

Results for the 1st half of 2017

Swissquote breaks all records

Swiss fintech pioneer Swissquote achieved record year-on-year figures in the first half of the year. Operating revenues rose by 16.5 percent to CHF 90.5 million, while net profit increased by 60.8 percent to CHF 17.9 million. Assets under custody passed the CHF 20 billion mark for the first time in Swissquote's history. Swissquote anticipates similarly positive performance in the second half of the year.

Surge in earnings

Operating revenues rose by 16.5 percent to CHF 90.5 million (CHF 77.7 million). Net revenues of CHF 89.1 million (CHF 75.4 million) was in turn impacted by negative interest rates (CHF -2.6 million). All four areas made a substantial contribution to the best result so far in the history of Swissquote. **Net fee & commission income** rose thanks to a marked 12.1 percent increase in Swissquote clients' willingness to trade (12.7 compared with 11.5 transactions per year) to CHF 38.9 million (CHF 34.7 million). The increasing significance of robo-advisory (ePrivate Banking) and successful derivatives trading on Swiss DOTS made a particularly strong contribution to this positive result. **eForex income** rose by 16.5 percent to CHF 32.6 million (CHF 28.0 million). This strong growth can be explained by the significant increase in new clients (+31.7 percent) and the sharp rise in eForex client assets (+76.5 percent). **Net trading income** (currency trading excluding eForex) rose by 40.6 percent to CHF 10.4 million (CHF 7.4 million). **Net interest income** rose by 13.0 percent to CHF 8.6 million (CHF 7.6 million).

Sharp rise in profits

Operating expenses were 7.6 percent higher than the same period of the previous year, and stand at CHF 67.7 million (CHF 62.9 million). However, while operating expenses only rose by CHF 4.8 million overall, Net revenues climbed by CHF 13.7 million. The increase in expenses was primarily attributable to consistently high investment in technology, marketing and employees, with headcount growing by 30 to 570.

All profit figures rose markedly in line with the development of income and expenses. **Pre-tax profit** increased by 70.6 percent to CHF 21.4 million (CHF 12.6 million) and pre-tax profit margin rose to 24.0 percent (16.7 percent), while **net profit** climbed by 60.8 percent to CHF 17.9 million (CHF 11.1 million) and the net profit margin rose to 20.1 percent (14.7 percent). The **core capital ratio** (Tier 1) is 20.5 percent (21.2 percent), meaning that Swissquote remains one of the best-financed banks in Switzerland. **Total Equity** amounted to CHF 271.5 million (CHF 267.2 million) after payment of dividends and the repurchase of 5 percent of the Company's own shares.

Assets under custody reach record level

In the first half of the year, there was a marked 26.7 percent increase in client assets to CHF 21.2 billion (CHF 16.7 billion). **Net new monies** reached CHF 1.5 billion. As of 30 June 2017, assets of CHF 20.0 billion (+28.1 percent) were held on trading accounts, CHF 614.5 million (-20.0 percent) on saving accounts, CHF 166.8 million (+70.7 percent) on robo-advisory (ePB) accounts and CHF 347.5 million (+76.5 percent) on eForex accounts. The robo-advisory (ePrivate Banking) growth target for 2017 of CHF 178 million was almost achieved in the first half of the year with CHF 166.8 million.

The **total number of accounts** rose slightly by 2,864 (+1.0 percent) to 303,055 (300,191). The breakdown is as follows: 233,421 trading accounts (-1.4 percent as a result of adjusting for inactive accounts), 30,103 saving accounts (-9.4 percent), 1,652 robo-advisory (ePB) accounts (+14.8 percent) and 37,879 eForex accounts (+31.7 percent).

First Bitcoin trading

On 14 July, Swissquote became the first European online bank to offer its clients the opportunity to invest in the Bitcoin cryptocurrency. Taking this step to integrate the virtual currency into the existing financial system makes trading with Bitcoins simpler and more secure. Bitcoins can be traded in EUR and USD on the Swissquote platform.

Expansion into Swiss DOTS

During the first half of the year, Swissquote expanded its offering of the Swiss DOTS off-market trading platform launched five years ago. The new issuer is Vontobel Investment Banking AG with 10,000 new leveraged products. This complements the existing offering from UBS, Goldman Sachs, Commerzbank and Deutsche Bank. A constantly growing market share and an increasing number of transactions confirm the success of the business model.

The complete financial report for the 1st half of 2017 is available at:

<https://www.swissquote.com> - Company/Investor Relations/Financial Reporting

Swissquote – The Swiss Leader in Online Banking

As a leading provider of online financial services, Swissquote offers innovative solutions and analysis tools to meet the wide range of demands and needs of its clients. As well as various online trading services, the user-friendly platform also provides solutions for eForex, ePrivate Banking and eMortgage. In addition to a low-cost service for private clients, Swissquote also offers specialized services for independent asset managers and corporate clients. Swissquote Bank Ltd holds a banking license issued by its supervisory authority the Swiss Federal Financial Market Supervisory Authority (FINMA) and is a member of the Swiss Bankers Association. Its mother company, Swissquote Group Holding Ltd, is listed on the SIX Swiss Exchange (symbol: SQN).

For further information

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Agenda 2018

02.03.2018 Presentation of 2017 results

04.05.2018 Annual General Meeting

CHF'000	6 months ended 30 June				Comparison with Previous Half Year			
	2017	2016	Change	Change [%]	H1-2017	H2-2016	Change	Change [%]
Net Fee & Commission Income	38'909.2	34'694.2	4'215.0	12.1%	38'909.2	34'849.1	4'060.1	11.7%
Interest Income, net	8'627.8	7'637.2	990.6	13.0%	8'627.8	7'813.2	814.6	10.4%
eForex Income, net	32'642.3	28'024.4	4'617.9	16.5%	32'642.3	24'797.2	7'845.1	31.6%
Trading Income, net	10'361.9	7'372.0	2'989.9	40.6%	10'361.9	9'449.9	912.0	9.7%
Operating Revenues	90'541.2	77'727.8	12'813.4	16.5%	90'541.2	76'909.4	13'631.8	17.7%
Unrealised Fair Value	1'150.4	(139.4)	1'289.8	925.3%	1'150.4	(103.8)	1'254.2	1208.3%
Cost of negative interest rates (excluding FX swaps)	(2'614.6)	(2'179.2)	435.4	20.0%	(2'614.6)	(1'969.5)	645.1	32.8%
Net Revenues	89'077.0	75'409.2	13'667.8	18.1%	89'077.0	74'836.1	14'240.9	19.0%
Payroll & Related Expenses	(30'458.9)	(28'423.3)	2'035.6	7.2%	(30'458.9)	(28'624.4)	1'834.5	6.4%
Other Operating Expenses	(18'007.8)	(16'605.8)	1'402.0	8.4%	(18'007.8)	(16'967.1)	1'040.7	6.1%
Depreciation	(9'006.0)	(8'231.7)	774.3	9.4%	(9'006.0)	(8'513.9)	492.1	5.8%
Marketing Expenses	(10'185.1)	(9'590.4)	594.7	6.2%	(10'185.1)	(10'078.6)	106.5	1.1%
Expenses	(67'657.8)	(62'851.2)	4'806.6	7.6%	(67'657.8)	(64'184.0)	3'473.8	5.4%
Pre-tax Profit	21'419.2	12'558.0	8'861.2	70.6%	21'419.2	10'652.1	10'767.1	101.1%
Income Taxes	(3'531.5)	(1'436.8)	2'094.7	145.8%	(3'531.5)	(1'020.8)	2'510.7	246.0%
Net Profit / (Loss)	17'887.7	11'121.2	6'766.5	60.8%	17'887.7	9'631.3	8'256.3	85.7%
Pre-tax Profit Margin [%]	24.0%	16.7%			24.0%	14.2%		
Net Profit Margin [%]	20.1%	14.7%			20.1%	12.9%		
	30.06.2017	30.06.2016	Change	Change [%]	30.06.2017	31.12.2016	Change	Change [%]
Trading Accounts	233'421	236'761	(3'340)	-1.4%	233'421	236'118	(2'697)	-1.1%
Saving Accounts	30'103	33'222	(3'119)	-9.4%	30'103	32'884	(2'781)	-8.5%
eForex Accounts	37'879	28'769	9'110	31.7%	37'879	32'221	5'658	17.6%
Robo-Advisory (ePB) Accounts	1'652	1'439	213	14.8%	1'652	1'552	100	6.4%
Total Number of Accounts (units)	303'055	300'191	2'864	1.0%	303'055	302'775	280	0.1%
Trading Client Assets	20'039.8	15'647.9	4'391.9	28.1%	20'039.8	17'457.3	2'582.5	14.8%
Saving Client Assets	614.5	768.0	(153.5)	-20.0%	614.5	758.1	(143.6)	-18.9%
eForex Client Assets	347.5	196.9	150.6	76.5%	347.5	226.1	121.4	53.7%
Robo-Advisory (ePB) Assets	166.8	97.7	69.1	70.7%	166.8	115.9	50.9	43.9%
Total Client Assets (CHF m)	21'168.6	16'710.5	4'458.1	26.7%	21'168.6	18'557.4	2'611.2	14.1%
Total Assets under Custody (CHF m)	20'301.1	16'056.4	4'244.7	26.4%	20'301.1	17'863.5	2'437.6	13.6%
Total Net New Monies (CHF m)	1'513.0	5'216.7	(3'703.7)	-71.0%	1'513.0	856.1	656.9	76.7%
eForex Volume (USD bn)	494.4	373.1	121.3	32.5%	494.4	434.2	60.2	13.9%
Total Equity (CHF m)	271.5	267.2	4.3	1.6%	271.5	280.8	(9.3)	-3.3%
Common Equity Tier 1 ratio (%)	20.5%	21.2%	-0.7%	-3.4%	20.5%	24.5%	-4.0%	-16.4%
Total Headcounts / Average Headcounts (FTE)	570 / 560	540 / 532	30 / 28	5.6% / 5.3%	570 / 560	550 / 545	20 / 15	3.6% / 2.8%