

Pin-striped suit banking is so 19th century, as virtual banks of Hong Kong, Singapore demand a new crop of IT-savvy professionals

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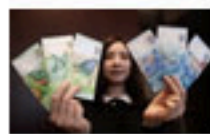
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Pedestrians cross an intersection in Central district in Hong Kong on 18 October 2017. Photo: EPA-EFE

The imminent commencement of virtual banks in Hong Kong and Singapore have created more than 1,000 job opportunities for a new generation of bankers, requiring them to be innovative and tech savvy, according to recruitment experts.

Competition for talent has sharpened since last year as both cities stepped up their race to spruce up their financial technology (fintech) and online banking offerings, said Jerry Chang, managing director of recruiting firm Barons & Company.

“The new [virtual banks] in Hong Kong and Singapore need to hire staff, while the traditional banks are also expanding their digital banking and wealth management services to compete,” Chang said in a telephone interview with *South China Morning Post*. “The virtual banks want experienced bankers who understand banking regulations, with good technological background who can establish online platforms to serve customers.”

The race for talent is heating up, as eight banking licenses awarded by the Hong Kong Monetary Authority (HKMA) must commence operations in the coming months, each requiring over 100 staff to kick off. In Singapore, 21 technology companies from the ride-hailing service Grab to online payments provider Ant Financial Services have applied bids for five digital bank licenses.

Eight applicants have been granted licences to set up virtual banks in Hong Kong

Bank brand	Initial investment	Shareholders	Stake	Grant date
Livi	HK\$2.5b	BOC Hong Kong	44%	March 27
		Jingdong Digits Technology	36%	
		Jardine Matheson Group	20%	
		Standard Chartered	65.1%	
SC Digital Solutions	HK\$1.6b	HKT	15%	March 27
		PCCW	10%	
		Ctrip Hong Kong	9.9%	
		Zhong An Online	51%	
Zhong An Virtual Finance	HK\$1.5b	Sinolink Worldwide	49%	March 27
WeLab	N/A	WeLab	100%	April 10
Ant SME Services (Hong Kong)	N/A	Ant Financial	100%	May 9
Fusion Bank	N/A	Tencent	N/A	May 9
		ICBC Asia		
		HKEX		
		Hillhouse Capital and Perfect Ridge Ltd		
Insight Fintech HK	N/A	Xiaomi	90%	May 9
		AMTD Group	10%	
Ping An OneConnect Company	N/A	Ping An Insurance	100%	May 9

Sources: HKMA, company data, Bloomberg, Morgan Stanley Research

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“The demand is strong, but it is not easy to hire bankers of this calibre and with the right skills,” said Chang.

Hong Kong and Singapore are the world’s two most overbanked urban centres, with more bank branches and automated teller machines (ATMs) per 100,000 people than anywhere else in the world. The entry of new virtual banks, which aren’t allowed to operate bricks-and-mortar branches under licensing rules, would force the entire banking industry to innovate and improve services, executives said. New banks will also create new job opportunities, albeit with requirements for 21st-century fintech, instead of relationship banking in pin-striped suits.

“There is always a need for bankers,” said Chan Ka-keung, chairman of one of Hong Kong’s first licensed virtual lenders WeLab Virtual Bank since he stepped down as the city’s Secretary for Financial Services and the Treasury.

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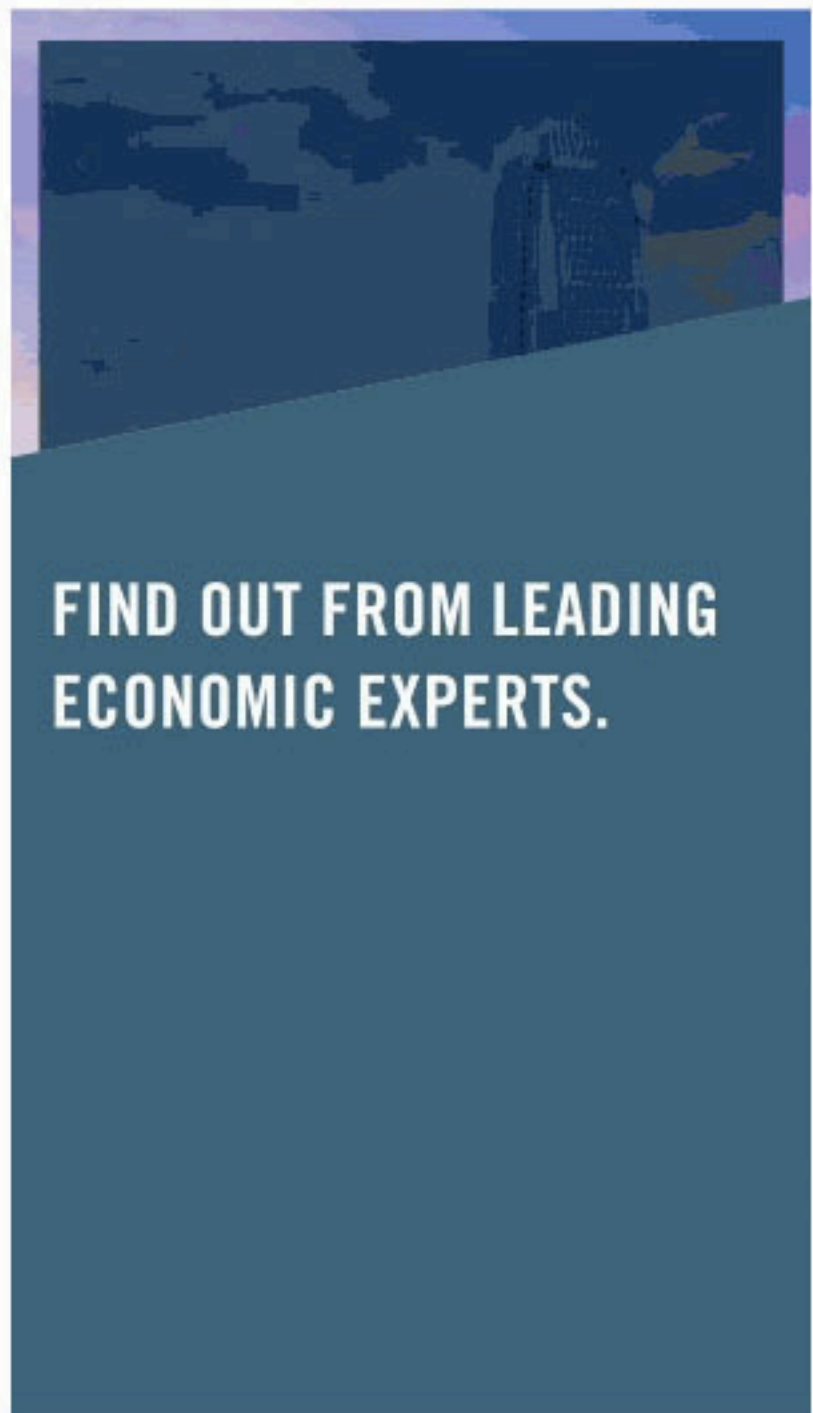
“The skills set for a banker in this new era is different from the old days,” Chan said during a conference in Hong Kong. “[They must be] tech savvy and understand what the new generation of customers want.”

Of the eight licenses issued since March by the HKMA, ZA Bank – co-owned by mainland China’s online insurer ZhongAn Online P&C Insurance and Sinolink Group, began operations in December. The remaining seven banks including WeLab are poised to commence in the next few months.

The boom of online financial services and virtual banking created opportunities and challenges for bankers, said City University of Hong Kong’s associate director Wilson Chan, and a former banker with 25 years in the industry.

“Some banks may lay off staff whose skill sets are stuck in the manual mode of traditional banks, Chan said. “The bankers who can develop their digital banking knowledge, however, face more job opportunities in the online banking world.”

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