

# 2000 Segmental Profit and Loss Restatement

## Restatement of profit by segment

1999	1999	UK Retail	Wholesale	Business to	Business to	Group
£m	previously	Banking	Banking	Business	Consumer	Infrastructure
	stated					
	basis					
UK Retail Banking	996	996				
Wholesale Banking	419		419			
Life Assurance	229	127		102		
First National	140			140		
General Insurance	104	104				
Wealth Management	17				17	
Continental Europe	(8)			(8)		
Central Holdings	(71)					(71)
cahoot	(16)				(16)	
1999 revised basis	1,810	1,227	419	234	1	(71)

1998	1998	UK Retail	Wholesale	Business to	Business to	Group
£m	previously	Banking	Banking	Business	Consumer	Infrastructure
	stated					
	basis					
UK Retail Banking	926	926				
Wholesale Banking	361		361			
Life Assurance	190	113		77		
First National	94			94		
General Insurance	98	98				
Wealth Management	26				26	
Continental Europe	-			-		
Central Holdings	(107)					(107)
cahoot	-				-	
1998 revised basis	1,588	1,137	361	171	26	(107)

## Restatement of profit by category and segment

1999 £m	Retail Banking	Wholesale Banking	Business to Business	Business to Consumer	Group Infrastructure	Group
Net interest income	1,624	393	593	62	(11)	2,661
Comms, fees and other income	670	169	133	46	129	1,147
Total operating income	2,294	562	726	108	118	3,808
Operating expenses excl. depreciation on operating lease assets	(885)	(115)	(301)	(107)	(186)	(1,594)
Depreciation on operating lease assets	-	(2)	(50)	-	-	(52)
Provisions for bad and doubtful debts	(167)	-	(136)	-	-	(303)
Provisions for contingent liabilities and commitments	(15)	-	(5)	-	(3)	(23)
Amts w/o fixed asset investments	-	(26)	-	-	-	(26)
Profit on ordinary activities before tax	1,227	419	234	1	(71)	1,810
1998 £m	Retail Banking	Wholesale Banking	Business to Business	Business to Consumer	Group Infrastructure	Group
Net interest income	1,515	411	249	47	19	2,241
Comms, fees and other income	651	55	114	38	40	898
Total operating income	2,166	466	363	85	59	3,139
Operating expenses excl. depreciation on operating lease assets	(849)	(86)	(142)	(58)	(150)	(1,285)
Depreciation on operating lease assets	-	-	(21)	-	-	(21)
Provisions for bad and doubtful debts	(167)	-	(30)	-	(4)	(201)
Provisions for contingent liabilities and commitments	(13)	-	1	-	(4)	(16)
Amts w/o fixed asset investments	-	(19)	-	(1)	(8)	(28)
Profit on ordinary activities before tax	1,137	361	171	26	(107)	1,588

### Accounting Policy Change

Depreciation on operating lease assets is reported within Operating expenses, and is separately identified because operating lease assets are used for a different purpose to fixed assets used in administrative functions. This represents a change in presentation from previous years, where operating lease depreciation was reported as a charge against income on operating lease assets within Commissions, fees and other income. Income in respect of operating lease assets continues to be reported within Commissions, fees and other income. This changes results from the application of FRS 15, 'Tangible fixed assets'.

2000 half year £m	Retail Banking	Wholesale Banking	Business to Business	Business to Consumer	Group Infrastructure	Group
Net interest income	788	219	290	35	-	1,332
Comms, fees and other income	346	155	85	29	31	646
Total operating income	1,134	374	375	64	31	1,978
Operating expenses excl. depreciation on operating lease assets	(457)	(70)	(163)	(86)	(86)	(862)
Depreciation on operating lease assets	-	(31)	(28)	-	-	(59)
Provisions for bad and doubtful debts	(68)	-	(64)	-	-	(132)
Provisions for contingent liabilities and commitments	(4)	-	1	-	10	7
Amounts written off fixed asset investments	-	(10)	-	-	-	(10)
Profit on ordinary activities before tax	605	263	121	(22)	(45)	922

1999 half year £m	Retail Banking	Wholesale Banking	Business to Business	Business to Consumer	Group Infrastructure	Group
Net interest income	788	201	291	29	(2)	1,307
Comms, fees and other income	322	71	57	24	72	546
Total operating income	1,110	272	348	53	70	1,853
Operating expenses excl. depreciation on operating lease assets	(431)	(54)	(139)	(40)	(82)	(746)
Depreciation on operating lease assets	-	(1)	(22)	-	-	(23)
Provisions for bad and doubtful debts	(97)	-	(74)	-	-	(171)
Provisions for contingent liabilities and commitments	(3)	-	-	-	-	(3)
Amounts written off fixed asset investments	-	(15)	-	-	-	(15)
Profit on ordinary activities before tax	579	202	113	13	(12)	895

## Detailed 1999 Segmental P&L

### Retail Banking 1999

	UK Retail Bank £m	Abbey National Life £m	General Insurance £m	1999 total £m
<b>Net interest income</b>	<b>1,621</b>	<b>5</b>	<b>(2)</b>	<b>1,624</b>
Dividend income	-	1	-	1
Fees & commissions receivable	295	56	179	530
Fees & commissions payable	(29)	-	(2)	(31)
Net fees and commissions	266	56	177	499
Other operating income	123	79	(32)	170
<b>Commissions, fees &amp; other income</b>	<b>389</b>	<b>136</b>	<b>145</b>	<b>670</b>
<b>Total operating income</b>	<b>2,010</b>	<b>141</b>	<b>143</b>	<b>2,294</b>
Salaries & other staff costs	(403)	(5)	(17)	(425)
Bank, legal, marketing & professional expenses	(91)	0	(6)	(97)
Software, computer & other administration expenses	(179)	(4)	(13)	(196)
Depreciation & amortisation	(64)	0	(2)	(66)
Other property & equipment expenses	(100)	0	(1)	(101)
<b>Operating expenses</b>	<b>(837)</b>	<b>(9)</b>	<b>(39)</b>	<b>(885)</b>
Provisions for bad & doubtful debt	(167)	0	0	(167)
Provisions for contingent liabilities & commitments	(10)	(5)	0	(15)
<b>Profit before tax</b>	<b>996</b>	<b>127</b>	<b>104</b>	<b>1,227</b>
<b>Profit by business type</b>				
Mortgages & Savings	982			
Banking & Unsecured Lending	14			
UK Retail Bank	996			

## Wholesale Banking 1999

	<b>1999 total £m</b>
<b>Net interest income</b>	<b>393</b>
Dealing profits	92
Fees & commissions receivable	55
Fees & commissions payable	(23)
Net fees and commissions	32
Other operating income	45
<b>Commissions, fees &amp; other income</b>	<b>169</b>
<b>Total operating income</b>	<b>562</b>
Salaries & other staff costs	(58)
Bank, legal, marketing & professional expenses	(10)
Software, computer & other administration expenses	(41)
Depreciation & amortisation	(4)
Other property & equipment expenses	(2)
<b>Operating expenses</b>	<b>(115)</b>
Depreciation on operating lease assets	(2)
Amounts written off fixed asset investments	(26)
<b>Profit before tax</b>	<b>419</b>
<b>Profit by business type</b>	
Wholesale lending	101
Asset financing	61
Asset-backed investments	165
Risk management & financial products	49
Securities lending	30
Treasury & other	13
<b>Total profit before tax</b>	<b>419</b>

## Business to Business 1999

	Finance House £m	Scottish Mutual £m	Continental Europe £m	1999 total £m
<b>Net interest income</b>	<b>561</b>	<b>4</b>	<b>28</b>	<b>593</b>
Dealing profits	-	6	-	6
Fees & commissions receivable	107	2	3	112
Fees & commissions payable	(186)	(1)	(1)	(188)
Net fees and commissions	(79)	1	2	(76)
Other operating income	109	93	1	203
<b>Commissions, fees &amp; other income</b>	<b>30</b>	<b>100</b>	<b>3</b>	<b>133</b>
<b>Total operating income</b>	<b>591</b>	<b>104</b>	<b>31</b>	<b>726</b>
Salaries & other staff costs	(115)	(3)	(14)	(132)
Bank, legal, marketing & professional expenses	(33)	0	(5)	(38)
Software, computer & other administration expenses	(91)	0	(11)	(102)
Depreciation & amortisation	(11)	0	(1)	(12)
Other property & equipment expenses	(14)	0	(3)	(17)
<b>Operating expenses</b>	<b>(264)</b>	<b>(3)</b>	<b>(34)</b>	<b>(301)</b>
Depreciation on operating lease assets	(50)	-	-	(50)
Provisions for bad & doubtful debt	(132)	0	(4)	(136)
Provisions for contingent liabilities & commitments	(5)	1	(1)	(5)
<b>Profit before tax</b>	<b>140</b>	<b>102</b>	<b>(8)</b>	<b>234</b>

## Business to Consumer 1999

	Wealth Management £m	Inscape £m	cahoot £m	1999 total £m
<b>Net interest income</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>62</b>
Dividend income	1	-	-	1
Fees & commissions receivable	39	0	0	39
Fees & commissions payable	(5)	0	0	(5)
Net fees and commissions	34	0	0	34
Other operating income	11	0	-	11
<b>Commissions, fees &amp; other income</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>46</b>
<b>Total operating income</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>108</b>
Salaries & other staff costs	(41)	(4)	(1)	(46)
Bank, legal, marketing & professional expenses	(4)	(7)	(15)	(26)
Software, computer & other administration expenses	(20)	(8)	0	(28)
Depreciation & amortisation	(3)	0	0	(3)
Other property & equipment expenses	(4)	0	0	(4)
<b>Operating expenses</b>	<b>(72)</b>	<b>(19)</b>	<b>(16)</b>	<b>(107)</b>
Provisions for bad & doubtful debt	0	0	0	0
Provisions for contingent liabilities & commitments	0	0	0	0
<b>Profit before tax</b>	<b>36</b>	<b>(19)</b>	<b>(16)</b>	<b>1</b>

## Group Infrastructure 1999

	<b>1999 total £m</b>
<b>Net interest income</b>	<b>(11)</b>
Fees & commissions receivable	2
Fees & commissions payable	0
Net fees and commissions	2
Other operating income	127
<b>Commissions, fees &amp; other income</b>	<b>129</b>
<b>Total operating income</b>	<b>118</b>
Salaries & other staff costs	(65)
Bank, legal, marketing & professional expenses	(25)
Software, computer & other administration expenses	(35)
Depreciation & amortisation	(35)
Other property & equipment expenses	(26)
<b>Operating expenses</b>	<b>(186)</b>
Provisions for bad & doubtful debt	0
Provisions for contingent liabilities & commitments	(3)
<b>Profit before tax</b>	<b>(71)</b>