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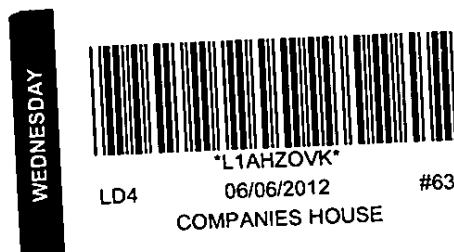
FC 23971

**ABBHEY NATIONAL NORTH AMERICA LLC**

**BRANCH ACCOUNTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2011**

**Registered in England and Wales No. BR006622**



# ABBEY NATIONAL NORTH AMERICA LLC

## Income Statement

For the year ended 31 December 2011

	Notes	2011 US\$	2010 US\$
Net income	2	-	174,535
Foreign Exchange losses		-	(929)
(Loss)/profit before tax		-	173,606
Tax	3	-	(48,609)
<b>Profit for the year</b>		-	124,997

## Balance Sheet

At 31 December 2011

	Notes	2011 US\$	2010 US\$
<b>Current assets</b>			
Financial assets held at fair value through profit and loss	4	4,830,022,097	6,913,532,177
Receivables	5	4,776,704	4,927,600
Cash at bank		77,007	11,786
<b>Total assets</b>		4,834,875,808	6,918,471,563
<b>Current liabilities</b>			
Financial liabilities held at fair value through profit and loss	6	(4,767,272,923)	(6,918,434,834)
Tax		-	(25,973)
Payables		(67,592,129)	-
<b>Total liabilities</b>		(4,834,865,052)	(6,918,460,807)
<b>Net current assets</b>		10,756	10,756
<b>Net assets</b>		10,756	10,756
<b>Equity</b>			
Capital contribution	7	1,000	1,000
Retained earnings	8	9,756	9,756
<b>Total equity</b>		10,756	10,756

The financial statements were approved by the Board of Directors on 1 May 2012

They were signed on its behalf by M. L. JACKSON

M. L. Jackson.

Director

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation and presentation

These summary financial statements have been prepared so as to fairly present the results of the Branch for the financial period and the state of affairs of the Branch at the end of the year. The accounting policies adopted are consistent with those used in the preparation of the financial statements of Abbey National Treasury Services plc for the year ended 31 December 2011.

The management of the Branch are responsible for keeping the accounting records which are sufficient to show and explain the transactions and disclose with reasonable accuracy the financial position of the Branch at any time.

The management are also responsible for safeguarding the assets of the Branch and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Revenue recognition

a) Fees and commissions

Fees and commissions receivable or payable in respect of services provided are taken to the profit and loss account when the services related are performed.

b) Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held for trading are recorded at fair value. Changes in fair value of assets and liabilities held for trading are recognised in the income statement as net income or expense together with dividends and interest receivable and payable.

Financial assets and liabilities held at fair value through profit or loss

a) Financial assets held at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short term profit taking or it is a derivative financial instrument (derivative).

The assets are derecognised when the rights to receive cash flows have expired or the Branch has transferred substantially all the risks and rewards of ownership.

b) Financial liabilities held at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading. A financial liability is classified as held for trading if it is a derivative or is incurred principally for the purpose of selling or being unwound in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short term profit taking.

2. Net income

	2011 US\$	2010 US\$
Interest receivable from group undertakings	27,705,492	22,001,190
Interest paid on deposits placed by banks	(27,705,492)	(21,826,655)
	-	174,535

NOTES TO THE FINANCIAL STATEMENTS

3. Tax

	2011 US\$	2010 US\$
<b>Current tax</b>		
UK corporation tax on profit of the year	-	48,609
Tax charge on profit for the year	-	48,609

UK corporation tax is calculated at 26.5% (2010: 28%) of the estimated assessable profits for the year. The standard rate of UK corporation tax was reduced from 28% to 26% with effect from 1 April 2011.

The UK Budget on 21 March 2012 proposed reductions to the main rate of UK corporation tax to reduce the rate to 24% from 1 April 2012 and then by 1% per annum to 22% by 1 April 2014. The reduction to 24% from 1 April 2012 was enacted on 26 March 2012 under the Budget Resolution process in advance of the Finance Act 2012.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2011 US\$	2010 US\$
Profit before tax	-	173,605
Tax calculated at tax rate of 26.5% (2010: 28%)	-	48,609
<b>Tax charge for the year</b>	-	48,609

4. Financial assets held at fair value through profit or loss

	2011 US\$	2010 US\$
<b>Amounts due in less than one year</b>		
Amounts due from group undertakings	4,830,022,097	6,913,532,177

5. Receivables

	2011 US\$	2010 US\$
<b>Amounts due in less than one year</b>		
Trade receivables	4,776,704	4,927,600

The Directors consider that the carrying amount of receivables representing amounts due from group entities approximates to their fair value.

Trade receivables of US\$4,776,704 (2010: US\$4,927,600) is expected to be recovered or settled within 9 months (2010: 3 months).

6. Financial liabilities held at fair value through profit or loss

	2011 US\$	2010 US\$
<b>Amounts due in less than one year</b>		
Deposits by banks	4,767,272,923	6,918,434,834

7. Capital contribution

	2011 US\$	2010 US\$
Capital contribution	1,000	1,000

## 8 Retained earnings

	US\$
Balance at 1 January 2010	(115,241)
Net profit attributable to the parent	124,997
Balance at 1 January 2011	9,756
Net profit attributable to the parent	-
<b>Balance at 31 December 2011</b>	<b>9,756</b>

## 9 Parent undertaking and controlling party

The Company's ultimate UK parent company is Santander UK plc, a company registered in England and Wales

The Company's ultimate parent undertaking and controlling party is Banco Santander S A , a company registered in Spain. Banco Santander, S A is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Abbey National Treasury Services plc is the immediate parent undertaking of the smallest group of undertakings for which the group accounts are drawn up and of which the Company is a member.

Copies of all sets of group accounts, which include the results of the Company, are available from Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN