

2018 Financial Report

Press conference Results for the first half of 2018

July 31st, 2018

Agenda

- Summary
- Innovation
- Balance sheet
- Business review
- Key figures

Summary

Section I

First half year of 2018 in a nutshell

Net Revenues of CHF

112.8 million

27.3%

Pre-Tax Margin

+CHF 2.4 billion

of net new monies

CHF 25.5 billion

of client assets

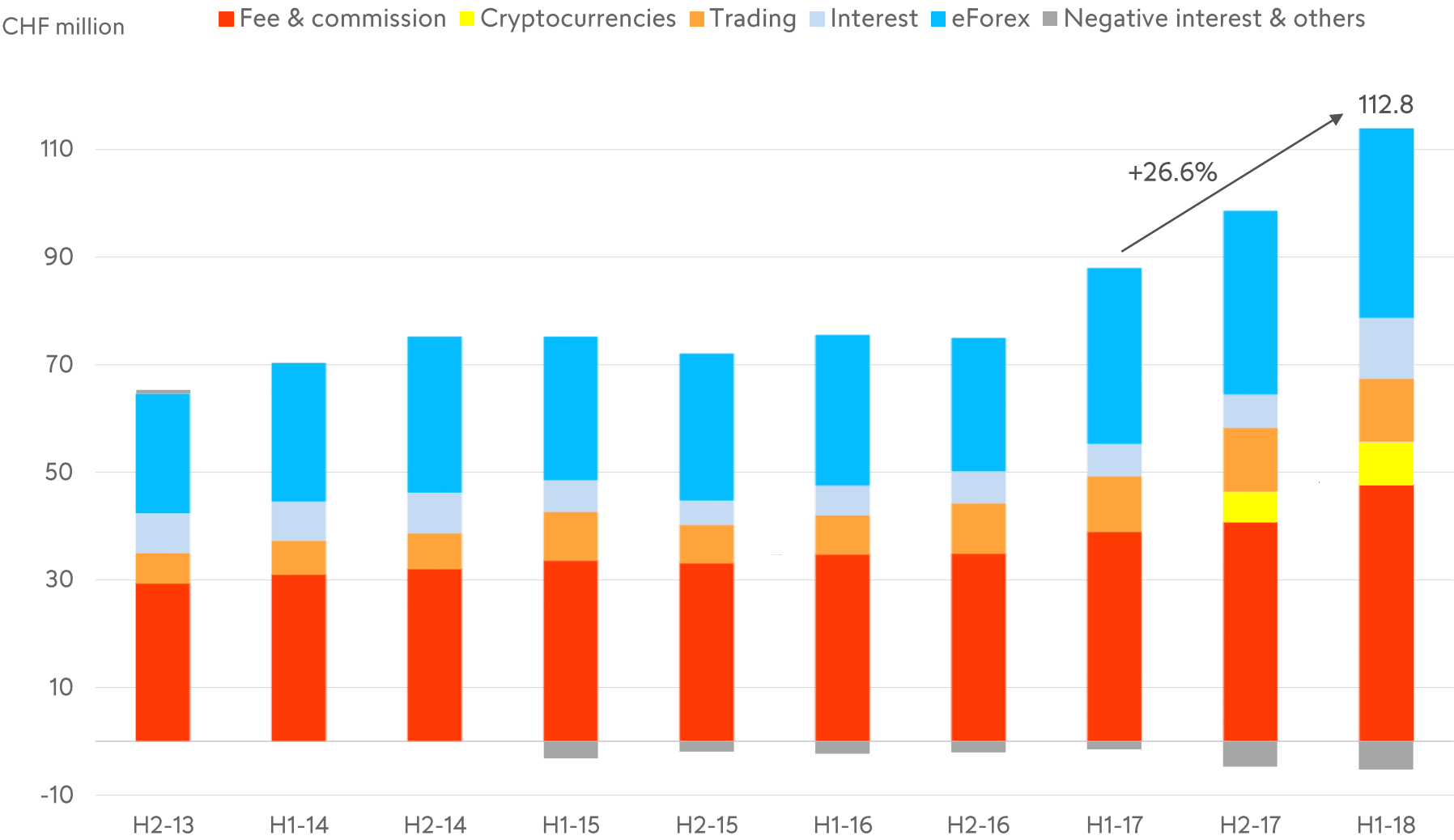
27.5%

capital ratio

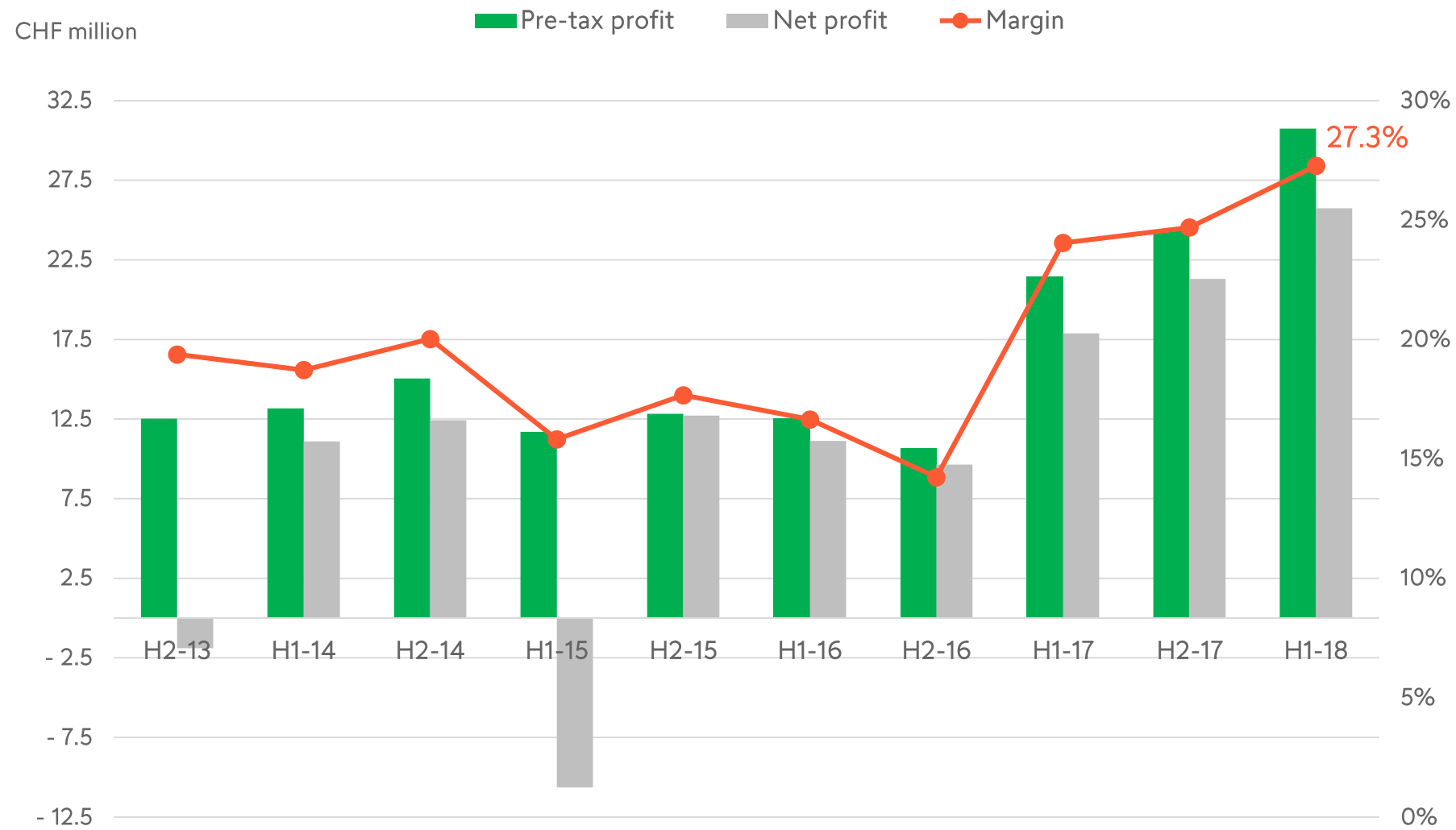
+11'332

eTrading accounts opened in H1-2018

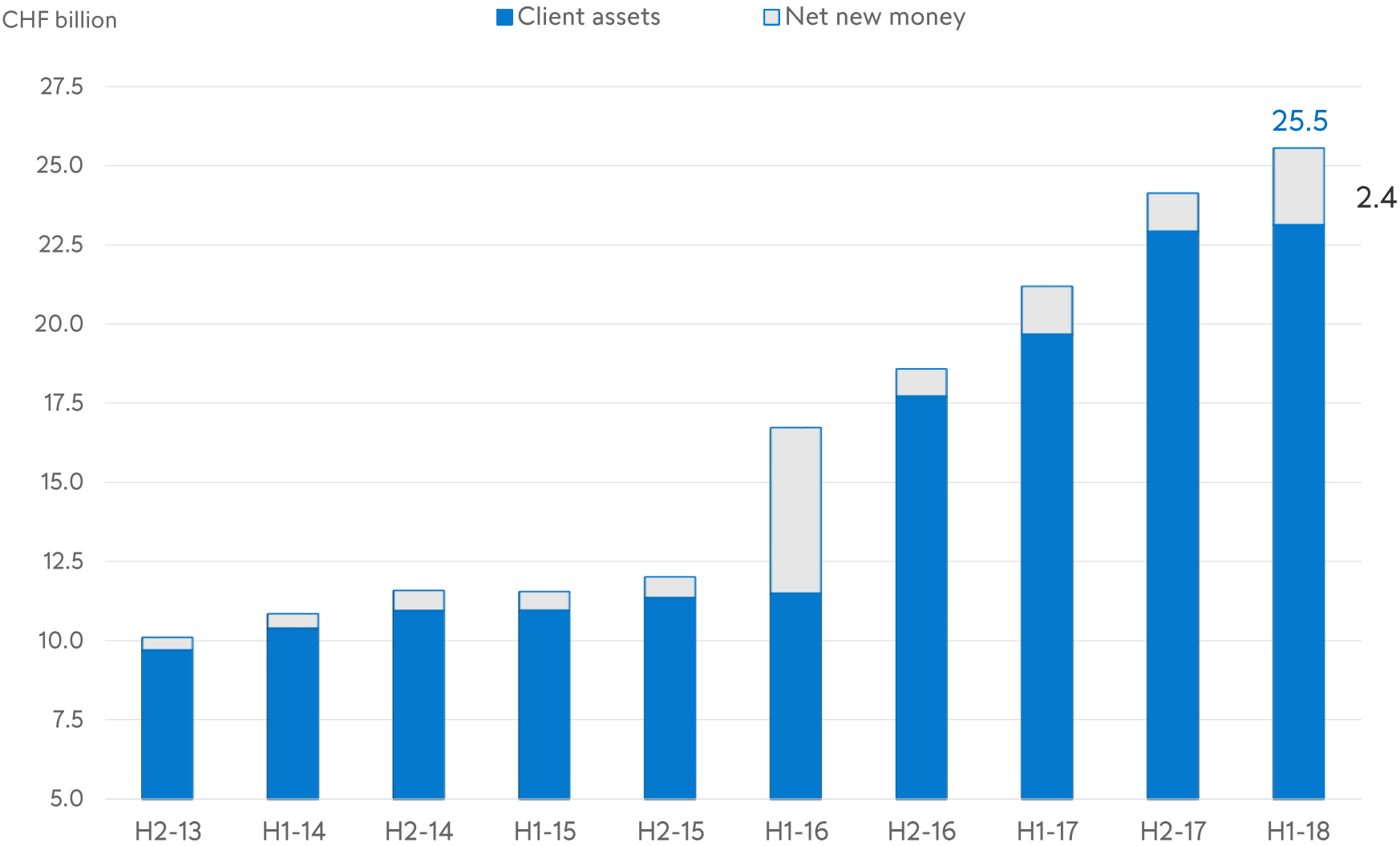
Record net revenues at CHF 112.8 million



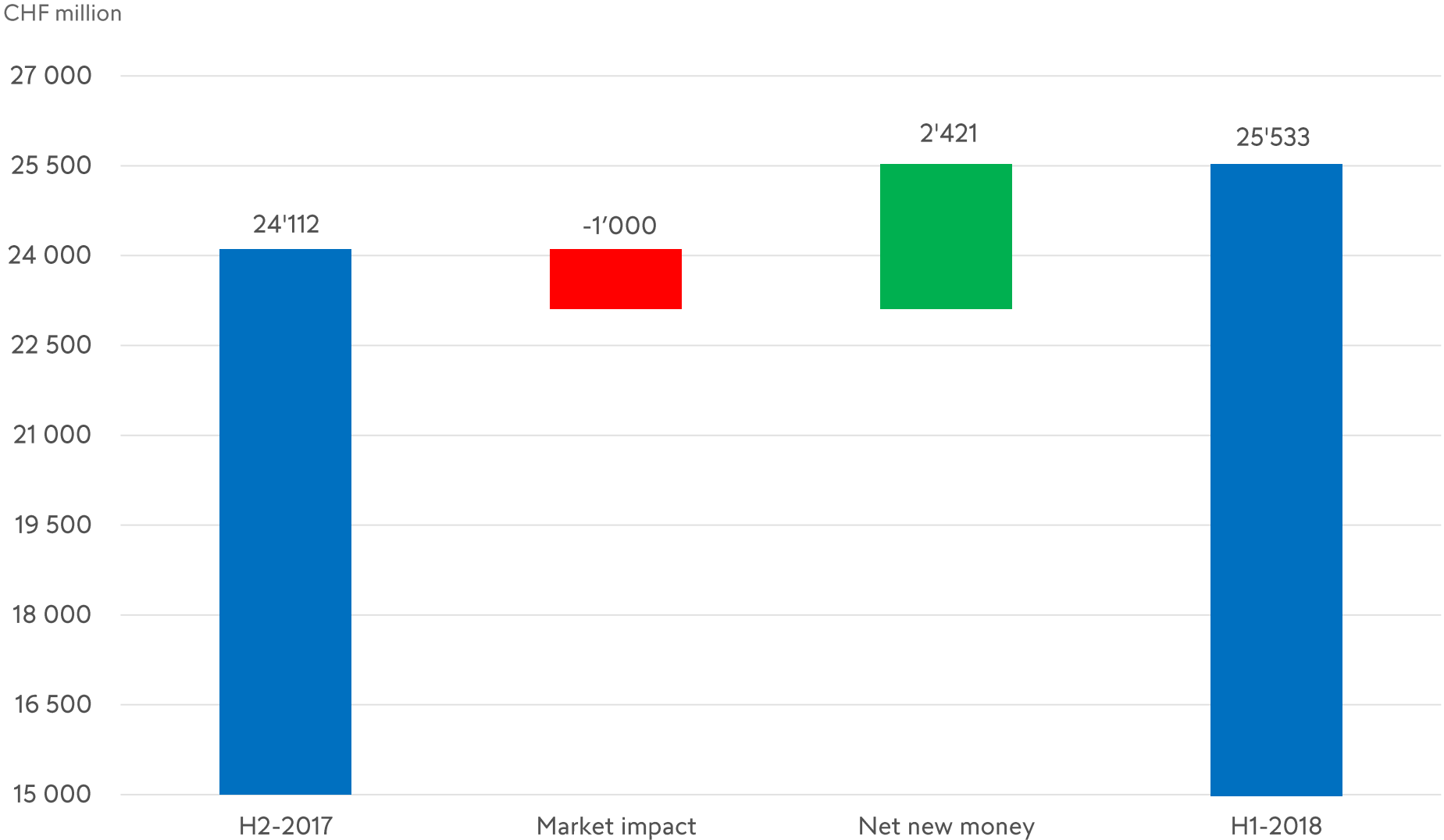
Pre-tax profit at CHF 30.8m, up 43.6%



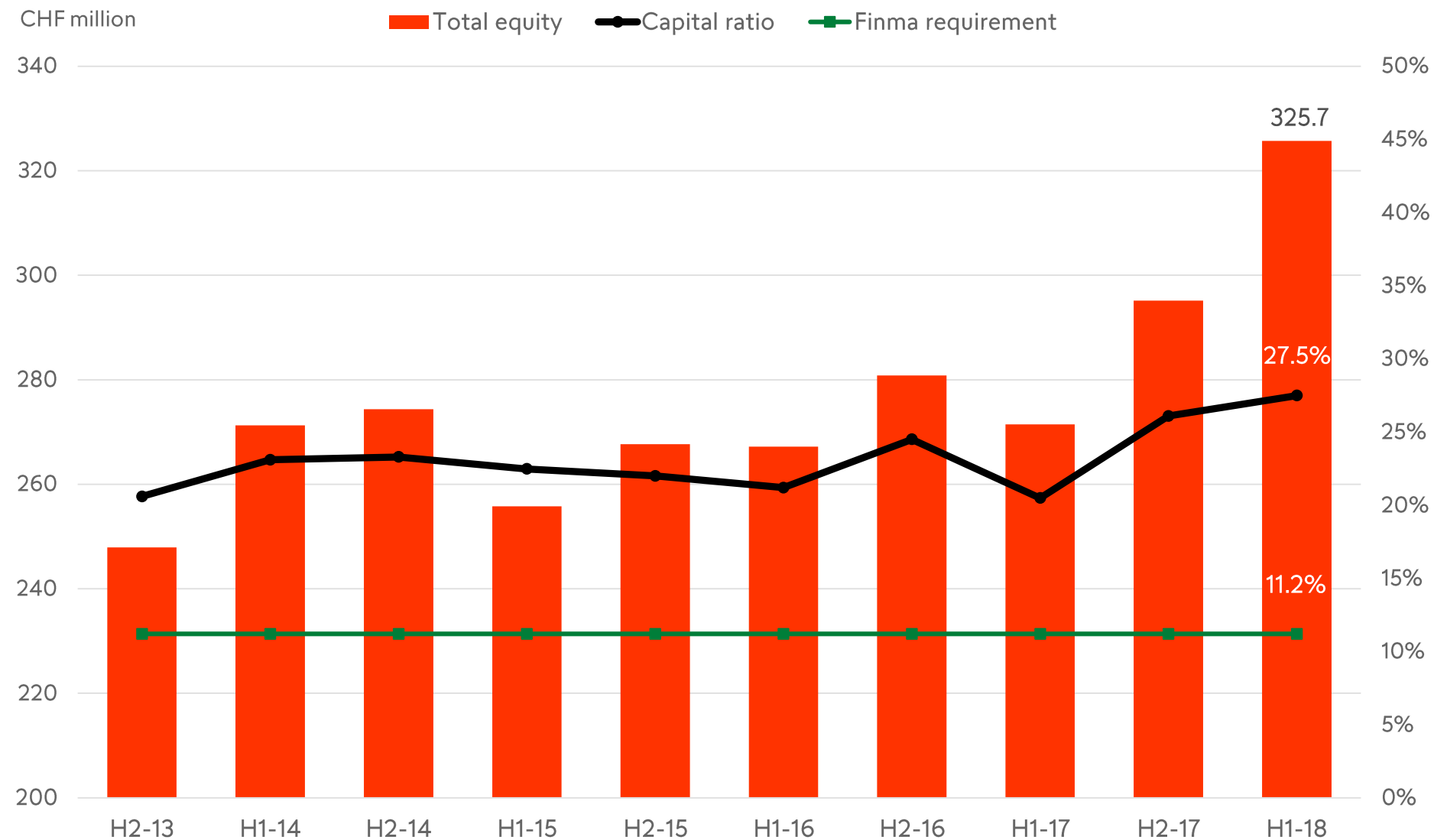
Record client assets at CHF 25.5 billion



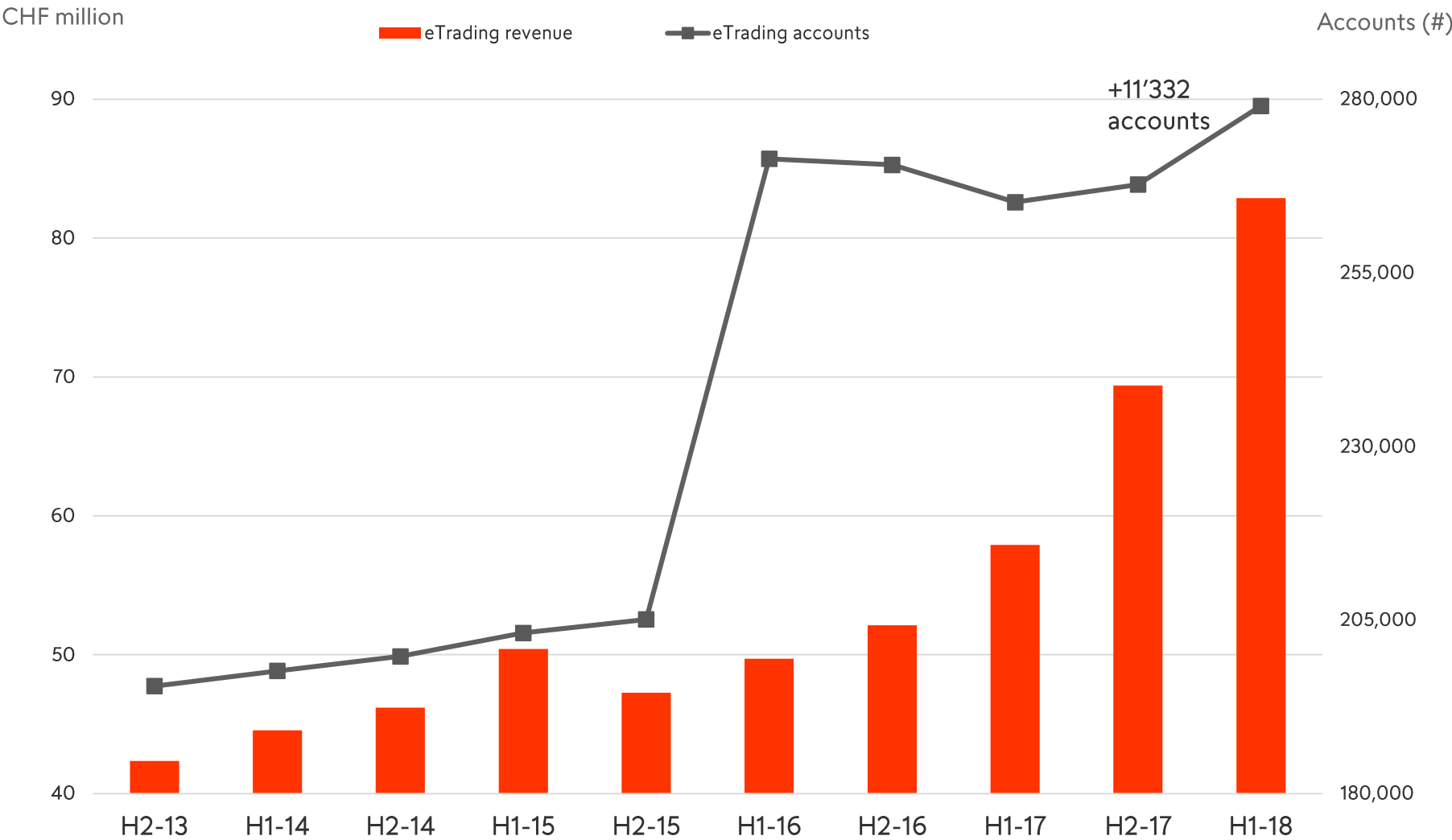
Solid organic growth in client assets



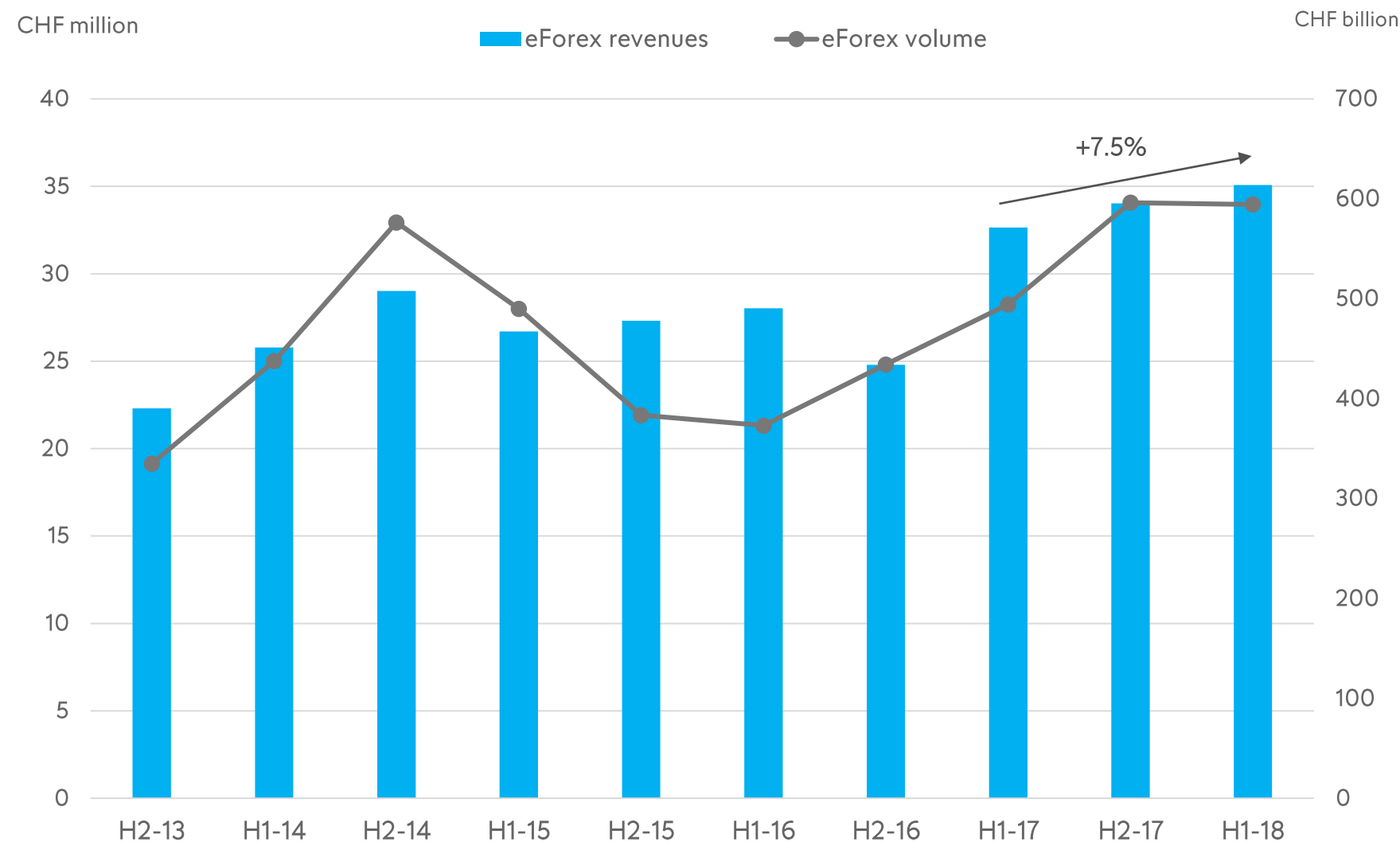
Strong capital position

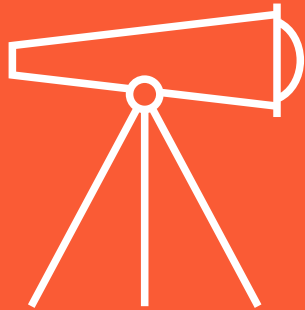


eTrading: positive record in customer acquisition



eForex revenues continued growth trajectory at CHF 35.1m





Innovation

Section II

Themes Trading

A tool to explore investment opportunities

9 new certificates launched

+10 mio AuM



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Cannabis-Zertifikat

ISIN: CH0372704327

MID TERM | HOHES RISIKO

Handeln Sie Trends auf einen Klick.

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Akku-Branche
ISIN: CH0385843690

LONG TERM | MITTLERES RISIKO

Angesichts der rasanten Entwicklung der Akku-Technologie und weiterer Innovationen sind die Hersteller von Stromspeichergeräten und deren Zulieferer gut aufgestellt, um neue Chancen zu nutzen.

[Einzelheiten ansehen](#)



Gute Idee. Gute Investition.

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Soziale Verantwortung	Nachhaltige Energie	Nahrung und Wasser
ISIN: CH0385843724	ISIN: CH0385843732	ISIN: CH0385843740
LONG TERM GERINGES RISIKO	LONG TERM MITTLERES RISIKO	LONG TERM GERINGES RISIKO

Handeln Sie Trends auf einen Klick

Investieren Sie in nachhaltige Investment-Zertifikate mit ©Themes Trading von Swissquote.

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Credit card launch

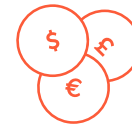
Multi-currency offer

**TWELVE
CURRENCIES.
ZERO FEES.**

ONE CARD.



One card.
One trading account.
Full flexibility.



CHF – USD – EUR – JPY – GBP
AUD – CAD – SEK – HKD –
NOK – DKK – AED



Up to 1% Trading Credit

New blockchain Standards

Swissquote is the founding member of the new

Capital Markets and Technology Association (CMTA).



Set **standards** for the application of the blockchain technology in the capital markets.



 **Swissquote**



LENZ & STAEHELIN



TEMENOS
The Banking Software Company



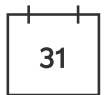
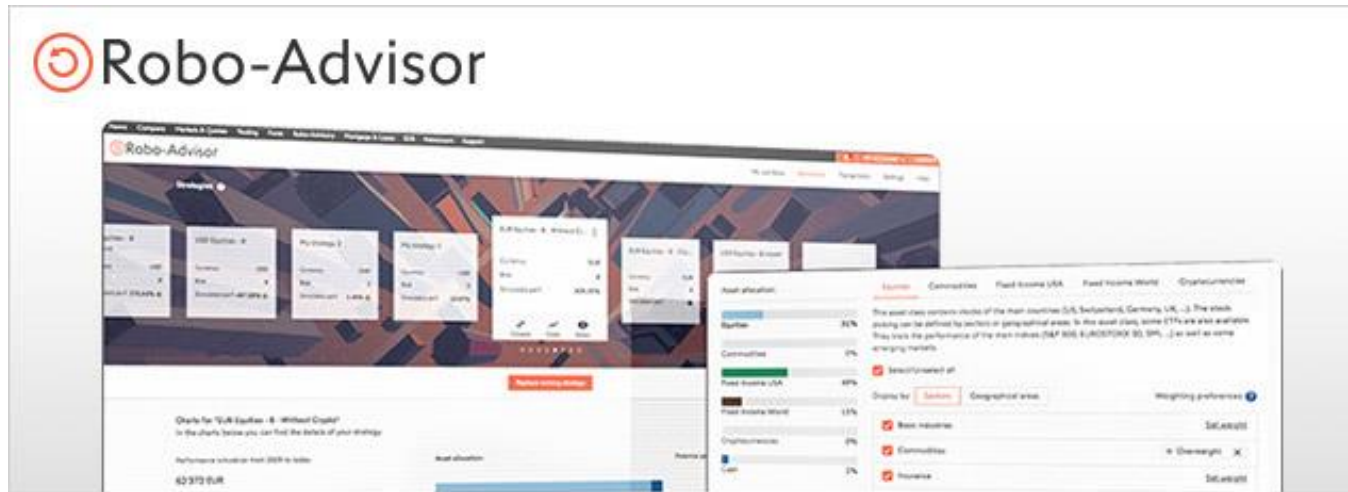
ÉCOLE POLYTECHNIQUE
FÉDÉRALE DE LAUSANNE



Raise **capital securely** and **efficiently**, using new technologies and leveraging digitalization.

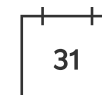
Swissquote Robo-Advisor

3rd generation of Robo-Advisor



July 17

Migration of existing clients & leads



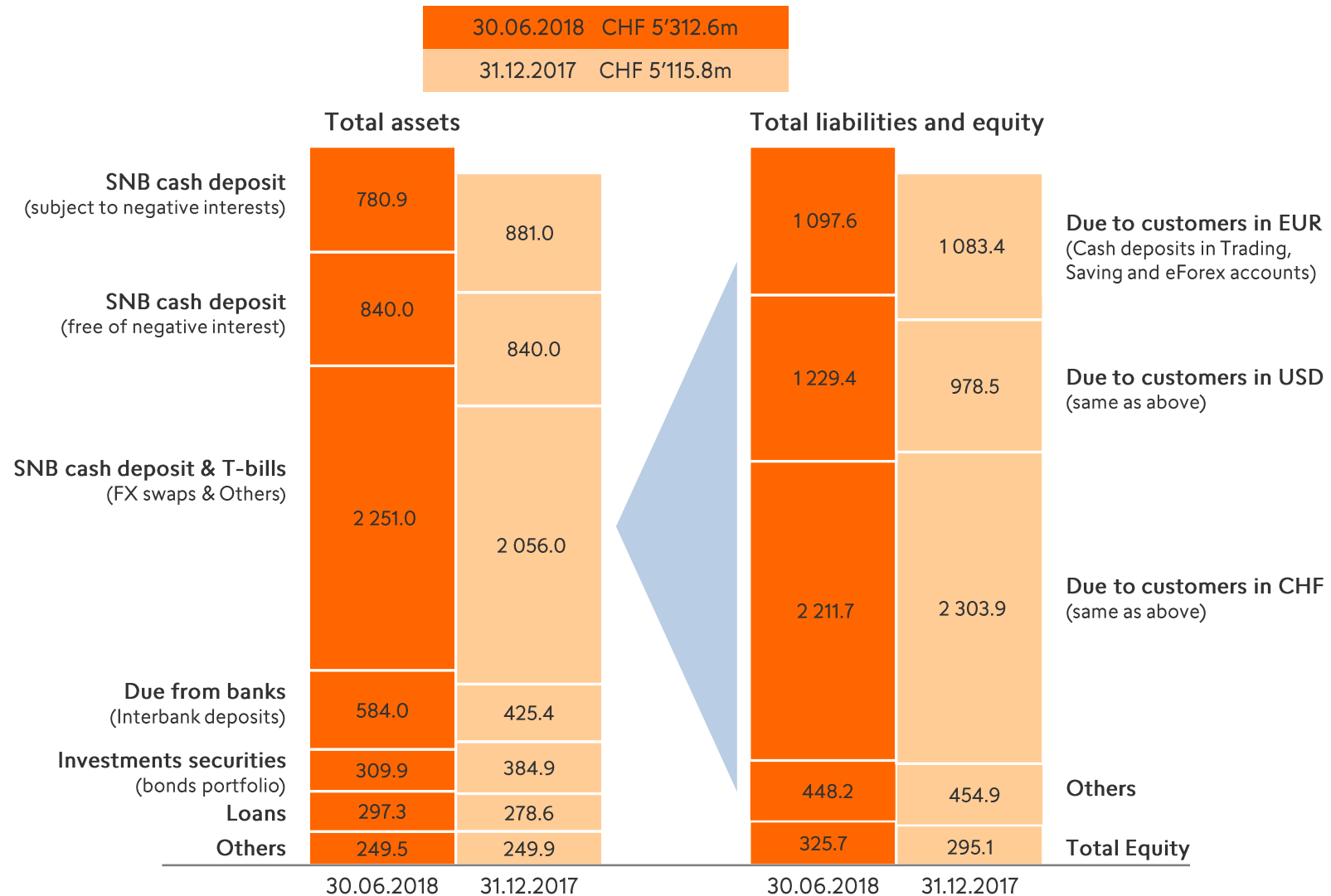
End of August

Marketing campaign

Balance sheet

Section III

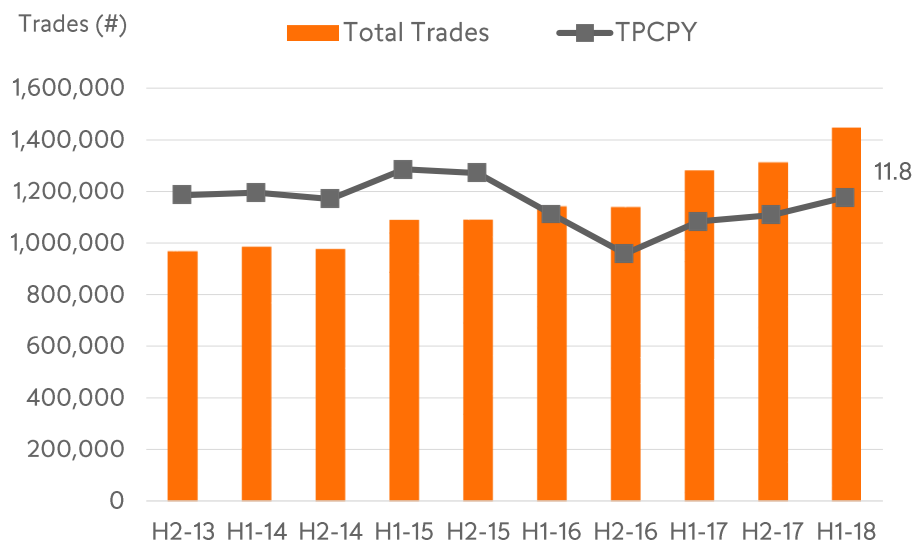
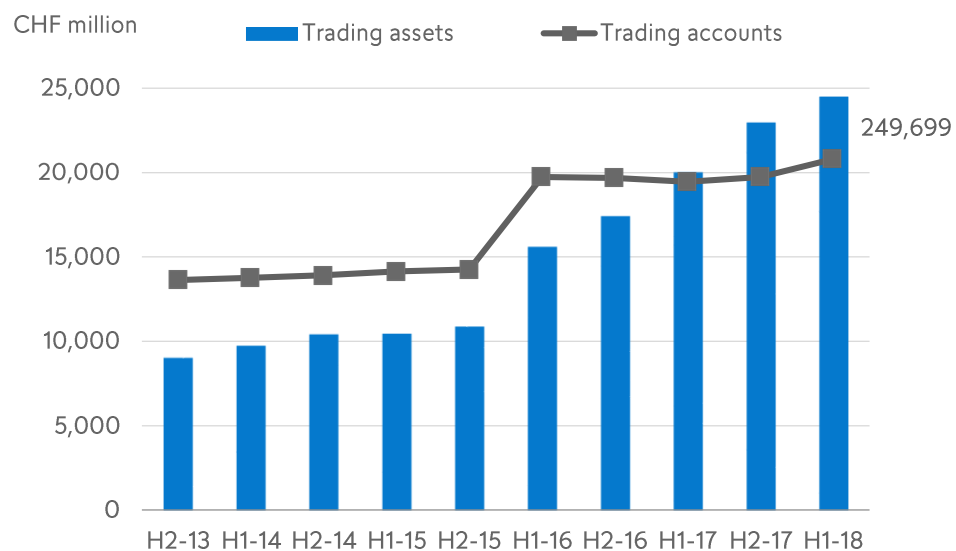
Balance sheet structure on 30th June 2018



Business review

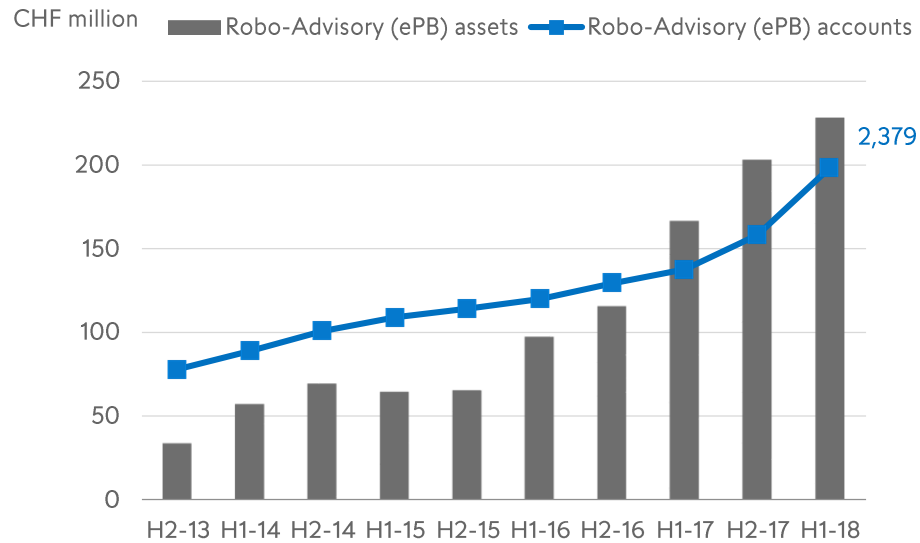
Section IV

Trading accounts – assets and total trades

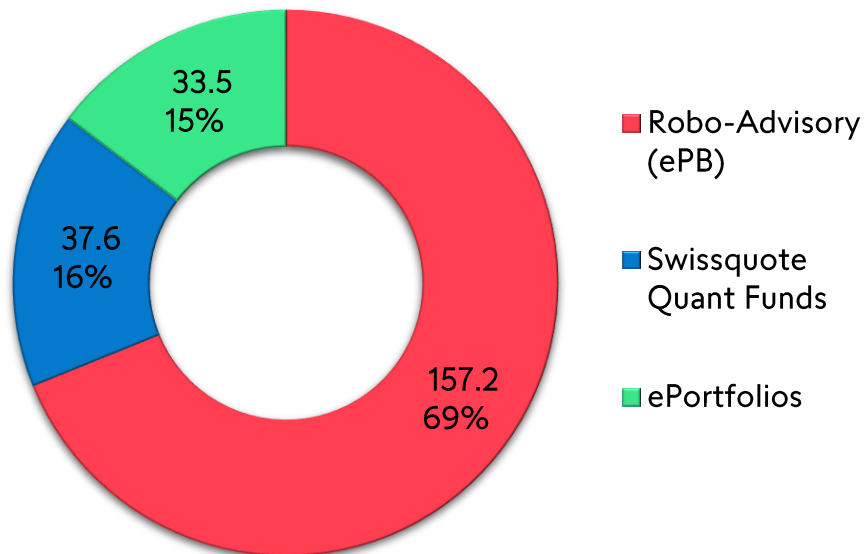


- 249'699 trading accounts (+5.4% vs. H2-2017).
- Trading client assets at CHF 24.5bn (+6.5% vs. H2-2017).
- Average assets per account at ~CHF 98'000.
- Total transactions per client per year at 11.8 (+6.3% vs. H2-2017).
- Total number of transactions: around 1.4 million in H1-2018 (+10.1% vs. H2-2017).

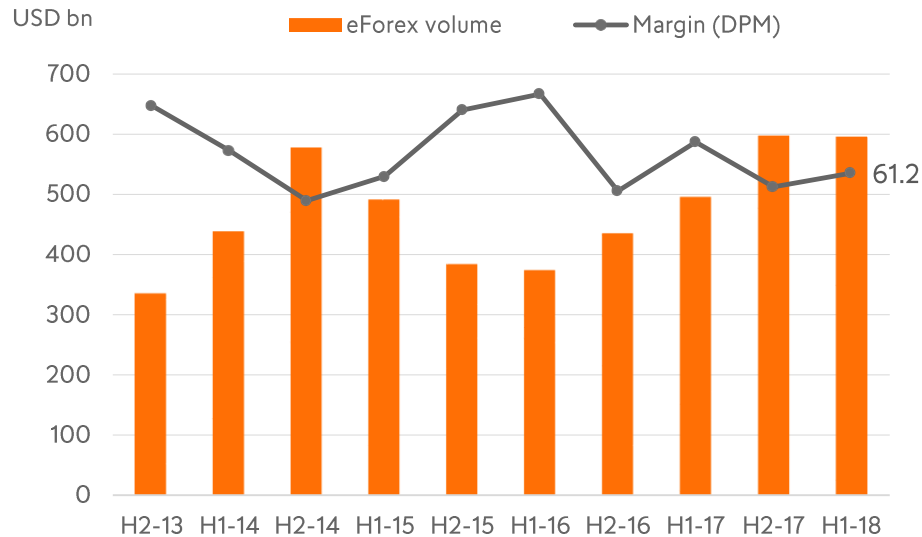
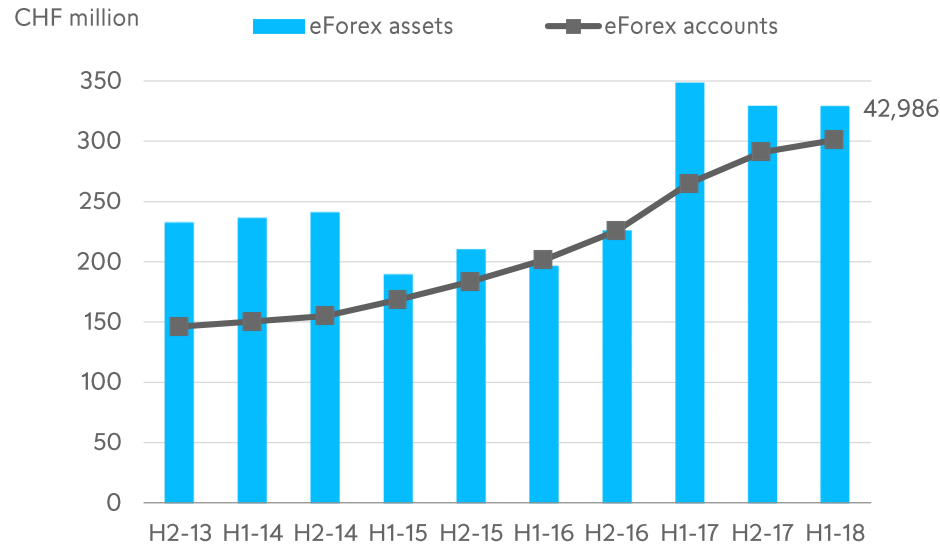
Robo-Advisory (ePB) accounts - growth and total assets



- 2'379 clients (+25.3% vs H2-2017).
- Third generation and marketing initiatives for H2-2018.
- Client assets at CHF 228.3m (+12.4% vs H2-2017).



eForex accounts - assets and volumes



- 42'986 active clients (+3.4% vs. H2-2017).
- eForex assets at CHF 328.6m (-0.1% vs. H2-2017).
- eForex activity reached total volumes of USD 594.4 billion in H1-2018 (-0.3% vs. H2-2017).
- eForex income at CHF 35.1m (+3.1% vs. H2-2017).
- DPM at 61.2 (+1.8% vs. H2-2017).

Key figures

Section V

Key figures for the first half 2018

	6 months ended 30 June				Comparison with previous half year			
	2018	2017	Change	Change in %	H1-2018	H2-2017	Change	Change in %
in CHF thousand, except where indicated								
Net fee & commission income	55,565.3	38,909.2	16,656.1	42.8%	55,565.3	46,294.9	9,270.4	20.0%
Interest income, net	15,573.1	8,627.8	6,945.3	80.5%	15,573.1	11,120.7	4,452.4	40.0%
eForex income, net	35,082.7	32,642.3	2,440.4	7.5%	35,082.7	34,033.4	1,049.3	3.1%
Trading income, net & others ¹	11,748.1	10,361.9	1,386.2	13.4%	11,748.1	11,958.7	(210.6)	-1.8%
Operating revenues	117,969.2	90,541.2	27,428.0	30.3%	117,969.2	103,407.7	14,561.5	14.1%
Unrealised fair value	(1,043.4)	1,150.4	(2,193.8)	-190.7%	(1,043.4)	170.3	(1,213.7)	-712.7%
Cost of negative interest rates (excluding FX swaps)	(4,170.0)	(2,614.6)	1,555.4	59.5%	(4,170.0)	(4,899.3)	(729.3)	-14.9%
Net revenues	112,755.8	89,077.0	23,678.8	26.6%	112,755.8	98,678.7	14,077.1	14.3%
Payroll & related expenses	(37,356.9)	(30,458.9)	6,898.0	22.6%	(37,356.9)	(34,186.3)	3,170.6	9.3%
Other operating expenses	(22,627.3)	(18,007.8)	4,619.5	25.7%	(22,627.3)	(20,351.1)	2,276.2	11.2%
Depreciation	(10,144.7)	(9,006.0)	1,138.7	12.6%	(10,144.7)	(9,538.0)	606.7	6.4%
Marketing expenses	(11,876.9)	(10,185.1)	1,691.8	16.6%	(11,876.9)	(10,240.5)	1,636.4	16.0%
Expenses	(82,005.8)	(67,657.8)	14,348.0	21.2%	(82,005.8)	(74,315.9)	7,689.9	10.3%
Pre-tax profit	30,750.0	21,419.2	9,330.8	43.6%	30,750.0	24,362.8	6,387.2	26.2%
Income taxes	(5,010.4)	(3,531.5)	1,478.9	41.9%	(5,010.4)	(3,065.6)	1,944.8	63.4%
Net profit	25,739.6	17,887.7	7,851.9	43.9%	25,739.6	21,297.2	4,442.4	20.9%
Pre-tax profit margin	27.3%	24.0%			27.3%	24.7%		
Net profit margin	22.8%	20.1%			22.8%	21.6%		
	30.06.2018	30.06.2017	Change	Change in %	30.06.2018	31.12.2017	Change	Change in %
Trading accounts	249,699	233,421	16,278	7.0%	249,699	236,861	12,838	5.4%
Saving accounts	26,968	30,103	(3,135)	-10.4%	26,968	28,955	(1,987)	-6.9%
eForex accounts	42,986	37,879	5,107	13.5%	42,986	41,572	1,414	3.4%
Robo-Advisory (ePB) accounts	2,379	1,652	727	44.0%	2,379	1,898	481	25.3%
Total number of accounts (units)	322,032	303,055	18,977	6.3%	322,032	309,286	12,746	4.1%
Trading client assets	24,479.7	20,039.8	4,439.9	22.2%	24,479.7	22,979.1	1,500.6	6.5%
Saving client assets	496.5	614.5	(118.0)	-19.2%	496.5	600.6	(104.1)	-17.3%
eForex client assets	328.6	347.5	(18.9)	-5.4%	328.6	328.9	(0.3)	-0.1%
Robo-Advisory (ePB) assets	228.3	166.8	61.5	36.9%	228.3	203.1	25.2	12.4%
Total client assets (CHF m)	25,533.1	21,168.6	4,364.5	20.6%	25,533.1	24,111.7	1,421.4	5.9%
Total assets under custody (CHF m)	24,657.5	20,301.1	4,356.4	21.5%	24,657.5	23,240.0	1,417.5	6.1%
Total net new money (CHF m)	2,420.8	1,513.0	907.8	60.0%	2,420.8	1,201.0	1,219.8	101.6%
eForex volume (USD bn)	594.4	494.4	100.0	20.2%	594.4	596.2	(1.8)	-0.3%
Total equity (CHF m)	325.7	271.5	54.2	20.0%	325.7	295.1	30.6	10.4%
Capital ratio	27.5%	20.5%	7.0%	34.1%	27.5%	26.1%	1.4%	5.4%
Total headcounts/average headcounts (FTE)	633/613	570/560	63/53	11.1%/9.5%	633/613	593/582	40/31	6.7%/5.3%

¹ Further to IFRS 9 coming into force on 1 January 2018, includes credit impairment allowance (H1-2018: CHF 8.2 million)

Business metrics - snapshot

		Unit	H1-2018	H2-2017	H1-2017	H2-2016
Trading accounts	Total number of transactions	#	1'445'418	1'312'596	1'281'451	1'140'578
	Transactions per client per year	#	11.8	11.1	10.8	9.6
	Average client assets per account	~ CHF	98'000	97'000	86'000	74'000
	Cryptocurrencies volume	CHF million	1'157.5	897.9	-	-
	Cryptocurrencies revenues	CHF million	8	5.6	-	-
eForex accounts	Total volume	USD billion	594.4	596.2	494.4	434.2
	Dollar-per-million of volume	DPM	61.2	60.1	69.9	56.8
	Total assets	CHF million	328.6	328.9	347.5	226.1
Robo-advisory accounts	Total assets	CHF million	228.3	203.1	166.8	115.9
	Total accounts	#	2'379	1'898	1'652	1'552
Others	White Label share of net revenues	%	9%			