

Ravi Menon: Securing good jobs in a growing financial industry

Remarks by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore, at the Inauguration of BNP Paribas' Asia Pacific Campus, Singapore, 7 March 2014.

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Alain Papiasse, Deputy Chief Operating Officer and Head of Corporate and Investment Banking, BNP Paribas Group,

Eric Raynaud, Chief Executive Officer of BNP Paribas Asia Pacific,

Distinguished guests, ladies and gentlemen, good afternoon.

I am delighted to join you today to celebrate the opening of BNP Paribas' new Asia Pacific Campus here in Singapore. It is a truly impressive campus, skilfully combining the charms of a colonial heritage building with state-of-the-art facilities and technologies.

A significant move

The opening of this Campus in Singapore is significant for a few reasons.

- First, it demonstrates BNP Paribas' firm commitment to strengthening the capabilities of its staff in Asia. This is BNP Paribas' first corporate training centre outside of France.
- Second, it shows strategic foresight. BNP Paribas took the decision to invest in this Campus three years ago, when it was facing a very challenging economic environment with the Eurozone gripped by crisis.
- Third, it reflects in a way a broader story of the continued importance of Asia to European banks. After almost two years of stagnation, European bank lending to Asia has started to rise again. In the area of trade finance for example, recent data shows that European banks are increasing their trade finance activities and have even regained some market share in Singapore.

Three dimensions of a successful finance professional

The financial industry in Asia and Singapore will continue to grow and generate good jobs.

- In 2013, Singapore's financial sector grew by 11%, against an overall GDP growth rate of 4.1%. Growth was supported by increased activities in areas such as corporate transaction banking, trade finance, fund management, private banking and re/insurance.
- Last year, a total of 4,500 jobs were created in the financial sector, most of them in higher value-added activities.

The demand for highly qualified finance professionals will only grow in the coming years. To take advantage of this opportunity, our finance professionals must acquire three things:

- depth in core competencies
- cross-functional adaptability
- Asian knowledge and expertise

First, *depth in core competencies*. Jobs in the financial industry are becoming more complex, requiring deeper knowledge, expertise, and skill sets.

Take for example, a client adviser working in a wealth management function. Ten years ago, maybe he was only expected to offer advice on simple loans and basic investment products. Today, the client is more sophisticated and demanding – he expects more comprehensive

and customised wealth management solutions. The banker must be able to offer advice on alternative investments, options for intergenerational wealth transfer, and risk management strategies. In short, he needs much more depth.

Second, *cross-functional adaptability*. Job functions and business lines are no longer as static and predefined as they used to be. It is increasingly important that finance professionals are exposed to a broader range of business areas. Movement across business lines generates fresh perspectives that could in turn help to drive innovation and identify new areas of competitive strength.

A compliance professional, for instance, may start off on compliance matters that pertain to credit activities. Over time, it would be useful to widen his compliance knowledge in other areas of business such as capital markets. This broader exposure will help him to think about compliance and risk management issues across different functions of the bank in a more consistent and coherent fashion. Such a capability will be a key asset when taking on larger functions and responsibilities in the bank.

Third, *Asian knowledge and expertise*. Asia is a diverse mix of economies. They are at different stages of development, with different financing needs and different regulatory and governance structures, not to mention different cultural norms. To operate a successful regional business franchise, finance professionals will need a deep understanding of these differences and know how to navigate the different terrain.

Take for example, a corporate banker, who may be advising the treasurer of a Singapore-based multi-national corporation with operations in the region. Each jurisdiction may have different rules and regulations that could impact the cash management and credit needs of this client. The banker must therefore have deep regional knowledge and strong networks to deliver solutions for this client. Gaining exposure to Asian markets will therefore put him in a better position to assume greater responsibilities over time.

Our ecosystem to develop human capital

MAS wants to see more of our finance professionals in Singapore build up these three dimensions of expertise. And there is a strong ecosystem in Singapore to nurture this process.

First, MAS and the Institute of Banking and Finance have established a set of industry standards for Asian financial practitioners, through the Financial Industry Competency Standards (FICS).

- This offers finance professionals a clear roadmap for building competencies as they progress in their career, across different job roles and levels.
- Through this framework, we aim to build a strong pipeline of Singaporean talent and leaders in finance, so that our people can avail themselves of the opportunities that a growing financial industry will create.

Second, our industry associations are playing an important role in supporting talent development within specific sectors.

- The Life Insurance Association of Singapore, for instance, is working with the Singapore College of Insurance, to develop a talent framework that provides structured training and development opportunities for insurance professionals.
- The General Insurance Association of Singapore is running a global internship programme which seeks to provide undergraduates with hands-on experience at insurance firms overseas.

Third, we have in Singapore, fortunately, a strong academic and intellectual climate or platform to deepen specialisation in finance.

- We have world-class universities such as INSEAD and University of Chicago based here, who will collaborate with this Campus to design programmes to offer high-quality, specialised courses in banking and finance.
- We have research centres such as the Centre for Asset Management Research and Investments and EDHEC conducting specialised research in areas relevant to the financial industry.
- We have training providers such as the Wealth Management Institute and Risk Management Institute organising programmes and conferences to further thought leadership in areas of finance.

BNP Paribas' Asia Pacific Campus is a welcome addition to Singapore's ecosystem to build human capital in finance for the future.

Conclusion

This is an exciting time to be in the financial industry, notwithstanding the challenges it has gone through since the crisis. It is also an exciting time to be in Asia. But to seize the opportunities in Asian finance, we need a deep pool of highly skilled and trusted professionals.

I thank BNP Paribas for growing with Singapore, and for being a strong partner with MAS in our efforts to develop talent and capabilities. I am confident your strong presence in Singapore will serve you well as you continue to extend your Asian footprint.