

# FINANCIAL SERVICES INDUSTRY

2022 Mid-Year Review and Look Ahead



# Contents

<a href="#">INTRODUCTION</a>	03
<a href="#">PRIVATE BANKING &amp; WEALTH MANAGEMENT</a>	04
<a href="#">INVESTMENT MANAGEMENT</a>	05
<a href="#">CORPORATE &amp; INVESTMENT BANKING</a>	06
<a href="#">GLOBAL CAPITAL MARKET</a>	07
<a href="#">MIDDLE OFFICE</a>	08
<a href="#">TECHNOLOGY</a>	09
<a href="#">QUANT</a>	10
<a href="#">SUMMARY</a>	11
<a href="#">ABOUT SELBY JENNINGS</a>	12
<a href="#">CONTACT SELBY JENNINGS</a>	13



# Introduction

The financial services industry is the backbone of Hong Kong's economy, and the importance of the industry in North Asia has never been more obvious than in the past year.

While Hong Kong is moving on post-pandemic, there are a number of other uncertainties threatening the success of the financial services industry. Geopolitical conflicts, stock exchange tensions and the impact of rising inflation rates globally means financial systems are facing ever-complex challenges.

The resilience shown by both financial professionals and firms in recent years has resulted in a high level of preparedness in Hong Kong and North Asia. The region will not let external forces affect what could be a bumper year. There are huge opportunities for talent to capitalise on, with digital transformation top of the agenda. Many financial firms are going above and beyond to attract and retain local and expatriate talent. As a talent partner, we are looking forward to seeing positive change pushing financial services forward into an even brighter future.



**Abimanu Jeyakumar**  
Head of Selby Jennings, North Asia  
✉ [Abimanu.Jeyakumar@SelbyJennings.com](mailto:Abimanu.Jeyakumar@SelbyJennings.com)



# Private Banking & Wealth Management

The first six months of the calendar year is typically the busiest hiring period for private banks and 2022 has had a particularly active start.

It is no secret that there has been talent leaving Hong Kong, relocating to places such as the UK, USA and Australia. This has however created opportunities for talent within Hong Kong to move into bigger roles, with this shortage of talent increasing competition from private banks, who know the speed of their interview processes is critical in securing talent, whilst also offering attractive compensation packages. Relationship Managers that carry a strong network and assets under management of key clients will be sought after by many institutions. Financial services who offer a unique proposition and exciting opportunities could be the most attractive homes for talent.

Hong Kong has followed Singapore in catering for an increase in family offices wishing to establish in the jurisdiction, both implementing tax incentive schemes to attract a greater amount of family offices to expand their coverage. This demand has given private banks the

opportunity to hire family advisory specialist's to cater to this increased need, and we expect this to continue across the next three years.

The trust and fiduciary industry across Asia is thriving with new wealth. We are seeing an increase of first generation wealth coming to the region to structure their estates and succession planning. Along with our parent company Phaidon International who expanded into China, we have seen trust firms open offices in Shanghai, as well as Beijing and Shenzhen employing staff to capture new trust business. There is also more demand for experienced trust administrators in Hong Kong. For private banks, the wealth planning market has seen talent changing and moving throughout many key roles, and we predict this will continue for the remainder of the year.



**Jack Metters**  
Vice President, Private Banking & Wealth Management and Risk, North Asia  
✉ [Jack.Metters@SelbyJennings.com](mailto:Jack.Metters@SelbyJennings.com)



# Investment Management

We have just gone through a very unique period for the industry in North Asia. The impact of city-wide lockdowns in Hong Kong and mainland China was withstood well by the vast majority of money managers and investors. They were already resilient due to previous cycles of working from home and Covid-19 related measures, but the outflow of expats and even local professionals from Shanghai to Hong Kong, and Hong Kong to other parts of Asia, Canada, and Europe did not go unnoticed. Some big local names shuttered their businesses in Hong Kong and industry stalwarts looked to de-risk and instead expand their businesses into India.

The void left behind in this competitive landscape by these major moves are viewed as opportunities for those more committed to the region to take additional market share, and increase headcount.

We have also witnessed hiring firms adjusting to the new normal in terms of wage inflation and incremental increases to base salaries, sign-on bonuses, and non-compete periods, driven by a very robust 12 months prior.

Remarkably, the dominance of cryptocurrency from last year has not had the legs many thought it would so far, and has resulted in a downcycle, even as more financial services add digital assets as an asset class, and more crypto-related start-ups soak up talent in the region.

Difficult economic conditions caused by inflation in the US and beyond have started to drive a new influx of talent looking to return back home to Asia and leverage their tech-heavy experience into local markets.

As Hong Kong comes completely out of lockdown, Shanghai attempts to resume its prior trajectory pre-lockdown, and Japan re-opens for tourists, we view the rest of the year as a much more robust period than the first half of 2022, so the future looks very bright.



**Jack Zhang**  
Vice President, Investment Management, North Asia  
✉ Jack.Zhang@SelbyJennings.com



# Corporate & Investment Banking

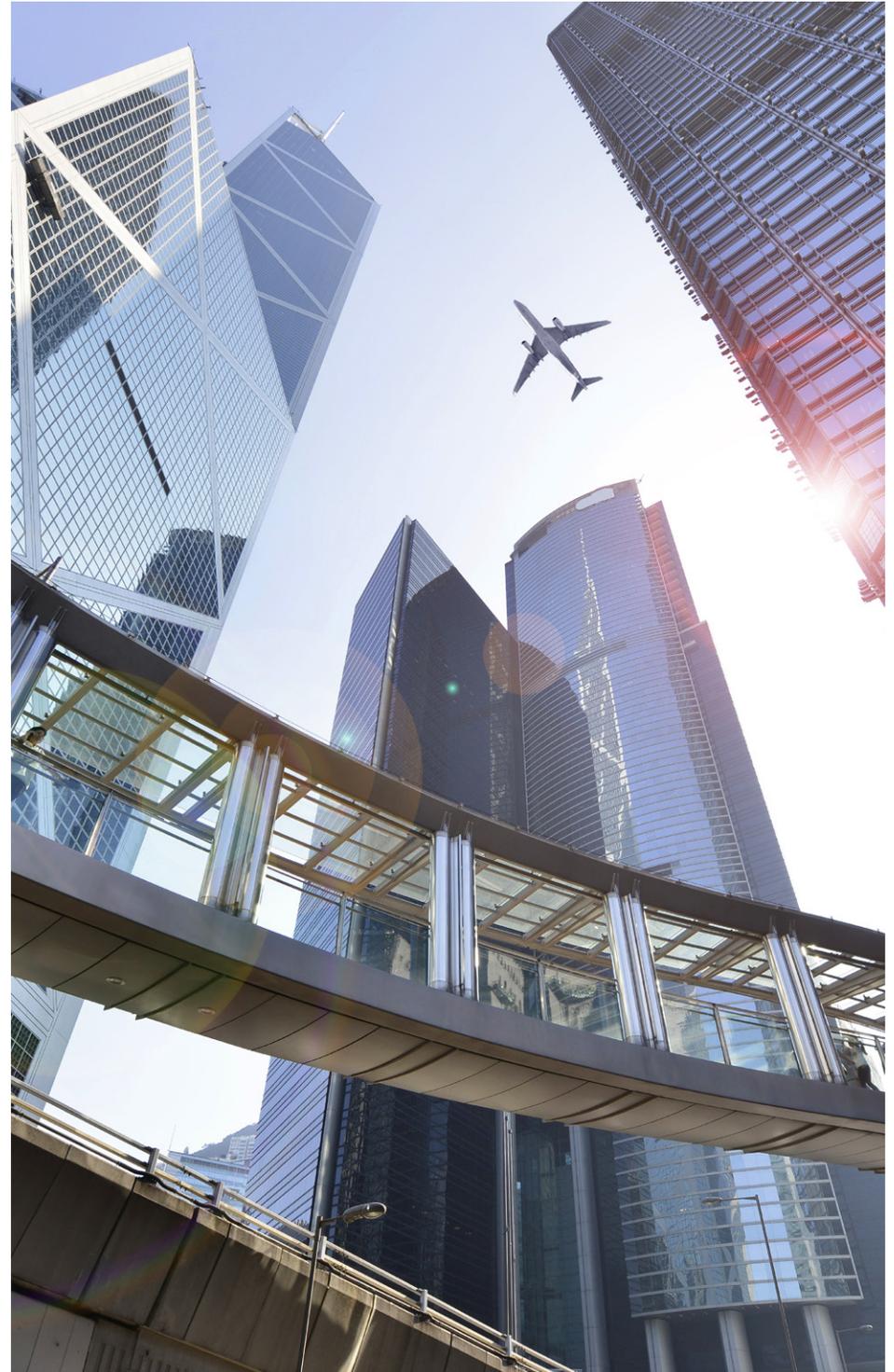
2022 began with a continuation of the hiring spree of last year and has certainly continued in that trend. US and European banks are expanding their footprint in the region, and this coupled with the turnover many banks are facing with Associates and VPs leaving to buy-side or well-funded start-ups able to offer big bumps in pay, means hiring ramp ups will continue throughout the rest of the year. This is despite ominous news coming out of several regional banks who may have over-hired in the last 12 months, but that remains to be seen.

There were 24 IPO deals in HK in H1 2022, raising HKD\$17.8bn, down just over 90% on the same period last year. Interestingly 6 of the top 10 banks globally, when ranked by fees generated in equities, are Chinese. Bond revenues are up in APAC compared to the same period last year, just about, and there as only been a small change for loans as well.

Syndicate teams have been adding talent at a more senior level and will continue to do so, as growing banks look to hire sector coverage teams, and there is constant interest in mid-level Mandarin speaking bankers in M&A, TMT, and healthcare.



**Joe Parker**  
Principal Consultant, Corporate & Investment Banking, North Asia  
✉ [Joe.Parker@SelbyJennings.com](mailto:Joe.Parker@SelbyJennings.com)



# Global Capital Markets

Throughout 2022, the hiring landscape for global markets has been a candidate's market - where talent is in short supply, forcing banks to compete to attain the best people. Due in part to the buy-side, crypto and fintech's offering lucrative packages - this has been most prominent at the mid-seniority level (6-10yrs experience). Another driving factor being the so-called 'expat exodus' and the shortage of newcomers from abroad.

As a result of all this, we have seen aggressive increments, with total packages up around 25-40% upon offer. We have also seen non-plug-and-play moves, with people moving from sales to trading, or from supporting/middle office seats to the front office.

For those actively seeking a new role, they are typically engaged in as many as 3-5 processes, subsequently leading to multiple offers on the table, resulting in a high-risk of counters in an attempt to retain key talent - in most cases, it's too little too late. All of this is making the hiring process extremely competitive and forcing firms to act quickly and boldly. For example, several banks have announced mid-year 15-25% increase in salaries for junior staff (An-Assoc) in an attempt to retain talent, also under the guise of rising inflation.

That said, in recent months, an unexpected sign of optimism is the rise in enquires we've received from candidates abroad looking to move to Hong Kong - both locals repatriating to the region as well as international talent looking for opportunities, something we haven't really seen in this volume since 2019. As a hiring manager, keep this in mind when looking for talent - at Selby Jennings, we are able to leverage our international database to source candidates from abroad.

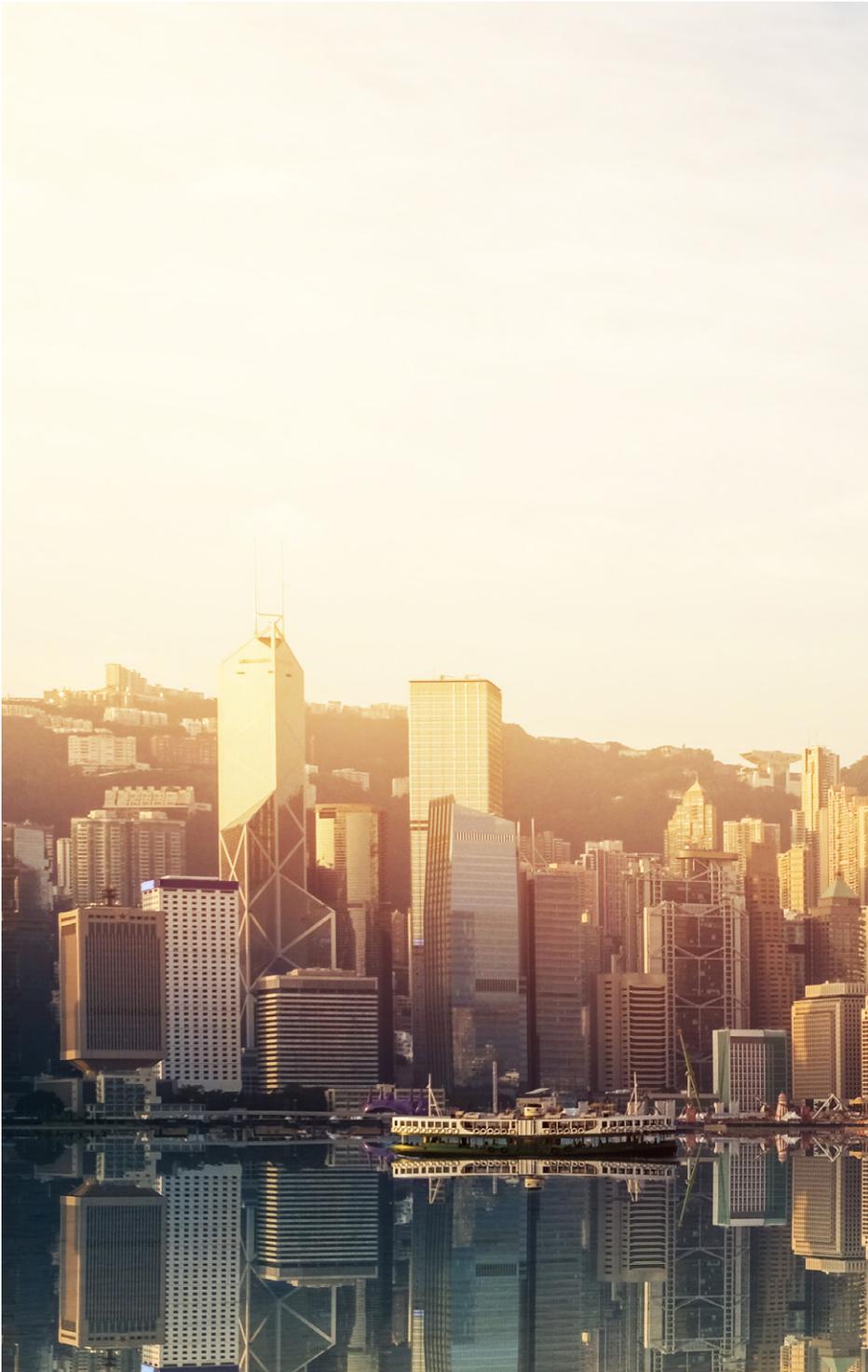
With interest rates on the rise and subsequent volatility across markets, there is an increased demand for FICC talent (sales, trading, structuring, research). However, following on from last years' movements within equities, there are plenty of active firms seeking replacements, upgrades and expansionary hires, many of which are seeking to hire talent from the buy-side and abroad.

So, we are still very much in a candidate-short market, and will continue to be so for the foreseeable, and as such, we advise businesses to act quickly when sourcing talent.



**Alasdair Moody**  
Principal Consultant, Global Capital Markets, North Asia  
✉ Alasdair.Moody@SelbyJennings.com





# Middle Office

Legal and compliance talent remains hot this year due to a significant exodus of legal individuals. The lack of supply with an overabundance of demand has created bidding wars across the region.

Trade tensions between China and the US, alongside an increase in internal regulations, has resulted in a downturn in Sino-American transactions. This has in turn triggered a greater focus on local and regional transactions across TMT, biomedical, pharmaceutical and healthcare sectors. However, while firms have reported that Hong Kong's restrictions on international travel has led to some deals falling through, both public and private M&A markets remain incredibly busy. As such, transaction lawyers are an incredibly hot commodity in Hong Kong.

Within the virtual assets space, the necessity to add headcount across the legal and compliance functions remains very active. From market makers, liquidity pool providers, venture capitalists, hedge funds, private equities, and investment banks, they have all been actively looking to add as regulators seek to bring nearly all aspects of virtual asset trading under control.

Last year the Hong Kong Monetary Authority and Securities and Futures Commission imposed record fines on a wide range of legal cases under anti-money laundering law and as such, AML and Combating the Financing of Terrorism (CFT) will remain a high priority, specifically within transaction monitoring. With the continued growth across private banking business in the region, and client acquisitions in mainland China, we can expect a significant focus for private banks' onboarding practices regarding customer due diligence and sources of wealth in particular.



**Ian Yeung**  
Vice President, Legal & Compliance, North Asia  
✉ [Ian.Yeung@SelbyJennings.com](mailto:Ian.Yeung@SelbyJennings.com)



# Technology

In the last 6 months, the technology market has been turbulent, especially with the well broadcasted crypto crash. Despite this, we have continued to see a vibrant hiring landscape across the technology space. We have seen a steady demand of talent across core infrastructure, especially in Java development, due to the demand from crypto currency platforms. Unlike that of traditional high frequency trading firms, these crypto firms are selecting to build their infrastructure using mostly Java because this technology stack is widely used for connecting to conventional centralized digital exchanges.

The volatility in the crypto industry has really differentiated the top players in the industry, and these firms have taken advantage of more liquid talent on the market. Meanwhile, a number of the traditional finance buy side firms have furthered their presence in the digital asset space, leading to an increase in demand across all technological supporting functions, including DevOps and SRE functions, as well as Production Engineers.

The supporting functions themselves have also continued to advance and evolve beyond that of the traditional troubleshooting. We have seen hybrid roles develop across the infrastructure space, from data, cloud, security and networks adopting a more Site Reliability Engineer mindset, which has created a further specialized talent terrain.

There will be continued demand for talent within three core spaces: data scientists, cybersecurity and cloud. The existing talent shortage across the financial industry in Hong Kong, due muchly to the pandemic, has meant that firms are prioritizing succession planning and cultivating top-tier mid- junior talent as critical.



**Charlotte Hodgson**  
Principal Consultant, Technology, North Asia  
✉ Charlotte.hodgson@SelbyJennings.com

# Quant

Larger funds, exchanges and market makers have further expanded their businesses in Asia, with a number of them placing emphasis on bolstering their HFT capabilities to leverage market volatility, meaning momentum is very much behind financial services, and hiring is not showing any signs of slowing down here.

Boutique funds and newly established systematic trading teams have similarly kept pace with the intention to deploy a more diversified and multi-strategy approach. Perhaps most profound has been the two-fold trend of TradFi firms delving into the crypto sphere and the abundance of talent that has followed suit.

Strategists and PM's have been eager to replicate their track record in this environment, with a wide array of platforms either scaling into areas such as systematic stat arb and market neutral strategies, or looking to gain a footing by exploring unconventional alternative datasets, sentiment analysis, and NLP models.

While it is important to address the fact that several household crypto names are now on a hiring freeze, this has been in contrast to competitor platforms, who have doubled down on their expansion in an effort to consolidate the market's top talents.

On the sell-side, we have seen a number of investment banks ramp up their respective hiring as well. Several have indicated a desire to optimise, and in some cases revamp, their algorithmic trading platforms, which has resulted in strong demand for experienced algo developers and execution Quants.

Employee retention has been just as vital. Recent reports have suggested the resignation rate of mid-to-junior bankers has almost doubled regionwide, which has led to several US and European investment banks imposing longer notice periods, and hiking up salaries in order to remain competitive.

The continued race for talent, only elevated by the number of greenfield buildouts this year, offers a promising outlook for the region moving forwards.



**Jonathan Billow**  
Associate Vice President, Quants, North Asia  
✉ [Jonathan.Billow@SelbyJennings.com](mailto:Jonathan.Billow@SelbyJennings.com)

# Summary

Hong Kong's focus on digital and regulatory transformation has meant that despite the challenges sent its way, the financial hub is back with a bang. A build-up of talent holding tight and not considering career changes during the pandemic means that now we are seeing more pronounced and frequent movements of high calibre talent, resulting in financial businesses needing to adapt their HR and talent acquisition policies to keep up with competition, particularly with younger fintech firms and new cryptocurrency organisations snapping at the heels of the more traditional banks.

A renewed emphasis on more diverse talent pools coupled with gaps left from expatriates leaving during lockdowns presents exciting opportunities for local talent. The city state remains a premium financial services centre due to its diverse business community, and still attracts top talent, despite all the challenges it has faced.

Hong Kong is back and attracting the best and brightest talent, and as a talent partner we can't wait to see what the future holds for the city state and North Asia as a whole.

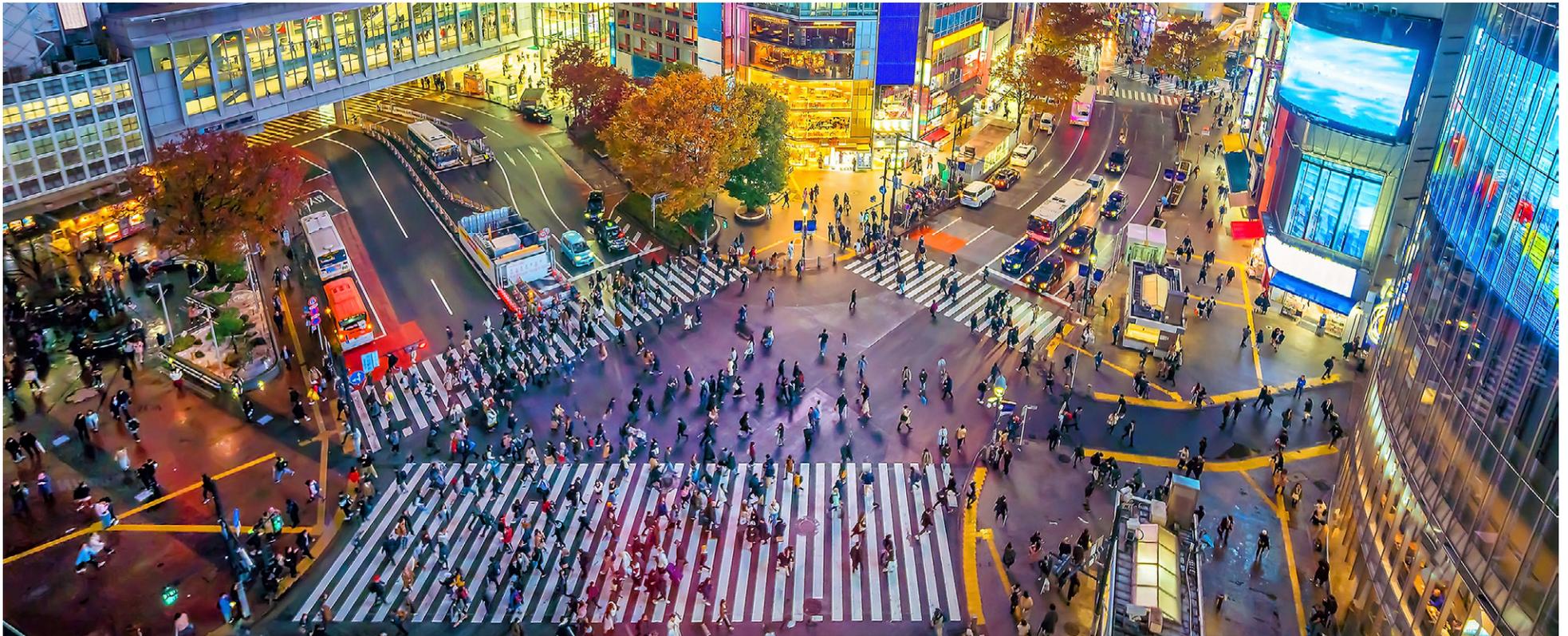


# About Us

Our financial services team has extensive knowledge in the market, with over 15 years of experience delivering exceptional talent to industry leading clients in banking and beyond. Our continual investment in best-in-class technologies and expertise enables us to match financial services professionals and world-leading companies with speed, precision and accuracy. Today, Selby Jennings operates all over the world to help professionals reimagine their careers, globally. As an award-winning talent expert, we offer specialist guidance across 10 specialisms, over three continents. Visit our website to discover more invaluable insights, including exclusive research, salary guides and market trends.

[www.selbyjennings.hk](http://www.selbyjennings.hk)

A Phaidon International brand



# Contact us



**Abimanu Jeyakumar**  
Head of Selby Jennings, North Asia  
✉ [Abimanu.Jeyakumar@SelbyJennings.com](mailto:Abimanu.Jeyakumar@SelbyJennings.com)



**Neil Tsui**  
Key Account Director, APAC  
✉ [Neil.Tsui@SelbyJennings.com](mailto:Neil.Tsui@SelbyJennings.com)

Looking for a new hire? [Submit your hiring brief](#)

Looking for a new opportunity? [Submit your latest CV](#)

Download the [South East Asia 2022 Mid Year Report](#).



[in](#) selby-jennings   [twitter](#) Selby\_Jennings  
[info@SelbyJennings.com](mailto:info@SelbyJennings.com) | [selbyjennings.hk](http://selbyjennings.hk)