



Compagnie Financière Tradition

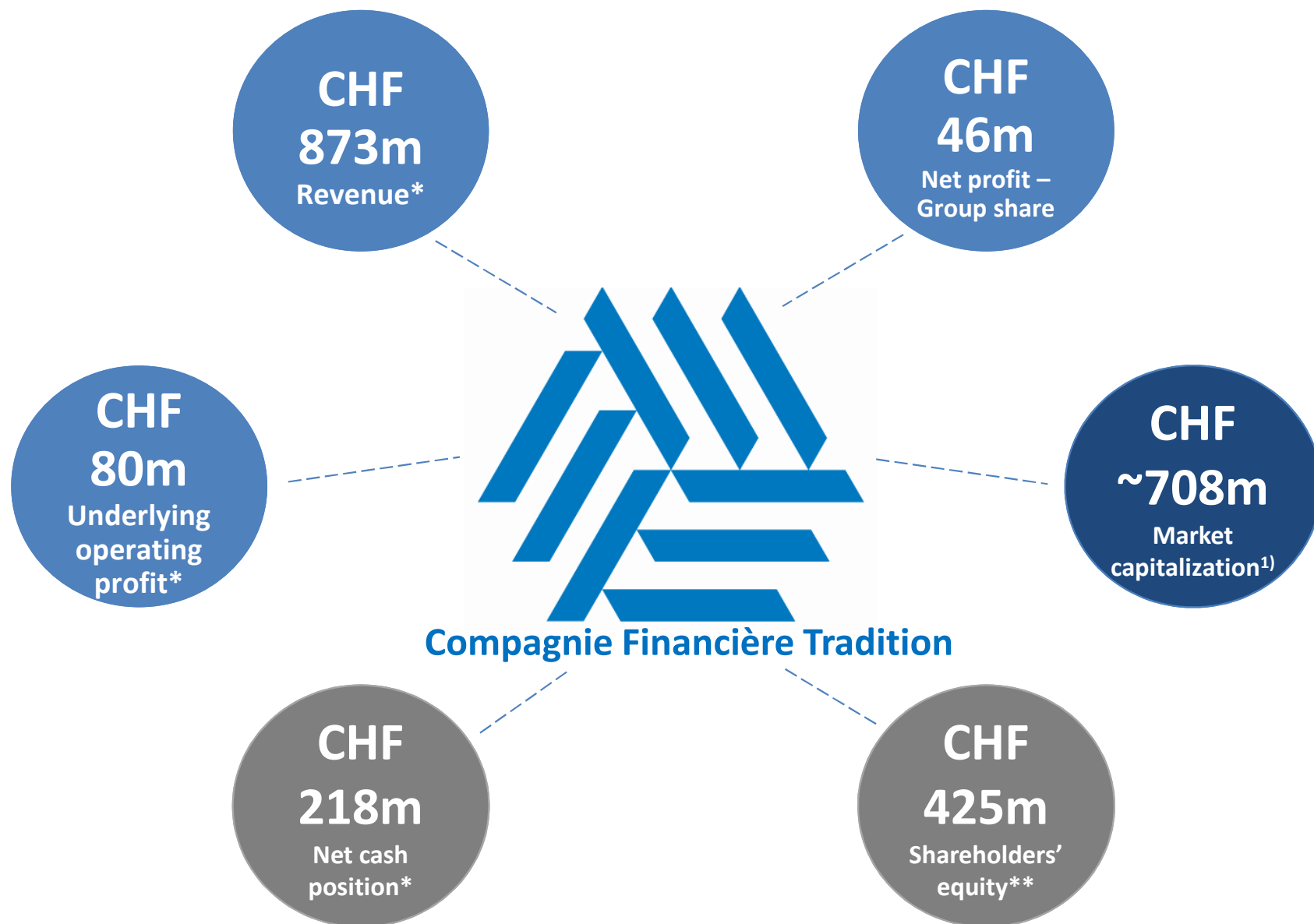
2017 Results

Zurich, March 2018

Global Leaders In Interdealer Broking



Key figures performance and financial position as of 31 December 2017



A long established Swiss group with proven track record

Focused on critical size and quality of balance sheet

Phase 1 –
1997 to
2008

Consistent strategy since acquired by Viel & Cie in 1997

- Return to profitability
 - Built critical market share
- Focus on organic growth and sound financial position*

Phase 2 –
2009 to
2015

Post Lehman shake up

- Regulatory transformation with increased pressure on banks
 - Launch of electronic initiatives
- Focus on cost management and cultural changes*

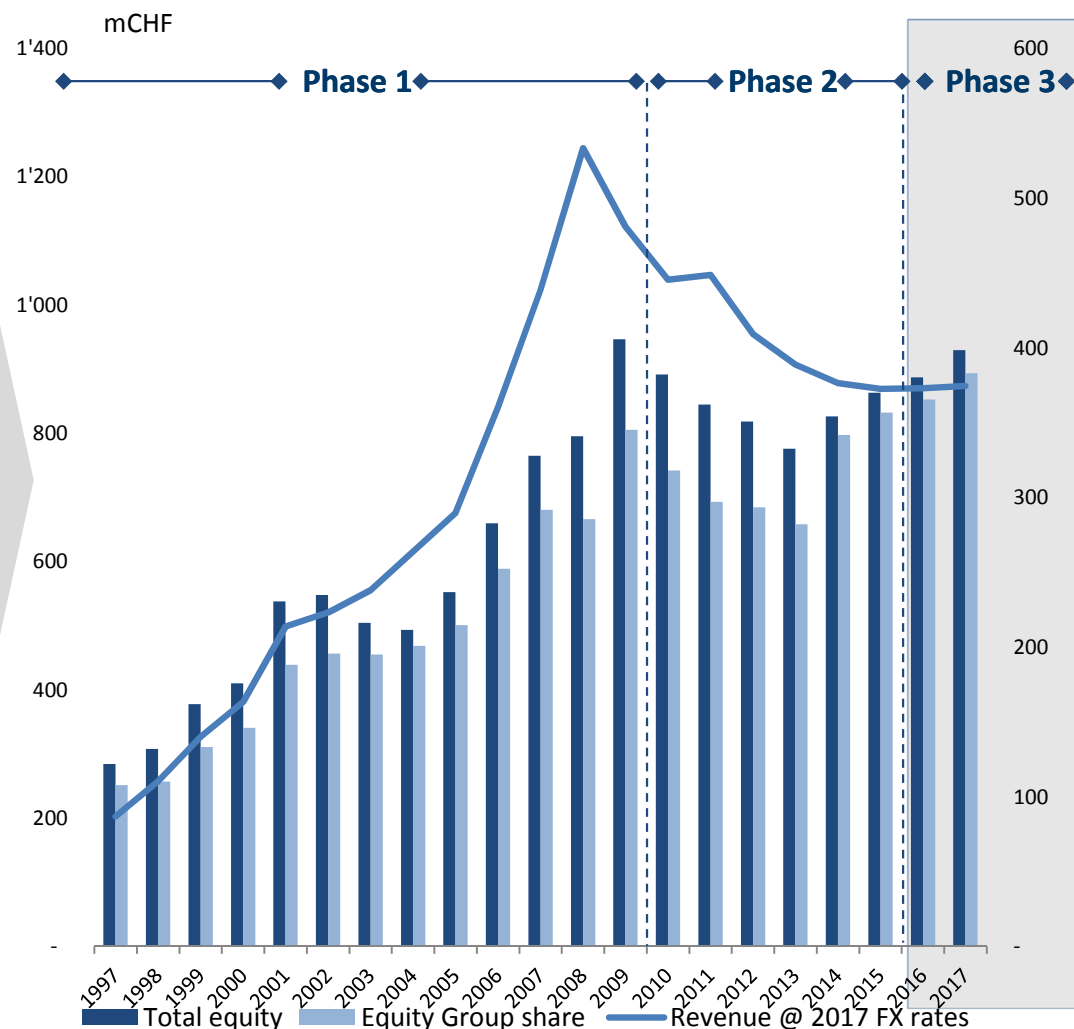
Phase 3 –
2016
onwards

Top line stabilisation and growth opportunities

- Final stage of industry consolidation and pressure on smaller scale brokers
- Blurring of traditional market boundaries
- Development of Market Information and Content Services

Focus on growth opportunities

Consolidated revenue and shareholders' equity

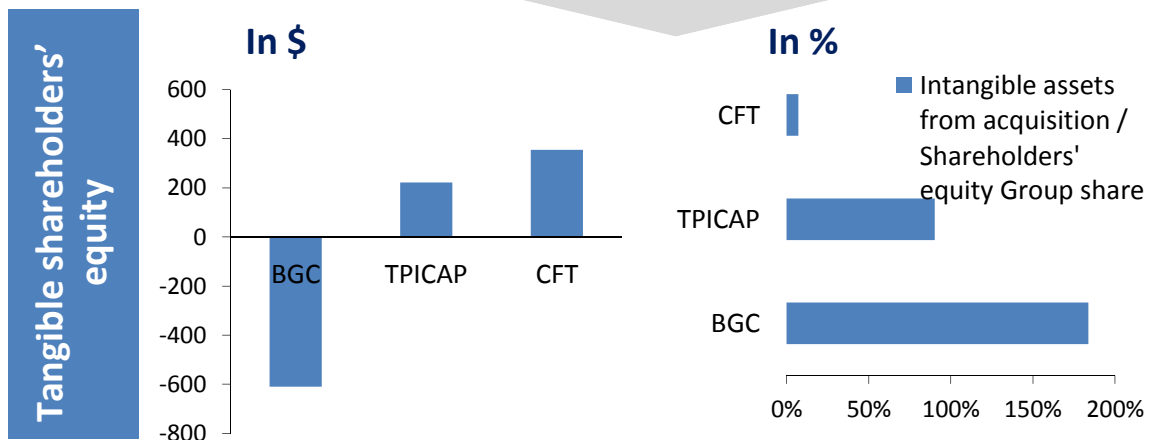
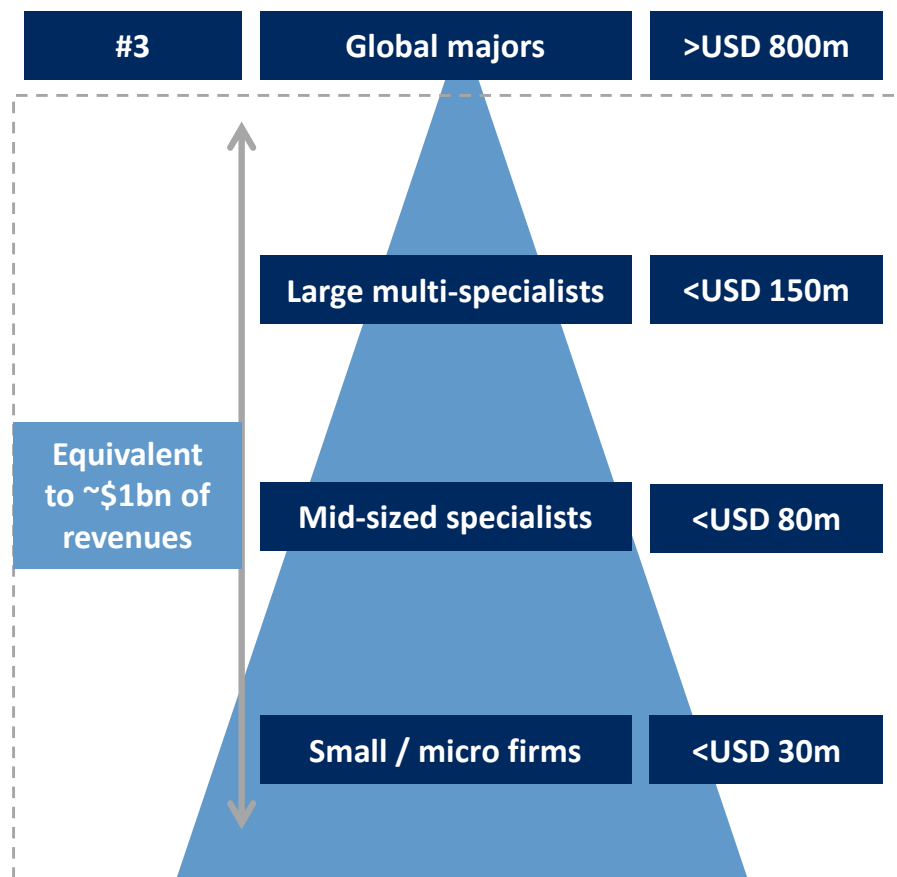
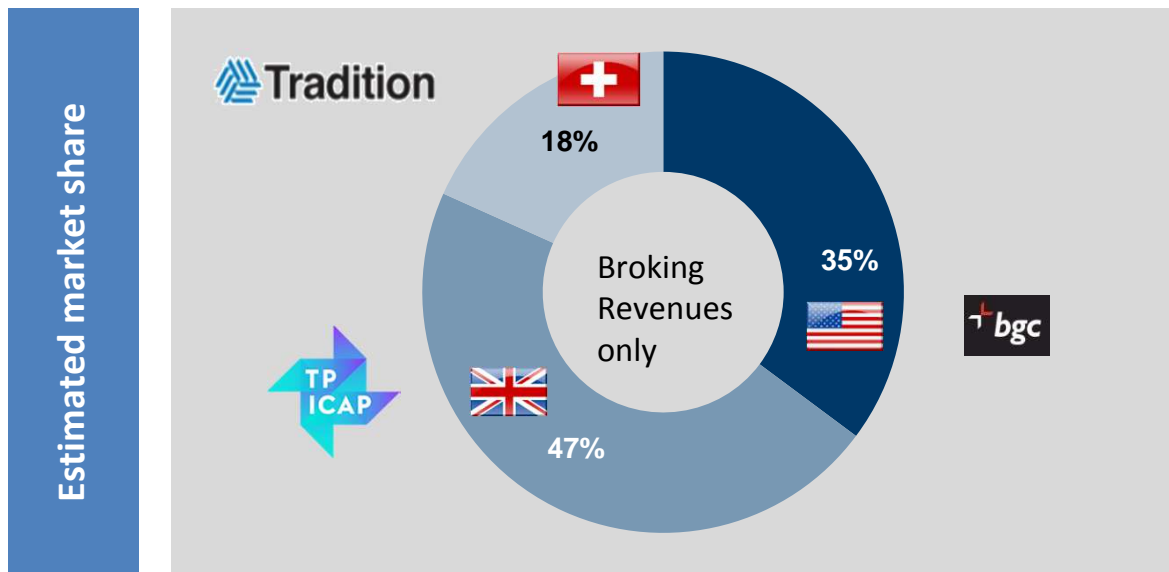


A sector with only 3 global players, of which Tradition

Consolidation at an advanced stage

3 global players represent ~80% of sector revenues

Further consolidation to be expected



Growth opportunities going beyond the theme of consolidation

A larger fee pool at stake with the unfolding of a new market structure

From the historical market structure...

- **OTC markets split in two segregated tiers:** Dealer-to-Dealer (D2D) and Dealer-to-Client (D2C), with the exception of Commodity-related asset classes
- **Core clients mostly banks**, of which the largest and the most sophisticated, an acknowledgement of the outstanding level of quality of service provided by wholesale brokers in the OTC markets
- **Post-Lehman regulations** (Dodd Frank, Volcker rule, Basle 3, Mifid 2) created recent structural shift in terms of trading volumes between banks and non-banks, with banks' FICC activities reengineering

...to the foreseen industry re-shaping

- A degree of **convergence** between D2D and D2C happening
- **Search for liquidity** becoming even more critical for all types of market participants
- **New key success factors required**, such as additional expertise, and a proper combination between electronic capabilities and high touch services



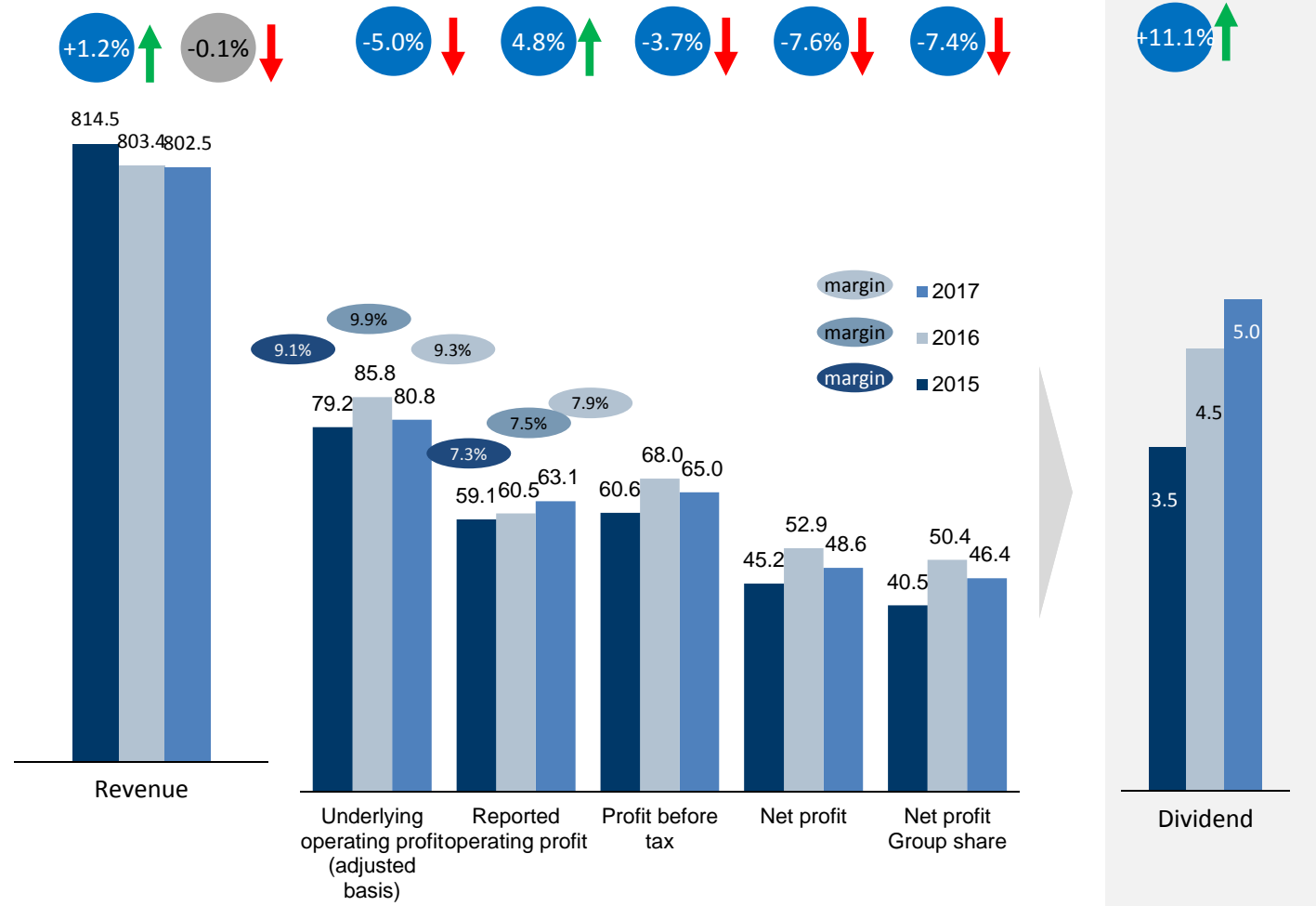
Historical opportunity for wholesale brokers to access an expanded addressable market and a commission pool potentially multiplied by ~3x to \$15-20bn

Reported operating profit up 4.8% in a stabilizing revenue environment

Dividend in cash of CHF 5.00 per share

FY 2017 performance summary, in mCHF

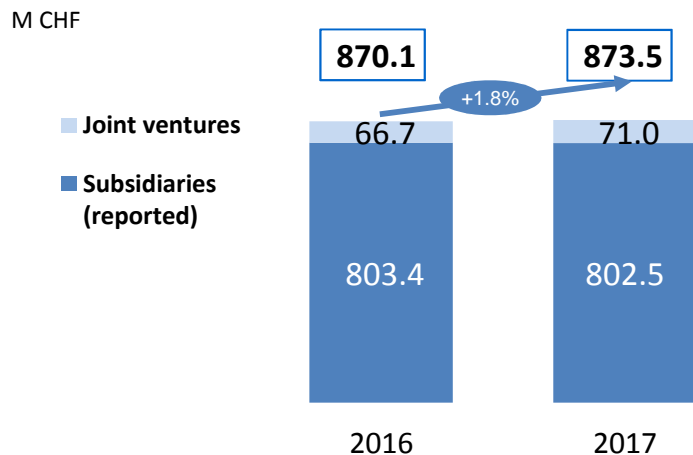
- IDB Adjusted revenue up 2.9% with underlying operating profit up 1.0% in constant currencies to CHF 73.4m
 - Acceleration in adjusted revenue growth, up 5.4% in 2H'17
- Reported operating profit up 4.8% to 63.1m
- Net profit – Group share of CHF 46.4m
 - Gaitame's operating profit down 39.4% or CHF 5.4m to 7.4m from lower volatility on JPY
 - Financial results down CHF 2.3m with lower interest costs neutralized by negative swing on FX of CHF 6.3m
 - US tax reform write off of CHF 3.0m; positive effect expected in the future
- FY 2018: Double-digit increase of adjusted revenue on Jan/Feb period;
- Proposed cash dividend increase to CHF 5.00 per share



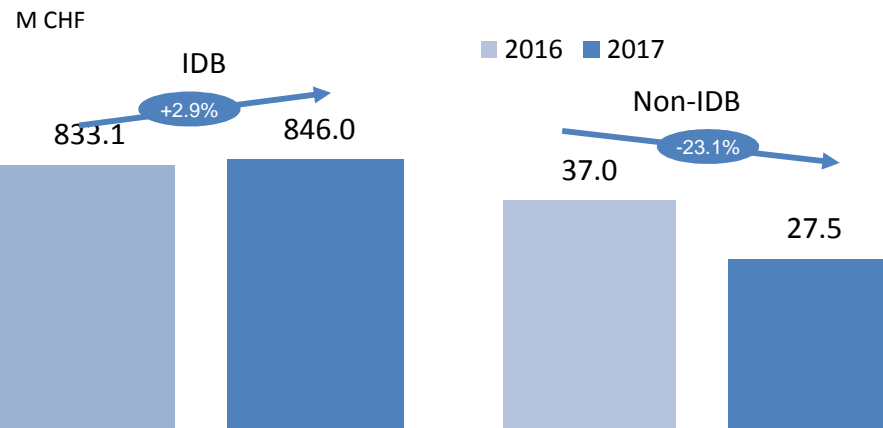
Revenue overview

Importance of a global and diverse product offering

Group adjusted revenue



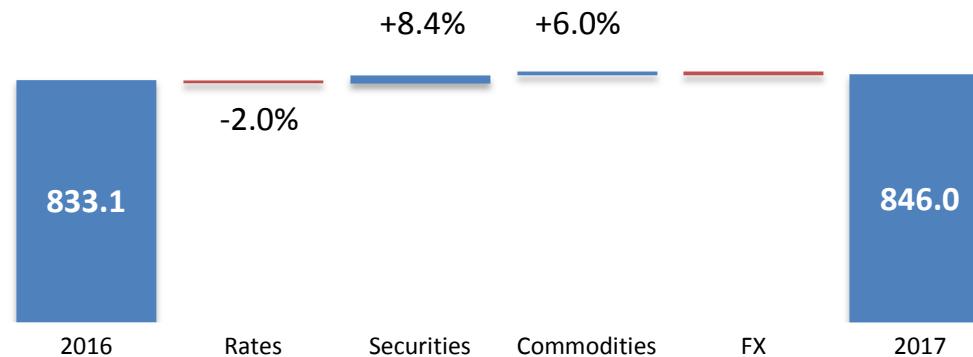
Adjusted revenue by business



Adjusted revenue by region



IDB revenue by product



Diversified revenue portfolio both in terms of geographies and asset classes

Geographies

Americas

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

Europe, Middle East, Africa

- United Kingdom,
- France,
- Belgium,
- Germany,
- Italy,
- Israel,
- Luxembourg,
- Monaco,
- Russia,
- South Africa,
- Spain (Minority),
- Switzerland,
- UAE

Asia Pacific

- Japan,
- China Mainland (JV with Ping An),
- Hong Kong,
- India,
- Indonesia
- Singapore,
- South Korea,
- Australia,
- Philippines,
- Thailand

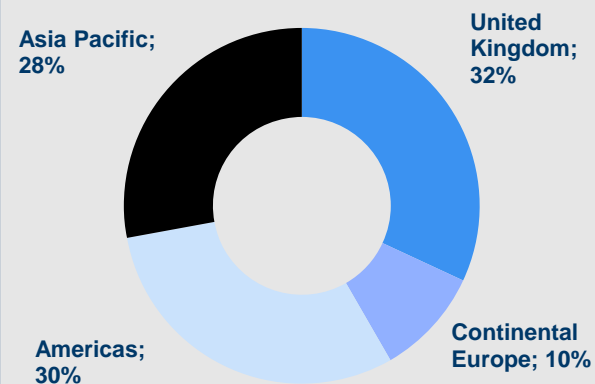
30%

42%

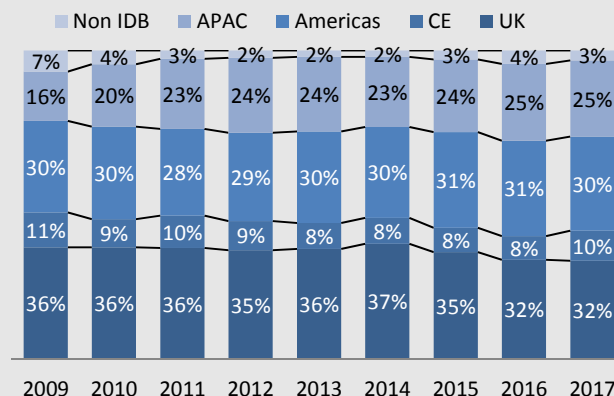
28%

% revenue
FY 2017

Breakdown by region in 2017



Trend by region



Diversified revenue portfolio both in terms of geographies and asset classes

Products

Currencies and rates

- Interest rate derivatives (eg IRS, IRO)
- Money markets
- FX forwards (o/w NDFs)
- FX options

Securities and security derivatives

- Government bonds
- Corporate bonds
- Credit derivatives
- Repos
- Equities and equity derivatives
- Futures and options

Commodities

- Oil
- Electricity
- Gas
- Metals
- Coal
- Energy C&I

Non-IDB

- Gaitame.com – Online retail forex brokerage

44%

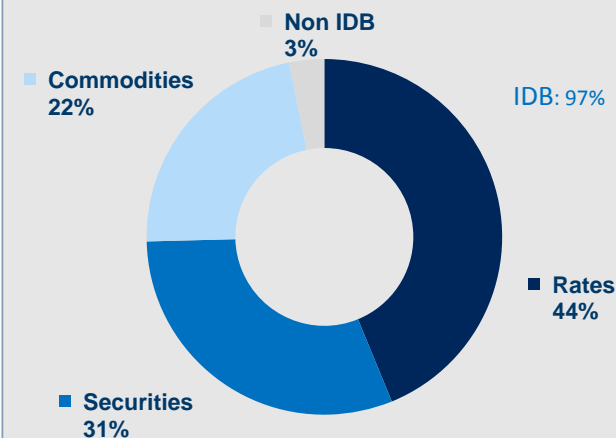
31%

22%

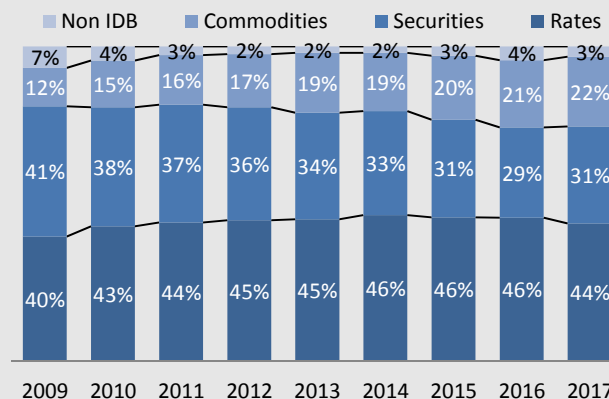
3%

% revenue FY 2017

Breakdown by product in 2017



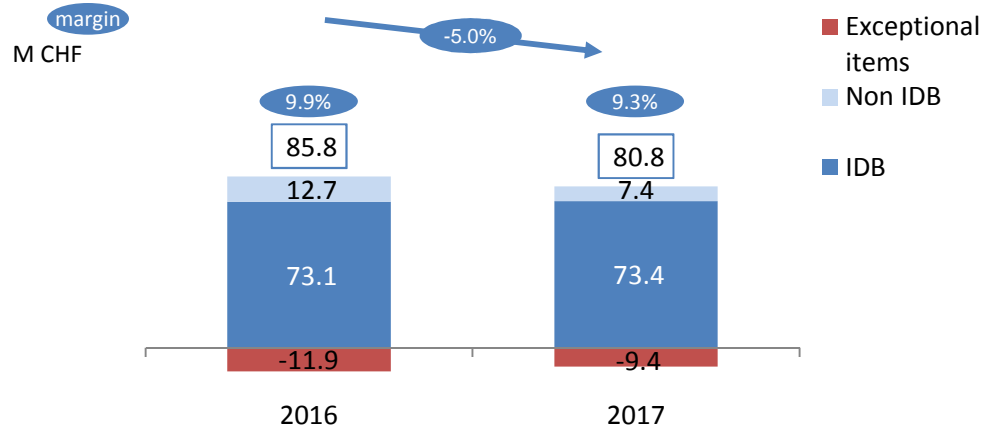
Trend by product



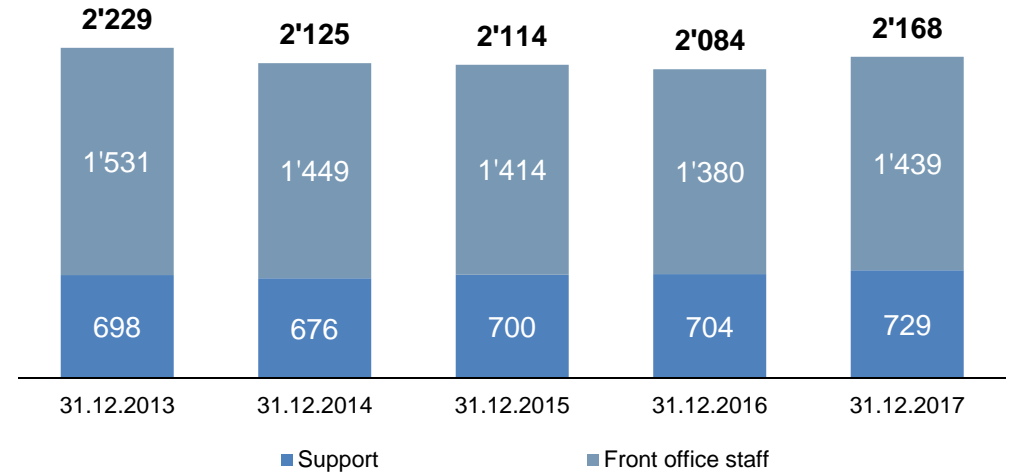
IDB adjusted underlying operating profit up 1.0 % to CHF 73.4m

Increase in front office staff

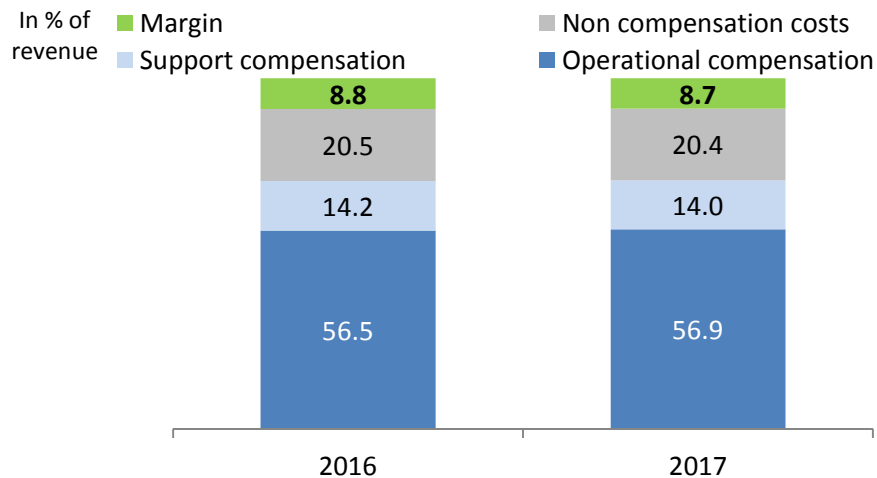
Adjusted underlying operating profit



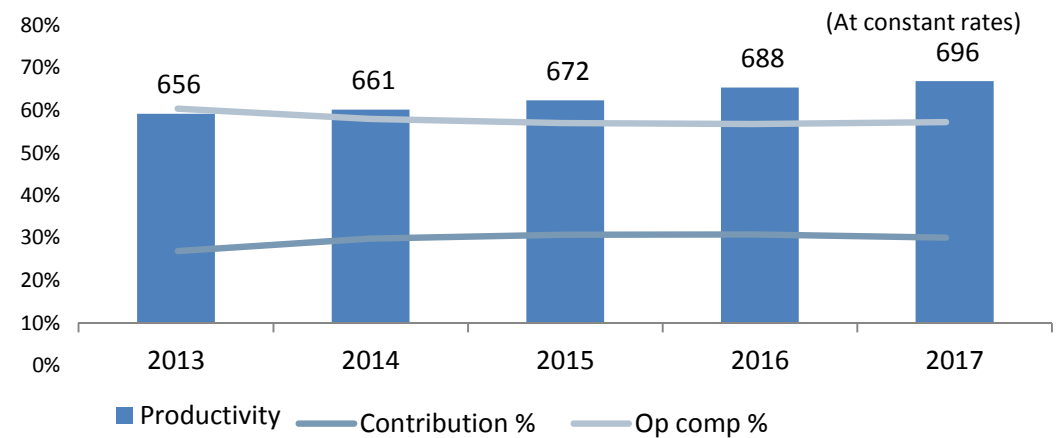
IDB headcount trend



IDB underlying operating ratios



IDB – Other KPI

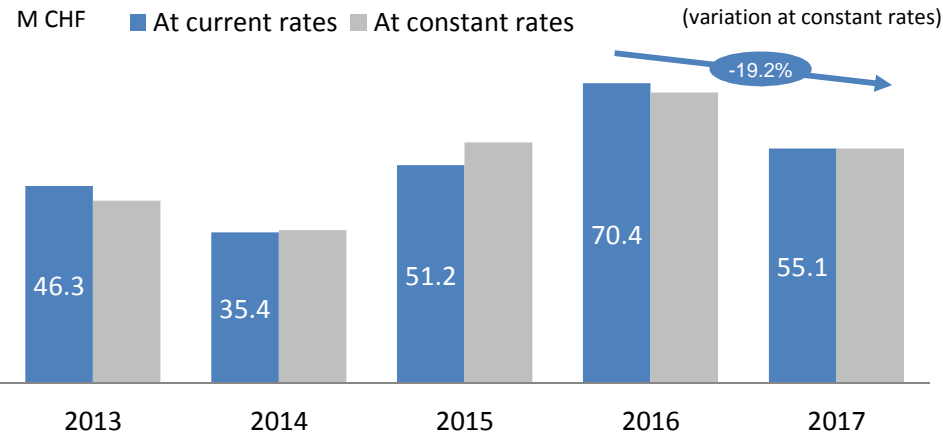


Gaitame.com reduced performance

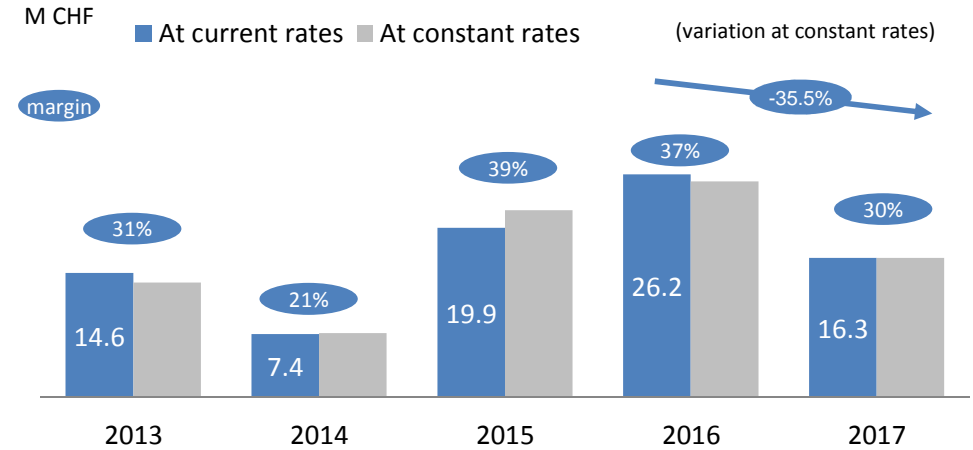
Market impacted by low currency volatility, particularly in the JPY



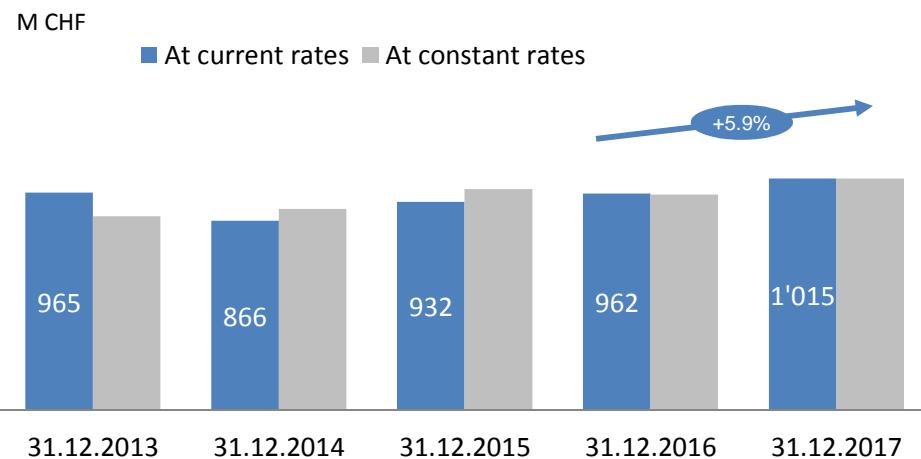
Revenue trend*



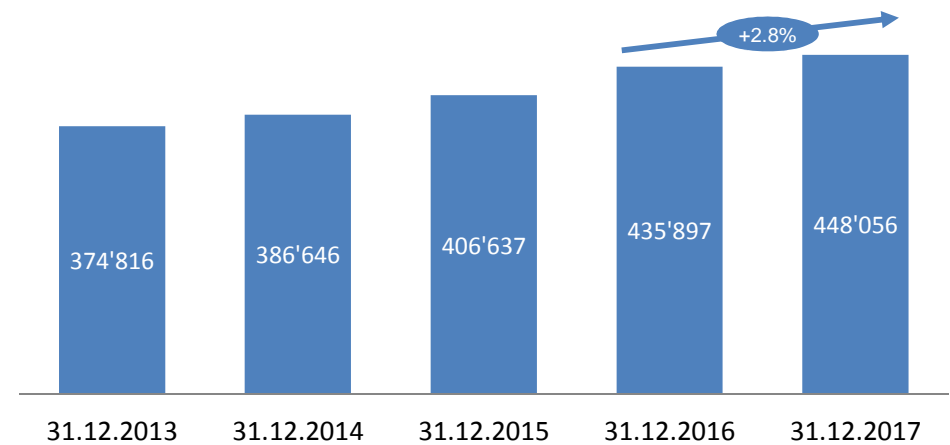
EBITDA trend*



Client deposits trend*



Number of clients trend*



Net profit – Group share down 7.4% to CHF 46.4m

Net exchange losses CHF 1.3m, a negative variation of CHF 6.3m on 2016; US tax reform impact

Net profit – Group share

M CHF	FY 2017	FY 2016	Change at current exchange rates	Change at constant exchange rates
Operating profit as reported	63.1	60.5	+4.4%	+4.8%
Net financial result	-4.4	-2.1		
Share of profit of associates and joint ventures	6.3	9.6		
Profit before tax	65.0	68.0	-4.4%	-3.7%
Income tax	-16.4	-15.1	+8.4%	+9.7%
<i>Effective income tax rate</i>	<i>28%</i>	<i>26%</i>		
Net profit for the period	48.6	52.9	-8.1%	-7.6%
Group share	46.4	50.4	-7.9%	-7.4%

M CHF	FY 2017	FY 2016
Net interest expense	-4.6	-6.5
Net foreign exchange gains/(losses)	-1.3	5.0
Gains/(losses) on financial assets at fair value	1.4	-0.7
Other financial (expense)/income	0.1	0.1
Total	-4.4	-2.1

% / M CHF	FY 2017	FY 2016
Normative income tax rate	17% ; 10.2m	17% ; 9.9m
Net unrecognized tax losses	4% ; 2.5m	4% ; 2.4m
Non-deductible expenses	7% ; 3.6m	5% ; 3.2m
Prior year tax	-% ; -m	1% ; 0.3m
US tax reform	5% ; 3.0m	-% ; 0.0m
Other items	-5% ; -2.9m	-1% ; -0.7m
Effective income tax rate	28% ; 16.4m	26% ; 15.1m

Continued focus on strong balance sheet

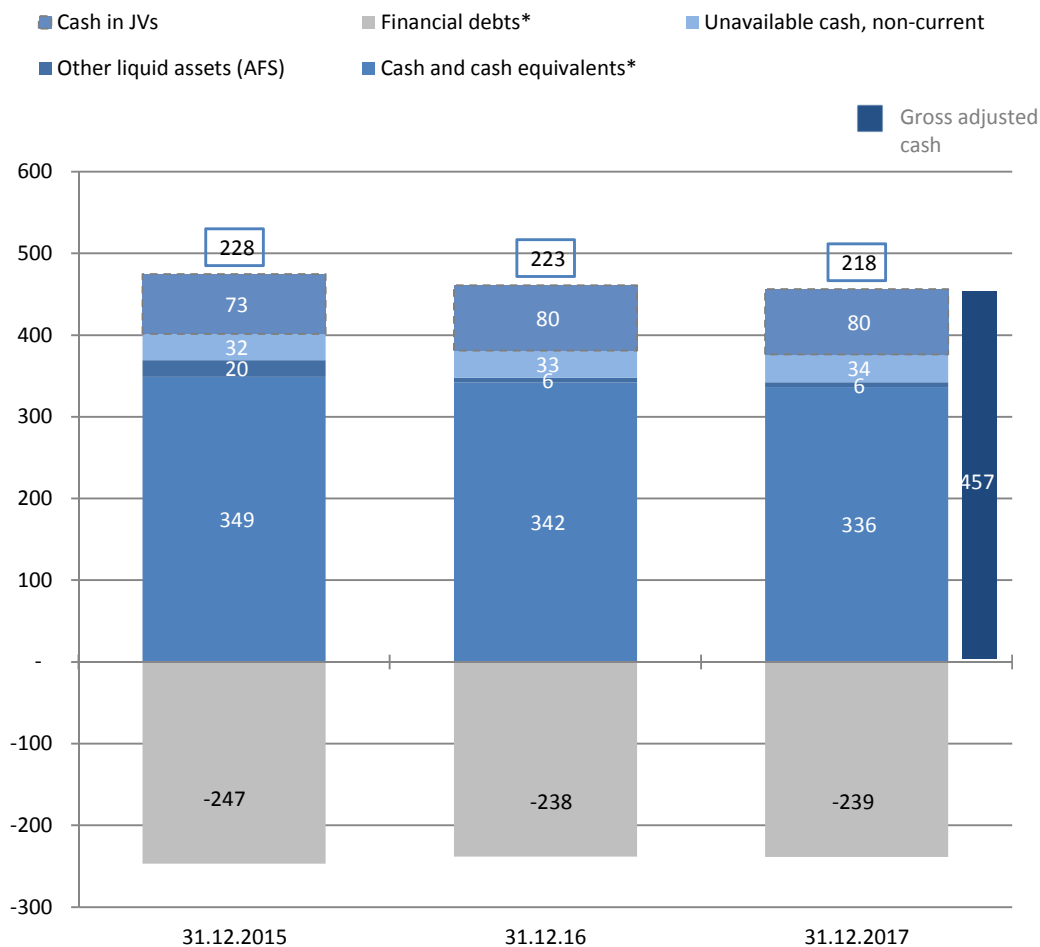
	Assets	
M CHF	31.12.17	31.12.16
Property, Plant & Equipment	20.2	21.6
Intangible assets	55.0	51.0
Investments in associates and joint ventures	135.2	126.6
Available-for-sale financial assets	5.7	8.9
Unavailable cash	34.1	33.3
Other non-current assets	35.8	37.8
Non-current assets	286.0	279.2
Receivables related to MP activities	211.5	97.0
Receivables related to AH activities	32.4	17.5
Trade & other receivables	203.6	190.6
Financial assets at fair value and AFS	6.1	5.9
Cash & Cash equivalents	322.7	339.4
Other current assets	21.4	20.3
Current assets	797.7	670.7
TOTAL ASSETS	1 083.7	949.9

	Equity and Liabilities	
M CHF	31.12.17	31.12.16
Capital	18.0	17.6
Share premium	36.4	24.3
Treasury shares	-26.6	-36.0
Currency translation	-136.7	-139.4
Consolidated reserves	491.8	498.9
Equity – Group share	382.9	365.4
Minority interests	15.5	14.9
Equity - Total	398.4	380.3
Long term financial debts	238.5	238.3
Other non-current liabilities	23.6	26.1
Short term financial debts	1.6	7.8
Payables related to MP activities	196.5	86.3
Payables related to AH activities	32.4	17.5
Trade & other payables	192.4	193.6
Current liabilities	423.2	305.2
TOTAL EQUITY AND LIABILITIES	1 083.7	949.9

Shareholders' equity of CHF 425.0m and net cash position of CHF 218m¹⁾

Gross adjusted cash balance of CHF 457m; unused credit facilities above CHF 100m

Net cash position trend



Shareholders' equity breakdown

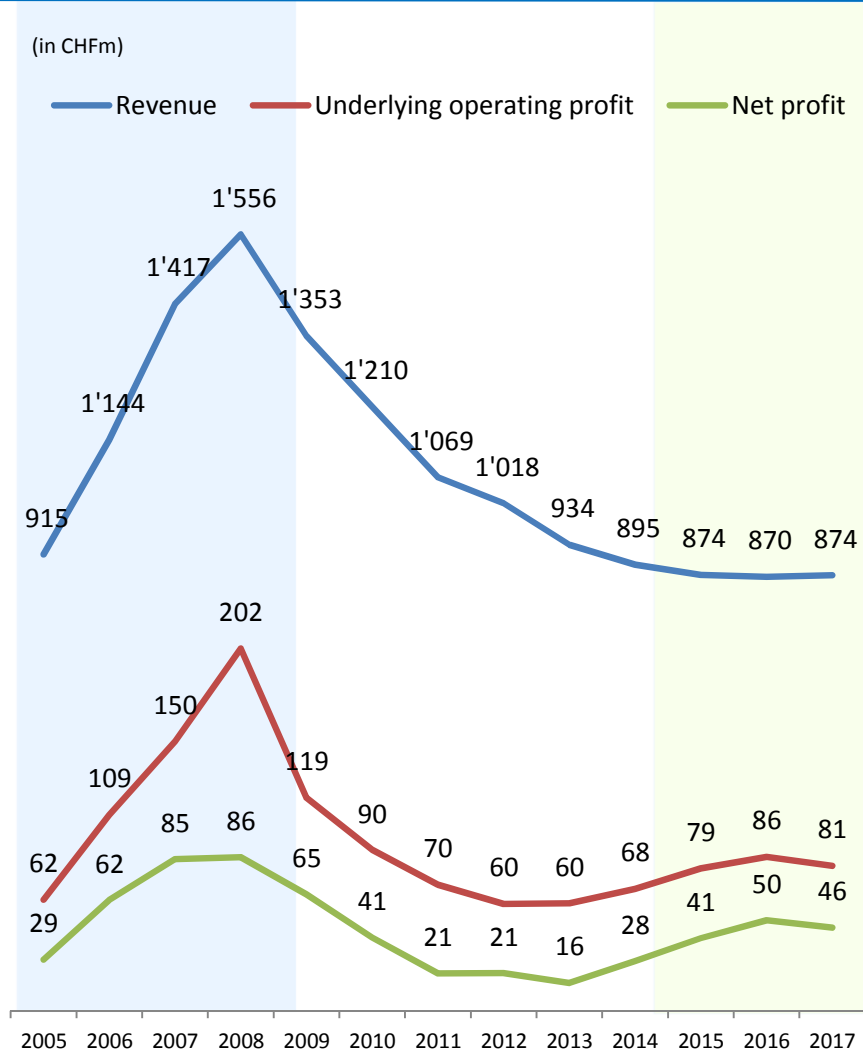


1) Shareholders' equity before the deduction for own shares and net cash position including Group share of cash at JVs accounted as equity investments

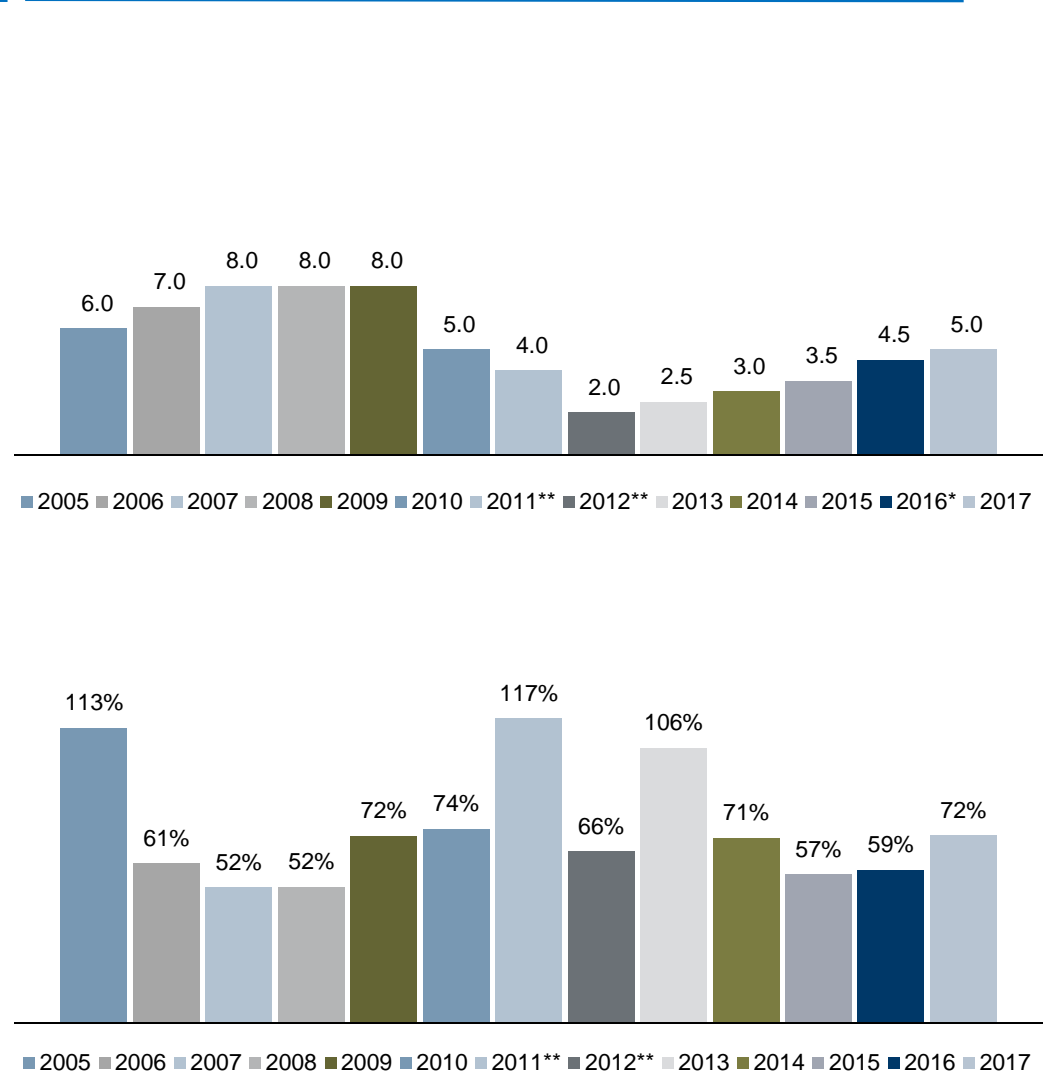
Business model incorporates a strong operating upside

Consistent dividend payout

Performance trend between 2004 to 2017*



Dividend payout trend 2004 to 2017



*Adjusted basis

*An additional distribution of one treasury share for each 25 shares held above the dividend in cash

** Paid in shares or cash at the shareholders' choice

CFT, a Swiss group ranked amongst the top 3 worldwide in its sector

Roadmap based on growth initiatives, operational performance and quality of balance sheet

1 Positioned to capture growth opportunities in its core business, arising from sector consolidation and structural re-shaping of clients' profile

\$15-20 bn
New boundaries of the global fee pool, a multiple of 3x the historical addressable market

2 With a track record of agility to cope with market cycles and structural trends, (growth, innovation, cost management)

CHF +250m
Cumulative fixed cost reduction since FY 2012

3 A strategic roadmap founded on quality of financial position, with the objective to continue to grow shareholders' equity while serving a good dividend

CHF 400-500m
Next target in terms of Shareholders' equity*



Thank you