

16 Impaired and past-due financial assets

Group	2006			2005		
	Cost £m	Provision £m	Net book value £m	Cost £m	Provision £m	Net book value £m
Impaired financial assets						
Loans and receivables and finance leases	6,232	3,342	2,890	5,926	3,344	2,582
Available-for-sale	185	88	97	316	132	184
	6,417	3,430	2,987	6,242	3,476	2,766

Group	2006			2005			2004		
	£m			£m			£m		
Impairment losses charged to the income statement									
Loans and receivables and finance leases (see table below)				1,877	1,703				
Available-for-sale				1	4				
Loans and advances									1,402
Amounts written-off fixed asset investments									83
Total				1,878	1,707				1,485

The following table shows the movement in the provision for impairment losses for loans and receivables and finance leases.

Group	Group					
	Individually assessed £m	Collectively assessed £m	Latent £m	Total 2006 £m	2005 £m	2004 £m
At 1 January	757	2,587	543	3,887	4,174	3,885
Implementation of IAS 39 on 1 January 2005	—	—	—	—	(29)	—
Currency translation and other adjustments	(19)	(5)	(37)	(61)	51	(98)
Acquisitions	—	—	—	—	—	290
Amounts written-off ⁽¹⁾	(255)	(1,586)	—	(1,841)	(2,040)	(1,449)
Recoveries of amounts previously written-off	24	191	—	215	172	144
Charged to the income statement	217	1,573	87	1,877	1,703	1,402
Unwind of discount	(27)	(115)	—	(142)	(144)	—
At 31 December ⁽²⁾	697	2,645	593	3,935	3,887	4,174

Notes:

(1) Amounts written-off include £2 million in 2005 relating to loans and advances to banks.

(2) Impairment losses at 31 December 2006 include £2 million relating to loans and advances to banks (2005 – £3 million).

Loan impairment

At 31 December 2006, the Group's non-accrual loans, loans past due 90 days and troubled debt restructurings amounted to £6,337 million (2005 – £5,937 million). Loan impairment provisions of £3,342 million (2005 – £3,344 million) were held

against these loans. Average non-accrual loans, loans past due 90 days and troubled debt restructurings for the year ended 31 December 2006 were £6,163 million (2005 – £5,923 million; 2004 – £5,264 million).

	2006 £m	2005 £m	2004 £m
Gross income not recognised but which would have been recognised under the original terms of non-accrual and restructured loans			
Domestic	370	334	235
Foreign	77	62	58
	447	396	293
Interest on non-accrual and restructured loans included in net interest income			
Domestic	142	130	58
Foreign	15	14	7
	157	144	65