

RECONCILIATION OF MOVEMENT IN  
SHAREHOLDERS' CAPITAL AND RESERVES –  
ACHIEVED PROFITS BASIS

YEAR ENDED 31 DECEMBER 2004

	Note	2004 £m	Restated 2003 £m
<b>Total recognised gains relating to the financial year</b>		<b>817</b>	137
Proceeds from Rights Issue, net of expenses		1,021	–
Other new share capital subscribed		119	30
Dividends		(362)	(320)
Consideration paid for own shares*		(4)	(3)
Movement in cost of own shares*		–	1
Net increase (decrease) in shareholders' capital and reserves*	14	1,591	(155)
Shareholders' capital and reserves, at beginning of year:			
As originally reported		7,043	7,196
Prior year adjustment on implementation of UITF 38		(38)	(36)
As restated		7,005	7,160
<b>Shareholders' capital and reserves at end of year</b>	14	<b>8,596</b>	7,005

\* The 2003 figures for these lines have been restated as a result of the implementation of UITF Abstract 38 'Accounting for ESOP Trusts'.

SUMMARISED CONSOLIDATED BALANCE  
SHEET – ACHIEVED PROFITS BASIS

31 DECEMBER 2004

	Note	2004 £m	Restated 2003 £m
<b>Total assets less liabilities, excluding insurance funds*</b>		<b>149,050</b>	136,346
<b>Less insurance funds</b>			
Technical provisions, net of reinsurers' share		128,083	120,449
Fund for future appropriations*		16,686	12,657
Less shareholders' accrued interest in the long-term business		(4,315)	(3,765)
		140,454	129,341
<b>Total net assets*</b>	13	<b>8,596</b>	7,005
Share capital		119	100
Share premium		1,558	553
Statutory basis retained profit*		2,604	2,587
Additional achieved profits basis retained profit		4,315	3,765
<b>Shareholders' capital and reserves*</b>	13	<b>8,596</b>	7,005

\* The 2003 figures for these lines have been restated as a result of the implementation of UITF Abstract 38 'Accounting for ESOP Trusts'.

The supplementary information on pages 113 to 124 was approved by the Board of directors on 1 March 2005.



SIR DAVID CLEMENTI  
CHAIRMAN



JONATHAN BLOOMER  
GROUP CHIEF EXECUTIVE



PHILIP BROADLEY  
GROUP FINANCE DIRECTOR