

Notes on the IFRS basis results continued

K: Statement of financial position - analysis of Group position by segment and business type**i Group statement of financial position analysis**

To explain more comprehensively the assets, liabilities and capital of the Group's businesses, it is appropriate to provide analyses of the Group's statement of financial position by operating segment and type of business.

By operating segment	2013 £m								2012* £m	
	Insurance operations			Total insurance operations	Asset management operations	Unallocated to a segment (central operations)	Intra-group eliminations	30 Jun Group Total	30 Jun Group Total	31 Dec Group Total
	UK	US	Asia							
Assets										
Intangible assets attributable to shareholders:										
Goodwill ^{note M}	–	–	244	244	1,230	–	–	1,474	1,467	1,469
Deferred acquisition costs and other intangible assets ^{note N}	98	4,300	1,103	5,501	15	22	–	5,538	4,237	4,177
Total	98	4,300	1,347	5,745	1,245	22	–	7,012	5,704	5,646
Intangible assets attributable to with-profits funds:										
In respect of acquired subsidiaries for venture fund and other investment purposes	178	–	–	178	–	–	–	178	178	178
Deferred acquisition costs and other intangible assets	6	–	73	79	–	–	–	79	84	78
Total	184	–	73	257	–	–	–	257	262	256
Total intangible assets	282	4,300	1,420	6,002	1,245	22	–	7,269	5,966	5,902
Deferred tax assets ^{note H}	181	2,232	68	2,481	118	38	–	2,637	2,169	2,306
Other non-investment and non-cash assets ^{note (i)}	5,641	7,255	1,164	14,060	1,995	4,060	(6,808)	13,307	7,257	11,952
Investment of long-term business and other operations:										
Investment properties	10,551	30	2	10,583	–	–	–	10,583	10,532	10,554
Investments in joint ventures and associates accounted for using the equity method	274	–	328	602	94	–	–	696	587	635
Financial investments:										
Loans ^{note P}	4,313	6,691	1,004	12,008	1,222	–	–	13,230	10,800	12,743
Equity securities and portfolio holdings in unit trusts	37,713	60,385	14,101	112,199	59	–	–	112,258	89,098	98,626
Debt securities ^{note Q}	82,854	33,368	20,081	136,303	1,953	–	–	138,256	127,349	138,907
Other investments	4,098	1,867	76	6,041	69	30	–	6,140	7,828	7,547
Deposits	12,365	–	1,141	13,506	36	–	–	13,542	11,951	12,248
Total investments	152,168	102,341	36,733	291,242	3,433	30	–	294,705	258,145	281,260
Assets held for sale ^{note AB}	–	–	1,079	1,079	–	–	–	1,079	–	98
Cash and cash equivalents	2,755	678	1,644	5,077	968	795	–	6,840	6,335	6,126
Total assets	161,027	116,806	42,108	319,941	7,759	4,945	(6,808)	325,837	279,872	307,644

* The 2012 comparative results have been adjusted retrospectively from those previously published for the application of the new accounting standards described in note B.

By operating segment	2013 £m							2012* £m		
	Insurance operations			Total insurance operations	Asset management operations	Unallocated to a segment (central operations)	Intra-group eliminations	30 Jun Group Total	30 Jun Group Total	31 Dec Group Total
	UK	US	Asia							
Equity and liabilities										
Equity										
Shareholders' equity	3,044	3,598	3,003	9,645	2,085	(2,105)	–	9,625	9,292	10,359
Non-controlling interests	2	–	4	6	–	–	–	6	34	5
Total equity	3,046	3,598	3,007	9,651	2,085	(2,105)	–	9,631	9,326	10,364
Liabilities										
Policyholder liabilities and unallocated surplus of with-profits funds:										
Contract liabilities (including amounts in respect of contracts classified as investment contracts under IFRS 4) ^{note V}	133,290	106,215	33,223	272,728	–	–	–	272,728	233,507	257,674
Unallocated surplus of with-profits funds ^{note V}	11,350	–	84	11,434	–	–	–	11,434	9,802	10,589
Total policyholder liabilities and unallocated surplus of with-profits funds	144,640	106,215	33,307	284,162	–	–	–	284,162	243,309	268,263
Core structural borrowings of shareholder-financed operations:										
Subordinated debt	–	–	–	–	–	3,161	–	3,161	2,638	2,577
Other	–	164	–	164	275	549	–	988	958	977
Total^{note S}	–	164	–	164	275	3,710	–	4,149	3,596	3,554
Operational borrowings attributable to shareholder-financed operations ^{note T}	76	23	5	104	4	2,422	–	2,530	2,794	2,245
Borrowings attributable to with-profits operations ^{note T}	924	–	–	924	–	–	–	924	895	968
Deferred tax liabilities ^{note H}	1,278	2,155	641	4,074	17	11	–	4,102	3,909	3,964
Other non-insurance liabilities ^{note (ii)}	11,063	4,651	4,122	19,836	5,378	907	(6,808)	19,313	16,043	18,286
Liabilities held for sale ^{note AB}	–	–	1,026	1,026	–	–	–	1,026	–	–
Total liabilities	157,981	113,208	39,101	310,290	5,674	7,050	(6,808)	316,206	270,546	297,280
Total equity and liabilities	161,027	116,806	42,108	319,941	7,759	4,945	(6,808)	325,837	279,872	307,644

* The 2012 comparative results have been adjusted retrospectively from those previously published for the application of the new accounting standards described in note B.

Notes

(i) Of the other non-investment and non-cash assets of £13,307 million (30 June 2012: £7,257 million; 31 December 2012: £11,952 million) the principal component comprises reinsurers' share of contract liabilities of £7,204 million (30 June 2012: £1,698 million; 31 December 2012: £6,854 million). As set out in note L(ii) this primarily relates to US insurance operation's acquisition of the REALIC business.

Within other non-investment and non-cash assets are premiums receivable of £310 million (30 June 2012: £257 million; 31 December 2012: £304 million) of which approximately two-thirds are due within one year. The remaining one-third, due after one year, relates to products where charges are levied against premiums in future years.

Also included within other non-investment and non-cash assets are property, plant and equipment of £868 million (30 June 2012: £787 million; 31 December 2012: £754 million). The Group made additions to property, plant and equipment of £146 million in the half year ended 30 June 2013 (half year 2012: £119 million; full year 2012: £139 million).

(ii) Within other non-insurance liabilities are other creditors of £3,743 million (30 June 2012: £2,955 million; 31 December 2012: £2,701 million) of which £3,487 million (30 June 2012: £2,649 million; 31 December 2012: £2,447 million) are due within one year.

Notes on the IFRS basis results continued

K: Statement of financial position - analysis of Group position by segment and business type continued**ii Group statement of financial position - additional analysis by business type**

	2013 £m						2012* £m		
	Shareholder-backed business						30 Jun Group Total	30 Jun Group Total	31 Dec Group Total
	Participating funds	Unit-linked and variable annuity	Non-linked business	Asset management operations	Unallocated to a segment (central operations)	Intra-group eliminations			
Assets									
Intangible assets attributable to shareholders:									
Goodwill ^{note M}	–	–	244	1,230	–	–	1,474	1,467	1,469
Deferred acquisition costs and other intangible assets ^{note N}	–	–	5,501	15	22	–	5,538	4,237	4,177
Total	–	–	5,745	1,245	22	–	7,012	5,704	5,646
Intangible assets attributable to with-profits funds:									
In respect of acquired subsidiaries for venture fund and other investment purposes	178	–	–	–	–	–	178	178	178
Deferred acquisition costs and other intangible assets	79	–	–	–	–	–	79	84	78
Total	257	–	–	–	–	–	257	262	256
Total intangible assets	257	–	5,745	1,245	22	–	7,269	5,966	5,902
Deferred tax assets ^{note H}	114	2	2,365	118	38	–	2,637	2,169	2,306
Other non-investment and non-cash assets	3,401	644	10,015	1,995	4,060	(6,808)	13,307	7,257	11,952
Investment of long-term business and other operations:									
Investment properties	8,400	600	1,583	–	–	–	10,583	10,532	10,554
Investments in joint ventures and associates accounted for using the equity method	209	–	393	94	–	–	696	587	635
Financial investments:									
Loans ^{note P}	3,566	–	8,442	1,222	–	–	13,230	10,800	12,743
Equity securities and portfolio holdings in unit trusts	25,957	85,342	900	59	–	–	112,258	89,098	98,626
Debt securities ^{note Q}	60,372	9,617	66,314	1,953	–	–	138,256	127,349	138,907
Other investments	3,836	25	2,180	69	30	–	6,140	7,828	7,547
Deposits	10,599	1,247	1,660	36	–	–	13,542	11,951	12,248
Total investments	112,939	96,831	81,472	3,433	30	–	294,705	258,145	281,260
Assets held for sale ^{note AB}	–	393	686	–	–	–	1,079	–	98
Cash and cash equivalents	1,769	1,240	2,068	968	795	–	6,840	6,335	6,126
Total assets	118,480	99,110	102,351	7,759	4,945	(6,808)	325,837	279,872	307,644

* The 2012 comparative results have been adjusted retrospectively from those previously published for the application of the new accounting standards described in note B.

	2013 £m						2012* £m		
	Shareholder-backed business						30 Jun Group Total	30 Jun Group Total	31 Dec Group Total
	Partici- pating funds	Unit- linked and variable annuity	Non- linked business	Asset manage- ment operations	Unallo- cated to a segment (central operations)	Intra- group elimina- tions			
Equity and liabilities									
<i>Equity</i>									
Shareholders' equity	–	–	9,645	2,085	(2,105)	–	9,625	9,292	10,359
Non-controlling interests	2	–	4	–	–	–	6	34	5
Total equity	2	–	9,649	2,085	(2,105)	–	9,631	9,326	10,364
<i>Liabilities</i>									
Policyholder liabilities and unallocated surplus of with-profits funds:									
Contract liabilities (including amounts in respect of contracts classified as investment contracts under IFRS 4) ^{note V}	96,877	96,080	79,771	–	–	–	272,728	233,507	257,674
Unallocated surplus of with-profits funds ^{note V}	11,434	–	–	–	–	–	11,434	9,802	10,589
Total policyholder liabilities and unallocated surplus of with-profits funds	108,311	96,080	79,771	–	–	–	284,162	243,309	268,263
Core structural borrowings of shareholder-financed operations:									
Subordinated debt	–	–	–	–	3,161	–	3,161	2,638	2,577
Other	–	–	164	275	549	–	988	958	977
Total^{notes}	–	–	164	275	3,710	–	4,149	3,596	3,554
Operational borrowings attributable to shareholder-financed operations ^{note T}	–	–	104	4	2,422	–	2,530	2,794	2,245
Borrowings attributable to with-profits operations ^{note T}	924	–	–	–	–	–	924	895	968
Deferred tax liabilities ^{note H}	1,221	62	2,791	17	11	–	4,102	3,909	3,964
Other non-insurance liabilities	8,022	2,575	9,239	5,378	907	(6,808)	19,313	16,043	18,286
Liabilities held for sale ^{note AB}	–	393	633	–	–	–	1,026	–	–
Total liabilities	118,478	99,110	92,702	5,674	7,050	(6,808)	316,206	270,546	297,280
Total equity and liabilities	118,480	99,110	102,351	7,759	4,945	(6,808)	325,837	279,872	307,644

* The 2012 comparative results have been adjusted retrospectively from those previously published for the application of the new accounting standards described in note B.