

Consolidated Income Statement

for the year ended 31 December 2009
(Expressed in millions of Hong Kong dollars)

		2009	2008
	note		
Interest income	8	16,390	26,172
Interest expense	8	(2,367)	(9,940)
Net interest income		14,023	16,232
Fee income		5,190	5,704
Fee expense		(869)	(735)
Net fee income	9	4,321	4,969
Trading income	10	1,923	1,455
Net loss from financial instruments designated at fair value	11	(75)	(1,031)
Dividend income	12	16	82
Net earned insurance premiums	13	11,519	12,351
Other operating income	14	1,089	701
Total operating income		32,816	34,759
Net insurance claims incurred and movement in policyholders' liabilities	15	(12,004)	(11,463)
Net operating income before loan impairment charges and other credit risk provisions		20,812	23,296
Loan impairment charges and other credit risk provisions	16	(812)	(2,776)
Net operating income		20,000	20,520
Employee compensation and benefits		(3,378)	(3,452)
General and administrative expenses		(2,748)	(2,851)
Depreciation of premises, plant and equipment		(466)	(432)
Amortisation of intangible assets		(84)	(60)
Total operating expenses	17	(6,676)	(6,795)
Operating profit		13,324	13,725
Gains less losses from financial investments and fixed assets	21	186	267
Net surplus on property revaluation	22	219	79
Share of profits from associates		1,748	1,807
Profit before tax		15,477	15,878
Tax expense	23	(2,256)	(1,779)
Profit for the year		13,221	14,099
Profit attributable to shareholders		13,221	14,099
<i>(Figures in HK\$)</i>			
Earnings per share	25	6.92	7.37

The notes on pages 96 to 241 form part of these financial statements.