

Management Discussion and Analysis

管理層討論和分析

2014 FIRST HALF HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS

二零一四年上半年經營亮點及綜合業績

Significant Enhancements in Operational Efficiency

經營效益大幅提升

- Profit attributable to shareholders was HK\$1.93 billion, which was 2.8 times the HK\$692 million of Last Period
- New business value was at HK\$2.38 billion, increasing by 44% over the Last Period
- Group embedded value per share was HK\$17.6, increasing by 14% over the 2013 year-end figure of HK\$15.4
- Half year premiums broke through RMB50 billion (HK\$65.3 billion) for the first time, increasing by 28% over the Last Period
- Total assets were at HK\$377.9 billion, increasing by 19% over the 2013 year-end
- The interest coverage ratio improved to 7.6 times, increasing substantially over the 4.6 times of the full year of 2013
- 股東應佔溢利19.3億港元，是去年同期的2.8倍，比去年同期的6.92億港元增長1.8倍
- 新業務價值23.8億港元，同比增長44%
- 每股總內含價值17.6港元，較去年年底的15.4港元，增長14%
- 半年保費首次突破500億元人民幣（653億港元），同比增長28%
- 總資產3,779億港元，較去年年底增長19%
- 息蓋率增加至7.6倍，較二零一三年全年的4.6倍大幅增長

PRC Insurance Businesses Developed Rapidly, Agent Productivity Continued to Improve

境內保險業務快速發展，代理人產能持續提升

- Life insurance gross premiums¹ grew 3.5 percentage points faster than industry averages
- The average monthly per capita production of the life insurance agency force increased by 53% to HK\$20,642 in the first half of 2014 from HK\$13,482 in 2013
- Four persistency ratios of the individual agency and bancassurance lines continued to be stable and at the forefront of the industry
- PRC property and casualty insurance premiums grew 4.5 percentage points faster than industry averages
- 壽險總保費¹同比增長高於行業平均3.5個百分點
- 壽險代理人的月均人均產能由二零一三年的13,482港元，提升至二零一四年上半年的20,642港元，增長53%
- 個險、銀保四項繼續率指標穩居行業前列
- 境內產險保費同比增長高於行業平均4.5個百分點

¹ TPL and TPP

¹ 太平人壽及太平養老總保費

Management Discussion and Analysis

管理層討論和分析

2014 FIRST HALF HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

Overseas Insurance Businesses Had Breakthroughs in Growth, and High Levels of Operating Efficiency and Innovation

- The premium income of CTPI (HK) steadily increased
- TP Macau continued to maintain its #1 market share, and increased its underwriting profit by 1.1 times
- TP Singapore steadily developed its business, with underwriting profit increasing by 23%
- TPre achieved breakthroughs in its long term life insurance business, as total premiums grew by 42% and non-life underwriting profit increased by 60%

Asset Allocation for the Investment Portfolio Continued to Improve, Investment Returns Continued to Grow

- Assets under management reached HK\$369.9 billion, in which assets from outside of the Group broke through the HK\$100 billion threshold for the first time
- Cross border financial investments made great progress, while the yield and scale of alternative investments steadily increased
- The carrying amount of the investment return was 5.14%, better than the Last Period

Successful Implementation of Strategic Cooperation and Comprehensive Initiatives with Large Clients

- This year, China Taiping signed headquarters to headquarters cooperation agreements with ten central government-owned and large-scale enterprises, including China Mobile and China Merchants Bank. Up to now, China Taiping has established strategic cooperation relationships with 45 central government-owned and large-scale enterprises
- From January to June, property insurance of HK\$240 million, enterprise annuities of HK\$3.9 billion, and employee benefits of HK\$71.8 million were achieved with the strategic clients. Our cross-selling initiatives produced HK\$870 million of property insurance sales through TPL, representing an increase of 54%, and HK\$140 million of pension sales through TPL, representing an increase of 82%

二零一四年上半年經營亮點及綜合業績 (續)

境外保險業務突破成長，經營效益創新高

- 太平香港保費收入穩步提升
- 太平澳門繼續穩居市場第一，承保利潤同比增長1.1倍
- 太平新加坡業務穩步發展，承保利潤同比增長23%
- 太平再保險長期壽險業務取得突破性進展，總保費同比增長42%，非壽險承保溢利同比增長60%

資產配置水平不斷提高，收益率保持增長

- 管理總投資資產達3,699億港元，其中集團外資產規模首次躍上千億平台
- 跨境金融投資取得較大進展，另類資產收益率與規模穩步提升
- 投資收益率達5.14%，優於去年同期

大客戶戰略合作和綜合開拓成效明顯

- 今年以來，與中國移動、招商銀行等10家央企和大型企業簽署了總對總合作協議。截至目前，共與45家央企和大型企業建立了戰略合作關係
- 一至六月，戰略客戶實現產險保費2.4億港元，企業年金繳費39.0億港元，員工福利業務7,180萬港元。交叉銷售完成壽銷產8.7億港元，同比增長54%，壽銷養1.4億港元，同比增長82%

Management Discussion and Analysis

管理層討論和分析

2014 FIRST HALF HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Brand Influence and Brand Value has Significantly Improved

After nearly two years of continuous and expanding publicity, the group brand influence and value has significantly improved. This year, China Taiping was included in the 2014 Hurun Most Valuable Chinese Brands List for the first time. In 2014, the ranking of China Taiping in the "Fortune" China 500 list increased substantially.

Financial Benefits from the Restructuring

The acquisition of the shares of TPL and TPI by CTIH were completed by the end of 2013. For the first half of 2014, the financial accounts were prepared based on the new shareholding interests, allowing CTIH to further benefit from the excellent performances of these two companies. The newly acquired interests of TPL and TPI contributed an additional HK\$560 million of profit to CTIH.

Over the past two years, in order to facilitate the continued growth of the Company's value, China Taiping has increased its strategic investments. The Company has invested a substantial amount of resources into developing the life insurance individual agency force organization. As the new agents mature, their production capacity has been gradually released, and this has been reflected in the operational efficiency improvements during the first half of 2014. In addition, with the product structure of the life insurance business continuing to optimize, with the strategic cooperation with large clients now bearing results, and with investment returns being positive and attractive, TPL reached a new high of HK\$1.82 billion in operating profit in the first half of 2014, representing an increase of 5.3 times; TPI recorded HK\$263 million in net profit in the first half; and the overseas property and casualty insurance and reinsurance businesses produced impressive growth in reaching HK\$513 million in net profit during the first half.

At the end of 2013, CTIH acquired additional shares of TPL and TPI. As the first half of 2014 was accounted for based on CTIH's new equity ownership interests in these subsidiaries, CTIH was further able to benefit from their excellent performances. Taking into account these above factors, the profit attributable to shareholders for the first half of 2014 was HK\$1.93 billion, an increase of 1.8 times.

二零一四年上半年經營亮點及綜合業績 (續)

品牌影響力和品牌價值顯著提升

經過近兩年來的持續擴大宣傳，集團品牌影響力及價值顯著提升。今年，中國太平首次躋身二零一四年胡潤最具價值中國品牌榜；在二零一四年《財富》中國500強排行榜上，中國太平排位也大幅提升。

重組改制的財務效益呈現

太平人壽及太平財險在二零一三年年底注入中國太平控股，二零一四年上半年按新股權比例併表，令中國太平控股進一步分享上述兩間公司的優良業績，新注入權益為中國太平控股帶來合共5.6億港元的額外利潤貢獻。

過去兩年，為了有利於公司價值持續增長，公司加大了戰略投入，我們對壽險個人代理組織發展投入大量資源，隨著新代理人漸趨成熟，產能逐步釋放，效益在二零一四年上半年逐步體現，此外，壽險業務之產品結構持續優化，大客戶戰略合作漸見成效，以及理想的投資收益，使太平人壽二零一四年上半年的經營溢利創新高達18.2億港元，同比增長5.3倍；太平財險上半年錄得淨溢利2.63億港元；境外產險及再保上半年錄得淨溢利5.13億港元，同比增長可觀。

太平人壽及太平財險在二零一三年年底注入中國太平控股，二零一四年上半年按新股權比例併表，令中國太平控股進一步分享上述兩間公司的優良業績，綜合上述因素，二零一四年上半年股東應佔溢利19.3億港元，同比增長1.8倍。

Management Discussion and Analysis

管理層討論和分析

2014 FIRST HALF HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Status of Restructuring

Apart from TP Indonesia and TP UK, all of the acquisitions of the target assets have been completed and have been incorporated in the 2014 interim financial results of CTIH. The scale of the target assets which have been acquired is equivalent to 97.33% of the total cost of the acquisitions.

The acquisition of TP UK received approval from the British local regulatory authority (PRA) in July 2014, and was formally acquired by CTIH in July. The acquisition of TP Indonesia is expected to be completed in mid-September.

As for the schedule for delivering shares, as of today, CTIH has issued 724 million Consideration Shares to TPG, with the remaining approximately 139 million Consideration Shares (for the Tranche C Consideration Shares) expected to be completed before the end of this year.

CONSOLIDATED FINANCIAL RESULTS

Application of Merger Accounting for the group restructuring:

On 27 May 2013, CTIH entered into a framework agreement whereby the Company conditionally agreed to acquire certain assets and interests from TPG and TPG (HK). CTIH will issue new shares as the form of payment for the consideration. In terms of the accounting treatment, the acquisition of such assets and interests can be categorized into two types to be accounted for:

Type I Assets: These assets were the additional equity interests of existing subsidiaries including a 25.05% stake in TPL, a 38.79% stake in TPI, a 4% stake in TPP and a 20% stake in TPAM, as well as individual assets and liabilities owned by TPG and TPG (HK).

Type II Assets: These assets in the transactions were the equity interests of subsidiaries, certain own-use properties and equipment owned by TPG and TPG (HK).

二零一四年上半年經營亮點及綜合業績 (續)

改組情況

除了太平印尼及太平英國外，其他目標資產已完成注入，並已合併到中國太平控股二零一四年中期的財務業績。已注入資產的規模，相當於總代價97.33%。

太平英國於二零一四年七月取得英國當地監管機構(PRA)的批准，已於七月份正式注入中國太平控股。太平印尼預計九月中下旬完成注入中國太平控股。

至於股份交割進度，截止今天，中國太平控股已向中國太平集團(香港)發行7.24億股代價股份，餘下約1.39億股代價股份(即丙組整體代價股份)，預計在今年下半年完成發行。

綜合財務表現

於集團重組使用合併會計法：

二零一三年五月二十七日，中國太平控股簽署框架協議，同意收購中國太平集團和中國太平集團(香港)的若干資產和股權，中國太平控股以發行新股形式支付對價。就會計處理而言，上述資產及股權收購可分為以下兩種類型進行入賬：

第一類資產：該類資產為現有子公司的額外權益，包括太平人壽的25.05%股份、太平財險的38.79%股份、太平養老的4%股份和太平資產的20%股份，以及中國太平集團和中國太平集團(香港)持有的零星資產及負債。

第二類資產：該類資產為中國太平集團和中國太平集團(香港)持有之子公司的權益、若干自用物業以及設備。

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

綜合財務表現 (續)

Application of Merger Accounting for the group restructuring: *(Continued)*

於集團重組使用合併會計法：(續)

Type I Assets vested to CTIH during 2013. As at 30 June 2014, except for TP UK and TP Indonesia (included in the Type II Assets), all of the conditions precedents for the transactions have been completed. Those assets and interests whose conditions precedents for the transactions have been completed were deemed to be vested to CTIH. In terms of the transaction consideration, 97.33% of the assets under the transaction were vested and consolidated in CTIH for the six months ended 30 June 2014.

第一類資產已於二零一三年歸屬到中國太平控股。於二零一四年六月三十日，除太平英國和太平印尼（均屬第二類資產）外，交易的所有先決條件已完成。完成交易先決條件的資產和股權均被視為已歸屬及合併到中國太平控股。在二零一四年六月三十日，已歸屬及合併到中國太平控股的規模相當於交易總對價的97.33%。

The consolidation treatment of the Type II Assets in the accounts of CTIH for the six months ended 30 June 2014 is as follows:

第二類資產通過以下方式合併到中國太平控股二零一四年六月三十日止賬上：

Type II Assets: Since the assets were both under the common control of TPG (HK) and TPG before and after the transaction, the Group has applied Accounting Guideline No. 5 “Merger Accounting for Common Control Combinations”. Under the principles of merger accounting, these acquisitions were accounted for as though the businesses have always been carried out by the Group. Accordingly, the prior year consolidated figures have been restated as if they had been consolidated in the Group throughout the prior years presented. As at 31 December 2013, the main assets consolidated in CTIH under the Type II Assets were TP Macau, TPIH, and Dragon Jade. As at 30 June 2014, the main assets which have been newly consolidated in CTIH as Type II Assets were TPFH, TP Singapore and certain individual properties in the PRC.

第二類資產：由於該類資產在交易前後均由中國太平集團和中國太平集團（香港）共同控制，本集團應用會計指引第5號「共同控制合併之合併會計處理」，根據合併會計的原則，該類資產的記帳被視作一直由本集團持有，據此，前一年的合併數字已相應重列，等同過往各年均已與中國太平控股合併。截至二零一三年十二月三十一日，已合併到中國太平控股的第二類資產主要為太平澳門、太平投資控股和龍璧等。截至二零一四年六月三十日，新增合併到中國太平控股的第二類資產包括太平金控、太平新加坡和若干中國境內零星物業。

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現(續)

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：

HK\$ Million

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年 (Restated) (重列)	Change 變化
Gross premiums written	毛承保保費	65,331.36	51,009.55	+28.1%
Profit from operations before taxation	除稅前經營溢利	3,181.57	1,140.65	+1.8 times 倍
Profit from operations after taxation	除稅後經營溢利	2,371.12	911.01	+1.6 times 倍
Net profit attributable to the owners	股東應佔溢利淨額	1,932.79	691.65	+1.8 times 倍
Basic earnings per share (HK\$)	每股基本盈利(港元)	0.760	0.346	+0.414 dollar 元
Interim dividend proposed	派發中期股息建議	-	-	-

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日 (Restated) (重列)	Change 變化
Total assets	總資產	377,902.78	317,454.33	+19.0%
Total equity	總權益	29,472.55	25,085.65	+17.5%
- Per share (HK\$)	- 每股(港元)	11.578	9.864	+1.714 dollars 元
Owners' equity	股東應佔權益	23,672.04	21,082.04	+12.3%
- Per share (HK\$)	- 每股(港元)	9.299	8.290	+1.009 dollars 元
Group embedded value	總內含價值	57,641.67	47,666.93	+20.9%
- Per share (HK\$)	- 每股(港元)	22.644	19.544	+3.100 dollars 元
Owners' group embedded value	股東應佔總內含價值	44,712.09	37,536.53	+19.1%
- Per share (HK\$)	- 每股(港元)	17.565	15.390	+2.175 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抵銷前，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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年 (Restated) (重列)	Change 變化
Life insurance	人壽保險	1,815.45	289.84	+5.3 times 倍
PRC property and casualty insurance	境內財產保險	262.80	209.27	+25.6%
Overseas property and casualty insurance and reinsurance	境外財產保險及再保險	513.12	429.78	+19.4%
Pension and group life insurance	養老及團體人壽保險	62.52	2.30	+26.2 times 倍
Others ¹	其他 ¹	(282.77)	(20.18)	+13.0 times 倍
Net profit from operations	經營淨溢利	2,371.12	911.01	+1.6 times 倍
Non-controlling interests	非控股股東權益	438.33	219.36	+99.8%
Net profit attributable to the owners	股東應佔溢利淨額	1,932.79	691.65	+1.8 times 倍

¹ Others mainly include the operating results of the holding company, asset management, TPeC, TPIH, TPFH and consolidation adjustments.

¹ 其他主要包括中國太平控股本部、資產管理、太平電商、太平投資控股、太平金控等經營成果，以及合併調整。

Management Discussion and Analysis 管理層討論和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現(續)

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

以下為本集團總權益變化分析。

HK\$ million

百萬港元

		2014 二零一四年	2013 二零一三年 (Restated) (重列)
Total equity as at 1 January, as previously reported	於一月一日之總權益，如前呈報	23,850.84	23,340.96
Effect of application of merger accounting	使用合併會計法之影響	1,234.81	1,169.68
Total equity as at 1 January, as restated	於一月一日之總權益，重列後	25,085.65	24,510.64
Net profit recognized in statement of profit or loss	確認於損益表之溢利淨額	2,371.12	911.01
Net changes in AFS investment reserve	可供出售投資儲備變化淨額	1,034.01	(534.60)
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	29.41	32.25
Exchange (loss)/gain arising from translation of financial statements of foreign operations	因換算境外營運業務財務報表的匯兌(虧損)/收益	(247.98)	303.38
Acquisition of target assets (including liabilities)	購入目標資產(含負債)	42.29	-
Deemed disposal of partial interest in a subsidiary	被視為出售附屬公司部份權益之收益	-	15.69
Capital contributions made to subsidiaries by its non-controlling shareholder	由附屬公司之非控股股東向其注入資本	1,192.06	1,821.22
Dividend declared/payable to non-controlling interests	股息宣派/應付予非控股股東權益	(34.01)	-
Total equity as at 30 June	於六月三十日之總權益	29,472.55	27,059.59
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	23,672.04	17,971.51
Non-controlling interests	非控股股東權益	5,800.51	9,088.08
		29,472.55	27,059.59

Management Discussion and Analysis

管理層討論和分析

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 2014		At 31 December 2013	
	於二零一四年六月三十日		於二零一三年十二月三十一日 (Restated) (重列)	
	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	147,390.17	52.0%	144,011.00	58.3%
Debt products 債權產品	50,985.84	18.0%	33,770.47	13.6%
Equity securities 股本證券	15,471.58	5.5%	11,600.17	4.7%
Investment funds 投資基金	8,708.31	3.1%	8,091.51	3.3%
Cash and bank deposits 現金及銀行存款	46,791.17	16.5%	36,924.46	14.9%
Investment properties 投資物業	13,801.57	4.9%	12,728.76	5.2%
Total investments 投資總額	283,148.64	100.0%	247,126.37	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 2014, HK\$ million

於二零一四年六月三十日，百萬港元

	HTM	AFS	HFT/DVPL		LR	Total
			持有至到期日	可供出售		
Debt securities 債務證券	107,113.44	39,291.54	397.55	587.64	147,390.17	
Debt products 債權產品	–	–	–	50,985.84	50,985.84	
Equity securities 股本證券	–	14,763.85	707.73	–	15,471.58	
Investment funds 投資基金	–	5,075.44	2,755.93	876.94	8,708.31	
	107,113.44	59,130.83	3,861.21	52,450.42	222,555.90	

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Consolidated investment assets (Continued)

At 31 December 2013, HK\$ million (Restated)

綜合投資表現 (續)

綜合投資資產 (續)

於二零一三年十二月三十一日，百萬港元（重列）

	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	103,978.46	38,494.27	535.34	1,002.93	144,011.00
Debt products 債權產品	–	–	–	33,770.47	33,770.47
Equity securities 股本證券	–	11,474.51	125.66	–	11,600.17
Investment funds 投資基金	–	6,776.43	690.97	624.11	8,091.51
	103,978.46	56,745.21	1,351.97	35,397.51	197,473.15

Analysis of Securities Investment

Debt Securities

As of June 30, 2014, within the debt securities held by the Group, domestic bonds accounted for 94%. Within the domestic bonds, 43.0% were rated AAA, 29.2% were government bonds, and 26.0% were financial policy bonds. Foreign bonds accounted for 6%, with most of these bonds rated investment grade by international credit rating agencies.

Debt Products

The overall credit ratings of the debt products held by the Group were high. 82% were rated AAA. Almost 50% had guarantees from banks or entities related to the central government, with most of the remaining had guarantees from large central government-owned enterprises or large enterprise groups.

The analysis of the credit risk exposure of the debt products is as follows (including exposures to each other, which is not directly in the total):

Local government financing platform – as of the end of June 2014, for the local government debt investment of approximately HK\$6 billion, the percentage of the total assets was only 1.6%, and 100% were rated AAA. Of this, 61% had bank guarantees for the local government investment projects, with the remaining projects located in urban and semi-urban areas with guarantees from central government-owned enterprises or large enterprises.

證券投資的分析

債務證券

於二零一四年六月三十日，本集團持有之債務證券境內債券佔94%，境內債券當中AAA評級佔43.0%、國債佔29.2%及政策性金融債佔26.0%。境外債券佔6%，以國際評級機構確定為投資級別為主。

債權產品

本集團持有之債權產品整體信用評級較高，AAA級佔比達82%，準中央政府信用／銀行擔保佔比近50%，餘下的非銀行擔保以大型央企、大企業集團為主。

債權產品風險暴露分析如下（互相包含，不可直接加總）：

地方政府融資平台 — 截止二零一四年六月底，地方政府債權項目投資約60億港元，佔總資產比例僅1.6%，100%信用評級為AAA。其中，由銀行提供擔保的地方政府債權項目投資佔地方政府債權項目61%，其餘項目均處於一線及一線半城市，由大型國企／企業作為擔保方。

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Consolidated investment assets (Continued)

Analysis of Securities Investment (Continued)

Debt Products (Continued)

Real estate financial investment debt products – as of the end of June 2014, for the investments in real estate financial investment debt products of approximately HK\$16.2 billion, the percentage of the total assets was only 4.3%, and 99.4% were rated AAA. 72% had bank guarantees or various forms of mortgages and pledges, while the other 28% had guarantees from large enterprises.

Purchased external trust products – as of the end of June 2014, purchased external trust products accounted for HK\$5.9 billion and represented about 1.5% of the total assets. Purchased external trust products related to real estate were approximately HK\$4.7 billion and represented about 1.2% of the total assets. 99% of the purchased external trust products had external ratings of AAA, and only one of the purchased external trust products had a rating of AA+ and was guaranteed by a central government-owned large scale investment management company.

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

綜合投資表現 (續)

綜合投資資產 (續)

證券投資的分析 (續)

債權產品 (續)

房地產債權金融產品投資 – 截止二零一四年六月底，房地產債權金融產品投資約162億港元，佔總資產比例僅4.3%，其中99.4%的項目投資獲得AAA評級。72%獲得銀行擔保或各種形式的抵押／質押，另外28%的項目由大型企業提供擔保。

外購信託產品 – 截止二零一四年六月底，外購信託產品投資約佔59億港元，佔總資產比例約1.5%，信託產品含房地產相關約有47億港元，佔總資產比例約1.2%。99%的外購信託外部評級為AAA，只有一個外購信託評級為AA+，該信託由某中央大型資管公司提供擔保。

於報告期末各業務分部佔本集團投資總額賬面值之百分比如下：

At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日 (Restated) (重列)
---------------------------------------	---

Life insurance	人壽保險	85.8%	84.8%
Property and casualty insurance	財產保險	6.6%	7.3%
Reinsurance	再保險	2.6%	2.7%
Other businesses	其他業務	5.0%	5.2%
		100.0%	100.0%

Management Discussion and Analysis

管理層討論和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Consolidated investment income

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

HK\$ million

綜合投資表現 (續)

綜合投資收入

本集團確認於綜合損益表內之稅前總投資收入及稅前投資收益率概述如下：

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年 (Restated) (重列)	Change 變化
Net debt investment income ¹	債務類投資淨收入 ¹	4,855.88	3,686.82	+31.7%
Net realized and unrealized investment gains/(losses)	已實現及未實現投資收益/(虧損)	1,516.32	165.61	+8.2 times 倍
Other investment income ²	其他投資收入 ²	1,415.61	1,154.77	+22.6%
Total investment income	總投資收入	7,787.81	5,007.20	+55.5%
Total investment yield (annualized)	年化總投資收益率	5.14%	4.78%	+0.36 pt 點

¹ Net debt investment income mainly consists of interest income from debt securities and debt products.

² Other investment income mainly consists of interest income from bank deposits, dividend income from equities and investment funds.

¹ 債務類投資淨收入主要包括債務證券及債權產品產生的利息收入。

² 其他投資收入主要包括銀行存款利息收入、權益類投資及投資基金的股息收入等。

The total investment income of the Group recognized in the consolidated statement of profit or loss increased by 55.5% to HK\$7,787.81 million in the Period from HK\$5,007.20 million (Restated) in the Last Period. The Group's continued emphasis on high allocations to fixed income and bank deposits allowed the Group to generate higher net investment income. As a result, the total investment yield (annualized) for the consolidated investment portfolio improved to 5.14% (2013 (Restated): 4.78%).

本集團確認於綜合損益表內的總投資收入由去年同期的50.0720億港元(重列)上升55.5%至本財務期的77.8781億港元。本集團持有較多的固定收入證券及銀行存款，確保穩定的投資淨收入。二零一四年上半年綜合投資組合的年化總投資收益率增加至5.14%(二零一三年(重列): 4.78%)。

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 2014, HK\$ million

截至二零一四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	2,546.77	-	-	0.59	-	-	2,547.36	-
AFS	可供出售	990.08	-	-	64.30	-	-	1,054.38	1,585.45
HFT/DVPL	持有作交易用途／指定為通過損益以反映公允價值	7.16	-	-	(2.35)	11.39	-	16.20	-
LR	貸款及應收款項	292.72	-	-	-	-	-	292.72	-
Debt products	債權產品								
LR	貸款及應收款項	1,019.15	-	-	-	-	-	1,019.15	-
Equity securities	股本證券								
AFS	可供出售	-	112.31	-	731.06	-	(26.49)	816.88	(253.87)
HFT/DVPL	持有作交易用途／指定為通過損益以反映公允價值	-	5.89	-	(50.05)	(67.90)	-	(112.06)	-
Investment funds	投資基金								
AFS	可供出售	-	87.28	-	(128.63)	-	(14.91)	(56.26)	55.85
HFT/DVPL	持有作交易用途／指定為通過損益以反映公允價值	-	19.51	-	17.53	106.90	-	143.94	-
Cash and bank deposits	現金及銀行存款	1,397.59	-	-	-	-	-	1,397.59	-
Investment properties	投資物業	-	-	276.82	-	870.54	-	1,147.36	-
Securities sold/purchased under repurchase/resale agreements	賣出回購／買入返售證券	(483.79)	-	-	-	-	-	(483.79)	-
Others	其他	-	-	-	3.86	0.48	-	4.34	-
		5,769.68	224.99	276.82	636.31	921.41	(41.40)	7,787.81	1,387.43
									9,175.24

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 2013, HK\$ million (Restated)

截至二零一三年六月三十日止六個月，百萬港元 (重列)

		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
		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					Grand total 總額
Debt securities	債務證券								
HTM	持有至到期日	2,258.76	-	-	0.05	-	-	2,258.81	-
AFS	可供出售	718.17	-	-	55.00	-	-	773.17	(28.00)
HFT/DVPL	持有作交易 用途/指定為 通過損益以 反映公允價值	15.92	-	-	10.25	(24.21)	-	1.96	-
LR	貸款及應收款項	38.60	-	-	-	-	-	38.60	-
Debt products	債權產品								
LR	貸款及應收款項	655.37	-	-	-	-	-	655.37	-
Equity securities	股本證券								
AFS	可供出售	-	162.81	-	83.94	-	(77.36)	169.39	(647.05)
HFT	持有作交易用途	-	1.09	-	0.70	(4.08)	-	(2.29)	-
Investment funds	投資基金								
AFS	可供出售	-	122.11	-	61.62	-	(201.37)	(17.64)	53.17
HFT	持有作交易用途	-	11.92	-	0.40	(4.92)	-	7.40	-
Cash and bank deposits	現金及銀行存款	1,114.80	-	-	-	-	-	1,114.80	-
Investment properties	投資物業	-	-	164.78	-	257.08	-	421.86	-
Securities sold/ purchased under repurchase/resale agreements	賣出回購/ 買入返售證券	(422.74)	-	-	-	-	-	(422.74)	-
Others	其他	-	-	-	2.72	5.79	-	8.51	-
		4,378.88	297.93	164.78	214.68	229.66	(278.73)	5,007.20	(621.88)
									4,385.32

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 has been 75.10% owned by the Group since November 2013. 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，於二零一三年十一月起，本集團擁有75.10%權益。太平人壽主要在內地從事承保人壽保險業務。

以下數字為集團內部抵銷前，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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written and premium deposits	毛承保保費及保費存款	51,490.26	40,493.20	+27.2%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	593.55	74.69	+6.9 times 倍
Premium deposits of unit-linked products	投資連結產品之保費存款	21.33	36.06	-40.8%
Premium deposits of other products	其他產品之保費存款	156.49	127.88	+22.4%
Gross premiums written recognized in statement of profit or loss	確認於損益表之毛承保保費	50,718.89	40,254.57	+26.0%
Policy fees	保單費收入	34.86	49.99	-30.3%
Net premiums written and policy fees	淨承保保費及保單費收入	31,515.76	40,188.38	-21.6%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	31,516.51	40,175.07	-21.6%
Net policyholders' benefits	保單持有人利益淨額	(10,247.09)	(5,905.48)	+73.5%
Net commission expenses	佣金支出淨額	(4,846.40)	(3,280.28)	+47.7%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(16,614.14)	(31,085.08)	-46.6%
Total investment income	總投資收入	6,341.83	4,034.24	+57.2%
Administrative and other expenses	行政及其他費用	(4,329.89)	(3,588.81)	+20.7%
Finance costs	財務費用	(125.80)	(224.12)	-43.9%
Profit from operation before taxation	除稅前經營溢利	2,383.71	400.18	+5.0 times 倍
Profit from operation after taxation	除稅後經營溢利	1,815.45	289.84	+5.3 times 倍
Profit from operation attributable to the owners	股東應佔經營溢利	1,363.40	145.07	+8.4 times 倍

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

HK\$ million

人壽保險業務(續)

百萬港元

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
Total assets	總資產	318,063.82	262,821.03	+21.0%
Total equity	總權益	23,214.19	20,758.35	+11.8%
Regulatory solvency margin ratio ¹	監管性償付能力充足率 ¹	191%	166%	+25 pts 點

¹ Based on CIRC regulations.

¹ 按中國保監會規定。

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 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
Market share ¹	市場份額 ¹	5.2%	4.8%	+0.4 pt 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	973	926	+47
Number of customers	客戶數目			
- Individual	- 個人	6,600,285	6,968,292	-368,007
- Corporate	- 公司	1,630	1,599	+31
Distribution network	分銷網絡			
- Number of individual agents	- 個人代理數目	112,674	112,796	-122
- Number of bancassurance outlets	- 銀行保險銷售網點數目	23,100	27,847	-4,747
Agent monthly productivity (HK\$)	代理每月人均產能(港元)	20,642	13,482	+7,160
Persistency ratios	第13個月之保費繼續率 ²			
- 13th month ²				
- Individual	- 個人	93.4%	92.9%	+0.5 pt 點
- Bancassurance	- 銀行保險	91.3%	92.3%	-1.0 pt 點
Compounded persistency ratios - 25th month ²	第25個月之保費複合繼續率 ²			
- Individual	- 個人	88.7%	88.4%	+0.3 pt 點
- Bancassurance	- 銀行保險	89.1%	89.6%	-0.5 pt 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\$1,815.45 million during the Period (2013: HK\$289.84 million), representing a substantial increase of 526.4% compared to the Last Period.

Gross Premiums Written and Premium Deposits

TPL's gross premiums written recognized in the consolidated statement of profit or loss increased by 26.0% to HK\$50,718.89 million from HK\$40,254.57 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 4.8% (as of the end of 31 December 2013). The increase in gross premiums written was primarily due to strong premium growth in both the individual agency force and bank distribution channels.

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18.1545億港元（二零一三年：2.8984億港元），較去年同期大幅增加526.4%。

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402.5457億港元增加26.0%至507.1889億港元。保費增幅遠優於市場同業平均增幅，同時太平人壽保險市場佔有率由二零一三年十二月三十一日止年度的4.8%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。

Management Discussion and Analysis 管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

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

For the six months ended 30 June 2014, HK\$ million

人壽保險業務 (續)

太平人壽按業務劃分之毛承保保費及保費存款如下：

截至二零一四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	20,105.13	590.04	6.11	91.07	20,792.35	40.4%
Bancassurance 銀行保險	29,733.28	3.51	15.22	0.73	29,752.74	57.8%
Group 團體	12.65	-	-	64.69	77.34	0.1%
Other Channels ¹ 多元銷售 ¹	867.83	-	-	-	867.83	1.7%
	50,718.89	593.55	21.33	156.49	51,490.26	100.0%

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%

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\$20,105.13 million from HK\$14,034.54 million in the Last Period, representing a significant increase of 43.3%. TPL's initiative to increase its agent numbers over the past 18 months has established a strong foundation for the agency force channel. The larger agent numbers and their improving productivity (monthly per capita production of HK\$20,642 during the Period (31 December 2013: HK\$13,482)) has allowed TPL to grow its premium levels much faster than market averages. The number of outstanding sales agents has increased substantially. In the first half of 2014, for the elite categories of a million in sales, 500,000 in sales and 300,000 in sales, the number of people were 381, 699 and 1,274, respectively (in the first half of 2013, the number of people were 210, 369 and 595, respectively). TPL's agency force numbers continued to consolidate at the 110,000 level, and while continuing to focus on the training of the new agents, TPL focused on properly integrating the new agents with the existing sales force. During the first half of 2014, TPL's retention rate of the new agents was 54.9% for 13 months, which demonstrated TPL's success at rapidly building its agency force despite the continuing fierce competition for life insurance agency professionals in China.

In the bancassurance channel, premium increased to HK\$29,733.28 million from HK\$25,549.26 million in the Last Period, representing a strong increase of 16.4%. Within this, first year bancassurance regular premium increased to HK\$1,611.34 million from HK\$1,061.25 million in the Last Period, representing a substantial increase of 51.8%, which was much higher than market averages. As with the Last Period and in previous years, TPL sold single premium products through the bank channel in the first half of the year, and as a result obtained greater access to bank outlets and resources as a platform for developing its regular premium business. In the second half of this year, TPL will focus on the sales of regular premium products.

The persistency ratios remained stable and at the forefront of the industry and was at 93.4% and 91.3% at the 13th month, and 88.7% and 89.1% 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140.3454億港元上升至201.0513億港元，大幅增長43.3%。太平人壽於過去18個月增加代理人數量的舉措，為代理隊伍渠道奠定堅實基礎。代理人數量增加及產能提升（本財務期內每月人均產能為20,642港元（二零一三年十二月三十一日：13,482港元）），推動太平人壽的保費收入增速遠高於市場平均水平。銷售代理績優人員數量大幅上升，於二零一四年上半年，百萬標保、50萬標保及30萬標保銷售精英數量分別為381人、699人及1,274人（於二零一三年上半年分別為210人、369人及595人）。太平人壽的代理人數量在11萬人台階上繼續鞏固，在專注培訓新代理人的同時，妥善與現有銷售隊伍整合。於二零一四年上半年，太平人壽新代理人13個月的留存率為54.9%，證明太平人壽在激烈的壽險代理人市場上，成功迅速構建代理隊伍。

銀行保險渠道方面，保費由去年同期255.4926億港元上升至297.3328億港元，大幅增長16.4%。其中銀保首年期繳保費由去年同期10.6125億港元上升至16.1134億港元，大幅增長51.8%，遠高於市場平均增速。與去年同期及過往年度相同，太平人壽於上半年通過銀行銷售躉繳產品，獲得更多銀行網點資源，以此為平台獲得期繳產品的發展，太平人壽下半年將專注銷售期繳產品。

續保率仍然穩居行業前列，個人代理及銀行保險渠道第13個月保費繼續率分別為93.4%及91.3%，而第25個月保費複合繼續率則分別為88.7%及89.1%。

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 2014 二零一四年 上半年	% of Total 佔總額百分比	1H 2013 二零一三年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	933.42	4.6%	454.43	3.2%
Regular Premium	期繳保費				
- First Year	- 首年	6,089.12	30.3%	4,569.72	32.6%
- Renewal Year	- 續年	13,082.59	65.1%	9,010.39	64.2%
		20,105.13	100.0%	14,034.54	100.0%

Bancassurance

銀行保險

		1H 2014 二零一四年 上半年	% of Total 佔總額百分比	1H 2013 二零一三年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	19,782.12	66.5%	17,023.77	66.6%
Regular Premium	期繳保費				
- First Year	- 首年	1,611.34	5.4%	1,061.25	4.2%
- Renewal Year	- 續年	8,339.82	28.1%	7,464.24	29.2%
		29,733.28	100.0%	25,549.26	100.0%

Group

團體

		1H 2014 二零一四年 上半年	% of Total 佔總額百分比	1H 2013 二零一三年 上半年	% of Total 佔總額百分比
Employee Benefit ("EB")	僱員福利	12.65	100.0%	20.43	100.0%
Annuity	年金	-	-	-	-
		12.65	100.0%	20.43	100.0%

Other Channels

多元銷售

		1H 2014 二零一四年 上半年	% of Total 佔總額百分比	1H 2013 二零一三年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	0.44	0.1%	-	-
Regular Premium	期繳保費				
- First Year	- 首年	281.45	32.4%	246.55	37.9%
- Renewal Year	- 續年	585.94	67.5%	403.79	62.1%
		867.83	100.0%	650.34	100.0%

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 individual first year regular premium, the premium by payment term and feature were as follows:

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：

HK\$ million

百萬港元

Individual first year regular premium – by payment term

個人首年期繳保費 – 按繳費期

		1H 2014		1H 2013	
		二零一四年	% of Total	二零一三年	% of Total
		上半年	佔總額百分比	上半年	佔總額百分比
3-9 years	3-9年	1,336.50	21.9%	1,782.32	39.0%
10-19 years	10-19年	3,265.43	53.6%	1,531.47	33.5%
20-29 years	20-29年	1,379.54	22.7%	1,164.34	25.5%
30 years+	30年+	107.65	1.8%	91.59	2.0%
		6,089.12	100.0%	4,569.72	100.0%

Individual first year regular premium – by feature

個人首年期繳保費 – 按產品形態

		1H 2014		1H 2013	
		二零一四年	% of Total	二零一三年	% of Total
		上半年	佔總額百分比	上半年	佔總額百分比
Short term savings	短期儲蓄型	24.68	0.4%	119.43	2.6%
Long term savings	長期儲蓄型	4,406.90	72.4%	3,361.14	73.6%
Long term protection	長期保障型	1,366.27	22.4%	870.73	19.1%
Others	其他	291.27	4.8%	218.42	4.7%
		6,089.12	100.0%	4,569.72	100.0%

Management Discussion and Analysis 管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務(續)

For bancassurance first year regular premium, the premium by payment term was as follows:

銀行保險首年期繳·按繳費年期劃分的保費分佈如下:

Bancassurance first year regular premium – by payment term

銀行保險首年期繳保費 – 按繳費期

		1H 2014		1H 2013	
		二零一四年 上半年	% of Total 佔總額百分比	二零一三年 上半年	% of Total 佔總額百分比
5-9 years	5-9年	526.93	32.7%	195.14	18.4%
10-14 years	10-14年	1,044.61	64.8%	851.43	80.2%
Others	其他	39.80	2.5%	14.68	1.4%
		1,611.34	100.0%	1,061.25	100.0%

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

太平人壽按險種結構的毛承保保費分佈如下:

HK\$ million

百萬港元

		1H 2014		1H 2013	
		二零一四年 上半年	% of Total 佔總額百分比	二零一三年 上半年	% of Total 佔總額百分比
Participating	分紅保險	28,870.22	56.9%	38,097.08	94.6%
Annuity	年金保險	18,724.42	36.9%	1.02	0.0%
Long-term health	長期健康險	1,416.69	2.8%	1,006.60	2.5%
Traditional life	傳統壽險	1,045.66	2.1%	705.35	1.8%
Accident and short-term health	意外和短期健康險	634.97	1.2%	443.90	1.1%
Universal life	萬能壽險	26.38	0.1%	0.00	0.0%
Investment-linked	投資連結保險	0.55	0.0%	0.62	0.0%
Total	總額	50,718.89	100.0%	40,254.57	100.0%

Management Discussion and Analysis

管理層討論和分析

LIFE INSURANCE BUSINESS (Continued)

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

HK\$ million

		1H 2014				1H 2013	
		二零一四年	% of Total			二零一三年	% of Total
		上半年	佔總額百分比			上半年	佔總額百分比
Sichuan	四川	5,296.44	10.4%	Sichuan	四川	4,453.96	11.1%
Shandong	山東	4,883.16	9.6%	Shandong	山東	3,565.03	8.9%
Henan	河南	4,473.98	8.8%	Guangdong	廣東	3,366.25	8.4%
Guangdong	廣東	3,658.14	7.2%	Beijing	北京	2,804.74	7.0%
Beijing	北京	3,155.57	6.2%	Henan	河南	2,187.51	5.4%
Others	其他	29,251.60	57.8%	Others	其他	23,877.08	59.2%
Total	總額	50,718.89	100.0%	Total	總額	40,254.57	100.0%

Embedded Value Highlights

In the first half of 2014, the embedded value of TPL (expressed in terms of HKD) increased 14.2% to HK\$51,844 million from HK\$45,390 million as at 31 December 2013. The new business value after cost of capital for the Period increased to HK\$2,376 million from HK\$1,650 million of the Last Period, representing a growth of 44.0%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

人壽保險業務(續)

太平人壽按區域的毛承保保費分佈如下：

百萬港元

內含價值摘要

太平人壽的內含價值(以港幣折算)由二零一三年十二月三十一日之453.90億港元增加14.2%至518.44億港元。本財務期之新業務扣除資本成本後之價值為23.76億港元，較去年同期之16.50億港元增長44.0%。這些太平人壽的最新精算數據於「太平人壽之內含價值」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 2014		At 31 December 2013	
		於二零一四年六月三十日	於二零一三年十二月三十一日	於二零一四年六月三十日	於二零一三年十二月三十一日
		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	131,535.63	54.2%	128,423.89	61.2%
Debt products	債權產品	40,158.76	16.5%	28,625.77	13.7%
Equity securities	股本證券	13,943.59	5.7%	9,870.78	4.7%
Investment funds	投資基金	10,524.40	4.4%	7,031.20	3.4%
Cash and bank deposits	現金及銀行存款	42,667.58	17.6%	32,527.98	15.5%
Investment properties	投資物業	3,980.21	1.6%	3,203.37	1.5%
Total investments	投資總額	242,810.17	100.0%	209,682.99	100.0%

During the Period, TPL continued to be prudent and conservative 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 products and cash and bank deposits constituted a combined total of approximately 88.3% of the total invested assets as at 30 June 2014 (31 December 2013: 90.4%).

於本財務期內，太平人壽對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、債權產品、現金及銀行存款於二零一四年六月三十日合共佔投資資產總額約88.3%（二零一三年十二月三十一日：90.4%）。

The classification of TPL's investments in securities under HTM, AFS, HFT, DVPL 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、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 2014, HK\$ million

於二零一四年六月三十日，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	100,276.53	31,061.79	20.93	176.38	131,535.63
Debt products	債權產品	-	-	-	40,158.76	40,158.76
Equity securities	股本證券	-	13,942.32	1.27	-	13,943.59
Investment funds	投資基金	-	6,019.91	4,504.49	-	10,524.40
		100,276.53	51,024.02	4,526.69	40,335.14	196,162.38

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 (Continued)

投資表現 (續)

At 31 December 2013, HK\$ million

於二零一三年十二月三十一日，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	97,858.89	30,212.24	28.44	324.32	128,423.89
Debt products	債權產品	–	–	–	28,625.77	28,625.77
Equity securities	股本證券	–	9,870.78	–	–	9,870.78
Investment funds	投資基金	–	6,458.92	572.28	–	7,031.20
		97,858.89	46,541.94	600.72	28,950.09	173,951.64

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 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日
Governments and central banks	政府及中央銀行	31,302.20	32,039.70
Banks and other financial institutions	銀行及其他金融機構	58,816.05	59,087.72
Corporate entities	企業實體	41,417.38	37,296.47
		131,535.63	128,423.89

The total investment income 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概述如下：

HK\$ million

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Net debt investment income ¹	債務類投資淨收入 ¹	4,141.39	3,263.48	+26.9%
Net realized and unrealized investment gains/(losses)	已實現及未實現投資收益/(虧損)	1,267.52	(46.79)	–
Other investment income ²	其他投資收入 ²	932.92	817.55	+14.1%
Total investment income	總投資收入	6,341.83	4,034.24	+57.2%

¹ Net debt investment income mainly consists of interest income from debt securities and debt products.

¹ 債務類投資淨收入主要包括債務證券及債權產品產生的利息收入。

² Other investment income mainly consists of interest income from bank deposits, dividend income from equities and investment funds.

² 其他投資收入主要包括銀行存款利息、權益類投資及投資基金的股息收入等。

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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Net claims and Surrenders 賠償淨額及退保額	6,330.76	3,301.01	+91.8%
Annuity, dividends and maturity payments 年金、分紅及到期付款	3,426.07	2,175.49	+57.5%
Interest allocated to investment contract 分配至投資合約之利益	490.26	428.98	+14.3%
	10,247.09	5,905.48	+73.5%

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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Staff costs 員工成本	2,363.96	2,089.73	+13.1%
Rental expenses 租賃開支	239.16	201.12	+18.9%
Others 其他	1,726.77	1,297.96	+33.0%
	4,329.89	3,588.81	+20.7%

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TPI

境內財產保險業務—由太平財險營運

The Group's property and casualty insurance segment in the PRC is operated by TPI. TPI is a PRC-incorporated company and has been 100% owned by the Group since November 2013. TPI is principally engaged in the underwriting of motor, marine and non-marine policies in Mainland China.

本集團之內地財產保險業務由太平財險營運。太平財險為中國註冊公司，於二零一三年十一月起，本集團擁有100%權益。太平財險主要於內地從事承保車險、水險及非水險業務。

Management Discussion and Analysis

管理層討論和分析

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

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

境內財產保險業務—由太平財險營運 (續)

以下數字為集團內部抵銷前，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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written	毛承保保費	8,029.41	6,513.26	+23.3%
Net premiums written	淨承保保費	7,115.17	5,468.29	+30.1%
Net earned premiums	已賺取保費淨額	6,383.52	4,733.44	+34.9%
Net claims incurred	賠款淨額	(3,492.17)	(2,393.02)	+45.9%
Underwriting expenses	承保費用	(2,330.04)	(2,099.66)	+11.0%
Net commission expenses	佣金支出淨額	(535.52)	(214.43)	+1.5 times 倍
Underwriting profit	承保溢利	25.79	26.33	-2.1%
Total investment income	總投資收入	412.43	228.59	+80.4%
Other gain and other income	其他收益及其他收入	21.34	6.88	+2.1 times 倍
Other administrative expenses	其他行政費用	(99.13)	(34.75)	+1.9 times 倍
Finance costs	財務費用	(32.55)	(27.18)	+19.8%
Profit from operation before taxation	除稅前經營溢利	327.88	199.87	+64.0%
Profit from operation after taxation	除稅後經營溢利	262.80	209.27	+25.6%
Profit from operation attributable to the owners	股東應佔經營溢利	262.80	128.09	+1.1 times 倍
Retained ratio	自留比率	88.6%	84.0%	+4.6 pts 點
Loss ratio ¹	賠付率 ¹	54.7%	50.6%	+4.1 pts 點
Expense ratio ¹	費用率 ¹	44.9%	48.9%	-4.0 pts 點
Combined ratio ²	綜合成本率 ²	99.6%	99.5%	+0.1 pt 點

	At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
--	---------------------------------------	---	--------------

Total assets	總資產	21,078.95	19,527.01	+7.9%
Total equity	總權益	4,664.47	4,426.25	+5.4%
Regulatory solvency margin ratio ³	監管性償付能力充足率 ³	196%	166%	+30 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.

³ Based on CIRC regulations.

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。

³ 按中國保監會規定。

Management Discussion and Analysis 管理層討論和分析

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

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

境內財產保險業務—由太平財險營運 (續)

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 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
Market share ¹	市場份額 ¹	1.7%	1.7%	–
Number of provincial branches	省級分公司數目	29	29	–
Number of sub-branches and marketing centers	支公司及市場推廣 中心數目	446	435	+11
Number of customers	客戶數目			
– Individual	– 個人	2,966,500	2,963,968	+2,532
– Corporate	– 公司	197,200	196,825	+375
Number of direct sales representatives	直接銷售代表數目	6,269	6,074	+195

¹ Based on premiums published by the CIRC.

¹ 據中國保監會刊發之保費計算。

Operating Profit

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$262.80 million during the Period (2013: HK\$209.27 million), representing a significant increase of 25.6%. During the Period, TPI was able to continue expanding the scale of its business, while maintaining solid underwriting results. TPI's strong focus on cost management and improved investment returns also contributed to the attractive bottom line results.

經營溢利

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顯著增長25.6%至2.6280億港元（二零一三年：2.0927億港元）。於本財務期內，太平財險繼續擴大業務規模，同時維持穩健的承保業績。太平財險專注於成本管理及提升投資回報，亦有助於取得可觀的溢利。

Management Discussion and Analysis 管理層討論和分析

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

境內財產保險業務—由太平財險營運 (續)

Gross Premiums Written

毛承保保費

TPI's gross premiums written increased by 23.3% to HK\$8,029.41 million from HK\$6,513.26 million in the Last Period. 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65.1326億港元上升23.3%至80.2941億港元。太平財險毛承保費詳細分析如下：

HK\$ million

百萬港元

Business Line 業務種類		1H 2014		1H 2013	
		二零一四年 上半年	% of Total 佔總額百分比	二零一三年 上半年	% of Total 佔總額百分比
Motor	車險	6,488.93	80.8%	5,223.01	80.2%
Marine	水險	171.40	2.1%	163.43	2.5%
Non-marine	非水險	1,369.08	17.1%	1,126.82	17.3%
		8,029.41	100.0%	6,513.26	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 2014		1H 2013	
		二零一四年 上半年	% of Total 佔總額百分比	二零一三年 上半年	% of Total 佔總額百分比
Sichuan	四川	826.18	10.3%	703.76	10.8%
Shenzhen	深圳	604.33	7.5%	472.92	7.3%
Hebei	河北	520.34	6.5%	421.78	6.5%
Guangdong	廣東	516.85	6.4%	399.35	6.1%
Shandong	山東	495.34	6.2%	354.80	5.4%
Others	其他	5,066.37	63.1%	4,160.65	63.9%
Total	總額	8,029.41	100.0%	6,513.26	100.0%

Management Discussion and Analysis

管理層討論和分析

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

境內財產保險業務—由太平財險營運 (續)

Combined Ratio

綜合成本率

TPI's combined ratio of 99.6% during the Period was slightly higher than the 99.5% in the Last Period, and was the result of higher loss levels during the first six months of 2014, which were offset for the most part by lower expenses. TPI's loss ratios, expense ratios and combined ratios were as follows:

於本財務期內，太平財險的綜合成本率為99.6%，略高於去年同期的99.5%，原因為二零一四年首六個月的賠付水平較高，惟絕大部分被費用下降所抵銷。太平財險之賠付率、費用率及綜合成本率情況如下：

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年
Loss ratio	賠付率	54.7%	50.6%
Expense ratio	費用率	44.9%	48.9%
Combined ratio	綜合成本率	99.6%	99.5%

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 2014 於二零一四年六月三十日		At 31 December 2013 於二零一三年十二月三十一日	
		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	4,460.06	36.2%	5,331.37	43.8%
Debt products	債權產品	3,609.46	29.3%	3,046.21	25.0%
Equity securities	股本證券	682.14	5.5%	638.25	5.3%
Investment funds	投資基金	1,041.54	8.4%	546.97	4.5%
Cash and bank deposits	現金及銀行存款	2,541.73	20.6%	2,607.38	21.4%
Total invested assets	投資總額	12,334.93	100.0%	12,170.18	100.0%

During the Period, equity investments were maintained at a low percentage of the asset allocation, while debt securities, debt products and cash and bank deposits constituted a combined total of approximately 86.1% of the total invested assets as at 30 June 2014 (31 December 2013: 90.2%).

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、債權產品、現金及銀行存款於二零一四年六月三十日合共佔投資資產總額約86.1%（二零一三年十二月三十一日：90.2%）。

Management Discussion and Analysis

管理層討論和分析

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

Investment Performance (Continued)

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

At 30 June 2014, HK\$ million

	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	1,371.72	2,924.55	–	163.79	4,460.06
Debt products 債權產品	–	–	–	3,609.46	3,609.46
Equity securities 股本證券	–	682.14	–	–	682.14
Investment funds 投資基金	–	656.47	385.07	–	1,041.54
	1,371.72	4,263.16	385.07	3,773.25	9,793.20

At 31 December 2013, HK\$ million

	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	1,385.82	3,653.02	–	292.53	5,331.37
Debt products 債權產品	–	–	–	3,046.21	3,046.21
Equity securities 股本證券	–	638.25	–	–	638.25
Investment funds 投資基金	–	546.97	–	–	546.97
	1,385.82	4,838.24	–	3,338.74	9,562.80

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

HK\$ million

境內財產保險業務—由太平財險營運 (續)

投資表現 (續)

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：

於二零一四年六月三十日，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	1,371.72	2,924.55	–	163.79	4,460.06
Debt products 債權產品	–	–	–	3,609.46	3,609.46
Equity securities 股本證券	–	682.14	–	–	682.14
Investment funds 投資基金	–	656.47	385.07	–	1,041.54
	1,371.72	4,263.16	385.07	3,773.25	9,793.20

於二零一三年十二月三十一日，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	1,385.82	3,653.02	–	292.53	5,331.37
Debt products 債權產品	–	–	–	3,046.21	3,046.21
Equity securities 股本證券	–	638.25	–	–	638.25
Investment funds 投資基金	–	546.97	–	–	546.97
	1,385.82	4,838.24	–	3,338.74	9,562.80

債務證券按類別分類如下：

百萬港元

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日
Governments and central banks 政府及中央銀行		163.78	292.53
Banks and other financial institutions 銀行及其他金融機構		905.88	1,501.97
Corporate entities 企業實體		3,390.40	3,536.87
		4,460.06	5,331.37

Management Discussion and Analysis

管理層討論和分析

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

Investment Performance (Continued)

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

HK\$ million

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Net debt investment income ¹	債務類投資淨收入 ¹	233.79	147.91	+58.1%
Net realized and unrealized investment gains/(losses)	已實現及未實現投資收益/(虧損)	46.25	2.59	+16.9 times 倍
Other investment income ²	其他投資收入 ²	132.39	78.09	+69.5%
Total investment income	總投資收入	412.43	228.59	+80.4%

¹ Net debt investment income mainly consists of interest income from debt securities and debt products.

² Other investment income mainly consists of interest income from bank deposits, dividend income from equities and investment funds.

TPI's total investment income was HK\$412.43 million during the Period, representing a substantial increase from the HK\$228.59 million in the Last Period. TPI's heavy weighting and allocation of assets in fixed income, bank deposits and cash resulted in a satisfactory yield for its investment portfolio.

Underwriting and Other Administrative Expenses

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

HK\$ million

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Staff costs	員工成本	692.46	704.53	-1.7%
Rental expenses	租賃開支	57.18	45.26	+26.3%
Business tax and additional charges	營業稅金及附加費用	449.51	365.17	+23.1%
Others	其他	1,230.02	1,019.45	+20.7%
		2,429.17	2,134.41	+13.8%

境內財產保險業務—由太平財險營運 (續)

投資表現 (續)

太平財險確認於綜合損益表內之稅前總投資收入概述如下：

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Net debt investment income ¹	債務類投資淨收入 ¹	233.79	147.91	+58.1%
Net realized and unrealized investment gains/(losses)	已實現及未實現投資收益/(虧損)	46.25	2.59	+16.9 times 倍
Other investment income ²	其他投資收入 ²	132.39	78.09	+69.5%
Total investment income	總投資收入	412.43	228.59	+80.4%

¹ 債務類投資淨收入主要包括債務證券及債權產品產生的利息收入。

² 其他投資收入主要包括銀行存款利息、權益類投資及投資基金的股息收入等。

本財務期內，太平財險錄得總投資收入4.1243億港元，較去年同期2.2859億港元顯著增長。太平財險的資產配置中，固定收入證券、銀行存款及現金的佔比較重，因此其投資組合取得令人滿意的成績。

承保及其他行政費用

太平財險之承保及其他行政費用概述如下：

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Staff costs	員工成本	692.46	704.53	-1.7%
Rental expenses	租賃開支	57.18	45.26	+26.3%
Business tax and additional charges	營業稅金及附加費用	449.51	365.17	+23.1%
Others	其他	1,230.02	1,019.45	+20.7%
		2,429.17	2,134.41	+13.8%

Management Discussion and Analysis

管理層討論和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment cover Hong Kong, Macau and Singapore, and is operated by CTPI (HK), TP Macau and TP Singapore, respectively.

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT 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

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written	毛承保保費	782.33	694.72	+12.6%
Reinsurance premiums written	再保險承保保費	353.06	295.13	+19.6%
Net premiums written	淨承保保費	797.22	731.73	+9.0%
Net earned premiums	已賺取保費淨額	701.26	631.25	+11.1%
Net claims incurred	賠款淨額	(401.54)	(353.12)	+13.7%
Underwriting profit	承保溢利	24.47	21.97	+11.4%
Total investment income	總投資收入	183.56	174.58	+5.1%
Profit from operation before taxation	除稅前經營溢利	181.14	201.30	-10.0%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	166.57	179.28	-7.1%
Retained ratio	自留比率	70.2%	73.9%	-3.7 pts 點
Loss ratio ¹	賠付率 ¹	57.3%	55.9%	+1.4 pts 點
Expense ratio ¹	費用率 ¹	39.2%	40.6%	-1.4 pts 點
Combined ratio ²	綜合成本率 ²	96.5%	96.5%	-

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.

境外財產保險業務

本集團之境外財產保險業務覆蓋香港、澳門及新加坡，分別由太平香港、太平澳門及太平新加坡營運。

境外財產保險業務—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抵銷前，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

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)

HK\$ million

百萬港元

		At 30 June 2014	At 31 December 2013	Change
		於二零一四年 六月三十日	於二零一三年 十二月三十一日	變化
Total assets	總資產	7,772.75	7,321.59	+6.2%
Total equity	總權益	4,077.38	4,039.26	+0.9%
Regulatory solvency margin ratio ³	監管性償付能力充足率 ³	1,679%	1,722%	-43 pts 點

³ Based on Hong Kong local regulations.

³ 按香港本地的規定。

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\$166.57 million during the Period (2013: HK\$179.28 million).

於本財務期內，太平香港的香港財產保險業務股東應佔經營溢利淨額為1.6657億港元（二零一三年：1.7928億港元）。

Gross Premiums Written

毛承保保費

Gross premiums written increased by 12.6% to HK\$782.33 million from HK\$694.72 million in the Last Period. During the Period, CTPI (HK) had solid increases in its motor and marine premiums.

直接業務毛承保保費由去年同期之6.9472億港元上升12.6%至7.8233億港元。於本財務期內，太平香港穩步提高了來自車險及水險的保費收入。

Management Discussion and Analysis 管理層討論和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TP MACAU

TP Macau is registered under the Macau Insurance Ordinance as an insurer and is wholly-owned by the Group. TP Macau is mainly engaged in the underwriting of general insurance business, including among others, Property, Liability, Construction All Risks, Motor, and Employee's Compensation.

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

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

HK\$ million

境外財產保險業務—由太平澳門營運

太平澳門為根據澳門保險活動管制法在澳門註冊的保險公司，由本集團全資擁有。太平澳門主要於澳門經營一般保險業務，包括財產險、責任險、建築工程險、車險和勞工保險。

以下數字為集團內部抵銷前，太平澳門的營運業績。

由太平澳門經營的海外財產保險業務之主要財務數據概述如下：

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written	毛承保保費	315.36	240.74	+31.0%
Net premiums written	淨承保保費	194.40	148.82	+30.6%
Net earned premiums	已賺取保費淨額	177.71	136.77	+29.9%
Net claims incurred	賠款淨額	(49.52)	(53.37)	-7.2%
Underwriting profit	承保溢利	64.89	31.09	+1.1 times 倍
Total investment income	總投資收入	12.45	(6.53)	-
Profit from operation before taxation	除稅前經營溢利	77.71	24.80	+2.1 times 倍
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔 經營溢利	70.29	22.20	+2.2 times 倍
Retained ratio	自留比率	61.6%	61.8%	-0.2 pt 點
Loss ratio ¹	賠付率 ¹	27.9%	39.0%	-11.1 pts 點
Expense ratio ¹	費用率 ¹	35.6%	38.2%	-2.6 pts 點
Combined ratio ²	綜合成本率 ²	63.5%	77.2%	-13.7 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

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TP MACAU (Continued)

境外財產保險業務—由太平澳門營運
(續)

HK\$ million

百萬港元

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
Total assets	總資產	1,014.40	926.78	+9.5%
Total equity	總權益	337.51	275.75	+22.4%
Regulatory solvency margin ratio ³	監管性償付能力充足率 ³	197%	192%	+5 pts 點

³ Based on Macau local regulations.

³ 按澳門當地的規定。

Operating Profit

經營溢利

The property and casualty insurance business operated in Macau by TP Macau recorded a net operating profit attributable to the owners of HK\$70.29 million during the Period (2013: HK\$22.20 million).

於本財務期內，太平澳門的澳門財產保險業務股東應佔經營溢利淨額為7,029萬港元（二零一三年：2,220萬港元）。

Gross Premiums Written

毛承保保費

Gross premiums written increased by 31.0% to HK\$315.36 million from HK\$240.74 million in the Last Period.

毛承保保費由去年同期之2.4074億港元上升31.0%至3.1536億港元。

Management Discussion and Analysis

管理層討論和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TP SINGAPORE

TP Singapore is incorporated in the Republic of Singapore and is wholly-owned by the Group. TP Singapore is mainly engaged in the underwriting of direct property and casualty insurance business, including Motor, Workmen's Compensation, Marine Cargo, Marine Hull, Fire, Bonds, Personal Accident, Health, Public Liability, Engineering/CAR/EAR, Professional Indemnity and others.

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

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

HK\$ million

境外財產保險業務—由太平新加坡營運

太平新加坡在新加坡共和國註冊成立，由本集團全資擁有。太平新加坡主要經營直接承保財險業務，包括車險、勞工保險、海上貨物保險、船舶保險、火險、保證保險、人身意外傷害險、健康保險、公共責任保險、工程險／建築工程一切險／安裝工程一切險、專業責任保險及其他。

以下數字為集團內部抵銷前，太平新加坡的營運業績。

由太平新加坡經營的海外財產保險業務之主要財務數據概述如下：

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written	毛承保保費	282.45	264.27	+6.9%
Net premiums written	淨承保保費	236.42	225.56	+4.8%
Net earned premiums	已賺取保費淨額	210.58	190.35	+10.6%
Net claims incurred	賠款淨額	(99.60)	(89.81)	+10.9%
Underwriting profit	承保溢利	38.62	31.44	+22.8%
Total investment income	總投資收入	18.30	5.23	+2.5 times 倍
Profit from operation before taxation	除稅前經營溢利	51.77	39.42	+31.3%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	43.64	33.24	+31.3%
Retained ratio	自留比率	83.7%	85.4%	-1.7 pts 點
Loss ratio ¹	賠付率 ¹	47.3%	47.2%	+0.1 pt 點
Expense ratio ¹	費用率 ¹	34.4%	36.3%	-1.9 pts 點
Combined ratio ²	綜合成本率 ²	81.7%	83.5%	-1.8 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

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TP SINGAPORE (Continued)

境外財產保險業務—由太平新加坡營運
(續)

HK\$ million

百萬港元

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
Total assets	總資產	1,992.90	1,867.50	+6.7%
Total equity	總權益	797.44	731.78	+9.0%
Regulatory solvency margin ratio ³	監管性償付能力充足率 ³	177%	197%	-20 pts 點

³ Based on Singapore local regulations.

³ 按新加坡當地的規定。

Operating Profit

經營溢利

The property and casualty insurance business operated in Singapore by TP Singapore recorded a net operating profit attributable to the owners of HK\$43.64 million during the Period (2013: HK\$33.24 million).

於本財務期內，太平新加坡的新加坡財產保險業務股東應佔經營溢利淨額為4,364萬港元（二零一三年：3,324萬港元）。

Gross Premiums Written

毛承保保費

Gross premiums written increased by 6.9% to HK\$282.45 million from HK\$264.27 million in the Last Period.

毛承保保費由去年同期之2.6427億港元上升6.9%至2.8245億港元。

Management Discussion and Analysis

管理層討論和分析

REINSURANCE BUSINESS

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.

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

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

HK\$ million

再保險業務

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責任險業務。

以下數字為集團內部抵銷前，太平再保險的營運業績。

再保險業務之主要財務數據及主要表現指標概述如下：

百萬港元

		1H 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written	毛承保保費	3,138.46	2,217.04	+41.6%
Net premiums written	淨承保保費	2,827.16	1,948.74	+45.1%
Net earned premiums	已賺取保費淨額	1,687.89	1,627.24	+3.7%
Net claims incurred	賠款淨額	(908.47)	(888.87)	+2.2%
Underwriting profit	承保溢利	69.25	123.71	-44.0%
Total investment income	總投資收入	212.41	178.61	+18.9%
Profit from operation before taxation	除稅前經營溢利	296.42	219.10	+35.3%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	232.62	195.06	+19.3%
Retained ratio	自留比率	90.1%	87.9%	+2.2 pts 點
Loss ratio ¹	賠付率 ¹	53.8%	54.6%	-0.8 pt 點
Expense ratio ¹	費用率 ¹	42.1%	37.8%	+4.3 pts 點
Combined ratio ²	綜合成本率 ²	95.9%	92.4%	+3.5 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

REINSURANCE BUSINESS (Continued)

HK\$ million

再保險業務 (續)

百萬港元

		At 30 June 2014	At 31 December 2013	Change
		於二零一四年 六月三十日	於二零一三年 十二月三十一日	變化
Total assets	總資產	11,402.78	10,119.31	+12.7%
Total equity	總權益	4,012.37	3,895.07	+3.0%
Regulatory solvency margin ratio ³	監管性償付能力充足率 ³	399%	451%	-52 pts 點

³ Based on Hong Kong local regulations.

³ 按香港當地的規定。

Operating Profit

The reinsurance business produced a net operating profit after tax of HK\$232.62 million during the Period (2013: HK\$195.06 million), representing a solid increase of 19.3%. During the Period, TPRé experienced low levels of loss, and had improved investment returns.

經營溢利

於本財務期內，再保險業務經營溢利淨額上升19.3%至2.3262億港元（二零一三年：1.9506億港元）。於本財務期內，太平再保險的賠付水平較低，同時投資回報有所改善。

Gross Premiums Written

TPRe's gross premiums written for the Period was HK\$3,138.46 million, representing an increase of 41.6% from HK\$2,217.04 million in the Last Period. Although market conditions softened due to general overcapacity for the non-life business, TPRé was able to maintain its core portfolio with overall premium growth, especially in Mainland China. TPRé also had important advancements in its, life reinsurance business, achieving premiums of HK\$821.07 million (Last Period: HK\$21.41 million), mostly in Hong Kong. The life reinsurance business line complements TPRé's short tail property reinsurance portfolio. The underwriting profit of the non-life insurance business was HK\$124.77 million, representing an increase of 59.9% from HK\$199.54 million in the Last Period.

毛承保保費

太平再保險之毛承保保費由去年同期22.1704億港元上升41.6%至31.3846億港元。儘管非人壽業務市況由於整體產能過剩而疲軟，太平再保險得以維持核心業務組合的整體保費收入增長，特別是在中國內地。太平再保險在人壽再保險業務方面亦取得重要進展，保費收入達到8.2107億港元（去年同期：2,141萬港元），大部分來自香港。人壽再保險業務補充了太平再保險的短尾財產再保險業務組合。非人壽業務組合的承保溢利由去年同期的1.2477億港元，上升59.9%至1.9954億港元。

Management Discussion and Analysis

管理層討論和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES

The Group's pension and group life insurance businesses are operated by TPP. TPP is a PRC-incorporated company and is 100% 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.

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

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100%權益。太平養老主要於內地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。

以下數字為集團內部抵銷前，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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Gross premiums written	毛承保保費	2,135.15	878.98	+1.4 times 倍
Net premiums written	淨承保保費	1,912.63	683.92	+1.8 times 倍
Net earned premiums	已賺取保費淨額	1,819.87	595.10	+2.1 times 倍
Net policyholders' benefits	保單持有人利益淨額	(308.93)	(225.40)	+37.1%
Net commission expenses	佣金支出淨額	(103.19)	(47.39)	+1.2 times 倍
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	(1,091.75)	(142.67)	+6.7 times 倍
Total investment income	總投資收入	152.54	66.00	+1.3 times 倍
Pension administration fee income	養老保險管理服務費收入	74.69	62.55	+19.4%
Agency fee income	代理服務費收入	28.13	24.67	+14.0%
Administrative and other expenses	行政及其他費用	(535.68)	(345.72)	+54.9%
Profit from operation before taxation	除稅前經營溢利	52.40	2.30	+21.8 times 倍
Profit from operation after taxation	除稅後經營溢利	62.52	2.30	+26.2 times 倍
Profit from operation attributable to the owners	股東應佔經營溢利	62.52	2.21	+27.3 times 倍

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)

HK\$ million

百萬港元

		At 30 June 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
Total assets	總資產	6,507.60	5,059.48	+28.6%
Total equity	總權益	1,403.97	1,308.67	+7.3%
Regulatory solvency margin ratio ¹	監管性償付能力充足率 ¹	332%	303%	+29 pts 點

¹ Based on CIRC regulations.

¹ 按中國保監會規定。

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 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 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)	44,052	38,787	+13.6%
Annuity entrusted assets (HK\$ million)	企業年金受託資產 (百萬港元)	42,342	35,805	+18.3%
Number of enterprises in funds and schemes	養老年金計劃所涉及的 企業數目	6,802	6,862	-60
Number of branches	分公司數目	19	17	+2

Management Discussion and Analysis

管理層討論和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES *(Continued)*

Operating Profit

The pension and group life insurance businesses incurred a net operating profit of HK\$62.52 million during the Period (2013: HK\$2.30 million). After breaking even and producing an operating profit in 2013, TPP continued to build its scale and the profitability of its operations.

Gross Premiums Written

TPP's gross premiums written for the Period increased significantly by 142.9% to HK\$2,135.15 million from HK\$878.98 million in the Last Period.

ASSET MANAGEMENT BUSINESS

The Group's asset management business is operated by TPAM and TPA (HK), which are mainly engaged in the provision of investment consultancy services to the Group in managing its RMB and non-RMB investment portfolios, respectively. TPAM is a PRC-incorporated company and is 80% owned by the Group, while TPA (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group.

養老及團體人壽保險業務 (續)

經營溢利

養老及團體人壽保險業務產生經營溢利淨額6,252萬港元(二零一三年:230萬港元)。自二零一三年轉虧為盈後,太平養老持續擴大其規模及經營溢利。

毛承保保費

本財務期,太平養老之毛承保保費由去年同期之8.7898億港元大幅上升142.9%至21.3515億港元。

資產管理業務

本集團之資產管理業務由太平資產及太平資產(香港)營運,主要分別為本集團的人民幣及非人民幣投資組合提供投資顧問服務。太平資產為中國註冊公司並由本集團擁有80%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抵銷前，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 2014 二零一四年 上半年	1H 2013 二零一三年 上半年	Change 變化
Management fee income	管理費收入	185.55	124.71	+48.8%
Total investment income	總投資收入	48.20	7.76	+5.2 times 倍
Administrative and other expenses	行政及其他費用	(157.20)	(118.36)	+32.8%
Profit from operation before taxation	除稅前經營溢利	79.84	14.57	+4.5 times 倍
Profit from operation after taxation	除稅後經營溢利	68.14	10.50	+5.5 times 倍
Profit from operating attributable to the owners	股東應佔經營溢利	61.12	8.66	+6.1 times 倍

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 2014 於二零一四年 六月三十日	At 31 December 2013 於二零一三年 十二月三十一日	Change 變化
TPAM	太平資產			
Assets under management	資產管理規模	354,372	238,708	+48.5%
Including: Assets within the Group	包括：集團內資產	230,275	194,292	+18.5%
TPA (HK)	太平資產(香港)			
Assets under management	資產管理規模	15,534	13,259	+17.2%
Including: Assets within the Group	包括：集團內資產	11,753	9,455	+24.3%

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\$68.14 million during the Period (2013: HK\$10.50 million), representing an increase of 549.0% compared to Last Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2014 amounted to HK\$79,934.93 million (31 December 2013 (Restated): HK\$72,248.56 million).

FINANCIAL LEVERAGE

The interest-bearing notes and bank facilities drawn as at 30 June 2014 amounted to HK\$10,988.05 million and HK\$7,556.21 million (31 December 2013 (Restated): HK\$17,584.73), respectively. As of 30 June 2014, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 38.6% (31 December 2013 (Restated): 41.2%). Such ratio does not include the debt owed to shareholders.

CAPITAL STRUCTURE

During the Period, after CTIH issued 571,656,306 and 152,479,270 shares of consideration shares to TPG (HK), TPG (HK)'s equity ownership interest in CTIH increased to 67.19%. For the year ended 31 December 2013, CTIH did not issue any new shares.

STAFF AND STAFF REMUNERATION

As at 30 June 2014, the Group had a total of 40,770 employees (2013 (Restated): 40,481 employees), representing an increase of 289 employees. Total remuneration for the Period amounted to HK\$3,880.85 million (2013 (Restated): HK\$3,382.38 million), representing an increase of 14.7%. Bonuses are linked to both the performance of the Group and the performance of the individual.

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6,814萬港元 (二零一三年: 1,050萬港元), 較去年同期增加549.0%。

流動資金

於二零一四年六月三十日, 本集團的現金及銀行存款為799.3493億港元 (二零一三年十二月三十一日 (重列): 722.4856億港元)。

財務槓桿

二零一四年六月三十日須付息票據及已提取銀行貸款額度分別為109.8805億港元及75.5621億港元 (二零一三年十二月三十一日 (重列): 175.8473億港元)。於二零一四年六月三十日, 中國太平控股的綜合財務槓桿比率 (債務 / (債務 + 股本)) 為38.6% (二零一三年十二月三十一日 (重列): 41.2%)。上述比率不含股東貸款。

資本結構

於本財務期內, 中國太平控股向中國太平集團 (香港) 分別發行571,656,306股及152,479,270股代價股份後, 中國太平集團 (香港) 於中國太平控股的權益增加至67.19%。截至二零一三年十二月三十一日止年度, 中國太平控股並無發行新股。

員工及員工酬金

於二零一四年六月三十日, 本集團的僱員總人數達40,770人 (二零一三年 (重列): 40,481人), 增加289人。本財務期總酬金為38.8085億港元 (二零一三年 (重列): 33.8238億港元), 增加14.7%。員工花紅與本集團的業績及員工的個人表現掛鉤。

Management Discussion and Analysis

管理層討論和分析

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.

OUTLOOK

Building a New Taiping in 3 Years' Time

2014 is the final year of the "Building a New Taiping in 3 Years' Time" initiative. After two and a half years of effort, we have achieved positive operating results. On this basis, we are on schedule and have greater confidence in achieving the targets of the "Three Year Rebuilding" to double total premium, total assets and net profit from the levels of 2011.

Completing the "Three Year Rebuilding" is not just about achieving the above tangible indicators. More importantly, the improvement in our capabilities in intangibles such as corporate governance, integration of resources, market research, and strategic cooperation has effectively enhanced the Company's overall strength. For this reason, we believe that the overall operating results for China Taiping will be significantly improved in 2014.

After achieving the strategic objectives of the "Three Year Rebuilding", the Group's overall strength, brand influence, market position and management capabilities will be greatly enhanced. As the next step, based on reality, China Taiping will be market-oriented, customer-focused, and innovation-driven in creating "the most distinctive, boutique insurance company with the highest potential". In the foreseeable future, CTIH's goal is to undertake intensive efforts to reform and innovate, improve per capita productivity and profit, work hard to maintain the appropriate scale, place more emphasis on value growth, and establish itself as moderate sized, with thought leadership, advanced technology, excellent products and services, and receiving widespread acclaim from customers and the industry as a leading, world-class integrated financial and insurance group.

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。

展望

三年再造一個新太平

二零一四年是「三年再造一個新太平」的收官之年。經過兩年半的努力，我們的經營取得良好業績，在此基礎上，我們對如期實現「三年再造」目標更加充滿信心，即總保費、總資產和淨利潤較二零一一年基礎上翻一番。

完成「三年再造」不僅是實現上述有形指標，更重要的是通過改善公司治理能力、資源整合能力、市場研究能力、戰略合作推進能力等無形能力，有效提升公司綜合實力。為此，我們相信二零一四年中國太平的整體經營成果將取得顯著提升。

「三年再造」戰略目標完成後，集團的整體實力、品牌影響力、市場地位和管理能力等方面都將得到大幅提升。下一步，中國太平將從實際出發，以市場為導向，以客戶為中心，以創新為驅動，打造「最具特色和潛力的精品保險公司」。在可以預見的將來，中國太平控股的目標是要在精耕細作上下功夫，在改革創新上下功夫，在提高人均產能和利潤上下功夫，保持適當規模，更強調價值成長，把自身打造成規模適中、思想領先、技術先進、產品過硬、服務優良，得到客戶和業內普遍好評的國內領先、國際一流綜合金融保險集團。

Management Discussion and Analysis

管理層討論和分析

OUTLOOK (Continued)

Life Insurance Business – TPL

- The continued growth of our human resources will ensure the continued healthy future development of the individual agency force business in becoming large and strong
- The individual agency force business will maintain its current agent retention rate advantage. Once the agency force has reached the intended target levels for this year, the operational focus will be adjusted from a “quarterly focus” to one of “strengthening monthly performance” and of improving the monthly activity rates
- Regarding products, TPL will focus on market research and timely adjustments of its product strategy in order to launch products which are popular in the market. TPL will also develop regionalized, differentiated products to meet the needs of different regions and the different levels of our professionals
- In the first half of 2014, TPL reached its full-year objective of single premium bancassurance sales by selling HK\$19,782 million (2013: HK\$17,023 million) of single premium products. It is expected that the second half of the year will not have large amounts of single premium bancassurance sales
- Bancassurance regular premium sales will increase significantly, and individual agency force regular premium sales will also improve significantly
- While increasing premium growth, the business structure of the products sold will also significantly improve. We have confidence that the new business value, embedded value and net profit will achieve higher growth
- It is estimated that no capital contribution will be required in 2014

展望 (續)

人壽業務 – 太平人壽

- 人力持續增長是未來個險業務做大做強、持續健康成長的保證
- 個險將保持現有的人力留存率優勢，人力達到本年預定目標之後，調整業務節奏，從「季度輪動」調整為「強化月度動作」，提升月度活動率
- 產品方面將做好市場調研，及時調整產品策略，推出市場歡迎的相關產品，開發區域化、差異化產品，滿足不同區域、不同層級業務員的需求
- 二零一四年上半年基本完成全年銀保躉繳銷售目標197.82億港元（二零一三年：170.23億港元），預期下半年不會有大額的銀保躉繳
- 銀保期繳銷售將大幅增長，個險期繳銷售也將明顯改善
- 保費高速增長的同時，業務結構將得到明顯改善，我們有信心新業務價值、內含價值及利潤取得更高增長
- 預計二零一四年年底無需額外增資。

Management Discussion and Analysis

管理層討論和分析

OUTLOOK *(Continued)*

PRC Property and Casualty Insurance Business – TPI

TPI will continue to focus on underwriting and risk management, and maintain a low loss ratio. TPI will maintain its underwriting profit and overall profitability, and will achieve solid results. It is expected that TPI will not need additional capital before the end of 2014.

Overseas Property and Casualty Insurance Business and Reinsurance – CTPI (HK), TP Macau, TP Singapore and TPR

The overseas property and casualty insurance business (CTPI (HK), TP Macau and TP Singapore) and TPR will continue their steady development and maintain underwriting profit, allowing their overall profitability to gradually improve.

Investments

In the second half of the year, in the area of traditional investments, China Taiping will look to capture opportunities in the equity markets, while actively adjusting the current equity portfolio to prepare for the next year. In the area of alternative investments, China Taiping will increase innovation and actively manage the allocation of equity products, debt products and real estate, and attach great importance to the industry, regional and credit issues of the asset base, while effectively managing the downside risks.

Based on the good returns during the first half of the year, by flexibly conducting our asset allocations and capturing market opportunities, it is expected that the 2014 investment yield will be greatly improved over that of 2013. We have full confidence in fulfilling this expectation.

展望 (續)

境內產險業務 – 太平財險

太平財險將繼續專注承保和風險管理，維持較低的賠付率，保持承保利潤及盈利能力，並取得穩健的業績。預計二零一四年年底無需額外增資。

境外產險及再保險業務 – 太平香港、太平澳門、太平新加坡及太平再保險

境外產險業務（太平香港、太平澳門和太平新加坡）及太平再保險將繼續保持穩健發展，維持承保利潤，盈利能力將逐步提高。

投資

下半年，在傳統投資領域，將抓住權益市場階段性機遇，即時兌現部分浮盈和開展結構性調整，並積極佈局來年；在另類投資領域，將加大創新力度，繼續穩健配置優質的股權、債權類產品和不動產資產，並高度重視基礎資產所在行業、區域和信用狀況，有效防禦經濟下行風險。

在今年上半年良好收益基礎上，通過下半年的靈活資產戰術配置及時抓住市場機遇，預計二零一四年投資收益率將比二零一三年度有較大的提升，我們對充從滿期待與信心。