

Consolidated statement of financial position

Assets

31 December	Note	2012 £m	2011* £m	2010*† £m
Intangible assets attributable to shareholders:				
Goodwill	H1(a)	1,469	1,465	1,466
Deferred acquisition costs and other intangible assets	H1(b)	4,267	4,234	3,901
Total		5,736	5,699	5,367
Intangible assets attributable to with-profits funds:				
In respect of acquired subsidiaries for venture fund and other investment purposes	H2(a)	178	178	166
Deferred acquisition costs and other intangible assets	H2(b)	78	89	110
Total		256	267	276
Total intangible assets		5,992	5,966	5,643
Other non-investment and non-cash assets:				
Property, plant and equipment	H6	765	748	554
Reinsurers' share of insurance contract liabilities‡	H3	6,859	1,647	1,344
Deferred tax assets	H4	2,314	2,276	2,188
Current tax recoverable	H4	254	546	555
Accrued investment income	G1,H5	2,798	2,710	2,668
Other debtors	G1,H5	1,361	987	903
Total		14,351	8,914	8,212
Investments of long-term business and other operations:				
Investment properties	H7	10,880	10,757	11,247
Associate investments accounted for using the equity method	H8	113	70	71
Financial investments§:	G1			
Loans		11,821	9,714	9,261
Equity securities and portfolio holdings in unit trusts		99,958	87,349	86,635
Debt securities		140,103	124,498	116,352
Other investments		7,900	7,509	5,779
Deposits		12,653	10,708	9,952
Total		283,428	250,605	239,297
Properties held for sale	H9	98	3	257
Cash and cash equivalents	G1,H10	6,384	7,257	6,631
Total assets	B5	310,253	272,745	260,040

* The Group has adopted updated US GAAP requirements for deferred acquisition costs as an improvement to its accounting policy under IFRS 4 for those operations of the Group which measure insurance assets and liabilities substantially by reference to US GAAP principles. Accordingly, the 2011 and 2010 comparative results and related notes have been adjusted from those previously published for the retrospective application of the change as if the new accounting policy had always applied, as described in note A5.

† As a result of the adoption of the altered US GAAP requirements as noted above, the 2010 balance sheet has been presented in accordance with IAS 1. The 2010 comparatives for the relevant balance sheet notes which have been affected by this change have been retrospectively adjusted accordingly.

‡ The increase in reinsurers' share of insurance contract liabilities and other liabilities from 2011 to 2012 is attributed to amounts due to the reinsurance arrangements attaching to the purchase by Jackson of REALIC in September 2012, as discussed in note II.

§ Included within financial investments are £3,015 million (2011: £7,843 million) of lent securities and £2,012 million of loans and debt securities covering liabilities for funds withheld under reinsurance arrangement of the Group's US operations from the purchase of REALIC, as discussed in note II.

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Equity and liabilities

31 December	Note	2012 £m	2011* £m	2010† £m
Equity				
Shareholders' equity	H11	10,359	8,564	7,521
Non-controlling interests		5	43	44
Total equity		10,364	8,607	7,565
Liabilities				
Policyholder liabilities and unallocated surplus of with-profits funds:				
Insurance contract liabilities	H12	208,584	180,363	171,291
Investment contract liabilities with discretionary participation features	G1	33,812	29,745	25,732
Investment contract liabilities without discretionary participation features	G1	18,378	16,967	17,704
Unallocated surplus of with-profits funds	H12	10,589	9,215	10,253
Total		271,363	236,290	224,980
Core structural borrowings of shareholder-financed operations:				
Subordinated debt	H13	2,577	2,652	2,718
Other	H13	977	959	958
Total	G1,H13	3,554	3,611	3,676
Other borrowings:				
Operational borrowings attributable to shareholder-financed operations	G1,H13	2,245	3,340	3,004
Borrowings attributable to with-profits operations	G1,H13	1,033	972	1,522
Other non-insurance liabilities:				
Obligations under funding, securities lending and sale and repurchase agreements	G1	2,436	3,114	4,199
Net asset value attributable to unit holders of consolidated unit trusts and similar funds	G1	4,345	3,840	3,372
Deferred tax liabilities	H4	3,970	3,929	3,968
Current tax liabilities	H4	445	930	831
Accruals and deferred income		833	736	707
Other creditors	G1	2,781	2,544	2,321
Provisions	H14	601	529	729
Derivative liabilities	G1,G3	2,829	3,054	2,037
Other liabilities‡	G1,H15	3,454	1,249	1,129
Total		21,694	19,925	19,293
Total liabilities	B5	299,889	264,138	252,475
Total equity and liabilities		310,253	272,745	260,040

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‡ The increase in reinsurers' share of insurance contract liabilities and other liabilities from 2011 to 2012 is attributed to amounts due to the reinsurance arrangements attaching to the purchase by Jackson of REALIC in September 2012, as discussed in note II.

The consolidated financial statements on pages 147 to 314 were approved by the Board of directors on 12 March 2013 and signed on its behalf.

Paul Manduca
Chairman

Tidjane Thiam
Group Chief Executive

Nic Nicandrou
Chief Financial Officer