

News Release

9 January 2018

HSBC LAUNCHES MOBILE COLLECTIONS SERVICE TO HELP CORPORATES TAP INTO CHINESE CONSUMERS' E-WALLETS

HSBC announced it has become the first foreign bank in China to offer an omni-channel collections service that operates across all major digital channels, in a move to help multinational and domestic companies tap into a market where almost half a billion consumers use their mobile phones to pay for goods and services ¹.

The new solution allows retailers in China to collect payments from customers who are using a variety of popular e-wallets such as Alipay, WeChat Pay, Apple Pay and UnionPay. The service can be applied at multiple points of sales including e-commerce websites, social media channels and in-store transactions. The digital product is also integrated with the existing China UnionPay (CUP) cards network and internet banking interface, making it a comprehensive collection service.

China is the world's leading mobile payment market, with both urban and rural consumers increasingly relying on smart phones for shopping, playing online games, paying bills, and even managing their finances. In 2016, the value of mobile payments jumped 46% from a year ago to reach RMB157.55 trillion (USD23.8 trillion), according to China's central bank. Nearly 80% of Chinese smartphone users will be tapping, scanning and swiping to make payments throughout the country by 2021, research consultancy eMarketer estimates¹. By comparison, the US will have 31% of users doing so, while Germany will have 23% ¹.

Kee Joo Wong, Head of Global Liquidity and Cash Management for Asia Pacific at HSBC said: "In China, mobile payments are increasingly essential to daily life, and have become a catalyst for businesses to engage in multi-channel retail activities. Given this backdrop, companies - in particular consumer-facing multinationals - recognise the payment preferences of their customers and are now giving them the flexibility to choose how, where and when to pay."

However, the diversity of digital payment methods in China is also a challenge for retailers, in particular multinational companies new to the market who have to invest significant resources to connect with individual service providers in the absence of a one-stop solution for retail collections.

This information is issued by

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HSBC launches mobile collections/ 2

With this omni-channel collections solution, HSBC not only helps retailers gather various e-wallet payments but also provides them with a consolidated view of their collections from all modes of payments, both traditional and digital. This eliminates the complexity of relying on multiple connections, thus reducing operational costs and building sustainable efficiency into retailers' collections processes.

“Our initiative in China is part of our global effort to improve our clients' experience by adding value through digital transformation and innovation. In meeting our client's evolving needs, our one-stop collections solution can further strengthen our receivables product suite, covering clients' value chain needs by providing convenience, speed and simplicity,” Kee Joo said.

HSBC is investing \$2.1bn in digital transformation in Retail Banking and Wealth Management, Commercial Banking, and Global Banking and Markets from 2015 to 2020, and has already launched innovative ways to make banking faster, easier and safer. HSBC is now the biggest financial services user of biometrics globally, and it continues to roll out voice recognition and fingerprint technology across its network.

In China, HSBC is committed to developments in the digital space, to meet its clients' changing business requirements. Recently, HSBC China joined the Internet Bank Payment System (IBPS), a domestic real-time payment system that will provide corporate and individual customers with an efficient and convenient channel for small-value payments.

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Note to editors:

1. Source: eMarketer Projects Surge in Mobile Payments in China
<https://www.emarketer.com/Article/eMarketer-Projects-Surge-Mobile-Payments-China/1016695>

About HSBC in Malaysia

HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited (a company under the HSBC Group). In 2007, HSBC Bank Malaysia was the first locally incorporated foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, and HSBC Amanah Malaysia Berhad, a full-fledged Islamic bank wholly owned by HSBC Bank Malaysia, commenced operations in August 2008. HSBC in Malaysia has a network of 68 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Amanah Malaysia Berhad also has offsite ATMs established in 25

HSBC launches mobile collections/ 2

locations nationwide. In 2006, HSBC was the first foreign bank to be awarded a Takaful (Islamic insurance) license in Malaysia. HSBC Amanah Takaful (Malaysia) Sdn Bhd, a joint venture between HSBC Insurance (Asia Pacific) Holdings Limited (49% shareholding), Jerneh Asia Berhad (31% shareholding) and Employees Provident Fund Board of Malaysia (20% shareholding) commenced operations in August 2006.

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises over 170 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

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