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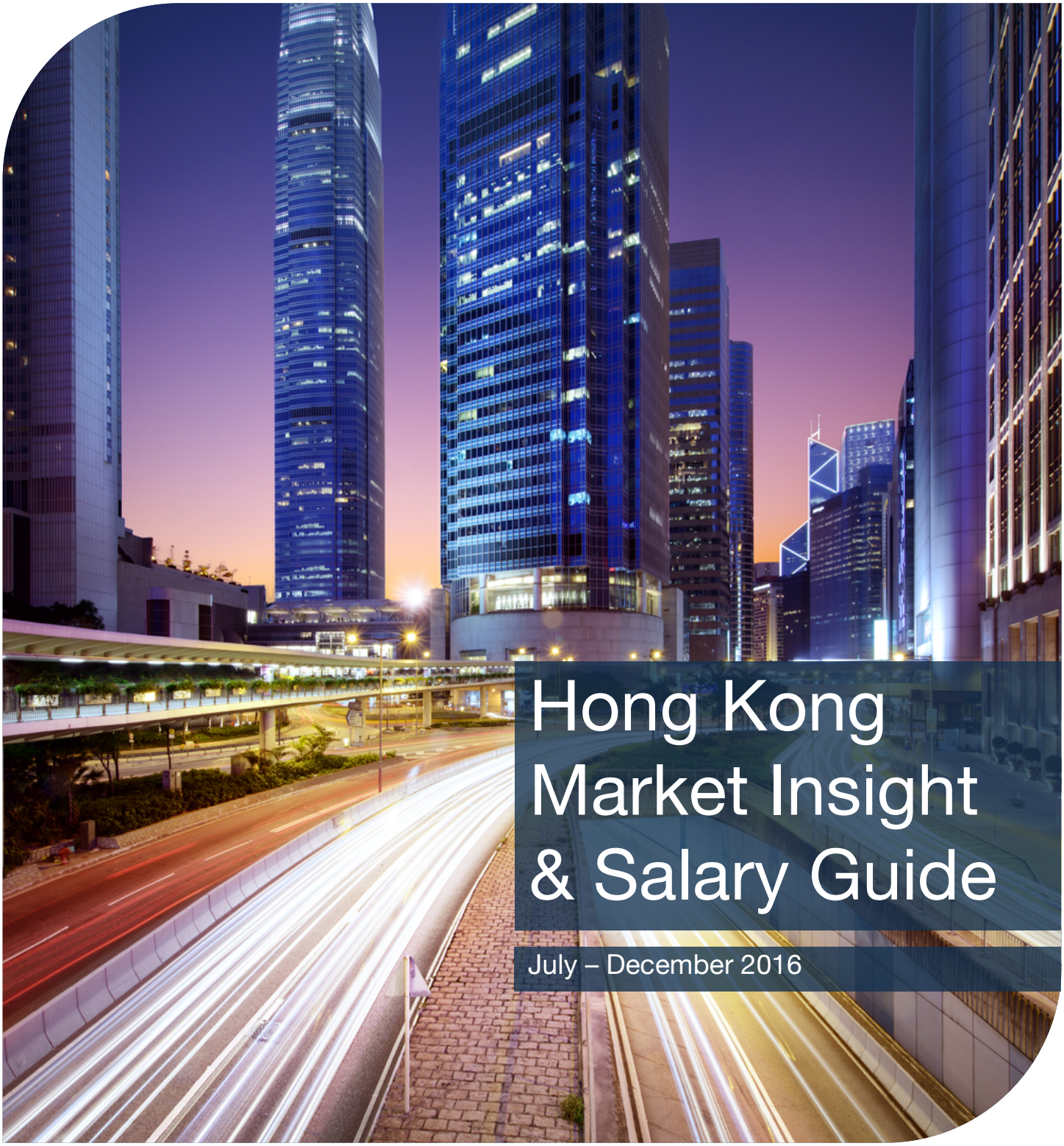


Hong Kong Market Insight & Salary Guide

July – December 2016

Hong Kong • Singapore

Market Insight

Across the banking and financial services sectors, 2016 has been a challenging year for many financial institutions. At the end of 2015, we forecasted that both audit and compliance would not have the same level of incremental growth that we have seen over the last several years. Audit and compliance hiring has been steady in 2016 with most of the recruitment being headcount replacement and targeted hiring. The salary increments across audit and compliance remain at 18% and 20% plus respectively.

Banking Sector:

Generally, across the banking sector, the financial performance of financial institutions has been average. Banks continue to undertake further cost cutting and restructuring. Audit and compliance are two functions where the banks continue to replace and add headcount.

As regulators across the world continue to roll out new regulations, this has meant that compliance has remained relatively untouched from the cost cutting that has occurred across other departments. In 2016, we have seen some banks cut people from their compliance departments, and some firms are continuing to offshore compliance roles where the regulations in the country allow for this. Compliance testing, surveillance and product advisory roles continue to be in high demand. We have seen the continual growth of compliance testing teams in 2016, and many of the people joining this area are coming from an audit background.

Within Financial Crime Compliance (FCC) there has been a reduction in the level of incremental hiring when compared to 2015. It's important to remember that hiring has been exceptionally high over the last few years, and experienced FCC professionals are still in demand. We're continuing to see a range of firms offshoring certain roles in FCC to low-cost locations, and this will continue. AML advisory, KYC, and MLRO's are the most sought after skills.

In 2016, the demand for experienced auditors has continued. While we have seen a reduction in newly created positions (which was in line with our forecast at the end of 2015), many individuals have continued to change employers. We're also seeing people move from internal audit into compliance related roles like compliance testing and risk assessment positions. This trend will continue as regulators push compliance to shift from an advisory function to more risk-focused.

Risk recruitment has remained consistent with 2015. Operational risk continues to be the area most in demand. Most of the hiring for credit and market risk has been replacement headcount.

Asset Management Sector:

The demand for experienced compliance professionals across the asset management sector remains buoyant. In the first half of 2016, most of the hiring has been replacement headcount positions. Experienced talent in both business and investment compliance remains strong. We continue to see a trend of people wanting to broaden their compliance experience by moving out of investment compliance into a general or business compliance position.

Insurance Sector:

Across the insurance industry, demand for compliance professionals has been consistent with 2015. For Hong Kong, the Independent Insurance Authority (IIA) is still recruiting its internal teams, and we do not believe that the Authority will be fully operationally until 2017. Once the IIA is fully operationally, this will most likely result in the expansion of the compliance function within insurance firms to meet new regulatory requirements.

For internal audit, it remains a competitive market for people with experience in investigation and actuarial.

Conclusion:

Demand for compliance and audit professionals remains buoyant. The remainder of 2016 will continue to be a difficult period for many financial institutions, which will put pressure on hiring. There will be a reduction of new headcount and increased pressure on the level of salary increments that individuals will be able to command when changing employers. For compliance, the increments have been above 20% for the last few years. We're currently forecasting that this may fall to an average of 18% as head office continues to focus on costs.

If you require any specific market information or salary advice, please feel free to contact us.

Kind regards,

Mark Enticott, CA
Founding Partner

Hong Kong Market Insight

COMPLIANCE:

Overview:

- A reasonable level of demand for compliance professionals across the market.
- Advisory (Equities, Fixed Income, IBD), Testing, Surveillance & Monitoring and Regulatory Compliance continue to be the skill sets most sought after.
- Good level of recruitment across Financial Crime Compliance in the first half of 2016 especially in the areas of Advisory, KYC and MLRO's.

Salary Increment Range:

Current pay increases for people changing employers is in the range of 20% to 26%. On average, we see the range is between 20% to 23%.

Forecast 2016:

While there will continue to be demand for experienced compliance professionals for the second half of 2016, the average financial performance by financial institutions will impact this demand. Most of the recruitment for the remainder of 2016 will be replacing headcount. We also expect to see the fourth quarter to be slower this year compared to the last few years.

Financial Crime Compliance function will still have a reasonable level of demand for the remainder of 2016. Additionally, we will see further offshoring of positions to low-cost locations.

Given the pressure on costs and reduction in newly created positions, we expect Head Office to push back on the 20% plus increments that we have seen over the last few years. By the end of 2016, we expect salary increases will be around 18% for a person moving to a new employer.

Hong Kong Market Insight

"To succeed in business, to reach the top, an individual must know all it is possible to know about that business."

– J. Paul Getty

AUDIT:

Overview:

- A reasonable level of demand for internal auditors, especially in banking.
- Banks continue to expand their compliance testing teams during 2016 recruiting people with experience in internal audit.

Salary Increment Range:

Internal audit salary increment is around 15%.

Forecast 2016:

Demand for experienced internal auditors will remain reasonable especially across the banking and insurance sectors. The fourth quarter is expected to be slow as firms will have filled a majority of their positions and take the time to assess hiring requirements for 2017.

RISK:

Overview:

- A reasonable level of demand for operational risk professionals across the banking & financial services sectors.
- Market Risk and Credit Risk will remain steady throughout 2016.

Salary Increment Range:

Pay increases for people moving employers have been between 10% to 18%.

Forecast 2016:

Demand for operational risk professionals will continue for the second half of 2016. Market and credit risk will remain consistent with the prior year.

Compliance Salary Guide

"No one can discover you until you do. Exploit your talents, skills and strengths and make the world sit up and take notice."

– Rob Liano

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
INVESTMENT BANKING					
Head of Compliance	NA	NA	NA	NA	2.8m plus
Central Compliance	240,000 to 480,000	480,000 to 960,000	960,000 to 1.5m	1.5m to 2m	2m plus
Compliance Testing	240,000 to 480,000	480,000 to 960,000	960,000 to 1.6m	1.6m to 2m	2m plus
Control Room	240,000 to 480,000	480,000 to 960,000	960,000 to 1.5m	1.5m to 2m	2m plus
Global Markets Advisory (Equities / FICC)	300,000 to 480,000	480,000 to 1m	1m to 1.7m	1.7m to 2.3m	2.3m plus
IB Advisory	300,000 to 480,000	480,000 to 1m	1m to 1.7m	1.7m to 2.3m	2.3m plus
Monitoring & Surveillance	240,000 to 480,000	480,000 to 900,000	900,000 to 1.5m	1.5m to 2m	2m plus
Regulatory Compliance	300,000 to 480,000	480,000 to 1m	1m to 1.7m	1.7m to 2.3m	2.3m plus
Research Compliance	300,000 to 480,000	480,000 to 1m	1m to 1.7m	1.7m to 2.3m	2.3m plus
RETAIL & CORPORATE BANKING					
Head of Compliance	NA	NA	NA	NA	1.9m plus
Compliance Testing	240,000 to 360,000	360,000 to 780,000	780,000 to 1.3m	1.3m to 1.6m	NA
General Compliance	240,000 to 360,000	360,000 to 780,000	780,000 to 1.3m	1.3m to 1.7m	1.7m plus

Notes to the Salary Tables & Report:

1. Annual base salaries are in HKD over a 12 month period exclude any bonus or incentives.
2. The market rates and bonus can vary between companies. For specific salary advice, please contact us for additional information.
3. Titles can vary across different banks and financial institutions.
4. Years of Experience – Investment Banking: Analyst (1-3), Associate/AVP (3-6), VP (6-10), Executive Director (10-15+), Managing Director (15+).
5. Years of Experience – Investment Management: Analyst (1-3), Assistant Manager (3-5), Manager (5-7), Senior Manager (7-10), Director (10+).
6. Years of Experience – Insurance: Assistant / Officer (1-3), Assistant Manager (3-5), Manager (5-7), Senior Manager (7-10), Director (10+).

Compliance Salary Guide

> *"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."*
>
> *– Charles Darwin*

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
PRIVATE BANKING / WEALTH MANAGEMENT					
Compliance	300,000 to 420,000	420,000 to 1m	1m to 1.5m	1.5m to 2m	2m plus

	Analyst	Assistant Manager	Manager	Senior Manager	Director / Head of Compliance
INVESTMENT MANAGEMENT					
Head of Compliance	NA	NA	NA	NA	1.8m plus
Business Compliance	300,000 to 360,000	360,000 to 600,000	600,000 to 840,000	840,000 to 1.7m	1.7m plus
Investment Compliance	300,000 to 360,000	360,000 to 600,000	600,000 to 840,000	840,000 to 1.7m	1.7m plus

	Assistant / Officer	Assistant Manager	Manager	Senior Manager	Director / Head of Compliance
INSURANCE					
Compliance	240,000 to 360,000	360,000 to 600,000	600,000 to 780,000	780,000 to 1.5m	1.5m plus

Financial Crime Compliance Salary Guide

"The home is the ultimate career. All other careers exist for one purpose, and that is to support the ultimate career."

– C.S. Lewis

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
FINANCIAL CRIME COMPLIANCE					
Head of FCC	NA	NA	NA	NA	2.3m plus
AML Advisory	300,000 to 480,000	480,000 to 1m	1m to 1.5m	1.5m to 2m	2m plus
AML Transaction Monitoring	240,000 to 360,000	360,000 to 780,000	780,000 to 1.4m	1.4m to 1.9m	1.9m plus
Anti-Bribery & Corruption	300,000 to 480,000	480,000 to 1m	1m to 1.5m	1.5m to 2m	2m plus
MLRO	300,000 to 480,000	480,000 to 1m	1m to 1.5m	1.5m to 2m	2m plus
Sanctions	300,000 to 480,000	480,000 to 1m	1m to 1.5m	1.5m to 2m	2m plus

Risk
Salary Guide

"You are your greatest asset. Put your time, effort and money into training, grooming, and encouraging your greatest asset."

– Tom Hopkins

	Associate / AVP	Vice President	Executive Director	Managing Director
RISK				
Head of Risk	NA	NA	NA	2.2m plus
Credit Risk	420,000 to 900,000	900,000 to 1.5m	1.5m to 1.8m	1.8m plus
Market Risk	480,000 to 900,000	900,000 to 1.5m	1.5m to 2m	2m plus
Operational Risk	480,000 to 900,000	900,000 to 1.5m	1.5m to 2.1m	2.1m plus

Audit
Salary Guide

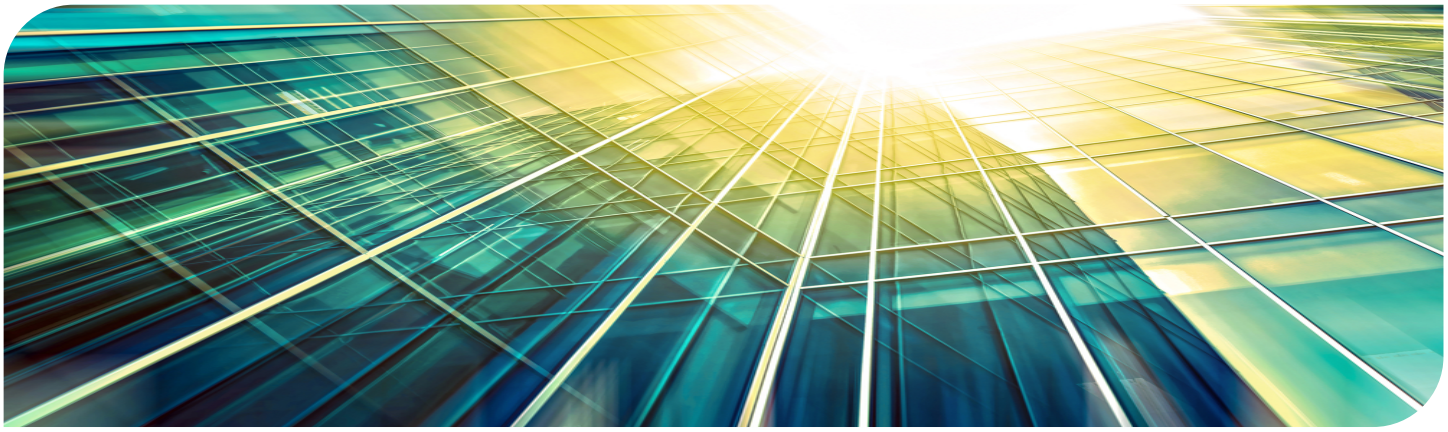
"Feeling confident – or pretending that you feel confident – is necessary to reach for opportunities. It's a cliché, but opportunities are rarely offered; they're seized."

– Sheryl Sandberg

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
INVESTMENT BANKING					
Audit	300,000 to 420,000	420,000 to 1m	1m to 1.6m	1.6m to 2.1m	2.1m plus

	Analyst	Assistant Manager	Manager	Senior Manager	Director / Head of Audit
INVESTMENT MANAGEMENT					
Audit	300,000 to 420,000	420,000 to 600,000	600,000 to 840,000	840,000 to 1.6m	1.6m plus

	Assistant / Officer	Assistant Manager	Manager	Senior Manager	Director / Head of Audit
INSURANCE					
Audit	240,000 to 360,000	360,000 to 540,000	540,000 to 780,000	780,000 to 1.4m	1.4m plus



Our Firm

Bowen Partners is an executive search and talent development firm. We are true experts in identifying talent within Audit, Compliance & Risk across the Banking & Financial Services sectors. Our success is driven by the in-depth market knowledge that we have and a personalised, long-term relationship that we develop with you.

Our entrepreneurial spirit drives us to explore all possible avenues to identify the best talent in the market for our clients while presenting a broad range of opportunities to those looking to make their next career move.

Working with our clients, we believe every assignment is unique, yet five fundamental pillars are essential and core to our working relationship with you:

- Listen
- Understand
- Consult
- Open appraisal
- Deliver the best talent

If you are looking to take the next step in your career, we believe it's vital that we listen and ensure we have clarity about your experience and the direction you want to take your career. Providing you with advice, feedback, and detailed market information are essential for you to make a fully informed decision.

We are passionate about talent development and believe in assisting our clients in establishing appropriate succession planning and team development programs while coaching individuals to develop further their leadership skills.

Our Services & Areas of Expertise

Executive Search

- Retained Search
- Market Mapping
- Contingent Assignment
- Headhunting

Talent Development

- Succession Planning
- Team Development Programmes
- Leadership Programmes
- Staff Retention Strategies
- Executive Coaching

Audit

- Internal Audit
- IT Audit

Compliance

- Compliance Advisory
- Financial Crimes / AML
- KYC
- Control Room
- Investigations
- Regulatory Compliance
- Surveillance / Monitoring

Risk

- Operational Risk
- Credit Risk
- Market Risk
- Valutations
- Business Continuity Management

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