

# Consolidated Income Statement

For the year ended 31 December 2006

	<i>Note</i>	2006 RMB million	2005 RMB million
<b>REVENUES</b>			
Gross written premiums and policy fees (including gross written premiums and policy fees from insurance contracts 2006: RMB 98,840 million, 2005: RMB 80,651 million)		99,417	81,022
Less: premiums ceded to reinsurers		(140)	(769)
Net written premiums and policy fees		99,277	80,253
Net change in unearned premium reserves		(430)	(215)
<b>Net premiums earned and policy fees</b>		<b>98,847</b>	<b>80,038</b>
Net investment income	20	24,942	16,685
Net realised gains/(losses) on financial assets	21	1,595	(510)
Net fair value gains on assets at fair value through income (held-for-trading)	22	20,044	260
Other income		1,883	1,739
<b>Total revenues</b>		<b>147,311</b>	<b>98,212</b>
<b>BENEFITS, CLAIMS AND EXPENSES</b>			
Insurance benefits and claims			
Life insurance death and other benefits	23	(10,797)	(8,311)
Accident and health claims and claim adjustment expenses	23	(6,999)	(6,847)
Increase in long-term traditional insurance contracts liabilities	23	(44,238)	(33,977)
Interest credited to long-term investment type insurance contracts	23	(6,386)	(4,894)
Interest credited to investment contracts		(996)	(973)
Increase in deferred income		(11,607)	(8,521)
Policyholder dividends resulting from participation in profits		(17,617)	(5,359)
Amortisation of deferred policy acquisition costs	7	(10,259)	(7,766)
Underwriting and policy acquisition costs		(2,415)	(1,845)
Administrative expenses		(9,339)	(7,237)
Other operating expenses		(859)	(798)
Statutory insurance fund		(194)	(174)
<b>Total benefits, claims and expenses</b>		<b>(121,706)</b>	<b>(86,702)</b>
Share of results of associates	8	-	-
<b>Net profit before income tax expenses</b>	<b>24</b>	<b>25,605</b>	<b>11,510</b>
Income tax expenses	25	(5,554)	(2,145)
<b>Net profit</b>		<b>20,051</b>	<b>9,365</b>
Attributable to:			
- shareholders of the Company		19,956	9,306
- minority interest		95	59
<b>Basic and diluted earnings per share</b>	<b>27</b>	<b>RMB 0.75</b>	<b>RMB 0.35</b>
<b>Dividends</b>	<b>29</b>	<b>3,957</b>	<b>1,338</b>

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