

News Release

12 September 2017

HSBC LAUNCHES APP COMPETITION AIMED AT FIGHTING FINANCIAL CRIME

*Competition Open to Hong Kong Tertiary Students and Startups as Part of
HSBC Safeguard Programme*

HSBC today launched the HSBC Safeguard App Competition at its Hong Kong headquarters. As part of the HSBC Safeguard programme, a global initiative spearheading the Bank's efforts to fight financial crime, the competition will challenge the best of Hong Kong's young and upcoming technology talent to develop app prototypes that help solve real challenges for banks in ensuring they have up-to-date customer information.

Today's event was hosted by Diana Cesar, Chief Executive, Hong Kong, HSBC, who said: "This exciting competition extends our efforts to work with customers and the community to fight financial crime. The reality is that up-to-date, accurate information is a critical weapon for all banks in ensuring we prevent criminals from accessing the financial system. HSBC's aim is to harness local talent and technological know-how to help us collect up-to-date information about customers in a way that is simple and convenient for them. I cannot wait to see the great ideas that emerge."

Financial crime is a vast, global industry. The United Nations estimates that up to USD2 trillion is laundered globally each year by criminals engaged in activities such as human trafficking, terrorism and the trade in illegal drugs. These activities threaten people and communities everywhere, as well as the integrity of the financial system upon which we all depend.

Well-funded and sophisticated criminals also harm the community in Hong Kong through fraud schemes such as Business Email Compromise. Their techniques include "CEO fraud" scams in which a fraudster impersonates a company's boss and instructs an employee to make a wire transfer which is received by the criminal gang.

To better protect customers, the community and the financial system from these criminals, HSBC is requesting more of its customers to update their information. The Bank recognises

This information is issued by

**The Hongkong and Shanghai Banking
Corporation Limited**

Registered Office and Head Office:
1 Queen's Road Central, Hong Kong
Web: www.hsbc.com.hk

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that responding to these requests can be inconvenient. HSBC is committed to using technology to ensure that it maintains the quality of the customer experience, while upgrading the information it holds about customers.

This is why HSBC has launched the HSBC Safeguard App Competition, in which contestants are asked to solve one or both of two real-world challenges for the banking industry:

- For retail customers: customer information changes every now and then, but customers may not notify their bank. This can make it challenging for banks to authenticate transactions, while it may also be difficult to alert customers when needed. How can technology be used to ensure that changes in personal information can be synchronised with the bank's records, with customers' consent?
- For business customers: traditional means of contacting customers, such as by phone, post or email, may not always be effective, especially when customers are away from Hong Kong. How can banks enhance their ability to contact the right people within business customers' companies, wherever they are?

The competition is open to Hong Kong-based tertiary students and startups, who are invited to submit their entries by 31 October on the competition website. The competition website provides a suite of Application Programming Interfaces (APIs), which participants can use to develop their app prototypes for either iOS or Android.

The APIs are provided by the Hong Kong Applied Science and Technology Research Institute (ASTRI), the competition's Technology Enabler, which has developed a blockchain-based virtual platform that contestants can install on their own computing equipment. Dr MeiKei Leong, Chief Technology Officer of ASTRI, also attended today's event.

The entries will initially be reviewed by a group of specialists within HSBC and a shortlist of finalists will be invited to pitch live to a panel of respected banking and technology experts during a "Demo Day" in early December.

Prizes on offer for the first, second and third-placed solutions include up to HKD100,000 for student participants and up to HKD300,000 for the startup entrants. The winners could also potentially receive seed funding from HSBC.

For more information about the competition, please visit the website at:

www.hsbc.com.hk/hsbcsafeguard.

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Notes to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 38 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of USD2,492bn at 30 June 2017, HSBC is one of the world's largest banking and financial services organisations.

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