

**swissfirst**

Report 2.Quarter  
2003

swissfirst AG, Zug

## Interim consolidated financial statements 2003

<b>Balance sheet</b>	Interim statement 30.06.2003	End year statement 31.12.2002	Interim statement 30.06.2002
	CHF	CHF	CHF
<b>Assets</b>			
Cash and other liquid assets	12,207,239	182,922,746	8,890,375
Due from banks	655,664,744	343,410,468	599,655,715
Due from customers	328,141,888	308,341,998	330,011,805
Securities and precious metals trading portfolios	89,361,309	93,500,986	11,767,660
Derivative financial instruments	32,726,281	22,112,340	268,708,223
Financial investments	121,557,264	106,609,101	66,072,091
Participations	1,148,665	216,980	216,980
Tangible fixed assets	25,948,720	26,713,656	28,252,110
Prepaid expenses and accrued income	15,546,604	1,941,154	4,552,620
Other assets	12,688,048	23,218,420	1,678,248
Goodwill	4,695,461	5,950,567	7,205,673
<b>Total Assets</b>	<b>1,299,686,223</b>	<b>1,114,938,416</b>	<b>1,327,011,500</b>
<b>Liabilities and shareholders' equity</b>			
Due to banks	314,786,914	246,844,018	144,067,190
Due to customers	552,163,741	436,418,753	580,718,892
Derivative financial instruments	107,030,269	64,065,944	268,202,077
Deferred income	33,589,686	34,512,507	32,579,016
Other liabilities	8,464,548	59,846,815	19,387,408
Valuation adjustments and provisions	8,327,915	5,271,783	4,728,831
Minority interests	18,063,215	15,536,580	14,933,342
Nominal share capital	5,000,000	5,100,000	5,100,000
Own shares	-172,500	-122,500	-50,000
Retained earnings	252,432,435	247,464,516	257,344,744
<b>Total Liabilities and shareholders' equity</b>	<b>1,299,686,223</b>	<b>1,114,938,416</b>	<b>1,327,011,500</b>

swissfirst AG, Zug

## Interim consolidated financial statements 2003

Profit and loss account	Period	Period	Period	Period
	1.1. - 30.6.2003	1.1. - 30.6.2002	1.4. - 30.6.2003	1.4. - 30.6.2002
	6 months	6 months	3 months	3 months
<b>Net interest income</b>				
Interest and dividend income	7,505,098	9,196,518	3,931,197	5,324,464
Interest expenses	-2,797,150	-3,528,224	-1,408,438	-2,280,479
<i>Subtotal: Net interest income</i>	4,707,948	5,668,294	2,522,759	3,043,985
<b>Net commission and service fee income</b>				
Commission income from lending activities	57,627	89,500	28,466	44,340
Commission from securities and investment business	43,436,369	49,084,787	20,465,331	24,582,340
Commission from other services	510,183	179,219	209,410	106,455
Commission expenses	-6,240,662	-4,785,049	-3,029,856	-2,193,834
<i>Subtotal: Net commission and service fee income</i>	37,763,517	44,568,457	17,673,351	22,539,301
<b>Net trading income</b>	7,814,675	4,177,498	3,627,112	1,195,237
<b>Other ordinary income</b>				
Real estate income	134,825	40,052	56,685	-19,176
Income from associated companies	931,685	-	931,685	-
Income from sales of financial investments	8,147	512,716	853	146,042
Sundry ordinary expenses	-110,406	-133,763	-92,141	96,593
Sundry ordinary income	934,714	1,365,981	107,525	826,001
<i>Subtotal: Other ordinary income</i>	1,898,965	1,784,986	1,004,607	1,049,460
<b>Net operating income</b>	52,185,105	56,199,235	24,827,829	27,827,983
<b>Operating expenses</b>				
Personnel expenses	-11,721,563	-11,528,389	-5,793,953	-5,828,062
Other operating expenses	-7,149,390	-6,027,486	-3,349,665	-3,199,917
<i>Subtotal: Operating expenses</i>	-18,870,953	-17,555,875	-9,143,618	-9,027,979
<b>Gross operating profit</b>	<b>33,314,152</b>	<b>38,643,360</b>	<b>15,684,211</b>	<b>18,800,004</b>
Depreciation and write-off on fixed assets	-1,107,263	-2,089,806	-397,695	-1,034,544
Depreciation on goodwill	-1,255,106	-1,255,106	-627,553	-627,553
Valuation adjustments, provisions and losses	-3,030,449	-448,487	-619,479	-296,189
Taxes	-4,717,041	-4,972,356	-2,098,037	-2,558,108
<b>Profit for the period incl. minority interests</b>	<b>23,204,293</b>	<b>29,877,605</b>	<b>11,941,447</b>	<b>14,283,610</b>
Minority interests	389,474	224,895	190,574	114,384
<b>Group profit for the period</b>	<b>22,814,819</b>	<b>29,652,710</b>	<b>11,750,873</b>	<b>14,169,226</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; formerly IAS).

swissfirst AG, Zug

## Interim consolidated financial statements 2003

Cash flow statement	Period	Period	Period	Period
	1.1. - 30.6.2003	1.1. - 30.6.2002	1.4. - 30.6.2003	1.4. - 30.6.2002
	6 months CHF	6 months CHF	3 months CHF	3 months CHF
<b>Cash flow from operating activities</b>				
Interest and dividend income	9,602,912	7,362,645	4,869,970	3,526,446
Interest expenses	-4,336,130	-2,193,982	-1,099,120	-936,192
Commission income	38,855,893	49,932,190	12,673,453	27,203,948
Cash inflow from trading activities	7,814,675	4,334,133	3,627,112	1,366,135
Net payments to suppliers and employees	-23,416,880	-19,043,193	-9,666,461	-9,432,891
Settlement losses	-9,249	-22,255	-8,279	-9,957
Net income from real estate investments and sundry result	897,276	224,903	808,414	-305,971
Tax paid	-13,962,964	-5,791,381	-12,349,862	-4,748,711
<b>Cash flow from operating activities before movements in working capital</b>	<b>15,445,533</b>	<b>34,803,060</b>	<b>-1,144,773</b>	<b>16,662,807</b>
<b>Movements in working capital</b>				
Increase / decrease in amounts due from customers	-19,799,890	-96,591,122	-55,925,533	25,682,287
Increase / decrease in amounts due to banks	67,942,896	-144,217,310	-200,469,693	-69,778,594
Increase / decrease in amounts due to customers	115,744,988	234,729,431	-31,520,683	5,094,757
Other	-22,329,098	-21,039,931	19,626,580	-9,609,699
<b>Net cash flow from operating activities</b>	<b>157,004,429</b>	<b>7,684,128</b>	<b>-269,434,102</b>	<b>-31,948,442</b>
<b>Cash flow from investing activities</b>				
Purchase / sale of investments (balance)	-9,648,834	-13,756,000	-7,333,493	-13,968,025
Purchase of furniture, fixtures and fittings	-342,325	-1,996,838	-320,595	-3,268
<b>Net cash flow from investing activities</b>	<b>-9,991,159</b>	<b>-15,752,838</b>	<b>-7,654,088</b>	<b>-13,971,293</b>
<b>Cash flow from financing activities</b>				
Purchase / sale of own shares	-4,750,000	-	-4,750,000	-
Gains on own shares	163,253	157,000	160,508	86,527
Dividend paid	-4,881,681	-	-4,881,681	-
<b>Net cash flow from financing activities</b>	<b>-9,468,428</b>	<b>157,000</b>	<b>-9,471,173</b>	<b>86,527</b>
<b>Increase / decrease in cash and cash equivalents</b>	<b>137,544,842</b>	<b>-7,911,710</b>	<b>-286,559,363</b>	<b>-45,833,208</b>
Cash and cash equivalents				
At the beginning of the period	619,834,200	628,225,460	1,043,938,405	666,147,058
At the end of the period	757,379,042	620,313,750	757,379,042	620,313,750
<b>Increase / decrease in cash and cash equivalents</b>	<b>137,544,842</b>	<b>-7,911,710</b>	<b>-286,559,363</b>	<b>-45,833,308</b>

## Interim consolidated financial statements 2003

Business segments	Private Banking	Asset Management	Investment Banking	Corporate Items	TOTAL
<b>Period 1.1. - 30.6.2003</b>					
Net operating income	12,751,048	3,650,342	35,066,055	717,660	52,185,105
Operating expenses	-9,272,267	-2,298,222	-6,869,938	-430,526	-18,870,953
<b>Gross operating profit</b>	<b>3,478,781</b>	<b>1,352,120</b>	<b>28,196,117</b>	<b>287,134</b>	<b>33,314,152</b>
Depreciation, valuation adjustments, provisions and losses	-2,365,400	-159,283	-2,819,300	-48,835	-5,392,818
Taxes	-194,923	-140,039	-4,319,879	-62,200	-4,717,041
Minority interests	-203,215	-186,259	-	-	-389,474
<b>Profit after taxes</b>	<b>715,243</b>	<b>866,539</b>	<b>21,056,938</b>	<b>176,099</b>	<b>22,814,819</b>
Total assets	524,786,156	76,841,073	686,932,833	11,126,161	1,299,686,223
Total liabilities	476,482,620	54,090,476	504,792,687	7,060,505	1,042,426,288
Total assets under management	1,505 Mio.	1,275 Mio.	1,497 Mio.	27 Mio.	4,304 Mio.
<b>Period 1.1. - 30.6.2002</b>					
Net operating income	12,532,188	2,900,548	40,521,933	244,566	56,199,235
Operating expenses	-8,638,396	-1,934,171	-6,265,070	-718,238	-17,555,875
<b>Gross operating profit</b>	<b>3,893,792</b>	<b>966,377</b>	<b>34,256,863</b>	<b>-473,672</b>	<b>38,643,360</b>
Depreciation, valuation adjustments, provisions and losses	-1,311,586	-116,462	-2,354,707	-10,644	-3,793,399
Taxes	-231,613	-119,763	-4,620,980	-	-4,972,356
Minority interests	-209,934	-14,961	-	-	-224,895
<b>Profit after taxes</b>	<b>2,140,659</b>	<b>715,191</b>	<b>27,281,176</b>	<b>-484,316</b>	<b>29,652,710</b>
Total assets	395,416,791	83,995,291	846,499,461	1,099,957	1,327,011,500
Total liabilities	369,530,134	71,898,050	622,294,311	894,261	1,064,616,756
Total assets under management	1,625 Mio.	1,058 Mio.	1,414 Mio.		4,097 Mio.

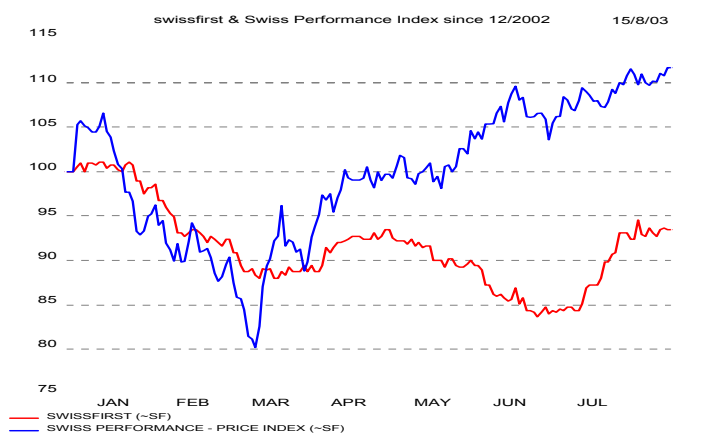
## Interim consolidated financial statements 2003

### Analysis of shareholders' equity

	Share capital	Retained earnings	Total share-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		6,633,764	6,633,764
Change to own shares	-150,000	-18,857,902	-19,007,902
Other changes		-742,463	-742,463
Dividend 2002		-4,881,681	-4,881,681
Difference on currency translation		1,382	1,382
Profit for the period		22,814,819	22,814,819
<b>As at 30.6.2003</b>	<b>4,827,500</b>	<b>252,432,435</b>	<b>257,259,935</b>
<i>As at 30.6.2002</i>	<i>5,050,000</i>	<i>257,344,744</i>	<i>262,394,744</i>

Price of the swissfirst share	30.06.2003	31.12.2002	High	Low
	CHF	CHF	CHF	CHF
	116.50	137.50	139.00	114.75

		1.1. - 30.6.2003 6 months	1.1. - 30.6.2002 6 months
Earnings per share		4.73	5.87
Earnings per share (diluted)		4.73	5.85
Nominal earnings per share (fully diluted)		4.56	5.81
Number of employees, absolute	at 30.6.2003: 111	at 31.3.2003: 104	at 31.12.2001: 104
Number of employees, full-time equivalent (part-time adjusted)	104.5	96.5	98.6
		at 30.6.2002: 102	95.8



swissfirst AG, Zug

## **Interim consolidated financial statements 2003**

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### **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 2002.