

15 September 2023

## Hang Seng Completes Real-life Simulations of Hypothetical e-HKD Use Cases

Following the Hong Kong Monetary Authority's ('HKMA') announcement in May about three e-HKD use cases of Hang Seng Bank ('Hang Seng') being selected for HKMA's e-HKD Pilot Programme, Hang Seng successfully completed real-life simulations for the programmable payment use cases this month. Hang Seng collaborated with Hong Kong Cyberport Management Company Limited ('Cyberport'), The Chinese University of Hong Kong ('CUHK'), and other enterprises to enable more than 100 individual consumers, CUHK teachers and students and Hang Seng staff to pay with Hang Seng's hypothetical e-HKD wallet at seven merchant outlets.

Participants experienced the many benefits of central bank digital currencies ('CBDC'). CBDCs typically enable faster, more personalised, and secure transactions.

- **Merchant payment and rewards programme:** Seven merchant outlets, including Hung Fook Tong, Pacific Coffee, and Flash Coffee, leveraged the programmable features of the hypothetical e-HKD wallet to instantly design and issue discount coupons with specified purposes to target customers, allowing participants to redeem them on-site for purchases.
- **Grant payment:** Cyberport also utilised the hypothetical e-HKD wallet to distribute merchants' consumption vouchers, which had specified purposes and expiry dates, to around 30 Cyberport community companies that have registered for real-life simulations.
- **Peer-to-peer transfers:** Participants made personalised transfers to peers via the hypothetical e-HKD wallet. They were able to set specific transfer conditions such as validity period and purpose of funds.

Diana Cesar, Executive Director and Chief Executive at Hang Seng, along with other senior Bank executives, took part in the real-life testing. Diana said: "Hang Seng has been participating in the development of CBDC from its inception and is actively supporting the exploration of e-HKD initiatives by the HKMA. We are delighted to partner with Cyberport and CUHK to simulate applications in real-life settings. The experience and understanding gained from these tests will provide valuable insights for shaping future development of the e-HKD. This will propel us forward and strengthen Hong Kong's competitiveness in the global payment market."

Hang Seng has been actively developing use cases to explore potential merits of the hypothetical e-HKD. Results from these simulations will be analysed by Hang Seng and shared with the HKMA and the public in due course.

# END #

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### Photo Caption

Photo 1

Diana Cesar, Executive Director and Chief Executive at Hang Seng Bank participated in the Bank's recent real-life simulations of hypothetical e-HKD use cases. She used the hypothetical e-HKD wallet to purchase foods from merchants using hypothetical e-HKD.



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Photo 2 and 3

In September, Hang Seng Bank collaborated with Cyberport, The Chinese University of Hong Kong, and various enterprises to conduct multiple real-life simulations of hypothetical e-HKD use cases. Over 100 individual consumers actively engaged in transactions using hypothetical e-HKD wallet, providing them with the opportunity to experience advantages of using central bank digital currencies.



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### **About Hang Seng Bank**

Hang Seng Bank is celebrating its 90th anniversary this year. Founded in 1933, Hang Seng Bank has continually innovated to provide best-in-class, customer-centric banking, investment and wealth management services for individuals and businesses. It is widely recognised as the leading domestic bank in Hong Kong, currently serving more than 3.9 million customers.

Combining its award-winning mobile app and strong digital capabilities with a vast network of over 260 service outlets in Hong Kong, Hang Seng offers a seamless omni-channel experience for customers to take care of their banking and financial needs anytime, anywhere.

Its wholly owned subsidiary, Hang Seng Bank (China) Limited, operates a strategic network of outlets in almost 20 major cities in Mainland China to serve a growing base of Mainland customers locally and those with cross-boundary banking needs. The Bank also operates branches in Macau and Singapore, and a representative office in Taipei.

As a homegrown financial institution, Hang Seng is closely tied to the Hong Kong community. It supports the community with a dedicated programme of social and environmental initiatives focused on future skills for the younger generation, sustainable finance and financial literacy, addressing climate change and caring for the community.

Hang Seng is a principal member of the HSBC Group, one of the world's largest banking and financial services organisations. More information on Hang Seng Bank is available at [www.hangseng.com](http://www.hangseng.com).