

Main Conference – Day 2
1 November 2022

Welcome to Hong Kong FinTech Week!



"Hong Kong will generate even more opportunities for FinTech companies."

Opening Keynote Address, by Algernon Yau,
Secretary for Commerce and Economic Development, Hong Kong SAR

Hong Kong's Secretary for Commerce and Economic Development got Day 2 of Hong Kong FinTech Week 2022 off to a flying start, when he told the audience there is no time like the present to discover how Hong Kong can add value to FinTech businesses.

"Hong Kong is already one of the world's most competitive economies and an important gateway connecting the Mainland to global markets. We have attracted many hard-working companies, including over 800 FinTech firms, that are active in everything from virtual banking and insurance to WealthTech, CreditTech, cyber security and enterprise solutions," said Mr. Yu.

"With the new initiatives announced in yesterday's policy statement, we are confident that Hong Kong will generate even more opportunities for FinTech companies. It's the perfect time to explore how Hong Kong can add value to your business," he concluded.

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Highlights of The Day



AIIB's Liqun: "I see the dream of a financially inclusive Asia. But there is no magic bullet."

Keynote Remarks by Jin Liqun, President and Chair,
Asian Infrastructure Investment Bank

The AIIB's President Jin said that Hong Kong has a major role to play in improving access to financial services and helping millions of people across Asia to climb out of poverty.

"Hong Kong's deep pool of talent and capital are critical in promoting regional economic development and financial stability. And its membership in the Asian Infrastructure Investment Bank is a big plus in the institution's goal of lifting people out of poverty and into prosperity.", said Mr. Liqun.

He also called Hong Kong FinTech Week a critically important conference.

“Within this room I see the dream of a financially inclusive Asia. One with better access to financial services that make it possible for people to invest in their education, take out insurance to run their business, and weather the shocks of our changing climate,” he said.

However, he noted that Asia’s incredible diversity means there is no magic bullet for achieving financial inclusion across the region. It is essential that public and private capital work together to leverage their respective strengths.

The bank is focused on scaling up its impact. In practice, that means investing in opportunities that leverage greater amounts of private capital for infrastructure developments. By 2030, up to 50% of its financing will be directed towards the private sector.

“Asia’s FinTech sector has already shown the tangible benefits and awesome potential of a financially inclusive age. It is now our shared responsibility to ensure we realise the true potential of FinTech to foster a more prosperous and equitable Asia for all,” he said.

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“Hong Kong shall continue to be an ideal launchpad for start-ups to become FinTech leaders regionally and globally.”

Afternoon Opening Keynote Remarks by Professor Sun Dong, Secretary for Innovation, Technology and Industry, Hong Kong SAR

In his speech, Professor Sun remarked on the significant progress that has been made by Hong Kong’s two flagship innovation and technology organisations, Cyberport and the Hong Kong Science Park. Cyberport has over 400 FinTech companies and has produced 3 FinTech unicorns, while the Science Park has partnered with the HKMA to develop a Virtual Lab for financial institutions and FinTech ventures to accelerate their R&D activities.

“All these new initiatives will inject strong impetus to our I&T development, including the vibrant growth of the FinTech cluster. Hong Kong is poised to scale new heights in FinTech

innovation.," he said, "Combining a range of forward-looking initiatives and the support from different stakeholders, Hong Kong shall continue to be an ideal launchpad for start-ups to become FinTech leaders regionally and globally."

Click here to watch the playback.



Richard Li: "Be broad-minded with talent, spend more time with them, and keep an open mind!"

Richard Li, Chairman & Chief Executive, Pacific Century Group
– Fireside chat hosted by Yamilette Cano, Founder, Louder Global

When asked about his management tactics, Mr. Li said that one of his strategies for better serving consumers in different countries was to trust country managers for day-to-day operations, who have a more precise understanding of what local customers need.

He suggested that when a company is looking to nurture long-term partnerships, it is crucial for them to leverage across different industries and organisations, conduct thorough research, and ensure the partnership has multiple layers. It is also necessary for partners to demonstrate what they have to offer and to be truthful with each other.

In addition, he reminded firms that certain products or services could well be superseded by competitors. It is acceptable to "cut-the-rope" or switch to plan B, or even plan C if a given business venture is not doing well.

Industry Insights



Insurance Authority: “We are the Empire in a sense as we’re the authority, but we too have a rebellious heart”

Clement Cheung, Chief Executive, Insurance Authority

In his Star Wars themed presentation, Insurance Authority’s Cheung characterised the recent pandemic as a wakeup call which alerted the insurance industry to the structural imbalance created by heavy dependence on mainland customers. At one point, they accounted for about 59% of all new business, but that all changed when the borders closed.

“What did the industry do to survive? It adjusted, created new products, adopted the internet furiously and upskilled. Amazingly it engineered a rebound of 27% against the low point and made up a lot of ground lost in 2020,” he said.

Certainly, there was pain. But according to Cheung it was also a good exercise redressing the structural demands and dependency. He has built some of the lessons learned into the Insurance Authority’s regulatory philosophy.

In keeping with the Star Wars theme, Mr Cheung recognised that to some, the regulator is a hindrance, but emphasised that they too welcome innovation and progressiveness. “We are the Empire in a sense as we’re the authority, but we too have a rebellious heart”.

Going forward, the IA is looking for three things. First, to use data integrity to build a more vibrant ecosystem. It also wants to improve the data gaps around green finance, which Cheung believes has a lot of potential. Finally, the Authority is looking at the “dark side” of innovation with a focus on cybersecurity.

“As we move into more areas of touchpoints with customers in different ways. We need to bolster our defences at the same time,” he concluded.

Click here to watch the playback.



HKEX's Aguzin: "The GBA has the right conditions to be a sandbox for the Big Bang of finance"

Nicolas Aguzin, CEO, Hong Kong Exchanges and Clearing

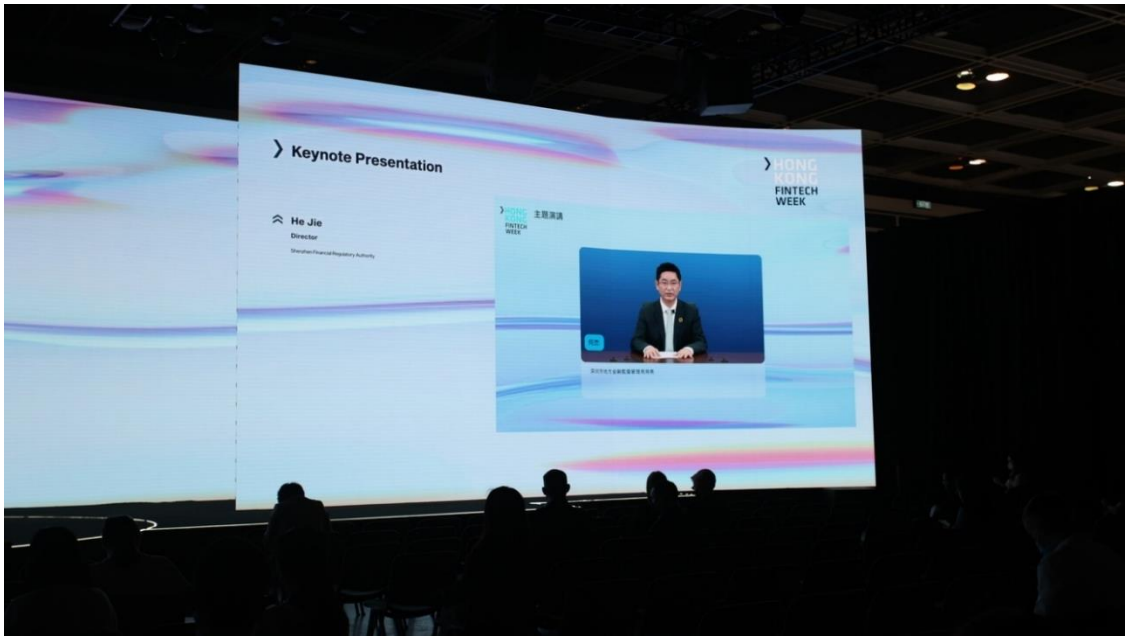
Characterising the Greater Bay Area as one of the most exciting economic development zones in the world, Mr. Aguzin, did not hold back.

"The GBA has absolutely all the right conditions to be a sandbox for what I call the Big Bang of finance," he said.

His talk focussed on focussed on two key things. First, the exponential growth trajectory of two-way capital flows between China and the world. And second, innovation across the board.

He said that FinTech has become part of the fabric at almost every level of the Mainland's economy, and China's innovation engine is continuing to run at full speed. This trend is being fuelled by strong policy support and a seemingly endless supply of talented people in science, technology and the business. People with ideas that will change economies, industries and lives.

"Many of those people are finding their way to the GBA. They are drawn by the innovation happening in Shenzhen, and the world class universities and international financial hub of Hong Kong, along with the vibrant startup ecosystem of both cities. It's like having Silicon Valley and Wall Street all in one place. This is very unique."



Shenzhen Financial Regulatory Authority: “Talent cultivation will become a key point in the Greater Bay Area”

He Jie, Director of Shenzhen Financial Regulatory Authority

He Jie, the Director of Shenzhen Financial Regulatory Authority, spoke proudly about the innovation taking place in Shenzhen today.

“Shenzhen’s innovation in FinTech ranked fourth around the world for being a forerunner in fintech development. We give a reward of 20 million RMB to any FinTech companies that set up shop in Shenzhen, and we host a number of innovation competitions—including those for new graduates.”

He went on to discuss the future of the GBA and the importance of talent.

“I think that talent cultivation will become a key point in the Greater Bay Area as talent cultivation becomes a key point in FinTech development. Already we have licensed more than 1,000 students for our level 1 program and some for level 2. We are working hard on this, but more can be done.”

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How Traditional Financial Institutions in the Securities Industry Reshape Businesses by Embracing Technological Mega-Trends

Biao Xue, Managing Director,
China International Capital Corporation (International);
Yali Zhu, Managing Director of Huatai Financial Holdings (HK), Head of FinTech & Retail Business, Huatai Financial Holdings (Hong Kong)
– Panel moderated by Wei Wang, Chief Representative, Hong Kong Representative Office of the Shanghai Stock Exchange

Technology is helping financial companies in the securities industry enhance the user experience to a greater degree than ever before.

“Our initiatives are aimed to further uplift the user experience,” said Mr. Xue. “Whenever we are thinking of using technology to solve problems, we encourage the team to ask themselves the question, ‘how can we uplift the user experience?”

This view was shared by Hutai’s Zhu. “Our investor clients come to us with five questions,” she said. “Why should I invest? When should I invest? What should I invest? How should I invest? And how should I divest?’ To help them answer these questions, we’ve provided a digital service called ‘Cash Pro,’ an app which helps our clients navigate the market and make informed decisions more easily on their own. We are still here to help, but by using new technology we can enhance their user experience by pinpointing the source of their problems and providing more tangible answers.”



Ping An's Tan: "The GBA possesses enormous potential and a wealth of prospects"

Jessica Tan, Co-CEO & Executive Director, Ping An Group
– Panel moderated by Nicolas Aguzin, Chief Executive Officer, HKEX

Ms. Tan stated, during a discussion moderated by Mr. Aguzin, that as a leading innovation powerhouse, GBA possesses enormous potential and a wealth of prospects due to its energetic and innovative young talent.

The two things that blew Ms. Tan's mind the most about the GBA were the growth of the GDP from RMB10 trillion to RMB12.6 trillion in just five years, and the rapid development of both hard and soft infrastructures. She also stated that GBA's benefits for tech companies, particularly in the financial, healthcare, and technology sectors, include a robust market and a large number of talented individuals.



Driving a Customer Centric Digital Journey

Kevin Zhang, Executive Director of AMTD InsurTech Group, AMTD Group;
Shinichi Takatori, Founder & CEO, Kyash;
Rachel Tang, Business Director, Greater China, Meta;
Roel Louwhoff, Chief Transformation, Technology & Operations Officer, Standard Chartered
– Panel moderated by Allen Wong, Hong Kong Consulting & Deloitte Digital Practice Leader, Deloitte China

The panel covered a lot of ground, with each speaker having very clear opinions. But one consensus on customer-centrism made an appearance. It was first brought up by AMTD InsurTech Group's Zhang.

"Success is not really about the company. It's not about you as a supplier, or your success. Your customer has to be the one who is successful when they receive your solution or product. You bring that down to what you are doing for *your* customer. You need to stay focused on the reason for your existence as a supply provider. This is true for every mode of business. Your customer's demand determines what you give them, so the customer's success is your success," he said.



Ant Group announces strategic partnership for its global FinTech training platform to bolster high quality talent

Jason Pau, Senior Director, Ant Group;
Eric Chan, Chief Public Mission Officer, Hong Kong Cyberport;
Kai Li, Associate Dean / Secretary-General Shenzhen Institute for Financial Stability and Development / Shenzhen-Hongkong-Macau, FinTech Professional Programme;
- Panel moderated by Edward Au, Southern Region Managing Partner, Deloitte China

Mr. Pau stated during the panel hosted by Mr. Au, that "Talent is the core drive!" He argued that the lack of knowledge is one of the barriers that FinTech companies face when attempting to acquire local talent. He believed that the education system in Hong Kong was not built to train FinTech talent, which ultimately results in FinTech companies being unable to recruit individuals with particular skill sets.

In addition, Mr. Pau, as the programme lead, announced a strategic partnership with InvestHK on a global FinTech training platform, 10x1000 Tech for Inclusion ("10x1000"). It is expected to enhance talent development, improve the quality of MSMEs, increase female participation, and promote the digital economy in Hong Kong.

Meanwhile Mr. Li said that academia also plays a crucial role in nurturing FinTech talent, and he appreciated the efforts universities have made in recent years to adapt their curriculum to the digital economy.

Mr. Chan stated that he saw the need to build a set of standards for the FinTech business so that individuals would be aware of the skill sets that are essential for FinTech professionals. He also emphasised that emerging talent require relevant training and work experience, and that the government is subsidising 1,000 new jobs to provide them with such.



Data and Talent Among Hong Kong's Most Significant Contributions to Financial Innovation

Jacky Chan, Regional Chief Executive & Group Chief Distribution Officer, AIA Group;
Sebastian Paredes, Chief Executive Officer, DBS Bank (HK);
Harshika Patel, CEO, Hong Kong, J.P. Morgan;
Kenny Lam, CEO, Two Sigma Asia-Pacific
– Panel moderated by Steve Engle, Chief North Asia TV Correspondent at Bloomberg

During the session led by Bloomberg TV's Steve Engle, all four panellists agreed that there were endless opportunities for financial innovation in Hong Kong, with the most significant coming from the data available and talent in the city.

Mr. Chan from AIA Group stated that technology has transformed insurance companies by enabling them to deliver digital service procedures that are timely and straightforward. The data acquired by AIA enabled data analytics to offer up new opportunities and channels for the business.

Meanwhile DBS' Paresdes suggested that companies should be looking at ways to use data to boost productivity. He also said that by building in-house capabilities, businesses in Hong Kong will be able to attract new talent to the city. His recommendation to newcomers is to seek out ambitious entrepreneurial companies.

Instead of finding their own solutions, Ms. Patel said that businesses should partner with individuals or organisations who are already resolving particular issues. And she concurred that talent was abundant in Hong Kong, which is why J.P. Morgan established one of its Global Tech Hubs in the city.

Mr. Lam stated that obtaining a variety of data in Asia, particularly Hong Kong, was relatively simple. His company has accessed data compiled by local researchers regarding the effects of

government policies on different sectors over the past 10 to 20 years. It was excellent to see Hong Kong's and Singapore's financial progress and innovation complement each other, but it would also be nice to see some healthy competition.



HSBC's O'Bryne: "Sustainability has gone from being on every company's agenda, to being at the top of every company's agenda"

Barry O'Byrne, Chief Executive, Global Commercial Banking, HSBC
– Panel moderated by Ella Arwyn Jones, Managing Editor, FinanceAsia

Barry O'Byrne, Chief Executive of HSBC's Global Commercial Banking division, spoke today about the future of banking. He first praised digitisation for giving internationalisation opportunities to every company.

"The vast majority of businesses want to operate internationally," he said. "Even the smallest companies have international ambitions. Digital enables that journey. It makes it possible for any company regardless of how large or small it is to reach customers on the other side of the globe, so you no longer have to be a mega-corporation to expand beyond your starting borders."

He was also optimistic about the future of sustainable banking. "One thing that is very encouraging is that over the last several years, sustainability has gone from being *on* every company's agenda to being at the *top* of every company's agenda. We want to work with our customers and support each of them on a transition to more sustainable banking initiatives."

Overall, the future of business banking looks promising.



RD Group: “Whether you like it or not, the entire world is moving into the digital age”

Norman Chan, Chairman, RD Technologies – Fireside chat moderated by Anthony Sar, Founder and Chief Executive Officer of FINNOVASIA

Moderating this Fireside Chat, FINNOVASIA’s Anthony Sar took the opportunity to quiz the former Hong Kong Monetary Authority Chief, Norman Chan, on the progress of his 2020 startup, RD Technologies.

“We just announced a pilot scheme with the Bank of East Asia – the first of five partner banks – to roll out an eKYC solution. That means that a customer SME will have no trouble opening a bank account. The other solution we have is the B2B Digital Wallet for SMEs. That is in its final, final, final phase, and I hope to have some positive news very soon,” he said.

Mr. Chan admitted to being just as excited about the recent financial services policy announcement by the Government.

“I couldn’t sleep last night. Whether you like it or not, the entire world is moving into the digital age. That doesn’t mean just turning paper into digital form. The way we do business, the way we communicate, and the way we organise ourselves will be different. And new technology will be better.”



Micro Connect: A New Financial Market for Micro and Small Businesses

Charles Li, Founder & Chairman of Micro Connect
– Fireside chat moderated by Ella Arwyn Jones, Managing Editor, Finance Asia

As part of the Fireside Chat series exploring FinTech Innovations, Ella Arwyn Jones of FinanceAsia asked Charles Li, the Founder of Micro Connect just how he plans to transform the Chinese financial ecosystem and promote the idea of common prosperity?

“Our vision is very simple. We want to help the little guys in the consumer economy. They are very successful when they work, but sometimes they're a very risky investment individually. So, it is very hard for traditional credit to work for them,” he explained.

Micro Connect takes advantage of China's massive digitalisation to and make investments that are equity-like, but not actually equity.

“The key is to do it in a new and digitally revolutionary way. We call it DRC – daily revenue contracts. So basically, we're not charging a fixed rate, we're charging a daily revenue split. You'll set up a percentage of everyday revenue, and you'll automatically take your returns every day,” he said.

“That allows you to charge a reasonable range from the little guy. But since you're recovering money every day, you're able to reinvest that money and gain additional return,” he concluded.

Announcement



Winner of InvestHK's Global Fast Track Pitch Competition Announced

Colin Pou, Executive Director (Financial Infrastructure), Hong Kong Monetary Authority;
Charles Ng, Associate Director-General of Investment Promotion, Invest Hong Kong

In his welcoming speech, Mr. Ng noted that the Global Fast Track platform provided opportunities for local and global FinTech companies to be viable, visible, and scalable in Hong Kong, Asia, and beyond.

Over 400 applications were submitted for the Global Fast Track Pitching Competition, which was organised by InvestHK and FintechHK. On Day 1 of HK FinTech Week, the top 10 finalists presented to the judges. Commercial Banking, Digital Assets, ESG, InsurTech, InvestTech, and WealthTech, Payments, RegTech and Retail Banking were among the nine key verticals included in during the Final Pitching Competition.

The final winner was the privacy computing start-up, **BaseBit.ai.**

Mr. Pou presented awardees for the CBDC Track driven by the HKMA. Awardees included:

- Best Technology Award - **ARTA TechFin** and **Giesecke + Devrient a52 GmbH (G+D Filia)**
- Best Use-case Award - **Hang Seng Bank** and **Bank of China**
- Best Ecosystem Award - **HSBC** and **VISA**

About InvestHK

InvestHK is the department of the Hong Kong Special Administrative Region Government responsible for attracting foreign direct investment. It has set up a dedicated fintech team in Hong Kong to attract the world's top innovative fintech enterprises, start-up entrepreneurs, investors, and other stakeholders to set up and scale their business via Hong Kong into Mainland China, Asia, and beyond. For more information, please visit www.hongkong-fintech.hk.

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