



Annual Results Presentation 2007

SWX, 8 February 2008



Agenda

- Highlights
- Key Figures 2007
- Results for the 4th quarter 2007
- Balance sheet
- Distribution of profit
- New Services in 2007
- Partnership with EPFL Lausanne
- Targets and objectives for 2008



Highlights

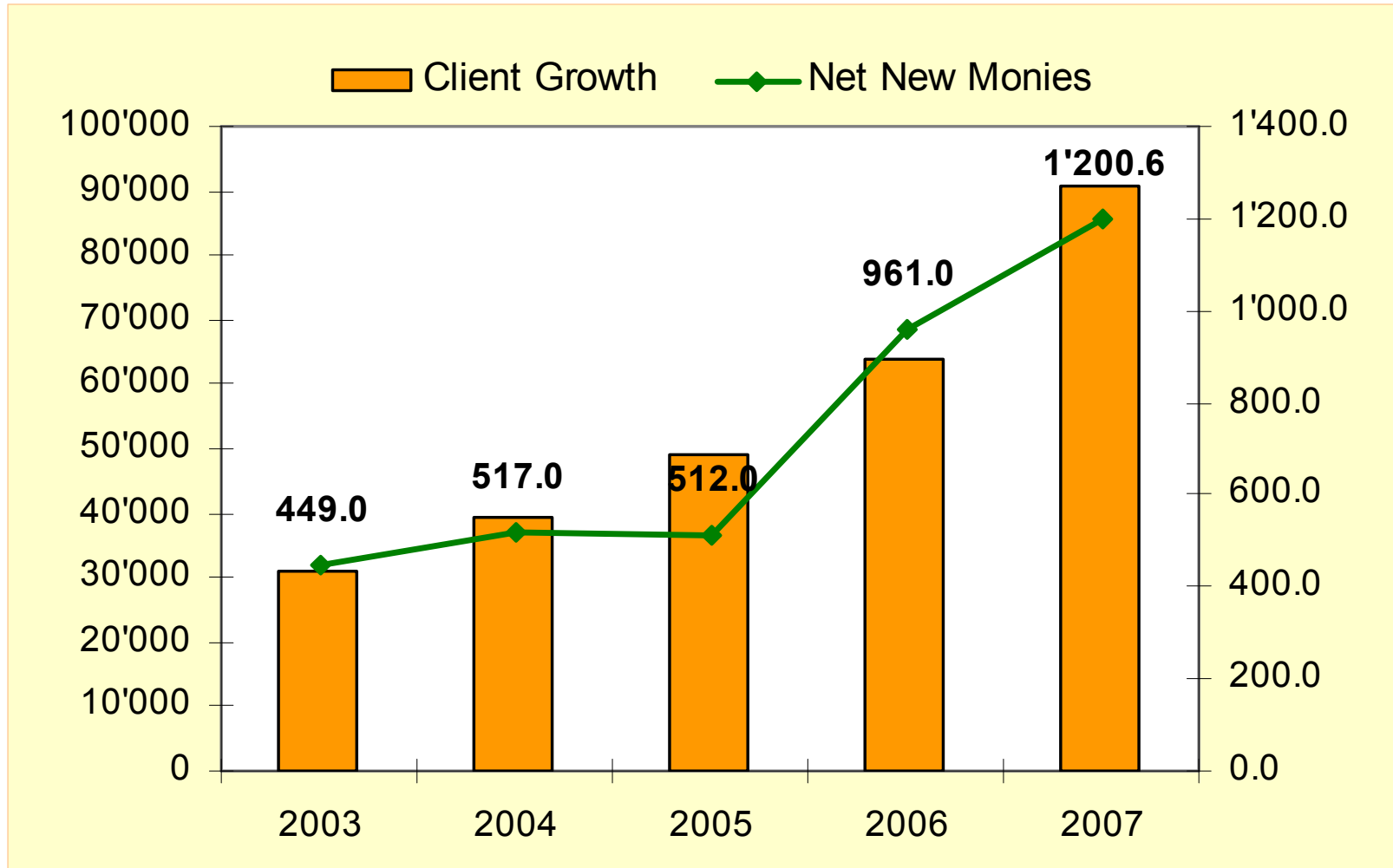
Highlights

- Best year in the history of Swissquote: 26'809 new clients, CHF 1.2 billion new assets, 48% revenues growth
- 2007: Fifth record result in succession
- 4th quarter 2007: 19th quarter with organic client growth of more than 5% per quarter
- Strong development of the company: New building in Gland and new offices in Zürich (Schützengasse 22/24), 228 employees as of today
- Ongoing development of our services: Strong platform ranked #1 by the largest online bank survey in Switzerland (Tagesanzeiger and « Tout Compte Fait)
- Distribution of CHF 0.70 per share

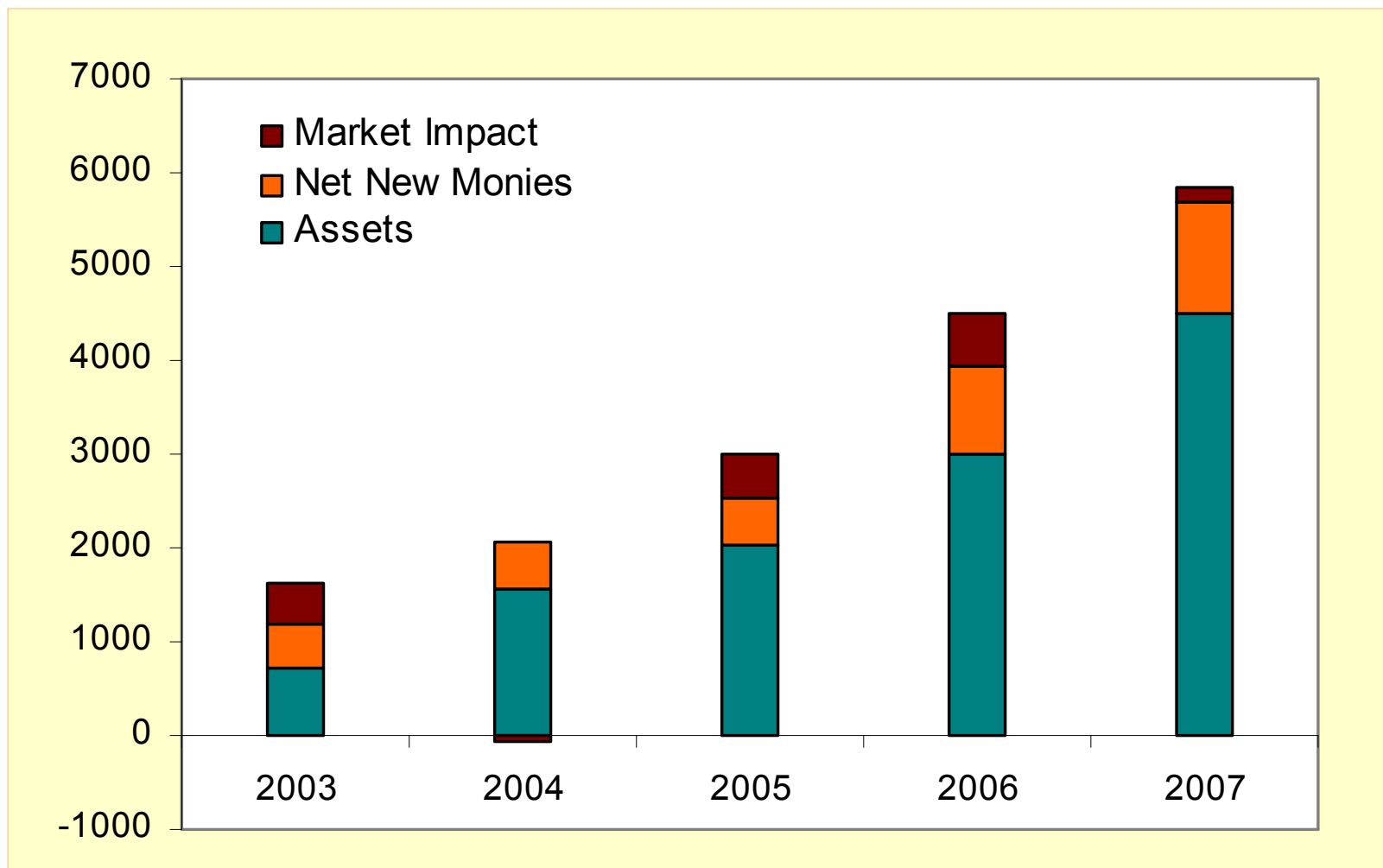


Key Figures 2007

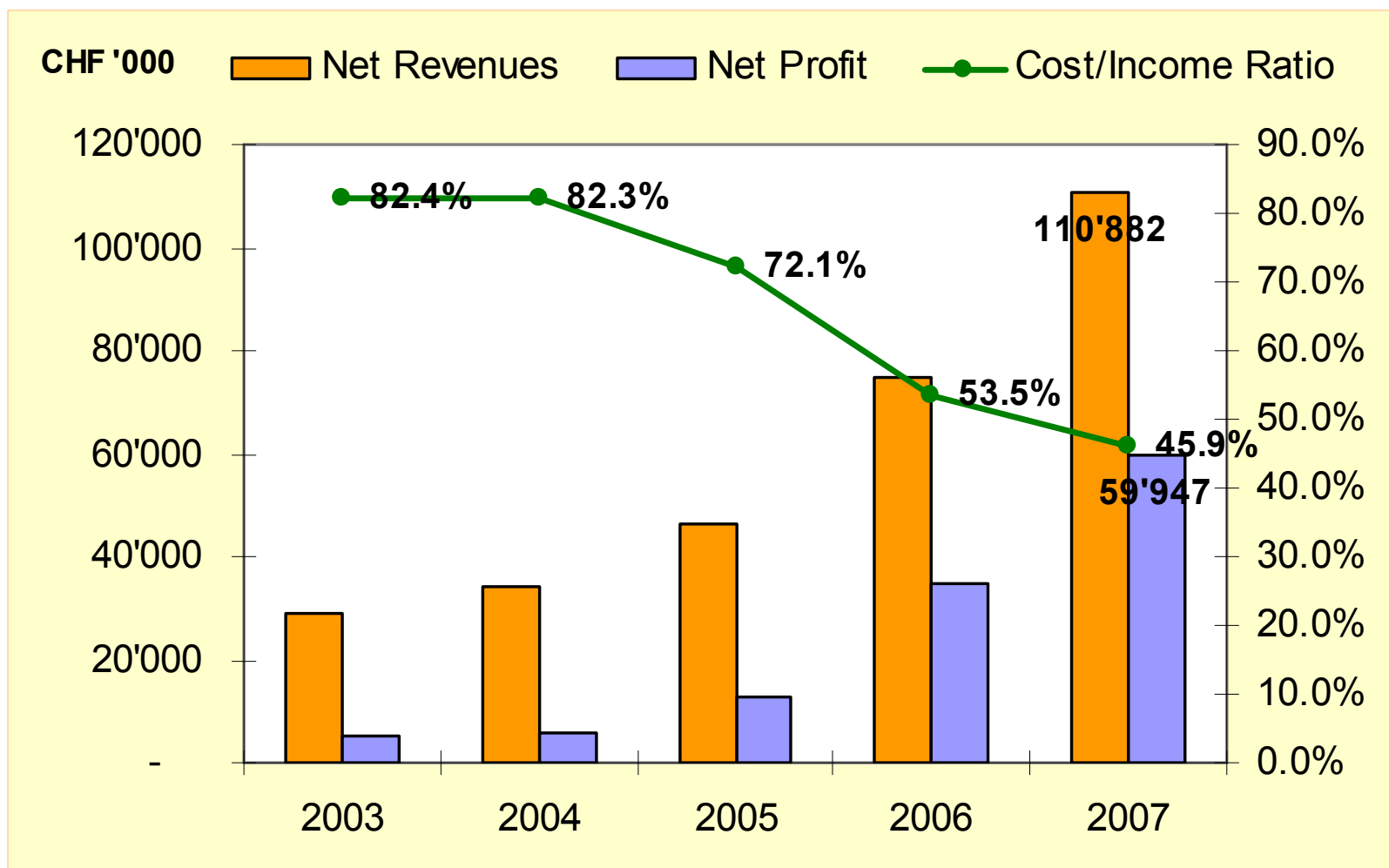
Stronger organic Growth



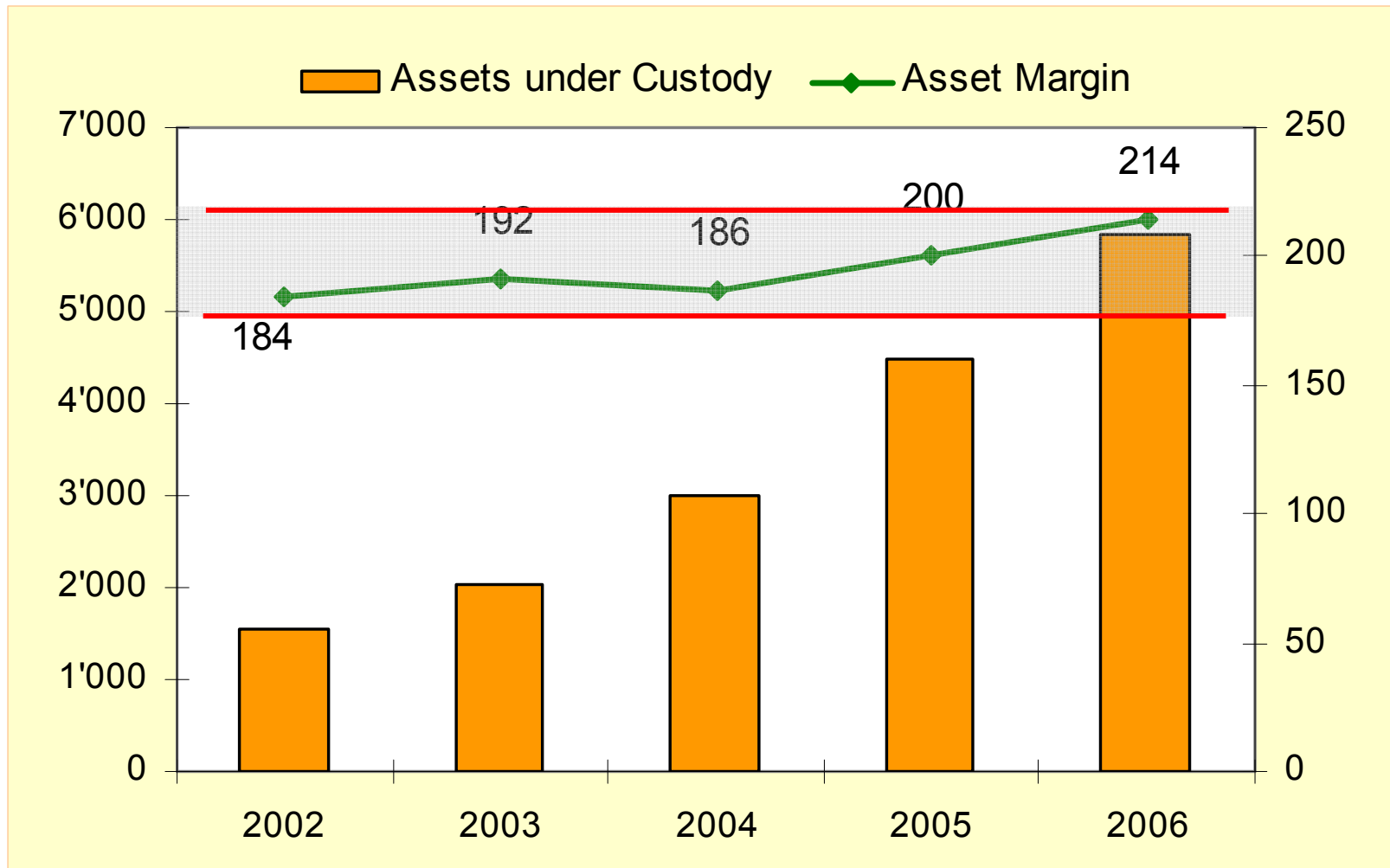
2007: Asset growth not influenced by stock markets



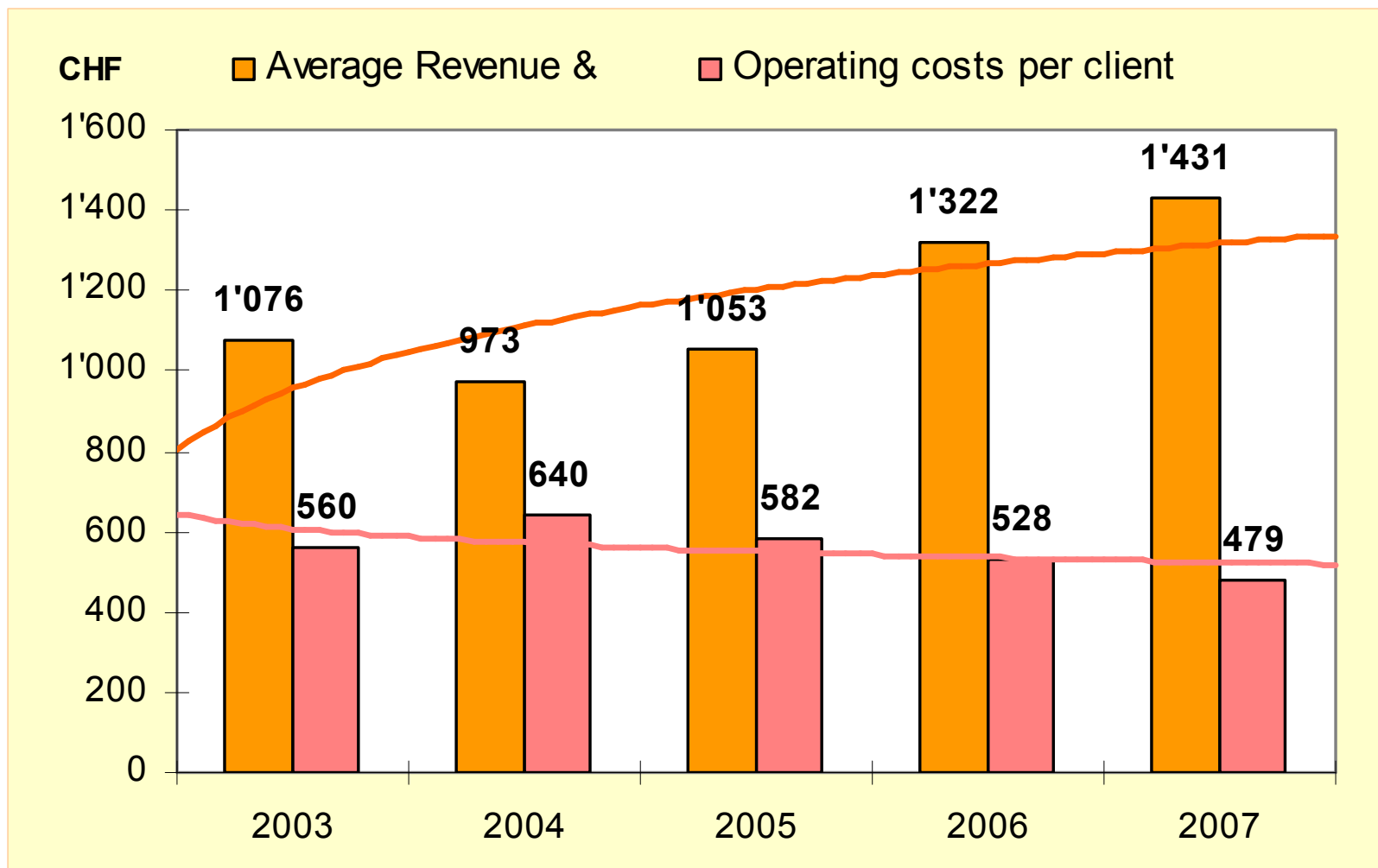
Cost Income Ratio below 50% for the first time



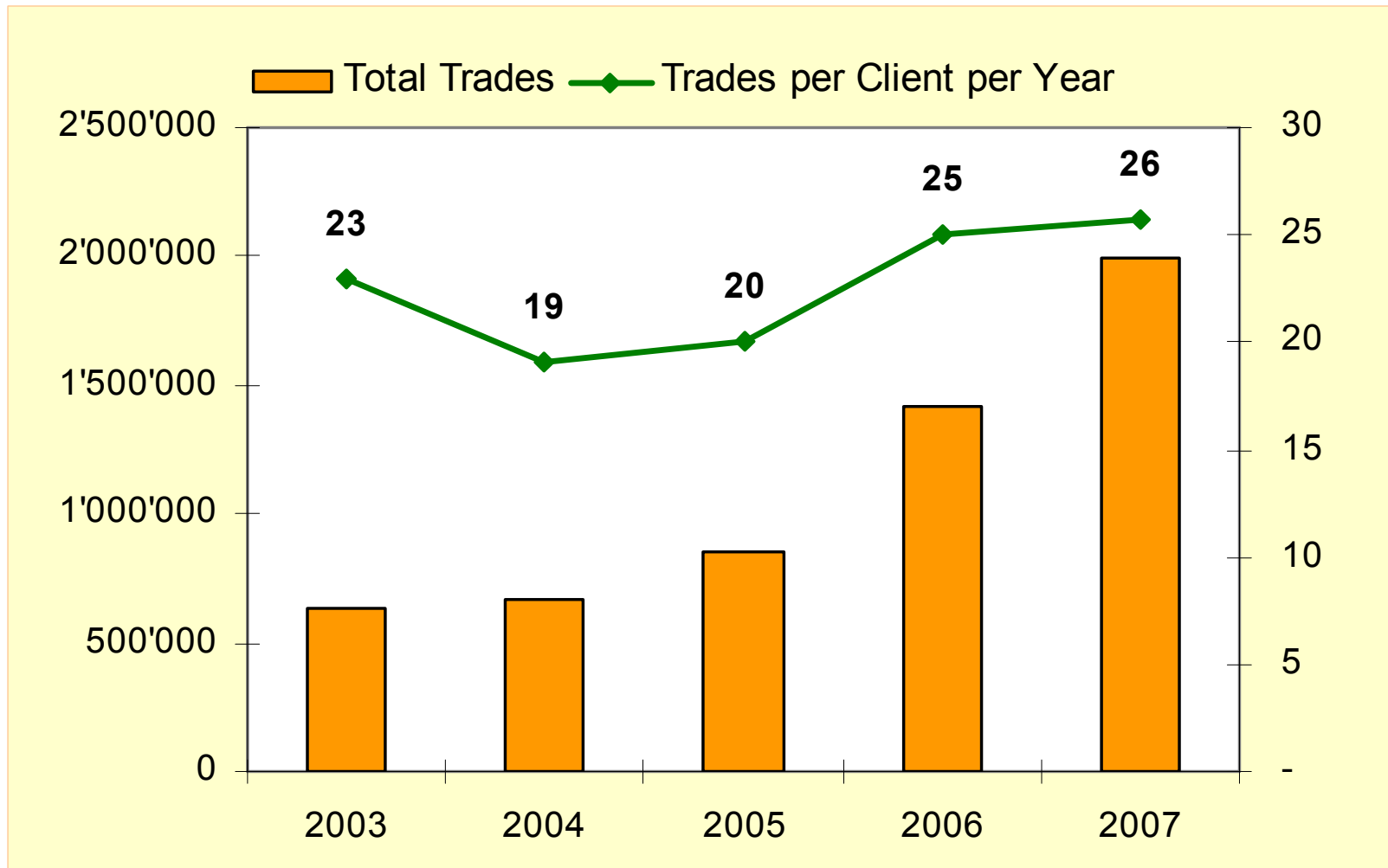
Stable asset margin



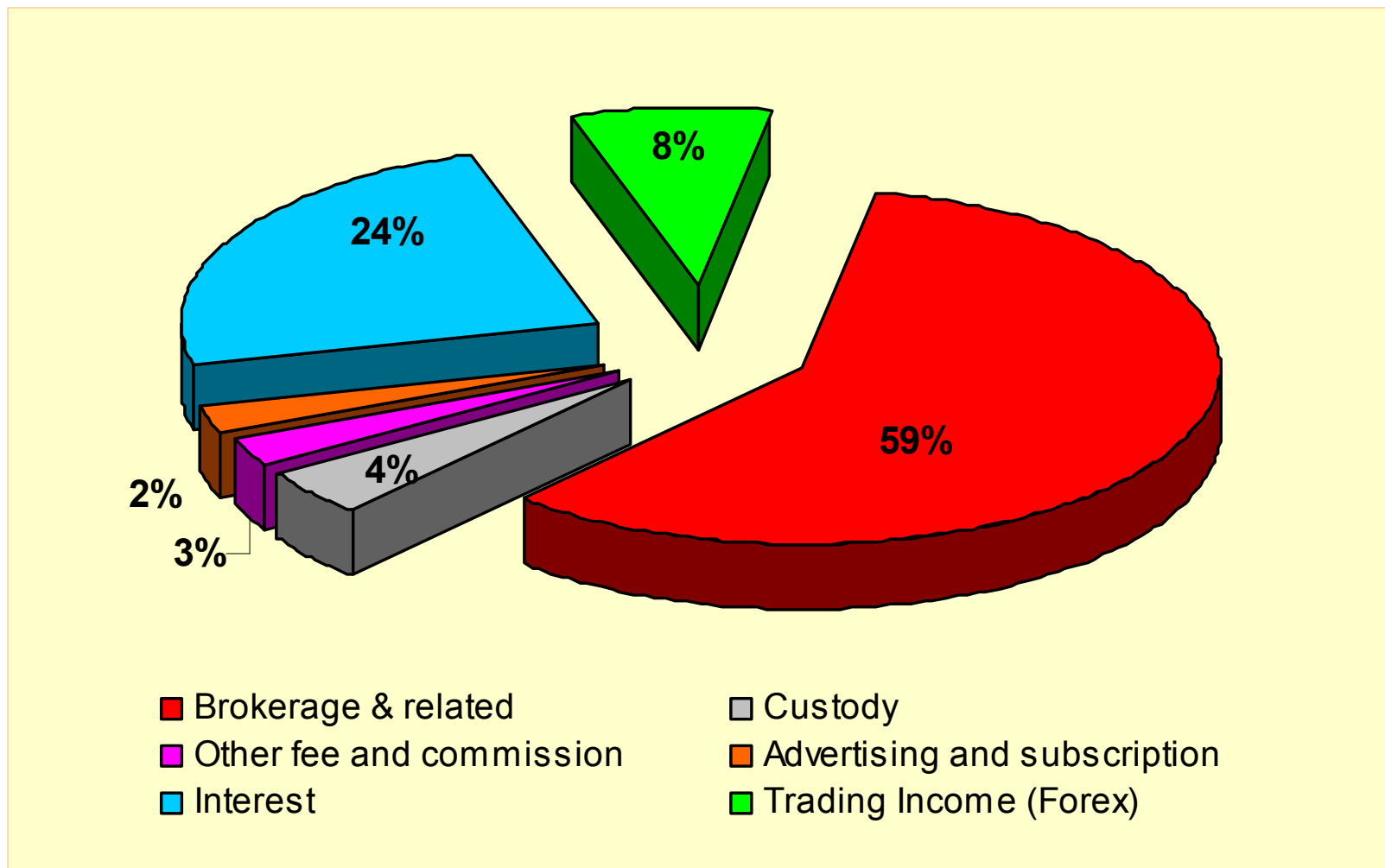
9% lower operating expenses per client



2007: 2 million transactions



Commission business is below 60% of total revenues



Key Figures 2007

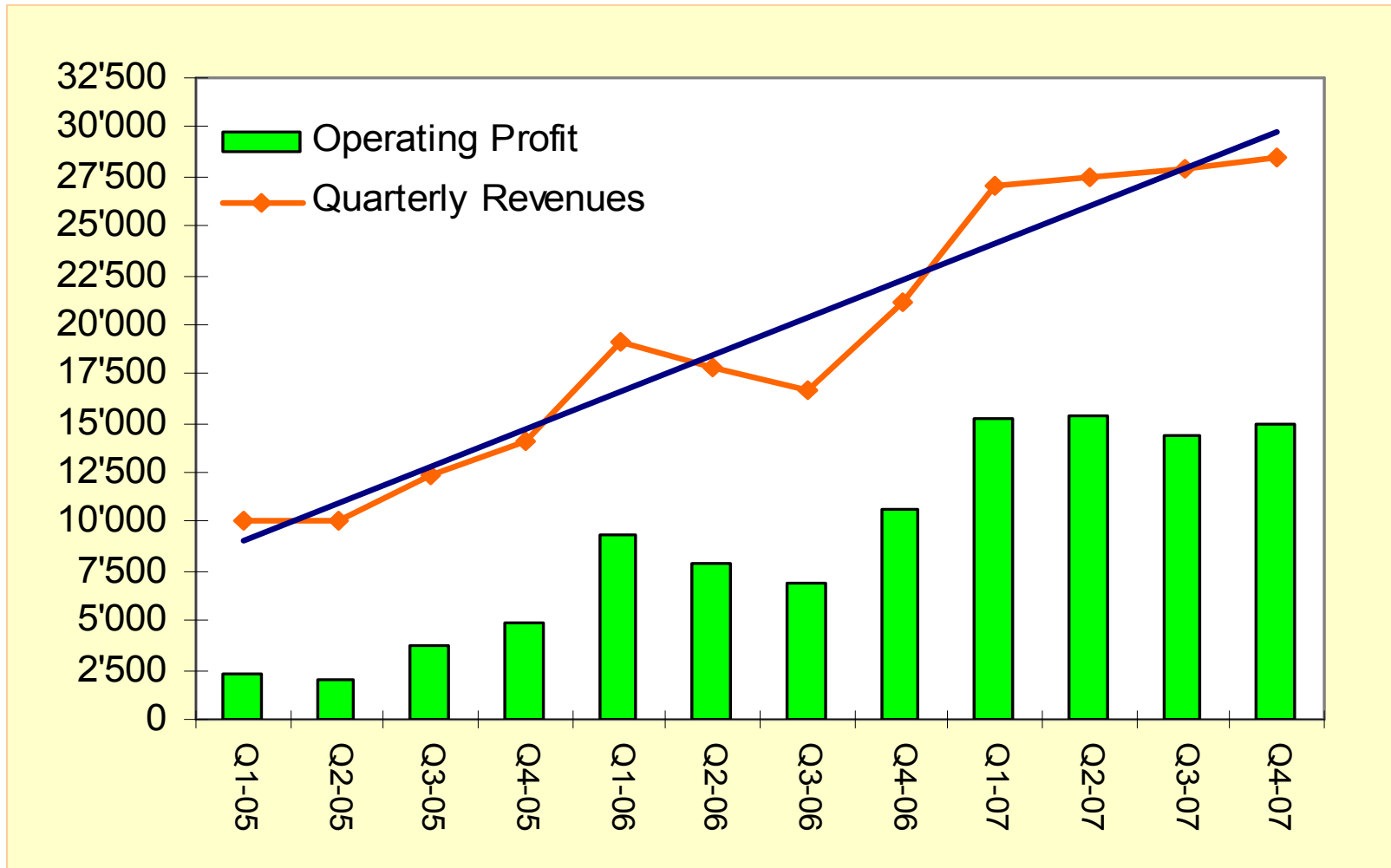
Compared with 2006

Net Revenues	110.9m	+36.1m	+48.3%
Net Profit	47.6m	+11.0m	+30.2%
Clients	90'876	+26'809	+41.8%
Client Assets	5'850m	+1'358m	+30.2%
Equity	126.6m	+33.1m	+35.4%

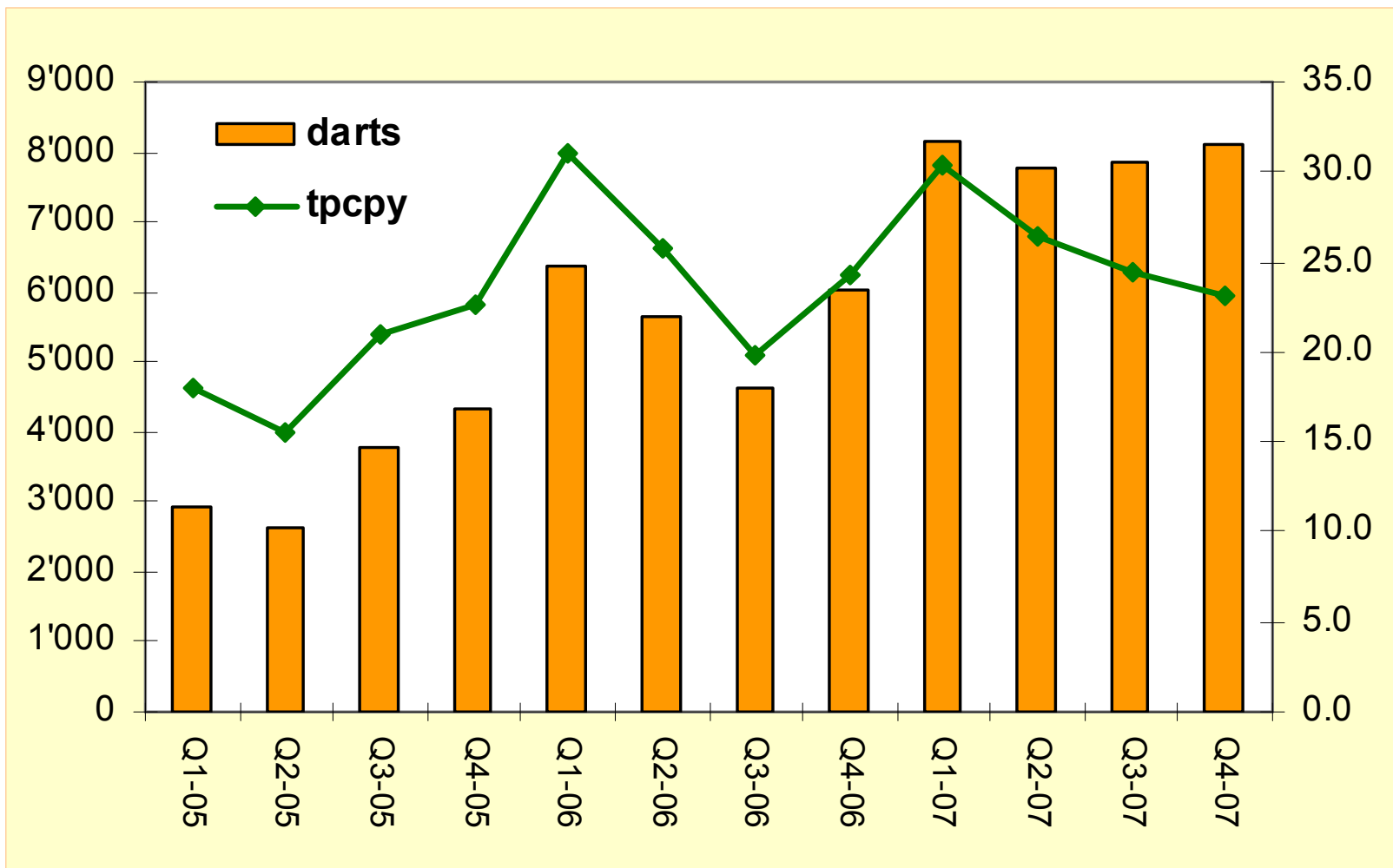


Figures for the 4th quarter 2007

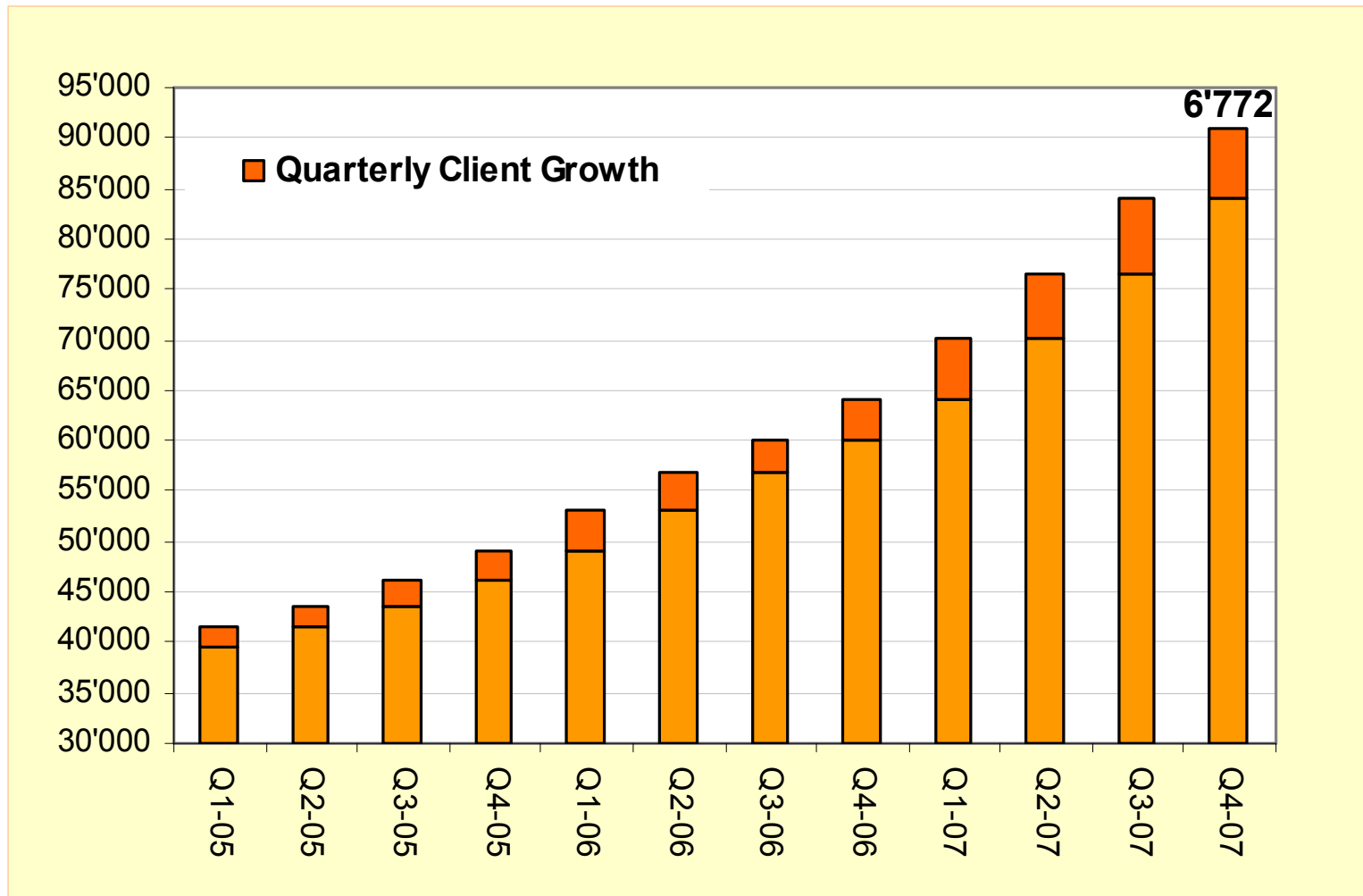
Strong revenue growth (CAGR = 60%)



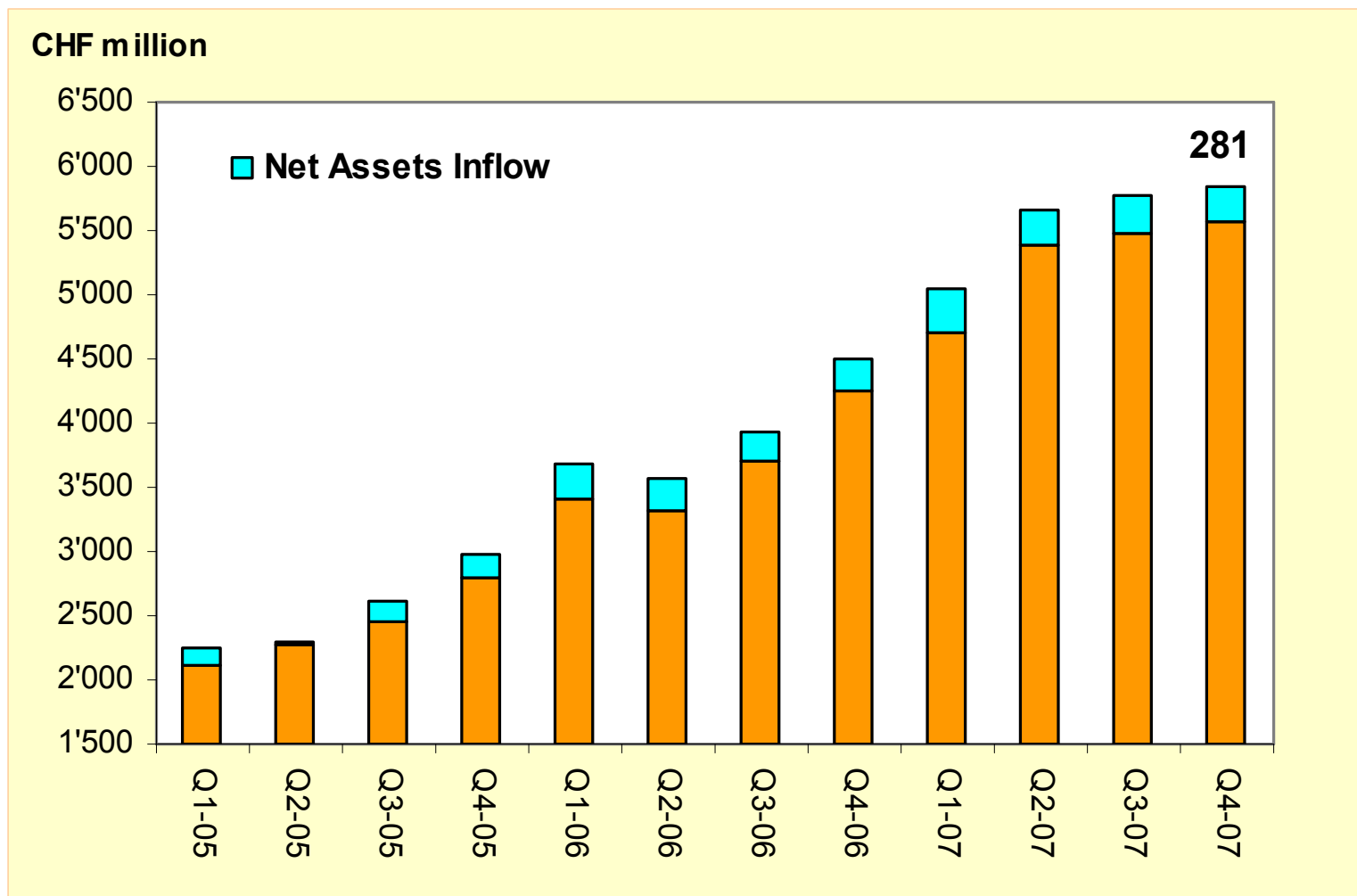
Higher « darts » (daily average revenue transactions)



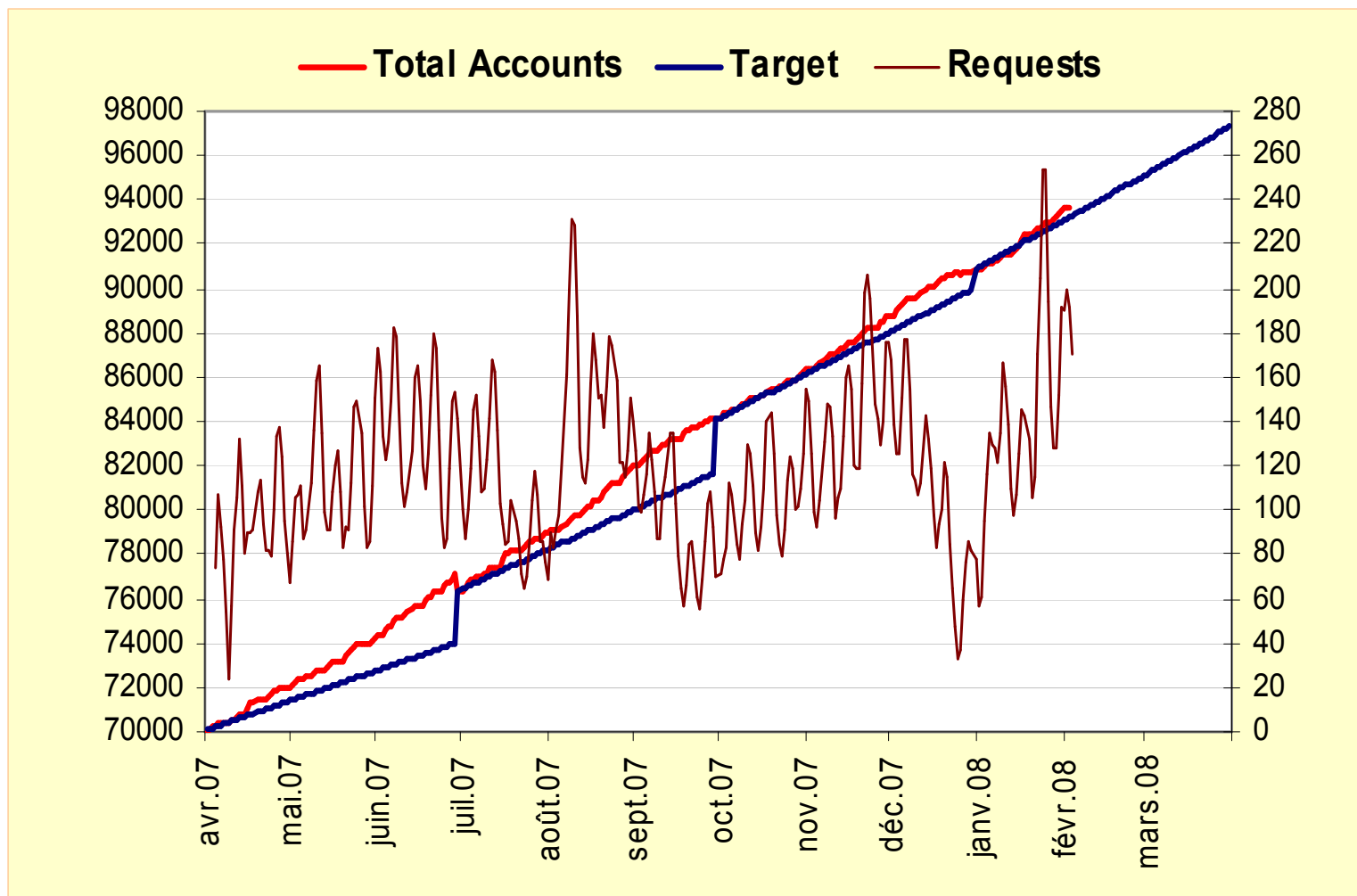
8.1% client growth in the 4th quarter ...



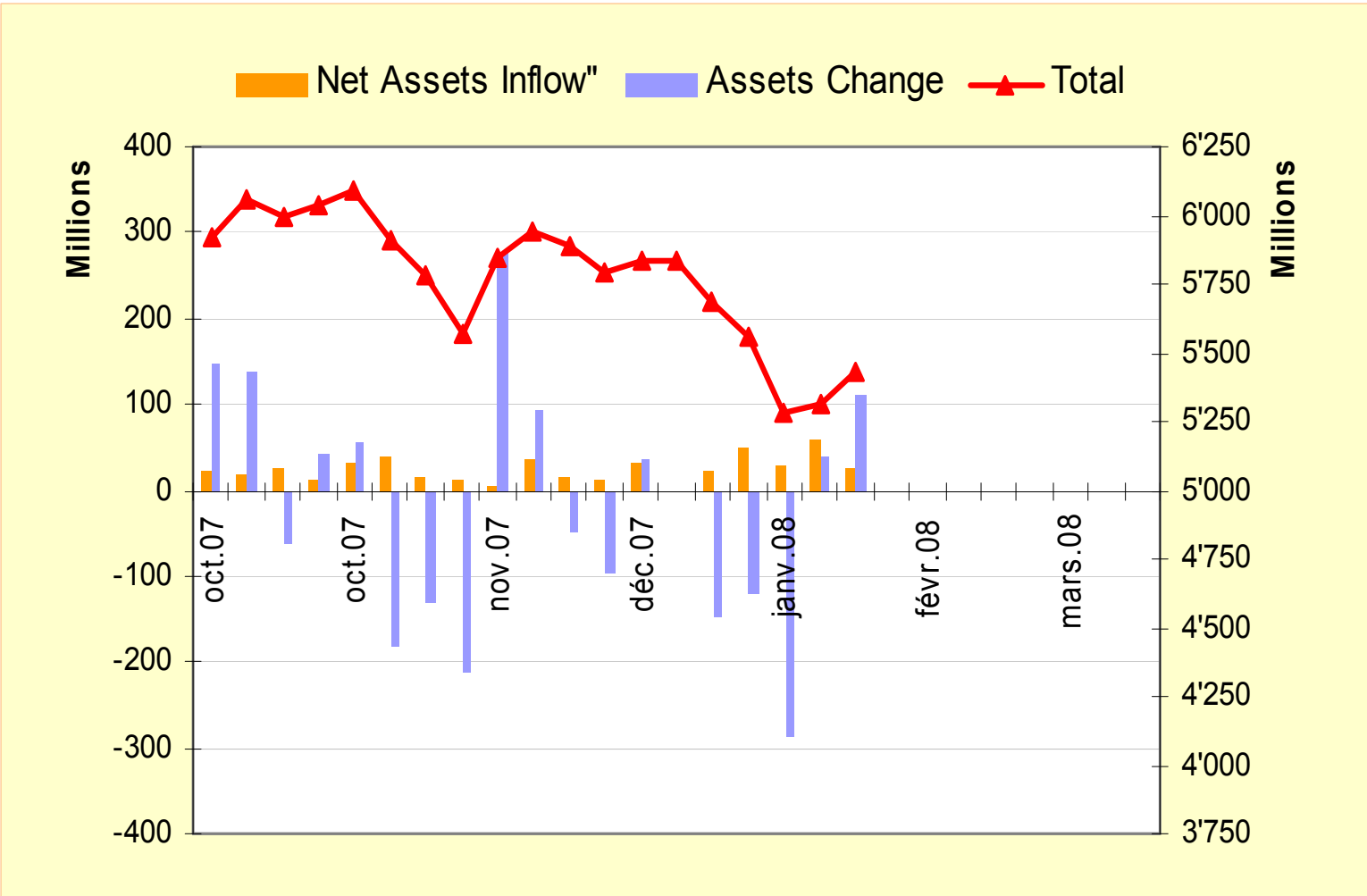
... and 281 million net new assets



Strong client growth in January 2008



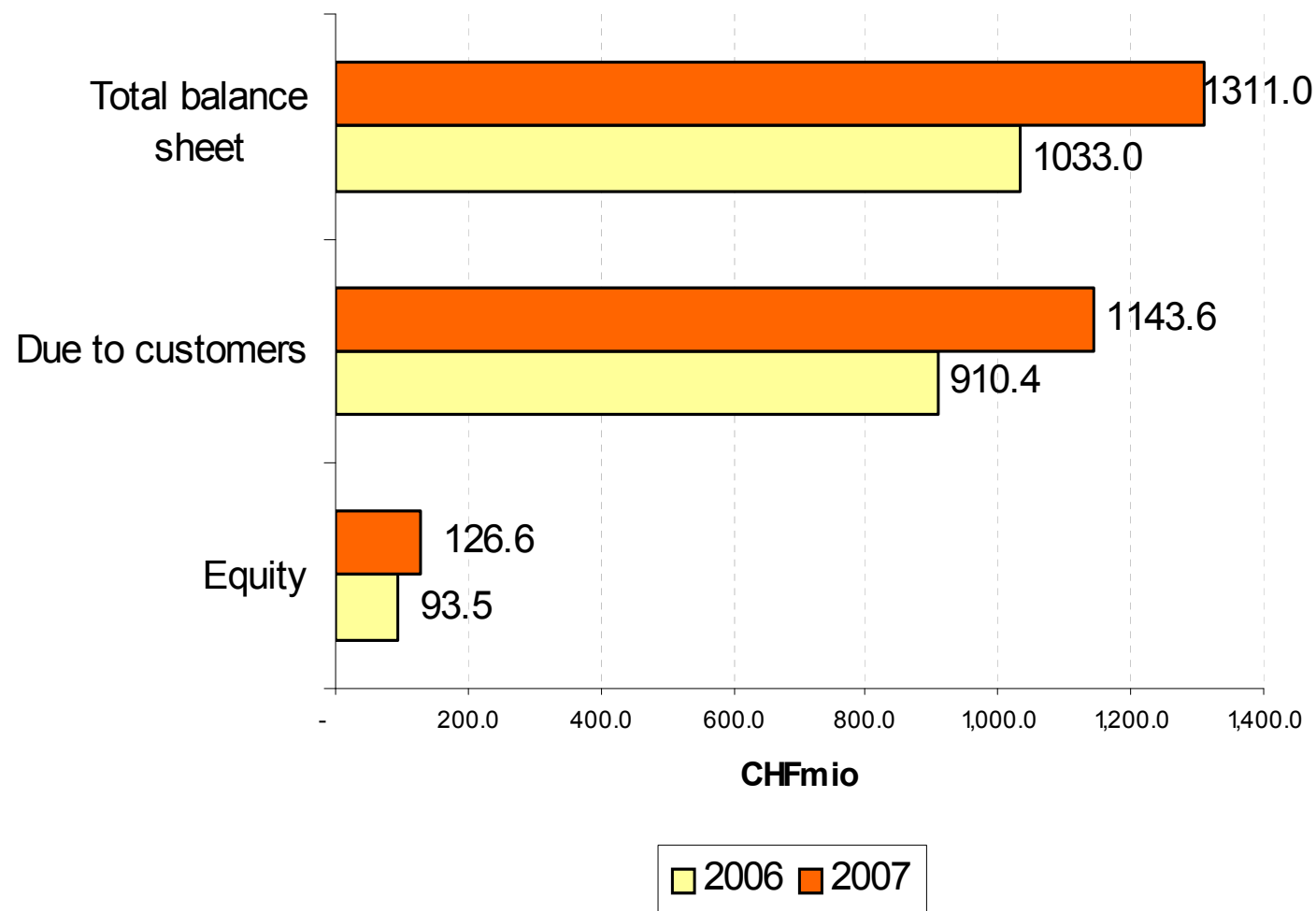
Total client performance better than the SMI





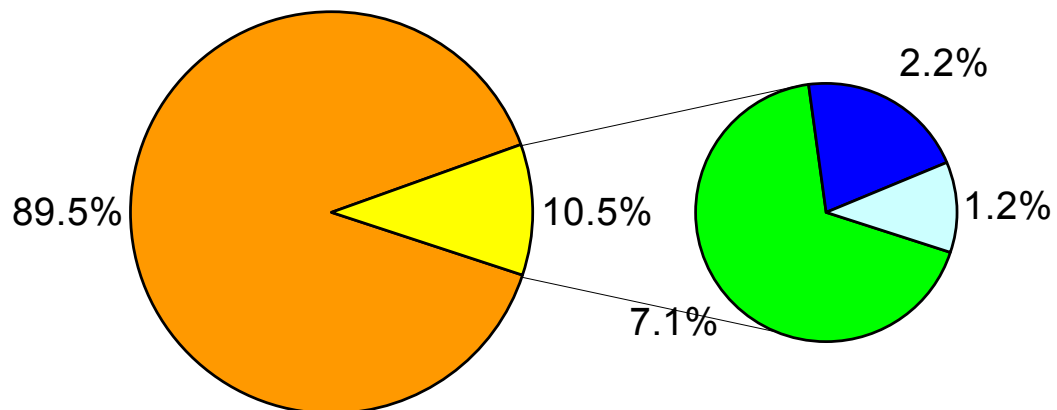
Balance sheet

Balance sheet



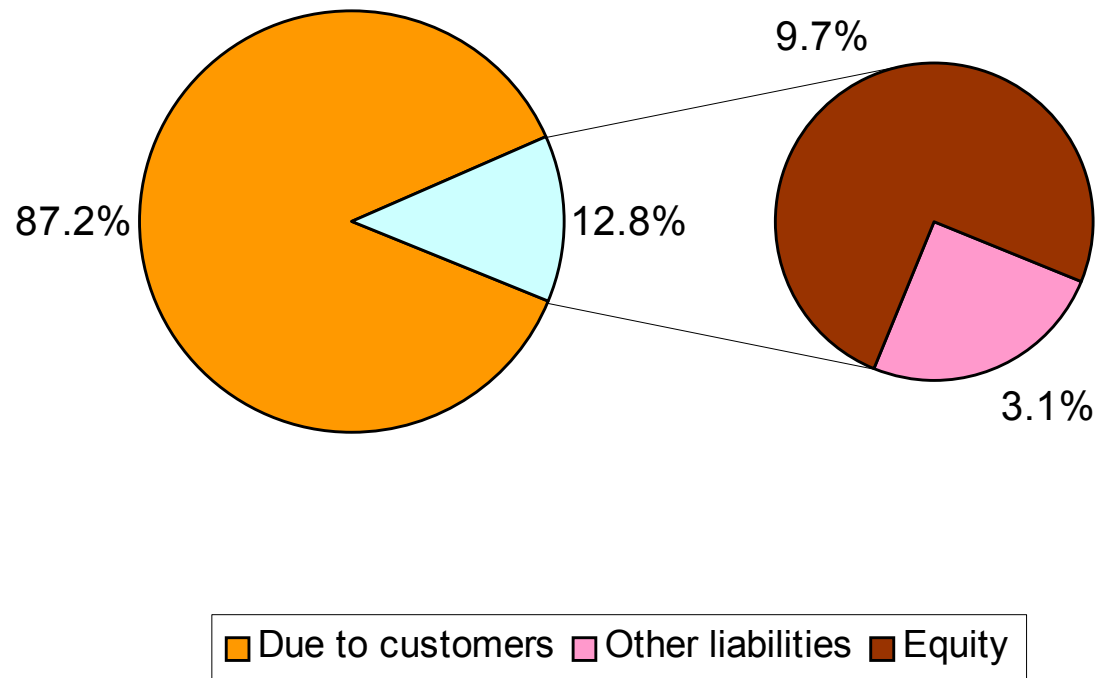
Structure of assets at 31.12.2007

Structure of assets



Structure of assets at 31.12.2007

Structure of liabilities and equity





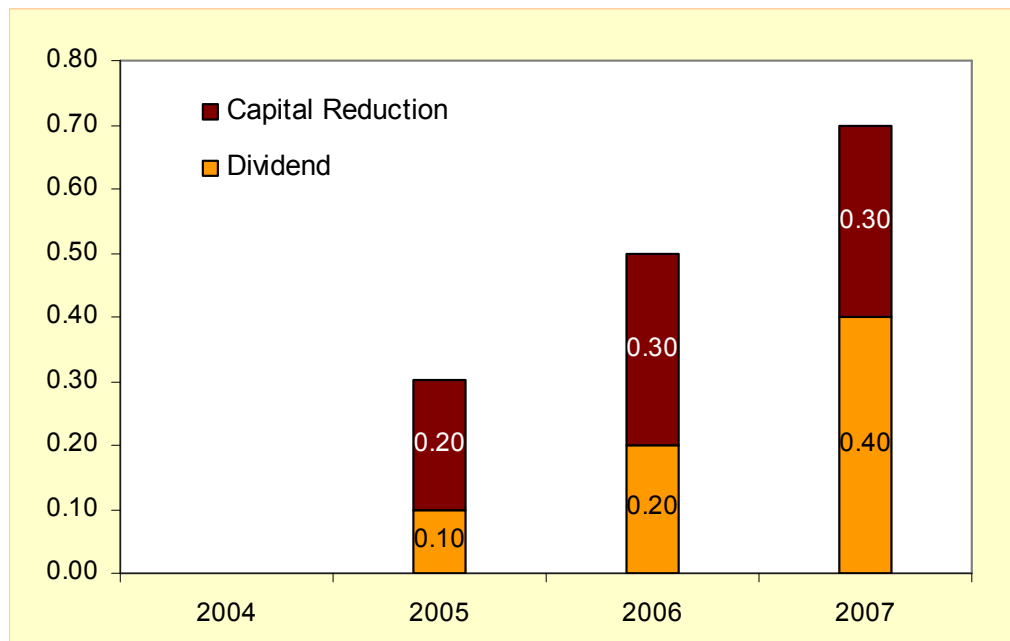
Distribution of profits

Net profit

	2007	2006	2005
Net Profit	47,5m	35,5m	14,7m
Earnings per Share	3.34	2.58	1.06
Diluted Earnings per Share	3.31	2.56	1.04

Distribution of profit

- The Board of Directors will propose to the general assembly a distribution of CHF 0.70 per share
 - Dividend of CHF 0.40
 - Capital reduction of CHF 0.30





New services in 2007

New services in 2007

- Launch of fully electronic Eurex trading
- Launch of a PDA platform <http://pda.swissquote.ch>
- New platform for structured products with new search engines and new tools
- Borsa Milano and Wiener Börse are the 18th (resp. 19th) online stock market on Swissquote
- Custody Bank licence from the FBC

Custody bank for Swiss funds

- Licence from the FBC
- First fund already acquired
- Attractive low cost pricing but with a high service quality
- Custody fees starting at 5ps all-in-one
- Fully electronic reporting system
- STP prime brokerage at attractive prices
- No transaction fees for Swissquote clients
- Target 2008: CHF 500m new assets





Partnership with EPF Lausanne

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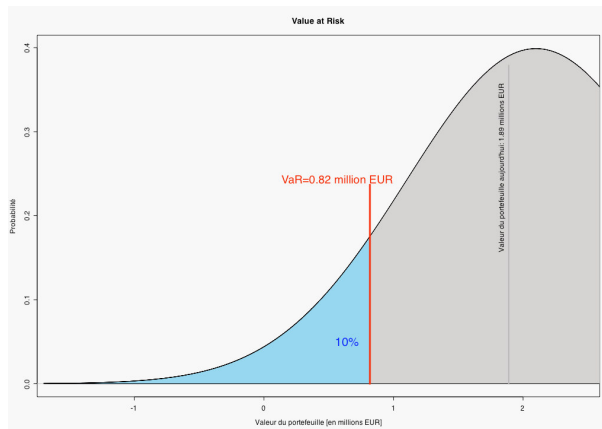
- CHF 5 million in funding donated by Swissquote to finance the « Swissquote Chair of Quantitative Finance »
- Joint search for a world class suitable candidate for the chair
- Member of the strategic committee
- The chair to become a key element of the master program in financial engineering.

Partnership with EPF Lausanne

- Potential partnership in area such as
 1. Online Wealth Management
 2. Risk assessment of financial products and investment strategies
 3. Neutra analysis of structured products (VaR, VaG, Fair Value, Payoff potential, ...)
 4. Access to highly talented engineers

Risk classification of structured products

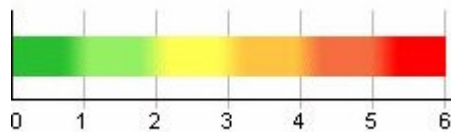
- Risk classification using the Value at Risk (VaR) methodology



- **Value at Risk (VaR)** is in simple words the maximum loss not exceeded with a given probability defined as the confidence level, over a given period of time (holding period).
- For the VaR for structured products we are taking a confidence level of 99% with a holding period of 10 days.
- 5'000 to 10'000 simulation are required to compute the VaR for one product.

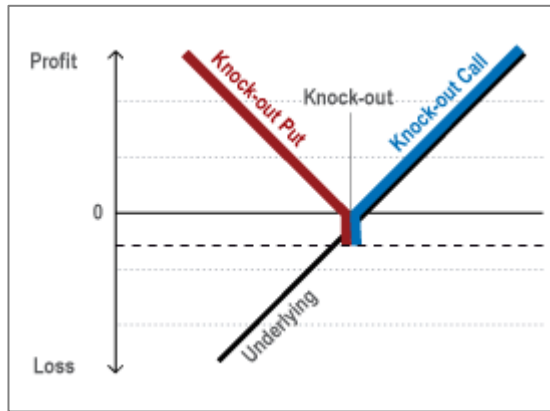
Risk classification of structured products

- 20% of the listed products are not yet computed because not enough information is available from the issuer. ⇒ This should be improved in the coming weeks.
- The VaR methodology requires a big amount of historical data. Although Swissquote has one of the largest database of historical products in Europe, we are missing some historical data for some underlyings.
- The Risk classification has been benchmarked for month and is now ready for production.



- The 6 degree classification has been taken from the SVSP Verband.
 - 1 : 0 to -2.5%
 - 2 : -2.5 to -7.5%
 - 3 : -7.5 to -12.5%
 - 4 : -12.5 to -17.5%
 - 5 : -17.5 to -25%
 - 6 : over -25%

Example 1: Knock out Warrants



- ZKB Put Knock out on SMI
- VaR = -40.43%
- Risk class 6

SWX Market > **KDAXM ZKB P 03/08 /Z (KDAXM)** Refresh Trade It

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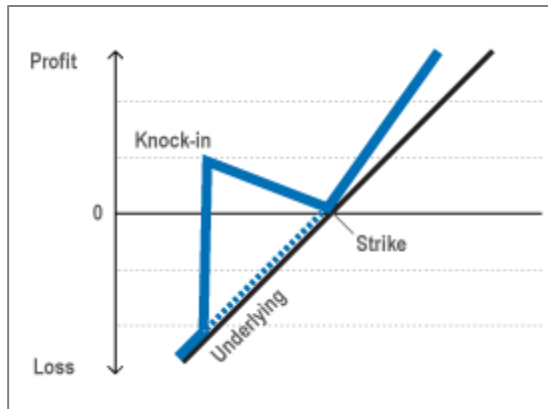
Termsheet

Date	Time	National #	Change
16-01-2008	-	3'653'338	-
Volume	Prev. close	Today's open	Last
-	2.87	-	2.87 CHF
Bid Size	Ask Size	Bid Removed	Ask Removed
-	-	2.66	2.69
52 Weeks high	52 Weeks low	Today's high	Today's low
2.87	1.2	-	-
Security Type	Strike Price / K.O. Level	Ratio	Expiration
Put Knock-out Warrant ⓘ	8200 / 8200 EUR	400	20-03-2008
Premium	Premium/Year	Underlying	Udl Price -

Specific Data

Value-at-Risk	Value-at-Gain	Probability-to-Win	Risk Category
-40.43%	35.58%	50.12%	1 2 3 4 5 6

Example 2: Twin-Win Certificate



- BVG Twin-Win Certificate
- VaR = -9.66%
- Risk class 3

SWX Market > **PRSTE BVG C 09/09 (PRSTE)**

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[Termsheet](#)

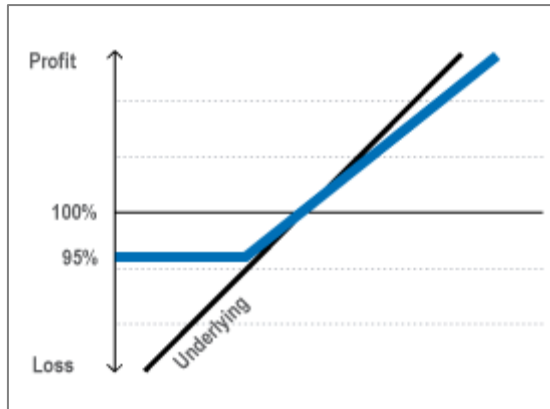
Date	Time	National #	Change
21-01-2008	09:19:04	2'491'840	-
Volume	Prev. close	Today's open	Last
-	103.65	-	103.65 PCT
Bid Size	Ask Size	Bid Removed	Ask Removed
-	-	104.65	105.15
52 Weeks high	52 Weeks low	Today's high	Today's low
113.5	100.95	-	-
Security Type	Interest	Redemption	Expiration
Twin-Win Certificate	.0001 % EUR	24-09-2009	18-09-2009
Strike / Strike 2	Ratio	Underlying	Udl Price 18:11:08
3852.5 / 2311.5	1	DJES 50 (Price)	4392.34

Specific Data

Value-at-Risk	Value-at-Gain	Probability-to-Win	Risk Category
-9.66%	6.28%	46.68%	1 2 3 4 5 6

For realtime [click here](#)

Example 3: Uncapped Capital Protected



- Vontobel Uncapped Capital Protected
- VaR = -4.38%
- Risk class 2

SWX Market > **VUSMA VON C 02/12 (VUSMA)** Refresh Trade It

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Termsheet

Date	Time	National #	Change
16-01-2008	-	2'949'239	-
Volume	Prev. close	Today's open	Last
-	894	-	894 CHF
Bid Size	Ask Size	Bid Removed	Ask Removed
-	-	884.5	888
52 Weeks high	52 Weeks low	Today's high	Today's low
922	898	-	-
Security Type	Strike Price	Ratio	Expiration
Uncapped Capital Protected ⓘ	9258.0498 CHF	10	23-02-2012
Premium	Premium/Year	Underlying	Udl Price 14:36:39
145.99%	36.08%	SMI	7366.41

Specific Data

Value-at-Risk	Value-at-Gain	Probability-to-Win	Risk Category
-4.38%	7.47%	58.92%	1 2 3 4 5 6



Targets and objectives for 2008

Targets and objectives for 2008

- Ongoing growth of at least 25% of new clients (+25'000) ⇒ Target 2008: 115'000 clients
- Net new monies of CHF 6 million per day ⇒ Target 2008 CHF 1.2 billion
- Acquisition of additional 0.5 billion custody funds
- New innovations in quantitative finance
- Additional services for retail clients and institutionals in 2008