

Corporate Banking 企業銀行



CORPORATE BANKING

The loan market in Hong Kong in 2012 entered into a spread-narrowing environment with competition from the bond market. The prevailing difficult market condition had resulted in the Corporate Banking Division engaging itself in an uphill working environment to achieve the result needed and to prepare itself for uncertainties.

In 2012, we focused more on local Hong Kong entities for new business opportunities as part of the Group's overall customer segmentation strategy. The Hong Kong Corporate Banking team continued to provide customers with premium services and a wider range of products, expanding and strengthening customer relationships. Strong business momentum was built in cross-border trade finance activities.

The Financial Institutions ("FI") team also strived to establish and cement its relationships with peer banks. The FI team proactively explored opportunities in the forfaiting/risk participation business and correspondent banking relationships. It closed a few key deals totaling HK\$212 million in 2012.

Looking ahead, the Corporate Banking Division will increase our penetration into customer segment comprising major enterprises in the southern China region. This market segment is expected to broaden our customer base and generate robust business growth in the coming

企業金融

受債券市場的競爭影響，香港貸款市場在2012年處於息差收窄的環境。面對嚴峻的市況，本行的企業金融部仍能克服艱難的環境，取得所需的成果，並為不明朗的局面作好準備。

鑑於富邦金控新實施的客戶分層策略，企業金融部於2012年集中爭取與本地的公司開拓新商機。香港企業金融部的團隊繼續為客戶提供優質服務及更多的產品選擇，以拓展及強化和客戶的關係，並為跨境貿易融資業務注入強勁動力。

金融機構業務團隊在努力建立及鞏固和同業的關係之餘，亦積極開發風險參與及信用證買賣斷及金融機構業務。該團隊於2012年完成了數項總值2.12億港元的交易。

展望未來，企業金融部將加大對涵蓋華南地區主要企業之客戶層的覆蓋力度，藉以擴大客戶基礎及推動未來的業務增長。此外，在富邦集團的業務版圖不斷擴大的同時，我們亦將加強

years. We will also adopt a more dynamic collaboration discipline with the Fubon Group given its expanded regional franchise. We aim to further enhance customer satisfaction and to establish a strong strategic position as an important strategic unit in the Fubon Group.

COMMERCIAL BANKING

Commercial Banking achieved significant growth of 18% in revenue in 2012 while maintaining a high quality loan portfolio. Furthermore, the number of new customers increased by 10%. The impaired loan ratio remained at a very low level compared with previous years. This was the result of our customer targeting strategy, which emphasizes knowing and fulfilling our customers' needs and focusing on credit quality. We have also further enhanced our credit monitoring and control mechanism in light of the rapid changes in market conditions.

Despite the slower and more vulnerable commercial activities in Hong Kong due to global economic uncertainties, the situation began to improve towards year-end resulting from new rounds of quantitative easing in the U.S. and the commitment by the European Central Bank to support the weaker members of the European Union. Such growth was further driven by strong spending by Mainland tourists and local consumers underpinned by a low unemployment rate.

Meanwhile, we aimed at increasing our market share by expanding our customer segment and capitalizing on cross-selling opportunities for other banking products. With the strong support from our parent company and their regional platforms, we were able to provide our clients with tailor-made banking products through the services of various channels to support our customers' business expansion, particularly in the Greater China Region.

We are ready and strived to be our customers' trusted partner to cope with their business development. Backed by good product and an effective delivery platform, we are deepening our customer relationship and further strengthening the confidence of our customers in the Fubon franchise. We recognize the importance of a high quality marketing team and in 2012, we raised the competency of our relationship managers through a combination of training and recruitment.

Looking forward, we expect the volume of cross-border trade between Hong Kong and Mainland China to continue to expand. By leveraging the opportunities arising from Hong Kong as one of the principal Renminbi ("RMB") offshore settlement centres, we are striving to provide a broader range of trade finance and cash management services in RMB to our customers to enlarge our share in the RMB business. In addition, we have signed up with the Hong Kong Mortgage Corporation to participate in their SME Financing Guarantee Scheme, which will further broaden our product range to our SME customers.

和集團的合作關係，希望進一步提升客戶的滿意程度，並成為富邦集團裡重要的策略團隊。

商業金融

2012年，商業金融部收益達18%的顯著增長，同時維持高質素的放款組合。此外，新客戶數目亦增加了10%。與往年相比，減值貸款比率維持在極低水平，反映出本行重視了解和滿足客戶需要，以及維持信貸品質的客戶策略展現成效。鑑於市場情況瞬息萬變，我們亦已同時進一步強化本行信用監督與監控機制。

儘管因全球經濟前景仍尚未明朗導致香港的商業活動持續放緩及更加疲弱，但隨著美國推出新一輪量化寬鬆政策，加上歐洲央行承諾向歐盟財力較弱的成員國提供援助，情況已於年底開始改善。加上內地旅客的強勁消費，以及受惠於低失業率而暢旺的本地消費，均進一步帶動經濟增長。

同時，我們藉著擴展客戶群並把握對客戶進行交叉銷售的機會，擴大本行市場佔有率。在母公司及其區域平台的強勁支持下，我們得以經由多樣通路的服務方式為客戶提供度身訂造的銀行產品，以協助客戶，尤其是位於大中華區域之客戶進行業務拓展。

我們已準備就緒，致力成為客戶信賴的合作夥伴，協助客戶拓展業務。在完善的產品及高效服務平台的配合下，我們不斷深化與客戶的關係，進一步加強客戶對富邦的信心。我們了解擁有優秀的業務團隊是十分重要的，因此，我們於2012年經由培訓及招聘方式，進一步提升本行客戶經理的能力。

展望將來，我們預期香港與中國內地的跨境貿易將繼續擴展。香港為主要的人民幣離岸結算中心之一，我們將把握當中的機會，努力為客戶提供更廣泛的人民幣貿易融資及現金管理服務，從而擴大本行在人民幣業務市場的佔有率。此外，我們參加了香港按揭證券有限公司的中小企融資擔保計劃，為中小企客戶提供更多元化的產品種類。

Financial Markets 金融市場



TREASURY MARKETING

Our product development was strengthened by dedicating staff to review the overall product development and enhance the features of different products to cope with the changing market environment. Such an undertaking was especially important as it further diversified and broadened the Bank's treasury client base to increase sales. As a result, fee income from the Treasury Markets Unit rose 18.7% in 2012.

Renminbi ("RMB") business remained a major focus of our financial market activities. RMB market continued to present opportunities for our Financial Markets Division. The Division had identified many RMB-related opportunities for our customers. Hence, the number of related business transactions rose by nearly 50% in 2012 compared to the previous year.

To support the Bank's retail sales activities, a new unit was set up in Financial Markets Division to improve inter-departmental communications and to provide training to enhance the front-line's financial products knowledge. Also, this unit is responsible for the timely dissemination of market information to our customers.

INVESTMENT PORTFOLIO

The Bank began diversifying its investment portfolio at the start of the global financial turmoil. The goal was to broaden our fixed income portfolio in terms of geography, currency and industry, and the results have proven to be positive overall. Risk transferred to the Asia-Pacific/China region to attain a more geographically balanced portfolio was carried out during the year. Reflecting China's growing influence, we managed to allocate additional investment in RMB. As a result,

財資市場

為應付瞬息萬變的市場環境，我們委派了專責員工檢討整體的產品開發及提升不同產品的特點，以強化我們的產品系列。這項工作對我們十分重要，因為能進一步加強和擴大本行的財資客戶基礎及帶動銷售額上升。金融行銷部於2012年錄得的費用收入上升18.7%。

人民幣業務依然是本行金融市場業務的重點，而人民幣市場亦繼續為金融市場部帶來商機。由於我們為客戶發掘了眾多與人民幣業務有關的機遇，2012年相關業務的交易量較去年增長近半。

為支援本行的零售活動，金融市場部於2012年成立了一個全新的子部門，以改善本行各部門之間的溝通，並同時提供培訓予前線員工以增加他們對金融產品的認識。此外，這子部門亦負責為客戶提供適時的市場資訊。

投資組合

全球金融風暴開始時，本行已開始分散我們的投資組合。我們從地域、貨幣及行業各方面擴大本行的固定收益組合，整體上取得了正面的成果。年內，我們把風險轉移至亞太/中國區域，以在地域上達致更均衡的組合。鑑於中國的影響力日增，我們已加強對人民幣業務的投資，令全年的人民幣固定收益投資增加

RMB fixed income investments increased by 16.1% for the year. On the other hand, due to changes in global regulatory demand and the ever-changing capital market, we also broadened the Bank's fixed income investments alternatives and emphasized more exposure on corporate issued debt securities.

For 2012, the total investment portfolio size increased by approximately 11.6%. Credit quality remained strong and resilient with no change in the overall credit rating of the portfolio compared to 2011. A portfolio balancing exercise resulted in no significant extension in duration with interest rate risk of the overall portfolio kept well within the three-year mark. Underlying liquidity of the portfolio was strong with the portfolio composed predominantly of benchmark public issues.

The various strategies described above produced a favourable impact on the Bank's earnings and capital ratios, which further enhanced our capacity to withstand the still unpredictable credit market environment.

FUNDING

The foundation of the Bank's deposits remained strong and our retail deposit base was broadened significantly last year.

While the Hong Kong CNH deposits increased by around 2.5% year-on-year for December 2012, the Bank's CNH deposits increased by 38.3%, and our RMB customer base recorded 35.1% growth in 2012.

Furthermore, monetary easing policies in the U.S. and Japan provided the market with unprecedented liquidity. The effect was also felt in Hong Kong with the Hong Kong Monetary Authority recording close to HK\$250 billion in its Aggregate Balance. This influx of money in turn relieved the funding cost hike experienced by the banking industry over the last two years. As a result, the lowered funding costs, together with improved lending and investment credit margins, helped to increase our net interest income by 3%. Also, the net interest margin improved by 22 basis points to 1.24% in December 2012 from a year ago.

Our liquidity ratio was maintained at a healthy level of 57.8% by year-end. In order to further enhance our liquidity profile and improve the interest income revenue, our Funding Desk increased the number of repo counterparties and volume by approximately 10% during the year.

2013 AT A GLANCE

For 2013, our Financial Markets Division will continue to be steadfast in our efforts to grow in and adapt to the delicate global economy.

The RMB-related business will demand more attention to both the details and scope as more relaxation measures are anticipated. While RMB and our customers' coverage will remain the focal point of our marketing efforts, when developing new products we will need to bear in mind our customers' specific needs and the current market conditions.

Developing new products, together with further refinement of our investment portfolio will remain key missions for our Financial Markets Division in the coming year.

16.1%。另一方面，由於全球監管規定有所改變，加上資本市場變幻莫測，我們因此擴大了本行的固定收益投資工具選擇，著重增持企業債務證券。

2012年，本行整個投資組合總值增長約11.6%。組合的信貸質素保持良好，整體信貸評級與2011年比較維持不變。我們平衡的投資組合並沒有顯著地延長存續期，整體組合所承受的利率風險仍然維持在三年以內。由於作為基準的公開發行證券佔組合內資產的主要部分，因此組合保持強勁的流動性。

上述各項策略為本行的盈利及資本比率帶來有利的影響，令我們更有能力應對難以預測的信貸市場狀況。

資金

本行的存款基礎保持穩健，而零售存款基礎於去年亦顯著上升。

香港的離岸人民幣存款於2012年12月按年增長約2.5%，而本行的離岸人民幣存款則上升38.3%，人民幣客戶基礎於2012年亦增長了35.1%。

此外，美國及日本實施的貨幣寬鬆政策導致前所未見的大量流動資金湧入市場，其中香港亦受影響，香港金融管理局錄得接近2,500億港元的總結餘。資金湧入，紓緩了銀行業於過去兩年面對資金成本上漲所造成的影響。由於資金成本下降，加上貸款及投資信貸息差有所改善，本行淨利息收入增加3%，淨息差於2012年12月達至1.24%，較去年同期上調22個基點。

我們的流動資金比率於年底維持在57.8%的健康水平。為進一步強化流動資金狀況及改善利息收入，年內本行資金部把回購交易對手數目及交易量增加約10%。

2013年展望

展望2013年，金融市場部將繼續堅定地拓展我們的業務，適應複雜多變的全球經濟局勢。

由於市場預期將有更多寬鬆政策推出，我們必須更加關注人民幣相關業務發展的細節及狀況。儘管本行將繼續把市場推廣重點放在人民幣業務及擴大客戶層方面，但在開發新產品的同時，我們亦需要顧及客戶的特定需要及當前的市場情況。

來年，金融市場部的主要工作將繼續集中在新產品的開發，以及進一步優化我們的投資組合。

Wealth Management 財富管理



INVESTMENT & INSURANCE PRODUCTS

As always, during the year our investment advisors and sales team communicated with customers proactively through regular market updates, portfolio reviews and rebalancing actions. Our continuous priority is to address the specific needs of our customers and achieve a high standard of satisfaction.

Our unit trusts business volume grew over 15% in 2012. Facing a low interest rate environment and volatile market, particularly in the middle of the year, our fixed income products were well received by customers who were searching for a regular source of income and stability of returns. Inflows to bond funds increased significantly, accounting for 70% of the total business. The Bank strived to enhance the product range of unit trusts by teaming with reputable fund house partners, providing defensive investment vehicles to weather volatile market conditions. The Bank in 2013 will continue to offer up-to-date market outlook information to provide our customers with a full range of wealth management solutions.

Our life insurance business also performed well in 2012 with an overall growth of 19% in premiums. The "Smart Series Endowment" and the "Start Series Annuity" from China Life Insurance (Overseas) Company Limited received overwhelming positive responses from customers. In September 2012, the Bank entered into a strategic partnership with AXA China Region Insurance Company (Bermuda) Limited. We believe this new partnership will further enrich the Bank's insurance product platform and offer more quality and diversified life insurance product choices and services to our customers.

投資及保險產品

一如既往，年內本行的投資顧問及銷售團隊透過定期為客戶提供最新的市場資訊、檢討及重組投資組合，積極與客戶保持聯繫。我們將繼續貫徹工作目標，滿足客戶的具體需要，讓客戶稱心滿意。

本行的單位信託基金業務於2012年增長逾15%，面對低息環境及市況波動，尤其是在去年年中，我們的定息產品甚受追求固定收入來源和穩定回報的客戶歡迎。流入債券基金的資金大增，佔單位信託基金業務70%。本行夥拍多間著名的基金公司，致力增加單位信託基金的產品類別，提供具防守性的投資工具以抵禦波動的市況。本行於2013年將繼續提供最新的市場資訊，為客戶帶來全面的財富管理方案。

本行的人壽保險業務於2012年亦表現理想，保費整體增長19%。中國人壽保險（海外）股份有限公司推出的「俊利年年儲蓄保險系列」及「駿發年金系列」，均獲客戶熱烈支持。2012年9月，本行與安盛保險（百慕達）有限公司達成策略性伙伴關係，相信將有助進一步加強本行的保險產品平台，為客戶提供更多優質和多元化的人壽保險產品及服務。

DEPOSIT

Stable deposit growth is always a core theme of the Bank's business. A series of deposit promotion programmes were launched during the year with encouraging results, leading to an increase of 5% in customer deposits on a year-to-year basis. Apart from that, we also revamped our magic@Children Savings Account and launched magic@money manager RMB Interest-Bearing Current Account to broaden our deposit product platform and expand our customer base.

Looking forward, we will implement an array of deposit product enhancement measures to cater to different customer needs. We also plan to enrich our Renminbi ("RMB") deposit product offerings, like rolling out the RMB Target Saving Plan, and we will launch various promotion activities to further expand our RMB deposit base in line with the increasing demand for RMB services.

SECURITIES SERVICES

In the middle of 2012, both the Hang Seng Index and market turnover dropped to a yearly low levels. Fortunately, the trend reversed towards the end of the year. Overall the Hang Seng Index rose by 23% while the average daily market turnover dropped by 23% in 2012. In such a turbulent market, the Securities Services Division provided customers with timely market analysis to assist our customers in their risk assessment.

Our account executives provided very personal services to our customers, which strengthened their confidence in us. Even in the middle of the year when the market turnover dropped by one-third, we were able to achieve a 20% reactivation ratio of inactive accounts. We also managed to keep customers' AUM at the same level as in 2011. Through sub-brokerage, we offered channels for Taiwanese institutional and individual investors to invest in Hong Kong stock market. Sub-brokerage has steadily become a major source of our brokerage fee income. Meanwhile, we also provided a platform for local investors to invest in the Taiwan stock market.

We expanded our client base successfully with support from our branches and Offshore Ambassador Banking. We also strengthened the internal training for our account executives to build up their professional knowledge in the financial markets. Moreover, we put more emphasis on improving internal controls and reducing operational risks.

Going forward, with the recovery of the stock market and a more stable global economy, we will take steps to further improve the scope of our services to better serve our customers. We will launch a series of new services to expand customer base, such as Internet stock trading services, margin financing services for both Hong Kong and Taiwan stocks and a trading platform across Greater China. We believe the expansion of all these services and channels will solidify our existing business and gain the trust of new customers.

存款

穩定的存款增長一直是本行業務發展的主旨。年內，我們推出了一系列存款推廣計劃，使客戶存款額按年上升5%，成績令人鼓舞。此外，我們革新了「magi@兒同樂」儲蓄戶口及推出「magi@money manager 人民幣有息支票戶口」，以擴大存款產品的平台及客戶基礎。

展望未來，我們將推行多項存款產品優化措施，以配合客戶的不同需要。我們亦計劃提供更多人民幣存款產品，如「人民幣目標儲蓄計劃」，並推出多項推廣活動，以進一步擴大本行的人民幣存款基礎，配合市場對人民幣服務與日俱增的需求。

證券投資服務

2012年中，恒生指數及市場成交額均跌至全年低位。可幸的是，年底市況回升，恒生指數於2012年全年累升23%，惟日均成交額則下跌23%。在動盪的市況下，證券投資服務部為客戶提供最及時的市場分析，以協助他們評估風險。

我們的客戶經理為客戶提供個人化的服務，增強了客戶對我們的信心。即使市場成交於年中下跌三分之一，我們仍能把非活躍賬戶的活化率提升20%。我們為客戶管理的資產亦維持在與2011年相若的水平。透過複委託交易平台，我們促進了台灣機構投資者與個人投資者投資香港股票市場，而這途徑亦逐漸成為我們證券經紀佣金收入的主要來源之一。同時，我們也為本港投資者提供了投資台股的平台。

在分行及境外理財部的配合下，我們成功地擴大了客戶群。我們亦加強對客戶經理的內部培訓，以增加他們對金融市場的專業知識。此外，我們也會加強改善內部監控以降低營運風險。

隨著股市復甦，全球經濟趨於穩定，我們將進一步拓展服務範疇，為客戶提供更佳服務。為擴大客戶群，我們將推出一系列新服務，如網上證券交易服務、港股及台股融資服務，以及橫跨大中華地區的交易平台等。我們相信，透過擴展上述的服務及渠道，我們將能鞏固現有業務，並獲取新客戶的信賴。

Consumer Finance 消費金融



A series of new developments in credit cards, personal loans and mortgages were introduced in 2012. The new developments enriched our product offering and opened a new page for the sustainable growth of our consumer finance business.

With its highly popular “Sure Win Spending Rewards” Programme, Fubon credit card successfully established its position as a card with a “practical” reward. Building on this success, we further extended the reward platform to transform our credit card into a “Taiwan Travel Companion” with 20-times bonus points rewards for Taiwan spending. We will further broaden this platform by offering bonus points rewards for spending in other countries, aiming to become the credit card of choice for travellers. In 2012, our total credit card base and card spending grew stably by 3% and 9% respectively.

Our card merchant business maintained persistent growth over the past year with good results in new merchant acquisition. In addition to providing basic card merchant services, our sales team cross-promoted other banking services, in particular deposit services, which recorded astonishing growth of 90%. Next year, our merchant business will put more effort in exploring other payment technologies such as Alipay, as well as more advanced point-of-sales terminals to boost the growth of merchant sales and merchant fee income.

2012年，消費金融部在信用卡、私人貸款及按揭業務方面作出了多項新的發展，為本行帶來更豐富的产品種類，並為消費金融業務的可持續發展揭開新篇章。

富邦信用卡憑著廣受歡迎的「簽賬必有賞」計劃，成功定位為一張提供「實在」優惠的信用卡。在這成功的基礎上，我們進一步擴大獎賞平台，成功把富邦信用卡打造為「台灣旅遊伙伴」，讓客戶的台灣簽賬可享有20倍的積分優惠。我們將進一步延伸此獎賞平台，為客戶在其他國家的簽賬提供積分優惠，務使富邦信用卡成為旅客首選的信用卡。2012年，本行信用卡客戶總數及簽賬額分別錄得3%及9%的穩定增長。

我們的信用卡商戶業務在去年維持穩定的增長，在吸納新客戶方面亦取得理想的成績。除了提供基本的信用卡商戶服務外，本行的銷售團隊還向商戶推廣其他銀行服務，特別在吸納存款方面，更錄得達90%的驕人增長。來年，本行的信用卡商戶業務將加強探究其他的付款技術，如Alipay，以及更先進的銷售終端機，以刺激商戶銷售額及商戶費用收入的增長。

In personal loan business, promotional campaigns were launched continuously throughout the year. Internally, our lending policies were fine-tuned in order to acquire more new customers while maintaining acceptable credit risk levels for the portfolio. Sales channels also underwent persistent refinement to sharpen our competitiveness and to cope with the changing market environment. All of these initiatives reflected our determination to make a bigger footprint in the personal loan market.

The Hong Kong property market experienced tremendous impact last year, both positive and negative. U.S.'s QE3 increased market liquidity which affected asset value in Hong Kong, whereas the Hong Kong SAR Government tried to stabilize the property market with its Buyer's Stamp Duty and other prudential measures introduced by the Hong Kong Monetary Authority. Despite these developments, we remained positive towards our business and recorded satisfactory results with our mortgage loan portfolio growing by a solid 9%. More importantly, we broadened our mortgage product offering by teaming up with QBE Mortgage Insurance (Asia) Limited to provide mortgage insurance products. This is in addition to our existing cooperation with Hong Kong Mortgage Corporation. In the long run, this relationship is expected to solidify our position as one of the active mortgage insurance policy providers in the market.

Looking forward, we will continue to build and provide tailor-made products and services to expand our customer base and capture a higher market share. We will also endeavour to achieve the highest operational efficiency and better sales management as a response to market competition and escalating operating costs. Over the past year, we have revolutionized several areas of our business framework and we are committed to continue our efforts in the future.

私人貸款業務方面，本行於年內不斷推出宣傳推廣，對內我們同時調整本行的審批政策，務求在適度的風險中吸納更多新客戶。另外，我們亦持續修訂銷售策略，以提升競爭力及應付瞬息萬變的市場環境。各項措施均反映我們致力擴大本行在私人貸款市場的佔有率。

去年，香港物業市場經歷了正反兩面的衝擊。美國的第三輪量化寬鬆措施增加了市場流動性，刺激香港的資產價格，香港特別行政區政府因此實施買家印花稅，再配合香港金融管理局的多項審慎措施，試圖為樓市降溫。儘管如此，我們對業務前景仍然保持樂觀，並錄得理想的成績，其中按揭貸款組合錄得9%的升幅。更重要的是，除了目前與香港按揭證券有限公司合作外，本行更夥拍昆士蘭按揭保險（亞洲）有限公司，令按揭產品的陣容更加鼎盛。長遠而言，這個合作關係預期可鞏固我們作為活躍的按揭保險供應商的市場地位。

展望將來，我們將繼續建立及提供度身訂造的產品及服務，以擴大客戶基礎及提升市場佔有率。此外，我們亦將努力達致最高的營運效率及優化營銷管理，以應付激烈的市場競爭和不斷上升的經營成本。過去一年，我們在原有的業務架構上作出了多項改革，未來，我們亦會繼續努力不懈，令業務邁向另一層次。

Control & Risk Management

監控及風險管理



ENTERPRISE CREDIT RISK MANAGEMENT

In 2012, the functions of the Credit Committees were restructured to strengthen the oversight of the Bank's credit risk management and the approval of the corporate lending businesses. Credit policies and guidelines were further enhanced in light of the changing market environment. By exercising prudent credit risk management, we maintained a high quality portfolio with the non-performing loan ratio at a historically low level throughout the year.

Going forward in 2013, it is our goal to maintain a high quality asset book while striving to increase our loan portfolio. We will continue to focus on corporate customers with sound credit standing. Special credit programmes will be developed to support business expansion in the small and medium sized enterprises ("SME") segment.

CONSUMER CREDIT RISK MANAGEMENT

Domestic demand for consumer credit remained strong in 2012. Growth in private consumption was driven by low unemployment, higher personal net worth, and the Hong Kong SAR Government's relief measures. As of December 2012, the annualized net charge-off rate for the credit card and unsecured personal loan portfolios was 0.66% and 0.72% respectively. In the real estate market, due to excess liquidity and low interest rates, private housing prices increased by 25.6% as of December 2012 to a level that was about 31.6% higher than the peak in 1997. We are therefore closely

企業信貸風險管理

本行於2012年重組信貸委員會的職能，以加強本行對信貸風險管理及企業貸款批核的監察。面對不斷轉變的市場環境，我們進一步強化本行的信貸政策及指引。我們審慎的信貸風險管理，令本行的貸款組合質素維持在高水平，不良貸款比率亦全年處於歷史低位。

展望2013年，我們的目標是維持高質素的資產，並致力擴大貸款組合。同時，我們將繼續專注於信譽良好的企業客戶，並制訂特別信貸計劃，以配合本行拓展中小企貸款業務。

消費信貸風險管理

2012年，本地消費信貸需求持續強勁。失業率低企、個人資產淨值上升，加上香港特別行政區政府的紓困措施，均帶動私人消費支出增長。截至2012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0.66%及0.72%。房地產市場方面，充裕的流動資金加上利率低企，刺激私人住宅價格於2012年全年上升25.6%，較1997年的高峰期還要高出約31.6%。鑑於資產泡沫的風險增加，我們正密

monitoring this market segment in light of the increased risk of the formation of an asset bubble. However, we still consider the quality of our mortgage loan portfolio to be high given the absence of any charge-offs in this portfolio.

We expect 2013 will be a challenging year for the mortgage business, but are relatively optimistic on consumer lending, including growth in the credit card business. Our consumer credit risk management team will continue to fine-tune its credit risk management strategies and update its credit evaluation techniques to address changes in the market environment.

MARKET RISK MANAGEMENT

The European sovereign debt crisis in 2012 increased the volatility in the financial markets around the world, causing uncertainties for the banking industry. Market Risk Management heightened its monitoring of the Bank's trading and investment activities. With the implementation of Basel III, the Bank continued to modify its limits structure and risk monitoring process so as to further enhance the market risk management framework.

Market Risk Management will continue to monitor market developments and provide management and the Board with timely analysis on the Bank's market risk profile. We have initiated a project to upgrade our treasury/trading automated system to improve the quality of our risk management mechanism and improve the efficiency of our treasury processes. We are also looking towards improving our analytical capabilities through the introduction of new treasury systems.

OPERATIONAL RISK MANAGEMENT

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 2012, the Bank fine-tuned its risk management guidelines, risk assessment and analytical tools, enhanced risk management reports and trend analyses. The Operational Risk Management team collaborated closely with other areas of the Bank and provided advice on risk events and operational risk assessment for internal control issues and evaluated the readiness of our operational and system controls before launching new products.

For 2013, Operational Risk Management will focus on enhancing its risk management tools and risk management reporting to assist the management in assessing the level of operational risk to which the Bank is exposed.

切監察私人樓市的發展。然而，本行的按揭貸款組合質素良好，並無任何撇賬紀錄。

對按揭業務來說，我們預期2013年將是充滿挑戰的一年，但對消費信貸業務，包括信用卡業務的增長則相對樂觀。我們的消費信貸風險管理部將繼續調整信貸風險管理策略，並提升信貸評估技巧來應對市場環境的變化。

市場風險管理

回顧2012年，歐洲主權債務危機令全球金融市場波動加劇，為銀行業增添了不明朗因素。因此，市場風險管理部加強監察本行的交易及投資活動。隨著《巴塞爾資本協定III》的落實，本行將繼續修訂本身的限額機制及風險監察程序，以進一步加強市場風險管理架構。

市場風險管理部將繼續監察市場發展，並適時為管理層及董事會提供本行的市場風險狀況分析。我們已展開財資/交易自動化系統升級計劃，以提升風險管理機制的質素及財資管理流程的效率。我們亦同時著眼引入新的財資管理系統，藉此提升分析能力。

營運風險管理

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2012年不斷轉變的經營環境，本行優化了風險管理指引、風險評估和分析工具，並加強風險管理報告及趨勢分析。營運風險管理部亦與本行其他部門緊密合作，提供有關風險事件的意見，就內部監控事宜進行營運風險評估，以及在推出新產品前評估營運和系統監控是否已準備就緒。

於2013年，營運風險管理部將集中強化風險管理工具及風險管理匯報機制，以協助管理層評估本行所承受的營運風險水平。

IT & Operations

資訊科技及營運



INFORMATION TECHNOLOGY

Information Technology (“IT”) is an indispensable component of the Fubon Hong Kong organization. IT has also played a critical role in the various stages of development of the Bank since it was first established in Hong Kong.

The Bank’s IT operations were outsourced to a third party service provider until early 2011. As part of a long term development strategy, this function was taken in-house to minimize our reliance on outside services. This was a major effort but was managed well and was completed in early 2012.

In 2012, the Bank completed the implementation of a new credit card system integrating it with various systems in the Bank. This has enabled us to provide better customer services, improve operational efficiency, and facilitate compliance with the increasing changes in regulatory requirements related to the consumer finance business. We also enhanced our data warehouse facilities to include the new credit card system with the capability of providing better business intelligence for operational and analytical functions by the consumer finance business. In addition, IT was enhanced to include various systems to support Renminbi (“RMB”) services, including the launching of magi@money manager RMB Interest-Bearing Current Account and tier-interest programmes to give customers a choice of an array of products and financial services. A new Business Analytic Team was also established to improve the Business-IT alignment and provide better support for business initiatives.

資訊科技

資訊科技對富邦在香港的運作來說，是必不可少的一部分。自本行在香港成立以來，資訊科技一直在我們不同的發展階段擔當重要的角色。

在2011年年初以前，本行資訊科技部的營運一直由外間的服務供應商提供。作為本行長遠發展策略的一部分，我們著手建立自主的資訊科技運作，減低對外判服務的倚賴。雖然這個項目難度極高，但在我們妥善管理下，已於2012年年初完成。

於2012年，本行推出了全新的信用卡系統，將其與本行的其他系統合併運作，從而提供更佳的客戶服務，改善營運效率，以及有助本行配合與消費金融業務相關的監管規定。為支援新的信用卡系統，我們提升了數據倉庫的設施，以提供更高質素的商情資訊，配合消費金融業務在營運及分析工作方面的需要。我們亦提升了資訊科技系統，以支援各種人民幣相關的服務，包括推出magi@money manager 人民幣有息支票戶口及利率分層計劃，讓客戶獲享多種產品及金融服務。此外，我們亦成立了新的業務分析團隊，以改善業務與資訊科技之間的聯繫，並為業務計劃提供更有力的支援。

Looking ahead, we will solidify our technology base and will continue to enhance our IT capability by upgrading key enterprise level architecture. Key application related enhancement such as the replacement of the core banking and treasury system will anchor our core IT development in the next several years. New systems will also be introduced to strengthen our risk management function including liquidity and market risk management.

OPERATIONS

In 2012, the Bank continued the project that was commenced in 2011 to enhance the effectiveness and efficiency of the operational activities. A number of initiatives were undertaken which achieved very rewarding results. These initiatives included the extension of our merchant hotline service hours from 5:30 p.m. to 10:00 p.m. on weekdays without any increase in manpower, and the successful relocation and consolidation of the staff at our premises in Central and North Point in April 2012. The consolidation achieved a higher utilization rate of the premises, more efficient communication, and a substantial cost savings in rental and maintenance costs.

To further enhance our operational risk management, a new Business Continuity Site was set up in Tsuen Wan. As well, multiple process reviews were completed to improve internal control.

The Operations Division has explored ways to improve customer services and conducted rigorous tests to ensure that key projects would be launched on time and without any impediments. Some of those key projects included SWIFT 7.0 Major Upgrade, magi@money manager RMB Interest-Bearing Current Account, and HKICL Multiple Same Day Auto Credit Bulk Settlement.

In recognition of its excellent service in fund transfer operations, the Bank won the Straight Through Processing Award in 2012, making it the sixth time in the past seven years. The award is presented by our USD clearing bank, the Bank of New York Mellon, to the top performing banks among 500 banks in the Asian region.

The Bank regards a smooth operation as critical to providing quality customer services and ensuring a sound cost structure. With this objective in mind, our Operations Division is working on key projects including Digital Image System, ATM Chip Card, and a new end-to-end Treasury System that would improve the existing operations of the Bank.

展望未來，我們將提升本行主要的企業訊息系統架構，以鞏固我們的技術基礎及增強我們提供資訊科技服務的能力。主要的應用軟件提升，如更換核心銀行及財資系統，將是本行未來數年的核心資訊科技發展項目。此外，本行亦將推出嶄新系統，以強化我們在流動資金及市場風險方面的風險管理能力。

營運管理

2012年，本行繼續進行已於2011年開始的項目，以提升我們在營運上的運作效益及效率，而年內推出的多項措施亦取得了豐碩成果，當中包括在無需增加人手的情況下，把信用卡商戶服務熱線的服務時間由平日下午5時30分延長至晚上10時，以及於2012年4月重新整合工作地點，把員工集中在中環及北角區。是次整合不但提升了物業使用率，促進更有效的溝通，更大幅節省了租金及維修成本。

為強化本行的營運風險管理，我們在荃灣設立了一個全新的持續業務運作辦事處。此外，我們亦完成了多項程序檢討，以改善內部監控。

另一方面，營運部亦不斷探索改進客戶服務的途徑，並進行嚴格測試，以確保主要的項目能夠適時和順利地推出，當中包括SWIFT 7.0重要項目升級、magi@money manager 人民幣有息支票戶口，以及香港銀行同業結算有限公司的多次同日自動信貸批量結算。

為表揚本行在資金轉賬服務方面的傑出表現，我們再次於2012年度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」。該獎項是紐約梅隆銀行頒發予亞洲區500間銀行中表現最優秀的銀行，而這次已是本行於過去七年內第六度獲頒該獎項。

本行認為，流暢的業務運作對提供優質的客戶服務及穩健的成本結構尤其重要。為此，營運部正積極籌備多個關鍵項目，包括推出數位影像系統、櫃員機晶片卡，以及嶄新的全面財資系統，從而改善本行的業務營運。

People Development 人才管理及發展



The Bank had a permanent headcount of 874 as of 31 December 2012. Consistent with the Bank's strategy to build a solid foundation for growth, our Human Resources Division will continue to source high calibre candidates through various channels such as recruitment consultants, online recruitment services and staff referral. We are steadfastly committed to the development of the next generation of banking professionals through our Management Associate Program, which is dedicated to recruiting top local university graduates who undergo rigorous training before being posted to operational units.

We continued to upgrade and enhance our human resources policies and guidelines to conform to the latest international best practices in human resources management. In this regard, the Human Resources Division fine-tuned the Bank's Remuneration Policy and rationalized certain operational workflow. Also, we upgraded our Human Resources systems to better track employee performance and career development with the launch of the Group's Human Resources Information System and ePerformance Evaluation System in 2012.

截至2012年12月31日，本行的長期員工人數為874名。為配合本行穩植根基、銳意進取的策略，人力資源部將繼續透過招聘顧問、網上招聘服務及員工轉介等渠道羅致優秀人才。另一方面，為致力培育新一代的銀行專才，我們亦推行「見習管理人員計劃」，專注招募本地優秀的大學畢業生，在進行嚴格的培訓後安排到營運單位工作。

我們繼續提升和強化本行的人力資源政策及指引，以符合人力資源管理方面最新的國際最佳實踐模式。為此，人力資源部優化了本行的薪酬政策，並重整若干操作流程。同時，我們亦提升了人力資源的系統，於2012年推出人力資源資訊系統及工作表現電子評核系統，以更有效地記錄員工的工作表現及發展情況。



The Bank is firmly committed to staff development. In 2012, we increased training expenses to stay abreast of the fast-changing regulatory requirements and market practices. During the year, the Bank organized a total of 439 in-house training classes and product briefings with a total of 10,408 participants. Diversified training opportunities were provided to all staff to improve their competence in such areas as sales and customer services, supervisory and management skills, computer and language skills, and product and compliance training. We held various seminars such as “Art of Respect” and “Compliance Culture Workshop” to sharpen our managers’ supervisory skills and compliance awareness. Our Education Sponsorship Scheme and Professional Award Scheme continued to provide a desirable learning environment for all staff to pursue their own development. We are happy to report that the Bank was awarded “Manpower Developer” in the 2012 Manpower Developer Award Scheme by the Employee Retraining Board.

The Human Resources Division will continue to review and benchmark with the market to ensure that the Bank’s remuneration packages achieve the goal of recruiting and retaining high calibre talents. The Division will also continue to enhance and streamline its operations with a view to achieving better service quality and cost-effectiveness.

本行對培育人才一向不遺餘力。為掌握瞬息萬變的金融監管政策和市場最佳實踐模式，我們於2012年增加了培訓開支。年內，本行共舉辦了439個內部培訓課程和產品簡介會，共錄得10,408出席人次。本行向員工提供多元化的培訓機會，以加強他們在銷售和客戶服務、監督及管理技巧、電腦及語言技能、產品及合規培訓方面的能力。我們還舉辦不同主題的研討會，如「尊重的藝術」及「合規文化工作坊」等，以提升管理人員的督導技巧和合規意識。我們的「教育贊助計劃」及「專業獎勵計劃」繼續為所有員工提供自我增值的理想學習環境。我們欣然宣布本行於2012年榮獲僱員再培訓局舉辦之「人才企業嘉許計劃」的「人才企業」獎項。

人力資源部將繼續留意市場狀況並與市場基準作出比較，以確保本行的薪酬方案能達致吸引和挽留優秀人才的目標。此外，人力資源部亦將繼續提升和簡化業務運作，以達致更高的服務質素和成本效益。