

# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2006

(Expressed in millions of Renminbi unless otherwise stated)

	Note	2006	2005
Interest income	3	33,990	25,877
Interest expense	4	(12,481)	(9,235)
<b>Net interest income</b>		<b>21,509</b>	16,642
Fee and commission income	5	2,988	1,856
Fee and commission expense		(474)	(289)
<b>Net fee and commission income</b>		<b>2,514</b>	1,567
<b>Other net income</b>	6	<b>843</b>	1,005
<b>Operating income</b>		<b>24,866</b>	19,214
Operating expenses	7	(11,091)	(9,115)
<b>Operating profit before provision</b>		<b>13,775</b>	10,099
Provision for impairment losses	11	(3,691)	(3,637)
<b>Profit before tax</b>		<b>10,084</b>	6,462
Income tax	12	(3,290)	(2,713)
<b>Net profit attributable to equity holders of the Bank</b>		<b>6,794</b>	3,749
<b>Dividends</b>			
– Declared and paid	33(a)	3,193	753
– Proposed in respect of current year	33(b)	1,764	830
		<b>4,957</b>	1,583
		<b>RMB</b>	RMB
<b>Earnings per share</b>			
Basic	13(a)	0.53	0.34
Diluted	13(b)	0.53	0.33

The notes on pages 141 to 219 form part of these financial statements.