

Consolidated Income Statement

for the year ended 31 December 2012
(Expressed in millions of Hong Kong dollars)

		2012	2011 (restated)
	note		
Interest income	8	21,861	19,845
Interest expense	8	(4,915)	(4,109)
Net interest income		16,946	15,736
Fee income		6,298	5,923
Fee expense		(1,212)	(1,087)
Net fee income	9	5,086	4,836
Trading income	10	2,063	1,796
Net income/(loss) from financial instruments designated at fair value	11	376	(160)
Dividend income	12	17	17
Net earned insurance premiums	13	10,947	11,061
Other operating income	14	1,181	921
Total operating income		36,616	34,207
Net insurance claims incurred and movement in policyholders' liabilities	15	(12,235)	(11,610)
Net operating income before loan impairment charges		24,381	22,597
Loan impairment charges	16	(386)	(440)
Net operating income		23,995	22,157
Employee compensation and benefits		(4,137)	(3,888)
General and administrative expenses		(3,375)	(3,191)
Depreciation of premises, plant and equipment		(762)	(700)
Amortisation of intangible assets		(115)	(119)
Operating expenses	17	(8,389)	(7,898)
Impairment loss on intangible assets		–	(78)
Operating profit		15,606	14,181
Gains less losses from financial investments and fixed assets	21	(5)	50
Gain on disposal of a subsidiary		355	–
Net surplus on property revaluation	22	776	992
Share of profits from associates		5,381	4,032
Profit before tax		22,113	19,255
Tax expense	23	(2,687)	(2,370)
Profit for the year		19,426	16,885
Profit attributable to shareholders		19,426	16,885
(Figures in HK\$)			
Earnings per share	25	10.16	8.83

The notes on pages 84 to 236 form part of these financial statements.