

ONE

GLOBAL

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Compagnie Financière Tradition

H1 2013 results presentation

Zurich
2 September 2013

Global Leaders In Interdealer Broking

 **Tradition**

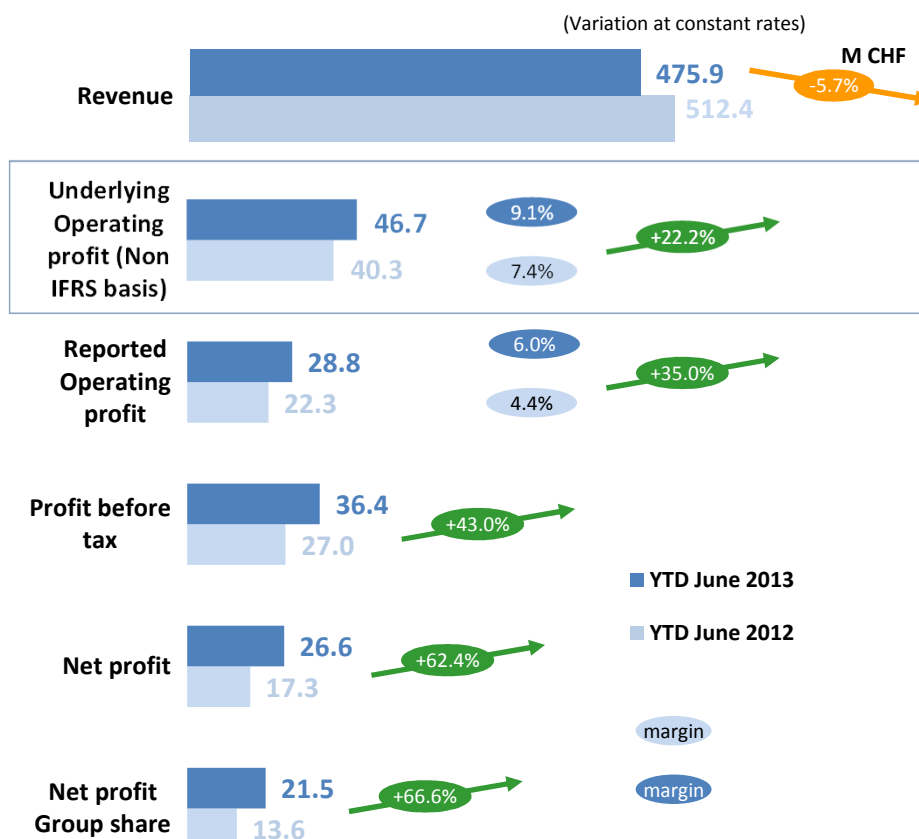
Delivering Group strategy

Net profit – Group share up 66.6% despite reduction in revenue

Results at a glance

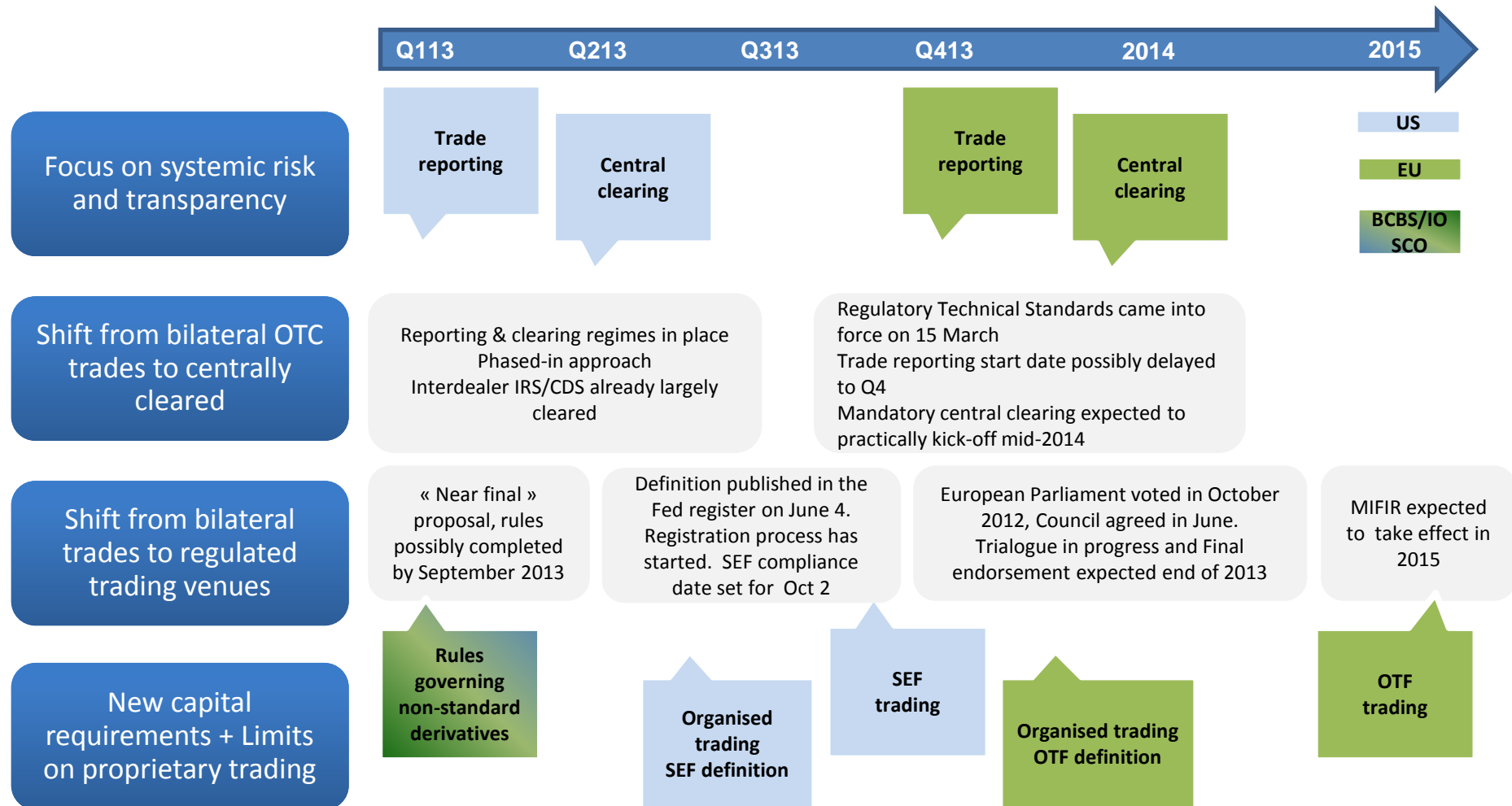
- Performance presentation changed following the adoption of new accounting standards (IFRS) as of 1st January 2013 without impact on bottom line profit
- Activity level remains impacted by regulatory uncertainties affecting our clients
 - Key milestone in the US with the publication of the Final Rules related to the Swap Execution Facilities (SEFs)
- Results fully benefited from the costs reduction measures implemented last year
 - Underlying operating margin rose from 7.4% to 9.1%
- Continued investments in the development of our electronic brokerage services through our hybrid proprietary technology
 - Successfully launched additional electronic initiatives covering also new asset classes
- Costs reduction efforts to continue in 2013

H1 2013 Performance



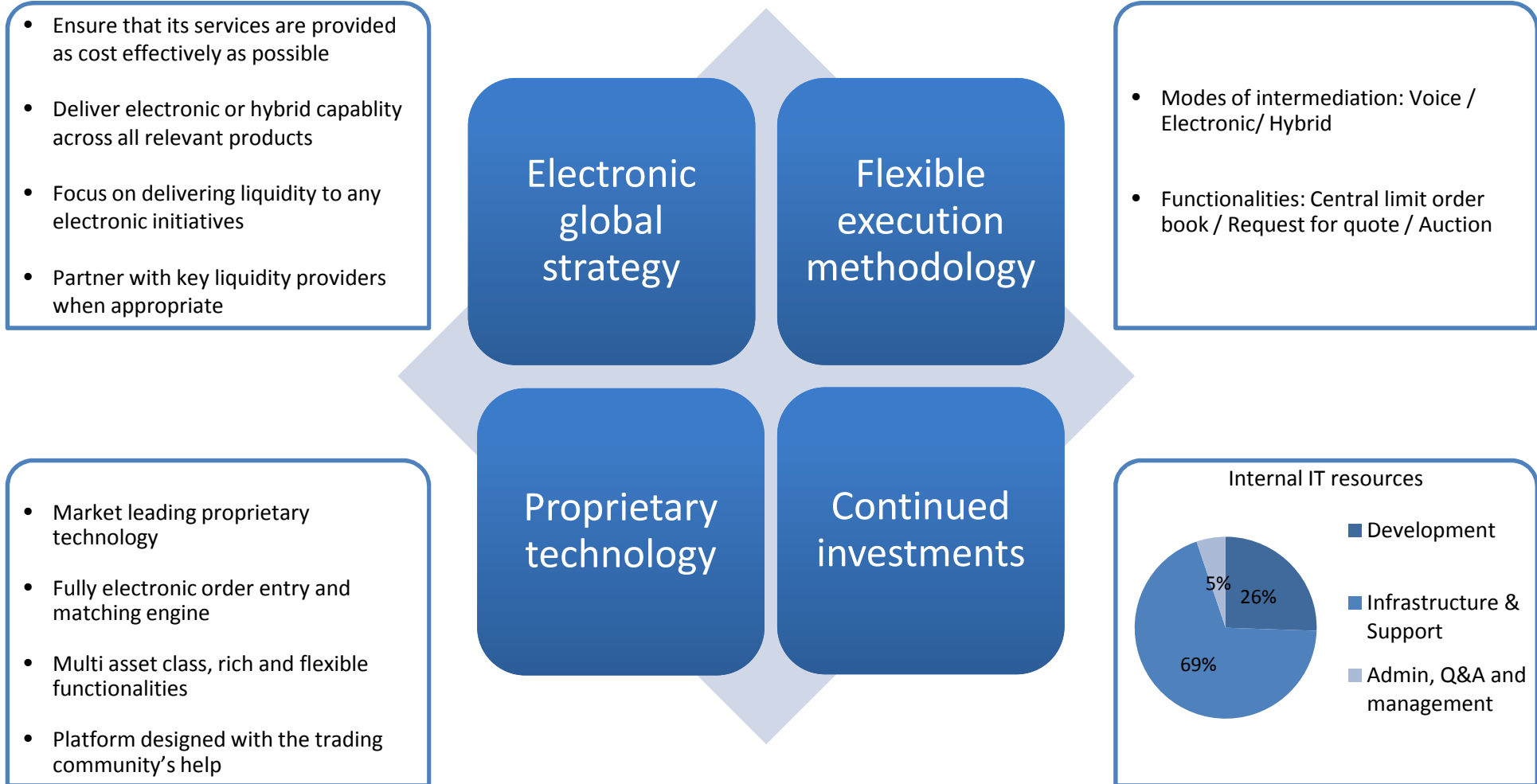
Regulatory reform overview

Key milestone in the United States with the publication of the SEFs' Final Rules



Ongoing investments in distinctive technology

Partnership with key liquidity providers



Successfully launched new electronic initiatives

New currencies and products

Tradition-ICAP

- Pioneer and long time global market leader in FX options in partnership with Volbroker
- CLOB, RFQ, Auction, Hybrid
- Further deployment in light of MIFIR, EMIR, DFA

Trad-X LIQUIDITY AT A TOUCH

- IRS Euro: Live since May 2011
- Launch of IRS USD in February 2013 and IRS GBP and IRO EUR/GBP in June 2013
- Since launch, Trad-X has matched more than 22,000 orders amounting to a notional matched of approximately CHF 1.4tn
- Largest number of streaming participants producing an average of 5M orders volume per day
- CLOB, Auction service, Hybrid, Implied order generation
- Positive impact on existing business with increased voice volumes

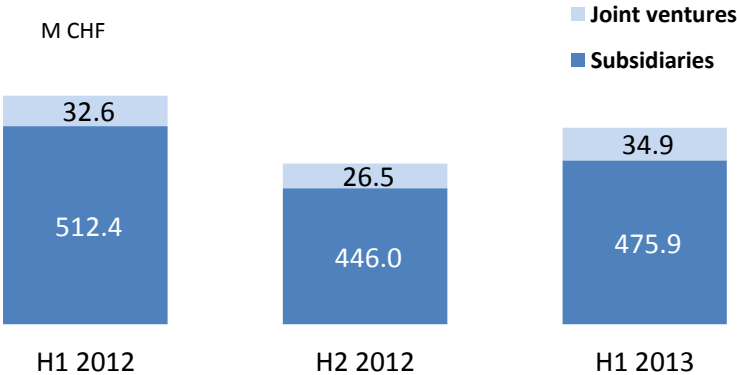
ParFX PURE BY DESIGN

- Successfully launched in April 2013, with solid support and commitment from 11 global bank
- Platform operating without issue 24h*5 days per week with IT support 24h*7 days
- Very encouraging progress with excellent price discovery and daily volumes building week on week
- Community building continues with non founder banks throughout 2013, with an extended focus on Prime Brokerage in 2014

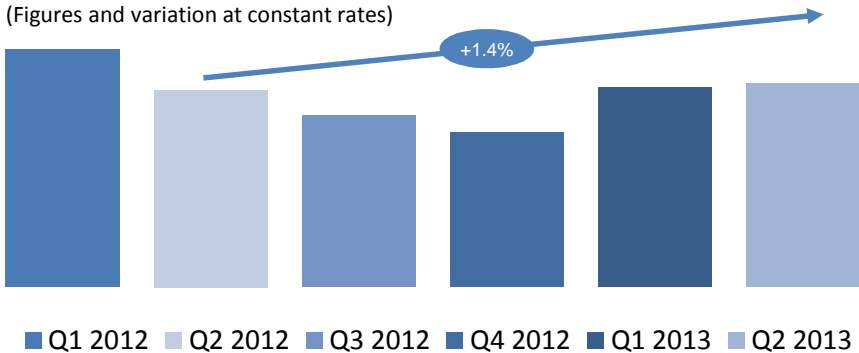
Revenue overview

Stabilised in Q2 up 1.4% after a transition period in the first quarter

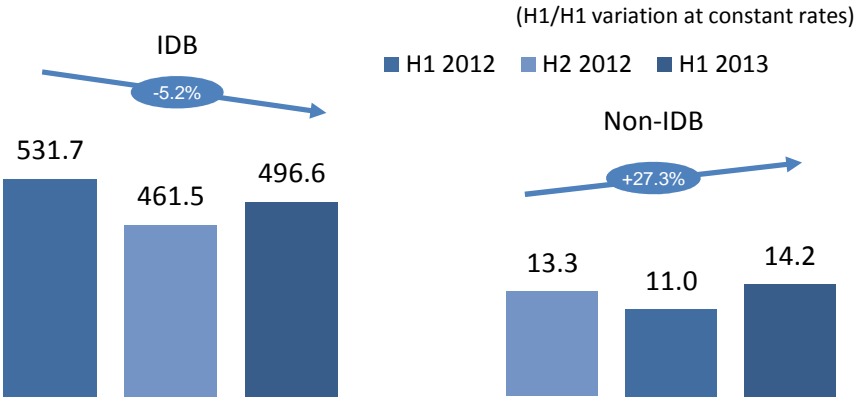
Group half-year revenue



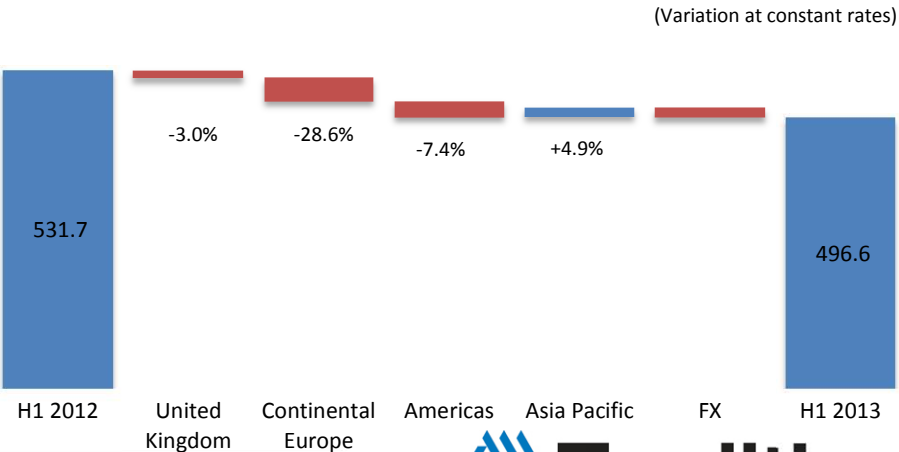
Group quarterly revenue



Half-year revenue by business



IDB revenue by region

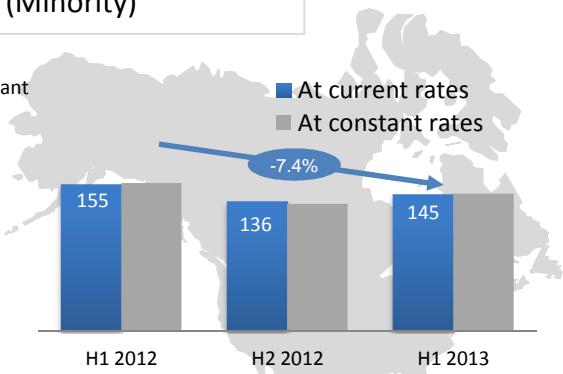


Revenue by region

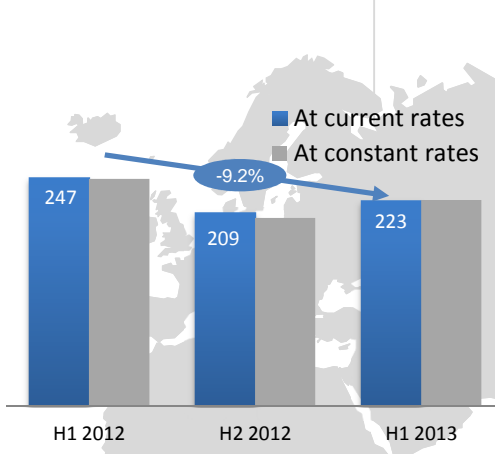
Strategic positioning through diversified geographical presence

Americas:
USA, Argentina, Chile, Colombia, Mexico, Brazil (Minority)

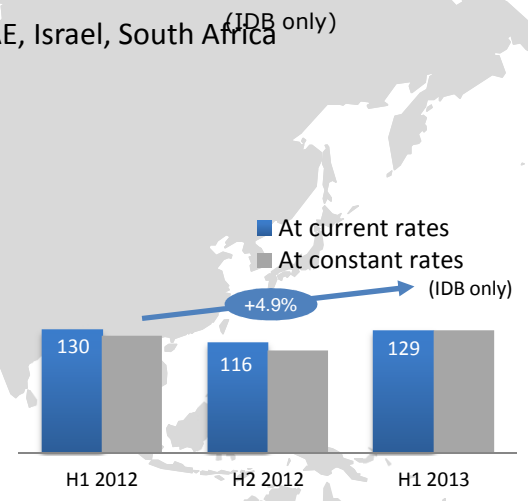
Revenue in mCHF
(H1/H1 variation at constant rates)



Europe:
UK, France, Belgium, Germany, Italy, Luxembourg, Russia, Spain (Minority), Switzerland

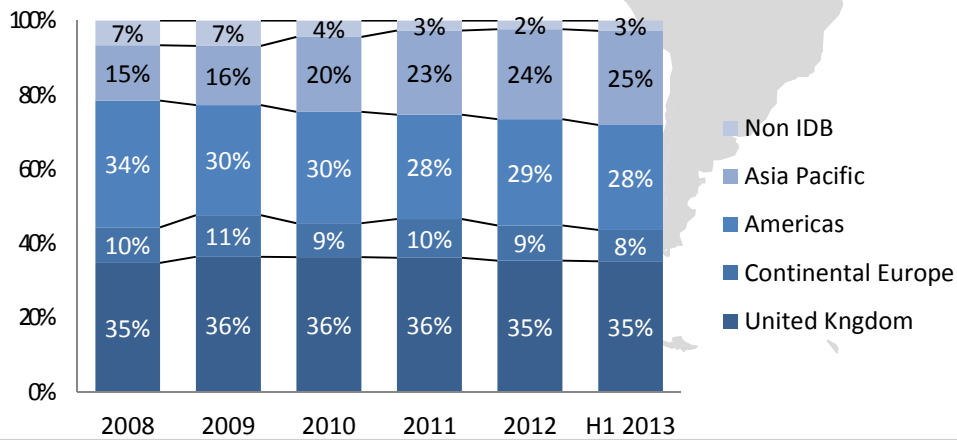


Middle East / Africa:
(IDB only)
UAE, Israel, South Africa



Asia-Pacific :
Japan, China Mainland, China Hong Kong, India, Malaysia, Singapore, South Korea, Australia, Philippines, Thailand, Indonesia

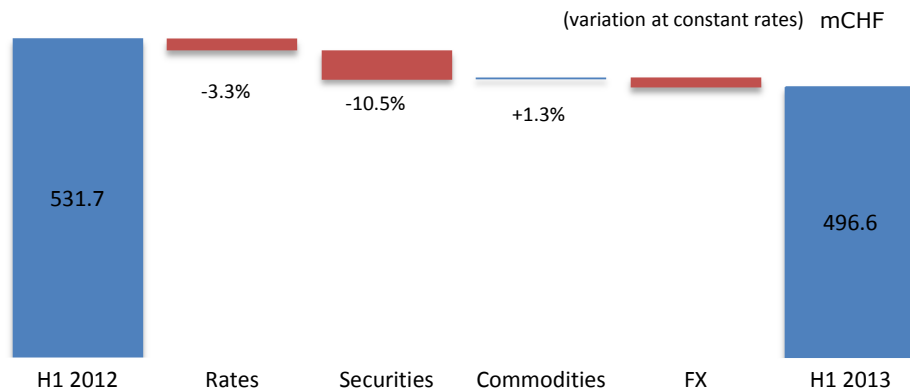
In % of consolidated revenue



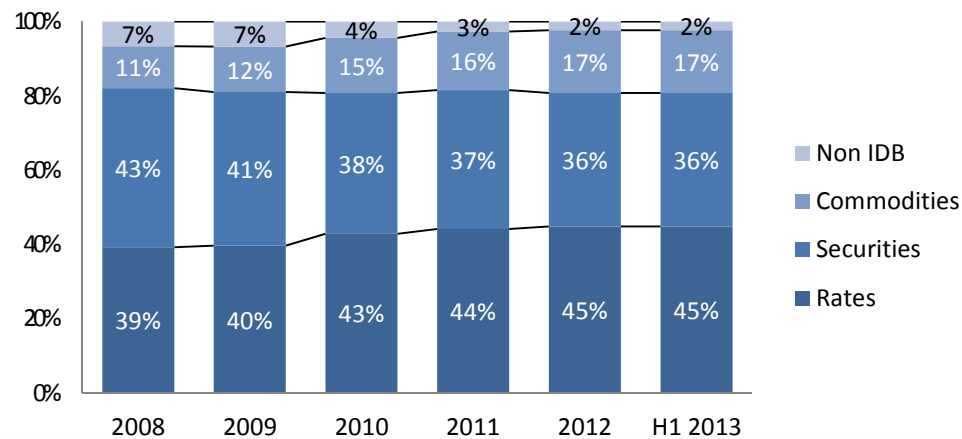
Revenue by product

Mixed impact of regulation uncertainties

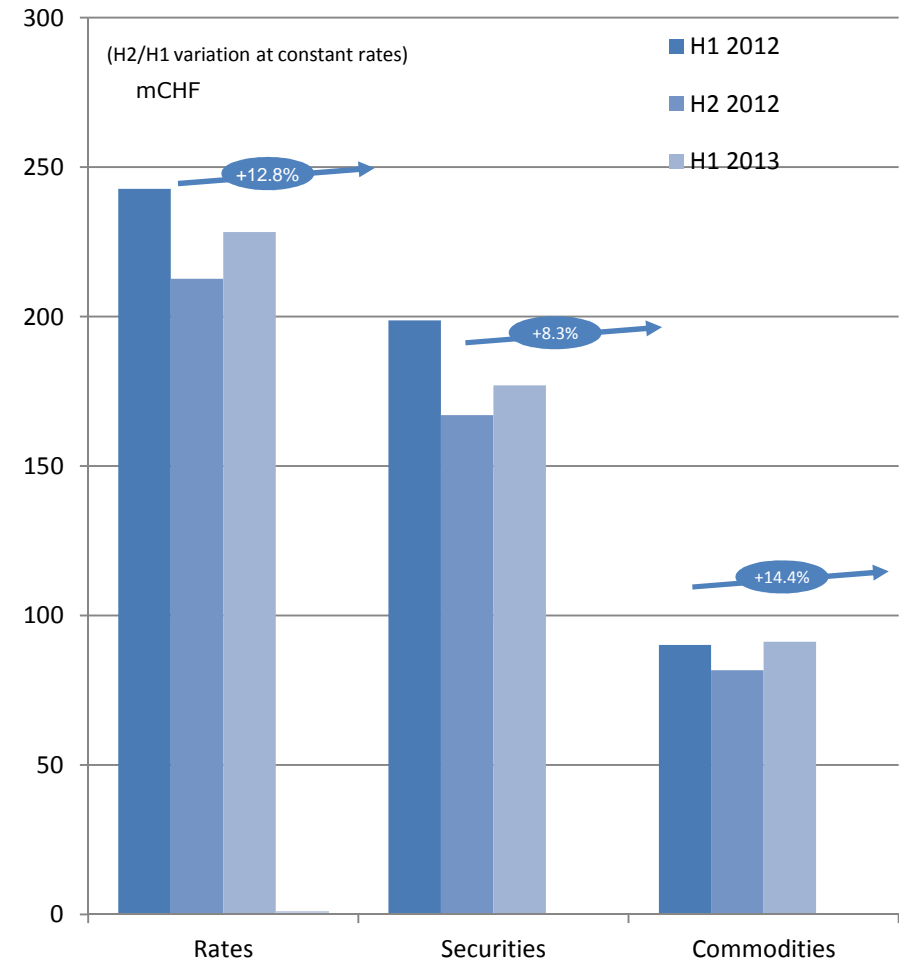
IDB revenue by product



Revenue breakdown



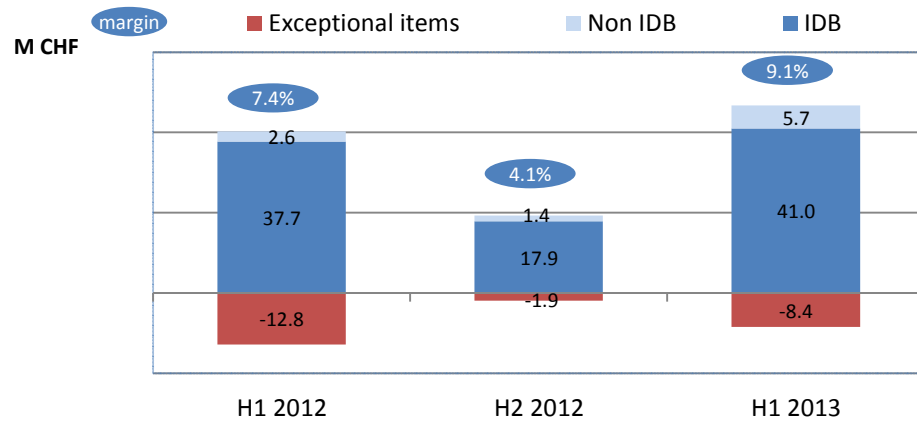
IDB Revenue trend



Underlying operating margin up from 7.4% to 9.1%

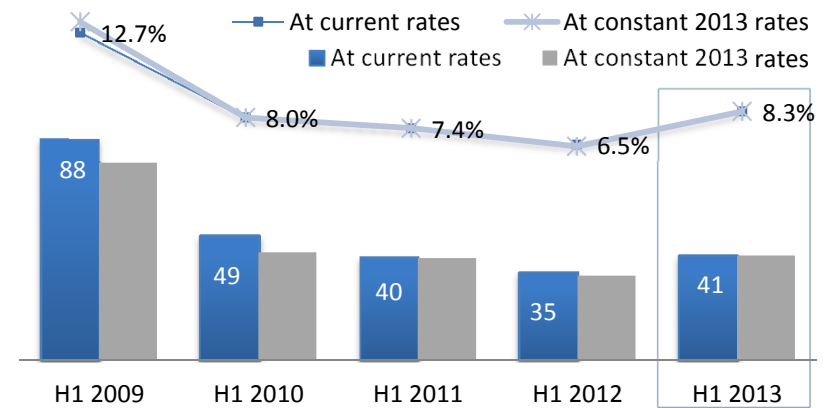
Results fully benefited from the costs reduction measures

Underlying operating profit

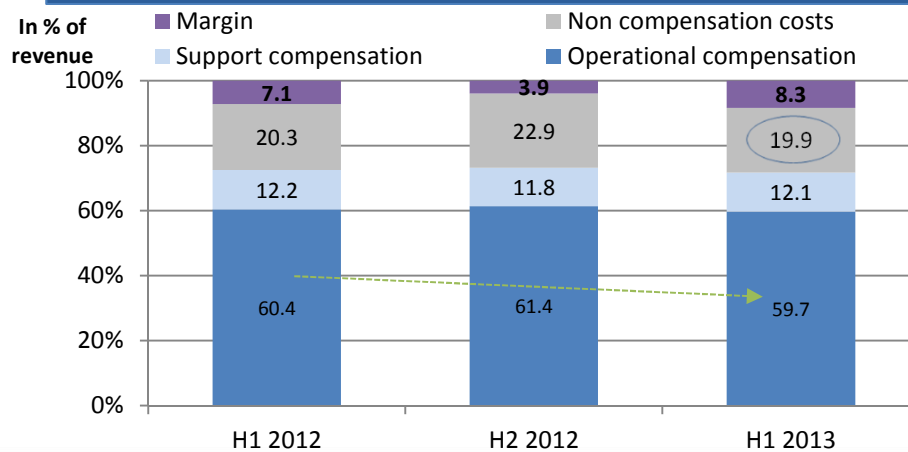


IDB operating profit before D&A

(including exceptional items)



IDB underlying operating ratios



Other IDB KPIs

	H1 2013	FY 2012	H1 2012
Broker headcount (end of period)	1 355	1 389	1 449
Average broker annual productivity (CHF)	723k	687k	721k
Broker variable on total compensation	44.6%	40.0%	42.6%
Support headcount (including direct broker support)	906	908	944

Net profit – Group share up 66.6% to CHF 21.5m

Decrease of effective tax rate

Reported operating profit

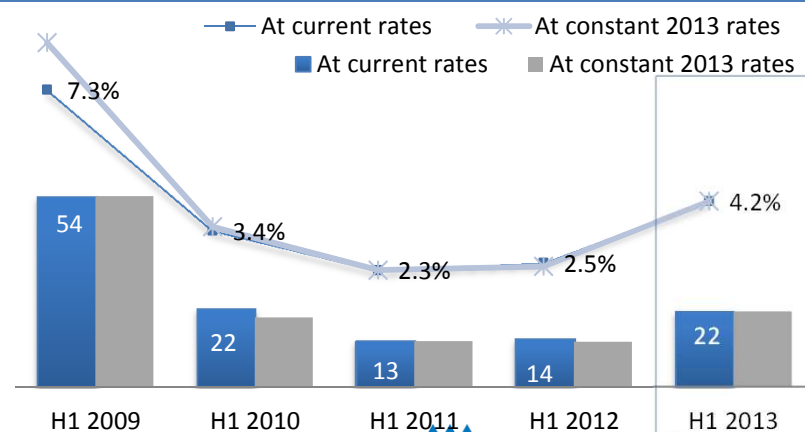
M CHF	H1 2013	H1 2012	Var cst.	Var cur.
Underlying operating profit	46.7	40.3	+16.0%	+22.2%
Amortisation of intangibles	-2.0	-2.8		
Exceptional expenses	-6.3	-10.0		
Operating profit (Non-IFRS)	38.3	27.5	+39.5%	+48.6%
Equity method for joint ventures	-9.5	-5.2		
Operating profit as reported	28.8	22.3	+28.8%	+35.0%

Net profit – Group share

M CHF	H1 2013	H1 2012	Var cst.	Var cur.
Reported operating profit	28.8	22.3	+35.0%	+28.8%
Net financial result	-0.2	0.4		
Share of profit of associates and joint ventures	7.8	4.3		
Profit before tax	36.4	27.0	+43.0%	+35.2%
Income tax	-9.8	-9.7	+8.4%	+2.0%
<i>Underlying effective tax rate</i>	38%	43%		
Net profit for the period	26.6	17.3	+62.4%	+53.8%
Net profit - Group share	21.5	13.6	+66.6%	+58.9%

- Results still impacted by exceptional items
 - Mostly legal fees and restructuring costs
 - Amortisation of related intangibles ending March 2014
- Share of profit of associates and joint ventures up 82.8%
 - Gaitame net profit multiple by close to 4x
 - Improved performance in our associate companies covering Brazil and Mainland China
- Reduction of operating expenses also led to an improved effective tax rate

Net profit - Group share



Consistent focus on sound balance sheet and capital position

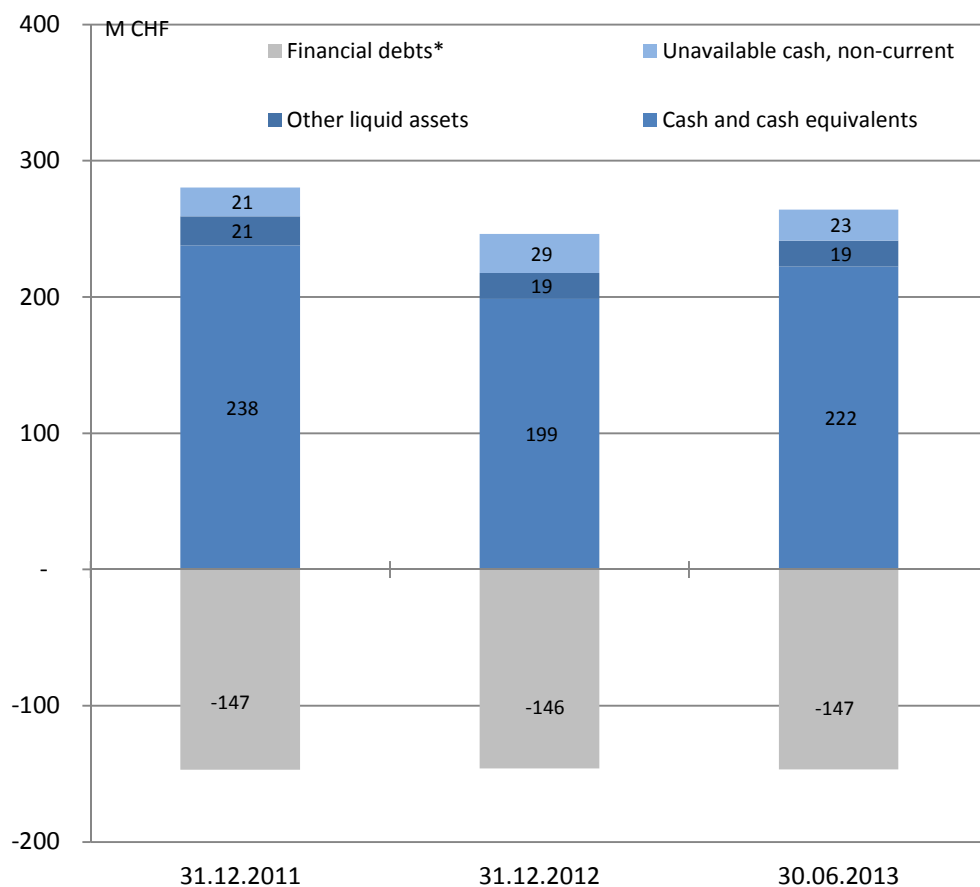
Organic growth strategy reflected with net cash position and low intangible assets

M CHF	Assets		M CHF	Liabilities	
	30.06.13	31.12.12 restated		30.06.13	31.12.12 restated
Property, Plant & Equipment	23.6	25.6	Capital	16.8	16.2
Intangible assets	50.2	50.1	Share premium	44.5	47.9
Investments in associates and joint ventures	141.7	164.0	Treasury shares	-8.1	-6.5
Available-for-sale financial assets (AFS)	9.5	7.2	Currency translation	-114.5	-106.3
Unavailable cash			Consolidated reserves	363.8	342.1
Other non-current assets	32.3	31.4	Minority interests	55.7	57.3
Non-current assets	280.2	306.8	Equity	358.2	350.7
Receivables related to MP activities	529.5	283.8	Non-current liabilities	40.6	43.4
Receivables related to AH activities	20.5	18.5			
Trade & other receivables	219.7	200.6	Short term financial debts	178.7	151.1
Financial assets at fair value and AFS	9.4	11.8	Payables related to MP activities	493.3	275.9
Cash & Cash equivalents	222.3	198.7	Payables related to AH activities	23.4	20.6
Other current assets	13.1	13.7	Trade & other payables	200.5	192.2
Current assets	1,014.5	727.1	Current liabilities	895.9	639.8
TOTAL ASSETS	1,294.7	1,033.9	TOTAL EQUITY AND LIABILITIES	1,294.7	1,033.9

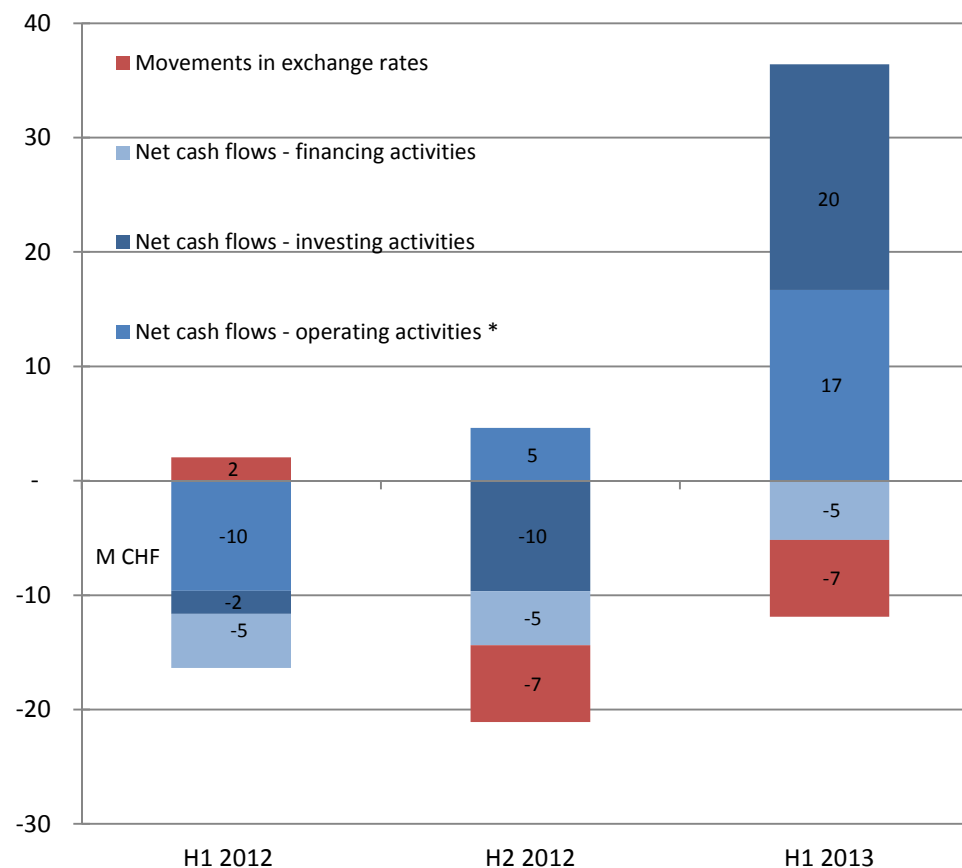
Net cash position

Improved operating cash flows

Net cash position trend



Net adjusted cash flows trend*

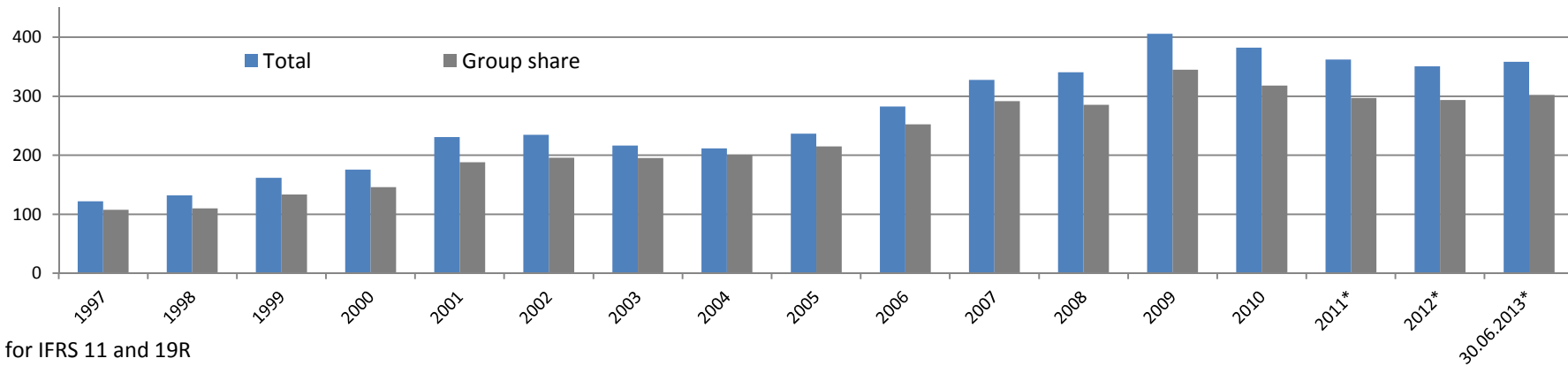


* Adjusted from variation in MP activities

Shareholders' equity and capital structure

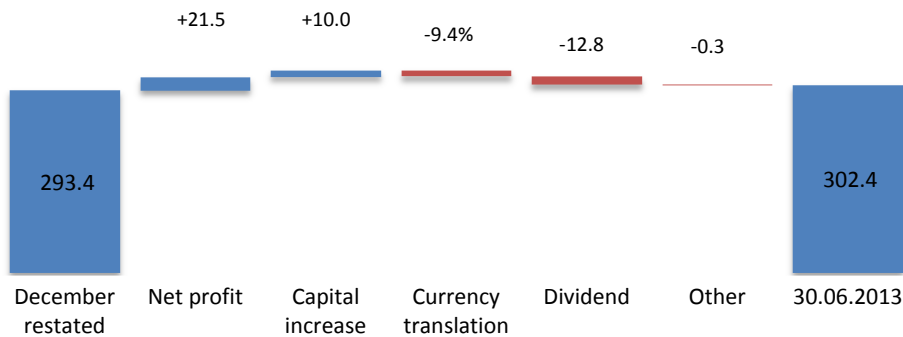
Significantly differentiates the Group from its competitors

Shareholders' equity trend

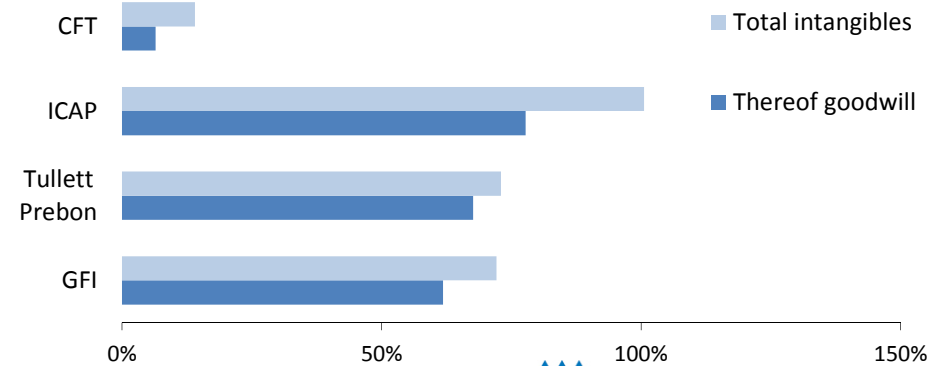


*Restated for IFRS 11 and 19R

Shareholders' equity – Group share bridge



Capital structure comparison¹



Outlook

- Leverage on key electronic initiatives to deploy the Group's electronic strategy
- Continue to reduce costs while maintaining investments in technology
- Consider growth opportunities arising from regulatory evolution
- Maintain consistent focus on sound balance sheet and capital position
- Shape tomorrow's IDB industry

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Appendix

- **Trad-X** is designed to present a global future-proof method of trading OTC derivatives in a shifting regulatory landscape
- **Trad-X** offers a flexible execution methodology utilising hybrid, voice and electronic capabilities and the provision of functionality that meets the demands of today's market
- **Trad-X** has been designed and continues to be developed in conjunction with market participants in order to meet their requirements on an ongoing basis

**THE HYBRID TRADING PLATFORM
DESIGNED WITH TRADERS IN MIND**



Founder streaming participants include:



INSTRUMENT	BS	PAY	RCV	OS	LAST	LS	TS	%CHG
Fixed vs 6M EURIBOR								
1Y	310	0.3915	0.397	400				
2Y	200	0.4955	0.501	310	0.521	100	100	+0.00
3Y	82	0.6525	0.6595	82	0.692	82	82	+0.00
4Y	305	0.8615	0.8715	260	0.8785	31		-2.39
5Y	100	1.081	1.0875	100	1.088	47.70	50	-2.90
6Y	116	1.288	1.2965	100	1.305	21		-1.69
7Y	75	1.479	1.4855	75				
8Y	100	1.648	1.657	27				
9Y	100	1.7995	1.80925	48.50				
10Y	50	1.938	1.9435	25	1.942	25	45	-2.31
11Y	20	2.0575	2.065	71				
12Y	25	2.161	2.1685	25				
15Y	15	2.3845	2.3935	50				
20Y	75	2.5385	2.549	50				
25Y	25	2.58275	2.595	50				
30Y	13	2.596	2.6055	50	2.6035	20		+0.00
2x5	100	58.10	59.15	100				
2x10	100	143.80	144.70	50				
5x10	100	85.25	85.95	25	85.40	25	25	+0.00
10x30	40	65.50	66.50	75	65.50	20	20	+0.00
2x5x10	100	-27.50	-26.50	200				
5x7x10	100	-6.45	-5.80	75				
10x12x15	25	-0.35	0.10	25				
10x15x30	13	22.35	24.45	13				
10x20x30	25	54.30	55.05	25				
20x25x30	25	3.10	3.55	25				
Spread vs CTD (BFX)								
DEC '13 - 2Y (SCHATZ)	310	34.45	35.45	110				
DEC '13 - 5Y (BOBL)	100	48.65	49.65	200				
DEC '13 - 10Y (BUND)	50	34.40	35.35	27				
One Year Gap Flvs								
2x3x4	75	-5.70	-4.70	55				

DATE/TIME	INSTRUMENT	RATE/SPREAD	SIZE	VWAP	DIFF
10:48:59.266	5x10Y EUR AB vs 6M EURIBOR	85.40	25	85.4	
10:39:14.632	10Y EUR AB vs 6M EURIBOR	1.949	25	1.9663	0.0005
10:13:24.908	4x5x6Y EUR AB vs 6M EURIBOR	1.15	50	1.28	-0.2
10:09:13.941	10x30Y EUR AB vs 6M EURIBOR	65.90	20	65.5	
10:07:48.463	5Y EUR AB vs 6M EURIBOR	1.106	50	1.106	-0.0145
10:01:39.719	2Y EUR AB vs 6M EURIBOR	0.521	100	0.521	
10:01:15.987	4x5x6Y EUR AB vs 6M EURIBOR	1.35	100	1.35	
10:00:39.497	3Y EUR AB vs 6M EURIBOR	0.692	82	0.692	
09:29:16.812	10Y EUR AB vs 6M EURIBOR	1.988	20	1.988	
08:14:51.711	10x30Y GBP SB vs 6M LIBOR	65.75	10	65.75	

Trad-X LIQUIDITY AT A TOUCH



- Since launch in May 2011, matched around 18,000 orders amounting to a notional traded of almost €1 trillion
- EUR IRO auction launched in June 2013

Trad-X LIQUIDITY AT A TOUCH



- Since launch in February 2013, matched 4,000 orders amounting to a notional traded of \$155 billion
- Ready and fully compliant with the now enacted 'Swap Execution Facility' rule from CFTC

Trad-X LIQUIDITY AT A TOUCH



- Since launch in June 2013, matched around 350 orders amounting to a notional traded of almost GBP 5 billion
- GBP IRO auction launched in June 2013

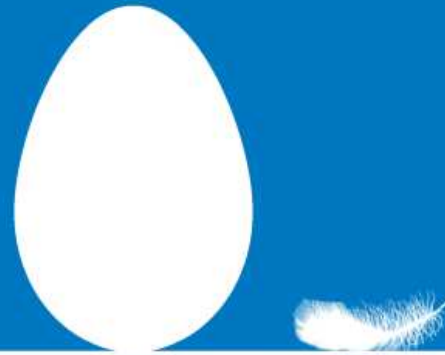
Trad-X LIQUIDITY AT A TOUCH



- Forseen evolution depending on market appetite and customer feedback

Pure innovation and evolution in global FX.

Discover more >



Accessible



Open to all regardless of size or location

Equitable



Fair trading environment for all participants

Innovative



Designed to complement and invigorate the market

Efficient



High quality and efficient execution at competitive prices

Transparent



Enhanced trade cycle transparency

Founder streaming participants include:



BNP PARIBAS

Deutsche Bank



Morgan Stanley



三菱東京UFJ銀行



RBC Royal Bank



STATE STREET



INSTRUMENT	BOC	BS	BID	OFFER	OS	OOC	SP	LAST	LS	TS	%CHG
SP GBP/USD	✓	1	1.60615	1.60635	1	✓		1.6062	1	58	-0.05
SP USD/ZAR	✓	1	9.8540	9.8615	1	✓					
SP USD/MXN	✓	1	12.8330	12.8380	1	✓		12.8405	1	10	-0.33
SP EUR/NOK	✓	1	8.1025	8.1065	1	✓					
SP GBP/JPY	✓	2	157.69	157.72	2	✓		157.64	1	1	+0.16
SP USD/CHF	✓	1	0.89610	0.89635	1	✓					
SP USD/JPY	✓	4	98.170	98.180	1	✓		98.17	1	156	-0.04
SP GBP/CHF	✓	1	1.4393	1.4398	1	✓					
SP USD/SGD	✓	1	1.23660	1.23725	1	✓					
SP EUR/SEK	✓	1	8.7810	8.7840	1	✓					
SP EUR/USD	✓	1	1.37675	1.37690	1	✓		1.3767	1	249	+0.00
SP EUR/DKK	✓	1	7.4583	7.4587	1	✓					
SP EUR/JPY	✓	2	135.170	135.190	2	✓		135.145	1	51	-0.05
SP AUD/USD	✓	1	0.94930	0.94950	1	✓		0.9488	1	118	-0.03
SP USD/CAD	✓	1	1.04650	1.04665	2	✓		1.0467	1	104	+0.02
SP USD/ILS	✓	1	3.5110	3.5165	1	✓					
SP EUR/GBP	✓	1	0.85715	0.85725	2	✓		0.85705	1	9	+0.04
SP EUR/CHF	✓	3	1.23390	1.23410	2	✓					
SP USD/HKD	✓	1	7.7535	7.7538	1	✓					
SP NZD/USD	✓	1	0.82475	0.82515	1	✓					

DATE/TIME	INSTRUMENT	PRICE	SIZE	VWAP	DIFF	B...S...
17:50:28.433	GBP/JPY	157.64	1	157.64	0.25	...
17:50:28.193	EUR/USD	1.3767	1	1.37587	0.0003	...
17:48:01.820	USD/MXN	12.8405	1	12.8797	-0.042	...
17:42:52.224	USD/CAD	1.0467	1	1.04565	0.0001	...
17:41:07.617	GBP/USD	1.6062	1	1.60572	...	...
17:40:17.813	GBP/USD	1.6062	1	1.60571	...	...
17:39:01.874	EUR/GBP	0.85705	1	0.85662	0.00035	...
17:39:01.753	GBP/USD	1.6062	1	1.6057	...	...
17:39:01.753	GBP/USD	1.6062	1	1.60569	-0.0005	...
17:38:33.035	USD/CAD	1.0466	1	1.04564	-0.0001	...
17:38:22.679	USD/CAD	1.0467	1	1.04564	-0.00015	...
17:36:38.760	USD/JPY	98.17	1	98.211	-0.03	...
17:32:40.708	EUR/JPY	135.145	1	135.108	0.005	...
17:31:22.620	AUD/USD	0.9488	1	0.94925	-0.00005	...
17:31:19.510	EUR/JPY	135.14	1	135.108	-0.02	...
17:30:29.734	EUR/USD	1.3764	1	1.37586	...	...
17:29:39.097	USD/JPY	98.20	1	98.212	0.04	...
17:28:49.160	EUR/USD	1.3764	1	1.37586	-0.0002	...
17:28:22.897	USD/CAD	1.04685	1	1.04562	...	...
17:28:22.897	USD/CAD	1.04685	1	1.04561	0.00005	...
17:24:24.605	EUR/USD	1.3766	1	1.37586	...	...
17:21:47.634	AUD/USD	0.94885	1	0.94926	-0.00025	...
17:20:51.118	EUR/USD	1.3766	1	1.37586	0.0001	...
17:14:07.852	EUR/USD	1.3765	1	1.37585	...	...
17:14:07.832	EUR/USD	1.3765	1	1.37585	...	...
17:14:07.752	EUR/USD	1.3765	1	1.37585	-0.0002	...
17:10:15.398	USD/CAD	1.0468	1	1.0456	0.0003	...



• 16 currencies accounting for 20 major currency pairs



- 11 Market Makers committed to provide a two side liquidity
- Enhanced trade cycle transparency – lit pre-trade, full disclosure post-trade
- Democratic incorporation of trading costs into actual transaction
- Transparent trading pricing set equally for all users
- At-cost market data distributed in parallel to all active participants



- Low-cost and easy access through industry-standard FIX protocol API
- Operating from Sunday evening to Friday evening London time with a 24 hours * 7 days IT Operation team
- Round the clock Trading Operations team to service Customer request

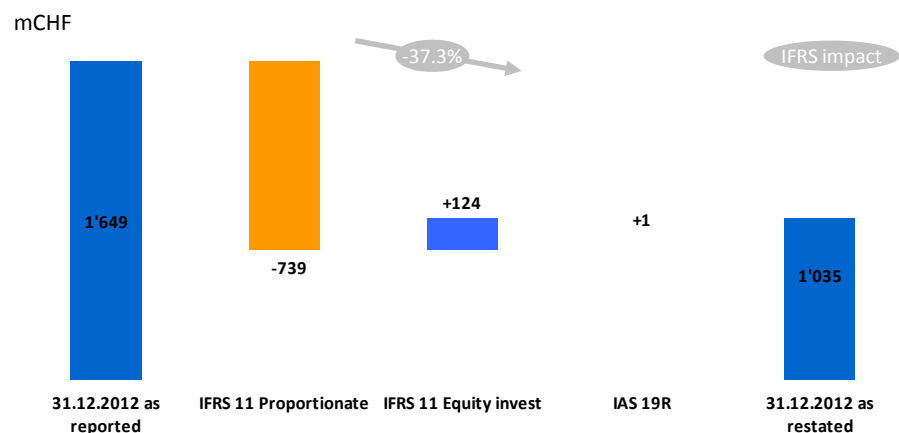


- Able to process more than 1 Billion orders and generate 100,000 trades per day
- State of the art data center facility with fully fault tolerant and redundant infrastructure

Implementation of new accounting standard

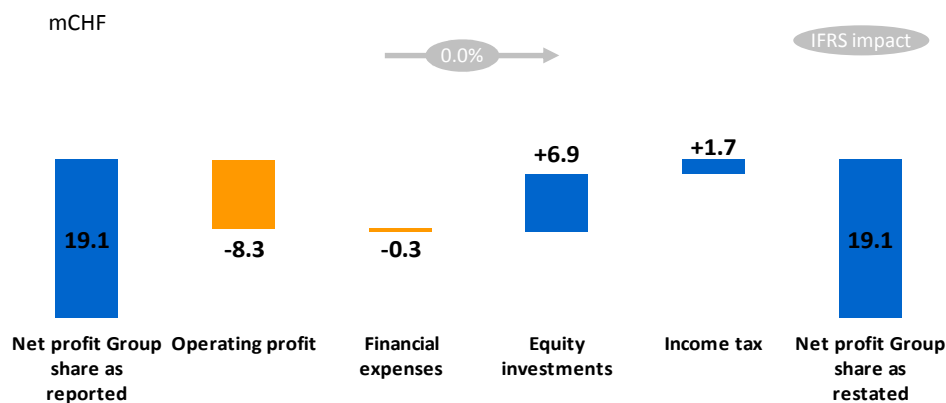
Reduce total assets but no impact on net profit Group share

Total assets bridge



- Total assets at 31 December 2012 reduced by a net amount of CHF 614.8m or 37.3%
 - Net assets now presented as equity investments which increased by CHF 124.2m
 - Main impact from Gaitame's clients deposits

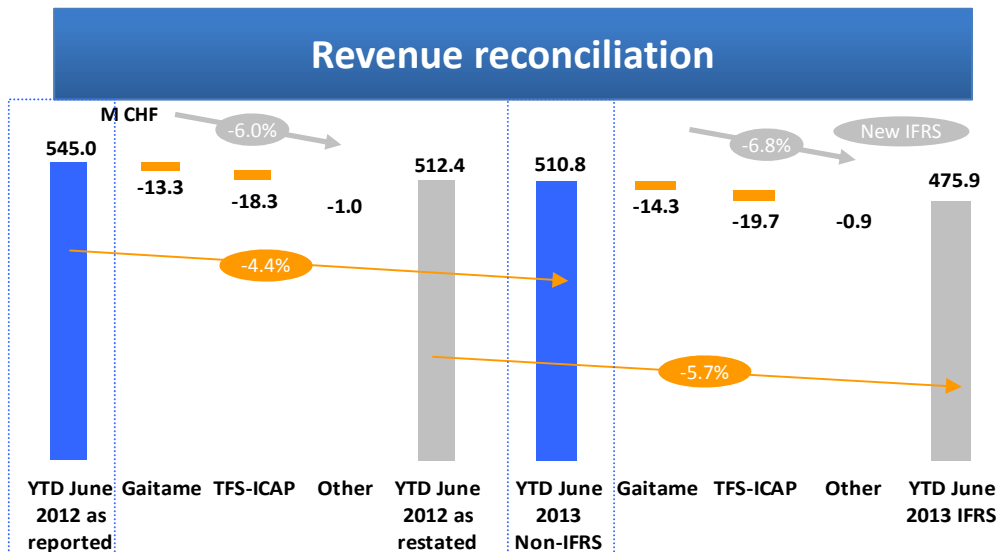
Net profit Group share bridge



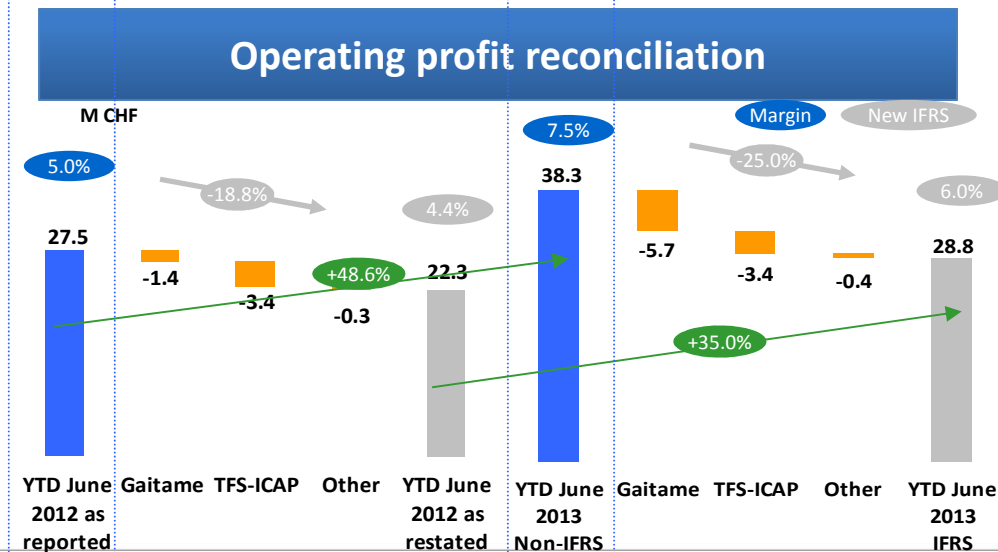
- IFRS 11 reduced most income statement line items without impacting net profit Group share as the net amount of joint ventures is now presented on a single line in P&L below operating profit.
- For instance, the change in operating profit is explained by :
 - Reduction of operating income by CHF 61m (6.0%) and operating expenses by CHF 53m (5.4%)

Implementation of new accounting standard

Reconciliation of revenue and operating profit



- Change in consolidation method from proportionate to equity led to an overall decrease in revenue of 6.8% or CHF 34.9m for the period ended June 2013 (6.0% or CHF 32.6m in 2012)
- Main entities impacted by the change are Gaitame and Tradition-ICAP joint ventures
- On same basis as previously reported (Non-IFRS), revenue are down 4.4% in constant terms



- IFRS Impact: Decrease of operating profit by 25.0% or CHF 9.5m for the period ended June 2013 (18.8% or CHF 5.2m in 2012)
- IFRS YTD June 2013 operating profit up CHF 6.5m or 35.0% yoy in constant currencies for an operating margin of 6.0%
- On same basis as previously reported (Non-IFRS), operating profit is up 48.6% for an operating margin of 7.5%

Shareholding structure

Founder background

Patrick Combes currently serves as the Chairman of the Board and CEO of VIEL et Compagnie Finance, VIEL & Cie and Compagnie Financière Tradition

1978 - MBA from Columbia University

1979 - Acquires VIEL & Cie, a small scale money broker with 3 employees

1996 - Takes control of Compagnie Financière Tradition

Patrick Combes has led the development of his group into a global financial market player while remaining a majority shareholder

Chevalier de la Légion d'Honneur

VIEL & Cie's other investments:

Bourse Direct: largest online retail broker in France in market share. Around 75,000 clients. Track record of organic growth and acquisitions. VIEL & Cie played a key role in the consolidation of this sector since the launch of Capitol.fr in 1999. Listed on Euronext

SwissLife Banque Privée (France): Acquisition of a 40% stake in 2007

Simplified legal structure

At 30 June 2013

