

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2006 (Expressed in millions of Renminbi unless otherwise stated)

	Note	2006	2005
Interest income		215,189	173,601
Interest expense		(74,821)	(57,050)
Net interest income	2	140,368	116,551
Fee and commission income		14,627	9,261
Fee and commission expense		(1,056)	(806)
Net fee and commission income	3	13,571	8,455
Dividend income	4	424	546
Net gain arising from dealing securities	5	619	455
Net gain arising from investment securities	6	1,012	1,927
Other operating (loss)/income	7	(4,401)	780
Operating income		151,593	128,714
Operating expenses	8	(66,662)	(58,092)
		84,931	70,622
Provisions for impairment losses on			
— loans and advances to customers	9(a)	(18,997)	(13,706)
— others	9(b)	(217)	(1,552)
Impairment losses		(19,214)	(15,258)
Profit before tax		65,717	55,364
Income tax	13(a)	(19,398)	(8,268)
Net profit		46,319	47,096
Attributable to:			
Shareholders of the Bank		46,322	47,103
Minority interests		(3)	(7)
Net profit		46,319	47,096
Cash dividends payable to shareholders of the Bank			
Interim cash dividend declared during the year		—	168
Special cash dividend declared during the year		—	3,100
Final cash dividend proposed after the balance sheet date		20,671	3,370
	31(b)	20,671	6,638
Basic and diluted earnings per share (in RMB)	14	0.21	0.24

The notes on pages 109 to 217 form part of these financial statements.