

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONSOLIDATED FINANCIAL RESULTS

The performance highlights of the Group for the Period were as follows:

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Gross premiums written and policy fees	<b>16,245.96</b>	13,299.68	22.2%
Net investment income	<b>1,465.56</b>	2,050.73	(28.5%)
Net realized investment gains	<b>628.15</b>	926.04	(32.2%)
Net unrealized investment gains/(losses)	<b>760.77</b>	(2,657.78)	—
Impairment on debt and equity securities	<b>(15.00)</b>	(108.10)	(86.1%)
Net exchange gain/(loss)	<b>25.88</b>	(43.66)	—
Profit before taxation	<b>1,065.39</b>	635.90	67.5%
Profit after taxation	<b>781.97</b>	775.25	0.9%
Net profit attributable to the owners	<b>520.87</b>	381.34	36.6%
Basic earnings per share (HK cent)	<b>36.8</b>	27.0	9.8 cents

The net profit/(loss) attributable to the owners by each business line is summarized below:

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Reinsurance	<b>273.81</b>	83.79	3.3 times
Life insurance	<b>364.97</b>	491.01	(25.7%)
Property and casualty insurance	<b>(38.15)</b>	(41.85)	(8.8%)
Other businesses	<b>(79.76)</b>	(151.61)	(47.4%)
— Holding company and other businesses	<b>(18.41)</b>	(68.03)	(72.9%)
— Pension company operated by TPP	<b>(43.74)</b>	(65.32)	(33.0%)
— Assets management companies operated by TPAM and TPA (HK)	<b>(17.61)</b>	(18.26)	(3.6%)
Net profit attributable to the owners	<b>520.87</b>	381.34	36.6%

## 管理層討論和分析

### 綜合財務表現

本集團期內重點表現如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
毛承保保費及保單費收入	<b>16,245.96</b>	13,299.68	22.2%
投資收入淨額	<b>1,465.56</b>	2,050.73	(28.5%)
已實現投資收益淨額	<b>628.15</b>	926.04	(32.2%)
未實現投資收益／(虧損)淨額	<b>760.77</b>	(2,657.78)	—
債務及股本證券減值	<b>(15.00)</b>	(108.10)	(86.1%)
匯兌收益／(虧損)	<b>25.88</b>	(43.66)	—
除稅前溢利	<b>1,065.39</b>	635.90	67.5%
除稅後溢利	<b>781.97</b>	775.25	0.9%
股東應佔溢利淨額	<b>520.87</b>	381.34	36.6%
每股基本盈利(港仙)	<b>36.8</b>	27.0	9.8仙

按各業務分類之股東應佔溢利／(虧損)淨額概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
再保險	<b>273.81</b>	83.79	3.3倍
人壽保險	<b>364.97</b>	491.01	(25.7%)
財產保險	<b>(38.15)</b>	(41.85)	(8.8%)
其他業務	<b>(79.76)</b>	(151.61)	(47.4%)
— 控股公司及其他業務	<b>(18.41)</b>	(68.03)	(72.9%)
— 由太平養老營運之養老保險公司	<b>(43.74)</b>	(65.32)	(33.0%)
— 由太平資產及太平資產(香港)營運之資產管理公司	<b>(17.61)</b>	(18.26)	(3.6%)
股東應佔溢利淨額	<b>520.87</b>	381.34	36.6%

# MANAGEMENT DISCUSSION AND ANALYSIS

The following analysis shows the movement of the net assets value attributable to the Owners of the Company (“NAV”) from 1 January 2009 to 30 June 2009.

## HK\$ million

NAV as at 1 January 2009	4,596.62
Profit recognized in income statement	520.87
Net changes in AFS investment reserve	556.98
Exchange gain arising from translation of the financial statements of subsidiaries outside Hong Kong	0.81
Others <sup>1</sup>	13.64
	5,688.92
NAV as at 30 June 2009	5,688.92

<sup>1</sup> Others mainly include the amortization of the costs of Shares acquired under the Share Award Scheme.

The **gross premiums written and policy fees** for the Period increased significantly by 22.2% to HK\$16,245.96 million from HK\$13,299.68 million in the Last Period. The increase was mainly due to the change of status of TPI, which became a subsidiary of CTIH in the second half of 2008. Before then, TPI was an associate of CTIH. As such, the premium of TPI is now consolidated into the financial statements of CTIH. During the Period, the gross premiums written contributed by TPI was HK\$2,479.77 million. In addition, the gross premiums written of TPL increased by 7.6% to HK\$12,700.75 million from HK\$11,802.81 million in the Last Period.

The **net profit attributable to the owners** for the Period was HK\$520.87 million (2008: HK\$381.34 million). This increase in net profit was primarily due to the strong performance of the reinsurance business and the better investment performance of equity securities traded in Hong Kong and the PRC within the respective investment portfolios of CTIH's various businesses. CTIH's net earnings have also improved because of reduced operating losses at the property and casualty insurance operations at TPI and the pension operations at TPP.

The **reinsurance business** contributed net profit to the owners of HK\$273.81 million (2008: HK\$83.79 million). The strong increase in profits was mainly due to significant improvements in investment returns during the Period, primarily from investment gains in equity shares traded in Hong Kong. The reinsurance operations at TPre also produced higher underwriting profits during the Period.

The **life insurance business** contributed net profit to the owners of HK\$364.97 million (2008: HK\$491.01 million). The decrease in profits was mainly due to lower total investment income (excluding unit-linked product income) during the Period.

The **property and casualty insurance business** incurred a net loss to the owners of HK\$38.15 million (2008: HK\$41.85 million). The decrease in losses was mainly due to a more modest level of premium growth and the implementation of effective cost controls.

The **holding company and other businesses** incurred a net loss to the owners of HK\$18.41 million (2008: HK\$68.03 million). The losses were primarily due to interest expenses of HK\$39.85 million (2008: HK\$40.08 million) related to the outstanding senior debt.

## 管理層討論和分析

以下為由二零零九年一月一日至二零零九年六月三十日本公司股東應佔資產淨值變化分析。

### 百萬港元

於二零零九年一月一日之資產淨值	4,596.62
確認於損益表之溢利	520.87
可供出售投資儲備淨變化	556.98
因換算香港以外地區附屬公司財務報表的匯兌收益	0.81
其他 <sup>1</sup>	13.64
於二零零九年六月三十日之資產淨值	5,688.92

<sup>1</sup> 其他主要包括根據股份獎勵計劃而購入之股份的成本攤銷。

於本財務期，毛承保保費及保單費收入由去年同期132.9968億港元大幅增加22.2%至162.4596億港元。增加主要是由於太平財險之地位改變，以往，太平財險為中國太平控股的聯營公司，於二零零八年下半年成為中國太平控股之附屬公司，因此，太平財險之保費收入現綜合於中國太平控股之財務報表內。於本財務期內，由太平財險貢獻之毛承保保費收入為24.7977億港元。此外，太平人壽之毛承保保費收入由去年同期118.0281億港元增加7.6%至127.0075億港元。

於本財務期，股東應佔溢利淨額為5.2087億港元(二零零八年：3.8134億港元)。溢利淨額上升的主因是再保險業績出色，中國太平控股各業務綫之股本證券投資有更佳表現。中國太平控股之淨盈利得到改善也因太平財險營運之財產保險業務及太平養老營運之養老保險業務經營虧損減少所致。

再保險業務對股東淨溢利的貢獻為2.7381億港元(二零零八年：8,379萬港元)。溢利大幅上升主要是由於本財務期內投資回報明顯改善，主要來自香港買賣股票之投資收益。於本財務期內，太平再保險營運之再保險業務亦錄得較佳的承保溢利。

人壽保險業務對股東淨溢利的貢獻為3.6497億港元(二零零八年：4.9101億港元)。溢利下降主要是由於本財務期內較低的投資收入總額(不含投資連結產品收入)。

財產保險業務使股東錄得淨虧損3,815萬港元(二零零八年：4,185萬港元)。虧損減少的主因是適度的保費增長及有效的費用控制。

控股公司及其他業務使股東錄得淨虧損1,841萬港元(二零零八年：6,803萬港元)。虧損主要涉及有關未到期的優先債之利息支出3,985萬港元(二零零八年：4,008萬港元)。

# MANAGEMENT DISCUSSION AND ANALYSIS

The **pension business** incurred a net loss to the owners of HK\$43.74 million (2008: HK\$65.32 million). The losses were mainly due to the current lack of economies of scale at the pension operations. The Group's pension business is operated by TPP, which is a PRC-incorporated company and a non-direct controlled subsidiary effectively owned 50.03% by CTIH. TPP is principally engaged in planning and administrating enterprise annuity products, and providing trustee and investment services for enterprise annuity schemes in Mainland China. Such supplemental pension systems are voluntarily built by enterprises and their employees and represent a vast potential market. TPP also provides marketing services to TPL on group life insurance products.

At the end of the Period, the annuity and investment funds managed by TPP amounted to RMB21.12 billion, which constituted the funds and schemes of 7,221 enterprises. As the qualified enterprise annuity industry is still in its nascent stage of development in China, and because TPP is one of the very first pension operators to be approved in the country, TPP is still in its initial stages of development and operations.

The **asset management business** incurred a net loss to the owners of HK\$17.61 million (2008: HK\$18.26 million). 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 and TPA (HK) currently are cost centres of the Group, as the asset management fee income received from the Group companies are eliminated at the consolidated level, while the corresponding expenses, such as salaries, incentive compensation paid to portfolio managers and other operating expenses, are absorbed in full at the consolidated level.

## CONSOLIDATED INVESTMENT PERFORMANCE

### Consolidated investment assets

The total investments of the Group are summarized as follows:

	At 30 June 2009		At 31 December 2008	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	54,616.12	55.8%	50,028.09	69.0%
Direct equity securities	4,861.16	4.9%	1,621.71	2.2%
Investment funds	8,289.86	8.5%	5,214.06	7.2%
Cash and bank deposits	30,059.66	30.7%	15,620.70	21.5%
Investment properties	83.14	0.1%	76.72	0.1%
Total investments	97,909.94	100.0%	72,561.28	100.0%

## 管理層討論和分析

養老保險業務使股東錄得淨虧損4,374萬港元(二零零八年：6,532萬港元)。虧損主要是由於養老保險營運目前缺乏足夠的規模經濟所致。本集團之養老保險業務由中國太平控股擁有50.03%有效權益，非直接控制之中國註冊公司太平養老營運。太平養老主要於中國大陸從事策劃及管理企業年金產品、為企業年金計劃提供受託及投資服務。該等補充養老制度由企業及其僱員自願建立及代表巨大的潛在市場。太平養老亦為太平人壽的團體人壽保險產品提供市場推廣服務。

於期末，由太平養老管理之年金及投資基金總計為人民幣211.2億元，包括7,221間企業之養老年金計劃。由於合資格企業年金業於中國仍在發展初期，雖然太平養老是國內養老保險率先獲准經營者之一，太平養老仍處於發展及營運初期。

資產管理業務使股東錄得淨虧損1,761萬港元(二零零八年：1,826萬港元)。本集團之資產管理業務由太平資產及太平資產(香港)營運，分別主要就本集團人民幣及非人民幣投資組合提供投資諮詢服務。太平資產及太平資產(香港)現皆為本集團之成本中心，它們收取本集團旗下各公司之資產管理費乃在綜合賬上對銷，而相應開支，例如工資及給予基金經理之獎金及其他開支等則在綜合賬上全額並納。

### 綜合投資表現

#### 綜合投資資產

本集團的投資總值概述如下：

	於二零零九年六月三十日		於二零零八年十二月三十一日	
	百萬港元	佔總額百分比	百萬港元	佔總額百分比
債務證券	54,616.12	55.8%	50,028.09	69.0%
直接股本證券	4,861.16	4.9%	1,621.71	2.2%
投資基金	8,289.86	8.5%	5,214.06	7.2%
現金及銀行存款	30,059.66	30.7%	15,620.70	21.5%
投資物業	83.14	0.1%	76.72	0.1%
投資總額	97,909.94	100.0%	72,561.28	100.0%

## MANAGEMENT DISCUSSION AND ANALYSIS

The investments in securities are classified as Held-to-Maturity (“HTM”), Available-for-Sale (“AFS”), Designated at Fair Value through Profit or Loss (“DTPL”) and Loans and Receivables (“LR”). The detailed breakdown by such classifications for the total investment portfolio of the Group was as follows:

### At 30 June 2009, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	25,044.10	26,961.56	443.77	2,166.69	54,616.12
Direct equity securities	—	4,005.44	855.72	—	4,861.16
Investment funds	—	4,659.65	3,630.21	—	8,289.86
	25,044.10	35,626.65	4,929.70	2,166.69	67,767.14

### At 31 December 2008, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	21,004.15	26,003.95	854.18	2,165.81	50,028.09
Direct equity securities	—	1,510.72	110.99	—	1,621.71
Investment funds	—	2,750.07	2,463.99	—	5,214.06
	21,004.15	30,264.74	3,429.16	2,165.81	56,863.86

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:

	At 30 June 2009	At 31 December 2008
Reinsurance	4.7%	5.6%
Life insurance	89.3%	86.3%
Property and casualty insurance	4.4%	5.6%
Other businesses	1.6%	2.5%
	100.0%	100.0%

## 管理層討論和分析

證券投資被歸類為持有至到期日、可供出售、指定為通過損益以反映公允價值及貸款及應收款項。本集團總投資組合按此歸類的分佈概述如下：

於二零零九年六月三十日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	25,044.10	26,961.56	443.77	2,166.69	54,616.12
直接股本證券	—	4,005.44	855.72	—	4,861.16
投資基金	—	4,659.65	3,630.21	—	8,289.86
	25,044.10	35,626.65	4,929.70	2,166.69	67,767.14

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	21,004.15	26,003.95	854.18	2,165.81	50,028.09
直接股本證券	—	1,510.72	110.99	—	1,621.71
投資基金	—	2,750.07	2,463.99	—	5,214.06
	21,004.15	30,264.74	3,429.16	2,165.81	56,863.86

於財務期末各業務分類佔本集團投資總額賬面值之百分比如下：

	於二零零九年 六月三十日	於二零零八年 十二月三十一日
再保險	4.7%	5.6%
人壽保險	89.3%	86.3%
財產保險	4.4%	5.6%
其他業務	1.6%	2.5%
	100.0%	100.0%

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 six months ended 30 June, HK\$ million*

	2009	2008	Change
Net investment income	<b>1,465.56</b>	2,050.73	(28.5%)
Net realized investment gains	<b>628.15</b>	926.04	(32.2%)
Net unrealized investment gains/(losses)	<b>760.77</b>	(2,657.78)	—
Impairment on debt and equity securities	<b>(15.00)</b>	(108.10)	(86.1%)
Total investment income	<b>2,839.48</b>	210.89	13.5 times
Less: Investment gains/(losses) attributable to unit-linked products <sup>1</sup>	<b>887.24</b>	(1,755.91)	—
Total investment income excluding income of unit-linked products	<b>1,952.24</b>	1,966.80	(0.7%)

<sup>1</sup> *Unit-linked products consist of funds managed by the Group for its clients and policyholders. The investment returns attributable to such products are completely borne by the clients and policyholders, and do not directly affect the financial results of the Group.*

The total investment income (excluding the income of unit-linked products) of the Group recognized in the consolidated income statement decreased by 0.7% to HK\$1,952.24 million in the Period from HK\$1,966.80 million in the Last Period. The decrease was primarily attributable to lower net investment income, which was due to sharply lower dividends from Investment Funds in the PRC during the Period, reflecting the poor PRC equity market conditions in 2008.

According to the Group's impairment policy, investments in debt and equity securities other than those at fair value through profit or loss 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 on material changes that have taken place in the technological, market, economic or legal environments, 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 the first half of 2009, the impairment loss on debt and equity securities recognized in the consolidated income statement was HK\$15.00 million (2008: HK\$108.10 million).

## 管理層討論和分析

### 綜合投資收入

本集團確認在綜合損益表內之稅前投資收入總額概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	<b>1,465.56</b>	2,050.73	(28.5%)
已實現投資收益淨額	<b>628.15</b>	926.04	(32.2%)
未實現投資收益／(虧損)淨額	<b>760.77</b>	(2,657.78)	—
債務及股本證券減值	<b>(15.00)</b>	(108.10)	(86.1%)
投資收入總額	<b>2,839.48</b>	210.89	13.5倍
減：屬於投資連結產品之投資收益／(虧損) <sup>1</sup>	<b>887.24</b>	(1,755.91)	—
不含投資連結產品之投資收入	<b>1,952.24</b>	1,966.80	(0.7%)

<sup>1</sup> 投資連結產品是本集團為其客戶及保單持有人管理。該等產品所產生之投資回報全數由客戶及保單持有人承擔，不會直接影響本集團的財務業績。

本集團確認於綜合損益表內的投資收入(不含投資連結產品收入)總額由去年同期的19.6680億港元下跌0.7%至本財務期的19.5224億港元。下跌主要由於較低之投資收入淨額所致，其主要由於來自中國之投資基金股息收入大幅減少，反映了二零零八年中國股本市場之欠佳氣氛。

按本集團減值政策，會定期檢討除通過損益以反映公允價值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，但亦包括有關科技、市場、經濟或法律環境已發生重大變化的資料，而這些資料可提供證據顯示該等債務及股本證券投資的成本可能無法收回。在這前提下，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。於二零零九年上半年，確認在綜合損益表內債務及股本證券的減值為1,500萬港元(二零零八年：1.0810億港元)。

# MANAGEMENT DISCUSSION AND ANALYSIS

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

*For the six months ended 30 June 2009, HK\$ million*

	Recognized in the consolidated income statement						Sub total	Unrealized (losses)/ gains recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Rental income	Realized gains	Unrealized (losses)/ gains	Impairment			
<b>Debt securities</b>									
HTM	508.48	–	–	–	–	(15.00)	493.48	–	493.48
AFS	526.68	–	–	111.07	–	–	637.75	(427.92)	209.83
DTPL	20.18	–	–	16.86	(13.46)	–	23.58	–	23.58
LR	65.25	–	–	–	–	–	65.25	–	65.25
<b>Direct equity securities</b>									
AFS	–	43.57	–	205.26	–	–	248.83	752.11	1,000.94
DTPL	–	6.81	–	47.42	61.11	–	115.34	–	115.34
<b>Investment funds</b>									
AFS	–	39.27	–	166.93	–	–	206.20	799.92	1,006.12
DTPL	–	47.84	–	80.61	706.70	–	835.15	–	835.15
<b>Cash and bank deposits</b>	268.96	–	–	–	–	–	268.96	–	268.96
<b>Investment properties</b>	–	–	1.18	–	6.42	–	7.60	–	7.60
<b>Securities sold under repurchase agreements</b>	(62.66)	–	–	–	–	–	(62.66)	–	(62.66)
	1,326.89	137.49	1.18	628.15	760.77	(15.00)	2,839.48	1,124.11	3,963.59

## 管理層討論和分析

本集團稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

	於綜合損益表內確認						小計	於公允價值	總額
	利息 收入／ (支出)	股息收入	租金收入	已實現 收益	未實現 (虧損)／ 收益	減值		儲備內確認 之未實現 (虧損)／ 收益	
<b>債務證券</b>									
持有至到期日	508.48	—	—	—	—	(15.00)	493.48	—	493.48
可供出售	526.68	—	—	111.07	—	—	637.75	(427.92)	209.83
指定為通過損益以反映公允價值	20.18	—	—	16.86	(13.46)	—	23.58	—	23.58
貸款及應收款項	65.25	—	—	—	—	—	65.25	—	65.25
<b>直接股本證券</b>									
可供出售	—	43.57	—	205.26	—	—	248.83	752.11	1,000.94
指定為通過損益以反映公允價值	—	6.81	—	47.42	61.11	—	115.34	—	115.34
<b>投資基金</b>									
可供出售	—	39.27	—	166.93	—	—	206.20	799.92	1,006.12
指定為通過損益以反映公允價值	—	47.84	—	80.61	706.70	—	835.15	—	835.15
現金及銀行存款	268.96	—	—	—	—	—	268.96	—	268.96
投資物業	—	—	1.18	—	6.42	—	7.60	—	7.60
賣出回購證券	(62.66)	—	—	—	—	—	(62.66)	—	(62.66)
	1,326.89	137.49	1.18	628.15	760.77	(15.00)	2,839.48	1,124.11	3,963.59

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2008, HK\$ million

	Recognized in the consolidated income statement						Sub total	Unrealized gains/(losses) recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Rental income	Realized gains/(losses)	Unrealized (losses)/gains	Impairment			
<b>Debt securities</b>									
HTM	152.77	—	—	—	—	—	152.77	—	152.77
AFS	599.82	—	—	33.53	—	—	633.35	970.81	1,604.16
DTPL	8.97	—	—	(30.86)	(30.05)	—	(51.94)	—	(51.94)
<b>Direct equity securities</b>									
AFS	—	35.59	—	793.07	—	(16.00)	812.66	(2,460.27)	(1,647.61)
DTPL	—	7.45	—	22.92	(820.73)	—	(790.36)	—	(790.36)
<b>Investment funds</b>									
AFS	—	296.94	—	116.20	—	(92.10)	321.04	(1,146.11)	(825.07)
DTPL	—	797.83	—	(8.82)	(1,817.81)	—	(1,028.80)	—	(1,028.80)
<b>Cash and bank deposits</b>	217.11	—	—	—	—	—	217.11	—	217.11
<b>Investment properties</b>	—	—	1.44	—	10.81	—	12.25	—	12.25
<b>Securities sold under repurchase agreements</b>	(67.19)	—	—	—	—	—	(67.19)	—	(67.19)
	911.48	1,137.81	1.44	926.04	(2,657.78)	(108.10)	210.89	(2,635.57)	(2,424.68)

# 管理層討論和分析

截至二零零八年六月三十日止六個月，百萬港元

	於綜合損益表內確認						小計	於公允價值	總額
	利息 收入/ (支出)	股息收入	租金收入	已實現 收益/ (虧損)	未實現 (虧損)/ 收益	減值		儲備內確認 之未實現 收益/ (虧損)	
<b>債務證券</b>									
持有至到期日	152.77	—	—	—	—	—	152.77	—	152.77
可供出售	599.82	—	—	33.53	—	—	633.35	970.81	1,604.16
指定為通過損益以反映公允價值	8.97	—	—	(30.86)	(30.05)	—	(51.94)	—	(51.94)
<b>直接股本證券</b>									
可供出售	—	35.59	—	793.07	—	(16.00)	812.66	(2,460.27)	(1,647.61)
指定為通過損益以反映公允價值	—	7.45	—	22.92	(820.73)	—	(790.36)	—	(790.36)
<b>投資基金</b>									
可供出售	—	296.94	—	116.20	—	(92.10)	321.04	(1,146.11)	(825.07)
指定為通過損益以反映公允價值	—	797.83	—	(8.82)	(1,817.81)	—	(1,028.80)	—	(1,028.80)
現金及銀行存款	217.11	—	—	—	—	—	217.11	—	217.11
投資物業	—	—	1.44	—	10.81	—	12.25	—	12.25
賣出回購證券	(67.19)	—	—	—	—	—	(67.19)	—	(67.19)
	911.48	1,137.81	1.44	926.04	(2,657.78)	(108.10)	210.89	(2,635.57)	(2,424.68)

# MANAGEMENT DISCUSSION AND ANALYSIS

## REINSURANCE BUSINESS

The Group's reinsurance business is operated by Taiping Reinsurance Company Ltd. (TPRe) formerly known as CIRe. TPRe is a Hong Kong-incorporated company and wholly-owned by the Group, and is mainly engaged in the underwriting of all classes of reinsurance business around the globe, except long-tail, liability reinsurance business from outside of Asia, such as the United States and Europe. TPRe's key markets are Mainland China, Hong Kong and Macau, Japan, the rest of Asia, Europe and other parts of the world.

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

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Gross premiums written	<b>1,060.45</b>	1,493.70	(29.0%)
Net premiums written	<b>920.01</b>	1,253.21	(26.6%)
Net earned premiums	<b>751.65</b>	736.65	2.0%
Net claims incurred	<b>(404.02)</b>	(336.76)*	20.0%
Net commission expenses	<b>(184.43)</b>	(319.04)	(42.2%)
Underwriting profit	<b>146.89</b>	65.79*	2.2 times
Total investment income	<b>133.64</b>	19.87	6.7 times
Net exchange gain	<b>26.57</b>	11.14*	2.4 times
Profit before taxation	<b>292.60</b>	82.80	3.5 times
Profit attributable to the owners	<b>273.81</b>	83.79	3.3 times
Regulatory solvency margin ratio	<b>730.4%</b>	618.0%	112.4 pts
Technical reserves ratio	<b>382.6%</b>	425.7%	(43.1 pts)
Retained ratio	<b>86.8%</b>	83.9%	2.9 pts
Earned premiums ratio	<b>70.9%</b>	49.3%	21.6 pts
Loss ratio <sup>1</sup>	<b>53.8%</b>	45.7%*	8.1 pts
Expense ratio <sup>2</sup>	<b>21.8%</b>	26.7%	(4.9 pts)
Combined ratio <sup>3</sup>	<b>75.6</b>	72.4*	3.2 pts

<sup>1</sup> The loss ratio is based on net earned premiums.

<sup>2</sup> The expense ratio is based on net premiums written. The management believes that calculating the expense ratio based on net premiums written is a fairer indicator and better reflects the underwriting performance of TPRe. If the net earned premiums basis is applied, then the expense ratio would be 26.7% for the Period (2008: 45.4%).

<sup>3</sup> The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 80.5 for the Period (2008: 91.1).

\* Prior to 2008, the exchange difference arising from the claims reserve was recognized in the underwriting results. In order to better reflect the underwriting performance of TPRe, from December 2008 onwards, such exchange difference has been reclassified into a separate account in the income statement, namely as the net exchange loss. The exchange difference for the Period and the Last Period is an exchange loss of HK\$3.41 million and HK\$23.78 million, respectively. For consistency and comparability purposes, the corresponding figures and ratios of June 2008 are restated accordingly. However, they are not restated in the interim financial report because the amounts involved are not material at the consolidated level.

The original amounts of net claims incurred, underwriting profit and net exchange gain for June 2008 were HK\$360.54 million, HK\$42.01 million and HK\$34.92 million, respectively. The original loss ratio and combined ratio for June 2008 were 48.9% and 75.6, respectively.

## 管理層討論和分析

### 再保險業務

本集團之再保險業務由之太平再保險有限公司「太平再保險」[前簡稱為中再國際]營運。太平再保險為本集團全資擁有之香港註冊公司，主要從事承保全球各類再保險業務，但亞洲以外如美國及歐洲的長尾巴責任險業務則除外。太平再保險之主要市場為中國大陸、香港及澳門、日本、亞洲其他地區、歐洲及世界其他地方。

再保險業務之主要財務數據及主要表現指標概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
毛承保保費	1,060.45	1,493.70	(29.0%)
淨承保保費	920.01	1,253.21	(26.6%)
已賺取保費淨額	751.65	736.65	2.0%
賠款淨額	(404.02)	(336.76)*	20.0%
佣金支出淨額	(184.43)	(319.04)	(42.2%)
承保溢利	146.89	65.79*	2.2倍
投資收入總額	133.64	19.87	6.7倍
匯兌收益淨額	26.57	11.14*	2.4倍
除稅前溢利	292.60	82.80	3.5倍
股東應佔溢利	273.81	83.79	3.3倍
監管償付能力充足比率	730.4%	618.0%	112.4點
技術性儲備比率	382.6%	425.7%	(43.1點)
自留比率	86.8%	83.9%	2.9點
已賺取保費率	70.9%	49.3%	21.6點
賠付率 <sup>1</sup>	53.8%	45.7%*	8.1點
費用率 <sup>2</sup>	21.8%	26.7%	(4.9點)
綜合成本率 <sup>3</sup>	75.6	72.4*	3.2點

<sup>1</sup> 賠付率按已賺取保費淨額為基準計算。

<sup>2</sup> 費用率按淨承保保費為基準計算。管理層相信，按淨承保保費為基準計算費用率為更公平的指標，並可更好地反映太平再保險的承保表現。倘使用已賺取保費淨額基準，則本財務期之費用率將為26.7% (二零零八年：45.4%)。

<sup>3</sup> 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本財務期之綜合成本率將為80.5 (二零零八年：91.1)。

\* 二零零八年之前，賠款儲備之匯兌差異在承保業績內確認。為能夠更合理反映太平再保險的承保表現，從二零零八年十二月起，該等匯兌差異於損益表內將被重新分類為匯兌虧損淨額。於本財務期及去年同期，該等匯兌差異分別為匯兌虧損341萬港元及2,378萬港元。為使數據一致及容易比較，二零零八年六月相關的金額及比率已作出相應重列，但由於有關金額從綜合層面上不重大，所以沒有在中期財務報告中重列。

二零零八年六月之賠款淨額、承保溢利及匯兌收益淨額之原額分別為3.6054億港元、4,201萬港元及3,492萬港元。二零零八年六月之原賠付率及綜合成本率分別為48.9%及75.6。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit Attributable to the Owners

The reinsurance business contributed net profit to the owners of HK\$273.81 million during the Period (2008: HK\$83.79 million), representing a significant increase of 226.8% compared to that of Last Period. The increase in profit is mainly attributable to lower levels of losses and claims during the Period. Last Period, the Mainland China portfolio of TPRE incurred sharp losses from the snowstorms in Southern China, earthquake in Sichuan Province and flooding in various provinces of the PRC. In the absence of major catastrophic losses during the Period, TPRE was able to produce a strong underwriting profit of HK\$146.89 million for the Period, representing an increase of 2.2 times from the HK\$65.79 million in the Last Period. During the Period, the equity indices of Hong Kong also rebounded and appreciated positively, which led to significantly higher investment income for TPRE.

## Gross Premiums Written

TPRE's gross premiums written decreased by 29.0% to HK\$1,060.45 million from HK\$1,493.70 million in the Last Period. This decrease was due to a revised accounting treatment of the accrued premium for the Period versus the Last Period. As a result, the related unearned premium provisions and acquisition costs were also reduced. TPRE believes that the revised basis of recognizing accrued premiums and related provisions and expenses are more in line with internationally accepted practices, and are also more accurate in reflecting underwriting performance.

During the Period, TPRE benefited from improved terms and conditions in reinsurance contracts in favor of reinsurers, especially in its largest market of Mainland China, where property proportional reinsurance contracts have shown sharp improvements with lower commission terms and tighter conditions for reinsurers. In the rest of Asia, which constitute the bulk of its premiums written, TPRE has maximized its franchise and deep rooted position by offering a wide variety of products and services — proportional treaties, excess of loss treaties and facultative reinsurance services across different classes of insurance. Such a wide spectrum of offerings is not only attractive and more convenient for clients, but also allows TPRE to gain the benefits of wider business diversification across its clients, geographies and lines of insurance.

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

### For the six months ended 30 June, HK\$ million

	2009	% of Total	2008	% of Total
Hong Kong & Macau	188.28	17.7%	232.53	15.6%
Mainland China (& Taiwan)	275.35	26.0%	467.18	31.3%
Japan	79.31	7.5%	96.12	6.4%
Rest of Asia	275.67	26.0%	395.56	26.5%
Europe	167.80	15.8%	226.25	15.1%
Others	74.04	7.0%	76.06	5.1%
	<b>1,060.45</b>	<b>100.0%</b>	1,493.70	100.0%

## 管理層討論和分析

### 股東應佔溢利

於本財務期內，再保險業務對股東淨溢利的貢獻為2.7381億港元(二零零八年：8,379萬港元)，較去年同期大幅上升226.8%。溢利上升主要由於期內較低的賠款。去年同期，太平再保險遭受來自中國南部雪災、四川省地震及中國各省份水災之重大賠付。由於期內沒有重大賠付，太平再保險錄得強勁的承保溢利1.4689億港元，較去年同期之6,579萬港元上升2.2倍。期內，香港股票指數反彈及升值，令太平再保險的投資收入大幅提高。

### 毛承保保費

太平再保險之毛承保保費由去年同期14.9370億港元下跌29.0%至10.6045億港元。下跌是由於本財務期毛承保保費的會計處理較去年同期有所修訂。因此，有關的未到期責任準備金及展業成本亦有所下降。太平再保險相信修訂後的毛承保保費及有關準備及費用的確認基準，與國際慣例一致，及更準確地反映承保表現。

於本財務期內，太平再保險受惠於有利再保險商之再保險合約條款及條件改善，尤其於其最大的中國大陸市場，比例財產再保險合約出現重大改善，再保險商的的佣金條款較低及條件較嚴謹。在其構成巨大承保保費之其他亞洲市場方面，太平再保險於各類保險提供一系列的產品及服務，如比例合約、超額賠款合約及臨時合約，使其專營權及根深蒂固的地位最大化。提供各種不同的產品及服務，不但為吸引及方便客戶，亦令太平再保險獲得更廣泛的保險客戶、地區及業務種類。

太平再保險按地區分佈劃分之毛承保保費簡報如下：

#### 截至六月三十日止六個月，百萬港元

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
香港及澳門	188.28	17.7%	232.53	15.6%
中國大陸(及台灣)	275.35	26.0%	467.18	31.3%
日本	79.31	7.5%	96.12	6.4%
亞洲其他地區	275.67	26.0%	395.56	26.5%
歐洲	167.80	15.8%	226.25	15.1%
其他	74.04	7.0%	76.06	5.1%
	<b>1,060.45</b>	<b>100.0%</b>	1,493.70	100.0%

# MANAGEMENT DISCUSSION AND ANALYSIS

## Net Claims Incurred

Despite the absence of catastrophes in TPRé's reinsurance portfolio during the Period, the incidence of small- to medium-sized fire loss events increased in some of its Asian markets, which led to TPRé's net claims incurred increasing by 20.0% to HK\$404.02 million from HK\$336.76 million in the Last Period. In addition, during the Last Period, TPRé released certain redundant loss provisions. As a result, the loss ratio increased to 53.8% from 45.7% in the Last Period. The combined ratio during the Period was 75.6 (2008: 72.4).

## Investment Performance

The composition of investments held by TPRé was as follows:

	At 30 June 2009		At 31 December 2008	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	1,986.90	43.5%	1,904.91	46.8%
Direct equity securities	218.29	4.8%	231.80	5.7%
Investment funds	71.66	1.5%	67.04	1.7%
Cash and bank deposits	2,210.08	48.4%	1,786.45	43.9%
Investment properties	83.14	1.8%	76.72	1.9%
<b>Total invested assets</b>	<b>4,570.07</b>	<b>100.0%</b>	<b>4,066.92</b>	<b>100.0%</b>

During the Period, TPRé adopted a very cautious and conservative stance on its asset allocation for its investment portfolio, after the unprecedented turmoil in the investment markets worldwide in 2008. Although the equity indices in Hong Kong have rebounded and appreciated positively during the Period, TPRé's equity investments were maintained at a relatively low percentage of the total investment portfolio, and debt securities and cash and bank deposits still constituted 91.9% of the total invested assets as at 30 June 2009 (31 December 2008: 90.7%). Almost all of the debt securities had investment grade ratings from international credit rating agencies.

## 管理層討論和分析

### 淨賠款總額

儘管於本財務期內，太平再保險之再保險組合內未有發生災難，其一些亞洲市場發生中、小規模火災索賠事件，令太平再保險的淨賠款由去年同期3.3676億港元增加20.0%至4.0402億港元。此外於去年同期，太平再保險回撥若干賠款準備冗餘。因此，賠付率由去年同期的45.7%上升至53.8%。於本財務期之綜合成本率為75.6(二零零八年：72.4)。

### 投資表現

太平再保險持有之投資組合情況如下：

	於二零零九年六月三十日		於二零零八年十二月三十一日	
	百萬港元	佔總額百分比	百萬港元	佔總額百分比
債務證券	<b>1,986.90</b>	<b>43.5%</b>	1,904.91	46.8%
直接股本證券	<b>218.29</b>	<b>4.8%</b>	231.80	5.7%
投資基金	<b>71.66</b>	<b>1.5%</b>	67.04	1.7%
現金及銀行存款	<b>2,210.08</b>	<b>48.4%</b>	1,786.45	43.9%
投資物業	<b>83.14</b>	<b>1.8%</b>	76.72	1.9%
投資總額	<b>4,570.07</b>	<b>100.0%</b>	4,066.92	100.0%

於本財務期內，經過二零零八年全球投資市場史無前例的動盪，太平再保險對於其投資組合的資產配置十分審慎。儘管期內香港的股票指數已反彈及增值，太平再保險之股本投資維持佔總投資組合一個較低的百分比，及債務證券、現金及銀行存款於二零零九年六月三十日仍佔投資資產總額約91.9%(二零零八年十二月三十一日：90.7%)。幾乎全部債務證券均達到國際信貸評級機構認可的投資評級。

## MANAGEMENT DISCUSSION AND ANALYSIS

The classification of TPre's investments in securities under HTM, AFS and DTPL was as follows:

*At 30 June 2009, HK\$ million*

	HTM	AFS	DTPL	Total
Debt securities	1,458.04	395.80	133.06	1,986.90
Direct equity securities	—	218.29	—	218.29
Investment funds	—	41.06	30.60	71.66
	<b>1,458.04</b>	<b>655.15</b>	<b>163.66</b>	<b>2,276.85</b>

*At 31 December 2008, HK\$ million*

	HTM	AFS	DTPL	Total
Debt securities	1,338.63	390.08	176.20	1,904.91
Direct equity securities	—	194.66	37.14	231.80
Investment funds	—	38.18	28.86	67.04
	<b>1,338.63</b>	<b>622.92</b>	<b>242.20</b>	<b>2,203.75</b>

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

*HK\$ million*

	At 30 June 2009	At 31 December 2008
Central governments and central banks	180.37	131.34
Public sector entities	50.87	50.97
Banks and other financial institutions	1,095.08	1,425.13
Corporate entities	637.59	286.47
Others	22.99	11.00
	<b>1,986.90</b>	<b>1,904.91</b>

## 管理層討論和分析

太平再保險歸類為持有至到期日、可供出售及指定為通過損益以反映公允價值的證券投資如下：

於二零零九年六月三十日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	1,458.04	395.80	133.06	1,986.90
直接股本證券	—	218.29	—	218.29
投資基金	—	41.06	30.60	71.66
	1,458.04	655.15	163.66	2,276.85

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	1,338.63	390.08	176.20	1,904.91
直接股本證券	—	194.66	37.14	231.80
投資基金	—	38.18	28.86	67.04
	1,338.63	622.92	242.20	2,203.75

債務證券按類別分類如下：

百萬港元

	於二零零九年六月三十日	於二零零八年十二月三十一日
中央政府及中央銀行	180.37	131.34
公共機構	50.87	50.97
銀行及其他金融機構	1,095.08	1,425.13
企業實體	637.59	286.47
其他	22.99	11.00
	1,986.90	1,904.91

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### HK\$ million

	At 30 June 2009	At 31 December 2008
USD	1,720.75	1,677.80
EUR	96.21	85.08
HKD	81.53	68.98
GBP	46.61	40.43
Others	41.80	32.62
	<b>1,986.90</b>	1,904.91

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:

### For the six months ended 30 June, HK\$ million

	2009	2008	Change
Net investment income	82.24	91.52	(10.1%)
Net realized investment gains/(losses)	57.61	(37.50)	—
Net unrealized investment gains/(losses)	8.79	(21.15)	—
Impairment on debt and equity securities	(15.00)	(13.00)	15.4%
Total investment income	<b>133.64</b>	19.87	6.7 times
Total investment yield (year-to-date)	<b>3.0%</b>	0.4%	2.6 pts

TPR's total investment income was a profit of HK\$133.64 million for the Period, a significant increase from the profit of HK\$19.87 million in the Last Period. The strong performance was primarily due to higher realized and unrealized investment gains during the Period, which represented the positive rebound and appreciation of equity securities traded in Hong Kong within TPR's investment portfolio. During the Period, TPR took advantage of the strong equity market conditions and divested a portion of its equity investments, which in turn sharply increased its realized investment gains and total investment income relative to Last Period. The above-described investment income and investment yield figures do not include a net exchange gain of HK\$26.57 million (2008: HK\$11.14 million).

## 管理層討論和分析

債務證券按原貨幣分類之折合港元值如下：

百萬港元

	於二零零九年六月三十日	於二零零八年十二月三十一日
美元	1,720.75	1,677.80
歐羅	96.21	85.08
港元	81.53	68.98
英鎊	46.61	40.43
其他	41.80	32.62
	<b>1,986.90</b>	<b>1,904.91</b>

太平再保險確認在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：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	82.24	91.52	(10.1%)
已實現投資收益／(虧損)淨額	57.61	(37.50)	—
未實現投資收益／(虧損)淨額	8.79	(21.15)	—
債務及股本證券減值	(15.00)	(13.00)	15.4%
投資收入總額	<b>133.64</b>	19.87	6.7倍
總投資收益率(本期)	<b>3.0%</b>	0.4%	2.6點

本財務期，太平再保險錄得投資收入總額溢利1.3364億港元，較去年同期溢利1,987萬港元大幅增加。強勁的表現主要由於期內更高的已實現及未實現投資收益，其代表太平再保險於香港買賣的股本證券正面反彈及升值。於本財務期，太平再保險把握強勁的股本市場狀況及賣出其一部份之股本投資，令其已實現投資收益及投資收入總額較去年同期大幅上升。上述投資收入及投資收益率並不包括2,657萬港元匯兌收益淨額(二零零八年：1,114萬港元)。

## MANAGEMENT DISCUSSION AND ANALYSIS

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

*For the six months ended 30 June 2009, HK\$ million*

	Recognized in the consolidated income statement						Sub total	Unrealized gains recognized in the fair value reserve	Grand total
	Interest income	Dividend income	Rental income	Realized gains/(losses)	Unrealized gains	Impairment			
<b>Debt securities</b>									
HTM	41.33	–	–	–	–	(15.00)	26.33	–	26.33
AFS	17.12	–	–	–	–	–	17.12	31.65	48.77
DTPL	7.33	–	–	7.86	0.62	–	15.81	–	15.81
<b>Direct equity securities</b>									
AFS	–	4.28	–	50.78	–	–	55.06	44.02	99.08
DTPL	–	1.56	–	(1.03)	–	–	0.53	–	0.53
<b>Investment funds</b>									
AFS	–	0.37	–	–	–	–	0.37	2.88	3.25
DTPL	–	1.36	–	–	1.74	–	3.10	–	3.10
<b>Cash and bank deposits</b>	7.71	–	–	–	–	–	7.71	–	7.71
<b>Investment properties</b>	–	–	1.18	–	6.43	–	7.61	–	7.61
	73.49	7.57	1.18	57.61	8.79	(15.00)	133.64	78.55	212.19

## 管理層討論和分析

太平再保險的稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

	於綜合損益表內確認						小計	於公允價值 儲備內確認之 未實現收益	總額
	利息收入	股息收入	租金收入	已實現 收益/ (虧損)	未實現收益	減值			
<b>債務證券</b>									
持有至到期日	41.33	—	—	—	—	(15.00)	26.33	—	26.33
可供出售	17.12	—	—	—	—	—	17.12	31.65	48.77
指定為通過損益以反映公允價值	7.33	—	—	7.86	0.62	—	15.81	—	15.81
<b>直接股本證券</b>									
可供出售	—	4.28	—	50.78	—	—	55.06	44.02	99.08
指定為通過損益以反映公允價值	—	1.56	—	(1.03)	—	—	0.53	—	0.53
<b>投資基金</b>									
可供出售	—	0.37	—	—	—	—	0.37	2.88	3.25
指定為通過損益以反映公允價值	—	1.36	—	—	1.74	—	3.10	—	3.10
<b>現金及銀行存款</b>	7.71	—	—	—	—	—	7.71	—	7.71
<b>投資物業</b>	—	—	1.18	—	6.43	—	7.61	—	7.61
	73.49	7.57	1.18	57.61	8.79	(15.00)	133.64	78.55	212.19

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2008, HK\$ million

	Recognized in the consolidated income statement						Sub total	Unrealized (losses)/ gains recognized in the fair value reserve	Grand total
	Interest income	Dividend income	Rental income	Realized gains/ (losses)	Unrealized (losses)/ gains	Impairment			
<b>Debt securities</b>									
HTM	32.81	—	—	—	—	—	32.81	—	32.81
AFS	17.73	—	—	—	—	—	17.73	(21.91)	(4.18)
DTPL	4.08	—	—	0.02	(15.67)	—	(11.57)	—	(11.57)
<b>Direct equity securities</b>									
AFS	—	10.13	—	(38.26)	—	(13.00)	(41.13)	(125.27)	(166.40)
DTPL	—	1.92	—	0.74	(14.24)	—	(11.58)	—	(11.58)
<b>Investment funds</b>									
AFS	—	—	—	—	—	—	—	1.09	1.09
DTPL	—	1.60	—	—	(2.05)	—	(0.45)	—	(0.45)
<b>Cash and bank deposits</b>	21.81	—	—	—	—	—	21.81	—	21.81
<b>Investment properties</b>	—	—	1.44	—	10.81	—	12.25	—	12.25
	76.43	13.65	1.44	(37.50)	(21.15)	(13.00)	19.87	(146.09)	(126.22)

## 管理層討論和分析

截至二零零八年六月三十日止六個月，百萬港元

	於綜合損益表內確認						小計	於公允價值	總額
	利息收入	股息收入	租金收入	已實現 收益/ (虧損)	未實現 (虧損)/ 收益	減值		儲備內確認 之未實現 (虧損)/ 收益	
<b>債務證券</b>									
持有至到期日	32.81	—	—	—	—	—	32.81	—	32.81
可供出售	17.73	—	—	—	—	—	17.73	(21.91)	(4.18)
指定為通過損益以反映公允價值	4.08	—	—	0.02	(15.67)	—	(11.57)	—	(11.57)
<b>直接股本證券</b>									
可供出售	—	10.13	—	(38.26)	—	(13.00)	(41.13)	(125.27)	(166.40)
指定為通過損益以反映公允價值	—	1.92	—	0.74	(14.24)	—	(11.58)	—	(11.58)
<b>投資基金</b>									
可供出售	—	—	—	—	—	—	—	1.09	1.09
指定為通過損益以反映公允價值	—	1.60	—	—	(2.05)	—	(0.45)	—	(0.45)
<b>現金及銀行存款</b>	21.81	—	—	—	—	—	21.81	—	21.81
<b>投資物業</b>	—	—	1.44	—	10.81	—	12.25	—	12.25
	76.43	13.65	1.44	(37.50)	(21.15)	(13.00)	19.87	(146.09)	(126.22)

# MANAGEMENT DISCUSSION AND ANALYSIS

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

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Gross premiums written	12,700.75	11,802.81	7.6%
Net premiums written and policy fees	12,633.99	11,753.27	7.5%
Net earned premiums and policy fees	12,522.00	11,715.92	6.9%
Total investment income	2,580.10	244.16	10.6 times
Net exchange loss	(0.52)	(78.82)	(99.3%)
Net policyholders' benefits	(2,255.30)	(2,140.29)	5.4%
Net commission expenses	(1,428.86)	(1,088.42)	31.3%
Change in life insurance funds, net of reinsurance	(8,653.16)	(6,678.75)	29.6%
Administrative and other expenses	(1,737.62)	(1,163.33)	49.4%
Finance costs	(91.94)	(36.87)	2.5 times
Profit before taxation	1,006.56	836.83	20.3%
Profit after taxation	729.22	981.04	(25.7%)
Profit attributable to the owners	364.97	491.01	(25.7%)

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

	At 30 June 2009	At 31 December 2008	Change
Market share <sup>1</sup>	2.5%	2.6%	(0.1 pt)
Number of provincial branches	33	33	—
Number of sub-branches and marketing centres	539	506	33
Number of in-force policies	8,018,327	6,944,279	1,074,048
Number of individual agents	55,657	46,781	8,876
Persistency ratio — 13th month <sup>2</sup>			
— Individual	83.8%	82.6%	1.2 pts
— Bancassurance	91.1%	90.7%	0.4 pt
Persistency ratio — 25th month <sup>2</sup>			
— Individual	91.0%	91.1%	(0.1 pt)
— Bancassurance	96.7%	94.0%	2.7 pts

<sup>1</sup> Based on gross premiums written in accordance with PRC GAAP and published by the CIRC.

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

## 管理層討論和分析

### 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。

人壽保險業務之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
毛承保保費	12,700.75	11,802.81	7.6%
淨承保保費及保單費收入	12,633.99	11,753.27	7.5%
已賺取保費及保單費收入淨額	12,522.00	11,715.92	6.9%
投資收入總額	2,580.10	244.16	10.6倍
匯兌虧損淨額	(0.52)	(78.82)	(99.3%)
保單持有人利益淨額	(2,255.30)	(2,140.29)	5.4%
佣金支出淨額	(1,428.86)	(1,088.42)	31.3%
壽險責任準備金變化，減再保險	(8,653.16)	(6,678.75)	29.6%
行政及其他費用	(1,737.62)	(1,163.33)	49.4%
財務費用	(91.94)	(36.87)	2.5倍
除稅前溢利	1,006.56	836.83	20.3%
除稅後溢利	729.22	981.04	(25.7%)
股東應佔溢利	364.97	491.01	(25.7%)

人壽保險業務之主要經營數據概述如下：

	於二零零九年 六月三十日	於二零零八年 十二月三十一日	變化
市場份額 <sup>1</sup>	2.5%	2.6%	(0.1點)
省級分公司數目	33	33	—
支公司及市場推廣中心數目	539	506	33
有效之保單數目	8,018,327	6,944,279	1,074,048
個人銷售代理數目	55,657	46,781	8,876
第13個月之保費繼續率 <sup>2</sup>			
— 個人	83.8%	82.6%	1.2點
— 銀行保險	91.1%	90.7%	0.4點
第25個月之保費繼續率 <sup>2</sup>			
— 個人	91.0%	91.1%	(0.1點)
— 銀行保險	96.7%	94.0%	2.7點

<sup>1</sup> 據中國公認會計準則按毛承保保費計算並由中國保監會刊發。

<sup>2</sup> 按保費金額。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit Attributable to the Owners

The life insurance business contributed net profit to the owners of HK\$364.97 million during the Period (2008: HK\$491.01 million), representing a decline of 25.7% compared to that of the Last Period. The decrease in profits was mainly due to lower total investment income (excluding unit-linked product income) during the Period.

## Gross Premiums Written

TPL's gross premiums written increased by 7.6% to HK\$12,700.75 million from HK\$11,802.81 million in the Last Period. This rate of premium growth is not as fast as that recorded in recent years by the life insurance operations at TPL. However, because of TPL's major strategic initiative of focusing and increasing its efforts on selling products with regular premium features, such a slower rate of growth is not only not unexpected, but acceptable, given the Group's prioritization of long term value over top line premiums. TPL's gross premiums written, by line of business, were as follows:

### For the six months ended 30 June 2009, HK\$ million

	Non unit-linked products	Unit-linked products	Total	% of Total
Individual	3,408.13	30.56	3,438.69	27.1%
Bancassurance	8,605.58	77.99	8,683.57	68.4%
Group	578.49	—	578.49	4.5%
	<b>12,592.20</b>	<b>108.55</b>	<b>12,700.75</b>	<b>100.0%</b>

### For the six months ended 30 June 2008, HK\$ million

	Non unit-linked products	Unit-linked products	Total	% of Total
Individual	2,130.44	285.59	2,416.03	20.5%
Bancassurance	7,126.92	1,656.10	8,783.02	74.4%
Group	603.76	—	603.76	5.1%
	<b>9,861.12</b>	<b>1,941.69</b>	<b>11,802.81</b>	<b>100.0%</b>

During the Period, the sale of unit linked products fell significantly to HK\$108.55 million from HK\$1,941.69 million in the Last Period, representing a decrease of 94.4%. With economic and market conditions still unclear, in addition to the Group's strong preference for higher profit margin products, TPL lowered its efforts for selling unit-linked products during the Period. This decline in premium was more than made up for by the strong increase in demand for non unit-linked products, which sharply increased to HK\$12,592.20 million from HK\$9,861.12 million in the Last Period, representing an increase of 27.7%.

## 管理層討論和分析

### 股東應佔溢利

於本財務期內，人壽保險業務對股東淨溢利的貢獻為3.6497億港元(二零零八年：4.9101億港元)，較去年同期下降25.7%。溢利下跌的原因是本財務期內較低的投資收入總額(不含投資連結產品收入)。

### 毛承保保費

太平人壽之毛承保保費由去年同期之118.0281億港元上升7.6%至127.0075億港元。此保費增長率沒有如近年太平人壽之人壽保險業務般快速。然而，由於太平人壽主要的策略舉措為重點致力提高其銷售期繳保費特色的產品，本集團以長遠價值增長為首要目標，而非保費收入。這樣的保費增長速度令人滿意，也是意料之中，還可以接受的。太平人壽按業務劃分之毛承保保費如下：

截至二零零九年六月三十日止六個月，百萬港元

	非投資連結產品	投資連結產品	總額	佔總額百分比
個人	3,408.13	30.56	3,438.69	27.1%
銀行保險	8,605.58	77.99	8,683.57	68.4%
團體	578.49	—	578.49	4.5%
	12,592.20	108.55	12,700.75	100.0%

截至二零零八年六月三十日止六個月，百萬港元

	非投資連結產品	投資連結產品	總額	佔總額百分比
個人	2,130.44	285.59	2,416.03	20.5%
銀行保險	7,126.92	1,656.10	8,783.02	74.4%
團體	603.76	—	603.76	5.1%
	9,861.12	1,941.69	11,802.81	100.0%

於本財務期內，投資連結產品的銷售大幅下降至1.0855億港元，相比去年同期19.4169億港元，減幅94.4%。由於經濟及市場條件仍然不明朗，加上本集團傾向銷售利潤率較高的產品，太平人壽減慢銷售投資連結產品。但其影響被非投資連結產品的強勁增長所抵銷。非投資連結產品的保費由去年同期98.6112億港元上升27.7%至125.9220億港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

The strength of the non unit-linked product sales was apparent in both the individual agency distribution channel and the bank distribution channel. Traditional premiums distributed through the individual agency force was especially strong, increasing to HK\$3,408.13 million from HK\$2,130.44 million in the Last Period, representing an increase of 60.0%. This strong growth was due to continued improvements in productivity among the existing agency force, as well as the increase in number of individual agents to 55,657 as of 30 June 2009 (30 June 2008: 44,284). In the bank distribution channel, non unit-linked premiums increased to HK\$8,605.58 million from HK\$7,126.92 million in the Last Period, representing an increase of 20.7%. TPL's bank channel of distribution continued to produce strong growth, as policyholders sought safe and conservative investment alternatives for their funds following the difficult economic and investment conditions of 2008.

During the Period, TPL continued to increase, within its traditional product sales, the proportion of products with regular premium features. Such a positive indicator is highly encouraging and is regarded by the senior managers and directors of TPL as the most important performance statistic for assessing its operational and management performance. Given its strategy of renewed and heightened focus on selling more regular premium products now and into the future, TPL is striving for further increases and improvements in its regular premium sales in the years to come. The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarized as follows:

### For the six months ended 30 June, HK\$ million

#### Individual

	2009	% of Total	2008	% of Total
Single Premium	60.58	1.8%	15.26	0.7%
Regular Premium — First Year	1,443.31	42.3%	1,156.22	54.3%
Regular Premium — Renewal Year	1,904.24	55.9%	958.96	45.0%
	<b>3,408.13</b>	<b>100.0%</b>	2,130.44	100.0%

#### Bancassurance

	2009	% of Total	2008	% of Total
Single Premium	5,485.00	63.7%	5,864.41	82.3%
Regular Premium — First Year	1,906.64	22.2%	567.76	8.0%
Regular Premium — Renewal Year	1,213.94	14.1%	694.75	9.7%
	<b>8,605.58</b>	<b>100.0%</b>	7,126.92	100.0%

#### Group

	2009	% of Total	2008	% of Total
Employee Benefit ("EB")	357.86	61.9%	353.00	58.5%
Annuity	220.63	38.1%	250.76	41.5%
	<b>578.49</b>	<b>100.0%</b>	603.76	100.0%

## 管理層討論和分析

非投資連結產品的銷售在個人代理分銷渠道及銀行分銷渠道均有上升。透過個人代理隊伍的傳統保費尤其強勁，由去年同期21.3044億港元增長60.0%至34.0813億港元。如此強勁的增長是因為現有代理隊伍產能提升以及於二零零九年六月三十日個人代理隊伍增至55,657人(二零零八年六月三十日：44,284人)所致。銀行分銷渠道方面，非投資連結產品保費則由去年同期71.2692億港元增長20.7%至86.0558億港元。太平人壽的銀行分銷渠道錄得強勁增長是由於客戶經過二零零八年的嚴峻經濟及投資環境後，為其資金尋求安全和保守的投資替代品。

於本財務期內，太平人壽持續在其傳統產品銷售中提高期繳保費產品之佔比。這個正面的指標令人非常鼓舞，太平人壽高級管理人員和董事認為這是最重要的業績統計數據，以評估其業務和管理表現。鑑於其策略重新及更加專注於現在和將來銷售更多期繳保費產品，太平人壽在未來數年爭取進一步提高和改善其期繳保費銷售。以下概述太平人壽按業務劃分的躉繳保費產品及期繳保費產品的詳細分析：

截至六月三十日止六個月，百萬港元

### 個人

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
躉繳保費	60.58	1.8%	15.26	0.7%
期繳保費 — 首年	1,443.31	42.3%	1,156.22	54.3%
期繳保費 — 續年	1,904.24	55.9%	958.96	45.0%
	<b>3,408.13</b>	<b>100.0%</b>	2,130.44	100.0%

### 銀行保險

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
躉繳保費	5,485.00	63.7%	5,864.41	82.3%
期繳保費 — 首年	1,906.64	22.2%	567.76	8.0%
期繳保費 — 續年	1,213.94	14.1%	694.75	9.7%
	<b>8,605.58</b>	<b>100.0%</b>	7,126.92	100.0%

### 團體

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
僱員福利	357.86	61.9%	353.00	58.5%
年金	220.63	38.1%	250.76	41.5%
	<b>578.49</b>	<b>100.0%</b>	603.76	100.0%

## MANAGEMENT DISCUSSION AND ANALYSIS

TPL's focus on regular premium sales does not represent a new or changed strategy. Over the past few years, TPL's consistent strategy has been to focus on increasing sales of products with regular premium features. Recently, the senior management and directors of TPL have re-dedicated and re-focused the entire operations of the life insurance business on this key objective into the foreseeable future. During the Period, regular premium products accounted for 98.2% (Last Period: 99.3%/full year of 2008: 99.0%) and 36.3% (Last Period: 17.7%/full year of 2008: 22.9%) of the total non unit-linked product sales produced by TPL's individual agents and bancassurance channels, respectively. The senior management and directors view the continued predominance of regular premium products in the individual agency channel and the strong growth of regular premium products within the bancassurance channel as being very positive and promising, and hope to build upon this success to sell even more regular premium products in the future. Regular premium products have higher profit margins from an actuarial perspective and as such constitute much higher quality business for the life insurance operations.

The higher proportion of regular premium products and their higher profitability is reflected in the significantly higher embedded value and new business value figures of TPL for the Period, despite the adoption of more conservative assumptions. The embedded value of TPL (expressed in terms of HKD) has increased by 49.6% to HK\$10,849 million from HK\$7,250 million at the end of the Last Period, with a higher adjusted net worth. Likewise, the new business value after cost of capital and expense overrun for the Period increased strongly to HK\$798 million from HK\$443 million at the end of Last Period, representing a significant increase of 80.1%. 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 30 June 2009, HK\$ million

	Investment assets (excluding Unit-linked product assets)		Unit-linked product assets		Total
	HK\$ million	% of Total	HK\$ million	% of Total	
Debt securities	49,442.63	59.9%	136.15	2.8%	49,578.78
Direct equity securities	3,589.00	4.4%	744.75	15.1%	4,333.75
Investment funds	4,113.41	5.0%	3,560.00	72.4%	7,673.41
Cash and bank deposits	25,357.92	30.7%	477.92	9.7%	25,835.84
<b>Total invested assets</b>	<b>82,502.96</b>	<b>100.0%</b>	<b>4,918.82</b>	<b>100.0%</b>	<b>87,421.78</b>

#### At 31 December 2008, HK\$ million

	Investment assets (excluding Unit-linked product assets)		Unit-linked product assets		Total
	HK\$ million	% of Total	HK\$ million	% of Total	
Debt securities	44,945.96	77.0%	592.38	13.9%	45,538.34
Direct equity securities	1,034.86	1.8%	67.18	1.6%	1,102.04
Investment funds	2,418.22	4.1%	2,354.26	55.3%	4,772.48
Cash and bank deposits	9,946.20	17.1%	1,244.09	29.2%	11,190.29
<b>Total invested assets</b>	<b>58,345.24</b>	<b>100.0%</b>	<b>4,257.91</b>	<b>100.0%</b>	<b>62,603.15</b>

## 管理層討論和分析

太平人壽專注期繳保費銷售未有代表新或改變策略。過往數年，太平人壽的策略一直是提高期繳保費產品之銷售。近期，太平人壽高級管理人員及董事重申，在可預見的將來，人壽保險業務會繼續專注和集中於這一重要目標。於本財務期內，期繳保費產品分別佔太平人壽個人代理及銀行保險渠道錄得的非投資連結產品銷售總額的98.2% (去年同期：99.3% / 二零零八年全年：99.0%) 及36.3% (去年同期：17.7% / 二零零八年全年：22.9%)。高級管理人員及董事認為期繳保費產品於個人代理渠道佔主導地位及期繳保費產品於銀行保險渠道強勁增長非常正面和理想，並期望借鑒這成功，於未來銷售更多期繳保費產品。從精算角度分析，期繳保費產品的利潤率較高，因此是人壽保險業務中較優質的業務。

儘管我們採納了更保守之假設，但更高的期繳保費產品比例及其更高的盈利能力使太平人壽期內之內涵價值及新業務價值顯著提高。太平人壽的內涵價值(以港幣折算)由去年同期末之72.50億港元增加49.6%至108.49億港元，資產淨值亦同樣提高。同樣地，本財務期之新業務扣除資本成本及費用超支後之價值為7.98億港元，較去年同期末之4.43億港元，顯著增長80.1%。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：

於二零零九年六月三十日，百萬港元

	投資資產 (不含投資連結產品資產)		投資連結產品資產		總額
	百萬港元	佔總額百分比	百萬港元	佔總額百分比	
債務證券	49,442.63	59.9%	136.15	2.8%	49,578.78
直接股本證券	3,589.00	4.4%	744.75	15.1%	4,333.75
投資基金	4,113.41	5.0%	3,560.00	72.4%	7,673.41
現金及銀行存款	25,357.92	30.7%	477.92	9.7%	25,835.84
投資總額	82,502.96	100.0%	4,918.82	100.0%	87,421.78

於二零零八年十二月三十一日，百萬港元

	投資資產 (不含投資連結產品資產)		投資連結產品資產		總額
	百萬港元	佔總額百分比	百萬港元	佔總額百分比	
債務證券	44,945.96	77.0%	592.38	13.9%	45,538.34
直接股本證券	1,034.86	1.8%	67.18	1.6%	1,102.04
投資基金	2,418.22	4.1%	2,354.26	55.3%	4,772.48
現金及銀行存款	9,946.20	17.1%	1,244.09	29.2%	11,190.29
投資總額	58,345.24	100.0%	4,257.91	100.0%	62,603.15

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, following the very extraordinary and challenging investment markets in the PRC in 2008, TPL was very cautious in the asset allocation for its investment portfolio. Equity investments remained relatively low, despite the strong rebound and appreciation of the equity indices in the PRC, while debt securities and cash and bank deposits constituted 90.6% of TPL's total invested assets (excluding unit-linked product assets) as at 30 June 2009 (31 December 2008: 94.1%).

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

### At 30 June 2009, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	22,925.09	24,452.95	136.15	2,064.59	49,578.78
Direct equity securities	—	3,491.94	841.81	—	4,333.75
Investment funds	—	4,113.41	3,560.00	—	7,673.41
	<b>22,925.09</b>	<b>32,058.30</b>	<b>4,537.96</b>	<b>2,064.59</b>	<b>61,585.94</b>

### At 31 December 2008, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	19,222.47	23,634.69	617.43	2,063.75	45,538.34
Direct equity securities	—	1,034.86	67.18	—	1,102.04
Investment funds	—	2,360.72	2,411.76	—	4,772.48
	<b>19,222.47</b>	<b>27,030.27</b>	<b>3,096.37</b>	<b>2,063.75</b>	<b>51,412.86</b>

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

### HK\$ million

	At 30 June 2009	At 31 December 2008
Central governments and central banks	18,310.75	19,204.89
Banks and other financial institutions	10,136.33	8,465.89
Corporate entities	21,131.70	17,867.56
	<b>49,578.78</b>	<b>45,538.34</b>

## 管理層討論和分析

於本財務期，經過二零零八年中國投資市場陷入困境，太平人壽對於其投資組合的資產分配十分審慎。儘管期內中國的股票指數已顯著反彈及增值，股本投資仍維持較低水平，於二零零九年六月三十日，債務證券、現金及銀行存款合共佔太平人壽的投資資產總額(不含投資連結產品資產)約90.6%(二零零八年十二月三十一日：94.1%)。

太平人壽歸類為持有至到期日、可供出售、指定為通過損益以反映公允價值及貸款及應收款項的證券投資如下：

於二零零九年六月三十日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	22,925.09	24,452.95	136.15	2,064.59	49,578.78
直接股本證券	—	3,491.94	841.81	—	4,333.75
投資基金	—	4,113.41	3,560.00	—	7,673.41
	22,925.09	32,058.30	4,537.96	2,064.59	61,585.94

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	19,222.47	23,634.69	617.43	2,063.75	45,538.34
直接股本證券	—	1,034.86	67.18	—	1,102.04
投資基金	—	2,360.72	2,411.76	—	4,772.48
	19,222.47	27,030.27	3,096.37	2,063.75	51,412.86

債務證券按類別分類如下：

百萬港元

	於二零零九年六月三十日	於二零零八年十二月三十一日
中央政府及中央銀行	18,310.75	19,204.89
銀行及其他金融機構	10,136.33	8,465.89
企業實體	21,131.70	17,867.56
	49,578.78	45,538.34

## MANAGEMENT DISCUSSION AND ANALYSIS

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 six months ended 30 June, HK\$ million*

	2009	2008	Change
Net investment income	<b>1,291.84</b>	1,889.08	(31.6%)
Net realized investment gains	<b>538.56</b>	1,006.74	(46.5%)
Net unrealized investment gains/(losses)	<b>749.70</b>	(2,559.56)	—
Impairment on debt and equity securities	—	(92.10)	—
Total investment income	<b>2,580.10</b>	244.16	10.6 times
Less: Investment gains/(losses) attributable to unit-linked products	<b>887.24</b>	(1,755.91)	—
Total investment income excluding unit-linked products income	<b>1,692.86</b>	2,000.07	(15.4%)
Total investment yield (year-to-date) excluding unit-linked products income	<b>2.8%</b>	4.5%	(1.7 pts)

TPL's total investment income was a gain of HK\$1,692.86 million for the Period, representing a decline of 15.4% from the profit of HK\$2,000.07 million in the Last Period. Although net realized and unrealized investment gains were much higher during the Period due to the strong performance of the A-share markets in the PRC, net investment income fell by 31.6% to HK\$1,291.84 million for the Period from HK\$1,889.08 million in the Last Period. The fall in net investment income was due to sharply lower dividends from Investment Funds during the Period, which reflects the poor equity market conditions in 2008. During the Last Period, dividends from Investment Funds were very strong because of the sharply appreciating A-share markets at that time. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$0.52 million (2008: HK\$78.82 million).

## 管理層討論和分析

太平人壽確認在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：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	<b>1,291.84</b>	1,889.08	(31.6%)
已實現投資收益淨額	<b>538.56</b>	1,006.74	(46.5%)
未實現投資收益／(虧損)淨額	<b>749.70</b>	(2,559.56)	—
債務及股本證券減值	—	(92.10)	—
投資收入總額	<b>2,580.10</b>	244.16	10.6倍
減：屬於投資連結產品之 投資收益／(虧損)	<b>887.24</b>	(1,755.91)	—
不含投資連結產品之投資收益	<b>1,692.86</b>	2,000.07	(15.4%)
不含投資連結產品之總投資收益率(本期)	<b>2.8%</b>	4.5%	(1.7點)

於本財務期，太平人壽錄得投資收入總額收益16.9286億港元，較去年同期溢利20.0007億港元減少15.4%。儘管本財務期內已實現及未實現投資收益因中國A股市場表現強勁而大幅提高，投資收入淨額較去年同期之18.8908億港元，下跌31.6%至本財務期之12.9184億港元。投資收入淨額下跌主要由於期內來自中國之投資基金股息收入大幅減少，反映了二零零八年中國股本市場之欠佳氣氛。去年同期，來自投資基金的股息收入因為當時A股市場大幅升值而非常強勁。上述投資收入及投資收益率並不包括52萬港元匯兌虧損淨額(二零零八年：7,882萬港元)。

## MANAGEMENT DISCUSSION AND ANALYSIS

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

*For the six months ended 30 June 2009, HK\$ million*

	Recognized in the consolidated income statement					Sub total	Unrealized (losses)/ gains recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realized gains	Unrealized (losses)/ gains	Impairment			
<b>Debt securities</b>								
HTM	454.97	—	—	—	—	454.97	—	454.97
AFS	462.11	—	97.37	—	—	559.48	(491.61)	67.87
DTPL	11.07	—	7.58	(9.05)	—	9.60	—	9.60
LR	62.12	—	—	—	—	62.12	—	62.12
<b>Direct equity securities</b>								
AFS	—	35.63	151.36	—	—	186.99	599.17	786.16
DTPL	—	5.03	45.07	57.38	—	107.48	—	107.48
<b>Investment funds</b>								
AFS	—	31.61	157.06	—	—	188.67	696.52	885.19
DTPL	—	46.16	80.12	701.37	—	827.65	—	827.65
<b>Cash and bank deposits</b>	243.88	—	—	—	—	243.88	—	243.88
<b>Securities sold under repurchase agreements</b>	(60.74)	—	—	—	—	(60.74)	—	(60.74)
	1,173.41	118.43	538.56	749.70	—	2,580.10	804.08	3,384.18

## 管理層討論和分析

太平人壽稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值		總額
	利息 收入／ (支出)	股息收入	已實現 收益	未實現 (虧損)／ 收益	減值	小計	儲備內確認之 未實現(虧損)／ 收益	
<b>債務證券</b>								
持有至到期日	454.97	—	—	—	—	454.97	—	454.97
可供出售	462.11	—	97.37	—	—	559.48	(491.61)	67.87
指定為通過損益以反映公允價值	11.07	—	7.58	(9.05)	—	9.60	—	9.60
貸款及應收款項	62.12	—	—	—	—	62.12	—	62.12
<b>直接股本證券</b>								
可供出售	—	35.63	151.36	—	—	186.99	599.17	786.16
指定為通過損益以反映公允價值	—	5.03	45.07	57.38	—	107.48	—	107.48
<b>投資基金</b>								
可供出售	—	31.61	157.06	—	—	188.67	696.52	885.19
指定為通過損益以反映公允價值	—	46.16	80.12	701.37	—	827.65	—	827.65
現金及銀行存款	243.88	—	—	—	—	243.88	—	243.88
賣出回購證券	(60.74)	—	—	—	—	(60.74)	—	(60.74)
	1,173.41	118.43	538.56	749.70	—	2,580.10	804.08	3,384.18

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2008, HK\$ million

	Recognized in the consolidated income statement					Sub total	Unrealized gains/ (losses) recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realized gains/ (losses)	Unrealized losses	Impairment			
<b>Debt securities</b>								
HTM	119.61	—	—	—	—	119.61	—	119.61
AFS	569.47	—	33.29	—	—	602.76	995.38	1,598.14
DTPL	4.06	—	(31.43)	(15.04)	—	(42.41)	—	(42.41)
<b>Direct equity securities</b>								
AFS	—	20.07	863.33	—	—	883.40	(2,146.45)	(1,263.05)
DTPL	—	5.26	24.35	(801.06)	—	(771.45)	—	(771.45)
<b>Investment funds</b>								
AFS	—	296.94	116.20	—	(92.10)	321.04	(1,147.20)	(826.16)
DTPL	—	761.19	1.00	(1,743.46)	—	(981.27)	—	(981.27)
<b>Cash and bank deposits</b>	179.52	—	—	—	—	179.52	—	179.52
<b>Securities sold under repurchase agreements</b>	(67.04)	—	—	—	—	(67.04)	—	(67.04)
	805.62	1,083.46	1,006.74	(2,559.56)	(92.10)	244.16	(2,298.27)	(2,054.11)

## Net Policyholders' Benefits

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

For the six months ended 30 June, HK\$ million

	2009	2008	Change
Net claims	271.34	276.57	(1.9%)
Surrenders	1,761.63	1,777.12	(0.9%)
Annuity and maturity payments	182.29	49.98	3.7 times
Policy dividends	40.04	36.62	9.3%
	2,255.30	2,140.29	5.4%

## 管理層討論和分析

截至二零零八年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值 儲備內確認之		總額
	利息 收入/ (支出)	股息收入	已實現 收益/ (虧損)	未實現虧損	減值	小計	未實現 收益/ (虧損)	
<b>債務證券</b>								
持有至到期日	119.61	—	—	—	—	119.61	—	119.61
可供出售	569.47	—	33.29	—	—	602.76	995.38	1,598.14
指定為通過損益以反映公允價值	4.06	—	(31.43)	(15.04)	—	(42.41)	—	(42.41)
<b>直接股本證券</b>								
可供出售	—	20.07	863.33	—	—	883.40	(2,146.45)	(1,263.05)
指定為通過損益以反映公允價值	—	5.26	24.35	(801.06)	—	(771.45)	—	(771.45)
<b>投資基金</b>								
可供出售	—	296.94	116.20	—	(92.10)	321.04	(1,147.20)	(826.16)
指定為通過損益以反映公允價值	—	761.19	1.00	(1,743.46)	—	(981.27)	—	(981.27)
現金及銀行存款	179.52	—	—	—	—	179.52	—	179.52
賣出回購證券	(67.04)	—	—	—	—	(67.04)	—	(67.04)
	805.62	1,083.46	1,006.74	(2,559.56)	(92.10)	244.16	(2,298.27)	(2,054.11)

### 保單持有人利益淨額

太平人壽之保單持有人利益淨額概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
賠償淨額	271.34	276.57	(1.9%)
退保額	1,761.63	1,777.12	(0.9%)
年金及到期付款	182.29	49.98	3.7倍
保單分紅	40.04	36.62	9.3%
	2,255.30	2,140.29	5.4%

# MANAGEMENT DISCUSSION AND ANALYSIS

## Net Commission Expenses

The net commission expenses of TPL were as follows:

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Net commission expenses	<b>1,428.86</b>	1,088.42	31.3%
Ratio of net commission expenses to gross premiums written	<b>11.3%</b>	9.2%	2.1 pts

## Administrative and Other Expenses

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

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Staff costs	<b>901.92</b>	626.17	44.0%
Rental expenses	<b>94.86</b>	66.66	42.3%
Others	<b>740.84</b>	470.50	57.5%
	<b>1,737.62</b>	1,163.33	49.4%

## PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment is operated by TPI, which is a PRC-incorporated company and is 50.05%-owned by the Group. (Previously, before 15 July 2008, TPI was an associate of CTIH and was consolidated under the equity accounting method). It is principally engaged in the underwriting of motor, marine and non-marine insurance policies in Mainland China.

Because TPI did not become a consolidated subsidiary of CTIH until July 2008, its financial results for the Last Period were not consolidated into the Group on a line-by-line basis for the six month period ending on 30 June 2008. However, the following key financial data and ratios of TPI cover the Last Period. Readers and investors are advised to pay attention to these details when reading the consolidated financial statements.

## 管理層討論和分析

### 佣金支出淨額

太平人壽之佣金支出淨額如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
佣金支出淨額	<b>1,428.86</b>	1,088.42	31.3%
佣金支出淨額佔毛承保保費	<b>11.3%</b>	9.2%	2.1點

### 行政及其他費用

太平人壽之行政及其他費用概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
員工成本	<b>901.92</b>	626.17	44.0%
租賃開支	<b>94.86</b>	66.66	42.3%
其他	<b>740.84</b>	470.50	57.5%
	<b>1,737.62</b>	1,163.33	49.4%

### 財產保險業務

本集團之財產保險業務由本集團擁有50.05%權益之中國註冊公司太平財險營運(過往於二零零八年七月十五日前，太平財險為中國太平控股的聯營公司，並以權益會計法綜合入賬)。其主要從事承保中國大陸之車險、水險及非水險業務。

由於太平財險到二零零八年七月才成為中國太平控股之綜合附屬公司，其去年同期之業績並沒有按分項總計方法綜合於本集團截至二零零八年六月三十日止六個月之業績內。然而，以下為涵蓋去年同期太平財險重要財務數據及比率。務請讀者及投資者於閱覽綜合財務報表時注意此等細節。

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June, HK\$ million

	2009	2008	Change
Gross premiums written	<b>2,479.77</b>	2,456.11	1.0%
Net premiums written	<b>2,123.43</b>	2,075.79	2.3%
Net earned premiums	<b>2,028.21</b>	1,731.33	17.2%
Net claims incurred	<b>(1,288.46)</b>	(991.38)	30.0%
Net commission expenses	<b>(129.41)</b>	(144.96)	(10.7%)
Total investment income	<b>84.88</b>	131.75	(35.6%)
Net exchange loss	<b>(0.67)</b>	(9.11)	(92.6%)
Administrative and other expenses	<b>(748.10)</b>	(783.78)	(4.6%)
Finance costs	<b>(24.98)</b>	(0.05)	499.6 times
Underwriting loss	<b>(142.10)</b>	(188.79)	(24.7%)
Loss before taxation	<b>(92.49)</b>	(72.80)	27.1%
Loss after taxation	<b>(76.21)</b>	(104.56)	(27.1%)
Loss attributable to the owners	<b>(38.15)</b>	(41.85)	(8.8%)
Technical reserves ratio	<b>171.0%</b>	173.1%	(2.1 pts)
Retained ratio	<b>85.6%</b>	84.5%	1.1 pts
Earned premiums ratio	<b>81.8%</b>	70.5%	11.3 pts
Loss ratio <sup>1</sup>	<b>63.5%</b>	57.3%	6.2 pts
Expense ratio <sup>2</sup>	<b>41.3%</b>	44.7%	(3.4 pts)
Combined ratio <sup>3</sup>	<b>104.8</b>	102.0	2.8 pts

<sup>1</sup> The loss ratio is based on net earned premiums.

<sup>2</sup> The expense ratio is based on net premiums written. The management believes that calculating the expense ratio based on net premiums written is a fairer indicator and better reflects the underwriting performance of TPI. If the net earned premiums basis is applied, then the expense ratio would be 43.3% for the Period (2008: 53.6%).

<sup>3</sup> The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 106.8 for the Period (2008: 110.9).

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

	At 30 June 2009	At 31 December 2008	Change
Market share <sup>1</sup>	<b>1.4%</b>	1.7%	(0.3 pt)
Number of provincial branches	<b>29</b>	27	2
Number of sub-branches and marketing centres	<b>426</b>	455	(29)
Number of in-force policies	<b>3,988,529</b>	4,417,198	(428,669)
Number of direct sales representatives	<b>4,484</b>	3,661	823
Total investment yield (year-to-date) <sup>2</sup>	<b>2.1%</b>	1.1%	1.0 pts

<sup>1</sup> Based on gross premiums written in accordance with PRC GAAP and published by the CIRC.

<sup>2</sup> Excluding exchange gain/(loss) incurred from foreign currency capital assets.

## 管理層討論和分析

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
毛承保保費	2,479.77	2,456.11	1.0%
淨承保保費	2,123.43	2,075.79	2.3%
已賺取保費淨額	2,028.21	1,731.33	17.2%
賠款淨額	(1,288.46)	(991.38)	30.0%
佣金支出淨額	(129.41)	(144.96)	(10.7%)
投資收入總額	84.88	131.75	(35.6%)
匯兌虧損淨額	(0.67)	(9.11)	(92.6%)
行政及其他費用	(748.10)	(783.78)	(4.6%)
財務費用	(24.98)	(0.05)	499.6倍
承保虧損	(142.10)	(188.79)	(24.7%)
除稅前虧損	(92.49)	(72.80)	27.1%
除稅後虧損	(76.21)	(104.56)	(27.1%)
股東應佔虧損	(38.15)	(41.85)	(8.8%)
技術性儲備比率	171.0%	173.1%	(2.1點)
自留比率	85.6%	84.5%	1.1點
已賺取保費率	81.8%	70.5%	11.3點
賠付率 <sup>1</sup>	63.5%	57.3%	6.2點
費用率 <sup>2</sup>	41.3%	44.7%	(3.4點)
綜合成本率 <sup>3</sup>	104.8	102.0	2.8點

<sup>1</sup> 賠付率按已賺取保費淨額為基準計算。

<sup>2</sup> 費用率按淨承保保費為基準計算。管理層相信，按淨承保保費為基準計算費用率為更公平的指標，並可更好地反映太平財險的承保表現。倘使用已賺取保費淨額基準，則本財務期之費用率將為43.3% (二零零八年：53.6%)。

<sup>3</sup> 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本財務期之綜合成本率將為106.8 (二零零八年：110.9)。

財產保險業務之主要經營數據概述如下：

	於二零零九年 六月三十日	於二零零八年 十二月三十一日	變化
市場份額 <sup>1</sup>	1.4%	1.7%	(0.3點)
省級分公司數目	29	27	2
支公司及市場推廣中心數目	426	455	(29)
有效之保單數目	3,988,529	4,417,198	(428,669)
直接銷售代表數目	4,484	3,661	823
總投資收益率(本期) <sup>2</sup>	2.1%	1.1%	1.0點

<sup>1</sup> 據中國公認會計準則按毛承保保費計算並由中國保監會刊發。

<sup>2</sup> 不包括外匯資本資產產生之匯兌收益/(虧損)。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Loss Attributable to the Owners

The property and casualty insurance business incurred a net loss to the owners of HK\$38.15 million during the Period (2008: HK\$41.85 million). The decrease in losses was mainly due to a more modest level of premium growth and the implementation of effective cost controls.

## Gross Premiums Written

TPI's gross premiums written increased by 1.0% to HK\$2,479.77 million from HK\$2,456.11 million in the Last Period. During the Period, the senior management and directors of TPI focused on higher quality business, as well as the centralizing of the underwriting of retail, motor insurance business at the head office in Shenzhen. The lower premium growth of TPI during the Period is thus expected and considered satisfactory. The detailed breakdown of TPI's gross premiums written was as follows:

### For the six months ended 30 June, HK\$ million

Business Line	2009	% of Total	2008	% of Total
Motor	1,985.32	80.1%	1,879.53	76.5%
Marine	86.01	3.5%	95.96	3.9%
Non-marine	408.44	16.4%	480.62	19.6%
	<b>2,479.77</b>	<b>100.0%</b>	2,456.11	100.0%

## Net Claims Incurred

TPI's net claims incurred increased by 30.0% to HK\$1,288.46 million from HK\$991.38 million in the Last Period.

## Combined Ratio

TPI's expense ratio, calculated based on net premiums written, decreased to 41.3% from 44.7% in the Last Period. The decrease in expense ratio was due to TPI's continued focus on reigning in costs and in establishing a sophisticated cost control system. TPI's relatively slower premium growth also resulted in lower acquisition costs accounted for in the Period. TPI's combined ratio of 104.8 during the Period is higher than the 102.0 in the Last Period and is not optimal. TPI's loss ratios, expense ratios and combined ratios over the past few years were as follows:

### For the six months ended 30 June

	2009	2008	2007
Loss ratio	63.5%	57.3%	52.7%
Expense ratio	41.3%	44.7%	41.9%
Combined ratio	<b>104.8</b>	102.0	94.6

## 管理層討論和分析

### 股東應佔虧損

於本財務期內，財產保險業務使股東錄得淨虧損3,815萬港元(二零零八年：4,185萬港元)。虧損減少的主因是適度的保費增長及有效的費用控制。

### 毛承保保費

太平財險之毛承保保費由去年同期之24.5611億港元上升1.0%至24.7977億港元。於本財務期，太平財險之高級管理人員及董事專注於高質素業務，及集中零售及汽車保險業務於深圳總部。期內太平財險較低的保費增長是合符預期及屬滿意。太平財險毛承保保費詳細分析如下：

#### 截至六月三十日止六個月，百萬港元

業務種類	二零零九年	佔總額百分比	二零零八年	佔總額百分比
車險	1,985.32	80.1%	1,879.53	76.5%
水險	86.01	3.5%	95.96	3.9%
非水險	408.44	16.4%	480.62	19.6%
	<b>2,479.77</b>	<b>100.0%</b>	2,456.11	100.0%

### 淨賠款總額

太平財險之淨賠款總額由去年同期之9.9138億港元上升30.0%至12.8846億港元。

### 綜合成本率

太平財險按淨承保保費為基準計算之費用率由去年同期的44.7%下降至41.3%。費用率下降，原因是太平財險繼續把重點放在費用控制和建立完善的成本控制系統。太平財險相對較低的保費增長亦令期內之展業成本減少。期內，太平財險之綜合成本率為104.8，高於去年同期之102.0，表現未如人意。過去幾年，太平財險之賠付率、費用率及綜合成本率情況如下：

#### 截至六月三十日止六個月

	二零零九年	二零零八年	二零零七年
賠付率	63.5%	57.3%	52.7%
費用率	41.3%	44.7%	41.9%
綜合成本率	104.8	102.0	94.6

# MANAGEMENT DISCUSSION AND ANALYSIS

## Investment Performance

The composition of investments held by TPI was as follows:

	At 30 June 2009		At 31 December 2008	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	2,327.20	54.3%	2,105.07	51.6%
Direct equity securities	96.82	2.3%	10.29	0.3%
Investment funds	505.18	11.8%	351.17	8.6%
Cash and bank deposits	1,353.04	31.6%	1,612.70	39.5%
<b>Total invested assets</b>	<b>4,282.24</b>	<b>100.0%</b>	<b>4,079.23</b>	<b>100.0%</b>

During the Period, following the very extraordinary and challenging investment markets in the PRC in 2008, TPI was very cautious in the asset allocation for its investment portfolio. Equity investments remained relatively low, despite the strong rebound and appreciation of the equity indices in the PRC, while debt securities and cash and bank deposits constituted 85.9% of TPI's total invested assets as at 30 June 2009 (31 December 2008: 91.1%).

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

### At 30 June 2009, HK\$ million

	HTM	AFS	LR	Total
Debt securities	647.74	1,577.36	102.10	2,327.20
Direct equity securities	—	96.82	—	96.82
Investment funds	—	505.18	—	505.18
	<b>647.74</b>	<b>2,179.36</b>	<b>102.10</b>	<b>2,929.20</b>

### At 31 December 2008, HK\$ million

	HTM	AFS	LR	Total
Debt securities	426.48	1,576.53	102.06	2,105.07
Direct equity securities	—	10.29	—	10.29
Investment funds	—	351.17	—	351.17
	<b>426.48</b>	<b>1,937.99</b>	<b>102.06</b>	<b>2,466.53</b>

## 管理層討論和分析

### 投資表現

太平財險所持之投資組合如下：

	於二零零九年六月三十日		於二零零八年十二月三十一日	
	百萬港元	佔總額百分比	百萬港元	佔總額百分比
債務證券	2,327.20	54.3%	2,105.07	51.6%
直接股本證券	96.82	2.3%	10.29	0.3%
投資基金	505.18	11.8%	351.17	8.6%
現金及銀行存款	1,353.04	31.6%	1,612.70	39.5%
投資總額	4,282.24	100.0%	4,079.23	100.0%

於本財務期內，經過二零零八年中國投資市場陷入困境，太平財險對於其投資組合的資產分配十分審慎。儘管期內中國的股票指數已顯著反彈及增值，股本投資仍維持較低水平，於二零零九年六月三十日，債務證券、現金及銀行存款合共佔太平財險的投資資產總額約85.9% (二零零八年十二月三十一日：91.1%)。

太平財險歸類為持有至到期日、可供出售及貸款及應收款項的證券投資如下：

#### 於二零零九年六月三十日，百萬港元

	持有至到期日	可供出售	貸款及 應收款項	總額
債務證券	647.74	1,577.36	102.10	2,327.20
直接股本證券	—	96.82	—	96.82
投資基金	—	505.18	—	505.18
	647.74	2,179.36	102.10	2,929.20

#### 於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	貸款及 應收款項	總額
債務證券	426.48	1,576.53	102.06	2,105.07
直接股本證券	—	10.29	—	10.29
投資基金	—	351.17	—	351.17
	426.48	1,937.99	102.06	2,466.53

## MANAGEMENT DISCUSSION AND ANALYSIS

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

*HK\$ million*

	At 30 June 2009	At 31 December 2008
Central governments and central banks	991.96	1,128.55
Banks and other financial institutions	753.26	616.48
Corporate entities	581.98	360.04
	<b>2,327.20</b>	<b>2,105.07</b>

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:

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Net investment income	64.74	133.51	(51.5%)
Net realized investment gains/(losses)	20.14	(0.05)	—
Net unrealized investment losses	—	(1.71)	—
Total investment income	<b>84.88</b>	131.75	(35.6%)
Total investment yield (year-to-date)	<b>2.1%</b>	4.5%	(2.4pts)

TPI's total investment income was a gain of HK\$84.88 million for the Period, representing a decline of 35.6% from the profit of HK\$131.75 million in the Last Period. The fall in net investment income was due to sharply lower dividends from Investment Funds during the Period, which reflects the poor equity market conditions in 2008. During the Last Period, dividends from Investment Funds were very strong because of the sharply appreciating A-share markets at that time. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$0.67 million (2008: HK\$9.11 million).

## 管理層討論和分析

債務證券按類別分類如下：

百萬港元

	於二零零九年六月三十日	於二零零八年十二月三十一日
中央政府及中央銀行	991.96	1,128.55
銀行及其他金融機構	753.26	616.48
企業實體	581.98	360.04
	<b>2,327.20</b>	<b>2,105.07</b>

太平財險確認在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：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	64.74	133.51	(51.5%)
已實現投資收益／(虧損)淨額	20.14	(0.05)	—
未實現投資虧損淨額	—	(1.71)	—
投資收入總額	<b>84.88</b>	<b>131.75</b>	<b>(35.6%)</b>
總投資收益率(本期)	<b>2.1%</b>	<b>4.5%</b>	<b>(2.4點)</b>

於本財務期，太平財險錄得投資收入總額8,488萬港元，較去年同期溢利1.3175億港元大幅減少35.6%。投資收入淨額下跌主要由於期內來自投資基金股息收入大幅減少，反映了二零零八年中國股本市場之欠佳氣氛。去年同期，來自投資基金的股息收入因為當時A股市場大幅升值而非常強勁。上述投資收入及投資收益率並不包括67萬港元匯兌虧損淨額(二零零八年：911萬港元)。

## MANAGEMENT DISCUSSION AND ANALYSIS

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

*For the six months ended 30 June 2009, HK\$ million*

	Recognized in the consolidated income statement					Sub total	Unrealized (losses)/ gains recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realized gains	Unrealized gains/ (losses)	Impairment			
<b>Debt securities</b>								
HTM	11.76	—	—	—	—	11.76	—	11.76
AFS	32.35	—	2.88	—	—	35.23	(33.35)	1.88
LR	3.13	—	—	—	—	3.13	—	3.13
<b>Direct equity securities</b>								
AFS	—	0.53	7.39	—	—	7.92	8.56	16.48
<b>Investment funds</b>								
AFS	—	7.29	9.87	—	—	17.16	100.52	117.68
DTPL	—	0.24	—	—	—	0.24	—	0.24
<b>Cash and bank deposits</b>	11.36	—	—	—	—	11.36	—	11.36
<b>Securities sold under repurchase agreements</b>	(1.92)	—	—	—	—	(1.92)	—	(1.92)
	56.68	8.06	20.14	—	—	84.88	75.73	160.61

## 管理層討論和分析

太平財險稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值		總額
	利息 收入／ (支出)	股息收入	已實現收益	未實現 收益／ (虧損)	減值	儲備內確認之 未實現(虧損)／ 收益	小計	
<b>債務證券</b>								
持有至到期日	11.76	—	—	—	—	11.76	—	11.76
可供出售	32.35	—	2.88	—	—	35.23	(33.35)	1.88
貸款及應收款項	3.13	—	—	—	—	3.13	—	3.13
<b>直接股本證券</b>								
可供出售	—	0.53	7.39	—	—	7.92	8.56	16.48
<b>投資基金</b>								
可供出售	—	7.29	9.87	—	—	17.16	100.52	117.68
指定為通過損益以反映公允價值	—	0.24	—	—	—	0.24	—	0.24
現金及銀行存款	11.36	—	—	—	—	11.36	—	11.36
賣出回購證券	(1.92)	—	—	—	—	(1.92)	—	(1.92)
	56.68	8.06	20.14	—	—	84.88	75.73	160.61

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2008, HK\$ million

	Recognized in the consolidated income statement					Sub total	Unrealized gains/ (losses) recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realized losses	Unrealized losses	Impairment			
<b>Debt securities</b>								
AFS	2.63	—	—	—	—	2.63	4.73	7.36
<b>Direct equity securities</b>								
AFS	—	21.97	(0.05)	—	—	21.92	(94.16)	(72.24)
<b>Investment funds</b>								
AFS	—	75.22	—	—	—	75.22	(203.70)	(128.48)
DTPL	—	16.35	—	(1.71)	—	14.64	—	14.64
<b>Cash and bank deposits</b>	17.39	—	—	—	—	17.39	—	17.39
<b>Securities sold under repurchase agreements</b>	(0.05)	—	—	—	—	(0.05)	—	(0.05)
	19.97	113.54	(0.05)	(1.71)	—	131.75	(293.13)	(161.38)

## 管理層討論和分析

截至二零零八年六月三十日止六個月，百萬港元

	於綜合損益表內確認					小計	於公允價值 儲備內確認之 未實現收益/ (虧損)	總額
	利息 收入/ (支出)	股息收入	已實現虧損	未實現虧損	減值			
<b>債務證券</b>								
可供出售	2.63	—	—	—	—	2.63	4.73	7.36
<b>直接股本證券</b>								
可供出售	—	21.97	(0.05)	—	—	21.92	(94.16)	(72.24)
<b>投資基金</b>								
可供出售	—	75.22	—	—	—	75.22	(203.70)	(128.48)
指定為通過損益以反映公允價值	—	16.35	—	(1.71)	—	14.64	—	14.64
<b>現金及銀行存款</b>	17.39	—	—	—	—	17.39	—	17.39
<b>賣出回購證券</b>	(0.05)	—	—	—	—	(0.05)	—	(0.05)
	19.97	113.54	(0.05)	(1.71)	—	131.75	(293.13)	(161.38)

# MANAGEMENT DISCUSSION AND ANALYSIS

## Net Commission Expenses

The net commission expenses of TPI were as follows:

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Net commission expenses	<b>129.41</b>	144.96	(10.7%)
Ratio of net commission expenses to gross premiums written	<b>5.2%</b>	5.9%	(0.7 pt)

## Administrative and Other Expenses

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

*For the six months ended 30 June, HK\$ million*

	2009	2008	Change
Staff costs	<b>407.15</b>	276.54	47.2%
Rental expenses	<b>32.76</b>	28.32	15.7%
Business tax and additional charges	<b>138.72</b>	137.71	0.7%
Others	<b>169.47</b>	341.21	(50.3%)
	<b>748.10</b>	783.78	(4.6%)

## OUTLOOK

### Reinsurance Business – TPRé

The financial and economic turbulence of 2008 has had significant impact to almost all professional reinsurers. With reduced net asset values, reinsurers worldwide now need to focus on underwriting profitability and risk management, tighter and more positive pricing conditions for reinsurers has persisted during the Period. TPRé has benefited from such tighter and positive pricing conditions during the January and April renewals in the Asia insurance markets. The July renewals have also been stable, and TPRé has successfully maintained its clients and levels of business at similar terms and conditions as before.

For the remainder of 2009, given the continued uncertainties in global macroeconomic and financial conditions, TPRé remains cautious. With the summer windstorms and flooding season now beginning, TPRé has put into place retrocession protections to cushion TPRé from the impact of any unusual or unexpected catastrophe events. TPRé will also continue its conservative and prudent approach to investing for its investment portfolio.

## 管理層討論和分析

### 佣金支出淨額

太平財險之佣金支出淨額如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
佣金支出淨額	129.41	144.96	(10.7%)
佣金支出淨額佔毛承保保費	5.2%	5.9%	(0.7點)

### 行政及其他費用

太平財險之行政及其他費用概述如下：

截至六月三十日止六個月，百萬港元

	二零零九年	二零零八年	變化
員工成本	407.15	276.54	47.2%
租賃開支	32.76	28.32	15.7%
營業税金及附加費用	138.72	137.71	0.7%
其他	169.47	341.21	(50.3%)
	748.10	783.78	(4.6%)

## 展望

### 再保險業務 — 太平再保險

二零零八年金融及經濟方面的動盪對所有專業再保險商構成重大影響。資產淨值下跌逼使全球再保險商需著眼於承保盈利能力及風險管理，再保險商收緊及上調價格條款的狀況於本財務期間內持續。一月份及四月份亞洲市場的續保中，太平再保險受惠於上述收緊及上調價格的狀況。七月份的續保同樣穩定，太平再保險成功按與以往相若的條款及條件，維持其客戶及業務水平。

在二零零九年下半年，鑑於全球宏觀經濟及財務狀況持續不明朗，故太平再保險仍然保持審慎。太平再保險已安排充足轉分保障，更好地舒緩異常的風災和洪水等巨災可能帶來的影響。太平再保險在投資組合上亦繼續其審慎穩健方針。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Life Insurance Business – TPL

The senior management and professionals of TPL are cautiously optimistic for the prospects of the PRC life insurance industry for the rest of 2009. Although the financial crisis and global economic slowdown beginning in 2008 continued during the Period, China's economy thus far has been resilient overall and is expected to produce relatively attractive economic expansion for the remainder of the year.

With a major strategic initiative of further prioritizing and increasing regular premium sales, TPL intends to build upon the success achieved in the first half of this year, and to continue growing its regular premium sales at both its individual agency and bancassurance distribution channels at rates which are much higher than industry averages. This prioritization of regular premium sales will be the most important, core strategy of TPL for the rest of 2009 and beyond. Quality, on top of quantity, will be the emphasis, and top-line growth will be de-emphasized in favor of higher profit margins and actuarial value.

Following a difficult year in 2008, TPL will continue to implement effective cost controls throughout its organization, while also continuing with its expansion plan. During the Period, 13 new sub-branches and 20 marketing centres were opened, while another approximate 12 new sub-branches and 67 marketing centres are expected to be opened during the remainder of this year. Although PRC equity indices have rebounded and appreciated positively during the Period, continued uncertainty and volatility, not only in the PRC markets but also in global capital markets, are expected to continue. As such, the investment policies and investment portfolio will continue to be managed in a conservative and prudent fashion, with a special emphasis placed upon risk management and conservative asset allocation.

## Property and Casualty Insurance Business – TPI

TPI intends to continue its strategy of pursuing more modest premium growth, especially during a time when the fundamentals and competitive conditions of the PRC property and casualty insurance industry remain challenging. The senior management and directors of TPI continue to believe that the long term potential of the PRC property and casualty insurance industry is vast and highly promising, and intend to properly position TPI for this future potential.

With the loss ratio of TPI trending higher during the Period and remaining at sub-optimal levels, TPI has begun a major new initiative for centralizing the underwriting of all of its retail, motor insurance business. Whereas previously, underwriting for motor insurance was conducted at the branch level, now and in the future, such underwriting will take place at TPI's central headquarters. Although such a change of operational structure and business selection may result in lower premium levels being produced in the short term, over the long run TPI is highly confident that centralized underwriting will lead to more professionalism and effective underwriting, and eventually better loss ratios.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2009 amounted to HK\$30,059.66 million (31 December 2008: HK\$15,620.70 million). There was no bank borrowing during the Period except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 30 June 2009 amounted to HK\$5,718.52 million (31 December 2008: HK\$5,376.03 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 5.4% as at 30 June 2009 (31 December 2008: 6.7%).

## 管理層討論和分析

### 人壽保險業務 — 太平人壽

太平人壽的高級管理層及專業人員對中國人壽保險業於二零零九年下半年的前景審慎樂觀。雖然於二零零八年開始的金融危機及全球經濟放緩，在本財務期仍然持續，惟中國經濟在整體上已見反彈，並預期會在下半年的經濟擴張會更具吸引力。

在進一步著重及加強期繳保費銷售的重大策略措施下，太平人壽打算藉著在本年度上半年所建立的成果，期望其個人代理渠道及銀行保險渠道的期繳保費銷售能夠取得遠高於行業平均水平的增長。著重期繳保費的銷售，將為太平人壽於二零零九年下半年及往後的最重要核心策略。重質高於重量將成為重點，高利潤率及高精算價值將取代保費增長成為太平人壽的重點。

經過二零零八年困難的一年，太平人壽持續全面實施有效成本控制措施之餘，繼續其擴張計劃。於本財務期內新開設了13家支公司及20家市場推廣中心，另有約12家支公司及67家市場推廣中心預期將於本年度下半年開始營業。雖然中國股票指數反彈，並於本財務期內上揚，但中國以至於全球資本市場的不明朗及波動性仍然繼續。故此，會繼續以審慎穩健的態度制定投資政策及管理投資組合，並特別著重風險管理及穩健資產調配。

### 財產保險業務 — 太平財險

太平財險打算繼續其追求更適度保費增長的政策，尤其在現時中國財產保險業的基本及競爭情況仍然具挑戰性的年頭。太平財險的高級管理層及董事仍然相信，中國財產保險業的長遠潛力龐大而可觀，並打算就太平財險的日後潛力作出適當定位。

有見太平財險的賠付率於本財務期內趨升，並一直未達滿意水平，太平財險已開始一項新措施，將零售、汽車保險業務的承保集中。以往汽車保險的承保於支行級別進行，現時，上述承保管控將由太平財險總部進行。即使操作架構及業務選擇上的變動，或會導致短期內的保費水平降低，惟長遠而言，太平財險深信中央管控可促使承保作業更專業及具效率，從而改善賠付率。

### 流動資金及財務資源

於二零零九年六月三十日，本集團的現金及銀行存款為300.5966億港元(二零零八年十二月三十一日：156.2070億港元)。除若干小額臨時銀行透支外，本財務期內並無任何銀行借貸。二零零九年六月三十日須付息票據總額為57.1852億港元(二零零八年十二月三十一日：53.7603億港元)。二零零九年六月三十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5.4%(二零零八年十二月三十一日：6.7%)。

# MANAGEMENT DISCUSSION AND ANALYSIS

## CAPITAL STRUCTURE

During the Period, the Company did not issue any new shares (31 December 2008: 6,449,000 shares) for cash under the Company's employee share option scheme. Net proceeds received for the shares issued for cash in aggregate amounted to HK\$15.41 million as at 31 December 2008.

## STAFF AND STAFF REMUNERATION

As at 30 June 2009, the Group had a total of 26,157 employees (2008: 12,715 employees), an increase of 13,442 employees. Total remuneration for the Period amounted to HK\$1,460.70 million (2008: HK\$744.93 million), an increase of 96.1%. Bonuses are linked to both the performance of the Group and the performance of the individual.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## 管理層討論和分析

### 資本結構

於本財務期內，本公司沒有根據本公司僱員認股權計劃，以現金為代價發行新股(二零零八年十二月三十一日：6,449,000股)。於二零零八年十二月三十一日，發行新股換取現金的總代價淨額為1,541萬港元。

### 員工及員工酬金

於二零零九年六月三十日，本集團的僱員總人數達26,157人(二零零八年：12,715人)，增加13,442人。本財務期總酬金為14.6070億港元(二零零八年：7.4493億港元)，增加96.1%。花紅與本集團的業績及員工的個人表現掛鉤。

### 購買、出售或贖回本公司的上市證券

於本財務期內本公司或任何其附屬公司概無購入、出售或贖回任何本公司的上市證券。