

# Shifting Landscapes: Navigating the Next Normal

Against the backdrop of the COVID-19 pandemic, which is set to continue causing disruption for this and probably next year as banks and financial institutions formulate recovery goals and strategies, there is plenty of discussion and speculation about the challenges of the on-going transition to the commonly termed New Normal. In the HKIB Annual Banking Conference, under the theme Reglobalisation, Sustainability and Transformation to a New Normal, keynote speakers and panellists will provide expert insights and in-depth focus on the resulting challenges and opportunities.

under the 14th Five-Year Plan (2021-25) for National Economic and Social Development and the Long-Range Objectives. The outline of the nation's latest economic blueprint pledged to continue supporting Hong Kong in lifting its status as a global financial, transportation and trade centre. Drawing on Hong Kong's comparative advantages, expertise and talent, the ongoing integration of Hong Kong into the Greater Bay Area (GBA) and its growing economic ties with the rest of the world will enable Hong Kong to consolidate its role as an international finance, business and Fintech hub that acts as a bridge for international capital to enter the Mainland China's markets and for Mainland capital and business interests to efficiently and effectively access the rest of the world.



環境改變：  
應對下一個常態

*Under the shadow of the COVID-19 pandemic, a lot has changed over the last 18 months. Change has accelerated in the banking and finance sector and is on course to continue to evolve at an even faster pace in the future.*

在新冠肺炎疫情的陰影下，過去18個月經歷了許多轉變，銀行及金融業的變化速度加快，日後勢將以更快速度演變。

Despite being buffeted by trade and political tensions between the US and Mainland China, Hong Kong remains resilient. In March, the city was ranked among the world's top four financial hubs, according to the 29th Global Financial Index. Hong Kong's potential at the Mainland China national level has received recognition

**新**冠肺炎疫情今年甚至明年行將繼續擾亂既有秩序，銀行及金融機構在制訂復原目標及策略的同時，各界紛紛討論和推測過渡至新常態的過程所帶來的挑戰。香港銀行學會一年一度的《香港銀行家峰會》，將以「回應新常態：重塑全球化 由蛻變達永續」為主題，由主題發言講者及討論嘉賓提供專家意見，深入探討過渡至新常態的挑戰與機遇。

縱使受到中美經貿關係緊張的打擊，香港依然沉着應對，堅毅不拔。根據3月份公佈的第29期全球金融中心指數，香港位列全球金融中心四強之一。國家的國民經濟和社會發展第十四個五年規劃(2021-25)和2035年遠景目標，肯定了香港在國家層面的潛力。在這份最新經濟藍圖的綱要中，國家承諾繼續支持香港提升全球金融、航運及貿易中心的地位。憑着香港的比較優勢、專長和人才、持續融入大灣區的趨勢，以及與世界其他地區日益緊密的經濟聯繫，香港作為國際金融、商業及金融科技樞紐的角色將更形鞏固，並可發揮橋樑作用，讓國際資本進入內地市場，也讓內地資本及商界迅速有效地進入世界其他地區。



### Strong fundamentals to build on

The same as elsewhere across the world, while the COVID-19 pandemic has had a devastating impact on Hong Kong's economy and the daily lives of people, KPMG's *Embracing Change, Driving Growth, Hong Kong Banking Report 2021* notes how the city's banking sector has emerged "reasonably well" from the initial disruptions attributed to the pandemic. The report cites the general strength of banks' balance sheets and regulatory measures implemented over the last few years designed to improve capital strength and liquidity have ensured that Hong Kong's banking sector has remained resilient. Not only have employees in the financial industry had to adjust to working in completely different conditions, they also had to quickly find new ways to communicate to consumers. In turn, consumers had to adjust how they bank from a mix of online and offline experiences.

The report also highlights several key topic areas that KPMG believe are going to have a significant impact on Hong Kong's banking sector in the transition to the New Normal. Topics include Environmental, Social and Governance (ESG) issues, which regulators are encouraging and mandating banks to incorporate into their risk management frameworks. At the same time, as banks look for ways to reduce costs, enhance customer experience and improve risk management and compliance, focus on transformation of operations, technologies and systems will become increasingly crucial. Regulators in Hong Kong have shown substantial support and foresight for transformative technologies in the form of government-backed real-time mobile payment platforms and virtual banking licences – enabling a positive climate for further growth in the Fintech space. A report by big data organisation Vpon Big Data Group on Hong Kong's virtual banking industry found that the eight virtual banks have made it easy for customers to take greater control of their finances and use banking services via their mobile phones or personal computers. According to a report from financial consultancy firm Quinlan & Associates, virtual banks are expected to generate revenues of up to HKD76 billion per year by 2025.

“*Hong Kong is already a green finance centre with a vibrant and efficient ecosystem that matches the demand and supply of green financing, but more needs to be done in this fast-growing space.*”

### 基礎穩固

正如世界其他地區一樣，新冠肺炎疫情對香港經濟民生帶來破壞性的影響；但畢馬威的《擁抱變革，推動增長，2021年香港銀行業報告》指出，在經歷疫情初期的破壞後，香港銀行業恢復得「不錯」。報告指出，銀行的財務狀況大致穩定，監管機構過去數年亦實施多項規管措施改善銀行的資本水平和流動性，保持了香港銀行業的抗逆能力。金融業僱員不僅須適應環境，在各種完全不同的情況下工作，而且要迅速尋求新方法與客戶溝通。另一方面，客戶也要適應透過各種線上線下的方式取得銀行服務。

報告也重點提出畢馬威認為對香港銀行業過渡至新常態的過程中幾個影響深遠的重要議題，包括環境、社會及管治(ESG)；監管機構現正鼓勵並規定銀行把ESG納入風險管理架構中。同時，銀行尋求方法降低成本、提升客戶體驗、加強風險管理及合規之際，運作轉型、科技和系統事宜日形重要。香港的監管機構高瞻遠

Meanwhile, expansion activities in the wealth management space also look set to continue with the number of international private banks and wealth managers seeking to use Hong Kong as a springboard to expand into Mainland China, while Mainland Chinese banks are setting up wealth management arms in Hong Kong to provide services to investors outside of the Mainland. Furthermore, the imminent launch of the GBA Wealth Management Connect is set to add a number of new dynamics to Hong Kong's wealth management sector, which will further enhance Hong Kong's role as a key global connector and conduit for wealth management investment activities.

### Sustainability is the future

With the topic of sustainability already in the spotlight, the recently released Intergovernmental Panel on Climate Change (IPCC) report which flags a "code red for humanity", and states that humans are "unequivocally" to blame for climate change, further reinforces how the banking and financial system operates in the New Normal will have an impact on the way in which climate risk is managed or reduced.

矚，對於政府推動的實時流動支付平台、虛擬銀行等新科技均大力支持，為金融科技的進一步發展營造了正面氣氛。大數據公司威朋發表的一份有關香港虛擬銀行業的報告顯示，八家虛擬銀行讓客戶透過手機或個人電腦方便地使用銀行服務，以管理個人財務。根據金融顧問公司Quinlan & Associates的報告，到2025年，預料虛擬銀行產生的收益每年可達760億港元。

同時，財富管理業務也將持續擴充，越來越多國際私人銀行及財富管理人員將利用香港作為基地，擴展內地業務；內地銀行則在香港設立財富管理業務的分支，在內地以外地區為投資者提供服務。此外，大灣區跨境理財通行將實施，勢將為香港的財富管理行業帶來新動力，進一步加強香港作為全球聯繫人的角色，鞏固香港作為財富管理投資活動途徑的地位。

### 永續即未來

永續早已是大眾關注的議題，最近聯合國政府間氣候變化專門委員會發表報告，向全人類發出紅色警報，指出人類毫無疑問是氣候變化的罪魁禍首。這更突顯了銀行金融制度在新常態下的運作，將影響管理或降低氣候風險的方式。

“*香港已是綠色金融中心，有著生機蓬勃、效率極高的生態系統，能配合綠色金融的需求與供應；但在這個高速增長的範疇，要做的仍有很多。*”





In keeping with banking regulators around the world who are formalising new rules for climate-risk management, in July 2021, the Hong Kong Monetary Authority (HKMA) issued draft guidelines (the Draft Guidelines) on the management of climate-related risks by Authorized Institutions (AIs). The Draft Guidelines further develop the HKMA's approach to climate risk initially outlined in its June 2020 White Paper on Green and Sustainable Banking, which incorporate leading international standards and practices to provide comprehensive climate risk management guidance for banks in the areas of governance, strategy, risk management and disclosure.

The HKMA has drawn on the work of the Task Force on Climate-related Financial Disclosures (TCFD), the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and the Basel Committee on Banking Supervision to develop its approach to climate-related risks. Conceptually, the HKMA adopts the TCFD approach to classifying climate-related risks into both physical and transition risks, with an additional category of liability risks. Physical risks include the impacts of climate and weather-related events and long-term progressive shifts in climate. Transition risks include the financial risks related to the process of adjusting to a lower-carbon economy (e.g. changes in climate policy, technological changes and changes in market sentiment) and liability risks associated with emerging legal cases related to climate change (e.g. individuals seeking compensation from financial institutions that finance companies with activities having negative environmental impacts). The HKMA expects AIs to put in place and regularly review documented policies and procedures to manage climate-related risks in a proactive manner. On risk identification and measurement, the HKMA expects banks to conduct a comprehensive assessment posed by climate change which could impact credit, market, liquidity, operational, legal, reputation and strategic risks.

Speaking at the Signing Ceremony of the HKMA-International Finance Corporation (a member of the World Bank Group) Alliance for Green Commercial Banks in November 2020, Eddie YUE, Chief Executive of the HKMA explained while a lot has been said about the need and urgency for the financial sector to play its part in tackling climate change risk, the question of “whether” action needs to be taken is behind us. “We need to walk the talk and address the question of ‘how’,” he added.

An interesting space to watch is that “going green” in the next few years would most likely cause some changes to asset pricing and valuation as the market adjusts to more new regulatory requirements across industries and adapting to greener alternatives around the world.



“Although a relatively small city, as an international Fintech hub characterised by a diverse, resilient, and dynamic landscape, Hong Kong punches above its weight as one of the most productive markets for Fintech start-ups to set-up and scale-up.”

世界各地的銀行業監管機構，均正制訂管理氣候風險的新規則。香港金融管理局（金管局）也不例外，在2021年7月發出有關認可機構管理氣候相關風險的指引擬稿。金管局在2020年6月發表《綠色及可持續銀行業白皮書》，初步闡述了金管局對氣候風險的監管方法；指引擬稿在該白皮書的基礎上作進一步論述，集合國際領先標準及做法，為銀行提供詳盡的氣候風險管理指引，範圍涵蓋管治、策略、風險管理及披露。

### Leading Fintech hub

While digital transformation is not new, it is now more relevant than ever as innovation in financial technology or Fintech, has become essential for banks and financial institutions to continue thriving in the New Normal. Unveiled in June this year by the HKMA, “Fintech 2025” is a new strategy designed to drive Fintech development in Hong Kong. In essence, Fintech 2025 seeks to encourage the financial sector to comprehensively adopt technology in their businesses and transactions by 2025. Assessment of banks' current and planned Fintech adoption will be carried out from time to time to identify key Fintech business areas or technologies that are underdeveloped.

Although a relatively small city, as an international Fintech hub characterised by a diverse, resilient and dynamic landscape, Hong Kong punches above its weight as one of the most productive markets for Fintech start-ups to set-up and scale-up. According to InvestHK figures, Hong Kong is home to more than 600 Fintech companies and start-ups. Furthermore, in KPMG's 2020 annual assessment of global technology leaders, Hong Kong ranked in the top ten of the world's top technology innovation hubs outside Silicon Valley.

With technology and sustainability quickly emerging as two key driving forces reshaping the global financial ecosystem, Hong Kong is poised to rise in prominence as a global leader in green finance. Speaking via video link at the Startmeup HK Festival – Virtual FinTech Forum in May, Secretary for Financial Services and the Treasury, Christopher HUI said green and sustainable finance is a priority issue for global governments and businesses and Hong Kong is no exception. Since green and sustainable finance are expected to create tangible benefits for Hong Kong, the Secretary for Financial Services and the Treasury also highlighted how Fintech would play a key role in green finance data analytics and quantification solutions, such as an enabler for amassing and evaluating ESG data.

金管局制訂氣候相關風險的監管方法時，參考了氣候相關財務披露工作小組(TCFD)、央行與監管機構綠色金融網絡(NGFS)，以及巴塞爾銀行監管委員會的經驗。概念上，金管局採納TCFD的做法，把氣候相關風險分為實體風險及轉型風險，另加責任風險類別。實體風險包括與氣候及天氣相關的事件，以及氣候長遠逐漸改變所涉的風險。轉型風險包括與適應低碳經濟的過程相關的財務風險（例如氣候政策、科技和市場情緒的改變），以及氣候轉變相關訴訟個案的責任風險（例如個別人士因金融機構為破壞環境的公司融資而向金融機構追討賠償）。金管局期望認可機構制訂並定期檢視積極管理氣候相關風險的政策及程序。識別及計量風險方面，金管局期望銀行全面評估氣候變化的風險，包括氣候變化構成的信用、市場、流動性、運作、法律、聲譽及策略風險。

金管局於2020年11月與國際金融公司（世界銀行集團成員）簽訂有關綠色商業銀行聯盟的合作夥伴協議，金管局總裁余偉文在簽訂儀式上表示，人們經常談到金融業人士有迫切需要參與處理氣候變化風險；事實上「是否」需要行動已不必再考慮。他補充：「我們應付諸實行，探討『如何』行動。」

值得留意的一項發展，是未來數年奉行環保之際，市場須適應各行各業的新法規，世界各地也採取更環保的做法，因而很可能導致資產定價及估值上的改變。

### 領先金融科技樞紐

數碼轉型不是新鮮事，但銀行及金融機構要在新常態下繼續興旺發展，便必須仰賴金融科技上的創新，數碼轉型更見迫切。金管局於今年6月公佈「金融科技2025」策略，推動香港金融科技發展。該策略旨在鼓勵金融業界於2025年前，在業務運作及交易上全面應用金融科技。金管局將不時評估銀行現時及計劃採用金融科技的情況，找出尚未全面發展的主要金融科技業務領域或科技類別。

香港地域雖小，卻是國際金融科技樞紐，多方面蓬勃發展，靈活求變，生機勃發，是成立及發展金融科技初創企業的最佳市場之一。根據投資推廣署的數字，香港有超過600家金融科技公司及初創企業。此外，根據畢馬威2020年的全球科技領先地區評估，香港是硅谷以外世界十大科技創新中心之一。





“香港地域雖小，卻是國際金融科技樞紐，多方面蓬勃發展，靈活求變，生機勃發，是成立及發展金融科技初創企業的最佳市場之一。”

技能和創新思維，態度正確，合乎道德。然而，「靈活」必須融合到數據的應用中，否則只是空談。金融機構必須建立或迅速加強分析能力，以找出答案；同樣重要的，是容許靈巧小隊提出適當的問題。要做到靈活，說來容易，實際上要求金融機構積極投入，願意以新的心態和正確的價值觀過渡至新常態。在新常態下，香港作為國際金融及金融科技中心，又可在靈活應變方面超越市場觀察者的期望。

總括而言，香港的基礎因素穩固，包括監管機構相對高瞻遠矚、法律框架鞏固，以及政府致力提供政策及財政支援。金融業界也有多方面的長處和能力，可掌握大灣區的機遇。同時，千禧世代必須繼承嬰兒潮世代的企業創新精神，不過從房地產和貿易轉戰科技行業。在這過程可清楚看到人才庫的缺口，以及彌補這些缺口所須採取的行動。簡言之，香港不乏建立及維持永續生態系統的工具。那麼，決定成敗的因素是什麼？能靈活有效地轉型、懂得善用擴充能力、超越客戶期望、有創意、會培育及挽留人才、把數據換成金錢的，必能勝出。做不到的，便有被淘汰的風險。BT

### Agility is the new must-have

According to McKinsey's *From thinking about the next normal to making it work: What to stop, start and accelerate* research report, "agility" is defined as the ability to reconfigure strategy, structure, processes, people and technology, quickly toward value-creating and value-protecting opportunities. The overarching goal is for the right people to be in position to make and execute decisions. During the early stages of the pandemic, banks as well as the wider business community had little choice but to break down organisational boundaries to get things done. Now, as banks look to the future, one of the best ways to start remodelling an organisation is to build so-called "smart-teams". Team members will have a mix of skills, and having the right attitude with innovative thinking and ethical sensibility will be the heart of these smart teams. However, agility is just a word if it isn't grounded in the discipline of data. Financial institutions need to create or accelerate their analytics capabilities to provide the basis for answers – and equally important, allow smart-teams to ask the right questions. While easy to articulate, achieving effective agility requires financial institutions' commitment and a willingness to transform to the new normal with a new mind-set and the right values. Again, this is where

科技和永續發展，迅速成為重塑全球金融生態系統的兩大推動力。香港勢將崛起，成為綠色金融的全球領導者。財經事務及庫務局局長許正宇在5月舉行的Startmeup HK創業節金融科技虛擬論壇上，透過視像發言，表示綠色及可持續金融是世界各地政府和商業機構優先處理的課題，香港也不例外。綠色及可持續金融將為香港帶來實在的利益，因此許正宇同時指出金融科技在綠色金融數據分析及量化解決方案方面可發揮重要作用，例如幫助收集及評估ESG數據。

### 靈活應變是必要的新特質

根據麥健時的研究報告*From thinking about the next normal to making it work: What to stop, start and accelerate* (《由思考下一個常態到付諸實行：應停止、開始及加快的行動》)，「靈活」是指迅速重新配置策略、架構、程序、人才及科技，以創造及保護價值的能力，整體目標是讓適當的人作決定和執行決定。疫情初期，銀行以至更廣闊層面的商業社會別無選擇，只能打破機構之間的界限，把事情做好。到了今天，銀行面對未來，重塑機構的最佳方法之一，是建立「靈巧小隊」。隊員具備各種不同

Hong Kong as an international financial and Fintech hub can exceed the expectations of market watchers in the era of the new normal.

In conclusion, Hong Kong has a strong platform of fundamentals to build on. These fundamentals include a relatively forward-looking regulator, a strong legal framework and a government committed to providing policy and financial support. The financial sector also has wide ranging strengths and capabilities to leverage the opportunities the GBA offers. Meanwhile, the millennial generation must continue to take up the entrepreneurial spirit set in motion by the baby boomer generation – but instead of real estate and trading, they are moving into the technology sector. As this happens, there is a clear picture of the gaps that are missing in the talent pipeline and the steps that need to be taken to fill them. In essence, Hong Kong has the tools in place to generate and maintain a sustainable ecosystem. So what are the factors that could determine the winners and losers? Those that can transform efficiently with agility, take advantage of scalability, exceed customer expectations, be innovative, nurture and retain talent and monetise data, are set to come out ahead. Those that do not; run the risk of falling by the wayside. BT

### ABOUT THE AUTHORS

#### 作者簡介



#### Dr Angus YOUNG

Member of the HKIB Publications Sub-committee and Senior Lecturer and Research Fellow, Hong Kong Baptist University

#### 楊意堅博士

香港銀行學會出版事務委員會委員、香港浸會大學高級講師及研究員



#### Chris DAVIS

Editor  
Ninehills Media Limited  
Ninehills Media Limited主編



Publications Sub-Committee,  
The Hong Kong Institute of Bankers

香港銀行學會出版事務委員會