

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December	Notes	2011 HK\$'m	2010 HK\$'m
Interest income		31,931	23,449
Interest expense		(9,952)	(4,715)
<b>Net interest income</b>	5	<b>21,979</b>	18,734
Fee and commission income		10,858	9,479
Fee and commission expense		(3,025)	(2,435)
<b>Net fee and commission income</b>	6	<b>7,833</b>	7,044
Gross earned premiums		12,927	8,650
Gross earned premiums ceded to reinsurers		(7,244)	(2,166)
<b>Net insurance premium income</b>		<b>5,683</b>	6,484
Net trading gain	7	1,710	1,369
Net (loss)/gain on financial instruments designated at fair value through profit or loss		(340)	742
Net gain on other financial assets	8	308	656
Other operating income	9	525	467
<b>Total operating income</b>		<b>37,698</b>	35,496
Gross insurance benefits and claims	10	(13,844)	(10,053)
Reinsurers' share of benefits and claims		6,992	2,065
<b>Net insurance benefits and claims</b>		<b>(6,852)</b>	(7,988)
<b>Net operating income before impairment allowances</b>		<b>30,846</b>	27,508
Net (charge)/reversal of impairment allowances	11	(506)	315
<b>Net operating income</b>		<b>30,340</b>	27,823
Operating expenses	12	(7,862)	(9,584)
<b>Operating profit</b>		<b>22,478</b>	18,239
Net gain from disposal of/fair value adjustments on investment properties	13	2,213	1,511
Net loss from disposal/revaluation of properties, plant and equipment	14	(34)	(6)
Share of profits less losses after tax of associates	29	23	(2)
<b>Profit before taxation</b>		<b>24,680</b>	19,742
Taxation	15	(3,867)	(3,052)
<b>Profit for the year</b>		<b>20,813</b>	16,690
<b>Profit attributable to:</b>			
Equity holders of the Company		20,430	16,196
Non-controlling interests		383	494
		<b>20,813</b>	16,690
<b>Dividends</b>	17	<b>12,560</b>	10,277
		<b>HK\$</b>	<b>HK\$</b>
<b>Earnings per share for profit attributable to the equity holders of the Company</b>			
Basic and diluted	18	<b>1.9323</b>	1.5319

The notes on pages 110 to 237 are an integral part of these financial statements.