

Balance Sheet

As at 31 December 2006

	<i>Note</i>	As at 31 December 2006 RMB million	As at 31 December 2005 RMB million
ASSETS			
Property, plant and equipment	6	14,235	12,446
Deferred policy acquisition costs	7	39,230	37,741
Investments in subsidiaries	35	600	480
Investments in associates	8	6,071	–
Financial assets			
Debt securities		357,359	255,011
– held-to-maturity securities	9.1	176,559	146,297
– available-for-sale securities	9.2	176,409	95,946
– at fair value through income (held-for-trading)	9.3	4,391	12,768
Equity securities		95,267	39,407
– available-for-sale securities	9.2	62,369	26,120
– 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	8,454	6,797
Premiums receivables	11	6,066	4,959
Reinsurance assets	12	986	1,182
Other assets	13	2,073	1,443
Cash and cash equivalents		49,735	27,741
Total assets		763,276	558,410

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

Balance Sheet

As at 31 December 2006

	<i>Note</i>	As at 31 December 2006 RMB million	As at 31 December 2005 RMB million
LIABILITIES AND EQUITY			
Liabilities			
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	8,027	4,625
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	5,287	4,089
Current income tax liabilities		752	437
Deferred tax liabilities	25	18,991	7,982
Statutory insurance fund	19	114	98
Total liabilities		623,822	478,199
Contingencies and commitments	33, 34	–	–
Shareholders’ equity			
Share capital	31	28,265	26,765
Reserves	32	76,207	36,111
Retained earnings		34,982	17,335
Total shareholders’ equity		139,454	80,211
Total liabilities and shareholders’ equity		763,276	558,410

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

Yang Chao
Director

Wan Feng
Director

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