



SWISSQUOTE

INTERIM REPORT - 31 MARCH 2003

CONSOLIDATED INTERIM BALANCE SHEET

ALL AMOUNTS IN SWISS FRANCS

	Notes	31 March		31 December
		2003	2002	2002
ASSETS				
Cash and balances with central bank		11,661,853	467,308	6,987,766
Due from other banks		232,197,793	116,368,296	205,982,154
Derivatives financial instruments		334,120	-	123,169
Loans and advances to customers		8,700,263	-	7,792,731
Receivables and prepayments		2,241,637	3,364,091	1,707,482
Investment securities held to maturity		3,231,976	924,316	3,239,627
Work in progress		-	553,815	-
Goodwill		3,600,000	-	3,800,000
Property, plant and equipment	3	5,944,411	7,169,165	5,604,923
Other long-term assets		395,377	46,451	342,120
Deferred tax assets, net		611,431	1,188,940	614,704
Total assets		268,918,861	130,082,382	236,194,676
LIABILITIES AND EQUITY				
Liabilities				
Due to other banks		803,491	465,232	100,004
Derivatives financial instruments		334,120	-	123,169
Due to customers		216,673,393	66,807,299	176,736,541
Trade and other payables		6,551,484	5,666,285	8,869,664
Pension obligation		900,000	-	900,000
Restructuring provision		2,031,755	3,318,982	6,460,098
Total liabilities		227,294,243	76,257,798	193,189,476
Minority interest		7,270,033	10,391,554	7,581,337
Equity				
Ordinary shares	4	13,760,300	13,760,300	13,760,300
Share premium and reserves		61,630,127	62,125,044	61,630,127
Treasury shares	4.3	(1,618,882)	(2,110,432)	(2,154,376)
Accumulated losses		(39,416,960)	(30,341,882)	(37,812,188)
Total equity		34,354,585	43,433,030	35,423,863
Total liabilities and equity		268,918,861	130,082,382	236,194,676

CONSOLIDATED INTERIM STATEMENT OF OPERATIONS

		3 months ended 31 March	
Notes		2003	2002
CONTINUED OPERATIONS			
		4,248,109	2,014,750
		(459,230)	(200,812)
		3,788,879	1,813,938
		512,418	315,100
		(134,897)	(74,678)
		377,521	240,422
		245,200	65,388
		319,466	395,655
		4,731,066	2,515,403
		Operating expenses	
	1	(5,233,426)	(4,785,269)
		-	(4,500,000)
		(5,233,426)	(9,285,269)
		(502,360)	(6,769,866)
		Depreciation, amortisation and provisions	
	3	(800,000)	(479,719)
		-	(3,000,000)
		(1,302,360)	(10,249,585)
DISCONTINUED OPERATIONS			
		-	1,023,792
		-	(1,638,329)
	3	-	(110,284)
		-	(724,821)
		(1,302,360)	(10,974,405)
		311,304	2,889,889
		(991,056)	(8,084,516)
	2	<i>(0.77)</i>	<i>(6.01)</i>

CONSOLIDATED INTERIM CHANGES IN SHAREHOLDERS' EQUITY

ALL AMOUNTS IN SWISS FRANCS

	Share capital	Share premium & reserves	Treasury shares	Accumulated losses	Total
Balance at 1 January 2002	13,760,300	62,125,044	(527,727)	(22,191,390)	53,166,227
Net changes in treasury shares	-	-	(1,582,705)	(65,978)	(1,648,683)
Net loss of the period	-	-	-	(8,084,514)	(8,084,514)
Balance at 31 March 2002	13,760,300	62,125,044	(2,110,432)	(30,341,882)	43,433,030
Balance at 1 January 2003	13,760,300	61,630,127	(2,154,376)	(37,812,188)	35,423,863
Net changes in treasury shares	-	-	535,494	(613,716)	(78,222)
Net loss of the period	-	-	-	(991,056)	(991,056)
Balance at 31 March 2003	13,760,300	61,630,127	(1,618,882)	(39,416,960)	34,354,585

CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT

	3 months ended 31 March	
	2003	2002
Cash flow from operating activities		
- Ordinary	35,647,167	2,355,135
- Restructuring and discontinued operations	(4,428,343)	(1,795,555)
Net cash from operating activities	31,218,824	559,580
Cash flow from investing activities		
Purchase of Property, plant and equipment	(939,488)	(237,496)
Change in Other long term assets	(53,257)	3,193
Treasury shares	(39,840)	(1,648,683)
Net cash used in investing activities	(1,032,585)	(1,882,986)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	30,186,239	(1,323,406)
Movements in cash and cash equivalents		
At beginning of year	212,869,916	117,693,778
Increase / (decrease)	30,186,239	(1,323,406)
At 31 March	243,056,155	116,370,372
Cash and cash equivalents		
Cash and balances with central bank	11,661,853	467,308
Due from other banks	232,197,793	116,368,296
Due to other banks	(803,491)	(465,232)
Total at 31 March	243,056,155	116,370,372

ACCOUNTING POLICIES

The consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2002.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be appropriate to anticipate or defer such costs at the end of the financial year.

The consolidated financial statements should be read in conjunction with the 2002 annual consolidated financial statements.

ALL AMOUNTS IN SWISS FRANCS

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Operating Expenses

	3 months ended 31 March	
	2003	2002
Payroll & related expenses	2,448,063	2,672,601
Production expenses	885,649	865,824
Marketing expenses	728,786	661,459
Administration and other operating expenses	1,170,928	585,385
Total	5,233,426	4,785,269

2. Loss per Share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

	3 months ended 31 March	
	2003	2002
Net loss	(991,056)	(8,084,516)
Weighted average number of ordinary shares in issue	1,284,900	1,344,531
Basic loss per share	(0.77)	(6.01)

In accordance with IAS 33, no diluted loss per share is disclosed, because of the loss posted by the Group in the reporting periods. Using the conditional share capital in the diluted earnings per share calculation would result in an anti-dilution.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Property, Plant and Equipment

	IT systems	Others	Total
3 months ended 31 March 2002			
Opening net book amount (1.1.2002)	7,704,612	2,810,565	10,515,177
Addition	218,342	19,154	237,496
Depreciation (continued operations)	(392,451)	(80,774)	(473,225)
Depreciation (discontinued operations)	(91,459)	(18,824)	(110,284)
Write-offs (restructuring)	(1,272,843)	(1,727,157)	(3,000,000)
Closing net book amount (31.3.2002)	6,166,201	1,002,964	7,169,165
3 months ended 31 March 2003			
Opening net book amount (1.1.2003)	4,607,252	997,671	5,604,923
Addition	711,878	227,610	939,488
Depreciation	(583,267)	(16,733)	(600,000)
Closing net book amount (31.3.2003)	4,735,863	1,208,548	5,944,411

Additions to Property Plant and Equipment include an amount of CHF 165,581 (2002: CHF 89,529) representing own costs capitalized in connection with the development of the systems of the Bank.

4. Equity

4.1 Structure of Capital

<i>Number of shares</i>	Ordinary Shares Issued	Shares For Stock Option Plan	Shares For Authorized Capital	Total Shares Issued and Unissued
At 1 January 2002	1,376,030	93,970	50,000	1,520,000
At 31 March 2002	1,376,030	93,970	50,000	1,520,000
At 1 January 2003	1,376,030	40,000	-	1,416,030
At 31 March 2003	1,376,030	40,000	-	1,416,030

ALL AMOUNTS IN SWISS FRANCS

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4.2 Information on Stock Options

	2nd Allocation	3rd Allocation	4th Allocation	5rd Allocation	Total	Conditional shares available for exercise
Balance at 1 January 2002	6,605	22,456	-	-	29,061	93,970
Grants	-	-	-	-	-	
Exercise	-	-	-	-	-	
Lapsed	(200)	(4,692)	-	-	(4,892)	
Balance at 31 March 2002	6,405	17,764	-	-	24,169	93,970
Balance at 1 January 2003	-	14,524	48,000	20,300	82,824	40,000
Grants	-	-	-	-	-	
Exercise	-	-	-	-	-	
Lapsed	-	-	-	-	-	
Balance at 31 March 2003	-	14,524	48,000	20,300	82,824	(82,824)
<i>Short covering of options granted at 31 March 2003 measured on conditional shares available</i>						(42,824)

The short covering of the options granted at 31 March 2003 is actually covered by the Treasury shares (Note 4.3).

4.3 Treasury Shares

Treasury shares at 31 March 2003 consist of 92,509 shares valued at the closing price on that date. The following transactions took place in the period from 1 January to 31 March 2003: the acquisition of 2,039 shares at a unit price ranging from CHF 17.52 to CHF 25.29 (average cost of CHF 19.95 per share) and of the disposal of 50 shares at a unit prices ranging from CHF 16.23 to CHF 16.53 (average net price per share of CHF 16.38).

5. Swissquote Bank

Swissquote Bank is a bank construed under Swiss Law and is submitted to Swiss regulatory authority represented by the Federal Banking Commission.

The purpose of Swissquote Bank is to offer to the public services that enable investors to independently manage their trading and saving needs via the Internet.

Services offered are as follows :

- Trading on securities listed on SWX
- Trading on securities listed on virt-x (some 400 European blue-chips listed in Euro and Swiss Franc)
- Trading on securities listed on the US equity markets (NYSE / NASDAQ / AMEX)
- Trading on securities listed on Xetra.
- Foreign exchange spot transactions in US Dollar, Euro and Swiss Franc
- Distribution of investment funds managed by reputable fund managers (Fund Shop)
- The offering of time deposits and lombard loans.

Total assets deposited by Swissquote Bank's customers amounted to CHF 906.1 mio at 31 March 2003 (31 December 2002: CHF 732.8 mio), of which CHF 216.7 mio (CHF 176.7 mio) in cash and CHF 689.4 mio (CHF 556.1 mio) in securities.

Being a majority owned subsidiary of Swissquote Group Holding Ltd, Swissquote Bank is consolidated in the consolidated financial statements of Swissquote Group Holding Ltd and its subsidiaries, which are prepared in accordance to International Accounting Standards.

As a matter of information, the interim non-audited balance sheet presented hereafter derives from the interim non-audited balance sheet of Swissquote Bank at 31 March 2003 prepared in accordance with the guidelines of the Bank Ordinance (FBC-BAG).

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Swissquote Bank : Non-Audited Balance Sheet at 31 March 2003

ASSETS	31 March		LIABILITIES AND EQUITY	31 March	
	2003	2002		2003	2002
Current assets			Liabilities		
Cash and balances with central bank	11,655,976	4,777,140	Due to other banks	803,491	465,232
Due from other banks	211,092,034	77,153,708	Due to customers	216,673,393	66,807,299
Due from customers	8,700,263	85,483	<i>Trade and accounts payables:</i>		
Other short-term assets	1,591,061	858,676	- Third parties	4,462,650	2,415,214
			- Group companies	2,409,921	1,696,036
			Balance restructuring provision	2,667,173	2,043,060
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	233,039,334	82,875,007		227,016,628	73,426,841
Non-current assets			Equity		
Property, Plant and Equipment, net	10,029,845	9,905,001	Share-capital	25,000,002	25,000,000
Investment security held to maturity	3,231,976	924,316	General reserve	-	5,575,209
Funding and start-up costs	-	3,878,604	Accumulated losses beginning of year	(1,024,699)	-
Goodwill	3,600,000	-	Loss for the 3 months period	(1,058,853)	(6,409,060)
Other non-current assets	31,923	10,062		<hr/>	<hr/>
	<hr/>	<hr/>		22,916,450	24,166,149
	16,893,744	14,717,983		<hr/>	<hr/>
Total	249,933,078	97,592,990	Total	249,933,078	97,592,990

6. Subsequent Event

On 6 May 2003, Swissquote Group Holding Ltd fully subscribed and paid in CHF 7.5 mio additional equity in the context of a financial reorganization resolved by the shareholders of the Bank on the same date. As a result, Swissquote Group Holding Ltd's interest in Swissquote Bank rose from 70.6% to 79.42%. The remaining 20.58 % interest in Swissquote Bank is owned since 31 March 2003 by Aktiengesellschaft Assuricum, a Group company of Zurich Financial Services.