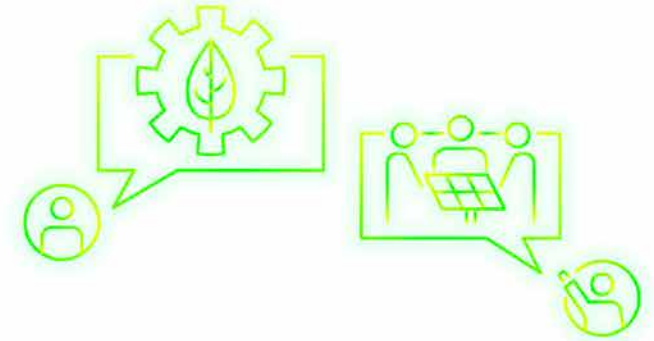


SOCIAL



■ Our Customers

Since our establishment in 1933, customer-centricity has been at the core of our service delivery approach. Providing excellent customer service and demonstrating our values through our actions have helped us gain trust and loyalty of our customers. These values are we value difference, we succeed together, we take responsibility, and we get it done.

We currently serve over 3.5 million customers in Hong Kong. Aiming to provide excellent service, we blend innovation with integrity.

3.5 million

We currently serve over 3.5 million customers in Hong Kong.

Our Customers

Understanding Our Customers

Customer satisfaction & testimonials

We proactively gather opinions – via focus groups, surveys, a 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 the quality of the services provided by our frontline staff.

The enhancement initiatives launched in 2022 include the adoption of enhanced tablet functionalities at our branches, which help to shorten the time required to input and process forms for our customers.

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

In 2022, we continued to perform well in the annual Banking Industry Monitoring Study conducted by an independent research firm. The study assesses customer satisfaction among the eight major banks in Hong Kong. For the past five years, our average customer satisfaction rating was 95%, with good / very good / excellent rating in our annual Banking Industry Monitoring Study.



We have also received the following awards:

Asia Asset Management

- ▶ Best of the Best Awards 2022, Best ESG Index Provider – Hong Kong
- ▶ Best of the Best Awards 2022, Most Innovative Index – Hong Kong

The Asian Banker

- ▶ Best Payments Bank (6th consecutive year) 2022
- ▶ Best API initiative, Frictionless Transaction Awards 2022

Global Finance

- ▶ Sustainable Finance Awards in Hong Kong, 2022

Customer feedback collection mechanism & complaint handling procedures

Our complaint handling procedure aims to ensure that customer feedback is addressed in a consistent, independent and efficient manner. The independent customer relations teams in our business units aim to acknowledge the receipt of comments or complaints within seven calendar days, and to resolve the related issues as quickly 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, so as to drive improvements in our services.

The Bank's senior management regularly review customer suggestions, compliments and complaints. Their feedback is communicated to staff and the relevant business units, with a view to improving our customer service and encouraging best practices. In 2022, our customers relations teams received a total of 5,547 complaints, of which 93% had been resolved as of 31 December 2022.



95%

Our average customer satisfaction rating for the past five years

Our Customers

Transparency, Accountability and Choice

Customer fairness principles

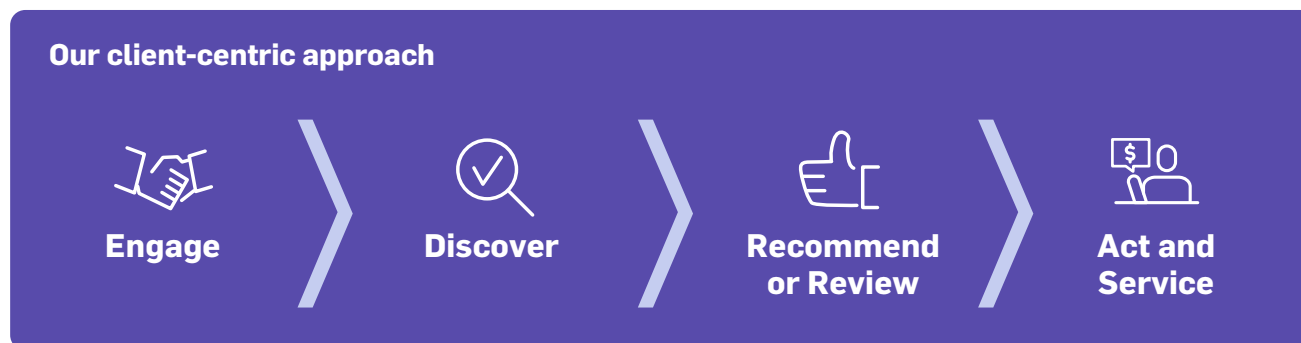
We offer diverse personal banking and wealth management products and services based on our customers' needs, as well as their understanding and appetite for risk. We aim to uphold our principle of providing the right product and service, at the right time, for the right customer, in the right way. We believe that 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.

To reflect our values in how we do business by treating our colleagues and customers fairly, all staff are assigned to mandatory training on our values and the expected conduct in 2022.

Our learning programme – “Developing Customer Relationships” – is aimed for equipping our customer-facing staff with the right skill set and mind set to adopt a client-centric approach throughout the client's journey. The programme has been formalised with the “Engage, Discover,

Our client-centric approach



Recommend or Review, Act and Service” sales model, to ensure that we treat customer fairly. In 2022, we trained more than 200 of our customer-facing staff.

The Bank is committed to doing the right thing for our customers. It can be evidenced by the culture and behavioural standards that we set out for our employees in the culture statement, which is reviewed and approved by the Board and Risk Committee on an annual basis. In particular, the Bank's staff code of conduct ensures that we deliver fair outcomes for our customers and do not disrupt the orderly and transparent operations of the financial markets. It encompasses a set of key pillars and required outcomes to ensure that we deliver on our commitment.

We are governed by Hong Kong's Code of Banking Practice, and HSBC'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'), Securities and Futures Commission and the Hong Kong Association of Banks.

Our brand centre is an internal intranet resource that helps staff members familiarise themselves with our branding guidelines and the application of our brand identity. Our marketing department provides advice and ensures that we do not violate or infringe on the intellectual property rights, patents and related rights of any third parties.

No cases of non-compliance with the regulations and voluntary codes concerning marketing communications were reported in 2022.

Our Customers

Customer safety

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

To ensure the IAQ of our offices meets the requirements of the Good Class, as defined by the Hong Kong Government's Environmental Protection Department in its guidance notes and at our branches, we regularly clean the air filters and conduct measurements to monitor and improve our performance in this area.

We maintain a sufficient supply of face masks, while additional hygiene products for our business activities can be readily ordered.




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 our lasting business relationships. We comply with the Personal Data (Privacy) Ordinance and have established privacy principles, while at our branches, by offering privacy to customers who need to discuss sensitive or confidential matters.

Our customers are notified about our collection and use of their personal data, the classes of transferees, classes of marketing subjects, their data access and their right to correct the personal data. Customers can easily access Hang Seng's Privacy Policy and 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 our data privacy risks.

These principles are intended to:

-  Set out good data privacy practices
-  Show accountability and compliance with the data privacy law and regulations
-  Outline the Bank's commitments to how it processes identifiable data

In 2022, a training session on the China's Personal Information Protection Law was held to cover the latest developments in the evolving cross-border data transfer regime, which helped enhance our staff's understanding of the data privacy policy.

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

1. Rights of Individuals	To make sure that the Bank can respond in a timely and compliant way to an exercising of rights, by or on behalf of an individual, relating to the data we hold on them.
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.

Following the procedures in our material incidents escalation manual, our staff are required to report the case details, immediately on becoming aware of material incidents, to the relevant business risk and control management or our Chief Control Office team. Our experts then investigate and, where appropriate, escalate the matter to the core team. To support our ongoing improvements, the experts also provide guidance on how to contain and respond to such cases, and identify remedies and the lessons learned.

Customers' opt-in rate in 2022

As of the end of 2022, the Wealth and Personal Banking customers' opt-in rate for customer data used for secondary purposes, e.g. marketing (non-personal banking customers), was **59.6%**.

The Commercial Banking customers' opt-in rate for marketing, was **90.4%**.

Our Customers

Services Dynamics

We provide sustainable finance solutions to our customers and community. In 2022, we launched the green deposit programme and arranged a green trade facility.



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 coverage of the global markets. We are continuing to drive change and have made good progress in enhancing our product capabilities to support our customers by implementing new digital solutions.

We offered 100% Personal Loan Guarantee Scheme for unemployed individuals due to the pandemic. Loan interest at 1% annualised rate with full handling fee waiver and full rebate of the interest. Loan amount is up to HKD100,000 or 9 times of average monthly income during employment period (whichever is lower). Repayment period is 120 months, an optional 18-months principal repayment holiday from the drawdown date of the loan



Case study

Our client experience in Hang Seng Bank (China) Limited ('HACN')

One of HACN's clients who mainly engaged in the provision of financial leasing for environmental protection projects, such as biogas generation, refuse incineration-power generation and sewerage services, has been granted with a lease factoring facility to finance its environmental protection projects.

After a thorough discussion to get a clear idea of client's needs, we decided for domestic leasing and provided the related services for the client. This year, to satisfy

the client's increasing need for capital, we processed an incremental facility for the client in a timely manner and the whole drawdown went smoothly, which resulted in their satisfaction and positive feedback. The client has been granted with funds to expand its business in the sewage treatment area.

The concept of green deposit is highly consistent with the nature of this client's business, and the client has participated the green deposit programme in HACN to make its contribution to the realisation of a sustainable environment and society.



Our Customers

Digitalisation of business

	1 e-Sign platform	We launched the e-sign platform to obtain customer signatures on our products and services by electronic means, so that customers do not need to physically visit our branches to provide their signatures for selected services.
	2 Bereavement reporting and document submission	We introduced and provided bereavement reporting and document submission via hangseng.com, to facilitate less branch visits for a better customer experience.
	3 Mobile-responsive	The revamping of hangseng.com is ongoing, with the aim of supporting mobile-responsive features. Customers can obtain mobile-friendly banking product / service information via their mobile devices anywhere and anytime, which is improving the customer experience and also reducing the necessity for physical materials, e.g. product brochures.
	4 Banknote exchange online appointment service	We launched a new banknote exchange online appointment service via our mobile app and e-banking, which provides flexibility for our customers to make bookings in advance.
	5 e-Appointment	We launched e-Appointment for insurance services via hangseng.com to provide flexibility for our Signature and Prestige customers to make appointments online.
	6 e-Ticketing service	We launched a new queuing feature for the Signature segment under e-Ticketing service, which enables our Signature customers to obtain an e-ticket for counter service in advance via our mobile app before visiting branch, so that they can save waiting time at the branch.
	7 Mobile Account Opening service	We have further enhanced our Mobile Account Opening service, to accelerate the journey design so that new-to-bank customers can open an account within a shorter period of time. The scope of the service has also been expanded so that more customers, such as integrated account customers, are eligible to open / upgrade an account via the mobile app, anytime and anywhere.
	8 Real-time push	To further enhance our card repayment experience via the digital channel, we have added a message on top of the page displaying card details to remind the customer to refer to their repayment records in the transaction history following a repayment. In September 2022, we have enabled real-time push notification upon a card repayment with information regarding the amount of Cash Dollars / yuu points earned, the campaign fulfilment and Cash Dollars expiry date extensions, in order to drive the engagement with our mobile app from the card servicing and rewards management perspectives.

■ Our Customers

QR code was added for our customers to access our online card activation journeys by the revamp of our card sticker, at the end of May 2022, which effectively improves the customer experience and drives digital penetration. The average number of customers using the digital channel for card activation surged by 230% after the launch of this initiative.

Open Banking Phase III account balance sharing function for third parties was launching and we continuously expanded the Phase IV FPS App-to-App Payment to service more merchant apps. In 2022, we continued to explore and develop new application programming interface ('API').

API to online payment and insurance applications were extended, such as, yuu and price.com. We strengthened our commitment to improving the online banking experience for our customers by partnering with different partners.

HARO WhatsApp began supporting the green receipt initiative in August 2022. After conducting an in-person transaction, customers can now choose to receive transaction receipts electronically in real time via Hang Seng's HARO WhatsApp Virtual Assistant. This new eco-friendly service offers customers a more convenient way to store, manage and share their transaction records, while helping the Bank to further reduce the use of paper resources at its branches and business banking centres.

e-Appointment service has been extended to support 2022 Chinese New Year new banknote exchanges to minimise customer waiting times at our branches. This service greatly improved the customer experience, and complements our efforts to combat COVID-19 by reducing queues and supporting social distancing.

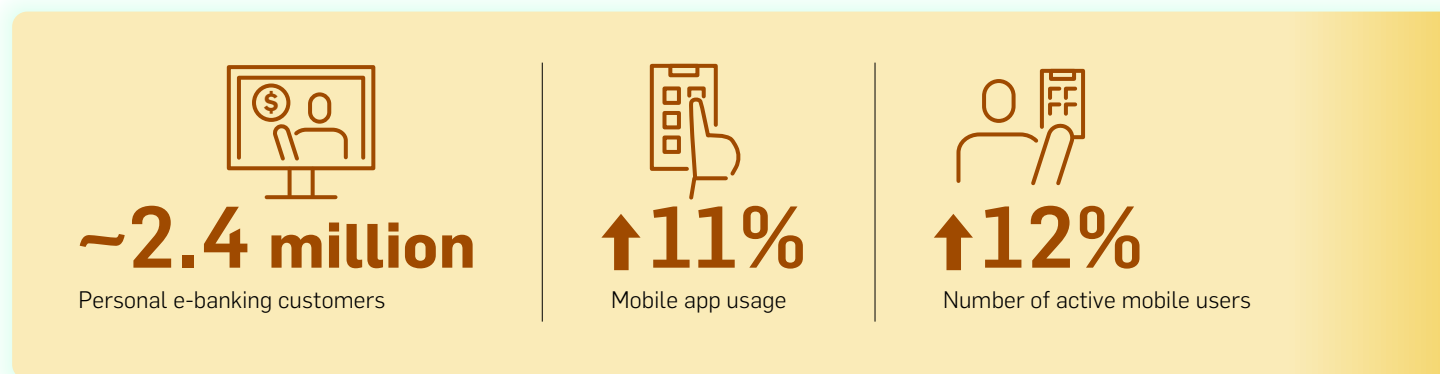
Live Chat online messaging service was extended to the Business Banking mobile app in 2022. Now, our customers can contact our service representative via the app and will receive a push notification when they receive a response.

Open Banking Phase III API was developed and launched in June 2022 through Open Banking API and our customised API solutions. It supports third-party service providers ('TSP') in handling enquiries about the account status, account balance and transactions. In addition, we are exploring collaboration opportunities with TSPs (such as enterprise resource planning systems, etc.) to deliver innovative, integrated services with the aim to improve our customer experience.

In 2022, the ongoing development of our digital capabilities and experiences attracted and engaged more digital customer users. As of December 2022, we have close to 2.4 million personal e-banking customers.

We supported the pilot launch of the Hong Kong Government Green Bond in 2022 with various customer communications and offers to encourage online applications. The number of applications submitted via digital means was increased to 71%, a 1% increment compared to the launch of the iBond in 2021. Offering documents were also readily available in an electronic format across our online channels to reduce paper usage.

We offered diverse ESG-themed products ranging from investment funds, bonds / CDs and equity linked investments ('ELIs') on our online shelf, in order to cultivate ESG investments.



Our Customers

Fintech initiatives

We provide comprehensive banking, payment and investment services, anytime and anywhere, via our e-banking, hangseng.com and mobile apps. We have also launched fintech initiatives, e.g. mobile cheque deposit and payments to non-designated payees, so as to provide even more digital solutions to support the increased mobile usage of our customers.

Furthermore, customers can now place green deposit and other time deposit products on our e-banking platform with the “one-click” function, which is helping us achieve the paperless and low carbon transition (with a shorter processing time and without the need to visit a branch).

In light of Hong Kong’s ageing population, we are collaborating with NGOs to train our frontline staff to better understand the banking needs and challenges of the elderly. For example, our staff took part in training sessions under our “Elder-Youth-Transgenerational (‘EYT’) Financial Education Programme”, and were given opportunities to interact with elderly people and learn practical skills to communicate with them.

In 2022, Hang Seng launched an online trading platform for bond products. This allows our customers to explore ESG-related products through digital banking.

Promotion of financial literacy

We are striving to enhance the financial literacy of our customers and the wider community, in order to empower them to achieve financial security and their wealth management goals. In 2022, we organised investment seminars and webinars for our Signature customers.

We strive to nurture saving habits among young people 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 in an effortless manner, with no data exposure to third parties. More than 30,800 customers had registered to use the Savings Planner as of the end of December 2022.

COVID-19 pandemic-related measures and campaigns

Our action	Result
Hong Kong’s first Digital ID verification (‘eID&V’) and eSign system were launched for the execution of SME Financing Guarantee Scheme (‘SFGS’) loan documents.	SME customers can enjoy a seamless end-to-end digital lending journey for the application of 90% guarantee product with loan amounts of up to HK\$8 million, from an online application with three-minute instant approval results to remote execution of documents. Our Hang Seng business loan is another product that has been offering the same end-to-end digital lending experience since 2021.
Digital loan drawdown instructions was rolled out for Business e-banking and Hang Seng HSBCnet to further digitalise the corporate lending workflow.	Enable eligible customers to submit their loan drawdown instructions and upload supporting documents online, which is helping to reduce paper usage and at the same time to speed up the loan drawdown process.
Support SME customers constantly on the road to economy recovery.	We continued to participate in the Pre-approved Principal Payment Holiday Schemes proposed by the Hong Kong Monetary Authority in 2022, and provided payment holidays on non-trade and trade loans for eligible corporate customers affected by COVID-19. In addition, we continued to offer our support to the Special 100% Loan Guarantee – part of the SFGS – that was introduced by The Hong Kong Mortgage Corporation Insurance Limited in 2020.



Case study

Collaborations with NGOs

At the community level, we continued to partner with local NGOs 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 loan programme to individuals who were referred by the centre and found themselves in financial difficulties.

Our Customers

Access for all

We enhanced our Digital Business Banking ('DBB') to provide more digital solutions to our customers. We launched the mobile cheque deposit function, which allows our customers to deposit cheques via mobile apps.

We continued to offer priority approval of Inno Booster Loans to support the business operations of IT startups.

Hang Seng branches and outlets as of the end of 2022:



At the end of December 2022, Hang Seng Inno Booster Loan was supporting 30 I&T companies for their business operations.

As of the end of 2022, we are operating 68 street-level branches, 11 manned service centres, two mobile branches and 184 self-service outlets. Our 553 automated teller machines ('ATMs') provide 24-hour services across Hong Kong; while our 106 foreign currency ATMs, located at 48 locations, offer the widest selection 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 operating at local universities.

We adopt a barrier-free approach for all our 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 bank lobbies of our branches. As part of our partnership with Hong Kong Seeing Eye Dog Services ('HKSEDS'), we also make some of our branches available as HKSEDS training sites.

Meanwhile, we maintained a number of voice-navigable ATMs for visually impaired customers. In 2022, we have 269 voice-navigable ATMs. Via headphones, customers can use voice navigation to withdraw cash, make enquiries about

their balance, transfer funds and change their passwords. We also provide audible security tokens to facilitate our visually impaired customers in using 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, magnifying glass and a portable induction loop system for customers with hearing aids. The aim of these mobile branches is to serve people, especially the elderly who live in remote areas, so that they do not have to travel far to visit our branches.



Our Customers

Other upgrades, specifically designed for our corporate customers, include:

7 yrs

A seven-year e-statement and payment tracker enhancement, with more currencies supported.

BERI

Customers can chat with BERI – our business virtual assistant – on WhatsApp to enquire about bank services and other information



\$

The green deposit programme is publicly offered to all corporate customers who are interested in investing their surplus cash balances in environmentally beneficial projects and initiatives. Customers who register for green deposit include social enterprises, schools, churches and hospitals.

Affordable insurance

Hang Seng Insurance Company Limited cares about our customers' health and wellness, especially under the COVID-19 pandemic. By partnering with healthcare service providers in Hong Kong, different health and wellness supports were given to our customers via Hang Seng Olive – our bespoke health engagement platform. Our supports ranged from complimentary virtual consultation, COVID-19 / mental wellness related health tips and videos, as well as exclusive health services and privileges in Olive eShop to cater for customers' ever-changing health needs.

Besides, in 2022, we launched "EasyRefund 100% Global Hospital Cash Plan (3-Year)" with a monthly premium as low as HK\$487, aiming to provide health coverage for wider range of customers. This is an addition to our currently available cancer term and pure term insurance, which have monthly premium as low as HK\$9 and HK\$30 respectively.

