

Consolidated Profit and Loss Account

For the year ended December 31, 2004

	<i>Note</i>	2004 <i>RMB million</i>	2003 <i>RMB million</i>
REVENUES			
Gross written premiums and policy fees		66,257	69,334
Less: Premiums ceded to reinsurers		(1,182)	(1,571)
Net written premiums and policy fees		65,075	67,763
Net change in unearned premium reserves		(67)	(547)
Net premiums earned and policy fees		65,008	67,216
Net investment income	4.1	11,317	9,825
Net realised (loss)/gain on investments	4.1	(237)	868
Net unrealised (loss)/gain on trading securities	4.1	(1,061)	247
Other income		1,779	727
Total revenues		76,806	78,883
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Life insurance death and other benefits	12	(6,816)	(8,570)
Accident and health claims and claim adjustment expenses	12	(6,418)	(4,882)
Increase in future life policyholder benefits	12	(33,154)	(43,084)
Interest credited to policyholder contract deposits		(4,320)	(7,260)
Policyholder dividends and participation in profits		(2,048)	(1,207)
Amortisation of deferred policy acquisition costs	6	(6,263)	(5,023)
Underwriting and policy acquisition costs		(1,472)	(1,294)
Administrative expenses		(6,585)	(6,862)
Other operating expenses		(131)	(872)
Interest expense on bank borrowings		-	(7)
Statutory insurance levy		(96)	(85)
Total benefits, claims and expenses		(67,303)	(79,146)
Profit/(loss) before income tax expenses and minority interests		9,503	(263)
Income tax expenses	17	(2,280)	(1,180)
Profit/(loss) before minority interests		7,223	(1,443)
Minority interests		(52)	15
Profit/(loss) attributable to shareholders		7,171	(1,428)
Dividends		-	-
Basic and diluted earnings/(losses) per share	20	RMB0.27	RMB(0.07)