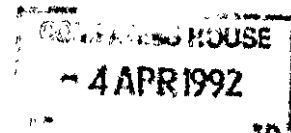


**BANKERS TRUST INTERNATIONAL PLC**  
**(formerly BANKERS TRUST INTERNATIONAL LIMITED)**

**Report and Accounts**

**December 31, 1991**

**Registered Number: 727694**





BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

REPORT AND ACCOUNTS

DECEMBER 31, 1991

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BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

Directors

R.L. Barbanell	
J.W. Benton	
B.R. Cook	President
M.R. Hotimsky	
R.A. McLauchlan	Vice Chairman
M.H. Steglitz	Chief Administrative Officer
B.E. Walsh	Chairman

Company Secretary

C.F. Backhouse

Registered Office

1 Appold Street  
Broadgate  
London EC2A 2HE

Auditors

Ernst & Young  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended December 31, 1991.

Results and dividends

The profit after taxation amounted to £89,247,000 (1990 - £143,394,000). No dividends were declared or paid during the year. The directors do not recommend the payment of any dividend in respect of 1991 (1990 - £Nil).

Change of Name

On August 5, 1991, the company changed its name to Bankers Trust International PLC, following its re-registration as a public limited company.

Principal activity and future developments

The company carries on an international merchant banking business. There were no significant changes in the company's business during the year, and the directors do not envisage any significant changes in the foreseeable future.

Directors and their interests

The directors of the company during the year were:

R.L. Barbanell	(Appointed March 12, 1991)
J.W. Benton	
B.D. Classon	(Resigned June 6, 1991)
B.R. Cook	
P.C. Freund	(Resigned July 30, 1991)
M.R. Hotimsky	(Appointed July 30, 1991)
C.J.G. Keer	(Resigned February 14, 1992)
R.A. McLauchlan	
M.H. Staglitz	
B.E. Walsh	

The company has received no notification from any of the directors at any time during the year that he held a beneficial interest in any shares or debentures of the company or any other group company.



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

DIRECTORS' REPORT  
(continued)

Employees

The company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

During the year, the company has continued to promote ways of providing employees with information about the company and encouraging them to present their suggestions and views on the company's performance. Regular meetings are held between management and employees to allow a free flow of information and ideas. Employees are encouraged to participate directly in the success of the business through the company's bonus system.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

ON BEHALF OF THE BOARD



C.F. Backhouse

Secretary

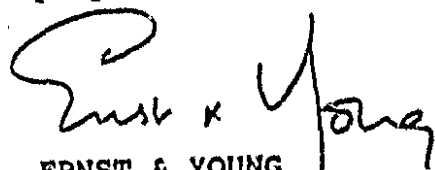
March 30, 1992



REPORT OF THE AUDITORS TO THE MEMBERS OF  
BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

We have audited the accounts on pages 5 to 15 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at December 31, 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG  
Chartered Accountants  
Registered Auditor  
London  
March 30, 1992



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 1991

	<u>Notes</u>	<u>1991</u> £'000	<u>1990</u> £'000
Profit on ordinary activities before taxation	3	96,628	112,486
Taxation	5	(7,381)	30,908
		-----	-----
Profit retained for the financial year		89,247	143,394
Retained profit brought forward		309,324	165,930
		-----	-----
Retained profit carried forward		398,571	309,324
		=====	=====

The notes on pages 8 to 15 form part of these accounts



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

BALANCE SHEET AT DECEMBER 31, 1991

	<u>Notes</u>	<u>1991</u> £'000	<u>1990</u> £'000
<b>Assets:</b>			
Balances with bankers		330,868	362,042
Trading securities - long positions		11,252,410	8,488,659
Accounts receivable	6	715,381	878,679
Loans and advances repayable within one year		20,799	41,736
		-----	-----
		12,319,458	9,771,116
Loans and advances repayable after one year		2,675	-
Investments	7	340,633	522,660
		-----	-----
		12,662,766	10,293,776
		=====	=====
<b>Shareholders' funds and liabilities:</b>			
Issued share capital	10	100,020	100,020
Other reserve	11	49,442	49,442
Profit and loss account		398,571	309,324
		-----	-----
		548,033	458,786
Subordinated loans	12	115,505	47,000
		-----	-----
		663,538	505,786
Deposits and short term borrowing	13	3,085,894	2,263,160
Accounts payable	14	538,979	517,920
Trading securities - short positions		8,346,013	6,983,210
Deferred taxation	15	28,342	23,700
		-----	-----
		12,662,766	10,293,776
		=====	=====

Approved by the board of directors on March 30, 1992

R.L. BARBANELL

Directors

J.W. BENTON

The notes on pages 8 to 15 form part of these accounts



**BANKERS TRUST INTERNATIONAL PLC**  
**(formerly BANKERS TRUST INTERNATIONAL LIMITED)**

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1991**

	<u>1991</u> £'000	<u>1990</u> £'000
Source of funds:		
Profit on ordinary activities before taxation	96,628	112,486
Adjustments for items not involving the movements of funds:		
Write down of investments	-	8,109
Retranslation of investments	(6,470)	35,373
Net profit on the sale of investments	136	(8,968)
	-----	-----
Total generated from operations	90,294	147,000
	-----	-----
Funds from other sources:		
Proceeds from the sale of investments	290,231	229,416
Subordinated term loan	68,505	47,000
Loans and advances repayable after one year	(2,675)	28,808
	-----	-----
	356,061	305,224
	-----	-----
Application of funds:		
Purchase of investments	(101,870)	(328,463)
Taxation paid	(2,739)	(678)
	-----	-----
	(104,609)	(329,141)
	-----	-----
	341,746	123,083
	=====	=====
Components of increase in working capital:		
Trading securities - long positions	2,763,751	2,943,905
Trading securities - short positions	(1,362,804)	(2,155,653)
Loans and advances repayable in one year	(20,936)	16,857
Accounts receivable	(163,298)	(186,735)
Accounts payable	(21,059)	626,931
	-----	-----
	1,195,654	1,245,305
	-----	-----
Movements in net liquid funds:		
Balances with bankers	(31,174)	101,176
Deposits and short term borrowing	(822,734)	(1,223,398)
	-----	-----
	(853,908)	(1,122,222)
	-----	-----
	341,746	123,083
	=====	=====

The notes on pages 8 to 15 form part of these accounts



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991

1. Accounting policies

Basis for preparation

The accounts have been drawn up in accordance with the special provisions of Section 255 of and Schedule 9 to the Companies Act 1985 in relation to banking companies and with applicable accounting standards.

They have been prepared under the historical cost convention, modified to include the valuation of trading securities, forwards and futures at market value.

Trading positions

- (a) Transactions in trading securities, forwards and futures are accounted for on a trade date basis.
- (b) Trading securities, which include swap arrangements and option contracts, are stated at quoted market prices or, where no direct quote is available, at the directors' estimate of current market value.
- (c) In the ordinary course of its business the company enters into forward and futures contracts. Positions open at the year end are marked to market and the resulting profits or losses are included in the profit and loss account.
- (d) In the course of financing its business and as part of its trading activities, the company enters into the arrangements which involve the sale of securities with agreements to repurchase and the purchase of securities with resale agreements. Repurchase agreements are recorded as deposits and the related securities are included in trading securities at the bid price or investments at cost as appropriate. Resale agreements are recorded as debtors and the related securities are excluded from inventory.

Loans and advances

Specific provision is made against loans and advances when the likelihood of loss is considered certain or probable.

Investments

- (a) Listed securities held for investment purposes, which are fully hedged using currency borrowings and swaps, are valued at cost in the currency of purchase revalued at the exchange rate current at the balance sheet date. The premium or discount arising on the purchase is amortised or accreted to the profit and loss account over the remaining life of the security.
- (b) Unlisted equity investments are valued at cost less amounts provided for diminution in value.



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991  
 (continued)

1. Accounting policies  
 (continued)

Profit and loss account

- (a) Turnover is not disclosed as it is attributable wholly to the business of banking.
- (b) Interest and fee income receivable and payable, commitment commission and agency fees are accrued over the term of the underlying transaction. No accrual is made when payment of interest or principal is more than 90 days overdue.
- (c) Other fees and commissions are accrued over the life of the underlying transaction except to the extent that they represent compensation for arranging the transaction. This portion is recognised as income at the commencement of the transaction.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date, with the exception of the other reserve which is translated at an historical rate. Gains and losses on translation are taken to the profit and loss account.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that the tax will be payable.

Pensions

The company contributed to a defined benefit pension scheme operated by a group company. Contributions to the scheme were charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. Variations in pension costs identified as a result of actuarial valuations are amortised over the average remaining working lives of employees in proportion to their expected payroll costs.

2. Business Segments

Profit before taxation is wholly attributable to the business of merchant banking.

An analysis of profit before taxation and net assets by geographical segment has not been provided in the accounts because the directors are of the opinion that such information would be misleading due to the cross-border nature of the company's trading activities.



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991  
(continued)

3. Profit on ordinary activities before taxation

This is stated:

	<u>1991</u> £'000	<u>1990</u> £'000
After crediting:		
Income from listed investments	39,049	46,959
Income from unlisted investments	195	976
	=====	=====
After charging:		
Interest on deposits	277,665	254,466
Provisions for diminution in value of investments	-	8,109
Directors' emoluments (see note 4)	1,715	-
Auditors' remuneration	273	215
	=====	=====

4. Directors' emoluments

The following amounts represent only a percentage of each director's total remuneration on the basis that all directors are employed by and provide significant services to other companies within the group. The amounts attributable to remuneration paid to directors of the company are included in the management charge made in respect of expenditure incurred by group companies.

	<u>1991</u> £'000
Emoluments other than fees	1,706
Pension contributions	9
	-----
	1,715
	=====

The emoluments, excluding pension contributions, of the chairman, who is also the highest paid director, were £600,000. The emoluments, excluding pension contributions, of the other directors fall within the following ranges:

	<u>1991</u> No.
£ 10,001 - £ 15,000	1
£ 15,001 - £ 20,000	1
£ 90,001 - £ 95,000	1
£ 95,001 - £100,000	1
£100,001 - £105,000	3
£150,001 - £155,000	1
£430,001 - £435,000	1
	=====

No comparative figures are provided as it was not previously possible to identify separately the amounts included in the management charge in respect of the services of each director.



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991  
 (continued)

5. Taxation

	<u>1991</u> £'000	<u>1990</u> £'000
Based on the profit for the year:		
Deferred taxation	(7,660)	(11,279)
Overseas withholding tax suffered	(390)	(481)
Tax credits on dividends received	(49)	(197)
	-----	-----
	(8,099)	(11,957)
Prior years:		
Corporation tax	-	2,594
Deferred taxation	718	40,271
	-----	-----
	(7,381)	30,908
	=====	=====

Deferred taxation has been provided at 8% (1990 - 8.25%) because a group company has undertaken to discharge the remaining corporation tax liability of 25% that arises on the reversal of gross timing differences, by the surrender for nil consideration of advance corporation tax arising from its future dividend payments.

The deferred tax credit for prior years arises due to changes in the rates of corporation tax (1990 - Due to changes in the rate of corporation tax and advance corporation tax to be surrendered by a group company for nil consideration).

6. Accounts receivable

	<u>1991</u> £'000	<u>1990</u> £'000
Amounts receivable on securities transactions	400,786	470,276
Other accounts receivable	314,595	408,403
	-----	-----
	715,381	878,679
	=====	=====

7. Investments

	<u>1991</u> £'000	<u>1990</u> £'000
Listed:		
Investment securities listed outside the UK	298,037	479,780
Unlisted:		
Subsidiary undertakings (see note 8)	33,086	33,086
Other equity investments (see note 9)	9,510	9,794
	-----	-----
	42,596	42,880
	-----	-----
	340,633	522,660
	=====	=====



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991  
 (continued)

7. Investments  
 (continued)

Listed investments have a market value of £298,087,000 (1990 - £469,615,000).

Other equity investments are stated at cost less provisions for diminution in value of £8,109,000 (1990 - £8,109,000). The directors' valuation of these investments is £9,510,000 (1990 - £9,794,000).

8. Subsidiary Undertakings

The names of the principal subsidiary undertakings of the company, their country of incorporation, principal activity and the percentage of the ordinary share capital owned are as follows:

Directly held:

BT Gilts Limited	England	Gilt edged market marker	100%
B.T.I. Investments Limited	England	Investment company	100%
BT Holdings (Europe) Limited & Cie, S.N.C	France	Holding company	99%

Indirectly held:

Bankers Trust (France), S.A.	France	Banking	100%
Bankers Trust Finance et Marches, S.A.	France	Banking	100%

Group accounts in relation to these subsidiary undertakings have not been prepared as the company is included in the consolidated accounts of a larger group drawn up at the same date by a parent undertaking that is registered in England and Wales and prepares group accounts (see note 19).

9. Other equity investments

No analysis of other equity investments is provided in these accounts because the directors are of the opinion that none of these investments are in undertakings whose results or financial position principally affects the amount of the company's profit for the year or the amount of its assets.

10. Share capital

	<u>1991</u> £'000	<u>1990</u> £'000
Ordinary shares of £1 each:		
Authorised	110,000	110,000
	=====	=====
Issued and fully paid	100,020	100,020
	=====	=====



**BANKERS TRUST INTERNATIONAL PLC**  
**(formerly BANKERS TRUST INTERNATIONAL LIMITED)**

**NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991**  
**(continued)**

**11. Other reserve**

The other reserve arises as a result of a capital contribution made by a holding company.

**12. Subordinated loans**

	<u>1991</u> £'000	<u>1990</u> £'000
Term loans:		
Payable on December 27, 2000	47,000	47,000
Payable on June 28, 2001	15,000	-
Perpetual Loan Notes	53,505	-
	-----	-----
	115,505	47,000
	=====	=====

Interest on all loans is payable at floating rates of between 4.7% - 12.8% (1990 - 14.1%)

**13. Deposits and short term borrowing**

Included in deposits and short term borrowing are £81,471,000 (1990 - £58,931,000) of amounts payable under sale and repurchase agreements which are secured on the securities that formed the basis of these transactions.

**14. Accounts payable**

	<u>1991</u> £'000	<u>1990</u> £'000
Amounts payable on securities transactions	312,787	332,113
Other accounts payable	226,192	185,807
	-----	-----
	538,979	517,920
	=====	=====

**15. Deferred taxation**

Deferred taxation has been provided in full as follows:

	<u>1991</u> £'000	<u>1990</u> £'000
Differences arising due to recognition of unrealised profits in other periods for taxation purposes	126,449	95,517
Advance corporation taxation to be surrendered by group companies (see note 5)	(95,807)	(71,817)
Payment of corporation tax on account	(2,300)	-
	-----	-----
	28,342	23,700
	=====	=====



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991  
 (continued)

16. Group indebtedness

The aggregate amount of indebtedness owed from and owing to group companies is as follows:

	<u>1991</u> £'000	<u>1990</u> £'000
Owed from:		
Holding companies and fellow subsidiaries	557,201	503,617
	=====	=====
Subsidiaries	1,800	1,800
	=====	=====
Owing to:		
Holding companies and fellow subsidiaries	3,375,114	2,282,659
	=====	=====
Subsidiaries	-	-
	=====	=====

17. Contingent liabilities and commitments

The company has contingent liabilities and commitments, entered into in the ordinary course of business, in respect of guarantees, loans, notes, deposit agreements, underwriting agreements, interest rate and currency swaps, forwards, futures and options contracts, and public issues of warrants. These financial commitments are assessed as an integral part of the company's risk exposure and as at the balance sheet date no irrecoverable loss is foreseen.

As at December 31, 1991 the company had deposited securities to the value of £9,753,000 (1990 - £12,677,000) with clearing houses to provide margin for a group company.

18. Pension commitments

During 1991, the company contributed to a funded, defined benefit pension scheme operated by a group company. Contributions to the scheme are based on pension costs across the group as a whole with allocations based on salary costs. The assets of the scheme are held separately from those of the company in an independently administered trust fund. On March 1, 1992, the scheme was amended to a defined contribution scheme. Full details of both the defined benefit and defined contribution schemes are given in the accounts of Bankers Trust Holdings (U.K.) Limited.

Contributions to the scheme are determined on the advice of an independent qualified actuary on the basis of triennial valuations. There was an interim actuarial valuation conducted as at June 30, 1991 which showed a substantial past service surplus. The last full actuarial valuation was carried out as at December 31, 1989.



BANKERS TRUST INTERNATIONAL PLC  
(formerly BANKERS TRUST INTERNATIONAL LIMITED)

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991  
(continued)

18. Pension commitments  
(continued)

Total pension costs charged to profit for the year were £1,351,000 (1990 - £1,250,000). No provisions or prepayments appear in the balance sheet of the company arising from outstanding or prepaid contributions or differences between the amounts recognised as cost and the amounts paid into the fund.

19. Ultimate parent company

The company's ultimate parent company is Bankers Trust New York Corporation, which is incorporated in the United States of America and listed on the New York Stock Exchange. The company's ultimate parent company within the EC is Bankers Trust Holdings (U.K.) Limited, which is registered in England and Wales and prepares group accounts. Copies of the group accounts of Bankers Trust New York Corporation and of Bankers Trust Holdings (U.K.) Limited can be obtained on application to the company.