

## REVENUE ACCOUNT OF REINSURANCE BUSINESS

For the year ended 31 December 2003

(Expressed in Hong Kong dollars)

	Note	2003 \$'000	2002 restated \$'000
<b>Gross premiums written</b>	2	<b>1,179,622</b>	1,170,637
Outward retrocession premiums		<u>(206,783)</u>	<u>(212,760)</u>
<b>Net premiums written</b>		<b>972,839</b>	957,877
Decrease/(increase) in insurance funds		<u>41,235</u>	<u>(3,989)</u>
<b>Net premiums earned</b>		<u>1,014,074</u>	<u>953,888</u>
Gross claims paid		<u>(599,853)</u>	<u>(555,146)</u>
Less: Reinsurers' share of claims		<u>97,980</u>	<u>99,326</u>
<b>Net claims paid</b>		<b>(501,873)</b>	(455,820)
Increase in provision for outstanding claims		<u>(221,436)</u>	<u>(103,258)</u>
<b>Net claims incurred</b>		<u>(723,309)</u>	<u>(559,078)</u>
Commission income		42,162	48,300
Commission expenses		<u>(271,134)</u>	<u>(274,835)</u>
<b>Net commission expenses</b>		<u>(228,972)</u>	<u>(226,535)</u>
<b>Interest income on premium deposits</b>		<u>958</u>	<u>1,380</u>
<b>Management expenses</b>		<u>(19,116)</u>	<u>(18,344)</u>
<b>Amount transferred to income statement</b>		<b><u>43,635</u></b>	<b><u>151,311</u></b>

The notes on pages 48 to 111 form part of these financial statements.