FINANCIAL REPORT
Q2-2013

SWISSQUOTE
BANKING. SELF-MADE.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITIONS

	Notes	30 June 2013	30 June 2012 (restated)*	31 December 2012 (restated)*
ASSETS				
Cash and balances with central bank		1,718,115,581	1,472,341,709	1,612,190,388
Treasury bills and other eligible bills		14,125,988	45,012,909	4,825,733
Loans and advances to banks		217,896,125	240,439,162	236,956,542
Derivative financial instruments		21,932,035	41,623,191	29,087,367
Trading assets		5,744,412	4,819,768	5,358,622
Loans and advances to customers		110,994,427	97,085,931	91,728,176
Investment securities	6	765,805,831	777,358,301	718,914,914
Deferred income tax assets		347,820	366,520	366,520
Intangible assets		22,126,592	22,303,814	22,215,204
Information technology systems	7	21,970,426	22,188,466	21,743,823
Property, plant and equipment	8	52,253,799	40,431,276	45,792,263
Other assets		26,339,418	32,112,531	30,635,888
Total assets		**2,977,652,454**	**2,796,083,578**	**2,819,815,440**
LIABILITIES AND EQUITY				
Liabilities				
Deposits from banks		1,685,724	14,291,870	10,561,838
Derivative financial instruments		6,038,724	8,165,278	7,904,195
Due to customers		2,713,379,331	2,517,564,082	2,533,756,648
Other liabilities		23,114,736	18,637,489	18,548,992
Current income tax liabilities		3,224,037	3,817,686	3,122,276
Deferred tax liabilities		855,604	974,182	894,235
Provisions		3,853,283	4,235,644	3,899,016
Total liabilities		**2,752,151,439**	**2,567,686,231**	**2,578,687,200**
Equity				
Ordinary shares	10	2,927,674	2,927,674	2,927,674
Share premium		39,496,150	39,496,150	39,496,150
Share option reserve		3,349,958	3,312,563	3,003,351
Other reserve		(337,452)	(85,255)	1,589,373
Treasury shares	11	(28,433,551)	(9,145,672)	(9,184,665)
Retained earnings		208,498,236	191,891,887	203,296,357
Total equity		**225,501,015**	**228,397,347**	**241,128,240**
Total liabilities and equity		**2,977,652,454**	**2,796,083,578**	**2,819,815,440**

*Restatement related to adoption of IAS 19 revised (See Note 9).

The notes on pages 6 to 16 form an integral part of this condensed interim financial information

All amounts in Swiss Francs 1

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	Quarter ended 30 June 2013	Quarter ended 30 June 2012 (restated)*	6 months ended 30 June 2013	6 months ended 30 June 2012 (restated)*
Fee and commission income		17,251,405	14,019,659	33,785,340	30,002,948
Fee and commission expense		(1,959,838)	(1,697,917)	(3,804,278)	(3,549,211)
Net fee and commission income		**15,291,567**	**12,321,742**	**29,981,062**	**26,453,737**
Interest income		5,062,686	5,737,224	10,025,629	11,397,082
Interest expense		(1,145,691)	(1,350,653)	(2,190,769)	(2,767,005)
Net interest income		**3,916,995**	**4,386,571**	**7,834,860**	**8,630,077**
Net trading income	3	12,622,053	11,403,927	22,403,427	22,221,235
Operating income		**31,830,615**	**28,112,240**	**60,219,349**	**57,305,049**
Operating expenses	4	(22,071,508)	(21,377,205)	(43,651,529)	(43,482,196)
Operating profit		**9,759,107**	**6,735,035**	**16,567,820**	**13,822,853**
Income tax expense		(1,745,329)	(1,009,550)	(3,021,138)	(2,455,354)
Net profit		**8,013,778**	**5,725,485**	**13,546,682**	**11,367,499**
Earning per share	*5*	*0.57*	*0.40*	*0.95*	*0.79*
Diluted earning per share	*5*	*0.57*	*0.40*	*0.95*	*0.79*
Weighted average number of ordinary shares	*5*	*14,077,921*	*14,466,953*	*14,262,567*	*14,459,713*

*Restatement related to adoption of IAS 19 revised (See Note 9).

The notes on pages 6 to 16 form an integral part of this condensed interim financial information

All amounts in Swiss Francs

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	Quarter ended 30 June 2013	Quarter ended 30 June 2012 (restated)*	6 months ended 30 June 2013	6 months ended 30 June 2012 (restated)*
Net profit for the period		**8,013,778**	**5,725,485**	**13,546,682**	**11,367,499**
Other comprehensive income:					
Gains / (losses) recognised directly in equity					
Items to be recycled					
Available-for-sale financial assets		(2,313,505)	895,696	(2,450,843)	2,699,076
Income tax relating to components of other comprehensive income (AFS assets)		431,390	(125,603)	458,308	(529,019)
Hedge reserve		-	350	-	13,155
Income tax relating to components of other comprehensive income (Hedge reserve)		-	286	-	(2,578)
Currency translation differences		9,986	-	65,710	-
Items not to be recycled					
Remeasurement of defined benefit obligation		-	-	-	(908,000)
Income tax relating to remeasurement of defined benefit obligation		-	-	-	177,968
Other comprehensive income for the period, net of tax		**(1,872,129)**	**770,729**	**(1,926,825)**	**1,450,602**
Total comprehensive income for the period		**6,141,649**	**6,496,214**	**11,619,857**	**12,818,101**

*Restatement related to adoption of IAS 19 revised (See Note 9).

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All amounts in Swiss Francs

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Share Option reserve	Other reserve	Treasury shares	Retained earnings	Total
Balance at 1 January 2013	**2,927,674**	**39,496,150**	**3,003,351**	**1,589,373**	**(9,184,665)**	**203,296,357**	**241,128,240**
Change in financial instruments	-	-	-	(2,450,843)	-	-	**(2,450,843)**
Currency translation differences	-	-	-	65,710	-	-	**65,710**
Tax impact of comprehensive income items	-	-	-	458,308	-	-	**458,308**
Net profit of the period	-	-	-	-	-	13,546,682	**13,546,682**
Total comprehensive income for the period	-	-	-	(1,926,825)	-	13,546,682	**11,619,857**
Dividend	-	-	-	-	-	(8,405,989)	**(8,405,989)**
Employee stock option plan:							
Value of services provided	-	-	407,793	-	-	-	**407,793**
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period	-	-	(61,186)	-	-	61,186	-
Purchase of treasury shares	-	-	-	-	(19,248,886)	-	**(19,248,886)**
Balance at 30 June 2013	**2,927,674**	**39,496,150**	**3,349,958**	**(337,452)**	**(28,433,551)**	**208,498,236**	**225,501,015**
Balance at 1 January 2012 (restated)*	**2,927,674**	**39,418,265**	**2,785,238**	**(1,574,167)**	**(9,444,191)**	**195,502,558**	**229,615,377**
Change in financial instruments	-	-	-	2,712,231	-	-	**2,712,231**
Remeasurement of defined benefit obligation	-	-	-	(908,000)	-	-	**(908,000)**
Tax impact of comprehensive income items	-	-	-	(353,629)	-	-	**(353,629)**
Net profit of the period	-	-	-	-	-	11,367,499	**11,367,499**
Total comprehensive income for the period	-	-	-	1,450,602	-	11,367,499	**12,818,101**
Dividend	-	-	-	-	-	(15,045,034)	**(15,045,034)**
Currency translation differences	-	-	-	38,310	-	-	**38,310**
Employee stock option plan:							
Value of services provided	-	-	594,189	-	-	-	**594,189**
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period	-	-	(66,864)	-	-	66,864	-
Purchase of treasury shares	-	-	-	-	(225,846)	-	**(225,846)**
Sale of treasury shares	-	77,885	-	-	524,365	-	**602,250**
Balance at 30 June 2012 (restated)*	**2,927,674**	**39,496,150**	**3,312,563**	**(85,255)**	**(9,145,672)**	**191,891,887**	**228,397,347**

*Restatement related to adoption of IAS 19 revised (See Note 9).

The notes on pages 6 to 16 form an integral part of this condensed interim financial information

All amounts in Swiss Francs

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

		6 months ended 30 June	
	Notes	2013	2012
Cash flow from / (used in) operating activities			
Fees and commission received		34,445,409	29,715,794
Fees and commission paid		(3,701,309)	(3,453,610)
Interest received		19,494,466	16,632,886
Interest paid		(1,308,115)	(2,635,094)
Net trading income		22,316,959	21,643,295
Income tax paid		(2,487,785)	(900,950)
Payments to employees		(18,688,549)	(20,697,450)
Payments to suppliers		(12,653,241)	(17,845,141)
Cash flow from operating profit before changes in operating assets and liabilities		**37,417,835**	**22,459,730**
Net (increase) / decrease in operating assets and net increase / (decrease) in operating liabilities			
Loans and advances to customers		(19,266,251)	3,529,817
Derivative financial assets		7,155,332	1,427,901
Trading assets		-	(973,361)
Derivative financial liabilities		(1,865,471)	(1,756,342)
Due to customers		170,836,378	201,289,704
Other liabilities		(1,705,208)	(1,587,981)
Net cash from / (used in) operating activities		**192,572,615**	**224,389,468**
Cash flow from / (used in) investing activities			
Purchase of property, plant and equipment and Information technology systems	7/8	(11,606,060)	(13,041,825)
Proceeds from sale and reimbursement of investment securities		230,808,540	244,359,014
Purchase of investment securities		(279,079,075)	(270,481,523)
Net cash from / (used in) investing activities		**(59,876,595)**	**(39,164,334)**
Cash flow from / (used in) financing activities			
Purchase of treasury shares		(19,248,886)	(225,846)
Sale of treasury shares		-	602,250
Dividend paid		(8,405,989)	(15,045,034)
Net cash from / (used in) in financing activities		**(27,654,875)**	**(14,668,630)**
Increase / decrease in cash and cash equivalents		**105,041,145**	**170,556,504**
Movements in cash and cash equivalents			
Balance at beginning of year		1,843,410,825	1,572,945,406
Increase / (decrease)		105,041,145	170,556,504
Balance at 30 June		**1,948,451,970**	**1,743,501,910**

The notes on pages 6 to 16 form an integral part of this condensed interim financial information

All amounts in Swiss Francs

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Accounting policies and presentation matters

The Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. The Consolidated Interim Financial Statements should be read in conjunction with the 2012 Group's consolidated financial statements. Except as described below, the accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the Annual Financial Statements. Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be appropriate to anticipate or defer such costs at the end of the financial year.

The below mentioned changes in accounting policy are also expected to be reflected in the Group's consolidated financial statements for the year ending 31 December 2013.

<u>Standards, amendments and interpretations effective on 1 January 2013</u>

<u>(a) IAS 19 revised Employee Benefits</u>

The Group adopted IAS 19 revised Employee Benefits (hereafter: «IAS 19R») with mandatory date of initial application of 1 January 2013. The amendments change the accounting for defined benefit plans and termination benefits.

The related amendments have been applied retroactively in accordance with IAS 8. Consequently the 2012 comparatives figures have been restated as if IAS 19R had always been applied with an impact on the following content of interim financial information:

- Interim statement of financial positions
- Interim income statement
- Interim statement of comprehensive income
- Interim statement of changes in equity
- Reportable segment
- Notes 4 and 5

The reconciliation between reported comparative figures and restated figures are disclosed in Note 9.

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the corridor approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs.

All actuarial gains and losses are recognised immediately through «Other comprehensive income» in order for the net pension asset or liability recognised in the consolidated statement of financial positions to reflect the full value of the plan deficit or surplus. There is no subsequent recycling of amounts recognised in «Other comprehensive income» into «Retained earnings» under the revised standard.

Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19R, which is calculated by applying the discount rate to the net defined benefit liability or asset.

IAS 19R also introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures at year end.

<u>(b) IFRS 13 – Fair value measurement</u>

The Group has adopted IFRS 13 Fair value measurement with date of initial application of 1 January 2013. The most significant change results in additional disclosures in interim financial information related to fair value hierarchy regardless of whether or not there were significant changes. Relevant disclosure has been added in Note 14.

2. Reportable segments

The analysis of reportable segments and cost center for the 6 months period ending 30 June 2013 and 2012 are as follows:

	6 months ended 30 June	
In CHFm	**2013**	**2012 (restated)**
Net Revenues - Private Clients	35.5	33.8
Direct Operating Costs - Private Clients	(3.1)	(3.4)
Direct Marketing Costs - Private Clients	(1.5)	(0.5)
Direct Contribution margin - Private Clients	*30.9*	*29.9*
Net Revenues - B2B Clients	8.9	7.7
Direct Operating Costs - B2B Clients	(1.4)	(1.1)
Direct Marketing Costs - B2B Clients	(0.7)	(0.4)
Direct Contribution margin - B2B Clients	*6.8*	*6.2*
Direct Contribution margin - Securities	**37.7**	**36.1**
Net Revenues - eForex	15.8	15.5
Direct Operating Costs - eForex	(4.6)	(4.8)
Direct Marketing Costs - eForex	(1.4)	(1.3)
Direct Contribution margin - eForex	**9.8**	**9.4**
Operating Cost - Technology	(10.7)	(9.4)
Operating Cost - Operations	(10.3)	(9.9)
Operating Cost - Marketing	(3.1)	(4.0)
Operating Cost - G&A	(6.3)	(7.6)
Platform and Infrastructure Operations Costs (cost center)	**(30.4)**	**(30.9)**
Other - Provisions	(0.5)	(0.4)
Other - Net income from financial assets held at fair value	-	0.4
Other - Restatement in connection with adoption of IAS 19R	-	(0.8)
Operating profit	**16.6**	**13.8**
Income tax expense	(3.1)	(2.4)
Net profit	**13.5**	**11.4**

At 30 June 2013:

- No other country than Switzerland represented more than 10% of revenues or assets;
- The Group does not have any client representing more than 10% of its revenues.

2. Reportable segments (continued)

In CHFm	30 June 2013	30 June 2012 (restated)
Assets - Securities / Private Clients	2,377.8	2,164.0
Assets - Securities / B2B Clients	391.0	351.2
Assets - eForex	130.2	191.5
Assets - Platform and Infrastructure	78.7	89.1
Assets - Restatement in connection with adoption of IAS 19R	-	0.3
Total assets	2,977.7	2,796.1
Liabilities - Securities / Private Clients	2,334.7	2,124.3
Liabilities - Securities / B2B Clients	303.2	260.8
Liabilities - eForex	92.7	164.0
Liabilities - Platform and Infrastructure	21.6	16.9
Liabilities - Restatement in connection with adoption of IAS 19R	-	1.7
Total liabilities	2,752.2	2,567.7
Total equity	**225.5**	**228.4**

3. Net trading income

	6 months ended 30 June	
	2013	2012
Foreign exchange revenues		
- eForex	15,777,603	15,503,938
- Other foreign exchange income	6,418,342	5,320,035
	22,195,945	20,823,973
Unrealised fair value gains/(losses)		
- From Investment securities	(317,226)	482,454
- From Trading assets	278,120	(126,826)
	(39,106)	355,628
Realised gains/(losses)		
- Gains less losses from financial assets	246,588	425,384
Others		
- Other income	-	616,250
Total	**22,403,427**	**22,221,235**

4. Operating expenses

	6 months ended 30 June	
	2013	2012 (restated)
Payroll & related expenses	19,716,885	20,222,974
Other operating expenses	11,715,763	10,918,502
Marketing expenses	6,712,348	6,162,210
Depreciation and amortisation	5,006,533	5,778,510
Provisions	500,000	400,000
Total	**43,651,529**	**43,482,196**

A total of CHF 820,000 was restated in 2012 comparative figures as additional Payroll & related expenses (see Note 9).

5. Earning per share

a) Basic

	Quarter ended 30 June		6 months ended 30 June	
	2013	2012 (restated)	2013	2012 (restated)
Net Profit	8,013,778	5,725,485	13,546,682	11,367,499
Weighted average number of ordinary shares in issue*	14,077,921	14,466,953	14,262,567	14,459,713
Earning per share	0.57	0.40	0.95	0.79

b) Diluted

	Quarter ended 30 June		6 months ended 30 June	
	2013	2012 (restated)	2013	2012 (restated)
Net Profit	8,013,778	5,725,485	13,546,682	11,367,499
Weighted average number of ordinary shares in issue*	14,077,921	14,466,953	14,262,567	14,459,713
Adjustments for share options	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share options	**14,077,921**	**14,466,953**	**14,262,567**	**14,459,713**
Diluted earning per share	0.57	0.40	0.95	0.79

* See note 11

All amounts in Swiss Francs 9

6. Investment securities

	6 months ended 30 June 2013			Recognition as per IAS 39 of unrealised gains/(losses)		
	Carrying value	Fair value	Unrealised gains/(losses)	Comprehensive income	Income Statement	Not recognised
Available-for-sale	471,154,890	471,154,890	504,770	*504,770*	-	-
Held-to-maturity	291,716,180	307,085,218	15,369,038	-	-	*15,369,038*
Fair value through profit & loss	2,934,761	2,934,761	(2,393,948)	-	*(2,393,948)*	-
	765,805,831	**781,174,869**	**13,479,860**	***504,770***	***(2,393,948)***	***15,369,038***

	Quarter ended 30 June 2013	
	Unrealised gains/(losses)	Change in quarter
Available-for-sale	504,770	(2,313,505)
Held-to-maturity	15,369,038	(4,507,907)
Fair value through profit & loss	(2,393,948)	51,177
	13,479,860	**(6,770,235)**

	6 months ended 30 June 2012			Recognition as per IAS 39 of unrealised gains/(losses)		
	Carrying value	Fair value	Unrealised gains/(losses)	Comprehensive income	Income Statement	Not recognised
Available-for-sale	405,745,617	405,745,617	771,060	*771,060*	-	-
Held-to-maturity	359,146,265	379,487,224	20,340,959	-	-	*20,340,959*
Fair value through profit & loss	12,466,419	12,466,419	(1,917,335)	-	*(1,917,335)*	-
	777,358,301	**797,699,260**	**19,194,684**	***771,060***	***(1,917,335)***	***20,340,959***

	Quarter ended 30 June 2012	
	Unrealised gains/(losses)	Change in quarter
Available-for-sale	771,060	895,696
Held-to-maturity	20,340,959	1,742,120
Fair value through profit & loss	(1,917,335)	(461,479)
	19,194,684	**2,176,337**

All amounts in Swiss Francs

7. Information technology systems

	Software Third Party Licences	Proprietary Software	Hardware & Telecom Systems	Total
6 months ended 30 June 2013				
Opening net book amount	5,281,786	14,605,848	1,856,189	21,743,823
Addition	633,950	3,105,549	803,427	4,542,926
Amortisation / depreciation	(807,775)	(2,888,222)	(620,326)	(4,316,323)
Closing net book amount	**5,107,961**	**14,823,175**	**2,039,290**	**21,970,426**
6 months ended 30 June 2012				
Opening net book amount	5,780,160	13,319,228	2,429,659	21,529,047
Addition	941,005	3,551,842	328,713	4,821,560
Amortisation / depreciation	(993,992)	(2,523,980)	(644,169)	(4,162,141)
Closing net book amount	**5,727,173**	**14,347,090**	**2,114,203**	**22,188,466**

Additions to Information technology systems include an amount of CHF 2,552,017 (2012: CHF 3,330,322) representing own costs capitalised in connection with the development of the systems of the Group.

8. Property, plant and equipment

	Land & Building	Leasehold Improvements	Equipments	Total
6 months ended 30 June 2013				
Opening net book amount	43,542,067	964,762	1,285,434	45,792,263
Addition	6,864,389	98,159	100,586	7,063,134
Amortisation / depreciation	(279,586)	(149,321)	(172,691)	(601,598)
Closing net book amount	**50,126,870**	**913,600**	**1,213,329**	**52,253,799**
6 months ended 30 June 2012				
Opening net book amount	29,455,742	1,855,557	1,835,977	33,147,276
Addition	8,145,349	16,866	58,050	8,220,265
Amortisation / depreciation	(279,587)	(391,298)	(265,380)	(936,265)
Closing net book amount	**37,321,504**	**1,481,125**	**1,628,647**	**40,431,276**

The total cost of the property includes an aggregate CHF 159,274 of own costs capitalised (2012: CHF 151,609).

All amounts in Swiss Francs

9. Pension plan

The 2013 consolidated financial statements are the first financial statements in which the Group has adopted IAS 19R. In accordance with IAS 8, the related amendments have been applied retroactively.

The adjustments performed in the figures for 2012 are summarized as follows:

	Deferred income tax assets	Other liabilities	Current income tax liabilities	Other reserves (OCI)	Retained earnings	Operating expenses
Balance as reported at 31 December 2011	168,000	19,488,059	1,150,970	(1,574,167)	195,632,806	-
Effect of application of IAS 19R:						
- Increase of benefit obligation	31,752	162,000	-	-	(130,248)	-
Restated balance at 1 January 2012	**199,752**	**19,650,059**	**1,150,970**	**(1,574,167)**	**195,502,558**	-

At 1 January 2012, the amendments related to IAS 19R result in a restatement of pension plan related liability from CHF 268k to CHF 430k.

	Deferred income tax assets	Other liabilities	Current income tax liabilities	Other reserves (OCI)	Retained earnings	Operating expenses
Balance as reported at 30 June 2012	156,800	16,747,489	3,978,406	644,777	192,681,415	42,662,196
Effect of application of IAS 19R:						
- Change in opening balance	31,752	162,000	-	-	(130,248)	-
- Prior service costs (plan change)	-	436,000	(85,456)	-	(350,544)	436,000
- Abolition of corridor rule	215,404	1,099,000	-	(883,596)	-	-
- Other effects	(37,436)	193,000	(75,264)	153,564	(308,736)	384,000
Restated balance at 30 June 2012	**366,520**	**18,637,489**	**3,817,686**	**(85,255)**	**191,891,887**	**43,482,196**

The amendments related to IAS 19R result in a restatement of pension plan liability to CHF 1,884k (instead of a prior pension plan asset of CHF 6k), of which CHF 820k as additional payroll & related expenses. Items reported as other effects are related to the technical changes in IAS 19R, among others the change of expected return on plan assets and interest income to the net interest cost method.

The full impact of the related restatement was recognised in comparative figures related to the period 1 January 2012 to 31 March 2012 and therefore does not impact the comparative figures of the period 1 April 2012 to 30 June 2012.

At 30 June 2013, the Group has not identified a need to remeasure the net defined benefit liability at the end of the interim reporting period.

All amounts in Swiss Francs

10. Ordinary Shares

a) Numbers of Shares in 2013

	1 January	Change	30 June
Issued shares			
Ordinary share capital			
Number of shares	14,638,370	-	**14,638,370**
Nominal value per share (CHF)	0.20	-	**0.20**
Total nominal value (CHF)	2,927,674	-	**2,927,674**
Unissued shares			
Conditional capital			
Number of conditional shares	750,000	-	**750,000**
Nominal value per share (CHF)	0.20	-	**0.20**
Total nominal value (CHF)	150,000	-	**150,000**
Authorised capital			
Number of authorised shares	3,500,000	-	**3,500,000**
Nominal value per share (CHF)	0.20	-	**0.20**
Amount authorised (CHF)	700,000	-	**700,000**

At the Annual General Meeting of shareholders held on 7 May 2013, the shareholders have resolved a dividend of CHF 0.60 per share (dividend paid on 15 May 2013).

b) Numbers of Shares in 2012

	1 January	Change	30 June
Issued shares			
Ordinary share capital			
Number of shares	14,638,370	-	**14,638,370**
Nominal value per share (CHF)	0.20	-	**0.20**
Total nominal value (CHF)	2,927,674	-	**2,927,674**
Unissued shares			
Conditional capital			
Number of conditional shares	750,000	-	**750,000**
Nominal value per share (CHF)	0.20	-	**0.20**
Total nominal value (CHF)	150,000	-	**150,000**
Authorised capital			
Number of authorised shares	3,500,000	-	**3,500,000**
Nominal value per share (CHF)	0.20	-	**0.20**
Amount authorised (CHF)	700,000	-	**700,000**

All amounts in Swiss Francs

11. Treasury shares

	2013	2012
Beginning of the year (shares)	**175,133**	**183,621**
Acquisition - shares	**644,228**	**6,573**
unit price ranging from CHF	27.92 to 34.50	26.02 to 42.40
Disposal - shares	-	**(16,500)**
unit price ranging from CHF	-	36.50
Remittance to optionees - shares	-	-
unit price ranging from CHF	-	-
End of the period - 30 June (shares)	**819,361**	**173,694**
Total cost in CHF	**28,433,551**	**9,145,672**
% of the issued shares	**5.60%**	**1.19%**

All amounts in Swiss Francs

12. Regulatory capital & liquidity

At 1 January 2013, the Basel III framework was implemented in Switzerland. Basel III provides among others higher minimum capital requirements, new conservation and countercyclical buffers, revised risk-based capital measures and liquidity ratios. The new capital standards will be phased from 1 January 2013 through 1 January 2019 for the countries such as Switzerland that have adopted Basel III.

The Liquidity Ordinance, which implements Basel III requirements into Swiss law, entered into force on 1 January 2013. This ordinance requires appropriate management and monitoring of liquidity risks. The requirements apply to all banks, but are tiered according to the type, complexity and degree of bank's activities. It is expected the Liquidity Ordinance will be amended in 2014 to include final Basel III Liquidity Coverage Ratio (LCR) rules and any related FINMA-specific requirements.

	30 June 2013 (unaudited)
Total equity	225,501,015
General adjustments (mainly intangible assets)	(31,615,307)
Total Common Equity Tier 1 capital (CET1 capital)	**193,885,708**
Risk-weighted assets	**858,375,939**
CET1 ratio	**22.59%**

At 30 June 2013, the Group, based on preliminary guidance, calculates that its LCR ratio is in excess of 100% (unaudited) and therefore meets the new requirements within the prescribed time frames.

13. Consolidated cash flow statement

The consolidated cash flow statement gives information on the resultant cash flows in the asset and liability items over the course of the period analysed and on the initial and final balance of these items in the classification according to:

- Operating activities
- Investing activities
- Financing activities

IAS 7 standard provides guidance for classifying cash flows under the three above mentioned headings but allows a reasonable amount of discretion as the business carried determines the classification of cash flows as well.

With the growing importance its operations, the Group decided to improve the current presentation of the consolidated cash flow statement by increasing the level of detail disclosed in the cash flow from operating activities. The underlying objective being to help investors and other stakeholders to appropriately understand the relationship between the Group's different activities and the way in which the Group generates and expends the cash. Despite the fact that some changes were required in their presentation, this did not lead to a change of «Net cash from operating activities» in comparative figures.

All amounts in Swiss Francs

14. Fair value hierarchy

The following table presents the Group's financial assets and liabilities that are measured at fair value. There were no transfer between Level 1, 2 and 3 and no change in valuation techniques during the period under review.

At 30 June 2013	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
- Investment securities	1,761,500	1,173,261	-	2,934,761
- Derivative financial instruments	18,685,703	3,246,332	-	21,932,035
- Trading assets	5,744,412	-	-	5,744,412
Financial assets designated available-for-sale				
- Investment securities	171,811,989	299,342,901	-	471,154,890
Total	**198,003,604**	**303,762,494**	**-**	**501,766,098**
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
- Derivative financial instruments	2,618,871	3,419,853	-	6,038,724
Total	**2,618,871**	**3,419,853**	**-**	**6,038,724**

All amounts in Swiss Francs

Report on the Review of
condensed consolidated interim financial information
to the Board of Directors of
Swissquote Group Holding Ltd
Gland

Introduction

We have reviewed the accompanying condensed consolidated interim financial information (balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes) set out on pages 1 to 16 of Swissquote Group Holding Ltd for the period ended 30 June 2013. The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers SA

Philippe Bochud   Patrick Fritz

Geneva, 23 July 2013

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