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**HSBC LAUNCHES MOBILE TUITION PAYMENT SERVICE
FOR CHINESE STUDENTS OVERSEAS**

****First foreign bank in China to offer mobile tuition payment service converting renminbi into five currencies with seamless transfer to major universities abroad****

****Nearly six in 10 parents in China would consider overseas universities for their children****

****Over a tenth of parents cite the financial complexity of managing multiple currencies****

HSBC today launched a mobile banking and WeChat-based payments service for Chinese students studying overseas, the first foreign bank to offer the service in mainland China as it introduces more digital innovations to meet the needs of the country's increasingly tech-savvy consumers.

The International Education Payment Service ("IEPS") allows renminbi ("RMB") to be exchanged for five currencies, namely the US dollar, British pound, Canadian dollar, Australian dollar and Hong Kong dollar. Customers can convert RMB on the system using HSBC China's mobile App or WeChat banking, without visiting a bank branch or filling in paper applications.

The simplified service allows students from China or their families to conveniently remit tuition to universities abroad, and currently covers major education institutions in the US, UK, Canada, Australia and Hong Kong. HSBC Premier customers can enjoy the service free of charge.

Richard Li, Executive Vice President and Head of Retail Banking and Wealth Management, HSBC China says: "China is the largest source of international students for higher education institutions around the world. With most of them born in the 1990s and 2000s, these younger consumers are extremely tech-savvy, which drives demand for innovative digital financial services, including in areas such as overseas studies. For banks, digital technology not only makes cross-border financial services faster, more convenient and secure, but also helps build closer relationships with these new generations of customers."

According to China's Ministry of Education ("MOE"), 600,000 Chinese students left the country to pursue advanced studies overseas in 2017, a record high and an increase of nearly 12% on the previous year. Statistics from MOE also show that the total number of international Chinese students has been increasing rapidly in the past decade, and is expected to keep growing in the next few years. China will continue to lead the trend of international education.

According to a report issued by UnionPay International in 2017, Chinese students who study abroad spend over 380 billion yuan overseas each year, and 80% of that is on tuition fees and daily expenses.

Li added: "Students from China, and their families, face a range of challenges and concerns when making overseas payments. Until now the process has often been difficult, stressful and time-consuming. Our own research tells us that parents and students worried about whether their payments were secure, whether they met the transfer requirements, and whether the fee payments were successfully transmitted. The International Education Payments Service is designed to address these concerns and make managing fee payments simpler and easier for our customers."

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HSBC's Value of Education 2017 survey showed that education is the top financial commitment for over two in five (42%) parents in China, significantly ahead of mortgage or rent payments (10%), household bills or utilities (10%) or contributions to their retirement savings (4%).

Over half (54%) of parents in China would consider a university education abroad for their child, with the US (61%), Australia (46%) and the UK (42%) as the top three destinations. According to parents in China considering a university education abroad for their child, improved foreign language skills (52%), exposure to new experiences, ideas and cultures (49%) and increased breadth of experience (49%) are the main benefits.

When rating the destinations that they would consider sending their child to, parents in China rated Germany, the US and the UK as best places for quality universities/colleges, Australia for best quality of student life, Germany and the US for best job prospects, and Canada and Australia as most welcoming to international students.

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Note to editors:

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises over 170 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

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