

Media information

Gland/Zurich, 9 August 2023

Results for the 1st half of 2023

Swissquote reports record-high net revenues and client assets. Full-year guidance increased

While the first half of 2023 was challenging for investors and trading activity remained low across the industry, Swissquote can report strong results that exceeded initial expectations. Net revenues reached a record high of CHF 265.6 million (+32.8% compared to year-back period) while pre-tax profit increased to CHF 124.9 million (+37.7% compared to year-back period). Client assets reached an all-time high of CHF 56.9 billion as at 30 June 2023. In the last 12 months, the client base grew by 6.4% while average assets per customer remained intact and over CHF 100,000 per client. For 2023 as a whole, Swissquote is now targeting a pre-tax profit of around CHF 250 million (initially: CHF 230 million).

Net revenues are strong and less dependent on transactions

Net revenues reached CHF 265.6 million in the first half of 2023, an increase of 32.8% compared to the year-back period. Non-transaction-based revenues (e.g. net interest income and custody fees) were the main contributors to the growth. In a context of low market volatility, these non-transaction-based revenues surpassed the level of transaction-based revenues (e.g. brokerage income) for the first time. Net interest income grew significantly by 587.6% to CHF 102.7 million thanks to a higher interest rate environment. Trading activity was low compared to the previous year (number of transactions down by 26.7%) but improved slightly compared to the second half of 2022. Net fee and commission income decreased by 9.3% to CHF 73.7 million but is up 9.1% compared to the previous half year. Net crypto assets income declined by 61.5% to CHF 7.5 million, in line with management's expectations and activity observed in the last months of 2022. Net eForex income saw an increase of 1.1% to CHF 54.9 million despite a period of low market volatility. Net trading income fell by 10.8% to CHF 26.7 million, due again to lower trading volumes.

Second-highest pre-tax profit in the company's history

Swissquote is reporting its second-highest pre-tax profit as more than half of the increase in net revenues impacted positively on profitability. Total expenses grew by 30.0% to CHF 138.4 million, mainly due to adjustable items such as marketing expenses (+35.2%) and higher variable remuneration expense that impacted on payroll and related expenses (+31.0%). During the last 6 months, total headcount increased from 1,056 to 1,110 (+5.1%), mainly attributable to positions in technology and at foreign subsidiaries. Overall, net profit grew by 38.2% to

CHF 106.5 million. The pre-tax profit margin increased to 47.0% from 45.3% compared to the year-back period. The net profit margin went up to 40.1% from 38.6%.

Record level of client assets

The number of client accounts grew by 6.4% to 555,266 in the last 12 months. Client assets increased by 9.9% to a new all-time high of CHF 56.9 billion. Net new money decreased by 39.9% to CHF 3.0 billion but was purely organic (while last year included the acquisition of Keytrade Bank Luxembourg for CHF 1.7 billion). As of 30 June 2023, the portion of cash in client assets was at 16.6%.

Balance sheet remained solid and liquid

In the first half of 2023, the total balance sheet increased by 3.5% to CHF 10.6 billion. As of 30 June 2023, cash and balances held with central banks (e.g. Swiss National Bank) represented more than 40% of total assets. At the same time, total equity increased by 6.8% to CHF 791.6 million. The capital ratio remained stable at 25.5 % compared to 24.8% at the end of last year. The balance sheet liquidity remained solid, with the liquidity coverage ratio evolving on a monthly basis in the region of 400%, significantly above the 100% minimum regulatory requirement.

Full-year guidance revised upwards

Although no recovery in market sentiment is expected for the second half of 2023, Swissquote anticipates results similar to those reported for the first half of the year. Nevertheless, the underlying assumptions have shifted towards a generally higher share of non-transaction-based revenues in comparison to the initial guidance published. For the year as a whole, net revenues and pre-tax profit are now expected to be approx. CHF 530 million (initially: CHF 495 million) and approx. CHF 250 million (initially: CHF 230 million) respectively.

Final note

As a final note, Swissquote welcomes the improvement by Sustainalytics of its ESG Risk rating from "medium risk" to "low risk" in the first half of 2023. This change is a recognition of Swissquote's recent sustainability initiatives and of the efforts made in recent months to improve its non-financial reporting.

The complete **financial report for the 1st half of 2023** 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 as well as savings and investment solutions. In addition, Swissquote is active in the payment card, mortgage and leasing markets. As at the end of June 2023, Swissquote held over CHF 56 billion in assets for more than 555,000 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.

For further information

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Agenda**Corporate events**

14.03.2024	Presentation of full year 2023 results
08.05.2024	Ordinary General Meeting

Agenda**Investor Relations events**

21.09.2023	Baader Investment Conference, Munich
02.11.2023	ZKB Swiss Equity Conference, Zurich

	6 months ended 30 June				Comparison with previous half year			
	2023	2022	Change	Change in %	H1-2023	H2-2022	Change	Change in %
in CHF thousand, except where specified								
Net fee & commission income (excl. crypto.)	73,734.8	81,305.5	(7,570.7)	-9.3%	73,734.8	67,582.4	6,152.4	9.1%
Net crypto assets income	7,484.9	19,453.6	(11,968.7)	-61.5%	7,484.9	8,241.6	(756.7)	-9.2%
Interest income, net	102,699.1	14,935.9	87,763.2	587.6%	102,699.1	58,534.1	44,165.0	75.5%
eForex income, net	54,930.3	54,349.2	581.1	1.1%	54,930.3	49,570.1	5,360.2	10.8%
Trading income, net	26,731.4	29,967.6	(3,236.2)	-10.8%	26,731.4	24,103.0	2,628.4	10.9%
Net revenues	265,580.5	200,011.8	65,568.7	32.8%	265,580.5	208,031.2	57,549.3	27.7%
Payroll & related expenses	(68,026.0)	(51,917.9)	16,108.1	31.0%	(68,026.0)	(51,210.1)	16,815.9	32.8%
Other operating expenses	(35,669.6)	(26,937.6)	8,732.0	32.4%	(35,669.6)	(25,108.4)	10,561.2	42.1%
Depreciation	(18,513.7)	(15,622.9)	2,890.8	18.5%	(18,513.7)	(17,144.5)	1,369.2	8.0%
Marketing expenses	(16,165.4)	(11,960.5)	4,204.9	35.2%	(16,165.4)	(15,054.7)	1,110.7	7.4%
Expenses	(138,374.7)	(106,438.9)	31,935.8	30.0%	(138,374.7)	(108,517.7)	29,857.0	27.5%
Net result from investment in joint venture	(2,338.6)	(2,906.8)	(568.2)	-19.5%	(2,338.6)	(3,792.4)	(1,453.8)	-38.3%
Pre-tax profit	124,867.2	90,666.1	34,201.1	37.7%	124,867.2	95,721.1	29,146.1	30.4%
Income taxes	(18,339.0)	(13,561.5)	4,777.5	35.2%	(18,339.0)	(15,431.9)	2,907.1	18.8%
Net profit	106,528.2	77,104.6	29,423.6	38.2%	106,528.2	80,289.2	26,239.0	32.7%
Pre-tax profit margin	47.0%	45.3%			47.0%	46.0%		
Net profit margin	40.1%	38.6%			40.1%	38.6%		

	30.06.2023	30.06.2022	Change	Change in %	30.06.2023	31.12.2022	Change	Change in %
Swissquote								
Trading accounts	485,875	452,030	33,845	7.5%	485,875	467,589	18,286	3.9%
eForex accounts	45,087	45,479	(392)	-0.9%	45,087	47,051	(1,964)	-4.2%
Robo-Advisory / Saving accounts	24,304	24,567	(263)	-1.1%	24,304	24,306	(2)	0.0%
Total number of accounts (units)	555,266	522,076	33,190	6.4%	555,266	538,946	16,320	3.0%
Trading assets	55,756.8	50,659.6	5,097.2	10.1%	55,756.8	51,094.3	4,662.5	9.1%
eForex assets	506.2	426.8	79.4	18.6%	506.2	459.8	46.4	10.1%
Robo-Advisory / Saving assets	616.7	671.9	(55.2)	-8.2%	616.7	634.9	(18.2)	-2.9%
Total client assets (CHF m) ¹	56,879.7	51,758.3	5,121.4	9.9%	56,879.7	52,189.0	4,690.7	9.0%
Net new money (CHF m)	2,997.7	4,989.6	(1,991.9)	-39.9%	2,997.7	2,758.6	239.1	8.7%
Transactions (units)	2,308,116	3,150,901	(842,785)	-26.7%	2,308,116	2,270,973	37,143.0	1.6%
Crypto volume (CHF m)	1,242.5	3,265.9	(2,023.4)	-62.0%	1,242.5	1,449.9	(207.4)	-14.3%
eForex volume (USD bn)	740.4	746.1	(5.7)	-0.8%	740.4	653.5	86.9	13.3%
Total balance sheet (CHF m)	10,573.9	10,260.8	313.1	3.1%	10,573.9	10,218.4	355.5	3.5%
Total equity (CHF m)	791.6	663.4	128.2	19.3%	791.6	741.1	50.5	6.8%
Capital ratio (%)	25.5%	25.7%	-0.2%	-0.8%	25.5%	24.8%	0.7%	2.8%
Total headcounts / average headcounts (FTE)	1110 / 1083	1040 / 996	70 / 87	6.7% / 8.7%	1110 / 1083	1056 / 1048	54 / 35	5.1% / 3.3%
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Accounts (units)	149,067	68,577	80,490	117.4%	149,067	106,853	42,214	39.5%
Client assets (CHF m)	1,001.9	234.9	767.1	326.6%	1,001.9	571.7	430.3	75.3%

¹ Client assets is a broader term than assets under management under the FINMA definition and comprises all stable bankable assets that are managed or deposited with the Group, including assets that are not held for custody, but for which the technology of the Group gives clients access to asset classes and stock markets and/or for which other services are provided.