



# Hong Kong Market Insight & Salary Guide

July – December 2019

# Market Insight

Hiring across audit, compliance and risk for the first half of 2019 has been slower compared to the same period in 2018 for the global institutions. The second half of 2019 will see banks continuing 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

Recruitment in the investment banks has been slower compared to the same time last year, mainly due to increased cost pressure, leading to stringent headcounts approval processes and limited recruitment budget.

Within internal audit, most of the activities had been in the middle management level. There has been some movement at the senior level (Director and Managing Director ranks) with most of these been filled internally. Banks still have a strong preference for new joiners to possess some data analytics skills for internal audit as investment banks are strengthening data analytics tools and methods in audit, risk and compliance areas. The 1<sup>st</sup> and 2<sup>nd</sup> line risk management roles (e.g. business risk, front-office risk, operational risk) areas were also in lower demand compared to the previous year.

On the compliance side, the global US banks are well progressed with their compliance programs and we have seen further cost scrutinisation across compliance departments. When there is a resignation, often two roles are combined. If the bank needs to go out to the market, the position is often downgraded to a lower level. The European financial institutions still have a range of regulatory issues to work through and generally they are not as advanced as the US banks in the compliance cycle. This has meant that the European banks have not been able to reduce compliance costs to the same level as the US banks.

## Retail, Corporate and Private Banking

Hiring activities in the first half of 2019 were not as busy as 2018. There were job cuts due to cost pressure and restructuring in a couple of the large international banks across audit and business risk management areas; often the roles were being replaced in low-cost locations and roles being merged.

With the Virtual Banks licences being granted in the first half of 2019, recruiting in these companies had been active but not in large volumes as they are still in start-up mode and only recruiting the foundation layer of staff. Virtual Banks will soon begin to operate, and the headcounts would likely remain low. Candidates from banking or financial services industries with backgrounds in technology audit and technology risk had been well sought-after into the controls and governance related functions of these Virtual Banks.

## Asset Management

2018 was a challenging year for most asset management businesses and they were not able to keep up the performance from previous years. As a result, bonuses paid out earlier in 2019 declined to the average level of around two to four months of salary. Furthermore, significant salary increments have also been more limited. In the first half of 2019, very few companies were hiring in the senior market. Senior candidates are cautious about their next move resulting in very minimal movement in the market.

Boutique fund houses and hedge funds are still looking for junior to mid-level compliance talent to report into their local CEO or Global Head of Compliance to deal with regulatory matters that were previously managed by external firms.

Due to the new set of the implementation of UT code at the beginning of 2019, many compliance professionals within fund management are busy with product enhancement, gap analysis and revamping projects. They have to take a more proactive approach with the SFC to discuss how the new set of code would affect the products to work out the best way to apply the new codes. A strong and positive relationship with the SFC has become substantially important for all

compliance professionals.

Overall, compliance teams across the asset management sector remained lean and junior to mid-level market is very replacement driven among the international asset managers. Moving investment and portfolio compliance teams to operations and front line has been the trend and more firms will follow the same direction for better work effectiveness.

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. Many investment banking professionals see asset management as a more stable industry providing better work-life balance.

## Insurance

Insurance has been in growth mode in 2019 and hiring demand in the industry is strong as we look ahead to the second half of the year.

The Government has appointed September as the month when the Insurance Authority (IA) will take over from the three Self-Regulatory Organisations (SROs). Insurance Authority (IA) will soon become the sole regulator of insurance intermediaries in Hong Kong, including granting licences, conducting inspections and investigations, and imposing disciplinary sanctions where applicable. This will be a significant change for the industry. In the next few months, compliance professionals will be very busy working with the new suite of codes and preparing for the new guidelines coming up from the IA. Sales and distribution compliance has been in demand and will remain a hot area of hiring activity, especially for the insurance brokers who were not regulated by the Insurance Authority (IA) before.

Digital, transformation and technology were priorities for many insurance companies in the past and we expect the same in the remaining year. Therefore,

firms must retain talent with experience in IT/Cloud governance and data privacy & protection.

There is a limited talent pool of audit, risk and controls candidates with insurance experience. Insurance companies are now considering 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 many 1<sup>st</sup> line risk and controls roles developing. Most companies are relying on both the business / functions and the 2<sup>nd</sup> line risk management teams to cover the 1<sup>st</sup> line risk and control issues.

Insurance companies have also been looking to strengthen audit and risk management teams by adding specialists with an actuarial background. Actuaries with good economical capital and product actuarial experience have been well sought-after. Companies are required to pay a premium to attract professionals from traditional actuarial functions into these non-traditional actuarial-related roles or recruit people from overseas.

## Conclusion

Hiring activities in Q1 and Q2 within the audit, risk and controls areas had generally slowed-down compared to 2018. There had not been high-turnovers post-bonus paid-out time as anticipated and market sentiment had been cautious and cost-conscious. With a few large international banks recruiting less and / or laying off employees, there will be more pressure to hire and promote internally.

The ongoing unrest and political situation in Hong Kong are having an impact on local job seekers sentiment in changing jobs, especially those at junior to middle level. Furthermore, we are seeing both local and expats looking for career opportunities in places like Singapore and Australia, with some expats moving forward their plans to relocate back home. Some of the internal transfers from overseas countries have been delayed as the jobholders would prefer to move when the situation calms down. While we haven't seen big corporates relocating positions outside Hong Kong, there is a growing trend for companies to

create roles in other countries as long as the jobholders are based within Asia. Companies with good international mobility programs would probably attract strong interests with job-seekers who are considering options outside Hong Kong at some point in their career.

Salary increment for job offers remained at 15-18%. Job-seekers who are risk-averse have been demanding 25-30% to change jobs to compensate the higher perceived risk to join a new company given the ongoing news of job cuts and organisation restructuring in the market.

# 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 2540 0000

Employment Agency Licence No. 59754

[www.bowenpartners.com](http://www.bowenpartners.com)