

Results for the 1st quarter of 2012

Swissquote sees substantial inflow of net new monies

Despite a slight increase in total net revenues versus the 4th quarter of 2011, Swissquote posted a 19.9 percent year-on-year decrease in revenues to CHF 29.2 million. Since operating expenses did not go down to the same extent (-6.8 percent), net profit was 40.9 percent lower at CHF 6.3 million. The number of accounts grew by 13.1 percent, passing the 200,000 mark for the first time. Total assets under custody rose by 1.1 percent to CHF 8.5 billion, and net new monies stood at CHF 536.6 million, up 83.0 percent on the year-back figure.

Interest business making progress

The revenue trend reflects the situation on the global capital and currency markets as well as the general uncertainty and reticence that this has caused among investors. Both net fee and commission income as well as trading operations contributed to the decline in total net revenues to CHF 29.2 million (CHF 36.5 million) reported by Swissquote in the 1st quarter of 2012. While significantly smaller in terms of volume, interest business was the only sector to make a positive contribution.

As a consequence of a significant fall-off in trading activity to only 12.6 transactions per client/year (16.3 transactions), **net fee and commission income** was down by 25.3 percent to CHF 14.1 million (CHF 18.9 million). Having consistently shown robust growth in the past, **trading operations** (eForex) were down owing to weak volatility on the currency markets. The trading results were 20.9 percent lower at CHF 10.8 million (CHF 13.7 million). The eForex trading volume decreased by 34.1 percent to CHF 67.2 billion (CHF 101.9 billion). Although **interest business** remained challenging in the 1st quarter of 2012 in light of the currency situation and the cautious investment strategy pursued by Swissquote, net interest income was up by 9.3 percent to CHF 4.2 million (CHF 3.9 million).

Weaker profit figures

As the 6.8 percent reduction in operating expenses to CHF 21.3 million (CHF 22.8 million) was not sufficient to offset the significant decline in total net revenues, **operating profit** was down 42.0 percent year-on-year to CHF 7.9 million (CHF 13.6 million). **Net profit** decreased correspondingly by 40.9 percent to CHF 6.3 million (CHF 10.7 million). The operating profit margin reached 27.1 percent (37.4 percent), and the net profit margin stood at 21.6 percent (29.2 percent). **Earnings per share** amounted to CHF 0.44 (CHF 0.74). The **balance sheet total** grew by 13.2 percent to CHF 2.714 billion, and **total equity** was 12.9 percent higher at CHF 238.2 million (CHF 211.1 million). The **core capital ratio** (tier 1) was at 21.5 percent.

Increase in number of accounts and assets under custody

Compared with the corresponding year-back period, the total number of **accounts** rose by 13.1 percent to 200,140. The breakdown is 159,592 trading accounts (+5.3 percent), 28,840 saving accounts (+86.6 percent), 11,023 eForex accounts (+16.8 percent), and 685 ePrivate Banking accounts (+41.5 percent). At CHF 8.478 billion (CHF 8.382 billion), **assets under custody** were 1.1 percent higher than in the 1st quarter of 2011. At the end of the 1st quarter of 2012, assets of CHF 7.855 billion were held in trading accounts, CHF 479.5 million in saving accounts, CHF 121.1 million in eForex accounts, and CHF 22.6 million in ePrivate Banking accounts. The trend in **net new monies** was very encouraging in the 1st quarter, 83.0 percent higher at CHF 536.6 million (CHF 293.3 million).

Swissquote launches oil trading

The latest Swissquote product addresses a wish expressed by numerous clients to be able to trade oil directly in real time on the various Swissquote platforms (FXBook, Advanced Trader, MetaTrader 4). Clients can now trade commission-free in West Texas Intermediate (WTI) crude oil, the most traded energy product worldwide. With a leverage effect of up to 30:1, high liquidity, narrow spreads and a minimum volume of only one barrel, this provides an alternative to futures contracts.

The complete **financial report** for the 1st quarter of 2012 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

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)

Comparison with Previous Year
Comparison with Previous Quarter

CHF'000	2012	2011	Change	Change [%]	Q1-2012	Q4-2011	Change	Change [%]
Net Fee & Commission Income	14'132.0	18'910.0	(4'778.0)	-25.3%	14'132.0	14'438.3	(306.3)	-2.1%
Interest Income, net	4'243.5	3'882.2	361.3	9.3%	4'243.5	4'424.6	(181.1)	-4.1%
Trading Results	10'817.3	13'671.3	(2'854.0)	-20.9%	10'817.3	9'342.4	1'474.9	15.8%
Total Net Revenues	29'192.8	36'463.5	(7'270.7)	-19.9%	29'192.8	28'205.3	987.5	3.5%
Payroll & Related Expenses	(9'939.0)	(10'028.9)	89.9	-0.9%	(9'939.0)	(10'104.7)	165.7	-1.6%
Other Operating Expenses (incl. Depr. & Provision)	(8'234.9)	(8'888.3)	653.4	-7.4%	(8'234.9)	(8'055.1)	(179.8)	2.2%
Marketing Expenses	(3'111.1)	(3'921.7)	810.6	-20.7%	(3'111.1)	(3'698.4)	587.3	-15.9%
Total Expenses	(21'285.0)	(22'838.9)	1'553.9	-6.8%	(21'285.0)	(21'858.2)	573.2	-2.6%
Operating Profit	7'907.8	13'624.6	(5'716.8)	-42.0%	7'907.8	6'347.1	1'560.7	24.6%
Income Taxes	(1'606.5)	(2'969.5)	1'363.0	-45.9%	(1'606.5)	(1'239.6)	(366.9)	29.6%
Net Profit	6'301.3	10'655.0	(4'353.7)	-40.9%	6'301.3	5'107.5	1'193.8	23.4%
Operating Profit Margin	27.1%	37.4%			27.1%	22.5%		
Net Profit Margin	21.6%	29.2%			21.6%	18.1%		
Weighted average number of ordinary shares	14'461'990	14'348'308	113'682	0.8%	14'461'990	14'460'108	1'882	0.0%
Earning per share	0.44	0.74	(0.31)	-41.3%	0.44	0.35	0.08	23.4%
	31.03.2012	31.03.2011	Change	Change [%]	31.03.2012	31.12.2011	Change	Change [%]
Trading Accounts [units]	159'592	151'555	8'037	5.3%	159'592	158'516	1'076	0.7%
Saving Accounts [units]	28'840	15'455	13'385	86.6%	28'840	17'576	11'264	64.1%
eForex Accounts [units]	11'023	9'438	1'585	16.8%	11'023	10'766	257	2.4%
ePrivate Banking Accounts [units]	685	484	201	41.5%	685	639	46	7.2%
Total Number of Accounts	200'140	176'932	23'208	13.1%	200'140	187'497	12'643	6.7%
Trading Assets [CHF m]	7'855.2	7'765.5	89.7	1.2%	7'855.2	6'941.7	913.5	13.2%
Saving Assets [CHF m]	479.5	448.4	31.1	6.9%	479.5	450.8	28.7	6.4%
eForex Assets [CHF m]	121.1	146.5	(25.4)	-17.3%	121.1	122.5	(1.4)	-1.1%
ePrivate Banking Assets [CHF m]	22.6	22.5	0.1	0.4%	22.6	21.8	0.8	3.7%
Total Assets under Custody [CHF m]	8'478.4	8'382.9	95.5	1.1%	8'478.4	7'536.8	941.6	12.5%
Total Net New Monies [CHF m]	536.6	293.3	243.3	83.0%	536.6	126.8	409.8	323.2%
eForex Volume [CHF bn]	67.2	101.9	(34.7)	-34.1%	67.2	101.3	(34.1)	-33.7%
Total Balance Sheet [CHF m]	2'714.6	2'398.0	316.6	13.2%	2'714.6	2'585.7	128.9	5.0%
Total Equity [CHF m]	238.2	211.1	27.1	12.9%	238.2	229.7	8.5	3.7%
Equity Surplus [CHF m]	135.1	115.3	19.8	17.2%	135.1	130.2	4.9	3.8%
Total Headcounts	358	350	8	2.3%	358	358	-	0.0%