

# Consolidated

## Balance Sheet

As at 31 December 2006

	<i>Note</i>	As at 31 December 2006 RMB million	As at 31 December 2005 RMB million
<b>ASSETS</b>			
Property, plant and equipment	6	14,565	12,710
Deferred policy acquisition costs	7	39,230	37,741
Investments in associates	8	6,071	–
Financial assets			
Debt securities		357,898	255,554
– held-to-maturity securities	9.1	176,559	146,297
– available-for-sale securities	9.2	176,868	96,425
– at fair value through income (held-for-trading)	9.3	4,471	12,832
Equity securities		95,493	39,548
– available-for-sale securities	9.2	62,595	26,261
– at fair value through income (held-for-trading)	9.3	32,898	13,287
Term deposits	9.5	175,476	164,869
Statutory deposits-restricted	9.6	5,353	5,353
Policy loans		2,371	981
Accrued investment income	9.7	8,461	6,813
Premiums receivables	11	6,066	4,959
Reinsurance assets	12	986	1,182
Other assets	13	2,212	1,458
Cash and cash equivalents		50,213	28,051
<b>Total Assets</b>		<b>764,395</b>	<b>559,219</b>

The notes on pages 92 to 161 form an integral part of these consolidated financial statements.

## Consolidated Balance Sheet

As at 31 December 2006

	Note	As at 31 December 2006 RMB million	As at 31 December 2005 RMB million
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Insurance contracts			
Short-term insurance contracts			
– reserves for claims and claim adjustment expenses	14	2,498	1,784
– unearned premium reserves	14	5,346	5,147
Long-term traditional insurance contracts	14	172,875	124,656
Long-term investment type insurance contracts	14	282,672	237,001
Deferred income	15	41,371	34,631
Financial Liabilities			
Investment contracts			
– with Discretionary Participation Feature (“DPF”)	16	45,998	42,230
– without DPF	16	2,614	1,872
Securities sold under agreements to repurchase	17	8,227	4,731
Annuity and other insurance balances payable		8,891	4,492
Premiums received in advance		2,329	2,951
Policyholder dividends payable		26,057	6,204
Other liabilities	18	5,333	4,106
Current income tax liabilities		843	525
Deferred tax liabilities	25	19,022	7,982
Statutory insurance fund	19	114	98
<b>Total liabilities</b>		<b>624,190</b>	<b>478,410</b>
<b>Contingencies and commitments</b>	33, 34	–	–
<b>Shareholders’ equity</b>			
Share capital	31	28,265	26,765
Reserves	32	77,368	37,225
Retained earnings		34,032	16,388
<b>Total shareholders’ equity</b>		<b>139,665</b>	<b>80,378</b>
<b>Minority interest</b>		<b>540</b>	<b>431</b>
<b>Total equity</b>		<b>140,205</b>	<b>80,809</b>
<b>Total liabilities and equity</b>		<b>764,395</b>	<b>559,219</b>

Approved and authorised for issue by the Board of Directors on 17 April 2007

Yang Chao  
Director

Wan Feng  
Director

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