

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS

During the Year, CTIH's operating units produced strong and steady operating and financial results, despite continued uncertainties and volatility in the world's economies and capital markets. By continuing to focus on quality and bottom-line profitability, the Company produced strong consolidated net income in 2010, while continuing to develop a strong foundation for stable and profitable growth in the years to come.

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

For the year ended 31 December, HK\$ million

綜合財務表現

於本年度內，中國太平控股各營運單位在全球經濟及資本市場持續不明朗及波動的情況下，仍取得強勁穩健的營運和財務業績。在不斷專注於質量及盈利能力下，本公司於二零一零年錄得強勁的綜合淨收入，同時為未來穩健增長打下堅實的基礎。

本集團年內重點表現如下：

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Gross premiums written, policy fees and premium deposits	毛承保保費、保單費收入及保費存款	49,600.85	35,016.10	41.7%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	204.05	3,281.34	(93.8%)
Premium deposits of unit-linked products	投資連結產品之保費存款	118.69	248.76	(52.3%)
Premium deposits of other products	其他產品之保費存款	518.80	463.28	12.0%
Gross premiums written and policy fees recognized in consolidated income statement	確認於綜合損益表之毛承保保費及保單費收入	48,759.31	31,022.72	57.2%
Net investment income	投資收入淨額	4,246.19	3,151.73	34.7%
Net realized investment gains	已實現投資收益淨額	1,301.53	1,314.62	(1.0%)
Net unrealized investment gains	未實現投資收益淨額	149.53	23.59	5.3 times 倍
Net impairment loss on securities	證券減值淨額	(183.99)	(7.08)	25.0 times 倍
Net exchange (loss)/gain	匯兌(虧損)/收益	(158.48)	7.87	—
Net gain on sale of MAC	出售民安中國之收益淨額	1,181.98	—	—
Profit before taxation	除稅前溢利	2,860.16	1,480.40	93.2%
Profit after taxation	除稅後溢利	2,653.47	1,187.64	1.2 times 倍
Net profit attributable to the owners	股東應佔溢利淨額	2,244.79	825.74	1.7 times 倍
Basic earnings per share (HK dollar)	每股基本盈利(港元)	1.320	0.527	0.793 dollar 元
No final dividend proposed (2009: nil)	不建議派發末期息(二零零九年：無)	—	—	—

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現 (續)

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

按各業務分類之股東應佔溢利／(虧損)淨額概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Life insurance	人壽保險	543.01	579.31	(6.3%)
Property and casualty insurance	財產保險	423.13	53.75	6.9 times 倍
PRC operations	中國業務	58.89	(136.05)	—
Hong Kong operations ¹	香港業務 ¹	364.24	189.80	91.9%
Reinsurance	再保險	376.15	404.15	(6.9%)
Other businesses	其他業務	(279.48)	(211.47)	32.2%
— Pension	— 養老	(151.55)	(122.13)	24.1%
— Assets management	— 資產管理	(41.48)	(27.20)	52.5%
— Disposed business	— 出售業務			
— MAC ²	— 民安中國 ²	(80.80)	(69.28)	16.6%
— Holding company and other businesses	— 控股公司及 其他業務	(5.65)	7.14	—
Net profit from operations	經營淨溢利	1,062.81	825.74	28.7%
Gain on sale of MAC	出售民安中國之收益淨額	1,181.98	—	—
Net profit attributable to the owners	股東應佔溢利淨額	2,244.79	825.74	1.7 times 倍

¹ The figures include the financial results of MAH itself and the subsidiaries (other than MAC) of CTPI (HK), excluding the gain in relation to the sale of MAC.

² The CIRC approved the sale of MAC on 31 December 2010. MAC ceased to be a consolidated subsidiary of the Company after 31 December 2010. The results of MAC for the Year are still consolidated into the Group on a line-by-line basis.

¹ 數額包括民安控股本部及中國太平香港之附屬公司(民安中國除外)之財務業績(不含出售民安中國之收益)。

² 中國保監會已於二零一零年十二月三十一日批准出售民安中國。民安中國於二零一零年十二月三十一日後不再為本公司之綜合附屬公司。本年度民安中國的業績仍按分項總計方法綜合於本集團內。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現 (續)

The following analysis shows the movement of the net assets value attributable to the owners of the Company ("NAV").

以下為本公司股東應佔資產淨值變化分析。

HK\$ million

百萬港元

		2010	2009
NAV as at 1 January	於一月一日之資產淨值	10,296.71	7,027.30
Profit recognized in income statement	確認於損益表之溢利	2,244.79	825.74
Net changes in AFS investment reserve	可供出售投資儲備變化淨額	2.81	606.31
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	23.09	—
Exchange gain arising from translation of financial statements of subsidiaries outside Hong Kong	因換算香港以外地區附屬公司財務報表的匯兌收益	185.38	7.43
Acquisition of 48.66% equity interest of MAH	購入民安控股48.66%股權權益	—	1,799.17
Cumulative exchange reserve and AFS investment reserve reclassified to net profit on sale of MAC	累計匯兌儲備及可供出售投資儲備重新分類至出售民安中國之淨溢利	(72.08)	—
Other movements ³	其他變動 ³	31.69	30.76
NAV as at 31 December	於十二月三十一日之資產淨值	12,712.39	10,296.71

³ In 2010, other movements mainly include the amortization of the costs of Shares acquired under the Share Award Scheme and net proceeds received for Shares issued under the Share Option Scheme. While in 2009, other movements mainly include the amortization of the costs of Shares acquired under the Share Award Scheme only.

³ 於二零一零年，其他變動主要包括根據股份獎勵計劃而購入之股份的成本攤銷及根據認股權計劃發行新股所收取之款項淨額。而於二零零九年，其他變動主要包括根據股份獎勵計劃而購入之股份的成本攤銷。

The **gross premiums written and policy fees** for the Year increased by 57.2% to HK\$48,759.31 million from HK\$31,022.72 million in the Last Year. The increase was mainly due to strong premium growth at the life insurance business in which premiums increased by 71.2% to HK\$37,033.66 million from HK\$21,636.23 million in the Last Year.

於本年度，毛承保保費及保單費收入由去年310.2272億港元增加57.2%至487.5931億港元。增加主要是因為人壽保險業務之保費收入大幅增長，由去年216.3623億港元增加71.2%至370.3366億港元。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

The **net profit attributable to the owners** for the Year was HK\$2,244.79 million (2009: HK\$825.74 million). Although the reinsurance and life insurance businesses produced slightly lower levels of net profit during the Year, the Group had a strong increase in overall consolidated net income, which was primarily due to the rebound in profitability at the property and casualty insurance business in the PRC, a higher allocation to CTIH of the net income of the property and casualty insurance business in Hong Kong, and the gain from the sale of MAC.

The **life insurance business** contributed net profit to the owners of HK\$543.01 million (2009: HK\$579.31 million). Operationally and financially, TPL continued to benefit from strong increases in premium and improvements in the scale of operations. Being still a young company, TPL continued to manage its reserves in a conservative manner in order to meet its long term objectives.

The **property and casualty insurance business** contributed net profit to the owners of HK\$423.13 million (2009: HK\$53.75 million). The substantial increase in profits was mainly due to a higher allocation to CTIH of the net income from the Hong Kong operations at CTPI (HK), which had lower expense levels and better operating profits. During the Year, there was also improvements in profitability at the PRC operations of TPI. TPI experienced significantly lower levels of claims and better underwriting results.

The **reinsurance business** contributed net profit to the owners of HK\$376.15 million (2009: HK\$404.15 million). The decline in profits was mainly due to TPre's significant premium growth during the Year, resulting in higher technical reserve strains which lowered the underwriting results, and the impact of several major catastrophic losses.

The **pension business** incurred a net loss to the owners of HK\$151.55 million (2009: HK\$122.13 million). The loss was mainly due to the continued lack of economies of scale at the pension operations.

綜合財務表現 (續)

於本年度，股東應佔溢利淨額為22.4479億港元（二零零九年：8.2574億港元）。儘管本年度再保險及人壽保險業務錄得較低的淨溢利水平，但是中國財產保險業務轉虧為盈、應佔香港財產保險業務之淨收入比例增大，以及出售民安中國之收益，使本集團的整體綜合淨收入大幅上升。

人壽保險業務對股東淨溢利的貢獻為5.4301億港元（二零零九年：5.7931億港元）。在經營及財務層面上，太平人壽繼續受惠於保費升幅強勁及經營規模改善。作為一間仍然年輕的公司，太平人壽為達致其長遠目標，將繼續採取穩健的態度管理其儲備。

財產保險業務對股東淨溢利的貢獻為4.2313億港元（二零零九年：5,375萬港元）。溢利大幅上升的主因是與去年相比，應佔中國太平香港業務之淨收入比例增大，中國太平香港的費用水平降低及獲得更佳的經營溢利。年內，於中國營運的太平財險亦轉虧為盈。太平財險的賠付水平大幅降低及承保業績得到改善。

再保險業務對股東淨溢利的貢獻為3.7615億港元（二零零九年：4.0415億港元）。溢利下跌主要是由於年內太平再保險的保費顯著增長使技術性儲備增加，導致承保業績降低，以及年內發生的數宗巨災所致。

養老保險業務使股東遭受淨虧損1.5155億港元（二零零九年：1.2213億港元）。虧損主要是由於養老保險營運持續缺乏足夠的規模經濟。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

At the end of the Year, the annuity and investment funds managed by TPP amounted to RMB32.3 billion, which constituted the funds and schemes of 6,686 enterprises. As the qualified enterprise annuity industry is still in its nascent stage of development in China, TPP is still in its initial set-up period. TPP is thus currently focused on building up its marketing network and exploring potential business models for the future.

The **asset management business** incurred a net loss to the owners of HK\$41.48 million (2009: HK\$27.20 million). The Group's asset management business is operated by TPAM and TPA (HK), which are mainly engaged in the provision of investment consultancy services to the Group in managing its RMB and non-RMB investment portfolios, respectively. TPAM and TPA (HK) currently represent cost centers of the Group, as the asset management fee income received from the Group companies are eliminated at the consolidated level, while the corresponding expenses, such as salary and incentive compensation paid to fund managers and other operating expenses, are absorbed in full at the consolidated level.

The **holding company and other businesses** incurred a net loss to the owners of HK\$5.65 million (2009: profit of HK\$7.14 million).

CONSOLIDATED INVESTMENT PERFORMANCE

Consolidated investment assets

The total investments of the Group are summarized as follows:

At 31 December, HK\$ million

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Debt securities	債務證券	86,452.05	64.7%	59,940.21	62.6%
Equity securities	股本證券	12,245.30	9.2%	8,433.55	8.8%
Investment funds	投資基金	4,250.68	3.2%	5,716.14	6.0%
Cash and bank deposits	現金及銀行存款	29,412.03	22.0%	20,474.76	21.4%
Investment properties	投資物業	1,304.11	0.9%	1,193.23	1.2%
Total investments	投資總額	133,664.17	100.0%	95,757.89	100.0%

綜合財務表現 (續)

於本年末，由太平養老管理之年金及投資基金總計為人民幣323億元，包括6,686間企業之養老年金計劃。由於合資格企業年金業於中國仍在發展初期，太平養老仍處於建立初期。因此，太平養老現正專注於建立其市場推廣網絡及探索未來的潛在業務模式。

資產管理業務使股東遭受淨虧損4,148萬港元(二零零九年：2,720萬港元)。本集團之資產管理業務由太平資產及太平資產(香港)營運，分別主要就本集團人民幣及非人民幣投資組合提供投資諮詢服務。太平資產及太平資產(香港)現皆為本集團之成本中心，它們收取本集團旗下各公司之資產管理費乃在綜合賬上對銷，而相應開支，例如工資及給予基金經理之獎金及其他開支等則在綜合賬上全額並納。

控股公司及其他業務使股東遭受淨虧損565萬港元(二零零九年：溢利714萬港元)。

綜合投資表現

綜合投資資產

本集團的投資總值概述如下：

於十二月三十一日，百萬港元

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE (Continued)

綜合投資表現 (續)

Consolidated investment assets (Continued)

綜合投資資產 (續)

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

證券投資被歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項。本集團總投資組合按此歸類的分佈概述如下：

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	62,764.51	19,222.91	355.02	4,109.61	86,452.05
Equity securities 股本證券	—	12,069.42	175.88	—	12,245.30
Investment funds 投資基金	—	4,217.05	33.63	—	4,250.68
	62,764.51	35,509.38	564.53	4,109.61	102,948.03

At 31 December 2009, HK\$ million

於二零零九年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	39,333.10	18,111.62	286.48	2,209.01	59,940.21
Equity securities 股本證券	—	8,320.25	113.30	—	8,433.55
Investment funds 投資基金	—	5,669.99	46.15	—	5,716.14
	39,333.10	32,101.86	445.93	2,209.01	74,089.90

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

於報告期末各業務分類佔本集團投資總額賬面值之百分比如下：

	2010	2009
Life insurance 人壽保險	86.9%	83.1%
Property and casualty insurance 財產保險	7.9%	8.7%
Reinsurance 再保險	4.3%	5.2%
Other businesses 其他業務	0.9%	3.0%
	100.0%	100.0%

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Consolidated investment income

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

For the year ended 31 December, HK\$ million

		2010	2009	Change 變化
Net investment income	投資收入淨額	4,246.19	3,151.73	34.7%
Net realized investment gains	已實現投資收益淨額	1,301.53	1,314.62	(1.0%)
Net unrealized investment gains	未實現投資收益淨額	149.53	23.59	5.3 times 倍
Net impairment loss on securities	證券減值淨額	(183.99)	(7.08)	25.0 times 倍
Total investment income	投資收入總額	5,513.26	4,482.86	23.0%

The total investment income of the Group recognized in the consolidated income statement increased by 23.0% to HK\$5,513.26 million in the Year from HK\$4,482.86 million in the Last Year. Although investments made in equities traded in the PRC and Hong Kong did not perform as well as Last Year, a significant increase in interest income from a larger investment portfolio was behind the higher levels of net investment income.

According to the Group's impairment policy, investments in debt and equity securities other than those held for trading are reviewed periodically to determine whether there is objective evidence of impairment. Objective evidence of impairment may include specific information about the issuer, but may also include information about material changes that have taken place in areas such as technology, markets, economic or legal, which taken together or taken alone may provide evidence that the cost of those debt and equity securities may not be recovered. Under such criterion, significant or prolonged declines in the fair value of an asset below its cost is also objective evidence of impairment. In 2010, the net impairment loss on debt and equity securities recognized in the consolidated income statement was HK\$183.99 million (2009: HK\$7.08 million).

綜合投資表現 (續)

綜合投資收入

本集團確認於綜合損益表內之稅前投資收入總額概述如下：

截至十二月三十一日止年度，百萬港元

本集團確認於綜合損益表內的投資收入總額由去年的44.8286億港元上升23.0%至本年度的55.1326億港元。儘管本年內於中國及香港買賣的股票投資表現並沒有如去年般理想，但投資組合增大令利息收入顯著上升，使投資收入淨額上升。

按本集團減值政策，將會定期檢討除持有作交易用途以外之債務及股本證券投資，以釐訂有否客觀證據顯示減值的需要。減值的客觀證據可包括有關發行人的具體個別資料，但亦包括例如有關科技、市場、經濟或法律方面已發生重大變化的資料，而這些資料可提供證據顯示債務及股本證券的成本可能無法收回。在此前提下，資產的公允價值如大幅或長期下跌至低於其成本，亦被視為減值的客觀證據。於二零一零年，綜合損益表內確認的債務及股本證券減值淨額為1.8399億港元(二零零九年：708萬港元)。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE 綜合投資表現 (續)

(Continued)

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

本集團稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認	Grand total 總額
		Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益／(虧損)淨額	Net unrealized gains/(losses) 未實現收益／(虧損)淨額	Net impairment loss reversed/(recognized) 減值回撥／(確認)淨額	Sub total 小計	
		Interest income/(expense) 利息收入／(支出)	Dividend income 股息收入	Rental income 租金收入					
Debt securities	債務證券								
HTM	持有至到期日	2,253.64	—	—	—	—	6.61	2,260.25	—
AFS	可供出售	836.10	—	—	167.44	—	—	1,003.54	222.68
HFT	持有作交易用途	15.02	—	—	(0.17)	22.18	—	37.03	—
LR	貸款及應收款項	193.52	—	—	—	—	—	193.52	—
Equity securities	股本證券								
AFS	可供出售	—	80.27	—	757.78	—	(170.00)	668.05	230.13
HFT	持有作交易用途	—	0.74	—	1.65	42.23	—	44.62	—
Investment funds	投資基金								
AFS	可供出售	—	324.33	—	374.07	—	(20.60)	677.80	(244.54)
HFT	持有作交易用途	—	3.08	—	(3.97)	(0.18)	—	(1.07)	—
Cash and bank deposits	現金及銀行存款	598.89	—	—	—	—	—	598.89	—
Investment properties	投資物業	—	—	51.39	4.73	85.30	—	141.42	—
Securities sold under repurchase agreements	賣出回購證券	(111.15)	—	—	—	—	—	(111.15)	—
Others	其他	0.36	—	—	—	—	—	0.36	—
		3,786.38	408.42	51.39	1,301.53	149.53	(183.99)	5,513.26	208.27
									5,721.53

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE 綜合投資表現 (續)

(Continued)

For the year ended 31 December 2009, HK\$ million

截至二零零九年十二月三十一日止年度，百萬
港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值 儲備內確認	Grand total 總額	
		Net investment income 投資收入淨額			Net realized gains/ (losses) 已實現 收益/ (虧損)淨額	Net unrealized gains/ (losses) 未實現 收益/ (虧損)淨額	Net impairment loss recognized 確認減值 淨額			Sub total 小計
		Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入	Rental income 租金收入						之未實現 收益/ (虧損)
Debt securities	債務證券									
HTM	持有至到期日	1,186.60	—	—	20.26	—	(7.08)	1,199.78	—	1,199.78
AFS	可供出售	1,126.86	—	—	(189.91)	—	—	936.95	(611.74)	325.21
HFT	持有作交易用途	21.00	—	—	21.77	10.61	—	53.38	—	53.38
LR	貸款及應收款項	131.93	—	—	—	—	—	131.93	—	131.93
Equity securities	股本證券									
AFS	可供出售	—	66.12	—	1,016.96	—	—	1,083.08	652.52	1,735.60
HFT	持有作交易用途	—	3.89	—	5.94	(20.50)	—	(10.67)	—	(10.67)
Investment funds	投資基金									
AFS	可供出售	—	202.53	—	304.40	—	—	506.93	1,036.90	1,543.83
HFT	持有作交易用途	—	3.55	—	135.20	4.68	—	143.43	—	143.43
Cash and bank	現金及銀行存款									
deposits		470.25	—	—	—	—	—	470.25	—	470.25
Investment properties	投資物業	—	—	48.74	—	28.80	—	77.54	—	77.54
Securities sold	賣出回購證券									
under repurchase agreements		(110.14)	—	—	—	—	—	(110.14)	—	(110.14)
Others	其他	0.40	—	—	—	—	—	0.40	—	0.40
		2,826.90	276.09	48.74	1,314.62	23.59	(7.08)	4,482.86	1,077.68	5,560.54

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, which is a PRC-incorporated company and is 50.05%-owned by the Group. TPL is principally engaged in the underwriting of life insurance policies in Mainland China.

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

For the year ended 31 December, HK\$ million

人壽保險業務

本集團之人壽保險業務由太平人壽經營，太平人壽是在中國註冊成立之公司，由本集團擁有50.05%權益。太平人壽主要在中國大陸從事承保人壽保險業務。

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

		2010	2009	Change 變化
Gross premiums written and premium deposits	毛承保保費及保費存款	37,875.20	25,629.61	47.8%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	204.05	3,281.34	(93.8%)
Premium deposits of unit-linked products	投資連結產品之保費存款	118.69	248.76	(52.3%)
Premium deposits of other products	其他產品之保費存款	518.80	463.28	12.0%
Gross premiums written recognized in income statement	確認於損益表之毛承保保費	37,033.66	21,636.23	71.2%
Policy fees	保單費收入	184.47	277.78	(33.6%)
Net premiums written and policy fees	淨承保保費及保單費收入	36,912.40	21,707.51	70.0%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	36,891.82	21,662.21	70.3%
Total investment income	投資收入總額	4,464.92	3,482.90	28.2%
Net exchange loss	匯兌虧損淨額	(98.19)	(1.59)	60.8 times 倍
Net policyholders' benefits	保單持有人利益淨額	(4,649.76)	(4,926.99)	(5.6%)
Net commission expenses	佣金支出淨額	(3,195.42)	(2,706.78)	18.1%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(27,543.76)	(12,252.39)	1.2 times 倍
Administrative and other expenses	行政及其他費用	(4,449.83)	(3,829.55)	16.2%
Finance costs	財務費用	(222.73)	(188.04)	18.4%
Profit before taxation	除稅前溢利	1,212.48	1,404.88	(13.7%)
Profit after taxation	除稅後溢利	1,084.93	1,157.46	(6.3%)
Profit attributable to the owners	股東應佔溢利	543.01	579.31	(6.3%)

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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

人壽保險業務之主要經營數據概述如下：

		2010	2009	Change 變化
Market share ¹	市場份額 ¹	3.1%	2.8%	0.3pt 點
Number of provincial branches	省級分公司數目	33	33	—
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	707	611	96
Number of in-force policies	有效之保單數目	6,845,183	5,183,756	1,661,427
Number of individual agents	個人銷售代理數目	50,527	60,781	(10,254)
Persistency ratio	第13個月之保費繼續率 ²			
— 13th month ²				
— Individual	— 個人	88.2%	85.0%	3.2pts 點
— Bancassurance	— 銀行保險	94.0%	92.0%	2.0pts 點
Compounded persistency ratio	第25個月之保費複合繼續率 ²			
— 25th month ²				
— Individual	— 個人	81.0%	76.4%	4.6pts 點
— Bancassurance	— 銀行保險	89.6%	87.9%	1.7pts 點

¹ Based on premiums published by the CIRC.

¹ 據中國保監會刊發之保費計算。

² Based on the amount of premiums.

² 按保費金額。

Profit Attributable to the Owners

股東應佔溢利

The life insurance business contributed net profit to the owners of HK\$543.01 million during the Year (2009: HK\$579.31 million), representing a decrease of 6.3% compared to Last Year. Operationally and financially, the life insurance business continued to benefit from the strong increases in premium and improvements in the scale of operations.

本年度內，股東來自人壽保險業務之溢利淨額為5.4301億港元（二零零九年：5.7931億港元），較去年下跌6.3%。在經營及財務層面上，人壽保險業務繼續受惠於保費升幅強勁及經營規模改善。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Gross Premiums Written and Premium Deposits

TPL's gross premiums written recognized in the consolidated income statement increased by 71.2% to HK\$37,033.66 million from HK\$21,636.23 million in the Last Year. Unit-linked, universal life and other products sales fell substantially, with premium deposits decreasing by 78.9% to HK\$841.54 million from HK\$3,993.38 million in the Last Year. This lower level of sales was in line with TPL's ongoing strategy of focusing more on traditional life insurance products with long term regular premium features.

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

For the year ended 31 December 2010, HK\$ million

人壽保險業務 (續)

毛承保保費及保費存款

太平人壽確認於綜合損益表內的毛承保保費由去年之216.3623億港元上升71.2%至370.3366億港元。投資連結、萬能壽險及其他產品銷售顯著下跌，保費存款由去年之39.9338億港元下降78.9%至8.4154億港元。較低的萬能及投連銷售水平，符合太平人壽着重銷售具長期期繳特色的傳統人壽保險產品策略。

太平人壽按業務劃分之毛承保保費及保費存款如下：

截至二零一零年十二月三十一日止年度，百萬港元

		Gross premiums written recognized in the consolidated income statement 確認於綜合損益表內之毛承保保費	Premium deposits of universal life products 萬能壽險產品之保費存款	Premium deposits of unit-linked products 投資連結產品之保費存款	Premium deposits of other products 其他產品之保費存款	Total 總額	% of Total 佔總額百分比
Individual	個人代理	10,318.63	—	84.74	134.36	10,537.73	27.8%
Bancassurance	銀行保險	25,472.35	204.05	33.95	1.04	25,711.39	67.9%
Group	團體	977.95	—	—	383.40	1,361.35	3.6%
Other Channels	多元銷售 ¹	264.73	—	—	—	264.73	0.7%
		37,033.66	204.05	118.69	518.80	37,875.20	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 year ended 31 December 2009, HK\$ million

截至二零零九年十二月三十一日止年度，百萬港元

		Gross premiums written recognized in the consolidated income statement	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毛承保保費	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	6,652.02	—	95.52	117.00	6,864.54	26.8%
Bancassurance	銀行保險	14,264.99	3,281.34	153.24	0.74	17,700.31	69.1%
Group	團體	719.22	—	—	345.54	1,064.76	4.1%
Other Channels	¹ 多元銷售 ¹	—	—	—	—	—	—
		21,636.23	3,281.34	248.76	463.28	25,629.61	100.0%

¹ Other Channels include mainly telemarketing. As the premium amounts from such channels were immaterial in 2009, such amounts were included in the Group channel for presentation purposes.

¹ 多元銷售主要包括電話營銷。由於二零零九年來自該渠道的保費金額較少，該金額包含於團體渠道內列示。

Traditional product sales were strong in both the individual agency distribution channel and the bank distribution channel. Traditional premiums distributed through the individual agency force increased to HK\$10,318.63 million from HK\$6,652.02 million in the Last Year, representing a significant increase of 55.1%. This strong growth was primarily due to large improvements in productivity in the existing agency force. Although the number of individual agents decreased to 50,527 as of 31 December 2010 (2009: 60,781), the higher levels of experience, skills and professionalism of the sales force was able to generate and support increasingly higher levels of premium. In the bank distribution channel, traditional product sales increased to HK\$25,472.35 million from HK\$14,264.99 million in the Last Year, representing a substantial increase of 78.6%.

傳統產品的銷售在個人代理分銷渠道及銀行分銷渠道均表現強勁。透過個人代理隊伍銷售的傳統保費由去年的66.5202億港元上升至103.1863億港元，顯著增長55.1%。如此強勁的增長主要是由於現有代理隊伍產能大幅提升。儘管於二零一零年十二月三十一日個人代理隊伍減至50,527人（二零零九年：60,781人），但擁有豐富經驗、技能及專業的銷售隊伍支持保費上升。銀行分銷渠道方面，傳統產品保費則由去年142.6499億港元增至254.7235億港元，大幅增長78.6%。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

During the Year, TPL continued to increase the sales of products with regular premium features. The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarized as follows:

For the year ended 31 December, HK\$ million

Individual

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Single Premium	躉繳保費	103.71	1.0%	112.59	1.7%
Regular Premium	期繳保費				
— First Year	— 首年	4,139.23	40.1%	2,737.52	41.1%
— Renewal Year	— 續年	6,075.69	58.9%	3,801.91	57.2%
		10,318.63	100.0%	6,652.02	100.0%

人壽保險業務 (續)

於本年度內，太平人壽持續提高具期繳保費特色之產品銷售。以下概述太平人壽按業務劃分的躉繳保費產品及期繳保費產品的詳細分析：

截至十二月三十一日止年度，百萬港元

個人

Bancassurance

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Single Premium	躉繳保費	16,090.17	63.2%	7,980.98	56.0%
Regular Premium	期繳保費				
— First Year	— 首年	3,440.47	13.5%	3,328.77	23.3%
— Renewal Year	— 續年	5,941.71	23.3%	2,955.24	20.7%
		25,472.35	100.0%	14,264.99	100.0%

銀行保險

Group

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Employee Benefit ("EB")	僱員福利	970.56	99.2%	714.67	99.4%
Annuity	年金	7.39	0.8%	4.55	0.6%
		977.95	100.0%	719.22	100.0%

團體

Other Channels

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Single Premium	躉繳保費	0.01	0.0%	—	—
Regular Premium	期繳保費				
— First Year	— 首年	179.96	68.0%	—	—
— Renewal Year	— 續年	84.76	32.0%	—	—
		264.73	100.0%	—	—

多元銷售

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

TPL's persistency ratio continued to improve during the Year, which is an encouraging sign of the overall improving quality of operations. In 2010, the persistency ratio was at 88.2% and 94.0% at the 13th months and 81.0% and 89.6% at the 25th months for the individual agency and bancassurance channels, respectively. All of these figures were improvements over Last Year and were better than the actuarial assumptions.

The higher level of sales of regular premium products and their higher profitability are reflected in the significantly higher embedded value and new business value figures of TPL for 2010. It is encouraging to note that the embedded value of TPL (expressed in terms of HKD) has increased 28.5% to HK\$17,511 million from HK\$13,626 million at the end of Last Year. Likewise, the new business value after cost of capital for the Year increased to HK\$1,827 million from HK\$1,353 million at the end of Last Year, representing a strong growth of 35.0%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

Investment Performance

The composition of investments held by TPL was as follows:

At 31 December, HK\$ million

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Debt securities	債務證券	77,656.00	66.8%	52,282.77	65.7%
Equity securities	股本證券	10,825.23	9.3%	7,614.25	9.6%
Investment funds	投資基金	3,963.34	3.4%	5,162.44	6.5%
Cash and bank deposits	現金及銀行存款	23,764.74	20.5%	14,473.74	18.2%
Total investments	投資總額	116,209.31	100.0%	79,533.20	100.0%

During the Year, TPL continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 87.3% of the total invested assets as at 31 December 2010 (2009: 83.9%).

人壽保險業務 (續)

年內，太平人壽的保費繼續率持續改善，反映整體業務質量提升。於二零一零年，個人代理及銀行保險渠道第13個月保費繼續率分別為88.2%及94.0%，而第25個月則分別為81.0%及89.6%。這些數據除較去年改善，還高於精算假設。

期繳保費產品具有較佳的盈利能力，其銷售增長使太平人壽二零一零年之內涵價值及新業務價值顯著提高。令人注目的是太平人壽的內涵價值(以港幣折算)由去年底之136.26億港元增加28.5%至175.11億港元。同樣地，本年度之新業務扣除資本成本後之價值為18.27億港元，較去年之13.53億港元，顯著增長35.0%。這些太平人壽的最新精算數據於「太平人壽之內涵價值」一文內披露。

投資表現

太平人壽所持之投資組合如下：

於十二月三十一日，百萬港元

於本年度內，太平人壽對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一零年十二月三十一日合共佔投資資產總額約87.3% (二零零九年：83.9%)。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

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

At 31 December 2010, HK\$ million

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	59,222.83	14,544.51	33.13	3,855.53	77,656.00
Equity securities 股本證券	—	10,683.21	142.02	—	10,825.23
Investment funds 投資基金	—	3,963.34	—	—	3,963.34
	59,222.83	29,191.06	175.15	3,855.53	92,444.57

At 31 December 2009, HK\$ million

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	35,961.15	14,254.57	—	2,067.05	52,282.77
Equity securities 股本證券	—	7,522.91	91.34	—	7,614.25
Investment funds 投資基金	—	5,162.44	—	—	5,162.44
	35,961.15	26,939.92	91.34	2,067.05	65,059.46

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

At 31 December, HK\$ million

		2010	2009
Central governments and central banks	中央政府及中央銀行	24,325.96	18,706.59
Banks and other financial institutions	銀行及其他金融機構	28,000.93	10,816.69
Corporate entities	企業實體	25,329.11	22,759.49
		77,656.00	52,282.77

人壽保險業務 (續)

太平人壽歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零一零年十二月三十一日，百萬港元

於二零零九年十二月三十一日，百萬港元

債務證券按類別分類如下：

於十二月三十一日，百萬港元

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

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

For the year ended 31 December, HK\$ million

人壽保險業務 (續)

太平人壽確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Net investment income	投資收入淨額	3,564.21	2,576.91	38.3%
Net realized investment gains	已實現投資收益淨額	1,043.14	928.24	12.4%
Net unrealized investment gains/(losses)	未實現投資收益／ (虧損)淨額	46.36	(22.25)	—
Net impairment loss on AFS securities	可供出售證券減值淨額	(188.79)	—	—
Total investment income	投資收入總額	4,464.92	3,482.90	28.2%
Total investment yield	總投資收益率	5.0%	5.5%	(0.5pt 點)

TPL's total investment income was a gain of HK\$4,464.92 million during the Year, representing a solid increase from the gain of HK\$3,482.90 million in the Last Year. The total investment yield was satisfactory at 5.0% for the Year despite an impairment of HK\$188.79 million being recognized for AFS equities and investment funds. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$98.19 million (2009: HK\$1.59 million).

於本年度內，太平人壽錄得投資收入總額收益44.6492億港元，較去年收益34.8290億港元穩健增加。儘管可供出售股本證券及投資基金減值1.8879億港元，本年度內之總投資收益率仍為5.0%，令人滿意。上述投資收入及投資收益率並不包括9,819萬港元匯兌虧損淨額（二零零九年：159萬港元）。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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

太平人壽稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值 儲備內確認 之未實現	Grand total 總額
		Net investment income 投資收入淨額	Dividend income 股息收入	Net realized (losses)/ gains 已實現 收益/ (虧損)淨額	Net unrealized gains 未實現 收益淨額	Net impairment loss 確認 減值淨額	Sub total 小計	
		Interest income/ (expense) 利息收入/ (支出)					收益/(虧損)	
Debt securities	債務證券							
HTM	持有至到期日	2,076.15	—	—	—	—	—	2,076.15
AFS	可供出售	612.86	—	(12.14)	—	—	249.47	850.19
HFT	持有作交易用途	0.05	—	—	—	—	—	0.05
LR	貸款及應收款項	180.06	—	—	—	—	—	180.06
Equity securities	股本證券							
AFS	可供出售	—	54.17	663.69	—	(168.19)	290.44	840.11
HFT	持有作交易用途	—	—	—	46.36	—	—	46.36
Investment funds	投資基金							
AFS	可供出售	—	249.36	391.59	—	(20.60)	(205.95)	414.40
Cash and bank deposits	現金及銀行存款	497.74	—	—	—	—	—	497.74
Securities sold under repurchase agreements	賣出回購證券	(106.18)	—	—	—	—	—	(106.18)
		3,260.68	303.53	1,043.14	46.36	(188.79)	333.96	4,798.88

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 2009, HK\$ million

截至二零零九年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/(虧損)		Grand total 總額
		Net investment income 投資收入淨額	Dividend income 股息收入	Net realized (gains)/ losses 已實現收益/(虧損)淨額	Net unrealized (gains)/ losses 未實現收益/(虧損)淨額	Net impairment loss 減值淨額	Sub total 小計		
		Interest income/ (expense) 利息收入/(支出)				recognized 確認			
Debt securities	債務證券								
HTM	持有至到期日	1,016.75	—	—	—	—	1,016.75	—	1,016.75
AFS	可供出售	929.85	—	(309.94)	—	—	619.91	(809.70)	(189.79)
HFT	持有作交易用途	0.15	—	7.00	—	—	7.15	—	7.15
LR	貸款及應收款項	123.58	—	—	—	—	123.58	—	123.58
Equity securities	股本證券								
AFS	可供出售	—	50.40	867.04	—	—	917.44	530.80	1,448.24
HFT	持有作交易用途	—	1.43	(6.10)	(22.25)	—	(26.92)	—	(26.92)
Investment funds	投資基金								
AFS	可供出售	—	167.78	249.21	—	—	416.99	932.13	1,349.12
HFT	持有作交易用途	—	0.45	121.03	—	—	121.48	—	121.48
Cash and bank deposits	現金及銀行存款	393.33	—	—	—	—	393.33	—	393.33
Securities sold under repurchase agreements	賣出回購證券	(106.81)	—	—	—	—	(106.81)	—	(106.81)
		2,356.85	220.06	928.24	(22.25)	—	3,482.90	653.23	4,136.13

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Net Policyholders' Benefits

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

For the year ended 31 December, HK\$ million

		2010	2009	Change 變化
Net claims	賠償淨額	568.20	436.30	30.2%
Surrenders	退保額	1,412.94	1,036.33	36.3%
Annuity, dividends and maturity payments	年金、分紅及到期付款	1,462.72	2,284.03	(36.0%)
Interest allocated to investment contract	分配至投資合約之利益	1,205.90	1,170.33	3.0%
		4,649.76	4,926.99	(5.6%)

Administrative and Other Expenses

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

For the year ended 31 December, HK\$ million

		2010	2009	Change 變化
Staff costs	員工成本	1,776.25	1,564.06	13.6%
Rental expenses	租賃開支	238.60	200.85	18.8%
Others	其他	2,434.98	2,064.64	17.9%
		4,449.83	3,829.55	16.2%

Financial Strength and Solvency Margin

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

At 31 December, RMB million

		2010	2009
Actual Solvency Margin	實際償付能力	10,868	6,409
Minimum Statutory Solvency Margin	最低法定償付能力	4,020	2,882
Solvency Margin Ratio	償付能力充足率	270%	222%

人壽保險業務 (續)

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

		2010	2009	Change 變化
Net claims	賠償淨額	568.20	436.30	30.2%
Surrenders	退保額	1,412.94	1,036.33	36.3%
Annuity, dividends and maturity payments	年金、分紅及到期付款	1,462.72	2,284.03	(36.0%)
Interest allocated to investment contract	分配至投資合約之利益	1,205.90	1,170.33	3.0%
		4,649.76	4,926.99	(5.6%)

行政及其他費用

太平人壽之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Staff costs	員工成本	1,776.25	1,564.06	13.6%
Rental expenses	租賃開支	238.60	200.85	18.8%
Others	其他	2,434.98	2,064.64	17.9%
		4,449.83	3,829.55	16.2%

財務實力及償付能力

太平人壽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

		2010	2009
Actual Solvency Margin	實際償付能力	10,868	6,409
Minimum Statutory Solvency Margin	最低法定償付能力	4,020	2,882
Solvency Margin Ratio	償付能力充足率	270%	222%

Management Review and Analysis

管理層回顧和分析

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

The Group's PRC property and casualty insurance segment is operated by TPI. TPI is a PRC-incorporated company and is 50.05%-owned by the Group. TPI is principally engaged in the underwriting of motor, marine and non-marine policies in Mainland China.

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

For the year ended 31 December, HK\$ million

財產保險業務 — 由太平財險營運之中國業務

本集團之中國財產保險業務由太平財險營運。太平財險為中國註冊公司並由本集團擁有50.05%權益。太平財險主要於中國大陸從事承保車險、水險及非水險業務。

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

		2010	2009	Change 變化
Gross premiums written	毛承保保費	6,134.73	5,106.40	20.1%
Net premiums written	淨承保保費	5,335.52	4,372.93	22.0%
Net earned premiums	已賺取保費淨額	5,026.42	4,215.40	19.2%
Net claims incurred	賠款淨額	(2,833.75)	(2,621.22)	8.1%
Net commission expenses	佣金支出淨額	(117.74)	(238.80)	(50.7%)
Total investment income	投資收入總額	229.15	191.05	19.9%
Net exchange loss	匯兌虧損淨額	(20.60)	(2.42)	7.5 times 倍
Administrative and other expenses	行政及其他費用	(2,123.03)	(1,700.44)	24.9%
Finance costs	財務費用	(50.58)	(50.21)	0.7%
Underwriting loss	承保虧損	(48.76)	(345.35)	(85.9%)
Profit/(loss) before taxation	除稅前溢利／(虧損)	94.61	(262.31)	—
Profit/(loss) after taxation	除稅後溢利／(虧損)	117.67	(271.81)	—
Profit/(loss) attributable to the owners	股東應佔溢利／(虧損)	58.89	(136.05)	—
Technical reserves ratio	技術性儲備比率	83.0%	78.7%	4.3pts 點
Retained ratio	自留比率	87.0%	85.6%	1.4pt 點
Earned premiums ratio	已賺取保費率	81.9%	82.6%	(0.7pt 點)
Loss ratio ¹	賠付率 ¹	56.4%	62.2%	(5.8pts 點)
Expense ratio ¹	費用率 ¹	44.6%	46.0%	(1.4pt 點)
Combined ratio ²	綜合成本率 ²	101.0	108.2	(7.2pts 點)

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

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

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² 綜合成本率為賠付率與費用率的總和。

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國業務 (續)

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

由太平財險經營之財產保險業務之主要經營數據概述如下：

		2010	2009	Change 變化
Market share ¹	市場份額 ¹	1.3%	1.5%	(0.2pt 點)
Number of provincial branches	省級分公司數目	27	27	—
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	369	378	(9)
Number of direct sales representatives	直接銷售代表數目	3,804	2,487	1,317

¹ Based on premiums published by the CIRC.

¹ 據中國保監會刊發之保費計算。

Profit Attributable to the Owners

股東應佔溢利

The property and casualty insurance business operated by TPI contributed net profit to the owners of HK\$58.89 million during the Year (2009: loss of HK\$136.05 million). The strong return to profitability was due to significantly lower levels of claims and better underwriting results. The improvements in underwriting were due to TPI's efforts to centralize the underwriting of its motor business, restructure product-line management and re-underwrite its entire portfolio. The pricing and competitive environment of the PRC property and casualty insurance sector also improved significantly during the Year, as regulatory measures aimed at improving industry fundamentals by the CIRC began taking effect.

本年度內，由太平財險經營之財產保險業務對股東淨溢利的貢獻為5,889萬港元(二零零九年：虧損1.3605億港元)。轉虧為盈是由於賠款明顯下降及更佳的承保業績。承保改善有賴於太平財險集中管理其汽車保險承保作業系統、銷售體制改革及採用新的承保政策。年內，中國保監會加大監管力度，中國財產保險業的定價及競爭環境得到大幅改善。

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國業務 (續)

Gross Premiums Written

毛承保保費

Despite strict underwriting criteria and cost control measures, TPI's gross premiums written increased by 20.1% to HK\$6,134.73 million from HK\$5,106.40 million in the Last Year. The detailed breakdown of TPI's gross premiums written was as follows:

採取嚴謹的承保標準及收緊成本控制，太平財險之毛承保保費仍由去年之51.0640億港元上升20.1%至61.3473億港元。太平財險毛承保保費詳細分析如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

Business Line 業務種類		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Motor	車險	5,020.62	81.8%	4,149.77	81.3%
Marine	水險	156.69	2.6%	165.56	3.2%
Non-marine	非水險	957.42	15.6%	791.07	15.5%
		6,134.73	100.0%	5,106.40	100.0%

Combined Ratio

綜合成本率

As a result of measures to lower own expenses and acquisition costs, TPI's expense ratio, decreased to 44.6% from 46.0% in the Last Year. Although there were a few catastrophes during the Year, the loss ratio decreased significantly by 5.8 percentage points to 56.4% from 62.2% in the Last Year, TPI's combined ratio of 101.0 during the Year was lower than the 108.2 in the Last Year, representing a very encouraging trend in underwriting improvement at the PRC property and casualty insurance operations. TPI's loss ratios, expense ratios and combined ratios were as follows:

由於採取了壓縮費用及展業開支，太平財險費用率由去年的46.0%下降至44.6%。儘管年內發生零星災難，但賠付率由去年的62.2%大幅減少5.8個百分點至56.4%。本年度內太平財險之綜合成本率為101.0，低於去年之108.2，中國財產保險業務承保的改善趨勢令人鼓舞。太平財險之賠付率、費用率及綜合成本率情況如下：

For the year ended 31 December

截至十二月三十一日止年度

		2010	2009
Loss ratio	賠付率	56.4%	62.2%
Expense ratio	費用率	44.6%	46.0%
Combined ratio	綜合成本率	101.0	108.2

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國業務 (續)

Investment Performance

投資表現

The composition of investments held by TPI was as follows:

太平財險所持之投資組合如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Debt securities	債務證券	3,240.76	49.1%	2,450.87	47.5%
Equity securities	股本證券	489.67	7.4%	156.65	3.0%
Investment funds	投資基金	170.53	2.6%	336.55	6.5%
Cash and bank deposits	現金及銀行存款	2,694.78	40.9%	2,218.03	43.0%
Total invested assets	投資總額	6,595.74	100.0%	5,162.10	100.0%

During the Year, TPI continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were kept at a low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 90.0% of the total invested assets as at 31 December 2010 (2009: 90.5%).

於本年度內，太平財險對於其投資組合的資產配置仍然十分審慎。股本投資在資產配置維持在一個較低百分比，而債務證券、現金及銀行存款於二零一零年十二月三十一日合共佔投資資產總額約90.0% (二零零九年：90.5%)。

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

太平財險歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	938.08	1,974.19	99.09	229.40	3,240.76
Equity securities	股本證券	—	489.67	—	—	489.67
Investment funds	投資基金	—	170.53	—	—	170.53
		938.08	2,634.39	99.09	229.40	3,900.96

At 31 December 2009, HK\$ million

於二零零九年十二月三十一日，百萬港元

		HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities	債務證券	880.68	1,467.97	—	102.22	2,450.87
Equity securities	股本證券	—	156.65	—	—	156.65
Investment funds	投資基金	—	336.55	—	—	336.55
		880.68	1,961.17	—	102.22	2,944.07

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國業務 (續)

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

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	2009
Central governments and central banks	中央政府及中央銀行	745.67	1,118.98
Banks and other financial institutions	銀行及其他金融機構	1,101.66	575.14
Corporate entities	企業實體	1,393.43	756.75
		3,240.76	2,450.87

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

太平財險確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Net investment income	投資收入淨額	235.61	136.12	73.1%
Net realized investment (losses)/gains	已實現投資 (虧損)/收益淨額	(6.46)	54.93	—
Total investment income	投資收入總額	229.15	191.05	19.9%
Total investment yield	總投資收益率	4.3%	4.6%	(0.3pt 點)

TPI's total investment income was HK\$229.15 million during the Year, representing an increase from the HK\$191.05 million in the Last Year. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$20.60 million (2009: HK\$2.42 million).

本年內，太平財險錄得投資收入總額2.2915億港元，較去年1.9105億港元增加。上述投資收入及投資收益率並不包括2,060萬港元匯兌虧損淨額(二零零九年：242萬港元)。

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國業務 (續)

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

太平財險稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized (losses)/ gains recognized in the fair value reserve 於公允價值 儲備內確認 之未實現 (虧損)／收益		Grand total 總額
		Net investment income 投資收入淨額	Net realized gains/ (losses) 已實現 收益/ (虧損)	Net unrealized gains/ (losses) 未實現 收益/ (虧損)	Net impairment loss recognized 確認 減值淨額	Sub total 小計			
Interest income/ (expense) 利息收入/ (支出)	Dividend income 股息收入								
Debt securities 債務證券									
HTM 持有至到期日		41.63	—	—	—	41.63	—	41.63	
AFS 可供出售		56.49	—	(0.65)	—	55.84	(47.20)	8.64	
HFT 持有作交易用途		0.20	—	—	—	0.20	—	0.20	
LR 貸款及應收款項		9.14	—	—	—	9.14	—	9.14	
Equity securities 股本證券									
AFS 可供出售		—	1.76	11.76	—	13.52	78.71	92.23	
Investment funds 投資基金									
AFS 可供出售		—	63.30	(17.57)	—	45.73	(36.51)	9.22	
Cash and bank deposits 現金及銀行存款		67.52	—	—	—	67.52	—	67.52	
Securities sold under repurchase agreements 賣出回購證券		(4.43)	—	—	—	(4.43)	—	(4.43)	
		170.55	65.06	(6.46)	—	229.15	(5.00)	224.15	

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國 業務 (續)

For the year ended 31 December 2009, HK\$ million

截至二零零九年十二月三十一日止年度，百萬
港元

	Recognized in the consolidated income statement 於綜合損益表內確認					Sub total 小計	Unrealized gains/ (losses) recognized in the fair value reserve 於公允價值 儲備內確認 之未實現 收益/(虧損)	Grand total 總額
	Net investment income 投資收入淨額	Dividend income 股息收入	Net realized gains/ (losses) 已實現 收益/ (虧損)	Net unrealized gains/ (losses) 未實現 收益/ (虧損)	Net impairment loss recognised 減值淨額			
Debt securities	債務證券							
HTM	持有至到期日	30.66	—	—	—	30.66	—	30.66
AFS	可供出售	62.67	—	(12.97)	—	49.70	(17.30)	32.40
LR	貸款及應收款項	6.26	—	—	—	6.26	—	6.26
Equity securities	股本證券							
AFS	可供出售	—	0.89	20.23	—	21.12	19.84	40.96
HFT	持有作交易用途	—	0.24	—	—	0.24	—	0.24
Investment funds	投資基金							
AFS	可供出售	—	7.65	47.67	—	55.32	89.27	144.59
Cash and bank deposits	現金及銀行存款							
		30.30	—	—	—	30.30	—	30.30
Securities sold under repurchase agreements	賣出回購證券							
		(2.55)	—	—	—	(2.55)	—	(2.55)
		127.34	8.78	54.93	—	191.05	91.81	282.86

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由太平財險營運之中國業務 (續)

Administrative and Other Expenses

行政及其他費用

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

太平財險之行政及其他費用概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Staff costs	員工成本	619.06	467.02	32.6%
Rental expenses	租賃開支	72.31	64.99	11.3%
Business tax and additional charges	營業稅金及附加費用	340.53	285.96	19.1%
Others	其他	1,091.13	882.47	23.6%
		2,123.03	1,700.44	24.9%

Financial Strength and Solvency Margin

財務實力及償付能力

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

太平財險按中國保監會規定之償付能力充足率如下：

At 31 December, RMB million

於十二月三十一日，百萬人民幣

		2010	2009
Actual Solvency Margin	實際償付能力	1,073	1,109
Minimum Statutory Solvency Margin	最低法定償付能力	699	578
Solvency Margin Ratio	償付能力充足率	154%	192%

Management Review and Analysis

管理層回顧和分析

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

The Group's Hong Kong property and casualty insurance segment is operated by CTPI (HK). CTPI (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group. CTPI (HK) is principally engaged in the underwriting of motor, marine and non-marine policies in Hong Kong.

For the period before 4 November 2009, CTPI (HK) was 51.34% owned by the Group, and therefore the results of CTPI (HK) have been 51.34% consolidated with the Group. Immediately after 4 November, 2009, the results of CTPI (HK) have been fully consolidated with the Group.

The key financial data of the property and casualty insurance business operated in Hong Kong by CTPI (HK) is summarized below:

For the year ended 31 December, HK\$ million

		2010	2009	Change 變化
Gross premiums written	毛承保保費	812.03	778.20	4.3%
Net premiums written	淨承保保費	544.21	512.96	6.1%
Net earned premiums	已賺取保費淨額	548.52	516.44	6.2%
Net claims incurred	賠款淨額	(276.18)	(239.27)	15.4%
Net commission expenses	佣金支出淨額	(122.63)	(132.49)	(7.4%)
Total investment income	投資收入總額	335.98	298.20	12.7%
Net exchange gain	匯兌收益淨額	4.03	1.88	1.1 times 倍
Administrative and other expenses	行政及其他費用	(138.34)	(162.19)	(14.7%)
Underwriting profit/(loss)	承保溢利/(虧損)	14.75	(0.26)	—
Profit before taxation	除稅前溢利	364.25	299.73	21.5%
Profit after taxation	除稅後溢利	364.24	299.44	21.6%
Profit attributable to the owners ³	股東應佔溢利 ³	364.24	189.80	91.9%
Technical reserves ratio	技術性儲備比率	232.0%	244.6%	(12.6pts 點)
Retained ratio	自留比率	67.0%	64.5%	2.5pts 點
Earned premiums ratio	已賺取保費率	67.5%	64.9%	2.6pts 點
Loss ratio ¹	賠付率 ¹	50.4%	46.3%	4.1pts 點
Expense ratio ¹	費用率 ¹	47.0%	53.7%	(6.7pts 點)
Combined ratio ²	綜合成本率 ²	97.4	100.0	(2.6pts 點)

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

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

³ The figures do not include the net gain from the sale of MAC, which are recognized in the standalone financial statements of CTPI (HK) for the Year.

財產保險業務 — 由中國太平香港營運之香港業務

本集團之香港財產保險業務由中國太平香港營運。中國太平香港為香港註冊公司，並由本集團全資擁有。中國太平香港主要於香港從事承保車險、水險及非水險業務。

於二零零九年十一月四日前之期間，中國太平控股擁有中國太平香港51.34%的權益，因此中國太平香港業績之51.34%併入本集團內。緊接於二零零九年十一月四日之後，中國太平香港之業績全數併入本集團內。

由中國太平香港經營的香港財產保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² 綜合成本率為賠付率與費用率的總和。

³ 數額並不包括出售民安中國收益淨額。該收益確認於中國太平香港本年度的獨立財務報表內。

Management Review and Analysis

管理層回顧和分析

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

Profit Attributable to the Owners

The property and casualty insurance business operated in Hong Kong by CTPI (HK) recorded a net profit to the owners of HK\$364.24 million during the Year (2009: HK\$189.80 million). The increase in profitability was mainly due to lower expenses from measures aimed at cutting costs and increasing productivity during the Year. The attributable net profit to CTIH also increased during the Year because the net profit during the Year has been allocated to CTIH 100%, while the net profit attributable to CTIH of the Last Year reflects a lower percentage.

Gross Premiums Written

Gross premiums written increased by 4.3% to HK\$812.03 million from HK\$778.20 million in the Last Year. During the Year, recovering economic growth and activity in Hong Kong helped to bolster the property and casualty insurance sector. The detailed breakdown of gross premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line 業務種類		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Motor	車險	192.21	23.7%	201.36	25.9%
Marine	水險	167.12	20.6%	150.13	19.3%
Non-marine	非水險	452.70	55.7%	426.71	54.8%
		812.03	100.0%	778.20	100.0%

財產保險業務 — 由中國太平香港營運之 香港業務 (續)

股東應佔溢利

本年度內，中國太平香港的財產保險業務對股東淨溢利的貢獻為3.6424億港元(二零零九年：1.8980億港元)。溢利能力上升主要是由於年內實行減省成本及提高產能的措施令費用減少。本年應佔淨溢利上升是由於本年的淨溢利全數分配至中國太平控股，而去年應佔的淨溢利分配百分比則較低。

毛承保保費

毛承保保費由去年之7.7820億港元上升4.3%至8.1203億港元。於本年度內，香港經濟回復增長令財產保險業得到支持。毛承保保費詳細分析如下：

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

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

財產保險業務 — 由中國太平香港營運之 香港業務 (續)

Net Claims Incurred and Combined Ratio

淨賠款總額及綜合成本率

Net claims incurred increased by 15.4% to HK\$276.18 million from HK\$239.27 million in the Last Year. This was mainly due to adverse claims experience in hull business during the Year. The expense ratio improved to 47.0% from 53.7% in the Last Year, which was attributed by the decrease both in commission ratio in motor business and operation expense ratio due to stringent cost control. The better expense ratio was able to compensate for a higher loss ratio of 50.4% (from 46.3% in the Last Year), which allowed the combined ratio to be improved to 97.4 from 100.0 in the Last Year. The loss ratios, expense ratios and combined ratios were as follows:

淨賠款總額由去年之2.3927億港元上升15.4%至2.7618億港元。這主要是由於年內船舶業務索賠紀錄表現轉壞。由於車險業務的佣金比率及營運費用率因嚴謹的成本控制而下降，費用率由去年的53.7%改善至47.0%。更佳的費用率抵銷了較高的賠付率，賠付率由去年的46.3%上升至50.4%，令綜合成本率由去年的100.0改善至97.4。賠付率、費用率及綜合成本率情況如下：

For the year ended 31 December

截至十二月三十一日止年度

		2010	2009
Loss ratio	賠付率	50.4%	46.3%
Expense ratio	費用率	47.0%	53.7%
Combined ratio	綜合成本率	97.4	100.0

Investment Performance

投資表現

The composition of investments was as follows:

投資組合情況如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Debt securities	債務證券	1,450.31	36.2%	1,393.08	44.5%
Equity securities	股本證券	295.38	7.4%	164.79	5.3%
Investment funds	投資基金	58.77	1.5%	63.78	2.0%
Cash and bank deposits	現金及銀行存款	962.44	24.1%	417.21	13.3%
Investment properties	投資物業	1,233.19	30.8%	1,095.10	34.9%
Total invested assets	投資總額	4,000.09	100.0%	3,133.96	100.0%

Management Review and Analysis

管理層回顧和分析

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

Investment Performance (Continued)

During the Year, CTPI (HK) continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 60.3% of the total invested assets as at 31 December 2010 (2009: 57.8%).

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

At 31 December 2010, HK\$ million

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	—	1,450.31	—	—	1,450.31
Equity securities 股本證券	—	295.38	—	—	295.38
Investment funds 投資基金	—	58.77	—	—	58.77
	—	1,804.46	—	—	1,804.46

At 31 December 2009, HK\$ million

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	476.87	916.21	—	—	1,393.08
Equity securities 股本證券	—	164.79	—	—	164.79
Investment funds 投資基金	—	63.78	—	—	63.78
	476.87	1,144.78	—	—	1,621.65

財產保險業務 — 由中國太平香港營運之香港業務 (續)

投資表現 (續)

於本年度內，中國太平香港對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一零年十二月三十一日合共佔投資資產總額約60.3%（二零零九年：57.8%）。

歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零一零年十二月三十一日，百萬港元

於二零零九年十二月三十一日，百萬港元

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由中國太平香港營運之
香港業務 (續)

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

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	2009
Central governments and central banks	中央政府及中央銀行	27.20	16.61
Banks and other financial institutions	銀行及其他金融機構	996.59	886.82
Corporate entities	企業實體	426.52	451.24
Others	其他	—	38.41
		1,450.31	1,393.08

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

中國太平香港確認於綜合損益表內之稅前投資
收入總額及稅前投資收益率概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Net investment income	投資收入淨額	139.88	167.40	(16.4%)
Net realized investment gains	已實現投資收益淨額	127.01	123.41	2.9%
Net unrealized gains on investment properties	投資物業未實現收益淨額	69.09	7.39	8.3 times 倍
Total investment income	投資收入總額	335.98	298.20	12.7%
Total investment yield	總投資收益率	9.5%	8.7%	0.8pt 點

Total investment income was HK\$335.98 million for the Year, representing a solid increase from HK\$298.20 million in the Last Year. The total investment yield for the Year was a very satisfactory 9.5%. The above-mentioned investment income and investment yield figures do not include a net exchange gain of HK\$4.03 million (2009: HK\$1.88 million).

本年內錄得投資收入總額3.3598億港元，較去年2.9820億港元穩健上升。本年內總投資收益率達9.5%，令人非常滿意。上述投資收入及投資收益率並不包括403萬港元匯兌收益淨額（二零零九年：188萬港元）。

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由中國太平香港營運之 香港業務 (續)

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

中國太平香港稅前投資收入／(虧損)之詳細分析如下：

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬
港元

		Recognized in the consolidated income statement 於綜合損益表內確認					Unrealized (losses)/ gains recognized in the fair value reserve 於公允價值 儲備內確認 之未實現 (虧損)／ 收益		Grand total 總額	
Net investment income 投資收入淨額		Net realized gains/ (losses) 已實現 收益／ (虧損)		Net unrealized gains 未實現 收益	Net impairment loss 確認減值 淨額	Sub total 小計				
Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入								
Debt securities AFS	債務證券 可供出售	77.44	—	—	124.37	—	—	201.81	(25.23)	176.58
Equity securities AFS	股本證券 可供出售	—	9.05	—	12.92	—	—	21.97	(0.94)	21.03
Investment funds AFS	投資基金 可供出售	—	0.51	—	(10.28)	—	—	(9.77)	4.75	(5.02)
Cash and bank deposits	現金及銀行存款	2.74	—	—	—	—	—	2.74	—	2.74
Investment properties	投資物業	—	—	50.11	—	69.09	—	119.20	—	119.20
Others	其他	0.03	—	—	—	—	—	0.03	—	0.03
		80.21	9.56	50.11	127.01	69.09	—	335.98	(21.42)	314.56

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由中國太平香港營運之
香港業務 (續)

For the year ended 31 December 2009, HK\$ million

截至二零零九年十二月三十一日止年度，百萬
港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains recognized in the fair value reserve 於公允價值儲備內確認之未實現收益		Grand total 總額
		Net investment income 投資收入淨額			Net realized gains 已實現收益	Net unrealized gains 未實現收益	Net impairment loss recognized 確認減值淨額	Sub total 小計		
		Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入						
Debt securities	債務證券									
HTM	持有至到期日	40.59	—	—	16.83	—	—	57.42	—	57.42
AFS	可供出售	52.69	—	—	60.69	—	—	113.38	98.91	212.29
HFT	持有作交易用途	4.12	—	—	7.16	—	—	11.28	—	11.28
Equity securities	股本證券									
AFS	可供出售	—	4.19	—	29.96	—	—	34.15	20.77	54.92
HFT	持有作交易用途	—	0.26	—	8.77	—	—	9.03	—	9.03
Investment funds	投資基金									
AFS	可供出售	—	13.88	—	—	—	—	13.88	1.88	15.76
Cash and bank deposits	現金及銀行存款	4.86	—	—	—	—	—	4.86	—	4.86
Investment properties	投資物業	—	—	46.79	—	7.39	—	54.18	—	54.18
Others	其他	0.02	—	—	—	—	—	0.02	—	0.02
		102.28	18.33	46.79	123.41	7.39	—	298.20	121.56	419.76

Management Review and Analysis

管理層回顧和分析

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

財產保險業務 — 由中國太平香港營運之
香港業務 (續)

Administrative and Other Expenses

行政及其他費用

The administrative and other expenses are summarized as follows:

中國太平香港之行政及其他費用概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Staff costs	員工成本	102.93	114.20	(9.9%)
Rental expenses	租賃開支	0.24	0.36	(33.3%)
Others	其他	35.17	47.63	(26.2%)
		138.34	162.19	(14.7%)

Financial Strength and Solvency Margin

財務實力及償付能力

The solvency margin ratios of CTPI (HK) under the Hong Kong Insurance regulations were as follows:

中國太平香港按香港保險條例之償付能力充足率如下：

At 31 December, HKD million

於十二月三十一日，百萬港元

		2010	2009
Actual Solvency Margin	實際償付能力	2,427	2,503
Minimum Statutory Solvency Margin	最低法定償付能力	126	126
Solvency Margin Ratio	償付能力充足率	1,919%	1,987%

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS

The Group's reinsurance business is operated by TPRé. TPRé is a Hong Kong-incorporated company and wholly-owned by the Group, and is mainly engaged in the underwriting of all classes of reinsurance business around the globe, 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's key markets are Mainland China, Hong Kong and Macau, Japan, the rest of Asia, Europe and other parts of the world.

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

For the year ended 31 December, HK\$ million

再保險業務

本集團之再保險業務由本集團全資擁有之香港註冊公司太平再保險營運。太平再保險主要從事承保全球各類再保險業務，主要包括亞太地區的短尾巴，財產再保險業務。太平再保險選擇不從事亞洲以外如來自美國及歐洲的長尾巴責任險業務。太平再保險之主要市場為中國大陸、香港及澳門、日本、亞洲其他地區、歐洲及世界其他地方。

再保險業務之主要財務數據及主要表現指標概述如下：

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Gross premiums written	毛承保保費	2,649.73	1,774.95	49.3%
Net premiums written	淨承保保費	2,372.06	1,508.76	57.2%
Net earned premiums	已賺取保費淨額	2,077.54	1,568.98	32.4%
Net claims incurred	賠款淨額	(1,307.33)	(1,024.38)	27.6%
Net commission expenses	佣金支出淨額	(595.22)	(333.07)	78.7%
Underwriting profit	承保溢利	123.27	134.11	(8.1%)
Total investment income	投資收入總額	320.09	307.91	4.0%
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(31.47)	9.91	—
Profit before taxation	除稅前溢利	391.52	423.40	(7.5%)
Profit attributable to the owners	股東應佔溢利	376.15	404.15	(6.9%)
Regulatory solvency margin ratio	監管償付能力充足比率	555.8%	656.8%	(101.0pts 點)
Technical reserves ratio	技術性儲備比率	175.5%	183.2%	(7.7pts 點)
Retained ratio	自留比率	89.5%	85.0%	4.5pts 點
Earned premiums ratio	已賺取保費率	78.4%	88.4%	(10.0pts 點)
Loss ratio ¹	賠付率 ¹	62.9%	65.3%	(2.4pts 點)
Expense ratio ^{1 & 3}	費用率 ^{1及3}	31.1%	26.2%	4.9pts 點
Combined ratio ²	綜合成本率 ²	94.0	91.5	2.5pts 點

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

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

³ Expense ratio comprises acquisition cost and own operating expenses.

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² 綜合成本率為賠付率與費用率的總和。

³ 費用率包括展業成本及自身營運費用。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS *(Continued)*

Profit Attributable to the Owners

The reinsurance business contributed net profit to the owners of HK\$376.15 million during the Year (2009: HK\$404.15 million), representing a slight decrease of 6.9% compared to Last Year. The decline in profits was mainly due to TPRé's significant premium growth during the Year, resulting in higher technical reserve strains which lowered the underwriting results, and the impact of several major catastrophic losses. TPRé's larger investment portfolio from strong premium inflows resulted in higher investment income, which helped produce an overall satisfactory result for the Year.

Gross Premiums Written

TPRé's gross premiums written for the Year increased by 49.3% to HK\$2,649.73 million from HK\$1,774.95 million in the Last Year. The strong premium growth was mainly driven by Mainland China, where TPRé's Beijing Branch was well-positioned to make inroads into the market. In its core Asian markets, such as Hong Kong and Macau, TPRé further consolidated its strong market positions by diversifying its businesses and product lines, which brought greater services to its clients and allowed for further premium growth.

After a benign year in 2009 in which no major catastrophes occurred, the renewal terms and conditions for business written by TPRé during the major renewals in January and April 2010 showed slight downward adjustments. Nevertheless, TPRé was able to maintain its pricing discipline and successfully renewed most of its in-force business portfolio with only minor adjustments in terms and conditions. The reinsurance businesses written in the second half of the Year were subject to higher levels of competition and showed further reductions in original premium rates together with more relaxed terms and conditions.

再保險業務 (續)

股東應佔溢利

再保險業務對股東淨溢利的貢獻為3.7615億港元(二零零九年：4.0415億港元)，較去年輕微下跌6.9%。溢利下跌主要是由於年內太平再保險的保費顯著增長使技術性儲備增加，導致承保業績降低，以及年內發生的數宗巨災所致。保費大量流入增大太平再保險的投資組合，令投資收入提高，使本年度的整體業績令人滿意。

毛承保保費

太平再保險之毛承保保費由去年17.7495億港元上升49.3%至26.4973億港元，主要由太平再保險北京分公司帶動。北京分公司處於有利位置打入中國大陸的再保險市場。在香港及澳門等亞洲區核心市場，太平再保險透過多元化的業務及產品種類，進一步鞏固其強大的市場地位，為客戶提供更優質的服務以推動保費收入進一步增長。

二零零九年全年沒有發生嚴重巨災的情況下，於二零一零年一月及四月的續保期，太平再保險承保業務的續保條件及條款輕微下調。然而，太平再保險能在條件及條款只有輕微調整下，維持其定價原則及續保大部份業務。本年下半年的再保險承保，因競爭加劇令原保費率進一步下調及更寬鬆的條款及條件。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Gross Premiums Written (Continued)

毛承保保費 (續)

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

太平再保險按地區分佈劃分之毛承保保費簡報如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Hong Kong & Macau	香港及澳門	352.37	13.3%	280.93	15.8%
Mainland China (& Taiwan)	中國大陸 (及台灣)	1,061.41	40.1%	535.93	30.2%
Japan	日本	163.87	6.2%	117.45	6.6%
Rest of Asia	亞洲其他地區	587.23	22.2%	450.11	25.4%
Europe	歐洲	287.39	10.8%	244.43	13.8%
Others	其他	197.46	7.4%	146.10	8.2%
		2,649.73	100.0%	1,774.95	100.0%

Net Claims Incurred

淨賠款總額

A number of catastrophic loss events occurred during the Year, including the 8.8-richter scale earthquake in Chile in February 2010, the deepwater oil rig explosion in the Gulf of Mexico in April 2010, as well as the Christchurch 8.1-richter scale earthquake in New Zealand in September 2010, all of which significantly impacted the global insurance and reinsurance markets. As a result, TPre's net claims incurred for the Year increased by 27.6% to HK\$1,307.33 million from HK\$1,024.38 million in the Last Year, which was still manageable. With its core markets such as Hong Kong, Macau, Mainland China, and other Asian markets showing normal loss incidences without any major disasters, combined with the gradual release of redundant loss reserves for previous claims provisions, the loss ratio of TPre decreased to 62.9% from 65.3% in the Last Year. The combined ratio during the Year was 94.0 (2009: 91.5), which was higher than Last Year primarily because of higher premium growth in the proportional treaty business segment, which typically has higher acquisition costs, leading to a higher expense ratio.

本年內發生數宗巨災事件，包括二零一零年二月智利發生的黎克特制8.8級地震及二零一零年四月墨西哥灣發生的深水鑽油台爆炸，以及二零一零年九月新西蘭基督城發生的黎克特制8.1級地震，均對環球保險及再保險市場帶來重大影響。因此，太平再保險的淨賠款總額由去年的10.2438億港元上升27.6%至13.0733億港元，但仍在可控制範圍內。在香港、澳門、中國大陸及其他亞洲市場等核心市場未有發生重大災難，連同往前的賠款儲備冗餘逐步回撥，太平再保險的賠付率由去年的65.3%下降至62.9%。本年之綜合成本率為94.0(二零零九年：91.5)，較去年高主要是由於比例合約業務的保費增長較高，而其展業開支亦較一般高，導致費用率較高。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Net Claims Incurred (Continued)

淨賠款總額 (續)

TPrE's top three major claims in terms of gross losses during the Year were as follows:

太平再保險於年內以毛賠付總額計算之三大賠案如下：

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Date of loss 出險日期	Gross loss incurred 毛賠付總額	Net retained loss incurred 自留賠付淨額
Earthquake in Chile	智利地震	02/2010	149.44	147.88
Earthquake in Christchurch, New Zealand	新西蘭基督城地震	09/2010	28.98	28.98
Deepwater oil rig explosion, Gulf of Mexico	墨西哥灣深水鑽油台爆炸	04/2010	19.48	19.48

Investment Performance

投資表現

The composition of investments held by TPrE was as follows:

太平再保險持有之投資組合情況如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	% of Total 佔總額百分比	2009	% of Total 佔總額百分比
Debt securities	債務證券	3,565.91	62.0%	2,852.02	57.6%
Equity securities	股本證券	527.98	9.2%	302.41	6.1%
Investment funds	投資基金	58.04	1.0%	77.16	1.6%
Cash and bank deposits	現金及銀行存款	1,529.52	26.6%	1,620.59	32.7%
Investment properties	投資物業	70.92	1.2%	98.13	2.0%
Total invested assets	投資總額	5,752.37	100.0%	4,950.31	100.0%

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

Due to significant cash inflows arising from the strong premium growth during the Year, TPre's investment portfolio increased in size. TPre also continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 88.6% of the total invested assets as at 31 December 2010 (2009: 90.3%).

由於本年度內保費收入增長強勁令現金大量流入，太平再保險的投資組合因而增大。太平再保險對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零一零年十二月三十一日合共佔投資資產總額約88.6% (二零零九年：90.3%)。

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

太平再保險歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

At 31 December 2010, HK\$ million

於二零一零年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	2,517.03	872.22	169.61	7.05	3,565.91
Equity securities 股本證券	—	527.98	—	—	527.98
Investment funds 投資基金	—	24.41	33.63	—	58.04
	2,517.03	1,424.61	203.24	7.05	4,151.93

At 31 December 2009, HK\$ million

於二零零九年十二月三十一日，百萬港元

	HTM 持有至到期日	AFS 可供出售	HFT 持有作 交易用途	LR 貸款及 應收款項	Total 總額
Debt securities 債務證券	2,000.86	706.56	144.60	—	2,852.02
Equity securities 股本證券	—	302.41	—	—	302.41
Investment funds 投資基金	—	43.76	33.40	—	77.16
	2,000.86	1,052.73	178.00	—	3,231.59

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

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

債務證券按類別分類如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	2009
Central governments and central banks	中央政府及中央銀行	417.24	234.93
Public sector entities	公共機構	23.51	50.76
Banks and other financial institutions	銀行及其他金融機構	1,810.88	1,377.77
Corporate entities	企業實體	1,314.28	1,188.56
		3,565.91	2,852.02

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

債務證券按原貨幣分類之折合港元值如下：

At 31 December, HK\$ million

於十二月三十一日，百萬港元

		2010	2009
USD	美元	2,692.63	2,369.27
EUR	歐羅	259.61	187.71
RMB	人民幣	208.69	—
GBP	英鎊	201.15	144.12
HKD	港元	91.70	86.98
AUD	澳元	68.81	47.45
Others	其他	43.32	16.49
		3,565.91	2,852.02

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

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

太平再保險確認於綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

For the year ended 31 December, HK\$ million

截至十二月三十一日止年度，百萬港元

		2010	2009	Change 變化
Net investment income	投資收入淨額	223.08	179.31	24.4%
Net realized investment gains	已實現投資收益淨額	53.22	96.01	(44.6%)
Net unrealized investment gains	未實現投資收益淨額	38.99	39.67	(1.7%)
Net impairment loss reversed/(recognized)	減值回撥／(確認)淨額	4.80	(7.08)	—
Total investment income	投資收入總額	320.09	307.91	4.0%
Total investment yield	總投資收益率	6.1%	6.8%	(0.7pt 點)

TPR's total investment income was a gain of HK\$320.09 million for the Year, representing a slight increase from HK\$307.91 million in the Last Year. Although investments in equities traded in Hong Kong did not perform as well as Last Year, TPR increased its holdings of investment grade, shorter-duration debt securities, which significantly increased its net investment income. The above-described investment income and investment yield figures do not include a net exchange loss of HK\$31.47 million (2009: gain of HK\$9.91 million).

本年度內，太平再保險錄得投資收入總額溢利3.2009億港元，較去年3.0791億港元略為上升。由於本年內於香港買賣的股票表現並沒有如去年般理想，太平再保險增加持有具投資評級的短期債務證券，令投資收入淨額顯著增加。上述投資收入及投資收益率並不包括3,147萬港元匯兌虧損淨額(二零零九年：收益991萬港元)。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

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

太平再保險的稅前投資收入/(虧損)之詳細分析如下：

For the year ended 31 December 2010, HK\$ million

截至二零一零年十二月三十一日止年度，百萬港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains/(losses) recognized in the fair value reserve 於公允價值儲備內確認之未實現收益/(虧損)		Grand total
		Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益/(虧損)	Net unrealized gains/(losses) 未實現收益/(虧損)	Net impairment reversed/(recognized) 減值回撥/(確認)淨額	Sub total 小計		
		Interest income/(expense) 利息收入/(支出)	Dividend income 股息收入	Rental income 租金收入						
Debt securities	債務證券									
HTM	持有至到期日	133.99	—	—	—	—	6.61	140.60	—	140.60
AFS	可供出售	52.21	—	—	(1.12)	—	—	51.09	41.18	92.27
HFT	持有作交易用途	11.45	—	—	0.65	22.65	—	34.75	—	34.75
LR	貸款及應收款項	0.01	—	—	—	—	—	0.01	—	0.01
Equity securities	股本證券									
AFS	可供出售	—	10.50	—	49.85	—	(1.81)	58.54	(77.12)	(18.58)
Investment funds	投資基金									
AFS	可供出售	—	1.10	—	(0.74)	—	—	0.36	2.30	2.66
HFT	持有作交易用途	—	2.72	—	(0.15)	0.14	—	2.71	—	2.71
Cash and bank deposits	現金及銀行存款	9.78	—	—	—	—	—	9.78	—	9.78
Investment properties	投資物業	—	—	1.28	4.73	16.20	—	22.21	—	22.21
Others	其他	0.04	—	—	—	—	—	0.04	—	0.04
		207.48	14.32	1.28	53.22	38.99	4.80	320.09	(33.64)	286.45

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Investment Performance (Continued)

投資表現 (續)

For the year ended 31 December 2009, HK\$ million

截至二零零九年十二月三十一日止年度，百萬
港元

		Recognized in the consolidated income statement 於綜合損益表內確認						Unrealized gains recognized in the fair value reserve 於公允價值儲備內確認之未實現收益		Grand total 總額
		Net investment income 投資收入淨額			Net realized gains/(losses) 已實現收益/(虧損)	Net unrealized gains 未實現收益	Net impairment loss 減值淨額	Sub total 小計		
		Interest income 利息收入	Dividend income 股息收入	Rental income 租金收入						
Debt securities	債務證券									
HTM	持有至到期日	97.78	—	—	3.44	—	(7.08)	94.14	—	94.14
AFS	可供出售	41.18	—	—	—	—	—	41.18	92.55	133.73
HFT	持有作交易用途	13.18	—	—	8.22	13.72	—	35.12	—	35.12
Equity securities	股本證券									
AFS	可供出售	—	6.57	—	85.40	—	—	91.97	56.20	148.17
HFT	持有作交易用途	—	1.57	—	(1.05)	—	—	0.52	—	0.52
Investment funds	投資基金									
AFS	可供出售	—	0.93	—	—	—	—	0.93	5.58	6.51
HFT	持有作交易用途	—	2.72	—	—	4.54	—	7.26	—	7.26
Cash and bank deposits	現金及銀行存款	13.42	—	—	—	—	—	13.42	—	13.42
Investment properties	投資物業	—	—	1.95	—	21.41	—	23.36	—	23.36
Others	其他	0.01	—	—	—	—	—	0.01	—	0.01
		165.57	11.79	1.95	96.01	39.67	(7.08)	307.91	154.33	462.24

Management Review and Analysis

管理層回顧和分析

OUTLOOK

CTIH expects its core operating units to successfully continue with their respective business strategies in 2011. Although each of the Company's business lines will be experiencing new operational challenges during the year, the directors and senior management of CTIH continue to be focused on and are confident in meeting the Company's operational and strategic objectives for the next 3 to 5 years. The directors and senior management are also confident that CTIH's operating units will be able to meet each of their respective objectives for 2011.

Life Insurance Business – TPL

Over the next twelve months, TPL will continue its major strategy of prioritizing the sale of traditional products with regular premium features. TPL intends to grow regular premium sales at rates which are faster than industry averages, in both the bank distribution channel and the individual agency distribution channel.

In the bank distribution channel, recent regulatory changes for sales of insurance in bank branches have led to concerns over the impact such rules will have on industry-wide bancassurance sales. Although it is not yet clear what effects the new rules will have, and to what extent and how long such effects will be, the directors and senior management of TPL believe that the new rules will create a healthier and more sustainable bancassurance sales environment for the entire country. While there will be some uncertainty and possibly some lower levels of sales initially in the bank channel, over the medium and long term the new rules should improve competitive practices and produce an environment more conducive for insurance product sales.

In the individual agency distribution channel, TPL is highly excited about its prospects for continued development. Productivity gains over recent years have been significant and highly encouraging, and TPL expects improvements to continue in this area in the years ahead. Over recent years, the number of TPL agents producing annualized standardized premium of one million RMB or higher has grown rapidly, from 27 in 2009 to 117 in 2010. TPL expects the number of such highly productive agents to continue increasing at high rates in the years to come. TPL will also target increasing the overall number of its individual agents in 2011 and beyond. The priority, however, will continue to be ensuring that the overall quality of the individual agents is high and enduring.

展望

中國太平控股核心營運單位在二零一一年繼續實施其業務策略。儘管本公司各業務將面對各種新挑戰，但中國太平控股董事及高級管理層並有信心可達到本公司未來三至五年的營運及策略目標。各董事及高級管理層亦對中國太平控股之各營運單位能夠完成二零一一年目標充滿信心。

人壽保險業務 — 太平人壽

未來十二個月，太平人壽繼續其著重銷售期繳型傳統產品的策略。太平人壽擬在銀行保險渠道及個人代理渠道以高於行業平均水平的增長速度銷售期繳保費產品。

在銀行保險渠道方面，近期有關銀行網點銷售保險的新法規，令人憂慮該等法規對行業的銀保銷售會帶來影響。雖然目前對新法規的影響程度及持續性仍未明朗，但太平人壽董事及高級管理層相信新法規將令全國的銀保銷售環境更健康及可持續發展。儘管銀行渠道起初會因新法規的推行出現一些不確定性或令銷售額降低，但中長期而言，新法規將改善不良競爭情況並為銀行保險產品銷售締造更有利的環境。

在個人代理渠道方面，太平人壽之持續發展前景非常令人鼓舞。近年的產能明顯提升令人注目，太平人壽預期這方面的改進將會持續。這幾年，太平人壽年標準保費超人民幣一百萬元的個人代理數目增長迅速，從二零零九年的27人增加至二零一零年的117人。太平人壽預期未來該等高產能的代理人數目將快速增加。太平人壽亦力圖爭取增加個人代理人數。當然，確保個人代理的整體高產能素質仍是首要目標。

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Life Insurance Business – TPL (Continued)

In 2011, TPL will continue to build its sales network throughout China. In addition to a new branch which recently began operations in Hainan, 15 new sub-branches and 150 marketing centers are being planned for in 2011.

Despite uncertainties and challenges ahead in both the individual agency and bancassurance distribution channels, TPL will continue following its policy of “Do It Taiping’s Way”, which has proven to be successful and sustainable in building up long-term value for the company’s shareholders.

Property and Casualty Insurance Business

TPI

With industry fundamentals in the PRC property and casualty insurance sector improving and with penetration rates for property and casualty insurance in the PRC still at low levels, TPI is optimistic about its prospects in 2011. The directors and senior management believe that a solid and enhanced operating platform at TPI has been established over the past two years, which will allow TPI to sustain a healthy and optimal growth rate going forward, while also achieving reasonable and sustainable returns on equities.

CTPI (HK)

CTPI (HK) expects to grow steadily in line with the economic growth of Hong Kong over the next few years, as the mature and competitive landscape in Hong Kong will make rapid gains in market share highly unlikely. In 2011, CTPI (HK) will focus on improving productivity and lowering expenses, while maintaining its market position as one of the top niche insurers in the city.

展望 (續)

人壽保險業務 — 太平人壽 (續)

於二零一一年，太平人壽繼續在全中國擴展其銷售網絡，除海南分公司剛投入營運外，於二零一一年計劃開設15家新的支公司及150家市場推廣中心。

儘管個人代理及銀行保險渠道的前景不明朗及具挑戰性，但太平人壽繼續一貫的政策「走太平的路」，此政策是成功的並可持續為本公司股東創造長遠價值。

財產保險業務

太平財險

隨著中國財產保險業的基調改善及中國財產保險滲透率仍在低水平，太平財險對二零一一年前景感到樂觀。董事及高級管理層相信於過去兩年建立穩固及改良的營運平台使太平財險的保費增長保持在健康及理想水平，並爭取合理及可持續的股本回報。

中國太平香港

未來數年中國太平香港將隨着香港的經濟發展而平穩地增長，受制於香港成熟的競爭格局，市場份額快速增長的可能性極微。於二零一一年，中國太平香港專注於提升產能及減少費用，同時保持其作為香港最佳保險商之一的地位。

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Reinsurance Business – TPRe

The renewals of reinsurance contracts for the January 2011 renewal season were difficult but satisfactory for TPRe in its core markets, with strong competition from aggressive overseas reinsurers as well as some young start-up players.

In Mainland China, TPRe's Beijing Branch is now fully staffed and has established itself as one of the few reinsurers with local operations. Going forward, TPRe will strive to expand its reinsurance business in Mainland China, and believes that its broad experience in many different lines of reinsurance across many different geographies, and its cultural affinities with and understanding of PRC clients will give the reinsurance operations strong competitive advantages in building TPRe's presence in the country.

The serious flooding and the ensuing Typhoon Yasi in Queensland, Australia in January/February 2011, the Richter-scale 8.1 earthquake in Christchurch, New Zealand on 22 February 2011, as well as the most recent Richter-scale 9.0 earthquake and the ensuing tsunami in Japan on 11 March 2011, all of which caused significant damage, are further examples of the unpredictability of catastrophic events.

Although it is still too early to provide any reliable loss estimates, based on the internal assessment of its strictly controlled Japanese earthquake exposure in the affected zones and its retrocession protections, it is expected that the net retention loss impact to TPRe from the Japanese earthquake may be in the range of HK\$75 million to HK\$100 million, which is approximately 3% to 4% of its gross written premium. Therefore, the impact of the Japanese earthquake claims to TPRe is expected to be manageable and there is no material impact to the core operations of CTIH.

Natural catastrophes will continue to be one of the major challenges for reinsurers, including TPRe. On the other hand, the severity and frequency of the recent catastrophes should prompt the hardening of pricing on global reinsurance with catastrophe exposures. By using its extensive experience, risk management disciplines, as well as its prudent underwriting skills and reserving practices, TPRe is confident that it will be able to benefit from the price increases and fulfill its objectives for 2011.

展望 (續)

再保險業務 — 太平再保險

在二零一一年一月續保旺季，在進取的海外再保險商以及一些新進同業的激烈競爭下，太平再保險在其核心市場的再保險合約續保縱使困難，但情況令人滿意。

在中國大陸，太平再保險北京分公司已配備足夠人員並成為於當地營運的少數再保險商之一。往後，太平再保險繼續擴展中國大陸再保險業務，並深信憑着在不同地區各項再保險種類的豐富經驗、與中國客戶的文化雷同和對中國客戶的了解，為發展中國大陸再保險業務帶來強大競爭優勢。

二零一一年一月／二月澳洲昆士蘭省的嚴重水災及隨後的颱風亞西，二零一一年二月二十二日新西蘭基督城的8.1級強烈地震，以及二零一一年三月十一日日本9級大地震及海嘯造成災難性損失皆說明巨災來臨是難以預測。

儘管現在提供確實的賠款金額仍為時過早，根據太平再保險在日本地震受災地區承保的地震險累計保額及扣除轉分保障後的初步內部評估，預計淨自留損失約為7,500萬港元至1億港元，佔其毛承保保費的3-4%。因此，是次日本地震慘劇對太平再保險的影響屬可控範圍，預期對中國太平控股核心運營沒有構成重大的影響。

自然災害將繼續是再保險商(包括太平再保險)的一大挑戰。與此同時，最近一連串自然災害賠款勢必導致全球再保險市場費率上揚。太平再保險具有豐富經驗、嚴格的風險管理制度，以及審慎的承保政策和財政儲備，應可受惠價格回昇，並有信心實現二零一一年的營運目標。

Management Review and Analysis

管理層回顧和分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2010 amounted to HK\$29,412.03 million (2009: HK\$20,474.76 million). There was no bank borrowing during the Year except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 31 December 2010 amounted to HK\$10,231.07 million (2009: HK\$5,725.11 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 6.6% as at 31 December 2010 (2009: 5.1%).

CAPITAL STRUCTURE

During the Year, CTIH issued 1,550,000 new shares (2009: 280,343,500 shares). All the shares were issued for cash under the Company's employee share option scheme, while in 2009, all of the new shares were issued for consideration other than cash for the purpose of acquiring equity interests in MAH. Net proceeds received for the shares issued for cash in aggregate amounted to HK\$3.26 million (2009: nil).

STAFF AND STAFF REMUNERATION

As at 31 December 2010, the Group had a total of 33,663 employees (2009: 33,002 employees), an increase of 661 employees. Total remuneration for the Year amounted to HK\$3,363.49 million (2009: HK\$2,895.96 million), an increase of 16.1%. Bonuses are linked to both the performance of the Group and the performance of the individual.

MAJOR EVENT DURING THE YEAR

On 29 October 2010, CTPI (HK) entered into a sale and purchase agreement and a supplemental agreement with six corporate purchasers, namely (1) 海口美蘭國際機場有限責任公司, (2) 渤海國際信託有限公司, (3) 上海恒嘉美聯發展有限公司, (4) 寧波韻升進出口有限公司, (5) 陝西東嶺工貿集團股份有限公司 and (6) 金達信用擔保有限公司 pursuant to which CTPI (HK) agreed to sell its 100% equity interest in MAC to the above purchasers at a consideration of RMB1,541.30 million subject to the terms of the sale and purchase agreement as supplemented by the supplementary agreement. On 31 December 2010, CIRC had approval CTPI (HK)'s sales of its 100% equity interest in MAC. The details of the transaction were set out in the announcements of the Company dated 15 March 2010, 11 June 2010, 20 September 2010, 21 September 2010, 29 October 2010, 7 January 2011 and 16 February 2011.

流動資金及財務資源

於二零一零年十二月三十一日，本集團的現金及銀行存款為294.1203億港元（二零零九年：204.7476億港元）。除若干小額臨時銀行透支外，本年度內並無任何銀行借貸。二零一零年十二月三十一日須付息票據總額為102.3107億港元（二零零九年：57.2511億港元）。二零一零年十二月三十一日已發行須付息票據除以本集團總資產所得出的槓桿比率為6.6%（二零零九年：5.1%）。

資本結構

本年度，中國太平控股發行1,550,000股新股（二零零九年：280,343,500股）。全部發行之新股均根據本公司僱員認股權計劃以現金代價發行，而於二零零九年，全部發行之新股均以非現金代價發行，用以購入民安控股股權。發行新股換取現金的總代價淨額為326萬港元（二零零九年：無）。

員工及員工酬金

於二零一零年十二月三十一日，本集團的僱員總人數達33,663人（二零零九年：33,002人），增加661人。本年度總酬金為33.6349億港元（二零零九年：28.9596億港元），增加16.1%。花紅與本集團的業績及員工的個人表現掛鉤。

本年度重要事項

於二零一零年十月二十九日，中國太平香港與六個機構買家，即(1)海口美蘭國際機場有限責任公司、(2)渤海國際信託有限公司、(3)上海恒嘉美聯發展有限公司、(4)寧波韻升進出口有限公司、(5)陝西東嶺工貿集團股份有限公司；及(6)金達信用擔保有限公司訂立交易合同及補充合同，據此，中國太平香港同意根據經補充合同補充的交易合同之條款，以代價人民幣15.4130億元向上述買方出售民安中國的全部權益。於二零一零年十二月三十一日，中國保監會批准中國太平香港出售民安中國的全部權益。此交易之詳情請參閱本公司於二零一零年三月十五日、二零一零年六月十一日、二零一零年九月二十日、二零一零年九月二十一日、二零一零年十月二十九日、二零一一年一月七日及二零一一年二月十六日之公告。

Management Review and Analysis

管理層回顧和分析

MAJOR EVENT DURING THE YEAR *(Continued)*

On 31 December 2010, the Group entered into the following agreements to re-align the ownership structure of TPAM and TPP:

- (i) TPL, TPI and CTIH entered into a share transfer agreement pursuant to which TPL and TPI agreed to sell and CTIH agreed to purchase in aggregate a 60% equity interest in TPAM for an aggregate consideration of RMB222,684,000.
- (ii) TPA (HK) and Ageas entered into a share transfer agreement pursuant to which TPA (HK) agreed to sell and Ageas agreed to purchase a 12% equity interest in TPAM for a consideration of RMB44,536,800.
- (iii) TPL, TPA (HK), TPI, Ageas and CTIH entered into a share transfer agreement pursuant to which TPL, TPA (HK), TPI and Ageas agreed to sell and CTIH agreed to purchase in aggregate a 96% equity interest in TPP for an aggregate consideration of RMB609,135,744 ("TPP Acquisition").

In addition, CTIH, TPG and TPP entered into a capital contribution agreement pursuant in which CTIH and TPG agreed to increase the capital of TPP in an aggregate amount of RMB450 million and to contribute such capital in cash in proportion to their respective shareholdings in TPP upon the completion of the TPP Acquisition. The details of the transactions above were set out in the announcement of the Company dated 31 December 2010.

本年度重要事項 (續)

於二零一零年十二月三十一日，本集團訂立下列協議優化太平資產及太平養老的股權架構：

- (i) 太平人壽、太平財險及中國太平控股訂立股權轉讓協議，據此，太平人壽及太平財險同意出售及中國太平控股同意購入太平資產合共60%股權，作價合共人民幣222,684,000元。
- (ii) 太平資產(香港)及富傑訂立股權轉讓協議，據此，太平資產(香港)同意出售及富傑同意購入太平資產12%權益，作價為人民幣44,536,800元。
- (iii) 太平人壽、太平資產(香港)、太平財險、富傑及中國太平控股訂立股份轉讓協議，據此，太平人壽、太平資產(香港)、太平財險及富傑同意出售及中國太平控股同意購入太平養老合共96%股權，作價合共人民幣609,135,744元(「增購太平養老」)。

此外，中國太平控股、中國太平集團及太平養老訂立增資協議，據此，中國太平控股及中國太平集團同意增加太平養老資本合共人民幣4.50億元及按於完成增購太平養老後，其各自對太平養老之持股比例以現金投入該資本。此交易之詳情請參閱本公司於二零一零年十二月三十一日之公告。

Management Review and Analysis

管理層回顧和分析

CONTINGENT LIABILITIES

The Group has received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain investment income from its offshore investments for the years of assessment from 1999 to 2008. The Directors believe that the Group has a strong legal basis to support its tax position. As such, no provision for a potential tax exposure of approximately HK\$31.60 million (2009: HK\$31.60 million) was made as at 31 December 2010.

The Group has also received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain realized and unrealized gains from the disposal of listed investments for the years of assessment from 2000/2001 to 2002/2003. Because such gains were capital in nature, the Directors believe that the Group has good prospects to support its tax position, and therefore no provision for a potential tax exposure of approximately HK\$30.00 million (2009: HK\$30.00 million) was made as at 31 December 2010.

Save as herein disclosed and other than those incurred in the normal course of the Group's insurance businesses, there were no outstanding litigation nor any other contingent liabilities as at 31 December 2010.

或然負債

本集團收到香港稅務局的詢問，質疑個別離岸投資收入於一九九九年至二零零八年評稅年度內的應課稅務責任。董事相信本集團稅務觀點擁有堅實的法律基礎支持，因此，於二零一零年十二月三十一日本集團毋需就約3,160萬港元（二零零九年：3,160萬港元）的潛在稅務責任計提準備。

本集團亦收到香港稅務局的詢問，關於二零零零年及二零零一年至二零零二年及二零零三年評稅年度內，出售上市投資之若干已變現及未變現收益的應課稅事宜。由於該等收益乃資本性質，故董事相信本集團的稅務狀況很可能得到支持。因此，於二零一零年十二月三十一日毋需就約3,000萬港元（二零零九年：3,000萬港元）之潛在稅務風險計提準備。

除本報告所披露及在本集團日常保險業務中產生的訴訟外，於二零一零年十二月三十一日，本集團概無任何未決訴訟或或然負債。