

A photograph of three business professionals in a meeting. A woman in a grey blazer stands in the center, holding a folder and looking towards a man in a dark suit on the left. Another man in a blue suit is seated on the right, looking towards the woman. The background is a blurred blue-toned office setting.

# CORPORATE & INSTITUTIONAL BANKING

## 企業及機構銀行

### Corporate Banking

Our corporate banking business started the year with strong loan growth and fee income running at a record high levels. Market sentiment in the first seven months was up-beat until the sudden and unexpected depreciation of the Renminbi (“RMB”) in August. Since then, market sentiment experienced a dramatic change from cautious optimism to negative outlook. Expansion and investment plans were affected by the poor sentiments and rapidly replaced by conservation programmes. We saw contraction in cross-border loan demand and reduction in trading volumes. This was compounded by a noticeable drop in commodity prices and a weak stock market. Volatility in the money markets resulted in huge fluctuations in funding costs, particularly in RMB. With a weakened credit appetite in the local loan market, loan pricing became polarized with very fine margins for quality clients and steepening of borrowing costs for lower quality names.

Notwithstanding the challenging environment, our Bank achieved good results with loans and deposits posting satisfactory growth. With better efficiency derived from a reorganized marketing platform and strong efforts from our front line staff, we enlarged our market coverage and continued to register gains in the SME and the large corporate market segments by adhering to our philosophy of growing together with our customers. Always striving to become the preferred bank to our customers, our corporate team is dedicated to providing our corporate clients with the best FUBON EXPERIENCE by working with them to

### 企業金融

年初，本行企業金融業務增長強勁，費用收入更創下歷史新高。市場氣氛於首七個月保持樂觀，但8月份人民幣突然貶值，令市場氣氛逆轉，由審慎樂觀變成負面。受負面情緒影響，企業迅即轉趨保守而擱置擴展及投資計劃。同時，跨境貸款需求收縮，交易量下降，商品價格暴跌及股市疲弱，使情況雪上加霜。貨幣市場動盪不安，導致資金成本大幅波動，尤其是人民幣。隨著本地貸款市場的信貸需求減弱，貸款定價亦變得兩極化，優質客戶享有極低息差，而信貸風險較高的客戶，其借貸成本則急劇上升。

縱然面對具挑戰性的經營環境，本行仍然錄得佳績，貸款及存款業務增長理想。銷售平台的重組及前線員工的努力提高了營運效率，讓本行得以擴大市場覆蓋面，我們恪守與客戶一同成長的理念，持續在中小企及大型企業市場中取得增長。為使本行成為客戶的首選銀行，我們的企業團隊努力不懈，根據企業客戶的需求及期望提供量身設計的服務，以為他們打造最佳的「富邦體驗」。我們

customize our services according to their needs and expectations. We have also put together a team of specialists to assist customers who need expertise in financial planning to reduce and avoid financial risks arising from today's economic uncertainties. Internally, we further heightened our credit control to minimize credit losses and maintain a quality loan portfolio.

We have been deepening relationships with customers in our target market segments and have seen an increasing number of customers evolving from narrowly based activities into multifaceted relationships. With the strength of the Fubon Group in Taiwan and its unique presence in Mainland China and Taiwan, the Bank is well positioned to expand our corporate customer base and market share in the Greater China Region.

## China Coverage & Financial Institutions

The Bank is also committed to provide financing to local and Mainland China corporations through participation in bank loan syndications and asset sales programmes. While we have always been active in this business, we established a special team to further strengthen our presence in this market. Activities in the early part of 2015 were strong but gave way to a quieter market after the regional and global economies became volatile in the third quarter of 2015. Consequently, results for this activity were mixed for 2015. In the second half of the year, loan pricing in the syndication market narrowed noticeably compounded by the reduction in the need for this type of financing.

Riding on our success in working with a small number of Mainland banks, we are preparing to expand the coverage of the Mainland financial institutions market through improvement of features in products such as cash management and trade services. We have now developed a good platform for the active solicitation of respondent business and expect this will assist the Bank to broaden its fee based revenue. Our affiliation with Fubon Financial Holdings gives us a unique advantage in this business and we are optimistic about achieving our business objectives.

To further expand our business with financial institutions, we are now extending our coverage to include non-bank financial institutions and the public sector. Our initial thrust will be to market our commercial and treasury services leveraging on Fubon Group's unique position in the Greater China region. We intend to showcase our capabilities and innovation in structuring products and services that can meet the individual and specific demands of institutions in this market segment.

更設立專家團隊，為需要專業財務規劃的客戶提供協助，以降低及避免因目前經濟不明朗而產生的財務風險。內部方面，本行進一步提高信貸控管，以減少信貸虧損及維持高質素的貸款組合。

我們一直致力深化與市場目標客戶之間的關係，也因此越來越多客戶由普通的商業客戶轉變為與我們有多方面合作的關係。憑著富邦集團在台灣的雄厚實力以及其在中國內地及台灣的獨特地位，本行將有優越的條件於大中華地區擴大企業客戶基礎和市場佔有率。

## 中國業務及金融機構業務

本行通過參與銀團貸款及資產銷售，致力為本港及中國內地的企業提供融資。本行一向活躍於此業務領域，去年更成立專責團隊來加強開拓這個市場。2015年初，該業務表現強勁，但地區及環球經濟於第三季大幅波動，令市況轉淡，總結全年業績好壞參半。2015年下半年，這方面的融資需求下降，融資市場的貸款定價亦明顯收窄。

在本行與少數內地銀行成功合作的基礎上，我們藉由改善現金管理及貿易服務等產品及質素以擴大我們在內地金融機構業務的覆蓋。我們已為積極招攬代理銀行業務開拓了一個良好的平台，並希望這有助提高本行的費用收入。憑著與富邦金控的密切聯繫，本行在這項業務擁有獨特優勢，並對達致我們的業務目標感到樂觀。

為進一步拓展機構業務，我們正把覆蓋範圍擴展至非銀行金融機構及公營部門。我們將借助富邦集團在大中華地區的獨特地位，推廣本行的商業及財資服務。我們期待在產品內容及服務品質方面，能更靈活兼具創意，以滿足不同機構客戶的需求。





## RETAIL BANKING 零售銀行

### Consumer Finance

We made another major breakthrough in 2015 with the official launch of our market leading Merchant Receivable Financing product. This product enables our merchant customers to manage their cash flow more efficiently through short term bank financing based on their business flow. Fubon Bank became the first bank in Hong Kong to provide this innovative financing scheme. This flexible tool enables small to medium-sized retail sales operators to access financing without the need for collateralization, and it is a viable option for operators seeking working capital funding. For the larger retail merchants, it can provide easy and quick access to additional funding to complement their normal bank credit facilities. We expect Merchant Receivable Financing to help us expand our penetration into this market and help us gain recognition as a premium merchant-acquiring bank.

As a result of our efforts, the Bank was awarded “The Best Merchant Receivable Financing Service” in the Yellow Pages Award 2015–16 and was also granted “Best Merchant Receivable Financing Bank” in the Metro Awards for Banking and Finance Corporations 2015. These awards solidified our leading position in this unique service segment and once again demonstrated the innovative ability of our Bank. Our card merchant business continued to outperform the local market with 9% growth in total sales volume, while local retail sales dropped more than 3% year-on-year.

To enrich the lineup of Fubon Credit Card benefits, over 100 merchant promotions were launched in 2015 covering a broad range of consumer industries including travel, catering and apparel. On the product side, Fubon Credit Card and YATA VISA Card recorded respectable growth in card spending of 7% and 12% respectively. We will be looking to expand the existing product line with new card programmes targeting customers in the younger market segments. These new programmes were launched in the first quarter of 2016.

### 消費金融

我們於2015年作出另一項重大突破，正式推出領先市場的信用卡商戶貸款服務，讓本行的信用卡商戶能夠運用銀行短期融資，在日常業務營運中更有效地管理現金流。富邦銀行是全港首間提供此嶄新融資計劃的銀行。此計劃靈活方便，中小型零售商可無需抵押而獲得融資，並為商戶提供可行的營運資金貸款途徑，大型零售商戶則可簡便快捷地獲得額外資金，與一般銀行信貸融資作互補。我們希望此信用卡商戶貸款服務有助我們深入拓展這個市場，並能被稱為優質商戶收單銀行。

在我們的努力下，本行榮獲黃頁港人港情品牌大獎2015–16的「最佳商戶應收款融資服務品牌大獎」，以及都市銀行及金融服務企業獎2015的「最佳商戶應收款融資服務銀行大獎」，進一步鞏固本行在這獨特服務範疇的領先地位，並再次展示本行的創新能力。我們的信用卡商戶業務繼續領先本地同業，雖然2015年的本地零售銷售額按年下跌超過3%，本行的商戶銷售總額仍按年增長9%。

為使富邦信用卡的優惠更豐富，本行於2015年推出逾百個商戶推廣優惠，涵蓋旅遊、飲食及服裝等多個消費行業。在產品方面，富邦信用卡與一田Visa卡的簽賬額分別錄得7%和12%的可觀增長。我們推出以年青消費群為對象的全新信用卡，從而拓展現有的產品種類，這些新計劃已於2016年首季推出。

Our personal loan business was able to keep up the good momentum from the previous year and achieved a strong growth of 17% in loan portfolio size. Tighter government regulations were introduced to balance out the higher market risk due to the uncertain market outlook. Personal loans will remain a key offering in the Bank's consumer finance business. While we expect the unfavourable economic environment will result in higher credit losses in the immediate future, we can mitigate these risks through proper pricing and closer monitoring of customer behaviours to ensure timely collection efforts. With our strong risk management framework and good sales practice, we remain optimistic that there is room for further business expansion, albeit at a more moderate pace.

After peaking in middle of the year, property prices finally showed signs of weakening and by the end of 2015, property prices registered a decline of 7% from the peak in September 2015. Meanwhile, property transaction volume remained at a historically low level. Regardless of the market conditions, our dedicated team of mortgage consultants was able to sustain our market position and deliver commendable growth of 17% in new loans booked.

Whether it is a traditional consumer finance service such as mortgage loans or a one-of-a-kind financial solution like our market leading, Merchant Receivable Financing, our consumer finance business team has always delivered the best and most suitable services to our customers. With the banking industry evolving around the concept of FinTech, we will continue to develop more innovative and technologically driven services and products that can be integrated into our customers' lifestyles. Again, our mission in consumer finance is to bring about a FUBON EXPERIENCE for our customers.

## Channel Management

The success of our retail banking strategy relies heavily on our ability to enhance the customer experience by introducing new concepts in product delivery and services. A main effort is to provide even more sophisticated yet easy-to-use electronic and virtual systems as an alternative to the traditional physical banking channels. Our ultimate goal is to attract customers in the mass affluent market segment. Towards this end, we remodeled the Queen's Road East Branch in November 2015 and opened our 23<sup>rd</sup> branch in December 2015—Western District Branch in Kennedy Town. Both branches showcase our new iBranch design which deploys the use of a full service i-Teller machine to replace the traditional teller counter. To further enhance our image as a market leader in the provision of digital financial services, our iBranch incorporates a completely paperless banking environment. The contemporary design of our iBranch also incorporates other digital devices such as clients' interactive tablets at our customer service stations, electronic displays of key financial and product information and self-service Kiosk. The design also allows and promotes usage of our branches for customer events including workshops and smaller scale conferences.

私人貸款業務保持著去年的良好勢頭，貸款組合規模大幅增加17%。鑑於市場前景不明朗，政府收緊對貸款業務的規管，以控制上升的市場風險。私人貸款將繼續成為本行消費金融業務的主要產品。我們預期，低迷的經濟環境將於短期內增加信貸損失，但我們透過適當的定價以及密切監察消費者的行為，將可確保能適時追收賬項，從而紓緩信貸損失的趨升壓力。憑藉本行穩健的風險管理架構和良好的銷售手法，我們仍然對以溫和的步伐來進一步拓展本行的業務感到樂觀。

物業市場於2015年年中見頂後，終於出現回軟跡象，於年底時物業價格較2015年9月高峰期下跌7%，而物業交投量繼續處於歷史低位。不論市況如何，我們專責按揭業務的團隊仍然成功保持本行的市場地位，新造貸款額更錄得17%的可觀增長。

不論是按揭貸款等傳統消費金融服務，還是獨一無二的金融方案如信用卡商戶貸款，我們的消費金融團隊一向以為客戶提供最優質及合適的服務為重點。隨著銀行業圍繞著金融科技(FinTech)概念不斷發展，我們將繼續開發更多嶄新和以科技為主導的服務及產品，以融入客戶的生活，貫徹為客戶帶來「富邦體驗」的使命。

## 通路管理

本行零售銀行策略的成功之道，有賴我們在產品銷售和服務方面不斷創新，持續提升客戶體驗。我們致力提供更精密，易用的電子及虛擬系統，以替代傳統的實體銀行渠道。我們的目標是吸納大眾富裕零售客戶群。為此，我們在2015年11月將皇后大道東分行翻新，並於2015年12月在堅尼地城開設西環分行，該行亦為本行的第23間分行。兩間新分行均採用全新的iBranch設計，以全方位服務的i-Teller取代傳統的櫃檯服務。為進一步提升我們領先的電子化金融服務形象，我們的iBranch營造了完全無紙化的環境。本行iBranch設計富時代感，並設有多項電子互動裝置，例如在客戶服務台的互動平板電腦，顯示主要金融和產品資訊的電子屏幕，以及自助服務站。此設計有助增加使用分行舉辦顧客相關活動，包括工作坊和小型講座。





In order to further promote our FUBON EXPERIENCE, our e-banking platform was enhanced with the roll-out of our e-Statement and mobile banking. Mobile banking was launched in November 2015. Together with our web-based e-banking services, our customers can now conduct financial transactions around the clock at home or on the move.

Due to these new and innovative developments, we have been able to channel more resources to sales and marketing to strengthen our business platform.

Going forward, we will be unveiling more electronic-based features in our mobile and e-banking customer support functions to advance our efforts to solicit customers in the mass affluent market. Additionally, we will continue to upgrade and convert our existing branch network into iBranches. The FUBON EXPERIENCE will become our signature in the local banking industry.

## Investment & Insurance Products

2015 was a “roller-coaster” year for the selling of insurance and investment products. While the fee income of our unit trust business recorded a small drop of 1% year-on-year, fee income from selling of insurance products registered a very healthy 19% growth compared with 2014. With the low interest rate environment expected to last for a longer period of time, sales of both endowment and annuity-based insurance products will remain strong. Mass affluent customers are typically looking for low risk products with higher returns. Personal net worth growth and asset protection will become key features sought by customers in this market segment.

To further satisfy the needs of the affluent clients, we will be broadening our coverage of investment financing by expanding the range of eligible investment and insurance products. The financing will improve the overall return to our customers, while the loan portfolio is considered low credit risk.

Many uncertainties still exist in 2016. To help our clients to face these challenges, we will continue to develop innovative investment products that cater to our customers’ risk tolerance and appetite. The Bank will also seek out and broaden our range of insurance products so that our customers can have a wider choice of investment alternatives with life assurance contents.

為提升我們的「富邦體驗」，我們亦改進了電子銀行平台，推出電子結單和流動理財服務。流動理財服務於2015年11月推出，連同我們的網上電子銀行服務，客戶現可隨時隨地處理財務。

隨著這些全新及創新的發展，我們得以在銷售及市場推廣方面投放更多資源，以強化我們的業務平台。

展望未來，我們將在流動理財及電子銀行客戶支援方面推出更多電子化的服務功能，以吸納大眾富裕零售客戶群。此外，我們將繼續把現有分行網絡升級和轉型為iBranch，讓「富邦體驗」成為我們在本地銀行業的一大特色。

## 投資及保險產品

對保險及投資產品銷售而言，2015年是跌宕起伏的一年。雖然信託基金業務的費用收入按年微跌1%，但保險產品銷售的費用收入則較2014年錄得19%的強勁增長。在預期低息環境將持續一段較長時間的情況下，儲蓄人壽及年金產品銷情將維持良好。大眾富裕零售客戶通常追求低風險、高回報的產品，個人資產淨增長和資產保障將成為這類客戶追捧的主要特點。

為進一步滿足富裕客戶的需要，我們將融資服務範圍擴大至更多合資格的投資及保險產品。這類融資服務不但為客戶帶來較高的整體回報，貸款組合的信貸風險亦被視為較低。

2016年仍充滿許多不明朗因素。為協助客戶應對這些挑戰，我們將繼續研發能配合客戶風險承受能力及取向的創新投資產品。本行亦將探索和擴大保險產品種類，為客戶提供更多含壽險成分的投資選擇。

## Deposits

The Bank's retail customer deposit base continued to record satisfactory growth in 2015, which is a reflection of the quality of our deposit customers base as well as the success of our existing retail strategy. We will continue to focus on existing customers by providing our unique FUBON EXPERIENCE, and will utilize our new technology and branch model to acquire new mass affluent customers. Also, we will continue to manage our deposit base in accordance with our overall business strategy to ensure a financially healthy balance sheet.

## Securities Services

The Hong Kong securities market experienced high volatility in 2015 and broke several historical records including average daily turnover and market capitalization. The average daily turnover in 2015 surged to HK\$105.6 billion, with peak market capitalization reaching more than HK\$30 trillion. Benefitting from the upsurge of stock market transaction volume, our securities fee income increased 23% in 2015.

2015 marked a major breakthrough for our securities business with the introduction of mobile stock trading platform. The new mobile stock trading platform provides customers with fast, reliable, and round-the-clock access to our securities services. The stock trading volume via automated channels increased by 74% compared to the previous year. This development was further bolstered by the integration of securities services into our branch network resulting in a significant improvement in our marketing activities.

Leveraging on our existing branch network and infrastructure, our securities specialists extended their presence to six strategically-selected branches to improve our sales and delivery services. Aside from service enhancements, efforts have been made to expand our customer acquisition programmes. Streamlining of our transaction processing was also an important initiative in 2015 to facilitate our customers stock trading activities. Various promotion programmes were launched to further assist our customers in expanding and better managing their stock portfolio. Account activation incentive programmes were introduced resulting in a significant increase in active customers, which rose by 53% year-on-year.

2016 will be a trying year for the stock market. While stock market predictions are difficult at best in today's conditions, we do expect market turnover to stabilize. To sustain our growth in an indifferent market environment, we will strive for service excellence and customer satisfaction supported by an expanded sales force and service channels. We will also continue to enrich our service by broadening our product spectrum with the introduction of margin trading and other services, to cater to our customers' investment needs.

## 存款

2015年，本行的零售客戶存款基礎繼續錄得令人滿意的增幅，反映我們的存款客戶基礎質素良好以及現有零售銀行策略卓有成效。我們將繼續專注服務現有客戶，提供獨有的「富邦體驗」，並善用我們的全新科技及分行模式來吸納新的大眾富裕零售客戶。同時，我們將繼續根據本行的整體業務策略管理存款基礎，確保資產負債表的財務狀況良好。

## 證券投資服務

2015年，香港證券市場經歷大幅波動，打破平均每日成交額和市值等多項歷史紀錄。2015年的平均每日成交額急升至1,056億港元，最高峰時總市值逾30萬億港元。受惠於股市交投急增，本行於2015年的證券服務費用收入增加23%。

2015年，本行推出流動股票交易平台，為證券業務帶來一個重大突破。全新的流動股票交易平台為客戶提供快捷、可靠、穩定且不設時限的證券投資服務。透過自動化渠道處理的股票交易較去年增加74%。為進一步強化流動交易平台，我們於分行網絡增設證券投資服務，顯著改善了市場營銷活動。

憑藉現有的分行網絡和基礎設施，我們的證券投資專家現於六間特選分行服務，以改善銷售及服務質素。除此我們亦同時強化了吸納新客戶的計劃。簡化交易處理程序是我們2015年的重要項目，以助客戶處理股票交易。此外，我們推出多項推廣計劃，進一步助客戶擴展和更有效地管理其投資組合。我們更推出獎勵計劃來推動客戶啟動賬戶，令活躍客戶的數目按年大增53%。

對股票市場而言，2016年將是艱辛的一年。由於目前預期股票市場將面臨困境，我們相信市場交投將趨於平穩。為了在淡靜的市場環境中維持增長，我們將擴充銷售團隊和服務渠道，致力提供讓客戶滿意的優質服務。另外，我們亦將繼續開拓證券孖展買賣及其他服務，務求以更豐富的產品種類滿足客戶的投資需要。



# FINANCIAL MARKETS 金融市場

## Treasury Marketing

The Bank continued to expand its treasury product offerings to meet the changes in the market and to cater for the evolving needs of our customers. During the year, we launched four new foreign exchange and equity-related products to improve our competitiveness in the market. As the Renminbi (“RMB”) will be included in the Special Drawing Right with a weighting of 10.92% effective from 1 October 2016, RMB-related products remained in strong demand in 2015.

With the continued expansion of our client base, we look forward to serving a growing number of affluent individuals and high quality corporate customers in 2016. As always, we will closely monitor and follow market developments to ensure that our clients are provided with opportunities to invest in the latest treasury products. Our goal is not only to provide our customers with a wide range of investment and hedging services, but also to match our products to the needs and risk appetite of our customers.

## 財資市場

本行持續拓展財資產品，以適應市場變化及滿足客戶不斷轉變的需求，年內，我們共推出四款全新的外匯及股票相關產品，以提升本行的市場競爭力。由於人民幣將於2016年10月1日納入特別提款權，佔比重達10.92%，因此人民幣相關產品的需求於2015年依然強勁。

隨著我們的客戶群不斷擴展，我們期望於2016年服務更多富裕零售客戶及優質企業客戶。一如以往，我們將密切監察及注視市場發展，確保客戶能有機會投資最新的財資產品。我們的目標不止是向客戶提供各種投資及對沖產品，更會配合客戶的需要及風險承受能力。





## Investment Portfolio

We continued to follow a prudent investment strategy in 2015 focusing on good credit quality names while ensuring an appropriate diversification in terms of geography, currency and industry. As we grew our portfolio size by about 16% year-on-year, we were still able to maintain a high credit quality portfolio with an overall credit rating of A-, unchanged from the previous year.

The Federal Reserve's decision to raise interest rates by 0.25% in December 2015 was the first step in the process to normalize interest rates in the United States. However, this clearly deviated from the European and Japanese decision to continue with a monetary easing policy. While the move by the United States was widely expected, future interest rate adjustments are still uncertain. Amid such global economic uncertainties and volatility in financial markets, investing is expected to be challenging in 2016 and we will focus an optimal risk-return strategy in the coming year.

## Interest Income and Funding

Market liquidity remained satisfactory as the Hong Kong Monetary Aggregate Balance grew from HK\$239 billion to HK\$391 billion in 2015. Our Bank's funding position has been stable and our overall deposit base increased by 11% to HK\$58 billion, ahead of the market and in support of our growing asset base.

Funding costs were relatively stable in 2015. The Bank's net interest income increased by 27% while the net interest margin improved by 20 basis points to 1.40% in 2015. We maintained a healthy liquidity maintenance ratio at an average level of 45.82% for the year.

## 投資組合

2015年，我們繼續採取審慎的投資策略，專注信貸質素良好的公司，同時確保將投資適當地分散於不同的地域、貨幣及行業。儘管我們的投資組合總值按年增長約16%，但我們仍能維持高信貸質素的投資組合，整體信貸評級達A-，與去年持平。

美國聯儲局於2015年12月決定加息0.25%，踏出美國利率正常化的第一步。然而，美國聯儲局的決定明顯與歐、日的寬鬆貨幣政策背道而馳。雖然美國加息是在預期之內，但未來的加息步伐仍是不確定。面對不明朗的全球經濟前景及動盪不安的金融市場，預計2016年的投資環境將充滿挑戰，因此我們在未來一年將專注發展最平衡的風險回報策略。

## 利息收入及資金

2015年，隨著本港貨幣總結餘由2,390億港元增至3,910億港元，市場流動性保持充裕。本行的資金狀況維持穩定，整體存款基礎上升11%至580億港元，高於銀行體系總存款增幅，以支持本行的資產增長。

資金成本於年內相對穩定，本行的淨利息收入上升27%，淨息差擴闊20個基點至1.40%。年內，平均流動性維持比率維持在45.82%的穩健水平。





# RISK MANAGEMENT & COMPLIANCE 風險管理及合規監控

## Credit Risk Management

The credit conditions in Hong Kong showed signs of deterioration in 2015, mainly due to the more volatile global financial markets, weak local retail sales, a slowdown in economic growth in Mainland China, and a downward trend of property prices in Hong Kong.

In anticipation of an increasingly uncertain credit outlook, the Bank thoroughly reviewed its credit policies and procedures to align its underwriting standards with the current market conditions and to ensure full compliance with the evolving regulatory requirements. Robust stress tests and portfolio analysis were performed regularly to ensure the Bank can withstand any unanticipated financial market turmoil and safeguard against asset quality deterioration.

Our focus in 2016 is to strengthen our credit risk monitoring through investment in risk management tools and proactive portfolio review. A credit origination system will be developed to streamline the credit process, provide quantitative analysis, and improve data integrity. Together with our Core Banking System development, the Bank will soon be equipped with a more proficient and environmentally-friendly credit risk management system.

## 信貸風險管理

2015年，香港的信貸環境出現惡化跡象，這主要是由於金融市場波動、本地零售業銷情疲軟、中國內地經濟增長放緩，以及香港房地產價格呈現下行趨勢所致。

由於預期信貸前景將更加不明朗，本行對信貸政策及程序進行了徹底檢討，以使審核標準符合當前的市場狀況，並確保完全遵守監管規定。我們定期進行完善的壓力測試和產品組合分析，確保本行能抵受金融市場上任何無法預計的動盪局面，同時令銀行免受資產質素惡化的影響。

本行2016年的目標是透過投資於風險管理工具及積極檢討產品組合，增強我們對信貸風險的監察能力。我們將開發一套信貸系統以簡化信貸流程、提供定量分析及提高數據完整性。連同本行開發中的核心銀行業務系統，我們即將擁有一套更高效、更環保的信貸風險管理系統。

## Market Risk Management

The Bank completed the first phase of implementation of a new treasury system in February 2015. This enhanced the Bank's market risk management capability through real time risk monitoring, more sophisticated market risk analysis, and integration with other financial systems. With this improved competence, the Bank can proactively identify potential risks of different products to help mitigate risk to the Bank and its customers. In 2016, implementation of the final phase of the new treasury system will be one of our key focuses.

Periodic review of our products will be performed to ensure all risks are properly assessed, measured, monitored, and reported. Senior management oversight will remain a key element in our risk management process to ensure that appropriate action is taken to manage risks in a timely manner.

## 市場風險管理

本行於2015年2月完成了全新財資系統的第一階段實施工程，透過實時風險監察、更精密的市場風險分析，以及與其他財務系統結合，從而提升本行的市場風險管理能力。隨著能力的提升，本行能前瞻性地辨識不同產品存在的潛在風險，有助紓緩本行及客戶需承受的風險。啟動全新財資系統的最後階段，將是本行在2016年的重點工作之一。

我們將定期檢討本行的產品，確保所有風險得到適當的評估、測量、監察及匯報。高級管理層的監督仍將是我們風險管理流程中的關鍵一環，以確保適時採取適當的風險管理措施。



## Operational Risk Management

The Bank has established a robust operational risk management framework to identify, assess, monitor, and report operational risks. Business and functional units are responsible for the assessment and management of risks arising under their areas of responsibility, while a centralized risk management unit is responsible for monitoring the implementation of established risk management tools and reporting the results to the management.

In 2015, the centralized risk management unit performed its ongoing key evaluation of the effectiveness of operational and system controls designed for new products and innovative services, including the newly introduced i-Teller. Moreover, the centralized risk management unit also conducted review of the Bank's business continuity plans and evaluated the results of regular testing of contingency facilities. In addition, the Bank assembled staff nominated by different business units and transformed them into a professional internal control team to play a vital role in our Control Self-Assessment System. Following a systematic training programme, this team is equipped with the necessary skillset and knowledge of regulatory requirements as well as the knowledge of the Bank's internal policies and procedures.

In 2016, the Bank will continue to provide training programmes to our staff to maintain a culture of risk management awareness and a sound internal control environment. We will further enhance our risk management tools and reporting system to facilitate future risk-based assessment of the Bank's business and operation.

## 營運風險管理

本行已建立完善的營運風險管理架構，以辨識、評估、監察及匯報營運風險。業務及職能單位負責評估並管理其負責的營運範疇中出現的風險，而中央風險管理單位則負責監控既定風險管理工具的執行工作，並向管理層匯報結果。

2015年，中央風險管理單位對專為新產品及創新服務(包括全新推出的i-Teller)而設的營運及系統監控的有效性，進行了持續的關鍵評估。該單位亦檢討了本行的持續業務運作計劃，並評估應急設施的定期測試結果。另外，本行聚集不同業務單位提名的員工，把他們打造成一支專業的內部監控團隊，以在本行的自我監控評估系統中發揮重要作用。經過系統化的培訓後，該團隊掌握了與監管規定有關的必要技能及知識，以及本行的內部政策和程序。

2016年，本行將繼續為員工提供培訓計劃，以持續風險管理文化和完善內部監控環境。我們亦將進一步強化風險管理工具及匯報系統，以便日後對本行的業務及營運進行風險為本的評估工作。





## Compliance

The Bank has established a comprehensive compliance risk management framework to ensure our activities are conducted in accordance with applicable laws and regulations, internal policies and guidelines, as well as to safeguard the interests of our customers. We are committed to building a strong compliance culture across all functions of the Bank in order to fulfill our role as a responsible financial institution.

To strengthen our culture and to improve the quality of our compliance mission, the Bank launched a certificate training programme in 2015: “Fundamental Knowledge on Bank Compliance”. The objective of this programme is to provide comprehensive and structured training to our internal control support staff to equip them with the latest knowledge about regulatory requirements. The programme also provides a forum for experience sharing in compliance risk and control management. In this regard, we believe we are among the industry leaders and the first to work hand-in-hand with The Hong Kong Institute of Bankers. This will be an ongoing training programme to continuously enhance the competency and quality of compliance knowledge and awareness of our colleagues. The first course was conducted in 2015 and completed in early 2016.

The Bank is also committed to safeguarding the interest of our customers and our shareholders from any unlawful financial activities. In 2015, the Bank devoted resources to enhance our Anti-Money Laundering/Counter Financing of Terrorism monitoring and control mechanisms at both the business and the control function levels. We will continue to update our policies and procedures to cater for the latest developments in regulatory requirements. We have also strengthened management oversight of the compliance activities in the Bank by setting up a new Compliance & Anti-Money Laundering Division and expanded the mandate of the Anti-Money Laundering Steering Committee, which was renamed as the Compliance & Anti-Money Laundering Steering Committee, to cover the entire compliance function.

For 2016, the Bank will continue to monitor the effectiveness and efficiency of our compliance function by conducting comprehensive reviews of our institutional risk profile, customer risk assessment framework, and transaction monitoring system to ensure that we keep pace with the ever-changing landscape of the regulatory compliance and anti-money laundering requirements.

## 合規監控

本行已建立全面的合規風險管理架構，確保業務營運符合適用的法律及法規、內部政策及指引，並同時保障客戶的利益。本行致力在整個機構中建立深厚的合規文化，履行我們作為負責任金融機構的角色。

為了加強我們的合規文化及提高合規職能的質素，本行於2015年推出「銀行合規監控基礎知識」證書培訓課程，目的是為負責內部監控的員工提供全面及有系統的培訓，讓員工透過正規的認可培訓課程，掌握有關監管要求的最新知識。同時，課程亦提供一個促進員工分享合規風險及監控管理經驗的平台。我們相信，本行在這方面是業內領導者之一，亦是首間與香港銀行學會攜手合作的銀行。我們將繼續舉辦培訓課程，以不斷提升員工的合規知識及意識，加強他們在這方面的能力及質素，而首個課程已在2015年舉辦，並於2016年初完成。

本行致力保護我們的客戶及股東免受非法金融活動影響。2015年，本行投入資源，在業務及監控職能層面強化對反洗黑錢及恐怖分子資金籌集的監控機制，我們將繼續更新有關的政策及程序，以配合最新的監管要求。此外，本行成立了新的合規及反洗黑錢部，把反洗黑錢督導委員會（現已易名為合規及反洗黑錢督導委員會）的權限擴大至所有合規職能，以加強管理層對本行合規活動的監察。

2016年，本行將繼續監察整個機構的風險概況、客戶風險評估架構及交易監察系統，以進一步提升合規職能的效益及效率，確保符合不斷轉變的監管合規要求及反洗黑錢規定。



# INFORMATION TECHNOLOGY & OPERATIONS

## 資訊科技及 營運

### Information Technology

The Bank has entered into the second year of its Strategic Information Technology (“IT”) Five-Year Plan. We made significant progress in 2015 in our efforts to revamp our electronic delivery channels and successfully positioned the Bank to offer a new banking experience to our customers. With the introduction of our new mobile banking, mobile stock trading, e-Cheque and i-Teller services, the Bank not only broadened its service delivery channels but also stayed aligned with our environmentally-friendly objectives.

We chose a top-class core banking solution provided by Infosys to replace our existing system to facilitate the development of new products and services. The Core Banking System Replacement Project was launched in October 2015. The new system is critical in our strategy to create a brand new FUBON EXPERIENCE for our customers, and will also greatly enhance our internal management control and customer relationship management. The Core Banking System Replacement Project will be rolled out in phases with the first phase targeted for completion in 2016. The entire project is expected to be completed by mid 2018.

The Bank will also embark on another large scale IT initiative to re-engineer all major processing functions with the introduction of the Enterprise Work Flow Solution. This project will help to streamline and automate most of the Bank’s major business processes to improve operational efficiency and shorten service delivery time. The Enterprise Work Flow project will take full advantage of our existing document managing and imaging system to create

### 資訊科技

本行的五年期策略性資訊科技計劃現已進入第二個年頭。2015年，我們在更新電子服務渠道方面取得顯著進展，並成功為本行定位，為顧客提供嶄新的銀行服務體驗。我們推出全新的流動理財及流動股票交易系統、電子支票及i-Teller服務，在擴展服務渠道之餘，更貫徹我們的環保目標。

本行已選用印孚瑟斯的頂級核心銀行方案去更新現有的系統，以發展新的產品和服務。核心銀行系統更新工程已於2015年10月展開，新系統不但對我們為客戶創造全新的「富邦體驗」起關鍵作用，同時亦提高本行的內部監控及客戶關係管理。核心銀行系統更新工程將分階段進行，第一期的目標完工日期為2016年，預期整個項目將於2018年年中完成。

此外，本行將展開另一項大型資訊科技計劃，採用企業工作流程方案來重整所有主要的工序。此計劃有助簡化及自動化本行大部分主要的業務流程，提升營運效率及縮短服務時間。另一方面，企業工作流程方案將充分利用我們現有的文件管理及影像系統，令

a seamless integration of transaction processing and document retention. A paperless and highly automated working environment is the Bank's ultimate goal.

## Operations

The Bank was one of the nine banks to launch both the Electronic Cheque ("e-Cheque") issuance and presentment services in December 2015. These new electronic banking services were spearheaded by the Hong Kong Interbank Clearing Limited under a cooperative arrangement advocated by the Hong Kong Monetary Authority. While all member banks are required to offer e-Cheque presentment services, banks can elect to provide issuance services. The issuance service has better security features and is expected to gradually replace the traditional paper-based cheque issuance, therefore eliminating the need for physical delivery and presentment.

Last year, the Bank was again ranked as one of the top performing banks among 500 banks in the Asian region and won the Straight Through Processing Award of 2015 presented by the Bank of New York Mellon. We will continue to pursue our efforts of refining operational processes to enhance our customers' FUBON EXPERIENCE.

One of the Bank's key corporate objectives is to be an environmentally-friendly institution. We have therefore embarked on a green journey through the introduction of a paperless workplace starting with the revamping of our branch operations. Currently, two out of our 23 branches are paperless and more branches will be converted to this model in the next three to five years. All key internal senior level meetings are now conducted in a paperless environment. The complete replacement of our mostly standalone printing and copying equipment with a network of multipurpose office machines in late 2015 is also expected to reduce paper consumption by at least 10%. The re-engineering of our internal work processes to integrate with our existing imaging system in the near future will see further reduction in our paper consumption. These initiatives will transform us into an environmentally-responsible organization with the added benefit of cost reduction. We will start a new initiative in 2016 to introduce a paperless correspondence and notification system with our customers, thereby expanding our environmentally-friendly culture to our customers.

The Bank has started a building refurbishment project for our main office building in the Central District of Hong Kong. This will entail upgrading the building's external appearance and converting our Main Branch to a new iBranch. The project includes safety inspections and upgrading of certain facilities where necessary. It will be completed by the third quarter of 2016.

交易處理流程和文件存檔功能緊密結合，導致我們營造無紙化及高度自動化工作環境的最終目標。

## 營運

2015年12月，本行成為全港同時提供電子支票簽發及存入服務的九間銀行之一。這項全新的電子銀行服務由香港銀行同業結算有限公司牽頭，並獲香港金融管理局支持。雖然所有會員銀行均需提供電子支票收票服務，但是否提供簽發服務則由銀行自行選擇。電子支票簽發服務具備更佳的保安措施，預計將逐步取代傳統紙質支票的簽發，從而免除實物交收及兌付的需要。

去年，本行再次獲紐約梅隆銀行選為亞洲區500間銀行中表現最優秀的銀行之一，並獲頒發2015年「直通式聯繫結算處理獎」。我們將繼續改進本行的營運流程，為客戶帶來更優質的「富邦體驗」。

我們其中一個主要的企業目標，是成為一間重視環境保護的機構。為此，本行改革了分行的營運模式，打造一個無紙化的工作環境。在本行的23間分行中，已有兩間採用無紙化的營運模式，而未來三至五年將有更多分行以這種模式經營。現時，本行所有主要的內部高層會議已在無紙化的環境下進行。2015年底，我們以連網的多用途辦公室機器完全取代獨立運作的打印和影印設備，預期將降低耗紙量至少10%。此外，重整內部工作流程以及整合工作流程和現有的影像系統，將進一步減低用紙量。這些計劃將可讓本行履行環保責任，更帶來節省營運成本的額外效益。2016年，我們將開展一項新的計劃，採用無紙化的通訊和通知系統與客戶聯繫，藉此向客戶宣揚本行的環保文化。

本行在香港中環的銀行大廈現已展開翻新工程，除了改善大廈外觀外，更會為總行引入新的iBranch營運模式。工程亦包括進行安全檢查及在有需要時提升部分設施，整個項目將於2016年第三季完成。





## PEOPLE DEVELOPMENT 人才管理及發展

As a responsible employer, the Bank continues to provide career planning and counselling, training, and a competitive compensation structure for our employees. We treasure innovation, dedication, and team spirit and are constantly looking for ways to strengthen these qualities in our staff. At the same time, we keep a keen focus on providing a comfortable and environmentally-friendly workplace.

In 2015, the Bank conducted 653 training courses for our staff. These included 7 Habits of Highly Effective People Signature Programme and Interaction Management Exceptional Leaders series, which were courses conducted by certified training professionals and accredited organizations. We are at the forefront of structuring training programmes in specialized fields such as compliance and anti-money laundering. To strengthen the Bank's compliance and control culture and develop a pool of qualified talented employees, a 30-hour certificate training programme "Fundamental Knowledge on Bank Compliance" was launched in the fourth quarter of 2015 and attended by all staff responsible for the monitoring of internal control of their divisions and departments. This programme covered all-around knowledge of banking compliance and regulations, and included an intensive assessment of the attendees. Overall, our goal is to ensure that our staff receive quality training and are given exposure to various professional development opportunities. All employees of the Bank have to undergo various degree of continuous professional training each year.

作為負責任的僱主，本行致力為員工提供職業規劃及諮詢、培訓，以及具競爭力的薪酬架構。我們重視創新意念、專注及團隊精神，並經常尋求不同方法，協助提升員工質素。此外，我們亦努力營造既舒適又環保的工作環境。

在2015年，本行合共為員工舉辦了653項培訓課程，包括由合資格的培訓專家和認可機構主講的7 Habits of Highly Effective People及Interaction Management Exceptional Leaders等課程。我們更率先設計合規監管及反洗黑錢等課程，以加強合規及監控文化及建立相關人才的儲備，本行於2015年第四季為各部門所有負責內部監控的員工推出30小時的「銀行合規監控基礎知識」證書培訓課程，灌輸有關銀行業合規及法規的全面知識，並對參與員工進行密集式評估。整體而言，我們的目標是確保員工每年接受優質的培訓和獲得不同的專業發展機會，所有本行的員工每年更會接受不同程度的持續專業培訓。

For the fourth consecutive year, the Bank received the “Manpower Developer” status awarded by the Employees Retraining Board under their ERB Manpower Development Award Scheme in recognition of the Bank’s continuous staff development achievements.

As is our normal practice, we engaged an outside service in 2015 to provide us with a market survey of current market employee compensation structure to ensure that the Bank is a competitive employer. Our salary actions are guided by market developments and our Bank’s financial performance and risk levels.

The Bank had a stable workforce in 2015 with the staff turnover rate declining slightly compared with the previous year.

On the social side, our employees were able to enjoy the many staff activities and events organized by the Staff Recreation Committee in 2015. Our events included the Fubon Voice Singing Contest, Ice Cream Day, Green Power Hike and Theme Park Tickets Concession, all of which were well-attended and highly successful.

本行連續第四年榮獲僱員再培訓局頒發「ERB 人才企業嘉許計劃」的「人才企業」獎項，以表揚本行在員工發展方面持續取得的成績。

我們於2015年按慣常做法委聘外界機構，為本行進行有關僱員薪酬架構調查，確保本行在招聘員工方面具有競爭力。本行的薪酬釐定，是根據市場發展及本行的業績和風險水平而決定。

2015年，本行的員工總數保持穩定，員工流失率較去年輕微下降。

本行透過員工康樂委員會，於2015年舉辦了多項員工活動，包括富邦好聲音歌唱比賽、雪糕日、綠色力量環島行以及主題公園門票優惠，皆深受員工歡迎。

