



Our Approach



Our operating principles and strategy are designed to enhance our position as the leading domestic bank in Hong Kong and a preferred choice of personal and corporate clients for wealth management and trade solutions in the Greater China region. They are also designed to contribute to the positive development of our community and to achieving sustainable growth.

In addition to providing quality banking and financial services, our investment in, and support for, a broad range of youth development, social welfare, sports development and environmental stewardship initiatives are helping to create a well-educated, inclusive and healthy society.

We make direct economic contributions to Hong Kong in a number of ways. These include tax payments and being one of the city's largest private sector employers. We have more than 10,000 employees.

Examples of our indirect economic contributions include our strong support for small and medium-sized enterprises (SMEs). By working with these homegrown businesses, we support the local economy and create new employment opportunities and wealth.

With our growing business, we are exposed to multiple financing risks. We require all business units to identify and align with the

established policies and procedures, as well as to comply with regulatory bodies.

Our senior management team contributes valuable knowledge and expertise. They serve as directors on the boards of other large Hong Kong companies, participate in think-tanks that focus on economic and social issues, are members of government advisory groups and industry organisations, and hold senior positions on the boards and committees of non-governmental organisations (NGOs) and charitable organisations that are working to solve economic and social challenges in Hong Kong.

Performance by the Numbers >>

Financial	2018	2017	2016
Operating profit (HK\$m)	27,947	23,547	19,034
Profit attributable to shareholders (HK\$m)	24,211	20,018	16,212
Shareholders' funds (HK\$m)	162,082	152,030	140,626
Total assets (HK\$m)	1,571,297	1,478,418	1,377,242
Total liabilities (HK\$m)	1,409,190	1,326,339	1,236,556
Earnings per share (HK\$)	12.48	10.30	8.30
Dividends per share (HK\$)	7.50	6.70	6.10
Return on average ordinary shareholders' funds (%)	16.00	14.20	12.10
Return on average total assets (%)	1.60	1.40	1.20
Cost efficiency ratio (%)	29.50	30.50	33.50
Average liquidity coverage ratio (quarter ended 31 Dec) (%)	209.10	209.50	253.60
Average liquidity coverage ratio (quarter ended 30 Sep) (%)	208.20	242.30	284.00
Average liquidity coverage ratio (quarter ended 30 Jun) (%)	209.60	256.70	257.10
Average liquidity coverage ratio (quarter ended 31 Mar) (%)	207.00	267.70	257.10
Capital Ratio under Basel III			
Common Equity Tier 1 (CET1) Capital Ratio (%)	16.60	16.50	16.60
Tier 1 Capital Ratio (%)	17.80	17.70	17.90
Total Capital Ratio (%)	20.20	20.10	20.80

Data coverage: Hang Seng Group

Business Awards and Recognition

Best Bank – Domestic (Hong Kong) (19th consecutive year)

The Asset

Best Green Loan

The Asset

Best Domestic Bank (Hong Kong)

Asiamoney

Hong Kong Domestic Trade Finance Bank of the Year

Asian Banking & Finance

Safest Bank in Hong Kong

Global Finance

Trusted Brands Gold Award – Bank (Hong Kong)

Reader's Digest

Performance by the Numbers >>

Economic	2018	2017	2016
Direct Economic Value			
Generated (HK\$m) ¹	41,220	35,367	30,612
Distributed (HK\$m)	29,339	25,954	23,720
Operating costs	4,994	4,282	4,202
Employee compensation and benefits	5,656	5,122	4,807
Payments to providers of capital	14,756	13,198	12,008
Payments to government in Hong Kong	3,907	3,278	2,628
Payments to government outside Hong Kong	55	46	51
Charitable donations	31	28	24
Retained (HK\$m) ²	11,821	9,413	6,892
Number of full-time equivalent employees (as of 31 Dec) ³	10,352	9,980	9,708
Number of shareholders (as of 31 Dec)	17,999	18,406	18,937

Data coverage: Hang Seng Group

¹ Direct economic value generated refers to the net sales plus revenues from financial investments and sales of assets as disclosed in the Bank's Annual Report

² Direct economic value retained refers to the direct economic value generated less the direct economic value distributed

³ Includes full-time equivalent employees (FTE) of Hang Seng Qianhai Fund Management Company Limited on the Mainland

Community	2018	2017	2016
Number of outlets as of 31 Dec	286	270	270
Number of customers as of 31 Dec (m)	>3	>3	>3
Community investment (HK\$m)	32	31	26

For environmental performance, please refer to [Our Environment >>](#)

Corporate Sustainability Recognition

Constituent stock of FTSE4Good Developed Index
(17th consecutive year)

Constituent stock of MSCI Pacific ex Japan SRI Index
(4th consecutive year)

Constituent stock of Hang Seng Corporate Sustainability Index Series (9th consecutive year)

Constituent stock of Hong Kong Business Sustainability Index (4th consecutive year)

Hong Kong Council of Social Service Caring Company
(16th consecutive year)

Best Corporate Social Responsibility Reputation among Local Banks and Financial Service Companies in the University of Hong Kong's Public Opinion Programme
(11th consecutive year)

Junzi Corporation (8th consecutive year)

First bank in the world to achieve compliance with international occupational health and safety standard BS OHSAS 18001:2007 (2009)

First local Hong Kong bank to attain ISO 14001 certification for all offices and branches (2011)

Credit Ratings

HANG SENG BANK

Moody's

Long-term Bank Deposit (local and foreign currency)	Aa2
Short-term Bank Deposit (local and foreign currency)	Prime -1
Outlook	Stable

Standard & Poor's

Long-term Counterparty Credit (local and foreign currency)	AA-
Short-term Counterparty Credit (local and foreign currency)	A-1+
Outlook	Stable

HANG SENG CHINA

Moody's

Long-term Bank Deposit (local and foreign currency)	A2
Short-term Bank Deposit (local and foreign currency)	Prime -1
Outlook	Stable

Standard & Poor's

Long-term Counterparty Credit (local and foreign currency)	A+
Short-term Counterparty Credit (local and foreign currency)	A-1
Outlook	Stable

Memberships of Industry Associations

- ▶ Business Environment Council Limited
- ▶ CEB FS Operations Leadership Council - International
- ▶ Employers' Federation of Hong Kong
- ▶ Federation of Hong Kong Industries
- ▶ Hong Kong Investment Funds Association
- ▶ Hong Kong Jewelry Manufacturers' Association Ltd
- ▶ Hong Kong Securities and Investment Institute
- ▶ International Chamber of Commerce - Hong Kong
- ▶ International Swaps and Derivatives Association, Inc.
- ▶ New Territories General Chamber of Commerce
- ▶ The American Chamber of Commerce In Hong Kong
- ▶ The Hong Kong Association of Banks
- ▶ The Hong Kong Exporters' Association
- ▶ The Hong Kong General Chamber of Commerce
- ▶ The Hong Kong Institute of Bankers
- ▶ The Hong Kong Management Association
- ▶ The Hong Kong Retirement Schemes Association
- ▶ The Institute of Financial Planners of Hong Kong
- ▶ Treasury Markets Association