



# News Release

31 October 2016

## **HSBC-ASTRI RESEARCH AND DEVELOPMENT INNOVATION LABORATORY FURTHER MOBILISES FINTECH IN HONG KONG AND ASIA**

*\*\*\* part of HSBC's strategic initiative to drive technology innovation globally \*\*\**

*\*\*\* keen to develop financial technologies in Asia and nurture future talents \*\*\**

The Hongkong and Shanghai Banking Corporation Limited (HSBC), together with the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI), are launching the HSBC-ASTRI Research and Development Innovation Laboratory (RDI Lab) with a goal to encourage research and technology implementation within the financial industry as advocated by the Government of the Hong Kong Special Administrative Region (HKSAR).

**Mr. John Tsang Chun-wah, GBM, JP, Financial Secretary of the HKSAR Government**, said: "The collaboration between HSBC and ASTRI is both timely and opportune. I have no doubt that it will expand Hong Kong's Fintech world, creating innovative opportunities that will reward us all."

The HSBC-ASTRI RDI Lab will be located at ASTRI's facility at Hong Kong Science Park, supported by its research & development (R&D) team and hardware/software IT infrastructure. In Asia through HSBC's international network, and in Hong Kong with ASTRI's core R&D competences, the HSBC-ASTRI RDI Lab will mobilise financial technology (fintech) developments via exploratory activities along:

- Artificial intelligence on Chinese character recognition
- Behavioural biometrics authentication

- Big data analytics
- Blockchain
- Cyber security
- Facial recognition
- Internet finance

As part of the strategic initiative to drive technology innovation across our global business, HSBC has been focusing on the following innovation areas – security crime prevention and identity, data and artificial intelligence, and operational efficiency – with the aspiration to develop secure and comprehensible solutions for our valued customers and the banking system.

With ASTRI, HSBC can contribute further into the development of advanced authentication technologies, cyber security protection, next generation facial/voice recognition, behavioural biometrics with the use of Artificial Intelligence (AI) technologies and big data analytics. The HSBC-ASTRI RDI Lab will also advance the collaborative work on the Chinese character recognition system, which is required for the back-end system and other labour intensive process.

**Mr. Peter Wong Tung-shun, JP, Deputy Chairman and Chief Executive, The Hongkong and Shanghai Banking Corporation Limited**, said: “For HSBC, technology is part of the bank’s DNA, comprising all areas of our global business. Today, the establishment of a Global Innovation Lab in Hong Kong is a testament to the importance of the territory to the bank. Combining HSBC’s international network with ASTRI’s core R&D capabilities. HSBC can utilise these in order to offer better, more secure leading edge products and services to our customers.”

The RDI Lab will seek to apply ASTRI’s latest technologies, systems and platforms to address domain specified requirements of HSBC’s various businesses – with the aim of enhancing productivity and service security. One area of application is artificial intelligence on Chinese character recognition. Based on deep learning, feature

engineering and data science capabilities of the R&D team, ASTRI has already developed a system based on 4 million handwritten Chinese character images, which can be utilised by HSBC to enhance the efficiency of tedious and manual form processing tasks by accumulating machine learning knowledge and improving accuracy continuously.

**Mr. Wong Ming-yam, BBS, JP, Chairman of ASTRI**, said: “The development and application of FinTech is crucial to maintaining Hong Kong’s status as a global financial centre, and that is why ASTRI has dedicated lots of talent and resources to the research and development of FinTech. ASTRI is very proud to be working with HSBC on the RDI Lab. I am confident that the collaboration will not only help strengthen Hong Kong’s financial infrastructure, but also enhance business efficiency and customer experience in the finance sector.”

Other than partnering with companies and academic institutions that are at the forefront of the next wave of technological innovation, HSBC has also been sponsoring the Innovation and Technology Scholarship Award Scheme in Hong Kong since 2011 together with the Innovation and Technology Commission (ITC) of the HKSAR Government. The scheme nurtures outstanding local undergraduates in the science, technology and medical disciplines through tailored trainings and industry exposure locally and internationally. The HSBC-ASTRI RDI Lab would serve as a battleground for talents alike to play a part in guided research projects and unleash their career opportunities in the field of technology and innovation.

**Mr. Darryl West, Global Chief Information Officer, HSBC Holdings plc** concluded by saying: "Banks must continue to embrace new technologies to be able to create the types of banking experiences our customers expect. That is why, HSBC is investing and creating partnerships to drive innovation. Today’s partnership is an important way to apply leading academic research into a business environment, and to uplift out technology capability in Hong Kong.”

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**Notes to Editors:**

**The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 46 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 4,400 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,608bn at 30 June 2016, HSBC is one of the world's largest banking and financial services organisations.

**Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI)**

Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) was founded by the Government of the Hong Kong Special Administrative Region in 2000 with the mission of enhancing Hong Kong's competitiveness in technology-based industries through applied research. ASTRI's core R&D competences in various areas are organised under seven Technology Divisions, namely Communications Technologies, Electronics Components, IC Design (Analog), IC Design (Digital), Opto-electronics, Security and Data Sciences, and Software and Systems. Five areas of applications including financial technologies, intelligent manufacturing, next generation network, health technology, and smart city are identified for major pursuit. For further information about ASTRI, please visit [www.astr.org](http://www.astr.org)

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