

# Virtual Banking for SMEs

**Ping An OneConnect Bank eases the financial burden of small and medium size companies, helping them fill the financing gaps with technology.**

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**Ryan Fung**  
**Chief Executive**  
**Ping An OneConnect Bank**



According to research by Support and Consultation Centre for Small and Medium Enterprise (SUCCESS), Hong Kong is home to over 340,000 small and medium enterprises (SMEs), accounting for more than 98 percent of business establishments. The traditional lengthy process of opening bank accounts and loan application not only creates financial hurdles for these SMEs, but also hinders the advocacy of financial inclusion in Hong Kong. Ping An OneConnect Bank (PAOB) realised such service gap and hence launched two mobile applications which were designed specifically for SMEs and individual customers respectively in September 2020.

## Lifeline for SME financing

“We recognised that local SMEs desire for tailored, efficient banking services,” said Ryan Fung, Chief Executive of Ping An OneConnect Bank. “Research by SUCCESS shows that there is an approximately HK\$100 billion financing gap in the SME market to be filled, which is a sizable market where we can apply advanced technology and big data to provide seamless, efficient banking services, to embrace financial inclusion and provide excellent client experience. In view of increasing trade volume and the expected post-pandemic business rebound, we anticipate that financing demands from local SMEs will increase significantly.”

Fung feels that Hong Kong is an ideal launch pad for virtual banking services due to its geographical location on the doorstep of

Mainland China. “As a leading international financial hub, Hong Kong has been a pioneer in the development of electronic payment as it embraces a number of contactless payment systems and is home to a dynamic FinTech industry,” he noted. “The city plays a key role in the Guangdong-Hong Kong-Macao Greater Bay Area’s (GBA) aim to be a leading player in global innovation, finance and trade. Many of our clients are actively tapping into the GBA market, highlighting the cross-border business opportunities in the area and indicating the potential for PAOB to extend its support to these SMEs.”

## Boosting FinTech development

Fung observed that the HKSAR Government has seeded virtual banking’s growth with initiatives aimed at boosting FinTech development. These include issuing licenses for virtual banks, launching its Faster Payment System, and addressing the FinTech talent gap with Fintech Career Accelerator Scheme launched in 2016. “A recent study by the Hong Kong Monetary Authority released in 2020 found that 86 percent of incumbent banks are progressively integrating FinTech applications across all types of financial services,” Fung stated. “we anticipate that more FinTechs will be incubated in Hong Kong.”

Looking ahead, Fung shares that PAOB plans to extend its banking services and applications to other industries such as startups and retail SMEs, “in Hong Kong,

as more than 98,000 new companies were incorporated in 2020. Most of them struggle to obtain bank loans due to a lack of property as security for debt. We hope to provide hassle-free services to startups for growing their business. The retail SME sector is Hong Kong’s third largest yet during the pandemic, they have suffered from a huge plunge in business turnover. PAOB plans to expand services to this sector to help ease their financial burdens.”

## Ping An OneConnect Bank

- Founded in Hong Kong, Ping An OneConnect Bank is a wholly-owned subsidiary of OneConnect Financial Technology Co., Ltd. (“OneConnect”) (NYSE:OCFT) and a member of Ping An Insurance (Group) Company of China Ltd.
- The bank employs more than 100 people and provides innovative customer-centric services such as retail and SME banking, utilising the virtual banking license granted by the Hong Kong Monetary Authority in 2019

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