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Press Release

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The 7th Asian Banker Excellence in Retail Financial Services Awards 2008

The Hongkong and Shanghai Banking Corporation has won four awards for its outstanding performance in 2007

- *Best Retail Bank in Asia Pacific*
 - *Best Retail Bank in Hong Kong*
 - *Excellence in Distribution Network Integration*
 - *Excellence in Internet Banking*
- *The Hongkong and Shanghai Banking Corporation has won four awards, including the most prestigious 'Best Retail Bank in Asia Pacific 2008' award.*
 - *The bank has built on robust profit growth, strong cost efficiencies and capable channel management to become the Asia Pacific's leading retail bank.*
 - *Over 150 banks and financial institutions in 23 countries across Asia Pacific, the GCC region and Central Asia were evaluated as part of the Excellence in Retail Financial Services programme.*
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Hong Kong 16 May 2008 – *The Hongkong and Shanghai Banking Corporation (HSBC)* has bagged four major awards in The Asian Banker Excellence in Retail Financial Services Awards programme, including Best Retail Bank in Asia Pacific, Best Retail Bank in Hong Kong, Excellence in Internet Banking and Excellence in Distribution Network Integration for its outstanding performance in 2007. The bank received the awards at The Asian Banker Excellence in Retail Financial Services 2008 Awards ceremony, held in conjunction with the region's most prestigious retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at The Westin Grande Sukhumvit hotel in Bangkok on the evening of 16 May 2008.

About 150 senior bankers from award winning banks in 23 countries across the Asia Pacific, the Gulf region and Central Asia, attended the glittering event, a first class celebration of the region's best retail bankers that recognises their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent bankers, consultants and academics from around the world, is the most prestigious award of its

kind. For transparency, the scorecard used to determine the winners and the position of the different retail banks in the region is attached.

- ***The Hongkong and Shanghai Banking Corporation wins four awards, including the prestigious 'Best Retail Bank in Asia Pacific 2008' award.***

For the third year in a row, HSBC has distinguished itself as the bank with the strongest retail bank in the Asia Pacific. In this year's programme, HSBC won the Best Retail Bank awards in Hong Kong and demonstrated strong performance to be shortlisted in other countries. In the product award categories, HSBC won the Excellence in Internet Banking award and it was also recognised to have the best distribution network integration in the region.

In its retail banking headquarters in Hong Kong, HSBC earned industry kudos for the value of its franchise, strong overall financial performance, efficient distribution channels and customer service excellence. With the largest market share and banking network in the city, HSBC achieved a rise of 45 percent in operating retail profit and a tremendous fee income increase of 85 percent. At the same time, the bank kept costs in check by staying below the 30 percent mark for cost to income ratio and took a lower impairment charge than its local peers.

- ***The bank has built on robust profit growth, strong cost efficiencies and capable channel management to become the Asia Pacific's leading retail bank***

Within the Asia Pacific, it was among the most profitable franchises with a branch and internet channel productivity exceeding all other regional players. HSBC's powerful brand reputation and synergies between sales, channel deployment and channel usage are major factors in the bank's success. Equally important are the bank's strong business propositions in credit cards, insurance, and mortgage lending and demonstrated product innovation in the wealth management, deposit and lending categories.

The bank has spearheaded distribution network integration in the region. Its near seamless multi-channel offerings has benefited from strong sales capabilities and efficiencies in distribution.

HSBC's Internet banking portal was also lauded as the most user-friendly and accessible in the region. While boasting one of the most complete sets of service functions in the region, it is at the same time easy to learn and readily accessible to the elderly and those who are less technologically savvy. While several other strong banks have an equal claim to a wide array of service functions and security features, HSBC's Internet banking service stands out in its seamless and effective integration of the various banking services. It is a one-stop station where one can comprehensively access wealth management accounts, personal investments, credit cards, banking and loan accounts, or directly contact a customer service officer to troubleshoot.

- *Over 150 banks and financial institutions in 23 countries across Asia Pacific, the GCC region and Central Asia were evaluated as part of the Excellence in Retail Financial Services programme.*

"This year over 150 banks and financial institutions in 23 countries across the Asian region were evaluated as part of the Excellence in Retail Financial Services programme," said Mr Phillip Strause, chairman of the Excellence in Retail Financial Services programme and an International Resource Director for The Asian Banker.

The award evaluation process uses a comprehensive methodology to evaluate the strength of individual banks' retail banking businesses that involved extensive research and probing interviews, and taps the combined experience of a team of experienced researchers. The process also incorporates an AC Nielsen customer perception survey to gauge the strength and reputation of retail banks in the different countries.

Mr Strause has close to 40 years' experience working with commercial banks, investment banks, brokerage firms, insurance companies and other specialised financial institutions, further added: "The Asian Banker Excellence programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time".

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About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Beijing and Shanghai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. For more information, please visit www.theasianbanker.com.

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