



中国太平
CHINA TAIPING

CHINA TAIPING INSURANCE HOLDINGS COMPANY LIMITED

2009 ANNUAL RESULTS PRESENTATION

30 March 2010

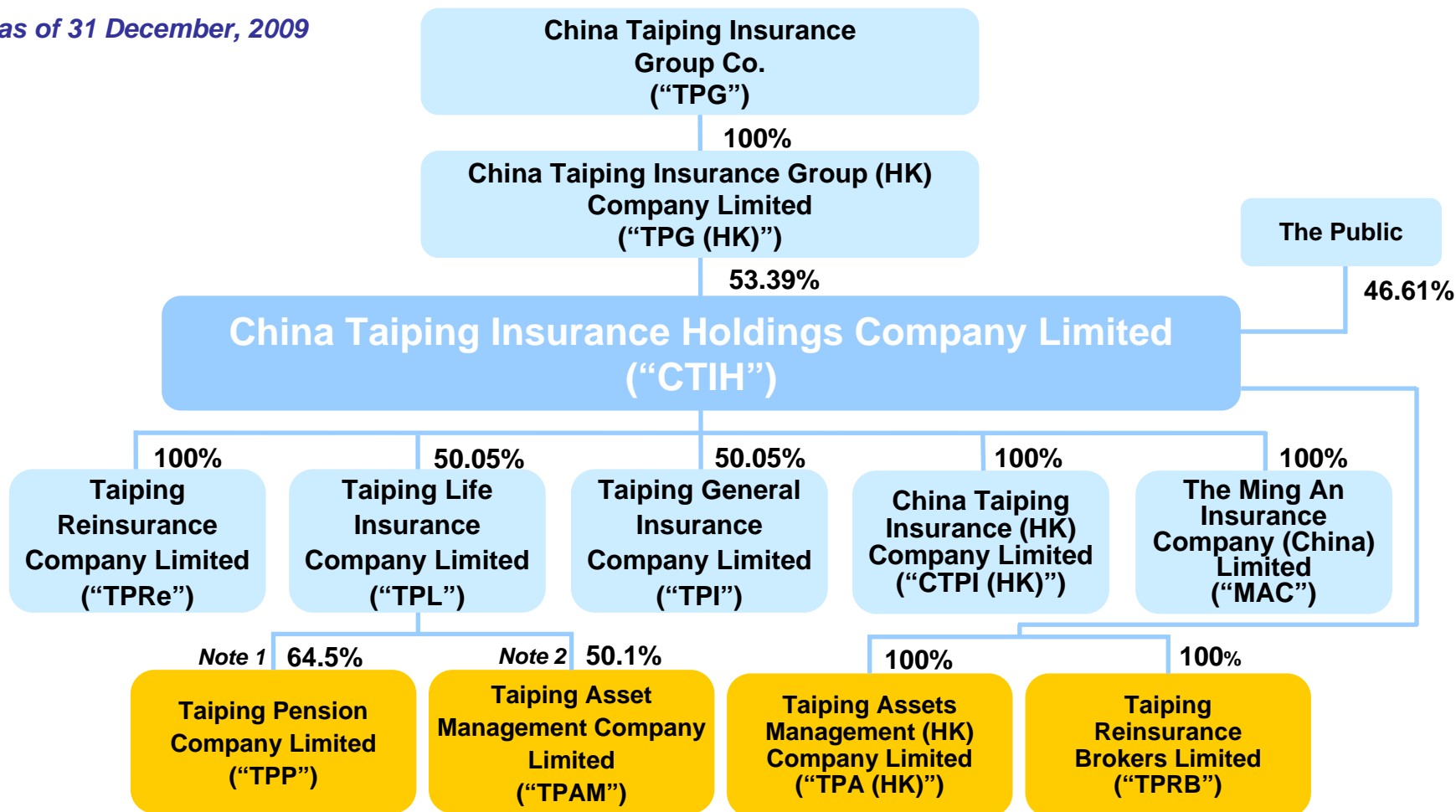


Forward-Looking Statements

This presentation and subsequent discussions may contain certain forward-looking statements with respect to the financial condition, results of operations and businesses of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Annual Report.

Corporate Structure

Updated as of 31 December, 2009



Note 1: Together with the 14% and 7.5% equity interests held by TPA (HK) and TPI, respectively, CTIH and its subsidiaries' effective interest in TPP is 50.03%. TPG and Fortis own the remaining 4% and 10% equity interests in TPP, respectively

Note 2: Together with the 12% and 9.9% equity interests held by TPA (HK) and TPI, respectively, CTIH and its subsidiaries' effective interest in TPAM is 42.03%. TPG and Fortis own the remaining 20% and 8% equity interests in TPAM, respectively

Chairman's Remark

- ◆ In 2009, CTIH's gross premiums written and policy fees increased significantly to HK\$31,022.72 million from HK\$15,232.33 million in the Last Year, representing a strong increase of 103.7%
- ◆ The net profit attributable to the equity holders for the Year was HK\$825.74 million, a tremendous improvement over the loss in the Last Year of HK\$486.09 million
- ◆ The reinsurance business produced net profit attributable to the equity holders of HK\$404.15 million compared to the profit of HK\$51.85 million achieved Last Year, representing a significant increase of 679.5%. This level of net profit produced in 2009 was TPre's second highest ever in its entire thirty years' history
- ◆ The life insurance business produced profit attributable to the equity holders of HK\$579.31 million, versus the HK\$486.68 million in earnings Last Year, representing an increase of 19.0%. During the Year, the life insurance business generated strong increases in premium and continued to improve its scale of operations

Reminder 1: Application of Merger Accounting for the Acquisition of MAH

- ◆ CTIH acquired an 100% equity interest in MAH in 2009; MAH became a wholly-owned subsidiary of CTIH
- ◆ MAH and the Company were both under the common control of TPG (HK) before and after the acquisitions. As such, the Group has applied Accounting Guideline No. 5 on “Merger Accounting for Common Control Combinations”
- ◆ Under these principles of merger accounting, the acquisition of MAH is accounted for as though the business of MAH has always been carried out by the Group. Accordingly, the following prior year consolidated figures have been restated as if MAH had been consolidated with the Group throughout the prior year presented
- ◆ After the combination of MAH with the Group, the NAV in 2009 increased by HK\$3,616 million, premium income in 2009 increased by HK\$2,227 million, and profit in 2009 increased by HK\$121 million

Reminder 2: Changes in Accounting Policies

- ◆ Changes in measurement of insurance contract liabilities for the life insurance segment and property and casualty insurance segment
- ◆ Unbundling of the following premium deposits from gross written premium recognized in the consolidated income statement:
 - (i) universal life products
 - (ii) unit-linked products
 - (iii) some other products with no significant insurance risk
- ◆ The above changes in accounting policies has been applied retrospectively and the comparative figures of 2008 has been restated accordingly
- ◆ After these changes of accounting policies, the Group's NAV in 2009 increased by HK\$727 million, premium income in 2009 decreased by HK\$3,993 million and the profit in 2009 increased by HK\$18.65 million

Group – Financial Highlights

HK\$ million

| | 2009 | 2008 (Restated) | Change |
|--|-----------|--------------------|-----------|
| Gross premiums written, policy fees and premium deposits | 35,016.10 | 27,609.83 | 26.8% |
| Less: Premium deposits of universal life products | 3,281.34 | 9,748.21 | (66.3%) |
| Premium deposits of unit-linked products | 248.76 | 2,053.06 | (87.9%) |
| Premium deposits of other products | 463.28 | 576.23 | (19.6%) |
| Gross premiums written and policy fees recognized in consolidated income statement | 31,022.72 | 15,232.33 | 2.0 times |
| Net investment income | 4,482.86 | 2,408.71 | 86.1% |
| Goodwill impairment | - | (73.28) | - |
| Net exchange gain/(loss) | 7.87 | (180.64) | - |
| Profit/(loss) before taxation | 1,480.40 | (594.86) | - |
| Profit/(loss) after taxation | 1,187.64 | (562.38) | - |
| Net profit/(loss) attributable to the owners | 825.74 | (486.09) | - |
| Basic earnings/(loss) per share (HK cent) | 52.7 | (31.3) | - |

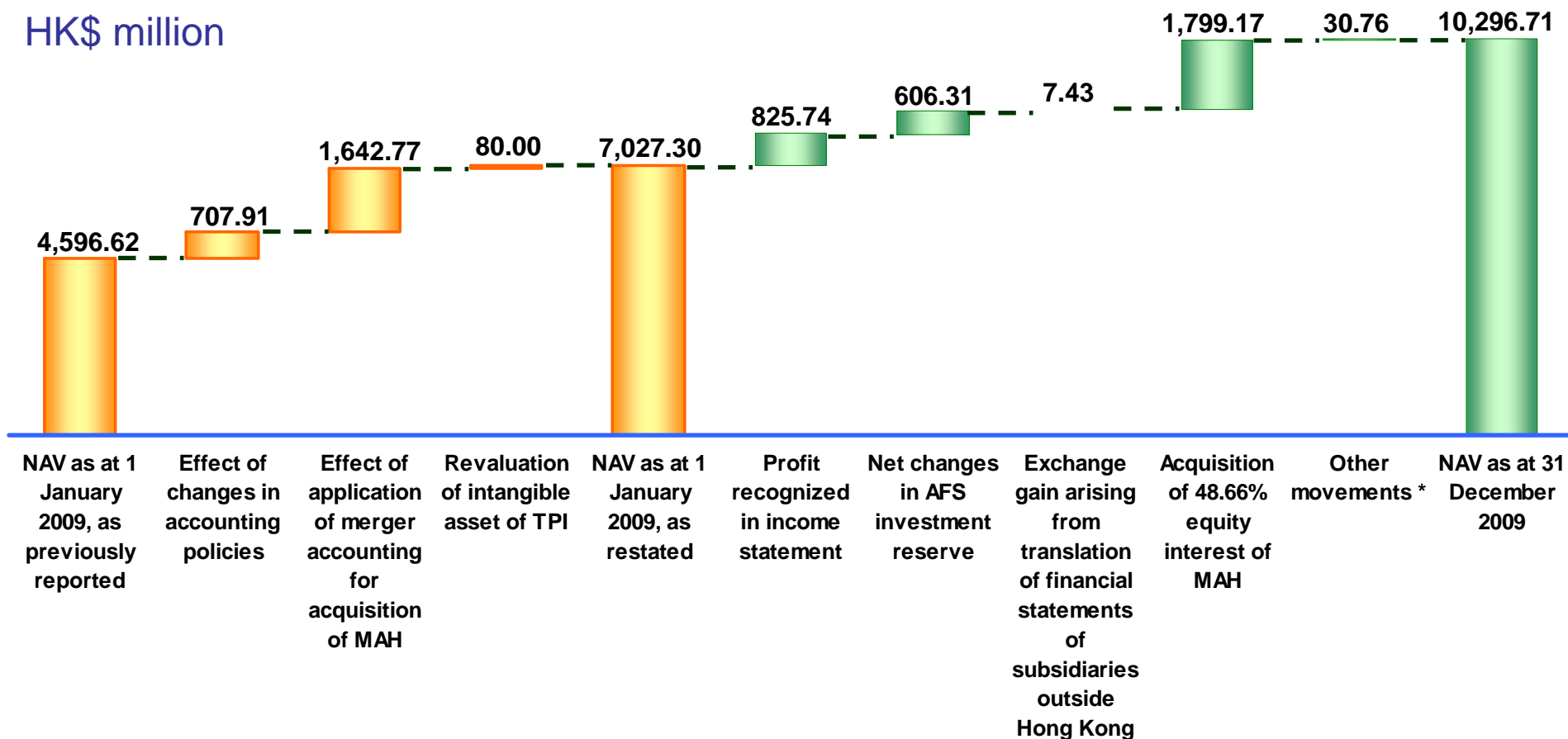
Group – Investment Income Highlights

| HK\$ million | 2009 | 2008 (Restated) | Change |
|--|-----------------|--------------------|--------------|
| Net investment income | 3,151.73 | 2,865.61 | 10.0% |
| Net realized investment gains | 1,314.62 | 75.95 | 17.3 times |
| Net unrealized investment gains/(losses) | 16.51 | (98.71) | - |
| Impairment on AFS debt and equity securities | - | (434.14) | - |
| Total investment income | 4,482.86 | 2,408.71 | 86.1% |

* The above-mentioned investment income figures do not include investment income from Unit-linked products

Movement of the Net Assets Value Attributable to the Owners of The Company (“NAV”)

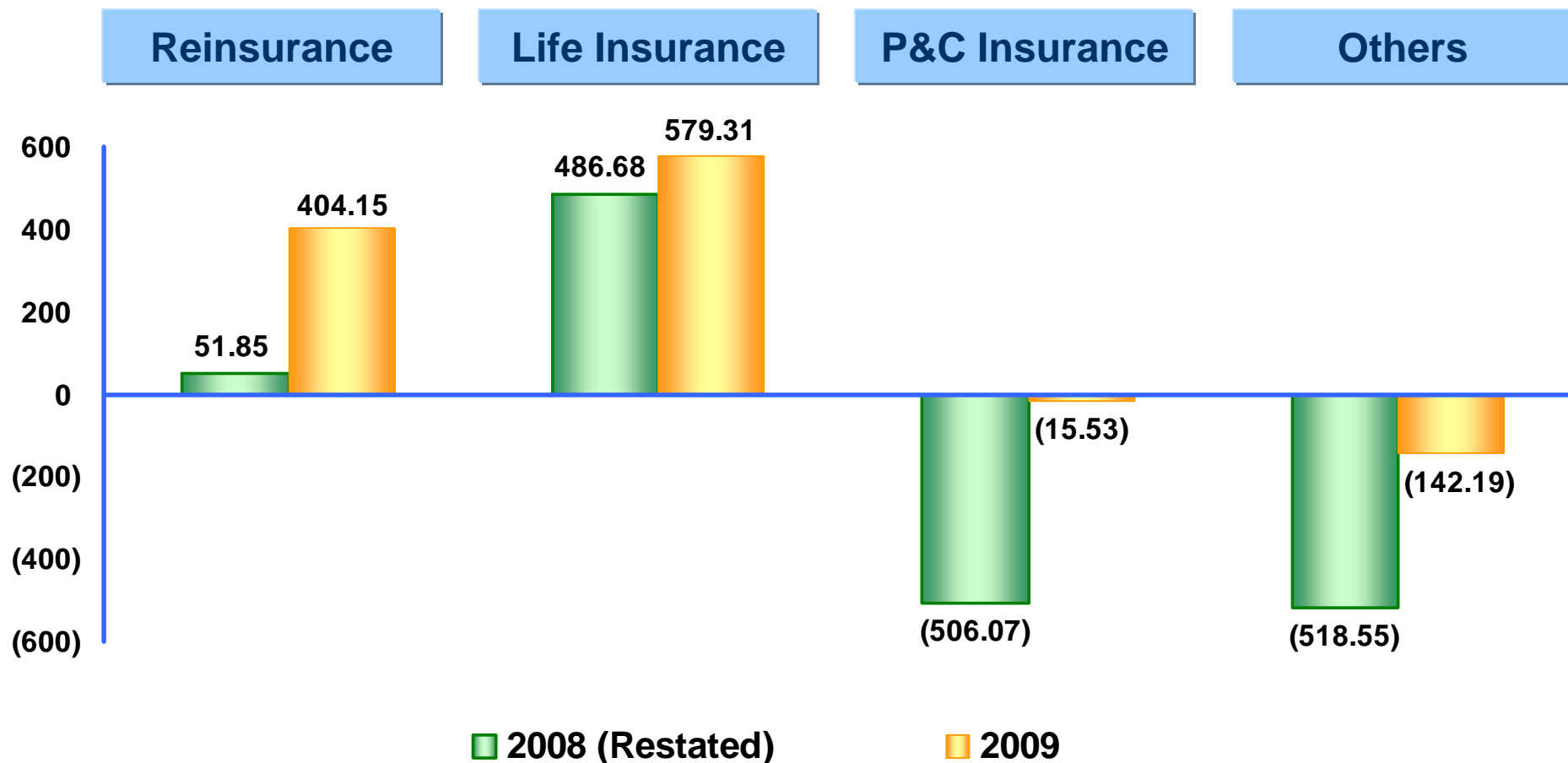
HK\$ million



* Other movements mainly include the amortization of the costs of the Shares acquired under the Share Award Scheme

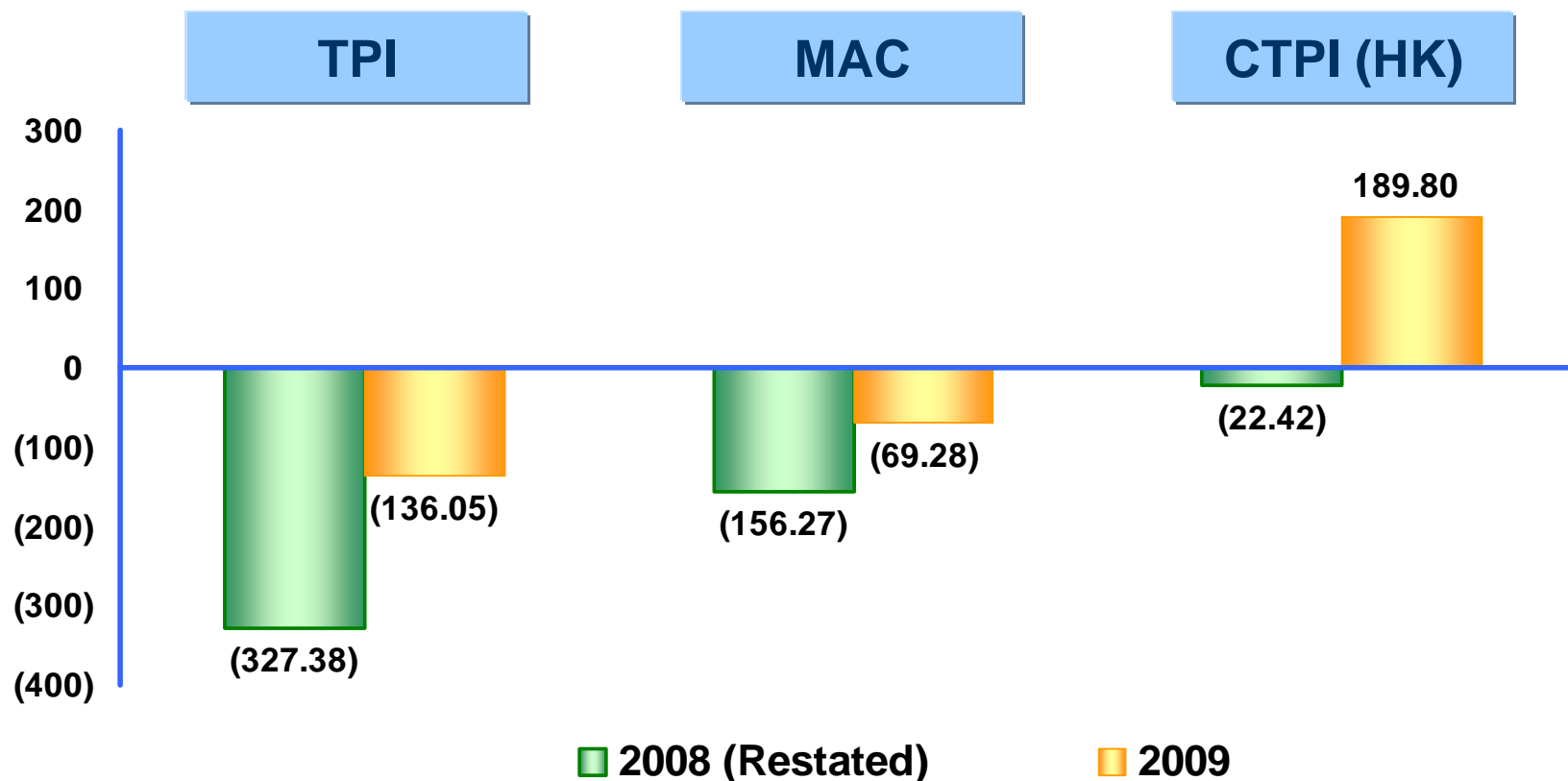
Net Profit/(Loss) by Business Segment

HK\$ million



Analysis of Profits/(Losses) in P&C Business

HK\$ million



Analysis of Losses Incurred in Others Segment

| HK\$ million | 2009 | 2008 (Restated) | Change |
|--|-----------------|--------------------|----------------|
| Holding company and other businesses | 7.14 | (239.02) | - |
| Pension company operated by TPP | (122.13) | (164.53) | (25.8%) |
| Assets management companies operated by TPAM and TPA (HK) | (27.20) | (41.72) | (34.8%) |
| Goodwill impairment | - | (73.28) | - |
| | (142.19) | (518.55) | (72.6%) |

Reconciliation of the Net Profit Attributable to the Owners Before and After the Change in Accounting Policies by Each Business Line

For the Year Ended 31 December 2009
 HK\$ million

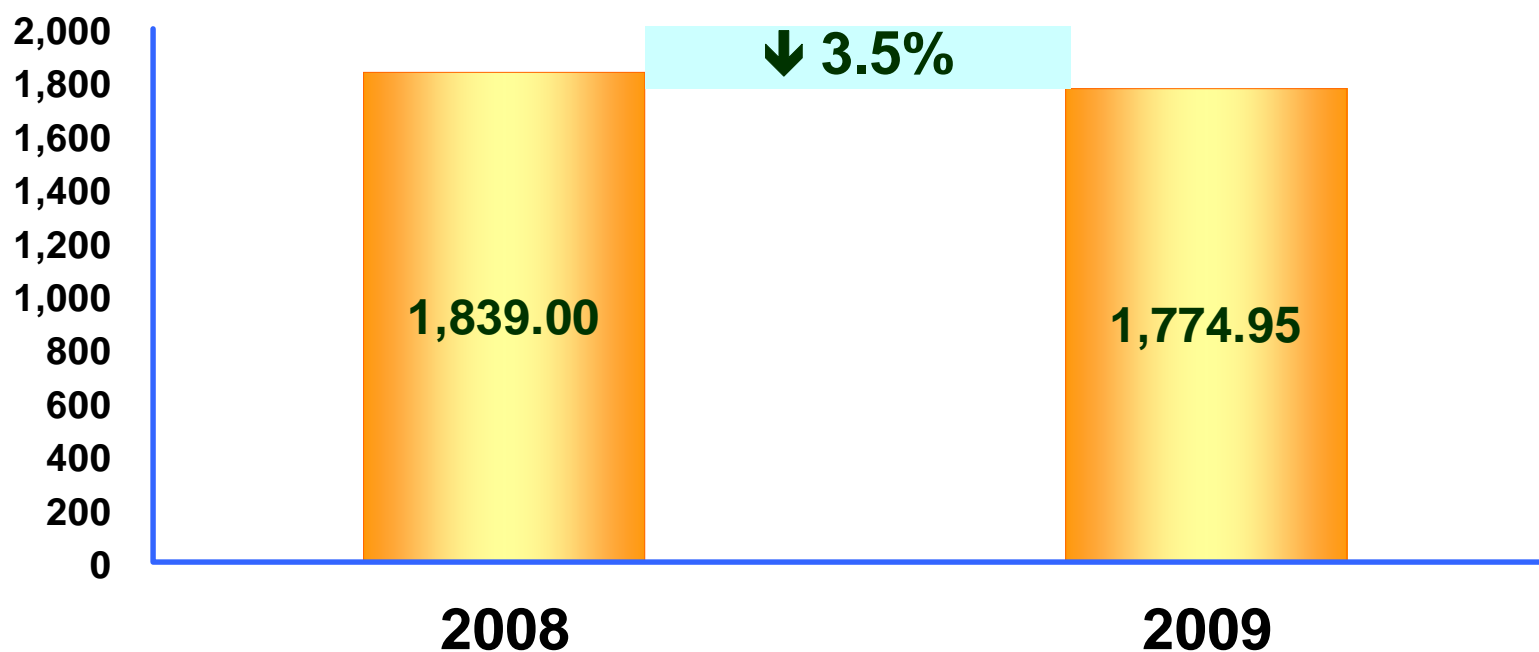
| | Net profit /(loss) attributable to the owners before adjustment | Effect of changes in accounting policies | Net profit /(loss) attributable to the owners after adjustment |
|--|--|---|---|
| Reinsurance | 404.15 | - | 404.15 |
| Life insurance | 632.39 | (53.08) | 579.31 |
| Property and casualty insurance | (87.26) | 71.73 | (15.53) |
| PRC operations carried out by: | | | |
| – TPI | (181.87) | 45.82 | (136.05) |
| – MAC | (99.55) | 30.27 | (69.28) |
| Hong Kong operations carried out by: | | | |
| – CTPI (HK) * | 194.16 | (4.36) | 189.80 |
| Other businesses | (142.19) | - | (142.19) |
| Total | 807.09 | 18.65 | 825.74 |

* The figures include the financial results of MAH itself and the subsidiaries (other than MAC) of CTPI (HK)

Reinsurance Business Review – TPRe

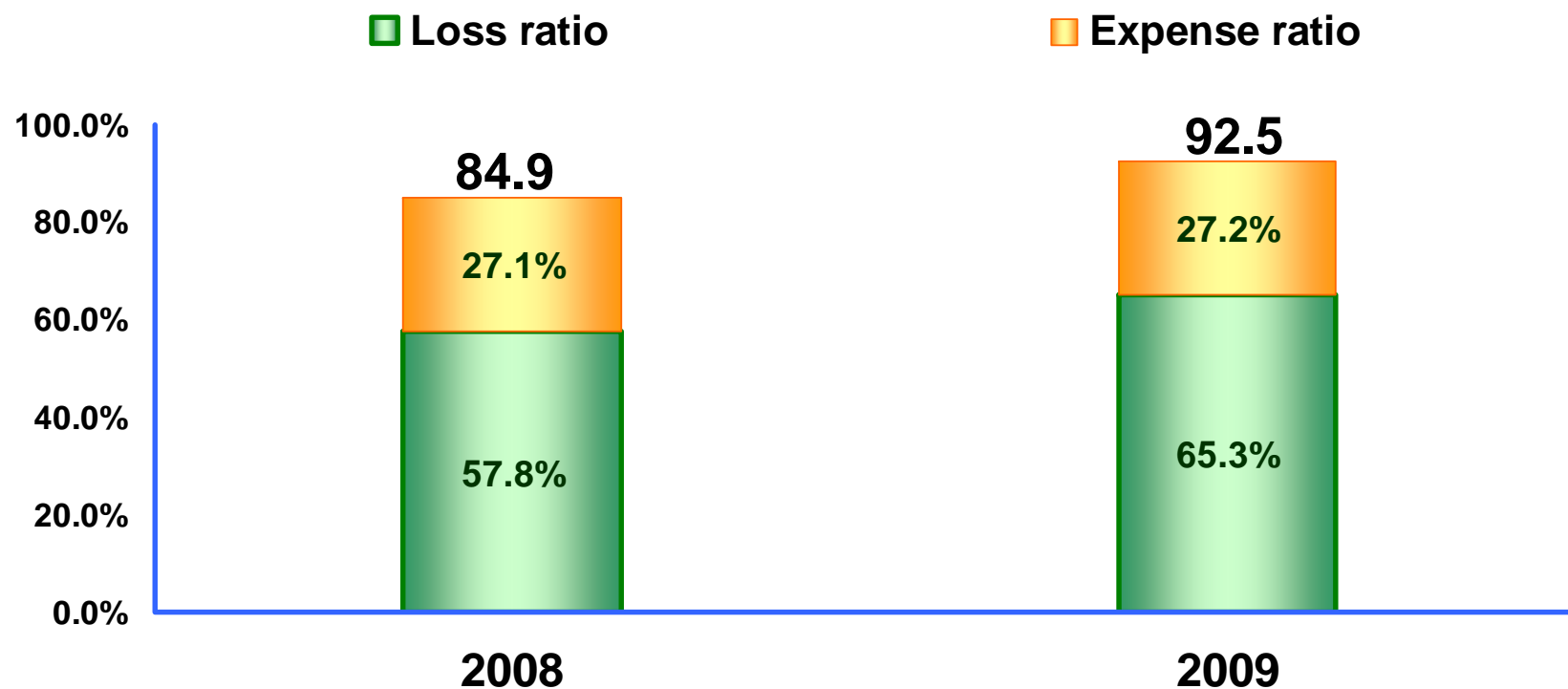
Reinsurance – Premium Growth

HK\$ million



The decrease in premium was due to a revised accounting treatment for accrued premium

Reinsurance – Combined Ratio



1. The loss ratio is based on net earned premiums
2. The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 26.2% for the Year (2008: 27.7%)
3. The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 91.5 for the Year (2008: 85.5)

Reinsurance – Investment Income and Yield

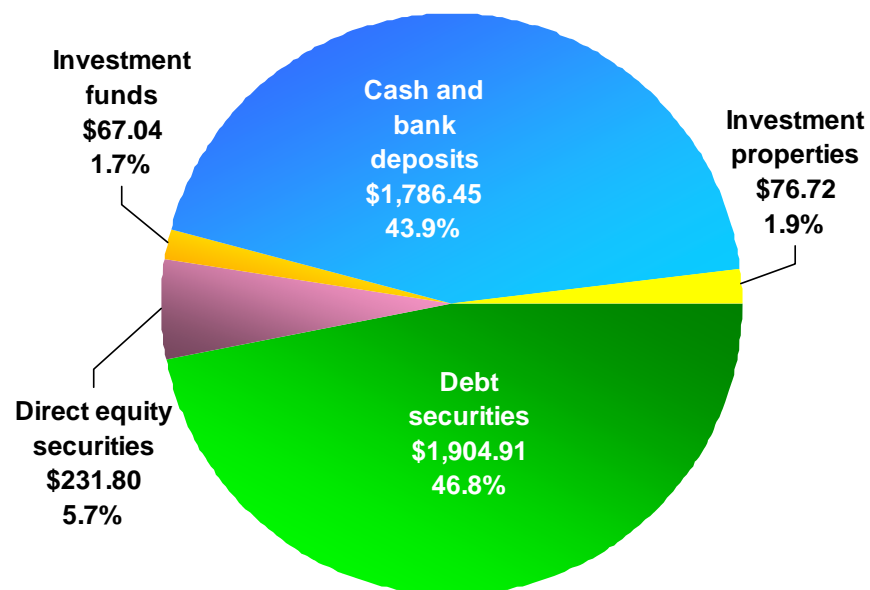
HK\$ million

| | 2009 | 2008 | Change |
|--|--------|----------|--------|
| <u>Income recognized in Income Statement</u> | | | |
| Net investment income | 179.31 | 178.67 | 0.4% |
| Net realized investment gains/(losses) | 96.01 | (96.96) | - |
| Net unrealized investment gains/(losses) | 32.59 | (73.79) | - |
| Impairment on AFS equities | - | (105.82) | - |
| Total investment income/(loss) | 307.91 | (97.90) | - |
| Total investment yield | 6.8% | (2.2%) | - |
| Unrealized gains/(losses) recognized in the fair value reserve | 154.33 | (171.42) | - |

Reinsurance – Investment Composition

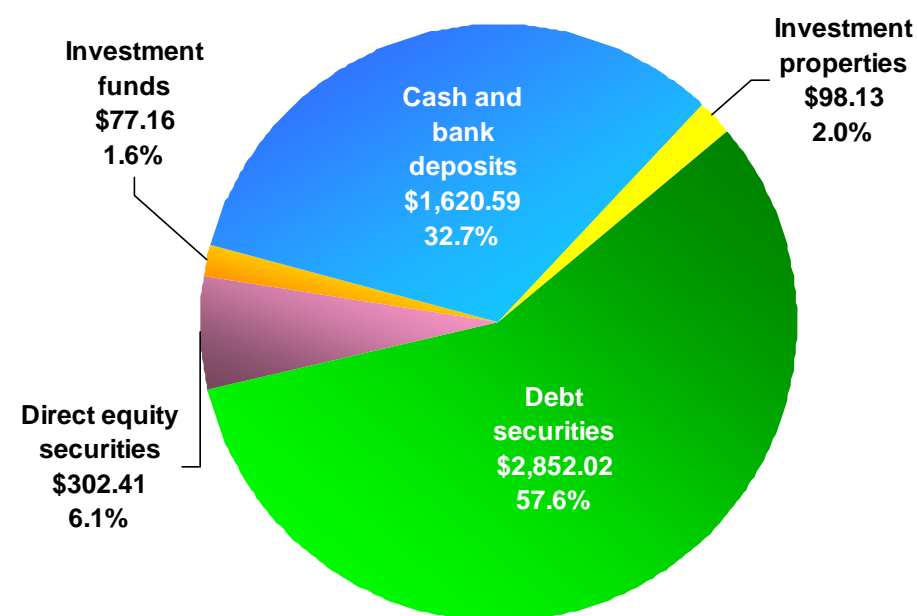
At 31 Dec 2008

**Total Invested Assets:
HK\$4,066.92 million**



At 31 Dec 2009

**Total Invested Assets:
HK\$4,950.31 million**



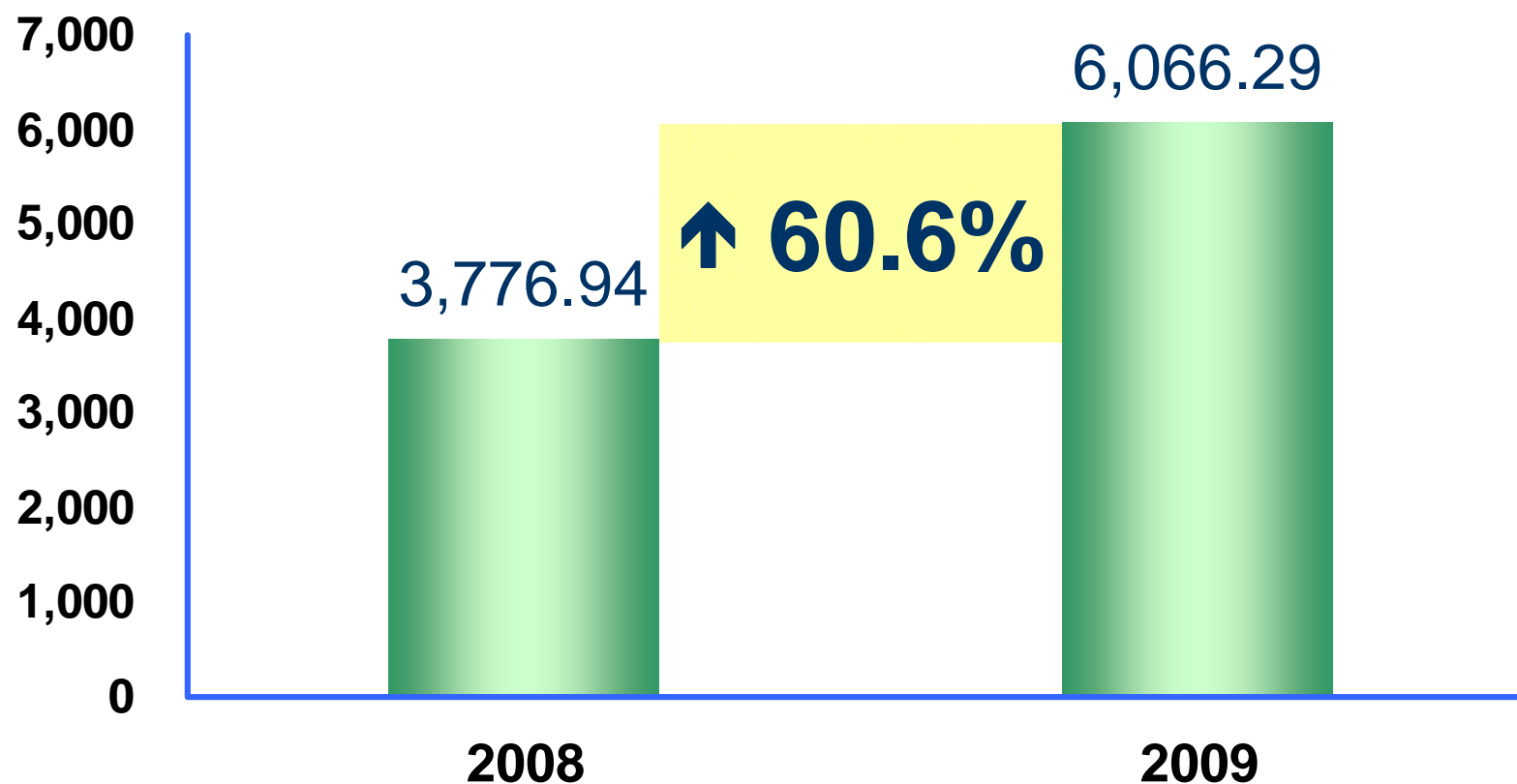
Life Insurance Business Review – TPL

Life Insurance – Gross Premium and Premium Deposits

| HK\$ million | 2009 | 2008 (Restated) | Change |
|--|-----------|--------------------|-----------|
| Gross premiums written and premium deposits | 25,629.61 | 21,207.79 | 20.9% |
| Less: Premium deposits of universal life products | 3,281.34 | 9,748.21 | (66.3%) |
| Premium deposits of unit-linked products | 248.76 | 2,053.06 | (87.9%) |
| Premium deposits of other products | 463.28 | 576.23 | (19.6%) |
| Gross premiums written recognized in income statement | 21,636.23 | 8,830.29 | 2.5 times |

Life Insurance – First Year Regular Premium Growth

HK\$ million

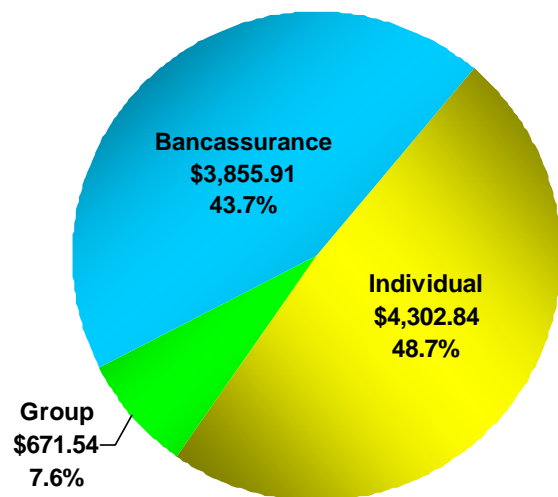


Life Insurance – Gross Premiums (Recognized in Income Statement)

By Distribution Channels

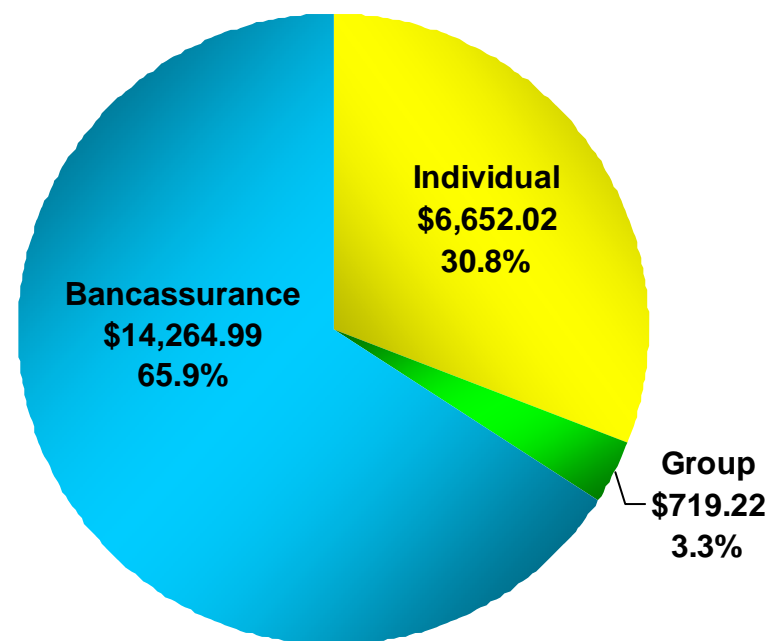
2008

Total: HK\$8,830.29 million



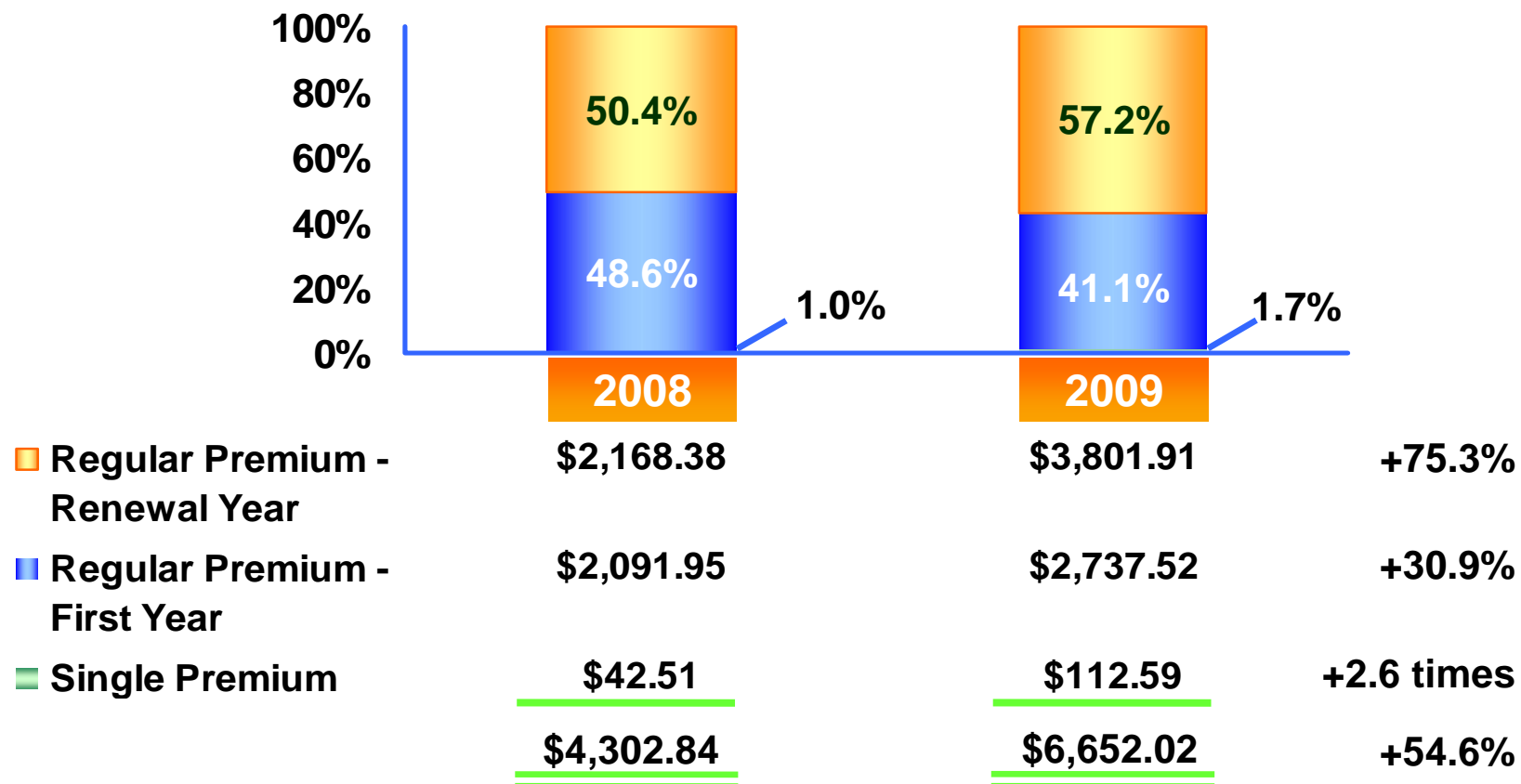
2009

Total: HK\$21,636.23 million



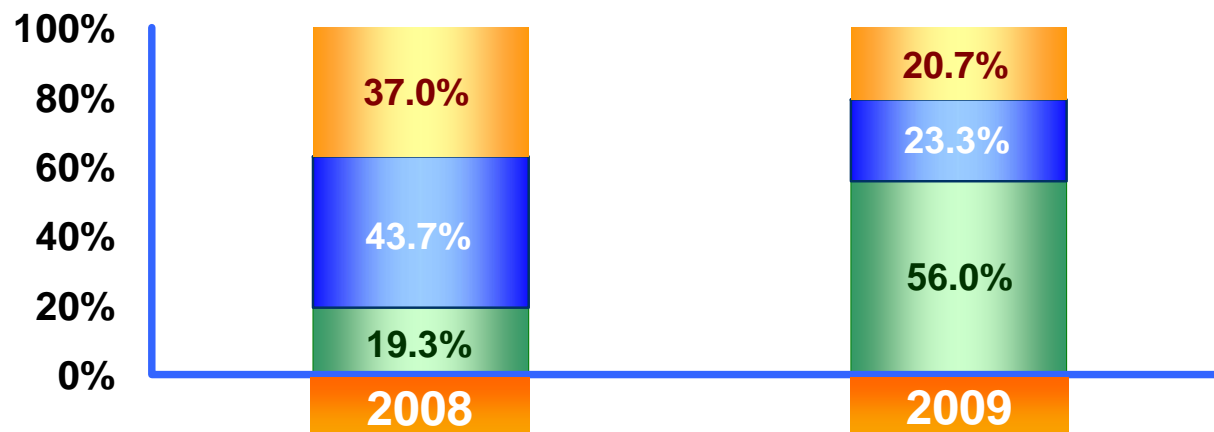
Life Insurance – Individual Gross Premium

HK\$ million



Life Insurance – Bancassurance Gross Premium

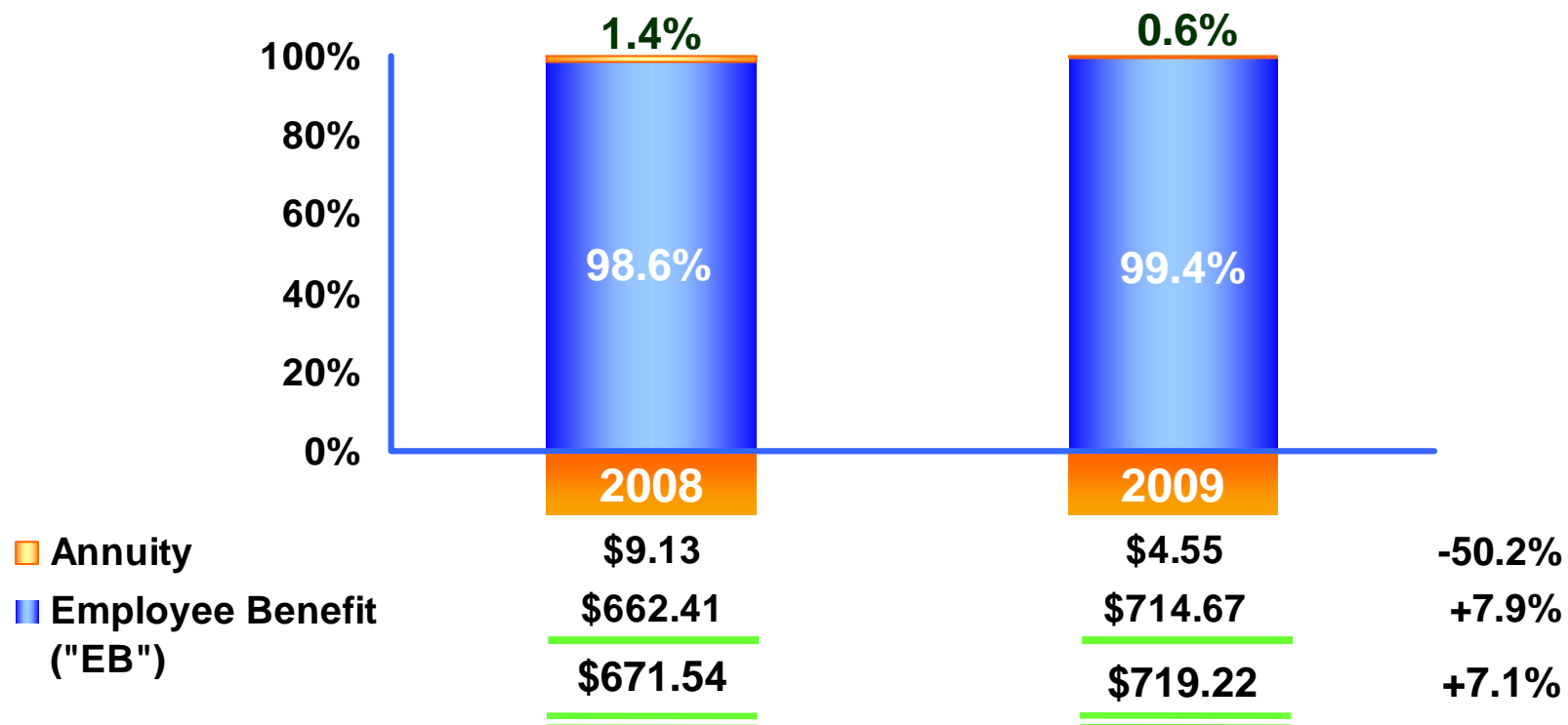
HK\$ million



| | | | |
|----------------------------------|-------------------|--------------------|-------------|
| ■ Regular Premium - Renewal Year | \$1,426.58 | \$2,955.24 | +2.1 times |
| ■ Regular Premium - First Year | \$1,684.99 | \$3,328.77 | +97.6% |
| ■ Single Premium | \$744.34 | \$7,980.98 | +10.7 times |
| | <u>\$3,855.91</u> | <u>\$14,264.99</u> | +3.7 times |

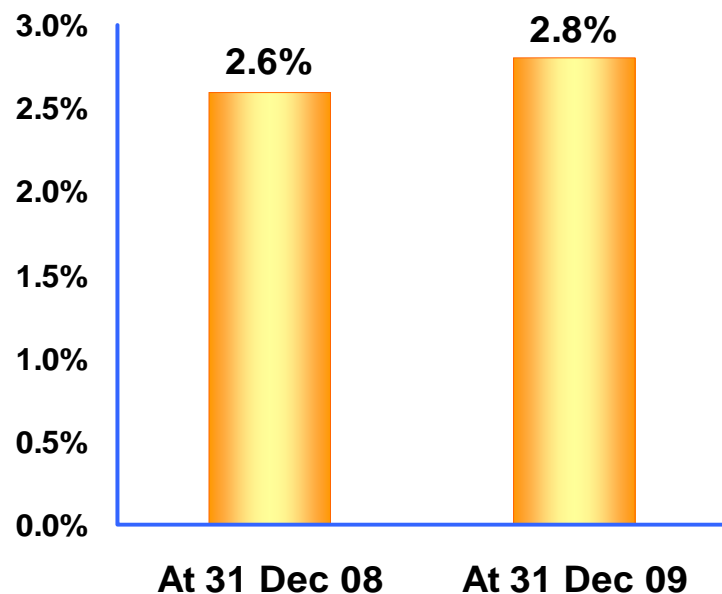
Life Insurance – Group Gross Premium

HK\$ million



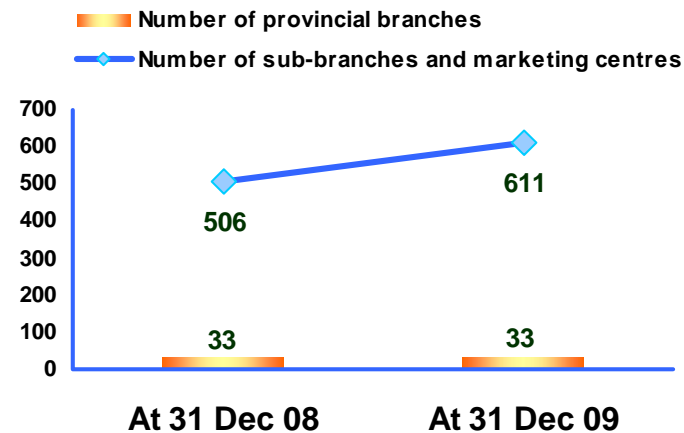
Life Insurance – Key Operational Data (1/2)

Market Share

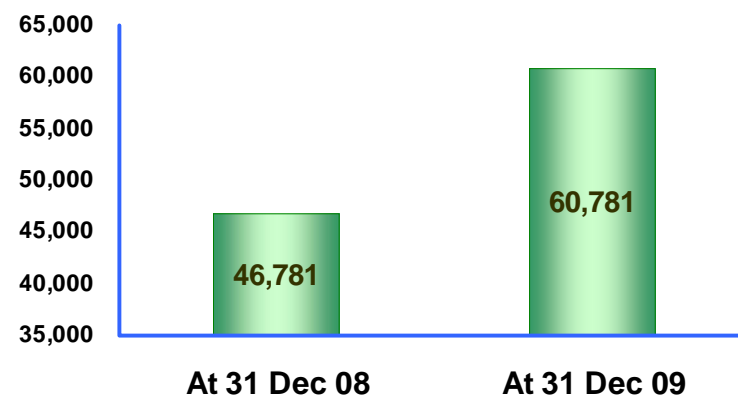


Based on premiums published by the CIRC

Number of Branches

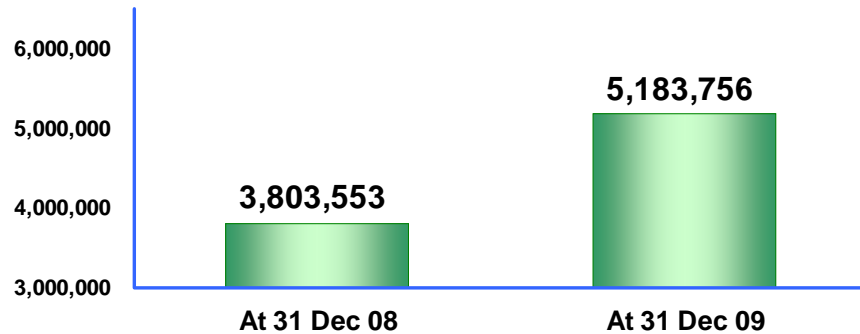


Number of Individual Agents

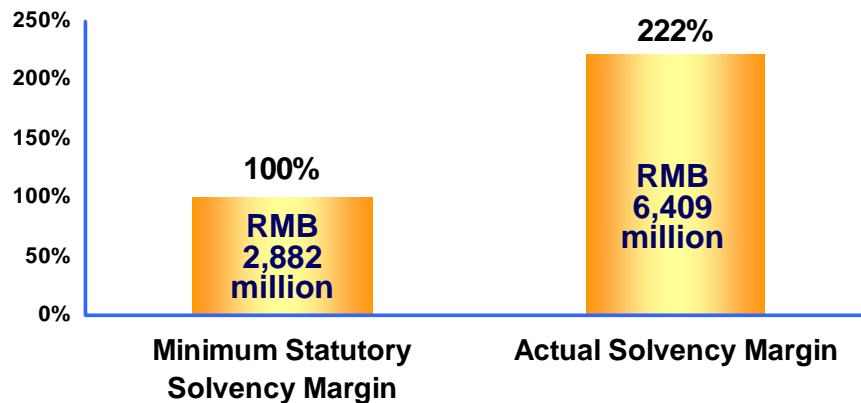


Life Insurance – Key Operational Data (2/2)

Number of In-Force Policies



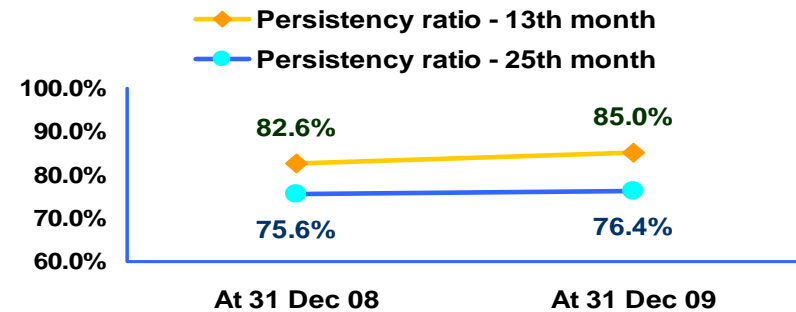
Solvency Margin



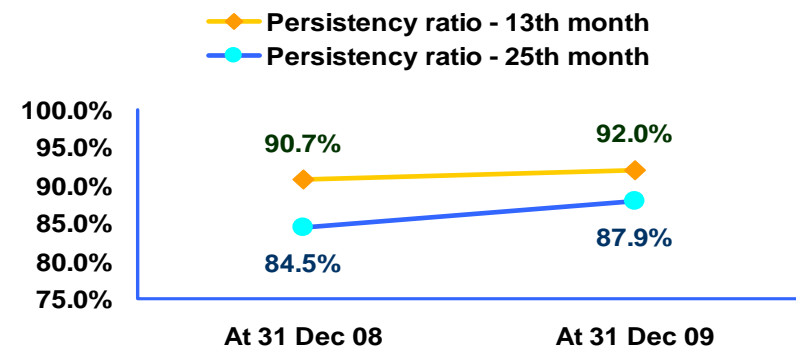
As at 31 December 2009, based on CIRC regulations

Compound Persistency Ratio of Regular Premiums

Individual



Bancassurance



Based on amount of premiums

Life Insurance – Investment Income and Yield

HK\$ million

Income recognized in Income Statement

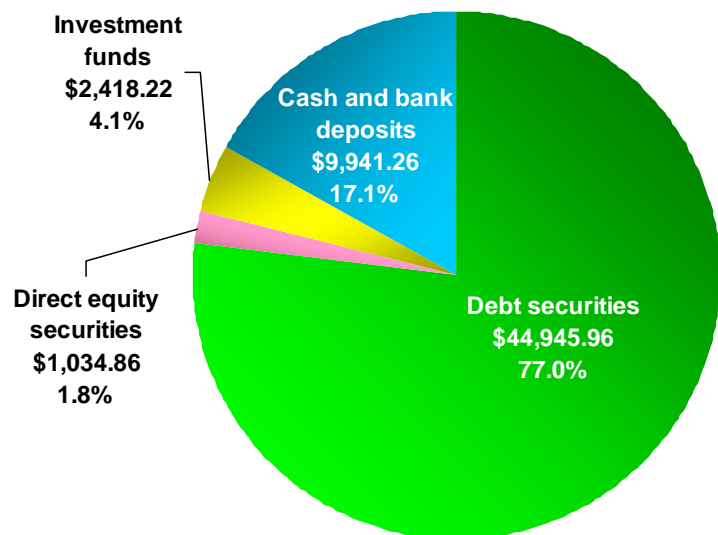
| | 2009 | 2008 | Change |
|--|----------|------------|--------|
| Net investment income | 2,576.91 | 2,286.08 | 12.7% |
| Net realized investment gains | 928.24 | 483.53 | 92.0% |
| Net unrealized investment (losses)/gains | (22.25) | 1.55 | - |
| Impairment on AFS equities | - | (94.11) | - |
| Total investment income | 3,482.90 | 2,677.05 | 30.1% |
| Total investment yield | 5.5% | 5.3% | 0.2 pt |
| Unrealized gains/(losses) recognized in the fair value reserve | 653.23 | (1,028.55) | - |

* The above-mentioned investment income and investment yield figures do not include investment income from Unit-linked products

Life Insurance – Investment Composition

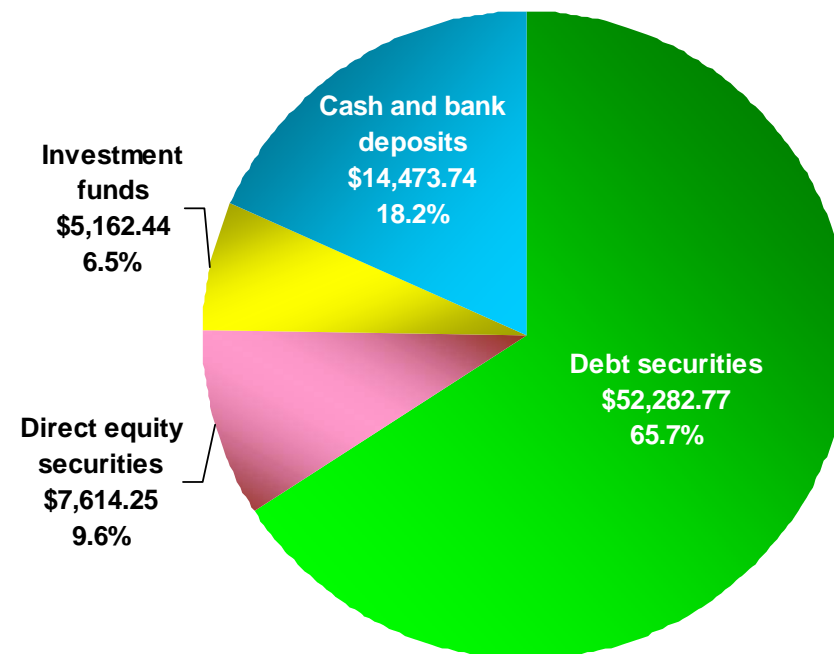
At 31 Dec 2008

**Total Investment Assets:
HK\$58,340.30 million**



At 31 Dec 2009

**Total Investment Assets:
HK\$79,533.20 million**



* Excluding Unit-linked product assets

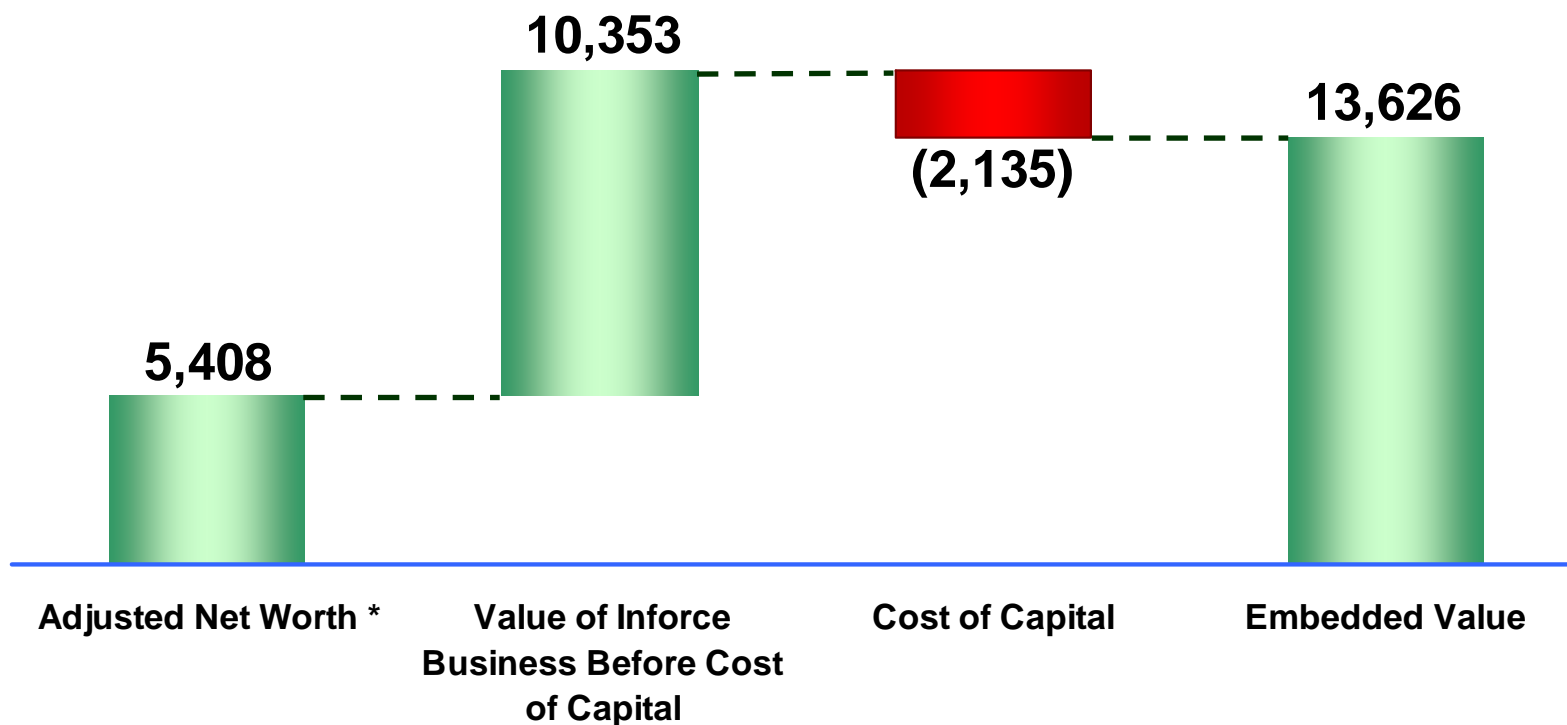
* Cash and bank deposits includes HK\$6,606 million in cash raised by securities sold under repurchase agreements (2008: HK\$4,207 million)

Embedded Value of TPL

Embedded Value of TPL – Key Components

At 31 December, 2009

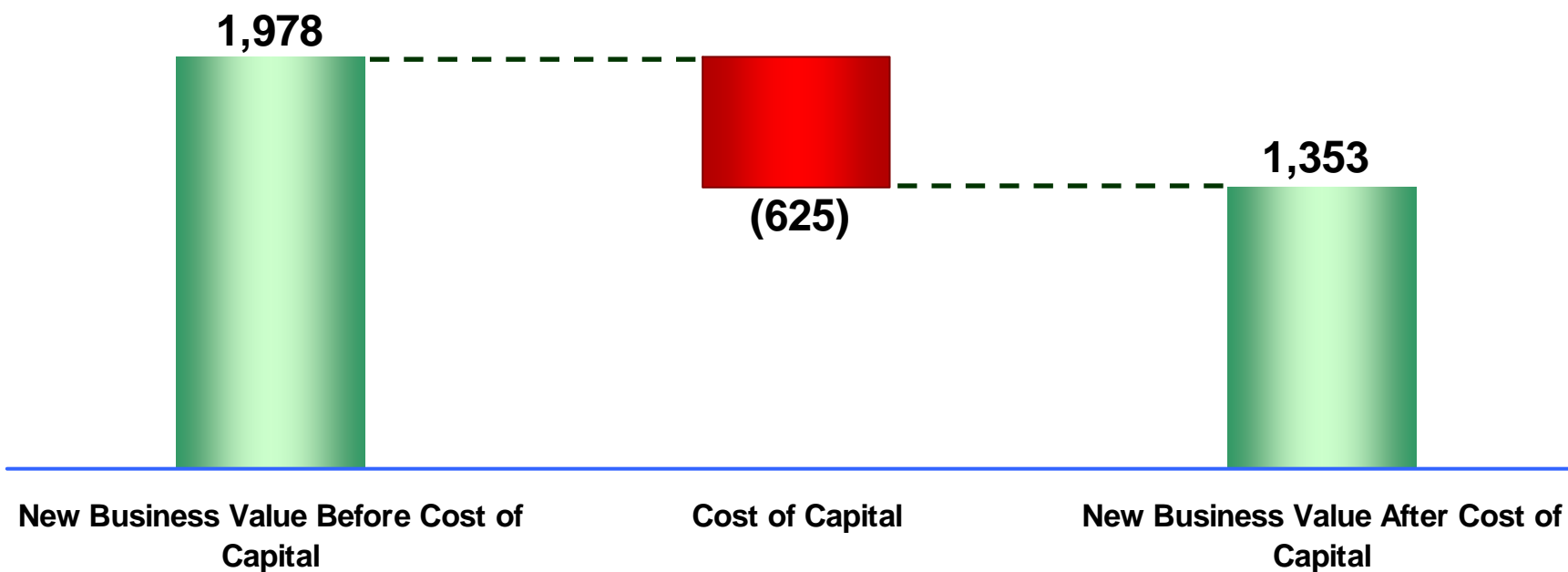
HK\$ million



* Adjusted net worth is the audited shareholders' net assets of TPL as measured on a PRC statutory basis, which is different from PRC accounting standards

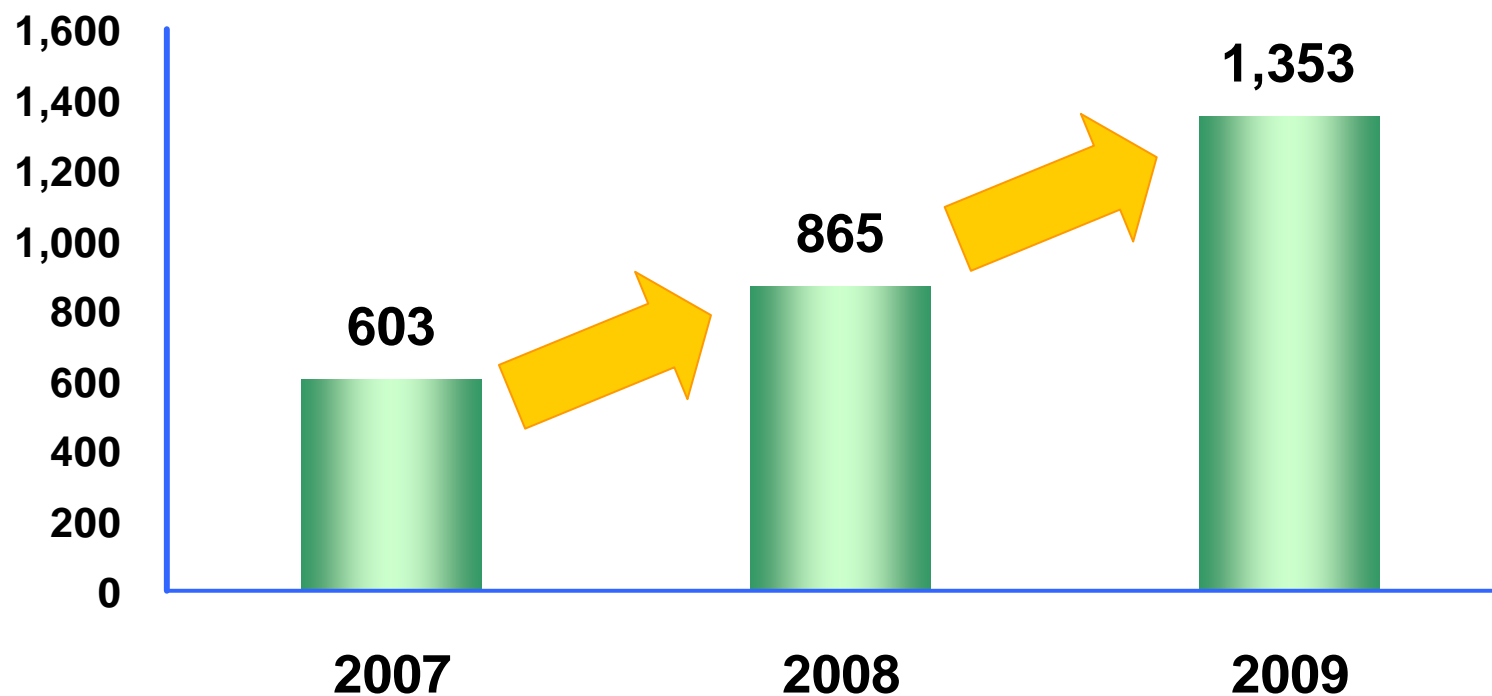
Embedded Value of TPL – Analysis of New Business Value

At 31 December, 2009
HK\$ million



Embedded Value of TPL – Trend of New Business Value

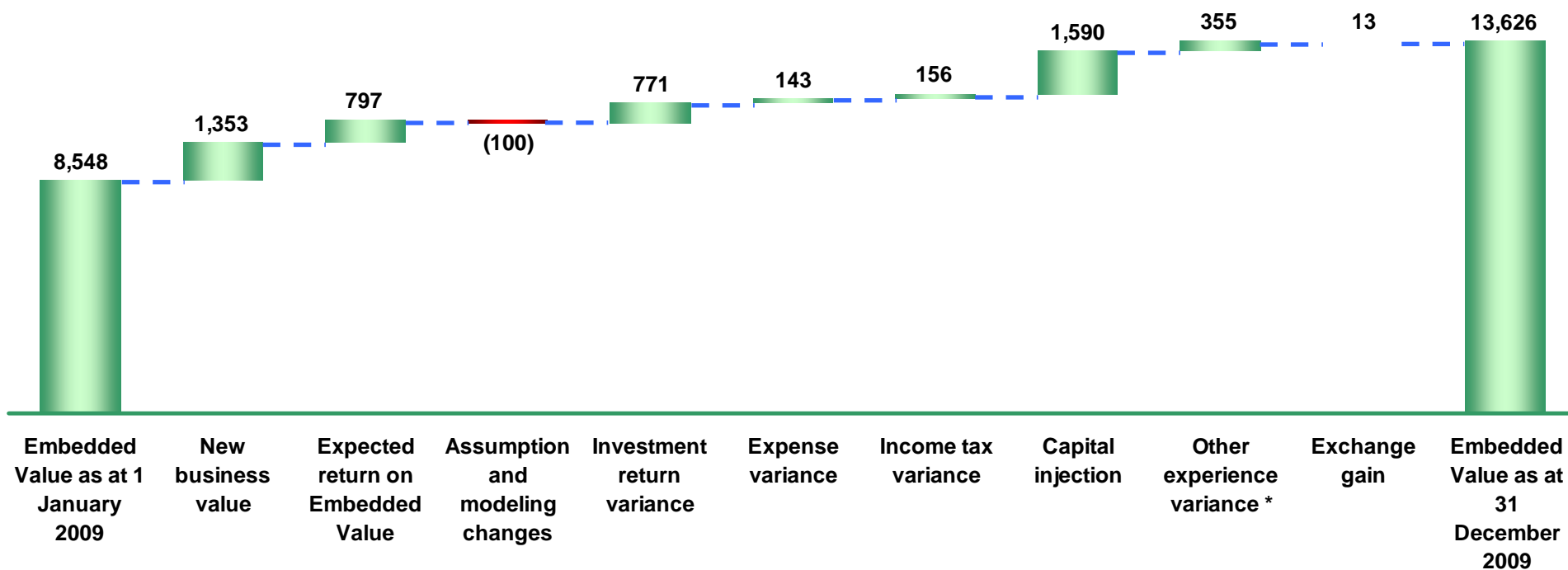
HK\$ million



Embedded Value of TPL

– Movement Analysis of Embedded Value

HK\$ million



* Other experience variance mainly includes mortality, morbidity, lapses and business tax

Embedded Value of TPL – Key Assumptions

| Assumptions | Description |
|--------------------|---|
| Risk discount rate | 11.5% for base case |
| Investment return | 4.0% in 2010, increasing to 4.5% in 2020 and thereafter (In 2008, assumed to be 4.0% in 2009, increasing to 4.5% in 2020 and thereafter) |
| Expenses | Expenses have been projected based on benchmark assumptions |
| Tax | The tax rate is assumed to be 25% according to the tax regulations of the PRC |
| Mortality | Based on 70% of the China Life (2000-2003) table for non-annuities, with a three-year selection period |
| Morbidity | Based on the Group's own pricing tables |
| Lapses | Based on TPL's actuarial pricing assumptions and adjusted to reflect the results of its recent experience studies |
| Required capital | Based on 120% of the minimum solvency margin (2008: 120%) |

Embedded Value of TPL – Sensitivity Tests

As of 31 December, 2009

HK\$ million

| Assumptions | Value of in-force business after cost of capital | New business value after cost of capital |
|--|--|--|
| Base scenario | 8,218 | 1,353 |
| Risk discount rate of 12.5% | 7,546 | 1,140 |
| Risk discount rate of 10.5% | 8,976 | 1,587 |
| Investment return increased by 25bp every year | 8,566 | 1,461 |
| Investment return decreased by 25bp every year | 7,858 | 1,237 |
| 10% increase in maintenance expenses | 7,942 | 1,269 |
| 10% decrease in maintenance expenses | 8,484 | 1,430 |
| 10% increase in lapse rates | 8,184 | 1,305 |
| 10% decrease in lapse rates | 8,238 | 1,391 |
| 10% increase in mortality and morbidity rates and claims ratio | 8,097 | 1,315 |
| 10% decrease in mortality and morbidity rates and claims ratio | 8,330 | 1,383 |
| Policyholder dividend increased to 80% | 7,602 | 1,110 |
| Lapse rates for Universal Life increased to 50% at the end of the 10th policy year | 8,086 | 1,349 |
| Required capital at 100% of solvency margin | 8,661 | 1,478 |
| Required capital at 150% of solvency margin | 7,533 | 1,151 |

Property and Casualty Insurance Business Review

**PRC Operations – TPI
– MAC**

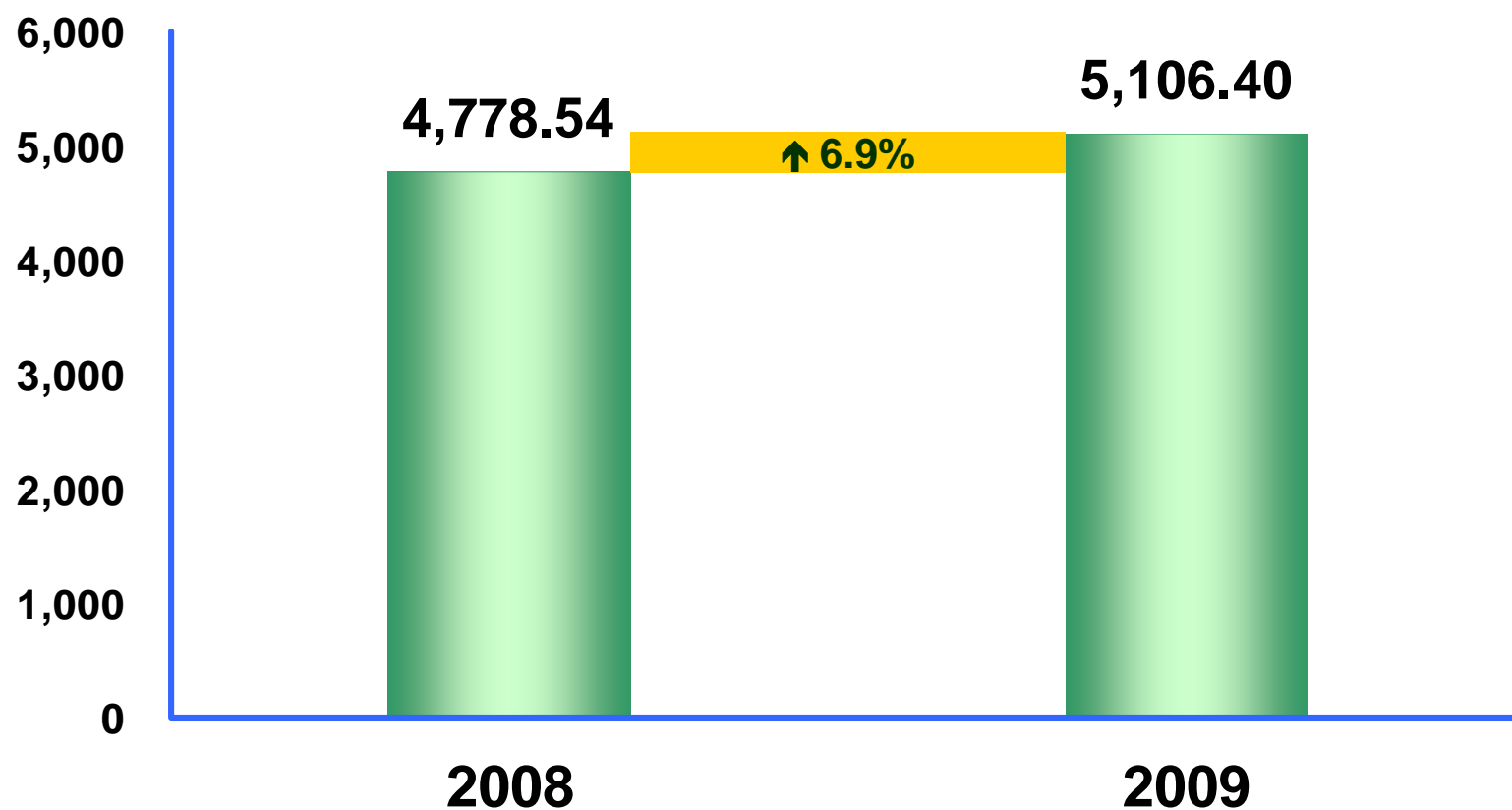
Hong Kong Operations – CTPI (HK)

PRC Operations – TPI

Note: Before 15 July 2008, TPI was an associate of CTIH and was consolidated under the equity accounting method

P&C Insurance – TPI Premium Growth

HK\$ million

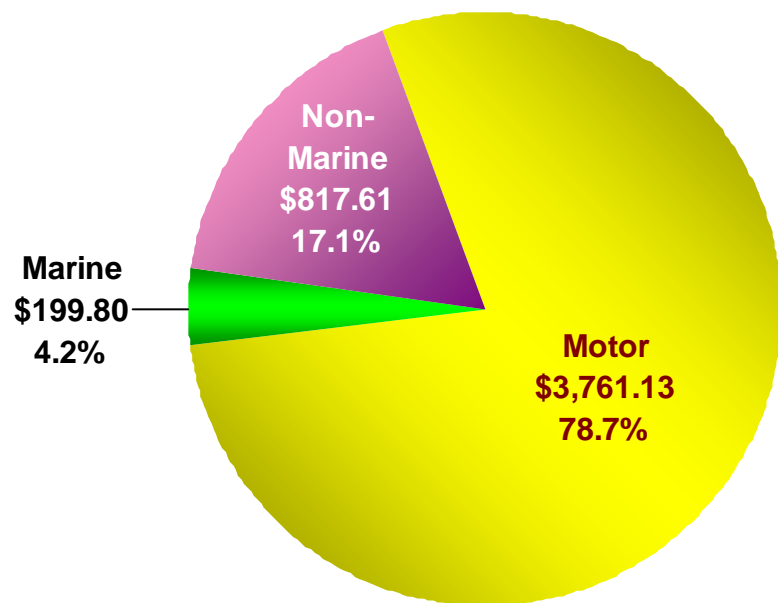


P&C Insurance – TPI Gross Premium

By Product Lines

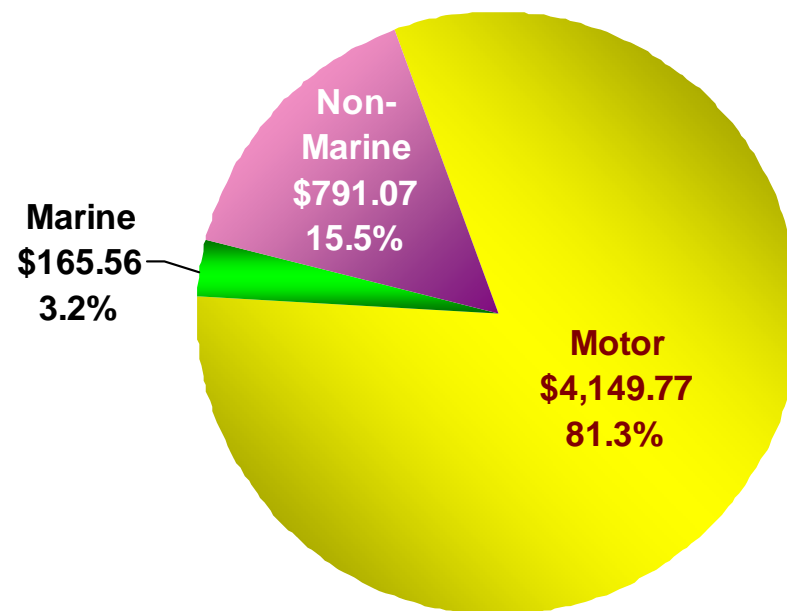
2008

Total: HK\$4,778.54 million



2009

Total: HK\$5,106.40 million



P&C Insurance – TPI Combined Ratio



1. The loss ratio is based on net earned premiums
2. The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 46.0% for the Year (2008: 48.6%)
3. The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 108.2 for the Year (2008: 113.3)

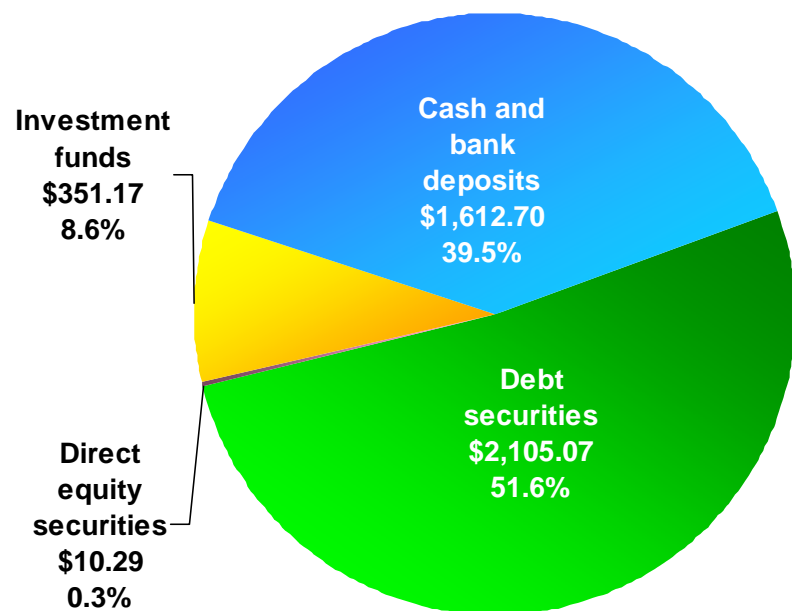
P&C Insurance – TPI Investment Income and Yield

| HK\$ million | 2009 | 2008 | Change |
|--|--------|----------|-----------|
| <u>Income recognized in Income Statement</u> | | | |
| Net investment income | 136.12 | 235.30 | (42.2%) |
| Net realized investment gains/(losses) | 54.93 | (156.29) | - |
| Impairment on AFS equities | - | (44.97) | - |
| Total investment income | 191.05 | 34.04 | 5.6 times |
| Total investment yield | 4.6% | 1.1% | 3.5 pts |
| Unrealized gains/(losses) recognized in the fair value reserve | 91.81 | (164.55) | - |

P&C Insurance – TPI Investment Composition

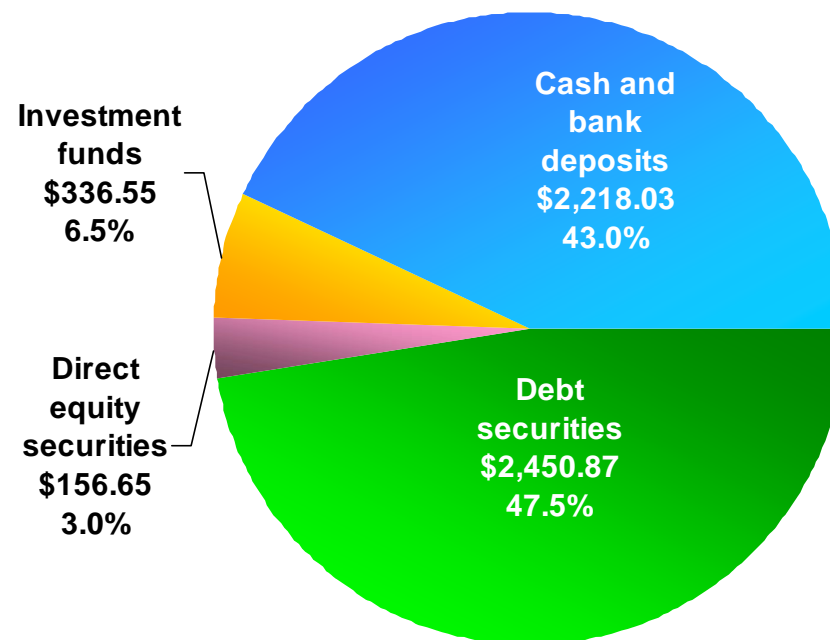
At 31 Dec 2008

**Total Invested Assets:
HK\$4,079.23 million**

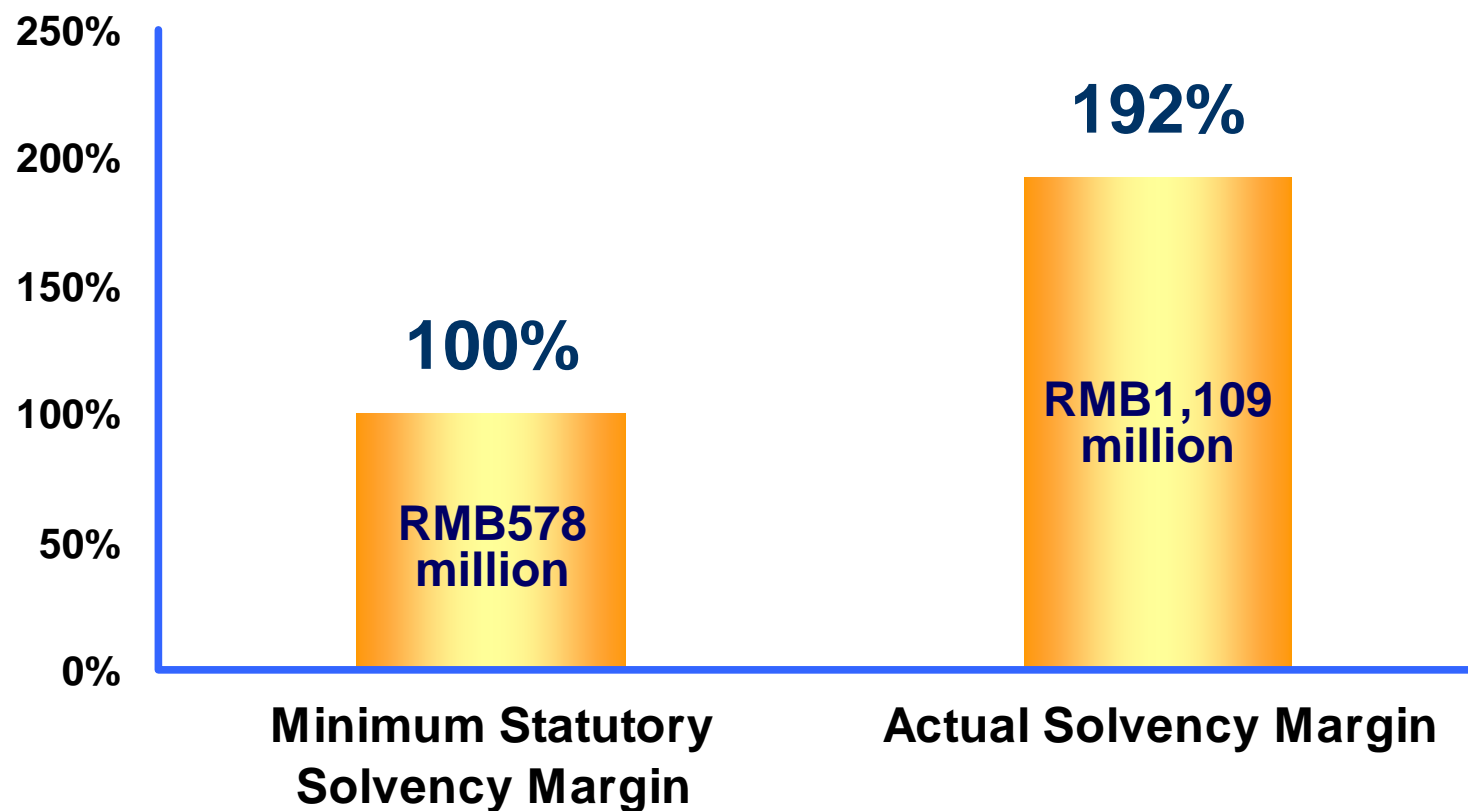


At 31 Dec 2009

**Total Invested Assets:
HK\$5,162.10 million**



P&C Insurance – TPI Solvency Margin

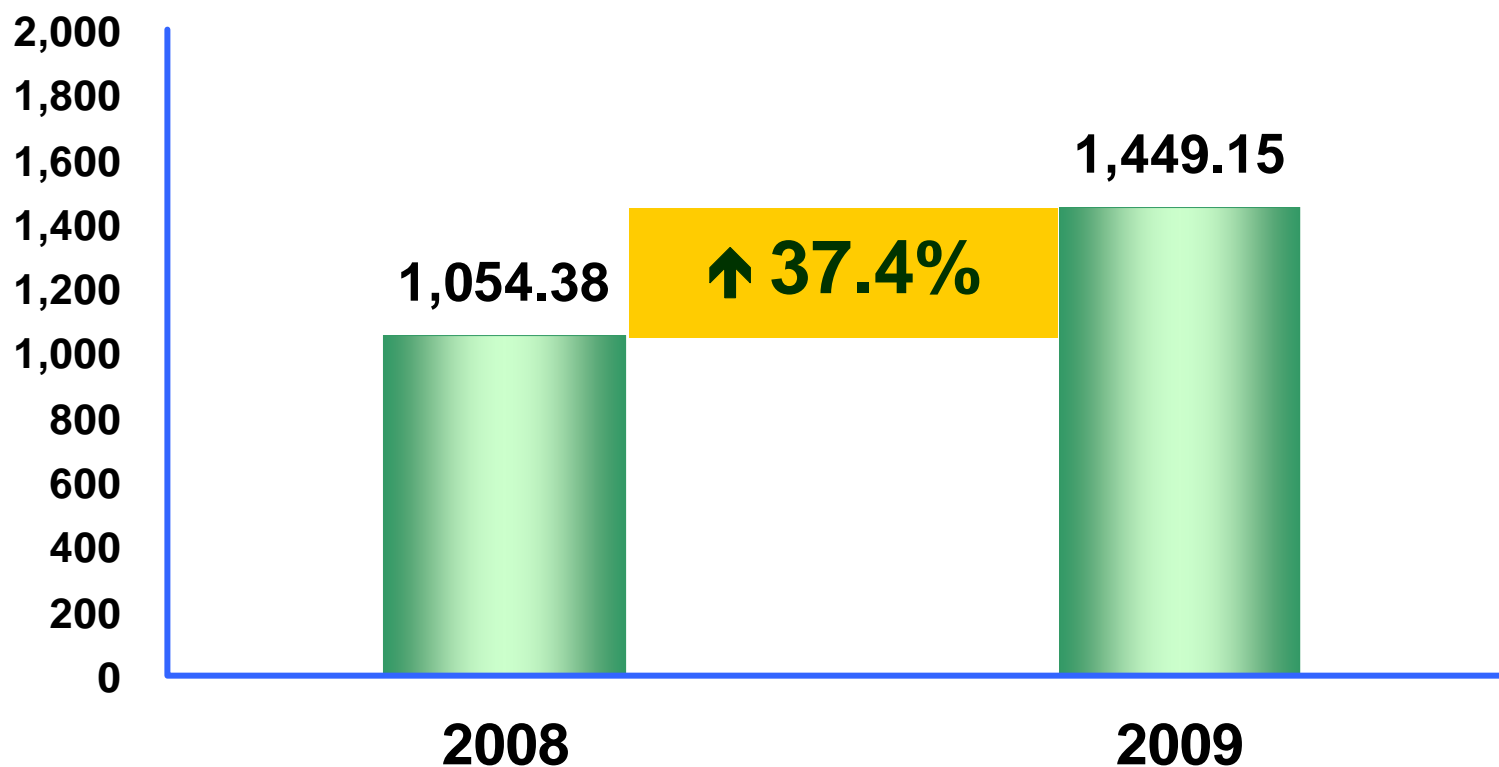


As at 31 December 2009, based on CIRC regulations

PRC Operations – MAC

P&C Insurance – MAC Premium Growth

HK\$ million

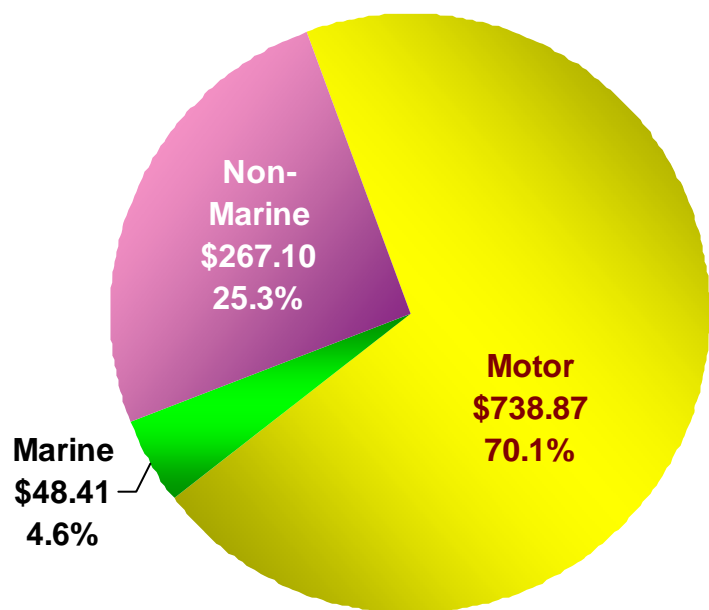


P&C Insurance – MAC Gross Premium

By Product Lines

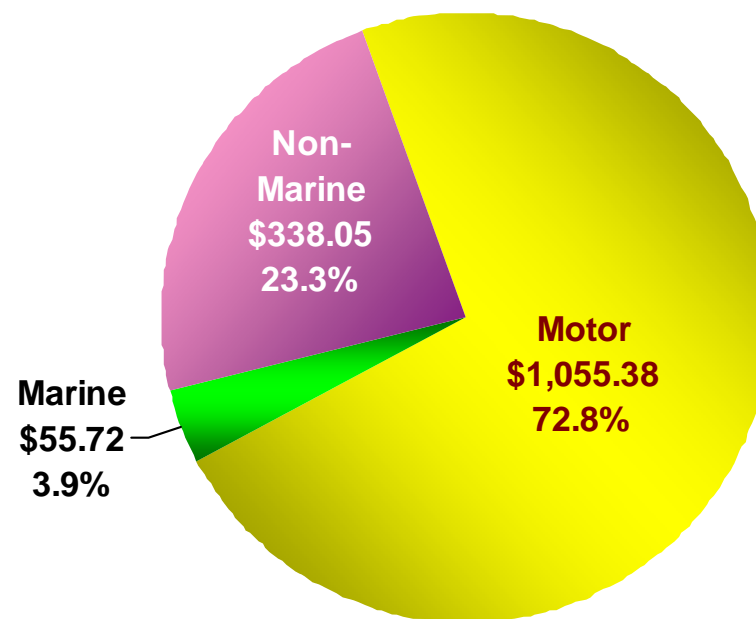
2008

Total: HK\$1,054.38 million

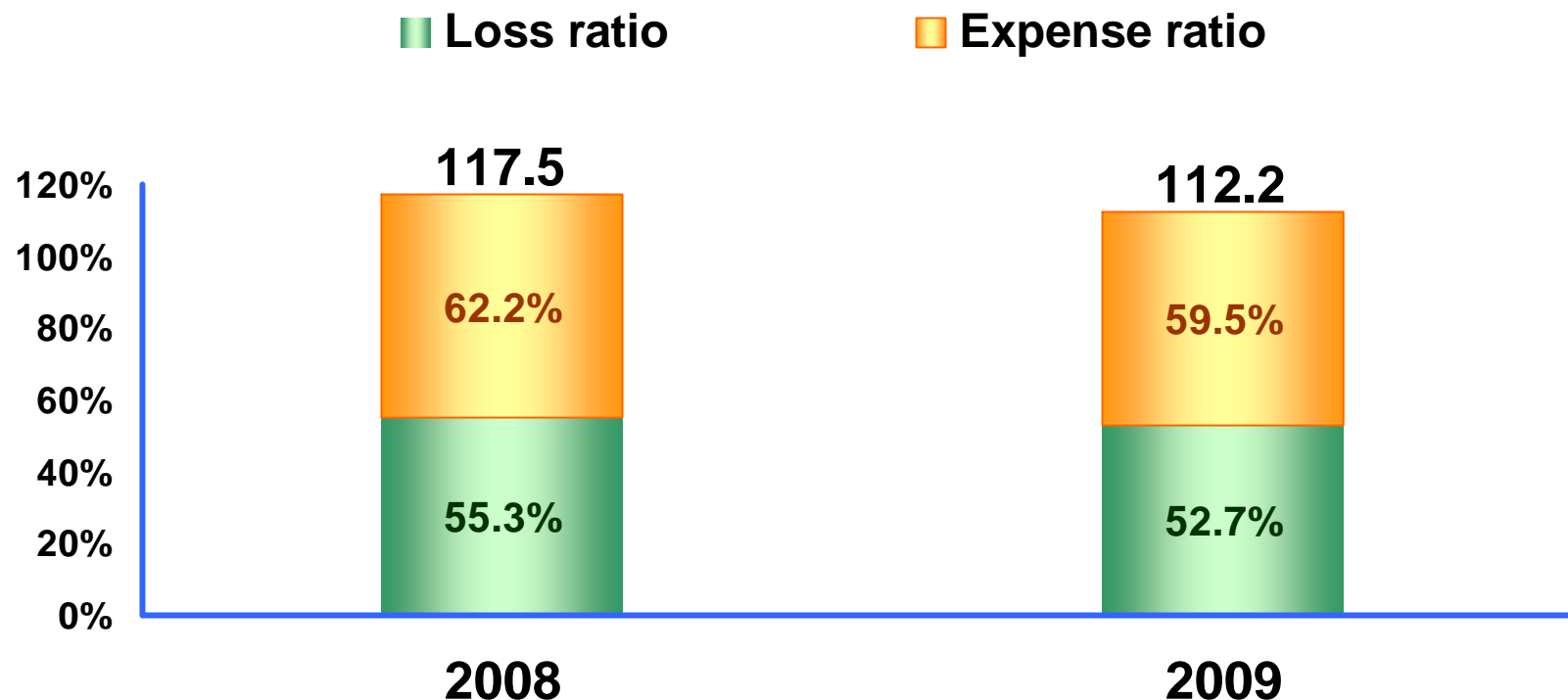


2009

Total: HK\$1,449.15 million



P&C Insurance – MAC Combined Ratio



1. The loss ratio is based on net earned premiums
2. The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 63.0% for the Year (2008: 85.7%)
3. The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 115.7 for the Year (2008:141.0)

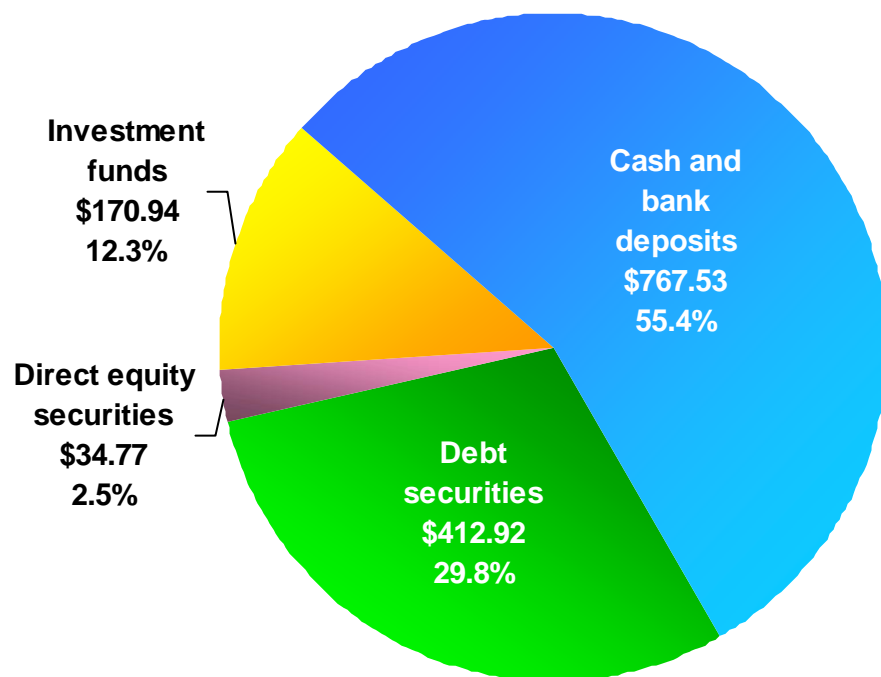
P&C Insurance – MAC Investment Income and Yield

| HK\$ million | 2009 | 2008 | Change |
|--|-------|---------|-----------|
| <u>Income recognized in Income Statement</u> | | | |
| Net investment income | 42.48 | 67.61 | (37.2%) |
| Net realized investment gains | 31.68 | 5.27 | 6.0 times |
| Impairment on AFS equities | - | (56.41) | - |
| Total investment income | 74.16 | 16.47 | 4.5 times |
| Total investment yield | 4.7% | 1.3% | 3.4 pts |
| Unrealized gains/(losses) recognized in the fair value reserve | 12.27 | (27.48) | - |

P&C Insurance – MAC Investment Composition

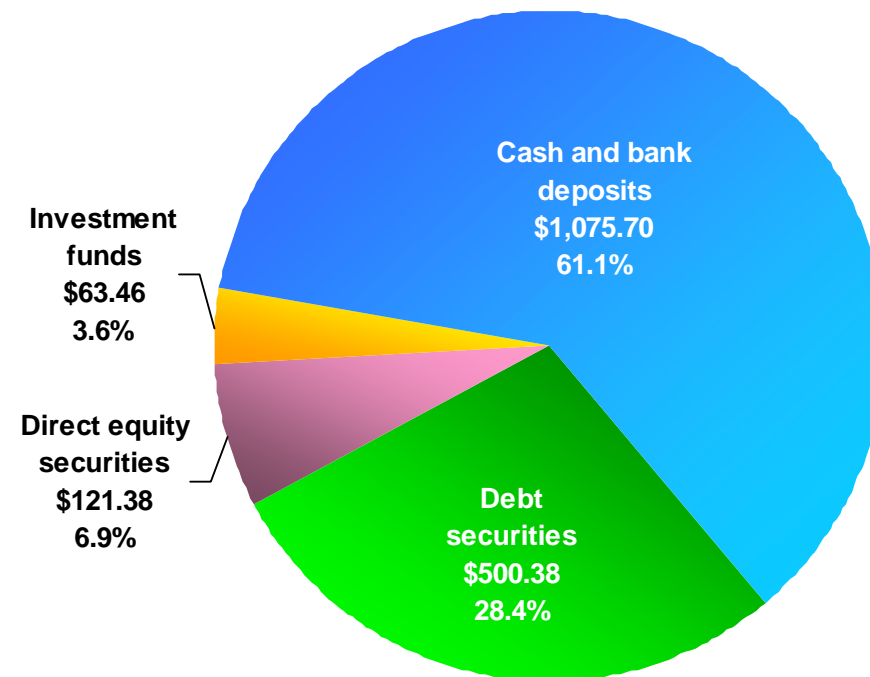
At 31 Dec 2008

**Total Invested Assets:
HK\$1,386.16 million**

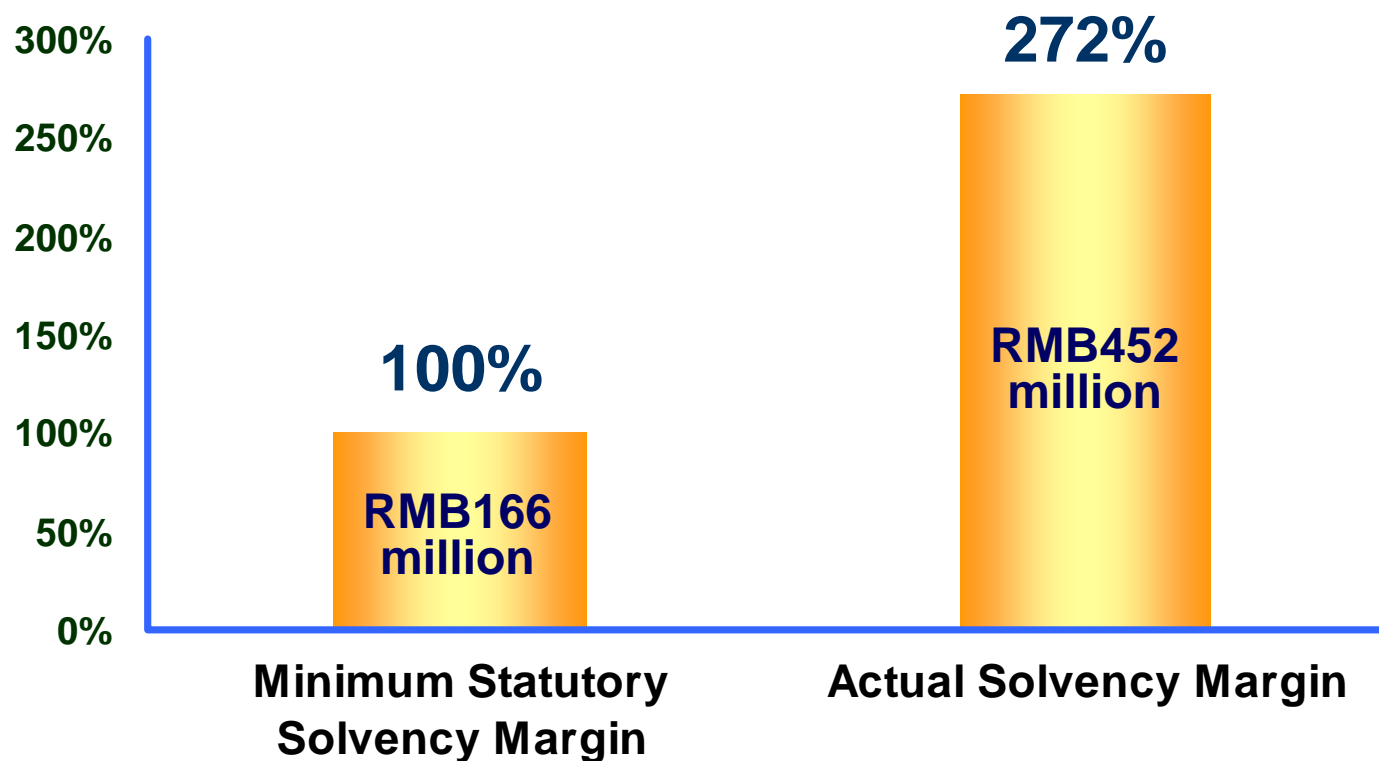


At 31 Dec 2009

**Total Invested Assets:
HK\$1,760.92 million**



P&C Insurance – MAC Solvency Margin



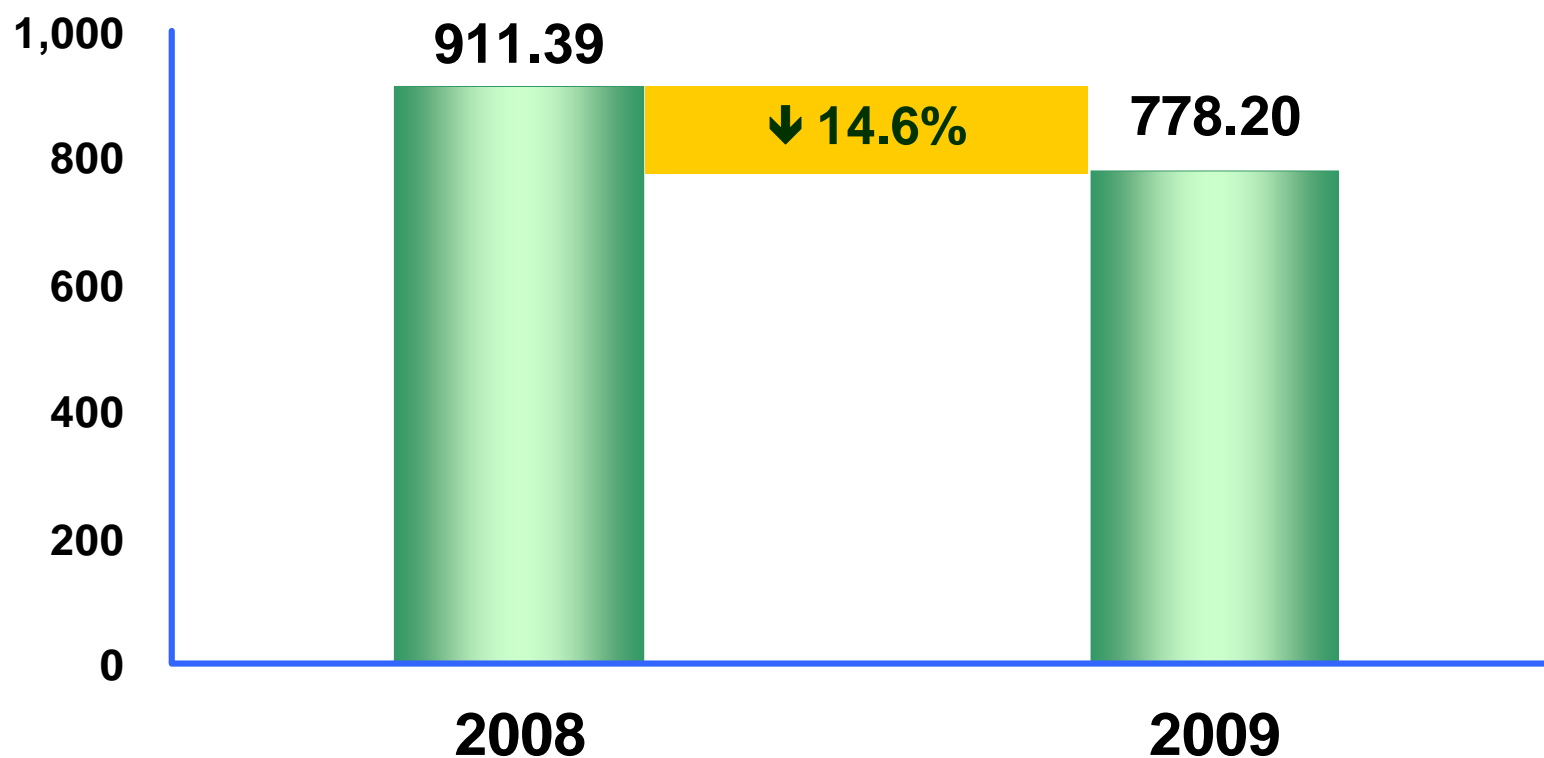
As at 31 December 2009, based on CIRC regulations

Hong Kong Operations – CTPI (HK)

Note: The figures include the financial results of MAH itself and the subsidiaries (other than MAC) of CTPI (HK)

P&C Insurance – CTPI (HK) Premium Growth

HK\$ million

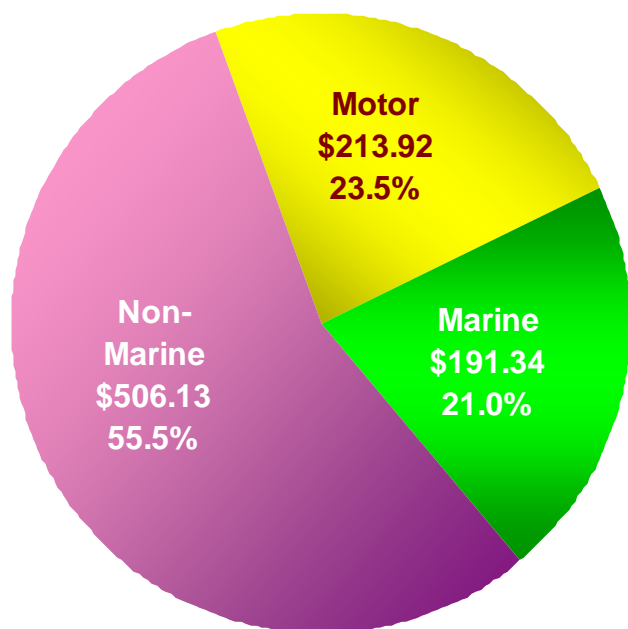


P&C Insurance – CTPI (HK) Gross Premium

By Product Lines

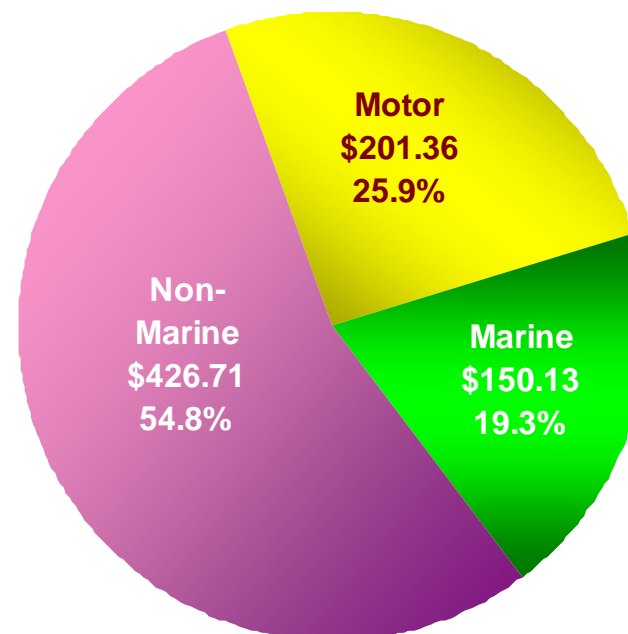
2008

Total: HK\$911.39 million

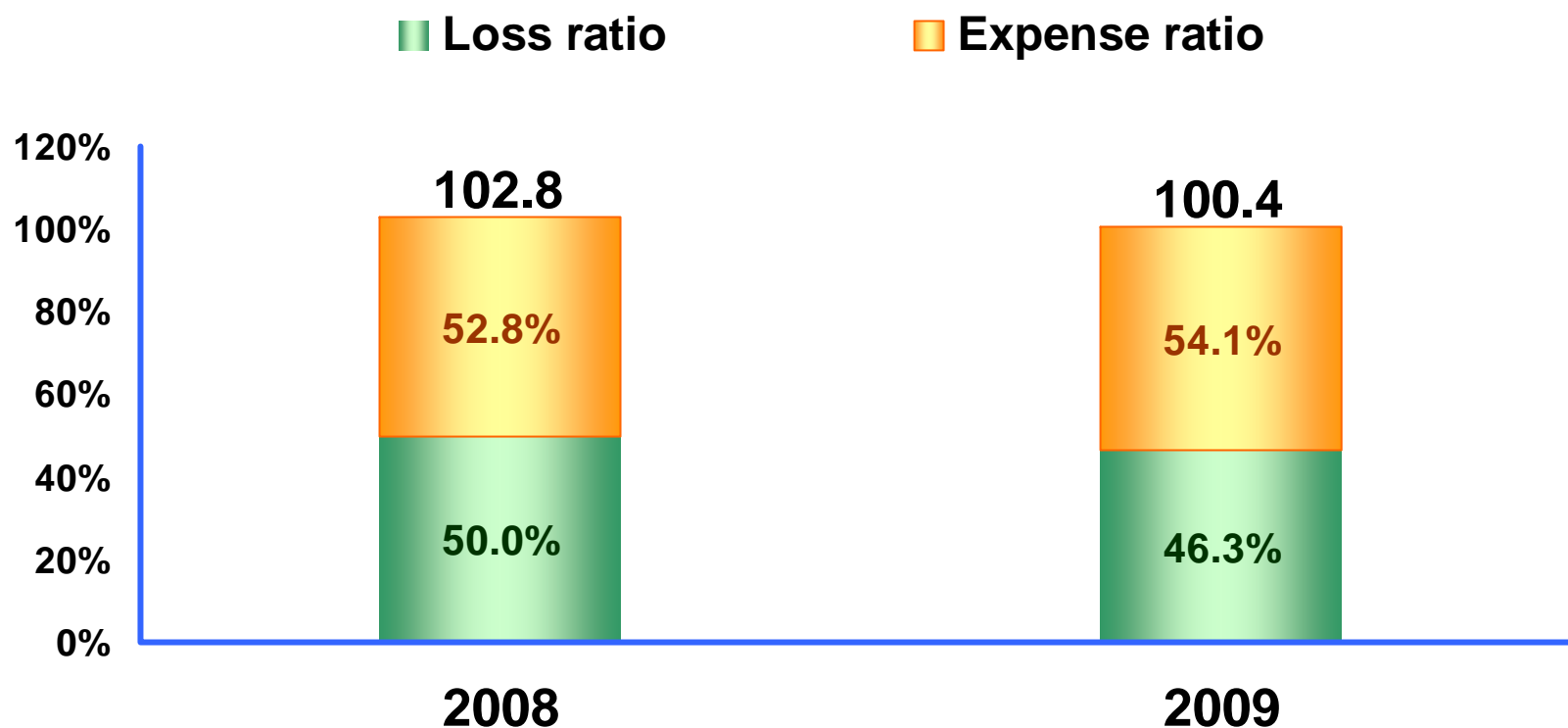


2009

Total: HK\$778.20 million



P&C Insurance – CTPI (HK) Combined Ratio



1. The loss ratio is based on net earned premiums
2. The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 53.7% for the Year (2008: 53.3%)
3. The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 100.1 for the Year (2008: 103.3)

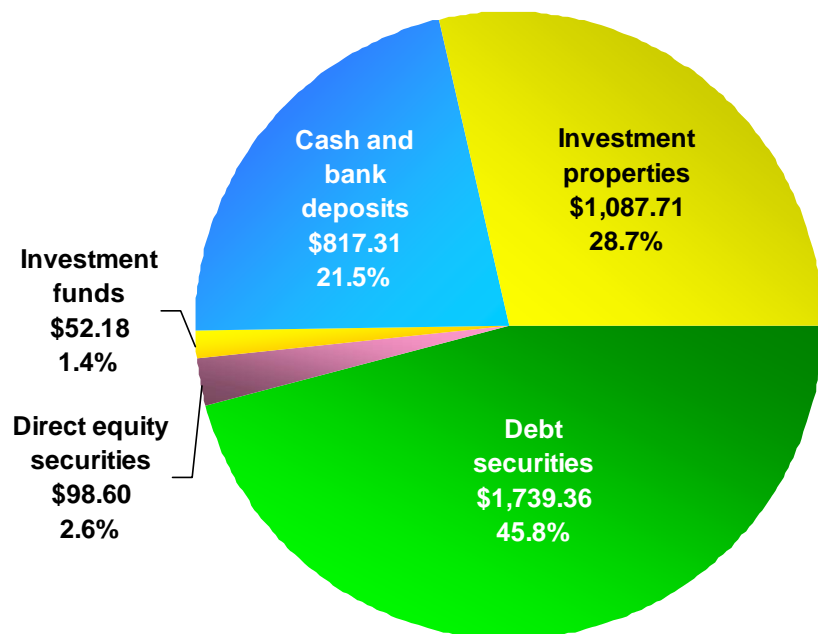
P&C Insurance – CTPI (HK) Investment Income and Yield

| HK\$ million | 2009 | 2008 | Change |
|--|--------|----------|---------|
| <u>Income recognized in Income Statement</u> | | | |
| Net investment income | 167.40 | 172.29 | (2.8%) |
| Net realized investment gains/(losses) | 123.41 | (198.53) | - |
| Net unrealized investment gains | 7.39 | 62.68 | (88.2%) |
| Impairment on debt and equity securities | - | (68.28) | - |
| Total investment income/(losses) | 298.20 | (31.84) | - |
| Total investment yield | 8.7% | (0.7%) | - |
| Unrealized gains/(losses) recognized in the fair value reserve | 121.56 | (65.99) | - |

P&C Insurance – CTPI (HK) Investment Composition

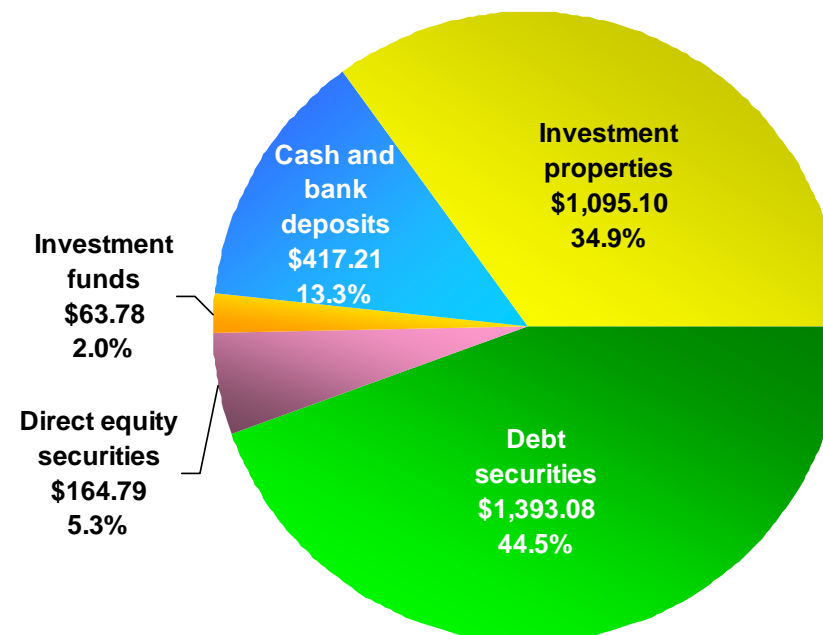
At 31 Dec 2008

**Total Invested Assets:
HK\$3,795.16 million**



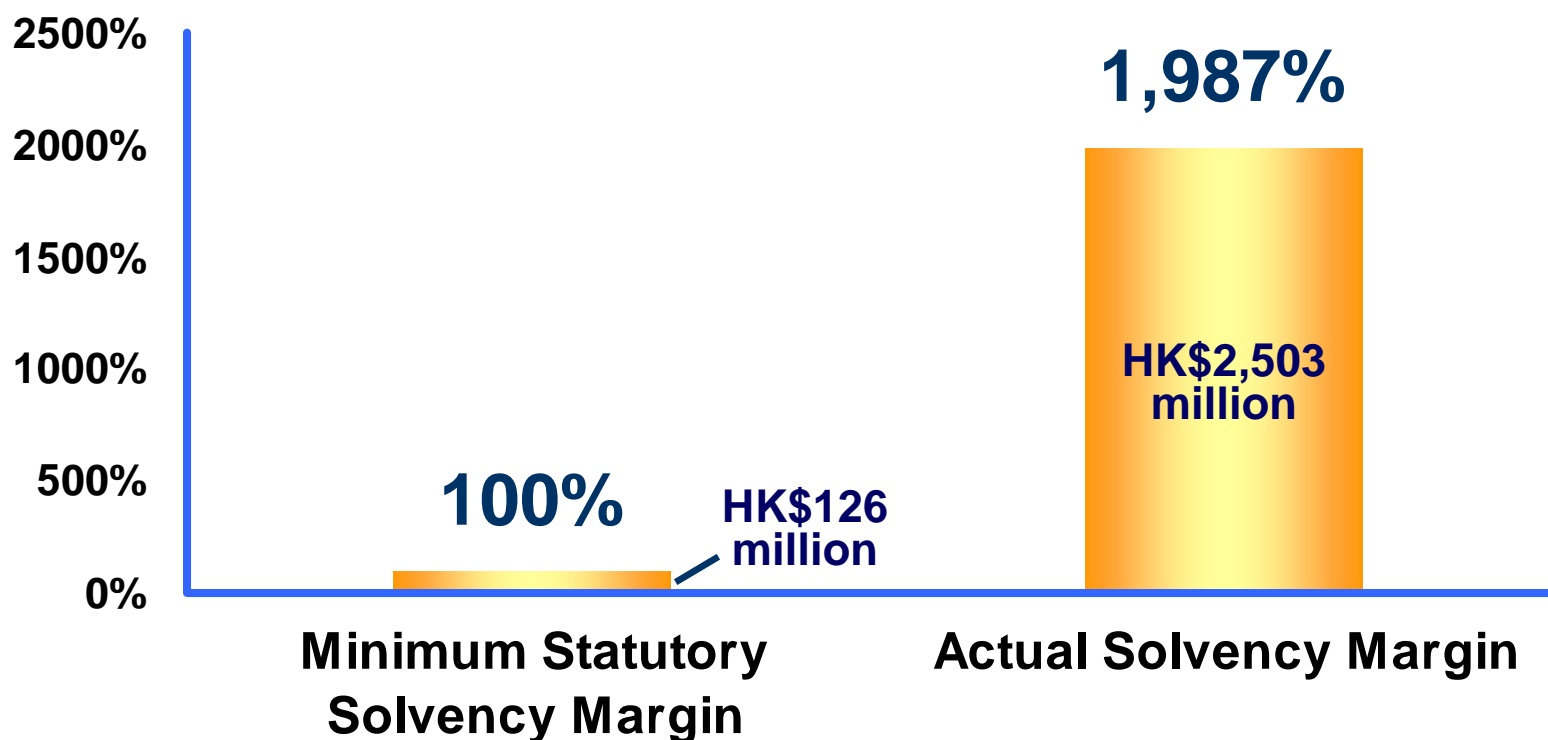
At 31 Dec 2009

**Total Invested Assets:
HK\$3,133.96 million**



* Cash and bank deposits includes HK\$110 million in cash raised by securities sold under repurchase agreements in 2008

P&C Insurance – CTPI (HK) Solvency Margin



As at 31 December 2009, based on Hong Kong Insurance regulations

Outlook

Outlook

Reinsurance

- ★ The renewal of reinsurance contracts for the January 2010 renewal season was stable for TPRe in its core markets, with only small downward adjustments in pricing which were not unreasonable
- ★ Going forward, TPRe will continue to 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, its cultural affinities with and understanding of PRC clients, and its expanding domestic professional staff in Beijing and Shanghai will give the reinsurance operations strong competitive advantages in building its presence in the PRC. TPRe is very optimistic over its long-term prospects and potential in the PRC reinsurance industry

Outlook

Life Insurance

- ◆ The PRC life insurance industry continues to have highly attractive fundamentals for long-term growth. Life insurance penetration in the country remains at very low levels, and the Mainland China economy has proven to be very strong and resilient during the middle and in the aftermath of the global economic and financial crisis. As such, the directors and senior management of TPL are optimistic for the prospects of the PRC life insurance industry in 2010
- ◆ Over the next twelve months, TPL will continue its major strategy of prioritizing the sale of traditional products with regular premium features. This strategic prioritization is not just for 2010, but will continue for at least several more years, if not longer into the foreseeable future. TPL intends to establish regular premium product sales as the bedrock of its operations in the years to come
- ◆ TPL will also continue to focus heavily on improving its cost levels throughout its organization. While building scale and further expanding its network infrastructure throughout China will be pursued (30 new sub-branches and 180 marketing centers are planned to be opened in 2010), effective expense management will continue to be focused upon

Outlook

Property and Casualty

- ✦ The underlying profitability of the property and casualty insurance industry in Mainland China will likely continue to be difficult and challenging in the near term, although recent efforts by regulators in promulgating and enforcing stricter and more efficient rules and laws have begun to gradually improve the practices of the market
- ✦ TPI will install an enhanced information technology system in the latter part of the year, which is expected, to provide a much better operating platform to facilitate TPI's plans for centralized control management. A rigid and strict focus on controlling costs and expenses, and a more professional and efficient underwriting approach should allow the operations to break even on a sustainable basis provided that the external market environment and discipline also improves

Outlook

Property and Casualty

- ✦ The property and casualty insurance industry in Hong Kong is a highly competitive market, and growth over the near- to medium-term will likely be steady and challenging. With the economy stabilizing in Hong Kong after difficult years in 2008 and 2009, CTPI (HK) expects to maintain its market position and client relationships and remain one of the top insurers in the city with sustainable and acceptable returns to shareholders
- ✦ Subject to the results of due diligence which is currently being conducted, an 100% equity interest in MAC may be sold by CTIH. It is estimated that the sale, if completed, may generate a material profit to the Company for the financial year ending 31 December 2010

Outlook

Investment

- ★ Although global investment markets have rebounded positively since the financial crisis of 2008, much uncertainty and unpredictability remain in the global financial markets and economies. As such, it is very possible that above-average volatility will be present in the financial markets. In such an environment, the investment policies and investment portfolios in both Hong Kong and the PRC will continue to be managed in a conservative and prudent fashion, with a special emphasis placed upon risk management and conservative asset allocation

Appendix

- I. **Consolidated and Segmental Income Statement**
- II. **Consolidated and Segmental Statement of Financial Position**

Appendix I – Consolidated and Segmental Income Statement

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2009

(Expressed in Hong Kong dollars)

| | 2009 | 2008 |
|--|--------------|--------------|
| | | (Restated) |
| | \$'000 | \$'000 |
| Revenue | | |
| Gross premiums written and policy fees | 31,022,721 | 15,232,332 |
| Less: Premiums ceded to reinsurers and retrocessionaires | (1,687,546) | (1,238,874) |
| Net premiums written and policy fees | 29,335,175 | 13,993,458 |
| Change in unearned premium provisions, net of reinsurance | (207,164) | (270,187) |
| Net earned premiums and policy fees | 29,128,011 | 13,723,271 |
| Net investment income | 3,151,730 | 2,865,610 |
| Net realized investment gains | 1,314,623 | 75,950 |
| Net unrealized investment gains/(losses) and impairment | 16,508 | (532,847) |
| Net exchange gain/(loss) | 7,871 | (180,642) |
| Other income | 121,579 | 113,153 |
| Total revenue | 33,740,322 | 16,064,495 |
| Benefits, losses and expenses | | |
| Net policyholders' benefits | (9,425,750) | (6,328,726) |
| Net commission expenses | (3,557,697) | (2,846,818) |
| Administrative and other expenses | (6,728,888) | (4,384,987) |
| Change in life insurance contract liabilities, net of reinsurance | (12,252,385) | (2,708,079) |
| Goodwill impairment | - | (73,276) |
| Total benefits, losses and expenses | (31,964,720) | (16,341,886) |
| Profit/(loss) from operations | 1,775,602 | (277,391) |
| Share of gains/(losses) of associates | 22,744 | (134,086) |
| Finance costs | (317,950) | (183,383) |
| Profit/(loss) before taxation | 1,480,396 | (594,860) |
| Income tax (charge)/credit | (292,760) | 32,485 |
| Profit/(loss) after taxation | 1,187,636 | (562,375) |
| Attributable to: | | |
| Owners of the Company | 825,737 | (486,092) |
| Minority interests | 361,899 | (76,283) |
| | 1,187,636 | (562,375) |
| | <i>cents</i> | <i>cents</i> |
| Earnings/(loss) per share attributable to the owners of the Company | | |
| Basic | 52.7 | (31.3) |
| Diluted | 52.1 | (31.3) |

Appendix I – Consolidated and Segmental Income Statement *(Continued)*

Segmental income statement for the year ended 31 December 2009

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|---------------------|
| Revenue | | | | | |
| Gross premiums written | 1,774,954 | 21,636,231 | 7,333,753 | - | 30,744,938 |
| Policy fees | - | 277,783 | - | - | 277,783 |
| | <u>1,774,954</u> | <u>21,914,014</u> | <u>7,333,753</u> | <u>-</u> | <u>31,022,721</u> |
| Less: Premiums ceded to reinsurers and retrocessionaires | (266,195) | (206,509) | (1,214,842) | - | (1,687,546) |
| Net premiums written and policy fees | <u>1,508,759</u> | <u>21,707,505</u> | <u>6,118,911</u> | <u>-</u> | <u>29,335,175</u> |
| Change in unearned premium provisions, net of reinsurance | <u>60,216</u> | <u>(45,294)</u> | <u>(222,086)</u> | <u>-</u> | <u>(207,164)</u> |
| Net earned premiums and policy fees | <u>1,568,975</u> | <u>21,662,211</u> | <u>5,896,825</u> | <u>-</u> | <u>29,128,011</u> |
| Net investment income <i>(note (i))</i> | <u>179,308</u> | <u>2,576,910</u> | <u>345,991</u> | <u>49,521</u> | <u>3,151,730</u> |
| Net realized investment losses <i>(note (ii))</i> | <u>96,006</u> | <u>928,242</u> | <u>210,028</u> | <u>80,347</u> | <u>1,314,623</u> |
| Net unrealized investment losses and impairment <i>(note (iii))</i> | <u>32,594</u> | <u>(22,253)</u> | <u>7,390</u> | <u>(1,223)</u> | <u>16,508</u> |
| Net exchange gain/(loss) | <u>9,911</u> | <u>(1,591)</u> | <u>(2,261)</u> | <u>1,812</u> | <u>7,871</u> |
| Other income/(loss) | <u>16,653</u> | <u>82,146</u> | <u>(68,026)</u> | <u>268,630</u> | <u>299,403</u> |
| Inter-segment transactions | <u>-</u> | <u>(33,403)</u> | <u>(2,844)</u> | <u>(141,577)</u> | <u>(177,824)</u> |
| Segment revenue | <u>1,903,447</u> | <u>25,192,262</u> | <u>6,387,103</u> | <u>257,510</u> | <u>33,740,322</u> |
| Benefits, losses and expenses | | | | | |
| Net policyholders' benefits | (1,024,383) | (4,926,991) | (3,474,376) | - | (9,425,750) |
| Net commission expenses | (333,069) | (2,706,776) | (517,852) | - | (3,557,697) |
| Administrative and other expenses | (140,662) | (3,829,548) | (2,455,286) | (481,216) | (6,906,712) |
| Change in life insurance contract liabilities, net of reinsurance | - | (12,252,385) | - | - | (12,252,385) |
| Inter-segment transactions | <u>18,066</u> | <u>115,224</u> | <u>33,859</u> | <u>10,675</u> | <u>177,824</u> |
| | <u>(1,480,048)</u> | <u>(23,600,476)</u> | <u>(6,413,655)</u> | <u>(470,541)</u> | <u>(31,964,720)</u> |
| Profit/(loss) from operations | <u>423,399</u> | <u>1,591,786</u> | <u>(26,552)</u> | <u>(213,031)</u> | <u>1,775,602</u> |
| Share of losses of associates | - | 1,132 | (104) | 21,716 | 22,744 |
| Finance costs | - | (188,039) | (50,212) | (79,699) | (317,950) |
| Profit/(loss) before taxation | <u>423,399</u> | <u>1,404,879</u> | <u>(76,868)</u> | <u>(271,014)</u> | <u>1,480,396</u> |
| Income tax charge | (19,248) | (247,425) | (11,875) | (14,212) | (292,760) |
| Profit/(loss) after taxation | <u>404,151</u> | <u>1,157,454</u> | <u>(88,743)</u> | <u>(285,226)</u> | <u>1,187,636</u> |
| Minority interests | - | (578,149) | 73,220 | 143,030 | (361,899) |
| Segment profit/(loss), representing profit/(loss) attributable to owners | <u>404,151</u> | <u>579,305</u> | <u>(15,523)</u> | <u>(142,196)</u> | <u>825,737</u> |

Appendix I – Consolidated and Segmental Income Statement *(Continued)*

Segmental income statement for the year ended 31 December 2009 *(continued)*

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|--|-----------------------|-----------------------------|---|-------------------------------|------------------|
| Note (i): Net investment income | | | | | |
| Interest income from debt securities | | | | | |
| - Held-to-maturity | 97,783 | 1,016,749 | 71,242 | 827 | 1,186,601 |
| - Available-for-sale | 41,182 | 929,846 | 125,684 | 30,144 | 1,126,856 |
| - Held for trading | 13,180 | 150 | 4,119 | 3,551 | 21,000 |
| - Loans and receivables | - | 123,583 | 8,347 | - | 131,930 |
| Dividend income from direct equity securities | | | | | |
| - Available-for-sale | 6,570 | 50,396 | 5,595 | 3,556 | 66,117 |
| - Held for trading | 1,572 | 1,426 | 507 | 387 | 3,892 |
| Dividend income from investment funds | | | | | |
| - Available-for-sale | 929 | 167,784 | 33,814 | - | 202,527 |
| - Held for trading | 2,717 | 449 | 292 | 88 | 3,546 |
| Bank deposits and other interest income | 13,427 | 393,336 | 52,924 | 10,968 | 470,655 |
| Rentals receivable from investment properties | 1,948 | - | 46,795 | - | 48,743 |
| Interest expenses on securities sold under repurchase agreements | - | (106,809) | (3,328) | - | (110,137) |
| | 179,308 | 2,576,910 | 345,991 | 49,521 | 3,151,730 |
| Note (ii): Net realized investment gains/(losses) | | | | | |
| Debt securities | | | | | |
| - Held-to-maturity | 3,435 | - | 16,826 | - | 20,261 |
| - Available-for-sale | - | (309,943) | 54,696 | 65,330 | (189,917) |
| - Held for trading | 8,224 | 7,004 | 7,288 | (741) | 21,775 |
| Direct equity securities | | | | | |
| - Available-for-sale | 85,399 | 867,038 | 67,246 | (2,718) | 1,016,965 |
| - Held for trading | (1,052) | (6,100) | 8,775 | 4,318 | 5,941 |
| Investment funds | | | | | |
| - Available-for-sale | - | 249,208 | 55,197 | - | 304,405 |
| - Held for trading | - | 121,035 | - | 14,158 | 135,193 |
| | 96,006 | 928,242 | 210,028 | 80,347 | 1,314,623 |

Appendix I – Consolidated and Segmental Income Statement *(Continued)*

Segmental income statement for the year ended 31 December 2009 *(continued)*

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|--|-----------------------|-----------------------------|---|-------------------------------|-----------------|
| Note (iii): Net unrealized investment gains/(losses) and impairment | | | | | |
| Debt securities | | | | | |
| - Held-to-maturity | (7,080) | - | - | - | (7,080) |
| - Held for trading | 13,726 | - | - | (3,116) | 10,610 |
| Direct equity securities | | | | | |
| - Held for trading | - | (22,253) | - | 1,754 | (20,499) |
| Investment funds | | | | | |
| - Held for trading | 4,538 | - | - | 139 | 4,677 |
| Deficit on revaluation of investment properties | 21,410 | - | 7,390 | - | 28,800 |
| Impairment on available-for-sale equities | - | - | - | - | - |
| | 32,594 | (22,253) | 7,390 | (1,223) | 16,508 |

Appendix I – Consolidated and Segmental Income Statement (Continued)

Segmental income statement for the year ended 31 December 2008 (Restated)

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|-------------------------|
| Revenue | | | | | |
| Gross premiums written | 1,838,999 | 8,830,294 | 3,915,667 | - | 14,584,960 |
| Policy fees | - | 647,372 | - | - | 647,372 |
| | <u>1,838,999</u> | <u>9,477,666</u> | <u>3,915,667</u> | <u>-</u> | <u>15,232,332</u> |
| Less: Premiums ceded to reinsurers and retrocessionaires | <u>(270,337)</u> | <u>(110,221)</u> | <u>(858,316)</u> | <u>-</u> | <u>(1,238,874)</u> |
| Net premiums written and policy fees | 1,568,662 | 9,367,445 | 3,057,351 | - | 13,993,458 |
| Change in unearned premium provisions, net of reinsurance | <u>(33,760)</u> | <u>(43,413)</u> | <u>(193,014)</u> | <u>-</u> | <u>(270,187)</u> |
| Net earned premiums and policy fees | 1,534,902 | 9,324,032 | 2,864,337 | - | 13,723,271 |
| Net investment income (<i>note (i)</i>) | 178,668 | 2,286,074 | 302,700 | 98,168 | 2,865,610 |
| Net realized investment losses (<i>note (ii)</i>) | (96,962) | 483,541 | (211,363) | (99,266) | 75,950 |
| Net unrealized investment losses and impairment (<i>note (iii)</i>) | (179,606) | (92,568) | (62,012) | (198,661) | (532,847) |
| Net exchange gain/(loss) | (38,094) | (81,657) | (63,038) | 2,147 | (180,642) |
| Other income | 29,807 | 16,873 | 31,840 | 167,423 | 245,943 |
| Inter-segment transactions | <u>(30,000)</u> | <u>(8,663)</u> | <u>(2,949)</u> | <u>(91,178)</u> | <u>(132,790)</u> |
| Segment revenue | <u>1,398,715</u> | <u>11,927,632</u> | <u>2,859,515</u> | <u>(121,367)</u> | <u>16,064,495</u> |
| Benefits, losses and expenses | | | | | |
| Net policyholders' benefits | (887,761) | (3,609,905) | (1,831,060) | - | (6,328,726) |
| Net commission expenses | (396,008) | (2,026,973) | (423,837) | - | (2,846,818) |
| Administrative and other expenses | (65,150) | (2,671,612) | (1,345,781) | (435,234) | (4,517,777) |
| Change in life insurance contract liabilities, net of reinsurance | - | (2,708,079) | - | - | (2,708,079) |
| Goodwill impairment | - | - | - | (73,276) | (73,276) |
| Inter-segment transactions | <u>9,789</u> | <u>103,704</u> | <u>7,685</u> | <u>11,612</u> | <u>132,790</u> |
| | <u>(1,339,130)</u> | <u>(10,912,865)</u> | <u>(3,592,993)</u> | <u>(496,898)</u> | <u>(16,341,886)</u> |
| Profit/(loss) from operations | | | | | |
| | 59,585 | 1,014,767 | (733,478) | (618,265) | (277,391) |
| Share of losses of associates | - | - | 506 | (134,592) | (134,086) |
| Finance costs | - | (98,176) | (5,034) | (80,173) | (183,383) |
| Profit/(loss)/ before taxation | <u>59,585</u> | <u>916,591</u> | <u>(738,006)</u> | <u>(833,030)</u> | <u>(594,860)</u> |
| Income tax credit/(charge) | <u>(7,739)</u> | <u>55,741</u> | <u>(16,127)</u> | <u>610</u> | <u>32,485</u> |
| Profit/(loss) after taxation | <u>51,846</u> | <u>972,332</u> | <u>(754,133)</u> | <u>(832,420)</u> | <u>(562,375)</u> |
| Minority interests | <u>-</u> | <u>(485,650)</u> | <u>380,064</u> | <u>181,869</u> | <u>76,283</u> |
| Segment profit/(loss), Representing profit/(loss) attributable to owners | <u><u>51,846</u></u> | <u><u>486,682</u></u> | <u><u>(374,069)</u></u> | <u><u>(650,551)</u></u> | <u><u>(486,092)</u></u> |

Appendix I – Consolidated and Segmental Income Statement *(Continued)*

Segmental income statement for the year ended 31 December 2008 (Restated) *(continued)*

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|--|-----------------------|-----------------------------|---|-------------------------------|------------------|
| Note (i): Net investment income | | | | | |
| Interest income from debt securities | | | | | |
| - Held-to-maturity | 76,213 | 421,655 | 46,137 | 793 | 544,798 |
| - Available-for-sale | 35,885 | 1,103,068 | 65,778 | 27,349 | 1,232,080 |
| - Held for trading | 9,261 | 28 | 14,238 | 2,181 | 25,708 |
| - Loans and receivables | - | 42,523 | 2,166 | - | 44,689 |
| Dividend income from direct equity securities | | | | | |
| - Available-for-sale | 12,641 | 23,509 | 12,341 | 5,375 | 53,866 |
| - Held for trading | 1,600 | - | 346 | 458 | 2,404 |
| Dividend income from investment funds | | | | | |
| - Available-for-sale | 186 | 339,746 | 32,510 | - | 372,442 |
| - Held for trading | 2,943 | 119,290 | 16 | 37,012 | 159,261 |
| Bank deposits and other interest income | 37,130 | 315,538 | 86,020 | 25,229 | 463,917 |
| Rentals receivable from investment properties | 2,809 | - | 44,437 | - | 47,246 |
| Interest expenses on securities sold under repurchase agreements | - | (79,283) | (1,289) | (229) | (80,801) |
| | <u>178,668</u> | <u>2,286,074</u> | <u>302,700</u> | <u>98,168</u> | <u>2,865,610</u> |
| Note (ii): Net realized investment (losses)/gains | | | | | |
| Debt securities | | | | | |
| - Available-for-sale | - | (29,077) | 13,528 | (2,119) | (17,668) |
| - Held for trading | (1,281) | 258,326 | 119 | 8,916 | 266,080 |
| Direct equity securities | | | | | |
| - Available-for-sale | (95,306) | 815,687 | (136,536) | (85,517) | 498,328 |
| - Held for trading | (375) | (60,136) | 700 | (5,670) | (65,481) |
| Investment funds | | | | | |
| - Available-for-sale | - | (358,958) | (89,174) | - | (448,132) |
| - Held for trading | - | (142,301) | - | (14,876) | (157,177) |
| | <u>(96,962)</u> | <u>483,541</u> | <u>(211,363)</u> | <u>(99,266)</u> | <u>75,950</u> |

Appendix I – Consolidated and Segmental Income Statement *(Continued)*

Segmental income statement for the year ended 31 December 2008 (Restated) *(continued)*

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|--|-----------------------|-----------------------------|---|-------------------------------|------------------|
| Note (iii): Net unrealized investment (losses)/gains and impairment | | | | | |
| Debt securities | | | | | |
| - Held for trading | (36,235) | (1,088) | (20,833) | 2,315 | (55,841) |
| Direct equity securities | | | | | |
| - Held for trading | (25,351) | - | (10,245) | (8,147) | (43,743) |
| Investment funds | | | | | |
| - Held for trading | (10,366) | 2,638 | - | (83,314) | (91,042) |
| Deficit on revaluation of investment properties | (1,841) | - | 93,760 | - | 91,919 |
| Impairment on available-for-sale equities | <u>(105,813)</u> | <u>(94,118)</u> | <u>(124,694)</u> | <u>(109,515)</u> | <u>(434,140)</u> |
| | <u>(179,606)</u> | <u>(92,568)</u> | <u>(62,012)</u> | <u>(198,661)</u> | <u>(532,847)</u> |

Appendix II – Consolidated and Segmental Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2009

(Expressed in Hong Kong dollars)

| | 2009 | 2008 | 1 January 2008 |
|--|-------------|----------------------|----------------------|
| | \$'000 | (Restated) \$'000 | (Restated) \$'000 |
| Assets | | | |
| Statutory deposits | 1,350,037 | 1,215,598 | 764,868 |
| Fixed assets | | | |
| - Property and equipment | 2,936,442 | 2,838,675 | 1,453,355 |
| - Investment properties | 1,193,230 | 1,164,430 | 1,078,910 |
| - Prepaid lease payments | 681,439 | 680,348 | - |
| - Interests in leasehold land held for own use under operating leases | 253,079 | 250,459 | 227,017 |
| | 5,064,190 | 4,933,912 | 2,759,282 |
| Goodwill | 303,647 | 303,647 | 228,185 |
| Intangible asset | 261,408 | 261,408 | - |
| Interest in associates | 101,149 | 138,563 | 706,566 |
| Deferred tax assets | 96,210 | 91,660 | 71,848 |
| Investments in debt and equity securities | 74,089,895 | 56,278,526 | 37,545,135 |
| Securities purchased under resale agreement | 34,072 | - | - |
| Amounts due from group companies | 20,208 | 7,769 | 3,340 |
| Insurance debtors | 1,343,827 | 1,318,471 | 902,861 |
| Reinsurers' share of insurance contract provisions | 2,087,662 | 2,306,347 | 1,607,828 |
| Policyholder account assets in respect of unit-linked products | 5,078,319 | 4,269,892 | 4,547,658 |
| Other debtors | 2,575,684 | 2,148,712 | 1,559,767 |
| Tax recoverable | - | 1,640 | - |
| Pledged deposits at banks | 92,225 | 185,729 | 97,417 |
| Deposits at banks with original maturity more than three months | 6,534,677 | 6,814,345 | 5,467,700 |
| Cash and cash equivalents | 12,497,821 | 7,740,836 | 6,699,234 |
| | 111,531,031 | 88,017,055 | 62,961,689 |
| Liabilities | | | |
| Life insurance contract liabilities | 31,089,308 | 18,785,337 | 15,207,769 |
| Unearned premium provisions | 3,818,806 | 3,614,693 | 1,302,703 |
| Provision for outstanding claims | 6,982,756 | 6,711,172 | 4,871,458 |
| Investment contract liabilities | 36,381,937 | 32,951,052 | 22,298,216 |
| Deferred tax liabilities | 1,415,377 | 1,057,331 | 1,268,176 |
| Interest-bearing notes | 5,725,110 | 5,376,028 | 2,960,377 |
| Securities sold under repurchase agreements | 6,606,088 | 4,317,098 | - |
| Amounts due to group companies | 1,295 | 2,737 | 1,772 |
| Insurance creditors | 1,407,773 | 1,154,425 | 811,730 |
| Other creditors | 2,473,761 | 1,679,249 | 1,120,787 |
| Current taxation | 254,166 | 180,674 | 207,410 |
| Insurance protection fund | 36,825 | 36,735 | 10,222 |
| | 96,193,202 | 75,866,531 | 50,060,620 |
| Net assets | 15,337,829 | 12,150,524 | 12,901,069 |

Appendix II – Consolidated and Segmental Statement of Financial Position (Continued)

Segmental statement of financial position as at 31 December 2009

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|--------------------|
| Statutory deposits | 23,250 | 567,870 | 577,198 | 181,719 | 1,350,037 |
| Property and equipment | 54,007 | 2,148,364 | 691,628 | 42,443 | 2,936,442 |
| Investment properties | 98,130 | - | 1,095,100 | - | 1,193,230 |
| Prepaid lease payments | - | 481,559 | 199,880 | - | 681,439 |
| Interest in leasehold land held for own use under operating leases | - | - | 253,079 | - | 253,079 |
| Debt securities (note (i)) | 2,852,023 | 52,282,773 | 4,344,335 | 461,076 | 59,940,207 |
| Direct equity securities (note (ii)) | 302,407 | 7,614,251 | 442,817 | 74,079 | 8,433,554 |
| Investment funds (note (iii)) | 77,162 | 5,162,437 | 463,793 | 12,742 | 5,716,134 |
| Cash and bank deposits | 1,597,343 | 13,905,867 | 3,133,748 | 487,765 | 19,124,723 |
| Goodwill | - | 154,909 | 148,738 | - | 303,647 |
| Intangible asset | - | - | 261,048 | - | 261,048 |
| Interest in associates | - | 5,667 | - | 95,482 | 101,149 |
| Reinsurers' share of insurance contract provisions | 328,633 | 148,378 | 1,610,651 | - | 2,087,662 |
| Policyholder account assets in respect of unit-linked products | - | 5,078,319 | - | - | 5,078,319 |
| Other segment assets | 523,857 | 2,600,767 | 847,723 | 98,014 | 4,070,361 |
| Segment assets | 5,856,812 | 90,151,161 | 14,069,738 | 1,453,320 | 111,531,031 |
| Life insurance contract liabilities | - | 31,089,308 | - | - | 31,089,308 |
| Unearned premium provisions | 547,881 | 369,190 | 2,901,735 | - | 3,818,806 |
| Provision for outstanding claims | 2,655,675 | 202,013 | 4,125,068 | - | 6,982,756 |
| Investment contract liabilities | - | 36,381,937 | - | - | 36,381,937 |
| Interest-bearing notes | - | 3,577,581 | 795,018 | 1,352,511 | 5,725,110 |
| Securities sold under repurchase agreements | - | 6,606,088 | - | - | 6,606,088 |
| Deferred tax liabilities | 5,481 | 1,310,500 | 98,930 | 466 | 1,415,377 |
| Other segment liabilities | 262,021 | 1,917,313 | 1,740,480 | 254,006 | 4,173,820 |
| Segment liabilities | 3,471,058 | 81,453,930 | 9,661,231 | 1,606,983 | 96,193,202 |
| Minority interests | | | | | (5,041,118) |
| Net assets attributable to the owners of the Company | | | | | 10,296,711 |

Appendix II – Consolidated and Segmental Statement of Financial Position (Continued)

Segmental statement of financial position as at 31 December 2009 (continued)

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|-------------------|
| Note (i): Debt securities | | | | | |
| By category: | | | | | |
| - Held-to-maturity | 2,000,863 | 35,961,153 | 1,357,561 | 13,519 | 39,333,096 |
| - Available-for-sale | 706,565 | 14,254,573 | 2,850,485 | 299,994 | 18,111,617 |
| - Held for trading | 144,595 | - | - | 141,884 | 286,479 |
| - Loans and receivables | - | 2,067,047 | 136,289 | 5,679 | 2,209,015 |
| | 2,852,023 | 52,282,773 | 4,344,335 | 461,076 | 59,940,207 |
| By class: | | | | | |
| - Central governments and central banks | 234,927 | 18,706,589 | 1,566,814 | 68,465 | 20,576,795 |
| - Public sector entities | 50,765 | - | - | - | 50,765 |
| - Banks and other financial institutions | 1,377,768 | 10,816,685 | 1,484,802 | 320,000 | 13,999,255 |
| - Corporate entities | 1,188,563 | 22,759,499 | 1,254,316 | 72,611 | 25,274,989 |
| - Others | - | - | 38,403 | - | 38,403 |
| | 2,852,023 | 52,282,773 | 4,344,335 | 461,076 | 59,940,207 |
| Note (ii): Direct equity securities | | | | | |
| By category: | | | | | |
| - Available-for-sale | 302,407 | 7,522,908 | 442,817 | 52,113 | 8,320,245 |
| - Held for trading | - | 91,343 | - | 21,966 | 113,309 |
| | 302,407 | 7,614,251 | 442,817 | 74,079 | 8,433,554 |
| By class: | | | | | |
| - Public sector entities | 9,626 | - | 156,649 | - | 166,275 |
| - Banks and other financial institutions | 89,517 | - | 41,002 | 13,976 | 144,495 |
| - Corporate entities | 203,264 | 7,614,251 | 245,166 | 60,103 | 8,122,784 |
| | 302,407 | 7,614,251 | 442,817 | 74,079 | 8,433,554 |

Appendix II – Consolidated and Segmental Statement of Financial Position (Continued)

Segmental statement of financial position as at 31 December 2009 (continued)

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|------------------|
| Note (iii): Investment funds | | | | | |
| By category: | | | | | |
| - Available-for-sale | 43,764 | 5,162,437 | 463,793 | - | 5,669,994 |
| - Held for trading | 33,398 | - | - | 12,742 | 46,140 |
| | <u>77,162</u> | <u>5,162,437</u> | <u>463,793</u> | <u>12,742</u> | <u>5,716,134</u> |
| By class: | | | | | |
| - Banks and other financial institutions | - | - | - | 3,636 | 3,636 |
| - Corporate entities | 77,162 | 5,162,437 | 336,554 | 9,106 | 5,585,259 |
| - Others | - | - | 127,239 | - | 127,239 |
| | <u>77,162</u> | <u>5,162,437</u> | <u>463,793</u> | <u>12,742</u> | <u>5,716,134</u> |

Appendix II – Consolidated and Segmental Statement of Financial Position (Continued)

Segmental statement of financial position as at 31 December 2008 (Restated)

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|--------------------|
| Statutory deposits | 20,150 | 566,965 | 515,090 | 113,393 | 1,215,598 |
| Property and equipment | 4,286 | 2,028,441 | 716,488 | 89,460 | 2,838,675 |
| Investment properties | 76,719 | - | 1,087,711 | - | 1,164,430 |
| Prepaid lease payments | - | 482,653 | 197,695 | - | 680,348 |
| Interest in leasehold land held for own use under operating leases | - | - | 250,459 | - | 250,459 |
| Debt securities (<i>note (i)</i>) | 1,904,911 | 44,945,953 | 4,257,350 | 479,773 | 51,587,987 |
| Direct equity securities (<i>note (ii)</i>) | 231,800 | 1,034,857 | 143,662 | 197,281 | 1,607,600 |
| Investment funds (<i>note (iii)</i>) | 67,041 | 2,418,233 | 574,290 | 23,375 | 3,082,939 |
| Cash and bank deposits | 1,766,301 | 9,374,291 | 2,682,454 | 917,864 | 14,740,910 |
| Goodwill | - | 154,909 | 148,738 | - | 303,647 |
| Intangible asset | - | - | 261,408 | - | 261,408 |
| Interest in associates | - | 4,526 | 4,181 | 129,856 | 138,563 |
| Reinsurers' share of insurance contract provisions | 413,078 | 69,940 | 1,823,329 | - | 2,306,347 |
| Policyholder account assets in respect of unit-linked products | - | 4,269,892 | - | - | 4,269,892 |
| Other segment assets | 553,939 | 2,070,327 | 909,921 | 34,065 | 3,568,252 |
| Segment assets | <u>5,038,225</u> | <u>67,420,987</u> | <u>13,4572,776</u> | <u>1,985,067</u> | <u>88,017,055</u> |
| Life insurance contract liabilities | - | 18,785,337 | - | - | 18,785,337 |
| Unearned premium provisions | 613,329 | 299,939 | 2,701,425 | - | 3,614,693 |
| Provision for outstanding claims | 2,548,443 | 255,990 | 3,906,739 | - | 6,711,172 |
| Investment contract liabilities | - | 32,951,052 | - | - | 32,951,052 |
| Interest-bearing notes | - | 3,231,701 | 793,751 | 1,350,576 | 5,376,028 |
| Securities sold under repurchase agreements | - | 4,206,880 | 110,218 | - | 4,317,098 |
| Deferred tax liabilities | 403 | 976,298 | 80,600 | 30 | 1,057,331 |
| Other segment liabilities | 165,977 | 1,197,431 | 1,470,749 | 219,663 | 3,053,820 |
| Segment liabilities | <u>3,328,152</u> | <u>61,904,628</u> | <u>9,063,482</u> | <u>1,570,269</u> | <u>75,866,531</u> |
| Minority interests | | | | | <u>(5,123,225)</u> |
| Net assets attributable to the owners of the Company | | | | | <u>7,027,299</u> |

Appendix II – Consolidated and Segmental Statement of Financial Position (Continued)

Segmental statement of financial position as at 31 December 2008 (Restated) (continued)

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|-------------------|
| Note (i): Debt securities | | | | | |
| By category: | | | | | |
| - Held-to-maturity | 1,338,632 | 19,222,471 | 1,267,496 | 16,568 | 21,845,167 |
| - Available-for-sale | 390,078 | 23,634,693 | 2,622,815 | 402,643 | 27,050,229 |
| - Held for trading | 176,201 | 25,036 | 230,968 | 60,562 | 492,767 |
| - Loans and receivables | - | 2,063,753 | 136,071 | - | 2,199,824 |
| | <u>1,904,911</u> | <u>44,945,953</u> | <u>4,257,350</u> | <u>479,773</u> | <u>51,587,987</u> |
| By class: | | | | | |
| - Central governments and central banks | 131,344 | 18,649,542 | 1,689,251 | 58,601 | 20,528,738 |
| - Public sector entities | 50,973 | - | - | - | 50,973 |
| - Banks and other financial institutions | 1,425,131 | 8,465,892 | 1,507,087 | 327,800 | 11,725,910 |
| - Corporate entities | 286,468 | 17,830,519 | 1,061,012 | 93,372 | 19,271,371 |
| - Others | 10,995 | - | - | - | 10,995 |
| | <u>1,904,911</u> | <u>44,945,953</u> | <u>4,257,350</u> | <u>479,773</u> | <u>51,587,987</u> |
| Note (ii): Direct equity securities | | | | | |
| By category: | | | | | |
| - Available-for-sale | 194,664 | 1,034,857 | 130,337 | 190,610 | 1,550,468 |
| - Held for trading | 37,136 | - | 13,325 | 6,671 | 57,132 |
| | <u>231,800</u> | <u>1,034,857</u> | <u>143,662</u> | <u>197,281</u> | <u>1,607,600</u> |
| By class: | | | | | |
| - Central governments and Central banks | - | - | - | - | - |
| - Banks and other financial institutions | 140,054 | - | 19,021 | 16,678 | 175,753 |
| - Corporate entities | 87,566 | 1,034,857 | 124,149 | 180,603 | 1,427,175 |
| - Others | 4,180 | - | 492 | - | 4,672 |
| | <u>231,800</u> | <u>1,034,857</u> | <u>143,662</u> | <u>197,281</u> | <u>1,607,600</u> |

Appendix II – Consolidated and Segmental Statement of Financial Position (Continued)

Segmental statement of financial position as at 31 December 2008 (Restated) (continued)

| | Reinsurance \$'000 | Life insurance \$'000 | Property and casualty insurance \$'000 | Other businesses \$'000 | Total \$'000 |
|---|-----------------------|-----------------------------|---|-------------------------------|------------------|
| Note (iii): Investment funds | | | | | |
| By category: | | | | | |
| - Available-for-sale | 38,182 | 2,360,722 | 574,290 | - | 2,973,194 |
| - Held for trading | <u>28,859</u> | <u>57,511</u> | <u>--</u> | <u>23,375</u> | <u>109,745</u> |
| | <u>67,041</u> | <u>2,418,233</u> | <u>574,290</u> | <u>23,375</u> | <u>3,082,939</u> |
| By class: | | | | | |
| - Banks and other financial institutions | - | - | 52,146 | 23,322 | 75,468 |
| - Corporate entities | 67,041 | 2,418,233 | 522,111 | 53 | 3,007,438 |
| - Others | <u>-</u> | <u>-</u> | <u>33</u> | <u>-</u> | <u>33</u> |
| | <u>67,041</u> | <u>2,418,233</u> | <u>574,290</u> | <u>23,375</u> | <u>3,082,939</u> |

Questions & Answers