AlfaSec Advisors Pte Ltd
AlfaSec Research

20 Collyer Quay #09-01
Singapore 049319
Tel (65) 973 87590
www.alfa-sec.com

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In Financial Services one big theme is consistent namely **CHANGE…**

The Pandemic has taught us that many things that were previously deemed not acceptable are now acceptable. Working from home has become a lifeline for many in banking as has the idea of using some form of video conferencing facility to remain in contact with 'one to one' and 'one to many' group interactions. The need to go to the office every day is no longer necessary or even wanted!

We have also learnt that the need to travel can be kept to a minimum. The need to fly to meet clients on a scheduled basis or before any contract can be signed, the routine in person management meetings and attendance at global workshops has been relegated to the working behaviour of the past. Studies suggest that there is an expected reduction between 25% to 50% in business travel going forward. There will be meetings but the need to travel will be much less and more targeted going forward.

Buying habits have also substantially changed in the way we deal with banks which is now mainly via an electronic channel. Many services are automated and today the need to go to a physical bank is restricted to extremely limited individuals and specific transactions.

All these influences are leading to substantial change in banks. Most of this was very predictable (just look at FinTech) but banks tend to be slower at effecting change for many reasons – not least the issue of human resources trying to make sure they themselves survive. The fact is that new technology and new working practices will substantially change the need for staff both in quality and quantity.

Not a month goes by where at least one big bank does not announce another round of cost cutting measures that invariably involve the loss of jobs. These are lost to changing work habits, redundant historical practices, and the use of new products with technology driving efficiency. Branch closures feature high on European restructurings due to the lack of customers that need a high street branch. The increasing use of automation and added artificial intelligence will further cut into the workforces. Most at risk will be those employed mainly in routine banking processes, especially but not exclusively areas such as Finance, Financial Reporting, Management Information, Operations, Compliance, and Auditing.

These layoffs have also highlighted a lack of personal finance training for employees. Many employees had not planned for such emergencies or drastic changes to their livelihoods. As employees found themselves furloughed or laid off during the Covid pandemic, many had insufficient emergency funds to rely on. They had tapped into their retirement savings or deferred debt repayments. It has highlighted the need to be more proactive in managing one's career and personal wealth.

Physical assets are also increasingly undergoing fundamental change by those focused on the development of digitalization. Immobilized and dematerialized assets in the securities markets have been growing ever since the group of 30 proposed these measures back in 1989. It has taken time, but the acceleration of dematerialized assets can be seen now in the steady growth of digital assets.

The final frontier is money (cash) itself. Reducing cash had had a long trend line and is accelerating driven primarily by: Countries have been reducing large note denominations to reduce money laundering and other illicit trading, pandemic has placed value on avoidance of physical exchange, and national Government is keen to get cash directly to people and eliminate the intermediaries.