

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

		2005	2004
	Note	RMB million	(Restated (Note 2)) RMB million
REVENUES			
Gross written premiums and policy fees (including gross written premiums and policy fees from insurance contracts 2005: RMB80,651 million, 2004: RMB65,878 million)		81,022	66,257
Less: premiums ceded to reinsurers		(769)	(1,182)
Net written premiums and policy fees		80,253	65,075
Net change in unearned premium reserves		(215)	(67)
Net premiums earned and policy fees		80,038	65,008
Net investment income	19	16,685	11,317
Net realised losses on financial assets	20	(510)	–
Net realised losses on investments	20	–	(237)
Net fair value gains on assets at fair value through income	21	260	–
Net unrealised losses on trading securities	21	–	(1,061)
Other income		1,739	1,779
Total revenues		98,212	76,806
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Life insurance death and other benefits	22	(8,311)	(6,816)
Accident and health claims and claim adjustment expenses	22	(6,847)	(6,418)
Increase in long-term traditional insurance contracts liabilities	22	(33,977)	(25,361)
Interest credited to long-term investment type insurance contracts	22	(4,894)	(3,704)
Interest credited to investment contracts		(973)	(616)
Increase in deferred income		(8,521)	(7,793)
Policyholder dividends resulting from participation in profits		(5,359)	(2,048)
Amortisation of deferred policy acquisition costs	7	(7,766)	(6,263)
Underwriting and policy acquisition costs		(1,845)	(1,472)
Administrative expenses		(7,237)	(6,585)
Other operating expenses		(798)	(131)
Statutory insurance fund		(174)	(96)
Total benefits, claims and expenses		(86,702)	(67,303)
Net profit before income tax expenses	23	11,510	9,503
Income tax expenses	24	(2,145)	(2,280)
Net profit		9,365	7,223
Attributable to:			
– shareholders of the Company		9,306	7,171
– minority interest		59	52
Basic and diluted earnings per share	26	RMB0.35	RMB0.27
Dividends proposed after the balance sheet date	27	1,338	Nil

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.