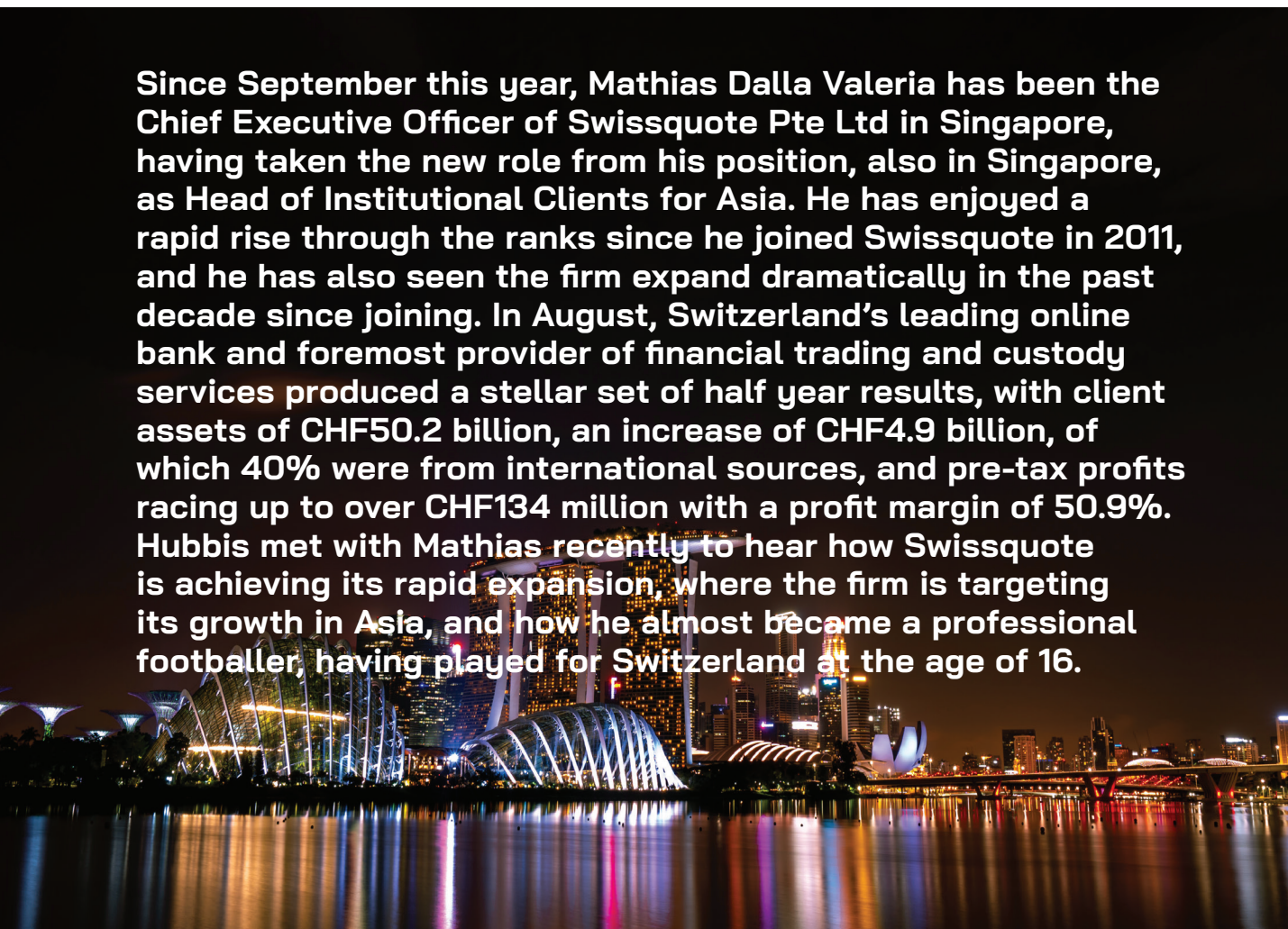


Swissquote's Singapore CEO on the Rapid Scaling up of the Digital Platform Proposition in Asia

Since September this year, Mathias Dalla Valeria has been the Chief Executive Officer of Swissquote Pte Ltd in Singapore, having taken the new role from his position, also in Singapore, as Head of Institutional Clients for Asia. He has enjoyed a rapid rise through the ranks since he joined Swissquote in 2011, and he has also seen the firm expand dramatically in the past decade since joining. In August, Switzerland's leading online bank and foremost provider of financial trading and custody services produced a stellar set of half year results, with client assets of CHF50.2 billion, an increase of CHF4.9 billion, of which 40% were from international sources, and pre-tax profits racing up to over CHF134 million with a profit margin of 50.9%. Hubbis met with Mathias recently to hear how Swissquote is achieving its rapid expansion where the firm is targeting its growth in Asia, and how he almost became a professional footballer, having played for Switzerland at the age of 16.



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Swissquote offers multi-asset and white-labelled trading platforms aimed at institutional partners such as Asset Managers, Banks, Family offices etc. Benefit from cutting-edge, online banking, market-leading rates and access to trade three million financial products in 65 countries. 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

the office is now an important booking centre, regulated under the highly respected Monetary Authority of Singapore rules. And the focus is very much in the institutional or the partnership space, whereby Swissquote is bringing its global custody and global multi-asset class trading platforms, first to key B2B and institutional partners in Singapore and Hong Kong, and then the wider region.

“For our EAM clients, they can work with us and avoid the typical route of working through a private bank’s EAM desk, but through Swissquote they can do it all seamlessly and digitally, all the trading, the mid- and back-office operations, and 24 hours a day as long as markets are open. They do not even need to contact us, although we are open to support them at any time, and globally.”

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.

Singapore – the hub for Asia

The Singapore hub obtained its CMS license in August 2019, and

Mathias explains that Singapore is the hub for Asia for the firm, with the Hong Kong office covering only leveraged forex. “Singapore is the centre for us to expand our business in this region, it is the booking centre, the custody hub and the strategic and operational heartbeat for this region,” he reports. “The opportunity that Asia represents is truly remarkable, so it was natural for me to move from Dubai to help drive this region forward. Our major clients in Europe are in this region, and we saw an incredible opportunity to expand in the independent wealth space, and for that Singapore and Hong Kong are both vital and very active hubs for EAMs and family offices of all types. We continue to focus on the B2B space, and we have built a clientele already

of over 40 external asset managers out here today.”

What it means to be a digital, execution-only bank

Swissquote is a Swiss listed bank that calls itself a digital bank, and he also clarifies what it means to be a digital bank. “It is driven by our chosen mode of communication and execution, with clients transacting and expediting their relationship with us via remote channels, including our range of web-based 24/7 platforms, offering a great UX, or maybe they prefer to use smartphone or tablet apps. But the key factor is that our clients globally, which number over 450,000 - individual, B2B or institutional - all deal with us via our remote channels.”

Importantly, he also notes that Swissquote does not give financial advice; the firm is execution-only. Nor does it manufacture product, so they have a fully aligned partnership model with the independent wealth managers and financial advisors in the region. “This means there is complete transparency,” Mathias says. “We have no conflict of interest. Our businesses are mutually aligned in that the usage of our platform is driven by our partners providing advisory services to their clients and executing these on our platforms.”

He adds that Swissquote is driven to deliver a highly client-centric proposition, through the customer’s preferred communication channel, with automation at every possible step, and a cost-effective total solution.”

Targeting the EAM ‘partners’

Mathias also elaborates on the uniqueness of the Swissquote



MATHIAS DALLA VALERIA
Swissquote

offering for the independent wealth management ‘partners’, explaining that the firm’s open architecture platform offers access to its over 3 million financial products and more than 70 global markets, and across an increasingly broad array of assets, from all the standard mainstream and traded assets to private assets and also to the rapidly expanding universe of digital assets, in which Switzerland and Swissquote are leading the way.

“Key target partners include family offices, EAMs or IAMs, general financial advisory firms, local securities brokerages, regional banks with a strong Asia footprint but limited global footprint, local Asian banks, or insurance companies,” Mathias reports. “Our partners work with us to achieve a more convenient and more efficient way of managing either their money or their clients’ money. Clients actually span all the way from proficient, self-directed investors to the largest client, which is another Swiss bank.”

Getting Personal with Mathias Dalla Valeria

Mathias joined Swissquote in 2011 and worked in various departments for the Swiss offices in Zurich and Gland. Early in 2014, he relocated to Dubai to help with Swissquote’s expansion Strategy in the Middle East & Asia. From 2014 until mid-2016 he helped to build and grow the b2c desk within the DIFC, Dubai office, then becoming responsible for developing the b2b desk to serve EAM’s, banks, family offices and other financial institutions, as well as helping the development and upgrade of Swissquote’s existing institutional platform services.

In August 2019, he relocated from Dubai to head up the b2b desk in Swissquote’s new office in Singapore, which acts as the regional booking centre and its business development hub for the Asia-Pacific region, with a focus on accredited investors and institutional clients such as external asset-managers, insurance firms, securities brokerages, family offices and local/regional banks and private banks.

Mathias hails from Zug in Switzerland, which is roughly between Zurich and Lucerne, and that has long been the famed technology and FinTech centre in the country, and which is now known as the Swiss Crypto Valley. “You can even pay your taxes with cryptos in Zug,” he reports. “It really is the epicentre of the rapidly growing Swiss crypto industry, which is supported and enabled by highly forward-thinking regulation there.”

His mother comes originally from Spain and his father from Argentina, and they both met in Switzerland. Instead of university, Mathias opted for one of the well-regarded three-year apprenticeships in Swiss banking. “This has been long established and is a great platform for people,” he reports. “You learn, you work and hopefully then you embark on an interesting career, which is luckily what I have managed to do, joining Swissquote when I was 21, as one of their very first employees, and then moving with them to Dubai when I was 24, since when I have never looked back.”

Mathias and his Lebanese wife met in Dubai, and they now have a young son soon to turn one year old. Spare time in Singapore is spent with the family and exercising, both before and after work.

He also very modestly admits to having played for the Swiss national under-16 football team when he was 16 years old and still plays whenever lockdowns and Covid restrictions permit. “I wanted to turn professional, but it was not to be,” he says. “Sundays are spent quietly in the Botanic Gardens; that is somewhat of a ritual for us with the baby. Weekends in the late evenings I might get to watch football from Europe, hopefully my favourite team of Barcelona.”

His wife spends much of her spare time helping with charities in Singapore, something they are both proud of. “She helps out with a few charities,” he says, “it is something that is really dear to her heart and that really helps in the local community here.”



Key priorities

Mathias reports that the first mission is to keep expanding awareness of the Swissquote brand and what the firm does and represents. That will translate to the mission of driving the client base in the region and boosting revenues. That in turn will result in a bigger team and infrastructure in Singapore and Asia. “In short, it is brand, then organically grow our clients and assets, and then expand the team, which we expect to scale up by 50% in the next year or so, and perhaps double the team to 22 or more within three years. We have more than doubled through the pandemic, and certainly believe we are on the right path.”

He draws the discussion towards a close by commenting on Swissquote’s role as a trendsetter in cryptocurrencies. In the impressive half year results released in August (see box), Swissquote reported that it continued to enlarge its cryptos offering for retail and institutional customers. Net crypto-assets income increased by 1,205.2 percent to CHF63.2 million. The first half of the year saw institutions further adopt crypto-assets and bitcoin at levels reaching all-time highs. With more than 20 cryptocurrencies and CHF1.9 billion in crypto-assets under custody, Swissquote reported it is the bank with the most comprehensive offering in Switzerland and in Europe.

In fact, the new Swiss Federal Act on the Adaptation of Federal Law to Developments in Distributed Electronic Register Technology (DLT Act) fully entered into force in Switzerland this year, increasing legal certainties and making Switzerland a pioneer country in the field of crypto-assets and blockchain technologies.

Mathias does however note that out of Singapore, the Swissquote platform cannot offer that service due to different regulations. In Switzerland, the crypto space is really regarded as an asset class, he explains, whereas in Singapore, the MAS looks at it under the Payment Service Act, so as a payment method, as a digital token to pay. “We have applied to be able to offer cryptos here, but we cannot as yet,” he says.

The global and local coverage model

In total, Swissquote has over 600 B2B partners across the globe using their range of online platforms and tools. Those same clients are managing accounts of anywhere from USD500,000 (private client)

to institutions running billions of dollars of client assets. “We can cater to clients from the small end, right up to those with multi hundreds or even billions of dollars of assets,” he reports. “And as to security, we are not simply an online brokerage; we are a fully licensed

and listed Swiss bank with a Tier 1 capital ratio of 24.3% that operates a world class online brokerage platform. In Asia, our primary target market is the EAM segment, which is increasingly diverse and dynamic, but we can work with a whole wide range of smaller and larger clients.”

Aside from the EAMs and IAMs, Swissquote has been having a lot of conversations in Asia with financial advisory firms, helping them move up the scale chain towards EAM

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status, and needing greater access to a deep investment universe, greater product capability, better functionality and efficiency, and seamless transactional capabilities.

Partners in alignment

Mathias offers further perspective on the reasons the EAMs like to work with Swissquote. “For our EAM clients, they can work with us and avoid the typical route of working through a private bank’s EAM desk, but through Swissquote they can do it all seamlessly and digitally, all the trading, the mid- and back-office operations, and 24 hours a day as long as markets are open. They do not even need to contact us, although we are open to support them at any time, and globally.”

And he says that Swissquote’s position as a bank is a vital element

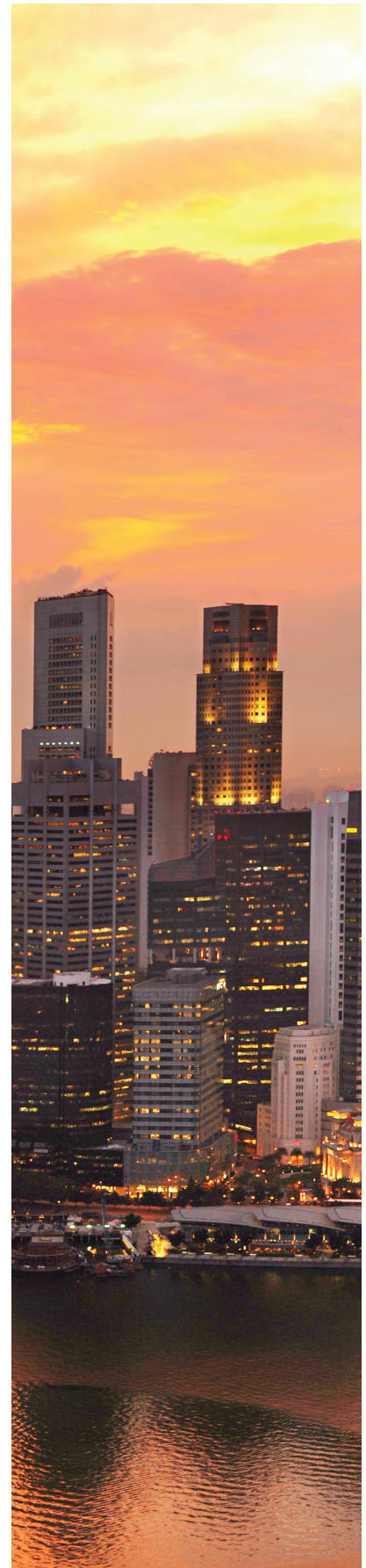
in the equation, as this provides the robust financial and balance sheet ratios to provide that total reassurance on their financial power and stability.

Key selling points aside from these attributes include state-of-the-art digitalisation, seamless and extremely broad market access, transparency, and cost-effective pricing. “The last two qualities go hand in hand,” he says. “We are totally transparent about costs,

there are no hidden fees, we are totally upfront with the clients. But of course, first and foremost, these EAMs come to us for our digital solutions and ease of partnership with them, and the remarkable market access we offer, without them needing to go through any desks, as they used to before. We now have a team of 11 in Singapore, so we can handle all the client queries and manage everything internally here, without recourse to the Switzerland HQ.”

Tending with the trends

As to key trends, Mathias explains that the EAM community increasingly likes to work digitally, thereby transitioning from the old-established ways of working through the private banks, which is these days viewed as increasingly cumbersome, as well as unnecessarily costly.



“And we offer the solutions they want, right from rapid onboarding, which we have managed to reduce to one or two weeks, which is far below the norm,” he reports. “This imposes a lot of pressure on us to maintain these timelines, but we have proven our capabilities of delivering on our promises, right from the onboarding, through the transactions, execution, processing and reporting. We are

able to constantly maintain the service levels, and that of course is helping attract more clients to us, as they continue their shift from the private banks to digital models, which is why we see so many new players, digital players coming into this market.”

His final word is that the next addition to the platform will be to facilitate the trading of the Chinese

onshore markets, as well as adding the domestic securities markets of leading countries in the region, such as Indonesia, Thailand and Malaysia. “The mission here is to expand our regional market access, which will provide our clients in the region, and globally, with even broader access. The momentum is certainly with us, and we are looking forward to dynamic expansion ahead.” ■

Swissquote's Record First Half 2021 Results the Platform to an Excellent Outlook

Following the very positive trend of the year 2020, Swissquote surpassed its initial forecasts in the first half of 2021. Overall, Swissquote recorded net revenues of CHF264.4 million and a pre-tax profit of CHF134.6 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 CHF4.9 billion. As of 30 June 2021, client assets reached a record level of CHF50.2 billion.

For the full year 2021, Swissquote is now targeting net revenues of CHF465 million (initially: CHF365 million) and a pre-tax profit of CHF210 million (initially the projection was CHF130 million). Revenues were up by two thirds to CHF266.4 million – an increase of 64 percent year on year. 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 CHF87.1 million.

The firm registered a new record high level of client assets. The net new money inflow hit a new record and came in at CHF4.9 billion, with more than 40 percent of this purely organic growth achieved with international customers. With the combination of positive markets, client assets grew by 26 percent to CHF50.2 billion from CHF39.8 billion. At the same time, the average deposit per customer continued to increase to CHF109,265, up more than 29 percent, confirming Swissquote's position as a partner of choice for mass affluent customers.

