

Corporate & Investment Banking

企業金融



CORPORATE BANKING

Corporate Banking Division experienced another rewarding year in 2011 despite uncertainties and challenges in the global economy. Our strategy to invest and build our local and China business franchises with the aim of achieving steady and sustainable growth continued to deliver positive results.

Thanks to the talent and tremendous efforts of the China and Hong Kong teams and satisfactory progress made in various product fronts, Corporate Banking Division delivered another strong set of business results in 2011. Although we faced greater market competition for quality customers and pressure on lending margins, we succeeded in consolidating our market foothold. This has led to encouraging results with loan balance up 13.60% from HK\$12.50 billion at 31 December 2010 to HK\$14.20 billion at 31 December 2011.

During the year, the Hong Kong team continued to focus on acquiring first tier customers in the local market with the aim of charting steady growth for the future. We closed some key deals and customer relationships remained strong and intact. Meanwhile, the China team continued to establish and cement business relationships with key China corporations. We provided our China based customers with premium services and premier financial products which helped to keep business momentum strong.

企業金融

面對全球經濟前景不明朗及充滿挑戰的經營環境，企業金融部於2011年仍繼續取得豐碩成果。我們在本港及中國的業務上作出投資以不斷擴展，並積極落實以穩定及持續增長的策略，繼續締造佳績。

憑藉中國及香港業務團隊的超卓才能和努力及在各項產品方面均取得滿意的進展，企業金融部於2011年再次錄得強健的業績。儘管面對市場對優質客戶的競爭日益加劇及貸款息差受壓，但我們仍能在市場上取得令人鼓舞的績效，放款餘額由2010年12月31日的125億港元上升13.60%，至2011年12月31日的142億港元。

年內，香港業務團隊繼續專注拓展本地市場優質客戶基磐，實現穩中求進的策略。我們完成數項重大交易，並與客戶保持穩固及緊密的關係。與此同時，中國業務團隊亦繼續與主要的中國企業建立及鞏固業務關係，為他們提供卓越的服務和一流的金融產品，以助維持業務的強勁增長動力。

In 2012, Corporate Banking Division will continue to widen its customer base and deepen its existing relationships through proactive cross-selling and a solution-and-service driven approach. This proven strategy will enable us to meet the challenges ahead. We will also focus on developing close collaboration with the Group by leveraging on its ever-expanding regional franchise. Regular and frequent interactions with various business affiliates of the Group including Xiamen Bank, Taipei Fubon Bank and other Group units will further promote customer satisfaction while consolidating our strategic position as one of the key regional platforms for the Group.

GLOBAL COMMERCIAL BANKING

Global Commercial Banking Division continues to provide a full range of financial services to meet the genuine business needs from local mid-sized corporates. With the strong support from our parent company and our regional business platforms, we proudly provide our clients with tailor-made banking products to facilitate their overseas expansions.

Amid the slow recovery of the U.S. economy during 2011, the global economic atmosphere was worsened by the earthquake disaster in Japan and the series of debt crises in Europe. Markets became pessimistic about the global economic conditions which led to the gloomy business environment during the year. Adopting conservative strategies has been one of our key missions.

Throughout 2011, we continued to implement risk management by concentrating on credit monitoring and control. We aimed to improve the quality of our portfolio as well as to lower the default risk by strictly following credit review and routine monitoring procedures. Meanwhile, we made it our mission to deepen client relationships, know our customers, improve customer satisfaction, and broaden our customer base. Furthermore, as we focused on expanding our client base, we also capitalized on cross-selling opportunities of banking products. Consequently, we were able to achieve profitable growth and sustain low default risk.

Although markets are expected to recover at a slow pace in 2012, there are many uncertainties which will make it a challenging year. In order to cope with the difficulties ahead and maintain our competitiveness, we will continue to broaden our client base prudently by exploring new business opportunities and penetrating our existing clientele. We will also focus on customer retention, particularly of high quality clients, and optimize products utilization. Moreover, we will aim to generate higher and stable fee income and interest income by strengthening our internet banking platform, deposits, trade finance and factoring services.

2012年，企業金融部將繼續秉持為客戶提供解決方案和以服務為首的方針，積極進行交叉銷售，以擴大客戶基盤及深化客戶關係。這項行之有效的策略，將有助我們迎接未來的機遇及挑戰。我們亦會進一步與富邦集團緊密合作，利用其不斷擴展的區域版圖優勢，並與富邦集團的不同聯屬機構，包括廈門銀行、台北富邦銀行及其他集團單位保持頻密的交流，以助提升客戶的滿意程度，並鞏固本行作為富邦集團主要區域性平台的策略地位。

環球金融

為滿足本地中小型企業客戶的商業需求，環球金融部持續為客戶提供全方位的金融服務。以母公司富邦金控及其區域業務平台為強力後盾，我們很自豪能提供予客戶量身訂作的銀行服務以協助其拓展海外市場。

2011年美國經濟在緩慢復甦中，全球景氣又遭逢日本地震災害及歐盟經濟體一連串債務危機而惡化。市場因此對全球經濟情勢變得悲觀，使全年經營環境表現黯淡。因此，採取穩健的經營策略成為我們主要的任務之一。

於2011年度，我們藉著專注於信用監控來持續落實風險管理。我們嚴格遵行信用審查及定期監控以致力改善貸放品質及降低違約風險。同時深耕客戶關係、了解客戶、提升客戶滿意度及擴展客戶基盤亦為重要任務項目。除此之外，我們亦掌握銀行產品的交叉銷售機會。因此，我們得以實現利潤成長及維持低違約風險。

因市場仍存在諸多未明朗因素並預期將緩慢復甦，2012年將會是深具挑戰的一年。為能妥善應付未來將面臨的困境及保持競爭力，我們將以發掘新業務商機及擴大並深入既有客戶以審慎地拓展客戶基盤。我們亦將加強客戶維繫，特別是保留優質客戶並有效提升產品使用率。此外，我們將強化網路銀行功能、存款、貿易融資和應收賬款承購業務等服務，以獲致更高且穩健的手續費及利息收益。

Financial Markets

金融市場



For the global financial markets, 2011 was truly an unparalleled year.

The European debt crisis dominated investors' risk appetite. Although the European Union tackled the crisis by injecting liquidity into the market through the Long-Term Refinancing Operation ("LTRO"), the lack of confidence caused market participants to act cautiously.

The U.S. Federal Reserve's attempt to stimulate the economy through Operation Twist and its vow to maintain low interest rates until late 2014 also suggested market participants were timid. Nonetheless, despite the downgrade of the U.S. credit rating, the U.S. treasury continued to be perceived as a low risk asset and continued to function as the risk-free benchmark.

In Asia, Japan's earthquake last March 11 and Thailand's floods in late 2011 disrupted the global supply chain and drastically affected the global GDP, further illustrating that the globalization of the world economy has taken place.

對全球金融市場來說，2011年確是史無前例的一年。

歐洲債務危機對投資者的風險承受程度帶來重大衝擊。儘管歐盟透過「長期再融資操作」(「LTRO」)向市場注資以緩解危機，但市場參與者因欠缺信心，繼續持審慎態度。

美國聯邦儲備局嘗試透過「扭曲操作」刺激經濟，並承諾維持低利率至2014年底，顯示出市場人心虛怯。然而，即使美國信貸評級被下調，美國國庫券仍繼續被視為低風險資產，並繼續被用來作為零風險投資的比較基準。

在亞洲，日本311地震和泰國2011年年底發生的水災，擾亂了全球供應鏈的運作，嚴重影響全球本地生產總值，進一步印證世界經濟已開始一體化的進程。

Financial Markets Group (“FMG”) responded to these unfavourable market movements by taking a more defensive approach towards its investment portfolio. We have prudently shifted our focus from developed markets to Asia-Pacific. This approach enabled the Bank to maintain a stable investment portfolio during the European debt crisis.

On the other hand, our customer business continued to grow as a result of strong market fluctuations. Uncertain market conditions prompted investors to hedge risks and reduce their investment appetite. Customers moved away from high risk investment products such as equities to currency-related investments to take advantage of the market movements. By providing customized risk-hedging products and currency-related investments, the FMG Marketing team achieved 17% growth in fee income in 2011.

Our Renminbi (“RMB”) business remained strong despite the global turmoil.

The development of Hong Kong as an offshore RMB business centre continued to create new opportunities for the RMB business in Hong Kong. Liberalization of RMB trading and an increase in RMB liquidity in the market significantly boosted demand for RMB-related financial products.

The Bank’s overall RMB deposit base doubled and our RMB customer base recorded 23% growth in 2011. Foreign exchange trading fee income also improved steadily due to the increased trading volume in corporate off-shore RMB transactions (“CNH”). The Bank also became the first Taiwanese-invested bank approved by the People’s Bank of China (“PBoC”) to participate in China’s inter-bank bond market.

Nevertheless, PBoC’s tightening policy drained liquidity out of Hong Kong and increased funding costs across the banking industry. Competition for deposits was fierce. Despite our efforts to minimize the impact, compared to interim performance, our net interest margin still decreased three basis points to 1.09%. However, our average liquidity ratio stood at a healthy level of 49.37% at the end of 2011.

Given the current economic situation, FMG will continue to be vigilant about the uncertainty of the global economy, focusing on enhancing our deposit base, and strengthening our efficiency and cost control mechanisms. In particular, FMG will continue to expand the Bank’s RMB business by diversifying our RMB products, aiming to facilitate a stable and sustainable growth in 2012.

面對市場的不利形勢，金融市場部採取防守性較強的投資方針。我們審慎地將業務重心由已發展市場轉移至亞太地區，令本行在歐債危機期間的投資組合仍然保持穩定。

另一方面，市場大幅波動令本行的對客服務業務持續增長。不明朗的市況促使投資者對沖風險及降低其投資意欲。客戶由持有高風險投資產品，例如股票，改為持有與貨幣有關的投資產品及服務，以把握市場波動所帶來的回報潛力。金融市場的市場推廣部為客戶提供量身訂造的風險對沖產品及與貨幣有關的投資產品和服務，於2011年的費用收入錄得17%的增長。

儘管全球金融市場動盪不安，本行的人民幣業務保持強勁增長。

香港發展成為離岸人民幣業務中心，繼續為本港的人民幣業務創造新商機。人民幣業務的放寬，以及市場上的人民幣流動資金上升，大大刺激了客戶對人民幣相關金融產品的需求。

本行的人民幣存款總額增長一倍，人民幣相關的基磐於2011年亦錄得23%的增幅。由於企業的離岸人民幣交易量增加，外幣交易費用收入亦有穩定的增長。此外，本行亦成為首間獲中國人民銀行（「人行」）批准進入內地銀行間債券市場的台資銀行。

儘管如此，人行的緊縮政策令本地流動資金緊絀，導致銀行業的資金成本上升，存款競爭趨劇烈。即使我們已努力減輕這方面的影響，跟中期業績相比，本行的淨息差仍下跌3個基點至1.09%。然而，本行於2011年底的平均流動資金比率仍維持在49.37%的健康水平。

有見當前的經濟狀況，金融市場部將繼續注視全球經濟的不明朗因素，專注增強本行的存款基礎、提升營運效率及成本監控機制。金融市場部亦將透過多元化的人民幣產品來繼續拓展本行的人民幣業務，力求於2012年達致穩定及持續的增長。

Wealth Management

財富管理



In 2011, the economy was very fragile due to the devastating earthquake in Japan at the beginning of the year, followed by growing economic uncertainties triggered by incidents such as the European debt crisis, fiscal and monetary instability in the U.S., and the threat of inflation. Investors were more cautious and reluctant to invest, preferring to keep more cash on hand. Our sales team and Investment Service Advisors were proactively contacting customers through market updates, portfolio reviews and rebalances. Our priority, as always, is to achieve customer satisfaction in wealth management.

The Bank observed the changing customer needs to seek stability of returns in a risk averse environment. Therefore, we launched a series of fixed deposit and demand deposit promotion programmes with the support of newspaper advertisements, bus panel banners and branch exterior and interior displays. Also, to cope with the increasing demand for Renminbi ("RMB") services, we enhanced the functions of our automatic teller machines ("ATMs") at branches to allow withdrawal of RMB. In addition, a range of wealth management products denominated in RMB is under development and will be rolled out to customers in due course.

In response to the proposal of the Securities and Futures Commission on classifying investors into different levels based on their knowledge, experience and expertise, the Bank reviewed and revised its entire investment product selling process and procedure to cope with the requirements for Investor Characterization. We adopted a holistic approach for conducting client assessment so that we could make a reasonable determination of the investment needs of our customers. A series of training sessions was arranged to frontline staff before launching the revised selling process for Investor Characterization in September 2011.

2011年，全球經濟極為疲弱，首先是日本於年初發生猛烈地震，其後歐洲債務危機、美國財政和金融狀況不穩，加上通脹威脅，令經濟前景更趨不明朗。投資者變得更加審慎且投資意欲減弱，寧可持有更多現金。我們的銷售團隊和投資理財顧問透過最新的市場資訊、投資組合檢討及重組，積極與客戶保持聯繫。一如既往，致力為我們的顧客提供稱心滿意的財富管理服務。

本行關注客戶需求的轉變，在避險心態深重的環境下，幫助客戶尋求穩定回報。因此，我們推出一系列定期和活期存款的推廣計劃，並在報紙、巴士和分行內外廣為宣傳。為應付市場對人民幣服務的更高需求，我們強化了分行自動櫃員機的功能，提供人民幣提取服務。另外，我們正在開展一系列以人民幣計價的財富管理產品，並將適時向客戶推出。

為配合證券及期貨事務監察委員會的建議，按投資者的認識、投資經驗和專業知識將客戶分級的計劃，本行已檢討及修訂投資產品的整體銷售流程和手續，以切合投資者分類的要求。我們為客戶進行全面評估，以合理地評估他們的投資需要。為配合因應投資者分類計劃而修訂的銷售流程於2011年9月推出，我們已為前線員工安排一系列培訓課程。

Our strategic partnership with China Life Insurance (Overseas) Company Limited (“China Life”) continued to record promising results and received overwhelming responses from our customers. With the aim of offering our customers a guaranteed income with protection for better retirement planning, the Bank has once again obtained the exclusive selling rights for “START Guaranteed Annuity Plan” from China Life. The plan provides a unique immediate annuity option, which is a brand new feature in the market.

In 2012, we foresee that customers will continue to look for steady returns from their assets. A series of deposit infrastructure enhancements is in process to cater for more flexibility in our service platform. RMB will continue to be attractive to customers and demand will continue to rise. We will implement promotional activities to continue to acquire and grow our RMB deposit base. With the pilot launch of RMB Qualified Foreign Institutional Investors (“RQFII”) in 2012, we expect a range of RQFII investment products will soon be available and we will closely source opportunities for our customers to invest directly in the China market.

SECURITIES SERVICES

2011 was a tough year for investors. The European debt crisis caused the Hang Seng Index to drop approximately 34% from the highest in April to the lowest in October. Under these circumstances, Securities Department provided a series of services to reduce risks for our customers.

Externally, our professional investment strategies, such as IPO subscription of Sun Art and CITIC Securities, generated remarkable profits for our customers and reserved their capability for future investments. In such a turbulent market, our account executives stood closely by our customers and provided them with timely market analysis and stock recommendations, which not only strengthened customers’ trust in us, but also helped them to seize fleeting opportunities. Through sub-brokerage, we offered channels for Taiwanese institutional and individual investors to invest in the Hong Kong stock market. We also offered a platform for the subsidiaries of Hong Kong-based China securities companies to invest in the Taiwan stock market.

Internally, we grew our client base successfully with support from the 22 branches and Offshore Ambassador Banking Department of the Bank. We provided internal training to our colleagues to enhance their knowledge in international financial market. Moreover, we optimized standard operating procedures to strengthen risk management and reduce potential operational risks.

Looking into 2012, we are still very cautious about the global economy even though the European debt crisis is fading away. For this reason, we definitely will follow the Bank’s theme of “Managing for Stability and Sustainable Growth”. We will launch new services such as portfolio recommendation, selected IPO subscription, enhanced IST service and a trading platform across Greater China. We believe all of these services and channel expansions will gear up our communication and mutual trust with customers and achieve a win-win target.

我們與中國人壽保險(海外)有限公司(「中國人壽」)的策略性夥伴關係繼續創下佳績，並獲客戶熱烈支持。本行再次獲得中國人壽給予「駿發即期保證年金計劃」的獨家代理權，藉此為客戶提供保證收入和更佳的退休保障。該計劃獨有派發即期年金的選擇，是市場上一項嶄新的產品特色。

2012年，我們預期客戶會繼續尋求穩定的資產回報。因此，我們正進行一系列的存款機制強化措施，以提升服務平台的靈活程度配合運作。由於人民幣繼續受客戶青睞，人民幣服務的需求亦將不斷上升。我們將進行推廣活動，繼續吸納人民幣存款及擴大人民幣存款基礎。隨著人民幣合資格境外機構投資者(「RQFII」)將於2012年開展業務試點，預期RQFII的投資工具將會很快推出，我們亦將積極為客戶物色直接投資中國市場的機會。

證券投資服務

對投資者而言，2011年是沉重的一年。歐債危機的爆發令恒生指數自4月的高點向下滑落約34%至10月的低點。在此等情況下，證券投資部為證券投資者提供了一系列服務以降低投資者的投資風險。

對外，我們向客戶提供專業的投資策略，例如透過精選之高鑫零售、中信証券等IPO股票，讓客戶獲利，更令他們保存了再投資的實力。藉此動蕩市況，我們的客戶經理與客戶同舟共濟，為他們提供最新的市場分析與個股訊息。這不僅提升了客戶對我們的信任，更讓客戶捕捉到稍縱即逝的獲利契機。除此之外，我們透過複委託交易平台有效促進了台灣的機構投資者與個人投資者投資港股，同時我們也為更多在港的大陸券商子公司提供了投資台股的平台。

對內，在本行22間分行及境外理財服務部的支持下，我們在開發新客戶的股票賬戶方面得到了良好的效果。我們亦為員工提供內部培訓，以增強他們的國際金融市場知識。此外，我們亦優化了標準作業程序，以強化風險管理意識，降低潛在的營運風險。

展望2012年，即使歐債危機逐漸遠去，我們對環球經濟仍採取審慎的態度。因此，我們亦將秉持本行「穩健經營 持續精進」的發展方針。我們將會推展一系列的新服務，包括投資組合建議服務、精選IPO認購服務、網路交易品質提升、以及提供橫跨大中華地區的交易平台。相信透過上述豐富的業務活動，必能促進我們與客戶間的溝通與互信，進而達致共贏，為今年的業績結出豐碩的果實。

Consumer Finance

消費金融



Consumer Finance Division continued to exhibit good business performance in 2011. Our focus included launching various credit card usage programmes, rolling out different personal loan programmes, strengthening the mortgage business channels, and growing the merchant acquiring business. All these initiatives contributed significantly to our growth in customer base, loan receivables and fee income.

To further build and stimulate customer usage habits, the Bank continued to strengthen its credit card product platform by communicating the “Yearly Real Benefit” platform with a focus on “Easy to Earn” bonus point, promoting a series of attractive utilization programmes such as the highly popular “Sure Win Spending Rewards” and leveraging on YATA outlet expansion in San Po Kong for new customer acquisition. In 2011, our total credit card base grew by 11%, with our affluent card base increasing by 14% compared to the previous year. Also, card spending grew by 21% while fee income and card receivables increased by 8% and 13% respectively.

The Bank also demonstrated positive growth in its card merchant business. Our strategy of providing a one-stop solution for merchant support and banking services, while focusing on capturing the rapid growth of spending power of Mainland tourists by expanding our China UnionPay (“CUP”) merchant base, resulted in strong growth in merchant sales volume and fee income of 17% and 9% respectively.

消費金融部於2011年繼續保持佳績。部門的重點工作包括推出多項信用卡簽賬計劃、推廣各類私人貸款計劃、強化按揭業務銷售渠道，以及擴展商戶收單業務。這些計劃對客戶基盤、貸款應收賬額及費用收入三方面的增長均貢獻良多。

為進一步建立及刺激客戶的簽賬意欲，本行不斷強化信用卡產品平台，包括透過年度「真優惠」計劃為客戶呈獻「易賺激賞」積分計劃，推出一系列精彩的簽賬優惠，例如廣受歡迎的「簽賬必有賞」，以及藉一田百貨在新蒲崗擴充營業的機會吸納新客戶。2011年，本行信用卡客戶總數增長11%，其中富裕客戶群較去年增加14%。此外，簽賬額增長21%，信用卡費用收入總額和信用卡應收賬額亦分別增長8%和13%。

本行的信用卡商戶業務亦呈正面增長。透過我們一站式的商戶支援、優質的銀行服務，以及擴展銀聯商戶基盤以捕捉內地旅客迅速增長的消費力所帶來的商機，令商戶銷售額及費用收入分別增長17%及9%。

In 2011, the Bank also placed great efforts on building its personal loan business. We launched various programmes to suit the different needs of our customer segments, including “Perfect Fit Personal Loan”, “Credit Go Personal Loan” and “Tax Loan”. In addition to expanding the acquisition channel, the use of advertising helped create high exposure and awareness for these programmes in the market. This led to very positive business results with impressive growth of 29% in new loan business and 44% in loan receivables.

To drive steady growth for the unsecured lending business, we managed a dedicated telemarketing channel in-house to systematize and personalize customer interactions so as to deliver a consistent, high quality customer experience. Customers responded very positively to the sales and services contacts, which turned into an annual growth of 29% in new business.

To counteract the dynamic and challenging market, the Bank continued to place great emphasis on the mortgage business. Highlights included maintaining an effective one-stop direct sales channel, strengthening the segmentation pricing model, and providing customized and tailor-made services to meet the needs of different customer segments. Through these focused strategies, the mortgage business achieved a very satisfactory performance with total loan receivables increasing by 12%. Also, it was the very first time that our new loan booking ranked 8th in market share in December of 2011. The encouraging results not only reflected our efforts to reach beyond the target, but also served as a strong foundation for future success.

Looking forward, Consumer Finance Division will strive for customer growth through various business opportunities and initiatives. Along with product development, customer management and channel expansion, we aim to increase the customer base and provide more tailor-made products and services to our customers. In 2012, we will enhance our customer development and segmentation strategies to foster individual engagement with the Bank’s services, prolong customer life and value, and expand high engagement relationship coverage. By focusing on our customer-oriented marketing and dedicated channel support, we pledge to turn consumer insights into business performance to improve profitability, customer experience and loyalty.

本行於2011年亦致力發展私人貸款業務。我們推出了多項計劃以迎合各客戶層的不同需要，其中包括「合您意私人貸款」、「卡數清私人貸款」及「稅務貸款」。除了拓展銷售渠道之外，我們亦透過廣告宣傳為這些貸款計劃帶來高度的市場曝光率及公眾的注意力，令業務錄得可觀的增長，其中新造貸款額及貸款應收賬額分別錄得29%及44%的驕人升幅。

為推動無抵押貸款業務穩步增長，我們設立了專門的電話銷售渠道，使本行與客戶之間的互動更系統化和個人化，以提供一致及優質的客戶體驗。客戶對該銷售及服務渠道反應良好，令新造貸款按年增長29%。

為應對市場的急速變化及挑戰，本行將繼續專注加強拓展樓宇按揭業務。重點包括維持我們一站式的直接銷售渠道、強化分層定價模式，以及為不同層面的客戶提供度身訂造的服務。透過這些目標明確的策略，本行的樓宇按揭業務獲得非常理想的成績，總貸款應收賬額上升了12%。2011年12月，我們新造貸款業務的市場佔有率首次進佔第八位。這個令人鼓舞的成績不但反映出我們超越目標的努力，也為來年的成功奠下強健基礎。

展望未來，消費金融部將繼續透過不同的商機和項目來開拓客源，並配合產品發展、客戶管理及擴大營銷渠道等方式，以擴展客戶基盤及向客戶提供更多度身訂造的產品及服務為目標。於2012年，本行將強化客戶開發及分層策略，以吸引個人客戶選用本行的服務、與客戶建立更持久的合作關係，以及擴大他們跟本行的業務關係。憑藉本行以客為本的市場推廣及特定的銷售管道支援，我們定能將對客戶的透徹了解轉化為業務機會，令盈利表現、客戶體驗及忠誠度均得以提升。

Control & Risk Management

監控及風險管理



ENTERPRISE CREDIT RISK MANAGEMENT

In 2011, Enterprise Credit Risk Management (“ECRM”) formulated and issued a range of new credit policies and guidelines to mitigate credit risks. ECRM has also enhanced its management of credit risk concentrations to customers groups, as well as to industries, loan products, collateral and countries. Such risks are monitored regularly and reviewed by the Bank’s Risk Management Committee on a monthly basis. In addition, ECRM closely monitored the performance of the Bank’s commercial credit portfolio so that it could achieve healthy and profitable growth throughout the year.

Looking at 2012, there will be increasing uncertainty and volatility in the markets due to the slow recovery of the U.S. economy, the ongoing European debt crisis, as well as the softening growth in the local Hong Kong economy. As such, ECRM will proactively monitor our corporate customers and manage the relevant credit risks.

CONSUMER CREDIT RISK MANAGEMENT

The global economy continued to struggle in 2011, however the economic pain in Asia was relatively muted and much of the region sustained strong growth. In 2011, Consumer Credit Risk Management (“CCRM”) met all challenges and continued to manage the asset quality of the Bank’s consumer finance products including credit cards, personal installment loans and mortgage loans. We made tremendous efforts to strengthen our credit risk measures, especially on mortgage and unsecured loans acquisition management. As of December 2011, the annualized net charge-off rate for the credit card and unsecured personal loan portfolios were 0.76% and 1.91%

企業信貸風險管理

2011年，企業信貸風險管理部制訂並推出一系列新的信貸政策及指引，以降低信貸風險。企業信貸風險管理部亦加強管理不同層面的信貸風險集中度，包括客戶群、行業、貸款產品、抵押品及國家，以避免信貸風險過度集中。本行的風險管理委員定期監察這些風險，並每月進行檢討。此外，企業信貸風險管理部亦緊密監察本行商業信貸組合的表現，令本行可於年內達致穩健增長，保持盈利能力。

展望2012年，美國經濟復甦緩慢、歐洲債務危機持續，加上香港經濟增長轉弱，將使市況更趨不明朗，波動加劇。因此，企業信貸風險管理部將積極監察本行企業客戶的情況，及管理相關的信貸風險。

消費信貸風險管理

全球經濟於2011年持續面對困境，就直接影響而言，亞洲區的經濟問題相對上較為輕微，而區內有部份國家在全球經濟萎縮的陰霾下依然錄得持續性增長。在2011年，消費信貸風險管理部克服各種挑戰，繼續有效管理所有消費金融產品，包括信用卡、私人分期貸款及按揭貸款之資產質素。我們致力加強本行的信貸風險監控措施，特別是吸納按揭及無抵押貸款客戶方面的管理工作。截至2011年12月，信用卡和無抵押私人貸款組合的全年淨撇賬率分別為

respectively. For the mortgage loan portfolio, the annualized net charge-off rate was 0%. The credit quality of all consumer finance loan portfolios was satisfactory.

2012 will be a challenging year as the likelihood of the European debt crisis spilling into the Asia Pacific countries is increasing. CCRM will continue to fine-tune its credit acquisition and portfolio management policies, and have already set out initiatives for 2012 to strengthen asset quality management, improve operation efficiency, and prepare supportive actions for consumer finance business growth.

MARKET RISK MANAGEMENT

The collapse of Greece triggered a European sovereign debt crisis in 2011 which affected most European markets. Meanwhile, the economic recovery in the U.S. was far from expectations. Market uncertainty remains high in the banking industry. Consequently, risk management plays a very important role in bank operations.

In 2011, Market Risk Management (“MRM”) continuously exercised its professionalism and expertise in monitoring the market risks for the Bank’s trading and investment activities. We reviewed the product risk levels of all structured and unit trust products based on the changing market environment to ensure optimum risk management of our clients’ investments.

In the coming year, MRM will continue to monitor the fast changing markets and gauge how market changes will affect the values of the Bank’s trading and investment positions. We will also improve the quality of our risk management reports, enhance product control under pre-defined risk levels, and increase the effectiveness of the overall market risk management.

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The Bank has established an appropriate and robust operational risk management framework to identify, assess, monitor and mitigate operational risks.

In order to cope with the changing environment in 2011, the Bank fine-tuned its operational risk management and analytical tools, generated various risk trend analyses and reports, continued to conduct regular reviews on Control Self Assessment, and provided operational risk training to staff. As operational risks are inherent in the processes and products of each business unit, Operational Risk Management (“ORM”) collaborated closely with other departments to conduct ongoing reviews of operating procedures, focusing on control over the risk areas identified. Furthermore, the appropriateness and readiness of operational and system controls were evaluated before launching new products.

For 2012, ORM will continue to enhance its risk management tools, provide timely and useful analyses to different levels of management, with the objective of strengthening the Bank’s internal controls to reduce operational risks.

0.76% 及 1.91%。按揭貸款組合方面，全年淨撇賬率為0%。所有消費金融貸款組合的信貨質素均令人滿意。

放眼全球經濟概況，歐債危機蔓延至亞太區國家的可能性正不斷上升，2012年將是充滿挑戰的一年。消費信貸風險管理部將緊密監察並不斷調整吸納客戶及貸款組合方面的管理政策，我們亦已為2012年制訂多項計劃，以強化資產質素管理、提升營運效益，並作出多方面的配合，以支持消費金融業務的擴展。

市場風險管理

於2011年，希臘經濟瀕臨崩潰所引發的歐洲主權債務危機，影響了當地大部份市場。同時，美國經濟的復甦步伐遠比預期緩慢，銀行業的市況依然不明朗。因此，風險管理在銀行營運中佔有極其重要的地位。

市場風險管理部繼續發揮其專業精神和市場風險知識，監控本行在交易及投資活動中的市場風險。我們根據不斷變化的市場環境審核所有結構性及單位信託基金產品的風險等級，確保為客戶的投資提供最佳的風險管理。

展望來年，市場風險管理部將繼續監察瞬息萬變的市場，判斷這些轉變將如何影響本行的交易及投資持倉的價值。我們將不斷求進，提升風險管理報告的質素，按照預設的風險水平，加強對本行的產品管控，並提升整體市場風險管理的成效。

營運風險管理

營運風險是因不足或失效之內部程序、人為錯誤、系統故障或外在事故而導致損失的風險。本行已設立適當及穩健的營運風險管理架構，以辨識、評估、監察及降低營運風險。

面對2011年不斷轉變的經營環境，本行優化了營運風險管理和分析工具、進行各項風險趨勢分析及撰寫營運風險報告、持續定期檢討控制落實度自評工作，以及為員工提供營運風險培訓。鑑於每個業務單位的作業流程和產品均不免存在營運風險，營運風險管理部與其他部門緊密合作，不斷檢討營運程序，專注監控已識別的風險範疇。此外，我們在推出新產品之前，均會評估營運和系統監控是否適當及已準備就緒。

於2012年，營運風險管理部將繼續強化風險管理工具、向各級管理層適時提供實用的分析，以加強銀行之內部監控，減低營運風險。

IT & Operations

資訊科技及營運



INFORMATION TECHNOLOGY

The Bank successfully transformed its Information Technology service model in 2011 from a pure outsourcing dependent model to a totally in-house support model. We further strengthened our in-house management capabilities to provide better customer services delivery in the areas of data centre management, application development, infrastructure management, governance and risk control.

The heavy investment we made also included a move to a new Tier-3 data centre with a complete upgrade of numerous infrastructure devices which demonstrated the Bank's commitment to continue expanding its business franchise in Hong Kong. The revamp of our disaster recovery site has built an excellent resilience to minimize any impact on customers should a disaster occur, with 24-hour on-line data synchronization between our new data centre site and new disaster recovery site. The entire infrastructure design and blueprint are supported by Fubon Financial using the most advanced technology to support business growth and expansion for many years to come.

In addition to this major transformation, we soft-launched Fubon Business Online ("FBO") in 2011. FBO is an e-banking service catering to our prestigious corporate clients by providing a full range of innovative cash management services for medium to large corporations.

Going forward in 2012, the Bank will continue to invest in many product innovation and process automation systems, such as an

資訊科技

本行於2011年成功改變資訊科技的服務模式，由原來純外判模式轉型為全面自主模式。我們進一步強化內部管理能力，以提升顧客服務，範圍包括數據中心管理、應用程式發展、基建管理、管治及風險管控等。

我們作出的重大投資還包括遷進全新的Tier-3數據中心，當中的多項基礎設施更得到全面升級，彰顯出本行繼續在香港拓展業務的承諾。此外，我們亦提升了緊急災難備援數據中心，使其與新的數據中心保持全天候24小時即時數據同步，從而建立超卓的抗逆能力，以在發生緊急災難時將客戶受到的影響減至最低。整個項目的基建設計及藍圖均由富邦金控以最先進的科技作出支援，以配合未來業務增長及擴展的需要。

除了這項重要的轉型外，本行於2011年更為尊貴的企業客戶推出電子銀行服務平台「富邦商務網」，並已在試行階段，為中大型企業客戶提供全面而創新的現金管理服務。

展望2012年，本行將繼續在多項產品創新及程序自動化系統上作出投資，例如自動化信用卡處

automated credit card processing system to provide better customer services delivery, innovation and operational efficiency, as well as a document imaging system to move us towards a “paperless”, centralized and electronic environment. We will also continue to focus on technology governance, operational efficiency, production innovation, risk management and regulatory compliance to support the Bank in achieving its objectives of steady growth.

OPERATIONS

Having established an extensive and solid foundation in 2010, including Standard Operation Procedures and Balanced Scorecard, we continued to transform our Operations in 2011 into a leaner organization with better embedded quality and risk management.

To promote total quality management awareness in Operations, we conducted extensive and in-depth training for all Operations Units during the first half of 2011. Senior and middle-level management of Operations participated in workshops to practise various methodologies including eliminating waste by applying the 14 principles of The Toyota Way, Root Cause Analysis with the fish-bone diagram approach, and Key Process Mapping and Streamlining, etc. Consequently, the effectiveness and efficiency of Operations were substantially enhanced while reported Operational Risk Events were significantly reduced. For example, the speedy turnaround time for existing release of inward remittance funds was further reduced by 2 hours. Also, we relocated our back-office units to North Point which created a more cohesive and consolidated operational hub for eliminating handover waste.

In addition, Operations offered both brand new and streamlined services to customers in 2011. For example, the process of opening Global Accounts for individuals was revamped by eliminating unnecessary forms which tremendously shortened the required duration time by half, while complying with the Personal Data (Privacy) Ordinance and the Hong Kong Monetary Authority regulations. Our Causeway Bay Branch and Kwun Tong Branch were successfully relocated to better serve our customers. Also, the enhanced daily-limit controlled withdrawal of Renminbi notes from ATMs was launched successfully and seamlessly.

We are proud to report that in 2011, we again ranked as one of the top performing banks out of 500 banks in the Asian region and earned the Straight Through Processing Award for the fifth time in the past six years. This award was presented by our USD clearing bank, the Bank of New York Mellon, in recognition of our excellent quality fund transfer operations.

Looking ahead, the Operations Management will endeavor to strike an optimal balance among Service, Productivity, Quality, Control, and Morale. In addition, we will continue to benchmark with Fubon Financial and our Hong Kong peers to pursue the best practices in operations.

理系統以提升顧客服務、創意和營運效率，以及設立文件影像系統，以邁向「無紙化」、中央化及電子化的營運環境。我們亦將繼續以資訊科技管理、營運效率、產品創新、風險管控及法令遵循為重心，以支持本行達致穩中求進的營運目標。

營運管理

繼我們於2010年奠下堅實廣泛的運作基礎，包括落實標準作業程序及平衡計分卡，我們於2011年繼續轉型，達致更精簡的組織架構，當中更加強了品質及風險管控。

為提升在各項作業的整體品質管理意識，我們於2011年上半年為所有營運部門提供了廣泛而深入的培訓。各營運單位的中高階管理人員均參與了工作坊，練習不同的品質管理方法，例如運用豐田模式的14個原則來減少浪費、以魚骨圖進行根本成因分析、關鍵流程配對及精簡等。因此，各營運部門的效益及效率均大幅提升，而營運風險事故也大大減少。舉例說，本已快捷的匯入匯款轉賬過程再進一步縮短2小時。另外，我們將後勤單位遷往北角，從而建立凝聚力更強、運作更緊密的營運樞紐，減少不必要的交接浪費。

此外，各營運部門亦於2011年向客戶提供全新、更精簡的服務。例如，將個人開立統一賬戶的程序重整，減少表格數目，在符合個人資料（私隱）條例及香港金融管理局規例的同時，亦將處理時間縮短一半。本行的銅鑼灣分行及觀塘分行已喬遷新址，為客戶提供更佳服務。此外，本行更成功地提高從自動櫃員機提取人民幣的每日金額控管。

本行再次於2011年在亞洲地區500間銀行中脫穎而出，榮獲本行的美元結算銀行——紐約梅隆銀行頒發「直通式聯繫結算處理獎」；這已是本行於過去六年內第五度獲頒該獎項，亦是對本行傑出的資金轉賬服務的肯定與表揚。

展望未來，營運管理層將繼續竭力謀求在傑出服務、高生產力、持續品質保證、穩健內部管控及良好員工士氣間達致最佳平衡。此外，我們與富邦金控及香港同業間的作業基準比較亦將持續進行，以期達到最佳的營運實務的目標。

People Development

人才管理及發展



In implementing the Bank's strategy of managing for stability and sustainable growth in 2011, Human Resources Division successfully developed and launched the following major human resources initiatives against a background of tightening business and regulatory environment.

COMPENSATION AND BENEFITS

In 2011, Human Resources Division fine-tuned the Bank's Remuneration Policy in order to provide a more comprehensive and clearer framework as well as guiding principles on the Bank's remuneration system and procedures. At the same time, the Bank's benefit programmes were enhanced to include a new medical check-up scheme for Senior Managers and improvement of the existing out-patient medical benefits for general staff. Human Resources Division also established a number of Standard Operating Procedures to achieve better operational efficiency and control. In line with the Group's mission to enhance the efficiency and effectiveness of information retrieval and analysis, the Bank participated in the development and user acceptance testing of the Group's Human Resources Information System in 2011. The new system will be rolled out in 2012.

Looking ahead, Human Resources Division will continue to monitor and benchmark with the market to ensure that the Bank's remuneration packages are tailored to recruiting and retaining talents to sustain growth and success.

貫徹本行保持穩定發展及可持續增長的管理策略，在日益嚴峻的經營及監管環境下，人力資源部於2011年成功地制訂及推出以下主要的人力資源措施。

薪酬及福利

2011年，人力資源部優化了本行的薪酬政策，為薪酬制度和程序提供一套更加全面和清晰的框架和指引。同時，本行亦強化了福利計劃的內容，加入了為高級經理而設的新體檢計劃，以及改善一般員工享用的現有門診醫療福利。人力資源部也制訂多項標準作業程序，以提升營運效率及加強監控。為配合富邦集團旨在提高資料檢索及分析工作的效率及效益，本行於2011年參與了富邦集團人力資源資料系統的開發及驗收測試工作，而新的系統將於2012年推出。

展望未來，人力資源部將繼續監察市場狀況和與市場基準作出比較，以確保本行的薪酬方案能吸引和挽留出色的人才，以持續本行的業務增長和成果。

RECRUITMENT

The Bank considers its staff as its greatest assets. Hence, Human Resources Division implemented effective measures aimed at attracting and retaining talents to achieve a stable and capable workforce. As at 31 December 2011, the total number of staff force stood at 882.

The introduction of the Hong Kong Monetary Authority's Guidelines on Competence & Ethical Behaviour in July 2011 provided a framework for the professional competence and ethical behavior of staff in Hong Kong's banking industry. Human Resources Division conducted a review of staff competence in the areas of financial markets, treasury, settlement and credit risk to ensure compliance with all relevant requirements. Enhancement measures will be implemented in due course.

The Batch 7 Management Associate Programme was launched with eight university graduates being hired for business and support units. They were assigned to various units to undergo a two-year training programme with continuous assessment to ensure they will be capable of carrying out management roles in the future.

Six fresh graduates with qualifications of a higher diploma or above will join the newly introduced Teller Trainee Programme in February 2012. The objectives of the programme are to provide an energetic, well-trained and qualified workforce in branch operations. The trainees will undergo a one-month all-round training before starting on-the-job training in branches.

TRAINING AND DEVELOPMENT

In 2011, the Bank organized 387 in-house training classes and product briefings for 10,666 participants. In line with the Bank's prudent business practices and the stepping up of regulatory requirements by regulatory bodies, diversified training opportunities were provided to staff members to develop their competence in the areas of compliance, risk and control. One-year programmes were also organized for management and supervisory development. Product related training and sales telephone skills training were organized for sales staff. The importance of such training cannot be over-emphasized as sales staff represent the Bank's image and are pivotal to acquiring business.

In early 2011, major revisions were made to the Education Sponsorship Scheme and Professional Award Scheme under the Training and Development Guideline. The revisions were aimed at further promoting a learning culture within the Bank with more incentives and motivation for staff members to attain higher and professional qualifications.

To conclude, Human Resources Division will continue to provide efficient and effective human resources services in acquiring, rewarding and retaining talents in line with the growth and strategies of the Bank.

招聘

本行視員工為最寶貴的資產。因此，人力資源部推行有效的措施來吸引及挽留人才，以維持一支穩定而能幹的員工團隊。截至2011年12月31日，本行的員工總數為882。

香港金融管理局於2011年7月推出「能力及道德行為」指引，為規範香港銀行業員工的專業能力及道德行為提供一個框架。人力資源部已就金融市場、財資、結算及信貸風險等範疇，評估有關員工的工作能力，以確保他們符合所有相關要求。本行將在適當時候推行相關強化措施。

本行籌辦的第七屆「見習管理人員計劃」，招聘了八位大學畢業生加入業務單位及後勤部門。他們被派往不同部門，進行為期兩年的培訓計劃，並將持續接受表現評估，以確保日後能勝任管理工作。

六位擁有高級文憑或以上學歷的畢業生將參加本行於2012年2月推出的全新「見習櫃員計劃」。計劃的目的是為分行營運提供充滿幹勁、訓練有素且能夠勝任的員工。這批見習員將進行一個月的全面培訓課程，然後在分行接受在職培訓。

培訓及發展

2011年，本行共舉辦了387次內部培訓課程和產品簡介會，出席人次達10,666。為配合本行審慎的經營實務及監管機構更嚴格的監管規定，我們向員工提供多元化的培訓機會，以加強他們在合規、風險管理及監控方面的能力。我們還為管理層和督導級員工舉辦為期一年的培訓計劃，同時為銷售員工提供和產品相關及行銷電話技巧的培訓。銷售員工代表本行的形象，對爭取業務極具關鍵性，因此這些培訓活動的重要性不容忽視。

2011年初，本行按照「培訓及發展指引」對「教育資助計劃」及「專業獎勵計劃」作出了重大修訂，以提供更多獎勵和推動員工爭取更高的學歷及專業資格，藉此進一步提升銀行內的學習文化。

總括而言，人力資源部將繼續提供迅速有效的人力資源服務，以吸納、獎勵及挽留人才，從而配合本行的增長需要及發展策略。