

swissfirst Report 3. Quarter
2004

swissfirst AG, Zug

Interim consolidated financial statements 2004

Balance sheet	Interim statement 30.09.2004	End year statement 31.12.2003	Interim statement 30.09.2003
	CHF	CHF	CHF
Assets			
Cash and other liquid assets	87,869,732	61,369,817	81,815,631
Due from banks	314,011,380	331,827,075	503,488,598
Due from customers	360,572,222	330,514,496	379,293,178
Securities trading portfolio	23,741,652	19,809,300	45,719,503
Derivative financial instruments	42,110,075	51,815,989	34,678,687
Financial investments	144,392,631	161,673,104	136,925,780
Associated participations	1,382,922	1,148,665	1,148,665
Fixed assets	23,648,548	25,455,978	25,739,225
Prepaid expenses and accrued income	5,431,163	1,968,841	12,114,275
Current tax assets	11,519,060	3,531,411	-
Other assets	55,870,841	16,440,391	12,928,324
Goodwill	-	-	4,067,908
Total Assets	1,070,550,226	1,005,555,067	1,237,919,774
Liabilities and shareholders' equity			
Due to banks	226,667,844	65,608,201	226,609,181
Due to customers	434,723,520	560,359,207	570,158,357
Derivative financial instruments	42,466,984	35,182,215	104,346,906
Deferred income	23,774,538	24,951,157	31,405,462
Current tax liabilities	5,112,099	2,108,515	-2,434,781
Deferred tax liabilities	4,130,382	2,964,287	3,827,898
Other liabilities	49,514,699	2,527,869	3,630,216
Valuation adjustments and provisions	9,577,406	10,429,959	10,097,726
Minority interests	22,494,212	20,982,897	19,357,091
Nominal share capital	5,000,000	5,000,000	5,000,000
Own shares	-403,925	-172,500	-172,500
Retained earnings	247,492,467	275,613,260	266,094,218
Total Liabilities and shareholders' equity	1,070,550,226	1,005,555,067	1,237,919,774

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Profit and loss account	Period	Period	Period	Period
	1.1. - 30.9.2004	1.1. - 30.9.2003	1.7. - 30.9.2004	1.7. - 30.9.2003
	9 months	9 months	3 months	3 months
Net interest income				
Interest and discount income	11,404,351	10,706,604	4,125,480	3,201,506
Dividend income	877,000	-	-	-
Interest expenses	-3,559,134	-3,796,196	-1,452,201	-999,046
<i>Subtotal: Net interest income</i>	8,722,217	6,910,408	2,673,279	2,202,460
Net commission and service fee income				
Commission income from lending activities	119,501	93,849	42,162	36,222
Commission from securities and investment business	53,028,930	65,533,545	17,435,200	22,097,176
Commission from other services	1,993,310	884,789	548,001	374,606
Commission expenses	-6,120,667	-8,485,041	-2,965,472	-2,244,379
<i>Subtotal: Net commission and service fee income</i>	49,021,074	58,027,142	15,059,891	20,263,625
Net trading income	7,337,077	8,295,790	1,304,346	481,115
Other ordinary income				
Real estate income	202,845	215,758	66,009	80,933
Income from associated companies	234,257	1,011,685	-	80,000
Income from sales of financial investments	1,993,002	282,643	52,347	274,496
Sundry ordinary expenses	-149,498	-77,139	-23,183	33,267
Sundry ordinary income	1,140,096	1,714,922	109,300	780,208
<i>Subtotal: Other ordinary income</i>	3,420,702	3,147,869	204,473	1,248,904
Net operating income	68,501,070	76,381,209	19,241,989	24,196,104
Operating expenses				
Personnel expenses	-18,411,362	-16,983,583	-6,019,473	-5,262,020
Other operating expenses	-9,550,122	-8,921,065	-2,629,412	-1,771,675
<i>Subtotal: Operating expenses</i>	-27,961,484	-25,904,648	-8,648,885	-7,033,695
Gross operating profit	40,539,586	50,476,561	10,593,104	17,162,409
Depreciation and write-offs on fixed assets	-1'358'187	-1,503,244	-492,156	-395,981
Depreciation on goodwill	-	-1,882,659	-	-627,553
Valuation adjustments, provisions and losses	-475,931	-4,939,542	-461,537	-1,909,093
Taxes	-4,536,249	-7,589,415	-115,549	-2,872,374
Profit for the period incl. minority interests	34,169,219	34,561,701	9,523,862	11,357,408
Minority interests	1,886,605	1,646,374	420,028	1,256,900
Group profit for the period	32,282,614	32,915,327	9,103,834	10,100,508

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 2004

Cash flow statement	Period	Period	Period	Period
	1.1. - 30.9.2004	1.1. - 30.9.2003	1.7. - 30.9.2004	1.7. - 30.9.2003
	9 months	9 months	3 months	3 months
	CHF	CHF	CHF	CHF
Cash flow from operating activities				
Interest income (excluding financial investments)	9,947,650	12,252,317	1,559,499	3,078,655
Fee and commission income	54,464,410	67,112,087	15,294,845	22,630,987
Interest expense	-2,984,243	-5,331,251	-418,806	-967,635
Fee and commission expense	-5,924,519	-7,570,348	-1,642,584	-1,945,141
Personnel and general expense	-31,276,307	-31,743,873	-8,043,600	-8,326,993
Other income	1,860,795	1,583,912	1,437,749	246,694
Subtotal	26,087,786	36,302,844	8,187,103	14,716,567
Change in assets and liabilities relating to operating activities				
Receivables and assets	-2,538,203	-261,825,989	11,937,821	85,176,340
Trading positions	13,058,331	75,496,098	3,935,398	82,068,362
Liabilities	35,423,956	113,504,767	-12,120,529	-70,192,218
Other	-877,363	-26,255,975	17,713,224	-17,676,268
Cash flow from operating activities before tax	71,154,507	-62,778,255	29,653,017	94,092,783
Tax expense	-12,521,449	-25,400,375	-3,165,897	-11,437,411
Cash flow from operating activities after tax	58,633,058	-88,178,630	26,487,120	82,655,372
Cash flow from investing activities				
Purchase of financial assets	-36,572,840	-14,241,350	-16,224,300	-13,920,756
Purchase of fixed assets	-74,729	-528,812	-60,251	-507,080
Proceeds from the disposal of financial assets	44,149,485	240,000	37,954,485	240,000
Interest income from financial investments	1,291,563	430,250	586,686	1,000
Dividends received from financial investments and associated companies	877,000	-	-	-
Cash flow from investing activities	9,670,479	-14,099,912	22,256,620	-14,186,836
Cash flow from financing activities				
Dividends paid	-5,994,055	-4,881,681	-	-
Net movements in own shares	-30,596,350	4,750,000	-52,553,800	-
Other	-5,273,217	1,303,108	-4,466,725	1,139,855
Cash flow from financing activities	-41,863,622	1,171,427	-57,020,525	1,139,855
Balance	26,439,915	-101,107,115	-8,276,785	69,608,391
Cash and cash equivalents, beginning of period	70,129,817	184,622,746	104,846,517	13,907,240
Cash flow from operating activities after tax	58,633,058	-88,178,630	26,487,120	82,655,372
Cash flow from investing activities	9,670,479	-14,099,912	22,256,620	-14,186,836
Cash flow from financing activities	-41,863,622	1,171,427	-57,020,525	1,139,855
Cash and cash equivalents, end of period	96,569,732	83,515,631	96,569,732	83,515,631

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:

Cash	87,869,732	81,815,631	87,869,732	81,815,631
Immediately available securities eligible for refinancing at central banks	8,700,000	1,700,000	8,700,000	1,700,000
Total	96,569,732	83,515,631	96,569,732	83,515,631

The liquid funds in the cash flow statement were redefined as at 31.12.2003 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.

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Business segments	Private Banking	Asset Management	Investment Banking	Corporate Items	TOTAL
Period 1.1. - 30.9.2004					
Net operating income	19,403,697	11,673,133	34,427,823	2,996,417	68,501,070
Operating expenses	-13,932,862	-4,392,017	-9,407,461	-229,144	-27,961,484
Gross operating profit	5,470,835	7,281,116	25,020,362	2,767,273	40,539,586
Depreciation, valuation adjustments, provisions and losses	-1,376,805	-220,663	-222,730	-13,920	-1,834,118
Taxes	-650,523	-1,159,388	-2,036,042	-690,296	-4,536,249
Minority interests	-616,204	-1,270,401	-	-	-1,886,605
Profit after taxes	2,827,303	4,630,664	22,761,590	2,063,057	32,282,614
Total assets	546,251,551	155,623,830	367,675,202	999,643	1,070,550,226
Total liabilities	441,494,864	135,760,306	218,078,131	634,171	795,967,472
Total assets under management	1,937 m	1,801 m	1,130 m	34 m	4,902 m
Period 1.1. - 30.9.2003					
Net operating income	21,072,112	5,384,072	48,740,320	1,184,705	76,381,209
Operating expenses	-13,247,083	-3,342,406	-8,757,561	-557,598	-25,904,648
Gross operating profit	7,825,029	2,041,666	39,982,759	627,107	50,476,561
Depreciation, valuation adjustments, provisions and losses	-4,588,645	-166,972	-3,509,900	-59,928	-8,325,445
Taxes	-492,708	-233,061	-6,725,269	-138,377	-7,589,415
Minority interests	-835,495	-810,879	-	-	-1,646,374
Profit after taxes	1'908'181	830,754	29,747,590	428,802	32,915,327
Total assets	440,046,950	85,322,431	702,792,688	9,757,705	1,237,919,774
Total liabilities	374,285,466	52,837,927	511,604,176	8,913,396	947,640,965
Total assets under management	1,506 m	1,285 m	1,434 m	35 m	4,260 m

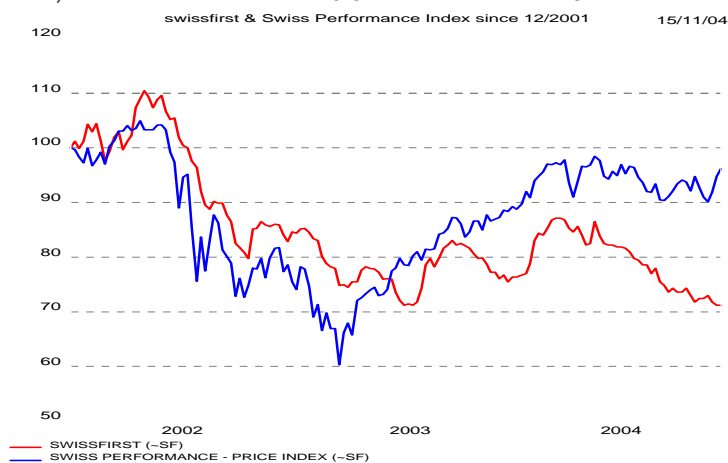
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Analysis of shareholders' equity

	Share capital	Retained earnings	Total share-holders' equity
	CHF	CHF	CHF
As at 31.12.2002	4,977,500	247,464,516	252,442,016
Net change in reserves for financial investments available for sale		15,371,174	15,371,174
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
Dividend 2002		-4,881,681	-4,881,681
Profit for the year 2003		34,838,682	34,838,682
As at 31.12.2003	4,827,500	275,613,260	280,440,760
Net change in reserves for financial investments available for sale		-6,228,974	-6,228,974
Change to own shares	-231,425	-47,901,516	-48,132,941
Other changes		-272,901	-272,901
Dividend 2003		-5,994,055	-5,994,055
Difference on currency translation		-5,961	-5,961
Profit for the period		32,282,614	32,282,614
As at 30.9.2004	4,596,075	247,492,467	252,088,542
As at 30.9.2003	4,827,500	266,094,218	270,921,718

Price of the swissfirst share	30.09.2004	30.12.2003	High	Low
	CHF	CHF	CHF	CHF
	119.00	125.00	143.50	116.00

	1.1. - 30.9.2004 9 months	1.1. - 30.9.2003 9 months	1.7. - 30.9.2004 3 months	1.7. - 30.9.2003 3 months
Earnings per share	6.61	6.82	1.89	2.09
Earnings per share (diluted)	6.61	6.82	1.89	2.09
Nominal earnings per share (fully diluted)	6.46	6.58	1.82	2.02
Number of employees, absolute	at 30.9.2004: 114	at 30.6.2004: 119	at 31.12.2003: 107	at 30.9.2003: 115
Number of employees, full-time equivalent (part-time adjusted)	110.0	114.6	103.4	109.9



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Interim consolidated financial statements 2004

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2003

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.