

(Company No. 166738)

THE NATIONAL BANK CITY OFFICE NOMINEES, LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 1996



THE NATIONAL BANK CITY OFFICE NOMINEES, LIMITED

DIRECTORS:

Anthony Francis Geach
Philip Arthur Goulds
Simon Nicholas Hughes
John Albert Lea
Stephen Anthony Lowe
Paulene McGarry
Amanda Mary O'Brien
Andrew Edward Charles Scott
Johnny Stephens
John Storey
Penelope Ann Strugnell
Brian James Willmott

SECRETARY:

John Albert Lea

REGISTERED OFFICE:

Waterhouse Square
138-142 Holborn
London EC1N 2TH

TELEPHONE NUMBER:

0171 427 8000

THE NATIONAL BANK CITY OFFICE NOMINEES, LIMITED

1. REPORT OF THE DIRECTORS

The Directors present their annual report and the financial statements for the year ended 30 September 1996.

2. BUSINESS REVIEW

The Company's business is that of a nominee company only. As the Company has not traded during the accounting period, received no income and incurred no expenditure, a profit and loss account is not presented.

3. DIRECTORS

The names of the present Directors are as listed on page 1.

The following was appointed as a Director of the Company on the date specified.

<u>Name of Director</u>	<u>Date of Appointment</u>
Johnny Stephens	5 September 1996

The following resigned as a Director of the Company on the date specified.

<u>Name of Director</u>	<u>Date of Resignation</u>
James Duncan	16 September 1996

4. DIRECTORS' INTERESTS

The following Directors were beneficially interested in the 25p ordinary shares of The Royal Bank of Scotland Group plc.

	At 1 October 1995 [or date of appointment if later]	At 30 September 1996
	<u>Shares</u>	<u>Shares</u>
S N Hughes	137	141
J A Lea	3,282	4,028
S A Lowe	773	1,336
A E C Scott	7	7

Options to subscribe for 25p ordinary shares of The Royal Bank of Scotland Group plc granted to and exercised by Directors during the year to 30 September 1996 are included in the table below:-

	At 1 October 1995 [or date of appointment if later]	<u>Options Granted</u>		<u>Options Exercised</u>		At 30 September 1996
		<u>Number</u>	<u>Price</u> £	<u>Number</u>	<u>Price</u> £	
S N Hughes	2,065	742	4.18	-	-	2,807
J A Lea	9,772	1,650	4.18	2,614	1.52	8,808
S A Lowe	1,924	247	4.18	493	1.52	1,678
P McGarry	1,418	165	4.18	-	-	1,583
A M O'Brien	4,363	746	4.18	888	1.52	4,221
A E C Scott	1,433	330	4.18	-	-	1,763
J Storey	1,302	165	4.18	-	-	1,467
P A Strugnell	401	-	-	-	-	401
B J Willmott	2,727	1,980	4.18	-	-	4,707

No other Director had an interest in the ordinary shares of The Royal Bank of Scotland Group plc and no Director had an interest in any of the preference shares of The Royal Bank of Scotland Group plc during the year to 30 September 1996.

In addition, during that period none of the Directors held a beneficial interest in the loan capital of The Royal Bank of Scotland Group plc or in the share or loan capital of any of the other subsidiaries of The Royal Bank of Scotland Group plc, including the company.

5. AUDITORS

At the Annual General Meeting of the Company held on 9 November 1987 a resolution was passed making the Company exempt from the obligation to appoint auditors as otherwise required by Section 384 of the Companies Act 1985.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J A Lea', with a long horizontal flourish extending to the left.

J A Lea
Secretary

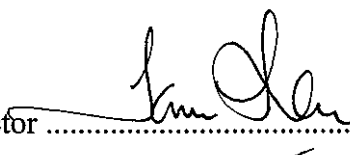
22 November 1996

THE NATIONAL BANK CITY OFFICE NOMINEES, LIMITED
BALANCE SHEET AT 30 SEPTEMBER 1996

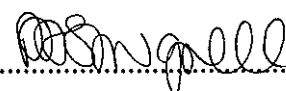
	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
CURRENT ASSETS			
Debtors:			
Amounts owed by Group Company - [The Royal Bank of Scotland plc]		<u>100</u>	<u>100</u>
NET ASSETS		<u>100</u>	<u>100</u>
CAPITAL			
Called up share capital	3	<u>100</u>	<u>100</u>
		<u>100</u>	<u>100</u>

DIRECTORS DECLARATION

The Company was dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the accounting period ending at the date of this balance sheet.

Director 

Date: 22 November 1996

Director 

NOTES

1. **Accounting Policy**

The financial statements have been prepared under the historical cost convention and in compliance with the Companies Act 1985.

2. **Ultimate Holding Company**

The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain.

3. Called up Share Capital

	<u>Authorised</u>	<u>Share capital allotted, called up and fully paid</u>
At 30 September 1996 and 1995		
Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>

4. Profit and Loss Account

The Company has not traded during the accounting period, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss. A profit and loss account is therefore not provided. None of the Directors received any remuneration.

5. Contingent Liabilities

There is a contingent liability to subscribe for uncalled capital in respect of securities registered in the company but the company has recourse to the beneficial owners of these securities should any liability arise.

6. Approval of Accounts

The financial statements were approved at a meeting of the Board of Directors on 22 November 1996.