

Management Discussion and Analysis

管理層討論和分析

OVERALL PERFORMANCE AT A GLANCE

During the first half of 2013, global economic conditions continued to be critical and complex. The insurance industries remained in a challenging environment. Despite such difficulties, CTIH was able to deliver solid growth in value for its shareholders during the Period.

Value Creation

- Gross premiums written increased by 60.8% to HK\$50,506.81 million compared with the Last Period.
- New business value of the life insurance business increased by 28.6% to HK\$1,650 million compared with the end of Last Period.
- Embedded value of the life insurance business increased by 43.2% to HK\$41,938 million compared with 31 December 2012.
- Shareholders' group embedded value increased by 21.9% to HK\$27,020 million compared with 31 December 2012, representing HK\$15.839 per share.

Profitability and Shareholders' Equity

- Net profit attributable to the shareholders decreased slightly by 3.5% to HK\$517.91 million compared with the Last Period, representing HK\$0.304 per share.
- Shareholders' equity increased by 2.4% to HK\$14,174.64 million compared with 31 December 2012, representing HK\$8.309 per share.

Positive Operating Performance in PRC Life Insurance

- Market share of the life insurance business increased to 5.2%, ranking as the seventh largest life insurer in the PRC.
- First year regular premium growth in the individual agency channel was exceptionally strong at 115.5%.
- Agent recruiting initiatives were better than expected, as agent numbers reached 109,131.

整體業績概覽

二零一三年上半年，全球經濟依然嚴峻、複雜。保險行業仍充滿挑戰。儘管如此，中國太平控股仍能於本財務期為股東取得穩健的價值增長。

創造價值

- 承保保費較去年同期上升60.8%至505.0681億港元。
- 人壽保險業務的新業務價值較去年同期末增加28.6%至16.50億港元。
- 人壽保險業務的內涵價值較二零一二年十二月三十一日增加43.2%至419.38億港元。
- 股東應佔總內涵價值較二零一二年十二月三十一日上升21.9%至270.20億港元，折合每股15.839港元。

盈利能力及股東權益

- 股東應佔溢利淨額較去年同期輕微下跌3.5%至5.1791億港元，折合每股0.304港元。
- 股東應佔權益較二零一二年十二月三十一日上升2.4%至141.7464億港元，折合每股8.309港元。

內地壽險業務營運表現正面

- 人壽保險業務的市場份額增加至5.2%，為內地第七大人壽保險公司。
- 個人代理渠道的首年期繳保費錄得115.5%的迅猛增長。
- 代理招聘舉措優於預期，代理隊伍人數達109,131人。

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OVERALL PERFORMANCE AT A GLANCE *(Continued)*

整體業績概覽 (續)

Impressive Gains in Market Share and Profitability in PRC Property and Casualty Insurance

內地財險業務市場份額及盈利能力表現卓越

- Market share of the property and casualty insurance business in the PRC increased to 1.6%, ranking as the eighth largest property and casualty insurer in the PRC.
 - Gross written premiums and net profit increased by 44.5% and 82.6% compared with the Last Period, respectively, allowing TPI to achieve impressive top-line and bottom-line performance.
 - Underwriting profitability was satisfactory despite heightened competitive conditions, as the combined ratio was 99.5%.
- 財產保險業務的市場份額增加至1.6%，為內地第八大財產保險公司。
 - 毛承保保費及淨溢利較去年同期分別上升44.5%及82.6%，使太平財險取得卓越的表現。
 - 儘管競爭激烈，綜合成本率為99.5%，承保利潤令人滿意。

Adequate Solvency Capital Ratios

償付能力充裕

- The solvency margin ratio of TPL as of 30 June 2013 was 223%.
 - The solvency margin ratio of TPI as of 30 June 2013 was 173%.
- 太平人壽於二零一三年六月三十日的償付能力充足率為223%。
 - 太平財險於二零一三年六月三十日的償付能力充足率為173%。

Pension business recorded breakeven results

養老保險業務實現收支平衡

- Eight years since commencing operations, TPP recorded breakeven results during the Period, as the pension and group life insurance business has begun to attain economies of scale.
- 經過八年的營運，隨著養老保險及團體人壽保險開始取得規模經濟，太平養老於期內達致收支平衡。

Asset Management Performance

資產管理表現

- Net investment yield and total investment yield was maintained at a satisfactory rate of 4.4%, respectively.
 - Assets under management increased by 23.2% to HK\$231,713 million compared with 31 December 2012.
- 總投資收益率及淨投資收益率分別同為4.4%，令人滿意；
 - 資產管理規模較二零一二年十二月三十一日增加23.2%至2,317.13億港元。

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OVERALL PERFORMANCE AT A GLANCE *(Continued)*

Shareholder Approval Successfully Obtained for Acquisition of Assets from Controlling Shareholder

- On June 18, CTIH obtained approval from public, minority shareholders for its plan for acquiring assets from TPG and TPG (HK).

EVENT HIGHLIGHTS DURING THE PERIOD

Acquisition of assets from controlling shareholders

On 27 May 2013, the Company entered into a framework agreement whereby the Company conditionally agreed to acquire certain assets and interests from TPG and TPG (HK) for an aggregate consideration of RMB10,581,367,500, to be satisfied by the issuance of new shares of CTIH at the issue price of HK\$15.39 per share. The details of the transaction were set out in the announcement of the Company dated 27 May 2013 and the circular of the Company dated 31 May 2013.

Loan facility provided by financial institutions

Quicken Assets Limited, a wholly-owned subsidiary of CTIH, entered into a loan agreement with a financial institution and obtained a loan facility of US\$250 million in December 2012. The loan facility is for five years, is unconditionally and irrevocably guaranteed by CTIH and bears interest at LIBOR plus 2.4% (effective rate). The proceeds of the loan facility will be used for financing the general working capital requirements of the Group. Such loan facility was fully drawn in a single drawdown in January 2013.

Furthermore, in May 2013, Quicken Assets Limited entered into another loan agreement with a financial institution and obtained a loan facility of HK\$800 million. The loan facility is for five years, is unconditionally and irrevocably guaranteed by CTIH and bears interest at HIBOR plus 2.0875% (effective rate). The proceeds of the loan facility will be used for financing the general working capital requirements of the Group. HK\$500 million of the loan facility was drawn in May 2013.

整體業績概覽 (續)

就向控股股東購入資產成功獲股東批准

- 於六月十八日，中國太平控股擬從中國太平集團及中國太平集團（香港）購入資產的計劃獲公眾少數股東批准。

本財務期內事項摘要

向控股股東購入資產

於二零一三年五月二十七日，本公司訂立一份框架協議，據此，本公司有條件同意向中國太平集團及中國太平集團（香港）購入資產及權益，合計代價為人民幣10,581,367,500元，並以每股15.39港元發行中國太平控股新股支付。交易詳情請參閱本公司於二零一三年五月二十七日之公告及於二零一三年五月三十一日之通函。

獲金融機構提供貸款額度

於二零一二年十二月，Quicken Assets Limited（中國太平控股的全資附屬公司）與一家金融機構簽訂貸款協議獲取2.50億美元貸款額度。貸款為期五年並由中國太平控股提供無條件及不可撤回擔保，利率為倫敦銀行同業拆息加2.4%（有效利率）。貸款的所得款項將供本集團作一般營運資金。貸款額度已一次性於二零一三年一月全數提取。

此外，於二零一三年五月，Quicken Assets Limited與一家金融機構簽訂另一份貸款協議獲取8.00億港元貸款額度。貸款為期五年並由中國太平控股提供無條件及不可撤回擔保，利率為香港銀行同業拆息加2.0875%（有效利率）。貸款的所得款項將供本集團作一般營運資金。於二零一三年五月，已提取當中的5.00億港元。

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EVENT HIGHLIGHTS DURING THE PERIOD

(Continued)

• Capital Contribution

TPL

In March 2013, the capital of TPL was increased by RMB2,500 million to RMB6,230 million. CTIH, TPG and Ageas contributed such additional capital in cash in the amounts of RMB1,251.25 million, RMB626.25 million and RMB622.50 million, respectively, in proportion to their respective equity interests in TPL. This additional capital contribution will allow TPL to further strengthen its solvency position to support its business development.

TPI

In June 2013, the capital of TPI was increased by RMB500 million to RMB3,070 million. CTIH and TPG contributed such additional capital in cash in the amount of RMB306.05 million and RMB193.95 million, respectively, in proportion to their respective equity interests in TPI. This additional capital contribution will allow TPI to further strengthen its solvency position to support its business development.

TPP

In May 2013, the capital of TPP was increased by RMB200 million to RMB1,700 million. CTIH and TPG contributed such additional capital in cash in the amount of RMB192 million and RMB8 million, respectively, in proportion to their respective equity interests in TPP. This additional capital contribution will allow TPP to further strengthen its financial position to support its business development.

本財務期內事項摘要 (續)

• 增資

太平人壽

於二零一三年三月，太平人壽的註冊資本增加人民幣25.00億元至人民幣62.30億元。中國太平控股、中國太平集團及富傑已分別按其各自於太平人壽的股權比例以人民幣12.5125億元、人民幣6.2625億元及人民幣6.2250億元現金增入該等資本。此增資將強化太平人壽的償付能力以支持其業務發展。

太平財險

於二零一三年六月，太平財險的註冊資本增加人民幣5.00億元至人民幣30.70億元。中國太平控股及中國太平集團已分別按其各自於太平財險的股權比例以人民幣3.0605億元及人民幣1.9395億元現金增入該等資本。此增資將強化太平財險的償付能力以支持其業務發展。

太平養老

於二零一三年五月，太平養老的註冊資本增加人民幣2.00億元至人民幣17.00億元。中國太平控股及中國太平集團已分別按其各自於太平養老的股權比例以人民幣1.92億元及人民幣800萬元現金增入該等資本。此增資將強化太平養老的財務狀況以支持其業務發展。

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EVENT HIGHLIGHTS DURING THE PERIOD

(Continued)

- **Capital Contribution** (Continued)

TPAM

The capital of TPAM was increased by RMB400 million to RMB500 million. CTIH, TPG and Ageas contributed such additional capital in cash in the amount of RMB210 million, RMB70 million and RMB70 million, respectively, in proportion to their respective equity interests in TPAM. The remaining RMB50 million was contributed to capital by the capitalization of retained earnings of TPAM. This additional capital contribution will allow TPAM to further strengthen its financial position to support its business development. This capital contribution was made in June 2013, but has not yet been completed as of 30 June 2013.

TPeC

In January 2013, the capital of TPeC was increased from RMB50 million to RMB62.5 million. Ageas contributed such additional capital in cash. After this additional capital contribution, TPeC was owned 80% by CTIH and 20% by Ageas.

The capital of TPeC was further increased by RMB200 million to RMB262.5 million. CTIH and Ageas contributed such additional capital in cash in the amount of RMB160 million and RMB40 million, respectively, in proportion to their respective equity interests in TPeC. This additional capital contribution will allow TPeC to further strengthen its financial position to support its business expansion. This capital contribution was made in June 2013, but has not yet been completed as of 30 June 2013.

本財務期內事項摘要 (續)

- **增資 (續)**

太平資產

太平資產的註冊資本增加人民幣4.00億元至人民幣5.00億元。中國太平控股、中國太平集團及富傑已分別按其各自於太平資產的股權比例以人民幣2.10億元、人民幣0.70億元及人民幣0.70億元現金增入該等資本。餘下的人民幣0.50億元以太平資產留存溢利轉為資本金。此增資將強化太平資產的財務狀況以支持其業務發展。此增資已於二零一三年六月進行，截至二零一三年六月三十日仍未完成。

太平電商

於二零一三年一月，太平電商的註冊資本由人民幣0.50億元增加至人民幣0.625億元。富傑已以現金增入該等資本。於完成此增資後，太平電商80%的權益由中國太平控股擁有及20%的權益由富傑擁有。

太平電商的註冊資本增加人民幣2.00億元至人民幣2.625億元。中國太平控股及富傑已分別按其各自於太平電商的股權比例以人民幣1.60億元及人民幣0.40億元現金增入該等資本。此增資將進一步強化太平電商的財務狀況以支持其業務發展。此增資已於二零一三年六月進行，截至二零一三年六月三十日仍未完成。

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CONSOLIDATED FINANCIAL RESULTS

綜合財務表現

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

本集團期內重點財務表現如下：

		1H 2013 二零一三年 上半年 HK\$ million 百萬港元	1H 2012 二零一二年 上半年 HK\$ million 百萬港元	Change 變化
Gross premiums written	毛承保保費	50,506.81	31,411.37	+60.8%
Profit from operations before taxation	除稅前經營溢利	893.65	1,175.08	-23.9%
Income tax charge	稅項支出	(154.52)	(191.70)	-19.4%
Profit from operations after taxation	除稅後經營溢利	739.13	983.38	-24.8%
Net profit attributable to the owners	股東應佔溢利淨額	517.91	536.67	-3.5%
Basic earnings per share (HK\$)	每股基本盈利(港元)	0.304	0.315	-0.011 dollar 元
Interim dividend proposed	派發中期股息建議	-	-	-

		At 30 June 2013 於二零一三年 六月三十日 HK\$ million 百萬港元	At 31 December 2012 於二零一二年 十二月 三十一日 HK\$ million 百萬港元	Change 變化
Total equity	總權益	23,396.51	20,992.42	+11.5%
- Per share (HK\$)	- 每股(港元)	13.715	12.306	+1.409 dollars 元
Owners' equity	股東應佔權益	14,174.64	13,836.77	+2.4%
- Per share (HK\$)	- 每股(港元)	8.309	8.111	+0.198 dollar 元
Group embedded value	總內涵價值	49,190.65	37,656.14	+30.6%
- Per share (HK\$)	- 每股(港元)	28.836	22.074	+6.762 dollars 元
Owners' group embedded value	股東應佔總內涵價值	27,019.55	22,171.96	+21.9%
- Per share (HK\$)	- 每股(港元)	15.839	12.997	+2.842 dollars 元

Management Discussion and Analysis

管理層討論和分析

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：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Life insurance	人壽保險	289.84	789.05	-63.3%
Property and casualty insurance	財產保險	388.55	317.05	+22.6%
PRC operations	中國業務	209.27	114.63	+82.6%
Hong Kong operations	香港業務	179.28	202.42	-11.4%
Reinsurance	再保險	195.06	(75.62)	-
Pension and group life insurance	養老及團體人壽保險	2.30	(44.36)	-
Asset management	資產管理	10.50	22.66	-53.7%
Insurance intermediary	保險中介業務	7.27	5.68	+28.0%
E-Commerce business	電子商務業務	(46.40)	-	-
Others ¹	其他 ¹	(107.99)	(31.08)	+2.5 times 倍
Net profit from operations	除稅後經營淨溢利	739.13	983.38	-24.8%
Non-controlling interests	非控股股東權益	(221.22)	(446.71)	-50.5%
Net profit attributable to the owners	股東應佔溢利淨額	517.91	536.67	-3.5%

¹ Others mainly include the results of the holding company and consolidation adjustments.

¹ 其他主要包括控股公司本部的經營成果及合併調整。

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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

		2013 二零一三年	2012 二零一二年
Total equity as at 1 January, as previously reported	於一月一日之總權益·如前呈報	20,992.42	16,874.05
Effect of changes in accounting policy	會計政策變更之影響	-	154.94
Total equity as at 1 January, as restated	於一月一日之總權益·重列後	20,992.42	17,028.99
Net profit recognized in statement of profit or loss	確認於損益表之溢利淨額	739.13	983.38
Net changes in AFS investment reserve	可供出售投資儲備變化淨額	(484.71)	1,471.25
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	33.55	103.54
Exchange gain/(loss) 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/(虧損)	279.21	(71.00)
Capital contribution made to a subsidiary by its non-controlling shareholder	由附屬公司之非控股股東向其注入資本	1,821.22	142.75
Deemed disposal of partial interest in a subsidiary	被視為出售附屬公司的部份權益	15.69	-
Other movements ²	其他變動 ²	-	3.84
Total equity as at 30 June	於六月三十日之總權益	23,396.51	19,662.75
Attributable to:	應佔:		
Owners of the Company	本公司股東權益	14,174.64	12,965.90
Non-controlling interests	非控股股東權益	9,221.87	6,696.85
		23,396.51	19,662.75

² For 2012, 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.

² 二零一二年·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 INVESTMENT PERFORMANCE

綜合投資表現

Consolidated investment assets

綜合投資資產

The total investments of the Group are summarized as follows: 本集團的投資總值概述如下：

	At 30 June 2013		At 31 December 2012	
	於二零一三年六月三十日	於二零一二年十二月三十一日	於二零一三年六月三十日	於二零一二年十二月三十一日
	HK\$ million	% of Total	HK\$ million	% of Total
	百萬港元	佔總額百分比	百萬港元	佔總額百分比
Debt securities	138,042.62	56.7%	121,916.45	55.5%
Debt schemes	25,360.96	10.4%	20,611.64	9.4%
Equity securities	10,946.50	4.5%	7,799.61	3.6%
Investment funds	8,884.36	3.6%	9,331.64	4.2%
Cash and bank deposits	55,928.07	23.0%	56,137.22	25.5%
Investment properties	4,317.92	1.8%	3,990.22	1.8%
Total investments	243,480.43	100.0%	219,786.78	100.0%

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

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、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：

At 30 June 2013, HK\$ million

於二零一三年六月三十日，百萬港元

		HTM	AFS	HFT/DVPL	LR	Total
		持有至到期日	可供出售	持有作交易用途／指定為通過損益以反映公允價值	貸款及應收款項	
Debt securities	債務證券	101,188.64	34,893.27	188.85	1,771.86	138,042.62
Debt schemes	債權計劃	–	–	–	25,360.96	25,360.96
Equity securities	股本證券	–	10,946.50	–	–	10,946.50
Investment funds	投資基金	–	8,744.10	140.26	–	8,884.36
		101,188.64	54,583.87	329.11	27,132.82	183,234.44

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Consolidated investment assets (Continued)

At 31 December 2012, HK\$ million

綜合投資表現 (續)

綜合投資資產 (續)

於二零一二年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT/DVPL 持有作交易 用途／指定 為通過損益 以反映公允 價值	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	92,139.32	27,635.50	618.07	1,523.56	121,916.45
Debt schemes 債權計劃	–	–	–	20,611.64	20,611.64
Equity securities 股本證券	–	7,799.33	0.28	–	7,799.61
Investment funds 投資基金	–	8,383.88	947.76	–	9,331.64
	92,139.32	43,818.71	1,566.11	22,135.20	159,659.34

As at 30 June 2013, 96.2% of the Group's investment in debt securities from banks and other financial institutions has a credit rating of A or above (31 December 2012: 95.8%), while for debt securities from corporate entities, 97.9% has a credit rating of A or above (31 December 2012: 97.3%). The credit ratings for debt securities issued in the PRC refer to domestic credit ratings, while the rest of the ratings refer to international ratings.

於二零一三年六月三十日，本集團持有之銀行及其他金融機構債務證券有96.2%的信用評級為A或以上（二零一二年十二月三十一日：95.8%），而企業實體債務證券有97.9%的信用評級為A或以上（二零一二年十二月三十一日：97.3%）。在中國發行的債務證券為當地的信用評級，而其他的評級則為國際信用評級。

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:

於報告期末各業務分部佔本集團投資總額賬面價值之百分比如下：

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日
Life insurance 人壽保險		87.4%	87.2%
Property and casualty insurance 財產保險		6.7%	6.7%
Reinsurance 再保險		3.0%	3.4%
Other businesses 其他業務		2.9%	2.7%
		100.0%	100.0%

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

綜合投資表現 (續)

Consolidated investment income

綜合投資收入

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

本集團確認於綜合損益表內之稅前總投資收入概述如下：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Net investment income ¹	淨投資收入 ¹	4,667.27	3,652.76	+27.8%
Net realized investment gains/(losses)	已實現投資收益／ (虧損)淨額	215.90	(342.22)	-
Net unrealized investment gains/(losses)	未實現投資收益／ (虧損)淨額	102.30	145.38	-29.6%
Net impairment gains/(losses) on securities	證券減值收益／ (虧損)淨額	(278.73)	(883.74)	-68.5%
Total investment income ²	總投資收入 ²	4,706.74	2,572.18	+83.0%
Net investment yield (annualized) ¹	年化淨投資收益率 ¹	4.4%	4.4%	-
Total investment yield (annualized) ²	年化總投資收益率 ²	4.4%	3.8%	+0.6 pt 點

¹ Net investment income mainly consists of fixed investment income such as interest income from debt securities and bank deposits. Net investment yield is derived from such net investment income.

¹ 淨投資收入主要由固定投資收入(例如債務證券及銀行存款的利息)組成。淨投資收益率以此計算。

² Total investment income is the summation of net investment income and the realized/unrealized investment gains/losses plus impairments. The total investment yield is derived from such total investment income.

² 總投資收入為淨投資收入、已實現和未實現收益／虧損及投資減值之總和。總投資收益率以此計算。

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Consolidated investment income (Continued)

Net investment income (mainly consisting of interest income from fixed income securities) recognized in the consolidated statement of profit or loss increased by 27.8% to HK\$4,667.27 million in the Period from HK\$3,652.76 million in the Last Period. Despite the poor performing PRC and Hong Kong equity markets, the investment portfolio achieved net investment gains (compared to losses in the Last Period) and a lower level of net impairment losses. As a result, total investment income recognized in the consolidated statement of profit or loss increased by 83.0% to HK\$4,706.74 million in the Period from HK\$2,572.18 million in the Last Period. The unrealized investment loss in the Period recognized in the fair value reserve was HK\$570.18 million (2012: gain of HK\$1,932.38 million).

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 costs 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 are also objective evidence of impairment. At the end of the reporting period, the net impairment loss on equities and investment funds recognized in the consolidated statement of profit or loss was HK\$278.73 million (2012: HK\$883.74 million).

綜合投資表現 (續)

綜合投資收入 (續)

確認於綜合損益表內的淨投資收入(主要由固定收入證券的利息收入組成)由去年同期的36.5276億港元增加27.8%至本財務期的46.6727億港元。儘管中國及香港的股票市場表現並不理想,投資組合仍獲得淨投資收益(相對去年同期錄得虧損)及較低的減值虧損淨額。因此,確認在綜合損益表的總投資收入由去年同期的25.7218億港元上升83.0%至本財務期的47.0674億港元。本財務期確認於公允價值儲備的未實現投資虧損為5.7018億港元(二零一二年:收益19.3238億港元)。

根據本集團減值政策,本集團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有減值的需要。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、經濟或法律方面一起或單獨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。於報告期末,綜合損益表內確認的股本證券及投資基金減值淨額為2.7873億港元(二零一二年:8.8374億港元)。

Management Discussion and Analysis

管理層討論和分析

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 six months ended 30 June 2013, HK\$ million

截至二零一三年六月三十日止六個月，百萬港元

	Recognized in the consolidated statement of profit or loss 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 淨投資收入			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
	Interest income/(expense) 利息收入／(支出)	Dividend income 股息收入	Rental income 租金收入						
Debt securities 債務證券									
HTM 持有至到期日	2,252.77	-	-	-	-	-	2,252.77	2,252.77	
AFS 可供出售	711.55	-	-	54.92	-	-	766.47	744.31	
HFT/DVPL 持有作交易用途／指定為通過損益以反映公允價值	9.73	-	-	10.25	(0.54)	-	19.44	19.44	
LR 貸款及應收款項	38.60	-	-	-	-	-	38.60	38.60	
Debt schemes 債權計劃									
LR 貸款及應收款項	655.37	-	-	-	-	-	655.37	655.37	
Equity securities 股本證券									
AFS 可供出售	-	158.58	-	79.79	-	(77.36)	161.01	(447.74)	
HFT 持有作交易用途	-	-	-	-	-	-	-	-	
Investment funds 投資基金									
AFS 可供出售	-	122.11	-	61.62	-	(201.37)	(17.64)	43.09	
HFT 持有作交易用途	-	11.92	-	0.40	0.09	-	12.41	12.41	
Cash and bank deposits 現金及銀行存款	1,075.10	-	-	-	-	-	1,075.10	1,075.10	
Investment properties 投資物業	-	-	54.28	-	102.75	-	157.03	157.03	
Securities sold/purchased under repurchase/resale agreements 賣出回購／買入返售證券	(422.74)	-	-	-	-	-	(422.74)	(422.74)	
Others 其他	-	-	-	8.92	-	-	8.92	8.92	
	4,320.38	292.61	54.28	215.90	102.30	(278.73)	4,706.74	4,136.56	

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

綜合投資表現 (續)

(Continued)

Consolidated investment income (Continued)

綜合投資收入 (續)

For the six months ended 30 June 2012, HK\$ million

截至二零一二年六月三十日止六個月·百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入			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
		Interest income/(expense) 利息收入/(支出)	Dividend income 股息收入	Rental income 租金收入						
Debt securities	債務證券									
HTM	持有至到期日	1,958.90	-	-	-	-	1,958.90	-	1,958.90	
AFS	可供出售	533.03	-	-	46.34	-	579.37	264.55	843.92	
HFT/DVPL	持有作交易用途/指定為通過損益以反映公允價值	1.69	-	-	6.93	2.29	10.91	-	10.91	
LR	貸款及應收款項	30.93	-	-	-	-	30.93	-	30.93	
Debt schemes	債權計劃									
LR	貸款及應收款項	357.05	-	-	-	-	357.05	-	357.05	
Equity securities	股本證券									
AFS	可供出售	-	110.56	-	(558.74)	-	(551.85)	588.48	36.63	
HFT	持有作交易用途	-	0.59	-	0.44	(0.39)	0.64	-	0.64	
Investment funds	投資基金									
AFS	可供出售	-	19.63	-	162.81	-	(597.63)	1,079.35	481.72	
HFT	持有作交易用途	-	0.89	-	-	0.06	0.95	-	0.95	
Cash and bank deposits	現金及銀行存款	757.28	-	-	-	-	757.28	-	757.28	
Investment properties	投資物業	-	-	42.43	-	143.42	185.85	-	185.85	
Securities sold/purchased under repurchase/resale agreements	賣出回購/買入返售證券	(160.22)	-	-	-	-	(160.22)	-	(160.22)	
		3,478.66	131.67	42.43	(342.22)	145.38	(883.74)	2,572.18	1,932.38	
									4,504.56	

Management Discussion and Analysis

管理層討論和分析

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:

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：

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Gross premiums written and premium deposits	毛承保保費及保費存款	40,493.20	23,855.00	+69.7%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	74.69	5.23	+13.3 times 倍
Premium deposits of unit-linked products	投資連結產品之保費存款	36.06	80.78	-55.4%
Premium deposits of other products	其他產品之保費存款	127.88	112.06	+14.1%
Gross premiums written recognized in statement of profit or loss	確認於損益表之毛承保保費	40,254.57	23,656.93	+70.2%
Policy fees	保單費收入	49.99	77.72	-35.7%
Net premiums written and policy fees	淨承保保費及保單費收入	40,188.38	23,641.38	+70.0%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	40,175.07	23,662.18	+69.8%
Net policyholders' benefits	保單持有人利益淨額	(5,905.48)	(4,078.43)	+44.8%
Net commission expenses	佣金支出淨額	(3,280.28)	(1,898.00)	+72.8%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(31,085.08)	(16,144.03)	+92.5%
Total investment income	總投資收入	4,034.24	2,033.97	+98.3%
Administrative and other expenses	行政及其他費用	(3,588.81)	(2,666.94)	+34.6%
Finance costs	財務費用	(224.12)	(221.98)	+1.0%
Profit from operation before taxation	除稅前經營溢利	400.18	869.67	-54.0%
Profit from operation after taxation	除稅後經營溢利	289.84	789.05	-63.3%
Profit from operation attributable to the owners	股東應佔經營溢利	145.07	394.92	-63.3%

Management Discussion and Analysis

管理層討論和分析

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：

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日	Change 變化
Market share ¹	市場份額 ¹	5.2%	3.7%	+1.5 pts 點
Number of provincial branches	省級分公司數目	34	34	-
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	882	856	+26
Number of customers	客戶數目			
- Individual	- 個人	6,731,120	6,556,334	+174,786
- Corporate	- 公司	2,286	2,599	-313
Distribution network	分銷網絡			
- Number of individual agents	- 個人代理數目	109,131	57,860	+51,271
- Number of bancassurance outlets	- 銀行保險銷售網點數目	22,555	22,105	+450
Agent productivity	代理產能			
- First year premium per agent and per month (HK\$)	- 每名代理每月首年保費 (港元)	12,287.25	7,931.38	+4,355.87
- Number of new policies per agent and per month	- 每名代理每月新保單數目	1.34	1.80	-0.46
Persistence ratios	第13個月之保費繼續率 ²			
- 13th month ²				
- Individual	- 個人	92.9%	92.3%	+0.6 pt 點
- Bancassurance	- 銀行保險	92.9%	92.9%	-
Compound persistence ratios	第25個月之保費複合繼續率 ²			
- 25th month ²				
- Individual	- 個人	89.0%	88.5%	+0.5 pts 點
- Bancassurance	- 銀行保險	89.8%	90.2%	-0.4 pts 點
Regulatory solvency margin ratio	監管性償付能力充足率	223%	164%	+59 pts 點

¹ Based on premiums published by the CIRC.

¹ 據中國保監會刊發之保費計算。

² Based on the amount of premiums.

² 按保費金額。

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

Operating Profit

The life insurance business produced a net operating profit of HK\$289.84 million during the Period (2012: HK\$789.05 million), representing a decrease of 63.3% compared to the Last Period. The net operating profit attributable to the owners amounted to HK\$145.07 million (2012: HK\$394.92 million). The decrease in net operating profit was due to significantly higher levels of single premium sales, which have lower profit margins.

Gross Premiums Written and Premium Deposits

TPL's gross premiums written recognized in the consolidated statement of profit or loss increased by 70.2% to HK\$40,254.57 million from HK\$23,656.93 million in the Last Period. The growth rate was much higher than industry averages, and TPL was able to increase its market share to 5.2% from 3.7% (as of the end of 31 December 2012). The increase in gross premiums written was primarily due to strong premium growth in both the individual agency force and bank distribution channels. TPL's strength in top-line growth occurred despite a very difficult operating environment during the Period, especially in the bank distribution channel.

人壽保險業務 (續)

經營溢利

於本財務期內，人壽保險業務之經營溢利淨額為2.8984億港元（二零一二年：7.8905億港元），較去年減少63.3%。股東應佔經營溢利淨額為1.4507億港元（二零一二年：3.9492億港元）。經營溢利淨額減少是由於躉繳保費產品銷售顯著提高，而此等產品的利潤相對較低。

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同期之236.5693億港元增加70.2%至402.5457億港元。保費增幅優於市場同業平均增幅，同時太平人壽保險市場佔有率由二零一二年十二月三十一日止年度的3.7%增加至5.2%。毛承保保費上升主要是由於個人代理及銀行分銷渠道的保費增長強勁。儘管期內經營環境非常嚴峻，太平人壽的保費增長仍然強勁，尤其在銀行分銷渠道。

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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

太平人壽按業務劃分之毛承保保費及保費存款如下：

For the six months ended 30 June 2013, HK\$ million

截至二零一三年六月三十日止六個月，百萬港元

		Gross premiums written recognized in the consolidated statement of profit or loss 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	14,034.54	2.04	13.34	86.68	14,136.60	34.9%
Bancassurance	銀行保險	25,549.26	72.65	22.72	0.72	25,645.35	63.3%
Group	團體	20.43	-	-	40.48	60.91	0.2%
Other Channels ¹	多元銷售 ¹	650.34	-	-	-	650.34	1.6%
		40,254.57	74.69	36.06	127.88	40,493.20	100.0%

For the six months ended 30 June 2012, HK\$ million

截至二零一二年六月三十日止六個月，百萬港元

		Gross premiums written recognized in the consolidated statement of profit or loss 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	9,487.43	-	19.37	81.11	9,587.91	40.2%
Bancassurance	銀行保險	13,625.04	5.23	61.41	0.71	13,692.39	57.4%
Group	團體	87.77	-	-	30.24	118.01	0.5%
Other Channels ¹	多元銷售 ¹	456.69	-	-	-	456.69	1.9%
		23,656.93	5.23	80.78	112.06	23,855.00	100.0%

¹ Other Channels is comprised of mainly telemarketing.

¹ 多元銷售主要由電話營銷組成。

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

During the Period, premiums distributed through the individual agency force channel increased to HK\$14,034.54 million from HK\$9,487.43 million in the Last Period, representing a significant increase of 47.9%. The resiliency of the agency force channel during the Financial Crisis continues to carry forward to today, and the strong momentum in this business line is laying the foundations for future growth. TPL's initiative to increase its agency force was highly successful, as agent numbers reached 109,131 as of 30 June 2013 (31 December 2012: 57,860). TPL was able to rapidly grow its agency force and increase new agent retention despite continued fierce competition for agency professionals among life insurers in China. The growing agency force numbers bodes well for the future, as the new agents will gain more experience and better productivity in the years to come.

In the bancassurance channel, premium increased to HK\$25,549.26 million from HK\$13,625.04 million in the Last Period, representing a substantial increase of 87.5%. The sales increase was mainly due to strong single premium sales. With more single premium products sold through the banks, the relationship between the banks and TPL can further be strengthened, which will allow TPL to sell more regular premium products through the bank channel during the rest of the year. TPL will be focusing on selling regular premium products through the bank channel during the second half of 2013.

The persistency ratios remained high and attractive, and was at 92.9% and 92.9% at the 13th month and 89.0% and 89.8% at the 25th month for the individual agency and bancassurance channels, respectively.

人壽保險業務 (續)

本財務期內，透過個人代理隊伍分銷的保費由去年同期的94.8743億港元上升至140.3454億港元，大幅增長47.9%。自金融風暴以來個人代理隊伍人數反彈持續至今。太平人壽擴大代理隊伍的舉措非常成功，於二零一三年六月三十日代理隊伍數目增加至109,131人（二零一二年十二月三十一日：57,860人）儘管中國人壽保險市場同業間的專業代理競爭持續激烈，太平人壽仍能快速壯大其代理隊伍及提升新代理的留存率。隨著新代理在未來累積更多的經驗及生產力提高，為未來的發展奠定了基礎。

銀行保險渠道方面，保費由去年同期136.2504億港元上升至255.4926億港元，大幅增幅87.5%。銷售上升大部份由於躉繳保費銷售強勁。通過銀行渠道銷售躉繳保費產品，能進一步鞏固太平人壽與銀行的合作關係，有利於太平人壽在下半年通過銀行渠道銷售更多期繳保費產品。於二零一三年下半年，太平人壽將著重銀行渠道期繳保費產品的銷售。

續保率仍然維持驕人的水平，個人代理及銀行保險渠道第13個月保費繼續率分別為92.9%及92.9%，而第25個月保費複合繼續率則分別為89.0%及89.8%。

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarized as follows:

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：

HK\$ million

百萬港元

Individual

個人

		1H 2013 二零一三年 上半年	% of Total 佔總額百分比	1H 2012 二零一二年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	454.43	3.2%	21.78	0.2%
Regular Premium	期繳保費				
- First Year	- 首年	4,569.72	32.6%	2,120.11	22.3%
- Renewal Year	- 續年	9,010.39	64.2%	7,345.54	77.5%
		14,034.54	100.0%	9,487.43	100.0%

Bancassurance

銀行保險

		1H 2013 二零一三年 上半年	% of Total 佔總額百分比	1H 2012 二零一二年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	17,023.77	66.6%	5,943.43	43.6%
Regular Premium	期繳保費				
- First Year	- 首年	1,061.25	4.2%	1,275.03	9.4%
- Renewal Year	- 續年	7,464.24	29.2%	6,406.58	47.0%
		25,549.26	100.0%	13,625.04	100.0%

Group

團體

		1H 2013 二零一三年 上半年	% of Total 佔總額百分比	1H 2012 二零一二年 上半年	% of Total 佔總額百分比
Employee Benefit ("EB")	僱員福利	20.43	100.0%	87.77	100.0%
Annuity	年金	-	-	-	-
		20.43	100.0%	87.77	100.0%

Other Channels

多元銷售

		1H 2013 二零一三年 上半年	% of Total 佔總額百分比	1H 2012 二零一二年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	-	-	-	-
Regular Premium	期繳保費				
- First Year	- 首年	246.55	37.9%	230.60	50.5%
- Renewal Year	- 續年	403.79	62.1%	226.09	49.5%
		650.34	100.0%	456.69	100.0%

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

First year regular premium sales in the individual agency force channel increased strongly during the Period, as the agency force continued to show resilience and is now beginning to gain greater momentum. First year regular premium sales in the bank channel decreased during the Period, due to TPL's deliberate strategy of focusing on single premium sales during the first part of the year.

During the first half of 2013, the business sold through the agency force maintained its high quality. Although the average duration of the products came down, the vast proportion of products sold continued to be either long term savings or long term protection products. For individual first year regular premium, the premium by payment term and feature were as follows:

HK\$ million

Individual first year regular premium – by payment term

		1H 2013		1H 2012	
		二零一三年 上半年	% of Total 佔總額百分比	二零一二年 上半年	% of Total 佔總額百分比
3-9 years	3-9年	1,782.32	39.0%	286.35	13.5%
10-19 years	10-19年	1,531.47	33.5%	627.40	29.6%
20-29 years	20-29年	1,164.34	25.5%	1,100.61	51.9%
30 years+	30年+	91.59	2.0%	105.75	5.0%
		4,569.72	100.0%	2,120.11	100.0%

Individual first year regular premium – by feature

		1H 2013		1H 2012	
		二零一三年 上半年	% of Total 佔總額百分比	二零一二年 上半年	% of Total 佔總額百分比
Short term savings	短期儲蓄型	119.43	2.6%	231.79	10.9%
Long term savings	長期儲蓄型	3,361.14	73.6%	1,200.21	56.6%
Long term protection	長期保障型	870.73	19.1%	484.43	22.9%
Others	其他	218.42	4.7%	203.68	9.6%
		4,569.72	100.0%	2,120.11	100.0%

人壽保險業務 (續)

期內代理隊伍人數繼續出現反彈並開始獲得更大的上升動力，使個人代理渠道的首年期繳保費銷售大幅上升。由於太平人壽上半年經深思熟慮後採取側重躉繳保費銷售的戰略，期內銀行渠道的首年期繳保費銷售減少。

於二零一三年上半年，透過個人代理隊伍銷售的業務維持高質量。儘管產品的平均期限下降，大部份的產品均屬長期儲蓄型或長期保障型產品。個人代理銷售期繳新單保費按繳費年期及產品形態分類載列如下：

百萬港元

個人首年期繳保費—按繳費期

個人首年期繳保費—按產品形態

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

Despite the focus on single premium sales in the bank channel, most of the regular premium products sold through the bank branches continued to be of long duration, with nearly 80.2% of the products sold having payment terms of at least 10 years. For bancassurance first year regular premium, the premium by payment term was as follows:

Bancassurance first year regular premium – by payment term

		1H 2013		1H 2012	
		二零一三年	% of Total	二零一二年	% of Total
		上半年	佔總額百分比	上半年	佔總額百分比
5-9 years	5-9年	195.14	18.4%	186.53	14.6%
10-14 years	10-14年	851.43	80.2%	1,082.58	84.9%
Others	其他	14.68	1.4%	5.92	0.5%
		1,061.25	100.0%	1,275.03	100.0%

人壽保險業務(續)

儘管銀行渠道專注於躉繳保費產品，經銀行分銷的期繳產品大部份仍為長年期繳型產品，接近80.2%繳費期為十年或以上。銀行保險首年期繳，按繳費年期劃分的保費分佈如下：

銀行保險首年期繳保費—按繳費期

TPL's gross premiums written by product structure were as follows:

HK\$ million

		1H 2013		1H 2012	
		二零一三年	% of Total	二零一二年	% of Total
		上半年	佔總額百分比	上半年	佔總額百分比
Participating	分紅險	38,097.08	94.6%	21,927.79	92.7%
Long-term health	長期健康險	1,006.60	2.5%	1,006.60	4.3%
Traditional life	傳統壽險	705.35	1.8%	556.99	2.4%
Accident and short-term health	意外及短期健康險	443.90	1.1%	164.56	0.6%
Annuity	年金	1.02	0.0%	0.00	0.0%
Investment-linked	投資連結險	0.62	0.0%	1.05	0.0%
Universal life	萬能險	0.00	0.0%	(0.06)	0.0%
Total	總額	40,254.57	100.0%	23,656.93	100.0%

太平人壽按險種結構的毛承保保費分佈如下：

百萬港元

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

Bancassurance first year regular premium – by payment term (Continued)

銀行保險首年期繳保費—按繳費期 (續)

TPL's gross premiums written by region were as follows:

太平人壽按區域的毛承保保費分佈如下：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	% of Total 佔總額百分比	1H 2012 二零一二年 上半年	% of Total 佔總額百分比
Sichuan	四川	4,453.96	11.1%	2,603.80	11.0%
Shandong	山東	3,565.03	8.9%	1,970.97	8.3%
Guangdong	廣東	3,366.25	8.4%	2,167.68	9.2%
Beijing	北京	2,804.74	7.0%	1,588.78	6.7%
Henan	河南	2,187.51	5.4%	1,441.49	6.1%
Others	其他	23,877.08	59.2%	13,884.21	58.7%
Total	總額	40,254.57	100.0%	23,656.93	100.0%

Highlight on Embedded Value

內涵價值摘要

In order to improve the competitiveness of TPL's products and to bring the embedded value and new business value more in line with the market for comparison purposes, TPL has adjusted the assumptions on investment return. The embedded value of TPL (expressed in terms of HKD) has increased 43.2% to HK\$41,938 million from HK\$29,286 million at 31 December 2012. Likewise, the new business value after cost of capital for the Period increased to HK\$1,650 million from HK\$1,283 million at the end of Last Period, representing a growth of 28.6%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

為加強太平人壽產品的競爭能力及使內涵價值及新業務價值與市場保持可比性，太平人壽已調整投資回報率的假設。太平人壽的內涵價值（以港幣折算）由二零一二年十二月三十一日之292.86億港元增加43.2%至419.38億港元。同樣地，本財務期之新業務扣除資本成本後之價值為16.50億港元，較去年同期末之12.83億港元增長28.6%。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。

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

Investment Performance

投資表現

The composition of investments held by TPL was as follows: 太平人壽所持之投資組合如下：

		At 30 June 2013		At 31 December 2012	
		於二零一三年六月三十日	於二零一二年十二月三十一日	於二零一二年十二月三十一日	於二零一三年六月三十日
		HK\$ million	% of Total	HK\$ million	% of Total
		百萬港元	佔總額百分比	百萬港元	佔總額百分比
Debt securities	債務證券	123,745.66	58.1%	108,769.46	56.7%
Debt schemes	債權計劃	23,181.15	10.9%	19,748.76	10.3%
Equity securities	股本證券	10,093.99	4.7%	7,372.51	3.8%
Investment funds	投資基金	8,334.81	3.9%	8,731.25	4.5%
Cash and bank deposits	現金及銀行存款	44,664.12	21.0%	44,693.42	23.3%
Investment properties	投資物業	2,868.98	1.4%	2,601.22	1.4%
Total investments	投資總額	212,888.71	100.0%	191,916.62	100.0%

During the Period, with poor equity markets performance and conditions in the PRC, TPL was 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, debt schemes and cash and bank deposits constituted a combined total of approximately 90.0% of the total invested assets as at 30 June 2013 (31 December 2012: 90.3%).

於本財務期內，中國股票市場表現欠佳，因此太平人壽對於其投資組合的資產配置十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、債權計劃、現金及銀行存款於二零一三年六月三十日合共佔投資資產總額約90.0%（二零一二年十二月三十一日：90.3%）。

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 30 June 2013, HK\$ million

於二零一三年六月三十日，百萬港元

		HTM	AFS	HFT	LR	Total
		持有至到期日	可供出售	持有作交易用途	貸款及應收款項	
Debt securities	債務證券	96,507.48	26,666.97	–	571.21	123,745.66
Debt schemes	債權計劃	–	–	–	23,181.15	23,181.15
Equity securities	股本證券	–	10,093.99	–	–	10,093.99
Investment funds	投資基金	–	8,233.55	101.26	–	8,334.81
		96,507.48	44,994.51	101.26	23,752.36	165,355.61

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務(續)

At 31 December 2012, HK\$ million

於二零一二年十二月三十一日·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	87,660.70	20,794.27	–	314.49	108,769.46
Debt schemes	債權計劃	–	–	–	19,748.76	19,748.76
Equity securities	股本證券	–	7,372.51	–	–	7,372.51
Investment funds	投資基金	–	7,817.94	913.31	–	8,731.25
		87,660.70	35,984.72	913.31	20,063.25	144,621.98

The debt securities classified by type and class were as follows: 債務證券按類別分類如下：

HK\$ million

百萬港元

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日
Governments and central banks	政府及中央銀行	32,801.69	32,014.37
Banks and other financial institutions	銀行及其他金融機構	54,653.12	51,648.59
Corporate entities	企業實體	36,290.85	25,106.50
		123,745.66	108,769.46

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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

太平人壽確認於綜合損益表內之稅前總投資收入及稅前投資收益率概述如下：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Net investment income ¹	淨投資收入 ¹	4,081.03	3,167.89	+28.8%
Net realized investment gains/(losses)	已實現投資收益/ (虧損)淨額	176.56	(301.90)	-
Net unrealized investment gains/(losses)	未實現投資收益/ (虧損)淨額	55.38	35.88	+54.3%
Net impairment gains/(losses) on securities	證券減值收益/ (虧損)淨額	(278.73)	(867.90)	-67.9%
Total investment income ²	總投資收入 ²	4,034.24	2,033.97	+98.3%
Net investment yield (annualized) ¹	年化淨投資收益率 ¹	4.5%	4.4%	+0.1 pt 點
Total investment yield (annualized) ²	年化總投資收益率 ²	4.4%	3.6%	+0.8 pt 點

¹ Net investment income mainly consists of fixed investment income such as interest income from debt securities and bank deposits. Net investment yield is derived from such net investment income.

¹ 淨投資收入主要由固定投資收入(例如債務證券及銀行存款的利息)組成。淨投資收益率以此計算。

² Total investment income is the summation of net investment income and the realized/unrealized investment gains/losses plus impairments. The total investment yield is derived from such total investment income.

² 總投資收入為淨投資收入、已實現和未實現收益/虧損及投資減值之總和。總投資收益率以此計算。

The net investment income (mainly consisting of interest income from fixed income securities) increased by 28.8% to HK\$4,081.03 million in the Period from HK\$3,167.89 million in the Last Period. However, with equities in the PRC not performing well during the Period, TPL continued to experience net impairment losses on securities. However, such impairments were at lower levels than the Last Period. As a result, TPL's total investment income was a gain of HK\$4,034.24 million during the Period, representing an increase of 98.3% from the gain of HK\$2,033.97 million in the Last Period. Apart from the above investment income of HK\$4,034.24 million recognized in the consolidated statement of profit or loss, the unrealized investment loss in the Period recognized in the fair value reserve was HK\$355.50 million (2012: gain of HK\$1,678.20 million).

淨投資收入(主要由固定收入證券的利息收入組成)由去年同期的31.6789億港元增加28.8%至本財務期的40.8103億港元。然而,由於本財務期在中國的股票投資表現並不理想,太平人壽繼續錄得證券減值淨額,但該等減值較去年同期低。因此,太平人壽於本財務期錄得總投資收入40.3424億港元,較去年同期20.3397億港元收益增加98.3%。除上述確認於綜合損益表內的投資收入40.3424億港元外,本財務期確認於公允價值儲備的未實現投資虧損為3.5550億港元(二零一二年:收益16.7820億港元)。

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

For the six months ended 30 June 2012, HK\$ million

截至二零一二年六月三十日止六個月，百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入			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	
		Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入	Rental income 租金收入					
Debt securities	債務證券								
HTM	持有至到期日	1,849.30	-	-	-	-	-	1,849.30	-
AFS	可供出售	371.86	-	-	0.24	-	-	372.10	137.61
HFT	持有作交易用途	0.01	-	-	2.35	-	-	2.36	-
LR	貸款及應收款項	8.69	-	-	-	-	-	8.69	-
Debt schemes	債權計劃								
LR	貸款及應收款項	336.41	-	-	-	-	-	336.41	-
Equity securities	股本證券								
AFS	可供出售	-	98.28	-	(474.68)	-	(89.42)	(465.82)	454.21
Investment funds	投資基金								
AFS	可供出售	-	12.02	-	170.19	-	(778.48)	(596.27)	1,086.38
HFT	持有作交易用途	-	0.01	-	-	-	-	0.01	-
Cash and bank deposits	現金及銀行存款	631.30	-	-	-	-	-	631.30	-
Investment properties	投資物業	-	-	22.19	-	35.88	-	58.07	-
Securities sold/ purchased under repurchase/resale agreements	賣出回購/ 買入返售證券	(162.18)	-	-	-	-	-	(162.18)	-
		3,035.39	110.31	22.19	(301.90)	35.88	(867.90)	2,033.97	1,678.20
									3,712.17

Management Discussion and Analysis

管理層討論和分析

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：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Net claims	賠償淨額	317.15	320.88	-1.2%
Surrenders	退保額	2,983.86	1,789.21	+66.8%
Annuity, dividends and maturity payments	年金、分紅及到期付款	2,175.49	1,441.65	+50.9%
Interest allocated to investment contract	分配至投資合約之利益	428.98	526.69	-18.6%
		5,905.48	4,078.43	+44.8%

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：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Staff costs	員工成本	2,089.73	1,592.35	+31.2%
Rental expenses	租賃開支	201.12	169.56	+18.6%
Others	其他	1,297.96	905.03	+43.4%
		3,588.81	2,666.94	+34.6%

Management Discussion and Analysis

管理層討論和分析

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

The Group's property and casualty insurance segment in the PRC 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.

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

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

HK\$ million

財產保險業務—由太平財險營運之中國業務

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。

以下數字為集團內部對銷前，太平財險的營運業績。

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：

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Gross premiums written	毛承保保費	6,513.26	4,507.51	+44.5%
Net premiums written	淨承保保費	5,468.29	3,940.20	+38.8%
Net earned premiums	已賺取保費淨額	4,733.44	3,415.53	+38.6%
Net claims incurred	賠款淨額	(2,393.02)	(1,671.24)	+43.2%
Underwriting expenses	承保費用	(2,099.66)	(1,480.42)	+41.8%
Net commission expenses	佣金支出淨額	(214.43)	(198.26)	+8.2%
Underwriting profit	承保溢利	26.33	65.61	-59.9%
Total investment income	總投資收入	228.59	125.94	+81.5%
Other gain and other income	其他收益及其他收入	6.88	9.93	-30.7%
Other administrative expenses	其他行政費用	(34.75)	(3.27)	+9.6 times 倍
Finance costs	財務費用	(27.18)	(27.07)	+0.4%
Profit from operation before taxation	除稅前經營溢利	199.87	171.14	+16.8%
Profit from operation after taxation	除稅後經營溢利	209.27	114.63	+82.6%
Profit from operation attributable to the owners	股東應佔經營溢利	128.09	70.17	+82.6%
Technical reserves ratio	技術性儲備比率	149.5%	164.8%	-15.3 pts 點
Retained ratio	自留比率	84.0%	87.4%	-3.4 pts 點
Earned premiums ratio	已賺取保費率	72.7%	75.8%	-3.1 pts 點
Loss ratio ¹	賠付率 ¹	50.6%	48.9%	+1.7 pts 點
Expense ratio ¹	費用率 ¹	48.9%	49.1%	-0.2 pt 點
Combined ratio ²	綜合成本率 ²	99.5%	98.0%	+1.5 pts 點

¹ Both the loss ratio and expense ratio are based on net earned premiums.

² The combined ratio is the sum of the loss ratio and the expense ratio.

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² 綜合成本率為賠付率與費用率的總和。

Management Discussion and Analysis

管理層討論和分析

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：

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日	Change 變化
Market share ¹	市場份額 ¹	1.6%	1.4%	+0.2 pt 點
Number of provincial branches	省級分公司數目	28	28	–
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	392	360	+32
Number of customers	客戶數目			
– Individual	– 個人	2,610,243	2,022,276	+587,967
– Corporate	– 公司	191,083	177,654	+13,429
Distribution network	分銷網絡			
– Number of direct sales representatives	– 直接銷售代表數目	6,478	5,484	+994
– Number of insurance agents ²	– 保險代理人數目 ²	13,130	12,684	+446
Regulatory solvency margin ratio	監管性償付能力充足率	173%	163%	+10 pts 點

¹ Based on premiums published by the CIRC.

¹ 據中國保監會刊發之保費計算。

² The number of insurance agents includes individual agents, professional agents and ancillary agents.

² 保險代理數量包括個人代理人、專業代理人及兼業代理人。

Operating Profit

經營溢利

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$209.27 million during the Period (2012: HK\$114.63 million). The net operating profit attributable to the owners amounted to HK\$128.09 million (2012: HK\$70.17 million). During the Period, TPI was able to significantly expand the scale of its business, while maintaining solid underwriting profitability. TPI focused on risk management, claims control, customer service and overall cost management (especially sales costs), which have allowed the operations to maintain satisfactory profit margins despite heightened industry competition.

於本財務期內，由太平財險經營之財產保險業務經營溢利淨額為2.0927億港元（二零一二年：1.1463億港元）。股東應佔經營溢利淨額為1.2809億港元（二零一二年：7,017萬港元）。於本財務期內，太平財險在維持穩定的承保溢利的前提下大幅擴大其業務規模。太平財險專注於風險管理、索賠控制、客戶服務及整體的成本控制（尤其是銷售成本），令太平財險在同業競爭加劇的情況下，仍取得令人滿意的溢利。

Management Discussion and Analysis

管理層討論和分析

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

TPI's gross premiums written increased by 44.5% to HK\$6,513.26 million from HK\$4,507.51 million in the Last Period. The growth rate was much higher than industry averages, and TPI was able to achieve an increase in market share to 1.6%. The detailed breakdown of TPI's gross premiums written was as follows:

太平財險之毛承保保費由去年同期之45.0751億港元上升44.5%至65.1326億港元。其保費增幅遠超同業的平均增幅，市場佔有率增加至1.6%。太平財險毛承保保費詳細分析如下：

HK\$ million

百萬港元

Business Line 業務種類	1H 2013 二零一三年 上半年		% of Total 佔總額百分比	1H 2012 二零一二年 上半年	
Motor 車險	5,223.01	80.2%		3,488.07	77.4%
Marine 水險	163.43	2.5%		128.38	2.9%
Non-marine 非水險	1,126.82	17.3%		891.06	19.7%
	6,513.26	100.0%		4,507.51	100.0%

TPI's gross premiums written by region were as follows:

太平財險按區域的毛承保保費分佈如下：

HK\$ million

百萬港元

	1H 2013 二零一三年 上半年		% of Total 佔總額百分比	1H 2012 二零一二年 上半年	
Sichuan 四川	703.76	10.8%		587.14	13.0%
Shenzhen 深圳	472.92	7.3%		359.27	8.0%
Shanghai 上海	421.78	6.5%		307.78	6.8%
Guangdong 廣東	399.35	6.1%		220.39	4.9%
Zhejiang 浙江	354.80	5.4%		231.42	5.1%
Others 其他	4,160.65	63.9%		2,801.51	62.2%
Total 總額	6,513.26	100.0%		4,507.51	100.0%

Management Discussion and Analysis

管理層討論和分析

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)

Combined Ratio

綜合成本率

TPI's combined ratio of 99.5% during the Period was higher than the 98.0% in the Last Period, and was the result of higher loss levels during the first six months of 2013. TPI's loss ratios, expense ratios and combined ratios were as follows:

於本財務期內，太平財險之綜合成本率為99.5%，高於去年同期之98.0%，這是由於太平財險在二零一三年首六個月的賠付率較高所致。太平財險之賠付率、費用率及綜合成本率情況如下：

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年
Loss ratio	賠付率	50.6%	48.9%
Expense ratio	費用率	48.9%	49.1%
Combined ratio	綜合成本率	99.5%	98.0%

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 30 June 2013 於二零一三年六月三十日		At 31 December 2012 於二零一二年十二月三十一日	
		HK\$ million 百萬港元	% of Total 佔總額百分比	HK\$ million 百萬港元	% of Total 佔總額百分比
Debt securities	債務證券	5,033.05	42.8%	4,601.99	44.9%
Debt schemes	債權計劃	1,556.71	13.3%	730.92	7.1%
Equity securities	股本證券	234.45	2.0%	118.88	1.2%
Investment funds	投資基金	154.83	1.3%	320.55	3.1%
Cash and bank deposits	現金及銀行存款	4,765.76	40.6%	4,473.15	43.7%
Total invested assets	投資總額	11,744.80	100.0%	10,245.49	100.0%

During the Period, equity investments were maintained at a low percentage of the asset allocation, while debt securities, debt schemes and cash and bank deposits constituted a combined total of approximately 96.7% of the total invested assets as at 30 June 2013 (31 December 2012: 95.7%).

於本財務期內，股本投資在資產配置維持在一個較低百分比，而債務證券、債權計劃、現金及銀行存款於二零一三年六月三十日合共佔投資資產總額約96.7%（二零一二年十二月三十一日：95.7%）。

Management Discussion and Analysis

管理層討論和分析

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 classification of TPI's investments in securities under HTM, AFS, HFT, DVPL 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、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：

At 30 June 2013, HK\$ million

於二零一三年六月三十日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT/DVPL 持有作 交易用途/ 指定為通過 損益以反映 公允價值	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	1,484.23	3,197.30	–	351.52	5,033.05
Debt schemes	債權計劃	–	–	–	1,556.71	1,556.71
Equity securities	股本證券	–	234.45	–	–	234.45
Investment funds	投資基金	–	154.83	–	–	154.83
		1,484.23	3,586.58	–	1,908.23	6,979.04

At 31 December 2012, HK\$ million

於二零一二年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT/DVPL 持有作 交易用途/ 指定為通過 損益以反映 公允價值	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	1,210.38	2,799.64	246.66	345.31	4,601.99
Debt schemes	債權計劃	–	–	–	730.92	730.92
Equity securities	股本證券	–	118.88	–	–	118.88
Investment funds	投資基金	–	320.55	–	–	320.55
		1,210.38	3,239.07	246.66	1,076.23	5,772.34

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

債務證券按類別分類如下：

HK\$ million

百萬港元

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日
Governments and central banks	政府及中央銀行	351.52	591.59
Banks and other financial institutions	銀行及其他金融機構	1,454.95	1,739.83
Corporate entities	企業實體	3,226.58	2,270.57
		5,033.05	4,601.99

Management Discussion and Analysis 管理層討論和分析

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

太平財險確認於綜合損益表內之稅前總投資收入及稅前投資收益率概述如下：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Net investment income ¹	淨投資收入 ¹	226.00	181.66	+24.4%
Net realized investment gains/(losses)	已實現投資收益/ (虧損)淨額	2.59	(55.29)	–
Net unrealized investment gains/(losses)	未實現投資收益/ (虧損)淨額	–	0.32	–
Net impairment gains/(losses) on securities	證券減值收益/ (虧損)淨額	–	(0.75)	–
Total investment income ²	總投資收入 ²	228.59	125.94	+81.5%
Net investment yield (annualized) ¹	年化淨投資收益率 ¹	4.6%	4.6%	–
Total investment yield (annualized) ²	年化總投資收益率 ²	4.6%	3.9%	+0.7 pt 點

¹ Net investment income mainly consists of fixed investment income such as interest income from debt securities and bank deposits. Net investment yield is derived from such net investment income.

¹ 淨投資收入主要由固定投資收入(例如債務證券及銀行存款的利息)組成。淨投資收益率以此計算。

² Total investment income is the summation of net investment income and the realized/unrealized investment gains/losses plus impairments. The total investment yield is derived from such total investment income.

² 總投資收入為淨投資收入、已實現和未實現收益/虧損及投資減值之總和。總投資收益率以此計算。

The net investment income (mainly consisting of interest income from fixed income securities) increased by 24.4% to HK\$226.00 million in the Period from HK\$181.66 million in the Last Period. Although equities in the PRC did not perform well during the Period, TPI experienced lower levels of net realized investment losses due to its low asset allocation to equities. As a result, TPI's total investment income was a gain of HK\$228.59 million during the Period, representing an increase of 81.5% from the gain of HK\$125.94 million in the Last Period. Apart from the above investment income of HK\$228.59 million recognized in the consolidated statement of profit or loss, the unrealized investment gain in the Period recognized in the fair value reserve was HK\$32.17 million (2012: HK\$76.65 million).

淨投資收入(主要由固定收入證券的利息收入組成)由去年同期的1.8166億港元增加24.4%至本財務期的2.26億港元。儘管本財務期在中國的股票投資表現並不理想,由於股票的資產佔比較低,太平財險遭受到較少的已實現投資虧損淨額。因此於本財務期內,太平財險的總投資收入為收益2.2859億港元,較去年同期1.2594億港元的收益增加81.5%。除上述確認於綜合損益表內的投資收入2.2859億港元外,本財務期確認於公允價值儲備的未實現投資收益為3,217萬港元(二零一二年:7,665萬港元)。

Management Discussion and Analysis

管理層討論和分析

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 six months ended 30 June 2013, HK\$ million

截至二零一三年六月三十日止六個月，百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入		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	
		Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入					
Debt securities	債務證券							
HTM	持有至到期日	32.83	-	-	-	-	32.83	32.83
AFS	可供出售	66.84	-	(0.27)	-	-	66.57	77.07
HFT/DVPL	持有作交易用途/ 指定為通過損益以 反映公允價值	3.72	-	0.46	-	-	4.18	4.18
LR	貸款及應收款項	10.07	-	-	-	-	10.07	10.07
Debt schemes	債權計劃							
LR	貸款及應收款項	34.45	-	-	-	-	34.45	34.45
Equity securities	股本證券							
AFS	可供出售	-	3.70	(1.59)	-	-	2.11	13.72
Investment funds	投資基金							
AFS	可供出售	-	-	3.99	-	-	3.99	14.05
Cash and bank deposits	現金及銀行存款	76.13	-	-	-	-	76.13	76.13
Securities sold/ purchased under repurchase/resale agreements	賣出回購/ 買入返售證券	(1.74)	-	-	-	-	(1.74)	(1.74)
		222.30	3.70	2.59	-	-	228.59	260.76

Management Discussion and Analysis

管理層討論和分析

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 six months ended 30 June 2012, HK\$ million

截至二零一二年六月三十日止六個月·百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入		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
		Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入						
Debt securities	債務證券								
HTM	持有至到期日	19.26	-	-	-	19.26	19.26		
AFS	可供出售	54.91	-	(3.89)	-	51.02	83.59		
HFT/DVPL	持有作交易用途/ 指定為通過損益 以反映公允價值	0.05	-	0.43	0.32	0.80	0.80		
LR	貸款及應收款項	9.36	-	-	-	9.36	9.36		
Debt schemes	債權計劃								
LR	貸款及應收款項	18.44	-	-	-	18.44	18.44		
Equity securities	股本證券								
AFS	可供出售	-	2.65	(40.71)	(0.10)	(38.16)	9.68		
Investment funds	投資基金								
AFS	可供出售	-	7.43	(11.12)	(0.65)	(4.34)	(8.10)		
Cash and bank deposits	現金及銀行存款	69.60	-	-	-	69.60	69.60		
Securities sold/ purchased under repurchase/resale agreements	賣出回購/ 買入返售證券	(0.04)	-	-	-	(0.04)	(0.04)		
		171.58	10.08	(55.29)	0.32	(0.75)	202.59		

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:

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Staff costs	員工成本	704.53	396.85	+77.5%
Rental expenses	租賃開支	45.26	27.39	+65.2%
Business tax and additional charges	營業稅金及附加費用	365.17	247.46	+47.6%
Others	其他	1,019.45	811.99	+25.5%
		2,134.41	1,483.69	+43.9%

Management Discussion and Analysis

管理層討論和分析

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:

HK\$ million

財產保險業務—由太平香港營運之香港業務

本集團之香港財產保險業務由太平香港營運。太平香港為香港註冊公司，並由本集團全資擁有。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，太平香港的營運業績。

由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：

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Gross premiums written	毛承保保費	694.72	565.82	+22.8%
Reinsurance premiums written	再保險承保保費	295.13	20.21	+13.6 times 倍
Net premiums written	淨承保保費	731.73	353.28	+1.1 times 倍
Net earned premiums	已賺取保費淨額	631.25	321.04	+96.6%
Net claims incurred	賠款淨額	(353.12)	(179.04)	+97.2%
Underwriting expenses	承保費用	(57.28)	(54.33)	+5.4%
Net commission expenses	佣金支出淨額	(198.88)	(68.02)	+1.9 times 倍
Underwriting profit	承保溢利	21.97	19.65	+11.8%
Total investment income	總投資收入	174.58	214.95	-18.8%
Other gain and other income	其他收益及其他收入	7.19	6.40	+12.3%
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	12.25	(5.43)	-
Net impairment losses write back of property	物業減值回撥淨額	-	11.64	-
Other administrative expenses	其他行政費用	(14.69)	(15.20)	-3.4%
Profit from operation before taxation	除稅前經營溢利	201.30	232.01	-13.2%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	179.28	202.42	-11.4%
Technical reserves ratio	技術性儲備比率	286.3%	434.8%	-148.5 pts 點
Retained ratio	自留比率	73.9%	60.3%	+13.6 pts 點
Earned premiums ratio	已賺取保費率	63.8%	54.8%	+9.0 pts 點
Loss ratio ¹	賠付率 ¹	55.9%	55.8%	+0.1 pt 點
Expense ratio ¹	費用率 ¹	40.6%	38.1%	+2.5 pts 點
Combined ratio ²	綜合成本率 ²	96.5%	93.9%	+2.6 pts 點

¹ Both the loss ratio and expense ratio are based on net earned premiums.

² The combined ratio is the sum of the loss ratio and the expense ratio.

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² 綜合成本率為賠付率與費用率的總和。

Management Discussion and Analysis

管理層討論和分析

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

財產保險業務—由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 net operating profit attributable to the owners of HK\$179.28 million during the Period (2012: HK\$202.42 million). The decrease was mainly attributable to lower real estate-related investment gains during the Period.

於本財務期內，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1.7928億港元（二零一二年：2.0242億港元）。溢利減少主要由於期內來自地產有關的投資收益較低所致。

Gross Premiums Written

毛承保保費

Gross premiums written increased by 22.8% to HK\$694.72 million from HK\$565.82 million in the Last Period. During the Period, CTPI (HK) increased its motor and employee benefit premiums. The marine business also produced solid gains, despite a very challenging and competitive environment. The detailed breakdown of gross premiums written was as follows:

毛承保保費由去年同期之5.6582億港元上升22.8%至6.9472億港元。於本財務期內，太平香港提高了來自車險及員工福利保險的保費收入。水險業務在競爭激烈的環境下仍錄得穩健增長，太平香港維持其市場地位。毛承保保費詳細分析如下：

HK\$ million

百萬港元

Business Line 業務種類		1H 2013		1H 2012	
		二零一三年 上半年	% of Total 佔總額百分比	二零一二年 上半年	% of Total 佔總額百分比
Motor	車險	140.43	20.2%	109.58	19.4%
Marine	水險	142.37	20.5%	127.50	22.5%
Non-marine	非水險	411.92	59.3%	328.74	58.1%
		694.72	100.0%	565.82	100.0%

Management Discussion and Analysis

管理層討論和分析

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

財產保險業務—由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 97.2% to HK\$353.12 million from HK\$179.04 million in the Last Period. The loss ratio increased slightly to 55.9% from 55.8% in the Last Period. The expense ratio, calculated based on net earned premiums, increased to 40.6% from 38.1% in the Last Period. As a result, the combined ratio increased to 96.5% from 93.9% in the Last Period. The loss ratios, expense ratios and combined ratios were as follows:

淨賠款總額由去年同期之1.7904億港元上升97.2%至3.5312億港元。賠付率由去年同期的55.8%輕微上升至55.9%。按已賺取保費淨額為基準計算之費用率由去年同期的38.1%上升至40.6%。因此，綜合成本率由去年同期的93.9%增加至96.5%。賠付率、費用率及綜合成本率情況如下：

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年
Loss ratio	賠付率	55.9%	55.8%
Expense ratio	費用率	40.6%	38.1%
Combined ratio	綜合成本率	96.5%	93.9%

Investment Performance

投資表現

The composition of investments was as follows:

投資組合情況如下：

		At 30 June 2013 於二零一三年六月三十日		At 31 December 2012 於二零一二年十二月三十一日	
		HK\$ million 百萬港元	% of Total 佔總額百分比	HK\$ million 百萬港元	% of Total 佔總額百分比
Debt securities	債務證券	1,794.09	38.4%	1,722.05	37.2%
Equity securities	股本證券	321.44	6.9%	151.42	3.3%
Investment funds	投資基金	205.44	4.4%	99.90	2.2%
Cash and bank deposits	現金及銀行存款	520.71	11.2%	919.08	19.8%
Investment properties	投資物業	1,824.91	39.1%	1,739.92	37.5%
Total invested assets	投資總額	4,666.59	100.0%	4,632.37	100.0%

Management Discussion and Analysis

管理層討論和分析

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

財產保險業務—由太平香港營運之香港業務 (續)

Investment Performance (Continued)

投資表現 (續)

During the Period, CTPI (HK) continued to be very cautious in its asset allocation for its investment portfolio. Although equity investments increased, they continued to represent a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 49.6% of the total invested assets as at 30 June 2013 (31 December 2012: 57.0%).

於本財務期內，太平香港對於其投資組合的資產配置仍然十分審慎。雖然股本投資增加但仍在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一三年六月三十日合共佔投資資產總額約49.6%（二零一二年十二月三十一日：57.0%）。

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 30 June 2013, HK\$ million

於二零一三年六月三十日，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	–	1,794.09	–	–	1,794.09
Equity securities	股本證券	–	321.44	–	–	321.44
Investment funds	投資基金	–	205.44	–	–	205.44
		–	2,320.97	–	–	2,320.97

At 31 December 2012, HK\$ million

於二零一二年十二月三十一日，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	–	1,722.05	–	–	1,722.05
Equity securities	股本證券	–	151.42	–	–	151.42
Investment funds	投資基金	–	99.90	–	–	99.90
		–	1,973.37	–	–	1,973.37

Management Discussion and Analysis

管理層討論和分析

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

財產保險業務—由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：

HK\$ million

百萬港元

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日
Governments and central banks	政府及中央銀行	12.36	5.33
Banks and other financial institutions	銀行及其他金融機構	1,131.46	1,250.45
Corporate entities	企業實體	650.27	466.27
		1,794.09	1,722.05

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

太平香港確認於綜合損益表內之稅前總投資收入及稅前投資收益率概述如下：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Net investment income ¹	淨投資收入 ¹	105.39	92.80	+13.6%
Net realized investment gains/(losses)	已實現投資收益／ (虧損)淨額	22.55	24.27	-7.1%
Net unrealized gains/(losses) on investment properties	投資物業未實現收益／ (虧損)淨額	46.64	100.68	-53.7%
Impairment gains/(losses) on securities	證券減值收益／ (虧損)	–	(2.80)	–
Total investment income ²	總投資收入 ²	174.58	214.95	-18.8%
Net investment yield (annualized) ¹	年化淨投資收益率 ¹	3.9%	4.1%	-0.2 pt 點
Total investment yield (annualized) ²	年化總投資收益率 ²	5.3%	6.9%	-1.6 pts 點

¹ Net investment income mainly consists of fixed investment income such as interest income from debt securities and bank deposits. Net investment yield is derived from such net investment income.

¹ 淨投資收入主要由固定投資收入(例如債務證券及銀行存款的利息)組成。淨投資收益率以此計算。

² Total investment income is the summation of net investment income and the realized/unrealized investment gains/losses plus impairments. The total investment yield is derived from such total investment income.

² 總投資收入為淨投資收入、已實現和未實現收益／虧損及投資減值之總和。總投資收益率以此計算。

Management Discussion and Analysis

管理層討論和分析

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

財產保險業務—由太平香港營運之香港業務 (續)

Investment Performance (Continued)

投資表現 (續)

Total investment income was HK\$174.58 million for the Period, which was lower than the gain of HK\$214.95 million in the Last Period. The decreased investment income was due to lower unrealized gains on investment properties.

本財務期內錄得總投資收入1.7458億港元，較去年同期2.1495億港元的收益為少。投資收入減少主要由於期內來自投資物業的未實現收益較低所致。

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

太平香港稅前投資收入／(虧損)之詳細分析如下：

For the six months ended 30 June 2013, HK\$ million

截至二零一三年六月三十日止六個月，百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入		Interest income 利息收入	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									
AFS	可供出售	46.78	-	-	12.31	-	-	59.09	(110.82)	(51.73)
Equity securities	股本證券									
AFS	可供出售	-	10.51	-	8.56	-	-	19.07	(28.99)	(9.92)
Investment funds	投資基金									
AFS	可供出售	-	0.35	-	1.68	-	-	2.03	(29.51)	(27.48)
Cash and bank deposits	現金及銀行存款	4.06	-	-	-	-	-	4.06	-	4.06
Investment properties	投資物業	-	-	35.25	-	46.64	-	81.89	-	81.89
Others	其他	8.44	-	-	-	-	-	8.44	-	8.44
		59.28	10.86	35.25	22.55	46.64	-	174.58	(169.32)	5.26

Management Discussion and Analysis

管理層討論和分析

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

財產保險業務—由太平香港營運之香港業務 (續)

Investment Performance (Continued)

投資表現 (續)

For the six months ended 30 June 2012, HK\$ million

截至二零一二年六月三十日止六個月·百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入		Interest income 利息收入	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									
AFS	可供出售	46.29	-	-	27.14	-	-	73.43	58.96	132.39
Equity securities	股本證券									
AFS	可供出售	-	6.06	-	(6.63)	-	(1.85)	(2.42)	8.32	5.90
Investment funds	投資基金									
AFS	可供出售	-	-	-	3.76	-	(0.95)	2.81	(3.13)	(0.32)
Cash and bank deposits	現金及銀行存款	5.40	-	-	-	-	-	5.40	-	5.40
Investment properties	投資物業	-	-	30.69	-	100.68	-	131.37	-	131.37
Others	其他	4.36	-	-	-	-	-	4.36	-	4.36
		56.05	6.06	30.69	24.27	100.68	(2.80)	214.95	64.15	279.10

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 Discussion and Analysis

管理層討論和分析

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：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Gross premiums written	毛承保保費	2,217.04	2,127.63	+4.2%
Net premiums written	淨承保保費	1,948.74	1,898.44	+2.6%
Net earned premiums	已賺取保費淨額	1,627.24	1,568.48	+3.7%
Net claims incurred	賠款淨額	(888.87)	(1,222.46)	-27.3%
Underwriting expenses	承保費用	(43.25)	(32.04)	+35.0%
Net commission expenses	佣金支出淨額	(571.41)	(480.63)	+18.9%
Underwriting profit/(loss)	承保溢利/(虧損)	123.71	(166.65)	-
Total investment income	總投資收入	178.61	150.00	+19.1%
Other gain/(losses) and other income	其他收益/(虧損)及其他收入	1.25	(3.52)	-
Net exchange (loss)	匯兌(虧損)淨額	(77.47)	(33.21)	+1.3 times 倍
Other administrative expenses	其他行政費用	(7.00)	(6.51)	+7.5%
Profit/(Loss) from operation before taxation	除稅前經營溢利/(虧損)	219.10	(59.89)	-
Profit/(Loss) from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利/(虧損)	195.06	(75.62)	-
Technical reserves ratio	技術性儲備比率	325.5%	331.4%	-5.9 pts 點
Retained ratio	自留比率	87.9%	89.2%	-1.3 pts 點
Earned premiums ratio	已賺取保費率	73.4%	73.7%	-0.3 pt 點
Loss ratio ¹	賠付率 ¹	54.6%	77.9%	-23.3 pts 點
Expense ratio ^{1&3}	費用率 ^{1及3}	37.8%	32.7%	+5.1 pts 點
Combined ratio ²	綜合成本率 ²	92.4%	110.6%	-18.2 pts 點

¹ Both the loss ratio and expense ratio are based on net earned premiums.

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² The combined ratio is the sum of the loss ratio and the expense ratio.

² 綜合成本率為賠付率與費用率的總和。

³ The expense ratio is comprised of underwriting expenses and net commission expenses.

³ 費用率包括承保費用及佣金支出淨額。

Management Discussion and Analysis

管理層討論和分析

REINSURANCE BUSINESS (Continued)

Operating Profit/Loss

The reinsurance business produced a net operating profit after tax of HK\$195.06 million during the Period (2012: loss of HK\$75.62 million). The underwriting result returned to profit as no major loss events occurred during the Period.

Gross Premiums Written

TPRe's gross premiums written for the Period was HK\$2,217.04 million, representing an increase of 4.2% from HK\$2,127.63 million in the Last Period. After a relatively calm 2012 during which no major loss events occurred outside of the United States, reinsurance pricing has shown signs of weakening in many Asian markets during the 2013 renewals. TPRe has managed to maintain its underwriting discipline and business positions in its core home markets of Hong Kong, Macau and Mainland China. However, due to changes in reinsurance demand, as well as the influx of new reinsurance capacity into the Asia Pacific region, TPRe has adjusted its business mix in other territories to improve profitability.

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

HK\$ million

		1H 2013 二零一三年 上半年	% of Total 佔總額百分比	1H 2012 二零一二年 上半年	% of Total 佔總額百分比
Hong Kong & Macau	香港及澳門	302.19	13.6%	258.59	12.1%
Mainland China (& Taiwan)	中國大陸(及台灣)	930.29	42.0%	855.59	40.2%
Rest of Asia	亞洲其他地區	412.60	18.6%	412.76	19.4%
Europe	歐洲	298.44	13.5%	301.28	14.2%
Japan	日本	120.71	5.4%	141.82	6.7%
Others	其他	152.81	6.9%	157.59	7.4%
		2,217.04	100.0%	2,127.63	100.0%

再保險業務(續)

經營溢利/虧損

於本財務期內，再保險業務產生經營溢利淨額1.9506億港元(二零一二年：虧損7,562萬港元)。承保業績轉虧為盈是由於本財務期內並無重大索賠。

毛承保保費

太平再保險之毛承保保費由去年同期21.2763億港元上升4.2%至22.1704億港元。除美國地區外，其他地區經過相對較平靜並無重大賠案的二零一二年後，亞洲市場二零一三年續保的再保險定價呈現下調趨勢。太平再保險在核心市場如香港、澳門及內地維持其承保紀律及業務地位。然而，由於再保險需求的變化，以及再保險承保能力湧入亞太地區，太平再保險已調整在其他地區的業務組合，以提高盈利能力。

太平再保險按地區分佈劃分之毛承保保費簡報如下：

百萬港元

Management Discussion and Analysis

管理層討論和分析

REINSURANCE BUSINESS (Continued)

Net Claims Incurred

Net claims incurred reduced significantly during the Period, as no major events occurred which would have a material impact on TPRE's portfolio. The total incurred loss amount for the unprecedented 2011 Thai Floods have stabilized over the last twelve months, and savings were achieved for the settled cases. Loss reserve provisions have been regularly reviewed to ensure adequacy, and there have been no abnormal developments during the Period.

The combined ratio during the Period was 92.4% (2012: 110.6%).

Investment Performance

The composition of investments held by TPRE was as follows:

再保險業務 (續)

淨賠款總額

於本財務期，由於沒有重大賠案影響太平再保險的組合，淨賠款大幅減少。史無前例的二零一一年泰國水災在過去十二個月的賠付總額趨向穩定，有些賠付在結案時更出現盈餘。賠款準備均作定期檢視，以確保充足，期內並無異常發展。

於本財務期之綜合成本率為92.4% (二零一二年：110.6%)。

投資表現

太平再保險持有之投資組合情況如下：

		At 30 June 2013		At 31 December 2012	
		於二零一三年六月三十日		於二零一二年十二月三十一日	
		HK\$ million	% of Total	HK\$ million	% of Total
		百萬港元	佔總額百分比	百萬港元	佔總額百分比
Debt securities	債務證券	4,835.12	65.5%	4,714.18	63.8%
Debt schemes	債權計劃	104.62	1.4%	46.86	0.6%
Equity securities	股本證券	136.25	1.9%	61.57	0.8%
Investment funds	投資基金	97.64	1.3%	103.79	1.4%
Cash and bank deposits	現金及銀行存款	2,127.79	28.8%	2,393.42	32.4%
Investment properties	投資物業	77.43	1.1%	73.72	1.0%
Total invested assets	投資總額	7,378.85	100.0%	7,393.54	100.0%

Investment grade fixed income debt securities continued to make up most of the investment portfolio. As at 30 June 2013, debt securities, debt schemes and cash and bank deposits constituted a combined total of approximately 95.7% of the total invested assets (31 December 2012: 96.8%).

具投資級別的固定收入債務持續佔投資組合的大部份。於二零一三年六月三十日，太平再保險作債務證券、債權計劃、現金及銀行存款合共佔投資資產總額約95.7% (二零一二年十二月三十一日：96.8%)。

Management Discussion and Analysis

管理層討論和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

The classification of TPR'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 30 June 2013, HK\$ million

於二零一三年六月三十日，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	3,098.20	1,403.91	21.67	311.34	4,835.12
Debt schemes	債權計劃	-	-	-	104.62	104.62
Equity securities	股本證券	-	136.25	-	-	136.25
Investment funds	投資基金	-	67.72	29.92	-	97.64
		3,098.20	1,607.88	51.59	415.96	5,173.63

At 31 December 2012, HK\$ million

於二零一二年十二月三十一日，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	3,211.93	1,143.38	22.18	336.69	4,714.18
Debt schemes	債權計劃	-	-	-	46.86	46.86
Equity securities	股本證券	-	61.57	-	-	61.57
Investment funds	投資基金	-	74.35	29.44	-	103.79
		3,211.93	1,279.30	51.62	383.55	4,926.40

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

債務證券按類別分類如下：

HK\$ million

百萬港元

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日
Governments and central banks	政府及中央銀行	600.99	569.81
Banks and other financial institutions	銀行及其他金融機構	2,280.78	2,275.19
Corporate entities	企業實體	1,953.35	1,869.18
		4,835.12	4,714.18

Management Discussion and Analysis

管理層討論和分析

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：

HK\$ million

百萬港元

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日
USD	美元	3,268.76	3,327.83
RMB	人民幣	758.61	650.18
EUR	歐羅	325.97	317.27
GBP	英鎊	217.72	230.12
AUD	澳元	75.02	78.43
Others	其他	189.04	110.35
		4,835.12	4,714.18

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

太平再保險確認於綜合損益表內之稅前總投資收入及稅前投資收益率概述如下：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Net investment income ¹	淨投資收入 ¹	160.58	156.06	+2.9%
Net realized investment gains/(losses)	已實現投資收益／(虧損)淨額	14.39	(7.06)	-
Net unrealized investment gains/(losses)	未實現投資收益／(虧損)淨額	3.64	5.49	-33.7%
Net impairment gains/(losses) on securities	證券減值收益／(虧損)淨額	-	(4.49)	-
Total investment income ²	總投資收入 ²	178.61	150.00	+19.1%
Net investment yield (annualized) ¹	年化淨投資收益率 ¹	4.3%	4.8%	-0.5 pt 點
Total investment yield (annualized) ²	年化總投資收益率 ²	4.5%	4.7%	-0.2 pt 點

¹ Net investment income mainly consists of fixed investment income such as interest income from debt securities and bank deposits. Net investment yield is derived from such net investment income.

¹ 淨投資收入主要由固定投資收入(例如債務證券及銀行存款的利息)組成。淨投資收益率以此計算。

² Total investment income is the summation of net investment income and the realized/unrealized investment gains/losses plus impairments. The total investment yield is derived from such total investment income.

² 總投資收入為淨投資收入、已實現和未實現收益／虧損及投資減值之總和。總投資收益率以此計算。

Management Discussion and Analysis

管理層討論和分析

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\$178.61 million for the Period, representing an increase from the HK\$150.00 million in the Last Period. Despite very difficult and poor conditions in the Hong Kong investment markets, the annualized total investment yield for the Period was a very satisfactory 4.5%. This solid investment result was due to TPRe's conservative and prudent asset allocation to fixed income investments, which provided fixed and stable cash flows.

本財務期，太平再保險錄得總投資收入溢利1.7861億港元，較去年同期1.5000億港元有所增加。儘管香港的投資市場嚴峻和困難，期內的年化總投資收益率為4.5%，情況令人非常滿意。穩健的投資業績乃由於太平再保險的審慎穩健的資產配置，並集中於固定收益類資產，以提供穩定的現金流。

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 six months ended 30 June 2013, HK\$ million

截至二零一三年六月三十日止六個月，百萬港元

		Recognized in the consolidated statement of profit or loss 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 淨投資收入			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	
Interest income/(expense) 利息收入／（支出）	Dividend income 股息收入	Rental income 租金收入							
Debt securities 債務證券									
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									
Debt schemes 債權計劃									
LR 貸款及應收款項									
Equity securities 股本證券									
AFS 可供出售									
Investment funds 投資基金									
AFS 可供出售									
HFT 持有作交易用途									
Investment properties 投資物業									
Cash and bank deposits 現金及銀行存款									
Securities sold/ purchased under repurchase/resale agreements 賣出回購／ 買入返售證券 協議									
Others 其他									

Management Discussion and Analysis

管理層討論和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

For the six months ended 30 June 2012, HK\$ million

截至二零一二年六月三十日止六個月，百萬港元

	Recognized in the consolidated statement of profit or loss 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 總淨額	
	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)總額	Sub total 小計			
	Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入							
Debt securities	債務證券									
HTM	持有至到期日	89.29	-	-	-	-	-	89.29	-	89.29
AFS	可供出售	36.95	-	-	20.45	-	-	57.40	12.80	70.20
HFT	持有作交易用途	0.83	-	-	3.94	1.95	-	6.72	-	6.72
LR	貸款及應收款項	8.99	-	-	-	-	-	8.99	-	8.99
Debt schemes	債權計劃									
LR	貸款及應收款項	1.04	-	-	-	-	-	1.04	-	1.04
Equity securities	股本證券									
AFS	可供出售	-	1.98	-	(31.37)	-	(4.49)	(33.88)	67.05	33.17
Investment funds	投資基金									
AFS	可供出售	-	0.19	-	(0.08)	-	-	0.11	(0.28)	(0.17)
HFT	持有作交易用途	-	0.68	-	-	0.14	-	0.82	-	0.82
Investment properties	投資物業									
		-	-	0.33	-	3.40	-	3.73	-	3.73
Cash and bank deposits	現金及銀行存款									
		13.78	-	-	-	-	-	13.78	-	13.78
Securities purchased under resale agreements	買入返售證券									
		2.00	-	-	-	-	-	2.00	-	2.00
		152.88	2.85	0.33	(7.06)	5.49	(4.49)	150.00	79.57	229.57

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。

Management Discussion and Analysis

管理層討論和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

Since the second half of 2011, TPL's group life insurance portfolio has been gradually transferred to TPP to be managed and run. Moving the group life insurance business to TPP will best rationalize and utilize the Group's customer base and resources. It is anticipated that this new business model will help TPP to achieve the economies of scale which are critical and necessary for operating profitability 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:

HK\$ million

養老及團體人壽保險業務 (續)

自二零一一年下半年開始，太平人壽的團體人壽保險業務已逐步轉移至由太平養老管理及營運。這將優化及充分利用本集團的客戶基礎和資源。預期新的經營模式將令太平養老較易達致經濟規模，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：

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Gross premiums written	毛承保保費	878.98	597.54	+47.1%
Net premiums written	淨承保保費	683.92	405.12	+68.8%
Net earned premiums	已賺取保費淨額	595.10	347.17	+71.4%
Net policyholders' benefits	保單持有人利益淨額	(225.40)	(160.78)	+40.2%
Net commission expenses	佣金支出淨額	(47.39)	(21.71)	+1.2 times 倍
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	(142.67)	(37.21)	+2.8 times 倍
Total investment income	總投資收入	66.00	42.63	+54.8%
Pension administration fee income	養老保險管理服務費收入	62.55	49.43	+26.5%
Agency fee income	代理服務費收入	24.67	38.15	-35.3%
Administrative and other expenses	行政及其他費用	(345.72)	(314.24)	+10.0%
Profit/(loss) from operation before and after taxation	除稅前及除稅後經營溢利／(虧損)	2.30	(44.36)	-
Profit/(loss) from operation attributable to the owners	股東應佔經營溢利／(虧損)	2.21	(42.58)	-

Management Discussion and Analysis

管理層討論和分析

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：

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日	Change 變化
Annuity invested assets (HK\$ million)	企業年金投資資產 (百萬港元)	35,080	32,135	+9.2%
Annuity entrusted assets (HK\$ million)	企業年金受託資產 (百萬港元)	33,429	29,596	+13.0%
Number of enterprises in funds and schemes	養老年金計劃所涉及的 企業數目	6,807	6,787	+20
Number of branches	分公司數目	17	17	-

With seventeen branches operating in major provinces to serve its customers, TPP's group life insurance premiums increased strongly during the Period. Annuities under management also increased, helping TPP to continue to gain economies of scale in its operating business.

太平養老在全國主要省份設有十七間分公司為客戶提供服務，期內太平養老團體人壽保險保費收入大幅增加。管理的年金規模亦上升，有助太平養老的業務持續獲得規模經濟。

Operating Profit/Loss

經營溢利／虧損

The pension and group life insurance businesses incurred a net operating profit of HK\$2.30 million during the Period (2012: loss of HK\$44.36 million). The net operating profit attributable to the owners amounted to HK\$2.21 million (2012: loss of HK\$42.58 million). TPP's operating profit after several years of operating losses has been the result of the build up of its operating business and assets under management, which have allowed TPP to begin achieving economies of scale.

養老及團體人壽保險業務產生經營溢利淨額230萬港元（二零一二年：虧損4,436萬港元）。股東應佔經營溢利淨額為221萬港元（二零一二年：虧損4,258萬港元）。經過多年的經營虧損後，太平養老的經營業務及資產管理規模開始達至規模經濟，並取得經營溢利。

Management Discussion and Analysis

管理層討論和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

養老及團體人壽保險業務 (續)

Gross Premiums Written

毛承保保費

TPP's gross premiums written for the Period increased significantly by 47.1% to HK\$878.98 million from HK\$597.54 million in the Last Period. The detailed breakdown of TPP's gross premiums written was as follows:

本財務期，太平養老之毛承保保費由去年同期之5.9754億港元大幅上升47.1%至8.7898億港元。太平養老毛承保保費詳細分析如下：

HK\$ million

百萬港元

Business Line 業務種類		1H 2013		1H 2012	
		二零一三年 上半年	% of Total 佔總額百分比	二零一二年 上半年	% of Total 佔總額百分比
Health	健康險	598.61	68.1%	393.61	65.9%
Accident	意外險	221.23	25.2%	153.88	25.7%
Group Life	團體壽險	59.14	6.7%	50.05	8.4%
		878.98	100.0%	597.54	100.0%

ASSET MANAGEMENT BUSINESS

資產管理業務

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.

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 Discussion and Analysis

管理層討論和分析

ASSET MANAGEMENT BUSINESS (Continued)

資產管理業務 (續)

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

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。

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

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：

HK\$ million

百萬港元

		1H 2013 二零一三年 上半年	1H 2012 二零一二年 上半年	Change 變化
Management fee income	管理費收入	124.71	85.12	+46.5%
Total investment income	總投資收入	7.76	6.29	+23.4%
Administrative and other expenses	行政及其他費用	(118.36)	(65.98)	+79.4%
Profit from operation before taxation	除稅前經營溢利	14.57	28.79	-49.4%
Profit from operation after taxation	除稅後經營溢利	10.50	22.66	-53.7%
Profit from operating attributable to the owners	股東應佔經營溢利	8.66	15.70	-44.8%

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：

HK\$ million

百萬港元

		At 30 June 2013 於二零一三年 六月三十日	At 31 December 2012 於二零一二年 十二月三十一日	Change 變化
TPAM	太平資產			
Assets under management Including: Assets within the Group	資產管理規模 包括：集團內資產	220,090	177,949	+23.7%
		196,427	160,663	+22.3%
TPA (HK)	太平資產(香港)			
Assets under management Including: Assets within the Group	資產管理規模 包括：集團內資產	11,623	10,152	+14.5%
		8,622	8,968	-3.9%

Management Discussion and Analysis

管理層討論和分析

ASSET MANAGEMENT BUSINESS (Continued)

Operating Profit

The asset management business produced a net operating profit of HK\$10.50 million during the Period (2012: HK\$22.66 million), representing a decrease of 53.7% compared to Last Period. The net operating profit attributable to the owners amounted to HK\$8.66 million (2012: HK\$15.70 million).

OUTLOOK

CTIH will continue to strive for its strategic objective of “building a new Taiping in three years”, with the financial goals of “doubling total premium, total assets and net profit, while maintaining quality, efficiency and risks at an acceptable level”.

- **Life Insurance Business – TPL**

TPL will continue focusing on building its agency force. The increase in agent numbers establishes a solid foundation for future growth and value creation, and TPL fully intends to continue the positive momentum currently being generated in the individual channel. In the bancassurance channel, while the focus in the first quarter was on single premium sales and better relationships with bank branches, for the rest of the year TPL will focus on selling regular premium products, which have higher profit margins.

- **Property and Casualty Insurance Business in the PRC – TPI**

While pricing levels in the PRC property and casualty insurance industry have in general been maintained, higher levels of competition have increased sales and marketing costs (and hence tightened profit margins) in the industry. TPI will continue to focus on risk management, claims control, customer service and overall cost management (especially sales costs) during the second half of 2013.

資產管理業務 (續)

經營溢利

資產管理業務的經營溢利淨額為1,050萬港元 (二零一二年: 2,266萬港元), 較去年同期減少53.7%。股東應佔經營溢利淨額為866萬港元 (二零一二年: 1,570萬港元)。

展望

中國太平控股將繼續朝「三年再造一個新太平」, 「在兼顧質量效益, 風險可控的前提下, 力爭三年時間在總保費、總資產和淨利潤方面翻一番」的戰略目標進發。

- **人壽保險業務 – 太平人壽**

太平人壽將繼續著重於建設其個人代理隊伍。代理數目增加為未來的增長及價值創造打下堅實基礎, 延續現時由個險渠道所帶動的良好勢頭。在銀行保險渠道方面, 雖然第一季度專注於躉繳保費產品銷售及提升與銀行夥伴的關係, 下半年將專注於利潤較高的期繳保費產品銷售。

- **內地財產保險業務 – 太平財險**

雖然內地財產保險業的定價水平普遍能維持, 但業內的激烈競爭推高了銷售及營運成本 (降低了利潤率)。於二零一三年下半年, 太平財險將著重於風險管理、索賠控制、客戶服務及整體的成本控制 (尤其是銷售成本)。

Management Discussion and Analysis

管理層討論和分析

OUTLOOK (Continued)

• Property and Casualty Insurance Business in Hong Kong – CTPI (HK)

CTPI (HK) believes that the Hong Kong market will continue to be mature and stable. While conditions in the marine business line will likely continue to be competitive and challenging, CTPI (HK) will keep looking for opportunities to build its motor and fire businesses.

• Reinsurance Business – TPRE

TPRe has successfully weathered a difficult past two years during which record-high catastrophes combined with uncertain and challenging economic conditions. TPRE has implemented a number of operating measures in risk management, internal controls, systems technology and other areas, and is now well-positioned for the next phase of its development. TPRE will continue to focus on high quality business, bottom-line profitability and returns on equity, while seeking future expansion and development.

• Investments

While financial and economic conditions have improved globally, uncertainty and volatility remain, and the outlook for investments continues to be challenging. The timing and consequences of the United States Federal Reserve ending its quantitative easing are major concerns for global investors. Europe's long-term economic position and standing remain unclear given the continued sovereign fiscal difficulties. In China, while GDP growth is still high, the current growth rates are at lower levels relative to previous years, as the country's central government adjusts the economy for the future. In such uncertain and challenging times, CTIH will continue to base its investment policies and portfolios on prudence and conservatism. A high level of fixed income assets (bonds and bank deposits) will be maintained in the investment portfolio.

展望 (續)

• 香港財產保險業務－太平香港

太平香港相信香港市場將繼續保持穩定。水險業務將持續競爭激烈，太平香港正尋找機會發展車險及火險業務。

• 再保險業務－太平再保險

太平再保險成功克服在過去兩年發生的巨災及經濟不明朗的挑戰性。太平再保險在風險管理、內部控制、系統科技及其他範疇方面實行了一系列的措施，並已處於下一個發展階段的有利位置。太平再保險將繼續著重高品質的業務，盈利能力及股本回報率，同時亦尋求在未來進一步擴張和發展。

• 投資

雖然全球金融及經濟環境得到改善，但仍屬不明朗及波動，投資前景仍然具挑戰性。美國聯邦儲備局結束其量化寬鬆政策的時間和後果，為全球投資者的主要關注點。歐洲在主權財政持續困難下，長期經濟狀況仍未明朗。在中國，國內生產總值增長仍在高水平，由於中央政府為未來而對經濟進行調整，因此現時的增長速度較往年度為低。在這種不明朗及充滿挑戰的時期，中國太平控股將繼續採取謹慎穩健的投資策略管理投資組合。固定收益資產（債券及銀行存款）將佔投資組合中一個較高的水平。

Management Discussion and Analysis

管理層討論和分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2013 amounted to HK\$55,928.07 million (31 December 2012: HK\$56,137.22 million).

FINANCIAL LEVERAGE

The interest-bearing notes and bank facilities drawn as at 30 June 2013 amounted to HK\$13,489.42 million and HK\$2,439.21 million (31 December 2012: HK\$13,334.74 million and nil), respectively. As of 30 June 2013, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 40.5% (31 December 2012: 38.8%). In November 2013, CTIH will be repaying US\$175 million to the noteholders of its senior bond issued in 2003. Also in November 2013, TPL plans to repay RMB1.5 billion of subordinated debt. Following these repayments, CTIH's pro forma consolidated financial leverage ratio would be approximately 35.2%.

CAPITAL STRUCTURE

CTIH did not issue new shares during the Period. For the year ended 31 December 2012, 600,000 shares were issued, and net proceeds received for the shares issued for cash in aggregate amounted to HK\$1.73 million.

STAFF AND STAFF REMUNERATION

As at 30 June 2013, the Group had a total of 38,912 employees (2012: 33,146 employees), representing an increase of 5,766 employees. Total remuneration for the Period amounted to HK\$3,166.69 million (2012: HK\$2,294.47 million), representing an increase of 38.0%. 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 CTIH nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

流動資金及財務資源

於二零一三年六月三十日，本集團的現金及銀行存款為559.2807億港元（二零一二年十二月三十一日：561.3722億港元）。

財務槓桿

二零一三年六月三十日須付息票據及銀行貸款金額分別為134.8942億港元及24.3921億港元（二零一二年十二月三十一日：133.3474億港元及無）。於二零一三年六月三十日本集團的綜合槓桿比率（債務／（債務＋股本））為40.5%（二零一二年十二月三十一日：38.8%）。於二零一三年十一月，中國太平控股將償還在二零零三年發行的1.75億美元高級票據予票據持有人。此外，於二零一三年十一月，太平人壽計劃償還人民幣15億元的次級債券。在償還此等債務後，中國太平控股的備考綜合財務槓桿比率將約為35.2%。

資本結構

於本財務期內，中國太平控股並無發行新股。截至二零一二年十二月三十一日止年度，共發行600,000股新股，發行新股換取現金的總代價淨額為173萬港元。

員工及員工酬金

於二零一三年六月三十日，本集團的僱員總人數達38,912人（二零一二年：33,146人），增加5,766人。本財務期總酬金為31.6669億港元（二零一二年：22.9447億港元），增加38.0%。員工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

於本財務期內中國太平控股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。