

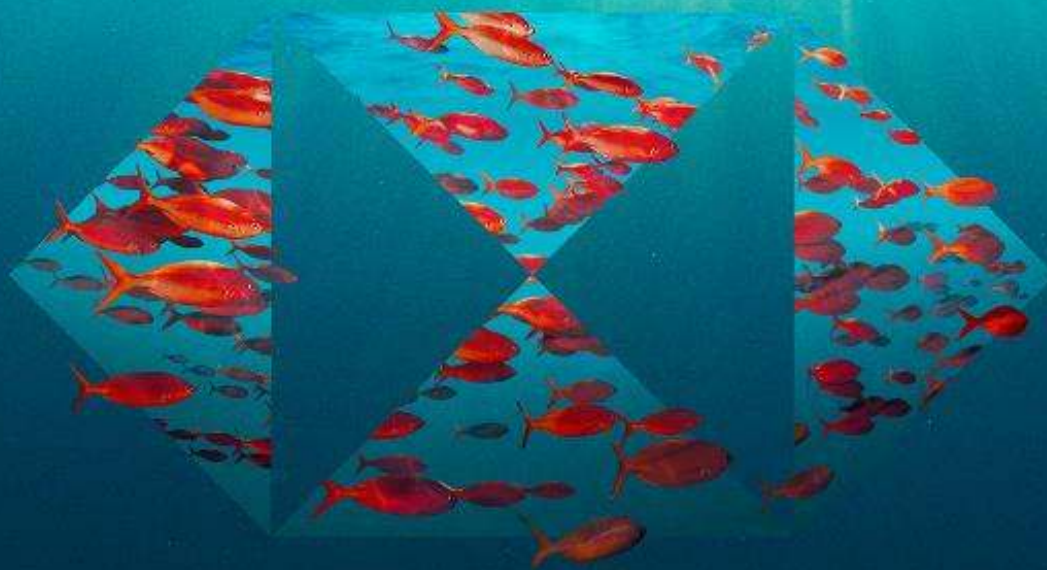
Digital MEGAtrends

Online platforms are tech-blazers of massive, widespread disruption

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Managing Director, Regional Head of Product Management, Asia Pacific, Global Liquidity & Cash Management, HSBC

September 2018



The universe of disruption

Mobile Ecosystem

Apple

Google

Cloud

Amazon

Microsoft

Google

IBM

Transportation

- Uber
- Didi Chuxing
- Ola
- Go-Jek
- Grab
- Ofo
- Mobike

eCommerce

- Amazon
- Alibaba
- eBay
- Rakuten
- Flipkart
- Snapdeal
- Lazada

Hospitality

- Airbnb
- Priceline.com
 - Booking.com
 - Hotels.com
 - Agoda
 - Kayak
- Ctrip
- Expedia
- TripAdvisor

Media Subscription

- Apple
- Netflix
- Hulu
- Spotify

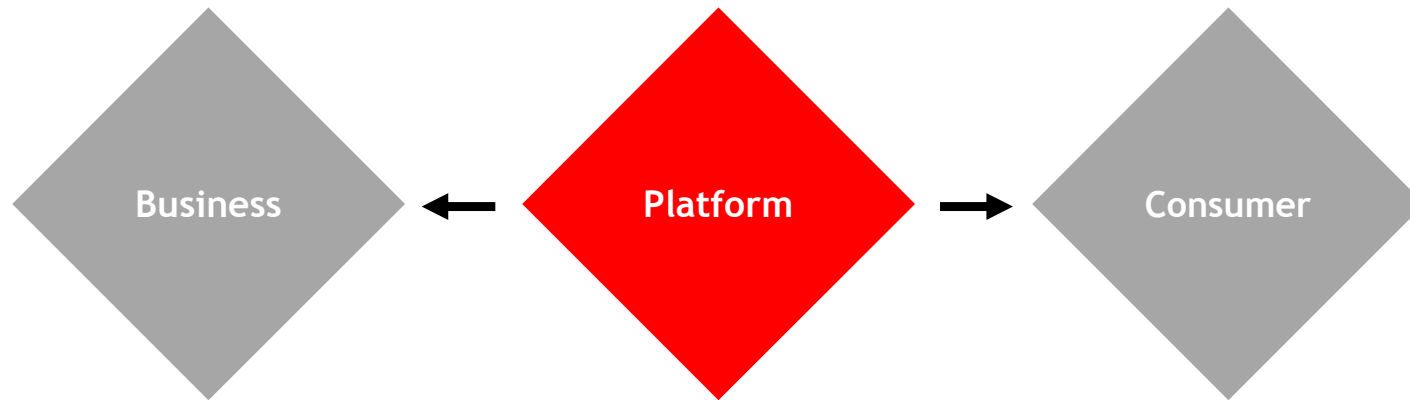
Fintech

- WeChat
- Alipay
- Paytm

Social Media & Advertising

- Facebook
- Instagram
- WeChat
- Twitter
- Weibo
- Snapchat

Disruptive platforms
Reconstructed the business models to create new values



Retail

- T-mall
- JD.COM
- WeChat



Travel

- Ctrip
- Qunar.Com
- eLong.com



Mobility

- DiDi
- mobike
- ofo



Catering

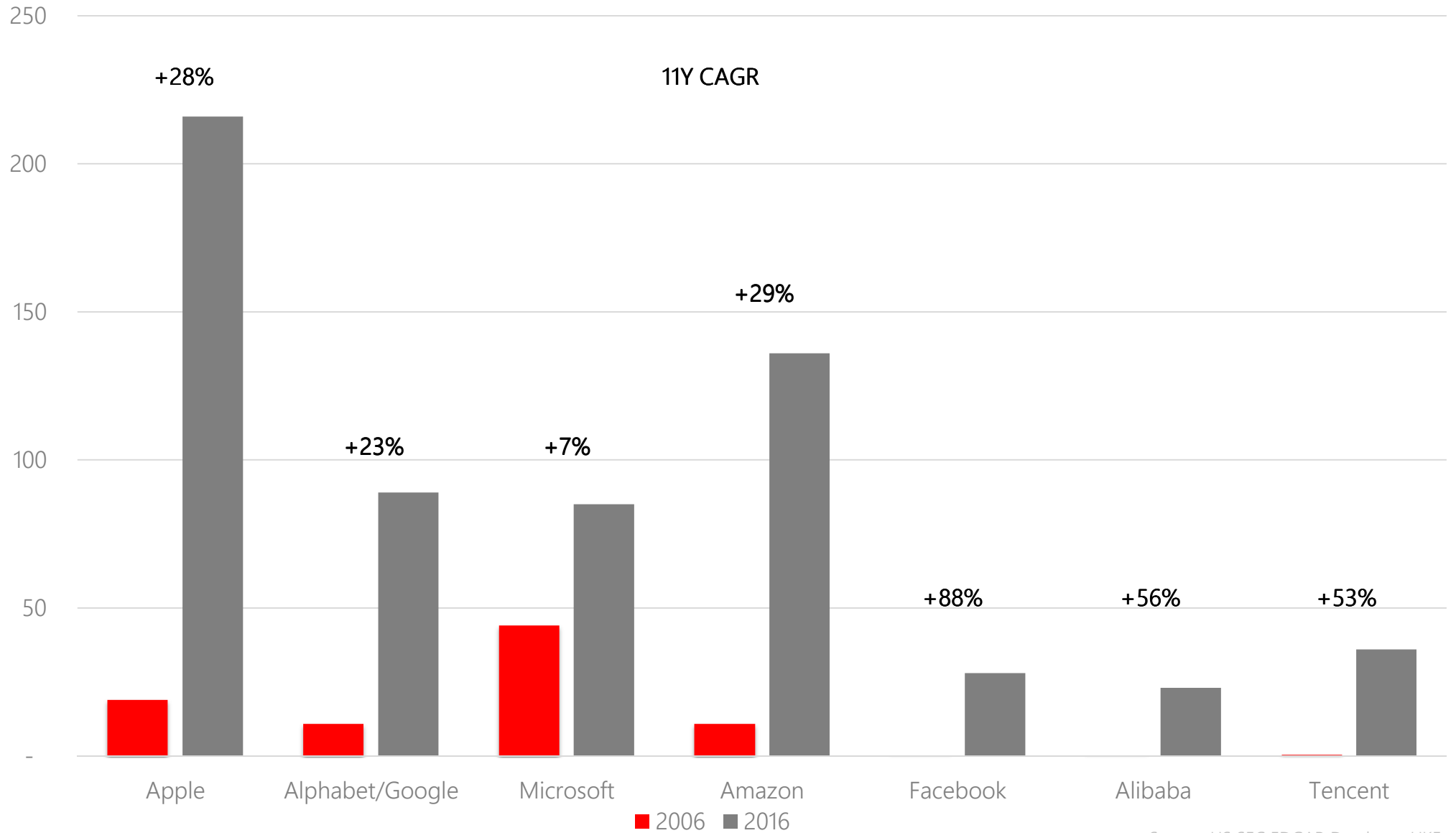
- Meituan.com
- Baidu Delivery
- Ele.com

Digital economy is driving the growth in China

Mobile Users: 695 mn vs Internet Users 735 mn
Mobile Payments: \$790bn in 2016

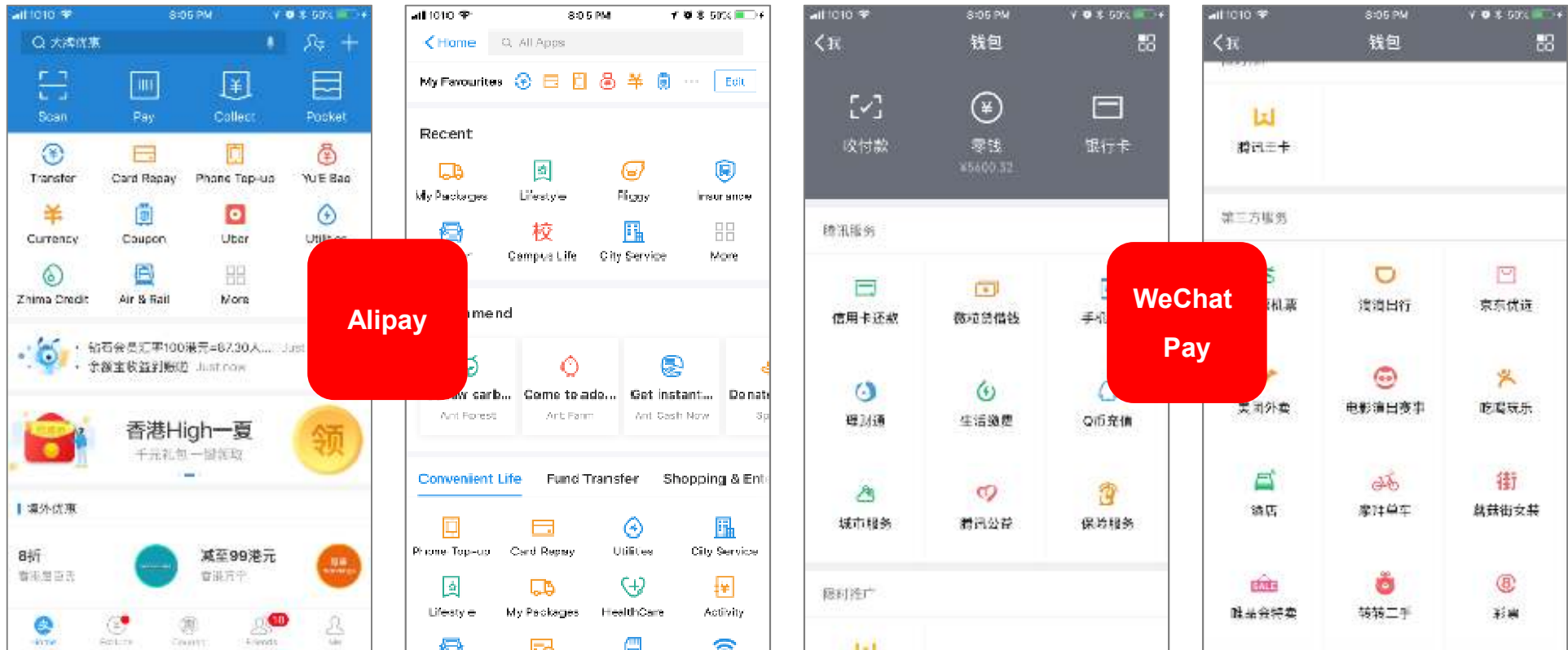


Platform topline at the stratosphere



Source: US SEC EDGAR Database; HKEx

China: Robust digital payment infrastructure is the core pillar of the booming digital economy



Duopoly in mobile payments and digital financial services

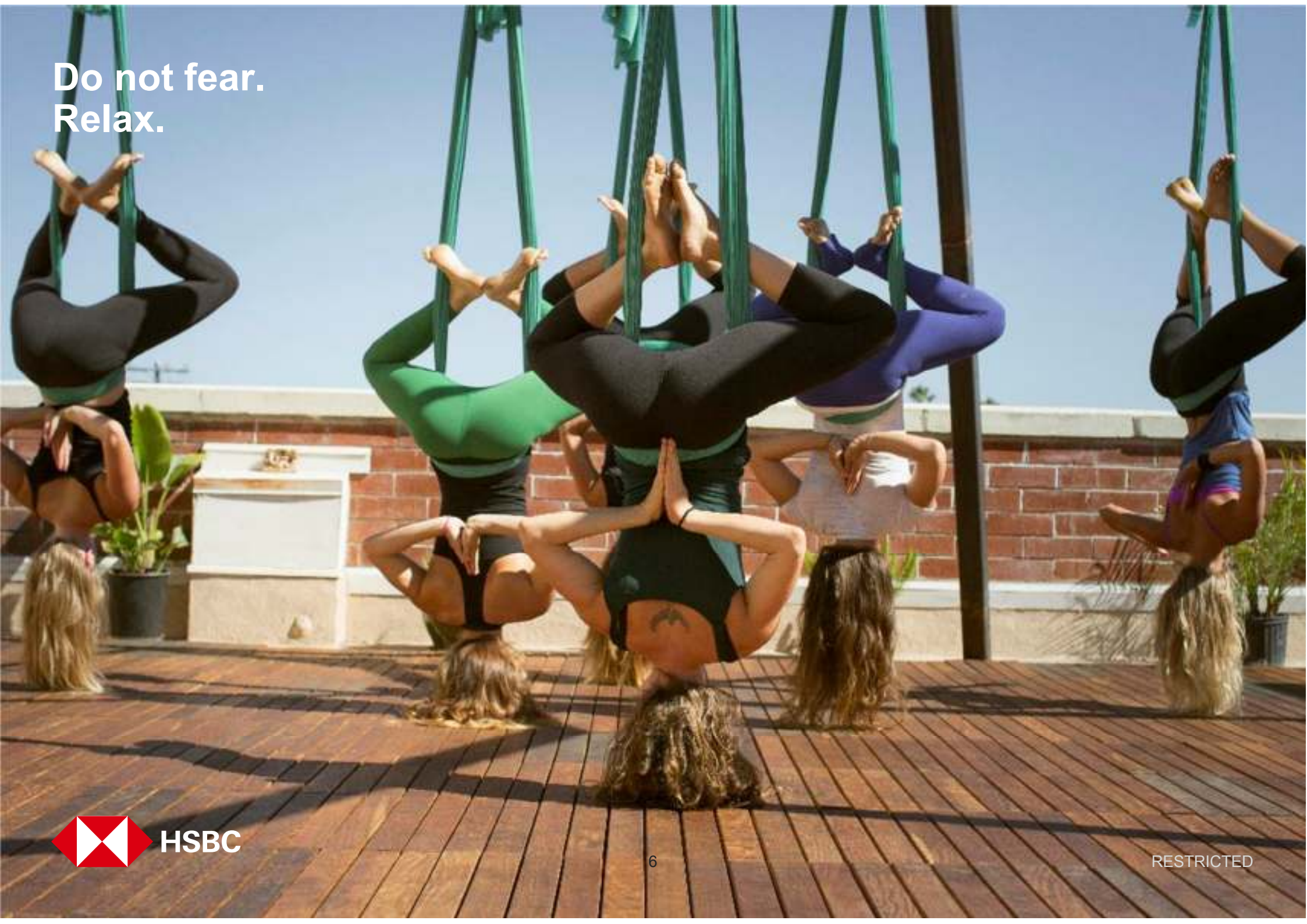
 **Payments**

 **Investment**

 **Microloan**

 **Insurance**

Do not fear.
Relax.



Consistently seek to make customers happy



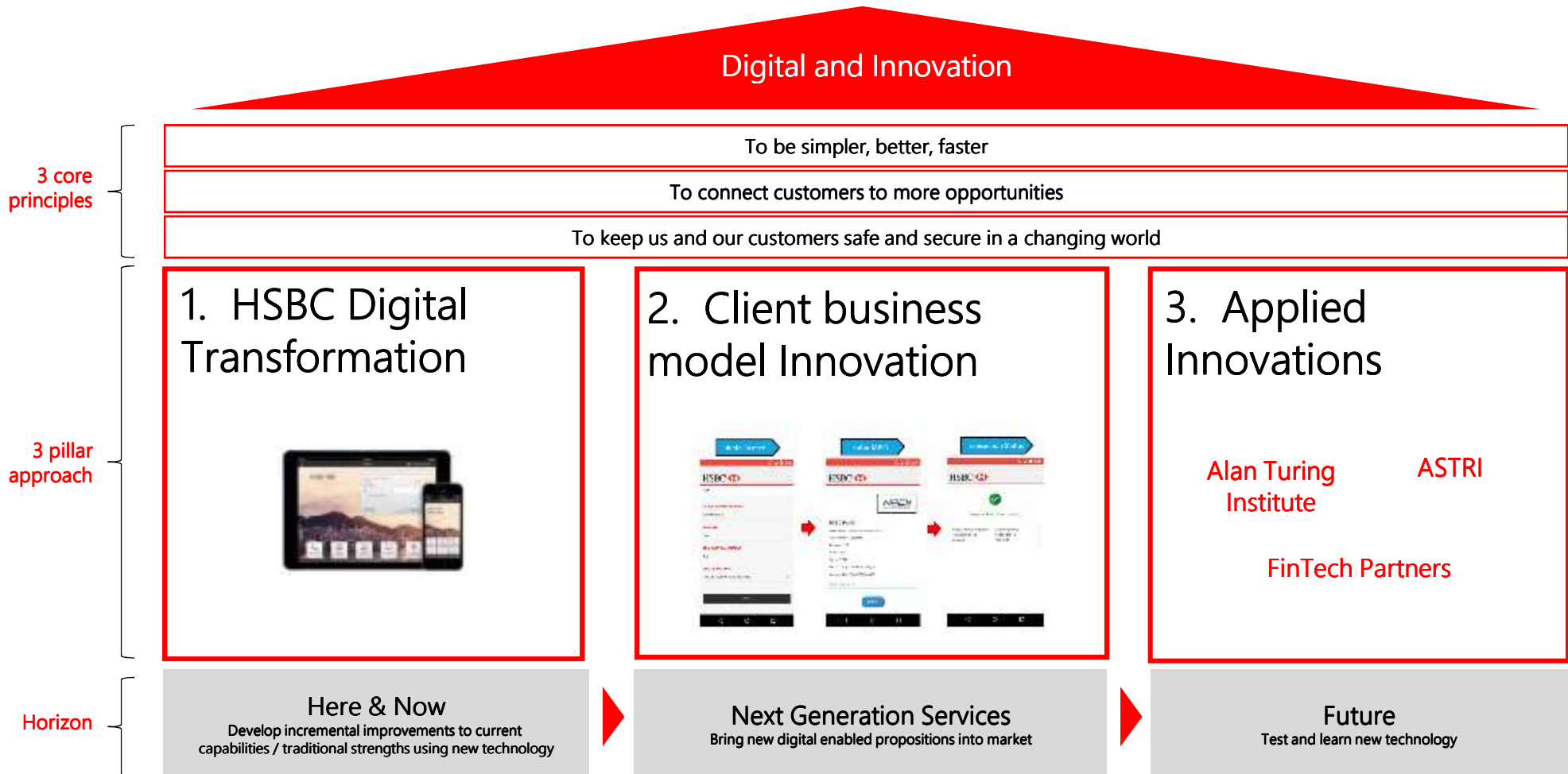
Legacy
(offline)

Today & Future
(online)



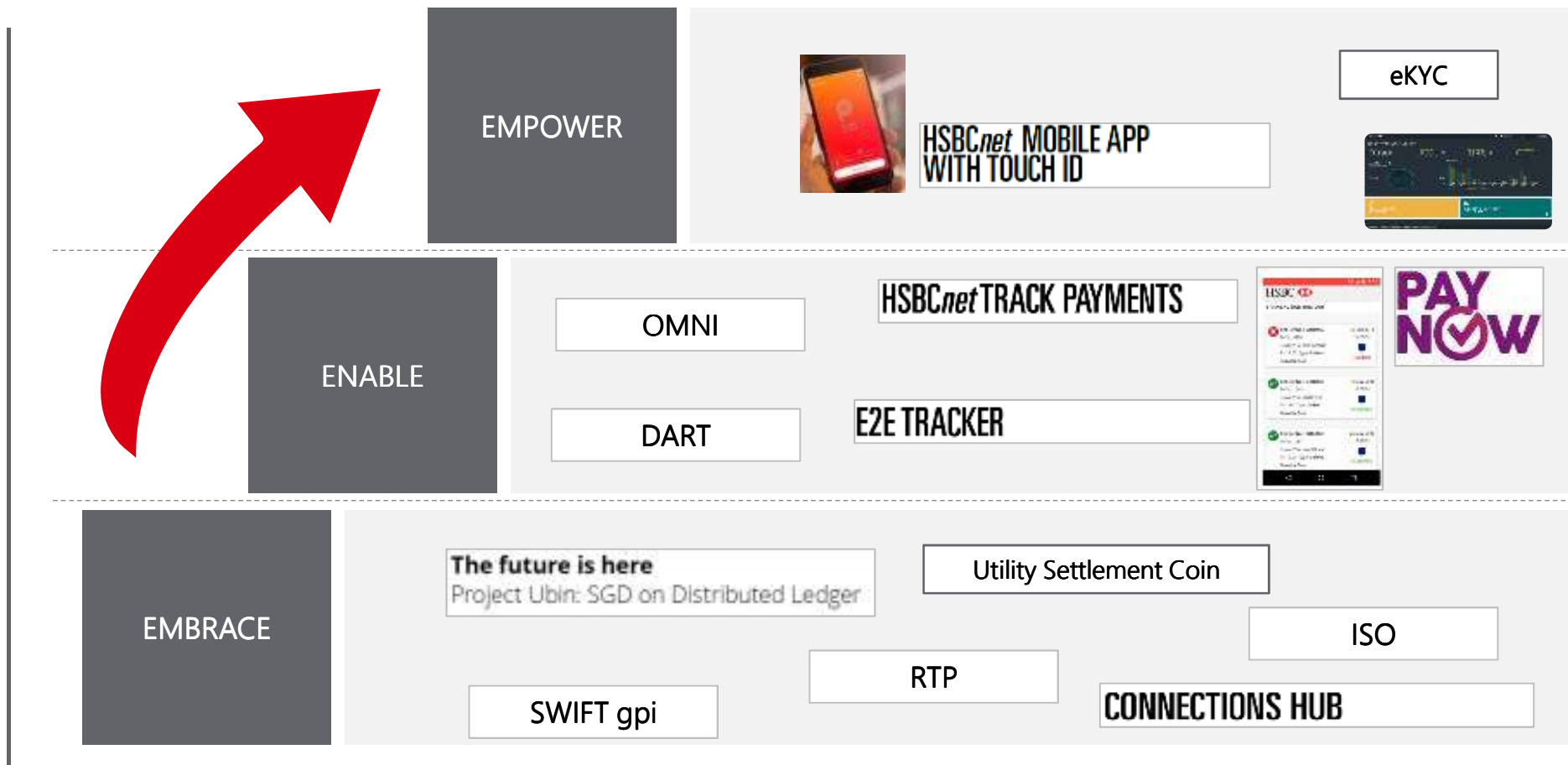
HSBC's approach to Digital and Innovation

HSBC is transforming itself internally, developing new propositions whilst monitoring the impact of future technologies

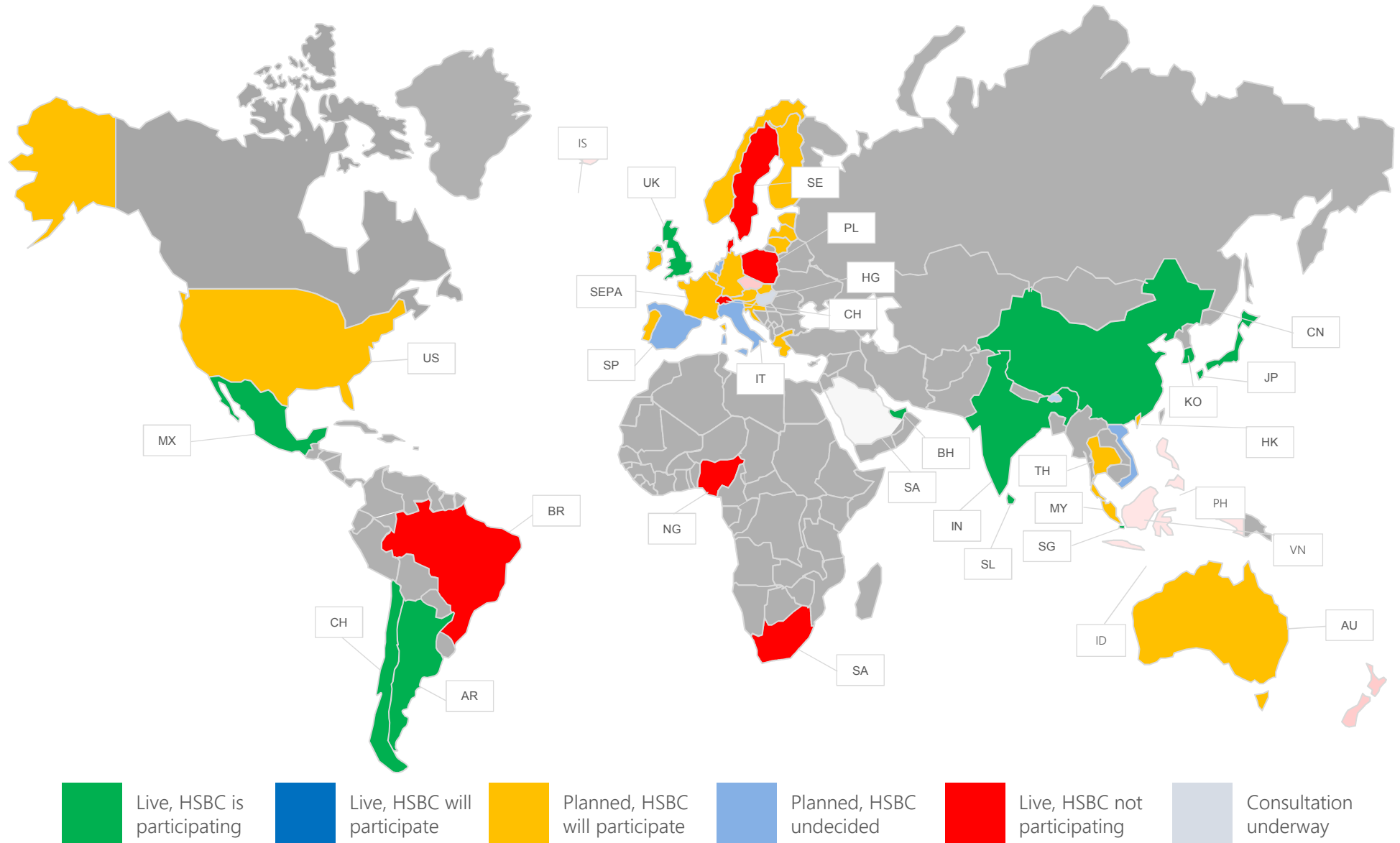


3 E's to transform and adapt

Bringing innovation to life: We continue to innovate both existing products and the next generation of propositions



EMBRACE: Real Time Payments | Real Time Treasury



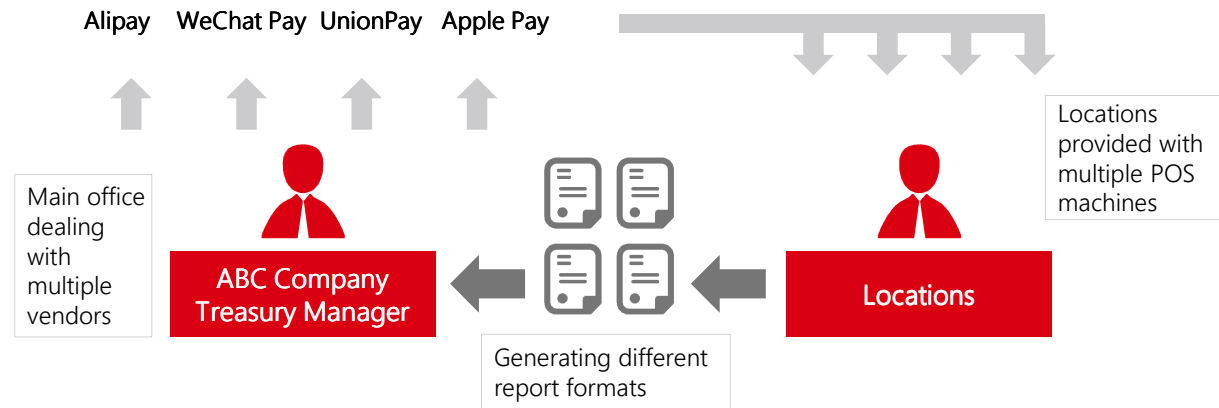
ENABLE: OMNI

Managing omni-channel collections

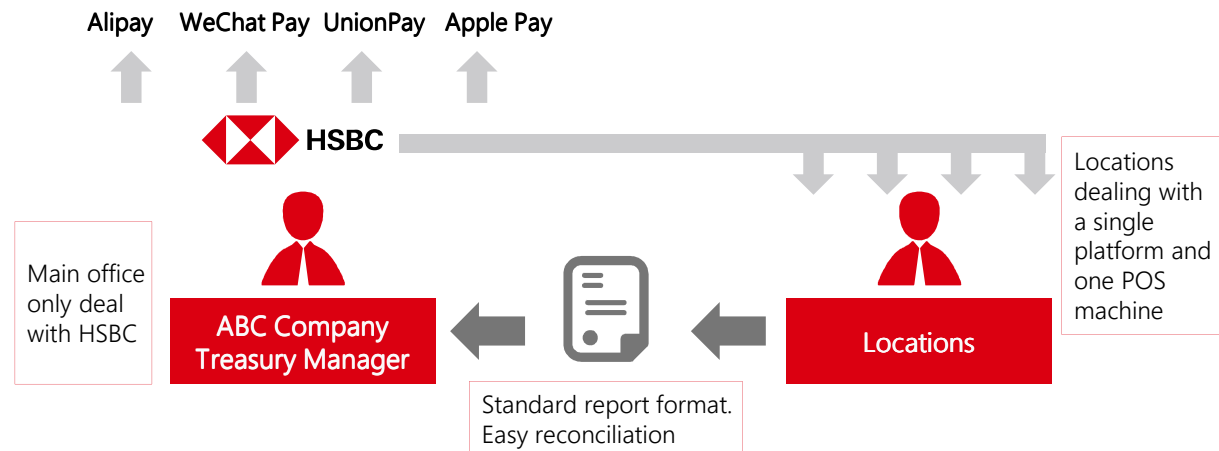
Value Propositions

- Single service provider
- Standard reporting
- One Smart POS
- Low integration cost

Traditional Solution



HSBC Solution



ENABLE: DART

Digital Accounts Receivable Tool: Digitizing A/R

Value Propositions

- Robust digital data
- Streamlined AR matching
- Prompt and timely funding

The screenshot displays the 'Invoices' section of the HSBC Digital Accounts Receivable Tool. The main header shows 'ABC Supplier' and 'INV-001'. Below this, key invoice information is presented in a grid:

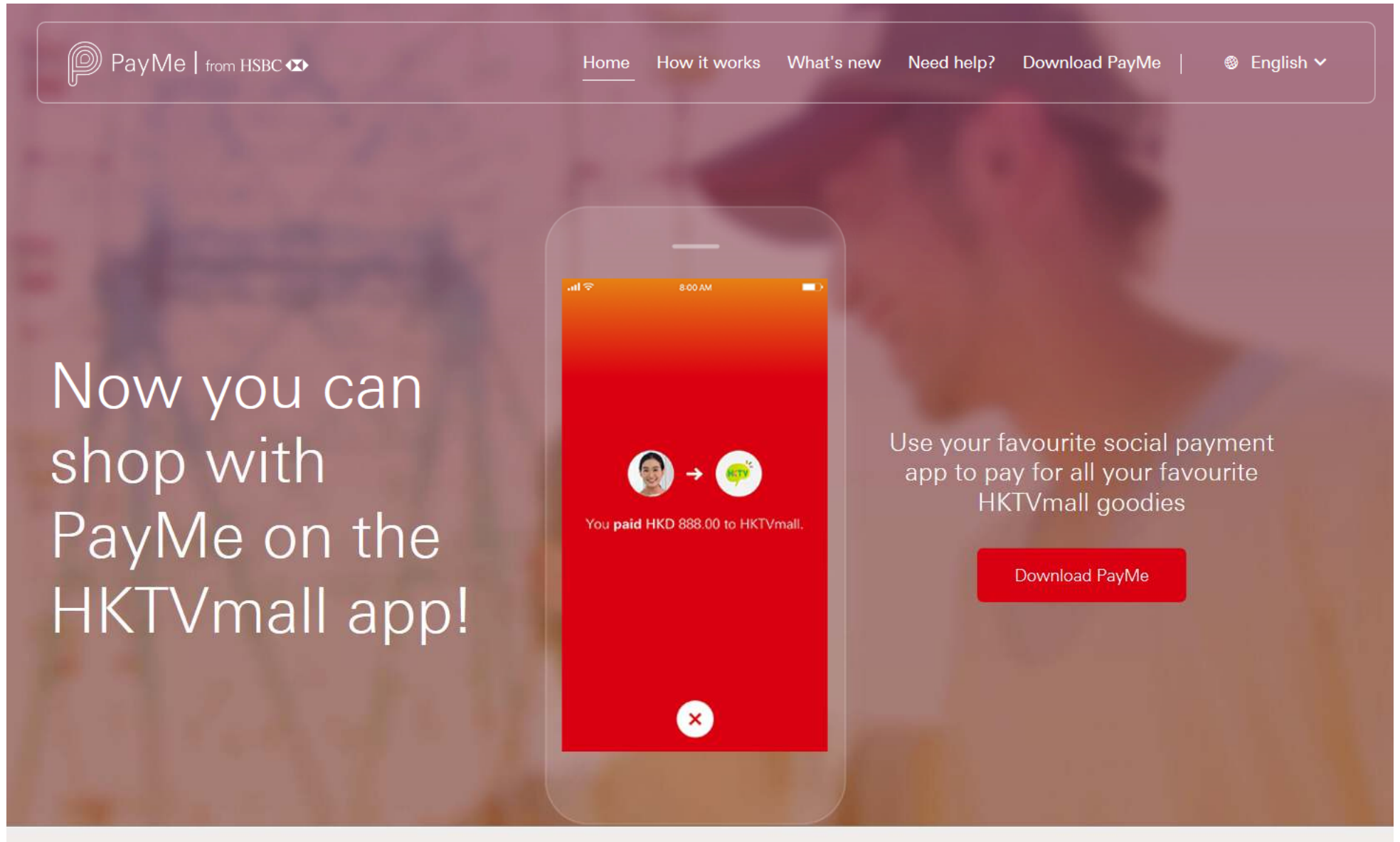
From: ABC Supplier. <small>GSTIN: ZZA5C5UP1234A1Z5</small>	Invoice amount: INR 65,436.00 <small>Invoice date: 12 Nov 2017</small>	Invoice due date: 13 Feb 2017	Declared payments: INR 35,436.00 <small>1 Intent to pay</small>	Amount outstanding: INR 35,436.00	Status: PARTIAL
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Navigation tabs include 'Invoice Details', 'History', and 'Intent to pay (1)'. The 'History' tab is active, showing a table of events:

Date	Type	Description	Action
1 February 2017 13:04	Import	Invoice with reference INV-001 imported/created	
1 February 2017 13:04	Request To Pay	Received request to pay INR 30,000.00	View
1 February 2017 13:04	Intent To Pay	Sent intention to pay for amount INR 30,000.00 to ABC Supplier	View
1 February 2017 13:04	Payment	Payment of INR 30,000.00 received (pending settlement)	
1 February 2017 13:04	Payment	Payment of INR 30,000.00 settled	

Footer links include 'Online Security', 'HSBC Global', 'Terms & Conditions of Use', 'Privacy and data protection statement', 'HSBCnet condition of national language use', and 'HSBC Bank plc 2017'.

EMPOWER: PayMe



The banner features a background image of a woman's face. At the top left is the PayMe logo with the text "PayMe | from HSBC" and a small icon. To the right is a navigation menu with links: "Home", "How it works", "What's new", "Need help?", "Download PayMe", and "English" with a dropdown arrow. The main content area is split into three sections: a large text block on the left, a central smartphone mockup, and a text block on the right with a button.

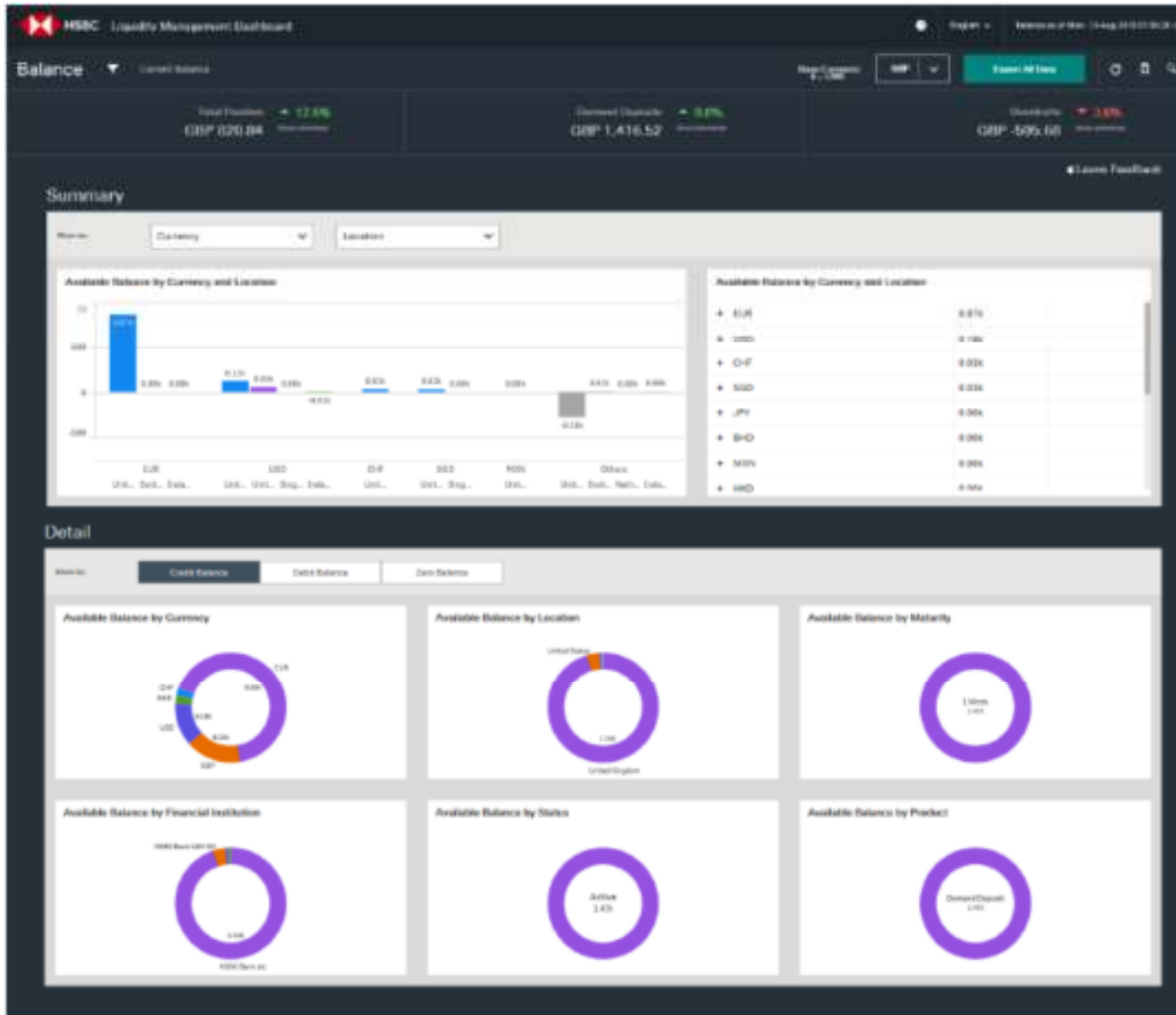
Now you can shop with PayMe on the HKTVmall app!

Use your favourite social payment app to pay for all your favourite HKTVmall goodies

Download PayMe

The smartphone mockup displays a payment confirmation screen with a red-to-orange gradient background. It shows a user's profile picture, an arrow pointing to the HKTVmall logo, and the text "You paid HKD 888.00 to HKTVmall." A close button (an 'X' in a circle) is at the bottom.

EMPOWER: Liquidity Management Portal



Technologies impacting the future of Cash Management

Tracking and applying six key technologies



AI & Machine Learning

- Now – Help Desk support of MI / AI
- Future: Create Payment outliers detection and resolution



Big Data & Insights

- Now: Track Payments
- Future: Payment routing, scheduling, transaction monitoring



BlockChain

- Future: R3 Argent – Cross border; Utility Settlement Coin (USC) Consortium



Mobile

- Now: Move Money; Mobile Collections
- Future: Push notification and self service



API

- Now: HSBC Connect
- Future: Open Banking / PSD2



Biometrics

- Now – Fingerprint authorisation; Voice Recognition
- Future - Multi Factor & Continuous Authentication for payments

The Google etymology

yotta	10^{24}	1,000,000,000,000,000,000,000,000
zetta	10^{21}	1,000,000,000,000,000,000,000
exa	10^{18}	1,000,000,000,000,000,000
peta	10^{15}	1,000,000,000,000,000
tera	10^{12}	1,000,000,000,000
giga	10^9	1,000,000,000
mega	10^6	1,000,000
kilo	10^3	1,000
hecto	10^2	100
deca	10^1	10

→ We are somewhere here...

Source: https://graphics.stanford.edu/~dk/google_name_origin.html

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