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## **HSBC SURVEY: HONG KONGERS UNDERSCORE CITY'S STATUS AS A LEADING WEALTH HUB, SHOWING INVESTMENT SAVVY THROUGH DIGITAL UPTAKE**

- HSBC survey shows two-thirds of Hongkongers have made short term investments via online channels, compared to around two-fifths of Singaporeans
- COVID-19 is driving the adoption of digital investment tools, boosting digital wealth sales in the first five months of 2020
- Instead of relying on one single channel, Hong Kong citizens prefer a blend of human and digital interactions to support their banking needs

Hong Kongers have shown both their investment savviness and flexibility as they readily adopt digital tools for managing wealth – further underscoring the city's status as a leading wealth hub. The survey shows that close to 70 per cent of Hongkongers invest at least twice a year, compared to 40 per cent of consumers in Singapore. The survey also shows that nearly two-thirds of Hongkongers have made short term (66 per cent) investments via online channels using either a PC, laptop, smartphone or tablet. Meanwhile, three quarters have made long term investments (75 per cent) and over half have done so through digital channels (56 per cent). By contrast, two-fifths of Singaporeans have made short term (39 per cent) investments online and a third have made long-term (33 per cent) investments through digital channels.

The use of digital channels to invest has also increased under the social distancing restrictions because of the COVID-19 outbreak. The latest HSBC data shows that total digital retail sales<sup>1</sup> in Hong Kong grew by 63 per cent year-on-year in Q1 2020. In the first five months of the year, the Bank's average monthly equity trading turnover via digital channels increased by over 50 per cent year-on-year.

**Sami Julian Abouzahr, Head of Customer Wealth, Wealth and Personal Banking, Hong Kong, HSBC**, said: "Hong Kong is one of the world's leading wealth hubs, and as digital banking becomes more pervasive, we have seen that Hong Kong customers – from new savers to savvy investors – are increasingly managing their investments using mobile and online banking. Moreover, COVID-19 accelerated the adoption of digital channels for wealth management, including FX, funds, equities and portfolio management – whether this be via an app or a video call with a relationship manager."

In terms of digital innovations, since the launch of HSBC's mobile account opening service in December 2019, it has become one of the most popular

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<sup>1</sup> Retail sales through digital channels includes banking products such as mortgage, bank account and credit card.

channels for opening personal internet banking account. HSBC has seen significant number of applications via the Mobile Banking app, with around 25 per cent month-on-month growth in May 2020. The majority (93 per cent) of new customers are aged below 40. The Bank also launched FlexInvest earlier this year for self-directed investors to purchase mutual funds with as little as HKD100 via mobile banking app in Hong Kong. To date, thousands of customers are using FlexInvest with more than half of investors (54 per cent) being millennials, compared with only 6 per cent millennials among the traditional mutual funds' investors base.

**Andrew Eldon, Head of Digital, Wealth and Personal Banking**, said: "For several years, HSBC has been working hard to develop its digital services, particularly in Hong Kong. The COVID-19 pandemic has underscored the benefits and convenience of digital services for customers, who can now manage their personal finances through mobile channels, anytime and anywhere – an option many customers have embraced. Long term, we know that millennials are more likely to adopt our highly flexible mobile solutions, and so we need to accelerate our digital delivery to connect with these customers and capture this next wave of growth."

However, while Hong Kong banking customers are rapidly adapting to digital banking tools and services, they still prefer a combination of human and digital interactions to support their banking needs. Thirty per cent of Hong Kong citizens report they apply for a credit card or overdraft in person. Nearly two-fifths (37 per cent) of long-term investors go through the traditional banking channels, either in person at branch offices or through direct interaction with experienced investment service representatives. The demand for a blended approach was also clear during the Covid-19 outbreak where the number of HSBC frontline staff actively employing video conferencing tools with customers reached to around 11,000 in May 2020 globally.

**Abouzahr** added: "While we will continue to invest in digital capabilities, we understand the value that our people bring to the customer experience. Our recently launched video conferencing services which has redefined the way our relationship managers engage with our customers have been well-received and is a great example of the successful integration of digital technology and human interaction. In future, we will continue to serve customers with an ever more seamless omni-channel experience."

The survey findings also showed, however, there is room for Hongkongers to further increase the use of digital banking channels for non-wealth, day-to-day transactions. For instance, 61 per cent of Hongkongers currently use a smartphone app to check their bank balance compared to 75 per cent of Singaporeans. Similarly, only half (50 per cent) of Hong Kong citizens pay their bills/ add payees using smartphone apps versus 67 per cent for their Singaporean peers – showing opportunity for customers to further benefit from the efficiency and convenience of digital channels.

**About the YouGov HSBC Research**

Independent research company YouGov was commissioned by HSBC to investigate the adoption and utilization of digital banking tools by customers in Hong Kong, Singapore and the United Kingdom. The online survey polled 1,037 adults aged 18 years and above in Hong Kong between April 2 and 6 2020. The figures have been weighted and are representative of all Hong Kong adults (aged 18+).

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**The Hongkong and Shanghai Banking Corporation Limited**

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