

BUSINESS & OPERATIONS REVIEW 業務回顧





CORPORATE & INSTITUTIONAL BANKING

企業及機構銀行

CORPORATE BANKING

The major story of 2020 was the devastating global impact of COVID-19. In Hong Kong, business prospects were significantly affected by poor consumer sentiment, social distancing measures, and a free-fall in tourism. In addition, the persistent U.S.-China trade dispute and escalating inter-regional tensions threatened export demand, compounding the domestic headwinds.

Overall lending within the banking industry remained sluggish throughout the year. Notwithstanding these challenges, the Bank continued logging modest business growth as we focused on supporting our customers during the difficult times.

The small-and-medium enterprises (“SMEs”) sector was particularly hard-hit by the economic downturn in 2020, nevertheless our Commercial Banking team continued to support them as well as the middle-market enterprises (“MMEs”) segment. A number of relief measures were rolled out to help customers weather the economic storm and overcome their cash flow challenges. Specifically, the Bank participated in various government schemes, including the SME Financing Guarantee Scheme and the Pre-Approved Principal Payment Holiday Scheme.

Amidst the subdued economy and weakening demand for loans, our Commercial Banking team registered growth in both loans and deposits. The growth was mainly attributed to our strategy for new customer acquisition and deepening the relationships with our existing customers. Furthermore, we continued to leverage our cross-selling mechanisms, including alliances with other Fubon Group members, to enhance our customer penetration and engagement.

Looking at Corporate Banking, we remain committed to providing exceptional service to the first- and second-tier large corporations in Hong Kong. However, the dual impact of COVID-19 and rising inter-regional tensions weighed on the demand for new loans and customers’ capacity to service new debt obligations. The appetite for new bank loans was further worsened by the active bond market, which became an attractive alternative financing channel under the historically low interest rate environment. In light of these developments, the Bank took measures to further exploit business with our existing customers and to widen our customer base.

In addition, our active participation in the primary and secondary syndication markets allowed us to quickly respond to both opportunities and risks while maintaining a nimble and well-diversified portfolio. During the year, we continued to maintain a sizable non-bank financial institutions (“NBFIs”) book, which not only contributed to operating results, but also demonstrated our strong product suite and ability to cater to a wide range of clients.

Overall, the revenue from corporate customers registered modest growth in 2020 when compared to 2019. The increase was mainly driven by the impressive performance of our core drivers, including decent growth in loans and strong growth in deposits. Net interest income also registered reasonable growth in 2020. Our marketing strategy, which focused on fee income generation, produced satisfactory results.

企業金融

2019 冠狀病毒病於 2020 年為全球造成破壞性的影響。在香港，商業前景大受消費者悲觀情緒、社交距離措施及旅遊業衰退所影響。此外，中美貿易糾紛持續以及區間政治越趨緊張衝擊出口需求，加劇本地的不利狀況。

去年銀行業的整體貸款業績仍然低迷。儘管面對重重挑戰，本行於這艱難時期專注於與客戶並肩同行，令業務仍維持溫和增長。

中小企業於 2020 年的經濟衰退中蒙受沉重的打擊。儘管如此，我們的商業銀行團隊持續對中小企業及中型企業予以支持。我們推出多項金融服務支援措施，協助客戶應對經濟波動和紓緩現金流壓力。同時，本行亦參與多項政府推出的支援企業方案，包括「中小企融資擔保計劃」及「預先批核還息不還本計劃」。

在經濟低迷及貸款需求疲弱的環境下，本行吸納新客戶以及深化與現有客戶關係的策略令商業銀行的貸款及存款業績穩步增長。我們繼續運用交叉銷售策略，包括與富邦集團其他成員合作，從而提高市場滲透率及與客戶的關係。

企業銀行方面，我們致力為香港一、二線大企業提供卓越服務。然而，2019 冠狀病毒病及區內局勢緊張升溫的雙重影響對新貸款的需求和客戶償還新債務的能力構成了壓力。債券市場於歷史性的低息環境下成為另一個吸引的融資渠道，但活躍的債券市場進一步削弱對新銀行貸款的需求。針對上述市況，本行已進一步開拓與現有客戶的業務，並擴大我們的客戶群。

此外，我們積極參與一級及二級銀團貸款市場，迅速把握市場機遇及應對風險，同時維持靈活及多元化的組合。年內，我們維持具規模的非銀行金融機構客戶群，此舉不僅為業績作出貢獻，亦彰顯了我們卓越的產品以及服務不同客戶的能力。

整體而言，受核心業務的超卓表現所帶動，包括貸款業務溫和增長以及存款業務強勁增長，2020 年來自企業客戶的收入較 2019 年錄得穩健的升幅。2020 年的淨利息收入亦合理地增長，而本行專注於費用收入的營銷策略也取得滿意的成果。

Fubon Business Online, the Bank's corporate e-banking platform, will be further upgraded in 2021 to provide extended services, such as remote corporate account opening, Faster Payment System for corporate customers, and online applications for banking services. Supported by our physical branch network and professional Corporate and Commercial Banking teams, our system enhancement and virtualization of banking services will enable the Bank to be well-positioned to acquire more new corporate customers in the future.

CHINA COVERAGE

Although China's economy outperformed in 2020, it was still impacted by the global spread of COVID-19. Bond defaults by State-Owned Enterprises ("SOEs") during the period began to undermine lenders' confidence in government support for these entities. Furthermore, Hong Kong's syndicated loan market, covering China credits, also shrank significantly.

Nevertheless, it is anticipated that China's economy will likely register a healthy economic growth in 2021. This will be partly driven by China's new economic strategy of "Dual Circulation", which will place greater focus on the domestic market ("internal circulation"), rather than relying on global exports ("external circulation").

Many Chinese onshore companies, especially SOEs focusing on domestic business, were returning to business-as-usual by the end of the year, bringing about stable corporate loan demand. Also, trade financing gradually recovered in the fourth quarter of 2020 after a noticeable slow-down during the first three quarters. Meanwhile, loan demand from Chinese offshore companies remained steady due to a strong appetite for refinancing. All these factors enabled the Bank to achieve near double-digit percentage growth in loans outstanding for our China coverage business in 2020 (including structured finance and syndications).

The Guangdong-Hong Kong-Macau Greater Bay Area is expected to promote financial integration and provide ample business opportunities in the area. Going forward, we will continue to allocate resources and efforts to provide our customers with comprehensive cross-border financial services to support their business development.

FINANCIAL INSTITUTIONS

The Financial Institutions ("FI") team plays an important role as a primary contact point with banks and NBFIs for correspondent banking activities and business referrals. In 2020, the FI team continued to provide credit support to different business units to facilitate the overall lending and investment activities of the Bank. Leveraging the Bank's strong market presence, our FI team reported strong double-digit percentage growth in customer deposits in 2020.

Looking ahead, the severe impact of COVID-19 may moderate a bit due to the roll-out of vaccination programmes worldwide. However, both the fallout from the pandemic and inter-regional trade tensions are likely to endure for most of the year. Despite the persistent economic challenges, we remain confident that the Bank can log modest growth as we continue to focus on serving our customers with strong medium- to long-term business fundamentals.

本行將於 2021 年進一步提升企業電子銀行系統「富邦商務網」，提供遙距企業開戶、企業客戶「轉數快」服務以及網上申請銀行服務等。憑藉我們的實體分行網絡和專業的企業及商業銀行團隊，加上本行提升系統及虛擬化銀行服務的舉措，將為我們未來吸納更多新企業客戶做好準備。

中國業務

儘管中國經濟表現於 2020 年超出預期，但仍然受到 2019 冠狀病毒病於全球蔓延所影響。國有企業在此期間的債券違約開始削弱貸款者對受政府支持之企業的信心。此外，涵蓋中國信貸業務的香港銀團貸款市場亦大幅萎縮。

然而，中國着重國內市場（「內循環」）而非依賴全球出口（「外循環」）的「雙循環」經濟發展新格局將成為經濟復甦的驅動力之一。預期中國經濟有望在 2021 年錄得穩健的增長。

很多中國境內公司，特別是專注國內業務的國有企業已於去年年底恢復正常的業務運作，帶來穩定的企業貸款需求。此外，貿易融資經過 2020 年首三個季度大幅放緩後於第四季逐步回穩。同時，由於再融資需求殷切，中國離岸公司的貸款需求維持穩定。種種因素帶動本行在中國業務於 2020 年的未償還貸款（包括結構性融資和銀團）錄得近雙位數的升幅。

市場憧憬粵港澳大灣區將促進金融一體化，為區內創造大量商機。未來，我們將繼續調配資源，竭力為客戶提供全面的跨境金融服務，協助他們拓展業務。

金融機構業務

金融機構團隊在向其他銀行及非銀行金融機構提供代理銀行業務及業務轉介方面擔當重要的角色。2020 年，金融機構團隊繼續為本行不同業務的貸款及投資活動提供信貸支援。憑藉本行雄厚的市場佔有率，我們的金融機構團隊在 2020 年於客戶存款錄得雙位數的強勁增長。

展望未來，由於疫苗接種計劃於全球各地逐步展開，2019 冠狀病毒病帶來的衝擊可能有所放緩。然而，疫情及區間貿易緊張局勢所衍生的影響很可能於今年大部分時間維持。儘管經濟持續備受衝擊，憑藉本行專注於為客戶提供強勁的中長期業務服務，我們對維持業務的溫和增長仍抱有信心。

RETAIL BANKING

零售銀行

CONSUMER FINANCE

Undeniably 2020 was a challenging year for the banking industry because of the outbreak of COVID-19, but the pandemic also accelerated the progress of digital transformation in the Bank. Due to social distancing measures and hygiene concerns, people shifted to more digital banking services and online shopping last year. By all indications, this trend will continue. In fact, consumers are expected to do 45% of their shopping online post-COVID-19*. Facing this new norm of spending behaviour, the Bank has partnered with various online merchants, in particular those who engage in daily life consumption categories, to enhance the online presence of Fubon credit cards and to offer more benefits and special privileges to Fubon credit card cardholders. Online spending is the top spending category of our credit cards and the percentage of our online transactions outperformed the market in 2020.

Despite the unfavourable market conditions, the Bank still managed to run year-round marketing campaigns to acquire personal loan business via different channels while maintaining our personal loan portfolio with a low bad debt provision. Throughout the year, various digitalization initiatives were launched for our personal loan business, such as engaging a new Open API partner, new digital advertising arrangements, etc., to enhance the customer experience in digitalization and market awareness.

The volume of property transactions reported only a slight decrease in 2020 when compared with 2019 despite the impact of COVID-19, which imposed little impact on the mortgage market for new purchase. However, the weak economic conditions substantially reduced the refinance cases. Therefore, the overall mortgage market was adversely affected with a year-on-year decrease of 18%. The niche market of non-conventional mortgage loans remained as our focus to improve our overall mortgage loan portfolio return, especially during the downtrend for HIBOR in the second half of 2020. Meanwhile, we strengthened and leveraged our electronic channels for mortgage loan applications, such as Open API, to widen our source of mortgage customers.

消費金融

2019 冠狀病毒病爆發無疑令銀行業於 2020 年困難重重，但亦加快了本行的數位化轉型。鑑於社交距離措施及衛生考量，市民去年逐漸傾向使用數位化銀行服務及網上購物，而種種跡象亦顯示這個趨勢會一直持續。事實上，預期消費者於疫情過後仍有 45% 的消費在網上進行*。為配合新消費模式，本行已與多間日常生活消費類的網上商戶合作，以提升富邦信用卡的網上消費佔有率，並為富邦信用卡客戶帶來更多優惠和尊屬禮遇。網上消費成為了我們信用卡業務的最高交易類別，而本行信用卡在 2020 年網上交易的百分比亦優於市場表現。

儘管市況並不明朗，本行仍透過全年營銷活動於不同渠道開拓私人貸款業務，並維持低壞賬撥備的私人貸款組合。年內，我們就私人貸款業務推出多個數位化項目，包括與新的開放應用程式介面夥伴合作以及制定全新的數位化廣告策略等，從而提升客戶數位化體驗及市場知名度。

即使受疫情衝擊，2020 年的房地產交易量只較 2019 年輕微減少，這對新購置的物業按揭市場沒造成太大的影響。然而，疲弱的經濟使轉按揭個案大幅減少，令按揭市場按年下跌 18%。在香港銀行同業拆息於 2020 年下半年持續下調的情況下，本行繼續專注於非傳統按揭貸款市場的業務，以提高整體按揭貸款組合的回報。同時，我們亦加強並提升應用按揭貸款申請的電子渠道，如開放應用程式介面，以擴大本行按揭業務的客源。

Providing our customers with a more friendly and convenient Fintech experience continues to be another area where we strive for greater technological breakthroughs and innovation. With the official launch of Fubon GO in 2021, customers will be able to handle credit card and personal loan applications without leaving their home. We will roll out a series of advertising and promotional campaigns alongside the official launch of the new mobile app.

COVID-19 seriously impacted the retail market for both domestic and cross-border spending. Consumers changed their spending behaviour and habits and were more inclined to shop online. Going forward, we will continue to enhance our merchant online payment platform by introducing a quick and low-cost solution so that our SME merchants can easily begin their online business. In addition, our Merchant Receivables Financing service will continue to provide our merchants with a convenient and easy financing tool for managing their financial needs.

*Source: Visa Consumer Payment Attitudes Study 2.0 (August, 2020)

DIGITAL BANKING & CHANNEL MANAGEMENT

Due to COVID-19, digitalization and innovation sped up around the world. In response to this development, the Bank accelerated its digital capabilities to adapt to the changes in customer behaviour. As a result, the number of Personal Internet Banking and Mobile Banking customers increased by 18% and 55%, respectively, and the number of customers opting for e-Statements and our Faster Payment System Service rose by 44% and 202%, respectively, in 2020 when compared with 2019.

In addition, the Bank formed a strategic cooperation with HKT to drive Fintech innovations, including the development of Fubon GO. With Fubon GO, customers can handle account opening, credit card and personal loan applications, and more, anytime, anywhere. Looking ahead, the Bank will continue to allocate resources to support Fintech development and leverage digital channels to penetrate the younger market segment and also to deliver diversified products and services.

我們致力尋求科技突破與創新，為客戶提供更貼心便捷的金融科技體驗。隨着Fubon GO於2021年正式推出，客戶足不出戶便可辦理信用卡及私人貸款申請。屆時我們將推出一系列推廣活動，以配合全新流動應用程式的推出。

2019冠狀病毒病疫情嚴重影響本地零售市場及跨境消費。消費者的消費模式及習慣亦隨之而改變及傾向至網上消費。我們未來將推出快捷及低成本方案，持續提升商戶網上支付平台，讓我們的中小企客戶可輕鬆開展其網上業務。此外，我們的「先享錢」信用卡商戶貸款將繼續為商戶提供便捷的金融服務，以滿足商戶的財務需要。

*資料來源：《Visa消費者支付取態研究2.0》(2020年8月)

數位化銀行及通路管理

2019冠狀病毒病加速全球數位化與創新。有見及此，本行加快提升數位化功能以配合客戶行為的轉變。本行2020年個人網上及流動理財的客戶數目較2019年分別增加18%及55%，而選用電子月結單及「轉數快」服務的客戶數目亦分別上升44%及202%。

此外，本行與香港電訊就創新金融科技達成策略性合作，當中包括Fubon GO的研發。透過Fubon GO，客戶可隨時隨地辦理開戶、信用卡及私人貸款申請等事宜。展望未來，本行將繼續投放資源推動金融科技發展，並藉着數位化渠道滲透年輕市場，提供多元化的產品和服務。

To achieve seamless integration of our physical banking and virtual banking services, we remain committed to enhancing our physical channels and adopting a hybrid model to improve process efficiency and to ensure error-free workflow. New customer acquisition continued to be the key mission of physical channels, with proven results last year. The Bank successfully launched various marketing programmes targeting different customer segments, especially the programme tailor-made for the government's Cash Payout Scheme. The total number of new customers solicited during the year substantially increased over 60% as compared to 2019. The programme also encouraged customers to enroll in our banking services via digital channels, setting a milestone in the virtualization process of our banking services and signaling that communication with our customers was no longer bound by physical modes.

In August 2020, we implemented a new physical segregation through system enhancement. This safeguards the interest of our customers by providing clear directions for various activities at branches, such as account opening, deposits and wealth management services.

INVESTMENT & INSURANCE

Throughout the year, the investment market was adversely affected by the lengthy COVID-19 pandemic. While the performance of the unit trust business showed slight year-on-year regression in 2020, there was greater impact on the insurance business, especially life insurance, with sustained lockdowns and social distancing measures making it difficult to meet face-to-face with customers. To alleviate the impact, we will continue to develop online application channels for specific insurance products.

Looking forward to 2021, the Bank will continue to deliver investment products and services catered to our customers' risk appetite to maintain a balanced and optimal wealth management portfolio to withstand market volatility. Meanwhile, we anticipate steady growth in our unit trust business.

為實現實體銀行與虛擬銀行服務的無縫結合，我們致力優化實體分行渠道，並採用混合模式提高效率 and 確保工作流程無誤。吸納新客戶仍然是實體分行的主要目標，而我們去年取得的成績亦有目共睹。本行成功推出了多項針對不同客戶群的營銷項目，特別是為配合政府「現金發放計劃」而推出的宣傳計劃。年內，新客戶總數較 2019 年大幅增加逾 60%。該計劃亦鼓勵客戶透過數位化渠道登記我們的銀行服務，成為邁向銀行服務虛擬化的一個里程碑，同時標誌往後與客戶聯繫亦不受實體限制。

2020 年 8 月，我們於分行實施了新的安排並進行系統提升，分隔辦理開戶、存款及財富管理業務，從而保障客戶的利益。

投資及保險

2019 冠狀病毒疫情持續，投資市場於去年受到嚴重影響。儘管基金業務於 2020 年只錄得輕微倒退，但保險業務，尤其是人壽保險業務受到較大的影響。持續的地域封鎖及社交距離措施令到與客戶會面變得困難。為減低影響，我們將繼續開拓網上申請渠道予特定的保險產品。

展望 2021 年，本行將持續提供切合客戶風險屬性的投資產品及服務，協助客戶維持均衡且最佳的理財組合，抵禦市場波動。同時，我們預期信託基金業務將穩步增長。

The dangers of COVID-19 have aroused public awareness of the need for lifelong protection. We expect there will be a demand in the market for long-term protection plans and critical illness plans. Therefore, we will collaborate with our insurance partners to enrich our product offerings and launch a whole life insurance product with short payment terms to cater to our customers' needs.

SECURITIES SERVICES

The global and Hong Kong stock markets encountered unprecedented challenges and uncertainties in 2020. COVID-19 crushed the global economy and caused turbulence in global stock markets. The major stock markets, including the Hang Seng Index, plunged in early 2020, but they were able to rally behind the strong trend of new technology sectors in the second half of the year.

The Bank registered encouraging results on fee income contribution and virtualization of our services in 2020. The commission of securities dealing increased by 72% along with significant growth in the number of transactions and customers via our internet stock trading and mobile stock trading platforms. Both customer acquisition and trading volume reached record-high levels due to the satisfactory performance of overseas stock trading, share margin overdraft facility and IPO financing.

We foresee that Fintech innovation will accelerate the growth of our securities business. With seamless integration of our physical banking and virtual banking services, we will continue to upgrade our securities trading platform to provide our customers with an exceptional "Fubon Experience".

2019 冠狀病毒病的危險性喚起大眾對終身保障需要的關注。我們預期市場對長期保障及危疾保障計劃的需求將有所增加。因此，我們將與保險業務夥伴共同合作充實我們的產品組合，並推出短期的終身壽險產品，以滿足客戶的需求。

證券投資服務

環球及香港股市於 2020 年遇到前所未有的挑戰及不明朗因素。2019 冠狀病毒病衝擊全球經濟，導致環球股市動盪不穩。恒生指數等主要股票市場於 2020 年年初暴跌，幸獲新科技行業帶動，支撐下半年的強勁升勢。

本行 2020 年的費用收入及銀行服務虛擬化的成績令人鼓舞。受惠於網上及流動股票交易平台的交易宗數及客戶數目大幅增加，佣金收入上升 72%。由於海外證券交易、股票抵押透支及新股認購表現理想，新客戶數目及成交量均創新高。

我們預期創新金融科技將加快本行證券投資業務的增長。隨著實體銀行與虛擬銀行服務的無縫結合，我們將繼續提升本行的證券交易平台，讓客戶享受卓越的「富邦體驗」。

FINANCIAL MARKETS

金融市場

The fast-spreading COVID-19 pandemic kept global markets on edge throughout 2020. In March 2020, the U.S. Federal Reserve cut its key interest rate to near zero and announced it would buy USD700 billion in government securities in coordination with efforts to buttress the global economy by the Bank of England and the Bank of Japan. The yield on the benchmark 10-year U.S. Treasury touched a record low of 0.318% and the 30-year U.S. Treasury yield also hit a record low of 0.702% in March 2020. To better prepare for any market downturn, we strengthened the Bank's liquidity and currency positions. We also provided our customers with a variety of treasury products to assist them in mitigating interest rate and currency risks and to further enhance the "Fubon Experience".

INVESTMENT PORTFOLIO

In 2020, we continued to follow a prudent investment strategy to focus on investments with good credit quality while ensuring appropriate diversification across geography, currency and industry. The overall credit rating of our investment portfolio remained at an "A". Furthermore, our investment portfolio sustained a rising trend of net interest income for the year despite the negative impact of the pandemic and unstable political environment.

Uncertainties related to the adverse impact of COVID-19 and the political environment are expected to remain in 2021. The Bank aims to mitigate the impact of the volatile interest rate market environment with effective hedging instruments. 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 to assist us in taking timely mitigating measures in the event of market turmoil.

FLOW INVESTMENT PRODUCTS AND TREASURY MARKETING

Despite the volatile and challenging situation in the financial markets, our Flow Investment Products team outperformed and exceeded the budget by 10%. The fee income generated from the bonds business excelled beyond the budget by 32%, while our FX business exceeded the budget by 15%. We will strive to continue expanding our product range to satisfy various customers' needs and risk appetites.

2019 冠狀病毒病迅速蔓延令環球市場於 2020 年一直陷入僵局。2020 年 3 月，美國聯邦儲備局將其基準利率下調至接近零的水平，並宣布將購買 7,000 億美元美國國債，與英國及日本央行聯手刺激全球經濟。美國 10 年期國債債券孳息率曾下試 0.318% 的紀錄低位，而美國 30 年期國債債券孳息率亦於 2020 年 3 月創下 0.702% 的歷史新低。為了充分應對市場下調的風險，我們加強了本行的資金流及貨幣持倉。此外，我們為客戶提供多元化的金融產品，協助他們減低利率及匯率風險，進一步提升「富邦體驗」。

投資組合

2020 年，本行維持審慎的投資策略，集中投資具有良好信貸質素的金融產品，確保把投資適當地分配在不同的地域、貨幣及行業。本行投資組合的整體信貸評級維持在 A 級。儘管受疫情衝擊及政局不穩的影響，本行投資組合的年內淨利息收入仍然維持上升趨勢。

預期 2019 冠狀病毒病疫情以及不明朗的政治環境所帶來的影響將於 2021 年延續。本行旨在透過有效的對沖工具減輕利率市場波動的衝擊。我們來年的投資組合風險管理將集中於觀察全球政治形勢的發展。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貸風險，這將有助我們在動盪的市況下採取適切的緩解措施。

投資產品及金融行銷

儘管金融市場動盪且充滿挑戰，我們的投資產品團隊表現優異，較預算超出 10%。來自債券業務的費用收入較預算超出 32%，而外匯業務較預算超出 15%。我們將繼續致力拓展產品種類，以滿足客戶的各種需求及風險偏好。

The treasury marketing fee income for 2020 was encouraging amidst volatile market conditions. Corporate customers chose hedging products for their foreign exchange and interest rate exposures along with investment products for yield enhancement in the low interest rate environment. In response to the social distancing constraints, our Treasury Marketing Unit ("TMU") provided timely market information and financial services via various secured digital channels. In 2020, our TMU income exceeded the annual budget by 34%.

Fintech has been changing the landscape of the financial industry and the Bank has been keeping pace. Our digital banking services have been widely used by our retail and corporate customers. The integration of our online services and the professional services offered by our team allows the Bank to create added value for customers who require sophisticated and tailor-made banking services.

FUNDING AND INTEREST INCOME

COVID-19 caused a global economic recession in 2020. Most central banks cut the nominal interest rate close to zero to support the economy. The U.S. Federal Reserve lowered the Federal Funds Rate twice from 1.5% to zero in March 2020 and it remained unchanged throughout the year.

The number of mega-size initial public offerings in Hong Kong increased in 2020. Several Chinese companies listed in the U.S. completed their secondary listing on the Hong Kong Stock Exchange. Chinese and foreign cash inflows made for ample money supply. The USD/HKD exchange rate reached the strong side of its permitted band. The Hong Kong Monetary Authority ("HKMA") aggressively intervened to defend the local currency by buying the Hong Kong Dollar. The HKMA Closing Aggregate Balance increased from HK\$54.3 billion to HK\$457.5 billion by year-end.

The Bank's funding position was strong and our deposits base increased by 2% to HK\$77 billion. The Bank maintained a healthy average liquidity maintenance ratio of 68.53% for the year.

The potential of a negative interest rate is an ongoing issue of debate in the market. It is anticipated that 2021 will be another challenging year with economic and political uncertainties ahead.

2020 年，金融行銷費用收入的表現在波動的市況下仍然令人鼓舞。在低息環境下，企業客戶在選擇外匯及利率風險對沖產品的同時，亦選擇投資產品以提高收益。針對社交距離限制，我們的金融行銷團隊透過各種安全的數位化渠道，提供適時的市場資訊及金融服務。2020 年，我們的金融行銷業務收入比預算超出 34%。

金融科技不斷改變金融業的發展形態，而本行亦一直緊隨此步伐推進。我們的數位化銀行服務獲零售及企業客戶廣泛使用。憑藉本行的網上銀行服務以及專業的營銷團隊，我們定可為需要優質及量身定制銀行服務的客戶增值。

資金及利息收入

2019 冠狀病毒病疫情導致 2020 年全球經濟衰退。大部分央行將名義利率調低至接近零的水平以支撐經濟。美國聯邦儲備局於 2020 年 3 月兩度減息，將聯邦基金利率由 1.5% 下調至零，並全年維持零利率。

香港超大型新股認購的數量於 2020 年增加，多間於美國上市的中國企業在香港交易所完成第二上市。中國及外國資金流入令貨幣供應充足。美元兌港元匯率於交易區間內走強。香港金融管理局（「金管局」）積極干預匯市，透過買入港元以穩定港元匯率。金管局的收市總結餘由 543 億港元上升至年底的 4,575 億港元。

本行的資金狀況穩健，存款基礎增加 2% 至 770 億港元，年內亦維持 68.53% 的平均流動性維持比率。

負利率的可能性一直存在市場爭議，加上經濟及政治前景不明朗，預期 2021 年將會是另一個充滿挑戰的一年。

RISK MANAGEMENT & COMPLIANCE

風險管理及合規監控

RISK MANAGEMENT

Enterprise Credit Risk Management

Economic activities in Hong Kong were severely disrupted in 2020 by the COVID-19 pandemic and the U.S.-China trade dispute. To cope with the increasingly uncertain credit outlook, the Bank updated its credit guidelines to cope with the market changes and the regulatory requirements. Stress tests and portfolio analyses were performed more frequently to ensure that the Bank could withstand any anticipated financial market turmoil and safeguard against asset quality deterioration.

In all likelihood market conditions will remain challenging and uncertain in 2021 and policy support from governments worldwide will drive economic recovery. The Bank will further enhance its asset quality monitoring measures and prepare for possible negative impact on our loan quality. Also, the Bank will continue to invest in digitalizing its credit applications process as well as the scorecards for the SME market segment to be poised to exploit any opportunities when the market rebounds.

Market Risk Management

The global financial markets experienced a turbulent year in 2020. The eruption of COVID-19, tensions between the U.S. and China on trade as well as negative oil future prices, caused the stock and bond markets to crash in the first quarter of 2020. It is anticipated that the market outlook for 2021 will remain uncertain and that interest rates will be at low levels unless there is significant change in the economic situation. The U.S.-China relationship and equity market growth are other major challenges impacting global economies. The effectiveness of COVID-19 vaccines will provide a key indicator for global economic recovery. The Bank will continue to closely monitor and manage the risks associated with trading and investment activities to ensure that those risks are within the Bank's tolerance level.

Operational Risk Management

In 2020, the Bank actively managed and controlled operational risk within the target levels that were in line with its risk appetite while achieving its business objectives. In response to COVID-19, the Bank executed its business continuity plans and implemented a split operation arrangement, utilizing work-from-home and other measures to maintain its operations and deliver uninterrupted services to our customers. The Bank also reaped benefits deriving from the new operational risk management system recently implemented by its parent company, Fubon Financial Holdings, to enhance its operational efficiency. Additionally, the Bank kept refining the evaluation process of the underlying operational and system controls for new products and services. Going forward, the Bank will continue to promote and maintain a robust internal control environment.

風險管理

企業信貸風險管理

2019 冠狀病毒病全球大流行及中美貿易糾紛，於 2020 年嚴重打擊香港的經濟活動。為應對越來越不明朗的信貸前景，本行已更新信貸指引以緊貼市場變化及監管規定。我們較以往更頻繁地進行壓力測試及組合分析，以確保本行可承受任何突如其來的金融市場動盪，並防止資產質素惡化。

市場大有可能於 2021 年繼續充滿挑戰和不明朗，而全球各國政府的支援政策將推動經濟復甦。本行將進一步加強資產質素監控措施，並準備應對任何對我們貸款質素產生負面影響的可能。此外，本行將繼續投放資源數位化信貸申請流程以及審批中小企業貸款的評分卡，以捉緊市場反彈時帶來的機遇。

市場風險管理

2020 年，全球金融市場經歷了動盪不定的一年。2019 冠狀病毒病爆發、中美貿易的緊張局勢以及期油價格跌至負值，均導致股市和債市於 2020 年第一季暴跌。預期 2021 年市場前景仍然不明朗，除非經濟局勢發生重大變化，否則利率仍將處於低位。中美關係和股票市場增長同樣是影響全球經濟的主要挑戰，而 2019 冠狀病毒病疫苗的有效性亦將成為全球經濟復甦的關鍵指標。我們將繼續密切監察並管理本行的交易及投資活動風險，以確保本行可承受相關風險。

營運風險管理

本行於 2020 年積極管理及控制營運風險，以期在符合我們風險偏好的目標水平的同時，也能達到我們的業務目標。為應對 2019 冠狀病毒病，本行執行了持續業務運作計劃，並透過實施分開辦公、在家工作和其他措施以維持業務正常運作，為客戶提供無間斷的銀行服務。本行母公司富邦金控於近日實施的新營運風險管理系統，亦有助提升我們的營運效率。同時，本行持續優化專為新產品和服務而設的營運及系統監控的評估流程。展望未來，本行將繼續提升並維持一個穩健的內部監控環境。

COMPLIANCE

The Bank has established a robust compliance risk management framework under applicable laws and regulations to ensure adequate corporate oversight and guidance for compliance activities. This framework, which is composed of three lines of defence, is reviewed regularly and reported to our Board for endorsement and approval.

To align with the Bank's strategy of "seamless integration of physical banking and virtual banking services", our Compliance Department will continue to provide assistance, guidance and advice throughout the business development process of virtual banking services, and also provide practical solutions to enable the Bank to meet today's demanding regulatory regime. The fast-moving development in technology and the increasing application of Fintech may trigger more comprehensive rules imposed by regulators. In view of this, the Bank will continue to enhance its compliance framework on a proactive basis to identify and assess the compliance risks associated with the Bank's new business initiatives, aiming to ensure that our customers can fairly and effectively access our state-of-the-art digital banking services while the Bank remains in the good graces of regulators.

The Bank has been actively participating in the licensing regime of the Enhanced Competency Framework on Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CFT") to maintain our staff competency. All practicing staff have met the qualification requirements of this competency framework and have been certified as AML Professionals. They 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 cope with the development of Fintech and to ensure our AML risk management systems and controls are sufficiently effective and efficient to implement the latest legal and regulatory requirements for combating Money Laundering and Terrorist Financing, the Bank worked with selected business partners to develop a new customer risk assessment scoring system to further enhance our customer due diligence process. This new customer due diligence system was successfully launched in June 2020. In the second half of the year, we started another project to strengthen the Bank's Transaction and Behavioural Monitoring System to further enhance our competency and effectiveness in undertaking ongoing customer transactions and behavioural monitoring. We target to launch this new system in 2021.

Looking forward, we will continue to strengthen the effectiveness and efficiency of the Bank's compliance function and stay vigilant in ensuring the robustness of our regulatory framework in today's ever-changing technological environment. Timely and proactive management actions will be taken to identify and assess different types of regulatory measures to manage emerging compliance risks and challenges under the new regulatory requirements, as well as to underpin ongoing cooperation with regulatory authorities.

合規監控

本行已根據適用的法律和法規制定了健全的合規風險管理框架，確保對合規活動有充足的企業監控和指引。該框架由三道防線組成，並會作定期檢討，再匯報予董事會審批。

為配合本行「實體銀行與虛擬銀行服務的無縫結合」的策略，合規部將持續在整個虛擬化銀行服務的發展過程中給予協助、指引和建議，並提供切實可行的方案，讓本行應對現時嚴緊的監管制度。科技發展日新月異，加上金融科技的應用日益廣泛，或會驅使監管機構實施更全面的監管規則。有鑑於此，本行將繼續積極完善合規框架，以識別和評估與本行新業務計劃相關的合規風險，從而確保客戶能公平且有效地享用本行最新的數位化銀行服務，並繼續得到監管機構的認可。

本行一直積極參與「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，以維持本行員工的勝任能力。我們從事相關工作之員工均符合該資歷架構的要求，並獲得打擊洗錢的專業認證。相關員工亦致力於持續專業發展，以確保能掌握打擊洗錢/恐怖分子資金籌集、合規監控以及本地及國際監管規定和標準等方面的最新知識。

為應對金融科技的發展並確保本行之打擊洗錢風險管理系統和監控措施能有效地執行最新的法例及監管要求，以打擊洗錢及恐怖分子資金籌集活動，本行與指定的業務夥伴合作，開發新的客戶風險評分系統，進一步優化我們的客戶盡職審查流程。此新客戶盡職審查系統已於2020年6月成功推出。與此同時，我們啟動了另一個旨在加強本行交易和行為監察系統的計劃，以進一步提升本行持續監察客戶交易和行為方面的能力和有效性。我們預期新系統將於2021年推出。

展望未來，我們將繼續加強本行合規職能的效能和效率，並確保在現今瞬息萬變的科技環境中維持穩健的法規框架。本行將適時採取積極主動的管理措施，識別和評估不同類型的監管政策，以應對在新監管要求下衍生的合規風險及挑戰，並持續鞏固我們和監管機構的合作。

INFORMATION TECHNOLOGY & OPERATIONS

資訊科技及營運

INFORMATION TECHNOLOGY

Upon completion of the final phase of our Core Banking System Replacement Project, the Bank is now well-positioned to launch new products more quickly and react to market changes more effectively and in a more timely manner. These benefits are prerequisites for successful customer service and for rolling out virtual banking services in the future.

We fully understand how Fintech has changed the landscape of the financial industry. Consequently, we revised our Strategic Information Technology ("IT") Plan to support the Bank's business development, including the roll-out of eKYC capability and the virtualization of banking services for both retail and corporate banking businesses. We aim to provide our customers with electronic and virtual banking services that will match or exceed those offered by the new virtual banks, and yet our customers will continue to benefit from our highly sophisticated branch banking services.

As Fintech and the 5G network are evolving rapidly, the Bank is going to launch a remote account opening mobile app in 2021 called "Fubon GO". The new mobile app will use the Low-Code Application Platform, offering various advantages over traditional application development, such as facilitating rapidly changing business needs and enabling quicker digital transformation. With Fubon GO, customers will be able to handle account opening, and process credit card and personal loan applications without leaving their home.

The adoption of the latest Low-Code technology will also enable the Bank to revamp its personal and corporate e-banking services. The revamp will speed up the Bank's virtualization of services and provide our customers with a new digital banking experience. Also, the Bank will start its first Artificial Intelligence ("AI") development in 2021 through Banking Chatbot, an AI application that provides opportunities to automate customer services at the Bank.

The revised IT Plan has enhanced user infrastructure through system automation and replacement of the remaining legacy systems. We have identified several business processes that will be deployed with our Enterprise Work Flow ("EWF") management system, such as credit approval, retail loan applications and credit card applications. The use of EWF will enable the Bank to automate the entire process to improve operational efficiency. With our aim to create a paperless and highly automated work environment, EWF will be applied to different business units so that all business processes are automated and fully integrated into the existing document managing system. The new IT Plan has also enhanced the Bank's IT hardware and software infrastructure to provide business analytics that help us to formulate various business initiatives and programmes. We will start the final replacement phase of the remaining legacy systems in 2021 in accordance with our Strategic IT Plan.

資訊科技

核心銀行系統更新工程的最後階段已順利完成，讓本行可更快推出新產品，並能更適時且有效地回應市場變化。這些優勢是成功的客戶服務和日後推出虛擬銀行服務的先決條件。

我們深明金融科技改變了金融業的發展。因此，我們修訂了策略性資訊科技計劃以支援本行的業務發展，包括推出eKYC功能以及虛擬化零售和企業銀行服務。我們旨在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，同時讓客戶可繼續享用我們優質的分行銀行服務。

隨着金融科技及5G網絡正迅速發展，本行將於2021年推出遙距開戶手機應用程式—Fubon GO。全新的手機應用程式將採用低程式碼流動應用程式開發平台，相比傳統開發軟件，低程式碼流動應用程式技術帶來更多優勢，例如可更容易配合瞬息萬變的業務發展需求，以及加速數位化轉型。利用Fubon GO，客戶足不出戶便能辦理開戶、信用卡及私人貸款申請，方便快捷。

此外，最新的低程式碼科技亦將有助本行革新個人及企業電子銀行服務，加快本行推出虛擬化銀行服務的步伐，為客戶帶來嶄新的數位化銀行體驗。同時，本行將於2021年啟動首個人工智能發展計劃，推出人工智能聊天機械人服務，讓客戶享用本行的自動化客戶服務。

經修訂的資訊科技計劃透過系統自動化以及更新舊有系統，加強了用戶基礎設施。我們已識別若干需透過企業工作流程改進的業務程序，如貸款審批、零售客戶貸款申請以及信用卡申請。利用企業工作流程可讓本行把整個流程自動化，提升營運效率。為達致工作環境無紙化及高度自動化，企業工作流程將應用於不同的業務單位，令所有業務流程均可自動化及與現有文件管理系統完全整合。全新的資訊科技計劃亦加強了本行的資訊科技硬件和軟件的基礎設施，令我們獲得有助本行制訂更佳業務計劃的分析。根據本行的策略性資訊科技計劃，我們將於2021年開展更新舊有系統的最後階段。

OPERATIONS

Throughout the world, 2020 was a difficult year for business due to COVID-19. The Bank rose to the challenges of maintaining a stable and optimal workforce to ensure smooth daily operations and safety for all concerned. In this regard, we implemented various precautionary measures, including split-office and work-from-home arrangements bolstered by support from our IT team.

During the pandemic, the Bank's priority was to ensure safe, hygienic and comfortable business and work environments for customers and staff, respectively. We invested as needed to secure sufficient supplies of masks and hand sanitizers for all offices and branches, frequent disinfection of internal and public areas of the Bank's premises, and installation of non-contact infrared thermometers to measure everyone's temperature.

Despite the disruption and stress caused by COVID-19, we were able to maintain business momentum with ongoing system improvements and enhancement plans for straight through processing of outward remittances. We have achieved a straight through processing rate of over 90% since the system was implemented in November 2020. Together with the implementation for inward remittances in previous years, the Bank is now fully automated to handle these transactions. We anticipate that our customers will be able to enjoy a more convenient and speedy way to place remittance instructions via our e-channels.

In 2020, 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 presented by our USD clearing bank, the Bank of New York Mellon, in recognition of our excellent quality fund transfer operations. It was the 14th consecutive year that the Bank garnered the award.

We believe that the Bank's various Fintech initiatives will enhance both the quality and efficiency of our operations. Looking ahead, we will maintain our efforts to provide our customers with high-quality services, reinforcing our commitment to delivering the exceptional "Fubon Experience".

營運

受 2019 冠狀病毒病影響，全球企業於 2020 年均經歷重重困難。縱使面對各項挑戰，我們仍然維持穩定且優秀的員工團隊，確保日常業務能正常運作以及相關人士的安全。我們採取了多項防疫措施，包括在資訊科技團隊的支援下，有效地實施分開辦公和在家工作的安排。

於疫情期間，確保客戶和員工享有安全、衛生且舒適的業務和工作環境是本行的優先考量。我們按需要為所有辦公室及分行提供充足的口罩和淨手消毒器，並經常於銀行內部和公共地方進行深層清潔消毒，以及安裝非接觸式紅外線溫度計為客戶和員工進行體溫檢測。

儘管受到 2019 冠狀病毒病困擾，我們仍能維持業務的發展動能，繼續優化及提升電腦系統，實施直通式聯繫結算處理系統處理匯出匯款。自系統於 2020 年 11 月升級後啟用以來，我們的直通式聯繫結算處理率已達到 90% 以上。計及數年前實施以直通式聯繫結算處理系統處理匯入匯款，本行已全面落實匯款系統自動化。我們預期客戶將可透過本行的電子渠道下達匯款指示，享用更方便快捷的服務。

2020 年，本行連續第 14 年獲本行之美元結算行紐約梅隆銀行評選為亞洲區 500 間銀行中表現最優秀的銀行之一，並獲頒「直通式聯繫結算處理獎」，以表揚我們超卓的資金轉賬服務。

我們相信，本行各項金融科技舉措將有效提升營運質素和效率。未來，我們將繼續維持優質的服務，為客戶帶來卓越的「富邦體驗」。

PEOPLE DEVELOPMENT

人才管理及發展

Due to COVID-19, 2020 was a challenging year for the Bank. We devoted huge resources to combating the pandemic and to make swift, proper changes in response to the government's precautionary measures, as well as to provide transparent, ongoing communication and necessary support to staff and related parties. To protect our staff and customers, the Bank implemented Business Contingency Plans and a number of measures, such as work-from-home, split-office and other flexible work arrangements. In addition, we distributed personal hygiene kits to all staff and set up a special hotline for staff and departments to resolve related issues. Arrangements were also made for concerned staff who had to take COVID-19 tests at designated clinics. Furthermore, the Bank's eLeave and eQuiz systems were enhanced to provide more efficient and user-friendly functions so that staff could save time and effort.

In 2020, the Bank organized 363 training courses offering 405 classes. In order to adhere to strict social distancing measures and adapt to a work-from-home arrangement, all training activities shifted to virtual classes from early-2020, supplemented by tele-conference briefings, e-learning courses and micro self-learning opportunities. During the year, we conducted a bank-wide staff survey tapping into staff opinions about the Bank's wealth management products and services compared with those of peer banks. The results of the survey and staff's suggestions were consolidated for management's consideration to enhance our products and services.

In keeping with the Hong Kong Monetary Authority's ("HKMA") advocacy of green finance in the banking industry, the Bank hosted "Lunch and Learn" sessions and used staff newsletters to educate our staff about Go Green concepts, such as Green Finance, Climate Change and Global Warming and Waste Recycling. We also embedded green concepts into the Continuous Professional Development programmes offered to insurance intermediary licensed holders. The Enhanced Competency Framework on Credit Risk Management ("CRM") championed by the HKMA entered the implementation phase so we submitted grandfathering applications and embarked on the certification process for all relevant staff in the CRM area.

受 2019 冠狀病毒病疫情影響，2020 年對本行而言是充滿挑戰的一年。我們投放了大量資源對抗疫情，並為配合政府的防疫政策採取迅速恰當的應變措施，給予員工和相關人士持續且透明的資訊和必要的支援。為保障員工和客戶的安全，本行已制定持續業務運作計劃，並已實施一系列防疫措施，包括在家工作、分開辦公和其他彈性工作安排。此外，我們向所有員工派發抗疫用品包，並設立輔導及諮詢熱線，為員工和各部門處理相關問題。我們亦安排有需要的員工前往指定診所接受 2019 冠狀病毒病核酸檢測。除上述各項抗疫措施，本行亦已優化網上休假申請系統及 eQuiz 系統，讓員工可更方便快捷地使用各項功能。

2020 年，本行舉辦了 363 項培訓課程，涉及 405 個培訓班。為嚴格執行社交距離措施，以及配合在家工作安排，我們由 2020 年初開始把培訓活動改為以網上學習模式授課，輔以電話會議、電子學習課程及微自學機會。年內，我們進行了員工意見調查，收集員工對本行對比其他銀行財富管理產品和服務的意見。有關調查結果及員工的建議已作整合供管理層參考，從而提升我們的產品和服務。

為配合香港金融管理局（「金管局」）對銀行業綠色金融的倡議，本行透過舉辦午餐時段學習課程及內部員工通訊向員工灌輸綠色金融、氣候變化、全球變暖及廢物回收循環再用等綠色生活概念。此外，我們亦將綠色生活概念納入為持牌保險中介人提供的持續專業發展課程中。由金管局倡議的「專業資歷架構－信用風險管理」已進入實施階段，我們已提交豁免安排的申請，並已為其工作領域涉及信用風險管理的員工申請專業資歷認證。

Facing many challenges of COVID-19 during the year, we continued to provide a 24-hour hotline service under the Employee Assistance Programme offering professional counselling and face-to-face consultation services for all staff and their immediate family members under the age of 18. For the ninth consecutive year, in recognition of outstanding achievement in manpower training and development, the Bank was awarded the “Manpower Developer” by the Employees Retraining Board (“ERB”) under the ERB Manpower Developer Award Scheme.

During the year, we continued to focus on maintaining a stable and competitive workforce for business process development. Due to the pandemic, we used video technology to recruit new staff, which helped to optimize the hiring process by increasing effectiveness. In support of the Bank’s business needs, we endeavored to drive professional growth of all employees by applying HKMA’s Enhanced Competency Framework in various banking practices. Focusing on the next generation, the Bank expanded its commitment to the professional development of fresh graduates in the banking sector by participating in the Banking Talent Programme jointly launched by the HKMA and the banking industry.

面對 2019 冠狀病毒病的各種挑戰，本行繼續就員工援助計劃提供 24 小時熱線電話服務，為所有員工及其 18 歲以下的直系親屬提供專業的諮詢及面談服務。憑藉卓越的人才培訓及發展，本行已連續第九年獲僱員再培訓局嘉許為「ERB人才企業嘉許計劃」的「人才企業」。

年內，我們繼續維持穩定且具競爭力的員工團隊，促進業務的發展。鑑於疫情關係，我們採用視頻面試招聘員工，提高效率以優化招聘流程。為配合本行的業務需要，我們將金管局的「專業資歷架構」應用於各銀行業務中，致力提升全體員工的持續專業發展。為培育人才，本行透過參與金管局聯同銀行業推出的「銀行業人才起動計劃」，進一步促進應屆畢業生於銀行業的專業發展。