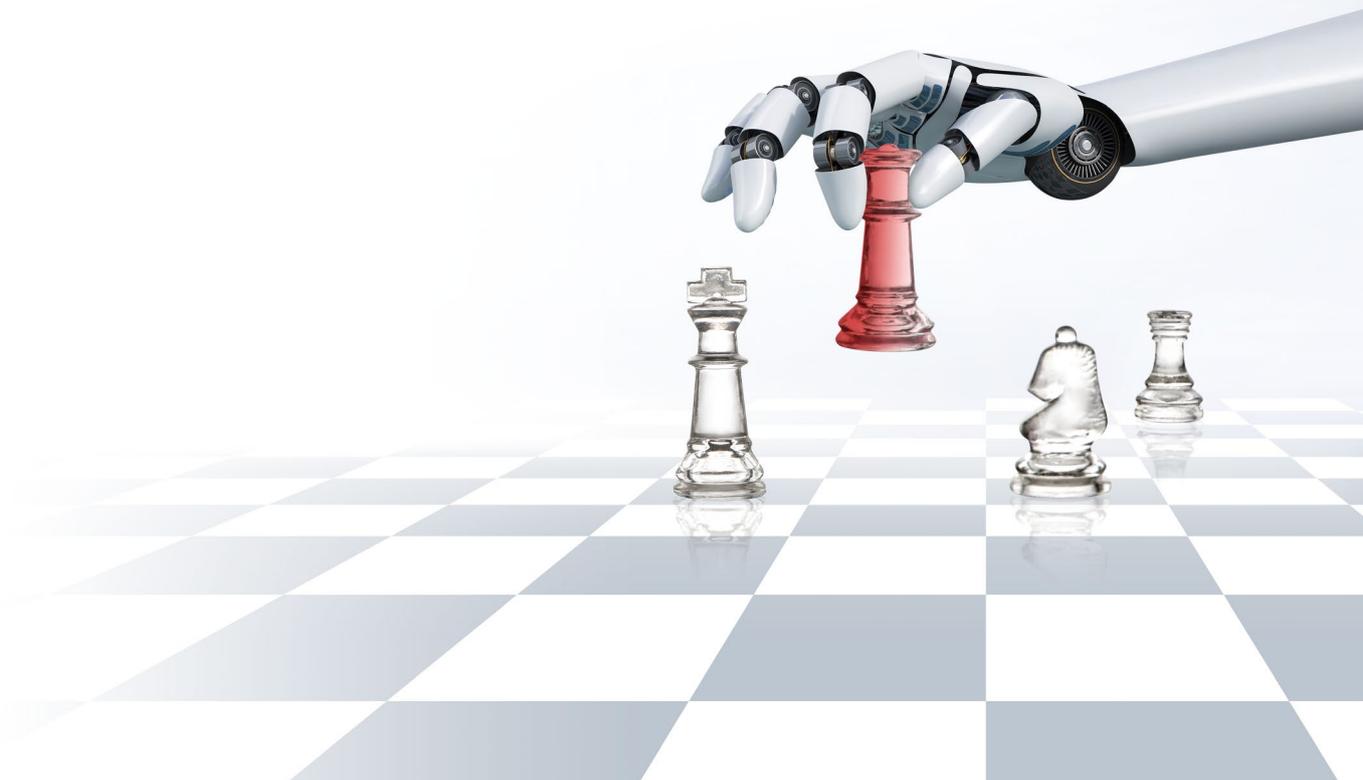




# UBS **Disruptive Technology** CEO Summit 2016 2016 瑞銀創新科技行業 CEO 高峰會

September 27, 2016  
2016 年 9 月 27 日

The Ritz-Carlton, Hong Kong  
香港麗思卡爾頓酒店



## **Disruptive technologies** will transform the financial industry and reshape the way we work



Amy Lo, Chief Executive, UBS Hong Kong Branch, Group Managing Director

Over 500 innovators, experts and UBS guests attended the UBS Disruptive Technology CEO Summit at the Ritz Carlton in Hong Kong on September 27, to discuss groundbreaking technology trends shaping their industries today.

The CEO summits are opportunities for heads of industries, UBS clients and UBS experts to network and foster dialogue on a range of topics, including technology, healthcare and consumer and retail.

At this year's UBS Disruptive Technology CEO Summit, the focus was on technology was upending traditional industries like the transportation and financial sector and the innovative technological advancements like artificial intelligence (AI) and virtual reality (VR), that will augment the way we work and see the world in the future.

"The economic impact of disruptive technologies is forecast to reach \$25 trillion by 2025," said Amy Lo, Head of UBS Wealth Management Greater China.

"We believe that AI will help create around 25-50 million jobs over the next decade as we see increased scope for jobs that require a high level of personalization, creativity or craftsmanship - tasks that will still need a person," said Lo.

Lo estimated that the AI industry revenues will grow by 2.5 times during 2015-2020 to \$12.5 billion and from an investment opportunity, AI should offer a total market cap of \$120-180 billion by 2020.



From left to right: Peter Stephens, Head of Regulatory & APAC CTO, UBS AG / Hans-Christian Boos, Founder & CEO, Arago / Leo Cui, CEO, TalkingData / Sundeeep Gantori, Equity Analyst, Chief Investment Office, UBS Wealth Management / Neville Spiteri, Co-Founder and CEO, Wevr

## In terms of VR, we see **tremendous growth** in China.



Zexiang Li, Chairman, DJI

Panelists at the summit said that while the advent of AI may lead to some job losses as machines take over repetitive tasks currently done by humans, jobs will also be created as the AI will create lead to greater productivity and efficiency.

In terms of VR, UBS CIO expects the VR industry to reach \$9 billion in 2020 from around \$500 million in 2015. Panelists said in the future, the lines between AI, VR and augmented reality (AR) will blur leading to a truly immersive environment for the viewer whether on their mobile phones or through VR devices.

"If you look ahead by 2020, consumers won't necessarily be thinking about AR, VR and AI differently, they will be on their phones, in their headsets having an augmented experience without necessarily thinking about the 3 different technologies," said Neville Spiteri, CEO of VR content distribution company, Wevr.

In China, the availability of low-cost smartphones and VR devices has led to the proliferation of VR and AR technologies with consumers avidly lapping up entertainment and e-commerce content.

"In terms of VR, we see tremendous growth in China. VR apps installation is growing at more than 300 percent on a month-on-month basis. It's amazing but currently most of the content is delivered via low-end devices," said Leo Cui, CEO of TalkingData.

UBS CIO analyst Sundeeep Gantori said that in the future it is possible that e-commerce companies like Amazon and Alibaba will take on roles similar to telecom operators, and subsidize VR devices to encourage VR adoption.

"Similar to what we have seen in smartphone industry where telecom operators subsidize smartphones, I won't be surprised if e-commerce companies subsidize VR headsets because they can help consumers make key purchasing decisions," Gantori said.

UBS experts and panelists also discussed the role of disruptive technology in the financial sector and how all parties can work together to drive innovation in this area in order to reach the underinvested and unlock the region's full potential.



From left to right: David Yeung, Founder, Green Monday / Doug Evans, Founder & CEO, Juicero / Andras Forgacs, Co-Founder & CEO, Modern Meadow / Mahadevan Krishnan, Chief Scientific Advisor to the CEO, I-Pulse / Daphna Nissenbaum, Co-Founder & CEO, Tipa Corp.



Leo Cui, CEO, TalkingData

# No industry will **remain unaffected** by the rapid development of the disruptive technologies.



from left to right: James Aylen, Head of UBS Evolve, The Centre for Design Thinking and Innovation, UBS Wealth Management / Jonathon Allaway, Senior Managing Director, Financial Services, Accenture / Jim Lai, Vice President & Head of Financial Technology Group, Tencent Holding / Simon Loong, Founder & CEO, WeLab / Michael Sha, Founder & CEO, SigFig

"SME's make up 60 percent of all our companies out here in Asia and there's \$1 trillion left unbanked. With innovative technologies, it is now a market to harvest. Asia is thriving and FinTech is booming and we are excited about that. It's good for the investors and it's good for the start-ups," said Jonathon Allaway, Senior Managing Director, Financial Services, Accenture.

Tencent Holdings, one of China's largest internet companies, has been a pioneer in the field of mobile payments. Through their WeChat mobile chat application, users are able to invest their idle cash, pay each other and conduct online shopping.

Jim Lai, Head of Tencent's Financial Technology Group, said that banks and financial institutions are partners of Tencent, not necessarily competitors. Through WeChat's open platform technology, banks and other financial institutions are able to offer dedicated and bespoke banking services directly to WeChat's huge user base.

"We respect that we are an internet company we are not a financial company. We respect that the different financial organizations have different strengths and through our open platform we hope that we can build an entire ecosystem to serve users while sharing the value with our financial partners," Lai added.

Michael Sha, CEO of robo-advisory firm SigFig, said the advent of disruptive technology, such as robo-advisors, in the financial industry will free up relationship managers to provide deeper and more value-added services to their clients. Robo-advisory is the use of automated and algorithmic-based technology to provide wealth management services.

"Our systems never forget to document conversations or interactions. This frees up the RM to do other things that require human interaction that a machine is not going to do. This idea of specialization, that there are some things machines do well and some things humans do well, if you put it together and you end up a better place for everybody," Sha said.

UBS is at the frontier of adopting such pioneering financial technologies. Although many companies choose to develop their technologies in house, James Aylen, Head of UBS Evolve, The Centre for Design Thinking and Innovation, said UBS prefers to partner with external experts to develop some of the technology as this ensures a quicker time to market.

Sam Kendall, Head of UBS Corporate Client Solutions for Asia, said ultimately no industry will remain unaffected by the rapid development of the disruptive technologies.

"While high-frequency trading and the opportunities offered by blockchain may dominate the headlines today, banking and financial services are not the only industries being transformed by technology," said Kendall.

"At UBS, we are committed to making significant investment in the technological infrastructure that is essential to support the increasingly sophisticated products and services demanded by our clients," he added.



Michael Sha, Founder & CEO, SigFig