

Results for the first quarter of 2010

Swissquote meets ambitious growth targets

In the first quarter of 2010, Swissquote once again met its ambitious growth targets: The inflow of new funds increased by CHF 63.3 million (+21.8 percent) to CHF 353.9 million compared to the same quarter in 2009. As a result, client assets rose to more than CHF 7 billion for the first time. The number of clients increased by 23,791 (19.0 percent) to 149,277. In the first quarter of 2010, revenues of CHF 23.4 million were on a par with the previous year, whereas operating profit and net profit were 22.4 percent lower owing to higher marketing expenses. Swissquote has left its growth targets for 2010 unchanged: An increase in the number of clients in the region of 20 percent and an inflow of new funds well in excess of CHF 1 billion.

Revenues development reflects market situation

Total net revenues of CHF 23.4 million were virtually unchanged from the year earlier period (CHF 23.3 million). Revenues of CHF 15.9 million (CHF 15.5 million) in the commission business, the most important segment, were 2.7 percent higher than in the previous year, although given the strong increase in client numbers, growth was below average. The cause for this was the lower average number of transactions per client of 14.1 in the first quarter, which mirrored the generally lower volume at stock exchanges. The revenue trend in the second segment, the interest business, also reflected the global situation in the money market, in which rates remained at record lows until end-2009, since when they have begun to edge up. In figures, Swissquote's income from its interest business fell by 30.8 percent to CHF 2.3 million compared with the same quarter in the previous year (CHF 3.3 million), but was already 9.8 percent higher than in the fourth quarter of 2009. In the third segment, the trading business, the eForex business in particular continued to expand successfully: Income increased by 14.9 percent to CHF 5.2 million versus CHF 4.5 million in the previous year.

At the end of the first quarter of 2010 the number of clients stood at 149,277 (125,486); of the total of 23,791 new clients, 16,515 were trading clients (+13.5 percent) and 7,276 were saving clients (+218.2 percent). Saving clients' assets amounted to CHF 336.2 million, equivalent to year-on-year growth of 176.3 percent.

Solid profit situation, healthy balance sheet

In comparison with the previous year, operating expenses increased by 16.1 percent to CHF 16.0 million (CHF 13.7 million). While personnel expenses remained more or less stable, other operating expenses increased by CHF 0.9 million, primarily as a result of higher direct costs in the eForex business, and marketing expenses were up by CHF 1.1 million. Whereas in the first quarter of 2009, in the immediate aftermath of the crisis, marketing activity was limited, in the first quarter of 2010 this item included not only normal marketing and branding expenses, but also the costs of launching the "Swissquote ePrivate Banking Magazine." As a result of higher expenditure, in the first quarter of 2010 operating profit amounted to CHF 7.5 million (CHF 9.6 million) and net profit to CHF 5.8 million (CHF 7.5 million). Margins stood at 31.8 percent (41.2 percent) for operating profit and 24.8 percent (32.0 percent) for net profit. Swissquote's solid profit situation is in keeping with its healthy balance sheet: a BIS core capital ratio (tier 1) of 24.71 percent, total equity of CHF 181.8 million (CHF 145.2 million), and an equity surplus of CHF 122.9 million (CHF 95.2 million).

Swissquote ePrivate Banking – the new dimension

Since its launch at the beginning of March as an in-depth supplement to the greatly expanded range of virtual information services on the Swissquote information platform, the "Swissquote ePrivate Banking Magazine" has proved very popular among both Swissquote clients and kiosk customers. The second issue appeared in mid-April, and once again the response has been very encouraging. The latest issue focuses on the health industry, in which Swiss companies play a leading role.

The development of the completely new ePrivate Banking tool due for release in mid-2010 is proceeding according to plan. It will allow clients to personally manage their assets online. The 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, complement or reprocess the proposal until they are finally satisfied and ready to submit the order to the system for execution.



The complete **Financial Report for the first quarter of 2010** can be found at:
<http://www.swissquote.ch> – THE COMPANY/Investor Relations/Reporting

Swissquote – Swiss leader in online trading

Swissquote has 253 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

30.04.2010 Annual General Meeting in Zurich

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

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

Key figures for first quarter of 2010

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	Q1-2010	Q1-2009	Change	Change [%]	Q1-2010	Q4-2009	Change	Change [%]
Net Fee & Commission Income	15'901.1	15'484.6	416.5	2.7%	15'901.1	16'888.0	(986.9)	-5.8%
Interest Income, net	2'307.7	3'333.4	(1'025.7)	-30.8%	2'307.7	2'102.3	205.4	9.8%
Trading Results	5'193.3	4'520.7	672.6	14.9%	5'193.3	4'905.9	287.4	5.9%
Total Net Revenues	23'402.1	23'338.7	63.4	0.3%	23'402.1	23'896.2	(494.1)	-2.1%
Payroll & Related Expenses	(6'300.4)	(6'064.0)	(236.4)	3.9%	(6'300.4)	(6'202.2)	(98.2)	1.6%
Other Operating Expenses (incl. Depr. & Provision)	(6'596.9)	(5'688.3)	(908.6)	16.0%	(6'596.9)	(6'029.0)	(567.9)	9.4%
Marketing Expenses	(3'054.6)	(1'981.9)	(1'072.7)	54.1%	(3'054.6)	(2'405.0)	(649.6)	27.0%
Total Expenses	(15'951.9)	(13'734.2)	(2'217.7)	16.1%	(15'951.9)	(14'636.2)	(1'315.7)	9.0%
Operating Profit	7'450.2	9'604.5	(2'154.3)	-22.4%	7'450.2	9'260.0	(1'809.8)	-19.5%
Impairment and provision on Investment securities	-	-	-	-	-	701.0	(701.0)	-100.0%
Income Taxes	(1'655.4)	(2'139.2)	483.8	-22.6%	(1'655.4)	(1'892.0)	236.6	-12.5%
Net Profit	5'794.8	7'465.3	(1'670.5)	-22.4%	5'794.8	8'069.0	(2'274.2)	-28.2%
Operating Profit Margin	31.8%	41.2%			31.8%	38.8%		
Net Profit Margin	24.8%	32.0%			24.8%	33.8%		
	31.03.2010	31.03.2009	Change	Change [%]	31.03.2010	31.12.2009	Change	Change [%]
Total number of Trading Clients [units]	138'666	122'151	16'515	13.5%	138'666	134'654	4'012	3.0%
Total number of Saving Clients [units]	10'611	3'335	7'276	218.2%	10'611	8'048	2'563	31.8%
Total Number of Clients	149'277	125'486	23'791	19.0%	149'277	142'702	6'575	4.6%
Trading Assets [CHF m]	6'757.5	4'522.1	2'235.4	49.4%	6'757.5	6'328.9	428.6	6.8%
Saving Assets [CHF m]	336.2	121.7	214.5	176.3%	336.2	253.8	82.4	32.5%
Assets under Custody [CHF m]	7'093.7	4'643.8	2'449.9	52.8%	7'093.7	6'582.7	511.0	7.8%
Total Net New Monies [CHF m]	353.9	290.6	63.3	21.8%	353.9	329.9	24.0	7.3%
Total Headcounts	253	228	25	11.0%	253	236	17	7.2%
Total Balance Sheet [CHF m]	2'053.9	1'501.4	552.5	36.8%	2'053.9	1'885.4	168.5	8.9%
Total Equity [CHF m]	181.8	145.2	36.6	25.2%	181.8	174.2	7.6	4.4%
Equity Surplus [CHF m]	122.9	95.2	27.7	29.1%	122.9	120.9	2.0	1.7%