

Speech by Mr Paul Yuen
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Ladies and gentlemen

It gives me great pleasure to be present today at CFA Singapore's Finance & Investment Career Seminar. I would like to thank CFA Singapore for graciously inviting me to speak at today's event.

Challenging Economic Environment

2 We are going through very challenging times. The impact of the US subprime crisis that triggered massive deleveraging and heightened risk aversion in the financial markets is still being felt today. It has been pointed out that market capitalization of the global banking industry has fallen by US\$5.5 trillion since the pre-crisis peak, which is equivalent to about 10% of the global GDP. The global equity market capitalization has also more than halved over the past 18 months. There is a consensus that US, Eurozone and Japan are headed for negative GDP growth this year. This will have considerable impact on Asia's exports and economic growth.

3 Growth in Singapore's financial services sector fell by 8.1% in the 4th quarter last year, but supported by healthy gains in the earlier quarters, we registered an overall growth of 5.5% last year. Employment growth has also slowed significantly in the 4th quarter, with selective hiring in certain key areas, such as compliance and risk management.

4 The current crisis will have profound implications for the future financial landscape. Beyond the immediate need to manage costs and consolidate business activities, financial institutions will need to review their existing business models and place greater emphasis on sound risk management practices and building long-term customer relationships. Financial practitioners will also need to evaluate their current level of skills and competencies. In essence they must ask themselves what further strides they can attain in terms of professional development in order to add value to their organizations. These are stark challenges which will invariably demand that standards of practitioners be enhanced.

5 Professional training and manpower development play a critical role in ensuring that graduates who aspire to carve out a career in the financial industry and existing practitioners remain relevant and sharpen their skills to meet these challenges. Financial institutions which make a strategic decision to invest in developing talent and enhancing capabilities respectively will also be better prepared to capture growth opportunities when the economy eventually recovers.

Support for investments in up-skilling financial talent pool

6 The Monetary Authority of Singapore (MAS) recognizes the importance of talent development and the vital role it plays in sustaining the competitive edge of our financial industry, especially in such challenging times. In light of the current economic downturn, MAS has enhanced the funding support for its training schemes and recently announced the extension of funding support to encourage financial institutions to provide meaningful attachment opportunities for fresh graduates who aspire to work in the financial industry. Training will form a crucial component of such attachment opportunities to equip graduates with the necessary skills

required on the job. Interested graduates can look out for opportunities provided by the financial institutions or approach their respective career office for more information.

7 MAS' enhanced training schemes cover a few areas, one of which is the support for training and assessment programmes accredited under the **Financial Industry Competency Standards (FICS)**. During these 2 years, financial institutions that send their staff for FICS accredited programmes will receive funding support of 90% of the programme fees. Funding support is also available to financial institutions that develop and deliver in-house FICS accredited programmes. Individuals (Singaporeans and permanent residents) who pay out of their own pocket to attend such training or assessment programmes can also receive similar funding support upon successful completion of the programmes.

The Value of FICS

8 Some of you may wonder why there is such firm support for FICS. Let me explain with a few key words:

- (a) Endorsement – FICS is a national initiative that is spearheaded by the Institute of Banking and Finance (IBF) and supported by MAS and the Singapore Workforce Development Agency.
- (b) Practice-oriented – FICS is a practice-oriented competency-based framework that provides a comprehensive set of competency standards for the financial industry, incorporating practical work-based scenarios to develop your skills. The rigorous assessment process distinguishes those who meet the competency benchmark and possess practical knowledge and skills to handle work challenges faced in their jobs.

- (c) Relevance – Developed in collaboration with the industry (which includes practitioners, industry associations and financial training providers) and benchmarked against international standards, FICS ensures that the training you receive is relevant to today’s business needs.
- (d) Recognition – The attainment of FICS certification by a practitioner is both a recognition of professional achievement and a commitment by the certified practitioner to adhere to the standards of professional competency and industry ethics in developing his or her career in the chosen field.

9 Since the five FICS Lead Providers were appointed in 2007, they have developed and rolled out various FICS-accredited programmes under the 11 industry segments. The five FICS Lead Providers are the Financial Training Institute @ SMU, International Compliance Association, NUS Risk Management Institute, Singapore College of Insurance and Wealth Management Institute. They are present at this event today. Other training providers and financial institutions have also been stepping forward to submit their training and assessment programmes for accreditation by IBF.

10 I would like to urge all of you to consider FICS as a means to deepen your knowledge and enhance your skills and resilience for a career in the financial industry. Just as CFA strives to maintain high standards amongst its candidates, charter holders and members, IBF also seeks to develop a highly skilled professional workforce in the industry.

Establishing deeper partnerships

11 IBF and CFA have been actively promoting continuous learning for financial practitioners to upgrade their expertise and professionalism. This in turn lays a firm foundation in enhancing the resilience of Singapore's financial sector.

12 IBF is pleased to forge greater partnership with CFA and we look forward to further avenues for strategic collaboration. We also wish to take this opportunity to encourage our lead and other leading training providers to continue to enrich the suite of FICS-accredited programmes for industry practitioners in our effort to develop a forward-looking financial sector training infrastructure that positions Singapore as a world-class financial centre and financial training hub.

Conclusion

13 We live in times of uncertainty and volatility as the financial landscape continues to undergo tremendous changes. Continuous learning and professional development are extremely critical, not only for practitioners to stay relevant and build resilience, but to also seize the opportunities that await us when the economy recovers.

14 I would like to congratulate CFA on their efforts to promote and uphold professional standards and ethical practice in financial analysis and investment management in Singapore. I hope you will benefit greatly from today's event which serves as a valuable platform to gather knowledge and information which help maintain your competitive edge in challenging times. I wish you all a rewarding session ahead. Thank you.