



2006 Interim Results

“Hang Seng made solid progress in the first half of 2006, supported by a buoyant local economy. Steps to expand and diversify our customer base led to increases in total deposits and loan balances. Together with the effects of rising interest rates, these increases underpinned growth in net interest income.

“We expanded our wealth management and commercial banking businesses, with good growth in investment services and insurance, trading profit and trade finance.

“Competition in the banking sector will remain keen. We will further build our capabilities in areas such as wealth management, small and medium-sized enterprise services and consumer lending that offer good growth prospects. We will continue to expand our mainland China business and invest in our staff, brand and delivery channels.”

Michael Smith, Chairman
Hong Kong, 31 July 2006

Business Highlights

- Operating profit excluding loan impairment charges and other credit risk provisions up 7.6% to HK\$6,387 million.
- Operating profit up 12.8% to HK\$6,353 million.
- Pre-tax profit up 6.4% to HK\$7,513 million.
- Profit attributable to shareholders up 2.4% to HK\$6,190 million.
- Return on average shareholders' funds was 29.0%.
- Second interim dividend of HK\$1.10 per share.

For the half year to 30 June	2006 HK\$	2005 HK\$	Change %
Earnings per share	3.24	3.16	+2.5
Dividends per share	2.20[#]	2.20	—

[#] The Directors have declared a second interim dividend of HK\$1.10 per share. Together with the first interim dividend of HK\$1.10 per share, the total distribution for the first half of 2006 will amount to HK\$2.20 per share.

The information in this announcement is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2005, which contain an unqualified auditors' report, have been delivered to the Registrar of Companies and the Hong Kong Monetary Authority.

Copies of the interim results announcement may be obtained from Legal and Company Secretarial Services Department, Level 10, 83 Des Voeux Road Central, Hong Kong; or from Hang Seng's website www.hangseng.com.

The 2006 Interim Report will be available from the same website on 31 July 2006. Printed copies of the 2006 Interim Report will be sent to shareholders in late August 2006 in accordance with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Hang Seng Bank Limited

Incorporated in Hong Kong with limited liability
Registered Office and Head Office: 83 Des Voeux Road Central, Hong Kong