



Banking Vietnam
2007

New financial services for banks

Cash management at your
command

Presented by:
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HSBC in Vietnam

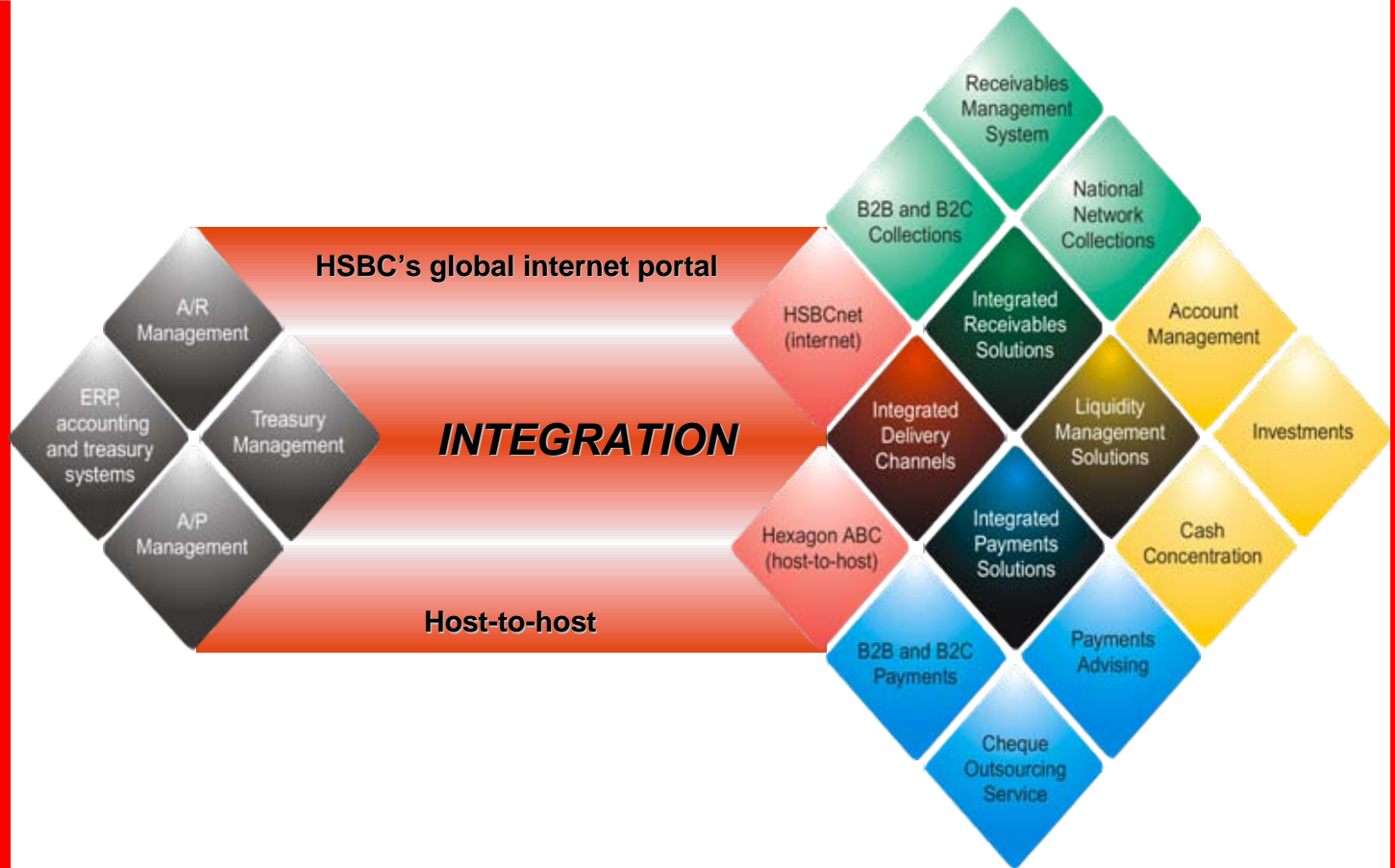
Innovative delivery channels

Committed to delivering innovation

- If you could design the future of online banking, what would it look like?
- Would it put every service you need at your fingertips, in one location?
- Offer you cash management, reporting and trading tools right next to award-winning analytics and research?
- Would it provide industrial-strength security while maximizing flexibility and speed?
- And allow you to access all these services from anywhere, at any time, personalized according to your preferences?

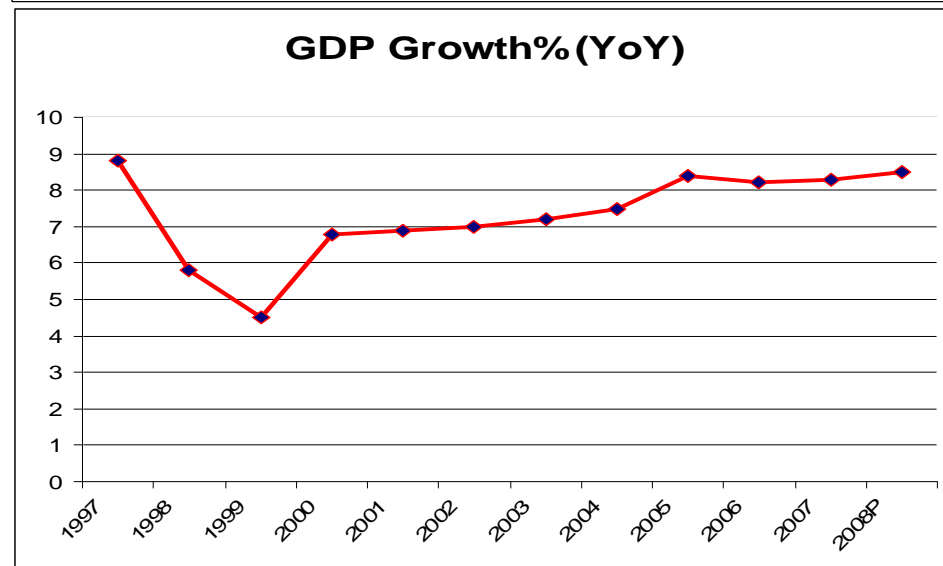
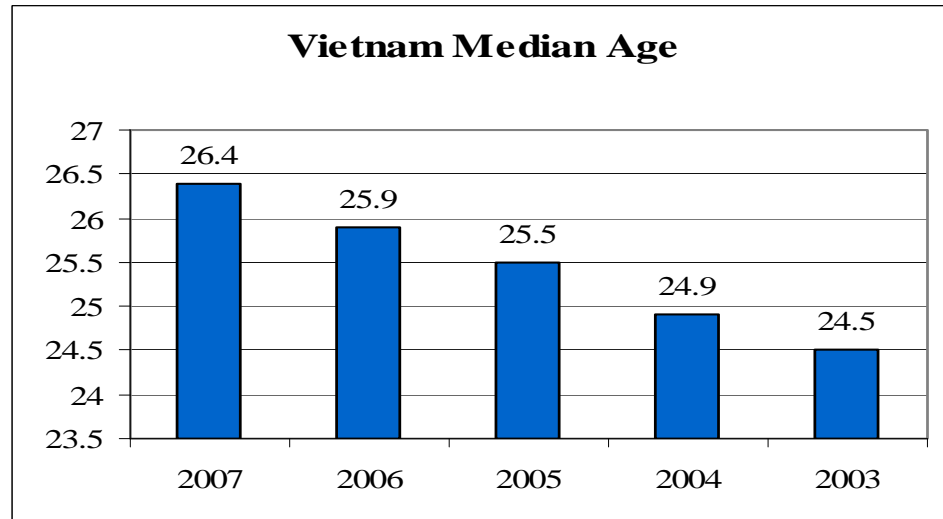
.....**It is exactly HSBC e-channels**

Completing the cash management puzzle



Vietnam Overview

- Population: 84 million (2007 estimate) with 65% of the population under 30 and a median age of 26.
- GDP growth of 8.2% in 2006, highest in the southeast Asia, predicted growth for 2007 and 2008 is 8.3% and 8.5% respectively (Asian Development Bank)



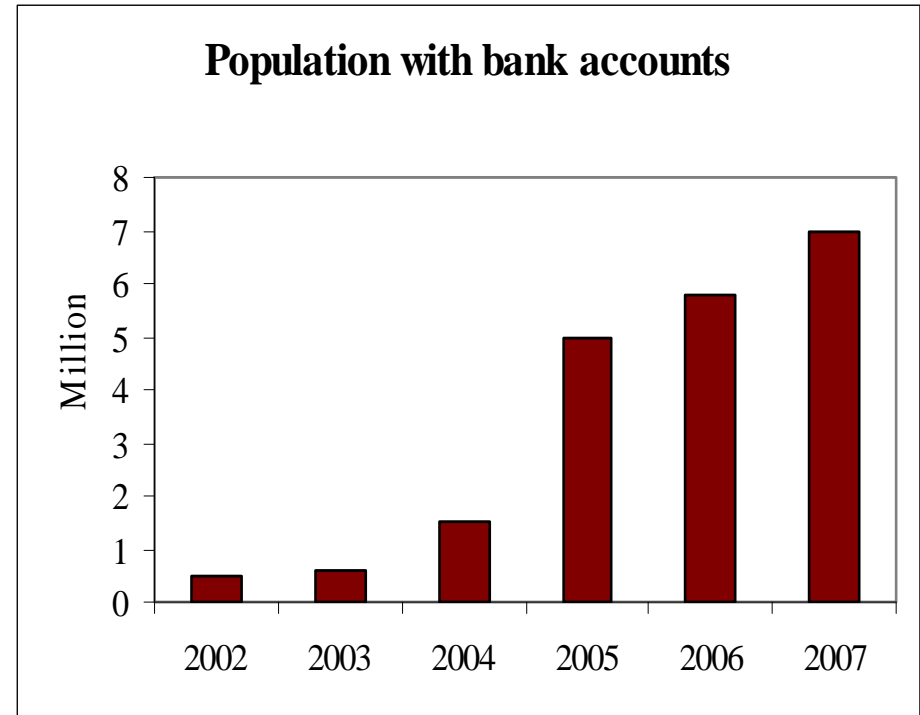
Challenges for Banking in Vietnam

- Around 6 million people, representing less than 8% of the population, have the bank account (2006 estimate.)

⇒ **How Banks can reach more customers with a limited network.**

- Cash-based society with no cheque clearing system in place.

⇒ **How E-banking can solve the cash issue when you have a growing number of daily transactions?**



Challenges for Banking in Vietnam – Cont.

- Internet:

- The number of people using internet is 11.7 million, representing 14.1% of the population.
- The fastest growth in ASEAN, placed No.4 in the area (ahead of Thailand in 2006).
- 227,000 ADSL connections in 2006.

⇒ ***How can banks extent their network and the contact points with these customers?***



The network

- Internet banking
- ATMs/MFATMs
- Credit cards
- **Why do we need E-channels?**
 - So the customers can have an unlimited access to banking services anywhere anytime.
 - In a high pressure society, it will free people from having to physically visit a bank's counter.



ATMs / MFATMs



- In a cash-based society, an extended ATMs network is a necessity for the customers.
- **ATMs:**
 - Providing 24 hour banking service, such as balance inquiries and cash withdraw.
 - No cash on hand needed.
 - Currently, more than 4,000 ATMs are implemented, servicing roundabout 6.5 million cardholders.
- **MFATMs:**
 - The next generation of ATMs with more functions added.
 - Allowing cash deposit, bill payment, ex. credit card.
 - Will be implemented next year.

Internet banking - 2nd generation

- Customers can conduct their full banking services anywhere via the internet in a friendly web environment:
 - Online Account Opening.
 - Fund transfer methods of their choice.
 - Updating personal and address details for all their accounts online (personal customers only).
 - Submitting a password reset request online.



Credit Cards

- There were only 14,000 POS in 2006, mainly in HCMC and Hanoi.
- More than 2 million credit card holders.
- Advantages:
 - Worldwide network.
 - Online transaction / purchase possible in a secure way.
 - Ability to purchase goods without carrying cash on hand.
 - Ability to get cash advance when needed.
 - 24 / 7 services.



HSBC will solve these challenges through

- ❖ Our 2nd generation Internet Banking
- ❖ Our extended ATMs/MFATMs network
- ❖ The launch of our new credit cards



HSBC



The world's local bank