

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December

| | Note | 2002 HK\$m | 2001 HK\$m |
|---|------|--------------------|--------------------|
| Interest income | 4 | 21,463 | 38,307 |
| Interest expense | | (7,521) | (23,320) |
| Net interest income | | 13,942 | 14,987 |
| Other operating income | 5 | 4,172 | 4,022 |
| Operating income | | 18,114 | 19,009 |
| Operating expenses | 6 | (6,025) | (5,847) |
| Operating profit before provisions | | 12,089 | 13,162 |
| Charge for bad and doubtful debts | 7 | (2,855) | (7,412) |
| Operating profit after provisions | | 9,234 | 5,750 |
| Restructuring costs | | – | (937) |
| Net loss from disposal/revaluation of fixed assets | 8 | (1,032) | (1,237) |
| Net gain from disposal of held-to-maturity securities and investment securities | | – | 20 |
| (Provision)/write-back of provision for impairment on held-to-maturity securities and investment securities | 9 | (7) | 24 |
| Net gain on disposal of subsidiaries | | – | 12 |
| Provision for impairment on investments in associates/ gain on disposal of associates | | (27) | 20 |
| Share of operating (losses)/profits of associates | | (100) | 81 |
| Profit before taxation | | 8,068 | 3,733 |
| Taxation | 10 | (1,268) | (832) |
| Profit after taxation | | 6,800 | 2,901 |
| Minority interests | | (127) | (133) |
| Profit attributable to shareholders | 11 | 6,673 | 2,768 |
| Dividends | 12 | 4,208 | – |
| | | HK\$ | HK\$ |
| Earnings per share | 13 | 63.11 cents | 26.18 cents |