



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C

16 July 2025

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Results of Tech Maturity Stock-take

I am writing to share the attached report detailing the key observations from the Tech Maturity Stock-take (“Stock-take”) exercise recently concluded by the Hong Kong Monetary Authority (HKMA). These insights help inform the next steps to further enhance Fintech maturity of the banking industry.

As part of its Fintech 2025 strategy, the HKMA has been working closely with other financial regulators to promote cross-sectoral adoption of Fintech. The Stock-take exercise provides an update of Hong Kong banks’ current state and planned adoption of Fintech in the coming three years, as well as a holistic assessment of the level of sophistication and maturity of Fintech in use.

Key observations from the Stock-take include:

- Remarkable growth in Fintech adoption across front to back-end operations. Regtech has deepened its penetration, expanding across a wide range of risk areas, having grown to 97% from 83% at the last stock-taking in 2022. Insurtech has recorded the most substantial growth by 29%, followed by Greentech (+19%) and Wealthtech (+9%), which have also demonstrated notable increases in adoption rates during this period.
- Significant advancements have been made in Artificial Intelligence (A.I.) and Distributed Ledger Technology (DLT), with 75% and 45% of respondents having adopted A.I. and DLT respectively, up from 59% and 30% respectively in 2022. Many institutions have transitioned from exploratory phases to operational implementation, successfully integrating these technologies into their service offerings. Building on this positive trajectory, these technologies are identified as key catalysts driving further innovation across functional areas, supporting projected further advances in overall Fintech maturity levels.

- In the next three years, 95% of surveyed banks intend to maintain or increase their investments in Fintech, with half of these institutions anticipating budget growth in the range of 10-20%. This sustained financial commitment to Fintech, despite the broader economic challenges, underscores the pivotal role that technology has come to play in the strategic planning of institutions.
- As adoption widens, key challenges include: implementation costs (75% of respondents), risks associated with novel technologies (73%), integration with existing systems (71%), data privacy and cybersecurity (61%), talent shortages (59%), and evolving regulatory landscape (59%).
- While A.I. and DLT are expected to drive this growth, the adoption of sophisticated, infrastructure-level technology like High-Performance Computing will be an essential component to enable sustainable advances in Fintech innovations. More sophisticated adoption of novel technologies will be supported by data excellence and cyber resilience as foundational enablers for Fintech maturity growth.

Taking into account the results of the Stock-take, the HKMA will formulate over the next few months a detailed blueprint of initiatives to further support the industry's responsible adoption of novel and sophisticated technologies.

For any questions related to the Tech Maturity Stock-take, please contact us at all-banks-go-fintech@hkma.gov.hk.

Yours faithfully,

Carmen Chu
Executive Director (Banking Supervision)

Encl.