation (PPA). In accordance with IFRS 3, the assembled workforce was valued to derive the corresponding contributory asset charges for the measurement of customer relationships, but remains part of the goodwill.

Customer relationships
Prior to the acquisition, Oslo Clearing ASA had not capitalized any customer relationships or lists. The multi-period excess earnings method (MEEM) was applied to assess the fair value of the customer relationships. The MEEM values assets based on their economic benefit embodied by the net cash flows attributable to those assets, i.e. the cash flows in excess of a fair return on all other assets required to realize these cash flows.

The aggregate fair value of customer relationships amounted to CHF 3.2 million before deferred taxes.

Deferred taxes
Deferred tax liabilities of CHF 0.9 million were recognized on the fair value adjustments, i.e. in relation to customer relationships, at a tax rate of 27%. The rate corresponded to the applicable tax rate for companies domiciled in Norway.

Goodwill
The goodwill amount of CHF 8.1 million corresponded to 24.8% of the purchase price of CHF 32.6 million. None of the goodwill recognized was expected to be deductible for income tax purposes.

Impairment
For further details on the impairment test performed, which resulted in an impairment charge of CHF 10.2 million, please see note 22.

Update on acquisitions in 2013

Non-controlling interest in CETREL SA
In February 2009, SIX acquired 50% of CETREL SA. The agreement also entailed call options to increase the share held by SIX to 80% or 100%. The conditions precedent for the call option were met from 17 December 2013. As a result, SIX eliminated the non-controlling interest subject to the call options and recognized the estimated redemption amount of CHF 25.5 million as a financial liability as at 31 December 2013. In 2014, the call option was exercised and the liability settled, which resulted in a gain of CHF 0.9 million. This amount was included in financial income.

Additional information

33. Assets pledged or assigned to secure own liabilities

The following table presents the carrying amount of assets pledged or restricted in use:

CHF million	31/12/2015	31/12/2014
Cash and cash equivalents	6.5	0.1
Trade and other receivables	0.1	0.1
Financial assets at amortized cost	49.1	195.6
Other non-current assets[1]	14.2	4.8
Total	**69.9**	**200.6**

[1] In 2014, non-current assets restricted in use were not disclosed. The prior year's figure has therefore been adjusted.

SIX has pledged assets and provided cash deposits as security for operating lease contracts and card schemes. These amounts are restricted in use. Additionally, cash at a bank is pledged as collateral to receive a forward limit for foreign exchange transaction.

Until June 2015, SIX x-clear Ltd held a portfolio of sovereign bonds to collateralize its clearing interoperability. As at 31 December 2014, the collateral totaled CHF 171.0 million. The bond portfolio was sold in July 2015. Since then, SIX x-clear Ltd has managed its inter-CCP exposure by means of reverse repurchase agreements. The Norwegian branch of SIX x-clear Ltd has pledged bonds of CHF 46.9 million to cover its interoperability margin requirement (31 December 2014: CHF 23.4 million).

34. Contingent liabilities

As at 31 December 2015, SIX provided guarantees to third parties in the amount of CHF 57.9 million (31 December 2014: CHF 49.2 million). CHF 57.5 million of this amount related to credit facilities granted to entities of SIX Group (31 December 2014: CHF 48.8 million).

35. Operating leases

SIX as lessee

At the reporting date, the future minimum lease payments under non-cancellable operating lease agreements were as follows:

CHF million	31/12/2015	31/12/2014
Within one year	29.3	24.8
Between one and five years	62.5	78.9
More than five years	95.9	61.6
Total	**187.8**	**165.3**

Payments for operating leases relate mainly to rent for real estate property, business premises, vehicles and other IT equipment. Some of the leased real estate properties have been sublet to third parties by the Group.

During the year an amount of CHF 27.0 million was recognized as an expense in the income statement in respect of operating leases (2014: CHF 28.0 million). SIX did not recognize contingent rents as an expense in the income statement in either 2015 or 2014.

SIX as lessor

At the reporting date, SIX had contractually agreed the following irrevocable minimum lease payments:

CHF million	31/12/2015	31/12/2014
Within one year	16.7	16.2
Between one and five years	0.9	21.4
More than five years	–	8.2
Total	**17.6**	**45.8**

Future receivables from operating leases include payments that SIX will receive in future as income from renting out its real estate properties and payment terminals to third parties. No contingent rents were recognized during the period.

36. Defined benefit plans

SIX has established its own pension plan in Switzerland and outside of Switzerland uses different, generally legally independent, pension providers. Defined benefit plans are in place for Switzerland, France, Luxembourg and Austria. Independent actuarial valuations for the plans in these countries are performed as required. Less than 1% of the present value of the defined benefit obligation can be ascribed to the international pension plans. For this reason, SIX has omitted to present the foreign pension plans separately.

Swiss pension plan

The Swiss pension plan covers all SIX employees in Switzerland and exceeds the minimum benefit requirements under Swiss law (BVG). The benefits covered include retirement, disability and death benefits. Pension plan contributions are paid by the employees and the employer. The employee contributions are calculated as a percentage of the covered salary. The Swiss plan provides employees with a choice between two saving plans: the standard plan and the maximum plan. At retirement, the employees' individual savings capital is multiplied by the conversion rate, which is defined by the pension fund regulations, and can be paid out as either a lifetime annuity or a lump-sum payment. In the event of disability the pension plan pays a disability pension until ordinary retirement age. In the event of death the surviving spouse or registered partner is entitled to receive a pension.

Although the Swiss pension plan is a defined contribution plan under Swiss pension law, it qualifies and is therefore accounted for as defined benefit plan under IAS 19 *Employee Benefits (2013)*. All entities are responsible for the timely payment of contributions for each employee. The rate of contribution depends on the age of the employee.

According to the relevant affiliation agreements, there is no provision for SIX to be liable to the plan for other affiliated companies' obligations. Any deficit or surplus of the pension plan will be allocated between the affiliated companies according to the relevant defined benefit obligation.

A key assumption in determining the defined benefit obligation is life expectancy. The Swiss pension plan applies the BVG 2010 periodic mortality table; however for IAS 19 purposes the generation mortality table is applied.

The employer contributions expected to be made to the Swiss pension plan in 2016 are CHF 39.3 million.

International pension plans

The international locations of SIX operate various pension plans in accordance with local regulations and practices. The locations with defined benefit plans are France, Luxembourg and Austria. The pension plans provide benefits in the event of retirement, death or disability. The level of benefits provided depends on the defined rate of benefit accrual and level of compensation. The funding policy for these plans is consistent with local government and tax requirements.

The assumptions used for calculation of the defined benefit obligation in international plans are based on local economic conditions.

The employer contributions expected to be made to these pension plans in 2016 are CHF 0.1 million.

In addition to the general actuarial risks, the risks associated with the defined benefit obligation relate especially to financial risks in connection with the plan assets, including counterparty credit default risk and market risks.

Plan assets

The overall investment policy and strategy for the Swiss defined benefit plans are guided by the objective of achieving an investment return which, together with the contribution paid, is sufficient to maintain reasonable control over the various funding risks of the plan. Depending on the country, the pension fund trustees and/or SIX are responsible for determining the mix of asset types and target allocations. Actual asset allocation is determined by a variety of current and expected economic and market conditions and in consideration of specific asset class risks, the risk profile and the maturity pattern of the plan.

Plan assets in Luxembourg and Austria are held in the form of a qualifying insurance policy. The employer is the policyholder and pays the premiums. The investment risk is retained by the insurer, which will pay a profit share to the policyholder from the return of the general insurance fund in the form of a reduction in future premiums.

The plan assets comprise:

CHF million	31/12/2015	31/12/2014
Equity instruments	393.1	381.9
of which listed	*393.1*	*381.9*
Debt instruments	704.5	651.7
of which listed	*704.5*	*651.7*
Real estate	241.3	204.6
of which indirect investments	*241.3*	*204.6*
Cash and cash equivalents	26.3	68.4
Other financial investments	33.0	38.2
Total plan assets	**1,398.2**	**1,344.9**

All equity and debt instruments have quoted prices in active markets. All government bonds have strong credit ratings.

An asset-liability matching (ALM) study is performed periodically by an external investment advisor, in which the consequences of the strategic investment policies are analyzed. The strategic investment policy of the pension fund for 2015 can be summarized as follows:

- The strategic asset allocation comprises 21% to 33% (neutral: 27%) equity instruments; 46% to 64% debt instruments (neutral: 55%); and 12% to 27% (neutral: 18%) other investments (e.g. real estate, alternative investments and cash).
- Interest rate risk is not managed actively, but the pension plan is strongly underweighted in duration.
- The foreign currency risk of the main currencies is managed by implementing a currency overlay program and/or foreign currency hedge directly in the funds.

To counteract longevity risk, the pension plan strengthens its capital by 0.5% annually.

The following table summarizes the changes in the present value of the defined benefit obligation:

CHF million	2015	2014
Present value of obligation at 1 January	**–1,383.2**	**–1,175.2**
Interest expenses on defined benefit obligation	–15.5	–24.2
Current service costs (employer)	–52.5	–42.7
Employee contributions	–30.6	–28.6
Benefits paid	39.5	17.4
Past service costs	1.0	–
Plan curtailments and settlements	–	0.4
Actuarial gains or (losses)	–57.5	–130.4
Administration costs	–0.7	–0.6
Translation adjustments	1.5	0.6
Present value of obligation at 31 December	**–1,498.0**	**–1,383.2**

Changes in the fair value of plan assets were as follows:

CHF million	2015	2014
Fair value of plan assets at 1 January	**1,344.9**	**1,244.3**
Employer contributions	41.3	38.8
Employee contributions	30.6	28.6
Interest income on assets	15.0	25.5
Return on plan assets (excl. contributions in interest income)	6.6	25.2
Benefits paid	–39.5	–17.4
Translation adjustments	–0.6	–0.1
Present value of plan assets at 31 December	**1,398.2**	**1,344.9**

Amounts recognized in the balance sheet:

CHF million	Notes	31/12/2015	31/12/2014
Present value of defined benefit obligation		–1,498.0	–1,383.2
Fair value of plan assets		1,398.2	1,344.9
Recognized pension assets/(liabilities)		**–99.8**	**–38.4**
of which presented as other liabilities		*–99.1*	*–38.4*
of which presented as liabilities directly associated with disposal groups held for sale	18	*–0.8*	–

All benefits were vested at the end of the reporting period. The weighted average duration of the defined benefit obligation at the reporting date was 16 years (31 December 2014: 16 years).

The following table provides information relating to pension costs for defined benefit plans. These costs are part of personnel expenses in the income statement.

CHF million	2015	2014
Current service costs	–52.5	–42.7
Past service costs	1.0	–
Plan settlements	–	0.4
Net interest expenses	–0.5	1.3
Administration costs	–0.7	–0.6
Total pension expense for the period	**–52.7**	**–41.6**

Components recognized in other comprehensive income:

CHF million	2015	2014
Actuarial (gains)/losses	57.5	130.4
Return on plan assets excl. interest income	–6.6	–25.2
Total (income)/expense recognized in OCI	**50.9**	**105.3**

The actuarial losses arising from changes in financial assumptions amounted to CHF 17.5 million (2014: CHF 130.4 million).

Assumptions used to determine the defined benefit obligation

The following were the principal actuarial assumptions at the reporting date:

	31/12/2015	31/12/2014
Discount rate	0.9%	1.1%
Salary trend	0.5%	1.0%

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarizes the positive or negative impact on the defined benefit obligation at the reporting date as a result of a change in the assumptions.

	31/12/2015			31/12/2014		
	Change in actuarial assumption	Effect on defined benefit obligation		Change in actuarial assumption	Effect on defined benefit obligation	
CHF million	+/–	+	–	+/–	+	–
Discount rate	0.50%	116.0	–133.5	0.50%	106.0	–122.5
Salary trend	0.25%	–8.9	8.9	0.25%	–8.4	8.2

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation in 2015 and are applied to adjust the defined benefit obligation at the reporting date based on the assumptions concerned. While the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity to the assumptions shown.

37. Related party disclosures

SIX defines related parties as:
– shareholders which have significant influence by delegating a member into the Board of Directors of SIX or have control over the activities of SIX
– associated companies which are significantly influenced by SIX
– post-employment benefit plans for the benefit of SIX employees
– other related parties, which include SWX Europe Holdings Ltd and SWX Europe Ltd
– key management personnel, close family members of key management personnel
– entities which are directly or indirectly controlled or jointly controlled by key management personnel or their close family members

Approximately 140 banks hold shares in SIX, but no bank holds more than 20% of the Group's total equity. The shares are widely distributed, i.e. no single owner or bank category has an absolute majority. All shareholders are bound by a shareholders' agreement.

Transactions with related parties and companies are made at terms equivalent to those that prevail in arm's length transactions. Receivables from clearing & settlement due from related parties in the amount of CHF 54.8 million are collateralized (31 December 2014: CHF 43.2 million).

No impairment allowances of receivables relating to amounts owed by related parties were recorded as at 31 December 2015 or 31 December 2014.

Transactions and outstanding balances with related parties of SIX as stated in the following tables have been included in the Group's consolidated balance sheet and statement of comprehensive income as at and for the years ending 31 December 2015 and 31 December 2014.

CHF million	Qualifying shareholders	Associates	Post-employment benefit plans	Other related parties	Total
					2015
Income statement					
Commission revenues	97.7	0.0	–	–	97.7
Transaction revenues	134.0	0.0	–	–	134.0
Service revenues	88.8	6.8	–	–	95.5
Net interest income from banking business	7.8	–	–	–	7.8
Other operating income	4.1	0.1	–	–	4.2
Other operating expenses	–0.5	–1.4	–	–	–1.9
Interest income	0.0	–	–	–	0.0
Interest expenses	–2.0	–	–	–	–2.0
Contributions	–	–	–39.1	–	–39.1

CHF million	Qualifying shareholders	Associates	Post-employment benefit plans	Other related parties	Total
					31/12/2015
Balance sheet					
Cash and cash equivalents	472.9	543.7	–	–	1,016.5
Trade receivables/receivables from clearing & settlement	67.7	0.0	–	–	67.7
Deferred income	0.0	–	–	–	0.0
Reclassified as disposal groups and assets held for sale	0.2	–	–	–	0.2
Trade payables/payables from clearing & settlement	1,604.8	–	0.1	–	1,604.9
Accrued expenses	23.8	0.0	–	–	23.8

CHF million	Qualifying shareholders	Associates	Post-employment benefit plans	Other related parties	Total
					2014
Income statement					
Commission revenues	86.4	–	–	–	86.4
Transaction revenues	130.8	–	–	–	130.8
Service revenues	86.2	9.4	–	–	95.6
Other operating income	2.1	0.0	–	–	2.1
Other operating expenses	–0.6	–2.3	–	–	–2.9
Contributions	–	–	–33.7	–	–33.7

CHF million	Qualifying shareholders	Associates	Post-employment benefit plans	Other related parties	Total
					31/12/2014
Balance sheet					
Cash and cash equivalents	335.7	836.6	–	–	1,172.3
Trade receivables/receivables from clearing & settlement	79.3	1.0	–	–	80.3
Deferred income	–	0.3	–	–	0.3
Trade payables/payables from clearing & settlement	1,583.9	0.5	0.1	–	1,584.5
Accrued expenses	0.5	–	–	–	0.5
Borrowings	–	–	–	24.7	24.7

Compensation paid to key management personnel
Key management personnel are defined as members of the Board of Directors and the Group Executive Board. This definition is based on the revised requirements of IAS 24 *Related Party Disclosures* issued in November 2009.

The members of the Board of Directors and the Executive Board of the Group and their immediate relatives do not have any ownership interest in the Group's companies.

Apart from the compensation paid and the regular contributions to the pension fund institutions, no transactions with key management personnel took place. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period.

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CHF million	2015	2014
Salaries and other short-term employee benefits	–10.7	–13.2
Other long-term benefits	–4.2	–3.3
Total compensation to key management	**–14.8**	**–16.6**

38. Events after the balance sheet date

As at 6 April 2016, the date of approval for issue of the financial statements by the Board of Directors, the Group had undergone no subsequent events warranting a modification of the value of the assets and liabilities or an additional disclosure.

Report of the statutory auditor on the consolidated financial statements

To the General Meeting of SIX Group Ltd, Zurich
Zurich, 6 April 2016

As statutory auditor, we have audited the consolidated financial statements of SIX Group Ltd, which comprise the income statement, balance sheet, statement of changes in equity, statement of cash flows and notes (pages 7 to 87), for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with IFRS and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Dr. Roger Senteler
Licensed audit expert
(Auditor in charge)

Pascal Berli
Licensed audit expert

SIX Group Ltd financial statements 2015

1. Balance sheet

CHF million	Notes	31/12/2015	31/12/2014
Assets			
Cash and cash equivalents	3.2.2	431.1	303.6
Financial assets with quoted market price	3.2.3	405.0	362.9
Financial assets	3.2.6	37.5	43.5
Trade receivables	3.2.4	16.4	28.9
Other receivables	3.2.5	476.1	231.3
Positive replacement values of derivatives		0.3	0.1
Accrued income and prepaid expenses		2.4	2.5
Current assets		**1,368.8**	**972.8**
Financial assets	3.2.6	200.2	417.8
Investments in subsidiaries and other investments	3.2.7	1,408.8	1,761.4
Non-current assets		**1,609.0**	**2,179.2**
Total assets		**2,977.9**	**3,152.0**
Liabilities			
Trade payables	3.2.8	4.3	13.9
Interest-bearing current liabilities	3.2.9	313.5	504.4
Other current liabilities	3.2.10	–	24.7
Negative replacement values of derivatives		0.6	0.3
Accrued expenses and deferred income		0.0	4.1
Current liabilities		**318.4**	**547.4**
Non-current provisions		5.0	5.0
Non-current liabilities		**5.0**	**5.0**
Total liabilities		**323.4**	**552.4**
Equity			
Share capital		19.5	19.5
Legal capital reserves			
Reserves from capital contributions		230.2	386.4
Legal retained earnings			
Reserves for indirectly held treasury shares	3.2.13	23.3	23.3
Free reserves			
Profit carried forward		1,770.2	1,923.9
Profit for the year		611.2	246.5
Treasury shares	3.2.13	–0.0	–0.0
Total equity		**2,654.5**	**2,599.6**
Total liabilities and equity		**2,977.9**	**3,152.0**

2. Income statement

CHF million	Notes	2015	2014
Dividend income from investments		194.3	216.8
Service revenues		16.8	15.0
Total operating income		**211.1**	**231.8**
IT infrastructure cost		–0.3	–
Consulting and other professional fees		–13.3	–14.3
Depreciation and amortization	3.2.15	90.7	–11.6
Other operating expenses		–1.3	–0.9
Total operating expenses		**75.7**	**–26.8**
Operating profit		**286.8**	**205.1**
Financial income	3.2.16	111.4	68.4
Financial expenses	3.2.16	–103.5	–24.0
Earnings before tax and extraordinary items		**294.8**	**249.5**
Extraordinary income	3.2.18	517.6	–
Extraordinary expenses	3.2.18	–201.3	–
Earnings before tax		**611.1**	**249.5**
Taxes		0.1	–3.0
Profit for the year		**611.2**	**246.5**

3. Notes to the financial statements

3.1 Principles of the financial statements

3.1.1 General principles

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. The financial statements may be influenced by the creation and release of hidden reserves.

The 2015 financial statements are the first to have been prepared on the basis of the new accounting rules of the Swiss Code of Obligations. Prior-year amounts are voluntarily presented according to the classification rules of the new law. There were no valuation adjustments to prior-year amounts.

3.1.2 Foreign currency translation

Transactions in foreign currencies are recorded at the current exchange rates. Monetary items are translated using the closing rates. Non-monetary items are translated using historical exchange rates. Exchange rate gains and losses are credited or debited to the income statement.

Foreign currency positions were translated into CHF using the following closing rates:

Foreign currency	31/12/2015	31/12/2014
EUR	1.0821	1.2026
GBP	1.4671	1.5396
SEK	11.7690	12.7753
USD	0.9899	0.9901

3.1.3 Investments in subsidiaries and other investments

Investments in subsidiaries and other investments are carried at cost less accumulated impairment losses.

3.1.4 Financial assets

Bonds are measured at the lower of amortized cost or market value. Financial assets which are due within one year are presented within current assets. Loans are carried at nominal value less accumulated impairment losses.

3.1.5 Derivative financial instruments

Derivatives are recognized initially at cost. Subsequent to initial recognition derivatives are measured at market value.

3.1.6 Treasury shares

At initial recognition treasury shares are recognized at cost as a negative position within equity. Gains or losses that occur upon a subsequent sale are recognized as financial income or expense.

3.1.7 Revenue recognition

Revenues for services are recognized when they are invoiced. This occurs when they have been provided.

3.2 Disclosure on balance sheet and income statement items and other information

3.2.1 Number of full-time equivalents

The annual average number of full-time equivalents in the reporting year was nil (2014: nil).

3.2.2 Cash and cash equivalents

CHF million	31/12/2015	31/12/2014
Due from shareholders	431.1	303.6
Cash and cash equivalents	**431.1**	**303.6**

3.2.3 Financial assets with quoted market price

CHF million	31/12/2015	31/12/2014
Money market funds	64.8	55.7
Equities	10.5	9.9
Funds	329.8	297.2
Financial assets with quoted market price	**405.0**	**362.9**

3.2.4 Trade receivables

CHF million	31/12/2015	31/12/2014
Due from third parties	–	0.0
Due from Group entities	16.4	28.9
Trade receivables	**16.4**	**28.9**

3.2.5 Other receivables

CHF million	31/12/2015	31/12/2014
Due from third parties	1.3	1.1
Due from Group entities	474.8	230.2
Other receivables	**476.1**	**231.3**

3.2.6 Financial assets

CHF million	31/12/2015	31/12/2014
Loans due from Group entites	66.6	268.8
Bonds	169.3	192.4
Other financial assets	1.9	0.1
Financial assets	**237.8**	**461.3**
of which current	*37.5*	*43.5*
of which non-current	*200.2*	*417.8*

3.2.7 Investments in subsidiaries and other investments

Name	Place	Currency	31/12/2015 Share capital in 1,000	31/12/2015 Share in %[2]	31/12/2014 Share capital in 1,000	31/12/2014 Share in %[2]
Corporate						
SIX Group Services Ltd	Zurich	CHF	52,500	100.0	52,500	100.0
SIX Management Ltd	Zurich	CHF	100	100.0	100	100.0
Swiss Exchange						
Indexium Ltd	Zurich	CHF	–	–	100	50.1
SIX Corporate Bonds Ltd[1] (formerly SIX SIS International Ltd)	Zurich	CHF	5,100	100.0	100	100.0
SIX Exfeed Ltd	Zurich	CHF	1,100	100.0	1,100	100.0
SIX Structured Products Exchange Ltd[1]	Zurich	CHF	100	100.0	100	100.0
SIX Swiss Exchange Ltd	Zurich	CHF	10,000	100.0	10,000	100.0
SIX Swiss Exchange Securities Matcher Ltd[1]	Zurich	CHF	100	100.0	100	100.0
SWISSTRADINGBOX Ltd[1]	Zurich	CHF	800	50.1	800	50.1
Securities Services						
Oslo Clearing ASA[1]	Oslo	NOK	–	–	60,000	100.0
Projektgesellschaft Softwareentwicklung Oktober 2011 Ltd[1]	Frankfurt a. M.	EUR	50	100.0	50	100.0
SIX Interbank Clearing Ltd	Zurich	CHF	1,000	75.0	1,000	75.0
SIX Paynet Ltd	Zurich	CHF	100	100.0	100	100.0
SIX Repo Ltd	Zurich	CHF	100	100.0	100	100.0
SIX SAG Ltd[1]	Olten	CHF	100	100.0	100	100.0
SIX Securities Services Ltd	Zurich	CHF	26,000	100.0	26,000	100.0
SIX SIS Ltd[1]	Olten	CHF	26,000	100.0	26,000	100.0
SIX SIS Nominee U.K. Ltd[1]	Olten	CHF	100	100.0	100	100.0
SIX Systems Ltd[1]	Olten	CHF	2,500	100.0	2,500	100.0
SIX Terravis Ltd	Zurich	CHF	4,100	100.0	4,100	100.0
SIX Trade Repository Ltd (formerly Telekurs Card Services SA)	Zurich	CHF	100	100.0	100	100.0
SIX x-clear Ltd[1]	Zurich	CHF	30,000	100.0	30,000	100.0
Financial Information						
CETREL Securities SA[1]	Luxembourg	EUR	5,500	100.0	5,500	100.0
Europerformance SIX Telekurs[1]	Nanterre Cedex	EUR	45	94.4	45	94.4
Finaccess SIX Financial Information SAM[1]	Casablanca	MAD	8,548	55.0	8,548	55.0
Rolotec Ltd	Biel	CHF	200	100.0	200	100.0
SIX Financial Information Ltd	Zurich	CHF	45,000	100.0	45,000	100.0
SIX Financial Information Belgium SA[1]	Brussels	EUR	505	100.0	505	100.0
SIX Financial Information Denmark A/S[1]	Copenhagen	DKK	1,600	100.0	1,600	100.0
SIX Financial Information Deutschland GmbH	Frankfurt a. M.	EUR	512	100.0	512	100.0
SIX Financial Information España SA[1]	Madrid	EUR	424	100.0	424	100.0
SIX Financial Information Finland Oy[1]	Helsinki	EUR	8	100.0	8	100.0
SIX Financial Information France SAS	Paris	EUR	44,900	100.0	44,900	100.0
SIX Financial Information Hong Kong Limited	Hong Kong	HKD	4,000	100.0	4,000	100.0
SIX Financial Information Italia Srl	Milan	EUR	100	100.0	100	100.0

Name	Place	Currency	31/12/2015 Share capital in 1,000	31/12/2015 Share in %[2]	31/12/2014 Share capital in 1,000	31/12/2014 Share in %[2]
Financial Information (continued)						
SIX Financial Information Japan Ltd	Tokyo	JPY	40,000	100.0	40,000	100.0
SIX Financial Information Luxembourg SA	Bertrange	EUR	31	100.0	31	100.0
SIX Financial Information Monaco SAM[1]	Monaco	EUR	150	100.0	150	100.0
SIX Financial Information Nederland BV	Amsterdam	EUR	250	100.0	250	100.0
SIX Financial Information Norway AS[1]	Oslo	NOK	550	100.0	550	100.0
SIX Financial Information Singapore Pte Ltd	Singapore	SGD	25	100.0	25	100.0
SIX Financial Information Sweden AB[1]	Stockholm	SEK	100	100.0	100	100.0
SIX Financial Information UK Ltd	London	GBP	500	100.0	500	100.0
SIX Financial Information USA Inc	Stamford USA	USD	0	100.0	0	100.0
STK Nordic AB	Stockholm	SEK	100	100.0	100	100.0
Payment Services						
3C Payment Luxembourg SA[1]	Luxembourg	EUR	31	100.0	–	–
C6 Ré SA[1]	Luxembourg	EUR	3,400	100.0	3,400	100.0
CETREL SA	Luxembourg	EUR	4,713	100.0	4,713	100.0
SIX Austria Holding GmbH	Vienna	EUR	35	100.0	35	100.0
SIX Card Solutions Payment GmbH[1]	Norderstedt	EUR	102	100.0	102	100.0
SIX Payment Services Ltd	Zurich	CHF	6,500	100.0	6,500	100.0
SIX Payment Services (Austria) GmbH[1] (formerly PayLife Bank GmbH)	Vienna	EUR	13,235	100.0	13,235	100.0
SIX Payment Services (Europe) SA	Luxembourg	EUR	1,820	100.0	1,820	100.0
SIX Payment Services (Germany) GmbH[1]	Norderstedt	EUR	25	100.0	25	100.0
SIX Payment Services (Luxembourg) SA	Leudelange	EUR	255	100.0	255	100.0
SIX Payment Services (Sweden) AB[1]	Johanneshov	SEK	500	100.0	500	100.0
SIX Payment Services (UK) Ltd[1]	Twickenham	GBP	0	100.0	0	100.0
SIX Payment Services (USA) Corp[1]	Delaware	USD	0	100.0	0	100.0
Swisskey Ltd	Zurich	CHF	100	100.0	100	100.0
Associated companies						
Swiss Exchange						
STOXX Ltd	Zurich	CHF	–	–	1,000	49.9
Swiss Fund Data Ltd[1]	Zurich	CHF	850	29.4	850	29.4
Corporate						
SECB Swiss Euro Clearing Bank GmbH	Frankfurt a. M.	EUR	30,000	25.0	30,000	25.0

[1] Investments held indirectly
[2] Equity interest and voting rights

3.2.8 Trade payables

CHF million	31/12/2015	31/12/2014
Due to third parties	–	0.1
Due to Group entites	4.3	13.8
Trade payables	**4.3**	**13.9**

3.2.9 Interest-bearing current liabilities

CHF million	31/12/2015	31/12/2014
Due to third parties	0.1	0.1
Due to Group entities	313.4	504.3
Interest-bearing current liabilities	**313.5**	**504.4**

3.2.10 Other current liabilities

CHF million	31/12/2015	31/12/2014
Due to Group entities	–	24.7
Other current liabilities	**–**	**24.7**

3.2.11 Liabilities due to pension fund

CHF million	31/12/2015	31/12/2014
Liabilities due to pension fund	0.1	0.1

3.2.12 Contingent liabilities

CHF million	31/12/2015	31/12/2014
Contingent liabilities		
In favor of subsidiaries	–	0.4
In favor of third parties	104.1	95.4
Joint liability from consolidated value-added tax filing status	p.m.	p.m.

Contingent liabilities in favor of third parties include:
- CHF 47.0 million (2014: CHF 47.0 million) guarantee in the event of insolvency of a cash pooling member
- CHF 43.0 million (2014: CHF 48.4 million) contingent liability related to credit facilities granted to Group entities
- CHF 14.1 million (2014: nil) guarantee related to an intraday credit limit in the card business

3.2.13 Treasury shares including treasury shares held by Group entities

	2015		2014	
Values in CHF million	**Number**	**Value**	**Number**	**Value**
Held by SIX Group Ltd	10	0.0	10	0.0
Held by subsidiaries	607,854	23.3	607,854	23.3

There were no transactions with treasury shares in the reporting and in the previous year.

3.2.14 Assets pledged or assigned to secure own liabilities

CHF million	**31/12/2015**	**31/12/2014**
Assets pledged as collateral	1.9	0.1
of which covered through a provision	–	–

Assets pledged relate to a facility to hedge transactions in foreign currencies under which cash deposited at a bank was pledged.

3.2.15 Depreciation and amortization

CHF million	**2015**	**2014**
Intangible assets	–	–11.6
Financial assets	90.7	–
Depreciation and amortization	**90.7**	**–11.6**

In the reporting year, CHF 90.7 million was released from the allowance for loans due from Group entities.

3.2.16 Financial result

CHF million	2015	2014
Foreign exchange gains	89.4	22.9
Income from financial assets	14.2	26.6
Interest income	7.7	17.8
Others	0.1	1.1
Financial income	**111.4**	**68.4**
Foreign exchange losses	–89.9	–18.0
Expenses from financial assets	–9.1	–4.4
Interest expenses	–3.4	–0.9
Others	–1.1	–0.7
Financial expenses	**–103.5**	**–24.0**

3.2.17 Hidden reserves released
Net hidden reserves released in the reporting year totaled CHF 97.7 million (2014: nil).

3.2.18 Explanations to extraordinary positions in the income statement
During the reporting period the shares in STOXX Ltd and Indexium Ltd were sold to Deutsche Börse Ltd in a single transaction. An extraordinary gain of CHF 517.6 million was recognized.

In connection with the first-time preparation of the financial statements in accordance with the new Code of Obligations investments in subsidiaries were valued individually (previously: Group valuation). As a result of this change in valuation, an impairment of CHF 201.3 million was recognized in 2015.

3.2.19 Significant events after the balance sheet date
None

4. Statement of changes in equity

		Legal capital reserves	Legal retained earnings	Free reserves		
CHF million	**Share capital**	**Reserves from capital contributions**	**Reserves for treasury shares**	**Profit carried forward**	**Treasury shares**	**Total equity**
Balance at 1 January 2014	**19.5**	**484.0**	**23.3**	**1,923.9**	**–0.0**	**2,450.7**
Dividends paid	–	–97.6	–	–	–	–97.6
Profit for the year	–	–	–	246.5	–	246.5
Balance at 31 December 2014	**19.5**	**386.4**	**23.3**	**2,170.4**	**–0.0**	**2,599.6**
Dividends paid	–	–156.2	–	–400.2	–	–556.4
Profit for the year	–	–	–	611.2	–	611.2
Balance at 31 December 2015	**19.5**	**230.2**	**23.3**	**2,381.4**	**–0.0**	**2,654.5**

The share capital consists of 19,521,905 registered shares with a par value of CHF 1 each.

An extraordinary dividend of CHF 20.50 per share was paid during the reporting period.

5. Appropriation of profit

CHF million	2015	2014
Profit carried forward from previous year	**2,170.4**	**1,923.9**
Profit for the year	611.2	246.5
Extraordinary dividend	–400.2	–
Available profit carried forward	**2,381.4**	**2,170.4**
Dividend of CHF 8.25 per registered share of CHF 1 nominal value (previous year CHF 0.00)	–161.1	–
Profit carried forward to the following year	**2,220.3**	**2,170.4**
Reserve from capital contributions carried forward from previous year	**230.2**	**386.4**
Dividend of CHF 0.00 per registered share of CHF 1 nominal value (previous year CHF 8.00)	–	–156.2
Reserve from capital contributions carried forward to the following year	**230.2**	**230.2**

The Board of Directors proposes to the General Meeting of Shareholders that the profit be appropriated in accordance with the table above.

Report of the statutory auditor on the financial statements

To the General Meeting of SIX Group Ltd, Zurich
Zurich, 6 April 2016

As statutory auditor, we have audited the financial statements of SIX Group Ltd, which comprise the balance sheet, income statement and notes (pages 92 to 101), for the year ended 31 December 2015.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Dr. Roger Senteler Licensed audit expert (Auditor in charge)	Pascal Berli Licensed audit expert

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