

Financial highlights

| | 2007 £m | 2006 £m | 2005 £m |
|---|------------|------------|------------|
| for the year ended 31 December | | | |
| Total income ⁽¹⁾ | 31,115 | 28,002 | 25,569 |
| Profit before tax, purchased intangibles amortisation, integration costs and net gain on sale of strategic investments and subsidiaries | 10,282 | 9,414 | 8,251 |
| Profit before tax | 9,900 | 9,186 | 7,936 |
| Profit attributable to ordinary shareholders | 7,303 | 6,202 | 5,392 |
| Cost:income ratio ⁽²⁾ | 43.9% | 42.1% | 42.4% |
| Basic earnings per share (pence) ⁽³⁾ | 76.4 | 64.9 | 56.5 |
| Adjusted earnings per share (pence) ^(3, 4) | 78.7 | 66.7 | 58.6 |
| Adjusted after-tax return on equity ⁽⁵⁾ | 19.9% | 19.0% | 18.2% |

| | 2007 £m | 2006 £m | 2005 £m |
|---------------------------------|------------|------------|------------|
| at 31 December | | | |
| Total assets | 1,900,519 | 871,432 | 776,827 |
| Loans and advances to customers | 829,250 | 466,893 | 417,226 |
| Deposits | 994,998 | 516,365 | 453,274 |
| Owners' equity | 53,038 | 40,227 | 35,435 |
| Risk asset ratio – tier 1 | 7.3% | 7.5% | 7.6% |
| – total | 11.2% | 11.7% | 11.7% |

Notes:

- (1) Total income in 2005 excludes gains on sale of strategic investments and subsidiaries. In the statutory consolidated income statement on page 120, these items are included in total income.
- (2) Cost:income ratio represents operating expenses excluding purchased intangibles amortisation, integration costs and loss on sale of subsidiaries, expressed as a percentage of total income excluding gain on sale of strategic investments and after netting operating lease depreciation against rental income.
- (3) Prior year per share data have been restated to reflect the bonus issue of ordinary shares in May 2007.
- (4) Adjusted earnings per share is based on earnings adjusted for purchased intangibles amortisation, integration costs and net gain on sale of strategic investments and subsidiaries.
- (5) Adjusted after-tax return on equity is based on profit attributable to ordinary shareholders adjusted for purchased intangibles amortisation, integration costs and net gain on sale of strategic investments and subsidiaries, and average ordinary equity shareholders' funds.

Overview of results

As discussed on page 28, the results of ABN AMRO are fully consolidated in the Group's financial statements. Consequently, the statutory results of the RBS for the year ended 31 December 2007 include the results of ABN AMRO for the period from 17 October 2007 to 31 December 2007. The interests of Fortis and Santander are included in minority interests.