

Management Review and Analysis

管理層回顧和分析

2016 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS

Substantial Success in the “Boutique Strategy”, Significant Increase in Business Value, Business Scale Continued to Grow Steadily

- Total premium reached HK\$149.3 billion, increased by 7.8% over the Last Year
- Total assets were over HK\$505.4 billion, increased by 3.6% over the last year-end
- Profit attributable to owners was HK\$4.774 billion, decreased by 24.7% over the Last Year, better than industry average
- Life insurance’s new business value was HK\$9.115 billion, increased by 28.8% over the Last Year (increased by 37.6% in terms of RMB); under the same assumption, life insurance’s new business value increased by 49.9% over the Last Year (increased by 60.1% in terms of RMB)¹
- Group embedded value per share attributable to owners was HK\$28.5, increased by 4.6% over the last year-end figure of HK\$27.3, while TPL’s embedded value increased by 5.3% over the end of Last Year (increased by 12.4% in terms of RMB); under the same assumption, TPL’s embedded value increased by 11.7% over the last year-end (increased by 19.2% in terms of RMB)¹
- The combined ratio of property and casualty insurance and reinsurance business remained stable, continued in making underwriting profit

二零一六年度經營亮點及綜合業績

精品戰略成效顯著，業務價值顯著提升，業務規模保持穩健增長

- 總保費達到1,493億港元，同比增長7.8%
- 總資產達到5,054億港元，較去年末增長3.6%
- 股東應佔溢利47.74億港元，同比下降24.7%，表現優於行業平均
- 壽險新業務價值91.15億港元，同比增長28.8%（人民幣口徑同比增長37.6%）；同假設口徑下，同比增長49.9%（人民幣口徑同比增長60.1%）¹
- 股東應佔每股總內含價值28.5港元，較去年末的27.3港元增長4.6%，當中太平人壽內含價值較去年末增長5.3%（人民幣口徑增長12.4%）；同假設口徑下，較去年末增長11.7%（人民幣口徑增長19.2%）¹
- 產險及再保險業務綜合成本率保持穩定，承保持續盈利

¹ Calculated in accordance with the C-ROSS assessment standard

¹ 根據償二代評估標準計算

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2016 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

PRC Insurance Businesses² Grew Steadily, Quality of Business Continued to Improve

- Total premium of the PRC life insurance³ increased by 15.3% over the Last Year, direct premium increased by 18.2% over the Last Year
- First year premium from individual insurance increased by 39.1% over the Last Year; high productivity (RMB300,000 regular premium above) agents increased by 36.5% over the Last Year
- First year premium from bancassurance increased by 37% over the Last Year, in which nearly 70% were payment terms of 10 years or above
- Short term group employee benefit business increased by 17.8% over the Last Year, with short term health insurance increased by 21.7% over the Last Year
- Persistency ratios of the individual and bancassurance channels continued to be industry-leading; loss ratio of short-term group insurance was kept in a satisfactory range
- Total premium of PRC property and casualty insurance increased by 13.4% over the Last Year, direct premium increased by 16.4% over the Last Year, which is 6.4 percentage point above industry average, continued to achieve underwriting profit
- Balance of pension assets under management was over RMB130.0 billion, increased by 28.3% over the Last Year

二零一六年度經營亮點及綜合業績 (續)

境內保險業務²規模穩步增長，業務品質持續改善

- 境內壽險總保費³同比增長15.3%，原保費同比增長18.2%
- 個險新單保費同比增長39.1%；高產能（30萬元人民幣期繳保費以上）人力同比增長36.5%
- 銀保期交新單保費同比增長37%，其中10年交及以上業務佔比接近70%
- 團體短期員工福利保障業務同比增長17.8%，其中短期健康險同比增長21.7%
- 個險、銀保四項繼續率指標保持行業領先，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13.4%，原保費同比增長16.4%，高於行業平均增幅6.4個百分點，持續承保盈利
- 養老金管理資產餘額超過1,300億元人民幣，同比增長28.3%

² Calculated in RMB

³ Including TPL and TPP

² 按人民幣計算

³ 包括太平人壽及太平養老

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2016 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

二零一六年度經營亮點及綜合業績 (續)

Overseas Insurance Businesses Developed Rapidly, with Continuous Increase in Profitability

境外保險業務快速發展，盈利能力持續提升

- Overseas premium scale continued to grow, with a direct premium of HK\$3.056 billion for the whole property and casualty business. TP Macau maintained its leading market position, TP UK and TP Indonesia market share increased steadily; TPL (HK) achieved a premium of over HK\$1.1 billion in the first full financial year; the premium of the reinsurance business (excluding universal life) achieved HK\$9.175 billion and increased by 14.6% over the Last Year; among them, the premium of life reinsurance business maintained a rapid growth, with an increase of 24.1% over the Last Year
- Overseas property and casualty insurance and reinsurance companies further enhanced their underwriting profitability. The overall combined ratio decreased by 0.8 percentage point, and all companies achieved underwriting profitability, with the underwriting profit increased by 12.1% over the Last Year. The combined ratio for TP Macau, TP Singapore, TP Indonesia and TPRe remained at a relatively low level
- 境外保費規模持續增長，產險公司原保費收入30.56億港元，太平澳門持續保持市場領先地位，太平英國、太平印尼市場份額穩步提升；太平人壽香港開業首年保費突破11億港元；再保險業務保費收入（不含萬能壽險）91.75億港元，同比增長14.6%，其中壽險再保業務同比增長24.1%，業務保持高速增長
- 境外產險及再保險公司承保盈利能力進一步提升，綜合成本率同比下降0.8百分點，所有公司實現承保盈利，承保利潤同比增加12.1%，太平澳門、太平新加坡、太平印尼、太平再保險綜合成本率保持較低水平

Steady Development of the Investment Business

投資業務穩健發展

- The asset scale grew steadily. At the end of 2016, the total investment assets of the Group is HK\$425.2 billion, increased by 14.1% over the beginning of the Year; the third-party entrusted investment assets amounted to HK\$296.0 billion, increased by 26.6% over the beginning of the Year
- Reinforced investment income base. In 2016, the Group recorded an investment income of HK\$20.018 billion and a net investment income of HK\$17.656 billion, representing an increase of 13.1%, which indicates that the Group has well coped with the market fluctuations and laid the foundation of its income base
- Traditional investments were prudent and active. As at the end of 2016, the allocation of equity securities and investment funds is 8.1%, 5.2 percentage point lower than the industrial average; domestic available for sale debt investments outperformed the Total Wealth Index of ChinaBond by 95 bp and the Wind Bond Fund Index by 185 bp; the Group's assets credit risk screening shows sound risk management results
- 資產規模穩健增長。二零一六年末，集團內投資資產規模4,252億港元，較年初增長14.1%；第三方委託資產規模2,960億港元，較年初增長26.6%
- 淨投資收益穩固基礎。二零一六年集團投資收益200.18億港元，其中淨投資收益176.56億港元，較去年增長13.1%，較好應對了市場波動，奠定了收益基礎
- 傳統投資積極穩健。二零一六年末，集團股票與證券投資基金配置比例8.1%，較行業平均低5.2個百分點；境內可供出售類債券投資跑贏中債總財富指數95個基點，跑贏萬得債券型基金指數185個基點；集團內資產信用風險排查顯示信用風險管控結果良好

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2016 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

二零一六年度經營亮點及綜合業績 (續)

Effective Implementation of Strategic Cooperation and Cross-selling Initiatives with Large Clients

大客戶戰略合作和交叉銷售業務開拓卓有成效

- In 2016, China Taiping signed Group Strategic Cooperation Agreements with 16 large clients, including China Everbright Group, Ant Financial and CRRC Group. As at the end of 2016, China Taiping had established strategic cooperation relationships with 68 large clients
- Our cross-selling initiatives achieved HK\$4.543 billion insurance sales, including HK\$3.826 billion of property insurance sales through TPL, HK\$0.620 billion of pension sales through TPL, and HK\$97 million of property insurance sales through TPP
- The Sinopec gas station project achieved rapid development, achieving HK\$1.756 billion of insurance sales for the full year of 2016, increased by 51.4% over the Last Year. 5,160 outlets had been stationed by the end of 2016.
- 二零一六年與光大集團、螞蟻金服及中車集團等16家大客戶簽署總對總合作協議。截至二零一六年末，共與68家大客戶建立戰略合作關係
- 交叉銷售實現保費45.43億港元，其中壽銷產保費38.26億港元，壽銷養6.20億港元，養銷產0.97億港元
- 中石化加油站項目快速發展，二零一六年全年實現保費17.56億港元，同比增長51.4%。截至二零一六年末，已進駐加油站網點5,160家

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2016 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

Brand Value Grown Significantly and Brand Influence have been Significantly Enhanced

In 2016, China Taiping enhanced its efforts on promoting its brand and deeply explored its brand connotation. The China Taiping Archway has become a new landmark of London Chinatown in the UK. China Taiping has also engaged in the shooting and recording of a series of CCTV special programs, such as “Dreaming China” (《築夢中國》) and “The Faraway Home: The Belt and Road” (《遠方的家 • 一帶一路》). Furthermore, the mode of brand transmission has been innovated by various new media channels, such as Wechat and news apps, resulting into a further improvement of brand awareness.

In 2016, China Taiping was listed in the World’s Top 500 Brands for the first time, and 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. The Group was listed in the Fortune “Top 500 Chinese Companies 2016”, with its ranking increase from 90 in last year to 42 in 2016. Furthermore, China Taiping was awarded “Asia’s Top 10 Most Influential Brand Award 2016”, “The Global Chinese Business 1000 Award – Outstanding Performance Awards” by Yazhou Zhoukan and “China Brand Annual Innovative Enterprise Award” etc.

二零一六年度經營亮點及綜合業績 (續)

品牌價值顯著增長，品牌影響力大幅提升

二零一六年，中國太平加大品牌傳播力度，深入發掘品牌內涵。中國太平牌樓建成揭幕，成為英國倫敦華埠新地標，拍攝錄製中央電視台《築夢中國》、《遠方的家 • 一帶一路》特別節目等活動，運用微信、新聞客戶端等新媒體渠道，創新品牌傳播方式，品牌影響力得到進一步提升。

二零一六年，中國太平首次入選世界品牌500強，並憑藉70%的品牌價值高增長率，再次入選BrandZ最具價值中國品牌100強，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。集團在《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。此外，更榮獲二零一六年亞洲十大最具影響力品牌、《亞洲週刊》「全球華商1000 – 最績優企業大獎」及二零一六年中國品牌年度創新企業等多項大獎。

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CONSOLIDATED FINANCIAL RESULTS

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

For the year ended 31 December, HK\$ million

綜合財務表現

本集團年內重點財務表現如下：

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Total premiums written and policy fees	總保費及保單費收入	149,265.38	138,431.54	+7.8%
Profit from operations before taxation	除稅前經營溢利	9,250.49	11,008.41	-16.0%
Profit from operations after taxation	除稅後經營溢利	6,302.48	8,168.24	-22.8%
Net profit attributable to the owners	股東應佔溢利淨額	4,774.25	6,341.24	-24.7%
Basic earnings per share (HK\$)	每股基本盈利 (港元)	1.258	1.783	-0.525 dollar 元
Final dividend proposed at 10 HK cents per share	建議末期息 每股10港仙	359.40	-	N/A 不適用

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Total assets	總資產	505,405.76	488,031.35	+3.6%
Total equity	總權益	67,002.66	71,798.63	-6.7%
Owners' equity	股東應佔權益	51,462.12	55,020.66	-6.5%
- Per share (HK\$)	- 每股 (港元)	14.319	15.309	-0.990 dollar 元
Group embedded value (Note)	總內含價值 (註)	128,847.00	122,973.00	+4.8%
Owners' group embedded value	股東應佔總內含價值	102,474.00	97,980.00	+4.6%
- Per share (HK\$) (Note)	- 每股 (港元) (註)	28.512	27.262	+1.250 dollars 元

Note: Calculated in accordance with the C-ROSS.

註：根據償二代評估標準計算。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現 (續)

The figures below were 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 was summarised below:

按各業務分類之經營淨溢利／(虧損)概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Life insurance	人壽保險	4,843.41	6,697.77	-27.7%
PRC property and casualty insurance	境內財產保險	552.11	821.25	-32.8%
Overseas property and casualty insurance and reinsurance	境外財產保險及再保險	920.79	888.41	+3.6%
Pension and group life insurance	養老及團體人壽保險	24.18	178.36	-86.4%
Others ¹	其他 ¹	(38.01)	(417.55)	+90.9%
Net profit from operations	經營淨溢利	6,302.48	8,168.24	-22.8%
Non-controlling interests	非控股股東權益	(1,528.23)	(1,827.00)	-16.4%
Net profit attributable to the owners	股東應佔溢利淨額	4,774.25	6,341.24	-24.7%

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

¹ 其他主要包括控股公司、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。

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CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現(續)

The following analysis showed 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	71,798.63	51,338.52
Net profit recognised in statement of profit or loss	確認於損益表之溢利淨額	6,302.48	8,168.24
Net changes in AFS investment reserve	可供出售投資儲備變化淨額	(6,831.91)	2,270.55
Revaluation gain arising from reclassification of own-use properties into investment properties	因自用物業重新分類為投資物業而產生之重估收益	33.23	55.53
Exchange loss 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	(3,638.54)	(3,096.02)
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	(254.20)	(253.42)
Capital injection to subsidiaries by its non-controlling shareholder	非控股股東向附屬公司注入資本	176.07	-
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的股息	(584.50)	(134.52)
Others	其他	1.40	(30.55)
Total equity as at 31 December	於十二月三十一日之總權益	67,002.66	71,798.63
Attributable to:	應佔：		
Owners of the Company (including capital securities)	本公司股東權益 (含資本證券)	56,169.06	59,728.01
Non-controlling interests	非控股股東權益	10,833.60	12,070.62
		67,002.66	71,798.63

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CONSOLIDATED INVESTMENT PERFORMANCE

Assets Management Business

1. Investment Assets of the Group

In 2016, the United States, Europe and other major stock markets rose. The US stock market rallied strongly with the anticipation of fiscal stimulus brought by Donald Trump's New Deal at the end of the year. Euro zone stocks slightly increased and the Japanese stocks market was broadly flat while different degrees of rise were presented in the emerging market stocks.

The China stock market gradually rebounded after a steep plunge, narrowing the decline. In February 2016, the market plunged due to call-back pressure, exchange depreciation, circuit-breaker mechanism and other factors, and then showed a tendency of vibration upswing with losses eased. Throughout the year, the Shanghai-Shenzhen 300 Index lost 11.3% while the Hang Seng Index slightly increased by 0.4%.

In respect of bond market, the government bond yields in the U.S. and China bottomed out successively. Due to the expectation of rate-raising and inflation, the US 10-year government bonds yield rebounded significantly after falling to a historic low in July. With the tightening monetary policy, prevent the asset bubble risk and the internal deleveraging in the financial system, the China's 10-year government bonds yield rebounded significantly after falling to a historic low in August.

The Company has conducted the in-depth study on macroeconomic changes, actively prevented market risks and optimised the asset allocation structure. In 2016, the Company lowered the proportion of equity assets appropriately while increasing that of fixed-income assets. In terms of equity investment, the Company more focused on value investment and strengthened the prevention of the credit default risk in fixed-income investment, thereby achieving good investment performance throughout the year.

綜合投資表現

資產管理業務

一、集團投資資產

二零一六年，美、歐等全球主要股市上升。受益於年末特朗普新政帶來的財政政策刺激預期，美國股市大幅上升。歐元區股市小幅上升，日本股市大致持平，新興市場股市則呈現不同程度上漲。

中國股市呈現深度下跌後逐步回升、跌幅收窄態勢。二零一六年二月，在市場內在回調壓力、匯率貶值、熔斷機制等因素影響下，市場大幅下挫，此後股市呈現震盪上行、跌幅縮窄態勢。最終滬深300指數全年跌幅為11.3%，香港恒生指數則小幅上升0.4%。

債券市場方面，中美兩國國債收益率先後觸底反彈。美國10年期國債收益率於七月降至低點後，在加息及通脹預期下大幅反彈。中國10年期國債收益率於八月跌至低點後，在央行收緊貨幣政策、防範資產泡沫風險、金融體系內部去槓桿因素影響下大幅回升。

本公司深入研究宏觀形勢變化，積極防範市場風險，優化資產配置結構。二零一六年適當降低權益類資產佔比，提高固定收益類資產佔比。在權益類投資方面更注重價值投資理念，在固定收益投資方面加強信用違約風險的防範，全年取得了較好的投資業績。

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CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Investment Income

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

For the year ended 31 December, HK\$ million

綜合投資表現 (續)

投資收益

本集團之總投資收益及投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Net investment income ¹	淨投資收益 ¹	17,656.42	15,614.48	+13.1%
Net realised and unrealised investment gains ²	已實現及未實現資本利得 ²	2,362.03	11,042.45	-78.6%
Total investment income	總投資收益	20,018.45	26,656.93	-24.9%
Total investment yield ³	總投資收益率 ³	5.01%	7.97%	-2.96 pts 點

¹ 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.

² Including the income from the spread of investment securities, gain or loss on changes in fair value and impairment loss.

³ In the calculation of total 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.

¹ 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。

² 包含證券投資差價收入、公允價值變動損益及減值損失。

³ 計算總投資收益率時，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。

Net investment income increased by 13.1% from HK\$15.614 billion in 2015 to HK\$17.656 billion in 2016, mainly because of the growing scale of investment assets. In 2016, due to the decrease in the domestic stock market, the realised and unrealised gains decreased by 78.6% from HK\$11.042 billion in 2015 to HK\$2.362 billion in 2016.

By the combined effects of the above factors, the income of investment assets of the Group amounted to HK\$20.018 billion in 2016, decreased by 24.9% over the HK\$26.657 billion in 2015; the total investment yield decreased from 7.97% in 2015 to 5.01% in 2016.

淨投資收益由二零一五年的156.14億港元增加13.1%至二零一六年的176.56億港元，主要原因是投資資產規模增長。二零一六年，受境內股市下跌影響，已實現及未實現的資本利得由二零一五年的110.42億港元降低78.6%至二零一六年的23.62億港元。

受上述因素綜合影響，二零一六年本集團投資資產的總投資收益為200.18億港元，較二零一五年的266.57億港元降低24.9%；總投資收益率由二零一五年的7.97%下降至二零一六年的5.01%。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

綜合投資表現 (續)

Investment Portfolio

投資組合

The asset 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：

As at 31 December, HK\$ million

於十二月三十一日，百萬港元

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
By investment category	按投資對象分				
Fixed income	固定收益類				
Debt securities	債務證券	164,699.38	38.7%	144,623.23	38.8%
Term deposits	定期存款	46,347.29	10.9%	34,375.88	9.2%
Debt products	債權產品	74,645.84	17.6%	72,095.46	19.3%
Other fixed income investments	其他固定收益投資	27,259.52	6.4%	20,649.12	5.5%
Equity investments	權益類投資				
Equity securities	股本證券	22,221.78	5.2%	26,112.46	7.0%
Investment funds	投資基金	12,211.23	2.9%	12,704.27	3.4%
Other equity investments	其他權益投資	22,292.45	5.2%	14,944.27	4.0%
Investment properties	投資性物業	19,337.67	4.6%	12,375.25	3.3%
Cash, cash equivalents and others	現金、現金等價物及其他	36,164.48	8.5%	34,787.52	9.3%
Total invested asset	投資資產總額	425,179.64	100.0%	372,667.46	100.0%

Note: Figures may not match totals due to rounding

註：因四捨五入，直接相加未必等於總數。

The Group took the initiative in improving its investment portfolio to respond to the new economic situation, with the proportion of fixed income investments to total investment assets increased from 72.8% in 2015 to 73.6% in 2016, and the proportion of equity investments decreased from 14.4% in 2015 to 13.3% in 2016.

本集團根據新的市場形勢，主動改善投資組合資產配置以應對新的經濟形勢，固定收益類投資佔總投資資產的比例由二零一五年的72.8%增加到二零一六年的73.6%，權益投資的佔比由二零一五年的14.4%降低到二零一六年的13.3%。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Analysis of investment in securities

Debt securities

As at the end of 2016, debt securities held by the Group amounted to HK\$164.7 billion, of which 86.5% were domestic bonds. 97.2% out of such domestic bonds were government bonds, financial policy bonds with high credit ratings and corporate bonds rated AAA. Investment grade bonds with BBB ratings or higher reached 100%. Foreign bonds accounted for the remaining 13.5%, of which 86.2% were investment grade with international ratings, while the remaining were issued by government and large corporations, with adequate credit enhancements.

Alternative investments

The proportion of alternative investments held by the Group to total investment assets was 27.7%. From which “South-to-North Water Diversion” project accounted for HK\$11.7 billion, if “South-to-North Water Diversion” project is excluded, the proportion of alternative investments to total investment assets was 25.0%. Domestic financial investment debt products are mainly debt schemes, with the ratio of trust products and asset management products increased, reflecting the investments has been further diversified.

Alternative investments risk remained at a low level.

Local Government Debt Financing

By the end of 2016, within the local government debt investments, 72% were from provincial or sub-provincial platform, lower level platform projects are guaranteed by the banks. By sector, 63% of them were in the transport and municipal industries, in line with the insurance capital investment infrastructure construction policy guidance. By credit enhancements, 66% were guaranteed by commercial banks or its holding companies, projects exempted from guarantee were debtors of relatively strong repayment ability. The average yield was 5.8% or above, and the average maturity was 6.5 years.

綜合投資表現 (續)

證券投資的分析

債務證券

截止二零一六年末，本集團持有債務證券1,647億港元，境內債券佔比86.5%，其中97.2%投資於高信用等級的國債、政策性金融債以及信用等級為AAA級的企業債，BBB及以上的投資級債券佔比合計達到100%。境外債券佔餘下的13.5%，其中國際評級投資級別佔86.2%，其餘部分發行主體主要為政府和大型機構，增信措施完善。

另類投資

本集團持有之另類投資佔總投資資產比例27.7%，其中南水北調項目117億港元，剔除南水北調項目後另類投資佔總投資資產比例25.0%。境內債權類金融產品以債權計劃為主，信託、資管產品佔比增加，投資方式進一步多元化。

另類投資風險保持較低水平。

地方政府債務融資情況

截止二零一六年末，地方政府債務類項目中，72%屬省級或副省級平臺，低層級平臺項目由銀行擔保。資金投向方面，63%分佈在交通運輸和市政行業，符合保險資金投資基礎設施建設的政策導向。增信措施方面，66%由商業銀行或集團公司擔保，免擔保的項目償債主體實力較強；平均收益率達5.8%以上，平均期限6.5年。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Analysis of investment in securities (Continued)

Real Estate Financial Investment Debt Products

By the end of 2016, real estate financial investment debt products of approximately HK\$14.5 billion, represented only 2.8% of the total assets. The credit ratings of the real estate financial investment debt products remained stable. Major projects were located in tier 1 or developed tier 2 cities.

Purchased External Financial Products

In 2016, under the background of asset shortage, the Company have actively invested in external financial products and allocated HK\$19.8 billion to purchased external alternative assets, with an average yield of 5.3%. Within the purchased external projects, 68% were Trust schemes and real estate debt schemes, 82% were in real estate, financial and municipal industries, 76% were guaranteed by commercial banks or its holding companies.

II. Third-party Assets under Management

By the end of 2016, the total third-party entrusted investment assets managed by the Group amounted to HK\$296.0 billion, representing an increase of 26.6% as compared with last year, with discretionary assets of HK\$161.4 billion, representing an increase of 13.7% as compared with Last Year.

In 2016, TPAM recorded a total management fee and advisory service income of HK\$849 million, including HK\$572 million derived from assets outside of the Group, which accounted for 67% of total fee income. The size of the asset management products offered to third parties and the alternative investment assets sold to the external parties grow rapidly, increased by 76% and 52% as compared with the beginning of the year, respectively.

綜合投資表現 (續)

證券投資的分析 (續)

房地產債權金融產品投資

截止二零一六年末，房地產債權類金融產品投資約145億港元，合計佔總資產比例僅2.8%。房地產債權類金融產品的信用評級保持平穩。主要項目處於一線城市或經濟發達的二線城市。

外購金融產品

二零一六年，在資產荒背景下，大力拓展外購項目資源，共配置外購另類資產198億港元，平均收益率5.3%。外購項目中，68%為信託計劃和不動產債權計劃，82%分佈在不動產、金融和市政行業，76%由商業銀行或上級集團公司擔保。

二、第三方管理資產

截止二零一六年末，集團管理的第三方委託投資資產總額達到2,960億港元，較去年末增長26.6%，其中全權委託的第三方受託資產規模達到1,614億港元，較去年末增長13.7%。

二零一六年，太平資產總管理費及顧問費收入8.49億港元，其中集團外管理費及顧問費收入5.72億港元，佔比達到67%。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，分別較年初增長76%和52%。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Analysis of investment in securities (Continued)

II. Third-party Assets under Management (Continued)

By the end of 2016, the Company enjoyed a satisfactory market ranking in the management of investment-linked accounts. Among the 13 investment-linked accounts, 7 of which were among the top 30% of the industry in terms of investment yield.

By the end of 2016, the yields of pension annuity products managed by the Company were satisfactory, and the overall yields for the annuity was 4.5%.

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 resumed business in PRC in December 2001 and 75.1% owned by the Group since November 2013, while TPL (HK) is a Hong Kong-incorporated company established in July 2015 and is wholly-owned by the Group.

During the Year, the direct premiums written by TPL (HK) achieved HK\$1,132 million while they had 109 individual agents.

綜合投資表現 (續)

證券投資的分析 (續)

二、第三方管理資產 (續)

截止二零一六年末，公司管理的投連帳戶市場排名較好，13個投連帳戶中，7個帳戶的投資收益率同業排名前30%。

截止二零一六年末，公司管理的年金養老產品收益率表現較好，年金整體收益率達到4.5%。

人壽保險業務

集團之人壽保險業務由太平人壽與太平人壽香港經營，分別在內地及香港從事人壽保險業務。太平人壽於二零零一年十二月於境內復業經營。於二零一三年十一月起，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。

於本年度，太平人壽香港保費收入達11.32億港元，個人代理數目為109人。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

The results under life insurance business for the Year was mainly contributed by TPL. The figures below were focus on the analysis of TPL performance.

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

The key financial data of the life insurance business operated by TPL was summarised below:

For the year ended 31 December, HK\$ million

人壽保險業務 (續)

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。

以下數字為集團內部對銷前，太平人壽的營運業績。

由太平人壽經營之人壽保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Direct premiums written and premium deposits	保費收入及保費存款	117,067.32	103,926.26	+12.6%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	6,268.28	3,735.85	+67.8%
Premium deposits of unit-linked products	投資連結產品之保費存款	89.95	326.76	-72.5%
Premium deposits of other products	其他產品之保費存款	314.51	326.04	-3.5%
Direct premiums written recognised in statement of profit or loss	確認於損益表之保費收入	110,394.58	99,537.61	+10.9%
Inward reinsurance premiums	分保費收入	118.73	2,708.55	-95.6%
Policy fees	保單費收入	129.47	75.64	+71.2%
Net premiums written and policy fees	淨保費收入及保單費收入	109,291.25	100,578.35	+8.7%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	108,909.35	100,626.90	+8.2%
Net policyholders' benefits	保單持有人利益淨額	(16,416.96)	(45,313.20)	-63.8%
Net commission expenses	佣金支出淨額	(12,271.17)	(9,357.77)	+31.1%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(78,087.00)	(48,437.44)	+61.2%
Total investment income	總投資收入	15,587.38	24,069.81	-35.2%
Administrative and other expenses	行政及其他費用	(12,907.50)	(14,176.94)	-9.0%
Finance costs	財務費用	(2.54)	(207.23)	-98.8%
Profit from operation before taxation	除稅前經營溢利	7,130.82	8,813.77	-19.1%
Profit from operation after taxation	除稅後經營溢利	5,133.55	6,691.84	-23.3%
Profit from operation attributable to the owners	股東應佔經營溢利	3,855.29	5,025.57	-23.3%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Total assets	總資產	359,457.63	371,289.40	-3.2%
Total equity	總權益	29,655.53	35,540.21	-16.6%

The key operational data of the life insurance business operated by TPL was summarised below:

由太平人壽經營之人壽保險業務之主要經營數據概述如下：

		2016 二零一六年	2015 二零一五年	Change 變化
Market share ¹	市場份額 ¹	4.4%	5.0%	-0.6 pt 點
Number of provincial branches	省級分公司數目	37	37	-
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	1,125	1,066	+59
Number of customers	客戶數目			
- Individual	- 個人	8,199,960	7,474,006	+725,954
- Corporate	- 公司	1,304	1,874	-570
Distribution network	分銷網絡			
- Number of individual agents	- 個人代理數目	261,922	231,766	+30,156
- Number of bancassurance outlets	- 銀行保險銷售網點數目	29,673	21,255	+8,418
Agent monthly premiums (RMB)	代理每月人均保費 (人民幣元)	19,233	19,573	-340
Persistency ratios	第13個月之			
- 13th month ²	保費繼續率 ²			
- Individual	- 個人	95.0%	92.5%	+2.5 pts 點
- Bancassurance	- 銀行保險	94.0%	92.3%	+1.7 pts 點
Compound persistency ratios	第25個月之			
- 25th month ²	保費複合繼續率 ²			
- Individual	- 個人	88.6%	87.9%	+0.7 pt 點
- Bancassurance	- 銀行保險	89.1%	87.0%	+2.1 pts 點

¹ Based on premiums as 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 Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Operating Profit

The life insurance business operated by TPL produced a net operating profit of HK\$5,134 million during the Year (2015: HK\$6,692 million), representing a decrease of 23.3% compared to Last Year due to the higher realised capital gains of equity investments during Last Year.

Direct Premiums Written and Premium Deposits

TPL's direct premiums written recognised in the consolidated statement of profit or loss increased by 10.9% to HK\$110,395 million from HK\$99,538 million in the Last Year. 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 year ended 31 December 2016, HK\$ million

		Direct premiums written recognised in the consolidated statement of profit or loss	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
		確認於綜合損益表內之保費收入	萬能壽險產品之保費存款	投資連結產品之保費存款	其他產品之保費存款	總額	佔總額百分比
Individual	個人代理	64,185.22	5,575.53	36.83	172.21	69,969.79	59.8%
Bancassurance	銀行保險	43,631.86	692.75	53.12	1.49	44,379.22	37.9%
Group	團體	370.18	-	-	140.81	510.99	0.4%
Other Channels ¹	多元銷售 ¹	2,207.32	-	-	-	2,207.32	1.9%
		110,394.58	6,268.28	89.95	314.51	117,067.32	100.0%

人壽保險業務 (續)

經營溢利

本年度內，由太平人壽經營之人壽保險業務之經營溢利淨額為51.34億港元（二零一五年：66.92億港元），較去年下跌23.3%，主要由於去年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995.38億港元上升10.9%至1,103.95億港元。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：

截至二零一六年十二月三十一日止年度，百萬港元

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

For the year ended 31 December 2015, HK\$ million

截至二零一五年十二月三十一日止年度，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		53,974.60	3,001.62	92.81	188.30	57,257.33	55.1%
Bancassurance 銀行保險		43,295.44	734.23	233.95	1.59	44,265.21	42.6%
Group 團體		210.18	-	-	136.15	346.33	0.3%
Other Channels ¹ 多元銷售 ¹		2,057.39	-	-	-	2,057.39	2.0%
		99,537.61	3,735.85	326.76	326.04	103,926.26	100.0%

¹ Other Channels mainly consisted of telemarketing.

¹ 多元銷售主要由電話營銷組成。

During the Year, premiums distributed through the individual agency force channel increased to HK\$64,185 million from HK\$53,975 million in the Last Year, representing an increase of 18.9%. TPL's initiative to increase its agent numbers over the recent years has established a strong foundation for the agency force channel. The agents number and their productivity is stable continuously (monthly per capita premiums of RMB19,233 during the Year (31 December 2015: RMB19,573)).

本年度內，透過個人代理隊伍分銷的保費由去年的539.75億港元上升至641.85億港元，增長18.9%。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。代理人人均保費持續穩定，本年度內每月人均保費為19,233元人民幣（二零一五年十二月三十一日：19,573元人民幣）。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

In the bancassurance channel, premium increased to HK\$43,632 million from HK\$43,295 million in the Last Year, representing a slightly increase 0.8%. Within this, first year bancassurance regular premium increased to HK\$4,207 million from HK\$3,271 million in the Last Year, representing an increase of 28.6%, while bancassurance single premium decreased by 4.9%.

The persistency ratios remained stable and at the forefront of the industry at 95.0% and 94.0% at the 13th month, and 88.6% and 89.1% at the 25th month, for the individual agency and bancassurance channels, respectively.

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

For the year ended 31 December, HK\$ million

Individual

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Single Premium	躉繳保費	125.43	0.2%	722.70	1.3%
Regular Premium	期繳保費				
– First Year	– 首年	21,501.78	33.5%	16,283.02	30.2%
– Renewal Year	– 續年	42,558.01	66.3%	36,968.88	68.5%
		64,185.22	100.0%	53,974.60	100.0%

人壽保險業務 (續)

銀行保險渠道方面，保費由去年432.95億港元輕微上升0.8%至436.32億港元。其中銀保首年期繳保費由去年32.71億港元上升至42.07億港元，增長28.6%，而銀保躉繳保費同比下降4.9%。

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95.0%及94.0%，而第25個月保費複合繼續率則分別為88.6%及89.1%。

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：

截至十二月三十一日止年度，百萬港元

個人代理

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

Bancassurance

銀行保險

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Single Premium	躉繳保費	21,694.67	49.8%	22,812.61	52.6%
Regular Premium	期繳保費				
– First Year	– 首年	4,207.36	9.6%	3,271.12	7.6%
– Renewal Year	– 續年	17,729.83	40.6%	17,211.71	39.8%
		43,631.86	100.0%	43,295.44	100.0%

Group

團體

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Employee Benefit (“EB”)	僱員福利	370.18	100.0%	210.18	100.0%

Other Channels

多元銷售

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Single Premium	躉繳保費	14.92	0.7%	8.71	0.4%
Regular Premium	期繳保費				
– First Year	– 首年	520.26	23.6%	500.68	24.3%
– Renewal Year	– 續年	1,672.14	75.7%	1,548.00	75.3%
		2,207.32	100.0%	2,057.39	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

Individual first year regular premium – by payment term

個人首年期繳保費－按繳費期

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
1-9 years	1-9年	9,106.55	42.4%	6,561.77	40.3%
10-19 years	10-19年	5,059.87	23.5%	5,421.30	33.3%
20-29 years	20-29年	6,600.67	30.7%	3,984.69	24.5%
30 years+	30年+	734.69	3.4%	315.26	1.9%
		21,501.78	100.0%	16,283.02	100.0%

Individual first year regular premium – by feature

個人首年期繳保費－按產品形態

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Short term savings	短期儲蓄型	40.01	0.2%	55.66	0.3%
Long term savings	長期儲蓄型	11,897.15	55.3%	10,270.01	63.1%
Long term protection	長期保障型	8,409.04	39.1%	5,371.47	33.0%
Others	其他	1,155.58	5.4%	585.88	3.6%
		21,501.78	100.0%	16,283.02	100.0%

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

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
5-9 years	5-9年	1,284.94	30.5%	986.90	30.2%
10-14 years	10-14年	2,722.78	64.8%	2,096.79	64.1%
Others	其他	199.64	4.7%	187.43	5.7%
		4,207.36	100.0%	3,271.12	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Participating	分紅保險	68,308.22	61.9%	64,695.88	65.0%
Annuity	年金保險	25,988.63	23.5%	24,636.21	24.8%
Long-term health	長期健康險	8,819.54	8.0%	5,319.90	5.3%
Traditional life	傳統壽險	3,961.71	3.6%	2,777.11	2.8%
Accident and short-term health	意外和短期健康險	3,314.22	3.0%	2,095.25	2.1%
Universal life	萬能壽險	1.21	0.0%	12.18	0.0%
Investment-linked	投資連結保險	1.05	0.0%	1.08	0.0%
Total	總額	110,394.58	100.00%	99,537.61	100.00%

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

太平人壽按區域的保費收入分佈如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	% of Total 佔總額百分比			2015 二零一五年	% of Total 佔總額百分比
Sichuan	四川	11,928.17	10.8%	Sichuan	四川	11,115.06	11.2%
Shandong	山東	9,830.08	8.9%	Shandong	山東	8,687.23	8.7%
Beijing	北京	7,036.23	6.4%	Guangdong	廣東	6,642.82	6.7%
Guangdong	廣東	6,478.67	5.9%	Beijing	北京	6,329.53	6.4%
Hubei	湖北	5,376.94	4.9%	Henan	河南	5,519.97	5.5%
Others	其他	69,744.49	63.1%	Others	其他	61,243.00	61.5%
Total	總額	110,394.58	100.0%	Total	總額	99,537.61	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Highlights on Embedded Value

Under C-ROSS, the embedded value of TPL (expressed in terms of HKD) increased by 5.3% to HK\$92,049 million from HK\$87,422 million at the end of Last Year. The new business value after cost of capital for the Year increased to HK\$9,115 million from HK\$7,075 million of the Last Year, representing a growth of 28.8%. 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 were summarised as follows:

For the year ended 31 December, HK\$ million

		2016 二零一六年	2015 二零一五年	Change 變化
Surrenders and net claims	退保額及賠償淨額	105.36	23,254.36	-99.5%
Annuity, dividends and maturity payments	年金、分紅及滿期給款	16,245.01	20,514.50	-20.8%
Interest allocated to investment and reinsurance contracts	分配至投資及再保險合約之利益	66.59	1,544.34	-95.7%
		16,416.96	45,313.20	-63.8%

During the Year, surrenders and net claims decreased to HK\$105 million from HK\$23,254 million in the Last Year, representing a significant decrease of 99.5%. It was mainly due to the termination of financial reinsurance contract, which increased the reinsurers' share of claims by about HK\$27,726 million.

人壽保險業務 (續)

內含價值摘要

在償二代口徑下，太平人壽的內含價值（以港元折算）由去年底之874.22億港元增加5.3%至920.49億港元。本年度之新業務扣除資本成本後之價值為91.15億港元，較去年之70.75億港元，增長28.8%。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：

截至十二月三十一日止年度，百萬港元

本年度內，退保額及賠償淨額由去年232.54億港元大幅下跌99.5%至1.05億港元，主要是由於太平人壽的財務再保險合約已於本年度終止，影響攤回賠付支出增加約277.26億港元。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Financial Strength and Solvency Margin

TPL redeemed all residual subordinated notes during the Year. The comprehensive solvency ratios of TPL under the CIRC regulations were as follows:

At 31 December, RMB million

		2016 二零一六年	2015 二零一五年
Available Capital	實際資本	86,756	75,647
Minimum Capital	最低資本	34,627	27,915
Comprehensive Solvency Ratio (Note)	綜合償付能力充足率(註)	251%	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)

財務實力及償付能力

太平人壽於本年度贖回所有剩餘次級定期債務，按中國保監會規定之綜合償付能力充足率如下：

於十二月三十一日，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。

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 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.

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，主要於內地從事承保車險、水險及非水險業務。於二零一三年十一月起，本集團擁有太平財險100%權益。

Management Review and Analysis

管理層回顧和分析

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

The figures below were 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 was summarised below:

For the year ended 31 December, 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：

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Direct premiums written	保費收入	21,268.72	19,447.27	+9.4%
Net premiums written	淨保費收入	18,627.38	17,437.91	+6.8%
Net earned premiums	已賺取保費淨額	18,150.22	16,708.92	+8.6%
Net claims incurred	賠款淨額	(9,629.05)	(9,062.13)	+6.3%
Underwriting expenses	承保費用	(5,799.08)	(5,694.45)	+1.8%
Net commission expenses	佣金支出淨額	(2,692.39)	(1,927.39)	+39.7%
Underwriting profit	承保溢利	29.70	24.95	+19.0%
Total investment income	總投資收入	914.46	1,253.41	-27.0%
Share of results of associates	應佔聯營公司業績	75.37	14.52	+4.2 times 倍
Other gain and other income	其他收益及其他收入	191.15	104.17	+83.5%
Other miscellaneous expenses	其他雜費	(220.01)	(201.42)	+9.2%
Finance costs	財務費用	(77.42)	(82.20)	-5.8%
Profit from operation before taxation	除稅前經營溢利	913.25	1,113.43	-18.0%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	552.11	821.25	-32.8%
Retained ratio	自留比率	87.6%	89.7%	-2.1 pts 點
Loss ratio ¹	賠付率 ¹	53.0%	54.2%	-1.2 pts 點
Expense ratio ¹	費用率 ¹	46.8%	45.6%	+1.2 pts 點
Combined ratio ²	綜合成本率 ²	99.8%	99.8%	-

Management Review and Analysis

管理層回顧和分析

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)

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Total assets	總資產	25,710.33	25,165.60	+2.2%
Total equity	總權益	6,486.82	6,388.04	+1.5%

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

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

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

² 綜合成本率為賠付率與費用率的總和。

The key operational data of the property and casualty insurance business operated by TPI was 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：

		2016 二零一六年	2015 二零一五年	Change 變化
Market share ¹	市場份額 ¹	2.0%	1.9%	+0.1 pt 點
Number of provincial branches	省級分公司數目	31	30	+1
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	595	551	+44
Number of customers	客戶數目			
– Individual	– 個人	4,673,598	4,200,233	+473,365
– Corporate	– 公司	249,246	223,997	+25,249
Number of direct sales representatives	直接銷售代表數目	10,185	9,119	+1,066

¹ Based on premiums published by the CIRC.

¹ 據中國保監會刊發之保費計算。

Management Review and Analysis

管理層回顧和分析

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

Operating Profit

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$552 million during the Year (2015: HK\$821 million), representing a decrease of 32.8%, mainly due to the higher investment return in the Last Year. During the Year, TPI was able to continue expanding the scale of its business and its market share, while maintaining solid underwriting results.

Direct Premiums Written

TPI's direct premiums written increased by 9.4% to HK\$21,269 million from HK\$19,447 million in the Last Year. The detailed breakdown of TPI's direct premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line 業務種類		2016 二零一六年	% of Total 佔總額百分比	2015 二零一五年	% of Total 佔總額百分比
Motor	車險	17,034.62	80.1%	15,924.64	81.9%
Marine	水險	444.58	2.1%	331.55	1.7%
Non-marine	非水險	3,789.52	17.8%	3,191.08	16.4%
		21,268.72	100.0%	19,447.27	100.0%

境內財產保險業務－由太平財險營運 (續)

經營溢利

本年度內，由太平財險經營之財產保險業務的經營溢利淨額為5.52億港元（二零一五年：8.21億港元），下跌32.8%，主要由於去年投資收益較高。於本年度內，太平財險繼續擴大業務規模與市場份額，同時維持穩健的承保業績。

保費收入

太平財險的保費收入上升9.4%，由去年的194.47億港元上升至212.69億港元。太平財險保費收入詳細分析如下：

截至十二月三十一日止年度，百萬港元

Management Review and Analysis

管理層回顧和分析

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

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

For the year ended 31 December, HK\$ million

		2016 二零一六年	% of Total 佔總額百分比
Sichuan	四川	2,026.70	9.5%
Shandong	山東	1,791.34	8.4%
Shenzhen	深圳	1,746.30	8.2%
Guangdong	廣東	1,307.53	6.1%
Shanghai	上海	1,247.87	5.9%
Others	其他	13,148.98	61.9%
Total	總額	21,268.72	100.0%

Combined Ratio

TPI's loss ratio improved by 1.2 percentage points to 53.0% from 54.2% in the Last Year. The expense ratio increased to 46.8% from 45.6% in the Last Year. TPI's combined ratio remained stable at 99.8% during the Year. TPI's loss ratios, expense ratios and combined ratios were as follows:

For the year ended 31 December

		2016 二零一六年	2015 二零一五年
Loss ratio	賠付率	53.0%	54.2%
Expense ratio	費用率	46.8%	45.6%
Combined ratio	綜合成本率	99.8%	99.8%

境內財產保險業務—由太平財險營運 (續)

太平財險按區域的保費收入分佈如下：

截至十二月三十一日止年度，百萬港元

		2015 二零一五年	% of Total 佔總額百分比
Sichuan	四川	1,880.69	9.7%
Shenzhen	深圳	1,533.60	7.9%
Shandong	山東	1,450.54	7.5%
Shanghai	上海	1,236.46	6.4%
Hebei	河北	1,153.33	5.9%
Others	其他	12,192.65	62.6%
Total	總額	19,447.27	100.0%

綜合成本率

太平財險的賠付率由去年的54.2%優化1.2個百分點至53.0%。費用率由去年的45.6%上升至46.8%。本年度內太平財險的綜合成本率為99.8%。太平財險之賠付率、費用率及綜合成本率情況如下：

截至十二月三十一日止年度

	2016 二零一六年	2015 二零一五年
Loss ratio	53.0%	54.2%
Expense ratio	46.8%	45.6%
Combined ratio	99.8%	99.8%

Management Review and Analysis

管理層回顧和分析

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:

At 31 December, RMB million

		2016 二零一六年	2015 二零一五年
Available Capital	實際資本	6,358	6,373
Minimum Capital	最低資本	3,083	2,380
Comprehensive Solvency Ratio (Note)	綜合償付能力充足率(註)	206%	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償付能力充足率如下：

於十二月三十一日，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 covers 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 and 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 Review and Analysis

管理層回顧和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE (Continued)

境外財產保險業務及再保險業務 (續)

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：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Direct premiums written	保費收入			
CTPI (HK)	太平香港	1,372.04	2,274.26	-39.7%
TP Macau	太平澳門	587.32	587.89	-0.1%
TP Singapore	太平新加坡	463.27	496.38	-6.7%
TP UK	太平英國	403.11	390.53	+3.2%
TP Indonesia	太平印尼	230.48	145.98	+57.9%
Underwriting profit	承保溢利			
CTPI (HK)	太平香港	43.61	48.03	-9.2%
TP Macau	太平澳門	73.66	70.24	+4.9%
TP Singapore	太平新加坡	39.94	34.81	+14.7%
TP UK	太平英國	11.26	15.43	-27.0%
TP Indonesia	太平印尼	2.80	1.80	+55.6%
Profit from operation after taxation	除稅後經營溢利			
CTPI (HK)	太平香港	305.74	280.64	+8.9%
TP Macau	太平澳門	84.82	92.92	-8.7%
TP Singapore	太平新加坡	63.99	73.11	-12.5%
TP UK	太平英國	30.49	11.39	+1.7 times 倍
TP Indonesia	太平印尼	2.36	7.86	-70.0%
Combined ratio	綜合成本率			
CTPI (HK)	太平香港	97.7%	98.1%	-0.4 pt 點
TP Macau	太平澳門	80.5%	80.8%	-0.3 pt 點
TP Singapore	太平新加坡	90.4%	91.1%	-0.7 pt 點
TP UK	太平英國	96.9%	94.2%	+2.7 pts 點
TP Indonesia	太平印尼	87.9%	92.1%	-4.2 pts 點

Management Review and Analysis

管理層回顧和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE (Continued)

境外財產保險業務及再保險業務 (續)

At 31 December

於十二月三十一日

		2016 二零一六年	2015 二零一五年	Change 變化
Regulatory solvency margin ratio¹	償付能力充足率¹			
CTPI (HK)	太平香港	725%	859%	-134 pts 點
TP Macau	太平澳門	267%	231%	+36 pts 點
TP Singapore	太平新加坡	210%	211%	-1 pt 點
TP UK ²	太平英國 ²	194%	211%	-17 pts 點
TP Indonesia	太平印尼	245%	283%	-38 pts 點

¹ Based on the local regulations.

¹ 按當地的規定。

² The above comprehensive solvency ratios were prepared in accordance with the "Solvency II" issued by the local regulators.

² 根據當地監管機構規定的「償二代」計算綜合償付能力充足率。

REINSURANCE BUSINESS

再保險業務

The Group's reinsurance business is operated by TPRE and its wholly owned subsidiary TPRE (China). 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 (China) incorporated in PRC in December 2015, which commenced its operation during the Year.

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，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(中國)是於二零一五年十二月在中國註冊成立之公司，於本年度開始正式營運。

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

以下數字為集團內部對銷前，太平再保險的合併營運業績。

The key financial data and key performance indicators of the reinsurance business operated by TPRE were summarised below:

由太平再保險經營之再保險業務之主要財務數據概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Direct premiums written	保費收入	9,175.45	8,004.95	+14.6%
Underwriting profit (non-life)	承保溢利(非人壽)	299.54	249.72	+20.0%
Profit from operation after taxation	除稅後經營溢利	450.72	422.44	+6.7%
Non-life reinsurance business Combined ratio	非人壽再保險業務：綜合成本率	92.9%	93.3%	-0.4 pt 點

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

At 31 December

於十二月三十一日

	2016 二零一六年	2015 二零一五年	Change 變化
Regulatory solvency margin ratio ¹ 監管償付能力充足比率 ¹	394%	551%	-157 pts 點

¹ Based on Hong Kong local regulations.

¹ 按香港當地的規定。

Operating Profit

經營溢利

The reinsurance business produced a net operating profit after tax of HK\$451 million during the Year (2015: HK\$422 million), representing an increase of 6.7%. Mainly due to the increase in investment gain because of the cashflow from life business, which set off the new business loss.

再保險業務產生經營溢利淨額4.51億港元(二零一五年:4.22億港元),上升6.7%。主要由於壽險業務帶來的現金流令投資收益上升,抵銷了新業務的技術性虧損。

Direct Premiums Written

保費收入

TPRe's direct premiums written for the Year increased by 14.6% to HK\$9,175 million from HK\$8,005 million in the Last Year. 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\$4,224 million (2015: HK\$3,404 million), mostly from 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\$300 million, representing an increase of 20.0% from HK\$250 million in the Last Year.

太平再保險之保費收入由去年80.05億港元上升14.6%至91.75億港元。儘管非人壽業務市況由於整體承保能力過剩而疲軟,但太平再保險仍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42.24億港元(二零一五年:34.04億港元),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的2.50億港元,上升20.0%至3.00億港元。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

The figures below were the results of TPRé (China) from its operations, before intra-group eliminations.

The key financial data of the reinsurance business operated by TPRé (China) was summarised below:

For the year ended 31 December, HK\$ million

		2016 二零一六年
Direct premiums written	保費收入	2,389.62
Net profit	淨利潤	110.18
Net assets	淨資產	1,471.88

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPRé (China) under the CIRC regulations were as follows:

At 31 December, RMB million

		2016 二零一六年
Available capital	實際資本	1,314
Minimum capital	最低資本	570
Comprehensive solvency ratio (Note)	綜合償付能力充足率(註)	230%

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

再保險業務(續)

以下數字為集團內部對銷前，太平再保險(中國)的營運業績。

由太平再保險(中國)經營之再保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

財務實力及償付能力

太平再保險(中國)按中國保監會規定之綜合償付能力充足率如下：

於十二月三十一日，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 Review and Analysis

管理層回顧和分析

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 were the results of TPP from its operations, before intra-group eliminations.

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

For the year ended 31 December, 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、年金業務、團體人壽保險業務。

以下數字為集團內部對銷前，太平養老的營運業績。

養老及團體人壽保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Direct premiums written	保費收入	4,690.68	4,109.22	+14.2%
Net premiums written	淨保費收入	4,273.28	3,712.46	+15.1%
Net earned premiums	已賺取保費淨額	4,206.43	3,632.32	+15.8%
Net policyholders' benefits	保單持有人利益淨額	(2,421.68)	(2,321.99)	+4.3%
Net commission expenses	佣金支出淨額	(445.99)	(382.87)	+16.5%
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	(530.62)	(270.03)	+96.5%
Total investment income	總投資收入	383.54	486.52	-21.2%
Pension administration fee income	養老保險管理服務費收入	369.71	371.14	-0.4%
Agency fee income	代理服務費收入	4.68	80.31	-94.2%
Administrative and other expenses	行政及其他費用	(1,558.94)	(1,393.21)	+11.9%
Profit/(loss) from operation before taxation	除稅前經營溢利	45.06	202.66	-77.8%
Profit from operation after taxation and attributable to the owners	除稅後及股東應佔經營溢利	24.18	178.36	-86.4%

Management Review and Analysis

管理層回顧和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

養老及團體人壽保險業務(續)

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2016 二零一六年	2015 二零一五年	Change 變化
Total assets	總資產	9,495.68	7,891.68	+20.3%
Total equity	總權益	2,528.26	1,580.94	+59.9%

At 31 December

於十二月三十一日

		2016 二零一六年	2015 二零一五年	Change 變化
Comprehensive solvency ratio (Note)	綜合償付能力充足率(註)	324%	255%	+69 pts 點

Note: The above comprehensive solvency ratios were 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 was summarised below:

養老業務之主要經營數據概述如下：

		2016 二零一六年	2015 二零一五年	Change 變化
Annuity invested assets (HK\$ million)	企業年金投資資產 (百萬港元)	70,381	60,642	+16.1%
Annuity entrusted assets (HK\$ million)	企業年金受託資產 (百萬港元)	60,530	54,236	+11.6%
Number of enterprises in funds and schemes	養老年金計劃所涉及的 企業數目	7,211	7,100	+111
Number of branches	分公司數目	28	25	+3

Operating Result

經營業績

The pension and group life insurance businesses incurred a net operating profit of HK24.18 million during the Year (2015: HK\$178 million). After breaking even and achieving an operating profit in 2013, TPP continued to build its scale and maintain the profitability of its operations.

養老及團體人壽保險業務產生經營溢利淨額2,418萬港元(二零一五年：1.78億港元)，自二零一三年轉虧為盈後，太平養老持續擴大其規模，並保持經營溢利。

Management Review and Analysis

管理層回顧和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES *(Continued)*

Direct Premiums Written

TPP's direct premiums written for the Year increased by 14.2% to HK\$4,691 million from HK\$4,109 million in the Last Year.

ASSET MANAGEMENT BUSINESS

The Group's asset management business is operated by TPAM and TPA (HK), which are engaged in the provision of asset management 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 were 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) were summarised below:

For the year ended 31 December, HK\$ million

		2016 二零一六年	2015 二零一五年	Change 變化
Management fee income	管理費收入	801.28	798.59	+0.3%
Profit from operating	除稅後經營溢利	272.38	223.98	+21.6%
Profit from operating attributable to the owners	股東應佔經營溢利	226.41	189.09	+19.7%

At 31 December, HK\$ million

		2016 二零一六年	2015 二零一五年	Change 變化
Assets under management	資產管理規模	538,805	468,023	+15.1%

養老及團體人壽保險業務 (續)

保費收入

太平養老之保費收入由去年之41.09億港元上升14.2%至46.91億港元。

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,分別為本集團的人民幣及非人民幣投資組合提供資產管理服務。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:

截至十二月三十一日止年度,百萬港元

於十二月三十一日,百萬港元

Management Review and Analysis

管理層回顧和分析

ASSET MANAGEMENT BUSINESS (Continued)

Operating Profit

The asset management business produced a net operating profit of HK\$272 million during the Year (2015: HK\$224 million), representing an increase of 21.6% compared to Last Year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2016 amounted to HK\$74,279 million (2015: HK\$81,354 million).

FINANCIAL LEVERAGE

The interest-bearing notes and bank facilities drawn as at 31 December 2016 amounted to HK\$5,835 million and HK\$41,706 million (2015: HK\$6,270 million and HK\$25,909 million). As of 31 December 2016, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 41.5% (2015: 30.9%).

CAPITAL STRUCTURE

CTIH did not issue new shares during the Year.

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%.

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2.72億港元(二零一五年:2.24億港元),較去年上升21.6%。

流動資金

於二零一六年十二月三十一日,本集團的現金及銀行存款為742.79億港元(二零一五年:813.54億港元)。

財務槓桿

二零一六年十二月三十一日須付息票據及已提取銀行貸款額度分別為58.35億港元及417.06億港元(二零一五年:62.70億港元及259.09億港元)。於二零一六年十二月三十一日,中國太平控股的綜合財務槓桿比率(債務/(債務+股本))為41.5%(二零一五年:30.9%)。

資本結構

於本年度,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%。

Management Review and Analysis

管理層回顧和分析

PRINCIPAL PROPERTIES

The location and use of the principal properties held for investment purposes by the Group are set out below, other details are set out in Note 15 of the consolidated financial statements.

Property location	Use
Taiping Finance Tower, Pudong New District, Shanghai, the PRC	Medium term lease; Commercial
Taiping Finance Tower, Futian District, Shenzhen, the PRC	Medium term lease; Commercial
The Exchange Beijing, Chaoyang District, Beijing, the PRC	Medium term lease; Commercial

STAFF AND STAFF REMUNERATION

As at 31 December 2016, the Group had a total of 60,270 employees (2015: 53,682 employees), an increase of 6,588 employees. Total remuneration for the Year amounted to HK\$13,483 million (2015: HK\$10,909 million), an increase of 23.6%. Bonuses are linked to both the performance of the Group and the performance of the individual.

CONTINGENT LIABILITIES

Other than those incurred in the normal course of the Group's insurance businesses, there was no outstanding litigation nor any other contingent liabilities as at 31 December 2016.

主要物業

本集團持有作投資用途的主要物業地點及用途如下，其他詳情載於綜合財務報表附註15。

物業地點	用途
中國上海浦東新區 太平金融大廈	中期租賃； 商業物業
中國深圳市福田區 太平金融大廈	中期租賃； 商業物業
中國北京朝陽區京匯大廈	中期租賃； 商業物業

員工及員工酬金

於二零一六年十二月三十一日，本集團的僱員總人數達60,270人（二零一五年：53,682人），增加6,588人。本年度總酬金為134.83億港元（二零一五年：109.09億港元），增加23.6%。花紅與本集團的業績及員工的個人表現掛鉤。

或然負債

除在本集團日常保險業務中產生的訴訟外，於二零一六年十二月三十一日，本集團概無任何未決訴訟或或然負債。

Management Review and Analysis

管理層回顧和分析

OUTLOOK

Continuously Advancing the “Boutique Strategy”, balanced expanding of Scale and Value

- 2016 marked the second year in implementing the “Boutique Strategy”. China Taiping’s solid advancing of the Boutique Strategy has achieved sound innovation-driven effect, gained remarkable results in comprehensive development, proceeded its business transformation and layout in order, constantly reinforced its investment capabilities, further optimised its basic management, constantly improved its risk management and compliance level, resulting into the healthy, rapid and sustainable development of its businesses and a positive start for the 13th Five Year Plan
- In 2017 and the coming period, China Taiping will actively cope with changes from the macro economy and market, stick to established strategies, adhere to the working policy of “Steady Growth, Innovation-driven, Lower Cost and Higher Efficiency, Strictly Controlling Risks”, devote great attention to the development of core businesses, promote the establishment of investment platforms, optimise the structure of principal businesses, strengthen the innovation of products, business models, management and services, boost the strategic layout for its internationalisation, enhance the synergistic effect between insurance and investment, safeguard against financial risks, strengthen the operation model with its own characteristics by seeking balance between the development of insurance and investment, and thereby endeavor to create more value for shareholders, clients and the society

展望

持續推進「精品戰略」，規模與價值並重發展

- 二零一六年是實施「精品戰略」的第二年。中國太平扎實推進精品戰略實施，創新驅動效果明顯，綜合開拓富有成效，業務轉型與佈局有序推進，投資能力持續增強，基礎管理進一步完善，風控與合規經營水平不斷提高，整體業務穩健、較快、可持續發展，實現了「十三五」良好開局
- 二零一七年及今後一段時期，中國太平將積極應對宏觀經濟及市場變化，保持戰略定力，堅持「穩中求進、創新發展、降本增效、嚴控風險」的工作方針，狠抓核心業務發展，推動投資平臺建設，優化主營業務結構，加強產品創新、商業模式創新、管理創新和服務創新，加快國際化戰略佈局，增強保險投資協同效應，防範金融風險，強化特色經營，堅持保險和投資均衡協調發展，竭力為股東、客戶和社會創造更大的價值

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

PRC Life Insurance Business – TPL

- To further improve channel management, continuously optimise procedures and models, promote the professional operation standards, ensure rapid and healthy development of core businesses
- To drive individual insurance by “products, agency force, institutions and projects”, improve the development layout of individual insurance, focus on both scale and value, aiming to achieve breakthroughs in various indicators
- Bancassurance will be value-driven, focus on expanding and strengthening its high value regular premium business
- E-commerce will be committed to self-developed businesses by exploring business channels and focusing on internet and telesales businesses
- Continue to strengthen our industry leading position in persistency ratios and building the professional features of Taiping

PRC Property and Casualty Insurance Business – TPI

- To grasp the development pace of business, speed up the establishment of professional channels for motor insurance, further expand the innovative business and strategic sectors, improve the institutional productivity as well as optimise the business structure, so as to achieve our annual business target
- To further improve our market response mechanism, risk pricing ability and input-and-output efficiency, so as to actively respond to the market competition pressure brought by the full implementation and marketisation of the motor insurance rates
- To further strengthen the risk control on underwriting and claims and commit concrete efforts to reduce claims and losses, so as to enhance the business value and operating efficiency of the Company

展望 (續)

境內人壽業務—太平人壽

- 進一步做好渠道經營，不斷優化流程和模式，提升專業化經營水平，確保核心業務快速、健康增長
- 個險以「產品、人力、機構、專案」四輪驅動，強化個險發展格局，堅持規模價值並重，實現各項指標突破再成長
- 銀保以追求價值為核心，做大做強高價值期交業務
- 電商著力發展自建業務，深耕渠道業務，聚焦網電業務
- 續收穩固繼續率行業地位，打造太平專業特色

境內產險業務—太平財險

- 把握業務節奏，加快推動車險渠道專業化建設，加大創新業務與戰略板塊的拓展力度，促進機構產能提升與業務結構優化，全力完成年度業務目標
- 進一步完善市場應對機制，提高風險定價能力、提升要素投入產出效率，積極應對商業車險費率市場化改革全面深化帶來的市場競爭壓力
- 進一步加強核保、核賠等風險管控力度，扎實推進降賠減損工作，不斷提升公司業務價值與經營效益

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Group Insurance and Pension Business – TPP

- To focus on the strengthening, optimising and expanding the scale of pension assets under management to help pension business continuously achieving the strategy of “Competing at an advanced level”
- To strengthen, optimise and expand the core business of group insurance so as to facilitate group insurance business continue to outperform the market
- To put great emphasis on the optimisation of business structure, operating model, operational services and profit structure, and accelerate the innovative development, so as to enhance the internal dynamics of the development of the Company

Overseas Life Insurance Business – TPL (HK)

- To continuously grasp the development opportunities in the life insurance market in Hong Kong, accelerate the business development and realise the objectives of “Creating unique product features, achieving outstanding sales results and establishing good service reputation”

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

- CTPI (HK) will strengthen refine management, improve innovation of products and channel, create the brand advantage for accident and health insurance and identify new growth points over the world while exploring the potential in the Hong Kong market
- TP Macau will actively take advantage of the opportunities arising from Hengqin Free Trade Area to expand business, optimise and innovate insurance products, continuously improve customer service and maintain the leading position in the market

展望 (續)

團險和養老金業務—太平養老

- 緊緊圍繞做強做優做大養老資產管理規模這個主攻方向，推動養老金業務持續實現爭先進位
- 做強做優做大團險核心業務，推動團險業務持續跑贏大市
- 重點優化業務結構，優化經營模式，優化運營服務，優化盈利結構，加快推動創新發展，增強公司發展的內生動力

境外壽險業務—太平人壽香港

- 繼續抓住香港壽險市場的大好發展機遇，加快業務發展，確保「產品創特色、銷售出業績、服務樹口碑」

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，加大產品和渠道創新力度，打造意康險品牌優勢，在深挖香港市場潛力的同時，在全球範圍內開闢新的業務增長點
- 太平澳門積極借助橫琴自貿區等契機，加大新業務拓展力度，優化及創新保險產品，不斷提升客戶服務工作，保持市場領先地位

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

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

- TP Singapore will continuously push forward the regional development, the innovation development, the linkage development and the refine development, strive to improve the business quality, strengthen the corporate comprehensive management, and further enhance the risk management system
- TP UK will strengthen the market expansion efforts, highlight national brand feature, develop the large and medium-sized projects focusing on Chinese enterprises, and reinforce the infrastructure of the Company. It will also promote the business quality, adjust the business structure, so as to further enhance the profitability of the Company
- TP Indonesia will keep supporting the national strategies of “going global” and “The Belt and Road”, optimise the business structure, impose strict measures on risk management, explore new markets and channels to maintain the sustainable growth of the business

Reinsurance Business – TPre, TPre (China) and TPRB

- TPre will maintain the synchronised growth between scale and efficiency, promote the overall customer service ability, enhance market position, accelerate the global business layout and improve the international management capabilities
- TPre (China) will promote the development of the company and lay a solid foundation, strive to build up the company's core competitiveness and enhance its market position
- TPRB will proactively explore innovative business areas, expand into new markets, increase the degree of participation in the “The Belt and Road” strategy, and improve the professional service capabilities

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 (續)

- 太平新加坡持續推進區域發展、創新發展、聯動發展、精細發展，努力提升業務品質，強化企業綜合管理，進一步完善風險管理制度
- 太平英國加大市場拓展力度，突出民族品牌特色，發展以中資企業為核心的大中型項目，並鞏固公司基礎建設，提升業務品質、調整結構，進一步提升公司盈利能力
- 太平印尼著力服務國家「走出去」和「一帶一路」戰略，優化業務結構，狠抓風險管理，開拓新市場、新渠道，保持業務持續增長

再保險業務—太平再保險、太平再保險 (中國) 及太平再保顧問

- 太平再保險規模效益保持同步增長，全面提升客戶服務能力，提升市場地位，加快推進全球化佈局，提升國際化經營管理能力
- 太平再保險 (中國) 扎實推進公司建設、夯實發展基礎，努力打造公司核心競爭力，提升市場地位
- 太平再保顧問積極探索新業務領域，開拓新市場，加強「一帶一路」戰略參與程度，進一步提升專業服務能力

Management Review and Analysis

管理層回顧和分析

INVESTMENT

- To build a complete investment segment. The Group will be dedicated to develop an investment layout covering domestic and overseas, specialising comprehensive and professional fields, integrating traditional investments and alternative investments, and featuring prominent advantages, resources sharing, rational labor division and effective synergies
- To thoroughly exhibit the concept of value investing. The Group will fully utilise the advantages of insurance funds on long term investments, and implement the idea of value investing in areas such as the strategic allocation of assets and the selection of investments
- To capture investment priority in line with the state strategies. In view of the national industrial transformation and upgrading, the Group's investment priority will focus on, among other things, strategic emerging industries, modern manufacturing industry and modern agriculture; in view of the "three state strategies", the Group's investment priority will focus on, among other things, "The Belt and Road", Beijing-Tianjin-Hebei Economic Belt and Yangtze River Economic Belt; the Group will also actively invest in major infrastructures and people livelihood projects through various innovative ways.
- To serve the insurance business while emphasising on strategic synergies. The Group will improve its investments and efforts in areas that are conform to its principal business, such as pension, health, medical care and automobile industry chain

投資

- 構建體系完整投資板塊。形成境內與境外、綜合且專業、傳統與另類投資相結合、優勢突出、資源共享、分工合理、有效協同的投資局面
- 深入貫徹價值投資理念。充分發揮保險資金長期投資優勢，在戰略資產配置、戰術資產配置、投資品種選擇等環節落實價值投資理念
- 順應國家戰略，把握投資重點。結合國家產業轉型升級，重點投資戰略新興產業，現代製造業和現代農業等領域；結合國家三大戰略，重點投資「一帶一路」、京津冀和長江經濟帶等區域；創新多種方式，積極投資重大基礎設施和民生保障工程等項目
- 服務保險主業，注重戰略協同。在與主業高度契合的養老、健康、醫療、汽車產業鏈等領域加大投入和佈局力度