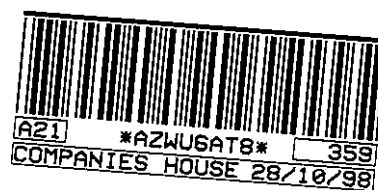


Company No. 209374

N.C.B. TRUST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 1997.



N.C.B. TRUST LIMITED

DIRECTORS AND OFFICERS

Directors

Mr Richard I Crews
Mr Mark C Davies
Mr Stephen M Everard
Mr Mark L Fewell
Mr Niall F Hornett
Mr John R Kirkpatrick
Mr Joseph Palamara
Mr Jeffrey R Walsh.

Secretary

Citicorporate Limited
336 Strand
LONDON WC2R 1HB

Registered Office

336 Strand
LONDON WC2R 1HB

Auditors

KPMG Audit Plc
Chartered Accountants & Registered Auditor
8 Salisbury Square
LONDON EC4Y 8BB

N.C.B. TRUST LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report together with the audited financial statements ('Accounts') of the Company for the year ended 31 December 1997 ('the year') which have been prepared in accordance with the provisions of the Companies Act 1985 (as amended).

Principal Activities and Review of the Business

The Company acts as a bare nominee or trustee principally on behalf of individual and corporate clients of certain fellow subsidiary undertakings of the ultimate holding company and for which the Company does not levy any charges nor incur any expense in relation thereto.

It is the intention of the Directors that the Company should continue in the same capacity for the foreseeable future.

Future Developments

The Directors have no plans or intentions, at this time, to further develop the activities of the Company.

Results and Dividends

The Company has not incurred any expenses nor earned any revenues during the year or in the preceding year and, as a consequence, the Company has made neither a profit nor a loss in respect of the year or in the preceding year. A profit and loss account has not, therefore, been prepared.

The state of affairs of the Company as at the year end were otherwise as detailed in the accompanying balance sheet.

No dividends were declared or paid by the Company during the year and the Directors do not recommend the declaration of a dividend in respect of the year.

Directors and Directors' Interests

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

During the year, there were two appointments to the Board. Mr Hugo A M Daenen and Mr Niall F Hornett were appointed additional Directors of the Company on 10 July 1997.

Since the year, there have been five appointments to the Board and two departures from the Board. Mr Mark C Davies, Mr Mark L Fewell, Mr John R Kirkpatrick and Mr Joseph Palamara were all appointed as additional Directors of the Company on 4 June 1998. Mr Jeffrey R Walsh was also appointed as an additional Director of the Company on 1 July 1998. In addition Mr Anthony M Brooks and Mr Hugo A M Daenen resigned as Directors of the Company on 30 June 1998 and 4 July 1998 respectively.

No service contracts have subsisted between the Company and any of its Directors during the year and no such contracts have come into being since the year.

N.C.B. TRUST LIMITED

REPORT OF THE DIRECTORS continued

Directors and Directors' Interests continued

None of the Directors, during the year, nor any member of their respective families had any material interests in contracts involving the Company or interests in the share or loan capitals of the ultimate holding company, or its subsidiaries, at the relevant dates which required disclosure.

Directors' Responsibilities for Financial Statements

Company law requires the Directors to prepare financial statements for each accounting reference period which give a true and fair view of the state of affairs of the Company and of the profit or, as the case may be, loss of the Company for that period (the 'financial statements').

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act 1985 as amended.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Employees

There were no persons employed by the Company during the year or in the preceding year and no persons have been employed by the Company since the year.

Charitable Donations and Political Contributions

There were no charitable donations nor any contributions for political purposes made by the Company during the year or the preceding year.

Close Company Provisions

In the opinion of the Directors, the close company provisions of the Income and Corporation Taxes Act 1988, as amended, do not, and did not at 31 December 1997, apply to the Company.

N.C.B. TRUST LIMITED

REPORT OF THE DIRECTORS continued

Ultimate Holding Company

The Directors regarded Citicorp, which was incorporated in the United States of America under the laws of the State of Delaware, as the Company's ultimate holding company as at 31 December 1997.

Since the year, on 8 October 1998, the Directors regard Citigroup Inc which is incorporated in the United States of America under the laws of the State of Delaware and formerly known as Travelers Group Inc as the Company's ultimate holding company following a merger between Citicorp and Travelers Group Inc on that date.

Auditors

The Company's Auditor KPMG Audit Plc, Chartered Accountants and Registered Auditor, has indicated its willingness to continue in office and, accordingly, a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting in accordance with the provisions of Section 385 of the Companies Act 1985, as amended.

Approved by the Board of Directors on 20 October 1998 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'M. J. Smith', written over a horizontal line.

for **Citicorporate Limited**
Secretary.

Registered Office:
336 Strand, LONDON WC2R 1HB

N.C.B. TRUST LIMITED

**REPORT OF THE AUDITORS KPMG AUDIT Plc
TO THE MEMBERS OF N.C.B. TRUST LIMITED**

We have audited the financial statements on pages 6 to 8.

Respective Responsibilities of Directors and Auditors

As described on page 3, the Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc


Chartered Accountants
Registered Auditor

London
20 October 1998

N.C.B. TRUST LIMITED**BALANCE SHEET**
as at 31 December 1997

31 December		1997	1996
	Note	£	£
CURRENT ASSETS			
Amount due from group company	3	3 =	3 =
CAPITAL AND RESERVES			
Called up share capital	5	3 =	3 =

These Accounts were approved by the Board of Directors on 20 October 1998 and signed on their behalf by:


 RICHARD I CREWS
 Director.

The notes on pages 7 and 8 form an integral part of these Accounts.

N.C.B. TRUST LIMITED**NOTES TO THE ACCOUNTS**
for the year ended 31 December 1997**1 BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 PROFIT AND LOSS ACCOUNT

Securities which may from time to time be registered in the name of the Company are beneficially owned by clients of Citibank, N.A. or other subsidiary undertakings thereof and all transactions relating thereto are recorded by Citibank, N.A. London branch or that other subsidiary.

The Company has, therefore, neither earned nor received any income nor has it incurred any expenditure in its own right and accordingly no profit and loss account has therefore been prepared.

3 BALANCES WITH GROUP COMPANIES

Assets of £3 (1996 £3) represent an amount due from a fellow group company.

4 CASH FLOW STATEMENT

The Company, being a wholly-owned subsidiary undertaking of a parent undertaking which is incorporated in Great Britain under the laws of a Member State of the European Union, is exempt from the requirement to prepare a cash flow statement under the provisions of paragraph 8(c) of Financial Reporting Standard No 1.

5 SHARE CAPITAL

	1997	1996
Authorised:		
100 Ordinary shares of £1 each	100	100
	===	===
Issued, allotted and fully paid:		
3 Ordinary shares of £1 each	3	3
	===	===

6 DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments during the year in respect of their services to the Company (1996 £nil).

N.C.B. TRUST LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 31 December 1997

7 CONTINGENT LIABILITIES

Under a group registration made pursuant to the provisions of the Value Added Tax Act 1994, the Company is jointly and severally liable for VAT due by other group companies. At 31 December 1997 this liability amounted in aggregate to £nil (1996 £nil). No valuable consideration has been provided by the Company in respect of this contingency.

8 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The Company was a subsidiary undertaking of Citicorp which was incorporated in the United States of America under the laws of the State of Delaware at 31 December 1997. Since the year, on 8 October 1998, the Company has become a subsidiary undertaking of Citigroup Inc which is incorporated in the United States of America under the laws of the State of Delaware and which was formerly known as Travelers Group Inc following a merger between Citicorp and Travelers Group Inc on that date.

The largest group in which the results of the Company are consolidated is that headed by Citicorp. Copies of these group accounts are available to the public and may be obtained from their offices at 399 Park Avenue, New York, New York 10043, United States of America.

The smallest group in which the results of the accounts are consolidated is that headed by Citibank Investments Limited. Copies of these group accounts are available to the public and may be obtained from its offices at 336 Strand, London WC2R 1HB.