

***swissfirst***

Report 1.Quarter  
2004

swissfirst AG, Zug

## Interim consolidated financial statements 2004

<b>Balance sheet</b>	Interim statement 31.03.2004	Year-end statement 31.12.2003	Interim statement 31.03.2003
	CHF	CHF	CHF
<b>Assets</b>			
Cash and other liquid assets	18,684,833	61,369,817	140,632,054
Due from banks	381,698,727	331,827,075	824,674,938
Due from customers	482,027,093	330,514,496	272,216,355
Securities trading portfolios	14,943,082	19,809,300	78,631,413
Derivative financial instruments	60,260,875	51,815,989	29,853,823
Financial investments	183,212,205	161,673,104	107,262,021
Associated participations	1,148,665	1,148,665	216,980
Fixed assets	24,478,741	25,455,978	26,025,820
Prepaid expenses and accrued income	3,172,810	1,968,841	3,761,041
Current tax assets	10,060,687	3,531,411	-
Other assets	26,615,918	16,440,391	60,234,717
Goodwill	-	-	5,323,014
<b>Total assets</b>	<b>1,206,303,636</b>	<b>1,005,555,067</b>	<b>1,548,832,176</b>
<b>Liabilities and shareholders' equity</b>			
Due to banks	208,276,614	65,608,201	515,256,607
Due to customers	498,803,520	560,359,207	583,684,424
Derivative financial instruments	71,853,023	35,182,215	94,172,852
Deferred income	22,873,105	24,951,157	35,246,357
Current tax liabilities	2,212,201	2,108,515	-
Deferred tax liabilities	3,885,098	2,964,287	-
Other liabilities	62,519,144	2,527,869	46,238,215
Valuation adjustments and provisions	10,438,948	10,429,959	7,761,709
Minority interests	21,303,966	20,982,897	15,749,397
Nominal share capital	5,000,000	5,000,000	5,100,000
Own shares	-3,925	-172,500	-122,500
Retained earnings	299,141,942	275,613,260	245,745,115
<b>Total liabilities and shareholders' equity</b>	<b>1,206,303,636</b>	<b>1,005,555,067</b>	<b>1,548,832,176</b>

swissfirst AG, Zug

## Interim consolidated financial statements 2004

Profit and loss account	Period 1.1. - 31.3.2004 3 months	Period 1.1. - 31.3.2003 3 months
<b>Net interest income</b>		
Interest and dividend income	3,301,855	3,573,901
Interest expenses	-960,581	-1,388,712
<i>Subtotal: Net interest income</i>	2,341,274	2,185,189
<b>Net commission and service fee income</b>		
Commission income from lending activities	43,884	29,161
Commission from securities and investment business	19,011,394	22,971,038
Commission from other services	481,015	300,773
Commission expenses	-2,244,214	-3,210,806
<i>Subtotal: Net commission and service fee income</i>	17,292,079	20,090,166
<b>Net trading income</b>	5,661,748	4,187,563
<b>Other ordinary income</b>		
Real estate income	84,309	78,140
Income from sales of financial investments	115,000	7,294
Sundry ordinary expenses	-99,643	-18,265
Sundry ordinary income	585,060	827,189
<i>Subtotal: Other ordinary income</i>	684,726	894,358
<b>Net operating income</b>	<b>25,979,827</b>	<b>27,357,276</b>
<b>Operating expenses</b>		
Personnel expenses	-6,314,530	-5,927,610
Other operating expenses	-3,487,015	-3,799,725
<i>Subtotal: Operating expenses</i>	-9,801,545	-9,727,335
<b>Gross operating profit</b>	<b>16,178,282</b>	<b>17,629,941</b>
Depreciation and write-offs on fixed assets	-388,069	-709,568
Depreciation on goodwill	-	-627,553
Valuation adjustments, provisions and losses	-5,227	-2,410,970
Taxes	-2,831,326	-2,619,004
<b>Profit for the period incl. minority interests</b>	<b>12,953,660</b>	<b>11,262,846</b>
Minority interests	783,126	198,900
<b>Group profit for the period</b>	<b>12,170,534</b>	<b>11,063,946</b>

These interim financial statements are not audited by the auditors appointed under banking law. However, they were established according to the same principles as the annual financial statements and correspond to the principles of accounting prescribed by banking law and the IFRS (International Financial Reporting Standards).

swissfirst AG, Zug

## Interim consolidated financial statements 2004

### Cash flow statement

	Period 1.1. - 31.3.2004 3 months CHF	Period 1.1. - 31.3.2003 3 months CHF
<b>Cash flow from operating activities</b>		
Interest income (excluding financial investments)	3,206,944	4,732,942
Fee and commission income	22,360,815	29,612,413
Interest expense	-718,603	-3,237,010
Fee and commission expense	-2,029,622	-3,429,973
Personnel and general expense	-14,927,587	-13,750,419
Other income	770,204	88,862
<b>Subtotal</b>	<b>8,662,151</b>	<b>14,016,815</b>
<b>Change in assets and liabilities relating to operating activities</b>		
Receivables and assets	-207,778,410	-447,449,295
Trading positions	33,092,140	34,784,998
Liabilities	81,113,166	415,683,133
Other	47,450,495	-57,694,254
<b>Cash flow from operating activities before tax</b>	<b>-37,460,458</b>	<b>-40,658,603</b>
Tax expense	-11,613,088	-1,613,102
<b>Cash flow from operating activities after tax</b>	<b>-49,073,546</b>	<b>-42,271,705</b>
<b>Cash flow from investing activities</b>		
Purchase of financial assets	-20,348,540	-
Purchase of fixed assets	-	-21,731
Proceeds from the disposal of financial assets	5,162,000	-
Proceeds from the disposal of fixed assets	-	-1
Interest income from financial investments and associated companies	364,144	-
<b>Cash flow from investing activities</b>	<b>-14,822,396</b>	<b>-21,732</b>
<b>Cash flow from financing activities</b>		
Net movements in treasury shares	21,957,450	-
Other	-806,492	2,745
<b>Cash flow from financing activities</b>	<b>21,150,958</b>	<b>2,745</b>
<b>Balance</b>	<b>-42,744,984</b>	<b>-42,290,692</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>70,129,817</b>	<b>184,622,746</b>
<b>Cash flow from operating activities after tax</b>	<b>-49,073,546</b>	<b>-42,271,705</b>
<b>Cash flow from investing activities</b>	<b>-14,822,396</b>	<b>-21,732</b>
<b>Cash flow from financing activities</b>	<b>21,150,958</b>	<b>2,745</b>
<b>Cash and cash equivalents, end of period</b>	<b>27,384,833</b>	<b>142,332,054</b>

Cash and cash equivalents comprise cash (cash on hand, postal check account deposits and deposits at central banks) as well as debt securities eligible for refinancing at central banks. The composition of cash and cash equivalents was as follows:

<b>Cash</b>	<b>18,684,833</b>	<b>140,632,054</b>
<b>Immediately available securities eligible for refinancing at central banks</b>	<b>8,700,000</b>	<b>1,700,000</b>
<b>Total</b>	<b>27,384,833</b>	<b>142,332,054</b>

The liquid funds in the cash flow statement were redefined during the period under review and the previous-period figures were consequently adjusted in accordance with the new criteria. The liquid funds now consist exclusively of immediately available cash and cash equivalents.

**Interim consolidated financial statements 2004**

<b>Business segments</b>	<b>Private Banking</b>	<b>Asset Management</b>	<b>Investment Banking</b>	<b>Corporate Items</b>	<b>TOTAL</b>
<b>Period 1.1. - 31.3.2004</b>					
Net operating income	8,036,299	3,651,622	13,051,738	1,240,168	25,979,827
Operating expenses	-4,707,589	-1,796,830	-3,152,372	-144,754	-9,801,545
<b>Gross operating profit</b>	<b>3,328,710</b>	<b>1,854,792</b>	<b>9,899,366</b>	<b>1,095,414</b>	<b>16,178,282</b>
Depreciation, valuation adjustments, provisions and losses	-266,845	-51,879	-70,202	-4,370	-393,296
Taxes	-411,928	-403,810	-1,769,228	-246,360	-2,831,326
Minority interests	-92,838	-690,288	-	-	-783,126
<b>Profit after taxes</b>	<b>2,557,099</b>	<b>708,815</b>	<b>8,059,936</b>	<b>844,684</b>	<b>12,170,534</b>
Total assets	468,066,548	197,349,700	534,280,727	6,606,661	1,206,303,636
Total liabilities	402,145,386	121,377,984	374,814,279	3,827,970	902,165,619
Total assets under management	1,883 m	1,601 m	1,278 m	36 m	4,798 m
<b>Period 1.1. - 31.3.2003</b>					
Net operating income	6,716,876	1,156,352	19,067,083	416,965	27,357,276
Operating expenses	-4,662,274	-1,242,390	-3,599,972	-222,699	-9,727,335
<b>Gross operating profit</b>	<b>2,054,602</b>	<b>-86,038</b>	<b>15,467,111</b>	<b>194,266</b>	<b>17,629,941</b>
Depreciation, valuation adjustments, provisions and losses	-1,524,818	-56,230	-2,133,607	-33,436	-3,748,091
Taxes	-73,826	-77,460	-2,431,612	-36,106	-2,619,004
Minority interests	-103,724	-95,176	-	-	-198,900
<b>Profit after taxes</b>	<b>352,234</b>	<b>-314,904</b>	<b>10,901,892</b>	<b>124,724</b>	<b>11,063,946</b>
Total assets	493,770,657	180,736,762	871,232,408	3,092,349	1,548,832,176
Total liabilities	472,139,421	168,355,709	654,855,625	2,758,806	1,298,109,561
Total assets under management	1,414 m	1,132 m	1,169 m	26 m	3,741 m

## Interim consolidated financial statements 2004

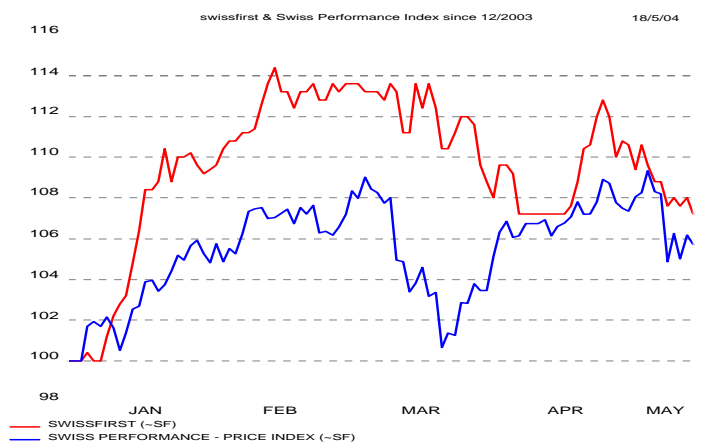
### Analysis of shareholders' equity

	Share capital	Retained earnings	Total share-holders' equity
	CHF	CHF	CHF
<b>As at 31.12.2002</b>	<b>4,977,500</b>	<b>247,464,516</b>	<b>252,442,016</b>
Change to own shares	-150,000	-12,306,813	-12,456,813
Allocation to pension fund provisions		-5,158,000	-5,158,000
Other changes		285,382	285,382
Net change in reserves for financial investments available for sale		15,371,174	15,371,174
Dividend 2002		-4,881,681	-4,881,681
Profit for the year		34,838,682	34,838,682
<b>As at 31.12.2003</b>	<b>4,827,500</b>	<b>275,613,260</b>	<b>280,440,760</b>
Change to own shares	168,575	4,609,111	4,777,686
Other changes		-506,073	-506,073
Net change in reserves for financial investments available for sale		7,246,441	7,246,441
Difference on currency translation		8,669	8,669
Profit for the period		12,170,534	12,170,534
<b>As at 31.3.2004</b>	<b>4,996,075</b>	<b>299,141,942</b>	<b>304,138,017</b>
As at 31.3.2003	4,977,500	245,745,115	250,722,615

Price of the swissfirst share	31.03.2004	30.12.2003	High	Low
	CHF	CHF	CHF	CHF
	136.00	125.00	143.50	125.00

	1.1. - 31.3.2004 3 months	1.1. - 31.3.2003 3 months
Earnings per share	2.48	2.22
Earnings per share (diluted)	2.48	2.22
Earnings per share on the aggregate par value	2.43	2.17

	at 31.3.2004:	at 31.12.2003:	at 31.3.2003:
Number of employees, absolute	114	107	104
Number of employees, full-time equivalent (part-time adjusted)	110.4	103.4	96.5



swissfirst AG, Zug

## **Interim consolidated financial statements 2004**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2004**

#### **Comments on the accounting and valuation regulations**

The consolidated interim financial statements of the swissfirst Group are established according to the accounting regulations of the international Accounting Committee (IASC).

The applied accounting and valuation methods correspond to the methods used for the establishment of the audited annual financial statements of the company as at 31 december 2003.

#### **Disclaimer**

These interim financial statements are a translation of the original interim financial statements written in German. In the event of any conflict in interpretation, the German language version takes precedence.