

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2011

(Expressed in millions of Hong Kong dollars)

		2011	2010
	note		
Interest income	8	19,845	16,507
Interest expense	8	(4,109)	(2,207)
Net interest income		15,736	14,300
Fee income		5,923	5,895
Fee expense		(1,087)	(998)
Net fee income	9	4,836	4,897
Trading income	10	1,796	2,059
Net (loss)/income from financial instruments designated at fair value	11	(160)	282
Dividend income	12	17	14
Net earned insurance premiums	13	11,061	11,307
Other operating income	14	921	1,558
Total operating income		34,207	34,417
Net insurance claims incurred and movement in policyholders' liabilities	15	(11,610)	(12,587)
Net operating income before loan impairment charges		22,597	21,830
Loan impairment charges	16	(440)	(390)
Net operating income		22,157	21,440
Employee compensation and benefits		(3,888)	(3,717)
General and administrative expenses		(3,191)	(2,917)
Depreciation of premises, plant and equipment		(700)	(619)
Amortisation of intangible assets		(119)	(102)
Operating expenses	17	(7,898)	(7,355)
Impairment loss on intangible assets		(78)	–
Operating profit		14,181	14,085
Gains less losses from financial investments and fixed assets	21	50	112
Net surplus on property revaluation	22	992	487
Share of profits from associates		3,990	2,661
Profit before tax		19,213	17,345
Tax expense	23	(2,533)	(2,428)
Profit for the year		16,680	14,917
Profit attributable to shareholders		16,680	14,917
<i>(Figures in HK\$)</i>			
Earnings per share	25	8.72	7.80