JGIM: How important is information technology (IT) in your industry, and your organization?

In the banking industry, products and services are mostly information about customer accounts and they are inseparable from IT. A bank can gain a competitive edge by using IT to know more about its customers, about what the customers want, and by delivering products where the customers want them. IT allows a bank to reach out to its customers. IT can also be used as a defensive weapon. ATM would be a good example. At Hongkong and Shanghai Bank, technology is absolutely critical; in fact, our products are totally intertwined with IT. Through the use of IT, we have been able to expand on a global basis. Today, we have over 3,400 offices with more than 100,000 employees in 76 countries. Our total assets exceed US$370 billion.

JGIM: Please name and briefly describe some of your strategic IT applications.

We have a product called Global Access which allows our customers to withdraw money from accounts in their native countries using over 250,000 ATMs throughout the world and at very competitive currency exchange rates. We have offered Hexagon desktop banking service to corporate customers throughout our global network for ten years now; Hexagon offers a home banking type service for businesses to buy and sell securities and to manage the custody of securities, savings and other accounts without leaving their offices, and to download statements to their PCs in real time. Currently we are working with Microsoft to offer the same services to individuals. There is also the Mondex card, a smart card with a chip. It can be used just like cash. Merchants would accept the Mondex card for purchases and deduct cash from the card using a special point of sales terminal. We started a pilot of Mondex in Hong Kong at two large shopping centers three months ago. The plan is to promote the Mondex card as a global product with the ability to handle multiple currencies. As to our operational support, a major system is a banking system called HUB, it stands for Hong Kong Bank Universal Banking System, an AS-400 based system. It is the most complete banking system in the world with over 12-million lines of RPG code supporting virtually all banking activities both on the commercial and personal banking sides. HUB is being used in over fifty countries in the world now. It is the standard banking system we use to support various banking activities in our overseas offices from a technology standpoint. We developed it here and we rolled it out throughout the world. Another major application is TREATS, a treasury management and dealing system we have installed in over 20 dealing rooms in the world to perform treasury dealings and provide back-office support on a global basis.

JGIM: What has been the role of IT in the internationalization of your business?

Having the above IT applications allows us to open branches in new countries very quickly and easily. We have centralized training, technology, and telecommunications support; we have teams that can go into a country and install HUB and other standard systems quickly. This is indeed a key strength of our bank to be able to go in a country with integrated standard technology and be able to run a bank and offer full banking services within that country in a matter of a couple of months of getting the license to operate. We also provide training and other support so that after four or five months, we would have a full staff of people who know the system there. Banks do two things. Banks keep your money so that it is there when you come back for it; banks also make payments. Making payments in today’s world frequently involves moving money across borders and foreign exchange transactions. IT allows us to do both of these things very efficiently and effectively; so IT basically enables our business.