

# Our Customers



**Daniel Wong**  
Head of Research & Analytics, Hang Seng Indexes Company

## ESG Interviews

### Providing Insights for Better Investment Decisions

Sustainability indexes can play a key role in the journey to a more sustainable economy. By recognising companies that do well in ESG areas, we help encourage top performers to keep pushing forward with their initiatives and motivate others to do better. As sustainability becomes a bigger element of investment decision making, these indexes are also having a beneficial impact by making it easy for investors – who drive the market – to compare returns from sustainability-focused investment strategies with those offered by more conventional approaches. Our overarching aim is to benefit the entire community by contributing to the growth of positive economic development trends.

“ Achieving widespread change will take time. But, with more than 10 years' experience of developing and maintaining sustainability-related indexes, we understand the value of having a long-term vision. ”

One of our priorities is to boost the market's awareness of ESG matters. In 2020, we published the individual ESG performances of the constituent members of our Sustainability Indexes on our website to enhance transparency and to provide both investors and companies with a larger set of useful ESG information.

We have also launched the Hang Seng ESG 50 Index to support ESG-focused investment product issuers and are delighted that there is already an ESG 50 Index tracking fund available to investors in Hong Kong. In the coming year, we will roll out more ESG data-related offerings to further foster sustainable investment development in Hong Kong.

## Our Customers

Our customer-centric service puts strong emphasis on building long-term relationships. Since 1933, our commitment to core values – professionalism, passion, and a prudent but progressive approach – has earned us the trust and loyalty of our customers.

Our services are currently used by more than half of the adult residents of Hong Kong. We combine innovation with integrity to deliver excellence. We provide clear, honest information, open communication and full accountability.

We support customers' concerns about sustainability and environmental conservation, and actively help to drive the shift towards a more sustainable economy through our Hang Seng Sustainability Index Family. We address issues such as paper waste and excessive energy consumption in our daily operations. And our efforts extend to Hang Seng's products and services; for example, we offer loans and financing schemes that incentivise green operations and the acquisition of eco-friendly equipment.

We also work to improve financial literacy in our community and our customers. We aim to empower individuals and businesses to achieve financial security and advance their wealth management goals.

We support our community's transition to a low-carbon economy with sustainable finance solutions. In 2021, we will:

- Strengthen our financing for corporate customers' green projects and sustainable development
- Explore to provide more ESG-focused investment choices

## Hang Seng Sustainability Index Family

In July 2020, we introduced the Hang Seng ESG 50 Index to our sustainability index family. The new index comprises the 50 ESG leaders listed in Hong Kong.

For all members of our sustainability index family, the selection of constituents is based on a sustainability assessment by the Hong Kong Quality Assurance Agency. Eligible companies are evaluated against general and industry-specific criteria in seven core areas:

**7**  
core  
areas

Corporate  
governance

Human rights

Labour  
practices

Environmental  
impact

Fair operating  
practices

Consumer  
issues

Community  
involvement  
and  
development

The objective selection process takes the investability of the securities into account. Consequently, our indexes provide benchmarks for index funds with a corporate sustainability focus.

For details of the index methodology, please visit the [Hang Seng Indexes website](#).

Leveraging our insights on companies' ESG credentials, an [ESG Service web page](#) was launched in September 2020 to support sustainability work in the investment and corporate community. It provides a wide range of resources and information, including a searchable database of the 200+ companies that constitute our sustainability index family.

# Our Customers

## Understanding Our Customers



We proactively gather opinions – via focus groups, surveys, suggestion forms and hotlines – to enhance our products and services. In 2020, we newly launched the Net Promoter System in our branches to collect customer feedback more quickly and efficiently, enabling us to respond and improve without delay. We also identify our strengths and best practices via local market benchmarking and a mystery shopper programme that monitors service by frontline staff.

We monitor markets to identify emerging trends and opportunities, and to ensure we offer products and services that meet customers' needs. Our digital platforms allow customers to perform a wide range of transactions online, and provide information to assist their decision-making.

In a fast-changing market, we offer timely information and appropriate investment solutions. Our product specialists, traders and analysts provide integrated financial solutions and 24-hour global markets coverage. Our IT infrastructure enables us to deliver quick access to key markets and up-to-date information to customers. And amid the uncertain foreign exchanges and interest rates of 2020, we developed tailor-made treasury products to help customers better manage risks.

In 2020, we continued to perform well in the annual Banking Industry Monitoring Study by independent research firm, The Nielsen Company (Hong Kong) Limited. This assesses customer satisfaction for the eight major banks in Hong Kong.

We aim to achieve at least 95 per cent customer satisfaction. For the past four years, customer satisfaction has been rated at more than 98 per cent. We earned the Best Bank, Domestic (Hong Kong) award for the 21<sup>st</sup> consecutive year from The Asset; the Best Domestic Bank, Hong Kong award from Asiamoney; and the Safest Bank in Hong Kong award from Global Finance.

Year	Customer satisfaction (%)
2020	98
2019	98
2018	99
2017	98



**Customers' most recommended bank**



**Highest rated banking services for 16 consecutive years**

Our complaint-handling procedure ensures customer feedback is addressed in a consistent, independent and efficient manner. Our business units' independent customer relations teams aim to acknowledge receipt of comments or complaints within seven calendar days, and to resolve issues as soon as possible. Should a matter require further investigation, the teams strive to provide a response within 30 days. Any issue that warrants remedial action is referred to the Bank.

Senior management regularly review customer suggestions, compliments and complaints. Lessons learned are communicated to staff, to improve service and encourage best practice. In 2020, we received a total of 5,888 complaints, of which 100 per cent have been resolved as of February 2021.

# Our Customers

## Providing Transparency, Accountability and Choice ■■■

We offer diverse personal banking and wealth management products and services based on customers' needs and their understanding of – and appetite for – risk. We uphold our principles of providing the right product and service, at the right time, for the right customer, in the right way. We believe an ethical and fair approach supports a sustainable business.

We launched our [Financial Health Check solution](#) in 2020 to help customers better understand their financial needs. With the help of our relationship managers, customers can identify their goals and evaluate their financial health and strengths.

It is mandatory for all our employees to complete e-learning that covers how to treat customers fairly, with dignity and respect. Learning on banking products, sales conduct, and the detecting and deterring of financial crime is also offered to our client-facing staff.

We observe external regulations and guidelines, and internal Customer Fairness Principles.

**Our Customer Fairness Principles**

	<p><b>Treat customers fairly:</b> we build honest relationships with customers and deliver products and services at a fair price.</p>		<p><b>Suitable advice:</b> advice to customers must be based on a full understanding of their needs and must best reflect their circumstances.</p>
	<p><b>Tailored solutions:</b> we listen to customers and strive to understand their needs, to provide the most suitable products and services.</p>		<p><b>Meet commitments:</b> when we make commitments to customers as to how a product or service will perform, we endeavour to deliver on those commitments.</p>
	<p><b>Keep customers informed:</b> we provide clear, transparent, relevant and timely communications that give customers the information they need to make informed choices.</p>		<p><b>Flexibility:</b> we provide customers with the ability to switch products or services as their requirements change, without enforcing unreasonable barriers. If a customer wishes to complain or make a claim, the process is easy to understand.</p>

We are governed by Hong Kong's Code of Banking Practice, and the HSBC Group's Global Principles and Functional Instruction Manual. Our external communications and advertising materials provide clear, transparent and balanced information. They comply with all relevant requirements of the Hong Kong Monetary Authority, the Securities and Futures Commission and the Hong Kong Association of Banks.

Our Brand Centre is an internal resource site that helps staff learn about our branding guidelines and the application of our brand identity. Our marketing department provides advice and ensures that we do not violate or infringe the intellectual property rights, patents and related rights of third parties.

No cases of non-compliance with regulations and voluntary codes concerning marketing communications were reported in 2020.

# Our Customers

## Providing Transparency, Accountability and Choice ■■■

### Customer safety

We aim to maintain a comfortable, clean and safe environment in our branches and service outlets. Ease of navigation and compliance with health and safety regulations are top priorities.

Managing indoor air quality (IAQ) and ventilation is an important element of our health and safety responsibilities. To ensure the IAQ at our branches and offices meets the Good class – as defined by the Hong Kong Government's Environmental Protection Department in its guidance notes – we regularly clean air filters and conduct measurements to monitor and improve our performance.

The standard temperature in our offices and outlets is 24.5°C during the hot season. This reduces our energy consumption while providing a pleasant environment for customers and staff.

To minimise the impact of outlet or office renovations on customers, contractors must adhere to our Sustainability policy and submit environmental management plans for our appraisal. We strive to reduce safety risks for staff and customers via measures such as anti-slip floor treatments and clear signage for temporary hazards.

### Keeping safe on site during COVID-19

Throughout the pandemic, we maintained communications with our customers, to respond effectively to the evolving situation. We informed customers about closed branches or those with reduced opening hours via our website, and created a new webpage detailing special arrangements for banking services. Media releases were also issued to inform both customers and the public at large. Meanwhile, we endeavoured to maintain service excellence on other channels. Via SMS messages and online banners, we encouraged customers to use our e-Banking services.

At branches that remained open, customers and staff were required to wear surgical face masks at all times. To safeguard the health of our clients, we provided:

- Disinfectant mats and temperature readings at entrances
- Disinfectant gel in bank halls
- More frequent cleaning
- Protective screens on open counters



### Customer privacy

Ensuring the privacy of our customers' personal information and other data is critical. It maintains our reputation for good governance and bolsters the trust that underpins lasting business relationships. We comply with the Personal Data (Privacy) Ordinance, have established Privacy Principles and, at our branches, offer privacy to customers who need to discuss sensitive or confidential matters.

Our customers are notified about our collection and use of personal data, the classes of transferees, classes of marketing subjects, their data access and their right to correct personal data. Customers can easily access Hang Seng's Privacy Policy, Notice to Customers and Other Individuals relating to the [Personal Data \(Privacy\) Ordinance, and Cookies Policy](#) on our website.



# Our Customers

## Providing Transparency, Accountability and Choice ■ ■ ■

In 2020, we hosted an online seminar to enhance our staff's understanding of legal and regulatory issues relating to direct marketing. A speaker from the Office of the Privacy Commissioner for Personal Data discussed the importance of data privacy.

Following steps in our Material Incidents Escalation Manual, staff are required to identify and report data leaks to our hotline promptly. Our experts investigate and, where appropriate, escalate the matter to the core team. To support our ongoing improvement, the experts also provide guidance on how to contain and respond to cases, and identify remedies and lessons learned.

## Promoting Sustainable Finance

The transition to a greener business model requires investment. We recognise the commercial opportunities while supporting customers' pursuit of environmental betterment. Our Green Financing Promotion Scheme offers cash rebates to corporate customers who invest in environmentally friendly equipment that enhances efficiency or reduces pollution. The scheme applies to equipment in categories such as renewable energy, energy and water efficiency, wastewater and waste management, and the control of air pollution and noise pollution.

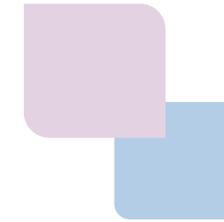
We launched our Greenness Assessment programme in 2020. Corporate customers who obtain loans for financing green projects can apply the second opinions and green credentials provided by a qualified third-party verifier. If the corporate's loan framework is assessed to be in accordance with the Green Loan Principles, the loans can be qualified as a green loan facility.

With lower costs and shorter processing times, this programme makes green loans more accessible to our corporate customers.

We have provided green loans to corporate customers since 2018. By the end of 2020, six such customers had obtained financing from us. Two applications were approved in 2020 for mid-market enterprises, totalling HK\$495 million. The first supports a leading Chinese fine chemical group's energy efficiency enhancement and pollution prevention and control projects. The second finances a global solar glass manufacturer for general working capital and fixed assets acquisition.



For retail and private banking customers, we offer green and ESG investment funds and bonds via branches and/or e-Banking. We continually explore opportunities to offer new investment products that match our ESG ambitions.



### ESG Interviews

■ ■ Green is not just our corporate colour, but also the colour of our DNA. Hang Seng believes our future lies in sustainable finance, and to that end we strive to promote more green loan opportunities to a larger customer base, especially the budding small to medium-sized enterprises, as well as the loyal customers who have been with us for decades. ■ ■

#### **Frank Heung**

Head of Structured Finance, Corporate Real Estate and Corporate Advisory

# Our Customers

## Giving Power to the People

We provide comprehensive banking and investment services anytime, anywhere, via e-Banking, [hangseng.com](http://hangseng.com) and mobile apps. We are also launching fintech initiatives to provide even more digital solutions that integrate into customers' increasingly mobile lifestyles.

### Enhancing branch service

To minimise waiting time at branches, eAppointment for Account Opening and eTicketing for Counter Services have been introduced. These services improve customer experience, and complement our efforts to combat COVID-19 by reducing queues and supporting social distancing.

### Improving the online banking experience

Under our Mobile Account Opening initiative, new customers can now open an account via their mobile device – anytime and anywhere. There are also easy ways to receive important account updates via mobiles. Push notifications from our mobile banking app now cover:

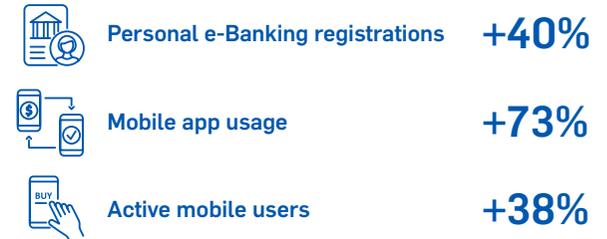
- Faster Payments Service (FPS) inward payment notifications
- Credit Card Payment Due reminders
- Risk Profiling Questionnaire expiry reminders

To enhance the online card application experience, we launched our Credit Card Origination project. Thanks to an intuitive, mobile-responsive design and streamlined online form, existing and new customers can complete applications in just minutes. By directly connecting the data with our back-end system, application processing time can be reduced by two days.

In 2020, we introduced DigiLife, a seamless digital experience for the Bank's life insurance and general insurance policy holders. Available online and via our app, it features at-a-glance policy summary and details.

Our AI-powered personal e-Banking chatbot HARO service was extended to WhatsApp in 2020. With help from HARO, customers can garner information related to our products and services, subscribe to our investment articles, obtain FX quotes and locate our branches and ATMs. We have also extended our business e-Banking chatbot BERI's functions to allow customers to check balances, view account balance trends, perform FX-related transactions, and live-chat with contact centre agents.

In 2020, the ongoing development of our digital capability and experience attracted and engaged more digital customer users. As of December 2020, we had more than 2.2 million personal e-Banking customers.



Through Open Banking Application Programming Interface (API) and our customised API solutions, we continue to explore collaboration opportunities with third-party service providers to deliver innovative, integrated services to improve the customer experience.

### ESG Interviews

Our customers' digital banking experience is what really matters. It all begins with empathy – understanding their needs and meeting these needs with design thinking. The result is always essentially human – we innovate so customers can enjoy a digital banking experience that is simple and easy to access anytime, anywhere. We make sure customers feel supported in every interaction, through which they can make informed financial decisions via online and offline banking channels of their choice.

**Kelvin Leung**  
Senior User Experience Manager

# Our Customers

## Giving Power to the People

### Offering accessible financial solutions

We have revamped our public website and e-Banking platform to be more user-friendly and efficient for day-to-day business. To support a smooth online banking experience, our [Smart@Digital Banking platform](#) includes onboarding guides and usage tips for our major digital services.

#### Investment services for all

2020 brought the launch of SimplyFund: a low-cost and easy-to-use investment fund service, specifically for young or novice investors. It features a wealth of useful knowledge about the basics of investment funds, and customers can invest in the global and local markets simply and swiftly for as low as HK\$1.



Minimum investment of

**HK\$1**



Monthly fee as low as

**ZERO**

Responding to customer requests, we began to offer IPO and IPO financing on our stock trading app Invest Express in three easy steps in 2020. Based on download and usage rates, this enhancement is greatly welcomed by our customers.

#### Affordable insurance

Our online sales channel offers multiple new insurance products for a wider section of our community. In particular, our five-year eEndowment Life Insurance Plan provides options with affordable premiums to help young people, students and those on a low income access to protection. In 2020, we achieved remarkable results with the direct channel market share: we ranked the 2<sup>nd</sup> in terms of new premium amongst Top 10 Market Players.

The tax-deductible eIncomePro Deferred Annuity Plan was also launched online in 2020. This product offers a guaranteed 10 years of monthly income and is eligible for tax deduction. With a low minimum issuance age of 35, it is now easier for customers to prepare early for retirement.



#### Other fintech initiatives

Other upgrades, specifically for corporate customers, include:

- An online lending portal that allows SMEs to apply for loans and upload supporting documents quickly and easily
- FPS that enables merchant payments with the use of phone numbers, email addresses or FPS IDs
- LinkScreen for Commercial Card, a screen-sharing technology that offers online assistance for card applications
- Xero Bank Feed, which allows business e-Banking customers to manage third-party connections. The online accounting portal enables account transaction data to be synchronised
- One-click time deposit, which allows customers to take advantage of our special time deposit rates quickly and easily

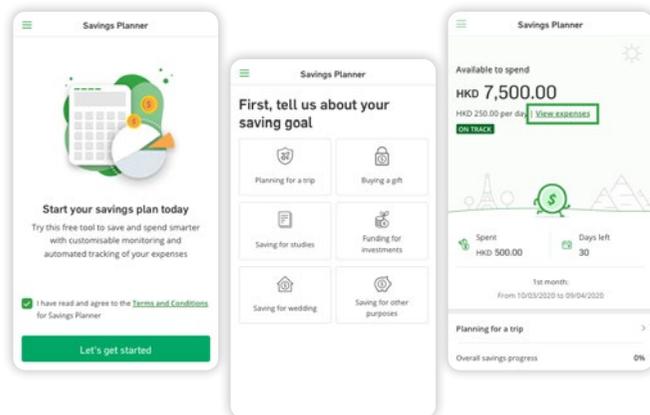
# Our Customers

## Giving Power to the People

### Building financial literacy

We strive to nurture young people's saving habits and help them to plan their finances for the future. The newly launched Savings Planner service in our mobile app allows users to keep track of their expenses effortlessly, with no data exposure to third parties.

Leveraging our core strengths and expertise, we collaborate with non-governmental organisations and provide services to improve the financial literacy of people from various backgrounds. Our staff took part in volunteering activities organised by the Hong Kong Association of Banks to deliver digital banking knowledge to local young and elderly people. (See [Our Community](#))



### Overcoming the challenges of COVID-19

We are committed to working with customers facing challenging financial situations amid the COVID-19 pandemic. In particular, we offer:

- Interest-only mortgage payments for up to six months and waived loan fees for selected customers
- Debt restructuring to customers facing long-term financial hardship
- Reduced credit card interest and late payment fee waiver
- HK\$50,000 top-up protection for coronavirus for all new insurance policies
- Unsecured relief personal loans of up to HK\$30,000 with repayment spread out over up to 24 months

### Commercial loans

From February 2020, we proactively provided relief measures – such as principal repayment deferrals and trade loan tenor extensions – for our corporate customers. Subsequently, we also joined the Pre-approved Principal Payment Holiday Scheme proposed by the Hong Kong Monetary Authority, which provided payment holidays on non-trade and trade loans for eligible corporate customers affected by COVID-19.

Hang Seng understands the needs of local businesses during this challenging economic time. We therefore fully supported the Special 100% Loan Guarantee – part of the SME Financing Guarantee Scheme (SFGS) – introduced by Hong Kong Mortgage Corporation Insurance Limited in April 2020. This aims to ease the cash flow problems of enterprises adversely affected by the pandemic.

To accelerate the process and eliminate the need for customers to visit our Business Banking Centres, we launched online applications for SFGS on the same day that the application period opened. We also supported the government's interest subsidy programme for the 80% and 90% Guarantee Products under the SFGS, disbursing monthly subsidies to eligible borrowers and alleviating their burden in difficult economic conditions.

■ ■ We fully supported the Special 100% Loan Guarantee – part of the SME Financing Guarantee Scheme (SFGS), and launched online applications for SFGS on the same day. ■ ■

### Insurance products

From February to June 2020, we held a Coronavirus Coverage Campaign for new and existing life insurance policies. Free additional benefits were offered to customers diagnosed with – or treated as in-patients for – COVID-19. A similar scheme was offered in April to corporate insurance customers if any of their employees were diagnosed with the virus in Hong Kong during the coverage period.

### Community

At the community level, we continue to partner with local non-governmental organisations – including the Caritas Family Crisis Support Centre and the Tung Wah Group of Hospitals' Healthy Budgeting Family Debt Counselling Centre – to offer debt-restructuring to individuals in difficulty.

# Our Customers

## Improving Access for All

We continue to improve access to our services and facilities, and strive to achieve standards that comply with, or exceed, government regulations.

As of the end of 2020, we operate 60 street-level branches, 30 manned service centres, two mobile branches and 196 self-service outlets. 590 Hang Seng ATMs provided 24-hour service across Hong Kong. This year we have also expanded our foreign exchange ATM service with 111 FX ATMs located at 49 sites, offering the widest choice of currencies in Hong Kong.

We are committed to providing inclusive financial services to our community. Public housing estates are served by two branches, two mobile branches and 33 ATMs. There are also five branches and 18 ATMs at local universities.

We adopt a barrier-free approach for all new branches and self-service outlets. Social Caring Counters at 22 of our branches provide priority service to the elderly, the disabled and other customers in need. Visually impaired customers



can bring guide dogs into the banking halls of our branches. As part of our partnership with Hong Kong Seeing Eye Dog Services (HKSEDS), some of our branches are HKSEDS training sites.

Meanwhile, we increased the number of voice-navigable ATMs for visually impaired customers to 273 in 2020. Via headphones, customers can use voice navigation to withdraw cash, make balance enquiries, transfer funds and change passwords. We also provide audible security tokens for visually impaired customers' e-Banking.

Our mobile branches feature two teller counters that offer a range of general banking services, such as cash withdrawals and deposits. They also feature accessibility facilities such as a wheelchair access platform, a magnifying glass, and a portable induction loop system for customers with hearing aids. These mobile branches aim to serve people in remote areas, including the elderly, and save them having to travel to branches.



## 15<sup>th</sup> year of Best SMEs Partner award

from the Hong Kong General Chamber of Small and Medium Business

## Championing Local Business

Building lasting partnerships with SMEs is one of our key focuses. By working with these businesses, we support the local economy and help create employment opportunities and wealth. We are committed to offering timely solutions for their economic and business needs. While offline relationship management remains strong, our new online services were launched to support SMEs' daily banking requirements.

In 2020, our commitment to serving SMEs earned us a 15<sup>th</sup> consecutive Best SMEs Partner award from the Hong Kong General Chamber of Small and Medium Business, and the SME Engagement Excellence Award from the Bloomberg Businessweek Financial Institution Awards 2020.

Digitalising our workflow and having staff members working in split-sites have helped us to stay resilient, particularly during the pandemic. This resilience enabled us to offer fast and hassle-free support to clients facing hardships, especially SMEs.