

Unaudited Consolidated Income Statement

For the six months ended 30 June 2006 (Expressed in millions of Renminbi unless otherwise stated)

	Note	Six months ended 30 June	
		2006	2005
Interest income		100,476	82,655
Interest expense		(35,191)	(25,952)
Net interest income	2	65,285	56,703
Fee and commission income	3	6,782	4,315
Fee and commission expense		(508)	(409)
Net fee and commission income		6,274	3,906
Dividend income	4	192	217
Net gain arising from dealing securities	5	129	67
Net gain arising from investment securities	6	672	709
Net foreign exchange (loss)/gain		(2,421)	582
Other income		733	738
Operating income		70,864	62,922
General and administrative expenses	7	(29,516)	(24,493)
Provisions for impairment losses on			
— loans and advances to customers	13(b)	(8,318)	(6,064)
— others	8	(216)	(622)
Operating expenses		(38,050)	(31,179)
Profit before tax		32,814	31,743
Income tax	9(a)	(9,591)	(3,394)
Net profit		23,223	28,349
Attributable to:			
Shareholders of the Bank		23,223	28,351
Minority interests		—	(2)
Net profit		23,223	28,349
Cash dividends attributable to shareholders of the Bank			
Interim cash dividend attributable to the six months ended 30 June 2005, but declared and paid after 30 June 2005		—	168
Final cash dividend attributable to the year ended 31 December 2005 and approved during the six months ended 30 June 2006	23(a)	3,370	—
		3,370	168
Basic and diluted earnings per share (in RMB)	10	0.10	0.15

The notes on pages 35 to 107 form part of this interim financial report.