

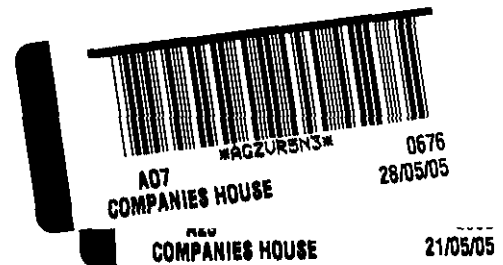
Company Registration No: 1850376

NATWEST ASSET MANAGERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2004

**Group Secretariat
The Royal Bank of Scotland Group plc
3 Princess Way
Redhill
Surrey
RH1 1NP**



NATWEST ASSET MANAGERS LIMITED

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NATWEST ASSET MANAGERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**A M Cunningham
R J Hopkins**

SECRETARY:

C J Whittaker

REGISTERED OFFICE:

**Waterhouse Square
138-142 Holborn
London
EC1N 2TH**

Registered in England and Wales

NATWEST ASSET MANAGERS LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2004.

ACTIVITIES AND BUSINESS REVIEW

The company is a dormant company.

DIRECTORS AND SECRETARY

The names of the present directors and Secretary are as listed on page 1.

From 1 January 2004 to date the following changes have taken place:

	Appointed	Resigned
Directors		
J A Lea		20 April 2004
A U Moriarty		20 April 2004
A M Cunningham	20 April 2004	
R J Hopkins	20 April 2004	
Secretary		
J A Lea		20 April 2004
C J Whittaker	20 April 2004	

DIRECTORS' INTERESTS

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

The following directors were beneficially interested in the ordinary shares of The Royal Bank of Scotland Group plc:

	As at 1 January 2004*	As at 31 December 2004
A M Cunningham	699	707
R J Hopkins	1,451	1,393

Options to subscribe for ordinary shares of 25p each in The Royal Bank of Scotland Group plc granted to and exercised during the period by the following directors of the Company and connected persons are:

	As at 1 January 2004*	Granted during the period		Exercised during the period		As at 31 December 2004
		Options	Price (p)	Options	Price (p)	
A M Cunningham	584	779	1209	-	-	1,363
R J Hopkins	673	187	1209	170	1364	690

No director had an interest in any of the preference shares of The Royal Bank of Scotland Group plc during the year to 31 December 2004.

* or date of appointment, if later

NATWEST ASSET MANAGERS LIMITED

The following directors were beneficially interested in the Floating Rate Unsecured Loan Notes 2005 of The Royal Bank of Scotland Group plc:

	As at 1 January 2004	As at 31 December 2004
R J Hopkins	1,196	-

Other than as disclosed, none of the directors in office at 31 December 2004 held any interest in the share or loan capital of the company or any other group company.

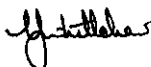
ELECTIVE RESOLUTIONS

The company has elected to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

AUDITORS

A Special Resolution has been passed exempting the company from the requirement to appoint auditors.

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



C J Whittaker
Secretary

Date: 16 May 2005

NATWEST ASSET MANAGERS LIMITED

BALANCE SHEET AS AT 31 December 2004

	Note	2004 £	2003 £
Current Assets			
Debtors:		<u>2</u>	<u>2</u>
Amounts owed by Group Company			
Net Assets		<u>2</u>	<u>2</u>
Capital			
Called up share capital	5	<u>2</u>	<u>2</u>

The Notes on page 5 form part of these accounts.

- 1 For the period ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- 2 No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249B(2).
- 3 The directors acknowledge their responsibility for:
 - a) ensuring the company keeps accounting records which comply with section 221; and
 - b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

R J Hopkins
Director:



Date: 16 May 2005

NATWEST ASSET MANAGERS LIMITED

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, ultimate controlling party, and the parent of the largest group into which the company is consolidated 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 The Royal Bank of Scotland plc, a company incorporated in Great Britain and registered in Scotland. 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 Related Party Transactions

The company is exempt from the requirement of Financial Reporting Standard 8 'Related Party Disclosures' to disclose transactions and balances with other subsidiaries or investees of The Royal Bank of Scotland Group plc. The company's results are included in the Consolidated Financial Statements of The Royal Bank of Scotland Group plc.

5 Called Up Share Capital

	Authorised	Share capital allotted, called up and fully paid
At 31 December 2004 and 31 December 2003: Ordinary Shares of £1 each	100	2

6 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 presented. None of the directors received any remuneration.

7 Approval of Accounts

The accounts were approved at a meeting of the board of directors.