

Company number: 1122503

GOLDMAN SACHS INTERNATIONAL BANK
(unlimited company)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 November 2001



GOLDMAN SACHS INTERNATIONAL BANK

(unlimited company)

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the 53 week period ended 30 November 2001.

1. Principal activities

The company is involved in loan origination, secondary dealing in senior bank loans and related activities. The company is authorised under the Banking Act 1987.

2. Review of business and future developments

The profit and loss account for the period is set out on page 4.

The directors consider that the period end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming year.

As a result of regulatory changes in Japan, the foreign exchange and derivatives business in the Tokyo branch was transferred to a group undertaking and, as a result, the Tokyo branch ceased business on 30 November 1999 with no material cost to the company. The liquidation of the branch was completed during the period ended 30 November 2001.

3. Dividends

The directors declared and paid preference dividends of £5,113,402 (52 week period ended 24 November 2000: £5,113,402). The directors do not recommend the payment of an ordinary dividend (2000: £Nil).

4. Directors

The directors of the company during the period and as at the date of this report, together with dates of appointment and resignation where applicable, are:

Name	Appointed	Resigned
E. G. Corrigan (Chairman)		
F. E. DuBose		31 March 2001
P. C. Deighton		
T. J. O'Neill		15 January 2002
S. Davies		
T. P. Hughes		
R. D. Henderson	24 October 2001	

No director has, or had during the period, any interest requiring note herein.

GOLDMAN SACHS INTERNATIONAL BANK
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REPORT OF THE DIRECTORS (CONTINUED)

5. Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period. In preparing the financial statements, applicable accounting standards have been followed, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis. The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD



WILLIAM ELLIOTT
Secretary

20 February 2002

**Report of the auditors to the members of
GOLDMAN SACHS INTERNATIONAL BANK
(unlimited company)**

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Directors' Report and Financial Statements. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

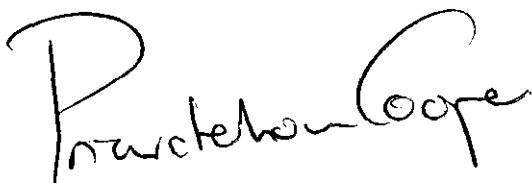
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 November 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London** 20 February 2002

GOLDMAN SACHS INTERNATIONAL BANK
(unlimited company)

PROFIT AND LOSS ACCOUNT
for the 53 week period ended 30 November 2001

	Note	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Interest receivable	4	16,111	8,366
Interest payable	5	(11,905)	(3,737)
Net interest income		4,206	4,629
Fees and commissions receivable		7	1,724
Dealing profits	27	6,130	25,203
Other operating income		415	1,303
TOTAL OPERATING INCOME		10,758	32,859
Operating expenses:			
Administrative expenses	6	(205)	(317)
Other operating charges		(7,450)	(7,397)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
	8	3,103	25,145
Tax on profit on ordinary activities	9	(795)	(6,363)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,308	18,782
Dividends paid - preference (non equity)	10	(5,113)	(5,113)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(2,805)	13,669

There is no difference between the profit on ordinary activities before taxation and the loss for the financial period as stated above and their historical cost equivalents.

The notes on pages 7 to 16 form part of these financial statements.
Auditors' report – page 3.

GOLDMAN SACHS INTERNATIONAL BANK
(unlimited company)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the 53 week period ended 30 November 2001

	Note	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Profit on ordinary activities after taxation		2,308	18,782
Exchange (losses)/gains	22	(60)	85
Total recognised gains		<u>2,248</u>	<u>18,867</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
as at 30 November 2001

	Note	30 November 2001 £'000	24 November 2000 £'000
Profit on ordinary activities after taxation		2,308	18,782
Dividends paid – non equity shares	10	(5,113)	(5,113)
		(2,805)	13,669
Exchange (losses)/gains	22	(60)	85
Net (decrease)/increase in shareholders' funds		(2,865)	13,754
Opening shareholders' funds		89,834	76,080
Closing shareholders' funds		<u>86,969</u>	<u>89,834</u>

The notes on pages 7 to 16 form part of these financial statements.
Auditors' report – page 3.

GOLDMAN SACHS INTERNATIONAL BANK
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BALANCE SHEET
as at 30 November 2001

	Note	30 November 2001 £'000	24 November 2000 £'000
ASSETS			
Cash and balances at central banks	12	3,342	21,855
Loans and advances to banks	13	-	17,407
Securities purchased under agreements to resell		430,077	100,016
Prepayments and accrued income	15	-	3
Other assets	16	46	186
Total assets		433,465	139,467
LIABILITIES			
Deposits by banks	17	467	-
Customer accounts	18	303,276	4,923
Accruals and deferred income	19	803	1,433
Other liabilities	20	6,950	8,277
Subordinated debt	21	35,000	35,000
Called up share capital	23	7,049	7,049
Share premium account	22	61,361	61,361
Translation reserve	22	-	3,767
Profit and loss account	22	18,559	17,657
Shareholders' funds		86,969	89,834
Capital resources		121,969	124,834
Total liabilities		433,465	139,467
Equity shareholders' funds		24,969	27,834
Non equity shareholders' funds		62,000	62,000
Shareholders' funds		86,969	89,834
MEMORANDUM ITEMS			
Contingent liabilities	24	542	589
Commitments	24	36,012	39,352

Approved by the Board of Directors on 20 February 2002

Director



The notes on pages 7 to 16 form part of these financial statements.
Auditors' report – page 3.

GOLDMAN SACHS INTERNATIONAL BANK

(unlimited company)

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to banking companies, applicable accounting standards, and Statements of Recommended Accounting Practice issued by the British Bankers' Association. The company has not consolidated its subsidiary undertaking as it is not material to the financial statements.

During the period Financial Reporting Standard (FRS) 17 "Retirement Benefits", FRS 18 "Accounting Policies" and FRS 19 "Deferred Tax" were issued by the Accounting Standards Board. FRS 17 is not applicable because the company has no employees. The company has adopted the requirements of FRS 18 in accordance with the timetables specified in this standard. FRS 19 requires full implementation in the period ended 29 November 2002.

- (b) **Fixed asset investments:** Shares in group undertakings, which are intended to be held on a continuing basis in the company's activities, are stated at cost less provision for any impairment.
- (c) **Resale agreements:** Securities purchased under agreements to resell are treated as collateralised financing transactions as they meet the requirements defined in FRS 5 and are carried at cost, the amount which the securities were sold or acquired and the accrued interest as specified in the respective agreements. The resale agreements relate to group undertakings.
- (d) **Foreign currencies:** Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at rates of exchange ruling on the date the transaction occurred. Results of the overseas branch are translated at the average rate for the period. Differences arising on the translation of the opening reserves of the overseas branch are dealt with in the translation reserve. All other gains and losses on exchange are recognised in operating profit.
- (e) **Deferred taxation:** Deferred taxation is provided in respect of all differences in timing between the accounting and tax treatments of income and expenses, to the extent that a liability is expected to crystallise in the foreseeable future. Such taxation is provided at the rate of taxation expected to be ruling when the differences reverse. Deferred tax assets are not recognised.
- (f) **Operating income:** The operating results for the period include all profits or losses arising from the trading operations of the company, including loan origination, secondary dealing in senior bank loans and related activities. Revenues are recorded on a settlement date basis. Recording such transactions on a trade date basis would not result in a material adjustment to the financial statements.

2. CASHFLOW STATEMENT

As at 30 November 2001, the company was a wholly owned subsidiary of The Goldman Sachs Group, Inc., and was therefore exempt from preparing a cashflow statement as required by FRS1 as the ultimate parent undertaking consolidated accounts are publicly available.

3. SEGMENTAL REPORTING

All operating income arises from loan origination, secondary dealing and related activities. The directors manage the company's activities as a single business and accordingly no segmental analysis has been provided.

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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

4. INTEREST RECEIVABLE

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Interest receivable comprises:		
Interest on securities purchased under agreements to resell	14,353	342
Interest on loans to banks and customers	1,758	8,024
	16,111	8,366

5. INTEREST PAYABLE

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Interest payable comprises:		
Interest payable on deposits from banks and customers	9,170	846
Interest payable on subordinated debt to parent undertaking	2,735	2,891
	11,905	3,737

6. ADMINISTRATIVE EXPENSES

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Administrative expenses comprise:		
Salaries and wages	-	4
Staff costs	-	4
Exceptional management fee in respect of restricted stock units	101	182
Other expenses	104	131
	205	317

Salaries and wages

London staff involved in the company's operations are employed by a group undertaking. The charges made by this group undertaking for all services provided to the company are included in the management fee charged by group undertakings, as disclosed in note 8.

Exceptional management fee in respect of restricted stock units

The exceptional management fee relates to restricted stock units awarded to employees following the initial public offering of The Goldman Sachs Group, Inc. on the New York Stock Exchange on 7 May 1999. The fee represents adjustments to reflect the market value of the units at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

7. DIRECTORS' EMOLUMENTS

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Aggregate emoluments	128	164
Company pension contributions to money purchase schemes	7	4
	<u>135</u>	<u>168</u>

In accordance with the Companies Act 1985, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. Directors also receive emoluments for non-qualifying services which are not required to be disclosed. Certain directors of the company also received options over shares in the ultimate parent company which is registered outside the United Kingdom. Six directors are members of the defined contribution and five directors are members of the defined benefit pension schemes.

Three directors have been granted shares in respect of a long term incentive scheme.

8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit services	79	101
Management fees charged by group undertakings	6,279	7,382
Exceptional management fee charged in respect of restricted stock units	101	182

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
The taxation charge for the period comprises:		
UK corporation tax at 30%	768	7,393
UK corporation tax - prior period	26	(1,037)
Japanese income taxes	1	7
	<u>795</u>	<u>6,363</u>

The difference between the UK corporation tax rate and the effective tax rate in the financial statements is mainly due to the disallowance of the exceptional management fee incurred in the current period and the deduction for exceptional management fees incurred but disallowed in previous accounting periods.

A potential deferred tax asset of £139,838 (2000: £298,855) arising from timing differences on exceptional management fees has not been recognised.

The provisions of FRS19 'Deferred Tax' will be adopted in the subsequent period ending 29 November 2002.

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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

10. DIVIDENDS PAID

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Dividend on non equity shares:		
£0.01 fixed rate preference shares	5,113	5,113

11. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

	30 November 2001 £'000	24 November 2000 £'000
Assets: denominated in sterling	128,720	116,207
denominated in other currencies	304,745	23,260
	<u>433,465</u>	<u>139,467</u>
Liabilities: denominated in sterling	129,018	133,370
denominated in other currencies	304,447	6,097
	<u>433,465</u>	<u>139,467</u>

12. CASH AND BALANCES AT CENTRAL BANKS

	30 November 2001 £'000	24 November 2000 £'000
Cash at banks	3,316	21,829
Balances at central banks	26	26
	<u>3,342</u>	<u>21,855</u>

13. LOANS AND ADVANCES TO BANKS

	30 November 2001 £'000	24 November 2000 £'000
Repayable:		
On demand	-	1,432
In not more than three months	-	15,975
	<u>-</u>	<u>17,407</u>

14. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The company has an investment in the following subsidiary undertaking which is wholly-owned and registered in England and Wales:

	30 November 2001 £	24 November 2000 £
Restamove Limited (dormant)		
- Ordinary shares of £1 at cost	2	2
	<u>2</u>	<u>2</u>

The directors consider that the value of the investment in the subsidiary undertaking is not less than its book value.

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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

15. PREPAYMENTS AND ACCRUED INCOME

	30 November 2001 £'000	24 November 2000 £'000
Prepayments and accrued income comprise:		
Accrued interest	-	3

16. OTHER ASSETS

	30 November 2001 £'000	24 November 2000 £'000
Other assets comprise:		
Amounts due from group undertakings	-	2
Other assets	46	184
	46	186

17. DEPOSITS BY BANKS

	30 November 2001 £'000	24 November 2000 £'000
Repayable:		
On demand	467	-

18. CUSTOMER ACCOUNTS

	30 November 2001 £'000	24 November 2000 £'000
Customer accounts comprise:		
Demand deposits	27	1,463
Amounts due to parent undertaking	-	189
Amounts due to group undertakings	303,249	3,271
	303,276	4,923
Repayable:		
On demand	303,276	4,923

Amounts due to group undertakings include amounts deposited with the company to fully collateralise the undrawn commitments which have been sub-participated.

19. ACCRUALS AND DEFERRED INCOME

	30 November 2001 £'000	24 November 2000 £'000
Accruals and deferred income comprise:		
Accrual for management charges payable to parent and group undertakings	569	1,173
Other accruals and deferred income	234	260
	803	1,433

GOLDMAN SACHS INTERNATIONAL BANK
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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

20. OTHER LIABILITIES

	30 November 2001 £'000	24 November 2000 £'000
Other liabilities comprise:		
Corporation tax payable	776	4,122
Creditors and other liabilities	17	16
Amounts due to group undertakings	6,157	1,247
Amounts due to parent undertaking	-	2,892
	<u>6,950</u>	<u>8,277</u>

21. SUBORDINATED LIABILITIES

Subordinated liabilities comprise loan capital from the ultimate parent undertaking of £35,000,000 (24 November 2000: £35,000,000) which matures on 29 June 2014. Interest is payable on the loan capital at a margin over LIBOR. The rights of the lender are subordinated to the claims of the senior creditors.

22. SHARE PREMIUM ACCOUNT AND RESERVES

	Share Premium Account £'000	Profit and Loss Account £'000	Translation Reserve £'000
24 November 2000	61,361	17,657	3,767
Exchange differences	-	-	(60)
Transfer between reserves	-	3,707	(3,707)
Loss for the year	-	(2,805)	-
30 November 2001	<u>61,361</u>	<u>18,559</u>	<u>-</u>

Following completion of the liquidation of the Tokyo branch during the period, the translation reserve became distributable and was transferred to the profit and loss account.

23. SHARE CAPITAL

	No	30 November 2001 £'000	No	24 November 2000 £'000
<u>Authorised</u>				
Ordinary Shares of £1 each	45,595,600	45,596	45,595,600	45,596
Preference shares of £0.01 each	100,000,000	1,000	100,000,000	1,000
		<u>46,596</u>		<u>46,596</u>
<u>Allotted, called up and fully paid</u>				
Ordinary Shares of £1 each	6,410,256	6,410	6,410,256	6,410
Preference shares of £0.01 each	63,917,526	639	63,917,526	639
		<u>7,049</u>		<u>7,049</u>

The preference shares carry limited voting rights and on a winding up the holders have a preferential right to return of capital together with any premium.

The company's preference shares carry a fixed non-cumulative preferential dividend at the rate of 8 pence per share per annum.

GOLDMAN SACHS INTERNATIONAL BANK
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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

24. FINANCIAL COMMITMENTS AND CONTINGENCIES

Commitments

	30 November 2001	24 November 2000
	£'000	£'000
Undrawn loan commitments	34,520	38,591
Letters of credit	1,492	761
	<u>36,012</u>	<u>39,352</u>

These commitments are sub-participated to third party institutions. Amounts sub-participated to group undertakings are not included as these companies have deposited cash with the company to fully collateralise the undrawn commitments (note 18).

Contingencies

Arising from the sale of a loan portfolio in the ordinary course of business, the company has a contingent liability to third party borrowers totalling £542,000 (24 November 2000: £589,000). This relates to deposits that the borrowers were required to place with the loan originator as a condition of them being granted a loan and which the company may be required to repay if certain conditions are met by such borrowers.

All costs arising from the contingent liability are fully reimbursable to the company from a related party.

25. RELATED PARTIES

Under the terms of FRS8, "Related Party Disclosures", the company is exempt from disclosing transactions with companies 90% or more controlled within the same group, as the consolidated financial statements in which the company is included are publicly available.

26. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is The Goldman Sachs Group, Inc., of 85 Broad Street, New York, NY 10004, United States of America. Goldman Sachs Holdings L.L.C., a company incorporated in the United States of America, is the immediate parent undertaking.

27. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Trading Activities

The company acts as a lender of record on loan positions arising from originations, secondary trading or the purchase of distressed mortgage portfolios.

Risk Management

The company seeks to measure, monitor and control its risk exposure through a variety of separate but complementary financial, credit, operational and legal reporting systems.

GOLDMAN SACHS INTERNATIONAL BANK
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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

27. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate and foreign exchange exposure is managed so as to keep the company's exposure to interest rate and foreign exchange risk within limits set by management. The limit structure also includes exposures to counterparties both on an individual and aggregate basis.

Interest Rate Risk

The table below summarises the company's non-trading and loan book into time bands by reference to the earlier of the next contractual interest rate repricing date and the maturity date. Short term debtors and creditors have been excluded from this and all subsequent analyses.

As at 30 November 2001

	Not more than three months £'000	More than three months but not more than six months £'000	More than six months but not more than one year £'000	More than one year but not more than five years £'000	More than five years £'000	Non- interest bearing £'000	Total £'000
Assets:							
Cash and balances at central banks	3,342	-	-	-	-	-	3,342
Loans and advances to banks	-	-	-	-	-	-	-
Securities purchased under agreements to resell	430,077	-	-	-	-	-	430,077
	433,419	-	-	-	-	-	433,419
Liabilities:							
Deposits by banks	-	-	-	-	-	(467)	(467)
Customer accounts	(303,276)	-	-	-	-	-	(303,276)
Subordinated debt	-	-	(35,000)	-	-	-	(35,000)
Shareholders' funds	-	-	-	-	-	(86,969)	(86,969)
	(303,276)	-	(35,000)	-	-	(87,436)	(425,712)
Interest sensitivity gap	130,143	-	(35,000)	-	-	(87,436)	7,707
Cumulative interest sensitivity gap	130,143	130,143	95,143	95,143	95,143	7,707	7,707
Net short term creditors							(7,707)
							0

As at 24 November 2000

Assets:

Cash and balances at central banks	21,855	-	-	-	-	-	21,855
Loans and advances to banks	17,407	-	-	-	-	-	17,407
Securities purchased under agreements to resell	100,016	-	-	-	-	-	100,016
	139,278	-	-	-	-	-	139,278

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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

27. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (CONTINUED)

	Not more than three months £'000	More than three months but not more than six months £'000	More than six months but not more than one year £'000	More than one year but not more than five years £'000	More than five years £'000	Non- interest bearing £'000	Total £'000
Liabilities:							
Deposits by banks							
Customer accounts	(4,923)	-	-	-	-	-	(4,923)
Subordinated debt	-	-	(35,000)	-	-	-	(35,000)
Shareholders' funds	-	-	-	-	-	(89,834)	(89,834)
	(4,923)	-	(35,000)	-	-	(89,834)	(129,757)
Interest sensitivity gap	134,355	-	(35,000)	-	-	(89,834)	9,521
Cumulative interest sensitivity gap	134,355	134,355	99,355	99,355	99,355	9,521	9,521
Net short term creditors							(9,521)
							0

Currency Risk

The table below shows the company's transactional currency exposures (all non-trading book) as at 30 November 2001.

Functional currency of operation	Net foreign currency monetary assets / (liabilities) in £'000				
	US dollar	Yen	Euro	Other	Total
Sterling	(367)	61	283	321	298
Total	(367)	61	283	321	298

The table below shows the company's transactional currency exposures (all non-trading book) as at 24 November 2000.

Functional currency of operation	Net foreign currency monetary assets / (liabilities) in £'000				
	US dollar	Yen	Euro	Other	Total
Sterling	13,871	1,700	603	359	16,533
Total	13,871	1,700	603	359	16,533

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NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2001

27. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Trading and related activities

Dealing profits can be analysed as follows:

	53 week period ended 30 November 2001 £'000	52 week period ended 24 November 2000 £'000
Secondary trading and related activities	6,130	24,411
Loans and advances to customers	-	792
	<u>6,130</u>	<u>25,203</u>

Total counterparty risk is monitored on an aggregate basis across all activities. To reduce credit risk, the company uses a variety of credit enhancement techniques such as netting and collateralisation, where security is provided against exposure.

The company had no derivative positions at 30 November 2001 or 24 November 2000.