

Speech by S for IT at Hong Kong Fintech Week 2019 (English only) (with photo)

Following is the speech by the Secretary for Innovation and Technology, Mr Nicholas W Yang, at the Hong Kong Fintech Week 2019 this morning (November 7):

Distinguished guests, friends, ladies and gentlemen,

Good morning. Welcome to the opening of the Second Day Programme of Hong Kong Fintech Week 2019! Welcome to all the participants and delegations from Hong Kong and from around the world. Welcome everyone to this annual signature event here in Hong Kong!

Yesterday we learned about the latest and most advanced developments in fintech from experts and practitioners who are bankers, investment specialists, regulators and entrepreneurs. Moreover, the FintechHK Global Competition was a stunning showcase of innovations and excellence achieved in the fintech field. Congratulations to all the winners!

Under the joint effort of the Government, regulators and industry players, we have seen a vibrant fintech ecosystem taking shape here in Hong Kong in recent years. According to InvestHK's recent Hong Kong Fintech Study, the number of fintech companies in Hong Kong today has exceeded 600, with 76 per cent of them focusing on the B2B market. These companies embrace many different technologies, including big data, AI, blockchain, InsurTech (insurance technology), RegTech (regulation technology), CreditTech (credit technology), and WealthTech (wealth management technology). Renowned innovation laboratories and accelerator programmes, such as Accenture's FinTech Innovation Lab and Deloitte Asia Pacific Blockchain Lab, have also established their presence here in Hong Kong.

Fintech is more than just the application of state-of-the-art technology to develop new financial services and products, and optimise operation efficiency. Fintech development will bring enhancement, transformation and disruption to the financial services industry.

The Hong Kong SAR Government places the development of innovation and technology (I&T) very high on its agenda. Over the past two-plus years, we have allocated more than HK\$100 billion to support the local I&T development, focusing on four thematic technology areas which include fintech. Cyberport, one of our flagship technology parks, has been tasked as a major driver in fintech, particularly in nurturing innovative fintech start-ups. In just three years, Cyberport has grown a fintech cluster with some 360 fintech startups and companies, making it the largest fintech community in Hong Kong and also one of the largest in Asia.

In the past year, Cyberport also expanded into new specialised areas such as InsurTech and RegTech, which opened up new opportunities for the fintech industry. I am pleased to note that some Cyberport's incubatees have made promising accomplishments already. For instance, Cyberport incubatee Bowtie was authorised by the Insurance Authority to operate as a pure online insurance provider, the first of its kind in Hong Kong. Another incubatee, OneDegree, has also announced its collaboration with Cigna Hong Kong to simplify the insurance purchase and claims process, using its proprietary technology platform.

Cyberport has used various initiatives to support its fintech companies, nurture talent and provide matching services for financial institutions and start-ups. Cyberport is very proactive in attracting well-established, high-impact financial and tech firms to work alongside with start-ups. Last year, Finastra established the new Future of Banking Center of Excellence at Cyberport to offer fintech support to Asia's banking sector. This expansion is aimed to capture opportunities in the fast-growing areas such as InsurTech, LawTech and RegTech.

Cyberport has allocated a special co-working space for the fintech cluster companies, and a special quota for fintech start-ups and entrepreneurs for the Cyberport's Incubation Programme. The Cyberport Macro Fund and Cyberport Investor Network also help fintech companies, including start-ups, to access investment funding at different stages of their development.

Among the eight virtual banking operators which were granted operating licences by the Hong Kong Monetary Authority, two are members of the Cyberport community. Virtual banking will transform the banking industry, and with more than 300 banks and insurance players, Hong Kong is destined to play a significant role in this transformation.

In addition to infrastructure and funding, Cyberport spares no effort in talent development. It has partnered with the University of Hong Kong and industry players in launching Asia's first Fintech Massive Open Online Course in 2018, or MOOC in Fintech. Cyberport also promotes interest and knowledge on innovation and technology among young people at an early stage. In partnership with major universities, the Cyberport University Partnership Program has been in operation for four years, to provide interested university students with fintech-focused entrepreneurship training opportunities. Participating students would attend a weeklong boot camp at a renowned university in the United States, and have the chance to visit top tech firms and start-up accelerators. Before and after the camp, they would also spend time with industry experts to learn about the fintech landscape to help them develop market-ready solutions. The outstanding teams would win seed funding to kick-start their entrepreneurial dreams, plus interview opportunities to join the Cyberport Incubation Programme.

In addition, Cyberport collaborates with the industry to create new opportunities for fintech companies. The Accenture's FinTech Innovation Lab

was started six years ago. This 12-week accelerator programme matches selected fintech start-ups with senior executives from top financial institutions, tech entrepreneurs and industry experts, who advise the start-ups on growth, development and survival strategies. Its sixth cohort just graduated this past Tuesday with eight fintech start-ups; four of them are from the Cyberport's Fintech community.

Ladies and gentlemen, thank you for joining Hong Kong Fintech Week 2019. I am sure you will learn and hear a lot more from the fintech innovators who are here, some of them already quite successful indeed. I wish you all a stimulating exchange and most rewarding experience at the Hong Kong Fintech Week 2019. Thank you very much.

