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If you are in any doubt as to any aspect of this Circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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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恒生銀行
HANG SENG BANK

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE SHARES AND TO BUY-BACK SHARES,
RE-ELECTION AND ELECTION OF DIRECTORS
AND
NOTICE OF 2016 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 2016 AGM of the Bank to be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on Friday, 6 May 2016 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 15 to 18 of this Circular.

Whether or not you intend to attend the 2016 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 Wednesday, 4 May 2016 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 2016 AGM.

30 March 2016

DEFINITIONS

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

“2016 AGM”	the annual general meeting of the Bank to be held on Friday, 6 May 2016 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 report 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 2016, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“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
Mr Patrick K W 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*

30 March 2016

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
NOTICE OF 2016 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; and (b) re-elect and to elect Directors, and to provide you with information in connection with the same. Shareholders' approval of such proposals will be sought at the 2016 AGM.

LETTER FROM THE CHAIRMAN

GENERAL MANDATES TO ISSUE SHARES AND TO BUY-BACK SHARES

Similar to the AGM of the Bank held on 7 May 2015, ordinary resolutions will be proposed at the 2016 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 2016 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 2015 AGM will lapse upon conclusion of the 2016 AGM, unless being renewed at the 2016 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 2016 AGM, Dr John C C Chan, Dr Eric K C Li and Dr Vincent H S Lo 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, Mr Patrick K W Chan, being a Director so appointed since the last AGM, shall retire at the 2016 AGM and, being eligible, offer himself for election.

Particulars of the above mentioned Directors offering for re-election or election (as the case may be) at the 2016 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 Dr John C C Chan, Dr Eric K C Li and Dr Vincent H S Lo continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee has nominated and the Board has recommended Dr John C C Chan, Dr Eric K C Li and Dr Vincent H S Lo to stand for re-election as Directors at the 2016 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 John C C Chan and Dr Eric K C Li, remain independent.

POLL VOTING AT THE 2016 AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2016 AGM will be decided by poll at the 2016 AGM. The Chairman of the 2016 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 2016 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 re-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 2016 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 2016 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 2016 AGM until the conclusion of the next AGM to be held in 2017.

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 2015) 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 2016 up to the Latest Practicable Date, were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
March	143.00	134.00
April	153.00	139.70
May	161.50	150.60
June	158.80	149.80
July	159.40	138.00
August	162.10	130.80
September	149.40	133.20
October	147.00	139.20
November	147.40	139.60
December	148.90	140.10
2016		
January	147.50	121.10
February	136.00	122.20
1 to 18 March (made up to the Latest Practicable Date)	138.00	129.00

Particulars of the retiring Directors subject to re-election or election (as the case may be) at the 2016 AGM are set out below:

Dr John CHAN Cho Chak GBS, JP
Independent Non-executive Director

Aged 72

Joined the Board since August 1995

Other positions held within Hang Seng Group

^ **Hang Seng Bank Limited** – Chairman of Remuneration Committee;
Member of Nomination Committee

Other major appointments

Justice of the Peace

^ **Guangdong Investment Limited** – Independent Non-executive Director
Long Win Bus Company Limited – Non-executive Director
^ **RoadShow Holdings Limited** – Chairman and Non-executive Director
^ **Swire Properties Limited** – Independent Non-executive Director
The Community Chest of Hong Kong – Board Member; Member of Executive Committee
The Hong Kong University of Science and Technology – Chairman of the Court
The Kowloon Motor Bus Company (1933) Limited – Non-executive Director
^ **Transport International Holdings Limited** –
Deputy Chairman and Independent Non-executive Director

Past major appointments

The Community Chest of Hong Kong –

Third Vice President (2014 – 2015)
Chairman of Public Relations Committee (2014 – 2015)
Vice Patron (2004 – 2011)

Hong Kong Monetary Authority –

Member of The Exchange Fund Advisory Committee (2008 – 2014)

Sir Edward Youde Memorial Fund – Chairman of the Council (2007 – 2013)

The Hong Kong Jockey Club – Chairman (2006 – 2010)

HKSAR Commission on Strategic Development – Non-Official Member (2005 – 2009)

^ **Hong Kong Exchanges and Clearing Limited** –

Independent Non-executive Director (2000 – 2003)

Hong Kong Civil Service – Private Secretary to the Governor; Deputy Secretary (General Duties);

Director of Information Services; Deputy Chief Secretary; Secretary for Trade and Industry;
Secretary for Education and Manpower (1964 – 1978; 1980 – 1993)

Qualifications

Degree of Doctor of Social Sciences (honoris causa) – Lingnan University;

The University of Hong Kong; The Hong Kong University of Science and Technology

Degree of Doctor of Business Administration (honoris causa) – International Management Centres

Diploma in Management Studies – The University of Hong Kong

Honours Degree in English Literature – The University of Hong Kong

Major award

Gold Bauhinia Star (1999)

Mr Patrick CHAN Kwok Wai

Executive Director and Head of Greater China

*Aged 59**Joined the Board* since February 2016*Other position held within Hang Seng Group***^Hang Seng Bank Limited** – Member of Executive Committee*Other major appointments***Hang Seng Management College** – Governor; Chairman of Finance Committee**Hang Seng School of Commerce** – Director; Chairman of Finance Committee**Standing Committee on Language Education and Research** – Member**The ACCA Hong Kong** – Member of Professional Development Sub-committee**The Community Chest of Hong Kong** – Board Member**The Foundation of Tsinghua University Center for Advanced Study Co. Ltd.** –
Member of Investment Committee*Past major appointments***The Chamber of Hong Kong Listed Companies** –

Deputy Chairman of General Committee (2015)

Member of General Committee (2009 – 2015)

^Sun Hung Kai Properties Limited –

Executive Director and Chief Financial Officer (2009 – 2015)

^Hang Seng Bank Limited –

Executive Director and General Manager (2005 – 2009)

Chief Financial Officer (1998 – 2009)

Deputy General Manager (2003 – 2005)

Assistant General Manager and Head of Financial Control Division (1995 – 1998)

^Industrial Bank Co., Ltd. –

Director and Member of Executive Committee (2004 – 2009)

Member of Remuneration Committee (2007 – 2009)

Member of Credit Card Centre Management Committee (2005 – 2009)

Qualifications

Associate Financial Planner – The Institute of Financial Planners of Hong Kong

Associate – The Institute of Chartered Secretaries and Administrators, UK

Fellow – CPA Australia

Fellow – The Association of Chartered Certified Accountants, UK

Fellow – The Hong Kong Institute of Certified Public Accountants

Master of Business Administration – The University of Warwick, UK

Member – The Society of Trust and Estate Practitioners, UK

Dr Eric LI Ka Cheung GBS, OBE, JP
Independent Non-executive Director

Aged 62

Joined the Board since February 2000

Other positions held within Hang Seng Group

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

Other major appointments

Justice of the Peace

^China Resources Beer (Holdings) Company Limited –

Independent Non-executive Director; Chairman of Audit Committee

Independent Commission on Remuneration for the Members of the District Councils of

HKSAR Government – Chairman

Legal Aid Services Council – Chairman

Li, Tang, Chen & Co, Certified Public Accountants – Senior Partner

Long Win Bus Company Limited – Director

^RoadShow Holdings Limited – Independent Non-executive Director; Chairman of Audit Committee

^SmarTone Telecommunications Holdings Limited –

Independent Non-executive Director; Chairman of Audit Committee

^Sun Hung Kai Properties Limited –

Independent Non-executive Director; Chairman of Audit Committee

The Financial Reporting Council – Member of Honorary Advisory Panel

The Hong Kong Institute of Education Foundation – Member of the Board of Stewards

The Hong Kong Jockey Club – Steward; Chairman of Audit Committee

The Kowloon Motor Bus Company (1933) Limited – Director

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

^Transport International Holdings Limited –

Independent Non-executive Director; Chairman of Audit Committee

^Wong's International (Holdings) Limited –

Independent Non-executive Director; Chairman of Audit Committee

*Past major appointments***The Hong Kong Institute of Education –**

Chairman of Finance Committee; Treasurer of the Council (2009 – 2015)

The Presidium of the Election of Deputies of the Hong Kong Special Administrative Region to the Twelfth National People's Congress – Member (2013)**^Bank of Communications Co., Ltd. –**

Independent Non-executive Director; Chairman of Audit Committee (2007 – 2013)

The Financial Reporting Council –

Convenor of Financial Reporting Review Committee (2007 – 2013)

HKSAR Commission on Strategic Development – Member (2007 – 2012)**Hong Kong Monetary Authority – Chairman of Process Review Committee (2007 – 2010)****Meadville Holdings Limited –**

Independent Non-executive Director; Chairman of Remuneration Committee (2007 – 2010)

The International Federation of Accountants –

Board Member (2004 – 2006)

The Legislative Council of Hong Kong –

Member (1991 – 2004); Chairman of Public Accounts Committee (1995 – 2004)

Qualifications

BA (Economics) Honours Degree – University of Manchester, UK

Fellow – Hong Kong Institute of Certified Public Accountants (Practising)

Hon Doctor of Laws – University of Manchester, UK

Hon Doctor of Social Sciences – Hong Kong Baptist University

Hon Fellow – The Chinese University of Hong Kong

Hon Fellow – The Hong Kong Polytechnic University

Major awards

Gold Bauhinia Star (2003)

Officer of the Most Excellent Order of the British Empire (1996)

Dr Vincent LO Hong Sui GBS, JP
Non-executive Director

Aged 67

Joined the Board since February 1999

Other major appointments

Justice of the Peace

Business and Professionals Federation of Hong Kong – Honorary Life President

Chongqing Municipal Government – Economic Adviser

Council for the Promotion and Development of Yangtze – President

^ **Great Eagle Holdings Limited** – Non-executive Director

Hong Kong Trade Development Council – Chairman

Shanghai Tongji University; Shanghai University – Advisory Professorship

Shui On Group – Chairman

^ **Shui On Land Limited** – Chairman

^ **SOCAM Development Limited** – Chairman

The Hong Kong University of Science and Technology – Honorary Court Chairman

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

Past major appointments

Airport Authority Hong Kong –

Chairman (2014 – 2015)

Board Member (2013 – 2015)

Lantau Development Advisory Committee of HKSAR Government –

Non-official Member (2014 – 2015)

APEC Business Advisory Council – Hong Kong's Representative (2010 – 2014)

^ **Shui On Land Limited** – Chief Executive Officer (2004 – 2011)

^ **China Telecom Corporation Limited** – Independent Non-executive Director (2002 – 2008)

^ **New World China Land Limited** – Independent Non-executive Director (1999 – 2004)

The Hong Kong University of Science and Technology – Chairman of the Council (1999 – 2002)

Hong Kong General Chamber of Commerce – Chairman (1991 – 1992)

Basic Law Consultative Committee – Executive Committee Member (1985 – 1990)

Qualifications

Doctorate in Business Administration (honoris causa) –

The Hong Kong University of Science and Technology

Doctor of Business (honoris causa) – The University of New South Wales, Australia

Major awards

Lifetime Achievement Award for Leadership in Property Sector by the 4th World Chinese Economic Forum (2012)

“Ernst & Young Entrepreneur Of The Year 2009” in the China Real Estate Sector (2009)

Ernst & Young China Entrepreneur Of The Year 2009 (2009)

Chevalier des Arts et des Lettres by the French Government (2005)

Director of the Year in the category of Listed Company Executive Directors by The Hong Kong Institute of Directors in 2002 (2002)

Businessman of the Year award in the Hong Kong Business Awards 2001 (2001)

Gold Bauhinia Star (1998)

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

Notes:

1. *The interests of Dr John C C Chan, Dr Eric K C Li and Dr Vincent H S Lo in the Shares of the Bank, if any, within the meaning of Part XV of the SFO as at 31 December 2015 have been disclosed in the section “Directors’ and Alternate Chief Executives’ Interests” of the Report of the Directors attached to the Bank’s 2015 Annual Report. The interest of Mr Patrick K W Chan in the Shares of the Bank, if any, within the meaning of Part XV of the SFO has been disclosed in the announcement dated 19 February 2016 issued by the Bank.*
2. *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 except that Dr Vincent H S Lo’s niece is the spouse of Mr Michael W K Wu, an INED of the Bank.*
3. *All the retiring Directors (except Mr Patrick K W Chan who is full time employee 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.*
4. *Details of the emoluments of Mr Patrick K W Chan, being the Bank’s Head of Greater China, has been disclosed by the Bank in an announcement dated 19 February 2016. Such remuneration has been determined with reference to the Remuneration Policy of the Bank. Details of the emoluments of other retiring Directors on a named basis for the year ended 31 December 2015 have been disclosed in Note 15 of the Bank’s Financial Statements as contained in the Bank’s 2015 Annual Report.*

5. *All the retiring Directors offering for re-election 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 over the years. Their re-election will continue to enhance the governance and oversight of the Bank at both the Board and the Board Committee levels.*
6. *None of the retiring Directors, except Mr Patrick K W Chan, 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.*
7. *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.*
8. *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 Friday, 6 May 2016 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 2015;
- (2) to re-elect or elect (as the case may be) the following retiring Directors:
 - (a) Dr John C C Chan;
 - (b) Mr Patrick K W Chan;
 - (c) Dr Eric K C Li; and
 - (d) Dr Vincent H S Lo;
- (3) to re-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

30 March 2016

Notes:

1. *A shareholder entitled to attend and vote at the 2016 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\$2.40 per share and a special interim dividend in cash of HK\$3.00 per share for 2015. The Register of Shareholders of the Bank was closed on 9 March 2016 for the purpose of ascertaining shareholders' entitlement to the 2015 fourth interim dividend and special interim dividend. Such interim dividend will be payable on 29 March 2016 to shareholders whose names appeared on the Register of Shareholders of the Bank on 9 March 2016.*
3. *Brief biographical details of all Directors who offer themselves for re-election or election (as the case may be) at the 2016 AGM are set out in Appendix II to the Circular dated 30 March 2016 of which this notice forms part.*

NOTICE OF ANNUAL GENERAL MEETING

4. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the 2016 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 2016 AGM.
5. 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 2016 AGM, then the 2016 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 2016 AGM, and where conditions permit, the 2016 AGM will be held as scheduled.

The 2016 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 2016 AGM under bad weather conditions bearing in mind their own situations and, if they do so, they are advised to exercise care and caution.

6. 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, Mr Patrick K W 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