Press Release

Standard Chartered Hong Kong and Lalamove joined forces to showcase the use of alternative data scoring empowered by ASTRI's "Federated Learning" technology to support SME

6 November 2023, Hong Kong – Standard Chartered Bank (Hong Kong) Limited ("Standard Chartered Hong Kong") and the leading on-demand delivery platform Lalamove announced that they will collaborate to utilize the "Federated Learning" technology to identify financial solutions that are most suitable for a small-to-medium-sized enterprise ("SME") to provide a seamless client experience and product application process. Developed by the Hong Kong Applied Science and Technology Research Institute ("ASTRI"), this privacy-preserving technology enables collaborative machine learning while keeping all the training data on device to safeguard data privacy.

Under the collaboration, Standard Chartered Hong Kong, acting as the data consumer, and Lalamove, serving as the data provider, will leverage encrypted alternative data through Federated Learning to generate machine learning models without the need for direct exchange of client data. Based on the analysis on clients' behavioural patterns on Lalamove's platform, a group of SMEs which are most suitable for Standard Chartered Hong Kong's financial products and services have been identified from Lalamove's client base. This will significantly save the efforts and time that the SMEs spent on searching for the financial solutions that are suitable for them.

Ms Winnie Tung, Head of Business Banking, Standard Chartered Bank Hong Kong, said, "At Standard Chartered, client experience and data privacy are our top priority and we have been actively exploring the use of new technologies to provide innovative products and services to our Business Banking clients. The collaboration with ASTRI and Lalamove creates synergy to leverage alternative data to enhance efficiency in matching the financial needs of the SMEs with the right product solutions while ensuring clients' data privacy is well secured. The streamlined

process will greatly enhance client experience, enabling us to better support the financial needs of the SMEs."

Mr Paul Loo, Chief Operating Officer of Lalamove, said, "SME empowerment is one of our key focuses. Through our tech-enabled on-demand delivery platform, we make logistics services more accessible than ever. This project rings the same tone as we partner with Standard Chartered Hong Kong and ASTRI to enhance the accessibility of financial products for our SME clients through seamless and secured matching, supercharging SMEs who have relied on us to grow and expand their business. By addressing yet another challenge faced by SMEs, we hope to grow faster and further with our clients."

Dr Denis Yip, Chief Executive Officer of ASTRI, said, "We are delighted to implement the Federated Learning technology for the first time to address the critical challenge faced by SMEs, overcome data privacy concerns and foster secure data sharing. This breakthrough serves as an inspiration for other institutions, encouraging them to embrace the technology and contribute to the advancement of FinTech in Hong Kong. By fostering a vibrant community dedicated to this technology, we aim to drive the high-quality development of our smart city, establishing Hong Kong as a global leader in innovative technologies and data-driven solutions."

Clients of Lalamove who successfully utilize a Standard Chartered product through Lalamove's referral will receive 200,000 Lalamove Rewards points, providing an extra boost to support their logistics needs. LalaPoints, which are typically earned by spending HK$1 for 1 LalaPoint, can be redeemed for delivery coupons or other lifestyle perks that make their delivery experience more rewarding.

The success of this collaboration has demonstrated the immense potential of open shared data in the field of FinTech. In addition to its ability to identify suitable financial services and products for SMEs, thereby addressing the challenge of information overload when searching for financing solutions, Federated Learning technology can also streamline the evaluation and approval process for SME loan applications within financial institutions.

The application of Federated Learning technology extends its benefits to a diverse range of users, including financial regulatory authorities, organisations using AI technology, research communities, and the general public. By leveraging this technology, these users can enhance their capabilities in various areas, such as regulatory oversight, AI-driven innovations, research advancements, and improved access to financial services for the wider population.

Developed by ASTRI, the Federated Learning technology is an award-winning technology which enables collaborative machine learning while keeping all the training data on device to safeguard data privacy. Such prestigious awards include the "Asia FinTech Award 2023 - Data Initiative of the Year" and the "BUSINESS GOVirtual Tech Awards 2023 - Tech Company of the Year (Excellence Award in FinTech)".

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Standard Chartered

We are a leading international banking group, with a presence in 53 of the world's most dynamic markets and serving clients in a further 64. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges.

The history of Standard Chartered in Hong Kong dates back to 1859. It is currently one of the Hong Kong SAR's three note-issuing banks. Standard Chartered incorporated its Hong Kong business on 1 July 2004, and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC.

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Lalamove
Founded in Hong Kong in 2013, Lalamove is an on-demand delivery platform born with a mission to empower communities by making delivery fast, simple and affordable. At the click of a button, individuals, small businesses and corporations can access a wide fleet of delivery vehicles operated by professional driver partners.

Powered by technology, we seamlessly connect people, vehicles, freights and roads, moving things that matter and bringing benefits to local communities in 11 markets across Asia and Latin America.

ASTRI

Hong Kong Applied Science and Technology Research Institute (ASTRI) was founded by the Government of the Hong Kong Special Administrative Region in 2000 with the mission of enhancing Hong Kong's competitiveness through applied research. ASTRI's core R&D competence in various areas is grouped under four Technology Divisions: Trust and AI Technologies; Communications Technologies; IoT Sensing and AI Technologies and Integrated Circuits and Systems. It is applied across six core areas which are Smart City, Financial Technologies, New-Industrialisation and Intelligent Manufacturing, Digital Health, Application Specific Integrated Circuits and Metaverse.

Over the years, ASTRI has nurtured a pool of research, I&T talents and received numerous international awards for its pioneering innovations as well as outstanding business and community contributions. As of 2022/23, ASTRI has transferred more than 1,400 technologies to the industry and has been granted over 1,050 patents in the Mainland, the US, and other countries.

For further information, please visit www.astri.org