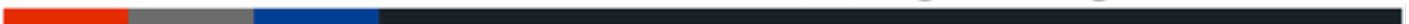




Banking & Financial Services



Global Market Update – July 2013





PageGroup has the world's largest international banking & financial services recruitment practice focusing on professional level hiring. With physical offices in all of the world's established and emerging financial centres we offer unrivalled coverage and consistency to our clients.

## Half year commentary from our specialists

### Waking up to a new war for talent

Generally in the world's key financial centres, recruitment is picking up. The perception of many financial firms is that if they have a vacancy, the market will be awash with available talent. But in most areas banks still find it challenging to find the talent they are looking for, because despite the sense of a big pool to fish in, the bar on quality is set high. Multiple offers and counter offers are becoming commonplace once more. Hirers are often restricted in the size of the offers they can make, partly due to pressure on costs, but also reflecting an incorrect perception of leverage. Candidate confidence is growing.

“Many firms perceive that market conditions have not changed much since 2011/12 and they are caught off-guard by the speed at which candidates are securing offers, and taking jobs, elsewhere.”



Simon Lewis, MD, PageGroup financial services, New York

### Specialist skills are in demand

Across the world employers are holding out for candidates that closely match their requirements, and this often means relevant recent experience, gained within the local market. One impact for jobseekers across all locations is the increased challenge of changing job type or industry segment.

In certain areas the market has clearly changed, for example the trend to off-shore the back office continues and a specific consequence of that trend is the lack of senior operations roles available in some major banking centres.

In revenue generating functions, a predictable theme is firms' desire to hire proven performers.

“Demand in Switzerland is mainly for proven revenue generators and those looking for opportunities are tending to seek the larger and core prestigious institutions.”



Stephan Surber, Director, PageGroup financial services, Zurich



## How employers are responding

Amongst the larger companies, many have poured resource into internal mobility and talent management programs, recognising that often their talent shortages can be addressed through the development and re-deployment of the current workforce.

When it does come to external hiring, companies that exploit as many sourcing channels as possible are rewarded with the best shortlists. The first half of 2013 saw, in many regions, a recovery in recruitment advertising in the sector. This has tended to be on behalf of small and mid-size firms, and these strategies are giving them an upper hand in many cases when compared to the larger banks. In some regions pressure on these larger firms to manage cost is influencing sourcing strategies.

“Over reliance on referral programs and networks is risky – they can provide a quick solution but are generally anti-diversity.”



David Leithead, MD, PageGroup financial services, London

## How PageGroup is innovating to find the best people for our clients

We are currently redeveloping our websites globally, for example ensuring they are fully accessible via mobile; using responsive design; and allowing candidates to apply for jobs using their LinkedIn profile.

We also partner with specialist digital agencies to effectively attract and engage relevant candidates via search engines and social media, and employ advanced search tools on LinkedIn to ensure we reach the best candidates.

PageConnect, our hugely successful dedicated intranet that connects our banking and financial services teams around the world, had further upgrades in the first half of 2013.

“Traffic to our websites around the world is at record levels – up 34% on 2012 – and the global roll out of our next generation website is now underway, with enhanced functionality and focus on value-add for jobseekers and hirers alike.”



Nick Newman, Head of Digital Innovation, PageGroup



## Recruitment trends in some of the world's financial centres

### Focus on **New York:**

- There has been increased demand from commercial banks with investment banking arms, particularly Canadian & Japanese firms, and also some activity with Brazilian, Chinese and Australian banks;
- Domestic middle market lending firms are also hiring;
- The European banks remain significantly challenged, though there has been some increased activity within trade finance/commodity finance/project finance;
- Increasing M&A activity has led to hiring in Coverage groups – especially Energy, Real Estate and Healthcare;
- As institutional investors search for yield outside the capital markets, we are seeing increased demand for Private Debt and Real Asset (Infrastructure, Natural Resources, Real Estate etc) Investment professionals: Analyst to Director level;
- Institutional Fund Distribution/Fund Raising institutions such as Pensions, Insurance, Endowment Foundations are poaching top talent from each other;

“The candidate population, across the board, is rapidly growing in confidence, with even those in ‘safe seats’ now happily moving around.”



Georgina Fox, MD, PageGroup financial services, New York

- There has been a significant increase in financial planning and analysis roles in both the buy and sell side, both replacement and newly created positions;
- A number of investment banks are still outsourcing (e.g. Poland, India) and near-shoring (e.g. Buffalo, Florida, the Carolinas and Montreal) finance, operations and product control, and this is beginning to include complex product groups;
- There has been a significant increase in demand for regulatory reporting positions including CCAR, Basel, RWE and Dodd Frank;
- Tax Operations - Banks are on-boarding consultants to support the changes in cost basis tax, tax documentation, FATCA, IRS Regulation to ensure adherence to new reforms and changes;
- CFTC/SWAP Dealer issues continue to create compliance needs given many banks have been faced with complex SWAP Dealer registration issues;
- This year has seen a long awaited pickup on buy side hiring within compliance.



### Focus on **Brazil:**

- There are increasing numbers of specialized investment products in the market, such as distressed debt and special situation hedge funds;
- Brazilian banks continue to develop more sophisticated risk management strategies and this is driving hiring in risk, compliance and finance areas;
- At present most other investment banking hires are due to restructuring or replacement rather than growth;

“Brazil’s vast potential remains attractive, not least because of the potent combination of intelligent C suite leadership, and emerging young talent.”



Patrick Gorman, PageGroup financial services, Sao Paulo

- There is significant activity around middle market banks increasing their home equity finance offerings;
- The Private Equity market remains busy from a recruitment point of view, with both local and global funds seeking executive level hires for their portfolio companies, though new deal activity is slowing somewhat;
- CFOs with accounting backgrounds have been in demand, as many companies seek to overhaul/upgrade their control and reporting frameworks.

### Focus on **Hong Kong & South East Asia:**

- In compliance, risk and audit areas there has been sustained recruitment activity in 2013, following similar trends from last year. Banks are further ramping up controls, and reinforcing specific areas like their AML and financial crime units in response to local and global regulatory changes;
- For the investment banking sector, the focus will remain on replacement hiring and strategic hiring where particular technical skills are in demand;
- The Hong Kong IPO market has been more positive and this is reflected from a recruitment perspective in more hiring across the Real Estate, Asset Management and Insurance sectors;
- There is also more hiring by the Chinese banks as they look to expand further across Asia. For example in Hong Kong, Chinese institutions are entering the private banking market and competition for experienced private bankers has intensified;



- We have also seen a number of ratings agencies looking to expand their Asia operations;
- By contrast the trend to off-shore operations and back office functions to locations such as the Philippines, India and Eastern Europe continues;
- Across all areas, employers are looking for professionals with a strong academic background and relevant qualifications, but additionally, with hiring activity levels increasing across the Chinese banks, Cantonese, Mandarin and English language skills, and experience of working in the China market are often a pre-requisite.

“The focus in many Asian locations is on building core workforces of nationals rather than foreign imported talent. Cost, and tightening visa rules are drivers, but this also reflects the increasing importance placed on local market experience, and local language skills.”



Kirstin Maclaren, Director, PageGroup financial services, Hong Kong

### Focus on **London:**

- In London the volume of new assignments has been consistent during the first half of this year, but conversion into placements has improved, as more firms secure sign off for hiring;
- In Q2 2013 there was a marked increase in hiring in front office and origination roles, and in those credit analysis and portfolio roles that work closely with the front office;
- In debt and structured finance we have seen growth in asset finance including leveraged finance funds, and the new direct lending funds, and we anticipate that infrastructure debt funds will hire in H2 2013;
- In M&A, boutiques are starting to hire, and the bulge bracket banks face challenges due to shortages at the analyst and associate levels, exacerbated by continued traffic to the buy side;
- There is heavy demand in finance and regulatory areas in COREP in both British and US banks (new EU requirement for financial institutions) and in funding and liquidity;





“With more pressure than ever for strong regulatory and control frameworks, the main theme in 2013 has been companies’ search for the elusive technical skills needed. Any firm that is slightly ahead becomes the target for aggressive poaching and in some areas wages are spiralling.”



Ronita Patel, Director, PageGroup financial services, London

- Pressure from the regulator, firm management, and internal risk functions is increasing the workload and complexity of the internal audit function and we anticipate significant hiring in H2 2013 and in 2014. Experienced internal auditors are being offered strong incentives to move;
- Compliance has continued to be in the spotlight, and buy side firms, boutiques and small and mid-tier organisations are hiring;
- Tier one banks are strongly developing their portfolio risk teams;
- Operations recruitment has been stronger in H1 2013 than at any time in 2012, mainly in response to new OTC clearing initiatives and regulation, and an increased focus on counterparty risk and collateral management;
- Human Resources functions have seen a significant amount of restructuring to ensure effective utilisation of current resources with a strong drive towards a more value based business support culture.

#### Focus on **Tokyo:**

- Over 70% of our placements year-to-date are outside of traditional investment banking;
- The Japanese mutual fund market is growing, pushing hires for Fund Sales/Client Service, and Fund Product Hires;

“As the reward culture in banks starts to dwindle, buy-side firms are seizing the opportunity to take younger talent from the sell-side.”



Sayaka Takayama, Consultant, Michael Page Banking & Financial Services, Tokyo

- There has been continued pressure on firms from the Bank of Japan and the FSA to hire compliance professionals;
- Payment and money transfer services firms have had to react to tougher AML regulations by hiring heavily;
- A strong area of growth is Fixed Income IT. The banks are often struggling to compete with non-financial companies, for the best IT talent, due to longer interview and approval processes.



**Contact us:**

For further information, or to discuss how we can assist with your recruitment needs, please contact us as follows:

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