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HSBC corporate customers make over USD50 billion in mobile payments

26,000 finance professionals show increasing appetite for mobile solutions

The use of mobile phones and tablet devices to make payments and check account balances is becoming increasingly popular with corporate treasurers and Chief Financial Officers (CFOs). Since its global launch in 2011, corporate customers have used HSBCnet mobile to make a staggering USD50 billion in payments.

For the last six years, innovation in the mobile banking industry has focused primarily on retail banking customers. The process of checking a balance, paying for things or sending money to a friend has become smooth, seamless, even intuitive. You no longer need to input bank details for every transaction and in some instances, the other person's mobile number is all that is needed to make a payment with a single click or tap.

In many ways, corporate banking has lagged behind when it came to mobile innovation. While the technology exists, business-to-business (B2B) mobile payments have yet to be widely adopted on the scale seen in retail banking. Some companies continue to pay and receive funds using decades-old methods such as paper invoices, banker's drafts and cheques.

Chris Knorr, Head of Payments and Cash Management at HSBC Bank Bermuda Limited said, "As the corporate world further embraces mobile technology for their banking transactions, we will continue to advise our customers of the clear benefits, while providing them with the necessary tools so they can easily transition to this new paradigm.

"Locally, a number of our HSBC corporate clients are now transacting this way since launching the HSBCnet mobile app last year in Bermuda. Global businesses operating here no longer need to experience delays in authorising payments, when CFOs and/or Treasurers are required to travel. This has a huge and growing appeal for our customers.

"Globally, it has taken three and a half years to reach USD50bn in mobile payments. But, at the current rate of growth, we expect to reach USD100bn in the next 18 months."

More than just convenience

Mobile payments are about more than just convenience. Mobile banking has the potential to introduce entirely new ways of doing business and generate vast quantities of valuable information about a company's operations that were previously unattainable. Unlike in the past, innovation in personal banking is driving change in professional behaviour.

Mobile B2B payments could have a particularly big impact on how we conduct business internationally from Bermuda. Transacting with emerging market buyers or suppliers can prove to be challenging for local retailers: posting a cheque is inefficient; it may get lost; the exchange rate could change before it arrives; and the recipient may not have a bank close by. Mobile-to-mobile payment between the two parties removes all this additional work.

Improving cash flow and liquidity

Mobile payments can also improve the financial health of a business. Being paid faster improves a company's liquidity and cash-flow by extending their ability to pay their own creditors faster.

- ends more -

Improving cash-flow enables opportunities to increase credit ratings, improve credit terms and elevate a company's reputation, *all of which enable growth.*

Digitising payments also enhances visibility over the workings of a business. More comprehensive, accurate payments information can be captured and retained, enabling Finance Directors to easily gauge the financial position of their subsidiaries, trading partners and contractors, enabling them to make more informed buying or credit decisions.

Diane Reyes, Group General Manager and Global Head of Payments and Cash Management, HSBC commented, "In the mobile world, if you are a creative player and you can adapt quickly you will thrive, gaining at the expense of rivals who are slower to embrace mobile. Mobile for business is both an enabler and a powerful force for change."

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About HSBCnet mobile

- HSBCnet mobile available in 54 countries/territories in 21 languages
- HSBCnet mobile has the same robust online security measures as the online version of HSBCnet
- HSBCnet mobile app has been launched in 26 countries (since July 2014); the mobile app will be launched in further countries over the next six months
- The app has already been downloaded 22,000¹ times (iOS and Android)
- Globally, 12%² of HSBCnet customers are currently using HSBCnet mobile. It is available to all 205,000 HSBCnet customers - however there are significant regional variations

Mobile Payments Landscape

- 3.6bn: unique mobile subscriptions globally
- 2.6bn: smartphones globally
- \$29.2bn: in mobile payments made in 2014, up from \$18.0bn in 2013
- USD50bn³: worth of payments made by HSBC corporate customers globally
- USD1.924bn: average monthly mobile transactions via HSBCnet mobile
- USD1.17bn: largest amount transacted in a single mobile session
- 54 countries: where HSBCnet mobile is available, in 21 languages
- 26 countries: where HSBCnet mobile app is available
- New Zealand: country with highest HSBCnet mobile app penetration at 44%
- 26,000⁴: number of HSBCnet mobile customers globally

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Notes to Editors:

1. HSBC Commercial Banking

For 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves businesses ranging from small enterprises to large multinationals in almost 60 developed and faster-growing markets around the world. Whether it is working capital, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses need to thrive.

¹ Total number of downloads: 22,256

² HSBCnet mobile transactions account for 11.73% of all HSBCnet transactions

³ USD53,267,320,265 of payments have been authorized since launch

⁴ 26,245 active HSBCnet mobile customers

INTERNAL

With a network covering three quarters of global commerce, we make HSBC the world's leading international trade and business bank.

2. HSBC Bermuda

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3. The HSBC Group

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