

# Balance Sheets

## At 31 December

	Note	Group		Company	
		2007 £m	2006 £m	2007 £m	2006 £m
<b>Assets</b>					
Cash and balances at central banks		209.2	202.6	209.2	202.6
Treasury bills		185.0	-	185.0	-
Loans and advances to banks	9	2,392.1	3,301.4	1,901.9	2,413.5
Loans and advances to customers	10	40,444.5	36,131.7	51,435.4	41,895.5
Fair value adjustments on portfolio hedging	39	(53.8)	(70.4)	(53.8)	(70.4)
Debt securities	13	6,778.7	5,299.9	7,398.2	4,840.9
Derivative financial instruments	39g	1,175.4	291.0	468.6	278.2
Prepayments and accrued income	14	28.5	25.0	22.1	20.4
Shares in Group undertakings	15	-	-	543.7	543.7
Other assets	16	653.7	21.3	652.3	19.9
Current tax asset		-	-	39.3	-
Deferred tax assets	17	23.8	5.7	21.8	8.0
Property, plant and equipment	18	106.5	90.8	95.8	79.5
Intangible assets	19	41.0	55.2	12.6	21.9
<b>Total assets</b>		<b>51,984.6</b>	45,354.2	<b>62,932.1</b>	50,253.7
<b>Liabilities</b>					
Deposits by banks	20	2,074.4	1,512.4	1,658.5	885.8
Customer accounts	21	24,152.6	22,201.0	43,601.8	34,542.8
Fair value adjustments on portfolio hedging	39	(5.9)	-	(5.9)	-
Derivative financial instruments	39g	498.6	493.4	483.2	408.8
Debt securities in issue	22	22,308.1	17,841.3	14,409.1	11,246.5
Other liabilities	23	141.2	115.6	128.1	107.9
Accruals and deferred income	24	84.1	84.4	85.4	84.1
Current tax liabilities		23.7	96.0	-	48.9
Post-retirement benefit obligations	25	22.0	83.2	22.0	83.2
Provisions	26	59.7	94.8	59.7	94.8
Subordinated liabilities	27	1,253.7	1,247.0	1,565.3	1,561.8
Other capital instruments	28	161.6	165.2	-	-
<b>Total liabilities</b>		<b>50,773.8</b>	43,934.3	<b>62,007.2</b>	49,064.6
<b>Equity</b>					
Capital and reserves attributable to equity holders					
- Share capital	29, 30	154.4	158.6	154.4	158.6
- Share premium reserve	30	4.9	4.9	4.9	4.9
- Capital redemption reserve	30	29.2	25.0	29.2	25.0
- Other reserves	30	(122.3)	19.1	(122.3)	19.2
- Retained earnings	30	1,144.6	1,212.3	858.7	981.4
<b>Total attributable equity</b>		<b>1,210.8</b>	1,419.9	<b>924.9</b>	1,189.1
<b>Total equity and liabilities</b>		<b>51,984.6</b>	45,354.2	<b>62,932.1</b>	50,253.7

The notes on pages 47 to 90 form part of these Financial Statements.

The Financial Statements were approved by the Board of Directors and authorised for issue on 12 February 2008 and signed on its behalf by:

**Steven Crawshaw**  
Group Chief Executive

**Chris Willford**  
Group Finance Director