

## Consolidated financial statements

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52 **Consolidated balance sheet on 31 December 2002**  
(before profit appropriation)

	2002	2001	Change	Change
	CHF 1000	CHF 1000	CHF 1000	in %
<b>ASSETS</b>				
Liquid funds	120,127	101,030	19,097	18.90
Money market instruments	84,539	104,292	-19,753	-18.94
Due from banks	1,330,920	1,284,053	46,867	3.65
Due from customers	947,901	1,017,238	-69,337	-6.82
Mortgage loans	10,595,204	10,010,724	584,480	5.84
Securities and precious metal trading portfolios	3,670	15,804	-12,134	-76.78
Financial investments	622,136	711,302	-89,166	-12.54
Non-consolidated participations	23,933	20,993	2,940	14.00
Tangible fixed assets	188,665	183,268	5,397	2.94
Intangible assets	0	251,402	-251,402	-100.00
Accrued income and prepaid expenses	108,240	95,343	12,897	13.53
Other assets	189,342	112,691	76,651	68.02
<b>Total assets</b>	<b>14,214,677</b>	<b>13,908,140</b>	<b>306,537</b>	<b>2.20</b>
- Total subordinated claims	548	688	-140	-20.35
- Total due from non-consolidated participations	0	1,250	-1,250	-100.00
- Total due from the Canton of Basel-Landschaft	82,331	23,326	59,005	252.96

	2002	2001	Change	Change
	CHF 1000	CHF 1000	CHF 1000	in %
<b>LIABILITIES</b>				
Money market instruments	0	0	0	
Due to banks	1,172,297	1,453,641	-281,344	-19.35
Due to customers in savings and deposits	5,281,759	4,841,086	440,673	9.10
Due to customers, other	2,456,458	2,311,608	144,850	6.27
Cash bonds	820,799	836,492	-15,693	-1.88
Bonds and mortgage-backed bonds	2,814,000	2,705,000	109,000	4.03
Accrued expenses and deferred income	132,433	127,010	5,423	4.27
Other liabilities	264,441	162,531	101,910	62.70
Valuation adjustments and provisions	307,492	285,125	22,367	7.84
Reserves for general bank risks	221,169	447,429	-226,260	-50.57
Endowment capital	240,000	240,000	0	0.00
Capital reserves	98,429	107,571	-9,142	-8.50
Retained earnings	339,296	322,237	17,059	5.29
Minority interests in equity	1,983	1,681	302	17.97
Group net profit	64,121	66,729	-2,608	-3.91
<i>of which minority interests</i>	278	797	-519	-65.12
<b>Total liabilities and equity</b>	<b>14,214,677</b>	<b>13,908,140</b>	<b>306,537</b>	<b>2.20</b>
- Total subordinated liabilities	0	0	0	
- Total due to non-consolidated participations	841	1,980	-1,139	-57.53
- Total due to the Canton of Basel-Landschaft	32,437	51,569	-19,132	-37.10

**OFF-BALANCE SHEET TRANSACTIONS**

Contingent liabilities	78,782	103,998	-25,216	-24.25
Irrevocable commitments	364,919	606,685	-241,766	-39.85
Liabilities for calls on shares and other equities	38,974	46,089	-7,115	-15.44
Confirmed credits	0	0	0	
Derivative instruments				
- positive replacement value	152,605	25,955	126,650	487.96
- negative replacement value	29,857	27,567	2,290	8.31
- contract volume	2,659,949	1,758,733	901,216	51.24
Fiduciary transactions	419,017	602,536	-183,519	-30.46

## 54 Consolidated income statement

INCOME AND EXPENSES	2002	2001	Change	Change
FROM ORDINARY BANK BUSINESS	CHF 1000	CHF 1000	CHF 1000	in %
<b>Net interest income</b>	<b>229,321</b>	<b>212,788</b>	<b>16,533</b>	<b>7.77</b>
Interest and discount income	522,678	550,995	-28,317	-5.14
Interest and discount income on trading portfolio	0	0	0	
Interest and discount income on financial investments	22,074	23,364	-1,290	-5.52
Interest expenses	-315,431	-361,571	46,140	-12.76
<b>Net fee and commission income</b>	<b>91,593</b>	<b>101,096</b>	<b>-9,503</b>	<b>-9.40</b>
Commission income on lending activities	1,190	1,474	-284	-19.27
Commission income on securities and investment transactions	90,345	102,385	-12,040	-11.76
Commission income on other services	13,197	13,011	186	1.43
Commission expenses	-13,139	-15,774	2,635	-16.70
<b>Net trading income</b>	<b>13,656</b>	<b>15,279</b>	<b>-1,623</b>	<b>-10.62</b>
<b>Net other income</b>	<b>-354</b>	<b>7,017</b>	<b>-7,371</b>	<b>-105.04</b>
Results from the sale of financial investments	3,804	7,063	-3,259	-46.14
Income from non-consolidated participations	1,508	1,517	-9	-0.59
<i>Income from participations recorded at equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<i>Income from other non-consolidated participations</i>	<i>1,508</i>	<i>1,517</i>	<i>-9</i>	<i>-0.59</i>
Real estate income	5,944	6,328	-384	-6.07
Other ordinary income	3,171	2,888	283	9.80
Other ordinary expenses	-14,781	-10,779	-4,002	37.13
<b>Net operating income</b>	<b>334,216</b>	<b>336,180</b>	<b>-1,964</b>	<b>-0.58</b>
<b>Operating expenses</b>	<b>-189,879</b>	<b>-191,248</b>	<b>1,369</b>	<b>-0.72</b>
Personnel expenses	-112,165	-110,517	-1,648	1.49
Other operating expenses	-77,714	-80,731	3,017	-3.74
<b>Gross profit</b>	<b>144,337</b>	<b>144,932</b>	<b>-595</b>	<b>-0.41</b>
<b>CONSOLIDATED PROFIT</b>				
Gross profit	144,337	144,932	-595	-0.41
Depreciation and write-offs of non-current assets	-54,313	-54,739	426	-0.78
Value adjustments, provisions and losses	-10,610	-12,466	1,856	-14.89
<b>Interim result</b>	<b>79,414</b>	<b>77,727</b>	<b>1,687</b>	<b>2.17</b>
Extraordinary income	253,327	68,270	185,057	271.07
Extraordinary expenses	-268,471	-76,068	-192,403	252.94
Taxes	-149	-3,200	3,051	-95.34
<b>Group net profit</b>	<b>64,121</b>	<b>66,729</b>	<b>-2,608</b>	<b>-3.91</b>
<i>of which minority interest</i>	<i>278</i>	<i>797</i>	<i>-519</i>	<i>-65.12</i>

## Consolidated statement of cash flows

	2002	2002	2001	2001
	Source of funds	Use of funds	Source of funds	Use of funds
	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>Cash flow from operations (internal financing)</b>	<b>68,693</b>		<b>54,381</b>	
Group net profit	64,121		66,729	
Depreciation and write-offs of non-current assets	54,313		54,739	
Valuation adjustments and provisions	22,367		40,220	
Reserves for general bank risks (balance)		235,402		47,000
Accrued income and prepaid expenses		12,897	3,182	
Accrued expenses and deferred income	5,423			13,995
Profit distributions previous year		47,792		49,494
Goodwill write-off	220,135			
<b>Other</b>		1,575		
<b>Cash flow from capital transactions</b>	<b>0</b>		<b>0</b>	
Endowment capital				
Certificate capital				
Capital reserve				
<b>Cash flow from transactions with fixed assets</b>		31,384		53,238
Non-consolidated participations		4,940		735
Tangible fixed assets		26,444		52,503
<b>Cash flow from banking operations</b>		101,331	260,000	
<b>Operations with banks</b>		391,577	151,319	
Due from banks (over 90 days)	0		141,182	
Due to banks (over 90 days)		411,330	9,330	
Money market instruments (assets)	19,753		807	
Money market instruments (liabilities)				
<b>Operations with clients</b>	54,687			70,636
Due to customers in savings and deposits	440,673		123,963	
Cash bonds		15,693	41,566	
Due to customers, other	144,850		253,571	
Mortgage loans		584,480		561,454
Due to customers	69,337		71,718	
<b>Operations in the capital market</b>	210,300		209,397	
Bonds and mortgage-backed bonds	109,000		276,000	
Trading securities	12,134			12,452
Financial investments	89,166			54,151
<b>Other balance sheet items</b>	25,259			30,080
Other assets		76,651	19,712	
Other liabilities	101,910			49,792
<b>Liquidity</b>	64,022			261,143
Liquid funds		19,097		5,214
Due from banks up to 90 days		46,867		371,797
Due to banks up to 90 days	129,986		115,868	
<b>Total source of funds</b>	<b>422,961</b>		<b>415,097</b>	
<b>Total use of funds</b>		<b>422,961</b>		<b>415,097</b>

## 56 Notes

### 1. Business activities and number of employees

#### 1. GENERAL

Basellandschaftliche Kantonalbank (BLKB), incorporated in Liestal, is the leading bank in Baselland and one of the leading banks in the north western part of Switzerland. Legitimised by cantonal law, the Bank operates independently from state administration as an independent public law institution.

The Canton of Basel-Landschaft holds three quarters of the capital stock, one quarter is widely spread in private ownership. The Canton of Basel-Landschaft holds all voting rights. The Cantonal Law on the Cantonal Bank requires the canton to guarantee for the liabilities of the bank. Basellandschaftliche Kantonalbank is committed to providing excellent services and to retaining its independence and autonomy. The corporate principles of the bank state:

*«We are the first address for private customers and companies, the canton and the municipalities for bank services. We wish to strengthen our significant market position in the Canton of Basel-Landschaft and in the north-west of Switzerland even further. We emphasise private banking for high net worth individuals in cooperation with ATAG Asset Management AG.»*

Basellandschaftliche Kantonalbank holds 100% of the shares of the fully consolidated ATAG Asset Management AG. Atag Asset Management AG Switzerland holds:

- a 55% stake in Atag Asset Management AG Luxembourg (the remaining 45% is owned by Banque et Caisse d'Epargne de l'Etat, Luxembourg),
- a 75% stake in ATAG Private Client Services AG, Basle, and
- a 100% share in Gräff Capital Management AG, Zurich.

The financial statement of Atag Asset Management AG subgroup is consolidated in the financial statements of Basellandschaftliche Kantonalbank. The asset management business is the core competence of Atag Asset Management AG. They serve their highly demanding Swiss and international customers through their branches in Basle, Berne, Zurich, Aarau, Lucerne, St. Gallen, Lausanne, Geneva as well as through the aforementioned participation. Atag Asset Management AG consequently does not engage in retail and commercial banking. The bank serves the economic region of Basle providing an extensive range of bank services for the private sector, corporate clients and the public sector through its 32 branches in the Canton of Basel-Landschaft. Two branches are located outside the canton, in Breitenbach (Canton of Solothurn) and the city of Basle (Canton of Basel-Stadt) with the one in Basle focusing on private banking.

The core business divisions of Basellandschaftliche Kantonalbank are described below:

#### 2. RETAIL AND COMMERCIAL BANKING

Basellandschaftliche Kantonalbank decided to reduce its dependence on retail and commercial banking by emphasising the private banking business in 1995. Group net interest income contributes 63.3% to group net operating income. The percentage of the parent company is 70.6%. Mortgage loans dominate the assets of the balance sheet. Residential real estate is dominant here. Customer deposits comprise 58.4% of the balance sheet total of Basellandschaftliche Kantonalbank (parent company). The capital market is gaining importance as a finance source.

#### 3. FEE AND COMMISSION INCOME

Group fee and commission income contribute 30% to the group net operating income. The percentage of fee and commission income from net operating income for the parent company amounts to 19.2%. The principal source of this income originates from brokerage and asset management for customers.

#### 4. TRADING INCOME

Income from proprietary trading is disclosed under this position (foreign exchange, foreign currencies, precious metals, securities). The contribution of Atag Asset Management AG is material.

#### 5. OTHER INCOME

Financial investments are invested primarily in debt securities as a liquidity reserve. Financial investments also include equities and similar securities held by the bank for a medium to long-term horizon.

#### 6. RISK MANAGEMENT

The various risks have been split into the following three categories in order to harmonise and simplify implementation of BLKB risk policy. This classification corresponds with current literature and teaching:

1. Default and credit risk
2. Market-, price- and liquidity risk
3. Operational and legal risks

The individual risk types will be explained below including the provisions taken by BLKB. Details are to be found in the corresponding internal procedures.

Risk management will continue to pose a challenge for the entire banking world in the future as new products are continuously being created in the financing industry and insurers and banks are closing ranks. Moreover, the Basel Committee on Banking Supervision is reviewing the Basel Capital Accord. In the second quarter of 2003 the document is to go in its consultation process and is to be definitely passed in the fourth quarter of 2003. The new regulatory framework is to be adopted and implemented by the national law on 31<sup>st</sup> December 2006.

#### 6.1 DEFAULT AND CREDIT RISK

Credit or counter party risk is the risk of non-compliance with an obligation a counter party has incurred with BLKB.

Due to its strong lending business and the concentration of risks in the north-west of Switzerland, a geographically restricted economic area, managing credit risks has become top of the agenda for the risk management of BLKB.

Depending on the amount and complexity of the loan decisions are made at different hierarchical levels and branches. BLKB is confident that their branch managers know their customers best and are therefore in a good position to assess credit risks. Creditworthiness and possible securities are important factors in assessing the probability of default risk.

An internal rating system helps branch managers to assess the credit rating of commercial lending. Periodical meetings and continued training help to reduce losses and assure a uniform lending policy of BLKB.

A team of specialists at Head Office takes care of exceptional cases and deals with non-performing loans.

The loan committee is the supreme body for a consistent credit policy. It issues relevant rules and procedures, monitors their implementation and assures a competitive pricing policy. Changes in the credit rating of counter parties and compliance with the regulations aimed at avoiding large risks in the case of large counter parties or customers are part of the same category of risk.

Unilateral decisions of governments restricting currency transfers and payments or moratoria are referred to as country risks.

BLKB, in close cooperation with Zurich Cantonal Bank (Zürcher Kantonalbank), adopts their country rating in order to assess and minimise country risk.

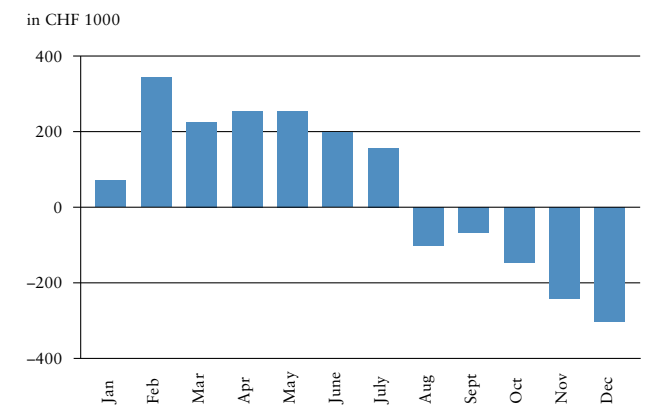
Money market business and stock exchange traded derivatives may only be concluded with approved counter parties within the limits of competency.

#### 6.2 MARKET-, PRICE- AND LIQUIDITY RISK

The term market risk is defined as the possibility of losses arising as a result of price movements on the stock-, interest-, foreign exchange- and commodity markets. Price movements are constantly being monitored.

##### 6.2.1 Interest rate risk in the banking book

Interest rate risk is controlled by the income and asset effect. Income effect measures the effect of interest rate changes on the performance of a certain period of time (eg. 12 months). In this case interest rate changes influence those items on the balance sheet which will expire within 12 months and will be renewed or fixing of a new rate is due within the next 12 months. Asset effect analyses changes of the cash value of equity under different assumed rate scenarios (eg. parallel shift of the rate curve by 1 basis point).



Balance sheet positions which grant the customer the right to give notice (variable rate mortgages and savings) will be simulated by benchmark portfolios in a way that variance of the margin between customer rate and yield of the replicating portfolio is minimised. Historic product and market rates serve as a basis for the simulation.

There are limits for the different scenarios of income and asset effect.

##### 6.2.2 Market-, price- and liquidity risks in the trading book

Market risks in the trading book are managed by means of a scenario analysis. Positions in the trading book are assessed by assuming different developments of market prices and volatility. Scenarios were defined on the basis of historic experience. Evaluation of the different market scenarios provide us with information on the current exposure to risk. Evaluation of limit exploitation is done on the basis of the scenario with the lowest result. This method is very favourable, because non-linear risks such as options can be represented correctly. Besides the market scenarios we will introduce measuring of Value at Risk of the trading positions in the course of 2003. Value at Risk denotes the maximal loss which, at a certain probability (99% for BLKB) and within a predefined time frame (10 days for BLKB), is not exceeded. This method includes all the risk factors (stock exchange

rate, foreign exchange rate, interest rate) in one figure, taking into account diversification advantages by using the coefficient of correlation between the individual risk factors. A “List of Instruments” ensures that BLKB only uses products which can be correctly assessed and entered.

Market liquidity risks are generated by the failure of the markets to have fair buying and selling prices at all times. Market liquidity risks are restricted by limitations of the delta equivalents per issuer. Central RiskManagement uses integrated systems to monitor these limits. Trading is centralised at Head Office in Liestal. The dealers are qualified and experienced.

### 6.3 OPERATIONAL RISKS

In its consultation paper of January 2001 the Basel Committee on Banking Supervision defined operational risks as: “The danger of direct or indirect losses as a result of inappropriateness or the failure of internal processes, people and systems or external events”.

BLKB shares the opinion of the Basel Committee about the increasing importance of operational risks. Therefore a security committee was set up to establish priorities and to coordinate and supervise the individual project teams.

Internal processes, control and supervision are strictly ruled by a framework of internal regulations in order to reduce operational risks. An internal control unit monitors compliance with the procedures and authorises IT-access rights of the staff in order to minimise operational risks.

Internal work flow, processes and systems are reviewed on an ongoing basis and are prioritised with respect to their importance for the operation of the bank. Constant updating and adaptation to new systems, processes and work flow is thereby assured.

Scope and frequency of management controls are defined in an internal-control manual. A disaster plan defines backup procedures in case of failure of individual systems or system groups. System risks (failure of IT platform) are analysed in cooperation with the RTC partner banks on an ongoing basis and appropriate measures are in place to minimise these risks.

Continued training for all employees, the transparent organisation of the bank and open communication does, however, represent the most efficient method of minimising operational risks.

Legal risks include:

- The lack of authorisation or lack of competence and expertise required for concluding a contract (risk of concluding unwanted commitments).
- Conclusion of incorrect or incomplete contracts (the risk of a counter party not being able to meet their obligations, risk associated with claims for damages or negligence).

To minimise these risks, the bank uses standardised contracts and individual transaction confirmations.

Moreover, certain transactions may only be carried out by authorised members of the staff at Head Office. Mandatory procedures ensure that due care is exercised when signing contracts.

Legal risks also include the possibility of changes in the regulations issued by national (SBC, SBA, SWX etc.) or by international institutions (BIS, SEC etc.).

### 7. EMPLOYEES

According to the counting methods of Federal Bank

Commission the number of employees (full-time equivalents)

was:	2002	2001
– Parent Company	600	605
– Atag Asset Management AG	173	172
Group	773	777

Number of employees (head count) was:

– Parent Company	661	662
– Atag Asset Management AG	188	186
Group	849	848
Thereof		
– apprentices	32	31
– trainees	8	9

## Notes

### 2. Accounting and consolidation principles

#### General accounting policies

The consolidated financial statements are prepared according to the accounting principles of the Swiss Banking Law, the Swiss Banking Ordinance and the BAG-FBC. It provides a true and fair view of the group’s financial position and results. It complies with Swiss corporation law and the accounting rules for listed companies issued by the Swiss stock exchange. The group financial statements are based on the audited individual financial statements of the group companies established in accordance with group-wide standardised accounting principles.

#### Consolidated entities

Group companies in which BLKB owns a majority of the votes or companies over whom BLKB exercises a dominating influence are fully consolidated.

The consolidated financial statements consist of the accounts of the parent company, Basellandschaftliche Kantonalbank, Liestal, and the subgroup, Atag Asset Management AG.

Various smaller participations, which are immaterial, are not included in the consolidated financial statements.

#### Consolidation policies

Assets and liabilities, off-balance sheet positions as well as income and expense of all group companies in the financial services industry BLKB holds a majority stake in are fully recorded.

Capital consolidation is performed upon acquisition, according to the purchase method; ie. the purchase price is set off against the revalued shareholders’ equity of the acquired entity.

The resulting goodwill is stated and written off linearly over a carefully estimated time of use. Group internal claims and liabilities as well as group internal transactions are eliminated.

#### Closing date

The consolidation period consists of the current calendar year.

All group companies close their financial year on 31<sup>st</sup> December.

#### Reporting of transactions

All transactions (on-balance sheet and off-balance sheet) are recorded as of the closing date; they affect the balance sheet as of the closing date.

#### Internal services

Intra-group services are rendered at market values. No inter-company profits arise on service transactions.

#### Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Swiss Francs at rates valid on balance-sheet date. Average exchange rates of the reporting year are used for the consolidated income statement.

Translation differences are shown in the shareholders’ equity.

Average exchange rate for the year: EUR/CHF 1.46658

Year-end rate EUR/CHF 1.45070

#### Accounting policies and valuation principles

Uniform valuation principles are applied in the Group.

#### Liquid funds, borrowed funds

Liquid funds and borrowed funds are valued at cost values.

#### Repo transactions

Repurchase agreements and reverse repurchase agreements are recorded in the balance sheet as advances against securities collateral or as payables with pledging of securities/money market book instruments.

#### Money market instruments

Bills and checks are valued at par values. Discounts of bills are amortised. Securitised money market instruments are valued at cost values.

#### Due from banks and customers, mortgage loans

Due from banks and customers as well as mortgage loans are valued at par values. Non-monetary claims and liabilities such as precious metal accounts and securities lending and borrowing are recorded at market value.

#### Securities and precious metal trading portfolios

Trading portfolios are recorded at market value. The resulting price gains and losses are reflected in the income statement as «Net trading income». Interest and dividend income from trading positions is also recorded as «Net trading income».

Refinancing expenses from trading positions are debited to «Net trading income» and credited to «Net interest income».

#### Financial investments

Equities are recorded at cost price or, if lower, at market price. Debt securities to be held until final maturity are valued according to the accrual method. Price gains, which result from premature implementation, are treated as deferrals and are booked proportionately over the residual term. Debt securities available for sale are recorded at cost price or, if lower, at market price.

Real estate available for sale is recorded at cost price or, if lower, at market price.

#### Non-consolidated participations

These participations are not consolidated for materiality reasons.

Non-consolidated participations are valued at acquisition cost less economically necessary depreciation.

#### Tangible fixed assets

Tangible fixed assets are valued at cost and written off linearly according to a carefully estimated time of use.

– Bank buildings	50 years
– Renovations	10 years
– Other real estate	80 years
– Other tangible assets	3–5 years

Maintenance costs are debited to the income statement.

#### Intangible assets

The goodwill results from capital consolidation upon acquisition (difference between purchase price and net assets revalued according to group policy) and is written off linearly according to a carefully estimated time of use.

#### Accrued income and prepaid expenses

Accruals are established according to the matching principle.

#### Other assets and liabilities

Inter alias, the balance sheet items “other assets” and “other liabilities” contain the positive and negative replacement values of the derivative instruments open as of balance sheet date.

#### Valuation adjustments and provisions

Appropriate individual valuation adjustments are carried out for all risks recognisable as of balance sheet date. The valuation adjustments represent gross values. Interest and commission income from customers overdue 90 days and more are adjusted.

Country risks are assessed in accordance with the guidelines of Swiss Bankers Association relying on the country rating of Zürcher Kantonalbank.

Pension plans: Within the group there are different pension plans. Different defined benefit plans have been established for the employees of BLKB. The pension commitments of these defined benefit plans are evaluated according to a retrospective, dynamic method by an independent qualified actuary at least every three years. Based on the actuarial evaluation eventual underfunded pension commitments are recorded as pension liabilities in the financial statements. Any surplus is disclosed in the notes to the financial statements. The pension expenses are charged to the income statement in the corresponding financial year in the case of the defined-contribution pension plans of the remaining group companies. No actuarial calculation of pension commitments is required in this case. The balance sheet is not affected.

#### Reserves for general bank risks

These reserves are added to the core capital in line with Art. 11a par 1 lit. b of the Bank Ordinance.

#### Capital reserves

Capital reserves result from the additional revenue gained on issues since the introduction of certificate capital in the parent company.

#### Retained earnings

Retained profits of the group are recorded as retained earnings.

#### Taxes

Taxes are calculated and recorded based on the taxable results of the financial year. Tax provisions for the taxable companies of the group are calculated in line with economic principles.

#### Contingent liabilities, irrevocable commitments, liabilities for calls on shares and other equities, confirmed credits and fiduciary transactions

Off-balance sheet transactions are recorded at par value.

Appropriate individual valuation adjustments are carried out for all risks recognisable.

#### Forward transactions, derivative instruments

Open forward transactions in foreign currencies, precious metals and securities are valued at the forward price prevailing on the balance date.

Trading items are entered in the balance sheet at market value. The positive or negative resulting replacement values are recorded as other assets or liabilities.

The accrual method is used for interest rate contracts qualifying as Asset and Liability Management transactions.

#### Changes in accounting policies

Valuation principles for the goodwill of subsidiaries have been changed. The relevant details are presented in item 5.5 of explanations to extraordinary income and expenses. Renovations are now being written off over a period of ten years; provisions for maintenance of real estate are not made. Otherwise, balancing and valuation principles of the group companies have not changed in comparison to the previous year.

#### Events after the balance sheet date

There are no events to report that had an influence on the balance sheet or the income statement for the 2002 financial year of BLKB.

62 **3. Information on the consolidated balance sheet****3.1 SUMMARY OF COLLATERALS**

	Mortgage cover	Other cover	Without cover	Total
	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>Loans</b>				
Due from customers				947,901
– public bodies		593	259,920	260,513
– others	208,210	158,182	320,996	687,388
Mortgage loans				10,595,204
– residential real estate	8,475,707			8,475,707
– office and business buildings	672,002			672,002
– trade and industry	1,004,149			1,004,149
– others	443,346			443,346
<b>Total loans to customers 31.12.2002</b>	<b>10,803,414</b>	<b>158,775</b>	<b>580,916</b>	<b>11,543,105</b>
– Previous year	10,248,264	169,517	610,181	11,027,962
<b>Off-balance sheet</b>				
Contingent liabilities	12,261	10,269	56,252	78,782
Irrevocable commitments	349,919		15,000	364,919
Liabilities for calls on shares and other equities			38,974	38,974
Confirmed credits				0
<b>Total off-balance sheet 31.12.2002</b>	<b>362,180</b>	<b>10,269</b>	<b>110,226</b>	<b>482,675</b>
– Previous year	620,280	17,687	118,805	756,772

**3.2 SECURITIES AND PRECIOUS METAL TRADING PORTFOLIOS, FINANCIAL INVESTMENTS AND NON-CONSOLIDATED PARTICIPATIONS****3.2.1 Securities and precious metal trading portfolios**

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
– Debt securities	626	11,805
listed on an exchange	626	11,805
not listed	0	0
<i>of which own bonds and cash bonds</i>	626	620
– Equities	3,044	3,999
<i>of which own equities</i>	2,334	2,739
– Precious metals		
<b>Total trading portfolios in securities and precious metals</b>	<b>3,670</b>	<b>15,804</b>
<i>of which securities acceptable to central banks</i>	25	7,745
<b>Trading portfolios in securities on loan</b>	<b>0</b>	<b>0</b>

**Receivables and payables contained in other balance sheet items which are valued at market value and disclosed in the "Results from trading activities":**

– Securities lent out (due from banks and customers)	0	0
– Securities borrowed (due to banks)	0	0
– Positive replacement value of derivative instruments from trading portfolios (other assets)	7,745	9,373
– Negative replacement value of derivative instruments from trading portfolios (Other liabilities)	–5,966	–9,405

	Book value		Acquisition value		Market value	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001	31.12.2002	31.12.2001
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>3.2.2 Financial investments</b>						
Debt securities	499,877	549,744	–	–	–	–
of which valued according to the amortised cost method	496,968	545,284	–	–	–	–
<i>of which own bonds and cash bonds</i>	0	0	–	–	–	–
of which valued according to the lower of cost or market method	2,909	4,460	6,216	7,828	3,137	4,795
<i>of which own bonds and cash bonds</i>	0	0	0	0	0	0
Equity securities	47,799	85,804	62,644	99,761	59,332	102,005
of which qualified participations	542	501	–	–	–	–
Precious metals	1,446	1,469	1,557	1,582	1,557	1,582
Real estate	73,014	74,285	85,099	85,217	73,014	74,285
<b>Total financial investments</b>	<b>622,136</b>	<b>711,302</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>of which securities acceptable to central bank</i>	463,775	509,533				
<b>Financial assets lent out</b>						
(due from banks and customers)	0	0			0	0

**3.2.3 Own equity securities contained in financial assets**

	Number		Book value	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
	CHF 1000	CHF 1000	CHF 1000	CHF 1000
Opening balance	36,000	40,000	20,571	22,857
Additions	0	0	0	0
Disposals	16,000	4,000	9,142	2,286
Depreciation	0	0	0	0
Appreciation	0	0	0	0
Closing balance	20,000	36,000	11,429	20,571

**3.2.4 Non-consolidated participations**

	Book value	
	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
with quoted value	0	0
without quoted value	23,933	20,993
<b>Total non-consolidated holdings</b>	<b>23,933</b>	<b>20,993</b>

**3.3 PARTICIPATIONS**

Company	Business activities	Share capital	Interest share	Interest share
		CHF 1000	2002 in %	2001 in %
<b>3.3.1 Fully consolidated participations</b>				
Atag Asset Management AG, Basle	Securities dealer	5,000	100.00	100.00
Gräff Capital Management AG, Zurich	Investment management	100	100.00	100.00
Atag Private Client Services AG, Basle	Tax and legal consultants	750	75.00	75.00
Atag Asset Management AG, Luxembourg	Securities dealer	1,250*	55.00	55.00

\* = Euro

**3.3.2 Proportionally consolidated participations**

None

**3.3.3 Participations recorded at equity**

None

**3.3.4 Non-consolidated participations****Disclosed in financial investments**

Landwirtschaftliche Trocknungsanlage, Pratteln	Drying plant	900	16.28	16.06
Balit AG, Basel	Real estate	3,300	12.12	12.12
AEB Alternativ-Energie Bf AG, Birsfelden	Energy generation	3,000	11.67	11.67
Ultra-Brag AG, Muttenz	Navigation/Warehousing/Trade	1,000	10.00	10.00
Rehabilitationszentrum Basel AG, Basel	Clinic	10,000	0.00	12.50
BAK Konjunkturforschung Basel AG, Basel	Economic research			

**Disclosed in non-consolidated participations**

Sourcag AG, Münchenstein	Services for banks	3,000	50.00	50.00
EVA Erfindungs-Verwertungs AG, Basel	Knowledge transfer	630	41.02	42.33
RTC Real-Time Center AG, Bern	Information Technology	30,000	11.73	11.73
Caleas Holding AG, Zurich	Financing company	80,000	11.19	11.19
Swiss Canto Finanz, Baar (in Liquidation)	Banking business	120,000	9.17	9.17
Finserve AG, Zurich	Securitisations	100	7.50	7.50
Pfandbriefzentrale der Schweiz. Kantonalbanken, Zurich	Bank financing	825,000	5.18	5.18
Swissca Holding AG, Bern	Financial services	24,179	4.62	4.62
WISECA Card Services SA, Zurich	Credit cards	20,000	3.09	3.09
Telekurs Holding AG, Zurich	Financial information	45,000	0.85	0.85
SIS Swiss Financial Service Group AG, Zurich	Financial participations	26,000	0.84	0.84
S.W.I.F.T., Belgien	Bank telecommunications	10,890*	0.02	0.02
Luxicav Conseil SA, Luxemburg	Investments funds EURO	75*	0.00	50.00

\* = Euro

**3.4 ANALYSIS OF CAPITAL ASSETS**

	Historical Cost	Write-offs/ depreciation 31.12.2001	Book value 31.12.2001	Transfers 2002	Additions 2002	Disposals 2002	Write-offs/ depreciation 2002	Book value 31.12.2002
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>Total non-consolidated participations</b>	<b>45,623</b>	<b>-24,630</b>	<b>20,993</b>	<b>0</b>	<b>5,000</b>	<b>-60</b>	<b>-2,000</b>	<b>23,933</b>
of which recorded at equity	0	0	0	0	0	0	0	0
of which other non-consolidated participations	45,623	-24,630	20,993	0	5,000	-60	-2,000	23,933
<b>Total real estate</b>	<b>206,464</b>	<b>-51,896</b>	<b>154,568</b>	<b>0</b>	<b>10,108</b>	<b>0</b>	<b>-3,488</b>	<b>161,188</b>
of which bank buildings	171,204	-44,909	126,295	0	10,108	0	-3,197	133,206
of which other real estate	35,260	-6,987	28,273	0	0	0	-291	27,982
<b>Other tangible fixed assets</b>	<b>90,146</b>	<b>-61,446</b>	<b>28,700</b>	<b>0</b>	<b>16,358</b>	<b>-22</b>	<b>-17,559</b>	<b>27,477</b>
<b>Total intangible assets</b>	<b>313,909</b>	<b>-62,507</b>	<b>251,402</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-251,402</b>	<b>0</b>
of which goodwill	313,909	-62,507	251,402	0	0	0	-251,402	0
<b>Assets arising from finance leases</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Others</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fire insurance value of real estate			234,744					238,989
Fire insurance value of other tangible fixed assets			50,887					52,398
Liabilities: future commitments under operational lease agreements			0					700

## 3.5 OTHER ASSETS AND OTHER LIABILITIES

	31.12.2002		31.12.2001	
	CHF 1000		CHF 1000	
	Other assets	Other liabilities	Other assets	Other liabilities
Replacement values from derivative instruments	152,605	29,857	25,955	27,567
– Principal transactions	150,504	29,220	21,636	23,253
of which held for trading	5,644	5,329	5,054	5,091
of which held for hedging	144,860	23,891	16,582	18,162
– Agency transactions	2,101	637	4,319	4,314
Compensation account	0	120,969	1,580	0
Capitalised organisational costs	0	0	0	0
Interest on endowment capital	9,564	0	9,872	0
Value-added tax and other taxes	21,467	44,241	54,768	51,577
Other receivables/payables	5,706	69,374	20,516	83,387
<b>Total</b>	<b>189,342</b>	<b>264,441</b>	<b>112,691</b>	<b>162,531</b>

## 3.6 ASSETS PLEDGED OR CEDED TO SECURE OWN COMMITMENTS, AND ASSETS SUBJECT TO RETENTION OF TITLE

	31.12.2002		31.12.2001	
	CHF 1000		CHF 1000	
	Book value	effective commitment	Book value	effective commitment
Not freely available assets:				
Due from banks	20,086	20,000	20,086	20,000
Ceded mortgage loans	1,788,488	1,364,000	1,664,529	1,285,000
Financial investments	89,936	744	89,970	3,065
<b>Total</b>	<b>1,898,510</b>	<b>1,384,744</b>	<b>1,774,585</b>	<b>1,308,065</b>

## 3.7 COMMITMENTS TO OWN PENSION PLANS

BLKB is connected to the pension plan of the Canton of Basel-Landschaft. The annual pension costs according to FER 16 amount to CHF 5.8 m. The group companies paid statutory employer contributions in the amount of CHF 8.3 m to the pension plans in the reporting year. Liabilities due to defined benefit plans in the amount of CHF 4.01 m (previous year 3.68 m) are reported as other liabilities.

A further provision for group wide pension commitments in the amount of CHF 30 m was charged to extraordinary expenses. The entire provision totals CHF 91 m now. This provision is reported as valuations adjustments and provisions. It covers a shortfall of the net assets compared with the pension commitments of CHF 116 m in total.

## 3.8 BONDS AND MORTGAGE-BACKED SECURITIES

	Year of issue	Interest rate Percent	Due date	Balance	Balance
				31.12.2002	31.12.2001
				CHF 1000	CHF 1000
	1995	5.000	20.07.2003	100,000	100,000
	1995	4.500	30.11.2004	100,000	100,000
	1998	3.500	15.10.2006	150,000	150,000
	1999	2.750	17.05.2007	300,000	300,000
	2000	4.000	10.03.2010	300,000	300,000
	2001	3.750	29.05.2009	200,000	200,000
	2002	4.000	27.02.2012	300,000	
	1993	4.375	20.12.2002		100,000
Ex warrant bond	1996	2.000	30.04.2002		120,000
	1997	3.000	12.02.2002		50,000
<b>Total bonds</b>		<b>3.759</b>		<b>1,450,000</b>	<b>1,420,000</b>
Total mortgage-backed securities		3.988		1,364,000	1,285,000
<b>Total bonds and mortgage-backed securities</b>		<b>3.870</b>		<b>2,814,000</b>	<b>2,705,000</b>

## 3.9 VALUATION ADJUSTMENTS AND PROVISIONS / FLUCTUATION RESERVES FOR CREDIT RISKS / RESERVES FOR GENERAL BANK RISKS

	Balance	Usage	Change of purpose	Recoveries doubtful interest translation differences	Write-offs (debit to income statement)	Recoveries (credit to income statement)	Balance
	31.12.2001						31.12.2002
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
Valuation adjustments and provisions for default risks (including country risks)	214,514	-30,480	0	2,383	26,165	0	212,582
Valuation adjustments and provisions for other business risks	900				10		910
Provision for pension plans (FER 16)	61,000				30,000		91,000
Provision for current taxes and deferred taxes	6,515	-4,187			72		2,400
Other provisions	2,196					-1,596	600
<b>Total valuation adjustments and provisions</b>	<b>285,125</b>	<b>-34,667</b>	<b>0</b>	<b>2,383</b>	<b>56,247</b>	<b>-1,596</b>	<b>307,492</b>
minus:							
Valuation adjustments offset against receivables	0						0
<b>Total valuation adjustments and provisions according to the balance sheet</b>	<b>285,125</b>	<b>-34,667</b>	<b>0</b>	<b>2,383</b>	<b>56,247</b>	<b>-1,596</b>	<b>307,492</b>
<b>Fluctuation reserves for credit risks</b>	<b>0</b>						<b>0</b>
<b>Reserves for general bank risks</b>	<b>447,429</b>		<b>9,142</b>		<b>16,000</b>	<b>-251,402</b>	<b>221,169</b>

## 3.10 COMPANY CAPITAL, OWNERS WITH VOTING RIGHTS EXCEEDING 5%

## 3.10.1 Company capital

	Total nominal value		Capital entitled to dividend		Total nominal value		Capital entitled to dividend	
	31.12.2002	31.12.2002	31.12.2002	31.12.2001	31.12.2001	31.12.2001	31.12.2001	
	CHF 1000	Quantity	CHF 1000	CHF 1000	Quantity	CHF 1000	CHF 1000	
Endowment capital	180,000	–	180,000	180,000	–	180,000		
Certificate capital	60,000	600,000	60,000	60,000	600,000	60,000		
<b>Company capital</b>	<b>240,000</b>	<b>600,000</b>	<b>240,000</b>	<b>240,000</b>	<b>600,000</b>	<b>240,000</b>		

## 3.10.2 Significant equity owners

	31.12.2002		31.12.2001	
	Nominal value CHF 1000	Share in %	Nominal value CHF 1000	Share in %
Canton of Basel-Landschaft	180,000	75	180,000	75
Owners of certificates	60,000	25	60,000	25

## 3.11 STATEMENT OF EQUITY

	CHF 1000
<b>Equity at the beginning of the year</b> (without minority interests on equity)	
Company capital	240,000
– less not yet paid-in capital	0
Company capital paid-in (subtotal)	240,000
Capital reserves	107,571
Retained earnings	322,237
Reserves for general bank risks	447,429
Group net profit	66,729
<b>Total equity at the beginning of the year</b> (before appropriation of retained earnings)	<b>1,183,966</b>
<i>of which minority interests in the group net profit</i>	797
+ Capital increase	0
+ Capital reserve	0
+ Allocations	14,122
– Provisions to cover underfunding of pension plan (FER16)	–251,402
– Profit distribution and interest on endowment capital to the Canton of Basel-Landschaft for the previous year	–47,792
+ Group net profit	64,121
<b>Total equity at the end of the year</b> (before appropriation of retained earnings)	<b>963,015</b>
<i>of which minority interests in the group net profit</i>	278
<b>of which:</b>	
Company capital	240,000
– less not yet paid-in capital	0
Company capital paid-in (subtotal)	240,000
Capital reserves	98,429
Retained earnings	339,296
Reserves for general bank risks	221,169
Group net profit	64,121
<i>of which minority interests</i>	278

## 3.12 MATURITY STRUCTURE OF CURRENT ASSETS AND BORROWED FUNDS

	On demand	Callable	Due within 3 months	Due within 3 to 12 months	Due within 12 months to 5 years	Due after 5 years	Immo-bilised	Total
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>Current assets</b>								
Liquid funds	120,127	0	0	0	0	0	0	120,127
Money market instruments	4,681	0	0	79,858	0	0	0	84,539
Due from banks	206,014	2,959	1,121,870	77	0	0	0	1,330,920
Due from customers	413,762	34,355	194,119	124,545	177,717	3,403	0	947,901
Mortgage loans	19,620	3,279,187	398,969	1,548,999	5,326,042	22,387	0	10,595,204
Securities and precious metal trading portfolios	3,670	0	0	0	0	0	0	3,670
Financial investments	48,585	0	45,021	88,116	244,058	123,342	73,014	622,136
<b>Total current assets 31.12.2002</b>	<b>816,459</b>	<b>3,316,501</b>	<b>1,759,979</b>	<b>1,841,595</b>	<b>5,747,817</b>	<b>149,132</b>	<b>73,014</b>	<b>13,704,497</b>
Previous year	1,024,738	4,824,865	1,730,052	1,188,127	4,202,447	199,929	74,285	13,244,443
<b>Liabilities</b>								
Money market instruments	0	0	0	0	0	0	0	0
Due to banks	38,287	49,991	399,019	260,000	275,000	150,000	0	1,172,297
Due to customers in savings and deposits	0	5,223,602	58,157	0	0	0	0	5,281,759
Due to customers, other	1,567,274	29,099	240,680	82,495	380,910	156,000	0	2,456,458
Cash bonds	0	0	87,857	175,442	526,012	31,488	0	820,799
Bonds and mortgage-backed bonds	0	0	0	100,000	1,271,000	1,443,000	0	2,814,000
<b>Total liabilities 31.12.2002</b>	<b>1,605,561</b>	<b>5,302,692</b>	<b>785,713</b>	<b>617,937</b>	<b>2,452,922</b>	<b>1,780,488</b>	<b>0</b>	<b>12,545,313</b>
Previous year	1,206,750	4,932,079	820,404	718,233	2,660,177	1,810,184	0	12,147,827

## 3.13 PAYABLES AND RECEIVABLES TOWARDS AFFILIATED COMPANIES AS WELL AS LOANS AND EXPOSURES TO MEMBERS OF THE BANK'S GOVERNING BODIES

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
Due from affiliated companies	22,101	24,616
Due to affiliated companies	5,691	4,998
Due from members of the Bank's governing bodies	55,807	55,893

## 3.14 ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

	31.12.2002		31.12.2001	
	Domestic	Foreign	Domestic	Foreign
	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>ASSETS</b>				
Liquid funds	120,124	3	101,030	0
Money market instruments	84,539	0	104,292	0
Due from banks	375,783	955,137	522,588	761,465
Due from customers	933,769	14,132	999,955	17,283
Mortgage loans	10,595,204	0	10,010,724	0
Securities and precious metal trading portfolios	3,665	5	11,922	3,882
Financial investments	590,836	31,300	648,009	63,293
Non-consolidated participations	23,933	0	20,933	60
Tangible fixed assets	185,530	3,135	182,808	460
Intangible assets	0	0	251,402	0
Accrued income and prepaid expenses	104,980	3,260	93,423	1,920
Other assets	189,219	123	112,607	84
<b>Total Assets</b>	<b>13,207,582</b>	<b>1,007,095</b>	<b>13,059,693</b>	<b>848,447</b>
<b>LIABILITIES</b>				
Money market instruments	0	0	0	0
Due to banks	670,267	502,030	751,972	701,669
Due to customers in savings and deposits	5,077,826	203,933	4,644,732	196,354
Due to customers, other	2,406,018	50,440	2,273,028	38,580
Cash bonds	820,799	0	836,492	0
Bonds and mortgage-backed bonds	2,814,000	0	2,705,000	0
Accrued expenses and deferred income	130,794	1,639	126,238	772
Other liabilities	264,374	67	162,428	103
Valuation adjustments and provisions	306,043	1,449	283,143	1,982
Reserves for general bank risks	221,169	0	447,429	0
Endowment capital	240,000	0	240,000	0
Capital reserves	98,429	0	107,571	0
Retained earnings	337,366	1,930	322,195	42
Minority interests in equity	404	1,579	255	1,426
Group net profit	63,835	286	65,288	1,441
<i>of which minority interests</i>	0	278	0	797
<b>Total liabilities and equity</b>	<b>13,451,324</b>	<b>763,353</b>	<b>12,965,771</b>	<b>942,369</b>

## 3.15 ASSETS BY COUNTRY GROUPS

	31.12.2002		31.12.2001	
	CHF 1000	Share in %	CHF 1000	Share in %
<b>ASSETS</b>				
Switzerland	13,207,582	92.92	13,059,693	93.90
Europe	956,921	6.73	791,656	5.69
North America	41,675	0.29	48,104	0.35
Asia/Australasia	901	0.01	1,139	0.01
Other	7,598	0.05	7,548	0.05
<b>Total assets</b>	<b>14,214,677</b>	<b>100.00</b>	<b>13,908,140</b>	<b>100.00</b>

## 3.16 ASSETS AND LIABILITIES BY CURRENCIES

	CHF	USD	EUR	Other	Total
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>ASSETS</b>					
Liquid funds	111,141	601	7,944	441	120,127
Money market instruments	84,538	1	0	0	84,539
Due from banks	1,155,146	32,040	114,729	29,005	1,330,920
Due from customers	930,941	11,459	5,349	152	947,901
Mortgage loans	10,595,204	0	0	0	10,595,204
Securities and precious metal trading portfolios	2,960	710	0	0	3,670
Financial investments	610,975	5,224	3,938	1,999	622,136
Non-consolidated participations	23,933	0	0	0	23,933
Tangible fixed assets	188,147	0	518	0	188,665
Intangible assets	0	0	0	0	0
Accrued income and prepaid expenses	106,986	363	867	24	108,240
Other assets	189,212	23	97	10	189,342
<b>Total assets 31.12.2002</b>	<b>13,999,183</b>	<b>50,421</b>	<b>133,442</b>	<b>31,631</b>	<b>14,214,677</b>
Previous year	13,663,864	58,277	163,143	22,856	13,908,140
<b>LIABILITIES</b>					
Money market instruments	0	0	0	0	0
Due to banks	1,167,846	401	2,142	1,908	1,172,297
Due to customers in savings and deposits	5,238,907	0	42,852	0	5,281,759
Due to customers, other	2,330,161	32,900	68,928	24,469	2,456,458
Cash bonds	820,799	0	0	0	820,799
Bonds and mortgage-backed bonds	2,814,000	0	0	0	2,814,000
Accrued expenses and deferred income	131,638	25	761	9	132,433
Other liabilities	264,373	61	0	7	264,441
Valuation adjustments and provisions	306,079	0	1,413	0	307,492
Reserves for general bank risks	221,169	0	0	0	221,169
Endowment capital	240,000	0	0	0	240,000
Capital reserves	98,429	0	0	0	98,429
Retained earnings	337,366	0	1,930	0	339,296
Minority interests on equity	404	0	1,579	0	1,983
Group net profit	63 835	0	286	0	64 121
<i>of which minority interests</i>	0	0	278	0	278
<b>Total liabilities and equity 31.12.2002</b>	<b>14,035,006</b>	<b>33,387</b>	<b>119,891</b>	<b>26,393</b>	<b>14,214,677</b>
Previous year	13,730,212	41,695	118,931	17,302	13,908,140

## 4. Information on off-balance sheet transactions

## 4.1 CONTINGENT LIABILITIES

	2002	2001
	CHF 1000	CHF 1000
Guarantee for collateralisation of loans and similar	18,226	19,383
Guarantee for warranty and similar	59,398	83,825
Irrevocable commitments	1,158	790
Other contingent liabilities	0	0
<b>Total contingent liabilities</b>	<b>78,782</b>	<b>103,998</b>

## 4.2 CONFIRMED CREDITS

	2002	2001
	CHF 1000	CHF 1000
Liabilities from deferred payments	0	0
Acceptance liabilities	0	0
Other confirmed credits	0	0
<b>Total confirmed credits</b>	<b>0</b>	<b>0</b>

## 4.3 DERIVATIVE FINANCIAL INSTRUMENTS

	Positive replacement value	Negative replacement value	Contract volume	Positive replacement value	Negative replacement value	Contract volume
	31.12.2002	31.12.2002	31.12.2002	31.12.2001	31.12.2001	31.12.2001
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
<b>Interest rate contracts</b>						
Futures contracts incl. FRAs	0	0	0	0	0	0
Swaps	144,860	23,891	2,450,000	16,582	18,162	1,450,000
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange traded)	0	0	0	0	0	0
<b>Foreign exchange contracts</b>						
Futures contracts	3,470	1,691	140,892	1,406	1,076	148,076
Combined interest and currency swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	51	51	5,355	412	412	25,953
Options (exchange traded)	0	0	0	0	0	0
<b>Precious metal contracts</b>						
Futures contracts	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange traded)	0	0	0	0	0	0
<b>Equities/Index contracts</b>						
Futures contracts	0	0	0	0	0	0
Futures	413	413	23,982	35	405	11,192
Options (OTC)	16	16	103	4,185	4,185	25,013
Options (exchange traded)	3,795	3,795	39,617	3,335	3,327	98,499
<b>Other contracts</b>						
Futures contracts	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange traded)	0	0	0	0	0	0
<b>Total</b>	<b>152,605</b>	<b>29,857</b>	<b>2,659,949</b>	<b>25,955</b>	<b>27,567</b>	<b>1,758,733</b>

## 4.4 FIDUCIARY TRANSACTIONS

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
Fiduciary deposits with third-party banks	419,017	602,536
Fiduciary deposits with group banks and associated banks	0	0
Fiduciary credits and other fiduciary transactions	0	0
<b>Total fiduciary transactions</b>	<b>419,017</b>	<b>602,536</b>

## 5. Information on the consolidated income statement

## 5.1 REFINANCING INCOME INCLUDED IN INTEREST AND DISCOUNT INCOME

	2002	2001
	CHF 1000	CHF 1000
Refinancing income from trading positions	176	995

## 5.2 NET TRADING INCOME

Foreign exchange and precious metals	13,958	12,713
Securities	-302	2,566
Interest rate contracts	0	0
<b>Total net trading income</b>	<b>13,656</b>	<b>15,279</b>

## 5.3 PERSONNEL EXPENSES

Salaries and bonuses incl. attendance fees and compensation paid to bank authorities	-91,083	-88,243
Social security benefits	-16,258	-16,823
Other personnel expenses	-4,824	-5,451
<b>Total personnel expenses</b>	<b>-112,165</b>	<b>-110,517</b>

## 5.4 OTHER OPERATING EXPENSES

Premises expense	-9,961	-10,747
Expense for IT, machinery, furniture, vehicles and other equipment	-6,529	-5,054
Other	-61,224	-64,930
<b>Total operating expenses</b>	<b>-77,714</b>	<b>-80,731</b>

## 5.5 EXPLANATION TO EXTRAORDINARY INCOME AND EXPENSES

Valuation principles for immaterial assets were changed in the reporting year for the group because of equity market conditions and the resulting profitability of Atag Asset Management Group. The aperiodic portion of CHF 220.135 m was charged to extraordinary expenses.

	2002	2001
	CHF 1000	CHF 1000
<b>Extraordinary income</b>	<b>253,327</b>	<b>68,270</b>
- Profits from disposal of tangible fixed assets	12	293
- Profits from disposal of non-consolidated participations	330	6,958
- Release of reserve for general bank risks	30,000	61,000
- Release of reserve for general bank risks	220,135	0
- Other extraordinary income	2,850	19
<b>Extraordinary expenses</b>	<b>-268,471</b>	<b>-76,068</b>
- Deposits for reserves for general bank risks	-16,000	-14,000
- Provisions to cover underfunding of pension plan (FER16)	-30,000	-61,000
- Extraordinary goodwill write-off	-220,135	0
- Other extraordinary expenses	-2,336	-1,068

## 5.6 REVALUATION OF TANGIBLE FIXED ASSETS TO THE ACQUISITION VALUE INCLUDING REASONS (ART. 665 AND 665 A OR)

None

## 5.7 INCOME AND EXPENSES BY DOMESTIC AND FOREIGN ORIGIN

INCOME AND EXPENSES FROM ORDINARY BANK BUSINESS	2002	2002	2001	2001
	Domestic CHF 1000	Foreign CHF 1000	Domestic CHF 1000	Foreign CHF 1000
<b>Net interest income</b>	229,179	142	212,592	196
Interest and discount income	522,598	80	550,869	126
Interest and discount income on trading portfolio	0	0	0	0
Interest and discount income on financial investments	22,011	63	23,293	71
Interest expenses	-315,430	-1	-361,570	-1
<b>Net fee and commission income</b>	86,904	4,689	95,171	5,925
Commission income on lending activities	1,190	0	1,474	0
Commission income on securities and investment transactions	85,390	4,955	97,163	5,222
Commission income on other services	13,168	29	12,017	994
Commission expenses	-12,844	-295	-15,483	-291
<b>Net trading income</b>	13,659	-3	15,291	-12
<b>Net other income</b>	143	-497	7,013	4
Results from the sale of financial investments	4,295	-491	6,895	168
Income from non-consolidated participations	1,497	11	1,481	36
Real estate income	5,944	0	6,328	0
Other ordinary income	3,171	0	2,888	0
Other ordinary expenses	-14,764	-17	-10,579	-200
<b>Net operating income</b>	329,885	4,331	330,067	6,113
<b>Operating expenses</b>	-186,107	-3,772	-187,319	-3,929
Personnel expenses	-109,630	-2,535	-108,034	-2,483
Other operating expenses	-76,477	-1,237	-79,285	-1,446
<b>Gross profit</b>	143,778	559	142,748	2,184
Depreciation and write-offs of non-current assets	-54,113	-200	-54,472	-267
Value adjustments, provisions and losses	-10,610	0	-12,466	0
<b>Interim result</b>	79,055	359	75,810	1,917
Extraordinary income	253,241	86	68,251	19
Extraordinary expenses	-268,468	-3	-76,058	-10
Taxes	4	-153	-2,700	-500
<b>Group net profit</b>	63,832	289	65,303	1,426
<i>of which minority interests</i>	0	278	0	797

## Report of the group auditor



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To the "Regierungsrat" of the canton Basel-Landschaft (for the attention of the "Landrat")  
**BASELLANDSCHAFTLICHE KANTONALBANK, LIESTAL**

Berne, February 28, 2003  
sls/wbe

### Report of the group auditor

As auditor of the group, we have audited the consolidated financial statements (balance sheet, income statement and notes) of Basellandschaftliche Kantonalbank for the year ended December 31, 2002.

These consolidated financial statements are the responsibility of the "Bankrat". Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the accounting standards to be used for banks and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young AG

  
Heinz Kummer  
Swiss Certified Accountant

  
Alois Schärli  
Swiss Certified Accountant  
(in charge of the audit)

Offices in Aarau, Basel, Berne, Bienna, Chur, Fribourg, Geneva, Kreuzlingen, Lausanne, Lucerne, Lugano, Neuchâtel, Sion, St. Gallen, Zug, Zurich.  Member of the Swiss Chamber of Auditors

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80 **Balance sheet on 31 december 2002**  
(before profit appropriation)

	2002	2001	Change	Change
	CHF 1000	CHF 1000	CHF 1000	in %
<b>ASSETS</b>				
Liquid funds	119,120	100,435	18,685	18.60
Money market instruments	84,539	104,292	-19,753	-18.94
Due from banks	1,258,152	1,167,781	90,371	7.74
Due from customers	932,798	1,006,456	-73,658	-7.32
Mortgage loans	10,595,204	10,010,724	584,480	5.84
Securities and precious metal trading portfolios	2,965	15,804	-12,839	-81.24
Financial investments	609,200	693,022	-83,822	-12.10
Non-consolidated participations	72,693	69,693	3,000	4.30
Tangible fixed assets	183,963	177,208	6,755	3.81
Intangible assets	102,880	87,955	14,925	16.97
Accrued income and prepaid expenses	186,786	107,761	79,025	73.33
Other assets	0	0	0	
<b>Total assets</b>	<b>14,148,300</b>	<b>13,541,131</b>	<b>607,169</b>	<b>4.48</b>
- Total subordinated claims	10,548	10,688	-140	-1.31
- Total due from non-consolidated participations	10,000	11,250	-1,250	-11.11
- Total due from the Canton of Basel-Landschaft	82,331	23,326	59,005	252.96

	2002	2001	Change	Change
	CHF 1000	CHF 1000	CHF 1000	in %
<b>LIABILITIES</b>				
Money market instruments	0	0	0	0.00
Due to banks	1,165,030	1,434,781	-269,751	-18.80
Due to customers in savings and deposits	5,281,759	4,841,086	440,673	9.10
Due to customers, other	2,383,257	2,231,223	152,034	6.81
Cash bonds	820,799	836,492	-15,693	-1.88
Bonds and mortgage-backed bonds	2,814,000	2,705,000	109,000	4.03
Accrued expenses and deferred income	125,836	122,630	3,206	2.61
Other liabilities	277,521	157,283	120,238	76.45
Valuation adjustments and provisions	303,780	277,344	26,436	9.53
Reserves for general bank risks	232,571	207,429	25,142	12.12
Endowment capital	240,000	240,000	0	0.00
Legal reserve	409,600	384,600	25,000	6.50
Own shares	11,429	20,571	-9,142	-44.44
Revaluation reserve	0	0	0	
Other reserves	0	0	0	
Retained earnings brought forward	10,220	10,853	-633	-5.83
Net profit for the year	72,498	71,839	659	0.92
<b>Total liabilities and equity</b>	<b>14,148,300</b>	<b>13,541,131</b>	<b>607,169</b>	<b>4.48</b>
- Total subordinated liabilities	0	0	0	0.00
- Total due to non-consolidated participations	19,923	2,057	17,866	868.55
- Total due to the Canton of Basel-Landschaft	32,437	51,569	-19,132	-37.10

**OFF-BALANCE SHEET TRANSACTIONS**

Contingent liabilities	76,497	101,160	-24,663	-24.38
Irrevocable commitments	364,919	606,685	-241,766	-39.85
Liabilities for calls on shares and other equities	38,974	46,089	-7,115	-15.44
Confirmed credits	0	0	0	0.00
Derivative instruments				
- positive replacement value	150,504	21,636	128,868	595.62
- negative replacement value	29,220	23,253	5,967	25.66
- contract volume	2,612,446	1,726,569	885,877	51.31
Fiduciary transactions	47,842	72,329	-24,487	-33.86

82 **Income statement**

INCOME AND EXPENSES FROM ORDINARY	2002	2001	Change	Change
BANK BUSINESS	CHF 1000	CHF 1000	CHF 1000	in %
<b>Net interest income</b>	<b>227,316</b>	<b>208,095</b>	<b>19,221</b>	<b>9.24</b>
Interest and discount income	521,045	547,326	-26,281	-4.80
Interest and discount income on trading portfolio	0	0	0	
Interest and discount income on financial investments	21,669	22,913	-1,244	-5.43
Interest expenses	-315,398	-362,144	46,746	-12.91
<b>Net fee and commission income</b>	<b>50,975</b>	<b>56,487</b>	<b>-5,512</b>	<b>-9.76</b>
Commission income on lending activities	1,190	1,474	-284	-19.27
Commission income on securities and investment transactions	41,695	45,448	-3,753	-8.26
Commission income on other services	14,253	15,286	-1,033	-6.76
Commission expenses	-6,163	-5,721	-442	7.73
<b>Net trading income</b>	<b>9,674</b>	<b>10,609</b>	<b>-935</b>	<b>-8.81</b>
<b>Net other income</b>	<b>10,279</b>	<b>19,696</b>	<b>-9,417</b>	<b>-47.81</b>
Results from the sale of financial investments	3,548	6,101	-2,553	-41.85
Income from participations	11,498	15,481	-3,983	-25.73
Real estate income	5,944	6,328	-384	-6.07
Other ordinary income	0	0	0	
Other ordinary expenses	-10,711	-8,214	-2,497	30.40
<b>Net operating income</b>	<b>298,244</b>	<b>294,887</b>	<b>3,357</b>	<b>1.14</b>
<b>Operating expenses</b>	<b>-148,196</b>	<b>-152,881</b>	<b>4,685</b>	<b>-3.06</b>
Personnel expenses	-82,495	-83,966	1,471	-1.75
Other operating expenses	-65,701	-68,915	3,214	-4.66
<b>Gross profit</b>	<b>150,048</b>	<b>142,006</b>	<b>8,042</b>	<b>5.66</b>
<b>ANNUAL PROFIT</b>				
Gross profit	150,048	142,006	8,042	5.66
Depreciation and write-offs of non-current assets	-20,245	-20,331	86	-0.42
Value adjustments, provisions and losses	-10,216	-11,845	1,629	-13.75
<b>Interim result</b>	<b>119,587</b>	<b>109,830</b>	<b>9,757</b>	<b>8.88</b>
Extraordinary income	240,549	68,212	172,337	252.65
Extraordinary expenses	-287,582	-106,057	-181,525	171.16
Taxes	-56	-146	90	-61.64
<b>Net profit for the year</b>	<b>72,498</b>	<b>71,839</b>	<b>659</b>	<b>0.92</b>
<b>APPROPRIATION OF RETAINED EARNINGS</b>				
Net profit for the year	72,498	71,839	659	0.92
Retained earnings brought forward	10,220	10,853	-633	-5.83
<b>Retained earnings</b>	<b>82,718</b>	<b>82,692</b>	<b>26</b>	<b>0.03</b>
Interest on endowment capital	-9,564	-9,872	308	-3.12
Dividend on certificate capital	-12,600	-12,600	0	0.00
Profit distribution to Canton of Basel-Landschaft	-25,000	-25,000	0	0.00
Allocation to legal reserve	-25,000	-25,000	0	0.00
<b>Retained earnings</b>	<b>10,554</b>	<b>10,220</b>	<b>334</b>	<b>3.27</b>

**Notes  
Financial section****1. Business activities and number of employees**

Reference is made to the section on business activities and number of employees on the consolidated financial statements (p 56).

**2. Accounting policies and valuation principles****General accounting policies**

The accounting and valuation principles of the group basically apply to the financial statements of the parent company. Statutory financial statements, however, may contain hidden reserves contrary to the consolidated financial statements.

**Participations**

The goodwill on the participation of Atag Asset Management was written off upon acquisition in the financial year 2000.

**Changes in accounting policies and valuation principles**

In the consolidated financial statement the goodwill on participations has been written off by debiting CHF 31.266 m (CHF 30 m thereof for Atag Asset Management) to ordinary expenses and by debiting CHF 220.135 m (CHF 210 m thereof for Atag Asset Management) to extraordinary expenses, thereby eliminating the difference in valuation of the goodwill between parent company and consolidation.

**3. Information on the balance sheet**

Banks issuing consolidated financial statements, are dispensed from certain disclosures in the financial statements of the parent company according to Art. 25k bank ordinance. The notes on the financial statements of the parent company are structured in the same way as the consolidated financial statements for ease of reference.

**3.6 ASSETS PLEDGED OR CEDED TO SECURE OWN COMMITMENTS, AND ASSETS SUBJECT TO RETENTION OF TITLE**

	31.12.2002		31.12.2001	
	CHF 1000	CHF 1000	CHF 1000	CHF 1000
Not freely available assets:				
	Book value	effect. commitment	Book value	effect. commitment
Ceded mortgage loans	1,788,488	1,364,000	1,664,529	1,285,000
Financial investments	89,192	0	86,905	0

**3.7 COMMITMENTS TO OWN PENSION PLANS**

BLKB is connected to the pension plan of the Canton of Basel-Landschaft. The annual pension costs according to FER 16 amount to CHF 5.8 m. BLKB paid statutory employer contributions in the amount of CHF 8.3 m to the pension plans in the reporting year. Liabilities due to defined benefit plans in the amount of CHF 4.01 m (previous year 3.68 m) are reported as other liabilities.

A further provision for the pension commitments in the amount of CHF 30 m was charged to extraordinary expenses. The entire provision totals CHF 91 m now. This provision is reported as valuations adjustments and provisions. It covers a shortfall of the net assets compared with the pension commitments of CHF 116 m in total.

### 3.9 VALUATION ADJUSTMENTS AND PROVISIONS / FLUCTUATION RESERVES FOR CREDIT RISKS / RESERVES FOR GENERAL BANK RISKS

	Balance 31.12.2001	Usage	Change of purpose (reclassification)	Recoveries doubtful interest translation differences	Write-offs (debit to income statement)	Recoveries (credit to income statement)	Balance 31.12.2002
	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000	CHF 1000
Valuation adjustments and provisions for default risks (including country risks)	214,098	-30,480	0	2,383	26,079	0	212,080
Valuation adjustments and provisions for other business risks	0						0
Provision for pension plans (FER 16)	61,000				30,000		91,000
Provision for current taxes and deferred taxes	50				50		100
Other provisions	2,196				-1,596		600
<b>Total valuation adjustments and provisions</b>	<b>277,344</b>	<b>-30,480</b>	<b>0</b>	<b>2,383</b>	<b>56,129</b>	<b>-1,596</b>	<b>303,780</b>
minus:							
Valuation adjustments offset against receivables	0						0
<b>Total valuation adjustments and provisions according to the balance sheet</b>	<b>277,344</b>	<b>-30,480</b>	<b>0</b>	<b>2,383</b>	<b>56,129</b>	<b>-1,596</b>	<b>303,780</b>
<b>Fluctuation reserves for credit risks</b>	<b>0</b>						<b>0</b>
<b>Reserves for general bank risks</b>	<b>207,429</b>		<b>9,142</b>		<b>46,000</b>	<b>-30,000</b>	<b>232,571</b>
<b>Own shares</b>	<b>20,571</b>		<b>-9,142</b>				<b>11,429</b>

### 3.10 COMPANY CAPITAL

	Total nominal value 31.12.2002	31.12.2002	Capital entitled to dividend 31.12.2002	Total nominal value 31.12.2001	31.12.2001	Capital entitled to dividend 31.12.2001
	CHF 1000	Quantity	CHF 1000	CHF 1000	Quantity	CHF 1000
Endowment capital	180,000	-	180,000	180,000	-	180,000
Certificate capital	60,000	600,000	60,000	60,000	600,000	60,000
<b>Company capital</b>	<b>240,000</b>	<b>600,000</b>	<b>240,000</b>	<b>240,000</b>	<b>600,000</b>	<b>240,000</b>
Approved capital	0			0		
Issued and paid-in capital	0			0		

The Canton of Basel-Landschaft holds 100% of the endowment capital. Kantonbank acts as an intermediary for the refinancing of the endowment capital. The interest on the endowment capital is paid by the bank.

Endowment capital is composed of:	Year of issue	Interest rate in %	Due date	Balance 31.12.2002	Balance 31.12.2001
				CHF 1000	CHF 1000
Bond	1994	5.500	30.09.2004	60,000	60,000
Bond	2000	4.000	17.02.2010	70,000	70,000
Bond	2002	3.250	30.09.2014	50,000	
Bond	1992	7.125	30.09.2002		50,000
<b>Total</b>				<b>180,000</b>	<b>180,000</b>

**3.11 STATEMENT OF EQUITY**

	CHF 1000
<b>Equity at the beginning of the year</b>	
Company capital	240,000
– less not yet paid-in capital	0
Company capital paid-in (subtotal)	240,000
Legal reserve	384,600
Reserves for general bank risks	207,429
Own shares	20,571
Retained earnings	82,692
<b>Total equity at the beginning of the year</b> (before appropriation of retained earnings)	<b>935,292</b>
+ Capital increase	0
+ Capital reserve	0
+ Allocations	46,000
– Release of reserves	–30,000
– Profit distribution and interest on endowment capital to the Canton of Basel-Landschaft for the previous year	–47,472
+ Net profit for the year	72,498
<b>Total equity at the end of the year</b> (before appropriation of retained earnings)	<b>976,318</b>
<b>of which:</b>	
Company capital	240,000
– less not yet paid-in capital	0
Company capital paid-in (subtotal)	240,000
Legal reserve	409,600
Reserves for general bank risks	232,571
Own shares	11,429
Retained earnings	82,718

**3.13 PAYABLES AND RECEVABLES TOWARDS AFFILIATED COMPANIES AS WELL AS LOANS AND EXPOSURES TO MEMBERS OF THE BANK'S GOVERNING BODIES**

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
Due from affiliated companies	22,101	24,616
Due to affiliated companies	5,691	4,998
Due from members of the Bank's governing bodies	55,807	55,893

**4. Information on off-balance transactions****4.4 FIDUCIARY TRANSACTIONS**

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
Fiduciary deposits with third-party banks	47,842	72,329
Fiduciary deposits with group banks and associated banks	0	0
Fiduciary credits and other fiduciary transactions	0	0
<b>Total fiduciary transactions</b>	<b>47,842</b>	<b>72,329</b>

88 **5. Income statement****5.2 NET TRADING INCOME**

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
Foreign exchange and precious metals	10,266	8,720
Securities	-592	1,889
Interest rate contracts	0	0
<b>Total net trading income</b>	<b>9,674</b>	<b>10,609</b>

**5.5 EXPLANATION TO EXTRAORDINARY INCOME AND EXPENSES**

Valuation principles for the immaterial assets were changed in the reporting year for the group because of equity market conditions and the resulting profitability of Atag Asset Management Group. In the consolidated financial statement the goodwill on participations has been written off by debiting CHF 31.266 m (CHF 30 m thereof for Atag Asset Management) to ordinary expenses and by debiting CHF 220.135 m (CHF 210 m thereof for Atag Asset Management) to extraordinary expenses, thereby eliminating the difference in valuation of the goodwill between parent company and consolidation.

The change of valuation principles in the parent company results in the release of hidden reserves in the amount of CHF 210 m. This reserve, however, was not considered as regulatory capital in the previous year.

	31.12.2002	31.12.2001
	CHF 1000	CHF 1000
<b>Extraordinary income</b>	<b>240,549</b>	<b>68,212</b>
- Release of reserve for general bank risks	30,000	61,000
- Release of reserve for general bank risks	210,000	0
- Other extraordinary income	549	7,212
<b>Extraordinary expenses</b>	<b>-287,582</b>	<b>-106,057</b>
- Credit to reserves for general bank risks	-46,000	-44,000
- Write-off of acquisition costs	-30,000	-61,000
- Provision to cover underfunding of pension plan (FER16)	-210,000	0
- Other extraordinary expenses	-1,582	-1,057

**Report of the statutory auditors**

Ernst & Young Ltd  
Audit  
Brunnhofweg 37  
P.O. Box  
CH-3001 Berne

Phone +41 58 286 61 11  
Fax +41 58 286 68 27  
www.ey.com/ch

To the "Regierungsrat" of the canton Basel-Landschaft (for the attention of the "Landrat")  
**BASELLANDSCHAFTLICHE KANTONALBANK, LIESTAL**

Berne, February 3, 2003  
sks/wbc

**Report of the statutory auditors**

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Basellandschaftliche Kantonalbank for the year ended December 31, 2002.

These financial statements are the responsibility of the "Bankrat". Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and the financial statements as well as the proposal of the appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Heinz Kummer  
Swiss Certified Accountant

Alois Schärli  
Swiss Certified Accountant  
(in charge of the audit)

REPORT ON 2002 – THE 38<sup>TH</sup> YEAR OF ITS EXISTENCE

In the reporting year BLKB Cultural Foundation granted 754,850 Swiss francs in scholarships (previous year 735,700 Swiss francs). Thanks to the financial contribution of 500,000 Swiss francs granted to the foundation every year by BLKB the scholarships could be maintained at such a high level.

The number of applications for scholarship remained constant in the year under review. 280 applications (previous year 243) for contributions to the promotion of junior professionals were approved translating into an amount of 585,250 Swiss francs (565,100).

Applications for the support of cultural events, at a number of 91, remained roughly the same as in the previous year (86). The amount granted was 124,600 Swiss francs (previous year 125,600).

On 17<sup>th</sup> October 2002 the traditional ceremony for the 12<sup>th</sup> Kantonalbank Award took place in the hall of “Altes Zeughaus” in Liestal which was full to the last seat. The award of 15,000 Swiss francs was

bestowed on the following award-winners:

The economy award 2002 was presented to **Florin AG Muttentz** for exemplary planning and execution of their succession. The award is supposed to underline how important it is for the existence of a family business to carefully plan and carry out the handing over from one generation to the next.

Thomas Gartmann, head of the department of Music at Pro Helvetia assumed the task of presenting the award for **Rümlingen Festival**.

Rümlingen is an artistic production workshop, a kind of laboratory which, due to a high artistic risk, also accepts the danger of failing and shows new ways of approaching the question of quality.

**Markus Wiesner**, trampoline athlete, 7-time Swiss champion, Olympic participant and 2-time champion of “Turnfest” was honoured with the Kantonalbank Award for his extraordinary commitment and his contribution to sports excellence.

In 2002 neither Foundation Board nor Management Board recorded any personnel changes.

INCOME STATEMENT	2002	2001
	CHF	CHF
<b>EXPENSES</b>		
Contributions	754,850.00	735,700.00
Other expenses	3,624.90	3,583.50
Profit/loss (-)	30,409.65	-16,693.20
	<b>788,884.55</b>	<b>722,590.30</b>
<b>INCOME</b>		
Interest	161,694.70	163,089.50
Refunded contributions and released provisions	93,000.00	30,250.00
Contributions of BLKB	500,000.00	500,000.00
Income from real estate	34,189.85	29,250.80
	<b>788,884.55</b>	<b>722,590.30</b>

## BALANCE SHEET ON 31 DECEMBER 2002

ASSETS		
Receivable from BLKB		
– Current account	744,568.16	718,859.36
– Rental interest account	79,879.35	35,051.95
– Term deposit	3,000,000.00	3,000,000.00
Withholding tax	56,772.10	57,272.85
Accrued income and prepaid expenses	0.00	0.00
Property	2,400,000.00	2,400,000.00
	<b>6,281,219.61</b>	<b>6,211,184.16</b>
<b>LIABILITIES</b>		
Endowment capital	3,000,000.00	3,000,000.00
Operating capital	436,601.16	406,191.51
Provision for authorised contributions	548,750.00	549,000.00
Provisions for maintenance	275,000.00	245,000.00
Accrued expenses and deferred income	20,868.45	10,992.65
Mortgage loan	2,000,000.00	2,000,000.00
	<b>6,281,219.61</b>	<b>6,211,184.16</b>

## Education and professional career of the members of the Executive Board and relevant business connections



Paul Nyffeler



Lukas Spiess



Meinrad Geering



Willy Winkler



Kaspar Schweizer

**Paul Nyffeler**  
Chairman of the Executive Board. Since 1990. Apprenticeship as a printer; night school, Matura, studies of national economics, graduating from Basle University; studies at the London School of Economics and the Wharton School, University of Pennsylvania, USA. Independent management consultant; elected to Regierungsrat in 1975; head of Building and Agriculture and from 1983 head of Finance and Churches, two departments of Canton of Basel-Landschaft. Chairman of the Executive Board of Basellandschaftliche Kantonalbank since 1990. Member of the following boards of directors: Swisssa AG; Canto Consulting AG (companies of the Association of Swiss Cantonal Banks); Atag Asset Management AG, Bern; Publisuisse SA; Ultra Brag AG; Erfindungsverwertungs AG.

**Lukas Spiess**  
Member of the Executive Board; head of Credit and Corporate Customers. Since 1991. Studies of national economics, PhD from Basle University. Head of Planning of the canton of Basel-Landschaft, head of Finance and Churches of Canton of Basel-Landschaft. 1981 entry into BLKB, head of Arlesheim branch, 1991 head of business area Credit and Corporate Customers. Member of the following boards of directors: Caleas AG, Zürich; Bürgerschaftsgenossenschaft (cooperative society for guarantees) Baselland (BGB), Münchenstein; BTG-Bürgerschaftsgenossenschaft beider Basel, Basel, member of Revisionsstelle (auditors) of Elektra Birseck (EBM), Münchenstein.

**Meinrad Geering**  
Member of the Executive Board; head of Investment Customers. Since 1994. Education in banking (apprenticeship; commercial management school); Insead Executive Programme. Jobs in investment advice, asset management in Switzerland, Frankfurt and New York. Managing positions at Bank Sarasin and Swiss Bank Corporation. Creation and management of the business area Investment Customers upon entry into BLKB. Member of the following boards of directors: Pfandbriefzentrale (central office of mortgage-backed bonds) of Kantonalbanken (company of the Association of Swiss Cantonal Banks), president; BLT Baselland Transport AG (public transport); BLPK, Basellandschaftliche Pensionskasse (pension fund); Atag PCS AG.

**Willy Winkler**  
Member of the Executive Board; head of Private Customers. Since 2001. Education in banking (apprenticeship; eidg. Bankfachdiplom (federal diploma in banking), commercial management school). Jobs in Retail, Securities, Foreign Currencies at BLKB, Bank Sarasin and CS. BLKB: Inspectorate, agency head; head of Arlesheim branch; position of chief of staff before taking over Private Customers. Member of the following boards of directors: Banque Cantonale du Jura; Sourcag AG (joint processing company of Basler Kantonalbank and Basellandschaftliche Kantonalbank).

**Kaspar Schweizer**  
Member of the Executive Board; head of Corporate Services. Since 2001. Degree from HSG; Executive Master of Business Administration in Business Engineering (E MBA in BE HSG). Jobs at BLKB since 1992: assistant to the director of economic studies; head of IT-project “Migration” (changeover of bank IT to RTC, 1987–1989), head of Strategy, Planning and IT, head of newly created business area Corporate Services. Member of the following boards of directors: Sourcag AG (joint processing company of Basler Kantonalbank and Basellandschaftliche Kantonalbank. RTC AG, Bern (IT-centre of Kantonalbanken).

All the members of the Executive Board are Swiss citizens. The members do not exercise any other permanent managing or advising activities and are not bound by other management contracts, public functions or political offices.

## Education and professional career of the members of the Bankrat (Board of Directors) and relevant business connections



Werner Degen



Adrian Ballmer



Cyrill Thummel



Claude Janiak



Paul Hug



Rita Kohlermann-Jörg



Günther Schaub



Hans Ulrich Schudel



Elisabeth Schirmer-Mosset



Daniel Schenk

### Werner Degen

Chairman of Bankrat, chairman of the Bank and Personnel Committees. Elected by Regierungsrat he has been a member of Bankrat since 1993.

Engineering degree from ETH. Owner of an industrial consulting company since 1989. Before, management consultant and managing positions on boards of directors and management level in chemicals' industry (Plüss-Staufner AG, Ems-Chemie). Member of the board of directors of Atag Asset Management AG. Member of the following boards of directors: GABA Holding AG, Basel (chairman); Dolder AG, Basel (chairman); Agie-Charmilles Holding AG, Zug; Vetropack Holding AG, Bülach; Schützenstube AG, Liestal (chairman). Business relations to BLKB.

### Adrian Ballmer

Vice chairman of Bankrat. Elected by Landrat he has been a member of Bankrat since 1995; elected by Regierungsrat since 2000. University degree in law, lawyer; 1978 to 2000 member of the management boards of Elektra Birseck; member of Regierungsrat of the canton of Basel-Landschaft (head of Finance) since 1.7.2000. Business connections of the canton and its institutions to BLKB. Member of the following supervisory boards of cantonal institutions: Gebäudeversicherung (house insurance), Basellandschaftliche Pensionskasse (pension fund), Sozialversicherungsanstalt (social insurance) [presidium]. Member of the following boards of directors: EuroAirport Basel-Mulhouse-Freiburg, Kraftwerk Birsfelden AG, Vereinigte Schweizerische Rheinsalinen (Swiss salt-works); member of Ober-rheinkonferenz (cooperation between Germany, France and Switzerland in the area of the Upper Rhine), member of the board of Regio Basiliensis (Swiss partner of Oberrheinkonferenz).

### Cyrill Thummel

Vice chairman of the Bank Committee. Member of Bankrat since 1983; elected by Landrat. Merchant, chairman of the board of directors of Thummel AG, Aesch (wood industry). Business relations to BLKB Mayor of Aesch BL.

### Claude Janiak

Member of the Bank Committee; Member of the Personnel Committee. Member of Bankrat since 1991; elected by Landrat. PhD in law, independent lawyer since 1978 (Janiak, Freivogel, Schweighauser, von Wartburg; Binningen). Member of the board of directors of Paradies-Apotheke and Drogerie AG, Allschwil. Business relations to BLKB. Member of the Federal Parliament.

### Paul Hug

Member of Bankrat since 1987; elected by Regierungsrat. Training on several levels of building and construction; Eidg. Dipl. Baumeister (master builder with a federal diploma). CEO of Verband der Bauunternehmer der Region Basel (Association of building contractors of Basle region) since 1986. Secretary of Paritätische Berufskommission der Regio (organisation to improve training, work conditions and chances in the building industry of the region).

### Rita Kohlermann-Jörg

Member of Bankrat since 1994; elected by Landrat. Diplomas in commerce and translating; jobs in merchant banking in Paris, London and Frankfurt. Currently head of energy, environment and genetical engineering at Handelskammer beider Basel (Chamber of Commerce of Basel-Stadt and Basel-Landschaft). Member of Landrat of the canton of Basel-Landschaft (FDP) up to 30<sup>th</sup> June 2003, chairwoman of Spitalrat der Universitätskinderklinik beider Basel, UKBB (hospital board of the university children's clinic of the Cantons of Basel-Stadt and Basel-Landschaft); as of 1<sup>st</sup> January 2003, chairwoman of Jubiläumstiftung (Cultural Foundation) of BLKB. Member of Gleichstellungsgruppe (Gender Mainstreaming) of BLKB.

### Günther Schaub

Member of Bankrat since 1995; elected by Regierungsrat. Secondary school teacher, (humanities). Vice-president of Gemeindekommission (municipal commission) Muttenz.

### Hans Ulrich Schudel

Member of the Personnel Committee. Member of Bankrat since 1998; elected by Landrat. University degree in law; independent lawyer since 1981, offices in Basel and Bottmingen. President of Schulrat (school board) Bottmingen; member of Stiftungsrat (Foundation Board) of SST, Schweiz. Stiftung für Solidarität im Tourismus (Swiss Foundation for Solidarity in Tourism).

### Elisabeth Schirmer-Mosset

Member of the Personnel Committee. Member of Bankrat since 2000; elected by Landrat. University degree in economics, co-owner of Ronda AG, Lausen (clockworks); member of the board of directors and the management board. Business relations to BLKB. Member of the board of Handelskammer beider Basel; board member of the Regional University of Applied Sciences of Basel-Stadt and Basel-Landschaft.

### Daniel Schenk

Member of the Personnel Committee. Member of Bankrat since 2000; elected by Landrat. University degree in economics, managing positions in international industrial group. Senior partner and CEO of van Baerle & Cie. AG, Münchenstein since 1997. Business relations to BLKB. Member of the boards of directors of van Baerle & Cie. AG, Münchenstein, Sichem Holding AG, Zug, Häring & Cie. AG, Pratteln.



Doris Greiner



Ernst Weber



Urs Baumann



Ursula Jäggi



Daniel Seiler



Alfred Peter

### Doris Greiner

Member of Bankrat since 2000; elected by Landrat. Studies of psychology (principal subject) and economics, business administration and state and private law (subsidiary subjects). Member of Einwohnerrat (council of inhabitants) of Liestal.

### Ernst Weber

Member of Bankrat since 2000; elected by Landrat. Wirtschaftsmatur (A-levels with emphasis on economics); studies at the Faculty of Economics at Basle University, administrative manager and CFO (now retired) of KV Baselland schools. Board member of KV Baselland (Association of Commercial Employees), Business relations to BLKB. Vice-president of Angestelltenvereinigung der Region Basel (Association of Employees of Basle region).

### Urs Baumann

Member of Bankrat since 1<sup>st</sup> January 2003; elected by Landrat. Business education (KV, HWV Basel). 1985 to 2000 CEO of BTG-Treuhand, Basel. Trust and advisory services to SME, particularly with Urs Baumann Treuhand Reinach; Urs Baumann + Partner AG, Basel (owner), Dr. Hans W. Leupin Treuhand AG, Basel (owner). Partly business relations to BLKB. Member of the boards of directors of: Hasler Fenster AG, Therwil (chairman) Recchiuto Gipser AG, Basel (chairman); Vogt Bautenschutz AG, Basel (chairman), Unternehmensberatung R + K (management consultant) AG, Basel; Schneider Gartengestaltung AG, Oberwil (chairman), Insightful AG, Reinach; Basler-Hypothekar-Bürgerschaftsgenossenschaft (cooperative society for mortgages and guarantees); Stiftungsrat der Vorsorge-stiftung der Basler Hypothekar-Bürgerschaftsgenossenschaft (board member of the foundation for mortgages and guarantees). Business relations to BLKB. Member of Landrat (up to mid 2003), member of Gemeinderat (municipal council) Reinach.

### Ursula Jäggi

Member of Bankrat from 1990 to 2002; elected by Landrat. Resignation as per 30<sup>th</sup> June 2002; replaced by Doris Greiner. President of Landrat 2002/2003.

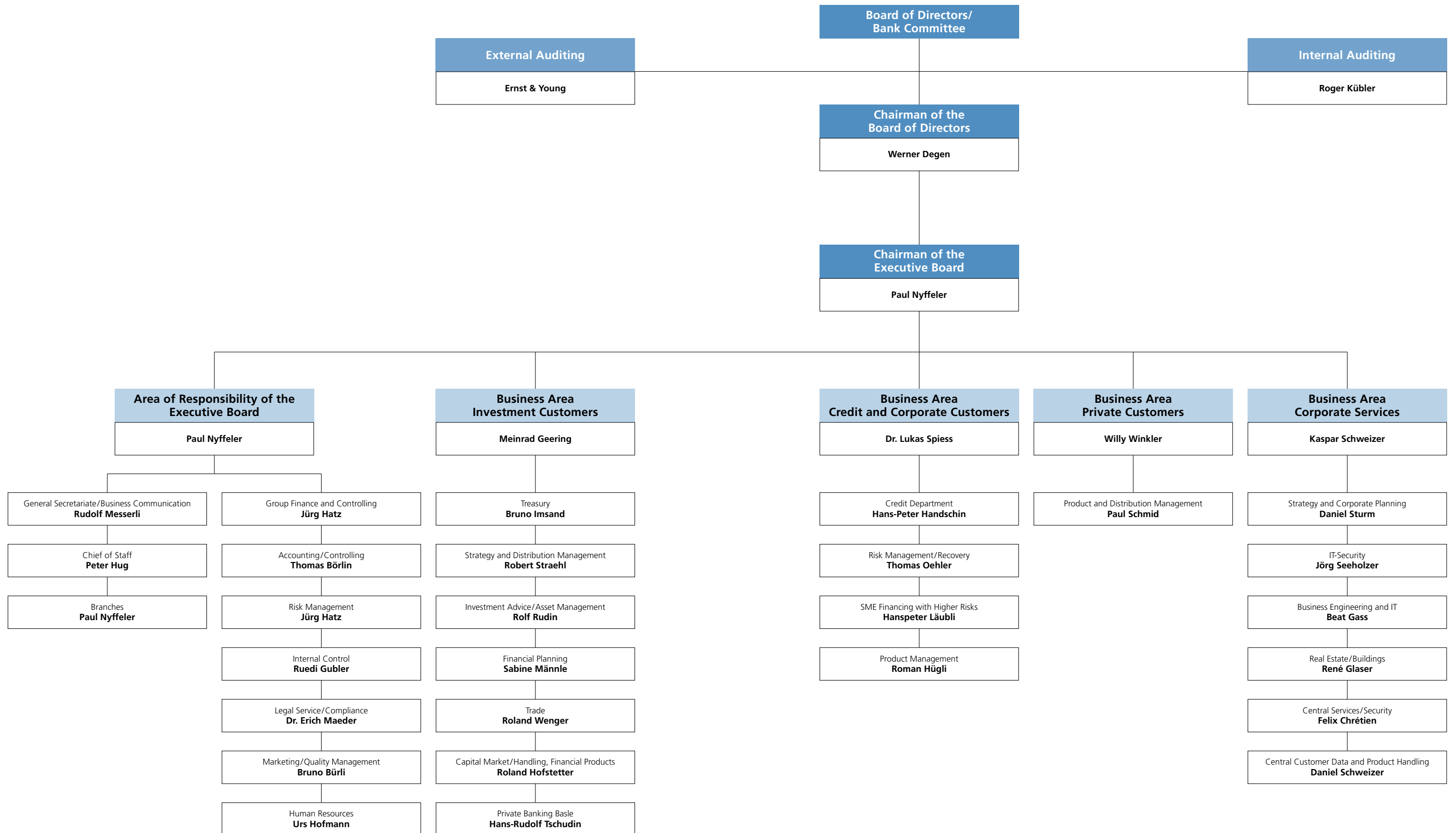
### Daniel Seiler

Member of Bankrat from 1995 to 2002; elected by Landrat. Resignation as per 30<sup>th</sup> June 2002; replaced by Ernst Weber. University degree in law, independent lawyer until end of 2000; president of the court (full presidency at the penal court of Baselland since 1<sup>st</sup> April 2002). President of the Foundation Paul-Schwob, Liestal.

### Alfred Peter

Member of Bankrat from 1991 to 2002; elected by Landrat. Resignation as per 31<sup>st</sup> December 2002; replaced by Urs Baumann, PhD in economics.

All the members of Bankrat (Board of Directors) are Swiss citizens. The members of Bankrat do not exercise any operative duties on behalf of BLKB or BLKB-companies; they do not offer any advisory or other services.



**Bankrat (Board of Directors)**

Werner Degen, dipl. Ing. ETH	Management Consultant	Liestal, Chairman
Adrian Ballmer	Member of the Executive Body of the Canton	Liestal, Vice Chairman
Cyrill Thummel	Merchant	Aesch
Dr. iur. Claude Janiak	Lawyer	Binningen
Paul Hug	eidg. dipl. Baumeister (Master Builder)	Ziefen
Rita Kohlermann-Jörg	Department Head at Chamber of Commerce	Therwil
Günther Schaub	Secondary School Teacher	Muttenz
Hans Ulrich Schudel, lic. iur.	Lawyer	Bottmingen
Elisabeth Schirmer-Mosser, lic. rer. pol.	Co-owner of Ronda AG	Lausen
Daniel Schenk	Director	Therwil
Doris Greiner	Philosophy Candidate	Liestal
Ernst Weber	Merchant	Therwil
Urs Baumann	Trustee	Reinach

(Members of the Bankrat will be presented in more detail on pages 92 and 93).

**Bank Committee**

Werner Degen, dipl. Ing. ETH	Chairman
Cyrill Thummel	Vice Chairman
Dr. iur. Claude Janiak	

**Statutory Auditors**

Ernst & Young AG, Basel
-------------------------

**Internal Auditing**

Roger Kübler	Head of Internal Auditing
Markus Lander	Deputy Head of Internal Auditing
Marcel Biedert	Internal Auditor
Rolf Bolliger	Internal Auditor
Roland Neuhaus	Internal Auditor
Urs Suter	Internal Auditor
Stephan Wyss	Internal Auditor

**EXECUTIVE BOARD**

Paul Nyffeler, lic. rer. pol.	Chairman of the Executive Board
Meinrad Geering	Business Area Investment Customers
Kaspar Schweizer, lic. oec. HSG	Business Area Corporate Services
Lukas Spiess, Dr. rer. pol.	Business Area Credit- und Corporate Customers
Willy Winkler	Business Area Private Customers

**MEMBERS OF THE MANAGEMENT**

Thomas Börlin	Accounting/Controlling
Bruno Bürlin, lic. rer. pol.	Marketing/Quality Management
Werner Deck	Head of Credit und Corporate Customers, Binningen
Lukas Fiechter	Director of Arlesheim Branch
Felix Finkbeiner	Investment Customer Advice, Liestal
Stefan Fischler	Director of Muttenz Branch
Esther Freivogel	Director of Gelterkinden Branch
Beat Gass	Business Engineering & IT
Rudolf Gubler	Internal Controlling
Adrian Gutzwiller, lic. oec. HSG	Director of Liestal Branch
Hans-Peter Handschin	Department Head of Credit und Corporate Customers
Jacques Handschin	Director of Sissach Branch
Jürg Hatz, lic. rer. pol.	Chief Financial Officer
Urs Hofmann, lic. iur.	Human Resources/Education
Roland Hofstetter	Capital Market/Handling of Financial Products
Peter Hug, lic. rer. pol.	Chief of Staff
Bruno Imsand, lic. iur.	Treasury
Erich Maeder, Dr. iur.	Legal Adviser
Sabine Männle, lic. rer. pol.	Financial Planning
Markus Meier	Head of Investment Customers, Arlesheim
Fredi Mendelin	Director of Laufen Branch
Rudolf Messerli, lic. rer. pol.	General Secretary, Corporate Communication
Thomas Oehler, lic. iur.	Risk Management Credit and Corporate Customers
Rolf Rudin, lic. rer. pol.	Investment Advice/Asset Management
Peter Salathe	Head of Credit und Corporate Customers, Liestal
Paul Schmid	Product and Distribution Management Private Customers
Markus Schneider	Head of Credit und Corporate Customers, Sissach
Marius Stegmüller	Head of Credit und Corporate Customers, Laufen
Robert Straehl	Strategy and Distribution Management Investment Customers
Kurt Tschopp	Director of Oberdorf Branch
Hans-Rudolf Tschudin	Private Banking Basle
Martin Waibel, lic. iur.	Director of Binningen Branch
Rainer Wyss (up to 23.2.2003)	Head of Investment Customers, Liestal
Rolf Zimmermann	Head of Investment Customers, Binningen
Jürg Zumbrunn	Head of Credit und Corporate Customers, Arlesheim

## MEMBERS OF THE MIDDLE MANAGEMENT

Olga Antonini	Daniel Grieder	Claudia Mohler	Willy Spaar
Daniel Ballmer	Martin Grieder	Pierre Monnier	Martin Stalder
Otto Balmer	Doris Gross	Heinz Moser	Philipp Stöckli, lic. iur.
Alfons Baumgartner	Hansjörg Grossmann	Paul Moser	Paul Stöcklin
Markus Berger	Felix Gschwind	Peter Muhmenthaler	Lukas Strässle
Martin Berger (up to 31.3.2003)	Bruno Gürtler	Kurt Müller	Daniel Sturm
Stephan Biedert	Hanspeter Güthlin	Thomas Müller	Felix Sutter
Philippe Bieri	Christoph Gysin	Urs Müller	Tanja Sutter
Andreas Bitterli	Max Hägler	Christoph Ness	Dominik Thürkauf
Francesca Biuso	Peter Hägler	Michael Obrecht	Willy Thürkauf
Viktor Blank	Adolf Häner	Anita Olah (up to 30.4.2003)	Daniel Thurnherr
Dieter Blom	Martin Harr	Peter Oppliger	Claudia Trösch
Rudolf Bolliger	Verena Häuselmann	Dominik Orlor	Heidy Trösch
Urs Brodmann	Kurt Heiniger	Luca Pertoldi, lic. rer. pol.	Peter Tschan
Ruth Bubendorf	Thomas Helfenfinger	Roger Pfammatter	Teresa Tschumi, lic. rer. pol.
Chantal Bühler	Hans Rudolf Heller	Alex Pfirter	Iwan Vizzardì
Freddy Bürgin	Klaus Hemmig	Remo Ponti	Beat von Wyl
Stephan Burgunder	Christoph Herzog	Ernst Rauner	Cornelia Waldner, lic. iur.
Birgit Buser	Werner Hofer	Werner Riesen	Beat Walmer
Doris Buser	Claudia Holzer	Daniel Rihm	Roland Wenger
Monika Buser	Philipp Hotz	Markus Rohrbach	Fredy Werder
Felix Chrétien	Roman Hügli	Philipp Roth, lic. iur.	Monika Widmer
Michele Citino	Rolf Hunziker	Hansueli Ruckstuhl	Stephan Widmer, lic. rer. pol.
Markus Comment	Martin Huwyler	Adrian Rudin	Rolf Wiesner
Christian Degen	Jakob Imhof	Walter Rudin	Dieter Wilhelm
Anton Dettwiler	Alexander Junge, lic. rer. pol.	Daniel Rüdisühli	Anna M. Winzenried
Alessandra De Simone	Christa Kalt	Vinzenz Rudolf von Rohr	Urs Wittlin
Marco Di Pasquale	Yvonne Keller	Philipp Saladin	Marcel Wyser
Markus Dobler	Antoinette Kohler	Peter Salathé	Alban Wyss
Cornelia Dürrenberger	Barbara Koller	André Salvini	Katharina Wyss Meier
Martin Dürrenberger	Hans Kottmann	Manfred Schaub	Peter Zeller
Dominik Duss	Thomas Krähenmann	Peter Schaub	
Walter Eglin	Jürg Kramer	Patrick Scheuber	
Stephan Egloff	Silvia Krumm	Walter Schibli	
Rosa Erny	Markus Kurz	Remo Schmid	
Hans Peter Erny	Lukas Ladner	Raija Schmutz	
Markus Fanchini	Christoph Langenegger	Jacqueline Schneeberger	
Alois Fischer	Hanspeter Läubli	Patrick Schneeberger	
Peter Franz	Martin Lehmann	Dieter Schneider	
Patrick Frei	Heinz Lerf	Kathrin Schneider	
Stephan Frei	Barbara Loosli	Stefan Schnider	
Cyrell Füchter	Ruth Lüthi	Helena Schürmann	
Gustav Gass	Rudolf Madörin	Renate Schürpf	
Marcel Gautschi	Kurt Martin	Annemarie Schweizer	
Peter Gemperli	Frantisek Masar, lic. rer. pol.	Daniel Schweizer	
André Gilliard	Daniel Maurer	Rolf Schweizer	
Stephan Gisin	Renato Meneghin	Jörg Seeholzer	
René Glaser	Rico Meyer	Roland Semplici	
Cristelle Gonçalves	Christoph Misteli	Stephan Semplici	

## HEADS OF BLKB-BRANCHES

Gabriel Antonutti	Augst
Urs Brodmann	Ettingen
Ruth Bubendorf	Birsfelden
Markus Comment	Pratteln
Lukas Fiechter	Arlesheim
Stefan Fischler	Muttenz
Esther Freivogel	Gelterkinden
Ruth Garcia	Bruderholz
Doris Gross	Lutzert
Hanspeter Güthlin	Therwil
Adrian Gutzwiller	Liestal
Jacques Handschin	Sissach
Emil Imhof	Hölstein/Reigoldswil
Alexander Junge	Allschwil
Ruth Lüthi	Lausen
Fredi Mendelin	Laufen
Claudia Mohler	Mühlematt, Oberwil
Chantal Molinari	Gartenstadt
Erika Müller	Rünenberg/Wenslingen
Urs Müller	Aesch
Peter Oppliger	Reinach
Raija Schmutz	Schönthal
Stefan Semplici	Grellingen
Willi Spaar	Breitenbach
Paul Stöcklin	Oberwil
Tanja Sutter	Bubendorf
Kurt Tschopp	Oberdorf
Martin Waibel	Binningen

The branches of Neuallschwil, Läufelfingen and Waldenburg are managed by the higher-ranking branches of Allschwil, Sissach and Oberdorf respectively.

**Atag Asset Management AG (interest share 100%)**

Board of Directors	Conrad Meyer, Prof. Dr. oec. publ., Grüningen, chairman Maitre Jean-Paul Aeschmann, Genève (up to General Assembly 2003) Thomas Bachmann, Dr. oec. publ., Stettlen (as of General Assembly 2003) Werner Degen, dipl. Ing. ETH, Liestal Meinrad Geering, Biel-Benken (as of General Assembly 2003) Paul Nyffeler, lic. rer. pol., Seltisberg
Executive Board	Thomas Bachmann, Dr. oec. publ., chairman (up to 31.3.2003) Ralph P. Sauser, lic. rer. pol., chairman (as of 1.4.2003) Christoph Weber, eidg. dipl. Bankfachmann (federal diploma in banking), assistant to the chairman (as of 1.4.2003) Karl A. Bissig, lic. rer. pol., MBA (up to 31.3.2003) Michel Jauner, lic. rer. pol. (as of 1.4.2003) Hans Lutz, dipl. Wirtschaftsingenieur (economic engineer)
Auditors	PricewaterhouseCoopers AG, Zürich

**Atag Asset Management (Luxembourg) S. A. (interest share 55%)**

Board of Directors	Thomas Bachmann, Dr. oec. publ., Stettlen, member of the board of directors of Atag Asset Management AG, Schweiz, chairman Jean-Claude Finck, member of the executive board of Banque et Caisse d'Epargne de l'Etat Luxembourg, Luxembourg, vice chairman Henri Grisius, lic. ès. sc. écon. appl., Fiduciaire de Luxembourg, Luxembourg Raymond Kirsch, CEO of Banque et Caisse d'Epargne de l'Etat Luxembourg, Luxembourg Ralph P. Sauser, lic. rer. pol., chairman of the executive board of Atag Asset Management AG, Schweiz Erich Stäldi, Fürsprecher (advocate), Atag Asset Management AG, Schweiz
Executive Board	Lukas Zaugg Patrick Useldinger, lic. ès. sc. écon., soc. et pol.
Auditors	Deloitte & Touche, Strassen (Luxembourg)

**Atag Private Client Services AG, Basel (interest share 75%)**

Board of Directors	Thomas Bachmann, Dr. oec. publ., Stettlen, chairman Karl A. Bissig, lic. rer. pol., MBA, Muri Meinrad Geering, Biel-Benken Daniel Gerber, Thun
Executive Board	François Bueche, Dr. iur., Basel Igor Rusek, Dr. iur., Basel
Auditors	PricewaterhouseCoopers AG, Zürich

**Gräff Capital Management AG, Zürich (interest share 100%)**

Board of Directors	Thomas Bachmann, Dr. oec. publ., Stettlen, chairman Ralph P. Sauser, lic. rer. pol., Bäch, vice chairman
Executive Board	Markus W. Gräff
Auditors	PricewaterhouseCoopers AG, Zürich

**Sourcag AG, Münchenstein (interest share 50%)**

Board of Directors	Hanspeter Kunz, chairman Kaspar Schweizer, lic. oec. et E MBE HSG, vice chairman Thomas Greminger Willy Winkler
Manager	Beat Lehmann
Auditors	PricewaterhouseCoopers AG

**Pension Fund "Sparen 3"**

Board	Willy Winkler, chairman Hans-Peter Handschin, vice chairman Albin Eberhard (up to 31.10.2002) Sabine Männle, lic. rer. pol. (as of 1.11.2002)
Manager	Cornelia Dürrenberger
Auditors	Roger Kübler, certified auditor

**Vested Benefits Foundation**

Board	Urs Hofmann, lic. iur., chairman Adrian Gutzwiller, lic. oec. HSG Albin Eberhard (up to 31.10.2002) Sabine Männle, lic. rer. pol. (as of 1.11.2002)
Manager	Cornelia Dürrenberger
Auditors	Roger Kübler, certified auditor

**Cultural Foundation**

Board	Rita Kohlermann-Jörg, chairwoman Dr. iur. Claude Janiak Dr. Beatrice Kunovits Dr. iur. Erich Maeder Peter Schmid, member of the executive body of the canton
Manager	Thomas Börlin
Auditors	Roger Kübler, certified auditor Heinz Kummer, certified auditor

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## BRANCHES

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☛ 4123 Allschwil/Neuallschwil	Baslerstrasse 339	
☛ 4144 Arlesheim	Hauptstrasse 25	
☛ 4302 Augst (Post Pratteln)	Frenkendörferstrasse 35	
☛ 4102 Binningen	Baslerstrasse 33	
☛ 4127 Birsfelden	Hauptstrasse 77	
☛ 4226 Breitenbach	Laufenstrasse 2	
☛ 4101 Bruderholzspital		
☛ 4416 Bubendorf	Gewerbestrasse 3	
☛ 4107 Ettingen	Hauptstrasse 23	
☛ 4414 Füllinsdorf	EKZ Schönthal, Mühlerainstrasse 17	
☛ 4460 Gelterkinden	Poststrasse 2	
4203 Grellingen	Baselstrasse 1	
4434 Hölstein	Hauptstrasse 73	
☛ 4448 Läufelfingen	Hauptstrasse 17	
☛ 4242 Laufen	EKZ Birs Center, Bahnhofstrasse 6	
☛ 4415 Lausen	Grammontstrasse 1	
☛ 4410 Liestal	Rheinstrasse 7	
☛ 4142 Münchenstein	EKZ Gartenstadt, Stöckackerstrasse 6	
☛ 4132 MuttENZ	St. Jakobs-Strasse 2	
☛ 4132 MuttENZ	EKZ Lutzert, Lutzertstrasse 36	
☛ 4436 Oberdorf	Uli Schadweg 1	
☛ 4104 Oberwil	Hauptstrasse 15	
☛ 4104 Oberwil	EKZ Mühlematt, Mühlemattstrasse 22	
☛ 4133 Pratteln	Bahnhofstrasse 16	
☛ 4418 Reigoldswil	Dorfplatz 2	
☛ 4153 Reinach	Hauptstrasse 3	
4497 Rünenberg	Hauptstrasse 11	
☛ 4450 Sissach	Hauptstrasse 44	
☛ 4106 Therwil	Bahnhofstrasse 9	
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4006 Basel, Private Banking	Gellertstrasse 18	+41 61 378 82 82

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☛ 4402 Frenkendorf	Dorfplatz (Village Square)
☛ 4410 Liestal	Bahnhof SBB/Rathausstrasse 49 (Railway Station)
☛ 4464 Maisprach	Hauptstrasse 17
☛ 4142 Münchenstein	EKZ (Shopping Centre) Zollweiden/Tramstation St. Jakobs-Halle Basel (Tramway Station)
☛ 4132 MuttENZ	EKZ (Shopping Centre) Coop Super Center/Kiosk AG

☛ Automatic Teller Machine (Bancomat)