

# Saxo Bank Investor presentation

June 2019



# Saxo Bank in brief



- **Established in 1992**, Saxo Bank is a pioneer in developing an online trading platform across international financial markets
- Today, Saxo Bank is a **fully licensed bank regulated by the Danish FSA** offering a complete set of **trading and investment technologies**, tools and strategies
- In September 2017 **Geely** and **Sampo Plc** invested into Saxo Bank by acquiring a stake of 52.0% and 19.9%, respectively, from the co-founder Lars S. Christensen, TPG, SinarMas Group and some minority shareholders. **Fournais Holding** (founder Kim Fournais) owns 25.7%
- Headquartered in Copenhagen with **an international presence in 16 countries** and clients from more than 170 countries with a total of DKK 127bn of client's collateral as per 2019 Q1
- Around **1,650 FTEs** as of end 2018, with more than 60 different nationalities
- **~200,000 clients**, offering trading in more than **35,000 instruments** and access to more than **85 exchanges and trading venues**
- On 17 December 2018, Saxo Bank and **BinckBank** jointly announced that they reached a conditional agreement on a recommended all-cash public offer of EUR 6.35 (cum dividend) per issued and outstanding share of BinckBank, representing a total consideration of EUR 424 million. Closing of the transaction is expected in the first half of Q3 2019.

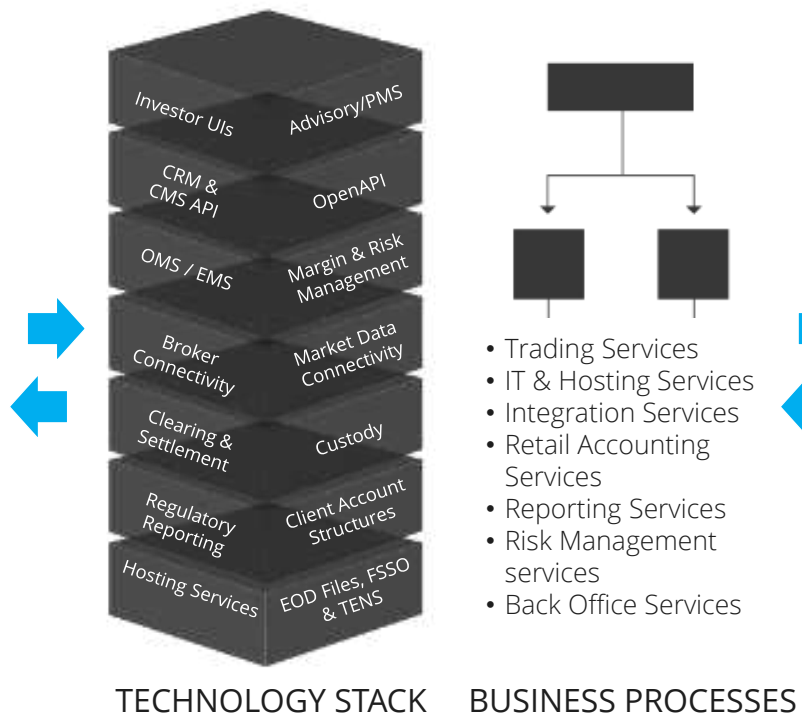
# Saxo Bank is a global, multi-asset facilitator with a unique business model which democratizes trading and investment



## Financial markets Product, Services, and Liquidity



## Saxo Bank Facilitation



## Distribution to clients Traders, Investors, Wholesale

### For traders



**SaxoTraderPRO** and **SaxoTraderGO** are targeted towards traders and self-directed investors

### For investors



**SaxoInvestor** is targeted towards the self-directed and delegating investor

### For wholesale partners



**SaxoSolutions** offers the full value chain to our partners

Our model is unique as we unbundle the value chain through our open architecture, where we source the best ideas, products, liquidity and services from the best providers in the market

By running one technology stack and one, global set of business processes, we ensure scalability of our core engine

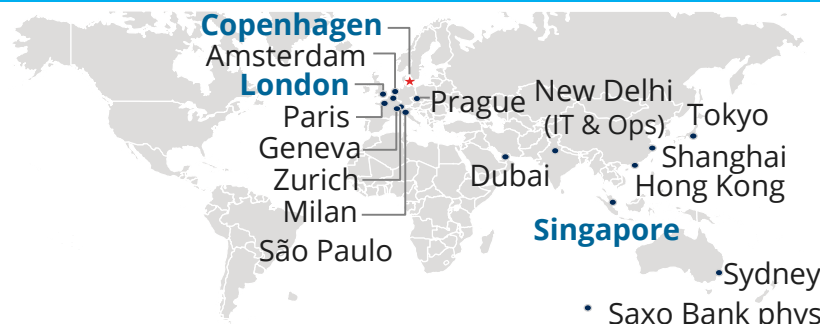
We distribute the products and services to our clients (traders, investors and wholesale partners) through our platforms and channels (SaxoTraderPRO and GO, SaxoInvestor, OpenAPI and FixAPI, Saxo Portfolio Manager)

# Saxo Bank operates a truly global platform...



## Global platform with clients in over 170 countries

Partners across Europe, Asia, South America and Australia in addition to physical offices



• Saxo Bank physical offices

- With operations in 16 countries, Saxo Bank services a client base spanning 170+ countries
- Trading platforms are offered in 28 different languages
- Large proportion of revenues deriving from CEE and APAC regions with high further growth potential
- Number of offices reduced recently to reduce cost and complexity (e.g., Saxo Bank decided to move its office for Central and Eastern Europe to Prague)

## Operations in 16 countries

| Company             | Europe <sup>1</sup> | CEE | Middle East | Africa | North America | Latin America | Asia | Australia | No. of countries with presence |
|---------------------|---------------------|-----|-------------|--------|---------------|---------------|------|-----------|--------------------------------|
| IG GROUP            | ✓                   | ✓   | ✓           | ✓      | ✓             |               | ✓    | ✓         | 17                             |
| SAXO BANK           | ✓                   | ✓   | ✓           |        |               | ✓             | ✓    | ✓         | 16                             |
| Interactive Brokers | ✓                   | ✓   |             |        | ✓             |               | ✓    | ✓         | 12                             |
| FXCM                | ✓                   | ✓   |             |        | ✓             |               | ✓    | ✓         | 10                             |
| GAIN CAPITAL        | ✓                   |     |             |        | ✓             |               | ✓    | ✓         | 8                              |
| MONEX GROUP         | ✓                   |     |             |        | ✓             | ✓             | ✓    | ✓         | 7                              |
| Plus500             | ✓                   | ✓   |             | ✓      |               |               | ✓    | ✓         | 7                              |
| Swissquote          | ✓                   |     | ✓           |        |               |               | ✓    |           | 5                              |
| nordnet             | ✓                   |     |             |        |               |               |      |           | 4                              |
| AVANZA BANK         | ✓                   |     |             |        |               |               |      |           | 1                              |
| .comdirect          | ✓                   |     |             |        |               |               |      |           | 1                              |
| FINECO BANK         | ✓                   |     |             |        |               |               |      |           | 1                              |

1) Europe includes Israel  
Reference: Company information, filings and reports

















# ... with one of the most comprehensive multi-asset product offerings globally on ONE single platform



## Truly multi-asset offering in one account via one device ...

- |   |   |   |
|---|---|---|
|  <ul style="list-style-type: none"> <li>180+ FX currency pairs traded as Spot and 140 as Forward Outrights</li> </ul>   |  <ul style="list-style-type: none"> <li>200+ Stock Options in markets throughout the US, Europe and Asia-Pacific</li> </ul> |  <ul style="list-style-type: none"> <li>200+ Futures spanning 23 global exchanges, in a wide range of asset categories</li> </ul>                  |
|  <ul style="list-style-type: none"> <li>Puts and calls in 40 pairs                     <ul style="list-style-type: none"> <li>Including Gold and Silver</li> <li>Plus 6 FX Touch Options pairs</li> </ul> </li> </ul> |  <ul style="list-style-type: none"> <li>3,000+ ETFs &amp; ETCs on 36 stock exchanges worldwide</li> </ul>                   |  <ul style="list-style-type: none"> <li>70+ Contract Options in many asset categories including metals, energy and interest rates</li> </ul>       |
|  <ul style="list-style-type: none"> <li>7,000+ Bonds from 26 countries and in 20+ different currencies</li> </ul>   |  <ul style="list-style-type: none"> <li>19,000+ Stocks and 3,100 ETFs &amp; ETCs on 36 exchanges worldwide</li> </ul>       |  <ul style="list-style-type: none"> <li>9,000 CFDs, including 8,800+ CFD</li> <li>Single Stocks, 29 Index-tracking CFDs and Commodities</li> </ul> |

## ...especially when compared to competitors

|                     | Multi-asset  | CFD | FX | EU brokers | US brokers |
|---------------------|--|-----|----|------------|------------|
|                     |                 |     |    |            |            |
| Stocks              | ✓  | ✓   | ✓  | ✓          | ✓          |
| FX                  | ✓  | ✓   | ✓  | ✓          | ✓          |
| Bonds               | ✓  | ✓   |    | ✓          | ✓          |
| CFDs                | ✓  | ✓   | ✓  | ✓          | ✓          |
| Futures and options | ✓  |     | ✓  | ✓          | ✓          |
| Investment/savings  | ✓  |     | ✓  | ✓          | ✓          |
| Mutual funds        | ✓  | ✓   |    | ✓          | ✓          |

# Saxo Bank Group Key Financials



## Key financials (external reporting)<sup>1</sup>

|                                    | 2014  | 2015         | 2016           | 2017         | 2018         |              |
|------------------------------------|---|--------------|----------------|--------------|--------------|--------------|
| Income statement<br>DKKm           | Net interest income                                   | 1,117        | 1,062          | 1,129        | 1,443        | 1,417        |
|                                    | Net Fee & Commission income                           | 88           | 290            | 401          | 497          | 580          |
|                                    | Price and exchange rate adjustments                   | 1,802        | 774            | 1,400        | 1,087        | 789          |
|                                    | <b>Operating income</b>                               | <b>3,007</b> | <b>2,127</b>   | <b>2,930</b> | <b>3,027</b> | <b>2,786</b> |
|                                    | Other income / (losses)                               | 81           | 41             | 28           | 7            | 803          |
|                                    | Income from Associate interests                       | (74)         | (53)           | 0            | 0            | 0            |
|                                    | Total expenses (excl. Impairment charges)             | (2,448)      | (2,852)        | (2,443)      | (2,488)      | (2,547)      |
|                                    | Impairment charges loans & receivables                | (2)          | (40)           | (97)         | 8            | (13)         |
|                                    | <b>Profit before tax</b>                              | <b>565</b>   | <b>(778)</b>   | <b>418</b>   | <b>554</b>   | <b>1,029</b> |
|                                    | <b>Net profit</b>                                     | <b>381</b>   | <b>(645)</b>   | <b>302</b>   | <b>401</b>   | <b>956</b>   |
|                                    | <i>o/w attr. to shareholders of Saxo Bank A/S</i>     | 392          | (656)          | 295          | 395          | 948          |
|                                    | <i>o/w attr. to additional Tier 1 capital holders</i> | 3            | 33             | 33           | 33           | 33           |
|                                    | <i>o/w attr. to non-controlling interest holders</i>  | (13)         | (21)           | (26)         | (26)         | (25)         |
| <b>EBITDA</b>                      | <b>1,099</b>  | <b>(109)</b> | <b>845</b>     | <b>932</b>   | <b>1,408</b> |              |
| <b>Adjusted EBITDA<sup>2</sup></b> | <b>1,208</b>  | <b>865</b>   | <b>954</b>     | <b>1,026</b> | <b>706</b>   |              |
| Balances<br>DKKbn                  | Clients' collateral (AuM)                             | 68.2         | 77.6           | 92.3         | 103.6        | 112.6        |
|                                    | Total assets  | 36.0         | 33.5           | 43.6         | 40.0         | 34.5         |
|                                    | Shareholders' equity                                  | 3.9          | 3.5            | 3.9          | 4.2          | 5.2          |
|                                    | Return on Equity before tax                           | 14.6%        | (19.1%)        | 10.2%        | 12.5%        | 20.2%        |
| Capital<br>DKKm                    | Risk weighted assets                                  | 14,300       | 12,975         | 15,450       | 14,950       | 12,031       |
|                                    | CET capital   | 2,285        | 1,924          | 2,301        | 2,710        | 3,509        |
|                                    | Total capital   | 2,822        | 2,689          | 3,006        | 3,396        | 4,205        |
|                                    | <i>CET ratio</i>                                      | <i>16.0%</i> | <i>14.8%</i>   | <i>14.9%</i> | <i>18.1%</i> | <i>29.2%</i> |
|                                    | <i>Total capital ratio</i>                            | <i>19.7%</i> | <i>20.7%</i>   | <i>19.5%</i> | <i>22.7%</i> | <i>35.0%</i> |
| Other                              | <i>Leverage ratio</i>                                 | <i>N/A</i>   | <i>N/A</i>     | <i>N/A</i>   | <i>7.5%</i>  | <i>10.9%</i> |
|                                    | <i>Return on Assets</i>                               | <i>1.1%</i>  | <i>(1.9%)</i>  | <i>0.7%</i>  | <i>1.0%</i>  | <i>2.8%</i>  |
|                                    | <i>Return on Equity before tax</i>                    | <i>14.6%</i> | <i>(19.1%)</i> | <i>10.2%</i> | <i>12.5%</i> | <i>20.2%</i> |

## Key Comments

- Saxo Bank Group reported a net profit of DKK 956m (~EUR<sup>3</sup> 128m) for 2018, positively impacted by the sales of Saxo Payments A/S
- The inflow of clients' collateral from new and existing clients continued successfully in 2018, as clients' collateral increased to DKK 113bn
- Small increase in total expense primarily due to continuous investment in the Bank's core offering, digitalization and further streamlining the business model
- Total capital ratio of 35% by end 2018, demonstrates the strong capital position of Saxo Bank
- Emphasis on leveraging the scalable business model to drive profitable growth, with continuous cost focus

1) Saxo Bank Annual Reports

2) EBITDA adjusted for income and expenses that are not considered to be recurring and are of such character or size that it is considered to have significant impact on the Group's net profit

3) EURDKK 7.4673



# On 17 Dec. 2018, Saxo Bank and BinckBank agreed on public offer for all BinckBank shares



Closing of the transaction expected in the first half of Q3 2019

- BinckBank is an online bank for investors and savers, established in the Netherlands in 2000
- Listed on the Euronext Amsterdam exchange since 2007
- Offers services in investment, asset management and savings, and targets its services to retail customers, businesses and independent asset managers
- More than 630,000 clients in the Netherlands, Belgium, France, Italy, and Spain
- Number of FTE's: 543
- Operating income 2018: EUR 143m
- Net result 2018: EUR 35m
- Assets under administration 2018: EUR 24bn



# Our complementary footprint, product offerings, and combined core pedigrees will make us a 21<sup>st</sup> century global fintech

|                  | SAXO BANK           | BINCK* <small>BANK</small> |
|------------------|---------------------|----------------------------|
| Traders          |                     |                            |
| Investors        |                     |                            |
| Wholesale        |                     |                            |
| Core geographies |                     |                            |
| Core pedigrees   | <br>Core technology | <br>Customer focus         |

Company stronghold

Global presence

21<sup>st</sup> century global fintech