

Summary of statutory and supplementary IFRS and EEV basis results

Year ended 31 December 2005

The following tables show the results reported in the statutory financial statements on pages 62 to 195, supplementary IFRS basis information on pages 198 to 200 and supplementary EEV basis results on pages 204 to 229. This page does not form part of the statutory financial statements.

IFRS basis results

Statutory IFRS basis results

	2005	2004
Profit after tax attributable to equity holders of the Company	£748m	£517m
Basic earnings per share	31.6p	24.4p
Dividends per share declared and paid in reporting period	15.95p	15.48p
Shareholders' funds, excluding minority interests	£5.2bn	£4.5bn
Funds under management	£234bn	£197bn

Supplementary IFRS basis information

	Based on statutory IFRS basis results 2005 £m	Based on pro forma IFRS results 2004 £m
Operating profit from continuing operations based on longer-term investment returns	957	699
Goodwill impairment charge	(120)	–
Short-term fluctuations in investment returns	211	293
Shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	(50)	(7)
Profit before tax from continuing operations attributable to shareholders (including actual investment returns)	998	985
Profit after tax attributable to equity holders of the Company	748	602
Operating earnings per share from continuing operations after related tax and minority interests	32.2p	22.7p
Basic earnings per share	31.6p	28.4p
Dividends per share in respect of the reporting period (including interim dividend of 5.30p (2004: 5.19p) and final dividend of 11.02p (2004: 10.65p) declared after the end of the reporting period)	16.32p	15.84p
Shareholders' funds, excluding minority interests	£5.2bn	£4.7bn

Supplementary European Embedded Value (EEV) basis results

	2005 £m	2004 £m
Operating profit from continuing operations based on longer-term investment returns	1,712	1,274
Goodwill impairment charge	(120)	–
Short-term fluctuations in investment returns	1,001	570
Shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	(47)	(12)
Effect of changes in economic assumptions and time value of cost of options and guarantees	(302)	(48)
Profit before tax from continuing operations	2,244	1,784
Operating earnings per share from continuing operations after related tax and minority interests	56.6p	43.2p
Basic earnings per share	66.9p	53.7p
Shareholders' funds, excluding minority interests	£10.3bn	£8.6bn

Notes

IFRS basis results

References to 'statutory IFRS basis' results above reflect the IFRS basis of results applied in the Group financial statements. In particular, the standards IAS 32, IAS 39 and IFRS 4, which address the measurement of financial instruments and insurance contract assets and liabilities have been applied from 1 January 2005 rather than, as applied for all other IFRS standards, 1 January 2004. The 'pro forma IFRS' results shown above are extracted from supplementary information and are not results that form part of the Group's financial statements. The pro forma IFRS results reflect the application of the statutory IFRS basis together with the estimated effect on the Group's results for 2004 if IAS 32, IAS 39 and IFRS 4 had been applied from 1 January 2004 to the Group's insurance operations, but not to the Group's banking operations, in particular in relation to hedge accounting.

EEV basis results

The EEV basis results are extracted from supplementary information and are not results that form part of the Group's financial statements.

Supplementary information

The results shown above distinguish 'operating profits' based on longer-term investment returns from 'profits before tax'. The reconciling items are presented in accordance with the Group's policy as described in the Group's financial statements and supplementary information. Items excluded from operating profit based on longer-term investment returns represent primarily the effects of altered investment market conditions (short-term fluctuations), actuarial gains and losses on defined benefit pension schemes, and exceptional items, including goodwill impairment. For EEV, the operating profit based on longer-term investment returns figure also excludes the effect of changes in economic assumptions and the time value of the cost of options and guarantees.