

**About FSTI**

The Financial Sector Technology and Innovation Scheme (FSTI) was introduced by MAS in June 2015 to support the creation of a vibrant ecosystem for innovation in the financial sector. \$225 million was committed under the FSTI for five years, from 2015 to 2020.

Since 2015 when the original FSTI scheme was launched, over 200 financial institutions and FinTech firms have tapped the scheme to embark on innovation projects for the financial sector. FSTI had played a critical role to catalyse the growth of the nascent FinTech industry in Singapore. Today, Singapore has a vibrant and thriving FinTech ecosystem, with over 1000 FinTech firms as well as more than 40 innovation labs working in close collaboration with the financial industry. FinTech equity funding in Singapore has also soared to a record S\$1.2 billion in 2019.<sup>5</sup> In addition, S\$462 million was raised in the first half of 2020 despite the challenging economic environment brought about by the COVID-19 crisis.<sup>6</sup>

The Innovation Labs have embarked on close to 500 innovation projects. Some examples include:

- (i) DBS' Project JIM, which is Southeast Asia's first virtual bank recruiter. It stands for "Jobs Intelligence Maestro", and is an AI chatbot that is trained to review resumes, collect applicants' responses for pre-screening questions, and conduct psychometric profiling assessments on candidates. With DBS JIM, recruiters now take about eight minutes to assess a candidate, as compared to the traditional process which takes 30 minutes. One third of the candidates who passed JIM's vetting went on to get jobs with DBS, as compared with only one-seventh under the previous system which relied solely on human recruiters. The project had been successfully deployed in DBS' core markets - Singapore, Hong Kong and India.
- (ii) BNP Paribas's digital advisory platform, BeAdvised, which provides tailor-made recommendations to the wealth management clients in accordance to their portfolio preferences, including environmental, social and governance considerations for sustainable investing. It comes with a conversational-like interface, which reshapes wealth management in the digital age, and augment the way clients and relationship managers interact in the future. The focus on ESG further reflects an understanding of the investors' need for long term sustainable investment performance, where there is proper appreciation of the environmental sustainability issues, responsible business conduct, and inclusive growth.

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<sup>5</sup> "FinTech Fundraising Grew Strongly in Most Major Markets in 2019, Accenture Analysis Finds". Accenture, 20 February 2020. <https://newsroom.accenture.com/news/fintech-fundraising-grew-strongly-in-most-major-markets-in-2019-accenture-analysis-finds.htm>

<sup>6</sup> "Singapore FinTechs Experienced a Flurry of Fundraising, Recording Over Half a Billion Dollars (S\$650m) in M&A and Equity Funding in the First Half of 2020". Boston Consulting Group, 19 June 2020. [www.bcg.com/en-sea/press/19june2020-singapore-fintechs-experienced-flurry-of-fundraising](http://www.bcg.com/en-sea/press/19june2020-singapore-fintechs-experienced-flurry-of-fundraising)

- (iii) IAG Firemark labs' Neptune Ocean, which aims to harness the power of Computer Vision to assist lifeguards for early detection of distressed swimmers in the sea. This will increase vital response time to swimmers at risk, reduce drowning deaths, and make the world a safer place. Neptune Ocean has conducted multiple iterations in Singapore, and has received strong support from a leading Australian Lifesavers' Association to commence their pilot trial in Australia over the upcoming summer months.

Over the next three years, FSTI 2.0 can be used for the following purposes:

- (i) Innovation Labs: to nurture a culture of innovation in the financial services sector by attracting financial institutions to set up research and development and innovation labs in Singapore.
- (ii) Financial institution-Level Projects: to catalyse innovative solutions by financial institutions to advance the competitiveness of Singapore's financial sector.
- (iii) Industry-wide Projects: to aid the development of industry-wide technological infrastructure, and improve the financial sector's efficiency and productivity.
- (iv) Proof-of-Concept (POC) Grant: to promote greater experimentation in the financial sector and accelerate the development of nascent innovative technologies, by supporting early stage development of novel solutions.
- (v) Artificial Intelligence and Data Analytics (AIDA) Grant: to promote the adoption and integration of AI and data analytics in financial institutions.
- (vi) Cybersecurity Capabilities Grant: to strengthen the cyber resilience of the financial sector in Singapore and help financial institutions develop local talent in cybersecurity.
- (vii) Digital Acceleration Grant (DAG)<sup>7</sup>: to support smaller financial institutions and FinTech firms in adopting digital solutions to improve productivity, strengthen operational resilience, manage risks better, and serve customers better.

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<sup>7</sup> DAG is a new track under FSTI 2.0 and was announced on 8 April 2020 as part of the S\$125 million package for FIs and FinTech firms to strengthen long-term capabilities.