

Results for the 1st quarter of 2011

Swissquote posted robust growth in the 1st quarter

Swissquote's total net revenues grew year-on-year by 55.8 percent in the 1st quarter to a new record high of CHF 36.5 million. Operating profit increased by 82.9 percent to CHF 13.6 million and net profit by 83.9 percent to CHF 10.7 million. At 176,932, the number of accounts was 17.0 percent above the previous year's figure. Thanks to a continuous inflow of new funds, assets under custody also increased, up 18.2 percent to reach a new high of CHF 8.383 billion. Swissquote's targets for 2011 – to lift earnings by 50 percent and assets under custody by CHF 2 billion – remain unchanged.

Strong increase in all revenue segments

All segments contributed to the substantial increase in total net revenues. Net fee and commission income in the 1st quarter of 2011 improved considerably both against the corresponding year-back period (+18.9 percent to CHF 18.9 million) and against the 4th quarter of 2010 (+15.5 percent). In the 1st quarter, the number of transactions per client/year rose to 16.3 (previous quarter 13.2), again exceeding the targeted 15 mark. Interest income and trading results increased by 68.2 percent to CHF 3.9 million. Above-average growth in trading operations (eForex) reflects in particular the significant external growth achieved through ACM, acquired in fall 2010. Revenues from trading rose by 163.2 percent to CHF 13.7 million, equivalent to a share of almost 40 percent in total revenues. This was despite the fact that, since revenues from trading are generated in US dollars, they are being negatively impacted by the weak USD and the strong CHF. The eForex trading volume came to CHF 101.9 billion in the 1st quarter. This is expected to increase to around CHF 550 billion for 2011.

Profit figures show high growth

The 55.8 percent increase in revenues and the merely 43.2 percent rise in operating expenses resulted in 82.9 percent growth in operating profit to CHF 13.6 million. The significant year-on-year increase in operating expenses is attributable on one hand to a 59.2 percent rise in personnel expenses to CHF 10.0 million (headcount 38.3 percent higher at 350, largely as a result of the takeover of 85 ACM employees) and on the other to 34.7 percent growth in other operating expenses to CHF 8.9 million. Net profit increased by 83.9 percent to CHF 10.7 million. The operating profit margin came to 37.4 percent (31.8 percent) and was thus again very close to the targeted 40 percent. The net profit margin rose from 24.8 percent to 29.2 percent.

The balance sheet total increased by 16.8 percent to CHF 2.398 billion and total equity by 16.1 percent to CHF 211.1 million. The core capital ratio (tier 1) stood at 20.68 percent.

Renewed double-digit growth in number of accounts and volume of assets under custody

Compared with the corresponding year-back period, the total number of accounts rose by 17.0 percent to 176,932. The breakdown is 151,555 trading accounts (+9.3 percent), 15,455 saving accounts (+45.7 percent), 9,438 eForex accounts (+375.9 percent), and 484 ePrivate Banking accounts.

Assets under custody increased by 18.2 percent to a new record high of CHF 8.383 billion, of which CHF 7.766 billion were held in trading accounts, CHF 448.4 million in saving accounts, CHF 146.5 million in eForex accounts, and CHF 22.5 million in ePrivate Banking accounts. At CHF 293.3 million (CHF 353.9 million), the inflow of new funds was slightly below expectations in the 1st quarter.

The complete **financial report for the 1st quarter of 2011** is available on:

<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 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 2011

29.07.2011 Figures for the 1st half of 2011 (presentation at the SIX Swiss Exchange in Zurich)

04.11.2011 Figures for the first 9 months of 2011 (conference call)

Key figures for the first Quarter 2011

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	3m-2011	3m-2010	Change	Change [%]	Q1-2011	Q4-2010	Change	Change [%]
Net Fee & Commission Income	18'910.0	15'901.1	3'008.9	18.9%	18'910.0	16'368.5	2'541.5	15.5%
Interest Income, net	3'882.2	2'307.7	1'574.5	68.2%	3'882.2	3'836.6	45.6	1.2%
Trading Results	13'671.3	5'193.3	8'478.0	163.2%	13'671.3	12'051.8	1'619.5	13.4%
Total Net Revenues	36'463.5	23'402.1	13'061.4	55.8%	36'463.5	32'256.9	4'206.6	13.0%
Payroll & Related Expenses	(10'028.9)	(6'300.4)	(3'728.5)	59.2%	(10'028.9)	(9'400.8)	(628.1)	6.7%
Other Operating Expenses (incl. Depr. & Provision)	(8'888.3)	(6'596.9)	(2'291.4)	34.7%	(8'888.3)	(9'280.2)	391.9	-4.2%
Marketing Expenses	(3'921.7)	(3'054.6)	(867.1)	28.4%	(3'921.7)	(4'265.1)	343.4	-8.1%
Total Expenses	(22'838.9)	(15'951.9)	(6'887.0)	43.2%	(22'838.9)	(22'946.1)	107.2	-0.5%
Operating Profit	13'624.6	7'450.2	6'174.4	82.9%	13'624.6	9'310.8	4'313.8	46.3%
Income Taxes	(2'969.6)	(1'655.4)	(1'314.2)	79.4%	(2'969.6)	(2'678.4)	(291.2)	10.9%
Others, net of tax ¹⁾	-	-	-	-	-	(5'116.1)	5'116.1	-
Net Profit	10'655.0	5'794.8	4'860.2	83.9%	10'655.0	1'516.3	9'138.7	602.7%
Operating Profit Margin	37.4%	31.8%			37.4%	28.9%		
Net Profit Margin	29.2%	24.8%			29.2%	4.7%		
	31.03.2011	31.03.2010	Change	Change [%]	31.03.2011	31.12.2010	Change	Change [%]
Trading Accounts [units]	151'555	138'666	12'889	9.3%	151'555	148'486	3'069	2.1%
Saving Accounts [units]	15'455	10'611	4'844	45.7%	15'455	14'247	1'208	8.5%
eForex Accounts [units]	9'438	1'983	7'455	375.9%	9'438	9'020	418	4.6%
ePrivate Banking Accounts [units]	484	-	484	-	484	338	146	43.2%
Total Number of Accounts	176'932	151'260	25'672	17.0%	176'932	172'091	4'841	2.8%
Trading Assets [CHF m]	7'765.5	6'737.8	1'027.7	15.3%	7'765.5	7'435.4	330.1	4.4%
Saving Assets [CHF m]	448.4	336.2	112.2	33.4%	448.4	437.4	11.0	2.5%
eForex Assets [CHF m]	146.5	19.7	126.8	643.7%	146.5	140.2	6.3	4.5%
ePrivate Banking Assets [CHF m]	22.5	-	22.5	-	22.5	16.9	5.6	33.0%
Total Assets under Custody [CHF m]	8'382.9	7'093.7	1'289.2	18.2%	8'382.9	8'029.9	353.0	4.4%
Total Net New Monies [CHF m]	293.3	353.9	(60.6)	-17.1%	293.3	383.7	(90.4)	-23.6%
eForex Volume (Swissquote) [CHF bn]	101.9	28.9	73.0	252.4%	101.9	96.4	5.5	5.8%
Total Balance Sheet [CHF m]	2'398.0	2'053.9	344.1	16.8%	2'398.0	2'338.8	59.2	2.5%
Total Equity [CHF m]	211.1	181.8	29.3	16.1%	211.1	199.0	12.1	6.1%
Equity Surplus [CHF m]	115.3	122.9	(7.6)	-6.2%	115.3	101.7	13.6	13.4%
Total Headcounts	350	253	97	38.3%	350	355	(5)	-1.4%

1) Others consist of: Acquisition costs [fees impairment restructuring]