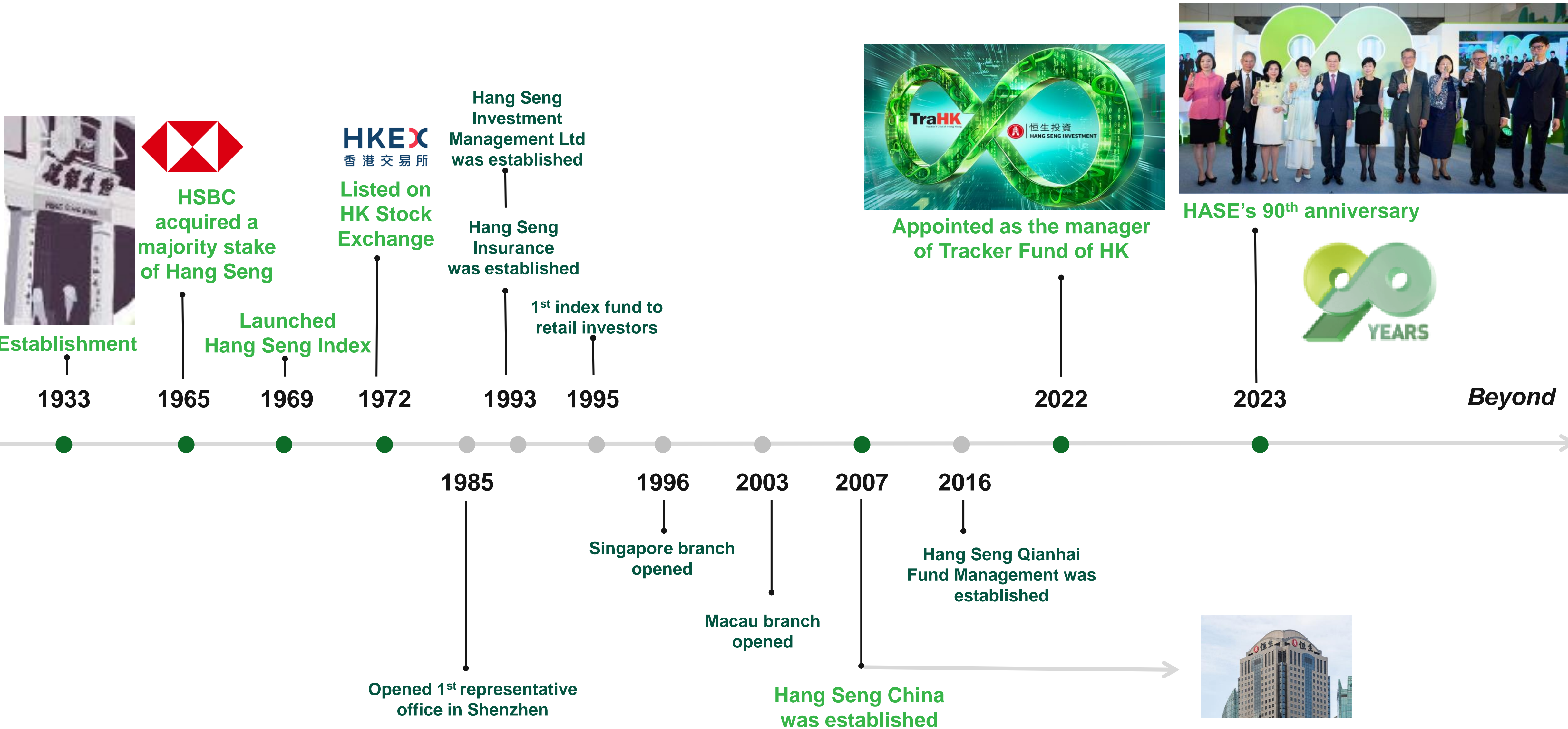


# Investor Roadshow

May 2023

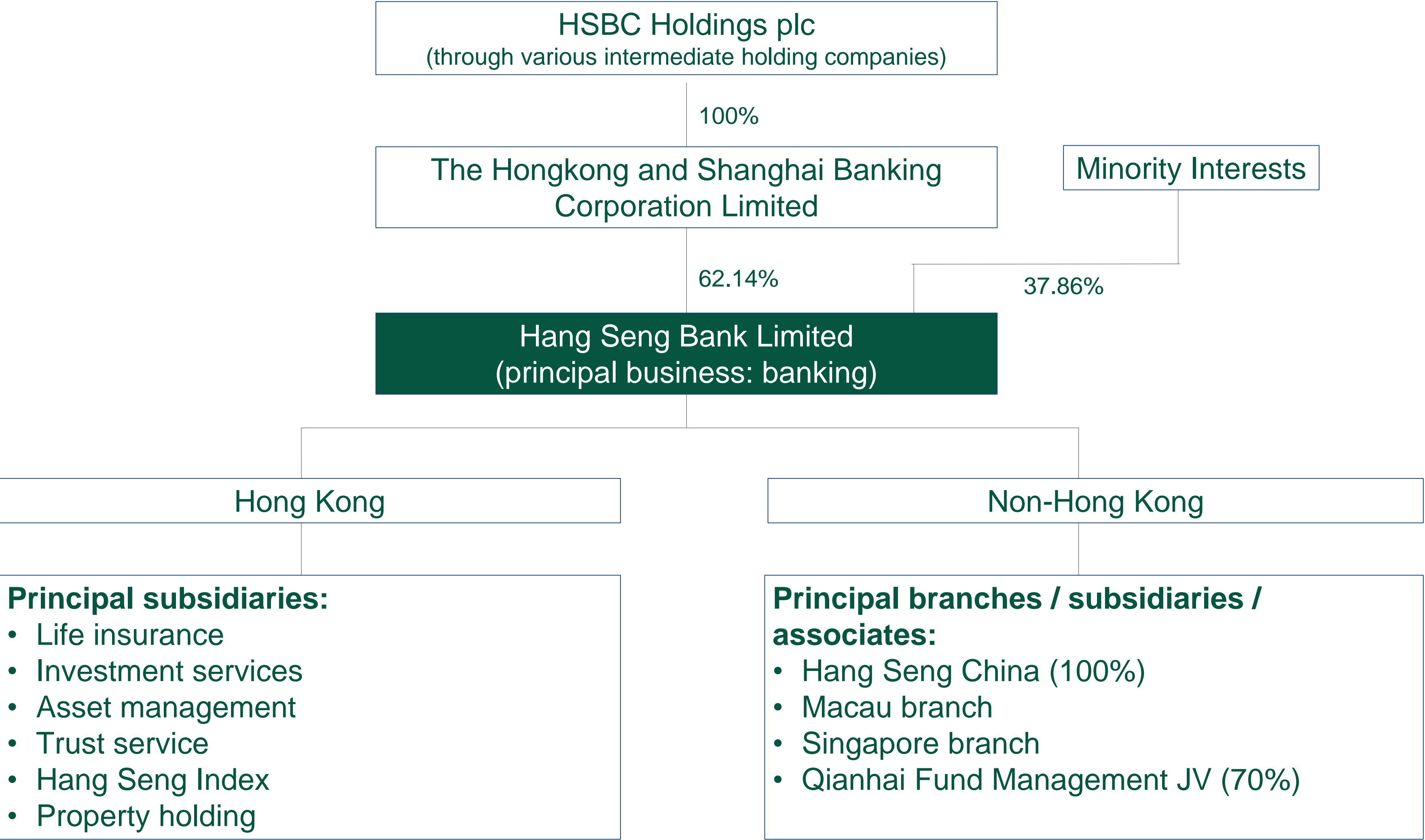
**Diana CESAR, Executive Director and Chief Executive**  
**Say Pin SAW, Executive Director, Chief Financial Officer**

# Our History





# Our Corporate Structure



# Our Market Position

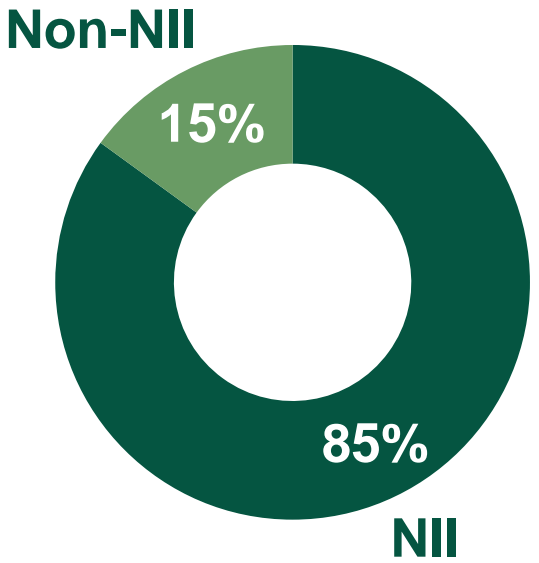
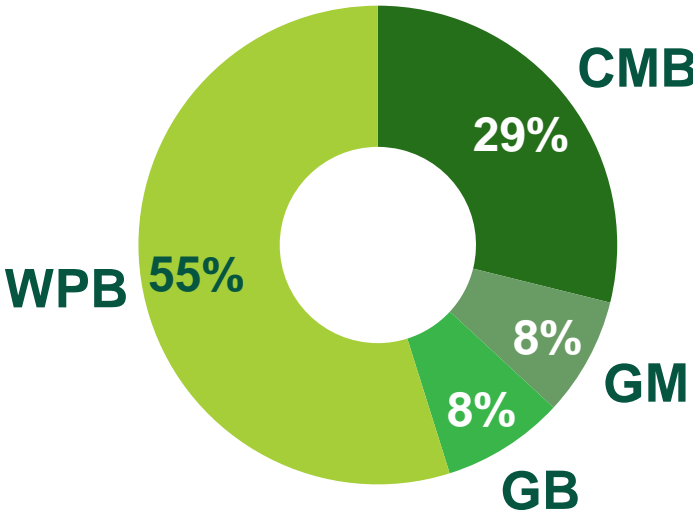
## Largest Local Bank

- ◆ One of the five **Domestic Systemically Important Banks** by HKMA
- ◆ Market Leadership
  - ✓ 3rd profitable bank in HK (after HSBC and Bank of China)
  - ✓ **Credit Card Receivables: #2** with **20%** market share
  - ✓ **New Mortgage Loans: #3** with **15%** market share
  - ✓ **Investment Funds Gross Sales: 10%** market share
- ◆ Leading Domestic Bank

	Ranking	As at YE2022
Market Capitalisation	# 2	USD32B (c.26% of HSBC)
P/B Ratio	# 1	1.4x
Staff Number	# 3	c.8,700 FTE

## Full-fledged Banking Services

Net Operating Income<sup>1</sup> (FY2022)



## Deep penetration with over 50% of HK population

- ◆ Serve more than 3.9 million customers in Wealth & Personal Banking and Wholesale banking
- ◆ Diversified age-demographics in Wealth & Personal Banking
  - ✓ Student & Young Professional 30%
  - ✓ Middle Age 48%
  - ✓ Seniors 22%

## Ratings<sup>2</sup>

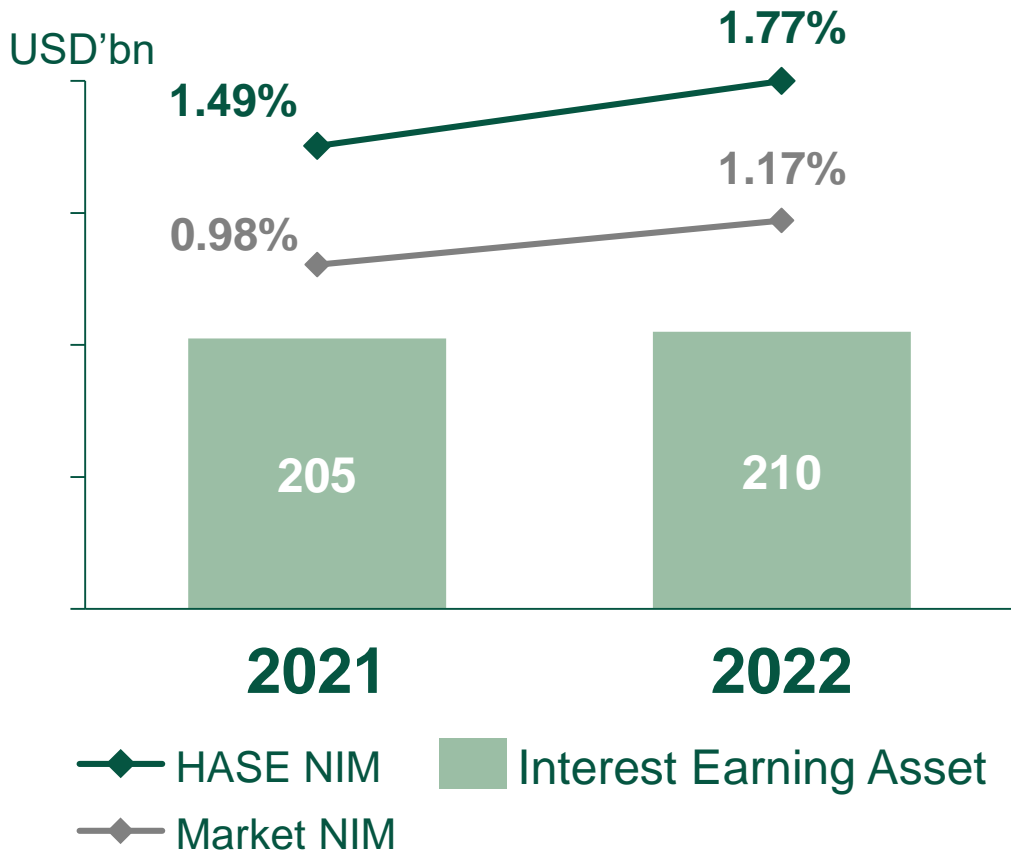
- ◆ S&P **AA-** Stable Outlook
- ◆ Moody's **Aa3** Stable Outlook
- ◆ Fitch **AA-** Stable Outlook

1) Net Operating Income before change in expected credit losses and other credit impairment charges  
2) Ratings from Fitch is on unsolicited basis

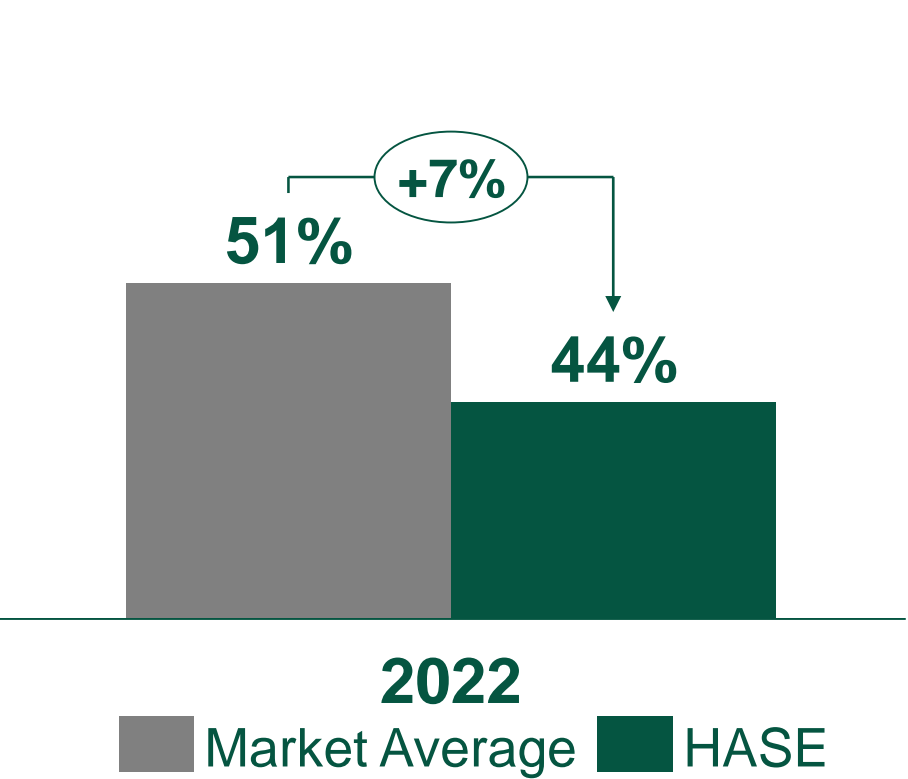
# Our Financial Performance 2022<sup>1</sup>

## Strong Financial Position

### NIM and Interest Earning Asset

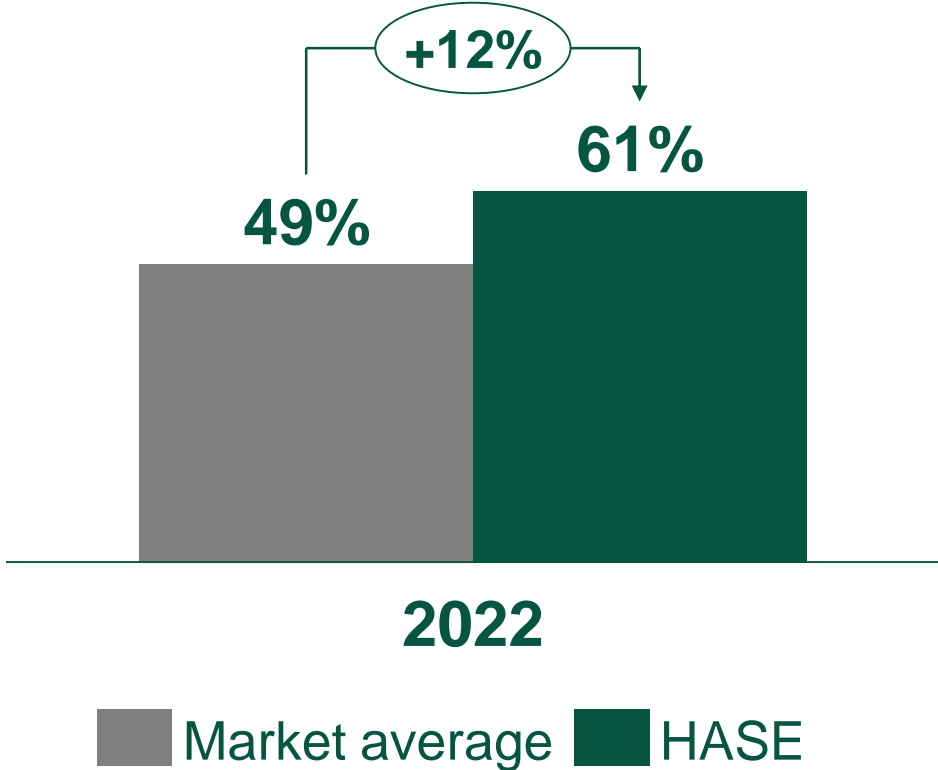


### Cost Efficiency Ratio

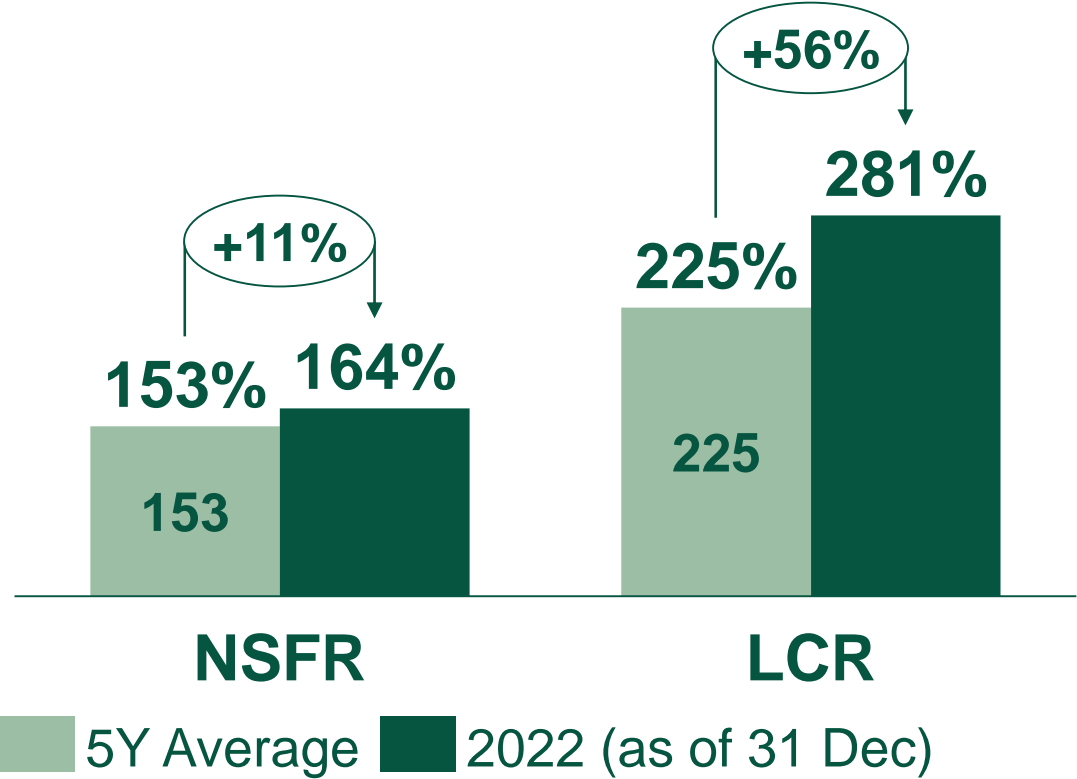


## Highly Liquid Bank

### High CASA Mix<sup>2</sup>

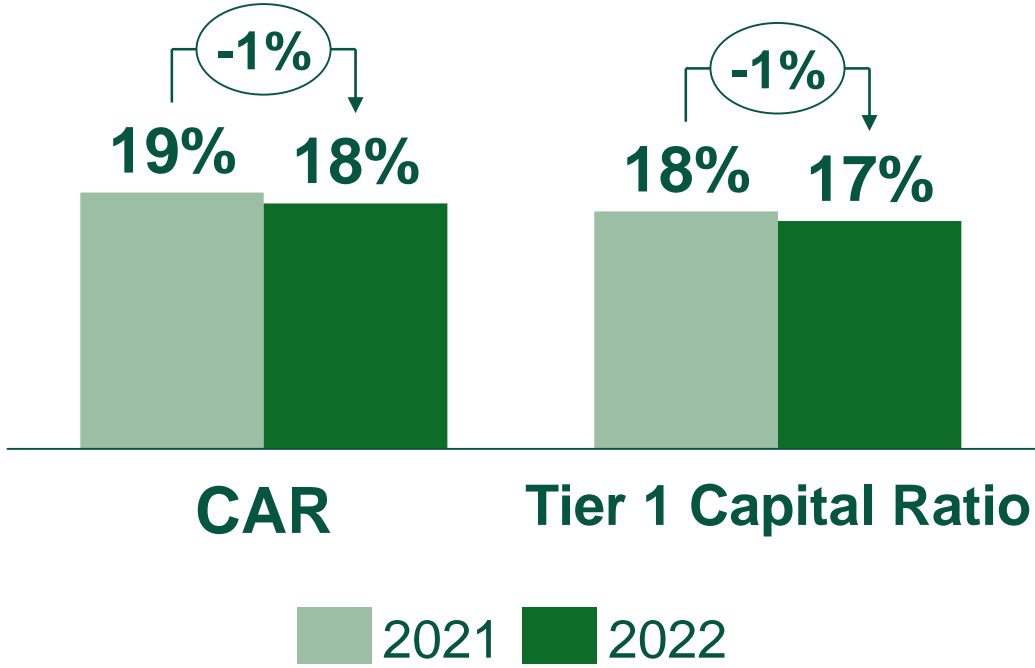


### Affluent LCR and NSFR

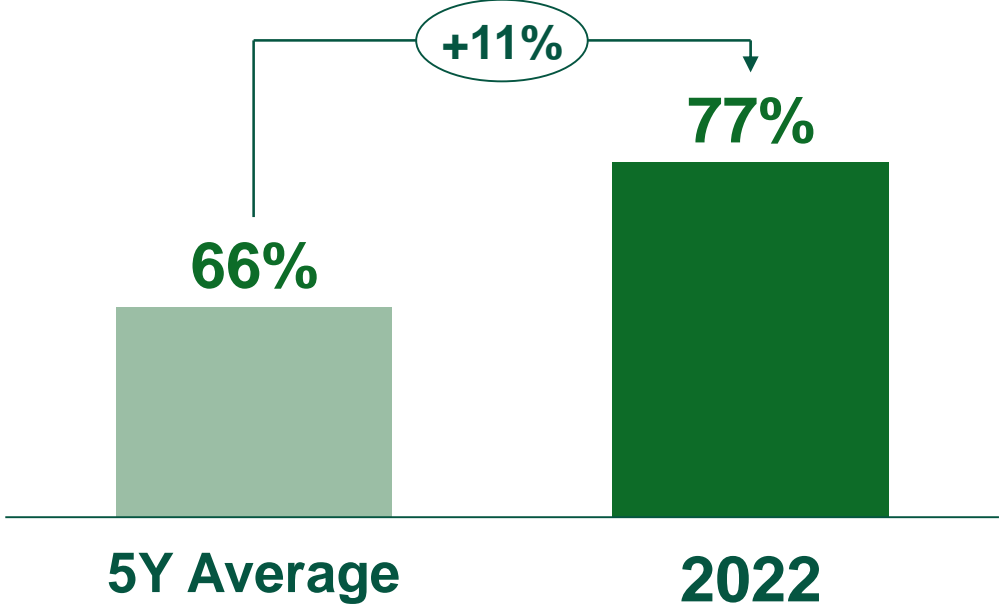


## Well Capitalised

### Strong Capital Ratio

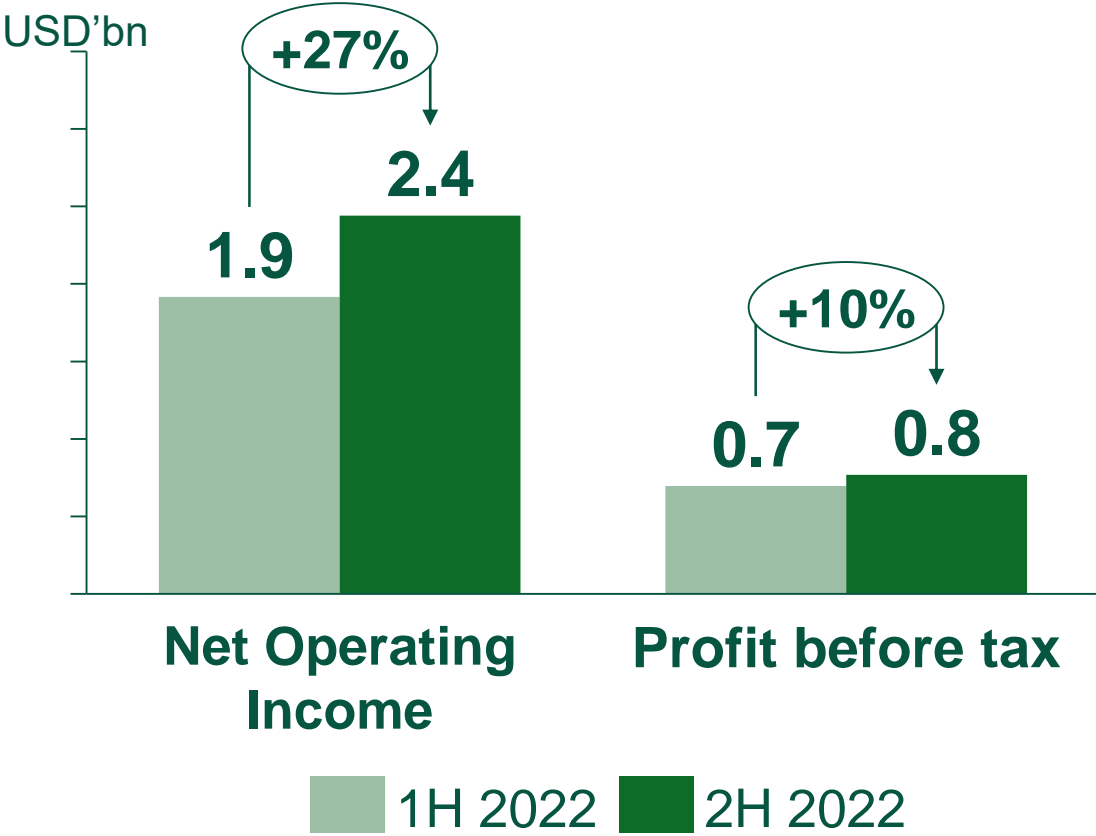


### High Dividend Payout Ratio

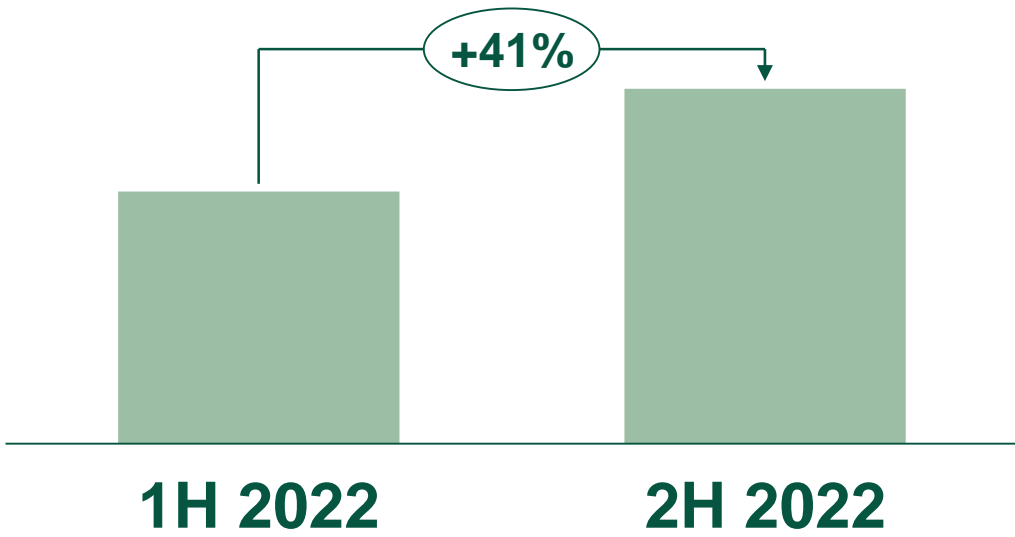


## Strong Recovery in 2H 2022

### Rebound Financial Results



### Strong Customer Growth Post-Pandemic





# Our strategic priorities

## Growth



- ◆ **NFI** with key focus on wealth management
- ◆ **Customer Growth** in High Net Worth & Young Segments
- ◆ **Capture Growth** from the Greater Bay Area

## Sustainability

- ◆ **Sustainable Finance**
- ◆ **Carbon Emission** of our own operation to achieve net zero by 2030
- ◆ **Our ESG Achievements**
  - ✓ Commendation Award for Best GRI Report - Hong Kong ESG Reporting Awards
  - ✓ ESG Excellence Award - Hong Kong Corporate Governance & ESG Excellence Awards 2022



## Innovation



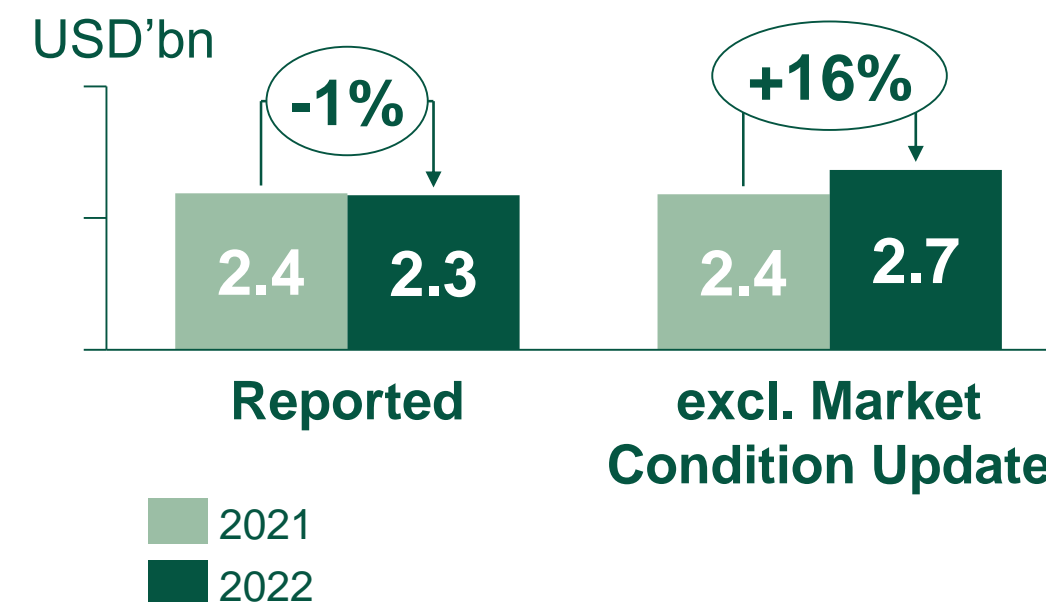
- ◆ **Central Bank Digital Currency (CBDC)**
- ◆ **Digital Sales & Services Capabilities**

## Robust Risk Management and Compliance Discipline

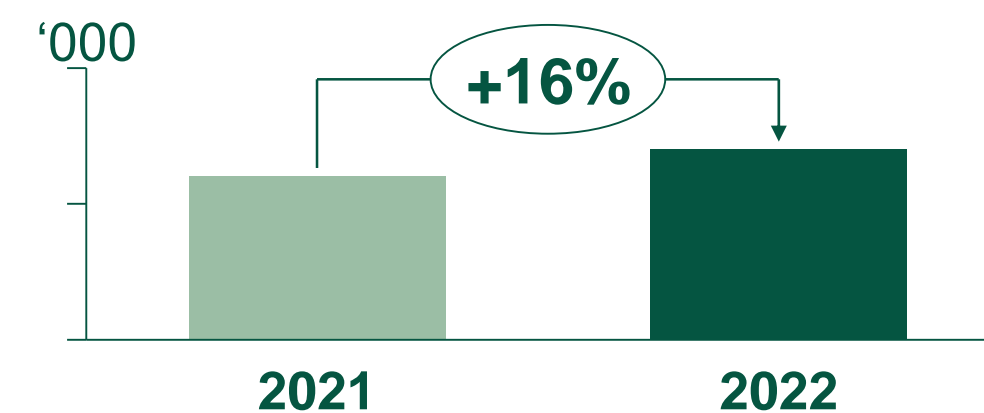
# Wealth & Personal Banking (WPB)

## Where we are

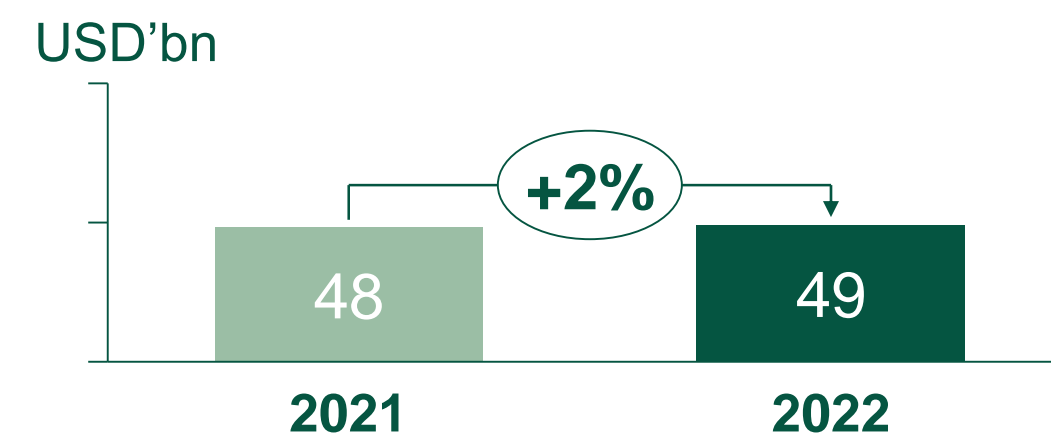
### Net Operating Income<sup>1</sup>



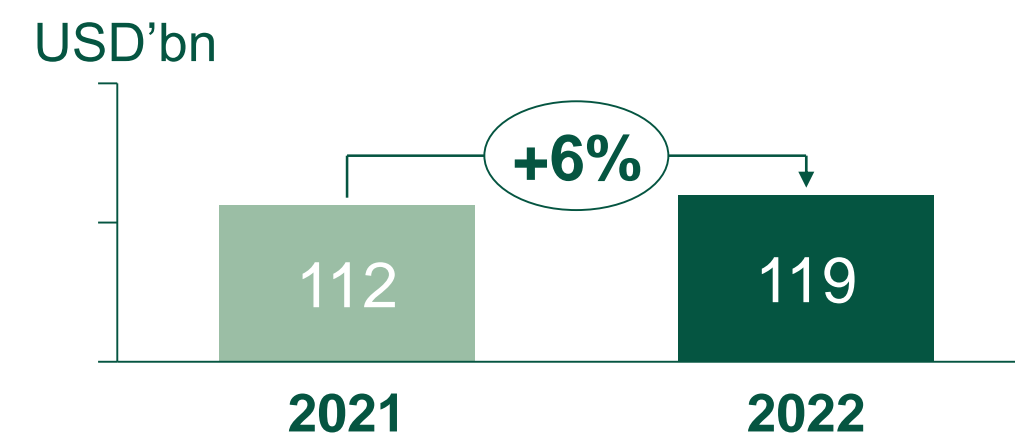
### No. of affluent customers



### Total Loans



### Total Deposits



1) Net Operating Income before change in expected credit losses and other credit impairment charges

## Strategic Focus

### Growth NFI

- Foster market leadership in ETF and Investment Funds
- Offer full range of Life Insurance solutions through our in-house manufacturing capability

### Customers

- Grow Affluent customer segment through the Private bank, Prestige proposition, and Family Wealth
- Grow Youth segment through Cards and Personal Loans

### Sustainability

- First to launch Green Mortgage and Electric Vehicle loans
- First to launch mobile cheque Deposit & Green receipt service
- First to launch low-carbon themed A-share ETF

### Innovation

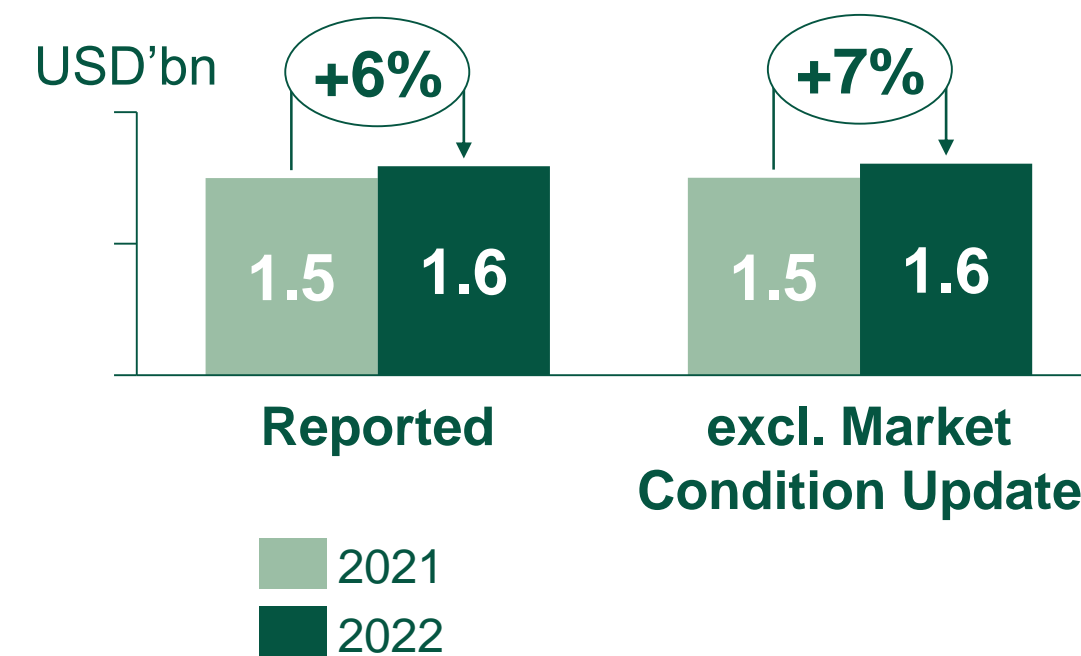
- Deepen customers' engagement with 11% year-on-year growth on mobile active customers and close to doubling of retail transactions
- Actively participated in Central Bank Digital Currency development (e-HKD and e-CNY)
- First to launch NFT wallet and Digital influencer in banking sector



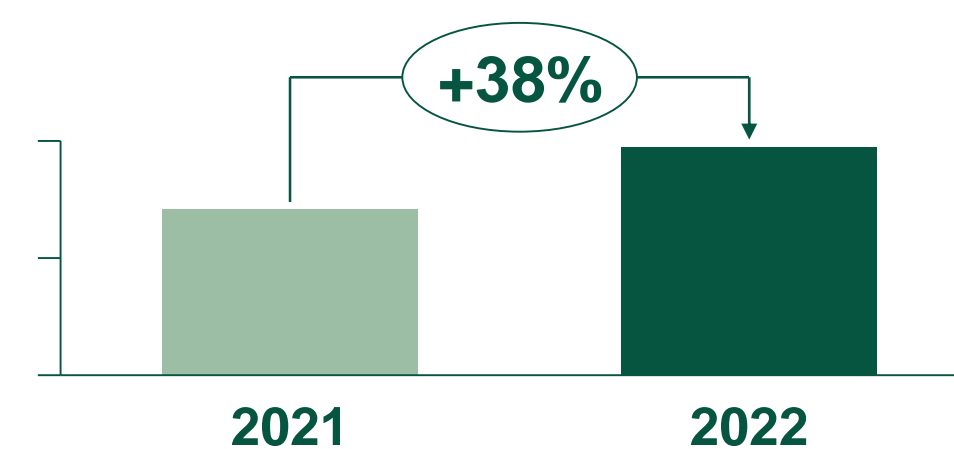
# Commercial and Global Banking (Wholesale Banking)

## Where we are

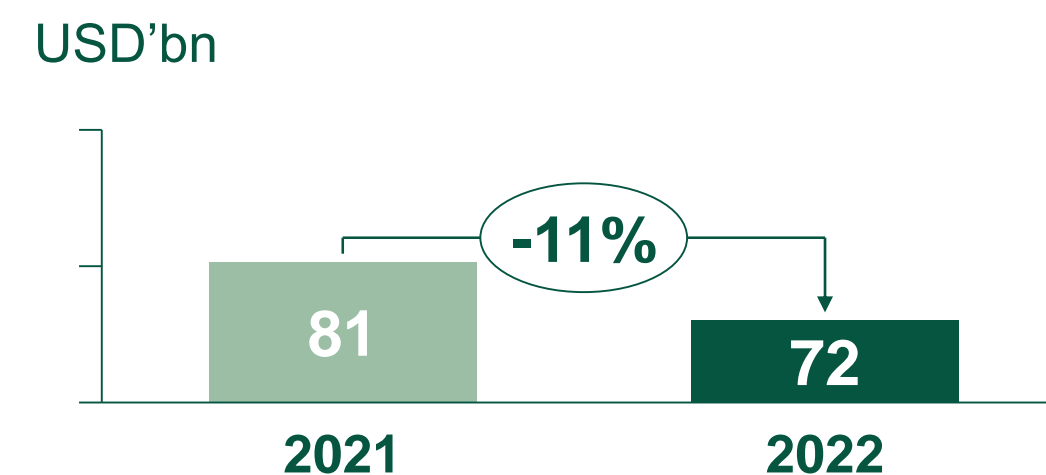
### Net Operating Income<sup>1</sup>



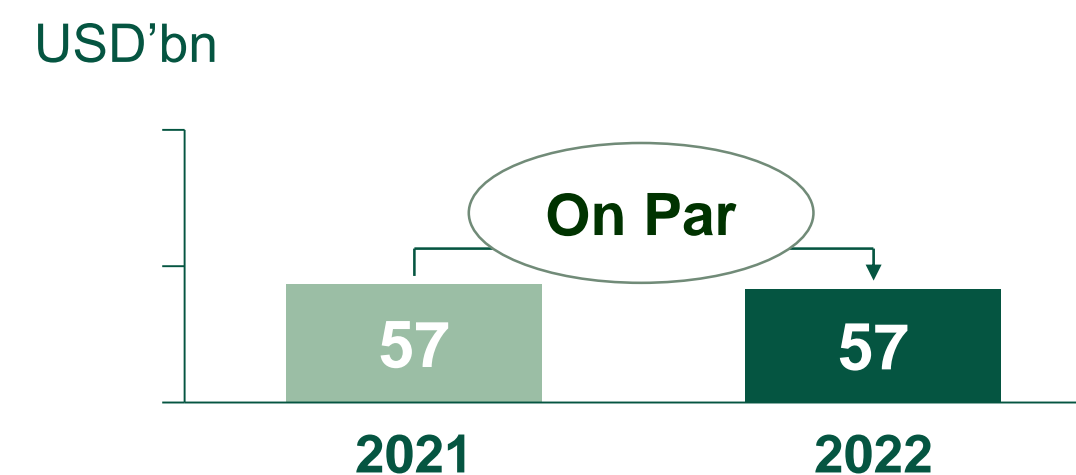
### No. of new CMB customers



### Total Loans



### Total Deposit



## Strategic Focus

### Re-balance & Diversify Loans Portfolio

- Broaden Commercial and Institutional customer acquisition
- Diversify loan growth into new economy sectors (Electric vehicle, new energy, pharmaceutical..etc)

### NFI Growth

- Drive Transaction Banking income growth
- Launched Digital Receivable Finance to improve efficiency in supply chain, in particular for clients in GBA

### Sustainability

- Diversify loan growth into Green and Sustainable Finance
- Launched Green Deposit Service

### Innovation

- First batch of banks to use Commercial Data Interchange (from HKMA) to accelerate loans process turnaround
- Deepen customer relationships through API solution for logistic, education, and property management sectors
- Virtual Card Payment Services
- Mobile Payment Collection Services

1) Net Operating Income before change in expected credit losses and other credit impairment charges



# Our Growth Potential in GBA

## What is the potential for GBA?

- ◆ 86 million population
- ◆ US\$ 4.6 trillion GDP by 2030
- ◆ 12<sup>th</sup> Economic Power House



## Hang Seng Bank's strength and potential

### Where we are

- ◆ Strong presence in Hong Kong with 67 full service branches and across Mass transit railway
- ◆ Opened our cross-boundary Wealth Management centres in Hong Kong and Guangzhou
- ◆ One of participating banks in Wealth Management Connect schemes
- ◆ Manufactures 3 out of the 6 ETF funds in the ETF Connect scheme
- ◆ Substantial portion of our Corporate banking and Global banking customers have dual relationship with Hang Seng Bank in Hong Kong and China
- ◆ Our Business covering all major cities in GBA

### Future growth opportunities

- ◆ China's Central Government policy in increasing Retail Wealth between HK and Mainland GBA cities
- ◆ Market Leadership in Index fund and manufacturing capability
- ◆ Hang Seng Insurance manufactures full range of insurance solutions
- ◆ Enhanced Cash & Payment management service
- ◆ Accelerated Customer onboarding process
- ◆ Revamped Trade platform to drive Structured Trade / Supply Chain Finance

# Going forward...

- Sustain market leadership in HK and Greater Bay Area
- Grow NFI by targeting high net worth customers and wealth business
- Expand penetration into new economy sectors to diversify asset book
- Maintain strong discipline in risk, capital and liquidity management
- Continue our strong focus on green initiatives



# Disclaimer

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# Thank you!