

## Consolidated balance sheet

31 December 2006

## Assets

	Note	2006 £m	2005 £m
Intangible assets attributable to shareholders:			
Goodwill	H1 (a)	1,341	1,341
Deferred acquisition costs and acquired in-force value of long-term business contracts	H1 (b)	2,497	2,405
<b>Total</b>		<b>3,838</b>	3,746
Intangible assets attributable to PAC with-profits fund:			
In respect of acquired venture fund investment subsidiaries	H2 (a)	830	679
Deferred acquisition costs	H2 (b)	31	35
<b>Total</b>		<b>861</b>	714
<b>Total</b>		<b>4,699</b>	4,460
Other non-investment and non-cash assets:			
Property, plant and equipment	H6	1,133	910
Reinsurers' share of policyholder liabilities	H3	945	1,278
Deferred tax assets	H4	1,012	755
Current tax recoverable	H4	404	231
Accrued investment income	G1, H5	1,900	1,791
Other debtors	G1, H5	1,052	1,305
<b>Total</b>		<b>6,446</b>	6,270
Investments of long-term business, banking and other operations:			
Investment properties	H7	14,491	13,180
Investments accounted for using the equity method	H8	6	5
Financial investments:	G1		
Loans and receivables		11,573	13,245
Equity securities and portfolio holdings in unit trusts		78,892	71,985
Debt securities		81,719	82,471
Other investments		5,401	3,879
Deposits		7,759	7,627
<b>Total</b>		<b>199,841</b>	192,392
Held for sale assets	H9	463	728
Cash and cash equivalents	H10	5,071	3,586
<b>Total assets</b>	B5	<b>216,520</b>	207,436

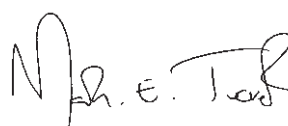
## Equity and liabilities

	Note	2006 £m	2005 £m
<b>Equity</b>			
Shareholders' equity	H11	5,488	5,194
Minority interests		132	172
<b>Total equity</b>		<b>5,620</b>	<b>5,366</b>
<b>Liabilities</b>			
Banking customer accounts	G1	5,554	5,830
Policyholder liabilities and unallocated surplus of with-profits funds:			
Insurance contract liabilities	H12	123,213	120,436
Investment contract liabilities with discretionary participation features	G1	28,733	26,523
Investment contract liabilities without discretionary participation features	G1	13,042	12,026
Unallocated surplus of with-profits funds	H12	13,599	11,330
<b>Total</b>		<b>178,587</b>	<b>170,315</b>
Core structural borrowings of shareholder-financed operations:			
Subordinated debt (other than Egg)	H13	1,538	1,646
Other	H13	1,074	1,093
		<b>2,612</b>	<b>2,739</b>
Egg subordinated debt	H13	451	451
<b>Total</b>	G1, H13	<b>3,063</b>	<b>3,190</b>
Other borrowings:			
Operational borrowings attributable to shareholder-financed operations	G1, H13	5,609	6,432
Borrowings attributable to with-profits funds	G1, H13	1,776	1,898
Other non-insurance liabilities:			
Obligations under funding, securities lending and sale and repurchase agreements	G1	4,232	4,529
Net asset value attributable to unit holders of consolidated unit trusts and similar funds	G1	2,476	965
Current tax liabilities	H4	1,303	962
Deferred tax liabilities	H4	3,882	3,077
Accruals and deferred income	G1	517	506
Other creditors	G1	1,398	1,478
Provisions	H14	464	972
Other liabilities	G1, H15	1,652	1,770
Held for sale liabilities	H9	387	146
<b>Total</b>		<b>16,311</b>	<b>14,405</b>
<b>Total liabilities</b>	B5	<b>210,900</b>	<b>202,070</b>
<b>Total equity and liabilities</b>		<b>216,520</b>	<b>207,436</b>

The consolidated financial statements on pages 99 to 239 were approved by the Board of directors on 14 March 2007.



Sir David Clementi  
Chairman



Mark Tucker  
Group Chief Executive



Philip Broadley  
Group Finance Director