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
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• 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

Client Growth

Net New Monies

2003 2004 2005 2006 2007

0.0 200.0 400.0 600.0 800.0 1'000.0

1'200.0 1'400.0

0 10'000 20'000 30'000 40'000 50'000 60'000 70'000 80'000 90'000 100'000

449.0 517.0 512.0 961.0 1'200.6
2007: Asset growth not influenced by stock markets

- Market Impact
- Net New Monies
- Assets

Graph showing asset growth from 2003 to 2007.
Cost Income Ratio below 50% for the first time
Stable asset margin

- **Assets under Custody**
  - 2002: 184
  - 2003: 192
  - 2004: 186
  - 2005: 200
  - 2006: 214

- **Asset Margin**
  - 2002: 0
  - 2003: 50
  - 2004: 100
  - 2005: 150
  - 2006: 200

The graph shows a steady increase in both assets under custody and asset margin from 2002 to 2006.
9% lower operating expenses per client

Average Revenue & Operating costs per client

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Revenue &amp;</th>
<th>Operating costs per client</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>CHF 1,076</td>
<td>CHF 560</td>
</tr>
<tr>
<td>2004</td>
<td>CHF 973</td>
<td>CHF 640</td>
</tr>
<tr>
<td>2005</td>
<td>CHF 1,053</td>
<td>CHF 582</td>
</tr>
<tr>
<td>2006</td>
<td>CHF 1,322</td>
<td>CHF 528</td>
</tr>
<tr>
<td>2007</td>
<td>CHF 1,431</td>
<td>CHF 479</td>
</tr>
</tbody>
</table>
2007: 2 million transactions
Commission business is below 60% of total revenues
## Key Figures 2007

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>110.9m</td>
<td>+36.1m</td>
<td>+48.3%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>47.6m</td>
<td>+11.0m</td>
<td>+30.2%</td>
</tr>
<tr>
<td>Clients</td>
<td>90,876</td>
<td>+26,809</td>
<td>+41.8%</td>
</tr>
<tr>
<td>Client Assets</td>
<td>5,850m</td>
<td>+1,358m</td>
<td>+30.2%</td>
</tr>
<tr>
<td>Equity</td>
<td>126.6m</td>
<td>+33.1m</td>
<td>+35.4%</td>
</tr>
</tbody>
</table>
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 …

[Bar chart showing quarterly client growth from Q1-05 to Q4-07 with values increasing from 30'000 to 6'772]
... and 281 million net new assets
Strong client growth in January 2008

![Graph showing strong client growth from January 2007 to March 2008. The graph tracks Total Accounts, Target, and Requests over the months.]
Total client performance better than the SMI

![Graph showing net assets inflow and assets change over months from Oct 07 to Mar 08. The graph compares the performance of client assets with the SMI index, indicating that the client performance is generally better than the SMI.](image-url)
Balance sheet
Balance sheet

Total balance sheet:
- 2006: 1033.0 CHF mio
- 2007: 1311.0 CHF mio

Due to customers:
- 2006: 910.4 CHF mio
- 2007: 1143.6 CHF mio

Equity:
- 2006: 93.5 CHF mio
- 2007: 126.6 CHF mio
Structure of assets at 31.12.2007

Structure of assets

- Cash: 89.5%
- Loans to customers: 7.1%
- Property & systems: 10.5%
- Other assets: 2.2%

Legend:
- Orange: Cash
- Green: Loans to customers
- Blue: Property & systems
- Light blue: Other assets
Structure of assets at 31.12.2007

Structure of liabilities and equity

- Due to customers: 87.2%
- Other liabilities: 12.8%
- Equity: 3.1%
- Other: 9.7%

Legend:
- Orange: Due to customers
- Light blue: Other liabilities
- Brown: Equity
- Pink: Other
Distribution of profits
<table>
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<tr>
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<th>2007</th>
<th>2006</th>
<th>2005</th>
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</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>47.5m</td>
<td>35.5m</td>
<td>14.7m</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>3.34</td>
<td>2.58</td>
<td>1.06</td>
</tr>
<tr>
<td>Diluted Earnings per Share</td>
<td>3.31</td>
<td>2.56</td>
<td>1.04</td>
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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](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
Partnership with EPF Lausanne

- 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
  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
Example 2: Twin-Win Certificate

- BVG Twin-Win Certificate
- VaR = -9.66%
- Risk class 3
Example 3: Uncapped Capital Protected

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