

ANNUAL REPORT 2005

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2005 (Expressed in millions of Renminbi unless otherwise stated)

Note 2005 2004 Interest income Interest expense 173,601 147,196 (45,709) Net interest income 3 116,551 101,488 Fee and commission income 4 9,261 7,352 Fee and commission expense 8,455 6471 Dividend income				
Interest expense (57,050) (45,708) Net interest income 3 116,551 101,488 Fee and commission income 4 9,261 .7.352 Fee and commission expense 8,455 6,471 Dividend income 8,455 6,471 Dividend income 5 546 777 Net gian arising from indealing securities 6 455 724 Operating from investment securities 7 927 724 724 Operating income		Note	2005	2004
Interest expense (57,050) (45,708) Net interest income 3 116,551 101,488 Fee and commission income 4 9,261 .7.352 Fee and commission expense 8,455 6,471 Dividend income 8,455 6,471 Dividend income 5 546 777 Net gian arising from indealing securities 6 455 724 Operating from investment securities 7 927 724 724 Operating income	Interest income		172 601	147 106
Net interest income 3				
Fee and commission income4			(37,030)	(45,708)
Fee and commission expense (806) (881) Net fee and commission income 5 6471 Dividend income 5 546 777 Net gain arising from dealing securities 6 455 306 Net gain arising from dealing securities 7 1,927 2,701 Net (loss/gain arising from foreign currency dealing (1,306) 509 2,086 1,724 Operating income	Net interest income	3	116,551	101,488
Fee and commission expense (806) (881) Net fee and commission income 5 6471 Dividend income 5 546 777 Net gain arising from dealing securities 6 455 306 Net gain arising from dealing securities 7 1,927 2,701 Net (loss/gain arising from foreign currency dealing (1,306) 509 2,086 1,724 Operating income				
Net fee and commission income8,455 $6,471$ Dividend income5546777Net gain arising from dealing securities6455306Net gain arising from investment securities71,9272,701Net (loss/gain arising from foreign currency dealing71,9272,701Operating income		4		
Dividend income5 $$	Fee and commission expense		(806)	(881)
Dividend income5546777Dividend income6455306Net gain arising from investment securities71,9272,701Net (loss)/gain arising from foreign currency dealing71,9272,086Operating income	Not feel and commission in some		0.455	C 471
Net gain arising from dealing securities6455306Net gain arising from investment securities7 $1,927$ $2,701$ Net (loss)/gain arising from foreign currency dealing7 $1,927$ $2,701$ Operating income128,714 $1113,976$ General and administrative expenses8 $($8,092)$ $($3,419)$ Provisions for impairment losses on9 $($1,552)$ $($3,249)$ Operating expenses9 $($1,552)$ $($3,249)$ Operating expenses9 $($1,552)$ $($2,249)$ Operating expenses $($2,68)$ $($2,159)$ Net profit47,09649,040Attributable to: Shareholders of the Bank Interind dividend declared during the year Special dividend declared during the year 	Net ree and commission income		8,455	6,471
Net gain arising from investment securities71,9272,701Net (loss)/gain arising from foreign currency dealing(1,306)509Other income	Dividend income	5	546	777
Net (loss)/gain arising from foreign currency dealing(1,306)509Other income	Net gain arising from dealing securities	6	455	306
Other income 2,086 1,724 Operating income 128,714 1113,976 General and administrative expenses 8 (58,092) (53,419) Provisions for impairment losses on 17(b) (13,706) (6,109) – loans and advances to customers 17(b) (13,706) (6,109) – others 9 (1,552) (3,249) Operating expenses	Net gain arising from investment securities	7	1,927	2,701
Operating income	Net (loss)/gain arising from foreign currency dealing		(1,306)	509
General and administrative expenses8(58,092)(53,419)Provisions for impairment losses on - loans and advances to customers17(b)(13,706)(6,109)- others9(1,552)(3,249)Operating expenses	Other income		2,086	1,724
General and administrative expenses8(58,092)(53,419)Provisions for impairment losses on - loans and advances to customers17(b)(13,706)(6,109)- others9(1,552)(3,249)Operating expenses				
Provisions for impairment losses on – loans and advances to customers17(b)(13,706)(6,109)- others9(1,552)(3,249)Operating expenses	Operating income		128,714	113,976
Provisions for impairment losses on – loans and advances to customers17(b)(13,706)(6,109)- others9(1,552)(3,249)Operating expenses	General and administrative expenses	8	(58,092)	(53,419)
- loans and advances to customers 17(b) (13,706) (6,109) - others 9 (1,522) (3,249) Operating expenses (73,350) (62,777) Profit before tax 13(a) 55,364 51,199 Income tax 13(a) 47,096 49,040 Attributable to: 47,096 49,040 Shareholders of the Bank (77) (2) Net profit 47,096 49,040 Cash dividends payable to shareholders of the Bank 47,096 49,040 Net profit 28(a) 168 Special dividend declared during the year 28(a) 3,100 Final dividend proposed after the balance sheet date 28(a) 3,370 6,638 2,914				· · · ·
Operating expenses (73,350) (62,777) Profit before tax 13(a) 55,364 51,199 Income tax 13(a) (8,268) (2,159) Net profit 47,096 49,040 Attributable to: 53rafeholders of the Bank 47,103 49,042 Minority interests (7) (2) Net profit 47,096 49,040 Cash dividends payable to shareholders of the Bank (7) (2) Net profit 47,096 49,040 Cash dividend declared during the year 28(a) 168 - Final dividend declared during the year 28(a) 3,100 - Final dividend proposed after the balance sheet date 28(a) 3,370 - 6,638 2,914 3,370 - -		17(b)	(13,706)	(6,109)
Profit before tax Income tax13(a)55,364 (8,268)51,199 (2,159)Net profit47,09649,040Attributable to: Shareholders of the Bank Minority interests47,103 (7)49,042 (7)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Final dividend declared during the year Final dividend declared during the year Enal dividend proposed after the balance sheet date168 28(a) 3,370	— others	9	(1,552)	(3,249)
Profit before tax Income tax13(a)55,364 (8,268)51,199 (2,159)Net profit47,09649,040Attributable to: Shareholders of the Bank Minority interests47,103 (7)49,042 (7)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Final dividend declared during the year Final dividend declared during the year Enal dividend proposed after the balance sheet date168 28(a) 3,370				
Income tax13(a)(8,268)(2,159)Net profit47,09649,040Attributable to: Shareholders of the Bank Minority interests47,10349,042 (7)Net profit(7)(2)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Final dividend declared during the year Final dividend declared during the year Final dividend declared during the year Enal dividend proposed after the balance sheet date28(a)168 3,370	Operating expenses		(73,350)	(62,777)
Income tax13(a)(8,268)(2,159)Net profit47,09649,040Attributable to: Shareholders of the Bank Minority interests47,10349,042 (7)Net profit(7)(2)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Final dividend declared during the year Final dividend declared during the year Final dividend declared during the year Enal dividend proposed after the balance sheet date28(a)168 3,370				<u></u>
Net profit47,09649,040Attributable to: Shareholders of the Bank Minority interests47,10349,042 (7)(2)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Final dividend declared during the year Enal dividend declared during the year Enal dividend declared during the year Enal dividend proposed after the balance sheet date28(a)168 3,3706,6382,9142,914 3,370		12()		
Attributable to: Shareholders of the Bank Minority interests47,10349,042 (7)Net profit(7)(2)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year28(a)168 – – ––Final dividend declared during the year Final dividend declared during the year28(a)3,100 – – ––Final dividend proposed after the balance sheet date28(a)3,370 – ––6,6382,914	Income tax	1 <i>3</i> (a)	(8,268)	(2,159)
Attributable to: Shareholders of the Bank Minority interests47,10349,042 (7)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year28(a)168 – – – 28(a)– 3,100Special dividend declared during the year Final dividend declared during the year Einal dividend proposed after the balance sheet date3,100 Einal Einal Einal dividend proposed after the balance sheet date28(a)6,6382,914	Net profit		47,096	49,040
Shareholders of the Bank Minority interests47,10349,042 (2)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Final dividend declared during the year Final dividend declared during the year Einal dividend proposed after the balance sheet date28(a)168 3,100 2,914 3,370Gesse date28(a)3,100 3,370 2,914Gesse date28(a)3,100 3,370 2,914				
Minority interests(7)(2)Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year Special dividend declared during the year Final dividend declared during the year Final dividend proposed after the balance sheet date28(a)168 - - - 28(a) 3,100 3,370Minority interests28(a)3,100 - 3,370 - 				
Net profit47,09649,040Cash dividends payable to shareholders of the Bank Interim dividend declared during the year28(a)168 - - 2,914Special dividend declared during the year28(a)3,100 - - 2,914Final dividend declared during the year28(a)3,100 - - - -Final dividend proposed after the balance sheet date28(a)3,370 - -6,6382,914			47,103	49,042
Cash dividends payable to shareholders of the Bank 168 — Interim dividend declared during the year 28(a) 168 — Final dividend declared during the year 28(a) 3,100 — Special dividend declared during the year 28(a) 3,100 — Final dividend proposed after the balance sheet date 28(a) 3,370 — 6,638 2,914	Minority interests		(7)	(2)
Cash dividends payable to shareholders of the Bank 168 — Interim dividend declared during the year 28(a) 168 — Final dividend declared during the year 28(a) 3,100 — Special dividend declared during the year 28(a) 3,100 — Final dividend proposed after the balance sheet date 28(a) 3,370 — 6,638 2,914	Net profit		47 096	49 040
Interim dividend declared during the year28(a)168—Final dividend declared during the year28(a)3,100—Special dividend declared during the year28(a)3,100—Final dividend proposed after the balance sheet date28(a)3,370—6,6382,914———			47,050	+5,640
Final dividend declared during the year 2,914 Special dividend declared during the year 28(a) 3,100 Final dividend proposed after the balance sheet date 28(a) 3,370 6,638 2,914	Cash dividends payable to shareholders of the Bank			
Special dividend declared during the year 28(a) 3,100 — Final dividend proposed after the balance sheet date 28(a) 3,370 — 6,638 2,914		28(a)	168	_
Final dividend proposed after the balance sheet date 28(a) 3,370 — 6,638 2,914			—	2,914
6,638 2,914			3,100	—
	Final dividend proposed after the balance sheet date	28(a)	3,370	
			6 6 2 9	2.014
Basic and diluted earnings per share (in RMB) 14 0.24 0.26			0,038	2,914
	Basic and diluted earnings per share (in RMB)	14	0.24	0.26

The notes on pages 108 to 204 form part of these financial statements.