

ROBERT WALTERS BANKING & FINANCE MARKET UPDATE

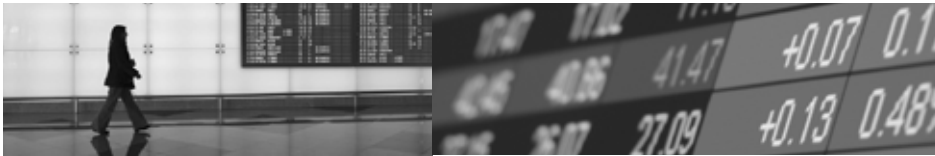
QUARTER THREE 2009



Welcome to Robert Walters' specialist banking & finance market update, designed to provide you with an insight into the very latest banking & finance recruitment market and salary trends across banking operations, governance, transaction banking, risk management and other supporting divisions.

We provide a truly consultative service and offer professional advice, insight and market information whether you are recruiting or not. Many of our consultants have in-depth expertise, knowledge of market place and possess a high level of specialist sector based experience, so you can be assured of talking to someone with knowledge, discretion and an understanding of your priorities.

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MARKET OVERVIEW

There has been a general buzz in the market recently mainly due to strong equities and real estate markets. Profit announcements by the bulge bracket investment banks have been better than expected, with most firms' profits beating forecasts. Quarter-on-quarter hiring has also improved, although on an adjusted basis quarter two and three traditionally experience stronger hiring irrespective of a bull or bear market. Hence, increased hiring activity should also be viewed conservatively as a seasonal trend rather than be attributed wholly to market growth.

During the boom years, hiring was 'business', 'growth' or 'new products' driven (i.e. largely business enabling roles). Hiring today focuses more on 'restructuring', 'offshoring', 'regulatory' or 'M&A' initiatives, with leaner budgets compared to the past. Key hubbing initiatives are now back on line and this has meant that some organisations are simply relocating roles from one country to another. As the positive impact was felt largely in Asia, Hong Kong experienced the benefits in regards to the equities business as well as banks who have their regional headquarters based here.

There is a concern as to how sustainable the current market is and the sense is that it is on the general upswing and demand will remain strong for niche areas and desirable skill sets.

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AUSTRALASIA ASIA AFRICA EUROPE NORTH AMERICA

FRONT OFFICE

With the belief that the worst is behind us and the economic recovery gathering steam, hiring activity is picking up across the banking industry again (though cautiously). We see a significant increase in hiring in quarter three as compared to quarter two.

We are seeing more hiring activities in the last quarter, and as expected, the front office space is leading the way in terms of recruitment. Candidates with strong sales track records and good client networks are in the greatest demand.

We have also observed that the front office professionals will hire first in order to bring in business follow by the recruitment of the supporting functions once the business volume increases.

ROBERT WALTERS



TRANSACTION BANKING

Inevitably after the financial crisis, banks are refocusing on their bread and butter business. As most banks are back on their hiring mode, low risk businesses have returned to the limelight again and are no longer considered poorer cousins of the high risk businesses such as investment banking.

Despite the financial obstacles that some of the banks were in, their transaction banking revenues and profits remained fairly resilient in the face of the crisis.

We see a continued demand for transactional bankers with strong technical skills and solid sales track records. With a limited pool of candidates in this field, we have seen successful cross-over of candidates from the corporate and commercial banking sectors as well as those with prior experience in transactional banking or even commerce sectors. These candidates either have a strong business network, specialist skills or technical knowhow.

During the low interest rate environment when cash management was more challenging, trade sales candidates were particularly in demand. As the supply of qualified candidates is low, we have again seen cross-over of corporate and commercial bankers into these roles.

Recently there has also been a rising demand for experienced product managers in the trade finance and securities services space. Those with experience covering China and have strong working knowledge were particularly in demand for this area.

Notwithstanding in quarter four that hiring activities will typically slow down for the banking sector, we may see an exception this year as the banks (especially the major transactional banks) will most likely be making up for lost time and would want to strengthen their teams to prepare for 2010, which is expected to improve significantly.

RISK MANAGEMENT

Risk Management has undergone many changes in recent years. In light of the various events that have happened on a global scale, it is now seen as an integral part of the financial services industry with increasing repercussions across all sectors in the industry.

Credit risk remains in priority due to issues in defaults and liquidity. With increased cross border lending to emerging nations, credit risk professionals who have relevant skill sets such as insights are particularly valued.

Highly desired skill sets in market risk professionals continue to remain focused on strong numerical and quantitative abilities. Areas of high demand included: rapidly developing equity derivatives, prime brokerage and alternative investments markets. Risk managers with experience in these areas, particularly those from hedge fund, received increments beyond the market norm. Sign-on and guaranteed bonuses are now emerging as a trend for such individuals (especially those working closely with the front office) as the year end approaches.

GOVERNANCE: COMPLIANCE/AUDIT/OPERATIONAL RISK

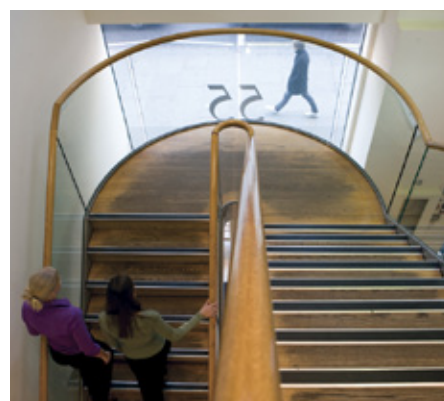
Demand continues to be sustained for compliance individuals in the equities business. Niche skill sets such as control room and monitoring remain in demand. Demand for audit and operational risk professionals has remained stable despite the crisis and this has been sustained throughout this year.

Regulations are likely to be tightened following the subprime debacle, which will mean a push to improve departments in this space particularly in compliance advisory and trade monitoring. We are also seeing an increase in the implementation and integration of

compliance within private banks, with AML rules originating from the US. With the emphasis on checks and controls, there has been an observed rise in the clamp down on Swiss accounts, as in the case of probes on UBS by the Feds to reveal the identity of several US tax evaders together with their offshore accounts.

Hiring remains focused on candidates with more than six years' experience at the vice president levels. Compliance professionals with legal background and legal professionals from practices with structured product knowledge are able to command a premium salary in the market.

Due to high demand of such candidates, increments are staying at the top end of the scale, which has ranged from 15% to 30% in some cases.





FINANCE



With some green shoots of recovery showing, we have seen a few senior hires made in the finance space especially in the area of product control. Trading activities in equities have gone up and this had meant a corresponding increase in demand for support staff in the finance space. Hubbing activities into Asia have continued in its momentum and with Hong Kong's specialisation in equities, hires in the business finance and products space have not reduced in the last quarter.

Some of the talents whom have been out in the market due to redundancies have now been taken up on certain key positions, but there remains some supply at the senior end of the market. There is also an increasing drive for certain finance functions (production-oriented) to be relocated to lower cost areas such as China, India and Singapore. On a net basis for 2009, the deployment of roles out of Hong Kong has outpaced its onshore position.

Future hiring is likely to push towards the more senior end of the market - to serve as liaisons to deal with complex finance issues directly with the business. Increments are likely to return to pre-crisis levels due to the expectations of market upturn, with an average of 15% to 20% increase. This has been justified by the market on the basis of a risk premium being incorporated into the pay package, i.e. to mitigate the risk of moving to a new organisation.

BANKING OPERATIONS

Vacancies in the banking operations sector have increased over the course of quarter three but levels are still lower than previous years. The focus remain on bringing in experienced candidates with strong product knowledge and communication skills.

Whilst equity derivatives recruitment remained fairly consistent, there has been a focus on the cash equity operations area where banks are still seeing more hiring activities than previous years. This trend will continue until the risk appetite of investors returns and when they start investing again in more complex products.

As banks strive to reduce operational costs, offshoring and outsourcing remain a key topic with many banks. With operational centres being moved to hubs in India, Malaysia, Philippines,

Shanghai and Singapore, it has led to a decline in process driven roles based in Hong Kong.

'Upgrading' and 'succession planning' are the buzz words for 2009. With increasing difficulty in securing approval for new headcount in the current market, managers are looking to replace poor performers with new staff, whilst ensuring their strong performers have a clear career path within the organisation.

Outlook for quarter four and moving in to 2010 is that the recruitment market in operations will continue to grow with most banks budgeting for additional headcount in Hong Kong. The focus will be on those candidates with cross product experience, as well as the ability to be 'hands on' and communicate with all levels across the businesses.



HUMAN RESOURCES & BUSINESS SUPPORT

There has been a steady increase in all types of HR roles across all levels within the financial services sector. Key areas of hiring include senior HR generalist and senior C&B roles within investment banks. We have also seen a positive increase in recruitment positions, with a focus on campus hires for both permanent and contracts roles.

In general, there has been a healthy flow of positions at all levels, including junior HR officer and support roles. Many of these have been replacement as well as newly created positions. Candidates in this sector are expecting a salary increase of 10%

to 20%, whereas candidates who are currently employed in a good position are expecting up to a 30% salary increment before they would consider making a move.

In business support, as the market is starting to show signs of optimism, we are seeing an increasing demand for senior executive, administrative and secretarial candidates.

As more overseas private equity and hedge fund organisations are planning to open new regional offices in Hong Kong and China, the demand for experienced office managers has also increased.



INFORMATION TECHNOLOGY

After the extensive re-engineering exercises that took place in the first half of 2009, quarter three delivered a higher than expected demand for IT professionals within the banking sector.

Popular skill sets included front office application development and support as well as a range of engineering skills, including database administration, UNIX administration and IT security. Typically the demand for these skill sets is driven through an increase in operational activity, placing higher pressure on “business-as-usual” systems.

There has been less demand for project based roles due to the lack of project funding. However, the outlook for 2010 is that most firms will be investing in technology advancement. As such, it is likely that demand for Project Managers, Business Analysts and Systems Designers will continue to remain low for the rest of 2009 but potentially increase in the coming year.

MARKETING & COMMUNICATIONS

In general, banks are starting to re-build their marketing and communications teams and to identify top talent in the market. More vacancies exist for mid-level professionals, but there are now more senior level opportunities than earlier in the year, due to Asian expansion plans.

In response to global change and recovery, many financial services organisations are particularly seeking internal communications professionals to ensure effective dissemination of information to employees.

Throughout the year, the events area took the biggest hit in most marketing teams. There is now a growing trend to replace these positions on a contract basis because despite head-count limitations, these resources are again in demand.

CONTRACT RECRUITMENT

Contracting continued to be a popular workforce solution across the industry with many organisations increasing their net contractor numbers throughout the quarter.

Projects, maternity leave and a build up of administration work have all been drivers for the use of contractors over last quarter, as opposed to the first half of the year where the key driver for using contractors was primarily due to unavailability of permanent headcount.

Contract staff is being used across a wide range of levels, ranging from entry-level through to middle management and in some cases, right up to senior management. Some of the more popular positions over the last quarter have included middle office, product control, HR, business support and IT roles.



SALARY SURVEY BANKING & FINANCE

FINANCE

| ROLE | 2009 PERMANENT SALARY PER ANNUM \$HK | | |
|---------------------|--------------------------------------|--------------|---------------|
| | 1-4 YRS' EXP | 5-8 YRS' EXP | 8+ YRS' EXP |
| FINANCIAL CONTROL | \$450 - 700k | \$550 - 1.0M | \$1.0 - 1.4m+ |
| COMPLIANCE | \$400 - 600k | \$550 - 1.0M | \$900 - 1.3m+ |
| INTERNAL AUDIT/RISK | \$360 - 450k | \$500 - 900K | \$900 - 1.2m+ |
| ACCOUNTING POLICY | \$400 - 500k | \$550 - 850K | \$900 - 1.2m+ |

BANKING OPERATIONS

| ROLE | 2009 PERMANENT SALARY PER ANNUM \$HK | | |
|-----------------------------|--------------------------------------|--------------|---------------|
| | 1-4 YRS' EXP | 5-8 YRS' EXP | 8+ YRS' EXP |
| COLLATERAL MANAGEMENT | \$360 - 500k | \$500 - 800K | \$900 - 1.0m+ |
| EQUITY FINANCE | \$360 - 500k | \$500 - 750K | \$900 - 1.0m+ |
| MIDDLE OFFICE/TRADE SUPPORT | \$360 - 500k | \$500 - 800K | \$900 - 1.0m+ |
| SETTLEMENTS | \$360 - 500k | \$500 - 750K | \$800 - 1.0m+ |
| DOCUMENTATION | \$360 - 500k | \$500 - 700K | \$800 - 1.0m+ |
| OPERATIONAL CONTROL | \$360 - 500k | \$500 - 700K | \$800 - 1.0m+ |

TRANSACTION BANKING

| ROLE | 2009 PERMANENT SALARY PER ANNUM \$HK | | |
|---|--------------------------------------|--------------|---------------|
| | 1-4 YRS' EXP | 5-8 YRS' EXP | 8+ YRS' EXP |
| IMPLEMENTATION MANAGER, SECURITIES | \$360 - 600k | \$600 - 900K | \$1.0 - 1.2m+ |
| PRODUCT MANAGER, SECURITIES SERVICES | \$360 - 600k | \$600 - 960K | \$960 - 1.6m+ |
| SALES MANAGER, SECURITIES SERVICES | \$360 - 600k | \$600 - 900K | \$900 - 1.6m+ |
| SALES MANAGER, TRADE FINANCE | \$300 - 500k | \$500 - 840K | \$840 - 1.4m+ |
| PRODUCT MANAGER, TRADE FINANCE | \$300 - 500k | \$500 - 840K | \$840 - 1.4m+ |
| SALES MANAGER, CASH MANAGEMENT | \$300 - 500k | \$500 - 840K | \$780 - 1.4m+ |
| PRODUCT MANAGER, CASH MANAGEMENT | \$300 - 500k | \$500 - 840K | \$840 - 1.2m+ |
| CLIENT SERVICES MANAGER, SECURITIES | \$300 - 450k | \$450 - 780K | \$780 - 1.4m+ |
| CLIENT SERVICES MANAGER, TRADE FINANCE | \$300 - 420k | \$420 - 750K | \$750 - 1.2m+ |
| CLIENT SERVICES MANAGER, CASH | \$300 - 420k | \$420 - 750K | \$750 - 1.2m+ |

ABOUT ROBERT WALTERS

With over 23 years in the business of recruitment, Robert Walters is firmly established in Australia, New Zealand, Asia, USA and Europe. Our emphasis is on building long-term relationships that provide an independent view to your recruitment challenges in the following specialist areas:

- Accounting & Finance
- Banking
- Business Support & Call Centre
- Construction & Engineering
- General Management
- Human Resources
- Information Technology
- Legal
- Sales & Marketing
- Supply Chain, Logistics & Procurement

ROBERT WALTERS ASIA JOB INDEX

The Robert Walters Asia Job Index was launched in Q2 2008 with a view to creating a quarterly defacto barometer for the job market across the region. Since its inception, the Index has grown in scope and now covers Singapore, Japan, China and Hong Kong. The Asia Job Index is highly regarded as an informative source, and its reports have been covered by numerous mainstream and trade media around Asia. Many companies have also used the Asia Job Index as a reference for their organisations' research and strategy reports. To subscribe, please visit www.asiajobindex.com





HUMAN RESOURCES & BUSINESS SUPPORT

| ROLE | 2009 PERMANENT (6-10 YRS) SALARY PER ANNUM \$HK | 2009 CONTRACT SALARY PER MONTH \$HK |
|------------------------|--|--|
| HR DIRECTOR | \$1.3m | \$100,000+ |
| RECRUITMENT SPECIALIST | \$750 - 900k | \$62,000 - \$75,000 |
| HR GENERALIST | \$600 - 900k | \$50,000 - \$75,000 |
| PERSONAL ASSISTANT | \$420 - 540k | \$35,000 - \$45,000 |
| EXECUTIVE SECRETARY | \$360 - 456k | \$30,000 - \$38,000 |

INFORMATION TECHNOLOGY

| ROLE | 2009 PERMANENT SALARY PER ANNUM \$HK | 2009 CONTRACT SALARY PER MONTH \$HK |
|--------------------------------|---|--|
| PROGRAMME MANAGER | \$1.0 - 1.7m | \$70,000 - \$100,000 |
| PROJECT MANAGER (5+ YRS' EXP) | \$1.0 - 1.5m | \$50,000 - \$90,000 |
| BUSINESS ANALYST (6+ YRS' EXP) | \$1.0 - 1.3m | \$40,000 - \$80,000 |
| TEST MANAGER | \$800k - 1.2m | \$40,000 - \$70,000 |
| DATABASE ADMINISTRATOR | \$600 - 800k | \$40,000 - \$70,000 |
| NETWORK/SYSTEMS ENGINEER | \$600 - 850k | \$35,000 - \$50,000 |
| DEVELOPER | \$360 - 500k | \$35,000 - \$60,000 |
| APPLICATION SUPPORT ANALYST | \$300 - 500k | \$30,000 - \$50,000 |
| TRADE FLOOR SUPPORT | \$300 - 500k | \$30,000 - \$50,000 |
| HELPDESK ANALYST | \$300 - 500k | \$20,000 - \$30,000 |

MARKETING & COMMUNICATIONS

| ROLE | 2009 PERMANENT SALARY PER ANNUM \$HK |
|--|---|
| HEAD OF EVENTS | \$1.1m+ |
| MEDIA RELATIONS DIRECTOR | \$1.1m+ |
| PR / CORPORATE COMMUNICATIONS DIRECTOR | \$920k - 1.4m |
| INTERNAL COMMUNICATIONS DIRECTOR | \$980k+ |
| MARKET RESEARCH DIRECTOR | \$820k+ |

NB: Figures are basic salaries exclusive of benefits/ bonuses unless otherwise specified.

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