

ABN AMRO Group Investments Limited

No. 5233349

Directors' Report and Financial Statements

Year Ended 31 December 2006

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ABN AMRO Group Investments Limited

Report of the Directors

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activity and review of the business

The principal activity of the company is an investment holding company. The directors intend for this to remain the principal activity of the company for the foreseeable future. The directors consider the profit for the period and the financial position at the end of the period to be satisfactory. The results for the period are set out in the profit and loss account on page 6.

Dividends and transfers to reserves

The profit for the year ended 31 December 2006 is £19,193,000 (2005 £16,018,000). Dividends paid during the year amount to £19,028,000 (2005 £15,848,000). The retained profit for the year of £165,000 (2005 £170,000) has been transferred to the reserves.

Principal risks and uncertainties

The principal risks and uncertainties are limited to credit risk associated with receipt of principal and interest on outstanding debtor balances. However, this risk is mitigated as the loans are held with group companies.

Events since the balance sheet date

Subsequent to the balance sheet date, on 17 October 2007, a consortium led by The Royal Bank of Scotland Plc acquired the shares of ABN AMRO Holding N V and subsequent to this date, the ultimate parent undertaking of the company is The Royal Bank of Scotland Plc.

Directors and their interests

The directors who served during the period and up to the date of signing these accounts were

R S Cunningham	
O C Davidson	
G M Hogben	
J B Tanter (alternate for G M Hogben)	resigned 07 04 2006
S Lizars (alternate for G M Hogben)	appointed 01 06 06 resigned 23 01 2007
R G Ellaway (alternate for G M Hogben)	appointed 23 01 07

There are no directors' interests requiring disclosure under the Companies Act 1985.

Report of the Directors (continued)

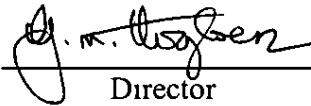
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. Ernst & Young LLP are therefore deemed to be re-appointed as the company's auditors for each succeeding year, as long as the election remains in force.

Approved by the Board and signed on its behalf,



Director

Date 19 February 2008 250 Bishopsgate, London, EC2M 4AA

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that 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.

Independent Auditors' Report to the Shareholders of ABN AMRO Group Investments Limited

We have audited the financial statements of ABN AMRO Group Investments Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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

**Independent Auditors' Report to the Shareholders of ABN AMRO Group
Investments Limited (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of the company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP

Registered auditor

London

Date *25 February 2008*

ABN AMRO Group Investments Limited

Profit and Loss Account for the Year Ended 31 December 2006

	Notes	2006 £'000	16/09/2004 to 31/12/2005 £'000
Income from investments		7	3
Write off of premium on fixed asset investment		(2)	-
Operating income		5	3
Interest receivable and similar income	2	19,228	16,015
Profit on ordinary activities before taxation		19,233	16,018
Tax on profit on ordinary activities	6	(40)	-
Profit on ordinary activities after taxation		19,193	16,018
Dividends			
Preference dividends	7	(19,028)	(15,848)
Profit on ordinary activities after taxation		165	170

There were no other recognised gains and losses other than the profit for the period

The notes on page 8 to 12 form an integral part of these financial statements

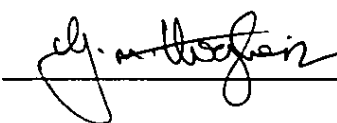
ABN AMRO Group Investments Limited

Balance Sheet as at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Loans to group undertakings	8	380,000	380,000
Investments	9	20,040	20,042
		400,040	400,042
Current assets			
Debtors	10	16	1,680
Cash at bank		359	-
Creditors: amounts falling due within one year	11	(40)	(1,512)
Net current assets		335	168
Total assets less current liabilities		400,375	400,210
Capital and reserves			
Called up share capital	12	80	80
Share premium account	13	399,960	399,960
Profit and loss account	13	335	170
Total equity shareholders' funds		400,375	400,210

Approved by the Board of directors on

and signed on its behalf



Director

The notes on page 8 to 12 form an integral part of these financial statements

ABN AMRO Group Investments Limited

Notes to the Financial Statements

1. Accounting policies

The financial statements of ABN AMRO Group Investments Limited were approved for issue by the Board of Directors on *19 February 2008*.

A summary of the principal accounting policies applied consistently throughout the period is set out below

a) Accounting convention

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

b) Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 (Revised) Accordingly, a cash flow statement has not been prepared as all the company's voting rights are controlled by ABN AMRO Holding N V , which produces publicly available consolidated financial statements in which the company is included

c) Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties which are part of the group

d) Fixed asset investments

Investments in group undertakings are stated at cost less any provision for impairment

e) Taxation

Corporation tax payable is provided on taxable profits at the current rate

2. Interest receivable and similar income

	2006 £'000	2005 £'000
Interest receivable and similar income from group undertakings	19,228	16,015

3. Auditors' remuneration

For the financial period the auditors' remuneration was paid by ABN AMRO Management Services Limited and is disclosed in the financial statements of that company.

ABN AMRO Group Investments Limited

Notes to the Financial Statements

4. Directors' remuneration

No emoluments were received by the directors from the company or any other third party for the performance of their duties

5. Employees

The company did not have any employees during the period

6. Tax on profit on ordinary activities

	2006 £'000	2005 £'000
Corporation tax due for the period	40	-

Factors affecting tax charge for period

The charge in respect of taxation for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	19,233	16,018
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK (30%)	5,769	4,805
<i>Effects of</i>		
Other permanent differences	-	(1)
Group relief made available for nil consideration	(5,729)	(4,804)
	40	-

7. Dividends

	2006 £'000	2005 £'000
Fixed rate preference dividends paid	19,028	15,848

ABN AMRO Group Investments Limited

Notes to the Financial Statements

8. Loans to group undertakings

	2006 £'000	2005 £'000
Convertible loan	380,000	380,000

ABN AMRO Group Investments Ltd made a £380,000,000 convertible loan to ABN AMRO Equities Holdings (UK) Ltd. Attached to the loan is a right to subscribe for ordinary shares with a market value equal to the loan proceeds. The right to subscribe is exercisable by the lender at any time.

9. Investments

	2006 £'000	2005 £'000
Cost		
Preference shares	20,000	20,000
Other	40	42
	<u>20,040</u>	<u>20,042</u>
Net book value	<u>20,040</u>	<u>20,042</u>

The investment in non-equity preference shares comprises 2,000 of £1 Class A preference shares in ABN AMRO Equities Holdings (UK) Ltd. The shares are irredeemable and carry a right to dividends only as declared by directors of ABN AMRO Equities Holdings (UK) Ltd. In the opinion of the directors, the value of the investments is not less than stated in the financial statements.

10. Debtors

	2006 £'000	2005 £'000
Amounts owed by group undertakings	16	1,680

11. Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Taxation payable	40	-
Amounts owed to group undertakings	-	1,512
	<u>40</u>	<u>1,512</u>

Notes to the Financial Statements

12. Share capital

	2006	2005
	£'000	£'000
Authorised share capital		
100,000,000 Ordinary shares of £1 each	100,000	100,000
999,960,000 Preference shares of £1 each	999,960	999,960
40,000 Class A fixed rate preference shares of £1 each	40	40
	<u>1,100,000</u>	<u>1,100,000</u>
	2006	2005
	€'000	€'000
1,000,000,000 Preference shares of EUR 1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
	2006	2005
	£ '000	£ '000
Issued share capital		
40,000 Issued, called up and fully paid ordinary shares of £1 each	40	40
40,000 4.757% Class A fixed rate preference shares of £1 each	40	40
	<u>80</u>	<u>80</u>

The ordinary shares provide for one vote per share together with rights to residual profits of the company after the priority dividend entitlement of the preference shares

The class A fixed rate preference shares of £1 each provide for one vote per share together with a quarterly fixed rate of dividend of 4.757% per annum for the first three years. Thereafter, the time and amount of any dividend payment shall be decided at the discretion of the directors

The pounds sterling preference shares provide for one vote per share together with rights to profits made available for distribution in priority to holders of ordinary shares.

The euro preference shares provide for rights to profits made available for distribution in priority to holders of ordinary shares

In the event of liquidation of the company, the ordinary shares will rank junior to the class A preference shares

ABN AMRO Group Investments Limited

Notes to the Financial Statements

13. Reconciliation of movements in shareholders' funds and movements on reserves

	Share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 16 September 2004	-	-	-	-
Ordinary shares issued in the period	40	-	-	40
Preference shares issued in the period	40	399,960	-	400,000
Profit for the period	-	-	170	170
At 31 December 2005	80	399,960	170	400,210
Profit for the year	-	-	165	165
At 31 December 2006	80	399,960	335	400,375

14. Post balance sheet events

Subsequent to the balance sheet date, on 17 October 2007, a consortium led by The Royal Bank of Scotland Plc acquired the shares of ABN AMRO Holding N V and subsequent to this date, the ultimate parent undertaking of the company is The Royal Bank of Scotland Plc. ABN AMRO Holding N V is the smallest group and The Royal Bank of Scotland Plc is the largest group of which the company is a member and for which group financial statements are prepared.

15. Ultimate parent undertaking

The ultimate parent undertaking is ABN AMRO Holding N V, a company incorporated in The Netherlands. ABN AMRO Holding N V is both the smallest and largest group of which the company is a member and for which group accounts are prepared. Group accounts are available from ABN AMRO Holding N V, Gustav Mahlerlaan 10, 1082 PP, Amsterdam, The Netherlands.