

swissfirst

Report 3. Quarter
2003

swissfirst AG, Zug

Interim consolidated financial statements 2003

Balance sheet	Interim statement 30.09.2003	End year statement 31.12.2002	Interim statement 30.09.2002
	CHF	CHF	CHF
Assets			
Cash and other liquid assets	81,815,631	182,922,746	11,296,706
Due from banks	503,488,598	343,410,468	514,730,787
Due from customers	379,293,178	308,341,998	414,095,848
Securities trading portfolio	45,719,503	93,500,986	14,666,864
Derivative financial instruments	34,678,687	22,112,340	55,214,412
Financial investments	136,925,780	106,609,101	85,256,631
Participations	1,148,665	216,980	216,980
Tangible fixed assets	25,739,225	26,713,656	27,424,176
Prepaid expenses and accrued income	12,114,275	1,941,154	5,634,572
Other assets	12,928,324	23,218,420	16,318,108
Goodwill	4,067,908	5,950,567	6,578,120
Total Assets	1,237,919,774	1,114,938,416	1,151,433,204
Liabilities and shareholders' equity			
Due to banks	226,609,181	246,844,018	206,539,851
Due to customers	570,158,357	436,418,753	559,391,444
Derivative financial instruments	104,346,906	64,065,944	55,308,977
Deferred income	31,405,462	34,512,507	33,287,319
Other liabilities	5,023,333	59,846,815	19,328,115
Valuation adjustments and provisions	10,097,726	5,271,783	5,106,595
Minority interests	19,357,091	15,536,580	15,050,304
Nominal share capital	5,000,000	5,100,000	5,100,000
Own shares	-172,500	-122,500	-22,500
Retained earnings	266,094,218	247,464,516	252,343,099
Total Liabilities and shareholders' equity	1,237,919,774	1,114,938,416	1,151,433,204

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Profit and loss account	Period	Period	Period	Period
	1.1. - 30.9.2003	1.1. - 30.9.2002	1.7. - 30.9.2003	1.7. - 30.9.2002
	9 months	9 months	3 months	3 months
Net interest income				
Interest and dividend income	10,706,604	14,130,879	3,201,506	4,934,361
Interest expenses	-3,796,196	-5,994,115	-999,046	-2,465,891
<i>Subtotal: Net interest income</i>	6,910,408	8,136,764	2,202,460	2,468,470
Net commission and service fee income				
Commission income from lending activities	93,849	278,472	36,222	188,972
Commission from securities and investment business	65,533,545	70,746,741	22,097,176	21,661,954
Commission from other services	884,789	407,194	374,606	227,975
Commission expenses	-8,485,041	-7,854,755	-2,244,379	-3,069,706
<i>Subtotal: Net commission and service fee income</i>	58,027,142	63,577,652	20,263,625	19,009,195
Net trading income	8,295,790	4,981,830	481,115	804,332
Other ordinary income				
Real estate income	215,758	184,292	80,933	144,240
Income from associated companies	1,011,685	-	80,000	-
Income from sales of financial investments	282,643	-212,859	274,496	-725,575
Sundry ordinary expenses	-77,139	-361,485	33,267	-227,722
Sundry ordinary income	1,714,922	2,017,884	780,208	651,903
<i>Subtotal: Other ordinary income</i>	3,147,869	1,627,832	1,248,904	-157,154
Net operating income	76,381,209	78,324,078	24,196,104	22,124,843
Operating expenses				
Personnel expenses	-16,983,583	-17,128,497	-5,262,020	-5,600,108
Other operating expenses	-8,921,065	-8,266,739	-1,771,675	-2,239,253
<i>Subtotal: Operating expenses</i>	-25,904,648	-25,395,236	-7,033,695	-7,839,361
Gross operating profit	50,476,561	52,928,842	17,162,409	14,285,482
Depreciation and write-off on fixed assets	-1,503,244	-3,167,540	-395,981	-1,077,734
Depreciation on goodwill	-1,882,659	-1,882,659	-627,553	-627,553
Valuation adjustments, provisions and losses	-4,939,542	-771,596	-1,909,093	-323,109
Taxes	-7,589,415	-6,146,909	-2,872,374	-1,174,553
Profit for the period incl. minority interests	34,561,701	40,960,138	11,357,408	11,082,533
Minority interests	1,646,374	341,857	1,256,900	116,962
Group profit for the period	32,915,327	40,618,281	10,100,508	10,965,571

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).

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Cash flow statement	Period 1.1. - 30.9.2003	Period 1.1. - 30.9.2002	Period 1.7. - 30.9.2003	Period 1.7. - 30.9.2002
	9 months CHF	9 months CHF	6 months CHF	6 months CHF
Cash flow from operating activities				
Interest and dividend income	12,682,567	10,616,315	3,079,655	3,253,670
Interest expenses	-5,331,251	-3,484,792	-995,121	-1,290,810
Commission income	59,469,739	64,245,531	20,613,846	14,313,341
Cash inflow from trading activities	9,795,790	5,464,080	1,981,115	1,129,947
Net payments to suppliers and employees	-31,743,873	-23,213,270	-8,326,993	-4,170,077
Settlement losses	-13,342	-34,537	-4,093	-12,282
Net income from real estate investments and sundry result	1,081,922	297,262	184,646	72,359
Tax paid	-24,714,335	-8,294,491	-10,751,371	-2,503,110
Cash flow from operating activities before movements in working capital	21,227,217	45,596,098	5,781,684	10,793,038
Movements in working capital				
Increase / decrease in amounts due from customers	-70,951,180	-182,702,907	-51,151,290	-86,111,785
Increase / decrease in amounts due to banks	-20,234,837	-81,744,649	-88,177,733	62,472,661
Increase / decrease in amounts due to customers	133,739,604	213,073,803	17,994,616	-21,655,628
Other	-20,103,277	-26,994,932	2,225,821	-5,955,001
Net cash flow from operating activities	43,677,527	-32,772,587	-113,326,902	-40,456,715
Cash flow from investing activities				
Purchase / sale of investments (balance)	-23,630,610	-49,174,433	-13,981,776	-35,418,433
Purchase of furniture, fixtures and fittings	-528,812	-4,443,971	-186,487	-2,447,133
Net cash flow from investing activities	-24,159,422	-53,618,404	-14,168,263	-37,865,566
Cash flow from financing activities				
Purchase / sale of own shares	-4,750,000	-1,375,000	-	-1,375,000
Gains on own shares	1,303,108	234,888	1,139,855	77,888
Dividend paid	-4,881,681	-	-	-
Net cash flow from financing activities	-8,328,573	-1,140,112	1,139,855	-1,297,112
Increase / decrease in cash and cash equivalents	11,189,532	-87,531,103	-126,355,310	-79,619,393
Cash and cash equivalents				
At the beginning of the period	619,834,200	628,225,460	757,379,042	620,313,750
At the end of the period	631,023,732	540,694,357	631,023,732	540,694,357
Increase / decrease in cash and cash equivalents	11,189,532	-87,531,103	-126,355,310	-79,619,393

Interim consolidated financial statements 2003

Business segments	Private Banking	Asset Management	Investment Banking	Corporate Items	TOTAL
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
Period 1.1. - 30.9.2002					
Net operating income	18,938,093	4,065,924	54,727,429	592,632	78,324,078
Operating expenses	-12,531,427	-2,921,725	-9,317,092	-624,992	-25,395,236
Gross operating profit	6,406,666	1,144,199	45,410,337	-32,360	52,928,842
Depreciation, valuation adjustments, provisions and losses	-2,118,426	-216,755	-3,461,120	-25,494	-5,821,795
Taxes	-665,867	-152,830	-5,327,557	-655	-6,146,909
Minority interests	-337,394	-4,463	-	-	-341,857
Profit after taxes	3,284,979	770,151	36,621,660	-58,509	40,618,281
Total assets	431,359,480	111,629,684	606,547,176	1,896,864	1,151,433,204
Total liabilities	402,719,728	103,808,265	386,076,567	1,408,045	894,012,605
Total assets under management	1,448 m	1,065 m	1,062 m	5 m	3,580 m

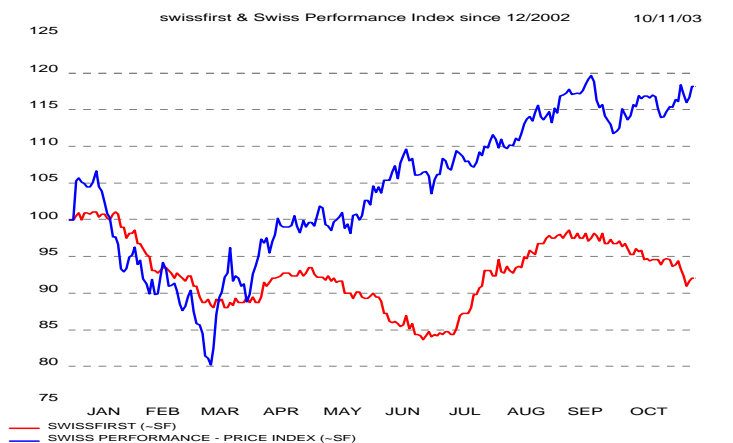
Interim consolidated financial statements 2003

Analysis of shareholders' equity

	Share capital	Retained earnings	Total share-holders' equity
	CHF	CHF	CHF
As at 31.12.2001	5,050,000	241,187,075	246,237,075
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
As at 31.12.2002	4,977,500	247,464,516	252,442,016
Net change in reserves for financial investments available for sale		11,215,680	11,215,680
Change to own shares	-150,000	-19,901,060	-20,051,060
Other changes		-756,868	-756,868
Dividend 2002		-4,881,681	-4,881,681
Difference on currency translation		38,304	38,304
Profit for the period		32,915,327	32,915,327
As at 30.9.2003	4,827,500	266,094,218	270,921,718
<i>As at 30.9.2002</i>	<i>5,077,500</i>	<i>252,343,099</i>	<i>257,420,599</i>

Price of the swissfirst share	30.09.2003	31.12.2002	High	Low
	CHF	CHF	CHF	CHF
	133.00	137.50	139.00	114.75

	1.1. - 30.9.2003 9 months	1.1. - 30.9.2002 9 months	1.7. - 30.9.2003 3 months	1.7. - 30.9.2002 3 months
Earnings per share	6.82	8.02	2.09	2.17
Earnings per share (diluted)	6.82	8.02	2.09	2.17
Nominal earnings per share (fully diluted)	6.58	7.96	2.02	2.15
	at 30.9.2003:	at 31.6.2003:	at 31.12.2002:	at 30.9.2002:
Number of employees, absolute	115	111	104	103
Number of employees, full-time equivalent (part-time adjusted)	109.9	104.5	98.6	96.8



Source: DATASTREAM

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Interim consolidated financial statements 2003

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.