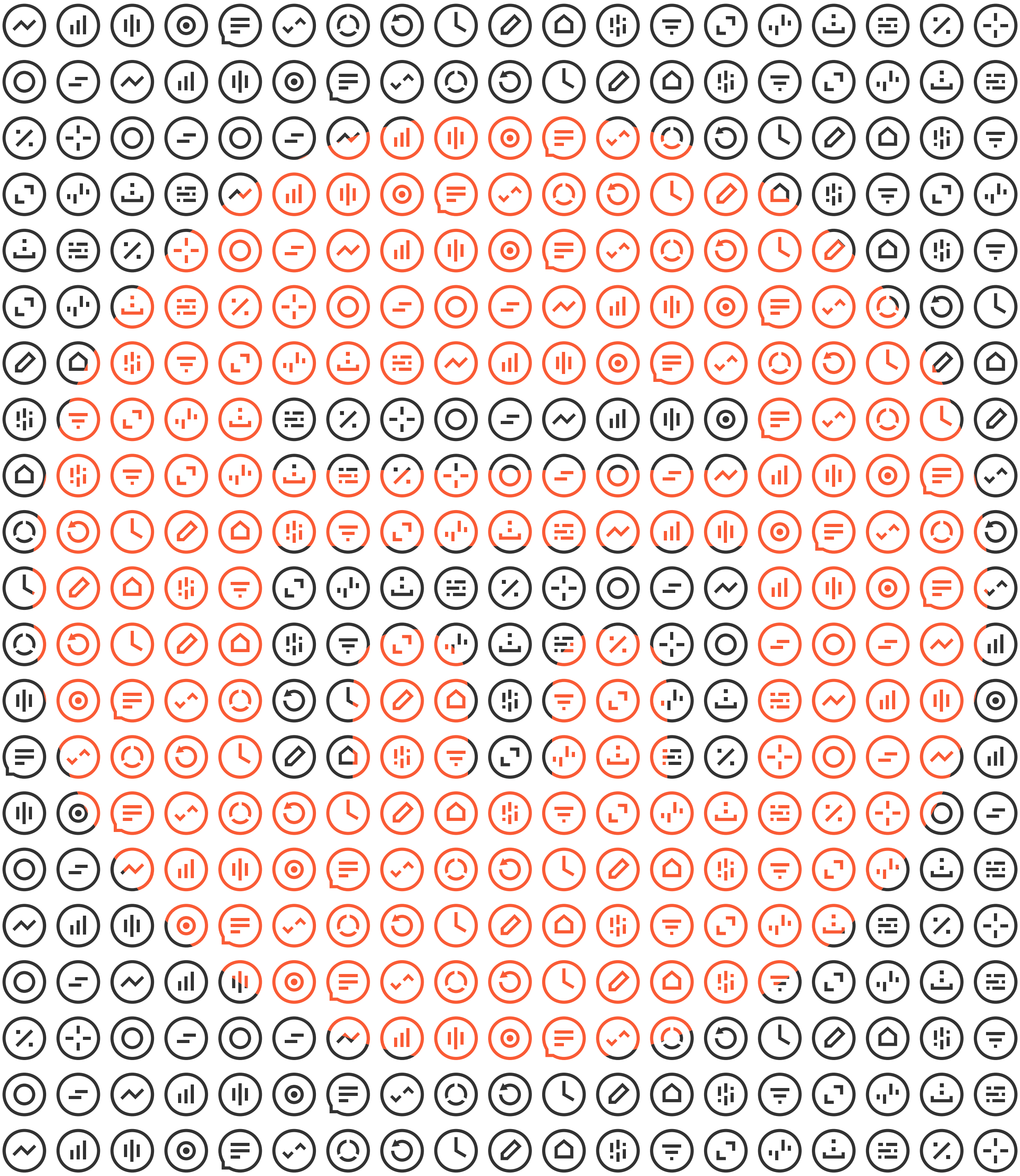

Financial Report
H1 - 2017

Swissquote

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITIONS

	Notes	30 June 2017	30 June 2016	31 December 2016
ASSETS				
Cash and balances with central bank		3,135,253,291	1,956,195,315	2,284,650,001
Treasury bills and other eligible bills		261,705,557	174,727,360	277,554,556
Due from banks		461,255,715	371,473,623	398,214,374
Derivative financial instruments		83,222,308	41,625,589	41,516,556
Trading assets		7,225,563	6,732,889	6,942,709
Loans		252,245,724	215,066,166	226,350,929
Investment securities	10	453,653,390	698,798,542	554,524,886
Deferred income tax assets		1,026,000	1,834,200	1,026,000
Intangible assets		40,377,301	40,554,522	40,465,911
Information technology systems	11	43,520,776	38,805,131	40,729,830
Property, plant and equipment	12	62,522,545	60,065,903	63,911,608
Other assets		35,543,516	39,877,356	30,373,132
Total assets		**4,837,551,686**	**3,645,756,596**	**3,966,260,492**
LIABILITIES AND EQUITY				
Liabilities				
Deposits from banks		68,182,002	10,383,511	32,804,479
Derivative financial instruments		26,064,250	13,161,088	12,723,622
Due to customers		4,423,793,802	3,312,343,699	3,600,244,732
Other liabilities		40,631,672	36,510,956	35,732,333
Current income tax liabilities		3,373,775	659,998	379,204
Deferred tax liabilities		1,587,039	1,372,757	1,209,728
Provisions		2,457,207	4,105,973	2,331,930
Total liabilities		**4,566,089,747**	**3,378,537,982**	**3,685,426,028**
Equity				
Ordinary shares	13	3,065,634	3,065,634	3,065,634
Share premium		35,839,749	42,724,941	42,585,616
Share option reserve		2,212,399	2,488,175	1,968,928
Other reserve		(1,623,401)	(4,860,971)	(1,510,450)
Treasury shares	14	(32,880,599)	(14,405,560)	(13,991,184)
Retained earnings		264,848,157	238,206,395	248,715,920
Total equity		**271,461,939**	**267,218,614**	**280,834,464**
Total liabilities and equity		**4,837,551,686**	**3,645,756,596**	**3,966,260,492**

All amounts in Swiss Francs

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		6 months ended 30 June	
	Notes	2017	2016
Fee and commission income		43,817,283	38,977,920
Fee and commission expense		(4,908,089)	(4,283,838)
Net fee and commission income	5	**38,909,194**	**34,694,082**
Interest income		14,136,066	10,356,833
Negative interest rates expense		(7,314,513)	(4,270,790)
Interest expense		(808,313)	(628,043)
Net interest income	6	**6,013,240**	**5,458,000**
Net trading income	7	**44,154,544**	**35,257,092**
Operating income		**89,076,978**	**75,409,174**
Operating expenses	8	(67,657,778)	(62,851,176)
Operating profit		**21,419,200**	**12,557,998**
Income tax expense		(3,531,470)	(1,436,825)
Net profit		**17,887,730**	**11,121,173**

SHARE INFORMATION			
Earnings per share	9	*1.24*	*0.75*
Diluted earnings per share	9	*1.24*	*0.75*
Weighted average number of shares	9	*14,454,119*	*14,894,893*

All amounts in Swiss Francs 3

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		6 months ended 30 June	
	Notes	2017	2016
Net profit for the period		**17,887,730**	**11,121,173**
Other comprehensive income: Gains/losses recognised directly in equity			
Items that may be classified to the income statement			
Investment securities carried at fair value (available-for-sale)			
Net unrealised gains/losses		299,643	1,454,585
Net realised gains/losses reclassified to the income statement from equity		(127,227)	(134,951)
Income tax effect		(31,035)	(237,534)
Currency translation differences		(254,332)	(291,228)
Total other comprehensive income that may be classified to the income statement		**(112,951)**	**790,872**
Items that will not be reclassified to the income statement			
Defined benefit obligation			
Remeasurement of defined benefit obligation		-	(3,942,000)
Income tax effect		-	709,560
Total other comprehensive income that will not be reclassified to the income statement		**-**	**(3,232,440)**
Other comprehensive income for the period (net of tax)		**(112,951)**	**(2,441,568)**
Total comprehensive income for the period		**17,774,779**	**8,679,605**

All amounts in Swiss Francs

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Notes	Share capital	Share premium	Share option reserve	Other reserve	Treasury shares	Retained earnings	Total
Balance at 1 January 2017		**3,065,634**	**42,585,616**	**1,968,928**	**(1,510,450)**	**(13,991,184)**	**248,715,920**	**280,834,464**
Net profit of the period		-	-	-	-	-	17,887,730	**17,887,730**
Available-for-sale financial assets		-	-	-	172,416	-	-	**172,416**
Income tax effect		-	-	-	(31,035)	-	-	**(31,035)**
Currency translation differences		-	-	-	(254,332)	-	-	**(254,332)**
Total comprehensive income for the period		-	-	-	**(112,951)**	-	**17,887,730**	**17,774,779**
Dividend and reimbursment from reserves	13	-	(6,652,002)	-	-	-	(1,839,915)	**(8,491,917)**
Employee stock option plan:								
Value of services provided		-	-	327,893	-	-	-	**327,893**
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period		-	-	(84,422)	-	-	84,422	-
Treasury shares:	14							
Purchase		-	-	-	-	(19,231,602)	-	**(19,231,602)**
Sale/remittance		-	(93,865)	-	-	342,187	-	**248,322**
Balance at 30 June 2017		**3,065,634**	**35,839,749**	**2,212,399**	**(1,623,401)**	**(32,880,599)**	**264,848,157**	**271,461,939**
Balance at 1 January 2016		3,065,634	51,710,405	2,207,387	(2,419,403)	(13,915,807)	227,021,442	**267,669,658**
Net profit of the period		-	-	-	-	-	11,121,173	**11,121,173**
Available-for-sale financial assets		-	-	-	1,319,634	-	-	**1,319,634**
Remeasurement of defined benefit obligation		-	-	-	(3,942,000)	-	-	**(3,942,000)**
Income tax effect		-	-	-	472,026	-	-	**472,026**
Currency translation differences		-	-	-	(291,228)	-	-	**(291,228)**
Total comprehensive income for the period		-	-	-	**(2,441,568)**	-	**11,121,173**	**8,679,605**
Dividend and reimbursment from reserves		-	(8,930,458)	-	-	-	-	**(8,930,458)**
Employee stock option plan:								
Value of services provided		-	-	344,568	-	-	-	**344,568**
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period		-	-	(63,780)	-	-	63,780	-
Treasury shares:	14							
Purchase		-	-	-	-	(669,108)	-	**(669,108)**
Sale/remittance		-	(55,006)	-	-	179,355	-	**124,349**
Balance at 30 June 2016		**3,065,634**	**42,724,941**	**2,488,175**	**(4,860,971)**	**(14,405,560)**	**238,206,395**	**267,218,614**

All amounts in Swiss Francs

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Notes	6 months ended 30 June 2017	2016
Cash flow from/(used in) operating activities:			
Fees and commission received		45,846,533	36,418,286
Fees and commission paid		(4,879,265)	(4,252,196)
Interest received		16,501,127	15,859,925
Interest paid		(6,989,225)	(4,996,297)
Net trading income		42,777,543	34,235,939
Income tax paid/reimbursed		9,248,129	2,329,795
Payments to employees		(33,647,996)	(27,419,055)
Payments to suppliers		(35,862,031)	(26,864,065)
Cash flow from operating profit before changes in operating assets and liabilities		**32,994,815**	**25,312,332**
Net change in operating assets and liabilities:			
Loans		(26,223,100)	(9,118,689)
Treasury bills and other eligible bills (above 3 months)		18,669,950	(63,140,000)
Derivative financial instruments (assets)		(41,705,752)	27,402,463
Due from banks (above 3 months)		20,568,537	14,111,150
Derivative financial instruments (liabilities)		13,340,628	(9,519,516)
Due to customers		837,419,291	5,918,515
Other liabilities		-	(485,828)
Net cash from/(used in) operating activities		**855,064,369**	**(9,519,573)**
Cash flow from/(used in) investing activities:			
Purchase of property, plant and equipment and information technology systems	11/12	(10,319,299)	(10,450,158)
Proceeds from sale and reimbursement of investment securities		183,750,395	436,980,716
Purchase of investment securities		(99,689,391)	(359,791,205)
Net cash from/(used in) investing activities		**73,741,705**	**66,739,353**
Cash flow from/(used in) financing activities:			
Purchase of treasury shares		(19,231,602)	(669,108)
Sale/remittance of treasury shares		90,195	-
Dividend and reimbursement from reserves	13	(8,491,917)	(8,930,458)
Net cash from/(used in) financing activities		**(27,633,324)**	**(9,599,566)**
Net increase/(decrease) in cash and cash equivalents		**901,172,750**	**47,620,214**
Cash and cash equivalents at 1 January		2,789,801,452	2,359,315,496
Exchange difference on cash and cash equivalents		458,359	1,048,227
Cash and cash equivalents at 30 June		**3,691,432,561**	**2,407,983,937**
Cash and cash equivalents			
Cash and balances with central bank		3,135,253,291	1,956,195,315
Treasury bills and other eligible bills (less than 3 months)		163,105,557	111,587,360
Due from banks (less than 3 months)		461,255,715	350,584,773
Deposits from banks		(68,182,002)	(10,383,511)
Total at 30 June		**3,691,432,561**	**2,407,983,937**

All amounts in Swiss Francs

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Scope of operations and general information

Swissquote Group Holding Ltd and its subsidiaries provide Online Financial Services that mainly consist of the services provided by Swissquote Bank Ltd through its financial web portal www.swissquote.ch. The Group foreign subsidiaries which are based in United Arab Emirates (Dubai), United Kingdom (London), Malta (Mriehel) and Republic of China (Hong Kong) are responsible for the sales of the Group services in respective markets through dedicated web portals. The Group foreign subsidiary which is based in United Kingdom (London) provides online foreign exchange trading for clients based in European Union.

2. Accounting policies and presentation matters

The Condensed Consolidated Interim Financial Statements (Interim Financial Statements) are prepared in accordance with IAS 34 Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the 2016 consolidated financial statements. The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the Annual Financial Statements. IAS 34 does not require comparatives in the Statement of Financial Positions for the prior interim period. Comparatives as of 30 June 2016 are presented voluntarily.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be appropriate to anticipate or defer such costs at the end of the financial year.

a) Standards, amendments and interpretations effective on or after 1 January 2017.

There are no IFRSs or IFRIC interpretations, effective for the first time for the financial year beginning 1 January 2017, with a material impact on the Group.

b) Standards and interpretations issued but not yet effective.

- IFRS 15, "Revenues from contracts with customers"

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 Revenue. IFRS 15 contains new guidelines on whether revenue should be recognised at a certain point of time or over time. For cases, involving variable consideration, a new recognition threshold was introduced. Under this reporting standard, variable amounts are only included in revenue if it is highly probable that a significant revenue reversal will not occur in the future as a result of re-estimation. IFRS 15 also introduces new guidance on the costs of fulfilling and obtaining a contract and includes significantly increased requirements for the disclosure of revenue in the financial statements. IFRS 15 has to be applied from 1 January 2018. The Group continues to assess the impact of the new standard but currently does not expect the new provisions to have any significant overall impacts.

- IFRS 9, "Financial instruments"

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments. The standard contains guidance on the classification and measurement of financial assets and liabilities, the identification of impairment of financial assets and hedge accounting.

The implementation of IFRS 9 and in particular the expected credit loss (ECL) model for impairment is generally expected to result in an increase in recognised credit loss allowances as compared to the current IAS 39 impairment model. Under the current incurred loss impairment approach in IAS 39, a financial asset is impaired if there is objective evidence as a result of one or more events having occurred since the financial assets was recognised. Once a trigger event has occurred, allowances for credit losses are established. IFRS 9 requires credit losses to be recognised irrespective of whether a loss event has occurred. Entities will be required to recognise ECL in particular for financial assets measured at amortised cost and debt instruments measured at fair value through OCI. Under this reporting standard, ECL must reflect unbiased and probability-weighted estimate of credit losses, which is determined by evaluating a range of possible outcomes and which incorporate reasonable and supportable information about past events, current conditions, forecasts of future economic conditions and time value of money. Implementation of IFRS 9 ECL approach is generally expected to lead to an increase in recognised credit losses and to increase income statement volatility. Upon adoption, any change in credit loss allowances will be booked as an adjustment to retained earnings.

2. Accounting policies and presentation matters (continued)

- IFRS 9, "Financial instruments" (continued)

The method that the Group intends to use for ECL is mainly based on a combination of the following principal factors: probability of default (PD), loss given default (LGD), exposure at default (EAD) and discounting. During the period under review, the Group progressed with respect of the development of ECL models. The initial ECL results calculated for investment securities indicate an increase in credit losses. This is mainly due to the 12-month ECL, which will have to be reported for all in-scope financial instruments. For other instruments, such as loans (Lombard loans), the impact of ECL is expected to be low due to the risk management practices adopted (in particular daily monitoring, margin calls and close-out processes). Actual results as of 1 January 2018 may differ significantly, given the preliminary status of the ECL models and data and the possibility of changes in the macroeconomic environment.

In March 2017, the Basel Committee on Banking Supervision (BCBS) finalised guidance on interim approach for the regulatory treatment of IFRS 9 accounting provisions. The BCBS confirmed that, for an interim period, juridictions may implement transitional arrangements to spread the adoption impacts over time (limiting the transition period to a maximum of five years). Based on this interim guidance and subject to futher guidance from FINMA, the Group does not expect an immediate material impact on regulatory capital when IFRS 9 is adopted on 1 January 2018.

- IFRS 16, "Leases"

The new standard sets out the principles for the recognition, measurement, presentation and disclosures of the leases for both parties to a contract. The new standard introduces a new lessee accounting model that eliminates the classification of leases as either finance leases or operating leases. For all leases, the lessee recognises a leasing liability for its obligation to make future lease payments. At the same time, the lessee capitalise the right to use the underlying leased asset, which basically corresponds to the present value of future lease payments plus directly attributable costs. Exemptions apply in the case of short term leases and low value lease assets. IFRS 16 will replace the previous standard IAS 17 and related interpretations and is to be applied for the first time to financial years beginning on or after 1 January 2019. In April 2017, the Basel Committee on Banking Supervision (BCBS) clarified that for regulatory capital purposes the underlying leased asset (right to use) must not be deducted from regulatory capital where the underlying leased asset is a tangible asset. In the meantime, the underlying leased asset will have a risk weight of 100% and must be included in the calculation of both the risk-based capital and the leverage ratio denominators. Based on the current analysis, the Group does not expect IFRS 16 to have any significant overall impacts with the exception of an increase in assets and liabilities in line with the nominal value of its operating lease commitments. Based on current BCBS guidance and subject to further guidance from FINMA, the Group expects a corresponding effect on risk-weighted assets and leverage ratio.

3. Critical accounting judgements and key sources of estimation uncertainty

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016 (Section V: Critical accounting judgement and sources of estimation uncertainty, pages 35-36).

4. Reportable segments

The analysis of reportable segments and cost center for the 6 months period ending 30 June 2017 and 2016 are as follows :

	6 months ended 30 June	
In CHFm	**2017**	**2016**
Net revenues	58.8	49.6
Direct operating costs	(8.0)	(7.5)
Direct marketing costs	(2.4)	(2.1)
Securities trading - Direct contribution margin	*48.4*	*40.0*
Net revenues	32.8	28.0
Direct operating costs	(9.1)	(7.9)
Direct marketing costs	(2.0)	(1.8)
Leveraged Forex - Direct contribution margin	*21.7*	*18.3*
Operating cost - Technology	(17.7)	(16.3)
Operating cost - Operations	(8.7)	(8.0)
Operating cost - Marketing	(6.9)	(6.6)
Operating cost - G&A	(12.2)	(12.1)
Platform and infrastructure operations (cost center)	*(45.5)*	*(43.0)*
Provisions and impairment allowance	(0.6)	(0.6)
Negative interest expense (excl. cash linked with foreign exchange swaps)	(2.6)	(2.2)
Operating profit	**21.4**	**12.5**
Income tax expense	(3.5)	(1.4)
Net profit	**17.9**	**11.1**

At 30 June 2017:

- No other location (booking centre) than Switzerland represents more than 10% of revenues or assets;
- The Group does not have any client representing more than 10% of its revenues.

Brekadown of assets and liabilities is as follows:

In CHFm	**30 June 2017**	**31 December 2016**
Assets - Securities trading	4,201.5	3,517.1
Assets - Leveraged Forex	547.1	361.7
Assets - Platform and infrastructure	89.0	87.5
Total assets	4,837.6	3,966.2
Liabilities - Securities trading	(4,086.9)	(3,380.1)
Liabilities - Levergaed Forex	(442.9)	(275.6)
Liabilities - Platform and infrastructure	(36.3)	(29.7)
Total liabilities	(4,566.1)	(3,685.4)
Total equity	**271.5**	**280.8**

5. Net fee and commission income

	6 months ended 30 June	
	2017	2016
Brokerage and related income	31,779,579	28,252,307
Custody fees	4,862,199	4,137,721
Other commission income	5,887,363	5,338,725
Advertising and subscription fees	1,288,142	1,249,167
Total fee and commission income	**43,817,283**	**38,977,920**
Fee and commission expenses	(4,908,089)	(4,283,838)
Total net fee and commission income	**38,909,194**	**34,694,082**

6. Net interest income

	Activities excluding Foreign exchange swaps	Foreign exchange swaps	6 months ended 30 June 2017	2016
Interest income				
Cash and short-term funds	159,435	-	159,435	187,307
Investment securities	3,907,499	-	3,907,499	4,753,331
Foreign exchange swaps	-	7,359,355	7,359,355	2,980,172
Loans	2,709,777	-	2,709,777	2,436,023
Total	**6,776,711**	**7,359,355**	**14,136,066**	**10,356,833**
Negative interest expense				
Central banks and stock exchanges	(2,014,833)	(4,699,960)	(6,714,793)	(3,462,330)
Treasury bills and loans	(362,746)	-	(362,746)	(808,460)
Banks	(236,974)	-	(236,974)	-
Total	**(2,614,553)**	**(4,699,960)**	**(7,314,513)**	**(4,270,790)**
Interest expense				
Banks	(129,099)	-	(129,099)	(143,757)
Foreign exchange swaps	-	(191,597)	(191,597)	(125,772)
Customers - securities trading accounts	(266,124)	-	(266,124)	(205,441)
Customers - saving and leveraged forex accounts	(221,493)	-	(221,493)	(153,074)
Total	**(616,716)**	**(191,597)**	**(808,313)**	**(628,043)**
Total net interest income	**3,545,442**	**2,467,798**	**6,013,240**	**5,458,000**

Negative interest rates are mainly identified on cash deposits at the Swiss National Bank that exceed a given exemption threshold. Negative interest expense arising from foreign exchange swaps relate to the deposit of the funds with central banks during the life time of instrument.

All amounts in Swiss Francs

7. Net trading income

	6 months ended 30 June	
	2017	2016
Foreign exchange revenues		
From leveraged Forex (eForex)	32,642,262	28,024,446
From other foreign exchange income	10,443,518	7,207,453
Total	**43,085,780**	**35,231,899**
Unrealised fair value gains/(losses)		
From trading assets	800,843	106,298
From derivative financial instruments	-	(558,852)
From investment securities and others	349,494	313,172
Total	**1,150,337**	**(139,382)**
Realised gains/(losses)		
From investment securities	(81,573)	164,575
Total net trading income	**44,154,544**	**35,257,092**

8. Operating expenses

	6 months ended 30 June	
	2017	2016
Payroll & related expenses	30,458,822	28,423,378
Other operating expenses	17,371,414	16,005,776
Marketing expenses	10,185,112	9,590,368
Depreciation and amortisation	9,006,026	8,231,654
Provisions and impairment allowance	636,404	600,000
Total operating expenses	**67,657,778**	**62,851,176**

All amounts in Swiss Francs

9. Earnings per share

Basic

	6 months ended 30 June	
	2017	2016
Weighted average number of ordinary shares in issue	14,454,119	14,894,893
Net profit	17,887,730	11,121,173
Earnings per share (CHF)	**1.24**	**0.75**

Diluted

	6 months ended 30 June	
	2017	2016
Weighted average number of ordinary shares	14,454,119	14,894,893
Adjustments for stock options	1,024	-
Weighted average number of ordinary shares for diluted earnings per share options	14,455,143	14,894,893
Net profit	17,887,730	11,121,173
Diluted earnings per share (CHF)	**1.24**	**0.75**

10. Investment securities

	2017			Recognition as per IAS 39		
	Carrying value	Fair value	Unrealised gains/ (losses)	Comprehensive income	Income statement	Not recognised
Fair value through profit & loss	-	-	-	-	-	-
Available-for-sale	374,118,320	374,118,320	912,446	*912,446*	-	-
Held-to-maturity	79,535,070	87,068,517	7,533,447	-	-	*7,533,447*
Total at 30 June	**453,653,390**	**461,186,837**	**8,445,893**	***912,446***	***-***	***7,533,447***

During the period under review, CHF 299,643 of unrealised gains arose from changes in fair value of available-for-sale assets have been recognised in the statement of comprehensive income (6 months ended 30 June 2016: unrealised gains of CHF 1,454,585). The cumulated balance recorded in comprehensive income represents unrealised gains of CHF 912,446 at 30 June 2017 (31 December 2016: unrealised gains of CHF 740,030), gross of deferred tax impact.

	2016			Recognition as per IAS 39		
	Carrying value	Fair value	Unrealised gains/ (losses)	Comprehensive income	Income statement	Not recognised
Fair value through profit & loss	2,612,443	2,612,443	(178,869)	-	*(178,869)*	-
Available-for-sale	466,199,667	466,199,667	740,030	*740,030*	-	-
Held-to-maturity	85,712,776	94,679,427	8,966,651	-	-	*8,966,651*
Total at 31 December	**554,524,886**	**563,491,537**	**9,527,812**	*740,030*	*(178,869)*	*8,966,651*

All amounts in Swiss Francs

11. Information technology systems

	Software Third Party Licences	Proprietary Software	Hardware & Telecom Systems	Total
6 months ended 30 June 2017				
Opening net book amount	3,003,183	35,025,773	2,700,874	40,729,830
Addition	675,902	8,648,136	974,841	10,298,879
Amortisation / depreciation	(457,712)	(6,345,935)	(704,286)	(7,507,933)
Closing net book amount	**3,221,373**	**37,327,974**	**2,971,429**	**43,520,776**
6 months ended 30 June 2016				
Opening net book amount	2,711,631	30,508,570	1,836,946	35,057,147
Addition	550,873	8,531,549	1,301,369	10,383,791
Amortisation / depreciation	(485,258)	(5,579,604)	(570,945)	(6,635,807)
Closing net book amount	**2,777,246**	**33,460,515**	**2,567,370**	**38,805,131**

Additions to Information technology systems include an amount of CHF 4.7 million (2016: CHF 5.2 million) representing own costs capitalised in connection with the development of the systems of the Group.

12. Property, plant and equipment

	Land & Building	Leasehold Improvements	Equipments	Total
6 months ended 30 June 2017				
Opening net book amount	62,392,730	600,021	918,856	63,911,607
Addition	-	-	20,420	20,420
Amortisation / depreciation	(1,130,605)	(90,558)	(188,319)	(1,409,482)
Closing net book amount	**61,262,125**	**509,463**	**750,957**	**62,522,545**
6 months ended 30 June 2016				
Opening net book amount	59,523,536	809,127	1,174,108	61,506,771
Addition	-	2,055	64,312	66,367
Amortisation / depreciation	(1,156,044)	(135,449)	(215,742)	(1,507,235)
Closing net book amount	**58,367,492**	**675,733**	**1,022,678**	**60,065,903**

All amounts in Swiss Francs

13. Capital

a) Number of shares in 2017

	1 January	Change	Increase	Utilisation	30 June
Issued shares					
Ordinary share capital					
Number of shares	15,328,170	-	-	-	**15,328,170**
Nominal value per share (CHF)	0.20	-	-	-	**0.20**
Total nominal value (CHF)	**3,065,634**	-	-	-	**3,065,634**
Unissued shares					
Conditional share capital					
Number of conditional shares	960,000	-	-	-	**960,000**
Nominal value per share (CHF)	0.20	-	-	-	**0.20**
Total nominal value (CHF)	**192,000**	-	-	-	**192,000**
Authorised share capital (until 13 May 2018)					
Number of authorised shares	1,810,200	-	-	-	**1,810,200**
Nominal value per share (CHF)	0.20	-	-	-	**0.20**
Amount authorised (CHF)	362,040	-	-	-	**362,040**

On 12 May 2017, the shareholders resolved on the payment of dividend of CHF 0.13 per share and on a repayment of share premium of CHF 0.47 per share.

b) Number of shares in 2016

	1 January	Change	Increase	Utilisation	30 June
Issued shares					
Ordinary share capital					
Number of shares	15,328,170	-	-	-	**15,328,170**
Nominal value per share (CHF)	0.20	-	-	-	**0.20**
Total nominal value (CHF)	**3,065,634**	-	-	-	**3,065,634**
Unissued shares					
Conditional share capital					
Number of conditional shares	960,000	-	-	-	**960,000**
Nominal value per share (CHF)	0.20	-	-	-	**0.20**
Total nominal value (CHF)	**192,000**	-	-	-	**192,000**
Authorised share capital (until 13 May 2018)					
Number of authorised shares	1,810,200	-	-	-	**1,810,200**
Nominal value per share (CHF)	0.20	-	-	-	**0.20**
Amount authorised (CHF)	362,040	-	-	-	**362,040**

On 13 May 2016, the shareholders resolved on a repayment of share premium of CHF 0.60 per share.

All amounts in Swiss Francs

14. Treasury shares

	6 months ended 30 June	
	2017	2016
Beginning of the year (shares)	**432,744**	**421,388**
Acquisition	**752,239**	**27,896**
unit price ranging from CHF	23.82 to 28.20	22.77 to 26.90
Sale	-	-
unit price ranging from CHF	-	-
Remittance to optionees/grant of shares	**(10,009)**	**(5,192)**
unit price ranging from CHF	24.35 to 25.66	23.95
End of the period (shares)	**1,174,974**	**444,092**
Total treasury shares (in CHF)	**32,880,599**	**14,405,560**
% of the issued shares	7.67%	2.90%

On 15 March 2017, the Group acquired 750,000 treasury shares from Windel Investments Ltd which increased the percentage of Treasury shares to 7.67%. These shares were initially transferred as part of the consideration for the acquisition of MIG Bank Ltd in 2013. The total consideration as well comprised of 210,000 stock options with a strike price of CHF 47.50 and an exercise period ending 26 September 2017. At 30 June 2017, the remaining treasury shares balance is primarily held for the purpose of covering employees share and option plans.

All amounts in Swiss Francs

15. Fair value hierarchy

The following table presents the financial assets and liabilities. There were no transfers between level 1, 2 and 3 and no changes in valuation techniques during the period under review.

At 30 June 2017	Level 1	Level 2	Level 3	Fair value	Carrying amount
Financial assets measured at fair value					
Derivative financial instruments	48,456,275	34,766,033	-	83,222,308	83,222,308
Trading assets	7,225,563	-	-	7,225,563	7,225,563
Investment securities	30,393,295	343,725,025	-	374,118,320	374,118,320
Total	**86,075,133**	**378,491,058**	**-**	**464,566,191**	**464,566,191**
Financial assets not measured at fair value					
Cash and balances with central bank					3,135,253,291
Treasury bills and other eligible bills					261,705,557
Due from banks					461,255,715
Loans					252,245,724
Investment securities	52,863,968	34,204,549	-	87,068,517	79,535,070
Other assets					35,543,516
Total financial assets					**4,690,105,064**
Financial liabilities measured at fair value					
Derivative financial instruments	5,473,764	20,590,486	-	26,064,250	26,064,250
Total	**5,473,764**	**20,590,486**	**-**	**26,064,250**	**26,064,250**
Financial liabilities not measured at fair value					
Deposits from banks					68,182,002
Due to customers					4,423,793,802
Other liabilities					40,631,672
Current income tax liabilities					3,373,775
Total financial liabilities					**4,562,045,501**

Financial assets measured at fair value

Investment securities measured at fair value consist of financial assets designated available-for-sale.

Financial assets and liabilities not measured at fair value

Investment securities not measured at fair value comprise of investment securities classified as held-to-maturity. For all other financial assets and liabilities not measured at fair value, the carrying amount is assessed to be a reasonable approximation of fair value.

All amounts in Swiss Francs

15. Fair value hierarchy (continued)

The following table presents the financial assets and liabilities. There were no transfers between level 1, 2 and 3 and no changes in valuation techniques during the period under review.

At 31 December 2016	Level 1	Level 2	Level 3	Fair value	Carrying amount
Financial assets measured at fair value					
Derivative financial instruments	27,080,310	14,436,246	-	41,516,556	41,516,556
Trading assets	6,942,709	-	-	6,942,709	6,942,709
Investment securities	69,378,996	399,433,114	-	468,812,110	468,812,110
Total	**103,402,015**	**413,869,360**	**-**	**517,271,375**	**517,271,375**
Financial assets not measured at fair value					
Cash and balances with central bank					2,284,650,001
Treasury bills and other eligible bills					277,554,556
Due from banks					398,214,374
Loans					226,350,929
Investment securities	56,532,445	38,146,982	-	94,679,427	85,712,776
Other assets					30,373,132
Total financial assets					**3,820,127,143**
Financial liabilities measured at fair value					
Derivative financial instruments	6,068,408	6,655,214	-	12,723,622	12,723,622
Total	**6,068,408**	**6,655,214**	**-**	**12,723,622**	**12,723,622**
Financial liabilities not measured at fair value					
Deposits from banks					32,804,479
Due to customers					3,600,244,732
Other liabilities					35,732,333
Current income tax liabilities					379,204
Total financial liabilities					**3,681,884,370**

Financial assets measured at fair value

Investment securities measured at fair value comprise of financial assets at fair value through profit & loss (31 December 2016: CHF 2.6 million, out of which CHF 2.6 million classified as level 2) and financial assets designated available-for-sale (31 December 2016: CHF 466.2 million, out of which CHF 396.8 million classified as level 2).

Financial assets and liabilities not measured at fair value

Investment securities not measured at fair value comprise of investment securities classified as held-to-maturity. For all other financial assets and liabilities not measured at fair value, the carrying amount is assessed to be a reasonable approximation of fair value.

All amounts in Swiss Francs

16. Regulatory capital & liquidity (unaudited)

	30 June 2017	30 June 2016	31 December 2016
Total equity	271,461,939	267,218,614	280,834,464
General adjustments (mainly intangible assets)	(43,189,131)	(44,796,430)	(43,269,565)
Total common equity tier 1 capital (CET1 capital)	**228,272,808**	**222,422,184**	**237,564,899**
Total tier 2 capital	336,693	-	-
Total eligible capital	**228,609,501**	**222,422,184**	**237,564,899**
Total risk-weighted assets	**1,114,346,366**	**1,049,514,554**	**970,392,757**

	30 June 2017	30 June 2016	31 December 2016
CET1 capital ratio	20.5%	21.2%	24.5%
Total capital ratio	**20.5%**	**21.2%**	**24.5%**

Starting from 1 January 2017, the Group decided to implement the Art. 30 Para. 4 of the Capital Adequacy Ordinance and the margin no. 101 of the FINMA Circular 2013/1 «Eligible Equity Capital» which allow to consider up to 45% of the unrealised gains in available-for-sale investment securities (deducted from tier 1 capital as general adjustments) as tier 2 capital. As of 30 June 2017, the impact of this inclusion is less than 0.1% on the total capital ratio. The minimum ratio of 11.2% set by FINMA refers to the total capital ratio.

Liquidity Coverage Ratio (LCR) **CHF thousands, except where indicated**	Q2 2017	Q2 2016	Q4 2016
Cash outflows	846,082	1,017,618	1,495,620
Cash inflows	(369,269)	(763,214)	(1,121,715)
Net cash outflows	476,813	254,405	373,905
Total high-quality liquid assets (HQLA)	2,855,847	1,686,596	2,155,503
Liquidity coverage ratio	**599%**	**663%**	**576%**

During 2017, the LCR was mainly influenced by the mix of weightings to be applied to customer cash balances (due to customers and deposits from banks) when determining the cash outflows and the methodology applied to the determination of net cash outflows for foreign exchange swaps.

Report on the Review

of Condensed consolidated interim financial statements to the Board of Directors of Swissquote Group Holding Ltd

Gland

Introduction

We have reviewed the condensed consolidated interim financial statements (statement of financial positions, income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow and notes) set out on pages 2 to 17 of Swissquote Group Holding Ltd for the six months period ended 30 June 2017. The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers Ltd

Beresford Caloia

Alain Lattafi

Lausanne, 4 August 2017

PricewaterhouseCoopers SA, avenue C.-F. Ramuz 45, case postale, CH-1001 Lausanne, Switzerland
Téléphone: +41 58 792 81 00, Téléfax: +41 58 792 81 10, www.pwc.ch

Swissquote Group Holding Ltd
Swissquote Bank Ltd
Chemin de la Crétaux 33
CH –1196 Gland
www.swissquote.ch