

## CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2005

<b>For the year ended December 31, (in RMB million)</b>	<i>Notes</i>	<b>2005</b>	2004 (Restated)
Gross written premiums and policy fees	6	<b>59,021</b>	60,033
Less: Premiums ceded to reinsurers		<b>(4,241)</b>	(4,122)
Net written premiums and policy fees		<b>54,780</b>	55,911
Increase in unearned premium reserves, net	37	<b>(1,581)</b>	(1,191)
Net earned premiums		<b>53,199</b>	54,720
Reinsurance commission income		<b>1,371</b>	1,376
Net investment income	7 (1)	<b>9,338</b>	7,219
Realized gains/(losses)	7 (2)	<b>(505)</b>	(56)
Unrealized gains/(losses)	7 (3)	<b>822</b>	(717)
Foreign currency gains/(losses)		<b>(405)</b>	3
Other income	8	<b>770</b>	648
<b>Total revenue</b>		<b>64,590</b>	63,193
Change in deferred policy acquisition costs	25	<b>3,830</b>	2,261
Claims and policyholders' benefits	9	<b>(20,818)</b>	(16,472)
Increase in policyholders' reserves	37	<b>(29,557)</b>	(33,872)
Changes in fair value of derivative financial liabilities		<b>(6)</b>	(80)
Commission expenses		<b>(5,928)</b>	(5,255)
General and administrative expenses		<b>(7,090)</b>	(5,922)
Provision for insurance guarantee fund		<b>(209)</b>	(106)
<b>Total expenses</b>		<b>(59,778)</b>	(59,446)
Operating profit	10	<b>4,812</b>	3,747
Income taxes	11	<b>(547)</b>	(601)
<b>Net profit</b>		<b>4,265</b>	3,146
<b>Attributable to:</b>			
– Equity holders of the parent		<b>4,226</b>	3,116
– Minority interests		<b>39</b>	30
		<b>4,265</b>	3,146
		<b>RMB</b>	<b>RMB</b>
<b>Earnings per share for net profit attributable to equity holders of the parent – basic</b>	13	<b>0.68</b>	0.56

The accompanying notes form an integral part of these financial statements.