

Management Review and Analysis

管理層回顧和分析

2018 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS

Synergistic Growth in Operating Scale and Profitability, Overall Strength Continuously Enhanced

- Total premiums written and policy fees reached HK\$199.6 billion, increased by 11.7% over the Last Year
- Profit attributable to owners was HK\$6.884 billion, increased by 12.2% over the Last Year
- Basic earnings per share HK\$1.844, increased by 12.7% over the Last Year
- Total assets were HK\$752.1 billion, increased by 12.8% over the last year-end
- Group embedded value per share attributable to owners was HK\$38.832, increased by 11.3% over the last year-end of HK\$34.894, while TPL's embedded value increased by 16.2% over the last year-end
- New business value of the PRC life insurance was HK\$13.237 billion, decreased by 2.9% over the Last Year, mainly affected by exchange rate fluctuations, increased by 1.7% in terms of RMB

PRC Insurance Business¹ Overall Premium Income and Quality of Business Better Than the Industry

- Direct premium of the PRC life insurance² increased by 8.4% over the Last Year, outperformed the market
- First year regular premium from individual insurance, despite the weak market conditions, increased by 8.3% over the Last Year; high productivity (RMB300,000 regular premium above) agents increased by 3.2% over the Last Year
- Long term group employee benefit business increased by 28.2% over the Last Year, with renewal business increased by 143.0% over the Last Year

2018年度經營亮點及綜合業績

經營規模與效益協同增長，綜合實力持續提升

- 總保費及保單費收入達到1,996億港元，同比增長11.7%
- 股東應佔溢利68.84億港元，同比增長12.2%
- 每股基本盈利1.844港元，同比增長12.7%
- 總資產達到7,521億港元，較去年末增長12.8%
- 股東應佔每股總內含價值38.832港元，較去年末的34.894港元增長11.3%，其中太平人壽內含價值較去年末增長16.2%
- 境內壽險新業務價值132.37億港元，同比下降2.9%，主要受匯率波動影響，人民幣口徑同比增長1.7%

境內保險業務¹整體保費收入與業務品質優於行業

- 境內壽險原保費²同比增長8.4%，跑贏大市
- 個險期繳新單保費逆市同比增長8.3%；高產能（30萬元人民幣期繳保費以上）人力同比增長3.2%
- 團體長期員工福利保障業務同比增長28.2%，其中續期業務同比增長143.0%

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2018 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

PRC Insurance Business¹ Overall Premium Income and Quality of Business Better Than the Industry *(Continued)*

- Four persistency ratios of the individual agency and bancassurance channels continued improving, stabilising the industry leading position
- Direct premium of PRC property and casualty insurance increased by 9.8% over the Last Year; combined ratio outperformed the market, achieving continual underwriting profit
- Pension assets under management was over RMB200.0 billion, increased by 28.0% over the last year-end

Overseas Insurance Market Influence Continued Increasing

- Overseas premium scale continued growing, with a direct premium of HK\$3.774 billion for the property and casualty business. CTPI (HK), TP Macau maintained its leading market position; TPL (HK) achieved a direct premiums written of HK\$1.582 billion, with its market influence continued expanding; TP Singapore has obtained its life insurance business license and became a comprehensive insurance company with property and casualty business and life insurance business; reinsurance business maintained healthy development with a premium income of HK\$13.552 billion, increased by 22.6% over the Last Year
- The overall combined ratio of the overseas property and casualty insurance business decreased by 2.3 percentage points to 96.9%, with TP Macau and TP Indonesia's combined ratios remained at a relatively low level; reinsurance company, being affected by catastrophes for two consecutive years, maintained its underwriting profit

2018年度經營亮點及綜合業績 (續)

境內保險業務¹整體保費收入與業務品質優於行業 (續)

- 個險、銀保四項繼續率指標持續改善，穩固行業領先地位
- 境內產險原保費同比增長9.8%；綜合成本率優於行業，持續保持承保盈利
- 養老金管理資產餘額超過2,000億元人民幣，較去年末增長28.0%

境外保險市場影響力不斷擴大

- 境外保費規模持續增長，產險業務原保費37.74億港元，太平香港、太平澳門持續保持市場領先地位；太平人壽香港保費收入15.82億港元，市場影響力不斷擴大；太平新加坡取得壽險業務牌照，成為產、壽兼營的綜合性保險公司；再保險業務保持良好健康發展態勢，保費收入135.52億港元，同比增長22.6%
- 境外產險綜合成本率同比下降2.3個百分點至96.9%，其中太平澳門及太平印尼綜合成本率處於較低水平；再保險公司在連續兩年遭受巨災情況下，保持承保盈利

¹ Calculated in RMB

² Including TPL and TPP

¹ 按人民幣計算

² 包括太平人壽及太平養老

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2018 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

Steady Growth of Investment Asset Scale with Investment Style Remains Prudent

- The investment asset scale grew steadily and the contribution of net investment income was outstanding. At the end of 2018, the total investment assets of the Group was HK\$595.9 billion, increased by 10.4%; the total investment income was HK\$22.583 billion, increased by 4.3%, in which the net investment income was HK\$25.319 billion, increased by 21.1%
- The investment opportunities were better grasped and asset allocation was adjusted in a timely and effective manner. At the beginning of 2018, bonds and term deposits were allocated at the interest rate peak with good returns; during the Year, the equity position was effectively controlled below the industry average level, reduced the adverse impact of market fluctuations; at the end of the Year, more equities were allocated at lower market prices to raise the investment strategy of equities with low volatility, which is conducive to improving future returns
- Continued optimising the position structure, and the relative returns outperformed the market. In 2018, the Group's PRC stock and fund investment yield outperformed CSI 300 by 3.3 percentage points; PRC bond portfolio measured at fair value outperformed CSI Bond Fund Index by 2.1 percentage points
- Further improved the real estate planning. Firstly, completed the layout of office buildings in first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen and formed the brand of "Taiping Finance Tower"; secondly, the Company won the land bidding in Sanya, which further improved the layout of the elderly-care communities
- The risk management mechanism was comprehensive, and screening showed sound risk management results. In 2018, the Group's overall bonds investment maintained high credit ratings, the risk control mechanism such as post-investment management continued strengthening, and risk screening showed sound results

2018年度經營亮點及綜合業績(續)

投資資產規模穩步增長，投資風格保持穩健

- 投資資產規模穩步增長，淨投資收益貢獻突出。2018年末集團內投資資產規模5,959億港元，增長10.4%；總投資收益225.83億港元，增長4.3%，其中淨投資收益253.19億港元，增長21.1%
- 較好把握投資機遇，資產配置調整及時有效。2018年年初擇利率高點超配債券與定期存款，獲得較好收益；全年有效控制權益倉位低於行業平均水平，降低市場波動不利影響；年末把握市場低位增配權益，增加低波動權益投資策略，有利於提升未來收益
- 持倉結構持續優化，相對收益跑贏大市。2018年集團境內股票與基金跑贏滬深300指數3.3個百分點，境內公允價值計量的債券組合跑贏中證債券型基金指數2.1個百分點
- 進一步完善不動產佈局。一是完成北上廣深等一線城市寫字樓佈局，形成「太平金融大廈」品牌，二是成功競得三亞地塊，進一步完善養老社區佈局
- 風險管理機制完善，排查顯示風控良好。2018年集團整體債券投資維持較高信用評級，投後管理等風控機制持續加強，風險排查結果良好

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2018 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

Deepening of the Strategic Clients Cooperation and Cross-selling Synergies

- In 2018, China Taiping signed Strategic Cooperation Agreements and Memorandums of Cooperation with 14 large clients. As at the end of 2018, China Taiping had established strategic cooperation relationships with 91 large clients, generating premium of HK\$37.429 billion, and became an important source of premium income of the Group
- Our cross-selling initiatives achieved HK\$7.692 billion insurance sales, including HK\$6.357 billion of property insurance sales through TPL, HK\$1.140 billion of pension sales through TPL, HK\$148 million of property insurance sales through TPP and HK\$47 million pension sales through TPI

Strive to Build the Brand of “Taiping for your peaceful life” and Gained Wide Recognition from Society

- In order to build the brand of “Taiping for your peaceful life”, China Taiping has announced the slogan of “Manage Your Risks, Enjoy Taiping Service”, which gained wide recognition from society. In 2018, TPG, with CTIH as a core subsidiary, has made it onto the “Fortune Global 500”, China Taiping was listed in the World’s Top 100 Most Valuable Insurance Brands again. TPL were recognised as “Influential Insurance Company for the Year”, “The Most Valuable Insurance Brand for the Year”; TPI was recognised as “The Favorite Insurance Company of Insurance Consumers for the Year”, “Financial Institution with Greatest Social Responsibility for the Year”; TPP was recognised as “Best Pension Insurance Company for the Year”; TPAM was awarded “Best Insurance Asset Management Company”, the Golden Shell Award of China Asset Management, “Excellence Award of Asset Management for the Year”; TSFL was awarded “Best Financial Service for the Belt and Road for the Year”. TPre (UK) was listed in the top 30 fastest growing Chinese companies in the UK and obtained “Award of UK Investment 2017”

2018年度經營亮點及綜合業績 (續)

戰略客戶合作和交叉銷售協同深入推進

- 2018年與14家大客戶簽署戰略合作協議及合作備忘錄，截至2018年末，共與91家大客戶建立戰略合作夥伴關係，帶動保費收入374.29億港元，成為集團保費收入重要來源
- 交叉銷售實現保費76.92億港元，其中壽銷售63.57億港元，壽銷售11.40億港元，養銷售1.48億港元，產銷售0.47億港元

全力打造「共享太平」品牌，受到社會各界廣泛認可

- 為打造「共享太平」品牌形象，中國太平發佈「為您分擔風險，與您共享太平」廣告語，受到社會各界的廣泛認可。2018年，以本公司為核心成員的中國太平保險集團高質量進入世界500強，中國太平再次入選2018全球最具價值保險品牌100強。太平人壽榮獲年度影響力保險公司、年度最佳保險品牌；太平財險獲評年度最受保險消費者喜愛的保險公司、年度最具社會責任金融機構；太平養老獲評年度最佳養老險公司；太平資產榮獲中國資產管理金貝獎「最佳保險資產管理公司」、年度資產管理卓越獎；太平石化金租榮獲「年度最佳一帶一路金融服務獎」；太平再保險（英國）成功入圍中國在英國企業增長最快30強，獲得「投英活力榜2017」榮譽稱號

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS

綜合財務表現

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

本集團年內重點財務表現如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Total premiums written and policy fees	總保費及保單費收入	199,631.61	178,676.19	+11.7%
Profit before taxation	除稅前溢利	13,112.39	11,719.98	+11.9%
Profit after taxation	除稅後溢利	8,819.98	7,964.25	+10.7%
Net profit attributable to the owners	股東應佔溢利淨額	6,883.57	6,136.19	+12.2%
Basic earnings per share (HK\$)	每股基本盈利 (港元)	1.844	1.636	+0.208 dollar 元
Final dividend proposed at 10 HK cents per share	建議末期息每股10港仙	359.40	359.40	—

At 31 December, HK\$ million

於12月31日，百萬港元

		2018	2017	Change 變化
Total assets	總資產	752,101.33	666,473.69	+12.8%
Total equity	總權益	80,395.78	81,720.70	-1.6%
Owners' equity	股東應佔權益	61,022.69	61,733.27	-1.2%
– Per share (HK\$)	— 每股 (港元)	16.979	17.177	-0.198 dollar 元
Group embedded value	總內含價值	179,180.87	160,252.74	+11.8%
Owners' group embedded value	股東應佔總內含價值	139,562.62	125,409.83	+11.3%
– Per share (HK\$)	— 每股 (港元)	38.832	34.894	+3.938 dollars 元

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CONSOLIDATED FINANCIAL RESULTS (Continued)

The figures below were the results of the respective companies from their operations, before intra-group eliminations.

The net operating profit/(loss) by each business line was summarised below:

For the year ended 31 December, HK\$ million

綜合財務表現 (續)

以下數字為集團內部抵銷前，各公司的營運業績。

按各業務分類之經營淨溢利／（虧損）概述如下：

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Life insurance	人壽保險	6,176.64	6,081.76	+1.6%
Pension and group life insurance	養老及團體保險	67.12	95.27	-29.5%
PRC property and casualty insurance	境內財產保險	340.39	362.72	-6.2%
Overseas property and casualty insurance	境外財產保險	453.03	465.23	-2.6%
Reinsurance	再保險	539.26	743.76	-27.5%
Asset management business	資產管理業務	457.65	484.02	-5.4%
Others ¹	其他 ¹	785.89	(268.51)	+392.7%
Net profit from operations	經營淨溢利	8,819.98	7,964.25	+10.7%
Non-controlling interests	非控股股東權益	(1,936.41)	(1,828.06)	+5.9%
Net profit attributable to the owners	股東應佔溢利淨額	6,883.57	6,136.19	+12.2%

¹ Others mainly includes the operating results of the holding company, TPIH (HK), TPFH and consolidation adjustments.

¹ 其他主要包括控股公司、太平投資（香港）、太平金控等公司的經營成果、以及合併調整。

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CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現 (續)

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

以下為本集團總權益變化分析。

HK\$ million

百萬港元

		2018	2017
Total equity as at 1 January	於1月1日之總權益	81,720.70	70,248.63
Net profit recognised in statement of profit or loss	確認於損益表之溢利淨額	8,819.98	7,964.25
Net changes in available-for-sale investment reserve	可供出售投資儲備變化淨額	(5,910.57)	2,743.35
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	59.43	10.07
Exchange differences arising from translation of financial statements of foreign and non-foreign operations	因換算境外與非境外營運業務財務報表的匯兌差額	(3,001.97)	3,834.49
Distribution to holders of perpetual subordinated capital securities	向永續次級資本證券持有人支付利息	(256.18)	(254.52)
Capital injections made to subsidiaries	向附屬公司注入資本	19.58	34.76
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的股息	(656.09)	(517.74)
Dividend declared to shareholders	屬於上一個年度之已核准股息	(359.40)	(359.40)
Dividend paid to TPG (HK) by a subsidiary acquired under merger accounting	一間以合併會計購入的附屬公司向中國太平保險集團(香港)支付股息	–	(59.66)
Acquisition of a subsidiary under merger accounting	以合併會計購入一間附屬公司	–	(1,960.75)
Deemed disposal of a subsidiary	視為出售一間附屬公司	(39.70)	–
Others	其他	–	37.22
Total equity as at 31 December	於12月31日之總權益	80,395.78	81,720.70
Attributable to:	應佔：		
Owners of the Company (including capital securities)	本公司股東權益(含資本證券)	65,729.91	66,440.43
Non-controlling interests	非控股股東權益	14,665.87	15,280.27
		80,395.78	81,720.70

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CONSOLIDATED INVESTMENT PERFORMANCE

Assets Management Business

Asset Management within the Group

In 2018, the global economy continued expanding, but its structure became less synchronised with the growth momentum weakened. The US economic growth remained robust, as the GDP in the third quarter increased by 3.0% year-on-year, the manufacturing industry PMI reached 54.3 in December, which was above the threshold for 28 consecutive months, and the unemployment rate decreased continuously to a historic low of 3.9%. The economic growth trend of the Eurozone and Japan slowed down, with year-on-year increase of GDP in the third quarter slowed down to 1.6% and 0.1% respectively. Emerging economies were affected by the strengthening of USD Index, imposing pressure on forex market and resulting in the volatile financial market, with an obvious growth slowdown in some economies with weak fundamentals. China's economy achieved a stable performance while at the same time securing progress, with GDP in 2018 increased by 6.6% year-on-year, remaining in the range of 6.4%-7.0% for 16 consecutive quarters. The economic growth was still stable and resilient, industry structure continued improving and the internal impetus strengthened, shifting gradually to high-quality growth.

Affected by aggravation of trade protectionism and the continuous interest rate hikes of the Federal Reserve, the global stock market was bumpy. Specifically, there was a decrease of 6.2% in US S&P 500 Index, 12.8% in Euro Stoxx 50, 12.1% in Nikkei 225, 14.8% in Hang Seng Index and 25.3% in CSI 300.

In respect of bond market, affected by the strong economic growth and the interest rate hike of the Federal Reserve, the general US bond yields increased to 2.69% from 2.40% in last year-end; PBOC maintained its prudent and neutral monetary policy, and liquidity management shifted to "Reasonable and Sufficient" from "Reasonable and Stable". The yield-to-maturity of 10-year treasury bonds has decreased from 3.88% of last year-end to 3.23%.

綜合投資表現

資產管理業務

集團內資產管理

2018年，全球經濟繼續擴張，但結構有所分化，增長動能減弱。美國經濟增長保持強勁，三季度GDP同比增長3.0%，12月製造業PMI為54.3，連續28個月在榮枯線以上，失業率持續降低至3.9%，處於歷史極低水平；歐元區與日本的經濟增長態勢趨緩，三季度GDP同比增長分別放緩至1.6%與0.1%；新興經濟體受美元指數走強影響，外匯市場承壓，金融市場動蕩，基本面偏弱的經濟體增速出現明顯放緩；中國經濟總體平穩，穩中有進，2018年GDP同比增長6.6%，連續十六個季度保持在6.4%-7.0%的區間，經濟運行的穩定性與韌性仍然較強，產業結構持續優化，內生動力有所增強，逐步轉向高質量增長。

受貿易保護主義升級，美聯儲持續加息等因素影響，2018年全球股票市場震蕩下行。其中美國標普500指數下降6.2%，歐洲50指數下降12.8%，日經225指數下降12.1%，恆生指數下降14.8%，滬深300指數下降25.3%。

債券市場方面，美國債市受經濟增長強勁與美聯儲加息影響，收益率水平整體抬升，由去年末的2.40%上升至2.69%；中國央行貨幣政策維持穩健中性，流動性管理由「合理穩定」轉為「合理充裕」，十年期國債到期收益率由去年末的3.88%降低至3.23%。

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CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Assets Management Business (Continued)

Asset Management within the Group (Continued)

The Company has conducted the in-depth study on macroeconomic changes, seized opportunities in the bond market and optimised the asset allocation structure. In 2018, the Company lowered the proportion of cash assets while increasing the proportion of fixed-income assets by purchasing government bonds to lengthen asset durations so as to improve asset-liability matching. In respect of equity investment, the Group placed more emphasis on preventing market risks and maintained an equity position lower than industry average. For variety selection, the Company adhered to value investment and long term investment, achieving good investment performance.

Investment Income

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

For the year ended 31 December, HK\$ million

綜合投資表現 (續)

資產管理業務 (續)

集團內資產管理 (續)

本公司深入研究宏觀形勢變化，把握債券市場配置機會，優化資產配置結構。2018年降低現金類資產佔比，提高固定收益類資產佔比，增配長期國債，拉長資產久期，進一步優化資產負債匹配。在權益類投資方面注重防範市場風險，維持低於行業平均的權益倉位，品種選擇方面秉持價值投資與長期投資理念，取得了較好投資業績。

投資收益

本集團之總投資收益及投資收益率概述如下：

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Net investment income ¹	淨投資收益 ¹	25,319.30	20,904.29	+21.1%
Net realised and unrealised investment gains ²	已實現及未實現資本利得 ²	(2,735.93)	742.83	N/A 不適用
Total investment income ³	總投資收益 ³	22,583.37	21,647.12	+4.3%
Total investment yield ⁴	總投資收益率 ⁴	3.85%	4.48%	-0.63 pt 點

¹ Including the interest income from deposit, interest income from bonds, dividends from equity investments, rental income from investment properties and deducting interest expense on securities sold under resale agreements.

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

³ Including interest generated from funds for daily operations, but excluding income from insurance asset management products, funds, equity schemes that has been classified as share of results from associates and joint ventures.

⁴ In the calculation of total investment yield, as the denominator, the average investment assets takes into account the effect of securities purchased under resale agreements and securities sold under repurchase agreements.

¹ 包含存款利息收入、債券利息收入、權益投資股息收入、投資性房地產租賃收入等並扣除賣出回購利息支出。

² 包含證券投資差價收入、公允價值變動損益及減值損失。

³ 包含用於日常營運的資金所產生的利息，不含保險資產產品、基金、股權計劃收益中被列入應佔聯營及合營公司業績的部分。

⁴ 計算投資收益率時，作為分母的平均投資資產，包含買入返售和賣出回購的影響。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Investment Income (Continued)

Net investment income increased by 21.1% from HK\$20.904 billion in 2017 to HK\$25.319 billion in 2018, which stabilised the income growth base. The realised and unrealised investment gain decreased from HK\$0.743 billion in 2017 to a loss of HK\$2.736 billion in 2018, mainly because of the large decrease in the PRC and Hong Kong stock market.

By the combined effects of the above factors, the total investment income of the Group amounted to HK\$22.583 billion in 2018, increased by 4.3% over the HK\$21.647 billion in 2017; the total investment yield decreased from 4.48% in 2017 to 3.85% in 2018.

Investment Portfolio

The asset allocation of the investment portfolio of the Group's insurance funds is as follows:

As at 31 December, HK\$ million

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
By investment category	按投資對象分				
Fixed income	固定收益類				
Debt securities	債務證券	271,404.04	45.5%	245,361.55	45.4%
Term deposits	定期存款	59,953.83	10.1%	53,225.08	9.9%
Debt products	債權產品	99,623.61	16.7%	89,623.30	16.6%
Other fixed income investments	其他固定收益投資	48,565.28	8.1%	38,088.12	7.1%
Equity investments	權益類投資				
Equity securities	股本證券	27,134.38	4.6%	26,006.94	4.8%
Investment funds	投資基金	19,526.02	3.3%	11,961.16	2.2%
Other equity investments	其他權益投資	46,935.50	7.9%	37,650.47	7.0%
Investment properties	投資性物業	17,505.18	2.9%	19,946.67	3.7%
Cash, cash equivalents and others	現金、現金等價物及其他				
Cash and cash equivalents	現金及現金等價物	24,283.54	4.1%	28,980.92	5.3%
Securities purchased under resale agreements/ securities sold under repurchase agreements	買入返售證券/賣出回購證券	(19,006.18)	-3.2%	(10,914.52)	-2.0%
Total invested asset	投資資產總額	595,925.20	100.0%	539,929.69	100.0%

Note: Excluding funds used in operations, which includes cash, demand deposits and term deposits, of HK\$8.99 billion (2017: HK\$7.26 billion), and the effect of consolidation adjustment.

綜合投資表現 (續)

投資收益 (續)

淨投資收益由2017年的209.04億港元增長21.1%至2018年的253.19億港元，穩固了收益增長基礎。已實現及未實現資本利得由2017年的7.43億港元到2018年的虧損27.36億港元，主要原因是受境內與香港股票市場大跌影響，兌現較多浮虧。

受上述因素綜合影響，2018年本集團的總投資收益為225.83億港元，較2017年的216.47億港元增加4.3%，總投資收益率由2017年的4.48%下降至2018年的3.85%。

投資組合

本集團的保險資金投資組合資產配置情況：

於12月31日，百萬港元

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Investment Portfolio (Continued)

Based on research and judgement of the capital market, the Group took the initiative in improving its investment portfolio to respond to the new capital market situation, the proportion of cash and cash equivalents to total investment assets decreased from 3.3% in 2017 to 0.9% in 2018. The proportion of fixed income investments to total investment assets increased from 79.0% in 2017 to 80.4% in 2018, from which the fixed income investments increased by 1.0 percentage points. The proportion of equity investments increased from 14.0% in 2017 to 15.8% in 2018.

Finance Lease Business of the Group

As at the end of 2018, the financial leasing assets of TSFL were approximately HK\$48.7 billion, increased by 5.4%, the company achieved steady development, and the quality of managed assets remained good, the proportion of special mentioned assets and non-performing assets was 1.3% and 0.0%, respectively.

Analysis of Investment in Securities

Credit Risk of Debt Securities Manageable

As at the end of 2018, debt securities held by the Group amounted to approximately HK\$271.4 billion, representing approximately 36.1% of the total assets, of which 83.1% were PRC bonds investment. Within the PRC bonds, 99.7% were bonds with AAA ratings, government bonds and financial policy bonds, interbank deposits, A-1 ratings short term bonds etc.. Investment grade bonds with BBB ratings or higher reached 100%, with Ministry of Finance for government bonds, and other issuers such as China Development Bank, China Railway, Agricultural Bank of China, Agricultural Development Bank of China, Industrial and Commercial Bank of China and The Export-Import Bank of China. Foreign bonds investments constitutes 16.9% of debt securities held by the Group, 70.1% of them were investment grade bonds with international ratings of BBB or higher. From credit default risk perspective, the bond credit risk of the Group's insurance funds investment is small, stable and manageable.

綜合投資表現 (續)

投資組合 (續)

本集團根據對資本市場的研判，主動改善投資組合資產配置以應對新的資本市場形勢，現金、現金等價物及其他的佔比由2017年的3.3%降低到2018年的0.9%。固定收益類投資的佔比由2017年的79.0%上升到2018年的80.4%，其中其他固定收益投資提升1.0個百分點。權益類投資由2017年的14.0%上升到2018年的15.8%。

本集團的金融租賃業務情況

於2018年末，太平石化金租管理的金融租賃資產約487億港元，增長5.4%，公司實現穩健發展，管理資產品質保持良好，關注資產與不良資產佔比分別為1.3%與0.0%。

證券投資的分析

債務證券信用風險可控

於2018年末，本集團持有債務投資約2,714億港元，佔總資產比例約36.1%。境內債券投資佔83.1%，其中99.7%為投資於高信用等級的AAA級債券、國債和政策性金融債、同業存單、A-1級短融券等，BBB及以上級別佔比達到100%，發行主體除了財政部（國債）以外，其餘主體分散在國開行、中國鐵路、農業銀行、農發行、工商銀行、進出口銀行等；境外債券投資佔16.9%，其中國際評級BBB及以上比例約70.1%；從信用違約風險看，本集團保險資金投資的債券信用風險較小，穩健可控。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Analysis of Investment in Securities (Continued)

Good Credit Status for Alternative Investments

As at the end of 2018, alternative investments held by the Group amounted to approximately HK\$164.1 billion, representing approximately 21.8% of the total assets, decreased by 0.3 percentage point over the last year-end. From which the ration of trust products and special asset support plan financial products increased, reflecting the investments has been further diversified. The credit ratings of the PRC financial investment debt products remained relatively high, products rated AAA accounted for 95.5%, products rated AA+ accounted for 4.5%. The Group's investment in alternative varieties have gone through a rigorous investment decision-making process, with a proprietary information system in place for monitoring during the investment and post-investment management. In general, the Group has made sufficient assessment on its alternative investment risks, which indicated sound asset credit.

Real Estate Financial Investment Debt Products

As at the end of 2018, real estate financial investment debt products of approximately HK\$24.9 billion, represented only 3.3% of the total assets, the ratio increased by 0.7 percentage point over last year-end. The credit ratings of the real estate financial investment debt products were relatively high. Major projects were located in tier 1 or developed tier 2 cities.

Purchased External Financial Products

As at the end of 2018, purchased external debt financial products of about HK\$44.1 billion, represented 5.9% of the total assets, the ratio increased by 1.1 percentage points over the last year-end. Within the purchased external projects, 100% of them were with AAA ratings, and mainly were from the real estate, non-bank financial industry, transportation, commercial trade etc..

綜合投資表現 (續)

證券投資的分析 (續)

另類投資信用狀況良好

於2018年末，本集團持有另類投資約1,641億港元，佔總資產比例約21.8%，較去年末降低0.3個百分點。其中，信托計劃與專項資產支持計劃類金融產品佔比增加，反映投資方式進一步多元化。境內債權類金融產品維持較高信用評級，AAA級產品佔比95.5%，AA+級產品佔比4.5%。本集團投資另類品種經過嚴格投資決策流程審核，並通過專有信息系統進行投中監測與投後管理，整體來看，集團內持有另類投資風險評估較充分，資產信用狀況良好。

房地產債權金融產品投資

於2018年末，房地產債權類金融產品投資約249億港元，合計佔總資產僅3.3%，比例與去年末上升0.7個百分點。房地產債權類金融產品的信用評級較高。主要項目處於一線城市或經濟發達的二線城市。

外購金融產品

於2018年末，外購債權類金融產品約441億港元，佔總資產比例5.9%，較去年年末上升1.1個百分點。外購項目中，AAA級產品佔比100%，主要分佈在房地產、非銀金融、交通運輸、商業貿易等行業。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Third-party Assets Management

The Group proactively responded to the implementation of new policies including “New Regulation on Asset Management”. As at the end of 2018, the total third-party entrusted investment assets managed by the Group amounted to HK\$410.6 billion, basically remain unchanged over the last year-end, with discretionary assets of HK\$277.3 billion, representing an increase of 9.9%.

In 2018, TPAM (including TP Fund) recorded a total management fee income (including consultancy fee) of HK\$1.225 billion, including HK\$829 million derived from assets outside of the Group, which accounted for 67.7% of total fee income.

As at the end of 2018, the third-party entrusted investment and public fund asset managed by TPFH amounted to HK\$73.5 billion, increased by 50.7%.

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, TPL (HK) and TP Singapore, which are engaged in the underwriting of life insurance businesses in Mainland China, Hong Kong and Singapore, respectively.

TP Singapore had approved by the regulatory authority in August 2018. During the Year. The loss after taxation derived from TP Singapore's life insurance business was HK\$183 million which was primarily driven by the resources inputs into the life insurance business during the early stage of business establishment and preparation for future development.

綜合投資表現 (續)

第三方資產管理

本集團積極應對「資管新規」等新政落地實施。於2018年末，管理的第三方資產總額達到4,106億港元，基本與去年末持平，其中全權委託的第三方資產規模達到2,773億港元，增長9.9%。

於2018年，太平資產（含太平基金）實現含投顧費總管理費收入12.25億港元，其中集團外管理費收入8.29億港元，佔比達到67.7%。

於2018年末，太平金控管理的第三方委託投資與公募基金資產規模達到735億港元，增長50.7%。

人壽保險業務

集團之人壽保險業務由太平人壽、太平人壽香港與太平新加坡經營，分別在內地、香港與新加坡從事人壽保險業務。

太平新加坡於2018年8月獲監管機構批准壽險業務，於本年度，太平新加坡壽險業務除稅後虧損1.83億港元，主要由於壽險業務初期的建立和為未來發展籌備的資源投入所致。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

The results under life insurance business for the Year was mainly contributed by TPL and TPL (HK). The figures below were focus on the analysis of TPL and TPL (HK)'s performance.

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

TPL is 75.1% owned by the Group. The key financial data of the life insurance business operated by TPL was summarised below:

For the year ended 31 December, HK\$ million

人壽保險業務 (續)

人壽保險業務於本年度的業績主要來自太平人壽和太平人壽香港。以下數字重點分析太平人壽和太平人壽香港之業績。

以下數字為集團內部對銷前，太平人壽的營運業績。

本集團擁有太平人壽75.1%權益。由太平人壽經營之人壽保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Direct premiums written and premium deposits	保費收入及保費存款	152,529.85	136,682.72	+11.6%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	5,799.02	4,921.58	+17.8%
Premium deposits of unit-linked products	投資連結產品之保費存款	63.34	61.45	+3.1%
Premium deposits of other products	其他產品之保費存款	326.47	365.23	-10.6%
Direct premiums written recognised in statement of profit or loss	確認於損益表之保費收入	146,341.02	131,334.46	+11.4%
Inward reinsurance premiums	分保費收入	80.00	27.47	+191.2%
Policy fees	保單費收入	58.06	67.76	-14.3%
Net premiums written and policy fees	淨保費收入及保單費收入	142,035.27	129,990.65	+9.3%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	141,698.17	129,562.52	+9.4%
Net policyholders' benefits	保單持有人利益淨額	(51,393.54)	(44,577.00)	+15.3%
Net commission expenses	佣金支出淨額	(19,566.57)	(15,920.90)	+22.9%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(64,038.23)	(63,420.65)	+1.0%
Total investment income	總投資收入	18,862.44	16,261.65	+16.0%
Administrative and other expenses	行政及其他費用	(17,750.97)	(16,312.16)	+8.8%
Profit before taxation	除稅前溢利	10,164.24	9,340.11	+8.8%
Profit after taxation	除稅後溢利	6,724.20	6,396.04	+5.1%
Profit attributable to the owners	股東應佔溢利	5,049.87	4,803.43	+5.1%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

At 31 December, HK\$ million

於12月31日，百萬港元

		2018	2017	Change 變化
Total assets	總資產	536,097.04	476,640.16	+12.5%
Total equity	總權益	36,228.33	38,807.80	-6.6%

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

由太平人壽經營之人壽保險業務之主要經營數據概述如下：

		2018	2017	Change 變化
Market share ¹	市場份額 ¹	4.7%	4.4%	+0.3 pt 點
Number of provincial branches	省級分公司數目	37	37	–
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	1,170	1,161	+9
Number of customers	客戶數目			
– Individual	– 個人	11,318,811	9,629,042	+1,689,769
– Corporate	– 公司	855	858	–3
Distribution network	分銷網絡			
– Number of individual agents	– 個人代理數目	513,015	384,169	+128,846
– Number of bancassurance outlets	– 銀行保險銷售網點數目	48,993	42,521	+6,472
Agent monthly regular premiums (RMB) ²	代理每月人均期繳保費 (人民幣元) ²	14,365	15,312	–947 dollars 元
Persistency ratios	第13個月之			
13th month ³	保費繼續率 ³			
– Individual	– 個人	96.0%	95.8%	+0.2 pt 點
– Bancassurance	– 銀行保險	96.2%	95.8%	+0.4 pt 點
Compound persistency ratios	第25個月之			
25th month ³	保費複合繼續率 ³			
– Individual	– 個人	93.1%	92.0%	+1.1 pts 點
– Bancassurance	– 銀行保險	94.0%	91.7%	+2.3 pts 點

¹ Derived according to the premiums published by the CBIRC.

² Based on regular premiums and number of active agents.

³ Based on the amount of premiums.

¹ 根據中國銀保監會刊發之保費得出。

² 按期繳保費和活動人力。

³ 按保費金額。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Operating Profit

The life insurance business operated by TPL produced a net operating profit of HK\$6,724 million during the Year (2017: HK\$6,396 million), representing an increase of 5.1% compared to the Last Year primarily driven by the continuous healthy development of TPL's insurance business.

Direct Premiums Written and Premium Deposits

TPL's direct premiums written recognised in the consolidated statement of profit or loss increased by 11.4% to HK\$146,341 million from HK\$131,334 million in the Last Year. This growth was primarily driven by the individual regular renewal premiums.

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

For the year ended 31 December 2018, HK\$ million

人壽保險業務 (續)

經營溢利

本年度內，由太平人壽經營之人壽保險業務之經營溢利淨額為67.24億港元（2017年：63.96億港元），較去年上升5.1%，主要由於太平人壽保險業務持續健康發展。

保費收入及保費存款

太平人壽確認於綜合損益表內的保費收入由去年之1,313.34億港元上升11.4%至1,463.41億港元。此增長主要由於個險期繳續期保費帶動。

太平人壽按業務劃分之保費收入及保費存款如下：

截至2018年12月31日止年度，百萬港元

		Direct premiums written recognised in the consolidated statement of profit or loss 確認於綜合損益表內之保費收入	Premium deposits of universal life products 萬能壽險產品之保費存款	Premium deposits of unit-linked products 投資連結產品之保費存款	Premium deposits of other products 其他產品之保費存款	Total 總額	% of Total 佔總額百分比
Individual	個人代理	112,157.81	4,191.75	31.48	159.40	116,540.44	76.4%
Bancassurance	銀行保險	30,174.85	1,607.27	31.86	0.86	31,814.84	20.9%
Group	團體	583.72	-	-	166.21	749.93	0.5%
Other channels [†]	多元銷售 [†]	3,424.64	-	-	-	3,424.64	2.2%
		146,341.02	5,799.02	63.34	326.47	152,529.85	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 2017, HK\$ million

截至2017年12月31日止年度，百萬港元

		Direct premiums written recognised in the consolidated statement of profit or loss 確認於綜合 損益表內之 保費收入	Premium deposits of universal life products 萬能壽險 產品之 保費存款	Premium deposits of unit-linked products 投資連結 產品之 保費存款	Premium deposits of other products 其他產品之 保費存款	Total 總額	% of Total 佔總額 百分比
Individual	個人代理	84,648.32	3,942.81	31.91	167.00	88,790.04	65.0%
Bancassurance	銀行保險	43,697.31	978.77	29.54	1.78	44,707.40	32.7%
Group	團體	265.85	–	–	196.45	462.30	0.3%
Other channels ¹	多元銷售 ¹	2,722.98	–	–	–	2,722.98	2.0%
		131,334.46	4,921.58	61.45	365.23	136,682.72	100.0%

¹ Other channels mainly consisted of telemarketing.

¹ 多元銷售主要由電話營銷組成。

During the Year, premiums distributed through the individual agency force channel increased to HK\$112,158 million from HK\$84,648 million in the Last Year, representing an increase of 32.5%. TPL's initiative to increase its number of agents over the recent years has established a strong foundation for the agency force channel. The agent monthly per capita regular premiums was RMB14,365 during the Year (2017: RMB15,312).

本年度內，透過個人代理隊伍分銷的保費由去年的846.48億港元上升至1,121.58億港元，增長32.5%。太平人壽於近年增加代理人數量的舉措，為代理隊伍渠道奠定堅實基礎。本年度代理人每月人均期繳保費為人民幣14,365元（2017年：人民幣15,312元）。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

In the bancassurance channel, premium decreased to HK\$30,175 million from HK\$43,697 million in the Last Year, representing a decrease of 30.9%. Within this, first year bancassurance regular premium decreased to HK\$5,566 million from HK\$6,086 million in the Last Year, representing a decrease of 8.5%, while bancassurance single premium decreased by 99.7%.

The persistency ratios remained stable and at the forefront of the industry. The persistency ratios were at 96.0% and 96.2% at the 13th month, and the compound persistency ratios were 93.1% and 94.0% at the 25th month, for the individual agency and bancassurance channels, respectively.

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

For the year ended 31 December, HK\$ million

Individual

人壽保險業務 (續)

銀行保險渠道方面，保費由去年436.97億港元下跌30.9%至301.75億港元。其中銀保首年期繳保費由去年60.86億港元下跌至55.66億港元，下降8.5%，而銀保躉繳保費同比下降99.7%。

續保率仍然穩居行業前列，個人代理及銀行保險渠道第13個月保費繼續率分別為96.0%及96.2%，而第25個月保費複合繼續率則分別為93.1%及94.0%。

太平人壽的躉繳保費產品及期繳保費產品的詳細分析如下：

截至12月31日止年度，百萬港元

個人代理

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
Single Premium	躉繳保費	115.41	0.1%	89.50	0.1%
Regular Premium	期繳保費				
– First Year	– 首年	31,355.20	28.0%	28,208.63	33.3%
– Renewal Year	– 續年	80,687.20	71.9%	56,350.19	66.6%
		112,157.81	100.0%	84,648.32	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)

Bancassurance

銀行保險

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
Single Premium	躉繳保費	54.97	0.2%	17,420.01	39.9%
Regular Premium	期繳保費				
– First Year	– 首年	5,566.29	18.4%	6,085.85	13.9%
– Renewal Year	– 續年	24,553.59	81.4%	20,191.45	46.2%
		30,174.85	100.0%	43,697.31	100.0%

Group

團體

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
Group Insurance	團體保險	583.72	100.0%	265.85	100.0%

Other Channels

多元銷售

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
Single Premium	躉繳保費	1.38	0.0%	7.04	0.3%
Regular Premium	期繳保費				
– First Year	– 首年	985.28	28.8%	762.89	28.0%
– Renewal Year	– 續年	2,437.98	71.2%	1,953.05	71.7%
		3,424.64	100.0%	2,722.98	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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

個人代理銷售期繳新單保費按繳費年期及產品形態分類載列如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

Individual first year regular premium – by payment term

個人首年期繳保費－按繳費期

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
1-9 years	1-9年	17,182.65	54.8%	14,865.95	52.7%
10-19 years	10-19年	2,508.42	8.0%	4,739.05	16.8%
20-29 years	20-29年	11,538.71	36.8%	8,124.08	28.8%
30 years+	30年+	125.42	0.4%	479.55	1.7%
		31,355.20	100.0%	28,208.63	100.0%

Individual first year regular premium – by feature

個人首年期繳保費－按產品形態

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
Short term savings	短期儲蓄型	–	0.0%	30.85	0.1%
Long term savings	長期儲蓄型	12,701.85	40.5%	15,704.50	55.7%
Long term protection	長期保障型	14,462.33	46.1%	10,661.13	37.8%
Others	其他	4,191.02	13.4%	1,812.15	6.4%
		31,355.20	100.0%	28,208.63	100.0%

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

銀行保險首年期繳，按繳費年期劃分的保費分佈如下：

Bancassurance first year regular premium – by payment term

銀行保險首年期繳保費－按繳費期

		2018	% of Total 佔總額百分比	2017	% of Total 佔總額百分比
1-9 years	1-9年	3,490.06	62.7%	2,186.00	35.9%
10-14 years	10-14年	1,731.12	31.1%	3,804.12	62.5%
Others	其他	345.11	6.2%	95.73	1.6%
		5,566.29	100.0%	6,085.85	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

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

太平人壽按產品結構的保費收入分佈如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

		% of Total		% of Total	
		2018	佔總額百分比	2017	佔總額百分比
Participating	分紅保險	89,211.64	60.9%	80,482.92	61.3%
Annuity	年金保險	10,199.86	7.0%	9,217.49	7.0%
Long-term health	長期健康險	28,618.48	19.6%	14,862.56	11.3%
Traditional life	傳統壽險	9,116.62	6.2%	21,773.22	16.6%
Accident and short-term health	意外和短期健康險	9,182.56	6.3%	4,990.81	3.8%
Universal life	萬能壽險	10.70	0.0%	6.32	0.0%
Investment-linked	投資連結保險	1.16	0.0%	1.14	0.0%
Total	總額	146,341.02	100.0%	131,334.46	100.0%

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

太平人壽按區域的保費收入分佈如下：

		% of Total		% of Total	
		2018	佔總額百分比	2017	佔總額百分比
Sichuan	四川	15,042.07	10.3%	13,683.05	10.4%
Shandong	山東	13,907.97	9.5%	11,963.22	9.1%
Heilongjiang	黑龍江	7,925.19	5.4%	7,330.72	5.6%
Hubei	湖北	7,821.69	5.3%	7,315.59	5.6%
Guangdong	廣東	7,688.99	5.3%	6,415.79	4.9%
Others	其他	93,955.11	64.2%	84,626.09	64.4%
Total	總額	146,341.02	100.0%	131,334.46	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Highlights on Embedded Value

The embedded value of TPL increased 16.2% to HK\$136,430 million from HK\$117,368 million at the end of Last Year. The new business value after cost of capital for the Year decreased to HK\$13,237 million from HK\$13,638 million of the Last Year, representing a decrease of 2.9% (increased by 1.7% if calculated in RMB). These latest actuarial figures of TPL are disclosed in the section of "Embedded Value of TPL".

Net Policyholders' Benefits

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

For the year ended 31 December, HK\$ million

		2018	2017	Change 變化
Surrenders and net claims	退保額及賠償淨額	30,654.35	28,267.03	+8.4%
Annuity, dividends and maturity payments	年金、分紅及滿期給款	19,452.28	15,291.27	+27.2%
Interest allocated to investment and reinsurance contracts	分配至投資及再保險合約之利益	1,286.91	1,018.70	+26.3%
		51,393.54	44,577.00	+15.3%

Financial Strength and Solvency Margin

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

At 31 December, RMB million

		2018	2017
Available Capital	實際資本	134,751	109,353
Minimum Capital	最低資本	60,200	44,465
Comprehensive Solvency Ratio	綜合償付能力充足率	224%	246%

人壽保險業務 (續)

內含價值摘要

太平人壽的內含價值由去年末之1,173.68億港元增加16.2%至1,364.30億港元。本年度之新業務扣除資本成本後之價值為132.37億港元，較去年之136.38億港元，下降2.9%（以人民幣計量增長1.7%）。太平人壽的相關精算數據於「太平人壽之內含價值」內披露。

保單持有人利益淨額

太平人壽之保單持有人利益淨額概述如下：

截至12月31日止年度，百萬港元

財務實力及償付能力

太平人壽按中國銀保監會規定之綜合償付能力充足率如下：

於12月31日，百萬人民幣

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

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

TPL (HK) is a Hong Kong-incorporated company established in July 2015 and is wholly-owned by the Group. The key financial data of the life insurance business operated by TPL (HK) was summarised below:

For the year ended 31 December, HK\$ million

		2018	2017	Change 變化
Direct premiums written and premium deposits	保費收入及保費存款	6,518.71	3,767.75	+73.0%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	4,936.98	1,437.01	+243.6%
Direct premiums written recognised in statement of profit or loss	確認於損益表之保費收入	1,581.73	2,330.74	-32.1%
Loss after taxation	除稅後虧損	(340.73)	(275.87)	+23.5%

At 31 December, HK\$ million

		2018	2017	Change 變化
Total assets	總資產	24,127.71	11,577.75	+108.4%
Total equity	總權益	1,056.94	664.43	+59.1%
Number of individual agents	個人代理數目	643	232	+411
Comprehensive Solvency Ratio ¹	監管償付能力充足比率 ¹	233%	271%	-38 pts 點

¹ Based on local regulations.

人壽保險業務 (續)

以下數字為集團內部對銷前，太平人壽香港的營運業績。

太平人壽香港於2015年7月在香港註冊成立，由本集團全資擁有。由太平人壽香港經營之人壽保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

於12月31日，百萬港元

¹ 按當地的規定。

Management Review and Analysis

管理層回顧和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES

The Group's pension and group life insurance business are operated by TPP. TPP is a PRC-incorporated company and is 100% owned by the Group. TPP is principally engaged in corporate and personal retirement insurance and annuity businesses, and group life insurance business in Mainland China.

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

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

For the year ended 31 December, HK\$ million

養老及團體保險業務

本集團之養老及團體保險業務由太平養老營運。太平養老為中國註冊公司並由本集團擁有100%權益。太平養老主要於內地從事企業及個人養老保險、年金業務、團體人壽保險業務。

以下數字為集團內部對銷前，太平養老的營運業績。

養老及團體保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Direct premiums written	保費收入	5,756.57	5,307.39	+8.5%
Net premiums written	淨保費收入	5,182.84	4,829.84	+7.3%
Net earned premiums	已賺取保費淨額	5,005.82	4,726.92	+5.9%
Net policyholders' benefits	保單持有人利益淨額	(3,276.71)	(2,795.94)	+17.2%
Net commission expenses	佣金支出淨額	(382.85)	(324.86)	+17.9%
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	(515.65)	(445.91)	+15.6%
Total investment income	總投資收入	405.46	311.48	+30.2%
Pension administration fee income	養老保險管理服務費收入	537.12	384.56	+39.7%
Agency fee income	代理服務費收入	6.46	26.65	-75.8%
Administrative and other expenses	行政及其他費用	(1,710.31)	(1,859.71)	-8.0%
Profit before taxation	除稅前溢利	66.76	102.06	-34.6%
Profit after taxation and attributable to the owners	除稅後及股東應佔溢利	67.12	95.27	-29.5%

At 31 December, HK\$ million

於12月31日，百萬港元

		2018	2017	Change 變化
Total assets	總資產	11,547.90	10,950.79	+5.5%
Total equity	總權益	2,717.62	2,809.03	-3.3%

Management Review and Analysis

管理層回顧和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

養老及團體保險業務 (續)

At 31 December, HK\$ million (Continued)

於12月31日，百萬港元 (續)

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

養老業務之主要經營數據概述如下：

		2018	2017	Change 變化
Annuity invested assets (HK\$ million)	企業年金投資資產 (百萬港元)	95,265	92,054	+3.5%
Annuity entrusted assets (HK\$ million)	企業年金受託資產 (百萬港元)	85,292	72,357	+17.9%
Number of enterprises in funds and schemes	養老年金計劃所涉及 的企業數目	8,962	7,461	+1,501
Number of branches	分公司數目	37	34	+3

Operating Result

經營業績

The pension and group life insurance business recorded a net operating profit of HK\$67.12 million during the Year (2017: HK\$95.27 million). TPP continued increasing its operating scale and maintained the profitability of its operations.

養老及團體保險業務產生經營溢利淨額6,712萬港元(2017年：9,527萬港元)，太平養老持續擴大其規模，並保持經營溢利。

Direct Premiums Written

保費收入

TPP's direct premiums written for the Year increased by 8.5% to HK\$5,757 million from HK\$5,307 million in the Last Year.

太平養老之保費收入由去年之53.07億港元上升8.5%至57.57億港元。

Financial Strength and Solvency Margin

財務實力及償付能力

The comprehensive solvency ratios of TPP under the CBIRC regulations were as follows:

太平養老按中國銀保監會規定之綜合償付能力充足率如下：

At 31 December, RMB million

於12月31日，百萬人民幣

		2018	2017
Available Capital	實際資本	2,604	2,460
Minimum Capital	最低資本	870	733
Comprehensive solvency ratio	綜合償付能力充足率	299%	336%

Management Review and Analysis

管理層回顧和分析

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS

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

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

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

For the year ended 31 December, HK\$ million

境內財產保險業務

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

以下數字為集團內部對銷前，太平財險的營運業績。

由太平財險經營之財產保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Direct premiums written	保費收入	28,683.88	25,441.08	+12.7%
Net premiums written	淨保費收入	24,296.48	22,176.27	+9.6%
Net earned premiums	已賺取保費淨額	24,614.87	20,576.93	+19.6%
Net claims incurred	賠款淨額	(13,259.58)	(10,754.91)	+23.3%
Underwriting expenses	承保費用	(8,048.38)	(6,589.54)	+22.1%
Net commission expenses	佣金支出淨額	(3,260.59)	(3,137.62)	+3.9%
Underwriting profit	承保溢利	46.33	94.86	-51.2%
Total investment income	總投資收入	945.16	835.61	+13.1%
Share of results of associates	應佔聯營公司業績	(84.54)	136.24	-162.1%
Other income	其他收益	174.14	140.28	+24.1%
Other miscellaneous expenses	其他雜費	(253.75)	(347.93)	-27.1%
Finance costs	財務費用	(77.90)	(76.09)	+2.4%
Profit before taxation	除稅前經營溢利	749.44	782.97	-4.3%
Profit after taxation and attributable to the owners	除稅後及股東應佔經營溢利	340.39	362.72	-6.2%
Retained ratio	自留比率	84.7%	87.2%	-2.5 pts 點
Loss ratio ¹	賠付率 ¹	53.9%	52.2%	+1.7 pts 點
Expense ratio ¹	費用率 ¹	45.9%	47.3%	-1.4 pts 點
Combined ratio ²	綜合成本率 ²	99.8%	99.5%	+0.3 pt 點

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

² The combined ratio was 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

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

境內財產保險業務(續)

At 31 December, HK\$ million

於12月31日，百萬港元

		2018	2017	Change 變化
Total assets	總資產	31,417.60	31,725.32	-1.0%
Total equity	總權益	6,906.90	7,405.39	-6.7%

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

由太平財險經營之財產保險業務之主要經營數據概述如下：

		2018	2017	Change 變化
Market share ¹	市場份額 ¹	2.0%	2.1%	-0.1 pt 點
Number of provincial branches	省級分公司數目	31	31	-
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	671	632	+39
Number of customers	客戶數目			
– Individual	– 個人	6,448,232	5,509,326	+938,906
– Corporate	– 公司	277,812	246,061	+31,751
Number of direct sales representatives	直接銷售代表數目	10,704	10,227	+477

¹ Derived according to the premiums published by the CBIRC.

¹ 根據中國銀保監會刊發之保費得出。

Management Review and Analysis

管理層回顧和分析

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

Operating Profit

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$340 million during the Year (2017: HK\$363 million), representing a decrease of 6.2%. During the Year, TPI was able to continue expanding the scale of its business, and maintaining solid operating results.

Direct Premiums Written

TPI's direct premiums written increased by 12.7% to HK\$28,684 million from HK\$25,441 million in the Last Year. The detailed breakdown of TPI's direct premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line 業務種類		2018 佔總額百分比		2017 佔總額百分比	
Motor	車險	21,951.54	76.5%	19,864.96	78.1%
Marine	水險	893.10	3.1%	738.93	2.9%
Non-marine	非水險	5,839.24	20.4%	4,837.19	19.0%
		28,683.88	100.0%	25,441.08	100.0%

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

For the year ended 31 December, HK\$ million

		2018 佔總額百分比				2017 佔總額百分比	
Shandong	山東	2,531.18	8.8%	Shandong	山東	2,186.07	8.6%
Shenzhen	深圳	2,368.69	8.3%	Shenzhen	深圳	2,140.95	8.4%
Guangdong	廣東	2,081.83	7.3%	Sichuan	四川	2,098.69	8.2%
Zhejiang	浙江	1,660.71	5.8%	Guangdong	廣東	1,752.76	6.9%
Sichuan	四川	1,502.89	5.2%	Zhejiang	浙江	1,366.36	5.4%
Others	其他	18,538.58	64.6%	Others	其他	15,896.25	62.5%
Total	總額	28,683.88	100.0%	Total	總額	25,441.08	100.0%

境內財產保險業務 (續)

經營溢利

本年度內，由太平財險經營之財產保險業務的經營溢利淨額為3.40億港元（2017年：3.63億港元），下跌6.2%。於本年度內，太平財險繼續擴大業務規模，同時維持穩健的經營業績。

保費收入

太平財險的保費收入上升12.7%，由去年的254.41億港元上升至286.84億港元。太平財險保費收入詳細分析如下：

截至12月31日止年度，百萬港元

太平財險按區域的保費收入分佈如下：

截至12月31日止年度，百萬港元

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PRC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

Combined Ratio

TPI's loss ratio increased by 1.7 percentage points to 53.9% from 52.2% in the Last Year. The expense ratio improved to 45.9% from 47.3% in the Last Year. TPI's combined ratio increased by 0.3 percentage point to 99.8% from 99.5% in the Last Year. TPI's loss ratios, expense ratios and combined ratios were as follows:

For the year ended 31 December

		2018	2017
Loss ratio	賠付率	53.9%	52.2%
Expense ratio	費用率	45.9%	47.3%
Combined ratio	綜合成本率	99.8%	99.5%

Financial Strength and Solvency Margin

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

At 31 December, RMB million

		2018	2017
Available Capital	實際資本	6,861	7,211
Minimum Capital	最低資本	3,054	3,336
Comprehensive Solvency Ratio	綜合償付能力充足率	225%	216%

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment cover Hong Kong, Macau, UK, Singapore and Indonesia, and is operated by CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia respectively. CTPI (HK), TP Macau, TP UK and TP Singapore are wholly-owned by the Group. TP Indonesia is 55% owned by the Group.

境內財產保險業務(續)

綜合成本率

太平財險的賠付率由去年的52.2%上升1.7個百分點至53.9%。費用率由去年的47.3%優化至45.9%。本年度內太平財險的綜合成本率由去年的99.5%上升0.3個百分點至99.8%。太平財險之賠付率、費用率及綜合成本率情況如下：

截至12月31日止年度

財務實力及償付能力

太平財險按中國銀保監會規定之償付能力充足率如下：

於12月31日，百萬人民幣

境外財產保險業務

本集團之境外財產保險業務覆蓋香港、澳門、英國、新加坡及印尼，分別由太平香港、太平澳門、太平英國、太平新加坡及太平印尼營運。太平香港、太平澳門、太平英國及太平新加坡由本集團全資擁有。本集團擁有太平印尼55%權益。

Management Review and Analysis

管理層回顧和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

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

The key financial data of the overseas property and casualty insurance business is summarised below:

For the year ended 31 December, HK\$ million

境外財產保險業務 (續)

以下數字為集團內部對銷前，各公司的營運業績。

境外財產保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2018	2017	Change 變化
Direct premiums written	保費收入			
CTPI (HK)	太平香港	1,613.58	1,449.52	+11.3%
TP Macau	太平澳門	713.85	672.94	+6.1%
TP UK	太平英國	741.48	455.92	+62.6%
TP Singapore ¹	太平新加坡 ¹	463.21	422.96	+9.5%
TP Indonesia	太平印尼	241.67	231.29	+4.5%
Underwriting profit/(loss)	承保溢利／（虧損）			
CTPI (HK)	太平香港	22.31	22.02	+1.3%
TP Macau	太平澳門	112.06	(22.74)	+592.8%
TP UK	太平英國	(46.08)	(0.53)	-8,594.3%
TP Singapore ¹	太平新加坡 ¹	22.02	26.27	-16.2%
TP Indonesia	太平印尼	4.16	3.48	+19.5%
Profit/(loss) after taxation	除稅後溢利／（虧損）			
CTPI (HK)	太平香港	302.15	400.03	-24.5%
TP Macau	太平澳門	125.14	25.76	+385.8%
TP UK	太平英國	(47.51)	(7.27)	-553.4%
TP Singapore ¹	太平新加坡 ¹	23.72	37.14	-36.1%
TP Indonesia	太平印尼	9.59	5.84	+64.2%
Combined ratio	綜合成本率			
CTPI (HK)	太平香港	99.0%	99.0%	-
TP Macau	太平澳門	70.1%	105.7%	-35.6 pts 點
TP UK	太平英國	110.4%	100.2%	+10.2 pts 點
TP Singapore ¹	太平新加坡 ¹	95.4%	94.1%	+1.3 pts 點
TP Indonesia	太平印尼	89.7%	87.5%	+2.2 pts 點

¹ The results of TP Singapore from its property and casualty insurance business, which was not including its life insurance business.

¹ 太平新加坡的財產保險業務業績，不包括其壽險業務。

The underwriting loss, the loss after taxation and the increase of combined ratio of TP UK were affected by multiple fire accidents in Europe for the Year.

受歐洲多起火災事故影響，太平英國本年度錄得承保虧損和除稅後虧損，其綜合成本率亦較去年高。

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管理層回顧和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

境外財產保險業務(續)

At 31 December

於12月31日

		2018	2017	Change 變化
Regulatory solvency margin 償付能力充足率¹				
ratio¹				
CTPI (HK)	太平香港	1,029%	815%	+214 pts 點
TP Macau	太平澳門	257%	230%	+27 pts 點
TP UK	太平英國	140%	156%	-16 pts 點
TP Singapore ²	太平新加坡 ²	238%	217%	+21 pts 點
TP Indonesia	太平印尼	198%	222%	-24 pts 點

¹ Based on the local regulations.

¹ 按當地的規定。

² The results of TP Singapore from its property and casualty insurance business, which do not include its life insurance business.

² 太平新加坡的財產保險業務業績，不包括其壽險業務。

REINSURANCE BUSINESS

再保險業務

The Group's reinsurance business is operated by TPRE, a Hong Kong-incorporated company and wholly-owned by the Group, and TPRE's wholly owned subsidiary TPRE (China). TPRE mainly engaged in the underwriting of all classes of non-life reinsurance business around the globe, consisting mainly of short-tail, property reinsurance business in the Asia Pacific region. TPRE also engages in the underwriting of certain classes of long term (life) reinsurance business. TPRE (China) incorporated in PRC in December 2015.

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及太平再保險之全資附屬公司太平再保險(中國)營運。太平再保險主要從事承保全球各類非人壽再保險業務，主要包括亞太地區的短尾財產再保險業務。太平再保險亦從事若干類別的長期(人壽)再保險業務。太平再保險(中國)是於2015年12月在中國註冊成立之公司。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

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

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

For the year ended 31 December, HK\$ million

		2018	2017	Change 變化
Direct premiums written	保費收入	13,551.84	11,057.59	+22.6%
Underwriting profit (non-life)	承保溢利 (非人壽)	98.49	195.54	-49.6%
Profit after taxation	除稅後溢利	539.26	743.76	-27.5%
Non-life reinsurance business	非人壽再保險業務：			
Combined ratio	綜合成本率	98.6%	96.4%	+2.2 pts 點

At 31 December

		2018	2017	Change 變化
Regulatory solvency margin ratio ¹	監管償付能力充足比率 ¹	261%	363%	-102 pts 點

¹ Based on local regulations.

Operating Profit

The reinsurance business produced a net operating profit after tax of HK\$539 million during the Year (2017: HK\$744 million), representing a decrease of 27.5%. The decrease was primarily due to the exchange losses, catastrophes, and the unfavorable conditions of the investment market.

再保險業務 (續)

以下數字為集團內部對銷前，太平再保險的合併營運業績。

由太平再保險經營之再保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

於12月31日

¹ 按當地的規定。

經營溢利

再保險業務產生經營溢利淨額5.39億港元（2017年：7.44億港元），下跌27.5%。下跌主要由於匯兌損失、巨災，以及受投資市場不利條件所影響。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

Direct Premiums Written

TPre's direct premiums written for the Year significantly increased by 22.6% to HK\$13,552 million from HK\$11,058 million in the Last Year. TPre was able to maintain its core business portfolio with overall premium growth, to enhance the leading position in Hong Kong and Macau, to optimise the business portfolio continuously, actively explore other Asian markets such as Japan and Singapore, and strengthen the development of high quality businesses in Europe and US. TPre has overcome the adverse effects of catastrophic events for two consecutive years. The combined ratio of the non-life reinsurance business was 98.6% (2017: 96.4%). The underwriting profit was HK\$98 million (2017: HK\$196 million).

TPre's life reinsurance business achieved premiums of HK\$4,732 million (2017: HK\$4,290 million), mainly from Hong Kong.

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

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

For the year ended 31 December, HK\$ million

		2018	2017	Change 變化
Direct premiums written	保費收入	5,251.51	3,502.98	+49.9%
Profit after taxation	除稅後溢利	145.17	119.67	+21.3%

At 31 December, HK\$ million

		2018	2017	Change 變化
Net assets	淨資產	2,330.53	1,720.54	+35.5%

再保險業務 (續)

保費收入

太平再保險之保費收入由去年的110.58億港元大幅增長22.6%至135.52億港元。太平再保險仍維持核心業務組合的整體保費收入增長，增強港澳市場引領地位。中國業務組合持續優化，積極開拓日本、新加坡等亞洲其他市場，加大歐美優質業務開拓力度。克服連續兩年遭受巨災事件的不利影響，太平再保險之非人壽業務綜合成本率98.6%（2017年：96.4%），實現承保溢利0.98億港元（2017年：1.96億港元）。

太平再保險人壽再保險業務保費收入達到47.32億港元（2017年：42.90億港元），主要來自香港。

以下數字為集團內部對銷前，太平再保險（中國）的營運業績。

由太平再保險（中國）經營之再保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

於12月31日，百萬港元

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPre (China) under the CBIRC regulations were as follows:

At 31 December, RMB million

		2018	2017
Available capital	實際資本	2,032	1,430
Minimum capital	最低資本	807	586
Comprehensive solvency ratio	綜合償付能力充足率	252%	244%

再保險業務 (續)

財務實力及償付能力

太平再保險(中國)按中國銀保監會規定之綜合償付能力充足率如下:

於12月31日, 百萬人民幣

ASSET MANAGEMENT BUSINESS

The Group's asset management business is mainly operated by TPAM and TP Fund (collectively known as the "TPAM Group") and TPA (HK), which are engaged in the provision of asset management services to the Group in managing its RMB and non-RMB investment portfolios. TPAM is a PRC-incorporated company and is 80% owned by the Group, while TP Fund is 83% owned by TPAM, which was acquired by TPAM in September 2016. TPA (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group.

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

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

For the year ended 31 December, HK\$ million

		2018	2017	Change 變化
Management fee income	管理費收入	1,039.58	1,178.25	-11.8%
Profit after taxation	除稅後溢利	457.65	484.02	-5.4%
Profit attributable to the owners	股東應佔溢利	389.51	400.91	-2.8%

資產管理業務

本集團之資產管理業務主要由太平資產、太平基金(與太平資產統稱「太平資產集團」)與太平資產(香港)營運,為本集團的人民幣及非人民幣投資組合提供資產管理服務。太平資產為中國註冊公司並由本集團擁有80%權益,而太平基金由太平資產於2016年9月完成收購並擁有其83%權益,太平資產(香港)為香港註冊公司並由本集團全資擁有。

以下數字為集團內部對銷前,太平資產及太平資產(香港)的營運業績。

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

截至12月31日止年度, 百萬港元

Management Review and Analysis

管理層回顧和分析

ASSET MANAGEMENT BUSINESS (Continued)

資產管理業務 (續)

At 31 December, HK\$ million

於12月31日，百萬港元

		2018	2017	Change 變化
Assets under management	資產管理規模	742,506	634,982	+16.9%

Operating Profit

經營溢利

The asset management business produced a net operating profit of HK\$458 million during the Year (2017: HK\$484 million), representing a decrease of 5.4% compared to the Last Year.

資產管理業務的經營溢利淨額為4.58億港元 (2017年：4.84億港元)，較去年下跌5.4%。

LIQUIDITY AND FINANCIAL RESOURCES

流動資金

The Group's cash and bank deposits as at 31 December 2018 amounted to HK\$86,956 million (2017: HK\$83,614 million).

於2018年12月31日，本集團的現金及銀行存款為869.56億港元 (2017年：836.14億港元)。

FINANCIAL LEVERAGE

財務槓桿

The interest-bearing notes and bank facilities drawn as at 31 December 2018 amounted to HK\$5,679 million and HK\$50,487 million (2017: HK\$5,958 million and HK\$46,189 million). As of 31 December 2018, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 41.1% (2017: 39.0%).

2018年12月31日須付息票據及已提取銀行貸款額度分別為56.79億港元及504.87億港元 (2017年：59.58億港元及461.89億港元)。於2018年12月31日，中國太平控股的綜合財務槓桿比率 (債務 / (債務 + 股本)) 為41.1% (2017年：39.0%)。

CAPITAL STRUCTURE

資本結構

CTIH did not issue new Shares during the Year and 2017.

於本年度及2017年，中國太平控股並無發行新股。

Management Review and Analysis

管理層回顧和分析

PRINCIPAL PROPERTIES

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

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

主要物業

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

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

STAFF AND STAFF REMUNERATION

As at 31 December 2018, the Group had a total of 75,341 employees (2017: 77,472 employees), a decrease of 2,131 employees. Total remuneration for the Year amounted to HK\$16,857 million (2017: HK\$15,466 million), an increase of 9.0%. Bonuses are linked to both the performance of the Group and the performance of the individual.

員工及員工酬金

於2018年12月31日，本集團的僱員總人數達75,341人（2017年：77,472人），減少2,131人。本年度總酬金為168.57億港元（2017年：154.66億港元），增加9.0%。花紅與本集團的業績及員工的個人表現掛鉤。

MATERIAL CONTRACTS AND THEIR PERFORMANCE

TSFL is a subsidiary of the Company owned as to 50% by TPL and 50% by China Petrochemical Corporation.

重大合同及其履行情況

太平石化金租為本公司的附屬公司，其中50%由太平人壽擁有及50%由中石化集團公司擁有。

On 19 January 2018, TSFL and China Petrochemical Corporation entered into the 2018 Finance Leasing Framework Agreement in relation to the provision of finance leasing services by TSFL as lessor to members of the China Petrochemical Corporation as lessees. For detail of the 2018 Finance Leasing Framework Agreement, please refer to the announcement of the company dated 19 January 2018.

於2018年1月19日，太平石化金租與中石化集團公司就太平石化金租（作為出租人）向中石化集團公司的成員公司（作為承租人）提供融資租賃服務訂立2018融資租賃框架協議，就2018融資租賃框架協議的詳情，請參見本公司於2018年1月19日刊發的公告。

The aggregate outstanding amount (i.e. including all lease payments, interests, pre-lease interests and handling fee) payable under the 2018 Finance Leasing Framework Agreement at any time between 1 January 2018 to 31 December 2018 (both days inclusive) would not exceed HK\$7.0 billion. As at 31 December 2018, the remaining amount was HK\$5.419 billion.

2018融資租賃框架協議項下於2018年1月1日至2018年12月31日（包括首尾兩天）內的任何時間的應付之尚未支付總金額（即包括所有租賃付款、利息、租賃前利息及手續費）將不超過70億港元，截至2018年12月31日，有關之尚餘金額54.19億港元。

Management Review and Analysis

管理層回顧和分析

MATERIAL CONTRACTS AND THEIR PERFORMANCE *(Continued)*

重大合同及其履行情况 (續)

During the Year, the finance leasing transactions entered pursuant to the 2018 Finance Leasing Framework Agreement are as follows:

在本年度內，根據2018年融資租賃框架協議發生的融資租賃交易具體情況如下：

Name of lessees 承租方名稱	Transaction Amount 交易金額 (RMB million) (人民幣百萬)	No. of finance lease 交易次數	Key terms and conditions of the finance lease (RMB) 融資租賃主要條款 (人民幣)	Summary of category in financial assets 租賃資產類別摘要
Sinopec Shengli Assets Redistribution & Leasing Co., Ltd. 勝利油田勝利資產調劑租賃有限責任公司	56.59	1	<p>(1) Leased subject matter: rotary guiding tools and ground systems 租賃標的物：旋轉導向工具及地面系統</p> <p>(2) Lease principal: 44.1506 million 租賃本金：4,415.06萬元</p> <p>(3) Rental interest rate: The people's Bank of China 5-year benchmark interest rate floating by 10% 租金利率：人民銀行五年期基準利率上浮10%</p> <p>(4) Lease term: 5 years 租賃期限：5年</p> <p>(5) Consulting service fee: 1,103,764.62 諮詢服務費：1,103,764.62元</p> <p>(6) Transaction content: The lessor purchases the leased property from the supplier, and then leases the leased property to the lessee. The lessee pays the rent to the lessor according to the contract 交易內容：出租人從供貨人處購買租賃物，再將租賃物出租給承租人，承租人按約向出租人支付租金等款項</p>	Rotary guiding tool and ground system, belonging to oil extraction equipment 旋轉導向工具及地面系統，屬石油開採設備

Management Review and Analysis

管理層回顧和分析

MATERIAL CONTRACTS AND THEIR PERFORMANCE *(Continued)*

重大合同及其履行情况 (續)

Name of lessees 承租方名稱	Transaction Amount 交易金額 (RMB million) (人民幣百萬)	No. of finance lease 交易次數	Key terms and conditions of the finance lease (RMB) 融資租賃主要條款 (人民幣)	Summary of category in financial assets 租賃資產類別摘要
Sinopec Shengli Petroleum Engineering Co., Ltd. 中石化勝利石油工程有限公司	1,173.14	1	<p>(1) Leased subject matter: oil production equipment such as fracturing trucks, diesel generator sets, cementing trucks, etc. 租賃標的物：壓裂車、柴油發電機組、固井水泥車等石油開採設備</p> <p>(2) Lease principal: 1.0 billion 租賃本金：10億元</p> <p>(3) Lease interest rate: 4% 租賃利率：4%</p> <p>(4) Lease term: 8 years 租賃期限：8年</p> <p>(5) Transaction content: The lessee transfers all of its leases to the lessor, and the lessor then leases the lease to the lessee, and the lessee pays the renter and other payments to the lessor 交易內容：承租人將其所有的租賃物轉讓給出租人，出租人再將該租賃物出租給承租人，承租人按約向出租人支付租金等款項</p>	Oil production equipment such as fracturing trucks, diesel generator sets, cementing trucks, etc. 壓裂車、柴油發電機組、固井水泥車等石油開採設備

Management Review and Analysis

管理層回顧和分析

MATERIAL CONTRACTS AND THEIR PERFORMANCE *(Continued)*

重大合同及其履行情况 (續)

Name of lessees 承租方名稱	Transaction Amount 交易金額 (RMB million) (人民幣百萬)	No. of finance lease 交易次數	Key terms and conditions of the finance lease (RMB) 融資租賃主要條款 (人民幣)	Summary of category in financial assets 租賃資產類別摘要
Sinopec Fuel Oil (Singapore) Pte. Ltd. 中石化燃料油 (新加坡) 有限公司	51.31	2	<p>(1) Leased subject matter: two refueling ships 租賃標的物：兩艘加油船</p> <p>(2) Lease principal: 38.7084 million 租賃本金：3,870.84萬元</p> <p>(3) Rent: Fixed monthly rent of USD26,000 and USD38,000 respectively for the two refueling ships 租金：固定租金，兩艘加油船光租月租金分別為26,000美元和38,000美元</p> <p>(4) Lease term: 7 years 租賃期限：7年</p> <p>(5) Transaction content: The lessor purchases the leased property from the supplier, and then leases the leased property to the lessee. The lessee pays the rent to the lessor according to the contract 交易內容：出租人從供貨人處購買租賃物，再將租賃物出租給承租人，承租人按約向出租人支付租金等款項</p>	Refueling ships 燃料油加油船

CONTINGENT LIABILITIES

或然負債

Other than those incurred in the normal course of the Group's insurance businesses, there was no outstanding litigation nor any other contingent liabilities as at 31 December 2018.

除在本集團日常保險業務中產生的訴訟外，於2018年12月31日，本集團概無任何未決訴訟或或然負債。

Management Review and Analysis

管理層回顧和分析

OUTLOOK

Firmly Grasping Major Period for Strategic Opportunities to Solidly Promote the Development Strategy of the New Era

- During 2018, China Taiping has achieved satisfactory results in various operations. Amid the significant slowdown in the industry, China Taiping proactively responded to market changes and major operating indicators recorded stable performance with good momentum for growth and surpassed the market average, with performance keep growing. The Company established a development concept of “Taiping for your peaceful life” and development strategy of the new era with the goal of “Building a Globally Competitive Internationalised Modern Financial Insurance Group”. Guided by the national strategy, the Company has made outstanding achievements in serving the real economy, “The Belt and Road” and the construction of Guangdong-Hong Kong-Macau Greater Bay Area. The Company promoted technology empowerment and accelerated the application of financial technology which improved operational efficiency and customer service experience. Moreover, the Company strengthened its risk prevention and control, preventing major systemic risk
- The year of 2019, is not only the 90th anniversary for the startup of China Taiping, but also the year of beginning of development strategy of the new era. China Taiping will firmly capitalise the period with important strategic opportunities and promote the development strategy in new era. Through abiding by serving the major national strategies, following the requirements of high-quality development and adhering to the principles of preventing financial risks, promoting the transformation and upgrading of insurance business, the international strategic deployment, the continuous improvement of informatisation and the in-depth market-oriented reform, in a bid to maintain the virtuous circle among, and steady development of insurances, investments and industries. With the goals of “Surpassing the Market, Competing at an Advanced Level, Growing on Steady Basis and Creating Value” for business operations, the Group will improve its overall capacities through empowerment of management, technology, resource and mechanism to achieve synergetic development of business segments in Mainland China, Hong Kong, Macau and overseas segment, and thus create greater value for shareholders, the society and customers

展望

牢牢把握重要戰略機遇期，紮實推進新時代發展戰略

- 2018年是中國太平各項經營工作取得良好成績的一年。在行業增速明顯下降的情況下，中國太平積極應對市場變化，主要經營指標穩中向好，跑贏大市，公司效益保持增長。樹立了「共享太平」發展理念，確立了以「建設具有全球競爭力的國際化現代金融保險集團」為目標的新時代發展戰略。同時，積極服國家戰略，在服務實體經濟、「一帶一路」、粵港澳大灣區建設等方面成績突出；紮實推進科技賦能，金融科技的應用步伐明顯加快，運營效率和客戶服務體驗不斷提升；風險防控得以加強，防止系統性重大風險
- 2019年是中國太平創業90周年，也是新時代發展戰略的開局之年。中國太平將牢牢把握重要戰略機遇期，紮實推進新時代發展戰略，堅持服務國家重大戰略，堅持高質量發展要求，堅持防範金融風險原則，推動保險業務轉型升級，推動國際化戰略佈局，推動信息化持續提升，推動市場化改革深化，保持保險、投資和產業的良性循環和穩健發展。以「跑贏大市、爭先進位、穩定增長、創造價值」為經營工作的目標導向，通過管理賦能、科技賦能、資源賦能、機制賦能促進集團整體能力躍升，實現內地、港澳、海外板塊的協同發展，為股東、社會和客戶創造更大價值

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

PRC Life Insurance Business – TPL

- Adhere to the philosophy of Customer First, to build an efficient and empowered team, implement international strategy, and be benchmarked against leading peers for enhancing competitiveness and scale
- Insist on the development of value of individual insurance and simultaneous promotion of quality and quantity of manpower to strengthen five core aspects of “Organisation Management, Human Resource Promotion, Sales Department Operation, Training Support and Instrument Support”
- Deepen the transformation of bancassurance and establish a new dual driving pattern of “Bank + Channel”
- Empower the e-commerce through accelerating the construction of its channels, teams and quality, steadily promoting its self-built business and further improving the business model to access the online customer acquiring channels and diversify the marketing on platforms of telephone, internet and communication
- Continue to maintain our industry leading position in persistency ratios and establish a core management system featured with “Steady Progress, Characteristics and Value”

PRC Property and Casualty Insurance Business – TPI

- Accelerate the transformation and upgrading of operations of motor insurance while improving the scale and performance of non-motor insurances; further improve the professional development of channels and optimise their development strategies; continuously improve the operation and management of branches to promote their high-quality development
- Make effective progress in cost reduction and benefit improvement as well as cost management, along with constantly improving the refinement management of the Company; improve the management model regarding customers to improve customers service quality

展望 (續)

境內人壽業務—太平人壽

- 堅持客戶至上的理念，打造高效賦能團隊，踐行國際化戰略，對標優秀同業，做強實力，做大規模
- 個險堅持價值發展，推動人力量質同升，強化「機構管理、人力提升、營業部經營、培訓支援、工具支撐」五大核心
- 銀保深化轉型，打造「銀行+渠道」雙輪驅動新格局
- 電商借勢賦能，加速渠道、隊伍、品質建設，穩步推進自建業務，進一步完善業務模式，打通線上獲客鏈、豐富電網通平台營銷
- 續收穩固行業領先地位，構建「穩進、特色、價值」核心管理體系

境內產險業務—太平財險

- 加快車險經營轉型升級，同步提升非車險規模和效益；進一步完善渠道專業化發展水平，優化各渠道發展策略；持續提升分支機構經營管理能力，著力推動高質量發展
- 紮實推進降本增效和成本管理工作，不斷提高公司精細化管理水平；完善客戶經營管理模式，提升客戶服務品質

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Group Insurance and Pension Business – TPP

- Speed up the annuity development to surpass the market; actively seize market opportunities through taking appropriate measures with respect to occupational annuity; strengthen research on investment strategies to steadily improve the performance of pension investments, and continue to optimise and expand the scale of pension assets under management
- Focus on group insurance with respect to the development of key businesses such as worksite marketing and policy-based business, spare no efforts in business channel management and talents building, increase the innovation in products, continue to optimise the business structure and improve the quality of business

Overseas Life Insurance Business – TPL (HK), TP Singapore

- TPL (HK) will actively carry out the requirement of high-quality development and optimise business structure to achieve the harmonious development of scale and efficiency, meanwhile continually expand business scale through the steady development of subsidiary in Macau
- TP Singapore will firmly seize market opportunities to swiftly develop the life insurance business and realise breakthrough development

展望 (續)

團險和養老金業務－太平養老

- 企業年金發展提速，跑贏大市；職業年金精準施策，積極搶佔市場先機；加強投資策略研究，推動養老金投資業績穩步提升，持續做強做優做大養老資產管理規模
- 團險聚焦職域營銷和政策性業務等重點業務開拓，做好業務渠道管理和隊伍建設，加大產品創新力度，持續優化業務結構，提升業務品質

境外壽險業務－太平人壽香港、太平新加坡

- 太平人壽香港積極落實高質量發展要求，持續優化業務結構，實現規模與效益協調發展，澳門子公司穩健起步，不斷擴大業務規模
- 太平新加坡緊抓市場機遇，壽險業務快速打開局面，實現突破發展

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

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

- CTPI (HK) intensively explore the development potential of local market, strengthen customer services capabilities, strengthen risk management, continuously enhance brand image and market influence of the company
- TP Macau will, through securing the opportunities under the policies of Guangdong-Hong Kong-Macau Greater Bay Area, increase its efforts in business expansion which are led by innovation and driven by technological application, improve customer service level and enhance core competitiveness and thus maintain a leading position in the market
- TP UK will intensively develop the business of the local Chinese enterprises and local Chinese market, strengthen business diversification, optimise the business structure, improve the quality of specialised personnel and enhance profitability
- TP Singapore will firmly seize the opportunity of “The Belt and Road”, intensively develop the business of the local Chinese Enterprises, further expand in the Southeast Asia insurance market, strengthen the refinement management and risk management, promote insurance technology innovation, enhance customer experience and strive for greater market competitiveness
- TP Indonesia will continue developing local profitable business, deeply explore the Chinese enterprises business; pioneering and innovating, actively seeking new growth points; strengthening services and continuously improving market influence

展望 (續)

境外產險業務－太平香港、太平澳門、太平英國、太平新加坡及太平印尼

- 太平香港深挖本地業務潛力，加強客戶服務能力，強化風險管理，持續提升公司品牌形象和市場影響力
- 太平澳門把握粵港澳大灣區政策機遇，以創新為引領，以科技應用為動能，加大業務拓展力度，提高客戶服務水平，提升核心競爭力，保持市場領先地位
- 太平英國深耕中資企業和華人市場，加強業務多元化發展，優化業務結構，提高專業隊伍素養，提升盈利水平
- 太平新加坡緊抓「一帶一路」機遇，深耕本地中資業務，進一步輻射東南亞保險市場，強化精細化管理和風險管控水平，推進保險科技創新，提升客戶體驗，著力提升市場競爭力
- 太平印尼努力拓展當地效益險種，深入挖掘中資業務；開拓創新，積極尋找新的增長點；強化服務，不斷提升市場影響力

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Reinsurance Business – TPre, TPre (China) and TPRB

- TPre will continue to lift customer service level, professional and technical capabilities, continuously improve risk management capabilities and international operation levels to achieve synergy between scale and efficiency
- TPre (China) will make efforts in building core competitiveness and promoting the strategic layout to accelerate business transformation and implement innovation-driven strategy with an aim to improve capacities of serving the national strategies
- TPRB will strengthen the building of professional teams, improve the level of informatisation construction, comprehensively improve customer service standards and professional technical capabilities, and enhance industry influence

Investment

- In 2019, the momentum growth of global economy is weaker with slower growth. China's economy is suffering from profound changes in the external environment and in the throes of internal structural adjustment, the economic downward pressure is greater, more determined in risks prevention, and macro-control policies need comprehensive consideration. Under this background, the Group will give full play to the long-term investment advantages of insurance funds, adhere to the concept of value investment, do a good job in strategic allocation, and flexibly carry out tactical adjustment according to changes in the situation
- In respect of traditional investments, the emphasis will be placed on equity value investment and stable investment, the allocation of choosing the leading company with obvious competitive edges and the investment in the outstanding long-term equity by seizing the market opportunity of lower valuation for the overall equity market; continually enlarging the allocation proportion of bond investment with focus on asset quality and allocation structure improvement to achieve good selection of durations and varieties

展望 (續)

再保險業務－太平再保險、太平再保險（中國）及太平再保顧問

- 太平再保險持續提升客戶服務水準和專業技術能力，持續提升風險管理能力和國際化經營水平，實現規模與效益的協同發展
- 太平再保險（中國）努力打造公司核心競爭力，推進戰略佈局，加快業務轉型，實施創新驅動，提升服務國家戰略的能力
- 太平再保顧問加強專業隊伍建設，提升信息化建設水準，全面提升客戶服務水準和專業技術能力，提升行業影響力

投資

- 2019年全球經濟增長動能減弱、增速放緩，中國經濟面臨外部環境深刻變化與內部結構調整陣痛，經濟下行壓力較大，防風險任務更加堅決，宏觀調控政策需統籌考慮，綜合平衡。在此背景下，本集團將充分發揮保險資金長期投資優勢，堅持價值投資理念做好戰略配置，並根據形勢變化靈活開展戰術調整
- 傳統投資方面，重視權益的價值投資、穩健投資，配置競爭優勢明顯的龍頭公司，並抓住股市整體估值處於低位擇機開展優秀長期股權投資；債券投資繼續加大配置力度，注重資產質量，優化配置結構，做好久期搭配與品種選擇

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Investment (Continued)

- In respect of alternative investment, the main investment strategy is to provide service for the real economy according to national strategies, with priorities to important investment opportunities such as “The Belt and Road”, Guangdong-Hong Kong-Macau Greater Bay Area, Hainan free port and national strategic industrial fund, and at the same time make use of the advantages of comprehensive financial layout and seek for elderly-care communities and medical health high-quality bids which can create synergistic effects to the main business of insurance. As for the real estate investment, on the one hand, we will optimise the allocation structure of existing office properties; on the other hand, we will enrich the financing model and construction model and strives for the best return
- Following the spirits of the Central Economic Working Conference, we will proactively prevent and dissolve major risks, especially the credit default risk, continue to carry out checking and ruling out of stock assets, promote the infrastructure construction of risk control information, adhere to the principle of “Through to the End”, figure out the risk limit and prevent the systematic risks and material risks

展望 (續)

投資 (續)

- 另類投資方面，以圍繞國家戰略、服務實體經濟為主要投資思路，重點把握「一帶一路」、粵港澳大灣區、海南自由港、國家戰略產業基金等重大投資機遇，同時發揮綜合金融佈局優勢，大力尋找與保險主業產生協同的養老社區、醫療健康優質標的。不動產投資一方面優化存量辦公物業的配置結構，另一方面豐富籌資模式與建設模式，爭取最優回報
- 全面貫徹中央經濟工作會議精神，主動防範化解重大風險特別是信用違約風險，持續開展存量資產排查工作，推進風險管控信息基礎建設，堅持「穿透到底」原則，全面摸清風險底數，對有風險苗頭的投資資產實施「名單制管理」，防止系統性風險與重大風險