

Dear Shareholders,

thanks to the improved market environment, all benchmark indices closed up at the end of Q3 2003. The DAX rose by 12.6% in the first nine months. The MDAX and the TecDax technology index did significantly better, increasing by 31% and 35% respectively. After adjustment for exchange rate effects, a number of foreign indices also recorded clear improvements. The Nasdaq 100 increased by 19%, while the Nikkei 225 rose 14% against the end of 2002. The Dow Jones and the DJ STOXX 50 closed virtually unchanged after nine months. Despite these share price gains, trading volumes on all the German stock markets remained at an extremely low level that was only slightly higher than in the previous year.

Once again, no German companies went public in Q3 2003.

Baader Wertpapierhandelsbank benefited from the more optimistic atmosphere on the capital markets and continued to expand its Specialist Activities division in Q3 2003. In particular, the acquisition of the order books of the broker Josef Huf strengthened Baaderbank's specialist activities in high-volume German securities. The takeover of Hannig Wertpapierhandels GmbH and the related launch of specialist activities for fixed-interest securities in Frankfurt marked another milestone in Baader Wertpapierhandelsbank AG's diversification strategy within its core competency of securities trading.

In its investment business unit, Baader Wertpapierhandelsbank AG was able to dispose of its interest in Mox Telecom AG and progress with winding up this business segment.

The Annual General Meeting of Baader Wertpapierhandelsbank AG on July 15, 2003 resolved to change the composition of the Supervisory Board. Peter Schemuth left the Supervisory Board, while Dr Norbert Juchem was elected for the first time. In addition, Rainer Merklinghaus was elected as an employee representative.

With effect from August 1, 2003, Dieter Silmen was appointed as a member of the Executive Board of Baader Wertpapierhandelsbank AG. Mr Silmen will be responsible for the Securities Trading division, which he has managed as divisional head for many years.

## **Results of operations**

Baader Wertpapierhandelsbank AG's integration of and merger with Spütz Börsenservice GmbH continued to impact results in Q3 2003. Nevertheless, the Group was once again able to generate a profit from ordinary activities of €71 thousand in this quarter – producing its first net profit for the year since 2000. This amounts to €468 thousand for the first nine months of fiscal year 2003 (previous year: €34,799 thousand).

Baader Wertpapierhandelsbank was able to capitalize on the positive trend on the stock markets, generating net fee and commission income during the period under review of €1,232 thousand (previous year: €3,049 thousand) and net trading income of €9,632 thousand (previous year: €3,108 thousand). These figures prove the value and necessity of our strategy of purchasing additional order books in 2003.

Nonetheless, the improved earnings situation still requires a strict cost management strategy. Other administrative expenses were reduced by 9% to €1,082 thousand. Staff costs increased by 2.3% year-on-year; however, this increase is solely attributable to variable salary components.

## **Net assets**

At €42,272 thousand, total assets as of September 30, 2003 were down slightly as against December 31, 2002 (€43,012 thousand). However, there were a number of significant changes in the following balance sheet items: Loans and advances to other banks declined by €13,952 thousand to €14,027 thousand in the first nine months of 2003. This decline is reflected in the increase of €5,465 thousand in assets held for trading, to €24,191 thousand, an increase of €3,179 thousand in property and equipment to €30,580 thousand and an increase of €7,678 thousand to €8,462 thousand in intangible assets. Investments in property and equipment primarily concern new developments in IT trading systems. The increase in intangible assets is due to the recognition of the order books purchased as acquired rights of use. Loans and advances to customers and allowances for losses on loans and advances were also reduced substantially in the course of the year. The same applies to the interests reported under available-for-sale financial instruments. As of September 30, 2003, consolidated shareholders' equity amounted to €05,757 thousand and the equity ratio to 74.3%.

## **Financial position**

On September 30, 2003, current loans and advances to banks and available-for-sale securities and financial instruments amounted to €2,092 thousand, while current deposits from other banks totaled €3,682 thousand. Net liquidity thus amounted to €13,410 thousand. The solvency of the Group was guaranteed at all times during the period under review.

## **Outlook**

Our Q4 results and in particular the results for the next fiscal year will continue to reflect the positive impact of the restructuring measures that we have already introduced and for the most part implemented.

We will continue our strategy of diversification and the further expansion of our specialist activities.

As a result of the shorter XETRA trading times as of November 3, 2003 and implementation of the next stage of the revised regulations governing the distribution of commission income on the Frankfurt Stock Exchange, which favor specialist activities, as of December 1, Baader Wertpapierhandelsbank AG expects to see an improvement in commission income in Q4 2003.

## **Accounting policies**

Baader Wertpapierhandelsbank AG makes use of the exempting provision of section 292(a) of the *Handelsgesetzbuch* (HGB – German Commercial Code). The following interim report was prepared in accordance with IAS 34 for the Baader Group as of September 30, 2003 in compliance with the International Accounting Standards/International Financial Reporting Standards (IASs/IFRSs) issued by the International Accounting Standards Board (IASB), as interpreted by the International Financial Reporting Interpretations Committee (IFRIC). The same accounting policies were used to prepare the interim report and determine the comparative figures for last year as were used in the consolidated financial statements as of December 31, 2002.

## **Basis of consolidation**

As of September 30, 2003, the Baader Group now solely includes KST Wertpapierhandels AG. The subsidiaries Gebhard & Schuster Wertpapierhandelshaus AG and Spütz Börsenservice GmbH, which were acquired during the current fiscal year, and the subsidiaries Baader Securities AG and IPO GmbH, which were fully consolidated until Q1, were merged with Baader Wertpapierhandelsbank AG in the course of the fiscal year and are therefore no longer part of the Baader Group. The other company acquired, Hannig Wertpapierhandels GmbH, has not been consolidated for reasons of materiality. The same applies to Baader Management AG.

**BAADER WERTPAPIERHANDELSBANK AG  
UNTERSCHLEISSHEIM**

Consolidated Balance Sheet (IAS)

for the period January 1 to September 30, 2003

Assets	Notes	Sept. 30, 2003 €	Dec. 31, 2002 €thousands
1. Cash reserve	(9)	13.56	0
2. Loans and advances to other banks	(10)	14,026,860.09	27,979
3. Loans and advances to customers	(10)	1,578,697.51	7,289
4. Allowance for losses on loans and advances	(10)	-159,853.53	-7,242
5. Assets held for trading	(11)	24,190,917.93	18,726
6. Available-for-sale financial instruments	(12)	25,724,906.62	29,187
7. Investments in companies carried at equity	(13)	1,026,500.00	1,026
8. Investment securities	(14)	4,822,787.55	6,189
9. Property and equipment	(15)	30,579,916.34	27,401
10. Intangible assets	(16)	8,462,087.33	784
11. Goodwill	(16)	0.00	0
12. Recoverable income taxes	(17)	1,777,940.89	1,572
13. Other assets	(18)	2,340,542.16	2,200
14. Deferred tax assets	(17)	27,901,203.56	27,901
<b>Total assets</b>		<u>142,272,520.01</u>	<u>143,012</u>

Liabilities and Shareholders' Equity	Notes	Sept. 30, 2003 €	Dec. 31, 2002 €thousands
1. Deposits from other banks	(19)	23,426,469.85	15,015
2. Due to customers	(19)	0.00	35
3. Provisions	(20)	6,715,630.22	12,224
4. Provisions for taxes	(21)	0.00	128
5. Other liabilities and accruals	(22)	5,222,630.20	8,168
6. Deferred tax liabilities	(21)	310,979.34	438
7. Minority interest		840,056.34	935
8. Shareholders' equity			
a) Issued capital		22,409,384.00	22,609
b) Share premium		82,857,155.03	82,783
c) Revaluation reserve		21,726.16	677
d) Consolidated net loss		468,488.87	0
<b>Total liabilities and shareholders' equity</b>		<u>142,272,520.01</u>	<u>143,012</u>

**BAADER WERTPAPIERHANDELSBANK AG**  
**UNTERSCHLEISSHEIM**

Consolidated income statement (IAS)  
for the period January 1 to September 30, 2003

Income Statement	Notes	Jan. 1 - Sept. 30, 2003		Jan. 1 - Sept. 30, 2002
		€	€	€thousands
1. Interest income	(1)	416,850.51		1,413
2. Interest expense	(1)	-490,941.41		-1,069
3. Net interest expense	(1)		-74,090.90	344
4. Allowance for losses on loans and advances			0.00	-7,088
5. Net interest expense after allowance for losses on loans and advances			<b>-74,090.90</b>	<b>-6,744</b>
6. Fee and commission income	(2)	6,256,224.54		5,084
7. Fee and commission expense	(2)	-5,024,566.44		-8,133
8. Net fee and commission income	(2)		1,231,658.10	-3,049
9. Net trading income	(3)		19,631,772.85	13,108
10. Net income from available-for-sale financial instruments	(4)		1,441,682.27	-16,160
11. Net income from investment securities	(5)		185,366.05	521
12. Administrative expenses	(6)		-29,092,917.37	-28,437
13. Loss from operations			<b>-6,676,528.75</b>	<b>-40,761</b>
14. Other operating income	(7)		7,565,464.93	5,482
15. Other operating expenses	(7)		-341,939.01	-614
16. Income from ordinary activities			<b>546,997.17</b>	<b>-35,893</b>
17. Income taxes on profit (loss)	(7)		-172,983.79	842
18. Net profit for the period before minority interest			<b>374,013.38</b>	<b>-35,051</b>
19. Minority interest in net loss			94,475.49	307
20. Net profit for the period before minority interest			<b>468,488.87</b>	<b>-34,744</b>
21. Accumulated income brought forward			0.00	-55
22. Consolidated net profit			<b>468,488.87</b>	<b>-34,799</b>

	Jan. 1 - Sept 30, 2003		Jan. 1 - Sept 30, 2002
	€	€	€
Earnings per share		<b>0.02</b>	<b>-1.53</b>

**BAADER WERTPAPIERHANDELSBANK AG**  
**UNTERSCHLEISSHEIM**  
Consolidated income statement (IAS)  
(Quarterly Overview)

Income Statement	III/2003 €thousands	II/2003 € thousands	I/2003 €thousands	III/2002 €thousands	II/2002 €thousands	I/2002 €thousands
1. Net interest income/expense	-60	107	-121	418	59	-133
2. Allowance for losses on loans and advances	0	0	0	66	-7,154	0
3. Net interest income/expense after allowance for losses on loans and advances	<b>-60</b>	<b>107</b>	<b>-121</b>	<b>484</b>	<b>-7,095</b>	<b>-133</b>
4. Net fee and commission income/expenses	893	458	-119	-475	-1,165	-1,409
5. Net trading income	8,657	7,303	3,672	3,579	2,751	6,778
6. Net income from available-for-sale financial instruments	304	163	975	-5,621	-11,728	1,189
7. Net income from investment securities	74	16	95	47	172	302
8. Administrative expenses	-9,758	-9,976	-9,359	-9,639	-8,949	-9,849
9. Loss from operations	<b>110</b>	<b>-1,929</b>	<b>-4,857</b>	<b>-11,625</b>	<b>-26,014</b>	<b>-3,122</b>
10. Other operating income	361	4,747	2,457	495	3,478	1,509
11. Other operating expenses	500	-754	-88	-103	-395	-116
12. Income/Loss from ordinary activities	<b>971</b>	<b>2,064</b>	<b>-2,488</b>	<b>-11,233</b>	<b>-22,931</b>	<b>-1,729</b>
13. Income taxes on profit/loss from ordinary activities	-22	193	-344	952	-340	230
14. Net profit/loss for the period before minority interest	<b>949</b>	<b>2,257</b>	<b>-2,832</b>	<b>-10,281</b>	<b>-23,271</b>	<b>-1,499</b>
15. Minority interest in net profit/loss	25	-2	71	153	73	81
16. Net profit/loss for the period	<b>974</b>	<b>2,255</b>	<b>-2,761</b>	<b>-10,128</b>	<b>-23,198</b>	<b>-1,418</b>
17. Accumulated profit/losses brought forward	0	55	-55	-299	536	-292
18. Consolidated net profit/loss	<b>974</b>	<b>2,310</b>	<b>-2,816</b>	<b>-10,427</b>	<b>-22,662</b>	<b>-1,710</b>

## STATEMENT OF CHANGES IN EQUITY

	Jan. 1 – Sept. 30, 2003 €thousands	Jan. 1 – Sept. 30, 2002 €thousands
<b>Equity as of January 1</b>	<b>106,070</b>	<b>180,813</b>
<b>Issued Capital</b>		
- Change in treasury shares	-199	-306
<b>Share premium</b>		
- Change in treasury shares	-218	-929
- Adjustments from appropriation of profit	0	0
- Currency translation adjustments	0	460
- Adjustments from consolidation	291	1,307
<b>Retained earnings</b>		
- Adjustments to appropriated profit	0	0
- Adjustments from consolidation	0	-1,909
<b>Revaluation reserves</b>		
- Remeasurement	-1,064	-1,139
- Deferred tax adjustments	409	496
<b>Consolidated net profit</b>		
- Net profit for the period Jan. 1 – September 30	468	-34,799
<b>Equity as of September 30</b>	<b>105,757</b>	<b>143,994</b>

## CASH FLOW STATEMENT

	Jan. 1 – Sept. 30, 2003 €thousands	Jan. 1 – Sept. 30, 2002 €thousands
<b>Loss for the period (incl. Minority interest in net loss)</b>	<b>468</b>	<b>-34,744</b>
Cash flow from operating activities	-1,904	-3,503
Cash flow from investing activities	-12,308	14,122
Cash flow from financing activities	-417	-1,695
Net change in cash and cash equivalents	-14,629	8,924
Effect of exchange rate adjustments and changes in Group structure	2,181	0
Cash and cash equivalents at beginning of period	15,595	26,573
<b>Cash and cash equivalents at end of period</b>	<b>3,147</b>	<b>35,497</b>
Composition of cash and cash equivalents at September 30		
Loans and advances to other banks – payable on demand	10,844	37,477
Deposits from other banks – payable on demand	-7,697	-1,980
Cash and cash equivalents	3,147	35,497

## NOTES TO THE CONSOLIDATED INCOME STATEMENT

### (1) Net interest expense

	Jan. 1 – Sept. 30, 2003 €THOUSANDS	Jan. 1 – Sept. 30, 2002 €THOUSANDS	Change in %
<b>Interest income from</b>	<b>417</b>	<b>1,413</b>	<b>-70.5</b>
- Lending and money market business	417	1,413	-70.5
- Fixed-interest securities	0	0	0.0
<b>Interest expenses</b>	<b>-491</b>	<b>-1,069</b>	<b>-54.1</b>
<b>Total</b>	<b>-74</b>	<b>344</b>	<b>-121.5</b>

### (2) Net fee and commission expense

	Jan. 1 – Sept. 30, 2003 €THOUSANDS	Jan. 1 – Sept. 30, 2002 €THOUSANDS	Change in %
<b>Fee and commission income</b>	<b>6,256</b>	<b>5,084</b>	<b>23.1</b>
- Securities and issue business	198	261	-24.1
- Brokerage fees	6,058	4,823	25.6
<b>Fee and commission expenses</b>	<b>-5,024</b>	<b>-8,133</b>	<b>-38.2</b>
- Brokerage fees	-821	-817	0.5
- Settlement fees	-4,106	-7,007	-41.4
- Securities and issue business	-37	-4	825.0
- Other fee and commission expenses	-60	-305	-80.3
<b>Total</b>	<b>1,232</b>	<b>-3,049</b>	<b>140.4</b>

### (3) Net trading income

	Jan. 1 – Sept. 30, 2003 €THOUSANDS	Jan. 1 – Sept. 30, 2002 €THOUSANDS	Change in %
<b>Securities trading</b>	<b>19,638</b>	<b>13,230</b>	<b>48.4</b>
- Interest and dividends	198	195	1.5
- Securities	14,052	-1,358	1,134.8
- Options and futures	5	0	100.0
- Price differences	5,383	14,393	-62.6
<b>Foreign currencies</b>	<b>-6</b>	<b>-122</b>	<b>-95.1</b>
<b>Total</b>	<b>19,632</b>	<b>13,108</b>	<b>49.8</b>

#### (4) Net income from available-for-sale financial instruments

	Jan. 1 - Sept. 30, 2003 €THOUSANDS	Jan. 1 - Sept. 30, 2002 €THOUSANDS	Change in %
<b>Interest and dividend income</b>	<b>545</b>	<b>107</b>	<b>409.3</b>
- Fixed-interest securities	497	0	100.0
- Equities/other non-fixed-interest securities	48	97	-50.5
- Investments in associates	0	10	-100.0
<b>Gain on the sale of available-for-sale financial assets</b>	<b>1,154</b>	<b>1,189</b>	<b>-2.9</b>
- Equities/other non-fixed-interest securities	208	297	-30.0
- Investments in associates	946	892	6.1
<b>Write-down/write-ups</b>	<b>-257</b>	<b>-17,457</b>	<b>-98.5</b>
<b>Total</b>	<b>1,442</b>	<b>-16,161</b>	<b>108.9</b>

#### (5) Net income from investment securities

	Jan. 1 - Sept. 30, 2003 €THOUSANDS	Jan. 1 - Sept. 30, 2002 €THOUSANDS	Change in %
<b>Interest income from</b>	<b>185</b>	<b>528</b>	<b>65.0</b>
- Lending and money market business	0	0	0.0
- Fixed-interest securities	185	528	65.0
<b>Write-downs</b>	<b>0</b>	<b>-7</b>	<b>100.0</b>
<b>Total</b>	<b>185</b>	<b>521</b>	<b>-64.5</b>

#### (6) Administrative expenses

	Jan. 1 - Sept. 30, 2003 €THOUSANDS	Jan. 1 - Sept. 30, 2002 €THOUSANDS	Change in %
Staff costs	-15,265	-14,927	2.3
Other administrative expenses	-11,082	-12,177	-9.0
Depreciation, amortization and write-downs on intangible assets and property and equipment	-2,746	-1,333	106.0
<b>Total</b>	<b>-29,093</b>	<b>-28,437</b>	<b>2.3</b>

#### (7) Other income and expenses

	Jan. 1 - Sept. 30, 2003 €THOUSANDS	Jan. 1 - Sept. 30, 2002 €THOUSANDS	Change in %
Other operating income	7,565	5,482	38.0
Other operating expenses	-342	-370	-7.6
Taxes	-173	-4	4.225.0
<b>Total</b>	<b>7,050</b>	<b>5,108</b>	<b>38.0</b>



## (8) Segment reporting

Segment reporting in the consolidated financial statements of Baader Wertpapierhandelsbank AG as of Sept. 30, 2003 is classified by business segments.

in €	Specialist Activities and proprietary trading	Institutional clients	Issues and equity investments	Others / Consolidation	Group
Net interest income/expense	-137,675.36	36,739.88	26,844.58	0.00	-74,090.90
Allowance for losses	0.00	0.00	0.00	0.00	0.00
<b>Net interest income/expense after allowance for losses on loans and advances</b>	<b>-137,675.36</b>	<b>36,739.88</b>	<b>26,844.58</b>	<b>0.00</b>	<b>-74,090.90</b>
<b>Net fee and commission income/expense</b>	<b>1,556,178.86</b>	<b>-509,465.22</b>	<b>184,944.46</b>	<b>0.00</b>	<b>1,231,658.10</b>
Net trading income	17,807,821.61	1,823,951.24	0.00	0.00	19,631,772.85
Net income/loss from available-for-sale financial instruments	1,513,257.39	0.00	-71,575.12	0.00	1,441,682.27
Net income from investment securities	185,366.30	0.00	0.00	0.00	185,366.30
<b>Net income/loss from financing activities</b>	<b>19,506,445.30</b>	<b>1,823,951.24</b>	<b>-71,515.12</b>	<b>0.00</b>	<b>21,258,821.42</b>
<b>Administrative expenses</b>	<b>23,169,644.37</b>	<b>4,337,824.00</b>	<b>1,585,449.00</b>	<b>0.00</b>	<b>29,092,917.37</b>
<b>Other operating income/expenses, net</b>	<b>2,034,415.66</b>	<b>-28,374.24</b>	<b>5,217,484.50</b>	<b>0.00</b>	<b>7,223,525.92</b>
<b>Income/loss from ordinary activities</b>	<b>-210,279.91</b>	<b>-3,014,972.34</b>	<b>3,772,249.42</b>	<b>0.00</b>	<b>546,997.17</b>
Risk-weighted assets (thousands of €)	6,691	46	6,286	48,797	61,820
Allocated capital (thousands of €)	37,932	259	2,849	22,127	63,167
Return on allocated capital based on income before taxes	-0.55%	*	132.41%		0.87%
Average number of employees in the half year	120	19	8	50	196

\*) The character of the Agency Business is principal, that we have no own risk positions. Key figures of the institutional sales are not reasonable, because the division by a small value near zero produce no significant key figures.

## CONSOLIDATED BALANCE SHEET DISCLOSURES

### (9) Cash reserve

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Cash on hand	0	0	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

### (10) Loans and advances

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
<b>Loans and advances to other banks</b>	<b>14,027</b>	<b>27,979</b>	<b>-49.9</b>
- Payable on demand	10,844	17,513	-38.1
- Other loans and advances	3,183	10,466	-69.6
<b>Loans and advances to customers</b>	<b>1,579</b>	<b>7,289</b>	<b>-78.3</b>
<b>Allowances for losses on loans and advances</b>	<b>-160</b>	<b>-7,242</b>	<b>-97.8</b>
<b>Total</b>	<b>15,446</b>	<b>28,026</b>	<b>-44.9</b>

### (11) Assets held for trading

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
<b>Bonds and other fixed-interest securities</b>	<b>3,921</b>	<b>151</b>	<b>2,496.7</b>
Equities and other non-fixed-interest securities	20,270	18,575	9.1
<b>Total</b>	<b>24,191</b>	<b>18,726</b>	<b>29.2</b>

### (12) Available-for-sale financial instruments

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Unconsolidated affiliated companies	1,302	1,624	-19.8
Investments in associates	3,321	6,851	-51.6
Equities and other non-fixed-interest securities	12,051	10,054	19.9
Bonds and debt securities	9,051	10,658	-15.1
Other equity interests	0	0	0.0
<b>Insgesamt</b>	<b>25,725</b>	<b>29,187</b>	<b>-11.9</b>

**(13) Investments in companies carried at equity**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Associated companies	1,027	1,027	+0.0
<b>Insgesamt</b>	<b>1,027</b>	<b>1,027</b>	<b>+0.0</b>

**(14) Investment securities**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Bonds and other fixed-interest securities	4,823	6,189	-22.1
<b>Total</b>	<b>4,823</b>	<b>6,189</b>	<b>-22.1</b>

**(15) Property and equipment**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Operating and office equipment	2,318	3,786	-38.8
Land and buildings	22,958	22,137	3.7
Property and equipment under development	5,304	1,478	258.9
<b>Total</b>	<b>30,580</b>	<b>27,401</b>	<b>11.6</b>

**(16) Intangible assets**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Concessions, industrial and similar rights and assets	8,462	784	979.3
Goodwill	0	0	0.0
<b>Total</b>	<b>8,462</b>	<b>784</b>	<b>979.3</b>

**(17) Recoverable income taxes**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Claims for actual overpayment of taxes	1,778	1,572	13.1
Deffered tax assets	27,901	27,901	0.0
<b>Total</b>	<b>29,679</b>	<b>29,473</b>	<b>0.7</b>

**(18) Other assets**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Other assets	2,236	2,014	11.0
Prepaid expenses	104	186	-44.1
<b>Insgesamt</b>	<b>2,340</b>	<b>2,200</b>	<b>6.4</b>

**(19) Liabilities**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
<b>Deposits from other banks</b>	<b>23,426</b>	<b>15,015</b>	56.0
- Payable on demand	7,696	1,918	301.3
- With agreed maturity or notice	15,730	13,097	20.1
<b>Loans and advances to customers</b>	<b>0</b>	<b>35</b>	-100.0
- Payable on demand	0	35	-100.0
<b>Total</b>	<b>23,426</b>	<b>15,050</b>	<b>55.6</b>

**(20) Provisions**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Provisions for pensions	4,038	3,891	3.8
Other provisions	2,677	8,333	-67.9
<b>Total</b>	<b>6,715</b>	<b>12,224</b>	<b>-45.1</b>

**(21) Provisions for taxes**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Outstanding actual tax payments	0	129	-100.0
Deferred tax liabilities	311	438	-29.0
<b>Total</b>	<b>311</b>	<b>567</b>	<b>-45.1</b>

**(22) Other liabilities and accruals**

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Other liabilities	5,223	8,168	-36.1
<b>Total</b>	<b>5,223</b>	<b>8,168</b>	<b>-36.1</b>

## OTHER DISCLOSURES

### (23) Contingencies and commitments

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Contingent liabilities	120	351	-65.8
- Liabilities on guarantees and warranties	120	351	-65.8
- Liabilities from the granting of security for thirdparty liabilities	0	0	+0.0
Other commitments	0	0	+0.0
- Irrevocable loan commitments	0	0	+0.0

### (24) Trust activities

	Sept. 30, 2003 €THOUSANDS	Dec. 31, 2002 €THOUSANDS	Change in %
Shares in companies	0	7	-100.0
<b>Trust assets</b>	<b>0</b>	<b>7</b>	<b>-100.0</b>
Shares in companies	0	7	-100.0
Trust liabilities	0	7	-100.0

### Information on subsidiaries

Name, registered office: Baader Management AG, Unterschleissheim  
Equity interest/Share in voting rights: 100.00 %

Name, registered office: KST Wertpapierhandels AG, Stuttgart  
Equity interest/Share in voting rights: 87.01 %

Name, registered office: Baader Rentenhandel GmbH, Unterschleissheim  
(formerly: Hannig Wertpapierhandels GmbH, Bad Soden)  
Equity interest/Share in voting rights: 100.00 %