Agenda

- Introduction
- Key figures 2006
- Results for the 4th quarter 2006
- Balance sheet
- Distribution of profit
- System expansion and new services
- Business model
- Targets 2007
Introduction
Introduction

• Best year and best quarter in Swissquote’s history with 15,010 new clients, inflow of just under CHF 1 billion new funds and 60 percent revenue growth

• 5th year of client growth above 25%

• Net profit margin of 49 percent

• Strong development of the company with a staff increase of 23% to 160

• CHF 5.- distribution of profit to shareholders and share split
Key figures 2006
### Key figures 2006

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<tr>
<th>Category</th>
<th>2006</th>
<th>Change</th>
<th>Compared to 2005</th>
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<tbody>
<tr>
<td>Net revenues</td>
<td>74.7m</td>
<td>+28.1m</td>
<td>+60.3%</td>
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<tr>
<td>Net profit</td>
<td>36.5m</td>
<td>+21.8m</td>
<td>+148.8%</td>
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<td>Clients</td>
<td>64,067</td>
<td>+15,010</td>
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<td>Assets</td>
<td>4,492m</td>
<td>+1,506m</td>
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<tr>
<td>Equity</td>
<td>93.5m</td>
<td>+26.5m</td>
<td>+39.6%</td>
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</table>
Strong organic growth

![Graph showing strong organic growth with a line chart and bar graphs representing clients and assets from 2002 to 2006. The chart illustrates a steady increase in both clients and assets over the years.]
Cost/income ratio below 50%

Net Revenues | Net Profit | Cost/Income Ratio
---|---|---
CHF '000
2003: 29'797 | 5'129 | 77.0%
2004: 34'273 | 6'057 | 76.1%
2005: 46'628 | 14'683 | 65.7%
2006: 74'747 | 36'529 | 49.0%

CHF '000
2003: 29'797 | 5'129 | 77.0%
2004: 34'273 | 6'057 | 76.1%
2005: 46'628 | 14'683 | 65.7%
2006: 74'747 | 36'529 | 49.0%
Stable asset margin

Assets under Custody
Asset Margin

2002 2003 2004 2005 2006

165 191 192 186 200

0 50 100 150 200 250 300 350 400 450 500

0 25 50 75 100 125 150 175 200 225
Leverage effect is key for success

CHF

- Average Revenue & Costs per client

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<tr>
<th>Year</th>
<th>Average Revenue</th>
<th>Costs per Client</th>
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<td>1,262</td>
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<td>2004</td>
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<td>2005</td>
<td>692</td>
<td>1,053</td>
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<td>2006</td>
<td>648</td>
<td>1,322</td>
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Higher than average transaction numbers

- Total Trades
- Trades per Client per Year


- 2002: 15
- 2003: 23
- 2004: 19
- 2005: 20
- 2006: 25
Key figures for the 4th quarter 2006
Strong revenue growth (CAGR = 60%)
The commission business is dominant

- Custody & other: 8%
- Fees & Commission: 5%
- Interest: 18%
- Trading: 7%
- Other: 62%
Revenue growth in all reported segments

- Other (Platform)
- Trading
- Interest
- Net Fee & Commission Income

Q2-03 to Q4-06
Opex are covered by non-commission revenues

Opex Coverage

Q2-03  Q3-03  Q4-03  Q1-04  Q2-04  Q3-04  Q4-04  Q1-05  Q2-05  Q3-05  Q4-05  Q1-06  Q2-06  Q3-06  Q4-06
6.7% more clients in the 4th quarter …
… and 245m net new monies
Client growth is accelerating
HNWI clients are growing faster
Balance sheet
Balance sheet

- Total balance sheet: 2005 = 692.0 CHFm, 2006 = 1033.0 CHFm
- Due to customers: 2005 = 610.0 CHFm, 2006 = 910.4 CHFm
- Equity: 2005 = 67.0 CHFm, 2006 = 93.5 CHFm
Structure of assets at 31.12.2006

- Cash: 91%
- Property & systems: 9%
- Loans to customers: 6%
- Other assets: 1%
- Deferred taxes: 1%
Structure of assets at 31.12.2006

Structure of liabilities and equity

- Due to customers: 88%
- Other liabilities: 12%
- Equity: 9%
- Other liabilities: 3%
Distribution of profits
# Profit

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<td>Income tax, net</td>
<td>1.7m</td>
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<td>Net profit</td>
<td>36.5m</td>
<td>14.7m</td>
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<td>Earnings per share</td>
<td>25.84</td>
<td>10.56</td>
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Distribution of profit and share split

- The board will propose to the GA a further distribution to shareholders in the form of
  - A capital reduction of CHF 3.- per share
  - A dividend of CHF 2.- per share
- 10 for 1 split
System expansion and new services
System expansion 2006

- Mobile trading (Wap)
- New OTC trading with German issuers (Deutsche Bank, Commerzbank, Citigroup, Goldman Sachs and HSBC)
- New Stock Exchanges: London and Smart Trading
- New online wealth management tool: "Profit & Loss"
- New financial data provider: Reuters
- Further development of the AM tool for asset managers
- Launch of the "AWP Premium News Service" for clients
Business model
Selected European market players by country

**UK**
- Population: 59.9 MM
- TD Waterhouse
- Squaregain
- Barclays Stockbroker
- Selftrade
- Hoodless Brennan
- Comdirect
- Boursorama
- Charles Schwab
- Neonet

**Belgium**
- Population: 10.4 MM
- Fortis DAD
- CERA
- Binck NV
- CortalConsors

**Luxembourg**
- Population: 0.5 MM
- Internaxx
- Nordnet
- CortalConsors
- Fineco

**France**
- Population: 60.7 MM
- Boursorama
- CortalConsors
- Comdirect
- Fineco
- Neonet

**Spain**
- Population: 41.8 MM
- CortalConsors
- Boursorama
- Bankinter
- Openbank
- Fineco

**Netherlands**
- Population: 16.2 MM
- Alex (Rabobank)
- Binck NV

**Denmark**
- Population: 5.3 MM
- Nordnet
- Saxo bank
- Euroinvestor
- Stocknet

**Norway**
- Population: 4.6 MM
- NetTrade
- E*Trade Norway
- Nordnet

**Sweden**
- Population: 9.9 MM
- Aktiedirekt
- Aktieinvest
- AktieSpar Online
- Avanza
- E*Trade Sverige
- Nordnet

**Poland**
- Population: 38.5 MM
- Bankowy Dom Maklerski PKO BP S.A.
- Biuro Maklerskie BPH - PBK S.A.
- Centralny Dom Maklerski Pekao S.A.
- Internetowy Dom Maklerski S.A
- mBank

**Germany**
- Population: 82.6 MM
- DAB Bank
- CortalConsors
- Comdirect
- Boursorama
- DIBa (ING)
- Fineco
- Nordnet

**Austria**
- Population: 8.2 MM
- DAB Bank
- Direkt Anlage Service AG
- CA-Discount Broker
- Comdirect
- Erste.NetTrading

**Switzerland**
- Population: 7.5 MM
- Swissquote
- Trade-Net
- Yellowtrade (Postfinance)
- E-Sider (BCV)
- Synthesis Bank
- Tradejet

**Italy**
- Population: 57.4 MM
- Fineco
- CortalConsors
- Comdirect
- Neonet

**Norway**
- Population: 4.6 MM
- NetTrade
- E*Trade Norway
- Nordnet

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Equity ownership in Switzerland

Swiss Market Index vs Percentage of equity ownership
# Information media

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## Website usage

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* bloomberg.com, beursorama.com, quicken.com etc.
## Investment goals with private equity investments

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<th>All 02</th>
<th>All 04</th>
<th>All 06</th>
<th>18 - 29</th>
<th>30 - 39</th>
<th>40 - 49</th>
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<td>You alone</td>
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<td>53</td>
<td>56</td>
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<td>46</td>
<td>55</td>
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<td>You in consultation with friends/acquaintances</td>
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<td>You together with a bank investment advisor</td>
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# Transmission of stock orders

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<th>% Respondents</th>
<th>All 2002</th>
<th>All 2004</th>
<th>All 2006</th>
<th>10 - 29</th>
<th>30 - 39</th>
<th>40 - 49</th>
<th>50 - 59</th>
<th>60 - 74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly through a bank (in person)</td>
<td>43</td>
<td>43</td>
<td>46</td>
<td>48</td>
<td>29</td>
<td>43</td>
<td>53</td>
<td>58</td>
</tr>
<tr>
<td>Via Internet / E-Banking</td>
<td>25</td>
<td>28</td>
<td>31</td>
<td>34</td>
<td>53</td>
<td>34</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>By phone</td>
<td>35</td>
<td>34</td>
<td>27</td>
<td>13</td>
<td>25</td>
<td>32</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>In writing by mail</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>13</td>
<td>5</td>
<td>3</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>In writing by fax</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>&lt; 1</td>
<td>1</td>
<td>&lt; 1</td>
<td>3</td>
<td>&lt; 1</td>
</tr>
</tbody>
</table>
Market potential* in Switzerland

- Over the medium term, up to 40% of shareholders in Switzerland (400,000 clients) will be using online services such as Swissquote's
- 125,000 already have an online account with a low cost online bank
- 310,000 clients regularly use the internet to send stock exchange orders

*No. of clients (source: Swissquote & Handelszeitung)
Swissquote's market share

- Swissquote has a market share of 52%
- Swissquote can grow its client base to 200,000 by 2011 (25% growth p.a.)

*No. of clients (source: Swissquote & Handelszeitung)
Conclusion

- In every European country a market leader has emerged with a strong affinity to the local retail market.
- Cross-border offers and offers from foreign market leaders are only moderately successful.
- The "Swissness" of the provider is a crucial factor.
- Switzerland’s online brokerage market still has growth potential of over 220%. Swissquote can thus still triple its client base.
Conclusion

• To exhaust this potential a provider must:
  1. Offer a broad product range
  2. Have a strong information platform
  3. Have inhouse technology
  4. Provide tools that help the client to make investment decisions
  5. Ensure good conditions in all product categories
Outlook and goals for 2007
Goals for 2007

• Energetic growth in all client groups
  16,000 new clients in 2007 (80,000 clients in all) with 1 billion in new money

• Expand services and establish links with new exchanges (Eurex in the 1st quarter 2007) and new investment decision tools

• Further increase in productivity and reduction of costs per client in 2007

• Partnership with Swisscom to be expanded further

• Sponsoring contract with SF1 TV renewed until August 2008
Partnership with Swisscom
1st quarter 2007

- The 1st quarter is going well
- Strong growth in clients and client assets