

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	2006 HK\$'000	2005 HK\$'000
Interest income		2,740,518	1,719,338
Interest expense		<u>(1,911,979)</u>	<u>(966,486)</u>
Net interest income	8	828,539	752,852
Other operating income	9	<u>301,689</u>	<u>217,129</u>
Operating income		1,130,228	969,981
Operating expenses	10	<u>(591,537)</u>	<u>(493,129)</u>
Operating profit before impairment allowances, fair value adjustments and net (loss) gain on disposal		538,691	476,852
Impairment allowances on loans and advances	18	(59,801)	(67,807)
Net (loss) gain on disposal of property and equipment		(913)	1,150
Net gain on disposal of available-for-sale securities		54,001	47,534
Net gain on fair value adjustment on investment properties	21	5,390	7,500
Net loss on liquidation of a subsidiary	32	<u>–</u>	<u>(4)</u>
Profit from operations		537,368	465,225
Share of profit of jointly controlled entities		<u>33,546</u>	<u>3,576</u>
Profit before taxation		570,914	468,801
Taxation	12	<u>(67,770)</u>	<u>(70,818)</u>
Profit for the year		<u>503,144</u>	<u>397,983</u>
Dividends	13	<u>265,350</u>	<u>252,300</u>
Earnings per share, basic and diluted	14	<u>HK\$1.16</u>	<u>HK\$0.91</u>