

ONE

GLOBAL

FORCE

Compagnie Financière Tradition

FY 2014 results presentation

Zurich

13 March 2015

Early signs of revenue stabilisation

Underlying operating profit up 15.1% to CHF 67.9m

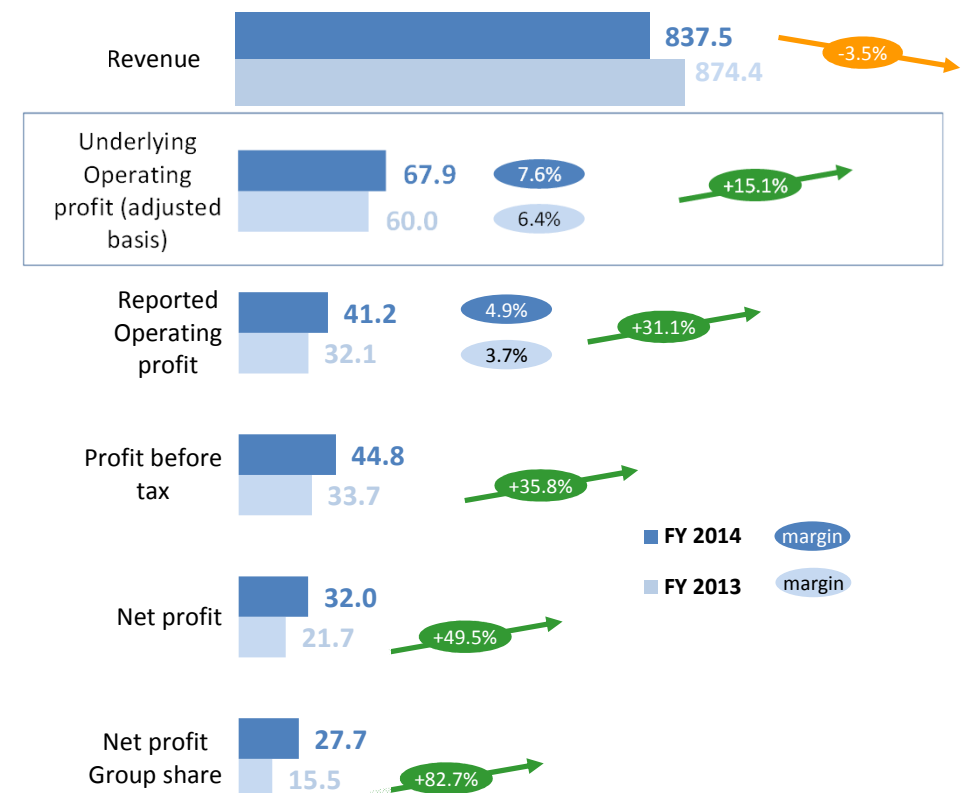
Results at a glance

- Improved market share despite revenue down 3.5% in constant currencies
- Signs of stabilisation; still too early to confirm real trend
- Improved operating profit benefiting from the continuous effort to adapt the cost base
 - More than CHF 180 millions in gross savings since 2012
- Continued significant investments in distinctive technology to adapt to tomorrow's business model having negative short term financial implications
 - Award-winning platforms with Trad-X and ParFX
- Strong cash position with significant improvement in net cash flow from operating activities
 - up year of year circa CHF 43m to reach CHF 67.2m
- Shareholder's equity Group share increase to CHF 342m
 - Reorganisation of Japanese businesses
- Proposed dividend of CHF 3.00; in cash or shares

FY 2014 Performance

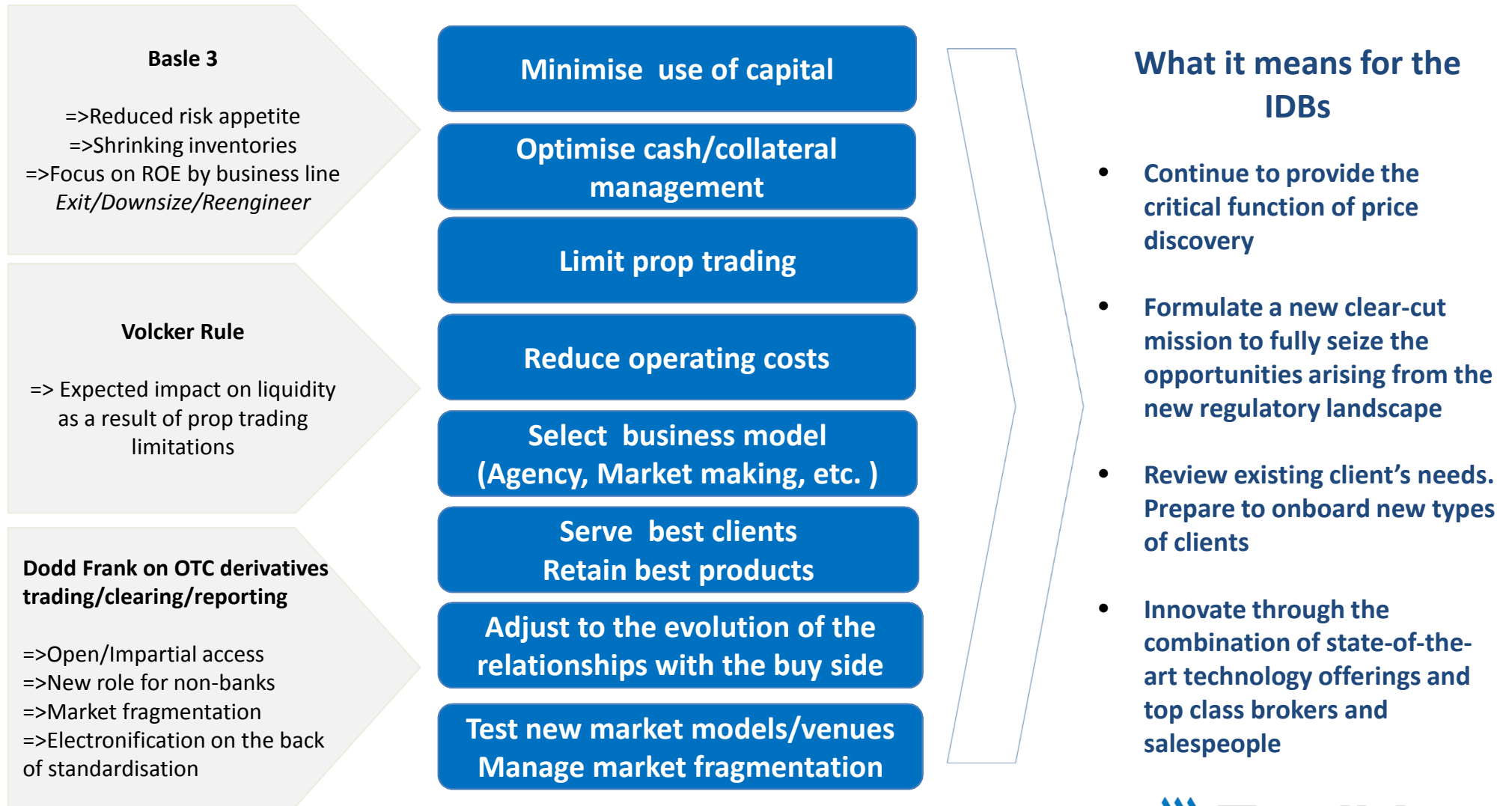
M CHF

(Variation at constant rates)

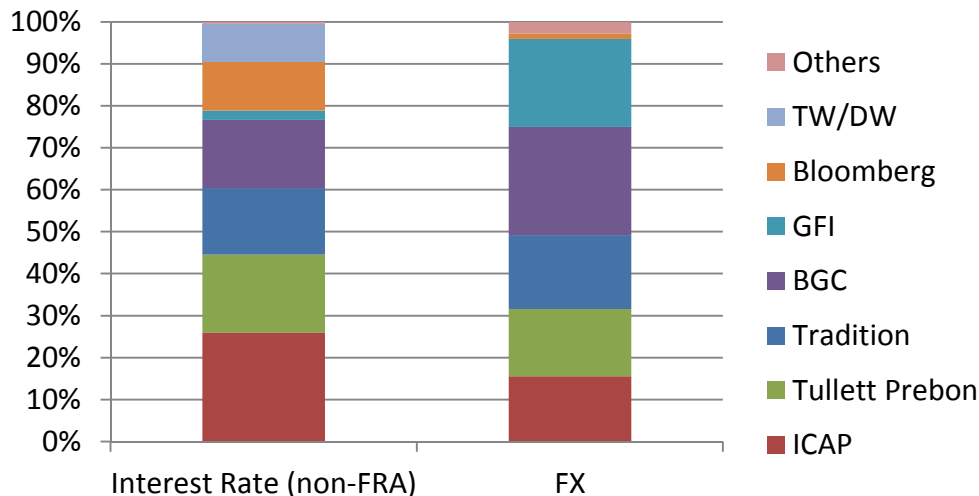
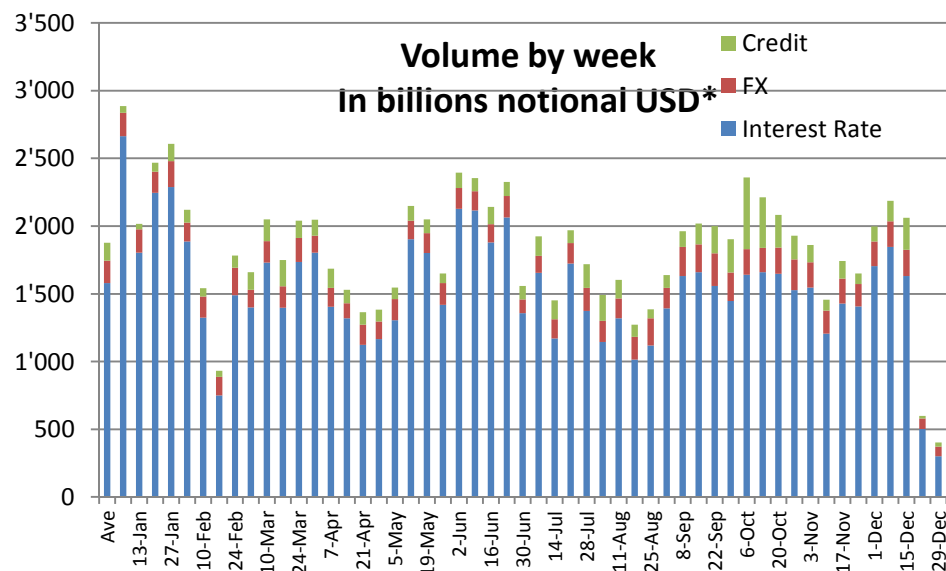


The compounded impact of post-Lehman new regulations

A new reality for IDB's core clients forcing them to develop a new vision



In the new SEF landscape, IDBs are key contenders



Convergence between D2D and D2C embedded in the spirit of Dodd-Frank

MAT** products can no longer trade bilaterally in the US

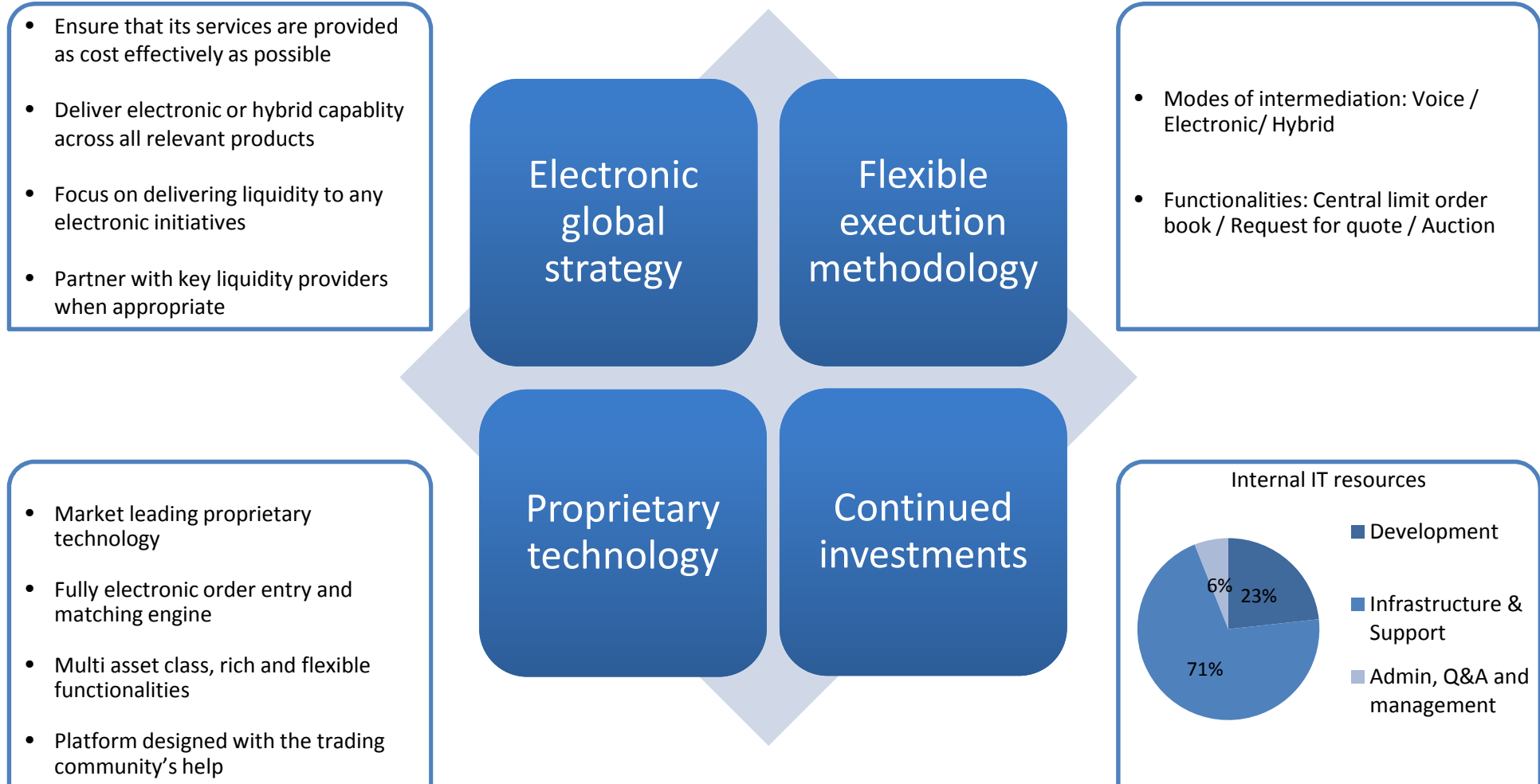
Bilateral D2C volume is moving to platforms with large buy side connectivity even if they are not necessarily offering the « ultimate price»
=> IDBs need to educate clients about value of CLOB/Hybrid electronic execution and design possible models for All-to-All markets

Europe to follow in 2017. CFTC lately more open to find solutions to extraterritorial impacts of new regulations

Opportunity for Tradition to gain market share thanks to quality of platform

Ongoing investments in distinctive technology

Award-winning platforms with Trad-X and ParFX



Successfully launched new electronic initiatives

Increased number of market participants

Tradition-ICAP

- Pioneer and global market leader in FX options in partnership with Volbroker consortium
- CLOB, RFQ, Auction, Hybrid
- New developments include
 - Logical trading arenas allowing ON/OFF SEF price segregation as well as forming the basis for credit control
 - VolCall, fully electronic broking service replicating voice processes
 - Constellation data mapping tool employing google maps technology allowing clients to visualise open interests mapped against their own risk profiles
- 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 executed more than 30,000 trades amounting to a notional of over CHF 2.3tn (Single Count)
- Largest number of streaming participants producing an average of 10m orders volume per day. More being added
- CLOB, Auction service, Hybrid, Implied order generation
- Positive impact on existing business with increased voice volumes. Leading CLOB SEF

ParFX PURE BY DESIGN

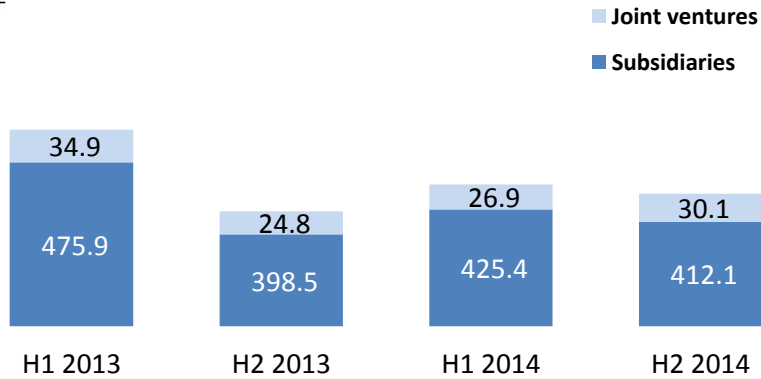
- Successfully launched April 2013. Continued support from 14 founder banks
- Sales penetration continues with top 20 global banks connected
- Price discovery and trading experience remains encouraging as expected
- Volume growth remain challenged in line with market conditions, however market share increasing
- Technology operating well with recently improved latency performance
- Second phase (Prime Brokerage) live and Pilot ended. 8 buy-side connected and trading, 5 additional on-boarding. Sales and marketing plan ongoing.

Revenue overview

Improving market share despite reduction in IDB revenue

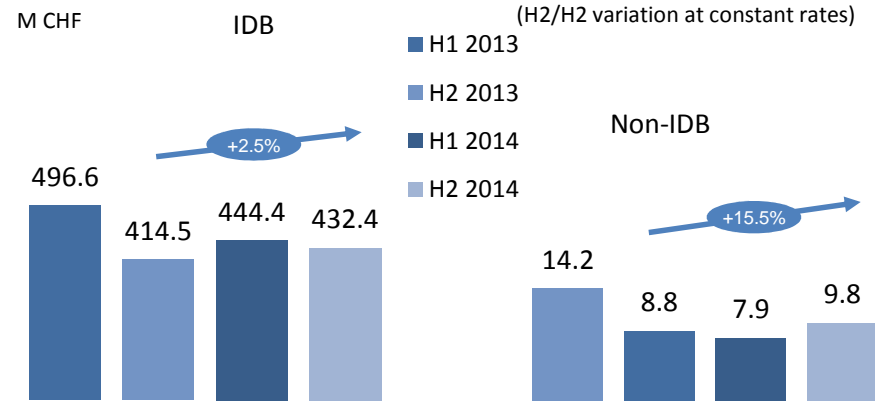
Group half-year revenue

M CHF



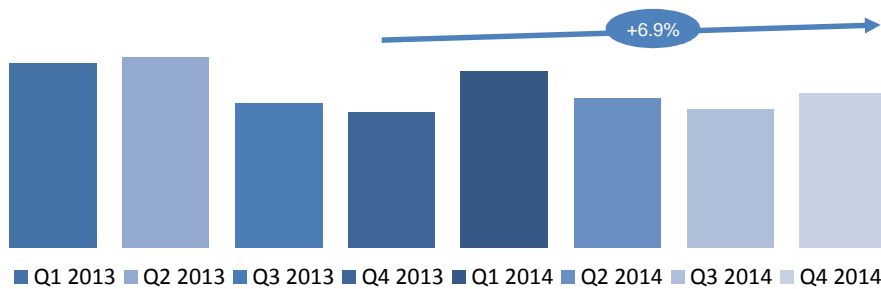
Half-year revenue by business

M CHF



IDB quarterly revenue

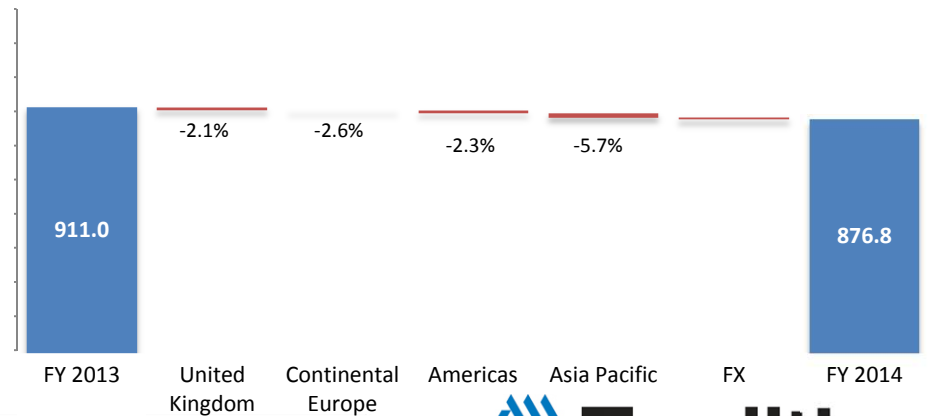
(Figures and variation at constant rates)



IDB revenue by region

M CHF

(Variation at constant rates)



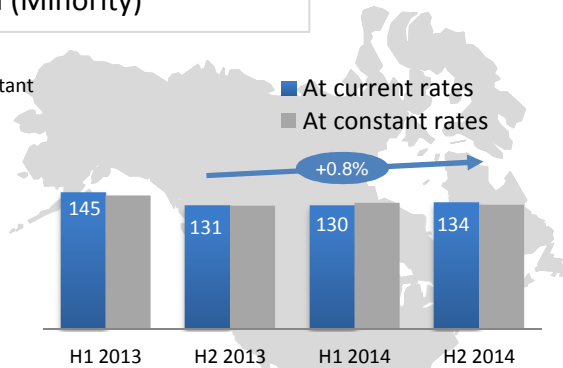
Revenue by region

Strategic positioning through diversified geographical presence

Americas:

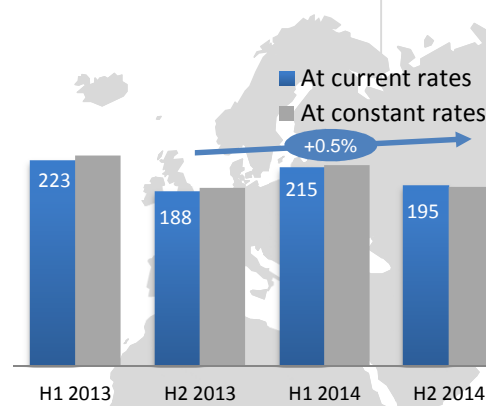
USA, Argentina, Chile, Colombia, Mexico, Brazil (Minority)

Revenue in mCHF
(H2/H2 variation at constant rates)



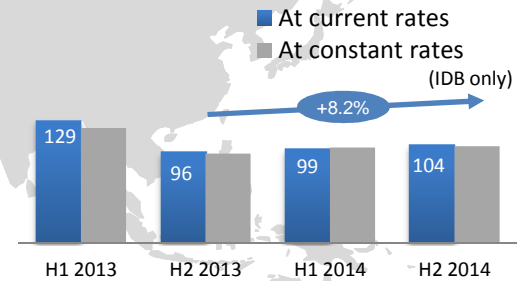
Europe:

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



Middle East / Africa:

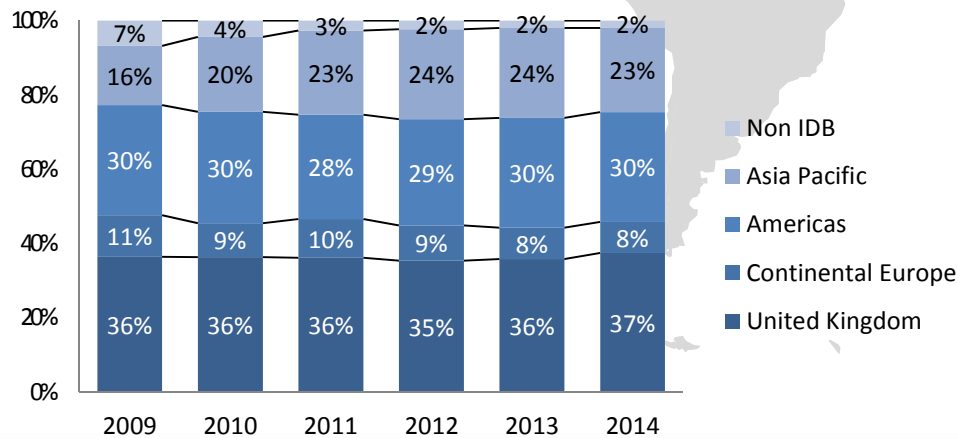
UAE, Israel, South Africa



Asia-Pacific :

Japan, China Mainland, China Hong Kong, India, Malaysia, Singapore, South Korea, Australia, Philippines, Thailand, Indonesia

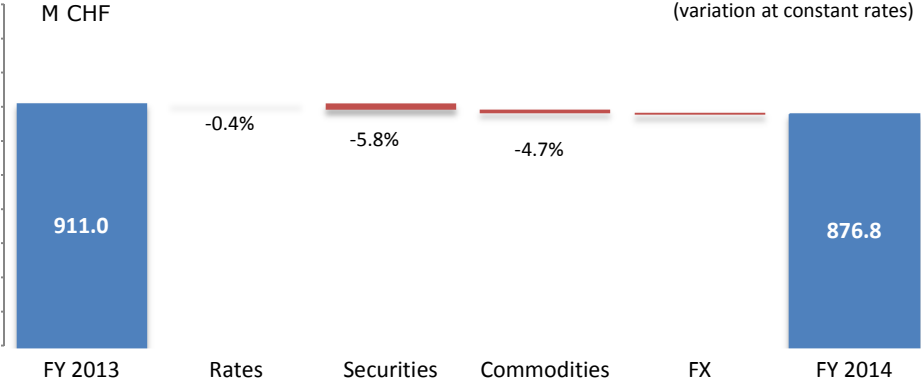
In % of consolidated revenue



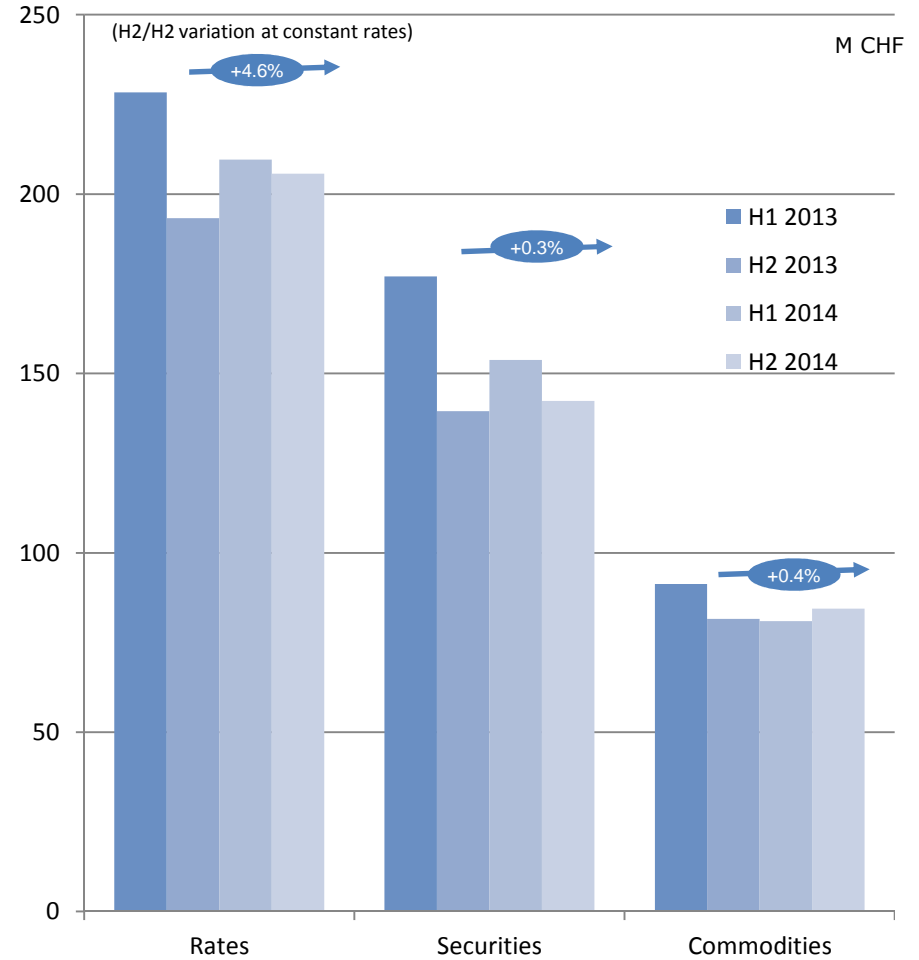
Revenue by product

Overall reduction in all asset classes with mixed regional evolution

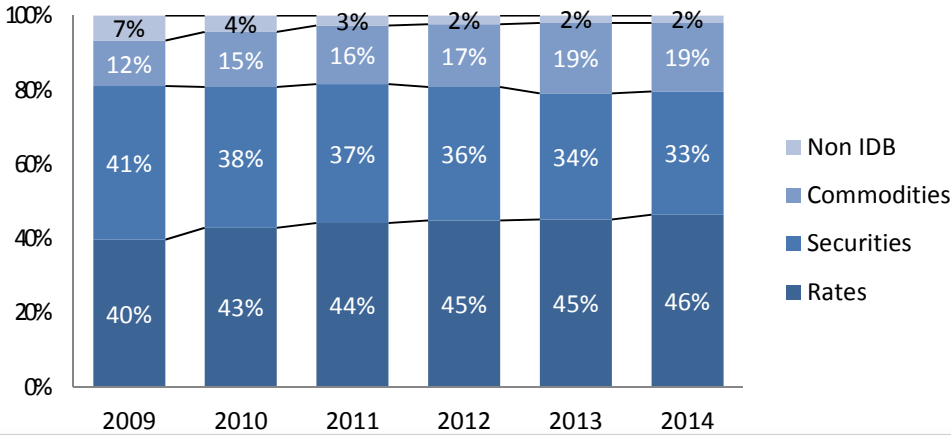
IDB revenue by product



IDB Revenue trend



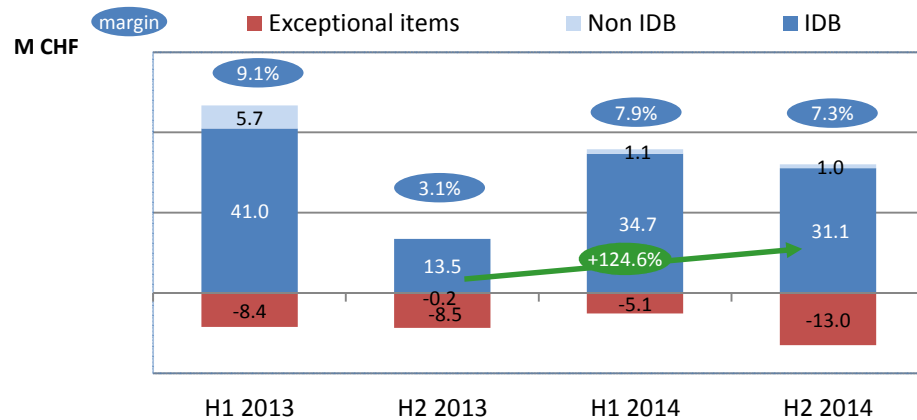
Revenue breakdown



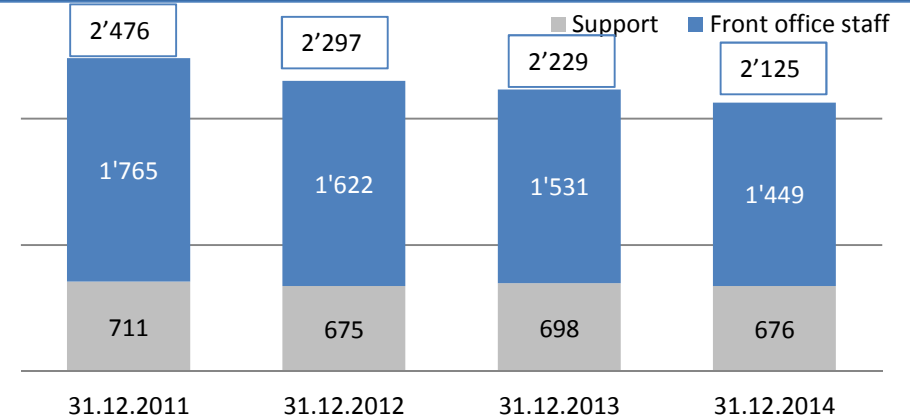
IDB underlying operating margin up to 7.6% from 6.4%

Continued focus on costs reduction with above CHF 180m since 2012

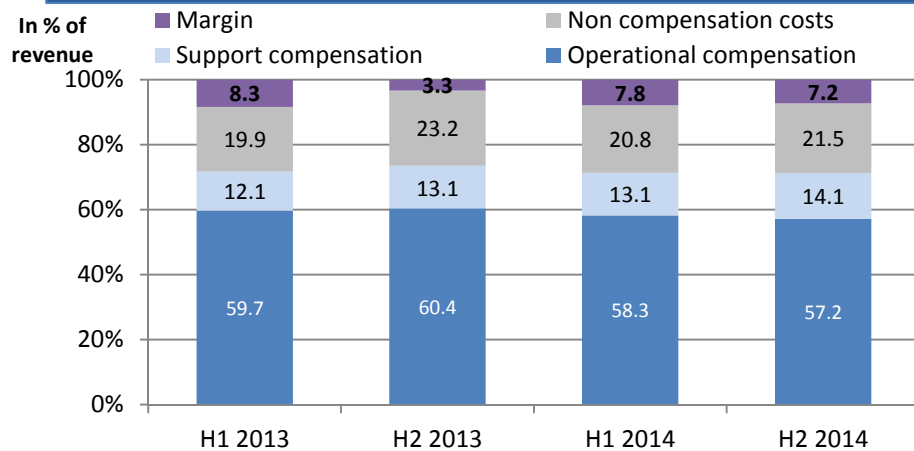
Underlying operating profit



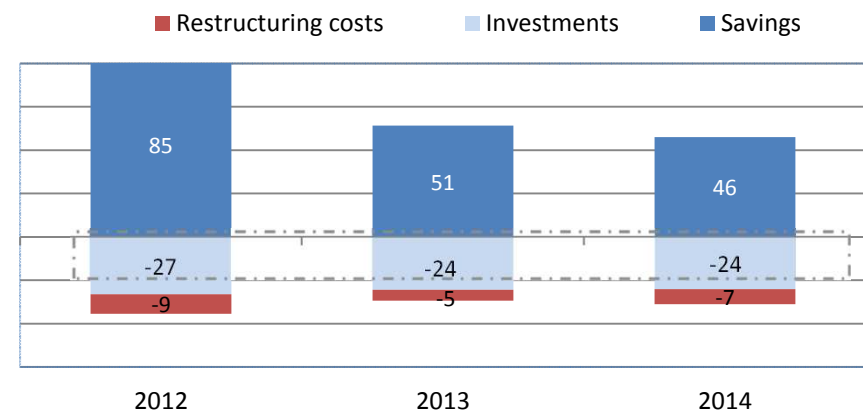
IDB Headcount trend



IDB underlying operating ratios



Savings and invests trend



10

42.5%

FY broker variable compensation

43.6%

Global Leaders In Interdealer Broking

Net profit – Group share of CHF 27.7m

Impact from net financial result

Reported operating profit

M CHF	FY 2014	FY 2013	Var cst.	Var cur.
Underlying adjusted operating profit	67.9	60.0	+15.1%	+13.2%
Amortisation of intangibles	-0.5	-3.2		
Net exceptional expenses	-18.7	-13.7		
Exceptional income	+1.1	-		
Adjusted operating profit	49.8	43.1	+18.0%	+15.5%
Equity method for joint ventures	-8.6	-11.0		
Operating profit as reported	41.2	32.1	+31.1%	+28.1%

Net profit – Group share

M CHF	FY 2014	FY 2013	Var cst.	Var cur.
Reported operating profit	41.2	32.1	+31.1%	+28.1%
Net financial result	-5.0	-6.2		
Share of profit of associates and joint ventures	8.6	7.8		
Profit before tax	44.8	33.7	+35.8%	+33.0%
Income tax	-12.8	-12.0	+11.2%	+7.2%
<i>Effective tax rate</i>	35%	46%		
Net profit for the period	32.0	21.7	+49.5%	+47.2%
Net profit - Group share	27.7	15.5	+82.7%	+79.3%

Net financial result

M CHF	FY 2014	FY 2013
Net interest expense	-5.0	-3.3
Net foreign exchange losses	-0.4	-3.4
Gains on financial assets at fair value	0.2	0.1
Other financial income	0.2	0.4
Net financial expense	-5.0	-6.2

Consistent focus on sound balance sheet and capital position

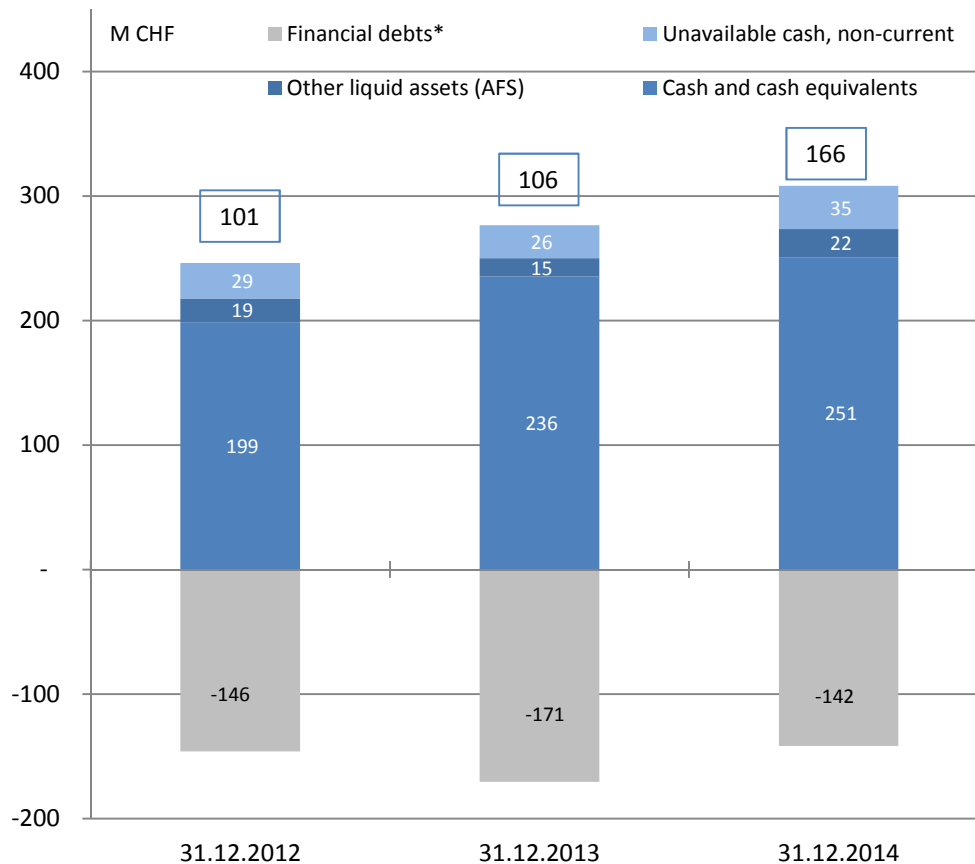
Consolidated equity – Group share increase to CHF 341.7m

M CHF	Assets		M CHF	Liabilities	
	31.12.14	31.12.13		31.12.14	31.12.13
Property, Plant & Equipment	17.7	20.5	Capital	16.8	16.8
Intangible assets	48.0	48.6	Share premium	27.8	44.2
Investments in associates and joint ventures	118.3	127.5	Treasury shares	-12.5	-9.9
Available-for-sale financial assets (AFS)	16.2	7.4	Currency translation	-116.7	-132.5
Unavailable cash	34.7	26.5	Consolidated reserves	426.3	363.4
Other non-current assets	28.6	29.6	Minority interests	12.4	50.5
Non-current assets	263.5	260.1	Equity	354.1	332.5
Receivables related to MP activities	224.3	156.2	Non-current liabilities	145.3	153.0
Receivables related to AH activities	11.1	18.1			
Trade & other receivables	179.4	190.0	Short term financial debts	41.0	57.1
Financial assets at fair value and AFS	6.2	7.2	Payables related to MP activities	202.1	147.5
Cash & Cash equivalents	250.9	235.5	Payables related to AH activities	11.1	18.1
Other current assets	17.0	19.1	Trade & other payables	198.8	178.0
Current assets	688.9	626.1	Current liabilities	453.0	400.7
TOTAL ASSETS	952.4	886.2	TOTAL EQUITY AND LIABILITIES	952.4	886.2

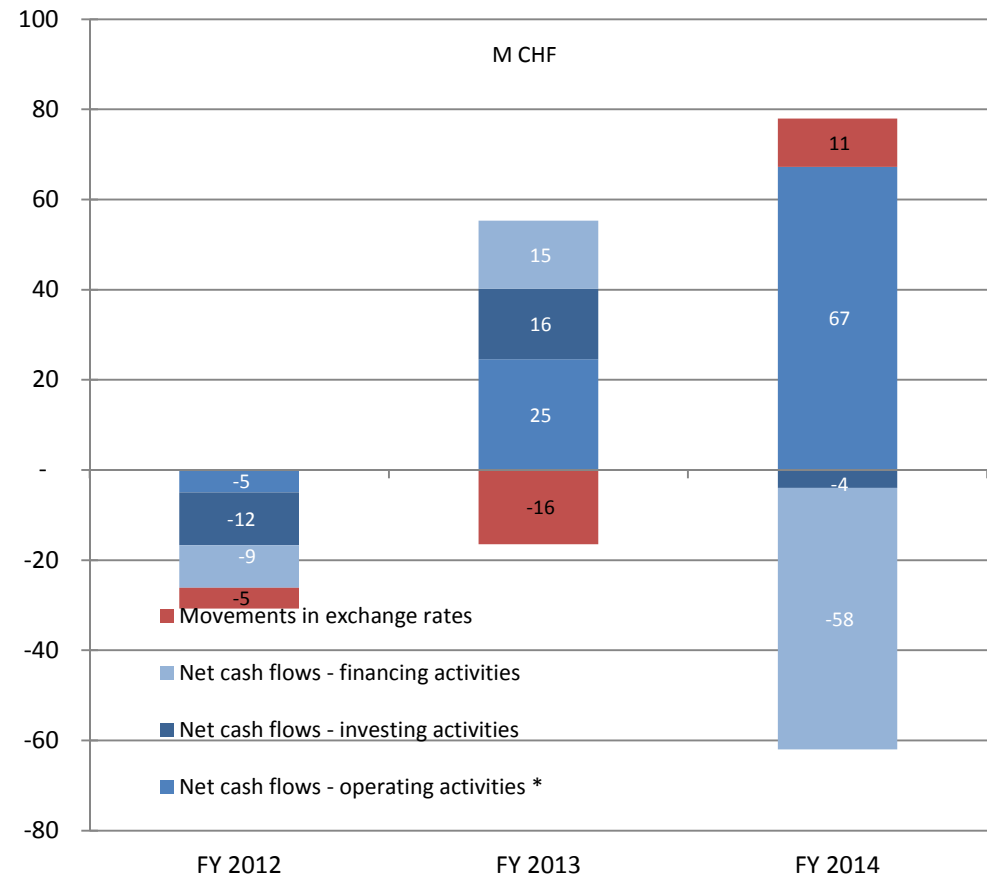
Net cash position

Improved adjusted operating cash flows to CHF 67.2m

Net cash position trend



Net adjusted cash flows trend*

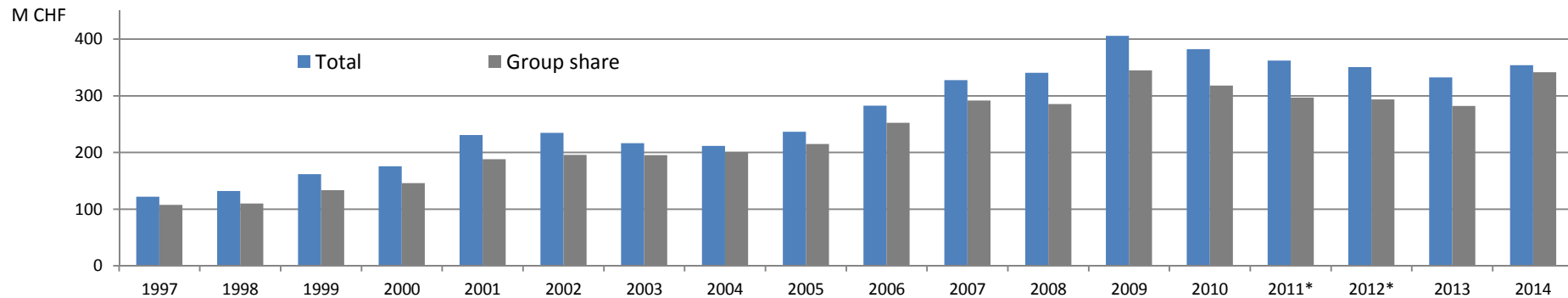


* Adjusted from variation in MP activities

Shareholders' equity and capital structure

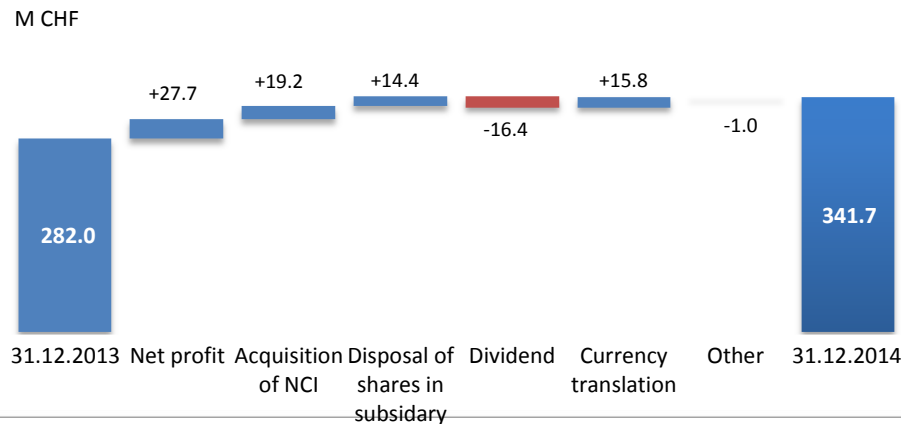
Significantly differentiates the Group from its competitors

Shareholders' equity trend

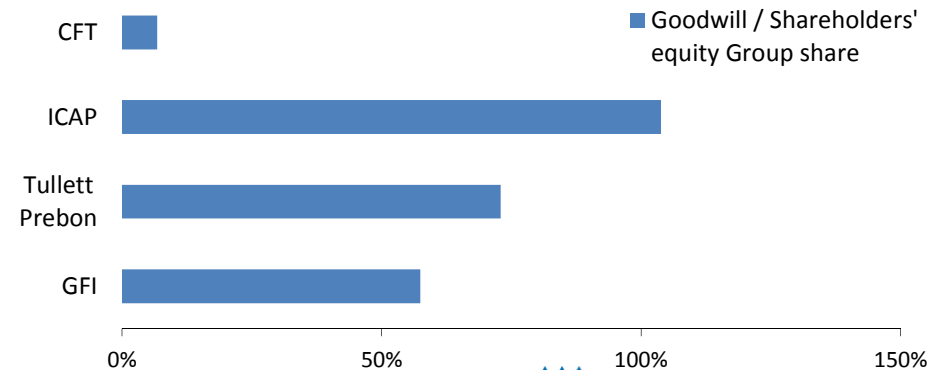


*Restated for IFRS 11 and IAS 19R

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 thanks to our top tier positioning