

Chairman's Statement

主席匯報



▶ In 2008, we witnessed an unprecedented dislocation of the global financial markets and many of the world's mature economies entered into a recession. The weakening business environment had a damaging effect on the banking industry. Banks saw their financial performance depressed by weaker revenues, rising loan delinquencies and bad debt charges. The Lehman Brothers incident further dampened investor sentiments and potentially caused temporary setbacks to the wealth management business.

2008年，我們見證了全球金融市場出現前所未有的動盪局面，世界上許多成熟的經濟體系均步入衰退。經營環境的不斷轉差，令銀行收入下降、貸款拖欠比率及壞賬撥備上升，拖累銀行業的獲利表現。雷曼兄弟事件更進一步打擊投資者的信心，有可能令財富管理業務受到短暫衝擊的影響。

Fubon Bank (Hong Kong) has by no means been immune to the financial crisis. Despite revenues strengthening in the first half of the year, the Bank's financial performance weakened in the second half as dislocations in global financial markets intensified. As a result, the profit attributable to shareholders of the Bank for the year ending 31 December 2008 decreased considerably by 78%, compared to the previous year.

Notwithstanding the market turbulence and the challenges of the global economic downturn, the Bank continued to experience satisfactory deposit growth, better credit spreads, and lower deposit funding costs, which helped strengthen profitability in the core lending and deposit franchise. Despite our net interest income reaching a record high, the increases were mostly offset by declines in other operating income. As global markets declined and volatility increased, investors became cautious and risk averse which led to a significant fall in demand for retail investment products from Hong Kong and Taiwanese customers. To diversify our sources of fee income, the Bank successfully reached out to new segments of clients, including corporate and SME clients, by providing tailored treasury and investment products to satisfy their needs. The marketing fee income of the Financial Markets Group derived from cross-selling to corporate and SME clients rose sharply by 80% compared to 2007. This encouraging achievement was a result of competitive product offerings and the unflagging marketing efforts of our relationship managers and Financial Markets specialists.

Various measures were taken during the year to strengthen the Bank against the growing economic uncertainty. Cost efficiency was enhanced through streamlining operations and effective cost management. Credit policies and underwriting requirements have been tightened. Adequate allowances were set aside to provide for potential asset quality deterioration. While pursuing business growth and profit, we have continued to place risk management and strengthening internal controls as our top priorities. At the same time, the Bank has taken tremendous efforts to enhance its compliance and control platform for investment activities to ensure that the product and sales platform fully complies with the regulatory regime and investor protection framework.

富邦銀行（香港）亦難免受金融危機波及。本行的收入雖於上半年錄得增長，但其後因全球金融市場的危機加劇，令本行的財務表現於下半年轉弱。與去年相比，截至2008年12月31日止的股東應佔溢利大幅減少78%。

縱然市況波動及面對全球經濟下滑帶來的挑戰，本行的存款依然獲得滿意的增長，加上信貸息差的改善以及存款的資金成本下降，使本行核心貸款及存款業務的盈利能力均得以提升。儘管淨利息收入創出新高，但大部分的增幅因其他營運收入下降而被抵銷。隨着全球市況轉差及更趨波動，投資者變得更加審慎，且不願承受風險，導致香港及台灣客戶對零售投資產品的需求大減。為分散費用收入的來源，本行成功開拓新的客戶層，包括企業客戶和中小企客戶，為他們提供量身打造的財資及投資產品，以切合他們的不同需求。金融市場部向企業及中小企客戶進行交叉銷售所獲得的營銷費用收入較2007年大幅上升80%。本行能夠取得如此令人鼓舞的成績，實有賴本行成功推出多種具競爭力的產品，以及客戶經理和金融市場專才的努力不懈及積極推廣。

本行於2008年亦採取了多項措施以強化本身的能力去面對難以預測的經濟前景；而簡化營運流程及有效的成本管理亦令成本效益得以提升。此外，本行亦收緊信貸政策及核貸要求，並為資產質素可能轉差而預作充足的撥備。在尋求業務增長及盈利的同時，本行仍以提高風險管理及增強內部監控為首要目標。同時，本行亦致力強化投資活動的合規及監控平台，確保產品及銷售平台完全符合監管機制並保障投資者。

The Bank has always been prudent and proactive in capital management. In December 2008, the Bank successfully completed an approximately US\$120 million preference share issue. This has further strengthened the capital base, providing the Bank with greater operating flexibility to meet its business development needs and to weather the economic uncertainties arising from the global financial turmoil. A stronger capital position will also enable the Bank to take advantage of growth opportunities in the current environment. This includes strengthening our customer franchise by deepening existing relationships and acquiring new ones, and selectively growing our loan book to increase market share and profitability.

The successful completion of acquiring a 19.99% stake in Xiamen City Commercial Bank has marked an important step in expanding the Group's financial platform in the region. Our partnership with Xiamen City Commercial Bank has given us a solid base from which to expand our operations on the Mainland, which presents vast business opportunities. We look forward to expanding our range of products and services to better serve the banking needs of our Taiwanese and Hong Kong clients on the Mainland.

The Bank has remained committed to serving the community. Donations were made by the Bank and our employees to support the relief operation of the Hong Kong Red Cross for the Sichuan Earthquake victims. The Fubon Caring Ambassador Programme, which was set up in 2007, now engages a team of close to 100 employees who work together with NGOs for the benefit of the elderly and children living in low-income families. The Bank was awarded the Caring Company Logo for a second consecutive year in recognition of its efforts in caring for society.

本行一直秉持審慎而積極的資本管理方針。2008年12月，本行成功發行總值約1億2千萬美元的優先股，進一步增強本行的資本基礎，並藉此提高營運靈活性，以配合業務發展的需要及抵禦全球金融風暴所引發的不明朗局面，而增強的資本狀況亦將令本行得以把握當前環境中的成長機會。為此，本行將深化與現有客戶的關係和吸納新客戶，藉以強化客戶基礎，並審慎地擴大貸款組合，以提高市場佔有率及盈利能力。

年內，本行成功收購廈門市商業銀行19.99%的股權，為擴展集團在區內的金融平台踏出重要的一步。本行與廈門市商業銀行的夥伴關係，為本行拓展內地業務以把握龐大的商機奠定了堅實基礎。本行將擴展產品及服務的種類，為聚居內地的台灣及香港客戶提供更優質的服務。

本行一直致力履行服務社群的承諾。為支持香港紅十字會於四川地震災區的賑災工作，本行與員工一起作出了捐獻。此外，於2007年成立的「富邦關懷大使」計劃已有接近100名僱員參加，並與社會服務機構攜手合作，幫助長者及來自低收入家庭的兒童。本行亦連續第二年獲頒「商界展關懷」標誌，肯定了本行對服務社會所作出的貢獻。

Looking ahead to 2009, we are likely to face growing challenges arising from the further slowdown in the global and Hong Kong economies. Decelerating economic growth stemming from the global financial turmoil and the negative wealth effect arising from a weak local stock market will continue to depress market sentiment. Given the state of economic and market environments, we will focus on driving the performance of our core deposit and lending businesses, nurturing existing client relationships and acquiring good quality clients to grow our customer franchise. Another top priority for this year is to further integrate with Fubon Financial in order to leverage on the Group's platform for creating operating synergies and improving economies of scale. This will help maximize revenue and generate growth that will create greater value for our shareholders. We will also continue to strengthen our balance sheet, enhance our risk management capabilities and proactively manage our cost base so that we are well placed to weather the uncertainties. With the support of our shareholders, employees and customers, I have no doubt that we will emerge as a stronger and better organization to capitalize on the best opportunities for regional growth.

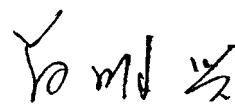


Ming-Hsing (Richard) TSAI

Chairman

March 2009

展望2009年，由於全球及香港經濟均進一步放緩，本行將面對更嚴峻的挑戰。全球金融風暴及本地疲弱的股市所造成的負面財富效應，將促使經濟加速放緩，繼續壓抑市場信心。在此經濟及市場環境下，我們將着重提升核心存款及貸款業務的表現，並鞏固與現有客戶的關係及吸納優質客戶，以擴大客戶基礎。本年度的另一首要目標是與富邦金控作進一步的整合，透過集團的平台發揮營運上的協同效應及經濟效益。此舉將有助提升獲利表現及帶動業務增長，為股東創造更大的價值。本行亦會繼續強化資產負債表、加強風險管理能力，並積極控制成本，從而更有效地迎接未來的挑戰。本人深信，在股東、員工及客戶的支持下，本行將充分把握在區內擴展業務的契機，成為一家更強大、更完善的金融機構。



蔡明興

主席

二零零九年三月