

Results for the 2015 business year

Swissquote back in the profit zone

The SNB's decision (announced on 15 January) to discontinue the minimum EUR/CHF exchange rate brought Swissquote a turbulent start to the 2015 business year: an extraordinary provision of CHF 25 million was created to cover the negative balances incurred by clients. As expected, this measure led to a negative result for the first half of 2015. This sudden slump is now history: Swissquote closed the full year with a net profit of CHF 2.1 million and also reported record operating figures for net revenues (CHF 146.6 million), client growth (+4.2 percent), assets under custody (CHF 12.0 billion) and net new monies (+CHF 1.2 billion). Swissquote takes a correspondingly positive view of the growth prospects for 2016.

Operating revenues top CHF 150 million for the first time

Operating revenues rose by 4.2 percent to CHF 151.6 million (CHF 145.5 million). The impact of the unrealised fair value was a significant CHF -0.6 million. Operating revenues were also strongly influenced by the SNB's interest rate policy. Negative interest amounts to CHF 4.4 million in 2015. Net fee & commission income (+5.9 percent) and net trading income (+24.5 percent) contributed substantially to the positive development, while net eForex income and net interest income remained at the previous year's levels.

Net fee & commission income increased by 5.9 percent to a five-year high of CHF 66.6 million (CHF 62.9 million). The success of SwissDots, the alternative platform for derivatives trading, was one factor contributing to this good result. **Net trading income** (currency trading excluding eForex) grew by 24.5 percent to CHF 16.4 million (CHF 13.1 million). **Net interest income** amounted to an unchanged CHF 14.6 million (without SNB negative interest impact). At CHF 54.0 million (CHF 54.8 million), **eForex income** was also practically at the previous year's level. The eForex volume decreased by 13.9 percent to USD 873.6 billion (USD 1,014.2 billion). The decline is due to the systematic reduction of higher-risk client relationships. With the remaining clients, Swissquote generated an unchanged level of income on a smaller volume, but at higher margins. Assets under custody of eForex customers has recovered with CHF 210.6 million (CHF 241.0 million) at nearly the previous year's level and grew by 20.7 million in the second half of 2015.

Net profit encouraging, capital base solid

At CHF 122.1 million (CHF 117.3 million), **operating expenses** were 4.1 percent higher in 2015 than in the previous year. This was attributable in particular to higher marketing costs (+24.8 percent). **Pre-tax profit** was down 13.0 percent year-on-year to CHF 24.5 million (CHF 28.2 million). The pre-tax profit margin was 16.7 percent (19.4 percent). **Net profit** was impacted by the extraordinary provision of CHF 25 million (announced in January) to cover the negative balances incurred by clients as a consequence of the SNB decision. The provision had a negative effect of CHF 20.5 million (net of tax) on the result for the first half of 2015, producing a net loss of CHF 10.6 million. Further cases were closed in the second half, reducing the

provision to CHF 18.4 million. Net profit came to CHF 2.1 million (CHF 23.5 million). Confirming that the solidity of Swissquote is in no way impaired by the provision, **total equity** was down only marginally to CHF 267.7 million (CHF 274.4 million) and the **core capital ratio** (Tier 1) was just slightly lower at 22.0 percent (23.3 percent).

Almost 10,000 new accounts and record influx of net new monies

The number of customers continued to grow. The **total number of accounts** rose by 9,405 (+4.2 percent) to 231,327 (221,922). The breakdown is as follows: 171,170 trading accounts (+2.5 percent), 32,542 saving accounts (+2.9 percent), 1,369 ePrivate Banking accounts (+13.1 percent) and 26,246 eForex accounts (+18.4 percent). **Assets under custody** grew year-on-year by 3.7 percent to CHF 11.992 billion (CHF 11.562 billion). As at the end of 2015, assets of CHF 10.953 billion were held in trading accounts, CHF 762.9 million in saving accounts, CHF 65.8 million in ePrivate Banking accounts and CHF 210.6 million in eForex accounts. **New net monies** increased by 13.6 percent year-on-year to CHF 1.228 billion (CHF 1.081 billion).

Outlook for the current year

For 2016, Swissquote is expecting to see further growth as of more than 10 percent. This optimistic assessment is based on the good operating results posted in 2015, on improvements achieved within the organization and at the foreign offices. Technological innovations are an additional factor: Swissquote was the first Swiss bank to launch apps for Apple Watch and Apple TV. A few weeks ago, moreover, Swissquote received the Thomson Reuters Lipper Fund Award in the Equity Switzerland category: the 'Swissquote Quant Swiss Equities (CHF) A' fund was honoured for having achieved the best performance over the past 3 years. Total assets are expected to grow strongly in 2016 influenced by the partnership with PostFinance now becoming active.

Distribution of profit to shareholders

The Board of Directors will propose to the Annual General Meeting of Swissquote Group Holding Ltd on 13 May 2016 an unchanged distribution of CHF 0.60 per share (reimbursement from Reserves of capital contributions).

The complete 2015 Financial Report can be found at:

<http://www.swissquote.ch – THE COMPANY/Investor Relations/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, eMortgage and flexible saving accounts. 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 2016

13.05.2016 Annual General Meeting in Zurich

29.07.2016 Figures for the first half of 2016 (presentation at SIX Swiss Exchange)

CHF'000	12 months ended 31 December				Comparison with Previous Half Year			
	2015	2014	Change	Change [%]	H2-2015	H1-2015	Change	Change [%]
Net Fee & Commission Income	66'635.4	62'942.0	3'693.4	5.9%	33'063.4	33'572.0	(508.6)	-1.5%
Interest Income, net*	14'641.5	14'612.3	29.2	0.2%	6'991.3	7'650.2	(658.9)	-8.6%
eForex Income, net	54'014.7	54'794.4	(779.7)	-1.4%	27'311.9	26'702.7	609.2	2.3%
Trading Income, net	16'358.1	13'134.9	3'223.2	24.5%	7'237.3	9'120.9	(1'883.6)	-20.7%
Operating Revenues	151'649.7	145'483.6	6'166.1	4.2%	74'603.9	77'045.8	(2'441.9)	-3.2%
Unrealised Fair Value	(633.6)	40.8	(674.4)	-1652.9%	605.5	(1'239.1)	1'844.6	148.9%
Cost arising from negative interest rates*	(4'394.4)	-	(4'394.4)	-	(2'559.7)	(1'834.7)	(725.0)	-39.5%
Net Revenues	146'621.7	145'524.4	1'097.3	0.8%	72'649.7	73'972.0	(1'322.3)	-1.8%
Payroll & Related Expenses	(57'442.6)	(57'987.3)	544.7	-0.9%	(28'033.8)	(29'408.8)	1'375.0	-4.7%
Other Operating Expenses (incl. Depr. & Provision)	(45'893.2)	(44'294.4)	(1'598.8)	3.6%	(22'546.7)	(23'346.4)	799.7	-3.4%
Marketing Expenses	(18'748.0)	(15'022.5)	(3'725.5)	24.8%	(9'232.4)	(9'515.7)	283.3	-3.0%
Expenses	(122'083.8)	(117'304.2)	(4'779.6)	4.1%	(59'812.9)	(62'270.9)	2'458.0	-3.9%
Pre-tax Profit	24'537.9	28'220.2	(3'682.3)	-13.0%	12'836.8	11'701.1	1'135.7	9.7%
Income Taxes	(4'043.7)	(4'698.9)	655.2	-13.9%	(2'207.1)	(1'836.6)	(370.5)	20.2%
One-offs items**	(18'419.0)	-	(18'419.0)	-	2'081.0	(20'500.0)	22'581.0	110.2%
Net Profit / (Loss)	2'075.2	23'521.3	(21'446.1)	-91.2%	12'710.7	(10'635.5)	23'346.2	219.5%
Pre-tax Profit Margin [%]	16.7%	19.4%			17.7%	15.8%		
Net Profit Margin [%]	1.4%	16.2%			17.5%	-14.4%		
	31.12.2015	31.12.2014	Change	Change [%]	31.12.2015	30.06.2015	Change	Change [%]
Trading Accounts	171'170	166'941	4'229	2.5%	171'170	169'664	1'506	0.9%
Saving Accounts	32'542	31'612	930	2.9%	32'542	32'166	376	1.2%
eForex Accounts	26'246	22'159	4'087	18.4%	26'246	24'085	2'161	9.0%
ePrivate Banking Accounts	1'369	1'210	159	13.1%	1'369	1'308	61	4.7%
Total Number of Accounts (units)	231'327	221'922	9'405	4.2%	231'327	227'223	4'104	1.8%
Trading Assets	10'952.6	10'499.6	453.0	4.3%	10'952.6	10'532.4	420.2	4.0%
Saving Assets	762.9	751.1	11.8	1.6%	762.9	738.8	24.1	3.3%
eForex Assets	210.6	241.0	(30.4)	-12.6%	210.6	189.9	20.7	10.9%
ePrivate Banking Assets	65.8	69.9	(4.1)	-5.9%	65.8	65.0	0.8	1.2%
Total Assets under Custody (CHF m)	11'991.9	11'561.6	430.3	3.7%	11'991.9	11'526.1	465.8	4.0%
Total Net New Monies (CHF m)	1'227.5	1'080.8	146.7	13.6%	647.3	580.2	67.1	11.6%
eForex Volume (USD bn)	873.6	1'014.2	(140.6)	-13.9%	383.5	490.0	(106.5)	-21.7%
Total Equity (CHF m)	267.7	274.4	(6.7)	-2.4%	267.7	255.8	11.9	4.7%
Common Equity Tier 1 ratio (%)	22.0%	23.3%	-1.3%	-5.6%	22.0%	22.5%	-0.5%	-2.1%
Total Headcounts / Average Headcounts (FTE)	524 / 528	532 / 520	-8 / 8	-1.5% / 1.5%	524 / 535	545 / 539	-21 / -4	-3.9% / -0.7%

* During H1-2015, cost arising from economic phenomenon of negative interest rates was included in Interest Income before being separately disclosed

** Financial statements comprise of CHF 25.0 m of provision (gross of tax) built following the decision of the SNB to remove the 1.20 floor on EURCHF and decreased by CHF 2.4m (gross of tax) at year end