

Salary Survey



2002

Overview

The previous 12 months have been some of the most testing in living memory in the banking community, with many financial institutions freezing or reducing headcount across the region. The financial markets themselves seem to be slightly more optimistic at the time of writing and although we do not envisage a quick recovery, the sentiment does appear to be brighter than in 2001. Outstanding candidates are in demand whatever the economic outlook, but our overall view is a cautious one. The effect this has had on salaries is that most basic packages have been frozen at 2001 levels, (with some junior staff even experiencing a salary reduction), but the biggest impact is on 2001 bonuses, where a year on year reduction of between 20% and 50% was common place.

Market Commentary

Front Office

Equities saw a sharp slow down in Primary and Secondary market activity across the region. Locally this meant a sharp fall in revenues and the focus fell on cost reduction. This translated into cuts, as many teams who hired in 1999 and 2000 could not sustain acceptable revenue levels. Several areas did perform well in 2001, with the Fixed Income / Credit Derivative product leading the way and Private Banking and Corporate Banking remaining solid. Mainland China remains a high priority, and there is still demand for those with the language and cultural ability to successfully operate within international companies in China. There has been pressure exerted on salary levels for more junior members of staff entering the market for the first time and they are being asked to look at lower salary levels. Total compensation is down, with bonus levels reduced by anything from 20% - 50%. As always, top performers are still rewarded well, as companies seek to retain key staff.

Back & Middle Office

Back and Middle Office recruitment has also slowed down dramatically in response to falling revenue and many departments are currently operating at below budgeted headcount in an effort to save money. Recruitment has been selective within areas where demand outstrips supply, these principally being Compliance, IT Audit and Derivatives Product Control. More senior candidates in these areas have been able to command salary increases, however they are in the minority. Basic salary levels in most areas remain unchanged, with the traditional annual salary increment cancelled, and bonus numbers down 30% - 60% on 2001. Once again, banks appear to have targeted top performing employees in terms of compensation. Should the financial markets continue to improve, we would expect the second half of the year to see an upturn in recruitment as a direct result of the relaxation of the headcount freezes imposed last year.

Front Office Salaries

Role	Years of Experience	Salary (HK\$)
Equity Research	1 - 3	\$350K - \$500K
	3 - 5	\$500K - \$750K
	5 - 7	\$750K - \$1.2 million
	7+	\$1.2 million +
Private Banking	1 - 3	\$250K - \$500K
	3 - 5	\$500K - \$750K
	5 - 7	\$750K - \$1 million
	7+	\$1 million +
Fund Management	1 - 3	\$300K - \$450K
	3 - 5	\$450K - \$650K
	5 - 7	\$650K - \$1 million
	7+	\$1 million +
Equity Sales	1 - 3	\$400K - \$600K
	3 - 5	\$600K - \$800K
	5 - 7	\$800K - \$1.2 million
	7+	\$1.2 million +
Derivative Sales	1 - 3	\$400K - \$600K
	3 - 5	\$600K - \$1 million
	5 - 7	\$1 - \$1.3 million
	7+	\$1.3 million +
Investment Banking / Corporate Finance	1 - 3	\$400K - \$550K
	3 - 5	\$550K - \$750K
	5 - 7	\$750K - \$1.1 million
	7+	\$1.1 million +
Private Equity / Direct Investment	1 - 3	\$300K - \$450K
	3 - 5	\$450K - \$700K
	5 - 7	\$700K - \$1 million
	7+	\$1 million +
Structured / Project Finance	1 - 3	\$300K - \$500K
	3 - 5	\$500K - \$750K
	5 - 7	\$750K - \$1 million
	7+	\$1 million +
Credit / Credit Risk	1 - 3	\$240K - \$400K
	3 - 5	\$400K - \$550K
	5 - 7	\$550K - \$800K
	7+	\$800K +
Market Risk Management	1 - 3	\$300K - \$500K
	3 - 5	\$500K - \$750K
	5 - 7	\$750K - \$1 million
	7+	\$1 million +
Fixed Income Research	1 - 3	\$400K - \$650K
	3 - 5	\$650K - \$850K
	5 - 7	\$850K - \$1.1 million
	7+	\$1.1 million +

Back & Middle Office Salaries

Role	Years of Experience	Salary (HK\$)
Internal Audit - Financial	3 - 5	\$400K - \$640K
	5 - 7	\$600K - \$800K
	7 - 10	\$800K - \$1.5 million
	10+	\$1.5 million +
Internal Audit - IT	3 - 5	\$450K - \$700K
	5 - 7	\$700K - \$950K
	7 - 10	\$950K - \$1.5 million
Financial/Management Accounting	3 - 5	\$340K - \$580K
	5 - 7	\$580K - \$820K
	7 - 10	\$820K - \$1.3 million
Product Control/Middle Office	3 - 5	\$400K - \$800K
	5 - 7	\$800K - \$1 million
	7 - 10	\$1 - \$1.5 million
Operations/Settlement	3 - 5	\$320K - \$540K
	5 - 7	\$550K - \$780K
	7 - 10	\$780K - \$1.2 million
Compliance	3 - 5	\$480K - \$700K
	5 - 7	\$700K - \$1 million
	7 - 10	\$1 - \$1.4 million
	10+	\$1.4 million +

The figures in this survey are a guide.

We would encourage you to contact us for individually tailored advice:-

Andrew Oliver, Associate Director

Phone (852) 2530 2000

Email andrewoliver@michaelpage.com.hk

For further information on other specialist recruitment services:

Commerce & Industry Sales & Marketing

Legal Technology Human Resources

Please contact Dan Chavasse, Director

Email danchavasse@michaelpage.com.hk

Michael Page

FINANCE

www.michaelpage.com.hk