

Financial Report

Condensed consolidated
Interim Financial Statements
First Half Year 2020

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Condensed consolidated interim statement of financial position

	Notes	30 June		31 December
		2020	2019	2019
in CHF				
Assets				
Cash and balances with central bank		2,925,236,930	3,892,363,946	2,871,118,650
Treasury bills and other eligible bills		716,452,528	411,919,781	439,206,719
Due from banks		2,165,541,463	1,219,493,035	2,159,429,953
Derivative financial instruments		65,080,915	84,244,289	97,759,018
Trading assets		6,840,544	3,932,304	5,949,451
Loans		416,607,386	309,379,917	338,672,203
Investment securities		494,067,333	307,733,837	334,936,276
Deferred income tax assets		2,987,175	3,412,574	3,466,758
Intangible assets		45,525,199	45,947,206	45,727,825
Information technology systems	12	59,728,413	51,804,716	55,690,924
Property, plant and equipment	13	70,590,833	72,347,411	70,455,998
Other assets		60,242,027	49,711,312	50,294,283
Total assets		7,028,900,746	6,452,290,328	6,472,708,058
Liabilities and equity				
Liabilities				
Deposits from banks		300,973,857	175,903,534	129,920,394
Derivative financial instruments		44,466,416	63,911,770	58,940,824
Due to customers		6,167,462,166	5,765,982,688	5,813,524,509
Other liabilities		90,435,896	83,614,028	86,124,178
Current income tax liabilities		5,726,561	1,748,673	2,913,765
Deferred tax liabilities		1,082,033	943,624	937,160
Provisions		7,342,192	3,295,080	5,589,838
Total liabilities		6,617,489,121	6,095,399,397	6,097,950,668
Equity				
Ordinary shares		3,065,634	3,065,634	3,065,634
Share premium		53,211,793	52,115,761	52,399,616
Share option reserve		2,302,629	1,784,985	2,134,630
Other reserve		(14,893,650)	(8,736,174)	(13,668,548)
Treasury shares		(17,848,498)	(18,040,392)	(18,787,665)
Retained earnings		385,573,717	326,701,117	349,613,723
Total equity		411,411,625	356,890,931	374,757,390
Total liabilities and equity		7,028,900,746	6,452,290,328	6,472,708,058

Condensed consolidated interim income statement

	Notes	6 months ended 30 June	
		2020	2019
in CHF			
Fee and commission income		92,135,195	49,952,966
Fee and commission expense		(8,755,777)	(4,312,442)
Net fee and commission income	6	83,379,418	45,640,524
Interest income		13,924,190	10,493,889
Interest expense (incl. negative interests on assets)		(11,112,510)	(15,514,849)
Other interest income		12,126,963	21,371,330
Other interest expense		(296,533)	(252,375)
Net interest income	7	14,642,110	16,097,995
Net trading income	8	86,487,489	50,916,457
Operating income		184,509,017	112,654,976
Credit loss expense	11	(23,787,486)	(409,370)
Operating expenses	9	(102,283,198)	(87,144,935)
Operating profit		58,438,333	25,100,671
Income tax expense		(8,051,773)	(3,052,491)
Net profit		50,386,560	22,048,180
Share information			
Earnings per share	10	3.38	1.48
Diluted earnings per share	10	3.35	1.48
Weighted average number of shares	10	14,890,143	14,870,735

Condensed consolidated interim statement of comprehensive income

	Notes	6 months ended 30 June	
		2020	2019
in CHF			
Net profit		50,386,560	22,048,180
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)		(76,685)	54,498
Net realised gains/(losses) reclassified to the income statement from equity		(74,533)	40,458
Income tax effect		97,488	(13,294)
Currency translation differences		(1,515,305)	(733,411)
Total other comprehensive income/(loss) that may be reclassified to the income statement		(1,569,035)	(651,749)
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)		560,994	3,700
Income tax effect		(77,417)	(518)
Defined benefit obligation:			
Remeasurement	4	(162,000)	(1,861,000)
Income tax effect		22,356	260,540
Total other comprehensive income/(loss) that will not be reclassified to the income statement		343,933	(1,597,278)
Other comprehensive income for the period (net of tax)		(1,225,102)	(2,249,027)
Total comprehensive income for the period		49,161,458	19,799,153

Condensed consolidated interim statement of changes in equity

	Notes	Ordinary shares	Share premium	Share option reserve	Other reserve	Treasury shares	Retained earnings	Total
in CHF								
Balance as at 1 January 2020		3,065,634	52,399,616	2,134,630	(13,668,548)	(18,787,665)	349,613,723	374,757,390
Net profit of the period		–	–	–	–	–	50,386,560	50,386,560
Investment securities FVOCI & FVOCI equities		–	–	–	409,776	–	–	409,776
Remeasurement of defined benefit obligation	4	–	–	–	(162,000)	–	–	(162,000)
Income tax effect (aggregated)		–	–	–	42,427	–	–	42,427
Currency translation differences		–	–	–	(1,515,305)	–	–	(1,515,305)
Total comprehensive income for the period		3,065,634	52,399,616	2,134,630	(14,893,650)	(18,787,665)	400,000,283	423,918,848
Dividend		–	–	–	–	–	(14,899,013)	(14,899,013)
Employee stock option plan:								
Amortisation of services		–	–	640,446	–	–	–	640,446
Stock options exercised, lapsed or forfeited		–	–	(472,447)	–	–	472,447	–
Treasury shares:								
Purchase		–	–	–	–	(1,481,006)	–	(1,481,006)
Sale/remittance		–	812,177	–	–	2,420,173	–	3,232,350
Balance as at 30 June 2020		3,065,634	53,211,793	2,302,629	(14,893,650)	(17,848,498)	385,573,717	411,411,625
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		–	–	–	(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		–	–	–	–	–	(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

Condensed consolidated interim statement of cash flows

	Notes	6 months ended 30 June	
		2020	2019
in CHF			
Cash flow from/(used in) operating activities:			
Fee and commission received		94,138,868	51,940,188
Fee and commission paid		(8,470,087)	(4,753,599)
Interest received		24,898,006	26,047,449
Interest paid		(11,807,117)	(13,497,031)
Net trading income received		84,815,386	49,986,310
Income tax paid/reimbursed		(4,776,421)	(6,046,166)
Payments to employees		(47,128,997)	(44,228,977)
Payments to suppliers		(40,641,107)	(31,983,754)
Cash flow from operating profit before changes in operating assets and liabilities		91,028,531	27,464,420
Net change in operating assets and liabilities:			
Treasury bills and other eligible bills (above 3 months)		(217,753,710)	58,060,245
Due from banks (above 3 months)		42,404,401	(101,629,966)
Derivative financial instruments (assets)		32,678,103	(26,774,439)
Trading assets		(1,069,059)	–
Loans		(101,300,643)	(14,135,380)
Derivative financial instruments (liabilities)		(14,474,408)	28,159,569
Due to customers		359,509,228	515,959,083
Net cash from operating activities		191,022,443	487,103,532
Cash flow from/(used in) investing activities:			
Purchase of property, plant and equipment and information technology systems	12/13	(16,844,868)	(11,304,743)
Proceeds from sale and reimbursement of investment securities		53,958,998	56,461,969
Purchase of investment securities		(217,933,670)	(45,104,548)
Purchase of subsidiary, net of cash acquired		–	273,394,646
Net cash from/(used in) investing activities		(180,819,540)	273,447,324
Cash flow from/(used in) financing activities:			
Repayment of lease liabilities		(1,355,167)	(745,983)
Purchase of treasury shares		(1,481,006)	(2,047,561)
Sale/remittance of treasury shares		3,101,298	1,061,286
Dividend and reimbursement from reserves		(14,899,013)	(14,859,653)
Net cash used in financing activities		(14,633,888)	(16,591,911)
Net increase/(decrease) in cash and cash equivalents		(4,430,985)	743,958,945
Cash and cash equivalents as at 1 January		4,695,284,043	4,144,081,857
Exchange difference on cash and cash equivalents		(4,627,484)	(3,782,041)
Cash and cash equivalents as at 30 June¹		4,686,225,574	4,884,258,761
Cash and cash equivalents:			
Cash and balances with central bank		2,925,236,930	3,892,363,946
Treasury bills and other eligible bills (less than 3 months)		281,079,614	263,480,745
Due from banks (less than 3 months)		1,780,882,887	904,317,604
Deposits from banks		(300,973,857)	(175,903,534)
Total as at 30 June		4,686,225,574	4,884,258,761

¹ CHF 339.5 million and 438.6 million of cash and cash equivalents were restricted as at 30 June 2020 and 30 June 2019, 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), People's Republic of China (Hong Kong) and Singapore (Singapore) 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. Its European Union-based bank, Swissquote Bank Europe SA (previously styled as Internaxx SA), provides self-directed investment brokerage services to international and expatriate investors.

At the Annual General Meeting held on 5 May 2020, the shareholders resolved on the payment of dividend of CHF 1.00 per share (10 May 2019: dividend of CHF 1.00 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 2019 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.

Reportable segments (Note 5): IFRS 8 requires to disclose information that is used by the chief operating decision-maker (CODM) to evaluate segment results and allocate resources. The Group has updated its segmental disclosures effective 1 January 2020 in order to more closely align them with the key performance measures reviewed by the CODM and the developments in management reporting. Following these changes, the Group only reports total operating income for each reportable segment and no longer discloses segmental net profit, nor a segmental statement of financial position. The Group manages financial risks and business activities on a group-wide portfolio basis and a large portion of costs are incurred centrally. These costs are not allocated to individual reportable segments for decision-making purposes and accordingly these costs have not been allocated to reportable segments. Comparative information was changed as required by IFRS 8.

3 Adoption of new and revised international financial reporting standards

a Standards, amendments and interpretations effective on or after 1 January 2020

There are no IFRS or IFRIC interpretations, effective for the first time for the financial year beginning 1 January 2020, with a material impact on the Group.

b Standards and interpretations issued but not yet effective

The Group did not early adopt new or amended standards in 2020.

Notes to the condensed consolidated interim financial statements

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 2019 (Section V: Critical accounting judgement and sources of estimation uncertainty, pages 37-38).

However, it is worthwhile acknowledging that the COVID-19 pandemic gives a greater degree of uncertainty that may exist when making judgements and estimates for the preparation of these interim financial statements.

Overall, the impact of the COVID-19 pandemic resulted in a significant increase in trading volumes that benefited the Group with recording operating income and profitability ahead of its forecasts.

As at 30 June 2020, the Group believes the assumptions that have been made are appropriate under the circumstances and that these interim financial statements are fairly presented in all aspects.

Key assumptions are described below (to be read in conjunction with the Section V of the 2019 consolidated financial statements):

Impairment test in respect of goodwill: No change in circumstances was noted that might have triggered quantitative impairment assessment as the COVID-19 pandemic had rather positively impacted the expected cash flows (in particular because of customers' growth).

Employee benefits: The impact of the negative performance of the plan assets on the pension plan liability (CHF 0.9 million) was mitigated by the resulting impact of the increase of the discount rate used in the determination of the net defined benefit obligation from 0.35% to 0.40% (- CHF 0.7 million). Overall, the updated actuarial analysis led to an increase of the pension plan liability by CHF 1.1 million (gross of tax) up to a total amount of CHF 19.4 million (31.12.2019: CHF 18.3 million) when taking into account service cost and other costs recognised in profit or loss.

Measurement of the expected credit loss and impairment allowance: Reference is made to Note 11.

Notes to the condensed consolidated interim financial statements

5 Reportable segments

The analysis of reportable segments for the 6 month-period ending 30 June 2020 and 2019 is as follows :

	6 months ended 30 June	
	2020	2019
in CHF		
Operating income by geography		
Securities trading		
Switzerland	112,709,010	66,491,404
Europe	8,460,581	3,990,709
Middle East	3,272,525	2,718,386
Others	36,083	–
Subtotal securities trading	124,478,199	73,200,499
Leveraged forex		
Switzerland	49,714,049	28,142,013
Europe	1,648,533	1,391,072
Middle East	5,302,913	6,894,071
Others	3,365,324	3,027,321
Subtotal leveraged forex	60,030,818	39,454,477
Total operating income	184,509,017	112,654,976

The geographical split reflects the location of the office that manages the client relationship.

	6 months ended 30 June	
	2020	2019
in CHF		
Operating income by product		
Securities trading		
Cash and foreign exchange	41,186,289	27,450,796
Shares, ETFs, structured products and investment funds	65,598,192	28,990,565
Crypto assets	4,845,177	3,175,687
Others	12,848,541	13,583,451
Subtotal securities trading	124,478,199	73,200,499
Leveraged forex		
Foreign exchange	34,606,936	25,670,952
Contracts-for-difference	17,079,332	8,180,214
Precious metals	8,344,550	5,603,311
Subtotal leveraged forex	60,030,818	39,454,477
Total operating income	184,509,017	112,654,976

As at 30 June 2020: the Group does not have any client representing more than 10% of its operating income.

Notes to the condensed consolidated interim financial statements

6 Net fee and commission income

	6 months ended 30 June	
	2020	2019
in CHF		
Brokerage and related income	75,595,841	35,596,997
Custody fees	7,209,840	6,259,714
Other commission income	5,833,011	6,239,279
Advertising and subscription fees	3,496,503	1,856,976
Total fee and commission income	92,135,195	49,952,966
Fee and commission expenses	(8,755,777)	(4,312,442)
Total net fee and commission income	83,379,418	45,640,524

The increase in net fee and commission income was driven by higher brokerage activity, reflecting the effects of the COVID-19 pandemic on financial markets and of strong customer growth identified during the period under review.

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 7.2 million (2019: CHF 5.8 million) and advertising and subscription fees of CHF 3.5 million (2019: 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

	Activities excluding FX swaps	FX swaps	6 months ended 30 June	
			2020	2019
in CHF				
Interest income				
Investment securities	2,750,250	–	2,750,250	2,005,086
Loans and due to customers	6,673,001	–	6,673,001	5,211,677
Due from banks	3,864,930	–	3,864,930	2,578,979
Others	636,009	–	636,009	698,147
Total interest income	13,924,190	–	13,924,190	10,493,889
Interest expense				
Cash and balances with central bank, treasury bills and loans	(2,066,677)	(6,571,231)	(8,637,908)	(11,973,775)
Due to banks and due from banks (incl. stock exchanges)	(1,662,153)	–	(1,662,153)	(1,342,666)
Due to customers and others	(812,449)	–	(812,449)	(2,198,408)
Total interest expense	(4,541,279)	(6,571,231)	(11,112,510)	(15,514,849)
Other interest income				
Derivative financial instruments	–	12,126,963	12,126,963	21,371,330
Total other interest income	–	12,126,963	12,126,963	21,371,330
Other interest expense				
Derivative financial instruments	–	(296,533)	(296,533)	(252,375)
Total other interest expense	–	(296,533)	(296,533)	(252,375)
Total net interest income	4,757,204	9,884,906	14,642,110	16,097,995

As at 30 June 2020, negative interest expense impact is as follows:

	6 months ended 30 June	
	2020	2019
in CHF		
Negative interest on liabilities	1,429,390	498,227
Negative interest on assets	(9,920,176)	(13,166,489)
Total	(8,490,786)	(12,668,262)
Cost of negative interest rates (excluding FX swaps)	(1,919,555)	(5,053,775)

The decrease of the cost of negative interest rates is mainly explained by the increase of exempted amount of cash and balances with Swiss National Bank from CHF 0.8 billion as at 30 June 2019 to CHF 1.7 billion as at 30 June 2020.

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.

Notes to the condensed consolidated interim financial statements

8 Net trading income

	6 months ended 30 June	
	2020	2019
in CHF		
Foreign exchange revenues:		
From leveraged forex	60,030,818	39,454,477
From other foreign exchange income	26,598,917	11,352,801
Unrealised fair value gains/losses:		
From trading assets	(113,249)	14,679
From others	25,741	94,500
Realised gains/losses:		
From trading assets and investment securities	(54,738)	–
Net trading income	86,487,489	50,916,457

The increase in net trading income was primarily driven by higher foreign exchange revenues generated from leveraged forex reportable segment. This was fuelled by strong client acquisition, improved product offering and high levels of volatility due to the COVID-19 pandemic.

Disaggregation of revenues: out of the total balance of net trading income of CHF 86.5 million, CHF 60.0 million were allocated to the reportable segment designated as "Leveraged Forex (eForex)" (remaining balance of CHF 26.5 million: Securities trading). Net trading income is by nature recognised at a point in time.

9 Operating expenses

	6 months ended 30 June	
	2020	2019
in CHF		
Payroll and related expenses	50,070,512	40,712,956
Other operating expenses	22,329,312	19,416,115
Marketing expenses	10,936,883	10,765,298
Depreciation and amortisation	14,210,019	12,670,298
Provisions	4,736,472	3,580,268
Total	102,283,198	87,144,935

Payroll and related expenses comprise of an amount of CHF 9.5 million related to variable remuneration (2019: CHF 4.7 million).

Notes to the condensed consolidated interim financial statements

10 Earnings per share

Basic

	6 months ended 30 June	
	2020	2019
Weighted average number of ordinary shares in issue	14,890,143	14,870,735
Net profit (CHF)	50,386,560	22,048,180
Earnings per share (CHF)	3.38	1.48

Diluted

	6 months ended 30 June	
	2020	2019
Weighted average number of ordinary shares	14,890,143	14,870,735
Adjustments for share options	136,804	62,682
Weighted average number of ordinary shares for diluted earnings per share options	15,026,947	14,933,417
Net profit (CHF)	50,386,560	22,048,180
Diluted earnings per share (CHF)	3.35	1.48

Notes to the condensed consolidated interim financial statements

11 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	
					2020	2019
Movements, gross of tax, that do reduce the carrying amount of financial assets:						
Impairment allowance under IFRS 9 as at 1 January 2020	1,805,722	–	30,682,417	32,488,139	–	–
Transfers from stage 1 to stage 3	–	–	23,478,396	23,478,396	(23,478,396)	–
Transfers from stage 1 to stage 2	(4,414)	95,109	–	90,695	(90,695)	(499,982)
Derecognitions and new purchases	348,370	–	–	348,370	(348,370)	(89,165)
Changes in assumptions (PD, EAD and LGD)	(193,634)	–	–	(193,634)	193,634	172,850
Other movements ¹	–	–	(353,188)	(353,188)	(63,748)	(35,118)
Impairment allowance under IFRS 9 as at 30 June 2020	1,956,044	95,109	53,807,625	55,858,778	–	–
Movements, gross of tax, that do not reduce the carrying amount of financial assets:						
Impairment allowance under IFRS 9 as at 1 January 2020	8,646	–	–	8,646	–	–
Derecognitions	(2,874)	–	–	(2,874)	2,874	35,019
Changes in assumptions (PD, EAD and LGD)	2,785	–	–	2,785	(2,785)	7,026
Total as at 30 June 2020	1,964,601	95,109	53,807,625	55,867,335	–	–
Total as at 1 January 2020	1,814,368	–	30,682,417	32,496,785	–	–
Credit loss expense					(23,787,486)	(409,370)

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.).

The effects of the COVID-19 pandemic on the global economy is rather uncertain and financial markets have witnessed turmoil and intense volatility. Volatile market conditions produced significant additional operating income to the Group. During the period under review, various market events also produced credit loss expense for an amount of CHF 23.8 million (2019: CHF 0.4 million).

Notes to the condensed consolidated interim financial statements

12 Information technology systems

	Software third-party licences	Proprietary software	Hardware & telecom systems	Total
in CHF				
6 months ended 30 June 2020				
Opening net book amount	4,322,484	48,122,835	3,245,605	55,690,924
Addition and others	398,917	12,336,847	2,328,688	15,064,452
Amortisation/depreciation	(631,281)	(9,311,230)	(1,084,452)	(11,026,963)
Closing net book amount	4,090,120	51,148,452	4,489,841	59,728,413
6 months ended 30 June 2019				
Opening net book amount	2,581,248	45,504,538	3,345,904	51,431,690
Addition and others	421,584	9,007,090	1,005,814	10,434,488
Addition through acquisition	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

Additions to information technology systems include an amount of CHF 7.0 million (2019: CHF 6.4 million) representing own costs capitalised in connection with the development of the systems of the Group.

13 Property, plant and equipment

	Land & building	Right-of-use assets	Leasehold improvements	Equipments	Total
in CHF					
6 months ended 30 June 2020					
Opening net book amount	54,563,119	12,608,213	1,722,545	1,562,121	70,455,998
Addition and others	1,289,639	1,448,864	350,204	140,573	3,229,280
Amortisation/depreciation	(1,130,605)	(1,601,525)	(238,982)	(123,333)	(3,094,445)
Closing net book amount as at 30 June 2020	54,722,153	12,455,552	1,833,767	1,579,361	70,590,833
6 months ended 30 June 2019					
Opening net book amount	56,669,024	–	1,163,156	1,202,387	59,034,567
Changes on initial application of IFRS 16	–	9,169,162	–	–	9,169,162
Adjusted opening net book amount	56,669,024	9,169,162	520,072	762,721	60,169,175
Addition and others	104,347	425,635	535,076	230,832	1,295,890
Addition through acquisition	–	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

Notes to the condensed consolidated interim financial statements

14 Fair value of assets and liabilities

The following table presents the hierarchy of assets and liabilities that are measured at fair value, as well as carrying value of assets and liabilities that are not measured at fair value.

	Level 1	Level 2	Level 3	Fair value	Carrying amount
in CHF					
As at 30 June 2020					
Assets measured at fair value					
Derivative financial instruments	28,527,417	36,553,498	–	65,080,915	65,080,915
Trading assets	6,840,544	–	–	6,840,544	6,840,544
Investment securities	14,666,102	11,358,107	–	26,024,209	26,024,209
Other assets (precious metals)	26,299,435	–	–	26,299,435	26,299,435
Total assets measured at fair value	76,333,498	47,911,605	–	124,245,103	124,245,103
Assets not measured at fair value					
Cash and balances with central bank					2,925,236,930
Treasury bills and other eligible bills					716,452,528
Due from banks					2,165,541,463
Loans					416,607,386
Investments securities	221,460,032	254,804,766	–	476,264,798	468,043,124
Deferred income tax assets					2,987,175
Intangible assets					45,525,199
Information technology systems					59,728,413
Property, plant and equipment					70,590,833
Other assets					33,942,592
Total assets not measured at fair value	221,460,032	254,804,766	–	476,264,798	6,904,655,643
Total assets	297,793,530	302,716,371	–	600,509,901	7,028,900,746
Liabilities measured at fair value					
Derivative financial instruments	7,248,571	37,217,845	–	44,466,416	44,466,416
Total liabilities measured at fair value	7,248,571	37,217,845	–	44,466,416	44,466,416
Liabilities not measured at fair value					
Deposits from banks					300,973,857
Due to customers					6,167,462,166
Other liabilities					90,435,896
Current income tax liabilities					5,726,561
Deferred tax liabilities					1,082,033
Provisions					7,342,192
Total liabilities not measured at fair value	–	–	–	–	6,573,022,705
Total liabilities	7,248,571	37,217,845	–	44,466,416	6,617,489,121

Notes to the condensed consolidated interim financial statements

14 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 2020: CHF 6.5 million, out of which CHF 1.0 million classified as level 2), financial assets at fair value through other comprehensive income (30 June 2020: CHF 10.4 million, all classified as level 2) and financial assets at fair value through other comprehensive income equities (30 June 2020: CHF 9.1 million, out of which none classified as level 2).

b Financial assets and liabilities not measured at fair value

Investment securities not measured at fair value comprise of investment securities classified as amortised cost. For all other financial 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

14 Fair value of assets and liabilities (continued)

	Level 1	Level 2	Level 3	Fair value	Carrying amount
in CHF					
As at 31 December 2019					
Assets measured at fair value					
Derivative financial instruments	42,244,517	55,514,501	–	97,759,018	97,759,018
Trading assets	5,949,451	–	–	5,949,451	5,949,451
Investment securities	5,685,593	19,677,018	–	25,362,611	25,362,611
Other assets (precious metals)	23,992,647	–	–	23,992,647	23,992,647
Total assets measured at fair value	77,872,208	75,191,519	–	153,063,727	153,063,727
Assets not measured at fair value					
Cash and balances with central banks					2,871,118,650
Treasury bills and other eligible bills					439,206,719
Due from banks					2,159,429,953
Loans					338,672,203
Investments securities	164,448,068	148,720,724	–	313,168,792	309,573,665
Deferred income tax assets					3,466,758
Intangible assets					45,727,825
Information technology systems					55,690,924
Property, plant and equipment					70,455,998
Other assets					26,301,636
Total assets not measured at fair value	164,448,068	148,720,724	–	313,168,792	6,319,644,331
Total assets	242,320,276	223,912,243	–	466,232,519	6,472,708,058
Liabilities measured at fair value					
Derivative financial instruments	5,577,709	53,363,115	–	58,940,824	58,940,824
Total liabilities measured at fair value	5,577,709	53,363,115	–	58,940,824	58,940,824
Liabilities not measured at fair value					
Deposits from banks					129,920,394
Due to customers					5,813,524,509
Other liabilities					86,124,178
Current income tax liabilities					2,913,765
Deferred tax liabilities					937,160
Provisions					5,589,838
Total liabilities not measured at fair value	–	–	–	–	6,039,009,844
Total liabilities	5,577,709	53,363,115	–	58,940,824	6,097,950,668

Notes to the condensed consolidated interim financial statements

14 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 2019: CHF 4.0 million, out of which none classified as level 2), financial assets at fair value through other comprehensive income (31 December 2019: CHF 19.7 million, out of which CHF 19.7 million classified as level 2) and financial assets at fair value through other comprehensive income equities (31 December 2019: CHF 1.7 million, out of which none classified as level 2).

d Financial assets and liabilities not measured at fair value

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



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 position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes) (pages 1 to 20) of Swissquote Group Holding Ltd for the period ended 30 June 2020. The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim 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

George Okroashvili

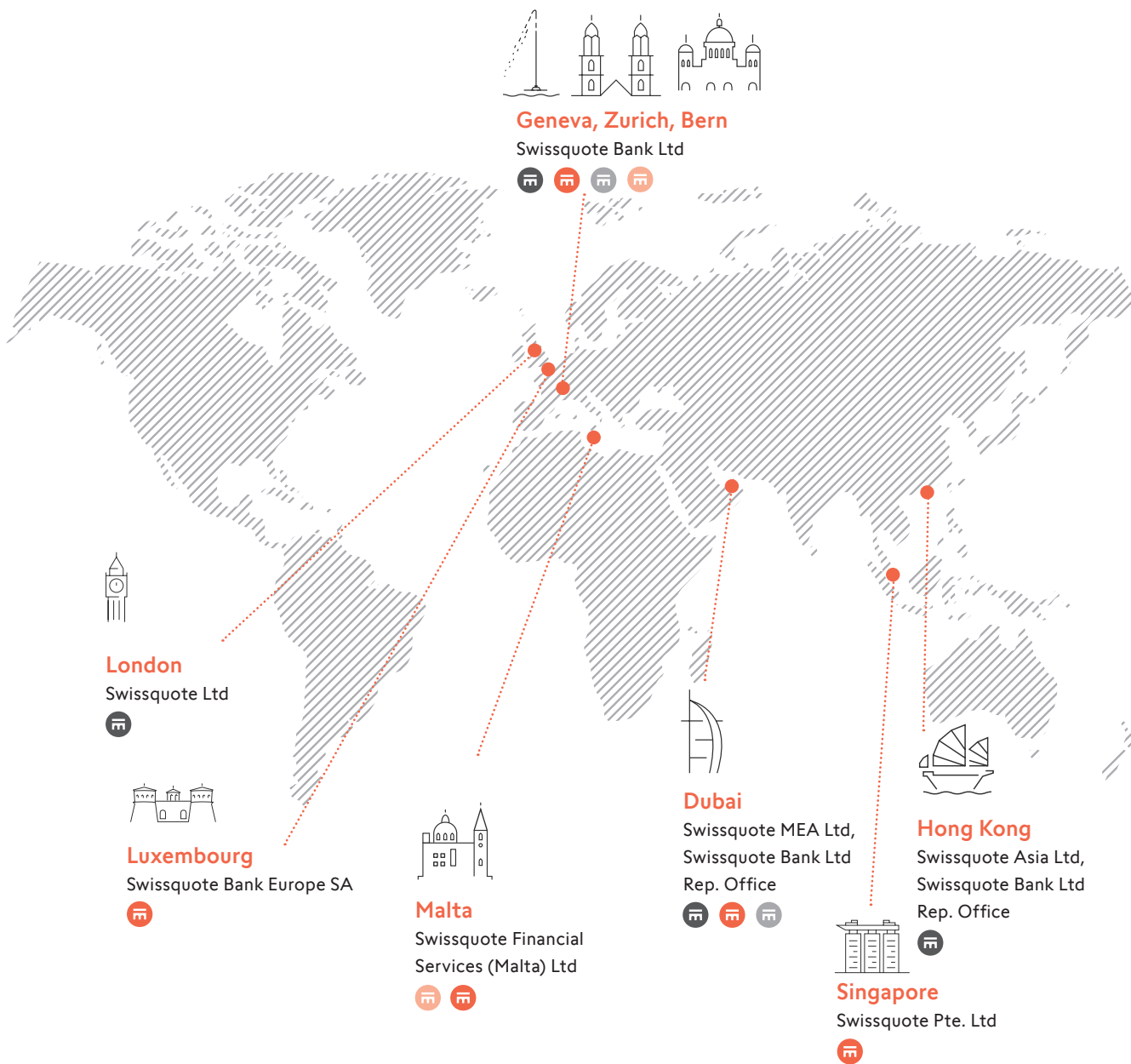
Lausanne, 6 August 2020





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