

Consolidated balance sheet

31 December 2005

Assets

	Note	2005 £m	2004 £m
Goodwill:			
Attributable to PAC with-profits fund		607	784
Attributable to shareholders		1,341	1,461
Total	H1	1,948	2,245
Other intangible assets:			
PAC with-profits fund		35	798
Other operations		2,405	2,244
Total	H2	2,440	3,042
Other non-investment and non-cash assets:			
Property, plant and equipment	H6	910	967
Reinsurers' share of policyholder liabilities	H3	1,278	1,018
Deferred tax assets	H4	755	827
Current tax recoverable	H4	231	159
Accrued investment income	G1, H5	1,791	1,733
Other debtors	G1, H5	1,318	1,188
Total		6,283	5,892
Investments of long-term business, banking and other operations:			
Investment properties	H7	13,180	13,303
Investments accounted for using the equity method	H8	5	5
Financial investments:			
Loans and receivables	G1	13,245	12,430
Equity securities and portfolio holdings in unit trusts		71,985	54,466
Debt securities		82,471	76,374
Other investments		3,879	2,537
Deposits		7,627	5,271
Total investments		192,392	164,386
Held for sale assets	H9	728	100
Cash and cash equivalents	H10	3,586	4,341
Total assets	B5	207,377	180,006

Consolidated balance sheet continued

31 December 2005

Equity and liabilities

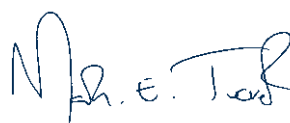
	Note	2005 £m	2004 £m
Equity			
Shareholders' equity	H11	5,194	4,489
Minority interests		172	137
Total equity		5,366	4,626
Liabilities			
Banking customer accounts	G1	5,830	6,607
Policyholder liabilities and unallocated surplus of with-profits funds:*			
Insurance contract liabilities	H12	120,436	
Investment contract liabilities with discretionary participation features	G1	26,523	
Investment contract liabilities without discretionary participation features	G1	12,026	
Technical provisions in respect of non-linked business			104,996
Technical provisions for linked liabilities			24,066
Unallocated surplus of with-profits funds:			
Reflecting application of 'realistic' basis provisions for UK regulated with-profits funds	H12	11,357	
Reflecting previous UK GAAP basis of provisioning			16,149
Total policyholder liabilities and unallocated surplus of with-profits funds		170,342	145,211
Core structural borrowings of shareholder-financed operations:			
Subordinated debt (other than Egg)	H13	1,646	1,429
Other	H13	1,093	1,368
		2,739	2,797
Egg subordinated debt	H13	452	451
Total	G1, H13	3,191	3,248
Other borrowings:			
Operational borrowings attributable to shareholder-financed operations	G1, H13	6,432	6,421
Borrowings attributable to with-profits funds	G1, H13	1,898	2,137
Other non-insurance liabilities:			
Obligations under funding, securities lending and sale and repurchase agreements	G1	4,529	3,819
Net asset value attributable to unit holders of consolidated unit trusts and similar funds	G1	965	808
Current tax liabilities	H4	962	1,018
Deferred tax liabilities	H4	2,991	2,279
Accruals and deferred income	G1	506	655
Other creditors	G1	1,478	996
Provisions	H14	972	1,006
Other liabilities	G1, H15	1,769	1,175
Held for sale liabilities	H9	146	–
Total		14,318	11,756
Total liabilities	B5	202,011	175,380
Total equity and liabilities		207,377	180,006

*The presentation of insurance and investment contract liabilities to policyholders reflects the adoption of IAS 32, IAS 39 and IFRS 4 at 1 January 2005. The comparative liabilities for 2004 reflect the previous UK GAAP basis.

The consolidated financial statements on pages 62 to 195 were approved by the Board of Directors on 15 March 2006.



Sir David Clementi
Chairman



Mark Tucker
Group Chief Executive



Philip Broadley
Group Finance Director