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HANG SENG BANK

Press Release

新聞稿

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HANG SENG EXPANDS NETWORK WITH OPENING OF XUJIAHUI SUB-BRANCH IN SHANGHAI

Hang Seng Bank has increased the number of its outlets in Shanghai to four with the opening of Xujiahui sub-branch, further capitalising on the growing business potential in the city.

The Bank established a representative office in Shanghai in 1991, which was upgraded to a branch in 1997. This was followed by the setting up of Huai Hai Zhong Road and Gubei sub-branches in 2003 and 2004 respectively. The opening of Xujiahui sub-branch makes Shanghai the Mainland city in which the Bank has its strongest presence.

The new sub-branch is located at 551 Cao Xi Bei Road, Xujiahui. It will complement the Bank's branch and other sub-branches in Shanghai in providing a wide array of foreign currency and renminbi (RMB) services to foreign passport holders, citizens of Hong Kong, Macau and Taiwan, foreign-invested enterprises, and domestic companies, as well as foreign currency services to mainland China residents.

Deposits, foreign exchange, remittance, corporate lending and project finance are offered in both foreign currency and RMB. Foreign currency mortgage loans and trade finance are also available.

The new sub-branch includes a Prestige Banking Centre at which Customer Relationship Managers provide personalised financial services to customers.

The Honourable Leung Chun-ying, Convenor of the non-official members of the Executive Council of the Hong Kong Special Administrative Region; Mr Richard Tang, a Director of Hang Seng Bank; and Mr Raymond Or, Vice-Chairman and Chief Executive of the Bank, officiated at the opening ceremony of the Shanghai Xujiahui sub-branch today (27 October 2005).

At the ceremony, Mr Or said: "Shanghai is the most important financial and commercial hub in mainland China and offers enormous potential in personal financial business. As at 30 June 2005, total deposits at our Shanghai outlets recorded year-on-year growth of 80%. Loans rose by about 50%, which included a rise of over 300% in mortgage loans.

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"The reaching of an agreement on the third phase of the Closer Economic Partnership Arrangement (CEPA III) between the Mainland and Hong Kong will give rise to new business opportunities for Mainland and Hong Kong enterprises. The opening of our third sub-branch in Shanghai has helped us expand our presence in this strategic city and sees us well positioned to cater for further business growth."

In 2004, the gross domestic product (GDP) of Shanghai grew by over 13% – even higher than the 9.4% GDP growth recorded for the Mainland as a whole. Shanghai's per-capita GDP reached over RMB55,000 – five times the national average. The city also performed strongly in terms of total exports and foreign direct investment, which rose by more than 50% and 15% respectively, compared with national figures of 35% and 13%.

The Bank's Mainland network now extends to eight key cities, with six branches, four sub-branches and two representative offices.

The Bank has invested over RMB3.1 billion in the expansion of its Mainland branch network and the acquisition of a 15.98% stake in Industrial Bank for RMB1.726 billion.

As at 30 June 2005, total deposits and lending activity at all the Bank's Mainland branches had grown by 50% and 46% respectively, compared a year earlier.

Founded in 1933, Hang Seng Bank is a principal member of the HSBC Group. It operates 156 branches and automated banking centres in Hong Kong; a branch in Macau; and a network of 12 mainland China outlets, including six branches (in Beijing, Shanghai, Guangzhou, Shenzhen, Fuzhou and Nanjing), four sub-branches (three in Shanghai and one in Shenzhen) and two representative offices (in Xiamen and Dongguan). The Bank also has a representative office in Taipei.

With consolidated assets of HK$569.7 billion as at 30 June 2005, the Bank reported a profit attributable to shareholders of HK$6,045 million for the first six months of 2005, and HK$11.40 billion in 2004. For further information on Hang Seng, please visit the Bank's website at www.hangseng.com or its Mainland website at cn.hangseng.com.

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