

THE ROYAL BANK OF SCOTLAND GROUP plc

APPENDIX 1 Reconciliations of pro forma to statutory income statements and balance sheets

INCOME STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2008

	Pro forma £m	RFS minority interest £m	RBS share of shared assets £m	Credit market write-downs and one- off items £m	Intangibles amortisation and integration costs £m	Statutory £m
Net interest income	7,564	1,161	(143)	-	-	8,582
Non-interest income (excluding insurance net premium income)	6,410	702	(8)	(5,113)	-	1,991
Insurance net premium income	2,861	295	-	-	-	3,156
Non-interest income excluding credit market write-downs and one-off items	9,271	997	(8)	(5,113)	-	5,147
Credit market write-downs and one-off items	(5,113)	-	-	5,113	-	-
Non-interest income	4,158	997	(8)	-	-	5,147
Total income	11,722	2,158	(151)	-	-	13,729
Operating expenses	8,285	1,715	73	-	498	10,571
Profit before other operating charges	3,437	443	(224)	-	(498)	3,158
Insurance net claims	1,927	262	-	-	-	2,189
Operating profit before impairment losses	1,510	181	(224)	-	(498)	969
Impairment losses	1,479	182	-	-	-	1,661
Divisional operating profit/(loss)	31	(1)	(224)	-	(498)	(692)
Amortisation of purchased intangible assets	182	-	-	-	(182)	-
Integration costs	316	-	-	-	(316)	-
Share of shared assets	224	-	(224)	-	-	-
Loss before tax	(691)	(1)	-	-	-	(692)
Tax	(303)	(30)	-	-	-	(333)
Loss from continuing operations	(388)	29	-	-	-	(359)
Profit/(loss) from discontinued operations, net of tax	-	275	(41)	-	-	234
Loss for the period	(388)	304	(41)	-	-	(125)
Minority interests	148	304	-	-	-	452
Preference dividends	225	-	-	-	-	225
Loss attributable to ordinary shareholders	(761)	-	(41)	-	-	(802)

INCOME STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2007

	Pro forma £m	RBS share of ABN AMRO £m	Credit market write-downs and one-off items £m	Funding adjustment £m	Intangibles amortisation and integration costs £m	Statutory £m
Net interest income	5,790	(654)	-	247	-	5,383
Non-interest income (excluding insurance net premium income)	8,238	(1,941)	(38)	-	-	6,259
Insurance net premium income	3,048	-	-	-	-	3,048
Non-interest income excluding credit market write-downs and one-off items	11,286	(1,941)	(38)	-	-	9,307
Credit market write-downs and one-off items	(38)	-	38	-	-	-
Non-interest income	11,248	(1,941)	-	-	-	9,307
Total income	17,038	(2,595)	-	247	-	14,690
Operating expenses excluding one-off items	8,403	(2,074)	(31)	-	98	6,396
One-off items	(31)	-	31	-	-	-
Profit before other operating charges	8,666	(521)	-	247	(98)	8,294
Insurance net claims	2,415	-	-	-	-	2,415
Operating profit before impairment losses	6,251	(521)	-	247	(98)	5,879
Impairment losses	936	(65)	-	-	-	871
Group operating profit	5,315	(456)	-	247	(98)	5,008
Amortisation of purchased intangible assets	43	-	-	-	(43)	-
Integration costs	55	-	-	-	(55)	-
Share of shared assets	102	(102)	-	-	-	-
Profit before tax	5,115	(354)	-	247	-	5,008
Tax	1,274	(76)	-	74	-	1,272
Profit for the period	3,841	(278)	-	173	-	3,736
Minority interests	88	(13)	-	-	-	75
Preference dividends	106	-	-	-	-	106
Profit attributable to ordinary shareholders	3,647	(265)	-	173	-	3,555

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Pro forma £m	289 days RBS share of ABN AMRO £m	Funding adjustment £m	76 days RBS share of shared assets £m	76 days RFS minority interest £m	Credit market write-downs and one-off items £m	Intangibles amortisation and integration costs £m	Restated Statutory £m
Net interest income	12,382	(1,350)	477	15	545	-	-	12,069
Non-interest income (excluding insurance net premium income)	15,200	(1,866)	16	(54)	182	(1,268)	-	12,210
Insurance net premium income	5,982	-	-	-	105	-	-	6,087
Non-interest income excluding credit market write-downs and one-off items	21,182	(1,866)	16	(54)	287	(1,268)	-	18,297
Credit market write-downs and one-off items	(1,268)	-	-	-	-	1,268	-	-
Non-interest income	19,914	(1,866)	16	(54)	287	-	-	18,297
Total income	32,296	(3,216)	493	(39)	832	-	-	30,366
Operating expenses excluding one-off items	16,618	(3,376)	-	37	535	(242)	370	13,942
One-off items	(242)	-	-	-	-	242	-	-
Profit before other operating charges	15,920	160	493	(76)	297	-	(370)	16,424
Insurance net claims	4,528	-	-	-	96	-	-	4,624
Operating profit before impairment losses	11,392	160	493	(76)	201	-	(370)	11,800
Impairment losses	2,104	(171)	-	(3)	38	-	-	1,968
Group operating profit	9,288	331	493	(73)	163	-	(370)	9,832
Amortisation of purchased intangible assets	124	53	-	-	85	-	(262)	-
Integration costs	108	-	-	-	-	-	(108)	-
Share of shared assets	94	(21)	-	(73)	-	-	-	-
Profit before tax	8,962	299	493	-	78	-	-	9,832
Tax	1,709	193	148	-	(6)	-	-	2,044
Profit from continuing operations	7,253	106	345	-	84	-	-	7,788
Loss from discontinued operations, net of tax	-	-	-	-	76	-	-	76
Profit for the period	7,253	106	345	-	8	-	-	7,712
Minority interests	184	(26)	-	-	5	-	-	163
Preference dividends	246	-	-	-	-	-	-	246
Profit attributable to ordinary shareholders	6,823	132	345	-	3	-	-	7,303

BALANCE SHEET AS AT 30 JUNE 2008

	Pro forma £m	Transfers £m	Shared assets £m	Statutory £m
Assets				
Cash and balances at central banks	35,205	372	3	35,580
Treasury and other eligible bills	42,693	8,037	-	50,730
Loans and advances to banks	151,151	955	186	152,292
Net loans and advances to customers	604,104	117,666	124	721,894
Reverse repurchase agreements and stock borrowing	85,960	13	-	85,973
Loans and advances to customers	690,064	117,679	124	807,867
Debt securities	200,266	5,464	1,279	207,009
Equity shares	32,881	4,341	467	37,689
Settlement balances	27,606	18	-	27,624
Derivatives	482,747	454	80	483,281
Intangible assets	27,534	15,821	116	43,471
Property, plant and equipment	14,642	1,523	7	16,172
Prepayments, accrued income and other assets	17,780	4,047	1,666	23,493
Assets of disposal groups	3,265	59,329	943	63,537
	<u>1,725,834</u>	<u>218,040</u>	<u>4,871</u>	<u>1,948,745</u>
Share of shared assets	4,871	-	(4,871)	-
Total assets	<u>1,730,705</u>	<u>218,040</u>	<u>-</u>	<u>1,948,745</u>
Liabilities				
Deposits by banks	257,489	(9,761)	(2,544)	245,184
Net customer accounts	443,291	107,956	-	551,247
Repurchase agreements and stock lending	92,375	-	-	92,375
Customer accounts	535,666	107,956	-	643,622
Debt securities in issue	234,355	34,600	5,764	274,719
Settlement balances and short positions	84,073	10	-	84,083
Derivatives	475,614	104	13	475,731
Accruals, deferred income and other liabilities	26,241	(1,715)	(422)	24,104
Deferred taxation	1,598	1,543	432	3,573
Insurance liabilities	7,532	2,064	-	9,596
Subordinated liabilities	33,411	5,068	1,182	39,661
Liabilities of disposal groups	2,410	41,923	446	44,779
	<u>1,658,389</u>	<u>181,792</u>	<u>4,871</u>	<u>1,845,052</u>
Share of shared assets	4,871	-	(4,871)	-
Total liabilities	<u>1,663,260</u>	<u>181,792</u>	<u>-</u>	<u>1,845,052</u>
Equity:				
Minority interests	5,808	36,248	-	42,056
Owners' equity	61,637	-	-	61,637
Total equity	67,445	36,248	-	103,693
Total liabilities and equity	<u>1,730,705</u>	<u>218,040</u>	<u>-</u>	<u>1,948,745</u>

THE ROYAL BANK OF SCOTLAND GROUP plc

BALANCE SHEET AS AT 31 DECEMBER 2007

	Pro forma £m	Transfers £m	Shared assets £m	Statutory £m
Assets				
Cash and balances at central banks	14,240	3,626	-	17,866
Treasury and other eligible bills	18,229	-	-	18,229
Loans and advances to banks	211,000	2,599	5,861	219,460
Net loans and advances to customers	558,769	126,726	1,398	686,893
Reverse repurchase agreements and stock borrowing	142,116	241	-	142,357
Loans and advances to customers	700,885	126,967	1,398	829,250
Debt securities	222,572	35,957	17,898	276,427
Equity shares	46,704	5,532	790	53,026
Settlement balances	16,533	56	-	16,589
Derivatives	335,154	741	1,515	337,410
Intangible assets	26,811	21,573	108	48,492
Property, plant and equipment	16,914	1,830	6	18,750
Prepayments, accrued income and other assets	18,366	1,907	(1,207)	19,066
Assets of disposal groups	395	44,601	958	45,954
	<u>1,627,803</u>	<u>245,389</u>	<u>27,327</u>	<u>1,900,519</u>
Share of shared assets	27,327	-	(27,327)	-
Total assets	<u>1,655,130</u>	<u>245,389</u>	<u>-</u>	<u>1,900,519</u>
Liabilities				
Deposits by banks	303,486	5,829	3,318	312,633
Net customer accounts	436,989	108,532	1,928	547,449
Repurchase agreements and stock lending	120,062	14,854	-	134,916
Customer accounts	557,051	123,386	1,928	682,365
Debt securities in issue	220,697	37,604	15,314	273,615
Settlement balances and short positions	89,829	739	453	91,021
Derivatives	330,822	369	869	332,060
Accruals, deferred income and other liabilities	27,958	5,443	1,119	34,520
Deferred taxation	3,822	1,443	245	5,510
Insurance liabilities	7,650	2,512	-	10,162
Subordinated liabilities	28,053	6,328	3,598	37,979
Liabilities of disposal groups	6	28,739	483	29,228
	<u>1,569,374</u>	<u>212,392</u>	<u>27,327</u>	<u>1,809,093</u>
Share of shared assets	27,327	-	(27,327)	-
Total liabilities	<u>1,596,701</u>	<u>212,392</u>	<u>-</u>	<u>1,809,093</u>
Equity:				
Minority interests	5,391	32,997	-	38,388
Owners' equity	53,038	-	-	53,038
Total equity	58,429	32,997	-	91,426
Total liabilities and equity	<u>1,655,130</u>	<u>245,389</u>	<u>-</u>	<u>1,900,519</u>