

APPENDIX 3.7
(referred to in paragraph 3.44)

Abbey National: consolidated balance sheets, 1996 to 2000

£ million

As at 31 December

	1996	1997	1998	1999	2000
<i>Assets</i>					
Cash and balances at central banks	228	329	329	701	437
Treasury and other eligible bills	111	1,628	2,057	1,114	1,159
Loans and advances to banks	2,825	8,993	7,428	11,472	12,168
Loans and advances to customers	64,227	72,834	72,261	75,221	81,752
Loans and advances subject to securitization (net)	-	-	-	551	3,298
Net investment in finance leases	4,310	4,655	5,326	5,441	5,192
Debt securities	39,730	46,454	54,203	59,445	68,972
Stock borrowing and lending	-	-	15,026	-	-
Equity shares	44	83	123	295	601
Long-term assurance business	555	649	760	1,042	1,538
Associated undertakings	8	21	20	59	57
Intangible fixed assets	-	-	201	203	245
Tangible fixed assets	689	698	731	759	389
Operating lease assets	26	67	223	358	1,963
Other assets	1,509	2,273	3,332	3,930	4,351
Prepayments and accrued income	1,880	2,023	2,376	2,714	3,186
Assets of long-term assurance funds	7,869	10,101	13,383	17,439	19,083
Total assets	<u>124,011</u>	<u>150,808</u>	<u>177,779</u>	<u>180,744</u>	<u>204,391</u>
<i>Liabilities</i>					
Deposits by banks	17,718	24,536	35,610	29,824	34,996
Current accounts	49,678	61,675	52,924	59,911	66,795
Debt securities	35,193	40,201	42,989	51,407	57,078
Stock borrowing and lending	-	-	15,026	-	-
Dividend proposed	245	290	334	382	433
Other liabilities	2,980	2,678	4,564	6,930	7,948
Accruals and deferred income	2,591	2,842	3,015	2,857	3,250
Provisions for liabilities	970	1,144	1,194	1,275	1,443
Subordinated liabilities	2,374	2,463	3,333	4,641	5,871
Liabilities of long-term assurance funds	7,869	10,101	13,383	17,439	19,083
Minority interests*	-	-	-	-	664
Shareholders' funds:					
Equity capital	141	141	142	142	143
Non-equity capital	200	325	325	325	325
Share premium account	1,441	1,460	1,493	1,536	1,610
Reserves	230	308	433	449	616
Profit and loss account	2,381	2,644	3,014	3,626	4,136
Total liabilities	<u>124,011</u>	<u>150,808</u>	<u>177,779</u>	<u>180,744</u>	<u>204,391</u>
Shareholders' funds	4,393	4,878	5,407	6,078	6,830
<i>Key ratios</i>					
Post-tax return on mean shareholders' funds (%)†	18.4	20.6	20.6	22.0	21.1

Source: CC from Abbey National accounts as reported year by year.

*In February 2000 Abbey National Capital Trust issued US\$1,000 million of 8.963 per cent non-cumulative trust secured securities. The assets of the Trust consist of partnership preferred securities issued by Abbey National Capital LP I, a Delaware limited partnership. Abbey National plc has 100 per cent indirect ownership of the general partnership interest and priority limited partnership interest.

†Post-tax profit attributable to shareholders divided by mean shareholders' funds.