



**BUSINESS &  
OPERATIONS REVIEW**  
業務回顧







# CORPORATE & INSTITUTIONAL BANKING

## 企業及機構銀行

### Corporate Banking

Increasing the Bank's corporate loan assets in 2016 was more difficult as the market wrestled with volatility and economic uncertainty. The slower economic growth, geopolitical turbulence, Brexit and the U.S. presidential election outcome curtailed bank lending and dampened loan demand, while the market adopted a prudent approach to investment and expansion activities. Furthermore, the market was still busy coping with the aftermath of the unexpected depreciation of the Renminbi ("RMB"). We saw non-performing loans escalate, suffering directly or indirectly from the depreciation of the RMB. The RMB deposit pool in Hong Kong dropped sharply. There was also high volatility in the CNH interbank market and funding cost fluctuation. Several interest rate cuts in Mainland China made the cost of RMB loans borrowed in Hong Kong more expensive than in Mainland China, which curbed RMB loan demand in Hong Kong as borrowers opted to raise funds onshore. As a result, not only were new loan assets more difficult to book, but also there were many cases that the existing loans were prepaid by cheaper onshore refinancing. The loan pricing polarization further deepened due to severe competition for quality loans, which made the already tight pricing environment even more challenging.

The Corporate and Commercial Banking teams managed to post a single digit growth in the Bank's corporate business in 2016 despite a very difficult business environment. This was partly due to our expanded sales workforce and internal cross-referral programme. Adhering to our customer-centric approach, we improved our work process to provide services that exceeded our customers' expectations. We continued to establish multi-product and close relationships with our target customers to generate sustainable revenues. Apart from this, we also invested in our SME banking capacity by setting up dedicated SME teams serving customers originating from our branch network. Also, we will open our first Commercial Banking Centre in Mongkok in mid-2017.

### 企業金融

受市場波動及經濟不明朗等因素影響，本行於2016年較難爭取企業貸款。市場於投資及擴展活動方面採取審慎的方針，同時，經濟增長放緩、地緣政治動盪、英國脫歐及美國總統大選結果亦拖累銀行借貸及降低貸款市場需求。此外，市場仍正忙於應對人民幣貶值所帶來的後果。受人民幣貶值所直接或間接影響，不良貸款增加，香港的人民幣存款額亦急速下跌，中國離岸人民幣銀行同業市場及資金成本亦大幅波動。中國內地數度減息，導致香港的人民幣借貸成本較中國內地為高，加上借款人選擇在岸集資，令香港的借貸需求受到壓抑，這不單令我們更難獲取新的貸款，企業以更低成本的在岸再融資提前清償現有貸款的情況亦愈趨常見。優質貸款的激烈競爭，導致貸款定價進一步兩極化，令本來已緊縮的定價環境更為嚴峻。

縱使業務環境困難重重，企業及商業銀行團隊於2016年成功令企業金融業務錄得單位數增長，部分原因為我們擴充了銷售團隊及推行了內部跨部門轉介計劃。我們依循以客為本的方針，改善工作流程，以提供超出客戶期望的服務。我們繼續以推出多種產品及與目標客戶建立緊密關係為目標，以締造持續收益。除此之外，我們透過設立專責中小企團隊服務來自我們分行網絡的客戶，以擴展我們的中小企銀行業務。我們亦將於2017年年中在旺角開設首個商業銀行中心。

## China Coverage

The market environment in Mainland China was difficult throughout 2016 and presented us with many challenges. We accepted a lower credit spread and focused mainly on State-Owned Enterprises and market leading Privately-Owned Enterprises to maintain a high quality Mainland credit portfolio. To align with our Hong Kong customer base, our primary markets include Guangdong and other South China provinces. Xiamen Bank and Fubon Bank (China) are our key Mainland banking partners in developing cross-border trade and lending businesses. Recent relaxation in offshore borrowings by Mainland companies for domestic usage may result in higher cross-border banking activities. Our China Coverage team is working closely with other Fubon Group members to further develop opportunities for the Group's Greater China business.

## Financial Institutions

The traditional Financial Institutions ("FI") trade business in the secondary market, such as risk participation and forfaiting recorded another quiet year in 2016. Availability of suitable loans and other credit products in the market was becoming scarce as a result of the unfavourable market conditions. Therefore, our focus during the year shifted to the non-bank FI segment, exploring relevant products and services for sectors such as fund houses, trustees and insurance companies. We also continued to acquire new deposit clients from the public sector in Hong Kong. As for the banking sector, we pursued alternative fee based business, such as clearing and remittance services for Chinese banks which do not have a mature presence in Hong Kong. We believe strong relationships with Mainland financial institutions will open opportunities for more customer referral business.

Looking forward, we will further strengthen our collaboration with other members of Fubon Financial Holdings to leverage the unique presence of the Fubon Group in the Greater China Region.

## 中國業務

2016年，中國內地市場環境嚴苛，為我們帶來重重挑戰。我們承受著較低的信貸息差，並專注於國有企業及領導市場的民營企業，以維持高質素的內地信貸組合。為配合我們香港的客戶基礎，我們的主要市場包括廣東及其他南中國省份。廈門銀行及富邦華一銀行為本行發展跨境貿易及貸款業務的主要內地銀行夥伴。近期放寬內地公司離岸借貸以供境內使用，或引致更多跨境金融活動。我們的中國業務團隊正與其他富邦集團成員緊密合作，以進一步發展集團的大中華業務。

## 金融機構業務

於二級市場的傳統金融機構業務(如風險參與及信用證買賣斷業務)於2016年仍然淡靜。不理想的市場狀況導致市場上合適的貸款及其他信貸產品更為罕見。年內，我們將重點轉移至非銀行金融機構範疇，為基金公司、受託人及保險公司等行業搜羅相關產品及服務。我們亦繼續於香港公營企業吸納新存款客戶。就銀行業方面，我們拓展其他收費業務，例如為在香港發展尚未成熟的中資銀行提供結算及匯款服務。我們相信，與內地金融機構建立穩健關係，將可開拓更多客戶轉介業務的商機。

展望未來，我們將進一步加強與富邦金控其他成員的合作，以充分利用富邦集團於大中華地區的獨有地位。

# RETAIL BANKING 零售銀行

## Consumer Finance

The Bank's groundbreaking Merchant Receivable Financing Programme ("MRF") retained its market leading position in credit card merchant financing and recorded a successful 2016. By enabling credit card merchant customers to benefit from greater flexibility in cash flow management, MRF has received positive feedback in the market. With this new breed of service on top of traditional merchant acquiring services, we are not only able to strengthen our relationship with existing merchants but also to attract new merchants who are looking for more comprehensive banking solutions. To broaden market penetration of this unique product, a dedicated sales team was set up to focus on acquiring new merchant customers while promoting our MRF service. As of end-December 2016, our merchant portfolio in terms of number of credit card merchants grew by 4% with a strong fee income surge of 13% during the year.

We continued to fortify our credit card portfolio with a significant increase in new card issuance, recording an over 50% year-on-year growth in 2016. This success was mainly attributed to our appealing new credit card product, "YATA X KUMAMOTO" • Titanium Card, which was launched jointly with YATA Department Store in the first quarter of 2016. With a choice of two attractive credit card faces featuring KUMAMON, the famous mascot bear of Kumamoto, Japan, and the exclusive welcome offers, the new card drew overwhelming responses from the younger generation especially during road show promotions. Furthermore, our 4X Bonus Points for credit card spending in Japan complements the product positioning as the preferred credit card for travelling in Japan. These attractive features contributed to 11% and 7% growth in the number of YATA Cards and YATA Card spending, respectively, despite that local retail sales dropped by more than 8% year-on-year.

## 消費金融

本行嶄新的「先享錢」信用卡商戶貸款(「先享錢」)於信用卡商戶貸款市場中保持領先的市場地位，並於2016年取得佳績。由於該產品讓信用卡商戶在管理現金流時具備更多靈活性，令「先享錢」在市場上深受好評。憑藉此項嶄新的服務，再加上傳統商戶服務，我們不僅加強與現有商戶的關係，亦吸引了正尋求更全面銀行方案的新商戶。為擴大此獨特產品的市場滲透率，我們成立了專責的銷售團隊，以專注吸納新客戶及推廣「先享錢」。截至2016年12月底，按信用卡商戶數量計，我們的商戶組合增長了4%，費用收入急升了13%。

我們於2016年繼續強化信用卡組合，新卡發行量大幅增加，按年上升超過50%，這主要由於我們在2016年第一季與一田百貨聯合推出極具吸引力的新信用卡「一田X熊本県」• Titanium卡。憑著以日本熊本縣著名吉祥物KUMAMON為主角的兩款信用卡設計及獨家的迎新優惠，我們成功獲得年輕一代(特別在路演推廣期間)對新卡的熱烈支持。此外，以該信用卡在日本簽賬可獲4倍積分，亦令該信用卡成為到日本旅遊的首選信用卡。縱使本地零售業銷貨額按年下跌超過8%，此等具吸引力的特點令一田信用卡數目及一田信用卡簽賬額分別增長11%及7%。

Higher market risk and tighter government regulations generated much uncertainty in the personal loans market after years of continual business expansion. While personal loans will remain a key offer in the Bank's consumer finance business, more emphasis has been placed on exploring the financial needs of existing customers rather than relying on the business sourced from new customers. The new approach seeks to balance the risk and return in the fast-changing personal loans market and sustain a healthier growth in our personal loans portfolio. In addition, enhanced measures were introduced into our risk management framework to mitigate the risks through tightening of approval criteria and refining our fraud detection capabilities. Although business development in the personal loans market is expected to be challenging in 2017, we are confident that our product will continue to thrive following our prudent business strategy.

The downward trend of property prices in 2015 carried forward into 2016 by briefly hitting a low in the second quarter of the year. After that, property prices rebounded and were on the rise for the rest of 2016. Even the 0.25% interest rate hike by the U.S. Federal Reserve in late 2016 failed to dampen sentiment. The number of property transactions, however, was still low relative to the historical record. The lack of property transactions intensified the difficulties of acquiring new business and also induced mortgage pricing competition among major banks. Despite this unfavourable market situation, our team of dedicated mortgage consultants persevered and maintained our mortgage loan portfolio size.

Notwithstanding the uncertain future of the economy, our consumer finance business will continue to be an important segment of the Bank's core business. From MRF for small-to-medium size retail merchants to one-stop Mortgage Consulting Services for home buyers, we are ready to satisfy the different financial needs of our customers. We are dedicated to developing more innovative and customer-friendly services with the latest technology to deliver the FUBON EXPERIENCE to our valuable customers.

## Channel Management

The Bank devoted many resources to enhancing its product delivery channels and customer service in 2016. While we continue to identify suitable locations for branch network expansion, we will also remodel and convert some of our branches at strategic locations into our signature iBranches. By mid-2017, our Kowloon Main Branch and Shatin Branch will become the third and fourth iBranches of the Bank, respectively. In addition to traditional banking and wealth management services, the Kowloon Main Branch will also become a sales hub, providing customers with a comprehensive range of financial services: commercial banking, consumer finance and securities services.

經過多年的業務擴張後，市場風險的增加及政府更嚴厲的監管為私人貸款市場帶來更多不確定性因素。儘管私人貸款將繼續為本行消費金融業務的主要產品，與依靠新客戶以取得業務相比，本行更著重了解現有客戶的財務需要。新的業務方針旨在平衡瞬息萬變的私人貸款市場風險及回報，並維持私人貸款組合的穩健增幅。此外，我們強化了風險管理架構，收緊審批準則及提升我們檢測詐騙事故的能力以降低風險。雖然我們預期私人貸款市場的業務發展於2017年將充滿挑戰，但在我們採取審慎的業務策略下，我們有信心本行的業務將繼續增長。

2015年的物業價格下滑趨勢持續至2016年，並於第二季跌至較低水平。及後，物業價格反彈回升。儘管2016年年底美國聯邦儲備局加息0.25%，但並無影響市場情緒。另一方面，物業交易數量仍然較歷史記錄為低。物業交易減少，增加了吸納新業務的困難程度，亦引發了主要銀行之間的按揭價格競爭。面對此等不利的市場情況，我們的專責按揭顧問團隊仍然努力維持本行按揭貸款組合規模。

儘管未來經濟前景不明朗，但消費金融業務將繼續成為本行核心業務的重要部分。從我們為中小型零售商戶而設的「先享錢」到為置業人士提供的一站式按揭貸款諮詢服務，我們已準備就緒，以滿足客戶的不同財務需要。我們致力以最新科技開發更多嶄新及方便客戶的服務，為寶貴客戶帶來「富邦體驗」。

## 通路管理

本行在2016年投入大量資源，提升產品銷售渠道及客戶服務。在我們繼續物色合適的地點擴張分行網絡的同時，我們亦將部分位於策略性地點的分行改造成 iBranch。於2017年年中之前，本行的九龍總行及沙田分行將成為本行第三間及第四間 iBranch。除傳統的銀行服務及財富管理服務外，九龍總行亦將成為一個銷售中心，為客戶提供全面的金融服務，包括商業銀行、消費金融及證券投資服務。



We have been receiving good responses from our customers and the public since the launch of our i-Teller in 2015. Its capability to take over financial services from traditional teller counters proved to be a success. In late 2016, we broadened the capabilities of our i-Teller machines so they can also serve as standalone Automatic Teller Machines (“ATMs”) during off-hours and operate 24 hours a day. Meanwhile, we will continue to further enhance and broaden the services provided by i-Tellers. As a responsible and caring company, the Bank is also going to extend its i-Teller services to offsite locations to better serve the community.

In addition to this, we have seen encouraging results since the launch of paperless banking at iBranches. We hope to achieve a completely paperless environment in our dealings with retail customers within the next three to five years. We are also planning to expand this concept to all of our products and services across all customer segments in the future.

In 2017, we will revamp our Ambassador Banking to further reinforce our relationship with our high-net-worth customers by providing them with state-of-the-art products and services. The continuing remake of our service delivery channels is a clear demonstration of our commitment to our customers so they can enjoy and share the FUBON EXPERIENCE.

## Investment & Insurance

The many unexpected turns of events in 2016 affected the global investment climate in different ways. While our unit trust business was stagnant, we made good gains selling our insurance products and saw our insurance fee income register continued and remarkable growth of 40% compared with 2015.

During an uncertain investment climate, affluent customers tend to look for stable asset growth while high-net-worth customers put emphasis on wealth inheritance. Therefore we expect that the sales momentum of endowment, annuity-based insurance and whole life insurance products to remain strong. In 2016, we expanded our marketing capability by introducing telemarketing of general insurance products.

In anticipation of the U.S. interest rate hike and the political uncertainty in Europe, 2017 will be a challenging year for our wealth management sales teams. In the face of such volatile market conditions, we will continue to diversify our products with different risk profiles to cater for the changing risk tolerance and appetite of our customers. Also, we will broaden our range of products so that our customers can select from a full spectrum of investment alternatives with life insurance contents.

自i-Teller於2015年推出以來，一直獲得客戶及公眾的好評，並成功地代替傳統櫃檯提供一般的金融服務。於2016年年底，我們擴展了i-Teller的功能，令i-Teller亦能夠在非辦公時間成為獨立的自動櫃員機，可以24小時運作。同時，我們將繼續進一步加強及擴展i-Teller的服務。作為負責任及關懷社區的機構，本行將把i-Teller服務擴展到其他地點，為社區服務。

除此之外，在iBranch推出的無紙化銀行服務的成績亦令人鼓舞。我們希望在未來三至五年，在零售銀行業務方面實現完全無紙化的環境。我們亦計劃在不久將來把有關概念推廣至提供予所有客戶群的產品和服務上。

我們將於2017年重整Ambassador Banking，透過向高資產值客戶提供最先進的產品及服務，進一步加強與客戶的關係。我們持續提升服務渠道，以彰顯我們對客戶的承諾，讓客戶享受和分享「富邦體驗」。

## 投資及保險

於2016年發生的若干突發事件，影響全球的投資環境。儘管信託基金業務較為停滯，但本行保險產品的銷售取得理想收益，保險費用收入較2015年顯著增長40%。

鑒於投資環境不明朗，富裕零售客戶傾向尋求穩定的資產增值，而高資產值客戶則著重財富傳承。因此我們預期儲蓄人壽、年金產品及終身壽險產品的銷售趨勢將維持強勁。2016年，我們透過電話銷售一般保險產品，擴大本行的營銷能力。

由於預期美國加息及歐洲國家的政治環境不明朗，對我們財富管理銷售團隊而言，2017年將是充滿挑戰的一年。面對波動市況，我們將繼續提供不同風險程度的多元化產品，以配合客戶不斷轉變的風險承受能力及需要。此外，我們將擴闊我們的產品系列，讓客戶可以選擇具備人壽保險成份的全面投資產品。

## Securities Services

Concerns over economic growth in Mainland China and its depreciating currency continued to negatively affect the Hong Kong stock market at the beginning of 2016. Both Brexit and the results of the U.S. presidential election had an unexpected impact resulting in a 37% drop in the average daily turnover of the Hong Kong stock market. Dragged down by the dwindling stock market transaction volume, our securities trading turnover also decreased significantly in 2016 as investors tended to adopt a wait-and-see approach.

In spite of the market adversities, our mobile stock trading business has expanded rapidly since its launch at the end of 2015, mostly attributable to its user-friendly design and our successful marketing campaigns. Consequently, the stock trading volume via automated channels experienced considerable growth in 2016. We will strive to steadily grow our customer base by optimizing our online trading platform and offering preferential brokerage commissions for internet and mobile stock transactions. In light of increasing security risks relating to internet stock trading in Hong Kong, we will implement a series of cyber security enhancement measures not only to comply with regulatory requirements but also to provide a secure and reliable online trading platform for our customers.

We also made significant progress in our share margin business with rapid growth in our margin financing outstanding balance. In 2017, we will further improve our share margin services by enriching the product features, aiming to serve our customers with more flexibility and convenience. Developing our share margin business as one of our core securities businesses will be one of our main strategies in 2017. We will accelerate the pace of acquiring new share margin customers and also will constantly monitor our margin financing portfolio to ensure it remains a high quality loan portfolio.

Looking forward, we will continue to tailor various marketing programmes to acquire new customers. In addition, we will organize regular in-house seminars and investment education workshops to share market insights and strengthen our relationship with customers. We will also extend our presence by deploying more securities specialists at our retail outlets to serve our customers and allow them to share and enjoy the FUBON EXPERIENCE.

## 證券投資服務

2016年年初，市場對中國內地經濟增長及其貨幣貶值的憂慮繼續對香港股市產生負面影響。英國脫歐及美國總統大選結果均帶來無法預料的影響，導致香港股市每日平均成交量下跌37%。隨著股市交易量下跌，我們的證券交易量於2016年亦由於投資者傾向採取觀望態度而大幅減少。

面對逆境的市況，我們於2015年年底推出的流動股票交易業務迅速擴展，這主要由於其方便易用的設計及成功的市場推廣活動所致。因此，以自動化渠道進行的股票交易量於2016年大幅增長。我們將致力提升網上交易平台，並為網上及流動股票交易提供特惠經紀佣金，以增加客戶基礎。鑒於香港網上股票交易的安全風險不斷增加，我們將推行一系列網絡安全措施以符合監管要求，並為客戶提供安全可靠的網上交易平台。

在孖展融資未償還結餘迅速增長的同時，我們在股票孖展業務亦取得重大進展。於2017年，我們將進一步提升股票孖展服務的產品特質，為客戶提供更方便靈活的服務。我們於2017年的其中一項主要策略，便是把股票孖展業務發展為本行的核心證券投資業務之一。我們將加快吸納新股票孖展客戶的步伐，並時刻監察股票孖展組合，以保持其貸款組合的質素。

展望未來，我們將繼續制訂各種市場推廣計劃，以吸納新客戶。此外，我們將定期舉辦研討會及投資教育工作坊，分享市場行情及鞏固與客戶的關係。我們亦將在各零售據點調配更多證券專家為客戶提供服務，讓客戶能夠分享和享受「富邦體驗」。



# FINANCIAL MARKETS

## 金融市場

The surprising and unexpected global events of 2016 brought about several major market developments. On the currency front, the GBP dropped from 1.4877 against the USD before Brexit to its lowest level of 1.2123 in October and stayed at 1.2340 by the end of 2016. On the other hand, the EUR fell from its year high of 1.1534 in early May to 1.0517, while the Renminbi depreciated by around 6.1% from 6.6597 to 6.8761 during the year. In the bond and commodity markets, the U.S. 10-year Treasury reached its highest yield in 27 months at 2.598% and crude oil hit USD54.22 per barrel at the end of December 2016, being the highest since June 2015.

### Investment Portfolio

In 2016, we continued to follow a prudent investment strategy with the overall credit rating of our investment portfolio standing at “A”, an improvement from the average rating of “A-” a year ago. Meanwhile, we continue to diversify our portfolio in terms of geography, currency and industry. In line with the general growth of the Bank’s overall business, our portfolio also grew by about 14% year-on-year.

The U.S. Federal Reserve (“the Fed”) raised the Fed Fund Target Rate by 0.25% in December 2016 from 0.50% to 0.75%. It was the second interest rate hike in a decade. The Fed again raised its benchmark rate by another 0.25% in March 2017 fuelling speculation that there may be at least three interest rate hikes by the Fed in 2017. However, this clearly deviated from the European and Japanese decisions to continue with their monetary easing policies.

Amid such global economic uncertainties and volatility in the financial markets, we will maintain an optimal risk-return strategy aiming to further improve liquidity of our investment portfolio in the coming year.

於2016年發生令人出乎意料的環球事件，帶來若干重要的市場發展。就貨幣而言，英鎊兌美元由英國脫歐前的1.4877跌至10月的最低位1.2123，並於2016年年底維持在1.2340。另一方面，歐元由5月初全年高位1.1534跌至1.0517，而人民幣於年內則由6.6597貶值近6.1%至6.8761。在債券及商品市場方面，美國10年期國庫券孳息率升至2.598%，為27個月以來最高，原油價格亦於2016年12月底錄得每桶54.22美元，為自2015年6月以來的高位。

### 投資組合

2016年，我們繼續採取審慎的投資策略，我們的投資組合整體信貸評級亦由去年的平均評級 A- 升至 A。同時，我們繼續將組合的投資分散至不同的地域、貨幣及行業。鑒於本行的整體業務均有所增長，我們的投資組合亦按年增長約14%。

美國聯邦儲備局（「聯儲局」）於2016年12月將聯邦基金目標利率由0.50%上調0.25%至0.75%，此為10年內第二次加息。其後，聯儲局更於2017年3月再將基準利率上調0.25%，市場猜測聯儲局於2017年將最少加息三次。然而，此舉明顯與歐洲及日本繼續進行貨幣寬鬆政策的決定背道而馳。

鑒於環球經濟的不明朗因素及金融市場動盪，我們將維持平衡的風險回報策略，旨在來年進一步改善投資組合的流動性。

## Treasury Marketing and Flow Investment Products

We continued to develop structured yet simple investment and currency products and solutions for our corporate clients in 2016 to satisfy their risk and financial needs. Besides offering a wide range of hedging products, we also closely monitored the financial markets and advised clients on market developments to assist them in their business decisions.

The Foreign Exchange (“FX”) business remains a major focus of our activities as we offer competitive pricing to our clients. We continued to be active and offer both simple commercial FX as well as FX margin services to both corporate and wealth management customers. Under the current interest rate hike environment, we are looking forward to providing more interest rate hedging solutions to help our customers to stabilize their borrowing costs.

Regarding Flow Investment Products, we provided different types of yield-enhanced instruments including currency-linked deposits, equity-linked deposits, bonds, commercial FX and FX Margin to our wealth management customers. Revenue increased by around 2% and our currency-linked deposit revenue markedly increased by 47% during 2016.

## Funding and Interest Income

By the end of 2016, market liquidity remained ample as the Hong Kong Monetary Aggregate Balance stayed at HK\$259 billion in Hong Kong. The Bank’s funding position was strong and our customers’ deposits base increased by 9% to HK\$64 billion.

Funding costs have been relatively stable. The Bank’s net interest income increased by 9% while the net interest margin improved by 5 basis points to 1.45% in 2016. We maintained a healthy liquidity maintenance ratio at an average level of 48.49% for the year.

We will continue to explore more funding sources to further enhance our liquidity and lower our funding costs.

2017 is likely to be another challenging year with fluctuations caused mainly by ongoing political and economic uncertainties around the world. We will remain vigilant to safeguard both the interests of the Bank and of our customers.

## 金融行銷及投資產品

我們於2016年繼續為企業客戶開發簡單的結構性投資及貨幣產品和方案，以滿足他們的風險及財務需要。除了提供多種對沖產品外，我們亦密切監察金融市況，並就市況發展為客戶提供意見，協助他們作出業務決定。

外匯業務仍然是我們的主要重點業務，故我們亦為客戶提供具競爭力的定價。我們繼續積極向企業及財富管理客戶提供簡單的商業外匯及外匯孖展服務。於現時的加息環境下，我們期望提供更多利率對沖方案，以協助客戶穩定借貸成本。

在流動投資產品方面，我們向財富管理客戶提供不同種類的增值財務工具，包括貨幣掛鈎存款、股本掛鈎存款、債券、商業外匯及外匯孖展。於2016年，收益增加約2%，而貨幣掛鈎存款的收益則大幅增加47%。

## 資金及利息收入

於2016年年底，本港貨幣總結餘維持在2,590億港元，市場流動性保持充裕。本行的資金狀況保持強勢，客戶存款基礎上升9%至640億港元。

資金成本相對穩定，本行的淨利息收入上升9%，淨息差於2016年擴闊5個基點至1.45%。年內，平均流動性維持比率處於48.49%的穩健水平。

我們將繼續搜羅更多資金來源，以進一步加強資金流動性及降低集資成本。

鑒於世界各地的政治及經濟狀況持續不明朗，預期2017年將為另一個充滿挑戰的年度。我們將保持謹慎，以保障本行及客戶的利益。

# RISK MANAGEMENT & COMPLIANCE

## 風險管理及 合規監控

### Credit Risk Management

The 2016 credit situation in Hong Kong was mired in uncertainties mainly due to volatile global financial conditions and the Mainland China market. The effects of the unexpected devaluation of the Renminbi in the second half of 2015 continued well into 2016.

In the face of the increasingly uncertain credit outlook, the Bank vigorously reviewed its credit practices to ensure full compliance with evolving regulatory requirements and the changing market conditions. Robust stress tests and portfolio analysis were performed regularly to ensure the Bank could withstand unanticipated financial market turmoil and safeguard against asset quality deterioration.

In 2017, we will continue to strengthen our credit risk management through investment in the new credit system and proactive portfolio review. We aim to streamline the credit process and improve data integrity by developing a new credit origination system. Together with the phased-in launching of our new Core Banking System, the Bank will be equipped with a more efficient and environmentally-friendly credit risk management system.

### Market Risk Management

Against the backdrop of increasing geopolitical risks, our market risk management team closely monitored the Bank's market risk exposure and also conducted comprehensive stress testing against the Bank's trading and investment activities. Together with our periodic review of our customer portfolio from a market risk viewpoint, we are in a position to detect any undesirable risk exposure under severe market scenarios.

The Bank will complete the final phase of the new treasury system in the third quarter of 2017. With the new system, the Bank's market risk management capability will be strengthened through real-time risk monitoring and more sophisticated risk analysis. Moreover, the Bank will be able to respond on an even more timely basis to market changes and opportunities to achieve a more satisfactory risk-return from our market activities.

### 信貸風險管理

環球金融市場及中國內地市場波動不定，令香港2016年的信貸環境充斥著不確定性。2015年下半年人民幣意外貶值之影響，至2016年仍然持續。

面對愈來愈不明朗的信貸前景，本行積極地檢討了信貸業務，以確保完全遵守監管規定及市場狀況。我們定期進行壓力測試和產品組合分析，確保本行能抵受金融市場上無法預計的動盪局面，令銀行免受資產質素惡化的影響。

2017年，我們將繼續投資新的信貸系統及積極檢討產品組合，增強我們對信貸風險的管理能力。我們將開發一套新的信貸系統，以簡化信貸流程及提高數據完整性。連同我們分階段推出的新核心銀行系統，本行將擁有一套更高效、更環保的信貸風險管理系統。

### 市場風險管理

隨著地緣政治的風險加劇，我們的市場風險管理團隊一直密切監控本行的市場風險，並對本行的交易及投資活動進行了全面的壓力測試。加上我們從市場風險角度定期審閱客戶的資料，我們已做好準備監測在嚴峻的市場環境中任何不利的風險。

本行將於2017年第三季完成全新財資系統的建置工程。透過該新系統作實時風險監察及更精密的風險分析，本行的市場風險管理能力將可得到提升。此外，本行將能更及時回應市場變化及機遇，從市場活動中取得更令人滿意的風險回報。



## Operational Risk Management

In 2016, the Bank performed ongoing evaluation of the effectiveness of operational and system controls designed for new products and innovative services. We also reviewed our business continuity plans and evaluated the results of regular testing of our contingency systems during the year.

Going forward, the Bank will continue to promote the culture of risk management awareness and maintain a sound internal control environment. We will further enhance our risk management tools, data analysis and reporting system to facilitate risk-based assessment of the Bank's business and operation.

## 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 to enhance our role as a responsible financial institution.

To further bolster and maintain the professional competency of our compliance staff, we continued to implement our certificate training programme on Compliance and Anti-Money Laundering in 2016 to provide comprehensive and structured training to our staff, imparting the latest knowledge and developments relating to the regulatory requirements. We also upgraded our compliance training programme and applied for its accreditation as a "Certificate in Banking Compliance". Upon accreditation, this will become the first accredited compliance training programme in the banking industry of Hong Kong. It will also be at a specific level in the Qualifications Framework of the HKSAR Government.

The Bank is committed to safeguarding the interests of our customers and our shareholders from any unlawful financial activities. Following the formation of our new Compliance & Anti-Money Laundering Division and the expanded mandate of the Anti-Money Laundering Steering Committee in 2015, the Bank further fortified its compliance management pillars by setting up a new Business Compliance Department under the Compliance and Anti-Money Laundering Division. This new department, which is staffed by a team of specialized compliance managers with knowledge in the respective business lines, is responsible for conducting business compliance assessment and reporting.

In 2017, we will continue to strengthen the effectiveness and efficiency of our compliance function by conducting comprehensive reviews of our compliance risk profile, and strengthening both the customer risk assessment mechanism and the transaction monitoring system. This will ensure that the Bank keeps pace with the ever-changing landscape of the regulatory compliance and anti-money laundering requirements.

## 營運風險管理

2016年，本行對專為新產品及創新服務而設的營運及系統監控的有效性持續進行評估。同時，本行亦於年內檢討了持續業務運作計劃，並對應急系統的定期測試結果作出評估。

展望未來，本行將繼續推動風險管理文化及維持完善的內部監控環境。我們亦將進一步強化風險管理工具、數據分析及匯報系統，以便對本行的業務及營運進行風險為本的評估工作。

## 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。我們致力在整個機構中建立深厚的合規文化，鞏固我們作為負責任金融機構的角色。

為進一步提高及維持本行負責合規相關工作之員工的專業職能，我們於2016年繼續舉辦有關「合規及反洗黑錢」的證書培訓課程，為員工提供全面及有系統的培訓，讓員工掌握有關監管要求的最新知識及發展。我們亦進一步提升此合規監控培訓課程，並申請成為認可的「銀行合規監控證書課程」。該課程被認證後，將成為香港銀行業首個合規監控認證培訓課程，同時亦達致香港特別行政區政府資歷架構的指定級別。

本行致力保護我們的客戶及股東免受非法金融活動影響。繼本行於2015年成立新的合規及反洗黑錢部以及擴展反洗黑錢督導委員會的權限後，本行成立了一個隸屬合規及反洗黑錢部的新部門，進一步強化合規管理要素。新的商業合規部由擁有不同業務知識的專業合規管理團隊組成，負責進行業務合規評估及報告。

2017年，我們將繼續全面監察合規風險概況、強化客戶風險評估機制及交易監察系統，以提升合規職能的效益及效率，確保本行符合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 entered into the third year of its strategic five-year plan for information technology (“IT”) in 2016. Our current strategy fully recognizes the need to upgrade the Bank’s internal processing system as well as the importance of providing a state-of-the-art product delivery and customer service platform. We understand the importance of providing electronic banking services to our customers and therefore we have made, and will continue to make, significant investments to develop the infrastructure necessary to achieve this objective.

On the customer and service delivery front, our plan is to become fully automated so all activities with our customers are rendered paperless in the next three to five years. This will involve significant Fintech investments and we have started the process by in-sourcing the Personal Electronic Banking (“PEB”) platform to accelerate development and provide faster, better and more secure services to our customers. In late 2016, we successfully introduced a hardware token, the Two Factors Authentication (“2FA”), to replace the digital certificate used in Corporate Electronic Banking (“CEB”). The Bank not only improved the security requirements of CEB, but also provided a better user experience for our corporate customers. In 2017, we will also implement a 2FA hardware token to replace the existing SMS 2FA for high risk transaction in PEB. We will keep pace with the development of new technology on 2FA, such as biometric and software tokens. Together with the launch of the Person to Person Payment service (“JETCO Pay”) and the introduction of the Online Application System in 2017, we will provide user-friendly services to customers with the latest technology that also aligns with the environmentally-friendly approach of the Bank.

### 資訊科技

本行的五年期策略性資訊科技計劃於2016年已進入第三個年頭。我們目前的策略充分反映了本行提升內部處理系統的需要及提供最先進的產品和客戶服務平台的重要性。我們明白為客戶提供電子銀行服務的重要性，因此我們已經並將繼續在所需的基礎設施上作出重大投資，以達成目標。

在為客戶提供服務方面，我們計劃在未來三至五年內全面自動化，以無紙化方式為客戶提供服務。此舉將需要在金融科技方面作出重大投資。為此，我們把個人電子銀行系統從服務供應商搬回本行內部維護及開發新功能，以加快步伐為客戶提供更快捷、優質及安全的服務。我們在2016年年底成功於企業電子銀行採用保安編碼器的雙重認證服務，以取代數碼證書。本行不單提高了企業電子銀行的安全要求，更為企業客戶提供更優質的客戶體驗。在2017年，我們將於個人電子銀行的高風險交易實施保安編碼器的雙重認證，以取代現有的短訊雙重認證。我們將緊貼新雙重認證技術的發展步伐，如生物識別及軟件認證。我們將在2017年推出個人對個人(「JETCO Pay」)轉賬服務，及網上申請系統，利用最新技術為客戶提供更優質的客戶體驗，同時配合本行的環保方針。

We also completed the Phase I of our Core Banking System (“CBS”) Replacement Project. We successfully implemented the new centralized Customer Information System, which allows the Bank to have a 360-degree view of customer information. The replacement of deposit and retail loan module will be the second phase of the CBS and is targeted for completion by the end of 2017. The third and final phase of the CBS Replacement Project involves replacing the Bank’s corporate loan system and introducing a central customer liability system. Completion of this final phase is scheduled for 2018.

Apart from enhancement and replacement of the customer facing and core banking systems, the Bank has also kick-started the introduction of an Enterprise Work Flow (“EWF”) Solution, another strategic IT project of the Bank. The EWF project is expected to automate and streamline our business processes to improve operational efficiency and render them paperless. The Bank has identified several key business processes as priority candidates for the EWF Solution. Credit approval and processes for both retail and corporate customers will be the first applications of the EWF solution. This will most likely be followed by our trade service processes.

## Operations

We are committed to incorporating environmentally-friendly practices into our operations to reduce wastage and pollution. Our paperless approach to customer transaction processing and communications, together with our internal enterprise workflow projects, will significantly reduce paper consumption. In 2016, the Bank signed up to the Charter on External Lighting to minimize light nuisance and energy wastage at our retail outlets. For our efforts, we aim to receive the Platinum Award in 2017 presented by the Environment Bureau. We also plan to participate in other environmental protection activities and mobilize all staff to “Go Green Together” to nurture a green culture within the Bank and pave the way for becoming a green organization. In addition, we tend to use environmentally preferred equipment. To increase the awareness and involvement of all staff, “Green Ambassadors” were nominated to help promote the concept of environmental protection in all offices. We will also organize an internal competition in 2017 to advocate for energy saving and waste reduction.

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 2016 presented by the Bank of New York Mellon. It was the tenth time in 11 years that the Bank was so honoured. We will continue to pursue our efforts of improving operational processes to offer our customers the unique FUBON EXPERIENCE.

我們已完成核心銀行系統更新工程的第一階段。我們已成功推行全新的中央客戶資訊系統，讓本行能夠360度全方位了解客戶資料。核心銀行系統更新工程的第二階段將會以嶄新的存款及零售貸款系統更換現有的核心系統，並預期在2017年年底完成。核心銀行系統更新工程的第三階段及最後階段涉及更換本行的企業貸款系統及推出中央客戶額度管理系統，預期最後階段將於2018年完成。

除了提升及更新客戶及核心銀行系統外，本行亦已開始另一項資訊科技計劃 – 企業工作流程方案。我們預期此計劃可自動化及簡化本行的業務流程，以提升營運效率及實現無紙化運作。本行已確認數個主要業務流程會率先推行企業工作流程方案，其中零售及企業客戶的信貸審批將是首個應用企業工作流程方案的系統，而貿易融資服務則很可能是下一個採用此方案的系統。

## 營運

我們致力在營運中實踐環境保育，以減少浪費及污染。我們採用無紙化的方式處理與客戶的交易和通訊，加上內部企業工作流程計劃，將可大幅減少耗紙量。2016年，本行簽署了《戶外燈光約章》，降低本行零售據點的燈光污染及能源損耗，以期於2017年獲環境局頒發「鉑金獎」。我們還計劃參與其他環保活動，推動全體員工一同為環保出一分力，在本行培養環保文化，為成為綠色機構做好準備。此外，我們亦盡量使用環保設備。為提高員工的環保意識及參與度，我們會選出「綠色大使」在各辦公室協助推廣環保概念。我們亦會在2017年舉辦內部比賽，宣揚節能減排的概念。

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2016年「直通式聯繫結算處理獎」，是本行於11年內第十次榮獲此獎項。我們將繼續優化本行的營運流程，為客戶帶來獨特的「富邦體驗」。





# PEOPLE DEVELOPMENT 人才管理及發展

The Bank continues to provide career planning and counselling, training and a competitive compensation structure for our employees. We aim to ensure that our staff receive quality training and are exposed to various professional development opportunities. All employees undergo various degrees of continuous professional training each year. We treasure innovation, dedication, and team spirit and are constantly looking for ways to strengthen these qualities in our staff.

In 2016, the Bank conducted 682 training courses for our staff, including “High Impact Business Leadership” and “Certificate in Corporate and Commercial Banking”, programmes that were conducted by seasoned consultants and the industry’s professional institutes. We pioneered the development of a training programme on banking compliance and anti-money laundering for accreditation at a specific level of the Qualifications Framework of the HKSAR Government. The accredited programme, “Certificate in Banking Compliance”, will be launched in April 2017 after receiving accreditation from the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. This is a natural extension of the Bank’s resolve to strengthen our compliance and control culture and develop a pool of qualified talented employees to carry out various duties in the areas of compliance and internal control.

For the fifth consecutive year, the Bank received the “Manpower Developer” status awarded by the Employees Retraining Board (“ERB”) under their ERB Manpower Developer Award Scheme in recognition of the Bank’s continuous achievements in staff development. Last year, the Bank was honoured by the Banking Industry Training Advisory Committee of the Education Bureau for developing a banking programme accredited with Qualifications Framework.

本行持續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。我們致力確保員工能獲取優質的培訓和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。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。

2016年，本行合共為員工舉辦了682項培訓課程，包括由經驗豐富的顧問及行內專業機構主辦的「高效企業領導課程」及「企業銀行證書課程」。我們率先舉辦有關銀行合規以及反洗黑錢的培訓課程，並申請為香港特別行政區政府資歷架構認可的指定級別課程。待香港學術及職業資歷評審局完成審批後，有關的認可課程—「銀行合規監控證書課程」將於2017年4月推出。本行亦致力加強合規及監控文化及建立相關的人才儲備，以履行合規及內部監控方面的各項職責。

本行連續第五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。去年，本行開展資歷架構認可的銀行課程，獲教育局的銀行業行業培訓諮詢委員會讚揚。

As is our normal practice, the Bank engaged an outside consultant to provide us with a benchmark of current market employee compensation structure to ensure that the Bank is a competitive employer. Our salary scales are guided by market developments and our Bank's financial performance.

To achieve a better work-life balance, the Bank organized a series of health talks for staff, covering topics on Office Ergonomics and Stretching Exercises at Work, Healthy Eating for Healthy Living, Preventing Urbanization Diseases, Beauty and Hair Care in Chinese Medicine, Appreciating Taiwanese Music and Fun with Parental Reading.

On the social front, our employees enjoyed many staff activities and events organized by the Staff Recreation Committee in 2016. These included our Annual Dinner, Ice Cream Day, Theme Park Tickets Concession and Complimentary Coffee Coupons for Completion of Opinion Survey. We are also proud of our staff's commitment to sports and wish to congratulate our Fubon Football Team for winning both the ICBC League Championship and the Lenovo League Cup Championship.

我們按慣常做法委聘外界顧問，為本行提供僱員薪酬架構的基準，確保本行在招聘員工方面具有競爭力。本行的薪酬等級是根據市場發展及本行的財務表現而決定。

為了讓員工得到作息平衡，本行已為員工安排一系列健康講座，內容包括辦公室人體工學及舒展運動、健康飲食與健康生活、預防都市病、中醫藥美容及護髮、台灣音樂欣賞及享受親子閱讀的樂趣等。

在員工活動方面，本行員工康樂委員會於2016年為員工舉辦了多項活動，包括週年晚會、雪糕日、主題公園門票優惠及為完成意見調查免費贈送咖啡優惠券等。我們亦為員工積極參與體育活動而感到驕傲，並藉此祝賀富邦足球隊贏得「工銀亞洲聯賽」及「聯想聯賽盃」冠軍。

