

CHAIRMAN'S STATEMENT

主席匯報



The global economy was volatile in 2015 with the first six months showing promising signs of recovery. This glimmer of hope was quickly extinguished in the second half of the year beginning with the sudden depreciation of the Renminbi in August. This triggered a series of market events in Asia causing the stock markets to suffer the most, closely followed by the depreciation of other regional currencies. Although the U.S. economy steadily improved during the year, Mainland China's economy slowed down and the economies of Europe and Japan were sluggish. Slower growth in Mainland China led to decreased spending by Mainland Chinese in Hong Kong. As a result, Hong Kong's retail sales and property market weakened especially during the second half of the year. 2016 is expected to be another difficult year for the Asian markets with economic recovery expected to slow down even more.

Having learnt from the experience of previous economic cycles, the Bank started the year with caution and adopted a business strategy that placed prudence over growth. During the year, we focused on the effective management of capital, improving our risk profile further, and the disciplined execution of our business strategy. Costs remained well managed while we continued to invest in innovative products and information technology. Although loan quality deteriorated somewhat in 2015, we are not expecting any increase in impaired loans in 2016 that would have significant impact on the Bank's financial performance.

I am pleased to report that during 2015 we made satisfactory progress in our financial performance. We had a net profit of HK\$522 million, which was an increase of 8% as compared with 2014. Our accomplishment stemmed from enhanced risk management and prudent financial planning, as well as from focusing on our core businesses and our strong client relationships. Our efforts resulted in receiving the "Asia Banking 300 – Outstanding Performance Award" granted by Yazhou Zhoukan.

Our Corporate and Institutional Banking team achieved good business results last year riding on our service quality and good customer base. We also heightened our cross-selling efforts with other overseas business platforms in the Fubon Group. We will strengthen this business by further broadening our product offering and expand our fee income source from corporate customers and financial institutions.

2015年，環球經濟大幅波動。雖然經濟於首六個月呈現良好的復甦跡象，但下半年形勢迅速逆轉，首先是人民幣於8月突然貶值，引發亞洲市場的一連串事件，對股市造成嚴重的衝擊，其他地區貨幣亦相繼貶值。儘管年內美國經濟穩步改善，但中國經濟放緩，歐洲及日本的經濟亦表現呆滯。由於中國經濟增速減慢，內地旅客減少在港消費，削弱了香港零售業銷情及物業市場，而有關影響在2015年下半年尤為顯著。預計亞洲市場於2016年將持續面對艱巨的一年，經濟復甦步伐亦將進一步放緩。

汲取過去多個經濟週期的經驗，本行於年初保持審慎態度，採取「守成重於擴張」的業務策略。年內，我們專注對資金進行有效管理、進一步改善風險狀況，以及嚴格實施業務策略。我們在持續投資於創新的產品及資訊科技的同時，亦維持完善的成本管理。雖然貸款質素於2015年稍微惡化，但我們相信2016年減值貸款的增長並不會對本行的財務表現造成重大影響。

本人欣然匯報，本行於2015年取得令人滿意的財務表現，錄得淨溢利5.22億港元，較2014年增加8%。本行的成功不但在於加強風險管理、制定嚴謹周密的財務計劃，還有賴專注發展核心業務及鞏固客戶關係。我們的努力饒有成果，獲《亞洲週刊》頒發「亞洲銀行300—最績優銀行大獎」。

憑藉本行卓越的服務質素及良好的客戶基礎，去年企業及機構銀行業績斐然。此外，我們亦增強了與富邦集團其他海外業務平台的交叉銷售。為鞏固這方面的業務，我們將進一步擴展本行的產品種類，以及擴大企業客戶及金融機構的費用收入來源。

In line with our strategy to target the mass affluent retail customers, we became a market leader in Hong Kong with the launching of Fubon Bank's unique iBranch. The iBranch incorporates the concept of a full service bank branch but uses i-Teller machines to replace the traditional teller counters. This enables us to introduce a paperless full service branch, the first among banks in Hong Kong. Currently we operate two signature iBranches and will continue to convert existing traditional branches into this new model. We will rely on our expertise in wealth management to complement our efforts to target the mass affluent retail customer segment. Towards this end, we constantly review and improve our product features as well as our service quality through intensive staff training programmes. Our aim is to provide our customers with the unparalleled FUBON EXPERIENCE. We will remain innovative and will strive to stay at the forefront of technology in the local banking industry by enriching the content and extending the reach of our electronic and online banking services.

In the consumer finance area, we became the first bank in Hong Kong to provide our credit card merchant customers with a new financing product with the launch of our Merchant Receivable Financing service. The Bank was awarded "The Best Merchant Receivable Financing Service" in the Yellow Pages Award 2015-16 and "Best Merchant Receivable Financing Bank" in the Metro Awards for Banking and Finance Corporations 2015. These awards are a remarkable symbol of the Bank's leading position in this unique service. Moreover, the card merchant business continued to outperform the local market with a growth of 9% in total sales volume last year when compared with 2014, while local retail sales dropped more than 3% during the same period.

Although we put in place very effective cost containment measures, this did not preclude us from investing in information technology in 2015. Besides the aforementioned iBranch, we also launched our mobile banking, e-Statement and e-Cheque services. We also started our Core Banking System Replacement Project in 2015, which will be completed in phases within two years. The first phase is due for completion in 2016. Our heavy investment in information technology is not only for efficiency improvements, but it is also aimed at enhancing the customer experience with our services and further strengthening our sales and marketing platforms.

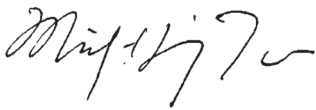
為配合以大眾富裕零售客戶為服務對象的策略，我們推出富邦銀行獨有的iBranch，成為香港的市場領導者。iBranch採納全面服務銀行分行的概念，以i-Teller取代傳統櫃員服務，讓全面的無紙化分行得以實現，開創香港銀行業的先河。我們現已開設兩間iBranch，並將繼續以這個新模式取代傳統分行。本行亦將繼續發揮財富管理方面的專長，為爭取大眾富裕零售客戶群而努力。為此，我們不斷檢視及改進產品功能，並透過密集的員工培訓計劃提高服務質素，冀望為客戶提供無可比擬的「富邦體驗」。我們將持續創新，並將豐富電子及網上銀行服務的內涵和擴大有關服務的覆蓋面，力求保持在本地銀行科技領域方面的領先地位。

在消費金融方面，本行推出信用卡商戶貸款服務，成為香港首間為信用卡商戶提供此嶄新融資產品的銀行，並因此屢獲殊榮，包括黃頁港人港情品牌大獎2015-16的「最佳商戶應收款融資服務品牌大獎」，及都市銀行及金融服務企業獎2015的「最佳商戶應收款融資服務銀行大獎」，足證本行這項獨特服務領先業界。此外，我們的信用卡商戶業務繼續領先本地同業，儘管2015年的本地零售銷售額下跌超過3%，本行的商戶銷售總額仍按年增長9%。

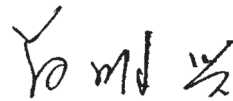
雖然本行已落實非常有效的成本控制措施，但並無礙我們於2015年在資訊科技方面作出投資。除了開設iBranch外，本行更推出流動理財、電子結單及電子支票服務。2015年，我們展開核心銀行系統更新工程，並將分期完成，第一期將於2016年完竣，整個項目預計於兩年內完成。我們對資訊科技作出龐大投資不僅是為了提升效率，更為了優化本行的服務以改善客戶體驗及進一步強化我們的銷售及市場推廣平台。

The overall operating environment is expected to be challenging in 2016. Against this uncertain backdrop, the Bank will continue to focus on product innovation, service quality and robust risk management. Building also on the inherent strengths of our parent company, Fubon Financial Holding Co., Ltd., we are confident that we will achieve our goal to become a leading financial institution in our targeted market segments.

2016年的整體經營環境料將充滿挑戰。面對不明朗的經濟環境，本行將繼續專注於產品創新、服務質素及強健的風險管理。我們有信心，憑藉母公司富邦金融控股股份有限公司的固有優勢，本行定能實現目標，成為我們目標市場的領先金融機構。



Ming-Hsing (Richard) TSAI
Chairman
April 2016



蔡明興
主席
二零一六年四月