

Results for the 2008 business year

Swissquote solid even in the financial crisis. 29,000 more clients

Swissquote turned in an outstanding performance in the financial crisis: Revenues in 2008 came to CHF 111.7 million, which was slightly higher than the record result the previous year (CHF 110.9 million). Operating profit stood at CHF 57.0 million, close to the previous year's level, while net profit was a respectable CHF 32.8 million despite the write-off of a Lehman Brothers bond (CHF 12.2 million). Swissquote beat its 2008 growth targets for the number of clients and the inflow of new funds by a wide margin.

Revenues very stable

There are basically two reasons why Swissquote again raised its revenues slightly despite the serious turmoil on the financial markets: For one thing, the 26,265 new trading clients in 2008 contributed to the fact that commission income contracted by only CHF 6.3 million even though trading activity was down 25 percent versus the previous year. For another, this decline was more than offset by the CHF 5.0 million increase in interest income, a large part of which was generated in the first half of 2008, and by the extremely successful eForex platform, which had an average daily turnover of approx. USD 400 million and increased trading income by CHF 2.1 million versus the previous year.

Solid earnings despite write-off

In 2008, operating expenditure rose by 7.3 percent to CHF 54.6 million versus CHF 50.9 million the previous year. The increase was due in particular to production and amortization costs, while personnel and marketing expenses were unchanged. This resulted in a 4.9 percent decline in operating profit, which came to CHF 57.0 million (CHF 59.9 million). Net income fell to CHF 32.8 million (vs. CHF 47.6 million) owing to the complete write-off of a Lehman Brothers bond totalling CHF 12.2 million (net after tax). Even after this unfortunate value adjustment, Swissquote still has a strong and healthy balance sheet with a BIS core capital ratio (tier 1) of 22.4 percent plus surplus funds of CHF 89.5 million. Shareholders' equity amounts to CHF 139.1 million (CHF 126.6 million).

Growth targets clearly exceeded

The number of trading clients in 2008 rose by 26,265 or 28.9 percent versus the previous year to 117,141, which was well above the objective of 115,000. The inflow of new funds came to CHF 1.3 billion, which was also higher than the target of CHF 1.2 billion. Client assets, however, contracted by 22.4 percent to CHF 4.5 billion versus the previous year (CHF 5.9 billion) owing to the financial crisis. Since the launch of the "Dynamic Savings Account" in May 2008, 2,728 savings clients



have brought their business to Swissquote, with assets of CHF 60 million at end-2008. Altogether, Swissquote had 119,869 clients at end-2008.

Targets 2009

In 2009, Swissquote aims to systematically pursue its growth strategy. It plans to raise the number of clients by 25,000 and attract over CHF 1 billion in new funds. If trading activity remains constant (compared with 2008) and in light of the lower interest income, revenues in 2009 should be approximately as high as in the previous year.

Expansion of online stock market trading

On 13 February, Swissquote went live online with the former telephone trading of "World" stock markets. Now, an additional 80,000 securities from 50 markets – ranging from „Australia Securities Exchange (ASX)“ to „Zagreb Stock Exchange“ can be traded inexpensively and online on the Swissquote platform.

Distribution of profit to shareholders

In light of the successful 2008 annual result, the Board of Directors proposes that the Annual General Meeting of Swissquote Group Holding AG on 30 April 2009 distribute a dividend of CHF 0.40 per share to shareholders.

The complete **2008 Financial Report** can be found at:

<http://www.swissquote.ch> – THE COMPANY/Investor Relations/Reporting

Swissquote – Swiss leader in online trading

Swissquote has 236 employees in Gland (Vaud) and Zurich. Swissquote is the Swiss leader in online trading. In addition to low-cost stock market access and a trading platform for portfolio managers, Swissquote also offers a wide range of financial and online wealth management tools. Swissquote Group Holding AG shares (SQN) are quoted on the SIX.

For further information

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Agenda 2009

29.04.2009	First quarter 2009 results
30.04.2009	Annual General Meeting in Zurich
24.07.2009	Results for the first half of 2009 (presentation at SIX)
27.10.2009	Results for the first nine months of 2009 (telephone conference)

Key figures 2008 business year

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	2008	2007	Change	Change [%]	Q4-2008	Q3-2008	Change	Change [%]
Net Fee & Commission Income	69'530.3	75'801.9	(6'271.6)	-8.3%	18'604.7	16'284.9	2'319.8	14.2%
Interest Income, net	31'337.3	26'361.3	4'976.0	18.9%	7'004.2	8'693.0	(1'688.8)	-19.4%
Trading Results	10'809.4	8'718.7	2'090.7	24.0%	3'868.3	2'622.5	1'245.8	47.5%
Total Net Revenues	111'677.0	110'881.9	795.1	0.7%	29'477.2	27'600.4	1'876.8	6.8%
Payroll & Related Expenses	(24'617.3)	(24'419.4)	(197.9)	0.8%	(6'065.7)	(6'086.9)	21.2	-0.3%
Other Operating Expenses (incl. Depr. & Provision)	(20'500.0)	(17'078.3)	(3'421.7)	20.0%	(5'944.6)	(5'255.1)	(689.5)	13.1%
Marketing Expenses	(9'522.2)	(9'437.0)	(85.2)	0.9%	(2'804.1)	(2'215.0)	(589.1)	26.6%
Total Expenses	(54'639.5)	(50'934.7)	(3'704.8)	7.3%	(14'814.4)	(13'557.0)	(1'257.4)	9.3%
Operating Profit	57'037.5	59'947.2	(2'909.7)	-4.9%	14'662.8	14'043.4	619.4	4.4%
Write down on investment securities, net of tax	(12'227.3)	-	(12'227.3)	-	(2'880.8)	(9'346.6)	6'465.8	-69.2%
Income Taxes	(12'003.4)	(12'374.7)	371.3	-3.0%	(3'035.7)	(2'919.6)	(116.1)	4.0%
Net Profit	32'806.8	47'572.5	(14'765.7)	-31.0%	8'746.3	1'777.2	6'969.1	392.1%
Operating Profit Margin	51.1%	54.1%			49.7%	50.9%		
Net Profit Margin	29.4%	42.9%			29.7%	6.4%		
	31.12.2008	31.12.2007	Change	Change [%]	31.12.2008	30.09.2008	Change	Change [%]
Total number of Trading Clients [units]	117'141	90'876	26'265	28.9%	117'141	108'777	8'364	7.7%
Total number of Saving Clients [units]	2'728	-	2'728	-	2'728	1'776	952	53.6%
Total Number of Clients	119'869	90'876	28'993	31.9%	119'869	110'553	9'316	8.4%
Assets under Custody [CHF m]	4'539.7	5'850.0	(1'310.3)	-22.4%	4'539.7	5'198.6	(658.9)	-12.7%
Total Net New Monies [CHF m]	1'281.0	1'200.6	80.4	6.7%	315.2	226.5	88.7	39.2%
Total Headcounts	236	213	23	10.8%	236	232	4	1.7%
Total Balance Sheet [CHF m]	1'346.1	1'311.0	35.1	2.7%	1'346.1	1'375.1	(29.0)	-2.1%
Total Equity [CHF m]	139.1	126.6	12.5	9.9%	139.1	130.7	8.4	6.5%
Equity Surplus [CHF m]	89.5	74.8	14.7	19.6%	89.5	75.6	13.9	18.4%