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If you have sold or transferred all your shares in Hang Seng Bank Limited, you should at once hand this Circular and the accompanying Form of Proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE SHARES AND TO BUY-BACK SHARES,
RE-ELECTION AND ELECTION OF DIRECTORS
AND
APPOINTMENT OF AUDITOR,
AND
NOTICE OF 2015 ANNUAL GENERAL MEETING**

**恒生銀行有限公司
Hang Seng Bank Limited**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 11)

The notice convening the 2015 AGM of the Bank to be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on Thursday, 7 May 2015 at 3:30 pm, at which, among other things, the proposals relating to general mandates to issue Shares and to buy-back Shares of the Bank will be considered, is set out on pages 18 to 21 of this Circular.

Whether or not you intend to attend the 2015 AGM, you are requested to complete and return the Form of Proxy to the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 3:30 pm on Tuesday, 5 May 2015 or not less than 48 hours before the time appointed for holding any adjourned meeting (as the case may be). Such Form of Proxy can also be downloaded from the Bank's website (www.hangseng.com) or HKEx's website (www.hkexnews.hk.) Submission of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the 2015 AGM.

DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions have the following meanings:

“2015 AGM”	the annual general meeting of the Bank to be held on Thursday, 7 May 2015 at 3:30 pm at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong or any adjournment thereof
“AGM”	annual general meeting
“Articles of Association”	the articles of association of the Bank, as amended from time to time
“Bank” or “Company”	Hang Seng Bank Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 11)
“Board” or “Directors”	the Board of Directors of the Bank or a duly authorised committee thereof for the time being
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended from time to time
“corporate communications”	any document(s) issued or to be issued by the Bank for the information or action of any holders of its securities including, but not limited to, (a) the directors’ report and annual accounts together with a copy of the auditor’s report and, where applicable, a summary financial report; (b) the interim report and, where applicable, a summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a form of proxy
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a wholly owned subsidiary of HSBC Holdings
“HSBC Holdings”	HSBC Holdings plc which is incorporated in England with limited liability and the holding company of HSBC Group and the shares of which are listed on the Stock Exchange (Stock Code: 5)
“INED(s)”	Independent Non-executive Director(s) of the Bank
“Latest Practicable Date”	18 March 2015, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

DEFINITIONS

“PwC”	PricewaterhouseCoopers
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share Buy-back Mandate”	a general mandate to buy-back Shares on the Stock Exchange representing up to 10% of the number of Shares in issue of the Bank as at the date of passing the resolution for approving the Share Buy-back Mandate
“Share(s)”	the Ordinary Share(s) of the Bank
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers

LETTER FROM THE CHAIRMAN

HANG SENG BANK LIMITED

(Incorporated in Hong Kong with limited liability)

Directors:

Dr Raymond K F Ch'ien GBS, CBE, JP, *Chairman**
Ms Rose W M Lee JP, *Vice-Chairman and Chief Executive*
Dr John C C Chan GBS, JP*
Mr Nixon L S Chan
Dr Henry K S Cheng GBS*
Ms L Y Chiang JP*
Mr Andrew H C Fung JP
Dr Fred Zulu Hu*
Ms Irene Y L Lee*
Ms Sarah C Legg[#]
Dr Eric K C Li GBS, OBE, JP*
Dr Vincent H S Lo GBS, JP[#]
Mr Kenneth S Y Ng[#]
Mr Richard Y S Tang BBS, JP*
Mr Peter T S Wong JP[#]
Mr Michael W K Wu*

Registered Office:

83 Des Voeux Road Central
Hong Kong

* *Independent Non-executive Directors*

Non-executive Directors

26 March 2015

To the Shareholders

Dear Sir or Madam

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE SHARES AND TO BUY-BACK SHARES,
RE-ELECTION AND ELECTION OF DIRECTORS
AND
APPOINTMENT OF AUDITOR,
AND
NOTICE OF 2015 AGM**

INTRODUCTION

The purpose of this Circular is to seek your approval of the proposals to (a) grant to the Board general mandates to issue Shares and to buy-back Shares; (b) re-elect and to elect Directors; and (c) appoint auditor, and to provide you with information in connection with the same. Shareholders' approval of such proposals will be sought at the 2015 AGM.

LETTER FROM THE CHAIRMAN

GENERAL MANDATES TO ISSUE SHARES AND TO BUY-BACK SHARES

Similar to the AGM of the Bank held on 9 May 2014, ordinary resolutions will be proposed at the 2015 AGM to grant to the Board (a) the Share Buy-back Mandate; and (b) the general mandate to allot, issue and otherwise deal with additional Shares up to a limit equal to, where the additional Shares are to be allotted wholly for cash, 5% and, in any other case, 20% of the number of Shares in issue of the Bank as at the date of passing the resolution for approving the relevant mandate. The purpose of the general mandate to issue Shares is to enable the Board to issue additional Shares should the need arise (for example, in the context of a transaction which has to be completed speedily). The Board considers it a good corporate governance practice for the Bank to impose a limit of 5% where additional Shares are allotted wholly for cash. The 20% limit to the general mandate to issue additional Shares is imposed pursuant to the Listing Rules. No Shares have been bought-back and no Shares have been allotted, issued or otherwise dealt with pursuant to the general mandates granted by the Shareholders at the last AGM. The Board has no present intention to exercise the general mandates to issue additional Shares or to buy-back Shares.

As at the Latest Practicable Date, the number of Shares in issue was 1,911,842,736 Shares. On the basis that no further Shares are issued and/or bought-back by the Bank following the Latest Practicable Date and up to the date of the 2015 AGM, the Bank would be allowed under the general mandate to issue Shares to allot and to issue up to 382,368,547 Shares, representing 20% of the number of Shares in issue of the Bank as at the date of passing the resolution.

Under the terms of the Companies Ordinance and the Listing Rules, the general mandates granted to the Board at the 2014 AGM will lapse upon conclusion of the 2015 AGM, unless being renewed at the 2015 AGM. The Board takes the view that it would be in the interests of the Bank and its Shareholders as a whole if the general mandates were renewed. In this connection, resolutions will be proposed to renew these mandates. The explanatory statement giving certain information regarding the Share Buy-back Mandate as required by the Listing Rules is set out in **Appendix I** to this Circular.

RE-ELECTION AND ELECTION OF DIRECTORS

At the 2015 AGM, Mr Andrew H C Fung, Dr Fred Zulu Hu, Ms Rose W M Lee, Mr Richard Y S Tang and Mr Peter T S Wong will retire as Directors by rotation in accordance with Articles 99 and 100 of the Articles of Association. All the aforesaid Directors, being eligible, will offer themselves for re-election.

Further, pursuant to Article 104 of the Articles of Association, any Director newly appointed by the Board shall hold office until the next following AGM, and shall then be eligible for election. Accordingly, Dr Henry K S Cheng and Ms Irene Y L Lee, being Directors so appointed since the last AGM, shall retire at the 2015 AGM and, being eligible, offer themselves for election.

Particulars of the above mentioned Directors offering for re-election or election (as the case may be) at the 2015 AGM are set out in **Appendix II** to this Circular.

LETTER FROM THE CHAIRMAN

The Bank's Nomination Committee, which comprises a majority of INEDs, considers that Mr Andrew H C Fung, Dr Fred Zulu Hu, Ms Rose W M Lee, Mr Richard Y S Tang and Mr Peter T S Wong continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee has nominated and the Board has recommended Mr Andrew H C Fung, Dr Fred Zulu Hu, Ms Rose W M Lee, Mr Richard Y S Tang and Mr Peter T S Wong to stand for re-election as Directors at the 2015 AGM.

Further, the Nomination Committee has also assessed and reviewed each INED's independence based on the independence criteria set out in Rule 3.13 of the Listing Rules, and has affirmed that all INEDs, including Dr Henry K S Cheng, Dr Fred Zulu Hu, Ms Irene Y L Lee and Mr Richard Y S Tang, remain independent.

APPOINTMENT OF AUDITOR

In 2013, HSBC Holdings announced its intention to appoint PwC as its auditor for the year ending 31 December 2015. The aforesaid appointment of PwC will be recommended to shareholders of HSBC Holdings for approval at its AGM to be held in 2015.

Both the Audit Committee and the Board of the Bank consider that PwC is an equally professional and qualified audit firm with extensive expertise and experience in the audit of financial institutions as KPMG. As such, appointment of PwC as the Bank's auditor would align the audit arrangements between the Bank and HSBC Holdings, the ultimate holding company of the Bank, with a view to enhancing the efficiency and effectiveness of the audit in terms of both cost and audit process which would be in the best interests of the Bank and its Shareholders as a whole.

Upon recommendation of the Audit Committee and with endorsement of the Board, the Bank announced on 4 August 2014 its intention to propose to its Shareholders to approve the appointment of PwC as the Bank's auditor at the AGM to be held on 7 May 2015.

On 23 February 2015, KPMG tendered its resignation as the Bank's auditor upon its signing of the Bank's financial statements for the year ended 31 December 2014 whereupon the Board, upon the recommendation of the Audit Committee, has appointed PwC to fill the vacancy arising from KPMG's resignation as aforesaid, with effect from 23 February 2015. PwC will hold office until the conclusion of the Bank's 2015 AGM.

KPMG has confirmed in writing that there are no matters in relation to its resignation as the Bank's auditor which KPMG needs to bring to the attention of the Shareholders. The Bank also confirms that there is no disagreement between KPMG and the Bank, and that there are no other matters in respect of KPMG's resignation that need to be brought to the attention of the Shareholders.

Accordingly, the Board proposes to seek the approval of the Shareholders by way of an ordinary resolution at the 2015 AGM for the appointment of PwC as the Bank's auditor for the year ending 31 December 2015. The aforesaid appointment shall come into effect upon the passing of such ordinary resolution by the Shareholders at the 2015 AGM.

LETTER FROM THE CHAIRMAN

POLL VOTING AT THE 2015 AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2015 AGM will be decided by poll at the 2015 AGM. The Chairman of the 2015 AGM will demand a poll on each of the resolutions in accordance with Article 61 of the Articles of Association.

Article 67 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. An explanation of the detailed procedures of voting by poll will be provided to the Shareholders at the 2015 AGM.

RECOMMENDATION

The Board believes that the proposed general mandate to issue Shares and the Share Buy-back Mandate, re-election and election of Directors and the appointment of auditor are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the resolutions to be proposed at the 2015 AGM.

Yours faithfully



Raymond K F Ch'ien
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, and also as a memorandum of the terms of a proposed buy-back, as required by Section 239(2) of the Companies Ordinance, to provide information to Shareholders with regard to the Share Buy-back Mandate.

1. SHARE CAPITAL — NUMBER OF SHARES IN ISSUE

As at the Latest Practicable Date, the number of Shares in issue was 1,911,842,736 Shares. Subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued and/or bought-back prior to the 2015 AGM, exercise in full of the Share Buy-back Mandate would result in up to 191,184,273 Shares being bought-back by the Bank from the date of the 2015 AGM until the conclusion of the next AGM to be held in 2016.

2. REASONS FOR SHARE BUY-BACK

The Board believes that it is in the best interests of the Bank and its Shareholders as a whole to have a general authority from the Shareholders to enable the Board to buy-back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Bank and/or net assets per Share and/or earnings per Share and will only be made when the Board believes that such buy-back will benefit the Bank and its Shareholders as a whole.

3. FUNDING OF BUY-BACKS

Buy-back of Shares will be funded entirely from the Bank's available cash flow or working capital, and will, in any event, be made out of funds legally available for the buy-back in accordance with the Bank's Articles of Association and the applicable laws of Hong Kong.

There might be a material adverse effect on the working capital requirements or gearing levels of the Bank (as compared with the position disclosed in the audited financial statements contained in the Annual Report for the year ended 31 December 2014) in the event that the Share Buy-back Mandate is exercised in full at any time. The Board does not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or gearing levels of the Bank which, in the opinion of the Board, are from time to time appropriate for the Bank.

4. GENERAL

The Board has undertaken to the Stock Exchange that (so far as the same may be applicable) it will only exercise the power under the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Bank if the Share Buy-back Mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Bank that they have a present intention to sell any Shares to the Bank, or have undertaken not to sell any Shares to the Bank, if the Share Buy-back Mandate is approved by the Shareholders.

According to the Listing Rules, save pursuant to a waiver granted by the Stock Exchange, the Bank shall not knowingly purchase its Shares from a core connected person and a core connected person shall not knowingly sell Shares to the Bank, on the Stock Exchange.

The Board is not aware of any consequences which could arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Share Buy-back Mandate. As at the Latest Practicable Date, HSBC beneficially owned Shares representing approximately 62.14% of the number of Shares in issue of the Bank. If the Board was to exercise the Share Buy-back Mandate in full, the percentage shareholding of HSBC would be increased to approximately 69.05% of the number of Shares in issue of the Bank. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

No buy-back has been made by the Bank of its Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date, and for the period from 1 March 2015 up to the Latest Practicable Date, were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2014		
March	126.00	118.10
April	128.90	123.10
May	128.30	123.90
June	130.00	125.20
July	132.00	127.00
August	133.00	129.00
September	133.00	123.20
October	131.50	123.60
November	132.80	128.30
December	129.90	125.00
2015		
January	136.60	126.50
February	148.40	134.90
1 to 18 March (made up to the Latest Practicable Date)	143.00	135.10

Particulars of the retiring Directors subject to re-election or election (as the case may be) at the 2015 AGM are set out below:

Dr Henry CHENG Kar Shun GBS
Independent Non-executive Director

Aged 68

Joined the Board since May 2014

Other major appointments

- ^ **Chow Tai Fook Jewellery Group Limited** — Chairman and Executive Director
- ^ **HKR International Limited** — Independent Non-executive Director
- ^ **International Entertainment Corporation** — Chairman and Executive Director
- ^ **Lifestyle International Holdings Limited** — Non-executive Director
- ^ **New World China Land Limited** — Chairman and Managing Director
- ^ **New World Department Store China Limited** — Chairman and Non-executive Director
- ^ **New World Development Company Limited** — Chairman and Executive Director
- ^ **Newton Resources Ltd** — Chairman and Non-executive Director
- ^ **NWS Holdings Limited** — Chairman and Executive Director
- ^ **SJM Holdings Limited** — Non-executive Director
- The Better Hong Kong Foundation** — Chairman of the Advisory Council
- The Twelfth National Committee of Chinese People's Political Consultative Conference** —
Standing Committee Member

Qualifications

- Honorary Doctor of Business Administration in Hospitality Management —
The Johnson & Wales University, USA
- Honorary Doctor of Laws — The University of Western Ontario, Canada
- Doctor of Social Sciences (honoris causa) — The University of Hong Kong

Major Award

- Gold Bauhinia Star (2001)

Mr Andrew FUNG Hau Chung JP

Executive Director and Head of Global Banking and Markets

Aged 57

Joined the Board since October 2011

Other positions held within Hang Seng Group

^Hang Seng Bank Limited — Member of Executive Committee

Hang Seng Bullion Company Limited — Director

Hang Seng Indexes Company Limited — Member of Hang Seng Index Advisory Committee

Hang Seng Insurance Company Limited — Director

Hang Seng Investment Management Limited — Director and General Manager

Hang Seng Investment Services Limited — Director

Hang Seng Life Limited — Director

Hang Seng Securities Limited — Executive Director

Other major appointments

Justice of the Peace

Central Policy Unit of HKSAR Government — Associate Member

HKSAR Government Environment Bureau — Member of Energy Advisory Committee

Hong Kong Institute of Certified Public Accountants — Lay Member of the Council

Hospital Authority — Board Member

Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of HKSAR Government — Member

^Industrial Bank Co., Ltd. — Director; Member of Strategic Committee; Member of Remuneration and Evaluation Committee

Labour Department — Member of the Protection of Wages on Insolvency Fund Board

Securities and Futures Commission — Member of Products Advisory Committee

The Community Chest of Hong Kong — Board member

The Hong Kong Mortgage Corporation Limited — Director

The Liaoning Shenyang Committee of the Chinese People's Political Consultative Conference — Member

Treasury Markets Association — Member of the Executive Board

Past major appointments

Business Facilitation Advisory Committee — Non-official member (2009 - 2013)

The Federation of Hong Kong Industries — Member of General Committee (2007 - 2013)

Central Policy Unit of HKSAR Government — Pan-Pearl River Delta Panel — Member (2011 - 2012)

Hong Kong Trade Development Council — Member of the Financial Services Advisory Committee (2008 - 2012)

^Hang Seng Bank Limited —

Executive Director and Head of Treasury and Investment (2011 - 2012);

General Manager and Head of Treasury and Investment (2009 - 2011);

General Manager and Head of Investment and Insurance (2008 - 2009);

Deputy General Manager and Head of Investment and Insurance (2006 - 2008)

Securities and Futures Commission — Member of Process Review Panel (2006 - 2012)

DBS Bank (Hong Kong) Limited - Managing Director, Advisory Sales, Greater China, Wholesale Banking — Global Financial Markets (2002 - 2006)

^Commonwealth Bank of Australia, Hong Kong Branch — Treasurer and Head of Capital Markets, Asia (1996 - 2002)

The Hongkong and Shanghai Banking Corporation Limited — Head of Hong Kong Dollar Markets (1991 - 1996)

Qualifications

Bachelor of Arts Degree — The University of Hong Kong

Honorary Fellowship — Lingnan University

Dr Fred HU Zuliu

Independent Non-executive Director

Aged 51

Joined the Board since May 2011

Other position held within Hang Seng Group

^Hang Seng Bank Limited — Member of Risk Committee

Other major appointments

China Huarong Asset Management Company — Member of the advisory board

China Medical Board — Trustee

^Dalian Wanda Commercial Properties Co., Ltd. — Independent Non-executive Director

^Hong Kong Exchanges and Clearing Limited — Independent Non-executive Director

National Center for Economic Research at Tsinghua University — Director and Professor

Primavera Capital Limited — Founder and Chairman

^SCMP Group Limited — Independent Non-executive Director

^Shanghai Pudong Development Bank Co., Ltd. — External Supervisor

The Nature Conservancy China Board — Chairman

Yale-China Association — Trustee

Past major appointments

Securities and Futures Commission — Member of Advisory Committee (2009 - 2011)

Goldman Sachs Group Inc. — Managing Director (2000 - 2010); Chairman of Greater China (2008 - 2010)

HKSAR Commission on Strategic Development — Member (2007 - 2009)

Shanghai Pudong Development Bank Co., Ltd. — Independent Director (2002 - 2008)

Qualifications

Master of Arts and Doctor of Philosophy in Economics — Harvard University, USA

Master of Science in Engineering Science — Tsinghua University, PRC

Ms Rose LEE Wai Mun JP

Vice-Chairman and Chief Executive

Aged 62

Joined the Board since March 2012

Other positions held within Hang Seng Group

Hang Seng Bank Limited — Chairman of Executive Committee; Member of Nomination Committee

Hang Seng Bank (China) Limited — Chairman; Member of Executive Committee

Hang Seng Indexes Company Limited — Chairman of Hang Seng Index Advisory Committee

Hang Seng Insurance Company Limited — Chairman

Chairman of other subsidiaries in Hang Seng Group

Other major appointments

Justice of the Peace

Guangdong's Association for Promotion of Cooperation between Guangdong, Hongkong & Macao —

Vice-Chairman of the Finance Professional Committee

Hang Seng Management College — Chairman of the Board of Governors

Hang Seng School of Commerce — Chairman of the Board of Directors

Ho Leung Ho Lee Foundation — Member of Board of Trustees

Hong Kong Trade Development Council — Member of the Financial Services Advisory Committee

HSBC Holdings plc — Group General Manager

Hutchison Whampoa Limited — Independent Non-executive Director

Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen — Hong Kong Modern Service Industry Cooperation Zone of Shenzhen — Member

Swire Pacific Limited — Independent Non-executive Director

The Community Chest of Hong Kong — Board Member; Second Vice President; Member of Executive Committee; Chairman of the Campaign Committee

The Hongkong and Shanghai Banking Corporation Limited — Director

The Hong Kong Institute of Bankers — Vice President

The Hong Kong University of Science and Technology — Member of the Court

The University of Hong Kong, New College of Jockey Club Student Village III — Member of the Advisory Committee

Past major appointments

City University of Hong Kong — Member of the Advisory Committee of the Centre for Transportation, Trade and Financial Studies (2012 - 2013)

Hong Kong Shipowners' Association — Honorary Treasurer; Member of the Executive Committee (2009 - 2013)

Hong Kong General Chamber of Commerce — Vice-Chairman of the China Committee (2006 - 2013)

Bank of Shanghai — Director (2006 - 2012)

Hong Kong Trade Development Council — Member of the China Trade Advisory Committee (2007 - 2011)

HKSAR Government Education and Manpower Bureau — Member of the Continuing Education Fund China Business Focus Group (2002 - 2009)

The Hong Kong Institute of Bankers — Member of the China Development Committee (2005 - 2007)

Hong Kong Monetary Authority — Member of the PRC Offshore Financing Consultative Committee (1998 - 2000)

The Hongkong and Shanghai Banking Corporation Limited — joined Corporate Finance Department of Wardley Limited in 1977, seconded to Area Office China, HSBC in 1979, appointed Deputy Chief Executive, China Business (1994 - 2002), Managing Director of Hongkong Bank China Services Limited (1985 - 2004), Head of Corporate Banking, Hong Kong (2002 - 2004), Head of Corporate and Institutional Banking, Hong Kong (2004 - 2007), Head of Corporate Banking, Hong Kong and China (2007 - 2008), Head of Global Banking, China and Hong Kong (2008 - 2009) and Advisor, China and Hong Kong (2009 - 2012)

Qualification

Bachelor's Degree in Business Administration — The University of Hawaii, USA

Ms Irene LEE Yun Lien

Independent Non-executive Director

Aged 61

Joined the Board since May 2014

Other positions held within Hang Seng Group

^Hang Seng Bank Limited — Chairman of Risk Committee; Member of Audit Committee

Other major appointments

^Cathay Pacific Airways Limited — Independent Non-executive Director; Chairman of Remuneration Committee; Member of Audit Committee

^CLP Holdings Limited — Independent Non-executive Director; Member of Audit Committee, Finance & General Committee and Sustainability Committee

^Hysan Development Company Limited — Executive Chairman; Chairman of Nomination Committee and Strategy Committee

^Noble Group Limited — Independent Non-executive Director; Member of Audit Committee, Investment & Capital Markets Committee, Nominating Committee and Risk Committee

The Hongkong and Shanghai Banking Corporation Limited — Independent Non-executive Director; Member of Audit Committee

Past major appointments

JP Morgan Australia — Member of Advisory Council (2005 - 2013)

^**QBE Insurance Group Limited** — Non-executive Director (2002 - 2013)

^**Keybridge Capital Limited** —

Non-executive Chairman (2009 - 2012);

Executive Chairman (2006 - 2009)

The Myer Family Company Pty Limited — Non-executive Director (2009 - 2011)

ING Bank (Australia) Limited — Non-executive Director (2005 - 2011)

Australian Government Takeovers Panel — Member (2001 - 2010)

Sealcorp Holdings Limited — Chief Executive Officer (1998 - 1999)

^**Commonwealth Bank of Australia** — Head of Corporate Finance (1993 - 1998)

Citicorp Investment Bank Limited in New York, London and Sydney — Executive Director (1977 - 1987)

Qualifications

Bachelor of Arts Degree — Smith College, USA

Barrister-at-Law in England and Wales

Member — The Honourable Society of Gray's Inn, UK

Mr Richard TANG Yat Sun BBS, JP

Independent Non-executive Director

Aged 62

Joined the Board since August 1995

Other positions held within Hang Seng Group

^**Hang Seng Bank Limited** — Member of Audit Committee

Hang Seng Bank (China) Limited — Supervisor

Other major appointments

Justice of the Peace

China Overseas Friendship Association — Executive Director-General

Customs and Excise Service Children's Education Trust Fund — Chairman of Investment Advisory Board

Fight Crime Committee — Member

Hong Kong Commercial Broadcasting Company Limited — Director

Hong Kong Institute of Certified Public Accountants — Member of Investigation Panel A

^**King Fook Holdings Limited** — Vice Chairman

^**Miramar Hotel & Investment Company, Limited** — Director

Richcom Company Limited — Chairman and Managing Director

Tang Shiu Kin and Ho Tim Charitable Fund — Advisor

The Twelfth National Committee of the Chinese People's Political Consultative Conference — Member

^**Wheelock and Company Limited** — Independent Non-executive Director

Past major appointments

Steering Committee of HKSAR Government Scholarship Fund — Member (2008 - 2014)
Customs and Excise Service Children's Education Trust Fund Committee — Chairman (2006 - 2012)
Hong Kong Institute of Certified Public Accountants — Member of Disciplinary Panel A (2006 - 2012)
Correctional Services Children's Education Trust — Chairman of Investment Advisory Board
 (2006 - 2011)

Qualifications

Bachelor of Science Degree in Business Administration — Menlo College, California, USA
 Master's Degree in Business Administration — University of Santa Clara, California, USA

Major award

Bronze Bauhinia Star (2000)

Mr Peter WONG Tung Shun JP
 Non-executive Director

Aged 63

Joined the Board since May 2005

Other position held within Hang Seng Group

^ **Hang Seng Bank Limited** — Member of Nomination Committee

*Other major appointments***Justice of the Peace**

^ **Bank of Communications Co., Ltd.** — Non-executive Director
 ^ **Cathay Pacific Airways Limited** — Independent Non-executive Director
Chongqing Mayor's International Economic Advisory Council — Member
Economic Development Commission of HKSAR Government — Non-official Member
Hong Kong General Chamber of Commerce — Member of General Committee
Hong Kong Monetary Authority — Member of The Exchange Fund Advisory Committee
HSBC Bank (China) Company Limited — Chairman and Non-executive Director; Chairman of
 Nomination Committee; Member of Remuneration Committee
HSBC Bank Malaysia Berhad — Chairman and Non-executive Director
 ^ **HSBC Holdings plc** — Group Managing Director; Member of Group Management Board
International Consultative Conference on the Future Economic Development of Guangdong Province —
 Economic Advisor to the Governor of Guangdong Province of the People's Republic of China
The Community Chest of Hong Kong — Board Member
The Eleventh Hubei Provincial Committee of the Chinese People's Political Consultative Conference —
 Member; Member of Standing Committee
The Hongkong and Shanghai Banking Corporation Limited — Deputy Chairman and Chief Executive;
 Executive Director
The Hong Kong Institute of Bankers — President
The Hong Kong Management Association — Fellow
The Twelfth National Committee of the Chinese People's Political Consultative Conference — Member

Past major appointments

International Advisor to the Mayor of Tianjin (2010 - 2013)

Greater Pearl River Delta Business Council — Member (2006 - 2013)

HSBC Bank (Vietnam) Ltd — Vice-Chairman and Non-executive Director (2010 - 2012)

^Ping An Insurance (Group) Company of China, Ltd. — Non-executive Director (2006 - 2012)

Hong Kong Institute for Monetary Research — Member of the Board of Directors (2010 - 2011)

HSBC Bank Australia Limited — Non-executive Director (2010 - 2011)

^Hong Kong Exchanges and Clearing Limited — Member of Risk Management Committee (2010)

Hong Kong Trade Development Council — Chairman of Financial Services Advisory Committee (2006 - 2010)

Hong Kong Monetary Authority — Member of Banking Advisory Committee (2005 - 2010)

The Hong Kong Association of Banks — Chairman (2001, 2004, 2006 and 2009)

Qualifications

Bachelor's Degree in Computer Science; MBA in Marketing and Finance; MSc in Computer Science — Indiana University, USA

[^] The securities of these companies are listed on a securities market in Hong Kong or overseas.

Notes:

- 1 *The interests of Ms Rose W M Lee, Mr Andrew H C Fung and Mr Peter T S Wong in the Shares of the Bank, within the meaning of Part XV of the SFO as at 31 December 2014 have been disclosed in the section "Directors' and Alternate Chief Executives' Interests" of the Report of the Directors attached to the Bank's 2014 Annual Report.*
- 2 *Mr Peter T S Wong is Group Managing Director of HSBC Holdings, Deputy Chairman, Chief Executive and Executive Director of HSBC. Ms Rose W M Lee is Group General Manager of HSBC Holdings and Director of HSBC. Ms Irene Y L Lee is INED of HSBC. HSBC has an interest in the Shares of the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO, the details of which are disclosed in the section "Substantial Interests in Share Capital" of the Report of the Directors attached to the Bank's 2014 Annual Report.*
- 3 *Save as disclosed above, the retiring Directors (a) have not held any directorships in other publicly listed companies, whether in Hong Kong or overseas, during the last three years; (b) do not hold any other positions in the Bank and its subsidiaries; and (c) do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Bank.*
- 4 *All the retiring Directors (except Ms Rose W M Lee and Mr Andrew H C Fung who are full time employees of the Bank) will receive Directors' fees in the amounts approved from time to time by Shareholders at the AGMs of the Bank. The current amounts of Directors' fees have been determined with reference to market rates, Directors' workload and required commitment. A Director will also receive a fee for duties assigned to and services provided by him/her as Chairman or member of various Committees of the Bank. Such fees have been determined with reference to the Remuneration Policy of the Bank.*
- 5 *The details of the emoluments of the retiring Directors on a named basis for the year ended 31 December 2014 have been disclosed in Note 15 of the Bank's Financial Statements as contained in the Bank's 2014 Annual Report.*
- 6 *All the retiring Directors offering for re-election or election (as the case may be) have provided valuable advice and contributed their respective experience and expertise both at and outside board/committee meetings. They have also given independent guidance to the Bank and the Board Committees. Their re-election or election (as the case may be) will continue to enhance the governance and oversight of the Bank at both the Board and the Board Committee levels.*

- 7 *None of the retiring Directors, except Ms Rose W M Lee and Mr Andrew H C Fung, have any service contracts with the Bank. The terms of appointment of Non-executive Directors (including INEDs) are three years except that where a Non-executive Director (or an INED) has served on the Board for more than nine years, then his/her term of appointment is one year, renewable annually.*
- 8 *Save as disclosed above, none of the retiring Directors have any information which is required to be disclosed under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters relating to the re-election or election (as the case may be) of the retiring Directors that need to be brought to the attention of the Shareholders.*
- 9 *Biographical details of Directors of the Bank are also available on the website of the Bank (www.hangseng.com).*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Hang Seng Bank Limited (the “Bank”) will be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on Thursday, 7 May 2015 at 3:30 pm to transact the following businesses:

- (1) to receive and consider the audited financial statements and the Reports of the Directors and of the Auditor for the year ended 31 December 2014;
- (2) to re-elect or elect (as the case may be) the following retiring Directors:
 - (a) Dr Henry K S Cheng;
 - (b) Mr Andrew H C Fung;
 - (c) Dr Fred Zulu Hu;
 - (d) Ms Rose W M Lee;
 - (e) Ms Irene Y L Lee;
 - (f) Mr Richard Y S Tang; and
 - (g) Mr Peter T S Wong;
- (3) to appoint PricewaterhouseCoopers as auditor of the Bank and to authorise the Directors of the Bank to determine the remuneration of the auditor;

and, to consider and, if thought fit, to pass, with or without modifications, the following Resolutions as Ordinary Resolutions:

- (4) “**THAT**
 - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Bank during the Relevant Period (as hereinafter defined) of all the powers of the Bank to buy-back shares of the Bank be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of the shares in the Bank which may be bought-back on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the number of shares of the Bank in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“Relevant Period” means the period from (and including) the date of passing this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by the Companies Ordinance (Cap. 622, Laws of Hong Kong) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”; and

(5) **“THAT**

- (a) subject to paragraph (c) of this Resolution and, pursuant to Section 141 of the Companies Ordinance, the exercise by the Directors of the Bank during the Relevant Period (as hereinafter defined) of all the powers of the Bank to allot, issue and deal with additional shares of the Bank and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Bank) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Bank during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Bank) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Bank allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Bank pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Bank which carry rights to subscribe for or are convertible into shares of the Bank, or (iii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such schemes or similar arrangements of shares or rights to acquire shares of the Bank, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Bank in accordance with the Articles of Association of the Bank, shall not exceed, where the shares are to be allotted wholly for cash, 5% and in any event 20% of the number of shares of the Bank in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution:

“Relevant Period” means the period from (and including) the date of passing this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by the Companies Ordinance to be held; and
- (iii) the revocation or variation of the authority given by this Resolution by ordinary resolution of the shareholders in general meeting;

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares in the Bank, open for a period fixed by the Directors of the Bank to holders of shares of the Bank or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

By Order of the Board

C C Li
Secretary

26 March 2015

Notes:

- 1 *A shareholder entitled to attend and vote at the 2015 AGM (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote instead of the shareholder. A proxy needs not also be a shareholder of the Bank.*
- 2 *The Directors of the Bank have declared a fourth interim dividend of HK\$2.30 per share for 2014. The Register of Shareholders of the Bank was closed on 11 March 2015 for the purpose of ascertaining shareholders' entitlement to the 2014 fourth interim dividend. The 2014 fourth interim dividend will be payable on 26 March 2015 to shareholders whose names appeared on the Register of Shareholders of the Bank on 11 March 2015.*
- 3 *Brief biographical details of all Directors who offer themselves for re-election or election (as the case may be) at the 2015 AGM are set out in Appendix II to the Circular dated 26 March 2015 of which this notice forms part.*
- 4 *A special notice has been received pursuant to Section 400 of the Companies Ordinance of the intention to propose the following resolution as an ordinary resolution:*

“THAT PricewaterhouseCoopers, who was appointed by the Board of Directors of the Bank on 23 February 2015 to fill the vacancy arising from the resignation of KPMG, be hereby appointed auditor of the Bank until the next annual general meeting to be held in May 2016 and the Directors of the Bank be hereby authorised to determine the remuneration of the auditor.”

NOTICE OF ANNUAL GENERAL MEETING

5 Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the 2015 AGM. Article 67 of the Articles of Association provides that on a poll, every shareholder present in person or by proxy shall have one vote for every share held by that shareholder. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the 2015 AGM.

6 If Typhoon Signal No.8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force at any time between 12:00 noon and 5:00 pm on the day of the 2015 AGM, then the 2015 AGM will be postponed and the shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the Bank's website (www.hangseng.com) and the website of HKEx (www.hkexnews.hk).

If Typhoon Signal No.8 or above or a Black Rainstorm Warning Signal is cancelled at or before 12:00 noon on the day of the 2015 AGM, and where conditions permit, the 2015 AGM will be held as scheduled.

The 2015 AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

Shareholders should decide on their own whether they would attend the 2015 AGM under bad weather conditions bearing in mind their own situations and, if they do so, they are advised to exercise care and caution.

7 As at the date hereof, the Board of Directors of the Bank comprises Dr Raymond K F Ch'ien* (Chairman), Ms Rose W M Lee (Vice-Chairman and Chief Executive), Dr John C C Chan*, Mr Nixon L S Chan, Dr Henry K S Cheng*, Ms L Y Chiang*, Mr Andrew H C Fung, Dr Fred Zulu Hu*, Ms Irene Y L Lee*, Ms Sarah C Legg[#], Dr Eric K C Li*, Dr Vincent H S Lo[#], Mr Kenneth S Y Ng[#], Mr Richard Y S Tang*, Mr Peter T S Wong[#] and Mr Michael W K Wu*.

* Independent Non-executive Directors

[#] Non-executive Directors

THIS CIRCULAR in both English and Chinese is now available in printed form and on the Bank's website (www.hangseng.com) and HKEx's website (www.hkexnews.hk). Shareholders who:

- (a) browse this Circular on the Bank's website and wish to receive a printed copy; or
- (b) receive this Circular in either English or Chinese version and wish to receive a printed copy in the other language version,

may send a completed request form, which can be obtained from the Bank's Registrar or downloaded from the Bank's website (www.hangseng.com) or HKEx's website (www.hkexnews.hk), to the Bank's Registrar:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Facsimile: (852) 2529 6087
Email: hangseng@computershare.com.hk

If Shareholders who have chosen (or are deemed to have chosen) to read this Circular on the Bank's website have difficulty in reading or gaining access to this Circular via the Bank's website for any reason, the Bank will promptly send this Circular in printed form free of charge upon the Shareholders' request.

Shareholders may change their choice of means of receipt or language of the Bank's future corporate communications at any time, free of charge, by giving the Bank c/o the Bank's Registrar reasonable notice in writing or by email to hangseng@computershare.com.hk.



恒生銀行有限公司
Hang Seng Bank Limited
Incorporated in Hong Kong with limited liability
Registered Office and Head Office: 83 Des Voeux Road Central, Hong Kong

Member HSBC Group