

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2004

	<i>Notes</i>	2004 <i>RMB million</i>	7 July 2003 to 31 December 2003 <i>RMB million</i>	Pro forma 2003 <i>RMB million</i>
TURNOVER	6	62,003	23,643	54,968
Net premiums earned	6	50,628	19,923	40,409
Interest and dividend income, net	6	1,252	389	690
Net gains/(losses) on trading and non-trading securities	6	(948)	30	260
Net claims incurred	7	(38,905)	(14,444)	(29,063)
Amortisation of deferred acquisition costs	26	(3,560)	(1,427)	(2,479)
Insurance protection expense		(563)	(204)	(468)
Interest expense credited to policyholders' deposits		(144)	(65)	(123)
General and administrative expenses	8	(7,135)	(3,837)	(6,903)
OPERATING PROFIT		625	365	2,323
Finance costs	9	(120)	(23)	(35)
PROFIT BEFORE TAX		505	342	2,288
Tax	12	(297)	(235)	(837)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		208	107	1,451
BASIC EARNING PER SHARE (in RMB)	14	0.019	0.012	0.171

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