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our customer
satisfaction rate has been
more than 95%.

Our customer-centric service puts strong emphasis on building long-term relationships. Since opening our doors in 1933, our commitment to core values – such as professionalism, passion, and taking 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 residents of Hong Kong.

We deliver excellence by combining innovation with integrity. We provide clear, honest information, open communication and full accountability. We support customers' concerns about sustainability and environmental conservation. We undertake regular initiatives to address issues such as paper waste and excessive energy consumption. Our efforts extend to our products and services; for example, we offer financing schemes that incentivise green business operations.

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

To safeguard customers' interests, we continue to strengthen and significantly invest in [data privacy and cybersecurity](#) to protect customer privacy, and to deliver high-quality service that ensures we maintain excellent customer satisfaction. In 2019, this included successful completion of an external safety assessment programme of migrating the OHSAS 18001:2007 Safety Management System to the newly launched ISO 45001 OHSMS.

Understanding Our Customers' Needs 🏠 📧

A deep understanding of our customers' financial needs and objectives underpins our reputation for service excellence. We proactively gather opinions – which includes the use of focus groups and comprehensive surveys – to enhance our service and ensure products and services meet customer needs. Suggestion forms and hotlines channel customer-initiated feedback to us.

We identify our strengths and industry best practices via local market benchmarking and a mystery shopper programme that monitors service by frontline staff at our manned outlets.

Understanding Our Customers' Needs ❖ ❖

We monitor markets to identify emerging trends and opportunities, and to offer products and services that meet unserved or underserved customer needs. Our expanded and enhanced digital platforms allow customers to perform a range of transactions online, and provide information to facilitate their decision-making.

The annual Banking Industry Monitoring Study, conducted by independent research firm Kantar Hong Kong Limited, assesses customer satisfaction for the eight major banks in Hong Kong. In 2019, we were the bank most recommended by customers. We have had the highest rated banking services for 15 consecutive years.

We aim to achieve at least 80 per cent customer satisfaction. For the past four years, our customer satisfaction rate has been more than 95 per cent.

Year	Customer Satisfaction (%)
2019	98
2018	99
2017	98
2016	95

We received the following major awards in 2019:

- ❖ Best Bank – Domestic (Hong Kong) (20th consecutive year) from The Asset.
- ❖ Strongest Bank in Hong Kong and Asia Pacific from The Asian Banker.
- ❖ Best Bank for SMEs, Hong Kong from Asiamoney.



Transparency, Accountability, Choice

We offer a diverse range of personal banking and wealth management products. It is our policy to sell products and services based on customers' needs, understanding and appetite for risk; hence our principles of providing "the right product and service, at the right time, for the right customer, in the right way" and pursuing "ethical and fair dealings for long-lasting business". We have workshops for people managers, based on real cases, to emphasise the importance of treating customers fairly.

Our external communications and advertising materials provide clear, transparent and balanced information for our customers, and comply with all relevant requirements from the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission and the Hong Kong Association of Banks.

We have established our Brand Centre: an internal resource site to help staff learn about our branding guidelines and correct application of our brand identity. Our Marketing department provides advice and ensures that we do not violate or infringe upon the intellectual property rights, patents and related rights of third parties.

We want to help customers have secure finances throughout their life, including retirement. In 2019, we launched the tax-deductible PrimeLife Deferred Annuity Life Insurance Plan to help customers begin retirement planning earlier, for greater financial flexibility.

Our online sales channel offers multiple new insurance products that connect with a younger and wider customer base. In particular, our five-year eEndowment Life Insurance Plan has five options for premiums, starting from as low as HK\$1,000 per month. This helps youngsters, students and low-income people access protection. As our business model becomes more digitised, we achieved remarkable results with the direct channel: we ranked second in the market in 2019.

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



Treat me fairly

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



Tailored solutions

We listen to customers and work to understand their needs, in order to provide the most suitable products and services.



Keep me informed

We provide clear, transparent, relevant and timely communications that give customers the information they need to make informed choices.



Suitable advice

Advice to customers must be based on a full understanding of their needs and 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 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.

We are also governed by Hong Kong's Code of Banking Practice, the HSBC Group's Global Principles, and Functional Instruction Manual.

Transparency, Accountability, Choice

Customer safety

We aim to provide 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. At our manned outlets, floor staff assist customers with enquiries.

Managing indoor air quality (IAQ) and ventilation systems is an important element of our health and safety responsibilities. To ensure the IAQ at our branches and offices meets the Good Class established in guidance notes issued by the Hong Kong Government's Environmental Protection Department, 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 strikes a balance between reducing our energy consumption and providing a pleasant environment for customers and staff.

During outlet or office renovations, we endeavour to minimise service disruption and customer inconvenience. For example, durable hoardings separate site works from functioning business areas, and posters or signs inform customers about the renovation. Whenever possible, we arrange off-site prefabrication of carpentry and metalwork, to shorten on-site construction and assembly times, and minimise disruption. We ask contractors to carry out noisy work and final touch-up painting outside of our weekday operating hours, or on weekends and public holidays.

Property management and maintenance provide staff and customers with a safe, comfortable environment. Risks for staff and customers are minimised by measures such as nonslip treatments on floors and clear signage for temporary hazards such as wet surfaces.

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 a set of Privacy Principles and, at our branches, offer privacy to customers who need to discuss sensitive or confidential matters.

In 2019, a panel discussion was organised for staff to get a better understanding on different legal and regulatory issues relating to digital account opening. Data privacy issues were one of the examined topics and an external speaker was invited to share his views.

Our customers are notified of our purposes of collection and use of personal data, the classes of transferees, classes of marketing subjects, and their data access and correction rights. They can easily access our Privacy Policy, Notice to Customers and Other Individuals relating to the Personal Data (Privacy) Ordinance, and [Cookies Policy](#) on our website.

An incident management procedure applies to customer privacy breaches. All staff are required to identify and report data leaks to our hotline promptly, following steps in the Material Incidents Escalation Manual. Our experts then investigate, and escalate the matter to the core team if appropriate. The experts also provide guidance on how to contain and respond to cases, identifying remedies and lessons learned.

Listening to our customers

Our complaint-handling procedure ensures customer feedback is dealt with in a consistent, efficient manner.

The customer relations teams of our various business units aim to acknowledge receipt of comments or complaints within seven calendar days, and to resolve most 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 for rectification.

Senior management regularly review customer suggestions, compliments and complaints. Lessons learned are communicated to staff, to improve service and encourage best practice.



Power to the People

In a fast-moving market, Hang Seng provides comprehensive banking and investment services anytime, anywhere, via e-Banking, hangseng.com and mobile apps. We are also launching fintech initiatives to provide even more digital banking solutions that integrate into customers' increasingly mobile lifestyles.

Branch and self-service outlet service improvement

New customer-friendly services were introduced at branches/self-service outlets include mobile cash withdrawals via NFC and QR code technologies, eTicketing for counter services, as well as tablets in branches, to minimise customer's waiting time.

API development

In 2019, we launched our Open Application Programming Interface (API), to allow third-party service providers to collaborate on innovative and integrated services that improve the customer experience and in accordance with the HKMA schedule.



We also launched the e-Valuation API, in partnership with Midland Realty. This API allows customers to obtain free property valuations from Hang Seng, via partner's website and mobile application.

AI chatbot enhancement

Our AI-powered personal e-Banking chatbot HARO allows customers to manage their finances via interactive dialogue, obtain FX quotes, instantly buy and sell FX, and locate FX ATMs.

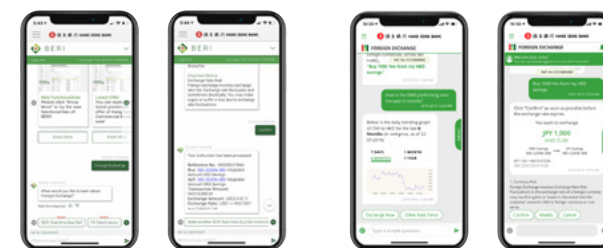
We have also extended our business e-Banking chatbot BERI's functions to allow customers to check account balances, view account balance trends, buy and sell FX, and live chat with contact centre agents.

Website revamp

A revamped public website improves customers' online experience. Our business e-Banking platform has also been revamped, to be more user-friendly and efficient for customers performing daily transactions.

Other fintech initiatives

Our recent introduction of mobile cash withdrawals via NFC and QR code technologies provides greater choice and convenience for our customers. Our new FX Order Watch service enables customers to monitor exchange rates, receive notifications, buy and sell at designated targets, and access FX cash at any time through an HK-based FX ATM network. The Hang Seng Invest Express mobile app provides easy and convenient stock-trading services and other value-added features.



Other upgrades, specifically for corporate customers, include:

- ❖ An online lending portal which allows SMEs to apply for loans and upload supporting documents quickly and easily;
- ❖ A Faster Payment System (FPS) that enables IDs for merchant payments via Hang Seng HSBCnet. These IDs can be phone numbers, email addresses or FPS ones;
- ❖ The Linkscreen for Commercial Card – a screen-sharing technology that enables customers to complete card applications with online guidance;
- ❖ The Xero Bank Feed which allows business e-Banking customers to manage third-party connections. Our online accounting portal enables account transaction data to be synchronised;
- ❖ The One-click time deposit which allows customers to take advantage of our special time deposit rates quickly and easily.

Power to the People 🏠 📧

Overcoming challenges

We are committed to working with customers facing challenging financial situations. For personal customers, our internal guidelines are based on the Hong Kong Approach to Consumer Debt Difficulties, issued by the HKMA. We have a dedicated unit to offer debt relief plans to affected individuals. Where a genuine difficulty exists, solutions may include extending a repayment schedule or offering partial relief.

For business customers, we provide assessment and advisory services for those facing financial challenges. We work with them to assess their position and determine the best course of action. For instance, we provide credit relief measure to relieve their funding pressure.

Providing timely market information and appropriate treasury products are among the ways in which we assist customers in a fast-changing market. Our product specialists, traders and analysts provide integrated financial solutions and 24-hour global market coverage. Our IT infrastructure enables us to deliver quick access to key markets and provide up-to-date information to customers. To negotiate the uncertain foreign exchange market and interest rate environment of 2019, we developed tailor-made treasury products to help customers better manage risks in these areas.

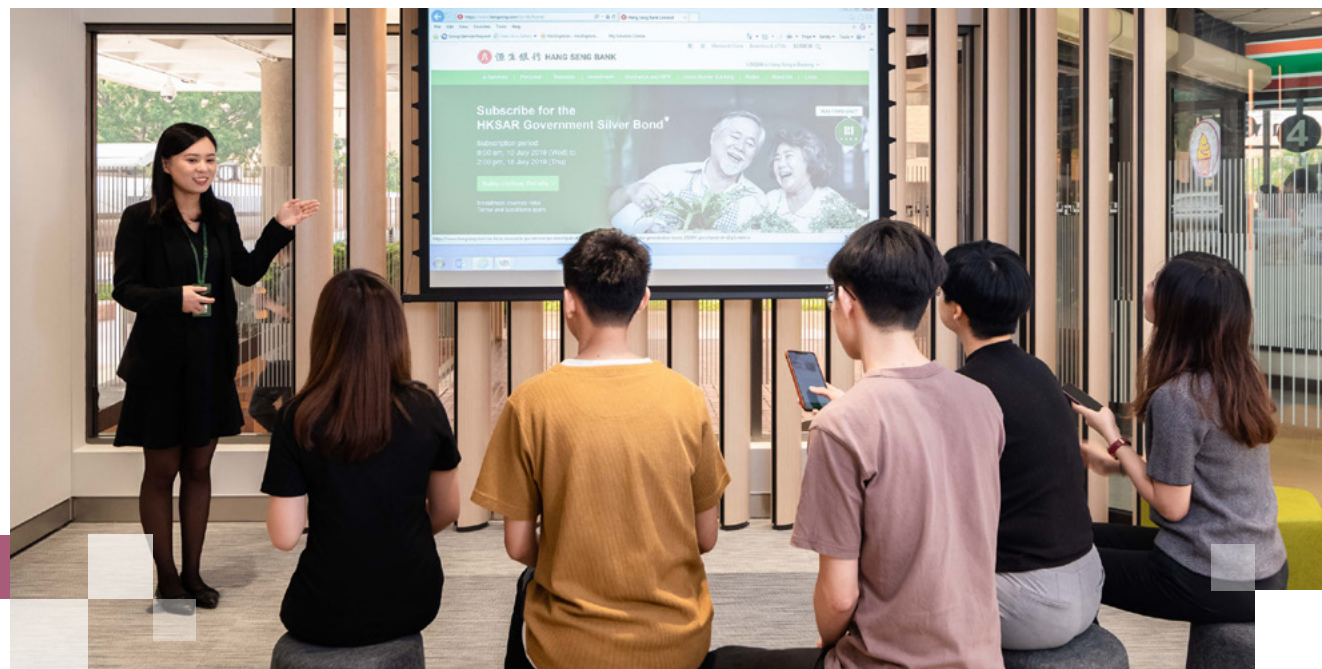
At a broader community level, we partner with local non-governmental organisations – including the Caritas Family Crisis Support Centre and the Tung Wah Group of Hospitals' Healthy Budgeting Family Debt Counseling Centre – to offering debt-restructuring services to individuals in financial difficulty.

Community outreach

Leveraging our core strengths and staff expertise, we help people from various backgrounds make informed money-management decisions, via improved financial literacy. For example, our volunteers work with the local charity Po Leung Kuk to teach young children about basic money management through role-play, games and discussions.

Hang Seng Digital Banking organised a workshop to promote Hong Kong's Qualifications Framework and banking industry to senior secondary students. Activities included a tour to our digital floor and design thinking workshop. Hands-on experience of our day-to-day work encourages students to consider banking as a career, and to choose relevant programmes at university. In the long run, we aim to bolster the talent pool for the banking industry.

To support people with disabilities, to raise awareness about the importance of critical illness protection, and – by showcasing a new film director – to motivate young people to follow their dreams, Hang Seng Insurance hosted a charity movie night and sponsored tickets for local university students.



Championing Global and Local Business

Building lasting partnerships with SMEs is one of our key aims. By working with these businesses, we support the local economy and help create employment opportunities and wealth.

We offer a wide range of products specifically for SME customers. We continue to enhance service delivery through better use of technology and improved relationship management.

In 2019, our commitment to such businesses earned us a 14th consecutive Best SMEs Partner award from the Hong Kong General Chamber of Small and Medium Business, and a third consecutive Best Commercial Bank award from Hong Kong Business.

A total solution for SMEs

In 2019, we enhanced our SME trade loans to better fit customers' business models and financing needs. The migration of our Trade Services Hotline to our Corporate Call Centre has cut waiting time, and SMEs can upload documents for loan applications via our mobile app and website. These platforms help reduce paper use.

We actively participate in the SME Financing Guarantee Scheme, supported by the Hong Kong Mortgage Corporation. This helps SMEs acquire funding.

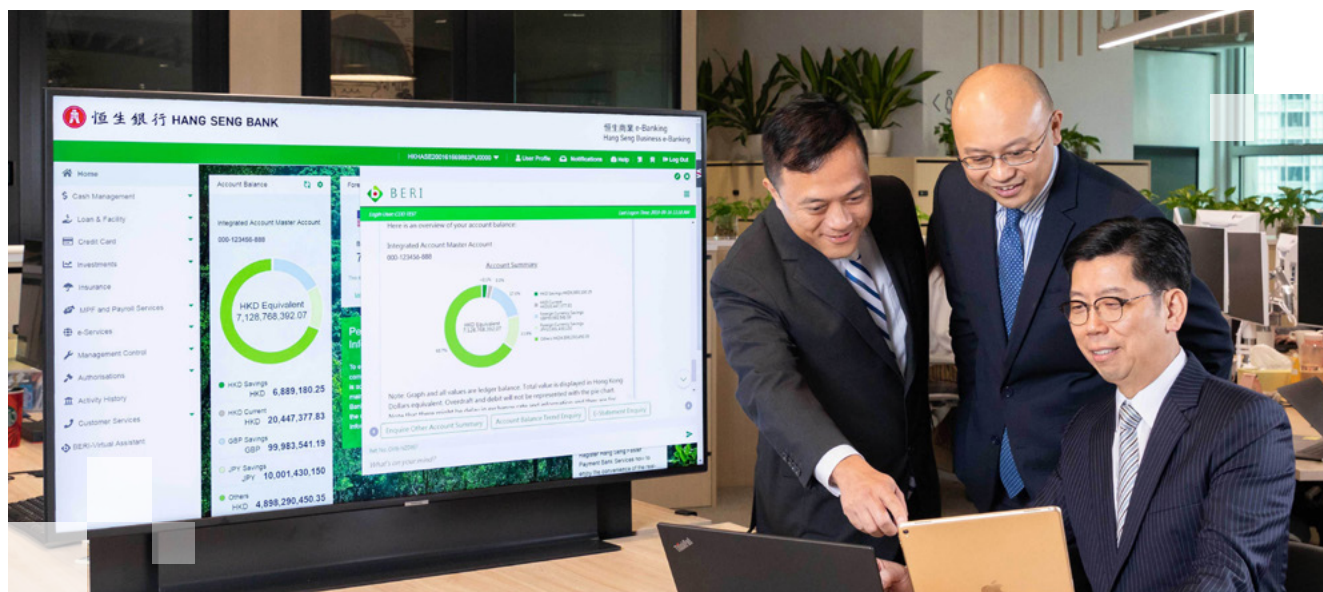
In collaboration with external parties and associations, we may run seminars for SMEs and corporate customers. The topics can be related to financing solutions, cash

management, trade finance, taxation and investment markets. The seminars improve financial literacy and awareness of management tools. We also engage with diverse SME segments – from schools to NGOs – to better understand their needs, and hence provide effective solutions.

Tailor-made global banking and treasury solutions

Hang Seng's Global Banking and Markets provide a broad spectrum of services to large corporations and financial institutions. In addition to standard banking products, we provide solutions tailored to the needs of different customers. For example, we design cash management that improves the efficiency of our global banking clients, and customise treasury solutions.

In 2019, we organised seminars to raise awareness of interest rate trends and the financial market environment. These seminars included developments in renminbi onshore/offshore policies and regulatory requirements, economic outlooks, and treasury products. Our aim was to help customers capture market opportunities and fulfil hedging needs.



Improving Access for All

We are working to improve access to our banking services and facilities. Our recently revamped website is designed to emphasise readability and ease of navigation. As of the end of 2019, we had 297 outlets, including 60 street-level branches, 35 manned service centres, two Mobile Branches and 200 self-service outlets.

We strive to further improve access and facilities, and to achieve standards that comply with, or exceed, government regulations. We have adopted a barrier-free approach for new branches. Meanwhile, Social Caring Counters provide priority service to the elderly, the disabled and other customers in need. As of the end of 2019, we had Social Caring Counters in 21 branches.

As part of our partnership with Hong Kong Seeing Eye Dog Services (HKSEDS), visually impaired customers may bring their assistance dogs into the banking halls of designated Hang Seng branches. Some of our branches are HKSEDS training sites.

We increased our number of voice-navigable ATMs for visually impaired customers to 110 in 2019. 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.

Customer convenience

Our first Mobile Branch, launched in late 2017, reflects our commitment to improving financial inclusion. It provides access to banking services at five public housing estates in Hong Kong. The second Mobile Branch commenced operation in December 2019.

The Mobile Branches feature two teller counters that offer a range of general banking services. They also have accessibility facilities such as a wheelchair access platform, a "Seeing Eye Dog" sign by HKSEDS, a magnifying glass, and a Portable Audio Frequency Induction Loop System, for customers with hearing aids.

As of the end of 2019, 593 Hang Seng ATMs provided 24-hour services across Hong Kong. We have expanded our foreign exchange ATM service, which offers the widest choice of currencies in Hong Kong, from 14 to 39 sites.

We had 2.2 million Personal e-Banking customers as of 31 December 2019. This is an increase of 10 per cent from 2018.

IMPROVING ACCESS TO FINANCE



- Three branches and 35 ATMs at public housing estates
- Two mobile branches serving seven public housing estates
- Five branches and 18 ATMs at local universities



Promoting Sustainable Finance

The cost of green measures – such as retrofitting energy-efficient chillers, luminaires and heaters – can discourage companies from adopting them. We introduced a Green Financing Promotion Scheme that offers preferential loans for corporate clients. These encourage our customers to invest in environmentally friendly equipment that enhances efficiency, reduces pollution, protects the environment and supports sustainable corporate development.

The Scheme is applicable to a range of equipment suitable for Hong Kong and mainland China. The repayment period is up to seven years. The HKQAA verification service validates the green nature of equipment for which customers cannot provide adequate evidence of green credentials.

Eligible equipment falls into at least one of the following categories:

- ❖ Renewable energy
- ❖ Energy efficiency
- ❖ Water efficiency
- ❖ Waste management
- ❖ Wastewater management
- ❖ Air pollution control
- ❖ Noise pollution control

(Environmentally friendly vehicles are excluded)

In 2019, we approved two green financing applications for mid-market enterprise customers, totalling HK\$1,008 million. The first was for a leading glass manufacturer to finance the design, acquisition, installation and development of a green production base. The second was for a leading gen-set system integration provider to fund biogas projects.

A syndicated loan for a major local developer during the year demonstrates our green financing in action. The interest rates are indexed against the sustainability of hotels owned and operated by the borrower in Hong Kong. A Sustainability Margin Adjustment is applied to pricing, to encourage the borrower to think sustainably. If they exceed the objectives, the interest margin is reduced, and vice versa. Sustainability is measured against benchmarks such as average energy intensity and average waste to landfill. The hotels are monitored and accredited by EarthCheck – a benchmarking, certification and advisory group for travel and tourism.

This project is a testament to our innovative solutions that bring positive change to our environment and hold borrowers accountable for their impact on that environment.

