

Results for the 2011 business year

**Swissquote increases net profit by 48.5 percent**

**Despite the financial crisis and the difficult economic environment, Swissquote succeeded in lifting total net revenues by 22.7 percent to CHF 128.4 million in 2011. Operating expenses increased by 25.1 percent to CHF 88.4 million, and net profit grew by 48.5 percent to CHF 31.4 million. The number of accounts rose by 9.0 percent to 187,497. Total assets under custody decreased by 6.1 percent to CHF 7.5 billion. For 2012 Swissquote is expecting revenues and the number of clients to grow by around 10 percent. Net new monies should again be in the region of CHF 1 billion.**

**Particularly strong growth in trading**

Although to very differing degrees, all three revenue segments contributed to the strong increase in total net revenues to CHF 128.4 million. **Net fee and commission income** was up by only 2.4 percent to CHF 64.7 million (CHF 63.1 million). In the 2nd and 4th quarters, the general mood of uncertainty on the part of clients was evidenced by a significant falloff in trading activity to only 11 transactions per client/year, while in the 1st and 3rd quarters 16 transactions per client/year were executed. Owing to the currency situation and Swissquote's cautious investment strategy, **interest business** remained difficult in 2011 too. Nonetheless, net interest income saw a year-on-year increase of 28.4 percent to CHF 16.1 million (CHF 12.5 million). The above-average growth in **trading operations** (eForex) is attributable in particular to ACM, which was acquired in fall 2010 and fully merged with Swissquote Bank. Trading results rose by 64.5 percent to CHF 47.7 million (CHF 29.0 million) despite the fact that trading income realized in USD is presently under heavy pressure from the strong CHF. The eForex trading volume grew by 123.8 percent to CHF 414.9 billion (CHF 185.4 billion).

**Surge in net profit – solid balance sheet trend**

Resulting from revenues of CHF 128.4 million and operating expenses of CHF 88.4 million, the **operating profit** of CHF 40.0 million (CHF 33.9 million) was 17.9 percent higher than the previous year's figure. The 25.1 percent increase in operating expenses is due above all to the 35.5 percent rise in payroll and related expenses to CHF 39.7 million (ACM acquisition). Other operating expenses were 16.2 percent higher at CHF 33.8 million, mainly owing to the increased costs resulting from the strong growth in eForex business. Marketing expenses rose by 21.1 percent to CHF 14.9 million. **Net profit** increased by 48.5 percent to CHF 31.4 million (CHF 21.2 million). In 2011, the operating profit margin reached 31.2 percent (32.4 percent), and the net profit margin stood at 24.5 percent (20.2 percent). The **balance sheet total** grew by 10.6 percent to CHF 2.585 billion, and **total equity** was 15.4 percent

higher at CHF 229.7 million (CHF 199.0 million). The **core capital ratio** (tier 1) stood at a solid 21.7 percent.

#### **Significant rise in number of accounts – assets under custody slightly lower**

In 2011, the total number of **accounts** rose by 9.0 percent year-on-year to 187,497. The breakdown is 158,516 trading accounts (+6.8 percent), 17,576 saving accounts (+23.4 percent), 10,766 eForex accounts (+19.4 percent), and 639 ePrivate Banking accounts (+89.1 percent). Comparable to revenues, the number of accounts grew much more strongly in the 1st and 3rd quarters of 2011 than in the other two quarters. At CHF 7.536 billion (CHF 8.029 billion), **assets under custody** were 6.1 percent lower than in 2010. The decrease reflects the exchange-related decline in the value of the portfolio during the year under review. At the end of 2011, assets of CHF 6.941 billion were held in trading accounts, CHF 450.8 million in saving accounts, CHF 122.5 million in eForex accounts, and CHF 21.8 million in ePrivate Banking accounts. Developing along parallel lines to revenues and the number of accounts, **net new monies** were disproportionately low primarily in the 2nd and 4th quarters. For 2011 as a whole, net new monies were down 37,3 percent year-on-year to CHF 926.1 million (CHF 1.477 billion), which is in line with the budgeted expectations.

#### **Swissquote targeting robust growth in 2012 as well**

Assuming no change in market conditions, Swissquote is expecting to see revenues and the number of clients increase by around 10 percent in 2012. Net new monies will again be in the region of CHF 1 billion.

ePrivate Banking, which enables individual, electronic, fully automated asset management, established itself in 2011 and is now being successfully used by more than 600 investors. Further tools will be going online in 2012.

Launched in June 2011 under a cooperative venture with Basellandschaftliche Kantonalbank (BLKB), the new service offering online mortgages at the most attractive conditions on the Swiss market got off to a good start and is expected to generate substantial growth in 2012.

The strategic partnership with Swiss Life in the area of bank products began well. As at 1 January 2012, approximately 13,000 accounts – saving, time deposit and fund accounts – representing some CHF 400 million in assets under custody had been transferred to Swissquote. Swissquote Bank has assumed responsibility for handling the settlement and management of saving and investment products on the Swiss market for Swiss Life. Going forward, cooperation with Swiss Life is to be stepped up mainly in the development of innovative products and online services for pension clients.

**Distribution of profit to shareholders**

The Board of Directors proposes that, in place of a dividend (2010: CHF 0.60 per share), the Annual General Meeting of Swissquote Group Holding AG on 8 May 2012 distributes a repayment (exempt from withholding tax) of CHF 1.04 per share from the capital contribution reserves.

The complete **2011 Financial Report** can be found at:

<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 2012**

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| 07.05.2012 | Figures for the 1st quarter of 2012 (conference call)                                  |
| 08.05.2012 | Annual General Meeting in Zurich   |
| 27.07.2012 | Figures for the 2nd quarter of 2012 (presentation at the SIX Swiss Exchange in Zurich) |
| 06.11.2012 | Figures for the first 9 months of 2012 (conference call)                               |

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	2011	2010	Change	Change [%]	Q4-2011	Q3-2011	Change	Change [%]
Net Fee & Commission Income	64'665.6	63'133.2	1'532.4	2.4%	14'438.3	16'964.0	(2'525.7)	-14.9%
Interest Income, net	16'065.5	12'514.7	3'550.8	28.4%	4'424.6	3'800.2	624.4	16.4%
Trading Results	47'713.0	28'997.1	18'715.9	64.5%	9'342.4	12'005.2	(2'662.8)	-22.2%
<b>Total Net Revenues</b>	<b>128'444.1</b>	<b>104'645.0</b>	23'799.1	22.7%	<b>28'205.3</b>	<b>32'769.4</b>	(4'564.1)	-13.9%
Payroll & Related Expenses	(39'743.0)	(29'337.5)	(10'405.5)	35.5%	(10'104.7)	(9'921.0)	(183.7)	1.9%
Other Operating Expenses (incl. Depr. & Provision)	(33'780.2)	(29'062.5)	(4'717.7)	16.2%	(8'055.1)	(8'565.5)	510.4	-6.0%
Marketing Expenses	(14'907.8)	(12'309.8)	(2'598.0)	21.1%	(3'698.4)	(3'740.3)	41.9	-1.1%
<b>Total Expenses</b>	<b>(88'431.0)</b>	<b>(70'709.8)</b>	(17'721.2)	25.1%	<b>(21'858.2)</b>	<b>(22'226.8)</b>	368.6	-1.7%
<b>Operating Profit</b>	<b>40'013.1</b>	<b>33'935.2</b>	6'077.9	17.9%	6'347.1	<b>10'542.6</b>	(4'195.5)	-39.8%
Income Taxes	(8'606.1)	(7'696.8)	(909.3)	11.8%	(1'239.6)	(2'057.2)	817.6	-39.7%
Others, net of tax	-	(5'081.8)	5'081.8	-	-	-	-	-
<b>Net Profit</b>	<b>31'407.0</b>	<b>21'156.6</b>	10'250.4	48.5%	5'107.5	<b>8'485.4</b>	(3'377.9)	-39.8%
Operating Profit Margin	31.2%	32.4%			22.5%	32.2%		
Net Profit Margin	24.5%	20.2%			18.1%	25.9%		
Weighted average number of ordinary shares	14'394'858	14'194'822	200'036	1.4%	14'460'108	14'487'801	(27'693)	-0.2%
Earning per share	2.18	1.49	0.69	46.4%	0.35	0.59	(0.23)	-39.7%
	<b>31.12.2011</b>	<b>31.12.2010</b>	Change	Change [%]	<b>31.12.2011</b>	<b>30.09.2011</b>	Change	Change [%]
Trading Accounts [units]	158'516	148'486	10'030	6.8%	158'516	156'196	2'320	1.5%
Saving Accounts [units]	17'576	14'247	3'329	23.4%	17'576	17'167	409	2.4%
eForex Accounts [units]	10'766	9'020	1'746	19.4%	10'766	10'464	302	2.9%
ePrivate Banking Accounts [units]	639	338	301	89.1%	639	616	23	3.7%
<b>Total Number of Accounts</b>	<b>187'497</b>	<b>172'091</b>	15'406	9.0%	<b>187'497</b>	<b>184'443</b>	3'054	1.7%
Trading Assets [CHF m]	6'941.7	7'435.4	(493.7)	-6.6%	6'941.7	6'658.0	283.7	4.3%
Saving Assets [CHF m]	450.8	437.4	13.4	3.1%	450.8	470.0	(19.2)	-4.1%
eForex Assets [CHF m]	122.5	140.2	(17.7)	-12.6%	122.5	130.4	(7.9)	-6.1%
ePrivate Banking Assets [CHF m]	21.8	16.9	4.9	29.0%	21.8	21.5	0.3	1.4%
<b>Total Assets under Custody [CHF m]</b>	<b>7'536.8</b>	<b>8'029.9</b>	(493.1)	-6.1%	<b>7'536.8</b>	<b>7'279.9</b>	256.9	3.5%
Total Net New Monies [CHF m]	926.1	1'477.1	(551.0)	-37.3%	126.8	412.0	(285.2)	-69.2%
eForex Volume [CHF bn]	414.9	185.4	229.5	123.8%	101.3	109.6	(8.3)	-7.6%
Total Balance Sheet [CHF m]	2'585.7	2'338.8	246.9	10.6%	2'585.7	2'603.5	(17.8)	-0.7%
Total Equity [CHF m]	229.7	199.0	30.7	15.4%	229.7	224.1	5.6	2.5%
Equity Surplus [CHF m]	130.2	101.7	28.5	28.0%	130.2	129.2	1.0	0.8%
Total Headcounts / Total average Headcounts	358 / 357	355 / 296	3 / 61	0.8 % / 20.6%	358 / 357	355 / 354	3 / 3	0.8 % / 0.8%