

Asian Financial Forum 2018

Emerging FinTech Innovations for Asia

Synopsis

Fintech is an emerging technology and fast-growing industry in the financial services sector, making a substantial impact on financial services around the world. The breadth and depth of solutions across fintech is impressive and clearly signifies that the Asian digital revolution has influenced the financial services sector. In the meantime, venture capitalists and investment firms have made an unprecedented investment in fintech companies across the globe. The digital tech ecosystem in Asia is primed for investment, which is of paramount importance for business growth.

Cyberport has organised this workshop for eminent corporate leaders, industry experts and architects of global thought, to exchange insights on the future trends and latest developments in fintech, and opportunities for strategic investment in innovation and technology that will drive the transformation of the financial industry.

In this session, one of the world's best-known, legendary investors in the new economy will explain what strategic investors look for when putting money into some of the most sought-after tech companies, and how they have redefined the new era of innovation and empowered the next generation of financial transformation, enabled by digital tech advancements. A panel of distinguished speakers from the Hong Kong Cyberport companies will share in-depth knowledge on fintech, spanning technologies at payment, InsurTech, AI, Chatbot, Blockchain and Bond Investment, and examine the opportunities in competition and collaboration with emerging fintech innovations in Asia.

Welcome Remarks and Moderator of Fireside Chat

- **Dr Lee George Lam**
Chairman, Hong Kong Cyberport Management Company Limited

Speaker of Fireside Chat

- **Mr Robert F Smith**
Founder, Chairman & Chief Executive Officer, Vista Equity Partners

Moderator of Panel Discussion

- **Dr Toa Charm**
Chief Public Mission Officer, Hong Kong Cyberport Management Company Limited

Speakers of Panel Discussion

- **Mr Donald Chan**
Head of Asia, BondIT
- **Ms Bianca Ho**
Co-founder and COO, Clare.AI
- **Mr Alex Kong**
Founder and Chairman, TNG FinTech Group
- **Mr Fred Ngan**
Co-founder, Seasonalife & Coherent Capital Advisor

Against a backdrop of technology-driven disruption and innovation in the financial services industry, and with over 250 fintech companies in the Hong Kong Cyberport ecosystem, Dr Lee George Lam, Chairman, Hong Kong Cyberport Management Company Limited, believes Hong Kong is ideally positioned to be a regional and global driver in the fintech industry. "Last year was a fruitful year for Cyberport and Hong Kong for building alliances, with overseas financial centres, financial institutions and our fintech companies being recognised globally," Dr Lam said during an onstage conversation with legendary Tech investor Robert F Smith.

The founder, Chairman and Chief Executive Officer, Vista Equity Partners, which operates its Future of Banking Center of Excellence at Cyberport, Smith, whose background is in engineering, revealed he has always been inspired by process systems and controls driven by enterprise software. "When we launched our private equity fund 18 years ago to invest in enterprise software firms, people said we were crazy because the market was too small. Today, around the world in every industry sector, every company is using enterprise software." "Over the last few years nothing has come close to delivering productivity," said Smith, who was the first person at Goldman Sachs to focus solely on technology mergers and acquisitions (M&A), advising on more than US\$50 billion M&A activities with Apple, eBay, Microsoft and Yahoo.

With fintech at the centre of the Fourth Industrial Revolution, Smith said Hong Kong is in a key position to contribute regionally and internationally to the massive expansion of fintech tools and solutions. "Hong Kong can be a leader in developing the 'digital Silk Road'," said Smith referring to the banking, trade and commerce opportunities being created by the China-led Belt and Road Initiative. Smith explained that Hong Kong's benefits, the advantages of offering bilingual legal and financial systems, and its heritage of global trade and finance balanced with developing a digital conduit between China and the rest of the world, creates outstanding opportunities. "Hong Kong could make this a unique advantage in the global economy for the next 30 or 40 years."

During a panel discussion with Dr Toa Charm, Chief Public Mission Officer, Hong Kong Cyberport Management Company Limited, founders and CEOs of fintech enterprises headquartered at the Cyberport explained some of the opportunities they see, the challenges they face and how to overcome them.

Although he believes there are synergies between traditional financial institutions and fintech companies, Alex Kong, Founder and Chairman, TNG FinTech Group, said there are still challenges. "Initially, in our case, I believe banks were afraid of the unknown," said Kong, whose company provides globally enabled financial capabilities to customers without bank accounts. "We work with financial incumbents, but, as a fast-moving start-up, we are often more agile and move more quickly." Kong described the relationship between traditional financial institutions and fintech companies as often being like two dancers performing in harmony until one dancer moves faster, disrupting the synchronisation. Explaining that 'TNG' stands for 'The Next Generation', Kong said the firm's transaction volume exceeded US\$100 million and has grown more than 500 times over the last 12 months, with an average of 50 per cent monthly growth. It continues to look for ways to provide services to Asia's more than one billion individuals without bank accounts.

Bianca Ho, Co-founder and COO, Clare.AI which provides chatbot services to financial institutions so as to give customers a more personalised experience in Cantonese and Asian languages, said, the company's relationship with traditional financial institutions is built mainly on trust. "When they see what we can bring to the table by helping them engage with their customers at a deeper level, they appreciate the value we can offer," said Ho, who added Clare. AI provides a service no other large technology platform currently offers.

Explaining why BondIT, focuses on bonds instead of equities or foreign exchange, Donald Chan, Head of Asia, BondIT, said the main reason is that providing digital bond investment solutions is more challenging than digital equities solutions. "It took more than two years of intensive research and development to build the platform." Initially financial institutions and asset managers were sceptical of BondIT's ability to deliver on its promises. However, this changed when they were able to see the technology in action. "The conversations we now have with banks and asset managers have moved beyond the point of mild interest to asking how much it costs to use our services and how quickly the technologies can be implemented."

Offering a digital platform that allows independent financial advisors to compare insurance products, Fred Ngan Co-founder, Seasonalife and Coherent Capital Advisor, believes the way that insurance products are marketed, distributed and presented can reduce pain-points. "Because of the nature of insurance products, consumers' needs and regulation, the insurance market is very complex," he explained. "We believe collaboration and the use of new data and technologies, coupled with the traditional human element, is a positive way of moving the industry forward."

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