

Annual General Meeting

2003 AGM

Terry Burns - Chairman

Abbey National

24th April 2003

2003 AGM

Karen Fortunato – Company Secretary

Abbey National

2003 AGM

Terry Burns - Chairman

Abbey National

Financial overview

£m	2002	2001 Restated
Retail Banking	1,227	1,226
Wealth Management & Long-term Savings	<u>322</u>	<u>275</u>
	1,549	1,509
Group Loss / Profit before tax	(984)	1,470
Charges:		
Embedded Value re-basing	(632)	(443)
Wholesale Banking losses & provisions	(902)	(271)
Goodwill	(1,202)	(36)
Dividend (pence)	25	50

strength in PFS in 2002

- ✓ over £1 bn of 'trading' profit before tax
- ✓ brand remains strong, over 16 million personal customers
- ✓ resilient new business flows including record mortgage lending
- ✓ scope to do better

... a single minded focus

reducing risks

- ✓ credit quality in PFS excellent
- ✓ actions taken to protect shareholders and customers against equity market volatility
- ✓ reducing exposures and risks in Wholesale Banking
- ✓ more losses are expected in 2003 as PBU is exited

... protecting against future volatility

Board changes

- ✓ Luqman Arnold appointed as Chief Executive
- ✓ Stephen Hester appointed as Chief Operating Officer
- ✓ Two executive level appointments still open

Current year progress

- ✓ Focused on putting in place foundations for future PFS success
- ✓ Good progress being made in PBU sales and risk reduction
- ✓ PFS trading generally reflects the issues set out in February, albeit with weakness in investment sales

2003 AGM

Terry Burns - Chairman

Abbey National

our strategy

Luqman Arnold - Chief Executive

Abbey National

the last six months

- ✓ people
- ✓ change in strategy, focus and priorities
- ✓ new focus on UK PFS is positive and exciting
- ✓ certain operations to be sold or wound down
- ✓ new structure in place
- ✓ at least £200m of savings

... confident that we can succeed

single-minded

focus on UK Personal Financial Services...

...and nothing else

about customers

- earn customers' commitment to us

about structure

- one focus:
the customer

four strategic priorities

about efficiency

- making our business simpler

about capital

- carefully manage the money you have invested

customers

earn customers'
commitment...

...to join us, to stay with us and
to do more business with us

make customers feel
individual

offer good advice to all

earn customers' commitment...

give people real choice

get our service right

single-minded

focus on UK Personal Financial Services...

...and nothing else

Annual General Meeting

Resolution No.1

To receive the Annual Report and Accounts
for the year ended 31 December 2002

Resolution No.1

Proxy Votes Received

In Favour

99.7%

Against

0.3%

Resolution No.2

To approve the Directors' Remuneration Report

Resolution No.2

Proxy Votes Received

In Favour

90.9%

Against

9.1%

Resolution No.3

To declare a final dividend of 7.35 pence
for each ordinary share

Resolution No.3

Proxy Votes Received

In Favour

99.8%

Against

0.2%

Resolution Nos. 4 - 5

The election and re-election of
Directors of the Company

Resolution No.4a

To elect Luqman Arnold as a director

Resolution No.4a

Proxy Votes Received

In Favour

97.6%

Against

2.4%

Resolution No.4b

To elect Stephen Hester as a director

Resolution No.4b

Proxy Votes Received

In Favour

97.6%

Against

2.4%

Resolution No.5a

To re-elect Richard Hayden as a director

Resolution No.5a

Proxy Votes Received

In Favour

98.9%

Against

1.1%

Resolution No.5b

To re-elect Lord Shuttleworth as a director

Resolution No.5b

Proxy Votes Received

In Favour

98.1%

Against

1.9%

Resolution No.5c

To re-elect Keith Woodley as a director

Resolution No.5c

Proxy Votes Received

In Favour

98.7%

Against

1.3%

Resolution No.6

To re-appoint Deloitte & Touche as auditors

Resolution No.6

Proxy Votes Received

In Favour

98.8%

Against

1.2%

Resolution No.7

To authorise the directors to set the fees paid to the auditors

Resolution No.7

Proxy Votes Received

In Favour

99.6%

Against

0.4%

Resolution No.8

To approve an amendment to the
Articles of Association

Resolution No.8

Proxy Votes Received

In Favour

99.0%

Against

1.0%

Resolution No.9

To renew the authority for Abbey National to buy back its own ordinary shares

Resolution No.9

Proxy Votes Received

In Favour

98.0%

Against

2.0%

Resolution Nos. 10a - 10b

To renew the authority for Abbey National
to buy back its own preference shares

Resolution No.10a

To renew the authority for Abbey National to buy back its own $8\frac{5}{8}\%$ preference shares

Resolution No.10a

Proxy Votes Received

In Favour

99.6%

Against

0.4%

Resolution No.10b

To renew the authority for Abbey National to buy back its own $10\frac{3}{8}\%$ preference shares

Resolution No.10b

Proxy Votes Received

In Favour

99.5%

Against

0.5%

Annual General Meeting



A N N U A L G E N E R A L M E E T I N G
2 4 T H A P R I L 2 0 0 3

ABBHEY NATIONAL plc

ATTENDANCE AT THE ANNUAL GENERAL MEETING
THURSDAY 24TH APRIL 2003

SHAREHOLDER

SHAREHOLDERS WISHING TO SPEAK

Shareholders wishing to speak should report to the
Question Registration Desk in the foyer area as soon as possible

SIGN LANGUAGE INTERPRETER

Please sit in one of the front rows on the right hand side of
the auditorium if you need the services of the sign language interpreter

Abbey National

NO. OF SHARES

FULL NAME _____

ADDRESS _____

POST CODE _____

ANNUAL GENERAL MEETING POLL VOTING FORM

I hereby cast all my votes as indicated below:

VOTING INSTRUCTIONS

Resolution	For	Against	Resolution	For	Against
1. To receive the Annual Report and Accounts for the year ended 31 December 2002	<input type="checkbox"/>	<input type="checkbox"/>	5c. To re-elect Keith Woodley as a director	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	6. To re-appoint Deloitte & Touche as auditors	<input type="checkbox"/>	<input type="checkbox"/>
3. To declare a final dividend of 7.35 pence for each ordinary share	<input type="checkbox"/>	<input type="checkbox"/>	7. To authorise the directors to set the fees paid to the auditors	<input type="checkbox"/>	<input type="checkbox"/>
4a. To elect Lugman Arnold as a director	<input type="checkbox"/>	<input type="checkbox"/>	8. To approve an amendment to the Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
4b. To elect Stephen Hester as a director	<input type="checkbox"/>	<input type="checkbox"/>	9. To renew the authority for Abbey National to buy back its own ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>
5a. To re-elect Richard Hayden as a director	<input type="checkbox"/>	<input type="checkbox"/>	10a. To renew the authority for Abbey National to buy back its own 8 1/4% preference shares	<input type="checkbox"/>	<input type="checkbox"/>
5b. To re-elect Lord Shuttleworth as a director	<input type="checkbox"/>	<input type="checkbox"/>	10b. To renew the authority for Abbey National to buy back its own 10 1/4% preference shares	<input type="checkbox"/>	<input type="checkbox"/>

Please put an X in ONLY ONE BOX for each resolution.

Signature:

Date:

NO. OF SHARES

FULL NAME

ADDRESS

POST CODE

A N N U A L G E N E R A L M E E T I N G
P O L L V O T I N G F O R M

I hereby cast all my votes as indicated below:

VOTING INSTRUCTIONS

Resolution No:

FOR

AGAINST

Please put an X in ONLY ONE BOX

Signature:

Date:

The **Abbey National**
Group

A N N U A L G E N E R A L M E E T I N G
2 4 T H A P R I L 2 0 0 3

ABBNEY NATIONAL plc

ATTENDANCE AT THE ANNUAL GENERAL MEETING
THURSDAY 24TH APRIL 2003

ATTENDEE

Abbey National

NO.OF SHARES

FULL NAME

ADDRESS

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A N N U A L G E N E R A L M E E T I N G
P O L L V O T I N G F O R M

I hereby cast all my votes as indicated below:

VOTING INSTRUCTIONS

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VOTING INSTRUCTIONS

Resolution No:

FOR

AGAINST

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Signature:

Date:

The **Abbey National**
Group

Annual General Meeting

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