



### MARKET OVERVIEW

#### Employment Conditions

The wider Asian economy is recovering strongly from the impacts of the global financial crisis. Employment in the financial services sector is improving as a result, with an optimistic outlook toward future growth as we move into 2011. Of the companies surveyed for this employment report, 78% have increased employee numbers over the last six months.

Positive economic conditions in the region are driving some major banks to expand their operations in Asia through mergers and acquisitions, with a growing number of firms also moving their senior management teams out of Europe and the US into Hong Kong. This increase in business activity is driving demand for front office roles, which require the support of middle and back office professionals.

Despite the upturn in hiring activity, employers remain conscious of striking the right balance between the pursuit of increased revenue and the associated labour costs. The recruitment decisions of multinational companies with headquarters in the US and Europe are still being monitored closely.

Top performers remain wary of making the move to a new company for purely financial reasons. Much more emphasis is being put on job security and career development opportunities in the wake of the global economic downturn, with even the most sought after professionals conducting extensive research before taking a new role.

#### Skills In Demand

The global financial crisis has prompted demand for high level management reporting skills, due to the need for businesses to perform deeper analysis on financial performance and identify areas of cost saving and potential growth opportunities.

The last six months has also seen a marked increase in new securities regulation which impact the way transactions are processed, increasing the requirement for professionals with regulatory reporting skills. New regulations have also impacted the reporting of tax positions, driving demand for tax professionals.

The growing focus on transactions and risk controls is increasing the requirement for compliance and risk professionals,

with accounting policy professionals also sought after to help banks manage the adoption of a single set of International Financial Reporting Standards.

Demand for professionals in the areas of IBD, equity research and credit market risk remained constant throughout the year, with the asset management and hedge fund area recovering at a much slower rate.

#### Salary Expectations

There is growing pressure on financial services companies to review and increase salary levels this year following the modest financial rewards on offer during the economic downturn. In some cases, the overall structure of employee remuneration packages is being reviewed in order for companies to remain competitive.

Of the companies surveyed for this report, 46% expect to see increased employee salaries in the next six months. The average percentage salary increase is most likely to be in the 3-4% range. Higher increases will be reserved for those recognised as top performers, with companies also paying substantially higher rates to acquire new talent.

#### Employment Outlook

The pace of jobs growth is expected to steadily increase over the next six months. Over half of the companies surveyed for this report will increase employee numbers over this period. A further 42% of employers believe that a professional skills shortage will become an issue for their company in the next 12 months.

If the economy continues to strengthen, the demand for professionals in the areas of strategy and planning, trade and sales support, client services, compliance and audit will continue to rise. Continued growth is also expected in the management reporting, product control, corporate finance and transaction banking areas.

Although a number of reforms have been imposed by regulatory bodies, there has been a sustained need for strong central and product focused compliance professionals. This requirement is expected to continue and expand into the demand for operational risk and audit professionals into 2011.

Top performers are unlikely to make a move for the remainder of 2010 because of year-end bonus potential. This is likely to change in early 2011, when talent will be in high demand and multiple offers will be common. The fast growth of Chinese banks will also increase opportunities for financial services professionals, as will the increasing amount of companies choosing to expand or undertake mergers and acquisitions in the Asia market.

### ADVICE FOR EMPLOYERS

To attract and retain top performers, employers should:

- Promote the long-term development prospects of a role
- Ensure that roles offer variety and challenge
- Provide confidence in the security and growth prospects of the company
- Act quickly to secure the best talent

### ADVICE FOR JOB SEEKERS

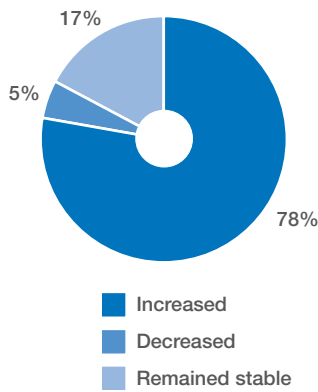
Job seekers planning to change roles in the next six months should:

- Carefully consider the long term gains of a moving to a new role
- Seek advice and recommendations from peers and professionals in the market
- Carefully research prospective companies, including growth plans and culture
- Take the non-financial benefits of a role into account when making a decision

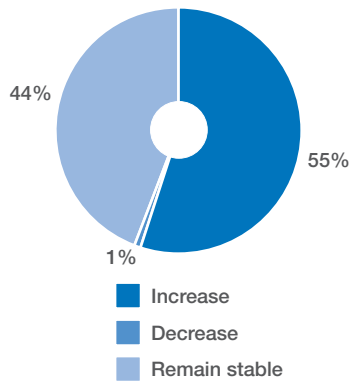


**MARKET RESEARCH RESULTS**

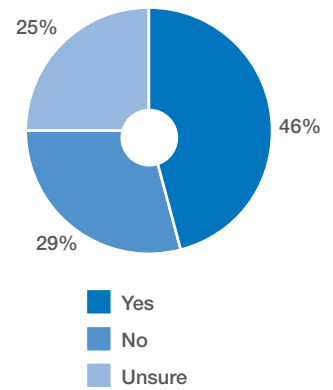
How have your employee numbers changed over the last six months?



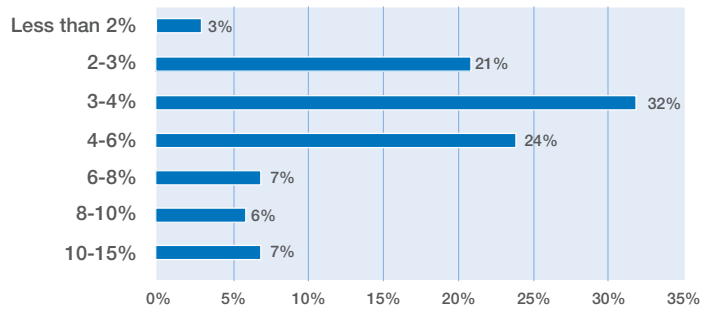
How will your employee numbers change over the next six months?



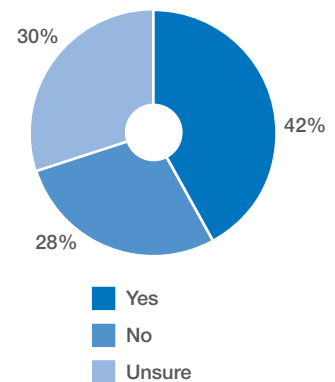
Do you expect to see increased employee salaries in the next six months?



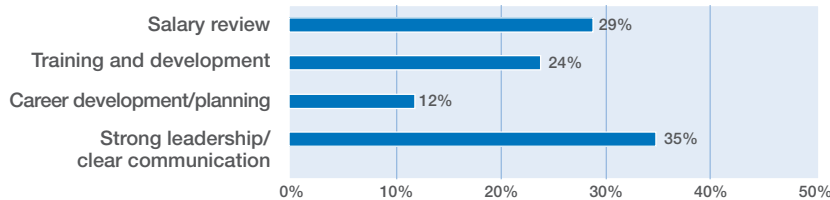
What will the average percentage salary increase be?



Do you think a professional skills shortage will become an issue for your company in the next 12 months?



Which retention strategies will your company be focusing on over the next six months?





**SALARY TABLES**

**GLOBAL MARKETS/FRONT OFFICE**

ROLE	EXPERIENCE	HK\$' 000
<b>INVESTMENT RESEARCH (EQUITY AND FIXED INCOME)</b>		
Analyst	1-3 years	450-800
Associate	3-6 years	750-1.2 million
VP	6-9 years	1.2-1.8 million
Director	9+ years	\$1.6 million+
<b>INVESTMENT BANKING/CORPORATE FINANCE</b>		
Analyst	1-3 years	500-900
Associate	3-6 years	900-1.4 million
VP	6-9 years	1.3-2 million
Director	9+ years	2 million+
<b>STRUCTURED/PROJECT FINANCE</b>		
Analyst	1-3 years	400-750
Associate	3-6 years	700-1.3 million
VP	6-9 years	1.1-1.6million
Director	9+ years	1.6 million+
<b>PRIVATE EQUITY/DIRECT INVESTMENT</b>		
Analyst	1-3 years	500-900
Associate	3-6 years	900-1.4 million
VP	6-9 years	1.3-2 million
Director	9+ years	2 million+
<b>PORTFOLIO AND FUND MANAGEMENT</b>		
Analyst	1-3 years	450-800
Associate	3-6 years	750-1.4
VP	6-9 years	1.2-1.8 million
Director	9+ years	1.6 million+
<b>MARKET RISK MANAGEMENT</b>		
Analyst	1-3 years	300-600
Associate	3-6 years	500-800
VP	6-9 years	900-1.4 million
Director	9+ years	1.5 million+
<b>CREDIT RISK</b>		
Analyst	1-3 years	300-600
Associate	3-6 years	500-800
VP	6-9 years	900-1.4 million
Director	9+ years	1.5 million+
<b>QUANTATIVE ANALYSIS</b>		
Analyst	1-3 years	300-600
Associate	3-6 years	500-800
VP	6-9 years	900-1.4 million
Director	9+ years	1.5 million+
<b>CORPORATE/TRANSACTION BANKING RELATIONSHIP MANAGER</b>		
Analyst	1-3 years	300-400
Associate	3-6 years	400-500
VP	6-9 years	500-700
Director	9+ years	1 million+
<b>CORPORATE/TRANSACTION BANKING (PRODUCT)</b>		
Analyst	1-3 years	250-350
Associate	3-6 years	350-450
VP	6-9 years	450-650
Director	9+ years	900+

1. Salaries indicated are based on basic salary, excluding bonus/incentive schemes.  
 2. The above information is based on salaries prevailing in multinational financial institutions in Hong Kong.  
 3. Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides.  
 Since there are often specific circumstances relating to individual companies, please call us for additional information.



**SALARY TABLES**

**BACK & MIDDLE OFFICE**

ROLE	HK\$' 000
<b>INTERNAL AUDIT – FINANCIAL</b>	
1-3 years	320-520
3-5 years	520-620
5-7years	620-900
7+ years	900+
<b>INTERNAL AUDIT – IT</b>	
1-3 years	240-420
3-5 years	420-620
5-7years	620-870
7+ years	870+
<b>FINANCIAL/MANAGEMENT ACCOUNTING</b>	
1-3 years	250-420
3-5 years	420-650
5-7years	650-900
7+ years	900+
<b>PRODUCT CONTROL &amp; MIDDLE OFFICE</b>	
1-3 years	300-450
3-5 years	450-720
5-7years	720-1 million
7+ years	1 million+
<b>OPERATIONS/SETTLEMENTS</b>	
1-3 years	250-350
3-5 years	350-600
5-7years	600-870
7+ years	870+
<b>COMPLIANCE</b>	
1-3 years	320-500
3-5 years	500-800
5-7years	800-1.1 million
7+ years	1.1 million+

**ASSET & FUNDS MANAGEMENT**

ROLE	HK\$' 000
<b>INTERNAL AUDIT - FINANCIAL</b>	
1-3 years	320-520
3-5 years	520-620
5-7 years	620-880
7+ years	880+
<b>INTERNAL AUDIT - IT</b>	
1-3 years	250-420
3-5 years	420-620
5-7 years	620-860
7+ years	860+
<b>FINANCIAL/MANAGEMENT ACCOUNTING</b>	
1-3 years	260-440
3-5 years	440-650
5-7 years	650-880
7+ years	880+

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