



HONG KONG
**ACADEMY OF
FINANCE**

金融學院



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e-Newsletter

3rd

ANNIVERSARY



Interview of CEO

The Hong Kong Academy of Finance (AoF) celebrates its 3rd anniversary in June 2022. On this occasion, we interviewed Mr KC Kwok, CEO of the AoF. In the interview, Mr Kwok highlights some key developments of the AoF in the past 3 years.

Host The AoF was set up in 2019 to develop financial leadership and conduct monetary and financial research. In your eyes, what were the major challenges to Hong Kong financial leaders in the past 3 years?

KC It is a cliché to say that the world has been going through phenomenal changes. But the changes in Hong Kong were particularly challenging in the past 3 years.



Kwok-chuen Kwok
CEO, Hong Kong Academy of Finance

The pandemic has upended the lives of many people, accelerating changes in the way people live and work and how businesses are done. Rising geopolitical tensions have heightened worries about de-globalisation, decoupling and a new Cold War. The resurgence of inflation, triggered by supply chain disruptions and the surge in commodity prices, has resulted in a reversal of the exceedingly loose monetary policies adopted by many advanced economies and a reset in the valuation of assets.

Meanwhile, for the financial services industry, Fintech and digitalisation trends continued while the momentum built up rapidly in the area of green finance and ESG. These trends are gradually but powerfully reshaping financial services. In Hong Kong, financial leaders also had to deal with the disruptions caused by social unrest and the economic slowdown brought by the pandemic, while repositioning themselves to capture new, longer-term business opportunities.

Host Could you tell us how the AoF has responded in light of these challenges posed to the Hong Kong financial industry?

KC Where there are challenges, there are opportunities.

Given these changes in the macro environment, the AoF has been focusing on three strategic themes in its activities, namely Fintech & Digitalisation, Green Finance & ESG, and GBA & China. These are the areas where most of our stakeholders are interested in and where we could add value.

The pandemic has forced us to move most of our activities online. But we have turned this into an opportunity to expand our reach. We invited a number of prominent overseas speakers to speak to us via webinars. We have expanded significantly our list of “Friends of AoF”, who would be invited to our activities particularly the online events. These efforts, in turn, have established AoF’s name both in Hong Kong and in the region.

Through online financial platforms, we have also successfully reached a very large audience in Mainland China. Our webinar on RMB exchange rate formation mechanism and exchange rate outlook held in mid-2021, for example, attracted close to 1.16 million viewers and our June 2022 webinar on China’s property sector attracted close to 1.13 million. These webinars in Putonghua were also livestreamed in English through simultaneous interpretation in international financial platforms such as Bloomberg, giving the audience around the world access to the views of prominent Mainland Chinese speakers.

Host Could you tell us a bit more about the new Financial Leaders Programme?

KC Hong Kong’s long-term development requires a pipeline of financial leaders. Therefore, the AoF has introduced a new flagship Financial Leaders Programme to nurture and inspire Hong Kong’s high potential future leaders. A cohort of 20 participants drawn from different financial sub-sectors were admitted to the 2022 Programme. I am glad to see that this Programme which started in April has been receiving excellent feedback from the participants, the institutions that put them forward, and the Programme speakers who have kindly and enthusiastically supported this initiative.

Host What about developing excellence in monetary and financial research, particularly applied research?

KC The Hong Kong Institute for Monetary and Financial Research, the research arm of the AoF, has continued to build on the successes of a range of monetary and applied research programmes. An annual average of 24 monetary research working papers were published in recent years and about half were subsequently published in refereed journals, which speaks to the quality of these papers. More efforts have been put into our commissioned applied research programme, and reports published under it have very good download statistics. Our efforts to proactively disseminate the results of such applied research, including giving presentations in public fora, have built up rapport with stakeholders in the financial industry and raised their awareness of our research. We have also actively commissioned researchers from Mainland China to produce policy reports on issues instrumental to the further development of Hong Kong as an international financial centre (IFC).



Host Are you worried about Hong Kong's future, which is so dependent on our ability to attract talents?

KC Hong Kong's role as an IFC and the unique bridge connecting Mainland China and the rest of the world remains intact. There have been concerns about talents leaving Hong Kong because of emigration or our relatively tight quarantine measures. From my own observation, the latter seems to be a bigger, yet temporary problem faced by financial institutions. I am sure the government will keep reviewing its policies to make Hong Kong an attractive business and financial hub. In any case, pandemic and quarantine measures come and go but the long-term business prospects for Hong Kong remain very promising. I have seen waves after waves of people leaving Hong Kong in the past few decades. But talents are always attracted to Hong Kong when the opportunities present themselves.

Host The AoF is still a young organisation. As it steps into its 4th year, where do you think the AoF is heading?

KC Thought leadership has always been an important dimension of IFCs. We will continue our efforts to develop the AoF into a reputable platform for insightful discussions on economic and financial issues related to Hong Kong, China and Asia. Such efforts are in line with our mission in serving as a centre of excellence for developing financial leadership and a repository of knowledge in monetary and financial research, including applied research. The activities and programmes we organise and the research we do will help build the intellectual capital that Hong Kong needs to remain as the leading IFC in Asia.



AoF 3rd Anniversary Video





Financial Leaders Programme



We kick started the inaugural Financial Leaders Programme with a welcoming session on 30 March. A total of 13 local and overseas distinguished leaders have been invited to meet and share their insights with the 2022 cohort members. The cohort had interactive dialogue with these distinguished speakers on a wide ranges of topics, including the role of Hong Kong as an international financial centre, Greater Bay Area integration; RMB internationalisation; the short and longer term outlook for the global economy in the midst of geopolitical shocks; Sino-US relations and globalisation; ESG; fintech and innovation; Central Bank Digital Currency; the transformation and policy choices of Mainland China property sector, etc. Details of the sessions are available at <https://www.aof.org.hk/flp/programme-highlights/2022-cohort>

1) Welcoming session on 30 March



2) Dialogue with Richard Lancaster, CEO of CLP Holdings Limited



3) Dialogue with Eddie Yue, CE of HKMA





Distinguished Speakers Series

Prof Michael Spence, Nobel Laureate in Economics

The AoF held a webinar on 3 May 2022 under our Distinguished Speakers Series, featuring Prof Michael Spence, Nobel Laureate in Economics and International Adviser of AoF. Mr Norman Chan, Senior Adviser of AoF and former Chief Executive of Hong Kong Monetary Authority, moderated the webinar.



Prof Spence shared his insights on many current and long-term macroeconomic issues, including Sino-US relations, globalisation, monetary policy and stagflation. Over 500 local and overseas participants from the financial services industry and regulators and the academia joined the webinar.



(Top left) Prof Lawrence Lau, Fellow of AoF and Ralph and Claire Landau Professor of Economics of the Chinese University of Hong Kong; (Top right) Ms Tao WANG, Chief China Economist and Head of Asia Economics of UBS; (Centre) Mr Benjamin Hung, Chief Executive Officer, Asia of Standard Chartered Bank; (Bottom left) Ms Nisa Leung, Managing Partner of Qiming Venture Partners; and Mr KC Kwok, CEO of AoF raised issues for discussion during the Q&As session.



[To watch the video of the webinar](#)



HKIMR x AoF Expert Speakers Series

Joseph Yam, AoF Fellow **Huang Yiping, Peking University**

The AoF and the HKIMR co-hosted a webinar on “Macroeconomic Developments, Fed Tightening and Offshore RMB Market Development” with Mr Joseph Yam, AoF Fellow cum former Chief Executive of the HKMA and Professor Huang Yiping, Sinar Mas Chair Professor of Finance, Deputy Dean of the National School of Development of Peking University on 12 April. The speakers discussed China's growth and inflation prospects, monetary and fiscal policies, RMB internationalisation and RMB offshore market development. It was live-streamed at Bloomberg terminals in English, and Wind terminals as well as major Mainland financial and economic platforms such as 百度財經, 每日經濟新聞, 第一財經, 新浪財經 and 鳳凰財經 in Putonghua. Reporters from both local and international media have signed up for the webinar. There are over 0.84 million views online.



[To watch the video of the webinar](#)

Qin Hong, Renmin University of China

The AoF and the HKIMR co-hosted another webinar on 24 June titled “China's Property Sector – Transformation and Policy Choices” featuring a prominent speaker Ms Qin Hong, Senior Research Fellow, National Academy of Development and Strategy of Renmin University of China. The webinar was moderated by Dr Wang Tao, Head of Asia Economic Research and Chief China Economist of UBS. During the webinar, Ms Qin shared her insights on the driving forces, the nature and the shape of China's property sector's structural transformation. In addition, she discussed what the short-term and long-term policy options are. There were close to 1.13 million views from the event's main platform, Bloomberg terminal, Wind terminal as well as some major financial and economic platforms in Mainland China.



[To watch the video of the webinar](#)



Collaborative Event

AoF x CPA Australia Joint Webinar - Opportunities and Challenges of the Wealth Management Connect

The AoF and CPA Australia co-organised a webinar on 15 June 2022. Many thanks to AoF Member Mr Samuel Lung in serving as the moderator of the panel discussion where speakers shared their views on the latest development of the Cross-boundary Wealth Management Connect Scheme in the Greater Bay Area. Launched in September 2021, the Scheme facilitates mutual market access between the capital markets of Hong Kong, Macao and the Mainland, allowing residents in the Greater Bay Area to invest in wealth management products distributed by banks through cross-boundary investment accounts. More than 450 participants attended the webinar.



(From left to right) Mr Samuel Lung, Partner, Greater China Financial Crime Compliance Leader, Financial Service Advisory, Ernst & Young; Mr Daniel Leong, Head of External, Hong Kong Monetary Authority; Mr Arnold Chow, Deputy General Manager, Personal Digital Banking Product Department, Bank of China (Hong Kong) Limited; and Mrs Sally Wong, Chief Executive Officer, Hong Kong Investment Funds Association



HKIMR Research

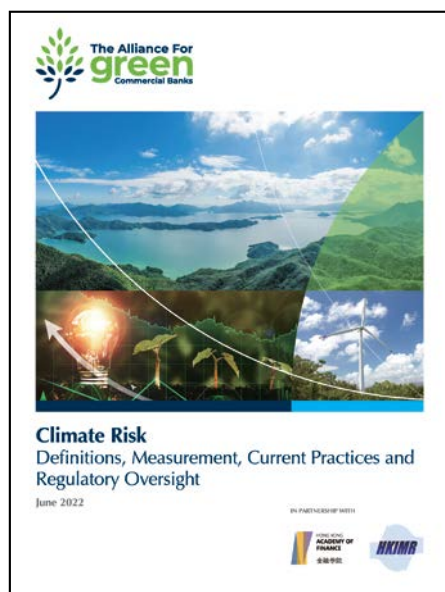
1) *Climate Risk: Definitions, Measurement, Current Practices and Regulatory Oversight*

The Alliance for Green Commercial Banks launched its first thought leadership paper entitled **Climate Risk: Definitions, Measurement, Current Practices and Regulatory Oversight** in collaboration with the HKIMR in June 2022.

The key takeaways of the thought leadership paper are as follows:

- **Climate risk can disrupt financial institutions' operations, lending and underwriting activities, and investments in affected securities.** Research findings show that **it also affects the prices of real estate, equities, and bonds.**
- **Various climate risk indicators and scenario-based methods** are being developed to measure climate risk. However, challenges still exist due to the **availability, reliability and comparability of data and methods.**
- Regulators are developing **mandatory and standardised climate risk disclosure frameworks.** **Climate stress tests** are being conducted to assess the resilience of the financial system to climate risk.
- The paper also highlights the importance of **raising the awareness of climate risk, adopting a holistic and coherent approach to address climate risk, and developing capabilities in capacity, resources, and expertise** to face challenges that climate risk may pose in the future.

The thought leadership paper can be viewed [here](#).



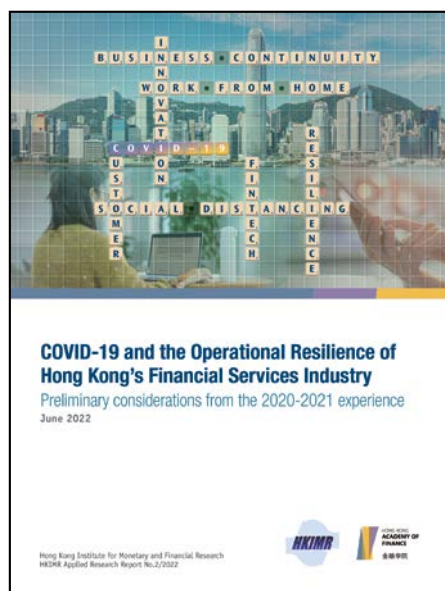
2) *COVID-19 and the Operational Resilience of Hong Kong's Financial Services Industry: Preliminary Considerations from the 2020-2021 Experience*

The HKIMR released a new Applied Research report on **COVID-19 and the Operational Resilience of Hong Kong's Financial Services Industry: Preliminary Considerations from the 2020-2021 Experience** in June 2022.

The key takeaways of the report are:

- Our survey finds that **85% of financial institutions had incorporated pandemics in their business continuity plans** before 2020, and **some adopted hybrid work models in 2020-2021**.
- **Policy support, financial and data infrastructure** and **the accelerated adoption of financial innovations** have played a critical role in helping financial institutions enhance operational resilience.
- Survey respondents viewed **hybrid work models** and **digital channels to become increasingly important**. They would also continue to **adopt financial innovations** and **support industrywide data sharing initiatives**.

The full report can be viewed [here](#).



3) HKIMR Working Papers

Since January 2022, the HKIMR has published 9 working papers on relevant topics in monetary and financial economics. Among them, 5 papers examined financial market risks in turbulent times, such as during the COVID-19 pandemic, with the aim to provide some preliminary considerations of risk management for market participants. Another 2 papers studied the global linkages of COVID-19 lockdown and climate transition respectively, illustrating how the impacts of these events transmitted from one economy to another. All HKIMR working papers and their non-technical summaries can be viewed [here](#).

The HKIMR has also hosted two Research Webinars as follows:



HKIMR Webinar – **“Lockdown Spillovers”** on 26 April 2022 by **Peter Tillmann**, Justus-Liebig-University Giessen



HKIMR Webinar – **“Dynamic Asset-Backed Security Design”** on 26 May 2022 by **Kathy Yuan**, The London School of Economics and Political Science



Upcoming Events

**26
Jul**

Distinguished Speakers Series

Speakers: **Lord Mervyn King**
Former Governor, Bank of England

Moderator: **Mr Norman T.L. Chan**
Senior Adviser, AoF



**25
Aug**

HKIMR-ADB-BIS Workshop on "Monetary Policy Spillovers"

Academics, Central Bank researchers and policy makers will get together online to discuss spillover effects of monetary policy of major Central Banks.



For any enquiry about this Newsletter, please contact us through hotline (+852 2597 0900), email (info@aof.org.hk) or at AoF's address (Units 1005-1011, 10th Floor, One Pacific Place, 88 Queensway, Hong Kong).

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