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Ang Pows, an innovative Financial Literacy tool for Children

Stay safe and send e-Ang Pows this Lunar New Year with HSBC

As the Lunar New Year is fast approaching, the festive season brings joy to children as they collect Ang Pows (red packets with money) from their elders. For many parents, this is a timely opportunity to introduce the concept of money management and financial literacy which will give their children a solid foundation for a lifetime of making sound financial decisions.

The meaning of giving Ang Pows is to bestow happiness and blessings on the younger generation. Come this Lunar New Year, parents can teach children to be self-reliant, responsible and build a healthy relationship with money.

“At HSBC Malaysia, we believe that it is imperative to educate children on financial knowledge from a young age so we can build a money-savvy generation. When children are taught the concept of money management earlier in life, the positive financial habits will benefit them for the rest of their lives in the form of a healthy financial well-being,” says **Tara Latini, Head of Wealth and Personal Banking**.

Financial education should be regarded as a lifetime, continuous process. Parents could consider the four steps below to cultivate children’s financial concept and skills.

Step 1: Saving

Saving is the first financial concept for children to learn. Parents can open a savings account with their children. By embarking on the savings journey together, children will have a better understanding of savings and the function of a bank. In addition, they will also know that they have the right to use and control the account. This will gradually strengthen their sense of responsibility.

Children often have desires of something to purchase. This is where parents can guide them to set specific saving plan and give them something tangible to aim for. This is a great time to calibrate their children’s attitude towards finance.

Step 2: Spending

Parents should guide their children to thoughtful and responsible spending such as encouraging them to list things they would like before purchasing, whilst defining the difference between wants and needs. This is an important aspect of instilling the concepts of financial responsibility, and cultivating the ability to make smart choices. With gains and expenditures, a good outlook on consumption will be gradually formed. Parents can introduce an account book for their children to record every saving and spending of pocket money. Alternatively, HSBC offers a smart and convenient way for parents to help grow their children’s Ang Pows through its HSBC Time Deposit online.

Keep in mind that children observe and learn from parents’ actions, so lead by example for your children so they can make sound financial decisions too.

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Step 3: Investing

As children become aware of money and other financial concepts, this is a good time to show them the power of accumulated wealth. The basics of investing can be taught when children are between eight to thirteen years old. Parents could show their children what financial instruments they own and explain why they chose to invest in those products. Once their child feels comfortable with the concepts, they could let them participate or get involved in the investment process. This is a good way to cultivate children's wealth management concepts and basic financial knowledge, as well as to understand building wealth.

For families with good financial knowledge and experience, they can consider introducing foreign exchange knowledge and other investment channels.

Step 4: Giving

It's also equally important to change the focus to giving rather than solely receiving. Parents could encourage children to help the less fortunate by donating to charity or supporting a worthwhile cause. This is a great chance for children to connect with society, and establish a social responsibility which will have a positive impact on their future growth.

Lunar new year is when many children get to handle their own money for the first time and it is a great starting point to begin wealth management and financial education. Encouraging children to hold responsible views about Ang Pows and wealth at different stages of their lives reflects the respect of parents for their children, nurtures their ability to accumulate wealth and establishes a concept of money, consumption and values from an early age.

Celebrate this Lunar New Year safely with HSBC

As social distancing becomes a new norm during this trying times, many of us may not be able to meet our loved ones to give Ang Pows to the younger ones. With this in mind, HSBC Malaysia introduced the e-Ang Pows to keep the tradition of giving Ang Pows alive. With e-Ang Pows, customers can skip the process of going to branches for Ang Pows money exchange, and they can send Ang Pows to friends and families with just their HSBC Malaysia Mobile App.

For parents who wish to open a savings account for their children to save their Ang Pows, they can apply for HSBC Premier Junior Account so they can start saving and managing their money since young. In addition, anyone who would like to open a new HSBC account during this Lunar New year can take advantage of HSBC Digital Account Opening with 24/7 Self-Service Machine that minimises physical contact to keep safe.

In this festive season, learn more about HSBC products and services that serve your banking needs while we are staying at home:

- HSBC e-Ang Pows: (<https://www.hsbc.com.my/ways-to-bank/duitnow/>)
- HSBC Digital Account Opening: <https://www.hsbc.com.my/accounts/digital-account-opening/>
- HSBC Premier Junior Account: <https://www.hsbc.com.my/accounts/products/premier-junior-account/>
- Save with HSBC via Time Deposit and Foreign Time Deposit online:
 - <https://www.hsbc.com.my/accounts/products/time-deposit/>
 - <https://www.hsbc.com.my/accounts/products/foreign-currency/time-deposit/>

- Transact foreign exchange online and a new iPhone 12 could be yours in this Year of Ox: <https://www.hsbc.com.my/investments/products/foreign-exchange/>

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Note to editors:

About HSBC Malaysia

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition on supported mobile phones.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,956bn at 30 September 2020, HSBC is one of the world's largest banking and financial services organisations.

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