



Hudson

Great people. Great performance.

FINANCIAL SERVICES

Talent trends

Hiring demand and salaries in mainland
China, Hong Kong and Singapore

H2 2017

Demand for talent

Financial services hiring remains strong despite slowing economic growth

China

Wealth management, asset management and internet finance continue to boom and hiring in these areas is increasing.

However, major banks in China experienced a challenging time in 2016 due to issues such as the speed of macroeconomic growth, with China's GDP growth the slowest in 26 years¹. This is having an impact on hiring this year. In a more positive sign, non-performing loans appear to have stabilized after increasing late last year.²

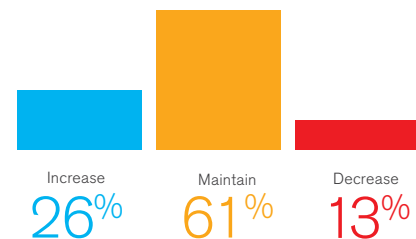
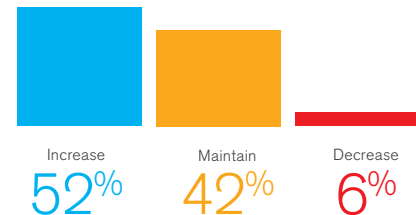
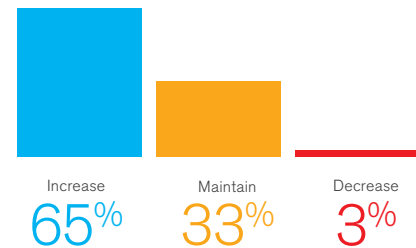
Hong Kong

Chinese financial institutions operating in Hong Kong are driving the bulk of the hiring intentions in the region in 2017. Meanwhile, foreign and Tier-1 financial institutions are downsizing due to cost pressures following a slowdown in economic growth to 1.9% in 2016 compared to 2.4% the year before.³ The loss of quality talent is adversely affecting business performance.

Singapore

Singapore businesses are facing cost pressures, leading them to reduce headcount and outsource some of their functions to cheaper locations. While some banks will increase hiring in Singapore to meet regulatory changes, others will focus on internal mobility, outsourcing and attrition hiring.

Hiring expectations across Asia



¹ stats.gov.cn

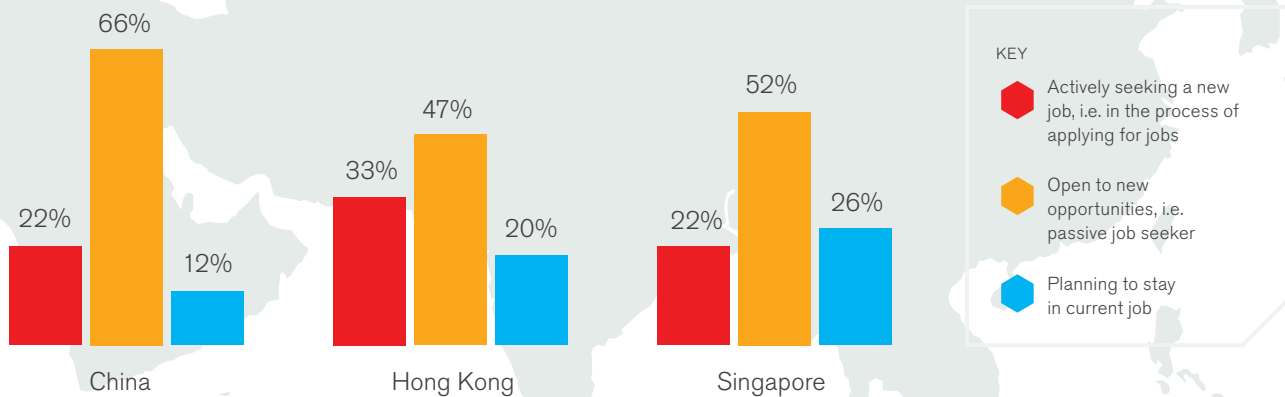
² <https://www.bloomberg.com/news/articles/2017-04-24/china-s-bad-loans-capital-outflows-stabilize-pboc-s-yi-says>

³ 2016 Economic Background and 2017 Prospects, Government of the Hong Kong Special Administrative Region, 11 November 2016

Talent supply and demand

Most professionals in financial services actively looking or open to new opportunities

Employee intentions



China

With two-thirds of Chinese financial institutions increasing head count, according to our survey, most financial services professionals want to take advantage of the opportunities and are either actively looking or open to being approached with new roles that could lead to career development.

Hong Kong

We're seeing talented financial services professionals actively seeking opportunities in China-owned financial institutions, incentivized by impressive job titles, attractive bonuses and greater job security, a trend we expect to continue (if at a slower pace) as these businesses expand their product scope and offerings.

Singapore

With headcount freezes in place in many organizations, financial services professionals are finding that they have expanded responsibilities in their roles and are working longer hours, leaving them over-stretched. This combined with poor performance bonuses has led many professionals to seek better opportunities.

Hiring challenges: China

Hiring managers trying to find the right skills on a limited budget

42%

of financial services hiring managers in China say it is harder or much harder to **find top talent** than it was 12 months ago

Top 5 hiring challenges



What are the main reasons for these challenges?

- 1 Limited budget – cannot provide a better remuneration package to the right candidate
- 2 Talent shortage in the market due to requirements of niche skillset
- 3 Long recruitment process – candidates take other offers before you can finalize your offer
- 4 Employer brand – organization not attractive enough to prospective hires
- 5 Economic uncertainty – candidates preferring to stay with current employer

Salaries in major financial hubs like Shanghai, Beijing and Shenzhen are already high. However, for certain high demand job roles, professionals are looking for aggressive increases, which is why budget concerns are at the top of the list for employers.

Meanwhile, with the finance and technology sectors growing ever closer, the skills required for market developments like internet finance are becoming far more niche.

There is fierce competition for top talent, reflected in the fact that close to half of employers are finding it more difficult to hire now than it was 12 months ago.



Most in-demand job functions:

1. Relationship management
2. Risk management
3. Product management
4. Investment
5. Compliance



Most in-demand technical skills:

1. Risk management
2. CFA
3. Deal sourcing capability with top investment track record
4. CPA
5. Appointed by the CIRC



Most in-demand soft skills:

1. Drive for results
2. Driving and managing change
3. Learning agility
4. Innovative thinking
5. Negotiation and influencing skills

Business development a critical hire

As the market becomes more mature, financial services organizations are facing more competition, and therefore require more sales professionals to expand markets and maintain relationships with clients. As a result, relationship managers are in high demand. We are seeing that for these high-demand roles, salaries are increasing at a greater rate than in other roles.

Technology creates risk challenges

Meanwhile, the emergence of new technologies and their impact on financial products makes the risk management, credit analysis and compliance functions more critical to financial services companies.

Hiring challenges: Hong Kong

Talent shortage as professionals look to Chinese firms

37%

of financial services hiring managers in Hong Kong say it is harder or much harder to **find top talent** than it was 12 months ago

Top 5 hiring challenges



What are the main reasons for these challenges?

- 1 Limited budget – cannot provide a better remuneration package to the right candidate
- 2 Talent shortage in the market due to requirements of niche skillset
- 3 Employer brand – organization not attractive enough to prospective hires
- 4 Long recruitment process – candidates take other offers before you can finalize your offer
- 5 Business performance – hiring freeze/HR approvals/lack of budget to recruit new staff

We're seeing an increasing number of smaller Chinese firms enter the Hong Kong market, competing for local talent. However, these firms are finding it difficult to adjust to Hong Kong and foreign financial institutions' paycales – one reason why limited budget is topping the list of hiring challenges in Hong Kong.

In addition, with Hong Kong professionals seeking career progression and attractive bonuses from Chinese financial institutions, Hong Kong-based firms will face a talent shortage. To attract top talent, Hong Kong firms will need to offer competitive remuneration, career development and bonuses to entice job seekers.



Most in-demand job functions:

1. Legal counsel, M&A/PE/Brokerage
2. Equity research
3. Market risk
4. Portfolio management (fixed income)
5. Product development (asset management)



Most in-demand technical skills:

1. SFC liaison
2. BASEL III
3. HKMA reporting
4. FRR returns
5. IFRS



Most in-demand soft skills:

1. Resilience
2. Critical thinking
3. Drive for results
4. Driving and managing change
5. Learning agility

Product diversity requires expertise in senior roles

With an expanded and more complex product scope, Chinese financial institutions now require candidates of a high caliber in areas they previously haven't needed. The drive towards offering a more complex array of products requires professionals with a breadth of skills and experience in areas that have traditionally been in siloed positions in international banks. Additionally, for international banks, the cost of compliance means we are seeing the need for candidates with very specific regulatory knowledge at a senior level.

Salaries for niche roles demanding a premium

Salary rate is uneven across the market, with premium packages offered to niche positions. Compliance and risk roles have been inflated across the market, but we're starting to see this stabilize. Meanwhile, operations salaries are decreasing due to a large candidate pool and a lack of roles.

Regulatory changes create surge in demand for technical skills

Increased regulation has created a strong demand for professionals with generalized knowledge that enables them to cover different sectors and geographies. Candidates are therefore required to equip themselves with more technical skills and experience in multiple functions to improve their desirability.

Hiring challenges: Singapore

Regulatory changes creating skills shortage

26%

of financial services hiring managers in Singapore say it is harder to **find top talent** than it was 12 months ago

Top 5 hiring challenges



What are the main reasons for these challenges?



Many banks are facing regulatory changes in areas where talent is limited, such as the strengthening of prudential safeguards, and the formalizing of risk management systems and controls.¹ This explains why talent shortages were selected as the main reason for hiring challenges by hiring managers.

In addition, cost pressures are restricting banks from being able to offer attractive salary packages to entice highly skilled candidates.



Most in-demand job functions:

1. Financial crime compliance
2. KYC
3. Internal audit
4. Data analytics
5. Change management



Most in-demand technical skills:

1. Product knowledge
2. Regulatory knowledge
3. Programming knowledge
4. Professional certifications
5. Reporting standards



Most in-demand soft skills:

1. Stakeholder engagement
2. Negotiation and influencing skills
3. Critical thinking
4. Learning agility
5. Resilience

Compliance top of the list for in-demand jobs

As banks become more regulated, organizations are placing greater emphasis on risk and controls, which is increasing demand for roles in these areas.

At the same time, bank functions are increasingly being outsourced into a more cloud-based environment, reducing the number of operational roles available, following regulatory approval of cloud-based services by the Singapore Monetary Authority late last year.¹

An employer's market for financial organizations

Due to redundancies, there is a large supply of professionals in the market, which has led to salaries stagnating. In compliance and audit roles, which are more niche, we do see banks offering a slightly more competitive package.

¹ mas.gov.sg/Regulations-and-Financial-Stability/Regulatory-and-Supervisory-Framework/Risk-Management/Operational-Risk.aspx

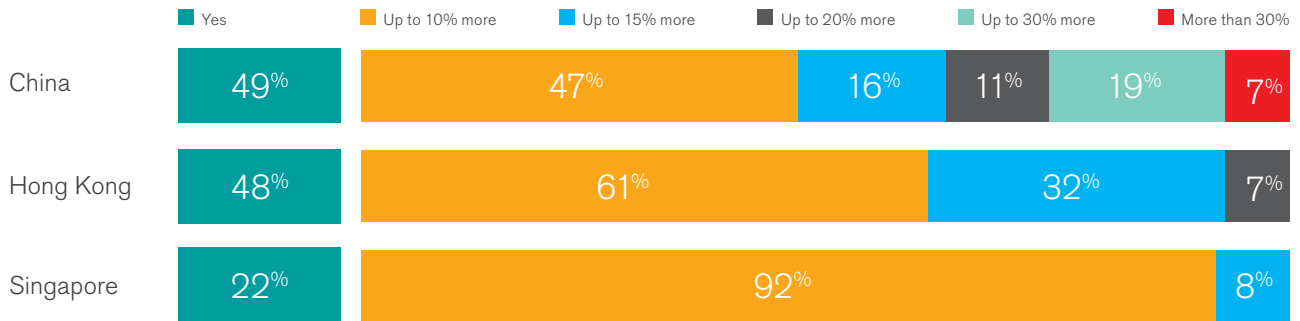
Pay expectations: Asia

Employers expect to pay more in salaries and pay rises than a year ago

Employers in China are expecting to pay more to attract and retain financial services staff compared to employers in Hong Kong and Singapore.

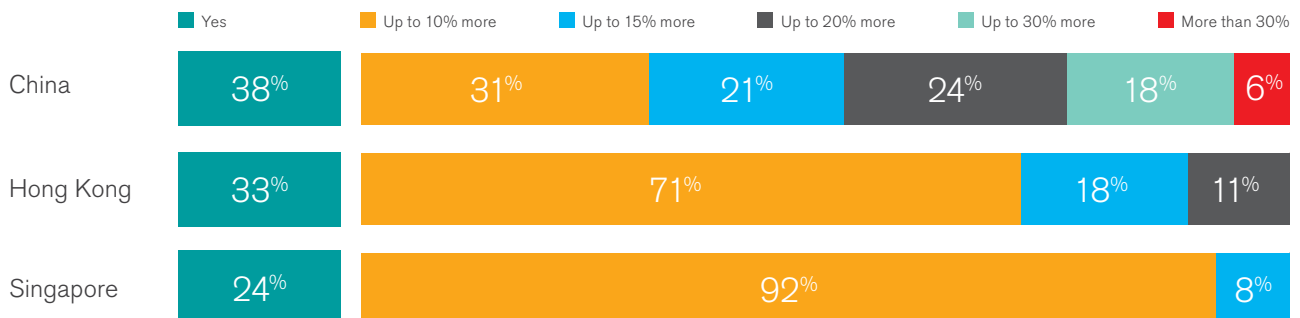
Do you expect to pay more to attract new hires?

If yes, how much more do you expect to pay for people (for the same profile) you're hiring today than a year ago?



Do you expect you will need to give more in pay rises to retain staff?

If yes, how much more do you expect you will need to give in pay increases to retain employees than you did a year ago?



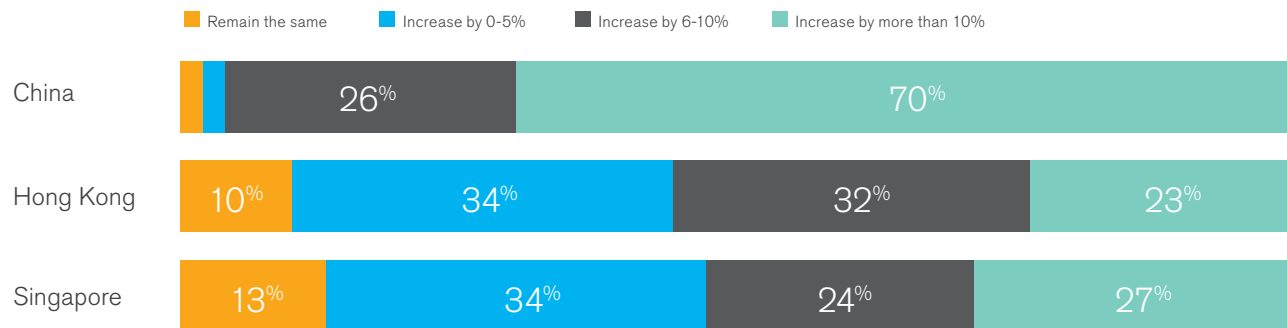
Employees believe they are underpaid

50% of financial services employees across Asia believe they are **paid less** than market rate

43% would remain if they **receive a pay rise** in the next 12 months

Expectations of pay rises in the next 12 months

Nearly three quarters of financial services employees surveyed in China expect their pay to increase by more than 10% at their next review with their manager.



Alternatives to pay rises

Employees indicated they would consider swapping a pay rise for the following benefits:

China

1. Housing allowance

2. Health/Medical benefits

3. Private expenses

Hong Kong

1. Housing allowance

2. Private expenses

3. Health/Medical benefits

Singapore

1. Health/Medical benefits

2. Housing allowance

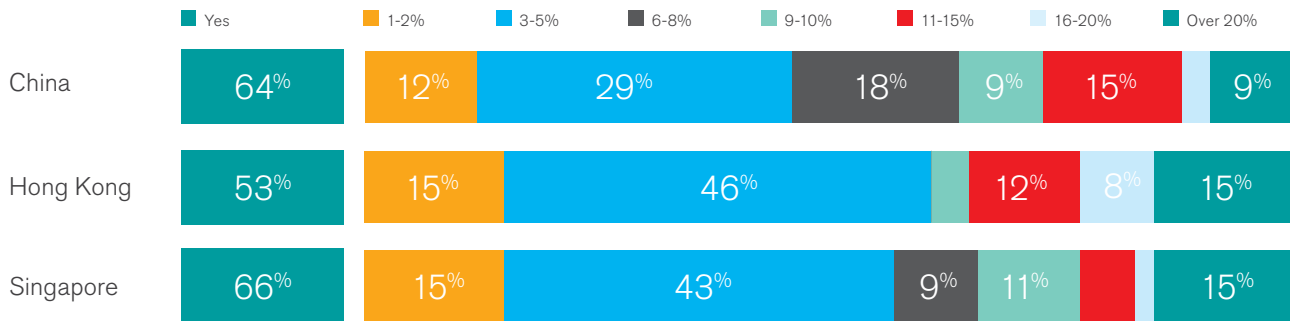
3. Flexible Benefits

Pay increases: Asia

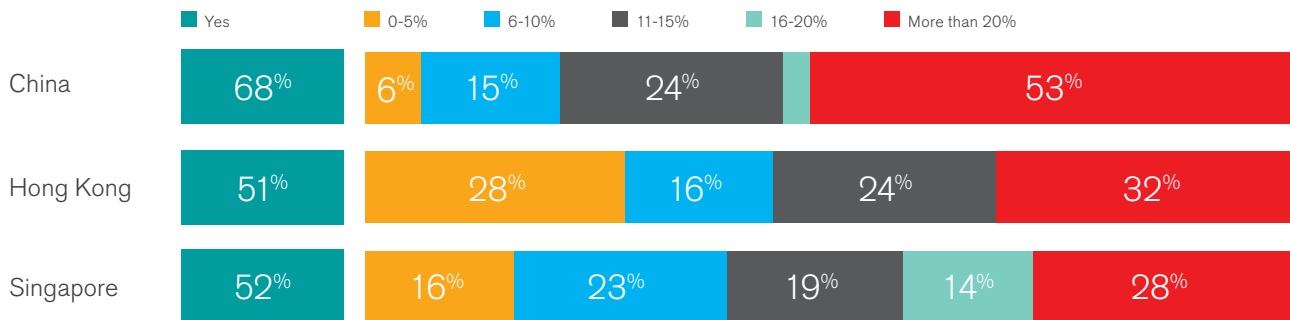
Employees given pay rises but majority still dissatisfied

62% of financial services employees across Asia received a **pay rise** **but** only **52%** were **satisfied** with the increase

Did you receive an increase to your base salary in the past 12 months?



Did you receive a bonus in the past 12 months?



SALARY GUIDE:

Financial Services

Salary guide:

Financial Services

CHINA (RMB '000)

Corporate Banking - Front Desk

	Analyst	Associate/ Assistant Vice President	Associate Director/ Vice President	Director/ Executive Director	Managing Director
Corporate - Relationship Management (MNC/LC/FI)	150 - 250	200 - 350	300 - 500	500 - 900	900 - 1,500
Corporate/Financial Institutions - Credit Analysis	150 - 250	200 - 350	300 - 600	600 - 1,000	1,000 - 1,500
Product Sales (Cash/Trade)	150 - 250	200 - 350	300 - 500	500 - 800	800 - 1,500
Product Management (Cash/Trade)	150 - 250	200 - 350	300 - 500	500 - 800	800 - 1,500
Global Markets Sales/Trader	200 - 350	300 - 500	500 - 800	800 - 1,500	1,500 - 2,500
Security Service - Sales/Client Service	100 - 300	150 - 400	300 - 650	800 - 1,000	1,000+
Security Service - Product Management	100 - 250	150 - 350	300 - 500	700 - 1,000	1,000+
Security Service - Operations	100 - 150	150 - 300	300 - 500	500 - 800	700+
Operations	200 - 350	350 - 400	400 - 550	550 - 750	N/A

This salary guide is a compilation of salary and market information provided by Hudson consultants, clients, candidates and other sources across Asia. Information was gathered by drawing on the extensive knowledge of our specialist recruitment consultants across Hudson's specialist practice groups. Salary ranges are approximate guides only. They relate to base salaries and exclude superannuation/bonuses/incentive schemes/stock options.

CHINA (RMB '000)

Corporate Banking - Middle Back Office

	Analyst	Associate/ Assistant Vice President	Associate Director/ Vice President	Director/ Executive Director	Managing Director
Finance	200 - 300	300 - 400	400 - 600	600 - 1,000	1,000 - 2,500
Local Reporting/ Regulatory Reporting	200 - 350	350 - 400	400 - 550	550 - 700	N/A
Compliance	200 - 300	300 - 450	450 - 600	600 - 800	800 - 1,500
AML/Financial Crime	200 - 300	300 - 450	450 - 600	600 - 800	800 - 1,300
Risk	200 - 300	300 - 450	450 - 600	600 - 800	800 - 1,300

Wealth Management

	Specialist	Manager	Senior Manager	Director	Chief
Front Desk - Sales	60 - 150	150 - 300	300 - 500	500 - 1,000	1,000 - 5,000
Product	60 - 180	180 - 300	300 - 450	450 - 1,000	1,000 - 2,000
Risk	90 - 200	200 - 300	300 - 600	600 - 1,000	1,000 - 3,000

PE/VC

	Analyst	Associate	Senior Associate/ Vice President	Director	Managing Director/Partner
Healthcare	150 - 300	300 - 600	400 - 800	600 - 1,500	1,200 - 3,000
TMT/Consumer/ Manufacture	120 - 240	240 - 500	360 - 600	600 - 1,500	1,000 - 2,500
Risk	120 - 200	180 - 400	240 - 500	400 - 1,000	1,000 - 1,500
Portfolio Management	100 - 240	240 - 400	360 - 600	500 - 1,200	800 - 1,200
Real Estate	180 - 240	240 - 360	360 - 600	600 - 1,200	800 - 2,000

CHINA (RMB '000)

Insurance					
	Specialist	Manager	Senior Manager	Director	Chief
Actuary, Life	100 - 200	200 - 450	450 - 650	650 - 900	900 - 3,000
Actuary, General Insurance	90 - 200	200 - 400	400 - 600	600 - 800	800 - 2,000
Actuary, Reinsurance	200 - 300	300 - 500	500 - 800	800 - 1,200	1,200 - 3,000
Compliance	100 - 200	200 - 400	400 - 600	600 - 800	800 - 1,500
Risk	100 - 200	200 - 400	400 - 650	650 - 850	850 - 2,000
Bancassurance	100 - 180	180 - 300	300 - 600	600 - 800	800 - 2,000
Underwriting	90 - 150	150 - 300	300 - 400	400 - 600	600 - 800
Digital	120 - 200	200 - 450	450 - 650	650 - 900	900 - 1,500
Project Management and Strategy	100 - 200	200 - 400	400 - 550	550 - 750	750 - 1,200

Mutual Fund					
	Manager	Senior Manager	Director	Head	CIO
Front Desk - Portfolio Manager (Equity)	350 - 750	400 - 1,000	600 - 1,200	850 - 2,000	1,000 - 3,000
Front Desk - Portfolio Manager (Fixed-income)	280 - 550	350 - 700	450 - 950	750 - 1,500	N/A
Front Desk - Portfolio Manager (Quant)	200 - 400	300 - 600	400 - 750	600 - 1,300	N/A
	Analyst	Associate	Vice President	Director	Head
Front Desk - Research Analyst	70 - 150	100 - 400	150 - 450	300 - 700	700 - 1,200

CHINA (RMB '000)

Mutual Fund

	Specialist	Supervisor	Manager/ Senior Manager	Director	Head
Sales - Institution	75 - 200	120 - 300	180 - 400	270 - 520	420 - 850
Sales - Channel	70 - 140	90 - 200	120 - 270	150 - 360	270 - 600
Middle Office - Product	85 - 200	120 - 300	180 - 400	370 - 550	450 - 900
Middle Office - Marketing	70 - 125	95 - 200	160 - 340	300 - 670	400 - 900
Back Office - Risk	80 - 210	120 - 250	180 - 400	380 - 620	380 - 750
Back Office - Compliance	80 - 170	110 - 240	180 - 400	280 - 550	300 - 900
Back Office - Operations	60 - 150	90 - 180	120 - 290	290 - 600	300 - 900

FinTech

	Specialist	Manager	Head
CIO/Head of IT	N/A	N/A	1,000 - 2,000
Dev Center Sector/Division Head	N/A	N/A	800 - 2,000
IT Infrastructure	180 - 400	300 - 700	600 - 1,000
IT Application Support	250 - 500	500 - 800	600 - 1,400
IT Application Project management	250 - 500	400 - 700	600 - 1,200
IT Security/IT Risk	200 - 400	400 - 800	600 - 1,200
IT Audit	300 - 500	500 - 900	N/A
Business Bank - Software Delivery	200 - 400	300 - 700	700 - 1,500
Business Bank - Senior Developer (Java, COBOL etc)	150 - 280	240 - 400	N/A
IB Tech - Software Delivery	240 - 400	350 - 700	700 - 1,500
IB Tech - Software Developer (Java, C#, C++)	240 - 400	300 - 800	700 - 1,200

HONG KONG (HKD '000)

Middle & Back Office					
	Analyst	Associate/ Assistant Vice President	Associate Director/ Vice President	Director/ Executive Director	Managing Director
Global Markets - Trade Support	300 - 540	540 - 900	900 - 1,300	1,300 - 2,000	N/A
Corporate Actions/ Settlements	240 - 420	420 - 900	900 - 1,300	1,300 - 1,800	N/A
KYC/Client On-Boarding	300 - 540	540 - 900	900 - 1,300	1,300 - 1,800	N/A
Corporate Banking Operations	190 - 360	360 - 700	700 - 1,200	1,200 - 1,500	1,500+
Fund Operations	240 - 360	360 - 480	480 - 900	900 - 1,500	1,500+
Retail Operations	150 - 240	240 - 420	420 - 650	650 - 800	800+
Project/Change Management	360 - 450	450 - 660	660 - 1,000	1,000 - 1,500	1,500+
Finance & Accounting					
Financial & Regulatory Reporting	360 - 540	540 - 720	720 - 1,200	1,200 - 1,850	N/A
Fund Accounting	300 - 420	420 - 540	540 - 840	840 - 1,300	N/A
Management Reporting	360 - 540	540 - 720	720 - 1,080	1,080 - 1,500	N/A
Product Control & Valuation	360 - 600	600 - 900	900 - 1,300	1,300 - 2,000	2,000+
Treasury	216 - 420	420 - 660	660 - 1,080	1,080 - 1,500	1,500+

HONG KONG (HKD '000)

Governance & Risk

	Analyst	Associate/ Assistant Vice President	Associate Director/ Vice President	Director/ Executive Director	Managing Director
Risk					
Operational Risk	150 - 280	280 - 550	550 - 900	900 - 1,400	1,400+
Credit Risk	200 - 320	320 - 660	660 - 1,200	1,200 - 1,800	1,800+
Market Risk	220 - 400	400 - 720	720 - 1,450	1,450 - 2,000	2,000+
Compliance					
General Compliance	240 - 360	360 - 800	800 - 1,500	1,500 - 2,400	2,400+
Investment Compliance	450 - 650	650 - 1,300	1,300 - 1,800	1,800 - 2,500	N/A
Compliance Advisory	480 - 660	660 - 1,200	1,200 - 1,800	1,800 - 2,500	N/A
AML	420 - 540	540 - 800	800 - 1,500	1,500 - 2,000	N/A

HONG KONG (HKD '000)

Front Office					
	Analyst	Associate/ Assistant Vice President	Associate Director/ Vice President	Director/ Executive Director	Managing Director
Global Markets	480 - 840	840 - 1,080	1,080 - 1,500	1,500 - 2,500	2,500+
IBD Research	360 - 600	600 - 840	840 - 1,500	1,500 - 2,100	2,100+
Product Development (Asset Management)	360 - 480	480 - 600	600 - 1,000	1000+	N/A
Asset Management - Research	360 - 660	660 - 950	950 - 1,500	1,500 - 2,000	2,000+
Asset Management - Institutional Sales	400 - 700	700 - 1,200	1,200 - 1,600	1,600 - 1,800	1,800+
Asset Management - Wholesale Distribution	350 - 660	660 - 950	950 - 1,400	1,400 - 1,800	1,800+
Private Equity	600 - 1,020	1,020 - 1,400	1,400 - 2,000	2,000 - 3,000	3,000+
Corporate Finance, M&A, ECM & DCM	480 - 780	780 - 1,000	1,000 - 1,600	1,600 - 2,200	2,200+
Corporate Banking RM	360 - 500	500 - 800	800 - 1,300	1,300 - 2,000	2,000+
Retail Banking RM	150 - 240	240 - 420	420 - 650	650 - 1,000	1,000+
Wealth Management RM	240 - 300	300 - 540	540 - 800	800 - 1,400	1,400+
Hedge Fund	500 - 700	700 - 1,000	1,000 - 1,350	1,350 - 2,000	2,000+

SINGAPORE (SGD '000)

Middle & Back Office				
	Analyst	Associate/Assistant Vice President	Associate Director/ Vice President	Director/Executive Director
Finance & Accounting				
Fund Accounting	45 - 70	70 - 120	120 - 180	180 - 230
Management Reporting	50 - 90	90 - 150	150 - 230	230 - 290
Product Control & Valuation	50 - 90	90 - 170	170 - 240	240 - 300
Treasury	55 - 100	100 - 180	180 - 250	250 - 300
Regulatory Reporting	50 - 80	80 - 120	120 - 190	190 - 250
Internal Audit				
Internal Audit, Corporate Functions	50 - 80	80 - 150	150 - 250	250 - 320
Technology Audit	60 - 100	100 - 160	160 - 230	230 - 280
Governance & Risk				
Risk				
Operational Risk	50 - 90	90 - 170	170 - 260	260 - 350
Credit Risk	50 - 90	90 - 170	170 - 260	260 - 350
Market Risk	60 - 100	100 - 180	180 - 280	280 - 380

SINGAPORE (SGD '000)

Middle & Back Office				
	Analyst	Associate/Assistant Vice President	Associate Director/ Vice President	Director/Executive Director
Compliance				
Regulatory Compliance	60 - 90	90 - 160	160 - 250	250 - 340
AML/Financial Crime	50 - 90	90 - 180	180 - 280	280 - 360
KYC/Client On-Boarding	30 - 60	60 - 110	110 - 190	190 - 260
Front Office				
Private Equity	70 - 110	110 - 160	160 - 250	250 - 350
Investment Banking (M&A, ECM & DCM)	80 - 130	130 - 180	180 - 280	280 - 380
Private Banking	60 - 100	100 - 150	150 - 200	200 - 300
Legal				
Legal Counsel	90 - 130	130 - 180	180 - 250	250 - 340
ISDA Negotiation	45 - 85	85 - 130	130 - 180	180 - 250

Hong Kong

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Methodology

Hudson undertook quantitative research with hiring managers and employees across Asia to analyze the talent landscape and provide insights on what employers might expect in 2017 and beyond.

We canvassed the views of almost 3,500 Asian employers and employees in March 2017, across multiple job functions. From these findings we developed this report for the financial services sector – a combination of the survey findings and Hudson's specialist insights on the hiring landscape.

Percentages don't always total 100% because respondents could select more than one option for certain questions.

Hudson Financial Services

Hudson's specialist recruitment consultants have the in-depth market knowledge of salaries, job titles and hiring trends to ensure you achieve the best outcome for your organization at the appropriate remuneration.

We build highly nurtured and engaged pools of select talent so you can find the right person quickly. This means greater speed and precision in placements, and higher satisfaction for both clients and candidates.

Our proprietary assessment tools and techniques will help you find candidates with the right technical skills and capabilities for the role and for your team, so you can achieve higher performance and superior business results.

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