

Results for 1st half of 2013

Swissquote: Revenues and earnings climbing

Swissquote reports encouraging results for the 1st half of 2013. Year-on-year, total net revenues increased by 5.1 percent and net profit by 19.2 percent. The number of accounts grew by 2.3 percent to 204,812, and assets under custody were 13.6 percent higher at CHF 9.267 billion. For 2013 Swissquote is expecting to see a further increase in the number of clients – by approximately 5,000 – and net new money of around CHF 1 billion.

Total net revenues positively impacted by net fee & commission income and forex & trading income

In the 1st half of 2013, **total net revenues** rose by 5.1 percent year-on-year from CHF 57.3 million to CHF 60.2 million. On the back of an increase in trading activity to 13.2 (11.8) transactions per client/year, **net fee & commission income** grew by 13.3 percent to CHF 30.0 million (CHF 26.5 million). Owing to Swissquote's cautious investment policy (reduction of bond portfolio and increase in the deposits held with the Swiss National Bank), **net interest income** decreased by 9.2 percent year-on-year to CHF 7.8 million (CHF 8.6 million). **Forex and trading income** increased to CHF 22.4 million (CHF 21.9 million) on a slightly higher trading volume (+4.2 percent). In comparison with the previous quarter, however, trading volume grew by 37.4 percent and forex and trading income by 22.1 percent.

Significant growth in earnings

At CHF 43.7 million (CHF 43.5 million), **operating expenses** were in line with the previous year. **Pre-tax profit** rose by 19.9 percent to CHF 16.6 million (CHF 13.8 million) as a result of the increase in total net revenues. **Net profit** also increased correspondingly by 19.2 percent to CHF 13.5 million (CHF 11.4 million). The pre-tax profit margin was 27.5 percent (24.1 percent), and the net profit margin stood at 22.5 percent (19.8 percent). **Earnings per share** amounted to CHF 0.95 (CHF 0.79). The **balance sheet total** increased by 6.5 percent to CHF 2.978 billion (CHF 2.796 billion), and **total equity** saw a slight decline of 1.3 percent to CHF 225.5 million (CHF 228.4 million). The **core capital ratio** was at 22.6 percent (21.2 percent).

Renewed growth in assets under custody and number of clients

The number of clients increased further in the 1st half of 2013. The total number of **accounts** rose by 2.3 percent year-on-year to 204,812. The breakdown is 162,024 trading accounts (+1.6 percent), 30,759 saving accounts (+4.3 percent), 11,169 eForex accounts (+5.9 percent), and 860 ePrivate Banking accounts (+20.8 percent). Compared with the previous year, **assets under custody** increased by 13.6 percent to CHF 9.267 billion (CHF 8.160 billion). At the end of the 1st half of 2013, assets of CHF 8.456 billion were held in trading accounts, CHF 697.4 million in saving accounts, CHF 87.2 million in

eForex accounts, and CHF 26.7 million in ePrivate Banking accounts. **Net new monies** decreased by 41.4 percent year-on-year to CHF 379.5 million (CHF 647.9 million).

Successful products

Swissquote recently added the USD/BRL (US dollar – Brazilian real), USD/CNY (US dollar – Chinese yuan) and USD/INR (US dollar – Indian rupee) forex pairs to its list of tradable products. Swissquote's decision to launch these pairs meets a need of clients wishing to trade in emerging market currencies. The new forex pairs can be traded in minimum increments of 1,000 units.

The volumes of Swiss DOTS (launched by Swissquote in conjunction with Goldman Sachs and UBS at the end of May 2012) continues to develop well. In June alone, some 9,500 transactions were executed, corresponding to 16.3 percent of all trades in leveraged products on Scoach. Clients currently have access to more than 42,000 products on the Swissquote platform. The positive development confirms not only that Swiss DOTS meets a genuine need among investors but also that there is certainly room for such an offering in Switzerland. Swiss DOTS generates a significant additional volume for Swissquote without any reduction in the volume settled with Scoach.

The partnership entered into with Basellandschaftliche Kantonalbank (BLKB) to offer online mortgages has proven successful. Demand is rising steadily. To date the partnership has originated CHF 265 million in loans. The two partners plan to expand existing services in order to accelerate growth.

The complete **financial report for the first half of 2013** is available on:

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

Swissquote – Banking, Self-made.

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 is quoted on the SIX Swiss Exchange (SQN) and holds a banking license. The company is subject to supervision by the Swiss Federal Financial Market Supervisory Authority (FINMA) and is a member of the Swiss Bankers Association.

For further information

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Agenda 2013

05.11.2013

Figures for the first 9 months of 2013 (conference call)

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	H1-2013	H1-2012*	Change	Change [%]	Q2-2013	Q1-2013	Change	Change [%]
Net Fee & Commission Income	29'981.1	26'453.7	3'527.4	13.3%	15'291.6	14'689.5	602.1	4.1%
Interest Income, net	7'834.9	8'630.1	(795.2)	-9.2%	3'917.0	3'917.9	(0.9)	0.0%
Forex & Trading Income, net	22'442.4	21'865.6	576.8	2.6%	12'338.0	10'104.4	2'233.6	22.1%
Total Operating Revenues	60'258.4	56'949.4	3'309.0	5.8%	31'546.6	28'711.8	2'834.8	9.9%
Unrealised Fair Value	(39.1)	355.6	(394.7)	111.0%	284.0	(323.1)	607.1	187.9%
Total Net Revenues	60'219.3	57'305.0	2'914.3	5.1%	31'830.6	28'388.7	3'441.9	12.1%
Payroll & Related Expenses	(19'716.9)	(20'223.0)	506.1	-2.5%	(10'064.3)	(9'652.6)	(411.7)	4.3%
Other Operating Expenses (incl. Depr. & Provision)	(17'222.3)	(17'096.9)	(125.4)	0.7%	(8'701.3)	(8'521.0)	(180.3)	2.1%
Marketing Expenses	(6'712.3)	(6'162.2)	(550.1)	8.9%	(3'305.9)	(3'406.4)	100.5	-3.0%
Total Expenses	(43'651.5)	(43'482.1)	(169.4)	0.4%	(22'071.5)	(21'580.0)	(491.5)	2.3%
Pre-tax Profit	16'567.8	13'822.9	2'744.9	19.9%	9'759.1	6'808.7	2'950.4	43.3%
Income Taxes	(3'021.1)	(2'455.4)	(565.7)	23.0%	(1'745.3)	(1'275.8)	(469.5)	36.8%
Net Profit	13'546.7	11'367.5	2'179.2	19.2%	8'013.8	5'532.9	2'480.9	44.8%
Pre-tax Profit Margin	27.5%	24.1%			30.7%	24.0%		
Net Profit Margin	22.5%	19.8%			25.2%	19.5%		
Weighted average number of ordinary shares [units]	14'262'567	14'459'713			14'077'921	14'449'264		
Earning per share [CHF]	0.95	0.79	0.16	20.3%	0.57	0.38	0.19	50.0%
	30.06.2013	30.06.2012	Change	Change [%]	30.06.2013	31.03.2013	Change	Change [%]
Trading Accounts [units]	162'024	159'500	2'524	1.6%	162'024	160'978	1'046	0.6%
Saving Accounts [units]	30'759	29'490	1'269	4.3%	30'759	30'153	606	2.0%
eForex Accounts [units]	11'169	10'542	627	5.9%	11'169	11'067	102	0.9%
ePrivate Banking Accounts [units]	860	712	148	20.8%	860	807	53	6.6%
Total Number of Accounts	204'812	200'244	4'568	2.3%	204'812	203'005	1'807	0.9%
Trading Assets [CHF m]	8'456.1	7'285.5	1'170.6	16.1%	8'456.1	8'259.2	196.9	2.4%
Saving Assets [CHF m]	697.4	715.7	(18.3)	-2.6%	697.4	694.9	2.5	0.4%
eForex Assets [CHF m]	87.2	136.2	(49.0)	-36.0%	87.2	127.9	(40.7)	-31.8%
ePrivate Banking Assets [CHF m]	26.7	22.7	4.0	17.6%	26.7	25.8	0.9	3.5%
Total Assets under Custody [CHF m]	9'267.4	8'160.1	1'107.3	13.6%	9'267.4	9'107.8	159.6	1.8%
Total Net New Monies [CHF m]	379.5	647.9	(268.4)	-41.4%	138.7	240.8	(102.1)	-42.4%
eForex Volume [CHF bn]	158.0	151.6	6.4	4.2%	91.4	66.5	24.9	37.4%
Total Equity [CHF m]*	225.5	228.4	(2.9)	-1.3%	225.5	245.3	(19.8)	-8.1%
Common Equity Tier 1 ratio [%]**	22.6%	21.2%	1.4%	6.6%	22.6%	25.3%	-2.7%	-10.7%
Total Headcounts / Average Headcounts - FTE	390 / 379	365 / 362	25 / 17	6.8% / 4.7%	390 / 390	389 / 379	1 / 11	0.3% / 2.9%

* Impact of revised IAS19 standard on comparative figures (see note 9 of Q2-2013 Financial Report)

** At 1st January 2013, Basel III Framework was implemented (Comparative figures in accordance with Basel II).