



Manpower Update Report

Banking and Finance Industry

2024



ACKNOWLEDGEMENT

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Introduction

Background

The Banking and Finance Training Board (BFTB) of the Vocational Training Council (VTC) is appointed by the Government of Hong Kong Special Administrative Region to be responsible for, among other duties, determining the manpower demand of the banking and finance industry in Hong Kong, assessing whether the manpower supply matches manpower demand, and recommending to the VTC the development of vocational and professional education and training (VPET) facilities to meet the assessed training needs.

Under the current approach for conducting manpower surveys, a full manpower survey will be conducted once every four years, supplemented by periodic information updates through focus group meetings and desk research.

The BFTB completed its latest full manpower survey in 2021. Two manpower update reports will be produced between 2023 and 2024.

The 2024 manpower information update comprises:

- (a) a focus group meeting to get the views of industry experts on the latest developments in the banking and finance industry, manpower situation and training needs, recruitment challenges and proposed measures to address the challenges faced by the industry; and
- (b) desk research analysing job advisements including qualifications, experience and skills required, and salaries offered by the principal jobs in the banking and finance industry.

Objectives

The objectives of the manpower update are:

- (i) to examine the latest trends and developments in the industry;
- (ii) to explore the job market situation and training needs;
- (iii) to identify the recruitment challenges; and
- (iv) to recommend measures to meet the training needs and to ease the problem of manpower shortage.

Methodology

Overview

With reference to the 2021 full manpower survey and 2023 manpower update of the banking and finance industry, this update report aims to provide qualitative descriptions of the recent development of the industry through a focus group meeting, supplemented by making reference to some quantitative data on recruitment advertisements from desk research.

Focus Group Meeting

Members participating in the focus groups are representatives from the banking and finance industry, including:

1. Banks;
2. Securities and futures institutions;
3. Fund houses/ asset management companies;
4. A local tertiary institute; and
5. A young in-service practitioner.

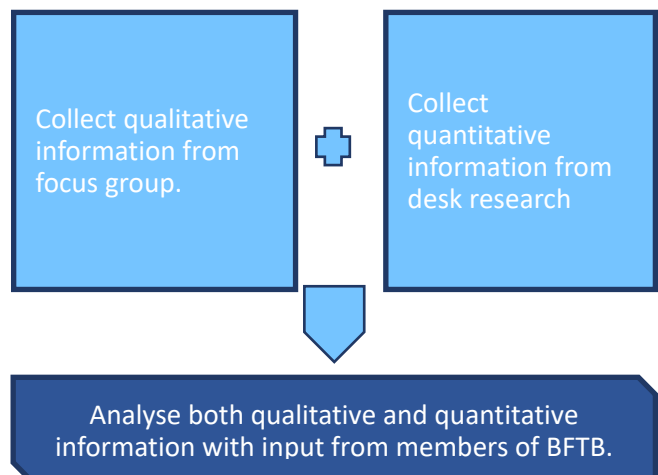
A focus group meeting was conducted on 29 May 2024. The secretariat staff served as the moderator and led members to in-depth discussions on topics selected by the Working Party on Manpower Survey of the BFTB. The discussions at the meeting were recorded and transcribed to facilitate analysis.

Desk Research

An employment information system was developed to capture the relevant recruitment data from major online recruitment portals. Recruitment records were collected between Quarter 3 of 2023 and Quarter 2 of 2024 for the industry. Collected information was mapped against the list of companies related to the banking and finance industry under the Hong Kong Standard Industrial Classification devised by the Census and Statistics Department. After mapping and removal of duplicated records, a total of 38,365 recruitment records were collected during the research period and served as indicative information of the job market trend.

Data Analysis

The analysis consists mainly of the following three steps:



Limitations

As this is not a full manpower survey, the findings and recommendations of the focus group meeting are more qualitative in nature and the report focuses mainly on the manpower trends. The information on job advertisements was collected from major recruitment websites and the Labour Department. Other channels, such as headhunting for managerial positions, were not covered. Since the data collected is a snapshot of a particular period without reference to any historical data, this can serve as reference information supplementary to the findings of the focus group meeting.

Findings

Factors Affecting the Development of the Banking and Finance Industry

The banking and finance industry was brimming with opportunities and threats. Among all these, they addressed that the industry was being affected by the following factors:

Economic Cycle

The Hong Kong's banking and finance industry was confronting a challenging global economic landscape amidst geopolitical tensions. Whilst these headwinds had created a volatile environment, leading to business instability and heightened regulatory scrutiny in certain areas, the closer cross-border connections, particularly with the Greater Bay Area, had emerged as a silver lining. This enhanced regional integration brought new business opportunities and growth potential to Hong Kong's financial sector. Nevertheless, the overall unpredictability and demanding nature of the industry had dampened its appeal to young professionals. Many talented graduates remained hesitant to enter the field, despite the new opportunities, due to perceived instability. This ambivalence among the younger generation posed a risk of a future talent gap, presenting a unique challenge for the industry as it strived to balance regional prospects with global uncertainties.

Talent Shortage

Talent was critical for the success and development of Hong Kong's banking and finance industry. The pressing talent shortage had shown mild improvement during the period, with reduced staff turnover and more candidates for certain roles. However, the industry continued facing resourcing challenges in key emerging areas such as fintech, green finance, Greater Bay Area opportunities, digital assets, data science and AI automation. The regulatory and compliance demands in the industry might present challenges for youths considering careers in finance. Though recruitment pressures eased somewhat recently, strategic workforce planning was still needed to build pipelines for priority capabilities.

It was revealed that the banking and finance industry in Hong Kong was facing acute talent shortages in specialised skill areas critical for future competitiveness. Organisations struggled to recruit professionals with expertise in emerging domains like sustainable finance and digital transformation, which required highly in-

demand skillsets. They worried that this talent gap might constrain the industry's ability to capitalize on new opportunities and maintain its competitive edge in a rapidly evolving landscape. Besides, there was a potential mismatch between the skills currently available and those needed within the next three to five years. While the Government launched many talent attraction schemes to attract overseas talent provided some relief, more collaborative and sustainable approaches were required to build robust talent pipelines domestically. There is a need for the Government to partner with the academia to equip local youth with globally relevant, yet locally attuned expertise aligned to future needs. Nurturing a future-ready talent pool with diverse perspectives was deemed a strategic priority for the industry. Proactively addressing recruitment challenges in key skill areas was crucial for innovation and growth.

Government Policies

Hong Kong's position as a leading international financial hub necessitated robust regulatory measures to uphold system stability and integrity. While implementing comprehensive risk management controls, such as know-your-customer (KYC) and anti-money laundering (AML) protocols, represented a significant undertaking, the focus group recognized these global best practices aimed to safeguard Hong Kong's reputation as a trusted centre for financial services.

Meeting elevated compliance requirements has compelled investments from organisations looking to bolster capabilities in due diligence, monitoring and reporting. Though managing the resulting resource demands poses challenges, maintaining competitiveness in today's closely regulated landscape entails embracing compliance as a crucial component of prudent and ethical business practices. The industry expressed confidence that banks would continue working constructively with regulators to align supervision and growth in a balanced manner.

To further strengthen Hong Kong's position as an International Financial Centre, the Government plans to implement various strategic initiatives in the 2024 Policy Address. These include developing an international gold trading market with world-class storage facilities, introducing more RMB-denominated products, and refining the regulatory regime to boost market efficiency. The enhancement of offshore RMB liquidity through better utilisation of the currency swap agreement, expansion of the Bond Connect (Southbound Trading), and refinement of the New Capital Investment Entrant Scheme to include high-end residential properties will facilitate market development. Additionally, measures are being taken to enhance the insurance sector, particularly in non-life insurance businesses, and to attract large enterprises to establish captive insurers in Hong Kong.

From Technological Wave to Flexible Work Location

During the pandemic and ongoing labour shortages, employers accelerated their shift towards automation, moving many administrative and repetitive works to offshore operations with technological support. This shift relieved the demand for junior staff and reduced repetitive tasks, enabling organisations to focus on upskilling their workforce to handle more complex, irreplaceable work. As a financial service hub, there was a significant demand for wealth management staff, but a lack of this specific talent in the market was reported. It was suggested that among university graduates, there was declining interest in entering the banking and finance industry. They also raised the question of whether the continuous tightening of regulations misaligned young people's aspiration to join the banking and finance industry.

Education Institutes

In addition to equipping students with essential analytical, problem-solving and communication skills, education institutes have also incorporated emerging disciplines like AI, fintech and blockchain into the curriculum to align with market demands. However, recent news about challenges facing the banking and finance industry may have dampened enthusiasm among youth for pursuing careers in this field. While new technologies remained crucial areas of study, educators had to seek a balanced approach that provided students with adaptable skill sets applicable across various industries. With rapidly evolving workplace needs, the emphasis was on fostering critical thinking, creativity and the passion for lifelong learning over any narrow focus on traditional banking and finance knowledge that may experience fluctuations. As a whole, it was important to develop well-rounded individuals who are ready to navigate an uncertain future.

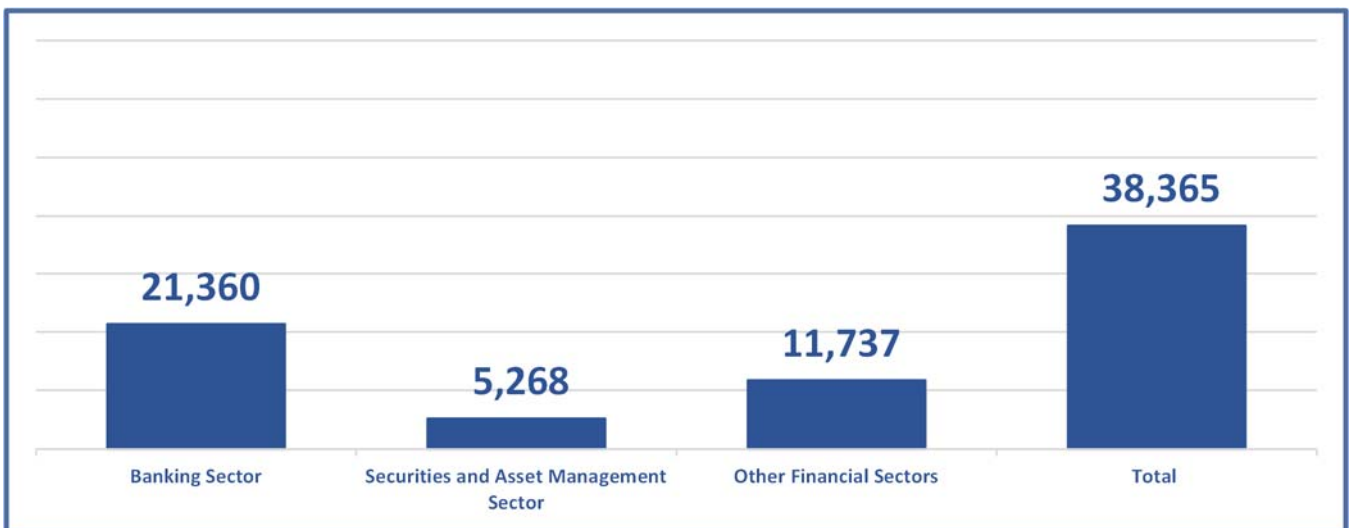
Manpower Demand

Desk Research

Desk research had captured 38,365 banking and finance-related recruitment advertisements between July 2023 and June 2024 (12 months). There were 21,360 advertisements from the banking sector (55.7%), 5,268 advertisements from the securities and asset management sector (13.7%) and 11,737 advertisements from other financial sectors (30.6%). Compared to the findings indicated in the 2023 Manpower Update Report of Banking and Finance Industry, the total number of advertisements decreased by 34.7% to

38,365 in 2023/24 from 58,792 in 2022/23. Specifically, banking sector advertisements dropped by 26.2% to 21,360 from 28,958, securities and asset management sector advertisements fell by 46.4% to 5,268 from 9,828, and other financial sectors saw a 40.9% decline to 11,737 advertisements in 2023/24 from 19,906 last year. Despite the different periods, the 12-month durations provide an indicative comparison of the year-on-year trends across the sectors.

Figure 1: No. of Recruitment Advertisements in the Banking and Finance Industry between July 2023 and June 2024 (By Branch)



Focus Group

The focus group discussion highlighted that the banking and finance industry was experiencing shifting demands for specialised skills and expertise driven by emerging technologies and trends.

Race for Fintech Capabilities

There was a substantial demand for talent with expertise in emerging technologies to enable digital transformation. Skills in fintech, blockchain, cryptocurrency, AI, machine learning and data analytics were sought after to modernise operations, boost efficiency through automation, and support innovation. Additional priority skills included cybersecurity, cloud computing, API management and user experience design. As virtual assets and open banking gained traction, professionals fluent in these fields allowed institutes to explore new opportunities while managing associated risks. However, such technically adept talent remained scarce amidst intense recruitment competition.

Competing for ESG Talents

There was a rising demand for sustainability expertise, driven by surging client interest and increasing regulations around ESG performance and disclosures. Specific capabilities sought included evaluating climate risks, measuring emissions and social impact, assessing green investments, and structuring sustainability-linked financing solutions. However, professionals with sufficient domain knowledge in the related fields remained

scarce. As stakeholder expectations on ESG accelerated, financial institutions grappled with acute shortages of qualified talent to develop suitable sustainable finance offerings.

Analytics Talent in Demand

There was a substantial demand for data scientists as data analytics gained strategic importance in banking. Data science capabilities were needed to derive customer insights, guide decisions, and enhance efficiency through advanced modelling and engineering techniques. However, recruiting candidates with sufficient expertise in these specialised areas proved challenging locally. With data literacy becoming critical across roles, building pipelines of qualified local talent was essential. However, intense competition for scarce data science skills forced high salaries for those with advanced credentials and experience.

Wealth Management

The study underlined a surging demand for wealth management talent due to rising regional demand. As the Government was striving to sharpen Hong Kong's competitiveness as the premier asset and wealth management centre in the region, Hong Kong required relationship managers with the expertise to serve high-net-worth individuals, especially Mainland Chinese clients. With the development of the Greater Bay Area, professionals who could attract southbound and facilitate northbound business, and possessed knowledge of mainland wealth

management needs and regulatory requirements were highly sought-after, yet scarce. Nurturing local talent pipelines and attracting overseas talent had been critical to meet the demand. Wealth management capabilities have been vital for maintaining Hong Kong's competitiveness and capturing opportunities in the expanding private wealth market, both locally and within Greater China.

Risk Management Skills Needed

There was a robust demand for risk management expertise to address regulatory pressures and market volatility. Talent well-versed in statistical modelling and risk analytics was already scarce. Especially valued were professionals who could complement traditional capabilities with technological aptitude to enable data-driven risk management. Individuals who combined risk experience with the ability to implement the latest quantitative techniques and analytical systems were sought after but hard to find. Financial institutions needed multifaceted individuals who could tap into the power of data and technology to enhance risk frameworks with real-time insights. However, this interdisciplinary blend of skills remained extremely rare.

Training Needs

Developing Digital Capabilities

It is emphasised that digital capabilities have become a crucial component in banking and finance, making fintech and IT proficiency essential for all practitioners. Banking and financial institutions are actively pursuing comprehensive digital transformation initiatives that encompass key technological domains: artificial intelligence, automation, data analytics, cloud computing, blockchain, and customer-facing technologies. The integration of AI has become particularly crucial, revolutionising everything from risk assessment and fraud detection to personalised banking services. This digital evolution necessitates that staff across all departments to develop strong technological fluency to effectively interface with automation systems, leverage data assets, and deliver enhanced digital experiences to their customers. Among the specific technical competencies in high demand are AI implementation skills, machine learning expertise, API management for open banking initiatives, data science capabilities for sophisticated risk modelling, and cybersecurity expertise to address emerging threats in the digital landscape. However, technical skills alone are insufficient; professionals must also be capable to strategically apply these technologies, particularly AI-driven solutions, and deliver meaningful insights to support business objectives and decision-making processes. Recognising technology as both an enabler and differentiator in the digital era, it is recommended to adopt a two-pronged approach: upskilling existing

banking and finance practitioners in AI and emerging technologies whilst simultaneously recruiting technology-savvy talent. To facilitate this skill development, it is suggested that organisations foster strategic collaborations with academic institutions and fintech firms, creating a sustainable ecosystem for continuous learning and technological advancement within the industry, with a particular focus on building AI capabilities and understanding its applications in financial services.

Integrating Compliance Across Functions

It is noted that compliance had become a critical capability for banking and finance professionals at all levels. They noted that the industry was operating in an environment of growing regulatory complexity across areas including financial crime, data privacy, conduct practices, and prudential requirements. To manage mounting compliance risks and costs, practitioners needed solid knowledge in domains such as anti-money laundering (AML), know your customer (KYC), sustainability and capital adequacy regulations. Moreover, with increasingly stringent requirements, professionals must possess the mindset and skills to leverage technology, such as AI and advanced analytics, to enable efficient and effective compliance. The focus group emphasised

that skills in interpreting new rules, implementing effective controls, and reporting to regulators were essential for individual employees as well as overall organisations. Compliance should become integrated into roles across technology, operations, advisory and beyond. There was consensus that compliance expertise, spanning both traditional knowledge and emerging technological capabilities, had shifted from a niche specialization to a core competency required by all practitioners. Attracting talent and reskilling staff in this domain was deemed a priority.

Greater Bay Area

The report identified the critical importance for banking and finance practitioners in Hong Kong to acquire comprehensive knowledge and skills pertinent to the Greater Bay Area (GBA). They noted that the GBA offered substantial opportunities and competitive challenges for Hong Kong's banking and finance industry. With organisations expanding into the GBA due to its wealth and financing needs, it was

Recruitment Challenges

The industry expressed facing challenges recruiting for certain key roles, including accounting professionals due to perceptions of automation risk, fintech and technology specialists, and compliance experts.

essential for Hong Kong practitioners to understand GBA cities, demographics, industrial landscapes, and business practices to capitalise on cross-border synergies. Additionally, understanding the culture, concerns, and beliefs of mainland Chinese customers, along with expertise in mainland financial products, was crucial. Professionals skilled in collaborating with GBA partners, navigating regional regulations, and bridging cultural gaps were highly valued. The industry stressed that GBA capabilities should extend beyond specialist roles and become more widespread across the banking and finance industry. To facilitate crucial cross-border knowledge transfer and partnership, they recommended joint training programmes with GBA institutes, structured job rotations, and short-term staff secondments, allowing staff to fully immerse in the GBA living environment. These initiatives would enhance the understanding of GBA-specific dynamics and promote stronger collaborative ties, enabling Hong Kong's banking and finance industry to leverage the GBA's full potential and maintain a competitive edge in the evolving financial landscape.

When facing recruitment difficulties, the industry adopted a skill-hiring approach. This involved focusing on assessing a candidate's relevant competencies and abilities to perform the job, with less emphasis on their previous work experience, such as a proven track record and the depth of their professional background in similar roles or industries. The organisation believed this strategy

allowed them to consider a more diverse pool of candidates who may not have had extensive prior experience but possessed the right skill set to succeed in the role. This approach provided flexibility for the organisation to evaluate candidates based on their demonstrated abilities and potential, rather than relying solely on extensive work history.

Organisations increasingly emphasised the importance of candidates' attitudes. For instance, front-line sales positions require individuals to demonstrate the right mindset, motivation, and a strong drive for revenue. Given the low birth rates in recent generations and the necessity to reskill certain middle-aged employees, it was noted that experienced banking staff possessed a comprehensive understanding of the industry. They believed it would be beneficial to reskill these individuals to help them transition into new roles. The industry reflected that reskilling was a journey, typically taking 12 to 15 months. The potential for these practitioners to reintegrate into their original organisations would depend on the size of those organisations. In this context, it was suggested that industry-wide collaboration

to facilitate reskilling training and match reskilled practitioners to suitable new positions would be helpful for the reskilling process.

Given Hong Kong's ageing workforce, the industry highlighted reskilling programmes to transition experienced practitioners into new roles by teaching required skills. Industry knowledge was highly valuable to retain. However, they noted smaller firms may struggle to re-absorb reskilled talent. The industry shared that reskilling existing staff was often more cost-effective than recruiting, but smaller firms faced constraints. As such, it was suggested that Government and industry collaboration on training programmes and partnerships could enhance re-skilling, talent mobility, and recruitment across company sizes.

It was believed a multifaceted approach, combining skills-based hiring, reskilling programmes, and public-private partnerships, could help address recruitment challenges. As demands evolved, adapting talent strategies would be crucial for the banking and finance industry to attract critical skill sets.

Recommendations

In response to the mentioned trends, manpower needs, training requirements, and challenges, the following recommendations were provided:

Upskilling for Digital and Sustainable Transition

It is recommended that the industry adopt a collaborative approach to enhancing the skills of the workforce for the digital and sustainable finance transition. They suggested the Government consider actively partnering with the industry to develop comprehensive skills frameworks and facilitating academic institutes to customized training programmes, and providing incentives to empower practitioners to re-skill and up-skill in emerging areas of finance. Through active collaboration, employers should partner with the Government and academic institutes to co-create industry-relevant curricula and workplace learning initiatives, whilst providing internal incentives and support for re-skilling efforts to develop their agile workforce. Academic institutes should collaborate with industry and the Government to ensure that their programmes offer specialised FinTech and sustainable finance training. Additionally, employees need to take a proactive stance and embrace re-skilling and up-skilling opportunities to enhance their adaptability. Aligning efforts across the Government, employers, academic institutes, and

employees will be instrumental in equipping Hong Kong's financial workforce with the relevant skills and support needed to strengthen the city's position as an adaptable international financial hub.

Leveraging Employer Branding to Attract Young Talent

In response to the dwindling interest of young individuals in pursuing careers in the banking and finance industry, education institutes should gain insight into students' perspectives regarding their reluctance to pursue careers in the banking and finance industry and facilitate the employers to develop more effective branding and promotional strategies. It is suggested that employers consider leveraging the power of the robust employer brand to attract and motivate this demographic to explore the diverse career opportunities available. Employers focused on highlighting the evolving nature of roles and responsibilities within the banking and finance industry, showcasing the integration of emerging technologies such as data analytics, artificial intelligence, and sustainable finance practices to demonstrate the industry's transformation

and the exciting possibilities for those with future-ready skills. It was crucial for employers to prominently feature the various career trajectories and growth prospects within the industry, leveraging their employer branding to showcase successful stories of young professionals who had thrived and advanced in their careers in banking and finance, highlighting the industry's ability to nurture talent and provide fulfilling career paths. Employers could leverage their employer brand to emphasise the industry's positive social impact and contribution to the broader economy, appealing to the social conscience of young job seekers and inspiring them to be part of this dynamic ecosystem. A strong employer brand also highlighted the competitive compensation, benefits, and work-life balance offerings within the banking and finance industry, ensuring that the employer value proposition was aligned with the expectations and aspirations of the younger generation. By strategically building a compelling employer brand that aligned with the interests and values of the younger generation, banks and financial institutions effectively positioned themselves as the preferred choice for ambitious and forward-thinking individuals seeking rewarding and impactful careers.

Future-Ready Banking and Finance Education

In response to the rapidly evolving business landscape within the banking and finance

industry, academic institutes are encouraged to develop comprehensive education programmes that not only provide students with a solid foundation of technical knowledge but also cultivate their mindset and resilience. Given the fast-paced nature of change in this industry, it is crucial that the curriculum not only imparts core theoretical knowledge, but also equips students with the necessary analytical, problem-solving, and communication skills to thrive in this dynamic environment. Students are encouraged to develop a portfolio of skill-based knowledge that extends beyond traditional specialisations, creating broader career options rather than adhering to a fixed career pathway. The integration of cross-disciplinary knowledge has become increasingly vital, combining traditional finance expertise with insights from complementary disciplines to foster innovative thinking and comprehensive problem-solving capabilities. This flexible approach aligns with current industry trends and enables graduates to adapt to emerging opportunities across various sectors of the financial services industry. Notably, students should be equipped with in-depth knowledge of the Mainland banking and finance market to facilitate collaboration between Hong Kong and the Mainland, recognising the increasing integration of these markets. To this end, education providers are advised to work closely with industry leaders and employers to design programmes that balance fundamental theoretical concepts with future-oriented, applied learning opportunities, which may include

incorporating modules on emerging technologies, sustainable finance practices, and other cutting-edge developments that are transforming the sector; moreover, the inclusion of practical elements, such as workplace learning and internships, will help bridge the gap between academic learning and real-world applications, further enhancing the employability of graduates. Importantly, these education programmes should also offer clear progression paths, enabling students to seamlessly transition into diverse career trajectories within the banking and finance industry, by providing opportunities for specialisation, continued education, and professional development, academic institutes can empower students to adapt and evolve alongside the rapidly changing business landscape, ensuring they are well-equipped to contribute to the dynamic and ever-evolving financial services sector.