



Building Customer Inclusion and Resilience

Digitalisation of Business

1. Enhanced Digital Capabilities to Better Serve Different Customers' Needs

The Bank has continuously developed numerous innovations in mobile or online distribution channels. To make our e-Banking services more accessible, various initiatives for serving customers with diverse needs or backgrounds were launched in 2023, including:

Simple Mode of the Hang Seng Mobile App

A Simple Mode of the Hang Seng Mobile App was launched, which features a clear and easier-to-use interface for conducting essential and basic banking services. The purpose of the Simple Mode is to enable non-digital savvy customers with simple banking needs to make use of our digital platform. The service and features of the Simple Mode reflect the Bank's commitment to serving a wider group of customers with different needs, while enhancing customer protection, and actively supporting regulators and law enforcement agencies in combatting fraud.

Expansion of Mobile Account Opening Services

We have further expanded our mobile account opening services, so that more customers such as Hang Seng credit card holders are now eligible to open or upgrade an account via the mobile app. In particular, mainland residents can visit our branches in Hong Kong and open a new account through the app, where the account opening journey is streamlined with a shortened processing time which enables an even better customer experience.

2. Enriched Digital Functionalities and Enhanced Services

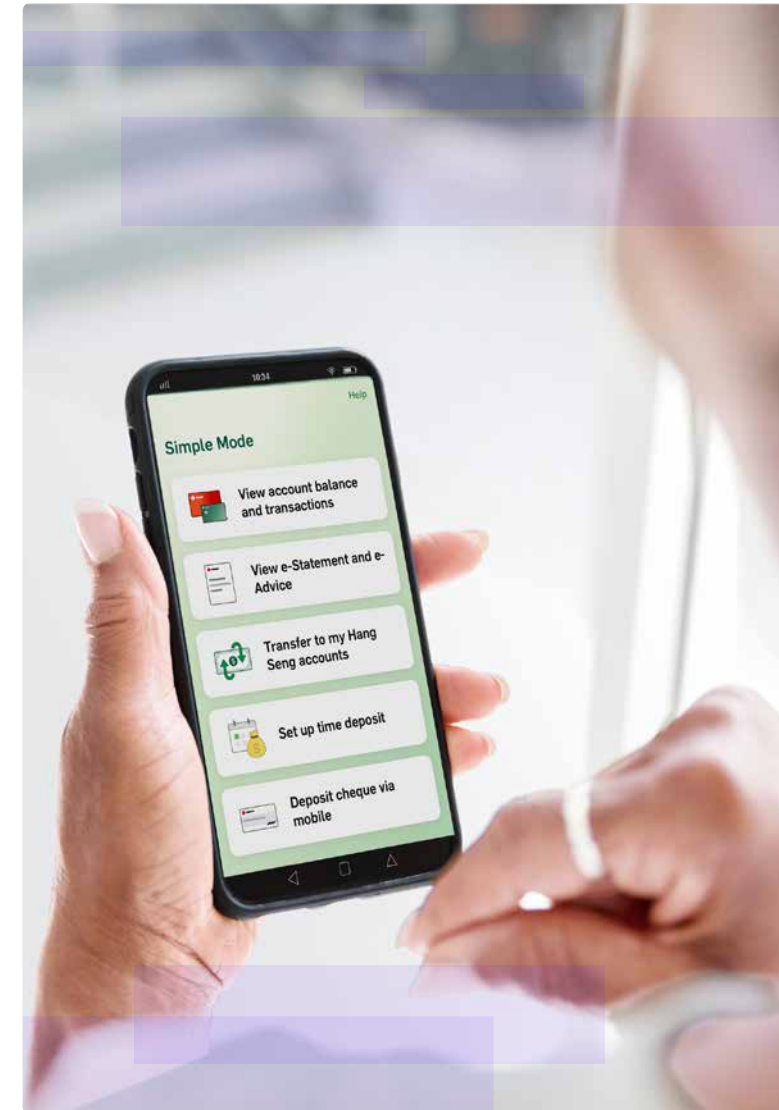
In addition, the Bank launched a number of initiatives in 2023, allowing customers to manage their banking needs, process everyday payments and access wealth services with more options and flexibility – anytime, anywhere.

Extended Servicing Hours for FX and Capital Protected Investments

From September 2023 onward, our foreign exchange ('FX') services have been extended to 24/7 via digital channels, which enables customers to exchange and trade foreign currencies in real-time during weekends and public holidays. Also, the trading hours of capital protected investments ('CPIs') have been extended by half an hour, and customers can now subscribe for a CPI deposit via digital means from 10 a.m. to 5 p.m. on business days.

Mobile IPO Bonds Subscription Service

With the launch of our mobile IPO bonds subscription service in June 2023, there has been a noticeable increase of bond applications via digital channels; in particular, a significant surge in the number of IPO subscriptions for the 2023 Government Silver Bonds and Green Bonds via our mobile platform. This newly enabled feature not only addresses customer needs, but also further accelerates the digital transformation of our banking services and reduces paper usage. Also, the Bank offers diverse ESG labelled products across our investment spectrums, including the investment funds and bonds on our online shelf, to foster ESG investments.





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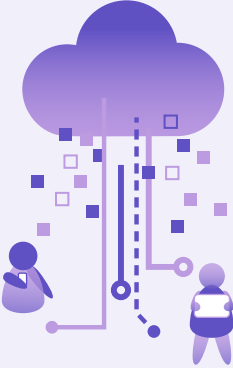
3. Strengthened Security Measures to Protect Customers

Fraud Protection

We introduced additional security measures to restrict our customers' access to the mobile app when we detect screen sharing, screen casting and screen mirroring on both Android Operating System ('AOS') and iPhone Operating System ('iOS') devices, in an effort to fight against malware-related fraud. The screen capture feature is also blocked on AOS devices, and customers have the alternative to save the transaction reference as an image with masked account information for proof of a transaction.

Enhancement of e-Banking Security as per HKMA Guidelines

The Bank is in the process of enhancing the Hang Seng Mobile App. The enhanced app will be able to provide a summary of a customer's logon details, logon locations and other high-risk transactions conducted on the digital platform in response to customer enquiries. When a change of a customer's logon location or another fraud risk indicator is identified, the customer will be required to verify his/her identity by SMS one-time password before any high-risk transactions can be conducted. The measures aim to ensure customers conduct digital transactions in a safe environment.



*On digitalisation of business, we aim to improve the **digital penetration** in terms of expanding the population of digital users and deepening the inclusive level of digital services through ongoing performance monitoring on the launched initiatives and various new initiatives or projects to enhance the customer experience and digital capabilities.*

FinTech Initiatives

We actively participate in various FinTech initiatives. By cooperating with different partners, we have strengthened our commitment to improving the online banking experience for our customers. The initiatives include:

Participating in the e-HKD Pilot Programme

We are dedicated to supporting the HKMA to shape the development of e-HKD and explore the opportunities, as well as the benefits it can generate. We are the only bank which made use of the programme with three usage cases, including the merchant payments and rewards programme, grant payments and peer-to-peer transfers. In September 2023, we successfully completed real-life simulations for the programmable payment usage cases.





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Supporting the Development of e-CNY

The Bank is dedicated to helping and driving the development and cross-boundary applications of the Central Bank Digital Currency. We have been actively participating in the mainland's e-CNY cross-boundary pilot programme. During the Asian Games 2023, we extended the pilot services to Hong Kong athletes by enabling them to top up their e-CNY wallets using the Faster Payment System.

Web 3.0 Development

The Bank has been consistently exploring innovative ways to engage with future generations and explore the evolving Web 3.0 economy. As part of this endeavour, the Bank has launched its inaugural NFT wallet, HS3, allowing designated customers to receive exclusive memorabilia in the form of the Bank's God of Wealth NFTs during the Chinese New Year in early 2023.

The Bank has also introduced a Metaverse platforms – MetaGreen – jointly with Regal Hotels Group and Finland, in order to engage our customers and provide interactive training content for our internal staff. All these various initiatives help us to test and learn via continuing experiments within the evolving Web 3.0 economy.

Digital ID&V and e-Sign

In 2023, we launched Hong Kong's first digital identification and verification ('ID&V') and e-Sign functions for corporate customers who are mainland China ID cardholders, with the aim of providing them with greater convenience when applying for the SME Business Loans.

Promotion of Financial Literacy

An online trading platform for bond products was launched, allowing our customers to learn and explore ESG-related bonds through digital banking.

We aim to enhance the financial literacy of our customers and the wider community, in order to empower the people around us to achieve their financial security and wealth management goals. In 2023, we organised different investment seminars and webinars for our customers and a public audience. For three years, from 2021 to 2023, we have been the title sponsor of the ESG and Green Finance Opportunities Forum in Hong Kong, which was organised to foster the exchange of innovative ideas and promote best practices in ESG and sustainability.

We aim to nurture financial planning habits among young people and assist them via a series of digital tools on our mobile app.

Money Master (previously known as 'Savings Planner')

We aim to help our customers achieve their financial goals, based on their needs and circumstances. Money Master was launched on our mobile app in August 2023. It allows users to set their savings goals, as well as to keep track and manage their savings and spending effortlessly with personalised tips and progress updates.

SimplyStock

Launched in October 2023, SimplyStock offers a new pricing structure for customers under 30 years old, in an effort to support more young people who are ready to start their wealth management journey.





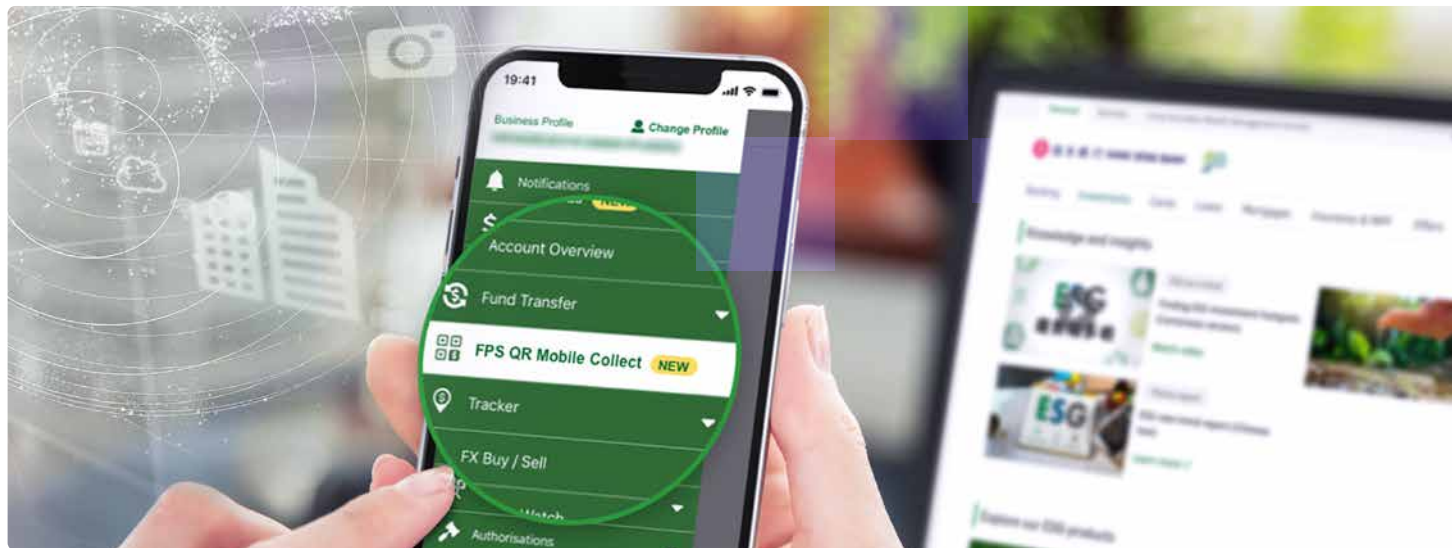
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Measures and Initiatives to Support Our Customers

We uphold our commitment to driving ESG and provides strong support to ESG start-ups via collaborations with our business partners.

We continued to offer priority approval of Inno Booster Loans to support the business operations of IT startups and provide innovation and technology companies with the help they need.

To support SMEs in upgrading their businesses through the digital transformation of their operations, the Bank has launched diverse digital solutions, including FPS QR Mobile Collect and a variety of digital trade solutions. We have also introduced a new Hang Seng Business e-Banking Ever Earn Platform, which allows them to proceed with their day-to-day banking and redeem rewards at any time via our Business Mobile App. With our digital capabilities, we engaged with our customers through various online and offline channels, including our hotline, live chat, BERI WhatsApp, enhanced business banking centres and our network of branches.



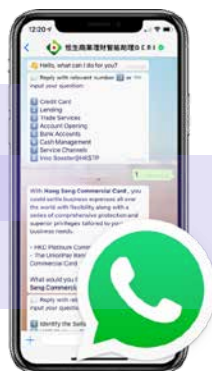
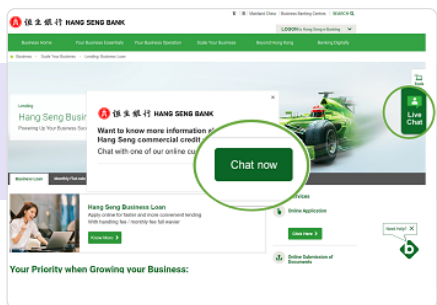
To provide consistent support for our SME customers who were on the road to economic recovery, we participated in the Pre-approved Principal Payment Holiday Scheme proposed by the HKMA and provided payment holidays on non-trade and trade loans for eligible corporate customers affected by COVID-19. In addition, we continued supporting the Special 100% Loan Guarantee – a part of the SME Financing Guarantee Scheme ('SFGS') – introduced by The Hong Kong Mortgage Corporation Insurance Limited since 2020.

During 2023, we orderly exited from the Pre-approved Principal Payment Holiday Scheme. By providing the deferral of principal repayments between August and October 2023, and enhancing the current partial principal repayment arrangement, we supported SME customers in resuming their normal repayments after the pandemic has passed.

Access for All

We continue to improve access to our services and facilities, and aim to achieve standards that comply with the regulations. We are dedicated to providing various inclusive financial services to our community, such as street-level branches, mobile branches and self-service banking outlets.

We also adopt a barrier-free approach for all new branches and self-service outlets. Social caring counters at our branches provide priority services 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 also make some of our branches available for HKSEDS training sites.





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Furthermore, we maintained a number of voice-navigable ATMs for visually impaired customers. Via headphones, customers can use voice navigation to conduct basic banking tasks such as withdrawing cash, making balance enquiries, transferring funds and changing 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. The aim of these mobile branches is to serve people in remote areas, including the elderly, so that they do not need to spend time visiting our fixed branches.

In 2023, we introduced Hong Kong's first pet-friendly branch, so as to provide a customer-centric and high-quality service that meets our customers' diverse needs. This branch has a designated pet-friendly waiting area in both the banking hall and the Prestige Banking lobby, featuring pet-related amenities such as pet waste bins, air purifiers and wet wipes to help keep our customers' pets comfortable.

In terms of our digital capability in providing greater access, the Bank has followed the Web Content Accessibility Guidelines ('WCAG') in our digital development, enabling customers with different needs to use our mobile banking with ease. We also engaged with the Hong Kong Blind Union to help us conduct an accessibility assessment, with the resulting report allowing us to confirm that we are meeting the required accessibility standards across different parts of our digital journey.

Accessible Insurance

Hang Seng Insurance Company Limited ('HSIC') cares about our customers' health and wellness. By partnering with healthcare service providers in Hong Kong, various kinds of health and wellness support is offered to our customers via Hang Seng Olive – our bespoke health engagement platform. These range from useful health information and complimentary virtual consultations, as well as exclusive health services and privileges in the Olive eShop, which are all designed to cater for our customers' evolving health needs.

HSIC also places great importance on our employees' well-being, which is pivotal to our sustainable growth. Further to a series of mental wellbeing activities organised in 2022, we arranged a 'Mental Health First Aider' course to support our staff to advance their learning about mental wellness in 2023.

We have continued to support environmental protection and community sustainability by enriching our digital insurance product suite. Customers will now receive an SMS acknowledgment on claims submissions and result updates, as well as push notification reminders to encourage them to update their insurance policy contact information through the Hang Seng Mobile App.

