

15 Investments in Group undertakings

Investments in Group undertakings are carried at cost less impairment. Movements during the year were as follows:

	Company	
	2006 £m	2005 £m
At 1 January	20,851	21,900
Implementation of IAS 32 and IAS 39 on 1 January 2005	—	(4,004)
Currency translation and other adjustments	(164)	(6)
Additions	1,097	2,961
At 31 December	21,784	20,851
Banks	17,785	16,833
Other	3,999	4,018

The principal subsidiary undertakings of the company are shown below. Their capital consists of ordinary and preference shares which are unlisted with the exception of certain preference shares issued by NatWest. The Royal Bank of Scotland plc and RBS Insurance Group Limited are directly owned by the company, and all of the other subsidiary

undertakings are wholly owned directly, or indirectly through intermediate holding companies, by these companies. All of these subsidiaries are included in the Group's consolidated financial statements and have an accounting reference date of 31 December.

	Nature of business	Country of incorporation and principal area of operation
The Royal Bank of Scotland plc	Banking	Great Britain
National Westminster Bank PLC ⁽¹⁾	Banking	Great Britain
Citizens Financial Group, Inc.	Banking	US
Coutts & Co ⁽²⁾	Private banking	Great Britain
Greenwich Capital Markets, Inc.	Broker dealer	US
RBS Insurance Group Limited	Insurance	Great Britain
Ulster Bank Limited ⁽³⁾	Banking	Northern Ireland

Notes:

- (1) The company does not hold any of the NatWest preference shares in issue.
- (2) Coutts & Co is incorporated with unlimited liability. Its registered office is 440 Strand, London WC2R 0QS.
- (3) Ulster Bank Limited and its subsidiary undertakings also operate in the Republic of Ireland.

The above information is provided in relation to the principal related undertakings as permitted by Section 231(5) of the Companies Act 1985. Full information on all related undertakings will be included in the Annual Return delivered to the Registrar of Companies for Scotland.