



1698498

## SUPPLEMENTAL OFFERING CIRCULAR

**Tokyo-Mitsubishi International plc** ✓ ←  
(Incorporated with limited liability in England)**Bank of Tokyo-Mitsubishi (Belgium) S.A.**  
(Incorporated with limited liability in the Kingdom of Belgium)**MBE Finance N.V.**  
(Incorporated with limited liability in The Netherlands)**Mitsubishi Bank (Deutschland) GmbH**  
(Incorporated with limited liability in Germany)**Tokyo-Mitsubishi International (HK) Limited**  
(Incorporated with limited liability in Hong Kong)**U.S.\$2,000,000,000****Euro Medium Term Note Programme**

This Supplemental Offering Circular is prepared in connection with the U.S.\$2,000,000,000 Euro Medium Term Note Programme (the "Programme") of Tokyo-Mitsubishi International plc (formerly Mitsubishi Finance International plc), Bank of Tokyo-Mitsubishi (Belgium) S.A. (formerly Mitsubishi Bank (Europe) S.A.), MBE Finance N.V. (which is in the process of changing its name to BTM Finance (Holland) N.V.), Mitsubishi Bank (Deutschland) GmbH and Tokyo-Mitsubishi International (HK) Limited (by which Mitsubishi Finance (Hong Kong) Limited was substituted as an issuer under the Programme and as the principal obligor of outstanding Notes issued by Mitsubishi Finance (Hong Kong) Limited under the Programme) (together, the "Issuers"). The Programme is described in the Offering Circular (the "Principal Offering Circular") which comprises listing particulars dated 28th November, 1995 as supplemented by supplementary listing particulars dated 15th December, 1995 (the Principal Offering Circular as so supplemented, the "Offering Circular"). Unless otherwise defined herein or unless the context otherwise requires terms defined in the Offering Circular shall have the same meanings when used in this Supplemental Offering Circular.

This Supplemental Offering Circular is supplemental to and should be read in conjunction with the Offering Circular. Application has been made to the London Stock Exchange Limited (the "London Stock Exchange") for Notes issued under the Programme during the period of twelve months from the date of this Supplemental Offering Circular to be admitted to the Official List of the London Stock Exchange (the "Official List"). Copies of the Offering Circular and this Supplemental Offering Circular, which together comprise listing particulars ("Listing Particulars") in respect of Notes issued under the Programme during the period of twelve months from the date of this Supplemental Offering Circular, approved as such by the London Stock Exchange pursuant to the Financial Services Act 1986, have been delivered for registration to the Registrar of Companies in England and Wales. ✓

A copy of this Supplemental Offering Circular, together with those documents referred to in "General Information" below, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies Ordinance of Hong Kong (Cap. 32). Neither the Registrar of Companies nor the Securities and Futures Commission in Hong Kong take any responsibility as to the contents of this Supplemental Offering Circular.

*Arrangers***Tokyo-Mitsubishi International plc**  
**Mitsubishi Bank (Deutschland) GmbH (for DM issues only)***Dealers***ABN AMRO Hoare Govett****CS First Boston****Goldman Sachs International****Merrill Lynch International****Bank of Tokyo-Mitsubishi (Switzerland) Ltd.****Tokyo-Mitsubishi International plc****Paribas Capital Markets****SBC Warburg**

A DIVISION OF SWISS BANK CORPORATION

**Banque Internationale à Luxembourg**  
Société Anonyme**Deutsche Morgan Grenfell****Lehman Brothers****Mitsubishi Bank (Deutschland) GmbH****Tokyo-Mitsubishi International (HK) Limited****Morgan Stanley & Co.**  
International**Salomon Brothers International Limited****UBS Limited**

The date of this Supplemental Offering Circular is 24th April, 1996. ✓

## IMPORTANT

If you are in any doubt about this Supplemental Offering Circular you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

### MERGER BETWEEN THE MITSUBISHI BANK, LIMITED AND THE BANK OF TOKYO, LTD.

As set out in the Offering Circular, The Mitsubishi Bank, Limited ("Mitsubishi Bank") and The Bank of Tokyo, Ltd. ("BOT") entered into a Merger Agreement on 19th May, 1995 pursuant to which BOT would be merged, on an equal basis, with and into Mitsubishi Bank. This merger (the "Merger") took place on 1st April, 1996 and will become fully effective upon formal registration in Japan, which is expected to occur in or around July 1996. With effect from 1st April, 1996, the name of The Mitsubishi Bank, Limited was changed to The Bank of Tokyo-Mitsubishi, Ltd. ("BOT-Mitsubishi").

In connection with the Merger, certain changes have been effected with regard to the subsidiaries of Mitsubishi Bank, including the Issuers under the Programme. These changes are described below.

The changes set out below have been made to the Issuers in connection with the above Programme with effect from 1st April, 1996. A Fourth Supplemental Trust Deed, a Supplemental Agency Agreement and a revised Keep Well Agreement have been entered into on 1st April, 1996 to effect the above changes.

### TOKYO-MITSUBISHI INTERNATIONAL PLC

On 1st April, 1996 Mitsubishi Finance International plc merged with Bank of Tokyo Capital Markets Limited ("BOTCM") and changed its name to Tokyo-Mitsubishi International plc ("TMI"). All references to Mitsubishi Finance International plc in the Offering Circular should be read as references to Tokyo-Mitsubishi International plc.

#### Directors and Management

The Directors of TMI are:

<i>Name</i>	<i>Principal Occupation</i>
Kenji Enya	Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Takeshi Tange	Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Takashi Uno	General Manager, The Bank of Tokyo-Mitsubishi, Ltd., London Branch
Akira Watanabe	Managing Director and Chief Executive
Masato Kawamura	Deputy Chairman
Kazumasa Koga	Deputy Managing Director
Masayuki Iijima	Deputy Managing Director
Hiroshi Yoshimine	Deputy Managing Director
Fuminori Yano	Deputy Managing Director
Anthony Loehnis	Director, St. James's Place Capital plc

All the Directors of TMI are nationals of Japan with the exception of Mr. Loehnis. The business address of Messrs. Enya and Uno is 12-15 Finsbury Circus, London EC2M 7BT. The business address of Mr. Tange is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. The business address of Messrs. Watanabe, Kawamura, Koga, Iijima, Yoshimine and Yano is 6 Broadgate, London EC2M 2AA. The business address of Mr. Loehnis is 27 St. James's Place, London SW1A 1NR. Messrs. Enya, Tange, Uno and Loehnis are non-executive Directors of TMI.

## History and Business

TMI was incorporated in England and Wales on 11th February, 1983 pursuant to the Companies Act 1948 to 1981 as a company with liability limited by shares, and changed its name from Alnery No. 180 Limited to Mitsubishi Finance International Limited on 16th May, 1983 prior to commencing business on 3rd October, 1983. TMI was re-registered as a public limited company on 3rd August, 1989. On 1st April, 1996, TMI changed its name from Mitsubishi Finance International plc to Tokyo-Mitsubishi International plc following its merger with Bank of Tokyo Capital Markets Limited. TMI is a direct wholly-owned subsidiary of BOT-Mitsubishi and has, at the date hereof, authorised share capital of £300,000,000, of which £205,000,000 has been issued and fully paid up. TMI has one subsidiary, Tokyo Sociedad de Valores Y Bolsa (España) S.A., a company incorporated in Spain through which it conducts its Spanish business.

## Capitalisation

The following table sets out the audited capitalisation of TMI as at 31st December, 1995 (as MFIL).

	£ (thousands)
<b>Audited Capitalisation as at 31st December, 1995</b>	
Ordinary Shares	120,000
\$100m 9½% Sub Notes due 2001	66,090
\$80m 7½% Sub Notes due 2002	52,872
\$65m 7½% Sub Notes due 2007	42,958
\$77m dual basis Sub Notes due 2004	50,889
\$20.6m Floating Rate Notes due 2000	6,807
\$10.1m Series No. MFIL-1 8.5% Notes due 2001	6,675
\$28m Series No. MFIL-2 Step up notes due 2001	18,505
Yen 28bn Loans repayable 2004	170,225
Profit and loss account	2,696
\$25m Series No. MFIL-3 Limited Recourse Notes due 2000	16,522
\$18m Series No. MFIL-4 Dual Basis Notes due 2005	11,896
\$56.25m Series No. MFIL-5 Limited Recourse Notes due 2000	37,176
\$10m Series No. MFIL-6 Dual Basis Notes due 2005	6,609
\$10m Series No. MFIL-7 7.5% Notes due 2005	6,609
\$12m Series No. MFIL-8 Dual Basis Notes due 2005	7,931
\$10m Series No. MFIL-9 Dual Basis Notes due 2005	6,609
Dm 20m Series No. MFIL-10 Dual Basis Notes due 2005	8,805
\$30m Series No. MFIL-11 Limited Recourse Notes due 1999	19,827
\$52.5m Series No. MFIL-12 Zero Coupon Notes due 2002	34,697
\$10m Series No. MFIL-13 Dual Basis Notes due 2005	6,609
\$20m Series No. MFIL-14 Dual Basis Notes due 2005	13,218
\$6m Series No. MFIL-15 Capped Floating Rate Notes due 2005	3,965
\$6m Series No. MFIL-16 Dual Basis Rate Notes due 2005	3,965
\$100m Series No. MFIL-17 Limited Recourse Notes due 2005	66,090
\$13.5m Series No. MFIL-18 Zero Coupon Notes due 2000	8,922
Idl10bn Series No. MFIL-19 11.95% Notes due 2000	4,214
\$11.8m Series No. MFIL-20 Zero Coupon Notes due 1998	7,799
\$30m Series No. MFIL-21 Dual Basis Notes due 2005	19,827
\$58m Series No. MFIL-22 Dual Basis Notes due 2005	38,332
\$2m Series No. MFIL-23 Forex linked Notes due 1996	1,322
\$25m Series No. MFIL-24 Dual Basis Notes due 2005	16,522
\$12m Series No. MFIL-25 Zero Coupon Notes due 1999	7,931
\$13.3m Series No. MFIL-26 Zero Coupon Notes due 2000	8,790
Yen 20,000,000,000 Subordinated Loan repayable 2002	18,238
Yen 3,000,000,000 Loan repayable 2005	121,590
Chf 50,000,000 Series No. MFIL-27 Zero Coupon Notes due 2005	27,137
\$10m Series No. MFIL-28 Dual Basis Notes due 2005	6,609
<b>Total Capitalisation</b>	<b>1,075,480</b>

Notes:

(1) The following unaudited adjustments to capitalisation have taken place from 31st December, 1995:

	£ (thousands)
DM10m Series No. MFIL-30 Dual Basis Notes due 2006 .. .. .	4,402
\$25.2m Series No. MFIL-32 Zero Coupon Notes due 2001 .. .. .	16,853
DM5m Series No. MFIL-33 Dual Basis Notes due 2006 .. .. .	2,201
DM5m Series No. MFIL-34 Dual Basis Notes due 2006 .. .. .	2,201
\$2.2m Series No. MFIL-35 Limited Recourse Notes due 1996 .. .. .	1,454
\$2m Series No. MFIL-36 Forex Linked Notes due 1996 .. .. .	1,322
\$5m Series No. MFIL-37 Dual Basis Notes due 2006 .. .. .	3,304
\$63.04m Series No. MFIL-38 Dual Basis Notes due 2001 .. .. .	41,663
\$74.1m Series No. MFIL-39 Dual Basis Notes due 1998 .. .. .	48,973
\$4m Series No. MFIL-40 Forex Linked Notes due 1996 .. .. .	2,644
\$6.2m Series No. TMI-42 Zero Coupon Notes due 2000 .. .. .	4,098
\$12.8m Series No. TMI-44 Dual Basis Notes due 2001 .. .. .	8,460
	<u>137,574</u>

(2) On 1st April, TMI issued a further 85,000,000 £1 Ordinary Shares fully paid. On 19th April, TMI issued a further 1,500,000 £1 Ordinary Shares fully paid.

(3) The U.S. dollar amounts have been converted, for information only, at the rate of £1 = USD1.51309  
The Deutschmark amounts have been converted, for information only, at the rate of £1 = DEM2.27145  
The Japanese Yen amounts have been converted, for information only, at the rate of £1 = JPY164.488  
The Italian Lire amounts have been converted, for information only, at the rate of £1 = ITL2373.28  
The Swiss Franc amounts have been converted, for information only, at the rate of £1 = CHF1.84249  
These were the prevailing rates of exchange on 11th April, 1996.

(4) On 25th April, 1995 \$10.3m of the \$20.6m FRN's were redeemed. The current outstanding balance is \$10.3m.

(5) TMI currently intends to issue the following Notes:  
\$12m Series No. TMI-41 Dual Basis Notes due 2006  
\$10m Series No. TMI-43 Dual Basis Notes due 2006  
\$16m Series No. TMI-45 Dual Basis Note due 2006  
\$25m Series No. TMI-46 Currency Linked Notes due 1997  
\$5m Series No. TMI-47 5.93% Notes due 1997.

(6) On 1st April TMI assumed the liability of ¥1,595,000,000, \$46,650,000 and DM22,280,000 of subordinated loans due 1997 following its merger with BOTCM.

(7) Save as disclosed above, there has been no material change in the capitalisation of TMI since 31st December, 1995.

### BANK OF TOKYO-MITSUBISHI (BELGIUM) S.A.

On 1st April, 1996 the name of Mitsubishi Bank (Europe) S.A. was changed to Bank of Tokyo-Mitsubishi (Belgium) S.A. ("BTMB"). All references to Mitsubishi Bank (Europe) S.A. in the Offering Circular should be read as references to Bank of Tokyo-Mitsubishi (Belgium) S.A.

On 1st April, 1996, BTMB transferred all of the activities of its Amsterdam Branch to Bank of Tokyo-Mitsubishi (Holland) N.V. (formerly Bank of Tokyo (Holland) N.V.). On the same date, BTMB also transferred to the Brussels Branch of The Bank of Tokyo-Mitsubishi, Ltd., certain of its commercial lending activities, namely (i) all loans and advances not evidenced by transferable securities and (ii) accounts which had been opened by clients of BTMB. This procedure has been officially approved by The Belgian Banking and Finance Commission in accordance with Article 30 of the law of 22nd March, 1993 on the status and supervision of credit institutions. As a result of the aforementioned transfer BTMB decreased its assets (loans to customers) by BEF14,150,830,975 and its liabilities (borrowing in the markets) by BEF15,223,854,451.

BTMB's capital reserves and retained earnings are BEF2,646,447,581 including a contingency reserve of BEF115,000,000.

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As of 1st April, 1996 the Board of Directors of BTMB consists of the following persons:

**Board of Directors of BTMB**

*Name*

Kenji Enya,  
*Non-executive Director*

*Principal Occupation and Business Address*

*Managing Director,  
The Bank of Tokyo-Mitsubishi, Ltd. Tokyo Head Office,  
7-1, Marunouchi 2-chome,  
Chiyoda-ku,  
Tokyo 100, Japan.*

Yoshikazu Takagaki,  
*Bank Director*

*Director,  
The Bank of Tokyo-Mitsubishi, Ltd. Tokyo Head Office,  
7-1, Marunouchi 2-chome,  
Chiyoda-ku,  
Tokyo 100, Japan.*

Asataro Miyake,  
*Bank Director*

*Director  
The Bank of Tokyo-Mitsubishi, Ltd. Tokyo Head Office,  
7-1, Marunouchi 2-chome,  
Chiyoda-ku,  
Tokyo 100, Japan.*

Akio Kaya,  
*Managing Director*

*President,  
Bank of Tokyo-Mitsubishi (Belgium) S.A.  
Avenue des Arts 58,  
1000 Brussels,  
Belgium.*

Tsuneo Hashimoto,  
*Managing Director*

*Deputy President,  
Bank of Tokyo-Mitsubishi (Belgium) S.A.  
Avenue des Arts 58,  
1000 Brussels,  
Belgium.*

**Management Committee of BTMB**

Akio Kaya,  
*Managing Director*

*President,  
Bank of Tokyo-Mitsubishi (Belgium) S.A.  
Avenue des Arts 58,  
1000 Brussels,  
Belgium.*

Tsuneo Hashimoto,  
*Managing Director*

*Deputy President,  
Bank of Tokyo-Mitsubishi (Belgium) S.A.,  
Avenue des Arts 58,  
1000 Brussels,  
Belgium.*

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## MBE FINANCE N.V.

In connection with the merger, MBE Finance N.V. ("MBEFIN") is in the process of changing its name to BTM Finance (Holland) N.V. ("BTMH"). All references to MBEFIN should be read as references to BTMH once the change of name has become effective.

The following unaudited adjustments to capitalisation have taken place from 28th November, 1995:

\$21m Series No. MBE-14 Dual Basis Notes due 2005

\$10m Series No. MBE-15 Dual Basis Notes due 2005

\$6m Series No. MBE-16 Dual Basis Notes due 2006

As of 1st April, 1996 the Managing Board of MBEFIN consists of the following persons:

### Managing Board of MBEFIN

<i>Name</i>	<i>Principal Occupation(s) and Business Address(es)</i>
<b>Akio Kaya</b> <i>Managing Director</i>	<i>President,</i> <i>Bank of Tokyo-Mitsubishi (Belgium) S.A.,</i> <i>Avenue des Arts 58,</i> <i>1000 Brussels,</i> <i>Belgium.</i>  <i>General Manager,</i> <i>The Bank of Tokyo-Mitsubishi, Ltd.,</i> <i>Brussels Branch,</i> <i>Avenue des Arts 58,</i> <i>1000 Brussels,</i> <i>Belgium.</i>
<b>Tsuneo Hashimoto*</b> <i>Managing Director</i>	<i>Deputy President,</i> <i>Bank of Tokyo-Mitsubishi (Belgium) S.A.,</i> <i>Avenue des Arts 58,</i> <i>1000 Brussels,</i> <i>Belgium.</i>  <i>Joint General Manager,</i> <i>The Bank of Tokyo-Mitsubishi, Ltd.,</i> <i>Brussels Branch,</i> <i>Avenue des Arts 58,</i> <i>1000 Brussels,</i> <i>Belgium.</i>
<b>D.A.J. Hoogenkamp</b> <i>Managing Director</i>	<i>Managing Director,</i> <i>ABN AMRO Trust Company (Nederland) B.V.,</i> <i>Hoekenrode 6,</i> <i>1102 BR Amsterdam,</i> <i>The Netherlands.</i>
<b>P.H.A. van Hooijdonk</b> <i>Managing Director</i>	<i>Senior Accounts Manager</i> <i>ABN AMRO Trust Company (Nederland) B.V.,</i> <i>Hoekenrode 6,</i> <i>1102 BR Amsterdam,</i> <i>The Netherlands.</i>

\*Tsuneo Hashimoto replaced Jun Kato as a Director of MBEFIN on 2nd April, 1996.

## **MITSUBISHI BANK (DEUTSCHLAND) GmbH**

On 1st April, 1996, pursuant to an Operations/Asset Transfer Agreement dated 28th March, 1996, Mitsubishi Bank (Deutschland) GmbH ("MBD") transferred all its business operations, assets and liabilities to Bank of Tokyo (Deutschland) Aktiengesellschaft ("BOTD"), which was renamed Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BOTMD") on that date. On 1st April, 1996, as a result of this transfer BOTMD became a co-obligor of any Notes issued by MBD under the Programme. As a result of this the balance sheet of MBD now consists of (i) a receivable of DM32,900,000 from the sale of business activities to BOTD and (ii) its capital of DM35,000,000 and an accumulated deficit of DM2,100,000.

Also on 1st April, 1996, pursuant to a Share Transfer Agreement dated 28th March, 1996, BOTMD purchased from BOT-Mitsubishi all issued and outstanding shares of MBD, whereupon MBD became a subsidiary of BOTMD.

A merger agreement between MBD and BOTMD is expected to be entered into on or about 15th May, 1996. Upon formal registration of that agreement in the relevant commercial register in Germany MBD will be fully subsumed into BOTMD and will cease to exist and BOTMD will become the successor to MBD as an Issuer under the Programme.

Mr Kobayashi resigned as director of TMI on 1st April, 1996.

## **TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED**

On 1st April, 1996 Mitsubishi Finance (Hong Kong) Limited ("MFHK") was substituted as an Issuer under the Programme and as the principal obligor of outstanding Notes issued by it under the Programme by Tokyo-Mitsubishi International (HK) Limited ("TMIHK") (before 1st April, 1996, named BOT International (H.K.) Limited ("BOTI")). All references to Mitsubishi Finance (Hong Kong) Limited in the Offering Circular should be read as references to Tokyo-Mitsubishi International (HK) Limited. This substitution was effected by means of a Fourth Supplemental Trust Deed (the "Fourth Supplemental Trust Deed") dated 1st April, 1996 between MFHK, TMIHK and the Trustee and by a Supplemental Agency Agreement (the "Supplemental Agency Agreement") dated 1st April, 1996 between the Issuers, the Trustee and the agents named therein.

### **History and Business**

TMIHK was incorporated with limited liability in Hong Kong on 30th March, 1973 and registered under the Companies Ordinance of Hong Kong under number 32722. The registered and principal office of TMIHK is located at 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong. TMIHK is a Restricted Licence Bank under the Banking Ordinance of Hong Kong and is also an exempt securities dealer and an investment adviser under the Securities Ordinance of Hong Kong. TMIHK is a wholly-owned subsidiary of the Parent, BOT-Mitsubishi. As at 1st April, 1996, its authorised share capital consists of 80,000,000 shares having a par value of U.S.\$1.00 per share, of which 79,999,990 shares are issued and fully paid up. TMIHK has two subsidiaries incorporated in Hong Kong, BOTI Asset Management Limited, which provides fund management services for clients of TMIHK, and BOTI Trustee Limited, which acts as trustee for clients of TMIHK.

As the merchant banking arm of the Parent in the Asia-Pacific region, TMIHK offers a wide range of services to clients throughout the region and elsewhere, including the management of and participation in syndicated loans, the underwriting and trading of securities, dealing in swaps and providing private banking services. Products are usually denominated in U.S. dollars, Yen, Hong Kong dollars and other Asian currencies. TMIHK's clients include governments, government agencies, banks and private and public corporations.

On 1st April, 1996 TMIHK beneficially acquired all of the assets and liabilities of MFHK.

### **Capitalisation**

The following tables set out the capitalisation of TMIHK (formerly BOTI) as at 1st April, 1996.

<i>Long Term Debts</i>									
									U.S.\$
4.9% Unsecured Bank Loans due 2003	..	..	..	..	..	..	..	..	26,833,632
4.4% Unsecured Bank Loans due 2004	..	..	..	..	..	..	..	..	48,053,820
4.43% Unsecured Bank Loans due 2004	..	..	..	..	..	..	..	..	47,260,000
3.13% Unsecured Bank Loans due 2005	..	..	..	..	..	..	..	..	28,182,245
3.1% Unsecured Bank Loans due 2005	..	..	..	..	..	..	..	..	28,182,245
Dual Basis Notes due 2005, issued under Euro Medium Term Note Programme	..								43,000,000
									221,511,942
<i>Shareholders' Equity</i>									
									U.S.\$
Issued Share Capital – 79,999,990 ordinary shares of U.S.\$1.00 each	..	..	..	..	..	..	..	..	79,999,990
Retained Earnings	..	..	..	..	..	..	..	..	17,174,886
Capital Reserve	..	..	..	..	..	..	..	..	3,368,671
Total Shareholders' Equity	..	..	..	..	..	..	..	..	100,543,547

#### *Short Term Debt*

The short-term debt of TMIHK as at 1st April, 1996 used to fund TMIHK's business was as follows:

									U.S.\$
Deposits taken from Parent	..	..	..	..	..	..	..	..	260,110,099
Deposits taken from Customers	..	..	..	..	..	..	..	..	46,928,730
									307,038,829

As at 1st April 1996 the contingent liabilities and guarantees amounted to U.S.\$ 510,000,000

On 29th March, 1996, TMIHK converted its share capital of par value H.K.\$1,000.00 each into U.S.\$1.00 each giving rise to a share capital of U.S.\$39 million by an exchange of 130 U.S.\$ shares for each H.K.\$ share, giving rise to a capital reserve of U.S.\$3,368,671. On 1st April, 1996, TMIHK has issued an additional 40,999,990 ordinary shares of U.S.\$1.00 each to its Parent. The share capital of TMIHK has ultimately become U.S.\$79,999,990.

#### **Recent Business and Outlook**

In the years ahead, TMIHK will build on its strength to improve its performance in:

- managing and participating in syndicated loans and other facilities;
- providing short, medium and long term loans;
- underwriting and trading securities;
- providing investment management and advisory services; and
- dealing in derivative instruments

in the Asia-Pacific region.

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## Management

The Directors of TMIHK are:

<i>Name</i>	<i>Principal Occupation</i>
Masahiro Suzuki	Chairman and Managing Director
Toshiyuki Morioka	Joint Managing Director
Takeshi Tange	Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Masahiko Yumino	Director and Regional Executive for Hong Kong, The Bank of Tokyo-Mitsubishi, Ltd.
Susumu Takeuchi	Deputy Managing Director
Shigeki Moriuchi	Deputy Managing Director
Hsiao Yao Hin, Tom	Director

The business address of Messrs. Suzuki, Morioka, Takeuchi, Moriuchi and Hsiao is 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong. The business address of Mr. Tange is 7-1 Marunouchi, 2-chome, Chiyoda-ku, Tokyo 100, Japan. The business address of Mr. Yumino is 1/F, Far East Finance Centre, 16 Harcourt Road, Central, Hong Kong. Messrs. Tange and Yumino are non-executive directors of TMIHK.

## MITSUBISHI FINANCE (HONG KONG) LIMITED

### Financial Information of Mitsubishi Finance (Hong Kong) Limited

The audited financial information comprises the Auditors Report and Financial Statements of MFHK appearing on pages 10 to 21 which has been extracted from the publicly available Report and Financial Statements of MFHK for the years ended 31st December, 1993, 1994 and 1995. Amendments to the 1993 figures to conform with the presentation in the financial statements for the year ended 31st December, 1995 have been audited for the purposes of the Supplemental Offering Circular. The only material amendment is to net off swap interest expenses of U.S.\$35,573,748, previously included within interest expenses, against interest income.

### Workings-Amendments to 1993 figures

	U.S.\$	U.S.\$
Interest income (expense) as per 1993 statutory financial statements . . . . .	63,741,978	(72,036,080)
(Deduct) add: swap interest . . . . .	(35,573,748)	35,573,748
forex interest, (gains/losses on foreign exchange transactions) . . . . .	*(434,701)	427,639
	<u>27,733,529</u>	<u>(36,034,893)</u>
Interest income, net of swap and foreign income as shown on page 11.		

\*Net amount of U.S.\$7,262 included in Other Operating Income.

### AUDITORS' REPORT

#### to the members of Mitsubishi Finance (Hong Kong) Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 4 to 16 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

#### Respective responsibilities of directors and auditors

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. 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 judgements 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 misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### Opinion

Based on the foregoing, in our opinion

- (a) the financial statements give a true and fair view of the state of the Company's affairs as at 31st December, 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Ordinance, and
- (b) the computation of net tangible assets for the purpose of the Financial Resources Rules is correctly compiled from the books and records of the Company.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong, 14th March, 1996

(Pages 4 to 16 of the Auditors' Report correspond to pages 11 to 21 of this document).

**PROFIT AND LOSS ACCOUNTS**  
for each of the three years ended 31st December, 1993, 1994 and 1995

		1995	1994	1993
	Notes	U.S.\$	U.S.\$	U.S.\$
Interest income .. .. .	3	36,838,277	25,941,518	27,733,529
Interest expenses .. .. .	4	(28,195,774)	(20,824,403)	(36,034,893)
Net interest income (expense) .. .. .		8,642,503	5,117,115	(8,301,364)
Other operating income .. .. .	5	2,540,938	5,951,965	15,601,145
Net income .. .. .		11,183,441	11,069,080	7,299,781
Operating expenses .. .. .	6	9,298,686	7,473,640	5,283,036
		1,884,755	3,595,440	2,016,745
Loss on disposal of fixed assets .. .. .		29,189	90,930	—
Profit before taxation .. .. .		1,855,566	3,504,510	2,016,745
Taxation .. .. .	7	(547,744)	(582,240)	(326,912)
Profit after taxation .. .. .		1,307,822	2,922,270	1,689,833
Retained profits brought forward .. .. .		9,476,362	8,054,092	6,364,259
Total profits available for appropriation .. .. .		10,784,184	10,976,362	8,054,092
Appropriations:				
Proposed dividend of U.S.\$0.024 (1994:				
U.S.\$0.036) per share .. .. .		1,000,000	1,500,000	—
Retained profits carried forward .. .. .		9,784,184	9,476,362	8,054,092

**BALANCE SHEETS**  
at 31st December, 1994 and 1995

		1995	1994
	Notes	U.S.\$	U.S.\$
<b>Assets</b>			
Cash and short-term funds .. .. .	8	153,007,220	174,528,751
Short-term deposits placed with the holding company maturing between one and twelve months .. .. .		44,055,253	65,027,423
Investments .. .. .	9	131,696,658	120,856,160
Certificates of deposit .. .. .	10	150,442,288	116,674,288
Interest and other receivables .. .. .		10,762,640	12,088,766
Fixed assets .. .. .	11	874,666	463,895
		<u>490,838,725</u>	<u>489,639,283</u>
<b>Shareholders' equity</b>			
Share capital .. .. .	12	41,000,000	41,000,000
Retained profits .. .. .		9,784,184	9,476,362
		<u>50,784,184</u>	<u>50,476,362</u>
<b>Liabilities</b>			
Short-term deposits taken from the holding company .. .. .		81,643,009	179,973,625
Exchange fund notes – short position. .. .. .		—	6,286,748
Interest and other payables .. .. .		13,898,321	8,955,096
Provision for taxation .. .. .		—	300,000
Proposed dividend .. .. .		1,000,000	1,500,000
Notes issued .. .. .	13	163,000,000	120,000,000
Customers' deposits – maturing after one year .. .. .		180,513,211	122,147,452
		<u>440,054,541</u>	<u>439,162,921</u>
		<u>490,838,725</u>	<u>489,639,283</u>

**CASH FLOW STATEMENT**  
for each of the two years ended 31st December, 1994 and 1995

		1995	1994
	Notes	U.S.\$	U.S.\$
<b>Net cash inflow (outflow) from operating activities . . . . .</b>	14	52,234,415	(31,450,358)
<b>Returns on investments and servicing of finance</b>			
Dividend received . . . . .		31,498	28,290
Dividend paid . . . . .		(1,500,000)	—
Interest paid on bonds . . . . .		(7,529,890)	(3,940,792)
<b>Net cash outflow from returns on investments and servicing of finance . . . . .</b>		(8,998,392)	(3,912,502)
<b>Tax paid . . . . .</b>		(847,744)	(318,579)
<b>Investing activities</b>			
Purchase of fixed assets . . . . .		(798,445)	(365,227)
Proceeds from disposal of fixed assets . . . . .		—	4,522
Purchase of long-term investments . . . . .		(877,855)	—
<b>Net cash outflow from investing activities . . . . .</b>		(1,676,300)	(360,705)
<b>Net cash inflow (outflow) before financing . . . . .</b>		40,711,979	(36,042,144)
<b>Financing</b>	15		
Issue of notes . . . . .		43,000,000	—
<b>Increase (decrease) in cash and cash equivalents . . . . .</b>		83,711,979	(36,042,144)
<b>Cash and cash equivalents brought forward . . . . .</b>		(80,628,965)	(44,586,821)
<b>Cash and cash equivalents carried forward . . . . .</b>		3,083,014	(80,628,965)
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and short-term funds . . . . .		33,007,220	49,553,829
Short-term deposits placed with the holding company maturing between one and three months . . . . .		20,000,000	25,027,423
Short-term deposits taken from the holding company . . . . .		(80,779,294)	(159,127,903)
Investments . . . . .		30,855,088	—
Certificates of deposit . . . . .		—	3,917,686
		3,083,014	(80,628,965)

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. General

The Company is a restricted licence bank incorporated in Hong Kong under the Hong Kong Banking Ordinance. Its holding company is The Mitsubishi Bank, Limited, incorporated in Japan.

### 2. Summary of Significant Accounting Policies

The principal accounting policies which have been adopted in preparing these financial statements and which conform with accounting principles generally accepted in Hong Kong are as follows:

#### *Investments and certificates of deposit*

Long-term investments are stated at cost less any provision for permanent diminution in value.

Investments and certificates of deposit, which are held for dealing purposes, are stated at the lower of cost and market value.

Investment income is accounted for on the accruals basis.

#### *Fixed Assets*

Movable fixed assets costing less than the U.S. dollar equivalent of HK\$2,000 are written off in the year of acquisition.

Depreciation on fixed assets is calculated at the rate of 25 per cent. on cost in the year of acquisition and at the rate of 15 per cent. per annum using the reducing balance method in the year of acquisition and subsequent years.

#### *Taxation*

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowable. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed under the liability method, is recognised in the financial statements to the extent that it is probable a liability or asset will crystallise in the foreseeable future.

#### *Translation of foreign currencies*

Foreign currency transactions during the year are translated into U.S. dollars at the approximate rates ruling at the transaction dates. Foreign currency balances are translated into U.S. dollars at the rates of exchange ruling at the balance sheet date except for fixed assets which are translated at historical rates, and foreign currency assets and liabilities hedged by currency exchange agreements which are translated at contract rates. Profits and losses arising on translation are dealt with in the profit and loss account.

#### *Leases*

Rental expenses payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases.

#### *Interest rate and currency swap agreements*

Interest income and expenses arising from interest rate and currency swap agreements are recognised over the terms of the agreements on the accruals basis.

Unrealised gains and losses arising from marking the interest rate and currency swap agreements to market are not recognised during the period of the agreements unless actual losses can be reasonably foreseen.

#### *Cash and cash equivalents*

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

#### *Capital adequacy ratio*

The capital adequacy ratio is calculated as the ratio, expressed as a percentage, of its capital base to its risk assets as specified in the Third Schedule of the Banking Ordinance.

### Average liquidity ratio

Average liquidity ratio is calculated as the ratio of the average liquefiable assets to the average qualifying liabilities, as specified in the Fourth Schedule of the Banking Ordinance.

### 3. Interest Income

	1995	1994	1993
	U.S.\$	U.S.\$	U.S.\$
Interest income from:			
Interest rate and currency swap agreements . . . . .	5,281,859	6,869,270	13,040,647
Short-term deposits placed with the holding company . . . . .	13,944,303	8,054,966	6,508,482
Investments . . . . .	8,305,970	7,395,353	5,280,793
Loans and advances . . . . .	—	—	185,731
Certificates of deposit . . . . .	9,287,239	3,594,660	2,693,384
Others . . . . .	18,906	27,269	24,492
	<u>36,838,277</u>	<u>25,941,518</u>	<u>27,733,529</u>

### 4. Interest Expenses

	1995	1994	1993
	U.S.\$	U.S.\$	U.S.\$
Interest expenses on:			
Short term deposits taken from holding company			
repayable within five years . . . . .	9,056,755	5,694,200	12,798,532
Customers' deposits repayable			
— within five years . . . . .	—	—	568,660
— after five years . . . . .	6,780,424	3,911,116	676,614
Guaranteed notes repayable			
— within five years . . . . .	10,802,082	10,485,390	21,738,617
— after five years . . . . .	724,325	—	—
Others . . . . .	832,188	733,697	252,470
	<u>28,195,774</u>	<u>20,824,403</u>	<u>36,034,893</u>

### 5. Other Operating Income

	1995	1994	1993
	U.S.\$	U.S.\$	U.S.\$
Fees and commission income . . . . .	4,997,302	5,005,584	4,201,784
Less: Fees and commission expenses . . . . .	2,614,976	1,478,092	1,878,562
Net fees and commission income . . . . .	2,382,326	3,527,492	2,323,222
Net (losses) gains arising from dealing in foreign			
currencies . . . . .	(1,865,696)	(125,357)	7,262
Securities dealing income . . . . .	1,290,497	2,486,867	13,242,560
Dividend income on unlisted investments . . . . .	31,498	28,290	28,101
Other income . . . . .	702,313	34,673	—
	<u>2,540,938</u>	<u>5,951,965</u>	<u>15,601,145</u>

## 6. Operating Expenses

	1995	1994	1993
	U.S.\$	U.S.\$	U.S.\$
Operating expenses comprise:			
Staff costs . . . . .	2,826,554	3,188,615	2,426,295
Premises and equipment expenses . . . . .	1,714,352	1,301,119	1,172,631
Depreciation . . . . .	358,485	187,070	82,126
Other expenses . . . . .	4,399,295	2,796,836	1,601,984
	<u>9,298,686</u>	<u>7,473,640</u>	<u>5,283,036</u>
Operating expenses include:			
Directors' emoluments			
- Fees . . . . .	—	—	—
- Other emoluments . . . . .	2,157,327	768,655	426,456
Auditors' remuneration . . . . .	70,000	55,000	49,000
Depreciation . . . . .	358,485	187,070	82,126
Staff costs . . . . .	2,826,554	3,188,615	2,426,295
Rentals under operating leases for			
- Premises . . . . .	1,055,012	506,262	486,035
- Equipment . . . . .	819,654	528,919	559,272
Provision on dealing investments . . . . .	301,814	1,068,573	7,250
	<u>5,498,812</u>	<u>5,585,433</u>	<u>4,100,134</u>

## 7. Taxation

	1995	1994	1993
	U.S.\$	U.S.\$	U.S.\$
Hong Kong Profits Tax calculated at the rate of 16.5 per cent. (1993: 17.5 per cent.) on the estimated assessable profit for the year . . . . .	482,108	590,523	408,653
Under (over) provision in respect of previous years . . . . .	65,636	(8,283)	(81,741)
	<u>547,744</u>	<u>582,240</u>	<u>326,912</u>

Deferred tax has not been provided for in the financial statements as the amount involved is immaterial.

## 8. Cash and Short-term Funds

	1995	1994
	U.S.\$	U.S.\$
Cash in hand . . . . .	388	388
Balances with other banks and financial institutions		
- Holding company . . . . .	236,279	358,250
- Fellow subsidiaries . . . . .	101,060	21,963
- Other banks . . . . .	286,614	327,405
Money at call and short notice with holding company . . . . .	152,382,879	161,100,300
Exchange fund bills . . . . .	—	12,720,445
	<u>153,007,220</u>	<u>174,528,751</u>

## 9. Investments

	1995 U.S.\$	1994 U.S.\$
Long-term investments:		
Unlisted, equity .. .. .	1,851,771	973,916
Dealing investments:		
Listed in Hong Kong .. .. .	818,602	—
Listed overseas .. .. .	41,276,138	46,710,827
	42,094,740	46,710,827
Unlisted* .. .. .	81,817,514	73,171,417
Exchange Fund notes (net of short position) .. .. .	5,932,633	—
	129,844,887	119,882,244
	131,696,658	120,856,160
Market value of listed investments .. .. .	41,902,455	49,198,411

\*Unlisted investments include U.S.\$6,341,000 (1994: U.S.\$8,000,000) issued by fellow subsidiaries.

## 10. Certificates of Deposit

	1995 U.S.\$	1994 U.S.\$
Maturing within one year:		
Issued by holding company .. .. .	—	6,724,882
Issued by other banks and financial institutions .. .. .	35,661,596	11,426,959
	35,661,596	18,151,841
Maturing after one year but within five years:		
Issued by holding company .. .. .	48,292,875	41,811,632
Issued by other banks and financial institutions .. .. .	60,518,848	56,710,815
	108,811,723	98,522,447
Maturing after five years:		
Issued by other banks and financial institutions .. .. .	5,968,969	—
	150,442,288	116,674,288

# 11. Fixed Assets

	<i>Furniture and fixtures</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	<i>U.S.\$</i>	<i>U.S.\$</i>	<i>U.S.\$</i>	<i>U.S.\$</i>
<b>Cost</b>				
At 1st January, 1995 .. .. .	376,521	99,104	617,927	1,093,552
Additions .. .. .	46,104	—	752,341	798,445
Disposals .. .. .	(3,868)	—	(119,858)	(123,726)
At 31st December, 1995 .. .. .	418,757	99,104	1,250,410	1,768,271
<b>Depreciation</b>				
At 1st January, 1995 .. .. .	190,251	35,925	403,481	629,657
Provided for the year .. .. .	44,645	9,477	304,363	358,485
Eliminated on disposals .. .. .	(3,347)	—	(91,190)	(94,537)
At 31st December, 1995 .. .. .	231,549	45,402	616,654	893,605
<b>Net Book Values</b>				
At 31st December, 1995 .. .. .	187,208	53,702	633,756	874,666
At 31st December, 1994 .. .. .	186,270	63,179	214,446	463,895

# 12. Share Capital

	<i>Authorised issued and fully paid 1995</i>	<i>1994</i>
	<i>U.S.\$</i>	<i>U.S.\$</i>
Ordinary shares of U.S.\$1 each .. .. .	41,000,000	41,000,000

# 13. Notes Issued

	<i>1995</i>	<i>1994</i>
	<i>U.S.\$</i>	<i>U.S.\$</i>
These comprise:		
Floating rate guaranteed notes due 15th January, 1996 .. .. .	120,000,000	120,000,000
Dual basis notes due 2005, issued under Euro Medium Term Note Programme .. .. .	43,000,000	—
	163,000,000	120,000,000

The floating rate notes are unconditionally and irrevocably guaranteed as to the repayment of principal and interest by The Mitsubishi Bank, Limited.

**14. Reconciliation of Profit before Taxation to Net Cash Inflow (Outflow) from Operating Activities**

	1995	1994
	U.S.\$	U.S.\$
Profit before taxation .. .. .	1,855,566	3,504,510
Provision for dealing investments .. .. .	301,814	1,068,573
Depreciation .. .. .	358,485	187,070
Loss on disposal of fixed assets .. .. .	29,189	90,930
Dividends received from investments .. .. .	(31,498)	(28,290)
Interest payable on bonds .. .. .	8,154,018	5,015,800
Increase in interest payable .. .. .	2,884,706	13,463,778
Decrease (increase) in interest receivable .. .. .	1,422,733	(16,367,377)
Decrease (increase) in other receivables .. .. .	398,760	(794,483)
Increase (decrease) in other payables .. .. .	939,023	(216,686)
Net cash inflow from trading activities .. .. .	16,312,796	5,923,825
Decrease in loans and advances .. .. .	—	1,000,000
Decrease (increase) in investments .. .. .	20,590,631	(46,913,879)
Decrease (increase) in cash and short-term funds .. .. .	4,974,922	(4,974,922)
Decrease (increase) in short-term deposits placed with the holding company maturing between one and twelve months .. .. .	15,944,747	(40,000,000)
(Decrease) increase in short-term deposits taken from the holding company .. .. .	(19,982,006)	18,819,223
Increase in customers' deposits .. .. .	52,079,011	101,600,569
Increase in certificates of deposit .. .. .	(37,685,686)	(66,905,174)
<b>Net Cash Inflow (Outflow) from Operating Activities .. .. .</b>	<b>52,234,415</b>	<b>(31,450,358)</b>

**15. Analysis of Changes in Financing During the Year**

	Notes issued
	U.S.\$
At 1st January, 1995 .. .. .	120,000,000
Cash inflow from new issue of notes .. .. .	43,000,000
At 31st December, 1995 .. .. .	163,000,000

**16. Lease Commitments**

As at 31st December, the Company had commitments payable in the following twelve months under operating leases as follows:

	1995		1994	
	Land and Buildings	Equipment	Land and Buildings	Equipment
	U.S.\$	U.S.\$	U.S.\$	U.S.\$
Operating leases which expire:				
Within one year .. .. .	123,243	31,620	52,400	—
In the second to fifth years inclusive .. .. .	92,335	476,448	251,470	—
Over five years .. .. .	678,780	—	474,790	—
	894,358	508,068	778,660	—

## 17. Off-Balance Sheet Exposures

### (a) Contingent liabilities and commitments

	1995	1994
	U.S.\$' millions	U.S.\$' millions
Underwriting facilities .. .. .	56	30
Forward assets purchased .. .. .	64	149
Forward assets sold .. .. .	70	147

### (b) Derivatives

	1995			1994
	Trading U.S.\$' millions	Hedging U.S.\$' millions	Total U.S.\$' millions	Total U.S.\$' millions
Notional amounts:				
Interest rate agreements				
Swaps agreements with				
- Holding company .. .. .	774	58	832	247
- Fellow subsidiaries .. .. .	333	43	376	228
- Others .. .. .	4,190	—	4,190	935
Forward agreements with holding company .. .. .	52	—	52	—
Others .. .. .	3	—	3	3
Exchange rate agreements				
Swap agreements with				
- Holding company .. .. .	909	55	964	265
- Fellow subsidiaries .. .. .	134	—	134	84
- Others .. .. .	1,059	125	1,184	493
Forward agreements with holding company .. .. .	636	—	636	57
Others .. .. .	2	—	2	—
	8,092	281	8,373	2,312

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures are:

	1995		1994	
	Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount
	U.S.\$' millions	U.S.\$' millions	U.S.\$' millions	U.S.\$' millions
Interest rate agreements .. .. .	63	22	20	8
Exchange rate agreements .. .. .	131	58	108	37
	194	80	128	45

The above amounts do not take into account the effects of bilateral netting arrangements.

## 18. Supplementary Financial Information

	1995	1994
Capital adequacy ratio at 31st December .. .. .	20%	18%
Average liquidity ratio for the month of December .. .. .	357%	5,622%

## 19. Collateral Agreement

In order to meet Euroclear and Cedel requirements, the Company has executed standard collateral agreements creating a charge over securities held in custody by Euroclear and Cedel.

## 20. Loans to Officers and Relevant Loans pursuant to section 161B of the Companies Ordinance

The Company did not make any loans to officers during the year.

## 21. Net Tangible Assets

Net tangible assets for the purpose of the Financial Resources Rules amounted to:

	1995	1994
	U.S.\$	U.S.\$
Total assets per the balance sheet .. .. .	490,838,725	489,639,283
Less: fixed assets .. .. .	(874,666)	(463,895)
total liabilities .. .. .	(440,054,541)	(439,162,921)
Net tangible assets. . . . .	49,909,518	50,012,467

## 22. Subsequent Event

Pursuant to a merger agreement dated 4th December, 1995 between the Company and BOT International (H.K.) Limited ("BOT"), the business and all existing assets and liabilities of the Company shall be vested in BOT, on a date still to be appointed by the directors. On the appointed date the authorised and issued share capital shall be reduced to U.S.\$10 and 40,999,990 ordinary shares of U.S.\$1 each shall be cancelled.

## 23. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

# **BOT INTERNATIONAL (H.K.) LIMITED**

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## **Financial statements of BOT International (H.K.) Limited**

### **AUDITORS' REPORT** **to the shareholders of BOT International (H.K.) Limited** *(Incorporated in Hong Kong with limited liability)*

We have audited the accounts on pages 5 to 21 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

#### **Respective responsibilities of directors and auditors**

The Companies Ordinance requires the directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated. In addition, the Securities and Futures Commission (Annual Returns) Rules require the accounts to include a computation of the company's net tangible assets as referred to in the Financial Resources Rules at the balance sheet date.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. We are also required to report under the Securities and Futures Commission (Annual Returns) Rules on the computation of net tangible assets referred to in the Financial Resources Rules.

#### **Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, have been consistently applied and are 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 as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

#### **Opinion**

In our opinion,

- (a) the accounts give a true and fair view, in all material respects, of the state of the company's affairs at 31st December, 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Ordinance; and
- (b) the computation of net tangible assets at 31st December, 1995 for the purpose of the Financial Resources Rules, as set out in note 21 on the accounts, is correctly compiled from the books and records of the company.

KPMG Peat Marwick  
Certified Public Accountants  
Hong Kong, 25th March, 1996

(Pages 5 to 21 of the audited accounts correspond to pages 23 to 36 of this document).

The financial statements of BOTI on pages 23 to 36 have been extracted from the publicly available financial statements of BOTI for the years ended 31st December, 1993, 1994 and 1995. The audited 1993 figures have been reclassified for presentation purposes only to conform with the disclosures recommendation set out in the Best Practice Guide on Financial Disclosure by Authorised Institutions issued by The Hong Kong Monetary Authority and were incorporated in the 1994 accounts as comparatives. At no time have the 1993 figures been changed.

**PROFIT AND LOSS ACCOUNTS**  
for each of the three years ended 31st December, 1993, 1994 and 1995  
(Expressed in United States dollars)

	Note	1995	1994	1993
Interest income .. .. .		\$ 20,281,652	\$ 9,753,940	\$ 6,423,567
Interest expense .. .. .		\$ (14,115,570)	\$ (6,870,027)	\$ (4,895,477)
Net interest income .. .. .	4	\$ 6,166,082	\$ 2,883,913	\$ 1,528,090
Other operating income .. .. .	5	\$ 379,901	\$ 2,644,146	\$ 2,288,639
Operating income .. .. .		\$ 6,545,983	\$ 5,528,059	\$ 3,816,729
Operating expenses .. .. .	6	\$ (4,987,001)	\$ (3,799,615)	\$ (2,178,961)
Operating profit .. .. .		\$ 1,558,982	\$ 1,728,444	\$ 1,637,768
Net bad debt recovery/(charge) .. .. .	7	\$ 938,856	\$ 2,226,883	\$ (518,000)
Net (loss)/profit on disposal of investment securities .. .. .		\$ (271,242)	\$ (2,314,710)	\$ 409,649
Profit before taxation .. .. .		\$ 2,226,596	\$ 1,640,617	\$ 1,529,417
Taxation .. .. .	9(a)	\$ (121,202)	\$ (250,000)	\$ —
Profit after taxation .. .. .		\$ 2,105,394	\$ 1,390,617	\$ 1,529,417
Retained profits at 1st January .. .. .		\$ 4,706,753	\$ 4,696,136	\$ 3,166,719
		\$ 6,812,147	\$ 6,086,753	\$ 4,696,136
Appropriation:				
Proposed final dividend .. .. .		\$ —	\$ (1,380,000)	\$ —
Retained profits at 31st December .. .. .		\$ 6,812,147	\$ 4,706,753	\$ 4,696,136

The notes on pages 26 to 36 form part of these accounts.

**BALANCE SHEET**  
**at 31st December, 1994 and 1995**  
(Expressed in United States dollars)

	Note	1995	1994
<b>Assets</b>			
Cash and short term funds . . . . .	10	\$ 64,323,770	\$ 71,706,841
Placements with banks and financial institutions maturing between one and twelve months . . . . .		22,280,210	26,840,000
Certificates of deposit . . . . .		59,830,539	7,732,053
Securities held for dealing purposes . . . . .	11	11,626,517	1,973,876
Advances and other accounts . . . . .	12	60,212,578	74,312,791
Investment securities . . . . .	13	61,579,792	20,446,279
Investment in subsidiaries . . . . .	14	517,129	—
Investment in associated company . . . . .	15	6,416	6,416
Tangible fixed assets . . . . .	16	480,956	585,708
<b>Total assets . . . . .</b>		<b>\$ 280,857,907</b>	<b>\$ 203,603,964</b>
<b>Liabilities</b>			
Deposits from banks . . . . .		\$ 189,358,939	\$ 105,135,628
Customer deposits . . . . .		36,000,270	47,895,244
Interest payable and other accounts . . . . .		6,152,039	2,005,680
Taxation . . . . .	9(b)	165,841	111,988
Proposed dividend . . . . .		—	1,380,000
		<b>\$ 231,677,089</b>	<b>\$ 156,528,540</b>
<b>Capital resources</b>			
Share capital . . . . .	17	\$ 42,368,671	\$ 42,368,671
Retained profits . . . . .		6,812,147	4,706,753
Shareholders' funds . . . . .		\$ 49,180,818	\$ 47,075,424
<b>Total liabilities and capital resources . . . . .</b>		<b>\$ 280,857,907</b>	<b>\$ 203,603,964</b>

The notes on pages 26 to 36 form part of these accounts.

**CASH FLOW STATEMENT**  
for the year ended 31st December, 1994 and 1995  
(Expressed in United States dollars)

	<i>Note</i>	<u>1995</u>	<u>1994</u>
<b>Net cash (outflow)/inflow from operating activities</b> .. .. .	18(a)	\$ (19,946,183)	\$ 15,640,811
<b>Returns on investments and servicing of finance</b>			
Dividends received .. .. .		\$ 309,046	\$ 281,314
Dividends paid .. .. .		(1,380,000)	—
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b> .. .. .		\$ (1,070,954)	\$ 281,314
<b>Taxation</b>			
Hong Kong profits tax paid .. .. .		\$ (46,147)	\$ (138,012)
Overseas tax paid .. .. .		(21,202)	—
<b>Tax paid</b> .. .. .		\$ (67,349)	\$ (138,012)
<b>Investing activities</b>			
Investment in subsidiaries .. .. .	18(b)	\$ (517,129)	\$ —
Purchase of tangible fixed assets .. .. .		(56,157)	(702,524)
Proceeds on disposal of tangible fixed assets .. .. .		—	1,294
<b>Net cash outflow from investing activities</b> .. .. .		\$ (573,286)	\$ (701,230)
<b>Net cash (outflow)/inflow before financing</b> .. .. .		\$ (21,657,772)	\$ 15,082,883
<b>Financing activities</b>			
Issue of shares .. .. .		\$ —	\$ 25,865,658
<b>Net cash inflow from financing activities</b> .. .. .		\$ —	\$ 25,865,658
<b>Net cash (outflow)/inflow after financing activities</b> .. .. .		\$ (21,657,772)	\$ 40,948,541
<b>Cash and cash equivalents at 1st January</b> .. .. .		85,286,841	44,338,300
<b>Cash and cash equivalents at 31st December</b> .. .. .	18(c)	\$ 63,629,069	\$ 85,286,841

The notes on pages 26 to 36 form part of these accounts.

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**Notes on the Accounts**  
(Expressed in United States dollars unless stated otherwise in the text)

**1. Basis of preparation**

(a) The accounts have been prepared under generally accepted accounting principles in Hong Kong and comply fully with the disclosure requirements of the Companies Ordinance and the recommendations in the revised Best Practice Guide on Financial Disclosure issued by the Hong Kong Monetary Authority.

(b) Group accounts have not been prepared as the company was a wholly owned subsidiary of another body corporate at 31st December, 1995.

**2. Significant accounting policies**

*(a) Income recognition*

Interest income and expense are accrued in the profit and loss account on a time apportioned basis on the principal outstanding and at the rate applicable. Fee income and expenses are recognised when earned or incurred.

Dividends from listed investment securities are recognised when the share price of such investments goes ex-dividend. Interim dividends from unlisted investment securities are recognised when the directors of such investments declare such dividends; final dividends from unlisted investments are recognised when the shareholders of such investments approve the dividends proposed by the directors.

*(b) Investment in subsidiaries*

Investment in subsidiaries is stated at cost less any provisions for permanent diminution in value as determined by the directors.

*(c) Associated companies*

The results of associated companies are not equity accounted for as the company is a wholly owned subsidiary of another body corporate, but are included in the profit and loss account to the extent of dividends received and receivable for the year. In the balance sheet, the investment in associated company is stated at cost less any provisions for permanent diminution in value as determined by the directors.

*(d) Securities held for dealing purposes*

Securities held for dealing purposes are stated at the lower of cost and market value, or, if unlisted, at directors' valuation, at the balance sheet date. Changes in the value of such assets are recognised in the profit and loss account as dealing profits or losses as they arise.

*(e) Investment securities*

(i) Securities, which include both debt and equity securities and which are intended to be held on a continuing basis, are classified as "Investment securities". Dated investment securities are included in the balance sheet at cost adjusted for the amortisation of premiums or discounts arising on acquisition, less provision for any permanent diminution in value. Equity securities are included in the balance sheet at cost less provision where the directors consider there has been a permanent diminution in the underlying value of the investment.

(ii) Premiums or discounts on dated investment securities are amortised through the profit and loss account so as to achieve a constant rate of return over the period from the date of purchase to the date of maturity.

(iii) Gains or losses on realisation of investment securities are accounted for in the profit and loss account as they arise.

*(f) Doubtful debts*

(i) Specific provisions are made for doubtful debts as and when they are considered necessary by the directors and in addition amounts have been set aside as general provisions for doubtful debts. The specific element relates to individual banking facilities; the general element relates to other exposures not separately identified but known from experience to exist in any portfolio of banking facilities. These provisions are deducted from advances and other accounts. When there is no longer any realistic prospect of recovery, the outstanding debt is written off.

(ii) Interest accrued on doubtful debts is not recognised in the accounts.

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*(g) Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation calculated to write off their cost on a straight line basis over their anticipated useful lives of five years.

*(h) Translation of foreign currencies*

Foreign currency transactions during the year are translated into United States dollars at the exchange rates ruling at the transaction dates.

Monetary assets and liabilities in foreign currencies are translated into United States dollars at the exchange rates ruling at the balance sheet date. Share capital is translated into United States dollars at the historical exchange rates ruling at the issue dates. Differences on foreign currency translation are dealt with in the profit and loss account.

*(i) Deferred taxation*

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to crystallise in the foreseeable future.

Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

*(j) Fiduciary and agency transactions*

The balance sheet takes no account of assets held and liabilities incurred in connection with transactions entered into by the company in fiduciary or agency capacity.

*(k) Off-balance sheet financial instruments*

Off-balance sheet financial instruments arise from futures, forward and swap transactions undertaken by the company in the foreign exchange, interest rate and equity markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for dealing or hedging purposes, or as part of the management of asset and liability portfolios.

Transactions undertaken for dealing purposes are marked to market and the net present value of the gain or loss arising is recognised in the profit and loss account as dealing profits or losses, after appropriate deferrals for the unearned credit margin and future servicing costs.

Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions which they are hedging. Any profit or loss is recognised on the same basis as that arising from the related assets, liabilities or positions.

Interest rate swap transactions undertaken as part of the management of asset and liability portfolios are separately identified and income or expense arising therefrom is netted off against the related interest income or expense from the on-balance sheet items against which these transactions are hedged.

Unrealised gains on transactions which are marked to market are included in "Advances and other accounts" in the balance sheet. Unrealised losses on transactions which are marked to market are included in "Interest payable and other accounts".

*(l) Operating leases*

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the periods of the respective leases.

### **3. Turnover**

Turnover of the company comprises interest income and net fees and commissions earned.

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**4. Net interest income***Net interest income is arrived at*

	1995	1994	1993
<i>after crediting:</i>			
Interest from listed securities . . . . .	\$ 5,073,774	\$ 958,924	\$ 1,211,247
Interest from unlisted securities . . . . .	6,298,309	1,041,749	426,373
<i>and after charging:</i>			
Interest on bank overdrafts and deposits and on customer deposits repayable within five years . . . . .	\$ 14,115,570	\$ 6,870,027	\$ 4,895,477

**5. Other operating income**

	1995	1994	1993
Net fees and commission income . . . . .	\$ 2,516,928	\$ 2,363,164	\$ 1,889,847
Net foreign exchange (losses)/gains . . . . .	(600,947)	120,899	(39,080)
Net (losses)/gains from securities held for dealing purposes	(1,869,376)	(185,847)	226,244
Dividend income from listed securities . . . . .	46,624	1,712	3,153
Dividend income from unlisted securities . . . . .	262,422	279,602	116,061
Others . . . . .	24,250	64,616	92,414
	<u>\$ 379,901</u>	<u>\$ 2,644,146</u>	<u>\$ 2,288,639</u>

**6. Operating expenses**

	1995	1994	1993
Staff costs . . . . .	\$ 2,988,569	\$ 2,246,692	\$ 1,228,365
Depreciation . . . . .	160,909	152,584	24,235
Rental of premises under operating leases . . . . .	832,295	524,547	340,364
Other premises and equipment expenses . . . . .	75,893	60,626	35,173
Auditors' remuneration . . . . .	45,266	42,000	38,835
Loss on disposal of tangible fixed assets . . . . .	—	11,620	257
Others . . . . .	884,069	761,546	511,732
	<u>\$ 4,987,001</u>	<u>\$ 3,799,615</u>	<u>\$ 2,178,961</u>

**7. Net bad debt recovery/(charge)**

	1995	1994	1993
Bad debts recovered . . . . .	\$ 938,856	\$ 2,726,883	\$ —
General provision for doubtful debts . . . . .	—	(500,000)	—
General provision against investment securities . . . . .	—	—	(518,000)
	<u>\$ 938,856</u>	<u>\$ 2,226,883</u>	<u>\$ (518,000)</u>

## 8. Directors' emoluments

The aggregate emoluments of the directors of the company disclosed pursuant to section 161 of the Companies Ordinance are as follows:

	1995	1994	1993
Fees .. .. .	\$ —	\$ —	\$ —
Other emoluments .. .. .	1,022,879	828,942	417,703

## 9. Taxation

(a) Taxation in the profit and loss account represents:

	1995	1994	1993
Provision for Hong Kong profits tax at 16.5 per cent. (1993: 17.5 per cent.) on the estimated assessable profits for the year .. .. .	\$ 100,000	\$ 250,000	\$ —
Overseas taxation .. .. .	21,202	—	—
	<u>\$ 121,202</u>	<u>\$ 250,000</u>	<u>\$ —</u>

Overseas taxation represents withholding tax on interest and dividend income from overseas incorporated companies for the year.

(b) Taxation in the balance sheet represents:

	1995	1994	1993
Provision for Hong Kong profits tax for the year .. .. .	\$ 100,000	\$ 250,000	\$ —
Provisional profits tax paid .. .. .	—	(138,012)	—
	<u>\$ 100,000</u>	<u>\$ 111,988</u>	<u>\$ —</u>
Balance of profits tax provision relating to the prior year. .	65,841	—	—
	<u>\$ 165,841</u>	<u>\$ 111,988</u>	<u>\$ —</u>

(c) No provision for deferred taxation has been made in the accounts as the effect of all timing differences is immaterial.

## 10. Cash and short term funds

	1995	1994
Cash and balances with banks .. .. .	\$ 324,462	\$ 298,442
Money at call and short notice .. .. .	63,999,308	71,408,399
	<u>\$ 64,323,770</u>	<u>\$ 71,706,841</u>

Money at short notice represents deposits with a maximum of one month remaining to maturity at the balance sheet date.

# 11. Securities held for dealing purposes

	1995	1994
Listed in Hong Kong .. .. .	\$ 8,011,550	\$ 929,876
Unlisted .. .. .	3,614,967	1,044,000
	<u>\$ 11,626,517</u>	<u>\$ 1,973,876</u>
Market value of listed dealing securities at 31st December .. .. .	<u>\$ 8,012,557</u>	<u>\$ 929,876</u>

# 12. Advances and other accounts

	1995	1994
Advances to customers:		
Due within one year .. .. .	\$ 19,833,333	\$ 19,000,000
Due after one year .. .. .	14,505,000	—
	<u>\$ 34,338,333</u>	<u>\$ 19,000,000</u>
General provision for doubtful debts .. .. .	(500,000)	(500,000)
	<u>\$ 33,838,333</u>	<u>\$ 18,500,000</u>
Advances to banks and financial institutions due after one year .. .. .	19,500,000	53,205,000
	<u>\$ 53,338,333</u>	<u>\$ 71,705,000</u>
Accrued interest .. .. .	5,901,214	1,667,843
Other accounts .. .. .	973,031	939,948
	<u>\$ 60,212,578</u>	<u>\$ 74,312,791</u>

## (a) General provision for doubtful debts

	1995	1994
At 1st January .. .. .	\$ 500,000	\$ —
Charge to profit and loss account. .. .. .	—	500,000
At 31st December .. .. .	<u>\$ 500,000</u>	<u>\$ 500,000</u>

(b) At 31st December, 1995, there were no advances on which interest has been placed in suspense (1994: Nil).

### 13. Investment securities

	1995	1994
Debt securities:		
– listed outside Hong Kong .. .. .	\$ 50,396,426	\$ 17,525,328
– unlisted .. .. .	10,939,990	3,276,876
	<u>\$ 61,336,416</u>	<u>\$ 20,802,204</u>
Unlisted equity securities .. .. .	243,376	162,075
	<u>\$ 61,579,792</u>	<u>\$ 20,964,279</u>
General provision against investment securities .. .. .	—	(518,000)
	<u>\$ 61,579,792</u>	<u>\$ 20,446,279</u>
Market value of listed investment securities at 31st December .. .. .	<u>\$ 51,127,715</u>	<u>\$ 17,265,840</u>

(a) The maturity profile of debt securities included above is analysed by the remaining period at the balance sheet date to the contractual maturity date as follows:

	1995	1994
Within one year .. .. .	\$ —	\$ 646,534
After one year but within five years .. .. .	59,393,085	8,500,000
After five years .. .. .	1,943,331	11,655,670
	<u>\$ 61,336,416</u>	<u>\$ 20,802,204</u>

(b) General provision against investment securities

	1995	1994
At 1st January .. .. .	\$ 518,000	\$ 518,000
Release of provision .. .. .	(518,000)	—
	<u>\$ —</u>	<u>\$ 518,000</u>

### 14. Investment in subsidiaries

	1995	1994
Unlisted shares, at cost .. .. .	<u>\$ 517,129</u>	<u>\$ —</u>

Details of the subsidiaries are as follows:

Name of Company	Place of incorporation	Description of shares held	Percentage of shares held	Principal activity
BOTI Asset Management Limited ..	Hong Kong	Ordinary	100	Fund management
BOTI Trustee Limited .. .. .	Hong Kong	Ordinary	100	Trustee services

BOTI Asset Management Limited and BOTI Trustee Limited were incorporated on 21st November, 1995 and 30th November, 1995 respectively. BOTI Asset Management Limited will be registered as an Investment Adviser under the Securities Ordinance and BOTI Trustee Limited will be registered as a Trust company under the Trustee Ordinance.

At 31st December, 1995, there were no post-acquisition profits or losses of the subsidiaries attributable to the company as neither company had commenced operations by that date.

# 15. Investment in associated company

	1995	1994
Unlisted shares, at cost .. .. .	\$ 6,416	\$ 6,416

Details of the associated company are as follows:

Name of company	Percentage of ordinary shares held by the company	Principal activity
South East Management Limited	30%	Management of JF Hong Kong Trust

# 16. Tangible fixed assets

	Motor vehicles	Office equipment furniture and fixtures	Total
Cost:			
At 1st January, 1995 .. .. .	\$ 72,523	\$ 840,558	\$ 913,081
Additions .. .. .	—	56,157	56,157
At 31st December, 1995	\$ 72,523	\$ 896,715	\$ 969,238
Aggregate depreciation:			
At 1st January, 1995 .. .. .	\$ 14,505	\$ 312,868	\$ 327,373
Charge for the year .. .. .	14,505	146,404	160,909
At 31st December, 1995 .. .. .	\$ 29,010	\$ 459,272	\$ 488,282
Net book value:			
At 31st December, 1995 .. .. .	\$ 43,513	\$ 437,443	\$ 480,956
At 31st December, 1994 .. .. .	\$ 58,018	\$ 527,690	\$ 585,708

# 17. Share capital

	1995	1994
Authorised, issued and fully paid:		
300,000 shares of HK\$1,000 each .. .. .	HK\$300,000,000	HK\$300,000,000
Equivalent to .. .. .	\$42,368,671	\$42,368,671

On 4th December, 1995, the company entered into a merger agreement with Mitsubishi Finance (Hong Kong) Limited ("MFHK") as part of the global merger between the company's ultimate holding company, The Bank of Tokyo, Ltd, and The Mitsubishi Bank, Ltd, to form The Bank of Tokyo-Mitsubishi, Ltd. Under the terms of the agreement and the provisions of The Bank of Tokyo-Mitsubishi (Merger of Subsidiaries) Ordinance, which was gazetted on 23rd February, 1996, the assets and liabilities of MFHK will be transferred to the company at a consideration to be agreed between the two parties. The merger will take effect on 1st April, 1996 and the enlarged company will then be renamed Tokyo-Mitsubishi International (HK) Limited. The consideration for the transfer of the assets and liabilities of MFHK will be settled by the company issuing new shares, credited as fully paid up, to The Bank of Tokyo-Mitsubishi, Ltd on 1st April, 1996.

## 18. Notes to the cash flow statement

### (a) Reconciliation of profit before taxation to net cash flow from operating activities

	1995	1994
Profit before taxation .. .. .	\$ 2,226,596	\$ 1,640,617
Depreciation .. .. .	160,909	152,584
Dividend income .. .. .	(309,046)	(281,314)
Release of provision against investment securities .. .. .	(518,000)	—
Loss on disposal of tangible fixed assets .. .. .	—	11,620
<b>Net cash inflow from trading activities .. .. .</b>	<b>\$ 1,560,459</b>	<b>\$ 1,523,507</b>
Decrease in cash and short term funds .. .. .	6,040,089	544,369
Increase in placements with banks and financial institutions maturing after three months .. .. .	(15,755,000)	(5,038,506)
(Increase)/decrease in certificates of deposit .. .. .	(52,098,486)	6,874,601
(Increase)/decrease in securities held for dealing purposes .. .. .	(9,652,641)	744,465
(Increase)/decrease in investment securities .. .. .	(40,615,513)	14,520,809
Decrease/(increase) in advances and other accounts .. .. .	14,100,213	(2,226,373)
Increase in deposits from banks .. .. .	84,223,311	9,109,935
(Decrease)/increase in customer deposits .. .. .	(11,894,974)	2,954,737
Increase/(decrease) in interest payable and other accounts .. .. .	4,146,359	(13,366,733)
<b>Net cash (outflow)/inflow from operating activities .. .. .</b>	<b>\$ (19,946,183)</b>	<b>\$ 15,640,811</b>

### (b) Investment in subsidiaries

The subsidiaries, details of which are set out in note 14 on the accounts, were established by the company during the year to expand the group's operations. Investment in subsidiaries represents cash paid by the company to subscribe to the issued share capital of the subsidiaries.

### (c) Analysis of the balances of cash and cash equivalents

	1995	1994
Cash and short term funds .. .. .	\$ 62,603,859	\$ 63,946,841
Placements with banks and financial institutions maturing within three months .. .. .	1,025,210	21,340,000
	<b>\$ 63,629,069</b>	<b>\$ 85,286,841</b>

## 19. Amounts due from/to the ultimate holding company and subsidiaries of the ultimate holding company

During the year, the company entered into transactions with its ultimate holding company and certain subsidiaries of the ultimate holding company in the ordinary course of its banking business. In the opinion of the directors, the transactions were conducted at an arm's length basis.

Included in the following balance sheet captions are balances due from/to the ultimate holding company and subsidiaries of the ultimate holding company:

	1995	1994
<b>Assets:</b>		
Cash and short term funds .. .. .	\$ 64,219,618	\$ 71,638,147
Placements with banks maturing between one and twelve months .. ..	5,075,210	23,340,000
Certificates of deposit .. .. .	16,779,617	—
Advances and other accounts .. .. .	2,063,663	391,537
	<u>\$ 88,138,108</u>	<u>\$ 95,369,684</u>
<b>Liabilities:</b>		
Deposits from banks .. .. .	\$ 189,358,939	\$ 57,095,628
Interest payable and other accounts .. .. .	5,387,441	636,079
	<u>\$ 194,746,380</u>	<u>\$ 57,731,707</u>

## 20. Off-balance sheet exposures

### (a) Contingent liabilities and commitments, and derivatives

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

	1995 \$'000	1994 \$'000
<b>Direct credit substitutes</b> .. .. .	5,414	4,386
<b>Other commitments:</b>		
With an original maturity of under 1 year or which are unconditionally cancellable .. .. .	—	—
With an original maturity of 1 year and over .. .. .	24,031	29,778
Others .. .. .	—	21,285
	<u>29,445</u>	<u>55,449</u>

Derivatives refer to financial contracts, the value of which depends on the value of one or more underlying assets or indices.

The following is a summary of the contractual or notional amounts of each significant type of derivative entered into by the company:

	Trading	1995 Hedging	Total	1994 Total
	\$'000	\$'000	\$'000	\$'000
<b>Exchange rate contracts:</b>				
Forwards and futures .. .. .	—	224,339	224,339	—
Swaps .. .. .	—	45,787	45,787	—
<b>Interest rate contracts:</b>				
Forward and futures .. .. .	—	—	—	—
Swaps .. .. .	—	126,264	126,264	—
Other .. .. .	130	—	130	—
	<u>130</u>	<u>396,390</u>	<u>396,520</u>	<u>—</u>

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures are as follows. These amounts do not take into account the effects of bilateral netting arrangements.

	1995		1994	
	Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount
	\$'000	\$'000	\$'000	\$'000
Contingent liabilities and commitments .	—	17,430	—	20,132
Exchange rate contracts . . . . .	1,145	974	—	—
Interest rate contracts . . . . .	72	19	—	—
Others . . . . .	—	1	—	—
	1,217	18,424	—	20,132

The tables above give the contractual or notional amounts, replacement cost and credit risk weighted amounts of off-balance sheet transactions. These are assessed in accordance with the Hong Kong Monetary Authority's guidelines which implement the Basle agreement on capital adequacy and depend on the status of the counterparty and the maturity characteristics. The risk weights used range from 0 per cent. to 100 per cent. for contingent liabilities and commitments, and from 0 per cent. to 50 per cent. for exchange rate and interest rate contracts. Replacement cost represents the cost of replacing all contracts which have a positive value when marked to market. The credit risk weighted amount refers to the amount as computed in accordance with the Third Schedule to the Banking Ordinance.

Contingent liabilities and commitments are credit-related instruments which include guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

Off-balance sheet financial instruments arise from futures, forward and swap transactions undertaken by the company in the foreign exchange, interest rate and equity markets.

The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

(b) *Operating lease commitments*

At 31st December, 1995, the company had commitments under operating leases on property to make payments in the next year as follows:

	1995	1994
<b>Leases expiring:</b>		
Within one year . . . . .	\$ 542,472	\$ 77,542
Within two to five years . . . . .	110,736	892,727
	<u>\$ 653,208</u>	<u>\$ 970,269</u>

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### 21. Net tangible assets

The computation of the company's net tangible assets at 31st December, 1995 for the purpose of the Financial Resources Rules is as follows:

Total tangible assets	..	..	..	..	..	..	..	..	\$ 280,857,907
Less: Tangible fixed assets	..	..	..	..	..	..	..	..	\$ 480,956
Total liabilities	..	..	..	..	..	..	..	..	\$ 231,677,089
									<u>232,158,045</u>
Net tangible assets	..	..	..	..	..	..	..	..	<u>\$ 48,699,862</u>

### 22. Ultimate holding company

The ultimate holding company at 31st December, 1995 was The Bank of Tokyo, Ltd which is incorporated in Japan.

Pursuant to the merger agreement between The Bank of Tokyo, Ltd ("BOT") and The Mitsubishi Bank, Ltd ("MBK") dated 19th May, 1995, BOT and MBK agreed that the business, assets (including BOT's shareholding in the company) and liabilities of BOT will be merged into MBK on 1st April, 1996 and that the name of MBK will be changed to The Bank of Tokyo-Mitsubishi, Ltd on that date.

### 23. Comparative figures

Certain comparative figures in the accounts have been reclassified to conform with the recommendations set out in the revised "Best Practice Guide on Financial Disclosure by Authorised Institutions" issued by the Hong Kong Monetary Authority.

## KEEP WELL AGREEMENT

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In connection with the above changes, BOT-Mitsubishi entered into a revised Keep Well Agreement (the "Keep Well Agreement") with TMI, BTMB, MBD and TMIHK on 1st April, 1996. MBEFIN is not a party to the Keep Well Agreement, but Notes issued by MBEFIN will be guaranteed by BTMB as the Guarantor. The following is the text of the Keep Well Agreement.

This Keep Well Agreement (the "Agreement"), is made by way of deed poll on 1st April, 1996, by and between (1) The Bank of Tokyo-Mitsubishi, Ltd., the registered office at the date hereof being at 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100 ("BOT-Mitsubishi") and (2) each of Tokyo-Mitsubishi International plc, the registered office at the date hereof being at 6 Broadgate, London EC2M 2AA ("TMI"), Bank of Tokyo-Mitsubishi (Belgium) S.A., the registered office at the date hereof being at Avenue des Arts 58, Bte.1, B-1000 Brussels ("BTM BELGIUM"), Mitsubishi Bank (Deutschland) GmbH, the registered office at the date hereof being at Neue Mainzer Str. 75, 60311 Frankfurt am Main, Germany ("MBD") and Tokyo-Mitsubishi International (HK) Limited, the registered office at the date hereof being 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong ("TMIHK" and, together with TMI, BTM BELGIUM and MBD, the "Companies").

### WHEREAS:

- (A) TMI, BTM BELGIUM, TMIHK and (after the Effective Date (as defined below)) MBD are wholly-owned subsidiaries of BOT-Mitsubishi; and
- (B) the Companies intend to raise funds by the issue of notes (the "Notes") under a U.S.\$2,000,000,000 Euro Medium Term Note Programme (the "Programme") and to use such funds for their general corporate purposes.

NOW, THEREFORE, BOT-Mitsubishi and the Companies hereby agree as follows:

- 1. BOT-Mitsubishi will own (in the case of MBD on and from the date of registration of the merger of The Mitsubishi Bank, Limited with The Bank of Tokyo, Ltd. in the Commercial Register in Japan (the "Effective Date")), directly or indirectly, a majority of the issued share capital of each of the Companies and will control the composition of the board of directors of each of the Companies, in each case so long as any Notes are outstanding BOT-Mitsubishi will not pledge, grant a security interest in or encumber any of such share capital.
- 2. BOT-Mitsubishi will cause:
  - (A) TMI to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in the United Kingdom and as shown in TMI's most recent published audited balance sheets, at all times of at least GB£1,000,000;
  - (B) BTM BELGIUM to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in the Kingdom of Belgium and as shown in BTM BELGIUM's most recent published audited balance sheets, at all times of at least BEF1,000,000;
  - (C) MBD to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in Germany and as shown in MBD's most recent published audited balance sheets, at all times of at least DM1,000,000; and
  - (D) TMIHK to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in Hong Kong and as shown in TMIHK's most recent published audited balance sheets, at all times of at least U.S.\$1,000,000;

For the purposes of this Clause 2, "Tangible Net Worth" means the aggregate amount of issued and fully paid equity capital, reserves, capital surplus and retained earnings (or less losses carried forward), less any intangible assets.

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3. (A) If a Company should at any time determine that it shall have insufficient cash or other liquid assets to meet its payment obligations under the Notes as they fall due and that it shall have insufficient unused commitments available under its credit facilities with lenders other than BOT-Mitsubishi or insufficient funds otherwise made available by BOT-Mitsubishi through one or more third parties, then it will promptly notify BOT-Mitsubishi of the shortfall and BOT-Mitsubishi will make available to it, before the due date of any relevant payment obligations, funds sufficient to enable it to satisfy such payment obligations in full as they fall due. It will use the funds made available to it by BOT-Mitsubishi solely for the satisfaction when due of such payment obligations.
- (B) Any and all funds from time to time provided by BOT-Mitsubishi to a Company pursuant to Clause 3(A) above shall be either (i) by way of the subscription for and payment of its share capital (other than redeemable share capital) or (ii) by way of subordinated loan, that is to say a loan which, and interest on which, is not permitted to be, and is not capable of being, repaid or paid unless, and then only to the extent that, the relevant Company is, and immediately thereafter would continue to be, solvent in all respects and is thus subordinated on a winding up of such Company to all of the unsecured creditors of such Company.
4. BOT-Mitsubishi warrants and agrees that the payment obligations of BOT-Mitsubishi which may arise hereunder constitute unsecured and unsubordinated obligations of BOT-Mitsubishi and rank *pari passu* with all other unsecured and unsubordinated obligations of BOT-Mitsubishi.
5. This Agreement is not, and nothing herein contained and nothing done by BOT-Mitsubishi pursuant hereto shall be deemed to constitute, a guarantee, direct or indirect, by BOT-Mitsubishi of any Notes or any payment obligations arising out of or in connection with any Notes.
6. If a Company shall be in liquidation, administration or receivership or other analogous proceedings, and BOT-Mitsubishi shall be in default of its obligations hereunder, BOT-Mitsubishi shall be liable by way of liquidated damages to such Company for such breach in an amount equal to the sum that BOT-Mitsubishi would have paid had it performed in full its obligations hereunder and such Company (and any liquidator, administrator or receiver of such Company or other analogous officer or official) shall be entitled to claim accordingly.
7. BOT-Mitsubishi and each of the Companies hereby covenants that it will fully and promptly perform its respective obligations and exercise its respective rights under this Agreement and, in the case of the Companies (without limitation to the foregoing), exercise its respective right to enforce performance of the terms of this Agreement by BOT-Mitsubishi.
8. This Agreement may be modified, amended or terminated only by the written agreement (executed as a deed) of BOT-Mitsubishi, the Companies and the Trustee (as defined below).
9. BOT-Mitsubishi and the Companies will give written notice to Moody's Investors Service, Inc. at least 30 days prior to such proposed modification, amendment or termination.
10. (A) This Agreement shall take effect as a deed poll for the benefit of the Trustee on behalf of the Noteholders (as defined below). No other person, firm, company or association (unincorporated or incorporated) shall be entitled to any benefit under this Agreement whatsoever.
- (B) BOT-Mitsubishi and each of the Companies hereby acknowledges and covenants that the respective obligations binding upon it contained herein are owed to, and shall be for the benefit of, the Trustee on behalf of the Noteholders and that the Trustee shall be entitled on behalf of the Noteholders to enforce the said obligations against BOT-Mitsubishi and each of the Companies, if and only insofar as at the time the proceedings for such enforcement are instituted, any Notes which have become due and payable remain unpaid in whole or in part.
- (C) This Agreement shall be deposited with and held by the Trustee for so long as any of the Notes remains outstanding.
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(D) "Noteholder" means each person who is for the time being holder of any Note of any series of Notes issued under the Programme save that, for so long as any series of Notes is represented by one or more global Notes, "Noteholder" means each person who is for the time being shown in the records of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear") or of Cedel Bank, société anonyme ("Cedel Bank") or of any alternative clearance system ("Alternative Clearance System") as the holder of notes (in which regard any certificate or other document issued by Euroclear, Cedel Bank or the Alternative Clearance System shall be conclusive).

"Trustee" means The Law Debenture Trust Corporation p.l.c. as trustee for the Noteholders (which expression shall include any successor as trustee for the Noteholders) under a Trust Deed dated 24th November, 1994 and made between TMI (formerly Mitsubishi Finance International plc), BTM Belgium (formerly Mitsubishi Bank (Europe) S.A.), BTM Finance (Holland) N.V. (formerly MBE Finance N.V.), MBD, TMIHK (formerly Mitsubishi Finance (Hong Kong) Limited) and the Trustee as supplemented by four Trust Deeds supplemental thereto dated respectively 21st February, 1995, 8th November, 1995, 28th November, 1995 and 1st April, 1996.

11. This Agreement shall be governed by and construed in accordance with English law. Each of BOT-Mitsubishi, BTM BELGIUM, MBD and TMIHK each hereby irrevocably agrees that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together "Proceedings") arising out of or in connection with this Agreement may be brought in such courts and each waives any objection to Proceedings in such courts whether on the grounds that the Proceedings have been brought in an inconvenient forum or otherwise. In relation to Proceedings in England, any Deputy General Manager for the time being of the London Branch of The Bank of Tokyo-Mitsubishi, Ltd. (being at the date hereof at 12/15 Finsbury Circus, London EC2M 7BT) has agreed to accept service of process on behalf of BOT-Mitsubishi in England and each of BTM BELGIUM, MBD and TMIHK hereby irrevocably appoints TMI at its registered office (being at the date hereof at 6 Broadgate, London EC2M 2AA) to accept service of process on its respective behalf in England. Nothing in this clause shall affect the right to serve process in any other manner permitted by applicable law.

12. This Agreement and any deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Agreement or any deed supplemental hereto may enter into the same by executing and delivering, a counterpart.

IN WITNESS WHEREOF this Agreement has been executed and delivered as a deed poll on the date which appears first on page 1.

Executed as a deed by  
**THE BANK OF TOKYO-MITSUBISHI, LTD.,**  
acting by

acting under the authority of that company  
in the presence of:

Witness:

Name:

Address:

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The COMMON SEAL of  
**TOKYO-MITSUBISHI INTERNATIONAL PLC**  
was hereunto affixed to this  
deed in the presence of:

Director:

Director/Secretary/Approved Signatory:

Executed as a deed by  
**BANK OF TOKYO-MITSUBISHI (BELGIUM) S.A.**,  
acting by

acting under the authority of that company  
in the presence of:

Witness:

Name:

Address:

Executed as a deed by  
**MITSUBISHI BANK (DEUTSCHLAND) GmbH**,  
acting by

acting under the authority of that company  
in the presence of:

Witness:

Name:

Address:

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Executed as a deed by

**TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED**  
acting by

acting under the authority of that company  
in the presence of:

Witness:

Name:

Address:

## GENERAL INFORMATION

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### Authorisations

Authorisation for the amendments to the Programme as described in this Supplemental Offering Circular has been duly obtained by TMI, BTMB, MBEFIN and TMIHK as set out below:

- (i) by resolution of the Board of Directors of TMI dated 1st April, 1996;
- (ii) by resolution of the Management Committee of BTMB dated 22nd April, 1996; and
- (iii) by resolution of the Management Board of MBEFIN dated 22nd April, 1996;
- (iv) by resolution of the Board of Directors of TMIHK dated 1st April, 1996.

### Listing

The listing of the Listed Notes on the London Stock Exchange will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List of the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a temporary global Note initially representing the Notes of that Tranche. The listing of the Programme in respect of such Notes is expected to be granted on 24th April, 1996.

### Documents available for Inspection

So long as any of the Notes remains outstanding and throughout the life of the Programme, copies of the following documents will, when available, be available for inspection from the respective registered offices of TMI, BTMB, MBEFIN, MBD, TMIHK and BOT-Mitsubishi and from the specified office of the Agent for the time being in London, in each case during usual business hours on any weekday (Saturdays and public holidays excepted):

- (i) the constitutional documents (in English) of the Issuers;
- (ii) the audited consolidated financial statements and annual reports of the Parent (in English) for the years ended 31st March, 1994 and 1995 on Form 20-F filed with the Securities and Exchange Commission in the United States of America and the unaudited condensed consolidated financial statements of the Parent (in English) for the six months ended 30th September, 1993 and 1994, and the unaudited condensed non-consolidated financial statements of the Parent (in English) for the six months ended 30th September, 1995 and the financial statements (in English) (if any) of the Issuers, the Guarantor and the Parent;
- (iii) the most recently available audited annual financial statements, including Auditors' reports, (in English) of the Issuers and the Parent for the last two financial years and the most recently published interim financial statements (in English) (if any) of the Issuers, the Guarantor and the Parent;
- (iv) the Fourth Supplemental Trust Deed, the Supplemental Agency Agreement and the Keep Well Agreement; and
- (v) the Offering Circular and this Supplemental Offering Circular.

### Significant or Material Change

Save as described in this Supplemental Offering Circular, there has been no significant change in the financial or trading position of any of BTMB, TMIHK and their respective subsidiaries or any of the other Issuers, or of the Guarantor since the date of the last financial year end of the relevant Issuer or the Guarantor, as the case may be, and save as disclosed in this Supplemental Offering Circular, there has been no material adverse change in the financial position or prospects of BTMB, TMIHK and their respective subsidiaries, any other of the Issuers, the Guarantor, the Parent or the Parent and its subsidiaries, taken as a whole, since the date of the last financial year end of the relevant Issuer, the Guarantor or the Parent, as the case may be.

## GENERAL INFORMATION

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### Litigation

None of the Issuers, the Guarantor or, in the case of each of BTMB and TMIHK, their respective subsidiaries (whether as defendant or otherwise) is engaged in any legal, arbitration, administrative or other proceedings, the results of which might have or have had during the twelve months prior to the date hereof a significant effect on the financial or trading position of, in the case of BTMB, BTMB and its subsidiary, taken as a whole or in the case of TMIHK, TMIHK and its subsidiaries taken as a whole, or, in the case of the other Issuers, the relevant Issuer, or the Guarantor, nor are any of the Issuers or the Guarantor aware of any such proceedings being pending or threatened.

### Auditors

The auditors of TMI are KPMG, Chartered Accountants, who have audited TMI's accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the financial periods ended 31st December, 1993, 1994 and 1995, respectively.

The auditor of BTMB until 30th June, 1994 was Mr. André Hoste, independent certified public accountant who audited BTMB's accounts, without qualification, in accordance with generally accepted auditing standards in the Kingdom of Belgium for the financial period ended 31st December, 1993. Since 30th June, 1994 Deloitte & Touche, SCC independent certified public accountants, represented by Mr. Roger Verstraelen, are the auditors for BTMB and audited BTMB's accounts without qualification, in accordance with generally accepted auditing standards in the Kingdom of Belgium for each of the financial periods ended 31st December, 1994, and 1995, respectively.

The auditors of MBEFIN are KPMG Accountants N.V., chartered accountants, who have audited MBEFIN's accounts, without qualification, in accordance with generally accepted auditing standards in The Netherlands for each of the financial periods ended 31st December 1992, 1993 and 1994, respectively.

The auditors of MBD are Arthur Andersen & Co. GmbH, certified public accountants, who have audited MBD's accounts, without qualification, in accordance with generally accepted auditing standards in Germany for each of the financial periods ended 31st December, 1993, 1994 and 1995, respectively.

The auditors of MFHK are Deloitte Touche Tohmatsu, certified public accountants, who have audited MFHK's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for each of the financial periods ended 31st December, 1993, 1994 and 1995, respectively. Deloitte Touche Tohmatsu are the auditors of TMIHK.

The auditors of BOTI are KPMG Peat Marwick, certified public accountants, who have audited BOTI's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for each of the financial periods ended 31st December, 1993, 1994 and 1995, respectively.

Deloitte & Touche have given and have not withdrawn their written consent to the issue of these Listing Particulars with their report in relation to BTMB, included in the form and context in which their report appears and have authorised the contents of that part of the listing particulars containing its report for the purposes of section 152(1)(e) of the FSA. (Deloitte & Touche changed their name from Tinnemans Pourbaix Vaes & Co on 1st September, 1995).

Each of KPMG Peat Marwick and Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of these Listing Particulars with the inclusion of its report in the relation to BOTI and MFHK respectively, included in the form and the context in which the report appears and has authorised the contents of that part of the listing particulars containing its report for the purposes of Section 152(1)(e) of the FSA.

The above written consents of each of KPMG Peat Marwick and Deloitte Touche Tohmatsu had not, prior to delivery of a copy of this Supplemental Offering Circular to the Registrar of Companies in Hong Kong for registration, been withdrawn.

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## Responsibility

These Listing Particulars:

- (i) with the exception of the information contained in the sections entitled Mitsubishi Bank (Europe) S.A., MBE Finance N.V., Mitsubishi Bank (Deutschland) GmbH and Mitsubishi Finance (Hong Kong) Limited on pages 47 to 73 of the Offering Circular and the sections entitled Bank of Tokyo-Mitsubishi (Belgium) S.A., MBE Finance N.V., Mitsubishi Bank (Deutschland) GmbH and Tokyo-Mitsubishi International (HK) Limited of this Supplemental Offering Circular on pages 4 to 36, comprises listing particulars in relation to TMI, and
- (ii) with the exception of the information contained in the sections entitled Mitsubishi Finance International plc, MBE Finance N.V., Mitsubishi Bank (Deutschland) GmbH and Mitsubishi Finance (Hong Kong) Limited on pages 45 to 46 and pages 68 to 73 of the Offering Circular and the sections entitled Tokyo-Mitsubishi International plc, MBE Finance N.V., Mitsubishi Bank (Deutschland) GmbH and Tokyo-Mitsubishi International (HK) Limited on pages 2 to 4 and 6 to 36 of this Supplemental Offering Circular comprises listing particulars in relation to BTMB, and
- (iii) with the exception of the information contained in the sections entitled Mitsubishi Finance International plc, Mitsubishi Bank (Europe) S.A., Mitsubishi Bank (Deutschland) GmbH and Mitsubishi Finance (Hong Kong) Limited on pages 45 to 67 and pages 70 to 73 of the Offering Circular and the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., Mitsubishi Bank (Deutschland) GmbH and Tokyo-Mitsubishi International (HK) Limited on pages 2 to 5 and 7 to 36 of this Supplemental Offering Circular comprises listing particulars in relation to MBEFIN, and
- (iv) with the exception of the information contained in the sections entitled Mitsubishi Finance International plc, Mitsubishi Bank (Europe) S.A., MBE Finance N.V., and Mitsubishi Finance (Hong Kong) Limited on pages 45 to 69 and pages 72 to 73 of the Offering Circular and the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., MBE Finance N.V., and Tokyo-Mitsubishi International (HK) Limited on pages 2 to 6 and 7 to 36 of this Supplemental Offering Circular comprises listing particulars in relation to MBD, and
- (v) with the exception of the information contained in the sections entitled Mitsubishi Finance International plc, Mitsubishi Bank (Europe) S.A., MBE Finance N.V., and Mitsubishi Bank (Deutschland) GmbH on pages 45 to 71 of the Offering Circular and the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., MBE Finance N.V., and Mitsubishi Bank (Deutschland) GmbH on pages 2 to 7 of this Supplemental Offering Circular comprises listing particulars in relation to TMIHK,

given in compliance with the listing rules made under section 142 of the Financial Services Act 1986 by the London Stock Exchange for the purpose of giving information with regard to TMI, BTMB, MBEFIN, MBD, TMIHK and the Notes. Accordingly, each Issuer accepts responsibility for the information contained in its listing particulars.

To the best of the knowledge and belief of each Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in its listing particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

## Hong Kong Compliance

A copy of this Supplemental Offering Circular has been delivered to the Registrar of Companies in Hong Kong together with copies of the Fourth Supplemental Trust Deed, the Supplemental Agency Agreement, the Keep Well Agreement, the audited financial statements of BOTI and MFHK incorporated herein and the consent letters of KPMG Peat Marwick and Deloitte Touche Tohmatsu.

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A Certificate of Exemption in relation to this Supplemental Offering Circular has been granted by the Securities and Futures Commission in Hong Kong pursuant to Section 38A of the Companies Ordinance (Cap. 32) of Hong Kong.

**Miscellaneous**

Since the date of the Offering Circular Merrill Lynch International Limited has changed its name to Merrill Lynch International and ABN AMRO Bank N.V. has changed its advertising name to ABN AMRO Hoare Govett. Accordingly, all references to Merrill Lynch International Limited in the Offering Circular should be read as references to Merrill Lynch International and all references to ABN AMRO Bank N.V. on the cover page and page one of the Principal Offering Circular and page one of the Supplementary Listing Particulars should be read as references to ABN AMRO Hoare Govett.

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**REGISTERED AND HEAD OFFICES OF**

**THE ISSUERS**

**Tokyo-Mitsubishi International plc**  
6 Broadgate  
London EC2M 2AA  
England

**MBE Finance N.V.**  
Hoekenrode 6  
NL-1000 BL Amsterdam  
The Netherlands

**Bank of Tokyo-Mitsubishi (Belgium) S.A.**  
Avenue des Arts 58, Bte.1  
B-1000 Brussels  
Belgium

**Mitsubishi Bank (Deutschland) GmbH**  
Neue Mainzer Strasse 75  
60311 Frankfurt am Main  
Germany

**Tokyo-Mitsubishi International (HK) Limited**  
16th Floor  
Tower 1  
Admiralty Centre  
18 Harcourt Road  
Central  
Hong Kong

**THE GUARANTOR**

*in respect of Notes issued by MBEFIN*

**Bank of Tokyo-Mitsubishi (Belgium) S.A.**  
Avenue des Arts 58, Bte.1  
B-1000 Brussels  
Belgium

**THE PARENT**

**The Bank of Tokyo-Mitsubishi, Ltd.**  
7-1, Marunouchi 2-chome  
Chiyoda-ku  
Tokyo 100  
Japan

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## PAYING AGENTS AND TRANSFER AGENTS

**Chase Manhattan Bank Luxembourg S.A.**  
5 Rue Plaetis  
L-2338 Luxembourg-Grund

**The Bank of Tokyo-Mitsubishi, Ltd.**  
**London Branch**  
12-15 Finsbury Circus  
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**Mitsubishi Bank (Deutschland) GmbH**  
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**Bank of Tokyo-Mitsubishi (Switzerland) Ltd.**  
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8023 Zurich  
Switzerland

## REGISTRARS

**Tokyo-Mitsubishi International plc**  
6 Broadgate  
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*In respect of Registered Notes issued by BTMB*  
**Bank of Tokyo-Mitsubishi (Belgium) S.A.**  
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Belgium

## INDEPENDENT PUBLIC ACCOUNTANTS

*To Tokyo-Mitsubishi International plc*  
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*To MBE Finance N.V.*  
**KPMG Accountants N.V.**  
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*To Tokyo-Mitsubishi International (HK) Limited*  
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26th Floor, Wing on Centre  
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*To Bank of Tokyo-Mitsubishi (Belgium) S.A.*  
**Deloitte & Touche**  
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*To Mitsubishi Bank (Deutschland) GmbH*  
**Arthur Andersen**  
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*To the Parent*  
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MS Shibaura Building  
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Minato-ku  
Tokyo 108  
Japan

## LONDON LISTING AGENT

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