

Hong Kong Finance & Accounting Survey & Guide 2016



INTRODUCTION

Aquis Search is delighted to present our annual finance, financial services salary survey for Hong Kong 2015-2016. This survey provides an overview of current compensation levels post year end reviews and offers insights into how we see the market developing over the next six months. Our information has been researched and collated with the help of our clients and candidates and from our working knowledge of the marketplace. As with all surveys, we represent the mainstream view and we recognise there will be individual situations that fall outside the data published. This survey is therefore a guide to general movement in the sector. Please contact us for further information or for clarification on any of the compensation trends detailed in this report.

2015 - 2016 TRENDS

Hong Kong's Financial Services market for Finance hiring remained focused on replacement hiring and off shoring where possible. In general apart from new entrants to the Hong Kong market there has been little in the way of external agency hiring. However many banks have been very active replacing staff through their own internal networks, internal referral incentives and internal mobility schemes in order to cut cost. The areas that have been buoyant this year have been Product Control, Audit (all business lines), Regulatory Reporting and some Financial Planning & Analysis in which we have been engaged actively by our clientele across a number of sectors.

2015 has proven a challenging year for many businesses currently grappling with decisions on where to deploy capital and which business lines will offer sustainable returns in the future. Arriving now at the beginning of 2016 there are some clear winners and losers. The larger well known full service banks are focusing on Commercial Banking & Private Banking activities and had a strong year overall. These are now fiercely competitive environments with our clients indicating significant demand forecasted in these areas. However there have been some big losses for overseas banks operating in Hong Kong in both of these spaces due to the enhanced level of competition and some notable exits as banks look to appoint new CEO's and take the strategy back to the drawing board.

On a more positive note employers have had fewer problems retaining staff and therefore were better able to plan and develop their teams in a more cohesive manner. However, this has also created internal pressures in regards to promoting talent and often MD's are only able to offer a limited number of promotions each year.

FORECAST FOR 2016

Strategic hiring decisions are often signalled by organizational goals. Organizational goals that are critical to operations in 2016 can be illustrated this year by a wide range of both efficiency and growth targets for the coming year. Similar to past years, employers remain focused on finding ways to improve their performance and productivity. For example, firms plan to improve performance, expand geographically, launch new products, and expand their customer base.

It is therefore expected that demand for individuals in the Management Reporting, FPA & Performance Reporting fields will continue to thrive as companies hire to support their organizational goals. Following this we have also noted organisations strengthening their internal consulting teams. Alongside notable cuts and redundancy programmes within banks we have seen a spike in hiring Change Management professionals to rebalance businesses and open up new revenue streams. During 2016 we expect internal strategic consulting teams to grow and individuals from top tier consulting firms to be drawn into joining their commercial partners for in house roles. Additionally we expect further additional headcounts into most controls functions, particularly compliance and internal audit.

As organisations enforce permanent headcount restrictions we have witnessed a continued commitment to using contractors as a flexible solution to tough budget conditions. Contract demand surged during the previous financial crisis currently many organisations within the financial services sector chose to hire on a contract basis before making a permanent appointment. We expect firms to continue this in 2016.

BONUSES

Bonuses are seen as the norm and an integral part of remuneration packages for the majority of international finance companies in Hong Kong and the region. Most companies operate a discretionary bonus system taking into account the individual's performance as well as the firm's overall performance when determining the bonus. The average bonus is typically between one to two months of base salary rising to four months for star performers. Additional benefits usually include private medical insurance, life assurance and pension. Some companies do offer corporate gym membership and an enhanced medical insurance policy that covers dental as well as medical expenses.

Individuals in all but the most senior Finance & Accounting roles can now expect one to two months bonus working in Banking & Insurance industries. However the Asset Management, Private Equity and Hedge Fund sectors buck this trend with mid level employees earning sometimes six to eight months bonus and top performers even more. Most candidates are not now resigned to the fact that bonuses for mid range Finance & Accounting employees will never return to the levels of 2007.

Most of the investment banks have already moved compensation structures away from a bonus heavy package to a much greater weighting on the base salary and so despite challenges in the market the impact on the total package for many professionals has been relatively small. For 2016 bonus pool announcements so far have been down on last year by 10-20%. In terms of individual bonuses numbers have been increasingly polarised as top performers have been rewarded whilst low performers have been given a message.

RELOCATION

Due to tougher market conditions, few companies have been making lateral hires from overseas this year unless the individual has fluent Mandarin skills or previous Asia experience. However, if the market starts to pick up, demand for niche areas will outstrip domestic supply, and firms will start to hire talent from the US and Europe again.

Salaries offered to overseas candidates mirror local rates but firms will assist with relocation costs. Relocation packages

vary amongst firms and often between candidates within the same firm. The standard minimum relocation package includes an economy class flight to Hong Kong or Singapore, reimbursement of shipping expenses, and four to six weeks accommodation on arrival. Some firms will offer a lump sum instead so that new hires can deal with the above as they wish and keep any money remaining. Relocation will generally apply to candidates hired at a base salary of HK\$1mil and above.

Aquis Search has found that on many recent searches candidates from Australia are proving ever more open to Singapore and Hong Kong as their domestic market cools. Additionally with Singapore importing large volumes of talent from abroad in the past six years it now provides a pool of international talent who's lifestyles are compatible with relocating.

OUTLOOK

The overall outlook for Asia Pacific in 2016 is challenging. Companies however are still expected to grow revenues despite budget constraints and an increase in the wage bill associated with plugging the new regulatory gap. We believe 2016 will offer up significant challenges and significant opportunities in equal measure.

Financial Services professionals in Hong Kong & Singapore have been up to task in delivering creative ideas in order to cut costs and retain service levels. This innovation and open mindedness will certainly be required again this year.

Finally, demographics will be a huge influence on the hiring agenda over the coming three to five years. Hong Kong has one of the world's lowest birth rates. It is estimated that 27% of the population will be aged 65 or more in 2033, up from 12% in 2005. With the accelerating retirement of the baby boom generation this will leave Hong Kong with more vacancies than qualified candidates. Which for job seekers in Hong Kong is certainly welcome news.

Should you wish to discuss this please feel free to contact Aquis Search on +852 2537 0333 or email to info@aquissearch.com

Internal Audit

Year	Title	Annual Salary (HK\$)
13 or above	above SVP - Director	1,300,000
10 to 13	Vice President	840,000 - 1,300,000
8 to 10	Assistant Vice President	600,000 - 840,000
5 to 8	Associate	360,000 - 600,000
3 to 5	Analyst	360,000

Fund Accounting

Year	Title	Annual Salary (HK\$)
13 or above	above Director	1,000,000
10 to 13	Vice President	780,000 - 1,000,000
8 to 10	Assistant Vice President	540,000 - 780,000
5 to 8	Associate	360,000 - 540,000
3 to 5	Analyst	360,000

Financial & Regulatory Reporting

Year	Title	Annual Salary (HK\$)
13 or above	above Director	1,300,000
10 to 13	Vice President	840,000 - 1,300,000
8 to 10	Assistant Vice President	600,000 - 840,000
5 to 8	Associate	360,000 - 600,000
3 to 5	Analyst	360,000

Tax

Year	Title	Annual Salary (HK\$)
13 or above	above Director	1,200,000
10 to 13	Vice President	900,000 - 1,200,000
8 to 10	Assistant Vice President	600,000 - 900,000
5 to 8	Associate	360,000 - 600,000
3 to 5	Analyst	360,000

Management Reporting

Year	Title	Annual Salary (HK\$)
13 or above	above Director	1,300,000
10 to 13	Vice President	900,000 - 1,300,000
8 to 10	Assistant Vice President	660,000 - 900,000
5 to 8	Associate	480,000 - 660,000
3 to 5	Analyst	480,000

Product Control

Year	Title	Annual Salary (HK\$)
13 or above	above Director	1,320,000
10 to 13	Vice President	1,000,000 - 1,320,000
8 to 10	Assistant Vice President	840,000 - 1,000,000
5 to 8	Associate	540,000 - 840,000
3 to 5	Analyst	540,000

Finance Change Management

Year	Title	Annual Salary (HK\$)
13 or above	above Director	1,440,000
10 to 13	Vice President	1,000,000 - 1,440,000
8 to 10	Assistant Vice President	900,000 - 1,000,000
5 to 8	Associate	600,000 - 900,000



CONTACTS



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Executive Director

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Gareth is an Executive Director leading the Finance & Accounting - Financial Services team, based in Hong Kong.

He is responsible for Front Office roles as well as traditional senior Finance & Accounting opportunities. He specialises in the recruitment of Finance professionals in functions covering Finance Control & Reporting, Management Reporting, Regulatory Reporting, Product Control & Valuation, Business Analysis & Change Management, Fund Accounting & Administration and Tax. He has particularly strong networks in Investment Banking, Private Equity, Asset Management and Private Banking. Gareth is also responsible for the recruitment of senior Operational professionals to COO level in Project & Change Management and Business Transformation. He works closely with senior consulting individuals on a variety of Strategy roles.

Gareth has over ten years of search experience and has executed assignments in Europe, Asia and America. He started his recruitment career with a UK recruitment firm where he focused on roles in the City of London with a broad range of clients.

He has a Bachelor's degree in Marketing & Psychology from De Montfort University, UK.



Gordon Kwong

Associate Director

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Gordon is an Associate Director with the Finance & Accounting (Financial Services) team based in Hong Kong.

He is responsible for the research and recruitment of junior to mid-level Finance professionals in areas such as Finance Control & Reporting, Management Reporting, Regulatory Reporting, Product Control & Valuation, Business Analysis, Change Management, Fund Accounting and Administration & Tax. His role has a focus on the Hong Kong and Singapore markets.

Gordon has extensive experience and knowledge of recruitment in Financial Services. He began his recruitment career at a top boutique recruitment firm specialising in placing Front Office professionals in Corporate Finance and Capital Markets.

Gordon has a Bachelor's degree in Informatics, Human Resources & Philosophy from the University of Sydney and speaks English, Cantonese and Mandarin.

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Esther is a Consultant in the Finance & Accounting team based in Hong Kong. She is responsible for the recruitment of middle and back office operations staff working within the Corporate/Investment Banking, Securities and Insurance industries. Esther develops and oversees partner relationships, working on positions such as Financial Managers, Financial Controllers, Junior and Senior Accountants, Internal / External Auditors, KYC & Client On-boarding and more.

Before Esther joined the Finance & Accounting team she was a Researcher, assisting the Private Practice Legal and HR/Corporate Services team with their Executive Search functions. Previously she worked with a Hong Kong based Health start-up company.

Esther holds a Bachelor Degree in Chinese Studies (Anthropology and Cultural Heritage) from the Chinese University of Hong Kong.

ABOUT AQUIS SEARCH

Aquis Search is a regional leader for Corporate Governance and Control functions recruitment covering roles in Finance, Human Resources & Corporate Services, Legal, Risk and Compliance. We operate from offices in Beijing, Hong Kong, Shanghai, Singapore and Mumbai handling search assignments in numerous Asian countries.

Our clients are members of a global network of prestigious financial institutions, leading UK & US law firms and many of the largest companies within the Fortune 500. Professional integrity is the key value on which our client relationships are built and the majority of our business is the result of personal referral. This is testament to the high level of professionalism for which we are known.

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