

Salary

SALARY & EMPLOYMENT FORECAST

WELCOME

Welcome to the 2008/2009 Michael Page Financial Services Salary & Employment Forecast for Greater China.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,500 people in 166 offices in 28 countries worldwide. Coming from all industry sectors, our clients range from market-leading multinationals to small and medium sized firms.

Our consistent organic growth strategy and continued investment through business cycles is driving our growth in the specialist recruitment market in Greater China. Since opening our first office in Hong Kong in 1994, we have expanded significantly with offices currently in all of the main business centres including Hong Kong, Sha Tin, Shanghai, Shenzhen and Beijing.

This year, the format of our Salary Survey has changed to reflect our business growth and make it easier for employers and employees to stay abreast of current employment market and salary trends across key industries.

While most industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page Financial Services Salary & Employment Forecast combines both quantitative and qualitative research, derived from our survey of employers and job seekers and our extensive involvement in the professional labour market in Hong Kong and Mainland China.

The survey, completed by approximately 450 employers and 1600 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth industry research.

The Financial Services Salary & Employment Forecast provides employers and employees with useful insights into the hiring expectations, recruitment challenges and salary forecasts of key hiring managers over the coming year and covers eight key industries as detailed below:

- Finance
- Legal
- Retail & Sourcing
- Human Resources
- Engineering & Supply Chain
- Property & Construction
- Sales & Marketing

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice.



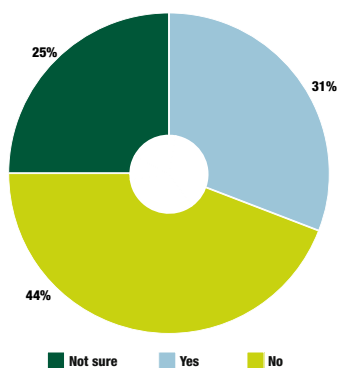
Dan Chavasse
Managing Director, Greater China
& Southeast Asia

MARKET OVERVIEW

Employers in the banking and financial services industry are experiencing a degree of uncertainty due to volatility in global markets. While the underlying business sentiment in Hong Kong remains positive due to growth in China and emerging regional markets, we are seeing a slight slowdown in recruitment activity by global banks.

The impact of global financial market volatility on Asian banks and financial services institutions outside of investment banking and financial markets has been relatively

Employers' perceptions of whether wages growth over the past 12 months is in line with increased employee productivity



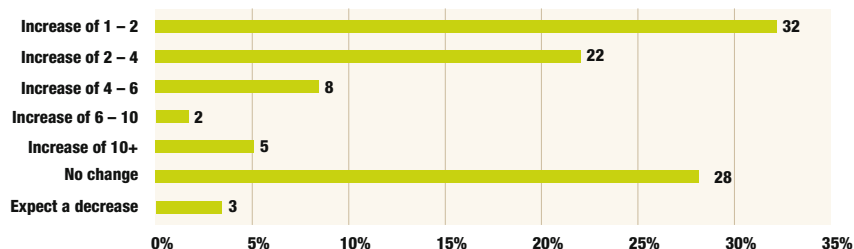
small as they are generally less exposed to underlying credit issues. Their biggest challenge is not a slowing in demand but how to find the skilled staff to meet the growth potential in China. There continues to be a shortage of local talent across both revenue generating and support functions.

Recruitment activity has slowed in global financial institutions, particularly those exposed to sub prime issues. Employers are more cautious about increasing staff numbers and some are restricted in appointing new staff due to headcount freezes imposed by their global headquarters overseas. As a result, decision making is generally more protracted and the approval of job offers often requires more signatures.

However, some forward thinking financial institutions are capitalising on current market uncertainty by securing high quality finance professionals with a longer-term career path.

Overall, employers in the banking and financial services industry remain cautiously optimistic about the economic and employment outlook in Hong Kong. However, the coming year will present financial institutions with a number of recruitment challenges. Competition for high quality candidates remains strong and organisations that focus on strategies such as training and career development and work-life balance will achieve a competitive advantage.

Employers' hiring expectations over the next 12 months



SKILLS IN DEMAND

While employment growth is expected to ease in some areas of the banking and financial services industry, domestic and international companies are still facing a limited supply of high quality talent. The shortage of skilled labour is a global issue, with financial institutions around the world facing similar challenges as business growth is constrained due to a lack of available talent.

Although some of the front office functions of global banks are taking a more pragmatic approach to hiring, there is consistent demand for Chinese speaking candidates with investment banking, private equity and funds management experience. Experienced credit analysts and credit risk professionals are also highly sought after due to continued business expansion and international trade.

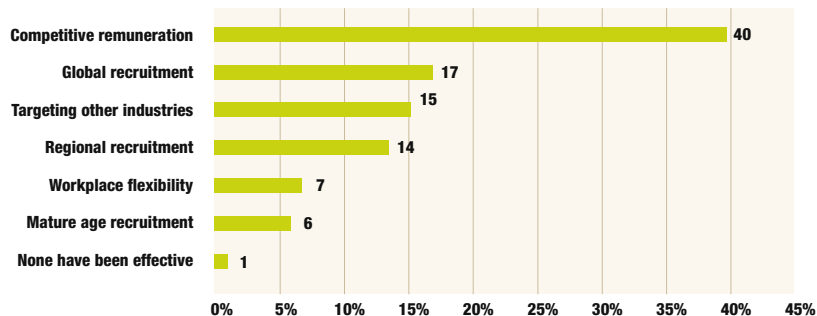
Within back and middle office banking, demand for candidates with experience in compliance, internal audit and tax remains strong due to increased external pressure for operational transparency. There is a shortage of candidates with the appropriate skills and experience in risk and compliance and, as a result, finance

professionals with a background in this area continue to be highly sought after.

Similarly, demand for candidates with asset and fund management experience is high due to the increasing number of investment funds targeting the Asia Pacific region because of its strong economic fundamentals. China will remain a major source of growth for years to come, so we expect demand for candidates in this area to remain strong, especially those with regional exposure.

There is a growing preference from financial institutions to hire local candidates with fluency in Mandarin and knowledge of the local market, rather than offer expatriate packages to candidates requiring relocation. Individuals with overseas experience, whether academic or professional, combined with local knowledge and language skills continue to be highly sought after and are likely to find themselves with multiple job offers. Expatriate packages are still offered by international firms hiring from within their internal ranks but, they are the exception rather than the norm.

The strategy that has proven most successful for employers in attracting talent



RECRUITMENT CHALLENGES

Although some financial institutions are not expanding headcount across certain sectors, employers continue to face the challenge of attracting and retaining top talent. 85% of employers surveyed see staff retention as an important focus for the year ahead. Companies that differentiate their brand and move beyond simply offering the highest salary, and instead focus on longer-term talent management strategies are generally more effective in retaining staff.

While local candidates who have been educated overseas are highly sought after, they are not returning in high enough numbers to make a significant impact on the domestic talent supply. Some employers have been successful in adopting more flexible recruitment strategies to secure talent, such as sourcing candidates from overseas or other Asia Pacific countries including Singapore, Taiwan and Australia. Sourcing candidates from overseas was ranked the second most effective strategy by employers in addressing the professional skills shortage. We also encourage companies to broaden their talent pool by considering candidates with transferable skills from other commercial backgrounds.

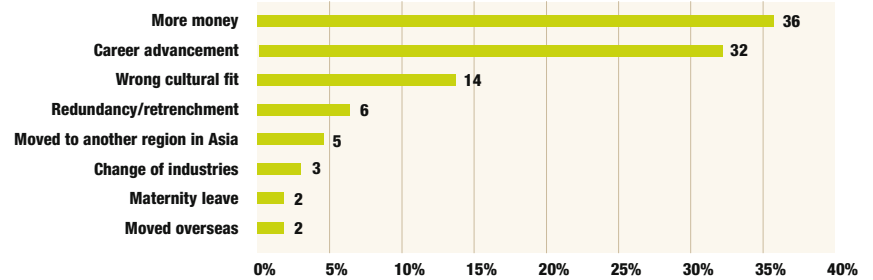
In an uncertain market, it is even more critical to retain top performers. Companies are increasingly aware of the large costs involved in replacing experienced finance professionals and are working hard to position themselves as an employer

of choice. Some are focusing more on their company culture and work-life balance to differentiate their brand and create an attractive work environment for existing and potential employees.

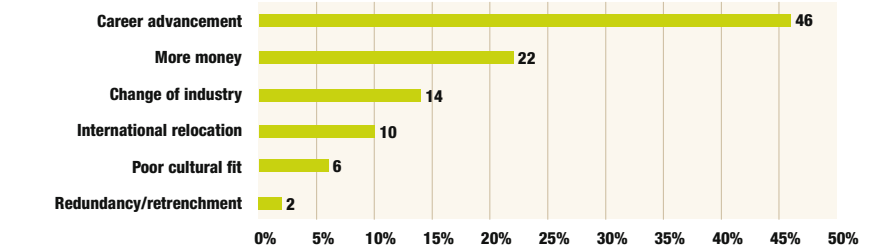
Although organisations will continue to offer salary increases in an attempt to attract and retain talent, those that extend their strategies beyond financial incentives are most successful at retaining talent in the

long-term. Career advancement is a primary motivator for candidates considering a career move and employers in tune with the career goals of their staff will reap the rewards. Competitive remuneration is still important, but companies that do more than offer a salary rise (to convince an employee to stay) are likely to be most successful.

Employers' perceptions of the major contributing factors in people leaving



Employees' main reason for changing jobs



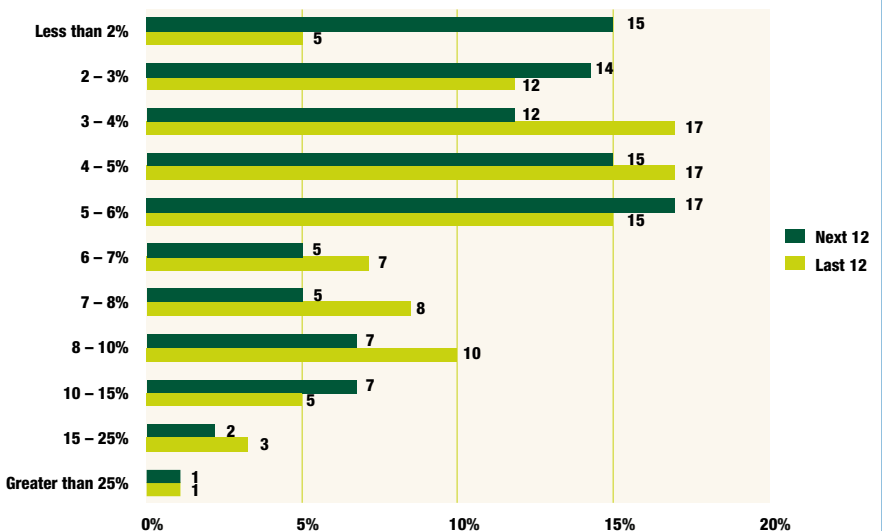
SALARY INFLATION

We expect flat to moderate salary growth and bonus payments in the banking and financial services sector over the next 12 months, dependent on the type of role and company.

In front office disciplines, there will be considerable variation, however we anticipate average salary increases of 5–10%, with increases of up to 20% on base salary for candidates changing jobs within the industry. The variable amounts (bonuses and discretionary benefits) continue to make up a large component of total compensation and it is in this area that we would expect to see the greatest change.

In back and middle office roles within the banking, insurance and asset management sectors, candidates can expect average salary increases of 5–10% and up to 15% when changing jobs.

Employers' salary predictions next 12 months vs. last 12 months



SALARY TABLES HONG KONG

FRONT OFFICE

EXPERIENCE	HK\$'000
EQUITY RESEARCH	
1-3 years	400-600
3-5 years	600-800
5-7 years	800-1.2 million
7+ years	1.2 million+
FUND MANAGEMENT	
1-3 years	350-500
3-5 years	500-800
5-7 years	800-1.2 million
7+ years	1.2 million+
EQUITY/DERIVATIVE SALES	
1-3 years	420-700
3-5 years	750-900
5-7 years	900-1.2 million
7+ years	1.3 million+
INVESTMENT BANKING/CORPORATE FINANCE	
1-3 years	475-625
3-5 years	650-950
5-7 years	950-1.3 million
7+ years	1.3 million+
PRIVATE EQUITY/DIRECT INVESTMENT	
1-3 years	480-625
3-5 years	650-950
5-7 years	950-1.5 million
7+ years	1.5 million+
STRUCTURED/PROJECT FINANCE	
1-3 years	500-650
3-5 years	700-850
5-7 years	900-1.2 million
7+ years	1.2 million+
CREDIT/CREDIT RISK	
1-3 years	350-600
3-5 years	650-850
5-7 years	850-1.2 million
7+ years	1.2 million+
FIXED INCOME RESEARCH	
1-3 years	400-600
3-5 years	600-800
5-7 years	800-1.2 million
7+ years	1.2 million+
CORPORATE BANKING/SALES & RELATIONSHIP MANAGEMENT	
1-3 years	250-400
3-5 years	450-650
5-7 years	650-800
7-10 years	850-1.2 million
10+ years	1.3 million+

Please note:

- Salaries indicated are based on basic salary, excluding bonus/incentive schemes.
- Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.

BACK & MIDDLE OFFICE

EXPERIENCE	HK\$'000
INTERNAL AUDIT – FINANCIAL	
1-3 years	300-550
3-5 years	540-660
5-7 years	660-900
7+ years	900+
INTERNAL AUDIT – IT	
1-3 years	260-420
3-5 years	420-660
5-7 years	660-850
7+ years	850+
FINANCIAL/MANAGEMENT/ACCOUNTING	
1-3 years	260-420
3-5 years	420-600
5-7 years	600-850
7+ years	850+
PRODUCT CONTROL/MIDDLE OFFICE	
1-3 years	300-420
3-5 years	500-700
5-7 years	700-1 million
7+ years	1.1 million+
OPERATIONS/SETTLEMENTS	
1-3 years	280-400
3-5 years	420-600
5-7 years	700-900
7+ years	1.1 million+
COMPLIANCE	
1-3 years	300-550
3-5 years	600-850
5-7 years	900-1.2 million
7+ years	1.3 million+
MARKET RISK MANAGEMENT	
1-3 years	300-650
3-5 years	650-800
5-7 years	800-1.25 million
7+ years	1.25 million+

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ASSET & FUNDS MANAGEMENT

EXPERIENCE	HK\$'000
INTERNAL AUDIT – FINANCIAL	
1-3 years	300-550
3-5 years	550-720
5-7 years	720-900
7+ years	900+
INTERNAL AUDIT – IT	
1-3 years	276-420
3-5 years	540-660
5-7 years	660-900
7+ years	850+
FINANCIAL/MANAGEMENT/ACCOUNTING	
1-3 years	260-420
3-5 years	396-600
5-7 years	600-850
7+ years	850+
PRODUCT CONTROL/MIDDLE OFFICE	
1-3 years	300-420
3-5 years	500-700
5-7 years	700-1.1 million
7+ years	1.1 million+
OPERATIONS/SETTLEMENT	
1-3 years	280-400
3-5 years	420-600
5-7 years	700-900
7+ years	1.1 million+
COMPLIANCE	
1-3 years	300-540
3-5 years	540-840
5-7 years	840-1.2 million
7+ years	1.3 million+

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