

**swissfirst**

Report 1.Quarter  
2003

swissfirst AG, Zug

## Interim consolidated financial statements 2003

| <b>Balance sheet</b>                              | Interim statement<br>31.03.2003 | End year statement<br>31.12.2002 | Interim statement<br>31.03.2002 |
|---|---------------------------------|----------------------------------|---------------------------------|
|   | CHF                             | CHF                              | CHF                             |
| <b>Assets</b>                                     |                                 |                                  |                                 |
| Cash and other liquid assets                      | 140,632,054                     | 182,922,746                      | 12,006,471                      |
| Due from banks                                    | 824,674,938                     | 343,410,468                      | 639,115,612                     |
| Due from customers                                | 272,216,355                     | 308,341,998                      | 355,645,092                     |
| Securities and precious metals trading portfolios | 78,631,413                      | 93,500,986                       | 15,024,975                      |
| Derivative financial instruments                  | 29,853,823                      | 22,112,340                       | 78,089,426                      |
| Financial investments                             | 107,262,021                     | 106,609,101                      | 56,285,512                      |
| Participations                                    | 216,980                         | 216,980                          | 216,980                         |
| Tangible fixed assets                             | 26,025,820                      | 26,713,656                       | 29,330,480                      |
| Prepaid expenses and accrued income               | 3,761,041                       | 1,941,154                        | 3,696,146                       |
| Other assets                                      | 60,234,717                      | 23,218,420                       | 1,415,669                       |
| Goodwill  | 5,323,014                       | 5,950,567                        | 7,833,226                       |
| <b>Total Assets</b>                               | <b>1,548,832,176</b>            | <b>1,114,938,416</b>             | <b>1198,659,589</b>             |
| <b>Liabilities and shareholders' equity</b>       |                                 |                                  |                                 |
| Due to banks                                      | 515,256,607                     | 246,844,018                      | 213,845,884                     |
| Due to customers                                  | 583,684,424                     | 436,418,753                      | 575,614,932                     |
| Derivative financial instruments                  | 94,172,852                      | 64,065,944                       | 81,051,672                      |
| Deferred income                                   | 35,246,357                      | 34,512,507                       | 34,664,740                      |
| Other liabilities                                 | 46,238,215                      | 59,846,815                       | 21,479,741                      |
| Valuation adjustments and provisions              | 7,761,709                       | 5,271,783                        | 4,369,712                       |
| Minority interests                                | 15,749,397                      | 15,536,580                       | 14,842,709                      |
| Nominal share capital                             | 5,100,000                       | 5,100,000                        | 5,100,000                       |
| Own shares  | -122,500                        | -122,500                         | -50,000                         |
| Retained earnings                                 | 245,745,115                     | 247,464,516                      | 247,740,199                     |
| <b>Total Liabilities and shareholders' equity</b> | <b>1,548,832,176</b>            | <b>1,114,938,416</b>             | <b>1198,659,589</b>             |

swissfirst AG, Zug

## Interim consolidated financial statements 2003

| Profit and loss account                                | Period<br>1.1. - 31.3.2003 | Period<br>1.1. - 31.3.2002 |
|--|----------------------------|----------------------------|
|  | 3 months                   | 3 months                   |
| <b>Net interest income</b>                             |                            |                            |
| Interest and dividend income                           | 3,573,901                  | 3,872,054                  |
| Interest expenses                                      | -1,388,712                 | -1,247,745                 |
| <i>Subtotal: Net interest income</i>                   | 2,185,189                  | 2,624,309                  |
| <b>Net commission and service fee income</b>           |                            |                            |
| Commission income from lending activities              | 29,161                     | 45,160                     |
| Commission from securities and investment business     | 22,971,038                 | 24,502,447                 |
| Commission from other services                         | 300,773                    | 72,764                     |
| Commission expenses                                    | -3,210,806                 | -2,591,215                 |
| <i>Subtotal: Net commission and service fee income</i> | 20,090,166                 | 22,029,156                 |
| <b>Net trading income</b>                              | 4,187,563                  | 2,982,261                  |
| <b>Other ordinary income</b>                           |                            |                            |
| Real estate income                                     | 78,140                     | 59,228                     |
| Income from sales of financial investments             | 7,294                      | 366,674                    |
| Sundry ordinary expenses                               | -18,265                    | -230,356                   |
| Sundry ordinary income                                 | 827,189                    | 539,980                    |
| <i>Subtotal: Other ordinary income</i>                 | 894,358                    | 735,526                    |
| <b>Net operating income</b>                            | 27,357,276                 | 28,371,252                 |
| <b>Operating expenses</b>                              |                            |                            |
| Personnel expenses                                     | -5,927,610                 | -5,700,327                 |
| Other operating expenses                               | -3,799,725                 | -2,827,569                 |
| <i>Subtotal: Operating expenses</i>                    | -9,727,335                 | -8,527,896                 |
| <b>Gross operating profit</b>                          | <b>17,629,941</b>          | <b>19,843,356</b>          |
| Depreciation and write-offs on fixed assets            | -709,568                   | -1,055,262                 |
| Depreciation on goodwill                               | -627,553                   | -627,553                   |
| Valuation adjustments, provisions and losses           | -2,410,970                 | -152,298                   |
| Taxes  | -2,619,004                 | -2,414,248                 |
| <b>Profit for the period incl. minority interests</b>  | <b>11,262,846</b>          | <b>15,593,995</b>          |
| Minority interests                                     | 198,900                    | 110,511                    |
| <b>Group profit for the period</b>                     | <b>11,063,946</b>          | <b>15,483,484</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).

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## Interim consolidated financial statements 2003

| Cash flow statement  | Period<br>1.1. - 31.3.2003 | Period<br>1.1. - 31.3.2002 |
|--|----------------------------|----------------------------|
|  | 3 months<br>CHF            | 3 months<br>CHF            |
| <b>Cash flow from operating activities</b>                                     |                            |                            |
| Interest and dividend income   | 4,732,942                  | 3,836,199                  |
| Interest expenses  | -3,237,010                 | -1,257,790                 |
| Commission income  | 26,182,440                 | 22,728,242                 |
| Cash inflow from trading activities  | 4,187,563                  | 2,967,998                  |
| Net payments to suppliers and employees  | -13,750,419                | -9,610,302                 |
| Settlement losses  | -970                       | -12,298                    |
| Net income from real estate investments and sundry result                      | 88,862                     | 530,874                    |
| Tax paid   | -1,613,102                 | -1,042,670                 |
| <b>Cash flow from operating activities before movements in working capital</b> | <b>16,590,306</b>          | <b>18,140,253</b>          |
| <b>Movements in working capital</b>  |                            |                            |
| Increase / decrease in amounts due from customers                              | 36,125,643                 | -122,273,409               |
| Increase / decrease in amounts due to banks                                    | 268,412,589                | -74,438,616                |
| Increase / decrease in amounts due to customers                                | 147,265,671                | 229,634,674                |
| Other  | -41,955,678                | -11,430,232                |
| <b>Net cash flow from operating activities</b>                                 | <b>426,438,531</b>         | <b>39,632,670</b>          |
| <b>Cash flow from investing activities</b>                                     |                            |                            |
| Purchase / sale of financial investments (balance)                             | -2,315,341                 | 212,025                    |
| Purchase of furniture, fixtures and fittings                                   | -21,730                    | -1,993,570                 |
| <b>Net cash flow from investing activities</b>                                 | <b>-2,337,071</b>          | <b>-1,781,545</b>          |
| <b>Cash flow from financing activities</b>                                     |                            |                            |
| Gains on own shares  | 2,745                      | 70,473                     |
| <b>Net cash flow from financing activities</b>                                 | <b>2,745</b>               | <b>70,473</b>              |
| <b>Increase / decrease in cash and cash equivalents</b>                        | <b>424,104,205</b>         | <b>37,921,598</b>          |
| Cash and cash equivalents  |                            |                            |
| At the beginning of the period   | 619,834,200                | 628,225,460                |
| At the end of the period   | 1,043,938,405              | 666,147,058                |
| <b>Increase / decrease in cash and cash equivalents</b>                        | <b>424,104,205</b>         | <b>37,921,598</b>          |

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**Interim consolidated  
financial statements 2003**

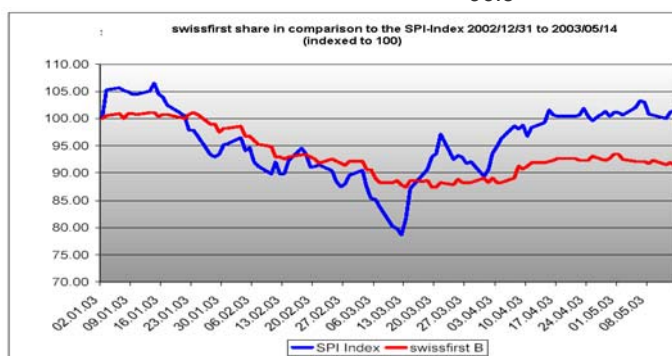
| <b>Business segments</b>                                      | <b>Private<br/>Banking</b> | <b>Asset<br/>Management</b> | <b>Investment<br/>Banking</b> | <b>Corporate<br/>Items</b> | <b>TOTAL</b>      |
|---|----------------------------|-----------------------------|-------------------------------|----------------------------|-------------------|
| <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,<br>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     |
| <br>Total assets under management                             | <br>1,414 m                | <br>1,132 m                 | <br>1,169 m                   | <br>26 m                   | <br>3,741 m       |
| <b>Period 1.1. - 31.3.2002</b>                                |                            |                             |                               |                            |                   |
| Net operating income  | 6,532,221                  | 2,166,696                   | 19,832,303                    | 70,388                     | 28,601,608        |
| Operating expenses  | -4,269,155                 | -979,818                    | -3,277,595                    | -231,684                   | -8,758,252        |
| <b>Gross operating profit</b>                                 | <b>2,263,066</b>           | <b>1,186,878</b>            | <b>16,554,708</b>             | <b>-161,296</b>            | <b>19,843,356</b> |
| Depreciation, valuation adjustments,<br>provisions and losses | -818,132                   | -182,781                    | -824,395                      | -9,805                     | -1,835,113        |
| Taxes   | -190,277                   | -66,550                     | -2,157,421                    | -                          | -2,414,248        |
| Minority interests  | -109,988                   | -523                        | -                             | -                          | -110,511          |
| <b>Profit after taxes</b>                                     | <b>1,144,669</b>           | <b>937,024</b>              | <b>13,572,892</b>             | <b>-171,101</b>            | <b>15,483,484</b> |
| Total assets  | 461,475,311                | 117,540,366                 | 618,316,634                   | 1,327,548                  | 1,198,659,859     |
| Total liabilities   | 424,715,681                | 98,700,371                  | 421,718,445                   | 734,893                    | 945,869,390       |
| <br>Total assets under management                             | <br>1,703 m                | <br>1,123 m                 | <br>1,266 m                   |                            | <br>4,092 m       |

swissfirst AG, Zug  
**Interim consolidated  
financial statements 2003**

| Analysis of shareholders' equity                                    | Share capital    | Retained earnings  | Total share-<br>holders' equity |
|---|------------------|--------------------|---------------------------------|
|   | CHF              | CHF                | CHF                             |
| <b>As at 31.12.2001</b>   | <b>5,050,000</b> | <b>241,187,075</b> | <b>246,237,075</b>              |
| Net Change in reserves for financial investments available for sale |                  | -25,113,681        | -25,113,681                     |
| Change to own shares  | -72,500          | -20,730,694        | -20,803,194                     |
| Other changes   |                  | 58,901             | 58,901                          |
| Profit for the year 2002  |                  | 52,062,915         | 52,062,915                      |
| <b>As at 31.12.2002</b>   | <b>4,977,500</b> | <b>247,464,516</b> | <b>252,442,016</b>              |
| Net Change in reserves for financial investments available for sale |                  | -3,662,500         | -3,662,500                      |
| Change to own shares  | -                | -9,036,233         | -9,036,233                      |
| Other changes   |                  | -84,617            | -84,617                         |
| Difference on currency translation                                  |                  | 3                  | 3                               |
| Profit for the period   |                  | 11,063,946         | 11,063,946                      |
| <b>As at 31.3.2003</b>  | <b>4,977,500</b> | <b>245,745,115</b> | <b>250,722,615</b>              |
| <i>As at 31.3.2002</i>  | <i>5,050,000</i> | <i>247,740,199</i> | <i>252,790,199</i>              |

| Price of the swissfirst share | 31.03.2003 | 31.12.2002 | High   | Low    |
|-------------------------------|------------|------------|--------|--------|
|                               | CHF        | CHF        | CHF    | CHF    |
|                               | 123.00     | 137.50     | 139.00 | 121.00 |

|  | 1.1. - 31.3.2003<br>3 months | 1.1. - 31.3.2002<br>3 months |
|--|------------------------------|------------------------------|
| Earnings per share   | 2.22                         | 3.20                         |
| Earnings per share (diluted)                                   | 2.22                         | 3.18                         |
| Nominal earnings per share (fully diluted)                     | 2.17                         | 3.04                         |
|  | at 31.3.2003:                | at 31.12.2002:               |
| Number of employees, absolute                                  | 104                          | 104                          |
| Number of employees, full-time equivalent (part-time adjusted) | 96.5                         | 98.6                         |
|  |                              | at 31.3.2002:                |
|  |                              | 95.4                         |



swissfirst AG, Zug

## **Interim consolidated financial statements 2003**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2002**

#### **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 2002.