

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Hong Kong Monetary Authority (“HKMA”) has issued a statutory guideline on Corporate Governance of Locally Incorporated Authorized Institutions (“CG”) under section 7(3) of the Banking Ordinance applicable to all locally incorporated Authorized Institutions which the HKMA expects all Authorized Institutions to adopt.

The Bank belongs to a Group which is highly esteemed for its corporate governance, regards corporate governance as an essential discipline for its operations and business. Thus, the Bank has in place an effective framework which is consistent with the principles and best practices in corporate governance as set forth in the CG guidelines.

From time to time, the Bank will review its corporate governance practices to ensure that they are consistent with the latest requirements of international and local corporate governance best practices.

### BOARD OF DIRECTORS

#### Board Composition

The Board of Directors (“the Board”) of the Bank currently comprises nine members: one Executive Director, five Non-Executive Directors and three Independent Non-Executive Directors. All Directors possess appropriate experience, competence and personal and professional integrity to discharge their responsibilities effectively.

The Board as structured is sufficiently independent and possesses collective expertise for effective and objective decision-making and oversight of the Bank in its pursuit of its business objectives and control of the associated risks.

Details of the members of the Board may be found in the Corporate Information section of this Annual Report.

#### Board Practices

Full Board meetings are held at least four times a year, with one in each quarter. Notice of each Board meeting is given to all Directors at least 14 days in advance and the agenda is sent to the Directors at least 7 days before the date of each Board meeting.

Pursuant to the Articles of Association of the Bank, a Director shall not be entitled to vote or be counted in the quorum in respect of any contract or arrangement in which the Director or any of the Director’s associates has a material interest.

Minutes of each Board meeting are circulated to all Directors for their comments prior to confirmation of the minutes at the following Board meeting. Minutes of Board meetings are kept by the Company Secretary and are available for inspection by Directors.

Directors may have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

### 企業管治常規

香港金融管理局(「金管局」)已根據《銀行業條例》第7(3)條發出有關「本地註冊認可機構之企業管治」法定指引(「企業管治指引」)，該指引適用於所有本地註冊認可機構，而金管局希望所有本地註冊認可機構予以採納。

本行屬於一個高度重視企業管治的集團，視企業管治為其經營及業務的必要原則。因此，本行已制定符合企業管治指引內所載的企業管治原則及最佳常規的有效架構。

本行不時對所採用的企業管治常規作出檢討，並力求符合國際和本地有關企業管治最佳常規的最新要求。

### 董事會

#### 董事會成員

本行董事會(「董事會」)現有九名董事，包括一名執行董事、五名非執行董事及三名獨立非執行董事。所有董事均擁有適當的經驗、才能與個人及專業操守以充份及有效地履行其責任。

董事會在架構上已具備足夠獨立性及整體專業知識，以確保有效及客觀的決策過程及對銀行在追求其業務目標及控管相關風險的同時施以適當的監管。

本年報「公司資料」一節載列董事會成員詳情。

#### 董事會會議常規

本行每年至少舉行四次董事會會議，每季度一次。每次董事會會議通知會於至少十四天前發給全體董事，而會議議程會於各董事會會議日期至少七天前發給全體董事。

本行之組織章程細則規定，就任何合約或安排而言，倘董事或董事之聯繫人士於其擁有重大權益，則該董事無權投票或計為法定人數。

每次董事會會議之記錄會於下次董事會會議確認前交由全體董事傳閱及提出意見。董事會會議之記錄會交由公司秘書保存並供董事查閱。

董事於確保遵守董事會程序及所有適用規則及條例上，可取得公司秘書的意見及服務。

## Board Responsibilities

In meeting its overall responsibilities to the shareholders, depositors, creditors, employees and other stakeholders, the Board has to ensure that there is a competent executive management capable of running the Bank in a sound, efficient and profitable manner.

The responsibilities of the Board include:

- establishing the business objectives of the Bank and approving and reviewing the corresponding business strategies and plans (including annual budgets);
- ensuring that the operations of the Bank are conducted prudently within the laws and regulations of the Hong Kong Special Administrative Region, and as such, reviews and approves policies, codes of conduct and systems of the Bank as it considers necessary and appropriate;
- ensuring that the Bank observes a high standard of integrity in the conduct of its business and complies with all applicable laws and regulatory guidelines issued by the HKMA, the Securities and Futures Commission and other relevant regulatory authorities;
- establishing, approving and reviewing risk management strategies and policies of the Bank to ensure that the various types of risk inherent in the Bank's operations and business (including credit, market, interest rate, liquidity, operational, reputation, legal and strategic) are regularly identified, measured, monitored and controlled;
- overseeing the business of the Bank and managing the Bank through delegating duties and responsibilities to the Chief Executive Officer or through the appointment of Directors to specialised Board committees with all decisions and approvals being reported to the Board regularly.

## Role of Chairman and Chief Executive Officer ("CEO")

Information on the Chairman, Ming-Chung (Daniel) Tsai, and the CEO, Raymond Wing Hung Lee, may be found in the Corporate Information section of this Annual Report.

The Chairman and the CEO are not related, and their roles are segregated with a clear division of responsibilities.

The Chairman is a Non-Executive Director and is responsible to lead and effectively run the Board, ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner.

The CEO who is an Executive Director, appointed by the Board under its authority, is responsible for the day to day general management and control of the business and operations of the Bank. The CEO may consult and/or seek guidance from other Directors of the Board when he considers it necessary.

## 董事會責任

董事會有責任確保行政管理層有能力以合理、有效及可盈利的方式經營本行，以履行其對股東、存戶、債權人、僱員及其他相關人士之整體責任。

董事會之責任包括：

- 制定本行之業務目標，並批核及檢討相應之業務策略及計劃(包括年度財政預算)；
- 確保本行謹慎營運並遵守香港特別行政區之法例及法規，從而於董事會認為有必要及適當時批准及審核政策、行為守則及系統；
- 確保本行於進行其業務時遵循高標準誠信準則，並遵守由金管局、證券及期貨事務監察委員會及其他相關監管機構頒布之法例及規管指引；
- 制定、批准及審核本行之風險管理策略及政策，確保定期識別、估量、監察及控制本行營運及業務上(包括信貸、市場、利率、流動資金、營運、聲譽、法律及策略)固有的各類風險；
- 監察本行之業務及透過委派職責及責任予行政總裁，或委任董事加入專責董事委員會以管理本行。專責董事委員會會定時向董事會匯報。

## 主席及行政總裁的角色

本年報「公司資料」一節載有主席蔡明忠與行政總裁李永鴻之詳細資料。

主席與行政總裁並無關連，其職能有明確的分工。

主席為非執行董事及負責領導及有效率地管理董事會，並確保所有重大及需要處理的事務得以有效及有建設性地進行商議。

行政總裁為執行董事由董事會在其權力下委任負責日常管理及控制本行之業務營運。行政總裁可於必要時向其他董事或董事會進行諮詢及/或尋求指引。

## Appointment and Re-election of Directors

The Board, or its Nomination and Remuneration Committee, identifies, assesses and selects qualified and experienced individuals for appointment as directors. The proposed appointment will be reviewed by the Nomination and Remuneration Committee, taking into account of the candidate's experience, knowledge, skills, track record, independence of mind (particularly in the case of Non-Executive Directors and Independent Non-Executive Directors) and other relevant factors as may be determined by the Board.

The appointment of Directors will be considered and approved by the full Board or Shareholder in accordance with the Articles of Association of the Bank. Approval from the HKMA will also be obtained in accordance with the Banking Ordinance.

All Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Bank.

The directors appointed by the Board during the year shall hold office only until the next annual general meeting and shall then be eligible for re-election.

## BOARD LEVEL COMMITTEES

The Board has established five Board level committees to assist it in carrying out its responsibilities; Nomination and Remuneration Committee, Audit Committee, Risk Committee, Executive Committee and Executive Credit Committee.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by an Independent Non-Executive Director and comprises the Non-Executive Chairman, Non-Executive Vice Chairman and all the Independent Non-Executive Directors of the Bank. The Committee meets periodically and as required and provides oversight of the management of the Bank's human resources including the appointment of Directors (for both executive and non-executive), senior management and Management Committee Members. The Committee approves the Bank's overall human resources management framework to ensure that the Bank is in compliance with the applicable government regulations and follows the market best practice wherever feasible. The Committee is also responsible to ensure that Directors, Chief Executive Officer and Management Committee Members appointed possess the necessary and appropriate qualifications to perform and discharge their duties.

## 委任及重選董事

董事會或其提名及薪酬委員會會確定、評估並選擇合資格且有經驗的人選擔任董事。提名及薪酬委員會將考慮提名人的經驗、知識、專業、往績、獨立性(特別是對於非執行董事和獨立非執行董事)以及其他由董事會決定的相關條件。

根據本行組織章程細則，董事之委任將由全體董事會成員或股東審核及批准。並根據《銀行業條例》，須獲得金管局之審批。

根據本行之組織章程細則，所有董事均需於股東週年常會上輪值告退及膺選連任。

董事會於年度內所委任之董事只任職至下屆股東週年常會，並於其時有資格再度膺選連任。

## 董事會轄下的委員會

董事會已成立了五個其轄下的委員會以協助行使其職責：提名及薪酬委員會、審核委員會、風險委員會、執行委員會及執行信貸委員會。

### 提名及薪酬委員會

提名及薪酬委員會由獨立非執行董事擔任主席，其他成員包括非執行主席、非執行副主席及所有獨立非執行董事。該委員會會定期及按需要舉行會議，其主要職責為監察本行人力資源管理，包括委任董事(執行和非執行)、高級管理層及管理委員會成員。批核本行整體人力資源管理框架以確保本行遵守政府相關規定及在可能情況下遵循市場最佳方法。該委員會亦負責確保獲委任董事、行政總裁及管理委員會成員擁有必要及適當的資格以履行彼等的職責。

The Committee regularly reviews whether each existing Director continues to remain qualified for his post. It also reviews the structure, size and composition of the Board and makes recommendations on any proposed change to the Board.

The Committee reviews and approves the remuneration for Directors, members of Board Committees, senior management and Key Personnel (as defined under the Remuneration Policy of the Bank).

The Committee is mandated to assist the Board in establishing cultural and behavioural standards that promote prudent risk-taking and fair treatment of customers and employees. It advises and assists the Board in discharging its responsibilities for the Bank's culture-related matters.

The Nomination and Remuneration Committee held two meetings during the year.

### Audit Committee

The Audit Committee comprises four members including one Non-Executive Director and three Independent Non-Executive Directors. The Audit Committee is chaired by an Independent Non-Executive Director who has appropriate accounting professional qualifications. The Committee meets at least four times a year and additionally when deemed necessary.

The Audit Committee is required to ensure that there is adequate supervision of the Bank's financial reporting processes and systems of internal control, and that the internal audit function is effective and backed by adequate resources and has appropriate standing within the Bank. It is also required to ensure that there is coordination between the internal and external auditors, to monitor compliance with internal policies, statutory regulation, and to consider recommendations made by the internal and external auditors.

The Audit Committee reviews the Bank's financial reporting process, the systems of internal control, the internal audit function and the risk management process. In particular, the review undertaken by the Audit Committee on the internal audit function includes the Internal Audit Charter and its approval, the annual audit plan, internal audit reports and special investigation reports issued, and ensuring that appropriate management actions are taken following the major audit findings.

The Audit Committee also reviews the appointment of external auditors and to discuss with them the nature and scope of their audits. The Audit Committee also reviews the interim and annual financial statements before recommending them to the Board for approval.

The Audit Committee held four meetings during the year.

該委員會定期審視現任董事的資格以確定其繼續符合擔任其職務；亦會就董事會結構、規模及組成向董事會作出適切建議。

該委員會審閱及批准董事、董事會轄下的委員會成員、高級管理層及重要人員的薪酬(定義見本行薪酬政策)。

該委員會亦獲董事會授權協助建立本行的企業文化及行為準則，以配合本行審慎的風險承擔和公平對待客戶及員工的原則。其亦會建議並協助董事會履行對企業文化等相關事宜的責任。

提名及薪酬委員會於年度內舉行了兩次會議。

### 審核委員會

審核委員會由四名成員組成，包括一名非執行董事及三名獨立非執行董事。審核委員會由擁有適當會計專業資格之獨立非執行董事擔任主席。該委員會每年最少舉行四次會議，並在有需要時舉行額外會議。

審核委員會須確保對本行之財務申報程序及內部監控制度進行足夠之監管，使內部審核職能可在有效及充足資源下在本行內訂立適當地位。並確保內部及外聘核數師互相協調，以監控遵守內部政策、法規及考慮其提出之建議。

審核委員會檢討本行之財務報告程序、內部監控系統、內部審核職能及風險管理程序。尤其是在內部審核職能的檢討工作方面，該委員會的審核範圍包括內部審核規章及其批准、年度審核方案、已發布之內部審核報告及特別調查報告，確保管理層對調查所發現之主要問題作出適當之補救行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。審核委員會於向董事會建議批准中期及年度財務報告之前審閱有關報告。

審核委員會於年度內舉行了四次會議。

## Risk Committee

The Risk Committee comprises five members including one Executive Director, one Non-Executive Director and three Independent Non-Executive Directors. The Risk Committee is chaired by an Independent Non-Executive Director who has extensive banking experience. The Committee meets at least four times a year and additionally when deemed necessary. Its mandate is to establish the Bank's overall risk appetite and to ensure a proper risk management framework is in place. The Committee also oversees senior management's implementation of the Bank's risk policies.

The Risk Committee will annually review and endorse the Bank's risk appetite statement and risk management strategies. It will oversee the establishment and maintenance by senior management of appropriate infrastructure, resources and systems for risk management, particularly in relation to the compliance with relevant legal and regulatory requirements and adherence to the approved risk appetite and related policies, and the adoption of best practices wherever feasible.

The Risk Committee is required to ensure that the staff responsible for risk management function and control are sufficiently independent of the risk taking units in the Bank.

The Risk Committee held four meetings during the year.

## Executive Committee

The Executive Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the Executive Director of the Bank. It will exercise the powers and authorities delegated by the Board from time to time concerning the management and day-to-day running of the Bank. The Executive Committee will meet periodically and as required and will oversee the general management functions of the Board under the auspices of the Board.

The Executive Committee held one meeting and dealt with 37 resolutions in writing during the year.

## Executive Credit Committee

The Executive Credit Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the Executive Director of the Bank. It has the delegated authority to approve credit proposals, credit policies and other credit related matters which require the approval of the Board. The Executive Credit Committee meets regularly and as required.

The Executive Credit Committee held thirty-seven meetings during the year.

## KEY MANAGEMENT LEVEL COMMITTEES

In addition to the Board level committees, six management level committees have been set up by the Board to oversee the effectiveness of the Bank's daily operations – Management Steering/Business Committee, Asset and Liability Committee, Internal Control Committee, Credit Committee, Information Technology Steering Committee and Compliance & Anti-Money Laundering Committee.

## 風險委員會

風險委員會由五名成員組成，包括一名執行董事、一名非執行董事及三名獨立非執行董事。風險委員會由擁有豐富銀行經驗之獨立非執行董事擔任主席。該委員會每年舉行四次會議並於必要時舉行額外會議。其職能是建立本行的整體風險承受能力及確保本行已建立一個合適的風險管理框架，以及監管高級管理層實施本行的風險政策。

風險委員會將每年審查並認可本行的風險承受能力聲明及風險管理策略。其將監督高級管理層建立和維護風險管理的適當基礎設施，資源和系統，特別是在遵守相關法律和監管要求以及遵守已批准的風險承受能力和相關政策以及本行於可行情況下採納最佳慣例。

風險委員會須要確保負責風險管理及監控的員工充分獨立於涉及本行的風險承擔單位。

風險委員會於年度內舉行了四次會議。

## 執行委員會

執行委員會包括非執行主席、非執行副主席及執行董事，將行使由董事會不時委託的有關本行管理及日常營運之權力及職權。執行委員會會定期及於有須要時舉行會議，並於董事會的支持下監控董事會的一般管理職能。

執行委員會於年度內舉行了一次會議及處理了三十七份書面決議。

## 執行信貸委員會

執行信貸委員會包括本行非執行主席、非執行副主席及執行董事。該委員會獲授權批核須獲董事會批准的信貸建議、信貸政策及其他信貸相關事項。執行信貸委員會定期及於需要時召開會議。

執行信貸委員會於年度內舉行了三十七次會議。

## 主要管理層轄下的委員會

除董事會轄下的委員會外，董事會亦設立五個管理層委員會監控本行日常營運的效率—管理督導/業務委員會、資產負債委員會、內部監控及合規委員會、信貸委員會、資訊科技督導委員會及合規與反洗黑錢委員會。

## Management Steering/Business Committee

The Management Steering Committee and the Management Business Committee (together "the Committees") are both chaired by the Bank's CEO, and comprises senior management personnel appointed by the CEO. The Committees are the key decision making bodies for the Bank's daily operation and are responsible for the running of the Bank's day to day business under the authority delegated by the Board and within the strategy and business plan as approved by the Board. The Committees are also responsible for the formulation of the Bank's business strategies and major bank-wide initiatives for the Board's approval. The Committees meet weekly to evaluate and approve new business initiatives, coordinate business and support units during the implementation process, monitor the progress. The Committees also monitor the implementation of the approved business strategies and, review the achievement of business targets, objectives and the financial performance of the Bank.

## Asset and Liability Committee

The Asset and Liability Committee ("ALCO") comprises the Bank's CEO, Chief Financial Officer and senior management personnel as appointed by the CEO. The Committee is responsible for providing oversight of the Bank's operations relating to interest rate risk, market risk and liquidity risk (collectively known as "financial risks") as well as capital management. The Committee initiates, reviews and endorses for the approval of the Risk Committee of the Board the Bank's policies on financial risks and capital management. It approves guidelines relating to such policies, reviews and approves all major financial risk management reports. ALCO also oversees the Bank's investment activities by establishing investment strategies within policies laid down by the Risk Committee of the Board and reviews actual performance.

## Internal Control Committee

The Internal Control Committee ("ICC") comprises the Bank's CEO, Executive Vice Presidents, Head of Control & Risk Management and the heads of different control, business and support functions. The responsibilities of the Committee include providing oversight of the Bank's exposure to operational and legal risks, ensuring the Bank has in place an effective internal control framework, providing guidance to the Bank in establishing a sound internal control and monitoring system to ensure overall compliance within the Bank.

To ensure an effective internal control framework is in place, the ICC reviews policies and approves guidelines relating to internal control and management of operational and legal risks. It receives and discusses reports submitted by various risk management units and promotes internal control culture. To maintain an adequate system of internal control, the ICC reviews and discusses major operational risk events, and the progress of rectification of audit findings and control self-assessment.

## Credit Committee

The Credit Committee's ("CC") mandate is to provide oversight of the Bank's credit risk management. The Committee is chaired by the Bank's CEO, and consists of senior executives of the Bank.

## 管理督導/業務委員會

管理督導委員會及管理業務委員會(統稱「該等委員會」)由本行的行政總裁任主席,由行政總裁所委任的相關高級管理人員組成。該等委員會乃本行日常運作的重要決策組織,在董事會授權下負責銀行的日常業務,以確保切合董事會批核的策略和業務計劃。該等委員會亦負責制定本行的業務策略及主要全行措施以供董事會批核。管理委員會每週開會,評估和審批新的業務計劃,在實施過程中協調業務和後勤部門的工作,監測進展情況。管理委員會還監察已審批的業務策略的實施情況,並檢討是否實現本行業務目標、宗旨及財務表現。

## 資產負債委員會

資產負債委員會由本行行政總裁、財務總監及行政總裁所委任的高級管理人員組成。該委員會負責監查本行營運上有關利率風險、市場風險及流動資金風險(總稱為「財務風險」)以及資本管理。該委員會啟動、審閱及批准本行財務風險及資本管理政策,以供董事會風險委員會批准。其批准有關該等政策的指引,審閱及批准所有重大財務風險及管理報告。資產負債委員會亦透過在董事會風險委員會規定的政策範圍內設立投資策略監查本行的投資活動以及檢討實際表現。

## 內部監控委員會

內部監控委員會包括本行的行政總裁、執行副總裁、監控及風險管理部門主管以及不同控管、業務及後勤部門的主管。委員會的職能包括監督本行面對之營運及法律風險,確保本行推行有效之內部監控架構,以及提供指導為銀行建立一套完善的內部控管和監察制度,以確保銀行內全面的遵守。

為確保推行有效的內部監控架構,內部監控委員會審閱及批核有關內部監控及營運與法律風險有關的政策及指引。該委員會接收及討論各風險管理單位提交的報告並會推動內部監控文化。為了維持適當的內部控制系統,委員會會審查和討論主要的營運風險事件,審計結果和監控自我評估的改善進度。

## 信貸委員會

信貸委員會獲授權監察本行的信貸風險管理。信貸委員會由本行行政總裁擔任主席,由本行高級行政人員組成。

The CC reviews and endorses credit policies and credit risk profile of the Bank for the Executive Credit Committee's approval, and reviews and approves credit related guidelines. The Committee also reviews and approves requests for credit facilities that are within the CC's authority as delegated by the Board, and reviews and endorses requests for credit facilities before their submission to the Executive Credit Committee for approval.

The CC conducts on-going reviews on the market environment and makes necessary policy recommendations to the Executive Credit Committee to ensure the credit risk profile of the Bank is within the established risk appetite. The CC also provides periodic and timely credit related management and stress testing reports to the Executive Credit Committee for review.

### Information Technology Steering Committee

The Information Technology Steering Committee is chaired by the Bank's CEO, and comprises senior management personnel as appointed by the CEO. The Committee is responsible for the oversight of the Bank's key information technology governance and operations. The Committee approves long and short term information technology strategies to ensure they are in line with the Bank's business strategy and priorities; approves funding and determines prioritization of information technology projects; discusses and reviews status of key projects; and manages major information technology risk issues and corresponding remediation. The Committee meets at least once a month.

### Compliance & Anti-Money Laundering Committee

The Compliance & Anti-Money Laundering Committee ("CAMLC") comprises the Bank's CEO, Executive Vice Presidents, Head of Compliance & Anti-Money Laundering and the heads of different control, business and support functions. The responsibilities of the Committee include providing oversight of the Bank's exposure to compliance risks and compliance activities to ensure the Bank is in compliance with applicable regulatory requirements and the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap 615) ("AML/CFT"). The CAMLC provides guidance to the Bank and senior management in establishing a professional compliance control and monitoring system to cultivate a strong compliance culture and ensures the Bank has an effective compliance framework in place to meet the regulatory requirements. In addition, the CAMLC also reviews and approves guidelines relating to compliance and AML/CFT.

To maintain the Bank's overall regulatory compliance standards, the CAMLC reviews latest developments in regulatory compliance and AML/CFT requirements applicable to the Bank.

信貸委員會審閱及批准本行信貸政策及信貸風險狀況，以供執行信貸委員會批准，以及審閱及批准信貸相關指引。信貸委員會亦在董事會授權內批核客戶信貸融資申請，或審閱及提呈執行信貸委員會批核。

信貸委員會會就市場環境作出持續審查及向執行信貸委員會提出所須政策建議，以確保本行信貸風險維持於既定風險取向能力之內。信貸委員會會定期及適時地向執行信貸委員會提供信貸相關管理及壓力測試報告予其審閱。

### 資訊科技督導委員會

資訊科技督導委員會由本行的行政總裁任主席，由行政總裁所委任的高級管理人員組成。委員會負責監督本行的主要資訊科技管治及營運。委員會批准長期及短期資訊科技策略，確保有關策略符合本行業務策略及優先權；批准資金及釐定資訊科技項目的優先次序；討論及審核重要項目的狀況；以及管理主要資訊科技風險事宜及相應的補救措施。委員會每月至少舉行一次會議。

### 合規及反洗黑錢委員會

合規及反洗黑錢委員會由本行行政總裁、執行副總裁、合規及反洗黑錢部主管以及各監控、業務及後勤部門主管組成。該委員會的職責包括監督本行的合規風險及合規活動，以確保本行符合香港法例第615章《打擊洗錢及恐怖分子資金籌集(金融機構)條例》及其他有關的監管規定(「監管規例」)。委員會為本行及高級管理層提供指引以構建一個專業的合規監控及監督系統，用以培育一個穩健及整體的合規文化，並確保本行備有行之有效的合規架構以配合監管者的要求。此外，委員亦會審閱及批准有關監管規例的內部指引。

為保持本行的整體監管合規水平，委員會審閱適用於本行的監管規例的最新進展。

## RISK MANAGEMENT

The Risk Committee, a Board level committee, establishes overall risk appetite and risk management strategy of the Bank, taking into account current and forward-looking aspects of risk exposure.

The Bank has established a set of risk management policies and guidelines to identify, measure, monitor and control various types of risks, including credit, market, interest rate, liquidity, operational, reputational, legal and strategic risks. A set of risk limits are set in accordance with the defined risk appetite, and a proper risk management framework is in place, so as to ensure the degree of risk that the Bank is exposed to is kept within an acceptable level. Risk management policies and major risk limits are approved by the Board or Board level committee.

Regular risk management reports are submitted to the Risk Committee for assessing the level of risk involved in the Bank's business activities, and how they are controlled and managed. The Risk Committee monitors the risk profile of the Bank against the approved risk limits, and determines appropriate management action if material deviations from approved limits occur. Risk Committee also assesses the effectiveness of the risk management function of the Bank and ensures that it has the necessary resources and expertise to carry out its duties.

## ANTI-MONEY LAUNDERING AND ANTI-TERRORIST FINANCING

The Bank has in place stringent internal guidelines and procedures in combating money laundering, drug trafficking and terrorist financing. All staff members are required to comply with these guidelines and procedures in conducting customer due diligence and transaction monitoring to ensure that prevention of such activities. With the support of the Board, management of the Bank has been actively promoting a strong AML and Anti-Terrorist Financing culture, to ensure compliance with all relevant laws and regulations.

## INTERNAL CONTROLS

The Board discharges its responsibilities to ensure there is an adequate system of internal control through the Audit Committee and Risk Committee. Management is primarily responsible for the design, implementation, and maintenance of internal controls.

The Bank's internal control systems comprise a number of measures designed to promote effective control and fraud prevention. Reliable and timely reporting of financial and management information and internal control matters to the Board ensure that the Board can properly oversee the Bank's operation.

## 風險管理

風險委員會為董事會轄下委員會，經考慮當前及將來的風險，設定本行全面風險承受能力及風險管理策略。

本行已制定一系列風險管理政策及指引以識別、計量、監管及控制各類風險，包括信貸、市場、利率、流動資金、營運、聲譽、法律及策略風險。各類風險根據界定風險承受能力而設立限度，且合適風險管理架構已予制定，以保證本行面臨的風險等級控制在可接受水平。風險管理政策及主要風險限度經由董事會或其轄下的委員會批准。

定期風險管理報告提交至風險委員會以供評估本行業務涉及的風險水平，以及如何控制及管理該等風險。風險委員會按照經批准風險限度監控本行的風險狀況，及於出現嚴重偏離經批准風險限度的情況下確定合適管理行動。風險委員會亦評估本行風險管理職能的有效性且確保其擁有必要資源及專長履行職責。

## 反洗黑錢及反恐怖分子資金籌集

本行已訂立嚴謹的指引及程序以打擊洗黑錢、販毒和恐怖分子資金籌集。本行全體員工對客戶進行盡職審核及交易監控時，均須遵守相關指引及程序，以確保防止此類活動。於董事會的支持下，管理層積極推動強大的反洗黑錢及反恐怖分子資金籌集文化，以確保適當地符合所有相關法律和法規。

## 內部監控

董事會會履行其職責以確保本行具有適當的內部監控系統。通過審核委員會及風險委員會，管理層主要負責內部監控的設計、實施及維護。

本行的內部監控系統包括一系列旨在促進有效控制及防止欺詐的措施。向董事會可靠和及時地報告財務及管理資訊以及內部監控事項，以確保董事會能夠妥善監督本行的運作。

The internal control framework include:

1. Establishment of different functional committees with the responsibilities to monitor various risks and controls.
2. A clear organization structure with well defined authorities and responsibilities to enable effective checks and balances.
3. All major bank policies are approved by the Board. These policies provide specific operational, financial and compliance controls which will facilitate segregation of duties, accuracy of reporting and proper control over assets and risk exposure.
4. Risk management policies and procedures are in place to identify and measure risks associated with the Bank's business and operations.
5. A risk management reporting framework to provide regular reports to senior management and/or relevant Board level committees.
6. A system to monitor changes and developments of relevant laws, regulations and standards applicable to the Bank's activities and ensures that senior management and relevant units are duly aware of such and are in a position to take appropriate measures to ensure continued compliance.

The internal audit function of the Bank is an independent appraisal function set up with the primary objective of evaluating the internal control system and the compliance regime of the Bank, and to report major findings and agreed rectification measures to the Board's Audit Committee for review and comments on a regular basis. The Chief Internal Auditor reports directly to the Audit Committee and is appointed by the Audit Committee.

## BANK CULTURE

The Bank promotes a culture that encourages and recognizes high ethical standards and expects its staff to be familiar with and observe Fubon Group's four Core Values; INTEGRITY, SINCERITY, PROFESSIONALISM AND INNOVATION, and the three Personal Behavioural Principles; INTEGRITY, THRIFT and HUMILITY. These Core Values and Behavioural Principles form the cornerstone of the Bank's corporate culture and the Bank expects its staff to uphold these Values and Principles in dealing with its customers as well as with other staff members. The Bank discourages and prohibits any form of discrimination and harassments of a personal nature and will take appropriate actions against staff who engages in these unacceptable social behaviours.

Sensible sustainability of the environment is an important social responsibility principle. In this regard, the Bank promotes green programs wherever possible and ensures that bank staff contribute to this effort. The Bank also promotes this green culture to customers and considers the green impact of related customer dealings.

內部監控架構包括：

1. 成立負責各類風險監察和監控的功能委員會。
2. 一個具有妥善界定權限和職責的清晰組織架構，將有利於有效的牽制與平衡。
3. 本行所有主要政策均由董事會批准。該等政策和程序包括特定的營運、財務及法規監控，以方便分工、準確申報及對資產和風險度的適當監控。
4. 為識別和衡量對本行業務及營運可能面對的風險，本行已制定風險管理政策和程序。
5. 在風險管理報告的框架下，會定期提供報告予高級管理層及/或董事會轄下的委員會。
6. 一個負責監管與本行業務有關的法律、法規及準則變化與發展的系統，以確保高級管理層及有關單位充分知悉該等變化，並能採取適當措施以確保持續合規。

本行的內部稽核是一個獨立的評估職能，設立的主要目的為評估本行內部控管及合規制度，並定期向董事會的審核委員會報告主要查核結果及其改善措施給其審視。內部稽核主管直屬審核委員會，並由審核委員會任命。

## 企業文化

本行一直致力鼓勵及推動高道德操守的企業文化，並期望每位員工瞭解及恪守母公司富邦集團的四個核心價值：「誠信、親切、專業及創新」，以及三信條：「誠信、勤儉及謙和」。這些核心價值及信條為本行企業文化的基石，本行期望每位員工在對待客戶及其他員工時恪守這些價值及信條。本行絕不鼓勵並禁止任何針對個人的歧視及騷擾行為，並必對參與這些不當行為之員工採取適當行動。

鑑於維持一個合適可持續的環境是一項重要的社會責任原則，本行為此積極推行各項綠色計劃，並確保本行員工能予以配合。本行亦會向客戶推廣綠色的文化及考慮減少相關客戶交易對環境造成的影響。

Treating customers fairly as well as ensuring the protection of their interests are part of the professional standards the Bank looks for in its employees.

The Bank also expects its employees to understand that a sound corporate culture in a bank includes prudent risk taking. While risk taking is inherent in banking business, employees are expected to exercise judgment in their daily work activities to reflect the underlying principles outlined above.

To ensure that the Bank maintains a proper framework to sustain and enhance the desired culture, the Bank has established a Culture Policy to clearly explain the Bank's expectations and requirements to its employees, and will evaluate employee performance in this respect.

The Board of Directors of the Bank, through its Nomination and Remuneration Committee, is responsible to ensure that the Bank's culture programs are effectively implemented and maintained.

The Bank believes that the promotion of a good corporate culture will contribute towards the success of the Company and establishes the Company as a good corporate citizen. Good corporate governance is also a key element in providing a good working environment for the Bank Staff.

## CODE OF CONDUCT

The Bank adopts a high standard of ethical conduct and professional competence. Consistent with the policies and practices of its parent company, it has set up a Code of Conduct guideline ("Code") which all levels of staff are required to observe in the discharge of their duties.

The Code is structured in line with applicable regulatory guidelines and other industry best practices, setting out professional standards and corporate values to promote ethical, professional and responsible behaviour among the Bank's staff.

The Bank has procedures set up for staff to communicate, in confidence, material and bona fide concerns or observations of any violations or irregularities in the Bank. Communication is also allowed to be channelled to the Board through a "CEO Channel" which is independent of the internal chain of command.

In addition, the Bank promotes a culture that encourage and recognizes high ethical standards and expects its staff to be familiar with and observe the Core Values and Behavioural Principles of the Group and the Bank.

The Bank also adopted the principles of the holding company's Code of Ethical Conduct, which is available in the "Corporate Governance" section of the Bank's website.

本行期望員工具備公平對待客戶及保障彼等權益的專業操守。

本行亦期望員工明白良好的企業文化包括審慎的風險承擔，誠然風險承擔為銀行業務的本質，員工於日常工作時仍必須審慎判斷風險，以反映已遵守上述相關原則。

為確保本行具備合適的架構以持續發展及提升企業文化，本行已制訂銀行文化政策，清楚解釋本行對員工的期望及要求，並會評估員工於此方面的表現。

本行董事會透過其提名及薪酬委員會負責確保本行的文化項目得到有效實施和維護。

本行相信，推動良好企業文化將令銀行邁向成功，亦令銀行成為良好的企業公民。良好的公司治理也是為本行員工提供良好工作環境的關鍵因素。

## 操守守則

本行已採納高標準的道德守則及專業能力。為與母公司政策及常規一致，已制定操守守則指引（「守則」），要求所有員工在履行彼等職責時加以遵守。

該守則在架構方面與適用的規管指引及其他行業最佳常規一致，當中訂明專業準則及企業價值以提高本行員工道德和負責任的專業操守。

本行亦建立了程序予員工以保密方式通報、高度誠實關注或監察任何本行的異常或違規事件。亦可透過獨立於內部指令程序的「行政總裁渠道」與董事會進行溝通。

除此，本行致力鼓勵及推動高道德操守的企業文化，並期望每位員工瞭解及恪守本行及集團的核心價值及信條。

本行亦採納了母公司「道德行為準則」的原則，該準則詳載於本行網站的「公司治理」網頁。