

478834/15

ABBEY NATIONAL NORTH AMERICA LLC

REPORT AND ACCOUNTS

For the year ended 31 December 2003

Registered No. BR006622



ABBEY NATIONAL NORTH AMERICA LLC

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	Notes	2003 US\$	2002 US\$
Interest receivable	2	46,601,013	69,867,654
Interest payable	3	<u>(46,601,013)</u>	<u>(69,867,654)</u>
Net interest income		-	-
Administrative expenses		<u>(89,457)</u>	<u>(51,367)</u>
Loss on ordinary activities before taxation		(89,457)	(51,367)
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
Retained loss for the year	8	<u><u>(89,457)</u></u>	<u><u>(51,367)</u></u>

All activities of the company are regarded as continuing. The Company has no material recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

The Company's results as reported are on an historical cost basis. Accordingly, no separate statement of historical cost profits and losses has been presented.

ABBEY NATIONAL NORTH AMERICA LLC

BALANCE SHEET

At 31 December 2003

	Notes	2003 US\$	2002 US\$
Current assets			
Debtors: amounts falling due within one year	5	1,819,850,101	6,230,122,842
Current liabilities			
Creditors: amounts falling due within one year	6	(1,819,980,235)	(6,230,167,535)
Cash in hand and at bank		<u>(9,690)</u>	<u>(5,674)</u>
Net current (liabilities)/assets		<u>(139,824)</u>	<u>(50,367)</u>
Contributions and reserves			
Capital contribution	7	1,000	1,000
Profit and loss account	8	<u>(140,824)</u>	<u>(51,367)</u>
Net Members' Funds	9	<u>(139,824)</u>	<u>(50,367)</u>

The notes on pages 3 to 5 form part of these accounts.

The accounts on pages 1 to 5 were approved
by the Board of Directors on 7 June 2004
and signed on its behalf by:

 Director

ABBEY NATIONAL NORTH AMERICA LLC

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Investment income

Investment income receivable and payable are recognised on an accruals basis.

Banking liabilities

Premiums, discounts and expenses relating to hedging instruments are amortised over the life of the underlying transaction.

Cash flow statement

The cash flows of the Company are included in the cash flow statement prepared by Abbey National plc. Accordingly, the group has taken advantage of the exemption permitted in paragraph 5(a) of the Financial Reporting Standard 1 (Revised 1996), "Cash Flow Statements", and not published its own cash flow statement.

2. INTEREST RECEIVABLE

	2003 US\$	2002 US\$
Interest receivable from intercompany loans	<u>46,601,013</u>	<u>69,867,654</u>

3. INTEREST PAYABLE

	2003 US\$	2002 US\$
Commercial paper	46,506,509	69,792,024
Intercompany deposits	51,942	49
Bank interest payable	<u>42,562</u>	<u>75,581</u>
	<u>46,601,013</u>	<u>69,867,654</u>

4. TAXATION

There is no taxation for the year.

· ABBEY NATIONAL NORTH AMERICA LLC

NOTES TO THE ACCOUNTS (continued)

5. DEBTORS: Amounts falling due within one year

	2003	2002
	US\$	US\$
Interest receivable on investments	1,530,331	7,560,348
Loans maturing in less than one year	<u>1,818,319,770</u>	<u>6,222,562,494</u>
	<u>1,819,850,101</u>	<u>6,230,122,842</u>

6. CREDITORS: Amounts falling due within one year

	2003	2002
	US\$	US\$
Commercial paper issued	1,819,815,119	6,230,090,479
Sundry creditors	<u>165,116</u>	<u>77,056</u>
	<u>1,819,980,235</u>	<u>6,230,167,535</u>

7. CONTRIBUTION

	2003	2002
	US\$	US\$
Capital contribution	<u>1,000</u>	<u>1,000</u>

8. PROFIT AND LOSS ACCOUNT

	2003	2002
	US\$	US\$
At 1 January	(51,367)	-
Retained loss for the year	<u>(89,457)</u>	<u>(51,367)</u>
At 31 December	<u>(140,824)</u>	<u>(51,367)</u>

9. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2003	2002
	US\$	US\$
Members' Fund at 1 January	(50,367)	-
Retained loss for the year	<u>(89,457)</u>	<u>(50,367)</u>
Members' Fund at 31 December	<u>(139,824)</u>	<u>(50,367)</u>

NOTES TO THE ACCOUNTS (continued)

10. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent and controlling undertaking is Abbey National plc, which is incorporated in Great Britain and registered in England and Wales.

Consolidated accounts for Abbey National plc are available from Abbey National House, 2 Triton Square, Regent's Place, London, NW1 3AN.