

Media information

Gland/Zurich, 16 March 2023

Results for the 2022 financial year

Swissquote's net revenues and pre-tax profit at guidance; 2023 eyes at all-time records

With net revenues of CHF 408.0 million, a pre-tax profit of CHF 186.4 million and net new monies of CHF 7.7 billion, Swissquote is reporting robust and qualitatively strong numbers for 2022. Both net revenues and pre-tax profit reached the second-highest levels in history and highlight the strong customer base and product mix in a challenging market environment. The diversification of revenue streams enabled Swissquote to benefit specifically from the change in short term interest rates. In 2022, 51,099 new client accounts (+10.5 percent) contributed to further growth, while total client assets reached CHF 52.2 billion (including CHF 9.2 billion in cash deposits). Swissquote anticipates a promising 2023 with new records in revenues and profit targeted.

Second-highest net revenues

Operating revenues totalled CHF 414.6 million, a decrease of 13.5 percent compared with the previous year (CHF 479.6 million), reflecting the difficult market conditions. Net revenues of CHF 408.0 million (CHF 472.5 million) were similarly 13.6 percent down, but still amount to the second-highest result ever.

Net fee and commission income decreased by 7.6 percent as the share of non-transaction based revenues was able to compensate for the slowdown in trading activity. Net eForex income decreased by 14.3 percent, due to lower volumes. Net crypto assets income was impacted significantly by the crypto market turmoil, declining 72.9 percent to CHF 27.7 million (6.8 percent of net revenues). On the other hand, net interest income increased by 242.6 percent due to rising interest rates across major currencies. Specifically, the CHF policy rate moved from a negative 0.75 percent to a positive 1.0 percent reference rate at the end of 2022. Net trading income decreased by 23.8 percent as a result of lower turnover in asset classes traded in foreign currencies.

Overall, Swissquote's net revenues show resilience and diversification of revenue sources.

Pre-tax profit margin of 45.7 percent reflecting cost flexibility

At CHF 215.0 million, operating expenses were 13.2 percent lower than in the previous year (CHF 247.5 million), reflecting cost management discipline over several months. As at 31 December 2022, total headcount was up by 104 FTE (of which 14 FTE inorganic) to 1,056 FTE. Half of the recruitment occurred in technology-related fields. Pre-tax profit decreased by 16.5 percent to 186.4 million (CHF 223.3 million), while the pre-tax profit margin remained at a high level of

45.7 percent (47.3 percent) despite a 13.6 percent decline in net revenues. Net profit decreased to CHF 157.4 million (CHF 193.1 million), and net profit margin to 38.6 percent (40.9 percent).

The customer growth is uninterrupted

51,099 new client accounts were opened in 2022 (of which 8,000 inorganic), most of them trading accounts, bringing the total number of clients above the 500k threshold for the first time. 60 percent of the net new monies came from outside of Switzerland, showing the growing penetration of the Swissquote brand. Thanks to the UEFA sponsorship, the Swissquote brand is broadcasted in over 200 countries globally, across hundreds channels, with millions views.

The total number of accounts reached 538,946 (+10.5 percent) by the end of 2022, with deposits averaging almost CHF 100,000 per customer. Strong net new monies of CHF 7.7 billion (of which 1.7 billion inorganic) partly compensated for the market-generated decrease in client assets from CHF 55.9 billion to CHF 52.2 billion (down 6.6 percent). Generally, all asset classes saw decreases in value in 2022, but the customer base remained steadily invested even in high-risk asset classes. As of 31 December 2022, total crypto assets under custody declined to CHF 1.0 billion (CHF 2.8 billion) despite the fact that customers have increased their holdings in major crypto assets (5.7 percent increase).

Dividend, equity and further growth

As of 31 December 2022, the balance sheet remained strong and all regulatory ratios were solid (e.g. liquidity ratio at 496%). Thanks to its capital ratio of 24.8 percent (26.2 percent), well above the regulatory limit of 11.2 percent, Swissquote is well-positioned to capture internal and external growth opportunities (as it did with the acquisition of Keytrade Bank Luxembourg SA in 2022). The Board of Directors will propose to the Annual General Meeting an unchanged dividend of CHF 2.20 per share, corresponding to 21 percent of the net profit for 2022.

Growth opportunities

Thanks to the initiatives taken in 2022, Swissquote sees the following growth opportunities for this year:

- **European market:** In early 2023, Swissquote Bank Europe SA received its depositary fund licence in Luxembourg, further expanding its market access to the B2B sector. This concludes various product and expansion initiatives enabling Swissquote to provide a similar offering and with similar target customers to those in Switzerland.
- **Crypto assets:** Swissquote's own crypto exchange SQX was successfully launched in September 2022. It is likely that the crypto industry may face an important period of transition with increased regulation. Swissquote sees itself uniquely positioned with SQX.

- Yuh: The mobile finance app already has more than 100,000 users (2022: + 65,000 users) and will further expand its products and services offering in 2023 (e.g. Pillar 3A). For 2023, the growth in accounts should be of a similar magnitude to 2022.

Non-financial reporting upgrades duly rewarded

To continue to serve shifting expectations, Swissquote introduced and implemented a wide range of ESG initiatives in favour of various stakeholders. First, customers can now not only analyse their portfolios with sustainability criteria with the support of innovative new ESG tools but as well invest in new impact investing certificates. Secondly, a fresh new “We are all in” employer value proposition was rolled out in order to position Swissquote as a recognised employer brand in the labour market. Early in 2023, Swissquote was ranked among the best employers in Switzerland (#16) and best in the banking sector by Handelszeitung, le Temps and Statista.

On the non-financial reporting side, Swissquote’s Sustainability Report 2022 provides independent assurance on quantitative data for the first time. In 2022, Swissquote’s MSCI ESG rating improved from BBB to AA and Inrate zRating ranked Swissquote as showing the best corporate governance in Switzerland for the financial services industry.

Upcoming changes in the corporate organisation and AGM

Swissquote announces the following changes to its corporate organisation:

- Esther Finidori will be proposed as a new member of the Board of Directors at the upcoming Annual General Meeting. She is currently Vice President Strategy at Schneider Electric, where she is in particular in charge of sustainability. Esther Finidori has developed a strong expertise in sustainability in general and in environmental aspects and digital transformation specifically, of which Swissquote’s Board of Directors will highly benefit in case she is elected. Markus Dennler, Chairman of the Board of Directors, says: “Esther Finidori is an excellent choice with her outstanding ESG knowledge and implementation experience.”
- Lino Finini, who currently holds the position of Chief Operating Officer, will be stepping down as a member of the Executive Management effective 31 December 2023 to take retirement. Marc Bürki, CEO of Swissquote, says: “I would like to thank Lino Finini for his significant contributions over his career at Swissquote in delivering a number of major initiatives that supported Swissquote’s growth.”

The 2023 Annual General Meeting will be held at the Swissquote headquarters, in Gland. On this occasion, the Board of Directors will propose a series of revisions to the Articles of Association, to bring them into line with the revised Swiss Code of Obligations that entered into force on 1 January 2023. The Board of Directors will in particular propose the creation of a capital band valid for a period

of five years, which will replace under similar terms the current authorised capital. The latter will expire on 6 May 2023 and is no longer renewable under the revised Swiss Code of Obligations.

Guidance for 2023 and medium-term outlook 2025

Going forward, Swissquote is targeting net revenues of CHF 495 million (plus 21 percent) and a pre-tax profit of CHF 230 million (plus 23 percent) for 2023. Despite a cautious stance, Swissquote expects to deliver all-time high results in 2023.

Swissquote's medium-term target for 2025, i.e. an pre-tax profit at CHF 350 million, is confirmed.

The complete **2022 Financial Report** is available at:

<https://en.swissquote.com/company/investors/reporting>

Swissquote – The Swiss Leader in Online Banking

Swissquote is Switzerland's market leader in online banking. Over three million financial products can be traded on its innovative platforms. Swissquote's core competencies include global stock market trading, trading and custody of crypto assets, Forex trading and a Robo-Advisor solution. In addition, Swissquote is active in the payment card, mortgage and leasing markets. As at the end of December 2022, Swissquote held over 52 billion Swiss francs in assets for more than 538,000 private and institutional clients. In addition to its headquarters in Gland, Switzerland, Swissquote has offices in Zurich, London, Luxembourg, Malta, Bucharest, Cyprus, Dubai, Singapore and Hong Kong. Its parent company, Swissquote Group Holding Ltd, is listed on the SIX Swiss Exchange (symbol: SQN). The Swissquote Group and PostFinance each own 50% of the fintech app Yuh AG.

For further information

Nadja Keller, Assistant to CEO / Media Relations Manager

Tel. +41 44 825 88 01, mediarelations@swissquote.ch

Agenda 2023

10.05.2023

09.08.2023

Corporate calendar

Annual General Meeting (Gland)

Presentation of the results for the first half of 2023

Agenda 2023

23.03.2023

14.06.2023

21./22.09.2023

Investor Relations events

Kepler Cheuvreux 24th Swiss Seminar (Zurich)

Stifel Swiss Equities Conference (Interlaken)

12th Baader Investment Conference (Munich)

	12 months ended 31 December				Comparison with previous half year			
	2022	2021	Change	Change in %	H2-2022	H1-2022	Change	Change in %
in CHF thousand, except where specified								
Net fee & commission income (excl. crypto.)	148,887.9	161,150.2	(12,262.3)	-7.6%	67,582.4	81,305.5	(13,723.1)	-16.9%
Net crypto assets income	27,695.1	102,084.3	(74,389.2)	-72.9%	8,241.6	19,453.6	(11,212.0)	-57.6%
Interest income, net ¹	79,325.5	23,155.3	56,170.2	242.6%	60,302.2	19,023.2	41,279.0	217.0%
eForex income, net	103,919.3	121,305.4	(17,386.1)	-14.3%	49,570.1	54,349.2	(4,779.1)	-8.8%
Trading income, net ²	54,817.5	71,907.5	(17,090.0)	-23.8%	24,153.3	30,664.2	(6,510.9)	-21.2%
Operating revenues	414,645.3	479,602.7	(64,957.4)	-13.5%	209,849.6	204,795.7	5,053.9	2.5%
Unrealised fair value	(746.9)	211.1	(958.0)	-453.8%	(50.3)	(696.6)	646.3	-92.8%
Cost of negative interest rates (excluding FX swaps)	(5,855.5)	(7,343.5)	(1,488.0)	-20.3%	(1,768.1)	(4,087.3)	(2,319.2)	-56.7%
Net revenues	408,042.9	472,470.3	(64,427.4)	-13.6%	208,031.2	200,011.8	8,019.4	4.0%
Payroll & related expenses	(103,128.0)	(124,592.0)	(21,464.0)	-17.2%	(51,210.1)	(51,917.9)	(707.8)	-1.4%
Other operating expenses	(52,046.0)	(61,702.8)	(9,656.8)	-15.7%	(25,108.4)	(26,937.6)	(1,829.2)	-6.8%
Depreciation	(32,767.4)	(31,295.8)	1,471.6	4.7%	(17,144.5)	(15,622.9)	1,521.6	9.7%
Marketing expenses	(27,015.2)	(29,943.7)	(2,928.5)	-9.8%	(15,054.7)	(11,960.4)	3,094.3	25.9%
Expenses	(214,956.6)	(247,534.3)	(32,577.7)	-13.2%	(108,517.7)	(106,438.8)	2,078.9	2.0%
Net result from investment in joint venture	(6,699.2)	(1,594.1)	5,105.1	320.2%	(3,792.4)	(2,906.8)	885.6	30.5%
Pre-tax profit	186,387.1	223,341.9	(36,954.8)	-16.5%	95,721.1	90,666.2	5,054.9	5.6%
Income taxes	(28,993.4)	(30,228.8)	(1,235.4)	-4.1%	(15,431.9)	(13,561.5)	1,870.4	13.8%
Net profit	157,393.7	193,113.1	(35,719.4)	-18.5%	80,289.2	77,104.7	3,184.5	4.1%
Pre-tax profit margin	45.7%	47.3%			46.0%	45.3%		
Net profit margin	38.6%	40.9%			38.6%	38.6%		

¹ Net interest income as per consolidated financial statements 2022 of CHF 73.5 million should be read in conjunction with the cost of negative interest rates (excluding FX swaps) of -CHF 5.9 million that is presented here separately (CHF 79.3 million less CHF 5.9 million).

² Net trading income as per consolidated financial statements 2022 of CHF 158.1 million should be incremented by credit loss expense of -CHF 0.1 million (which is presented separately in the consolidated financial statements). The resulting balance is presented here in three separate items: eForex income, Trading income (including credit loss release / expense) and Unrealised fair value.

	31.12.2022	31.12.2021	Change	Change in %	31.12.2022	30.06.2022	Change	Change in %
Trading accounts	467,589	418,668	48,921	11.7%	467,589	452,030	15,559	3.4%
Saving accounts	18,283	18,630	(347)	-1.9%	18,283	18,423	(140)	-0.8%
eForex accounts	47,051	44,890	2,161	4.8%	47,051	45,479	1,572	3.5%
Robo-Advisory accounts	6,023	5,659	364	6.4%	6,023	6,144	(121)	-2.0%
Total number of accounts (units)	538,946	487,847	51,099	10.5%	538,946	522,076	16,870	3.2%
Trading client assets	51,094.3	54,696.0	(3,601.7)	-6.6%	51,094.3	50,659.6	434.7	0.9%
Saving client assets	230.9	245.8	(14.9)	-6.1%	230.9	240.5	(9.6)	-4.0%
eForex client assets	459.8	436.9	22.9	5.2%	459.8	426.8	33.0	7.7%
Robo-Advisory assets	403.9	511.1	(107.2)	-21.0%	403.9	431.4	(27.5)	-6.4%
Total client assets (CHF m)³	52,188.9	55,889.8	(3,700.9)	-6.6%	52,188.9	51,758.3	430.6	0.8%
Assets under custody (CHF m)	50,978.2	54,604.0	(3,625.8)	-6.6%	50,978.2	50,431.4	546.8	1.1%
Net new money (CHF m)	7,748.2	9,600.3	(1,852.1)	-19.3%	2,758.6	4,989.6	(2,231.0)	-44.7%
eForex volume (USD bn)	1,399.6	1,545.3	(145.7)	-9.4%	653.5	746.1	(92.6)	-12.4%
Total equity (CHF m)	741.1	615.5	125.6	20.4%	741.1	663.4	77.7	11.7%
Capital ratio (%)	24.8%	26.2%	-1.4%	-5.3%	24.8%	25.7%	-0.9%	-3.5%
Total headcounts / average headcounts (FTE)	1056 / 1004	952 / 878	104 / 126	10.9% / 14.4%	1056 / 1048	1040 / 996	16 / 52	1.5% / 5.2%

³The figures presented in the table above exclude the assets from customers of the joint venture Yuh Ltd.