Société Financière Privée SA, Genève
Media release on financial 2002
March 5, 2003

Media release

Société Financière Privée S.A. reports income and revenue decline

In 2002, the slump in stock market transactions had a negative impact on the net income and revenue of Société Financière Privée S.A. (SFP), a Geneva-based financial services provider listed on the SWX Swiss Exchange. SFP's core businesses are portfolio management, securities and forex trading, and prime brokerage for independent asset managers. Specialized in asset allocation and global custody, SFP was granted a banking license by the Swiss Federal Banking Commission (SFBC) on January 22, 2003.

Reflecting scaled-back expectations, gross revenues for financial 2002 declined by 32.4% to CHF 14.4 (PY: 21.3) million. Commissions and service fees decreased by 31.3% to close at CHF 8.8 (12.9) million. Net interest income fell by 37.3% to CHF 5.4 (8.6) million. Trading income more than doubled to CHF 1.1 (0.4) million. Conversely, total operating expenses were reduced by 5.3% to CHF 14.2 (15.0) million. The item other operating expenses was trimmed back to CHF 6.3 (6.5) million despite considerable costs associated with the banking license, and payroll expenses declined to CHF 7.9 (8.5) million. One full-time position was eliminated in comparison with the end of the prior year, bringing the personnel count to 53.

Gross income for financial 2002 closed at CHF 0.2 (6.3) million. Under consideration of CHF 2 million in extraordinary income and after deduction of CHF 1.1 (3) million in depreciation, value adjustments, provisions, and losses, SFP reports CHF 0.42 (3.12) million in net income for the year. The Board of Directors will propose the payment of a dividend of 5 (14)% to the General Meeting on April 10, 2003.

With an unchanged share capital of CHF 14.4 million and shareholders' equity of CHF 69.5 (71.1) million before appropriation of retained earnings, SFP at the end of financial 2002 has a strong equity base which exceeds the statutory requirements by several orders of magnitude. Total assets increased by 21.6% to CHF 183.3 (150.7) million. Amounts due to customers doubled to CHF 79 (38.7) million, but at the same time, liabilities due to banks dropped to CHF 14.3 (17.6) million. On the other hand, cash and cash equivalents closed significantly higher at CHF 12.2 (0.8) million and amounts due from banks rose to CHF 52.7 (30.4). Amounts due from customers remained practically unchanged at CHF 79.2 (78.2) million.

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