

Media information

Gland/Zurich, 10 August 2022

Results for the 1st half of 2022

**With CHF 5.0 billion in net new monies, Swissquote continues to grow before starting to benefit from higher interest rates**

Despite an environment that was more challenging than initially expected, Swissquote continued to grow its overall customer base in the first half of 2022. The opening of around 34,200 new client accounts (of which some 8,000 non-organic) stands out as a positive development. The new accounts resulted in net new monies of CHF 5.0 billion (of which CHF 1.7 billion non-organic). These numbers not only demonstrate that the level of customer interest remains solid but also show that the quality of the accounts remains high. In the first six months of 2022, most asset classes saw decreases in value and crypto assets suffered in particular from a sharp correction. A comparison with the prior-year period reflects this environment, while a comparison with the second half of 2021 shows relatively solid and stable figures. For the first half of 2022, Swissquote recorded net revenues of CHF 200.0 million and a pre-tax profit of CHF 90.7 million (pre-tax margin above 45 percent). As of 30 June 2022, client assets reached CHF 51.8 billion, out of which CHF 9.3 billion allocated in cash. This is a positive sign as it indicates that customers remained invested. With a capital ratio of 25.7 percent, Swissquote is well positioned to benefit from higher market interest rates.

**Solid revenues in a more difficult environment**

**Operating revenues** totalled CHF 204.8 million – a decrease of 23.1 percent compared with the previous year (CHF 266.4 million). When adjusted for negative interest rates (CHF 4.1 million) and after fair value adjustments (CHF 0.7 million), **net revenues** amounted to CHF 200.0 million, down 24.4 percent from CHF 264.4 million in the prior year. In the first half 2022, customers were more cautious with trading but stayed invested, even in higher-risk asset classes such as crypto assets (e.g. crypto holdings have increased in major crypto assets). Compared with the prior-year period, **net fee and commission income** declined by 6.7 percent to CHF 81.3 million (CHF 87.1 million). While moving from a rally in the first half of 2021 to a sharp slump in the first half of 2022, **net crypto-assets income** dipped by 69.2 percent to CHF 19.5 million (CHF 63.2 million). **Net trading income** dropped by 28.0 percent to CHF 30.7 million (CHF 42.6 million) and **net eForex income** declined by 13.7 percent to CHF 54.3 million (CHF 63.0 million).

In a context that is so different from that of the year-ago period, comparison with the second half of 2021 is more relevant and highlights the benefits of having diversified revenue streams. Operating revenues declined by 3.9 percent compared to the last semester. The 49.9 percent decrease in net crypto-assets income was almost compensated by an increase in net fee and commission income (+9.8 percent) and interest income (+49.8 percent). The first half of 2022 showed clear signs of a reversal in the **interest rate environment**. As of 30 June 2022, the benefits of higher interest rates were somehow already visible as interest income almost reached the level of the full year 2021.

### **Pre-tax margin remained above 45 percent**

At CHF 106.4 million, **operating expenses** were 17.7 percent lower than in the previous year (CHF 129.3 million). While Swissquote continued to pursue its growth strategy, more attention was focused on the management of expenses. As of 30 June 2022, the headcount was up by 88 FTE (of which 14 FTE inorganic) to a total of 1,040 FTE. The vast majority of the new employees have been sourced in the technology sector. **Pre-tax profit** decreased by 32.7 percent to CHF 90.7 million (CHF 134.6 million), while the pre-tax profit margin was still solid at 45.3 percent (50.9 percent). At CHF 77.1 million (CHF 116.4 million), **net profit** was down 33.7 percent year-on-year, with a net profit margin of 38.6 percent (44.0 percent).

Despite the dividend distribution and the acquisition of Keytrade Bank Luxembourg, the **capital ratio** remained high at 25.7 percent (24.3 percent). **Total equity** increased by 21.9 percent to CHF 663.4 million (CHF 544.0 million).

### **Interest among customers remained unchanged**

Thanks to the opening of more than 34,000 new accounts, net new money inflow remained strong and reached CHF 5.0 billion (CHF 4.9 billion). Nevertheless, net new monies were more than cancelled out by the negative market impact of -CHF 9.1 billion (+CHF 5.5 billion). As of 30 June 2022, total crypto assets under custody declined to CHF 1.1 billion (CHF 2.8 billion) despite the fact that customers have increased their holdings in major crypto assets.

### **Crypto exchange to be launched in September 2022**

By the end of September 2022, Swissquote will roll out its own crypto exchange. This project represents a substantial transformation of the existing crypto trading technology. Swissquote will operate its own centralised order book, allowing customers to trade with each other. Security remains a key concern for investors and regulatory scrutiny is likely to increase in the crypto industry. In that context Swissquote aims to position itself as a partner of choice for private and institutional clients.

**A successful year for the Yuh mobile app**

As of today, the Yuh mobile app already counts 75,000 “Yuhers”. During the first half, Yuh continued to add many important features such as Apple/Google Pay, recurring investments, savings plans and standing orders. Later in the year, Yuh should launch e-billing and a comprehensive offering for Pillar 3a savings.

**M&A steps to boost non-organic growth**

As of 29 April 2022, Swissquote completed the acquisition of Keytrade Bank Luxembourg and integrated approx. 8,000 customers and CHF 1.7 billion in client assets. Thanks to this transaction, Swissquote has reinforced its local footprint in the Benelux area. Swissquote is ready to contemplate more M&A transactions in the future if they contribute to the pursuit of Swissquote’s ambitious strategy.

**High interest rate sensitivity**

Following the recent changes in central banks’ monetary policies, Swissquote expects to benefit from higher benchmark interest rates. For 2022, it anticipates interest income to be 2.5x higher than in 2021. At the same time, Swissquote has either reduced its negative interest rates or waived them altogether for all its clients.

**Guidance for 2022**

The surrounding uncertainty encourages Swissquote to remain cautious for the time being, in particular with respect to the length of the crypto market downturn.

For the full year 2022, Swissquote expects net revenues to be in the range of CHF 400 – 420 million. On the earnings side, pre-tax profit is expected to be close to CHF 190 million in 2022.

The complete **financial report for the 1st half of 2022** is available at:

<https://www.swissquote.com> - Company/Investor Relations/Financial Reports

**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 June 2022, Swissquote held over 50 billion Swiss francs in assets for more than 520,000 private and institutional clients. In addition to its headquarters in Gland, Switzerland, Swissquote has offices in Zurich, London, Luxembourg, Malta, Bucharest, Dubai, Singapore and Hong Kong. Swissquote holds banking licenses both in Switzerland (FINMA) and Luxembourg (CSSF). The parent company, Swissquote Group Holding Ltd, is listed on the SIX Swiss Exchange (symbol: SQN). The Swissquote Group and PostFinance each own 50 percent of the fintech app Yuh Ltd.

**For further information**

**Marc Bürki**, CEO Swissquote Group Holding Ltd / CEO Swissquote Bank Ltd

Tel. +41 22 999 98 50, mobile +41 79 413 41 45

[marc.burki@swissquote.ch](mailto:marc.burki@swissquote.ch)

**Nadja Keller**, Assistant to CEO / Media Relations Manager

Tel. +41 44 825 88 01, [nadja.keller@swissquote.ch](mailto:nadja.keller@swissquote.ch)

**Agenda 2023****Corporate events**

16.03.2023 Presentation of full year 2022 results

10.05.2023 Ordinary General Meeting

**Agenda 2022****Investor Relations events**

22.09.2022 Investora, Zurich-Stettbach

04.11.2022 ZKB Swiss Equity Conference, Zurich

17.11.2022 Credit Suisse Equity Forum Switzerland, Zurich

	6 months ended 30 June				Comparison with previous half year			
	2022	2021	Change	Change in %	H1-2022	H2-2021	Change	Change in %
in CHF thousand, except where specified								
Net fee & commission income (excl. crypto.)	81,305.5	87,117.4	(5,811.9)	-6.7%	81,305.5	74,032.8	7,272.7	9.8%
Net crypto-assets income	19,453.6	63,238.5	(43,784.9)	-69.2%	19,453.6	38,845.9	(19,392.3)	-49.9%
Interest income, net <sup>1</sup>	19,023.2	10,454.2	8,569.0	82.0%	19,023.2	12,701.1	6,322.1	49.8%
eForex income, net	54,349.2	63,001.3	(8,652.1)	-13.7%	54,349.2	58,304.1	(3,954.9)	-6.8%
Trading income, net <sup>2</sup>	30,664.2	42,618.7	(11,954.5)	-28.0%	30,664.2	29,288.8	1,375.4	4.7%
<b>Operating revenues</b>	<b>204,795.7</b>	<b>266,430.1</b>	<b>(61,634.4)</b>	<b>-23.1%</b>	<b>204,795.7</b>	<b>213,172.7</b>	<b>(8,377.0)</b>	<b>-3.9%</b>
Unrealised fair value	(696.6)	385.6	(1,082.2)	-280.7%	(696.6)	(174.4)	(522.2)	299.4%
Cost of negative interest rates (excluding FX swaps)	(4,087.3)	(2,405.9)	1,681.4	69.9%	(4,087.3)	(4,937.6)	(850.3)	-17.2%
<b>Net revenues</b>	<b>200,011.8</b>	<b>264,409.8</b>	<b>(64,398.0)</b>	<b>-24.4%</b>	<b>200,011.8</b>	<b>208,060.7</b>	<b>(8,048.9)</b>	<b>-3.9%</b>
Payroll & related expenses	(51,917.9)	(70,257.5)	(18,339.6)	-26.1%	(51,917.9)	(54,334.6)	(2,416.7)	-4.4%
Other operating expenses	(26,937.6)	(29,834.9)	(2,897.3)	-9.7%	(26,937.6)	(31,867.9)	(4,930.3)	-15.5%
Depreciation	(15,622.9)	(14,974.7)	648.2	4.3%	(15,622.9)	(16,321.1)	(698.2)	-4.3%
Marketing expenses	(11,960.5)	(14,191.3)	(2,230.8)	-15.7%	(11,960.5)	(15,752.4)	(3,791.9)	-24.1%
<b>Expenses</b>	<b>(106,438.9)</b>	<b>(129,258.4)</b>	<b>(22,819.5)</b>	<b>-17.7%</b>	<b>(106,438.9)</b>	<b>(118,276.0)</b>	<b>(11,837.1)</b>	<b>-10.0%</b>
Net result from investment in joint venture	(2,906.8)	(509.8)	2,397.0	470.2%	(2,906.8)	(1,084.3)	1,822.5	168.1%
<b>Pre-tax profit</b>	<b>90,666.1</b>	<b>134,641.6</b>	<b>(43,975.5)</b>	<b>-32.7%</b>	<b>90,666.1</b>	<b>88,700.4</b>	<b>1,965.7</b>	<b>2.2%</b>
Income taxes	(13,561.5)	(18,290.5)	(4,729.0)	-25.9%	(13,561.5)	(11,938.2)	1,623.3	13.6%
<b>Net profit</b>	<b>77,104.6</b>	<b>116,351.1</b>	<b>(39,246.5)</b>	<b>-33.7%</b>	<b>77,104.6</b>	<b>76,762.2</b>	<b>342.4</b>	<b>0.4%</b>
Pre-tax profit margin	45.3%	50.9%			45.3%	42.6%		
Net profit margin	38.6%	44.0%			38.6%	36.9%		

<sup>1</sup> Net interest income as per condensed consolidated interim financial statements 2022 of CHF 14.9 million should be read in conjunction with the cost of negative interest rates (excluding FX swaps) of -CHF 4.1 million that is presented here separately (CHF 18.9 million less CHF 4.1 million).

<sup>2</sup> Net trading income as per condensed consolidated interim financial statements 2022 of CHF 84.8 million should be incremented by credit loss expense of -CHF 0.5 million (that is presented separately in the condensed consolidated interim 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.

	30.06.2022	30.06.2021	Change	Change in %	30.06.2022	31.12.2021	Change	Change in %
in CHF thousand, except where specified								
Trading accounts	452,030	391,373	60,657	15.5%	452,030	418,668	33,362	8.0%
Saving accounts	18,423	18,793	(370)	-2.0%	18,423	18,630	(207)	-1.1%
eForex accounts	45,479	44,191	1,288	2.9%	45,479	44,890	589	1.3%
Robo-Advisory accounts	6,144	5,443	701	12.9%	6,144	5,659	485	8.6%
<b>Total number of accounts (units)</b>	<b>522,076</b>	<b>459,800</b>	<b>62,276</b>	<b>13.5%</b>	<b>522,076</b>	<b>487,847</b>	<b>34,229</b>	<b>7.0%</b>
Trading client assets	50,659.6	49,093.2	1,566.4	3.2%	50,659.6	54,696.0	(4,036.4)	-7.4%
Saving client assets	240.5	249.2	(8.7)	-3.5%	240.5	245.8	(5.3)	-2.2%
eForex client assets	426.8	456.9	(30.1)	-6.6%	426.8	436.9	(10.1)	-2.3%
Robo-Advisory assets	431.4	440.6	(9.2)	-2.1%	431.4	511.1	(79.7)	-15.6%
<b>Total client assets (CHF m)</b>	<b>51,758.3</b>	<b>50,239.9</b>	<b>1,518.4</b>	<b>3.0%</b>	<b>51,758.3</b>	<b>55,889.8</b>	<b>(4,131.5)</b>	<b>-7.4%</b>
Assets under custody (CHF m)	50,431.4	48,917.0	1,514.4	3.1%	50,431.4	54,604.0	(4,172.6)	-7.6%
Net new money (CHF m)	4,989.6	4,912.8	76.8	1.6%	4,989.6	4,687.5	302.1	6.4%
eForex volume (USD bn)	746.1	816.4	(70.3)	-8.6%	746.1	728.9	17.2	2.4%
Total equity (CHF m)	663.4	544.0	119.4	21.9%	663.4	615.5	47.9	7.8%
Capital ratio (%)	25.7%	24.3%	1.4%	5.8%	25.7%	26.2%	-0.5%	-1.9%
Total headcounts / average headcounts (FTE)	1040 / 996	904 / 854	136 / 142	15% / 16.6%	1040 / 996	952 / 928	88 / 68	9.2% / 7.3%