



BUSINESS & OPERATIONS REVIEW

業務回顧





CORPORATE & INSTITUTIONAL BANKING

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CORPORATE BANKING

It was a mixed year for the corporate banking business in 2018. The year began with the global economy maintaining its expansion trend boosted by persistent low interest rates, optimistic economic growth, and vibrant stock and property markets. But market sentiment started to turn negative in the second quarter due to the U.S.-China trade war. With the U.S. introducing additional tariffs on a wide range of products from Mainland China and threatening to cast the net even wider, the U.S.-China trade conflict started to weigh on global economic sentiment. The U.S. also reversed its qualitative easing monetary policy, and coupled with the tightening of capital outflows in Mainland China, we witnessed credit contraction and corrections in the major stock markets. Both Mainland China and Hong Kong reported slower growth in the second half of the year and the Hong Kong property market had weakened moderately since mid-2018. The situation in Mainland China and Hong Kong began to stabilize towards the end of the year after China began easing its policy to stimulate the economy. For the whole year, the local banking industry recorded 4.4% loan growth, much lower than the 16.1% in 2017.

Corporate loan demand in the first half of 2018 was stable and it provided our Corporate and Commercial Banking teams with a good opportunity to improve the quality and profitability of our corporate loan portfolio. After experiencing strong 24% growth of the Bank's corporate loan portfolio (including trade bills and factoring) in 2017, our Corporate and Commercial Banking teams were commissioned to elevate the average return of the loan assets while maintaining steady growth in the loan book. Through good planning, teamwork, perseverance and hard work, we succeeded in improving the portfolio's risk adjusted return and customer profitability by increasing various service fee income through the cross-selling of our products. Together with our new initiatives to acquire new customers, the Bank's Corporate Banking business achieved very satisfactory performance. Our Corporate Banking business achieved 5% loan growth in 2018.

The Bank remained focused on SMEs in Hong Kong. Our Commercial Banking team continued to utilize internal cross referrals and structured marketing programmes to intensify our efforts to expand our business in this market segment. Introduction of new and innovative loan and deposit products strengthened our appeal to local entrepreneurs and ensured customer satisfaction with our signature "Fubon Experience".

We continued to be active in both the primary and secondary syndication markets allowing us to actively manage the Bank's loan portfolio.

企業金融

對企業金融業務而言，2018年可謂複雜的一年。在持續低息、樂觀的經濟增長以及活躍的股票和房地產市場推動下，全球經濟於年初保持上升趨勢，惟市場情緒於第二季受中美貿易戰影響而開始轉為負面。由於美國對眾多中國內地產品徵收額外關稅並揚言要擴大徵稅範圍，中美貿易衝突對全球經濟情緒造成壓力。美國改變其量化寬鬆貨幣政策，加上中國內地收緊資金外流，主要股票市場出現信貸緊縮及調整。中國內地及香港於下半年均錄得增長放緩，香港房地產市場自2018年年中亦開始趨緩。在中國內地開始放寬政策以刺激經濟後，中國內地及香港的情況於年底開始穩定。全年本地銀行業貸款增長4.4%，遠低於2017年的16.1%。

企業貸款需求於2018年上半年維持穩定，為企業及商業銀行團隊提供了提升企業貸款組合質素及盈利能力的良好機會。本行的企業貸款組合錄得(包括商業票據及應收賬款承購服務)於2017年錄得強勁增長24%後，企業及商業銀行團隊致力提升貸款資產的平均回報率，並同時維持穩定的貸款增長。透過良好的規劃、團隊的合作、毅力和努力，我們成功透過交叉銷售產品來增加各種服務費用收入，從而提高貸款組合的風險調整回報率及客戶盈利能力。配合我們吸納新客戶的新舉措，本行的企業金融業務獲得令人滿意的表現。我們的企業金融業務於2018年錄得5%的貸款增長。

本行仍專注於香港的中小企業，我們的商業銀行團隊繼續透過內部交叉推薦及結構性營銷計劃，強化我們在中小企市場的業務拓展工作。本行新增及創新的貸款和存款產品亦提升了我們對本地企業家的吸引力，並確保客戶對我們獨特的「富邦體驗」感到滿意。

我們繼續活躍於一級及二級銀團貸款市場，以積極管理本行的貸款組合。

While maintaining a profitable customer portfolio was important, we did not compromise our commitment to a customer-centric approach through effective communication and attention to our customers' interests. We strived to deepen our relationship with existing customers by taking time to understand their needs and to customize our services to satisfy their expectations.

Credit quality was not compromised by our goal to expand our business. Through tightened selection criteria and pricing parameters, we managed to ensure a high quality loan portfolio.

Revenue from corporate customers reported satisfactory growth in 2018. Interest income increased nicely due to higher spreads and higher average loans outstanding, which also brought about record-breaking credit fee income. Our strategy to focus on fee income produced good results. Fee income generated from trade finance, treasury, corporate wealth management and general banking services all reported better than expected results.

The Bank's corporate e-banking, Fubon Business Online, will receive further enhancement in early 2019, such as our Online FX services. Our full-scale cash management e-banking service will be made available to our corporate customers around the same time.

CHINA COVERAGE

Mainland China was adversely affected by the U.S.-China trade war and the increasing protectionism. Coupled with a deleveraging policy, China recorded the worst stock market performance in the region in 2018 and slower GDP growth. However, cross-border and import/export trade remained strong until year-end. There was still a stable demand for loans, particularly from the real estate sector and the non-bank financial institutions sector. To better balance our China exposure, we focused our marketing efforts on State-Owned Enterprises and industry market leaders with good and sustainable track records. Leveraging on Fubon Group's unique status of being the only Taiwanese financial institution with banking subsidiaries in Mainland China, Taiwan and Hong Kong, we can provide comprehensive and wide-ranging cross-border banking services to our customers in trade-related and general banking areas through our close cooperation with Fubon Bank (China) and Xiamen Bank.

FINANCIAL INSTITUTIONS

Our Financial Institution ("FI") team continued to focus on building deposit relationships with non-bank financial institutions and successfully achieved healthy deposit growth in 2018. Another important role of our FI team is to provide credit support to the Bank's investment activities. Following the expansion of the investment book of the Bank, the FI team allocated more resources to support the Bank's investment transactions and worked closely with our Financial Markets Division. The FI team also played a major role in coordinating the collaboration efforts with Mainland banks including Fubon Bank (China) and Xiamen Bank.

Looking forward to 2019, we remain cautiously optimistic and will keep closely monitoring market developments. We will stay focused on growing our loan portfolio and enhancing the portfolio's returns while maintaining a high quality loan book. Through good teamwork and collaboration with other members of the Fubon Group, we aim for a good start to the year and achieve even better results in 2019.

儘管維持可盈利的客戶組合非常重要，但我們仍然透過有效的溝通及關注客戶的利益，致力實踐以客為本的方針。我們耐心了解客戶的需要並為他們量身訂做金融服務，以滿足客戶的期望，加深與現有客戶的關係。

我們追求業務增長的目標並沒有影響信貸質素。透過收緊篩選標準及定價參數，我們得以維持一個高質素的貸款組合。

來自企業客戶的收入於2018年度錄得令人滿意的增長。由於息差擴闊及貸款均額上升，利息收入大幅增加，並帶來創紀錄的信貸費用收入。我們專注於費用收入的策略取得亮麗成績。貿易融資、金融行銷、企業財富管理以及一般銀行服務所衍生的費用收入均高於預期。

我們將於2019年年初再進一步提升本行的企業電子銀行系統「富邦商務網」，例如推出網上外匯服務。同時，我們將向企業客戶推出全面的現金管理電子銀行服務。

中國業務

中國內地深受中美貿易戰及保護主義加劇影響，加上去槓桿化政策，中國股市在2018年於區內的表現最差，國內生產總值增長亦放緩。然而，跨境貿易及進/出口貿易截至年底依然增長強勁。貸款需求仍然穩定，尤其是房地產及非銀行金融機構。為更有效地平衡我們在中國的業務，我們將營銷工作重點放在具良好及可持續發展記錄的國有企業及行業的市場領導者身上。憑藉富邦集團是唯一在中國內地、台灣及香港設有銀行附屬公司的台灣金融機構之獨特地位，我們透過與富邦華一銀行及廈門銀行的緊密合作，為客戶在貿易相關及一般銀行服務方面提供全面及多元化的跨境銀行服務。

金融機構業務

我們的金融機構團隊繼續專注於與非銀行金融機構建立存款關係，並於2018年成功獲得穩健的存款增長。本行金融機構團隊的另一個重要任務，是為本行的投資活動提供信貸支持。隨著本行擴大投資賬目，金融機構團隊撥出了更多資源以支持本行的投資交易，並與金融市場部緊密合作。金融機構團隊在協調本行與富邦華一銀行及廈門銀行等內地銀行的合作方面亦發揮著重要作用。

展望2019年，我們保持審慎樂觀的態度，並將密切關注市場發展。在保持高質素貸款的同時，我們將繼續增強我們的貸款組合並提高組合的回報。透過良好的團隊合作以及與富邦集團其他成員合作，我們旨在於2019年取得良好開端，並取得更好的業績。



RETAIL BANKING 零售銀行

CONSUMER FINANCE

Alongside our mortgage services, credit cards remained a cornerstone product in our consumer finance line-up in 2018. For the credit card business, we entered a new era of contactless technology. Customers can now enjoy speedy and convenient payment with our newly launched contactless credit card. To keep pace with market developments in Fintech, we are soliciting strategic online promotion offerings from renowned travel brands in Hong Kong, including Hotels.com, Toyota rent-a-car and Hong Kong Airlines. This approach aims to reinforce our positioning as the “Travel Companion”, while at the same time delivering the best product value to our customers. Due to our efforts, we recorded 11% year-on-year growth in e-commerce card spending by MasterCard. Furthermore, our travel platform continued to gain appreciation and recognition from our customers. This resulted in our Fubon Credit Card receiving the “U Magazine Travel Awards 2018 – The Most Favourite Travel Credit Card” from U Magazine.

To further strengthen our Bank’s unique “Fubon Experience” programme, we successfully switched our focus in the personal loan business from mass market to existing bank customers with known financial needs and credit behaviour. As a result, new loan booking for the personal loan business increased by 13% year-on-year, while loan loss charge-offs dropped to a record low. Looking ahead, we anticipate even more fierce competition due to Fintech developments in digital banking and the arrival of virtual banks in Hong Kong. To meet the challenges, we will continue to enhance our products and customer experience by developing more online services including online applications for loans and credit cards. As always, our prudent risk culture will ensure that our loan quality remains at a good level.

This was another fruitful year for our merchant acquiring business as demonstrated by the smooth integration of innovative technology with our traditional merchant services. The introduction of a pioneering self-service card acceptance kiosk significantly helped cement our relationship with existing merchants, and it also acted as a powerful anchor to recruit new strategic merchant partners. The overall result for the merchant business was very encouraging, highlighted by 13% year-on-year growth in sales volume and 13% year-on-year growth in revenue. Our e-commerce business recorded significant growth, and we will continue to explore various emerging payment methods to further strengthen the relationship with our merchant customers and enhance our service solutions.

消費金融

於2018年，除我們的按揭貸款服務外，信用卡仍然為我們消費金融業務的基礎產品。就信用卡業務而言，我們已進入非接觸式科技的新時代。客戶現可使用我們新推出的非接觸式信用卡享受快捷方便的付款服務。為緊貼金融科技市場的發展步伐，我們與香港知名的旅遊品牌（包括Hotels.com、日本豐田汽車租用服務及香港航空）合作進行網上推廣，這樣不單可加強我們作為「旅遊夥伴」的定位，同時亦為我們的客戶提供最佳的產品價值。在我們的努力下，信用卡網上簽賬額按年增長11%。此外，我們的旅遊平台繼續得到客戶的認同，令富邦信用卡獲《U Magazine》頒發「U Magazine旅遊大獎2018 – 我最喜愛旅遊信用卡」。

為進一步加強本行獨特的「富邦體驗」，我們成功將個人貸款業務的重點從大眾市場轉移到已確知財務需求及信貸行為的現有本行客戶。因此，個人貸款業務的新增貸款較去年同期增加13%，而貸款撇賬降至歷史新低。展望未來，由於香港金融科技在數碼銀行方面的發展以及虛擬銀行的到來，我們預期將出現更激烈的競爭。為迎接挑戰，我們將繼續透過開拓更多網上服務（包括網上貸款及信用卡申請）以提升我們的產品和客戶體驗。一如既往，我們審慎的風險文化將確保我們的貸款質素保持在良好水平。

創新科技與我們傳統商戶服務的結合，令本行今年在拓展信用卡商戶業務上再次取得豐盛的成果。本行推出創新的信用卡自助售賣服務機，進一步鞏固我們與現有商戶的關係，並成為吸納新策略性商戶夥伴的強大支柱。我們商戶業務的整體業績非常令人鼓舞，銷售額較去年同期增長13%，收入亦較去年同期增長13%。我們的電子商貿業務錄得顯著增長，我們將繼續研究各種新興支付方式，進一步加強與商戶的關係以及提升我們的服務方案。

In recent years, another core business initiative for the merchant acquiring business has been Merchant Receivables Financing. The 21% year-on-year growth in new financing reflected the success of this unique product. We will continue to focus on the growth of this exclusive and tailor-made financial service to support the expansion plans and other business needs of our merchant customers by providing quick and simple short term funds.

The early 2018 property market in Hong Kong continued on an uptrend carrying over from 2017. However, the market turned soft starting in the third quarter and negative market sentiment began to surface towards the end of the year. This was partially due to the U.S.-China trade war and the first upward adjustment of the prime rate in Hong Kong since 2006. Declining investment from Mainland Chinese buyers also affected the market. Overall, the private domestic property price still recorded year-on-year appreciation of 1.9% in 2018 according to the Property Market Statistics from the HKSAR Government. At the same time, mortgage loan demand remained strong in the market. With the surge of HIBOR in the second half of 2018, banks revised pricing strategies and the portion of customers who opted for the Prime Rate Mortgage Plan increased. Despite that, our mortgage lending business remained one of our important consumer financing products and one of the key drivers for the Bank's interest income.

With the evolution of Fintech in the banking industry and the introduction of virtual banks in Hong Kong, technological innovation and development will undoubtedly be the focus for the consumer finance business in 2019. Changes in customer needs and behaviour will only heighten the need for banks to adopt a Fintech approach to digital solutions. In recognition of these market changes, we will strive to enhance our customer experience through online and mobile platforms to provide smart and secure banking services.

CHANNEL MANAGEMENT

Understanding that many of our customers desire one-stop wealth management services, we enhanced our branch network and began optimizing our brand into a one-stop financial platform through different marketing programmes and customized barrier-free arrangements. In addition to our physical channels, we focused on enhancing our digital banking channels. As the digital revolution continues to impact the banking industry and change customer behaviours and needs, digital product innovation and development with Fintech and other digital solutions are priorities for our Retail Banking business. In 2018, we made great strides in promoting various digital banking services. The number of Personal Internet Banking and Mobile Banking customers increased by 19% and 76% year-on-year respectively, and the proportion of customers opting for electronic statements rose by 311%. Travel Insurance transaction conducted through digital channels increased by 316% year-on-year.

The Bank is committed to improving the quality of its services to bring a better "Fubon Experience" to our customers. As part of our efforts, we formed a new customer services team composed of Financial Planning Managers to provide more personalized and dedicated services to customers who need professional financial planning services. As product specialists, our Financial Planning Managers formulate individualized strategic financial plans for our customers to help them achieve their personal financial management goals and to make prudent financial decisions for their future. We have received very favourable comments from our customers.

「先享錢」信用卡客戶貸款業務為近年本行拓展信用卡客戶業務的另一個核心業務計劃。新增貸款額較去年同期上升21%，反映出該獨特產品的成功。我們將繼續專注於這項獨有且量身訂做的金融服務之發展，並透過提供快速簡單的短期資金以支持我們商戶客戶的業務拓展計劃和其他業務需求。

2018年年初的香港物業市場繼續呈現自2017年以來的上升趨勢。然而，市場在第三季度開始走軟且市場開始在年底前出現負面情緒。這都是由於中美貿易戰以及自2006年以來本港首次上調最優惠利率所致。中國內地買家的投資減少亦對物業市場造成影響。總體而言，根據香港特別行政區政府物業市場統計資料，私人住宅物業售價在2018年仍然按年增長1.9%。與此同時，按揭貸款需求依然強勁。隨著香港銀行同業拆息在2018年下半年飆升，各銀行已修改定價策略，選擇最優惠利率按揭貸款計劃的客戶亦有所增加。儘管如此，本行的按揭貸款業務仍為我們其中一項重要的消費金融產品，亦是本行利息收入的主要來源之一。

隨著金融科技在銀行業的發展以及虛擬銀行在香港推出，科技的創新及發展無疑將於2019年成為消費金融業務的焦點。客戶需求及行為的改變將只會增加銀行為提供數碼化的金融方案而採用金融科技的需要。為配合市場的轉變，我們將致力透過網上和流動平台提供智能及安全性的銀行服務，以提升我們的客戶體驗。

通路管理

我們明白，許多客戶均希望獲得一站式的財富管理服務，為此，我們透過不同的營銷計劃及量身訂做的無障礙安排，提升我們的分行網絡以及開始把我們的品牌優化為一站式的金融平台。除實體渠道外，我們亦專注於加強我們的數碼化銀行渠道。隨著數碼化革命繼續影響銀行業並改變客戶的行為和需求，創新的數碼化銀行產品及金融科技和其他數碼化金融方案的發展將成為我們零售銀行業務的重點發展項目。於2018年，我們在推廣各類數碼化銀行服務方面跨進了一大步。個人網上銀行及流動理財客戶數目分別按年上升19%及76%，使用電子結單的客戶上升311%，透過電子渠道進行的旅遊保險交易按年增長316%。

本行致力提升服務質素，為客戶帶來更佳的「富邦體驗」。為此，我們成立了一個由財務策劃經理組成的新客戶服務團隊，為需要專業財務規劃服務的客戶提供更個人化和專注的服務。作為產品專家，我們的財務策劃經理為客戶制訂個人的策略性財務計劃，以幫助他們實現個人的財務管理目標及為未來作出審慎的財務決策，而我們亦收到客戶對服務的好評。

To meet and even exceed customer expectations on service quality in 2018, we devoted a lot of resources on training existing staff and nurturing our talents. Intensive internal and external training programmes were offered to our staff, not only to strengthen their sales skills but also to enhance their level of competency when serving our customers. It is mandatory for our sales staff to attend diversified training sessions to enrich their knowledge and awareness of retail wealth management and compliance. We believe that our training programmes are important to promote a sound bank culture. Moreover, to expand the talent pool, we have started to recruit fresh university graduates as Personal Banking Manager Trainees. This programme grooms professionals within the Bank so we can meet the increasing demand for wealth management services. Resources have been allocated to cultivate the trainees as our reliable and professional sales force.

Going forward, to keep up with the ongoing developments in Fintech, we will continue to enhance our digital banking platform to offer more efficient, secured and convenient banking services for customers on the move. Our new foreign exchange service offers a wide choice of foreign currencies on digital platforms. The Faster Payment System and biometric software token will be available through our digital banking platform in the first half of 2019. We will also continue to introduce digital enhancements to provide high-quality, dynamic and professional wealth management services to our valued customers.

INVESTMENT & INSURANCE

The market was full of uncertainties in 2018. With the anticipation of more interest rate hikes and an uncertain U.S.-China trade war, there was a drop in the insurance business. Financial assets including foreign currency, equity, bond and commodities lost value during the year for the very same reasons. It is predicted that the financial market will continue to fluctuate in 2019 as market sentiment remains cautious. Understanding that many of our customers are eager to de-risk, the Bank is exploring the potential market for low-risk investment products. Moreover, with growing concerns for the retirement needs of Hong Kong's ageing population and the Hong Kong Government's promotion of an annuity scheme, we have launched five insurance products providing regular income pay-outs to cope with market demand.

On the support side, we officially launched a new Insurance System in September 2018 to automate the sales and reporting work flow. It is a highly efficient and stable platform that can effectively support the insurance business by providing real-time data for analysis and managerial monitoring. The Insurance System has substantially increased operational efficiency and information accuracy, which in turn has enhanced the customer experience and improved staff productivity.

Fintech is a hot topic within the banking industry. The Bank will enhance its investment and insurance services by developing more Fintech solutions. Robo-advisory, online commentary and online trading are our focuses of development. More and more online investment services will be launched in 2019 to assist our customers to achieve their wealth management goals.

為滿足並超越客戶對2018年服務質量的期望，我們已投入大量資源培訓現有員工和培育我們的人才。我們為員工提供密集的內部及外部培訓計劃，以加強他們的銷售技能以及提升他們為客戶提供服務的能力。我們的銷售員工必須參加多元化的培訓課程，以豐富他們對零售財富管理和合規性的知識和意識。我們認為，本行的培訓計劃是提倡良好企業文化的重要途徑。此外，為擴展本行的人才儲備，我們已開始招聘新的大學畢業生為個人業務經理實習生。此計劃旨在培訓本行的專業人員，以滿足日益增長的財富管理服務需求。我們亦已分配資源用來培育實習生成為本行可靠及專業的銷售團隊。

展望未來，為緊貼金融科技的持續發展，我們將繼續加強本行的數碼化銀行平台，為忙碌的客戶提供更快捷、安全和方便的銀行服務。我們新的外匯服務在數碼銀行平台上提供多種外幣選擇，而「轉數快」及具生物認證功能之流動保安編碼器亦將於2019年上半年在本行的數碼銀行平台上推出。我們亦將繼續提升本行的數碼化服務，為我們尊貴的客戶提供優質、多元化及專業的財富管理服務。

投資及保險

2018年，市場充滿不明朗的因素。預期的多次加息以及充滿不確定性的中美貿易戰，導致保險業務出現下滑。此外，金融資產包括外幣、股票、債券及商品亦因相同原因而出現虧損。由於市場維持謹慎的態度，預期金融市場在2019年將繼續波動。我們明白許多客戶均希望避險，本行亦正在研究低風險投資產品的潛在市場。此外，隨著香港人口老化、退休保障需求增加，以及香港特別行政區政府推行年金計劃，本行已推出五款提供定期收入回報的保險產品，以應對市場需求。

在後台支援方面，我們於2018年9月正式啟動新的保險系統以自動化銷售和報告的工作流程。此新系統為一個高效且穩定的平台，能夠提供即時數據作分析及監控管理，有效地支援保險業務發展。保險系統顯著地提高了營運效率和信息的準確性，從而提升客戶體驗並提高員工的生產力。

金融科技為銀行業的熱門話題。本行將開發更多金融科技方案以加強我們的投資和保險服務。理財機器人專案、網上評論及網上交易為我們的重點研發項目。2019年，我們將推出更多網上投資服務，助客戶實現財富管理的目標。

SECURITIES SERVICES

It was a volatile year for the global stock market in 2018. The vulnerability in the market was due to U.S.-China trade tensions, the tightening of global financial conditions, and the slower-than-expected growth in Mainland China. Although the benchmark stock market index, Hang Seng Index, hit a record high of around 33,000 points in January, it fell by 14% and closed at 25,845.7 points at the end of the year. Due to these difficult conditions and the pessimistic market sentiment, our trading turnover and brokerage decreased slightly in 2018.

Our most significant success in 2018 was the considerable growth of the Fubon Mobile Stock Trading business. Technology and mobility are increasingly shaping consumer behaviours. While we already have a very user-friendly mobile trading platform, we will continue to pursue enhancements in our automated channels to cater to the investment needs of our customers and to stay at the forefront of the securities business in Hong Kong.

We understand how critical it is to maintain a sound cyber security system. To address this very important issue, we formulated a well-defined cyber security strategy for our security trading platform. In 2018, we developed a series of cyber security enhancement measures, among which was the introduction of the Two Factor Authentication.

To achieve a higher product penetration rate, we launched an Investment Account e-Statement Registration Promotion Programme in 2018 to support the e-Statement Services offered by the Bank. The promotion not only boosted the utilization of the programme, but it also gave us the chance to seize more business opportunities.

We also launched a number of ongoing marketing campaigns to ensure that we maintain our market position in response to heightened competition. We will place more emphasis on online marketing and social media platforms in addition to the traditional advertising channels. In-house seminars and investment education workshops will also be organized frequently to share market insights and maintain good relationships with our customers.

The outlook for the Hong Kong stock market in 2019 will remain uncertain. It is difficult to predict the outcome of many global events such as Brexit, ongoing trade wars and various Chinese economic initiatives. However, we will continue to develop diversified securities products to enable our customers to fully embrace the "Fubon Experience". At the same time, we will continue to entrench our position in the market and become widely acknowledged for our caring customer service and proactive innovation.

證券投資服務

2018年，全球股市動盪。市場動盪的主要原因，是由於中美貿易戰引發的緊張局勢、全球金融環境收緊以及中國內地的增長低於預期。雖然基準股指恒生指數於1月創下約33,000點的歷史新高，但在年底卻下跌14%至25,845.7點。受艱難的環境及悲觀的市場情緒影響，本行證券投資的交易額及經紀業務於2018年亦略有下降。

2018年，我們最大的成果為富邦流動股票交易業務錄得大幅增長。現今科技及流動性正日益影響消費者的行為。雖然本行的流動交易平台十分簡單易用，但我們將持續提升本行的自動化渠道以滿足客戶的投資需求，以繼續站在香港證券業務的最前線。

我們明白穩健的網絡安全系統之重要性。因此，我們為本行的證券交易平台制定明確的網絡安全策略。2018年，我們制定了一系列網絡安全改進措施，其中包括推出雙重認證服務。

為提高產品滲透率，我們於2018年推出投資賬戶電子結單登記推廣計劃，以支持本行的電子結單服務。該推廣不單提高了計劃的使用率，亦讓我們有機會把握更多商機。

我們亦推出了多項營銷活動以確保我們在激烈的競爭中保持市場地位。除傳統廣告渠道外，我們將更著重網上營銷及社交媒體平台。我們亦將經常舉行內部講座和投資教育工作坊，與客戶分享市場消息，並與客戶保持良好關係。

預期香港股市前景於2019年仍然維持不明朗。此外，英國脫歐、持續的貿易戰及各種中國經濟舉措等眾多全球性事件的結果亦難以預測。然而，我們將繼續開拓多元化的證券產品，令我們的客戶能夠充分感受「富邦體驗」。與此同時，我們將繼續鞏固本行的市場地位，確保我們貼心的客戶服務及創新的產品獲得市場認可。



FINANCIAL MARKETS 金融市場

The financial markets in 2018 reflected a volatile global economy with political uncertainties and trade tensions. The world's two largest economies, the U.S. and Mainland China, ignited a trade war in July 2018 by imposing punitive tariffs on each other's imports. In addition to companies' revenue and labour markets, the impact of the trade war extended to the equity market. The Hang Seng Index closed at 25,845.7, representing a year-on-year loss of 14%, after hitting a 10-year high at the beginning of the year. In terms of the interest rate market, the U.S. Federal Reserve ("Fed") raised the Federal Funds Rate four times in 2018, from 1.50% to 2.50%, and nine times since the Fed began normalizing rates from near-zero three years ago. Later in the year, the Fed suggested that there could be fewer rate hikes in 2019 than originally anticipated. Members of the Federal Open Market Committee generally predicted that two rate hikes will occur in 2019. However, this forecast may change as the development of the global economy is far from certain.

The rise in funding costs resulting from multiple increases in U.S. Dollar ("USD") interest rates in 2018 exerted pressure on local commercial banks to maintain their net interest margin. However, banks in Hong Kong only marginally increased their benchmark lending rate just once. The Bank announced an increase in its prime rate from 5.25% to 5.5% on 28 September 2018, and concurrently adjusting its Hong Kong Dollar ("HKD") Saving Rate from 0.05% to 0.25%.

INVESTMENT PORTFOLIO

In 2018, we continued to follow a prudent investment strategy. The overall credit rating of our investment portfolio remained at "A" while we maintained an appropriate diversification in terms of geography, currency and industry. Our portfolio yield improved by 63 basis points compared with the end of 2017. Furthermore, our investment portfolio sustained an upward trend of net interest income for the year despite a widening credit spread in 2018.

Looking forward to 2019, the U.S. is expected to turn cautious about further tightening of its monetary policy. Moreover, bond yields in the U.S. may continue to rise with the Eurozone following a similar but more moderate trend.

2018年的金融市場反映了波動的全球經濟、政治的不確定性及貿易的緊張局勢。全球兩個最大的經濟體系美國及中國內地因2018年7月對彼此的進口商品徵收懲罰性關稅而展開了貿易戰。除公司收入及勞工市場外，貿易戰的影響更擴大至股市，恒生指數在年初觸及10年來的高點後收25,845.7點，較去年同期下跌14%。就利率市場而言，美國聯邦儲備局（「聯儲局」）自三年前接近零利率開始進行九次的利率調整，於2018年更四次上調聯邦基金利率，從1.50%上調至2.50%。其後，聯儲局表示，2019年的加息次數可能比原先預期的要少。聯邦公開市場委員會成員普遍預期，2019年將出現兩次加息。然而，由於全球經濟的發展形勢尚未確定，此預期或會改變。

美元利率於2018年多次上調，導致資金成本上升，對本地商業銀行維持其淨息差造成壓力。然而，香港各銀行僅在2018年9月輕微調高基準貸款利率一次。本行於2018年9月28日宣布調整最優惠利率，由5.25%上調至5.5%，同時將港元儲蓄存款利率由0.05%調升至0.25%。

投資組合

2018年，我們繼續審慎的投資策略。本行投資組合的整體信貸評級維持在A級，我們把投資適當地分配在不同的地域、貨幣及行業。與2017年年底相比，我們投資組合的收益率提升了63個基點。儘管信貸利差於2018年擴大，我們的投資組合於年內的淨利息收入仍然維持上升趨勢。

展望2019年，預期美國將對進一步收緊貨幣政策持審慎態度。此外，美國的債券收益率或繼續上漲，而歐元區亦呈現類似但較溫和的趨勢。

The Bank aims to mitigate the impact of a volatile interest rate market environment with effective hedging tools. Observing global political developments is a key part of portfolio risk management in the coming year. In addition, credit risk exposure will be closely monitored by using various predictive tools and using sensitivity analysis that will assist us to take timely mitigating measures in the event of market turmoil.

TREASURY MARKETING AND FLOW INVESTMENT PRODUCTS

In the first half of 2018, the world economy exhibited steady growth. Under this overall positive investment environment, we saw strong momentum in various areas, including structured deposits, equity-linked products, currency-linked products, foreign-exchange-related products, as well as bond investment services for both corporate and wealth management customers.

Towards mid-year, with the upward pressure in interest rates, customers turned more cautious over international trade and longer-term global economic and financial trends. Our professional Treasury Product and Marketing Team provided solutions and services to our customers in meeting their financial needs in a volatile market. Also, we provided timely market information and insights to assist our customers in the formulation of financial plans to address their currency exposure and interest rate risks.

Despite the bearish equity market and volatile FX market, our Flow Investment Products Team managed to mitigate customer risk with diversified treasury products and generated stable income for our Bank.

We will strive to expand our product range while deepening our understanding of the needs of our customers to satisfy various customer needs and their risk appetite.

FUNDING AND INTEREST INCOME

Since rises in the Federal Fund Rate were generally not fully reflected in the HKD interest rate market, the widening of interest rate gaps between the HKD and USD attracted carry trade activities and prompted funds to flow gradually from HKD to USD. The USD/HKD exchange rate touched the weak end of its pegged range on 20 occasions during 2018. Meanwhile, the Hong Kong Monetary Authority ("HKMA") intervened in the currency market to defend the local currency by buying HKD while selling USD. The HKMA Closing Aggregate Balance dropped from HK\$179.79 billion to HK\$78.58 billion throughout the year.

Confronted by the shifting global economic outlook of 2018, the funding costs of the Bank were comparatively stable while maintaining a healthy liquidity maintenance ratio. The Bank's funding position was strong and our deposits base increased by 10% to HK\$68.2 billion.

It is likely that 2019 will be another challenging and volatile year due to ongoing political and economic uncertainties around the world. With the support and guidance of the Bank's core values, we will ensure that our customers' interests stay at the forefront of our business activities while maintaining a risk profile that is within the parameters of our risk appetite.

本行旨在透過有效的對沖工具減輕波動的利率市場所帶來的影響。觀察全球政治形勢的發展是未來一年投資組合風險管理的關鍵。此外，我們將利用各種預測工具和敏感度分析來密切監控信用風險，這將有助我們在動盪的市況下採取適時的緩解措施。

金融行銷及投資產品

2018年上半年，全球經濟穩健增長，在整體積極的投資環境下，各個領域均出現強勁的增長勢頭，包括為企業及財富管理客戶推出的結構性存款、股票掛鈎產品、貨幣掛鈎產品、外匯掛鈎產品以及債券投資服務。

年中，由於利率的上行壓力，客戶對國際貿易和全球經濟及金融的長期趨勢持更加審慎的態度。我們專業的財資產品及營銷團隊為我們的客戶提供解決方案和服務，以滿足他們在動盪市況中的財務需求。此外，我們提供適時的市場資訊和意見，協助客戶制訂財務計劃，以應對貨幣和利率的風險。

儘管股票市場看跌以及外匯市場波動，我們的投資產品團隊不單透過多元化的財資產品降低客戶風險，並為本行帶來穩定的收入。

我們致力擴闊本行的產品種類並加深我們對客戶需求的理解，以滿足各種客戶需求及他們的風險取向。

資金及利息收入

由於聯邦基金利率的調升一般不會反映在港元利率市場，港元和美元之間的息差擴闊，吸引了利差交易活動並促使資金逐步從港元流向美元。2018年，美元兌港元匯率曾20次觸及其掛鈎區間的弱端。與此同時，香港金融管理局（「金管局」）透過賣出美元並買入港元干預貨幣市場以保護本地貨幣。金管局全年總結餘由1,797.9億港元下跌至785.8億港元。

面對全球經濟前景於2018年的轉變，本行的資金成本相對穩定，並維持良好的流動性維持比率。本行的資金狀況穩健，存款基礎亦增加10%至682億港元。

由於世界各地的政治和經濟均持續出現不確定性，2019年亦可能是另一個充滿挑戰和動盪的年度。我們將依循本行的核心價值，確保在拓展業務時以客戶的利益為先，並把風險狀況維持在本行的風險承受能力之內。



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

RISK MANAGEMENT

Market Risk Management

In 2018, the U.S.-China trade conflicts weighed on global economic sentiment and activities, as evidenced by corrections in the major stock markets and slower global growth. The U.S. Federal Reserve continued to normalize monetary policy, encouraging international capital outflow from emerging markets to the U.S. and heightening volatility which rippled through various asset classes. The market outlook for 2019 is uncertain. Dissonance over trade between the U.S. and its major trading partners, the complex Brexit negotiation, and slowing global economic growth are the major challenges impacting the world's economies. The Bank will continue to closely monitor and manage the risks associated with its trading and investment activities to ensure the associated risks are within the Bank's tolerance level.

Credit Risk Management

The credit conditions in Hong Kong and Mainland China began to show signs of deterioration in 2018 on the back of weakening global demand and tighter liquidity. The Bank's credit quality managed to improve over the year, thanks to our prudent credit underwriting standards and robust portfolio review and stress testing practices. We believe that these measures will enable the Bank to be better prepared for any unanticipated financial market turmoil and safeguard against asset quality deterioration.

In 2019, we will continue to strengthen our credit risk management through systems development and expand the use of decision and stress testing models. A new credit origination system will be developed to streamline the credit process, provide quantitative analysis and improve data integrity. Together with the phased-in launch of our new Core Banking System, the Bank will be equipped with a more efficient and environmentally-friendly credit risk management system.

Operational Risk Management

In 2018, the Bank actively managed and controlled operational risk within target levels that are consistent with our risk appetite. We reviewed our business continuity plans and tested our contingency systems during the year. Also, we continued to evaluate and ensure the effectiveness of the underlying operational and system controls for new products and innovative services. Going forward, the Bank will continue to promote the culture of risk management awareness and to maintain a sound internal control environment.

風險管理

市場風險管理

2018年，中美貿易戰的衝突影響全球經濟氣氛及活動，主要股票市場作出多次調整以及全球增長放緩。美國聯邦儲備局繼續對貨幣政策進行正常化，鼓勵國際資金由新興市場流入美國，並導致多個資產類別的波動加劇。2019年的市場前景尚未明朗。美國與其主要貿易夥伴之間的貿易不協調、錯綜複雜的英國脫歐談判以及全球經濟增長不斷放緩，均對全球經濟造成挑戰。本行將繼續密切監控及管理與交易及投資活動相關的風險，確保相關風險在本行的承受能力之內。

信貸風險管理

全球需求轉趨疲弱以及流動性收緊，香港及中國內地的信貸情況於2018年開始出現惡化的跡象。本行的信貸質素於年內有所提高，全賴我們審慎的信貸批核標準、穩健的組合審查以及定期的壓力測試。我們相信，這些舉措將令本行對金融市場上無法預料的動盪作出更好的準備，並保障本行免受資產質素惡化影響。

我們將於2019年開拓新系統及加強決策和壓力測試模型的運用，以持续提升我們的信貸風險管理。我們將開發一套新的信貸系統，以簡化信貸流程、提供量化分析及加強數據的完整性。連同本行新的核心銀行系統將逐步推出，我們將擁有一套更有效及環保的信貸風險管理系統。

營運風險管理

於2018年，本行積極管理及控制營運風險，以符合我們風險取向的調控目標水平。我們於年內檢討本行的持續業務運作計劃，並測試了應急系統。此外，我們繼續評估及確保專為新產品及創新服務而設的相關營運及系統監控之有效性。展望未來，本行將繼續提升風險管理文化意識，並維持一個穩健的內部監控環境。

COMPLIANCE

The Bank has put in place a holistic and effective compliance risk management framework to ensure our activities are conducted in accordance with applicable laws and regulations. This framework is constantly reviewed and reported to our Board for endorsement and approval. Our Compliance framework also covers adherence to sound practices to ensure the fair treatment and appropriate protection of customer interests. As a responsible financial institution, we are not only committed to enforcing a robust compliance framework but also to promoting a sound compliance culture that is well entrenched and understood by all levels of our organization.

To further bolster and maintain the professional competency of our compliance staff in 2018, we continued to conduct our accredited training courses on Compliance and Anti-Money Laundering as part of our comprehensive and structured training programme. Our programme ensures that our staff acquire the latest knowledge and updates related to the regulatory requirements and best market practices. Our in-house accredited compliance training programme, "Certificate in Banking Compliance", continues to provide valuable opportunities for staff to enhance their professional standards in the areas of banking compliance knowledge, skills and mindset.

To ensure the continuous enhancement of staff competency, the Bank has participated actively in the licensing regime of the Enhanced Competency Framework on Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CFT"). All our practicing staff have met the qualification requirements of this competency framework and have been certified as AML Professionals. Our practicing staff are committed to continuous professional development to maintain up-to-date knowledge of the latest AML/CFT risks, compliance developments, and local and international regulatory requirements and standards.

To strengthen the overall effectiveness of our AML risk management systems and controls, the Bank has been working with selected business partners to develop a new customer risk assessment scoring system to further enhance our customer due diligence process. We are targeting to launch the new customer due diligence system in late 2019. An enhanced transaction monitoring system is also in our AML pipeline upon completion of the Core Banking System Replacement Project of the Bank.

Several years ago, we established a Business Compliance Department to conduct regular internal control self-assessments. This process allows us to very quickly identify weaknesses in our regulatory compliance and enables us to take timely remedial measures. Also, this Department is used as a training ground for both new and existing employees to develop their compliance awareness and culture. Staff are therefore periodically rotated both in and out of the Department. Our Business Compliance Department staff serve as a sustainable talent pool of highly qualified compliance personnel to meet the critical demand for compliance professionals in our Bank.

In 2019, we will continue to take concrete steps to strengthen the effectiveness and efficiency of our compliance function and stay vigilant to the ever-changing compliance and anti-money laundering regulations. By providing comprehensive compliance training, enhancing our AML risk management systems and cultivating a strong compliance culture, we will be able to stay abreast of not only the new regulatory requirements and best market practices, but also the latest developments in AML and CFT threats.

合規監控

本行已建立一個全面且有效的合規風險管理框架，確保我們的活動符合適用的法律及法規。我們定期審視本行的合規框架並向董事會匯報以獲得認可及審批。我們的合規框架涵蓋確保公平對待及適當保障客戶利益的良好常規。作為一間負責任的金融機構，我們不單致力促進健全的合規框架，同時亦提倡機構內各階層皆透徹了解的良好合規文化。

於2018年，為進一步提高及維持本行負責合規相關工作之員工的能力，我們繼續舉辦「合規及反洗黑錢」的認可培訓課程，作為我們全面及有系統的培訓計劃之一部分。我們的課程確保員工能掌握有關監管規定的最新知識及資料以及最佳的市場慣例。本行的內部合規監控培訓課程「銀行合規監控證書課程」亦繼續為員工提供寶貴的機會，提高他們在銀行合規監控知識、技能及理念方面的專業標準。

為不斷提升本行員工的能力，我們積極參與「銀行專業資歷架構—打擊洗錢及恐怖分子資金籌集」方面的培訓。我們負責從事相關工作之員工均符合該資歷架構的要求並獲打擊洗錢的專業認證。我們的執業人員均致力於持續的專業進修，以確保能掌握最新的打擊洗錢/恐怖分子資金籌集、合規監控的發展以及本地及國際監管規定和標準等方面的知識。

為提升打擊洗錢風險管理系統和監控的整體效能，本行一直與既定的業務合作夥伴合作，開發新的客戶風險評估評分系統，以進一步優化我們的客戶盡職審查流程。我們旨在2019年年末推出新的客戶盡職審查系統。在本行核心銀行系統更新工程完成後，我們亦將強化打擊洗錢的交易監控系統。

本行於數年前成立商業合規部，進行定期的內部自我監控評估，讓我們能快速地識別本行合規監控的缺陷，並及時採取補救措施。此外，該部門亦被用作新聘員工和現有員工的培訓基地，培育他們的合規監控意識和文化。為此，該部門員工需進行定期輪調。我們商業合規部的員工為本行高資歷合規人員的人才儲備，以滿足本行對合規專才的需求。

我們於2019年將進一步提升合規部的效能和效率，並對不斷變化的合規及反洗黑錢監管規定保持警覺。我們將提供全面的合規培訓，提升本行打擊洗錢風險管理系統及培養濃厚的合規監控文化，以緊貼新的監管要求及最佳的市場常規，以及掌握打擊洗錢及恐怖分子資金籌集風險的最新發展狀況。



INFORMATION TECHNOLOGY & OPERATIONS 資訊科技及營運

INFORMATION TECHNOLOGY

The Bank is deep into its 5-Year Strategic Information Technology Plan ("IT Plan") and has completed several important components. These include the installation of a new generation treasury system called Summit, and the completion of the first phase of the Core Banking System ("CBS") Replacement Project. Also as part of the IT Plan, the Bank has continuously and consistently upgraded its digital banking services, including the enhancement of our electronic delivery channels. These IT initiatives are important to ensure that the "Fubon Experience" remains an iconic symbol of excellence among our customers. In parallel with the improvement of our electronic services, we are ensuring that our customers continue to enjoy secure and worry-free e-services.

With the imminent licensing of virtual banks by the Hong Kong Monetary Authority, the Bank has taken comprehensive measures to ensure that we can compete effectively in the new banking environment in Hong Kong. In this regard, we undertook several initiatives in 2018 and have planned for more in 2019. Together all the new initiatives in our IT Plan will eventually move us to a total virtual banking environment.

The completed initiatives in 2018 included the launching of the first stage of new Faster Payment System, the establishment of an Open API platform, a token-based 2-factor authentication system, enhanced e-banking and e-security services, and eKYC for an electronic on-boarding service. Also the features and functionalities of the Bank's corporate e-banking system were revamped to enable us to provide faster and better service to our corporate customers. With the technological improvement of our branch banking services, we will be able to provide a unique experience to our customers based on the combined advantages of virtual banking and physical branch banking. Our goal is to offer electronic and virtual banking services that will match or exceed those offered by the new virtual banks, yet we will continue to offer highly sophisticated branch banking services that cannot be matched by virtual banking entities.

Meanwhile, the Bank is completing the replacement of its CBS Phase 2 and has successfully implemented the Customer Information File module, which allows the Bank to have a 360-degree view of customer information. The replacement of the retail deposit and loan module is the second phase of the CBS and is planned for completion by mid-2019. The final phase of the CBS Replacement Project will be completed after the implementation of the corporate loan and Central Liability module. The new CBS will enable us to launch new products faster and react to market changes more effectively and in a more timely manner, an important prerequisite of successful customer service.

Fintech is rapidly changing the landscape of the financial industry in Hong Kong and around the world. Therefore, as part of our continual efforts to ensure we are at the forefront of the industry, we reviewed and updated our last 5-Year Strategic IT Plan in 2018. The new Plan

資訊科技

本行正在深入開展五年期策略性資訊科技計劃（「資訊科技計劃」），並已完成若干重要部分，包括安裝新一代財資系統Summit及完成核心銀行系統更新工程的第一階段。此外，作為資訊科技計劃的一部分，本行持續提升我們數碼化銀行服務，包括加強我們的電子服務渠道。這些資訊科技項目對確保「富邦體驗」在客戶群中保持超卓的標誌性象徵非常重要。在提升我們電子服務的同時，我們亦確保本行的客戶能繼續享受安全無憂的電子服務。

在香港金融管理局即將發出虛擬銀行牌照的同時，本行已採取全面的措施確保我們能在本港的新銀行經營環境中保持競爭力。我們於2018年已進行多個項目，並計劃於2019年推出更多項目。連同我們資訊科技計劃的新項目，我們將邁進全面的虛擬銀行環境。

於2018年完成的項目包括啟動「轉數快」的第一階段，建立開放應用程式介面平台、雙重認證系統、增強網上銀行及網上安全服務，以及就電子跨境服務推出eKYC。此外，本行亦提升了企業電子銀行系統的特點和功能，為我們的企業客戶提供更快和更佳服務。隨著我們在分行的銀行服務方面作出技術上的改進，我們將能夠結合虛擬銀行和實體銀行的優勢，為我們的客戶提供獨特的體驗。我們的目標是提供能夠達到甚至超越新興虛擬銀行所提供的電子及虛擬銀行服務，並繼續提供虛擬銀行無法提供的繁複的分行銀行服務。

本行即將完成核心銀行系統更新工程的第二階段，並已成功推出客戶資料文件系統，讓本行能夠360度全方位掌握客戶資料。核心銀行系統更新工程的第二階段為更新零售存款及貸款系統，並計劃於2019年年中完成。核心銀行系統更新工程的最後階段，將於推出企業貸款及中央債務系統後完成。全新的核心銀行系統將令我們可以更迅速地推出新產品，並更有效、更適時地回應市場變化，這亦是成功的客戶服務之重要前提。

金融科技正在迅速改變香港和世界各地的金融業。因此，我們致力確保本行始終走在行業的最前線。我們於2018年檢討並更新本行的五年期策略性資訊科技計劃。新的計劃更著重於虛

places even more focus on virtual banking services, cyber security and the customer experience. In 2019 and over the next several years we will launch such features such as biometric software token, an upgraded Faster Payment System, an expanded Open API platform, and enhanced virtual banking product offerings. The new IT Plan will also enhance the Bank's IT hardware and software infrastructure through optimization and replacement of the remaining legacy systems. It will include an expansion and enhancement of the Bank's data warehouse to enable us to begin using big data to develop business initiatives and programmes. The IT Plan also calls for the development of automated Enterprise Work Flow ("EWF") Projects to simplify and automate work processes that will allow the Bank to optimize its cost structure. The Bank has already identified several business processes that will be transformed by EWF. Eventually, EWF will be applied to essentially all business processes so that costs can be better managed. Our vision for EWF will involve the use of a digital document imaging system with the ultimate goal of turning our operations into a paperless, highly automated working environment with user-friendly delivery channels. Last but not least, the new IT Plan will also enable our IT infrastructure team to provide support for business intelligence when formulating business plans and marketing strategies.

OPERATIONS

For the 12th consecutive year, the Bank was ranked as one of the top performing banks among 500 banks in the Asian region and won the Straight Through Processing Award in 2018. The Award was presented by our USD clearing bank, the Bank of New York Mellon, in recognition of the excellent quality of our fund transfer operations. This reflected the consistency of our operational competency and the maturity of our operations. While the Bank's CBS Replacement Project was in full swing, this did not distract from our operational efficiency. We continued to record very low non-fraud related operational losses with 2018 being an uneventful year.

During the year, we channelled a good part of our resources to support the CBS Replacement Project. While we expect our operational efficiencies will improve as a result of this project, we are looking forward to the EWF Project that will almost immediately follow the completion of the CBS project. We anticipate that our operations will be a big beneficiary of any work flow improvements brought about by the EWF.

While 2018 was an uneventful year from an operational perspective and our operations unit provided the usual high quality support and services to our customers, we continued to focus on the "go green" aspect of our business operations that is now very well entrenched into our corporate culture. With the effort of all our staff, the overall consumption of energy, electricity, printing and paper has consistently decreased over the past few years. In 2018, the Bank again joined the World Wide Fund for Nature's Earth Hour and obtained the Charter on External Lighting Award – Platinum Award. We also signed a Service Pledge to the Environmental Protection Department committing to follow their Green Event Guidebook to reduce waste and paper consumption and to use recycled materials when organizing/sponsoring events. We were also able to renew our Wastewise Certificate and thus obtained the Hong Kong Green Organisation title from the Environmental Campaign Committee. In recognition of the Bank's contribution to environmental protection by introducing the iBranch concept and paperless office, as well as implementing a series of technical projects for savings in printing and paper, the Bank was presented with the Banking & Finance Awards 2018 – Excellence Award for Green Banking Service by Sky Post in 2018.

To provide our customers with more efficient and effective services, we will continue to review and streamline the operational process to smoothen our daily operations. The Bank's various Fintech initiatives should also improve both the quality and efficiency of our daily operations and customer support.

In the years ahead, we will continue to maintain our efforts to sustain our high quality performance and our commitment to enhancing the "Fubon Experience".

擬銀行服務、網絡安全和客戶體驗。於2019年及未來幾年，我們將推出具生物認證功能之流動保安編碼器、升級版的「轉數快」、更豐富的開放應用程式介面平台及更優質的虛擬銀行產品等服務。新的資訊科技計劃亦將透過優化及更新舊的系統以提升本行的資訊科技硬件和軟件的基礎設施。本行的計劃包括擴展和增強本行的數據庫，令我們能夠開始利用大數據發展業務。本行的資訊科技計劃亦包括發展自動化的企業工作流程項目，以簡化和自動化工作流程，讓本行能優化成本結構。本行已識別若干將需企業工作流程改進的業務流程。最後，企業工作流程將應用於所有業務流程，以便更有效地控制成本。我們對企業工作流程的應用包括數碼化文件影像系統，讓我們的營運能變成無紙化、高度自動化的工作環境，並提供方便的服務渠道。此外，新的資訊科技計劃亦令本行的資訊科技基礎設施團隊能夠在我們制訂業務計劃和營銷策略時提供支援。

營運

本行於2018年連續12年獲選為亞洲區500間銀行中表現最優秀的銀行之一，並獲本行之美元清算行紐約梅隆銀行頒發「直通式聯繫結算處理獎」，以嘉許我們卓越的資金轉賬服務，並反映出本行的營運能力及完善的運作。本行正在全面進行核心銀行系統更新工程，但我們的營運效率仍保持不變，於2018年錄得極低的非詐騙相關營運虧損。

年內，我們將大部分的資源投放在核心銀行系統更新工程。在我們期望透過這項更新工程提高營運效率的同時，我們也期待即將緊隨核心銀行系統更新工程完成後進行的企業工作流程項目，並預期本行的營運將受惠於企業工作流程項目所帶來的進展。

從營運的角度來看，2018年是平靜的一年。在本行營運部為客戶提供一貫優質的支援及服務的同時，我們繼續致力於本行業務營運中的「綠色」範疇，並完全融入本行的企業文化。在全體員工的努力下，本行的能源、電力、印刷及紙張的整體消耗在過去幾年持續下降。2018年，本行再次參與世界自然基金會的「地球一小時」活動，並獲得「戶外燈光約章—鉑金獎」。我們亦和環境保護署簽署了服務承諾，承諾遵守其綠色活動指南，減少浪費及紙張消耗，並在舉辦/贊助活動時使用再循環物料。我們亦更新了本行的減廢證書，從而獲環境運動委員會頒發「香港綠色機構」榮譽。2018年，本行榮獲《晴報》頒發「Banking & Finance Awards 2018—傑出綠色銀行服務大獎」，以嘉許本行透過 iBranch 的概念及無紙化辦公室對環境保護所作出的貢獻，以及實行一系列節省印刷及紙張的項目。

為向客戶提供更快捷及有效的服務，我們將不斷審視及精簡營運流程，以確保我們的日常營運保持順暢。本行的各項金融科技舉措亦提高我們日常營運及客戶服務的質素和效率。

未來，我們將繼續致力維持本行優質的服務表現及我們對提升「富邦體驗」的承諾。



PEOPLE DEVELOPMENT 人才管理及發展

In 2018, we heightened our efforts to develop a comprehensive framework for the promotion and sustainability of a bank culture based on best market practices. This effort was spearheaded by our Board and is now part of the Nomination and Remuneration Committee's responsibilities. To cultivate a good bank culture, the Bank established codified guidelines to govern the implementation of related measures. As part of this, we conducted a Staff Opinion Survey (the "Survey") with the help of an external consultant to solicit staff feedback on a variety of topics including areas relating to bank culture. The results of the Survey spurred Management to make some changes to our Human Resources ("HR") policies and staff benefits. The Bank will continue to promote appropriate staff behaviour and monitor the development of a proper corporate culture through various established channels.

To achieve the Bank's long-term business mission, we continuously examine our ability to attract and retain good employees. As a normal practice, we conduct surveys and engage outside consultants to provide us with a benchmark of the HR practices and employee compensation structures in the industry to ensure that the Bank remains a competitive employer. In 2018, we reviewed our staff benefits to meet staff expectations and align with market practices. Medical benefits for junior to middle level staff were enhanced to provide better coverage and protection. Annual leave entitlements for these staff were also increased, while paid maternity leave was increased to 14 weeks with effect from January 2019.

With the implementation of the Enhanced Competency Framework introduced by the Hong Kong Monetary Authority ("HKMA") on various banking disciplines, such as Cyber Security, Anti-Money Laundering and Counter-Terrorist Financing, Treasury Management and Retail Wealth Management, our employees assigned to these areas are required to possess the necessary professional qualifications. There are associated recruitment costs and additional training expenses that increase from time to time. However, the improved proficiencies of our staff will ensure our Bank can provide the best services to our customers and protect their interests while adhering to all regulatory requirements.

2018年，我們根據市場的最佳作業模式，就推動及鞏固本行的企業文化建立一個全面的框架。這項由董事會牽頭的工作，現已成為提名及薪酬委員會職責的一部分。為培養良好的企業文化，本行已編纂指引，以管理相關措施的執行。在外聘顧問的協助下，本行進行了員工意見調查，就各類項目包括企業文化相關範疇徵詢員工的意見。調查結果促進了本行管理層對我們人力資源政策及員工福利進行調整。本行將繼續提倡恰當的員工行為，並透過不同渠道監控良好企業文化的發展。

為實踐本行長線的企業使命，我們持續檢討本行吸納及留聘優秀員工之能力。一般而言，我們進行調查以及委任外聘顧問，提供業界人力資源的作業模式及僱員薪酬架構的基準，確保本行繼續成為具競爭力的僱主。2018年，我們審視了本行的員工福利，以符合員工的期望及市場慣例。本行提升了初級至中級員工的醫療福利，提供最佳的保障。該等員工的年假福利亦有所提升，而有薪產假自2019年1月起亦增至14週。

因應香港金融管理局（「金管局」）推出涵蓋網絡安全、打擊洗錢及恐怖分子資金籌集、財資管理及零售財富管理等範疇的「銀行專業學歷架構」，本行負責該等範疇的員工也須具備必要的專業資格，招聘成本及額外的培訓費用亦不免增加。然而，提升員工的專業知識可確保本行在遵守監管要求的同時，亦能為客戶提供最佳的服務和保障他們的權益。

We made a significant effort in 2018 to enhance staff competency according to the HKMA's Enhanced Competency Framework, with the focus on Treasury Management and Retail Wealth Management. Our staff were either grandfathered in based on pre-set criteria or they attended accredited training provided by recognized professional institutes. The Bank continued to put great emphasis on people development that helps to raise the standard of our customer services and leads to a stronger compliance and corporate culture.

In 2018, the Bank arranged 293 training courses with increasing emphasis on adopting online e-Learning platforms by internationally-acclaimed providers such as Thomson Reuters and EdX. These e-Learning programmes included control and risk focused training like Anti-Money Laundering and Personal Data Privacy. Another important area of training focused on the rapidly emerging technologies in Fintech. We introduced Fintech training to re-skill our information technology staff so they can keep abreast of the latest developments in the digitization of banking. Furthermore, in support of nurturing Fintech talent in Hong Kong, we joined the Fintech Career Accelerator Scheme of HKMA, and we are in the process of training a university student hired as full-time intern to work on an internal Fintech project for a year. Also, the pioneering "Certificate in Banking Compliance" programme, which was conducted by seasoned, professional consultants in the banking industry, continued to serve the purpose of training qualified control, risk and compliance staff.

The well-being of our employees is one of the key issues that we focus on year after year. In 2018, the Bank organized a series of Lunch & Learn sessions for staff, covering such topics as Periodontal Health, DIY Handmade Soap, DIY Terrarium, Green Living Tips and Aurora Borealis Watching Travel Tips. We will also be working with medical groups to host programmes and workshops to raise awareness about the importance of a healthy and happy lifestyle.

On the social front in 2018, our Staff Recreation Committee maintained its efforts to provide enjoyable and relaxing activities like Coffee-Tasting, Movie Night, Disneyland Visit and BBQ Night, which were all well-received by staff. Also, as part of the Overseas Joint Team with Fubon Bank (China) and Xiamen Bank, our Fubon Basketball Team earned second runner-up honours in the Basketball Competition of Fubon Financial Holdings.

The Bank continued to streamline and automate HR-related processes to enhance effectiveness and efficiency. Our e-Leave and e-Quiz systems were further enhanced in 2018 by providing more automated functions for our staff. In particular, the e-Quiz system now includes the new function of e-Declaration. This allows the administrator to handle tasks electronically, such as the annual declaration of adherence to the Code of Conduct, resulting in the reduction of manpower and paper usage. The e-Attendance Record System was also launched in the second quarter of 2018 to facilitate the attendance taking procedure for training classes and promote our paperless initiative. In addition, we introduced the Digital Document Management System in 2018 to strengthen data security and improve the ease of document retrieval.

For the seventh consecutive year, the Bank received the "Manpower Developer" status award. It was given by the Employees Retraining Board ("ERB") under their ERB Manpower Developer Award Scheme to recognize the Bank's continuous achievements in staff development.

我們根據金管局的「銀行專業資歷架構」，於2018年致力提升員工的能力，尤其在財資管理及零售財富管理方面。本行員工皆為已達預設標準而獲豁免培訓或已參與由認可的專業機構所提供之認可培訓課程。本行一直十分著重人才管理及發展，以助提升客戶服務的標準，並強化合規及企業文化。

2018年，本行舉辦了293項培訓課程，並增加應用由湯森路透及EdX等國際知名供應商所提供的網上電子學習平台。該等電子學習項目包括著重監控及風險管理方面的打擊洗錢及個人資料私隱培訓課程。另一重點培訓範疇則為金融科技裏的新興科技。我們為本行的資訊科技員工提供金融科技培訓課程，讓他們掌握數碼化銀行服務的最新發展。此外，為支持在香港培養金融科技人才，本行亦參加了金管局的「金融科技人才培育計劃」，並正在培訓一名獲聘為全職實習生的大學生，而該實習生亦已在本行參與內部金融科技項目達一年。由業內經驗豐富及專業顧問教授的「銀行合規監控證書課程」，將繼續為本行培育合資格的監控、風險及合規人員。

員工的福祉為我們一直十分關注的一環。本行於2018年為員工舉辦了一系列午餐時段學習課程，涵蓋牙周保健、手工皂工作坊、玻璃盆栽工作坊、綠色生活貼士及極光之旅旅遊貼士。我們亦將與醫療集團合作舉辦課程及研討會，以提高員工在健康及快樂生活模式方面的意識。

在員工活動方面，本行員工康樂委員會於2018年繼續致力為員工舉辦豐富的公餘活動，包括品嚐咖啡、電影之夜、迪士尼樂園之旅及燒烤晚會，並獲員工積極參與。此外，作為海外聯隊的成員，我們的富邦籃球隊與富邦華一銀行及廈門銀行一同贏得富邦金控籃球賽的季軍。

本行繼續精簡及自動化與人力資源相關的流程，從而提高工作效益及效率。我們於2018年進一步提升本行的e-Leave及e-Quiz系統，為員工提供更多自動化功能。e-Quiz系統新增了電子申報系統，讓管理人員可以電子方式處理如年度申報遵守行為準則等工作，減少人手及紙張的使用。電子出席記錄系統已於2018年第二季推出，改進了培訓課程的出席記錄程序及推動無紙化。此外，數碼檔案管理系統亦已於2018年推出，以加強數據安全性及提升檢索文檔的便利性。

本行已連續第七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成效。