

Results for the 2009 business year

Swissquote reports higher net profit and higher inflow of new funds

Despite lower revenues, Swissquote increased net profit by 6.7 percent to CHF 35.0 million (CHF 32.8 million) in 2009. Compared to the previous year, the inflow of new funds rose by 7.4 percent to CHF 1.38 billion (CHF 1.28 billion), CHF 193 million of which was accounted for by Swissquote savings accounts. Client assets rose by 45.0 percent to CHF 6.58 billion and the number of clients increased by 19.0 percent to 142,702. In 2010, Swissquote will continue to pursue its growth strategy with a client number growth target in the region of 20 percent and an inflow of new funds target of well above CHF one billion.

Development of revenues mixed

In 2009, revenue trends in the three business segments were very mixed. In the commission business, which is still the most important segment, income edged up by 1.7 percent year-on-year to CHF 70.7 million. Although the stock market environment improved noticeably in the course of the year – from a low of 4,235 in early March the SMI rallied by more than 50 percent to 6,616 –, trading clients' reaction to the impressive reversal was initially one of caution. Trading volumes were lower than in the previous year, particularly in the first and last three months of the year; for the year as a whole the number of transactions per client averaged 16.9 versus 19.2 in the preceding 12 months. As money market rates remained at absolute lows until shortly before the end of the year, income in the second segment, the interest business, fell by 69.4 percent to CHF 9.6 million. Only in the fourth quarter did conditions in this area show signs of easing, which enabled Swissquote to post quarter-on-quarter income growth of 13 percent. The third segment, trading operations, reported an extremely successful year, particularly in the eForex business: in 2009, robust expansion took trading volumes to USD 77.2 billion; as a result, income grew by 69.7 percent to CHF 18.3 million. Swissquote recorded an 11.7 percent decrease in overall revenues to CHF 98.6 million (CHF 111.7 million).

Sharply higher net profit, solid balance sheet

In comparison with the previous year, operating expenditure increased by CHF 2.2 million or 4.0 percent to CHF 56.8 million (CHF 54.6 million). Whereas personnel expenses declined by 0.2 percent and marketing expenses by 11.6 percent, other operating expenditure increased, primarily as a result of higher direct costs of CHF 3.3 million in the eForex business. The combination of lower income and higher expenditure resulted in operating profit of CHF 41.8 million (CHF 57.0 million) and net profit of CHF 35.0 million (CHF 32.8 million) in 2009. Margins stood at 42.4 percent (51.1 percent) for operating profit and 35.5 percent (29.4 percent) for net income. The opposing trends in operating and net profit are explained by the necessary write-off of a Lehman Brothers bond totaling CHF 12.2 million in 2008 on the one hand and the proceeds of CHF 1.8 million realized in 2009 on this



bond, which had previously been completely written off. As a reflection of its solid profits, Swissquote has a strong and healthy balance sheet, with a BIS core capital ratio (tier 1) of 26.14 percent, shareholders' equity of CHF 174.2 million (CHF 139.1 million) and equity surplus of CHF 120.9 million (CHF 89.5 million).

Continuing successful growth strategy

In 2009, Swissquote by and large achieved its growth targets of at least CHF 1 billion in new funds and 25,000 new clients. Whereas the inflow of new funds of CHF 1.38 billion exceeded our target by a wide margin, client growth of 22,833 or 19.0 percent fell somewhat short of the goal. Thanks to the positive trend in stock markets and the high inflow of new funds, client assets increased by CHF 2.04 billion or 45.0 percent to CHF 6.58 billion. At the end of 2009, the number of clients totaled 142,702 (119,869); of the total of 22,833 new clients, 17,513 were trading clients (+15.0 percent) and 5,320 were savings clients (+195.0 percent). At the end of 2009, savings clients' assets amounted to CHF 253.8 million, equivalent to year-on-year growth of 317.4 percent.

In 2010, Swissquote will continue to pursue its growth strategy with a client number growth target in the region of 20 percent and an inflow of new funds target of well above CHF one billion.

Swissquote launches an 'instrument of value' for investors

In addition to the significantly expanded range of virtual information services on the Swissquote Internet platform, Swissquote has added a tangible instrument of value for investors in the form of its new 'ePrivate Banking Magazine', the first issue of which has just appeared. The 'Swissquote ePrivate Banking Magazine' will deal mainly with investment questions of a broader and longer-term relevance, offering readers not only concrete benefits but also suggestions and ideas for their personal investment strategies. Containing approximately 100 pages, the magazine will appear every two months. Of the initial print run of 60,000 copies, 55,000 will go to clients and 5,000 will be on sale at kiosks. An electronic version of the magazine will also be available on the website for all Swissquote clients.

ePrivate Banking – a new service

By mid-2010 Swissquote plans to launch a completely new instrument that will allow trading clients to personally manage their assets online. This new tool is an electronic investment advisor that communicates interactively with the client. The simple step-by-step process enables clients to create a personal risk profile, formulate investment preferences and then examine the specific proposals drawn up by the virtual investment advisor for each client's investment portfolio. Clients can change or complement the proposal or have another one processed until they are completely satisfied; only then do they submit the order to the system for execution.



Distribution of profit to shareholders

In light of the successful 2009 annual result, the Board of Directors proposes that the Annual General Meeting of Swissquote Group Holding Ltd. on 30 April 2010 raise the dividend by 50 percent to CHF 0.60 per share.

The complete **2009 Financial Report** can be found at:

<http://www.swissquote.ch> – THE COMPANY/Investor Relations/Reporting

Swissquote – Swiss leader in online trading

Swissquote has 236 employees in Gland (Vaud) and Zurich. In addition to low-cost stock market access for private individuals and portfolio managers, Swissquote offers clients an eForex trading platform and a very attractive savings account. Swissquote Group Holding AG shares (SQN) are quoted on the SIX Swiss Exchange.

For further information

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Calendar of events 2010

29.04.2010 Key figures for the 1st quarter of 2010

30.04.2010 Annual General Meeting in Zurich

30.07.2010 Key figures for the first six months of 2010 (presented at SIX Swiss Exchange, Zurich)

05.11.2010 Key figures for the first nine months of 2010 (conference call)

Key figures 2009 business year

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	2009	2008	Change	Change [%]	Q4-2009	Q3-2009	Change	Change [%]
Net Fee & Commission Income	70'716.4	69'530.3	1'186.1	1.7%	16'888.0	20'021.1	(3'133.1)	-15.6%
Interest Income, net	9'577.3	31'337.3	(21'760.0)	-69.4%	2'102.3	1'861.1	241.2	13.0%
Trading Results	18'339.4	10'809.4	7'530.0	69.7%	4'905.9	4'506.8	399.1	8.9%
Total Net Revenues	98'633.1	111'677.0	(13'043.9)	-11.7%	23'896.2	26'389.0	(2'492.8)	-9.4%
Payroll & Related Expenses	(24'572.0)	(24'617.3)	45.3	-0.2%	(6'202.2)	(6'225.2)	23.0	-0.4%
Other Operating Expenses (incl. Depr. & Provision)	(23'813.4)	(20'500.0)	(3'313.4)	16.2%	(6'029.0)	(5'919.3)	(109.7)	1.9%
Marketing Expenses	(8'417.0)	(9'522.2)	1'105.2	-11.6%	(2'405.0)	(2'017.8)	(387.2)	19.2%
Total Expenses	(56'802.4)	(54'639.5)	(2'162.9)	4.0%	(14'636.2)	(14'162.3)	(473.9)	3.3%
Operating Profit	41'830.7	57'037.5	(15'206.8)	-26.7%	9'260.0	12'226.7	(2'966.7)	-24.3%
Impairment and provision on Investment securities	1'842.6	(12'227.3)	14'069.9	115.1%	701.0	1'141.6	(440.6)	-38.6%
Income Taxes	(8'680.3)	(12'003.4)	3'323.1	-27.7%	(1'892.0)	(2'377.4)	485.4	-20.4%
Net Profit	34'993.0	32'806.8	2'186.2	6.7%	8'069.0	10'990.9	(2'921.9)	-26.6%
Operating Profit Margin	42.4%	51.1%			38.8%	46.3%		
Net Profit Margin	35.5%	29.4%			33.8%	41.6%		
	31.12.2009	31.12.2008	Change	Change [%]	31.12.2009	30.09.2009	Change	Change [%]
Total number of Trading Clients [units]	134'654	117'141	17'513	15.0%	134'654	130'645	4'009	3.1%
Total number of Saving Clients [units]	8'048	2'728	5'320	195.0%	8'048	6'339	1'709	27.0%
Total Number of Clients	142'702	119'869	22'833	19.0%	142'702	136'984	5'718	4.2%
Assets under Custody [CHF m]	6'582.7	4'539.7	2'043.0	45.0%	6'582.7	6'378.0	204.7	3.2%
Saving Assets [CHF m]	253.8	60.8	193.0	317.4%	253.8	188.1	65.7	34.9%
Total Net New Monies [CHF m]	1'375.9	1'281.0	94.9	7.4%	329.9	517.1	(187.2)	-36.2%
Total Headcounts	236	236	-	0.0%	236	232	4	1.7%
Total Balance Sheet [CHF m]	1'885.4	1'346.1	539.3	40.1%	1'885.4	1'814.0	71.4	3.9%
Total Equity [CHF m]	174.2	139.1	35.1	25.2%	174.2	165.5	8.7	5.3%
Equity Surplus [CHF m]	120.9	89.5	31.4	35.1%	120.9	114.7	6.2	5.4%