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ANNUAL REPORT 2004



KEYTRADE

BANK



KEY FIGURES 2004

| KEY FIGURES – KEYTRADE BANK | 31/12/04 | 31/12/03 | % |
|--|-----------------|-----------------|--------------|
| Clients | | | |
| Total number of clients | 48 442 | 44 277 | 9,41% |
| Executed transactions | 520 329 | 451 225 | 15,31% |
| # executed transactions /client | 10,74 | 10,19 | 5,40% |
| Total deposits | € 1 702 000 000 | € 1 455 947 000 | 16,90% |
| Ratios | | | |
| Cost income ratio | 63,93% | 56,6% | |
| Cooke ratio | 13,67% | 10,29% | |
| Earning per share | € 1,63 | € 1,20 | |
| Stock quote | € 24,20 | € 19,50 | 24,10% |
| Number of shares | 3 516 200 | 3 510 000 | |
| Market capitalization | € 85 092 040 | € 68 445 000 | |
| Figures (in €) | | | |
| Banking Margin | 7 524 | 6 533 | 15,17% |
| Fees & other revenues | 13 754 | 13 247 | 3,83% |
| Total turnover Keytrade Bank | 21 278 | 19 780 | 7,57% |
| Operational income RealLease | 1 231 | 1 700 | -27,59% |
| Operational income Keytrade Luxembourg | 1 007 | 961 | 4,79% |
| Other subsidiaries | 41 | 344 | -88,08% |
| Total Operating income | 23 557 | 22 785 | 3,39% |
| Operating costs | -15 158 | -17 309 | -12,43% |
| Operating profit | 8 399 | 5 476 | 53,38% |
| Extraordinary result | 144 | -498 | |
| Taxes | -2 794 | -782 | |
| Consolidated net result | 5 749 | 4 196 | 37,01% |
| Staff | 67 | 64 | 4,69% |



LETTER TO THE SHAREHOLDERS

Last year we wrote in the letter to the shareholders that growth and innovation would be our major concerns for 2004. We have kept to this commitment and you will see this on reading this annual report.

Growth – the figures speak for themselves

Some recovery was achieved with a stable economy and financial markets so that our two core businesses, brokering and online banking, each grew by 15%. Compared with the company's economic model this growth translates as a 53% increase in our operating profit. But that's not all! Our flexible organisational structure allowed us to reduce our operating costs by 12%. Since the beginning of 2004 we have been subject to a full tax regime with the result that our profit after tax increased by 37%, a new historic level.

These performance indicators translate into the good health of our bank and its ability to adapt to a constantly changing economic environment.

Innovation – our passion

Our main emphasis has been the creation of our ideas centre. This is a highly sophisticated tool to aid decision-making combining the main fields of financial analysis: ratio analysis, fundamental analysis, technical analysis and recommendations from financial analysts. This tool goes through a data-base of more than 10,000 American and European shares on a daily basis awarding them a score. Our customers can then invest with all the facts and without having to carry out fastidious research for information. Come and see for yourself!

Other innovations just as important have followed such as version 5 of our secure site, the creation of margin accounts, the issue of options on the US markets.

Our mission – to convince the greatest number

Our challenge is to extend our innovative approach to banking to the greatest number of people:

- the best technology
- the best price for our customers
- the best tools for better decisions
- total transparency

Too many people still spend too much money with traditional financial institutions. This is all the more regrettable since technology today enables a more sophisticated service to be had for less (sometimes as much as 80%) with Keytrade Bank.

We are going to concentrate our forces in 2005 on recruiting the maximum number of customers. When you have a good product, you have to recognise it. Our marketing campaigns will be focusing on this. They will be ambitious, innovative, and we should be able to increase our customer base significantly.

We have great confidence in our future and in your loyalty and look forward to seeing you next year.

For the board of Keytrade Bank,

Jean-Guillaume Zurstrassen
President of the Management Committee

Grégoire de Streeel
Managing Director

Thierry Ternier
Managing Director

José Zurstrassen
Managing Director

Jean-Marie Laurent Josi
President of the Board of Directors



Company profile



COMPANY PROFILE

1. HISTORY

José Zurstrassen, Grégoire de Streeel 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.

2003 was a year of consolidation and verification of the economic model created by our merger with RealBank.

The operating profit rose by 403% and climbed to € 5,4 million. The net consolidated profit amounted to € 4,19 million being € 1,19 per share. Keytrade Bank's results have recovered in less than one year thanks to an increase in earnings and a drastic reduction of costs. The profit thus improved by € 7,6 million in 2003 (against a loss of € 3,5 million) Total group income increased by more than 12%, reaching € 24,2 million for 2003.

Total charges decreased by more than 8%. In a context of a strong increase in business this is a performance to be highlighted.

A dividend of € 0,41 gross per share was paid to shareholders.



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.

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 4 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.

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.

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 2004

| CONSOLIDATED FIGURES (€000) | 31/12/04 | 31/12/03 | % |
|--|----------------|----------------|----------------|
| Consolidated banking margin | 7 524 | 6 533 | 15,17% |
| Online brokerage fees & other revenues | 13 754 | 13 247 | 3,83% |
| Total turnover Keytrade Bank | 21 278 | 19 780 | 7,57% |
| Operational income RealLease | 1 231 | 1 700 | -27,59% |
| Operational income Keytrade Luxembourg | 1 007 | 961 | 4,79% |
| Other subsidiaries | 41 | 344 | -88,08% |
| Total Operating income | 23 557 | 22 785 | 3,39% |
| Operating costs | -15 158 | -17 309 | -12,43% |
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| Consolidated net result | 5 749 | 4 196 | 37,01% |

The operating profit increased by 53% reaching € 8 399 000. The net consolidated income increased by 37% to € 5 749 000 giving € 1,63 per share. The two core businesses (stock broking and banking) of the company grew by 15% each. Operating costs reduced dramatically by 12%. The combination of these two factors enabled the company to produce a record result. A gross dividend of € 1,13 per share, an increase of 175% will be proposed in the next meeting.

The total of Keytrade Bank's operating income amounted to € 21 278 000, an increase of 7,6% compared to 2003.

The rise in the banking margin is due to the 21,4% increase in customer cash deposits, bringing them to € 377 million at 31 December 2004.

On-line brokerage fees & other revenues is made up of € 8 233 000 in broking, or an increase of 14% and € 5 521 000 in other revenues, a fall of 26%.

The number of trades carried out went from 448 148 to 520 271, an increase of 16% in volume. With some 40% of trades on the stock exchange carried out on the American markets, the fall in the dollar has had a small effect on the global profitability of broking income.

The fall in other revenues is explained by a reduction in R&D costs (€ 270 000) and the realisation of € 430 000 capital gains, less than in 2003.

Operating income from RealLease decreased by 27% to € 1 231 000. This fall is explained by the gradual replacement of rental contracts by leasing contracts. The leasing company contributes € 308 000 to the net consolidated group result.

The operating income of Keytrade Luxembourg increased by 4,8% to € 1 007 000. The Luxembourg company contributes € 361 000 to the net consolidated group result.



COMPANY PROFILE

The total of the group's operating income was € 23 557 000, an increase of 3,4% compared to 2003.

Operating costs fell spectacularly by 12,4% to € 15 158 000 in a context of global increase in business. This fall can in part be attributed to the divestment of Iris Securities Luxembourg (for € 337 000) and a favourable evolution of the depreciation on clients (decrease of € 410 000). For the other part the continued following of a strict cost management policy and the re-examination of internal procedures have also greatly contributed to this large reduction in costs.

The operating profit amounted to € 8 399 000, an increase of 53% compared to 2003. Taxes went from € 782 000 to € 2 794 000 because the company has been subject to a full tax regime since 2004.

The net consolidated income was € 5 749 000, a 37% increase compared to the last year. The net earning per share is € 1,63. The Board of Directors will propose a dividend payment of € 1,13 gross per share being an increase of 175% compared to the dividend for the last year.

The total number of customers went from 44 277 to 48 442 an increase of 9%.

The bank's solvency ratio (Cooke ratio) is 13,76%.

| KEY FIGURES 2004 | 31/12/04 | 31/12/03 | % |
|---------------------------------------|------------------------|------------------------|---------------|
| CLIENTS | | | |
| Total number of clients | 48 442 | 44 277 | 9,41% |
| Executed transactions | 520 329 | 451 225 | 15,31% |
| # Executed transactions/client | 10,74 | 10,19 | 5,40% |
| Total deposits | € 1 702 000 000 | € 1 455 947 000 | 16,90% |
| RATIO'S | | | |
| Cost income ratio Bruxelles | 63,93% | 56,60% | |
| Cooke ratio | 13,67% | 10,29% | |
| Earning per share | € 1,63 | € 1,20 | |
| Stock quote | € 24,20 | € 19,50 | 24,10% |
| Number of shares | 3 516 200 | 3 510 000 | |
| Market capitalization | € 85 092 040 | € 68 445 000 | |

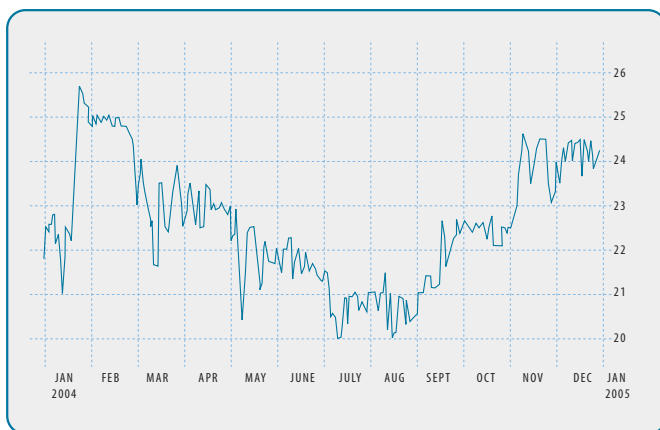


COMPANY PROFILE

4. STOCK INFORMATION

Quotation on Euronext Brussels primary market (ticker: keyt)

| | |
|--|--------------|
| ■ Price on 02/01/2004 | € 19,95 |
| ■ Price on 31/12/2004 | € 24,20 |
| ■ Highest closing price | € 24,60 |
| ■ Lowest closing price | € 19,95 |
| ■ Introduction price on 11/12/1999 | € 12,50 |
| ■ Market capitalization on 31/12/2004 | € 85 092 040 |
| ■ Total number of shares on the IPO (13/12/1999) | 2 540 000 |
| ■ Total number of shares on 31/12/2004 | 3 516 200 |
| ■ Float as of 31/12/2004 | 727 200 |



The KEYT stock rate began the year at € 19,95. The growth over the year is of 54,39%, which represents a very good performance.

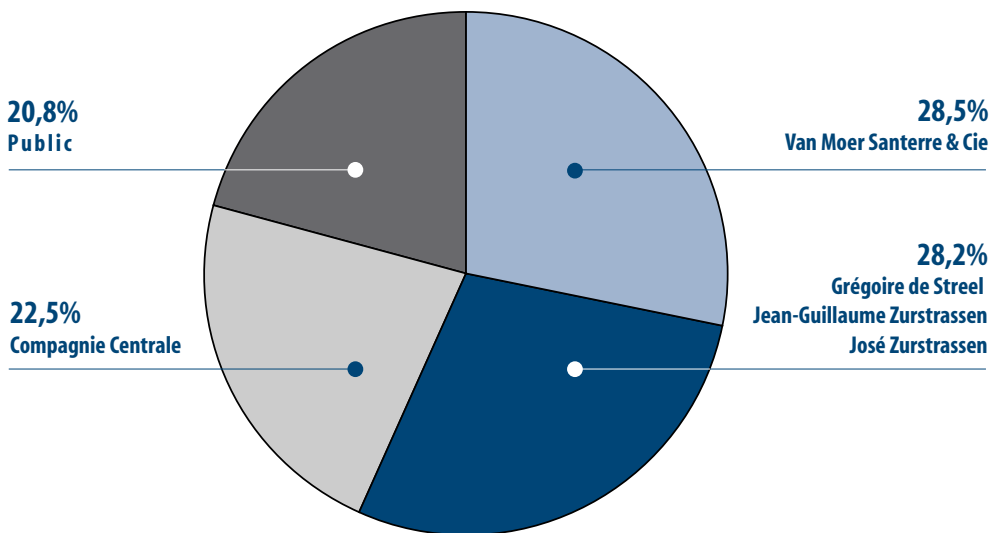


COMPANY PROFILE

Dividend

The Board of Directors of Keytrade Bank will propose at its annual meeting of May, 10th 2005 a dividend of € 1,13 gross per share, which is a growth of 175% compared to 2003.

Ownership



Shareholder's calendar

- Annual General Meeting of the company at 11.30 a.m. on May 10th 2005.
- Quarterly press release Q1 during the fourth week of May 2005.
- Half-year press release H1 during the fourth week of September 2005.
- Quarterly press release Q3 during the fourth week of November 2005.
- Annual Results 2002 during the fourth week of March 2006.

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:
Mieke Marx and Marie-Sophie van den Abeele
Vorstlaan - Boulevard du Souverain, 100
1170 Brussels - Belgium
E-mail : investorrelation@keytradebank.com
Tél. + 32 (0) 2 / 679 90 00
Fax. + 32 (0) 2 / 679 90 01



5. KEY DEVELOPMENTS IN 2004

- Margin accounts – the margin account is presented in the form of a credit line accorded in line with the value of the portfolio and allows the bank's customers to maximise their stock exchange investments in particular.
- Version 5 of the secure site - easier structure, improved financial information, optimised help desk and newly designed site.
- The Ideas centre is a highly sophisticated tool to help decision making and includes the main fields for financial analysis - ratio analysis, fundamental analysis, technical analysis and recommendations from financial analysts. This tool goes through a data base of more than 10 000 American and European shares on a daily basis.
- Electronic identity card - Keytrade Bank's customers can use the electronic identity card as a secure alternative to access the web site.
- Customers can issue options on the US market.
- The 50% holding in Iris Securities Luxembourg has been sold.

6. OUTLOOK FOR 2005

- At the end of a year of consolidating its results Keytrade Bank is solidly anchored as a leader in the stock exchange and internet banking sector in Belgium and Luxembourg.
- A growing number of consumers want to use the internet to carry out their financial transactions. The company succeeded in developing a unique tool, unequalled on the Belgian and Luxembourg market. These advantages give the company the prospect of sustained and profitable development.
- With an unchanged market environment the profit achieved in 2004 can be considered as average. Every extra trade enables the profit to be increased more than proportionately.
- This is why during the course of 2005 Keytrade Bank will attach great importance to the recruitment of new customers and implement a solid marketing strategy to acquire them.



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-Guillaume Zurstrassen | Managing Director President of the Management Committee |
| ■ Thierry Ternier | Managing Director Member of the Management Committee |
| ■ Grégoire de Streel | 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-Guillaume 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-Guillaume 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-Guillaume 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 | 2004 | 2003 |
|--|----------------|----------------|
| ASSETS | | |
| Cash, assets lodged at central banks and post office and giro accounts | 447 | 567 |
| Treasury bills that can be refinanced at the central bank | 32 884 | 7 374 |
| Receivables from credit institutions | 71 713 | 71 182 |
| Loans and advances to customers | 38 734 | 43 081 |
| Bonds and other fixed-income securities | 279 430 | 236 298 |
| Financial fixed assets | 337 | 507 |
| Formation costs and intangible assets | 885 | 1 028 |
| Tangible assets | 1 155 | 1 967 |
| Other assets | 1 116 | 1 144 |
| Deferrals and accruals | 6 136 | 5 391 |
| TOTAL ASSETS | 432 837 | 368 539 |



1. CONSOLIDATED BALANCE SHEET AFTER DISTRIBUTION

| | 2004 | 2003 |
|---|----------------|----------------|
| LIABILITIES | | |
| Debts to banks | 14 401 | 15 310 |
| ■ Payable on demand | 664 | 1 006 |
| ■ Other debts with fixed terms or periods of notice | 13 737 | 14 304 |
| Debts to customers | 376 569 | 310 791 |
| ■ Savings accounts | 179 050 | 152 277 |
| ■ Other debts | 197 519 | 158 514 |
| Liabilities represented by a security | 7 856 | 11 183 |
| ■ Bonds and fixed-interest securities in circulation | 7 856 | 11 183 |
| Other debts | 7 422 | 4 844 |
| Deferrals and accruals | 4 884 | 4 944 |
| Reserves, deferred taxes and deferred tax balances | 625 | 1 610 |
| Subordinated liabilities | | 297 |
| CAPITAL AND RESERVES | 21 062 | 19 217 |
| Capital | 15 315 | 15 288 |
| ■ Subscribed capital | 15 315 | 15 288 |
| Share premium | 2 117 | 2 065 |
| Reserves and result brought forward | 3 630 | 1 864 |
| MINORITY INTERESTS | | |
| Minority interests | 18 | 343 |
| TOTAL LIABILITIES | 432 837 | 368 539 |

**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

2004**2003**

1 628

1 011

293

550

1 335

461

7 730

13 090

3 831

3 449

3 899

9 641

1 056 964

910 397

1 056 964

910 397



2. CONSOLIDATED INCOME STATEMENT

| | 2004 | 2003 |
|---|---------------|---------------|
| Interest received and similar income | 13 848 | 13 239 |
| including : from fixed-income securities | 9 766 | 9 487 |
| Interest paid and similar charges (-) | -6 305 | -6 679 |
| Income from variable-income securities | 3 | 0 |
| ■ From participations and shares forming part of the fixed assets | 3 | 0 |
| Commissions received | 12 229 | 11 005 |
| Commissions paid (-) | -3 996 | -3 809 |
| Operating profit (loss (-)) | 1 763 | 1 809 |
| ■ From exchange and trade in securities and other financial instruments | 1 442 | 1 059 |
| ■ From exercising investment securities | 321 | 750 |
| General administrative costs (-) | -7 488 | -7 950 |
| ■ Remuneration, social security and pensions | 4 025 | 4 097 |
| ■ Other administrative costs | 3 463 | 3 853 |
| Depreciation and reductions in value on formation costs, on tangible and intangible fixed assets (-) | -1 244 | -1 697 |
| 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 | -39 | -665 |
| 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 | | |
| 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 |
| Other operating income | 1 968 | 3 045 |
| Other operating costs (-) | -2 340 | -2 812 |
| Profit (loss (-) on ordinary activities before tax for the consolidated companies | 8 399 | 5 475 |



| | 2004 | 2003 |
|--|---------------|---------------|
| Extraordinary income | 1 497 | 878 |
| ■ Writebacks on depreciation and reductions in value on intangible and tangible fixed assets | 3 | 761 |
| ■ Added value on the realisation of fixed assets | 1 320 | 6 |
| ■ Other extraordinary income | 88 | 111 |
| | 86 | |
| Extraordinary costs (-) | -1 353 | -1 375 |
| ■ Depreciation and reductions in value on formation costs, and on intangible and tangible fixed assets | | 43 |
| ■ Reductions in value on financial fixed assets | | 145 |
| ■ Reserves for risks and extraordinary costs | 52 | 168 |
| ■ Losses on realisation of fixed assets | 15 | 16 |
| ■ Other extraordinary costs | 1 286 | 1 003 |
| Profit (Loss(-)) for the financial year before taxes for the consolidated companies | 8 543 | 4 978 |
| Profit (Loss(-)) for the financial year before taxes for the consolidated companies. Bis. | | |
| ■ Deductions on deferred taxes and deferred tax balances | 0 | 0 |
| Taxes on result | 2 794 | 782 |
| ■ Taxes (-) | 2 794 | 1 222 |
| ■ Adjustment of income taxes and write-back of tax provisions | | - 440 |
| Profit (Loss(-)) for the consolidated companies | 5 749 | 4 196 |
| Consolidated profit (Consolidated loss (-)) | 5 749 | 4 196 |
| Minority interest in result (+/-) | 9 | -21 |
| Group interest in result (+/-) | 5 740 | 4 217 |



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

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

(in thousands of euros)

| Codes | 05 | 10 |
|-------|----|----|
|-------|----|----|

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 | | |

| | | Period | Previous period |
|------------------------|-----|--------|-----------------|
| 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 | | |

| | | Period |
|---|-----|--------|
| 2. ■ Breakdown according to remaining time period : | | |
| ● up to 3 months | 050 | 47 608 |
| ● between 3 months and 1 year | 060 | 1 032 |
| ● 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 |
|-------|----|----|
|-------|----|----|

| | | 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 | | |

| | | Period | Previous period |
|-------------------------|-----|--------|-----------------|
| 2. ■ Subordinated debts | 130 | | |

| | | Period | Previous period |
|---|-----|--------|-----------------|
| 3. ■ Permissible refinancing instruments with the central bank of the country, or countries, where the lending institution is based | 140 | | |

| | | Period |
|---|-----|--------|
| 4. ■ Breakdown according to remaining time period : | | |
| ● up to 3 months | 150 | 2 686 |
| ● between 3 months and 1 year | 160 | 9 767 |
| ● between 1 and 5 years | 170 | 20 478 |
| ● over 5 years | 180 | 390 |
| ● for an undetermined length of time | 190 | 5 413 |



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 | 137 197 | 26 279 |
| ● V.B. other issuers | 050 | 56 972 | 58 982 |
| | | Valeur comptable | Valeur de marché |
| 4. ■ Quotations and duration | | | |
| a) ● Quoted securities | 060 | 209 360 | 215 423 |
| ● Non-quoted securities | 070 | 70 070 | |
| | | Period | |
| b) ● Remaining time period of one year or more | 080 | 65 858 | |
| ● Remaining time period of more than one year | 090 | 213 572 | |
| | | Period | |
| 5. ■ Breakdown according to membership : | | | |
| a) ● of the commercial portfolio | 100 | 37 942 | |
| b) ● of the investment portfolio | 110 | 241 488 | |
| | | 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 | 576 | |
| ● negative difference of all securities of which the redemption value is less than their book value | 150 | 7 768 | |



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 | 199 351 |
| 2. ■ Movements during the period : | | |
| ● acquisitions | 020 | 105 267 |
| ● sales (-) | 030 | 60 012 |
| ● 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 | -3 118 |
| ● exchange differential (+/-) | 050 | |
| ● other variations (+/-) | 060 | |
| 3. ■ At the end of the period | 099 | 241 488 |

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 | () |
| ● 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 | 241 488 |



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

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

(in thousands of euros)

| Codes | 05 | 10 |
|-------|----|----|
|-------|----|----|

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 | 10 000 |
| ● between 3 months and 1 year | 120 | 52 |
| ● between 1 and 5 years | 130 | |
| ● over 5 years | 140 | |
| ● for an undetermined length of time | 150 | 3 685 |

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 | 323 804 |
| ● foreign countries | 320 | 52 765 |

| | | Period |
|---|-----|---------|
| 3. ■ Breakdown according to remaining time period : | | |
| ● at sight | 410 | 187 763 |
| ● up to 3 months | 420 | 411 |
| ● between 3 months and 1 year | 430 | 1 044 |
| ● between 1 and 5 years | 440 | |
| ● over 5 years | 450 | |
| ● for an undetermined length of time | 460 | 187 351 |



ENCLOSURES - BALANS AND CONSOLIDATED RESULTS

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

(in thousands of euros)

| | Codes | 05 | 10 |
|--|-------|--------|-----------------|
| | | 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 | 289 | |
| ● between 1 and 5 years | 130 | 2 154 | |
| ● over 5 years | 140 | 533 | |
| ● for an undetermined length of time | 150 | 4 880 | |

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

(in thousands of euros)

| | Codes | 05 | 10 |
|--|-------|--------|-----------------|
| A. For the entire heading | | | |
| | | Period | Previous period |
| ■ Debts : | | | |
| ● of the consolidating lending institution | 210 | 0 | 297 |
| ● 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 |
| C. Charges related to subordinated debts | | | |
| | 200 | 3 | |



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 | 1 864 |
| ■ Movements during the period : | | |
| ● group results | 020 | 5 740 |
| ● announced dividends | 030 | -3 974 |
| ● other | 040 | 0 |
| ■ At the end of the period | 099 | 3 630 |

CONSOLIDATION DIFFERENCES AND EQUITY METHOD

| Codes | écarts positifs | écarts négatifs |
|-------|-----------------|-----------------|
|-------|-----------------|-----------------|

A. Consolidation differences

| | Codes | écarts positifs | écarts négatifs |
|--|-------|-----------------|-----------------|
| ■ Net book value at the end of the previous period | 100 | 0 | |
| ■ 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 | | |
| ● differences brought to the result (art. 52 § 2 Royal Decree of 06.03.90) | 140 | | |
| ● other changes | 150 | | |
| ■ Movement sub-total | 199 | | |
| ■ Net book value at the end of the period | 200 | 0 | |

B. Equity method differences

| | Codes | écarts positifs | écarts négatifs |
|--|-------|-----------------|-----------------|
| ■ 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 | 2004 | 2003 |
|---|----------------|----------------|
| ASSETS | | |
| Cash, balances with central banks and post and giro accounts | 439 | 446 |
| Treasury bill that can be refinanced at the central bank | 32 884 | 7 374 |
| Receivables from credit institutions | 43 346 | 47 074 |
| ■ Payable on demand | 19 750 | 29 226 |
| ■ Other receivables (fixed-term or with notice) | 23 596 | 17 848 |
| Loans and advances to customers | 36 452 | 39 743 |
| Bonds and other fixed-income securities | 279 430 | 236 298 |
| ■ Issued by the treasury | 163 476 | 105 190 |
| ■ Other issuers | 115 954 | 131 108 |
| Financial assets | 989 | 1 655 |
| ■ Participating interests in associated companies | 652 | 1 300 |
| ■ Participating interests in other companies with which there is an association | 109 | 109 |
| ■ Other shares and financial assets | 8 | 8 |
| ■ Subordinated receivables from associated companies and other companies with which there is an association | 220 | 238 |
| Formation costs and intangible fixed assets | 875 | 972 |
| Tangible assets | 809 | 1 053 |
| Other assets | 712 | 698 |
| Deferrals and accruals | 5 580 | 4 844 |
| TOTAL ASSETS | 401 516 | 340 157 |


1. BALANCE SHEET AFTER DISTRIBUTION
2004
2003
LIABILITIES
Debts to banks
14 654
15 532

- Payable on demand 865 1 195
- Other debts with fixed terms or periods of notice 13 789 14 337

Debts to customers
347 816
285 139

- Savings accounts 179 050 152 277
- Other debts 168 766 132 862

Liabilities represented by a security
7 856
11 184

- Circulating bonds 7 856 11 184

Other debts
6 869
3 480
Deferrals and accruals
4 733
4 805
Reserves for risks and costs
253
1 384

- 1. Pensions and similar obligations 34 33
- 3. Other risks and costs 219 1 351

Subordinated liabilities
0
297
CAPITAL AND RESERVES
19 335
18 336
Capital
15 315
15 288

- Subscribed capital 15 315 15 288

Primes d'émission
2 117
2 065
Reserves
1 194
950

- Statutory reserves 860 616
- Tax-free reserves 51 51
- Available reserves 283 283

Profit (Loss (-)) brought forward
709
33
TOTAL LIABILITIES
401 516
340 157

**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**2004****2003****1 628****1 011**

293

550

1 335

461

7 730**13 090**

3 831

3 449

3 899

9 641

1 027 327**890 320**



| 2. PROFIT AND LOSS ACCOUNT | 2004 | 2003 |
|---|---------------|---------------|
| Interest received and similar income | 12 052 | 11 969 |
| including : fixed-income securities | 9 785 | 9 488 |
| Interest paid and similar charges (-) | -5 958 | -6 620 |
| Income from variable-income securities | 3 | 56 |
| ■ From participating interests in associated companies | 0 | 49 |
| ■ From other shares and company participations constituting financial assets | 3 | 7 |
| Commissions received | 11 392 | 9 756 |
| Commissions paid (-) | -3 573 | -3 320 |
| Profit (Loss(-)) deriving from financial operations | 1 660 | 1 761 |
| ■ From exchange and trade in securities and other financial instruments | 1 339 | 1 011 |
| ■ From the realisation of securities | 321 | 750 |
| General administrative costs (-) | -6 498 | -6 888 |
| ■ Remuneration, social security and pensions | 3 416 | 3 404 |
| ■ Other administrative costs | 3 082 | 3 484 |
| Depreciation and reductions in value (-) on formation costs, on tangible and intangible fixed assets | -922 | -1 094 |
| 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" | -31 | -339 |
| 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 | 0 |
| Other operating income | 731 | 1 433 |
| Other operating costs (-) | -1 480 | -1 625 |
| Profit (loss (-)) on ordinary activities before tax | 7 376 | 5 089 |



2. PROFIT AND LOSS ACCOUNT

| | 2004 | 2003 |
|---|---------------|---------------|
| Extraordinary income | 1 889 | 862 |
| ■ Added value on the realisation of fixed assets | 1 813 | 756 |
| ■ Other extraordinary income | 6 | 5 |
| ■ Resumption reserves for risks and extraordinary costs | 70 | 101 |
| Extraordinary costs (-) | -1 906 | -1 289 |
| ■ Reductions in value on financial fixed assets | 0 | 145 |
| ■ Reserves for risks and extraordinary costs | 52 | 168 |
| ■ Depreciation for extraordinary liabilities and charges | 573 | 16 |
| ■ Other extraordinary costs | 1 281 | 960 |
| Profit (Loss(-)) for the financial year before taxes | 7 359 | 4 662 |
| Taxes on result | 2 467 | 664 |
| ■ Taxes (-) | -2 467 | -1 101 |
| ■ Regularization of taxes and fiscal writebacks on reserves | 0 | 437 |
| Profit (Loss(-)) for the financial year | 4 892 | 3 998 |
| Profit (Loss(-)) for the financial year to be appropriated | 4 892 | 3 998 |


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 (-)

Profit to be distributed (-)

- Cash dividend to be paid (a)

2004
2003
4 925
1 550

4 892

3 998

33

-2 448

-245
-78

245

78

707
33

-707

-33

-3 973
-1 439

3 973

1 439

(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 | 199 351 |
| ■ Movements during the period : | |
| ● acquisitions | 105 267 |
| ● sales (-) | (60 012) |
| ● adjustments according to article 35 ter §4 and 5 (+/-) | -3 118 |
| ■ At the end of the period | 241 488 |

B. Transfers between portfolios

| | period |
|---|--------|
| 1. ■ Transfers : | |
| ● from the investment portfolio to the commercial portfolio (-) | () |
| ● 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 | 0 |
| ■ Movements during the period : | |
| ● recorded | 210 |
| ● written-back as superfluous (-) | () |
| ● cancelled (-) | () |
| ● transferred from one heading to another (+/-) | 240 |
| ■ At the end of the period | 0 |

| | period |
|---|----------------|
| D. Book value at the end of the period (A) + B)1. - C) | 241 488 |



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 |
|-------|----|----|----|----|
|-------|----|----|----|----|

A.1. BREAKDOWN OF HEADINGS VII A,B,C OF THE ASSETS

A. Economic sector of the following headings :

| | | credit institutions | | other | |
|--|-----|---------------------|-----------------|--------|-----------------|
| | | Period | Previous period | Period | Previous period |
| a. ■ Long-term intercorporate investment in connected companies | 010 | | | 652 | 1 300 |
| b. ■ Long-term intercorporate investment in companies where a link exists by virtue of participating interests | 020 | | | 109 | 109 |
| c. ■ Other stocks and shares making up the long-term investments | 030 | | | 8 | 8 |

B. Quotation :

| | | quotation | |
|--|-----|-----------|------------|
| | | quoted | non-quoted |
| a. ■ Long-term intercorporate investment in connected companies | 040 | | 652 |
| 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 :

A. Acquisition cost :

| | | connected (VII.A.) | with links by virtue of participating interests (VII.B.) | other (VII.C.) |
|---|-----|--------------------|--|----------------|
| ■ At the end of the previous period | 100 | 1 793 | 255 | 8 |
| ■ Movements during the period : | | | | |
| ● acquisitions | 110 | 0 | | 0 |
| ● sales and disposals (-) | 120 | (1 141) | () | () |
| ● transfers from one heading to another (+/-) | 130 | | | |
| ■ At the end of the period | 199 | 652 | 255 | 8 |

B. Capital gains :

| | | | | |
|---|-----|-----|-----|-----|
| ■ At the end of the previous period | 200 | 0 | 482 | 0 |
| ■ 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 | 493 | 628 | 0 |
| ■ Movements during the period : | | | | |
| ● recorded | 310 | 0 | 0 | |
| ● written-back as superfluous (-) | 320 | () | () | () |
| ● acquired from third parties | 330 | | | |
| ● cancelled (-) | 340 | (493) | () | () |
| ● transferred from one heading to another (+/-) | 350 | | | |
| ■ At the end of the period | 399 | 0 | 628 | 0 |

D. Net book value at the end of the period (A + B - C) :

| | | | | |
|--|--|-----|-----|---|
| | | 652 | 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.BE437.695.375 | | 1940 | 97 | | 31/12/04 | EUR | 607 | 308 |
| Keytrade Insurance s.a. BE427.276.684. | | 144 | 99,31 | | 31/12/04 | EUR | 211 | 29 |
| Keytrade Luxembourg | | 2994 | 99,98 | | 31/12/04 | EUR | 1580 | 361 |
| View Trade Holding | | 3851 | 19,90 | | 31/12/04 | \$ | 745 | 253 |



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

(in thousands of euros)

(heading V of the liabilities)

| | |
|--------------|-----------|
| Codes | 05 |
|--------------|-----------|

| | | period |
|--------------------------------|-----|--------|
| 1. ■ Charges to be applied | 010 | 4 729 |
| 2. ■ Proceeds to carry forward | 020 | 4 |

PROVISIONS FOR OTHER RISKS AND CHARGES

(in thousands of euros)

(heading VI. A. 3 of the liabilities)

| | |
|--------------|-----------|
| Codes | 05 |
|--------------|-----------|

| | | period |
|--|-----|--------|
| 1. ■ Breakdown of this heading if it represents a significant amount | | |
| ● Provision on customer | 110 | 14 |
| ● Provision for redundancies - pension | 120 | 45 |
| ● Provision on customer | 130 | 11 |
| ● Provision Varde Bank | 140 | 101 |
| ● Miscellaneous | 150 | 82 |

STATE OF SUBORDINATED DEBTS

(in thousands of euros)

(heading VIII of the liabilities)

| | |
|--------------|-----------|
| 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 | 0 | 297 |

B.

| | | period |
|---|-----|--------|
| ■ Charges related to subordinated debts | 310 | 3 |



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 |
|-------|----|----|
|-------|----|----|

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 |
|-------|----|----|
|-------|----|----|

A.

| | | Period | Previous period |
|---|-----|-----------|-----------------|
| 1. ■ Workers listed in the personnel registry : | | | |
| a. ● Total number of people registered on the closing date | 110 | 56 | 54,20 |
| b. ● Average number of people registered as equivalent to full-time | 120 | 58,40 | |
| c. ● Actual number of hours worked | 130 | 86 639,30 | 107 594,40 |

| | | | |
|---|-----|--|--|
| 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 | 2 456 | 2 387 |
| b. ● Employer's social security contributions | 220 | 737 | 822 |
| c. ● Employer bonuses for extralegal insurance | 230 | 56 | 59 |
| d. ● Other staff costs | 240 | 156 | 136 |
| e. ● Pensions | 250 | 11 | 0 |

| | | | |
|--------------------------------|-----|------|------|
| 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 |
|-------|----|----|
|-------|----|----|

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 | 365 | 630 |
| ● re-invoicing costs | 420 | 102 | 276 |
| ● other | 430 | 264 | 527 |

| | | | |
|--|-----|-------|-------|
| 2. ■ Other operating expenses : | | | |
| (heading XV of the profit-and-loss account) | | | |
| ● levies and taxes | 510 | 163 | 174 |
| ● other operating expenses | 520 | 1 317 | 1 451 |
| Breakdown of other operating expenses if this heading represents a significant amount | | | |
| ● admin payments | 610 | 1 096 | 1 281 |
| ● foreign trips - fuel - representation | 620 | 93 | 137 |
| ● miscellaneous | 630 | 128 | 33 |

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 |
|--------------|-----------|

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 | | |
| ● Reclaim write-downs on RAM | 110 | 493 |
| ● Reclaim provision clients disputes | 120 | 800 |
| ● Reclaim provision dispute Euronext-AND | 130 | 427 |
| ● Reclaim provision layoff | 140 | 34 |
| ● Various (capital gains on sale of assets,...) | 150 | 135 |

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 | 490 |
| ● Capital loss on sale of Iris Security Luxembourg | 220 | 77 |
| ● Definitive loss clients disputes | 230 | 764 |
| ● Case Euronext-AND | 240 | 427 |
| ● Breach of Siemens contract | 250 | 23 |
| ● Various (layoffs, disputes, ...) | 260 | 125 |

TAXES ON PROFIT OR LOSS

| | |
|--------------|-----------|
| Codes | 05 |
|--------------|-----------|

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 | 2 467 |
| b. ● Surpluses and payments of taxes or discounts brought to the assets | 320 | |
| c. ● Additional estimated tax liabilities | 330 | |
| 2. ■ Income tax previous fiscal years | | |
| a. ● Additional taxes paid | 410 | |
| b. ● Estimated additional taxes (brought to heading IV. B. of the liabilities) as regards tax liabilities | 420 | 48 |



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 % |
| ● Goodwil | 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.

REMARK

- On December 31st 2003 a correction was made on "Capital and Reserves": the amount of € 2 065, mistakenly booked under "Unavailable Reserves", was transferred to "Share Premium".



Commissioner's **reports**



1. REPORT BY THE JOINT AUDITORS ON THE CONSOLIDATED ACCOUNTS FOR THE PERIOD CLOSED ON 31 DECEMBER 2004, 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 2004, whose total balance sheet reached € 432 837(000) and whose profit and loss account balances out with a consolidated profit of € 5 749 (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 Réviseurs 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 2004 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.

27th of April 2005

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 2004 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 2004, whose total balance sheet reached € 401 516 (000) and whose profit and loss account balances out with a profit of € 4 892 (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 2004 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.

27th of April 2005

Joint Auditors,
Deloitte & Touche
Corporate Auditor SC s.f.d.SCRLL
Represented by
Philip Maeyaert

André Clybouw



Management report



MANAGEMENT REPORT PROPOSED BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF 10 MAY 2005

We are pleased to present the management report to you for the financial year 31 December 2004, in accordance with article 95 of the Company Code as well as the consolidated management report closed at 31 December 2004 in accordance with article 119 of the Company Code.

1. Management report on the corporate financial statements

2004 was a satisfactory year for the global economy. In many countries particularly the United States and in Asia economic growth generally exceeded analysts' forecasts.

Despite the attacks on Madrid and the increase in violence in the Middle East, we can say that confidence has not been shaken in the long term.

We have seen strong growth in rates in the first quarter followed by calmer following 2 quarters. The end of the year happily was more active on the financial markets bringing an increase in volumes traded.

- 2004 was again marked by a series of technological innovations.
 - We put the margin accounts on line which meant awarding a credit line to our customers in line with the value of their portfolio.
 - We developed version 5 of our secure site.
 - We fine-tuned our ideas centre – a highly sophisticated tool to help investment decisions.
- Other innovations have been introduced with the possibility of connecting to the secure site with an electronic identity card as well as the possibility of issuing options on the American markets.
- The total of operating income for the bank amounted to € 19 930 000, an increase of 6,47% compared to the previous year.
- The banking margin rose by 14% to € 6 074 000 reflecting the growth in clients deposits in savings accounts and current accounts despite the low rates.
- Because of her activities, the company uses financial instruments in it's dialy management. The goal of the use of these instruments is to optimize the matching of the assets and the liabilities of the company. The conservative use of these instruments comforts our apreciation of the exposure to risks of price fluctuations, interest rate, liquidity and treasury.

- On-line brokerage fees & other revenues consisted of € 8 233 000 in broking being an increase of 14% and € 5 521 000 of others.

- The Board of Directors considers that in trying to be realistic about the economy and following the policy applied in the previous years a sum of € 365 000 should be allocated to research and development costs.

- Operating costs reduced dramatically by 12% and within an expanding business environment. This fall could in part be attributed to a favourable trend in depreciations on clients (€ 410 000). On the other hand the continued policy of strict cost management and another look at internal procedures have also greatly contributed to this large reduction in charges.

- The increase in income and the reduction in costs have enabled the company to realise a net profit of € 4 892 000. The company is now subject to a full tax regime.

- Additional fees for the mandate have been paid to our auditors.

- For Deloitte&Touche this additional amount is € 10 050 excluding VAT for the organisation report 2004 (€ 6 300 ex VAT) and for the report on the transfer to the IFRS standard (€ 3 750 ex VAT).
- For Clybouw: nothing

- No significant event after the closure of the financial year 2004 has been reported.

- There are no significant disputes to be noted.



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

2. Management report on the consolidated accounts

- The total group operating income amounted to € 23,5 million.
- The parent company contributed for an amount to € 21,2 million, being € 7.5 million of banking margin and € 13,7 million of fees and other revenues.
- The operating income of RealLease amounted to € 1,2 million. The company contributed for € 308 000 to the net results of the group.
- Keytrade Luxembourg ended the year with an operating income of € 1 007 000 and contributed for € 361 000 to the net results of the group.
- The contribution of the subsidiary Keytrade Insurance to the group operation income was marginal.
- The operating costs amounted to € 15,1 million, which was 12% less than last year. This decrease can be explained by the deconsolidation of Iris Securities Luxembourg (impact: € 337 000) and a favourable evolution of the depreciations on clients (impact: € -410 000). The implementation of a rigorous cost reduction policy, combined with the control of internal processes largely contributed to a strong reduction of the charges.
- The operating profit amounted to € 8,4 million.
- The extraordinary result amounted to € 144 000. It is constituted by the capital gain on the sale of the stake in Iris Securities Luxembourg (€ 82 000), a recovery payment from Euronext in the litigation AND (€ 45 000) and a capital gain on the sale of fixed assets (€ 16 000).
- The consolidated net result amounted to € 5 749 000.
- The group's shareholders equity amounted to € 21,1 million after allocation of profits.
- The Cooke ratio was in excess of 13,67%.
- The Board of Directors decided to attribute a gross dividend of € 1,13 per share.
- The cost/income ratio stood at 63,93%.
- The return on equity is 28,5%.
- These ratios reflect the good health and solidity of the company. As the bank has a well-defined credit activity, she maintains a low risk profile. The global holdings of the clients amounts to € 1,7 billion.
- The consolidation has known only a minor change in the transfer of our 50% participation in Iris Securities Luxembourg. This transfer had only a minor influence on the consolidated results.
- No significant event after the closure of the financial year 2004 has been reported.
- There are no significant disputes to be noted.

The Board of Directors



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

BIC KEYTBEB1
BTW/TVA BE 0464.034.340
RPR/RPM Brussels
CDV/OCA 14 357