

CONSOLIDATED INCOME STATEMENT

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

	Note	2005	2004
Interest income		173,601	147,196
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		(806)	(881)
Net fee and commission income		8,455	6,471
Dividend income	5	546	777
Net gain arising from dealing securities	6	455	306
Net gain arising from investment securities	7	1,927	2,701
Net (loss)/gain arising from foreign currency dealing		(1,306)	509
Other income		2,086	1,724
Operating income		128,714	113,976
General and administrative expenses	8	(58,092)	(53,419)
Provisions for impairment losses on			
— loans and advances to customers	17(b)	(13,706)	(6,109)
— others	9	(1,552)	(3,249)
Operating expenses		(73,350)	(62,777)
Profit before tax		55,364	51,199
Income tax	13(a)	(8,268)	(2,159)
Net profit		47,096	49,040
Attributable to:			
Shareholders 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			
Interim dividend declared during the year	28(a)	168	—
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
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.