

Chief Executive's Report

行政總裁報告



We successfully implemented a major internal organization restructuring in 2013 to realign our business activities under local management to better serve our customers. While the move solidified the management team, it also helped to achieve solid results and enhance our net profit after tax to HK\$380 million

我們於2013年成功推行重大的內部重組，調整本地管理層所負責的業務，為客戶提供更佳的服务。此舉不但強化了管理團隊的實力，同時有助本行取得穩健的業績。截至2013年12月底止的全年淨溢利為3.8億港元，較2012年的

for the year ended 31 December 2013, representing an increase of 24% compared to 2012. Profit from core banking operations registered an even bigger increase of 66%. Operating income of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries ("the Group") rose by 19% year-on-year to HK\$1,175 million while operating expenses increased by only 6%.

Net interest income in 2013 was HK\$750 million, an increase of 14% compared to 2012. The improvement was driven by 8% growth in average interest earning assets mainly from commercial lending and the investment portfolio while deposit costs were generally lower compared to 2012. The net interest margin widened 7 basis points to 1.24%.

Non-interest income rose by 27% to HK\$425 million, underpinned by solid growth in fee and commission income across our core businesses. Credit related and trade finance fee income surged by 36% compared to 2012, reflecting the solid expansion in our commercial lending business. Insurance and unit trust commission income together grew by 26% and credit card fee income recorded consecutive growth in the last two years. Other operating income increased by 33%, attributed mainly to the fee income from customer-driven dealings in financial instruments offered by our treasury marketing team. Non-interest income to total operating income ratio stood at 36.16% for 2013, comparing favourably with 33.74% a year ago.

Operating expenses increased by 6% to HK\$842 million in 2013. While keeping most of our operating expenses under tight control, we ensured a continual investment in information technology and risk management. We also increased our staff development expenses by 19% while the overall staff expense increase was about 7%.

There was a net charge of HK\$5 million for impairment losses on advances to customers, versus a write-back of HK\$39 million in 2012. Other impairment charges remained low at HK\$6 million. The Group continued to exercise stringent controls on asset quality through the adoption of sound credit risk management practices resulting in a very low impaired loans ratio of 0.04% as of 31 December 2013.

Xiamen Bank Co., Ltd ("Xiamen Bank") continued to sustain its strong performance and deliver strong results in 2013. The Group's share of profits from Xiamen Bank reached a record high of HK\$124 million, representing an 8% growth from 2012. In January 2014, Xiamen Bank initiated a private placement of additional share capital to a new strategic investor. Completion of the placement is

淨溢利增長24%。核心銀行業務的溢利錄得更大增幅，達66%。年內，富邦銀行（香港）有限公司（「本行」）及其附屬公司（「本集團」）的營運收入按年上升19%至11.75億港元，營運支出僅增6%。

由於商業借貸及投資組合帶來的生息資產均額上升8%、存款成本亦普遍較2012年為低，2013年淨利息收入為7.5億港元，較2012年增長14%。淨息差按年上調7個基點至1.24%。

來自核心業務的費用及佣金收入增長強勁，令2013年的非利息收入上升27%至4.25億港元。信貸相關和貿易融資業務之費用收入較2012年上升36%，反映我們商業借貸業務的可觀增長。保險及單位信託基金的佣金收入合共增加26%，信用卡業務的費用收入亦連續於過去兩年錄得增幅。其他營運收入增長33%，這主要來自本行金融行銷部提供之客戶買賣金融工具所帶來的費用收入。非利息收入對總營運收入比率為36.16%，較2012年的33.74%為佳。

2013年的營運支出增加6%至8.42億港元。雖然本行嚴格控制大部分營運支出，但亦確保繼續在資訊科技及風險管理方面作出投資。我們亦把員工發展的支出提高19%，而整體員工開支的增幅則約7%。

2013年客戶貸款之減值虧損為500萬港元，而2012年客戶貸款之減值虧損之回撥則為3,900萬港元。2013年其他減值虧損只有600萬港元。本集團繼續透過健全之信貸風險管理措施以嚴謹監控資產質素。因此，截至2013年12月31日止，減值貸款比率維持在0.04%的極低水平。

廈門銀行股份有限公司（「廈門銀行」）的業績表現持續強勁，於2013年錄得令人滿意的成績。本集團應佔溢利錄得迄今最高的1.24億港元，較2012年增長8%。於2014年1月，廈門銀行向一名新的策略投資者私人配售額外股本，配售正待監管機構批准和完成法律程序。

now pending, subject to the approval from the relevant regulatory bodies and finalization of legal procedures. Upon completion of this private placement, the Bank's shareholding in Xiamen Bank will be reduced from 19.99% to 17.29%. In response and subject to due process, the Board of Directors has approved in principle, the acquisition of additional shares from existing shareholders of Xiamen Bank in order to restore our shareholding to the regulatory permitted maximum level of 19.99%.

After accounting for other gains, other impairment losses and income tax, the Group's profit after taxation stood at HK\$380 million, achieving the highest net profit since the financial turmoil of 2008.

Total assets rose by HK\$9 billion, or 14%, to HK\$72 billion as of 31 December 2013. We managed to achieve satisfactory growth in the Group's loan portfolio with customer advances increased by 14% to HK\$35 billion in 2013 while maintaining a high quality loan book. The increase in lending was supported by a 7% year-on-year growth in customer deposits, which amounted to HK\$49 billion as of 31 December 2013. Loan to deposit ratio remained at a very comfortable level of 75.49%.

While registering a solid expansion in assets in 2013, the Group continued to exercise prudent balance sheet management to generate solid earnings. Return on average assets edged up to 0.56% and return on average equity stood at 4.81% despite the HK\$0.2 billion increase in capital due to the revaluation of bank owned properties.

During the year, the Group exercised the option to redeem its outstanding preference shares. The total capital ratio and Tier 1 capital ratio were 16.33% and 10.44% respectively at the end of 2013. The liquidity position also remained strong, with the average liquidity ratio standing at a comfortable level of 48.06% in 2013.

Both the Hong Kong and global financial industries have undergone significant changes in recent years. The implementation of various frameworks and standards as well as revamped regulations for financial institutions are challenging yet necessary to uphold the stability and integrity of the banking sector. These measures are necessary to maintain the confidence of customers in this post-crisis era. Towards this end, we will continue to adopt best practices in corporate governance matters and exercise a robust yet prudent credit policy and risk management philosophy. Our plan

待私人配售完成後，本行對廈門銀行之持股量將由19.99%減至17.29%。因此，在適當程序規限下，本行董事會已原則上批准本行向現有廈門銀行股東購入額外股份，以維持本行在法例規限下之最大持股量19.99%。

計及其他收益、減值虧損及稅項，本集團除稅後淨溢利為3.8億港元，為自2008年金融風暴之後的最高淨溢利。

截至2013年12月31日止，總資產為720億港元，較2012年增加90億港元或14%。本集團的貸款組合亦達致令人滿意的增長，2013年客戶貸款總額上升14%至350億港元，同時亦維持貸款組合的良好質素。為配合貸款增長，客戶存款按年上升7%，並於2013年12月31日達致490億港元。貸存比率維持在非常穩健的75.49%。

資產值於年內顯著增長的同時，本集團繼續採取審慎的資產管理以獲取可觀的盈餘。雖然我們為本行擁有的物業重新估值使本集團的股本平均值上升2億港元，但平均股本回報率仍錄得4.81%，而平均資產回報率亦上升至0.56%。

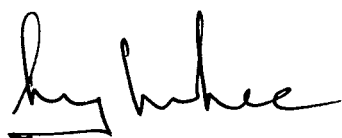
年內，本集團行使其選擇權以贖回所有優先股。截至2013年年底，總資本比率及一級資本比率分別為16.33%及10.44%。2013年平均流動資金比率維持在48.06%的穩健水平。

近年，香港和環球金融業均經歷重大轉變。雖然多項監管框架及標準的推出以及條例的改革，均為銀行業帶來挑戰，但亦是為保持銀行業的穩定性和誠信，以及在這後危機時代維持客戶信心所必需的。我們將繼續遵守良好的企業管治原則，堅守審慎之信貸方針及風險管理。面對不斷變化的經濟環境及監管要求，我

is to pursue a strong and sustainable growth strategy to maximize the return to our stakeholders in this rapidly changing economic and regulatory environment. The Group will also take advantage of the opportunities brought about by the internationalization of Renminbi to expand its business and continue to play an important role in the Fubon Group's Greater China development strategy.

This year is the Group's 10th Anniversary of being a member of the Fubon family. Building on the strengths of our parent company, we have created a solid platform for growth. Going forward, we will maintain our service-oriented approach to become a reliable and preferred banking partner for our customers and provide them with safe and high quality financial services. Treating our customers fairly is an important cornerstone of our Bank. As a socially responsible institution, we remain committed to the local community by providing support to various corporate social responsibility programmes.

Last but not least, I wish to thank our management team and all our staff members for their hard work and dedication over the past decade. Together with the guidance from our Board of Directors, Fubon Bank (Hong Kong) will remain a valuable banking partner to our present and future customers.



Raymond Lee

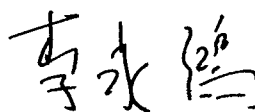
Chief Executive Officer and Managing Director

March 2014

們旨在追求強勁和持續的增長，以提升對持份者的回報。本集團亦將把握人民幣國際化帶來的機遇擴展業務，繼續在富邦集團的大中華地區發展策略中發揮重要作用。

今年是本集團成為富邦集團成員的10周年紀念。憑藉母公司的優勢，我們為業務的增長建立了一個穩固的平台。展望未來，本集團將維持我們以服務為本的方針，成為我們客戶信賴及首選的銀行夥伴，為他們提供安全可靠、質素超卓的金融服務。公平待客是本行的重要基石。作為一間對社會負責任的機構，我們將繼續支持各項企業社會責任計劃，致力推動本地的社區發展。

最後，對管理層和全體員工在過去十年的辛勞和在工作上的專注投入，我致以衷心感謝。憑著他們的努力和董事會的悉心指導，富邦銀行（香港）將繼續成為我們現在和未來客戶的銀行業務夥伴。



李永鴻

行政總裁兼董事總經理

二零一四年三月