

Financial results

Summary financial statement

Important note

This summary financial statement is a summary of information in the 2006 Report and Accounts (the 'R&A'). It does not contain sufficient information to allow for a full understanding of the results of the Group and of the state of affairs of the company or of the Group. For further information, the 2006 R&A, the auditors' report on those accounts and the report of the directors should be consulted. A copy of the R&A may be obtained, free of charge, from the company's registrar at the address shown on page 60. All shareholders receive the Annual Review and Summary Financial Statement.

Shareholders who also wish to receive the R&A should complete (if they have not done so previously) the request card which accompanies this document and return it to the company's registrar.

The income statement set out below shows amortisation of purchased intangible assets, integration costs and net gain on sale of strategic investments and subsidiaries separately. In the statutory summary consolidated income statement on page 56, these items are included in total income and operating expenses, as appropriate.

Summary consolidated income statement for the year ended 31 December 2006

	2006 £m	2005 £m
Net interest income	10,596	9,918
Non-interest income (excluding net insurance premium income)	11,433	9,872
Net insurance premium income	5,973	5,779
Non-interest income	17,406	15,651
Total income	28,002	25,569
Operating expenses	12,252	11,298
Profit before other operating charges	15,750	14,271
Insurance net claims	4,458	4,313
Operating profit before impairment losses	11,292	9,958
Impairment losses	1,878	1,707
Profit before tax, amortisation of purchased intangible assets, integration costs and net gain on sale of strategic investments and subsidiaries	9,414	8,251
Amortisation of purchased intangible assets	94	97
Integration costs*	134	458
Net gain on sale of strategic investments and subsidiaries	—	240
Profit before tax	9,186	7,936
Tax	2,689	2,378
Profit after tax	6,497	5,558
Minority interests	104	57
Preference dividends	191	109
Profit attributable to ordinary shareholders	6,202	5,392
Basic earnings per ordinary share	194.7p	169.4p
Adjusted earnings per ordinary share	200.0p	175.9p

* Integration costs comprise expenditure incurred in respect of cost reduction and revenue enhancement targets set in connection with the various acquisitions made by the Group.