

BELLEVUE GROUP

Half-year Report 2008

Consolidated profit and loss account	6 months ending 30.06.08	6 months ending 31.12.07	6 months ending 30.06.07	Δ to 30.06.07
CHF 1'000				
Interest and discount income	5'545	5'486	4'773	+772
Dividend income	2'592	23	3'543	-951
Interest expense	-1'676	-1'952	-1'111	-565
Net interest income	6'461	3'557	7'205	-744
Commission income from securities and investment business	41'906	72'262	70'805	-28'899
Commission income from other services	168	322	196	-28
Commission expense	-658	-348	-224	-434
Net fee and commission income	41'416	72'236	70'777	-29'361
Securities trading	-919	1'679	3'232	-4'151
Foreign exchange trading	1'056	238	530	+526
Net trading income	137	1'917	3'762	-3'625
Income from associated companies	6'000	-16	81'855	-75'855
Income from the sale of financial assets	512	-370	-410	+922
Minority interest in consolidated hedge fund	-404	-491	0	-404
P&L on other financial assets at fair value	-1'931	0	0	-1'931
Other ordinary income	379	4'193	5'277	-4'898
Other ordinary expense	-25	-42	-1'601	+1'576
Other income	4'531	3'274	85'121	-80'590
Operating income	52'545	80'984	166'865	-114'320
Personnel expense	-11'946	-20'226	-23'700	+11'754
General expense	-7'762	-15'135	-9'059	+1'297
Depreciation and amortization of fixed assets	-307	-130	-77	-230
Depreciation and amortization of intangible fixed assets	-3'370	-3'858	-3'506	+136
Valuation adjustments, provisions and losses	0	0	0	+0
Operating expense	-23'385	-39'349	-36'342	+12'957
Profit before taxes	29'160	41'635	130'523	-101'363
Taxes	-6'091	-4'990	-6'729	+638
Group net profit	23'069	36'645	123'794	-100'725
Share information				
Basic earnings per share (CHF)	1) 2.23	3.70	11.90	-9.67
Diluted earnings per share (CHF)	1) 2.23	3.64	11.89	-9.66

1) Basis: weighted average number of shares, calculated for 6 months

Consolidated balance sheet		30.06.08	31.12.07	30.06.07	Δ to 31.12.07
CHF 1'000					
Assets					
Cash		10'421	201'663	34'457	-191'242
Due from banks		362'686	263'770	254'716	+98'916
Due from customers		61'528	27'455	61'594	+34'073
Trading portfolio assets		4'824	37'608	13'540	-32'784
Positive replacement values		12'948	9'638	3'157	+3'310
Other financial assets at fair value		41'692	0	0	+41'692
Financial investments		232'133	258'697	265'064	-26'564
Property and equipment		325	372	287	-47
Prepaid expenses and accrued income		4'675	3'551	3'778	+1'124
Other intangible assets		62'927	66'298	69'513	-3'371
Goodwill		160'289	160'289	160'289	+0
Current tax assets		623	623	460	+0
Other assets		1'907	4'186	19'101	-2'279
Assets held-for-sale	1	32'229	0	0	+32'229
Total assets		989'207	1'034'150	885'956	-44'943
Liabilities					
Due to banks		10'820	16'752	10'121	-5'932
Due to customers		308'098	300'504	213'201	+7'594
Trading portfolio liabilities		0	9'948	0	-9'948
Negative replacement values		137'553	153'977	169'532	-16'424
Accrued expenses and deferred income		9'640	37'824	24'329	-28'184
Current tax liabilities		13'765	10'780	12'517	+2'985
Deferred tax liabilities		14'261	14'272	14'805	-11
Provisions		1'023	1'829	1'494	-806
Minority interest in consolidated hedge fund		0	7'985	0	-7'985
Other liabilities		19'045	2'134	2'764	+16'911
Liabilities held-for-sale	1	21'457	0	0	+21'457
Total liabilities		535'662	556'005	448'763	-20'343
Share capital	2	1'050	1'050	1'050	+0
Capital reserves		27'250	27'250	27'250	+0
Retained earnings		426'821	473'380	435'359	-46'559
Treasury shares	3	-1'576	-23'535	-26'466	+21'959
Total shareholder's equity		453'545	478'145	437'193	-24'600
Total liabilities and shareholders' equity		989'207	1'034'150	885'956	-44'943

Statement of equity	Share capital	Treasury shares	Capital reserve	Retained earnings	Total shareholder's equity
CHF 1'000					
As at 31.12.06	1'050	3'609	27'250	362'340	394'249
Change in treasury shares		-30'075		-2'658	-32'733
Other changes				2'605	2'605
Change due to IFRS 2				-16	-16
Change of unrealized gains and losses due to IAS 39				176	176
Realized gains and losses reclassified to the income statement due to IAS 39				410	410
Dividend 2007				-51'308	-51'308
Change in foreign currencies				16	16
Profit for the period				123'794	123'794
As at 30.06.07	1'050	-26'466	27'250	435'359	437'193
Change in treasury shares		2'931		2'033	4'964
Other changes				-961	-961
Change of unrealized gains and losses due to IAS 39				1'059	1'059
Realized gains and losses reclassified to the income statement due to IAS 39				-755	-755
Profit for the period				36'645	36'645
As at 31.12.07	1'050	-23'535	27'250	473'380	478'145
Change in treasury shares		21'959		-3'555	18'404
Other changes				-744	-744
Change of unrealized gains and losses due to IAS 39				-3'745	-3'745
Dividend 2008				-61'584	-61'584
Profit for the period				23'069	23'069
As at 30.06.08	1'050	-1'576	27'250	426'821	453'545

Consolidated cash flow statement (condensed)	6 months ending 30.06.08	6 months ending 30.06.07
CHF thousands		
Cash and cash equivalents, beginning of the year	221'645	125'587
Cash flow from operating activities	-101'482	-6'058
Cash flow from investing activities	-34'532	-3'520
Cash flow from financing activities	-49'225	-81'552
Cash and cash equivalents as at the balance sheet date	36'406	34'457

Notes to the consolidated financial statements

Accounting principles

1. Basis of presentation

The Bellevue Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), which are published by the International Accounting Standards Board (IASB) and comply with the provisions of the Swiss Exchange's listing regulations. The Bellevue Group, as a banking group, is subject to consolidated supervision by the Swiss Federal Banking Commission. This interim report is presented in accordance with IAS 34 "Condensed Interim Financial Reporting". The accounting standards applied are the same as in the consolidated financial statements dated December 31, 2007 with the exception of the following changes. This interim report should therefore be read in conjunction with the audited consolidated financial statements in the Annual Report 2007, while taking account of the following information.

2. Changes in accounting principles and presentation

Implemented International Financial Reporting Standards and Interpretations

The following new and revised International Financial Reporting Standards as well as their interpretations have been implemented by Bellevue Group since January 1, 2008:

IFRIC 11 - Group and treasury share transactions

IFRIC 14 - IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interactions

IFRS 5 - Non-current assets held for sale and discontinued operations

The implementation of these Standards and Interpretations do not have any impact on the Bellevue Group's net profit and shareholder's equity.

Minority interest in consolidated hedge fund

Bellevue Group reported the item "Minority interest in consolidated hedge fund" after "Total operating expenses" and before "Profit before taxes" on the December 31, 2007 reporting date. In the current interim report this item is stated under "Other ordinary income" and is thus part of total operating income. The prior-year figures were restated accordingly.

Other financial instruments at fair value ("fair value through profit and loss")

Provided the criteria defined by IAS 39 have been met, a financial instrument can be assigned to the category "Other financial instruments at fair value" upon initial recognition and carried in the balance sheet as "Other financial assets at fair value". The corresponding accounting treatment is shown in the "Other ordinary income" under the item "Other financial assets at fair value". Based on a documented strategy, the management, valuation and reporting to the Board of Directors and the Management Board is performed for items that are disclosed in this category.

Notes to the consolidated financial statements

Other information

Approval of the Group Financial Statements

The unaudited 2008 interim Group financial statements were released by the Audit Committee of the Board of Directors on July 22, 2008. Up until that date, no significant events are to be reported.

Closing of legal proceedings

The parties Thomas Matter, Rumen Hranov and the former Swissfirst Group have concluded a settlement agreement resolving all of their differences in all legal proceedings concerning the merger between Swissfirst Group and Bellevue Group. A mutual non-disclosure agreement regarding the terms of the settlement was also entered into by the parties. This agreement has no impact on the course of business or the profit and loss account of Bellevue Group AG.

Events after the balance sheet date

The Board of Directors of Bellevue Group decided at its meeting on July 15, 2008 to launch a share buyback program under which up to 500'000 shares will be repurchased and subsequently canceled. A second line of trading on the SWX will be opened on August 4, 2008 for this purpose.

Notes to the consolidated financial statements

Segment reporting

	Investment Banking	Asset Management	Corporate Center	Total Group
6 months ending 30.06.08, CHF 1'000				
Net interest income	4'218	425	1'818	6'461
Net fee and commission income	32'854	8'563	-1	41'416
Net trading income	-100	1'416	-1'179	137
Other income	655	-2'125	6'001	4'531
Operating income	37'627	8'279	6'639	52'545
Personnel expense	-6'530	-3'753	-1'663	-11'946
General expense	-4'303	-2'732	-727	-7'762
Depreciation and amortization of fixed assets	-286	-21	0	-307
Depreciation and amortization of intangible fixed assets	-218	0	-3'152	-3'370
Operating expense	-11'337	-6'506	-5'542	-23'385
Profit before taxes	26'290	1'773	1'097	29'160
Taxes	-5'752	-643	304	-6'091
Group net profit	20'538	1'130	1'401	23'069

Additional information

Segment assets	511'462	88'359	389'386	989'207
Segment liabilities	366'407	27'786	141'469	535'662
Custody assets (CHF mln)	2'264	0	0	2'264
Assets under management (CHF mln)	0	3'226	0	3'226
Total Assets (CHF mln)				5'490
Net new money (CHF mln)	-7	-17	0	-24
Employees (full time equivalents)	47.3	42.2	6.0	95.5

Bellevue Group operates primarily in Switzerland. Since the geographic region in which assets are reported is relatively unimportant for the assessment of risks or profit opportunities, a breakdown of the business segments by region is not given.

The allocation to the individual segments is derived primarily from direct allocations. Items that cannot be directly apportioned to one particular segment will be allocated by means of secondary business management criteria. Non- allocable items are stated under the corporate center.

Notes to the consolidated financial statements

Segment reporting

	Investment Banking	Asset Management	Corporate Center	Total Group
6 months ending 30.06.07, CHF 1'000				
Net interest income	3'093	110	4'002	7'205
Net fee and commission income	38'624	32'155	-2	70'777
Net trading income	6'653	0	-2'891	3'762
Other income	262	15	84'844	85'121
Operating income	48'632	32'280	85'953	166'865
Personnel expense	-11'897	-9'716	-2'087	-23'700
General expense	-4'657	-2'486	-1'916	-9'059
Depreciation and amortization of fixed assets	-416	-16	0	-432
Depreciation and amortization of intangible fixed assets	-1'913	-1'238	0	-3'151
Operating expense	-18'883	-13'456	-4'003	-36'342
Profit before taxes	29'749	18'824	81'950	130'523
Taxes	-5'991	-313	-425	-6'729
Group net profit	23'758	18'511	81'525	123'794

Additional information as per 30.06.07

Segment assets	376'919	17'246	491'791	885'956
Segment liabilities	268'764	12'932	167'067	448'763
Custody assets	3'271	0	0	3'271
Assets under management (CHF mln)	0	4'092	0	4'092
Total Assets				7'363
Net new money (CHF mln, 01.01.-30.06.)	-139	-167	0	-306
Employees (full time equivalents)	37.5	27.9	4.0	69.4

Additional information as per 31.12.07

Segment assets	509'115	50'310	474'725	1'034'150
Segment liabilities	363'425	39'664	152'916	556'005
Custody assets (CHF mln)	3'037	0	0	3'037
Assets under management (CHF mln)	0	3'454	0	3'454
Total Assets (CHF mln)				6'491
Net new money (CHF mln, 01.01.-31.12.)	139	-360	0	-221
Employees (full time equivalents)	46.3	35.5	5.0	86.8

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Notes to the consolidated financial statements
Balance sheet and off-balance sheet information

1. Assets held-for-sale	30.06.08 CHF 1'000
Due from banks	23'783
Due from customers	223
Trading portfolio assets	8'209
Prepaid expenses and accrued income	14
Total	32'229

Liabilities held-for-sale	30.06.08 CHF 1'000
Due to banks	1'467
Due to customers	323
Trading portfolio liabilities	6'463
Accrued expenses and deferred income	156
Minority interest in consolidated hedge fund	13'048
Total	21'457

These assets and liabilities classified as available-for-sale are held by the Asset Management business business segment. They pertain to the assets of a hedge fund over which control will be relinquished during the next 12 months.

2. Share capital	Number of shares	Par value CHF 1'000
Share capital (registered shares)		
Balance as of 01.01.07	10'500'000	1'050
Balance as of 31.12.07	10'500'000	1'050
Balance as of 30.06.08	10'500'000	1'050
Conditional capital		
Balance as of 01.01.07	1'000'000	100
Balance as of 31.12.07	1'000'000	100
Balance as of 30.06.08	1'000'000	100
Authorised capital		
Balance as of 01.01.07	1'000'000	100
Balance as of 31.12.07	1'000'000	100
Balance as of 30.06.08	1'000'000	100

Notes to the consolidated financial statements
Balance sheet and off-balance sheet information

3. Treasury shares	Number	CHF 1'000
Balance as of 01.01.07	-46'327	-3'609
Purchases	893'409	80'950
Disposals	-555'015	-50'875
Balance as of 30.06.07	292'067	26'466
Purchases	317'976	28'372
Disposals	-346'404	-31'303
Balance as of 31.12.07	263'639	23'535
Purchases	648'995	45'296
Disposals	-884'793	-67'255
Balance as of 30.06.08	27'841	1'576

4. Off-balance sheet items	30.06.08 CHF 1'000	31.12.07 CHF 1'000	30.06.07 CHF 1'000	Δ to 31.12.07 CHF 1'000
Contingent liabilities	11'161	4'860	9'266	+6'301
Irrevocable commitments	10'125	10'952	11'721	-827
Fiduciary transactions	59'000	0	0	+59'000
Contract volumes of derivatives	189'652	423'903	32'407	-234'251