

# CHAIRMAN'S STATEMENT

## 主席匯報



Hong Kong's economy expanded by 3.8% in 2017 on the back of stronger demand in both domestic and external sectors. Retail sales recovered from the sharp declines of previous years as tourist arrivals returned to positive growth in 2017. Exports also increased strongly on a pick-up in global demand.

Behind the recovery were the stabilizing economic policies adopted by the Government of the Hong Kong Special Administrative Region ("HKSAR") in past years, and in particular in 2017, the 20<sup>th</sup> Anniversary of the establishment of the HKSAR. The Chinese economy grew by a stronger-than-expected 6.9% in 2017, above the official target of around 6.5% and the 26-year low of 6.7% in 2016. Together with a more in-step recovery in both developed and developing economies and a strong performance in the global stock markets, the Hong Kong economy was robust with all sectors advancing.

The low interest rate environment in Hong Kong did not deter capital inflows from Mainland China, which helped boost the Hang Seng Index by 36% in 2017, outperforming most stock indices in the world. Despite three interest-rate hikes by the U.S. Federal Reserve ("Fed") in 2017, Hong Kong interbank interest rates remained low as liquidity in the banking system was still plentiful. This weakened the Hong Kong dollar against the U.S. dollar and most other major currencies, which in turn supported the local property and stock markets.

Last year, Fubon Bank (Hong Kong) ("the Bank") continued to follow a prudent growth strategy and made advances in growing interest earning assets. However, the Bank's financial performance was adversely affected by a one-time dilution loss arising from the reduction of its percentage interest in Xiamen Bank Co. Ltd. As a result, the Bank recorded a net profit of HK\$583 million for the year ended 31 December 2017, an 8% drop when compared with 2016. At the operation level, the operating profit after impairment losses increased from HK\$429 million to HK\$516 million.

在本地及國際強勁需求推動下，香港經濟於2017年增長了3.8%。雖然零售業銷貨額於往年顯著下滑，但隨著訪港旅客人次於2017年回升，零售業亦得以復甦。而全球需求反彈，帶動出口強勁增長。

市場復甦的主要原因是由於香港特別行政區政府於過去數年採取穩定的經濟政策，尤其是在2017年，即香港特別行政區成立20周年。中國經濟增長於2017年較預期為高，增長率達6.9%，高於官方目標的約6.5%及2016年所錄得26年以來的最低位6.7%。隨著已發展及發展中經濟體系的復甦步伐一致，以及全球股市表現強勁，香港經濟在各行各業的推動下蓬勃發展。

香港的低息環境並未阻礙中國內地資金流入，刺激恒生指數於2017年飆升36%，表現超越全球大部分股市。縱使美國聯邦儲備局（「聯儲局」）於2017年三次加息，但由於銀行體系的流動資金保持充裕，香港銀行同業拆息仍然低企，導致港元兌美元及大多數其他主要貨幣貶值，從而支持本地的物業及股票市場。

去年，富邦銀行（香港）（「本行」）沿用穩中求進的策略，在生息資產增長方面亦有所進展。然而，本行持有廈門銀行股份有限公司股權的比例下降，其產生的一次性攤薄虧損對本行之財務表現造成不利影響。故此，本行截至2017年12月31日止錄得純利5.83億港元，較2016年下降8%。在營運層面，扣除減值虧損之經營溢利由4.29億港元上升至5.16億港元。

Our strategic initiative to grow our corporate and commercial banking business generated a strong corporate loan growth of 24%, including trade bills and factoring. Since the opening of the Bank's first Commercial Banking Centre in July 2017, our dedicated SME team has been collaborating closely with our branches and Consumer Finance team to foster deeper relationships with customers and develop our community banking business. Our efforts to expand our penetration into the SME market were recognized by the Banking & Finance Awards 2017 as we received the Excellence Award for Commercial Finance Solutions from Sky Post. We will continue to widen our range of corporate services and upgrade our corporate e-banking system, Fubon Business Online, to meet the financial management needs of our corporate customers.

Benefiting from the economic expansion of Hong Kong, our consumer finance business delivered a satisfactory performance in 2017. Our mortgage lending business remained as a stable driver for the Bank's interest income with an increase of 41% in new loans booked. Meanwhile, both the customer base and card spending of "YATA X KUMAMOTO" • Titanium Card rose 42% and 31% respectively. Last year, the Bank was named the Credit Card Usability Outstanding Performer by Bloomberg Businessweek (Chinese Edition) in the Financial Institution Awards 2017. In addition, we expanded our merchant receivable financing portfolio by 50%.

Over the last two years, we have placed great emphasis on enhancing our retail banking service channels to grow our customer base and reinforce customer engagement. The launch of iBranches in Kowloon and the New Territories in 2017 underscored our determination to remain innovative and to commit to paperless banking. Our comprehensive range of digital banking services, including mobile banking, e-Statement, e-Cheque and JETCO Pay services, generates exceptional customer experiences and has been well-received by customers. Last year, we successfully revamped our Ambassador Banking for high-net-worth customers and launched a new on-boarding service to selected Mainland customers. Our aim is to acquire new customers, strengthen our customer relationships by providing a diverse range of services, and to further enhance our overall customer experience.

我們策略性地推動企業及商業銀行業務，企業貸款(包括商業票據及應收賬款承購服務)更錄得可觀的升幅達24%。自本行首間商業銀行中心於2017年7月開業以來，我們專屬的中小企團隊一直與分行及消費金融團隊緊密合作，以鞏固與客戶的關係並開發社區銀行業務。我們提升中小企市場滲透率的努力備受肯定，並榮獲《晴報》頒發「Banking & Finance Awards 2017 – 傑出商業金融方案大獎」。我們將繼續拓展企業銀行的服務範圍，並將企業網上銀行系統「富邦商務網」升級，以配合企業客戶對財務管理的需要。

受惠於香港經濟增長，我們的消費金融業務於2017年表現理想。按揭貸款業務仍然為本行穩定的利息收入來源，新增貸款攀升41%。同時，「一田 X 熊本県」• Titanium卡的客戶數及信用卡簽賬額亦分別增加42%及31%。去年，本行於《彭博商業周刊(中文版)》的「金融機構大獎2017」上榮膺「銀行類獎項 – 信用卡可用性傑出大獎」。此外，我們的「先享錢」信用卡商戶貸款總額增長50%。

於過去兩年，我們重點提升零售銀行的服務渠道，務求擴大客戶基礎及鞏固客戶關係。本行於2017年分別在九龍及新界開設iBranch，可見我們銳意創新及實現無紙化銀行的決心。我們全面的數位化銀行服務，包括流動理財、電子結單、電子支票及JETCO Pay服務，不單為客戶帶來非凡體驗，更深得客戶推崇。去年，我們成功將Ambassador Banking重新打造為高端客戶的專屬服務，更向中國內地特選客戶推出全新的陸港跨境開戶服務。我們旨在為客戶提供多元化的服務，以吸納新客戶及深耕客戶關係，並進一步提升我們的客戶體驗。

We continue to make investments in digital capabilities to create better customer experiences. In addition to the launch of Two-Factor Authentication and Customer Information System, we will replace the deposit and retail loan module in the second phase of our Core Banking System in the coming year. Meanwhile, we will also continue to leverage technology for process improvements. Our Enterprise Work Flow solution is another strategic project of the Bank. Upon completion, we will be able to automate and streamline some of our major business processes to improve operational efficiency.

Going forward, we will maintain our customer-centric strategy and continue to develop new product initiatives that allow our customers to experience the new FinTech technology and paperless banking. In addition, the Bank is committed to building a sustainable workplace and has been undertaking various initiatives to reduce its environmental footprint. Our efforts have won us external validation by receiving the Charter on External Lightings Award – Platinum Award, Certificate of Energy Saving Charter on “No Incandescent Light Bulbs”, and the Wastewi\$e Certificate and Energywi\$e Certificate issued by various governmental and green organizations.

We expect 2018 to be a good year as the global economic environment continues to improve, albeit with many uncertainties and challenges such as the prospects of a heightened global trade war. The continuation of the Fed's monetary policy, together with the likelihood of the European Central Bank to wind down its Quantitative Easing programme may lead to a more restrictive monetary environment globally starting in mid-2018. The tendency of the Chinese government to resume its “deleveraging” policies this year could add uncertainties. Notwithstanding some of these issues, the Bank will maintain its prudent and sustainable growth strategy. We will further leverage our business on the inherent strengths of our parent company, Fubon Financial Holding Co., Ltd., to reinforce our brand, customer base, distribution network, and capture business opportunities across the region. Riding on our focus to provide the exceptional “Fubon Experience” and our marketing platform, we are confident of having a better year in 2018.

我們持續投資在數位化服務上，以締造更佳客戶體驗。除了推出雙重認證服務及客戶資訊系統外，我們將在來年核心銀行系統更新工程的第二階段更換存款及零售貸款管理系統。與此同時，我們亦將善用科技改善營運流程。企業工作流程解決方案亦為本行另一策略性項目，於完成後，我們將能自動化並簡化一些主要的業務流程，從而提高營運效益。

展望未來，我們將維持以客為本的策略，不斷開發新產品，讓客戶體驗全新的金融科技及無紙化銀行服務。此外，本行致力打造可持續發展的工作間，一直推行不同的計劃，以減少對環境造成影響。我們獲多個政府及環保團體頒發獎項，包括「戶外燈光約章－鉑金獎」、「不要鎢絲燈泡」節能約章證書、減廢證書及節能證書。

鑒於環球經濟環境繼續改善，儘管仍有全球性貿易戰加劇等諸多不確定因素和挑戰，我們預期2018年將為利好的一年。聯儲局維持其貨幣政策不變，加上歐洲中央銀行很可能逐步縮減其量化寬鬆計劃，或會導致全球於2018年年中開始面臨更受限制的貨幣環境。中國政府傾向於本年度恢復其「去槓桿」政策，或會增加更多不確定性因素。雖然面對這些狀況，本行仍會秉持審慎及持續增長的策略，繼續借助母公司富邦金融控股股份有限公司的固有優勢，以提升品牌、加強客戶基礎及銷售網絡，並抓緊區內商機。憑藉我們致力提供非凡的「富邦體驗」及營銷平台，我們有信心於2018年將取得更好的成績。



**Ming-Chung (Daniel) TSAI**  
Chairman  
April 2018



**蔡明忠**  
主席  
二零一八年四月