

Consolidated Income Statement

For the year ended 31 December 2005

	Notes	Excluding SCFB \$million	SCFB acquisition \$million	2005 \$million	2004 \$million
Interest income	3	6,938	1,812	8,750	5,312
Interest expense	4	(3,384)	(1,031)	(4,415)	(2,130)
Net interest income		3,554	781	4,335	3,182
Fees and commission income		1,724	116	1,840	1,614
Fees and commission expense		(258)	(87)	(345)	(282)
Net trading income	5	746	23	769	651
Other operating income	6	236	26	262	217
		2,448	78	2,526	2,200
Operating income		6,002	859	6,861	5,382
Staff costs	7	(1,834)	(311)	(2,145)	(1,559)
Premises costs	7	(321)	(42)	(363)	(321)
General administrative expenses	7	(861)	(159)	(1,020)	(731)
Depreciation and amortisation	8	(216)	(67)	(283)	(238)
Operating expenses		(3,232)	(579)	(3,811)	(2,849)
Operating profit before impairment losses and taxation		2,770	280	3,050	2,533
Impairment losses on loans and advances and other credit risk provisions	19	(266)	(53)	(319)	(214)
Other impairment	9	(50)	–	(50)	(68)
Profit before taxation		2,454	227	2,681	2,251
Taxation	10	(657)	(53)	(710)	(630)
Profit for the year		1,797	174	1,971	1,621
Profit attributable to:					
Minority interests	39			25	43
Parent company's shareholders				1,946	1,578
Profit for the year				1,971	1,621
Basic earnings per ordinary share	12			148.5c	129.6c
Diluted earnings per ordinary share	12			146.9c	127.4c

As more fully explained in note 55, financial instrument accounting is determined on different bases in 2005 and 2004 due to the transitional provisions of IAS 32 and 39.