

# Balance Sheet

31 December 2003

	Notes	31 December 2003 RMB million	Pro forma 31 December 2002 RMB million
<b>ASSETS</b>			
Cash and cash equivalents	15	18,004	11,629
Term deposits	15	12,562	8,286
Trading securities	16	6,094	10,272
Investments in securities	17	10,765	2,294
Premiums receivables and agents' balances, net	18	2,012	2,339
Unearned premium reserves - reinsurers' share	25	6,030	7,104
Receivables from reinsurers	19	656	911
Reinsurance recoverable on unpaid losses	26	6,283	6,319
Prepayments and other receivables	20	2,067	2,102
Capital security fund	21	2,228	1,540
Fixed assets	22	15,645	16,526
Construction in progress	23	642	714
Deferred acquisition costs	24	1,284	1,076
Other non-current assets		300	334
Deferred tax assets	31	—	180
<b>TOTAL ASSETS</b>		<b>84,572</b>	<b>71,626</b>
<b>LIABILITIES</b>			
Unearned premium reserves	25	30,422	28,053
Loss and loss adjustment expense reserves	26	17,956	16,597
Provision for premium deficiency		—	2
Policyholders' deposits	27	9,290	7,499
Payables to reinsurers	28	1,978	2,303
Accrued insurance protection fund	29	522	81
Tax payable		167	—
Other liabilities and accruals	30	5,147	6,798
Deferred tax liabilities	31	333	—
<b>TOTAL LIABILITIES</b>		<b>65,815</b>	<b>61,333</b>
<b>CAPITAL RESOURCES</b>			
Issued capital	32	11,142	—
Reserves/owners' equity		5,615	10,293
		16,757	10,293
<b>SUBORDINATED LOAN</b>	33	2,000	—
<b>TOTAL LIABILITIES AND CAPITAL RESOURCES</b>		<b>84,572</b>	<b>71,626</b>

**Mr. Tang Yunxiang**  
Chairman

**Mr. Wang Yincheng**  
Executive Director

Note: The basis of presentation is disclosed in note 1 to financial statements.