

# Corporate and Institutional Banking

## 企業及機構銀行



### CORPORATE BANKING

Despite the uncertainties over the European debt crisis, the U.S. market, emerging Asian countries and Mainland Chinese exporters were all poised for growth in 2013. We adhered to our Corporate Banking strategy focusing on expanding our upper tier corporate client base and improving both the delivery and quality of our products. In addition to improving the local customer base through collaboration with other offices of the Fubon Group, the Bank gradually broadened its Mainland and Hong Kong portfolio. As a result, we achieved satisfactory year-on-year growth in operating income of 25% and profit before tax of 16%.

We adopted a proactive yet prudent approach for business development. Riding on our established group network, we successfully participated in some major debt raising activities. Our loan to customers, a key balance sheet item, reported encouraging growth of 33%. Following an expansion in the scope of our Financial Institution ("FI") business, the business turnover registered a robust growth of 650%. Our fee income and net interest income registered an all-time high growth rate of 69% and 19% respectively.

For the last four consecutive years, our Corporate Banking portfolio reported no new impaired loan, reflecting our commitment to maintain high asset quality. Meanwhile, in the face of fierce competition for customer deposits among local banks, we were able to sustain a mild growth in deposit from our major corporate customers.

### 企業金融

儘管歐債危機導致前景不明朗，但美國市場、新興亞洲國家及中國內地的出口商的業務於2013年仍取得增長。我們恪守本行在企業金融業務方面的既定策略，專注拓展上游企業客戶群以及提高產品的質素。除了與富邦集團成員合作開拓本地客戶基礎外，本行亦逐步擴大在內地及香港的業務。因此，營運收入和除稅前溢利分別按年錄得25%及16%的可觀增幅。

我們採取積極審慎的方針來拓展業務。憑藉完善的集團網絡，我們成功參與若干重大的香港企業舉債活動。客戶貸款錄得33%的可觀增長。在擴展金融機構業務方面，企業金融的業務量銳增650%。費用收入及淨利息收入亦分別錄得69%和19%的增幅新高。

企業金融連續四年並無錄得貸款減值，反映我們致力維持極佳的資產質素。同時，面對本地銀行對客戶存款的激烈競爭，來自本行主要企業客戶的存款仍然維持溫和增長。

Again, 2014 will be a challenging year and the major focus of our Corporate Banking business will continue to be customer and product penetration. To achieve this, we will have different marketing teams with specialized experience to better serve our customers. This will optimize our business origination and resource allocation so as to capture more efficiently the various business opportunities in the region. In particular, we have established a syndication desk targeting customers with larger financing needs, and we will increase our effective cross-selling bank service. We will further strengthen collaboration with other offices within the Fubon Group in the Greater China Region. Based on the solid foundation we built in 2013, together with the disciplined implementation of our business strategy, we expect that the business momentum in the Division will continue to grow in 2014.

## COMMERCIAL BANKING

Despite the keen competition for small to medium sized corporate clients, we were able to achieve a record revenue growth of 41% in 2013. At the same time, we were able to maintain a high quality loan portfolio with the impaired loan ratio further declining to 0.3%. This was attributed to a continual focus on credit evaluation, credit monitoring and good account management.

In 2013, the marketing team was strengthened by recruiting a number of seasoned relationship managers. We believe good customer relationships supported by well-structured products will be a key to having good customer experiences with our Bank. Providing efficient and well-priced banking solutions is now a core value in all of our new business development programmes. Together with other companies in the Fubon Group, we are confident that we can meet our customers' needs. We firmly believe that a satisfied client will be loyal client.

Looking forward, we will take the opportunities arising from the Renminbi ("RMB") internationalization and Hong Kong's position as one of the principal RMB offshore settlement centres to further expand our market in Hong Kong and Mainland China. Our continuous efforts to broaden our service scope in trade finance and cash management services will deepen the relationship with our customers. We aim to be our customers' trusted and long-term partner, and to further strengthen the confidence of our customers in the Fubon franchise. Recognizing that economic uncertainties will remain a key concern in this market segment, we will further strengthen our credit monitoring and control mechanisms.

2014年仍將會是充滿挑戰的一年，本行在企業金融業務的發展重點將繼續以拓展客戶和產品組合為主。為此，我們將設立各具專門經驗的業務團隊，為客戶提供更佳的服務。此舉優化了本行拓展業務的能力及資源分配，從而可更迅速地把握區內的商機。我們特別成立了銀團小組，以服務融資需求較大的客戶，並提高交叉銷售服務。我們亦將加強與富邦集團在大中華區各事業處之間的協作。憑藉於2013年建立的堅實基礎，加上嚴格執行的業務策略，我們預期企業金融部的發展勢頭於2014年將持續加強。

## 商業金融

儘管中小企客戶業務競爭激烈，但我們於2013年的收入仍能錄得高達41%的創紀錄增長。同時，我們亦能維持高質素的貸款組合，使減值貸款比率進一步降至0.3%。這均是由於本行不斷專注於信貸評估、信貸監管和良好的客戶管理。

2013年，我們羅致多名經驗豐富的客戶關係經理，以強化業務團隊。我們相信，良好的客戶關係加上結構完善的產品，將是為客戶提供良好服務體驗的關鍵所在。本行現時所有新的業務拓展計劃均以提供高效和價格適中的銀行業務方案作核心價值。在富邦集團其他成員公司配合下，我們有信心能夠滿足客戶的需要。我們堅信，只有稱心滿意的客戶才會成為忠實的客戶。

展望未來，隨著人民幣國際化以為香港成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，進一步擴大我們在香港和中國內地的市場。我們致力提供更廣泛的貿易融資和現金管理服務，以深化與客戶的關係。我們的目標是成為客戶信賴的長期夥伴，並進一步加強客戶對本行的信心。我們明白，不明朗的經濟環境將繼續是商業金融業務需要關注的要點，故我們將進一步加強本行的信用監管和監控機制。

# Financial Markets

## 金融市場



### TREASURY MARKETING

In order to better serve our customers' needs, we expanded our treasury marketing team as well as the product development team in 2013 to strengthen business solicitation initiatives. Our expanded customer base posted good opportunities to capture more treasury related business. As a result, the fee income generated from the Treasury Marketing Unit more than doubled in 2013.

Renminbi ("RMB") has overtaken the Euro to become the second-most used currency in global trade settlement in 2013. We successfully delivered various RMB products and services to both retail customers and corporate clients. The number of related business transactions rose by more than 60% in 2013 compared with the previous year.

In 2014, Treasury Marketing Unit will continue to co-operate with other business units to explore more business opportunities and enhance fee income.

### INVESTMENT PORTFOLIO

The U.S. Treasury market reacted violently in the second half of 2013 over the tapering concerns. On 18 December 2013, the Fed announced its first tapering (reducing the size of its Quantitative Easing programme from US\$85 billion in monthly bond purchases to US\$75 billion), which drove the yield on the 10-year Treasury note to over 3% by year-end.

Although the first tapering started earlier than expected, our portfolio's overall returns increased significantly during difficult year. Our investment strategies - mainly focused on good credit quality with diversification in terms of geography, currency and industry - have

### 金融行銷

為滿足客戶的需要，本行於2013年增加金融行銷部及產品開發部的人手，以強化我們拓展業務的能力。我們擴開客戶基礎，為財資相關業務帶來更多的機會。因此，金融行銷部賺取的費用收入較2013年增長逾倍。

2013年，人民幣已取代歐元成為第二最常用的全球貿易結算貨幣。我們成功向零售客戶和企業客戶推出多款人民幣產品和服務。年內相關的業務交易宗數亦較去年增加超過60%。

2014年，金融行銷部將繼續與其他業務部門合作，拓展更多商機和提高費用收入。

### 投資組合

受退市憂慮困擾，美國財資市場於2013年下半年作出激烈的反應。2013年12月18日，聯儲局宣布首次縮減每月買債規模（將量化寬鬆計劃的每月買債規模由850億美元縮減至750億美元），帶動10年期國庫券收益率於年底升至3厘以上。

雖然首次縮減量寬規模較預期更早展開，本行投資組合的整體回報在困難的市況中，仍錄得顯著的升幅。本行的投資策略重視良好的信貸質素，並在地域、貨幣及行業上作出分散投

proven to be successful. We were able to maintain the low risk profile of our portfolio with low interest rate risk and the overall duration was kept within three years.

For 2013, the total investment portfolio size increased by approximately 10.2%. To support the Bank's RMB balance sheet, our RMB fixed income investments increased by 12.9% in 2013.

We believe that our 2014 investment strategy will continue to improve our returns despite the challenging credit market environment.

## FUNDING

The Bank's deposits remained strong and our retail deposit base was broadened significantly in 2013.

In June 2013, the liquidity injection of the People's Bank of China relieved market concerns over onshore liquidity in China's interbank market. We did not witness any material slippage in China's growth or marked liquidity tightening in Hong Kong in 2013 as a result. While Hong Kong RMB deposits increased by 42.7% in 2013, our RMB deposits increased by 54.3% and our RMB customer base recorded 17.6% growth. With a solid RMB balance sheet, we consistently met our customers' needs in RMB products.

Funding cost was relatively stable throughout 2013 but on a rising trend towards year-end. Our net interest income increased by 14% while the net interest margin improved by 7 basis points to 1.24% in 2013. Our liquidity ratio was maintained at a healthy level with average liquidity ratio of 48.06% for the year. Although we expect funding cost to rise in 2014, our funding desk will continue to expand on funding sources to enhance the liquidity profile and to establish an even more stable deposit base.

## 2014 AT A GLANCE

In 2014, we will enhance our co-operations with Xiamen Bank and First Sino Bank for the cross-selling of financial products. We expect that there will be more business opportunities and improvement on the overall profitability of treasury activities.

As RMB becomes more and more internationalized, we will continue to capture the business opportunities generated by the continuous economic growth in China. We are striving to become an offshore platform for Greater China corporations and financial institutions by providing financial products and professional services.

The continual repricing of U.S. Rates will give our investment team another difficult year in 2014. Nevertheless we will continue to focus on developing our deposit base and yield enhancement products in a sustainable and disciplined manner.

資，結果亦證明行之有效。我們保持低度的利息風險，並把整體存續期控制在三年之內，故得以把投資組合的風險保持在低水平。

2013年，本行投資組合總值增長約10.2%。為配合本行的人民幣資產負債表，本行於2013年的人幣固定收益投資亦上升了12.9%。

雖然信貸市場環境充滿挑戰，但我們相信憑著本行於2014年的投資策略，我們的回報將繼續得到改善。

## 資金

本行於2013年的存款保持穩健，而零售存款基礎亦顯著擴大。

2013年6月，中國人民銀行向市場注資，紓緩了市場對中國銀行同業市場境內流動性的關注。年內，中國的經濟增長並沒有顯著下滑，而香港的流動資金亦沒有明顯收緊的跡象。2013年，本港的人民幣存款增長42.7%，本行的人民幣存款及客戶基礎亦分別增加54.3%及17.6%。在強健的人民幣資產負債表支持下，我們亦持續滿足客戶對人民幣產品的需求。

2013年全年的資金成本相對穩定，但於年底亦有上升趨勢。本行於2013年淨利息收入上升14%，而淨息差則上調7個基點至1.24%。我們全年的平均流動資金比率維持在48.06%的健康水平。雖然我們預期資金成本於2014年上升，但本行資金部將繼續擴大資金來源，以強化流動資金狀況，並建立更穩定的存款基礎。

## 2014年展望

展望2014年，我們將與廈門銀行及華一銀行加強合作，進行金融產品的交叉銷售。我們預期這將帶來更多商機，並提升財資業務的整體盈利能力。

隨著人民幣日趨國際化，我們將繼續把握中國經濟持續增長所帶來的商機。我們正致力成為提供金融產品和專業服務的離岸平台，為大中華區的企業及金融機構服務。

美國的利率持續重新定價，令本行的投資團隊於2014年將繼續面對嚴峻的環境。然而，我們將繼續以嚴謹的態度，專注拓展存款基礎及提高收益的投資產品。

# Wealth Management

## 財富管理



### INVESTMENT & INSURANCE PRODUCTS

With improved market sentiment in 2013, the volume of our unit trust business grew 45% year-on-year. Customers were offered personalized service and diversified product range. “Income Approach”, our major investment theme in 2013, was well received by our customers. This approach not only provided a stable and regular source of income, but also weathered the volatile market conditions particularly during the middle of the year. Inflow from “Income Approach” products accounted for over 50% of total business.

2014 will be a more challenging year due to U.S. tapering initiative. To sustain our growth, the Bank will continue to serve our customers with innovative thinking and a broad selection of products. We intend to set up an asset management team to work with our insurance partners. We will further improve customer experience through timely dissemination of market news and product updates.

Our insurance business performed well in 2013 with business volume grew by over 20%. Under the low interest rates environment, our “Smart Series Endowment” and “Start Series Annuity” products were well received by customers who were searching for regular source of income while seeking for stability of returns. In terms of product choices and services, our bank worked with our insurance partners to extend our product range to critical illness insurance and electronic policy enquiry. Looking forward, we plan to launch a number of Renminbi (“RMB”) annuity products and health-related insurance products to cater for the increasing demand of our customers.

### 投資及保險產品

隨著市場氣氛於2013年有所改善，本行的單位信託基金業務按年增長45%。本行為客戶提供個人化的服務及多元化的產品系列。本行於2013年以「收益」為主要投資策略，深受客戶歡迎。這種投資方式不但可提供穩定和固定的收入來源，尤其在去年年中更有助抵禦市況波動。此等投資產品更佔投資業務的營業額超過50%。

由於美國縮減量化寬鬆的規模，2014年將是更具挑戰性的一年。為保持業務增長，本行將繼續發揮創意，為客戶提供更多產品選擇。我們計劃成立資產管理團隊，與本行的保險業務夥伴合作。透過及時發布市場資訊和最新的產品消息，我們將進一步提升客戶的服務體驗。

本行的保險業務於2013年表現理想，業務增長超過20%。在低息環境下，本行的「俊利年年儲蓄保險系列」及「駿發年金系列」產品深受尋求固定收入來源和穩定回報的客戶歡迎。在產品選擇和服務方面，本行與我們的保險業務夥伴合作，把產品系列擴展至危疾保險和電子保單查詢。展望未來，我們計劃推出一系列人民幣年金產品及與健康有關的保險產品，以滿足客戶與日俱增的需求。

## DEPOSIT

The deposit base of our retail customers continued to grow in 2013 and we take pride in the strong loyalty of our retail banking customers. Such customer loyalty is clearly demonstrated by the solid bonding with customers and their recognition of our proactive services. A series of deposit programmes aimed at strengthening our deposit base were launched during the year with satisfactory results, recording an increase of 7% on year-on-year basis. We also revamped our "Target Saving Plan" with more choice in currencies to cater for various needs of our customers and positive response was received.

Looking ahead to 2014, we will extend our efforts to promote RMB deposits riding on our past success. We will launch various programmes throughout the year to ensure stable growth in customer franchise and deposit base.

## SECURITIES SERVICES

In 2013, Hong Kong stock market underperformed major overseas markets, even though the average market turnover of Hong Kong rose by 16% compared to 2012, amounting to HK\$63 billion per trading day. Performance of stock markets in Hong Kong and Mainland China was stagnant; the benchmark Hang Seng Index rose by only 3%, while the Shanghai Composite Index declined by about 7%. As both a trusted and reliable provider of securities services, we were able to grow by attracting more new customers last year.

During the year, we focused on expanding our client base and boosting the usage of Internet trading services. Promotional campaigns of "Unlimited trades for \$299" and "\$0 commission for Internet transactions" were launched to grasp the rapidly growing number of online trading customers. With support from our retail banking network, we successfully acquired around 5,000 new securities accounts in 2013, outperforming recent years. We are confident that these customers will contribute solid brokerage income to the Bank in future years as well as become part of our valuable customer base for further relationship development. To further broaden our services, we reactivated our IPO financing service and obtained positive feedback from clients.

In 2014, we will take a series of actions, including the launch of a mobile trading platform, a new securities centre, an enhanced IPO financing service, and a monthly saving plan. We believe that the expansion of all these channels and services will position us as an active securities service provider in the market and a trusted investment partner to customers.

## 存款

本行零售客戶的存款額於2013年持續增長，我們對本行零售銀行客戶的忠誠度亦深感自豪。本行與客戶的深厚關係以及他們對本行殷勤服務的嘉許，充分彰顯本行客戶的忠誠度。年內，本行推出了一系列的存款計劃，藉以增強本行的存款基礎，此等計劃獲得令人滿意的成績，按年錄得7%的增長。此外，我們還革新了本行的「零存整付儲蓄計劃」，提供更多貨幣選擇，以迎合客戶的不同需要，大受客戶歡迎。

展望2014年，在過去的成功基礎上，我們將加強推廣人民幣存款。我們於年內將推出多個計劃，以確保客戶服務和存款的穩定增長。

## 證券投資服務

2013年，儘管香港的市場平均成交額已較2012年上升16%，達每個交易日630億港元，香港市場的表現仍遜於主要海外市場。香港和中國內地的股市表現停滯不前，恆生指數僅上升3%，而上證綜合指數則下跌約7%。作為一家可靠且值得信賴的證券投資服務供應商，我們於去年仍然錄得增長，並吸納了更多的新客戶。

年內，我們專注拓展客戶基礎和增加網上交易服務的使用。本行推出「299任您Trade」及「網上交易零經紀佣金」推廣活動，以吸納迅速增長的網上交易客戶。在零售銀行網絡的支持下，本行於2013年成功吸納約5,000名全新證券投資客戶，超越近年以來的成績。我們相信，這些客戶在未來數年將為本行帶來穩健的經紀佣金收入，並成為可和本行進一步建立關係的尊貴客戶。為進一步拓展本行服務，我們再次推出首次公開招股融資服務，並獲得客戶的積極回應。

2014年，我們將採取一系列行動，包括推出流動交易平台、全新的證券投資服務中心、改善的首次公開股招股融資服務，以及月供股票計劃。我們相信，憑藉擴展的渠道和服務，本行將成為活躍於市場的證券投資服務供應商，並成為客戶信賴的投資夥伴。

# Consumer Finance

## 消費金融



Several new initiatives were launched in 2013 to satisfy our customers' needs as well as to enhance the customer experience with Fubon Bank's products. These new products and services covered all areas of consumer finance including credit card, personal loan, card merchant and mortgage lending.

For the credit card business, the "Travel Companion" positioning was further reinforced by enhanced travel rewards such as additional bonus points for certain overseas spending. Our promotion of 20-times for Taiwan and 8-times for Japan and Korea is one of the most attractive bonus point programmes in the industry. We also enriched the line-up of our "Year Round Merchant Privileges" to bring ongoing benefits to our customers. In addition, the "Monthly Special Offers" with strategic merchants like Morning Star, KFC, TSL, Toyota, Sun Hung Kei Group, Ruby Tuesday and The Excelsior, etc aimed to uplift our product image and create market awareness. Our total credit card base and card spending grew stably by 7% in 2013.

The card merchant business not only outperformed the market but also kept evolving to make the Bank a business partner of SME merchants. Aiming to be more than a card sales processor, we went one step further by offering other banking products and services such

2013年，本行推出了多項新的計劃，以滿足客戶的需要及提升客戶使用富邦銀行產品的客戶體驗。這些新的產品和服務涵蓋消費金融各個領域，包括信用卡、私人貸款、信用卡商戶及按揭貸款。

信用卡業務方面，本行進一步加強「旅遊夥伴」的定位，提供更多旅遊獎賞，包括為若干海外消費提供額外積分。我們的台灣20倍積分和日本及韓國的8倍積分獎賞計劃，為業界最具吸引力的簽賬獎賞之一。我們還加強了「全年商戶消費優惠」的內容，不斷為客戶帶來各種優惠。此外，本行與星辰旅遊、肯德基、謝瑞麟、豐田、新鴻基集團、Ruby Tuesday和怡東酒店等策略商戶合作，推出「每月精選優惠」，藉此提升本行的產品形象和確立市場知名度。2013年，本行信用卡客戶總數及簽賬額均錄得7%的穩定增長。

我們的信用卡商戶業務不僅跑贏大市，還不斷演進，務使本行成為中小企商戶的業務夥伴。本行不但旨在成為處理信用卡簽賬的銀行，我們還更進一步提供其他的銀行產品和服務，如

as deposits and overdraft facilities. The card merchant business recorded an astonishing 12% growth in both merchant base and total sales volume in 2013. We also ranked the eighth in terms of credit card sales volume in the local market, according to VISA and MasterCard. In 2014, we will continue to exploit other financial tools to satisfy the needs of SME merchants.

The personal loan business underwent a major transformation in 2013. Apart from the telemarketing team and branches staff, a new personal loan direct sales team was set up in 2013. This additional sales force boosted the loan volume to a new high in recent years and formed a solid foundation for future business expansion. New marketing tactics such as a cash advance promotion for the revolving loan and a top-up loan programme were also deployed to activate the existing customer base. These initiatives were accomplished together with the fine-tuning of our risk acceptance criteria in order to achieve a high quality loan portfolio. The overall strategy proved to be successful as the new loan book volume went up significantly by 20% year-on-year.

The Buyer's Stamp Duty introduced by the Hong Kong Special Administrative Region Government effectively cooled down the sentiment of the heated property market in 2013. While property price remained steady throughout the year, the volume of property transactions shrunk noticeably to low levels which stirred up the already intense competition in the mortgage lending market. Under the circumstances, we adopted more innovative methods to attract customers. Besides offering competitive pricing and custom-made terms, we relaunched the "Fubon 90% Mortgage Plan" in early 2013. This became a popular financial tool especially for those first-time homebuyers who often needed extra financing from the bank. In addition, we launched "Fubon Easy Life Mortgage Wealth Management Plan" in October 2013 aimed at elderly homeowners by providing a handy wealth management tool to help them plan for their retirement.

For the past 10 years we have placed our customers as our number one priority. Whether it is short-term financing for overseas travel or a long-term commitment for purchase of a residential property, we are always there to provide our customers with the best solution. We will continue to adopt such customer-oriented practices in 2014.

存款及透支額度。信用卡商戶的相關業務於2013年在商戶數目及商戶銷售總額方面皆錄得12%的驚人增長。根據VISA和萬事達卡的調查，本行在本地市場的信用卡銷售額排名第八。2014年，我們將繼續開拓其他金融工具，以滿足中小型商戶的需要。

私人貸款業務於2013年作出重大改革。除了電話銷售團隊和分行員工外，私人貸款業務於2013年成立了新的私人貸款銷售團隊。這支新的銷售團隊令貸款額創下近年新高，並為日後的業務拓展奠定穩固基礎。我們亦推出新的市場推廣策略，如為循環貸款而設的提取現金推廣計劃及貸款循環再借計劃，以刺激現有的客戶群。這些項目配合本行風險策略的調整，為本行提供優質的貸款組合。本行的整體策略證明是成功的，新造貸款額按年大幅上升20%。

香港特區政府推出的買家印花稅，有效地冷卻2013年熾熱的樓市。雖然樓價全年保持平穩，但物業的交投量卻顯著萎縮至偏低水平，加劇本身已競爭激烈的按揭貸款市場。在這情況下，我們採取更創新的方法來吸引客戶。除了提供具競爭力的價格和靈活的借貸條款外，我們還於2013年初重推「富邦9成按揭計劃」，計劃深受歡迎，特別是需要取得銀行額外貸款的首次置業人士。此外，我們還於2013年10月推出「富邦『安枕無憂』按揭理財計劃」，照顧年長業主的需要，為他們提供方便的財富管理工具，助他們規劃退休生活。

過去十年，我們一直把客戶放在第一位。無論是為海外旅遊的短期融資，或是置業的長期貸款，我們均會為客戶提供最佳的方案。於2014年，我們亦將繼續秉持這個原則。



# Control & Risk Management

## 監控及風險管理



### ENTERPRISE CREDIT RISK MANAGEMENT

In 2013, the Enterprise Credit Risk Management made a number of modifications to its credit risk management policies and guidelines in order to be more effectively aligned with the Bank's overall business growth. Continued prudent credit risk management practices were adopted and these were reflected in our high quality corporate loan portfolio and a record low non-performing loan ratio throughout the year.

The 2014 global economic outlook remains uncertain, influenced by the scaling down of the U.S. quantitative easing measures and the slower economic growth in China. The Bank will continue to take a prudent approach in managing the credit risk of its corporate lending activities, and strengthen its post-lending credit monitoring system to form a strong base for its loan growth in 2014.

### CONSUMER CREDIT RISK MANAGEMENT

The local real estate market in 2013 continued to weaken following the property cooling measures introduced by the Hong Kong Special Administrative Region Government. Property prices remained high but sales volume fell to its lowest level since the global financial crisis creating an unstable real estate situation. Given such uncertain situation, the Consumer Credit Risk Management Department conducted periodic stress testing and simulations on the consumer loan portfolio to ensure that the Bank had sufficient buffers to withstand any unforeseen development or financial market turmoil. To better monitor risks, the Bank implemented a new monitoring mechanism that triggered early warnings so that appropriate remedial action could be taken. This monitoring system proved to be effective and our consumer finance business remained healthy in 2013.

### 企業信貸風險管理

2013年，企業信貸風險管理部修訂其信貸風險管理政策及指引，以更有效地配合銀行整體的業務增長。我們繼續採取審慎的信貸風險管理措施，令年內本行的企業貸款組合質素維持在高水平，不良貸款比率亦處於歷史低位。

受美國縮減量化寬鬆措施以及中國經濟增長放緩影響，2014年的全球經濟前景持續不明朗。本行將繼續審慎管理企業借貸活動的信貸風險，並加強借貸後的信貸監察系統，為2014年的貸款增長奠定穩固基礎。

### 消費信貸風險管理

香港特別行政區政府推出冷卻樓市的措施後，本港房地產市場於2013年持續疲弱。物業價格居高不下，但成交量卻降至全球金融危機以來的最低水平，令樓市出現不穩定的局面。鑑於上述情況，消費信貸風險管理部就消費貸款組合進行定期的壓力測試及模擬試驗，確保本行具備充裕的能力抵禦任何無法預見的情況或金融市場出現的動盪。為更好地監察風險，本行推出新的信貸監控機制，以發出預警並及時採取適當的補救行動。此監控系統已證明行之有效，令本行的消費金融業務於2013年保持穩健。

We believe 2014 will be a challenging year and the Consumer Credit Risk Management will align its risk management strategies and portfolio management tools with the changing market environment.

## MARKET RISK MANAGEMENT

In 2013, the Bank revamped its product risk rating methodology to provide a more holistic product risk profile to its customers. The exercise also facilitated risk measurement from the product perspective, covering quantitative and qualitative risk analysis.

In December 2013, the U.S. Federal Reserve started tapering its bond-buying programme, signalling a possible end to the injection of liquidity into the market. Also, it signalled a change of market sentiment and flow of capital in the coming years. The market has already reacted, with over USD 12 billion flowing out from emerging markets since January 2014.

With increasing market volatility following the previously-stated action taken by the U.S. Federal Reserve, the Market Risk Management enforced a more comprehensive risk monitoring of the Bank's trading and investment activities. Regular and ad-hoc stress testing exercises of trading and investment activities are performed, including "what-if" analysis in which scenarios are set by senior management. This enables the Bank to react to uncertainties in the market in a timely manner.

For 2014, the Market Risk Management will upgrade its risk monitoring system to a real-time basis and provide more sophisticated risk analysis for senior management to assess the level of market risk exposure.

## OPERATIONAL RISK MANAGEMENT

The Bank has established a robust operational risk management framework to identify, assess and monitor operational risks.

In 2013, a task force was formed to revamp the Bank's Control Self Assessment function to better monitor the compliance with regulatory requirements and the effectiveness of the internal control system.

The Operational Risk Management continued to provide advice on operational risk management and evaluate the effectiveness of operational and system controls before new products were launched. The Operational Risk Management also conducted review on the Bank's business continuity plans and results of regular testing of contingency facilities.

In 2014, the Operational Risk Management will focus on further enhancing its risk management tools and reporting system in the effective assessment of the Bank's operational risk.

我們認為2014年將是充滿挑戰的一年，消費信貸風險管理部將因應不斷變化的市場環境，調整其風險管理策略和貸款組合管理工具。

## 市場風險管理

2013年，本行重整產品風險評級方法，讓客戶能更全面地掌握產品的風險狀況，這亦有利於從產品的角度量度風險，並涵蓋定量和定性風險分析。

2013年12月，美國聯儲局縮減買債計劃的規模，反映可能不再向市場注入流動性。這項發展標誌著市場情緒的變化和未來數年的資金流向。市場亦已作出反應，自2014年1月起新興市場錄得逾120億美元的資金流出。

隨著上述美國聯儲局的行動所引起的市場波動，市場風險管理部已採取更全面的措施來監察本行交易和投資活動的風險，為交易及投資活動進行定期及不定期的壓力測試包括運用高級管理層制定的「假設」情景，進行風險分析，讓本行及時應對市場上的不確定性。

2014年，市場風險管理部將提升其風險監察系統，以進行即時監察，並為高級管理人員提供更成熟的風險分析，以評估本行所需承受的市場風險水平。

## 營運風險管理

本行已設立穩健的營運風險管理架構，以辨識、評估及監察營運風險。

2013年，本行成立專責小組，重整本行的自我監控評估職能，以更有效地監察內部監控系統之有效性，及確保符合監管規定。

營運風險管理部繼續提供有關營運風險管理的意見，並在新產品推出前評估營運和系統監控的有效性。本部門定期檢討本行的持續業務運作計劃及測試應急措施的成果。

2014年，營運風險管理部將著眼進一步加強本行風險管理工具及匯報機制，以有效地評估本行之營運風險。

# IT & Operations

## 資訊科技及營運



### INFORMATION TECHNOLOGY

As part of the Bank's strategic direction, Information Technology ("IT") operations was transformed from an outsourcing to an insourcing mode since 2012 to enhance all aspects of its IT services. This development was undertaken to improve internal controls and facilitate regulatory compliance.

As an Authorized Institution designated by the Hong Kong Monetary Authority, smooth operations and a robust Technology Risk Management Framework are critical. In order to achieve the standards required by the Bank, the IT Governance Department has established IT Service Management, IT Compliance, IT Quality Assurance, and Information Security units in 2013. A new IT management framework and process improvement platforms are planned to be launched in 2014.

Looking forward, one of the Bank's primary business objectives is to strengthen its e-Banking services. In addition to providing e-Statements for individual and corporate customers, the Bank will launch mobile banking and mobile securities services with no boundaries for its customers.

The Bank is strongly committed to providing quality services to its customers. This will be demonstrated by its investment in technology, among other things. New computer equipment with state-of-the-

### 資訊科技

為配合本行的策略方針，本行的資訊科技部門自2012年起已由外判轉為內包模式，以全面提升資訊科技服務的水平，而這項發展亦有助改善本行的內部監控和促進監管合規。

作為香港金融管理局的認可機構，順暢的運作和穩健的科技風險管理架構至為重要。為達致本行規定的標準，資訊科技管理部於2013年成立了資訊科技服務管理、資訊科技合規、資訊科技品質保證及資訊安全組，並計劃於2014年推出新的資訊科技管理架構和流程改進平台。

展望未來，本行的主要業務目標之一是加強電子銀行服務。除了為個人及公司客戶提供電子月結單外，本行更將推出流動銀行和流動證券服務。

本行致力為客戶提供優質服務，這主要透過我們在科技方面的投資及在其他地方展現出來。新的數據中心將採用最先進的全新電腦設備，

art technology will be deployed in a new data centre with more resilient capability and computing power to provide better customer services and achieve business growth. At the same time, the Bank will enhance the equipment in its disaster recovery centre to full capacity so that it will be capable of offering good customer service even during disaster situations.

## OPERATIONS

In 2013, the Bank's operations continued to improve its efficiency and effectiveness in order to better serve the customer's needs. Through process streamlining and reengineering, the Bank managed to cope well with the overall increase in transaction volume without affecting the staff levels of the Operations Division. Staff levels remained largely unchanged and in certain areas there were decrease in staff. Business growth in 2014 is planned to surge another 10-15%, but the same leaner trend in Operations staff is expected to be maintained throughout the Bank's planned growth period.

To enhance the Bank's branch network, the Taikoo Shing Branch was relocated in April 2013. This involved recalling more than 1,000 safety deposit boxes, most of which had been rented for many years. The task was a delicate and critical one but it was completed efficiently and successfully. During 2013, the units responsible for operations participated vigorously in various system projects, including the New Treasury System, Document Management System, Reporting of OTC Derivatives to HKTR, New Core Banking Systems, Relocation of Data Centre, and Straight Through Process of Remittance. These projects were undertaken for the betterment of the Bank's overall operations and business efficiency.

The Bank was again among the selected banks in Asia who was given the Straight Through Processing Award by the Bank of New York Mellon out of 500 banks in the Asian region who use the USD clearing system provided by that bank.

With the major systems being revamped in 2014, the Operations Division sees opportunities to further enhance its efficiency, effectiveness and control by taking full advantage of the various new automated features available. The operations of the Bank is expected to further improve with optimized processes for shorter turn-around time and better service quality.

以提升抗逆和運算能力，從而為客戶提供更佳的服務，實現業務增長。同時，本行將把災難復原中心設備的運作能力提升至最高水平，以於災難情況下繼續提供優質的客戶服務。

## 營運管理

2013年，本行在營運方面繼續提升其效率和效益，以期更好地滿足客戶的需要。透過精簡和重整工作流程，本行得以在沒有影響營運部人手的情況下，妥善地應付交易量的整體增長。營運部的員工數目大致維持不變，若干範疇的員工數目甚至有所減少。本行預期2014年將進一步錄得10%至15%的業務增長，但營運部的人手料在本行的計劃增長期內維持精簡趨勢。

為強化本行的分行網絡，太古城分行於2013年4月完成搬遷，其中涉及收回1,000個大部分已租出多年的保險箱，而這項需要謹慎處理且重要的工作最終也能有效率地妥善完成。2013年，負責營運方面的單位積極參與推行多個系統項目，包括新財資系統、文件管理系統、向香港交易資料儲存庫匯報場外衍生工具、新核心銀行系統、搬遷數據中心以及匯款的直通式聯繫結算處理流程等。這些項目均已順利開展，並提升了本行整體的營運及業務效率。

本行再度獲紐約梅隆銀行評為亞洲區內500間使用該行美元結算系統的銀行中，表現最佳的銀行之一，並獲頒發「直通式聯繫結算處理」。

本行的主要系統於2014年進行重整，營運部亦將把握機會，充分利用其中多項新的自動化功能，進一步提升效率、效益和監控能力。預期本行將能進一步改善業務營運，並以優化的流程縮短周轉時間和提升服務質素。

# People Development

## 人才管理及發展



The total number of headcount of the Bank was 899 as of 31 December 2013.

Supporting the Bank's development programmes, the Human Resources Division has continued to source high calibre candidates for different positions. It has given high priority to the retention of staff, especially those with the potential for development and eventual placement in key positions. To meet these objectives, the Human Resources Division reviews and revises the staff training programmes and remuneration packages to be in line with the market.

Training and development play a key role in the work of the Human Resources Division. Through the Division, the Bank provides an on-going training programme for its staff to keep pace with the changing regulations and to stay ahead of the market. During the year, there was a total of 497 in-house training sessions and product briefings. Teambuilding workshops were also held in different Divisions to establish team synergy and strengthen staff productivity. The Bank continued to focus its direction in the development of the next generation of banking professionals. This was carried out through its Management Associate Programme, which entailed recruitment

截至2013年12月31日，本行的員工總數為899名。

為配合本行的發展計劃，人力資源部除了繼續物色優秀人才外，亦著力挽留具備發展潛質及能擔任要職的員工。為實現這些目標，人力資源部不時檢討及修訂員工培訓計劃和薪酬方案，以與市場水平看齊。

培訓及發展是人力資源部的主要工作。本行為員工提供持續的培訓課程，讓員工掌握法規的轉變，緊貼市場脈搏。年內，本行共舉辦497個內部培訓課程及產品簡介會，並在不同部門舉辦團隊精神工作坊，以促進團隊協作和提升員工的生產力。本行繼續以培育新一代銀行專才為主要方針，透過「見習管理人員計劃」招

and training. Top university graduates were recruited and placed in a rigorous training programme with a selected corps from the existing staff. Those completing the programme were assigned to posts identified to best suit their capabilities.

The Education Sponsorship Scheme and Professional Award Scheme are other training related functions assumed by the Human Resources Division through which it continues to nurture a learning culture within the Bank. This is done by providing the staff with incentives and/or subsidies to further their studies at tertiary institutions and attain professional qualifications from local and international organizations on subjects relating to the staff's work at the Bank.

During 2013, important developments took place in certain sectors of the Bank, particularly in the Information Technology Division where two new departments were formed. New systems were introduced and structural changes were made to enhance the effectiveness of the Bank's operations. These also involved staff movements and people development.

The Human Resources Information System was reviewed to identify areas of improvement for its operation through the deployment of systems and automation. Some operational procedures have since been streamlined thus improving work efficiency and resulting in better service to staff.

In 2013, the Bank continued to fine tune the Human Resources policies and its related guidelines. Staff benefits were enhanced to better fit staff needs.

For the second time, the Bank was awarded "Manpower Developer" in the Manpower Development Scheme by the Employee Retraining Board. This award is given to institutions in recognition of their continuous staff development achievements.

募優秀的大學畢業生，安排他們接受嚴格培訓，並由資深員工提供指導，於完成培訓後按他們的工作能力分配到合適的崗位。

本行為協助員工事業發展及培育終身學習的企業文化，特設立「教育資助計劃」及「專業資格獎勵計劃」為有志進修的員工提供獎勵或資助，讓他們在大專院校進修，並取得本地及國際機構頒發的專業資格。

2013年，本行檢討了多個部門架構，其中資訊科技部成立了兩個新部門。同時，本行亦引進了新的系統和進行了結構性改革，以提高本行的營運效率。這些發展均涉及人事變動和人才培育。

本行檢討了人力資源資訊系統，藉自動化來改善運作效率。此外，本行精簡了部分工作流程，從而提高工作效率，為員工帶來更佳的服务。

2013年，本行繼續優化人力資源政策及相關指引，並提升員工福利以更切合員工的需要。

本行再次榮獲僱員再培訓局舉辦之「人才企業嘉許計劃」頒發「人才企業」獎項，以表揚機構在員工發展方面持續取得的成就。