Banco de Credito e Inversiones, S.A.,

Miami Branch

Financial Statements

December 31, 2003 and 2002

Report of Independent Certified Public Accountants

To the Board of Directors of
Banco de Credito e Inversiones, S.A.

In our opinion, the accompanying statements of assets, liabilities and Head Office equity and the related statements of operations and of cash flows present fairly, in all material respects, the financial position of Banco de Credito e Inversiones, S.A., Miami Branch (the "Branch") at December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles which, as described in Note 1, are generally accepted in Chile. These financial statements are the responsibility of the Branch's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

January 12, 2004

Banco de Credito e Inversiones, S.A., Miami Branch
Statements of Assets, Liabilities and Head Office Equity
(Expressed in U.S. Dollars)
December 31, 2003 and 2002

	2003	2002
Assets		
Cash and due from banks	$ 3,002,408	$ 1,263,294
Federal funds sold	32,600,117	34,087,542
Cash and banks	35,602,525	35,350,836
Loans:		
Commercial and industrial	64,493,807	76,076,020
Trade related	2,388,858	6,456,043
Consumer	1,523,200	1,703,553
Contingencies	14,516,650	7,891,092
Other debtors	5,543	3,370
	82,928,058	92,130,078
Allowance for loan losses	(1,220,500)	(908,000)
Loans, net	81,707,558	91,222,078
Investments:		
Time deposits due from banks and related institutions	159,778	311,501
Non-permanent investment securities	68,324,978	99,246,256
Permanent investment securities	18,571,702	4,114,160
	87,056,458	103,671,917
Premises and equipment, net	147,460	241,446
Other assets	112,535,947	1,359,765
	$ 317,049,948	$ 231,846,042
Liabilities and Head Office Equity		
Deposits and other commitments:		
Demand deposits	$ 28,159,947	$ 25,741,735
Time deposits	212,385,017	180,501,590
Other sight and term obligations	51,189,094	235,865
Other unfunded commitments	14,516,650	7,891,092
Other payables	24,800	5,001,519
Total deposits and other commitments	306,275,508	219,371,801
Other liabilities	460,939	460,025
Total liabilities	306,736,447	219,831,826
Head Office equity:		
Assigned capital	13,413,389	13,413,389
Accumulated losses	(3,043,540)	(1,416,533)
Other equity accounts	(56,348)	17,360
Total Head Office equity	10,313,501	12,014,216
	$ 317,049,948	$ 231,846,042

The accompanying notes are an integral part of these financial statements.

Banco de Credito e Inversiones, S.A., Miami Branch
Statements of Operations
(Expressed in U.S. dollars)
For the Years Ended December 31, 2003 and 2002

	2003	2002
Interest income		
Loans	$ 1,915,823	$ 2,527,715
Other interest income	3,859,304	4,312,542
Total interest income	5,775,127	6,840,257
Commission and other income	1,502,377	794,569
Gain on sale of non-permanent investment securities	1,250,155	74,473
Adjustments to market value of investment securities	(1,713,823)	1,648,694
Total operating income	6,813,836	9,357,993
Interest expense	3,172,815	3,438,094
Commission expense	1,427,389	1,086,154
Loss on sale of non-permanent investment securities	642,521	170,626
Total operating expenses	5,242,725	4,694,874
Gross margin	1,571,111	4,663,119
Salaries and employee benefits	1,582,776	1,765,377
Depreciation and amortization	210,658	265,925
Other general and administrative	1,079,684	1,091,321
Net margin	(1,302,007)	1,540,496
Provision (credit) for loan losses	312,500	(588,000)
Provision for income taxes	12,500	-
Net (loss) income	$ (1,627,007)	$ 2,128,496

Banco de Credito e Inversiones, S.A., Miami Branch
Statements of Cash Flows
(Expressed in U.S. Dollars)
For the Years Ended December 31, 2003 and 2002

	2003	2002
Cash flows from operating activities		
Net (loss) income	$ (1,627,007)	$ 2,128,496
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	210,658	265,925
Provision (credit) for loan losses	312,500	(588,000)
Net unrealized loss (gain) on non-permanent investment securities	1,713,823	(1,648,694)
Net discount accretion on investment securities	(472,453)	(226,239)
Gain on sale of non-permanent investment securities	(1,250,155)	(74,473)
Loss on sale of non-permanent investment securities	642,521	170,626
Changes in assets and liabilities:		
Net change in interest on assets and liabilities	494,063	(98,583)
Other assets	(110,940,018)	(284,309)
Other liabilities	914	(13,618)
Other payables	(4,976,719)	4,997,486
Net cash (used in) provided by operating activities	(115,891,873)	4,628,617
Cash flows from investing activities		
Net repayments in time deposits due from banks and related institutions	153,640	3,743,263
Net increase in permanent investment securities	(14,291,974)	-
Net decrease (increase) in non-permanent investment securities	36,056,716	(21,075,897)
Net decrease in loans	9,116,645	7,836,570
Capital expenditures, net	(116,672)	(68,220)
Net cash provided by (used in) investing activities	30,918,355	(9,564,284)
Cash flows from financing activities		
Increase in demand deposits	2,418,384	6,207,677
Increase in time deposits	31,883,427	2,195,133
Increase (decrease) in other sight and term obligations	50,923,396	(5,894,656)
Capital contribution from Head Office	-	2,133,389
Net cash provided by financing activities	85,225,207	4,641,543
Net increase (decrease) in cash and due from banks	251,689	(294,124)
Cash and banks, beginning of the year	35,350,836	35,644,960
Cash and banks, end of the year	$ 35,602,525	$ 35,350,836

The accompanying notes are an integral part of these financial statements.

1. Nature of Business and Summary of Significant Accounting Policies

Banco de Credito e Inversiones, S.A., Miami Branch (the "Branch"), is a branch of Banco de Credito e Inversiones, S.A. (the "Head Office"), a commercial bank incorporated in Santiago, Chile on April 20, 1937. The Branch was originally licensed as an international banking agency by the Department of Banking and Finance of the State of Florida (the "Department") on May 10, 1999 and began operations on May 17, 1999. On December 3, 2001, the Department approved the conversion of the existing international banking agency license to an international banking branch license. An international bank branch has the flexibility in terms of its ability to receive deposits from citizens and residents of the United States of America. The Branch is not a separately incorporated legal entity and conducts general banking business providing a full range of banking services to domestic and foreign individual and corporate customers principally from Latin America.

The following is a description of the significant accounting policies and practices followed by the Branch, which conform with accounting principles generally accepted in Chile and rules and regulations issued by the Superintendency of Banks and Financial Institutions of Chile (the "Banking Superintendency").

Basis of Presentation
The financial statements have been prepared from the records of the Branch, which contain evidence that transactions have been entered into and recorded locally. Because the Branch is part of the Head Office, its financial statements do not necessarily reflect all allocations to or from Head Office or other financial matters that may be applicable to the Branch. Further, because of the relationship with the Head Office, it is possible that the transactions recorded locally may not be the same as transactions among wholly unrelated parties.

Income Recognition
Interest income is recognized on the accrual basis.

Loans, investments and deposit liabilities include their respective accrued interest receivable and payable at year-end.

Investment Securities

Permanent
Investments that management does not have the intent to sell in the short-term are classified as permanent investment securities and are recorded at fair value. Adjustments for unrealized gains and losses on permanent investment securities are included in Head Office equity under "Other Equity Accounts." This adjustment amounted to a net unrealized loss of $73,708 and $114,280 for the years ended December 31, 2003 and 2002, respectively.

Non-permanent
Investment securities classified as non-permanent are also shown at their fair market value. Fair value adjustments for non-permanent securities are included in the determination of income, in accordance with specific instructions from the Banking Superintendency. This adjustment amounted to a net loss of $1,713,823 for the year ended December 31, 2003 (net gain of $1,648,694 for the year ended December 31, 2002), and is included in operating income or expense under "Adjustments to Market Value of Securities".

Loans and Allowance for Loan Losses
Loans are stated at the amount of unpaid principal plus accrued interest, reduced by an allowance for loan losses in accordance with regulations established by the Banking Superintendency. Interest on loans is calculated using the interest method on the daily balances of the outstanding principal amount. Accrual of interest is discontinued on a loan when management believes, after considering economic and business conditions and the results of collection efforts, that the borrower's financial condition is such that collection of interest or principal is doubtful or when a loan becomes contractually past due 90 days or more with respect to interest or principal.

The provision for loan losses is the amount which is required to bring the allowance for loan losses to a level which, in management's judgment, will be adequate to absorb losses on existing loans. If future events result in deterioration of the loan portfolio, additional provisions will be made as the facts become evident.

Disclosure of Significant Concentrations of Credit Risk
Concentrations of credit risk arise when assets are concentrated in similar instruments, business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Branch has investments and loans in the U.S. and Latin America (see Note 5).

The Branch provides a full range of banking services to foreign individuals, foreign and domestic financial institutions and corporations within the public, private and financial sectors. Generally, Latin American and Caribbean deposits provide most of the Branch's liquidity. Accordingly, the Branch's funding is susceptible to changes in certain Latin American countries' economies.

Premises and Equipment
Premises and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed by the straight-line method over the estimated useful lives of the related assets.

Foreign Currency Transactions
Substantially all operational financial instruments of the Branch are denominated in US dollars. Foreign currencies are translated into US dollars using year-end rates of exchange. Income and expense amounts are translated based in the rate in effect at the end of the month in which the individual transactions are recorded.

Income Taxes
The Branch is subject to United States of America and Florida income taxes. The Branch applies the accounting criteria set out in Technical Bulletins No. 60 and 69 of the Chilean Institute of Accountants which requires that the effects of deferred taxes are shown on the accrual basis of accounting.

Derivative Financial Instruments
The Branch uses derivative financial instruments for the purpose of managing its exposure to adverse fluctuations in interest rates. The net interest received or paid on swaps is reflected as interest income or expense. Derivative financial instruments are carried at cost and are recorded in Memorandum accounts. The change in the fair value of derivative instruments is not recognized in the results of operations of the Branch as permitted by regulations issued by the Banking Superintendency.

Interest Rate Risk
The Branch's performance is dependent to a large extent on its net interest income, which is the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. The Branch, like most financial institutions, is affected by changes in general interest rate levels and by other economic factors beyond its control. Interest rate risk arises from mismatches between the dollar amount of repricing or maturing assets and liabilities, and is measured in terms of the ratio of the interest rate sensitivity gap to total assets. More assets repricing or maturing than liabilities over a given time frame is considered asset-sensitive, or a positive gap, and more liabilities repricing or maturing than assets over a given time frame is considered liability-sensitive, or a negative gap. An asset-sensitive position will generally enhance earnings in a rising interest rate environment and will negatively impact earnings in a falling interest rate environment, while a liability-sensitive position will generally enhance earnings in a falling interest rate environment and negatively impact earnings in a rising interest rate environment. Fluctuations in interest rates are not predictable or controllable. The Branch has attempted to structure its asset and liability management strategies to mitigate the impact on net interest income of changes in market interest rates.

2. Transactions with Head Office, Branches and Affiliates

In accordance with the General Banking Law and Banking Superintendency instructions, related parties are those persons or entities directly or indirectly connected with the Branch's management or ownership.

Balances with Head Office, branches and affiliates as of December 31, 2003 and 2002 are as follows:

	Entity	2003	2002
Assets:			
Loans	Head Office	$ 1,998,262	$ 393,061
Other assets	Head Office	110,713,754	147,924
Total related party assets		112,712,016	540,985
Liabilities and Head Office Equity:			
Demand deposits	Head Office	1,803,621	658,525
	Bci Administradora de Fondos Mutuos, S.A.	7,956	9,956
	Bci Factoring, S.A.	-	63,048
	Bci Corredora de Bolsa, S.A.	44,058	25,524
Time deposits	Bci Corredora de Bolsa, S.A.	100,000	-
Other unfunded commitments	Head Office	28,041	393,061
Other liabilities	Head Office	312,197	314,951
Total related party liabilities		2,295,873	1,465,065
Head Office equity	Head Office	10,313,501	12,014,216
Total liabilities and Head Office equity		12,609,374	13,479,281
Net related party asset (liability) position		$ 100,102,642	$ (12,938,296)
Interest income		$ 1,756	$ 95,889
Interest expense		$ 18,211	$ 33,783
Non-interest income		$ 1,076,593	$ 476,534
Non-interest expense		$ 1,393,389	$ 1,056,304

During 2003, the Branch purchased without recourse two loans amounting to $5,752,105 from a related party in Chile. These loans are originally denominated in Chilean pesos and bear an interest rate of 2.48%.

During 2003 and 2002, the Branch entered into a repurchase agreement with Head Office, which states that certain loans amounting to $22,280,000 and $7,736,000 at December 31, 2003 and 2002, respectively, would be sold to Head Office if they became uncollectible.

During 2002, the Branch entered into interest rate swaps with Head Office. The Branch is using these derivative financial instruments for the purpose of managing its exposure to adverse fluctuations in interest rates. Under interest rate swaps, the Branch that receives a fixed rate in financial instruments hedged has agreed to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional amount. The terms of the interest rate swaps provide for the Branch to receive a floating rate of interest based on the London Interbank Offered Rate (“LIBOR”) and to pay a fixed interest rate.

(Expressed in U.S. Dollars)

The swaps had the effect of decreasing net interest income by $960,342 for the year ended December 31, 2003.

The Branch is exposed to credit loss if: (i) the counterparty to the interest rate swaps does not perform or (ii) the floating interest rate received by the Branch is less than the fixed interest rate paid by it.

The terms of the outstanding interest rate swaps at December 31, 2003 are as follows:

Contract Number	Maturity	Notional Amount	LIBOR Index	Fixed Rate	Floating Rate
1	July-04	$ 12,000,000	90-day	4.42%	90-day Libor
2	February-05	10,000,000	180-day	3.30%	180-day Libor
3	January-04	7,000,000	30-day	4.72%	30-day Libor
4	February-04	5,000,000	30-day	3.67%	30-day Libor
		$ 34,000,000			

3. Allowance for Loan Losses

At December 31, 2003 and 2002, the Branch held provisions for doubtful assets amounting to $1,220,500 and $908,000, respectively, corresponding to the minimum requirements of the Banking Superintendency for covering potential losses. Changes in these provisions during 2003 and 2002 were as follows:

	Allowance for		
	Loans	Other Assets	Total
Balance, December 31, 2001	$ 1,496,000	$ -	$ 1,496,000
Reversal of provision credited to operations	(588,000)	-	(588,000)
Net charge-offs	-	-	-
Balance, December 31, 2002	908,000	-	908,000
Provision charged to operations	312,500	-	312,500
Net charge-offs	-	-	-
Balance, December 31, 2003	$ 1,220,500	$ -	$ 1,220,500

(Expressed in U.S. Dollars)

Based on the evaluation of available information, it is the opinion of the Branch's management that the above provisions are sufficient to cover possible losses in the loan portfolio.

4. Head Office Equity

The following summarizes the activity in Head Office equity during the years ended December 31, 2003 and 2002:

	Assigned Capital	Accumulated Losses	Other Equity Accounts	Total Head Office Equity
Balance, December 31, 2001	$ 11,280,000	$ (3,545,029)	$ 131,640	$ 7,866,611
Capital contribution	2,133,389	-	-	2,133,389
Net income	-	2,128,496	-	2,128,496
Change in fair value of permanent investment securities	-	-	(114,280)	(114,280)
Balance, December 31, 2002	13,413,389	(1,416,533)	17,360	12,014,216
Net loss	-	(1,627,007)	-	(1,627,007)
Change in fair value of permanent investment securities	-	-	(73,708)	(73,708)
Balance, December 31, 2003	$ 13,413,389	$ (3,043,540)	$ (56,348)	$ 10,313,501

5. Investment Securities

The amortized cost and estimated fair value of investment securities at December 31, 2003 and 2002 are summarized as follows.

(Expressed in U.S. Dollars)

Permanent	Amortized Cost	Net Unrealized Gains (Losses)	Fair Value
December 31, 2003			
Foreign Government securities	$ 13,565,592	$ (28,474)	$ 13,537,118
Foreign Corporate debt	5,062,458	(27,874)	5,034,584
	$ 18,628,050	$ (56,348)	$ 18,571,702
December 31, 2002			
U.S. Government Agency obligations	$ 4,096,800	$ 17,360	$ 4,114,160

Non-permanent	Amortized Cost	Unrealized Gains	Fair Value
December 31, 2003			
Foreign Government and private securities	$ 32,209,326	$ 98,956	$ 32,308,282
U.S. Treasury securities	24,992,411	108	24,992,519
Foreign Corporate debt	10,181,247	76,635	10,257,882
U.S. Corporate debt	765,671	624	766,295
	$ 68,148,655	$ 176,323	$ 68,324,978
December 31, 2002			
Foreign Corporate debt	$ 27,122,294	$ 922,882	$ 28,045,176
Foreign Government and private securities	22,447,847	761,130	23,208,977
U.S. Mutual Funds	20,000,000	-	20,000,000
U.S. Government Agency obligations	15,593,630	85,009	15,678,639
U.S. Corporate debt	12,192,339	121,125	12,313,464
	$ 97,356,110	$ 1,890,146	$ 99,246,256

Investment securities totaling $4,500,000 at December 31, 2002 were pledged to satisfy the Capital Equivalency Requirements as required by the Department of Banking and Finance of the State of Florida. The securities pledged were released starting January 1, 2003, at which date the Branch was authorized to change from Capital Equivalency to Asset Maintenance requirements (see Note 14).

In addition, investment securities totaling $10,687,000 are pledged as collateral for repurchase agreements recorded under other sight and term obligations.

6. Structured Certificates of Deposit

During 2002, the Branch issued to its customers a 3.5-year Principal Guaranteed Indexed Linked Nonnegotiable Certificate of deposit in an amount of $10,000,000 included in Time deposits. These certificates pay principal and interest at maturity and payment of interest is directly contingent upon the performance of the NASDAQ-100 index, with a guaranteed minimum of 5% flat total interest payable. At the same time, the Branch entered into an option contract with Canadian Imperial Bank of Commerce (CIBC) with a notional amount equal to the amount of structured deposits issued to the customers that entitled the Branch to receive payments based on the identical terms and conditions included in the structured deposits.

During 2003, the Branch issued to its customers a three-year 100% Principal Guaranteed Indexed Linked Nonnegotiable Certificate of deposit in an amount of $15,794,000 included in Time deposits. These certificates pay principal and interest at maturity and payment of interest is directly contingent upon the performance of the Standard & Poor 500 index, with a guaranteed minimum of 1.5% flat total interest payable. At the same time, the Branch entered into two option contracts with Bear, Stearns & Co. Inc. with a notional amount equal to the amount of structured deposits issued to the customers that entitled the Branch to receive payments based on the identical terms and conditions included in the structured deposits.

7. Maturities of Assets and Liabilities

Maturities of Loans and Investments

The following is a summary of loans and financial investments at December 31, 2003 classified by the remaining term to maturity. The amounts include accrued interest to the year-end.

(Expressed in U.S. Dollars)

	Up to one year	1-3 years	3-6 years	Over 6 years	Total
Loans					
Commercial and industrial	$ 55,451,978	$ 5,016,552	$ 4,025,277	$ -	$ 64,493,807
Trade related	2,388,858	-	-	-	2,388,858
Consumer	1,523,200	-	-	-	1,523,200
Investments					
Time deposits due from banks and related institutions	159,778	-	-	-	159,778
Permanent investment securities	-	-	18,571,702	-	18,571,702
Non-permanent investment securities	58,067,096	-	10,257,882	-	68,324,978
	$117,590,910	$ 5,016,552	$ 32,854,861	$ -	$ 155,462,323

At December 31, 2003, foreign corporate debt held in non-permanent investment securities with fair value of approximately $10,200,000 and commercial loans of approximately $4,000,000 vary interest rates on a quarterly basis.

The above schedule includes assets with maturities falling within the periods indicated and consequently does not include contingent assets and other assets.

Maturities of Deposits and Other Funding Operations
The following is a summary of deposits and other obligations at December 31, 2003, classified by the remaining term to maturity. The amounts include accrued interest to the year-end.

	Up to one year	1-3 years	3-6 years	Over 6 years	Total
Deposits and Other Obligations					
Time deposits	$ 155,798,828	$ 30,191,089	$ 26,395,100	$ -	$ 212,385,017
Other term obligations	51,189,094	-	-	-	51,189,094
	$ 206,987,922	$ 30,191,089	$ 26,395,100	$ -	$ 263,574,111

The above schedule excludes all sight obligations, contingent liabilities and other liabilities.

8. Foreign Currency Transactions

Substantially all of the balances of the Branch are denominated in United States dollars.

9. Derivative Products

The Branch has four interest rate swaps with head office (see Note 2) and three options with third parties (see Note 6).

10. Memorandum Accounts

The Branch has recorded in its memorandum accounts the following commitments or obligations in the ordinary course of business.

	2003	2002
Securities in custody	$ 13,115,915	$ 13,034,988
Unconfirmed letters of credit	$ 2,690,522	$ 660,197
Interest rate swaps (notional value)	$ 34,000,000	$ 34,000,000
Options (notional value)	$ 25,794,000	$ 10,000,000

The above includes only the most significant balances. Contingent assets and liabilities are shown in the Statement of Assets, Liabilities and Head Office Equity.

The Branch leases its office space and other property under various operating leases. The total future minimum annual lease payments under operating lease agreements are as follows:

(Expressed in U.S. Dollars)

Years ending December 31,	Minimum Rental Payments
2004	$ 250,668
2005	258,188
2006	265,894
2007	273,878
2008	282,141
	$ 1,330,769

Rent expense was approximately $170,000 for the year ended December 31, 2003 and $189,000 for the year ended December 31, 2002.

11. Commissions and Other Income, and Commission Expense

The amounts of commission and other income and commission expense as shown in the Statement of Operations, relate to the following:

	2003		2002	
	Income	Expense	Income	Expense
Other income from other assets	$ 612,020	$ -	$ -	$ -
Derivative instruments	442,188	1,393,389	466,618	1,056,304
Letters of credit, guarantees and other contingent operations	241,105	-	124,376	-
Checks and funds transfers	71,311	-	53,378	-
Loan processing fees and commissions	46,567	-	46,775	-
Account service charges	40,129	-	21,202	-
Other	33,769	34,000	42,193	29,850
Securities held for customers	15,289	-	32,027	-
Sale of premises and equipment	-	-	8,000	-
Total	$ 1,502,377	$ 1,427,389	$ 794,569	$ 1,086,154

12. Directors' Expenses

There were no Director expenses paid by the Branch in 2003 and 2002.

13. Income Taxes

(Expressed in U.S. Dollars)

In 2003, the Branch generated U.S. taxable income in an amount of $12,500. The major permanent differences between the results in operations and U.S. taxable income are non-effectively connected income and interest expense disallowance. At December 31, 2003, the Branch had federal tax loss carryforwards available to reduce future taxable income of approximately $4,710,000.

The net operating loss carryforwards will expire as follows:

Year of Expiration	
2019	$ 2,422,000
2020	1,212,000
2021	1,076,000
	$ 4,710,000

Management has determined that based on the weight of available evidence, that it is more likely than not that some portion or all of the deferred tax asset will not be realized, therefore, a valuation allowance has been established to offset the deferred tax asset.

14. Regulatory Matters

The State of Florida's Department of Banking and Finance requires international banking branches to maintain assets, excluding accrued income and amounts due from affiliates, equal to 107% of liabilities, as defined by the Department. As an alternative, the Department may, by rule, permit an international banking Branch to maintain dollar deposits or investment securities ("Capital Equivalency"), in an amount specified by the Department, in a state bank. The amount of such dollar deposits or investment securities shall equal, at a minimum, the greater of $4,000,000 or 7% of the international banking Branch's total liabilities, as defined by the Department. Effective January 1, 2003, the Branch was authorized to change from Capital Equivalency to Asset Maintenance requirements. At December 31, 2003 and 2002, the Branch was in compliance with the Asset Maintenance and Capital Equivalency requirements, respectively.

15. Employee Benefit Plan

Effective June 1, 1999, the Branch implemented a 401(k) profit sharing and retirement plan. Employees who are 21 years of age and who have completed three months of service are eligible to participate as of the entry date (January 1 and July 1 of each calendar year). The Branch made total contributions of $30,000 and $33,000 during 2003 and 2002, respectively.

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