

# Management Discussion and Analysis

## 管理層討論和分析

### 2016 FIRST HALF BUSINESS OPERATIONS AND CONSOLIDATED RESULTS

### 二零一六年上半年經營情況及綜合業績

#### Large Increase in New Business Value, and Initial Success in the “Boutique Strategy”

#### 新業務價值大幅增長，精品戰略初見成效

- Total premium reached HK\$93.9 billion, increased by 10.0% over the Last Period
  - Total assets were over HK\$508.2 billion, increased by 4.1% over the 2015 year-end
  - Profit attributable to owners was HK\$3.1 billion, decreased by 47.1% over the Last Period, the decrease was lower than market average
  - Owners' equity was HK\$53 billion, decreased by 3.6% over the 2015 year-end
  - Life insurance's new business value was HK\$5.24 billion, increased by 61.3% over the Last Period (increased by 74.8% in terms of RMB)
  - The combined ratio of property and casualty insurance and reinsurance business continued to be stable, continue in achieving underwriting profit
- 總保費達到939億港元，同比增長10.0%
  - 總資產達到5,082億港元，較去年底增長4.1%
  - 股東應佔溢利淨額31億港元，同比下降47.1%，降幅低於市場平均水平
  - 股東應佔權益530億港元，較去年底減少3.6%
  - 壽險新業務價值52.4億港元，同比增長61.3%（人民幣口徑同比增長74.8%）
  - 產險及再保險業務綜合成本率保持穩定，承保持續盈利

#### PRC Insurance Businesses<sup>1</sup> Continued to Develop Steadily

#### 境內保險業務<sup>1</sup>保持穩步健康發展

- Direct premium of the life insurance<sup>2</sup> increased by 21.5% over the Last Period
  - Number of life insurance agent increased by 5.4% as compared to the beginning of the year, monthly per capita number of policies increased by 15.6% over the Last Period, monthly per capita production of premium from life insurance agents was RMB26,700, resulting a 69.0% increase in premium from new policies over the Last Period; high productivity (RMB300,000 regular premium above) agents increased by more than 70.6% over the Last Period
  - Bancassurance regular premium from new policies increased by 38.2% over the Last Period, with nearly 70% were payment terms of 10 years or above
- 壽險原保費收入<sup>2</sup>同比增長21.5%
  - 壽險代理人數量較年初增長5.4%，每月人均件數同比增長15.6%，每月人均保費2.67萬元人民幣，推動新單保費同比增長69.0%；高產能（人民幣30萬期繳保費以上）人力同比增長超過70.6%
  - 銀保期交新單保費同比增長38.2%，其中10年交及以上業務佔比接近70%

<sup>1</sup> Calculated in RMB

<sup>2</sup> Including TPL and TPP

<sup>1</sup> 以人民幣計算

<sup>2</sup> 包括太平人壽及太平養老

# Management Discussion and Analysis

## 管理層討論和分析

### 2016 FIRST HALF BUSINESS OPERATIONS AND CONSOLIDATED RESULTS (Continued)

#### PRC Insurance Businesses Continued to Develop Steadily (Continued)

- Short term group staff benefit business increased by 33.9% over the Last Period, with short term health insurance increased by 41.9% over the Last Period
- Four persistency ratios of the individual agency and bancassurance lines were industry-leading; loss ratio of short-term group insurance was kept in a satisfactory level
- Total premium of the PRC property and casualty insurance increased by 17.1% over the Last Period. Direct premium increased by 15.6% over the Last Period, faster than market average by 7.1 percentage points, the proportion of non-motor insurance increased by 4.4 percentage points
- Balance of pension assets under management was over RMB114.6 billion, increased by 10.0% over the 2015 year-end

#### Strength of International Operations Continued to Enhance

- The loss ratio of CTPI (HK) remained at a relatively low level, continue in achieving underwriting profit
- TP Macau continued to maintain its leading market share, the combined ratio decreased over the Last Period and remained at an outstanding level, with underwriting profit increased by 9.9% over the Last Period
- The combined ratio of TP Singapore decreased over the Last Period and remained at a relatively low level, with underwriting profit increased by 76.3% over the Last Period
- The total premium of TP UK increased rapidly, with an aggregate increase of 54.5% over the Last Period, continue in achieving underwriting profit
- The total premium of TP Indonesia increased by 12.8% over the Last Period, with the combined ratio decreased over the Last Period, the underwriting profit increased by 12.9% over the Last Period
- Property and Casualty Reinsurance business of TPRe continued its growth, with the combined ratio at a relatively low level, and that of long-term life reinsurance continued to grow, with its premium income increased by 22.4% over the Last Period

### 二零一六年上半年經營情況及綜合業績 (續)

#### 境內保險業務保持穩步健康發展 (續)

- 團體短期員工福利保障業務同比增長33.9%，其中短期健康險同比增長41.9%
- 個險、銀保四項繼續率指標行業領先，團體短期險賠付率保持較好水平
- 境內產險總保費同比增長17.1%。原保費同比增長15.6%，高於行業平均增幅7.1個百分點，非車險佔比上升4.4個百分點
- 養老金管理資產餘額達到1,146億元人民幣，較去年底增長10.0%

#### 國際化經營實力持續提升

- 太平香港賠付率保持較低水平，承保繼續盈利
- 太平澳門保費收入繼續居市場領導地位，綜合成本率同比下降，保持優秀水平，承保利潤同比增長9.9%
- 太平新加坡綜合成本率同比下降，處於較低水平，承保利潤同比上升76.3%
- 太平英國總保費快速提升，同比增長54.5%，保持承保盈利
- 太平印尼總保費同比增長12.8%，綜合成本率同比下降，承保利潤同比增長12.9%
- 太平再保險產險再保業務保持增長，綜合成本率處於較低水平；長期壽險再保業務持續增長，保費收入同比上升22.4%

# Management Discussion and Analysis

## 管理層討論和分析

### 2016 FIRST HALF BUSINESS OPERATIONS AND CONSOLIDATED RESULTS *(Continued)*

#### Asset Management Scale Continued to Achieve a Fast Growth, Realising Sound Investment Yield for Domestic Debt Securities in the PRC

- The Group's invested assets have realised a total investment income of HK\$9.351 billion, with an annualised investment yield of 4.69%
- Asset under management from third-party asset management business amounted to HK\$266.9 billion, increased by 14.2% over the 2015 year-end
- The investment yield for domestic debt securities were higher than industry averages. For the six months ended 2016, the investment yield for held-for-trading debt securities were higher than the aggregate full price index of ChinaBond for the same period by 211 basis points; the annualised investment yield for new held-to-maturity debt securities were 4.63%, realising sound investment yield

#### Strategic Clients Keep Increasing, and Cross-selling Business Achieved Rapid Development

- In the first half of 2016, China Taiping signed Group Strategic Cooperation Agreements with 4 large clients, including Everbright Group and Ant Financial. As at the end of June 2016, China Taiping had established strategic cooperation relationships with 59 large clients
- Our cross-selling initiatives achieved HK\$2.11 billion insurance sales, including HK\$1.71 billion of property insurance sales through TPL, HK\$330 million of pension sales through TPL, and HK\$60 million of property insurance sales through TPP
- The Sinopec gas station project realised substantive results. By the end of June 2016, 6,270 outlets had been stationed, with insurance sales of HK\$780 million

### 二零一六年上半年經營情況及綜合業績 (續)

資產管理規模保持較快增長，境內債券投資收益良好

- 集團投資資產實現總投資收益93.51億港元，年化投資收益率4.69%
- 第三方資產管理業務管理規模2,669億港元，較去年底增長14.2%
- 境內債券投資收益率高於市場平均水平。二零一六年上半年，交易類債券收益率超出同期中債總全價指數211個基點；新增持有至到期類債券年化收益率4.63%，投資收益良好

戰略客戶數量不斷增加，交叉銷售業務快速發展

- 二零一六年上半年與光大集團及螞蟻金服等4家大客戶簽署總對總合作協議。截至二零一六年六月底，共與59家大客戶建立戰略合作關係
- 集團內交叉銷售實現保費21.1億港元，其中壽銷產保費17.1億港元，壽銷養3.3億港元，養銷產0.6億港元
- 中石化加油站項目取得階段性成果，截至二零一六年六月底，進駐加油站網點6,270家，實現保費7.8億港元

# Management Discussion and Analysis

## 管理層討論和分析

### 2016 FIRST HALF BUSINESS OPERATIONS AND CONSOLIDATED RESULTS *(Continued)*

#### Brand Value Continued to Grow with Brand Image Significantly Enhanced

- China Taiping's brand value continued to grow. In 2016, China Taiping with its 70% brand value growth rate, was once again listed among the Top 100 Most Valuable Chinese Brand by BrandZ, and was the top 3 in the Top 20 Brand Value Growth List
- China Taiping's brand image has significantly enhanced. In the first half of 2016, the Group was listed in the latest Fortune "Top 500 Chinese Companies 2016", with its ranking increase from 90 in last year to 42 in 2016. China Taiping was awarded "Worldwide Chinese 1000 Best Performance Awards" by Yazhou Zhoukan and "Best Listed Company Award" etc., continuously enhancing its brand recognition

### 二零一六年上半年經營情況及綜合業績 *(續)*

#### 品牌價值持續增長，品牌形象顯著提升

- 中國太平品牌價值持續增長。二零一六年，中國太平憑藉70%的品牌價值高增長率，再次入選二零一六年BrandZ最具價值中國品牌100強，並在「品牌價值增長20強」榜單中躋身前三甲
- 中國太平品牌形象進一步提升。二零一六年上半年，集團在最新公佈的《財富》二零一六年中國500強排行榜上，排名較上年第90位大幅躍升至42位。中國太平榮獲《亞洲週刊》「全球華商1000—最績優企業大獎」以及香港「最佳上市公司」等大獎，品牌美譽度不斷提升

# Management Discussion and Analysis

## 管理層討論和分析

### 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：

*HK\$ million*

*百萬港元*

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Total premiums written and policy fees	總保費及保單費收入	93,929.63	85,395.58	+10.0%
Profit from operations before taxation	除稅前經營溢利	6,078.30	9,651.43	-37.0%
Profit from operations after taxation	除稅後經營溢利	4,048.97	7,262.92	-44.3%
Net profit attributable to the owners	股東應佔溢利淨額	3,099.31	5,857.69	-47.1%
Basic earnings per share (HK\$)	每股基本盈利 (港元)	0.827	1.772	-0.945 dollar 元
Interim dividend proposed	派發中期股息建議	-	-	-

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Total assets	總資產	508,220.55	488,031.35	+4.1%
Total equity	總權益	68,707.22	71,798.63	-4.3%
Owners' equity - Per share (HK\$)	股東應佔權益 - 每股 (港元)	53,019.69 14.752	55,020.66 15.309	-3.6% -0.557 dollar 元
Group embedded value	總內含價值	119,948.63	117,548.00	+2.0%
Owners' group embedded value - Per share (HK\$)	股東應佔總內含價值 - 每股 (港元)	96,042.38 26.723	93,905.00 26.128	+2.3% +0.595 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 summarised below:

按各業務分類之經營淨溢利／(虧損)概述如下：

HK\$ million

百萬港元

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Life insurance	人壽保險	3,328.42	5,315.61	-37.4%
PRC property and casualty insurance	境內財產保險	345.77	706.28	-51.0%
Overseas property and casualty insurance and reinsurance	境外財產保險及再保險	445.34	638.76	-30.3%
Pension and group life insurance	養老及團體人壽保險	22.35	113.08	-80.2%
Others <sup>1</sup>	其他 <sup>1</sup>	(92.91)	489.19	N/A 不適用
Net profit from operations	經營淨溢利	4,048.97	7,262.92	-44.3%
Non-controlling interests	非控股股東權益	(949.66)	(1,405.23)	-32.4%
Net profit attributable to the owners	股東應佔溢利淨額	3,099.31	5,857.69	-47.1%

<sup>1</sup> Others mainly include the operating results of the holding company, asset management, TPc, TPIH, TPFH and consolidation adjustments.

<sup>1</sup> 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、太平金控等公司的經營成果，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

		2016 二零一六年	2015 二零一五年
Total equity as at 1 January	於一月一日之總權益	<b>71,798.63</b>	51,338.52
Net profit recognised in statement of profit or loss	確認於損益表之溢利淨額	<b>4,048.97</b>	7,262.92
Net changes in AFS investment reserve	可供出售投資儲備變化淨額	<b>(5,421.44)</b>	4,469.43
Revaluation gain arising from reclassification of own-use properties into investment properties	因自用物業重新分類為投資物業而產生之重估收益	<b>13.02</b>	23.19
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	<b>(1,058.57)</b>	6.04
Share issued under Placing and Subscription	配股及股份認購中發行的股份	-	13,480.30
Distribution to holders of perpetual subordinated capital securities	向永續次級資本證券持有人支付利息	<b>(127.38)</b>	(126.81)
Capital contribution made to subsidiaries by its non-controlling shareholder	向附屬公司注入資本	<b>48.56</b>	-
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的股息	<b>(594.57)</b>	(136.80)
Others	其他	-	(30.55)
<b>Total equity as at 30 June</b>	<b>於六月三十日之總權益</b>	<b>68,707.22</b>	76,286.24
Attributable to:	應佔：		
Owners of the Company (including capital securities)	本公司股東權益(含資本證券)	<b>57,726.63</b>	63,324.01
Non-controlling interests	非控股股東權益	<b>10,980.59</b>	12,962.23
		<b>68,707.22</b>	76,286.24

# Management Discussion and Analysis

## 管理層討論和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

### 綜合投資表現

#### Assets Management Business

#### 資產管理業務

##### 1. Investment Assets of the Group

##### 一、集團投資資產

During the first half of 2016, US economy has gradually recovered and achieved improvement in external demand, and the PRC economy has achieved a stabilised and recovery stage, hence both A shares and Hong Kong stock market have gradually refocused on the fundamentals from volatilities. Affected by US's delay in interest hike and sluggish recovery of the world's major economies, the interest rate is moving towards long-term down trend. After conducting in-depth studies into the macro economy situation, the Company has adopted the following investment strategies: maintaining a relatively low position while capital market encountering significant volatility, timely increasing allocation of long term bonds, and imposing strict control on screening and portfolio allocation of credit bonds. In respect of alternative investment, the Company made good progress in the long term layout within the related area, such as the joint establishment of internet health insurance company with Ali Health and other companies etc. The Company also structured investment especially in line with the country's strategy, e.g. establishment of ICBCI Silk Road Prosperity Taiping Fund.

二零一六年上半年，美國經濟逐漸復蘇，外部需求有所好轉，中國經濟階段性企穩回升，A股和港股市場震盪中逐步回歸基本面。受美國加息推遲、世界主要經濟體復蘇乏力影響，利率進入長期下行通道。本公司深入研究宏觀經濟形勢，在資本市場出現較大幅度震盪時維持較低倉位，並適時增加配置較長期限的債券。信用債方面進行嚴格篩選，並控制投資比例。另類投資方面，已逐漸打開局面，在相關領域進行長期佈局，如與阿里健康等公司共同設立互聯網健康保險公司等；在投資方面注重配合國家戰略，如發起設立「工銀國際絲路盛世太平基金」等。

#### Investment Income

#### 投資收益

The total investment income and investment yield of the Group are summarised below:

本集團之總投資收益及投資收益率概述如下：

HK\$ million

百萬港元

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Net investment income <sup>1</sup>	淨投資收益 <sup>1</sup>	<b>8,206.59</b>	7,805.46	+5.1%
Net realised and unrealised investment gains <sup>2</sup>	已實現及未實現資本利得 <sup>2</sup>	<b>1,144.88</b>	10,132.44	-88.7%
Total investment income	總投資收益	<b>9,351.47</b>	17,937.90	-47.9%
Annualised investment yield <sup>3</sup>	年化投資收益率 <sup>3</sup>	<b>4.69%</b>	7.75%	-3.06 pts 點



# Management Discussion and Analysis

## 管理層討論和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

#### Investment Income (Continued)

- <sup>1</sup> Including the interest income from deposit, interest income from bonds, dividends from equity investments, rental income from investment properties and deducting interest expense on securities sold under resale agreements.
- <sup>2</sup> Including the income from the spread of investment securities, gain or loss on changes in fair value and impairment loss.
- <sup>3</sup> In the calculation of investment yield, as the denominator, the average investment assets takes into account the effect of securities purchased under resale agreements and securities sold under repurchase agreements. When annualising the investment yield, the interest income from deposit, interest income from bonds and rental income from investment properties and deduction of interest expense on securities sold under resale agreements were multiplied by two, while the dividend from equity investments remained unchanged.

The realised and unrealised gains decreased by 88.7% from HK\$10,132 million in the first half of 2015 to HK\$1,145 million in the first half of 2016, mainly because of the decrease of investment income from equity securities and investment funds.

Under the combined influence of the above factors, the total income of investment assets of the Group amounted to HK\$9,351 million in the first half of 2016, decreased by 47.9% over the HK\$17,938 million in the first half of 2015; the annualised investment yield decreased from 7.75% in the first half of 2015 to 4.69% in the first half of 2016.

### 綜合投資表現 (續)

#### 投資收益 (續)

- <sup>1</sup> 包含存款利息收入、債券利息收入、權益投資股息收入、投資性房地產租賃收入等並扣除賣出回購利息支出。
- <sup>2</sup> 包含證券投資差價收入、公允價值變動損益及減值損失。
- <sup>3</sup> 計算投資收益率時，作為分母的平均投資資產，包含買入返售和賣出回購的影響。投資收益率年化時，按照存款利息收入、債券利息收入、投資性房地產租賃收入及扣除賣出回購利息支出均乘二，權益投資股息收入維持不變估算。

已實現及未實現淨投資收益由二零一五年上半年的101.32億港元減少88.7%至二零一六年上半年的11.45億港元，主要原因是股本證券和投資基金的投資收益減少。

受上述因素綜合影響，二零一六年上半年本集團投資資產的總投資收益為93.51億港元，較二零一五年上半年的179.38億港元減少47.9%，年化投資收益率由二零一五年上半年的7.75%下降至二零一六年上半年的4.69%。

# Management Discussion and Analysis

## 管理層討論和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

### 綜合投資表現(續)

#### Investment Portfolio

#### 投資組合

The assets allocation of the investment portfolio of the Group is as follows:

本集團的投資組合資產配置情況：

HK\$ million

百萬港元

		At 30 June 2016		At 31 December 2015	
		於二零一六年 六月三十日	% of Total 佔總額百分比	於二零一五年 十二月三十一日	% of Total 佔總額百分比
<b>By investment category</b>	<b>按投資對象分</b>				
Fixed income	固定收益類				
Debt securities	債務證券	166,109.51	41.5%	144,623.23	38.8%
Term deposits	定期存款	45,746.66	11.4%	34,375.88	9.2%
Debt products	債權產品	68,693.99	17.2%	72,095.46	19.3%
Other fixed income investments	其他固定收益投資	24,623.54	6.2%	20,649.12	5.5%
Equity investments	權益類投資				
Equity securities	股本證券	21,468.60	5.4%	26,112.46	7.0%
Investment funds	投資基金	12,756.68	3.2%	12,704.27	3.4%
Other equity investments	其他權益投資	19,219.28	4.8%	14,944.27	4.0%
Investment properties	投資性物業	15,414.35	3.8%	12,375.25	3.3%
Cash, cash equivalents and others	現金、現金等價物及其他	25,896.90	6.5%	34,787.52	9.3%
<b>Total invested asset</b>	<b>投資資產總額</b>	<b>399,929.51</b>	<b>100.0%</b>	<b>372,667.46</b>	<b>100.0%</b>

The Company took the initiative in improving its investment portfolio to respond to the new market situation. In the other hand, the asset allocation proportion has been slightly changed comparing to the 2015 year-end, mainly due to increase in scale of assets under management and asset price fluctuations. The proportion of fixed income investments to total investment assets increased from 72.8% in 2015 year-end to 76.3% in the first half of 2016, from which the debt securities and term deposits allocation in aggregate increased by 4.9 percentage points. The proportion of equity investments to total investment assets was 13.4%, as a result of the main reduction of the allocation of equity securities by 1.6 percentage point.

本公司根據新的市場形勢，主動改善投資組合資產配置以應對新的資本市場形勢，同時，受管理資產規模的擴大和資產價值波動等因素的影響，資產配置比例較去年底有小幅變動。固定收益類投資的佔比由二零一五年底的72.8%上升到二零一六年上半年的76.3%，其中債務證券和定期存款配置佔比合計提升4.9個百分點。權益類投資佔總投資資產的比例為13.4%，主要是股本證券配置比例降低了1.6個百分點。

# Management Discussion and Analysis

## 管理層討論和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

#### Analysis of investment in securities

##### *Credit risk of debt securities manageable*

As at the end of the first half of 2016, debt securities held by the Group were of high credit ratings, and thus the credit risk is manageable. Within the domestic bonds, 98% were bonds with AAA ratings, government bonds and financial policy bonds, A-1 ratings short term government bonds and financial policy bonds. Investment grade bonds with BBB ratings or higher reached 100%. Within the foreign bonds, 86% were investment grade bonds with BBB ratings or higher.

##### *Alternative investments key risk exposures represented a steady decrease in percentage of the total assets*

##### *Local Government Debt Financing*

As of the end of June 2016, local government debt investments of approximately HK\$10.9 billion, represented only 2.1% of the total assets, indicating a continued decrease. In 2016, with the replacement of local government debts to platform debts, the risk exposures of investment in local government debt reduced. 93% of the projects were rated AAA, with the remaining 7% were rated AA+, same as in the end of 2015. 68% of the projects had bank and central government-owned/large enterprises as guarantor. Major projects were located in tier 1 or new tier 1 cities.

##### *Real Estate Financial Investment Debt Products*

As of the end of June 2016, real estate financial investment debt products of approximately HK\$15.9 billion, represented only 3.7% of the total assets, the ratio decreased over the 2015 year-end, mainly due to existing assets matured. All projects had bank guarantees or large enterprises guarantees or various forms of mortgages/pledges or hybrid credit enhancements, the credit status of the assets was relatively good.

##### *Purchased External Financial Products*

As of the end of June 2016, Purchased External Financial products of about HK\$14 billion represented 3.2% of the total assets, the ratio increased over the 2015 year-end. Financial products related to real estate were approximately HK\$2.855 billion, representing about 0.7% of the total assets. The overall credit risk of the assets were in good condition, risk exposure were kept at a relatively low level.

### 綜合投資表現(續)

#### 證券投資的分析

##### *債務證券信用風險可控*

截止二零一六年上半年，本集團持有的債券信用等級較高，信用風險總體可控。境內債券方面，98%投資於高信用等級的AAA級債券、國債和政策性金融債、A-1級短融券的國債、政策性金融債等，BBB及以上的投資級債券佔比合計達到100%。境外債券方面，86%投資於BBB及以上的投資級債券。

##### *另類投資關鍵風險敞口佔總資產比例穩中有降*

##### *地方政府債務融資*

截止二零一六年六月底，地方政府債務類投資約109億港元，佔總資產僅2.1%，佔比持續下降。二零一六年發行地方政府債置換平臺債，降低地方政府債務類投資的風險敞口，93%的項目信用評級為AAA，餘下7%的項目為AA+評級，與去年底基本一致。68%的項目由銀行和大型國企/企業提供擔保，主要項目處於一線城市或新一線城市。

##### *房地產債權金融產品投資*

截止二零一六年六月底，房地產債權類金融產品投資約159億港元，合計佔總資產比例僅3.7%，比例較去年底有所下降，主要是存量資產到期。所有項目獲得銀行擔保或大型企業提供擔保或各種形式抵押/質押或混合增信，資產信用狀況較為良好。

##### *外購金融產品*

截止二零一六年六月底，外購金融產品約140億港元，佔總資產比例3.2%，較往年有所上升，外購金融產品含房地產相關約有28.55億港元，佔總資產比例約0.7%。總體來看資產信用狀況良好，風險敞口維持較低水準。

# Management Discussion and Analysis

## 管理層討論和分析

### CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

#### Analysis of investment in securities (Continued)

#### II. Third-party Assets under Management

By the end of June 2016, the total third-party entrusted investment assets managed by the Group amounted to HK\$266.9 billion, increased by 14.2% over the 2015 year-end.

In the first half of 2016, the size of the asset management products offered by TPAM to third parties and the alternative investment assets sold to the external parties grew rapidly, and increased by HK\$21.8 billion and HK\$4.9 billion as compared with the 2015 year-end, respectively.

By the end of June 2016, among the investment-linked accounts managed by the Group, 38% of them were among the top 1/3 of the industry and 23% of them were among the top 3 of the industry.

### LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL and TPL (HK), which are engaged in the underwriting of life insurance policies in Mainland China and Hong Kong, respectively. TPL is a PRC-incorporated company and 75.1% owned by the Group, while TPL (HK) is a Hong Kong-incorporated company established in July 2015 and is wholly-owned by the Group.

During the Period, the direct premiums written by TPL (HK) achieved HK\$73.96 million while they had 19 individual agents.

The results under life insurance business for the Period is mainly contributed by TPL. The figures below are focus on the analysis of TPL performance.

### 綜合投資表現 (續)

#### 證券投資的分析 (續)

#### 二、第三方管理資產

截止二零一六年六月底，集團管理的第三方委託投資資產總額達到2,669億港元，較去年底增長14.2%。

二零一六年上半年，太平資產向第三方發售的資產管理產品以及對外發行的另類投資資產規模增長迅速，比去年年底分別增加218億港元和49億港元。

截止二零一六年六月底，集團管理的投連帳戶中，38%的帳戶分類排名進入同業前1/3，23%的帳戶分類排名進入同業前三。

### 人壽保險業務

集團之人壽保險業務由太平人壽及太平人壽香港經營，分別在內地及香港從事人壽保險業務。太平人壽是在中國註冊成立之公司，主要在內地從事人壽保險業務。本集團擁有太平人壽75.1%權益。而太平人壽香港於二零一五年七月在香港註冊成立，由本集團全資擁有。

於本財務期，太平人壽香港保費收入達7,396萬港元，個人代理數目為19人。

人壽保險業務於本財務期的業績主要來自太平人壽。以下數字重點分析太平人壽之業績。

# Management Discussion and Analysis

## 管理層討論和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務(續)

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

以下數字為集團內部對銷前，太平人壽的營運業績。

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

人壽保險業務之主要財務數據概述如下：

HK\$ million

百萬港元

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Direct premiums written and premium deposits	保費收入及保費存款	<b>75,271.35</b>	65,003.95	+15.8%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	<b>2,737.10</b>	1,205.55	+1.3 times 倍
Premium deposits of unit-linked products	投資連結產品之保費存款	<b>56.87</b>	168.90	-66.3%
Premium deposits of other products	其他產品之保費存款	<b>132.33</b>	136.42	-3.0%
Direct premiums written recognised in statement of profit or loss	確認於損益表之保費收入	<b>72,345.05</b>	63,493.08	+13.9%
Inward reinsurance premiums	分保費收入	<b>36.36</b>	2,547.74	-98.6%
Policy fees	保單費收入	<b>66.47</b>	30.19	+1.2 times 倍
Net premiums written and policy fees	淨保費收入及保單費收入	<b>71,670.15</b>	65,065.14	+10.2%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	<b>71,487.22</b>	65,152.36	+9.7%
Net policyholders' benefits	保單持有人利益淨額	<b>(10,633.64)</b>	(31,906.38)	-66.7%
Net commission expenses	佣金支出淨額	<b>(7,367.76)</b>	(4,814.18)	+53.0%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	<b>(52,185.23)</b>	(30,913.78)	+68.8%
Total investment income	總投資收入	<b>7,956.55</b>	15,283.50	-47.9%
Administrative and other expenses	行政及其他費用	<b>(5,317.32)</b>	(6,037.83)	-11.9%
Finance costs	財務費用	<b>(2.58)</b>	(121.44)	-97.9%
Profit from operation before taxation	除稅前經營溢利	<b>4,847.07</b>	7,100.98	-31.7%
Profit from operation after taxation	除稅後經營溢利	<b>3,329.87</b>	5,315.61	-37.4%
Profit from operation attributable to the owners	股東應佔經營溢利	<b>2,500.74</b>	3,992.02	-37.4%

# Management Discussion and Analysis

## 管理層討論和分析

### LIFE INSURANCE BUSINESS (Continued)

### 人壽保險業務(續)

HK\$ million

百萬港元

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Total assets	總資產	<b>374,549.39</b>	371,289.40	+0.9%
Total equity	總權益	<b>30,796.78</b>	35,540.21	-13.3%

The key operational data of the life insurance business is summarised below: 人壽保險業務之主要經營數據概述如下：

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Market share <sup>1</sup>	市場份額 <sup>1</sup>	<b>4.3%</b>	5.0%	-0.7 pt 點
Number of provincial branches	省級分公司數目	<b>37</b>	37	-
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	<b>1,098</b>	1,066	+32
Number of customers	客戶數目			
- Individual	- 個人	<b>7,623,377</b>	7,474,006	+149,371
- Corporate	- 公司	<b>1,531</b>	1,874	-343
Distribution network	分銷網絡			
- Number of individual agents	- 個人代理數目	<b>244,380</b>	231,766	+12,614
- Number of bancassurance outlets	- 銀行保險銷售網點數目	<b>21,463</b>	21,255	+208
Agent monthly premiums (RMB)	代理每月人均保費 (人民幣元)	<b>26,686</b>	19,573	+7,113
Persistency ratios	第13個月之保費繼續率 <sup>2</sup>			
- 13th month <sup>2</sup>				
- Individual	- 個人	<b>95.3%</b>	92.5%	+2.8 pts 點
- Bancassurance	- 銀行保險	<b>93.7%</b>	92.3%	+1.4 pts 點
Compound persistency ratios	第25個月之保費複合繼續率 <sup>2</sup>			
- 25th month <sup>2</sup>				
- Individual	- 個人	<b>88.2%</b>	87.9%	+0.3 pt 點
- Bancassurance	- 銀行保險	<b>87.0%</b>	87.0%	-

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

<sup>1</sup> 據中國保監會刊發之保費計算。

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

<sup>2</sup> 按保費金額。

# 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\$3,330 million during the Period (2015: HK\$5,316 million), representing an decrease of 37.4% compared to Last Period due to the higher realised investment gain of equity investments during Last Period.

#### Direct Premiums Written and Premium Deposits

TPL's direct premiums written recognised in the consolidated statement of profit or loss increased by 13.9% to HK\$72,345 million from HK\$63,493 million in the Last Period. This growth was primarily driven by continued strength in the individual agency force channel, and higher levels of regular premium sales in the individual channel.

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

For the six months ended 30 June 2016, HK\$ million

### 人壽保險業務(續)

#### 經營溢利

本財務期內，人壽保險業務之經營溢利淨額為33.30億港元(二零一五年：53.16億港元)，較去年同期下跌37.4%，主要由於去年同期權益類投資已實現資本利得較高。

#### 保費收入及保費存款

太平人壽確認於綜合損益表內的保費收入由去年之634.93億港元上升13.9%至723.45億港元。此增長主要由個人代理隊伍持續壯大和個險期繳產品銷售額上升所帶動。

太平人壽按業務劃分之保費收入及保費存款如下：

截至二零一六年六月三十日止六個月，百萬港元

	Direct premiums written recognised in the consolidated statement of profit or loss 確認於綜合損益表內之保費收入	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 Bancassurance Group 個人代理 銀行保險 團體	37,067.04	2,359.30	20.75	77.25	39,524.34	52.5%
Other Channels <sup>1</sup> 多元銷售 <sup>1</sup>	33,988.30	377.80	36.12	1.17	34,403.39	45.7%
	217.02	-	-	53.91	270.93	0.4%
	1,072.69	-	-	-	1,072.69	1.4%
	72,345.05	2,737.10	56.87	132.33	75,271.35	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 six months ended 30 June 2015, HK\$ million

截至二零一五年六月三十日止六個月，百萬港元

	Direct premiums written recognised in the consolidated statement of profit or loss 確認於綜合損益表內之保費收入	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	28,194.16	889.70	42.62	83.36	29,209.84	44.9%
Bancassurance 銀行保險	34,293.43	315.85	126.28	1.25	34,736.81	53.5%
Group 團體	–	–	–	51.81	51.81	0.1%
Other Channels <sup>1</sup> 多元銷售 <sup>1</sup>	1,005.49	–	–	–	1,005.49	1.5%
	63,493.08	1,205.55	168.90	136.42	65,003.95	100.0%

<sup>1</sup> Other Channels mainly consists of telemarketing.

<sup>1</sup> 多元銷售主要由電話營銷組成。

During the Period, premiums distributed through the individual agency force channel increased to HK\$37,067 million from HK\$28,194 million in the Last Period, representing a significant increase of 31.5%. TPL's initiative to increase its agent numbers over the recent years has established a strong foundation for the agency force channel. The agent numbers and their productivity are growing continuously (monthly per capita premiums of RMB26,686 during the Period (31 December 2015: RMB19,573)).

本財務期內，透過個人代理隊伍分銷的保費由去年的281.94億港元上升至370.67億港元，大幅增長31.5%。太平人壽於近年增加代理人數量的舉措，為代理隊伍渠道奠定堅實基礎。代理人數目及人均保費持續增長，本財務期內每月人均保費為人民幣26,686元（二零一五年十二月三十一日：人民幣19,573元）。

In the bancassurance channel, premium decreased to HK\$33,988 million from HK\$34,293 million in the Last Period, representing a slightly decrease of 0.9%. Within this, first year bancassurance regular premium increased to HK\$2,727 million from HK\$2,098 million in the Last Period, representing a substantial increase of 30.0%, while bancassurance single premium decreased by 6.1%.

銀行保險渠道方面，保費由去年同期342.93億港元輕微下跌0.9%至339.88億港元。其中銀保首年期繳保費由去年同期20.98億港元上升至27.27億港元，大幅增長30.0%，而銀保躉繳保費同比下降6.1%。

The persistency ratios remained stable and at the forefront of the industry and was at 95.3% and 93.7% at the 13th month, and 88.2% and 87.0% at the 25th month, for the individual agency and bancassurance channels, respectively.

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95.3%及93.7%，而第25個月保費複合繼續率則分別為88.2%及87.0%。



# 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 summarised 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

#### 個人代理

		1H 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	72.55	0.2%	557.45	2.0%
Regular Premium	期繳保費				
– First Year	– 首年	16,800.04	45.3%	10,055.04	35.7%
– Renewal Year	– 續年	20,194.44	54.5%	17,581.67	62.3%
		<b>37,067.04</b>	<b>100.0%</b>	28,194.16	100.0%

#### Bancassurance

#### 銀行保險

		1H 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	21,439.55	63.1%	22,823.01	66.6%
Regular Premium	期繳保費				
– First Year	– 首年	2,727.44	8.0%	2,097.99	6.1%
– Renewal Year	– 續年	9,821.31	28.9%	9,372.43	27.3%
		<b>33,988.30</b>	<b>100.0%</b>	34,293.43	100.0%

#### Group

#### 團體

		1H 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
Employee Benefit ("EB")	僱員福利	217.02	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)

#### Other Channels

#### 多元銷售

		1H 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
Single Premium	躉繳保費	9.10	0.8%	0.79	0.1%
Regular Premium	期繳保費				
– First Year	– 首年	244.52	22.8%	265.07	26.4%
– Renewal Year	– 續年	819.07	76.4%	739.63	73.5%
		<b>1,072.69</b>	<b>100.0%</b>	1,005.49	100.0%

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 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
3-9 years	3-9年	9,187.88	54.7%	6,143.58	61.1%
10-19 years	10-19年	3,720.10	22.1%	2,041.36	20.3%
20-29 years	20-29年	3,530.19	21.0%	1,723.92	17.1%
30 years+	30年+	361.88	2.2%	146.18	1.5%
		<b>16,800.04</b>	<b>100.0%</b>	10,055.04	100.0%

#### Individual first year regular premium – by feature

#### 個人首年期繳保費 – 按產品形態

		1H 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
Short term savings	短期儲蓄型	24.74	0.1%	38.88	0.4%
Long term savings	長期儲蓄型	11,726.40	69.9%	7,307.74	72.6%
Long term protection	長期保障型	4,507.84	26.8%	2,390.51	23.8%
Others	其他	541.06	3.2%	317.91	3.2%
		<b>16,800.04</b>	<b>100.0%</b>	10,055.04	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 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 2016		1H 2015	
		二零一六年 上半年	% of Total 佔總額百分比	二零一五年 上半年	% of Total 佔總額百分比
5-9 years	5-9年	824.37	30.2%	632.18	30.1%
10-14 years	10-14年	1,770.01	64.9%	1,337.74	63.8%
Others	其他	133.06	4.9%	128.07	6.1%
		<b>2,727.44</b>	<b>100.0%</b>	2,097.99	100.0%

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

太平人壽按產品結構的保費收入分佈如下：

#### HK\$ million

#### 百萬港元

		1H 2016		1H 2015	
		二零一六年 上半年	% of Total 佔總額百分比	二零一五年 上半年	% of Total 佔總額百分比
Participating	分紅保險	41,797.36	57.8%	36,135.18	56.9%
Annuity	年金保險	23,525.77	32.5%	22,752.17	35.8%
Long-term health	長期健康險	3,685.66	5.1%	2,379.27	3.7%
Traditional life	傳統壽險	1,763.58	2.4%	1,324.11	2.1%
Accident and short-term health	意外和短期健康險	1,575.18	2.2%	864.51	1.4%
Universal life	萬能壽險	(3.04)	0.0%	37.27	0.1%
Investment-linked	投資連結保險	0.54	0.0%	0.57	0.0%
Total	總額	<b>72,345.05</b>	<b>100.0%</b>	63,493.08	100.0%

# Management Discussion and Analysis

## 管理層討論和分析

### LIFE INSURANCE BUSINESS (Continued)

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

HK\$ million

		1H 2016 二零一六年 上半年	% of Total 佔總額 百分比
Sichuan	四川	6,598.29	9.1%
Shandong	山東	5,292.92	7.3%
Beijing	北京	4,050.14	5.6%
Guangdong	廣東	3,489.02	4.8%
Jiangsu	江蘇	3,192.09	4.4%
Others	其他	49,722.59	68.8%
Total	總額	72,345.05	100.0%

### Highlights on Embedded Value

In the first half of 2016, the embedded value of TPL (expressed in terms of HKD) increased 1.0% to HK\$82,710 million from HK\$81,862 million as at 31 December 2015. The new business value after cost of capital for the Period increased to HK\$5,236 million from HK\$3,246 million of the Last Period, representing a growth of 61.3%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

### Net Policyholders' Benefits

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

HK\$ million

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Surrenders and net claims	退保額及賠償淨額	973.14	19,654.35	-95.0%
Annuity, dividends and maturity payments	年金、分紅及滿期給款	9,291.11	11,484.78	-19.1%
Interest allocated to investment and reinsurance contracts	分配至投資及再保險合約之利益	369.39	767.25	-51.9%
		10,633.64	31,906.38	-66.7%

### 人壽保險業務(續)

太平人壽按區域的保費收入分佈如下：

百萬港元

		1H 2015 二零一五年 上半年	% of Total 佔總額 百分比
Sichuan	四川	7,153.56	11.3%
Shandong	山東	5,256.12	8.3%
Beijing	北京	4,303.02	6.8%
Guangdong	廣東	4,302.69	6.8%
Henan	河南	3,605.80	5.7%
Others	其他	38,871.89	61.1%
Total	總額	63,493.08	100.0%

### 內含價值摘要

太平人壽的內含價值(以港元折算)由二零一五年十二月三十一日之818.62億港元增加1.0%至827.10億港元。本財務期之新業務扣除資本成本後之價值為52.36億港元，較去年同期之32.46億港元，增長61.3%。太平人壽的相關精算數據於「太平人壽之內含價值」內披露。

### 保單持有人利益淨額

太平人壽之保單持有人利益淨額概述如下：

百萬港元

# Management Discussion and Analysis

## 管理層討論和分析

### LIFE INSURANCE BUSINESS (Continued)

#### Net Policyholders' Benefits (Continued)

Since there were financial reinsurance contracts terminated during the Period, the impact on the reinsurers' share of net claims was about HK\$22,493 million that the surrenders and net claims significantly decreased by 95.0% compared with Last Period.

#### Administrative and Other Expenses

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

HK\$ million

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Staff costs	員工成本	3,946.67	3,144.99	+25.5%
Rental expenses	租賃開支	234.34	209.79	+11.7%
Others	其他	1,136.31	2,683.05	-57.6%
		<b>5,317.32</b>	6,037.83	-11.9%

#### Financial Strength and Solvency Margin

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

RMB million

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日
Available Capital	實際資本	82,220	75,647
Minimum Capital	最低資本	32,918	27,915
Comprehensive Solvency Ratio (Note)	綜合償付能力充足率(註)	<b>250%</b>	271%

Note: The above comprehensive solvency ratios were prepared in accordance with the "C-ROSS" issued by the CIRC.

### 人壽保險業務(續)

#### 保單持有人利益淨額(續)

由於有財務再保險合約於本財務期終止，影響攤回賠償淨額約224.93億港元，因而退保額及賠償淨額較去年同期大幅減少95%。

#### 行政及其他費用

太平人壽之行政及其他費用概述如下：

百萬港元

#### 財務實力及償付能力

太平人壽按中國保監會規定之綜合償付能力充足率如下：

百萬人民幣

註：上述綜合償付能力充足率根據中國保監會發佈的「償二代」計算。

# Management Discussion and Analysis

## 管理層討論和分析

### PRC PROPERTY AND CASUALTY INSURANCE BUSINESS – 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 wholly-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 summarised below:

HK\$ million

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Direct premiums written	保費收入	10,819.68	9,948.85	+8.8%
Net premiums written	淨保費收入	10,084.99	8,819.93	+14.3%
Net earned premiums	已賺取保費淨額	9,471.01	8,055.20	+17.6%
Net claims incurred	賠款淨額	(4,774.01)	(4,256.81)	+12.2%
Underwriting expenses	承保費用	(3,010.48)	(2,711.54)	+11.0%
Net commission expenses	佣金支出淨額	(1,649.31)	(1,056.40)	+56.1%
Underwriting profit	承保溢利	37.21	30.45	+22.2%
Total investment income	總投資收入	504.58	992.71	-49.2%
Share of results of associates	應佔聯營公司溢利	33.12	-	-
Other income	其他收益及其他收入	46.47	27.24	+70.6%
Other miscellaneous expenses	其他雜費	(38.75)	(48.03)	-19.3%
Finance costs	財務費用	(39.17)	(41.40)	-5.4%
Profit from operation before taxation	除稅前經營溢利	543.46	960.96	-43.4%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	345.77	706.28	-51.0%
Retained ratio	自留比率	93.2%	88.7%	+4.5 pts 點
Loss ratio <sup>1</sup>	賠付率 <sup>1</sup>	50.4%	52.8%	-2.4 pts 點
Expense ratio <sup>1</sup>	費用率 <sup>1</sup>	49.2%	46.8%	+2.4 pts 點
Combined ratio <sup>2</sup>	綜合成本率 <sup>2</sup>	99.6%	99.6%	-

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

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

### 境內財產保險業務－由太平財險營運

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且為本集團全資擁有。太平財險主要於內地從事承保車險、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 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Direct premiums written	10,819.68	9,948.85	+8.8%
Net premiums written	10,084.99	8,819.93	+14.3%
Net earned premiums	9,471.01	8,055.20	+17.6%
Net claims incurred	(4,774.01)	(4,256.81)	+12.2%
Underwriting expenses	(3,010.48)	(2,711.54)	+11.0%
Net commission expenses	(1,649.31)	(1,056.40)	+56.1%
Underwriting profit	37.21	30.45	+22.2%
Total investment income	504.58	992.71	-49.2%
Share of results of associates	33.12	-	-
Other income	46.47	27.24	+70.6%
Other miscellaneous expenses	(38.75)	(48.03)	-19.3%
Finance costs	(39.17)	(41.40)	-5.4%
Profit from operation before taxation	543.46	960.96	-43.4%
Profit from operation after taxation and attributable to the owners	345.77	706.28	-51.0%
Retained ratio	93.2%	88.7%	+4.5 pts 點
Loss ratio <sup>1</sup>	50.4%	52.8%	-2.4 pts 點
Expense ratio <sup>1</sup>	49.2%	46.8%	+2.4 pts 點
Combined ratio <sup>2</sup>	99.6%	99.6%	-

<sup>1</sup> 賠付率及費用率均按已賺取保費淨額為基準計算。

<sup>2</sup> 綜合成本率為賠付率與費用率的總和。

# 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)

HK\$ million

百萬港元

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Total assets	總資產	25,219.25	25,165.60	+0.2%
Total equity	總權益	6,698.96	6,388.04	+4.9%

The key operational data of the property and casualty insurance business operated by TPI is summarised 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 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Market share <sup>1</sup>	市場份額 <sup>1</sup>	2.0%	1.9%	+0.1%
Number of provincial branches	省級分公司數目	30	30	–
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	581	551	+30
Number of customers	客戶數目			
– Individual	– 個人	4,351,050	4,200,233	+150,817
– Corporate	– 公司	235,040	223,997	+11,043
Number of direct sales representatives	直接銷售代表數目	9,409	9,119	+290

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

<sup>1</sup> 據中國保監會刊發之保費計算。

### Operating Profit

### 經營溢利

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$346 million during the Period (2015: HK\$706 million), representing an decrease of 51.0%. During the Period TPI was able to continue expanding the scale of its business, while maintaining solid underwriting results.

本財務期內，由太平財險經營之財產保險業務的經營溢利淨額為3.46億港元（二零一五年：7.06億港元），下跌51.0%。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。

# Management Discussion and Analysis

## 管理層討論和分析

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

#### Direct Premiums Written

TPI's direct premiums written increased by 8.8% to HK\$10,820 million from HK\$9,949 million in the Last Period. The detailed breakdown of TPI's direct premiums written was as follows:

HK\$ million

Business Line 業務種類		1H 2016 二零一六年 上半年	% of Total 佔總額百分比	1H 2015 二零一五年 上半年	% of Total 佔總額百分比
Motor	車險	8,246.10	76.2%	8,016.24	80.6%
Marine	水險	216.94	2.0%	185.92	1.9%
Non-marine	非水險	2,356.64	21.8%	1,746.69	17.5%
		<b>10,819.68</b>	<b>100.0%</b>	9,948.85	100.0%

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

HK\$ million

		1H 2016 二零一六年 上半年	% of Total 佔總額 百分比			1H 2015 二零一五年 上半年	% of Total 佔總額 百分比
Shenzhen	深圳	1,085.72	10.0%	Sichuan	四川	1,025.67	10.3%
Sichuan	四川	1,072.13	9.9%	Hebei	河北	681.17	6.8%
Shandong	山東	922.92	8.5%	Shandong	山東	674.99	6.8%
Hebei	河北	655.07	6.1%	Shenzhen	深圳	673.30	6.8%
Shanghai	上海	629.04	5.8%	Shanghai	上海	630.13	6.3%
Others	其他	6,454.80	59.7%	Others	其他	6,263.59	63.0%
Total	總額	<b>10,819.68</b>	<b>100.0%</b>	Total	總額	9,948.85	100.0%

### 境內財產保險業務－由太平財險營運 (續)

#### 保費收入

太平財險的保費收入上升8.8%，由去年同期的99.49億港元上升至108.20億港元。太平財險保費收入詳細分析如下：

百萬港元

太平財險按區域的保費收入分佈如下：

百萬港元



# Management Discussion and Analysis

## 管理層討論和分析

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

#### Combined Ratio

TPI's loss ratio improved by 2.4 percentage points to 50.4% from 52.8% in the Last Period. The expense ratio increased to 49.2% from 46.8% in the Last Period. TPI's combined ratio remained stable at 99.6% during the Period. TPI's loss ratios, expense ratios and combined ratios were as follows:

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年
Loss ratio	賠付率	50.4%	52.8%
Expense ratio	費用率	49.2%	46.8%
Combined ratio	綜合成本率	99.6%	99.6%

#### Underwriting and Other Miscellaneous Expenses

The underwriting and other miscellaneous expenses of TPI are summarised as follows:

HK\$ million

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Staff costs	員工成本	834.05	862.04	-3.2%
Rental expenses	租賃開支	83.15	61.97	+34.2%
Business tax and additional charges	營業稅金及附加費用	431.50	583.83	-26.1%
Others	其他	1,700.53	1,251.73	+35.9%
		<b>3,049.23</b>	<b>2,759.57</b>	<b>+10.5%</b>

### 境內財產保險業務－由太平財險營運 (續)

#### 綜合成本率

太平財險的賠付率由去年同期的52.8%優化2.4個百分點至50.4%。費用率由去年同期46.8%上升至49.2%。本財務期內太平財險的綜合成本率為99.6%。太平財險之賠付率、費用率及綜合成本率情況如下：

#### 承保及其他雜費

太平財險之承保及其他雜費概述如下：

百萬港元

# Management Discussion and Analysis

## 管理層討論和分析

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

#### Financial Strength and Solvency Margin

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

RMB million

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日
Available Capital	實際資本	6,758	6,373
Minimum Capital	最低資本	2,541	2,380
Comprehensive Solvency Ratio (Note)	綜合償付能力充足率(註)	266%	268%

Note: The above comprehensive solvency ratios were prepared in accordance with the "C-ROSS" issued by the CIRC.

### 境內財產保險業務－由太平財險營運(續)

#### 財務實力及償付能力

太平財險按中國保監會規定之綜合償付能力充足率如下：

百萬人民幣

註：上述綜合償付能力充足率根據中國保監會發佈的「償二代」計算。

### OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE

#### Overseas Property and Casualty Insurance Business

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

CTPI (HK), TP Macau, TP Singapore, TP UK are wholly-owned by the Group. TP Indonesia is 55% owned by the Group.

### 境外財產保險業務及再保險業務

#### 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、新加坡、英國及印尼，分別由太平香港、太平澳門、太平新加坡、太平英國及太平印尼營運。

太平香港、太平澳門、太平新加坡及太平英國由本集團全資擁有。本集團擁有太平印尼55%權益。

# Management Discussion and Analysis

## 管理層討論和分析

### OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE (Continued)

境外財產保險業務及再保險業務(續)

#### Overseas Property and Casualty Insurance Business (Continued)

境外財產保險業務(續)

The figures below are the results of these companies from its 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 key financial data of the overseas property and casualty insurance business is summarised below:

境外財產保險業務之主要財務數據概述如下：

HK\$ million

百萬港元

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
<b>Direct premiums written</b>	<b>保費收入</b>			
CTPI (HK)	太平香港	809.25	824.11	-1.8%
TP Macau	太平澳門	313.45	325.01	-3.6%
TP Singapore	太平新加坡	256.30	268.96	-4.7%
TP UK	太平英國	251.25	161.50	+55.6%
TP Indonesia	太平印尼	78.77	69.83	+12.8%
<b>Underwriting profit</b>	<b>承保溢利</b>			
CTPI (HK)	太平香港	27.01	29.68	-9.0%
TP Macau	太平澳門	48.25	43.89	+9.9%
TP Singapore	太平新加坡	37.30	21.16	+76.3%
TP UK	太平英國	4.40	7.63	-42.3%
TP Indonesia	太平印尼	1.26	1.12	+12.9%
<b>Profit/(loss) from operation after taxation</b>	<b>除稅後經營溢利/(虧損)</b>			
CTPI (HK)	太平香港	139.82	196.51	-28.8%
TP Macau	太平澳門	56.72	55.65	+1.9%
TP Singapore	太平新加坡	29.42	75.41	-61.0%
TP UK	太平英國	16.93	8.52	+98.7%
TP Indonesia	太平印尼	(0.42)	8.16	N/A 不適用
<b>Combined ratio</b>	<b>綜合成本率</b>			
CTPI (HK)	太平香港	96.7%	96.2%	+0.5 pt 點
TP Macau	太平澳門	73.7%	76.1%	-2.4 pts 點
TP Singapore	太平新加坡	81.3%	89.5%	-8.2 pts 點
TP UK	太平英國	97.0%	94.0%	+3.0 pts 點
TP Indonesia	太平印尼	89.2%	90.9%	-1.7 pts 點

# Management Discussion and Analysis

## 管理層討論和分析

### OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE (Continued)

### 境外財產保險業務及再保險業務 (續)

#### Overseas Property and Casualty Insurance Business (Continued)

#### 境外財產保險業務 (續)

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
<b>Regulatory solvency margin ratio <sup>1</sup></b>	<b>償付能力充足率 <sup>1</sup></b>			
CTPI (HK)	太平香港	<b>957%</b>	859%	+98 pts 點
TP Macau	太平澳門	<b>254%</b>	231%	+23 pts 點
TP Singapore	太平新加坡	<b>231%</b>	211%	+20 pts 點
TP UK	太平英國	<b>572%</b>	716%	-144 pts 點
TP Indonesia	太平印尼	<b>297%</b>	283%	+14 pts 點

<sup>1</sup> Based on the local regulations.

<sup>1</sup> 按當地的監管規定。

#### Reinsurance Business

#### 再保險業務

The Group's reinsurance business is operated by TPRé and its wholly-owned subsidiary TPRé (China). TPRé is a Hong Kong-incorporated company and wholly-owned by the Group. TPRé (China) established on 11 December 2015 and started its operation since 2016. TPRé 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. TPRé has chosen not to engage in long-tail, liability reinsurance business from outside of Asia, such as from the United States and Europe. TPRé also engages in the underwriting of certain classes of long term (life) reinsurance business.

本集團之再保險業務由太平再保險及其全資附屬公司太平再保險(中國)營運。太平再保險是本集團全資擁有之香港註冊公司。太平再保險(中國)於二零一五年十二月十一日成立，並於二零一六年開始正式營運。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，但是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，同時亦從事若干類別的長期(人壽)再保險業務。

# Management Discussion and Analysis

## 管理層討論和分析

### OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE (Continued)

#### Reinsurance Business (Continued)

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

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

HK\$ million

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Direct premiums written	保費收入	5,907.49	5,128.02	+15.2%
Underwriting profit (non-life)	承保溢利(非人壽)	145.69	175.66	-17.1%
Profit from operation after taxation	除稅後經營溢利	203.80	294.52	-30.8%
Non-life reinsurance business Combined ratio	非人壽再保險業務：綜合成本率	92.7%	90.7%	+2.0 pts 點
		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Regulatory solvency margin ratio <sup>1</sup>	監管償付能力充足比率 <sup>1</sup>	346%	551%	-205 pts 點

<sup>1</sup> Based on Hong Kong local regulations.

#### Operating Profit

The reinsurance business produced a net operating profit after tax of HK\$204 million during the Period (2015: HK\$295 million), representing an decrease of 30.8%. Mainly due to the loss for the first year from the new business of long term life reinsurance.

### 境外財產保險業務及再保險業務(續)

#### 再保險業務(續)

以下數字為集團內部對銷前，太平再保險合併的營運業績。

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 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Direct premiums written	保費收入	5,907.49	5,128.02	+15.2%
Underwriting profit (non-life)	承保溢利(非人壽)	145.69	175.66	-17.1%
Profit from operation after taxation	除稅後經營溢利	203.80	294.52	-30.8%
Non-life reinsurance business Combined ratio	非人壽再保險業務：綜合成本率	92.7%	90.7%	+2.0 pts 點
		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Regulatory solvency margin ratio <sup>1</sup>	監管償付能力充足比率 <sup>1</sup>	346%	551%	-205 pts 點

<sup>1</sup> 按香港當地的規定。

#### 經營溢利

再保險業務產生經營溢利淨額2.04億港元(二零一五年：2.95億港元)，下跌30.8%。主要由於長期壽險新增業務首年帶來的虧損。

# Management Discussion and Analysis

## 管理層討論和分析

### OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE *(Continued)*

#### Direct Premiums Written

TPRe's direct premiums written for the Period increased by 15.2% to HK\$5,907 million from HK\$5,128 million in the Last Period. Although market conditions softened due to general overcapacity for the non-life business, TPRe was able to maintain its core portfolio with overall premium growth, especially in Mainland China. TPRe also had important advancements in its life reinsurance business, achieving premiums of HK\$3,026 million (Last Period: HK\$2,473 million), mostly in Hong Kong. The life reinsurance business line complements TPRe's short tail property reinsurance portfolio. The underwriting profit of the non-life reinsurance business was HK\$146 million, representing a decrease of 17.1% from HK\$176 million in the Last Period.

### 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.

### 境外財產保險業務及再保險業務 (續)

#### 保費收入

太平再保險之保費收入達到59.07億港元，較上年同期51.28億港元增長15.2%。儘管非人壽業務市況由於整體產能過剩而疲軟，但太平再保險尤其於中國仍得以維持核心業務組合的整體保費收入增長。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30.26億港元（去年同期：24.73億港元），大部分來自香港。人壽再保險業務補充了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1.76億港元，下跌17.1%至1.46億港元。

#### 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、年金業務、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)*

### 養老及團體人壽保險業務 (續)

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

以下數字為集團內部對銷前，太平養老的營運業績。

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

養老及團體人壽保險業務之主要財務數據概述如下：

HK\$ million

百萬港元

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Direct premiums written	保費收入	2,961.00	2,408.08	+23.0%
Net premiums written	淨保費收入	2,680.09	2,167.72	+23.6%
Net earned premiums	已賺取保費淨額	2,489.24	2,095.03	+18.8%
Net policyholders' benefits	保單持有人利益淨額	(1,470.09)	(1,662.39)	-11.6%
Net commission expenses	佣金支出淨額	(327.84)	(209.67)	+56.4%
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	(281.50)	165.80	N/A 不適用
Total investment income	總投資收入	179.86	277.73	-35.2%
Pension administration fee income	養老保險管理服務費收入	174.16	136.76	+27.3%
Agency fee income	代理服務費收入	2.20	2.86	-23.0%
Administrative and other expenses	行政及其他費用	(719.70)	(715.18)	+0.6%
Profit from operation before taxation	除稅前經營溢利	51.06	101.42	-49.7%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	22.35	113.08	-80.2%

# 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 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日	Change 變化
Total assets	總資產	9,818.15	7,891.68	+24.4%
Total equity	總權益	2,684.72	1,580.94	+69.8%
Comprehensive solvency ratio (Note)	綜合償付能力充足率 (註)	359%	255%	+104 pts 點

Note: The above comprehensive solvency ratio was prepared in accordance with the "C-ROSS" issued by the CIRC.

註：上述綜合償付能力充足率根據中國保監會發佈的「償二代」計算。

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

養老業務之主要經營數據概述如下：

		At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 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)	66,569	60,642	+9.8%
Annuity entrusted assets (HK\$ million)	企業年金受託資產 (百萬港元)	58,498	54,236	+7.9%
Number of enterprises in funds and schemes	養老年金計劃所涉及的 企業數目	7,681	7,100	+581
Number of branches	分公司數目	26	25	+1

### Operating Result

### 經營業績

The pension and group life insurance businesses incurred a net operating profit of HK\$22 million during the Period (2015: HK\$113 million), representing a decrease of 80.2%. After breaking even and producing an operating profit in 2013, TPP continued to build its scale and the profitability of its operations.

養老及團體人壽保險業務產生經營溢利淨額0.22億港元(二零一五年:1.13億港元),較去年同期下跌80.2%,自二零一三年轉虧為盈後,太平養老持續擴大其規模及保持經營溢利。

### Direct Premiums Written

### 保費收入

TPP's direct premiums written for the Period increased by 23.0% to HK\$2,961 million from HK\$2,408 million in the Last Period.

太平養老之保費收入由去年同期之24.08億港元上升23.0%至29.61億港元。



# Management Discussion and Analysis

## 管理層討論和分析

### ASSET MANAGEMENT BUSINESS

The Group's asset management business is operated by TPAM and TPA (HK), which are 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.

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

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

HK\$ million

		1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
Management fee and advisory service income	管理費及顧問費收入	353.38	345.33	+2.3%
Profit from operating	除稅後經營溢利	132.09	118.89	+11.1%
Profit from operating attributable to the owners	股東應佔經營溢利	112.35	102.49	+9.6%

### Operating Profit

The asset management business produced a net operating profit of HK\$132 million during the Period (2015: HK\$119 million), representing an increase of 11.1% compared to Last Period.

### 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,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。

以下數字為集團內部對銷前,太平資產及太平資產(香港)的營運業績。

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

百萬港元

	1H 2016 二零一六年 上半年	1H 2015 二零一五年 上半年	Change 變化
經營溢利	132.09	118.89	+11.1%

資產管理業務於本財務期的經營溢利淨額為1.32億港元(二零一五年:1.19億港元),較去年上升11.1%。

# 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 2016 amounted to HK\$77,697 million (31 December 2015: HK\$81,354 million).

### FINANCIAL LEVERAGE

The interest-bearing notes and bank facilities drawn as at 30 June 2016 amounted to HK\$5,895 million and HK\$34,312 million (31 December 2015: HK\$6,270 million and HK\$25,909 million). As of 30 June 2016, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 36.9% (31 December 2015: 30.9%). Such ratio does not include the debt owed to shareholders.

### CAPITAL STRUCTURE

CTIH did not issue new shares during the Period.

In 2015, CTIH raised approximately HK\$13.482 billion by TPG (HK)'s subscription of 486,000,000 new shares of the Company at the price of HK\$27.74 per share after the placing of existing shares of the Company held by TPG (HK) pursuant to the placing and subscription agreement entered into on 7 May 2015. After completion of the placing and subscription agreement, TPG (HK)'s equity ownership interest in CTIH decreased from 68.96% to 59.64%.

### STAFF AND STAFF REMUNERATION

As at 30 June 2016, the Group had a total of 56,256 employees (2015: 42,882 employees), representing an increase of 13,374 employees. Total remuneration for the Period amounted to HK\$6,177 million (2015: HK\$5,121 million), an increase of 20.6%. Bonuses are linked to both the performance of the Group and the performance of the individual.

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

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

### 流動資金

於二零一六年六月三十日，本集團的現金及銀行存款為776.97億港元（二零一五年十二月三十一日：813.54億港元）。

### 財務槓桿

二零一六年六月三十日須付息票據及已提取銀行貸款額度分別為58.95億港元及343.12億港元（二零一五年十二月三十一日：62.70億港元及259.09億港元）。於二零一六年六月三十日，中國太平控股的綜合財務槓桿比率（債務／（債務＋股本））為36.9%（二零一五年十二月三十一日：30.9%）。上述比率不含股東貸款。

### 資本結構

本財務期內，中國太平控股並無發行新股。

二零一五年，中國太平控股完成配售及認購募集資金約134.82億港元，根據二零一五年五月七日簽定的配售及認購協議，中國太平集團（香港）在配售其持有的本公司現有股份後，以每股股份27.74港元認購486,000,000股本公司新股份。完成配售及認購協議後，中國太平集團（香港）於中國太平控股的權益由68.96%減少至59.64%。

### 員工及員工酬金

於二零一六年六月三十日，本集團的僱員總人數達56,256人（二零一五年：42,882人），增加13,374人。本財務期總酬金為61.77億港元（二零一五年：51.21億港元），增加20.6%。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

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

# Management Discussion and Analysis

## 管理層討論和分析

### OUTLOOK

#### Continue to Promote The “Boutique Strategy” to Create The “Most Unique and High Potential Boutique Insurance Company”

- 2016 is the second year of implementing the “Boutique Strategy”. In the first half of the year, we have achieved steady, rapid and sustainable development in overall operations, which was evidenced by steady improvement of operating qualities, rapid growth of innovative businesses, orderly progress in business transformation and planning, continued improvements of investment capabilities, further enhancement of basic management, continued tightening of risk control and compliance management
- During second half of 2016 and the period to come, China Taiping will continue to focus on implementation of the “Boutique Strategy”, through driving core business growth, achieving stable operational efficiencies and strengthening business features. In addition, we will promote innovative development, prevent and dissolve risk, effectively strengthen infrastructure development and strive to up-lift the operational management to a brand new level, so as to create more value to the country, investors and customers

#### Life Insurance Business – TPL, TPL (HK)

- To further optimise business structure, enhance value of new business and, achieve healthy and rapid growth of main business
- To focus on sustainable value growth on individual insurance, consolidate and improve individual agent’s per capita capacity and retention ratio, and continuously enhance the manpower reserve
- To enhance channel value around bancassurance, deepen its project upgrade, team building, customer management, channel cooperation and compliance management, and improve per capita capacity and the capacity of our branch networks
- To continuously strengthen basic management of e-commerce, step up effort for transformation, and promote growth of core business

### 展望

#### 繼續推進「精品戰略」, 打造「最具特色和潛力的精品保險公司」

- 二零一六年是中國太平實施「精品戰略」的第二年。上半年, 中國太平保持穩中求進, 經營品質穩中有升, 創新業務快速增長, 業務轉型與佈局有序推進, 投資能力持續提升, 基礎管理進一步加強, 風控與合規經營水平不斷提高, 實現了整體業務穩健、較快、可持續發展
- 二零一六年下半年及今後一段時期, 中國太平將繼續緊緊圍繞「精品戰略」實施, 狠抓核心業務發展, 著力穩定經營效益, 進一步強化經營特色, 大力推進創新發展, 嚴密防範化解風險, 切實加強基礎建設, 奮力開創經營管理工作新局面, 為國家、投資者和客戶創造更大的價值

#### 人壽業務 – 太平人壽、太平人壽香港

- 進一步優化業務結構, 提升新業務價值, 實現主營業務健康快速發展
- 個險以價值持續成長為核心, 鞏固和提升代理人人均產能和留存率, 不斷夯實個險人力基礎
- 銀保圍繞管道價值提升, 深化項目升級、隊伍建設、客戶經營、管道合作和合規經營, 提高人均產能和網點產能
- 電商持續強化基礎管理, 加大轉型力度, 促進核心業務增長

# Management Discussion and Analysis

## 管理層討論和分析

### OUTLOOK (Continued)

#### Life Insurance Business – TPL, TPL (HK) (Continued)

- To achieve new breakthroughs on innovative business, continue to promote the Sinopec project, proactively set up the network on the field of universal health, and accelerate the integration of emerging technologies
- TPL (HK) shall greatly expand the local business, and at the same time research and develop the Mainland visitors' insurance market

#### PRC Property and Casualty Insurance Business – TPI

- To reinforce the motor insurance business and to speed up the development of the non-motor insurance business. To enhance the integrated expansion and implement the business with strategic clients. To enhance cost control to reduce the combined ratio
- To further improve our market response mechanism and risk pricing ability so as to actively respond to the market competition pressure brought by the full implementation of the market-oriented reform for commercial auto insurance rates

#### Group Insurance and Pension Business – TPP

- To intensify effort on both maintaining and increasing of market share, accelerate the development of enterprise annuity business and ensure strong start of occupational annuity business to achieve the strategy of “Competing at an advanced level”
- To drive innovation and optimise operating structure to enhance both business scale and quality simultaneously
- To adopt unified guidance and classified tactics, doubling the efforts on transforming disadvantaged institutions

### 展望 (續)

#### 人壽業務 – 太平人壽、太平人壽香港 (續)

- 創新業務實現新突破，持續推進中石化項目，積極佈局大健康領域，加快新興技術融合
- 太平人壽香港在大力拓展本地業務的同時，研究發展內地訪客保險市場

#### 境內產險業務 – 太平財險

- 鞏固車險業務，加快非車險發展，加大綜拓、戰略客戶業務落地，強化成本管控，降低綜合成本率
- 進一步完善市場應對機制，提高風險定價能力，積極應對商業車險費率市場化改革全面鋪開帶來的市場競爭壓力

#### 團險和養老金業務 – 太平養老

- 堅持市場存量和增量雙向發力，加快企業年金業務發展，確保職業年金強勢起步，力爭實現爭先進位
- 突出創新驅動，優化業務結構，力爭業務規模和品質同步提升
- 採取統一指導和分類施策的思路，加大弱體機構改造力度

# Management Discussion and Analysis

## 管理層討論和分析

### OUTLOOK *(Continued)*

#### Overseas Property and Casualty Business – CTPI (HK), TP Macau, TP Singapore, TP UK and TP Indonesia

- CTPI (HK) will strengthen delicacy management to achieve lower cost and higher efficiency; proactively acquire new customers and strengthen customer relationship management, continuously improve service quality and increase market influence
- TP Macau will continuously improve customer service, make extra effort in new product sales to maintain market share
- TP Singapore will promote the development of regional business and innovative projects, enhancing management and control of both underwriting and claims as well as delicacy management
- TP UK will continuously improve its competitiveness of traditional business and strengthen product innovation and risk control, focusing on promoting large Chinese-funded projects, and further tapping into the insurance market for local Chinese
- TP Indonesia will maximise business development effort, maintain sustainable business growth, explore business opportunity with Chinese funded enterprises, and strive to expand local banking business

#### Reinsurance Business – TPRE and TPRB

- TPRE will actively expand sales channels, explore new sources of premium for property and casualty insurance and expand new life reinsurance business to maintain stable growth of premium scale and profit
- TPRB will continue its cooperation with Lloyd's in UK, further improve its professional service quality and enhance its competitiveness

### 展望 *(續)*

#### 境外產險業務－太平香港、太平澳門、太平新加坡、太平英國及太平印尼

- 太平香港加強精細化管理，實現降本增效；積極開拓新客戶，強化客戶關係管理，不斷提高服務水準，提升市場影響力
- 太平澳門持續提升客戶服務工作，加大新產品的銷售力度，穩固市場份額
- 太平新加坡推動區域業務和創新性項目發展，強化承保理賠管控和精細化管理
- 太平英國持續提升傳統業務競爭力，加強產品創新力度和風險控制，重點推進中資大項目，深耕當地華人保險市場
- 太平印尼全力開拓業務，保持業務持續增長，挖掘中資業務市場，大力開拓當地銀行業務

#### 再保險業務－太平再保險及太平再保顧問

- 太平再保險積極開拓渠道，挖潛產險保費新來源，拓展新的壽險再保業務，保持保費規模及利潤的穩定增長
- 太平再保顧問持續開展與英國勞合社的合作，進一步提高專業服務水平，提升競爭能力

# Management Discussion and Analysis

## 管理層討論和分析

### OUTLOOK *(Continued)*

#### Investments

Domestic capital market will still be facing uncertainties in second half of 2016, together with long term assets shortage associated with mid-long term structural reform of Chinese economy. In this context, the Group will further strengthen investment research, proactively respond to market risks, pay extra attention to mid-long term value investment opportunities, control overall equity investment holding position, moderately extend the duration of long term bond allocation, in order to cope with interest rate downward risk for the coming long period of time. At the same time, the Group will avoid investing in projects from local government with high debt ratio and over supplied industries. We will enhance credit rating tracking and post investment management, to strictly prevent credit default.

Going forward, the Group will focus on alternative investments. In line with the country's development strategy and taking the advantage of its industry reform and upgrade, the Company will specifically commit to investment opportunities generating synergies with the Group's insurance core business. Meanwhile, based on its advantages on oversea channels, the Group will proactively explore cross-border investment and financing opportunities, aiming to promote the allocation of quality real estate on global level.

### 展望 (續)

#### 投資

下半年國內資本市場仍將面臨較大的不確定性，與中國經濟中長期結構調整相伴的資產荒也將長期存在。在此背景下，本集團將進一步加強投資研究，積極應對市場風險，關注中長期價值投資，控制權益投資總體倉位；適度拉長債券配置久期，應對未來較長時期內利率下行風險，同時避免投資高負債地方政府項目及產能過剩行業，加強信用評級跟蹤與投後管理，嚴防信用違約事件發生。

另類投資是本集團未來投資的重點方向。本公司將結合國家發展戰略，搶抓產業轉型升級機遇，重點關注與集團保險主業有協同效應的投資標的；同時利用集團的海外優勢，積極探索跨境投融資業務發展，推動優質不動產的全球資產配置。