

ASIA PACIFIC FINTECH MONTH 2022 – DEPLOYMENT OF AI IN THE FINANCIAL SERVICES AND INVESTMENT INDUSTRY

Presenters:

Larry Cao, CFA, Senior Director, Industry Research, CFA Institute

Aaron Low, CFA, Chief Executive Officer, LUMIQ

Carlos Queiroz, Managing Director, Global Head of Data Science Engineering, Standard Chartered Bank

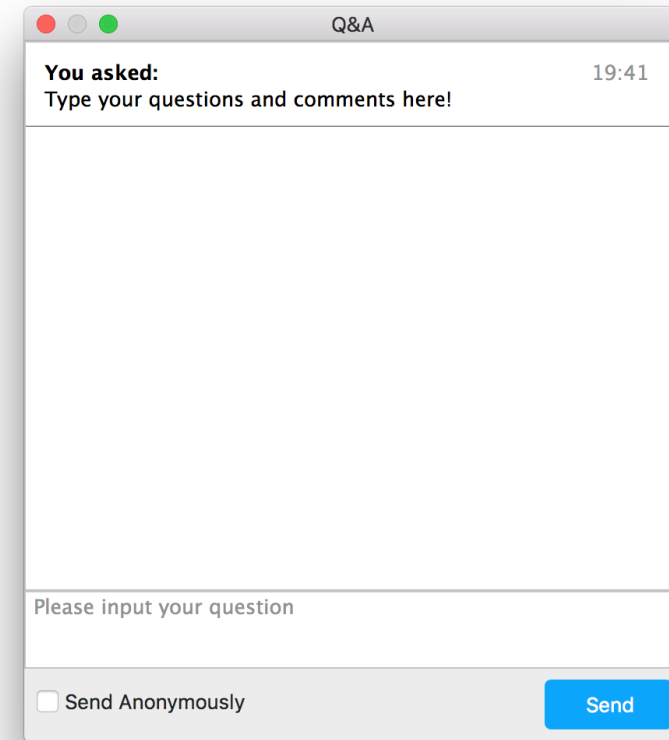
Laurel Teo, CFA, Board Member, CFA Society Singapore

Ming Zheng, Senior Financial Business Architect, Alibaba Cloud

Dr. Alan Lok, CFA, Director, Ethics Education, CFA Institute

HOUSEKEEPING

- Today's webinar is scheduled for 90 minutes including Q&A
- All participants are muted throughout the webinar
- We welcome comments via the Chat button and questions via the Q&A button on your screen.
- This webinar will be recorded and be made available to view soon after the presentation concludes today
- The main presentation will be uploaded onto [CFA Institute Asia-Pacific Research Exchange \(ARX, www.arx.cfa\)](http://www.arx.cfa)



A screenshot of a Q&A window interface. The window title is "Q&A". The top right corner shows the time "19:41". The main area contains the text "You asked:" followed by "Type your questions and comments here!". Below this is a large empty text input area. At the bottom, there is a smaller text input area with the placeholder "Please input your question". To the left of the bottom right is a checkbox labeled "Send Anonymously". To the right is a blue "Send" button.



PRESENTATION

Larry Cao, CFA

Senior Director,
Industry Research,
CFA Institute



FINTECH AND THE AGE OF AI

Larry Cao, CFA
Senior Director, Industry Research

11 August 2022 | Asia-Pacific FinTech Month



CFA Institute

THE JOURNEY

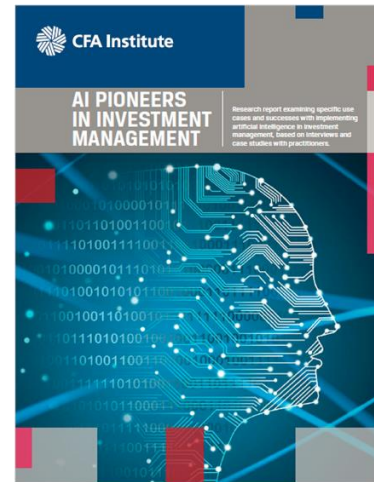
I. FinTech



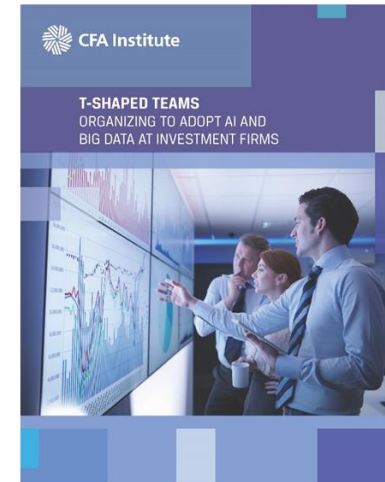
II. 1 AI + Big Data Info



II. 2 AI + Big Data Proof



II. 3 AI + Big Data Action



STAGES OF FINTECH DEVELOPMENT

EARLY STAGE: Complementary to existing financial services industry	<ul style="list-style-type: none">• Peer-to-peer lending• Mobile payment• Robo advice
ADVANCED STAGE: Transformational	<ul style="list-style-type: none">• Artificial intelligence• Big data• Blockchain/De-fi?

Source: CFA Institute, *FinTech 2018*, first published in *ASEAN FinTech Consensus*, EY, February 2018.

OUR VIEWS ON EARLY STAGE FINTECH



Fintech has been most successful in areas that are un-(under-) served by financial institutions.



Collaboration has become the emerging theme for financial and technology industry leaders.

FinTech = Fin + Tech



“We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run.”

Source: CFA Institute, first published in Hong Kong Economic Journal in May 2016

AI AND BIG DATA IN INVESTMENTS



AI and big data have the potential to bring about the most significant change to the investment management industry that current professionals will experience in their careers.



Successful investment firms of the future will start to strategically plan their integration of AI and big data techniques into their investment processes now.

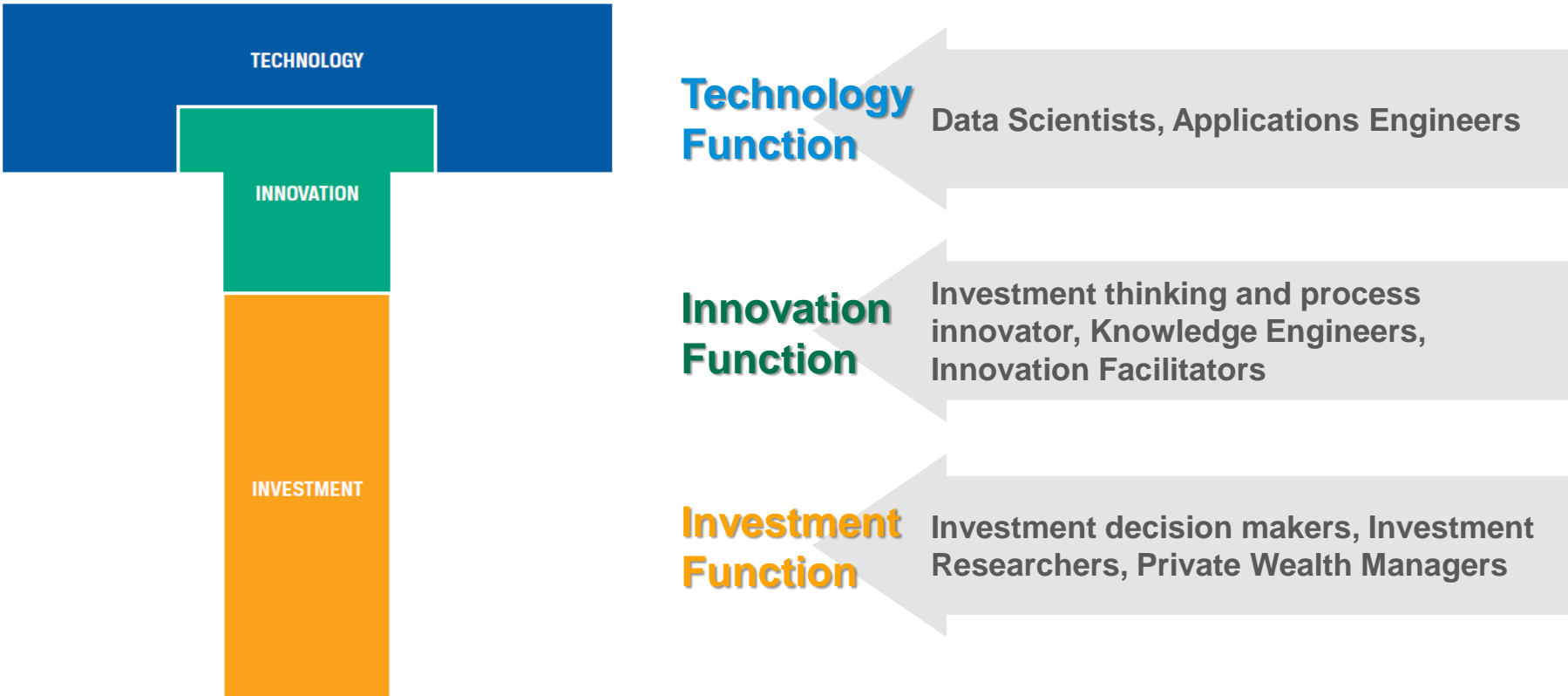
Model: AI + HI



Successful investment professionals will understand and exploit the opportunities brought about by these new technologies and applications, enabled by collaborative organizational cultures, cognitive diversity, and T-shaped teams.

Source: CFA Institute, *AI Pioneers in Investment Management*, 2019

T-SHAPED TEAMS



Source: CFA Institute, *T-Shaped Teams: Organizing to Adopt AI and Big Data at Investment Firms*, 2021

REGULATORY IMPLICATIONS

<p>EARLY STAGE: Complementary to existing financial services industry</p>	<ul style="list-style-type: none">• Regulate activities vs. entities• Regulatory sandboxes
<p>ADVANCED STAGE: Transformational</p>	<ul style="list-style-type: none">• AI explainability• Data governance and data privacy• AI ethics and avoiding biases

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thank you