

## Integration costs

	2007 £m	2006 £m	2005 £m
Staff costs	18	76	148
Premises and equipment	4	10	39
Other administrative expenses	26	32	131
Depreciation and amortisation	60	16	140
	<b>108</b>	<b>134</b>	<b>458</b>

Integration costs in 2007 were £108 million compared with £134 million in 2006 and £458 million in 2005 comprising amortisation of internally developed software and other expenditure. Software costs were previously written-off as incurred under UK GAAP but under IFRS are now amortised

over 3-5 years. All software relating to the NatWest integration was fully amortised by the end of 2005. The balance of integration costs principally relates to the integration of Churchill, First Active and Citizens' acquisitions, including Charter One which was acquired in August 2004.

Accruals in relation to integration costs are set out below.

	At 31 December 2006 £m	Charge to income statement £m	Utilised during the year £m	At 31 December 2007 £m
Staff costs	23	18	(37)	4
Premises and equipment	—	4	(2)	2
Other	8	86	(93)	1
	<b>31</b>	<b>108</b>	<b>(132)</b>	<b>7</b>