2019 Financial Report

Condensed consolidated
Interim Financial Statements
First Half Year 2019

Swissquote

Content

Condensed consolidated interim statement of financial positions

		30 June		31 December
	Notes	2019	2018	2018
in CHF				
Assets				
Cash and balances with central bank		3,892,363,946	3,614,901,519	3,612,172,487
Treasury bills and other eligible bills		411,919,781	256,964,081	346,119,999
Due from banks		1,219,493,035	584,007,838	657,388,308
Derivative financial instruments		84,244,289	64,248,312	57,469,850
Trading assets		3,932,304	8,205,429	2,791,490
Loans		309,379,917	297,262,802	271,188,031
Investment securities		307,733,837	309,915,689	318,298,080
Deferred income tax assets	10	3,412,574	1,431,191	1,610,155
Intangible assets	13	45,947,206	40,200,080	40,111,469
Information technology systems	14	51,804,716	47,329,936	51,431,690
Property, plant and equipment	15	72,347,411	59,199,754	59,034,567
Other assets		49,711,312	28,925,392	31,872,115
Total assets		**6,452,290,328**	**5,312,592,023**	**5,449,488,241**
Liabilities and equity				
Liabilities				
Deposits from banks		175,903,534	160,294,739	209,204,815
Derivative financial instruments		63,911,770	19,852,253	35,752,201
Due to customers		5,765,982,688	4,747,876,092	4,782,694,956
Other liabilities		83,614,028	50,702,798	59,272,495
Current income tax liabilities	10	1,748,673	4,111,183	4,802,642
Deferred tax liabilities	10	943,624	1,194,602	940,070
Provisions		3,295,080	2,820,645	4,600,527
Total liabilities		**6,095,399,397**	**4,986,852,312**	**5,097,267,706**
Equity				
Ordinary shares		3,065,634	3,065,634	3,065,634
Share premium		52,115,761	45,302,242	51,630,459
Share option reserve		1,784,985	1,428,270	1,265,122
Other reserve		(8,736,174)	(3,624,153)	(6,487,147)
Treasury shares		(18,040,392)	(20,312,249)	(16,723,797)
Retained earnings		326,701,117	299,879,967	319,470,264
Total equity		**356,890,931**	**325,739,711**	**352,220,535**
Total liabilities and equity		**6,452,290,328**	**5,312,592,023**	**5,449,488,241**

Condensed consolidated interim income statement

in CHF	Notes	6 months ended 30 June 2019	2018
Fee and commission income		49,952,966	61,073,737
Fee and commission expense		(4,312,442)	(5,508,481)
Net fee and commission income	6	**45,640,524**	**55,565,256**
Interest income		10,493,889	7,186,110
Interest expense (incl. negative interests on assets)		(15,514,849)	(13,082,251)
Other interest income		21,371,330	17,423,055
Other interest expense		(252,375)	(123,815)
Net interest income	7	**16,097,995**	**11,403,099**
Net trading income	8	**50,916,457**	**53,989,250**
Operating income		**112,654,976**	**120,957,605**
Credit loss expense	12	(409,370)	(8,201,824)
Operating expenses	9	(87,144,935)	(82,005,770)
Operating profit		**25,100,671**	**30,750,011**
Income tax expense	10	(3,052,491)	(5,010,362)
Net profit		**22,048,180**	**25,739,649**
Share information			
Earnings per share	11	1.48	1.78
Diluted earnings per share	11	1.48	1.76
Weighted average number of shares	11	14,870,735	14,459,152

Condensed consolidated interim statement of comprehensive income

in CHF	Notes	6 months ended 30 June 2019	2018
Net profit		**22,048,180**	**25,739,649**
Other comprehensive income: Gains/losses recognised directly in equity			
Items that may be reclassified to the income statement			
Investment securities measured at fair value through other comprehensive income (FVOCI):			
Net unrealised gains/(losses)		54,498	(645,292)
Net realised gains/(losses) reclassified to the income statement from equity		40,458	(25,207)
Income tax effect		(13,294)	114,655
Currency translation differences		(733,411)	(41,746)
Total other comprehensive income that may be reclassified to the income statement		**(651,749)**	**(597,590)**
Items that will not be reclassified to the income statement			
Investment securities measured at fair value through other comprehensive income (FVOCI - equities):			
Net unrealised gains/(losses)		3,700	36,075
Income tax effect		(518)	(6,169)
Defined benefit obligation:			
Remeasurement	4	(1,861,000)	–
Income tax effect		260,540	–
Total other comprehensive income that will not be reclassified to the income statement		**(1,597,278)**	**29,906**
Other comprehensive income for the period (net of tax)		**(2,249,027)**	**(567,684)**
Total comprehensive income for the period		**19,799,153**	**25,171,965**

Condensed consolidated interim statement of changes in equity

in CHF	Notes	Ordinary shares	Share premium	Share option reserve	Other reserve	Treasury shares	Retained earnings	Total
Balance as at 1 January 2019		3,065,634	51,630,459	1,265,122	(6,487,147)	(16,723,797)	319,470,264	352,220,535
Net profit of the period		–	–	–	–	–	22,048,180	22,048,180
Investment securities FVOCI & FVOCI equities		–	–	–	98,656	–	–	98,656
Remeasurement of defined benefit obligation	4	–	–	–	(1,861,000)	–	–	(1,861,000)
Income tax effect (aggregated)		–	–	–	246,728	–	–	246,728
Currency translation differences		–	–	–	(733,411)	–	–	(733,411)
Total comprehensive income for the period		**3,065,634**	**51,630,459**	**1,265,122**	**(8,736,174)**	**(16,723,797)**	**341,518,444**	**372,019,688**
Dividend and reimbursement from reserves		–	–	–	–	–	(14,859,653)	(14,859,653)
Employee stock option plan:								
Amortisation of services		–	–	562,189	–	–	–	562,189
Stock options exercised, lapsed or forfeited		–	–	(42,326)	–	–	42,326	–
Treasury shares:								
Purchase		–	–	–	–	(2,047,561)	–	(2,047,561)
Sale/remittance		–	485,302	–	–	730,966	–	1,216,268
Balance as at 30 June 2019		**3,065,634**	**52,115,761**	**1,784,985**	**(8,736,174)**	**(18,040,392)**	**326,701,117**	**356,890,931**
Balance as at 1 January 2018		3,065,634	35,299,313	1,482,727	(2,375,800)	(29,318,059)	286,994,485	295,148,300
Initial application of IFRS 9		–	–	–	461,029	–	(852,566)	(391,537)
Changes in accounting policies		–	–	–	(1,141,698)	–	–	(1,141,698)
Restated balance as at 1 January 2018		3,065,634	35,299,313	1,482,727	(3,056,469)	(29,318,059)	286,141,919	293,615,065
Net profit of the period		–	–	–	–	–	25,739,649	25,739,649
Investment securities FVOCI & FVOCI equities		–	–	–	(634,424)	–	–	(634,424)
Income tax effect (aggregated)		–	–	–	108,486	–	–	108,486
Currency translation differences		–	–	–	(41,746)	–	–	(41,746)
Total comprehensive income for the period		**–**	**–**	**–**	**(567,684)**	**–**	**25,739,649**	**25,171,965**
Dividend and reimbursement from reserves		–	(581,580)	–	–	–	(12,503,964)	(13,085,544)
Employee stock option plan:								
Amortisation of services		–	–	447,906	–	–	–	447,906
Stock options exercised, lapsed or forfeited		–	–	(502,363)	–	–	502,363	–
Treasury shares:								
Purchase		–	–	–	–	(4,757,754)	–	(4,757,754)
Sale/remittance		–	10,584,509	–	–	13,763,564	–	24,348,073
Balance as at 30 June 2018		**3,065,634**	**45,302,242**	**1,428,270**	**(3,624,153)**	**(20,312,249)**	**299,879,967**	**325,739,711**

Condensed consolidated interim statement of cash flow

		6 months ended 30 June	
	Notes	2019	2018
in CHF			
Cash flow from/(used in) operating activities:			
Fee and commission received		51,940,188	63,419,692
Fee and commission paid		(4,753,599)	(5,283,224)
Interest received		26,047,449	22,631,268
Interest paid		(13,497,031)	(13,186,429)
Net trading income received		49,986,310	55,060,323
Income tax paid/reimbursed		(6,046,166)	(6,695,155)
Payments to employees		(44,228,977)	(39,885,563)
Payments to suppliers		(32,729,737)	(35,410,828)
Cash flow from operating profit before changes in operating assets and liabilities		**26,718,437**	**40,650,084**
Net change in operating assets and liabilities:			
Treasury bills and other eligible bills (above 3 months)		58,060,245	(8,971,022)
Due from banks (above 3 months)		(101,629,966)	(16,024,483)
Derivative financial instruments (assets)		(26,774,439)	8,142,388
Loans		(14,135,380)	(27,366,535)
Derivative financial instruments (liabilities)		28,159,569	(4,258,924)
Due to customers		515,959,083	179,005,852
Net cash from operating activities		**486,357,549**	**171,177,360**
Cash flow from/(used in) investing activities:			
Purchase of property, plant and equipment and information technology systems	14/15	(11,304,743)	(11,478,761)
Proceeds from sale and reimbursement of investment securities		56,461,969	116,090,568
Purchase of investment securities		(45,104,548)	(43,202,817)
Purchase of subsidiary, net of cash acquired	13	273,394,646	–
Net cash from investing activities		**273,447,324**	**61,408,990**
Cash flow from/(used in) financing activities:			
Purchase of treasury shares		(2,047,561)	(4,757,754)
Sale/remittance of treasury shares		1,061,286	24,216,952
Dividend and reimbursement from reserves		(14,859,653)	(13,085,544)
Net cash used in financing activities		**(15,845,928)**	**6,373,654**
Net increase in cash and cash equivalents		**743,958,945**	**238,960,004**
Cash and cash equivalents as at 1 January		4,144,081,857	3,927,175,990
Exchange difference on cash and cash equivalents		(3,782,041)	952,229
Cash and cash equivalents as at 30 June [1]		**4,884,258,761**	**4,167,088,223**
Cash and cash equivalents:			
Cash and balances with central bank		3,892,363,946	3,614,901,519
Treasury bills and other eligible bills (less than 3 months)		263,480,745	153,837,014
Due from banks (less than 3 months)		904,317,604	558,644,429
Deposits from banks		(175,903,534)	(160,294,739)
Total as at 30 June		**4,884,258,761**	**4,167,088,223**

[1] CHF 438.6 million and 336.0 million of cash and cash equivalents were restricted as at 30 June 2019 and 30 June 2018, respectively.

Notes to the condensed consolidated interim financial statements

1 Scope of operations and general information

Swissquote Group Holding Ltd and its subsidiaries provide online financial services that mainly consist of the services provided by Swissquote Bank Ltd through its financial web portal www.swissquote.ch. The Group foreign subsidiaries which are based in United Arab Emirates (Dubai), United Kingdom (London), Luxembourg (Luxembourg), Malta (Valletta) and People's Republic of China (Hong Kong) are responsible for the sales of the Group services in respective markets through dedicated web portals. The Group's foreign subsidiary which is based in United Kingdom (London) provides online foreign exchange trading for clients based in European Union. The newly acquired subsidiary Internaxx Bank SA is a bank based in European Union and provides self-directed investment brokerage services to international and expatriate investors (Note 13). The Group is further expanding its geographical footprint by registering during the period under review a new subsidiary in Singapore, Swissquote Pte. Ltd. As of 30 June 2019 the share capital was not yet issued.

At the Annual General Meeting held on 10 May 2019, the shareholders resolved on the payment of dividend of CHF 1.00 per share (4 May 2018: dividend of CHF 0.86 per share and repayment of share premium of CHF 0.04 per share).

2 Accounting policies and presentation matters

The Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 "Interim Financial Reporting". The Condensed Consolidated Interim Financial Statements should be read in conjunction with the 2018 consolidated financial statements. The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the Annual Financial Statements with the following exception: IFRS 16 "Leases", for which reference is made to Note 3 and Note 17.

3 Adoption of new and revised international financial reporting standards

a Standards, amendments and interpretations effective on or after 1 January 2019

IFRS 16 "Leases"

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach as permitted by standard. Under this approach the comparative information is not restated but continues to be reported based on the accounting policies for leases that the Group has applied under IAS 17.

The new standard sets out the principles for the recognition, measurement, presentation and disclosures of the leases for both parties to a contract. The new standard introduces a new lessee accounting model that eliminates the classification of leases as either finance leases or operating leases. For all leases, the standard introduces a single on-balance-sheet accounting. The lessee recognises a leasing liability representing its obligation to make future lease payments and at the same time, the lessee capitalises the right to use the underlying leased asset.

Unlike some other new accounting standards, no consequential amendments to bring in specific new interim disclosure requirements were made to IAS 34 "Interim financial reporting" following the introduction of IFRS 16. As a result, the key requirement for interim reports prepared under IAS 34 is the general requirement in IAS 34.16a. Given the lack of prescriptive requirements, judgement is required in designing the disclosures for IAS 34 interim reporting. The extent of the disclosures should be proportionate to the impact of IFRS 16 adoption. Accordingly, Note 17 sets out disclosures relating to the impact of the adoption of IFRS 16 on the Group and describes selected accounting policies, which were most significantly impacted by IFRS 16. Overall, the total impact on operating profit will be the same between IAS 17 and IFRS 16 over the tenor of corresponding leases.

Notes to the condensed consolidated interim financial statements

3 Adoption of new and revised international financial reporting standards (continued)

b Standards and interpretations issued but not yet effective

The Group did not early adopt new or amended standards in 2019.

4 Critical accounting judgements and key sources of estimation uncertainty

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018 (Section V: Critical accounting judgement and sources of estimation uncertainty, pages 40-41).

Pension plan: during the period under review, the discount rate used in the determination of the net defined benefit obligation decreased from 1.00% to 0.50%. This change required the Group to increase the pension plan liability by CHF 1.9 (gross of tax) up to a total amount of CHF 12.9 million.

Goodwill: following the acquisition of Internaxx Bank SA, goodwill amount increased from CHF 39.0 million as at 31 December 2018 to CHF 44.9 million as at 30 June 2019 (Note 13).

Notes to the condensed consolidated interim financial statements

5 Reportable segments

The analysis of reportable segments and cost center for the 6 month-period ending 30 June 2019 and 2018 is as follows :

	6 months ended 30 June	
	2019	2018
in CHFm		
Operating income [1]	78.2	91.1
Direct operating expenses	(13.2)	(11.6)
Direct marketing expenses	(2.6)	(2.8)
Credit loss expense/recovery	0.1	(8.0)
Securities trading – direct contribution margin	**62.5**	**68.7**
Operating income	39.5	34.6
Operating expenses	(9.5)	(9.6)
Marketing expenses	(1.6)	(2.1)
Credit loss expense	(0.5)	(0.1)
Leveraged forex – direct contribution margin	**27.9**	**22.8**
Operating expenses – technology	(22.0)	(20.5)
Operating expenses – operations	(11.6)	(11.0)
Operating expenses – marketing	(8.6)	(8.7)
Operating expenses – G&A	(14.4)	(14.1)
Platform and infrastructure operations (cost centre)	**(56.6)**	**(54.3)**
Negative interest rate expense (excl. foreign exchange swaps)	(5.1)	(4.7)
Credit loss expense	–	(0.1)
Provisions	(3.6)	(1.6)
Operating profit	**25.1**	**30.8**
Income tax expense	(3.1)	(5.1)
Net profit	**22.0**	**25.7**

[1] Includes Net fee and commission income (30 June 2019: CHF 45.6 million, 30 June 2018: CHF 55.6 million).

The newly acquired subsidiary Internaxx Bank SA has been integrated in the "Securities trading" segment.

As at 30 June 2019:

- No other location (booking centre) than Switzerland represents more than 10% of revenues or assets;
- The Group does not have any client representing more than 10% of its revenues.

Notes to the condensed consolidated interim financial statements

5 Reportable segments (continued)

Breakdown of assets and liabilities is as follows:

in CHFm	30 June 2019	31 December 2018
Assets		
Securities trading	5,668.7	4,791.5
Leveraged forex	625.6	531.4
Platform and infrastructure operations	158.0	126.6
Total assets	**6,452.3**	**5,449.5**
Liabilities		
Securities trading	(5,519.6)	(4,640.3)
Leveraged forex	(507.4)	(404.4)
Platform and infrastructure operations	(68.4)	(52.6)
Total liabilities	**(6,095.4)**	**(5,097.3)**
Total equity	**356.9**	**352.2**

6 Net fee and commission income

	6 months ended 30 June	
in CHF	2019	2018
Brokerage and related income	35,596,997	46,585,244
Custody fees	5,827,856	5,615,251
Other commission income	6,671,137	6,983,975
Advertising and subscription fees	1,856,976	1,889,267
Total fee and commission income	**49,952,966**	**61,073,737**
Fee and commission expenses	(4,312,442)	(5,508,481)
Total net fee and commission income	**45,640,524**	**55,565,256**

Brokerage and related income includes an amount of CHF 3.2 million (2018: CHF 8.0 million) relating to the cryptocurrencies trading.

Disaggregation of revenues: the total balance of net fee and commission income is allocated to the reportable segment designated as “Securities trading”. Custody fees of CHF 5.8 million and advertising and subscription fees of CHF 1.9 million are primarily recognised over time. The remaining balance (brokerage and related income, other commission income) mainly consist of services rendered at a point in time.

Notes to the condensed consolidated interim financial statements

7 Net interest income

in CHF	Activities excluding FX swaps	FX swaps	6 months ended 30 June 2019	2018
Interest income				
Investment securities	2,005,086	–	2,005,086	2,829,182
Loans and due to customers	5,211,677	–	5,211,677	4,241,742
Due from banks	2,578,979	–	2,578,979	115,186
Others	698,147	–	698,147	–
Total interest income	**10,493,889**	**–**	**10,493,889**	**7,186,110**
Interest expense				
Cash and balances with central bank	(3,342,923)	(7,614,487)	(10,957,410)	(9,995,846)
Due to banks and due from banks (incl. stock exchanges)	(1,342,666)	–	(1,342,666)	(1,642,121)
Treasury bills and loans	(1,016,365)	–	(1,016,365)	(880,206)
Due to customers and others	(2,198,408)	–	(2,198,408)	(564,078)
Total interest expense	**(7,900,362)**	**(7,614,487)**	**(15,514,849)**	**(13,082,251)**
Other interest income				
Derivative financial instruments	–	21,371,330	21,373,330	17,423,055
Total other interest income	**–**	**21,371,330**	**21,371,330**	**17,423,055**
Other interest expense				
Derivative financial instruments	–	(252,375)	(252,375)	(123,815)
Total other interest expense	**–**	**(252,375)**	**(252,375)**	**(123,815)**
Total net interest income	**2,593,527**	**13,504,468**	**16,097,995**	**11,403,099**

As at 30 June 2019, negative interest expense impact is as follows:

in CHF	6 months ended 30 June 2019	2018
Negative interest on liabilities	498,227	507,501
Negative interest on assets	(13,166,489)	(11,850,186)
Total	**(12,668,262)**	**(11,342,685)**
Cost of negative interest rates (excluding FX swaps)	(5,053,775)	(4,169,975)

Disaggregation of revenues: the total balance of net interest income is allocated to the reportable segment designated as "Securities trading" and is by nature recognised over time, with the exception of Cost of negative interest rates (excluding FX swaps), which is not included in any segment.

Notes to the condensed consolidated interim financial statements

8 Net trading income

in CHF	6 months ended 30 June 2019	2018
Foreign exchange revenues:		
From leveraged forex (eForex)	39,454,477	35,082,737
From other foreign exchange income	11,352,801	12,919,053
Unrealised fair value gains/losses:		
From trading assets	14,679	(70,857)
From others	94,500	(972,517)
Realised gains/losses:		
From derivative financial instruments	–	7,070,603
From trading assets and investment securities	–	(39,769)
Net trading income	**50,916,457**	**53,989,250**

Disaggregation of revenues: out of the total balance of net trading income of CHF 50.9 million, CHF 39.5 million were allocated to the reportable segment designated as "Leveraged Forex (eForex)" (remaining balance: Securities trading). Net trading income is by nature recognised at a point in time.

9 Operating expenses

in CHF	6 months ended 30 June 2019	2018
Payroll and related expenses	40,712,956	37,356,902
Other operating expenses	19,416,115	21,003,264
Marketing expenses	10,765,298	11,876,831
Depreciation and amortisation	12,670,298	10,144,726
Provisions	3,580,268	1,624,047
Total	**87,144,935**	**82,005,770**

The adoption of IFRS 16 resulted in increased depreciation and amortisation which was offset by a decrease in other operating expenses (where lease costs were previously booked under former IAS 17). Reference is made to Notes 15 and 17.

Notes to the condensed consolidated interim financial statements

10 Taxation

In 2019, the average tax rate of Swissquote Bank Ltd (registered in Gland, Canton of Vaud) was 14.0% (2018: 17.1%). The average tax rate may vary depending on the profit mix across the various jurisdictions.

On 28 September 2018, the Swiss parliament approved the final draft of the Federal Act on Tax Reform and AHV Financing (TRAF). On 19 May 2019, TRAF was accepted by the people at the public referendum. It is anticipated that TRAF will become effective at the beginning of 2020 with the objectives of abolishing special tax regimes and of giving the possibility to Swiss cantons to reduce their corporate tax rate. At the Canton of Vaud level, the third Corporate Tax Reform (CTRIII) setting the legal corporate income tax rate down at 13.79% for legal entities was already approved on 20 March 2016 and entered in force on 1 January 2019.

As at 30 June 2019, there was no significant impact resulting from the change in corporate tax regime on current income tax liabilities and deferred tax assets and liabilities.

11 Earnings per share

Basic

	6 months ended 30 June	
	2019	2018
Weighted average number of ordinary shares in issue	14,870,735	14,459,152
Net profit (CHF)	22,048,180	25,739,649
Earnings per share (CHF)	**1.48**	**1.78**

Diluted

	6 months ended 30 June	
	2019	2018
Weighted average number of ordinary shares	14,870,735	14,459,152
Adjustments for share options	62,682	176,234
Weighted average number of ordinary shares for diluted earnings per share options	**14,933,417**	14,635,386
Net profit (CHF)	22,048,180	25,739,649
Diluted earnings per share (CHF)	**1.48**	**1.76**

Notes to the condensed consolidated interim financial statements

12 Impairment loss allowance

The following table explains the changes in the impairment loss allowance during the period:

	Stage 1	Stage 2	Stage 3	Total	6 months ended 30 June 2019	2018
Movements, gross of tax, that do reduce the carrying amount of financial assets:						
Impairment allowance under IFRS 9 as at 1 January 2019	**824,141**	**–**	**28,464,399**	**29,288,540**	–	**–**
Addition through acquisition	1,160,814	–	–	1,160,814	–	–
Transfers from stage 1 to stage 3	–	–	499,982	499,982	(499,982)	(8,322,689)
ECL – derecognitions and new purchases	89,165	–	–	89,165	(89,165)	–
ECL – changes in assumptions	(172,850)	–	–	(172,850)	172,850	–
Other movements[1]			(157,709)	(157,709)	(35,118)	(199,260)
Impairment allowance under IFRS 9 as at 30 June 2019	**1,901,270**	**–**	**28,806,672**	**30,707,942**	–	–
Movements, gross of tax, that do not reduce the carrying amount of financial assets:						–
ECL remeasurement under IFRS 9 as at 1 January 2019	**61,926**	**–**	**–**	**61,926**	–	–
ECL – derecognitions	(35,019)	–	–	(35,019)	35,019	–
ECL – changes in assumptions	(7,026)	–	–	(7,026)	7,026	320,125
Total as at 30 June 2019	**1,921,151**	**–**	**28,806,672**	**30,727,823**	**–**	**–**
Total as at 1 January 2019	886,067	–	28,464,399	29,350,466	–	–
Credit loss expense					**(409,370)**	**(8,201,824)**

[1] Other movements may comprise of both amounts with and without impact to the credit loss expense line item (write-off, foreign exchange impact, etc.).

Notes to the condensed consolidated interim financial statements

13 Intangible assets and business combination

in CHF	Goodwill	Customer relationships	Total
6 months ended 30 June 2019			
Opening net book amount	38,989,066	1,122,403	40,111,469
Addition	6,040,390	–	6,040,390
Amortisation/depreciation	–	(88,611)	(88,611)
Currency translation differences	(116,042)	–	(116,042)
Closing net book amount	**44,913,414**	**1,033,792**	**45,947,206**
6 months ended 30 June 2018			
Opening net book amount	38,989,066	1,299,624	40,288,690
Addition	–	–	–
Amortisation/depreciation	–	(88,610)	(88,610)
Closing net book amount	**38,989,066**	**1,211,014**	**40,200,080**

Notes to the condensed consolidated interim financial statements

13 Intangible assets and business combination (continued)

Acquisition of Internaxx Bank SA in Luxembourg

Following the signature of the sale and purchase agreement on 6 August 2018, the Group received on 22 March 2019 the regulatory approval from the European Central Bank and the Commission de Surveillance du Secteur Financier (CSSF) and could complete on 22 March 2019 the acquisition of 100% of the ordinary share capital of Internaxx Bank SA (Internaxx), a fully licensed bank incorporated in Luxembourg since 2001. Internaxx is a provider of self-directed investment brokerage services predominantly to a niche market of international and expatriate investors (assets under custody: CHF 2.2 billion).

Across its history, Internaxx went through various changes in its shareholding structure and its brand name (successively Internaxx Bank SA until 2012, TD Bank International SA from 2012 until 2016 and Internaxx Bank SA again since 2017). From 2013 to 2016, Internaxx has been loss making, but since its acquisition by Interactive Investors Ltd (the Seller) in 2017 it was able to return to profitability and is expected to further grow in future years if the product and service offering is expanded.

The acquisition of Internaxx is a strategic step for the Group to get unrestricted access to the European market (previously not available to the Group) and to consolidate its standing as the online bank of first choice for international clients. Swissquote has the resources, the scale and the technology to support Internaxx's business model and to complement new products and services.

Consideration agreed for the acquisition was EUR 27.7 million (CHF 31.4 million) and was paid fully in cash at closing date. Internaxx entered into the scope of consolidation of the Group since this date.

The result of the acquisition is detailed as follows:

	Fair value
Cash and balances with central banks	68,355,149
Due from banks [1]	398,140,117
Loans	23,791,724
Investment securities	2,686,542
Deferred income tax assets	1,772,164
Information technology systems	121,866
Property, plant and equipment	5,246,151
Other assets	3,453,853
Deposits from banks	(3,090,284)
Due to customers	(466,229,518)
Other liabilities	(8,841,482)
Current income tax liabilities	(93,042)
Net assets acquired	**25,313,240**
Goodwill (intangible assets)	6,040,390
Total consideration	**31,353,630**
of which satisfied by cash	31,353,630
Purchase consideration settled in cash	31,353,630
Cash and cash equivalents in subsidiary acquired	304,748,276
Cash inflow on acquisition	273,394,646
Acquisition-related costs (included in operating expenses in 2018)	(842,961)

[1] Due from banks include balances with banks and brokers

13 Intangible assets and business combination (continued)
The Group initially measured separately the recognisable identified assets acquired and the liabilities assumed as of the acquisition date in accordance with the requirement of IFRS 3.

The total identifiable consolidated net assets of Internaxx have been measured at CHF 25.3 million.

The goodwill has been valued at EUR 5.3 million (CHF 6.0 million). None of the goodwill recognized is expected to be deductible for income tax purposes. The goodwill, treated as an asset of the foreign operation, is subject to currency translation differences.

Since closing date, the ordinary operations of Internaxx provided the Group with additional operating income of CHF 3.5 million and additional net profit of CHF 0.4 million.

Since 1 January 2019, the statutory financial statements of Internaxx show operating income of CHF 6.4 million and net profit of CHF 0.7 million (Lux GAAP).

Notes to the condensed consolidated interim financial statements

14 Information technology systems

in CHF	Software third-party licences	Proprietary software	Hardware & telecom systems	Total
6 months ended 30 June 2019				
Opening net book amount	2,581,248	45,504,538	3,345,904	51,431,690
Addition	421,584	9,007,090	1,005,814	10,434,488
Addition through acquisition (Note 13)	121,866	–	–	121,866
Amortisation/depreciation	(586,340)	(8,625,438)	(971,550)	(10,183,328)
Closing net book amount	**2,538,358**	**45,886,190**	**3,380,168**	**51,804,716**
6 months ended 30 June 2018				
Opening net book amount	2,803,334	39,075,617	3,058,920	44,937,871
Addition	108,749	10,196,320	749,127	11,054,196
Amortisation/depreciation	(447,445)	(7,382,371)	(832,315)	(8,662,131)
Closing net book amount	**2,464,638**	**41,889,566**	**2,975,732**	**47,329,936**

Additions to information technology systems include an amount of CHF 6.4 million (2018: CHF 6.0 million) representing own costs capitalised in connection with the development of the systems of the Group.

15 Property, plant and equipment

in CHF	Land & building	Right-of-use assets	Leasehold improvements	Equipments	Total
6 months ended 30 June 2019					
Opening net book amount	56,669,024	–	1,163,156	1,202,387	59,034,567
Initial application of IFRS 16	–	9,169,162	–	–	9,169,162
Adjusted opening net book amount	**56,669,024**	**9,169,162**	**1,163,156**	**1,202,387**	**68,203,729**
Addition	104,347	425,635	535,076	230,832	1,295,890
Addition through acquisition (Note 13)	–	4,898,479	–	347,672	5,246,151
Amortisation/depreciation	(1,132,813)	(916,905)	(152,110)	(196,531)	(2,398,359)
Closing net book amount as at 30 June 2019	**55,640,558**	**13,576,371**	**1,546,122**	**1,584,360**	**72,347,411**
6 months ended 30 June 2018					
Opening net book amount	60,289,590	–	520,072	762,721	61,572,383
Changes in accounting policies	(1,403,208)	–	–	–	(1,403,208)
Restated opening net book amount as at 1 January 2018	**58,886,382**	–	**520,072**	**762,721**	**60,169,175**
Addition	–	–	204,793	219,772	424,565
Amortisation/depreciation	(1,130,501)	–	(118,880)	(144,605)	(1,393,986)
Closing net book amount as at 30 June 2018	**57,755,881**	–	**605,985**	**837,888**	**59,199,754**

Right-of-use assets represent the right, as a lessee, to use the underlying assets under IFRS 16. Reference is made to Note 17.

Notes to the condensed consolidated interim financial statements

16 Fair value of assets and liabilities

The following table presents the hierarchy of assets and liabilities that are measured at fair value.

in CHF	Level 1	Level 2	Level 3	Fair value	Carrying amount
As at 30 June 2019					
Assets measured at fair value					
Derivative financial instruments	53,517,437	30,726,852	–	84,244,289	84,244,289
Trading assets	3,932,304	–	–	3,932,304	3,932,304
Investment securities	26,528,600	47,610,293	–	74,138,893	74,138,893
Other assets (precious metals)	–	18,500,056	–	18,500,056	18,500,056
Total assets measured at fair value	**83,978,341**	**96,837,201**	**–**	**180,815,542**	**180,815,542**
Assets not measured at fair value					
Cash and balances with central bank					3,892,363,946
Treasury bills and other eligible bills					411,919,781
Due from banks					1,219,493,035
Loans					309,379,917
Investments securities	144,927,518	93,665,431	–	238,592,949	233,594,944
Deferred income tax assets					3,412,574
Intangible assets					45,947,206
Information technology systems					51,804,716
Property, plant and equipment					72,347,411
Other assets					31,211,256
Total assets not measured at fair value	**144,927,518**	**93,665,431**	**–**	**238,592,949**	**6,271,474,786**
Total assets	**228,905,859**	**190,502,632**	**–**	**419,408,491**	**6,452,290,328**
Liabilities measured at fair value					
Derivative financial instruments	15,473,772	48,437,998	–	63,911,770	63,911,770
Total liabilities measured at fair value	**15,473,772**	**48,437,998**	**–**	**63,911,770**	**63,911,770**
Liabilities not measured at fair value					
Deposits from banks					175,903,534
Due to customers					5,765,982,688
Other liabilities					83,614,028
Current income tax liabilities					1,748,673
Deferred tax liabilities					943,624
Provisions					3,295,080
Total liabilities not measured at fair value	**–**	**–**	**–**	**–**	**6,031,487,627**
Total liabilities	**15,473,772**	**48,437,998**	**–**	**63,911,770**	**6,095,399,397**

Notes to the condensed consolidated interim financial statements

16 Fair value of assets and liabilities (continued)

a Assets measured at fair value

Investment securities measured at fair value comprise of financial assets at fair value through profit or loss (30 June 2019: CHF 22.8 million), financial assets at fair value through other comprehensive income (30 June 2019: CHF 49.6 million, out of which CHF 47.6 million classified as level 2) and financial assets at fair value through other comprehensive income equities (30 June 2019: CHF 1.7 million, out of which none classified as level 2).

b Assets and liabilities not measured at fair value

Investment securities not measured at fair value are all classified as amortised cost. For all other assets and liabilities not measured at fair value, the carrying amount is assessed to be a reasonable approximation of fair value.

16 Fair value of assets and liabilities (continued)

in CHF	Level 1	Level 2	Level 3	Fair value	Carrying amount
As at 31 December 2018					
Assets measured at fair value					
Derivative financial instruments	38,941,777	18,528,073	–	57,469,850	57,469,850
Trading assets	2,791,490	–	–	2,791,490	2,791,490
Investment securities	26,458,800	98,055,258	–	124,514,058	124,514,058
Total assets measured at fair value	**68,192,067**	**116,583,331**	–	**184,775,398**	**184,775,398**
Assets not measured at fair value					
Cash and balances with central bank					3,612,172,487
Treasury bills and other eligible bills					346,119,999
Due from banks					657,388,308
Loans					271,188,031
Investments securities	135,589,754	62,597,414	–	198,187,168	193,784,022
Deferred income tax assets					1,610,155
Intangible assets					40,111,469
Information technology systems					51,431,690
Property, plant and equipment					59,034,567
Other assets					31,872,115
Total assets not measured at fair value	**135,589,754**	**62,597,414**	–	**198,187,168**	**5,264,712,843**
Total assets	**203,781,821**	**179,180,745**	**–**	**382,962,566**	**5,449,488,241**
Liabilities measured at fair value					
Derivative financial instruments	6,587,210	29,164,991	–	35,752,201	35,752,201
Total liabilities measured at fair value	**6,587,210**	**29,164,991**	**–**	**35,752,201**	**35,752,201**
Liabilities not measured at fair value					
Deposits from banks					209,204,815
Due to customers					4,782,694,956
Other liabilities					59,272,495
Current income tax liabilities					4,802,642
Deferred tax liabilities					940,070
Provisions					4,600,527
Total liabilities not measured at fair value					**5,061,515,505**
Total liabilities	**6,587,210**	**29,164,991**	**–**	**35,752,201**	**5,097,267,706**

Notes to the condensed consolidated interim financial statements

16 Fair value of assets and liabilities (continued)

c Assets measured at fair value

Investment securities measured at fair value comprise of financial assets at fair value through profit or loss (31 December 2018: CHF 22.7 million, out of which none classified as level 2), financial assets at fair value through other comprehensive income (31 December 2018: CHF 100.1 million, out of which CHF 98.1 million classified as level 2) and financial assets at fair value through other comprehensive income equities (31 December 2018: CHF 1.7 million, out of which none classified as level 2).

d Assets and liabilities not measured at fair value

Investment securities not measured at fair value are all classified as amortised cost. For all other assets and liabilities not measured at fair value, the carrying amount is assessed to be a reasonable approximation of fair value.

Notes to the condensed consolidated interim financial statements

17 Impact of the adoption of IFRS 16 "Leases"

a Selected accounting policies adopted with IFRS 16

From 1 January 2019, the Group has applied the accounting policies set by IFRS 16 for all leases.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured as the lease liability adjusted for any initial direct cost incurred by the lessee. This right-of-use asset is subsequently depreciated using the straightline method over lease term.

The lease liability is initially measured based on present value of future lease payments using implicit lease rate or incremental borrowing rate (IBR) where not available. The lease liability is subsequently measured at amortised cost using the effective interest rate method.Where leases include extension or termination options the Group assesses the likelihood of such options to be exercised. Only options that are reasonably certain to be exercised are taken into account for the lease calculations.

In the statement of financial position, the Group presents the lease liability within "other liabilities" and the right-of-use asset within "property, plant & equipment".

The Group has elected not to recognise right-of-use asset and lease liability for short-term leases and/or low-value assets (e.g. IT equipment when appropriate). The lease payments associated with those are recognised as an expense on a straight-line basis over lease term (total impact of exemptions applied during the period under review was less than CHF 0.2 million and was recorded in "operating expenses"). The Group also identifies non-lease components of the various contracts and accounts for them distinctly (e.g. utility charges and other shared services).

b Impacts on transition

As of 1 January 2019, the Group has only entered into lease agreements as a lessee.

Upon initial adoption, total assets and total liabilities increased by CHF 9.2 million with no impact on opening retained earnings due to the various practical expedients taken on transition.

c Impacts for the period under review

In the consolidated income statement, the interest expense on the lease liability (less than CHF 0.1 million) is presented separately from the depreciation charge (CHF 0.9 million) on the right-of-use asset. This increase in depreciation and amortisation is offset by a decrease in other operating expenses (where lease costs were previously booked under former IAS 17).

The following table reconciles the operating lease commitments applying IAS 17 as at 31 December 2018 and the opening lease liability recognised as at 1 January 2019 in the statement of financial position:

in CHF	
Total undiscounted operating lease commitments as of 31 December 2018	10,151,192
Other items	(721,730)
Total undiscounted lease payments	**9,429,461**
Discounted at average IBR of 0.85%	(260,300)
Lease liabilities recognised as at 1 January 2019	**9,169,162**
Lease liabilities recognised as at 30 June 2019	**13,747,293**

Other items may comprise of short-term leases, low value leases or options reasonably certain to be exercised.

The increase in lease liabilities between 1 January and 30 June 2019 is related to the integration of Internaxx Bank SA in the scope of consolidation.

Notes to the condensed consolidated interim financial statements

18 Regulatory capital (unaudited)

in CHF	30 June 2019	30 June 2018	31 December 2018
Total equity	356,890,931	325,739,711	352,220,535
General adjustments (mainly intangible assets)	(49,744,115)	(42,003,845)	(41,810,613)
Total common equity tier 1 capital (CET1 capital)	**307,146,816**	**283,735,866**	**310,409,922**
Total tier 2 capital (T2)	80,651	275,263	56,967
Total eligible capital	**307,227,467**	**284,011,129**	**310,466,889**
Total risk-weighted assets	1,373,231,011	1,031,931,866	1,069,820,269

	30 June 2019	30 June 2018	31 December 2018
CET1 capital ratio	22.4%	27.5%	29.0%
Total capital ratio	**22.4%**	**27.5%**	**29.0%**

The increase in risk-weighted assets from December 2018 to June 2019 is primarily linked with the integration of Internaxx Bank SA in the scope of consolidation.

Report on the Review

of condensed consolidated interim financial statements to the Board of Directors of Swissquote Group Holding Ltd
Gland

Introduction

We have reviewed the condensed consolidated interim financial statements (statement of financial positions, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes) of Swissquote Group Holding Ltd for the six months period ended 30 June 2019 set out on pages 3 to 25. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim consolidated financial statements 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 condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers SA

Beresford Caloia   Nicolas Journot

Lausanne, 5 August 2019

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

1 Introduction

FINMA circular 2016/1 "Disclosure – banks" requires to disclose qualitative and quantitative information about interest rate risk in the banking book (IRRBB disclosure). The Basel Committee on Banking Supervision (BCBS) defines the concept of banking book by opposition to the concept of trading book. The trading book comprises of any instrument that is available for sale and regularly traded for arbitrage profit and/or profiting from short term movements (e.g. Trading assets). Any instrument (on- and off- balance sheet position), which is not held for the purposes of the trading book, must be assigned to the banking book.

2 Frequency of the disclosure

The Group decided to forego with first time IRRBB disclosure as of 31 December 2018 as permitted by the circular and has instead to publish it as of 30 June 2019. The next publications will be done yearly within the Annual Report as of year-end.

3 Qualitative information

Definition of interest rate risk in the banking book

Interest rate risk in the banking book is defined as the potential loss in the net interest income (NII) or in the economic value of equity (EVE) arising from the effect of adverse interest rate changes.

Interest rate risk characteristics are inherent to the Group's business model and derive mainly from the balance sheet structure. On the liabilities side, the vast majority of the funding consists in at sight clients' deposits from whose interest rate conditions are revised regularly (when appropriate). Regarding the assets side, interest rate risk profile is more diverse with allocation including at sight deposits, treasury bills, interbank deposits, loans, derivatives financial instruments (FX swaps) and investment securities.

Strategy, processes and organisation

The Board of Directors defines the interest rate risk appetite of the Group. The principles for managing risk are approved by the Board of Directors and are incorporated in the Group risk management policies. The Group risk management policies define the organisational structure, responsibilities, limits and maximum acceptable risk with the objective to optimise the net interest income on a long term horizon. The Executive Management is responsible for supervising and implementing the risk profile and recommending risk limits to the Board of Directors.

The interest rate risk management is centralised within the ALM & Treasury Department, which reports directly to the Chief Investment Officer. The activities of the ALM & Treasury Department are monitored daily by the Controlling & Risk Department by using various types of risk metrics (e.g. stress tests). The Controlling & Risk Department reports to the Chief Risk Officer.

On a quarterly basis, the Executive Management issues a Risk Report to the Audit & Risk Committee and the Board of Directors that includes the interest rate risk situation. This Risk Report presents inter alia the results of the stress tests with significant shifts in interest rate curves, the level of use of the risk limits and the distribution of relevant positions per currency and per maturity.

As of 30 June 2019, interest rate risk relating to the activities of Internaxx Bank SA is managed independently by its Management under the supervision of the Group.

Risk measurement

Risk measurement mechanisms regarding the interest rate risk modelling are aligned with the business model of the Group and in particular its short term resettable financing structure. Therefore, the risk measurement is focused on stress testing the banking book to ensure its adequacy with the risk appetite of the Group. From an interest rate risk monitoring and liquidity perspective, sight deposits are considered as partially stable deposits (behavioural assumptions). Nevertheless, in the prevailing interest rate environment, the investment strategy of the Group remains short term oriented without the need to hedge the risk of interest rate risk.

In addition to the daily monitoring of the net interest income, the Controlling & Risk Department performs month-end and quarter-end stress tests to monitor the net interest income (NII) and the economic value of equity (EVE). These stress tests are measured for each currency using the own base scenario (100 basis point change in interests) and the six standardised interest rate shock scenarios prescribed by the FINMA (Circular 2019/2 "Interest rate risk – banks). For each standardised scenario, FINMA defines the amount in basis points of interest rate shock per currency (CHF, USD, EUR, etc) and per maturity bucket (from overnight up to more than 20 years).

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

4 FINMA prescribed scenarios

The six standard scenarios prescribed by FINMA can be summarised and illustrated as follows:

Standard scenario	Amount of interest rate shock for CHF currency (illustrative)
Parallel shift up	+150 basis points
Parallel shift down	- 150 basis points
Steepener shock (short term rates down and long term rates up)	From -97 basis point up to +90 basis points depending on maturity bucket
Flattener shock (short term rates up and long term rates down)	From +120 basis points down to -60 basis points depending on maturity bucket
Rise in short term interest rates	From +150 basis points down to 0 basis points depending on maturity bucket
Fall in short term interest rates	From -150 basis points down to 0 basis points depending on maturity bucket

To measure its ability to withstand extreme changes in interest rates, the Group also may conduct ad hoc stress tests response to market conditions.

The details of the various standardised scenarios are provided in the circular.

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

5 Quantitative information

Structure of positions and maturity repricing as of 30 June 2019 (IRRBBA1 table)

	Volume (in CHF million)			Average interest rate reset period (in years)	
	Total	of which CHF	of which other significant currencies[1]	Total	of which CHF
Positions with a defined interest rate reset date					
Due from banks	679	215	358	0.29	0.23
Due from customers	15	15	–	1.70	1.70
Financial investments	627	391	235	0.75	0.75
Receivables from interest-rate derivatives[2]	2,499	109	2,060	0.03	0.01
Amounts due in respect of client deposits	(13)	–	(12)	–	0.06
Payables to interest-rate derivatives[3]	(2,528)	(2,298)	(145)	0.03	0.04
Positions with an undefined interest rate reset date					
Due from banks	541	317	129	0.08	0.08
Due from customers	295	117	162	0.08	0.08
Payables on demand from personal accounts and current accounts	(5,479)	(2,461)	(2,672)	–	–
Other payables on demand	(162)	(34)	(114)	–	–
Payables arising from client deposits, terminable but not transferable (savings)	(268)	(161)	(100)	0.08	0.08
Total	**(3,794)**	**(3,791)**	**(98)**	**–**	**–**

[1] Significant currencies are those that make up more than 10% of assets or liabilities of total assets (ie USD and EUR)

[2] FX swap positions having two legs, they are recorded both under receivables from interest-rate derivatives and payables to interest-rate derivatives (off-balance sheet items).

Regarding positions with no set repricing maturity, average repricing maturity have been calculated taken into account assumptions defined.

The IRRBBA1 Table follows FINMA prescriptions and therefore cannot always directly be linked to IFRS classification. Additional reconciliation information has been provided on a voluntary basis in order to assist in interpreting the mandatory disclosure numbers.

in CHF million	Assets	Liabilities	Total
Reconciliation with the consolidated balance sheet			
Positions included in Table IRRBBA1	4,655	(8,449)	(3,794)
Out of scope of IRRBB disclosure (e.g. Cash and balances with central bank)	4,212	(110)	4,102
Adjustments for derivative financial instruments (incl. notional amount)	(2,415)	2,464	49
Total assets and liabilities	**6,452**	**(6,095)**	

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

Information on the economic value of equity and net interest income (IRRBB1 table)

The Group is required to disclosed the measured change in economic value of equity (EVE) and changes in net interest income (NII) under the standard interest rate scenarios prescribed by FINMA. The change in net interest income (pre-tax) is disclosed as the difference in future interest income over a rolling 12-month period.

	30.06.2019 (first time disclosure)	
in CHF million	ΔEVE (changes in the net present value)	ΔNII (changes in the discounted earnings value)
Parallel shift up	7.6	18.4
Parallel shift down	(7.7)	(9.4)
Steepener shock	(3.1)	–
Flattener shock	4.5	–
Rise in short-term interest rates	6.6	–
Fall in short-term interest rates	(6.6)	–
Maximum	(7.7)	18.4
Total eligible capital	307.2	

The information disclosed in Table IRRBB1 differs from the Note H3b provided on page 74 of the Annual Report 2018, as not only the methodology to calculate exposure values (incl. scope of exposure values) is different, but also the amount in basis points of interest rate shock is different.

Change in economic value of equity (EVE)

Change in economic value of equity has been computed with the assumptions of a run off balance sheet, where existing banking book positions amortise and are not replaced by any new business. Floating rate instruments are only impacted for the period until the next interest rate reset date whereas for the fixed rate instruments the entire maturity is impacted. The impact on each position is calculated stressing the effective interest rate. In accordance with FINMA circular 2019/2, high quality liquid assets (HQLA) have not been taken into account (e.g. debt securities issued by sovereigns with a AAA credit rating).

Change in net interest income (NII)

Change in net interest income is computed assuming a constant balance sheet, where maturing and repricing cash flows are replaced by new cash flows with identical features. The stress test is based on all cash flows from fixed and floating rate instruments as well as assets and liabilities at sight. The impact is measured for one-year period. Floating-rate instruments are impacted after interest rate reset date while fixed interest rate instruments are impacted for the remaining time after the expiration up to one year. At sight assets and liabilities are impacted for the duration of one year. The assumptions reflect the expected behaviour of counterparties to modify or to cap the interest rate conditions (asset side) as well as the Group's optionalities to update its commercial policy with respect to negative interests charged to customers (liability side) without affecting substantially other revenue categories. Parallel shift up scenario may as well differ according to commercial policy and competition.

Swissquote offices

Switzerland

Swissquote Group Holding Ltd
Swissquote Bank Ltd
Chemin de la Crétaux 33
Case postale 319
CH-1196 Gland

Telephone: +41 22 999 94 11
Fax: +41 22 999 94 12
www.swissquote.ch

Branches and other offices
Löwenstrasse 62
Postfach 2017
CH-8021 Zurich

Schauplatzgasse 9
CH-3011 Bern

Telephone: 0848 25 88 88
Fax: +41 44 825 88 89
Tel. from abroad: +41 44 825 88 88
www.swissquote.com

Asia

Swissquote Asia Ltd
Suites 3202–04, Level 32/F
ICBC Tower, 3 Garden Road
Central, Hong Kong

Telephone: +852 3902 0000
Fax: +852 3902 0099
www.swissquoteasia.com

Swissquote Pte. Ltd
One Raffles Quay #25-08/10
North Tower Singapore
Singapore 048583

Telephone: +65 6622 5688

Middle East

Swissquote MEA Ltd
Al Fattan Currency House
Level 9, Office 903
Tower 2, DIFC
P.O. Box 121364
Dubai, United Arab Emirates

Telephone: +971 4 450 1777
Fax: +971 4 450 1771
www.swissquote.ae

Europe

Swissquote Ltd
Boston House, 63–64 New Broad Street
EC2M 1JJ London
United Kingdom

Telephone: +44 20 7186 2600
Fax: +44 20 7186 2601
www.swissquote.eu

Swissquote Financial Services (Malta) Ltd
Palazzo Spinola
46 St. Christopher's Street
Valletta, Malta
Malta

Telephone: +356 222 65 100
www.swissquote.mt

Internaxx Bank SA
2 Rue Edward Steichen
2958 Luxembourg
Luxembourg

Telephone: +352 26 03 20 03
www.internaxx.com

www.swissquote.com

Geneva – Zurich – Bern – London – Dubai – Malta – Hong Kong – Luxembourg – Singapore