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Press Release

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The International Excellence in Retail Financial Services Awards 2011

HSBC China Wins Best Foreign Retail Bank in China for the year 2010

- *HSBC China wins Best Foreign Retail Bank in China for the third consecutive year.*
- *HSBC China dominates Bancassurance market in China.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf region and Central Asia were evaluated as part of the Excellence in Retail Financial Services programme.*

Singapore, March 11th 2011—HSBC China has been named **Best Foreign Retail Bank** by the 10th International Excellence in Retail Financial Services Awards Programme for the third consecutive year since 2008. The bank received the award at The International Excellence in Retail Financial Services 2011 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 Shangri La Hotel in Kuala Lumpur on March 11th 2011.

About 150 senior bankers from award-winning banks in 29 countries across the Asia Pacific, the Middle East, Central Asia and Africa attended the glittering event 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 global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three-month evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various retail banks in the region is attached.

HSBC China wins Best Foreign Retail Bank award in China for the third consecutive year.

HSBC China has won Best Foreign Retail Bank award for its strong performance in retail banking in 2010. It showcased the largest distribution network, strengthened branding initiatives, offered superb innovative financial products and streamlined processes, surpassing other foreign banks in mainland China.

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With an extensive global network and 106 outlets in China, HSBC China is a leading foreign bank in mainland China. In 2009, the bank extended its premier services from individuals to families to promote cross-selling, becoming the first foreign bank to offer this service to local residents. Consequently, the premier customer base increased by 50%.

In the past year, a new “Greater China” branding campaign was launched to strengthen its image as leading global bank with both online and offline channels. In wealth management, learning a lesson from the financial crisis, a new customer segmentation strategy was implemented in the second quarter of 2010 to reclassify investment customers. As a result, sales count, sales volume and fee income for QDII Offshore Funds enjoyed tremendous growth.

In addition, drawing from its “Protection for Growth” proposition and various tools for risk appetite evaluation, the bank was the first to introduce a partial principal protected product (PDCI) in 2010 to retail customers with lower risk appetite and foreign exchange needs.

The bank also streamlined its account opening process, implementing an “account opening interview method” and an “account opening tool”. These not only diminished operational error during the data transfer from paper to system but also realised face-to-face communication with customers, thereby enhancing customer relationships.

HSBC China dominates Bancassurance market in China.

HSBC’s bancassurance service plays an important role in supporting wealth management. It provides a one-stop shop to meet all financial needs of customers, with the added benefit of a wide choice of tailor-made financial solutions. For instance, Express Goals, a system-based financial planning tool, can evaluate a customer’s financial situation and identify their financial gaps by getting the customer to answer nine simple questions within 15 minutes.

The bank also launched the “bancassurance system”, a software solution designed to enhance straight-through processing in insurance transactions. The system supports and automates the entire chain of insurance application procedures to improve sales efficiency and enhance customer experience. Moreover, a partnership with Ping An Insurance and Allianz contributed to HSBC China’s product development, training support and marketing initiatives. Insurance income has surged by 128% year-on-year, while insurance sales quadrupled.

"In 2010, the bank developed a sound balance between innovative financial products and enhanced customer experience. HSBC China manifested its uniqueness and success in a variety

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of tailor-made services supported by system upgrades and process streamlining," said Mr. Chris Kapfer, head of Asian Banker Research.

Over 170 banks in 29 countries across Asia, and this year for the first time Africa, were evaluated as part of The International Excellence in Retail Financial Services Programme.

"This year over 170 banks and financial institutions in 29 countries across Asia were evaluated as part of The Excellence in Retail Financial Services Programme in what has become the most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions anywhere in the world today" said Philippe Paillart, chairman of The International Excellence in Retail Financial Services Programme. He added: "It is amazing to see the rapid development of the retail financial services industry every year, and to experience the narrowing gap between mature and emerging market banks in terms of operational efficiency and technology."

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks' retail banking businesses that involve extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Paillart, formerly vice chairman and CEO of DBS Bank and a pioneer in the retail banking industry in the Asia Pacific region, elaborated: "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. To stay abreast of the rapidly growing geographic scope of the programme, The Asian Banker has renamed the awards 'The International Retail Financial Services Awards' in 2011."

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, Hong Kong 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. The company's website is www.theasianbanker.com

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