

SEPARATOR SHEET

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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)***BTM Finance (Holland) N.V.***(Incorporated with limited liability in The Netherlands)***◎ Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft***(Incorporated with limited liability in Germany)***◎ Tokyo-Mitsubishi International (HK) Limited***(Incorporated with limited liability in Hong Kong)***U.S.\$4,000,000,000****Euro Medium Term Note Programme**

Under this Euro Medium Term Note Programme (the "Programme"), each of Tokyo-Mitsubishi International plc ("TMI"), Bank of Tokyo-Mitsubishi (Belgium) S.A. ("BTMB"), BTM Finance (Holland) N.V. ("BTMH"), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") and Tokyo-Mitsubishi International (HK) Limited ("TMIHK") (each an "Issuer" and together the "Issuers") may from time to time issue in one or more Tranches (as defined on page 22) notes in bearer form ("Bearer Notes") or registered form (the "Registered Notes") (together, the "Notes") denominated in any currency (including ECU) agreed by the Issuer of such Notes (the "relevant Issuer") and the relevant Dealer(s) (as defined below). Notes will be issued on an unsubordinated basis except that TMI may also issue Notes on a subordinated basis.

The Notes will not be guaranteed by The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). Payment of all amounts due in respect of Notes issued by BTMH will be unconditionally and irrevocably guaranteed by BTMB (in this capacity, the "Guarantor") and TMI, BTMB, BTMD and TMIHK will have the benefit of a Keep Well Agreement (the "Keep Well Agreement") between the Parent and TMI, BTMB, BTMD and TMIHK, as more fully described herein under "Relationship of the Issuers and the Guarantor with the Parent" on page 65. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as provided herein. A description of the restrictions applicable at the date of this Offering Circular relating to the maturity of certain Notes is set out on page 9.

The Notes will be issued on a continuing basis to one or more of the Dealers specified on page 8 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers").

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 Offering Circular to be admitted to the Official List of the London Stock Exchange (the "Official List"). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, the issue date and maturity date of, and any other terms and conditions not contained herein which are applicable to, each Tranche of Notes will be set forth in a pricing supplement (the "Pricing Supplement") applicable to such Tranche which, with respect to Notes to be admitted to the Official List ("Listed Notes") will be delivered to the London Stock Exchange on or before the date of issue of the Notes of such Tranche. Copies of this Offering Circular, which comprises listing particulars (the "Listing Particulars") in relation to Notes issued under the Programme during the period of twelve months from the date of this Offering Circular, approved as such by the London Stock Exchange pursuant to the Financial Services Act 1986 (the "FSA"), have been delivered for registration to the Registrar of Companies in England and Wales. Copies of each Pricing Supplement (in the case of Listed Notes) will be available from Extel Information Centre, operated by FT Information Limited at 15 Clare Street, London EC2A 4LJ, and will be available for inspection at the registered office of The Law Debenture Trust Corporation p.l.c. as trustee under the Programme (the "Trustee") and at the specified office of each of the Paying Agents (as defined below).

A copy of this 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 Offering Circular.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s). Each Issuer may also issue unlisted Notes.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"), will be represented by a permanent global note in registered form, without interest coupons (a "Reg. S Global Note"), deposited with a custodian for, and registered in the name of a nominee of, a common depository for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear") and Cedel Bank, société anonyme ("Cedel Bank") for the accounts of their respective participants. Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue (the "Restricted Period"), beneficial interests in the Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S) and may not be held otherwise than through Euroclear and Cedel Bank. The Registered Notes of each Tranche of such Series sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs") will be represented by a restricted permanent global note in registered form, without interest coupons (a "Restricted Global Note"), and, together with a Reg. S Global Note, "Registered Global Notes", deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC"). The Registered Notes of each Tranche of such Series sold to "accredited investors" (as defined in Rule 501(a) (1), (2) or (3) under the Securities Act) which are institutions ("Institutional Accredited Investors") will be in definitive form, registered in the name of the holder thereof. Registered Notes in definitive form will be issued in exchange for interests in the Registered Global Notes upon compliance with the procedures for exchange as described in "Form of the Notes" on page 13 in the circumstances described in the relevant Pricing Supplement. Registered Notes in definitive registered form from the date of issue may also be sold outside the United States in reliance on Regulation S under the Securities Act. Each Tranche of Bearer Notes will initially be represented by a temporary bearer global Note (a "Temporary Bearer Global Note") which will be deposited on the issue date thereof with a common depository on behalf of Euroclear and Cedel Bank. Beneficial interests in a Temporary Bearer Global Note will be exchangeable for either beneficial interests in a permanent bearer global Note (a "Permanent Bearer Global Note") or definitive Bearer Notes upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and thereafter any Permanent Bearer Global Note may be exchanged for definitive Bearer Notes in the circumstances described in the relevant Pricing Supplement, in each case in accordance with the procedures described in "Form of the Notes" on page 13. References to Euroclear, Cedel Bank and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer, the Guarantor (if appropriate), The Chase Manhattan Bank (the "Agent") and the Trustee (including, where the relevant Issuer is BTMB, the clearing system operated by the National Bank of Belgium). For further details of clearing and settlement of the Notes issued under the Programme see "Book-Entry Clearance Procedures" below.

The Programme has been rated Aa2 (in respect of the Unsubordinated Notes) and Aa3 (in respect of the Subordinated Notes) by Moody's Investors Service, Inc.

Each Issuer and the Guarantor may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List only) supplementary listing particulars or further listing particulars, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

This Offering Circular supersedes any previous Offering Circular. Any Note issued under the Programme on or after the date of this Offering Circular is issued subject to the provisions described herein. This does not affect any Notes already in issue.

Arrangers**Tokyo-Mitsubishi International plc****Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft (for DM issues only)****Dealers****ABN AMRO Hoare Govett****Bank of Tokyo-Mitsubishi (Switzerland) Ltd.****Credit Suisse First Boston****Goldman Sachs International****Merrill Lynch International****Paribas****SBC Warburg**A DIVISION OF STATE BANK CORPORATION**Tokyo-Mitsubishi International plc****Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft****Banque Internationale à Luxembourg**Société Anonyme**Deutsche Morgan Grenfell****Lehman Brothers****Morgan Stanley Dean Witter****Salomon Brothers International Limited****Tokyo-Mitsubishi International (HK) Limited****UBS Limited**

This Offering Circular:

- (i) with the exception of the information contained in the sections entitled Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 51 to 59 of this document, comprises listing particulars in relation to TMI, and
- (ii) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, BTM Finance (Holland) N.V., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 49 to 50 and pages 54 to 59 of this document, comprises listing particulars in relation to BTMB, and
- (iii) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 49 to 53 and pages 56 to 59 of this document, comprises listing particulars in relation to BTMH, and
- (iv) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V. and Tokyo-Mitsubishi International (HK) Limited on pages 49 to 55 and pages 58 to 59 of this document, comprises listing particulars in relation to BTMD, and
- (v) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V. and Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft on pages 49 to 57 of this document, 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, BTMH, BTMD, 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.

In connection with the listing of the Notes on the London Stock Exchange, each of the Issuers and the Guarantor confirms that, if at any time after preparation of the Listing Particulars for submission to the London Stock Exchange and before the commencement of dealings in any Notes following their admission to the Official List:

- (a) there is a significant change affecting any matter contained in the Listing Particulars whose inclusion was required by section 146 of the FSA or by the listing rules made by the London Stock Exchange under the FSA (the "Listing Rules") or by the London Stock Exchange; or
- (b) a significant new matter arises, the inclusion in the Listing Particulars of information in respect of which would have been so required if it had arisen when the Listing Particulars were prepared,

each of the Issuers and the Guarantor shall give to TMI in its capacity as listing agent (the "London Listing Agent") for the Listed Notes and each Dealer full information about such change or matter and shall publish such supplementary listing particulars as may be required by the London Stock Exchange (in a form approved by the London Listing Agent), and shall otherwise comply with sections 147 and 149 of the FSA and the Listing Rules in that regard.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" on page 6) provided, however, that such incorporated documents do not form part of the Listing Particulars. This Offering Circular shall, save

as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular but not the Listing Particulars.

Neither the Dealers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuers or the Guarantor. Neither the Dealers nor the Trustee accept any liability in relation to the information contained in this Offering Circular (save for information supplied in writing by the Dealers) or any other information provided by the Issuers or the Guarantor in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by any of the Issuers, the Guarantor or any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor and/or the Parent. Neither this Offering Circular nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuers or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme. Investors should review, *inter alia*, the most recent non-consolidated or consolidated financial statements, if any, of the relevant Issuer and/or the Guarantor and/or the Parent when deciding whether or not to purchase any Notes.

The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Dealers or the Trustee (save for the approval of this Offering Circular as listing particulars by the London Stock Exchange and delivery of copies of this Offering Circular to the Registrar of Companies in England and Wales) which would permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made in compliance with applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, Japan, Germany, Belgium, The Netherlands and Hong Kong (see "Subscription and Sale and Transfer Restrictions" on pages 81 to 86).

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons except to QIBs in accordance with Rule 144A under the Securities Act, or to Institutional Accredited Investors pursuant to an exemption from and in a transaction not subject to the registration requirements of the Securities Act (see "Subscription and Sale and Transfer Restrictions" on pages 81 to 86).

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, each Issuer will furnish upon the request of a holder of a Note and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of such request such Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. None of the Issuers is currently a reporting company under the Exchange Act.

All references in this Offering Circular to "U.S. dollars", "U.S.\$", "\$" and "U.S. cent" refer to the currency of the United States of America, those to "Belgian francs" and "BEF" refer to the currency of the Kingdom of Belgium, those to "Dutch guilders", "Dfl." and "NLG" refer to the currency of The Netherlands, those to "Sterling", "GB£", "GBP" and "£" refer to the currency of the United Kingdom, those to "Deutsche Marks" and "DM" refer to the currency of Germany, those to "Hong Kong dollars" and "HK\$" refer to the currency of Hong Kong, those to "Japanese Yen", "Yen" and "¥" refer to the currency of Japan, those to "ECU" refer to European Currency Units and those to "Swiss francs" refer to the currency of Switzerland.

NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OF QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

IMPORTANT

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

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In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the stabilising manager in the applicable Pricing Supplement may over-allot or effect transactions which stabilise or maintain the market price of the Notes of the Series (as defined in “Terms and Conditions of the Notes”) of which such Tranche forms part at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all relevant laws and regulations.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular (provided, however, that such incorporated documents do not form part of the Listing Particulars):—

- (a) the publicly available audited annual financial statements and the interim financial statements (if any) of each of the Issuers, the Guarantor and the Parent for their most recently completed financial periods; and
- (b) all supplements to this Offering Circular circulated by the Issuers and/or the Guarantor from time to time in accordance with the provisions of the Programme Agreement described in “Subscription and Sale and Transfer Restrictions” on pages 81 to 86 below,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular (but not the Listing Particulars) to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Each of the Issuers, the Guarantor and the Parent will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the oral or written request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written or telephone requests for such documents should be directed to the relevant Issuer, the Guarantor or, as the case may be, the Parent at their respective offices set out at the end of this Offering Circular. In addition, such documents will be available from the principal office in England of the London Listing Agent.

Supplementary Listing Particulars

Each of the Issuers and the Guarantor has undertaken to the Dealers in the Programme Agreement (as defined in “Subscription and Sale and Transfer Restrictions” below) to comply with sections 147 and 149 of the FSA and the Listing Rules in that regard. In the event that supplementary listing particulars are produced pursuant to such undertaking, a copy of such supplementary listing particulars will accompany this Offering Circular.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuers may from time to time issue Notes denominated in any currency (including ECU) other than Japanese Yen and having a minimum maturity of one month, subject as set out herein. A summary of the Programme and the terms and conditions of the Notes appears on pages 8 to 12. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement with respect to a specific Tranche of Notes which will be attached to, or endorsed on, such Notes, as more fully described under "Form of the Notes" on pages 13 to 20.

This Offering Circular and any supplement will only be valid for listing Notes on the London Stock Exchange in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$4,000,000,000 or its equivalent in other currencies, subject to increase as provided in the Programme Agreement (as defined in "Subscription and Sale and Transfer Restrictions" on pages 81 to 86). For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as defined under "Form of the Notes" on pages 13 to 20) shall be determined, at the discretion of the relevant Issuer, either as of the date of agreement to issue such Notes (the "Agreement Date") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Indexed Notes and Partly Paid Notes (each as defined under "Form of the Notes" on pages 13 to 20) shall be calculated in the manner specified above by reference to the original nominal amount of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as defined under "Form of the Notes" on pages 13 to 20) and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this summary.

Issuers:	Tokyo-Mitsubishi International plc Bank of Tokyo-Mitsubishi (Belgium) S.A. BTM Finance (Holland) N.V. Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft Tokyo-Mitsubishi International (HK) Limited
Guarantor:	Bank of Tokyo-Mitsubishi (Belgium) S.A. (for Notes issued by BTM Finance (Holland) N.V. only)
Description:	Euro Medium Term Note Programme
Arrangers:	Tokyo-Mitsubishi International plc Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft (for issues of Deutsche Mark denominated Notes only)
Dealers:	ABN AMRO Bank N.V. Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft Bank of Tokyo-Mitsubishi (Switzerland) Ltd. Banque Internationale à Luxembourg S.A. Banque Paribas Credit Suisse First Boston (Europe) Limited Deutsche Bank AG London Goldman Sachs International Lehman Brothers International (Europe) Merrill Lynch International Morgan Stanley & Co. International Limited Salomon Brothers International Limited Swiss Bank Corporation Tokyo-Mitsubishi International (HK) Limited Tokyo-Mitsubishi International plc UBS Limited

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale and Transfer Restrictions" on pages 81 to 86).

Each issue of Notes denominated in Deutsche Marks will take place only in compliance with the guidelines for the time being in effect of the German Central Bank regarding the issue of DM-denominated debt securities. Under current guidelines only credit institutions domiciled in Germany or German branches of foreign credit institutions, can act as a Dealer in relation to such Notes except in the case of an issue of DM-denominated Notes on a syndicated basis (which need only be lead managed by a credit institution domiciled in Germany or a German branch of a foreign credit institution).

Issues of Notes denominated in Swiss Francs or carrying a Swiss Franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal

Banking Commission on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) ("the Swiss Dealer") or a securities dealer licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

Issues of Notes denominated in Sterling shall comply with all applicable laws and regulations (as amended from time to time) of the United Kingdom authorities. See the last paragraph of "Form of the Notes" and "Banking Act 1987 (Exempt Transactions) Regulations 1997" under "General Information".

Trustee:	The Law Debenture Trust Corporation p.l.c.
Issuing and Principal Paying Agent:	The Chase Manhattan Bank
Size:	Up to U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described on page 7) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	<p>Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the relevant Issuer and the relevant Dealer(s), including, without limitation, Australian dollars, Austrian schillings, Canadian dollars, Danish kroner, Deutsche Marks, Dutch guilders, ECU, Hong Kong dollars, Italian lire, Indonesian rupiah, Luxembourg francs, New Zealand dollars, Portuguese escudos, Sterling, Swiss francs, Thai bahts, and U.S. dollars (as indicated in the applicable Pricing Supplement).</p> <p>The Issuers intend to use the Programme to issue Notes denominated in various Asian currencies, in addition to Hong Kong dollars, Indonesian rupiah and Thai bahts as referred to in the previous paragraph, and will seek the agreement of the relevant Dealer(s) to do so as and when a suitable investment opportunity arises and in circumstances where applicable legal and/or regulatory requirements, which are satisfactory to the relevant Issuer, the relevant Dealer(s) and the Trustee, exist to permit such issue.</p>
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. At the date of this Offering Circular, the minimum maturity of all Notes other than Subordinated Notes is one month except in the case of Notes denominated in Deutsche Marks (including Notes denominated in another currency with interest or redemption payments in Deutsche Marks) where the minimum maturity is two years, provided, however, that no minimum maturity requirement applies to Notes denominated in Deutsche Marks which are issued by BTMD. The minimum maturity of Subordinated Notes is two years.

Issue Price:	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Notes will be issued in bearer form or registered form as described in "Form of the Notes" below.
Fixed Rate Notes:	<p>Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement) and on redemption.</p> <p>Interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each (or such other basis as may be agreed as indicated in the applicable Pricing Supplement).</p>
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 1991 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series (the "ISDA Definitions")) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p>
Interest Periods and Interest Payment Dates for Floating Rate Notes:	Such period(s) and date(s) as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement).
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement).
Indexed Notes:	Payments in respect of interest on Indexed Interest Notes or in respect of principal in respect of Indexed Redemption Amount Notes will be calculated by reference to such index and/or formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement). BTMD will not issue Indexed Notes, except in compliance with §3 of the German Currency Act (Währungsgesetz). Indexed Notes denominated in Deutsche Marks issued by the other Issuers will be made in compliance with the applicable policy, rules and regulations (if any) of the German Central Bank regarding the indexation of DM-denominated debt obligations of non-German issuers.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The Pricing Supplement relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be

redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Pricing Supplement) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement. Under applicable laws and regulations at the date of this Offering Circular, Notes denominated in Deutsche Marks may not be redeemed (other than for taxation reasons or following an Event of Default) prior to two years from the relevant Issue Date, subject however, to the statement in relation to BTMD made above under "Maturities".

Subordinated Notes may not be redeemed prior to their stated Maturity Date without the prior written consent of The Securities and Futures Authority Limited (the "SFA").

The Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement provided that, in the case of Subordinated Notes repayable in two or more instalments, the first instalment shall be payable no earlier than two years from their date of issue.

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The minimum denomination of each Note sold, resold or transferred to an Institutional Accredited Investor will be U.S.\$100,000 or its equivalent in other specified currencies.

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within, in the case of TMI, the United Kingdom, in the case of BTMB or the Guarantor, the Kingdom of Belgium, in the case of BTMH, The Netherlands, in the case of BTMD, Germany, or, in the case of TMIHK, Hong Kong, subject as provided in Condition 8.

Negative Pledge: None.

Cross Default: The terms and conditions of the Unsubordinated Notes will contain a cross-default provision in respect of the relevant Issuer and the Guarantor (where relevant) relating to Financial Indebtedness (as therein defined) having an aggregate nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency) as further described in Condition 10.

Status of the Unsubordinated Notes: The Unsubordinated Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* and rateably without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer from time to time outstanding.

Status of the Subordinated Notes (TMI only): Notes will be issued on an unsubordinated basis except that TMI may also issue Notes on a subordinated basis. The Subordinated Notes will constitute Subordinated Liabilities (as defined in Condition 2(b)) and rank *pari passu* without any preference among themselves. The rights of the holders of Subordinated Notes will be subordinated to the Senior Liabilities, all as more fully described in Condition 2(b).

Limited Rights of Acceleration in respect of Subordinated Notes:	The Trustee may only accelerate the Subordinated Notes if an effective resolution is passed or an order of a court of competent jurisdiction is made for the Insolvency (as defined in Condition 2(b)) of the Issuer.
Keep Well Agreement:	Notes issued by TMI, BTMB, BTMD and TMIHK will have the benefit of the Keep Well Agreement between the Parent and TMI, BTMB, BTMD and TMIHK, as more fully described herein under "Relationship of the Issuers and the Guarantor with the Parent" on pages 65 to 68.
Guarantee:	The Notes issued by BTMH will be unconditionally and irrevocably guaranteed by the Guarantor in the trust deed constituting the Notes (the "Guarantee"). The obligations of the Guarantor under the Guarantee will be direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (subject as aforesaid and to such exceptions as from time to time exist under applicable law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.
Rating:	The Programme has been rated Aa2 (in respect of the Unsubordinated Notes) and Aa3 (in respect of the Subordinated Notes) by Moody's Investors Service, Inc. ("Moody's").
Listing:	Application has been made to list the Notes on the London Stock Exchange. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued. The Pricing Supplement relating to each issue will state whether or not and, if so, on which stock exchange(s) the relevant Notes are to be listed.
Governing Law:	The Notes will be governed by, and construed in accordance with, English law.
Selling Restrictions:	There are selling restrictions in relation to the United States, the United Kingdom, Japan, Germany, Belgium, The Netherlands and Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale and Transfer Restrictions" on pages 81 to 86.

FORM OF THE NOTES

The Notes of each Tranche will be either in bearer form and/or in registered form.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S ("Reg. S"), which will be sold to non-U.S. persons outside the United States, will be represented by a Reg. S Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, a common depositary for Euroclear and Cedel Bank for the accounts of their respective participants. Prior to expiry of the Restricted Period applicable to each Tranche of Notes, beneficial interests in a Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 11 and may not be held otherwise than through Euroclear or Cedel Bank and such Reg. S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes of each Tranche of a particular Series may only be offered and sold in the United States or to U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs in reliance on Rule 144A under the Securities Act will be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, The Depositary Trust Company ("DTC").

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, in the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. The Restricted Global Note and the Registered Notes in definitive form issued to Institutional Accredited Investors will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions. Registered Notes will not be exchangeable for Bearer Notes.

Registered Notes in definitive form may also be sold outside the United States in reliance on Regulation S under the Securities Act.

Payments of the principal of, and interest (if any) on, the Registered Global Notes will be made to the nominee of DTC and/or of Euroclear and/or Cedel Bank as the registered holders of the Registered Global Notes. None of the Issuer, the Trustee, the Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal on the Registered Notes will be made to the persons shown on the Register at the close of business on the business day immediately prior to the relevant payment date. Payments of interest on the Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the Record Date (as defined in Condition 6(b)) immediately preceding such payment date.

Each Tranche of Bearer Notes will be initially represented by a Temporary Bearer Global Note (without receipts, interest coupons or talons) which, unless otherwise agreed between the Issuer and the relevant Dealer, will be delivered to a common depositary for Euroclear and Cedel Bank. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owner of such Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Cedel Bank, as applicable, and Euroclear and/or Cedel Bank, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the "Exchange Date") which is the later of (i) 40 days after the date on which a Temporary Bearer Global Note is issued and (ii) expiry of the applicable Restricted Period, interests in the Temporary Bearer Global Note will be exchangeable (free of charge) upon a request by Euroclear and/or

Cedel Bank acting on the instruction of the holders of interests in the Temporary Bearer Global Note either for interests in a Permanent Bearer Global Note (without receipts, interest coupons or talons) or for security printed definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case against certification of beneficial ownership as described above and in accordance with the terms of the Temporary Bearer Global Note unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date.

Payments of principal and interest (if any) on a Permanent Bearer Global Note will be made through Euroclear and/or Cedel Bank against presentation or (as the case may be) surrender of the Permanent Bearer Global Note without any requirement for certification as regards U.S. persons (save for any certification in respect of applicable tax obligations). A Permanent Bearer Global Note will (save as otherwise indicated in the applicable Pricing Supplement) be exchangeable (free of charge), in whole but not in part, for definitive Notes (with, where applicable, receipts, interest coupons and talons attached) either (as specified in the applicable Pricing Supplement) (A) in the following limited circumstances: (1) if the Permanent Bearer Global Note is held on behalf of Euroclear or Cedel Bank or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system acceptable to the Trustee is available, (2) if an Event of Default (as defined in Condition 10) occurs in relation to the Notes represented by a Permanent Bearer Global Note or (3) if the Trustee is satisfied that the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer or, where the Issuer is BTMH, the Guarantor which would not be suffered were the Notes in definitive form or (B) at the request of the holder upon not less than 60 days' written notice to the Agent. In such circumstances the relevant Issuer will (1) within 60 days of the occurrence of the relevant event in (A)(1), (2) or (3) above or (2) at the expiry of the written notice specified in (B) above issue definitive Bearer Notes in exchange for the entire Permanent Bearer Global Note.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned (where applicable) a CUSIP number, and, in the case of Bearer Notes and Reg. S Notes (as defined in the Conditions), CINS number, common code and ISIN which are different from the CUSIP number, CINS number, common code and ISIN assigned to Notes of any other Tranche of the same Series until at least expiry of the Restricted Period applicable to such Tranche. The end of such period and, as the case may be, the CUSIP number, CINS number, common code and ISIN thereafter applicable to the Notes of the relevant Series will be notified by the Agent to the Relevant Dealer.

All global Notes and definitive Notes will be issued pursuant to the Trust Deed and the Agency Agreement.

For so long as any of the Notes is represented by a bearer global Note deposited with, or a Reg. S Global Note registered in the name of a nominee of, a common depositary for Euroclear and Cedel Bank or so long as DTC or its nominee is the registered holder of a Restricted Global Note, each person who is for the time being shown in the records of Euroclear or of Cedel Bank or, as the case may be, DTC as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear, Cedel Bank or DTC or its nominee as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose such common depositary or its nominee or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Cedel Bank, in each case, to the extent applicable.

The following legend will appear on all bearer global Notes, definitive Bearer Notes, receipts, interest coupons and talons:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

References to Euroclear, Cedel Bank and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Guarantor (if appropriate), the Agent and the Trustee (including, where the relevant Issuer is BTMB, the clearing system operated by the National Bank of Belgium).

The Pricing Supplement relating to each Tranche of Notes will contain such of the following information as is applicable in respect of such Notes (all references to numbered Conditions being to the terms and conditions of the Notes):

(A) In Part A of the Pricing Supplement:

- (i) the identity of the Issuer of the Notes;
- (ii) the Series number;
- (iii) whether such Notes are Bearer Notes, Registered Notes, Reg. S Notes and/or Restricted Notes;
- (iv) the currency (which expression shall include ECU) in which the Notes are denominated and, in the case of Dual Currency Notes (as defined below), the currency or currencies in which payment of interest and repayment or redemption in respect of the Notes is to be made (each a “Specified Currency”);
- (v) the aggregate nominal amount of the Notes to be issued;
- (vi) whether the Notes are to be issued on a subordinated basis (“Subordinated Notes”) (in the case of TMI only) or on an unsubordinated basis (“Unsubordinated Notes”);
- (vii) the interest and/or payment basis (the “Interest/Payment Basis”) of the Notes, which may be one or more of the following:
 - (a) Notes bearing interest on a fixed rate basis (“Fixed Rate Notes”);
 - (b) Notes bearing interest on a floating rate basis (“Floating Rate Notes”);
 - (c) Notes issued on a non-interest bearing basis (“Zero Coupon Notes”);
 - (d) Notes in respect of which principal (“Indexed Redemption Amount Notes”) and/or interest (“Indexed Interest Notes”) is calculated by reference to an index and/or a formula (generically, “Indexed Notes”);
 - (e) Notes in respect of which principal and/or interest is or may be payable in one or more Specified Currencies other than the Specified Currency in which they are denominated (“Dual Currency Notes”); or
 - (f) Notes which are to be issued on a partly paid basis (“Partly Paid Notes”);
- (viii) if the Notes are not to, or may not, have a single specified Interest/Payment Basis, the date(s) from (and including) to (but excluding) which such Notes will have or may have each specified Interest/Payment Basis and if the relevant Issuer and/or the Noteholders are to have the option to convert the Interest/Payment Basis the date(s) upon which such option(s) may be exercised and all other relevant details;

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- (ix) the date on which the Notes will be issued (the "Issue Date");
 - (x) the denomination(s) of the Notes (each a "Specified Denomination");
 - (xi) the price (generally expressed as a percentage of the nominal amount of the Notes) at which the Notes will be issued (the "Issue Price");
 - (xii) in the case of Partly Paid Notes, the amount of each payment comprising the Issue Price, the date on which each payment is to be made and the consequence (if any) of failure to make any such payment;
 - (xiii) in the case of interest-bearing Notes, the date from which such Notes bear interest (the "Interest Commencement Date") which may not be the Issue Date;
 - (xiv) in the case of Notes other than Floating Rate Notes, the date on which such Notes (unless previously redeemed or purchased and cancelled) will be redeemed (the "Maturity Date");
 - (xv) in the case of Floating Rate Notes, the month and year in which such Notes (unless previously redeemed or purchased and cancelled) will be redeemed (the "Redemption Month");
 - (xvi) the amount at which each Note (including Notes redeemable in instalments ("Instalment Notes")) will be redeemed under (xiv) or (xv) above (the "Final Redemption Amount"), generally expressed as a percentage of the nominal amount of the Notes and/or, in the case of Indexed Redemption Amount Notes or Dual Currency Notes, as specified in accordance with (xxii) or (xxiii) below;
 - (xvii) in the case of Instalment Notes:
 - (a) the date on which each instalment is payable (each an "Instalment Date"); and
 - (b) the amount, generally expressed as a percentage of the nominal amount of the Notes, of each such instalment (each an "Instalment Amount", the final such Instalment Amount being the Final Redemption Amount);
 - (xviii) in the case of Fixed Rate Notes:
 - (a) the rate, generally expressed as a percentage rate per annum, at which the Notes bear interest (the "Fixed Rate of Interest"), which may remain the same throughout the life of the Notes or increase and/or decrease;
 - (b) the date(s) in each year on which interest is payable throughout the life of the Notes (each a "Fixed Interest Date"), and whether such date(s) will be subject to a business day convention in accordance with (xx) below;
 - (c) where the period from (and including) the Interest Commencement Date to (but excluding) the first Fixed Interest Date differs from the period between subsequent Fixed Interest Dates, the amount of the first payment of interest (the "Initial Broken Amount"); and
 - (d) where the Maturity Date is not a Fixed Interest Date, the amount of the final payment of interest (the "Final Broken Amount");
 - (xix) in the case of Floating Rate Notes, unless otherwise specified:
 - (a) (1) the Interest Payment Date(s) in each year (each an "Interest Payment Date") and whether such Interest Payment Date(s) will be subject to a business day convention in accordance with (xx) below; or
 - (2) if no express Interest Payment Date(s) is/are specified the number of months or other period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) that and each successive Interest Payment Date thereafter to (but excluding) the next following Interest Payment Date
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- (each an "Interest Period"), which may or may not be the same number of months or other period throughout the life of the Notes;
- (b) the manner in which the rate of interest (the "Rate of Interest") is to be determined, including:
- (1) where the Rate of Interest is to be determined by reference to the ISDA Definitions (as defined in Condition 5(b)(i) and described in Condition 5(b)(iii)) ("ISDA Determination"):
 - (A) the margin, if any, (the "Margin") (which Margin may remain the same throughout the life of the Notes or increase and/or decrease) specifying whether any such Margin is to be added to, or subtracted from, the relevant ISDA Rate (as defined in Condition 5(b)(iii));
 - (B) the "Floating Rate Option";
 - (C) the "Designated Maturity"; and
 - (D) the "Reset Date(s)" if other than as provided in Condition 5(b)(iii)(C); or
 - (2) where the Rate of Interest is to be calculated otherwise than by reference to the ISDA Definitions ("Screen Rate Determination"):
 - (A) the reference rate (the "Reference Rate") by which the Rate of Interest is to be determined (the Reference Rate should also include the relevant period by reference to which the Rate of Interest is to be calculated; e.g. three month Sterling LIBOR);
 - (B) the Margin, if any, (which Margin may remain the same throughout the life of the Notes or increase and/or decrease) specifying whether any such Margin is to be added to, or subtracted from, the Reference Rate;
 - (C) the dates on which such Rate of Interest is to be determined (each an "Interest Determination Date"); and
 - (D) the page (the "Relevant Screen Page"), whatever its designation, on which the Reference Rate is for the time being displayed on the Reuter Monitor Money Rates Service or the appropriate Associated Press – Dow Jones Telerate Service (or such other service as may be designated in the applicable Pricing Supplement); or
 - (3) where the Rate of Interest is to be calculated otherwise than by reference to (1) or (2) above, details of the basis for determination of the Rate of Interest, any relevant Margin and any fall-back provisions;
- (c) if different from the Agent, the party responsible for calculating the Rate of Interest and Interest Amount in respect of any Notes;
- (d) the minimum Rate of Interest, if any, at which the Notes will bear interest, which may remain the same throughout the life of the Notes or increase and/or decrease;
- (e) the maximum Rate of Interest, if any, at which the Notes will bear interest, which may remain the same throughout the life of the Notes or increase and/or decrease;
- (f) any Additional Business Centre required pursuant to Condition 5(b)(i);
- (g) the applicable definition of "Business Day" for the purposes of Condition 5 (if different from that set out in Condition 5(b)(i)); and
- (h) the denominator to be used in the calculation of the Interest Amount payable in respect of the Notes (if different from that set out in Condition 5(b)(vi));
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- (xx) if any date is to be subject to a business day convention, such business day convention may be:
- (a) the Floating Rate Convention;
 - (b) the Following Business Day Convention;
 - (c) the Modified Following Business Day Convention;
 - (d) the Preceding Business Day Convention,
- each as described in Condition 5(f), and whether or not such business day convention is to be applied on an "unadjusted" basis (as so described); or
- (e) as otherwise specified;
- (xxi) in the case of Zero Coupon Notes:
- (a) the accrual yield in respect of such Notes (the "Accrual Yield") expressed as a percentage rate per annum;
 - (b) the reference price attributed to the Notes on issue (the "Reference Price"); and
 - (c) any other formula or basis of determining the Amortised Face Amount,
- (in each case for the purposes of Condition 7(e)(iii));
- (xxii) in the case of Indexed Notes:
- (a) the index (the "Index") to which amounts payable in respect of principal and/or interest are linked and/or the formula (the "Formula") to be used in determining the amounts of principal and/or interest due and the provisions regarding calculation of principal and/or interest in circumstances where such calculation by reference to the Index and/or the Formula is impossible and/or impracticable; and
 - (b) the calculation agent responsible for calculating the amount of principal and/or interest due;
- (xxiii) in the case of Dual Currency Notes:
- (a) the exchange rate or basis of calculating the exchange rate to be used in determining the amounts of principal and/or interest payable in the Specified Currencies (the "Rate of Exchange") and the provisions regarding calculation of principal and/or interest in circumstances where such calculation by reference to the Rate of Exchange is impossible and/or impracticable;
 - (b) the calculation agent, if any, responsible for calculating the amount of principal and/or interest payable in the Specified Currencies; and
 - (c) the person at whose option any Specified Currency or Currencies is or are to be payable;
- (xxiv) whether the Notes are to be redeemable at the option of the relevant Issuer (other than for taxation reasons) and/or, in the case of Unsubordinated Notes and Subordinated Notes with a maturity of less than five years only, the Noteholders and, if so:
- (a) each date upon which redemption may occur (each an "Optional Redemption Date");
 - (b) each redemption amount for the Notes (each an "Optional Redemption Amount") and/or the method, if any, of calculating the same; and
 - (c) in the case of Notes redeemable by the relevant Issuer in part, the minimum nominal amount of the Notes permitted to be so redeemed at any time (the "Minimum Redemption
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Amount”) and any greater nominal amount of the Notes permitted to be so redeemed at any time (each a “Higher Redemption Amount”), if any;

- (xxv) the redemption amount (the “Early Redemption Amount”) in respect of the Notes payable on redemption for taxation reasons or following an Event of Default and/or the method, if any, of calculating the same if required to be specified by, or if different from that set out in, Condition 7(e);
- (xxvi) in the case of Bearer Notes, whether talons for future receipts or interest coupons are to be attached to definitive Bearer Notes on issue and, if so, the date on which such talons mature;
- (xxvii) details of any other relevant terms of such Notes or special conditions and of any modifications to the terms and conditions of the Notes not inconsistent with the provisions of the Trust Deed;
- (xxviii) the applicable definition of “Payment Day” (for the purpose of Condition 6) if different from that set out in Condition 6(d);
- (xxix) details of any additional or alternative clearance system approved by the relevant Issuer, the Agent and the Trustee;
- (xxx) whether or not the Notes are to be listed on the London Stock Exchange or any other stock exchange;
- (xxxi) in the case of Bearer Notes, whether interests in the Temporary Bearer Global Note can be exchanged either for interests in a Permanent Bearer Global Note and/or, as the case may be, for definitive Bearer Notes and, in the case of an exchange from the Temporary Bearer Global Note for definitive Bearer Notes, the notice period required therefor and in the case of Registered Notes, whether the Notes are Restricted Notes and/or Reg. S Notes and whether the Notes are to be represented on issue by a Restricted Global Note and/or a Reg. S Global Note or by Definitive Registered Notes;
- (xxxii) in the case of Bearer Notes, in what circumstances interests in the Permanent Bearer Global Note are exchangeable for definitive Bearer Notes, being either (A) in the following limited circumstances: (1) if the Permanent Bearer Global Note is held on behalf of Euroclear or Cedel Bank or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system acceptable to the Trustee is available, (2) if an Event of Default (as defined in Condition 10) occurs in relation to the Notes represented by a Permanent Bearer Global Note or (3) if the Trustee is satisfied that the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer or, where the Issuer is BTMH, the Guarantor which would not be suffered were the Notes in definitive form, or (B) at the request of the holder upon not less than 60 days written notice to the Agent and, in the case of Registered Notes, in what circumstances interests in the Restricted Global Note and/or Reg. S Global Note are exchangeable for definitive Registered Notes being either (A) in the following limited circumstances: (1) if Euroclear and/or Cedel Bank or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such Registered Global Note, (2) if applicable, DTC ceases to be a “Clearing Agency” registered under the Securities Exchange Act of 1934 or either Euroclear or Cedel Bank is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so and no alternative clearance system acceptable to the Trustee is available, (3) if an Event of Default (as defined in Condition 10) occurs in relation to the Notes represented by such Registered Global Note, (4) if the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, or (5) if the Trustee is satisfied that the relevant issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or

otherwise) of any jurisdiction of such Issuer, or where the Issuer is BTMH, the Guarantor which would not be suffered were the Notes in definitive form, or (B) at the request of the holder upon not less than 60 days written notice to the Agent; and

(xxxiii) in the case of Registered Notes, the name(s) and specified office(s) of the Registrar(s).

(B) In Part B of the Pricing Supplement:

- (i) any additional selling restrictions which are required;
- (ii) the name of the stabilising manager (if any);
- (iii) the method of distribution of the Notes (syndicated or non-syndicated) including, if syndicated, the names of the managers and, if non-syndicated, the names of the Dealers;
- (iv) (as applicable) the relevant Euroclear and Cedel Bank common code and the relevant ISIN and the relevant CUSIP and CINS numbers; and
- (v) the rating, if any, given to the Notes.

Where applicable, the Pricing Supplement will contain such information as is necessary to comply with the Banking Act 1987 (Exempt Transactions) Regulations 1997.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and which will be endorsed upon (or, if permitted by the relevant stock exchange and agreed between the relevant Issuer and the relevant Dealer(s), incorporated by reference into) each definitive Note. Part A of the applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purposes of such Tranche of Notes. Part A of the applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the contents of the Pricing Supplements which will include the definitions of certain terms used in the following Terms and Conditions.

This Note is one of a series of Notes constituted by a Trust Deed (as modified and/or supplemented from time to time, the "Trust Deed") dated 24th November, 1994 and made between Tokyo-Mitsubishi International plc ("TMI") (formerly Mitsubishi Finance International plc), Bank of Tokyo-Mitsubishi (Belgium) S.A. ("BTMB") (formerly Mitsubishi Bank (Europe) S.A.), BTM Finance (Holland) N.V. ("BTMH") (formerly MBE Finance N.V.), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") (substituted for Mitsubishi Bank (Deutschland) GmbH), Tokyo-Mitsubishi International (HK) Limited ("TMIHK") (substituted for Mitsubishi Finance (Hong Kong) Limited), BTMB in its capacity as guarantor (the "Guarantor") and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include any successor as trustee). References herein to the "Issuer" shall be references to the party specified as such in the applicable Pricing Supplement (as defined below). References herein to the "Notes" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Bearer Notes issued in exchange (or part exchange) for a global Note (iii) definitive Registered Notes either issued in definitive registered form or issued in exchange (or part exchange) for a global Note and (iv) any global Note. The Notes, the Receipts and the Coupons (as defined below) have the benefit of an Agency Agreement (as modified and/or supplemented from time to time, the "Agency Agreement") dated 24th November, 1994 and made between the Issuer, the Guarantor, The Chase Manhattan Bank, as issuing and principal paying agent (the "Agent", which expression shall include any successor agent), the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), the registrars named therein (each a "Registrar", which expression shall include any additional or successor registrar), The Chase Manhattan Bank, as exchange agent (the "Exchange Agent", which shall include any successor as exchange agent), the transfer agents named therein (the "Transfer Agents", which expression shall include any additional or successor transfer agents) and the Trustee and, where the Issuer is either TMI, BTMB, BTMD or TMIHK, a Keep Well Agreement (the "Keep Well Agreement") dated 22nd July, 1997 and made between TMI, BTMB, BTMD, TMIHK (together, the "Companies") and The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). References to the Registrar herein shall be references to the party specified as such in the applicable Pricing Supplement.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes do not have Receipts or Coupons attached on issue.

The Trustee acts for the benefit of the holders of the Notes (the "Noteholders", which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Receipts ("Receiptholders") and the holders of the Coupons (the "Couponholders", which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) attached hereto or endorsed hereon.

As used herein, "Tranche" means Notes (whether in global or definitive form or both) which are identical in all respects (including as to listing) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement, the form of the Pricing Supplement, the Pricing Supplement applicable to this Note and the Keep Well Agreement are available for inspection at the registered office of the Trustee, being at 22nd July, 1997 at Princes House, 95 Gresham Street, London EC2V 7LY, and at the specified office of each of the Agent, the other Paying Agents, the Registrar and the Transfer Agents save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a Noteholder upon proof satisfactory to the Trustee, the Registrar or the relevant Paying Agent or Transfer Agent, as the case may be, as to identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement, which are binding on them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Form, Denomination and Title

The Notes are either in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), as specified in the applicable Pricing Supplement, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

This Note is an Unsubordinated Note or a Subordinated Note as indicated in the applicable Pricing Supplement.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Note, a Dual Currency Note or a Partly Paid Note, or a combination of any of the foregoing, depending upon the Interest/Payment Basis shown in the applicable Pricing Supplement.

In the case of Zero Coupon Notes, references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement and the Trust Deed. The Issuer, the Guarantor, the Trustee, the Replacement Agent (as defined in the Agency Agreement), any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent and the Trustee may deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a bearer global Note held by a common depositary on behalf of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system ("Euroclear") and/or Cedel Bank, société anonyme ("Cedel Bank"), or for so long as a nominee of a common depositary for Euroclear and Cedel Bank or The Depository Trust Company ("DTC") or its nominee is the registered holder of a Registered Global Note, each person who is for the time being shown in the records of Euroclear or of Cedel Bank or, as the case may be, of DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Cedel Bank or, as the case may be, DTC as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall

be treated by the Issuer, the Guarantor, the Replacement Agent, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose such common depositary or its nominee or, as the case may be, DTC or its nominee shall be treated by the Issuer, the Guarantor, the Replacement Agent, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Cedel Bank or DTC, as the case may be.

References to Euroclear, Cedel Bank and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Guarantor (if appropriate), the Agent and the Trustee (including, where the Issuer is BTMB, the clearing system operated by the National Bank of Belgium).

2. Status of the Notes

(a) Unsubordinated Notes

The Unsubordinated Notes and the related Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

(b) Subordinated Notes (TMI only)

- (i) The Subordinated Notes and the related Receipts and Coupons constitute Subordinated Liabilities (as defined below) and rank *pari passu* without any preference among themselves. The rights of the holders of Subordinated Notes and the related Receipts and Coupons are subordinated to the Senior Liabilities (as defined below).

- (ii) Subject to the provisions of Condition 7(k), payment of any amount (whether principal, interest or otherwise) in respect of the Subordinated Notes and the related Receipts and Coupons is conditional upon:

- (A) (if no order has been made or effective resolution passed for the Insolvency (as defined below) of the Issuer) the Issuer having Financial Resources (as defined below) of not less than 120 per cent. of its Financial Resources Requirement (as defined below) immediately after payment of such amount by the Issuer and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that, subject to sub-paragraph (B) below, the Issuer could make such payment and still have Financial Resources of not less than 120 per cent. of such Financial Resources Requirement immediately thereafter; and

- (B) at the time of payment by the Issuer and immediately thereafter the Issuer being solvent and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.

For the purpose of sub-paragraph (B) above, the Issuer shall be solvent if it is able to pay its debts in full and in determining whether the Issuer is solvent for the purpose of this sub-paragraph there shall be disregarded (x) obligations which are not payable or capable of being established or determined in the Insolvency of the Issuer and (y) the Excluded Liabilities (as defined below).

- (iii) No payment in respect of the Subordinated Notes or the related Receipts or Coupons shall be made at any time pursuant to paragraph (ii) above without the consent of The Securities and Futures Authority Limited (the "SFA") if immediately after such payment the Financial Resources of the Issuer would be less than 120 per cent. of its Financial Resources Requirement. The Issuer shall give or procure that there are given to the SFA such information and auditor's certificate(s) in relation to such proposed payment as the SFA may require.

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- (iv) For the purposes of paragraph (ii) above, a report given at any relevant time as to (A) compliance by the Issuer with the provisions of sub-paragraph (ii)(A) above by two directors of the Issuer and (B) the solvency of the Issuer by two directors of the Issuer failing whom its auditors or (if the Issuer is in Insolvency) its Insolvency Officer (as defined below), in form and substance acceptable to the SFA, in each case shall, in the absence of proven error, be treated and accepted by the SFA, the Issuer, the Trustee, the Noteholders, the Receiptholders and the Couponholders as correct and sufficient evidence of the Issuer's compliance with such sub-paragraph (ii)(A) or, as the case may be, solvency or Insolvency.
- (v) If the Trustee or any Noteholder, Receiptholder or Couponholder shall receive from the Issuer payment of any sum in respect of the Notes, Receipts or Coupons at a time when any of the conditions referred to in paragraphs (ii) and (iii) above is not satisfied, the payment of such sum shall be void for all purposes and such sum shall be received by the Trustee or, as the case may be, the Noteholder, Receiptholder or Couponholder upon trust to return such sum to the Issuer and any sums so returned shall then be treated for the purposes of the Issuer's obligations under the Trust Deed and these Terms and Conditions as if they had not been paid by the Issuer and its original payment shall be deemed not to have discharged any of the obligations of the Issuer hereunder or under the Trust Deed. A request to the Trustee or any Noteholder, Receiptholder or Couponholder for return of any sum under the foregoing provisions of this paragraph (v) shall be in writing and shall be signed by two directors of the Issuer or, as the case may be, by its Insolvency Officer.
- (vi) No person shall without the prior written consent of the SFA:
- (A) retain or set off or purport to retain or set off at any time any amount payable by it to the Issuer against any amount due in respect of the Subordinated Notes or the related Receipts or Coupons except to the extent that payment of such amount due in respect of the Subordinated Notes or the related Receipts or Coupons would be permitted at such time by these Terms and Conditions and such person shall immediately pay an amount equal to any retention or set off in breach of this provision to the Issuer and such retention or set off shall be deemed not to have occurred; or
 - (B) amend or waive the terms of any document evidencing the Subordinated Notes and the related Receipts and Coupons, which amendment or waiver relates to the Subordinated Notes or the related Receipts or Coupons; or
 - (C) attempt to obtain repayment of any amount in respect of the Subordinated Notes or the related Receipts or Coupons otherwise than in accordance with these Terms and Conditions; or
 - (D) take any action whereby the subordination of the Subordinated Notes or the related Receipts or Coupons or any part thereof to Senior Liabilities might be terminated, impaired or adversely affected; or
 - (E) take or enforce any security, guarantee or indemnity from any person for all or any part of the liabilities of the Issuer in respect of the Subordinated Notes or the related Receipts or Coupons and any security, guarantee or indemnity obtained in respect thereof and the proceeds thereof will be held by the recipient on trust for the benefit of the Issuer.
- (vii) For the purposes of the Subordinated Notes and the related Receipts and Coupons:
- (A) "Excluded Liabilities" means Liabilities which are expressed to be and, in the opinion of two directors of the Issuer failing whom its auditors or (if the Issuer is in Insolvency) the Insolvency Officer of the Issuer, would or do rank junior to the claims of the holders of the Subordinated Notes and the related Receipts and Coupons in respect of the Subordinated Notes and the related Receipts and Coupons in the Insolvency of the Issuer;
 - (B) "Financial Resources" has the meaning given in the Financial Rules;
 - (C) "Financial Resources Requirement" has the meaning given in the Financial Rules;
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- (D) "Financial Rules" means the rules in Chapter 10 of the SFA rule book;
 - (E) "Insolvency" means and includes liquidation, winding-up, bankruptcy, sequestration, administration, rehabilitation and dissolution (whichever term may apply to the Issuer) or the equivalent in any other jurisdiction to which the Issuer may be subject;
 - (F) "Insolvency Officer" means and includes any person duly appointed to administer and distribute assets of the Issuer in the course of the Issuer's Insolvency;
 - (G) "Liabilities" means all present and future sums, liabilities and obligations payable or owing by the Issuer (whether actual or contingent, jointly or severally or otherwise howsoever);
 - (H) "Senior Liabilities" means all Liabilities except the Subordinated Liabilities and Excluded Liabilities; and
 - (I) "Subordinated Liabilities" means Liabilities in respect of indebtedness which are subordinated by their terms in right of payment in any Insolvency of the Issuer.
- (viii) The Issuer will not without the prior written consent of the SFA:
- (A) secure all or any part of the Subordinated Notes or the related Receipts or Coupons; or
 - (B) redeem, purchase or otherwise acquire all or any part of the Subordinated Notes or the related Receipts or Coupons; or
 - (C) amend any document evidencing or providing for the Subordinated Notes or the related Receipts or Coupons insofar as such amendment relates to the Subordinated Notes or the related Receipts or Coupons; or
 - (D) pay any amount in respect of the Subordinated Notes or the related Receipts or Coupons otherwise than in accordance with these Terms and Conditions; or
 - (E) take or omit to take any action whereby the subordination of the Subordinated Notes or the related Receipts or Coupons or any part thereof to the Senior Liabilities might be terminated, impaired or adversely affected; or
 - (F) arrange or permit any contract of suretyship (or similar agreement) relating to its liabilities under these Terms and Conditions in respect of the Subordinated Notes to be entered into,
- and the Issuer represents that it has not done so before the date of issue of the Subordinated Notes.
- (ix) All the other Terms and Conditions of the Subordinated Notes shall be subject to this Condition 2(b).

3. Guarantee of Notes issued by BTMH

The payment of principal and interest together with all other sums payable by BTMH under the Trust Deed in respect of the Notes issued by BTMH has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the "Guarantee"). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank *pari passu* and (subject to such exceptions as from time to time exist under applicable law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

4. Composition of the ECU

Subject to the provisions of Condition 6(c), if the Notes are denominated in ECU, the value and composition of the ECU in which the Notes are denominated, or, if the Notes are Dual Currency Notes payable in ECU, the value and composition of the ECU in which the Notes are payable, ("ECU") will be the same as the value and composition of the European Currency Unit that is from time to time used as the unit

of account of the European Communities (the "EC"). Changes to the ECU may be made by the EC, in which event the ECU will change accordingly. References herein to the ECU shall be deemed to be references to the ECU as so changed.

5. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest so specified payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date so specified if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

If interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrears on either:

- (A) the Interest Payment Date(s) specified in the applicable Pricing Supplement (each an "Interest Payment Date") in each year (the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next Interest Payment Date each being an "Interest Period"); or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is as specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (iii), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under sub-paragraph (vi) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this sub-paragraph (iv) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than the London inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(v) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such minimum Rate of Interest and/or if it specifies a maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the actual number of days in the Interest Period concerned divided by 360 (or 365/366 in the case of Notes denominated in Sterling), or such other denominator determined by the Agent to be customary for such calculation, and rounding the resultant figure to the nearest U.S. cent (or its approximate equivalent in the relevant other Specified Currency), half a U.S. cent (or its approximate equivalent in the relevant other Specified Currency) being rounded upwards.

(vii) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (if appropriate), the Trustee and any

stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the day which is the fourth London Business Day (as defined in Condition 6(c)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

(viii) *Determination or Calculation by Trustee*

If for any reason the Agent at any time after the Issue Date defaults in its obligations to determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraph (ii), (iii) or (iv) above, as the case may be, and, in each case, (vi) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any minimum or maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(ix) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Trustee, the other Paying Agents, the Transfer Agent, the Exchange Agent, the Registrars and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Indexed Notes and Dual Currency Notes*

In the case of Indexed Notes or Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an index and/or a formula or, as the case may be, an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) *Accrual of Interest*

Each interest-bearing Note (or, in the case of the redemption of part only of such a Note, that part only of such Note) will cease to bear interest from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed or in the applicable Pricing Supplement.

(f) *Applicable Business Day Convention*

If any date which is specified in the applicable Pricing Supplement to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (i) in any case where Interest Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, the relevant Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred; or

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- (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day; or
 - (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding day which is a Business Day; or
 - (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding day which is a Business Day.

Notwithstanding the foregoing, where the applicable Pricing Supplement specifies that the relevant business day convention is to be applied on an "unadjusted" basis, the amount of interest payable on any date shall be determined by reference to the Fixed Interest Date(s), Maturity Date and/or Interest Payment Date(s) originally specified in the applicable Pricing Supplement without regard to any adjustment to such date(s) arising as a result of the application of such business day convention.

In this Condition, "Business Day" means a day which is both:

- (A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and any other place as is specified in the applicable Pricing Supplement (each an "Additional Business Centre"); and
- (B) either (1) in relation to interest payable in a Specified Currency other than ECU, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London or any Additional Business Centre) which, if the Specified Currency is Australian dollars, shall be Sydney or (2) in relation to interest payable in ECU, an ECU Settlement Date (as defined in the 1991 ISDA Definitions, as amended, updated or replaced as at the date of issue of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions") but not including part (b) of such definition).

6. Payments

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than ECU will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney); and
- (ii) payments in ECU will be made by credit or transfer to an ECU account specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender (or, in the case of part payment of any sum due only, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender (or, in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under paragraph (a) above made by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. Subject as provided below, no payment in respect of any definitive Bearer Note or Coupon will be made upon presentation of such definitive Bearer

Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payments be made by transfer to an account, or by mail to an address, in the United States.

In respect of Bearer Notes, payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against surrender of the relevant definitive Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Indexed Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any such Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Indexed Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Bearer Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued in respect of such definitive Bearer Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Cedel Bank or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear, Cedel Bank or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such global Note (or the Trustee, as the case may be). No person other than the holder of such global Note (or the Trustee, as the case may be) shall have any claim against the Issuer or, as the case may be, the Guarantor in respect of any payments due on that global Note.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its

nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of Bearer Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used in this Condition, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer or the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

Payments of principal in respect of Registered Notes will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Notes at the specified office of the Registrar or at the specified office of any Paying Agent. Payments of interest due on a Registered Note and payments of instalments (if any) of principal on a Registered Note, other than the final instalment, will be made to the person in whose name such Note is registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "Record Date")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the due date. If payment is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

(c) Payment in a Component Currency

If any payment of principal or interest in respect of a Note is to be made in ECU and, on the relevant due date, the ECU is used neither as the unit of account of the EC nor as the currency of the European Union, the Trustee shall, without liability on its part and without having regard to the interests of individual Noteholders, Receiptholders or Couponholders and after consultation, if, in the opinion of the Trustee, such consultation is practicable, with the Issuer and the Guarantor, choose a currency which was a component of the ECU when the ECU was most recently used as the unit of account of the EC or the currency of the European Union (the "chosen currency") in which all payments due on that due date with respect to such Notes, Receipts and Coupons shall be made. Notice of the chosen currency selected by the Trustee shall, where practicable, be published in accordance with Condition 14. The amount of each payment in such chosen currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as set out in this paragraph (c), as of the day which is the fourth London Business Day prior to the date on which such payment is due. For the purposes of this paragraph (c), the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.

Without prejudice to the preceding paragraph, on the day which is the first London Business Day from which the ECU is used neither as the unit of account of the EC nor as the currency of the European Union, the Trustee shall, without liability on its part and without having regard to the interests of individual Noteholders, Receiptholders or Couponholders and after consultation, if, in the opinion of the Trustee, such consultation is practicable, with the Issuer and, where the Issuer is BTMH, the Guarantor, choose a currency which was a component of the ECU when the ECU was most recently used as the unit of account of the EC or the currency of the European Union (also the "chosen currency") in which all payments with respect to Notes, Receipts and Coupons having a due date prior thereto but not yet presented for payment are to be made. The amount of each payment in such chosen currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as set out in this paragraph (c), as of such first London Business Day.

The equivalent of the ECU in the relevant chosen currency as of any date (the "Day of Valuation") shall be determined on the following basis by the Agent. The component currencies of the ECU for this purpose (the "Components") shall be the currency amounts which were components of the ECU as of the last date on which the ECU was used as the unit of account of the EC or, if later, as the currency of the European Union.

The equivalent of the ECU in the chosen currency shall be calculated by, first, aggregating the U.S. dollar equivalents of the Components, and then, using the rate used for determining the U.S. dollar equivalent of the Component in the chosen currency as set forth below, calculating the equivalent in the chosen currency of such aggregate amount in U.S. dollars.

The U.S. dollar equivalent of each of the Components shall be determined by the Agent on the basis of the middle spot delivery quotations prevailing at 11.00 a.m. (London time) on the Day of Valuation, as obtained by the Agent from one or more leading banks as selected by the Agent in the country of issue of the Component in question.

If the official unit of any Component is altered by way of combination or sub-division, the number of units of that Component shall be divided or multiplied in the same proportion. If two or more Components are consolidated into a single currency, the amounts of those Components shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Components expressed in such single currency. If any Component is divided into two or more currencies, the amount of that Component shall be replaced by amounts of such two or more currencies each of which shall be equal to the amount of the former Component divided by the number of currencies into which that Component was divided.

If no direct quotations are available for a Component as of a Day of Valuation from any of the banks selected by the Agent for this purpose because foreign exchange markets are closed in the country of issue of that Component or for any other reason, the most recent direct quotations for that Component obtainable by the Agent shall be used in computing the U.S. dollar equivalent of the ECU on such Day of Valuation, provided, however, that such most recent quotations may be used only if they were prevailing in the country of issue of each Component not more than two London Business Days before such Day of Valuation. If the most recent quotations obtained by the Agent are those which were so prevailing more than two London Business Days before such Day of Valuation, the Agent shall determine the U.S. dollar equivalent of such Component on the basis of cross rates derived from the middle spot delivery quotations for such Component and for the U.S. dollar prevailing at 11.00 a.m. (London time) on such Day of Valuation, as obtained by the Agent from one or more leading banks, as selected by the Agent and approved by the Trustee, in a country other than the country of issue of such Component. If such most recent quotations obtained by the Agent are those which were so prevailing not more than two London Business Days before such Day of Valuation, the Agent shall determine the U.S. dollar equivalent of such Component on the basis of such cross rates if the Trustee judges that the U.S. dollar equivalent so calculated is more representative than the U.S. dollar equivalent calculated on the basis of such most recent direct quotations. Unless otherwise specified by the Trustee, if there is more than one market for dealing in any Component by reason of foreign exchange regulations or for any other reason, the market to be referred to in respect of such Component shall be that upon which a non-resident issuer of securities denominated in such Component would ordinarily purchase such Component in order to make payments in respect of such securities.

All choices and determinations made by the Trustee or the Agent for the purposes of this paragraph (c) shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Issuer, the Guarantor and all Noteholders, Receiptholders and Couponholders.

Whenever a payment is to be made in a chosen currency as provided in this paragraph (c), such chosen currency shall be deemed to be the Specified Currency for the purposes of the other provisions of this Condition.

From the start of the third stage of the European monetary union, all payments in respect of Notes denominated or payable in ECU, will be payable in Euro at the exchange rate then established in accordance with the Treaty establishing the EC, as amended by the Treaty on European Union. This Condition 6(c) will not result in payment in a Component Currency in such circumstances.

(d) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. In this Condition (unless otherwise specified in the applicable Pricing Supplement), "Payment Day" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation; and
- (ii) a Business Day (as defined in Condition 5(b)(i)); and
- (iii) in relation to Notes denominated or payable in ECU, a day on which payments in ECU can be settled by commercial banks and in foreign exchange markets in which the relevant account for payment is located; and
- (iv) in the case of any payment in respect of a Restricted Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and, in respect of which an accountholder of DTC (with an interest in such Restricted Global Note) has elected to receive any part of such payment in U.S. dollars, not a day on which banking institutions are authorised or required by law or regulation to be closed in New York City.

(e) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

7. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement (in the case of a Note other than a Floating Rate Note) or on the Interest Payment Date falling in the Redemption Month specified in the applicable Pricing Supplement (in the case of a Floating Rate Note).

(b) Redemption for Tax Reasons

Subject to Condition 7(k) (in respect of Subordinated Notes only) the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 15 nor

more than 30 days' notice to the Trustee, the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of the aforementioned notice that:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or, where the Issuer is BTMH, the Guarantor would be unable for reasons outside its control to procure payment by BTMH and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of, in the case of TMI, the United Kingdom, in the case of BTMB or the Guarantor, the Kingdom of Belgium, in the case of BTMH, The Netherlands, in the case of BTMD, Germany or, in the case of TMIHK, Hong Kong or, in each case, any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or (where applicable) the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or (where applicable) the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer or (where applicable) two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (where applicable) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer

If so specified in the applicable Pricing Supplement and subject to Condition 7(k) (in respect of Subordinated Notes only), the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice in accordance with Condition 14 to the Noteholders; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Trustee and the Agent,

(both of which notices shall be irrevocable), redeem all or some only (as specified in the applicable Pricing Supplement) of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Bearer Notes (or, as the case may be, parts of Registered Notes) to be redeemed ("Redeemed Notes") will be selected individually by lot (without involving any part of a Bearer Note), in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Cedel Bank or, as the case may be, DTC, in the case of Redeemed Notes represented by a global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by

definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this subparagraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 10 days prior to the Selection Date.

(d) Redemption at the Option of the Noteholders

If the Noteholders are specified in the applicable Pricing Supplement as having an option to redeem, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note to the specified office of any Paying Agent, Transfer Agent or, as the case may be, the Registrar at any time during the normal business hours of such Paying Agent, Transfer Agent or the Registrar within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "Put Notice") in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this paragraph (d).

Subordinated Notes with a maturity of 5 years or more cannot be redeemed at the option of the Noteholders.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes but including Instalment Notes and Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Pricing Supplement or, if no such amount or manner is so set out in the applicable Pricing Supplement, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") equal to the sum of:
 - (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or such other amount as is provided in the applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or on such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) Instalments

Notes which are Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) Purchases

The Issuer, the Guarantor or any of their respective Subsidiaries (and any direct or indirect Subsidiary of the Parent) may at any time purchase or otherwise acquire Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons appertaining thereto are attached thereto or surrendered therewith) in the open market either by tender or private agreement or otherwise, without restriction as to price. In the case of Subordinated Notes, any such purchase shall be subject to the prior written consent of the SFA. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent or the Registrar for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (h) above (together with, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(j) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 or as provided in the Trust Deed.

(k) Early Redemption of Subordinated Notes

No Subordinated Notes may be redeemed by the Issuer and no attempt may be made to redeem the Subordinated Notes prior to the Maturity Date in whole or in part unless the Issuer shall have obtained the prior written consent to such redemption from the SFA.

8. Taxation

All payments of principal and/or interest in respect of the Notes, Receipts and Coupons by the Issuer or (where applicable) the Guarantor shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of, if the Issuer is TMI, the United Kingdom or any political sub-division or any authority thereof or therein having power to tax, if the Issuer is BTMB or in the case of the Guarantor, the Kingdom of Belgium or any political sub-division or any authority thereof or therein having power to tax, if the Issuer is BTMH, The Netherlands or any political sub-division or any authority thereof or therein having power to tax, if the Issuer is BTMD, Germany or any political subdivision or any authority thereof or therein having power to tax, or, if the Issuer is TMIHK, Hong Kong or any political subdivision or any authority thereof or therein

having power to tax, unless the withholding or deduction is required by law. In that event, the Issuer or (where applicable) the Guarantor shall pay such additional amounts as will result (after such withholding or deduction) in the receipt by the holders of the Notes, Receipts or Coupons of the sums which would have been receivable (in the absence of such withholding or deduction) from the Issuer or (where applicable) the Guarantor in respect of their Notes, Receipts and Coupons; except that no such additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a holder who (a) is able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other claim for exemption to the relevant taxing authority but fails to do so or (b) is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with, if the Issuer is TMI, the United Kingdom, if the Issuer is BTMB or in the case of the Guarantor, the Kingdom of Belgium, if the Issuer is BTMH, The Netherlands, if the Issuer is BTMD, Germany or, if the Issuer is TMIHK, Hong Kong, other than the mere holding or ownership of such Note, Receipt or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such 30-day period; or
- (iii) in the case of a Note, Receipt or Coupon issued by TMI, presented for payment at the specified office of a Paying Agent in the United Kingdom; or
- (iv) in the case of a Note, Receipt or Coupon issued by BTMD, presented for payment at the specified office of a Paying Agent in Germany if the relevant payment could be made outside Germany without such withholding or deduction; or
- (v) in the case of a Subordinated Note or related Receipt or Coupon, without the prior written consent of the SFA.

As used herein, the "Relevant Date" means the date on which such payment first becomes due and payable, except that, if the full amount of the moneys payable has not been duly received by the Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect has been duly given to the Noteholders in accordance with Condition 14.

9. Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. Events of Default

(a) Unsubordinated Notes

The provisions of this Condition 10(a) apply to Unsubordinated Notes only.

If any one or more of the following events (each an "Event of Default") shall have occurred and be continuing:

- (i) default is made for more than seven days in the payment of any amount of principal or any amount of interest due in respect of any of the Notes when and as the same ought to be paid in accordance with these Conditions; or
- (ii) default is made in the performance or observance by the Issuer or, where the Issuer is BTMH, the Guarantor, of any obligation, condition or provision under the Notes or the Trust Deed (other

than any obligation for the payment of any amount due in respect of any of the Notes) and (but only in a case where the Trustee considers such default to be capable of being remedied) such default shall not be remedied to the Trustee's satisfaction within 30 days (or such longer period as the Trustee may permit) of first written notification from the Trustee to the Issuer or, where the Issuer is BTMH, the Guarantor, as the case may be, requiring the same to be remedied; or

- (iii) any Financial Indebtedness (as defined below) of the Issuer or, where the Issuer is BTMH, the Guarantor, having an aggregate nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency) shall become prematurely repayable as a result of a default in respect of the terms thereof or as a result of any event treated in effect as a default or steps are taken to enforce any security therefor or the Issuer or, where the Issuer is BTMH, the Guarantor defaults in repayment of any such Financial Indebtedness when due or at the expiration of any applicable grace period therefor (as originally provided) or any guarantee or indemnity in respect of any Financial Indebtedness of others having an aggregate nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency) shall not be honoured when due and called upon; or
- (iv) an effective resolution is passed or an order of a court of competent jurisdiction is made that the Issuer or, where the Issuer is BTMH, the Guarantor, be liquidated, wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or other similar arrangement the terms whereof have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (v) possession is taken on behalf of an encumbrancer, or a receiver is appointed, of the whole or a material part of the assets or undertaking of the Issuer or, where the Issuer is BTMH, the Guarantor; or
- (vi) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Issuer or, where the Issuer is BTMH, the Guarantor, and is not discharged within 30 days thereof; or
- (vii) the Issuer or, where the Issuer is BTMH, the Guarantor, stops payment (within the meaning of any applicable bankruptcy law) or (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or other similar arrangement as is referred to in paragraph (iv) above) ceases or through an official action of the Board of Directors of the Issuer or, as the case may be, the Guarantor threatens to cease to carry on business or is unable to pay its debts as and when they fall due; or
- (viii) proceedings shall have been initiated against the Issuer or, where the Issuer is BTMH, the Guarantor under any applicable bankruptcy, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (ix) the Issuer or, where the Issuer is BTMH, the Guarantor shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make a conveyance or assignment for the benefit of, or enter into any composition with, its creditors; or
- (x) if the Issuer is BTMH, the Issuer applies for a "surseance van betaling" (within the meaning of the Statute of Bankruptcy of The Netherlands ("Faillissementswet")); or
- (xi) the Issuer or, where the Issuer is BTMH, the Guarantor ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Parent, unless such cessation is previously approved either in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (xii) where the Issuer is BTMH, if the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect; or
- (xiii) except with the prior consent in writing of the Trustee or the sanction of an Extraordinary Resolution of the Noteholders, the Keep Well Agreement is terminated or any provision of the Keep Well Agreement is modified or waived in circumstances where such modification or waiver

would have a material adverse effect on the interests of the Noteholders or is not enforced in a timely manner by the Issuer or, where the Issuer is BTMH, the Guarantor, or is breached by the Parent,

then the Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its satisfaction), (provided that, except in the case of the happening of any of the events mentioned in paragraphs (i), (xi) and (xii) above, the Trustee shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall thereby forthwith become, immediately due and repayable at their Early Redemption Amount (as described in Condition 7(e)) together with accrued interest as provided in the Trust Deed.

For the purpose of paragraph (iii) above, "Financial Indebtedness" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash. Any Financial Indebtedness which is denominated or payable in a currency other than U.S. dollars shall be translated into U.S. dollars at the spot rate for the sale of U.S. dollars against the purchase of the relevant currency as quoted by the Agent on the calendar day in London on which the relevant default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

(b) Subordinated Notes (TMI only)

The provisions of this Condition 10(b) apply to Subordinated Notes only.

If an effective resolution is passed or an order of a court of competent jurisdiction is made for the Insolvency of the Issuer (otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved in writing either by the SFA and the Trustee or by a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Notes, the Receipts, the Coupons and the Trust Deed), the Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its satisfaction), give written notice to the Issuer that the Notes are, and they shall thereby forthwith become, subject to Condition 2(b) and Condition 7(k), immediately due and repayable at their Early Redemption Amount (as described in Condition 7(e)) together with accrued interest as provided in the Trust Deed.

11. Exchange of Notes, Transfer of definitive Registered Notes and Replacement of Notes, Receipts, Coupons and Talons

(a) Exchange of Bearer Notes for Registered Notes

A Bearer Note in definitive form may be exchanged for Registered Notes of like aggregate nominal amount (in global or definitive form) by submission of a duly completed request for exchange substantially in the form provided in the Agency Agreement (an "Exchange Request"), copies of which are available from the specified office of the Registrar or any Transfer Agent, together with the Bearer Note and all unmatured Coupons, Talons and Receipts appertaining thereto, to a Transfer Agent at its specified office. Within three business days of the request, if the Registered Notes for which the Bearer Note is to be exchanged are in definitive form, the relevant Transfer Agent will authenticate and deliver, or procure the authentication and delivery of, at its specified office to the holder or (at the risk of the holder) send by mail to such address as may be specified by the holder in the Exchange Request, a Registered Note of a like aggregate nominal amount to the Bearer Note(s) exchanged and will enter the exchange of the Bearer Note(s) in the Register maintained by the Registrar as of the Exchange Date. If the Registered Note(s) for which such Bearer Note(s) is/are to be exchanged is/are in global form, the amount of the applicable Registered Global Note(s) will be increased accordingly.

Exchange Requests may not be presented on or after the Record Date (as defined in Condition 6(b)) in respect of any Fixed Interest Date or Interest Payment Date up to and including such Fixed Interest Date

or Interest Payment Date. Interest on a Registered Note issued on exchange will accrue as from the immediately preceding Fixed Interest Date or Interest Payment Date, as the case may be.

No exchanges of Bearer Notes for Registered Notes or interests in Registered Global Notes will be permitted for so long as the Bearer Notes are represented by a Temporary Bearer Global Note.

(b) Form of Registered Notes

Registered Notes of each Tranche sold outside the United States in reliance on Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), will be represented by a permanent global Note in registered form, without interest coupons, (the "Reg. S Global Note") deposited with a custodian for, and registered in the name of a nominee of, a common depositary for Euroclear and Cedel Bank for the accounts of their participants. Notes in definitive form issued in exchange for Reg. S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Reg. S Global Notes, are referred to herein as "Reg. S Notes". Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the "Restricted Period"), beneficial interests in a Reg. S Global Note may be held only through Euroclear or Cedel Bank.

Registered Notes of each Tranche sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs") will be represented by a permanent global Note in registered form, without interest coupons (the "Restricted Global Note" and, together with the Reg. S Global Note, the "Registered Global Notes") deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as "Restricted Notes".

Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2) or (3) under the Securities Act) ("Institutional Accredited Investors") who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be in definitive form, registered in the name of the holder thereof.

Registered Notes in definitive form issued to Institutional Accredited Investors and Restricted Notes shall bear the legend set forth in the Restricted Global Note (the "Legend"), such Notes being referred to herein as "Legended Notes". Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 11 (f)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Registered Notes in definitive form from the date of issue may, if specified in the applicable Pricing Supplement, be issued in reliance on Regulation S under the Securities Act.

Subject as otherwise provided in this Condition 11, Registered Notes in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Notes of like aggregate nominal amount.

(c) Exchange of interests in Registered Global Notes for Registered Notes in definitive form

Interests in the Reg. S Global Note and the Restricted Global Note will be exchangeable for Registered Notes in definitive form, either (as specified in the applicable Pricing Supplement) (A) in the following limited circumstances: (i) if Euroclear and/or Cedel Bank or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Note, or (ii) if applicable, DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act of 1934 or either Euroclear or Cedel Bank is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so and no alternative clearance system acceptable to the Trustee is available, (iii) if an Event of Default (as defined in Condition 10) occurs in relation to the Notes represented by such global Note, (iv) if the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring

such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, or (v) if the Trustee is satisfied that the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer, or where the Issuer is BTMH, the Guarantor which would not be suffered were the Notes in definitive form, or (B) unless otherwise provided in the applicable Pricing Supplement, a written request for one or more Registered Notes in definitive form is made by a holder of a beneficial interest in a Registered Global Note, provided that in the case of (B) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not less than 60 days (or such other period as may be indicated in the applicable Pricing Supplement) prior to the requested date of such exchange. Upon the occurrence of any of the events described in the preceding sentence, the relevant Issuer will cause the appropriate Registered Notes in definitive form to be delivered, provided that notwithstanding the above, no Registered Notes in definitive form will be issued until expiry of the applicable Restricted Period.

(d) Transfers of Registered Global Notes

Transfers of a Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of Euroclear, Cedel Bank or DTC or to a successor of any of them or such successor's nominee.

(e) Transfers of interests in Reg. S Notes

Prior to expiry of the applicable Restricted Period, transfers by the holder of, or of a beneficial interest in, a Reg. S Note to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:
 - (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) to a person who is an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "IAI Investment Letter"); or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (A) above such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Restricted Period such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Reg. S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the Transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Restricted Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Cedel Bank; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note:
 - (A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

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- (B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

(g) Exchanges and transfers of Registered Notes generally

Registered Notes may not be exchanged for Bearer Notes.

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Cedel Bank, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Cedel Bank, as the case may be (the "Applicable Procedures").

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement) by the holder or holders surrendering the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar, or as the case may be, the relevant Transfer Agent may with the prior approval of the Trustee prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Note in definitive form for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or as the case may be, relevant Transfer Agent of the Registered Note in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

(h) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7(c), the Issuer shall not be required:

- (a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
- (b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(i) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of 30 days ending on the due date for any payment of principal or interest on that Note.

(j) Costs of exchange or registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange.

(k) Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent, in the case of a Bearer Note, Receipt or Coupon, or the Registrar, in the case of a Registered Note, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 14, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Agent, Paying Agents, Transfer Agents, Exchange Agent and Registrars

The names of the initial Agent, the other initial Paying Agents, the initial Registrars, the initial Exchange Agent and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are, with the prior approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent or Registrar or Transfer Agent or Exchange Agent and/or appoint additional or other Paying Agents, Registrars, Transfer Agents or Exchange Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Transfer Agent or Exchange Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
 - (ii) there will at all times be a Paying Agent with a specified office in a city approved by the Trustee in continental Europe;
 - (iii) there will at all times be an Agent;
 - (iv) there will at all times be a Transfer Agent having a specified office in a place approved by the Trustee;
 - (v) so long as any of the Registered Global Notes are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and
 - (vi) there will at all times be a Registrar with a specified office in New York City and in such place as may be required by the rules and regulations of the relevant stock exchange.
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In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

13. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

14. Notices

All notices regarding the Notes shall be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* or another daily newspaper in London approved by the Trustee or, if this is not possible, in one other English language daily newspaper approved by the Trustee with general circulation in Europe. Any such notice will be deemed to have been given on the date of such publication or, if published more than once or, if required to be published in more than one newspaper, on different dates, on the date of the first publication in all the required newspapers. Receiptholders and Couponholders shall be deemed to have notice of the contents of any notice given to the Noteholders pursuant to this Condition 14.

All notices to holders of Registered Notes will be valid if mailed to their registered addresses appearing on the register. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Cedel Bank or DTC, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and/or Cedel Bank or DTC for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and/or Cedel Bank or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any Noteholder to the Agent and/or the Registrar via Euroclear and/or Cedel Bank or DTC, as the case may be, in such manner as the Agent and/or the Registrar and Euroclear and/or Cedel Bank or DTC, as the case may be, may approve for this purpose.

The Issuer shall forthwith give to the SFA a copy of any notice given under this Condition 14 which relates to Subordinated Notes.

15. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Terms and Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or requisitioned by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Terms and Conditions (including modifying the

date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons) or certain provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides that the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (subject as provided above) of, or to any waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed, or may determine that any condition, event or act which, but for such determination, would constitute an Event of Default, shall not be treated as such which in any such case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification of any of these Terms and Conditions or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or which is made to correct a manifest error. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, Receiptholders and Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

In connection with the exercise by it of any of its trusts, powers, authorities, or discretions (including, but without limitation, any modification, waiver, authorisation or substitution referred to in Condition 18), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders and Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

No modification to and no waiver or authorisation of any breach or proposed breach of any of the Terms and Conditions or any of the provisions of the Trust Deed, in each case relating to Subordinated Notes and the related Receipts or Coupons, may be made without the prior written consent of the SFA and any such modification, waiver or authorisation made or purported to be made without such consent shall be void.

16. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Noteholders, Receiptholders or Couponholders, to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) with the outstanding Notes and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. Enforcement

(a) Unsubordinated Notes

The provisions of this Condition 17(a) apply to Unsubordinated Notes only.

The Trustee may at its discretion and without further notice take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the obligations of the Issuer and/or the Guarantor under the Trust Deed and the Notes, Receipts and Coupons, but it shall not be bound to take any such proceedings or any other action unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by holders of at least one-fifth in nominal amount of the Notes outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure is continuing.

(b) Subordinated Notes (TMI only)

The provisions of this Condition 17(b) apply to Subordinated Notes only.

If a default is made for a period of seven days or more in the payment of any principal due in respect of the Notes or for a period of 14 days or more in the payment of any interest due in respect of the Notes, the Trustee may, at its discretion, institute proceedings for the Insolvency of the Issuer after giving seven London business days' prior written notice to the SFA of its intention to do so. For the purpose of this Condition 17(b), a payment shall be deemed to be due even if any of the conditions set out in Condition 2(b) is not satisfied.

If default is made in the performance or observance by the Issuer of any obligation, condition or provision under the Subordinated Notes or the Trust Deed (other than any obligation for the payment of any amount due in respect of any of the Subordinated Notes) then the Trustee may, subject as set out below, institute proceedings for the Insolvency of the Issuer. Such proceedings may only be instituted if (i) a default thereunder by the Issuer is not remedied within 60 days after notice of such default has been given to the Issuer by the Trustee requiring such default to be remedied and (ii) the Trustee has taken all preliminary steps or actions required to be taken by it and given seven London business days' prior written notice to the SFA of its intention to do so.

The Trustee shall not be bound to institute any such proceedings or take any other action unless (i) it shall have been so directed by an Extraordinary Resolution of the holders of the Subordinated Notes or so requested in writing by holders of at least one-fifth in nominal amount of the Notes outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure is continuing. No Noteholder, Receiptholder or Couponholder shall be entitled to institute proceedings for the Insolvency of the Issuer unless the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able and bound to prove in any Insolvency of the Issuer, fails to do so, in which event such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) and subject to the same restrictions as apply to the Trustee under this Condition 17(b), himself institute proceedings for the Insolvency of the Issuer and/or prove in any Insolvency of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes, Receipts and Coupons held by him.

No remedy against the Issuer other than as specifically provided by this Condition 17(b) or by Condition 10(b) shall be available to the Trustee, the holders of the Subordinated Notes or the related Receipts or Coupons whether for the recovery of amounts owing under such Notes, Receipts or Coupons or in respect of any breach by the Issuer of any of its obligations under such Notes or the provisions of the Trust Deed. For the avoidance of doubt, nothing in this Condition 17(b) or Condition 10(b) shall limit the ability of the Trustee to take any proceedings or any other action against the Issuer to enforce the Issuer's obligations under clause 15 of the Trust Deed.

(c) Keep Well Agreement

The Trustee shall be entitled on behalf of the Noteholders to enforce against the Parent and/or the Companies their obligations under the Keep Well Agreement, if and only insofar as any Notes which have become due and payable remain unpaid in whole or in part at the time the proceedings for such enforcement are instituted.

18. Substitution

(a) Substitution at the option of the Issuer or the Guarantor

The Trustee shall, if requested by the Issuer or, where the Issuer is BTMH, the Guarantor, be obliged, without the consent of the Noteholders, the Receiptholders or the Couponholders, to agree with the Issuer and, where the Issuer is BTMH, the Guarantor to the substitution in place of the Issuer or (where applicable) the Guarantor (or of any previous substitute under this Condition) as the principal debtor or, as the case may be, guarantor under the Trust Deed, the Notes, the Receipts and the Coupons of any Subsidiary of the Parent (the "Substituted Debtor" or, as the case may be, the "Substituted Guarantor"), subject to (i) the Substituted Debtor or, as the case may be, the Substituted Guarantor becoming or remaining a party to, and having the benefit of the Parent's obligations contained in, the Keep Well Agreement and, in the case of the Substituted

Guarantor or where the Substituted Debtor is BTMH, the Substituted Guarantor or, as the case may be, the Guarantor unconditionally and irrevocably guaranteeing all amounts payable by BTMH or any substitute of BTMH under the Trust Deed, the Notes, the Receipts and the Coupons on terms *mutatis mutandis* to those set out in the Guarantee, (ii) legal opinions being obtained from lawyers approved by the Trustee in England and from lawyers approved by the Trustee in the jurisdiction of incorporation of the Substituted Debtor or, as the case may be, the Substituted Guarantor in each case in form and substance satisfactory to the Trustee, (iii) a certificate of solvency in form and substance satisfactory to the Trustee being issued to the Trustee by a duly authorised officer or officers of the Substituted Debtor or, as the case may be, of the Substituted Guarantor, (iv) if Moody's Investors Service, Inc. has a current rating for the programme pursuant to which the Notes are issued, confirmation being received by the Trustee from Moody's Investors Service, Inc. confirming that it will not downgrade such rating solely as a result of the proposed substitution taking effect, (v) if Moody's Investors Service, Inc. does not have a current rating for the programme pursuant to which the Notes are issued, the Substituted Debtor or, as the case may be, the Substituted Guarantor having net assets (consolidated, if consolidated accounts are prepared by the Substituted Debtor or, as the case may be, the Substituted Guarantor) at least equal to those of the Issuer or, as the case may be, the Guarantor in relation to whom the substitution is proposed and (vi) certain other conditions set out in the Trust Deed being complied with.

(b) Substitution with the consent of the Trustee

The Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders, agree with the Issuer and, where the Issuer is BTMH, the Guarantor to the substitution in place of the Issuer or, as the case may be, the Guarantor (or of any previous substitute under this Condition) as the principal debtor or, as the case may be, guarantor under the Trust Deed, the Notes, the Receipts and the Coupons of any Subsidiary of the Parent (the "Substituted Debtor" or, as the case may be, the "Substituted Guarantor"), subject to (i) the Substituted Debtor or, as the case may be, the Substituted Guarantor becoming or remaining a party to, and having the benefit of the Parent's obligations contained in, the Keep Well Agreement and, in the case of the Substituted Guarantor or where the Substituted Debtor is BTMH, the Substituted Guarantor or, as the case may be, the Guarantor unconditionally and irrevocably guaranteeing all amounts payable by BTMH or any substitute of BTMH under the Trust Deed, the Notes, the Receipts and the Coupons on terms *mutatis mutandis* to those set out in the Guarantee, (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the proposed substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

(c) Substitution in relation to TMIHK

If Moody's Investors Service, Inc. announces that it will downgrade its rating of the programme pursuant to which the Notes are issued if TMIHK or any entity incorporated in Hong Kong substituted as principal debtor in place of TMIHK remains an Issuer, or does so downgrade its rating for that reason, the Trustee shall, if requested by TMI, be obliged, without the consent of the Noteholders, the Receiptholders or the Couponholders, to agree to the substitution in place of TMIHK or any such substituted entity as the principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons of any of TMI, BTMB, BTMH or BTMD as TMI, as instructed by the Parent, shall decide (the "Substituted Debtor") subject to (i) the Substituted Debtor remaining a party to, and having the benefit of the Parent's obligations contained in, the Keep Well Agreement, (ii) where BTMH is to be the Substituted Debtor, the Notes, the Receipts and the Coupons initially issued by TMIHK or any such substituted entity being unconditionally and irrevocably guaranteed by the Guarantor on terms *mutatis mutandis* to those set out in the Guarantee and (iii) certain other conditions set out in the Trust Deed being complied with.

(d) Substitution in relation to TMI

No substitution of TMI as Issuer of the Subordinated Notes shall be made without the prior written consent of the SFA.

19. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment or to enforce the Keep Well Agreement unless indemnified to its satisfaction.

20. Governing Law and Submission to Jurisdiction

The Trust Deed (including the Guarantee), the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

BTMB, BTMH, BTMD, TMIHK and the Guarantor have each irrevocably agreed in the Trust Deed to submit, for the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the English courts to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons may be brought in such courts and have each in the Trust Deed further irrevocably waived any objection which each of them may respectively have to the laying of the venue of any Proceedings in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and have further irrevocably agreed that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon each of them and may be enforced in the courts of any other jurisdiction. Nothing contained herein shall limit any right to take Proceedings against BTMB, BTMH, BTMD, TMIHK and/or, as the case may be, the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

BTMB, BTMH, BTMD, TMIHK and the Guarantor have each in the Trust Deed appointed TMI at its registered office, being at 22nd July, 1997 at 6 Broadgate, London EC2M 2AA as its agent for service of process in England in respect of any Proceedings and has agreed that, in the event of TMI ceasing so to act, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by each of the Issuers for their respective general corporate purposes.

TOKYO-MITSUBISHI INTERNATIONAL PLC

History and Business

TMI was incorporated in England and Wales on 11th February, 1983 pursuant to the Companies Act 1948 to 1985 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 ("MFIL") to Tokyo-Mitsubishi International plc following the merger of The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd. (the "Merger"), the merged entity being named The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). TMI is a wholly owned subsidiary of the Parent and has, at the date hereof, authorised share capital of £300,000,000, of which £212,500,000 has been issued and fully paid up. TMI has two subsidiaries, BTM Securities (Spain) S.A., S.V.B., a company incorporated in Spain through which it conducts its Spanish business and a nominee company incorporated in England and Wales which resolved to change its name to TMI Nominees Limited on 18th July, 1997.

TMI is a principal part of the securities and capital markets arm of the Parent and provides a wide range of services in worldwide securities businesses to governments, their monetary authorities and central banks, state authorities, supranational organisations and corporations. TMI is also engaged in market-making and dealing in securities in the international securities markets, in swaps and various other derivative instruments and in the management and underwriting of issues of securities and securities investment.

TMI is regulated by the Securities and Futures Authority (SFA) and is a member of the London International Financial Futures Exchange (LIFFE), the International Securities Market Association (ISMA), and the International Primary Market Association (IPMA).

Recent Business and Outlook

In 1996 all TMI's business units contributed to profits, particularly in the areas of structured finance and derivatives. TMI has also increased its activities as a lead manager of bond and medium term note issues and has maintained a strong presence in the secondary markets.

TMI continues to promote and develop its capital markets business from London, dealing in its three main areas of activity; securities, derivatives and structured products. TMI's commitment to strong risk control, systems development and the enhancement of the quality to its personnel continues.

Directors and Management

The Directors of TMI are:

<i>Name</i>	<i>Principal Occupation</i>
Eiichi Yoshimura	Senior Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Masamichi Yamada	Resident Managing Director for Europe, The Bank of Tokyo-Mitsubishi, Ltd.
Takashi Uno	Director and General Manager, The Bank of Tokyo-Mitsubishi, Ltd., London Branch
Akira Watanabe	Chief Executive Officer
Hiroshi Yoshimine	Managing Director
Kazuo Watanabe	Managing Director
Fuminori Yano	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. Yamada and Uno is 12-15 Finsbury Circus, London EC2M 7BT. The business address of Mr. Yoshimura is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. The business address of Messrs. A. Watanabe, Yoshimine, K. Watanabe and Yano is 6 Broadgate, London EC2M 2AA. The business address of Mr. Loehnis is 27 St. James's Place, London SW1A 1NR. Messrs. Yoshimura, Yamada, Uno and Loehnis are non-executive Directors of TMI.

TOKYO-MITSUBISHI INTERNATIONAL PLC

Capitalisation and Indebtedness

The following table sets out the unaudited capitalisation and indebtedness of TMI as at 30th June, 1997 adjusted to give effect to the issue of Notes and drawdown of loans:-

	£ (thousands)
Shareholders' funds	
Ordinary shares	212,500
Long-Term Debt (over one year)	
Medium Term Notes ⁽¹⁾	500,025
Subordinated Notes	217,221
Other Notes	6,189
Subordinated Loans ⁽²⁾	209,186
Other Loans	162,765
Total Long-Term Debt	<u>1,095,386</u>
Short-Term Debt (under one year)	
Medium Term Notes due within one year	28,385
Commercial Paper ⁽³⁾	152,443
Total Short-Term Debt	<u>180,828</u>
Total Capitalisation and Indebtedness	<u>1,488,714</u>

Notes:

- (1) Issued under the Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft, Tokyo-Mitsubishi International (HK) Limited U.S.\$4,000,000,000 Euro Medium Term Note Programme.
- (2) Loans unguaranteed and unsecured.
- (3) Issued under TMI's U.S.\$1,000,000,000 Euro-Commercial Paper Programme.
- (4) The following unaudited adjustments to indebtedness have taken place since 30th June, 1997:-
A total of U.S.\$11,000,000 Medium Term Notes have been or are intended to be redeemed.
A total of £2,500,000, U.S.\$25,000,000 and JPY 7,800,000,000 Euro-Commercial Paper has been or is intended to be redeemed.
A total of U.S.\$3,000,000 and JPY 5,000,000,000 Euro-Commercial Paper has been or is intended to be issued.
- (5) Save as disclosed above there has been no material change in the capitalisation and indebtedness of TMI since 30th June, 1997.

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

History and Business

BTMB was established on 9th October, 1974 by The Mitsubishi Bank, Limited, its immediate parent company with the name Mitsubishi Bank (Europe) S.A. The registered number of BTMB is 386.049 and its registered-office is at Avenue des Arts 58, 1000 Brussels, Belgium. On 1st April, 1996 BTMB changed its name from Mitsubishi Bank (Europe) S.A. to Bank of Tokyo-Mitsubishi (Belgium) S.A. BTMB is incorporated with limited liability in Belgium for an unlimited duration, its purpose being to provide a range of banking services. BTMB has one subsidiary, BTM Finance (Holland) N.V. (formerly MBE Finance N.V.) established in the Netherlands.

As at 31st December, 1996, on the basis of audited financial statements, BTMB's total assets were BEF 74,496 million and its capital and reserves were BEF 2,534 million. The financial statements are produced in accordance with the standard accounting practice in Belgium which is broadly equivalent to international accounting practice.

The authorised capital of BTMB as at 31st December, 1996, amounting to BEF 2,405 million is fully paid-up. The nominal value of each ordinary share of BTMB is BEF 1,000.

BTMB, operates in close collaboration with the Parent's Brussels branch, which was opened in April 1987 to expand further the Parent's group activities in the Benelux area.

Since the opening of the Brussels branch of the Parent to develop treasury business mainly in continental European currencies and corporate finance services for Japanese clients, BTMB's activities increasingly have focused on capital markets operations.

Recent Business and Outlook

The year 1996 was marked by the merger which took place on 1st April, 1996 between The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd.

Within the context of the merger, the Amsterdam Branch of BTMB was transferred to Bank of Tokyo-Mitsubishi (Holland) N.V., (formerly The Bank of Tokyo (Holland) N.V.) The commercial banking activities in Brussels were transferred to Bank of Tokyo-Mitsubishi (Holland) N.V. and to the Brussels Branch of The Mitsubishi Bank, Limited whose name was changed to The Bank of Tokyo-Mitsubishi, Ltd. on 1st April, 1996.

The transfer of these operations and their related assets (mainly loans and advances to customers) had a direct effect upon the total assets of BTMB, which were BEF 74,496 million as of 31st December, 1996, a decrease of 17.4 per cent. in comparison with the total assets as of 31st December, 1995. In addition, net profit after tax for the year ended 31st December, 1996 amounted to BEF 24.3 million against BEF 4.3 million at the end of the previous year.

The total consolidated balance sheet as of 31st December, 1996, which includes BTM Finance (Holland) N.V. was not materially different from BTMB's unconsolidated total balance sheet, whilst the consolidated net profit for the year ended 31st December, 1996 exceeded BEF 37 million.

BTMB continued in 1996 to expand its business activities, increasing the volume of long term loans and advances to credit institutions, issuing Medium Term Notes through BTMH and entering into financial derivative transactions.

In the course of the second half of 1996 ended 31st December, 1996 BTMB's efforts were concentrated on establishing a solid administrative infrastructure and developing information systems suitable for its new strategy, mainly orientated towards capital market related activities. This is expected to lead to an increase in the volume and range of BTMB's product base.

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

Board of Directors of BTMB

<i>Name</i>	<i>Principal Occupation and Business Address</i>
Masamichi Yamada <i>Non-executive Director</i>	<i>Resident Managing Director for Europe, The Bank of Tokyo-Mitsubishi, Ltd., London Branch, 12-15 Finsbury Circus, London EC2M 7BT, England.</i>
Akira Watanabe, <i>Non-executive Director</i>	<i>Chief Executive Officer, Tokyo-Mitsubishi International plc, 6 Broadgate, London, EC2M 2AA, England.</i>
Kenichi Masuda, <i>Non-executive Director</i>	<i>Director, The Bank of Tokyo-Mitsubishi, Ltd., Tokyo Head Office, 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan.</i>
Susumu Oki, <i>Managing Director</i>	<i>President, Bank of Tokyo-Mitsubishi (Belgium) S.A., Avenue des Arts 58, 1000 Brussels, Belgium.</i>
Kenji Hara, <i>Managing Director</i>	<i>Deputy President, Bank of Tokyo-Mitsubishi (Belgium) S.A., Avenue des Arts 58, 1000 Brussels, Belgium.</i>

Management Committee of BTMB

<i>Name</i>	<i>Principal Occupation and Business Address</i>
Susumu Oki, <i>Managing Director</i>	<i>President, Bank of Tokyo-Mitsubishi (Belgium) S.A., Avenue des Arts 58, 1000 Brussels, Belgium.</i>
Kenji Hara, <i>Managing Director</i>	<i>Deputy President, Bank of Tokyo-Mitsubishi (Belgium) S.A., Avenue des Arts 58, 1000 Brussels, Belgium.</i>

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

Capitalisation

The unaudited and non-consolidated capitalisation of BTMB and its subsidiary as well as the Capital and Reserves as at 30th June, 1997 are set out below.

	<i>Belgian Francs in Thousands</i>
Capital and Reserves (after appropriation of the result for the year 1996):	
Issued and paid-up capital	2,405,000
Legal reserve	126,000
Reserves not available for distribution	1,838
Reserves available for distribution	0
Profit brought forward	29,874
Total Capital and Reserves	<u>2,562,712</u>

As at 30th June, 1997, there has been no loan capital, borrowings, indebtedness or contingent liability of BTMB and its subsidiary.

The audited non-consolidated financial statements of BTMB for the year ended 31st December, 1996 together with the audited consolidated accounts as at 31st December, 1996 have been deposited with the National Bank of Belgium. They are accompanied by the reports issued by Mr. Roger Verstraelen of Deloitte & Touche, SCC, Statutory Auditor, who has audited without any qualification the annual consolidated accounts and non-consolidated financial statements of BTMB.

BTMB enjoys a stand-by credit line amounting to U.S.\$100,000,000, granted by The Bank of Tokyo-Mitsubishi, Ltd., Tokyo. This line, presently unused, has a non-subordinated nature. It can only be revoked after giving a two-year notice to the Parent and with the consent of the Belgian Banking and Finance Commission.

BTM FINANCE (HOLLAND) N.V.

History and Business

BTMH was incorporated with limited liability in The Netherlands on 12th June, 1989 for an unlimited duration with the name MBE Finance N.V. and is a direct, wholly-owned and consolidated subsidiary of BTMB, which itself is a wholly-owned and consolidated subsidiary of the Parent. On 1st May, 1996 MBE Finance N.V. changed its name to BTM Finance (Holland) N.V.

The registered number of BTMH is 211.720 and the registered office of BTMH is Officia 1, 2nd Floor, De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands. BTMH is governed by the law of The Netherlands. BTMH was formed for the purpose of financing investments by way of loans to BTMB, its subsidiaries or associated companies. The financial statements are produced in accordance with the generally accepted accounting practices in The Netherlands which is equivalent to International Accounting Standards. BTMH does not publish interim financial statements and does not have any subsidiaries.

With effect from 1st July, 1997 BTM Trust (Holland) B.V. took over as managing agents of BTMH from ABN AMRO Trust Company (Nederland) B.V.

Recent Business and Outlook

In the year ended 31st December, 1996, BTMH increased its total assets by 15 per cent., to NLG 757,810,073. Since 31st December, 1996, BTMH has launched three new issues under the Programme amounting to U.S.\$65 million.

Managing Board of BTMH

<i>Name</i>	<i>Principal Occupation(s) and Business Address(es)</i>
Susumu Oki <i>Managing Director</i>	<i>President, Bank of Tokyo-Mitsubishi (Belgium) S.A., Avenue des Arts 58, 1000 Brussels, Belgium.</i>
	<i>General Manager, The Bank of Tokyo-Mitsubishi, Ltd., Brussels Branch, Avenue des Arts 58, 1000 Brussels, Belgium.</i>
Kenji Hara <i>Managing Director</i>	<i>Deputy President, Bank of Tokyo-Mitsubishi (Belgium) S.A., Avenue des Arts 58, 1000 Brussels, Belgium.</i>
	<i>Joint General Manager, The Bank of Tokyo-Mitsubishi, Ltd., Brussels Branch, Avenue des Arts 58, 1000 Brussels, Belgium.</i>
Floris Van der Rhee <i>Managing Director</i>	<i>Managing Director, BTM Trust (Holland) B.V., Officia 1, 2nd Floor De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands.</i>
Rumoldus De Schutter <i>Managing Director</i>	<i>Senior Account Manager, BTM Trust (Holland) B.V., Officia 1, 2nd Floor De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands.</i>

BTM FINANCE (HOLLAND) N.V.

Capitalisation

BTMH's authorised share capital is NLG 500,000, consisting of 50,000 shares with a nominal value of NLG 10 each, of which 10,000 have been issued and are fully paid up. The shares are all of one class and in registered form, and are held by BTMB.

The following table sets out the unaudited capitalisation of BTMH as at 30th June, 1997 (BTMH's bonds and notes are guaranteed by BTMB):

	NLG (thousands)
ITL 30,000,000,000 MBE – 1 (valued at U.S.\$ 18,707,143) Indexed Linked Notes due 1998	34,620
U.S.\$19,000,000 MBE – 2 8.45 per cent. Notes due 2005	37,345
U.S.\$15,000,000 MBE – 3 Dual Basis Notes due 2005	29,483
U.S.\$5,000,000 MBE – 9 Dual Basis Notes due 2005	9,828
U.S.\$12,000,000 MBE – 10 Dual Basis Notes due 2005	23,586
U.S.\$10,000,000 MBE – 11 Capped Floating Rate Notes due 2005	19,655
U.S.\$5,000,000 MBE – 12 Capped Floating Rate Notes due 2005	9,828
U.S.\$17,000,000 MBE – 13 Capped Floating Rate Notes due 2005	33,414
U.S.\$21,000,000 MBE – 14 Dual Basis Notes due 2005	41,276
U.S.\$10,000,000 MBE – 15 Dual Basis Notes due 2005	19,655
U.S.\$15,000,000 BTMH – 17 Dual Basis Notes due 2006	29,483
U.S.\$5,000,000 BTMH – 18 Dual Basis Notes due 2006	9,828
U.S.\$10,000,000 BTMH – 19 Callable Capped Floating Rate Notes due 2006	19,655
U.S.\$10,000,000 BTMH – 20 Dual Basis Notes due 2007	19,655
U.S.\$5,000,000 BTMH – 21 Dual Basis Notes due 2007	9,828
U.S.\$50,000,000 BTMH – 22 Dual Basis Registered Notes due 2007	98,275
Shareholders' equity issued share capital	100
Retained Earnings (as at 31st December, 1996)	588
Total Capitalisation	<u>446,102</u>

Notes:

⁽¹⁾ All figures have been converted at the approximate foreign exchange spot rates prevailing on 30th June, 1997 of U.S.\$1 = NLG 1.9655, ITL 10,000 = NLG 11.54.

⁽²⁾ BTMH currently intends to issue the following Note: U.S.\$10,000,000 Series No: BTMH-23 7.25 per cent. Notes due 2007.

⁽³⁾ There has been no material change in the capitalisation of BTMH since 30th June, 1997.

History and Business

Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") was incorporated as a stock corporation under German law on 9th June, 1977 and registered in the commercial register at the Lower Court in Frankfurt am Main under number HRB 16517 under its original name Bank of Tokyo (Deutschland) Aktiengesellschaft. The registered office of BTMD is located at Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany. BTMD holds a universal banking license issued by, and is subject to the supervision of, the German Federal Banking Supervisory Authority (*Bundesaufsichtsamt für das Kreditwesen*). BTMD is a member of the Deutsche Börse Aktiengesellschaft, Frankfurter Wertpapierbörse and the Deutsche Terminbörse (DTB). All of the share capital of BTMD is owned by the Parent. As at 30th June, 1997, the issued share capital of BTMD amounted to DM167,900,000 divided into 167,900 shares of common stock of DM 1,000 each. BTMD has no subsidiaries.

Mitsubishi Bank (Deutschland) GmbH ("MBD") was incorporated as a limited liability company under German law on 21st April, 1988 and operated pursuant to a universal banking licence through its registered office in Frankfurt am Main. MBD was a wholly-owned subsidiary of The Mitsubishi Bank, Limited until 1st April, 1996 when BTMD purchased all of the share capital of MBD, whereupon MBD became a subsidiary of BTMD. Pursuant to a merger agreement between MBD and BTMD dated 11th June, 1996, which became effective upon registration in the commercial register of BTMD on 9th August, 1996, MBD was merged into BTMD and ceased to be a separate legal entity. BTMD became the successor of MBD as the issuer and principal obligor under any Notes issued by MBD under the Programme prior to such date.

Recent Business and Outlook

BTMD extended its activities in bond sales and trading with German and international banks and institutional investors. In addition to repo and lending business, BTMD also strengthened its expertise in financial engineering and in its derivative business.

BTMD's management expects a change in the capital markets environment in the next couple of years. BTMD intends to continue to develop a long-term strategic framework of co-operation within The Bank of Tokyo-Mitsubishi group network beyond the introduction of the Euro. The European capital markets will be further integrated after the currency unification, but the existing national frameworks in respect of law, regulations and taxes are expected to remain. In addition, it is expected that the diversity of the credit risk of market participants will become more pronounced in a single currency environment rather than in an environment in which credit risks and currency risks exist together. BTMD plans to develop its specialist abilities both in German capital markets and in the credit risk analysis of national credit institutions of industrial corporations and public entities. In bond underwriting, BTMD anticipates that the development of distribution channels in Europe for Deutsche Mark-denominated equity-linked bonds will provide an attractive solution for Japanese issuers who find difficulties in the Swiss market for such issues. In custody services BTMD intends to continue its efforts to enhance value-added services and to extend a range of depository services into Eastern Europe. BTMD also plans to offer an expanded range of services in the corporate finance area. BTMD is very proud of its extensive coverage of Japanese accounts and is extending its services to national and international customers, particularly those who express an interest in quick and accurate information about investment and financing opportunity in the Japanese and Asian market.

Directors of BTMD

Name	Principal Occupation
Yoshimasa Nakao	President
Takashi Kobayashi	Managing Director
Yutaka Watanabe	Managing Director

The business address of the above mentioned President and Managing Directors is Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany.

BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND) AKTIENGESELLSCHAFT

Capitalisation

The following table sets out the audited capitalisation of BTMD including Capital and Reserves as at 30th June, 1997:—

	<i>DM</i> <i>(thousands)</i>	<i>DM</i> <i>(thousands)</i>
Subscribed capital		167,900
Capital reserve		3,742
Revenue reserves		
– Legal Reserve	3,090	
– Other revenue reserves	5,668	8,758
		180,400

Additionally, there is capital with participation rights (“*Genußrechte*”) amounting to DM20 million.

As at 30th June, 1997 there has been no loan capital, borrowings, indebtedness or contingent liability of BTMD.

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 direct wholly-owned subsidiary of the Parent. As at 1st April, 1996, its authorised share capital consisted of 80,000,000 shares having a par value of U.S.\$1.00 per share, of which 79,999,990 shares were issued and fully paid up. TMIHK has two subsidiaries incorporated in Hong Kong, BTM Asset Management (HK) Limited (formerly known as BOTI Asset Management Limited), which provides fund management services for clients of TMIHK, and BTM Trustee (HK) Limited (formerly known as 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.

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.

Management

The Directors of TMIHK are:

<i>Name</i>	<i>Principal Occupation</i>
Toshiyuki Morioka	Managing Director
Shigeki Moriuchi	Deputy Managing Director
Hsiao Yao Hin, Tom	Director

The business address of Messrs. Morioka, Moriuchi and Hsiao is 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong.

TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED

Capitalisation

The following tables set out the capitalisation of TMIHK as at 30th June, 1997.

	U.S.\$
<i>Long Term Debt</i>	
4.9% Unsecured Loans due 2003	26,833,632
4.4% Unsecured Loans due 2004	48,053,820
4.43% Unsecured Loans due 2004	47,260,000
3.13% Unsecured Loans due 2005	26,219,192
3.1% Unsecured Loans due 2005	26,219,192
Dual Basis Notes due 2005, issued under Euro Medium Term Note Programme	20,000,000
	<u>194,585,836</u>
<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	17,472,642
Capital Reserve	3,368,671
	<u>100,841,303</u>
Total Shareholders' Equity	

Short Term Debt

The short-term debt of TMIHK as at 30th June, 1997 used to fund TMIHK's business was as follows:

	U.S.\$
Deposits taken from Parent	160,080,434
Deposits taken from Customers	22,747,030
	<u>182,827,464</u>

As at 30th June, 1997 the contingent liabilities and guarantees amounted to U.S.\$120,813,823.

Since 30th June, 1997 there has been no material change in the capitalisation of TMIHK.

THE BANK OF TOKYO-MITSUBISHI, LTD.

History and Business

The Bank of Tokyo-Mitsubishi, Ltd. ("BTM") was incorporated in Japan on 15th August, 1919 as "Kabushiki Kaisha Mitsubishi Ginko" (The Mitsubishi Bank, Limited ("MBL")). On 1st April, 1996, MBL changed its name to The Bank of Tokyo-Mitsubishi, Ltd. following its merger with The Bank of Tokyo, Ltd. ("BOT") (the "Merger"). Its principal place of business and registered head office are at 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. BTM's principal objects, as defined in Article 2 of its Articles, may be summarised as accepting deposits, extending loans, discounting bills and notes, effecting exchange transactions, giving guarantees, underwriting and trading government, municipal and government-guaranteed bonds and other businesses, as permitted by law.

BTM is one of the major Japanese commercial banks known as "city banks" and provides a full range of domestic and international bank services. It is an authorised foreign exchange bank in Japan and is active in the foreign exchange markets in London, Tokyo and New York City, as well as other centres. BTM is the biggest commercial bank in the world in terms of consolidated total assets.

BTM's domestic network comprises approximately 360 branches, sub-branches, and agencies. Overseas, the Bank of Tokyo-Mitsubishi Group consists of more than 400 facilities located in all the major commercial centres of the world.

Recent Developments

In recent years, Japanese financial institutions have experienced or are experiencing serious and still only partially resolved problems with non-performing assets. In some cases, these asset quality problems have led, or may lead, to severe liquidity and/or solvency issues that have resulted, or may result, in the liquidation or restructuring of the affected financial institutions. BTM does business with and is, in some instances, a shareholder in certain of these and other financial institutions and, as a result, may find itself exposed from time to time to credit or other risks associated with the financial difficulties encountered by these other financial institutions.

Hardest hit, to date, by these asset quality problems were Japan's seven housing loan companies (known as "Jusen"). After the collapse of Japan's inflated real estate and securities market (the so-called "bubble economy"), the Jusen developed a significant amount of non-performing assets and became insolvent. Under legislation enacted by the Japanese Diet in June 1996, the Housing Loan Administration Corporation (the "HLAC") was established by the Deposit Insurance Corporation (the "DIC") to purchase and administer the loans of the liquidated Jusen, which were then liquidated. In connection with the liquidation of the Jusen, various financial institutions waived repayment of ¥5.3 trillion of outstanding loans to the Jusen, and the Japanese government contributed ¥680 billion of public funds to satisfy uncollectible loan assets of the Jusen (so-called Stage One Loss). The financial institutions extended ¥5.8 trillion of loans to the HLAC, which were used to purchase the Jusen's remaining loan assets. Except for loans made by agricultural financial institutions, these loans have a term of approximately 15 years and earn interest at TIBOR (the Tokyo Interbank Offered Rate) plus 0.125%. In addition, the financial institutions made ¥1.8 trillion of non-interest-earning deposits with a special fund of the DIC (the "Special Fund") and with another fund established by The Bank of Japan and others (the "New Fund"). If during the first 15 years the HLAC incurs any losses on the Jusen loan assets it acquired (so-called Stage Two Loss), the Japanese government will be liable for half of the losses and the investment income to be earned by the Special Fund will be used for the other half. Although these loans to the HLAC are guaranteed by the DIC, deposits with the Special Fund made by the financial institutions may be used to absorb Stage Two Loss in the HLAC not covered by the investment income of the Special Fund. The DIC is obliged to make repayment of the remaining balance of the deposits made to the Special Fund at the date of liquidation of the HLAC under the legislation. Also, the legislation provides that, with the approval of the Ministry of Finance of Japan (the "MOF"), the DIC can, but is not obligated to, transfer general funds to provide for full repayment of such deposits, except for 10% of the deposits used for equity investment in the HLAC. The investment income earned by the New Fund will be paid to the Japanese government, in consideration of the ¥680 billion contribution it made toward the Stage One Loss. In connection with the foregoing, in fiscal 1996 the Group waived the repayment of ¥200.7 billion of its outstanding loans to the Jusen (which it charged off), collected the remaining balance of ¥145.9 billion, lent ¥184.2 billion to the HLAC and made non-interest-earning deposits of ¥65 billion with the Special Fund and ¥46.1 billion with the New Fund. In June 1996, the MOF implemented certain measures to enhance the resources of the DIC to increase its capacity to protect depositors in the event of the failure of Japanese deposit-taking financial

institutions. These measures included a seven-fold increase in the insurance premiums paid by Japanese financial institutions, including BTM.

Financial institutions other than the Jusen, including The Kizu Credit Cooperative and The Hanwa Bank, Ltd. have also recently failed, and others are currently experiencing difficulties with their loan portfolios. In addition, large scale restructuring plans have recently been announced by The Nippon Credit Bank, Ltd. ("NCB"), one of Japan's 20 largest banks, and The Hokkaido Takushoku Bank, Limited, one of Japan's 10 city banks. In connection with the NCB restructuring, three nonbanks filed bankruptcy petitions to liquidate, which may result in charge-offs of significant loans to the nonbanks by the financial institutions concerned, including BTM and its subsidiaries, which has loans outstanding of ¥90.8 billion to NCB's three related nonbanks and their subsidiaries. The financial institutions concerned were requested to provide capital investments in NCB and in May 1997, BTM decided to make capital investments of ¥8 billion. Although some other financial institutions may suffer similar fates, the Bank does not currently anticipate any failure or restructuring of any such institution that would have a significant effect on the consolidated financial condition of BTM and its subsidiaries.

Far-reaching structural reform plans, known as "Japan's Big Bang", were announced by the Prime Minister last year. If implemented as expected, these reforms will result in substantial changes in the Japanese financial system by 2001. The reforms are scheduled to be phased in through 2001. Some of the reform legislation has already been adopted, including amendments to the foreign exchange control law that will liberalise the current system of designated foreign exchange banks and allow a broad range of institutions to effect foreign exchange transactions on a substantially unrestricted basis, amendments to the Bank of Japan Law that will provide for greater independence for The Bank of Japan and a more transparent monetary policy, legislation that will provide for the establishment of a new agency, independent of the MOF, to supervise financial institutions, and legislation that will remove the ban on holding companies. In addition, a system of "prompt corrective action", by which the MOF will be able to exercise tighter control over asset quality and capital adequacy, has been approved. Most of these reforms will be effective as of April 1998. Some of the proposed reforms that could most directly affect Japanese banks, including BTM, are the elimination of barriers between banking and other financial service sectors, allowing banks to expand their activities into currently restricted areas and exposing them to increased competition in currently protected areas; deregulation of commissions and fees on sales of insurance policies by banks and other non-insurance entities; and an improved system of consolidated financial reporting. While it is uncertain in what final form the proposed reforms will be carried out, it is considered likely that the majority will be realised in one form or another. BTM believes that, for a variety of reasons, including its strength in the marketplace, the benefits of deregulation and increased competition far outweigh any possible disadvantages, and it welcomes the prospects for change heralded by the "Big Bang" in Japan.

Board of Directors

The Board of Directors is responsible for the administration of the business of BTM. The Articles of Incorporation of BTM provide that the number of Directors shall not exceed 70 and that the number of Corporate Auditors shall not exceed eight. Directors are elected by BTM's shareholders at annual general meetings for staggered two year terms.

The Board of Directors is empowered by Article 18 of BTM's Articles of Incorporation to appoint by resolution representative directors from among their number who may represent BTM severally. Article 18 also permits the Board of Directors to appoint from their number by resolution a chairman, a president, deputy presidents, senior managing directors and managing directors. The duties of the senior managing directors and the managing directors are defined in the Articles of Incorporation as assisting the president and deputy presidents in the management of the day-to-day business of BTM. All of these senior officers (except for managing directors) are currently representative directors.

THE BANK OF TOKYO-MITSUBISHI, LTD.

Set forth below is a list of the Directors of BTM (including executive officers of BTM) at 27th June, 1997. The business address of the Directors is 7-1, Marunouchi 2-chôme, Chiyoda-ku, Tokyo 100, Japan, unless otherwise indicated.

<u>Name</u>	<u>Current Position</u>	<u>Business Address</u> (if not as above)
Tsuneo Wakai	Chairman*	
Tasuku Takagaki	President*	
Satoru Kishi	Deputy President*	
Kenji Yoshizawa	Deputy President*	
Kaoru Hayama	Deputy President*	
Shigemitsu Miki	Deputy President*	
Kazuya Okamoto	Senior Managing Director*	
Takeshi Yano	Senior Managing Director*	
Eiichi Yoshimura	Senior Managing Director*	
Tadashi Kurachi	Senior Managing Director*	
Shin Nakahara	Senior Managing Director*	1251 Avenue of the Americas, New York, New York 10020-1104, U.S.A.
Akihiro Uno	Senior Managing Director*	1-5, Dojimahama 1-chome, Kita-ku, Osaka, Japan
Yutaka Hasegawa	Managing Director	
Yasuyuki Hirai	Managing Director	
Tetsuo Shimura	Managing Director	1251 Avenue of the Americas, New York, New York 10020-1104, U.S.A.
Ryuichi Ohno	Managing Director	
Masatoshi Shimada	Managing Director	
Kiyoshi Teramoto	Managing Director	3-2, Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Hisao Imai	Managing Director	2-3, Kitahama 4-chome, Chuo-ku, Osaka, Japan
Tadahiro Asami	Managing Director	
Hiroshi Watanabe	Managing Director	
Yasuhiko Watanabe	Managing Director	15-13, Sakai 3-chome, Kaka-ku, Kagoya, Japan
Masamichi Yamada	Managing Director	Finsbury Circus House, 12-15 Finsbury Circus, London EC2M 7BT, U.K.
Kazuro Asano	Managing Director	3-2, Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Nobuo Kuroyanagi	Managing Director	
Takuo Oi	Managing Director	
Setsuo Uno	Managing Director	
Yasumasa Gomi	Managing Director	

* Representative Director

THE BANK OF TOKYO-MITSUBISHI, LTD.

<u>Name</u>	<u>Current Position</u>	<u>Business Address</u> <i>(if not as above)</i>
Tatsunori Imagawa	Managing Director	
Yasuhiko Nakanishi	Managing Director	
Masahiko Yumino	Director	
Takashi Uno	Director	Finsbury Circus House, 12-15 Finsbury Circus, London EC2M 7BT, U.K.
Haruo Kimura	Director	
Hiroshi Motomura	Director	Harindhorn Tower 54, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Kingdom of Thailand
Hajime Shibatani	Director	
Tatsuyuki Hiramatsu	Director	Immermannstrasse 43, 40210 Düsseldorf, Germany
Mitsuru Hamaishi	Director	9 Raffles Place, #01-01 Republic Plaza, Singapore 046819, Republic of Singapore
Ryusuke Isobe	Director	5-3, Nihombashi 1-chome, Chuo-ku, Tokyo, Japan
Asataro Miyake	Director	
Takahiro Moriguchi	Director	350 California Street, San Francisco, California 94104, U.S.A.
Takejiro Sueyoshi	Director	1251 Avenue of Americas, New York New York 10020-1104, U.S.A.
Hisakazu Wakamatsu	Director	
Akira Katayanagi	Director	
Naotaka Obata	Director	
Shuichi Takahashi	Director	4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
Masayuki Tanaka	Director	3-1, Toranomom 1-chome, Minato-ku, Tokyo, Japan
Takaya Hama	Director	16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong
Kunihiro Inoue	Director	
Akira Okuhata	Director	
Juntaro Fujii	Director	10, Naginataboko-cho, Shijodori Karasumahigashiiru, Shimogyo-ku, Kyoto, Japan
Akio Goto	Director	
Masaharu Hamakawa	Director	1251 Avenue of the Americas, New York, New York 10020-1104, U.S.A.
Ichiro Terato	Director	
Kiyoshi Tsunoda	Director	

THE BANK OF TOKYO-MITSUBISHI, LTD.

<u>Name</u>	<u>Current Position</u>	<u>Business Address</u> (if not as above)
Tadamasa Kitoku	Director	
Takao Wada	Director	
Kazuhiko Wakabayashi	Director	
Yukio Yamakawa	Director	
Norimichi Kanari	Director	
Kenichi Masuda	Director	
Katsunori Nagayasu	Director	
Shunichi Tokuda	Director	
Yoshihiro Watanabe	Director	
Kanetaka Yoshida	Corporate Auditor (full-time)	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Atsuteru Miyawaki	Corporate Auditor (full-time)	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Kenichi Yamato	Corporate Auditor (full-time)	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Toshikuni Hirai	Corporate Auditor (full-time)	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Yoshikazu Takagaki	Corporate Auditor (full-time)	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Masatoshi Ichii	Corporate Auditor (full-time)	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Hiroshi Yamanaka	Corporate Auditor	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan
Shunji Kono	Corporate Auditor	3-2 Nihombashi Hongokucho 1-chome, Chuo-ku, Tokyo, Japan

RELATIONSHIP OF THE ISSUERS AND THE GUARANTOR WITH THE PARENT

Keep Well Agreement

The Parent and each of TMI, BTMB, BTMD and TMIHK have entered into a keep well agreement dated 22nd July, 1997 (the "Keep Well Agreement") governed by English law. BTMH is not a party to the Keep Well Agreement but Notes issued by BTMH 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 22nd July, 1997, 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 ("BTM") 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, 1000 Brussels ("BTMB"), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft, the registered office at the date hereof being at Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany ("BTMD") and Tokyo-Mitsubishi International (HK) Limited, the registered office at the date hereof being 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong ("TMIHK" and, together with TMI, BTMB and BTMD, the "Companies").

WHEREAS:—

- (A) the Companies are wholly-owned subsidiaries of BTM; and
- (B) the Companies intend to raise funds by the issue of notes (the "Notes") under a U.S.\$4,000,000,000 Euro Medium Term Note Programme (the "Programme") and to use such funds for their general corporate purposes.

NOW, THEREFORE, BTM and the Companies hereby agree as follows:

1. BTM will own, 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. BTM will not pledge, grant a security interest in or encumber any of such share capital.
2. BTM 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) BTMB to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in the Kingdom of Belgium and as shown in BTMB's most recent published audited balance sheets, at all times of at least BEF1,000,000;
 - (C) BTMD to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in Germany and as shown in BTMD'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.

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 BTM or insufficient funds otherwise made available by BTM through one or more third parties, then it will promptly notify BTM of the shortfall and BTM 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 BTM solely for the satisfaction when due of such payment obligations.

RELATIONSHIP OF THE ISSUERS AND THE GUARANTOR WITH THE PARENT

(B) Any and all funds from time to time provided by BTM 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 other unsecured creditors (whether subordinated or unsubordinated) of such Company.

4. BTM warrants and agrees that the payment obligations of BTM which may arise hereunder constitute unsecured and unsubordinated obligations of BTM and rank *pari passu* with all other unsecured and unsubordinated obligations of BTM.

5. This Agreement is not, and nothing herein contained and nothing done by BTM pursuant hereto shall be deemed to constitute, a guarantee, direct or indirect, by BTM 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 BTM shall be in default of its obligations hereunder, BTM shall be liable by way of liquidated damages to such Company for such breach in an amount equal to the sum that BTM 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. BTM 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 BTM.

8. This Agreement may be modified, amended or terminated only by the written agreement (executed as a deed) of BTM, the Companies and the Trustee (as defined below).

9. BTM and the Companies will give written notice to Moody's 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) BTM 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 BTM 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 one of the Notes remains outstanding.

(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), BTMB (formerly Mitsubishi Bank (Europe) S.A.) BTMH (formerly MBE Finance N.V.), BTMD (by which Mitsubishi Bank

RELATIONSHIP OF THE ISSUERS AND THE GUARANTOR WITH THE PARENT

(Deutschland) GmbH was substituted), TMIHK (by which Mitsubishi Finance (Hong Kong) Limited was substituted) and the Trustee, as supplemented or amended from time to time.

11. This Agreement shall be governed by and construed in accordance with English law. Each of BTM, BTMB, BTMD and TMIHK 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 BTM (being at the date hereof at 12-15 Finsbury Circus, London EC2M 7BT) has agreed to accept service of process on behalf of BTM in England and each of BTMB, BTMD 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:

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:

RELATIONSHIP OF THE ISSUERS AND THE GUARANTOR WITH THE PARENT

Executed as a deed by
BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND)
AKTIENGESELLSCHAFT
acting by

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

Witness:

Name:
Address:

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:

Note:

The Keep Well Agreement is not, and should not be regarded as equivalent to, a guarantee by BTM of the payment of any Notes. Although the only parties to the Keep Well Agreement are BTM, TMI, BTMB, BTMD and TMIHK, the Keep Well Agreement provides that the Trustee shall be entitled on behalf of the Noteholders to enforce against BTM, TMI, BTMB, BTMD and TMIHK their respective obligations under the Keep Well Agreement. These obligations include covenants by BTM, TMI, BTMB, BTMD and TMIHK to perform their obligations and exercise their rights under the Keep Well Agreement. Enforcement in the English courts will be subject, among other things, to the powers of such courts to stay proceedings and other principles of law and equity of general application.

Financial and other information concerning the Parent is provided for background purposes only in view of the importance of the Keep Well Agreement; it should not be treated as implying that the Keep Well Agreement can be viewed as a guarantee.

TAXATION

United Kingdom

The following is a summary of the United Kingdom withholding tax treatment at the date hereof in relation to interest payments on the Notes. It is not exhaustive as it only deals with United Kingdom withholding tax. Noteholders who are in any doubt as to their tax position should consult their own professional advisers.

Notes issued by TMI

1. Notes issued by TMI which are in bearer form and carry a right to interest ("U.K. Notes") will constitute "quoted Eurobonds" within the meaning of section 124 of the Income and Corporation Taxes Act 1988 (the "Act") provided they are and continue to be listed on a "recognised stock exchange" within the meaning of section 841 of the Act (the London Stock Exchange is so recognised). Accordingly, while the U.K. Notes are and continue to be quoted Eurobonds and are in global form and are held in a "recognised clearing system" within the meaning of section 841A of the Act (Cedel Bank, Euroclear and the Depositary Trust Company have each been designated as a "recognised clearing system"), payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

If U.K. Notes are issued in definitive form and are and continue to be quoted Eurobonds, then payments of interest on U.K. Notes may be made without such withholding or deduction where:

- (a) the person by or through whom the payment is made is not in the United Kingdom; or
- (b) the payment is made by or through a person who is in the United Kingdom and either:
 - (i) the person who is the beneficial owner of the U.K. Notes and the interest thereon is not resident in the United Kingdom; or
 - (ii) the U.K. Notes are held in a "recognised clearing system" (for which, see above); and

in the case of (b), any other administrative conditions imposed by regulations made under the Act (as amended by the Finance Act 1996) have been satisfied.

In all other cases interest on Notes issued by TMI must generally be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty.

2. If the Notes issued by TMI carry a right to interest and have a maturity date less than one year from the date of issue (and are not issued pursuant to any arrangement, the effect of which is to render such Note part of a borrowing for a total term in excess of one year) payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax.

Notes issued by Issuers other than TMI

3. Payments of interest on Notes issued by Issuers other than TMI may be made without deduction or withholding on account of United Kingdom income tax:

- (a) where the payment is made by or through an overseas paying agent; or
- (b) where the payment is made by or through a paying agent in the United Kingdom and either:
 - (i) the Notes issued by Issuers other than TMI are held in a "recognised clearing system" (for which, see above) or;
 - (ii) the beneficial owner of the Notes issued by Issuers other than TMI and the interest thereon is not resident in the United Kingdom or;
 - (iii) the beneficial owner of the Notes issued by Issuers other than TMI and the interest thereon and in some cases, the recipient of that interest where not that beneficial owner, falls into certain other specified categories.

and any other administrative conditions imposed by regulations made under the Act as amended by the Finance Act 1996 have been satisfied.

Collecting Agents

4. Where a person in the United Kingdom in the course of a trade or profession either:
- (a) acts as custodian of the UK Notes or Notes issued by Issuers other than TMI or, so long as they constitute quoted eurobonds, Notes issued by TMI, and receives interest on those Notes or directs that interest on those Notes be paid to another person or consents to such payment; or
 - (b) collects or secures payment of or receives interest on the Notes issued by Issuers other than TMI or, so long as they constitute quoted eurobonds, Notes issued by TMI, for a Noteholder or a Couponholder (except by means of clearing a cheque or arranging for the clearing of a cheque),
- (a "collecting agent"), the collecting agent will be required to withhold on account of income tax at the lower rate unless:
- (i) the relevant Notes are held in a recognised clearing system (for which, see above) and the collecting agent either:
 - (A) pays or accounts for the interest directly or indirectly to the "recognised clearing system"; or
 - (B) is acting as a depository for the "recognised clearing system", or
 - (ii) the beneficial owner of the relevant Notes and the interest thereon is either not resident in the United Kingdom or is specified by the regulations; or
 - (iii) the interest arises to trustees not resident in the United Kingdom of certain discretionary or accumulation trusts (where, *inter alia*, none of the beneficiaries of the trust is resident in the United Kingdom); or
 - (iv) the person beneficially entitled to the interest is eligible for certain reliefs from tax in respect of the interest; or
 - (v) the interest fails to be treated as the income of, or of the government of, a sovereign power or of an international organisation.

In the case of each of the above exceptions (except (i)(B)) further administrative conditions imposed by the regulations referred to above may have to be satisfied for the relevant exception to be available.

Discount Notes and Premiums

5. Any premium over the amount originally subscribed for the Notes paid on redemption at maturity or otherwise in accordance with the Terms and Conditions of the Notes will not generally be regarded as interest for United Kingdom withholding tax purposes. If any element of premium or discount were to be treated as interest, payments thereof would be subject to United Kingdom withholding tax as outlined above.

Belgium

The following gives a general, and thus not exhaustive, overview of the Belgian tax aspects which apply to the issue, detention and sale of the Notes which may from time to time be issued under the Programme.

Under current Belgian law:

1. No withholding or deduction for or on account of Belgian income tax will be required to be made upon payment under the Notes issued outside of Belgium of interest, premium, discount or

other amount qualifying as "interest" under Belgian tax law, by a payor who is not a resident of Belgium, provided such payments are made outside Belgium and without any intervention of an intermediary in Belgium.

- 2(a). This paragraph applies where the Notes are not entered in an approved clearing system in Belgium (i.e. presently, the clearing system operated by the National Bank of Belgium) in accordance with Chapter I of the Act of 6th August, 1993 relating to transactions in certain securities and its implementing regulations. No withholding or deduction for or on account of Belgian income tax will be required to be made upon the payment under the Notes, other than Zero Coupon Notes, issued by BTMB in its capacity as Issuer, of (i) interest, premium, discount or other amount qualifying as "interest" under Belgian tax law, provided that such payment is from Notes registered with BTMB for the entire period to which the interest or other payment relates and the beneficiary thereof is a non-resident investor who held the relevant Notes in ownership or usufruct for the entire period to which the interest or other payment relates, and BTMB has received a certificate from the relevant beneficiary confirming these conditions and furthermore stating that he is not using the relevant Notes in the exercise of any business activity in Belgium, and, of (ii) interest, premium, discount or other amount qualifying as "interest" under Belgian tax law, provided that the beneficiaries of such payments are certain categories of resident Noteholders, including financial institutions, who fulfil the applicable certification requirements for their proper identification as Belgian taxpayers and as to their compliance with any applicable special conditions; in all other cases interest or other payments on the Notes issued by BTMB must generally be paid under deduction of Belgian withholding tax at a rate of 15.00 per cent. subject to such relief as may be available under the provisions of any applicable Double Taxation Treaty.
- 2(b). This paragraph applies in the case of the issue by BTMB (in its capacity as Issuer) of Bearer Notes which are held in book-entry form through Euroclear/Cedel Bank or another recognised participant in the approved clearing system of the National Bank of Belgium, in accordance with Chapter I of the Law of 6th August, 1993 relating to transactions in certain securities and its implementing regulations. All income (including interest) arising out of, or resulting from, transactions in such Notes, which may include Zero Coupon Notes, issued by BTMB in its capacity as Issuer, held by non-resident investors and booked on an exempted account ("X-account") is unconditionally and without further formalities exempt from Belgian withholding tax, provided that an affidavit issued by the holder of the X-account certifying that he is a non-resident is delivered to the recognised participant at the time of the opening of the account or, where the Notes are held through Euroclear or Cedel Bank, all the Notes are held on X-accounts, Euroclear/Cedel Bank and each sub-participant or intermediary through which the Notes are held ascertains for itself that the relevant Noteholder qualifies for an X-account by reason of his non-resident status, and no withdrawal of the Notes from the clearing system is requested.
3. No withholding or deduction for or on account of Belgian income tax will be required to be made upon payment by BTMB, in its capacity as Guarantor, of interest, premium, discount or other amount qualifying as "interest" under Belgian tax law, unless BTMB were held to be either (i) the primary obligor of such payment or (ii) acting as an intermediary for such payment, in which cases a withholding tax of 15.00 per cent. would be due, subject to such relief as may be available under the provisions of any applicable Double Taxation Treaty and subject to the following exemptions: in the case of either (i) or (ii), an exemption from Belgian withholding tax is available in respect of interest, premium, discount or other amount qualifying as "interest" under Belgian tax law, paid on Notes, other than Zero Coupon Notes, to the categories of resident Noteholders as mentioned in 2(ii) fulfilling the relevant formalities; only in case (ii), an exemption from Belgian withholding tax may be available with respect to payments made to or for the account of non-resident Noteholders who place their Notes in "open custody" with a custodian in Belgium and submit a proper affidavit in accordance with the rules of the Belgian tax administration confirming, *inter alia*, that the beneficiary is not using the relevant Notes in the exercise of any business activity in Belgium.
4. Such a non-resident Noteholder as mentioned in 3 will not be subject to Belgian income tax on gains realised on the sale, redemption or exchange of Notes.
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5. The Notes will not be subject to Belgian gift taxes provided the gift has not to be and is not made or evidenced by a deed or other instrument subject to registration in Belgium.
6. The Notes will not be subject to Belgian inheritance taxes if held by persons not resident in Belgium at the time of their death.
7. Subject to the exceptions mentioned hereafter, no Belgian registration taxes, stamp duties, V.A.T. or other similar taxes or duties will be levied or imposed in connection with the execution of any of the Agreements, nor upon the issue and the delivery of the Notes, whether or not listed in a Belgian or foreign stock exchange. The judicial enforcement of any money claim the value of which exceeds BEF500,000 (or the equivalent thereof in any foreign currency) entails a registration tax of 3 per cent. on the total amount which the debtor is ordered to pay by a judgement rendered or rendered enforceable by a Belgian court, the registration tax being due by the debtor but the creditor being jointly liable up to maximum one-half of the amount he recovers from the debtor. No registration or other tax is due in Belgium in connection with the procedure aimed at obtaining a judgement authorising the enforcement of a foreign judicial decision in Belgium according to article III of the Additional Protocol to the Brussels Convention of 27th September, 1968 on the jurisdiction and enforcement of judgements in civil and commercial matters. A Belgian tax on securities transactions of 0.70 per mille basis will be due upon the secondary sale or purchase or any other transfer for consideration of Notes regardless of whether or not the Notes would be listed on any (Belgian or foreign) stock exchange, provided that such a sale or purchase or other transfer is concluded or executed in Belgium through a professional securities intermediary; and a Belgian tax on securities transactions of 1.40 per mille basis will be due on the delivery to the subscribers or purchasers pursuant to a public issue or offer of Notes regardless of whether or not the Notes would be listed on any (Belgian or foreign) stock exchange, provided that the delivery occurs in Belgium through a professional securities intermediary. An exemption is available for non-residents provided that they deliver to the Issuer or the relevant professional intermediary in Belgium, as the case may be, an affidavit confirming their non-resident status.
8. With respect to Bearer Notes issued or guaranteed by BTMB, a specific Belgian tax will be levied upon the physical delivery of Notes at the occasion of (i) a sale and purchase of a definitive Bearer Note, through a professional intermediary in Belgium (ii) the withdrawal of one or more Notes from the "open custody" with Euroclear or another qualifying custodian in Belgium through which the Notes are held, or (iii) the delivery of definitive Notes to a Noteholder in Belgium, or (iv) the conversion of Registered Notes into definitive Bearer Notes at the request of a Noteholder. The tax is due at a rate of 0.2 per cent. on (i) the sums payable by the purchaser or (ii) the sales value of the Notes as estimated by the relevant custodian, as the case may be.

The Netherlands

BTMH has been advised that under existing Netherlands law:

- (a) All payments under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political sub-division or taxing authority thereof or therein.
- (b) A holder of a Note, including Zero Coupon Notes, will not be subject to any Netherlands taxes on income or capital gains in respect of any payment under the Note or in respect of any gain realised on the disposal of the Note, provided that:
 - (i) such holder is not a resident or a deemed resident of The Netherlands; and
 - (ii) such holder does not have an enterprise or an interest in an enterprise which in its entirety or in part is carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or to which part of an enterprise the Notes are attributable; and
 - (iii) such holder neither has, nor during the last five years had, a substantial interest or deemed substantial interest in the share capital of BTMH or, in the event such holder does have such an interest, it forms part of the assets of an enterprise; and

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- (iv) such holder does not carry out and has not carried out employment activities with which the holding of the Note is connected.
 - (c) A holder of a Note will not be subject to Netherlands net wealth tax in respect of such Note, provided that such holder is not an individual or, if he is an individual, the conditions mentioned under (b) (i) and (ii) above are met.
 - (d) No gift, estate or inheritance taxes will arise in The Netherlands on the transfer of a Note by way of gift by, or on the death of, an individual holder, who is neither a resident nor a deemed resident of The Netherlands, provided that:
 - (i) such transfer is not construed as a gift made by or on behalf of a person who is a resident or a deemed resident of The Netherlands; and
 - (ii) such Note is not attributable to an enterprise owned by the donor or deceased or in which the donor or the deceased owned an interest and which in whole or in part is carried on through a permanent establishment or a permanent representative in The Netherlands.
 - (e) No Netherlands registration tax, customs duty, stamp duty or any other similar tax or duty other than court fees is payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of The Netherlands) of the Trust Deed, the Agency Agreement, the Programme Agreement, the Keep Well Agreement and the Guarantee or the performance of the Issuer's obligations under the Notes.

Capital tax will be due if, pursuant to the Guarantee, contributions of capital are made or deemed to be made to the capital of BTMH.

Germany

The following description only represents a summary of the provisions of German tax laws and regulations which, due to its summary character, does not cover all details which may apply in specific individual cases and may even require a deviation therefrom. Furthermore, it does not deal with any taxes other than the withholding tax as described. Therefore, prospective investors may not rely on such summary description, but are advised to consult their own professional tax advisers. In addition, the summary below is based on the laws in force in Germany as of the date of this Offering Circular and are subject to changes in law or applicable regulations occurring after such date, which changes could be made on a retroactive basis.

Persons resident in the Federal Republic of Germany are subject to income tax on their worldwide income, regardless of its source, including interest from debentures of any kind, such as the Notes. Persons not resident nor deemed resident pursuant to German tax law or any double tax treaties in the Federal Republic of Germany are, in certain circumstances, not subject to German tax with respect to interest which they may receive under the Notes. The German legislature adopted an advanced interest income tax (*Zinsabschlagsteuer*) on payments of interest on debt obligations which became law on 1st January, 1993. Pursuant to this law, the withholding obligation would require deduction by a German financial institution, which term includes a German branch of a foreign financial institution but excludes a foreign branch of a German financial institution, at a rate of 30 per cent. on interest payments made in respect of obligations held in custody by such German financial institution for (a) German tax residents (i.e. persons whose residence, customary place of abode, head office or management is located in the Federal Republic of Germany) and (b) persons who are not resident in the Federal Republic of Germany and who are therefore taxable in the Federal Republic of Germany on a limited basis (that is, with respect to their German source income) if according to German tax law the interest received from the Notes qualifies as income from German sources (such as the income effectively connected with a German trade or business). Where a Noteholder disposes of his Notes prior to maturity, the excess of interest attributable to the time period over which such Noteholder held the Note after the last interest payment date ("accrued interest") over any accrued interest paid by the Noteholder on certain types of debentures to the German financial institution during the same calendar year will be subject to advanced interest income tax at a rate of 30 per cent.

Furthermore, from 1st January, 1995 an additional so-called "Solidarity surcharge" (*Solidaritätszuschlag*) has been introduced at a current rate of 7.5 per cent. on the advanced interest income tax, so that applying

the solidarity surcharge tax on the advanced interest income tax results in a total rate of advanced deduction of currently 32.25 per cent. (30 per cent. plus 7.5 per cent. of 30 per cent.).

The tax withheld may later be credited as a prepayment for purposes of the income tax assessment. As a result of the tax-free amount allowed for income from capital investments, a German resident investor can avoid the deduction of this tax by filing a so-called "*Freistellungsauftrag*" (application for exemption from capital yields tax) with his bank in Germany up to the amount of the tax free allowance applicable to him; the same applies if there is no obligation to submit to a tax assessment (evidenced by a so-called "*Nichtveranlagungsbescheinigung*").

Interest payments made by a bank in Germany upon over-the-counter presentation of Coupons are subject to such advanced interest income tax at a rate of 35 per cent., regardless of whether or not the recipient is a resident or non-resident for purposes of German taxation, and in addition to the current rate solidarity surcharge tax of currently 7.5 per cent. on such tax, so that the total deduction is currently 37.625 per cent. (7.5 per cent. of 35 per cent. plus 35 per cent.).

The withholding tax described above does not constitute a withholding or deduction within the meaning of Condition 8.

Hong Kong

The statements herein regarding Hong Kong taxation are based on the laws in force in Hong Kong as of the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of Notes.

Hong Kong tax will not be required to be withheld from payments of principal or interest on the Notes.

Interest on the Notes may be subject to Hong Kong Profits Tax where the interest arises from a trade, profession or business carried on in Hong Kong.

Hong Kong Profits Tax may be chargeable on profits arising on the sale or disposal of the Notes where such transactions are or form part of a trade, profession or business carried on in Hong Kong.

No estate duty will be payable under the Estate Duty Ordinance of Hong Kong, as currently enacted, in respect of Notes which are physically located outside Hong Kong at the date of the death of the holder thereof.

United States

The following is a general summary of the principal U.S. federal income tax consequences of the acquisition, ownership, and disposition of Notes by a holder who is a citizen or resident of the United States, a corporation, partnership, or other entity created or organized in or under the laws of the United States or any political subdivision thereof or therein, or an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source (a "U.S. Holder"). In addition, this summary applies only to Notes held as capital assets and generally does not address aspects of U.S. federal income taxation that may be applicable to particular U.S. Holders, such as life insurance companies, tax-exempt organizations, banks, or dealers in securities or currencies, or to U.S. Holders that will hold a Note as part of a position in a "straddle" or as part of a hedging transaction for U.S. tax purposes. Each prospective purchaser should consult its tax adviser with respect to the U.S. federal, state, local, and foreign tax consequences of acquiring, holding, and disposing of Notes.

Stated Interest. Stated interest on a Note will be includible in a U.S. Holder's gross income as ordinary interest income at the time it is paid or accrued in accordance with the U.S. Holder's usual method of tax accounting for U.S. federal income tax purposes. In addition, stated interest on the Notes should be treated as foreign source income for U.S. foreign tax credit purposes.

Original Issue Discount. Notes with a fixed maturity of more than one year may be issued with original issue discount. If a Note is issued with original issue discount, a U.S. Holder will be required to include amounts in gross income for federal income tax purposes in advance of receipt of the cash payments to which such amounts are attributable.

Short-Term Notes. Notes with a fixed maturity of one year or less ("Short-Term Notes") may be issued with original issue discount. Accrual method U.S. Holders, and certain other U.S. Holders, including banks and dealers in securities, are required to accrue original issue discount on a Short-Term Note on a straight-line basis unless an election is made to accrue such discount using a constant yield to maturity method.

Sale, Exchange, or Retirement. Upon the sale, exchange, or retirement of a Note, a U.S. Holder will recognise taxable gain or loss equal to the difference, if any, between the amount realised on the sale, exchange, or retirement and the U.S. Holder's adjusted tax basis in such Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the cost of such Note to the holder increased by any original issue discount theretofore included in income. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the Note has been held for more than one year at the time of such sale, exchange, or retirement. Any gain realised on a sale or other disposition of a Note, other than amounts attributable to stated interest, generally will be treated as U.S. source income for U.S. foreign tax credit purposes.

Effect of Withholding Taxes (if any). If any withholding taxes are imposed by a taxing authority upon payments of interest on a Note, a U.S. Holder will be required to include in gross income any such withholding taxes and any withholding taxes imposed with respect to any additional amounts payable by the Issuer with respect thereto as interest income. Such treatment will be required regardless of whether, as will generally be true, the Issuer is required to pay additional amounts so that the amount of withholding taxes does not reduce the net amount actually received by the holder of the Note.

Subject to certain limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for withholding taxes withheld by the Issuer (which, as described above, would include the amount of any additional amounts paid by the Issuer with respect to such withholding taxes).

Potential purchasers of Notes should carefully consider the U.S. federal tax consequences of payments by the Issuer of withholding or other taxes and of additional amounts.

U.S. Back-up Withholding and Information Reporting. U.S. back-up withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale or redemption of an obligation to certain noncorporate U.S. Holders. The paying agent will be required to withhold from any such payment on a Note to a U.S. Holder (other than an "exempt recipient") if such holder fails to furnish his correct taxpayer identification number or otherwise fails to comply with such back-up withholding requirements. Back-up withholding is not a separate tax and any amounts withheld may be credited against a U.S. Holder's federal tax liability.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Cedel Bank (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Trustee or any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Global Notes

Each Tranche of Notes offered and sold outside the United States in reliance on Regulation S will be represented by interests in a Reg. S Global Note which will be deposited with and registered in the name of a nominee for a common depository for Euroclear and/or Cedel Bank for the account of its participants. A beneficial interest in a Reg. S Global Note may at all times be held only through Euroclear and Cedel Bank.

Each Tranche of Notes offered and sold in reliance on Rule 144A will be represented by interests in a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee for, DTC. The Restricted Global Note will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note set forth under "Delivery of the Notes; Registration of Transfers—Transfer Restrictions".

Each Reg. S Global Note will have an ISIN number and each Restricted Global Note will have a CUSIP number.

Transfer within and between DTC, Cedel Bank and Euroclear

On or prior to the 40th day after completion of the distribution of each Tranche of Notes, a beneficial interest in the Reg. S Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through the Restricted Global Note only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such 40th day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Reg. S Global Note, as set out under "Book-Entry Clearance Procedures; Registration of Transfers – Transfer Restrictions".

A beneficial interest in a Restricted Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Reg. S Global Note, whether before, on or after such 40th day, only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A under the Securities Act (if available).

Any beneficial interest in either a Restricted Global Note or a Reg. S Global Note that is transferred to a person who takes delivery in the form of a beneficial interest in another Global Note will, upon transfer, cease to be a beneficial interest in such Registered Global Note and become a beneficial interest in that other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Registered Global Note for as long as it remains such an interest.

So long as DTC or its nominee or Euroclear, Cedel Bank or the nominee of their common depository is the registered holder of a Registered Global Note, DTC, Euroclear, Cedel Bank or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for the sole purpose of making payments in respect of the Notes (provided that the applicable tax treatment and procedures will be determined as if the person who is shown in the records of DTC, Euroclear or Cedel Bank, as the case may be, as the holder of a particular nominal amount of such Notes were the registered holder itself). Payments of principal, interest and additional amounts, if any, pursuant to

Condition 8, in respect of a Registered Global Note will be made to DTC, Euroclear, Cedel Bank or such nominee, as the case may be, as the registered holder thereof. None of the Issuers, any Agent or any Dealer or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Note Certificates

Registration of title to Notes initially represented by a Restricted Global Note in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless such depositary notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Note or ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer of such Notes is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary.

Registration of title to Notes initially represented by a Reg. S Global Note in a name other than the nominee of the common depositary for Euroclear and Cedel Bank will not be permitted unless Euroclear or Cedel Bank is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and does in fact do so and no alternative clearance system acceptable to the Trustee is available.

In such circumstances, the relevant Issuer will, at the cost of the Issuer, cause sufficient Note certificates to be executed and delivered to the Registrar for completion and dispatch to the relevant Noteholders. A person having an interest in a Registered Global Note must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Note certificates; and
- (ii) in the case of the Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Note certificates issued in exchange for a beneficial interest in the Restricted Global Note shall bear the legends applicable to transfers pursuant to Rule 144A (as set out under "Book-Entry Clearance Procedures; Registration of Transfers – Transfer Restrictions").

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 11 of the Terms and Conditions of the Notes.

The holder of a Note certificate may transfer the Registered Note represented thereby by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Note certificate issued in exchange for a Restricted Global Note ("144A Note Certificates") bearing the legend referred to under "Book-Entry Clearance Procedures; Registration of Transfers—Transfer Restrictions", or upon specific request for removal of the legend on a 144A Note Certificate, the Issuer will deliver only 144A Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of or exchange of interests in a Registered Global Note for Note certificates for a period 15 calendar days preceding the due date for any payment of principal or interest in respect of the Notes.

With respect to the registration of transfer of any 144A Note Certificate, the Registrar will register the transfer of any such 144A Note Certificate if the transferor, in the form of Transfer on such 144A Note Certificate has certified to the effect that such transfer is (i) to persons whom the transferor reasonably believes

is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) in accordance with Regulation S, (iii) pursuant to Rule 144 under the Securities Act (if available) or (iv) to the Bank or its affiliates.

If only one of the Global Notes (an "Exchanged Global Note") becomes exchangeable for Note certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Note certificates issued in exchange for beneficial interests in the Exchanged Global Note and, on the other hand, persons wishing to purchase beneficial interests in the other Global Note representing the same series of Notes of the relevant Tranche.

Euroclear, Cedel Bank and DTC

Custodial and depositary links have been established with Euroclear and Cedel Bank and DTC to facilitate the initial issue of the Registered Notes and cross-market transfers of the Registered Notes associated with secondary market trading.

Euroclear and Cedel Bank each holds securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Cedel Bank provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Cedel Bank participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Cedel Bank is also available to others, such as banks, brokers, dealers, and trust companies which clear through or maintain a custodial relationship with a Euroclear or Cedel Bank participant either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Registered Notes held through Euroclear or Cedel Bank will be credited, to the extent received by the Agent, to the cash accounts of Euroclear or Cedel Bank participants in accordance with the relevant system's rules and procedures.

DTC has informed the Issuers as follows: DTC is a limited-purpose trust company organised under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations such as the Dealers. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Registered Notes holding through DTC will receive, to the extent received by the Agent, all distributions of principal and interest with respect to book-entry interests in the Registered Notes from the Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC, Euroclear and Cedel Bank can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Registered Notes in Euroclear, Cedel Bank and DTC will be reflected in the book-entry accounts of each institution. As necessary, the Registrar will adjust the amounts of Registered Notes on the Register for the accounts of (i) Euroclear and Cedel Bank and (ii) DTC to reflect the amounts of Notes held through Euroclear, Cedel Bank and DTC, respectively. Beneficial ownership in Registered Notes will be held through financial institutions as direct and indirect participants in

Euroclear, Cedel Bank and DTC. Euroclear, Cedel Bank or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Registered Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Registered Notes.

The Registrar will be responsible for maintaining a record of the aggregate holdings of Registered Notes registered in the name of a nominee for the common depository for Euroclear and Cedel Bank, a nominee for DTC and/or holders of Registered Notes represented by Note certificates.

The Agent will be responsible for ensuring that payments received by it from the relevant Issuer for holders of interests in the Notes holding through Euroclear and Cedel Bank are credited to Euroclear or Cedel Bank as the case may be, and the Agent will also be responsible for ensuring that payments received by the Registered Agent from the relevant Issuer for holders of interests in the Notes holding through DTC are credited to DTC.

The Issuer will not impose any fees in respect of the Registered Notes; however, holders of book-entry interests in the Registered Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Cedel Bank or DTC.

Interests in the Reg. S Global Note and the Restricted Global Note will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Registered Notes through Euroclear and Cedel Bank accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Reg. S Global Note will be credited to Euroclear participant securities clearance accounts on the business day following the closing date for the Relevant Notes against payment (value such closing date), and to Cedel Bank participant securities custody accounts on such closing date against payment in same day funds. DTC participants acting on behalf of purchases electing to hold book-entry interests in the Registered Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC participant securities accounts will be credited with book-entry interests in the Registered Notes following confirmation of receipt of payment to the Issuer on the closing date for the Relevant Notes.

Trading between Euroclear and/or Cedel Bank participants: Secondary market sales of book-entry interests in Registered Notes held through Euroclear or Cedel Bank to purchasers of book-entry interests in Registered Notes through Euroclear or Cedel Bank will be conducted in accordance with the normal rules and operating procedures of Euroclear and Cedel Bank and will be settled using the procedures applicable to conventional eurobonds.

Trading between DTC participants: Secondary market sales of book-entry interests in the Registered Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Cedel Bank purchaser: When book-entry interests in Registered Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Note to the account of a Euroclear or Cedel Bank participant wishing to purchase a beneficial interest in Reg. S Global Note (subject to such certification procedures as provided in the Agency Agreement), the DTC participant will deliver the book-entry interests in the Registered Notes represented thereby free of payment by 3.00 p.m., New York time, on the settlement date to the Custodian's account at DTC together with instructions for delivery to the relevant Euroclear or Cedel Bank participant. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Cedel Bank participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Registered Notes registered in the name of the depository for DTC and evidenced by the Restricted Global Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Cedel Bank and evidenced by the Reg. S Global Note. Book-entry interests will be delivered free of payment to Euroclear or Cedel Bank, as the case may be, for credit to the relevant participant's account on the second business day following the settlement date.

Trading between Euroclear/Cedel Bank seller and DTC purchaser: When book-entry interests in the Registered Notes are to be transferred from the account of a Euroclear or Cedel Bank participant to

the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Note (subject to such certification procedures as provided in the Agency Agreement), the Euroclear or Cedel Bank participant must send to Euroclear/Cedel Bank delivery free of payment instructions by 10.00 a.m., Brussels or Luxembourg time one business day prior to the settlement date. Euroclear or Cedel Bank, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Cedel Bank and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Cedel Bank participant, as the case may be. On the settlement date, the common depositary for Euroclear and Cedel Bank will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Registered Notes registered in the name of the nominee of the common depositary for Euroclear and Cedel Bank and evidenced by the relevant Reg. S Global Note and (ii) increase the amount of Notes registered in the name of the depositary for DTC and evidenced by the Restricted Global Note.

Although the foregoing sets out the procedures of Euroclear, Cedel Bank and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Cedel Bank and Euroclear, none of Euroclear, Cedel Bank or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, any Agent or any Manager or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear and Cedel Bank or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Transfer Restrictions

The Restricted Global Note and Note certificates issued in exchange for a beneficial interest in the Restricted Global Note will bear a legend to the following effect, unless the relevant Issuer determines otherwise in accordance with applicable law:

"THIS NOTE IS NOT BEING REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) TO NAME OF ISSUER OR TO A DEALER, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, THAT IS AWARE THAT THE RE-SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN ACCORDANCE WITH THE RULES GOVERNING THE PORTAL MARKET OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULES 144 OR 145 OR REGULATION S UNDER THE SECURITIES ACT."

All purchasers of beneficial interests in a Restricted Global Note shall be deemed to have represented and agreed to reoffer, resell, pledge or otherwise transfer such beneficial interests only in accordance with the foregoing legend.

Meetings of Noteholders

The provisions for meetings of Noteholders scheduled to the Trust Deed provide that, where all the outstanding Notes are held by one person, the quorum in respect of the relevant meeting will be one person present (being an individual, present in person, or, being a corporation, present by a representative) holding all of the outstanding Notes or being a proxy in respect of such Notes.

Purchase and cancellation of beneficial interests in Global Notes

Cancellation of any Registered Note represented by a beneficial interest in the Reg. S Global Note or the Restricted Global Note which is surrendered for cancellation following its purchase will be recorded in the Register by the Registrar.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Dealers have in a programme agreement (the "Programme Agreement") dated 24th November, 1994 as amended and restated in the Supplemental Programme Agreement dated 28th November, 1995 and the Second Supplemental Programme Agreement dated 29th July, 1996 agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Programme Agreement, the Issuers and the Guarantor have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme. The relevant Issuer may pay the Dealers commissions from time to time in connection with the sale of any Notes. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the relevant Issuer.

(a) United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

- (i) Offers, sales, resales and other transfers of Notes in the United States made or approved by a Dealer (including in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act.
- (ii) Offers, sales, resales and other transfers of Notes in the United States will be made only to Institutional Accredited Investors that have executed and delivered to a Dealer the IAI Investment Letter addressed to the Issuer substantially in the form set out in the Agency Agreement or to QIBs that are reasonably believed to qualify as qualified institutional buyers (as therein defined) within the meaning of Rule 144A. Notes sold to Institutional Accredited Investors will be issued solely in definitive registered form.
- (iii) Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising will be used in connection with the offering of the Notes in the United States.
- (iv) No sale of the Notes in the United States to an Institutional Accredited Investor will be for less than U.S.\$100,000 principal amount and no Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 principal amount of the Notes.
- (v) Each Registered Note (other than Reg. S Notes in definitive form) shall contain a legend in substantially the following form:

"This Note has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. Neither this Note nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the absence of such registration or unless such transaction is exempt from, or not subject to, registration.

The holder of this Note by its acceptance hereof, on its own behalf and on behalf of any account for which it is purchasing this Note or any interest or participation herein, agrees to offer, sell or otherwise transfer such Note or any interest or participation herein only to, or for the account or benefit of, (A) the relevant Issuer or a Dealer (as defined in the offering circular for the Note), (B) a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act), (C) an "Accredited Investor" (as defined in Rule 501(a)(1), (2) or (3) under the Securities Act) who is an institution that, prior to such transfer, furnishes a written certification containing certain representations and agreements relating to the restrictions on transfer of this Note (the form of which letter can be obtained from the Registrar and the Transfer Agents), (D) outside the United

States in a transaction which meets the requirements of Rule 904 of Regulation S under the Securities Act, (E) pursuant to an effective registration statement under the Securities Act, or (F) pursuant to any other available exemption from the registration requirements of the Securities Act. Upon any transfer of this Note or any interest or participation herein pursuant to clauses (C), (D) or (F), in the case of Legended Notes or clauses (B), (C) or (F) in the case of Reg. S Notes, the holder will be required to furnish to the relevant Issuer such certifications (which in the case of transfers pursuant to clauses (C), (D) or (F), in the case of Legended Notes or clauses (B), (C) or (F) in the case of Reg. S Notes, can be obtained from the Registrar and the Transfer Agents), legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The holder will also be required to deliver to the transferee of this Note or any interest or participation therein a notice substantially to the effect of this legend. Any resale or other transfer or attempted resale or other transfer of this Note made other than in compliance with the foregoing restriction shall not be recognised by the Issuer, the Registrar or any other agent of the Issuer."

In the case of Reg. S Global Notes only the following paragraph shall appear in the legend:

"The restrictions in the preceding paragraph shall only apply during the period which ends 40 days after completion of distribution of the Notes as certified by the relevant Dealer or Dealers, in the case of a non-syndicated issue, or as certified by the relevant Lead Manager, in the case of a syndicated issue."

In the case of a Registered Global Note registered in the name of Cede & Co. as nominee (or another nominee) of The Depository Trust Company, the following paragraph shall also appear in the legend:

"Unless this Global Note is presented by an authorised representative of The Depository Trust Company, a New York corporation ("DTC"), to the relevant Issuer or its agent for registration of transfer, exchange or payment, and any registered Note issued is registered in the name of Cede & Co. or in such other name as is required by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is required by any authorised representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful in as much as the registered owner hereof, Cede & Co., has an interest herein."

The legend endorsed on each Reg. S Global Note shall cease to apply after expiry of the Restricted Period applicable thereto.

By its purchase of any Notes, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Note purchased by it (to the extent still applicable and each such purchaser shall be deemed to have represented to the Issuer, the seller and the Dealer, if applicable that it is either (i) a QIB or (ii) an Institutional Accredited Investor that is acquiring the Notes for its own account for investment and not with a view to the distribution thereof. Each investor (other than an investor in Reg. S Notes following expiry of the applicable Restricted Period), by its purchase of any Notes, also agrees to deliver to the transferee of any Note a notice substantially to the effect of the above legend.

To the extent that any Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, such Issuer has agreed to furnish to Holders of the Notes and to prospective purchasers designated by such Holders, upon request thereby, such information as may be required by Rule 144A.

Each prospective investor is hereby offered the opportunity to ask questions of, and receive answers from, the Issuer and the Dealers concerning the terms and conditions of the offering.

Any purchaser of Notes must have sufficient knowledge and experience in business matters to be capable of evaluating the merits and risks of investing in and holding Notes and be able to bear

the economic risk of the investment for an indefinite period of time because the Notes have not been registered under the Securities Act. There is no undertaking to register the Notes thereafter, and they cannot be sold unless they are subsequently registered or an exemption from such registration requirement is available. There can be no assurance that the Notes will be sold or that there will be a secondary market for the Notes.

Pursuant to the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws.

Bearer Notes, which may be issued pursuant to a Pricing Supplement, are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes of any Tranche (i) as part of their distribution at any time or (ii) otherwise until expiry of the Restricted Period applicable to such Tranche issued prior to such determination, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States to, or for the account or benefit of, U.S. persons.

In addition, until expiry of the relevant Restricted Period, an offer or sale of Notes within the United States by a Dealer, including a dealer that is not participating in the offering, may violate the registration requirements of the Securities Act.

Each issuance of Dual Currency or Indexed Notes will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree, as indicated in the applicable Pricing Supplement. Each Dealer has agreed and, if different, the relevant dealer in respect of each such issue will be required to agree that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

(b) United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to Notes which have a maturity of one year or more and which are to be listed on the London Stock Exchange, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part IV of the Financial Services Act 1986 (the "FSA") except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the FSA;
- (ii) in relation to Notes which have a maturity of one year or more and which are not to be listed on the London Stock Exchange, it has not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of any Notes, other than, in relation to any

Notes to be listed on the London Stock Exchange, any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the FSA, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on; and

- (iv) it has complied and will comply with all applicable provisions of the FSA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

(c) Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that, in connection with each offering of the Notes, it has not, directly or indirectly, offered or sold and it will not, directly or indirectly, offer or sell, any Notes in Japan or to any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity located in Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except only pursuant to an exemption which will result in compliance with the Securities and Exchange Law and other relevant laws, regulations and guidelines of Japan.

(d) Germany

In connection with the initial placement of any Notes in Germany, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer and sell Notes (i) (unless otherwise provided in the relevant subscription agreement or Pricing Supplement in the case of an issue made on a syndicated basis) only for an aggregate purchase price per purchaser of at least DM80,000 (or the foreign currency equivalent) or such other amount as may be stipulated from time to time by the Securities Selling Prospectus Act of the Federal Republic of Germany (Wertpapier-Verkaufsprospektgesetz) of 13th December, 1990, as amended or by any other applicable German law replacing such Act or (ii) as may otherwise be permitted in accordance with applicable German law.

(e) Belgium

The issue, offer and sale of the Notes have not been notified to the *Commission bancaire et financière* under Article 26 of the Royal Decree N° 185 of 9th July, 1935 or (in the case of the Notes of any Issuer established outside the EC) to the Minister of Finance under Article 4 of the Act of 4th December, 1990 (or any equivalent legal provisions by which such Articles may be replaced or completed), and no application has been made for the listing of all or part of the Notes on a Belgian Securities Exchange.

Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes may not be offered or sold, and that the issue, offer or sale of the Notes may not be advertised, in any manner or circumstances which would entail or constitute a public offer of the Notes within the meaning of the above-mentioned or equivalent provisions.

(f) The Netherlands

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, in respect of Notes except those having a denomination of at least NLG 100,000 or the equivalent thereof in other currencies, it has not, directly or indirectly, offered, sold, transferred or delivered in The Netherlands (or, where BTMH is the Issuer, in The Netherlands or elsewhere) and will not, directly or indirectly, offer, sell, transfer or deliver in The Netherlands (or, where BTMH is the Issuer, in The Netherlands or elsewhere) any Notes (including rights representing an interest in a global Note) to the account of any person or entity other than to persons or entities (herein referred to as "Professional Market Parties") who trade or invest in securities in the conduct of a profession or business within the meaning of the Securities Transactions Supervision Act (*Wet toezicht effectenverkeer*) 1995 (the "Act") and its implementing regulations (which includes banks, brokers, pension funds, insurance companies, securities

institutions, investment institutions, other institutional investors and other parties including *inter alia* treasuries and finance companies of large enterprises which trade or invest in securities), all of the foregoing unless (a) another exemption as provided for in the Act or any of its implementing regulations applies and the requirements applicable to such exemption are complied with, or (b) the Securities Board of The Netherlands has upon request granted an individual exemption and the requirements applicable to such exemption are complied with, or (c) the prohibition of section 3 sub-section 1 of the Act does not apply.

Zero Coupon Notes in bearer form and other Notes in bearer form on which no interest is paid during their tenor may fall within the definition of savings certificates as referred to in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) and, if so, any transfer or acceptance of such Notes is prohibited unless it is done through the mediation of either the Issuer or a member of the Amsterdam Stock Exchange, and certain notification requirements in relation to the issue, transfer of or payment on Notes qualifying as savings certificates have to be complied with. The above prohibition does not apply (i) to a transfer and acceptance of such Notes between individuals who do not act in the conduct of a profession or a business, (ii) to the initial issue of such Notes to the first holders thereof, and (iii) to the issue and trading of such Notes if such Notes are physically issued outside of The Netherlands and are not immediately thereafter distributed in The Netherlands or to residents of The Netherlands in the course of primary trading.

(g) Hong Kong

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree as follows:

(i) either, in respect of Notes issued by TMIHK, that:

- (A) it has not offered or sold and will not offer or sell in Hong Kong by means of any document any Notes other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent); and
- (B) unless it is a person permitted to do so under the securities law of Hong Kong, it has not issued, or had in its possession, or will not issue, or have in its possession for the purposes of issue, any advertisement, invitation or document relating to the Notes (except, where the prospectus as defined by section 2 of the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance Prospectus") in respect of an issue of Notes has been registered with the Registrar of Companies, the Companies Ordinance Prospectus) other than with respect to Notes intended to be disposed of to persons outside Hong Kong or to be disposed of in Hong Kong only to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent;

(ii) or, in respect of Notes issued by an Issuer other than TMIHK, that:

- (A) it has not offered or sold and will not offer or sell in Hong Kong by means of any document, any Notes other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent) or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and
- (B) unless it is a person permitted to do so under the securities laws of Hong Kong, it has not issued or had in its possession, or will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes other than with respect to Notes intended to be disposed of to persons outside Hong Kong or to be disposed of in Hong Kong only to persons whose business involves the acquisition, disposal or holding of securities whether as principal or agent.

(h) General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or

distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers or any other Dealer shall have responsibility therefor.

None of the Issuers, the Guarantor or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer(s) shall agree and as shall be set out in the relevant Pricing Supplement.

GENERAL INFORMATION

Authorisation

Authorisation for (a) the establishment of the Programme and the issue of Notes under the Programme and (b) the updating of the Programme, entering into the Keep Well Agreement and the issue of Notes under the Programme has been duly obtained as set out below:

- (i) by resolutions of the Board of Directors of TMI dated 18th November, 1994, 24th November, 1995, 23rd July, 1996 and 21st July, 1997 respectively;
- (ii) in the case of BTMB, by resolutions of its Management Committee on 21st November, 1994, 24th November, 1995, 19th July, 1996 and on 22nd July, 1997 respectively with the approval of its Board of Directors on 21st November, 1994, 27th November, 1995, 19th July, 1996 and on 22nd July, 1997 respectively;
- (iii) resolutions of the Board of Directors of BTMH dated 18th November, 1994, 24th November, 1995, 25th July, 1996 and 21st July, 1997 respectively;
- (iv) resolutions of the Board of Directors of BTMD dated 26th July, 1996 and 21st July, 1997 respectively; and
- (v) resolutions of the Board of Directors of TMIHK dated 22nd July, 1996 and 18th July, 1997 respectively.

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 25th July, 1997.

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, BTMH, BTMD, TMIHK, and the Parent and from the specified office of the Agent for the time being in London:

- (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, 1996 and 1997 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, 1995 and 1996 and the financial statements (in English) of each of TMI, BTMB, BTMH, BTMD and TMIHK in respect of the financial years ended 31st December, 1995 and 1996;
- (iii) the most recently available audited annual financial statements (in English) of the Issuers, the Guarantor and the Parent and the most recently published interim financial statements (in English) (if any) of the Issuers, the Guarantor and the Parent;
- (iv) the Programme Agreement, the Trust Deed (which contains the forms of the bearer and registered, temporary and permanent global Notes, the definitive Notes, the Receipts, the Coupons and the Talons), the Agency Agreement and the Keep Well Agreement;
- (v) this Offering Circular; and
- (vi) any supplementary listing particulars, the Pricing Supplements in respect of Notes listed on any stock exchange and other documents incorporated herein by reference and, in the case of a syndicated Tranche of Listed Notes, the syndication agreement (or equivalent document).

Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Cedel Bank. The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Cedel Bank will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer will make an application

for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

Significant or Material Change

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

Litigation

None of the Issuers, the Guarantor and their respective subsidiaries (if any) (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 the relevant Issuer and its subsidiary (if any), taken as a whole, or the Guarantor or the Parent, nor are any of the Issuers or the Guarantor or the Parent 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, 1994, 1995 and 1996, 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, 1995 and 1996, respectively.

The auditors of BTMH are KPMG Accountants N.V., chartered accountants, who have audited BTMH's accounts, without qualification, in accordance with generally accepted auditing standards in The Netherlands for each of the financial periods ended 31st December, 1994, 1995 and 1996, respectively.

The auditors of BTMD are KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMGD"), certified public accountants, who have audited BTMD's accounts, without qualification, in accordance with generally accepted auditing standards in Germany for each of the financial periods ended 31st December, 1994, 1995 and 1996, respectively.

The auditors of TMIHK until 29th March, 1996 were KPMG Peat Marwick ("KPMGHK"), certified public accountants, who have audited TMIHK's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for each of the financial periods ended 31st December, 1994 and 1995, respectively. The current auditors of TMIHK are Deloitte Touche Tohmatsu ("DTTHK"), who have audited TMIHK's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for the financial period ended 31st December, 1996.

The auditors of the Parent are Deloitte Touche Tohmatsu, Independent Auditors, who have audited the Parent's accounts, without qualification, in accordance with generally accepted auditing standards in the United States of America for each of the financial periods ended 31st March, 1995, 1996 and 1997, respectively.

Hong Kong Compliance

DTTHK and KPMGHK have given, and have not before delivery of a copy of this Offering Circular to the Registrar of Companies in Hong Kong for registration withdrawn, their written consent to the issue of this Offering Circular with their names and reports incorporated herein by reference.

A copy of this Offering Circular has been delivered to the Registrar of Companies in Hong Kong together with copies of the Programme Agreement, the Agency Agreement, the Trust Deed, the Keep Well Agreement and the audited annual financial statements of TMIHK incorporated by reference herein and of the consent letters of DTTHK and KPMGHK.

A Certificate of Exemption in relation to the 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.

Ratings

The ratings (if any) of the Notes of each Tranche by Moody's Investors Service, Inc. will be specified in the applicable Pricing Supplement.

ECU

Under Article 109G of the Treaty establishing the European Communities, as amended by the Treaty on European Union (the "Treaty"), the currency composition of the ECU may not be changed. The Treaty contemplates that European monetary union will occur in three stages, the second of which began on 1st January, 1994 with the entry into force of the Treaty on European Union. The Treaty provides that, at the start of the third stage of European monetary union, the value of the ECU as against the currencies of the member states participating in the third stage ("Participating Member States") will be irrevocably fixed and ECU will become a currency in its own right. In contemplation of that third stage, the European Council meeting in Madrid on 16th December, 1995 decided that the name of that currency will be the Euro and that, in accordance with the Treaty, substitution of the Euro for the ECU will be at the rate of one Euro for one ECU. From the start of the third stage of European monetary union, all payments in respect of Notes denominated or payable in ECU will be payable in Euro at the rate then established in accordance with the Treaty.

It is contemplated that during the third stage of European monetary union, the currencies of the Participating Member States ("Participating Currencies") may be replaced by the Euro at the conversion rate to be adopted under Article 109I(4) of the Treaty. Notes which are denominated in such Participating Currencies may therefore become payable in Euro at the rate then established.

Banking Act 1987 (Exempt Transactions) Regulations 1997

Notes which are to be exempt transactions under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "Regulations") will constitute commercial paper, or shorter term debt securities or longer term debt securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under Section 4 of the Banking Act 1987. None of the Issuers is an authorised institution or a European authorised institution (as such terms are defined in the Regulations) and, except for Notes issued by BTMH which will be guaranteed by BTMB, repayment of the principal and payment of any interest or premium in connection with such Notes will not be guaranteed.

In relation to any Notes issued by any Issuer which are to be exempt transactions under regulation 13(3) of the Regulations where such Notes would fall within regulation 13(4)(a) or (b) of the Regulations:

- (a) such Issuer confirms that as at the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and continuing listing of the Programme and of any previous issues made by such Issuer under it and listed on the same exchange as the Programme;
- (b) such Issuer will confirm in the applicable Pricing Supplement relating to such Notes that it has complied with its obligations under the relevant rules in relation to the admission to listing of such Notes or where such Notes have not yet been admitted to listing, will have complied with such obligations by the time when such Notes are so admitted; and
- (c) such Issuer confirms that as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made

by such Issuer under it and listed on the same exchange as the Programme, or any Notes issued by such Issuer falling within regulation 13(4)(a) or (b) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of such Notes as they fall due.

In relation to Notes which are to be exempt transactions under regulation 13(3) of the Regulations and fall within regulation 13(4)(b), the relevant Issuer has complied and will continue to comply with its obligations under the Regulations to lodge all relevant information (as defined in the Regulations) in relation to any such Notes with the London Stock Exchange.

REGISTERED AND HEAD OFFICES OF

THE ISSUERS

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

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

BTM Finance (Holland) N.V.,
Officia 1, 2nd Floor,
De Boelelaan 7,
1083 HJ Amsterdam,
The Netherlands.

Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft,
Mainzer Landstrasse 16,
60325 Frankfurt am Main,
Germany.

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

THE GUARANTOR

in respect of Notes issued by BTMH

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

THE PARENT

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

TRUSTEE

The Law Debenture Trust Corporation p.l.c.,
Princes House,
95 Gresham Street,
London EC2V 7LY,
England.

AGENT

The Chase Manhattan Bank,
Trinity Tower,
9 Thomas More Street,
London E1 9YT,
England.

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,
Finsbury Circus House,
12-15 Finsbury Circus,
London EC2M 7BT,
England.

Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft,
Mainzer Landstrasse 16,
60325 Frankfurt am Main,
Germany.

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

Bank of Tokyo-Mitsubishi (Switzerland) Ltd.,
Stockerstrasse 23,
8002 Zürich,
Switzerland.

REGISTRAR AND EXCHANGE AGENT

The Chase Manhattan Bank,
450 West 33rd Street,
15th Floor, New York,
NY10001-2697,
United States of America.

REGISTRARS

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

In respect of Registered Notes issued by BTMB
Bank of Tokyo-Mitsubishi (Belgium) S.A.,
Avenue des Arts 58, Bte. 1,
1000 Brussels,
Belgium.

LEGAL ADVISERS

*To the Parent and Tokyo-Mitsubishi International plc
as to U.S. law*

Paul, Weiss, Rifkind, Wharton & Garrison,
Fukoku Seimei Building,
2-2, Uchisaiwaicho 2-chome,
Chiyoda-ku, Tokyo 106,
Japan.

*To the Parent as
to Japanese law*

Hamada & Matsumoto,
Sankyu Building,
6-14, Kasumigaseki 3-chome,
Chiyoda-ku,
Tokyo 100,
Japan.

*To BTM Finance (Holland) N.V.
as to Dutch law*

Loeff Claey's Verbeke,
Apollolaan 15,
P.O. Box 75088,
1077 AB Amsterdam,
The Netherlands.

*To Tokyo-Mitsubishi
International plc,
the Dealers and the Trustee
as to English law*

Allen & Overy,
One New Change,
London EC4M 9QQ,
England.

*To Bank of Tokyo-Mitsubishi
(Deutschland) Aktiengesellschaft
as to German law*

Bruckhaus Westrick Stegemann,
Taunusanlage 11,
60329 Frankfurt am Main,
Germany.

*To Bank of Tokyo-Mitsubishi
(Belgium) S.A. as to
Belgian law*

De Bandt, van Hecke & Lagae,
Rue Brederode 13,
B-1000 Brussels,
Belgium.

*To Tokyo-Mitsubishi International
(HK) Limited as
to Hong Kong law*

Allen & Overy,
9th Floor,
Three Exchange Square,
8 Connaught Place,
Hong Kong.

DEALERS

ABN AMRO Bank N.V.,
Foppingadreef 22,
1000 EA Amsterdam,
The Netherlands.

**Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft,**
Mainzer Landstr. 16,
60325 Frankfurt am Main,
Germany.

**Bank of Tokyo-Mitsubishi
(Switzerland) Ltd.,**
Stockerstrasse 23,
8002 Zürich,
Switzerland.

Banque Internationale à Luxembourg S.A.,
69, route d'Esch,
L-1470 Luxembourg.

Banque Paribas,
33 Wigmore Street,
London W1H 0BN,
England.

Credit Suisse First Boston (Europe) Limited,
One Cabot Square,
London E14 4QJ,
England.

Deutsche Bank AG London,
6 Bishopsgate,
London EC2P 2AT,
England.

Goldman Sachs International,
Peterborough Court,
133 Fleet Street,
London EC4A 2BB,
England.

**Lehman Brothers International
(Europe),**
One Broadgate,
London EC2M 7HA,
England.

Merrill Lynch International,
Ropemaker Place,
25 Ropemaker Street,
London EC2Y 9LY,
England.

Morgan Stanley & Co. International Limited,
25 Cabot Square,
Canary Wharf,
London E14 4QA,
England.

Salomon Brothers International Limited,
Victoria Plaza,
111 Buckingham Palace Road,
London SW1 0SB,
England.

Swiss Bank Corporation,
1 High Timber Street,
London EC4V 3SB,
England.

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

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

UBS Limited,
100 Liverpool Street,
London EC2M 2RH,
England.

INDEPENDENT PUBLIC ACCOUNTANTS

To Tokyo-Mitsubishi International plc

KPMG,
8 Salisbury Square,
London EC4Y 8BB,
England.

To BTM Finance (Holland) N.V.

KPMG Accountants N.V.,
Burgemeester Rijnderslaan 10-20,
NL-1185 MC Amstelveen,
The Netherlands.

To Tokyo-Mitsubishi International (HK) Limited

Deloitte Touche Tohmatsu,
26th Floor, Wing on Centre,
111 Connaught Road Central,
Hong Kong.

To Bank of Tokyo-Mitsubishi (Belgium) S.A.

Deloitte & Touche,
Represented by Mr. Roger Verstraelen,
Brussels Airport Business Park,
Berkenlaan 6,
B-1831 Diegem,
Belgium.

*To Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft*

**KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft,**
Marie-Curie-Strasse 30,
60439 Frankfurt am Main,
Germany.

To the Parent

Deloitte Touche Tohmatsu,
MS Shibaura Building,
13-23, Shibaura 4-chome,
Minato-ku,
Tokyo 108,
Japan.

LONDON LISTING AGENT

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

SUPPLEMENTAL OFFERING CIRCULAR
(supplementing the Offering Circular dated 22nd July, 1997)

 **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)

BTM Finance (Holland) N.V.
(Incorporated with limited liability in The Netherlands)

 **Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft**
(Incorporated with limited liability in Germany)

 **Tokyo-Mitsubishi International (HK) Limited**
(Incorporated with limited liability in Hong Kong)

U.S.\$4,000,000,000
Euro Medium Term Note Programme

This Supplemental Offering Circular is prepared in connection with the U.S.\$4,000,000,000 Euro Medium Term Note Programme (the "Programme") of Tokyo-Mitsubishi International plc ("TMI"), Bank of Tokyo-Mitsubishi (Belgium) S.A. ("BTMB"), BTM Finance (Holland) N.V. ("BTMH"), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") and Tokyo-Mitsubishi International (HK) Limited ("TMIHK") (each an Issuer and together the "Issuers") and is supplemental to, and should be read in conjunction with, the Offering Circular dated 22nd July, 1997 (the "Offering Circular") and, together with the Offering Circular, constitutes listing particulars (the "Listing Particulars") in relation to Notes issued under the Programme during the period of 12 months from the date of this Supplemental Offering Circular. Terms defined in the Offering Circular have the same meaning when used in this Supplemental Offering Circular, save where the context otherwise requires. References in the Offering Circular and this Supplemental Offering Circular to "Offering Circular" shall be deemed to include references to this Supplemental Offering Circular. The Offering Circular is qualified in its entirety by any changes made in this Supplemental Offering Circular.

Unless otherwise stated in the applicable Pricing Supplement, Notes to be issued under the Programme have been rated A1 (in respect of the Unsubordinated Notes) and A2 (in respect of the Subordinated Notes) by Moody's Investors Service, Inc. A credit rating may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Arrangers
Tokyo-Mitsubishi International plc

Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft (for DM issues only)

Dealers

ABN AMRO

Bank of Tokyo-Mitsubishi (Switzerland) Ltd.

Credit Suisse First Boston

Goldman Sachs International

Merrill Lynch International

Paribas

Tokyo-Mitsubishi International (HK) Limited

Warburg Dillon Read

Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft

Banque Internationale à Luxembourg
Société Anonyme

Deutsche Bank

Lehman Brothers

Morgan Stanley Dean Witter

Salomon Smith Barney International

Tokyo-Mitsubishi International plc

Application has been made to the London Stock Exchange Limited (the "London Stock Exchange") for Notes which may be 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 Listing Particulars, approved as such by the London Stock Exchange pursuant to the Financial Services Act 1986 ("FSA"), have been delivered for registration to the Registrar of Companies in England and Wales.

Copies of each Pricing Supplement (in the case of Listed Notes) will be available from FT Business Research Centre operated by FT Electronic Publishing at Fitzroy House, 13-17 Epworth Street, London EC2A 4DL, and will be available for inspection at the registered office of The Law Debenture Trust Corporation p.l.c. as trustee under the Programme (the "Trustee") and at the specified offices of the Paying Agents.

Copies of this Supplemental Offering Circular, together with those documents referred to in "General Information" in the Offering Circular and this Supplemental Offering Circular, have been registered with 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.

The Offering Circular, as supplemented by this Supplemental Offering Circular:

- (i) with the exception of the information contained in the sections entitled Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 12 to 20 of this document, comprises listing particulars in relation to TMI, and
- (ii) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, BTM Finance (Holland) N.V., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 10 to 11 and pages 15 to 20 of this document, comprises listing particulars in relation to BTMB, and
- (iii) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 10 to 14 and pages 17 to 20 of this document, comprises listing particulars in relation to BTMH, and
- (iv) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V. and Tokyo-Mitsubishi International (HK) Limited on pages 10 to 16 and pages 19 to 20 of this document, comprises listing particulars in relation to BTMD, and
- (v) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V. and Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft on pages 10 to 18 of this document, 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, BTMH, BTMD, 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.

Neither the Dealers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in the Offering Circular, as supplemented by this Supplemental Offering Circular, or any other information provided by the Issuers or the

Guarantor. Neither the Dealers nor the Trustee accept any liability in relation to the information contained in the Offering Circular, as supplemented by this Supplemental Offering Circular, (save for information supplied in writing by the Dealers) or any other information provided by the Issuers or the Guarantor in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Offering Circular, as supplemented by this Supplemental Offering Circular, or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Trustee.

Neither the Offering Circular, as supplemented by this Supplemental Offering Circular, nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by any of the Issuers, the Guarantor or any of the Dealers or the Trustee that any recipient of the Offering Circular, as supplemented by this Supplemental Offering Circular, or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor and/or the Parent. Neither the Offering Circular, as supplemented by this Supplemental Offering Circular, nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuers or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of the Offering Circular, as supplemented by this Supplemental Offering Circular, does not at any time imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme. Investors should review, *inter alia*, the most recent non-consolidated or consolidated financial statements, if any, of the relevant Issuer and/or the Guarantor and/or the Parent when deciding whether or not to purchase any Notes.

The distribution of the Offering Circular, as supplemented by this Supplemental Offering Circular, and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Dealers and the Trustee do not represent that the Offering Circular, as supplemented by this Supplemental Offering Circular, may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Dealers or the Trustee (save for the approval of the Offering Circular, as supplemented by this Supplemental Offering Circular, as listing particulars by the London Stock Exchange and delivery of copies of the Offering Circular, as supplemented by this Supplemental Offering Circular, to the Registrar of Companies in England and Wales) which would permit a public offering of the Notes or distribution of the Offering Circular, as supplemented by this Supplemental Offering Circular, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither the Offering Circular, as supplemented by this Supplemental Offering Circular, nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made in compliance with applicable laws and regulations. Persons into whose possession the Offering Circular, as supplemented by this Supplemental Offering Circular, or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Offering Circular, as supplemented by this Supplemental Offering Circular, and the offer or sale of Notes in the United States, the United Kingdom, Japan, Germany, Belgium, The Netherlands and Hong Kong (see "Subscription and Sale and Transfer Restrictions").

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons except to QIB's in accordance with Rule 144A under the Securities Act, or to Institutional Accredited Investors pursuant to an exemption from and in a transaction not subject to the registration requirements of the Securities Act (see "Subscription and Sale and Transfer Restrictions").

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, each Issuer will furnish upon the request of a holder of a Note and a prospective purchaser designated by such

holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of such request such Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. None of the Issuers is currently a reporting company under the Exchange Act.

All references in this document to "U.S. dollars", "U.S.\$" and "U.S. cent" refer to the currency of the United States of America, those to "Belgian francs" and "BEF" refer to the currency of the Kingdom of Belgium, those to "Dutch guilders", "Dfl" and "NLG" refer to the currency of The Netherlands, those to "Sterling", "GB£", "GBP" and "£" refer to the currency of the United Kingdom, those to "Deutsche Marks" and "DM" refer to the currency of Germany, those to "Hong Kong dollars" and "HK\$" refer to the currency of Hong Kong, those to "Japanese Yen", "Yen" and "¥" refer to the currency of Japan, those to "ECU" refer to European Currency Units and those to "Swiss francs" refer to the currency of Switzerland.

NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

IMPORTANT

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

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AMENDMENT TO PAGE 1 OF OFFERING CIRCULAR

- (i) The seventh paragraph beginning with the words "Unless otherwise provided.." shall be amended by the deletion therefrom of the words "Rule 501(a) (1), (2) or (3)" and by the substitution therefor of the words "Rule 501(a) (1), (2), (3) or (7)".

AMENDMENTS TO THE SUMMARY OF THE PROGRAMME

- (i) Page 8 of the Offering Circular shall be amended by the deletion therefrom of the first paragraph under the heading "Dealers" and by the substitution thereof of the following new paragraph:

"Dealers: ABN AMRO Bank N.V.
Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft
Bank of Tokyo-Mitsubishi (Switzerland) Ltd.
Banque Internationale à Luxembourg S.A.
Banque Paribas
Credit Suisse First Boston (Europe) Limited
Deutsche Bank AG London
Goldman Sachs International
Lehman Brothers International (Europe)
Merrill Lynch International
Morgan Stanley & Co. International Limited
Salomon Brothers International Limited
Tokyo-Mitsubishi International (HK) Limited
Tokyo-Mitsubishi International plc
UBS AG";

- (ii) page 9 of the Offering Circular shall be amended by the insertion of the following paragraph immediately after the paragraphs entitled "Currencies" and before the paragraphs entitled "Maturities" as follows:

"Redenomination: Payments in respect of Notes denominated and payable or payable in ECU will, with effect from the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time (the "Treaty"), be made in euro at the rate of one ECU for one euro.

The applicable Pricing Supplement may provide that, with effect from the start of the third stage of European economic and monetary union pursuant to the Treaty, Notes may be redenominated in euro and/or exchanged for other Series of Notes denominated in euro.

The relevant provisions applicable to any such payments, redenomination and exchange are contained in Condition 4.";

- (iii) page 11 of the Offering Circular shall be amended by the insertion of a new paragraph immediately after the existing paragraph entitled "Denomination of Notes" as follows:

"Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their Issue Date and are to be listed on the London Stock Exchange."; and

- (iv) page 12 of the Offering Circular shall be amended by the deletion therefrom of the paragraph entitled "Rating" and by the substitution therefor of the following new paragraph:

"Rating: Unless otherwise stated in the applicable Pricing Supplement, Notes to be issued under the Programme have been rated A1 (in respect of the Unsubordinated Notes) and A2 (in respect of the Subordinated Notes) by Moody's Investors Service, Inc. ("Moody's")."

A credit rating may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

AMENDMENTS TO THE FORM OF THE NOTES

- (i) Paragraph (A) (xviii)(b) on page 16 of the Offering Circular shall be amended by the deletion therefrom of the words “, and whether such date(s) will be subject to a business day convention in accordance with (xx) below”;
- (ii) paragraph (A) (xix)(g) on page 17 of the Offering Circular shall be amended by the deletion therefrom of the words “in Condition 5(b)(i)” and by the substitution therefor of the words “at the end of Condition 5”; and
- (iii) paragraph (B) on page 20 of the Offering Circular shall be amended by insertion of the following new sub-paragraph (i) and the consequent renumbering of the existing sub-paragraphs:
 - “(i) whether Redenomination and/or Exchange is applicable;”.

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE NOTES

The Terms and Conditions of the Notes shall be amended by:

- (i) the deletion therefrom of Condition 4 (“Composition of the ECU”) and the substitution therefor of the following new Condition 4:

“4. ECU Notes, Redenomination and Exchange

(a) Application of this Condition

Conditions 4(b) and 4(c) below only apply if the Notes are denominated or payable in ECU.

(b) Value and composition of the ECU

Subject to Condition 6 (c), the ECU in which the Notes are denominated or payable (“ECU”) will be the same as the ECU, as referred to in Article 109g of the Treaty establishing the European Communities, as amended by the Treaty on European Union (the “Treaty”) and as defined in Council Regulation (EC) No 3320/94, that is from time to time used as the unit of account of the European Communities (the “EC”). Changes to the ECU may be made by the EC in which event the ECU will change accordingly. References to the ECU shall be deemed to be references to the ECU as so changed from time to time.

(c) Provisions applicable from the start of the third stage of European economic and monetary union

Notwithstanding the other provisions of these Terms and Conditions, on and after the Commencement Date:

- (i) all payments in respect of the Notes, the Receipts and the Coupons will be made solely in euro, including payments of interest in respect of periods commencing before the Commencement Date, as though references in the Notes to ECU were to euro;
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (iii) references in these Terms and Conditions to “ECU Settlement Day” shall be read as references to any day on which the TARGET System (as defined below) is open;
- (iv) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Commencement Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365);
- (v) if the Notes are Floating Rate Notes the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and
- (vi) such other changes (whether or not relating to any of the above matters) shall be made to these Terms and Conditions as the Issuer may decide, with the prior written approval of the Trustee and after consultation with the Agent and, in the case of Subordinated Notes, with the prior written

consent of the SFA, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in ECU or euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 14.

(d) Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Trustee, the Agent, Euroclear and Cedel Bank and at least 30 days' prior notice to the Noteholders and, in the case of Subordinated Notes, to the SFA in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Trustee and the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed, the SFA (in the case of Subordinated Notes) and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) paragraph (B) of the definition of Business Day in Condition 5(f) shall read as follows:

"either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of

the country of the relevant Specified Currency (if other than London) and any Additional Business Centre and which if the Specified Currency is Australian dollars, shall be Sydney or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.”;

- (vii) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365);
- (viii) if the Notes are Floating Rate Notes the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and
- (ix) such other changes shall be made to these Terms and Conditions as the Issuer may decide, with the prior written approval of the Trustee and after consultation with the Agent and, in the case of Subordinated Notes, with the prior written consent of the SFA, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 14.

(e) *Exchange*

Where exchange is specified in the applicable Pricing Supplement as being applicable, the Issuer may, with the prior written consent of the SFA (in the case of Subordinated Notes) but without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, the Trustee, Euroclear and Cedel Bank and not less than 30 days' prior notice to the Noteholders in accordance with Condition 14 ("Notices"), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, with the prior written approval of the Trustee and after consultation with the Agent, and as may be specified in the notice, including arrangements under which Receipts and Coupons unmaturing at the date so specified become void.

(f) *Definitions*

In this Condition, the following expressions have the following meanings:

"Commencement Date" means the start of the third stage of European economic and monetary union pursuant to the Treaty;

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109l(4) of the Treaty;

"euro" means the currency to be introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) or, as the case may be, (b) above and which falls on or after the start of the third stage of European economic and monetary union pursuant to the Treaty or, if the country of the Specified Currency is not one of the countries then participating in such third stage, which falls on or after such later date as it does so participate and which falls before the date on which the Specified Currency ceases to be a sub-division of the euro; and

"TARGET system" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.”; and

- (ii) by the deletion from Condition 6(d)(ii) of the words “in Condition 5(b)(i)” and by the substitution therefor of the words “at the end of Condition 5”.

TOKYO-MITSUBISHI INTERNATIONAL PLC

The information on pages 49 and 50 of the Offering Circular shall be deleted in its entirety and shall be replaced by the following:

History and Business

TMI was incorporated in England and Wales on 11th February, 1983 pursuant to the Companies Act 1948 to 1985 as a company with liability limited by share, 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 ("MFIL") to Tokyo-Mitsubishi International plc following the merger of The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd. (the "Merger"), the merged entity being named The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). TMI is a wholly owned subsidiary of the Parent and has, at the date hereof, authorised share capital of £300,000,000, of which £212,500,000 has been issued and fully paid up. TMI has two subsidiaries, BTM Securities (Spain) S.A., S.V.B., a company incorporated in Spain through which it conducts its Spanish business and a nominee company incorporated in England and Wales which resolved to change its name to TMI Nominees Limited on 18th July, 1997.

TMI is a principal part of the securities and capital markets arm of the Parent and provides a wide range of services in worldwide securities business to governments, their monetary authorities and central banks, state authorities, supranational organisations and corporations. TMI is also engaged in market-making and dealing in securities in the international securities markets, in swaps and various other derivative instruments and in the management and underwriting of issues of securities and securities investment.

TMI is regulated by the Securities and Futures Authority (SFA) and is a member of the London International Financial Futures Exchange (LIFFE), the International Securities Market Association (ISMA), and the International Primary Market Association (IPMA).

Recent Business and Outlook

TMI continues to promote and develop its international capital markets business from London, dealing in its four main areas of activity; securities, derivatives, structured products and equity-linked business. TMI's commitment to strong risk control, systems development and the enhancement of the quality to its personnel continues.

Directors and Management

The Directors of TMI are:

<i>Name</i>	<i>Principal Occupation</i>
Tetsuo Shimura	Senior Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Masamichi Yamada	Resident Managing Director for Europe, The Bank of Tokyo-Mitsubishi, Ltd.
Kazuhiko Wakabayashi	Director and General Manager, The Bank of Tokyo-Mitsubishi, Ltd., London Branch
Juntaro Fujii	Chief Executive Officer
Hiroshi Yoshimine	Managing Director
Kazuo Watanabe	Managing Director
Fuminori Yano	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. Yamada and Wakabayashi is 12-15 Finsbury Circus, London EC2M 7BT. The business address of Mr. Shimura is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. The business address of Messrs. J Fujii, Yoshimine, Watanabe and Yano is 6 Broadgate, London EC2M 2AA. The business address of Mr. Loehnis is 27 St. James's Place, London SW1A 1NR. Messrs. Yoshimura, Yamada, Wakabayashi and Loehnis are non-executive Directors of TMI.

Capitalisation and Indebtedness

The following table sets out the unaudited capitalisation and indebtedness of TMI as at 30th June, 1998 adjusted to give effect to the issue of Notes and drawdown of loan:

TOKYO-MITSUBISHI INTERNATIONAL PLC

	£ (thousand)
Shareholders' funds	
Ordinary shares	212,500
Long-Term Debt (over one year)	
Medium Term Notes ⁽¹⁾	244,996
Subordinated Notes	216,655
Other Notes	—
Subordinated Loans	272,601
Other Loans ⁽²⁾	121,115
Total Long-Term Debt	855,367
Short-Term Debt (under one year)	
Medium Term Notes due within one year	22,475
Commercial Paper ⁽³⁾	—
Total Short-Term Debt	22,475
Total Capitalisation and Indebtedness	1,090,342

Notes:

- (1) Issued under the Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Belgium) S.A., BTM Finance (Holland) N.V., Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft, Tokyo-Mitsubishi International (HK) Limited U.S.\$4,000,000,000 Euro Medium Term Note Programme.
- (2) Loans unguaranteed and unsecured.
- (3) Issued under TMI's U.S.\$1,000,000,000 Euro-Commercial Paper Programme.
- (4) Save as disclosed above there has been no material change in the capitalisation and indebtedness of TMI since 30th June, 1998.
- (5) All figures have been converted at the foreign exchange spot rates prevailing on 30th June, 1998 of GB£1 = U.S.\$1.66855, GB£1 = ¥231.18585 and GB£1 = ITL2,965.84646.

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

The information on pages 51 to 53 inclusive of the Offering Circular shall be deleted in its entirety and shall be replaced by the following:

History and Business

BTMB was established on 9th October, 1974 by The Mitsubishi Bank, Limited, its immediate parent company with the name Mitsubishi Bank (Europe) S.A.. The registered number of BTMB is 386.049 and its registered office is at Avenue des Arts 58, 1000 Brussels, Belgium. On 1st April, 1996 BTMB changed its name from Mitsubishi Bank (Europe) S.A. to Bank of Tokyo-Mitsubishi (Belgium) S.A.. BTMB is incorporated with limited liability in Belgium for an unlimited duration, its purpose being to provide a range of banking services. BTMB has one subsidiary, BTM Finance (Holland) N.V. (formerly MBE Finance N.V.) established in The Netherlands.

As of 31st December, 1997, on the basis of audited financial statements, BTMB's total assets were BEF 65,846 million and its capital and reserves were BEF 2,556 million. The financial statements are produced in accordance with the standard accounting practice in Belgium which is broadly equivalent to international accounting practice.

The authorised capital of BTMB as at 31st December, 1997, amounting to BEF 2,405 million is fully paid-up. The nominal value of each ordinary share of BTMB is BEF 1,000.

BTMB, operates in close collaboration with the Parent's Brussels branch, which was opened in April 1987 to expand further the Parent's group activities in the Benelux area.

Since the opening of the Brussels branch of the Parent to develop treasury business mainly in continental European currencies and corporate finance services for Japanese clients, BTMB's activities increasingly have focused on capital markets operation.

Recent Business and Outlook

Total assets of BTMB were BEF 65,846 million as of 31st December, 1997, a decrease of 11.6% as compared to the year 1996, whilst net profit after tax amounted to BEF 22 million, versus BEF 24.3 million at the end of the previous year.

The total consolidated balance sheet as of 31st December, 1997, which includes BTM Finance (Holland) N.V., was quite similar to the Bank's total balance sheet, and the consolidated profit amounted to BEF 22.7 million.

Initiated in 1996, the co-operation with Tokyo-Mitsubishi International plc has been strengthened throughout the year 1997.

This productive co-operation materialised in various areas, particularly in developing action plans with respect to the introduction of the Euro and for managing the year 2000 process, which constitute significant challenges for all financial institutions.

In 1997, BTMB issued debt securities directly under the USD 4,000,000,000 Euro Medium Term Note Programme.

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

Board of Directors of BTMB

Name

Masamichi Yamada,
Non-executive Director

Principal Occupation and Business Address

*Resident Managing Director for Europe,
The Bank of Tokyo-Mitsubishi, Ltd., London Branch,
12-15 Finsbury Circus,
London EC2M 7BT,
England.*

Juntaro Fujii,
Non-executive Director

*Chief Executive Officer,
Tokyo-Mitsubishi International plc,
6 Broadgate,
London EC2M 2AA,
England.*

Kenichi Masuda,
Non-executive Director

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

Susumu Oki,
Managing Director

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

Kenji Hara,
Managing Director

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

Management Committee of BTMB

Name

Susumu Oki,
Managing Director

Principal Occupation and Business Address

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

Kenji Hara,
Managing Director

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

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

Capitalisation

The unaudited and non-consolidated capitalisation of BTMB and its subsidiary as well as the Capital and Reserves as at 30th June, 1998 are set out below.

	<i>Belgian Francs (in Thousands)</i>
Capital and Reserves (after appropriation of the results of the year 1997):	
Issued and paid-up capital	2,405,000
Legal reserve	127,200
Reserves not available for distribution	1,838
Reserves available for distribution	22,000
Profit brought forward	27,263
Total Capital and Reserves	2,583,301

The following table sets out the outstanding notes issued by BTMB as at 30th June, 1998:

	<i>BEF (thousands)</i>
U.S.\$13,500,000 BTMB-1 Limited Recourse Floating Rate Notes due 1999	502,538
U.S.\$10,000,000 BTMB-2 Dual Basis Notes due 2007	372,250
U.S.\$5,000,000 BTMB-3 7.10 per cent. Notes due 2007	186,125
U.S.\$15,000,000 BTMB-4 Dual Basis Notes due 2007	558,375
Total	1,619,288

Note:

- (1) *All figures have been converted at the foreign exchange spot rate prevailing on 30th June, 1998 of U.S.\$1 = BEF 37.225.*
- (2) *Save for the guarantees provided from BTMB to its subsidiary, as at 30th June, 1998 there has been no contingent liability of BTMB and its subsidiary.*

The audited non-consolidated financial statements of BTMB for the year ended 31st December, 1997 together with the audited consolidated accounts as at 31st December, 1997 have been deposited with the National Bank of Belgium. They are accompanied by the reports issued by Mr. Roger Verstraelen of Deloitte & Touche, SCC, Statutory Auditor, who has audited without any qualification the annual consolidated accounts and non-consolidated financial statements of BTMB.

BTMB enjoys a stand-by credit line amounting to U.S.\$100,000,000, granted by The Bank of Tokyo-Mitsubishi, Ltd., Tokyo. This line, presently unused, has a non-subordinated nature. It can only be revoked after giving a two-year notice to the Parent and with the consent of the Belgian Banking and Finance Commission.

BTM FINANCE (HOLLAND) N.V.

The information on pages 54 and 55 of the Offering Circular shall be deleted in its entirety and shall be replaced by the following:

History and Business

BTMH was incorporated with limited liability in The Netherlands on 12th June, 1989 for an unlimited duration with the name MBE Finance N.V. and is a direct, wholly-owned and consolidated subsidiary of BTMB, which itself is a wholly-owned and consolidated subsidiary of the Parent. On 1st May, 1996 MBE Finance N.V. changed its name to BTM Finance (Holland) N.V..

The registered number of BTMH is 33211720 and the registered office of BTMH is Officia 1, 2nd Floor, De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands. BTMH is governed by the law of The Netherlands. BTMH was formed for the purpose of financing investments by way of loans to BTMB, its subsidiaries or associated companies. The financial statements are produced in accordance with the generally accepted accounting practices in The Netherlands which is equivalent to International Accounting Standards. BTMH does not publish interim financial statements and does not have any subsidiaries.

With effect from 1st July, 1997 BTM Trust (Holland) B.V. took over as managing agents of BTMH from ABN AMRO Trust Company (Netherlands) B.V..

Recent Business and Outlook

In the year ended 31st December, 1997, BTMH decreased its total assets by 58 per cent., to NLG321,211,896. Since 31st December, 1997, BTMH has redeemed 6 issues amounting to U.S.\$94 million and ITL27,850 million.

Managing Board of BTMH

Name

Principal Occupation(s) and Business Address(es)

Susumu Oki

President,

Managing Director

Bank of Tokyo-Mitsubishi (Belgium) S.A.

Avenue des Arts 58,

1000 Brussels,

Belgium.

General Manager,

The Bank of Tokyo-Mitsubishi, Ltd., Brussels Branch,

Avenue des Arts 58,

1000 Brussels,

Belgium.

Kenji Hara

Deputy President,

Managing Director

Bank of Tokyo-Mitsubishi (Belgium) S.A.,

Avenue des Arts 58,

1000 Brussels,

Belgium.

Joint General Manager,

The Bank of Tokyo-Mitsubishi, Ltd., Brussels Branch,

Avenue des Arts 58,

1000 Brussels,

Belgium.

Floris Van der Rhee

Managing Director,

Managing Director

BTM Trust (Holland) B.V.,

Officia 1, 2nd Floor,

De Boelelaan 7,

1083 HJ Amsterdam,

The Netherlands.

BTM FINANCE (HOLLAND) N.V.

Rumoldus De Schutter
Managing Director

Managing Director,
BTM Trust (Holland) B.V.,
Officia 1, 2nd Floor,
De Boelelaan 7,
1083 HJ Amsterdam,
The Netherlands.

Capitalisation

BTMH's authorised share capital is NLG 500,000 consisting of 50,000 shares with a nominal value of NLG 10 each, of which 10,000 have been issued and are fully paid up. The shares are all of one class and in registered form, and are held by BTMB.

The following table sets out the unaudited capitalisation of BTMH as at 30th June, 1998 (BTMH's bonds and notes are guaranteed by BTMB):

	NLG (thousand)
U.S.\$5,000,000 MBE – 9 Dual Basis Notes due 2005	10,185
U.S.\$12,000,000 MBE – 10 Dual Basis Notes due 2005	24,444
U.S.\$10,000,000 BTMH – 19 Callable Capped Floating Rate Notes due 2006	20,370
U.S.\$5,000,000 BTMH – 21 Dual Basis Notes due 2007	10,185
U.S.\$10,000,000 BTMH – 23 7.25 per cent. Notes due 2007	20,370
Shareholders' equity issued share capital	100
Retained Earnings (as at 31st December, 1997) ⁽³⁾	386
Total Capitalisation	86,040

Notes:

- (1) All figures have been converted at the foreign exchange spot rate prevailing on 30th June, 1998 of U.S.\$1 = NLG 2.037.
- (2) There has been no material change in the capitalisation of BTMH since 30th June, 1998.
- (3) On 3rd March, 1998, at the Annual General Meeting of shareholders, the Managing Board resolved to distribute a dividend of NLG 310,000 out of Retained Earnings.

BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND) AKTIENGESELLSCHAFT

The information on pages 56 and 57 of the Offering Circular shall be deleted in its entirety and shall be replaced by the following:

History and Business

Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") was incorporated as a stock corporation under German law on 9th June, 1977 and registered in the commercial register at Frankfurt am Main under number HRB 16517 under its original name Bank of Tokyo (Deutschland) Aktiengesellschaft. The registered office of BTMD is located at Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany. BTMD holds a universal banking license issued by, and is subject to the supervision of, the German Federal Banking Supervisory Authority (*Bundesaufsichtsamt für das Kreditwesen*). BTMD is a member of the Deutsche Börse Aktiengesellschaft, Frankfurter Wertpapierbörse and the Deutsche Terminbörse (DTB). All of the share capital of BTMD is owned by the Parent. As at 30th June, 1998, the issued share capital of BTMD amounted to DM167,900,000 divided into 167,900 shares of common stock of DM 1,000 each. BTMD has no subsidiaries.

Mitsubishi Bank (Deutschland) GmbH ("MBD") was incorporated as a limited liability company under German law on 21st April, 1988 and operated pursuant to a universal banking license through its registered office in Frankfurt am Main. MBD was a wholly-owned subsidiary of The Mitsubishi Bank, Limited until 1st April, 1996 when BTMD purchased all of the share capital of MBD, whereupon MBD became a subsidiary of BTMD. Pursuant to a merger agreement between MBD and BTMD dated 11th June, 1996, which became effective upon registration in the commercial register of BTMD on 9th August, 1996, MBD was merged into BTMD and ceased to be a separate legal entity. BTMD became the successor of MBD as the issuer and principal obligor under any Notes issued by MBD under the Programme prior to such date.

Recent Business and Outlook

As part of the organisational restructuring of the BTM Germany group a new organisation was established for the office in Frankfurt am Main effective 1st January, 1998. BTMD transferred commercial banking activities to the Frankfurt am Main branch of The Bank of Tokyo-Mitsubishi, Ltd. (BTM Frankfurt branch) as of that date. At the same time, the employees and the personnel, general administration, legal, accounting, reporting administration, cash, customer service, loan processing and EDP departments were also integrated into BTM Frankfurt branch.

As a result of these measures BTMD will become an investment bank, to be in a better position to deal with the demands of globalisation.

Following the transfer of commercial banking business to BTM Frankfurt branch, BTMD will concentrate on increasing its profitability in investment banking. The introduction of the EURO will change the European capital markets and will cause a consolidation within the BTM group. Based on its experience in the capital markets, the best opportunity for BTMD is to take the leading role within the BTM group in continental Europe. Both as a result of the new personnel and organisational strategy and the strengthening of the trading area, BTMD will in future be able to offer its clients an extensive range of services in EURO capital market products on the unified European capital market.

A further strategic step will be the expansion of sales activities by the acquisition of new investor groups in order to sell EURO bonds as well as DM bonds. Furthermore, BTMD will commence trading in equities and be involved in securities lending with European equities and will also offer its Japanese clients a brokerage service in the equities sector. BTMD will also make considerable efforts to expand its customer base in Continental Europe. The restructuring of the sales team will be a further step towards strengthening ties between the investment banks within the BTM group. BTMD will offer a brokerage service for group companies and will act as clearer for DTB (German futures exchange) products.

Following the liberalisation of the money markets and capital transactions in Japan in April 1998 Japanese domestic clients will be able to open accounts abroad and carry out transactions in foreign currency without restriction. This will give BTMD the opportunity of gaining new institutional clients both for the sales area and for custody business.

BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND) AKTIENGESELLSCHAFT

Members of the Board of Management of BTMD

<i>Name</i>	<i>Principal Occupation</i>
Yutaka Watanabe	President
Reiner Guthier	Managing Director

The business address of the above mentioned President and Managing Director is Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany.

Capitalisation

This following table sets out the unaudited capitalisation of BTMD as at 30th June, 1998:

	DM (thousand)
Registered share capital	167,900
Capital reserve	3,742
Legal Reserves	3,265
Other revenue reserves	8,993
	<hr/>
	183,900
	<hr/>

Additionally, BTMD has issued profit participation rights ("*Genußrechte*") amounting to DM 20 million.

TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED

The information on pages 58 and 59 of the Offering Circular shall be deleted in its entirety and shall be replaced by the following:

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 Hong Kong Banking Ordinance and is also an Exempt Dealer under the Securities Ordinance and an Investment Adviser under the Commodities Trading Ordinance. TMIHK is a wholly-owned subsidiary of the Parent. As at 30th June, 1998, its authorised share capital consisted of 80,000,000 shares having a par value of U.S.\$1.00 per share, of which 80,000,000 shares were issued and fully paid up. TMIHK has two subsidiaries incorporated in Hong Kong, BTM Asset Management (HK) Limited, which provides fund management services for clients of TMIHK, and BTM Trustee (HK) 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 client include governments, government agencies, banks and private and public corporations.

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.

Management

The Directors of TMIHK are:

<i>Name</i>	<i>Principal Occupation</i>
Toshiyuki Morioka	Managing Director
Shigeki Moriuchi	Deputy Managing Director
Seiichiro Nishida	Deputy Managing Director
Takaya Hama	Director
Hsiao Yao Hin, Tom	Director

The business address of (i) Messrs. Toshiyuki Morioka, Shigeki Moriuchi, Seiichiro Nishida and Hsiao Yao Hin, Tom is 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong, (ii) Mr. Takaya Hama is 1st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED

Capitalisation

The following tables set out the capitalisation of TMIHK as at 30th June, 1998:

<i>Long Term Debt</i>	<i>U.S.\$</i>
4.4% Unsecured Loans due 2004	48,053,820
4.43% Unsecured Loans due 2004	47,260,000
3.13% Unsecured Loans due 2005	21,303,036
3.1% Unsecured Loans due 2005	21,303,036
Dual Basis Notes due 2005, issued under Euro Medium Term Note Programme	20,000,000
	157,919,892

<i>Shareholders' Equity</i>	<i>U.S.\$</i>
Issued Share Capital – 80,000,000 ordinary shares of U.S.\$1.00 each	80,000,000
Retained Earnings	2,034,739
Capital Reserve	3,368,671
Total Shareholders' Equity	85,403,410

Short Term Debt

The short-term debt of TMIHK as at 30th June, 1998 used to fund TMIHK's business was as follows:

	<i>U.S.\$</i>
Deposits taken from Parent	332,473,032
Deposits taken from Customers	28,434,245
	360,907,277

As at 30th June, 1998 the contingent liabilities and guarantees amounted to U.S.\$62,670,000.

Since 30th June, 1998 there has been no material change in the capitalisation of TMIHK.

All figures have been converted at the foreign exchange spot rate prevailing on 30th June, 1998 of U.S.\$1 = HK\$7.7487.

THE BANK OF TOKYO-MITSUBISHI, LTD

The information on pages 60 to 64 inclusive of the Offering Circular shall be deleted in its entirety and shall be replaced by the following:

History and Business

The Bank of Tokyo-Mitsubishi, Ltd. (the "Bank") was incorporated in Japan on 15th August, 1919 as "Kabushiki Kaisha Mitsubishi Ginko" (The Mitsubishi Bank, Limited ("MBL")). On 1st April, 1996, MBL changed its name to The Bank of Tokyo-Mitsubishi, Ltd. following its merger with The Bank of Tokyo, Ltd. Its principal place of business and registered head office are at 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8388, Japan. The Bank's principal objects, as defined in Article 2 of its Articles, may be summarised as accepting deposits, extending loans, discounting bills and notes, effecting exchange transactions, giving guarantees, underwriting and trading government, municipal and government-guaranteed bonds and other businesses, as permitted by law.

The Bank is one of the major Japanese commercial banks known as "city banks" and provides a full range of domestic and international bank services. It is an authorised foreign exchange bank in Japan and is active in the foreign exchange markets in London, Tokyo and New York City, as well as other centres. The Bank is the biggest commercial bank in the world in terms of consolidated total assets.

The Bank's domestic network comprises approximately 350 branches, sub-branches, and agencies. Overseas, the Bank of Tokyo-Mitsubishi Group consists of more than 400 facilities located in all the major commercial centres of the world.

Recent Developments

Many of the recent developments affecting the Bank and its business are best understood within the larger context of problems in the Japanese economy following the collapse of the so-called "bubble economy" in the early 1990's and of problems that have occurred recently in various other Asian economies. As a result of these problems, Japanese financial institutions have experienced, and in some cases are still experiencing, serious problems with non-performing assets. In some cases, these asset quality problems have let, or may lead, to severe liquidity and/or solvency issues that have resulted, or may result, in the liquidation or restructuring of the affected financial institutions. The Bank does business with and is, in some instances, a shareholder in certain of these and other financial institutions and, as a result, may find itself exposed from time to time to credit or other risks associated with the financial difficulties encountered by these other financial institutions.

The collapse of the bubble economy and generally sluggish economic conditions in Japan in recent years have had significant adverse effects on Japanese financial institutions, including commercial banks. These effects have largely derived from severe and protracted declines in values of Japanese real estate and equity securities. Such effects have resulted in the failures of certain banks and other financial institutions, including The Hokkaido Takushoku Bank, Limited, one of Japan's ten "city" banks, Yamaichi Securities Co., Ltd., one of Japan's "Big Four" securities companies, and Sanyo Securities Co., Ltd. late in 1997. In addition, failures of non-financial institutions, including construction companies, have also increased since late 1997. These failures resulted in the Bank experiencing a significant increase in charge-offs and in additional provisions for credit losses during the year ended 31st March, 1998.

Under these economic circumstances, Diamond Mortgage Co., Ltd. ("DMC"), Diamond Factors Limited ("DFL"), Diamond Home Credit Co., Ltd. ("DHC") and two other nonbanks, each a 5% associated company of the Bank, have also faced serious asset quality problems including significant declines in the value of real estate held as collateral. With a view toward minimizing long-term losses that may be incurred by the Bank as a result of these companies' asset quality problems, the Bank provided additional financial assistance totaling approximately ¥200 billion to DMC, DFL and DHC for the year ended 31st March, 1998 and assumed control of these companies. Based on such control, the Bank consolidated the financial statements of these three companies and two other nonbanks with its own for the year ended 31st March, 1998.

The Bank and its subsidiaries (together, the "Group") has taken significant measures during recent years, to address and resolve its own serious asset quality problems. In fiscal 1997, the Group added

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¥1,356.2 billion to its allowance for possible credit losses, which contributed significantly to its ¥773.7 billion net loss for the year.

A financial and currency crisis that began in Thailand in mid-1997 spread rapidly over much of the East Asian region. The Asian crisis has further undermined the Japanese economy and increased uncertainty regarding the Japanese financial system. Many East Asian countries have experienced credit shortages, currency devaluation, high interest rates, and erosion of confidence. South Korea, Thailand and Indonesia have been affected the most from such turmoil. South Korea and Thailand have been implementing reform policies agreed in connection with International Monetary Fund ("IMF") lending. Early in 1998, the South Korean government reached an agreement with a group of international banks, including the Bank, to restructure short-term foreign currency debts of domestic banks totaling nearly U.S.\$22 billion. In Indonesia, recent turmoil in the political and economic system has raised concerns regarding the future performance of its economy. In May 1998, Indonesia's new government announced it would carry out financial reform programs required by its agreement with IMF. In early June, 1998, the Indonesian government and a steering committee of banks reached an agreement which includes private-sector debt rescheduling. In connection with the agreement, an Indonesian Debt Restructuring Agency, which will be fully backed by the government and administered by Bank Indonesia, will play an important role, including providing exchange rate risk protection and assurance as to the availability of foreign exchange to private debtors. Under this framework, approximately U.S.\$9.2 billion in non-trade short-term bank debts of Indonesian banks will be exchanged for debt with term of up to four years, guaranteed by Bank Indonesia. In addition, Indonesia agreed to request trade creditors to Indonesian banks to maintain for one year trade finance at levels existing at the end of April, 1998. Trade credits extended pursuant to the undertaking will also be guaranteed by Bank Indonesia. Despite these measures, a significant degree of volatility and economic uncertainty continues to exist in the East Asian region, especially in Indonesia.

At 31st March, 1998, the Group had cross-border outstandings and commitments of ¥605.7 billion, ¥689.9 billion, ¥402.2 billion, respectively, to South Korea, Thailand and Indonesia. Under the agreement between the South Korean government and its international banks as mentioned above, in April, 1998, the Bank exchanged its short-term loans of ¥204.4 billion, which consisted of ¥193.1 billion loans payable in U.S. dollars and ¥11.3 billion loans payable in Japanese yen, for new loans with maturities of one, two and three years, guaranteed by the South Korean government. The new loans payable in U.S. dollars bear floating interest rates of 2.25%, 2.50% and 2.75%, respectively, over the six month London Interbank Offering Rate (LIBOR). To date, the Bank has not experienced material non-performing loans or charge-offs in Asia. Given the continuing economic uncertainty in the region, the Bank believes the level of non-performing assets and credit losses related to counterparties in Asia will increase during fiscal 1998.

As a result of concerns regarding asset quality and actual and possible failures of Japanese financial institutions, the so-called "Japan premium" rose substantially in late 1997 and continues today, although generally at a lower level. The "Japan premium" refers to the additional risk premium that Japanese financial institutions must pay to obtain short-term, interbank funds in international markets, as compared with their U.S. and European counterparts.

In an attempt to correct some of the structural elements in Japan's financial system that have contributed to these asset quality and other problems and to ensure that the system is able to adjust and adapt to future changes, the Japanese government is implementing wide-ranging structural reform plans, commonly known as Japan's "Big Bang". The government first announced these reforms in 1996, and plans to complete them by 2001. The Bank believes that, for a variety of reasons, including its strength in the market place, the benefits of deregulation and increased competition outweigh any possible disadvantages.

Recently adopted reforms include, among other things: (i) abolishing the foreign exchange bank licensing system and relaxing restrictions on foreign deposits and other dealings in foreign currencies and eliminating the prior notification requirements in respect to almost all cross-border capital transactions;

(ii) providing for greater independence on the part of The Bank of Japan with respect to the setting of interest rates and aiding financial institutions with liquidity problems and increasing transparency of monetary policy; (iii) providing for the establishment of a Financial Supervisory Agency, independent of the Ministry of Finance of Japan (the "MOF"), to supervise and inspect private-sector financial institutions; (iv) removing the ban on financial holding companies; (v) establishing a system of "prompt corrective action" through which the MOF may take certain corrective actions with respect to banks whose capital ratios fall below certain levels, including requiring such banks to formulate and implement reform measures or to suspend all or part of their business operations. In addition, the Financial System Reform Law enacted on 5th June, 1998 eliminates many of the barriers between banking and other financial service sectors, allowing banks to expand into areas previously restricted, while exposing them to increased competition in previously protected areas.

In addition to the "Big Bang" reforms, which are intended to be long-term solutions to structural problems, the Japanese government has taken steps in recent years to address immediate problems affecting the Japanese financial system. In 1996, the Japanese government led an effort to restructure significant non-performing loans of liquidated housing loan companies (the "Jusen"), under which various financial institutions, including the Bank, extended ¥5.8 trillion of loans to the Housing Loan Administration Corporation (the "HLAC"), which was used to purchase the Jusen's remaining loan assets, and made ¥1.8 trillion of non-interest-earning deposits into two newly established funds, one of which was set up within the Deposit Insurance Corporation (the "DIC"). Under this framework, the HLAC will make collections of the Jusen's loans during 15 years from its inception. Although it is uncertain what losses, if any, will ultimately be incurred with respect to collections on Jusen loans, to date no significant losses have been reported.

In order to restore confidence in the financial system and prevent future financial turmoil, on 16th February, 1998, the Japanese Diet passed legislation amending the Deposit Insurance Law to ensure the protection of deposits and also passed legislation enacting the "Law Concerning Emergency Measures for Stabilizing Financial Function" to stabilize the financial system by investing public funds in financial institutions. Pursuant to these new laws, the DIC, through the Resolution and Collection Bank, Limited, may purchase shares of preferred stock or subordinated bonds issued by, or make subordinated loans to, eligible financial institutions in specified circumstances, including where it is deemed necessary to protect the stability of the Japanese financial system. Under this framework, the Japanese government will make up to ¥30 trillion in public funds available for the scheme. In March 1998, the Bank and 20 other banks, including eight other "city banks", applied for and received varying amounts of such funding. The Bank issued undated subordinated bonds of ¥100 billion bearing interest at an annual rate of six-month LIBOR plus 0.90% for the first five years and, thereafter, six-month LIBOR plus 2.40%.

In early July 1997, the Japanese government announced that it would seek Diet approval for the introduction of a new system of administering the business of failed banks. The plan calls for the creation with public funds of a holding company, which in turn will establish subsidiary "bridge banks" to administer the business of failed banks designated by the Financial Supervisory Agency. Under the proposed plan, failed banks which are unable to transfer their operations to other private institutions will be placed under the control of financial administrators appointed by the Financial Supervisory Agency. The failed bank may continue to make loans to sound borrowers, while its non-performing loans will be transferred to the Resolution and Collection Bank. If no private purchaser can be found, the failed bank will be dissolved and its remaining assets transferred to a bridge bank. The bridge bank may continue to make and maintain loans to sound borrowers until a private purchase is arranged, but will be dissolved and all remaining loans transferred to the Resolution and Collection Bank if no purchaser can be found within a specified period. Legislation to implement the proposed plan is expected to be submitted to the Diet in late July.

Board of Directors

The Board of Directors is responsible for the administration of the business of the Bank. The Articles of Incorporation of the Bank provide that the number of Directors shall not exceed 70 and that the number of Corporate Auditors shall not exceed eight. Directors are elected by the Bank's

THE BANK OF TOKYO-MITSUBISHI, LTD

shareholders at an annual general meeting for staggered two-year terms. Corporate Auditors are elected by an annual general meeting of shareholders of the Bank for terms of three years.

The Corporate Auditors of the Bank are not required to be, and are not, certified public accountants. In accordance with Japanese law, the duties of the Corporate Auditors include examining the financial statements and business reports of the Bank to be submitted by the Board of Directors to the shareholders at general meetings. Their statutory duties also include examination of the administration of the affairs of the Bank by the Directors. They are entitled to attend meetings of the Board of Directors and to express their opinions, but are not entitled to vote. The Corporate Auditors may not at the same time be Directors, managers or employees of the Bank or any of its subsidiaries. At least one corporate auditor ("Outside Corporate Auditor") must be elected from persons who have not been Directors, managers or other employees of the Bank or any of its subsidiaries for five years prior to assumption of office.

The Board of Directors is empowered by Article 18 of the Bank's Articles of Incorporation to appoint by resolution representative directors from among their number who may represent the Bank severally Article 18 also permits the Board of Directors to appoint from their number by resolution a chairman, a president, deputy presidents, senior managing directors and managing directors. The duties of the senior managing directors and the managing directors are defined in the Articles of Incorporation as assisting the president and deputy presidents in the management of the day-to-day business of the Bank. All of these senior officers except for managing directors are currently representative directors.

Set forth below is a list of the Directors and Corporate Auditors of the Bank at 26th June, 1998. The business address of the Directors is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8388, Japan, unless otherwise indicated.

<i>Name</i>	<i>Current Position</i>	<i>Business Address (if not as above)</i>
Tasuku Takagaki	Chairman*	
Satoru Kishi	President*	
Kenji Yoshizawa	Deputy President*	
Shigemitsu Miki	Deputy President*	
Takeshi Yano	Senior Managing Director*	
Tadashi Kurachi	Senior Managing Director*	
Shin Nakahara	Senior Managing Director*	
Akihiro Uno	Senior Managing Director*	
Yasuyuki Hirai	Senior Managing Director*	
Tetsuo Shimura	Senior Managing Director*	
Ryuichi Ohno	Managing Director	
Masatoshi Shimada	Managing Director	1-5, Dojimahama 1-chome, Kita-ku, Osaka, Japan.
Tadahiro Asami	Managing Director	
Hiroshi Watanabe	Managing Director	1251 Avenue of the Americas, New York, New York 10020-1104, U.S.A.
Yasuhiko Watanabe	Managing Director	
Masamichi Yamada	Managing Director	Finsbury Circus House, 12-15 Finsbury Circus, London EC2M 7BT, UK.
Nobuo Kuroyanagi	Managing Director	
Takuo Oi	Managing Director	
Setsuo Uno	Managing Director	
Yasumasa Gomi	Managing Director	
Tatsunori Imagawa	Managing Director	

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<i>Name</i>	<i>Current Position</i>	<i>Business Address (if not as above)</i>
Yasuhiko Nakanishi	Managing Director	2-3, Kitahama 4-chome, Chuo-ku, Osaka, Japan.
Haruo Kimura	Managing Director	3-2, Nihombashi Hongokuchō 1-chome, Chuo-ku, Tokyo, Japan.
Mitsuru Hamaishi	Managing Director	Harindhorn Tower 54, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Kingdom of Thailand.
Asataro Miyake	Managing Director	
Hiroshi Motomura	Director	
Takahiro Moriguchi	Director	
Hisakazu Wakamatsu	Director	350 California Street, San Francisco, California 94104, U.S.A.
Akira Katayanagi	Director	15-13, Sakae 3-chome, Naka-ku, Nagoya, Japan.
Naotaka Obata	Director	5-3, Nihombashi 1-chome, Chuo-ku, Tokyo, Japan.
Shuichi Takahashi	Director	Far East Finance Centre, 16 Harcourt Road, Central, Hong Kong.
Masayuki Tanaka	Director	
Takaya Hama	Director	
Akira Okuhata	Director	
Juntaro Fujii	Director	6 Broadgate, London EC2M 2AA, UK.
Masaharu Hamakawa	Director	17-21, Nishiki 2-chome, Naka-ku, Nagoya, Japan.
Ichiro Terato	Director	
Kiyoshi Tsunoda	Director	
Tadamasa Kitoku	Director	
Takao Wada	Director	1-5, Dojimahama 1-chome, Kita-ku, Osaka, Japan
Kazuhiko	Director	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan.
Wakabayashi	Director	Finsbury Circus House, 12-15 Finsbury Circus, London EC2M 7BT, UK.
Norimichi Kanari	Director	1251 Avenue of the Americas, New York, New York 10020-1104, U.S.A.
Kenichi Masuda	Director	1251 Avenue of the Americas, New York, New York 10020-1104, U.S.A.
Katsunori Nagayau	Director	
Shunichi Tokuda	Director	
Yoshihiro Watanabe	Director	
Makoto Aoki	Director	Av. Paulista 1274, Bela Vista, Cep. 01310-926, Sao Paulo, S.P. Brazil.
Tetsuji Arita	Director	
Mutsuo Hatano	Director	
Toshiyuki Nishimura	Director	
Yukihiko Miyoshi	Director	10, Naginataboko-Cho, Shijodori Karasumahigashiiiru, Shimogyo-ku, Kyoto, Japan.
Ryuichi Murata	Director	Yoshinobu Onishi
Yoshinobu Onishi	Director	
Shota Yasuda	Director	

THE BANK OF TOKYO-MITSUBISHI, LTD

<i>Name</i>	<i>Current Position</i>	<i>Business Address (if not as above)</i>
Kanetaka Yoshida	Corporate Auditor (full-time)	3-2, Nihombashi Hongokucho 1-chome, Chou-ku, Tokyo, Japan.
Atsuteru Miyawaki	Corporate Auditor (full-time)	3-2, Nihombashi Hongokucho 1-chome, Chou-ku, Tokyo, Japan.
Yoshikazu Takagaki	Corporate Auditor (full-time)	3-2, Nihombashi Hongokucho 1-chome, Chou-ku, Tokyo, Japan.
Takashi Uno	Corporate Auditor (full-time)	3-2, Nihombashi Hongokucho 1-chome, Chou-ku, Tokyo, Japan.
Shunji Kono	Corporate Auditor	3-2, Nihombashi Hongokucho 1-chome, Chou-ku, Tokyo, Japan.
Kenjiro Hata	Corporate Auditor	3-2, Nihombashi Hongokucho 1-chome, Chou-ku, Tokyo, Japan.

**Representative Director*

TAXATION

I. United Kingdom

The disclosure under the heading "United Kingdom" shall be amended as follows:

- (i) in paragraph number 1 under the sub-heading "Notes issued by TMI", the words "(as amended by the Finance Act 1996)" in the last line of the second sub-paragraph shall be deleted;
- (ii) in paragraph number 3 under the sub-heading "Notes issued by Issuers other than TMI", the words "as amended by the Finance Act 1996" in the last line shall be deleted;
- (iii) in paragraph number 3 under the sub-heading "Notes issued by Issuers other than TMI", a new sub-paragraph shall be inserted immediately after the existing sub-paragraph as follows:

"In all other cases where payment is made through a paying agent in the United Kingdom an amount must be withheld on account of United Kingdom income tax at the lower rate (currently 20 per cent.), reduced in certain cases under the regulations referred to above by an amount equal to any tax withheld or deducted from the interest by a jurisdiction other than the United Kingdom.";
- (iv) in paragraph number 4 under the sub-heading "Collecting Agents", in sub-paragraph (a), the words "UK Notes on" in the first line shall be deleted; and
- (v) in paragraph number 4 under the sub-heading "Collecting Agents", the full stop at the end of sub-paragraph (v) shall be deleted and replaced with "; or" and a new sub-paragraph (vi) shall be inserted immediately after such sub-paragraph (v) as follows:

"(vi) the relevant Notes and the interest are beneficially owned by a person falling into certain specified categories, or one of certain other circumstances applies, in each case as prescribed by regulations made under the Act, which would apply, for example, to relevant Notes held under a personal equity plan, in a pension funds pooling scheme or a superannuation fund."

II. The Netherlands

The disclosure under the heading "The Netherlands" shall be amended as follows:

- (i) the phrase ", provided that these payments do not depend and will not be deemed to depend on the profits realised or distributed by BTMH" shall be inserted at the end of sub-clause (a) after the words "thereof or therein";
- (ii) in the first line of sub-clause (b)(iii), the words ", nor during the last five years had," shall be deleted therefrom; and
- (iii) in the final paragraph which begins with the words "Capital tax", the words ", if pursuant to the Guarantee," in the first line thereof shall be deleted.

III. Germany

The disclosure under the heading "Germany" shall be deleted in its entirety and shall be replaced by the following:

"The following description only represents a summary of the provisions of German tax laws and regulations which, due to its summary character, does not cover all details which may apply in specific individual cases and may even require a deviation therefrom. Furthermore, it does not deal with any taxes other than the withholding tax as described. Therefore, prospective investors may not rely on such summary description, but are advised to consult their own professional tax advisers. In addition, the summary below is based on the laws in force in Germany as of the date of this Supplemental Offering Circular and are subject to changes in law or applicable regulations occurring after such date, which changes could be made on a retroactive basis.

Persons resident in Germany are subject to income tax (respectively trade tax and corporate tax for certain investors) on their world-wide income including interest of any kind of debt securities, such as the Notes.

According to German law, payments of interest on debt securities are subject to an advance income tax (*Zinsabschlagsteuer*) at a rate of 30 per cent., if the interest payments are made through a bank in Germany in respect of securities on deposit with or administered by such bank and held by German tax residents (which are, subject to exceptions, persons whose residence, customary place of abode, head office or management is located in Germany) or persons who are subject to limited tax liability only with respect to their German source income and the interest on the Notes represents income from German agriculture and forestry, trade, business, self-employment or letting or leasing of German property. Advance income tax is imposed at a rate of 35 per cent., if the interest payments are made through a bank in Germany upon presentation of definitive coupons by a German or foreign holder (other than a foreign bank) to such bank. The details of how to calculate the respective advance income tax base in the case of sales, redemptions or repayments made with respect to the Notes are not described herein.

Further, there is an additional surcharge (*Solidaritätszuschlag*) of presently 5.5 per cent. on the advance income tax mentioned above, that will be withheld.

Any amount withheld as described herein may be credited to German residents as a pre-payment for the purposes of their German tax assessments. Under certain circumstances, the German investors may be entitled to a tax allowance and may achieve an exemption from the above advance income tax. Non-residents for German tax purposes will, subject to any applicable double taxation treaty, not be able to reclaim any taxes withheld in connection with interest payments made upon physical presentation of definitive coupons.

The withholding tax described above does not constitute a withholding or deduction within the meaning of Condition 8."

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Dealers have in a programme agreement (the "Programme Agreement") dated 24th November, 1994 as amended and restated in the Supplemental Programme Agreement dated 28th November, 1995, amended and restated in the Second Supplemental Programme Agreement dated 29th July, 1996 and amended in the Third Supplemental Programme Agreement dated 21st July, 1998 agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. The relevant Issuer may pay the Dealers commissions from time to time in connection with the sale of any Notes. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the relevant Issuer.

I. United States

The subscription and sale and transfer restrictions under the heading "United States" shall be amended as follows:

- (i) by the deletion in sub-clause (v) of the third paragraph beginning with the words "The holder of this Note.." and ending with the words "...any other agent of the Issuer." and by the substitution thereof of the following new third paragraph:

"The holder of this Note by its acceptance hereof, on its own behalf and on behalf of any account for which it is purchasing this Note or any interest or participation herein, agrees to offer, sell or otherwise transfer such Note or any interest or participation herein only (A) to, or for the account or benefit of, the relevant Issuer or a Dealer (as defined in the offering circular for the Note), (B) to, or for the account or benefit of, a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act), (C) to, or for the account or benefit of, an "Accredited Investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) who is an institution that, prior to such transfer, furnishes a written certification containing certain representations and agreements relating to the restrictions on transfer of this Note (the form of which letter can be obtained from the Registrar and the Transfer Agents), (D) outside the United States in a transaction which meets the requirements of Rule 904 of Regulation S under the Securities Act, (E) pursuant to an effective registration statement under the Securities Act, or (F) pursuant to any other available exemption from the registration requirements of the Securities Act. Upon any transfer of this Note or any interest or participation herein pursuant to clauses (C), (D) or (F), the holder will be required to furnish to the relevant Issuer such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from the registration requirements of the Securities Act. The holder will also be required to deliver to the transferee of this Note or any interest or participation therein a notice substantially to the effect of this legend. Any resale or other transfer or attempted resale or other transfer of this Note made other than in compliance with the foregoing restriction shall not be recognised by the Issuer, the Registrar or any other agent of the Issuer."; and

- (ii) by the insertion of a closing parenthesis after the word "applicable" in the fourth line of the tenth paragraph (beginning with the words "By its purchase of any Notes") of sub-clause (v).

GENERAL INFORMATION

Authorisation

Authorisation for the updating of the Programme and the issue of Notes under the Programme has been duly obtained as set out below:

- (i) by a resolution of the Board of Directors of TMI dated 10th July, 1998;
- (ii) in the case of BTMB, by a resolution of its Management Committee on 20th July, 1998;
- (iii) by a resolution of the Board of Directors of BTMH dated 21st July, 1998;
- (iv) by a resolution of the Board of Management of BTMD dated 17th July, 1998; and
- (v) by a resolution of the Board of Directors of TMIHK dated 17th July, 1998.

Listing

The listing of 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 July, 1998.

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, BTMH, BTMD, TMIHK, and the Parent and from the specified office of the Agent for the time being in London:

- (i) the constitutional documents (in English or with an English translation) of the Issuers;
- (ii) the audited consolidated financial statements and annual reports of the Parent (in English) for the years ended 31st March, 1997 and 1998 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, 1996 and 1997 and the financial statements (in English) of each of TMI, BTMB, BTMH, BTMD and TMIHK in respect of the financial years ended 31st December, 1996 and 1997;
- (iii) the most recently available audited annual financial statements (in English) of the Issuers, the Guarantor and the Parent and the most recently published interim financial statements (in English) (if any) of the Issuers, the Guarantor and the Parent;
- (iv) the Programme Agreement, the Trust Deed (which contains the forms of the bearer and registered, temporary and permanent global Notes, the definitive Notes, the Receipts, the Coupons and the Talons), the Agency Agreement and the Keep Well Agreement;
- (v) the Offering Circular and this Supplemental Offering Circular; and
- (vi) any supplementary listing particulars, the Pricing Supplements in respect of Notes listed on any stock exchange and other documents incorporated herein by reference and, in the case of a syndicated Tranche of Listed Notes, the syndication agreement (or equivalent document).

Significant or Material Change

Save as disclosed herein, there has been no significant change in the financial position or trading positions of any of the Issuers and their respective subsidiaries (if any), or of the Guarantor or the Parent since the date of the last financial year end of the relevant Issuer, the Guarantor or the Parent, as the case may be, and save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuers, and their respective subsidiaries (if any), 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.

Litigation

None of the Issuers, the Guarantor and their respective subsidiaries (if any) (whether as defendant or otherwise) is engaged in any legal, arbitration, administrative or other proceedings, the results of which have or have had during the twelve months prior to the date hereof a significant effect on the financial or trading position of the relevant Issuer and its subsidiary (if any), taken as a whole, or the Guarantor or the Parent, nor are any of the Issuers or the Guarantor or the Parent 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, 1997, 1996 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, 1997, 1996 and 1995, respectively.

The auditors of BTMH are KPMG Accountants N.V., chartered accountants, who have audited BTMH's accounts, without qualification, in accordance with generally accepted auditing standards in The Netherlands for each of the financial periods ended 31st December, 1997, 1996 and 1995, respectively.

The auditors of BTMD are KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMGD"), certified public accountants, who have audited BTMD's accounts, without qualification, in accordance with generally accepted auditing standards in Germany for each of the financial periods ended 31st December, 1997, 1996 and 1995, respectively.

The auditors of TMIHK until 29th March, 1996 were KPMG Peat Marwick ("KPMGHK"), certified public accountants, who have audited TMIHK's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for each of the financial periods ended 31st December, 1994 and 1995, respectively. The current auditors of TMIHK are Deloitte Touche Tohmatsu ("DTTHK"), who have audited TMIHK's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for the financial period ended 31st December, 1996 and 1997.

The auditors of the Parent are Deloitte Touche Tohmatsu, Independent Auditors, who have audited the Parent's accounts, without qualification, in accordance with generally accepted auditing standards in the United States of America for each of the financial periods ended 31st March, 1998, 1997 and 1996, respectively.

Hong Kong Compliance

DTTHK and KPMGHK have given, and have not before delivery of a copy of the Offering Circular to the Registrar of Companies in Hong Kong for registration withdrawn, their written consent to the issue of the Offering Circular with their names and reports incorporated herein by reference.

DTTHK have given, and have not before delivery of a copy of this Supplemental Offering Circular to the Registrar of Companies in Hong Kong for registration withdrawn, their written consent to the issue of this Supplemental Offering Circular with their name and report incorporated herein by reference.

A copy of the Offering Circular and this Supplemental Offering Circular have been delivered for registration to the Registrar of Companies in Hong Kong together with copies of the Programme Agreement, the Agency Agreement, the Trust Deed (as supplemented), the Keep Well Agreement and the audited annual financial statements of TMIHK incorporated by reference herein and of the consent letters of DTTHK and KPMGHK.

A Certificate of Exemption in relation to the Offering Circular and 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.

Banking Act 1987 (Exempt Transactions) Regulations 1997

Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom and which are issued pursuant to an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "Regulations") will constitute commercial paper, shorter term debt securities or longer term securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under Section 4 of the Banking Act 1987. None of the Issuers is an authorised institution or a European authorised institution (as such terms are defined in the Regulations) and, except for Notes issued by BTMH which

will be guaranteed by BTMB, repayment of the principal and payment of any interest or premium in connection with such Notes will not be guaranteed.

In relation to any Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations where such Notes would fall within regulation 13(4)(a) of the Regulations, the relevant Issuer confirms that:

- (a) as at the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and continuing listing of the Programme and of any previous issues made by such Issuer under it and listed on the same exchange as the Programme;
- (b) it will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes by the time when such Notes are so admitted; and
- (c) as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made by such Issuer under it and listed on the same exchange as the Programme, or any Notes issued by such Issuer falling within regulation 13(4)(a) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of such Notes as they fall due.

**REGISTERED AND HEAD OFFICES OF
THE ISSUERS**

Tokyo-Mitsubishi International plc

6 Broadgate
London
EC2M 2AA
England

Bank of Tokyo-Mitsubishi (Belgium) S.A.

Avenue des Arts 58, Bte.1
1000 Brussels
Belgium

BTM Finance (Holland) N.V.

Officia 1, 2nd Floor
De Boelelaan 7
1083 HJ Amsterdam
The Netherlands

Bank of Tokyo-Mitsubishi (Deutschland)

Aktiengesellschaft
Mainzer Landstrasse 16
60325 Frankfurt am Main
Germany

Tokyo-Mitsubishi International (HK) Limited

16th Floor
Tower 1
Admiralty Centre
18 Harcourt Road
Hong Kong

THE GUARANTOR

in respect of Notes issued by BTMH

Bank of Tokyo-Mitsubishi (Belgium) S.A.

Avenue des Arts 58, Bte. 1
1000 Brussels
Belgium

THE PARENT

The Bank of Tokyo-Mitsubishi, Ltd

7-1, Marunouchi 2-chome
Chiyoda-ku
Tokyo 100-8388
Japan

TRUSTEE

The Law Debenture Trust Corporation p.l.c.

Princes House
95 Gresham Street
London EC2V 7LY
England

AGENT

The Chase Manhattan Bank

Trinity Tower
9 Thomas More Street
London E1 9YT
England

LEGAL ADVISERS

*To the Parent and Tokyo-Mitsubishi International plc
as to U.S. law*

Paul, Weiss, Rifkind, Wharton & Garrison

Fukoku Seimei Building
2-2, Uchisaiwaicho 2-chome
Chiyoda-ku, Tokyo 106
Japan

*To the Parent as
to Japanese law*

Hamada & Matsumoto
Sankyu Building
6-14, Kasumigaseki 3-chome
Chiyoda-ku
Tokyo 100
Japan

*To Tokyo-Mitsubishi
International plc,
the Dealers and the Trustee
as to English law*

Allen & Overy
One New Change
London EC4M 9QQ
England

*To Bank of Tokyo-Mitsubishi
(Belgium) S.A. as to
Belgian law*

De Bandt, van Hecke & Lagae
Rue Brederode 13
B-1000 Brussels
Belgium

*To BTM Finance (Holland) N.V.
as to Dutch law*

Loeff Claey's Verbeke
Apollolaan 15
P.O. Box 75088
1077 AB Amsterdam
The Netherlands

*To Bank of Tokyo-Mitsubishi
(Deutschland) Aktiengesellschaft
as to German law*

**Bruckhaus Westrick Heller
Löber**
Taunusanlage 11
60329 Frankfurt am Main
Germany

*To Tokyo-Mitsubishi International
(HK) Limited
as to Hong Kong law*

Allen & Overy
9th Floor
Three Exchange Square
Central
Hong Kong

PAYING AGENTS AND TRANSFER AGENTS

Chase Manhattan Bank Luxembourg S.A.

5 Rue Placis
L-2338 Luxembourg-Grund

The Bank of Tokyo-Mitsubishi Ltd.

London Branch

Finsbury Circus House
12-15 Finsbury Circus
London EC2M 7BT
England

Bank of Tokyo-Mitsubishi (Deutschland)

Aktiengesellschaft

Mainzer Landstrasse 16
60325 Frankfurt am Main
Germany

Bank of Tokyo-Mitsubishi (Belgium) S.A.

Avenue des Arts 58, Bte. 1
1000 Brussels
Belgium

Bank of Tokyo-Mitsubishi (Switzerland) Ltd.

Stockerstrasse 23
8002 Zürich
Switzerland

REGISTRAR AND EXCHANGE AGENT

The Chase Manhattan Bank

450 West 33rd Street
15th Floor, New York
NY10001-2697
United States of America

REGISTRARS

Tokyo-Mitsubishi International plc

6 Broadgate
London EC2M 2AA
England

In respect of Registered Notes issued by BTMB

Bank of Tokyo-Mitsubishi (Belgium) S.A.

Avenue des Arts 58, Bte. 1
1000 Brussels
Belgium

DEALERS

ABN AMRO Bank N.V.
199 Bishopsgate
London EC2M 3TY
England

**Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft**
Mainzer Landstr. 16
60325 Frankfurt am Main
Germany

**Bank of Tokyo-Mitsubishi
(Switzerland) Ltd**
Stockerstrasse 23
8002 Zürich
Switzerland

Banque Internationale à Luxembourg S.A.
69 route d'Esch
L-1470 Luxembourg

Paribas
10 Harewood Avenue
London NW1 6AA
England

Credit Suisse First Boston (Europe) Limited
One Cabot Square
London E14 4QJ
England

Deutsche Bank AG London
6 Bishopsgate
London EC2P 2AT
England

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
England

**Lehman Brothers International
(Europe)**
One Broadgate
London EC2M 7HA
England

Merrill Lynch International
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

Morgan Stanley & Co. International Limited
25 Cabot Square
Canary Wharf
London E14 4QA
England

Salomon Brothers International Limited
Victoria Plaza
111 Buckingham Palace Road
London SW1W 0SB
England

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

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

UBS AG
1 Finsbury Avenue
London EC2M 2PP
England

INDEPENDENT PUBLIC ACCOUNTANTS

To Tokyo-Mitsubishi International plc

KPMG
8 Salisbury Square
London EC4Y 8BB
England

To Bank of Tokyo-Mitsubishi (Belgium) S.A.

Deloitte & Touche
Represented by Mr Roger Verstraelen
Brussel Airport Business Park
Berkenlaan 6
B-1831 Diegem
Belgium

To BTM Finance (Holland) N.V.

KPMG Accountants N.V.
Burgemeester Rijnderslaan 10-20
NL-1185 MC Amstelveen
The Netherlands

*To Bank of Tokyo-Mitsubishi (Deutschland)
Aktiengesellschaft*

**KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft**
Marie-Curie-Strasse 30
60439 Frankfurt am Main
Germany

To Tokyo-Mitsubishi International (HK) Limited

Deloitte Touche Tohmatsu
26th Floor, Wing on Centre
111 Connaught Road Central
Hong Kong

To the Parent

Deloitte Touche Tohmatsu
MS Shibaura Building
13-23 Shibaura Building
Minato-ku
Tokyo 108
Japan

LONDON LISTING AGENT

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