

**Supplementary note to The National Insurance and Guarantee  
Corporation Limited's Directors' Report in the Annual Accounts for the  
year ended 31 December 2005**

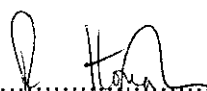
This supplementary note revises the Directors' Indemnities section of the Directors' Report dated 31 March 2006 and is to be treated as forming part of that Directors' Report. The Directors' Report did not comply with The Companies Act 1985 ('the Act') by virtue of not completely disclosing details of all directors' indemnities provisions. The Directors' Report has been revised as at the date of the original Directors' Report and not as at the date of this revision and accordingly it does not deal with events between those dates.

The Act requires that where a supplementary note is issued, a revised auditors' report is issued and this is attached.

**DIRECTORS' INDEMNITIES**

In terms of Section 309C of The Companies Act 1985 (as amended), Mr I H Chippendale, Miss A E Court, Mr C R Crawford, Mr C H D Earle, Mr I Falconer, Mr M A Fisher, Mr M A Hesketh, Mr B Higgins, Mr R D Houghton and Mr N C McLuskie had been granted Qualifying Third Party Indemnity Provisions by The Royal Bank of Scotland Group plc.

This supplementary note was approved by the board of directors and signed on behalf of the board.

  
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Mr R D Houghton  
Director of The National Insurance and Guarantee Corporation Limited

Date     December 2006



**Independent auditors' report to the members of The National Insurance and Guarantee Corporation Limited**

We have considered the information given in the revised directors' report for the year ended 31 December 2005. The revised report replaces the original report approved by the directors on 31 March 2006 and consists of the attached supplementary note together with the original report which was circulated to members on 1 December 2006. It has been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 1990 and accordingly does not take account of events which have taken place after the date on which the original report was approved.

This report is made solely to the company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 1990. Our work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditors' report under those regulations and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or for the opinions that we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the directors are responsible for the preparation of their revised report in accordance with applicable law.

It is our responsibility to report to you in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland) whether the revised directors' report is consistent with the annual financial statements.

**Basis of opinion**

Our consideration has been directed towards matters of consistency alone and not to whether the revised report complies with the requirements of the Companies Act 1985.

**Opinion**

In our opinion the information given in the revised directors' report is consistent with the annual financial statements for the year ended 31 December 2005 which were circulated to members on 31 March 2006.

*Deloitte & Touche UK*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Edinburgh, United Kingdom

22 December 2006