

Consolidated profit and loss account

for the year ended 31 December 2003

		2003	2002
	Notes	£m	£m
Interest receivable:			
Interest receivable and similar income arising from debt securities		144.9	142.1
Other interest receivable and similar income		1,280.7	1,235.4
Interest payable		(990.0)	(936.1)
Net interest income		435.6	441.4
Fees and commissions receivable		296.1	289.8
Fees and commissions payable		(32.0)	(18.0)
Other operating income		38.5	15.1
Operating income		738.2	728.3
Administrative expenses:			
On-going	2	(439.8)	(416.5)
Exceptional	3	—	(32.6)
		(439.8)	(449.1)
Depreciation and amortisation	17/18	(28.8)	(29.8)
Provisions for bad and doubtful debts	13	(6.6)	(6.2)
Operating profit		263.0	243.2
Share of operating loss and amortisation of goodwill in joint venture		—	(2.6)
Profit on ordinary activities before tax		263.0	240.6
Tax on profit on ordinary activities:	6		
On-going		(72.2)	(63.2)
Exceptional credit		22.9	—
		(49.3)	(63.2)
Profit on ordinary activities after tax		213.7	177.4
Minority interest (non-equity)		(9.7)	(5.8)
Profit attributable to shareholders		204.0	171.6
Dividends	8	(102.0)	(96.4)
Profit retained for the financial year	30	102.0	75.2
Earnings per share (excluding exceptionals)	9	28.7p	29.3p
Basic earnings per share	9	32.3p	25.9p
Diluted earnings per share	9	32.2p	25.8p

All results arise from continuing operations.

There were no material gains or losses in either year other than the profit shown above.

The notes on pages 47 to 78 form part of these Financial Statements.