

# Management Review and Analysis

## 管理層回顧和分析

### CONSOLIDATED FINANCIAL RESULTS

2011 was a difficult year for CTIH's core operating units, and was especially challenging for the Company's life insurance operations in the PRC and the reinsurance business. In an effort to dampen inflation, the PRC central bank increased interest rates and reserve requirements rapidly during the course of the Year. Such a tightening environment affected the sales of life insurance products, particularly in the bank channel. Volatile, difficult and uncertain economic conditions worldwide also impacted equity markets in Hong Kong and the PRC, which decreased the total investment income of CTIH's core businesses. One of the worst years on record for catastrophes negatively impacted the reinsurance operations of the Company, although TPRe continues to be sound financially and operationally. Despite the lower levels of net earnings during the Year, CTIH was able to continue its various strategies at each of its core businesses, and believes that a strong foundation for sustainable profit growth has been set for the years to come.

The financial highlights of the Group for the Year were as follows:

*For the year ended 31 December,*

### 綜合財務表現

對中國太平控股的核心營運單位而言，二零一一年是艱辛的一年，尤以再保險業務及於中國的人壽保險業務為甚。為了抑制通脹，中國中央銀行於年內提高利率及銀行的準備金率。此一緊縮環境影響了人壽保險產品的銷情。全球經濟波動、困難及不明朗，亦影響到香港及中國的股本市場，導致中國太平控股各核心業務的投資收入總額減少。雖然本公司的再保險業務受到歷來最多巨災的年度所影響，但太平再保險在經營及財務層面上表現仍然穩健。儘管年內的淨盈利水平較往年低，但中國太平控股各核心業務的策略仍保不變，為未來的可持續的溢利增長打下堅實的基礎。

本集團年內重點財務表現如下：

*截至十二月三十一日止年度，*

		2011 HK\$ million 百萬港元	2010 HK\$ million 百萬港元	Change 變化
Gross premiums written	毛承保保費	49,889.70	48,574.84	+2.7%
Profit from operations	經營淨溢利	919.85	1,471.49	-37.5%
Net operating profit attributable to the owners	股東應佔經營溢利淨額	495.30	1,062.81	-53.4%
Net profit attributable to the owners	股東應佔溢利淨額	495.30	2,244.79	-77.9%
Total equity	總權益	16,874.05	18,481.87	-8.7%
Owners' equity	股東應佔權益	11,434.70	12,712.39	-10.1%
Group embedded value	總內涵價值	28,347.61	24,646.95	+15.0%
Owners' group embedded value	股東應佔總內涵價值	17,074.15	15,731.42	+8.5%
		2011 HK\$ 港元	2010 HK\$ 港元	Change 變化
Basic earnings per share	每股基本盈利	0.291	1.320	-1.029 dollars元
Total equity per share	每股總權益	9.895	10.849	-0.954 dollar元
Owners' equity per share	每股股東應佔權益	6.705	7.462	-0.757 dollar元
Group embedded value per share	每股總內涵價值	16.623	14.467	+2.156 dollars元
Owners' group embedded value per share	每股股東應佔總內涵價值	10.013	9.234	+0.779 dollar元
Final dividend proposed	派發末期股息建議	-	-	-

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### CONSOLIDATED FINANCIAL RESULTS (Continued)

### 綜合財務表現(續)

The figures below are the results of the respective companies from their operations, before intra-group eliminations.

以下數字為集團內部對銷前，各公司的營運業績。

The net operating profit/(loss) by each business line is summarized below:

按各業務分類之經營溢利／（虧損）淨額概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Life insurance	人壽保險	780.60	939.88	-16.9%
Property and casualty insurance	財產保險	498.24	419.46	+18.8%
PRC operations	中國業務	152.61	56.99	+1.7 times倍
Hong Kong operations	香港業務	345.63	362.47	-4.6%
Reinsurance	再保險	(94.19)	372.65	-
Pension and group life insurance	養老及團體人壽保險	(193.91)	(179.64)	+7.9%
Asset management	資產管理	29.13	13.07	+1.2 times倍
Insurance intermediary	保險中介業務	4.13	8.27	-50.1%
Disposed business – MAC <sup>1</sup>	出售業務－民安中國 <sup>1</sup>	-	(80.80)	-
Others <sup>2</sup>	其他 <sup>2</sup>	(104.15)	(21.40)	+3.9 times倍
Profit from operations	經營淨溢利	919.85	1,471.49	-37.5%
Non-controlling interests	非控股股東權益	(424.55)	(408.68)	+3.9%
Net operating profit attributable to the owners	股東應佔經營溢利淨額	495.30	1,062.81	-53.4%
Gain on sale of MAC	出售民安中國之收益	-	1,181.98	-
Net profit attributable to the owners	股東應佔溢利淨額	495.30	2,244.79	-77.9%

<sup>1</sup> The CIRC approved the sale of MAC on 31 December 2010. MAC ceased to be a consolidated subsidiary of the Company after 31 December 2010. The results of MAC for the year ended 31 December 2010 are still consolidated into the Group on a line-by-line basis.

<sup>1</sup> 中國保監會已於二零一零年十二月三十一日批准出售民安中國。民安中國於二零一零年十二月三十一日後不再為本公司之綜合附屬公司。民安中國截至二零一零年十二月三十一日止年度的業績仍按分項總計方法綜合於本集團內。

<sup>2</sup> Others mainly included the results of the holding company and consolidation adjustments.

<sup>2</sup> 其他主要包括控股公司的業績及合併調整。

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## 管理層回顧和分析

### CONSOLIDATED FINANCIAL RESULTS (Continued)

### 綜合財務表現(續)

The following analysis shows the movement of the total equity of the Group.

以下為本集團總權益變化分析。

HK\$ million

百萬港元

		2011	2010
Total equity as at 1 January	於一月一日之總權益	<b>18,481.87</b>	15,337.83
Net operating profit recognized in income statement	確認於損益表之經營溢利淨額	<b>919.85</b>	1,471.49
Gain on disposal of MAC recognized in income statement	確認於損益表之出售民安中國收益淨額	-	1,181.98
Cumulative exchange reserve and AFS investment reserve reclassified to net profit on sale of MAC	累計匯兌儲備及可供出售投資儲備重新分類至出售民安中國之淨溢利	-	(72.08)
Net changes in AFS investment reserve	可供出售投資儲備變化淨額	<b>(3,285.06)</b>	123.15
Revaluation gain arising from reclassification of own-use properties into investment properties	因自用物業重新分類為投資物業而產生之重估收益	<b>411.70</b>	23.09
Exchange gain arising from translation of financial statements of subsidiaries outside Hong Kong	因換算香港以外地區附屬公司財務報表的匯兌收益	<b>614.56</b>	384.74
Acquisition of additional equity interest in existing subsidiaries	購入現有附屬公司的額外權益	<b>(349.27)</b>	-
Capital contribution made by non-controlling shareholders to subsidiaries	非控股股東向附屬公司注入資本	<b>67.57</b>	-
Other movements <sup>3</sup>	其他變動 <sup>3</sup>	<b>12.83</b>	31.67
<b>Total equity as at 31 December</b>	<b>於十二月三十一日之總權益</b>	<b>16,874.05</b>	18,481.87
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	<b>11,434.70</b>	12,712.39
Non-controlling interests	非控股股東權益	<b>5,439.35</b>	5,769.48
		<b>16,874.05</b>	18,481.87

<sup>3</sup> Other movements mainly include the amortization of the costs of Shares acquired under the Share Award Scheme and net proceeds received for Shares issued under the Share Option Scheme.

<sup>3</sup> 其他變動主要包括根據股份獎勵計劃而購入之股份的成本攤銷及根據認股權計劃發行新股所收取之款項淨額。

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### CONSOLIDATED FINANCIAL RESULTS (Continued)

The **gross premiums written** for the Year increased by 2.7% to HK\$49,889.70 million from HK\$48,574.84 million in the Last Year. The slowdown in the growth of premiums was mainly due to lower levels of premium growth at the life insurance business in which premiums increased by only 2.4% to HK\$37,928.84 million from HK\$37,033.66 million in the Last Year.

The **net operating profit** for the Year was HK\$919.85 million (2010: HK\$1,471.49 million). The lower net operating profit was due to lower earnings at the life insurance business and operating losses at the reinsurance business. The net operating profit attributable to the owners for the Year was HK\$495.30 million (2010: HK\$1,062.81 million).

The **life insurance business** produced a net operating profit of HK\$780.60 million (2010: HK\$939.88 million). The lower earnings was primarily due to decreased premium sales through the bank channel and lower investment yields on the investment portfolio caused by difficult equity market conditions in the PRC. The net operating profit attributable to the owners amounted to HK\$390.69 million (2010: HK\$470.41 million).

The **property and casualty insurance business** produced a net operating profit of HK\$498.24 million (2010: HK\$419.46 million). The increase in earnings was the result of solid business growth and better underwriting results at TPI. The net operating profit attributable to the owners amounted to HK\$417.22 million (2010: HK\$390.99 million).

### 綜合財務表現(續)

於本年度，毛承保保費由去年485.7484億港元增加2.7%至498.8970億港元。保費收入增長減慢主要是因為人壽保險業務之保費收入增長幅度降低，由去年370.3366億港元僅增加2.4%至379.2884億港元。

於本年度，經營溢利淨額為9.1985億港元（二零一零年：14.7149億港元）。較低的經營溢利主要是由於人壽保險業務的溢利減少及再保險業務出現經營虧損。年內股東應佔經營溢利淨額為4.9530億港元（二零一零年：10.6281億港元）。

人壽保險業務的經營溢利淨額為7.8060億港元（二零一零年：9.3988億港元）。盈利較低主要是由於銀行渠道的保費銷售下降，而投資組合因中國的股票市場表現欠佳令投資收益較低。股東應佔經營溢利淨額為3.9069億港元（二零一零年：4.7041億港元）。

財產保險業務的經營溢利淨額為4.9824億港元（二零一零年：4.1946億港元）。盈利增加是由於太平財險取得穩固的業務增長及較佳的承保業績。股東應佔經營溢利淨額為4.1722億港元（二零一零年：3.9099億港元）。

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### CONSOLIDATED FINANCIAL RESULTS (Continued)

The **reinsurance business** incurred a net operating loss of HK\$94.19 million (2010: operating profit of HK\$372.65 million). The loss was mainly caused by significant claims from a few natural catastrophes which occurred during 2011, as well as lower total investment income due to difficult equity market conditions in Hong Kong and Mainland China. The net operating loss attributable to the owners amounted to HK\$94.19 million (2010: operating profit of HK\$372.65 million).

The **pension and group life insurance businesses** incurred a net operating loss of HK\$193.91 million (2010: HK\$179.64 million). The loss was mainly due to the continued lack of economies of scale at the pension operations. The net operating loss attributable to the owners amounted to HK\$156.96 million (2010: HK\$89.87 million).

The **asset management business** produced a net operating profit of HK\$29.13 million (2010: HK\$13.07 million). The net operating profit attributable to the owners amounted to HK\$15.45 million (2010: HK\$7.42 million).

### CONSOLIDATED INVESTMENT PERFORMANCE

#### Consolidated investment assets

The total investments of the Group are summarized as follows:

*At 31 December, HK\$ million*

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Debt securities	債務證券	116,230.21	67.9%	86,452.05	64.7%
Equity securities	股本證券	8,668.88	5.1%	12,245.30	9.2%
Investment funds	投資基金	5,672.44	3.3%	4,250.68	3.2%
Cash and bank deposits	現金及銀行存款	37,776.40	22.1%	29,412.03	22.0%
Investment properties	投資物業	2,915.58	1.6%	1,304.11	0.9%
Total investments	投資總額	171,263.51	100.0%	133,664.17	100.0%

### 綜合財務表現 (續)

再保險業務產生經營虧損淨額 9,419 萬港元 (二零一零年: 經營溢利 3.7265 億港元)。虧損主要是受到二零一一年發生的幾宗重大自然災害導致索賠大幅增加, 加上香港及中國股票市場表現欠佳, 導致投資收入總額較低所致。股東應佔經營虧損淨額為 9,419 萬港元 (二零一零年: 經營溢利 3.7265 億港元)。

養老及團體人壽保險業務產生經營虧損淨額 1.9391 億港元 (二零一零年: 1.7964 億港元)。虧損主要是由於養老保險營運持續缺乏足夠的規模經濟。股東應佔經營虧損淨額為 1.5696 億港元 (二零一零年: 8,987 萬港元)。

資產管理業務的經營溢利淨額為 2,913 萬港元 (二零一零年: 1,307 萬港元)。股東應佔經營溢利淨額為 1,545 萬港元 (二零一零年: 742 萬港元)。

### 綜合投資表現

#### 綜合投資資產

本集團的投資總值概述如下:

*於十二月三十一日, 百萬港元*

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## 管理層回顧和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

#### Consolidated investment assets (Continued)

The investments in securities are classified as Held-to-Maturity (“HTM”), Available-for-Sale (“AFS”), Held for Trading (“HFT”) and Loans and Receivables (“LR”). The detailed breakdown by such classifications for the total investment portfolio of the Group was as follows:

At 31 December 2011, HK\$ million

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	83,475.82	21,846.26	97.43	10,810.70	116,230.21
Equity securities 股本證券	–	8,648.47	20.41	–	8,668.88
Investment funds 投資基金	–	5,620.47	51.97	–	5,672.44
	<b>83,475.82</b>	<b>36,115.20</b>	<b>169.81</b>	<b>10,810.70</b>	<b>130,571.53</b>

At 31 December 2010, HK\$ million

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	62,764.51	19,222.91	355.02	4,109.61	86,452.05
Equity securities 股本證券	–	12,069.42	175.88	–	12,245.30
Investment funds 投資基金	–	4,217.05	33.63	–	4,250.68
	<b>62,764.51</b>	<b>35,509.38</b>	<b>564.53</b>	<b>4,109.61</b>	<b>102,948.03</b>

The percentages of the Group’s total investments held by each business segment in terms of carrying values at the end of the reporting period were as follows:

### 綜合投資表現 (續)

#### 綜合投資資產 (續)

證券投資被歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項。本集團總投資組合按此歸類的分佈概述如下：

於二零一一年十二月三十一日，百萬港元

於二零一零年十二月三十一日，百萬港元

於報告期末各業務分類佔本集團投資總額賬面值之百分比如下：

		2011	2010
Life insurance 人壽保險		<b>87.3%</b>	86.9%
Property and casualty insurance 財產保險		<b>7.2%</b>	7.9%
Reinsurance 再保險		<b>3.6%</b>	4.3%
Other businesses 其他業務		<b>1.9%</b>	0.9%
		<b>100.0%</b>	100.0%

# Management Review and Analysis

## 管理層回顧和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

#### Consolidated investment income

The total investment income of the Group on a pre-tax basis recognized in the consolidated income statement was as follows:

For the year ended 31 December, HK\$ million

		2011	2010	Change 變化
Net investment income	投資收入淨額	<b>5,747.72</b>	4,212.88	+36.4%
Net realized investment gains/(losses)	已實現投資收益/ (虧損)淨額	<b>66.28</b>	1,301.53	-94.9%
Net unrealized investment gains/(losses)	未實現投資收益/ (虧損)淨額	<b>181.72</b>	149.53	+21.5%
Net impairment gains/(losses) on securities	證券減值收益/ (虧損)淨額	<b>(799.15)</b>	(183.99)	+3.3 times倍
Total investment income	投資收入總額	<b>5,196.57</b>	5,479.95	-5.2%

The total investment income of the Group recognized in the consolidated income statement decreased by 5.2% to HK\$5,196.57 million in the Year from HK\$5,479.95 million in the Last Year. Difficult equity market conditions in Hong Kong and the PRC lowered the total investment income of the Group in 2011.

According to the Group's impairment policy, investments in debt and equity securities other than those held for trading are reviewed periodically to determine whether there is objective evidence of impairment. Objective evidence of impairment may include specific information about the issuer, but may also include information about material changes that have taken place in areas such as technology, markets, economic or legal, which taken together or taken alone may provide evidence that the cost of those debt and equity securities may not be recovered. Under such criterion, significant or prolonged declines in the fair value of an asset below its cost is also objective evidence of impairment. In 2011, the net impairment loss on equities and investment funds recognized in the consolidated income statement was HK\$799.15 million (2010: HK\$183.99 million).

### 綜合投資表現 (續)

#### 綜合投資收入

本集團確認於綜合損益表內之稅前投資收入總額概述如下：

截至十二月三十一日止年度，百萬港元

本集團確認於綜合損益表內的投資收入總額由去年的54,799.5億港元下降5.2%至本年度的51,965.7億港元。香港及中國股票市場表現欠佳，令本集團於二零一一年之投資收入總額下跌。

按本集團減值政策，將會定期檢討除持有作交易用途以外之債務及股本證券投資，以釐訂有否客觀證據顯示減值的需要。減值的客觀證據可包括有關發行人的具體個別資料，但亦包括例如有關科技、市場、經濟或法律方面已發生重大變化的資料，而這些資料可提供證據顯示債務及股本證券的成本可能無法收回。在此前提下，資產的公允價值如大幅或長期下跌至低於其成本，亦被視為減值的客觀證據。於二零一一年，綜合損益表內確認的股本證券及投資基金減值淨額為7,991.5億港元（二零一零年：1,839.9億港元）。

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## 管理層回顧和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

### 綜合投資表現 (續)

#### Consolidated investment income (Continued)

#### 綜合投資收入 (續)

The details of the Group's investment income/(loss) on a pre-tax basis are summarized as follows:

本集團稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2011, HK\$ million

截至二零一一年十二月三十一日止年度，百萬港元

	Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益／(虧損)	Grand total 總額	
	Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益／(虧損)淨額	Net unrealized gains/(losses) 未實現收益／(虧損)淨額	Net impairment gains/(losses) 減值收益／(虧損)淨額			Sub total 小計
	Interest income/(expense) 利息收入／(支出)	Dividend income 股息收入	Rental income 租金收入						
<b>Debt securities</b>	<b>債務證券</b>								
HTM	3,314.46	-	-	1.65	-	-	3,316.11	-	3,316.11
AFS	910.24	-	-	86.86	-	-	997.10	46.78	1,043.88
HFT	6.75	-	-	23.15	(4.62)	-	25.28	-	25.28
LR	396.82	-	-	-	-	-	396.82	-	396.82
<b>Equity securities</b>	<b>股本證券</b>								
AFS	-	109.27	-	83.15	-	(466.85)	(274.43)	(2,672.26)	(2,946.69)
HFT	-	2.22	-	(11.27)	(4.55)	-	(13.60)	-	(13.60)
<b>Investment funds</b>	<b>投資基金</b>								
AFS	-	183.81	-	(117.23)	-	(332.30)	(265.72)	(1,656.69)	(1,922.41)
HFT	-	2.79	-	(0.03)	(4.34)	-	(1.58)	-	(1.58)
<b>Cash and bank deposits</b>	<b>現金及銀行存款</b>								
Investment properties	-	-	73.96	-	195.23	-	269.19	-	269.19
<b>Securities sold/purchased under repurchase/resale agreements</b>	<b>賣出回購／買入返售證券</b>								
	(252.52)	-	-	-	-	-	(252.52)	-	(252.52)
<b>Others</b>	<b>其他</b>								
	0.34	-	-	-	-	-	0.34	-	0.34
	5,375.67	298.09	73.96	66.28	181.72	(799.15)	5,196.57	(4,282.17)	914.40



# Management Review and Analysis

## 管理層回顧和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

### 綜合投資表現 (續)

(Continued)

#### Consolidated investment income (Continued)

#### 綜合投資收入 (續)

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

	Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值儲備內確認	Sub total 小計	Grand total 總額
	Net investment income 投資收入淨額			Net realized gains/ (losses) 已實現收益/ (虧損)淨額	Net unrealized gains/ (losses) 未實現收益/ (虧損)淨額	Net impairment gains/ (losses) 減值收益/ (虧損)淨額			
	Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入	Rental income 租金收入						
<b>Debt securities</b>	<b>債務證券</b>								
HTM	持有至到期日	2,253.64	-	-	-	6.61	2,260.25	-	2,260.25
AFS	可供出售	836.10	-	-	167.44	-	1,003.54	222.68	1,226.22
HFT	持有作交易用途	15.02	-	-	(0.17)	22.18	37.03	-	37.03
LR	貸款及應收款項	193.52	-	-	-	-	193.52	-	193.52
<b>Equity securities</b>	<b>股本證券</b>								
AFS	可供出售	-	80.27	-	757.78	-	(170.00)	668.05	230.13
HFT	持有作交易用途	-	0.74	-	1.65	42.23	-	44.62	-
<b>Investment funds</b>	<b>投資基金</b>								
AFS	可供出售	-	324.33	-	374.07	-	(20.60)	677.80	(244.54)
HFT	持有作交易用途	-	3.08	-	(3.97)	(0.18)	-	(1.07)	-
<b>Cash and bank deposits</b>	<b>現金及銀行存款</b>								
		565.58	-	-	-	-	565.58	-	565.58
<b>Investment properties</b>	<b>投資物業</b>								
		-	-	51.39	4.73	85.30	-	141.42	-
<b>Securities sold/ purchased under repurchase/resale agreements</b>	<b>賣出回購/ 買入返售證券</b>								
		(111.15)	-	-	-	-	(111.15)	-	(111.15)
<b>Others</b>	<b>其他</b>								
		0.36	-	-	-	-	0.36	-	0.36
		3,753.07	408.42	51.39	1,301.53	149.53	(183.99)	5,479.95	208.27
									5,688.22

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, which is a PRC-incorporated company and is 50.05%-owned by the Group. TPL is principally engaged in the underwriting of life insurance policies in Mainland China.

The figures below are the results of TPL from its operations, before intra-group eliminations.

The key financial data of the life insurance business is summarized below:

For the year ended 31 December, HK\$ million

### 人壽保險業務

本集團之人壽保險業務由太平人壽經營，太平人壽是在中國註冊成立之公司，由本集團擁有50.05%權益。太平人壽主要在中國大陸從事承保人壽保險業務。

以下數字為集團內部對銷前，太平人壽的營運業績。

人壽保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Gross premiums written and premium deposits	毛承保保費及保費存款	<b>38,529.75</b>	37,875.20	+1.7%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	<b>28.51</b>	204.05	-86.0%
Premium deposits of unit-linked products	投資連結產品之保費存款	<b>285.81</b>	118.69	+1.4 times 倍
Premium deposits of other products	其他產品之保費存款	<b>286.59</b>	518.80	-44.8%
Gross premiums written recognized in income statement	確認於損益表之毛承保保費	<b>37,928.84</b>	37,033.66	+2.4%
Policy fees	保單費收入	<b>208.33</b>	184.47	+12.9%
Net premiums written and policy fees	淨承保保費及保單費收入	<b>37,888.49</b>	36,912.40	+2.6%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	<b>37,973.05</b>	36,891.82	+2.9%
Net policyholders' benefits	保單持有人利益淨額	<b>(6,182.01)</b>	(4,649.76)	+33.0%
Net commission expenses	佣金支出淨額	<b>(3,452.91)</b>	(3,322.16)	+3.9%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	<b>(27,039.28)</b>	(27,543.76)	-1.8%
Total investment income	投資收入總額	<b>4,491.55</b>	4,431.61	+1.4%
Administrative and other expenses	行政及其他費用	<b>(5,136.99)</b>	(4,527.72)	+13.5%
Finance costs	財務費用	<b>(432.17)</b>	(222.73)	+94.0%
Profit from operation before taxation	除稅前經營溢利	<b>604.83</b>	1,067.43	-43.3%
Profit from operation after taxation	除稅後經營溢利	<b>780.60</b>	939.88	-16.9%
Profit from operation attributable to the owners	股東應佔經營溢利	<b>390.69</b>	470.41	-16.9%

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務(續)

The key operational data of the life insurance business is summarized below:

人壽保險業務之主要經營數據概述如下：

		2011	2010	Change 變化
Market share <sup>1</sup>	市場份額 <sup>1</sup>	<b>3.3%</b>	3.1%	+0.2 pt 點
Number of provincial branches	省級分公司數目	<b>34</b>	33	+1
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	<b>798</b>	707	+91
Number of in-force policies	有效之保單數目	<b>8,207,781</b>	6,845,183	+1,362,598
Number of individual agents	個人銷售代理數目	<b>46,064</b>	50,527	-4,463
Persistency ratio – 13th month <sup>2</sup>	第13個月之保費繼續率 <sup>2</sup>			
– Individual	– 個人	<b>92.0%</b>	88.2%	+3.8 pts 點
– Bancassurance	– 銀行保險	<b>93.2%</b>	94.0%	-0.8 pt 點
Compounded persistency ratio – 25th month <sup>2</sup>	第25個月之保費複合繼續率 <sup>2</sup>			
– Individual	– 個人	<b>84.5%</b>	81.0%	+3.5 pts 點
– Bancassurance	– 銀行保險	<b>91.5%</b>	89.6%	+1.9 pts 點

<sup>1</sup> Based on premiums published by the CIRC.

<sup>1</sup> 據中國保監會刊發之保費計算。

<sup>2</sup> Based on the amount of premiums.

<sup>2</sup> 按保費金額。

### Operating Profit

### 經營溢利

The life insurance business produced a net operating profit of HK\$780.60 million during the Year (2010: HK\$939.88 million), representing a decrease of 16.9% compared to Last Year. The lower earnings was primarily due to decreased premium sales through the bank channel and lower investment yields on the investment portfolio. The net operating profit attributable to the owners amounted to HK\$390.69 million (2010: HK\$470.41 million).

本年度內，人壽保險業務之經營溢利淨額為7.8060億港元（二零一零年：9.3988億港元），較去年下跌16.9%。盈利較低主要是由於銀行渠道的保費銷售下降，及投資組合的投資收益較低。股東應佔經營溢利淨額為3.9069億港元（二零一零年：4.7041億港元）。

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

#### Gross Premiums Written and Premium Deposits

TPL's gross premiums written recognized in the consolidated income statement increased by 2.4% to HK\$37,928.84 million from HK\$37,033.66 million in the Last Year. Such a growth rate was much slower than that of previous years, and was primarily due to significant decreases in TPL's bancassurance sales. Sales through the agency channel, however, increased strongly.

TPL's gross premiums written and premium deposits by line of business were as follows:

*For the year ended 31 December 2011, HK\$ million*

### 人壽保險業務 (續)

#### 毛承保保費及保費存款

太平人壽確認於綜合損益表內的毛承保保費由去年之370.3366億港元上升2.4%至379.2884億港元。此增長率遠較往年度低，主要是由於太平人壽的銀行保險銷售顯著下降。然而，經由個人代理渠道的銷售保持增長。

太平人壽按業務劃分之毛承保保費及保費存款如下：

*截至二零一一年十二月三十一日止年度，百萬港元*

		Gross premiums written recognized in the consolidated income statement	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
		確認於綜合損益表內之毛承保保費	萬能壽險產品之保費存款	投資連結產品之保費存款	其他產品之保費存款	總額	佔總額百分比
Individual	個人代理	14,409.79	-	89.71	165.28	14,664.78	38.1%
Bancassurance	銀行保險	22,294.53	28.51	196.10	1.57	22,520.71	58.4%
Group	團體	609.84	-	-	119.74	729.58	1.9%
Other Channels	多元銷售 <sup>1</sup>	614.68	-	-	-	614.68	1.6%
		37,928.84	28.51	285.81	286.59	38,529.75	100.0%

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務 (續)

#### Gross Premiums Written and Premium Deposits (Continued)

#### 毛承保保費及保費存款 (續)

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Gross premiums written recognized in the consolidated income statement 確認於綜合損益表內之毛承保保費	Premium deposits of universal life products 萬能壽險產品之保費存款	Premium deposits of unit-linked products 投資連結產品之保費存款	Premium deposits of other products 其他產品之保費存款	Total 總額	% of Total 佔總額百分比
Individual	個人代理	10,318.63	-	84.74	134.36	10,537.73	27.8%
Bancassurance Group	銀行保險團體	25,472.35	204.05	33.95	1.04	25,711.39	67.9%
Other Channels <sup>1</sup>	多元銷售 <sup>1</sup>	977.95	-	-	383.40	1,361.35	3.6%
		264.73	-	-	-	264.73	0.7%
		37,033.66	204.05	118.69	518.80	37,875.20	100.0%

<sup>1</sup> Other Channels is comprised of mainly telemarketing.

<sup>1</sup> 多元銷售主要由電話營銷組成。

Traditional product sales were strong in the individual agency distribution channel, increasing by 39.6% to HK\$14,409.79 million from HK\$10,318.63 million in the Last Year. This strong growth was primarily due to strong persistency levels for renewals. Although the number of individual agents decreased to 46,064 as of 31 December 2011 (2010: 50,527), TPL was able to retain most of its best and highest quality agents, which allowed the overall sales force to continue generating and supporting increasingly higher levels of premium. In the bank distribution channel, traditional product sales decreased to HK\$22,294.53 million from HK\$25,472.35 million in the Last Year, representing a decrease of 12.5%. In 2011, sales of insurance products through bank channels occurred in a difficult operating environment for the entire industry. Rising interest rates and higher reserve requirements at banks led to tighter liquidity conditions, and made the sale of insurance products through bank branches very difficult. At the same time, new regulatory requirements on the sale of bancassurance also led to a period of adjustment to the new rules and a slowdown of insurance sales and marketing at banks.

傳統產品的銷售在個人代理分銷渠道方面表現強勁，由去年的103.1863億港元上升39.6%至144.0979億港元。如此強勁的增長主要是由於續保率強勁。儘管於二零一一年十二月三十一日個人代理隊伍減至46,064人（二零一零年：50,527人），太平人壽仍能保留大部份優秀及高素質的代理人，並使保費持續上升。銀行分銷渠道方面，傳統產品銷售由去年254.7235億港元下跌至222.9453億港元，跌幅12.5%。在二零一一年，銀行渠道的保險產品銷售陷入困局。利率及銀行準備金率不斷上升導致市場流動資金短缺，使銷售銀行保險產品非常困難。同時，受到監管銀行保險銷售新規定的約束，亦影響了銀行保險的銷售。

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務 (續)

During the Year, TPL continued to focus on the sales of products with regular premium features. TPL continued to prioritize bottom-line profitability over top-line figures during the difficult sales environment. The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarized as follows:

於本年度內，太平人壽持續著重具期繳保費特色之產品銷售。在嚴峻的銷售環境下，太平人壽繼續貫徹了著重盈利貢獻多於單純保費增長的經營理念。太平人壽的躉繳保費產品及期繳保費產品的詳細分析如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

#### Individual

#### 個人

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Single Premium	躉繳保費	79.42	0.5%	103.71	1.0%
Regular Premium	期繳保費				
- First Year	- 首年	4,290.17	29.8%	4,139.23	40.1%
- Renewal Year	- 續年	10,040.20	69.7%	6,075.69	58.9%
		<b>14,409.79</b>	<b>100.0%</b>	<b>10,318.63</b>	<b>100.0%</b>

#### Bancassurance

#### 銀行保險

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Single Premium	躉繳保費	10,130.65	45.4%	16,090.17	63.2%
Regular Premium	期繳保費				
- First Year	- 首年	2,730.91	12.3%	3,440.47	13.5%
- Renewal Year	- 續年	9,432.97	42.3%	5,941.71	23.3%
		<b>22,294.53</b>	<b>100.0%</b>	<b>25,472.35</b>	<b>100.0%</b>

#### Group

#### 團體

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Employee Benefit ("EB")	僱員福利	606.10	99.4%	970.56	99.2%
Annuity	年金	3.74	0.6%	7.39	0.8%
		<b>609.84</b>	<b>100.0%</b>	<b>977.95</b>	<b>100.0%</b>

#### Other Channels

#### 多元銷售

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Single Premium	躉繳保費	0.28	0.1%	0.01	0.0%
Regular Premium	期繳保費				
- First Year	- 首年	361.03	58.7%	179.96	68.0%
- Renewal Year	- 續年	253.37	41.2%	84.76	32.0%
		<b>614.68</b>	<b>100.0%</b>	<b>264.73</b>	<b>100.0%</b>

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務(續)

In 2011, the business sold through the agency force increased in quality, with more longer duration and protection products sold. For individual single and first year regular premium, the premium by payment term and feature were as follows:

於二零一一年，透過個人代理隊伍銷售的業務質量提高，銷售的產品期限更長及銷售更多的保障產品。個人躉繳保費及首年期繳保費的按繳費年期及產品形態分類載列如下：

For the year ended 31 December, HK\$ million

於十二月三十一日，百萬港元

#### By Payment Term

#### 按繳費期

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Single	躉繳	79.42	1.8%	103.71	2.4%
2 – 9 years	2 – 9年	490.58	11.2%	798.76	18.8%
10 – 19 years	10 – 19年	1,321.44	30.3%	1,533.84	36.2%
20 – 29 years	20 – 29年	2,148.51	49.2%	1,585.10	37.4%
30 years+	30年+	329.64	7.5%	221.53	5.2%
		<b>4,369.59</b>	<b>100.0%</b>	4,242.94	100.0%

#### By Feature

#### 按產品形態

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Short term savings	短期儲蓄型	926.35	21.2%	1,875.38	44.2%
Long term savings	長期儲蓄型	1,695.40	38.8%	1,234.70	29.1%
Long term protection	長期保障型	1,275.92	29.2%	746.76	17.6%
Others	其他	471.92	10.8%	386.10	9.1%
		<b>4,369.59</b>	<b>100.0%</b>	4,242.94	100.0%

Despite the difficult operating conditions in the bank channel, most of the products sold at bank branches continued to be of long duration. For bancassurance first year regular premium, the premium by payment term was as follows:

儘管銀行渠道的銷售情況困難，經銀行分行銷售的期交產品大部份仍為長年期繳型產品。銀行保險首年期繳，按繳費年期劃分的保費分佈如下：

#### By Payment Term

#### 按繳費期

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
5 years	5年	580.44	21.2%	181.77	5.3%
10 years	10年	2,140.41	78.4%	3,247.19	94.4%
Other	其他	10.06	0.4%	11.51	0.3%
		<b>2,730.91</b>	<b>100.0%</b>	3,440.47	100.0%

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

TPL's persistency ratio continued to improve during the Year. In 2011, the persistency ratio was at 92.0% and 93.2% at 13th months and 84.5% and 91.5% at 25th months for the individual agency and bancassurance channels, respectively. All of these figures were improvements over the Last Year and were better than the actuarial assumptions.

The higher level of sales of regular premium products through the agency force and their higher levels of quality and profitability are reflected in the higher embedded value and new business value figures of TPL for 2011, despite the sharply lower bancassurance regular premium sales. It is encouraging to note that the embedded value of TPL (expressed in terms of HKD) has increased 23.2% to HK\$21,574 million from HK\$17,511 million at the end of Last Year. Likewise, the new business value after cost of capital for the Year increased to HK\$2,244 million from HK\$1,827 million at the end of Last Year, representing a strong growth of 22.8%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

### Investment Performance

The composition of investments held by TPL was as follows:

At 31 December, HK\$ million

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Debt securities	債務證券	105,395.25	70.3%	77,656.00	66.8%
Equity securities	股本證券	7,667.81	5.1%	10,825.23	9.3%
Investment funds	投資基金	5,391.91	3.6%	3,963.34	3.4%
Cash and bank deposits	現金及銀行存款	29,559.17	19.7%	23,764.74	20.5%
Investment properties	投資物業	2,023.90	1.3%	-	-
Total investments	投資總額	150,038.04	100.0%	116,209.31	100.0%

During the Year, TPL continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 90.0% of the total invested assets as at 31 December 2011 (2010: 87.3%).

### 人壽保險業務 (續)

年內，太平人壽的保費繼續率持續提升。於二零一一年，個人代理及銀行保險渠道第13個月保費繼續率分別為92.0%及93.2%，而第25個月則分別為84.5%及91.5%。這些數據皆優於去年，並高於精算假設。

儘管銀行保險的期繳保費產品銷售大幅降低，個人銷售隊伍的期繳保費銷售上升，及由於新保單素質較佳並具有更高的盈利能力，太平人壽二零一一年之內涵價值及新業務價值均有提高。令人注目的是太平人壽的內涵價值（以港幣折算）由去年底之175.11億港元增加23.2%至215.74億港元。同樣地，本年度之新業務扣除資本成本後之價值為22.44億港元，較去年之18.27億港元，顯著增長22.8%。這些太平人壽的最新精算數據於「太平人壽之內涵價值」一文內披露。

### 投資表現

太平人壽所持之投資組合如下：

於十二月三十一日，百萬港元

於本年度內，太平人壽對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一一年十二月三十一日合共佔投資資產總額約90.0%（二零一零年：87.3%）。



# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務(續)

The classification of TPL's investments in securities under HTM, AFS, HFT and LR was as follows:

太平人壽歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

At 31 December 2011, HK\$ million

於二零一一年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	79,962.02	16,106.35	-	9,326.88	105,395.25
Equity securities 股本證券	-	7,667.81	-	-	7,667.81
Investment funds 投資基金	-	5,391.48	0.43	-	5,391.91
	<b>79,962.02</b>	<b>29,165.64</b>	<b>0.43</b>	<b>9,326.88</b>	<b>118,454.97</b>

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	59,222.83	14,544.51	33.13	3,855.53	77,656.00
Equity securities 股本證券	-	10,683.21	142.02	-	10,825.23
Investment funds 投資基金	-	3,963.34	-	-	3,963.34
	<b>59,222.83</b>	<b>29,191.06</b>	<b>175.15</b>	<b>3,855.53</b>	<b>92,444.57</b>

The debt securities classified by type and class were as follows:

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	2010
Central governments and central banks 中央政府及中央銀行		<b>28,921.80</b>	24,325.96
Public sector entities 公共機構		<b>9,012.33</b>	3,855.53
Banks and other financial institutions 銀行及其他金融機構		<b>44,376.71</b>	28,000.93
Corporate entities 企業實體		<b>23,084.41</b>	21,473.58
		<b>105,395.25</b>	77,656.00

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

The total investment income and the investment yield of TPL on a pre-tax basis recognized in the consolidated income statement were as follows:

For the year ended 31 December, HK\$ million

### 人壽保險業務 (續)

太平人壽確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Net investment income	投資收入淨額	<b>4,973.22</b>	3,530.90	+40.8%
Net realized investment gains/(losses)	已實現投資收益／ (虧損)淨額	<b>124.60</b>	1,043.14	-88.1%
Net unrealized investment gains/(losses)	未實現投資收益／ (虧損)淨額	<b>85.35</b>	46.36	+84.1%
Net impairment gains/(losses) on securities	證券減值收益／ (虧損)淨額	<b>(691.62)</b>	(188.79)	+2.7 times 倍
Total investment income	投資收入總額	<b>4,491.55</b>	4,431.61	+1.4%
Total investment yield	總投資收益率	<b>3.6%</b>	5.0%	-1.4 pts 點

TPL's total investment income was a gain of HK\$4,491.55 million during the Year, representing a slight increase from the gain of HK\$4,431.61 million in the Last Year. Although equity investments were maintained at a relatively low percentage of the asset allocation, unfavorable equity market conditions in the PRC lowered the total investment income of TPL.

於本年度內，太平人壽錄得投資收入總額收益44.9155億港元，較去年收益44.3161億港元輕微上升。雖然股本投資維持在資產配置的相對較低百分比，中國的股本市場下行還是對太平人壽的投資收入總額有相當的影響。

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務 (續)

The details of TPL's investment income/(loss) on a pre-tax basis was as follows:

太平人壽稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2011, HK\$ million

截至二零一一年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/(虧損)		Grand total 總額
Net investment income 投資收入淨額		Interest income/(expense) 利息收入/(支出)	Dividend income 股息收入	Rental income 租金收入	Net realized gains/(losses) 已實現收益/(虧損)淨額	Net unrealized gains/(losses) 未實現收益/(虧損)淨額	Net impairment gains/(losses) 減值收益/(虧損)淨額	Sub total 小計	
Debt securities	債務證券								
HTM	持有至到期日	3,113.79	-	-	-	-	-	3,113.79	-
AFS	可供出售	638.55	-	-	29.59	-	-	668.14	169.06
HFT	持有作交易用途	0.17	-	-	18.84	-	-	19.01	-
LR	貸款及應收款項	343.51	-	-	-	-	-	343.51	-
Equity securities	股本證券								
AFS	可供出售	-	79.47	-	169.39	-	(375.69)	(126.83)	(2,469.56)
HFT	持有作交易用途	-	1.51	-	(7.68)	-	-	(6.17)	-
Investment funds	投資基金								
AFS	可供出售	-	173.50	-	(85.54)	-	(315.93)	(227.97)	(1,611.49)
HFT	持有作交易用途	-	0.01	-	-	-	-	0.01	-
Cash and bank deposits	現金及銀行存款	845.02	-	-	-	-	-	845.02	-
Investment properties	投資物業	-	-	32.68	-	85.35	-	118.03	-
Securities sold/purchased under repurchase/resale agreements	賣出回購/買入返售證券	(254.99)	-	-	-	-	-	(254.99)	-
		4,686.05	254.49	32.68	124.60	85.35	(691.62)	4,491.55	(3,911.99)
									579.56

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務 (續)

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/ (虧損)	Grand total 總額
Net investment income 投資收入淨額		Net realized gains/ (losses) 已實現收益/ (虧損)淨額	Net unrealized gains/ (losses) 未實現收益/ (虧損)淨額	Net impairment gains/ (losses) 減值收益/ (虧損)淨額	Sub total 小計			
Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入							
<b>Debt securities</b>	<b>債務證券</b>							
HTM	持有至到期日	2,076.15	-	-	-	2,076.15	-	
AFS	可供出售	612.86	-	(12.14)	-	600.72	249.47	
HFT	持有作交易用途	0.05	-	-	-	0.05	-	
LR	貸款及應收款項	180.06	-	-	-	180.06	-	
<b>Equity securities</b>	<b>股本證券</b>							
AFS	可供出售	-	54.17	663.69	(168.19)	549.67	290.44	
HFT	持有作交易用途	-	-	-	46.36	46.36	-	
<b>Investment funds</b>	<b>投資基金</b>							
AFS	可供出售	-	249.36	391.59	(20.60)	620.35	(205.95)	
<b>Cash and bank deposits</b>	<b>現金及銀行存款</b>	464.43	-	-	-	464.43	-	
<b>Securities sold under repurchase agreements</b>	<b>賣出回購證券</b>	(106.18)	-	-	-	(106.18)	-	
		3,227.37	303.53	1,043.14	46.36	4,431.61	333.96	
							4,765.57	

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務 (續)

#### Net Policyholders' Benefits

#### 保單持有人利益淨額

The net policyholders' benefits of TPL are summarized as follows:

太平人壽之保單持有人利益淨額概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Net claims	賠償淨額	<b>651.37</b>	568.20	+14.6%
Surrenders	退保額	<b>2,706.98</b>	1,412.94	+91.6%
Annuity, dividends and maturity payments	年金、分紅及到期付款	<b>1,707.76</b>	1,462.72	+16.8%
Interest allocated to investment contract	分配至投資合約之利益	<b>1,115.90</b>	1,205.90	-7.5%
		<b>6,182.01</b>	4,649.76	+33.0%

#### Administrative and Other Expenses

#### 行政及其他費用

The administrative and other expenses of TPL are summarized as follows:

太平人壽之行政及其他費用概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Staff costs	員工成本	<b>2,588.29</b>	1,776.25	+45.7%
Rental expenses	租賃開支	<b>283.68</b>	238.60	+18.9%
Others	其他	<b>2,265.02</b>	2,512.87	-9.9%
		<b>5,136.99</b>	4,527.72	-13.5%

# Management Review and Analysis

## 管理層回顧和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務 (續)

#### Financial Strength and Solvency Margin

#### 財務實力及償付能力

The solvency margin ratios of TPL under the CIRC regulations were as follows:

太平人壽按中國保監會規定之償付能力充足率如下：

At 31 December, RMB million

於十二月三十一日，百萬人民幣

		2011	2010
Actual Solvency Margin	實際償付能力	8,096	10,868
Minimum Statutory Solvency Margin	最低法定償付能力	4,556	4,020
Solvency Margin Ratio	償付能力充足率	178%	270%

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI

### 財產保險業務 – 由太平財險營運之中國業務

The Group's PRC property and casualty insurance segment is operated by TPI. TPI is a PRC-incorporated company and is 61.21%-owned by the Group. TPI is principally engaged in the underwriting of motor, marine and non-marine policies in Mainland China.

本集團之中國財產保險業務由太平財險營運。太平財險為中國註冊公司並由本集團擁有61.21%權益。太平財險主要於中國大陸從事承保車險、水險及非水險業務。

The equity of TPI held by the Group increased from 50.05% to 51.77% with effect from July 2011 upon the completion of the capital contribution agreement of TPI dated 23 December 2009, and further increased from 51.77% to 61.21% with effect from November 2011 upon the completion of the share transfer agreement of TPI dated 17 August 2011. The details of this capital contribution and share transfer are set out in the announcements of the Company dated 27 July 2011 and 17 August 2011, respectively.

自二零一一年七月完成二零零九年十二月二十三日所簽訂之太平財險增資協議後，本集團於太平財險之權益由50.05%增加至51.77%，自二零一一年十一月完成二零一一年八月十七日簽訂的太平財險股權轉讓協議後，本集團於太平財險的權益由51.77%進一步增加至61.21%。此增資及股權轉讓的交易詳情請分別參閱本公司於二零一一年七月二十七日及二零一一年八月十七日之公告。

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

### 財產保險業務 – 由太平財險營運之中國業務 (續)

The figures below are the results of TPI from its operations, before intra-group eliminations.

以下數字為集團內部對銷前，太平財險的營運業績。

The key financial data of the property and casualty insurance business operated by TPI is summarized below:

由太平財險經營之財產保險業務之主要財務數據概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Gross premiums written	毛承保保費	<b>6,994.32</b>	6,134.73	+14.0%
Net premiums written	淨承保保費	<b>6,072.52</b>	5,335.52	+13.8%
Net earned premiums	已賺取保費淨額	<b>5,854.11</b>	5,026.42	+16.5%
Net claims incurred	賠款淨額	<b>(3,126.58)</b>	(2,833.75)	+10.3%
Underwriting expenses	承保費用	<b>(2,542.51)</b>	(2,122.41)	+19.8%
Net commission expenses	佣金支出淨額	<b>(179.18)</b>	(174.00)	+3.0%
Underwriting profit/(loss)	承保溢利／(虧損)	<b>5.83</b>	(103.74)	–
Total investment income	投資收入總額	<b>238.34</b>	229.15	+4.0%
Other administrative expenses	其他行政費用	<b>(34.65)</b>	(5.04)	+5.9 times 倍
Finance costs	財務費用	<b>(53.17)</b>	(50.58)	+5.1%
Profit from operation before taxation	除稅前經營溢利	<b>156.06</b>	33.93	+3.6 times 倍
Profit from operation after taxation	除稅後經營溢利	<b>152.61</b>	56.99	+1.7 times 倍
Profit from operation attributable to the owners	股東應佔經營溢利	<b>71.59</b>	28.52	+1.5 times 倍
Technical reserves ratio	技術性儲備比率	<b>83.8%</b>	83.0%	+0.8 pt 點
Retained ratio	自留比率	<b>86.8%</b>	87.0%	-0.2 pt 點
Earned premiums ratio	已賺取保費率	<b>83.7%</b>	81.9%	+1.8 pts 點
Loss ratio <sup>1</sup>	賠付率 <sup>1</sup>	<b>53.4%</b>	56.4%	-3.0 pts 點
Expense ratio <sup>1</sup>	費用率 <sup>1</sup>	<b>46.5%</b>	45.7%	+0.8 pt 點
Combined ratio <sup>2</sup>	綜合成本率 <sup>2</sup>	<b>99.9</b>	102.1	-2.2 pts 點

<sup>1</sup> Both the loss ratio and expense ratio are based on net earned premiums.

<sup>1</sup> 賠付率及費用率均按已賺取保費淨額為基準計算。

<sup>2</sup> The combined ratio is the sum of the loss ratio and the expense ratio.

<sup>2</sup> 綜合成本率為賠付率與費用率的總和。

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

### 財產保險業務 – 由太平財險營運之中國業務 (續)

The key operational data of the property and casualty insurance business operated by TPI is summarized below:

由太平財險經營之財產保險業務之主要經營數據概述如下：

		2011	2010	Change 變化
Market share <sup>1</sup>	市場份額 <sup>1</sup>	1.2%	1.3%	-0.1 pt 點
Number of provincial branches	省級分公司數目	27	27	–
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	363	369	-6
Number of direct sales representatives	直接銷售代表數目	3,462	3,804	-342

<sup>1</sup> Based on premiums published by the CIRC.

<sup>1</sup> 據中國保監會刊發之保費計算。

#### Operating Profit

#### 經營溢利

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$152.61 million during the Year (2010: HK\$56.99 million). The net operating profit attributable to the owners amounted to HK\$71.59 million (2010: HK\$28.52 million). The substantial increase in earnings was the result of solid premium growth and better underwriting results. The improvements in underwriting were due to structural improvements implemented by TPI in recent years and which are now having positive impact. TPI has centralized the underwriting of its motor business and restructured product-line management. The underlying fundamentals of the PRC property and casualty insurance sector also improved during the Year, following regulatory measures against malpractices.

本年度內，由太平財險經營之財產保險業務的經營溢利淨額為1.5261億港元（二零一零年：5,699萬港元）。股東應佔經營溢利淨額為7,159萬港元（二零一零年：2,852萬港元）。盈利大幅上升源於穩固的業務增長及更佳的承保業績。承保改善有賴於太平財險近年實施的銷售體制改革及集中管控其汽車保險承保作業系統，現正發揮效用。在針對市場違規行為的監管措施出台後，年內中國財產保險業的基本因素亦見改善。



# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

### 財產保險業務 – 由太平財險營運之中國業務 (續)

#### Gross Premiums Written

#### 毛承保保費

With continuing strong property and casualty insurance fundamentals in the PRC, TPI's gross premiums written increased by 14.0% to HK\$6,994.32 million from HK\$6,134.73 million in the Last Year. The detailed breakdown of TPI's gross premiums written was as follows:

中國財產保險業的市場基調持續增強，使太平財險的毛承保保費由去年的61.3473億港元上升14.0%至69.9432億港元。太平財險毛承保保費詳細分析如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

Business Line 業務種類		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Motor	車險	5,559.02	79.5%	5,020.62	81.8%
Marine	水險	193.50	2.8%	156.69	2.6%
Non-marine	非水險	1,241.80	17.7%	957.42	15.6%
		<b>6,994.32</b>	<b>100.0%</b>	6,134.73	100.0%

#### Combined Ratio

#### 綜合成本率

TPI's expense ratio slightly increased to 46.5% from 45.7% in the Last Year. Although there were a few large claims during 2011, the loss ratio decreased favorably by 3.0 percentage points to 53.4% from 56.4% in the Last Year. TPI's combined ratio of 99.9 during the Year was lower than the 102.1 in the Last Year, and represents a significant underwriting improvement at the PRC property and casualty insurance operations. TPI's loss ratios, expense ratios and combined ratios were as follows:

太平財險的費用率由去年45.7%輕微上升至46.5%。儘管二零一一年有好幾宗大額索賠，賠付率仍由去年的56.4%下跌3.0個百分點至53.4%。本年度內太平財險的綜合成本率為99.9，優於去年的102.1，承保效益大幅改善。太平財險之賠付率、費用率及綜合成本率情況如下：

For the year ended 31 December

截至十二月三十一日止年度

		2011	2010
Loss ratio	賠付率	53.4%	56.4%
Expense ratio	費用率	46.5%	45.7%
Combined ratio	綜合成本率	<b>99.9</b>	102.1

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

財產保險業務 – 由太平財險營運之中國業務 (續)

#### Investment Performance

投資表現

The composition of investments held by TPI was as follows:

太平財險所持之投資組合如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Debt securities	債務證券	4,354.04	51.6%	3,240.76	49.1%
Equity securities	股本證券	254.15	3.0%	489.67	7.4%
Investment funds	投資基金	187.93	2.2%	170.53	2.6%
Cash and bank deposits	現金及銀行存款	3,636.76	43.2%	2,694.78	40.9%
Total invested assets	投資總額	8,432.88	100.0%	6,595.74	100.0%

During the Year, TPI continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were kept at a low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 94.8% of the total invested assets as at 31 December 2011 (2010: 90.0%).

於本年度內，太平財險對於其投資組合的資產配置仍然十分審慎。股本投資在資產配置維持在一個較低百分比，而債務證券、現金及銀行存款於二零一一年十二月三十一日合共佔投資資產總額約94.8% (二零一零年：90.0%)。

The classification of TPI's investments in securities under HTM, AFS, HFT and LR was as follows:

太平財險歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

At 31 December 2011, HK\$ million

於二零一一年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	826.28	2,647.07	11.66	869.03	4,354.04
Equity securities	股本證券	–	254.15	–	–	254.15
Investment funds	投資基金	–	187.93	–	–	187.93
		826.28	3,089.15	11.66	869.03	4,796.12

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	938.08	1,974.19	99.09	229.40	3,240.76
Equity securities	股本證券	–	489.67	–	–	489.67
Investment funds	投資基金	–	170.53	–	–	170.53
		938.08	2,634.39	99.09	229.40	3,900.96

## Management Review and Analysis

### 管理層回顧和分析

#### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

財產保險業務 – 由太平財險營運之中國業務 (續)

The debt securities classified by type and class were as follows:

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	2010
Central governments and central banks	中央政府及中央銀行	588.84	745.67
Public sector entities	公共機構	523.65	229.40
Banks and other financial institutions	銀行及其他金融機構	1,520.99	1,101.66
Corporate entities	企業實體	1,720.56	1,164.03
		<b>4,354.04</b>	3,240.76

The total investment income and the investment yield of TPI's investments on a pre-tax basis recognized in the consolidated income statement were as follows:

太平財險確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Net investment income	投資收入淨額	276.34	235.61	+17.3%
Net realized investment gains/(losses)	已實現投資收益／ (虧損)淨額	(30.18)	(6.46)	+3.7 times 倍
Net unrealized investment gains/(losses)	未實現投資收益／ (虧損)淨額	(1.32)	–	–
Net impairment gains/(losses) on securities	證券減值收益／ (虧損)淨額	(6.50)	–	–
Total investment income	投資收入總額	<b>238.34</b>	229.15	+4.0%
Total investment yield	總投資收益率	<b>3.3%</b>	4.3%	-1.0 pt 點

TPI's total investment income was HK\$238.34 million during the Year, representing a slight increase from the HK\$229.15 million in the Last Year. The unfavorable equity market conditions in the PRC did not have as much of an impact on TPI due to the very low asset allocation to equities in its investment portfolio.

本年內，太平財險錄得投資收入總額2.3834億港元，較去年2.2915億港元輕微增加。因其投資組合中股票的佔比極低，中國股票市場下行，對太平財險的影響不大。

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

### 財產保險業務 – 由太平財險營運之中國業務 (續)

The details of TPI's investment income/(loss) on a pre-tax basis were as follows:

太平財險稅前投資收入/(虧損)之詳細分析如下:

For the year ended 31 December 2011, HK\$ million

截至二零一一年十二月三十一日止年度，百萬港元

	Recognized in the consolidated income statement 於綜合損益表內確認					Sub total 小計	Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/(虧損)	Grand total 總額
	Net investment income 投資收入淨額	Dividend income 股息收入	Net realized gains/(losses) 已實現收益/(虧損)淨額	Net unrealized gains/(losses) 未實現收益/(虧損)淨額	Net impairment gains/(losses) 減值收益/(虧損)淨額			
Debt securities 債務證券								
HTM 持有至到期日	40.75	-	-	-	-	40.75	-	40.75
AFS 可供出售	87.39	-	(13.78)	-	-	73.61	37.10	110.71
HFT 持有作交易用途	0.31	-	0.29	(1.32)	-	(0.72)	-	(0.72)
LR 貸款及應收款項	33.93	-	-	-	-	33.93	-	33.93
Equity securities 股本證券								
AFS 可供出售	-	5.19	30.30	-	(1.99)	33.50	(132.12)	(98.62)
Investment funds 投資基金								
AFS 可供出售	-	9.56	(46.99)	-	(4.51)	(41.94)	(43.07)	(85.01)
Cash and bank deposits 現金及銀行存款	100.35	-	-	-	-	100.35	-	100.35
Securities sold/ purchased under repurchase/resale agreements 賣出回購/ 買入返售證券	(1.14)	-	-	-	-	(1.14)	-	(1.14)
	261.59	14.75	(30.18)	(1.32)	(6.50)	238.34	(138.09)	100.25

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

### 財產保險業務 – 由太平財險營運之中國業務 (續)

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/ (虧損)	Grand total 總額
		Net investment income 投資收入淨額		Net realized gains/ (losses) 已實現收益/ (虧損)淨額	Net unrealized gains/ (losses) 未實現收益/ (虧損)淨額	Net impairment gains/ (losses) 減值收益/ (虧損)淨額	Sub total 小計	
		Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入					
<b>Debt securities</b>	<b>債務證券</b>							
HTM	持有至到期日	41.63	-	-	-	-	41.63	41.63
AFS	可供出售	56.49	-	(0.65)	-	-	55.84	8.64
HFT	持有作交易用途	0.20	-	-	-	-	0.20	0.20
LR	貸款及應收款項	9.14	-	-	-	-	9.14	9.14
<b>Equity securities</b>	<b>股本證券</b>							
AFS	可供出售	-	1.76	11.76	-	-	13.52	92.23
<b>Investment funds</b>	<b>投資基金</b>							
AFS	可供出售	-	63.30	(17.57)	-	-	45.73	9.22
<b>Cash and bank deposits</b>	<b>現金及銀行存款</b>	67.52	-	-	-	-	67.52	67.52
<b>Securities sold under repurchase agreements</b>	<b>賣出回購證券</b>	(4.43)	-	-	-	-	(4.43)	(4.43)
		170.55	65.06	(6.46)	-	-	229.15	224.15

## Management Review and Analysis

### 管理層回顧和分析

#### PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

財產保險業務 – 由太平財險營運之中國業務 (續)

#### Underwriting and Other Administrative Expenses

承保及其他行政費用

The underwriting and administrative expenses of TPI are summarized as follows:

太平財險之承保及其他行政費用概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Staff costs	員工成本	767.16	619.06	+23.9%
Rental expenses	租賃開支	60.74	72.31	-16.0%
Business tax and additional charges	營業稅金及附加費用	393.05	340.53	+15.4%
Others	其他	1,356.21	1,095.55	+23.8%
		<b>2,577.16</b>	2,127.45	+21.1%

#### Financial Strength and Solvency Margin

財務實力及償付能力

The solvency margin ratios of TPI under the CIRC regulations were as follows:

太平財險按中國保監會規定之償付能力充足率如下：

At 31 December, RMB million

於十二月三十一日，百萬人民幣

		2011	2010
Actual Solvency Margin	實際償付能力	1,151	1,073
Minimum Statutory Solvency Margin	最低法定償付能力	756	699
Solvency Margin Ratio	償付能力充足率	152%	154%

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK)

The Group's Hong Kong property and casualty insurance segment is operated by CTPI (HK). CTPI (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group. CTPI (HK) is principally engaged in the underwriting of motor, marine and non-marine policies in Hong Kong.

The figures below are the results of CTPI (HK) from its operations, before intra-group eliminations.

The key financial data of the property and casualty insurance business operated in Hong Kong by CTPI (HK) is summarized below:

For the year ended 31 December, HK\$ million

### 財產保險業務 – 由中國太平香港營運之香港業務

本集團之香港財產保險業務由中國太平香港營運。中國太平香港為香港註冊公司，並由本集團全資擁有。中國太平香港主要於香港從事承保車險、水險及非水險業務。

以下數字為集團內部對銷前，中國太平香港的營運業績。

由中國太平香港經營的香港財產保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Gross premiums written	毛承保保費	935.90	812.03	+15.3%
Net premiums written	淨承保保費	622.44	544.21	+14.4%
Net earned premiums	已賺取保費淨額	599.00	548.52	+9.2%
Net claims incurred	賠款淨額	(312.78)	(276.18)	+13.3%
Underwriting expenses	承保費用	(149.67)	(134.96)	+10.9%
Net commission expenses	佣金支出淨額	(129.93)	(122.63)	+6.0%
Underwriting profit	承保溢利	6.62	14.75	-55.1%
Total investment income	投資收入總額	354.58	339.16	+4.5%
Net exchange gain	匯兌收益淨額	50.20	4.03	+11.5 times 倍
Net impairment losses write back of property	物業減值回撥淨額	33.58	-	-
Other administrative expenses	其他行政費用	(23.23)	(8.33)	+1.8 times 倍
Profit from operation before taxation <sup>3</sup>	除稅前經營溢利 <sup>3</sup>	428.46	362.48	+18.2%
Profit from operation after taxation and attributable to the owners <sup>3</sup>	除稅後及股東應佔經營溢利 <sup>3</sup>	345.63	362.47	-4.6%
Technical reserves ratio	技術性儲備比率	223.6%	232.0%	-8.4 pts 點
Retained ratio	自留比率	66.5%	67.0%	-0.5 pt 點
Earned premiums ratio	已賺取保費率	64.0%	67.5%	-3.5 pts 點
Loss ratio <sup>1</sup>	賠付率 <sup>1</sup>	52.2%	50.4%	+1.8 pts 點
Expense ratio <sup>1</sup>	費用率 <sup>1</sup>	46.7%	47.0%	-0.3 pt 點
Combined ratio <sup>2</sup>	綜合成本率 <sup>2</sup>	98.9	97.4	+1.5 pts 點

<sup>1</sup> Both the loss ratio and expense ratio are based on net earned premiums.

<sup>2</sup> The combined ratio is the sum of the loss ratio and the expense ratio.

<sup>3</sup> For 2010, the figures do not include the net gain from the sale of MAC, which are recognized in the standalone financial statements of CTPI (HK) for 2010.

<sup>1</sup> 賠付率及費用率均按已賺取保費淨額為基準計算。

<sup>2</sup> 綜合成本率為賠付率與費用率的總和。

<sup>3</sup> 在二零一零年，數額並不包括出售民安中國收益淨額。該收益確認於中國太平香港二零一零年的獨立財務報表內。

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

### 財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Operating Profit

#### 經營溢利

The property and casualty insurance business operated in Hong Kong by CTPI (HK) recorded a operating net profit and net operating profit attributable to the owners of HK\$345.63 million during the Year (2010: HK\$362.47 million). Before taxes, CTPI (HK) produced solid profit growth because of positive investments and exchange gains during the Year. The decrease in profitability was mainly due to a one-off additional provision for certain offshore investment income earned in prior years. Based on certain developments during the Year and in order to be the most conservative and prudent, full provisions for these taxes have been made.

本年度內，中國太平香港的香港財產保險業務經營溢利及股東應佔溢利淨額為3.4563億港元（二零一零年：3.6247億港元）。在未計及稅項前，中國太平香港因年內的投資及匯兌收益而錄得穩固溢利增長。盈利能力下跌主要因為就往前年度所賺取的若干投資收入作一次性額外撥備。基於年內某些事態發展及為最穩健審慎起見，已就該等稅項作全數撥備。

#### Gross Premiums Written

#### 毛承保保費

Gross premiums written increased by 15.3% to HK\$935.90 million from HK\$812.03 million in the Last Year. During the Year, solid economic growth and activity in Hong Kong helped to grow the property and casualty insurance sector. The detailed breakdown of gross premiums written was as follows:

毛承保保費由去年之8.1203億港元上升15.3%至9.3590億港元。於本年度內，香港經濟穩固增長及活躍，有助財產保險業的增長。毛承保保費詳細分析如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

Business Line		% of Total		% of Total	
業務種類		2011	佔總額百分比	2010	佔總額百分比
Motor	車險	198.83	21.2%	192.21	23.7%
Marine	水險	151.59	16.2%	167.12	20.6%
Non-marine	非水險	585.48	62.6%	452.70	55.7%
		935.90	100.0%	812.03	100.0%



# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Net Claims Incurred and Combined Ratio

#### 淨賠款總額及綜合成本率

Net claims incurred increased by 13.2% to HK\$312.78 million from HK\$276.18 million in the Last Year. The expense ratio improved to 46.7% from 47.0% in the Last Year, which was attributed to lower commission expenses. The loss ratios, expense ratios and combined ratios were as follows:

淨賠款總額由去年之2.7618億港元上升13.2%至3.1278億港元。由於佣金費用下降，費用率由去年的47.0%改善至46.7%。賠付率、費用率及綜合成本率情況如下：

For the year ended 31 December

截至十二月三十一日止年度

		2011	2010
Loss ratio	賠付率	52.2%	50.4%
Expense ratio	費用率	46.7%	47.0%
Combined ratio	綜合成本率	98.9	97.4

#### Investment Performance

#### 投資表現

The composition of investments was as follows:

投資組合情況如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Debt securities	債務證券	1,485.69	38.0%	1,450.31	36.2%
Equity securities	股本證券	226.53	5.8%	295.38	7.4%
Investment funds	投資基金	26.51	0.7%	58.77	1.5%
Cash and bank deposits	現金及銀行存款	779.58	19.9%	962.44	24.1%
Investment properties	投資物業	1,389.85	35.6%	1,233.19	30.8%
Total invested assets	投資總額	3,908.16	100.0%	4,000.09	100.0%

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Investment Performance (Continued)

投資表現 (續)

During the Year, CTPI (HK) continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 57.9% of the total invested assets as at 31 December 2011 (2010: 60.3%).

於本年度內，中國太平香港對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一一年十二月三十一日合共佔投資資產總額約57.9%（二零一零年：60.3%）。

The classification of investments in securities under HTM, AFS, HFT and LR was as follows:

歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

At 31 December 2011, HK\$ million

於二零一一年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	-	1,485.69	-	-	1,485.69
Equity securities 股本證券	-	226.53	-	-	226.53
Investment funds 投資基金	-	26.51	-	-	26.51
	-	1,738.73	-	-	1,738.73

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	-	1,450.31	-	-	1,450.31
Equity securities 股本證券	-	295.38	-	-	295.38
Investment funds 投資基金	-	58.77	-	-	58.77
	-	1,804.46	-	-	1,804.46

## Management Review and Analysis

### 管理層回顧和分析

#### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Investment Performance (Continued)

投資表現 (續)

The debt securities classified by type and class were as follows:

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	2010
Central governments and central banks	中央政府及中央銀行	5.32	27.20
Public sector entities	公共機構	13.11	–
Banks and other financial institutions	銀行及其他金融機構	1,202.02	996.59
Corporate entities	企業實體	265.24	426.52
		<b>1,485.69</b>	1,450.31

The total investment income and the investment yield on a pre-tax basis recognized in the consolidated income statement were as follows:

中國太平香港確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Net investment income	投資收入淨額	170.60	143.06	+19.3%
Net realized investment gains/(losses)	已實現投資收益／ (虧損)淨額	42.05	127.01	-66.9%
Net unrealized gains/(losses) on investment properties	投資物業未實現收益／ (虧損)淨額	161.22	69.09	+1.3 times 倍
Impairment gains/(losses) on securities	證券減值收益／ (虧損)	(19.29)	–	–
Total investment income	投資收入總額	<b>354.58</b>	339.16	+4.5%
Total investment yield	總投資收益率	<b>8.4%</b>	9.5%	-1.1 pts 點

Total investment income was HK\$354.58 million for the Year, representing an increase from HK\$339.16 million in the Last Year. The total investment yield for the Year was a very satisfactory 8.4%.

本年內錄得投資收入總額3.5458億港元，較去年3.3916億港元增加。本年內總投資收益率達8.4%，令人非常滿意。

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Investment Performance (Continued)

投資表現 (續)

The details of CTPI (HK)'s investment income/(loss) on a pre-tax basis were as follows:

中國太平香港稅前投資收入/(虧損)之詳細分析如下:

For the year ended 31 December 2011, HK\$ million

截至二零一一年十二月三十一日止年度，百萬港元

	Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認		Grand total 總額
	Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益/(虧損)淨額	Net unrealized gains/(losses) 未實現收益/(虧損)淨額	Net impairment gains/(losses) 減值收益/(虧損)淨額	Sub total 小計	之未實現收益/(虧損)	
	Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入						
Debt securities 債務證券									
AFS 可供出售	88.70	-	-	42.24	-	-	130.94	(75.22)	55.72
Equity securities 股本證券									
AFS 可供出售	-	9.42	-	(16.45)	-	(9.17)	(16.20)	(45.47)	(61.67)
Investment funds 投資基金									
AFS 可供出售	-	-	-	16.26	-	(10.12)	6.14	(0.99)	5.15
Cash and bank deposits 現金及銀行存款	12.55	-	-	-	-	-	12.55	-	12.55
Investment properties 投資物業	-	-	57.44	-	161.22	-	218.66	-	218.66
Others 其他	2.49	-	-	-	-	-	2.49	-	2.49
	103.74	9.42	57.44	42.05	161.22	(19.29)	354.58	(121.68)	232.90

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Investment Performance (Continued)

投資表現 (續)

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

	Recognized in the consolidated income statement 於綜合損益表內確認						Sub total 小計	Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/(虧損)	Grand total 總額	
	Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益/(虧損)淨額	Net unrealized gains/(losses) 未實現收益/(虧損)淨額	Net impairment gains/(losses) 減值收益/(虧損)淨額				
	Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入							
Debt securities AFS	債務證券 可供出售	77.44	-	-	124.37	-	-	201.81	(25.23)	176.58
Equity securities AFS	股本證券 可供出售	-	9.05	-	12.92	-	-	21.97	(0.94)	21.03
Investment funds AFS	投資基金 可供出售	-	0.51	-	(10.28)	-	-	(9.77)	4.75	(5.02)
Cash and bank deposits	現金及銀行存款	2.74	-	-	-	-	-	2.74	-	2.74
Investment properties	投資物業	-	-	53.29	-	69.09	-	122.38	-	122.38
Others	其他	0.03	-	-	-	-	-	0.03	-	0.03
		80.21	9.56	53.29	127.01	69.09	-	339.16	(21.42)	317.74

#### Underwriting and Other Administrative Expenses

承保及其他行政費用

The underwriting and other administrative expenses are summarized as follows:

承保及其他行政費用概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Staff costs	員工成本	129.27	102.93	+25.6%
Rental expenses	租賃開支	0.41	0.24	+70.8%
Others	其他	43.22	40.12	+7.7%
		172.90	143.29	+20.7%

# Management Review and Analysis

## 管理層回顧和分析

### PROPERTY AND CASUALTY INSURANCE BUSINESS – HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

財產保險業務 – 由中國太平香港營運之香港業務 (續)

#### Financial Strength and Solvency Margin

#### 財務實力及償付能力

The solvency margin ratios of CTPI (HK) under the Hong Kong Insurance regulations were as follows:

中國太平香港按香港保險條例之償付能力充足率如下：

At 31 December, HKD million

於十二月三十一日，百萬港元

		2011	2010
Actual Solvency Margin	實際償付能力	2,356	2,427
Minimum Statutory Solvency Margin	最低法定償付能力	131	126
Solvency Margin Ratio	償付能力充足率	1,801%	1,919%

### REINSURANCE BUSINESS

### 再保險業務

The Group's reinsurance business is operated by TPRe. TPRe is a Hong Kong-incorporated company and wholly-owned by the Group, and is mainly engaged in the underwriting of all classes of non-life reinsurance business around the globe, consisting mainly of short-tail, property reinsurance business in the Asia Pacific region. TPRe also engages in the underwriting of certain classes of long term (life) reinsurance business. TPRe has chosen not to engage in long-tail, liability reinsurance business from outside of Asia, such as from the United States and Europe.

本集團之再保險業務由本集團全資擁有之香港註冊公司太平再保險營運。太平再保險主要從事承保全球各類非人壽再保險業務，主要包括亞太地區的短尾巴財產再保險業務。太平再保險亦從事若干類別的長期（人壽）再保險業務。太平再保險選擇不承保亞洲以外如來自美國及歐洲的長尾巴責任險業務。

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

The figures below are the results of TPRe from its operations, before intra-group eliminations.

以下數字為集團內部對銷前，太平再保險的營運業績。

The key financial data and key performance indicators of the reinsurance business are summarized below:

再保險業務之主要財務數據及主要表現指標概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change
Gross premiums written	毛承保保費	<b>3,431.08</b>	2,649.73	+29.5%
Net premiums written	淨承保保費	<b>3,073.66</b>	2,372.06	+29.6%
Net earned premiums	已賺取保費淨額	<b>2,852.91</b>	2,077.54	+37.3%
Net claims incurred	賠款淨額	<b>(2,131.55)</b>	(1,307.33)	+63.0%
Underwriting expenses	承保費用	<b>(73.10)</b>	(51.84)	+41.0%
Net commission expenses	佣金支出淨額	<b>(812.31)</b>	(595.22)	+36.5%
Underwriting (loss)/profit	承保(虧損)/溢利	<b>(164.05)</b>	123.15	-
Total investment income	投資收入總額	<b>130.66</b>	320.09	-59.2%
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	<b>8.58</b>	(31.47)	-
Other administrative expenses	其他行政費用	<b>(12.48)</b>	(28.43)	-56.1%
(Loss)/profit from operation before taxation	除稅前經營(虧損)/溢利	<b>(33.32)</b>	388.02	-
(Loss)/profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營(虧損)/溢利	<b>(94.19)</b>	372.65	-
Regulatory solvency margin ratio	監管償付能力充足比率	<b>389.7%</b>	555.8%	-166.1 pts 點
Technical reserves ratio	技術性儲備比率	<b>162.4%</b>	175.5%	-13.1 pts 點
Retained ratio	自留比率	<b>89.6%</b>	89.5%	+0.1 pt 點
Earned premiums ratio	已賺取保費率	<b>83.1%</b>	78.4%	+4.7 pts 點
Loss ratio <sup>1</sup>	賠付率 <sup>1</sup>	<b>74.7%</b>	62.9%	+11.8 pts 點
Expense ratio <sup>1 &amp; 3</sup>	費用率 <sup>1 &amp; 3</sup>	<b>31.0%</b>	31.1%	-0.1 pt 點
Combined ratio <sup>2</sup>	綜合成本率 <sup>2</sup>	<b>105.7</b>	94.0	+11.7 pts 點

<sup>1</sup> Both the loss ratio and expense ratio are based on net earned premiums.

<sup>1</sup> 賠付率及費用率均按已賺取保費淨額為基準計算。

<sup>2</sup> The combined ratio is the sum of the loss ratio and the expense ratio.

<sup>2</sup> 綜合成本率為賠付率與費用率的總和。

<sup>3</sup> The expense ratio is comprised of underwriting expenses and net commission expenses.

<sup>3</sup> 費用率包括承保費用及佣金支出淨額。

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

#### Operating Loss/profit

The reinsurance business incurred a net operating loss after tax of HK\$94.19 million during the Year (2010: profit of HK\$372.65 million). This loss represented TPre's first operating loss since its incorporation in 1980, and was mainly caused by significant claims from a few natural catastrophes which occurred during 2011, as well as lower total investment income due to difficult equity market conditions in Hong Kong and the PRC. The 2011 combined ratio for TPre's reinsurance business was 105.7 (2010: 94.0). Within the tax provision, there was an one-off additional provision amounting to HK\$53.00 million for certain prior years' investment income. Based on certain developments during the Year and in order to be the most conservative and prudent, full provisions for these taxes have been made. As such, the loss after tax is larger than the loss before tax.

#### Gross Premiums Written

TPRe's gross premiums written for the Year increased by 29.5% to HK\$3,431.08 million from HK\$2,649.73 million in the Last Year. TPre continued to have favorable premium growth in Mainland China, which together with Hong Kong and Macau, has become the home market of the reinsurance operations in terms of premium income.

TPRe's geographical distribution of gross premiums written is summarized as follows:

*For the year ended 31 December, HK\$ million*

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Hong Kong & Macau	香港及澳門	705.92	20.6%	352.37	13.3%
Mainland China (& Taiwan)	中國大陸(及台灣)	1,271.29	37.1%	1,061.41	40.1%
Japan	日本	180.63	5.3%	163.87	6.2%
Rest of Asia	亞洲其他地區	677.65	19.7%	587.23	22.2%
Europe	歐洲	391.59	11.4%	287.39	10.8%
Others	其他	204.00	5.9%	197.46	7.4%
		<b>3,431.08</b>	<b>100.0%</b>	2,649.73	100.0%

### 再保險業務(續)

#### 經營虧損/溢利

再保險業務產生經營虧損淨額 9,419 萬港元(二零一零年:溢利 3.7265 億港元)。此虧損乃太平再保險自一九八零年註冊成立以來首次錄得經營虧損,主要是受到二零一一年發生的幾宗重大自然災害導致索賠大幅增加,加上香港及中國股票市場情況困難,導致投資收入總額較低所致。太平再保險的再保險業務在二零一一年綜合成本率為 105.7(二零一零年:94.0)。在稅項撥備方面,基於本年度內某些事態發展及為最穩健審慎起見,已就若干往年年度的投資收入作一次性額外全數稅項撥備 5,300 萬港元。因此,除稅後虧損較除稅前虧損為大。

#### 毛承保保費

太平再保險之毛承保保費由去年 26.4973 億港元上升 29.5% 至 34.3108 億港元。太平再保險繼續在中國大陸取得可觀保費增長,而中國大陸連同香港及澳門,按保費收入計已成為再保險業務的主要市場。

太平再保險按地區分佈劃分之毛承保保費簡報如下:

*截至十二月三十一日止年度,百萬港元*



# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

#### Net Claims Incurred

2011 was a very unusual year in terms of the frequency of natural catastrophes and their geographical distribution. According to various industry research analyses and statistics, 2011 surpassed 2005 to become the worst year ever in terms of natural catastrophes for the global insurance industry.

Having several, sequential and large natural catastrophes occurring in the same year is a very rare occurrence, and having sizable insured damage losses arising from catastrophes concentrated mainly in Asia is also an extremely rare occurrence. With more than 80% of its gross written premium sourced from Asia, TPRe could not be immune from the losses arising from major natural catastrophes in the region, specifically the earthquake in New Zealand in February, the earthquake in Japan in March, and the flooding in Thailand in October.

TPRe's top three major claims in terms of gross losses during the Year were as follows:

*For the year ended 31 December 2011, HK\$ million*

		Date of loss 出險日期	Gross loss incurred 毛賠付總額	Net retained loss incurred 自留賠付淨額
Flooding in Thailand	泰國水災	10/2011	721.35	476.91
Earthquake and Tsunami in Japan	日本地震及海嘯	3/2011	468.28	282.17
Earthquake in Christchurch, New Zealand	新西蘭基督城地震	2/2011	139.46	139.26

Loss reserve provisions were also reviewed during 2011, which resulted in the release of HK\$457.68 million from prior years' provisions.

The net incurred loss ratio for the Year increased to 74.7% (2010: 62.9%).

### 再保險業務 (續)

#### 淨賠款總額

二零一一年以自然災害發生的頻率和地域分佈來看，屬極之不尋常的一年。根據多份行業的研究分析及統計，二零一一年已超越二零零五年，成為自然災害對環球保險業影響最嚴重的一年。

在同一年內接連發生重大自然災害是非常罕見，而引起的重大保險賠付主要集中在亞洲地區也是非常罕見，太平再保險毛保費超過八成來自亞洲地區，無可避免受到該等自然災害的影響，尤以二月在新西蘭發生的地震、三月在日本發生的地震及十月在泰國發生的水災為甚。

太平再保險於年內以毛賠付總額計算之三大賠案如下：

*截至二零一一年十二月三十一日止年度，百萬港元*

在二零一一年對賠款儲備進行的審閱，對往年年度的賠款儲備冗餘回撥4.5768億港元。

年內的賠付率淨額因此上升至74.7% (二零一零年：62.9%)。

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

#### Investment Performance

#### 投資表現

The composition of investments held by TPRé was as follows: 太平再保險持有之投資組合情況如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	% of Total 佔總額百分比	2010	% of Total 佔總額百分比
Debt securities	債務證券	4,120.87	66.2%	3,565.91	61.8%
Equity securities	股本證券	419.88	6.7%	543.60	9.5%
Investment funds	投資基金	43.87	0.7%	58.04	1.0%
Cash and bank deposits	現金及銀行存款	1,569.01	25.2%	1,529.52	26.5%
Investment properties	投資物業	74.76	1.2%	70.92	1.2%
Total invested assets	投資總額	6,228.39	100.0%	5,767.99	100.0%

Due to significant cash inflows arising from the strong premium growth during the Year, TPRé's investment portfolio increased in size. TPRé continued to be very cautious in its asset allocation for its investment portfolio. Debt securities and cash and bank deposits constituted a combined total of approximately 91.4% of the total invested assets as at 31 December 2011 (2010: 88.6%).

由於本年度內保費收入增長強勁令現金大量流入，太平再保險的投資組合因而增大。太平再保險對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一一年十二月三十一日合共佔投資資產總額約91.4%（二零一零年：88.6%）。

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

#### Investment Performance (Continued)

#### 投資表現 (續)

The classification of TPRE's investments in securities under HTM, AFS, HFT and LR was as follows:

太平再保險歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

At 31 December 2011, HK\$ million

於二零一一年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	2,651.97	990.31	45.38	433.21	4,120.87
Equity securities	股本證券	-	419.88	-	-	419.88
Investment funds	投資基金	-	14.56	29.31	-	43.87
		<b>2,651.97</b>	<b>1,424.75</b>	<b>74.69</b>	<b>433.21</b>	<b>4,584.62</b>

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	2,517.03	872.22	169.61	7.05	3,565.91
Equity securities	股本證券	-	543.60	-	-	543.60
Investment funds	投資基金	-	24.41	33.63	-	58.04
		<b>2,517.03</b>	<b>1,440.23</b>	<b>203.24</b>	<b>7.05</b>	<b>4,167.55</b>

The debt securities classified by type and class were as follows:

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	2010
Central governments and central banks	中央政府及中央銀行	628.48	410.19
Public sector entities	公共機構	37.01	30.56
Banks and other financial institutions	銀行及其他金融機構	2,105.46	1,810.88
Corporate entities	企業實體	1,349.92	1,314.28
		<b>4,120.87</b>	<b>3,565.91</b>

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

#### Investment Performance (Continued)

#### 投資表現 (續)

The debt securities classified by original currencies in their respective HKD equivalents were as follows:

債務證券按原貨幣分類之折合港元值如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2011	2010
USD	美元	2,885.82	2,692.63
RMB	人民幣	579.80	208.69
EUR	歐羅	279.23	259.61
GBP	英鎊	214.34	201.15
HKD	港元	2.86	91.70
AUD	澳元	74.54	68.81
Others	其他	84.28	43.32
		<b>4,120.87</b>	<b>3,565.91</b>

The total investment income and the investment yield of TPR's investments on a pre-tax basis recognized in the consolidated income statement were as follows:

太平再保險確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Net investment income	投資收入淨額	276.44	223.08	+23.9%
Net realized investment gains/(losses)	已實現投資收益／ (虧損)淨額	(74.57)	53.22	-
Net unrealized investment gains/(losses)	未實現投資收益／ (虧損)淨額	(4.16)	38.99	-
Net impairment gains/(losses) on securities	證券減值收益／ (虧損)淨額	(67.05)	4.80	-
Total investment income	投資收入總額	<b>130.66</b>	320.09	-59.2%
Total investment yield	總投資收益率	<b>2.1%</b>	6.1%	-4.0 pts 點

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

#### Investment Performance (Continued)

#### 投資表現 (續)

TPRe's total investment income was a gain of HK\$130.66 million for the Year, representing a decrease from HK\$320.09 million in the Last Year. Although equity investments were maintained at a relatively low percentage of the asset allocation, unfavorable equity market conditions in Hong Kong and the PRC impacted the total investment income of TPRe.

本年度內，太平再保險錄得投資收入總額溢利1.3066億港元，較去年3.2009億港元減少。雖然股本投資維持在資產配置的相對較低百分比，香港及中國股本市場的不利情況還是影響了太平再保險的投資收入總額。

The details of TPRe's investment income/(loss) on a pre-tax basis were as follows:

太平再保險的稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2011, HK\$ million

截至二零一一年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益／(虧損)		Grand total 總額
		Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益／(虧損)淨額	Net unrealized gains/(losses) 未實現收益／(虧損)淨額	Net impairment gains/(losses) 減值收益／(虧損)淨額	Sub total 小計		
		Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入						
<b>Debt securities</b>	<b>債務證券</b>									
HTM	持有至到期日	158.20	-	-	1.65	-	-	159.85	-	159.85
AFS	可供出售	65.32	-	-	10.68	-	-	76.00	(52.50)	23.50
HFT	持有作交易用途	4.58	-	-	4.55	(3.66)	-	5.47	-	5.47
LR	貸款及應收款項	13.13	-	-	-	-	-	13.13	-	13.13
<b>Equity securities</b>	<b>股本證券</b>									
AFS	可供出售	-	13.56	-	(90.98)	-	(67.05)	(144.47)	(16.16)	(160.63)
<b>Investment funds</b>	<b>投資基金</b>									
AFS	可供出售	-	0.75	-	-	-	-	0.75	(1.13)	(0.38)
HFT	持有作交易用途	-	2.73	-	(0.47)	(4.34)	-	(2.08)	-	(2.08)
<b>Cash and bank deposits</b>	<b>現金及銀行存款</b>	15.83	-	-	-	-	-	15.83	-	15.83
<b>Securities sold under resale agreements</b>	<b>買入返售證券</b>	1.40	-	-	-	-	-	1.40	-	1.40
<b>Investment properties</b>	<b>投資物業</b>	-	-	0.94	-	3.84	-	4.78	-	4.78
		258.46	17.04	0.94	(74.57)	(4.16)	(67.05)	130.66	(69.79)	60.87

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

### Investment Performance (Continued)

### 投資表現 (續)

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值 儲備內確認	Sub total 小計	Grand total 總額
		Net investment income 投資收入淨額			Net realized gains/ (losses) 已實現 收益/ (虧損)淨額	Net unrealized gains/ (losses) 未實現 收益/ (虧損)淨額	Net impairment gains/ (losses) 減值收益/ (虧損)淨額			
		Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入						
<b>Debt securities</b>	<b>債務證券</b>									
HTM	持有至到期日	133.99	-	-	-	-	6.61	140.60	-	140.60
AFS	可供出售	52.21	-	-	(1.12)	-	-	51.09	41.18	92.27
HFT	持有作交易用途	11.45	-	-	0.65	22.65	-	34.75	-	34.75
LR	貸款及應收款項	0.01	-	-	-	-	-	0.01	-	0.01
<b>Equity securities</b>	<b>股本證券</b>									
AFS	可供出售	-	10.50	-	49.85	-	(1.81)	58.54	(77.12)	(18.58)
<b>Investment funds</b>	<b>投資基金</b>									
AFS	可供出售	-	1.10	-	(0.74)	-	-	0.36	2.30	2.66
HFT	持有作交易用途	-	2.72	-	(0.15)	0.14	-	2.71	-	2.71
<b>Cash and bank deposits</b>	<b>現金及銀行存款</b>	9.78	-	-	-	-	-	9.78	-	9.78
<b>Investment properties</b>	<b>投資物業</b>	-	-	1.28	4.73	16.20	-	22.21	-	22.21
<b>Others</b>	<b>其他</b>	0.04	-	-	-	-	-	0.04	-	0.04
		207.48	14.32	1.28	53.22	38.99	4.80	320.09	(33.64)	286.45

# Management Review and Analysis

## 管理層回顧和分析

### REINSURANCE BUSINESS (Continued)

### 再保險業務 (續)

#### Underwriting and Other Administrative Expenses

#### 承保及其他行政費用

The underwriting and other administrative expenses of TPRe are summarized as follows:

太平再保險的承保及其他行政費用概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Staff costs	員工成本	46.63	48.67	-4.2%
Rental expenses	租賃開支	4.81	4.63	+3.9%
Others	其他	34.14	26.97	+26.6%
		<b>85.58</b>	80.27	+6.6%

### PENSION AND GROUP LIFE INSURANCE BUSINESSES

### 養老及團體人壽保險業務

The Group's pension and group life insurance businesses are operated by TPP. TPP is a PRC-incorporated company and is 96%-owned by the Group. TPP is principally engaged in corporate and personal retirement insurance and annuity businesses, and group life insurance business in Mainland China.

本集團之養老及團體人壽保險業務由太平養老營運。太平養老為中國註冊公司並由本集團擁有96%權益。太平養老主要於中國大陸從事企業及個人養老保險及年金業務及團體人壽保險業務。

As of 31 August 2011, the Group held an effective interest in TPP of 50.03%. With effect from September 2011, upon the completion of the share transfer agreement of TPP dated 31 December 2010, TPP become a direct 96%-owned subsidiary of the Company.

於二零一一年八月三十一日，本集團持有太平養老50.03%的有效權益。自二零一一年九月，在完成日期為二零一零年十二月三十一日的太平養老股份轉讓協議後，太平養老成為本公司直接擁有96%的附屬公司。

# Management Review and Analysis

## 管理層回顧和分析

### PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

In order to best rationalize and utilize the Group's customer base and resources, modifications have been made during the Year to gradually transfer the group life insurance portfolio written by TPL to TPP to be managed and run. It is anticipated that the new business model will enable TPP to achieve reasonable economies of scale which are critical and necessary for an operating profit in the pension business.

The figures below are the results of TPP from its operations, before intra-group eliminations.

The key financial data of the pension and group life insurance businesses is summarized below:

For the year ended 31 December, HK\$ million

### 養老及團體人壽保險業務 (續)

為優化及充分利用本集團的客戶基礎和資源，年內對團體保險經營模式進行調整，由太平人壽承保逐步轉移至由太平養老管理及營運。預期新的經營模式將令太平養老較易達致合理的經濟規模，這是養老保險業務取得經營溢利的關鍵和必要的舉措。

以下數字為集團內部對銷前，太平養老的營運業績。

養老及團體人壽保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

		2011	2010	Change 變化
Gross premiums written	毛承保保費	641.48	25.42	+24.2 times倍
Net premiums written	淨承保保費	514.65	25.42	+19.2 times倍
Net earned premiums	已賺取保費淨額	371.85	9.40	+38.6 times倍
Net policyholders' benefits	保單持有人利益淨額	(134.58)	(1.03)	+129.7 times倍
Net commission expenses	佣金支出淨額	(41.48)	(1.72)	+23.1 times倍
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	(119.42)	-	-
Total investment income	投資收入總額	24.55	5.24	+3.7 times
Pension administration fee income	養老保險管理服務費收入	98.45	87.43	+12.6%
Agency fee income	代理服務費收入	134.84	130.29	+3.5%
Administrative and other expenses	行政及其他費用	(531.38)	(412.48)	+28.8%
Loss from operation before taxation	除稅前經營虧損	(193.91)	(179.64)	+7.9%
Loss from operation after taxation	除稅後經營虧損	(193.91)	(179.64)	+7.9%
Loss from operation attributable to the owners	股東應佔經營虧損	(156.96)	(89.87)	+74.7%



# Management Review and Analysis

## 管理層回顧和分析

### PENSION AND GROUP LIFE INSURANCE BUSINESSES *(Continued)*

### 養老及團體人壽保險業務 (續)

The key operational data of the pension business is summarized below:

養老業務之主要經營數據概述如下：

		2011	2010	Change 變化
Annuity and investments funds (RMB million)	年金及投資基金 (百萬元人民幣)	39,511	32,344	+22.2%
Number of enterprises of funds and schemes	養老年金計劃所涉及的企業數目	6,703	6,686	+17

With fourteen branches operating in major provinces to serve its customers, TPP has increased substantially its group life insurance premiums during the Year. The annuity and investment funds under management also increased by 22.2% despite only very modest increases in the number of clients in the pension schemes.

太平養老在全國主要省份設有十四間分公司為客戶提供服務，年內團體人壽保險的保費收入大幅增加。管理的年金及投資基金亦上升22.2%，惟養老金計劃的客戶數目只有非常輕微的增長。

#### Operating Loss

The pension and group life insurance businesses incurred net operating loss of HK\$193.91 million during the Year (2010: HK\$179.64 million), representing an increase of 7.9% compared to Last Year. The net operating loss attributable to the owners amounted to HK\$156.96 million (2010: HK\$89.87 million).

#### 經營虧損

養老及團體人壽保險業務產生經營虧損淨額1.9391億港元（二零一零年：1.7964億港元），較去年上升7.9%。股東應佔經營虧損淨額為1.5696億港元（二零一零年：8,987萬港元）。

### ASSET MANAGEMENT BUSINESS

The Group's asset management business is operated by TPAM and TPA (HK), which are mainly engaged in the provision of investment consultancy services to the Group in managing its RMB and non-RMB investment portfolios, respectively. TPAM is a PRC-incorporated company and is 60%-owned by the Group, while TPA (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group.

### 資產管理業務

本集團之資產管理業務由太平資產及太平資產（香港）營運，主要分別為本集團的人民幣及非人民幣投資組合提供投資顧問服務。太平資產為中國註冊公司並由本集團擁有60%權益，而太平資產（香港）則為香港註冊公司並由本集團全資擁有。

# Management Review and Analysis

## 管理層回顧和分析

### ASSET MANAGEMENT BUSINESS (Continued)

During the Year, the Group held an effective interest in TPAM of 42.03%. With effect from 28 December 2011 upon the completion of the share transfer agreement of TPAM dated 31 December 2010, TPAM become a direct 60%-owned subsidiary of the Company.

**The figures below are the results of TPAM and TPA (HK) from their operations, before intra-group eliminations.**

The key financial data of the asset management business operated in PRC by TPAM and in Hong Kong by TPA (HK) are summarized below:

*For the year ended 31 December, HK\$ million*

		2011	2010	Change 變化
Management fee income	管理費收入	<b>164.90</b>	118.91	+38.7%
Total investment income	投資收入總額	<b>7.41</b>	3.07	+1.4 times 倍
Administrative and other expenses	行政及其他費用	<b>(140.04)</b>	(124.38)	+12.6%
Profit from operation before taxation	除稅前經營溢利	<b>40.38</b>	17.15	+1.4 times 倍
Profit from operation after taxation	除稅後經營溢利	<b>29.13</b>	13.07	+1.2 times 倍
Profit from operating attributable to the owners	股東應佔經營溢利	<b>15.45</b>	7.42	+1.1 times 倍

### 資產管理業務 (續)

本年度內，本集團持有太平資產42.03%的有效權益。自二零一一年十二月二十八日，在完成日期為二零一零年十二月三十一日的太平資產股權轉讓協議後，太平資產成為本公司直接擁有60%的附屬公司。

以下數字為集團內部對銷前，太平資產及太平資產（香港）的營運業績。

由太平資產及太平資產（香港）於中國及香港營運的資產管理業務之主要財務數據概述如下：

*截至十二月三十一日止年度，百萬港元*

# Management Review and Analysis

## 管理層回顧和分析

### ASSET MANAGEMENT BUSINESS (Continued)

### 資產管理業務 (續)

The key operational data of the asset management business is summarized below:

資產管理業務之主要經營數據概述如下：

		2011	2010	Change 變化
TPAM	太平資產			
Assets under management (RMB million)	資產管理規模 (百萬元人民幣)	<b>115,760</b>	100,446	+15.2%
Including: Assets within the Group (RMB million)	包括：集團內資產 (百萬元人民幣)	<b>108,700</b>	91,417	+18.9%
TPA (HK)	太平資產 (香港)			
Assets under management (HKD million)	資產管理規模 (百萬港元)	<b>7,299</b>	7,546	-3.3%
Including: Assets within the Group (HKD million)	包括：集團內資產 (百萬港元)	<b>6,366</b>	6,628	-3.9%

### Operating Profit

The asset management business produced a net operating profit of HK\$29.13 million during the Year (2010: HK\$13.07 million), representing an increase of 122.9% compared to Last Year. The net operating profit attributable to the owners amounted to HK\$15.45 million (2010: HK\$7.42 million).

### 經營溢利

資產管理業務的經營溢利淨額為2,913萬港元 (二零一零年：1,307萬港元)，較去年增加122.9%。股東應佔經營溢利淨額為1,545萬港元 (二零一零年：742萬港元)。

### OUTLOOK

After a difficult and challenging 2011, CTIH believes that all of its core operating units will have better prospects for positive and better results in 2012. CTIH expects all of its core operating units to continue with their respective business strategies in 2012 with a strong view and focus on its long-term value creation strategy and objectives over the next 3 to 5 years. While operational and macroeconomic challenges remain, the directors and senior management are confident about achieving the Company's goals in 2012 and for the long term.

### 展望

經過困難及具挑戰性的二零一一年，中國太平控股相信其各核心營運單位在二零一二年的前景應有所好轉，並可望取得更佳的業績。中國太平控股期待其各個核心營運單位在二零一二年繼續落實其業務策略，並在未來三至五年專注長期創造價值的策略和目標。營運困難及宏觀經濟緊縮政策雖未過去，惟各董事及高級管理層對實現本公司於二零一二年及長期目標充滿信心。

# Management Review and Analysis

## 管理層回顧和分析

### OUTLOOK (Continued)

#### Life Insurance Business – TPL

TPL believes that 2012 will be a better year operationally and financially.

Although 2011 was a difficult year, TPL has been successful in pursuing its major strategy of prioritizing the sale of regular premium products. TPL will also continue to focus on the underlying quality of all of its products sold. Longer duration products and products with protection features will continue to be emphasized going forward. Bottom-line results and value creation will continue to be prioritized over top-line figures, irrespective of the sales environment.

In the agency channel which has become the major contributor of New Business Value, TPL continues to be highly optimistic about the development of a high quality, high performance sales force. In 2011, the number of TPL agents producing annualized standardized premium (an internal high caliber tool used to measure the effective business value of premiums) of one million RMB or higher reached 195, from 117 in 2010 and 27 in 2009. TPL believes that as a result of this corporate emphasis, and the promotions and systematic training which has taken place over the past years, the potential for further improvements in productivity is high. In the current year, the management will also increase financial support for building up a broader base of agents at the branch and sub-branch levels. TPL believes that the momentum and strength of its agency force remain healthy and intact, despite the difficult and uncertain macroeconomic conditions, and believes that growth in the agency channel will be strong in 2012.

In the bancassurance channel, the new regulatory regime, which aims to abolish the mis-selling of insurance products, should be beneficial for the long-term, healthy development of the bancassurance sales channel. TPL's sales strategy and marketing teams are in the process of modifications to fit within the new regulatory framework and conditions for selling insurance products through the bank channel. With this ongoing process, there have already been improvements in bancassurance sales recently.

### 展望 (續)

#### 人壽保險業務—太平人壽

太平人壽相信，在營運和財務而言，二零一二年將會是較好的一年。

二零一一年雖然困難，太平人壽仍成功貫徹其注重期繳保費產品的策略和產品素質。今後太平人壽繼續專注銷售較長期的產品及具保障特色的產品。無論銷售環境如何，太平人壽將繼續著重盈利能力及價值創造多於保費收入的增長。

個人代理渠道已成為新業務價值主要貢獻來源。太平人壽有信心發展一支高素質、高績效、高品質的「三高」銷售隊伍。於二零一一年，太平人壽個險年標準保費（用於量度保費有效業務價值的內部指標）超人民幣一百萬元的代理數目從二零零九年的27人及二零一零年的117人增至二零一一年的195人。太平人壽相信，繼續著力行之有效的業務推廣及系統培訓，人均生產力可望進一步提高。本年度，管理層亦將在分公司及支公司層面加大財務支持力度，構建更廣泛的代理基礎。太平人壽相信，儘管宏觀經濟前景仍未明朗，其銷售隊伍健康成長，在年內將有可觀的保費增長。

在銀行保險渠道方面，新監管體制旨在杜絕保險產品的不良銷售，是有利於銀行保險的長遠健康發展。太平人壽正調整其銷售策略及市場推廣團隊，以符合銀行渠道銷售保險產品的新監管要求，通過調整手段，太平人壽近月銀行保險銷售漸見起色。

# Management Review and Analysis

## 管理層回顧和分析

### OUTLOOK (Continued)

#### Property and Casualty Insurance Business

##### TPI

With the pricing and competitive fundamentals in the PRC property and casualty insurance industry continuing to be healthy, TPI is confident about its outlook for 2012. As a result of the internal reshaping of the business acquisition and operating systems over the last three years, a solid operating platform is now in place. The directors and senior management believe that with this improved operating platform and a clearly defined bottom-line driven policy, TPI will be able to sustain healthy growth in the years to come, despite the up and down trends of the underwriting cycle which inevitably will become an integral part of the PRC property and casualty insurance market.

##### CTPI (HK)

CTPI (HK) expects to grow steadily in line with Hong Kong's economy in the years to come. Hong Kong's insurance sector is very mature and competitive, and as such rapid expansion and growth will not be possible. In 2012, CTPI (HK) will continue to focus on operating profitability while maintaining its market position as one of the top niche insurers in the city.

#### Reinsurance Business – TPre

The high frequency of large natural catastrophe losses around the world during 2011, and specifically within the Asia Pacific region, has pushed up reinsurance market terms and conditions for property damage reinsurance businesses with catastrophe exposures. For business renewing before the end of 2011, the pricing as well as the terms and conditions for many lines of reinsurance across different geographical regions have increased or tightened. The lowering of excess reinsurance capital and the uncertain investment outlook have also helped to turn the reinsurance market cycle into an upward phase. The current low investment return environment will lead insurers and reinsurers to focus even more on their underwriting discipline, helping to ensure that underwriting performance will produce returns commensurate with the risks assumed. TPre has managed to retain its strong financial strength and position, and looks to take advantage of this positive trend in its 2012 business operations.

### 展望 (續)

#### 財產保險業務

##### 太平財險

由於中國財產保險業的定價及競爭基調仍穩定，太平財險對二零一二年的前景抱有信心。過往三年太平財險著力銷售體制改革及營運系統改造，現已建立了一個穩固的營運平台。憑著此改良的營運平台及定位清晰的盈利驅動政策，即使面對未來承保週期的升跌，各董事及高級管理層相信，太平財險仍能保持健康增長。

##### 中國太平香港

中國太平香港預期未來可將隨著香港經濟發展穩定地增長。香港的保險業發展非常成熟及競爭激烈，難以大幅擴展。於二零一二年，中國太平香港將繼續專注營運盈利能力，同時作為香港領先保險商之一，保持其市場地位。

#### 再保險業務 — 太平再保險

在二零一一年世界各地發生頻密自然災害賠付，當中以亞太地區尤甚，推高了再保險市場涉及巨災風險的財產再保險業務的條款及條件。就二零一一年底前進行的續保業務，續保的價格均有上升，續保條件及條款亦有所收緊。過剩的再保險資本金相對收縮，加上投資前景不明朗，導致環球再保險市場轉向上升周期。在現時投資回報低企的環境下，保險商及再保險商將更專注於其承保效益，確保承保表現的回報與所承擔的風險匹配。太平再保險憑其足夠的財政實力及地位，展望於其二零一二年的業務會把握此上升趨勢。

# Management Review and Analysis

## 管理層回顧和分析

### OUTLOOK (Continued)

#### Reinsurance Business – TPre (Continued)

With over 31 years of operating history, TPre has embarked on a generational upgrade of its management, systems and processes in order to keep up with the ever increasing demands and expectations of its clients, regulators and other interested parties. By using its extensive experience, risk management disciplines, as well as its prudent underwriting skills and reserving practices, TPre is optimistic about its outlook in 2012.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2011 amounted to HK\$37,776.40 million (2010: HK\$29,412.03 million). There was no bank borrowing during the Year except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 31 December 2011 amounted to HK\$11,040.73 million (2010: HK\$10,231.07 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 5.8% as at 31 December 2011 (2010: 6.6%).

### CAPITAL STRUCTURE

During the Year, CTIH issued 1,660,000 new shares (2010: 1,550,000 shares). All the shares were issued for cash under the Company's employee share option scheme. Net proceeds received for the shares issued for cash in aggregate amounted to HK\$4.91 million (2010: HK\$3.26 million).

### STAFF AND STAFF REMUNERATION

As at 31 December 2011, the Group had a total of 31,661 employees (2010: 33,663 employees), a decrease of 2,002 employees. Total remuneration for the Year amounted to HK\$3,965.27 million (2010: HK\$3,363.49 million), an increase of 17.9%. Bonuses are linked to both the performance of the Group and the performance of the individual.

### 展望 (續)

#### 再保險業務－太平再保險 (續)

經歷超過三十一年歷史的太平再保險，現正著手進行對本身管理和系統升級換代，藉以迎合顧客、監管機構、股東和員工與日俱增的要求及期望。太平再保險具有豐富經驗、嚴謹的風險管理制度，以及審慎穩健的承保和財政儲備政策，故對其二零一二年的前景感到樂觀。

### 流動資金及財務資源

於二零一一年十二月三十一日，本集團的現金及銀行存款為377.7640億港元（二零一零年：294.1203億港元）。除若干小額臨時銀行透支外，本年度內並無任何銀行借貸。二零一一年十二月三十一日須付息票據總額為110.4073億港元（二零一零年：102.3107億港元）。二零一一年十二月三十一日已發行須付息票據除以本集團總資產所得出的槓桿比率為5.8%（二零一零年：6.6%）。

### 資本結構

本年度，中國太平控股發行1,660,000股新股（二零一零年：1,550,000股）。全部發行之新股均根據本公司僱員認股權計劃以現金代價發行。發行新股換取現金的總代價淨額為491萬港元（二零一零年：326萬港元）。

### 員工及員工酬金

於二零一一年十二月三十一日，本集團的僱員總人數達31,661人（二零一零年：33,663人），減少2,002人。本年度總酬金為39.6527億港元（二零一零年：33.6349億港元），增加17.9%。花紅與本集團的業績及員工的個人表現掛鉤。

# Management Review and Analysis

## 管理層回顧和分析

### MAJOR EVENT DURING THE YEAR

#### Termination of Acquiring Equity Interests in a PRC-incorporated company

On 29 April 2011, CTPI (HK), a subsidiary of the Company, and China Insurance Group Investment Company Limited (“CIGICL”) (an indirect wholly-owned subsidiary of TPG) entered into an agreement to terminate the share transfer agreement in relation to the acquisition of equity interests in 深圳福田燃機電力有限公司 (Futian Gas Turbine Power Company Limited), due to conditions precedent of the share transfer agreement having not been met. The details of the transaction were set out in the announcement of the Company dated 29 April 2011.

#### Acquisition of Additional Interests in a Non-Wholly Owned Subsidiary

On 17 August 2011, the Company entered into a share transfer agreement to acquire a 9.44% equity interest in TPI from ICBC (Asia) for a consideration of RMB264 million. The details of the transaction were set out in the announcement of the Company dated 17 August 2011. After the completion of the share transfer agreement in November 2011, the Company has an equity interest of 61.21% in the registered capital of TPI.

#### Supplemental Agreements in Relation to Transfer of Equity Interests in TPAM

On 28 December 2011, TPL, TPI and the Company entered into a supplemental agreement (“TPAM Supplemental Agreement”) and TPA(HK) and Ageas entered into a supplemental agreement (“Ageas Supplemental Agreement”) to amend the terms of the share transfer agreement for CTIH to purchase a 60% equity interest in TPAM in aggregate (“TPAM Share Transfer Agreement”) and the terms of the share transfer agreement for TPA(HK) to sell a 12% equity interest in TPAM (“TPAM Ageas Agreement”), respectively. Upon the execution of the supplemental agreements mentioned above, the TPAM Share Transfer Agreement (as amended by the TPAM Supplemental Agreement) and the TPAM Ageas Agreement (as amended by the Ageas Supplemental Agreement) became unconditional. The details of the transaction were set out in the announcement of the Company dated 28 December 2011.

### 本年度重要事項

#### 終止收購一間於中國成立的公司之股權

於二零一一年四月二十九日，因股份轉讓協議之先決條件未能達成，中國太平香港，本公司一間附屬公司，及中國保險集團投資有限公司（「中保投資」）（中國太平集團之間接全資附屬公司）訂立協議中止有關收購深圳福田燃機電力有限公司股權的股份轉讓協議。此交易之詳情請參閱本公司於二零一一年四月二十九日之公告。

#### 購入一間非全資附屬公司的額外權益

於二零一一年八月十七日，本公司與工銀亞洲訂立股權轉讓協議，以人民幣264,000,000元的代價，向工銀亞洲收購太平財險9.44%權益。此交易之詳情請參閱本公司於二零一一年八月十七日之公告。於二零一一年十一月完成股權轉讓協議後，本公司持有太平財險註冊資本61.21%權益。

#### 有關轉讓太平資產股權的補充協議

於二零一一年十二月二十八日，太平人壽、太平財險及本公司訂立補充協議（「太平資產補充協議」）及太平資產（香港）及富傑訂立補充協議（「Ageas補充協議」），分別修訂由中國太平控股購入太平資產合供60%股權的股權轉讓協議（「太平資產股權轉讓協議」）及由太平資產（香港）出售太平資產12%股權的股權轉讓協議（「太平資產Ageas協議」）之條款。於簽訂上述兩份補充協議後，太平資產股權轉讓協議（經太平資產補充協議修訂）及太平資產Ageas協議（經Ageas補充協議修訂）已變為無條件。此交易之詳情請參閱本公司於二零一一年十二月二十八日之公告。

# Management Review and Analysis

## 管理層回顧和分析

### CONTINGENT LIABILITIES

The Group had received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain investment income from its offshore investments for the years of assessment from 1999 to 2010 with potential tax exposure of approximately HK\$53.00 million. Based on the latest developments, the remaining tax exposure has been fully provided for during the Year.

Save as herein disclosed and other than those incurred in the normal course of the Group's insurance businesses, there were no outstanding litigation nor any other contingent liabilities as at 31 December 2011.

### 或然負債

本集團收到香港稅務局查詢，質疑個別離岸投資收入於一九九九年至二零一零年評稅年度內的應課稅務責任，潛在稅務責任約為5,300萬港元。根據最新的事態發展，年內已就潛在稅務責任全數計提準備。

除本報告所披露及在本集團日常保險業務中產生的訴訟外，於二零一一年十二月三十一日，本集團概無任何未決訴訟或或然負債。