

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2010
(Expressed in millions of Hong Kong dollars)

		2010	2009 (restated)
	note		
Interest income	8	16,507	16,390
Interest expense	8	(2,207)	(2,367)
Net interest income		14,300	14,023
Fee income		5,895	5,190
Fee expense		(998)	(869)
Net fee income	9	4,897	4,321
Trading income	10	2,059	1,923
Net income/(loss) from financial instruments designated at fair value	11	282	(75)
Dividend income	12	14	16
Net earned insurance premiums	13	11,307	11,519
Other operating income	14	1,558	1,089
Total operating income		34,417	32,816
Net insurance claims incurred and movement in policyholders' liabilities	15	(12,587)	(12,004)
Net operating income before loan impairment charges and other credit risk provisions		21,830	20,812
Loan impairment charges and other credit risk provisions	16	(390)	(812)
Net operating income		21,440	20,000
Employee compensation and benefits		(3,717)	(3,378)
General and administrative expenses		(2,917)	(2,733)
Depreciation of premises, plant and equipment		(619)	(591)
Amortisation of intangible assets		(102)	(84)
Total operating expenses	17	(7,355)	(6,786)
Operating profit		14,085	13,214
Gains less losses from financial investments and fixed assets	21	112	186
Net surplus on property revaluation	22	487	252
Share of profits from associates		2,661	1,748
Profit before tax		17,345	15,400
Tax expense	23	(2,428)	(2,262)
Profit for the year		14,917	13,138
Profit attributable to shareholders		14,917	13,138
(Figures in HK\$)			
Earnings per share	25	7.80	6.87

The notes on pages 104 to 249 form part of these financial statements.