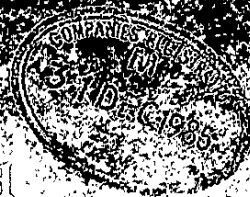
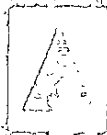


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BANKERS TRUST  
INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1984



Bankers Trust International Limited

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RANKERS TRUST  
INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1984



BANKERS TRUST INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS -- 31 DECEMBER 1984

<u>CONTENTS</u>	<u>PAGE</u>
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Report of the Directors	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Source and Application of Funds	6
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**BANKERS TRUST INTERNATIONAL LIMITED**

**DIRECTORS**

Bankers Trust Company

**NON EXECUTIVE CHAIRMAN**

David O. Beim (USA)

Executive Vice President  
Corporate Finance Dept., New York

**MANAGING DIRECTOR**

John R. Howard (USA)

Senior Vice President  
Corporate Finance Dept., London

**OTHER BOARD MEMBERS**

Robert L. Barbanell (USA)

Senior Vice President,  
Corporate Finance Dept., New York

Jan R. Brumm (USA)

Executive Vice President,  
Europe, Middle East and Africa  
Division, London

Garret G. Thunen (USA)

Senior Vice President  
Resources Management Dept., London

Allen D. Wheat (USA)

Senior Vice President  
Corporate Finance Dept., New York

**COMPANY SECRETARY**

James Curren

**REGISTERED OFFICE**

Dashwood House  
69 Old Broad Street  
London EC2P 2EE

**AUDITORS**

Price Waterhouse, Chartered Accountants  
Southwark Towers,  
32 London Bridge Street,  
London SE1 9SY

## BANKERS TRUST INTERNATIONAL LIMITED

## 1. REPORT OF THE DIRECTORS

The directors present, with this report, the audited accounts of the company for the year ended 31 December 1984.

## 2. PRINCIPAL ACTIVITY

The principal activity of the company is the business of banking.

## 3. RESULTS FOR THE YEAR

The net profit for the year amounted to £6,731,189 as shown in the profit and loss account.

The accumulated surplus, amounting to £15,881,272 was carried forward at 31 December 1984.

## 4. CAPITAL INCREASE

The authorised and issued share capital of the company was increased by £10 million on 30 September 1985.

## 5. DIRECTORS

The present members of the board are shown on Page 1.

Appointments made since 1st January 1984

Allen D. Wheat	30 May 1984
John R. Howard	4 December 1984

Resignations since 1 January 1984

James Curren	30 May 1984
Susan T. Lawley	30 May 1984
Gerald E. Solomon	1 May 1985

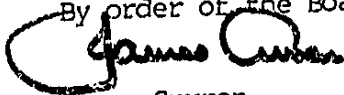
## 6. DIRECTORS' INTERESTS

None of the directors had interest in any shares of the company or of any other group company incorporated in Great Britain.

## 7. AUDITORS

In accordance with the provisions of the Companies Act 1985, a resolution to re-appoint the retiring auditors, Price Waterhouse, will be proposed at the Annual General Meeting.

By order of the Board



James Curren  
Company Secretary



Dashwood House  
69 Old Broad Street  
London EC2P 2EE

30 September 1985

BANKERS TRUST INTERNATIONAL LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF  
BANKERS TRUST INTERNATIONAL LIMITED

We have audited the financial statements on Pages 4 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1984 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

*Price Waterhouse*

PRICE WATERHOUSE  
Chartered Accountants

Southwark Towers  
32 London Bridge Street  
London SE1 9SY

30 September 1985



## BANKERS TRUST INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
PROFIT BEFORE TAXATION	3	9,864,171	2,617,106
Taxation	5	3,132,982	1,436,970
PROFIT AFTER TAXATION		<u>6,731,189</u>	<u>1,180,136</u>
Balance brought forward		9,150,083	7,969,947
BALANCE CARRIED FORWARD		<u>£ 15,881,272</u>	<u>£ 9,150,083</u>

The annexed notes form an integral part of these accounts.



## BANKERS TRUST INTERNATIONAL LIMITED

## BALANCE SHEET AT 31 DECEMBER 1984

	Notes	1984 £	1983 £
SHARE CAPITAL AND RESERVES			
Authorised, issued and fully paid:			
6,000,000 ordinary shares of £1 each		6,000,000	6,000,000
Profit and Loss Account		15,881,272	9,150,083
SHAREHOLDERS' EQUITY		21,881,272	15,150,083
LIABILITIES	6		
Deposits		635,359,319	330,862,149
Securities on trading account, short positions		2,449,434	3,141,606
Amounts payable for securities purchased		229,915,874	113,507,045
Other amounts payable and accruals		34,163,850	5,510,759
Taxation - current and deferred	5	4,460,487	1,904,195
		£928,230,236	£470,075,837
ASSETS			
CURRENT ASSETS	6		
Cash, balances at bankers and money at call and short notice	7	20,191,428	2,071,877
Securities on trading account, long positions	8	433,487,162	256,736,047
Amounts receivable for securities sold		192,731,910	136,140,236
Other amounts receivable and prepayments		18,095,386	9,111,132
Loans & placements maturing within 1 year	9	41,997,462	9,786,575
		706,503,348	413,845,867
SECURITIES on treasury account	11	70,442,579	19,012,299
LOANS AND PLACEMENTS maturing after 1 year	9	150,654,571	36,540,167
SHARES IN SUBSIDIARY COMPANIES at cost or valuation	12	629,738	629,738
FIXED ASSETS	13	-	47,766
		£928,230,236	£470,075,837

David O. Beim - Chairman  
 John R. Howard - Managing Director  
 James Curren - Company Secretary

The accounts were approved by the board of directors on 30th September 1985.  
 The annexed notes form an integral part of these accounts.



## BANKERS TRUST INTERNATIONAL LIMITED

SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>1984</u> £	<u>1983</u> £
SOURCE OF FUNDS		
Profit before taxation	9,864,171	2,617,106
Adjustment of items not involving movement of funds:		
Depreciation	41,938	19,694
Loss on restatement of Lognee Holdings Limited	-	(115,575)
Other	75	(4,191)
TOTAL GENERATED FROM OPERATIONS	<u>9,906,184</u>	<u>2,517,034</u>
FUNDS FROM OTHER SOURCES		
Increase in deposits	304,497,170	15,382,133
Increase in securities on trading account-short positions	-	3,124,354
Increase in amounts payable	145,061,920	52,194,918
Decrease in cash, balances at bankers and money at call and short notice	-	55,602
Decrease in securities on trading account	-	21,254,597
Decrease in loans and placements	-	6,382,312
Decrease in shares in subsidiaries	-	340,000
Disposal of fixed assets	5,838	7,225
	<u>£459,471,112</u>	<u>£101,258,175</u>
APPLICATION OF FUNDS		
Decrease in trading account, short positions	692,172	-
Increase in cash balances at bankers and money at call and short notice	18,119,551	-
Increase in securities on trading account	176,751,115	-
Increase in amounts receivable	65,575,928	99,561,611
Increase in loans and placements	146,325,291	-
Increase in securities on treasury account	51,430,280	1,617,762
Taxation	576,690	55,121
Purchase of fixed assets	85	23,681
	<u>£459,471,112</u>	<u>£101,258,175</u>

## BANKERS TRUST INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

<u>NOTE</u>	<u>CONTENTS</u>	<u>PAGE</u>
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2	Format of Accounts	9
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5	Taxation	11
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## BANKERS TRUST INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

## 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below.

- (i) The financial statements have been prepared under the historical cost convention as modified by the revaluation of unlisted investments to directors' valuation.
- (ii) Interest is accrued to profits on a daily basis when it is current. No accrual is made when payment of interest or principal is more than 90 days overdue (1983 - 30 days). No cases of overdue payments occurred in 1984.
- (iii) Fees and commissions are accrued to profits when the underlying contract becomes legally binding or at the agreed due date if later.
- (iv) Capital Markets swap related interest, fees and commissions earned jointly with a holding company are shared equally. Interest receivable and payable arising from interest rate swaps is calculated on a yield basis and is recognised over the life of the related swap agreements on a straight line basis.
- (v) Premiums and discounts on securities held on treasury account are amortised over the period from purchase to maturity on a straight-line basis.
- (vi) Specific provision is made against loans and advances when the likelihood of loss is considered certain or probable.
- (vii) Assets and liabilities in foreign currencies have been expressed in sterling at the rates of exchange at the balance sheet date.
- (viii) Securities on trading account are stated at market value.
- (ix) Securities on treasury account are stated at cost plus discount earned to date less a provision when it is considered that a permanent diminution in value has occurred.
- (x) Fixed assets are now carried in the balance sheet at NIL value. Refer to note 12 re depreciation policy. Future purchases of assets for use by the company will be purchased by, and recorded in, the financial records of a holding company.

## BANKERS TRUST INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

## 2. FORMAT OF ACCOUNTS

Group accounts have not been presented as the company is a wholly-owned subsidiary of another company incorporated in the United Kingdom.

## 3. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	<u>1984</u> £	<u>1983</u> £
Depreciation of fixed assets (note 13)	41,938	19,694
Auditors' remuneration	35,000	30,000
Directors' emoluments (note 4)	305,349	118,131
Settlement under the terms of a Release and Payment Agreement in respect of a former director	98,630	-
and after crediting:		
Recoveries in respect of loan losses	179,234	19,862
Surplus on restatement of investment in Lognee Holdings Limited	-	115,575

Turnover is not disclosed as it is wholly attributable to the business of banking.

## BANKERS TRUST INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

## 4. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments, excluding pension contributions, of directors other than the Chairman were in the following ranges:

	<u>1984</u> <u>Number</u>	<u>1983</u> <u>Number</u>
No emoluments	5	7
£10,001 - £15,000	1	1
£25,001 - £30,000	-	1
£60,001 - £65,000	-	1
£80,001 - £85,000	1	-
£200,001 - £210,000	1	-

The Chairman did not receive emoluments during 1984 (1983:£3,173)

The emoluments of the highest paid director during 1984 amounted to £209,490 (1983:£64,501).

The number of employees receiving remuneration in excess of £30,000 is as follows:

	<u>1984</u>	<u>1983</u>
£30,001 - £35,000	1	1
£40,001 - £45,000	4	-
£45,001 - £50,000	3	2
£55,001 - £60,000	1	1
£60,001 - £65,000	1	1
£65,001 - £70,000	-	2
£70,001 - £75,000	1	1
£75,001 - £80,000	-	2
£85,001 - £90,000	1	-
£115,001 - £120,000	1	-
£120,001 - £125,000	1	-

# BANKERS TRUST INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

### 5. TAXATION

The taxation charge, based on the profit for the year is made up as follows:

	<u>1984</u> £	<u>1983</u> £
Corporation tax at 46.25% (1983 - 50%)		
Current	5,167,248	-
Prior years	(38,041)	(788,226)
Deferred	(1,996,225)	1,992,711
Double taxation relief	(625,995)	-
	<hr/>	<hr/>
Overseas taxation	2,506,987	1,204,485
	625,995	232,485
	<hr/>	<hr/>
	<u>£3,132,982</u>	<u>£1,436,970</u>

The taxation charge for the year is calculated after the deduction of relief for group losses in the amount of £2,833,759.

The taxation provision in the balance sheet is made up as follows:

	<u>1984</u> £	<u>1983</u> £
Current	4,460,487	(92,030)
Deferred	-	1,996,225
	<hr/>	<hr/>
	<u>£4,460,487</u>	<u>£1,904,195</u>

Tax losses of approximately £272,000 utilised to obtain recovery of the tax credit on franked investment income in a prior year are available against future profits on payment of the ACT applicable.

## BANKERS TRUST INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

## 6. BALANCES WITH GROUP COMPANIES

The undernoted balances are included in the assets and liabilities detailed on page 5.

<u>Assets :</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Holding companies and fellow subsidiaries	138,070,594	17,483,416
<u>Liabilities :</u>		
Holding companies and fellow subsidiaries	626,542,920	321,674,957
Subsidiaries	423	423

## 7. MONEY AT CALL AND SHORT NOTICE

Money at call and short notice includes placements with a maturity of 14 days or less.

## 8. SECURITIES ON TRADING ACCOUNT

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Long positions comprise :		
Certificates of deposit	129,138,609	112,984,642
Floating rate notes	276,221,920	124,464,184
Other debt securities	28,126,633	19,287,221
	<u>£433,487,162</u>	<u>£256,736,047</u>
	=====	=====

## 9. LOANS AND PLACEMENTS (under and over 1 year)

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Brazil/Mexico	94,984,326	3,631,289
Hong Kong - ECGD guaranteed	16,435,026	11,759,778
Nigeria - ECGD guaranteed	5,647,206	3,938,209
U.K. - ECGD guaranteed	-	67,292
- Other	49,715,082	7,133,908
U.S.A. - ECGD guaranteed	11,473,841	10,492,338
- Other	14,396,552	9,303,928
	<u>£192,652,033</u>	<u>£46,326,742</u>
	=====	=====

## BANKERS TRUST INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

## 10. TRANSACTIONS WITH DIRECTORS AND OFFICERS

## DIRECTORS :

The only transactions with directors during the year ended 31 December 1984 were house and personal loans, details of which are as follows:

<u>Director</u>	<u>Principal</u> <u>1 Jan 84</u> <u>£</u>	<u>Maximum Level</u> <u>During 1984</u> <u>£</u>	<u>Principal</u> <u>31 Dec 84</u> <u>£</u>	<u>Interest</u> <u>Rate %</u>	<u>Maturity</u> <u>of loan</u>
J. Curren					
House Loan	27,000	27,000	-	-	-
Personal Loan	82	82	-	-	-
Season Ticket Loan	357	357	-	-	-
G.E. Solomon					
House Loan	26,500	26,500	26,500	5	1987
Personal Loan	1,070	1,070	694	5	1987

Repayment Terms

All loans to directors have either originally been issued by or transferred to a holding company. Interest cost of the loans in excess of the amount paid by directors is borne by Bankers Trust International Limited.

House Loans are repayable on the earlier of termination of appointment or final date of maturity. Personal loans are repayable by monthly instalments.

In the event of termination of employment, a holding company granting the loans may, by arrangement, offer short term loan facilities at commercial rates.

Security

House loans are secured by the taking of a first legal charge on the properties and the assignment of life assurance policies. No collateral is required for staff personal loans which are for short term and repayable from monthly salaries.

There was no unpaid interest at 31 December 1984 and no provision has been made against loan balances at 31 December 1984 by a holding company.

## OFFICERS

The aggregate amount of loans outstanding to 1 officer at 31 December 1984 amounted to £27,380.



## BANKERS TRUST INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS -- 31 DECEMBER 1984

## 11. SECURITIES ON TREASURY ACCOUNT

	<u>1984</u> £	<u>1983</u> £
Securities on treasury account comprise:		
Certificates of deposit:		
Issued by a holding company	67,931,034	4,686,423
Other	-	12,007,726
Floating rate notes	2,277,221	1,834,449
Other debt securities	234,324	233,500
Local authority bonds	-	250,201
	<u>£70,442,579</u>	<u>£19,012,229</u>

## 12. SUBSIDIARY COMPANIES

The names of the subsidiaries, each of which is incorporated in England and wholly owned, are:

BTI Investments Limited  
Lognee Holdings Limited  
(in voluntary liquidation)  
New Broad Street Properties Limited  
Rodo Nominees Limited

Although the affairs of Lognee Holdings Limited are in the hands of an independent liquidator, the investment has been revalued to the directors' estimated realisable value and included under the heading "Shares in subsidiaries".

In the opinion of the directors the aggregate value of the assets of the company consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from, the company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated or included in the balance sheet.

## BANKERS TRUST INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

## 13. FIXED ASSETS

	<u>1984</u>		<u>1983</u>	
	£	£	£	£
Short Leasehold premises:				
Cost				
Accumulated depreciation	22,468		22,468	
	<u>22,468</u>		<u>17,221</u>	
Net book value		NIL		5,247
Furniture, equipment and vehicles:				
Cost				
Accumulated depreciation	210,233		221,676	
	<u>210,233</u>		<u>179,157</u>	
Net book value		NIL		42,519
		£ NIL		£47,766
		=====		=====
Additions at cost		£ 85		£23,681
		=====		=====
Disposals at cost		£11,528		£ 5,020
		=====		=====

Depreciation has been accelerated to fully depreciate all fixed assets. Leases will not be renewed on expiry in 1985 and 1986 and there is considered to be no material residual value attaching to furniture and equipment.

The depreciation charge for the year is made up as follows :

	£
Normal basis adopted in prior years	16,662
Accelerated amount	<u>25,276</u>
	<u>£41,938</u>
	=====

**BANKERS TRUST INTERNATIONAL LIMITED****NOTES TO THE ACCOUNTS -- 31 DECEMBER 1984****14. COMMITMENTS**

The company has commitments in respect of guarantees, borrowed securities, ECGD loans, deposit agreements, underwriting agreements and interest rate and currency swaps, all of which are entered into in the ordinary course of business.

No provision is considered necessary in respect of these matters.

**15. ULTIMATE HOLDING COMPANY**

The ultimate holding company is Bankers Trust New York Corporation, incorporated in the United States of America.

**16. FORMAT OF ACCOUNTS**

The accounts have been prepared in accordance with Section 257 of, and Schedule 9 to the Companies Act 1985.