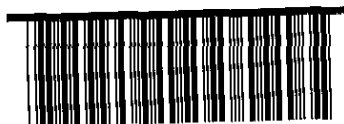


COMPANY NUMBER:
SC126868

INTERBANK ON-LINE SYSTEM LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

COOPER MURRAY
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
TENNYSON HOUSE
159-165 GREAT PORTLAND STREET
LONDON
W1N 5FD



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COMPANIES HOUSE 07/09/01

INTERBANK ON-LINE SYSTEM LIMITED

COMPANY INFORMATION

COMPANY NUMBER: SC126868

DIRECTORS: Mr J Chr Andersen
Mr D de Raymaeker
Mr G Ferrero
Mr I Armada (appointed 18th May 2000)
Mr J E Blanchet
Mr H Solignac Lecomte
Mr W Van der Hoek
Mr M Davies (resigned 13th December 2000)
Mr I Souza
Mr D Jessop (resigned 23rd May 2000)

SECRETARY: Mr N Thakrar

REGISTERED OFFICE: 42 St Andrew Square
Edinburgh
EH2 2YE

AUDITORS: Cooper Murray
Registered Auditors
Tennyson House
159-165 Great Portland Street
London
W1N 5FD

BANKERS: The Royal Bank of Scotland
5 - 10 Great Tower Street
London
W1N 5FD

INTERBANK ON-LINE SYSTEM LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

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INTERBANK ON-LINE SYSTEM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report and the financial statements for the year ended 31st December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of the operating and maintenance of a data network infrastructure for the users of the IBOS system to carry out cross-border financial transactions.

The directors regard these activities as a single class of business.

REVIEW OF BUSINESS

The activity of the Company continues to be the provision of technology services in connection with the operating and maintenance of a network infrastructure for the delivery of cross-border financial transactions.

FUNDING

The directors do not expect the Company to receive any income other than their banks' own financial contributions for services rendered in connection with their usage of the IBOS system. The Company is operating as a cost centre to the shareholders and, as such, they have agreed to meet its funding obligations as per the terms of the Memorandum of Understanding signed on June 12 1998; see extract hereafter.

clause 8.1 << The Principal Shareholders shall pay the Company a subscription fee (to meet the operating and other expenses of the Company and any subsidiary) in advance of each quarter equivalent to 25% of the amounts agreed in the 1998 annual budget for the Company and the Subsidiary. If at the end of 1998, such payments appear not to be sufficient to meet the operating costs and other expenses of the Company and the Subsidiary, then the Principal Shareholders shall make additional payments, at such level as to be agreed by the directors, in respect of any shortfall >>; and clause 8.2 << The subscription fees in respect of each quarter shall be shared proportionally between all the Principal Shareholders.

In addition to the above, the directors have agreed not to provide for any depreciation charges in the shareholders' payments to meet the Company's operating expenses. Instead, these charges will be treated at asset replacement cost and be included in the Company's future annual budgets as agreed from time to time by the directors.

FUTURE DEVELOPMENTS

The Company will continue to provide its technology services in connection with the use and maintenance of the IBOS system according to the decisions reached by its directors.

FIXED ASSETS

Changes in fixed assets during the year are set out in the notes to the financial statements.

INTERBANK ON-LINE SYSTEM LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2000

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend.

DIRECTORS' INTERESTS

The directors who served during the year were as follows:

Mr J Chr Andersen

Mr D de Raymaeker

Mr G Ferrero

Mr I Armada (appointed 18th May 2000)

Mr J E Blanchet

Mr H Solignac Lecomte

Mr W Van der Hoek

Mr M Davies (resigned 13th December 2000)

Mr I Souza

Mr D Jessop (resigned 23rd May 2000)

The directors held no interest in the share capital of the company.

RESPONSIBILITIES OF THE DIRECTORS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Cooper Murray, Chartered Accountants will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

.....
42 St Andrew Square
Edinburgh
EH2 2YE

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF

INTERBANK ON-LINE SYSTEM LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 2000

We have audited the financial statements on the pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

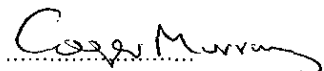
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Cooper Murray
Chartered Accountants
Registered Auditors
Tennyson House
159-165 Great Portland Street
London
W1N 5FD

20th June 2001

INTERBANK ON-LINE SYSTEM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2000

	Note	2000 £	1999 £
TURNOVER		1,140,960	1,400,000
Administrative expenses		1,140,960	1,489,314
OPERATING LOSS		-	(89,314)
RETAINED LOSS FOR THE YEAR		£ -	£ (89,314)

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2000 therefore turnover and operating profit derive entirely from continued operations.

The company has no recognised gains or losses other than the profit for the financial year.

The annexed notes form part of these financial statements.

Administrative expenses

Administrative expenses comprise the following:-

Expenditure recharged to members	1,140,960	1,400,000
Depreciation – not recharged	-	89,314
	<hr/>	<hr/>
	1,140,960	1,489,314
	<hr/>	<hr/>


INTERBANK ON-LINE SYSTEM LIMITED

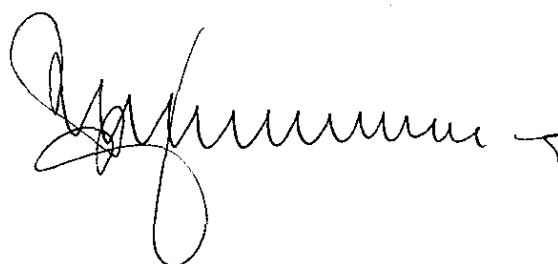
BALANCE SHEET

AS AT 31ST DECEMBER 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Investments	3	100	100
CURRENT ASSETS			
Debtors	4	197,595	197,595
		<u>197,595</u>	<u>197,595</u>
NET CURRENT ASSETS		<u>197,595</u>	<u>197,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>197,695</u>	<u>197,695</u>
NET ASSETS		<u>197,695</u>	<u>197,695</u>
CAPITAL AND RESERVES			
Called up share capital	5	2,920,800	2,920,800
Share premium account	6	2,389,449	2,389,449
Revaluation reserve	7	3,151,383	3,151,383
Other reserves	8	15,470,667	15,470,667
Profit and loss account	9	(23,734,604)	(23,734,604)
SHAREHOLDERS' FUNDS	10	<u>197,695</u>	<u>197,695</u>

Approved by the board of directors on and signed on its behalf.

 2/04/01
xxx

 20/06/01

INTERBANK ON-LINE SYSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

TURNOVER

Turnover comprises the invoiced value of services supplied by the Company, net of Value Added Tax and trade discounts.

DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

FOREIGN EXCHANGE

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

PENSION COSTS

The company operates a defined contribution pension scheme and pension contributions are charged to profit and loss account to spread the cost of the pensions over the employees working lives.

2. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

There is no liability to corporation tax on the basis of these financial statements.

3. FIXED ASSET INVESTMENTS

	Unlisted £
Cost	
At 1st January 2000	100
	—
Cost at 31st December 2000	100
	—
Net Book Values:	
As at 31st December 2000	£100
	—
As at 31st December 1999	£100
	—

INTERBANK ON-LINE SYSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2000

As at the balance sheet date the company held the following investments in subsidiary undertakings:

Subsidiary	Holding	Nature of business	Country of incorporation
IBOS Limited	100 Ordinary Shares	Management services	Scotland

As at 31 December 2000, IBOS Limited had an aggregate amount of capital and reserves of £100 and its profit/loss for the year was nil.

The company is not required to prepare group accounts under the Companies Act 1985 s.248 and has taken advantage of this exemption. The financial statements present information about the undertaking as an individual undertaking and not about its group.

4. DEBTORS

	2000 £	1999 £
Due within one year:		
Trade debtors	106,965	-
Amounts owed by group undertakings	90,630	197,595
	<u>£197,595</u>	<u>£197,595</u>

5. SHARE CAPITAL

	2000 £	1999 £
AUTHORISED		
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of £1 each	<u>2,920,800</u>	<u>2,920,800</u>

INTERBANK ON-LINE SYSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2000

6. SHARE PREMIUM ACCOUNT

	2000
	£
At 1st January 2000	2,389,449
At 31st December 2000	<u>2,389,449</u>

7. REVALUATION RESERVE

	2000
	£
At 1st January 2000	3,151,383
At 31st December 2000	<u>3,151,383</u>

8. OTHER RESERVES

	2000
	£
Capital contribution reserve	
At 31 st December 2000 and 31 st December 1999	<u>15,470,667</u>

9. PROFIT AND LOSS ACCOUNT

	2000
	£
Balance at 1st January 2000	(23,734,604)
Balance at 31st December 2000	<u>(23,734,604)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Loss for the financial year	-	(89,314)
Shareholders' funds at 1st January 2000	197,695	287,009
Shareholders' funds at 31st December 2000	<u>£ 197,695</u>	<u>£ 197,695</u>

INTERBANK ON-LINE SYSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2000

11. RELATED PARTY TRANSACTIONS

Interbank On-line System Limited is controlled by the following parties, each of whom own 12.5% of the ordinary share capital of the company at the balance sheet date. The related party transactions entered into by the company were as follows:

Name	Relationship	Sales by income
Banco Santander SA	Shareholder	£142,620 (1999 - £175,000)
The Royal Bank of Scotland (Europe) Ltd	Shareholder	£142,620 (1999 - £175,000)
Unibank A/S	Shareholder	£142,620 (1999 - £175,000)
KBC Bank NV	Shareholder	£142,620 (1999 - £175,000)
San Paolo – IMI S.p.A	Shareholder	£142,620 (1999 - £175,000)
ING Bank NV	Shareholder	£142,620 (1999 - £175,000)
Credit Commercial de France SA	Shareholder	£142,620 (1999 - £175,000)
Banco Santander Portugal SA	Shareholder	£142,620 (1999 - £175,000)

During the year the company paid management charges to IBOS Limited, a subsidiary undertaking amounting to £1,140,883 (1999 - £1,489,196). The balance on the inter company current account and included in debtors at the year end amounted to £90,630 (1999 - £197,595).