

ANNUAL REPORT 2003

GSB



KEYTRADE

BANK



KEY FIGURES 2003

KEY FIGURES – KEYTRADE BANK	31/12/03	31/12/02	%
Clients			
Total number of clients	44 277	40 484	9,37%
Executed transactions	448 148	347 884	28,82%
# executed transactions /client	10,12	8,59	17,79%
Total deposits	€ 1 455 947 000	€ 964 185 000	51,00%
Ratios			
Cost income ratio	56,60%	85,06%	
Cooke ratio	10,29%	8,53%	
Earning per share	€ 1,20	€ -1,00	
Stock quote	€ 19,50	€ 12,63	54,39%
Number of shares	3 510 000	3 510 000	
Market capitalization	€ 68 445 000	€ 44 331 300	
Figures (in €)			
Banking Margin	6 533 000	5 822 000	12,21%
Fees & other revenues	14 701 000	12 144 000	21,04%
Total turnover Keytrade Bank	21 234 000	17 966 000	18,18%
Operational income RealLease	1 700 000	2 330 000	-27,04%
Operational income Keytrade Luxembourg	961 000	732 000	31,28%
Other subsidiaries	344 000	522 000	-34,10%
Total Operating income	24 239 000	21 550 000	12,47%
Operating costs	-18 763 000	-20 463 000	-8,32%
Operating profit	5 476 000	1 087 000	403,77%
Extraordinary result	-498 000	-4 549 000	-89,05%
Taxes	-782 000	-38 000	1957,89%
Consolidated net result	4 196 000	-3 500 000	-219,89%
Staff	64	70	-8,57%



LETTER TO THE SHAREHOLDERS

With a net profit of 4.19 million euros, 2003 sees our best fiscal year since the foundation of the company. An in-depth analysis of the company's expenditure has allowed us not only to reduce costs by over 8 %, but also to make the company structure more flexible, within a context of continuous business growth. Lightly profitable financial markets and an active sales policy have enabled the turnover to increase by over 12 %. It is the establishment of our ambitious and pertinent strategy of banking merging that has allowed us to achieve this level of performance. We are very pleased with this situation.

The organisation we have implemented is robust, flexible and efficient. This enables us to take on the future with confidence and determination.

Our unique online bank and broker services have attracted an ever-increasing number of individual investors. These two operations are wholly integrated into a single interface, exclusively developed in-house using our teams' know-how. We have applied the same recipe that proved so successful with our online broker to our online bank model: transparency, real-time performance, and unbeatable prices that simply don't exist anywhere else.

Our offer is currently unrivalled on the Belgian market. This constitutes a great advantage for meeting the company's challenge of attracting a large number of new clients.

Our reliable organisation and unique product offer form the basis of our development. Our growth is guaranteed, as we have proven our innovative know-how again and again, to our clients' great satisfaction.

Growth and innovation will therefore be our main concerns throughout 2004. We operate in a difficult environment, as we have to come up against much bigger banking institutions than ourselves, but the challenge is exciting for us. We are convinced that an institution's speed and flexibility, and not its size, are the key to its success. Our situations is therefore ideal to win this challenge.

We would like to thank you, our shareholders, for using our online banking platform, as we know that many of our shareholders are also our clients, which for us represents a pledge of recognition of our quality.

For the Board of Directors of Keytrade Bank,

Jean-Guillaume Zurstrassen
President of the Management Committee

Grégoire de Streel
Managing Director

Thierry Ternier
Managing Director

José Zurstrassen
Managing Director

Jean-Marie Laurent Josi
President of the Board of Directors



KEYTRADE BANK, THE ONLINE BANK AND TRADING PLATFORM

THE CORE ACTIVITY

Keytrade Bank is a stockbroker, a bank and a savings bank on one and unique platform.

Keytrade Bank's core activity is to supply to private and institutional investors the most complete possible range of products, services and tools to enable them to manage their assets.

Since the beginning, Keytrade Bank has maintained the values that have contributed to the success of the company. Real time trading, free banking services and offering the most attractive price for stock exchange transactions.

Opening an online account with Keytrade Bank is to gain three free bank accounts - a current account, a savings account and a trading account - all available 24/7 from a single screen.

Trading account

- The trading account is interest bearing.
- Access to shares, funds, warrants, trackers, bonds (primary and secondary market), as well as options (long & short).
- Real time access to the main worldwide stock exchanges: NYSE, NASDAQ, AMEX, OTC-BB, EURONEXT (Brussels, Paris, Amsterdam), XETRA, MILAN and LONDON.
- A continuous flow of tailor-made financial information issued by prestigious partners as Comstock, Dow Jones Newswires and Multex.
- Tools to help in the decision-making process such as interactive charts, technical and fundamental analysis modules, analyst recommendations.
- No fees for the deposit of deeds or management fees.

From an intuitive, easy-to-use interface, all these elements are available for free with no fees for the deposit of deeds or management fees or administration fees, or any other charges other than the fixed fees per transactions.

Current account

- The current account is interest bearing.
- No charges for opening an account - and no administration fees.
- Transfers, direct debits, standing orders and online statements are free of charge.
- Free, permanent access to online statements.
- Provision of a Bancontact/Mister Cash/Proton/ Maestro card, free of charge.
- Option to sign up for a VISA or American Express credit card.

Savings account

- Traditionally among the top-ten best interest-bearing savings accounts of the market, this is also a free savings account: no administration fees, no withdrawal fees and no fees for online statements.
- Cash is made available at all times.

In just one mouse click away, money can be transferred from the savings account to the current account or the trading account and vice versa.

The accessibility of these functionalities allow both the online investor and the bank client to save time, to have a clear and constant view of their assets and to manage their day-to-day operations themselves at the best possible prices - from any computer worldwide.

Client support and service is part of Keytrade Bank's fundamental service. The Customer Helpdesk answers all banking and stock exchange questions between 9am and 10pm every working day, either by e-mail or by phone.



KEYTRADE BANK, THE ONLINE BANK AND TRADING PLATFORM

SECURITY

An Internet bank such as Keytrade Bank is duty bound to have back-up IT systems in order to avoid any interruptions of services arising from technical problems. With this in mind, the company has four E3 Internet lines at 34 Mbps each, with two separate ISPs, each of whom use a different telecommunications supplier. These Internet lines are connected to routers, which are also backed-up. Several levels of fire-walls, all of them with a back-up, guarantee the security of the Keytrade Bank networks. The Internet application servers, also known as web servers, have not one but six back-ups. The database servers that they are connected to are distributed in duplicated clusters, which means that if any problems arise in one or more database servers, customers will remain unaffected and the ease of use of the Keytrade Bank services will remain the same. This is also the case for back-office management servers, bank accounting servers and National Bank report servers.

In addition, intrusion detection systems and encryption systems meet the highest standards on the market, thereby guaranteeing optimum confidentiality for our clients, and total security against hackers. All data and documents are backed up on magnetic tapes and also saved onto CD/DVD to guarantee their enduring safety. These are stored in secure areas outside Keytrade Bank.

Finally, Keytrade Bank has its Internet systems audited once a year over a twelve-hour period by Netcraft Security, one of the world leaders in Internet security. Keytrade Bank is the only Belgian bank to offer clients such a guarantee of Internet security.

RISK PROFILE

The company maintains a deliberately low risk profile. Risk activities generally developed by other banks are very limited at Keytrade Bank.

The Bank refrains from taking any speculative position on its own account within the financial markets, and all transactions made by the client are immediately endorsed back on the market. The Bank therefore does not use a "trading book".

Credit granted to the customer is always underwritten by collateral. Assets & Liability Management is undertaken in a very conservative manner in order to limit reaction to interest rate changes as far as possible.

The reinvestment of customer funds is carried out solely in top quality bonds. These are mainly government stocks and bonds from first-rate issuers.

No position on shares, warrants, options or other derivative products is accepted.





Company profile



COMPANY PROFILE

1. HISTORY

José Zurstrassen, Grégoire de Streel and Jean Zurstrassen founded the company in August 1998 in partnership with the stockbrokerage firm Van Moer Santerre & Cie (est. 1895). The name chosen for the company was VMS-Keytrade. The idea of the three founders was to adapt the American "discount brokers" model to European specifics, by offering private investors direct, fast, crystal clear and cost efficient direct access to the main financial markets worldwide.

The concept developed and maintained since the beginning has become the reason for the success of the Belgian broker :

- Fixed and "discount" price per transaction
- Transparency in the execution of the transactions
- Direct access to the markets without an intermediary
- Multi-products, multi-currency and multi-markets platform
- Financial information and help tools
- Secured operations
- Follow-up and customer support

Helped in the beginning by outstanding market circumstances, the concept introduced by VMS-Keytrade was immediately adopted by a large number of investors. The success was immediate, making the young company the largest, by far, investment site in Belgium.

Facing this rapid growth, it had become apparent by the three founders that the company was in need of structured means whereby enabling and insuring its future. The solution was to raise additional capital through an IPO in December 1999 (Brussels Euro/NM market) which gave the company the financial means to implement its vision. The IPO offered 21% (or 540.000 shares) of the company's stock to the public, at a price of € 12,5 per share. The year 1999 ended with 4.445 clients, and a turnover of € 3.050.000 with a slight loss of € 478.000 caused by the IPO expenses.

Year 2001 was a year of effectiveness and profitability. All year round, the company has reinforced its cost-cutting policy at all levels. The acquisition of its new stockbrokerage statute at the beginning of the year has enabled the company to fully detain the clients assets and to fully integrate the trading process.

The 2001 fiscal year ends on a consolidated result of € 2.203.248, a rise of more than 66% compared to 2000's fiscal year.

Turnover amounts to € 14.485.000 and the financial results amount to € 2.851.000. The company ended year 2001 with more than 25.000 clients. The company shared out a dividend of € 0,43 gross per stock.

Keytrade merged with RealBank (formerly Banque Commerciale de Bruxelles) in 2002. This merger through absorption produced Keytrade Bank - the first Belgian online bank. Clients of the bank can now perform their stock exchange transactions and banking operations from one and only website : www.keytradebank.com.

The company's operating profit reached 1,087,000. Although this is slightly less than management forecasts, this amount is still satisfactory, as 2002 was a year of socio-economic uncertainty all over the world, which caused a muted level of activity on the markets, which in turn caused a lower level of return for the company. 2002 fiscal year ended with the loss-making consolidated net result of € -3,500,000. This result was strongly influenced by charges connected to the merger. In order to avoid affecting negatively future fiscal years, the Management decided to take in charge all the costs related to the merger. The company began therefore year 2003 with a healthy, solid balance sheet.



2. KEYTRADE BANK'S MANAGEMENT

Jean Guillaume Zurstrassen *Chief Executive Officer*



Jean-Guillaume Zurstrassen is President of Keytrade Bank's Management Committee and Managing Director of the group since its foundation in 1998. Born in Verviers in 1969, married with 3 children, Jean holds a master's degree in commercial engineer from the Solvay Business School (VUB) in Brussels. After graduation, he created Skynet (1995) the leading Internet Access Provider in Belgium, which was sold to Belgacom in 1998. Keytrade was created immediately after with the idea of giving access to the main stock exchanges in the world.

Thierry Ternier *Chief Financial Officer*



Thierry Ternier is member of Keytrade Bank's Management Committee and is Managing Director of the group since the merger of Keytrade Bank with RealBank in 2002. Thierry Ternier is Chief Financial Officer of Keytrade Bank. Born in Veurne in 1965, Thierry Ternier holds a master's degree in economics from the University of Gent and a master's degree in accountancy from Vlekho in Brussels. He has two children. Thierry started his career with Unilever as a portfolio manager. In 1991 he joined the insurance company Group JOSI as ALM and investment manager. In 1993 he became Chief Financial Officer and member of the management committee of RealBank, former Banque Commerciale de Bruxelles.

Grégoire de Streel *Chief Information Officer*



Grégoire de Streel is member of Keytrade Bank's Management Committee, Managing Director since 1998 and is Chief Information Officer of Keytrade Bank. Born in 1968, married. He has 3 children. Grégoire started his career at 20 years of age by opening a night shop in Waterloo and then worked in the accounts department of a bookshop. A couple of years after completing management studies at Saint Louis High Commercial College, he created Skynet (1995) the leading Internet Access Provider in Belgium, which was sold to Belgacom in 1998. Keytrade was created immediately after with the idea of giving access to the main stock exchanges in the world.

José Zurstrassen *Chief Technology Officer*



José Zurstrassen is member of Keytrade Bank's Management Committee, Managing Director since 1998 and is Chief Technology Officer of Keytrade Bank. Born in Verviers in 1967, married with 2 children, José got a taste for success in computers at a very early age. From 1979, he helped the manager of a computer store in his neighbourhood and started selling computer programs of his own invention to professionals. José holds a degree of commercial engineer from the Solvay Business School (ULB) in Brussels and attended the courses of civil engineer IT studies (VUB). After a number of internships, he created Skynet (1995) the leading Internet Access Provider in Belgium, which was sold to Belgacom in 1998. Keytrade was created immediately after with the idea of giving access to the main stock exchanges in the world.



COMPANY PROFILE

3. KEY FIGURES FOR 2003

CONSOLIDATED FIGURES (€000)	31/12/03	31/12/02	%
Banking margin	6,533	5,882	12,21%
Fees & other revenues	14,701	12,144	21,04%
Total turnover Keytrade Bank	21,234	17,966	18,18%
Operational income Realease	1,700	2,330	-27,04%
Operational income Keytrade Luxembourg	961	732	31,28%
Other subsidiaries	344	522	-34,10%
Total Operating income	24,239	21,550	12,47%
Operating costs	-18,763	-20,463	-8,32%
Operating profit	5,476	1,087	403,77%
Extraordinary result	-498	-4,549	
Taxes	-782	-38	
Consolidated net result	4,196	- 3,500	

The operating profit rises with 403% to reach 5,4 million euros. Consolidated net result amounts to 4,19 million euro, which is 1,19 euro/share. It is the best result ever since the creation of the company. In less than a year's time, Keytrade Bank has straightened its figures thanks to revenues increase and drastic cost reductions. The result has improved by 7,6 million euros in 2003 (against a benefit of -3,5 million euros in 2002). The market capitalization reaches more than 80 million euro on March 24 2004.

The group's total revenues have increased more than 12% and amount to 24,2 million euros for the year. The evolution of the banking margin follows the same positive logic. Fees and other revenues (including brokerage, foreign exchange, portfolio's appreciation and others) increase of more than 21% to reach 14,7 million euros. This increase confirms the financial markets recovery noticed since March 2003 and the return to

confidence of the private investors. The number of executed transactions has risen from 347,884 in 2002 to 448,148 in 2003, which is a remarkable increase of 28%.

Keytrade Luxembourg revenues increase by 30% to reach 0,9 million euros. Luxembourg customers profile is very active and this explains why they generate more transactions.

The revenues of RealLease decreased 0,6 million euro. This can be easily explained by the gradual replacement of renting contracts to leasing contracts.

The total costs decrease by more than 8%. This performance can be pointed out in this period where the activities are rising steadily. This impressive decrease is a direct effect of the management's will to



COMPANY PROFILE

maintain expenses under tight control and confirms the economies of scale previously announced. This strong reduction of the costs combined with the increase of operational income enables the cost/income ratio to reach 57%, beginning of 2004. This level is low for the sector, which shows the strong profitability of the company and shows now to the normal running of the company.

As the net profit reaches 4,19 million euro, the Board of Directors will propose to the next general shareholders meeting a cash dividend of 0,41 gross cents per stock. The consolidated net result produces a net return on equity of 25,51%.

The number of clients has increased by 9% and amounts to 44,277. The number of trading accounts rises from 32,652 in 2002 to 36,450 in 2003. The most impressive increase is to be found in the number of bank accounts which rise from 6,295 in 2002 to 10,504 in 2003, this explains the progressive conversion of online investment clients to online banking clients. The combination of banking and trading

functionalities on a single platform provides a compelling offer to more and more customers. This proves the total success of the model offered by the company, and the number of customers using Keytrade Bank as their first bank is constantly rising.

The total deposits have risen significantly from 964 millions euro in 2002 to reach 1,455 millions in 2003. The stock deposits increase by 68% and the cash deposits by 14%. This strong increase is explained by the specialization of the bank in stock deposits. This enables the bank to offer the most attractive pricing on the Belgian market. The fact that there are no fees for the deposit of deeds as well as no management fees is also a factor influencing more and more customers to use the company's services.

The solvability ratio (Cooke) of the Bank amounts to 10,29% on 31/12/2003.

KEY FIGURES	31/12/03	31/12/02	%
CLIENTS			
Total number of clients	44 277	40 484	9,37%
Executed transactions	448 148	347 884	28,82%
# executed transactions /client	10,12	8,59	17,79%
Total deposits	€ 1 455 947 000	€ 964 185 000	51,00%
RATIO'S			
Cost income ratio	56,60%	85,06%	
Cooke ratio	10,29%	8,53%	
Earning per share	€ 1,20	€ -1,00	
Stock quote	€ 19,5	€ 12,63	54,39%
Number of shares	3 510 000	3 510 000	
Market capitalization	€ 68 445 000	€ 44 331 300	



COMPANY PROFILE

4. STOCK INFORMATION

Quotation on Euronext Brussels primary market (ticker : keyt)

■ Price on 02/01/2003	€ 12,50
■ Price on 31/12/2003	€ 19,50
■ Highest closing price	€ 19,85
■ Lowest closing price	€ 9,00
■ Introduction price on 11/12/1999	€ 12,50
■ Market capitalization on 31/12/2003	€ 68.445.000
■ Total number of shares on the IPO (13/12/1999)	2.540.000
■ Total number of shares on 31/12/2003	3.510.000
■ Float as of 31/12/2003	721.000



The KEYT stock rate began the year at € 12.50. On 13 March 2003, the rate reached its lowest point of € 9.00. Thereafter, it climbed to close the year at € 19.50. With growth of 54.39 % over the year, this represents a very good performance.

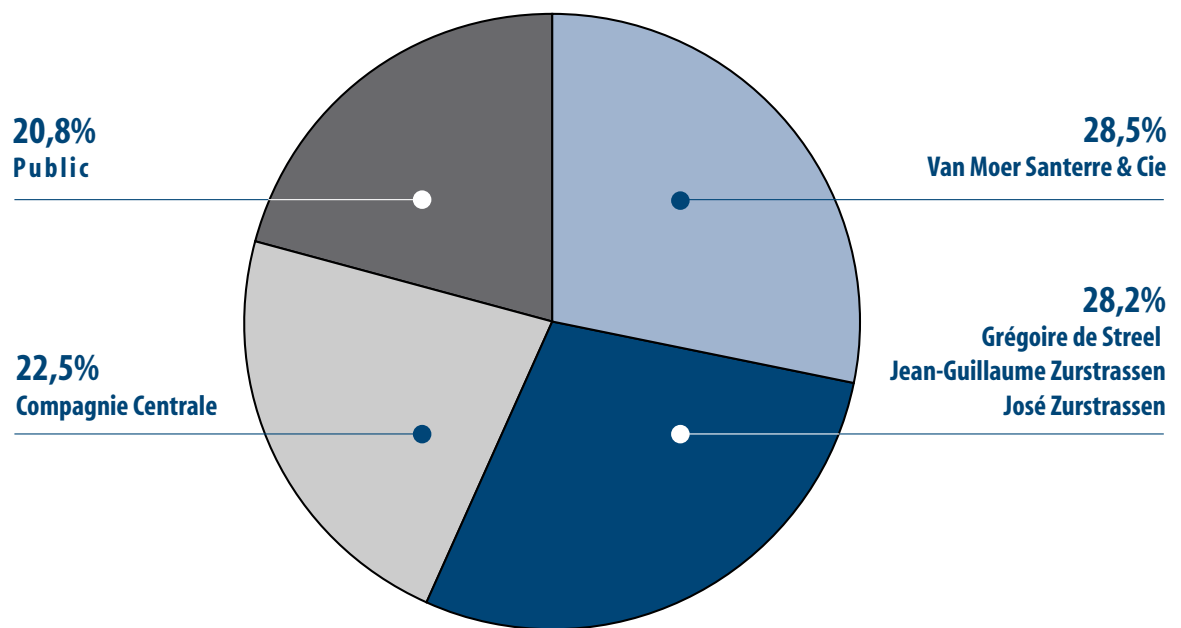


COMPANY PROFILE

Dividend

The Board of Directors of Keytrade Bank will propose at its annual meeting of May, 12th 2004 a dividend of € 0,41 gross per share.

Ownership



Shareholder's calendar

- Annual General Meeting of the company at 11.30 a.m. on May 12th 2004.
- Quarterly press release Q1 during the fourth week of May 2004.
- Half-year press release H1 during the fourth week of September 2004.
- Quarterly press release Q3 during the fourth week of November 2004.
- Annual Results 2002 during the fourth week of March 2005.

Contacts

The section "Investor Relations" of www.keytradebank.com offers permanent and current information of the company.

For more info, the contact person for investors, analysts and the press is:

Marie-Sophie van den Abeele

Vorstlaan - Boulevard du Souverain, 100

1170 Brussels - Belgium

E-mail : marie.van.den.abeele@keytradebank.com

Tél. + 32 / (0) 2 679 90 00

Fax. + 32 / (0) 2 679 90 01



5. COMMENTS ON 2003

2003 was a year rich in the development of new services and products both on the banking and the stock exchange www.keytradebank.com's platform.

- Bond platform - first ever in Belgium! Access to a selection of issues from the primary market, as well as access to the secondary market where +/- 250 Eurobonds can be traded in real time, with guaranteed price and volume.
- Widening of the derivative product offer - Keytrade Bank clients can already buy/sell options. Clients can now also issue options on Euronext Amsterdam, Brussels, London and Paris stock markets - under unbeatable conditions. It is also possible to trade options in real time, on American markets.
- Real time access to two new stock exchanges : Milan and the London Stock Exchanges.
- The company has developed a tailor-made B2B offer dedicated to stockbrokerage and fund management firms. This interface enables them to manage their customers' portfolios via the bank's trading platform.
- The Internet platform is in constant development. The company has added several functionalities on the banking platform enabling, for example, the transfer of money in real time.
- Keytrade Luxembourg has obtained status of "commissionaire".

6. PERSPECTIVES FOR 2004

Even if the global economical forecasts remain uncertain, the company starts 2004 with confidence. The unique proposition on a single platform, in real time and at the best price, of stock exchange and banking functionalities remains the recipe of the future. The growing customer base is the best proof of this success.

This platform is unique and unequalled by the Belgian competition. This competitive advantage is a major asset for the company, which aims at recruiting more and more clients. The bank is confident regarding its growth potential.

The bank will continue to innovate and to optimize both its stockbrokerage and banking offers with a focus on its core business i.e. online stock brokerage. It will develop decision-making tools in order to assist its customers even better in their investment choices.

Under current circumstances, the company forecasts a continuation of the growth of its net result



Group **presentation**



GROUP PRESENTATION

1. Keytrade Bank s.a. - n.v.

Head office :

Vorstlaan - Boulevard du Souverain 100 – B-1170 Brussels – Belgium - Tel : +32 (0)2/679 90 00 - Fax : +32 (0)2/679 90 01

E-mail : info@keytradebank.com - <http://www.keytradebank.com>

A. List of the Directors

■ Jean-Marie Laurent Josi	President of the Board of Directors
■ Jean Zurstrassen	Managing Director President of the Management Committee
■ Thierry Ternier	Managing Director Member of the Management Committee
■ Grégoire de Streeel	Managing Director Member of the Management Committee
■ José Zurstrassen	Managing Director Member of the Management Committee
■ Eric De Keuleneer	Director
■ Jean-Louis Laurent Josi	Director
■ Bernard Paqui	Director
■ André Van Moer	Director
■ Cédric Van Moer	Director
■ Christian Varin	Director

B. Internal Audit

Mrs. Marie-Ange Marx assures the function of Compliance Officer of the company. Mr. Paolo Condotta assures the function of Internal Audit.

C. Company Revisor

The Revisors of our company are; Mr. André Clybouw of Bedrijfsrevisoren Clybouw and Mr. Philippe Maeyaert of the company Deloitte & Touche.

D. Purpose and status of the company

Keytrade Bank aims to provide, as well in Belgium as abroad, the establishment of credit operations, including brokerage and commission operations as well as transactions on financial derivative instruments.

The company is listed on Euronext Brussels – primary market (ticker : keyt).



GROUP PRESENTATION

2. Keytrade Luxembourg s.a.

Head Office :

rue Charles Martel, 62 – L-2134 Luxembourg - Tel : +352 45 04 39 - Fax : +352 45 04 49

E-mail : info@keytrade.lu - <http://www.keytrade.lu>

A. List of the Directors

■ Jean Zurstrassen	President
■ Philippe Voortman	Managing Director
■ Stéphane Jodin	Managing Director
■ José Zurstrassen	Director
■ Grégoire de Streel	Director
■ Thierry Ternier	Director

B. Internal Audit

Mr. Paolo Condotta assures the function of Internal Audit.

C. Company Revisor

The mandate of Company Revisor is assured by Mazars & Guerard (Luxembourg).

D. Purpose and status of the company

Keytrade Luxembourg s.a. has the statute of "commissionaire, courtier et conseiller en operations financières".



GROUP PRESENTATION

3. RealLease s.a. - n.v.

Head office :

Vorstlaan - Boulevard du Souverain 100 – B-1170 Brussels – Belgium - Tel : +32 (0)2/679 90 52 - Fax : +32 (0)2/679 90 80

A. List of the Directors

■ Jean Zurstrassen	President of the Board of Directors
■ Thierry Ternier	Director
■ José Zurstrassen	Director

B. Internal Audit

Mr. Paolo Condotta assures the function of Internal Audit.

C. Company Revisor

The company revisor is Mr. Philippe Maeyaert of the company Deloitte & Touche.

D. Purpose of the company

RealLease aims to provide, as well in Belgium as abroad, all operations related to credit and financing granting, investment realization and/or study, analysis, engineering towards companies.



GROUP PRESENTATION

4. Keytrade Insurance s.a. - n.v.

Head Office :

Vorstlaan - Boulevard du Souverain, 100 – 1170 Brussels – Belgium - Tel : +32 (0)2/679 90 00 - Fax : +32 (0)2/679 90 01

A. Liste des administrateurs

■ Jean Zurstrassen	President of the Board of Directors
■ Thierry Ternier	Director
■ Grégoire de Streel	Director

D. Purpose of the company

Keytrade Insurance aims to provide any commercial activity and any service relating to the administrative organisation of companies, in particular insurance brokers, both in Belgium and abroad, on its own account or on behalf of or in conjunction with third parties.



Balance sheet & Accounts



BALANCE SHEET AND CONSOLIDATED RESULTS (€ 000)

1. CONSOLIDATED BALANCE SHEET AFTER DISTRIBUTION	2003	2002
ASSETS		
Cash, assets lodged at central banks and post office and giro accounts	567	1 373
Treasury bills that can be refinanced at the central bank	7 374	946
Receivables from credit institutions	71 182	75 662
Loans and advances to customers	43 081	41 872
Bonds and other fixed-income securities	236 298	229 893
Financial fixed assets	507	485
Formation costs and intangible assets	1 028	1 026
Consolidation discrepancies		63
Tangible assets	1 967	3 181
Other assets	1 144	1 615
Deferrals and accruals	5 391	7 877
TOTAL ASSETS	368 539	363 993


1. CONSOLIDATED BALANCE SHEET AFTER DISTRIBUTION

	2003	2002
LIABILITIES		
Debts to banks	15 310	55 867
■ Payable on demand	1 006	17 053
■ Other debts with fixed terms or periods of notice	14 304	38 814
Debts to customers	310 791	260 934
■ Savings accounts	152 277	135 719
■ Other debts	158 514	125 215
Liabilities represented by a security	11 183	13 137
■ Bonds and fixed-interest securities in circulation	11 183	13 137
Other debts	4 844	3 879
Deferrals and accruals	4 944	9 905
Reserves, deferred taxes and deferred tax balances	1 610	2 000
Subordinated liabilities	297	1 487
CAPITAL AND RESERVES	19 217	16 419
Capital	15 288	15 288
■ Subscribed capital	15 288	15 288
Reserves and result brought forward	3 929	1 131
MINORITY INTERESTS		
Minority interests	343	365
TOTAL LIABILITIES	368 539	363 993


OFF-BALANCE-SHEET ITEMS
Potential liabilities

- Guarantees instead of loans
- Other guarantees

Commitments that may give rise to a risk

- Commitments due to cash purchases of securities or other values
- Available margin on confirmed credit lines

Values assigned to companies included in the consolidation

- Safe-custody accounts and similar deposits

2003
2002

1 011

886

550

544

461

342

13 090

39 499

3 449

6 314

9 641

33 185

910 397

639 008

910 397

639 008



2. CONSOLIDATED INCOME STATEMENT

	2003	2002
Interest received and similar income	13 239	12 760
including : from fixed-income securities	9 487	8 936
Interest paid and similar charges (-)	-6 679	-7 974
Income from variable-income securities		10
■ From participations and shares forming part of the fixed assets		10
Commissions received	11 005	10 461
Commissions paid (-)	-3 809	-4 144
Operating profit (loss (-))	1 809	1 270
■ From exchange and trade in securities and other financial instruments	1 059	957
■ From exercising investment securities	750	313
General administrative costs (-)	-7 950	-9 847
■ Remuneration, social security and pensions	4 097	4 806
■ Other administrative costs	3 853	5 041
Depreciation and reductions in value on formation costs, on tangible and intangible fixed assets (-)	-1 697	-2 404
Writebacks on reductions in value (reductions in value (-)) on receivables and writebacks on reserves (reserves(-)) for items "I. Potential liabilities" and "II. Commitments that can give rise to a credit risk" off-balance-sheet	-665	-222
Uses and writebacks on reserves for risks and other costs than those envisaged by the items "I. Potential liabilities" and "II. Commitments that may give rise to a credit risk" off-balance-sheet		74
Reserves for risks and costs other than those envisaged by the items "I. Potential liabilities" and "II. Commitments that can give rise to a credit risk" off-balance-sheet (-)	-11	-18
Other operating income	3 045	4 203
Other operating costs (-)	-2 812	-3 080
Profit (loss (-)) on ordinary activities before tax for the consolidated companies	5 475	1 089



	2003	2002
Extraordinary income	878	101
■ Writebacks on depreciation and reductions in value on intangible and tangible fixed assets	761	
■ Added value on the realisation of fixed assets	6	4
■ Other extraordinary income	111	97
Extraordinary costs (-)	-1 375	-4 688
■ Depreciation and reductions in value on formation costs, and on intangible and tangible fixed assets	43	1 363
■ Reductions in value on financial fixed assets	145	383
■ Reserves for risks and extraordinary costs	168	1 755
■ Losses on realisation of fixed assets	16	
■ Other extraordinary costs	1 003	1 187
Profit (Loss(-)) for the financial year before taxes for the consolidated companies	4 978	-3 498
Profit (Loss(-)) for the financial year before taxes for the consolidated companies. Bis.		
■ Deductions on deferred taxes and deferred tax balances		36
Taxes on result	782	38
■ Taxes (-)	1 222	38
■ Adjustment of income taxes and write-back of tax provisions	- 440	
Profit (Loss(-)) for the consolidated companies	4 196	-3 500
Consolidated profit (Consolidated loss (-))	4 196	-3 500
Minority interest in result (+/-)	-21	-4
Group interest in result (+/-)	4 217	-3 496



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

STATE OF ACCOUNTS RECEIVABLE ON LENDING INSTITUTIONS (heading III of the assets)

(in thousands of euros)

Codes	05	10
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A. For the whole heading :

		Period	Previous period
1. ■ Debt on unconsolidated connected companies	010		
■ Debt on other companies with whom there is a link by virtue of participating interests	020		
2. ■ Subordinated debt	030		

B. Other debts on lending institutions (future or notice) (heading III B. of the assets)

		Period	Previous period
1. ■ Permissible refinancing instruments with the central bank of the country, or countries, where the lending institution is based.	040		
2. ■ Breakdown according to remaining time period :		Period	
● up to 3 months	050	34 533	
● between 3 months and 1 year	060	1 112	
● between 1 and 5 years	070		
● over 5 years	080		
● for an undetermined length of time	090		

STATE OF ACCOUNTS RECEIVABLE ON CUSTOMERS (heading IV of the assets)

Codes	05	10
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		Period	Previous period
1. ■ Debts on unconsolidated connected companies	110		
■ Debts on other companies with whom there is a link by virtue of participating interests	120		
2. ■ Subordinated debts	130		
3. ■ Permissible refinancing instruments with the central bank of the country, or countries, where the lending institution is based	140		
4. ■ Breakdown according to remaining time period :		Period	
● up to 3 months	150	5 523	
● between 3 months and 1 year	160	460	
● between 1 and 5 years	170	1 046	
● over 5 years	180	77	
● for an undetermined length of time	190	35 975	



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

STATE OF BONDS AND OTHER FIXED REVENUE SECURITIES (assets heading V)

(in thousands of euros)

	Codes	05	10
		Period	Previous period
1. ■ Bonds and other securities issued by :			
● unconsolidated connected companies	010		
● other companies with whom there is a link by virtue of participating interests	020		
		Period	Previous period
2. ■ Bonds and securities representing subordinated debts	030		
		Belgium	Abroad
3. ■ Geographic breakdown of the following headings :			
● V.A. public issuers	040	76 885	28 305
● V.B. other issuers	050	57 421	73 687
		Valeur comptable	Valeur de marché
4. ■ Quotations and duration			
a) ● Quoted securities	060	194 004	197 538
● Non-quoted securities	070	42 294	
		Period	
b) ● Remaining time period of one year or more	080	72 451	
● Remaining time period of more than one year	090	163 847	
		Period	
5. ■ Breakdown according to membership :			
a) ● of the commercial portfolio	100	36 947	
b) ● of the investment portfolio	110	199 351	
		Period	
6. ■ For the commercial portfolio :			
● positive difference between the higher market value and the acquisition value for bonds and securities evaluated at market value	120		
● if necessary, the positive difference between the higher market value and the book value for bonds and securities evaluated according to art. 35 ter § 2 paragraph 2 of the Royal Decree of 23/9/1992 regarding annual accounts for lending institutions	130		
		Period	
7. ■ For the investment portfolio			
● positive difference of all securities of which the redemption value is higher than their book value	140	708	
● negative difference of all securities of which the redemption value is less than their book value	150	6 026	



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

BREAKDOWN OF THE BOOK VALUE OF THE INVESTMENT PORTFOLIO (continuation of heading V of the assets)

(in thousands of euros)

Codes 05

A. Acquisition cost

		Period
1. ■ At the end of the previous period	010	181 187
2. ■ Movements during the period :		
● acquisitions	020	122 698
● sales (-)	030	(100 638)
● adjustments according to article 35 ter § 4 and 5 of the Royal Decree of 23/9/92 regarding annual accounts from § 4 and 5 of the Royal Decree of 23 September 1992	040	-3 896
● exchange differential (+/-)	050	
● other variations (+/-)	060	
3. ■ At the end of the period	099	199 351

B. Transfers between portfolios

		Period
1. ■ Transfers :		
● from the investment portfolio to the commercial portfolio (-)	110	()
● from the commercial portfolio to the investment portfolio (+)	120	
2. ■ Impact on the result	130	

C. Amounts written down

		Period
1. ■ At the end of the previous period	200	250
2. ■ Movements during the period :		
● recorded	210	
● written back as superfluous (-)	220	()
● cancelled (-)	230	(250)
● transferred from one heading to another (+/-)	240	
● exchange differential (+/-)	250	
● other variations (+/-)	260	
3. ■ At the end of the period	299	0

		Period
D. Book value at the end of the period (A) + B)1. - C)	399	199 351



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

STATE OF DEBTS TOWARDS LENDING INSTITUTIONS (heading I of the liabilities)

(in thousands of euros)

Codes	05	10
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A. For the whole heading :

		Period	Previous period
■ Debts towards :			
● non consolidated connected companies	010		
● other companies with whom there is a link by virtue of participating interests	020		

B. Breakdown of debts other than Sight debts, according to the time remaining (heading I.B. and C. of the liabilities)

		Period
● up to 3 months	110	470
● between 3 months and 1 year	120	10 012
● between 1 and 5 years	130	13
● over 5 years	140	
● for an undetermined length of time	150	3 809

STATE OF DEBTS TOWARDS CUSTOMERS

(heading II of the liabilities)

		Period	Previous period
1. ■ Debts towards :			
● unconsolidated connected companies	210		
● other companies with whom there is a link by virtue of participating interests	220		

		Period
2. ■ Geographic breakdown of the debts towards :		
● Belgium	310	268 503
● foreign countries	320	42 288

		Period
3. ■ Breakdown according to remaining time period :		
● at sight	410	147 060
● up to 3 months	420	1 031
● between 3 months and 1 year	430	1 158
● between 1 and 5 years	440	
● over 5 years	450	
● for an undetermined length of time	460	161 542



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

STATE OF DEBTS REPRESENTED BY A SECURITY (heading III of the liabilities)

(in thousands of euros)

Codes	05	10
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		Period	Previous period
1. ■ Debts that the lending institution considers to be debts towards :			
● unconsolidated connected companies	010		
● other companies with whom there is a link by virtue of participating interests	020		

		Period	
2. ■ Breakdown according to remaining time period :			
● up to 3 months	110		
● between 3 months and 1 year	120		
● between 1 and 5 years	130	3 150	
● over 5 years	140	521	
● for an undetermined length of time	150	7 512	

STATE OF THE SUBORDINATED DEBTS (heading VIII of the liabilities)

(in thousands of euros)

Codes	05	10
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A. For the entire heading

		Period	Previous period
■ Debts :			
● of the consolidating lending institution	210	297	1 487
● from other companies included in the consolidation	220		

B. For the entire heading

		Period	Previous period
■ Debts towards :			
● non consolidated connected companies	100		
● other companies with whom there is a link by virtue of participating interests	110	0	0

		Period	
C. Charges related to subordinated debts	200	16	



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

STATE OF RESERVES AND OF THE RESULT CARRIED FORWARD (heading XII of the liabilities)

(in thousands of euros)

	Codes	Period
■ At the end of the previous period	010	1 131
■ Movements during the period :		
● group results	020	4 217
● announced dividends	030	-1 439
● other	040	20
■ At the end of the period	099	3 929

CONSOLIDATION DIFFERENCES AND EQUITY METHOD

Codes	écarts positifs	écarts négatifs
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A. Consolidation differences

■ Net book value at the end of the previous period	100	63	
■ Movements during the period :			
● changes due to a percentage increase in the shareholding	110		
● changes due to a percentage decrease in the shareholding (-)	120	()	()
● amortisation	130	3	
● differences brought to the result (art. 52 § 2 Royal Decree of 06.03.90)	140		
● other changes	150	-60	
■ Movement sub-total	199		
■ Net book value at the end of the period	200	0	

B. Equity method differences

■ Net book value at the end of the previous period	300		
■ Movements during the period :			
● changes due to a percentage increase in the shareholding	310		
● changes due to a percentage decrease in the shareholding (-)	320	()	()
● amortisation	330		
● differences brought to the result (art. 52 § 2 Royal Decree of 06.03.90)	340		
● other changes	350		
■ Movement sub-total	399		
■ Net book value at the end of the period	400		



ANNUAL ACCOUNTS OF KEYTRADE BANK (€ 000)

1. BALANCE SHEET AFTER DISTRIBUTION	2003	2002
ASSETS		
Cash, balances with central banks and post and giro accounts	446	1 372
Treasury bill that can be refinanced at the central bank	7 374	946
Receivables from credit institutions	47 074	73 979
■ Payable on demand	29 226	42 904
■ Other receivables (fixed-term or with notice)	17 848	31 075
Loans and advances to customers	39 743	40 327
Bonds and other fixed-income securities	236 298	229 893
■ Issued by the treasury	105 190	86 850
■ Other issuers	131 108	143 043
Financial assets	1 655	1 885
■ Participating interests in associated companies	1 300	1 400
■ Participating interests in other companies with which there is an association	109	154
■ Other shares and financial assets	8	8
■ Subordinated receivables from associated companies and other companies with which there is an association	238	323
Formation costs and intangible fixed assets	972	931
Tangible assets	1 053	1 254
Other assets	698	1 612
Deferrals and accruals	4 844	6 970
TOTAL ASSETS	340 157	359 169



1. BALANCE SHEET AFTER DISTRIBUTION	2003	2002
LIABILITIES		
Debts to banks	15 532	55 867
■ Payable on demand	1 195	17 053
■ Other debts with fixed terms or periods of notice	14 337	38 814
Debts to customers	285 139	258 831
■ Savings accounts	152 277	135 719
■ Other debts	132 862	123 112
Liabilities represented by a security	11 184	13 137
■ Circulating bonds	11 184	13 137
Other debts	3 480	2 451
Deferrals and accruals	4 805	9 651
Reserves for risks and costs	1 384	1 968
■ 1. Pensions and similar obligations	33	72
■ 3. Other risks and costs	1 351	1 896
Subordinated liabilities	297	1 487
CAPITAL AND RESERVES	18 336	15 777
Capital	15 288	15 288
■ Subscribed capital	15 288	15 288
Reserves	3 015	2 937
■ Statutory reserves	616	538
■ Unavailable reserves	2 065	2 065
■ Tax-free reserves	51	51
■ Available reserves	283	283
Profit (Loss (-)) brought forward	33	-2 448
TOTAL LIABILITIES	340 157	359 169


OFF-BALANCE-SHEET ITEMS
Potential liabilities

- Guarantees instead of loans
- Other guarantees

Commitments that may give rise to a credit risk

- Commitments due to cash purchases of securities or other values
- Available margin on confirmed credit lines

Securities at bank
2003
2002
1 011
886

550

544

461

342

13 090
39 499

3 449

6 314

9 641

33 185

890 320
639 008



2. PROFIT AND LOSS ACCOUNT

	2003	2002
Interest received and similar income	11 969	12 760
including : fixed-income securities	9 488	8 936
Interest paid and similar charges (-)	-6 620	-7 974
Income from variable-income securities	56	130
■ From participating interests in associated companies	49	0
■ From other shares and company participations constituting financial assets	7	130
Commissions received	9 756	9 458
Commissions paid (-)	-3 320	-4 000
Profit (Loss(-)) deriving from financial operations	1 761	1 246
■ From exchange and trade in securities and other financial instruments	1 011	933
■ From the realisation of securities	750	313
General administrative costs (-)	-6 888	-8 284
■ Remuneration, social security and pensions	3 404	4 296
■ Other administrative costs	3 484	3 988
Depreciation and reductions in value (-) on formation costs, on tangible and intangible fixed assets	-1 094	-1 358
Writebacks on reductions in value (reductions in value (-)) on receivables and writebacks on reserves (reserves (-)) for the items "I. Potential liabilities" and "II. Commitments that may give rise to an off-balance-sheet credit risk"	-339	-33
Uses and writebacks on reserves for risks and other costs than those envisaged by the items "I. Potential liabilities" and "II. Commitments that may give rise to an off-balance-sheet credit risk"	0	74
Other operating income	1 433	1 027
Other operating costs (-)	-1 625	-2 075
Profit (loss (-)) on ordinary activities before tax	5 089	971



2. PROFIT AND LOSS ACCOUNT

Extraordinary income

- Added value on the realisation of fixed assets
- Other extraordinary income
- Resumption reserves for risks and extraordinary costs

Extraordinary costs (-)

- Extraordinary depreciation and reductions in value on formation costs, on intangible and tangible fixed assets
- Reductions in value on financial fixed assets
- Reserves for risks and extraordinary costs
- Depreciation for extraordinary liabilities and charges
- Other extraordinary costs

Profit (Loss(-)) for the financial year before taxes

Taxes on result

- Taxes (-)
- Regularization of taxes and fiscal writebacks on reserves

Profit (Loss(-)) for the financial year

Profit (Loss(-)) for the financial year to be appropriated

	2003	2002
Extraordinary income	862	63
■ Added value on the realisation of fixed assets	5	4
■ Other extraordinary income	101	59
■ Resumption reserves for risks and extraordinary costs	756	0
Extraordinary costs (-)	- 1 289	- 4 923
■ Extraordinary depreciation and reductions in value on formation costs, on intangible and tangible fixed assets	0	1 303
■ Reductions in value on financial fixed assets	145	776
■ Reserves for risks and extraordinary costs	168	1 755
■ Depreciation for extraordinary liabilities and charges	16	0
■ Other extraordinary costs	960	1 089
Profit (Loss(-)) for the financial year before taxes	4 662	-3 889
Taxes on result	664	0
■ Taxes (-)	-1 101	0
■ Regularization of taxes and fiscal writebacks on reserves	437	0
Profit (Loss(-)) for the financial year	3 998	-3 889
Profit (Loss(-)) for the financial year to be appropriated	3 998	-3 889


APPROPRIATIONS AND DEDUCTIONS
Profit (Loss(-)) to be appropriated

- Profit (Loss(-)) for the financial year to be appropriated
- Profit (Loss (-)) brought forward from previous financial year

Appropriations to capital and reserves (-)

- to the legal reserve

Profit and loss account carried forwards

- Profit to be carried forward (-)
- Loss to be carried forward

Profit to be distributed (-)

- Cash dividend to be paid (a)

2003
2002
1550
-2448

3998

-3889

-2448

1441

- 78
0

78

0

33
2 448

- 33

0

0

2448

-1 439
0

1439

0

(a) only in the limited companies according to Belgian law



E N C L O S U R E S - A N N U A L A C C O U N T S

Breakdown of the book value of the investment portfolio :

(in thousands of euros)

Codes	05
--------------	-----------

A. Acquisition cost

		period
■ At the end of the previous period	010	181 187
■ Movements during the period :		
● acquisitions	020	122 698
● sales (-)	030	(100 638)
● adjustments according to article 35 ter §4 and 5 (+/-)	040	-3 896
■ At the end of the period	099	199 351

B. Transfers between portfolios

		period
1. ■ Transfers :		
● from the investment portfolio to the commercial portfolio (-)	110	()
● from the commercial portfolio to the investment portfolio (+)	120	
2. ■ Impact on the result	130	

C. Amounts written down

		period
■ At the end of the previous period	200	250
■ Movements during the period :		
● recorded	210	
● written-back as superfluous (-)	220	()
● cancelled (-)	230	(250)
● transferred from one heading to another (+/-)	240	
■ At the end of the period	299	0

D. Book value at the end of the period (A) + B)1. - C)

		period
	399	199 351



E N C L O S U R E S - A N N U A L A C C O U N T S

PERFORMANCE OF LONG-TERM INVESTMENTS (heading VII of the assets)

(in thousands of euros)

Codes	05	10	15	20
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A.1. BREAKDOWN OF HEADINGS VII A,B,C OF THE ASSETS

A. Economic sector of the following headings :

	Codes	credit institutions		other	
		Period	Previous period	Period	Previous period
a. ■ Long-term intercorporate investment in connected companies	010		1 300	1 400	
b. ■ Long-term intercorporate investment in companies where a link exists by virtue of participating interests	020		109	154	
c. ■ Other stocks and shares making up the long-term investments	030			8	

B. Quotation :

	Codes	quotation	
		quoted	non-quoted
a. ■ Long-term intercorporate investment in connected companies	040		1300
b. ■ Long-term intercorporate investment in companies where a link exists by virtue of participating interests	050		109
c. ■ Other stocks and shares making up the long-term investments	060		8



E N C L O S U R E S - A N N U A L A C C O U N T S

	Codes	Companies		
A.2. BREAKDOWN OF THE BOOK VALUE AT THE END OF THE PERIOD FOR HEADINGS VII.A, B AND C OF THE ASSETS :		connected (VII.A.)	with links by virtue of participating interests (VII.B.)	other (VII.C.)
A. Acquisition cost :				
■ At the end of the previous period	100	1 793	255	0
■ Movements during the period :				
● acquisitions	110	0		
● sales and disposals (-)	120	()	()	()
● transfers from one heading to another (+/-)	130			
■ At the end of the period	199	1 793	255	8
B. Capital gains :				
■ At the end of the previous period	200	0	482	
■ Movements during the period :				
● recorded	210			
● acquired from third parties	220			
● cancelled (-)	230	()	()	()
● transferred from one heading to another (+/-)	240			
■ At the end of the period	299	0	482	0
C. Amount written down :				
■ At the end of the previous period	300	393	583	
■ Movements during the period :				
● recorded	310	100	45	
● written-back as superfluous (-)	320	()	()	()
● acquired from third parties	330			
● cancelled (-)	340	()	()	()
● transferred from one heading to another (+/-)	350			
■ At the end of the period	399	493	628	0
D. Net book value at the end of the period (A + B - C) :				
	499	1 300	109	8



ENCLOSURES - ANNUAL ACCOUNTS

LIST OF COMPANIES IN WHOM THE LENDING INSTITUTION HOLDS A LONG-TERM INTERCORPORATE INVESTMENT

The following is a list of companies in which the lending institution holds a long-term intercorporate investment, with regard to the Royal Decree of September 1992, as well as other companies with whom the lending institution holds company rights representing at least 10 % of the subscribed capital.

Name, registered office, VAT No or NAT. ID. No	Company rights			Information taken from the latest available annual accounts				
	Directly			through subsidiaries	Annual accounts as at (DD/MM/YYYY)	Currency units	Net Assets	Net results
	Type	Nombre	%	%			(+) or (-)	(+) or (-)
RealLease s.a. - n.v. BE437.695.375		1940	97		31/12/03	EUR	299	1
Iris Sec.Lux.s.a. - n.v. Bld Royal 25C, Luxembourg		2000	50		31/12/03	EUR	671	-42
Keytrade Insurance s.a.- n.v. BE427.276.684		144	99,31		31/12/03	EUR	182	7
Keytrade Luxembourg		2994	99,98		31/12/03	EUR	1219	254
View Trade Holding		3851	19,90		31/12/03	\$	691	-71



E N C L O S U R E S - A N N U A L A C C O U N T S

ADJUSTMENT ACCOUNTS (heading V of the liabilities)

(in thousands of euros)

	Codes	05
		period
1. ■ Charges to be applied	010	4 803
2. ■ Proceeds to carry forward	020	2

PROVISIONS FOR OTHER RISKS AND CHARGES (heading VI. A. 3 of the liabilities)

(in thousands of euros)

	Codes	05
		period
1. ■ Breakdown of this heading if it represents a significant amount		
● Provision on AND loss	110	428
● Provision for redundancies - pension	120	118
● provision client disputes	130	165
● provision client disputes	140	101
● Not covered	150	476
● Miscellaneous	160	96

STATE OF SUBORDINATED DEBTS (heading VIII of the liabilities)

(in thousands of euros)

	Codes	05	
A. For the entire heading			
		Period	Previous period
■ Debts to :			
● connected companies	210		0
● other companies, with whom there is a link by virtue of participating interests	220	297	297
B.			
		period	
■ Charges related to subordinated debts	310	16	



E N C L O S U R E S - A N N U A L A C C O U N T S

STATE OF ANY LIABILITIES AND COMMITMENTS THAT MAY GIVE RISE TO CREDIT RISK (headings I and II of the off-balance-sheet)

(in thousands of euros)

Codes	05	10
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A. For the whole heading :

		Period	Previous period
■ Total amount of any liabilities on account of connected companies	010		
■ Total amount of possible liabilities for other companies with whom there is a link by virtue of participating interests	020		
■ Total amount of the commitments to connected companies	030		
■ Total amount of the commitments to other companies with whom there is a link by virtue of participating interests	040		

INFORMATION REGARDING OPERATING INCOME (headings I to XV of the profit-and-loss account)

Codes	05	10
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A.

		Period	Previous period
1. ■ Workers listed in the personnel registry :			
a. ● Total number of people registered on the closing date	110	54,20	60,50
b. ● Average number of people registered as equivalent to full-time	120		
c. ● Actual number of hours worked	130	107 594,40	113 218,8

1. ■ bis. Temporary workers and staff made available to the company :			
a. ● Total number at the closing date	200		
b. ● Average number of people working the equivalent of full-time	201		
c. ● Actual number of hours worked	202		
d. ● Costs linked to this category of staff	203		

2. ■ Staff costs :			
a. ● Direct payments and social advantages	210	2 387	3 039
b. ● Employer's social security contributions	220	822	950
c. ● Employer bonuses for extralegal insurance	230	59	105
d. ● Other staff costs	240	136	200
e. ● Pensions	250	0	2

3. ■ Provisions for pensions :			
a. ● Endowments (+)	310		
b. ● Uses and write-backs (-)	320	(0)	(0)



E N C L O S U R E S - A N N U A L A C C O U N T S

(in thousands of euros)

Codes	05	10
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B.

		Period	Previous period
1. ■ Other operating proceeds :			
Breakdown of heading XIV of the profit-and-loss account, if this represents a significant amount			
● intangible production	410	630	292
● re-invoicing costs	420	276	137
● other	430	527	618

2. ■ Other operating expenses :			
(heading XV of the profit-and-loss account)			
● levies and taxes	510	174	364
● other operating expenses	520	1 451	1 711
Breakdown of other operating expenses if this heading represents a significant amount			
● admin payments	610	1 281	1 264
● foreign trips - fuel - representation	620	137	129
● miscellaneous	630	33	0

C.

		Period	Previous period
■ Operating income as regards connected companies :			
● proceeds	710		
● charges	720		



E N C L O S U R E S - A N N U A L A C C O U N T S

OPERATING INCOME

(in thousands of euros)

(heading III of the assets)

Codes	05
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A.

		period
■ Capital gains made on the sale of fixed assets to connected companies	010	
■ Losses made on the sale of fixed assets to connected companies	020	

B. Other exceptional proceeds :

(heading XVII. E. of the profit-and-loss account)

		period
■ Breakdown of this heading, if it represents a significant amount		
■ Recovery client's disputes		
●	110	101

Other exceptional expenses :

(heading XVIII. E. of the profit-and-loss account)

		period
■ Breakdown of this heading, if it represents a significant amount		
● Write-downs on RAM	210	100
● Vieustrade write-downs	220	45
● Redundancy compensation	230	636
● Cover for staff disputes	240	50
● Moving + maintenance of premises	250	125
● Disputes	260	102

TAXES ON PROFIT OR LOSS

Codes	05
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A. Breakdown of heading XX.A. of the profit-and-loss account

		period
1. ■ Taxes on profit and loss for the period		
a. ● Taxes and deductions owed or paid	310	640
b. ● Surpluses and payments of taxes or discounts brought to the assets	320	
c. ● Suppléments d'impôts estimés (portés au poste IV. B. du passif) au titre de dettes fiscales	330	
2. ■ Impôts sur le résultat d'exercices antérieurs		
a. ● Suppléments d'impôts dûs ou versés	410	24
b. ● Estimated additional taxes (brought to heading IV. B. of the liabilities) as regards tax liabilities	420	



S U M M A R Y O F T H E E V A L U A T I O N R U L E S

The annual accounts are settled based on the rules laid down in the Royal Decree of 23 September 1992. Their application can be summarised as follows:

ASSETS

- I. ■ Cash, credits to the central banks and to post office checking account offices.
- III. ■ Receivables on the lending institutions.
- IV. ■ Receivables on customers.
The amount of funds made available, with deductions made for any redemptions, and increased by any interest accrued, by bonuses and expenses due.
- II. ■ Government securities permitted for refinancing with the central bank.
- V. ■ Bonds and other securities at a fixed income.
The constituent values of the investment portfolio are posted at their original acquisition cost, excluding incidental costs. They are re-estimated at the time of settlement, on the basis of their actuarial yield calculated at the time of purchasing, while taking into account their redemption value, the difference being included in the result.
- VI. ■ Stocks, shares and other securities at variable income.
- VII. ■ Long-term investments - investments and stocks.
Without prejudice to any decrease in value, these values are assessed at their cost price, excluding incidental costs.
- VII. ■ Long-term investments - Receivables.
The amount of funds made available.
- VIII. ■ Preliminary expenses and intangible assets.
Costs of this nature are taken into consideration when they are revealed, with the exception, however, of software purchased from third parties and intangible productions. They are carried over to the assets at its cost price, excluding incidental costs.

● fixed asset- own construction	33%
● software - licences	10-33 %
● Goodwill	20%
- IX. ■ Tangible fixed assets.
These are carried on to the balance sheet at their cost price. They are subject to straight-line depreciation. For the assets acquired starting January 1st 2003, the method 'prorata temporis' is applied.

● Furniture	10-33%
● Office equipment	10-20%
● IT equipment	33%
● Rolling material	20-33%
● Leasing	following reimbursed capital
● Other tangible fixed assets	10-12,5%

LIABILITIES

- I. ■ Debts to lending institutions.
- II. ■ Debts to customers.
The amount of funds made available, subject to any redemption deductions.
- III. ■ Debts represented by a security.
The total amount of cash vouchers in circulation at the issuing cost.
- IV. ■ Other debts.
The nominal value, if deemed necessary, subject to any redemption deductions.

ADJUSTMENT ACCOUNTS

- All considerations for proceeds or charges incurred but not due are adjusted on a pro rata temporis basis, without compensation in asset or liability adjustment accounts, depending on the case in hand.

FOREIGN EXCHANGE CONVERSION

- Foreign currency transactions are posted at the exchange rate in force at the time of the transaction. Upon settlement, the currencies in account are re-estimated at the average rate in force on the date of settlement. Differences arising from this re-estimation are included in the result.

AMOUNTS WRITTEN DOWN

- Stocks and other ownership rights held will be subject to a write-down in the case of a permanent decline in value justified by the situation, by the earning capacity or by the prospects of the relevant company.
- Risks of not recovering receivables are dealt with by the introduction of individually-estimated write-downs, taking into account the debtor's objective situation and the estimated cost of producing or performing the guarantees.
- Amount write-down for country risks : N/A.
- Réduction de valeur pour risques pays : sans objet.



Commissioner's **reports**



1. REPORT BY THE JOINT AUDITORS ON THE CONSOLIDATED ACCOUNTS FOR THE PERIOD CLOSED ON 31 DECEMBER 2003, AS PRESENTED BEFORE THE GENERAL SHAREHOLDERS' MEETING OF KEYTRADE BANK S.A.-N.V

In accordance with the legal and statutory provisions, we have the honour of presenting this report on the performance of the auditing assignment entrusted to us.

We proceeded with the audit of the consolidated accounts drawn up under the responsibility of the company Board of Directors with regard to the period ending on 31 December 2003, whose total balance sheet reached EUR 368,539,000 and whose profit and loss account balances out with a consolidated profit of EUR 4,196,000 for the whole period. We also carried out checks on the consolidated management analysis report.

Unconditional attestation on the consolidated accounts

Our checks were carried out in accordance with Belgian auditing standards, as published by the Institute of Corporate Auditors (Institut des Reviseurs d'Entreprises). The professional standards require our audit to be set up and performed in such a way as to gain a reasonable assurance that the consolidated accounts do not include any significant inaccuracy, in accordance with the legal and regulatory provisions applicable in Belgium.

In accordance with these standards, we have taken into account the organisation of all consolidated accounts as regards administration and accounting principles, as well as internal monitoring provisions. We have been given all explanations and information required to carry out our checks. We have studied the evidence for amounts appearing in the consolidated accounts through the use of samples. We have assessed the validity of the evaluation rules, the consolidation rules and the major accounts estimates made by the company, as well as the presentation of the consolidated accounts in their entirety. We believe

that this work provides a reasonable basis for giving our opinion.

In our opinion, the consolidated accounts ending on 31 December 2003 give a reliable image of the assets, the financial situation and the results of the consolidated overall accounts, in accordance with the legal and regulatory provisions applicable in Belgium, and the information given in the notes is sufficient.

Additional attestation

We complete our report with the following additional attestation, which is not intended to change the bearing of the attestation on the consolidated accounts :

- The consolidated management analysis report holds all information required by law and tallies with the consolidated accounts.

28 April 2004

Joint Auditors,

Deloitte & Touche
Corporate Auditor SC s.f.d. SCRL
Represented by Philip Maeyaert

André Clybouw



2. JOINT AUDITORS' REPORT ON THE ANNUAL ACCOUNTS FOR THE PERIOD ENDING ON 31 DECEMBER 2003 AS PRESENTED BEFORE THE GENERAL SHAREHOLDERS' MEETING OF KEYTRADE BANK S.A.-N.V.

In accordance with the legal and statutory provisions, we have the honour of presenting this report on the performance of the auditing assignment entrusted to us.

We proceeded with the audit of the annual accounts drawn up under the responsibility of the company Board of Directors with regard to the period ending on 31 December 2003, whose total balance sheet reached EUR 340,157,000 and whose profit and loss account balances out with a profit of EUR 3,998,000 for the whole period. We also carried out the specific additional checks required by law.

Unconditional attestation on the annual accounts

Our checks were carried out in accordance with Belgian auditing standards, as published by the Institute of Corporate Auditors (Institut des Reviseurs d'Entreprises). The professional standards require our audit to be set up and performed in such a way as to gain a reasonable assurance that the annual accounts do not include any significant inaccuracy, in accordance with the legal and regulatory provisions applicable on annual accounts in Belgium.

In accordance with these standards, we have taken into account the organisation of the company as regards administration and accounting principles, as well as internal monitoring provisions. The people in charge of the company gave clear explanations and information following our requests. We have studied the evidence for amounts appearing in the annual accounts through the use of samples. We have assessed the validity of the evaluation rules, the consolidation rules and the major accounts estimates made by the company, as well as the presentation of the annual accounts in their entirety. We believe that this work provides a reasonable basis for giving our opinion.

In our opinion, the annual accounts ending on 31 December 2003 give a reliable image of the assets, the financial situation and the company results, in accordance with the legal and regulatory provisions applicable in Belgium, and the information given in the notes is sufficient.

Additional attestations

We complete our report with the following additional attestations, which are not intended to change the bearing of the attestation on the annual accounts :

- The management analysis report holds all information required by law and tallies with the annual accounts.
- Without prejudice to minor formal aspects, the books are kept and the annual accounts are drawn up in accordance with the legal and regulatory provisions applicable in Belgium.
- There is no transaction or decision made that you should be aware of that infringes the corporate by-laws or company code.
- The allocation of the results put forward to the general meeting is consistent with the legal and statutory provisions.

28 April 2004
Joint Auditors,

Deloitte & Touche
Corporate Auditor SC s.f.d. SCRL
Represented by Philip Maeyaert

André Clybouw



Management report



MANAGEMENT REPORT PROPOSED BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

We have the honour of presenting you with the management report relating to the fiscal year ended on 31 December 2003, in accordance with article 95 of the Corporate Code, as well as the consolidated management report, in accordance with article 119 of the Corporate Code.

1. Management report on the corporate financial statements

■ Following a calm start to the year on the financial markets, they gradually got up to speed after April 2003, causing a revival in individual investors' interest in the stock market. Our profits mainly came in the second half of the year.

2003 was also something of a test to check on the proper effect of our merger with RealBank that occurred in 2002. By way of a reminder, the aim of this operation was to acquire the banking licence necessary for our development.

We had expected synergies to emerge in terms of both costs and turnover - and this was certainly the case.

We were also focused on technological innovation in order to strengthen the products and services offered to our clients. Within this context, we have put a new bond platform online on which +/- 250 Eurobonds can be traded in real time at guaranteed prices and volumes. This is the only platform of its kind in Belgium.

The options trading features were extended to the issue of options on the Euronext markets.

Real time access at fixed rates and discounts on the Milan and London stock exchanges was unveiled.

The company has developed a tailor-made B2B offer dedicated to stockbrokerage and fund management firms. This interface enables them to manage their customers' portfolios via our trading platform.

■ With this strongly innovative outlook, the Board of Directors decided that it would be right and proper to proceed with the introduction of research and development costs at around 649,000 euros, to be paid off after three years. This decision has been taken bearing in mind the economic reality and in accordance with the policy applied in previous years.

■ Within the context of lower rates, the banking margin has increased by 12 % to 6.5 million euros, reflecting the increase in deposits made into savings books and current accounts.

■ Revenue from commission and other miscellaneous operations increased by 18 % to 14.6 million euros, reflecting the increase in the number of transactions made rising from 317,432 in 2002 to 406,443 in 2003.

■ Total proceeds rose to 21.2 million euros, representing an increase of 18 %.

■ A drastic cost management policy has been implemented, allowing general operational costs to be reduced by over 8 %, even accounting for the growth in the business volume.

■ The increase in proceeds and reduction in expenses has enabled the company to make a net profit slightly more than 4 million euros. The reported loss is entirely absorbed.

■ Complementary fees were granted to the company Deloitte & Touche (9000 euros for the organization report, 5000 euros for the Stock Options plans and 750 euros for requests asked by the CBFA).

■ In addition, we do not have to indicate items that may significantly influence the annual accounts as stopped on 31 December 2003.



MANAGEMENT REPORT PROPOSED BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

2. Management report on the consolidated accounts

- The total operational proceeds of the group stands at 24.2 million euros. The parent company contributes the sum of 21.2 million euros, or 6.5 million euros of the banking margin and 14.7 million euros of brokerage commissions and miscellaneous revenue.
- RealLease's operational proceeds reached 1.7 million euros. The company decided to call a halt to renting activities, and concentrate on leasing activities, thereby lowering the operational proceeds. The company displays a balanced result.
- Keytrade Luxembourg had a very positive year, as its operational proceeds increased by 31 % to 961,000 euros.
- The contribution of Keytrade Insurance to the overall turnover was marginal.
- Operational expenses reached 18.7 million euros, representing 8 % over the year. A strict control over expenses, applied throughout the year, enabled a reduction in expenses, even though business volume increased.
- Operating profit is 5.4 million euros. Keytrade Luxembourg contributes 357,000 euros to this. The contribution of the other subsidiaries to the operating profit was marginal.
- The exceptional result amounted to -498.000 euros. This figure includes a reduction in the value of Real Asset Management and Viewtrade, moving charges and the restoration of the old offices in the rue des Colonies, as well as various provisions for the closure of some disputes.
- The consolidated net profit reached 4.19 million euros.
- The group's capital and reserves amount to 19.1 million euros. The solvency ratio (Cooke) exceeds 10 %. The cost/income ratio stands at 56.6 %.
- The return on own funds is 25.5 %. These ratios are a reflection of the company's good health and solidity. With a targeted credit business, the bank maintains a low risk profile.
- Global assets entrusted to the bank by customers are worth 1.4 billion euros.
- The company has decided to proceed with the winding-up of the Real Asset Management subsidiary.
- Keytrade Luxembourg obtained the status of "commissionnaire".
- The mandate of the auditor, Mr. André Clybouw has been renewed for a period of three years.
- There have been no other events occurring after the end of the 2003 fiscal year needing to be raised.
- There are no significant disputes to be mentioned.

The Board of Directors

ES



KEYTRADE

BANK

Keytrade Bank nv-sa

Vorstlaan 100

Bld du Souverain 100

B-1170 Brussels / Belgium

www.keytradebank.com

info@keytradebank.com

Tel. +32 (0)2 / 679 90 00

Fax +32 (0)2 / 679 90 01

BTW / TVA BE 464 034 340

HRB / RCB 627 795

CDV / OCA 14 357