

Results for the first nine months of 2013

Swissquote acquires and increases revenues

Swissquote reports solid year-on-year growth for the first nine months of 2013. Total net revenues were up by 3.9 percent and pre-tax profit by 4.5 percent. Net profit decreased to CHF 5.6 million as a result of one-off costs/provisions associated with the acquisition of MIG Bank. The number of accounts grew by 6.9 percent to 215,237, and assets under custody were 11.8 percent higher at CHF 9.582 billion. The forex income generated from MIG clients will feed into revenues for the first time in the 4th quarter.

Total net revenues positively impacted by net fee and commission income

In the first nine months of 2013, **total net revenues** rose by 3.9 percent year-on-year to CHF 88.6 million (CHF 85.3 million) (unrealised fair value: CHF 0.46 million). **Net fee and commission income** rose by 13.3 percent to CHF 43.9 million (CHF 38.8 million) despite a renewed fall-off in trading activity in the 3rd quarter. Reflecting Swissquote's cautious investment policy, **net interest income** decreased by 12.4 percent to CHF 11.5 million (CHF 13.1 million). **Forex and trading income** remained virtually unchanged at CHF 32.8 million (CHF 32.4 million) in spite of a significantly lower trading volume (-11.0 percent).

One-off acquisition costs depress net profit

Swissquote posted a 4.5 percent higher pre-tax profit on ordinary business activities in the first nine months. This encouraging operating result is being depressed by extraordinary one-off costs and provisions, which led to a 68.0 percent drop in net profit. The bulk of the extraordinary expenses of CHF 12.8 million are in connection with the acquisition of MIG Bank effective 25 September. Provisions for restructuring/integration costs account for CHF 9.8 million of this figure.

At CHF 66.2 million (CHF 63.9 million), **operating expenses** in the first nine months were slightly higher than in the previous year. **Pre-tax profit** came to CHF 22.4 million (CHF 21.4 million), and **net profit** – having been reduced by extraordinary costs – stood at CHF 5.6 million (CHF 17.6 million). The pre-tax profit margin was 25.3 percent (25.1 percent) and the net profit margin 6.4 percent (20.7 percent). **Earnings per share** amounted to CHF 0.39 (CHF 1.26).

Although the purchase of MIG Bank was financed entirely with equity capital, the impact on total equity and the common equity ratio was modest: **total equity** rose slightly by 2.2 percent to CHF 241.3 million (CHF 236.2 million); the **core capital ratio** decreased by 17.1 percent to 17.9 percent (21.6 percent).

Continued growth in assets under custody and number of clients

The number of clients increased further in the first nine months. The total number of **accounts** rose by 6.9 percent year-on-year to 215,237. The breakdown is 162,650 trading accounts (+1.8 percent), 30,930 saving accounts (+3.1 percent) and 910 ePrivate Banking accounts (+19.3 percent). The

20,747 eForex accounts (+92.5 percent) include the 9,600 MIG clients. Compared with the previous year, **assets under custody** increased by 11.8 percent to CHF 9.582 billion (CHF 8.572 billion). As at 30 September, assets of CHF 8.621 billion were held in trading accounts, CHF 698.6 million in saving accounts, and CHF 30.2 million in ePrivate Banking accounts. Assets under custody held in eForex accounts (incl. CHF 138.1 million from MIG clients) amounted to CHF 232.3 million. **Net new monies** (without MIG) decreased by 37.8 percent year-on-year to CHF 500.5 million (CHF 805.3 million).

MIG Bank to be completely merged with Swissquote Bank by end-2013

All MIG Bank client relationships will have been transferred to Swissquote Bank by the end of 2013. The MIG brand will cease to exist as of this date and all MIG products will be integrated into the Swissquote Bank range. The majority of MIG employees working in Lausanne will be offered positions at Swissquote's headquarters in Gland. The MIG offices in Lausanne will no longer be needed; those in Zurich (Bahnhofstrasse) are to be kept on and used to relieve Swissquote's Zurich premises on Schützengasse, which have become too small. MIG's branches in London and Hong Kong will be kept on by Swissquote and developed further. To date, MIG Bank reported annual revenues of approximately CHF 40 million. Swissquote aims to increase MIG's previous gross yield of approximately 10 percent to 25 percent in an initial phase.

The complete **financial report for the first nine months of 2013** is available 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 2014

04.03.2014	Presentation of 2013 results in Zurich (SIX Swiss Exchange)
06.05.2014	Figures for the 1st quarter of 2014 (conference call)
07.05.2014	Annual General Meeting in Zurich
22.07.2014	Figures for the first half of 2014 (presentation at the SIX Swiss Exchange in Zurich)
04.11.2014	Figures for the first nine months of 2014 (conference call)

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	2013	2012*	Change	Change [%]	Q3-2013	Q2-2013	Change	Change [%]
Net Fee & Commission Income	43'890.0	38'754.0	5'136.0	13.3%	13'909.0	15'291.6	(1'382.6)	-9.0%
Interest Income, net	11'496.8	13'123.9	(1'627.1)	-12.4%	3'662.0	3'917.0	(255.0)	-6.5%
Forex & Trading Income, net	32'802.6	32'385.4	417.2	1.3%	10'360.0	12'338.0	(1'978.0)	-16.0%
Total Operating Revenues	88'189.4	84'263.3	3'926.1	4.7%	27'931.0	31'546.6	(3'615.6)	-11.5%
Unrealised Fair Value	460.4	1'047.9	(587.5)	-56.1%	499.5	284.0	215.5	75.9%
Total Net Revenues	88'649.8	85'311.2	3'338.6	3.9%	28'430.5	31'830.6	(3'400.1)	-10.7%
Payroll & Related Expenses	(30'677.6)	(29'581.6)	(1'096.0)	3.7%	(10'960.7)	(10'064.3)	(896.4)	8.9%
Other Operating Expenses (incl. Depr. & Provision)	(26'096.5)	(25'239.4)	(857.1)	3.4%	(8'874.2)	(8'701.3)	(172.9)	2.0%
Marketing Expenses	(9'457.3)	(9'047.2)	(410.1)	4.5%	(2'745.0)	(3'305.9)	560.9	-17.0%
Total Expenses	(66'231.4)	(63'868.2)	(2'363.2)	3.7%	(22'579.9)	(22'071.5)	(508.4)	2.3%
Pre-tax Profit	22'418.4	21'443.0	975.4	4.5%	5'850.6	9'759.1	(3'908.5)	-40.0%
Income Taxes	(3'927.0)	(3'814.9)	(112.1)	2.9%	(905.9)	(1'745.3)	839.4	-48.1%
Acquisition related costs, net of tax	(838.4)	-	(838.4)	-	(838.4)	-	(838.4)	-
Restructuring costs, net of tax	(9'791.2)	-	(9'791.2)	-	(9'791.2)	-	(9'791.2)	-
Special tax related costs, net of tax	(2'220.1)	-	(2'220.1)	-	(2'220.1)	-	(2'220.1)	-
Net Profit / (Net Loss)	5'641.7	17'628.1	(11'986.4)	-68.0%	(7'905.0)	8'013.8	(15'918.8)	198.6%
Pre-tax Profit Margin	25.3%	25.1%			20.6%	30.7%		
Net Profit Margin	6.4%	20.7%			-27.8%	25.2%		
Weighted average number of ordinary shares [units]	14'314'215	14'459'276			14'129'555	14'077'921		
Earning per share [CHF]	0.39	1.26	(0.87)	-68.7%	(0.56)	0.57	(1.13)	198.2%
	30.09.2013	30.09.2012	Change	Change [%]	30.09.2013	30.06.2013	Change	Change [%]
Trading Accounts [units]	162'650	159'803	2'847	1.8%	162'650	162'024	626	0.4%
Saving Accounts [units]	30'930	30'012	918	3.1%	30'930	30'759	171	0.6%
eForex Accounts [units]	20'747	10'779	9'968	92.5%	20'747	11'169	9'578	85.8%
ePrivate Banking Accounts [units]	910	763	147	19.3%	910	860	50	5.8%
Total Number of Accounts	215'237	201'357	13'880	6.9%	215'237	204'812	10'425	5.1%
Trading Assets [CHF m]	8'620.8	7'705.4	915.4	11.9%	8'620.8	8'456.1	164.7	1.9%
Saving Assets [CHF m]	698.6	716.9	(18.3)	-2.6%	698.6	697.4	1.2	0.2%
eForex Assets [CHF m]	232.3	125.9	106.4	84.5%	232.3	87.2	145.1	166.4%
ePrivate Banking Assets [CHF m]	30.2	23.6	6.6	28.0%	30.2	26.7	3.5	13.1%
Total Assets under Custody [CHF m]	9'581.9	8'571.8	1'010.1	11.8%	9'581.9	9'267.4	314.5	3.4%
Total Net New Monies [CHF m]	500.5	805.3	(304.8)	-37.8%	121.0	138.7	(17.7)	-12.8%
eForex Volume [CHF bn]	233.1	261.9	(28.8)	-11.0%	75.2	91.4	(16.2)	-17.7%
Total Equity [CHF m]*	241.3	236.2	5.1	2.2%	241.3	225.5	15.8	7.0%
Common Equity Tier 1 ratio [%]**	17.9%	21.6%	-3.7%	-17.1%	17.9%	22.6%	-4.7%	-20.8%
Total Headcounts / Average Headcounts - FTE	519 / 441	362 / 359	157 / 82	43.4% / 22.8%	519 / 455	390 / 390	129 / 65	33.1% / 16.7%

* Impact of revised IAS19 standard on comparative figures (see note 11 of Q3-2013 Financial Report)

** At 1st January 2013, Basel III Framework was implemented (Comparative figures in accordance with Basel II).