

Company Registration No 1850376

NATWEST ASSET MANAGERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2000



Group Secretary's Department
The Royal Bank of Scotland Group plc
Waterhouse Square
138-142 Holborn
London
EC1N 2TH
England

NATWEST ASSET MANAGERS LIMITED

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NATWEST ASSET MANAGERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: William Kenneth Enderby
John Albert Lea
Antoinette Una Moriarty
Carolyn Smith

SECRETARY: Carolyn Smith

REGISTERED OFFICE: Waterhouse Square
138-142 Holborn
London
EC1N 2TH
England

Registered in England.

NATWEST ASSET MANAGERS LIMITED

DIRECTORS' REPORT

The directors present their annual report for the twelve month period ended 31 December 2000.

ACTIVITIES AND BUSINESS REVIEW

As the Company was not active during the account period, received no income and incurred no expenditure, a profit and loss account is not presented.

DIRECTORS

The names of the present directors are as listed on page 11.

On 7 February 2000 William Kenneth Enderby and David John Hofmann were appointed as directors of the Company and on 8 February 2000 Roger Michael Bartley and Jane Thornton resigned as directors of the Company.

On 5 December 2000 David John Hofmann resigned as a director of the Company and John Albert Lea, Antoinette Moriarty and Carolyn Smith were appointed as directors of the Company.

SECRETARY

On 7 February 2000 Ruth Mary Nicholson resigned as Secretary of the Company and David John Hoffman was appointed as Secretary of the Company.

On 5 December 2000 David John Hofmann resigned as Secretary of the Company and Carolyn Smith was appointed as Secretary of the Company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing the 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;

NATWEST ASSET MANAGERS LIMITED

DIRECTOR'S RESPONSIBILITIES (continued)

- Prepare the financial statements on the 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 Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that these financial statements comply with the aforementioned requirements.

DIRECTORS' INTERESTS

No director had an interest in the shares of the company.

On 29 November 1999 The Royal Bank of Scotland Group plc ('RBSG'), the company's ultimate holding company, announced an offer ('the Offer') to acquire the entire issued ordinary share capital of National Westminster Bank Plc ('NatWest'), the terms of which were increased on 31 January 2000. On 14 February 2000 RBSG announced that the Offer had become unconditional as to acceptances and on 6 March 2000 the Offer was declared unconditional in all respects at which time RBSG acquired control of NatWest.

The following directors were beneficially interested in:

The Royal Bank of Scotland Group plc Ordinary shares of £0.25 each

	Shareholdings		As at 1 January 2000*	Post AVS adjustment	Share Options				As at 31 December 2000
	As at 1 January 2000*	As at 31 December 2000			Granted during the period	Price	Exercised During the Period	Price	
					Options		Options		
W K Enderby	-	2	-	38,505	150	12.40	-	-	38,655
J A Lea	7,588	7,588	5,854	5,854	-	-	-	-	5,854
A U Moriarty	363	363	1,233	1,233	-	-	-	-	1,233
C Smith	-	-	150	150	-	-	-	-	150

*(or date of appointment, if later)

No director had an interest in any of the preference shares during the year to 31 December 2000.

As at 31 December 2000, W K Enderby also held 2, J A Lea held 6,424 and A U Moriarty held 361 Additional Value Shares ('AVS').

NATWEST ASSET MANAGERS LIMITED

DIRECTORS' INTERESTS (continued)

National Westminster Bank Plc Ordinary Shares of £1 each

Shareholdings			Share Options				
As at 1 January 2000*	As at 31 December 2000	As at 1 January 2000*	Granted During the period	Exercised During the Period	As at 31 December 2000		
			Options	Options	Price		
W K Enderby	2	-	49,345	-	-	9,827	5.90
						7,760	6.37
						7,424	7.93
							-

*(or date of appointment, if later)

None of the directors in office at 31 December 2000 held any interest in the share or loan capital of the company or any other group company.

ELECTIVE RESOLUTIONS

During 1990, the Company passed elective resolutions pursuant to Section 379A of the Companies Act 1985, dispensing with the holding of annual general meetings and laying of accounts before the shareholders in general meeting.

Approved by the Board of Directors
and signed on behalf of the Board

CSma

Carolyn Smith
Secretary

Date: 1 March 2001

NATWEST ASSET MANAGERS LIMITED

BALANCE SHEET AT 31 DECEMBER 2000

	<u>2000</u>	<u>1999</u>
	£	£
<u>CURRENT ASSETS</u>		
Debtors: amount due from group undertaking	2	2
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<u>CAPITAL AND RESERVES</u>		
Called up share capital	2	2
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The Notes on page 6 form part of these accounts.

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.



John Albert Léa
Director

Date: 1 March 2001

NOTES

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

2. BASIS OF ACCOUNTING

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

3. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland. Financial Statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh, EH2 2YE.

The smallest subgroup into which the company is consolidated has as its parent company National Westminster Bank Plc, a company incorporated in England and Wales. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh, EH2 2YE.

4. SHARE CAPITAL

	Authorised	Issued, Allotted Fully Paid
Ordinary shares of £1 each	100	2
	===	===

5. PROFIT AND LOSS ACCOUNT

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

6. APPROVAL OF ACCOUNTS

The accounts were approved at a meeting of the board of directors on 1 March 2001