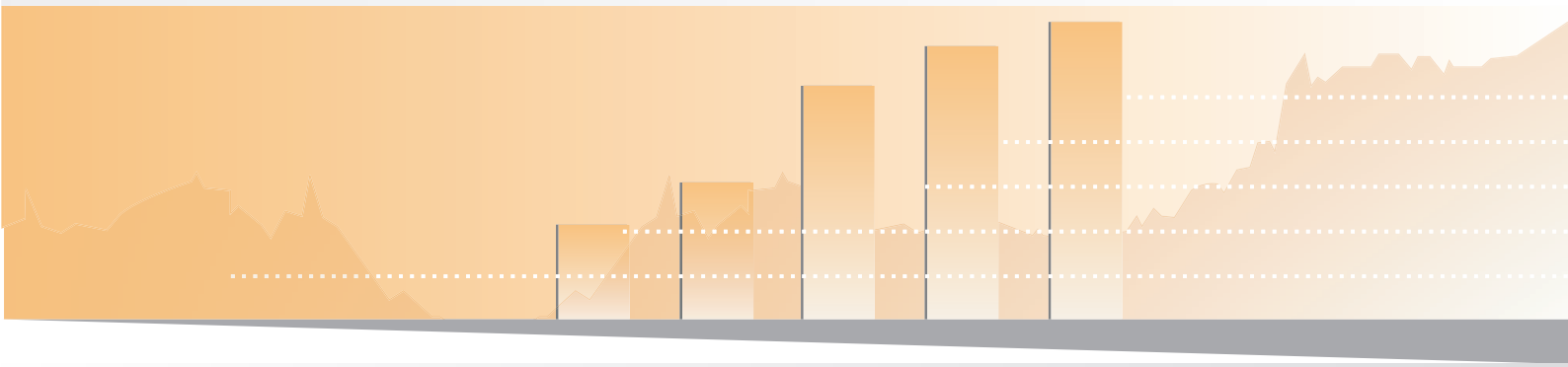




**Financial Report**  
**Q3-2010**



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITIONS

	Notes	30 September		31 December
		2010	2009	2009
<b>ASSETS</b>				
Cash and balances with central bank		16,055,764	761,552,972	238,968,193
Treasury bills and other eligible bills		934,012,530	-	599,997,000
Loans and advances to banks		476,231,778	591,291,692	506,866,109
Derivatives financial instruments		36,301,659	17,693,467	16,242,966
Trading assets		1,598,992	12,816,511	595,067
Loans and advances to customers		113,114,945	88,813,201	91,759,737
Investment securities	3	645,145,803	299,947,232	388,438,603
Intangible assets	4	3,229,705	-	-
Information technology systems	5	16,140,658	11,404,693	11,398,937
Property, plant and equipment	6	19,455,160	20,070,841	19,831,613
Other assets		24,205,441	10,445,283	11,351,231
<b>Total assets</b>		<b>2,285,492,435</b>	<b>1,814,035,892</b>	<b>1,885,449,456</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Deposits from banks		1,881,605	576,247	749,833
Derivatives financial instruments		32,265,805	16,305,240	16,005,733
Due to customers		2,046,048,584	1,607,541,981	1,674,796,545
Other liabilities		14,497,597	14,008,280	12,714,615
Current income tax liabilities		-	5,832,687	4,205,345
Provisions		1,260,093	2,867,565	1,343,749
Deferred tax liabilities, net		1,208,461	1,420,630	1,393,283
<b>Total liabilities</b>		<b>2,097,162,145</b>	<b>1,648,552,630</b>	<b>1,711,209,103</b>
<b>Equity</b>				
Ordinary shares	7	2,927,674	2,927,674	2,927,674
Share premium		39,243,259	37,892,779	38,314,296
Share option reserve		2,266,733	1,830,409	2,042,605
Other reserve		(617,070)	(1,504,875)	(1,306,820)
Treasury shares	8	(25,914,811)	(26,323,187)	(26,518,573)
Retained earnings		170,424,505	150,660,462	158,781,171
<b>Total equity</b>		<b>188,330,290</b>	<b>165,483,262</b>	<b>174,240,353</b>
<b>Total liabilities and equity</b>		<b>2,285,492,435</b>	<b>1,814,035,892</b>	<b>1,885,449,456</b>

The notes on pages 6 to 15 form an integral part of this condensed interim financial information

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	Quarter ended 30 September		9 months ended 30 September	
		2010	2009	2010	2009
Fee and commission income		16,167,476	22,094,726	52,981,505	59,912,646
Fee and commission expense		(1,927,158)	(2,073,665)	(6,216,738)	(6,084,200)
<b>Net fee and commission income</b>		<b>14,240,318</b>	<b>20,021,061</b>	<b>46,764,767</b>	<b>53,828,446</b>
Interest income		5,149,948	3,255,985	13,662,458	10,559,681
Interest expense		(1,818,455)	(1,394,902)	(4,984,275)	(3,084,666)
<b>Net interest income</b>		<b>3,331,493</b>	<b>1,861,083</b>	<b>8,678,183</b>	<b>7,475,015</b>
Net trading income		5,223,828	4,494,621	16,893,477	11,779,257
Gain less losses from investments securities		34,611	12,155	51,855	1,654,214
<b>Operating income</b>		<b>22,830,250</b>	<b>26,388,920</b>	<b>72,388,282</b>	<b>74,736,932</b>
Operating expenses	1	(15,708,586)	(14,162,262)	(48,720,775)	(42,166,280)
Impairment and provisions on Investments securities		-	1,463,540	-	1,463,540
<b>Operating profit</b>		<b>7,121,664</b>	<b>13,690,198</b>	<b>23,667,507</b>	<b>34,034,192</b>
Income tax expense		(1,192,556)	(2,377,362)	(4,804,359)	(6,788,200)
Tax impact on impairment and provision on Investments securities		-	(321,979)	-	(321,979)
Gain recognised on acquisition of subsidiary		-	-	777,257	-
<b>Net profit</b>		<b>5,929,108</b>	<b>10,990,857</b>	<b>19,640,405</b>	<b>26,924,013</b>
<i>Earning per share</i>	2	0.42	0.78	1.39	1.92
<i>Diluted earning per share</i>	2	0.42	0.78	1.39	1.91

The notes on pages 6 to 15 form an integral part of this condensed interim financial information

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	Quarter ended 30 September		9 months ended 30 September	
		2010	2009	2010	2009
<b>Net profit for the period</b>		<b>5,929,108</b>	<b>10,990,857</b>	<b>19,640,405</b>	<b>26,924,013</b>
<b>Other comprehensive income:</b>					
<b>Gains / (losses) recognised directly in equity</b>					
Available-for-sale financial assets		1,146,568	2,081,739	888,682	5,307,793
Income tax relating to components of other comprehensive income (AFS assets)		(256,486)	(457,981)	(198,798)	(1,166,167)
Hedge reserve		(41,425)	(21,447)	(173)	(21,447)
Income tax relating to components of other comprehensive income (Hedge reserve)		9,266	4,718	39	4,718
<b>Other comprehensive income for the period, net of tax</b>		<b>857,923</b>	<b>1,607,029</b>	<b>689,750</b>	<b>4,124,897</b>
<b>Total comprehensive income for the period</b>		<b>6,787,031</b>	<b>12,597,886</b>	<b>20,330,155</b>	<b>31,048,910</b>

The notes on pages 6 to 15 form an integral part of this condensed interim financial information

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Share Option reserve	Other reserve	Treasury shares	Retained earnings	Total
<b>Balance at 1 January 2010</b>	<b>2,927,674</b>	<b>38,314,296</b>	<b>2,042,605</b>	<b>(1,306,820)</b>	<b>(26,518,573)</b>	<b>158,781,171</b>	<b>174,240,353</b>
Net profit for the period	-	-	-	-	-	19,640,405	19,640,405
Other comprehensive income for the period	-	-	-	689,750	-	-	689,750
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>689,750</b>	<b>-</b>	<b>19,640,405</b>	<b>20,330,155</b>
Dividend	-	-	-	-	-	(8,548,519)	(8,548,519)
Employee stock option plan:							
Value of services provided	-	-	775,576	-	-	-	775,576
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period	-	-	(551,448)	-	-	551,448	-
Purchase of treasury shares	-	-	-	-	(5,874,133)	-	(5,874,133)
Sale of treasury shares	-	928,963	-	-	6,477,895	-	7,406,858
<b>Balance at 30 September 2010</b>	<b>2,927,674</b>	<b>39,243,259</b>	<b>2,266,733</b>	<b>(617,070)</b>	<b>(25,914,811)</b>	<b>170,424,505</b>	<b>188,330,290</b>
<b>Balance at 1 January 2009</b>	<b>2,927,674</b>	<b>35,946,443</b>	<b>1,485,992</b>	<b>(5,629,772)</b>	<b>(24,548,517)</b>	<b>128,948,338</b>	<b>139,130,158</b>
Net profit for the period	-	-	-	-	-	26,924,013	26,924,013
Other comprehensive income for the period	-	-	-	4,124,897	-	-	4,124,897
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,124,897</b>	<b>-</b>	<b>26,924,013</b>	<b>31,048,910</b>
Dividend	-	-	-	-	-	(5,607,376)	(5,607,376)
Employee stock option plan:							
Value of services provided	-	-	739,904	-	-	-	739,904
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period	-	-	(395,487)	-	-	395,487	-
Purchase of treasury shares	-	-	-	-	(2,746,639)	-	(2,746,639)
Sale of treasury shares	-	1,946,336	-	-	971,969	-	2,918,305
<b>Balance at 30 September 2009</b>	<b>2,927,674</b>	<b>37,892,779</b>	<b>1,830,409</b>	<b>(1,504,875)</b>	<b>(26,323,187)</b>	<b>150,660,462</b>	<b>165,483,262</b>

The notes on pages 6 to 15 form an integral part of this condensed interim financial information

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Notes	9 months ended 30 September	
		2010	2009
<b>Cash flow from / (used in) operating activities</b>			
Fees and commission receipts		52,921,216	58,940,818
Fees and commission paid		(6,344,594)	(6,105,852)
Interest receipts		8,163,996	8,632,419
Interest paid		(4,374,555)	(2,577,216)
Purchase of trading assets		(1,003,925)	(12,816,511)
Net trading income		13,146,711	12,045,244
Cash payments to employees and suppliers		(13,611,464)	(40,913,984)
<b>Cash flow from operating profit before changes in operating assets and liabilities</b>		<b>48,897,385</b>	<b>17,204,918</b>
<b>Net (increase) / decrease in operating assets and net increase / (decrease) in operating liabilities</b>			
Loans and advances to customers		(21,355,208)	(17,110,039)
Loans and advances to banks		(66,606,858)	(4,878,722)
Due to customers		371,252,039	441,184,243
Other liabilities		(9,521,428)	(6,525,067)
<b>Net cash from operating activities</b>		<b>322,665,930</b>	<b>429,875,333</b>
<b>Cash flow from / (used in) investing activities</b>			
Purchase of property, plant and equipment and Information technology systems	5/6	(9,716,559)	(5,019,118)
Proceeds from sale of investment securities	3	72,401,856	70,267,468
Purchase of investment securities	3	(362,098,929)	(198,882,621)
Purchase of subsidiary, net of cash acquired		(3,604,465)	-
<b>Net cash used in investing activities</b>		<b>(303,018,097)</b>	<b>(133,634,271)</b>
<b>Cash flow from / (used in) financing activities</b>			
Purchase of treasury shares		(5,874,133)	(2,746,639)
Sale of treasury shares		7,406,858	2,918,305
Dividend		(8,548,519)	(5,607,376)
<b>Net cash from / (used in) financing activities</b>		<b>(7,015,794)</b>	<b>(5,435,710)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>12,632,039</b>	<b>290,805,352</b>
<b>Movements in cash and cash equivalents</b>			
Balance at beginning of year		1,344,671,380	1,056,184,343
Increase / (Decrease)		12,632,039	290,805,352
<b>Balance at 30 September</b>		<b>1,357,303,419</b>	<b>1,346,989,695</b>

The notes on pages 6 to 15 form an integral part of this condensed interim financial information

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## ACCOUNTING POLICIES AND REPORTABLE SEGMENTS

### 1.1 Accounting policies and presentation matters

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

The Consolidated Interim Financial Statements should be read in conjunction with the 2009 Annual Consolidated Financial Statements.

In connection with the acquisition of Tradejet AG, on 7 June 2010, the Group recognised an intangible asset for CHF 3,300,000, which comprises of customer relationships. In accordance with IAS 38, customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The corresponding intangible asset is deemed to have a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using a straight-line method over the expected life (15 years).

In Q3-2010, the Group has started providing ePrivate Banking services, that consist in automated quantitative equity portfolio management systems for private individuals.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## ACCOUNTING POLICIES AND REPORTABLE SEGMENTS

### 1.2 Reportable segments

The analysis of reportable segments for the 9 months period ending 30 September 2010 and 2009 are as follows:

In CHFm	9 months ended 30 September			
	2010	TOTAL	2009	TOTAL
Net Revenues - Private Clients	57.1		62.7	
Direct Operating Costs - Private Clients	(4.9)		(4.5)	
Direct Marketing Costs - Private Clients	(4.3)		(3.2)	
<b>Direct Contribution margin - Private Clients</b>	<b>47.9</b>	<b>47.9</b>	<b>55.0</b>	<b>55.0</b>
Net Revenues - B2B Clients	15.3		12.0	
Direct Operating Costs - B2B Clients	(2.8)		(2.6)	
Direct Marketing Costs - B2B Clients	(0.5)		(0.4)	
<b>Direct Contribution margin - B2B Clients</b>	<b>12.0</b>	<b>59.9</b>	<b>9.0</b>	<b>64.0</b>
Operating Cost - Technology	(10.4)		(9.4)	
Operating Cost - Operations	(14.0)		(13.7)	
Operating Cost - Marketing	(3.2)		(2.4)	
Operating Cost - G&A	(7.6)		(6.0)	
<b>Total Platform and Infrastructure Operations Costs</b>	<b>(35.2)</b>		<b>(31.5)</b>	
<b>Segments result</b>		<b>24.7</b>		<b>32.5</b>
Impairment and provision on investment securities	-		1.5	
Integration costs Tradejet	(1.0)		-	
<b>Operating profit</b>		<b>23.7</b>		<b>34.0</b>
Income tax expense		(4.9)		(7.1)
Gain on acquisition of subsidiary		0.8		-
<b>Net profit</b>		<b>19.6</b>		<b>26.9</b>
		<b>30 September 2010</b>		<b>30 September 2009</b>
Assets - Private Clients		1,801.6		1,459.3
Liabilities - Private Clients		(1,755.2)		(1,375.4)
Assets - B2B Clients		434.5		319.2
Liabilities - B2B Clients		(330.5)		(252.5)
Assets - Platform and Infrastructure Operations		49.4		35.6
Liabilities - Platform and Infrastructure Operations		(11.5)		(20.6)
<b>Net Balance - Equity</b>		<b>188.3</b>		<b>165.5</b>

The Bank does not have any client representing more than 10% of its revenues.



# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## EXPLANATORY NOTES

### 1. Operating expenses

	9 months ended 30 September	
	2010	2009
Payroll & related expenses	19,936,769	18,369,789
Other operating expenses	14,060,736	12,722,207
Marketing expenses	8,044,684	6,012,030
Provisions	300,000	200,000
Depreciation	5,421,586	4,862,254
Acquisition and integration costs	957,000	-
<b>Total</b>	<b>48,720,775</b>	<b>42,166,280</b>

### 2. Earning per share

#### a) Basic

	Quarter ended 30 September		9 months ended 30 September	
	2010	2009	2010	2009
Net Profit	5,929,108	10,990,857	19,640,405	26,924,013
Weighted average number of ordinary shares in issue	14,160,926	14,042,574	14,097,579	14,031,919
Basic earning per share	0.42	0.78	1.39	1.92

#### b) Diluted

	Quarter ended 30 September		9 months ended 30 September	
	2010	2009	2010	2009
Net Profit	5,929,108	10,990,857	19,640,405	26,924,013
Weighted average number of ordinary shares in issue	14,160,926	14,042,574	14,097,579	14,031,919
Adjustments for share options	2,897	93,121	3,921	76,985
<b>Weighted average number of ordinary shares for diluted earnings per share options</b>	<b>14,163,823</b>	<b>14,135,695</b>	<b>14,101,500</b>	<b>14,108,904</b>
Diluted earning per share	0.42	0.78	1.39	1.91

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 3. Investment securities

Investment securities consist exclusively of listed bonds.

	9 months ended 30 September	
	2010	2009
<b>Securities available-for-sale</b>		
Debt securities - at fair value:		
- Listed	216,389,070	69,556,752
<b>Total securities available-for-sale</b>	<b>216,389,070</b>	<b>69,556,752</b>
<b>Securities held-to-maturity</b>		
Debt securities - at amortised cost:		
- Listed	428,756,733	230,390,480
Allowance for impairment	-	-
<b>Total securities held-to-maturity</b>	<b>428,756,733</b>	<b>230,390,480</b>
<b>Total Investment securities</b>	<b>645,145,803</b>	<b>299,947,232</b>
Current	146,643,014	58,771,130
Non-current	498,502,789	241,176,102

	Available-for-sale	Held-to-maturity	Total
<b>At 1 January 2010</b>	<b>86,184,300</b>	<b>302,254,303</b>	<b>388,438,603</b>
Exchange difference on monetary assets	(5,514,034)	(24,725,597)	(30,239,631)
Additions	185,614,491	176,484,438	362,098,929
Premium / (discount)	(1,259,775)	(2,336,481)	(3,596,256)
Disposals (sale and redemption)	(49,481,926)	(22,919,930)	(72,401,856)
Gains / (losses) from changes in fair value	846,014	-	846,014
<b>At 30 September 2010</b>	<b>216,389,070</b>	<b>428,756,733</b>	<b>645,145,803</b>

	Available-for-sale	Held-to-maturity	Total
<b>At 1 January 2009</b>	<b>77,666,125</b>	<b>88,281,275</b>	<b>165,947,400</b>
Exchange difference on monetary assets	1,643,402	(1,122,628)	520,774
Additions	47,179,515	151,703,106	198,882,621
Premium / (discount)	(12,365)	(243,048)	(255,413)
Disposals (sale and redemption)	(62,039,243)	(8,228,225)	(70,267,468)
Gains / (losses) from changes in fair value	5,119,318	-	5,119,318
<b>At 30 September 2009</b>	<b>69,556,752</b>	<b>230,390,480</b>	<b>299,947,232</b>

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 4. Intangible assets

	Customer relationships	Total
<b>9 months ended 30 September 2010</b>		
Opening net book amount	-	-
Additions	3,300,000	3,300,000
Amortisation / depreciation	(70,295)	(70,295)
<b>Closing net book amount</b>	<b>3,229,705</b>	<b>3,229,705</b>
<b>9 months ended 30 September 2009</b>		
Opening net book amount	-	-
Additions	-	-
Amortisation / depreciation	-	-
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>

The intangible assets of CHF 3,300,000 have been recognised in connection with the acquisition of Tradejet AG, Zürich on 7 June 2010.

### 5. Information technology systems

	Software Third Party Licences	Proprietary Software	Hardware & Telecom Systems	Total
<b>9 months ended 30 September 2010</b>				
Opening net book amount	1,481,824	7,273,665	2,643,448	11,398,937
Additions (*)	1,383,184	6,289,258	1,545,788	9,218,230
Amortisation / depreciation	(722,160)	(2,324,245)	(1,430,104)	(4,476,509)
<b>Closing net book amount</b>	<b>2,142,848</b>	<b>11,238,678</b>	<b>2,759,132</b>	<b>16,140,658</b>
<b>9 months ended 30 September 2009</b>				
Opening net book amount	1,337,656	6,042,320	3,750,095	11,130,071
Additions	873,490	2,623,762	774,800	4,272,052
Amortisation / depreciation	(621,952)	(1,785,686)	(1,589,792)	(3,997,430)
<b>Closing net book amount</b>	<b>1,589,194</b>	<b>6,880,396</b>	<b>2,935,103</b>	<b>11,404,693</b>

(\*) Additions to Information technology systems include an amount of CHF 5,016,602 (2009: CHF 2,352,175) representing own costs capitalised in connection with the development of the systems of the Bank.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 6. Property, plant and equipment

	Land & Building	Leasehold Improvements	Equipments	Total
<b>9 months ended 30 September 2010</b>				
Opening net book amount	16,659,549	1,360,539	1,811,525	19,831,613
Additions	149,602	158,973	189,754	498,329
Amortisation / depreciation	(413,736)	(243,290)	(217,756)	(874,782)
<b>Closing net book amount</b>	<b>16,395,415</b>	<b>1,276,222</b>	<b>1,783,523</b>	<b>19,455,160</b>
<b>9 months ended 30 September 2009</b>				
Opening net book amount	17,106,884	1,040,448	2,041,267	20,188,599
Additions	84,202	605,469	57,395	747,066
Amortisation / depreciation	(411,238)	(209,736)	(243,850)	(864,824)
<b>Closing net book amount</b>	<b>16,779,848</b>	<b>1,436,181</b>	<b>1,854,812</b>	<b>20,070,841</b>

The total cost of the property includes an aggregate CHF 91,412 of own costs capitalised (2009: CHF 123,585).

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 7. Ordinary shares

### a) Numbers of Shares in 2010

	1 January	Stock options		30 September
		Exercised	Lapsed	
<b>Issued shares</b>				
<b>Ordinary share capital</b>				
Number of shares	14,638,370	-	-	14,638,370
Nominal value per share (CHF)	0.20	-	-	0.20
Total nominal value (CHF)	2,927,674	-	-	2,927,674
<b>Unissued shares</b>				
<b>Conditional capital</b>				
Number of conditional shares	211,060	-	-	211,060
Nominal value per share (CHF)	0.20	-	-	0.20
Total nominal value (CHF)	42,212	-	-	42,212
<b>Authorised capital</b>				
Amount authorised (CHF)	800,000	-	-	800,000
Nominal value per share (CHF)	0.20	-	-	0.20
Number of authorised shares	4,000,000	-	-	4,000,000

### b) Numbers of Shares in 2009

	1 January	Stock options		30 September
		Exercised	Lapsed	
<b>Issued shares</b>				
<b>Ordinary share capital</b>				
Number of shares	14,638,370	-	-	14,638,370
Nominal value per share (CHF)	0.20	-	-	0.20
Total nominal value (CHF)	2,927,674	-	-	2,927,674
<b>Unissued shares</b>				
<b>Conditional capital</b>				
Number of conditional shares	211,060	-	-	211,060
Nominal value per share (CHF)	0.20	-	-	0.20
Total nominal value (CHF)	42,212	-	-	42,212
<b>Authorised capital</b>				
Amount authorised (CHF)	800,000	-	-	800,000
Nominal value per share (CHF)	0.20	-	-	0.20
Number of authorised shares	4,000,000	-	-	4,000,000

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 8. Treasury shares

	2010	2009
<b>Beginning of the year - shares</b>	<b>583,692</b>	<b>623,503</b>
<b>Acquisition</b>		
shares	140,963	61,742
unit price ranging from CHF	37.53 to 54.80	36.03 to 58.85
average price in CHF	41.67	44.49
<b>Disposal</b>		
shares	(110,063)	(20,006)
unit price ranging from CHF	39.62 to 47.46	39.55 to 44.69
average price in CHF	46.82	41.97
<b>Remittance to optionees</b>		
shares	(116,701)	(75,839)
unit price ranging from CHF	17.00 to 47.00	11.39 to 47.00
average price in CHF	19.31	27.41
<b>End of the period - 30 September (shares)</b>	<b>497,891</b>	<b>589,400</b>
<b>Total cost in CHF</b>	<b>25,914,811</b>	<b>26,323,187</b>
<b>Average cost per share in CHF</b>	<b>52.05</b>	<b>44.66</b>
<b>% of the issued shares</b>	<b>3.40%</b>	<b>4.03%</b>

The Treasury shares are primarily acquired for the purpose of covering employees' stock option plans.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 9. Stock options

The movement in units of options granted, exercised and lapsed is the following:

	Allocation						Total	Conditional shares available for exercise
	6th & 7th	8th	9th	10th	11th	12th		
<b>Balance at 1 January 2009</b>	<b>136,500</b>	<b>64,028</b>	<b>106,290</b>	<b>145,480</b>	-	-	<b>452,298</b>	<b>211,060</b>
Grants	-	-	-	-	85,152	-	85,152	
Exercised								
Covered by:								
the issue of new shares	-	-	-	-	-	-	-	
treasury shares	(35,430)	(30,068)	-	(10,341)	-	-	(75,839)	
Lapsed	-	(200)	(3,950)	(5,596)	-	-	(9,746)	
<b>Balance at 30 September 2009</b>	<b>101,070</b>	<b>33,760</b>	<b>102,340</b>	<b>129,543</b>	<b>85,152</b>	-	<b>451,865</b>	<b>211,060</b>
<b>Balance at 1 January 2010</b>	<b>100,870</b>	<b>31,052</b>	<b>102,000</b>	<b>125,284</b>	<b>85,032</b>	-	<b>444,238</b>	<b>211,060</b>
Grants	-	-	-	-	-	132,735	132,735	
Exercised								
Covered by:								
the issue of new shares	-	-	-	-	-	-	-	
treasury shares	(100,870)	(15,765)	-	(66)	-	-	(116,701)	
Lapsed	-	-	(36,302)	(4,304)	(3,120)	-	(43,726)	
<b>Balance at 30 September 2010</b>	<b>-</b>	<b>15,287</b>	<b>65,698</b>	<b>120,914</b>	<b>81,912</b>	<b>132,735</b>	<b>416,546</b>	<b>211,060</b>
<i>Less options outstanding</i>							<i>(416,546)</i>	
<i>Shortfall</i>							<i>(205,486)</i>	<i>(205,486)</i>
<i>Number of treasury shares available at 30 September 2010</i>								<i>497,891</i>
<i>Balance shares available for future grants</i>								<i>292,405</i>

The CHF 8.62 fair value of the options granted in Q3-2010 in the 12th allocation has been determined using the following parameters: Strike price CHF 47.50; Spot price at grant : CHF 43.18; Volatility : 43.96 % ;

Options granted are exercisable in 3 equal tranches and each tranche has a maximum duration of exercise of two years. The exercise of the first tranche starts one year after the date of grant, the second tranche two years and the third three years after the date of grant. For the determination of the fair value of the options, the Group assumes that options will be exercised in average one year after the date they respectively become exercisable. Further the calculation assumes that 10% of the options will lapse in the vesting period.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 10. Miscellaneous financial information

*Pension obligations* - The Group (a) uses the so called "corridor approach" (IAS 19) and (b) examines the impact of possible discrepancies between long-term actuarial assumptions used in the actuarial calculations at the end of the previous calendar year and actual short term data applicable at the date of interim reporting, in order to determine the requirement for the recording of actuarial gains and losses in Condensed Consolidated Interim Financial Statements as a result of pension obligations. No actuarial adjustment to the financial cost of the pension plan (consisting in the contribution payable by the Group to the Fund in accordance with its statutory rules) was required at 30 September 2010, nor in the former quarters.

*Tier One ratio (Basel II ratio)* - At 30 September 2010, the Group had a Tier One ratio (Basel II ratio) of 22.40%. (30 September 2009 : 26.06%; 31 December 2009 : 26.1%).

## 11. Events after the reporting date

On 26 October 2010, the Group acquired 100% of the ordinary shares of ACM Advanced Currency Markets SA, Geneva, with a branch in Zürich and a subsidiary in Dubai ("ACM"). ACM is an online forex broker active in Switzerland and worldwide. The consideration was substantially paid in cash. The projected Group Tier I ratio post transaction is in the magnitude of 16%.



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

## *Introduction*

We have reviewed the accompanying condensed consolidated interim financial statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement and notes) set out on pages 1 to 15 of Swissquote Group Holding Ltd for the period ended 30 September 2010. 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.

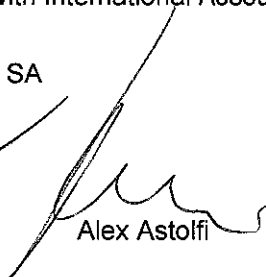
## *Conclusion*

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

PricewaterhouseCoopers SA



Philippe Bochud



Alex Astolfi

Geneva, 1 November 2010