

Consolidated Income Statement

For the year ended 31 December

	Note	2007 £m	2006 £m
Interest receivable and similar income		2,967.5	2,383.0
Interest expense and similar charges		(2,419.8)	(1,872.8)
Net interest income	3	547.7	510.2
Fee and commission income		81.7	91.7
Realised gains less losses on financial instruments	39g	6.5	2.1
Fair value movements	39g	(49.7)	(0.1)
Hedge ineffectiveness	39g	(23.5)	0.3
Other operating income		9.6	5.2
Net operating income		572.3	609.4
Administrative expenses			
- Ongoing	4	(280.2)	(271.6)
- Compensation	4	-	(89.4)
Loan impairment loss	11	(22.5)	(7.4)
Investment impairment loss	13	(94.4)	-
Loss on sale of assets	2	(58.0)	-
Non-operating income	18	8.8	5.7
Profit before taxation		126.0	246.7
Taxation	6	(32.8)	(69.0)
Profit for the financial year		93.2	177.7
Attributable to equity shareholders		93.2	177.7
Earnings per share:			
- Basic	7	14.9p	28.2p
- Diluted	7	14.9p	28.1p

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

The Company's profit after tax for the financial year was £38.2m (2006: £151.4m). As permitted by Section 230 of the Companies Act 1985, the Company's Income Statement has not been presented in these Financial Statements.

The Group's business and operations comprise one single activity, principally within the United Kingdom. The results above arise from continuing activities and are attributable to the equity shareholders.