

chairman's statement

主席匯報



2007 was a year of continued rapid growth. We have made great progress on our strategic journey and firmly established the Bank as the regional financial platform for Fubon Financial. The Bank will continue to harness the collective strength within the Fubon Group and expand our customer franchise, thereby creating the fundamentals for long-term sustainable growth.

二零零七年為展現增長的一年。本行在策略上取得重大的進展，確立了本行作為富邦金融的區域金融平台。本行將繼續發揮富邦集團的集結力量，加強客戶基礎的優勢，為永續增長奠定良好的基礎。

DELIVERING GROWTH

2007 was a year of continued rapid growth and strong financial performance. We have made great progress on our strategic journey and firmly established the Bank as the regional financial platform for Fubon Financial. We have made great strides in expanding our businesses, enhancing product capabilities and reinforcing infrastructure. Our relentless pursuit of optimising our balance sheet, shifting our business mix toward higher risk-adjusted returns, and building recurring income has produced consistent and sustainable earnings growth. I am very pleased to report that we delivered another year of record income and profits. Net interest income increased 23% to HK\$854 million, underpinned by strong loan growth of 22% and net interest margin expansion from 1.44% to 1.65%. Other operating income demonstrated very strong growth of 32% to HK\$568 million, mainly driven by the wealth management business. Net earnings recorded a satisfactory increase of 41% to HK\$461 million. Earnings per share were up 41% at 39.33 Hong Kong cents.

With the increasing demand for wealth management services in the region, we restructured the Wealth Management Group in March 2007. Our mission is to establish a wealth management platform that can fulfill the increasingly sophisticated needs of our high net worth customers, offer an unmatched customer experience, and ultimately establish ourselves as a leading wealth management service provider in the region. Enhancements were made in our capabilities in product innovation and investment advisory. Customer segmentation strategies were refined to cater for the unique wealth management needs of different customer segments. Cross-selling efforts between our various business divisions were being stepped up. The above initiatives have proven to be successful. Both our customer base and assets under administration grew by 24%.

展現增長

二零零七年為持續迅速增長及財務表現強勁的一年。我們在策略上取得重大的進展，確立了本行作為富邦金控的區域金融平台。我們在業務的擴展、產品能力的提升及基礎設施的加強方面均向前邁進一大步。本行努力優化資產負債表、將業務組合轉化為風險調整後回報較高的組合，以及創造經常性收入，帶來持續、穩定的盈利增長。本人欣然公布本行今年的收入和盈利再刷新紀錄。淨利息收入增加 23% 至 8.54 億港元，此乃受惠於貸款大幅增長 22%，以及淨息差由 1.44% 擴大至 1.65% 所致。受到財富管理業務所帶動，其他營運收入上升 32% 至 5.68 億港元。淨溢利取得令人滿意升幅，達 41% 至 4.61 億港元。每股盈利上升 41% 至 39.33 港仙。

隨著區域內對財富管理服務的需求增加，本行於二零零七年三月對財富管理部門進行重組。我們堅負的使命是建立一個財富管理的平台，以滿足高資產值客戶漸趨複雜的理財需求，提供客戶無與倫比的服務經驗，最終目的將本行打造成為區域內財富管理服務的領導者。為此，本行不斷提升產品創新能力和加強投資顧問服務；同時重新調整客戶分層的策略，以迎合不同客戶層不同的財富管理需要。在各個業務部門之間亦加大了交叉銷售的範圍力度。上述種種措施均見成效，客戶基礎和資產管理總值同告上升 24%。

The Bank's Taiwan-related business continued to deliver robust growth and already contributed 34% of the Bank's pre-provisioning profits. Taiwan-related loans and deposits accounted for 18% and 21% respectively of the Bank's total loans and deposits in 2007, compared to 10% and 16% a year ago. Given the Bank's special niche in serving Taiwanese enterprises and individuals who are working or doing business in the HKSAR and the People's Republic of China, and backed by strong ties from Fubon Financial, the Bank is uniquely positioned to capture growing trade and investment flows between Taiwan, Hong Kong and Mainland China.

During 2007, we continued to improve the way we work, upgrading our infrastructure and processes to improve our services to customers, to achieve greater productivity and to enhance our operational effectiveness. The Internet banking platform has been enhanced to strengthen the system security, capacity and resilience to cater for the rising volume of Internet banking transactions. These investments underpin the Bank's ability to grow consistently at the impressive rate that it has been achieving. To cope with the long-term business strategy, the Bank developed a three-year Information Technology (IT) Roadmap to ensure that IT supports and enables the achievement of its business strategies and objectives. Embedded in the IT Roadmap is the implementation of a CRM platform which will greatly boost the Bank's capability in moving towards a customer-centric organization offering differentiating services to its customers.

While modern technology has helped to transform the banking sector, we are ultimately still a people-driven business. The Bank has long recognized that employees are our most valuable asset. Our ability to attract, retain, develop and engage our talent is firmly on the Bank's agenda. As we expand, our goal is to embed a set of firm values into the organisation so that we will, in time, develop a distinctive customer and business-driven culture. During the year, the Bank launched a bank-wide initiative called "Why Not

本行台灣相關業務持續增長強勁，在末計減值虧損前溢利方面帶來 34% 比重的貢獻。台灣相關貸款及存款於二零零七年分別佔本行總貸款額及存款額 18% 及 21%，高於二零零六年的 10% 及 16%。在與富邦金控緊密聯繫下，本行在服務台灣的企業及服務在中港兩地工作或經商的個人客戶方面均具有特殊優勢，讓本行能充分把握兩岸三地之間不斷增加的貿易及投資流量所帶來的商機。

二零零七年，我們持續在工作方式，基礎設施提升及流程各方面進行改造，以提高服務客戶的水平，達到更高的生產力和強化營運的效率。本行提升了網上銀行的平台，強化系統安全性、容量和彈性，以應付日益增加的網上銀行交易量。這些相關投資令本行能不斷的以顯著成長幅度前進。為了配合長期的業務策略，本行釐定了三年的資訊科技發展藍圖，確保資訊科技足夠支援本行達成預期的業務策略及目標。資訊科技發展藍圖的核心內容是要落實客戶關係管理平台，這將大大提高本行服務客戶的能力，為不同層面的客戶提供不同組合服務，使本行成為一家真正以客為尊的金融機構。

儘管現代的科技已令銀行業轉型，惟我們的基礎仍是以人為本。本行深切明瞭員工是我們最寶貴的資產，因此，如何吸納、挽留和發展好的人才，並使這些人才全情投入工作，絕對是本行的重要事項。隨著業務不斷的擴充，我們的目標是將一套明確的價值觀注入機構內，建立以客為先和業務主導的文化。年內，本行推行了一個命名為「Why Not Campaign」的全行性活動，與品牌對外推廣活動互相配合，強化我們對「所享 超出

Campaign" in line with its external branding campaign to strengthen our commitment to "Value Banking". "Why Not" is about a can-do attitude, a reminder to take steps to overcome obstacles that will block our way to success. An advertising campaign together with a series of exciting internal communications and training programmes were kicked off following a town-hall meeting.

Giving back to the community in which we operate is an important part of the Bank's corporate philosophy. We have chosen to focus our community relations on the fields of promoting art and culture, support for the underprivileged and environmental awareness and protection. In 2007, we set up the "Fubon Caring Ambassador Programme" to encourage our employees to engage in social outreach activities. The Bank was awarded the 2007/08 Caring Company Logo by the Hong Kong Council of Social Service in recognition of its efforts in caring for the community.

The business environment in 2008 will be fairly challenging, as the sub-prime crisis continues to affect the US economy and as a series of austerity measures adopted on the Mainland during 2007 begin to take hold. Going forward, we are determined to harness the collective strength within the Fubon Group as we face the ever-changing competitive landscape. We will continue to drive our business forward, strengthen our customer franchise, and vigorously pursue our expansion into China. By doing so, we will create the fundamentals for long-term sustainable growth.



Ming-Hsing (Richard) TSAI

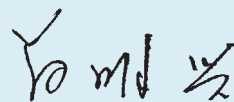
Chairman

March 2008

所想」的服務承諾。「Why Not」精神指的是樂觀進取的態度，提醒大家多走一步，克服阻撓我們邁向成功之路的一切障礙。配合有關主題，本行除了舉行一項全體員工的大型活動，更接著配合一連串的內部溝通和培訓計劃，以及外部廣告宣傳攻勢，落實整個「Why Not Campaign」理念。

「取之社會 · 用之社會」是本行企業理念的重要部分。我們推動的社區關係，尤其著重推廣藝術與文化、扶助弱勢社群，以及倡導環境保護。二零零七年，我們設立了「富邦關懷大使計劃」，鼓勵員工參與社會外展活動。本行榮獲由香港社會服務聯會頒發的二零零七／零八年商界展關懷標誌，以表認同本行關懷社會方面所作出的努力。

二零零八年的經營環境頗具挑戰性，次按危機持續影響美國經濟，而中國於二零零七年所推出一系列的宏調措施效用亦逐漸浮現。展望未來，面對著迅速變化的競爭形勢，本行將充分發揮富邦集團的集結力量，繼續驅動業務向前，加強客戶基礎的優勢，以及致力尋求內地市場的拓展機會。本行盼藉此為永續增長奠定良好的基礎。



蔡明興

主席

二零零八年三月