

Press Release

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The Asian Banker Excellence in Retail Financial Services Awards 2009

Hang Seng Bank wins two awards for Excellence in Wealth Management and Best Retail Bank in Hong Kong, 2008

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- *Hang Seng Bank won the prestigious Best Retail Bank in Hong Kong award for the 2nd time, based on a sustainable balance sheet and sound wealth management practices amidst an unprecedented crisis.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 20 March 2009 – Hang Seng Bank has been named Hong Kong's Best Retail Bank in the eighth Asian Banker Excellence in Retail Financial Services Awards Programme. The bank received the award at The Asian Banker Excellence in Retail Financial Services Awards 2009 ceremony, held in conjunction with the region's foremost retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Grand Hyatt in Singapore on the evening of March 19th, 2009.

About 120 senior bankers from award winning banks in 22 countries across the Asia Pacific, the Gulf and Central Asian regions attended the formal gala dinner, the industry's celebration of the region's best retail bankers that recognizes their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three month-long evaluation process, based on a balanced and transparent scorecard, determined the winners and the position of the different retail banks in the region. A full list of winners is attached.

Hang Seng Bank wins two awards for Excellence in Wealth Management and Best Retail Bank in Hong Kong, 2008

Hang Seng Bank has won the Best Retail Bank in Hong Kong for 2008 for the second time. Hang Seng led the Hong Kong banks in seven of the nine categories. The bank stood out by excelling in the field of sustainability, risk management and people's skill while maintaining a sound balance sheet with strong cost management and deposit funding capabilities.

Hang Seng Bank has deliberately avoided taking on structured products which caused mayhem among other peers in Asia. Although running on an open distribution platform, Hang Seng Bank is among the very few players in Asia today that has successfully built up and retained superior product knowledge capabilities and strong back office mechanisms to act in the spirit of its clients. It is one of the first commercial banks in Hong Kong to introduce securities online trading in mobile phone banking. The success of Hang Seng's wealth management business was recognised by The Asian Banker's Excellence in Retail Financial Services Awards for three consecutive years - 2004, 2005 and 2006.

"In 2008, the bank was successful in building a significant bancassurance business around the annualised regular premium segments. The bank improved its card proposition by seamlessly acquiring more cardholders for its 'enJoy' product line compared to any other local peer," said Mr. Chris Kapfer, head of Excellence in Retail Financial Services Awards Programme at The Asian Banker. He added, "Robust back office technology and sound gate keeping mechanisms helped Hang Seng win in risk management. In many key indicators, Hang Seng was able to show results that were significantly better than the market average."

Hang Seng Bank won the prestigious Best Retail Bank in Hong Kong award for the 2nd time, based on a sustainable balance sheet and sound wealth management practices amidst an unprecedented crisis

In a highly challenging environment for retail financial services, Hang Seng Bank was able to manage its retail operations better than any of its competitors.

Despite the financial tsunami in 2008, Hang Seng Personal Financial Services flared remarkable results across several businesses. Hang Seng Insurance topped the league in terms of new businesses for three consecutive quarters of 2008 with 13.4% market share as of September 2008. The robust growth in personal life insurance in the highly competitive Hong Kong market was underpinned by a strong bancassurance model between the bank's insurance arm and distribution network that also helped to cushion the decrease in growth of fee income in the wealth management business.

In March 2008, Hang Seng launched 'enJoy' credit card which is Hong Kong's first Visa Paywave credit card. This highly popular card co-branded with Jardine Matheson Group helped boost its card business to achieve double digit year-on-year growth in 2008. "Hang Seng continued to be the second largest credit card issuer and one of the top three mortgage lenders with a market share of 11.6%. Like many of the top players in this year's Excellence programme, it avoided going for market share at the expense of sacrificing margin," said Mr. Kapfer.

Hang Seng Bank launched a dozen new products in 2008, including the Green Banking Account, an Asset Link Secured Overdraft, an enhanced Monthly Income Life Insurance Plan with step-up income options and 9 capital guaranteed and open ended funds.

Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme

“This year over 120 banks and financial institutions in 22 countries across Asia were evaluated as part of the Excellence in Retail Financial Services Programme. It has become the single most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions available almost anywhere in the world today,” said Philip Strause, Chairman of The Asian Banker Excellence in Retail Financial Services Programme.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks’ retail banking businesses that involves extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Strause, who has over 30 years experience as a principal consultant to leading financial institutions in North America and the Asia Pacific, added, “The Asian Banker Excellence in Retail Financial Services Programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time.”

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence on the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company’s website is www.theasianbanker.com.

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