

Results for the 2007 business year

### **Swissquote aims to beat record 2007 result in 2008**

**Swissquote closed the 2007 business year well above the growth targets, last revised upwards in October. This marks the fifth record result in succession achieved by the company: Revenues increased by 48.3 percent to CHF 110.9 million, the operating result by 72.3 percent to CHF 60.0 million, and net profit by 30.2 percent to CHF 47.6 million. The number of clients grew by 41.8 percent year-on-year to 90,876 and the inflow of new funds saw a 24.9 percent rise to CHF 1.2 billion. Swissquote intends to continue its growth strategy in 2008, aiming for an additional 25,000 clients and at least CHF 1.2 billion in new funds.**

#### **2007 was an outstanding year in every respect**

The 26,809 new clients won in 2007 translate into an average increase of over 10 percent per quarter. Despite declining stock markets in H2 2007, client assets grew by 30.2 percent (2006: 50.4 percent) to CHF 5.9 billion. The inflow of CHF 1.2 billion in new assets was in line with the upwardly revised expectations. At CHF 110.9 million (CHF 74.7 million), revenues broke the 100 million mark for the first time in 2007. In terms of revenues, the 4th quarter of 2007 was the strongest in the history of Swissquote, reaching CHF 28.4 million. Running counter to the general stock market trend witnessed in the final quarter of 2007, this success is due primarily to the strong growth in the client base achieved in the first three quarters. In contrast with revenues, up 48.3 percent in 2007 to CHF 110.9 million, operating expenses (including marketing spend and depreciations) increased by only 27.5 percent to CHF 50.9 million. This produced a 72.3 percent increase in the operating result to CHF 60.0 million, representing a margin of 54.1 percent (46.5 percent). Net profit came to CHF 47.6 million (CHF 36.5 million) in spite of the fact that 2007 was the first year in which Swissquote incurred taxes, paying CHF 12.4 million. The net profit margin amounted to 42.9 percent (48.9 percent).

#### **2008 should be even better**

Although stock markets got off to a less encouraging start in 2008, Swissquote posted significant year-on-year growth in terms of client numbers, inflow of new assets and revenues in the opening weeks of the year.



"The strong trend towards self-banking", says Swissquote CEO Marc Bürki, "continues unabated. Our enhanced financial information offering, the high level of availability of our platform, and our specific online wealth management tools all serve to meet the needs of our increasingly discerning clients. We also benefit from a generally increased cost awareness on the part of investors and, at the moment, from the trust we enjoy as a pure online trading bank in no way involved in the subprime debacle." During the current business year, Swissquote expects the number of clients to increase to around 115,000. The bank hopes to be able to welcome its 100,000th client in the course of the next few months. Inflows of new funds should be in the area of CHF 6 million per trading day. Swissquote also expects additional impetus in 2008 from the fact that the Swiss Federal Banking Commission recently granted the company a license as custodian bank for Swiss investment funds, a function which Swissquote has been performing since 17 January for the Swiss Equity Discovery Fund. Steps have been initiated to actively acquire further funds. Swissquote would like to generate around CHF 500 million in assets in this new segment.

#### **Partnership with EPF Lausanne**

At Swissquote's results media conference today in Zurich, EPF Lausanne President Patrick Aebischer presented the Master of Financial Engineering course to be offered by the EPFL's College of Management. Central to the new course of study is the Swissquote Chair of Quantitative Finance, established with CHF 5 million in funding donated by our company. Patrick Aebischer stated: "We are delighted at this new partnership. We are presently jointly evaluating suitable candidates for the new chair. Working together allows us to conduct practice-based research into risk assessment and analysis, an area of immense importance to the financial markets, with a particular focus on novel financial products." For its part, Swissquote will gain direct access to university research and participate in joint research projects with its own research team. Research findings will be applied, among other areas, to complex online wealth management tools and help to render them even more secure and easier to handle. One of the results in this area is the release by Swissquote of a risk classification of all Swiss structured products using the VaR (Value at Risk) methodology. More than 80% of all existing products are risk ranked as of today on the Swissquote portal.

#### **Distribution of profit to shareholders**

In light of the successful 2007 annual result and the 35.4 percent increase in shareholders' equity to CHF 126.6 million (CHF 93.5 million), the Board of Directors will propose that the General Meeting of Swissquote Group Holding AG on 25 April 2008 make a distribution to shareholders in the form of a capital reduction of CHF 0.30 per share and a dividend of CHF 0.40 per share.



The complete **2007 Financial Report** is available on:

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

**Swissquote – Swiss leader in online trading**

*Swissquote has 228 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 SWX.*

**For further information**

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**Calendar of events in 2008**

24.04.2008	Results for the first quarter of 2008 (telephone conference)
25.04.2008	Annual General Meeting in Zurich
29.07.2008	Results for the first half of 2008 (presentation at SWX)
28.10.2008	Results for the first nine months of 2008 (telephone conference)

**Key figures 2007**

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	2007	2006	Change	Change [%]	Q4-2007	Q3-2007	Change	Change [%]
Net Fee & Commission Income	75'801.9	55'810.7	19'991.2	35.8%	18'810.6	18'065.8	744.8	4.1%
Interest Spread	26'361.3	12'756.2	13'605.1	106.7%	7'188.8	7'732.8	(544.0)	-7.0%
Trading Results	8'718.7	6'180.3	2'538.4	41.1%	2'426.8	2'136.9	289.9	13.6%
<b>Total Net Revenues</b>	<b>110'881.9</b>	<b>74'747.2</b>	<b>36'134.7</b>	<b>48.3%</b>	<b>28'426.2</b>	<b>27'935.5</b>	<b>490.7</b>	<b>1.8%</b>
Operating Expenses	(37'107.2)	(29'863.1)	(7'244.1)	24.3%	(9'060.0)	(9'611.9)	551.9	-5.7%
Marketing Expenses	(9'437.0)	(6'775.1)	(2'661.9)	39.3%	(2'649.6)	(2'955.7)	306.1	-10.4%
Depreciation	(4'390.5)	(3'316.2)	(1'074.3)	32.4%	(1'706.7)	(1'032.0)	(674.7)	65.4%
<b>Total Expenses &amp; Depreciation</b>	<b>(50'934.7)</b>	<b>(39'954.4)</b>	<b>(10'980.3)</b>	<b>27.5%</b>	<b>(13'416.3)</b>	<b>(13'599.6)</b>	<b>183.3</b>	<b>-1.3%</b>
<b>Operating Profit <sup>(*)</sup></b>	<b>59'947.2</b>	<b>34'792.8</b>	<b>25'154.4</b>	<b>72.3%</b>	<b>15'009.9</b>	<b>14'335.9</b>	<b>674.0</b>	<b>4.7%</b>
Taxes <sup>(**)</sup>	(12'374.7)	1'736.0	(14'110.7)	812.8%	(3'387.3)	(2'867.1)	(520.2)	18.1%
<b>Net Profit</b>	<b>47'572.5</b>	<b>36'528.8</b>	<b>11'043.7</b>	<b>30.2%</b>	<b>11'622.6</b>	<b>11'468.8</b>	<b>153.8</b>	<b>1.3%</b>
Operating Profit Margin	54.1%	46.5%			52.8%	51.3%		
Net Profit Margin	42.9%	48.9%			40.9%	41.1%		
	<b>31.12.2007</b>	<b>31.12.2006</b>	Change	Change [%]	<b>31.12.2007</b>	<b>30.09.2007</b>	Change	Change [%]
Number of Clients	90'876	64'067	26'809	41.8%	90'876	84'104	6'772	8.1%
Increase of Clients in Period	26'809	15'010	11'799	78.6%	6'772	7'724	(952)	-12.3%
Increase in %	41.8%	30.6%			8.1%	10.1%		
Assets under Custody	5'850	4'492	1'358	30.2%	5'850	5'774	76	1.3%
Change [in Million CHF]	1'358	1'506			76	125		
Increase in %	30.2%	50.4%			1.3%	2.2%		
Net New Monies in Period [in Million CHF]	1'200.6	961.0	239.6	24.9%	281.0	303.0	(22)	-7.3%
Equity [in Million CHF]	126.6	93.5	33.1	35.4%	126.6	118.4	8.2	6.9%

(\*) 2006: Excluding a CHF 3.0m reversal goodwill  
(\*\*) 2006: Amount, net of the expense of a 3.0m relating to goodwill (IAS 12 paragraph 68)