



Our Customers

Since our establishment in 1933, being customer-centric has been at the core of our service delivery approach. Providing excellent customer service and demonstrating our values – we value difference, we succeed together, we take responsibility, and we get it done, through our actions have helped us gain the trust and loyalty of our customers. For the past five years, our customer satisfaction rating was 97% rated at good/very good/excellence in our annual Banking Industry Monitoring Study.

We currently serve over half of the adult residents of Hong Kong. To provide excellent service, we blend innovation with integrity. We also provide clear information to our customers to facilitate them in making informed decisions.

Driving the shift towards a more sustainable economy, we integrate sustainability considerations in the Hang Seng Sustainability Index Family. Besides, we offer other ESG-themed investment products, for instance, sustainable equity funds, low-carbon bonds and structured products. In addition, we offer loans and financing schemes that incentivise green operations and the acquisition of eco-friendly equipment.

We provide sustainable finance solutions to assist our customers and community to transition to a low-carbon economy. In 2021, we started providing sustainability-linked loans. During the year, our subsidiary Hang Seng Indexes Company, launched eight ESG-themed indexes to enrich sustainable investment choices, including the HSI ESG Enhanced Index and HSI Low Carbon Index.

We strive to enhance financial literacy of our customers and the wider community in order to empower them to achieve financial security and their wealth management goals. Since 2020, we have offered “SimplyFund” in-app investment service to facilitate young and novice investors to invest as low as HK\$1, to reduce the barrier to investment.

“Investment is not only a wealth management choice for the rich, but is also applicable to the mass. If they ditch penny by penny, they should rather think how they can turn ‘1+1 > 2’ in their investments.”

Water Lee,
Head of Investment Funds

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Understanding Our Customers

We proactively gather opinions – via focus groups, surveys, Net Promoter System, suggestion forms and hotlines – to enhance our products and services. We also identify our strengths and best practices via local market benchmarking and a mystery shopper programme that monitors service by frontline staff.

The enhancements include:

- Increased the number of transactions displayed on a passbook to reduce the time of queuing up to change a new passbook at the counter
- Strengthened the notification function of mobile e-Ticketing for counter services to shorten customer queuing time
- Enhanced online banking services interface on personal e-Banking platform, simplified transaction procedures with better page design and continuously improved current services, including the increase of transfer limit
- Rolled out real-time marketing preferences update on both Hang Seng Personal Banking mobile app and Desktop e-Banking

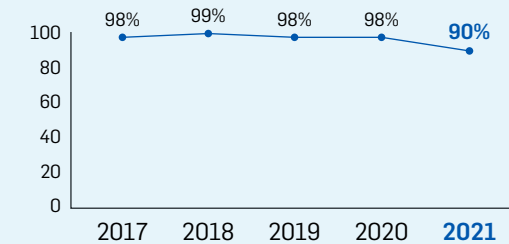
We monitor markets to identify emerging trends and opportunities, and to make sure that we offer products and services that meet customers' needs. Our digital platforms allow customers to perform a wide range of transactions online, and provide information to assist their decision-making.

In an ever-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. In addition, amid the uncertain foreign exchanges and interest rates of 2021, we developed tailor-made treasury products to help customers better manage risks.

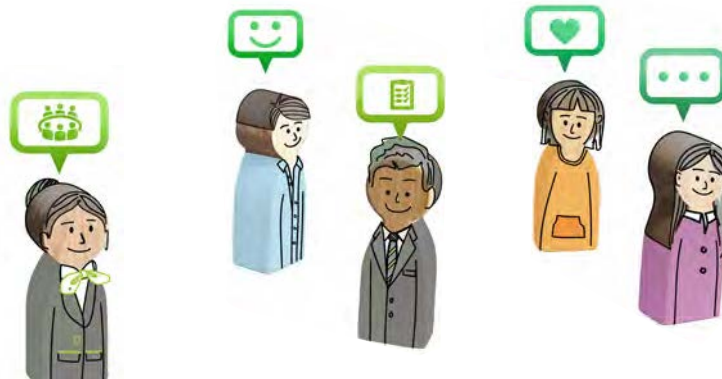
In 2021, we continued to perform well in the annual Banking Industry Monitoring Study by independent research firm, NielsenIQ. This assesses customer satisfaction for the eight major banks in Hong Kong. Our customer satisfaction rating has been named as the highest rated banking services for the past 17 years. In addition, our Strategic Net Promoter Score ('sNPS'), a customer research programme conducted by an independent research agency, InMoment, identified that we were ranked first in 2021 on Bank Recommendation.

We continued to be the highest rated bank in customer satisfaction in Hong Kong. For the past five years, customer satisfaction has achieved the highest score among the eight major banks in Hong Kong in our annual Banking Industry Monitoring Study. We earned the Best Bank, Domestic (Hong Kong) award for the 22nd consecutive year from The Asset; the Best Digital/Mobile Banking Service, Hong Kong from The Asian Banker; and the Best Bank for small and mid-size enterprises (SMEs), Hong Kong from Asiamoney.

Customer satisfaction (%)



The Bank's customer satisfaction dropped in 2021, which was affected by changes of channel usage. We believe that human interaction/ service received from branch staff is one of the keys of driving overall bank satisfaction. There was a drop in branch visits but an increase in online banking and mobile apps usage of our banking services. When customers transition to digital banking, the overall banking satisfaction could be affected as some customers are adapting to digital banking services.



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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 calendar days. Any issue that warrants remedial action is referred to the Bank. All complaints from customers must be treated fairly, consistently and promptly to drive improvements in our services.

Senior management regularly review customer suggestions, compliments and complaints. Customer comments are communicated to staff with a view to improve customer service and encourage best practices. In 2021, we received a total of 4,986 complaints, of which 96% were resolved as of 31 December 2021.

Providing Transparency, Accountability and Choice

Mandatory Provident Fund Schemes Authority ('MPFA') issued the finalised ESG principles on 26 November 2021. MPF trustees are required to report annually on the ESG integration strategy for the financial year ended on or after November 2022. Trustees are also required to review and assess the existing investment process and report to MPFA if gaps against the principles are being identified in the first

quarter of 2022; Hang Seng as one of the Sponsors held the second workgroup meeting to discuss with the Trustee and other stakeholders on the action plan in December 2021. Hang Seng shall further determine the metrics to be used for internal governance monitoring and disclosure. Trustee and Sponsors also target to establish the governance frameworks to assess HSVM's funds in order to provide a reply to MPFA in the first quarter of 2022.

We offer diverse personal banking and wealth management products and services based on customers' needs and their understanding, 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 offer our Financial Health Check solution 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.

The Bank continues to support 'Treat Customer Fairly'. It is enabled by various culture transformation activities, which promote awareness of conduct and effective management of financial crime risk, hence enabling the Bank to serve the right customers in the right way.

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 financial crime is also offered to our client-facing staff.

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



Treat customers fairly: We build honest relationships with customers and deliver products and services at a fair price.



Tailored solutions: We listen to customers and strive to understand their needs, to provide the most suitable products and services.



Keep customers informed: We provide clear, transparent, relevant and timely communications and information that customers need to make informed choices.



Suitable advice: Advice to customers must be based on a full understanding of their needs and must best reflect their circumstances.



Meet commitments: When we make commitments to customers as to how a product or service will perform, we endeavour to deliver on those commitments.



Flexibility: We allow customers to switch products or services as they wish, without enforcing unreasonable barriers. We also make sure the process will be easy to understand for customers who wish to complain or make a claim.

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We are governed by Hong Kong's Code of Banking Practice, and our parent company'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 ('HKMA'), the Securities and Futures Commission, the Hong Kong Association of Banks the Insurance Authority.

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 2021.



Customer Safety

Hang Seng Bank aims to maintain a comfortable, clean, healthy and safe environment in our buildings, branches and service outlets. Ease of navigation and compliance with health and safety regulations are the top priorities. In 2021, we demonstrated once again in full compliance with the applicable Health & Safety Ordinance as well as re-certification of ISO 45001:2018 – Occupational Health and Safety Management System.

Managing indoor air quality ('IAQ') and ventilation is an important element of our health and safety responsibilities, especially under the pandemic. 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.

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



Safeguarding stakeholders' health during COVID-19

To ensure that every stakeholder stays healthy and safe, everyone is required to wear surgical face masks in our buildings and branches. To facilitate this, we maintain sufficient inventory of hygiene consumable for business activities:

- Mask
- Disinfectant wipe
- Bottled hand sanitiser
- Disinfection gel for dispenser
- Disposable glove
- Goggles
- Zip lock bag
- Thermometer

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Customer Privacy

Ensuring the privacy of our customers' personal information and other data is critical to maintaining our reputation for good governance and reinforcing 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.

We notify our customers about our collection and use of personal data, classes of transferees, and 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.

Data privacy principles are set out to manage data privacy risk. Controls have been implemented and set the way on how we practically manage the risk.

These principles are intended to:



Set out good data privacy practices



Show accountability and compliance with data privacy law and regulations



Outline the Bank's commitments to how it processes identifiable data

We have enhanced three controls since 2021 to provide transparency and choice to customers, and to comply with data privacy laws and regulations:

1. **Rights of Individuals** – To make sure the Bank can respond in a timely and compliant way to an exercise of rights by or on behalf of an individual, relating to the data we hold on the individual.
2. **Privacy Notices** – To make sure we provide individuals with a clear, transparent statement about the fair and lawful processing of identifiable data.
3. **Consent and Choice** – To make sure any "consent" that is needed for the processing of identifiable data is obtained, tracked and managed on an ongoing basis.

In 2021, we hosted two webinars to enhance our staff's understanding of data privacy issues in the digital era. The Privacy Commissioner for Personal Data in Hong Kong joined our General Counsel and Chief Information Officer at a panel discussion on the importance of data privacy. Separately, speakers from an external law firm were invited to discuss the extraterritoriality and potential impacts of the China's Personal Information Protection Law (PIPL) with participants of the Bank.

Following the procedures in our Material Incidents Escalation Manual, our 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.

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Our Customers

Leveraging Technology to Enhance Services

We provide comprehensive banking and investment services anytime, anywhere, via e-Banking, hangseng.com and mobile apps. We have also launched fintech initiatives to provide even more digital solutions to customers' increasingly mobile usage.

Digitalisation of Business

To minimise customer waiting time at branches, eTicketing (Counter Services) has been extended to Chinese New Year new banknote exchange and eAppointment service has been extended to MPF service & Insurance solutions consultation since 2021. We enhanced eTicketing services to merge Preferred & General queues in order to minimise customer waiting time at branches. These services greatly improved customer experience, and complement our efforts to combat COVID-19 by reducing queues and supporting social distancing.

To further digitise the workflow of loans to SMEs, we applied Digital ID verification ('eID&V') and e-Sign functionality to the loan document execution process of Hang Seng Business Loan, to allow customers to secure the loans quickly, saving their time to focus on their businesses.

Other upgrades, specifically for corporate customers, include:



An online application portal that allows SMEs to apply for loans and perform eID&V and e-Sign



e-Contract notes for Private Banking and Wealth Management customers to view on Digital Business Banking



Smart accounts for start-up companies with simple company structure



BERI @ WhatsApp provides a new channel for customers to chat with AI chatbot BERI



Payment Tracker on mobile app to view end-to-end payment status



Marketing message Push Notification to reach out to customer and save SMS cost



Digital Business Banking Amendment Form to allow customers to make amendment request online



Full tokenless journey to replace hard tokens entirely



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Our Customers

Improving the Online Banking Experience

We have further enhanced Mobile Account Opening service to enable existing customers with standalone deposit account to open an account via their mobile devices – anytime and anywhere.

We support social inclusion for people with disabilities. Under the Accessibility Project, visually impaired customers can browse [hangseng.com](https://www.hangseng.com) and mobile app product pages to obtain related banking products and services information for better customer digital experience.

The ongoing revamp of [hangseng.com](https://www.hangseng.com) supports mobile responsiveness. Customers can obtain mobile-friendly banking products/services information via their mobile device anywhere and anytime, which improves customer experience and also reduces the necessity of physical materials, e.g. product brochures.

We provide flexibility for customers to make eAppointment for Insurance services and MPF via [hangseng.com](https://www.hangseng.com); and provide eMeeting option “Zoom” function for insurance applications, so as to save customer time for related applications.

We enabled one-stop hub for customers to enquire and manage their credit card activities such as card repayment, e-statements, card loan applications, offers, report card lost, card PIN reset, etc. to drive digital engagement & sales conversion. We also enabled real-time card repayment & post-transaction display in all digital platforms in 2021 to resolve customer pain points.

In 2021, we developed a series of enhancements on DigiLife in order to enrich its capability to encourage more customers to manage their insurance portfolio on Hang Seng’s channels, and further induce product interest to our loyal customers. New activities include protection summary and policy details for insurance portfolio, document centre and change of beneficiary for policy management.



In 2021, we continued to explore and develop new application programming interface (‘API’) collaboration with third-party service providers to improve customers’ online banking experience (e.g. Pay with Hang Seng). Also through the E-referral API services that Hang Seng launched with the leading mortgage agencies, we have saved customers’ effort in filling in paper mortgage referral forms and operational staff’s effort to process the referral cases.

Our Artificial Intelligence (AI)-powered chatbot HARO service was integrated with live chat in 2021, such that HARO is able to identify customers’ enquiry and channel it to live agents when human assistance is needed. We have also introduced an Interaction Net Promoter Score (‘iNPS’) survey in HARO service, allowing customers to share their experience and feedback from HARO online banking experience from e-format instead of physical paper.

We further extended our business e-Banking AI chatbot BERI to WhatsApp channel that allows customers to chat with BERI through WhatsApp to enquire banking services information such as branch location and foreign currency rate.

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In 2021, the ongoing development of our digital capability and experience attracted and engaged more digital customer users. As of December 2021, we had close to 2.4 million personal e-Banking customers.



mobile app usage
 ↑ 26%



active mobile users
 ↑ 13%

Through Open Banking API and our customised API solutions, we continue to develop the open banking phase 3 API in order to support third-party service providers for account balance and transaction enquiry. In addition, we explore collaboration opportunities with third-party service providers to deliver innovative, integrated services to improve customer experience.

Financial Inclusion

We 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, we enabled digital ID verification ('eID&V') and e-Sign allowing customers to perform ID verification and sign the application via their business mobile banking app.

We continue to improve access to our services and facilities, and strive to achieve standards that comply with, or even exceed the regulated requirements.

As of the end of 2021, we operated 73 street-level branches, 11 manned service centres, two mobile branches and 194 self-service outlets. 569 ATMs provide 24-hour service across Hong Kong and our 109 foreign exchange ('FX') automated teller machine ('ATM') located at 49 sites, offer 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 31 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'), we make some of our branches available for HKSEDS training sites.

Meanwhile, we increased the number of voice-navigable ATMs for visually impaired customers to 281 in 2021. Via headphones, customers can use voice navigation to withdraw cash, make balance enquiries, transfer funds and change passwords. We also provide audible security tokens to facilitate visually impaired customers to use our e-Banking services.



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 from having to visit our branches.

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Accessible financial solutions

In 2021, Hang Seng became the first provider of US equity-linked investment products in Hong Kong. This gives our customers flexibility to further diversify investment exposure across local and global markets.

In order to enhance accessibility to banking services by persons with intellectual disabilities ('PWIDs'), we have enhanced our e-banking and mobile banking services in late November 2021 to provide basic e-banking services, i.e. offer account overview and e-statement services, to PWID customers. The enhanced service provides a convenient channel for PWID customers to access their bank accounts anytime and anywhere.

Affordable insurance

Our online sales channel offers multiple new insurance products for a wider section of our community. In 2021, we launched a life insurance plan "eRefund101 Accident & COVID Insurance Plan (2-Year)". The plan is designed as a short policy term of two-year life, accidental, COVID-19 and vaccine side-effect protection. In addition, a 101% refund of the total premium paid is payable upon maturity if the policy remains in force, irrespective of any claim made under the Plan.

Our eRefund101 life insurance plan provides flexible plan options, with monthly premium as low as HK\$388), which helps give young people, students and those on a low-income access to protection.

Hang Seng Olive, an all-new Wellness App and WeChat Mini-program, was launched in March 2021. Through our invaluable partnership with two health expert organisations – Chinese University Centre and Quality HealthCare Medical Services – Olive aims to become our customers' always-on health companion.

Hang Seng Olive aims to provide holistic wellbeing on physical, mental & financial wellness to customers through:

- Wellness tips & rewards, health services, virtual health consultations from our partners
- Financial wellness solutions on one simple-to-use digital platform

Our Insurance partnership with yuu, launched in October 2021, offers customers with a hassle-free journey to accessing Hang Seng Insurance's all-rounded life protection solutions and more value-added benefits, making it easier and more convenient for them to protect themselves, their families and their loved ones at different life stages. The said partnership provides customers with an extended doorway to access our comprehensive insurance solutions and provide them with more options that fits their needs.



Promoting financial literacy

We strive to nurture young people's saving habits and help them plan their finances for the future. The Savings Planner service in our mobile app allows users to keep track of their expenses effortlessly, with no data exposure to third parties. As of 31 December 2021, more than 27,000 customers registered to use Savings Planner.

To encourage our customers to consider ESG issues, we carry out ESG-related product promotions. Examples include:

- Video featuring customers who have successfully applied for green loans is available on Hang Seng Commercial Banking Official YouTube Channel to inspire audience to consider ESG issues
- [Dedicated webpage](#) about green financing promotion scheme and e-factsheet has been developed for customer communication

Our Customers

Overcoming the challenges of COVID-19

We are committed to help customers to overcome financial challenges amid the COVID-19 pandemic through our products and services.

Personal loans

We offer 100% Personal Loan Guarantee Scheme for unemployed individuals due to the pandemic.

- Loan interest at 1% annualised percentage rate
- Full handling fee waiver
- Full rebate of the interest
- Maximum amount of the loan is HK\$80,000 or six times of the average monthly income during the unemployment period (whichever is lower)
- Repayment period is 72 months, an optional 12-month principal repayment holiday from the drawdown date of the loan

Commercial loans

- To assist SME customers on the road to economic recovery, we continued to support the Special 100% Loan Guarantee, a part of the 2021 SME Financing Guarantee, Scheme ('SFGS') in 2021 introduced by The Hong Kong Mortgage Corporation Insurance Limited in 2020. Besides, 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 to alleviate their interest burden. Since the launch in 2020, we have participated in the Pre-approved Principal Payment Holiday Schemes 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.
- In 2021, Hang Seng rolled out InnoTech Fund, with a pool of USD200 million to provide financing to innovation and technology companies in Hong Kong and the Greater Bay Area ('GBA'). We also continued to offer priority approval of Inno Booster Loans to support the business operations of innovation and technology start-ups.

Community

At the community level, we continued to partner with local non-governmental organisations during the year, 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.