

## Summarised consolidated balance sheet

Achieved profit basis

As at 30 June 2004

	Long-term business 30 June 2004 £m	General business and other 30 June 2004 £m	Group 30 June 2004 £m	Long-term business 30 June 2003 £m	Restated* General business and other 30 June 2003 £m	Restated* Group 30 June 2003 £m	Group 31 December 2003 £m
<b>Total assets before acquired additional value of in-force long-term business</b>	<b>179,990</b>	<b>29,712</b>	<b>209,702</b>	168,853	28,570	197,423	208,192
Acquired additional value of in-force long-term business	<b>458</b>	–	<b>458</b>	522	–	522	488
<b>Total assets included in the modified statutory balance sheet</b>	<b>180,448</b>	<b>29,712</b>	<b>210,160</b>	169,375	28,570	197,945	208,680
Liabilities of the long-term business	<b>(173,147)</b>	–	<b>(173,147)</b>	(162,133)	–	(162,133)	(170,765)
Liabilities of the general insurance business	–	<b>(27,110)</b>	<b>(27,110)</b>	–	(27,333)	(27,333)	(27,736)
<b>Net assets on a modified statutory basis</b>	<b>7,301</b>	<b>2,602</b>	<b>9,903</b>	7,242	1,237	8,479	10,179
Additional value of in-force long-term business <sup>1</sup>	<b>4,851</b>	–	<b>4,851</b>	4,043	–	4,043	4,744
<b>Net assets on an achieved profit basis<sup>2</sup></b>	<b>12,152</b>	<b>2,602</b>	<b>14,754</b>	11,285	1,237	12,522	14,923
Shareholders' capital, share premium, shares held by employee trusts and merger reserves			<b>4,604</b>			4,666	4,622
Modified statutory basis retained profit			<b>1,773</b>			1,810	1,932
Additional achieved profit basis retained profit			<b>4,677</b>			3,942	4,611
<b>Shareholders' funds on an achieved profit basis</b>			<b>11,054</b>			10,418	11,165
Minority interests			<b>949</b>			879	944
			<b>12,003</b>			11,297	12,109
Subordinated debt			<b>2,751</b>			1,225	2,814
<b>Achieved profit basis total capital, reserves and subordinated debt</b>			<b>14,754</b>			12,522	14,923

\* Restated for the effect of a change in accounting policy in respect of the treatment of shares held by employee trusts as a deduction from shareholders' capital. Further details are set out on page 25.

Approved by the Board on 3 August 2004

1 The analysis between the Group's and the minority interest share of the additional value of in-force long-term business is as follows:

	30 June 2004 £m	Movement in the period £m	31 December 2003 £m
Group's share included in shareholders' funds	<b>4,677</b>	66	4,611
Minority interest share	<b>174</b>	41	133
Balance	<b>4,851</b>	107	4,744

2 Analysis of net assets on an achieved profit basis is made up as follows:

	30 June 2004 £m	30 June 2003 £m	31 December 2003 £m
Long-term business net assets on an achieved profit basis	<b>12,152</b>	11,285	12,373
Comprises:			
Embedded value	<b>11,941</b>	11,061	12,155
RBSG goodwill	<b>211</b>	224	218