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Financial calendar

Dividend payments	April and October
Interest payments	
7½% Convertible Subordinated Unsecured Loan Stock 1983/93	30 June and 31 December
10½% Subordinated Unsecured Loan Stock 1993/98	30 June and 31 December
14% Subordinated Unsecured Loan Stock 2002/2007	31 May and 30 November
Half-yearly results announced	July
Annual General Meeting 1983	27 April



Financial summary

	Amount in £ millions	
	1982	1981
Group profit before taxation	251.4	232.2
Profit attributable	144.6	123.9
Shareholders' funds	1,561.7	1,448.3
Current, deposit and other accounts	44,230.9	37,748.0
Customers' accounts, Advances etc	35,609.4	29,194.8
Total assets	47,999.4	41,014.5
Earnings per share	86.6p	115.3p
Dividends per share	25.5p	24.0p
Dividend cover before extraordinary items (times covered)		
Historical cost	3.3	4.8
Current cost	1.9	1.9

Statement by the Chairman

Sir Donald Barron DL



I am glad to report that the 1982 profits of the Midland Bank Group, both at the trading and pre-tax levels, show an increase compared with the previous two years. These improved results were achieved despite the difficulties which banks everywhere faced—in common with industry and commerce generally—as a result of the worldwide recession.

Midland, as one of the largest banks in the world, inevitably shared in these difficulties. In our case, too, the external circumstances were accompanied by significant internal changes—in organisational arrangements, in reviews of costs, and in numbers of staff, for example—which are being implemented to ensure the efficient execution of our competitive strategy and hence our progress and profitability in the years ahead.

The staff of the Midland Bank Group around the world have met the problems and challenges of 1982 with resilience, skill and loyalty and I wish to start this Statement with a sincere expression of the Board's gratitude to them.

Organisation

In May, on the retirement of Sir David Barran, the Board honoured me by inviting me to become the Chairman of the Midland Group. At almost the same time, Mr. Geoffrey Taylor, one of the Deputy Group Chief Executives, was appointed Group Chief Executive on the retirement of Mr. Stuart Graham, and Mr. John Brooks became sole Deputy Group Chief Executive.

The organisational structure of the Group has also undergone a number of changes designed to shorten lines of communication and clarify profit responsibilities and key objectives. This is a continuing process and there will be further changes in the current year.

Results

Profit before taxation amounted to £251.4m against £232.2m last year; an increase of 8%.

There was a significant improvement in the trend of costs following the savings and productivity reviews carried out during 1981 and 1982; we expect this trend to continue.

The profit includes a surplus of £41m, which was realised as we extended the life of our gilt-edged holdings during 1982.

The improvement in our performance was achieved despite higher charges for provisions against possible bad debts of £196m compared with £113m in 1981. Our practice in this area is set out in the Note on Accounting Policies on page 27. Prudence and caution are important factors in the exercise of the judgments involved in the assessment of bad debt provisions against a background of economic recession and international monetary problems. This is reflected in the increase in our specific and general provisions to a total of £484m at the end of 1982, compared with £378m end of the previous year.

International risk

As a major international banking group with a history of close relationships with overseas countries going back into the 19th Century, it is inevitable that we should be faced with a number of situations in regard to our lending—in South and Central America and in Eastern Europe, for example—where the restructuring of payments of both interest and principal indicates the need to make some prudent provision against possible loss, although that loss may be by no means certain.

It is not possible to be in the international banking business—as your Bank has been, profitably and

successfully, for many years – without risk, however careful the assessment. It has to be remembered, too, that these international loans were, to a large extent, the counterpart of the huge recycling of surplus income of oil producers over the last decade. If the international banking community had not acted as the agent for these transfers, a very serious imbalance would have arisen in the world's monetary system, and international trade, including very substantial exports by our customers, would have been greatly impeded.

The steps taken during the last six months, by the International Monetary Fund and other international monetary bodies, by the Central Banks and by the international banking community generally, in which your Bank has played its part, have substantially lessened the likelihood of a situation arising which, at best, would delay the upturn from global recession and, at worst, would cause great and long term damage to the world's monetary system.

Commercial risk

The recession continues to claim victims both among our business and our personal customers. Many of these cases are not directly the fault of the borrower and, in some, the risks could not reasonably have been foreseen and avoided, even by good management on the business customer's part, except by following static and unenterprising policies.

Our policy in dealing with customers who face problems is to assist in every way we can to help to overcome these, by patience and consistency, so long as there appears to us to be a probability of a viable business outcome. This has required the further development of banking management skills.

Our Lending Services Department is an example of the expertise we have brought together to assist and advise corporate customers who are

in difficulty. Indeed, it is worth noting that a significant proportion of borrowers leave this unit restored to business health. But there can be no doubt that some of our customers will continue to be at risk, despite the welcome downward trend in interest rates, until there is a more significant and pronounced increase in demand in the national and international marketplace.

Assets—purchases and sales

Fixed assets

The Group's gross expenditure on fixed assets amounted to £142m against £115m in 1981.

We spent considerable sums on the continued improvement and reorganisation of our premises. We also sold 60 Gracechurch Street, the original home of the International Division, for £29.5m. This transaction, which will be reflected in the 1983 accounts, is in line with our policy of rationalising our office requirements in London.

We spent a total of £32m on data processing and communications equipment – £24m in the UK and £8m elsewhere in the Group.

This substantial investment coincided with Information Technology Year in the United Kingdom in which we were glad to play a part; more details of the wide range of applications of these exciting new developments are given in the Review of Group Operations.

Our policy is to keep the Group in the forefront in this field. We see the technology now becoming available as a means by which our customers will have secure, simple, globally applicable and cost effective methods of transferring value. At the same time, it offers the possibility of reducing labour intensive paper work, of enhancing the skills and job satisfaction of our staffs and of giving our customers more personal and individual attention in those areas of advice and service where this matters most.

Investments

During the year, we purchased 69% of Handelsfinanz Bank in Switzerland. This will usefully complement our growing and profitable operations in Switzerland in particular and in Europe in general.

We also took up, at a cost of £10.2m, a 29% share in the International Commodities Clearing House in London.

Two sales of investments of note have taken place. Firstly, we sold, for £66m, 40% of our 100% shareholding in Samuel Montagu to Aetna Life & Casualty Company, the largest publicly owned insurance and tariff company in the USA. We welcome this link between Aetna and Midland Group and believe it offers Samuel Montagu opportunities for further expansion and for developments which employ the particular skills of its people.

The second major sale was completed in February 1983 when Midland and two other shareholding banks sold their equity investments in Midland and International Banks P.L.C. (MAIBL) to the merchant bank subsidiary of Standard Chartered Bank – the remaining shareholder. Midland's 45% shareholding realised £22.5m.

MAIBL, formed in 1964, was the first of the consortium banks based in London. Over the years, however, as the partners established their own international operations, it had become less easy to see a clear role for MAIBL as a consortium bank within the individual strategies of the member banks. MAIBL has been a successful and profitable operation; it has been well served by the enterprise and commitment of its staff and we wish them well in their new grouping.

The thread which links these two transactions is our policy of keeping investments under review to ensure that they continue to be used in the most profitable way to support and develop the Group's strategy.

Crocker National Corporation

Our largest single investment outside the UK is our holding in Crocker National Corporation in California. In January of this year, we completed the transactions set out in the original investment agreement by purchasing a further 1.25m common shares for \$112m. This brings our shareholding to the agreed 57% of the common stock of Crocker on a fully diluted basis.

Following the completion of the Midland/Crocker agreement in late 1981, an intensive period of familiarisation by executives of both banks has taken place to develop more detailed knowledge of each other's policies and practices. This has produced growing understanding, co-operation and profitable new business in many parts of the world.

During 1982, our Board and the Crocker Board approved the formation of a Midland/Crocker Committee composed of a number of members of each Board and a Vice-Chair; this Committee meets regularly to discuss the close integration of the strategies and operation of the two Banks.

We made the Crocker investment as part of a long term plan for the international expansion of Midland Bank Group. After working together for just over a year, through the difficulties of a severe world recession and the particular problems of the US banking industry, we are clear that the medium and long term benefits of the Crocker alliance will be substantial.

The world economic situation

In 1982, growth in the world economy came virtually to a standstill. Although there were occasional signs of recession lifting in the UK and France, it deepened in the USA and West Germany, and even Japan could raise its national income by barely three per cent. The slowdown in the developed economies made itself felt upon the less

developed, of which a number were already striving to keep down imports as more of their depressed export earnings were taken up in the servicing of their external debts. By the middle of the year, fears had grown that increasing difficulties in meeting their obligations would undermine confidence both in and among the lending banks, in a way which could lead to a relapse into depression and financial crisis. In the event, however, the process of rescheduling debts, although on a much larger scale than in previous years, was accomplished in an orderly way, and the crisis of the year the problems facing the borrower had been eased by the fall in interest rates and, for most of them, by the weakness of oil prices. Nevertheless, the prospect of adequate recovery in their export earnings remains uncertain while activity in the developed economies remains depressed and protectionist pressures grow.

Controversy continues as to the extent to which a recovery can be brought about by Governmental policies but, on the grounds that one of the pre-conditions of sustained recovery is a significant reduction in inflation, there would seem to be room for manoeuvre in West Germany, Japan, the UK and the United States. Broadly, inflation rose to single figures in Europe and to a low level in both Japan and the United States during 1982. In the autumn, the Federal Reserve Authorities in the United States moved towards a relaxation of their monetary stance, recognising the public's desire for liquidity and the needs of the banking system. This enabled the break in US dollar interest rates, which began at the middle of 1982, to continue into this year.

The US dollar continued to appreciate in 1982 under the influence of international monetary and political uncertainties which stimulated the desire for liquidity. The year's movement here, by common consent, overshadowed, and by

the beginning of 1983 the process of gradual correction had begun. The weakness of the Yen, due to low interest rates and higher capital outflows, left it undervalued and the Deutsche Mark may have remained so in spite of gathering strength during the year. There were no more than the usual pressures within the European Monetary System leading to modest realignments in February and June of 1982.

After little change in sterling's trade-weighted value for most of the year, a sharp decline in December 1982 and January 1983 lowered it by 11 per cent. Although it could be argued that sterling was still overvalued in terms of its purchasing power parity, the fall occurred in spite of a large and growing surplus in 1982 in the current account of the balance of payments and it was probably attributable to a combination of factors including the weakness of oil prices, production uncertainties, and the belief that there might be limits to the extent to which the authorities would let interest rates rise in accordance.

Since the turn of the year, there are indications that falling interest rates and reductions in the rate of inflation may be producing in some places a greater confidence, notably in the United Kingdom and the United States. This is an extremely important factor and if it can be sustained, then 1982 may well have been the low point of the international cycle and 1983 may see the beginning of growth towards international prosperity.

The Board of Directors

The Board was saddened by the death of Sir Keith Shewring who was appointed a Director in 1979 and who died in March 1982. We miss his wide experience and wise counsel.

Mr. Tom Wilcox retired as Chairman of Crocker National Corporation in September 1982 and was succeeded by Mr. John Place.

During his eight year period of office, Tom Wilcox strengthened the operations of Crocker to the competitive Californian market and substantially extended its international business. He played a key role in the Midland Crocker Alliance and we are glad that we continue to have the benefit of his experience as a Director of Midland Bank and as a member of the Midland Crocker Committee.

Mr. Michael Julian, B.A., who has held senior finance directorships in industry and commerce, has been appointed Group Finance Director with effect from 1 July 1983 and will join the Board in May. This appointment is in line with the general practice in the F.C.I.'s of large public companies and conforms to our policy of electing to the Board senior executives who will contribute to the decision-making process.

Senior Management

It is with sadness that I record the death of Mr. Ray Griffin in April 1982, who had been a General Manager since 1976 and who in a long and successful career had made a valuable contribution to the Bank's affairs.

Three senior members of our General Management team, Mr. John Cox, Mr. Jack Pindley and Mr. Roy Gamble, retired in 1982. Each had the distinction of having served the Bank for 43 years and each, in his own sphere, has contributed greatly to the Bank's affairs. We wish them all long and happy retirements.

The new members of our General Management team are Mr. Ian Paterson and Mr. Herbert H. Jacobi. Mr. Paterson was appointed in May 1982 to take on new responsibilities in the U.K. Mr. Jacobi has responsibilities in our European operations and will also oversee the Midland Bank's direct business in North America through our newly established New York branch. He will continue to be Chairman and Chief Executive of Trinkaus and

Burkhardt and Chairman of the Supervisory Board of Midland Bank France SA.

Both these executives have long experience in banking and will do them well in their new appointments.

Outlook

Our objective is to ensure that our assets are properly and profitably rewarded, that our costs are firmly controlled and that with our wide geographic spread, we give the best possible service to our many millions of customers, personal and corporate, around the world.

As the Review in the following pages demonstrates, this requires operational, marketing, and management effort plus professional leadership of a high order. I have no doubt that this will continue to be forthcoming from the staff and the world.

The laying of the foundation for our strategy had the effect of creating a profits and earnings plateau during 1980 and 1981. Our business plan is to move forward from the plateau we have now established. However, world economic conditions and particularly those in the U.S.A. will have an effect on the timing and extent of the movement, but we are confident that in the absence of unforeseen factors, the trend will continue to be favourable.

Donald Burton
Donald Burton
10 March 1983

Review of group performance

Group trading performance

The consolidated profits for the year ended 31st December 1982 totalled £58.7m, an increase of £8.7m compared with 1981. After tax, the profits reduced to £47.0m, and with minority interest and extraordinary items of £3.9m, the profit attributable to shareholders was £50.9m.

An analysis of the Group trading profits is given below.

	£ million	1982	1981
Interest received	5,675	4,182	
Interest payable	4,266	3,108	
Net interest income	1,409	1,074	
Charge for bad and doubtful debt	196	224	
	1,213	963	
Other operating income	795	560	
	2,008	1,418	
Staff costs	1,019	743	
Other costs	666	484	
Trading profit	329	560	

The Group's profits prior to extraordinary items were substantially affected by the charge for bad and doubtful debts which in 1981 had been £2.9m higher than in 1982. Group profits prior to the increase of 20% before the charge for bad and doubtful debts.

Total Group assets grew by 1.7%. This figure reflects a continued

reduction in the level of business although the strong contribution to growth from the new business originated by exchange rate fluctuations. Throughout the year, the measures taken to control costs have not made a significant impact and staff numbers continued to decline. The improving trends are not immediately apparent since the 1981 results included only three months' figures for Greece, whilst in 1982 twelve months' figures have been incorporated.

The principal contribution to Group profits before tax and non-interest made by the Domestic and International areas of business were as follows:

	1982	1981
Domestic	65%	66%
International	35%	34%

1982—A year of innovation and continued development

The current pace of change in the financial and business environment would have been impossible to manage even a few months ago. A people's banking led to new service requirements and for 1982 we responded quickly and effectively. Since 1981, the introduction of several new initiatives aimed at developing a range of services and systems which will take us into the latter half of the eighties.



Geoffrey H. Taylor

The Group in the UK
Midland Bank plc

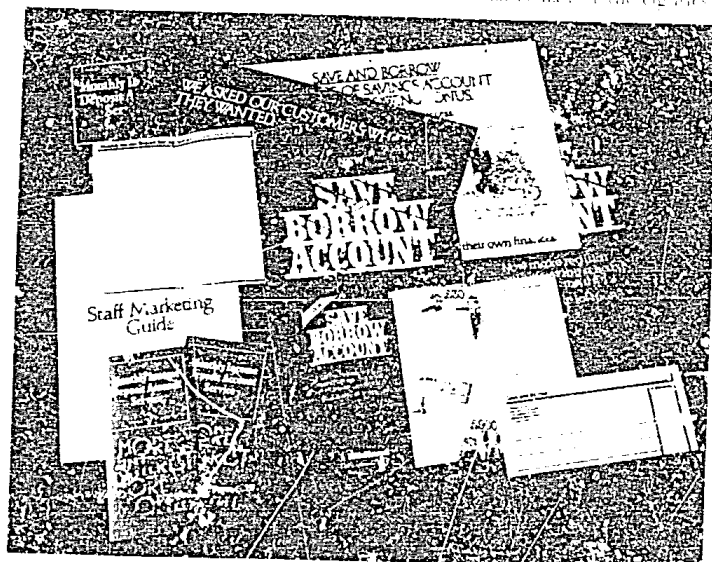
At the Midland Bank plc Annual Meeting on 11th February 1983, Kenneth Brinkley, who has been selected in June 1982 and is proceeding on sabbatical leave, said: "The Group is continuing to perform well in many of the traditional areas of the banking business, and will provide the workhorse for a number of exciting systems development over the next few years."

Midland Bank has developed one of the most sophisticated and comprehensive wholesale payment services within the United Kingdom. Its board of clearing computer system called the Payments

Interconnection Service, which enables Midland to link its various branches and various central departments to one another and to all relevant national networks, has been a considerable customer benefit and a positive contribution to the Group's reputation for innovation and efficiency. Payments to be received within the UK and abroad are now delivered forward to us. The service will be further enhanced by the introduction in 1983 of the Clearing House Automated Payments Service (CHAPS) which will allow real time payment systems for making and receiving large payments.

Our programme for the installation of Automatic Clearing Company (ACC) hardware is well advanced. This will bring the Group's services

into line with the major banks in the UK and Europe and MIDAS, the new national clearing system, will be a further enhancement of our clearing programme.



These automated teller machines (ATM's) have gained very wide acceptance among our customers and this has encouraged us to enter into a reciprocity agreement with National Westminster Bank. This imaginative partnership enables our customers to use National Westminster machines for cash transactions and vice versa. The link-up will bring to the customers of both banks access to the largest network of 24-hour ATM's in Europe.

Increasing use is being made of viewdata techniques and we are

currently undertaking a series of experiments with the objective of expanding our service. Home banking is technically possible today, but it may be quite a time before such a service is available on a large scale.

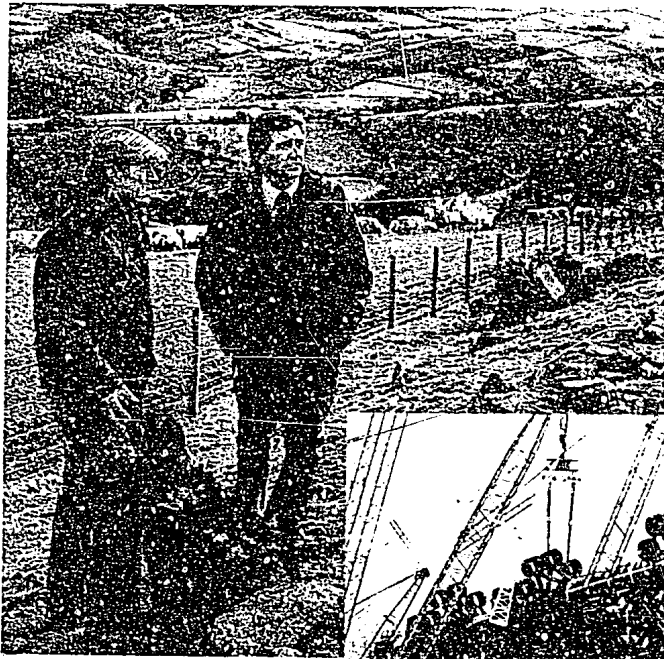
The importance of an integrated approach to attracting retail deposits is recognised and we have sought to augment our already wide range of personal savings schemes by introducing a Monthly Income on Deposit Account Service (MIDAS). Similarly, we have introduced our Save and Borrow Account, which is

designed to satisfy the need for a regular monthly savings scheme backed by the ability to borrow on overdraft up to a multiple of the contracted savings. The borrowing can be taken by the customer without reference and avoids the necessity of making separate arrangements each time.

In another area, the importance for business and professional customers to have a first class internationally accepted charge card is recognised. This has led to the successful launch, in association with MasterCard International, of the Midland gold MasterCard.

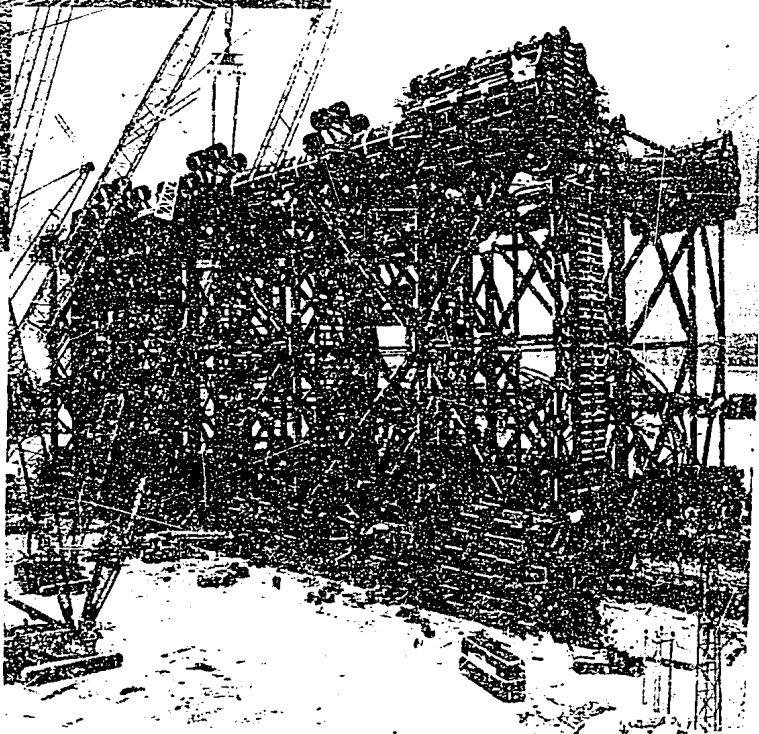
Our policy for branch banking in the UK is to provide for customers the finest service available; and this will be a constant theme for us throughout the eighties, despite the ever-changing nature of our business. During the year we were pleased to assist the National Consumer Council in its enquiry into personal banking services in the UK. We are at present with interest the Council's report which is expected to be published later this year.

Corporate Finance Division has seen the year dominated by the effects



Sheep farming in North Wales.

From agriculture to North Sea Oil... two of the many areas where we provide specialist advice to specific industrial sectors.



A drilling platform under construction for Marathon Oil Company.

of the worldwide recession upon many sectors of industrial and commercial activity. Many major national and multi-national companies have faced increased pressures upon their liquidity and have had to undertake a significant rationalisation of their activities. The Bank has continued to supply financial support for these companies through its wide range of services involving, on occasions, extended term commitments. It was encouraging to see in the latter part of the year some indication of interest in the corporate bond market as interest rates fell to lower levels, but there remains, in many cases, a disproportionate reliance on short-term financing when the real need is for capital or long-term finance.

The Bank's services to major corporate customers have increased in diversity throughout the year and a Cash Management Service has now been added to our extensive range of national and international products. Corporate Finance Division continues to be the major vehicle by which we develop our business with large UK companies and the team of highly experienced directors remains keenly aware of the changing market pressures.

Help for small businesses

Independent businesses play a significant part in our country's economy and we are determined to continue our support whenever it is possible to do so. Help is provided in many ways, including equity participation, start-up schemes, management buy-outs and development loans. Advice is also available for the small businessman and we are happy to be associated with numerous community projects aimed at encouraging entrepreneurial development. Many of these efforts are co-ordinated through a group called Business In the Community of which Midland Bank is a founder member. Full support has been given to the Government Small Firms Loan Guarantee Scheme, under which some 1,800 business customers have received assistance. Approximately 60% of our lending has been in support of new businesses and it is estimated that 5,000 jobs have been



Thomas Cook provide their VIP airport reception service free to gold MasterCard holders when travel arrangements are made through them. This 'Meet and Greet' service is available at both Heathrow and Gatwick Airports.

created in connection with lending proposals under the scheme as a whole.

Midland Bank Trust Co Ltd

The Bank's Trust Company was our first subsidiary, established in 1909 and it continues to offer a wide range of trust and ancillary services for both personal and corporate customers. Through its Corporate Services branch operating in the City of London the company is recognised as the dominant Corporate Trustee in a number of areas, particularly acting as trustee of unit trust funds or of funds appointed under Insurance Acts. The company completed its year's trading on a high note, with record figures for new business resulting in increased profits. Total funds held by the company in a fiduciary capacity now exceed £6bn.

Its wholly owned subsidiary, Midland Bank Group Unit Trust Managers Limited, continues its record of progress and made a

satisfactory contribution to profits during 1982. During the past year it extended its range of unit trusts under management to 10 by the introduction of a Smaller Companies Unit Trust. Total Midland Bank Unit Trusts under management now approach £70m in value.

Insurance

Midland Bank Insurance Services Limited celebrated its 10th Anniversary during 1982 and had a record year in terms of profitability and new business secured. One of the largest insurance brokers of its kind in the UK, this rapidly developing subsidiary offers an impartial insurance broking service, mainly for domestic customers, through its own network of branches in England and Wales. Its activities span the whole spectrum of insurance.

Treasury activities

Within the complex and specialised financial world of the City of London, sophisticated markets continue to develop. In recognition of the continuing changes in the markets in which we operate, we established Group Treasury early in



Midland has acquired and actively utilises four seats on the new London International Financial Futures Exchange.

the year. It comprises the operations formerly separately conducted in sterling within Money Market Division, Head Office, those in foreign currency and foreign exchange which were part of International Division, as well as the Bank's gilt-edged portfolio and our recently established Financial Futures Unit. The merging of these components into a unified Group Treasury promises to yield considerable economies of scale, notably in the vital management of liquidity, in the raising of deposits in all major currencies, and in the containment of risk. Midland is proud to be a founder member of the London International Financial Futures Exchange (LIFFE). We are also members of the International Commodities Clearing House (ICCH), in which we have a 20% shareholding.

Our European operations have been complemented by the acquisition of a controlling interest in Handelsfinanz Bank, now renamed Handelsfinanz Midland Bank.

Other UK banking operations

It is inevitable that the harsh economic conditions prevailing in Scotland and Ireland will have had an effect on the trading performance of our subsidiaries, Clydesdale Bank PLC and Northern Bank Limited. Against this background Clydesdale's pre-tax profit fell by 27% to £16.9m. The competition for business is intense and the speed of change rapid. In developing new services based on the adoption of technological advances, Clydesdale can claim to be at the forefront of the UK banking industry.

The introduction in the middle of

last year of an AutoCash Account, represents a major step forward in the more efficient handling of a very large volume of customers' routine transactions. This new account, which is a fully-automated deposit account, has already proved to be very acceptable to the public and to be of substantial benefit to the workload of branches.

Early in 1982, Clydesdale joined with BP to launch 'Counterplus' at filling stations in Aberdeen. This successful pilot scheme represented the first point of sale electronic funds transfer system operated by a UK bank where the point of sale was linked directly to the computer systems of both the Bank and the retailer. It is in course of being extended to a further twenty to thirty filling stations in Aberdeen and in the Glasgow area.

These new automated services made available through the sophisticated electronic systems installed by Clydesdale Bank over the past few years have enabled the Bank to more than maintain its place in a highly competitive environment.

In Northern Ireland and the Irish Republic the economic outlook is not

**Handelsfinanz
Midland Bank**

**Handelsfinanz
Midland Bank**

**Handelsfinanz
Midland Bank**

encouraging. Northern Bank's pre-tax profit was £3.7m (1981-£8.4m), but Northern's confidence in the future is evidenced by investment in a major computerisation programme which is expected to contribute to productivity and profitability in the years ahead.

Forward Trust Group Ltd

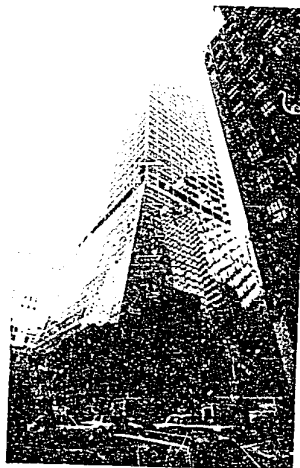
Forward Trust Group has maintained its position as a leading finance house in the UK, providing corporate and personal customers alike with a comprehensive range of asset related services. This member of our Group recorded another improvement in trading performance, with pre-tax profits of £35.5m, a 20% increase over 1982.

In a fiercely competitive marketplace, Forward Trust Group has adopted a selective approach by concentrating on those areas which offer profitable business opportunities. Closer operational links have been developed with the UK Banking sector of Midland Bank and a number of new schemes were introduced to meet the increasingly sophisticated and diverse needs of our customers. These marketing initiatives included innovations within the insurance and pension related market, agricultural leasing and vehicle finance for fleet users.

Our finance house subsidiary has traditionally retained a strong presence in lending to the corporate sector. Throughout the year, demand for tax based leasing has remained buoyant, indicative of the contribution this form of finance makes to the support of industry, particularly when there are constraints on taxable profits to set against equipment purchases. As specialists in the field of asset finance, Forward Trust Group continues to play an important role within Midland Bank Group and complements the range of financial services we offer to our customers.

The group internationally International Banking

In his Statement the Chairman has described the world economic scene and its effect on international banking activity. In view of this it is not



left: New York. Midland's new branch opened for business in this building in January 1983.

below: The new bottling line of Norwich Brewery provides multiple packaging to the highest standards. This plant was leased by Forward Trust Group exemplifying one of several large financial agreements concluded during 1982 for major UK businesses.

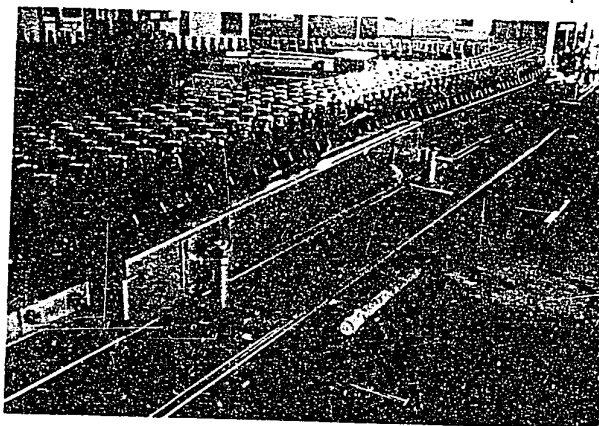
surprising that our expansion internationally slowed considerably during 1982. We did, however, further enhance our European representation with the official opening of branches in Athens and Piraeus, in Greece, and with the purchase of an interest in Handelsfinanz Bank in Switzerland, now renamed Handelsfinanz Midland Bank. In addition, we opened a representative office in Bombay to further develop our existing strong ties with India.

Another major milestone was reached in January 1983 when we opened a branch in New York to give Midland a presence on the Eastern seaboard of the United States. This important development marked

the substantial achievement of our strategic ambitions for the United States, the largest and strongest free economy in the world. Our direct presence in New York is complementary to the operations of Crocker National Corporation.

International trade services

Over the last few years the Midland Bank Group has developed and extended its range of specialised services for the financing of exports and trade worldwide. The world recession, coupled with severe difficulties experienced in certain countries, particularly in Latin America, has had an adverse impact



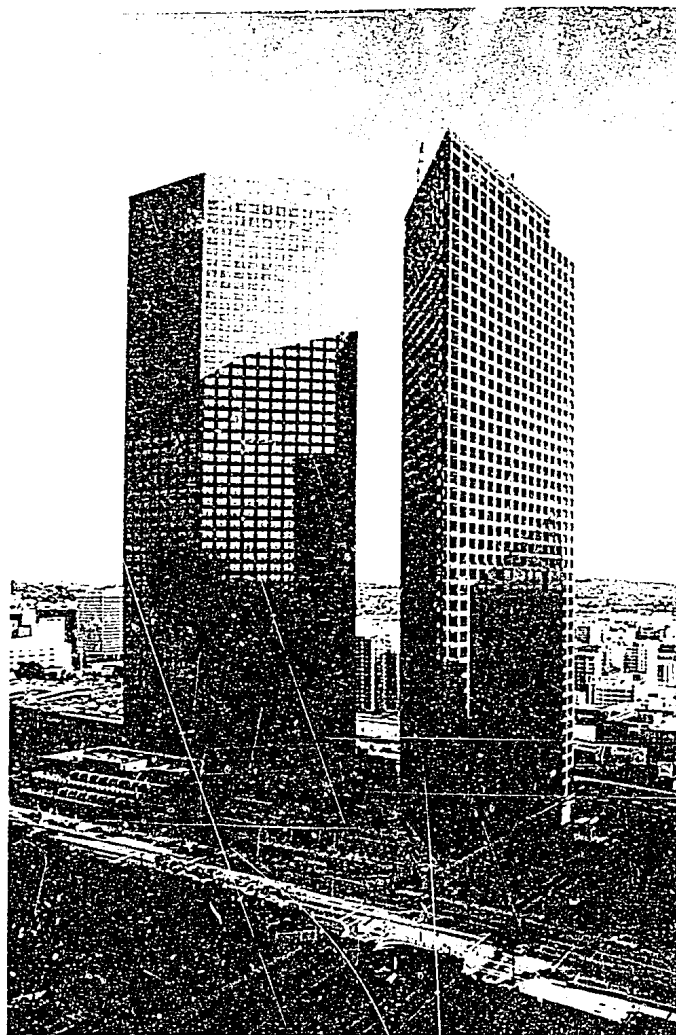
on the profitability of these activities. Against this background and in view of the changing nature of international business, the opportunity was taken in 1982 to bring together all the major export and trade financing services and these, together with our aerospace and project finance activities, were combined to form Midland Bank Group International Trade Services Ltd. This new Group employs some 1,000 staff and with its direct presence in over 30 locations worldwide and concentration of expertise, it is well placed to compete in the increasingly sophisticated area of trade and asset financing.

The Crocker Bank

Crocker reported a Group pre-tax profit of US\$92m under US Generally Accepted Accounting Principles, an increase of 32% compared with 1981. The position continued to be affected by non-performing loans arising mainly in the real estate sector.

Various new product initiatives were taken by Crocker during the course of the year. These include the Working Capital Account, which enables customers to earn money market rates on their funds, borrow against a permanent line of credit, trade securities at a discount, have access to their funds by a special debit card and receive a monthly consolidated statement summarising all transactions. Another new product is the Money Market Account (MMA) which was introduced in December 1982. Previously, under US regulations it was permissible to pay only relatively low rates of interest on the more common form of account. The new MMA is attracting funds at a more realistic market rate for deposits exceeding \$2,500. Over half of the funds received into this type of account have emanated from outside the bank.

Crocker has also been successful in other areas of development by utilising modern technology. Its first fully automated branch was opened and is recording some 15,000 transactions per month, using two ATM's (Automatic Teller Machines) inside the office. Another branch located in Palm Desert is unique in that it is heated and cooled entirely through solar energy.



A significant development for Crocker during the year was the completion of its two new headquarter buildings: a 38 storey structure in San Francisco and a twin tower complex in Los Angeles of 3½m sq ft. The San Francisco building is 50% occupied by Crocker and the balance by outside tenants. In Los Angeles Crocker occupies one-third of the 54 storey North Tower, with the remainder substantially leased to outside tenants. Over half of the South Tower, which will be completed in 1983, has already been let to IBM, with a leasing programme continuing for other prospective tenants.

Our other international subsidiaries

and associates including the specialist joint ventures through European Banks' International Company (EBIC) have made further good progress during the year.

Merchant banking

Our merchant bank subsidiary, Samuel Montagu, has enjoyed continued progress and with total assets of around £2.5bn, has consolidated its position as a leading Accepting House. The major event of 1982 was the acquisition by Aetna Life & Casualty Company of their 40% stake in Samuel Montagu. This transaction provides considerable potential for co-operation with Aetna.



above: Solar energy used in Crocker's buildings is sufficient to meet the heating, air conditioning and cooling requirements.

left: Crocker Bank's new office complex in Los Angeles.

both in the United States.

Samuel Montagu's new office complex in Los Angeles introduced the special North American office to open a major new office in New York which Aetna invested in. Aetna is also established in California, a relationship which Crocker Bank has developed worldwide, new offices opened in the Pacific reflecting the Pacific economy.

Travel Services

The Thomas Cook Group from the small pre-tax profit of £1.5m, pressures are being put on package holidays coupled with

Aetna Life & Casualty Company, Hartford, Conn.



above: Solar panels on the roof of Crocker's branch in Palm Desert harness sufficient energy from the sun for all the heating, air-conditioning and hot water requirements.

left: Crocker's imposing twin-tower office complex in Los Angeles.

both in the US and internationally.

Samuel Montagu opened several new offices during the year, and also introduced new services to cater for the specialised needs of its clients. In North America, Samuel Montagu is to open a representative office in New York which had been targeted as a major new market even before the Aetna involvement. Samuel Montagu is also establishing a presence in California, primarily to develop relationships with the clients of Crocker Bank. Elsewhere in the world, new branches have been opened in Hong Kong and Singapore, reflecting the growing significance of the Pacific Basin in the world economy.

Travel Services

The Thomas Cook Group has suffered from the current recession and a small pre-tax loss of £0.4m was incurred which compared with a profit of £5.8m for 1981. Competitive pressures are keeping the cost of package holidays down and this, coupled with intense competition

between the world's major airlines and narrowing margins, has severely affected trading performance.

In spite of this, essential investment in the future development of the business has continued to be made. Viewdata communications systems, allied to up-to-the-minute computer facilities, ensure that a speedy and sophisticated service can be provided to both business and leisure travellers. The acquisition of Rankin Kuhn has proved to be a significant investment and its range of holidays has been successfully integrated with Thomas Cook's existing packages.

1982 saw the successful launch of the new Thomas Cook travellers cheque, issued in conjunction with European Travellers Cheques International (ETCI) which is a

partnership of major European banks. The ETCI cheques in a uniform design are now issued throughout Europe and enjoy wide acceptance. A major development announced recently has been Thomas Cook's membership of MasterCard International, which will serve to give even greater worldwide acceptability to Thomas Cook's travellers cheques.

Pressure on profit margins in the travel division is most likely to continue during 1983 and in order to meet this challenge a number of cost reduction measures were put in hand in the summer of 1982, with some loss-making operations being closed. These moves and the increased efficiencies being obtained in the travellers cheque division have given Thomas Cook a favourable start to the 1983 financial year.

Staff

Considerable emphasis is placed on the career development of our staff to ensure that the future senior management of the Bank has the skills and breadth of experience necessary in the years that lie ahead. Trained personnel represent our most valuable resource and we consider it essential to make the most efficient use of capabilities.

Training for managers and senior staff is a combination of formal in-house training at our two residential colleges, attendance at external business schools, and specific job experience. Career patterns, designed to mature existing abilities, are defined for those with high potential and a breadth of experience gained from a period of working in one or more of our Group companies.

Without the firm commitment of all the members of the staff we would not be able to look forward to the future with confidence. I am very well aware, not only of the continuing loyalty that exists within the Bank, but also of the special efforts that were made during 1982 to improve our profitability. I am sure every member of staff is as pleased as I am that our results can be seen to reflect the outcome of our combined efforts.



Aetna Life and Casualty Headquarters in Hartford, Connecticut USA.

Board of Directors

Chairman Sir Donald Barron, DL

Deputy Chairmen Sir Reay Geddes, KBE
Sir Alex Jarratt, CB

Directors *John A. Brooks
Sir Jack Callard
Sir Kenneth Corfield
Sir John Cuckney
Sir Robert Fairbairn, JP
Stuart T. Graham, CBE, DFC
*John D. Greenwell
*John G. Harris
Sir Trevor Holdsworth
Sir John Hunter, CBE, DSC, DL
*Dennis W. C. Kitching
Leonard C. Mather, CBE
Sir Patrick Meaney
Dame Rosemary Murray, DBE, DL, JP
John B. M. Place
The Rt Hon Lord Pritchard, DL
*Geoffrey W. Taylor
The Rt Hon Viscount Watkinson, PC, CH
Malcolm G. Wilcox, CBE
Thomas R. Wilcox

Secretary D. P. G. Wyatt

*Executive Directors

General Management

Director and Group Chief Executive

G. W. Taylor

Director and Deputy Group Chief Executive

J. A. Brooks

Directors and Chief Executives

D. W. C. Kirching - Credit Policy
J. D. Greenwell - UK Banking
J. G. Harris - International

Senior General Managers

K. B. Cox - Group Treasury
B. L. Goldthorpe - Forward Trust Group

General Managers

UK Banking
Dr. R. Bruce
M. J. Fuller
G. A. Gilhespy
P. S. Hargreaves
A. J. Knights
P. J. Nicholson
G. D. Smith
M. T. J. Wallis

International
D. G. Barber
H. de Carmoy
G. A. Freestone
D. L. Hanson
H. H. Jacobi

International Trade Services
W. G. Barrett

Group/Support Services

B. M. Cocup - Group Personnel
D. A. Gladwell - Group Finance
W. D. Jarman - Computer Operations
I. Paterson - Management Services

Report of the Directors

Profits and appropriations

The profit for the Group attributable to members of Midland Bank plc, as shown in the consolidated profit and loss account on page 21 amounted to

Amount in £ millions

	144.6
This has been dealt with as follows:	
First interim dividend of 8.0p per share paid 1 October 1982	13.7
Second interim dividend of 17.5p per share payable 5 April 1983	29.9
	43.6
Retained profit transferred to reserves	101.0
	144.6

The Directors have declared a second interim dividend in respect of the year ended 31 December 1982 instead of recommending a final dividend at the annual general meeting. The interim dividends total 25.5p per share compared with total dividends for 1981 of 24p per share.

Group Activities

The Bank and its subsidiaries, operating through branches in the British Isles, including the Irish Republic, and in other parts of the world, provide a comprehensive range of banking, financial and related services.

The Chairman's statement and the review of Group operations on pages 3 to 13 contain a review of the business of the Group during 1982, of recent events and of likely future developments.

Share Capital

In May 1982, holders of £23,397,633 7½% Convertible Subordinated Unsecured Loan Stock 1983/93 exercised their right to convert their stock and in exchange received 4,915,505 shares of £1 each, fully paid, ranking pari passu in all respects with the shares already in issue. This conversion right is available to all holders of this stock for the last time on 31 May 1983.

During 1982, 852,938 shares of £1 each were appropriated to the staff under the profit sharing scheme at £3.384 per share and 4,138 shares were issued in respect of the exercise of options under the share option schemes.

At last year's annual general meeting, authority was given to the Directors to allot the whole of the Bank's unissued capital that was not reserved to cover conversion rights attached to the Bank's convertible loan stock or to meet outstanding rights under the Bank's employee share schemes. This authority was granted for five years. Specific authority was also given to the Directors to allot shares for cash without first having to offer any such shares to shareholders in proportion to their existing holdings. This authority was granted for one year. Both authorities resulted from new limitations imposed by the Companies Act 1980. Resolution 8 to be proposed at the forthcoming annual general meeting seeks to renew this specific authority for a further year.

The Directors are not aware of any person having an interest in 5% or more of the Bank's issued share capital.

Loan Capital

An issue of £100 million 14% Subordinated Unsecured Loan Stock 2002/2007 at £98.55% was made by the Bank in June 1982, the net proceeds of which have been applied towards the general purposes of the Bank's business.

An issue of US \$150 million 11½% Guaranteed Bonds 1992 was made in December 1982 at £100% by Midland International Financial Services BV, a wholly owned Dutch subsidiary of the Bank, and is guaranteed by the Bank on a subordinated basis as to payment of principal and interest. The net proceeds of this issue of bonds have been lent to the Bank and are employed for the purposes of the international business of the Midland Bank Group.

Directorate

It is with regret that the Directors record the death of Sir Keith Showering in March 1982. He had been a Director of the Bank since 1979.

Mr John B. Newland retired from the Board in April 1982 and Sir David Barran in May 1982. Sir Archibald Forbes, who was appointed President in 1975, has retired from that office on reaching the age of 80 years.

Sir Jack Callard and Sir John Hunter, both of whom will have attained the age of 70 years, will retire at the annual general meeting in accordance with section 185 of the Companies Act 1948. Special notice has been given that ordinary resolutions will be moved proposing their reappointment as Directors.

Mr John A. Brooks, Mr Stuart T. Graham and Sir Trevor Holdsworth

will also retire at the annual general meeting and stand for re-election.

The names of the Directors of the Bank are given on page 14. Mr. [Name] has been appointed as a Director and will join the Board at the annual general meeting.

The Directors of the Bank are responsible for the preparation of the accounts and for the management of the Bank's business and its subsidiaries.

Employees

The weekly wages of employees in the United Kingdom for those who work outside the United Kingdom and their aggregate wages for the year were as follows:

Midland Bank plc
Other Group Companies

will also retire at the annual general meeting and they offer themselves for re-election.

The names of the present Directors of the Bank are shown on page 14. Mr Michael F. Julien has been appointed Group Finance Director as from 1 July 1983. He will join the Board on 1 May next.

The Directors' interests (as defined in the Companies Act 1967) in the shares and loan stocks of the Bank and its subsidiaries are set out in the table on page 18.

Employees

The weekly average number of employees in the Group, excluding those who worked wholly or mainly outside the United Kingdom, and their aggregate remuneration for the year were as follows:

	employees	millions £
Midland Bank plc	50,785	383.7
Other Group Companies	18,257	129.6
	<u>69,042</u>	<u>513.3</u>

Employment of Disabled Persons

It is the policy of the Bank to promote equality of employment opportunities by giving full and fair consideration to applications from disabled people for vacancies where particular job requirements are considered to be within their ability. When existing employees become disabled, every effort is made to retain them within the workforce wherever reasonable and practicable. The Bank also endeavours to provide equal opportunities in the training, promotion and general career development of disabled employees.

Donations

The aggregate amount of money given by the Group during the year for charitable purposes was £754,674. In addition, donations of £7,710 and £6,200 were made to the Economic League and the Britain in Europe Campaign respectively.

Close Company Provisions

Midland Bank plc is not a close company as defined in the Income and Corporation Taxes Act 1970.

Auditors

Ernst & Whinney have informed the Bank of their willingness to continue in office as auditors. In accordance with Section 14 of the Companies Act 1976, a resolution proposing their re-appointment as auditors and giving authority to the Directors to fix their remuneration will be submitted to the annual general meeting.

By order of the Board
D. P. G. Wyatt, Secretary

Registered Office:
Poultry, London EC2P 2BX
10 March 1983

D.P.G. Wyatt

Directors' interests

**Directors' interests in the shares of Midland Bank plc
and in the shares of common stock of Crocker
National Corporation**

Beneficial interests	Shares at 31 December 1982	Midland Shares at 1 January 1982	Shares at 31 December 1982	Crocker Shares at 1 January 1982
Sir Donald Barron	430	430		
John A. Brooks	1,527	1,158	100	
Sir Jack Callard	561	561		
Sir Kenneth Corfield	1,000	1,000		
Sir John Cuckney	250	250		
Sir Robert Fairbairn	2,137	2,137		
Sir Reay Geddes	1,800	1,800		
Stuart T. Graham	1,970	1,601	100	100
John D. Greenwell	1,302	933		
John G. Harris	900	531		
Sir Trevor Holdsworth	250	250		
Sir John Hunter	1,300	1,300		
Sir Alex Jarratt	250	250		
Dennis W. C. Kitching	1,266	897		
Leonard C. Mather	2,051	2,051		
Sir Patrick Meaney	250	250		
Dame Rosemary Murray	1,000	1,000		
John B. M. Place	250	250		
Lord Pritchard	2,250	2,250	5,019	5,019
Geoffrey W. Taylor	1,063	694	100	100
Viscount Watkinson	2,250	2,250		
Malcolm G. Wilcox	1,602	1,425	100	100
Thomas R. Wilcox	250	250	6,363	6,186

Shares for which Directors have options to subscribe
under share option schemes

John A. Brooks	8,626	6,426		
Stuart T. Graham	11,100	8,200		
John D. Greenwell	6,500	4,500		
John G. Harris	6,600	4,600		
Dennis W. C. Kitching	8,626	6,626		
John B. M. Place				
Geoffrey W. Taylor	8,400	6,200	48,885	27,016
Malcolm G. Wilcox	8,626	8,626		
Thomas R. Wilcox				
			100,000	100,000

During the year under review no Director had any non-beneficial interest in the shares of Midland Bank plc or Crocker National Corporation, and no Director had any interest in the loan stocks of Midland Bank plc or its subsidiaries.

No changes in any of the above interests occurred between 31 December 1982 and 9 March 1983.

Analysis of the shareholders

at 31 December 1982

Class of Shareholder	Number of Shareholders	Percentage of total	Number of Shares held	Percentage of total
Women	40,571	46.98	23,393,025	13.68
Men	28,478	32.97	16,179,014	9.46
Joint accounts	9,213	10.67	7,130,508	4.17
Insurance companies	3,455	4.00	37,142,768	21.72
Nominee companies	1,072	1.24	56,264,066	32.91
Other companies (including banks)	3,386	3.92	21,656,677	12.66
Pension funds	147	0.17	9,037,726	5.29
Educational establishments and other corporations	45	0.05	179,914	0.11
	<u>86,367</u>	<u>100.00</u>	<u>170,983,698</u>	<u>100.00</u>

Shares held	Number of Shareholders	Percentage of total	Number of Shares held	Percentage of total
1-100	11,055	12.80	650,173	0.38
101-250	18,727	21.68	3,300,386	1.93
251-500	23,190	26.85	8,628,457	5.05
501-1,000	19,900	23.04	14,424,689	8.43
1,001-5,000	12,295	14.24	22,302,184	13.04
5,001-10,000	493	0.57	3,517,013	2.06
10,001-25,000	252	0.29	4,230,464	2.48
25,001-50,000	135	0.16	5,180,995	3.03
50,001-250,000	215	0.25	25,922,404	15.16
250,001 and over	105	0.12	82,826,933	48.44
	<u>86,367</u>	<u>100.00</u>	<u>170,983,698</u>	<u>100.00</u>

Analysis of trading profit

Year ended 31 December 1982

Amount in £ millions

	1982	1981
Interest receivable		
Interest on		
Liquid assets and certificates of deposit	787.4	714.5
Advances		
Sterling—Customers	1,499.3	1,310.8
Sterling—Money market	86.5	96.7
Currency	2,874.4	1,709.2
British Government securities	112.3	102.0
Other investment securities	70.5	34.3
Leasing income	98.0	85.8
Instalment finance	147.1	128.4
	5,675.5	4,181.7
Interest payable		
Interest on deposits		
Sterling—Customers	372.1	532.7
Sterling—Money market	845.0	625.7
Currency	3,048.9	1,946.7
	4,266.0	3,105.1
Net interest income	1,409.5	1,076.6
Charge for bad and doubtful debts	196.1	113.5
Net interest income after charge for bad and doubtful debts	1,213.4	963.1
Other operating income		
Service charges, fees and other banking income	625.2	400.2
Foreign exchange earnings	51.9	36.7
Travel income	71.6	77.0
Profit on sale of investments (including fixed interest investments £44.6m, 1981 £0.8m)	46.3	0.9
	795.0	514.8
Net operating income	2,008.4	1,477.9
Operating expenses		
Staff (including pension costs of £126.7m, 1981 £99.8m)	1,018.7	744.7
Premises	184.7	117.3
Equipment	114.9	69.8
Other	361.1	247.6
	1,679.4	1,179.4
Trading profit	329.0	298.5
	Includes 12 months Crocker National Corporation	Includes 3 months Crocker National Corporation

Consolidated profit and loss account

Year ended 31 December 1982

		Amount in £ millions	
	Notes	1982	1981
Trading profit		329.0	298.5
Share of profits of associated companies	4	28.2	23.1
		357.2	321.6
Interest on loan capital and other long term borrowings		105.8	89.4
Profit before taxation	4	251.4	232.2
Taxation after crediting exceptional taxation item of £23.9m (1981 £43.0m)	6	81.5	39.3
Profit after taxation		169.9	192.9
Minority interests—share of profits less losses		(24.0)	(2.8)
		145.9	190.1
Extraordinary items	7	(1.3)	(66.2)
Profit attributable to members of Midland Bank plc		144.6	123.9
Dividends	pence per share	1982	1981
First interim		8.0	8.0
Second interim		17.5	16.0
		25.5	24.0
		43.6	39.6
Retained profit		101.0	84.3
Earnings per share	8		
Basic (before exceptional taxation item—72.4p (1981 89.2p))		86.6p	115.3p
Fully diluted		80.2p	
Attributable to members of Midland Bank plc		85.8p	75.2p
Fully diluted		79.5p	

Consolidated balance sheet

31 December 1982		Amount in £ millions	
	Notes	1982	1981
Share capital and reserves			
Issued share capital of Midland Bank plc	9	171.0	165.2
Share premium	9	122.1	103.6
Reserves	10	1,268.6	1,179.5
Shareholders' funds		1,561.7	1,448.3
Minority interests		459.5	336.2
Loan capital and other long term borrowings	11	1,000.7	753.8
Deferred taxation	12	146.4	165.3
Other liabilities			
Current, deposit and other accounts	13	44,230.9	37,748.0
Taxation		8.2	10.3
Creditors	14	355.7	362.3
Dividends		29.9	26.4
Notes in circulation		206.4	163.9
		44,831.1	38,310.9
		47,999.4	41,014.5

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1981		Notes	1982	Amount in £ millions	1981
	Liquid assets				
165.2	Coin, bank notes, balances with Central Banks and gold	15	1,473.2		1,150.5
103.6	Money at call and short notice		4,787.4		5,023.3
1,179.5	Bills discounted				
1,448.3	British Treasury Bills	82.9	199.5		
336.2	Other bills	320.6	415.1		
			403.5		614.6
753.8			6,664.1		6,788.4
165.3	Cheques in course of collection		1,246.4		1,230.5
	Certificates of deposit		335.9		285.6
	Dealing asset	16	801.8		488.1
	Investments	17	1,583.4		1,596.3
	Debtors	14	494.4		334.2
	Customers' accounts	18			
	Advances	33,997.8	27,597.2		
	Instalment finance	766.1	798.9		
	Leased assets	905.5	798.7		
			35,669.4		29,194.8
	Trade investments	19	33.5		34.8
	Associated companies	19	118.2		121.7
	Fixed assets	23	1,052.3		940.1
41,014.5			47,999.4		41,014.5

Donald Barron, Chairman
 Reay Geddes, Deputy Chairman
 Alex Jarratt, Deputy Chairman
 G. W. Taylor, Director and Group Chief Executive
 D. A. Gladwell, General Manager Group Finance

10 March, 1983

Donald Barron

Reay Geddes

Alex Jarratt

G. W. Taylor

Balance sheet

31 December 1982

Amount in £ millions

	Notes	1982	1981
Share capital and reserves			
Share capital authorised 230,000,000 shares of £1 each		230.0	230.0
Share capital issued 170,983,698 shares of £1 each, fully paid	9	171.0	165.2
Share premium	9	122.1	103.6
Reserves	10	641.9	579.9
Shareholders' funds		935.0	848.7
Loan capital	11	189.7	165.5
Other liabilities			
Current, deposit and other accounts	13	21,534.8	19,563.5
Balances due to subsidiaries		868.3	594.6
Taxation		6.0	6.4
Creditors	14	69.6	66.2
Dividends		29.9	26.4
		22,508.6	20,257.1
		23,633.3	21,271.3

£ millions	1981	Notes	Amount in £ millions	
			1982	1981
		Liquid assets		
		Coin, bank notes, and balances with the Bank of England	261.2	257.6
165.2		Money at call and short notice	2,570.3	3,090.2
103.6		Bills discounted		
579.9		British Treasury Bills	60.9	132.0
848.7		Other bills	256.6	354.4
			317.5	486.4
165.5			3,149.0	3,834.2
		Cheques in course of collection	424.9	405.9
		Certificates of deposit	274.5	231.3
		Dealing assets	48.6	--
		Investments	790.9	730.4
20,257.1		Debtors	49.9	16.8
		Customers' accounts		
		Advances	16,426.1	13,877.7
		Balances due by subsidiaries	1,226.2	1,086.4
			17,652.3	14,964.1
		Trade investments	23.1	23.0
		Associated companies	65.7	62.7
		Investment in subsidiaries	678.2	544.0
		Fixed assets	476.2	458.9
21,271.3			23,633.3	21,271.3

Donald Barron, Chairman
 Reay Geddes, Deputy Chairman
 Alex Jarratt, Deputy Chairman
 G. W. Taylor, Director and Group Chief Executive
 D. A. Gladwell, General Manager Group Finance

10 March, 1983

Donald Barron

Reay Geddes

Alex Jarratt
G. W. Taylor
D. A. Gladwell

Statement of source and application of funds

Year ended 31 December 1982	Amount in £ millions	
	1982	1981
Source of funds		
Profit attributable for year	144.6	123.9
Adjustment for items not involving the use of funds		
Depreciation of fixed assets	70.5	43.9
Depletion of leased assets	135.7	120.4
Decrease in deferred taxation	(18.9)	(76.2)
Minority interests	8.9	3.5
Amount retained by associated companies	12.6	(13.0)
Exchange adjustments and other items	(2.0)	12.2
Funds generated from operations	351.4	214.7
Funds from other sources		
Disposal of trade investments and associated companies	14.5	7.3
Disposal of part interest in subsidiary	50.0	—
Disposal of fixed assets	7.5	11.0
Share capital issued	26.3	3.0
Increase in loan capital and other long term borrowings	239.6	183.4
Increase(decrease) in minority interests	57.8	(3.8)
	<u>747.1</u>	<u>415.6</u>
Application of funds		
Dividends paid	40.1	36.2
Purchase of trade investments and associated companies	22.3	15.7
Purchase of interest in subsidiaries	78.6	315.3
Purchase of fixed assets (including exchange adjustments)	190.0	115.0
	<u>331.0</u>	<u>482.2</u>
Increase(decrease) in working capital (see below)	416.1	(66.6)
	<u>747.1</u>	<u>415.6</u>
Increase(decrease) in working capital		
Advances, instalment finance and leased assets	6,557.0	4,093.2
Liquid assets	(251.2)	887.7
Debtors and other assets	524.7	(140.4)
Current and deposit accounts and other liabilities excluding dividends	(6,414.4)	(4,907.1)
	<u>416.1</u>	<u>(66.6)</u>

Note

1 Account

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b Bad debt

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Notes on the Accounts

1 Accounting policies

The principal accounting policies adopted by the Group are set out below and are consistent with those adopted in 1981. However, the accounting for profits arising on export finance contracts has been revised as explained in note 10.

a Accounting convention

The accounts are prepared under the historical cost convention modified by the inclusion of freehold and long leasehold properties at 1979 valuations.

b Bad debts

Specific and general provisions for bad and doubtful debts are based on the year-end appraisal of advances. The specific element relates to identified risk advances; the general element relates to other bank advances where possible risks are anticipated. The charge in the profit and loss account accordingly represents the increase in provisions less recoveries for the year. The outstanding provisions are deducted from customers' accounts in the balance sheet.

c Instalment finance

Income from fixed rate instalment finance business, after making a deduction for certain expenses, is credited to profit and loss account in proportion to the reducing balance outstanding. These balances are stated in the balance sheet after deduction of unearned charges and interest.

d Leased assets

Income from leasing contracts, other than those with major recourse or similar agreements, is credited to profit and loss account in proportion to the funds invested.

Where leasing contracts are covered by major recourse or other similar agreements, income is released to maintain the book amount of the asset at a value consistent with the contractual arrangements.

e Depreciation of fixed assets

Freehold and long leasehold (100 years and over unexpired) buildings are depreciated on the straight-line basis over their estimated useful lives at rates ranging from 1½% to 5%; other leasehold land and buildings are written off on the straight-line basis over 50 years, or the period of the lease whichever is the shorter. Obsolescence of buildings is charged to profit as it arises.

Furniture, fittings and equipment are depreciated on the straight-line basis over their estimated useful lives at rates ranging from 5% to 50%.

f Dealing assets

Where assets are acquired with the intention of reselling them in the short term at a profit, they are stated in the balance sheet at market value in the case of bills and bullion, and at the lower of cost and market value in the case of certificates of deposit, investments and properties.

g Fixed interest investments

Where fixed interest investments with fixed redemption dates have been purchased for the long term at a premium or discount, these premiums and discounts are amortised through the profit and loss account over the period from date of purchase to date of maturity. If the date of maturity is at the borrower's option within a specified range of years, the maturity date which gives the more conservative result is adopted. These investments are included in the balance sheet at amortised cost.

Profits and losses on the realisation of these investments are dealt with in the profit and loss account as they arise.

h Retirement benefits

Annual contributions are made to pension schemes on the advice of actuaries for funding of retirement benefits and these are charged to profit and loss account as incurred. In the case of certain overseas subsidiaries, retirement benefits are funded so as to conform with local law and practice.

i Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation on all timing differences apart from those considered likely to continue in the future. The Directors consider it prudent to make provision for a proportion of the deferred taxation liability in respect of leasing business on account of the uncertainties surrounding future taxation liabilities.

No provision has been made for any taxation liability which might be imposed on the change, resulting from the fluctuating value of sterling, in the sterling amount emerging on translation of currency assets equivalent in amount to currency liabilities in the form of note issues of Midland Bank plc and other Group companies.

The deferred taxation shown in the balance sheet has been calculated by the liability method using the current rate of corporation tax and takes into account recoverable advance corporation tax.

j Exchange rates

Assets and liabilities of U.K. resident companies maintained in foreign currencies, including commitments for future purchases or sales, have been translated into sterling at the rates ruling at the balance sheet dates of those companies and any difference is taken to the profit and loss account.

The accounts of overseas subsidiaries and associated companies have been translated into sterling at the rates ruling at their balance sheet dates and the consequential adjustments to the opening balances are dealt with through reserves.

k Premium on acquisition of shares in subsidiaries and associated companies

Premiums and discounts on acquisition of shares in subsidiaries and associated companies are written off to reserves in the year of acquisition.

Notes on the Accounts—continued

Amount in £ millions

2 Basis of consolidation

The Group Accounts at 31 December 1982 have been prepared in accordance with Section 152A of and Schedule 8A to the Companies Act 1948 and deal with the state of affairs and profits of Midland Bank plc and its subsidiaries listed in note 21 and the attributable share of profits and reserves of its associated companies listed in note 20.

Trading profit includes a full year's results of Crocker National Corporation (1981 three months).

On 23 September 1982 the Bank acquired a controlling interest in Handelsfinanz Bank of Geneva which has since been renamed Handelsfinanz Midland Bank. The results for the subsequent period to 31 December 1982 have been incorporated in the consolidated profit and loss account but these have had no material effect on the Group results.

On 30 September 1982 the bank disposed of 40% of its holding in Samuel Montagu & Co. (Holdings) Limited.

The accounts of certain subsidiaries have been made up to the following dates, in order to avoid delay in the presentation of Group Accounts:

30 September 1982:

Associated Midland Group Limited,

Clydesdale Bank Finance Corporation Limited,

Midland Bank Group International Trade Services Limited and its subsidiaries,

Midland Bank Industrial Equity Holdings Limited and its subsidiaries,

Midland Group Insurance Brokers Limited and its subsidiaries,

Scottish Computer Services Limited,

Trinkaus und Burkhardt KG

31 October 1982:

Northern Computing (NI) Limited,

The Thomas Cook Group Limited and its subsidiaries.

The accounts of the associated companies are made up to the dates shown in note 20.

3 Turnover

The turnover of the Group as a whole is not shown as it results, in the main, from the business of banking. Non-banking turnover consists of commissions on travel arrangements and sales in respect of tour operations amounting to £200.7m (1981 £166.5m).

4 Profit before taxation

is arrived at after charging	1982	1981
Auditors' remuneration (including £0.3m (1981 £0.3m) for Midland Bank plc)	2.5	1.9
Interest on deposits	4,266.0	3,105.1
Interest on loans wholly repayable within five years	7.5	13.5
Interest on other loans	98.3	75.9
Amounts set aside for depletion of leased assets	135.7	120.4
Hire of computers and other equipment	35.0	21.1
Depreciation of fixed assets		
Freehold buildings	9.7	5.2
Leasehold land and buildings		
50 years and over unexpired	0.6	0.5
under 50 years unexpired	7.4	4.1
Furniture, fittings and equipment	52.8	34.1
Staff profit sharing scheme	70.5	43.9
	10.4	14.3
and after crediting		
Income from investments, including trade investments		
Listed	137.7	133.7
Unlisted	48.6	21.4
Share of profits of associated companies	186.3	155.1
Listed	0.2	0.7
Unlisted	28.0	22.4
	28.2	23.1

5 Emoluments

The aggregate emoluments of the Directors of the Bank amounted to £1,244,000 (1981 £812,000) and consisted of fees £85,000 (1981 £94,000) and other emoluments £1,159,000 (1981 £718,000). In addition, pensions in respect of past services of £118,000 (1981 £118,000) were paid. Of these aggregate emoluments and pensions £591,000 (1981 £174,000) was borne by subsidiaries.

The tables show the number of Directors and employees of Midland Bank plc, other than Directors and employees working wholly or mainly outside the United Kingdom, whose emoluments receivable from the Bank and its subsidiaries fell within the bands stated.

Chairmen's emoluments totalled £56,728 (1981 £50,212) and comprised £17,619 attributable to Sir David Barran for the period January to May 1982 and £39,109 attributable to Sir Donald Barron for the remainder of the year.

The emoluments of the highest paid Director amounted to £86,923 (1981 £86,763).

Some of the Directors served on the Board for part of the year only.

a Directors	£	1982	1981
1- 5,000		7	8
5,001-10,000		3	3
10,001-15,000		2	3
15,001-20,000		2	1
20,001-25,000		2	3
25,001-30,000		—	1
30,001-35,000		1	1
35,001-40,000		1	—
40,001-45,000		—	1
45,001-50,000		—	—
50,001-55,000		1	1
55,001-60,000		—	2
60,001-65,000		3	1
65,001-70,000		1	—
70,001-75,000		1	—
75,001-80,000		1	—
80,001-85,000		—	—
85,001-90,000		—	—
b Employees	£	1982	1981
30,000-35,000		235	131
35,001-40,000		135	82
40,001-45,000		42	15
45,001-50,000		5	6
50,001-55,000		9	9
55,001-60,000		6	5
60,001-65,000		2	—

6 Taxation

The charge for taxation is made up as follows

United Kingdom corporation tax at 52%*

Less relief in respect of overseas taxation

Overseas taxation after £8.2m credit
(1981 £11.9m credit) deferred taxation

Associated companies

Less exceptional taxation item

The Directors have re-assessed the provision for deferred taxation in respect of leasing in the light of current and expected levels of business

*Includes £6.9m debit (1981 £19.2m credit) deferred taxation.

Had full provision been made for deferred taxation on all timing differences, the charge for taxation, before the exceptional taxation item, would have been increased by

	1982	Amount in £ millions 1981
United Kingdom corporation tax at 52%*	80.9	69.6
Less relief in respect of overseas taxation	17.2	14.5
Overseas taxation after £8.2m credit (1981 £11.9m credit) deferred taxation	63.7	55.1
Associated companies	32.8	21.5
	96.5	76.6
Less exceptional taxation item	8.9	5.7
	105.4	82.3
The Directors have re-assessed the provision for deferred taxation in respect of leasing in the light of current and expected levels of business	23.9	43.0
	81.5	39.3
Had full provision been made for deferred taxation on all timing differences, the charge for taxation, before the exceptional taxation item, would have been increased by	40.5	26.3

7 Extraordinary items

Special levy on banking deposits

Net surplus on disposal of interest in subsidiaries

Loss on sale of associated company (see note 20)

Expenses on issue of share and loan capital

Less transferred to share premium account

Share of extraordinary items of associated companies

	1982	1981
Special levy on banking deposits	—	(65.1)
Net surplus on disposal of interest in subsidiaries	4.3	—
Loss on sale of associated company (see note 20)	(4.9)	—
Expenses on issue of share and loan capital	(3.1)	—
Less transferred to share premium account	1.9	—
Share of extraordinary items of associated companies	(1.2)	(1.1)
	0.5	—
	(1.3)	(66.2)

8 Earnings per share

Basic

Earnings per share have been calculated on earnings of £145.9m (1981 £190.1m) after the exceptional taxation item and on earnings of £122.0m (1981 £147.1m) before the exceptional taxation item and 168,549,392 shares (1981 164,792,779 shares) the weighted average number of shares in issue during the year. The earnings attributable to members of Midland Bank plc amounted to £144.5m (1981 £123.9m).

Fully diluted

The fully diluted earnings per share have been calculated on adjusted earnings of £148.3m after the exceptional taxation item (attributable earnings of £146.9m) and after adding back interest on the 7½% Convertible Subordinated Unsecured Loan Stock, less taxation and 184,739,484 shares including the 12,297,208 shares into which the 7½% Convertible Subordinated Unsecured Loan Stock is convertible by 31 May 1983.

9 Share capital and share premium

The movements on share capital and share premium accounts are as follows:

	1982	Share capital 1981	Share premium 1982	Share premium 1981
Balance at 1 January 1982	165.2	164.3	103.6	101.5
Shares issued in accordance with Staff Profit Sharing Scheme	0.9	0.8	2.0	1.7
Conversion of Loan Stock	4.9	0.1	18.4	0.4
Expenses of issue of Loan Stock	—	—	(1.9)	—
Balance at 31 December 1982	171.0	165.2	122.1	103.6

Details of outstanding options to subscribe for shares are as follows:

	Price per share £	1982 Number of shares	Price per share £	1981 Number of shares
Senior executives share option scheme				
Up to 1986	4.008	145,800	4.008	145,800
Up to 1987	3.165	152,800	3.165	152,800
Up to 1988	3.125	156,400	3.125	157,500
Up to 1989	3.384	161,900	—	—
Savings related share option scheme				
1984 to 1986	3.6072	271,313	3.6072	315,895
1985 to 1987	2.8485	132,370	2.8485	142,775
1984 to 1988	2.8125	2,690,341	2.8125	2,768,109
1987 to 1989	3.0456	339,146	—	—

10 Reserves

The movements on Reserves are as follows:

	Midland Bank and subsidiaries	Associated Companies	Total	Midland Bank plc
Balance at 1 January 1982 as previously reported	1,135.5	44.0	1,179.5	579.9
Less prior year adjustment	(4.6)	—	(4.6)	—
Balance restated	1,130.9	44.0	1,174.9	579.9
Exchange adjustment on translation at year-end rates	10.7	0.7	11.4	(2.2)
Premium written off on acquisition of:				
Subsidiaries	(9.9)	—	(9.9)	—
Associated companies	(8.8)	—	(8.8)	(7.2)
Retained profit for the year	114.3	(13.3)	101.0	71.4
Balance at 31 December 1982	1,237.2	31.4	1,268.6	641.9

The prior year adjustment relates to a change in the accounting policy of a group of subsidiaries so as to recognise profits over the life of export finance contracts undertaken by them.

Previously the profit was taken on shipment of the goods. The trading profit for 1981 has not been restated because the change would not be material.

11 Loan capital

Subordinated

Floating P

Floating P

7½% Conv

10½% Sub

14% Sub

Subordinated

8½% Guar

Guarantee

Guarantee

4.60% Ca

8½% Guar

Guarantee

8½% Guar

11½% Guar

Guarantee

Guarantee

5½% Conv

(1981 US

Other loan

Other loan

debenture

to the year

within the

Within

Between

After 1

*wholly

repayabl

Holders of

Loan Stock

holdings

on the balance

Sheet 1982

Midland

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1989.

Amount in £ millions

11 Loan capital and other long term borrowings

	1982	1981
Subordinated loan capital of Midland Bank plc		
Floating Rate Capital Notes 1982 NIL (1981 US \$50.0m)	—	26.2
Floating Rate Capital Notes 1983 NIL (1981 US \$50.0m)	—	26.2
7½% Convertible Subordinated Unsecured Loan Stock 1983/93	58.6	82.0
10½% Subordinated Unsecured Loan Stock 1993/98	31.1	31.1
14% Subordinated Unsecured Loan Stock 2002/07	100.0	—
	189.7	165.5
Subordinated loan capital of subsidiaries		
8½% Guaranteed Bonds 1986†* US \$35.0m (1981 US \$45.0m)	21.7	23.6
Guaranteed Floating Rate Notes 1987* US \$50.0m	31.0	26.2
Guaranteed Floating Rate Notes 1989 US \$185.0m (1981 US \$125.0m)	114.5	65.5
4.60% Capital Notes 1987‡ US \$8.8m (1981 US \$8.9m)	5.4	4.7
8½% Guaranteed Bonds 1980/90 DM180.0m	46.9	41.9
Guaranteed Floating Rate Notes 1991 US \$150.0m	93.0	78.6
8½% Guaranteed Bonds 1992‡ US \$75.0m	46.5	39.3
11½% Guaranteed Bonds 1992 US \$150.0m	93.0	—
Guaranteed Floating Rate Notes 1992 US \$150.0m	93.0	78.6
Guaranteed Floating Rate Notes 1993 US \$125.0m	77.5	65.5
Guaranteed Floating Rate Notes 1994 US \$75.0m	46.5	39.3
5½% Convertible Subordinated Debentures 1996 US \$4.2m (1981 US \$4.3m)	2.6	2.2
	671.6	465.4
Other long term borrowings of subsidiaries		
Other long term borrowings of subsidiaries comprise long term debentures, notes and mortgages with maturity dates extending to the year 2002, repayable by instalments which fall due within the following periods		
Within one year	1.2	0.1
Between one and five years	16.6	10.9
After five years	121.6	111.9
	139.4	122.9
	1,000.7	753.8

*wholly repayable within five years

‡repayable by instalments

Holders of £23.4m 7½% Convertible Subordinated Unsecured Loan Stock 1983/93 exercised their right to convert their holdings into 4,913,503 Midland Bank plc shares on 31 May 1982 on the basis of 21 shares for each £100 of loan stock held. The remainder of the 7½% Convertible Subordinated Unsecured Loan Stock 1983/93 may be converted at the holders' option into Midland Bank plc shares on the same basis on 31 May 1983, and the balance of the stock outstanding at 31 December 1993 is redeemable at par with provision for earlier repayment. All others are repayable at par on redemption but in some cases with premium for earlier repayment.

The Guaranteed Floating Rate Notes 1989 are convertible at the option of the holders thereof on 30 June and 31 December 1993 into an equivalent principal amount of 10% Guaranteed Bonds 1989.

The Guaranteed Floating Rate Notes 1992 carry similar conversion rights at 30 June and 31 December in any of the years 1983 to 1985 inclusive, into an equivalent principal amount of 9½% Guaranteed Bonds 1992.

The Guaranteed Floating Rate Notes 1994 may be redeemed at the option of the holders thereof on the interest payment date in July 1989. Options to redeem may be surrendered for consideration on the interest payment dates in January and July in any of the years 1984 to 1988 inclusive.

Of the total other long term borrowings of subsidiaries, £99.0m (1981 £84.4m) is denominated in US Dollars and £30.8m (1981 £35.0m) in French Francs. Interest is payable at rates varying between 3.7% per annum and 18.5% per annum.

Notes on the Accounts—continued

Amount in £ millions

12 Deferred taxation

Group	Provided in accounts	Potential deferred tax 1982	Provided in accounts	Potential deferred tax 1981
Short term timing differences	43.8	43.8	29.4	29.4
Accelerated capital allowances	2.7	62.5	12.9	67.1
Leasing transactions	103.0	416.0	127.7	375.1
Other items	9.7	17.6	6.6	15.3
Advance corporation tax recoverable	(12.8)	(12.8)	(11.3)	(11.3)
	<u>146.4</u>	<u>527.1</u>	<u>165.3</u>	<u>475.6</u>
Midland Bank plc (see note 14)				
Short term timing differences	7.4	7.4	11.6	11.6
Accelerated capital allowances	—	44.0	—	39.9
Other items	—	2.3	—	2.0
Advance corporation tax recoverable	(12.8)	(12.8)	(11.3)	(11.3)
	<u>(5.4)</u>	<u>40.9</u>	<u>0.3</u>	<u>42.2</u>

In the opinion of the Directors, the likelihood of any material tax liability arising on the disposal of the very large number of the Group's properties at their restated amounts in excess of cost

is so remote that no useful purpose would be served in attempting to quantify the amount of potential deferred tax.

13 Current, deposit and other accounts

	Group	Midland Bank plc 1982	Group	Midland Bank plc 1981
Sterling Current accounts	4,595.4	3,877.4	4,218.2	3,562.5
Deposit accounts	3,980.3	3,222.3	4,672.9	3,198.4
Money market deposits	6,745.2	4,468.9	5,349.6	4,240.2
Other accounts	403.0	239.9	498.8	366.7
	<u>15,723.9</u>	<u>11,808.5</u>	<u>14,739.5</u>	<u>11,367.8</u>
Currency Current accounts	4,328.6	182.8	3,755.9	191.9
Deposit accounts	1,955.4	466.0	2,403.2	304.0
Money market deposits	21,421.1	8,827.3	16,133.6	7,595.1
Other accounts	801.7	250.2	715.8	104.7
	<u>28,507.0</u>	<u>9,726.3</u>	<u>23,008.5</u>	<u>8,195.7</u>
	<u>44,230.9</u>	<u>21,534.8</u>	<u>37,748.0</u>	<u>19,563.5</u>

Included above in the figures for Midland Bank Group are secured bank overdrafts of certain subsidiaries amounting to £74.7m (1981 £73.2m).

14 Creditors and debtors

	1982	Creditors 1981	1982	Debtors 1981
Creditors and debtors comprise				
Group				
Banking	261.0	259.9	364.9	240.3
Travel	94.7	102.4	107.1	93.9
Associated company subsequently sold	—	—	22.4	—
	<u>355.7</u>	<u>362.3</u>	<u>494.4</u>	<u>334.2</u>
Midland Bank plc				
Banking	69.6	66.2	22.1	17.1
Associated company subsequently sold	—	—	22.4	—
Deferred taxation (see note 12)	—	—	5.4	(0.3)
	<u>69.6</u>	<u>66.2</u>	<u>49.9</u>	<u>16.8</u>

n £ millions

Amount in £ millions

15 Coin, bank notes, balances with Central Banks and gold

Coin, bank notes, balances with Central Banks and gold includes gold bullion, amounting to £305.4m (1981 £366.3m), at current market value held to meet customers' unallocated gold demand deposits.

16 Dealing assets

Group	1982	1981
Bullion other than gold		
British Treasury Bills	162.9	160.0
Other bills	3.5	3.4
Certificates of deposit	27.7	63.7
Investments	128.6	60.9
Listed in Great Britain valuation £168.7m (1981 £88.1m)	168.2	87.4
Listed elsewhere valuation £229.9m (1981 £95.2m)	229.8	95.2
Unlisted valuation £63.7m (1981 £3.4m)	398.0	182.6
	63.7	3.4
Properties	461.7	186.0
	17.4	14.1
Midland Bank plc	801.8	488.1
Certificates of deposit	17.6	—
Investments unlisted valuation £31.0m	31.0	—
	48.6	—

Listed investments are valued at middle market prices and unlisted investments at Directors' valuation. Bullion is held substantially to meet customers' unallocated bullion deposits.

17 Investments

Group	Book amount	Valuation	Book amount	Valuation
Listed		1982		1981
Securities of, or guaranteed by, the British Government	865.4	903.6	802.0	749.9
Others listed in Great Britain	24.9	28.6	11.8	11.0
Others listed elsewhere	216.3	268.2	189.0	168.7
Unlisted	1,106.6	1,140.4	1,002.8	929.6
US	405.0	360.9	553.1	463.0
Other	71.8	75.6	40.4	42.2
Midland Bank plc	1,583.4	1,576.9	1,596.3	1,434.8
Listed securities of, or guaranteed by, the British Government	790.9	824.1	730.4	682.3

Where fixed interest investments with a fixed redemption date are held for the long term, they are stated at amortised cost amounting to £1,538.8m (1981 £1,555.0m) for the Group and £790.9m (1981 £730.4m) for Midland Bank plc which, in total, is lower than their redemption value.

In the case of the Group, the large majority of these investments mature within eight years, the average period to maturity being

within six years; in the case of Midland Bank plc, the large majority of these investments mature within six years, the average period to maturity being within five years.

All other investments are stated at cost less provision.

Listed investments are valued at middle market prices and unlisted investments at Directors' valuation.

18 Customers' accounts

	Group	Midland Bank plc 1982	Group	Midland Bank plc 1982
Advances				
Sterling Customers	11,016.2	8,853.6	9,008.1	7,168.0
Money market	573.0	178.2	812.3	302.7
Other accounts	422.9	349.9	447.2	379.0
	<u>12,012.1</u>	<u>9,381.7</u>	<u>10,267.6</u>	<u>7,850.0</u>
Currency Customers	15,798.1	3,728.9	11,784.2	3,114.0
Money market	5,597.3	3,053.7	5,139.7	2,788.0
Other accounts	590.3	261.8	405.7	123.0
	<u>21,985.7</u>	<u>7,044.4</u>	<u>17,329.6</u>	<u>6,026.0</u>
	<u>33,997.8</u>	<u>16,426.1</u>	<u>27,597.2</u>	<u>13,877.0</u>

Advances of Midland Bank plc and the Group are stated after deduction of amounts refinanced with the Export Credits Guarantee Department and the Department of Industry.

Bad debt provisions

The movements on the bad debt provisions of the Group are as follows

	1982	Specific 1981	1982	General 1981	1982	Total 1982
Group						
Balance at 1 January 1982	308.9	185.8	69.1	46.2	378.0	232.0
Acquisition of subsidiaries	0.2	72.1	0.3	15.5	0.5	87.0
	<u>309.1</u>	<u>257.9</u>	<u>69.4</u>	<u>61.7</u>	<u>378.5</u>	<u>319.0</u>
Exchange adjustment	14.7	0.9	4.5	3.7	19.2	4.0
Advances written off	(130.2)	(65.5)	—	—	(130.2)	(65.5)
Recoveries of advances written off in previous years	20.2	5.8	—	—	20.2	5.8
Net charge to profit and loss account	<u>162.0</u>	<u>109.8</u>	<u>34.1</u>	<u>3.7</u>	<u>21.1</u>	<u>113.5</u>
Balance at 31 December 1982	<u>375.8</u>	<u>308.9</u>	<u>108.0</u>	<u>69.1</u>	<u>411.8</u>	<u>378.0</u>
Midland Bank plc						
Balance at 1 January 1982	112.9	96.5	26.0	23.6	138.9	120.1
Exchange adjustment	3.4	1.3	2.2	2.4	5.6	3.7
Advances written off	(35.9)	(21.2)	—	—	(35.9)	(21.2)
Recoveries of advances written off in previous years	2.3	1.9	—	—	2.3	1.9
Net charge to profit and loss account	<u>36.4</u>	<u>34.4</u>	<u>32.5</u>	<u>—</u>	<u>68.9</u>	<u>34.2</u>
Balance at 31 December 1982	<u>119.1</u>	<u>112.9</u>	<u>60.7</u>	<u>26.0</u>	<u>179.8</u>	<u>138.9</u>

£ millions

Amount in £ millions

19 Trade investments and associated companies

	Book amount	Valuation 1982	Book amount	Valuation 1981
Trade investments (note 20)				
Group at cost less provisions				
Listed elsewhere than in Great Britain				
Unlisted	1.9	2.1	2.3	2.4
Equity				
Other	30.7	44.5	28.6	38.1
	0.9	0.7	3.9	3.8
	33.5	47.3	34.8	44.3
Midland Bank plc at cost less provisions				
Unlisted				
Equity	22.2	33.3	22.0	29.2
Other	0.9	0.7	1.0	0.8
	23.1	34.0	23.0	30.0
Associated companies (note 20)				
Group at cost plus share of post-acquisition reserves less provisions				
Listed elsewhere than in Great Britain				
Unlisted	0.9	0.8	3.6	3.2
Equity				
Other	105.1	126.7	104.1	109.0
	12.2	17.9	14.0	14.0
	118.2	145.4	121.7	126.2
Midland Bank plc at cost less provisions				
Unlisted				
Equity	54.6	98.4	48.7	92.8
Other	11.1	16.8	14.0	14.0
	65.7	115.2	62.7	106.8

Trade investments and associated companies financed by loans in foreign currency are stated at currency cost translated into sterling at the rates of exchange ruling at the balance sheet dates; where necessary, provision is made to reduce the adjusted cost individually to valuation.

Listed investments are valued at middle market prices and unlisted investments at Directors' valuation.

Total
1981
232.0
87.6
319.6
4.6
(65.5)
5.8
113.5
378.0

120.1
3.7
(21.2)

1.9
34.4
138.9

Notes on the Accounts—continued

20 Details of trade investments and associated companies

	Country of incorporation	Accounts made up to	Interest of Midland Bank 31 December 1982	
			Direct	Indirect
Trade Investments				
The Agricultural Mortgage Corporation Limited	Great Britain		13%	
The Bankers' Clearing House Limited	Great Britain		17%	
European Banking Company Limited	Great Britain		14%	
Banque Européenne de Crédit SA	Belgium		14%	
Euro-Pacific Finance Corporation Limited	Australia		15%	
European Asian Bank AG	West Germany		14%	
Associated Companies				
Bankers' Automated Clearing Services Limited	Great Britain	30.11.82		
issued share capital £3,000,000			24%	
loan capital £5,500,000			18%	2%
Finance for Industry plc	Great Britain	30.9.82*	16%	2%
issued share capital £150,000,000				
The Joint Credit Card Company Limited	Great Britain	31.10.82		
issued share capital				
Ordinary shares £400			30%	
loan capital £14,322,519			30%	
International Commodities Clearing House Holdings	Great Britain	31.12.82		
issued share capital				
Ordinary shares £6,000,003			22%	
15% Unsecured loan stock £19,999,998			22%	
loan capital £19,899,999			22%	
Midland and International Banks P.L.C.	Great Britain	31.12.82*†		
issued share capital £25,000,000			45%	
subordinated loan capital £15,000,000			45%	
Moracrest Investments Limited	Great Britain	30.9.82		
issued share capital				
Ordinary shares £4,500,000				33%
Preference shares £3,000,000				33%
UBAF Bank Limited	Great Britain	31.12.82		
issued share capital £26,000,000			25%	
subordinated loan capital US \$11,680,000			25%	
subordinated loan capital £5,000,000			25%	
Capel Court Corporation Limited	Australia	30.6.82		
issued share capital A \$7,000,000				40%
European American Bancorp	USA	31.12.82		
issued share capital US \$60,000,000			20%	
Ship Mortgage International Bank NV	Holland	30.9.82*		
issued share capital Dfl.50,000,000, 40% paid up			33%	

*Unaudited interim accounts.

†On 7 February 1983 the Bank disposed of its interest in Midland and International Banks P.L.C. Since this disposal had been agreed in principle at 31 December 1982, the investment in the equity has been included in debtors (note 14) at its realisable amount.

The country of operation of the above companies is the same as their country of incorporation.

There are certain other trade investments and associated companies which, in the opinion of the Directors, do not materially affect the profits or assets of the Group.

The indirect interests represent the interest held by the immediate holding company.

Under the terms of the approval given by the Board of Governors of the Federal Reserve Board dated 25 August 1981 to the Midland Bank plc application to acquire a majority interest in Crocker National Corporation, it is necessary for the interest of Midland Bank in European American Bancorp, which is carried in the consolidated balance sheet at £28.6m, to be reduced from 20% to not more than 5% within three years of consummation of the transaction which took place on 15 October 1981.

21 Principal subsidiaries

	Country of incorporation and operation	Interest of Midland Bank 31 December 1982	
		Direct	Indirect
Clydesdale Bank Group*			
Clydesdale Bank PLC			
Clydesdale Bank Finance Corporation Limited	Great Britain	100%	
Scottish Computer Services Limited	Great Britain		100%
	Great Britain		100%
Crocker National Corporation Group			
Crocker National Corporation			
Crocker National Bank	USA		57%
Crocker Bank International	USA		100%†
Crocker Equipment Leasing Inc.	USA		100%†
Crocker Mortgage Company Inc.	USA		100%†
	USA		100%†
Forward Trust Group			
Forward Trust Group Limited			
Forward Trust Limited	Great Britain		100%
Midland Montagu Leasing Limited	Great Britain		100%
Griffin Factors Limited	Great Britain		100%
	Great Britain		100%
Midland Bank Group International Trade Services Group (formerly London American International Corporation Group)			
Midland Bank Group International Trade Services Limited	Great Britain		100%
Midland International Trade Services Limited	Great Britain		100%
Midland International Trade Services (UK) Limited	Great Britain		100%
Drake America Corporation	USA		75%
Markt Holdings Europe BV	Holland		75%
Midland Bank Trust Corporation (Guernsey) Limited	Guernsey		100%
Midland Bank Trust Corporation (Jersey) Limited	Jersey		100%
Midland Bank Trust Corporation (Isle of Man) Limited	Isle of Man		100%
Midland Group Insurance Brokers Group			
Midland Group Insurance Brokers Limited			
Midland Bank Insurance Brokers Limited	Great Britain	67%	33%
Midland Bank Insurance Services Limited	Great Britain		100%
Clydesdale Bank Insurance Services Limited*	Great Britain		100%
	Scotland		100%
Midland Bank International Financial Services Group			
Midland Bank International Financial Services Limited			
Associated Midland Group Limited	Great Britain	100%	
BCT Midland Bank SA	Australia		100%
Handelsfinanz Midland Bank	France		68%
Midland International Financial Services BV	Switzerland		69%
Midland Bank France SA	Holland		100%
Trinkaus und Burkhardt KG	France		100%
	West Germany		67%

Notes on the Accounts—continued

21 Principal subsidiaries continued

	Country of incorporation and operation	Interest of Midland Bank 31 December 1982	
		Direct	Indirect
Midland Bank Industrial Equity Holdings Group			
Midland Bank Industrial Equity Holdings Limited	Great Britain	100%	
Midland Bank Industrial Investments Limited	Great Britain		100%
Midland Bank Industrial Finance Limited	Great Britain		100%
Midland Bank Trust Group			
Midland Bank Trust Company Limited	Great Britain	100%	
Midland Bank Group Unit Trust Managers Limited	Great Britain		100%
Northern Bank Group			
Northern Bank Limited	Northern Ireland	100%	
Northern Bank Development Corporation Limited	Northern Ireland		100%
Northern Bank Executor and Trustee Company Limited	Northern Ireland		100%
Northern Bank Finance Corporation Limited	Republic of Ireland		100%
Northern Bank Trust Corporation Limited	Republic of Ireland		100%
Northern Computing (NI) Limited	Northern Ireland		100%
Samuel Montagu Group			
Samuel Montagu & Co. (Holdings) Limited	Great Britain	60%	
Samuel Montagu & Co. Limited	Great Britain		100%†
Montagu Investment Management Limited	Great Britain		100%†
Guyerseller Zurmont Bank AG	Switzerland		75%†
Jersey International Bank of Commerce Limited	Jersey		100%†
Samuel Montagu (Metals) Inc.	Panama (Country of operation USA)		100%†
Samuel Montagu (Hong Kong) Limited	Hong Kong		100%†
The Thomas Cook Group			
The Thomas Cook Group Limited	Great Britain	100%	
Thomas Cook Limited	Great Britain		100%
Thomas Cook Travellers Cheques Limited	Great Britain		100%
Thomas Cook Overseas Limited	Great Britain		100%
Thomas Cook Inc.	USA		100%

*The Clydesdale Bank Group companies and Clydesdale Bank Insurance Services Limited are registered in Scotland.

†The indirect interests represent the interest held by the immediate holding company.

In none of the above companies is there more than one class of share capital except Midland Bank International Financial Services Limited where there are A, B and C shares and Midland Group Insurance Brokers Limited where there are A and B shares, all of which are held directly or indirectly by Midland Bank plc.

Under the terms of the approval given by the Board of Governors of the Federal Reserve Board dated 25 August 1981

to the Midland Bank plc application to acquire a majority interest in Crocker National Corporation, Midland Bank is to divest the travel agency operations of Thomas Cook Inc., or reduce its interest in Thomas Cook Inc. to five per cent or less within two years of consummation of the transaction which took place on 15 October 1981.

There are certain other subsidiaries whose results, in the opinion of the Directors, do not materially affect the profits or assets of the Group.

22 Investment in subsidiaries

	1982	1981
Midland Bank plc		
Shares in subsidiaries at cost less amounts written off	161.5	481.8
Loans to subsidiaries	516.7	65.7
Less loans from subsidiaries	—	23.5
	516.7	62.2
	678.2	544.0

23 Fixed assets

	Freehold land and buildings	Leasehold land and buildings	Furniture fittings & equipment	Total
		50 years and over unexpired	under 50 years unexpired	
Group				
Cost or valuation at 1 January 1982	650.0	36.6	102.3	298.3
Exchange adjustments	34.5	0.1	5.1	10.1
Additions and transfers	21.8	4.5	32.1	83.4
Disposals	(2.6)	(0.4)	(3.0)	(19.9)
Cost or valuation at 31 December 1982	703.7	40.8	136.5	371.9
Less accumulated depreciation	17.3	4.0	29.0	150.3
Net book amount at 31 December 1982	686.4	36.8	107.5	221.6
Net book amount at 31 December 1981	642.0	33.1	79.1	185.9
Midland Bank plc				
Cost or valuation at 1 January 1982	308.1	25.9	67.2	157.3
Additions and transfers	4.3	2.8	10.5	31.7
Disposals	(0.5)	—	(0.5)	(8.3)
Cost or valuation at 31 December 1982	311.9	28.7	77.2	180.7
Less accumulated depreciation	6.8	2.8	23.1	89.6
Net book amount at 31 December 1982	305.1	25.9	54.1	91.1
Net book amount at 31 December 1981	303.6	23.2	47.2	84.9
			Group	Midland Bank plc
Cost or valuation of fixed assets at 31 December 1982 comprises				
Land and buildings at valuation 1979			376.8	287.3
at cost to the Group			504.2	130.5
Furniture, fittings and equipment, at cost			881.0	417.8
			371.9	180.7
			1,252.9	598.5

The following are the depreciable amounts for buildings included in the calculation of depreciation

	Group	Midland Bank plc	Group	Midland Bank plc
		1982		1981
Freeholds	457.3	156.0	328.4	154.0
Leaseholds 50 years and over unexpired	30.1	20.0	27.8	19.1
under 50 years unexpired	136.5	77.2	102.3	67.2

Notes on the Accounts—continued

Amount in £ millions

24 Contingent liabilities

1982 1981

There are the following contingent liabilities in respect of
Acceptances

Group	1,806.4	1,101.4
Midland Bank plc	540.5	297.4
Engagements		
Group	3,823.6	3,401.0
Midland Bank plc	1,666.5	1,746.4

In addition there are outstanding contracts for the sale and purchase of foreign currencies and bullion.

Midland Bank plc has guaranteed the subordinated loan capital of certain subsidiaries

626.6 458.5

The liquidator of Laker Airways Limited has indicated an intention of joining the Bank as defendant in an anti-trust suit in the U.S. against several airlines and others in which the liquidator is claiming substantial damages. The Bank has obtained an injunction in the High Court preventing the liquidator from joining the Bank in the U.S. suit pending the trial in England of a claim by the Bank that it has no liability and for a permanent injunction. The Directors have taken legal advice and they are of the opinion that the liquidator's claim is without foundation and accordingly no provision has been made in these accounts.

25 Capital expenditure

1982 1981

Contracts for outstanding capital expenditure not provided for in these accounts amount to

Group	49.7	42.4
Midland Bank plc	35.0	24.3

In addition, the Board has authorised capital expenditure amounting approximately to £79.0m (1981 £102.4m) for the Group and £67.7m (1981 £71.9m) for Midland Bank plc.

Upon acquisition of Crocker National Corporation, Midland Bank plc undertook to subscribe for further shares in Crocker National Corporation. The final instalment of \$112.5m for 1,250,000 shares of common stock, under this agreement, was made in January 1983.

26 Directors' loans

In accordance with the requirements of Section 56 of the Companies Act 1980, the aggregate amounts outstanding at 31 December 1982 from Directors (including Directors who resigned during the year) and persons connected with Directors, and the number of persons concerned, were as follows

	Aggregate amount outstanding		Number of persons	
	1982	1981	1982	1981
Loans	0.3	0.2	13	11
Quasi-loans	*	*	15	16
Credit transactions	—	—	—	—

*Aggregate amount outstanding is £4,265 (1981 £2,427).

Current cost profit and loss account

Year ended 31 December 1982

Amount in £ millions

	Notes	1982	1981
Trading profit as in historical cost accounts		329	299
Less adjustments for			
Monetary working capital	1	92	154
Depreciation	2	12	10
Current cost operating profit		104	164
Interest on loan capital and other long term borrowings		225	135
Gearing adjustment	3	106	89
		36	54
		70	35
Share of current cost profits of associated companies	4	155	100
Current cost profit before taxation		22	14
Taxation including exceptional item		177	114
		81	39
Minority interests—share of current cost profits less losses		96	75
		(11)	—
Current cost earnings		85	75
Extraordinary items		(5)	(66)
Current cost profit attributable		80	9
Dividends		44	40
Current cost profit retained		36	(31)
Current cost earnings per share			
Basic		50p	45p

Current cost balance sheet

Year ended 31 December 1982

Amount in £ millions

	Notes	1982	1981
Assets employed			
Fixed assets	5	1,186	1,071
Associated companies	4	142	140
Trade investments	6	47	44
		<u>1,375</u>	<u>1,255</u>
Advances and other assets		<u>46,796</u>	<u>39,918</u>
		<u>48,171</u>	<u>41,173</u>
Financed by			
Share capital		171	165
Share premium		122	104
Reserves	7		
Current cost reserve		604	532
Other reserves		815	791
		<u>1,419</u>	<u>1,323</u>
Shareholders' interests		1,712	1,592
Minority interests		481	351
Borrowings			
Loan capital and deferred taxation		1,147	919
Deposits and other liabilities		<u>44,831</u>	<u>38,311</u>
		<u>48,171</u>	<u>41,173</u>

Notes on the current cost accounts

Amount in £ millions

The current cost accounts have been prepared on the basis of Statement of Standard Accounting Practice No. 16, Current Cost Accounting.

Except as varied below, the valuation of assets and liabilities and the recognition of profit or loss have been carried out in the manner described in the historical cost accounts (pages 20 to 40). These current cost accounts should, therefore, be read in conjunction with the historical cost accounts.

1 The adjustment for the maintenance of monetary working capital reflects the effect of price changes on the net monetary working capital (i.e. advances and other assets less deposits and other liabilities needed to support the day-to-day operations of the business) and has been calculated by reference to the changes in the UK retail price index and appropriate overseas indices.

2 The depreciation adjustment is the difference between depreciation charged in the historical cost accounts and the charge based on the value to the business of fixed assets.

3 The gearing adjustment recognises that the operating assets of the business are financed in part by borrowing so that only a proportion of the adjustments relating to monetary working capital and depreciation is attributable to shareholders.

4 Associated companies have been included at the attributable share of the Directors' estimate of their profits and net tangible assets under current cost accounting.

5 Fixed assets comprise

	1982	1981
Land and buildings	892	824
Furniture, fittings and equipment	294	247
	<u>1,186</u>	<u>1,071</u>

The current cost of land and buildings is arrived at principally by valuation and of other fixed assets by indexation of the historical cost figures using appropriate indices.

6 Trade investments have been included at the valuation described in note 19 to the historical cost accounts.

7 The movements on reserves are as follows:

Balance at 1 January 1982	1,323
Current cost profit retained for the year	36
Current cost adjustments, net of minority interests	65
Revaluation surpluses arising in the year, net of minority interests	
Land and buildings	(10)
Other fixed assets	6
Associated companies and trade investments	11
Other movements as in historical cost reserves	(12)
Balance at 31 December 1982	<u>1,419</u>

8 The net operating assets at the balance sheet date are as follows:

	1982	1981
Fixed assets	1,186	1,071
Associated companies	142	140
Trade investments	47	44
Net monetary working capital	1,995	1,633
	<u>3,370</u>	<u>2,888</u>

Report of the Auditors to the members of Midland Bank plc

We have examined the accounts of Midland Bank plc, set out on pages 20 to 40, which have been prepared under the historical cost convention modified as explained in note 1 (a), and the supplementary current cost accounts set out on pages 41 to 43. Our audit has been carried out in accordance with approved auditing standards. Included in the accounts are amounts relating to subsidiaries and associated companies audited by other auditors whose reports we have reviewed.

In our opinion the historical cost accounts give a true and fair view of the state of affairs of the company and of the group, so far as concerns members of the company, at 31 December 1982, and of the profit and source and application of funds of the group for the year then ended, and comply with the Companies Acts 1948 to 1981.

In our opinion the supplementary current cost accounts give a true and fair view of the state of the group's affairs at 31 December 1982 and of its results for the year then ended in accordance with the current cost principles described in Statement of Standard Accounting Practice No. 16.

Ernst & Whinney
Chartered Accountants

London
10 March 1983

Summary of progress, 1978 to 1982

	Amount in £ millions				
	1978	1979	1980	1981	1982
Group profit before taxation	231	315	232	232	251
Taxation	88	123	62	39	81
Profit attributable	119	166	169	124	145
Shareholders' funds	Amount in £ millions				
Shareholders' funds and loan capital	960	1,220	1,349	1,448	1,562
Current, deposit and other accounts	1,286	1,582	1,825	2,202	2,562
Customers' accounts: Advances etc.	13,826	18,042	22,870	37,748	44,231
Total assets	10,094	13,137	17,040	29,195	35,669
	15,554	20,205	25,343	41,015	47,999
Shareholders	a				
Earnings per share	96,126	93,541	90,442	88,604	86,367
Dividends per share	88.8p	117.4p	102.7p	115.3p	86.6p
	16.44p	20.00p	21.50p	24.00p	25.50p
Branches in the United Kingdom	3,298	3,352	3,353	3,365	3,364
Employees worldwide	b				
Average remuneration per employee	69,400	72,000	77,900	82,800 ^c	91,400 ^d
	4,139	4,702	5,880	6,969 ^c	8,604 ^d
Average base rate	9.09%	13.68%	16.30%	13.26%	11.93%

Notes

- a Number of shareholders registered at year end.
- b Average weekly number of staff employed.
- c Includes Crocker National Corporation for 3 months.
- d Includes Crocker National Corporation for 12 months.

Average balance sheet and income and expenditure

Amount in £ millions

	Average Principal	Income/ Expenditure	1982 % Yield	Average Principal	Income/ Expenditure	1981 % Yield
Assets						
Short term funds						
Domestic	2,500	319.6	12.8	2,919	387.4	13.3
International	5,276	650.6	12.3	3,279	463.4	14.1
Advances and other customer accounts						
Domestic	11,316	1,658.1	14.7	9,518	1,472.0	15.5
International	21,416	3,047.2	14.2	10,923	1,858.9	17.0
Total interest earning assets	40,508	5,675.5	14.0	26,639	4,181.7	15.7
Cash and cheques in course of collection	2,710	—	—	1,673	—	—
Premises and equipment	1,024	—	—	698	—	—
Other assets	2,022	—	—	1,330	—	—
	46,264	5,675.5	12.3	30,340	4,181.7	13.8
Liabilities						
Deposits						
Domestic	10,855	1,211.4	11.2	8,599	1,077.0	12.5
International	25,082	3,054.6	12.2	13,652	2,028.1	14.9
Loan capital and long term borrowings						
Domestic	164	17.1	10.4	163	18.6	11.4
International	684	88.7	13.0	477	70.8	14.8
Total interest bearing liabilities	36,785	4,371.8	11.9	22,891	3,194.5	14.0
Non interest bearing customer accounts						
Domestic	3,514	—	—	3,616	—	—
International	2,423	—	—	806	—	—
Other liabilities	1,634	—	—	1,566	—	—
Shareholders' funds and minorities	1,908	—	—	1,461	—	—
	46,264	4,371.8	9.5	30,340	3,194.5	10.5

nt in £ millions

income/
nditure % Yield

1981

387.4 13.3

463.4 14.1

172.0 15.5

58.9 17.0

81.7 15.7

— —

— —

— —

1.7 13.8

7.0 12.5

3.1 14.9

.6 11.4

.8 14.8

5 14.0

10.5

Amount in £ millions

1981/82

Total

Change in interest income and expense:
volume and rate analysis

	Volume	Rate	Total
Short term funds			
Domestic			
International	(55.7)	(12.1)	(67.8)
Advances and other customer accounts	281.5	(94.3)	187.2
Domestic			
International	278.7	(92.6)	186.1
Total interest income	1,783.7	(595.4)	1,188.3
	2,288.2	(794.4)	1,493.8
Deposits			
Domestic			
International	282.0	(147.6)	134.4
Loan capital and long term borrowings	1,703.1	(676.6)	1,026.5
Domestic			
International	0.1	(1.6)	(1.5)
Total interest expense	30.6	(12.7)	17.9
	2,015.8	(838.5)	1,177.3

Statistical information

	Amount in £ millions	
	1982	1981
Geographical analysis:		
Current, deposit and other accounts*		
UK	38,314	24,832
USA	10,990	8,660
Europe	1,922	2,634
Rest of world	3,005	1,622
	<u>41,231</u>	<u>37,748</u>
Advances*		
UK	20,000	15,967
USA	7,598	6,843
Europe	2,284	2,282
Rest of world	4,116	2,505
	<u>33,998</u>	<u>27,597</u>
Provisions at 31 December 1982*		
UK	316.9	256.0
USA	111.1	76.8
Europe	49.6	31.7
Rest of world	6.2	13.5
	<u>483.8</u>	<u>378.0</u>
Bad debts*		
Amount charged to profit and loss account		
UK	122.0	85.2
USA	50.9	5.2
Europe	17.8	12.8
Rest of world	5.4	10.3
	<u>196.1</u>	<u>113.5</u>
Trade classification of advances	1982	1981
	Total	Total
	%	%
Manufacturing	8	10
Other production	5	6
Financial	5	3
Services	10	13
Persons	10	8
Overseas residents (including lending by overseas subsidiaries)	42	44
Inter-bank	20	16
	<u>100</u>	<u>100</u>

*by domicile of office

European Banks' International Company

European Banks' International Company SA (EBIC) is an association of seven major European banks, and Midland is the exclusive UK member. The EBIC partners have established five major international financial enterprises (in some cases with other participants), and the close relationship which has been developed puts the individual national branch networks at the service of the customers of all of the EBIC banks.

The shareholder banks and the Directors who represent them are:



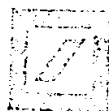
Amsterdam-Rotterdam Bank NV
O. Vogelenzang; F. Hoogendijk



Banca Commerciale Italiana
F. Cingano; E. Braggiotti



Creditanstalt-Bankverein
H. Androsch; G. N. Schmidt-Chiari



Deutsche Bank AG
F. W. Christians; W. Guth



Midland Bank plc
G. W. Taylor; J. G. Harris



Société Générale de Banque SA (Belgium)
E. de Villegas de Clercamp; P. E. Janssen



Société Générale (France)
J. Mayoux; M. Viénot

Regional head offices

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Regional Director: W. H. K. Matthews

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Regional Director: A. C. Clark

London South West

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Regional Director: W. A. Barnett

London West

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Regional Director: R. A. Barns

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Regional Director: J. N. Boreham

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Regional Director: J. B. Smith

Norwich

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Regional Director: R. H. Fisher

Preston

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Preston PR1 3EY

Regional Director: T. E. H. Crawford

Sheffield

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Regional Director: E. D. McKay

Southampton

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15 Cumberland Place,
Southampton SO9 3RN

Regional Director: K. J. Gardiner

West Midlands

Exchange Buildings,
8 Stephenson Place, New Street,
Birmingham B2 4NH

Regional Director: J. J. Higgs

Wales

Senior Regional Director (Wales):
W. E. Evans, CBE

North Wales

Ebberston Road West, Rhos-on-Sea,
Colwyn Bay, Clwyd LL28 4LE

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South Wales

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