

# CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2010	Note	2010 £m	2009 £m
Gross premiums earned		24,568	20,299
Outward reinsurance premiums		(357)	(323)
Earned premiums, net of reinsurance	F2	24,211	19,976
Investment return	F2	21,769	26,889
Other income	F2	1,666	1,234
Total revenue, net of reinsurance	F1,F2	47,646	48,099
Benefits and claims		(40,608)	(39,901)
Outward reinsurers' share of benefits and claims		335	265
Movement in unallocated surplus of with-profits funds	H12	(245)	(1,559)
Benefits and claims and movements in unallocated surplus of with-profits funds, net of reinsurance		(40,518)	(41,195)
Acquisition costs and other expenditure	F3	(4,799)	(4,572)
Finance costs: interest on core structural borrowings of shareholder-financed operations	F4	(257)	(209)
Loss on sale of Taiwan agency business	I2	–	(559)
Total charges, net of reinsurance	F1	(45,574)	(46,535)
Profit before tax ( <i>being tax attributable to shareholders' and policyholders' returns</i> )*		2,072	1,564
Tax charge attributable to policyholders' returns		(611)	(818)
Profit before tax attributable to shareholders	B1	1,461	746
Tax charge	F5	(636)	(873)
Less: tax attributable to policyholders' returns		611	818
Tax charge attributable to shareholders' returns‡	F5	(25)	(55)
Profit from continuing operations after tax		1,436	691
Discontinued operations (net of tax)†	I10	–	(14)
<b>PROFIT FOR THE YEAR</b>		<b>1,436</b>	<b>677</b>
Attributable to:			
Equity holders of the Company		1,431	676
Non-controlling interests		5	1
<b>PROFIT FOR THE YEAR</b>		<b>1,436</b>	<b>677</b>
<b>EARNINGS PER SHARE (IN PENCE)</b>			
Basic:			
Based on profit from continuing operations attributable to the equity holders of the Company	B2	56.7p	27.6p
Based on loss from discontinued operations attributable to the equity holders of the Company	B2	–	(0.6)p
		56.7p	27.0p
Diluted:			
Based on profit from continuing operations attributable to the equity holders of the Company	B2	56.6p	27.6p
Based on loss from discontinued operations attributable to the equity holders of the Company	B2	–	(0.6)p
		56.6p	27.0p

\* This measure is the formal profit before tax measure under IFRS but is not the result attributable to shareholders and is stated after £377 million of pre-tax costs of the terminated AIA transaction. See note B1.

† The 2009 charge of £14 million which was net of £nil tax, reflected completion adjustments for a previously disposed business.

‡ The 2010 tax charge attributable to shareholders' return includes an exceptional tax credit of £158 million which primarily relates to the impact of a settlement agreed with the UK tax authorities.