

Penson Worldwide, Inc.

Condensed Consolidated Statements of Income
(Unaudited)
(In thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Revenues				
Clearing and commission fees	\$ 36,478	\$ 34,607	\$ 150,554	\$ 117,905
Technology	6,102	4,538	22,191	15,191
Interest, gross	25,095	58,385	165,757	228,477
Other	13,023	13,204	45,367	43,229
Total revenues	80,698	110,734	383,869	404,802
Interest expense from securities operations	11,638	35,171	90,699	140,077
Net revenues	69,060	75,563	293,170	264,725
Expenses				
Employee compensation and benefits	27,218	27,864	113,715	101,979
Floor brokerage, exchange and clearance fees	5,055	7,355	26,118	27,326
Communications and data processing	10,225	8,548	39,266	30,770
Occupancy and equipment	6,762	6,674	28,887	23,570
Vendor related asset impairment	243	51	827	10,861
Correspondent asset loss	26,421	--	26,421	--
Other expenses	10,222	7,836	37,433	25,367
Interest expense on long-term debt	807	1,207	3,854	2,894
	86,953	59,535	276,521	222,767
Income (loss) before income taxes	(17,893)	16,028	16,649	41,958
Income tax expense (benefit)	(7,092)	5,834	5,993	15,125
Net income (loss)	\$ (10,801)	\$ 10,194	\$ 10,656	\$ 26,833
Earnings (loss) per share – basic	\$ (0.43)	\$ 0.40	\$ 0.42	\$ 1.02
Earnings (loss) per share – diluted	\$ (0.43)	\$ 0.39	\$ 0.42	\$ 1.00
Weighted average common shares outstanding – basic	25,187	25,502	25,217	26,232
Weighted average common shares outstanding – diluted	25,187	26,314	25,416	26,817

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Non-GAAP Disclosure
(Unaudited)
(In thousands, except per share data)

	Three Months Ended		Year Ended
	September 30,	December 31,	December 31,
	2008	2008	2008
Net revenues, GAAP basis	\$ 79,302	\$ 69,060	\$ 293,170
Net income (loss), GAAP basis	7,478	(10,801)	10,656
Non-GAAP adjustments, net of tax:			
SAMCO litigation	1,457	--	1,528
Correspondent asset loss	--	17,424	17,353
Net income, as adjusted	\$ 8,935	\$ 6,623	\$ 29,537
Earnings (loss) per share – basic, GAAP basis	\$ 0.30	\$ (0.43)	\$ 0.42
Earnings per share – basic, as adjusted	\$ 0.36	\$ 0.26	\$ 1.17

Earnings (loss) per share – diluted, GAAP basis	\$ 0.29	\$ (0.43)	\$ 0.42
Earnings per share – diluted, as adjusted	\$ 0.35	\$ 0.26	\$ 1.16
Weighted average common shares outstanding – basic	25,108	25,187	25,217
Weighted average common shares outstanding – diluted	25,811	25,187	25,416
Weighted average common shares outstanding – diluted, as adjusted	25,811	25,236	25,416

Penson Worldwide, Inc.

**Condensed Consolidated Statements of Financial Condition
(Unaudited)
(In thousands)**

	December 31, 2008	December 31, 2007
ASSETS		
Cash and cash equivalents	\$ 35,555	\$ 120,923
Cash and securities – segregated under Federal and other regulations	2,383,948	1,437,561
Receivable from broker-dealers and clearing organizations	269,543	1,519,078
Receivable from customers, net	775,419	1,324,213
Receivable from correspondents	135,092	532,504
Securities borrowed	964,080	2,065,997
Securities owned, at market value	429,530	235,680
Deposits with clearing organizations	327,544	293,230
Property and equipment, net	28,428	27,028
Other assets	226,778	290,763
Total assets	\$ 5,575,917	\$ 7,846,977
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Payable to broker-dealers and clearing organizations	\$ 294,392	\$ 1,077,312
Payable to customers	3,665,583	3,590,315
Payable to correspondents	161,423	616,863
Short-term bank loans	130,526	340,530
Notes payable	75,000	55,000
Securities loaned	842,034	1,726,677
Securities sold, not yet purchased	48,383	82,116
Accounts payable, accrued and other liabilities	94,109	92,736
Total liabilities	5,311,450	7,581,549
Stockholders' Equity		
Total stockholders' equity	264,467	265,428
Total liabilities and stockholders' equity	\$ 5,575,917	\$ 7,846,977

Penson Worldwide, Inc.

Supplemental Data

(in thousands)	Three Months Ended					Dec 200
	December 31, 2007	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008	
Interest revenue						
Interest on asset based balances	\$ 41,390	\$ 33,602	\$ 29,958	\$ 28,662	\$ 17,335	\$
Interest on conduit borrows	15,159	13,170	13,091	16,921	6,296	
Money market	1,836	1,706	1,885	1,667	1,464	

Total interest revenue	58,385		48,478		44,934		47,250		25,095	
Interest expense										
Interest expense on liability based balances	21,952		18,802		14,001		11,860		7,129	
Interest on conduit loans	13,219		10,571		10,067		13,760		4,509	
Total interest expense	35,171		29,373		24,068		25,620		11,638	
Net interest revenue	\$ 23,214		\$ 19,105		\$ 20,866		\$ 21,630		\$ 13,457	\$
Average daily balance ⁽¹⁾										
Interest earning average daily balance	\$ 4,060,347		\$ 4,160,320		\$ 4,854,774		\$ 4,953,260		\$ 4,296,705	\$
Interest paying average daily balance	3,371,823		3,626,463		4,036,792		4,110,895		3,744,894	
Conduit borrow	1,428,364		1,330,721		1,584,691		2,180,813		773,694	
Conduit loan	1,424,199		1,324,177		1,575,862		2,171,518		762,266	
Average interest rate on balances ⁽¹⁾										
Interest earning average daily balance	4.08	%	3.23	%	2.47	%	2.31	%	1.61	%
Interest paying average daily balance	2.60	%	2.07	%	1.39	%	1.15	%	0.76	%
Spread	1.48	%	1.16	%	1.08	%	1.16	%	0.85	%
Conduit borrow	4.25	%	3.96	%	3.30	%	3.10	%	3.26	%
Conduit loan	3.71	%	3.19	%	2.56	%	2.53	%	2.37	%
Spread	0.54	%	0.77	%	0.74	%	0.57	%	0.89	%
(1) Excludes money market revenues and balances. Money market balances are not recorded on the PWI balance sheet.										
Fed rate										
Average	4.52	%	3.22	%	2.08	%	2.00	%	1.06	%
Ending	4.25	%	2.25	%	2.00	%	2.00	%	0.25	%