

APPENDIX 3.3
(referred to in paragraph 3.14)

Lloyds TSB: consolidated profit and loss accounts, 1996 to 2000

	<i>£ million</i>				
	<i>Years ended 31 December</i>				
	1996	1997	1998	1999	2000
Net interest income	3,886	4,114	4,416	4,801	4,587
Other income	<u>2,863</u>	<u>3,116</u>	<u>2,662</u>	<u>3,071</u>	<u>3,882</u>
Total income	6,749	7,230	7,078	7,872	8,469
Administrative expenses	-3,525	-3,429	-3,212	-3,140	-3,378
Restructuring costs	-75	-	-38	-	-188
Depreciation of fixed assets	-254	-247	-218	-221	-364
Amortization of goodwill	-	-	-4	-12	-22
Trading surplus	<u>2,895</u>	<u>3,554</u>	<u>3,606</u>	<u>4,499</u>	<u>4,517</u>
General insurance claims	-107	-145	-146	-169	-142
Bad debt provisions	-327	-421	-528	-588	-475
Written-off fixed asset investments	<u>-5</u>	<u>-3</u>	<u>-15</u>	<u>-7</u>	<u>-14</u>
Operating profit	2,456	2,985	2,917	3,735	3,886
Income from associated undertakings	84	23	14	12	-
Disposal of businesses and investments	<u>-35</u>	<u>154</u>	<u>84</u>	<u>-126</u>	<u>-</u>
Pre-tax profit	2,505	3,162	3,015	3,621	3,886
Taxation	<u>-786</u>	<u>-813</u>	<u>-882</u>	<u>-1,101</u>	<u>-1,113</u>
Post-tax profit	1,719	2,349	2,133	2,520	2,773
Minority interests	<u>-144</u>	<u>-14</u>	<u>-13</u>	<u>-6</u>	<u>-49</u>
Profit attributable to shareholders	1,575	2,335	2,120	2,514	2,724
Dividends	<u>-692</u>	<u>-925</u>	<u>-1,204</u>	<u>-1,451</u>	<u>-1,683</u>
Retained profit	883	1,410	916	1,063	1,041
					<i>per cent</i>
<i>Key ratios</i>					
Cost:income ratio*	57.1	50.8	49.1	42.8	46.7
Group net interest margin†	3.21	3.63	3.81	3.86	3.49
Group interest spread‡	2.57	2.91	2.92	3.15	2.95

Source: Lloyds TSB.

*Operating expenses (administrative expenses plus depreciation of fixed assets) divided by total income.

†Net interest income divided by average interest-earning assets.

‡Difference between the rate of interest earned on average interest-earning assets and the rate of interest paid on average interest-bearing liabilities.