

Joint Venture backed by BOC Hong Kong (Holdings), JD Digits and Jardines, granted a banking licence by Hong Kong Monetary Authority

27 March 2019

BOC Hong Kong (Holdings) Limited (“**BOCHK (Holdings)**”), Jingdong Digits Technology Holding Co., Ltd. (“**JD Digits**”) and the Jardine Matheson Group (“**Jardines**”), today announce that a new joint venture, Livi VB Limited (“**Livi**”), backed by the three companies, has been granted a banking licence by the Hong Kong Monetary Authority to conduct virtual banking business in Hong Kong. BOCHK (Holdings), JD Digits (through its subsidiary JD New Orbit Technology (Hong Kong) Limited) and Jardines (through its subsidiary JSH Virtual Ventures Holdings Limited) have a total joint initial investment of HK\$2.5 billion and shareholding of 44%, 36% and 20% respectively.

With the goal to foster fintech innovation, promote financial inclusion and enhance customer experiences, Livi brings a unique, brand-new and different banking experience to Hong Kong. Using state-of-the-art technologies such as AI, blockchain, big data and smart risk modelling, Livi creates a simple, seamless and secure digital ecosystem. Livi will take an innovative approach to providing customers with flexible solutions anytime and anywhere to complement the everyday lives of consumers (including clothing, food, accommodation, transport, shopping and leisure) and the business operations of SMEs.

Livi combines the strengths of its three shareholders. BOCHK (Holdings) provides customers with secure and convenient financial services via its profound experience in financial business and banking operations. JD Digits has strong capabilities in digital technology, online operation and technology innovation. Jardines has an extensive consumer footprint through its local and regional business network. Leveraging the synergy created by the respective capabilities of the three shareholders, Livi is set to be successful going forward and is expected to launch in approximately six months.

Mr Gao Yingxin, Vice Chairman and Chief Executive of BOCHK (Holdings), said, “BOCHK is fully committed to driving fintech development and actively cooperating with the Hong Kong Monetary Authority to bring Hong Kong into a new era of smart banking. Launching a virtual bank enables us to drive the diversified development of the banking industry and promote financial inclusion using innovative technology. BOCHK has always been attentive to diverse customers’ needs. Livi represents a differentiated development strategy for us to effectively fulfil different banking needs in the market. We are very pleased to join hands with JD Digits and Jardines, two leading companies in the mainland and Hong Kong, to create a brand-new, cross-sector business model of ‘banking + internet + retail’. Together we can better complement our customers’ everyday lives and meet their needs through financial technology. With the strengths of BOCHK (Holdings), JD Digits and Jardines in financial services, risk management, information technology, sales and customer management, we believe that Livi will create a unique business model. This will bring to Hong Kong an all-new banking experience and foster the development of smart banking in the city.”

About the shareholders

BOC Hong Kong (Holdings)'s principal operating subsidiary, Bank of China (Hong Kong) Limited ("BOCHK"), is one of the three note-issuing banks and a leading commercial banking group in Hong Kong with strong market positions in all major businesses. With the goal to develop into a top-class, full-service and internationalised regional bank, BOCHK has been driving fintech development and pioneered many pilot initiatives in Hong Kong such as mobile payment, blockchain and biometric authentication. While driving business growth with innovative products and services, BOCHK remains committed to fulfilling corporate social responsibility and implementing financial inclusion. With its comparative advantages in fintech, BOCHK is confident that Livi will bring new banking services to its customers and assist Hong Kong in embracing a new era of smart banking.

JD Digits is a leading digital technology company formerly known as JD Finance until it was comprehensively upgraded and rebranded in November 2018. Its operational purpose is to connect the finance industry and real economy by using digital technology, boosting the influence of the internet, enhancing digital and smart industry development, fostering the development of the real economy and creating greater social value. With its cutting-edge technologies and expertise in big data, AI, IoT and blockchain, JD Digits has been involved in many fields, including finance, urban computing, agriculture, campus services and digital marketing. In the future, JD Digits will enter more real economy sectors and will more deeply explore current business patterns and developing trends.

Jardines is one of Asia's largest conglomerates, founded in 1832. It has helped shape the business and consumer landscape in the region for more than 180 years. Its network of companies is unparalleled in diversity and scale, with a portfolio spanning property investment and development (Hongkong Land), food retailing (Wellcome), health and beauty (Mannings), convenience stores (7-Eleven), and many more. Jardines' extensive consumer footprint makes it a unique and complementary shareholder for the virtual bank.

Media Enquiries

Giles HARRISON +852 2533 9907
Valerie SUN +852 2533 9972

gharrison@webershandwick.com
vsun2@webershandwick.com

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