



Market Highlights

Q3 2019

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BANKING AND FINANCIAL SERVICES

Reimagining banking and financial services has been the consistent theme of 2019. As macroeconomic growth slows and demand for traditional banking products weaken, the need to future-proof by becoming more agile, more customer-centric, and more innovative, has taken centre stage. New strategies, new business models, new partnerships (including between traditionally adversarial banks and fintech companies), and new technologies are, aggressively being explored and experimented with to gain competitive advantage. With further liberalisation of this sector, including the closely watched five new digital bank licences to be issued by MAS, we expect the talent crunch to continue in the new economy skills hotspots. Business leaders will need to be open-minded and creative with talent solutions, and it will be essential for employees to reskill or reinvent themselves to stay relevant.

Front Office

Institutional Banking

- Banks are focusing more on coverage specialisation, by sectors or geographies to provide clients with more relevant and tailored market insights, transaction or deal support. As a result, banks have been more keen to hire talent with strong network and track record in specific sectors or geographical experience.
- Sector coverage in demand include healthcare, real estate, TMT, Oil & Gas and Automotive. To address shortages in certain sectors, banks have been open to looking for talent who come from the industry without prior banking experience. E.g. we have seen doctors and oil & gas professionals hired to cover some of these sectors. While these candidates do not come with financial products experience but they come with business network and sector knowledge which are valuable for the banks.
- Geographical coverage in demand include China and South East Asia e.g. Vietnam and Indonesia. Track record in and knowledge of the local market and regulations, professional network and language skills, are key criteria.
- Candidates are now generally more cautious in making career change. Credit appetite seems to be one of the top priorities for consideration, as candidates want to be in businesses where there is appetite for growth.
- Aviation Leasing companies seem to be growing as an alternative to mainstream banks for clients who prefer to lease aircrafts rather than purchase them.
- There is some hiring in Project / Infrastructure Finance as power and infrastructure sectors continue to see investments in SEA and India.
- The Shipping segment remains stagnant except for the some European banks who continue to be active

Transaction Banking

- In general, hiring in Transaction Banking has been somewhat flat. We see more demand in regional banks for talent with expertise in developing new products and regional implementation rollouts.
- Product managers with strong client engagement skills are preferred as banks are placing emphasis on product commercialisation and deepening client relationships.
- Candidates with knowledge in e-channels and new innovative technologies are in demand. Partnership with fintech companies have become increasingly important with candidates expected to have strong stakeholder and project management skills.
- There have also been some consolidation of job responsibilities. For example, Cash Sales and Trade Sales teams are combined under Transaction Banking Sales team, in certain banks. The Relationship Managers in this team are expected to find opportunities to pitch both Cash and Trade products to clients.
- As Transaction Banking is a core Corporate Banking product which has been good revenue contributors, some Investment Banks have looked into this area with the ambition to diversify their business and increasingly become more active in hunting for top talent.

Investment Management

- As volatility continues to assert itself in the financial markets, active managers continue to face margin compression and competition from passive investing and ETFs. As such, long only managers are not in a hurry to add additional headcount.
- China continues to open up their market to investors, as such, firms that include China as part of their growth strategy will look at hiring mandarin speaking investment and sales professionals.
- Certain sectors continue to grow, such as healthcare, consumer, education, real estate, technology and internet/e-Commerce. Analysts with these sector experience may see career opportunities.
- Shifting investor preferences mean that Multi-Asset solutions and alternatives are starting to see more interest, resulting in hiring of professionals with these skill sets.
- Environmental, Social, and Governance (ESG) awareness and investing is rising and asset managers are looking to incorporate this element into their investment decisions. This could mean hiring of candidates with ESG/socially responsible investing background.
- Family offices continue to be established, hence some interest in hiring investment professionals who are open to working in a startup and unstructured environments.
- As Wealth Management remains a growth business for most banks, Fund Managers continue to tap into the retail and private banking/high net worth segment through intermediary/channel sales.

Retail Banking & Wealth Management

- Wealth Management is still a growth business for most banks, especially in the Private Client segment (serving clients with AUM \$1m and above). Banks are actively hunting for senior relationship managers for this segment, for both onshore and offshore markets. Candidates are expected to have strong product knowledge and familiarity with onboarding processes for Accredited Investor (AI) clients.
- Candidates with strong knowledge in insurance products are in demand. With some uncertainty in the markets, clients are more inclined towards insurance products with a certain level of guaranteed return. As a result, bancassurance partnerships have become increasingly important where banks and insurance providers partner to serve the growing client demands.
- Building best in class Customer Experiences (CX) and Omnichannel Banking (unifying digital and traditional channels), as well as Ecosystems and Partnerships development, continue to be top priorities
- The race to develop Big Data, Artificial Intelligence and Advanced Predictive Analytics capabilities to support strategic and tactical decisions on client segments and products have continued to drive high demand and spend for professionals with these expertise.

Payments

- As one of the fastest growing sectors in financial services, the significant investments in innovation and technology both by existing giants and new non-traditional players, has fuelled high demand for talent.
- With product innovation being on the forefront, there have been increased demand for product specialists who are domain experts in areas like API, open banking, real time payments, cross border payments and electronic transactions.
- Ecosystem and partnership roles have become increasingly important with banks, payment and fintech companies coming together to form strategic business alliances to create and maximize business opportunities. Candidates with this expertise and strong networks, within or outside financial services, are now sought after.
- In segments where clients and partners of the payment companies are banks and financial institutions, some employers are open to hiring candidates from banks (consumer banking or corporate banking) if they have deep understanding of payment products, processes and current regulations, as they are better placed to engage the relevant parties.
- We observe that companies, especially fast growing start-ups, have also been building “Growth” teams, which are responsible for identifying key markets and target clients for

expansion. Emerging markets remain to be of key interest and Singapore is often the preferred location for the establishment of regional headquarters.

Private Banking

- Most of the banks are on track with their hiring targets for 2019. There is still strong interest for senior private bankers, especially from boutique banks, looking for bankers with minimum AUM of \$400M.
- We see a strong push on hiring bankers covering Emerging Markets (more specifically Thailand and Philippines), NRI and Greater China markets, and expect this demand to continue.
- With talent shortage especially in the emerging markets where experienced private bankers are in short supply, we have seen some banks hire from outside the industry or promoting people from priority banking, but with mixed success so far. Boutique banks tend to stick to hiring people with direct experience, even for those regions.
- The independent asset management and single/multi-family office space continues to see growth. Some drivers of growth include the establishment and expansion of Asian family offices, International family offices establishing satellite offices in Asia, as well as tax exemptions and other incentives offered by Singapore and Hong Kong. These institutions are increasingly attractive propositions for senior relationship managers looking for more independence and more entrepreneurial environments.

Corporate Functions

Finance and Operations

- Finance hiring saw some increase post bonus payouts, with business partnering roles being the key focus aside from regulatory reporting roles.
- With significant investments in Technology, we have also seen an increase in demand for Technology finance partners, with employers being open to hiring from non-banks or financial institutions, candidates who have supported technology functions.
- Demand in Operations has seen a slight increase with more emphasis on transformation and control roles to help banks automate, drive efficiencies, strengthen governance oversight and move to digital platforms. Business centric operations like trade finance processing and private banking onboarding, have continued to be active.
- There is continued adoption of Artificial Intelligence or Robotics Process Automation in Finance and Operations, increasing demand for candidates with these skills.
- Demand for candidates with Regulatory Reporting experience with MAS 610/1003 will continue through 2019.
- Demand in transformation is increasing in non-bank financial institutions including asset management, exchange and insurance sectors.

Compliance

- Compliance hiring remains very active in Q2 and Q3 2019 and the majority of these hires are in the Financial Crime Compliance (FCC) space.
- With a key focus on automation and usage of RPA, we are seeing an increase in compliance data analytics and automation headcounts.
- Specialized and skilled Compliance professionals in Financial Crime Compliance particularly in Private Banking continues to be in demand, due to regulatory pressures (e.g. KYC Client Due Diligence, Transaction Surveillance).
- Cyber security compliance is on the rise due to increasing digital channels.

Risk

- Steady Hiring in Risk: Greater hiring demand in banking is coming from the Technology Risk Management, and Cyber-Security departments in major financial institutions.
- The stringent regulatory environment is forcing more banks to increase their emphasis on first line of defence, hence talent demand within the risk control functions remains high.
- Increasing demand in enterprise-wide risk & control as banks and financial institutions are looking at risk holistically.

Audit

- Companies are gradually piloting, adopting and training their auditors in Agile auditing. As such, there is an increased demand for candidates who are familiar with Agile methods.
- As audit teams in most organizations continue to focus on improving testing methodology and efficiency, auditors with experience in using technology for automation/sampling and data analytics, will continue to be in demand through 2019.
- Digital Transformation will continue to be a key focus and this will increase the demand of auditors who can audit business systems / processes impacted by New Technologies (e.g. Digitalisation, Robotic Process Automation, Cognitive Intelligence).
- With the increased frequency of incidents of cyber threats globally, organizations are increasingly hiring auditors specializing in cybersecurity, to combat both external and internal threats.

Legal

- Hiring in banks has increased in demand in Q3 across all business lines largely targeting candidates with 5-8 years PQE range.
- At the mid-level, we have seen private practice candidates with around 4 – 6 years PQE with corporate commercial/capital markets having an easier move into in-house legal counsel role.
- With the emphasis on technology and digital transformation in financial services, there is also an increase in demand for legal candidates with experience handling technology related contracts.
- For regional roles at senior level, there has been an increased focus on candidates with fluency in Mandarin, due to greater emphasis on covering Greater China. Candidates with the ability to read, write and review Mandarin contracts, have an advantage.
- There is an increase in private practice candidates moving from local law firms to offshore law firms, given the attractiveness of 30 to 50% increase on base salaries.
- We are seeing a trend in more senior counsels taking on contract roles through platforms set up by international law firms for temporary assignments, as they enjoy the flexibility and the wide exposure to different industries. For expatriate candidates moving into the Singapore market, this is a good platform to break into the Singapore market.

Human Resources

- Human resources Technologists and Tech-savvy human resources professionals are in demand, as banks and financial institutions continue their digital transformation journey.
- Applying robotics and Artificial Intelligence (AI) into human resources processes, certain work-streams can be digitalised and simplified to achieve better productivity and employee experience. As companies embrace these new ways of working and help their employees gain relevant expertise, demand for human resources change and learning professionals is on the rise, to ensure better adoption of digital transformation and employees are digitally-upskilled or re-skilled and not left behind.
- Employees are seeking more holistic rewards - more than just fair salaries but overall work environment and benefits that promote mental and physical health, work-life balance and innovative workplace culture. Rewards professionals with wellness program experience are increasingly in demand.
- “Employee Experience” (EX) and the “Human-Centricity” approach in delivering human resources solutions continues to be top of priority for human resources to ensure better employee experience, engagement and retention. Human resources professionals continue to incorporate EX initiatives in their human resources designs, framework and interventions.
- Learning design and technology is in demand, as companies deliver learning solutions through online training and mobile-based learning. This empowers employees as to how learning is received, including on-demand, on-the-go, bite-sized and social learning. Companies that have recently implemented such initiatives have seen better take up and returns in learning.
- Organisations are increasingly looking at human resources analytics to develop a data-driven talent strategy and this has resulted in newly created positions such as human resources analytics and workforce planning.
- We continue to see an increasing demand for HR change and transformation professionals with demonstrable experience in enhancing HR efficiency as well as HR leaders who have a proven track record in creating leaner, more agile organizations and HR teams.
- Additionally, HR specialists in areas of Talent Management/OD and who are commercially astute and pragmatic remain in high demand as more businesses embark their digitization journeys. As organisations continue to build digital capability, there is recent demand for project roles in the HR space with technology at the core i.e. HR data scientist, etc

TECHNOLOGY

General

- Virtual banking licenses have been issued in Hong Kong since late last year and the first of these virtual banks have begun to take shape. Singapore has also followed suit in a bid to further encourage innovation and liberalisation within the banking sector. We expect to see the first of the virtual banking licenses being issued by the end of 2019 – top contenders include companies with strong consumer base and / or platforms. Traditional banks will likely have to relook at their business models in anticipation of competition from these challenger banks.
- We have also seen more investment on the digital front within the SEA region particularly in the developing countries where advancements in infrastructure are still under way.
- Companies have linked up to build mutually beneficial partnerships and meaningful ecosystems, to drive more holistic customer experiences.

Technology Leadership

- Strong Technology leaders are in great demand – it is increasingly difficult to keep pace with the emerging technologies, while ensuring that the infrastructure and security of the organisations are kept intact. With most of the investment dollar going into technological advancement, CEOs and shareholders alike, are paying close attention to the progress and the potential returns. A good Chief Information Officer must be able to provide thought leadership on how technology can be harnessed to improve existing business models (potential revenue), and operational efficiencies (reduction of costs).
- Structures in Technology functions are constantly being re-examined. Key decisions have to be made around existing reporting lines and workflows; centralisation versus decentralisation and outsourcing versus insourcing. As these decisions typically impact other divisions as well; there needs to be general consensus by the key management and the ultimate endorsement will have to come from the very top of the house.
- Consequently, good technology leaders are expected to be able to understand the business model, opportunities and threats; and are able to effectively communicate the value of these transformation programs to the rest of the organisation. Strong influencing skills are critical to get buy in and support from all quarters of the business.

Data

- Companies continue to invest heavily in ensuring that data is properly captured, stored and used. Some industries are still relatively new in their data journeys, and seek Chief Data Officers who can develop the overall data strategy for the organisation, so that data can be used to capitalise on market opportunities and drive better operational efficiency.
- For companies which are more advanced in their data journey, CEOs are starting to build on how artificial intelligence and machine learning can be used to better future proof their businesses. An example is the use of artificial intelligence on the development of humanised chatbots.
- As companies build out a strong data infrastructure, the following types of candidates are in hot demand:
 - Data engineers – to layer on complexity in the systems
 - “Practical” data scientists – to understand the business domain and bring the data models into production. Practical experience is key.
 - Data analytics translators - To act as a bridge between the business and data science, formulating use cases for the data science. This position is especially important when the organisation is to a data-driven decision environment. A strong translator can also create awareness internally.
- Apart from the financial services industry, we anticipate strong demand for data talent from B2C industries such as FMCG, healthcare and retail sectors.
- Candidates seek out organisations with complex and large data sets; robust data infrastructures which span entire organisations; and management commitment to invest in the research of advanced data science.

Digital and Innovation

- Companies have invested heavily into digital and innovation over the last few years, and CEOs and shareholders alike, are analysing the returns of these capital outlay, raising questions around number of POCs, rate of commercialisation and adoption rates...
- We have observed that customer centricity continue to be the focus here, with some companies creating structures around customer journeys. Consequently, digital product owners with strong domain knowledge, end-to-end solution and delivery experience are in great demand.
- CEOs and key business leaders continue to seek strong digital leaders who can provide alternative insights to how their businesses have traditionally been run and who are charismatic change agents. We have observed that companies have invested in talent who are solid all-rounders from strategy setting (understanding the business deeply) to delivery (building sustainable team structures and embedding new technologies). Such talent usually come with a blend of consulting and in-house experience.

- Alongside the digital transformation, new divisions have been introduced including innovation labs, RPA/AI/IoT/ML teams, ecosystems and partnerships teams. For such roles, hiring organisations have a preference from candidates who are digital natives who are usually working in more AGILE and creative environments. These divisions are sometimes set apart from the mothership (so there is less bureaucracy) and are often charged with the responsibility of being change agents for the rest of the organisation.

Cybersecurity

- With better connectivity of systems internally and externally (for example with the use of APIs), and the rapid adoption of digital channels, data privacy and information security are essential across organisations. Given several high-profile attacks on both public and private sectors, business leaders have invested heavily in both the infrastructure and the applications in security and risk functions.
- Organisations seek out CISOs and security architects to develop more holistic approaches to information security (looking at how systems are internally and externally connected, and analysing the implications of breaches of one system on the others).
- Given that many of the applications and systems are customised third party solutions, these same vendors have also provided ancillary security consulting services. Good CISOs are able to blend the use of vendors and in-house security personnel to provide sufficient coverage.
- We continue to observe more investments into more pro-active approaches including the use of data analytics to improve the accuracy and efficiency in threat detection, attack analysis and prevention.

Infrastructure and Cloud

- Organisations which are looking to introduce cloud technology, often have to run the costs and benefits of using public versus public clouds. Regardless of the strategy they choose, they need cloud engineers and cloud architects to develop a holistic strategy and integration architecture. These cloud specialists are in hot demand and short supply, with talent usually based outside of Singapore.
- Organisations have also begun to pay attention to workspace technology, with the view that better connectivity drives greater efficiency and increased employee satisfaction. For such roles, candidates with strong vendor experience are preferred.

PMO and Project Management

- We continue to see strong demand for Project and Consulting professionals, particularly within the insurance domain. Many insurers want to drive operational efficiencies and deliver a sustainable platform to support their growth ambition. Talent with operational excellence and digitization, is in demand. Some Insurers are looking to grow through acquisition, hence there's strong demand for Project Managers with experience handling post M&A integration projects.

Application and Software Development

- Organisations are moving in the direction of building more applications in-house, as opposed to buying these applications from vendors. Though the capital outlay is significantly higher, the technology stack is expected to be more nimble. Strong architects are highly sought after, particularly architects who are familiar with microservices, as well as APIs.
- Applications and software are now expected to be more flexible, allowing for fuss-free modifications, layering and delayering. In addition, organisations are enhancing their partnerships with one another and these partnerships often take a digital form, requiring applications to be linked up across the organisations.
- Developers are expected to understand the intricacies behind the increasing connectivity of different applications, in particular APIs. Connections in applications across unrelated organisations are far more complicated, and require deep considerations at the development stages in order to provide the agility needed as the partnerships deepen.