



Joint Paper: “Capacity Building for Future Banking 2021-2025”

In the light of the business development and expansion of the banking industry in coming years, there will be a strong demand for the talent required to support the sector’s planned growth. Against this backdrop, the Hong Kong Monetary Authority (HKMA) has engaged the banking industry to undertake an industry-wide “Capacity Building for Future Banking”* exercise to take stock of potential talent gaps during 2021 to 2025, with the aim of developing a clear directional road map for banks to collaborate with other stakeholders in addressing the industry’s talent need for the future. In brief, these observations include:

- (i) The key skill gaps in the banking workforce that need to be filled to support the planned business expansion of the industry during the coming five years will primarily be in three major areas, namely technological and data skills (e.g. application of artificial intelligence), banking knowledge (e.g. specific knowledge in the Guangdong-Hong Kong-Macao Greater Bay Area) and specific soft skills (e.g. creativity); and
- (ii) Sound practices in talent management that could help narrow the skill gaps have been identified in the exercise. These practices involve reskilling and redeploying existing banking practitioners in ways that will help them develop knowledge and expertise in those new skills required.

As set out in the paper, human capacity is always the most valuable asset to the banking industry because banks’ performance and customer services depend heavily on the capabilities and qualities of their people. Therefore, proper investment in human capacity is critical to the future success of the industry. Accordingly, it is important that Authorized Institutions should formulate an appropriate strategy and take adequate actions to address its future talent need, having regard to the findings and recommendations of the paper.

The key skill gaps as identified in the paper are shown overleaf. To view the full paper, please go to www.hkma.gov.hk or scan the QR code.

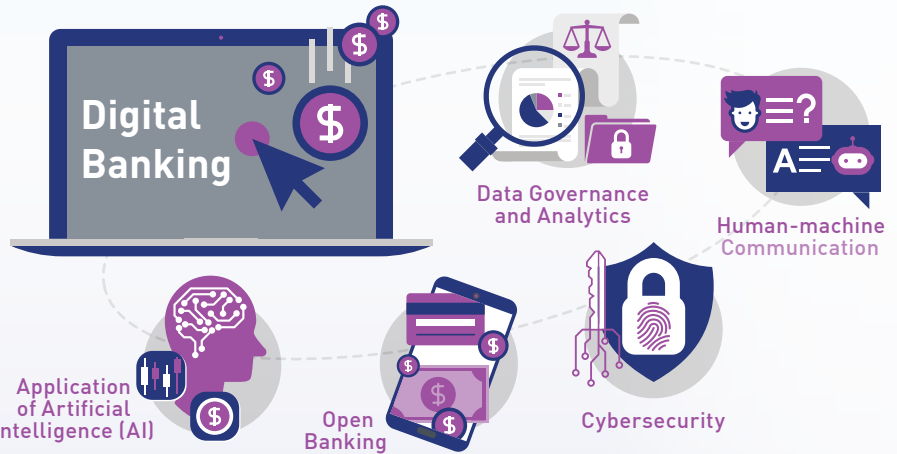




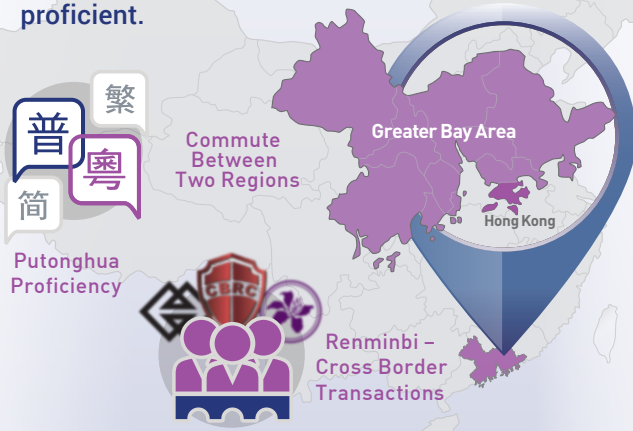
“Capacity Building for Future Banking 2021-2025”

Digital banking is a global trend with emerging business opportunities and for the banks to stay relevant in an increasingly competitive landscape.

Technological and data skills will be in high demand as banks transform from traditional to digital.



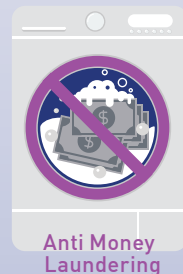
Talents have to equip with knowledge about GBA in terms of customer needs, legal and policy requirements and market operations, and be Putonghua-proficient.



Over 40% of banking practitioners interviewed believe climate-related risk management is a major skills gap, knowledge on Environmental, Social and Governance (ESG) research and product innovation will be in demand.



As financial crimes get increasingly sophisticated and globally connected, the banking industry will need to continue managing cross-border financial crime risks faced by its associates, such as business partners, third-party service providers and customers.



Anti Money Laundering



Cross-Border Financial Crime Risks



Bribe Free

Soft Skills Gaps in Hong Kong Banking Sector

Customer service is fast becoming an increasingly important differentiator of competitiveness when banks continue to navigate through digital transformation.

