

“Fintech Adoption and Innovation in the Hong Kong Banking Industry” report published

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Institute for Monetary and Financial Research (HKIMR), the research arm and subsidiary of the Hong Kong Academy of Finance (AoF), today (May 20) released a report, entitled "Fintech Adoption and Innovation in the Hong Kong Banking Industry" as the first in a series of Applied Research reports on topics that are highly relevant to the financial industry and regulators in Hong Kong, and they provide insights on the long-term development strategy and direction of Hong Kong's financial industry.

The report is based on an industry-wide survey carried out by the Hong Kong Monetary Authority (HKMA) Market Research Division, which aims to assess the current status of Fintech adoption in the Hong Kong banking industry and understand banks' views on the prospect of Fintech development in the next ten years.

"It is encouraging to note from the survey results that banks see Fintech development more as an opportunity than a threat to their business operations, now and in the next five years, with risk management services having the greatest potential. Meanwhile, 86 per cent of banks have adopted or plan to adopt Fintech solutions across all types of financial services. Preliminary results also show that increased cost efficiency and improved profitability are associated with more extensive Fintech adoption by banks. Looking to the next ten years, banks are confident that they will continue to play a key role through adaptation and innovation. Banks would not be displaced by new competitors as technological changes would help enhance business models and maintain core banking services," said Senior Executive Director of the HKMA, Mr Edmond Lau.

The report is available on the [AoF/HKIMR website](#).

About The Hong Kong Institute for Monetary and Financial Research

The HKIMR is the research arm and subsidiary of the AoF that has been established in June 2019 by the HKMA in full collaboration with the Securities and Futures Commission, the Insurance Authority, and the Mandatory Provident Fund Schemes Authority. The HKIMR's Applied Research activity is carried out under the guidance of the Council of Advisers for Applied Research that comprises representatives from the HKMA, other local financial regulatory bodies, the financial industry and established local and overseas academics with relevant expertise.

