Data:
mercoledì 25.10.2017

TAIWAN TATLER

CCIS calls for investment into financial technology

NEW OPPORTUNITIES: The firm, which is evolving into a consultancy, said banks have neglected development of credit investigations and its potential to make profit

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China Credit Information Service Ltd (CCIS, 中華徵信所) yesterday urged the nation's financial sector to step up investments in financial technology (fintech) to improve their return on asset performance and competitiveness against peers in Asia.

Although local financial holding companies dedicated more than half of their development spending to fintech last year, their combined commitment of NT$1.25 billion (US$41.4 million) was only 0.37 percent of the US$11.2 billion spent by their Asian peers, CCIS editor-in-chief Liu jen (劉任) said at a news conference in Taipei.

Fintech development could be the key to improving local financial holding companies' return on equity performance, which at an average of 0.57 percent lags behind the global average of about 1 percent, he said.

Overall, investment in fintech by the nation's financial sector remains lacking, Liu said, adding that most companies have encountered difficulty in finding earnings and sales increases that are proportional to their costs.

In particular, local financial holding companies have devoted most of their development spending to making their services available on smartphones and digitizing transactions, the two areas that bring the most immediate gains, he said.

However, companies should explore fintech's new frontiers and build a foundation for future opportunities, he added.

While most local banks have been developing digital services, third-party payments, blockchain technology and "robot" financial advisory services, they have been neglecting digital credit investigation, Liu said.

"New technological trends, such as cloud computing and big data analysis, could change the way credit investigations are conducted, leading to new opportunities, such as lending," he said.

Due to variations in scale, there is also a wide disparity in fintech spending, with the top-ranking financial holding company expected to spend NT$458 million this year, compared with NT$9 million by the bottom-ranking firm, Liu said.

Meanwhile, CCIS president Alice Kuo (郭曉薇) said that the company is gearing up to offer new services centering on consumers' personal credit information for the nation's non-bank financial institutions, such as leasing and financing companies.

Since it was last year acquired by CRIF, a global credit and business information services company headquartered in Bologna, Italy, CCIS has been adopting the big data and analytical tools of its parent company to transition into a consulting firm.

CCIS was acquired for its expertise in credit investigation, which is needed to uncover information in Taiwan, greater China and Southeast Asia, where data is not as readily available through official channels as they are in CRIF's home market in Europe, CRIF president Enrico Lodi said.


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