

**swissfirst** Report 1. Quarter  
2006

**Interim consolidated financial statements 2005**

<b>Balance sheet</b>	Interim statement 31.03.2006	End year statement 31.12.2005	Interim statement 31.03.2005
	CHF	CHF	CHF
<b>Assets</b>			
Cash	92,884,932	317,266,891	49,973,695
Due from banks	670,706,377	485,686,766	331,764,204
Due from customers	375,464,400	371,940,498	433,589,032
Securities trading portfolios	58,479,405	80,286,702	62,820,498
Derivative financial instruments	103,145,359	43,370,646	26,257,426
Financial investments	251,136,187	196,223,345	164,425,968
Associated participations	1,382,922	1,382,922	1,382,922
Fixed assets	22,105,231	22,292,242	22,710,558
Intangible fixed assets	77,872,099	79,558,121	436,780
Goodwill	160,289,254	160,289,254	-
Prepaid expenses and accrued income	3,824,545	2,941,054	6,262,357
Current tax assets	15,073,104	18,449,606	16,358,110
Other assets	668,162	5,065,700	1,127,101
<b>Total assets</b>	<b>1,833,031,977</b>	<b>1,784,753,747</b>	<b>1,117,108,651</b>
<b>Liabilities and shareholders' equity</b>			
Due to banks	129,412,140	92,829,712	165,577,646
Due to customers	857,721,856	910,779,494	540,856,615
Derivative financial instruments and other trading liabilities	290,223,061	189,242,284	63,362,545
Debt issued	134,730,000	150,000,000	-
Deferred income	18,777,020	29,075,933	18,298,665
Other liabilities	10,187,827	43,619,300	3,719,550
Current tax liabilities	10,398,865	5,538,614	1,581,630
Deferred tax liabilities	18,901,650	18,938,605	3,555,717
Provisions	6,872,286	7,061,605	8,722,538
<b>Total liabilities</b>	<b>1,477,224,705</b>	<b>1,447,085,547</b>	<b>805,674,906</b>
Share capital	1,050,000	1,050,000	5,000,000
Treasury shares	-2,316,637	1,351,479	-64,693,427
Capital reserve	27,250,000	27,250,000	-
Retained earnings	307,190,465	285,887,612	347,098,563
<b>Equity attributable to shareholders of Swissfirst AG</b>	<b>333,173,828</b>	<b>315,539,091</b>	<b>287,405,136</b>
Minority interests	22,633,444	22,129,109	24,028,609
<b>Total equity</b>	<b>355,807,272</b>	<b>337,668,200</b>	<b>311,433,745</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,833,031,977</b>	<b>1,784,753,747</b>	<b>1,117,108,651</b>

**Interim consolidated financial statements 2005**

Profit and loss account	Period	Period
	1.1. - 31.03.2006	1.1. - 31.03.2005
	3 months	3 months
	CHF	CHF
<b>Net interest income</b>		
Interest and discount income	5,511,796	4,244,810
Dividend income	-	500,000
Interest expenses	-3,163,429	-1,630,903
<i>Subtotal: Net interest income</i>	2,348,367	3,113,907
<b>Net commission and service fee income</b>		
Commission income from lending activities	24,987	17,428
Commission income from securities and investment business	43,106,546	16,908,839
Commission income from other services	793,550	606,933
Commission expenses	-2,301,767	-1,692,692
<i>Subtotal: Net commission and service fee income</i>	41,623,316	15,840,508
<b>Net trading income</b>	<b>4,756,353</b>	<b>2,593,169</b>
<b>Other ordinary income</b>		
Real estate income	66,829	67,375
Income from sales of financial investments	6,582	268,235
Sundry ordinary expenses	-12,209	-24,404
Sundry ordinary income	232,287	480,055
<i>Subtotal: Other ordinary income</i>	293,489	791,261
<b>Net operating income</b>	<b>49,021,525</b>	<b>22,338,845</b>
<b>Operating expenses</b>		
Personnel expenses	-9,196,248	-5,933,750
Other operating expenses	-6,073,694	-3,317,363
<i>Subtotal: Operating expenses</i>	-15,269,942	-9,251,113
<b>Gross operating profit</b>	<b>33,751,583</b>	<b>13,087,732</b>
Depreciation and amortization on fixed assets	-512,260	-434,051
Depreciation and amortization on intangible fixed assets	-1,686,022	-
Valuation adjustments, provisions and losses	-102,681	-97,914
Taxes	-5,276,946	-593,465
<b>Group net profit</b>	<b>26,173,674</b>	<b>11,962,302</b>
<i>Attributable to: - Shareholders of Swissfirst AG</i>	25,118,843	10,956,797
<i>- Minority interests</i>	1,054,831	1,005,505

**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).**

## Interim consolidated financial statements 2005

Cash flow statement	Period	Period
	1.1. - 31.03.2006	1.1. - 31.03.2005
	3 months	3 months
	CHF	CHF
<b>Cash flow from operating activities</b>		
Interest income (excluding financial investments)	3,979,390	3,418,933
Fee and commission income	42,801,278	17,569,363
Interest expense	-3,091,391	-1,004,226
Fee and commission expense	-2,588,678	-1,702,983
Personnel and general expense	-20,478,162	-14,997,297
Other income	-229,040	-1,166,136
<b>Subtotal</b>	<b>20,393,397</b>	<b>2,117,654</b>
<b>Net change in assets and liabilities relating to operating activities</b>		
Receivables and assets	-204,335,262	-151,671,994
Trading positions	63,013,361	-8,701,413
Liabilities	-16,475,210	134,052,603
Other	-34,073,656	41,246,558
<b>Cash flow from operating activities before tax</b>	<b>-171,477,370</b>	<b>17,043,408</b>
Tax expense	-6,193,425	-7,247,969
<b>Cash flow from operating activities after tax</b>	<b>-177,670,795</b>	<b>9,795,439</b>
<b>Cash flow from investing activities</b>		
Purchase of financial assets	-44,130,609	-36,678,800
Purchase of fixed assets	-325,249	-
Disposal of financial assets	5,009,516	8,969,000
Interest income from financial investments and associated companies	379,393	135,104
Dividends received from financial investments and associated companies	-	797,500
<b>Net cash flow from investing activities</b>	<b>-39,066,949</b>	<b>-26,777,196</b>
<b>Cash flow from financing activities</b>		
Net movements in treasury shares	-7,644,215	34,205,303
Other movements	-	-4,923,171
<b>Cash flow from financing activities</b>	<b>-7,644,215</b>	<b>29,282,132</b>
<b>Balance</b>	<b>-224,381,959</b>	<b>12,300,375</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>319,408,664</b>	<b>54,327,394</b>
<b>Cash flow from operating activities after tax</b>	<b>-177,670,795</b>	<b>9,795,439</b>
<b>Net cash flow from investing activities</b>	<b>-39,066,949</b>	<b>-26,777,196</b>
<b>Cash flow from financing activities</b>	<b>-7,644,215</b>	<b>29,282,132</b>
<b>Cash and cash equivalents, end of period</b>	<b>95,026,705</b>	<b>66,627,769</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:

Liquid assets	92,884,932	49,973,695
Securities eligible for refinancing at central banks	24,859,647	16,654,074
Pledged securities eligible for refinancing at central banks from which credit has been drawn	-22,717,874	-
<b>Total</b>	<b>95,026,705</b>	<b>66,627,769</b>

## Interim consolidated financial statements 2005

Business segments	Private Banking	Asset Management	Investment Banking	Corporate Items	TOTAL
	CHF	CHF	CHF	CHF	CHF
<b>Period 1.1. - 31.03.2006</b>					
Net operating income	12,803,493	11,516,350	24,051,297	650,385	49,021,525
Operating expenses	-6,901,894	-2,856,229	-4,697,120	-814,699	-15,269,942
Services from/to other segments, net	-872,350	-	232,350	640,000	-
<b>Gross operating profit</b>	<b>5,029,249</b>	<b>8,660,121</b>	<b>19,586,527</b>	<b>475,686</b>	<b>33,751,583</b>
Depreciation, valuation adjustments, provisions and losses	-408,853	-728,214	-1,163,896	-	-2,300,963
Taxes	-1,057,943	-216,987	-3,878,168	-123,848	-5,276,946
Minority interests	-987,265	-67,566	-	-	-1,054,831
<b>Profit after taxes</b>	<b>2,575,188</b>	<b>7,647,354</b>	<b>14,544,463</b>	<b>351,838</b>	<b>25,118,843</b>
Total assets	1,024,060,147	25,208,394	783,642,194	121,242	1,833,031,977
Total liabilities	1,000,040,414	5,628,387	470,452,388	503,516	1,476,624,705
Total capital expenditure	6,801	4,868	313,580	-	325,249
Total assets under management at 31.03.2006	3,764 m	4,861 m	3,165 m	71 m	11,861 m
<b>Period 1.1. - 31.03.2005</b>					
Net operating income	8,021,100	3,509,645	10,148,114	659,986	22,338,845
Operating expenses	-5,186,865	-1,818,034	-2,136,508	-109,706	-9,251,113
<b>Gross operating profit</b>	<b>2,834,235</b>	<b>1,691,611</b>	<b>8,011,606</b>	<b>550,280</b>	<b>13,087,732</b>
Depreciation, valuation adjustments, provisions and losses	-305,398	-155,418	-70,935	-214	-531,965
Taxes	-112,764	-232,761	-228,777	-19,163	-593,465
Minority interests	-641,476	-364,029	-	-	-1,005,505
<b>Profit after taxes</b>	<b>1,774,597</b>	<b>939,403</b>	<b>7,711,894</b>	<b>530,903</b>	<b>10,956,797</b>
Total assets	458,735,000	184,071,464	471,328,309	2,973,878	1,117,108,651
Total liabilities	418,938,478	136,470,680	247,956,213	2,309,535	805,674,906
Total capital expenditure	196,683	29,508	101,570	-	327,761
Total assets under management at 31.03.2005	2,173 m	1,990 m	830 m	60 m	5,053 m
Total assets under management at 31.12.2005	2,849 m	4,906 m	3,085 m	74 m	10,914 m

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Analysis of shareholders' equity	Share capital	Treas. Shares	Capital reserve	Retained earnings	Minority interest	Total shareholders' equity
	CHF	CHF	CHF	CHF	CHF	CHF
<b>As at 31.12.2004</b>	<b>5,000,000</b>	<b>-98,898,730</b>	<b>-</b>	<b>332,555,140</b>	<b>23,043,938</b>	<b>261,700,348</b>
Change in treasury shares		100,250,209		-75,552,117		24,698,092
Other changes				-217,404		-217,404
Change of unrealized gains and losses (IAS 39)				9,958,301		9,958,301
Realized gains and losses reclassified to the income statement (IAS 39)				10,830,242		10,830,242
Capital increase	50,000		27,250,000	-		27,300,000
Capital reduction (AGM 17.5.2005)	-4,000,000			-		-4,000,000
Dividend 2004				-49,962,000		-49,962,000
Change in minority interest due to disposal of subsidiaries				-1,310,439	-4,871,324	-6,181,763
Change in minority interests				-132,562	-158,822	-291,384
Profit for the year 2005				59,718,451	4,115,317	63,833,768
<b>As at 31.12.2005</b>	<b>1,050,000</b>	<b>1,351,479</b>	<b>27,250,000</b>	<b>285,887,612</b>	<b>22,129,109</b>	<b>337,668,200</b>
Change in treasury shares		-3,668,116		-8,049,242		-11,717,358
Other changes				406,005	-525,105	-119,100
Change of unrealized gains and losses (IAS 39)				3,826,932		3,826,932
Realized gains and losses reclassified to the income statement (IAS 39)				315		315
Change in minority interests				-	-25,391	-25,391
Profit for the year 2006				25,118,843	1054,831	26173,674
<b>As at 31.03.2006</b>	<b>1,050,000</b>	<b>-2,316,637</b>	<b>27,250,000</b>	<b>307,190,465</b>	<b>22,633,444</b>	<b>355,807,272</b>
<i>As at 31.03.2005</i>	<i>5,000,000</i>	<i>-64,693,427</i>	<i>-</i>	<i>347,098,563</i>	<i>24,028,609</i>	<i>311,433,745</i>

Price of the Swissfirst share (adjusted)	31.03.2006	31.12.2005	High	Low
	CHF	CHF	CHF	CHF
	105.00	80.00	105.00	79.60

	1.1. - 31.03.2006 3 months	1.1. - 31.03.2005 * 3 months	
Earnings per share	2.40	1.18	
Earnings per share (diluted)	2.37	1.15	
Nominal earnings per share (fully diluted)	2.39	1.10	
	at 31.03.2006:	at 31.12.2005: at 31.03.2005:	
Number of employees, absolute	163	170	116
Number of employees, full-time equivalent (part-time adjusted)	158.0	164.8	112.8

\* = Earnings have been adjusted due to the 2-for-1 stock split on

## Interim consolidated financial statements 2005

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2005

#### 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 Standards 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 2005.

