



行政總裁報告 Chief Executive Officer's Statement

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2014年經營環境依然複雜嚴峻，金融監管更加嚴格，銀行業盈利增長壓力增大，但隨著人民幣國際化進程加快，「滬港通」開通以及互聯網等資訊技術變革，也蘊藏著金融新需求和機遇。我們緊隨市場，在發展中結合實際，融入特色經營元素，不斷拓展新的利潤增長點，保持業務穩中有進，業績持續增長。

財務摘要

截至2014年12月底，本集團提取減值準備前之淨經營收入港幣66.39億元，較去年增長12.36%。淨利息收入港幣51.90億元，比去年增長10.63%；非利息收入港幣14.49億元，比去年上升19.00%，其中淨服務費及傭金收入增幅為24.40%。本集團稅後盈利港幣27.51億元，較去年減少2.73%。淨利息收益率為1.83%，與去年持平。

In 2014, on the back of a continuously complex and challenging operating environment as well as more stringent financial regulation, earnings growth pressure on the banking sector increased. However, as the process of Renminbi internationalisation quickened, the opening of the Shanghai-Hong Kong Stock Connect as well as internet and other IT changes also held in store new financial needs and opportunities. Keeping abreast with the market, we took into account the fact in our development while integrating featured operating elements, constantly developing new profit growth points to maintain a steady yet progressive business and achieve a continuous growth in performance.

FINANCIAL HIGHLIGHTS

As at the end of December 2014, the Group's net operating income before impairment allowances was HKD6,639 million, representing a growth of 12.36% when compared with the previous year. Net interest income increased by 10.63% to HKD5,190 million, while our non-interest income increased by 19.00% to HKD1,449 million, of which net fee and commission income was up by 24.40%. The Group's profit after tax was HKD2,751 million, representing a decrease of 2.73% compared with the previous year. Net interest margin was 1.83%, same as last year.

財務摘要 (續)

截至2014年12月底，本集團採取積極靈活的存款策略支援業務發展，並根據市場變化進行資金成本控制。存款按年增長5.79%至港幣2,096.34億元。貸款按年增長4.15%至港幣1,495.02億元，客戶基礎穩步擴大。在推進業務發展的同時，重視全面風險管控，整體貸款質量良好，特定分類或減值貸款比率0.84%。

主要業務回顧

2014年，我們在鞏固和擴大客戶基礎的同時，注重結構調整，積極尋求新的業務增長點，並加強風險防範，各項業務平穩健康增長。在跨境業務、南商理財以及中小企業業務等重點領域，更加注重以良好的服務和產品，增強客戶忠誠度。

個人金融業務

截至2014年12月底，個人金融業務提取減值準備前之淨經營收入增長14.19%至港幣14.78億元。為保證存款穩健增長，因應「自在理財」、「智盈理財」以及「南商理財」三個客戶分層的不同需要，本集團推出各類不同貨幣、利率及存期的優惠組合和推薦計劃，全力拓展核心存款；配合開業65週年，我們採取多樣化的營銷推廣，加大媒體、交通工具等線上廣告宣傳，進一步擴大品牌知名度，挖掘新客戶，穩固現有客戶，收到良好效果。

FINANCIAL HIGHLIGHTS (Cont'd)

As at the end of December 2014, the Group adopted active and flexible deposit strategy to support its business development and exercised cost control over funds according to market changes. Customer deposits rose by 5.79% to HKD2,096,344 million year-on-year and total loans and advances grew by 4.15% to HKD1,495,022 million year-on-year due to continuous expansion of customer base. While pushing ahead its business development, the Group attached great importance to comprehensive risk management. Overall asset quality remained sound with classified or impaired loan ratio standing at 0.84%.

REVIEW ON CORE BUSINESS

In 2014, while consolidating and expanding our customer base, we focused on restructuring, actively explored new business growth points and strengthened risk prevention, hence achieving a steady and healthy growth in all businesses. In the core areas such as cross-border business, NCB Wealth Management and SME business, we paid more attention to quality service and products for stronger customer loyalty.

Personal Banking

As at the end of December 2014, net operating income before impairment allowances of personal banking rose by 14.19% to HKD1,478 million. To ensure steady growth of deposits, the Group has introduced multi-currency promotion packages and referral programmes at different interest rates and deposit terms according to the needs of three customer groups, namely i-Free Banking, Enrich Banking and NCB Wealth Management with a view to expanding its core deposits. In celebration of its 65th anniversary, we have taken diversified marketing solutions and stepped up advertising such as media and transportation advertising to further enhance its brand recognition, explore new customers and retain existing customers. These solutions have proved to be promising.

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主要業務回顧 (續)

個人金融業務 (續)

2014年，我們在樓宇按揭貸款方面，採取彈性價格策略，配套交叉銷售，拓展、穩固客戶基礎；私人貸款業務均在風險可控的原則下開展。我們已在本地7家分行成立特快批核中心，由中銀信用卡(國際)有限公司配備經驗的營銷人員，快速完成批核手續，加快個人貸款審批效率。同時，我們積極推出創新產品，向部分理財客戶推廣香港居民以內地物業作押的授信方案，帶動了整體個人貸款業務增長。

我們加快轉型發展，著重「輕資本」業務，努力提高非利息收入佔比。截至2014年12月底，代理股票、基金及保險業務的淨手續費收入同比增長17.65%。

企業金融業務

企業金融業務繼續保持增長，放款結構有所改善。截至2014年12月底，企業放款錄得1.05%增幅至港幣1,180.46億元。企業金融業務淨利息收入港幣26.36億元，帶動提取減值準備前之淨經營收入比上年底增長3.67%至港幣33.93億元。

此外，面對內地經濟增長放緩，信貸風險有所增加，年內本集團適當增加了對企業授信的監控頻率，以控制信貸資產質量。為應對持續低息及低迷市場環境，我們提高綜合收益，年內企業金融業務著力積極爭取企業客戶的往來結算業務，帶動低無息存款增長。同時，針對人民幣國際化進程加快，人民幣業務需求不斷增加的情況，我們於年內加強與中國銀行與南商(中國)的聯動，加大人民幣業務的參與率。

REVIEW ON CORE BUSINESS (Cont'd)

Personal Banking (Cont'd)

With respect to property mortgage business, we adopt flexible pricing strategies in 2014. Coupled with our cross-selling efforts, we have expanded and consolidated our primary customer base. We have also kicked off our private loan business within controllable risks. We have established express approval centres in our seven local branches where experienced salespersons are placed there by BOC Credit Card (International) Limited to facilitate the application procedures and speed up the personal loan approval. At the same time, we actively launched innovative products and promoted the credit solution to some wealth management customers where Hong Kong residents may extend credit using their mainland properties as collateral, which drove the growth of our overall personal loan business.

We have accelerated the transitional development with focus on "capital light" business in an effort to increase the proportion of non-interest income. As at the end of December 2014, net fee income from stocks, funds and insurance business grew by 17.65% year-on-year.

Corporate Banking

Corporate banking continued its growth momentum with improved loan structure. As at the end of December 2014, corporate loans and advances recorded an increase of 1.05% to HKD118,046 million. Net interest income of corporate banking amounted to HKD2,636 million which drove a growth of 3.67% to HKD3,393 million in net operating income before impairment allowances.

In addition, due to slowing economic growth in China and increasing credit risks, the Group monitored the corporate credit lines more frequently during the year as appropriate to control the quality of credit assets. To cope with sustained low interest and stagnant market environment and increase consolidated income, we actively secured settlement business from corporate customers during the year, which facilitated the growth of interest free or low interest deposits. Meanwhile, given the acceleration of RMB internationalisation and increasing demand for RMB business, we stepped up its cooperation between Bank of China and NCB (China) during the year to increase its participation in RMB business.

主要業務回顧 (續)

財資業務

截至2014年12月底，財資業務提取減值準備前之淨經營收入港幣17.20億元，表現良好，當中淨利息收入同比增長29.71%。

2014年的投資策略以人民幣業務為主，我們增加人民幣存放同業業務，積極增持境內人民幣債券，減持非人民幣債券或縮短投資年期。此外，我們還推出了外幣兌換優惠存款等產品組合，有助穩定整體兌換收益。

內地業務

在內地具挑戰性的經營環境下，南商(中國)將發展方向調整為關注品質與效益，發展重點調整至低風險資產，堅持「專業化、差異化、多元化、智能化」的業務發展策略，聚焦專業化建設、開展差異化經營、不斷推出多元化的產品和服務。其個人金融業務重點是加快產品和服務模式創新，加大產品銷售力度，提升客戶體驗。企業金融業務則主要圍繞貿易金融、離岸金融、金融機構及資金業務四個領域，積極改進營銷模式，為內地「走出去」企業提供創新產品組合和金融服務，實現良好效益。

REVIEW ON CORE BUSINESS (Cont'd)

Treasury

As at the end of December 2014, net operating income before impairment allowances of our treasury business amounted to HKD1,720 million, indicating a decent performance. Of which, net interest income rose by 29.71% as compared with the previous year.

In 2014, our investment strategies were focused on RMB business. We have expanded our RMB deposit with banks business, actively increased onshore RMB bonds and decreased non-RMB bonds or shortened the duration of investment. In addition, we also introduced foreign currencies deposit plans at privilege exchange rates, which stabilised our total exchange gain.

Mainland

Amid challenging operating environment in the Mainland, NCB (China) has changed its growth direction to quality and efficiency and focused on low risk assets. Adhering to the growth strategy of "professionalism, differentiation, diversification and intelligence", NCB (China) attached great importance to professional development, differentiated operation and diversified products and services. The key point of its personal banking business is to accelerate the development of innovative products and services model, step up product sales and enhance customers' experience; whereas its corporate banking business features four areas, namely trade finance, offshore finance, financial institutions and treasury business, where it actively improves its marketing model to deliver innovative product mix and financial services for "go global" enterprises in the Mainland so as to generate good returns.

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主要業務回顧 (續)

風險管控

2014年，全球經營環境仍不穩定，監管要求更為嚴謹，風險管控難度加大。本集團嚴格遵從監管機構的各項風險管理規定，密切監察經濟環境的轉變，針對不同風險因素變化，進行各項風險檢查，強化資產質素監察機制，並通過完善及優化系統，提升風險管理技術，優化壓力測試方法，加強信貸風險管控措施，有效保障銀行資產質素。

前景展望

展望2015年，預計全球經濟仍維持溫和增長，但復甦步伐較慢。香港作為開放型經濟體，受外圍環境影響較大，經濟增長存在一定壓力。但也應該看到人民幣國際化步伐加快、網絡經濟的迅速發展以及移動金融業務不斷創新，正不斷為銀行業務提供新的增長點。本集團將繼續通過合理、有效的資源配置，保持市場競爭力和持續發展力。

REVIEW ON CORE BUSINESS (Cont'd)

Risk Management

During 2014, the unstable global operating environment and increasingly stringent regulatory requirement in the banking sector made our risk management more difficult than before. The Group strictly complied with all risk management requirements set by regulatory authorities, and closely monitored changes in economic conditions. We also carried out a series of risk inspection according to the changes in different risks factors and strengthened the control mechanism over asset quality. Through optimising our system, enhancing risk management techniques, optimising stress test methodology and strengthening credit risk management measures, we effectively safeguarded the asset quality of the Bank.

PROSPECTS AND OUTLOOK

Looking forward, in 2015, the global economy is expected to maintain moderate growth, although at a slower pace. Hong Kong, as an open economy, will be relatively sensitive to the external environment and subject to considerable pressure in terms of economic growth. However, there should also be acceleration of RMB internationalisation, rapid growth in internet economy and innovative mobile finance business. All these continue to be new drives of profit growth for banking business. Through reasonable and effective resource allocation, the Group will continue to maintain its market competitiveness and sustainability.

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