

E

X P A N D

building up



We are expanding our network of branches and offices in mainland China, to take advantage of its financial liberalisation and pave the way for future growth

strengths in mainland China

as a significant e-force. Our rapidly expanding Hang Seng e-Banking services, launched on 1 August, have become an important part of our integrated multi-channel delivery network.

Our secure internet initiative offers customers greater choice and maximum convenience through 'any time, any place' banking. A wide range of personal financial services is available in both English and Chinese at hangseng.com/e-Banking, from account management and investment solutions to general insurance enrolments and loan applications.

The response has been very positive, with more than 100,000 e-Banking customers registered. Internet transactions made up more than 8% of total transactions in January. Counter transactions fell from 18.4% to 15.8% of total transactions in the 12 months to December 2000.

Our e-Banking services have become a major means to deliver wealth management services to our target group of integrated account customers. The number of integrated account openings increased by an average of 44.7% per month in the six months after the August launch of e-Banking, compared with the pre-launch period in 2000.

New securities accounts grew by an average of 90% per month from August to January 2001, compared with the pre-launch period in 2000. About 40% of our securities transactions by turnover were conducted over the internet in January 2001.

The introduction of e-IPO services in September provided a one-stop solution for investors subscribing for IPO shares and received an encouraging response.

Major e-initiatives in the first half of 2000 included the launch of the Hang Seng e-shopping MasterCard – Hong Kong's first virtual card. Mobile banking services were strengthened with the launch of the WAP Information Service, which offers

financial information via WAP mobile phones.

The Hang Seng e-Banking brand name is being widely promoted through an integrated marketing communications campaign which also introduced the corporate tagline *Hang Seng Bank. Exceed. Excel.* in July.

We are also leveraging on technology to enhance our understanding of customers' needs and to strengthen relationship management. Our comprehensive data warehouse and data-mining allow us to match product development more closely to individual customer requirements.

As we expand our e-services, the role of our branches as financial advisory and sales centres is being strengthened. At the year-end, we operated 156 branches and automated banking centres in Hong Kong.

major businesses

Under Managing for Value, our focus is on higher-margin activities, which include personal wealth management delivery and growing our commercial business.

Our wealth management initiatives comprise investment and insurance services, and target our affluent and mass integrated account segments. In order to allow more customers to enjoy the benefits of our integrated accounts, the minimum balance requirement for Bank-In-One Account customers was halved to HK\$5,000. By helping increasingly sophisticated customers to protect and grow their assets, we are increasing our share of their financial spending.

With more integrated account openings and increased referrals between business units, the Bank improved its cross-selling ratio.

Income from investment and insurance services

