

Consolidated balance sheet

31 December 2007

Assets

	Note	2007 £m	2006 £m
Intangible assets attributable to shareholders:			
Goodwill	H1(a)	1,341	1,341
Deferred acquisition costs and other intangible assets	H1(b)	2,836	2,497
Total		4,177	3,838
Intangible assets attributable to PAC with-profits fund:			
In respect of acquired subsidiaries for venture fund and other investment purposes	H2(a)	192	830
Deferred acquisition costs	H2(b)	19	31
Total		211	861
Total		4,388	4,699
Other non-investment and non-cash assets:			
Property, plant and equipment	H6	1,012	1,133
Reinsurers' share of insurance contract liabilities	H3	783	945
Deferred tax assets	H4	925	1,012
Current tax recoverable	H4	285	404
Accrued investment income	G1,H5	2,023	1,900
Other debtors	G1,H5	1,297	1,052
Total		6,325	6,446
Investments of long-term business, banking and other operations:			
Investment properties	H7	13,688	14,491
Investments accounted for using the equity method	H8	12	6
Financial investments:	G1		
Loans		7,924	13,754
Equity securities and portfolio holdings in unit trusts		86,157	78,892
Debt securities		83,984	81,719
Other investments		4,396	3,220
Deposits		7,889	7,759
Total		204,050	199,841
Held for sale assets	H9	30	463
Cash and cash equivalents	G1,H10	4,951	5,071
Total assets	B6	219,744	216,520

Equity and liabilities

	Note	2007 £m	2006 £m
Equity			
Shareholders' equity	H11	6,201	5,488
Minority interests		102	132
Total equity		6,303	5,620
Liabilities			
Banking customer accounts	G1	–	5,554
Policyholder liabilities and unallocated surplus of with-profits funds:			
Insurance contract liabilities	H12	132,636	123,213
Investment contract liabilities with discretionary participation features	G1	29,550	28,733
Investment contract liabilities without discretionary participation features	G1	14,032	13,042
Unallocated surplus of with-profits funds	H12	14,351	13,599
Total		190,569	178,587
Core structural borrowings of shareholder-financed operations:			
Subordinated debt (other than Egg)	H13	1,570	1,538
Other	H13	922	1,074
		2,492	2,612
Egg subordinated debt	H13	–	451
Total	G1,H13	2,492	3,063
Other borrowings:			
Operational borrowings attributable to shareholder-financed operations	G1,H13	3,081	5,609
Borrowings attributable to with-profits funds	G1,H13	987	1,776
Other non-insurance liabilities:			
Obligations under funding, securities lending and sale and repurchase agreements	G1	4,081	4,232
Net asset value attributable to unit holders of consolidated unit trusts and similar funds	G1	3,556	2,476
Current tax liabilities	H4	1,237	1,303
Deferred tax liabilities	H4	3,475	3,882
Accruals and deferred income		599	517
Other creditors	G1	1,020	1,398
Provisions	H14	473	464
Other liabilities	G1,H15	1,871	1,652
Held for sale liabilities	H9	–	387
Total		16,312	16,311
Total liabilities	B6	213,441	210,900
Total equity and liabilities		219,744	216,520

The consolidated financial statements on pages 127 to 289 were approved by the Board of directors on 13 March 2008.

Sir David Clementi
Chairman

Mark Tucker
Group Chief Executive

Philip Broadley
Group Finance Director