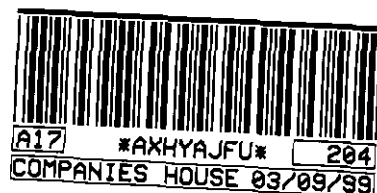


NATWEST ASSET MANAGERS LIMITED
REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1998



Company Registration No. 1850376

NATWEST ASSET MANAGERS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1998

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NATWEST ASSET MANAGERS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present their report together with the financial statements of the Company for the year ended 31st December 1998. The Company did not trade during the year under review and was dormant, within the meaning of Section 250 of the Companies Act 1985, throughout the year.

Directors

The directors of the Company who served throughout the financial year, unless indicated otherwise, were as follows:

R M Bartley
K D Felton

Directors' interests

The interests, all beneficial, of those who were directors at 31st December 1998 in the Ordinary Shares of National Westminster Bank Plc were:

Ordinary Shares of £1 each

		SHARE OPTIONS						
	As at 1st January 1998 or date of appointment if later	As at 31st December 1998	As at 1st January 1998 or date of appointment if later	Granted during the year (exercisable between 2003 and 2004)		Exercised during the year		As at 31st December 1998
				Options	Price (p)	Options	Price (p)	
R M Bartley	-	-	12,496	366	941	-	-	12,862
K D Felton	-	-	398	-	-	-	-	398

Options outstanding are exercisable at share prices between £4.93 and £9.41 per share. Options granted under the National Westminster Bank Plc Executive Share Option Schemes are exercisable subject to the achievement of stretching performance conditions.

None of the directors in office at 31st December 1998 held any interest in the share or loan capital of the Company.

Medium term equity plan

During 1998, certain NatWest Group employees were granted potential awards under the Medium Term Equity Plan. This is a type of Employee Share Ownership Plan funded by National Westminster Bank Plc and administered by an independent trustee. The awards are subject to stretching performance criteria.

NATWEST ASSET MANAGERS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1998

Medium term equity plan (continued)

As at 31st December 1998, 1,487,592 (1997: 1,411,552) shares were held by the independent trustee for the Plan and, in the terms of the trust deed setting up the Plan, all employees and directors are deemed to have an interest as potential discretionary beneficiaries in those ordinary shares.

Qualifying Employee Share Ownership Trust (QUEST)

In October 1997 the Bank established a Qualifying Employee Share Ownership Trust (QUEST) to operate in connection with the Bank's Savings Related Share Option Scheme. The trustee of the QUEST is NatWest QUEST Limited, a wholly owned subsidiary.

As at 31st December 1998 604,627 (1997: 1,566,065) ordinary shares were held by the trustee. In the terms of the trust deed setting up the QUEST, all employees and executive directors are deemed to have an interest as potential discretionary beneficiaries in those ordinary shares.

ELECTIVE REGIME

During 1990, a series of elective resolutions were passed by the members at an extraordinary general meeting which removed the requirement to hold an annual general meeting and to reappoint auditors

By order of the board



J Thornton
Secretary
16-18 Monument Street
London EC3R 8AJ

22nd February 1999

NATWEST ASSET MANAGERS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1998

	Note	1998 £	1997 £
Current assets			
Debtors: amount due from group undertaking		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	1	<u>2</u>	<u>2</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the accounting period ending on the date of this balance sheet.

The financial statements on pages 3 to 4 were approved by the Board of Directors on 12th February 1999 and signed on its behalf by:



R M Bartley
Director

22nd February 1999

The notes on page 4 form part of this financial statement.

NATWEST ASSET MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1. Share capital

	Authorised		Allotted, called up and fully paid	
	1998 No.	1997 No.	1998 £	1997 £
Ordinary shares of £1 each	100	100	2	2

2. Ultimate parent undertaking

NatWest Asset Managers Limited is a wholly owned subsidiary undertaking, whose immediate and ultimate parent undertaking is National Westminster Bank Plc. National Westminster Bank Plc is registered in England and Wales and prepares group accounts which can be obtained from 41 Lothbury, London EC2P 2BP.