



# Hong Kong Market Insight & Salary Guide

January – June 2019



BowenPartners

# Market Insight

Throughout 2018, hiring across audit, compliance and risk remained active across the Banking & Financial Services sector and we expect this trend to continue during 2019. During this year, banks will continue their focus on costs and a majority of hiring will be replacement headcount. Chinese banks will remain active in the market as they further expand their 1<sup>st</sup> and 2<sup>nd</sup> lines of defence.

## Investment Banking

Investment banks often undergo strategic organisational changes at the start of the year, and so far in 2019, there are plans for some of the internal audit teams of corporate functions to move to the same low-cost locations as the corporate function. Another growing trend is the preference for candidates with data analytics skills in internal audit roles due to investment banks wanting to strengthen their data analytics tools and methods in audit, compliance and risk areas.

We have seen increased recruitment in compliance with employers looking for experienced professionals to join their compliance transformation and innovations teams. There has been a significant demand for mid to senior level candidates, notably with solid experience in computer science and data analysis. Institutions continue to build efficient and effective automated monitoring systems covering all areas within FCC. In return, this has created a spike in demand for candidates with AML analytics and consulting backgrounds from the Big 4 professional services and management consulting firms. Shortage of skills in these areas will drive substantial salary increases.

Restructuring was occurring in the risk management functions with a few European and US investment banks having realigned their 1<sup>st</sup> and 2<sup>nd</sup> line risk management functions and some having merged their operational risk teams into compliance. Whilst there were some job losses in 2<sup>nd</sup> line operational risk teams, opportunities within 1<sup>st</sup> line risk and control related roles seemed to be on the rise.

## Retail, Corporate and Private Banking

Banks remain focused on tightly managing costs and replacement headcount will subsequently go through an extensive approval process. Hiring managers will be pushed to distribute responsibilities to the rest of the team and replace existing headcount with more junior candidates. Easier said than done with banks under tremendous pressure to maintain a risk-based compliance framework to meet the changing regulatory requirements. While regulators across the world will continue to roll out new regulations, larger banks continue to look for talent with specific skill-sets and experience including product advisory, regulatory investigations, markets surveillance, regulatory affairs or change management. Unfortunately for the smaller to mid-sized banks with less resources available, compliance teams will take on heavier workload and assignments. As anticipated, Chinese banks will be in a dominant position to recruit and have the ability to set salary increments above the competitive level. In the private banking sector, newly created roles such as regulatory affairs, 1<sup>st</sup> line of defence and project management are the popular choices.

Hiring activities in 1<sup>st</sup> line risk management/supervision roles within retail, corporate and private banking had been increased throughout 2018 and would likely continue into the first half of 2019 due to the high volume of client data and on-boarding and transactional activities.

Increasingly, business units and support functions are adding headcount in 1<sup>st</sup> line risk management/supervision areas to implement controls and regulatory requirements, as well as to strengthen ability to self-assess/identify risk and control issues.

In 2018, there were a number of new FinTechs emerging within the consumer finance, eWallet, payment, mobile and virtual banking spaces. Whilst a number of these firms were at start-up phase, many of which were requiring regulatory licenses, they have started to put in place audit, compliance and risk management units. Candidates from retail banking and wealth management industries with entrepreneurial mind-sets and a passion for innovation are highly sought-after. The trend for talent moving from banking to FinTechs will likely grow. Retail banks were

also losing staff to insurance companies due to many of the governance skill-sets being transferable.

## Asset Management

Across the buy side industry, compliance recruitment has notably slowed down compared to previous years. However, boutique fund houses and hedge funds are still looking for junior to mid-level compliance talent to report into their COO or CEO. Compliance matters were previously managed by external consultancy firms or law firms.

Towards the end of 2018, there was some senior movement within the asset management internal audit functions and limited new headcount. The regional internal audit functions were traditionally hubbed in Hong Kong with extensive regional travel, however the travel requirements have been reducing. Asset management firms have been more open to considering job applicants from investment banks in the audit, compliance and risk spaces due to the shortage of dedicated Asset Management experience. And many investment banking professionals see asset management as a more stable industry providing better work-life balance.

## Insurance

Insurance was in growth mode throughout 2018 across all functions. Audit, risk and controls candidates in insurance are scarce in the market and while most insurance companies still prefer candidates with industry expertise, they are now starting to consider candidates from the banking sector, especially in retail banking and wealth management. Unlike the banks, in the insurance sector, the audit, risk and controls openings are traditionally in 2<sup>nd</sup> and 3<sup>rd</sup> line and we have not seen 1<sup>st</sup> line risk and controls roles developing yet.

On the compliance side, AML advisory, AML investigations and compliance monitoring are the active areas for job seekers. They are keen to recruit talent with legal or regulatory backgrounds to drive change management. While these hires ideally come from other insurance companies, given the limited number of professionals with direct experience, firms are open to drawing these candidates from the banks.

Digital, transformation and technology were priorities for many insurance companies in 2018 and we expect the same across 2019. It is therefore critical for firms to retain talent with experience in IT/Cloud governance and data privacy & protection.

## Conclusion

Hiring activities will pick up in Q2 and Q3 within the audit, compliance, risk and controls areas. There will be increasing pressure to consider internal transfers as a priority over external hiring, especially at Director level and above. However, the demands for audit, compliance and risk professionals will remain steady.

Salary increments for job offers were between 15-18%, while year-on-year salary increases were around 3-5% and promotion increases were from 8-10%. Bonuses have been moderate to low with most banks paying around 1-2.5 months of salary in these functions. Insurance and asset management firms were paying around 2-3.5 months bonus.

# Audit Salary Guide

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
<b>INVESTMENT BANKING</b>					
Audit	300,000 to 420,000	420,000 to 900,000	900,000 to 1.6m	1.6m to 2.2m	2.2m plus
	Analyst	Assistant Manager	Manager	Senior Manager	Director / Head of Audit
<b>INVESTMENT MANAGEMENT</b>					
Audit	300,000 to 420,000	420,000 to 600,000	600,000 to 840,000	840,000 to 1.5m	1.5m plus
	Officer to Assistant Manager	Manager to Snr Manager	Associate to Snr Director	Head of Audit (Country Head)	Head of Audit (Regional Head)
<b>INSURANCE</b>					
Audit	240,000 to 540,000	540,000 to 900,000	900,000 to 1.4m	1.5m plus	1.8m 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, salary increments 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

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
<b>INVESTMENT BANKING</b>					
Head of Compliance	NA	NA	NA	NA	2.8m plus
Central Compliance	240,000 to 420,000	420,000 to 900,000	900,000 to 1.5m	1.5m to 2m	2m plus
Compliance Testing	240,000 to 420,000	420,000 to 900,000	900,000 to 1.6m	1.6m to 2m	2m plus
Control Room	240,000 to 420,000	420,000 to 960,000	960,000 to 1.5m	1.5m to 2m	2m plus
Global Markets Advisory (Equities / FICC)	300,000 to 420,000	420,000 to 960,000	960,000 to 1.7m	1.7m to 2.3m	2.3m plus
IB Advisory	300,000 to 420,000	420,000 to 960,000	960,000 to 1.7m	1.7m to 2.3m	2.3m plus
Monitoring & Surveillance	240,000 to 420,000	420,000 to 840,000	840,000 to 1.5m	1.5m to 2m	2m plus
Regulatory Compliance	300,000 to 420,000	420,000 to 960,000	960,000 to 1.7m	1.7m to 2.3m	2.3m plus
Research Compliance	300,000 to 420,000	420,000 to 960,000	960,000 to 1.7m	1.7m to 2.3m	2.3m plus

<b>RETAIL &amp; CORPORATE BANKING</b>					
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
Regulatory Compliance	240,000 to 360,000	360,000 to 780,000	780,000 to 1.3m	1.3m to 1.7m	1.7m plus

# Compliance Salary Guide

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
<b>PRIVATE BANKING / WEALTH MANAGEMENT</b>					
Head of Compliance	NA	NA	NA	NA	1.8m plus
Investment Suitability	300,000 to 400,000	400,000 to 720,000	720,000 to 1.2m	1.2m to 1.5m	NA
Regulatory Compliance	300,000 to 400,000	400,000 to 840,000	840,000 to 1.3m	1.3m to 1.6m	NA

	Analyst	Assistant Manager	Manager	Senior Manager	Director
<b>INVESTMENT MANAGEMENT</b>					
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
<b>INSURANCE</b>					
Head of Compliance	NA	NA	NA	NA	1.3m plus
Regulatory Compliance	240,000 to 360,000	360,000 to 600,000	600,000 to 780,000	780,000 to 1.3m	1.3m plus
Distribution Compliance	240,000 to 360,000	360,000 to 600,000	600,000 to 780,000	780,000 to 1.3m	1.3m plus



# Financial Crime Compliance

	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

	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 1.9m	1.9m plus
Market Risk	480,000 to 900,000	900,000 to 1.6m	1.6m to 2.1m	2.1m plus
Operational Risk	480,000 to 900,000	900,000 to 1.5m	1.5m to 2m	2m plus

# Our Firm

Bowen Partners is an executive search and talent development firm. With offices in Australia (Melbourne & Sydney), Hong Kong and Singapore, we are true experts in identifying talent within Audit, Compliance, Finance, Legal, Risk, Strategy and Change Management across Banking & Financial Services. 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 wide 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

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 their leadership skills further.

# 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, Risk & Control

- Internal Audit
- Technology Audit
- Operational Risk
- Business Risk
- First Line Risk Management / Supervision
- Market Risk
- Credit Risk
- Controls & Testing
- Risk Oversight, Review & Assurance

### Compliance

- Assurance & Testing
- Business Compliance
- Central Compliance
- Control Room
- Financial Crime Compliance & AML
- Investigations
- Investment Compliance
- Monitoring / Surveillance
- Product Advisory Compliance
- Projects
- Regulatory Compliance
- Research Compliance

### Legal

- Arbitration
- Asset Finance
- Asset Management
- Competition / Anti-trust
- Debt Capital Markets
- Derivatives
- Dispute Resolution
- Equity Capital Markets
- Fund Formation
- Hedge Fund
- Mergers & Acquisitions
- Private Equity
- Real Estate
- Regulatory
- Restructuring
- Structured Finance
- Venture Capital

# Areas of Expertise

## Finance

- Financial Control
- Financial Planning & Analysis
- Legal Entity Control
- Tax
- Treasury

## Strategy, Change, Transformation

- Business Strategy
- Business Transformation
- Management Consulting
- Process Excellence
- Business Management
- COO function

(Non-Technology functions)

AUSTRALIA • HONG KONG • SINGAPORE

Bowen Partners Limited

Level 6, 28 Hennessy Road  
Wan Chai, Hong Kong

+852 25400 0000

Employment Agency Licence No. 53661