

Media information

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Results for the 1st half of 2021

Swissquote confirms record results and expects pre-tax profit to double in 2021

Following the trend of the year 2020, Swissquote surpassed its initial forecasts in the first half of 2021. Overall, Swissquote recorded net revenues of CHF 264.4 million and a pre-tax profit of CHF 134.6 million. Compared to the prior-year period, net revenues increased by 64.5 percent and pre-tax profit by 130.4 percent. In the six month period, 49,552 new client accounts were opened and net new money inflow was CHF 4.9 billion. As of 30 June 2021, client assets reached a record level of CHF 50.2 billion. For the full year 2021, Swissquote is now targeting net revenues of CHF 465 million (initially: CHF 365 million) and a pre-tax profit of CHF 210 million (initially: CHF 130 million).

Revenues up by two thirds

Operating revenues reached a total of CHF 266.4 million – an increase of 63.7 percent compared to the previous year (CHF 162.7 million). When adjusted for negative interest rates (–CHF 2.4 million) and fair value adjustments (CHF 0.4 million), **net revenues** amounted to CHF 264.4 million, up 64.5 percent from CHF 160.7 million.

Fuelled by strong client and asset growth but also thanks to favourable market environment, trading activity was strong in all business areas and asset classes. Compared to the prior-year period, **net fee and commission income** climbed by 10.9 percent to CHF 87.1 million (CHF 78.5 million). **Net crypto-assets income** increased by 1,205.2 percent to CHF 63.2 million (CHF 4.8 million). The first half of the year has seen institutionals further adopt crypto-assets and bitcoin at levels reaching all-time highs. The strong trading activity across all asset classes resulted in a positive impact on **net trading income**, which also rose sharply by 1,446.0 percent to CHF 42.6 million. **Net eForex income** increased by 4.9 percent to CHF 63.0 million (CHF 60.0 million) on eForex volume of USD 816.4 billion (+18.3 percent). The interest business (CHF 10.5 million, down by 36.9 percent) continued to be characterised by a low interest rate environment, as the leasing business is not expected to reach critical size before next year.

Net profit more than doubled

At CHF 129.3 million, **operating expenses** were 26.9 percent higher than in the previous year (CHF 102.3 million). This rise is due to higher personnel expenses (+CHF 20.2 million), which increased mainly because of accruals for variable remuneration and more than 50 temporary positions hired to cope with the large number of customer requests.

Pre-tax profit rose by 130.4 percent to CHF 134.6 million (CHF 58.4 million), while the pre-tax profit margin reached 50.9 percent (36.4 percent). At CHF 116.4 million (CHF 50.4 million), **net profit** was up 130.9 percent year-on-year, with a net profit margin of 44.0 percent (31.4 percent). The Basel III capital ratio is now at 24.3 percent (20.8 percent, +16.8 percent). **Total equity** increased by 32.2 percent to CHF 544.0 million (CHF 411.4 million).

New record high level of client assets

The net new money inflow hit a new record and came in at CHF 4.9 billion (H1 2020: CHF 3.0 billion). More than 40 percent of this purely organic growth was achieved with international customers. With the combination of positive markets, **client assets** grew by 50 percent to CHF 50.2 billion (CHF 33.5 billion). At the same time, the average deposit per customer continued to increase to CHF 109,265 (+29.3 percent) confirming Swissquote's position as a partner of choice for mass affluent customers.

Expansion of multi asset class offering

In the field of crypto-assets, Swissquote continued to enlarge its offering for retail and institutional customers. With more than 20 cryptocurrencies and CHF 1.9 billion in crypto-assets under custody, Swissquote is the bank with the most comprehensive offering in Switzerland and in Europe. On 1 August 2021, the new Federal Act on the Adaptation of Federal Law to Developments in Distributed Electronic Register Technology (DLT Act) fully entered into force in Switzerland. This law increases legal certainty and makes Switzerland a pioneer country in the field of crypto-assets and blockchain technologies.

Continued strategy of partnerships

As of 1 January 2022, Luzerner Kantonalbank (LUKB) will be Swissquote's exclusive distribution partner for mortgages. The two banks have already been in a partnership since May 2021 for the distribution of actively managed certificates. In the medium term, both partners aim to seek further opportunities for strategic cooperations.

Yuh: the new digital finance app

On 11 May 2021, Swiss mobile finance history was written when Swissquote and PostFinance launched the new digital finance app "Yuh". The 20,000-active customer mark was reached two months after launch and growth continues as planned. Swissquote is very proud of this success, as well as of the overwhelmingly positive reception of the new app.

The complete **financial report for the 1st half of 2021** is available at:

<https://www.swissquote.com> - Company/Investor Relations/Financial Reporting

Swissquote – The Swiss Leader in Online Banking

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 Forex, Robo-Advisory, Leasing and Mortgage. In addition to a low-cost service for private clients, Swissquote also offers specialised services for independent asset managers and corporate clients. Swissquote Bank Ltd holds a banking license issued by its supervisory authority the Swiss Federal Financial Market Supervisory Authority (FINMA) and is a member of the Swiss Bankers Association. Its mother company, Swissquote Group Holding Ltd, is listed on the SIX Swiss Exchange (symbol: SQN).

For further information

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Agenda 2022 – Corporate events

17.03.2022 Presentation of full year 2021 results

06.05.2022 Ordinary General Meeting

Agenda 2021 – Investor Relations events

15./16.09.2021 Investora, Zurich-Stettbach

24.09.2021 Baader Investment Conference 2021, Munich

04.11.2021 ZKB Swiss Equity Conference, Zurich

16.11.2021 Credit Suisse Equity Forum Switzerland, Zurich

	6 months ended 30 June				Comparison with previous half year			
	2021	2020	Change	Change in %	H1-2021	H2-2020	Change	Change in %
in CHF thousand, except where specified								
Net fee & commission income	87,117.4	78,534.2	8,583.2	10.9%	87,117.4	67,447.6	19,669.8	29.2%
Net crypto assets income	63,238.5	4,845.2	58,393.3	1205.2%	63,238.5	11,160.5	52,078.0	466.6%
Interest income, net ¹	10,454.2	16,561.7	(6,107.5)	-36.9%	10,454.2	9,128.5	1,325.7	14.5%
eForex income, net	63,001.3	60,030.8	2,970.5	4.9%	63,001.3	47,312.6	15,688.7	33.2%
Trading income, net ²	42,618.7	2,756.7	39,862.0	1446.0%	42,618.7	24,055.7	18,563.0	77.2%
Operating revenues	266,430.1	162,728.6	103,701.5	63.7%	266,430.1	159,104.9	107,325.2	67.5%
Unrealised fair value	385.6	(87.5)	473.1	540.7%	385.6	295.2	90.4	30.6%
Cost of negative interest rates (excluding FX swaps)	(2,405.9)	(1,919.6)	486.3	25.3%	(2,405.9)	(2,812.2)	(406.3)	-14.4%
Net revenues	264,409.8	160,721.5	103,688.3	64.5%	264,409.8	156,587.9	107,821.9	68.9%
Payroll & related expenses	(70,257.5)	(50,070.5)	20,187.0	40.3%	(70,257.5)	(54,843.4)	15,414.1	28.1%
Other operating expenses	(29,834.9)	(27,065.8)	2,769.1	10.2%	(29,834.9)	(27,778.2)	2,056.7	7.4%
Depreciation	(14,974.7)	(14,210.0)	764.7	5.4%	(14,974.7)	(14,872.2)	102.5	0.7%
Marketing expenses ³	(14,701.1)	(10,936.9)	3,764.2	34.4%	(14,701.1)	(11,890.8)	2,810.3	23.6%
Expenses	(129,768.2)	(102,283.2)	27,485.0	26.9%	(129,768.2)	(109,384.6)	20,383.6	18.6%
Pre-tax profit	134,641.6	58,438.3	76,203.3	130.4%	134,641.6	47,203.3	87,438.3	185.2%
Income taxes	(18,290.5)	(8,051.7)	10,238.8	127.2%	(18,290.5)	(6,569.0)	11,721.5	178.4%
Net profit	116,351.1	50,386.6	65,964.5	130.9%	116,351.1	40,634.3	75,716.8	186.3%
Pre-tax profit margin	50.9%	36.4%			50.9%	30.1%		
Net profit margin	44.0%	31.4%			44.0%	25.9%		

¹ Net interest income as per Condensed Consolidated Interim Financial Statements 2021 of CHF 8.0 million should be read in conjunction with the cost of negative interest rates (excluding FX swaps) of -CHF 2.4 million (CHF 10.5 million less CHF 2.4 million).

² Net trading income as per Condensed Consolidated Interim Financial Statements 2021 of CHF 105.1 million should be incremented by credit loss release of CHF 0.9 million (that is presented separately in the condensed consolidated interim financial statements). The resulting balance is presented here in three separate items: eForex income, Trading income (including credit loss release) and Unrealised fair value.

³ Includes CHF 0.5 million of expenses consolidated through equity accounting method (Yuh Ltd)

	30.06.2021	30.06.2020	Change	Change in %	30.06.2021	31.12.2020	Change	Change in %
in CHF thousand, except where specified								
Trading accounts	391,373	315,185	76,188	24.2%	391,373	338,330	53,043	15.7%
Saving accounts	18,793	19,279	(486)	-2.5%	18,793	19,037	(244)	-1.3%
eForex accounts	44,191	57,819	(13,628)	-23.6%	44,191	48,341	(4,150)	-8.6%
Robo-Advisory accounts	5,443	4,147	1,296	31.3%	5,443	4,540	903	19.9%
Total number of accounts (units)	459,800	396,430	63,370	16.0%	459,800	410,248	49,552	12.1%
Trading client assets	49,093.2	32,618.4	16,474.8	50.5%	49,093.2	38,747.7	10,345.5	26.7%
Saving client assets	249.2	255.3	(6.1)	-2.4%	249.2	251.1	(1.9)	-0.8%
eForex client assets	456.9	384.9	72.0	18.7%	456.9	439.7	17.2	3.9%
Robo-Advisory assets	440.6	235.6	205.0	87.0%	440.6	334.1	106.5	31.9%
Total client assets (CHF m)	50,239.9	33,494.2	16,745.7	50.0%	50,239.9	39,772.6	10,467.3	26.3%
Assets under custody (CHF m)	48,917.0	32,301.9	16,615.1	51.4%	48,917.0	38,507.9	10,409.1	27.0%
Net new money (CHF m)	4,912.8	2,998.1	1,914.7	63.9%	4,912.8	2,276.5	2,636.3	115.8%
eForex volume (USD bn)	816.4	690.4	126.0	18.3%	816.4	678.3	138.1	20.4%
Total equity (CHF m)	544.0	411.4	132.6	32.2%	544.0	440.2	103.8	23.6%
Capital ratio (%)	24.3%	20.8%	3.5%	16.8%	24.3%	23.0%	1.3%	5.7%
Total headcounts / average headcounts (FTE)	904 / 854	768 / 745	136 / 109	17.7% / 14.6%	904 / 854	805 / 786	99 / 68	12.3% / 8.7%