

Results for the 1st half of 2015

Swissquote posts revenue growth and high influx of net new monies

In the 1st half of 2015, Swissquote increased net revenues by 5.2 percent year-on-year to CHF 74.0 million. Despite this growth, pre-tax profit decreased by 11.1 percent to CHF 11.7 million, due largely to higher marketing costs. Showing a loss of CHF 10.6 million, Swissquote's current half-year report is the first not to present a net profit. This loss is attributable to the extraordinary provisions of CHF 25 million (announced in January) created to cover the negative balances incurred by clients as a result of the SNB decision to remove the floor against the Euro. Net new monies increased by 27.1 percent year-on-year to CHF 580.2 million. For the year as a whole, Swissquote is expecting to see an increase in net revenues in the region of 10 percent and a positive net profit.

Solid, diversified revenue structure

Total net revenues rose by 5.2 percent to CHF 74.0 million (CHF 70.3 million). The impact of the unrealised fair value was a significant CHF -1.2 million. With the exception of interest operations, all business areas contributed to revenue growth. Net fee & commission income increased by 8.5 percent to CHF 33.6 million (CHF 30.9 million) thanks to a slight increase in trading activity (12.9 transactions per client/year). Net eForex income grew by only a modest 3.6 percent to CHF 26.7 million (CHF 25.8 million) owing to the uncertainties over Greece. The eForex volume rose by 12.0 percent to USD 490.0 billion (USD 437.7 billion). Net trading income (currency trading excluding eForex) increased by 43.0 percent to CHF 9.1 million (CHF 6.4 million). As a consequence of Swissquote's prudent investment policy and negative SNB interest rates, net interest income was down by 19.2 percent to CHF 5.8 million (CHF 7.2 million). The cost to Swissquote of the SNB's interest rate policy is approximately CHF 4 million p.a.

Net profit impacted by provisions

At CHF 62.3 million (CHF 57.2 million), operating expenses in the 1st half of 2015 were 8.9 percent higher year-on-year, due in particular to a 47.4 percent increase in marketing costs. Pre-tax profit was down 11.1 percent year-on-year at CHF 11.7 million (CHF 13.2 million). The pre-tax profit margin was 15.8 percent (18.7 percent). Net profit was impacted by the extraordinary provisions of CHF 25 million (announced in January) created to cover the negative balances incurred by clients as a result of the SNB decision to remove the floor against the Euro. The provisions had a negative effect of CHF 20.5 million (net of tax), resulting in a net loss of CHF 10.6 million for the 1st half of 2015, compared with a net profit of CHF 11.1 million reported for the corresponding prior-year period. As previously communicated, these provisions fully cover the risks arising from the SNB decision and no further provisioning will be necessary. Confirming that the solidity of Swissquote Bank is in no way impaired by the provisions made, total equity was down only marginally to CHF 255.8 million (CHF 271.3 million) and the core capital ratio (Tier 1) was just slightly lower at 22.5 percent (23.1 percent).

8,000 new accounts and high influx of net new monies

The number of customers continued to grow. The **total number of accounts** rose by 3.7 percent to 227,223 (219,177). The breakdown is 169,664 trading accounts (+2.7 percent), 32,166 saving accounts (+2.3 percent), 1,308 ePrivate Banking accounts (+22.5 percent) and 24,085 eForex accounts (+11.9 percent). The total number of 8,046 accounts is substantially higher than in either the 1st or 2nd half of 2014. Swissquote attributes this increase in part at least to the new partnership with Manchester United.

Assets under custody rose year-on-year by 6.4 percent to CHF 11.526 billion (CHF 10.835 billion). At the end of June 2015, assets of CHF 10.532 billion were held in trading accounts, CHF 738.8 million in saving accounts, CHF 65.0 million in ePrivate banking accounts and CHF 189.9 million in eForex accounts. **New net monies** increased by 27.1 percent year-on-year to CHF 580.2 million (CHF 456.4 million).

Outlook for the full year

Swissquote is expecting to see a positive net profit, net revenue growth in the region of 10 percent and net new monies in excess of CHF 1 billion for full 2015. The long-term strategic partnership with **PostFinance** in the area of online trading, as announced in May 2014, will be launched this fall. Swissquote will operate as the trading platform for PostFinance and handle stock exchange orders placed by PostFinance customers. Swissquote expects its global multi-year partnership with **Manchester United** to continue having a positive impact on future growth. Working with one of the world's most popular and successful soccer clubs will give Swissquote access to a fan database with more than 650 million members.

The complete **financial report for the 1st half of 2015** is available 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

04.03.2016 Presentation of 2015 results in Zurich (SIX Swiss Exchange)
13.05.2016 Annual General Meeting in Zurich

CHF'000	Comparison with Previous Year				Comparison with Previous Half Year			
	H1-2015	H1-2014	Change	Change [%]	H1-2015	H2-2014	Change	Change [%]
Net Fee & Commission Income	33'572.0	30'945.2	2'626.8	8.5%	33'572.0	31'996.8	1'575.2	4.9%
Interest Income, net*	5'815.5	7'199.2	(1'383.7)	-19.2%	5'815.5	7'413.1	(1'597.6)	-21.6%
eForex Income, net	26'702.7	25'782.5	920.2	3.6%	26'702.7	29'011.9	(2'309.2)	-8.0%
Trading Income, net	9'120.9	6'376.2	2'744.7	43.0%	9'120.9	6'758.7	2'362.2	35.0%
Total Operating Revenues	75'211.1	70'303.1	4'908.0	7.0%	75'211.1	75'180.5	30.6	0.0%
Unrealised Fair Value	(1'239.1)	29.1	(1'268.2)	-4358.1%	(1'239.1)	11.7	(1'250.8)	-10690.6%
Total Net Revenues	73'972.0	70'332.2	3'639.8	5.2%	73'972.0	75'192.2	(1'220.2)	-1.6%
Payroll & Related Expenses	(29'408.8)	(28'864.8)	(544.0)	1.9%	(29'408.8)	(29'122.5)	(286.3)	1.0%
Other Operating Expenses (incl. Depr. & Provision)	(23'346.4)	(21'845.3)	(1'501.1)	6.9%	(23'346.4)	(22'449.1)	(897.3)	4.0%
Marketing Expenses	(9'515.7)	(6'455.6)	(3'060.1)	47.4%	(9'515.7)	(8'566.8)	(948.9)	11.1%
Total Expenses	(62'270.9)	(57'165.7)	(5'105.2)	8.9%	(62'270.9)	(60'138.4)	(2'132.5)	3.5%
Pre-tax Profit	11'701.1	13'166.5	(1'465.4)	-11.1%	11'701.1	15'053.8	(3'352.7)	-22.3%
Income Taxes	(1'836.6)	(2'063.2)	226.6	11.0%	(1'836.6)	(2'635.7)	799.1	30.3%
One-offs items	(20'500.0)	-	(20'500.0)	-	(20'500.0)	-	(20'500.0)	-
Net Profit / (Loss)	(10'635.5)	11'103.3	(21'738.8)	-195.8%	(10'635.5)	12'418.1	(23'053.6)	-185.6%
Pre-tax Profit Margin [%]	15.8%	18.7%			15.8%	20.0%		
Net Profit Margin [%]	-14.4%	15.8%			-14.4%	16.5%		
	30.06.2015	30.06.2014	Change	Change [%]	30.06.2015	31.12.2014	Change	Change [%]
Trading Accounts [units]	169'664	165'143	4'521	2.7%	169'664	166'941	2'723	1.6%
Saving Accounts [units]	32'166	31'451	715	2.3%	32'166	31'612	554	1.8%
eForex Accounts [units]	24'085	21'515	2'570	11.9%	24'085	22'159	1'926	8.7%
ePrivate Banking Accounts [units]	1'308	1'068	240	22.5%	1'308	1'210	98	8.1%
Total Number of Accounts [units]	227'223	219'177	8'046	3.7%	227'223	221'922	5'301	2.4%
Trading Assets [CHF m]	10'532.3	9'822.3	710.0	7.2%	10'532.3	10'499.6	32.7	0.3%
Saving Assets [CHF m]	738.8	718.9	19.9	2.8%	738.8	751.1	(12.3)	-1.6%
eForex Assets [CHF m]	189.9	236.5	(46.6)	-19.7%	189.9	241.0	(51.1)	-21.2%
ePrivate Banking Assets [CHF m]	65.0	57.4	7.6	13.2%	65.0	69.9	(4.9)	-7.0%
Total Assets under Custody [CHF m]	11'526.0	10'835.1	690.9	6.4%	11'526.0	11'561.6	(35.6)	-0.3%
Total Net New Monies [CHF m]	580.2	456.4	123.8	27.1%	580.2	624.4	(44.2)	-7.1%
eForex Volume [USD bn]	490.0	437.7	52.4	12.0%	490.0	576.4	(86.4)	-15.0%
Total Equity [CHF m]	255.8	271.3	(15.6)	-5.7%	255.8	274.4	(18.6)	-6.8%
Common Equity Tier 1 ratio [%]	22.5%	23.1%	-0.6%	-2.6%	22.5%	23.3%	-0.8%	-3.4%
Total Headcounts / Average Headcounts - [FTE]	545 / 529	513 / 510	32 / 19	3.7% / 6.2%	545 / 539	532 / 523	13 / 16	3.1% / 2.4%

* Cost arising from economic phenomenon of negative interest rates is estimated to CHF 1.8m in H1-2015