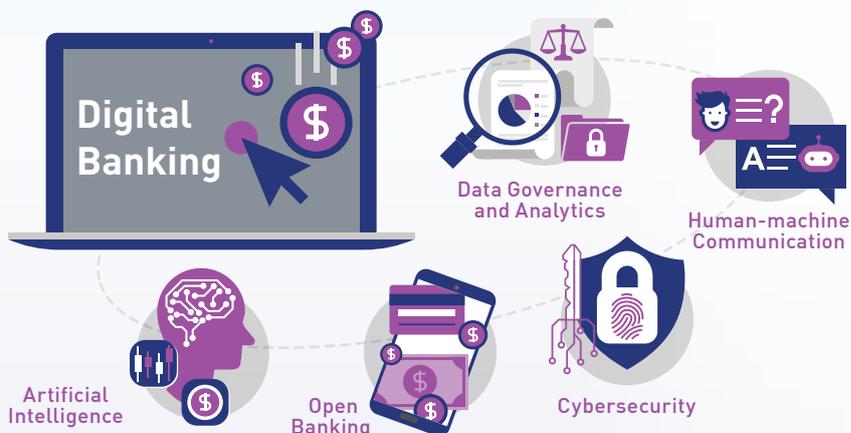




Capacity Building for Future Banking 2021-2025

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

Technological and data skills are in high demand as banks transform from traditional to digital operations.



Knowledge about the Greater Bay Area in terms of customer needs, legal requirements, policy rules and market operations are becoming more important.



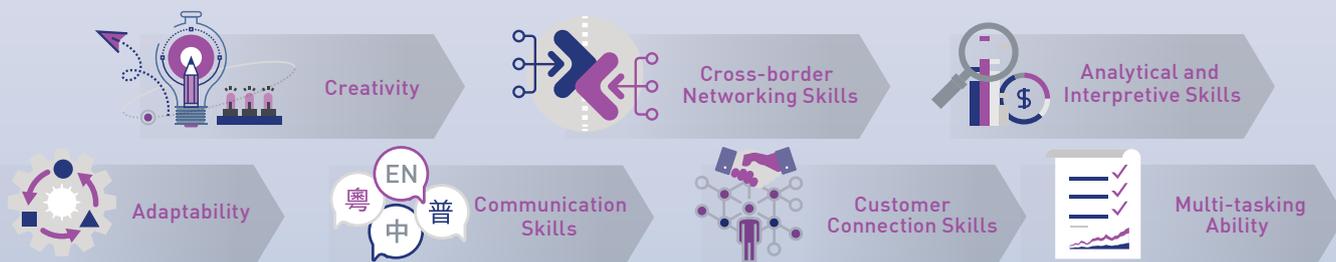
Climate-related risk management is a major skill gap as identified by over 40% of banking practitioners interviewed. Knowledge of environmental, social and governance research and product innovation will be in high demand.



As financial crimes become sophisticated and globally connected, the banking industry needs to continue managing cross-border financial crime risks.



Banks are on the lookout for talent who can lead and add value with their soft skills.





Joint Paper: Capacity Building for Future Banking 2021-2025

In the light of the business development and expansion of the banking industry in the coming years, demand for talent will be strong to support the planned growth. Against this backdrop, the Hong Kong Monetary Authority engaged the sector to carry out 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 road map for banks to work with other stakeholders in addressing future talent needs. In brief, observations from the exercise include the following:

- (i) Key skill gaps that need to be filled to support the planned business expansion during the five years will primarily be in three major areas, namely technological and data skills (e.g. artificial intelligence), banking knowledge (e.g. specific know-how of operating in the Guangdong-Hong Kong-Macao Greater Bay Area, green and sustainable finance) and specific soft skills (e.g. creativity); and
- (ii) Sound practices in talent management are needed to narrow the skill gaps. These practices involve reskilling and redeploying existing banking practitioners in ways that will help them develop knowledge and expertise in the required new skills.

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 of their people. Proper investment in human capacity is therefore critical to the future success of the industry. Accordingly, it is important that banks should formulate suitable strategies and take adequate actions to address their future talent needs, 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.

