CAREERS IN FINANCIAL MARKETS

THE INSIDER’S GUIDE TO GETTING HIRED AND SUCCEEDING IN THE FINANCIAL MARKETS
Welcome to the 2012 edition of Careers in Financial Markets, from eFinancialCareers.com, your tool for getting a step up as you strive for a career in one of the most competitive industries you could enter. For every opening, there are scores of applications, and while academic achievement is important, you will also be judged on your experience and your interpersonal skills such as leadership and teamwork.

The guide, now into its sixth edition, is designed to help get you started. This year we’re doing something a little different by giving Careers in Financial Markets a global perspective, which means you’ll find tips on how to make it through the application process in the U.S. and Canada, Europe, the Middle East and Africa (EMEA) and Asia-Pacific. We’re also making the U.S. edition available electronically as an App.

The guide is basically divided into two sections:
1) How to get in, with articles on application forms, resumes and interviews, including exclusive insights from banks’ graduate resource teams and recruitment experts in the financial industry
2) What it means to work in the major sectors within the financial markets

It’s designed to be used in conjunction with the Student section on eFinancialCareers.com, which features news and regularly updated advice on how to stay ahead of the competition.

We hope this guide not only informs but inspires you as you begin your financial career. We also invite you to continue using the eFinancialCareers.com Web site as you advance along your chosen path.
The diversity of roles within the financial sector is matched only by the wide range of expertise in countries across the globe. We examine the key strengths of each region.

United States and Canada

Wall Street has long been a magnet for financial professionals, but the United States and Canada are also home to six of the world’s top 20 financial hubs: New York, Chicago, Toronto, Boston, San Francisco and Washington, D.C. The U.S. leads the world in debt capital markets, with more than $2.5 trillion worth of deals in 2010. There were also $913 billion of mergers and acquisitions (M&A) and $210.5 billion of equity capital market deals last year.

Although New York remains the financial epicenter of North America, the migration of financial jobs to other cities such as Seattle, Raleigh-Cary, North Carolina and Salt Lake City continues.

Wall Street today is more a “state of mind” than a location, since most financial sector firms have moved elsewhere, and it is no longer necessary to work in New York to have a career in financial markets.

Chicago is one of the world’s leading centers for commodities and the $600 trillion OTC derivatives market, while Boston is known for its asset management firms such as Fidelity and State Street, which together account for $3.7 trillion of the total $13.4 trillion the U.S. has in assets under management (AUM).

Elsewhere, Connecticut has become synonymous with hedge funds, while financial giants such as Schwab and Wells Fargo are headquartered in San Francisco.

Europe, Middle East and Africa (EMEA)

It’s easy to see why, despite recent wobbles, London remains one of the top global financial centers. It has the largest slice of the biggest financial pie in the world. London accounted for 36.7 percent of the average $4 trillion traded daily on the foreign exchange markets. London also has a 49.8 percent share of the $1.2 trillion traded daily on the over the counter (OTC) derivatives market, and the London Metal Exchange accounts for 90 percent of all non-ferrous metals traded in the commodities sector.

Both Zurich and Geneva are in the top 10 of global financial centers, primarily because of large commodities and wealth management sectors. Switzerland has $6 trillion in assets within wealth management and is number one for trading numerous physical commodities.

France is Europe’s largest fund management hub, with $3.7 trillion in AUM. Germany has the Continent’s biggest debt capital markets sector – $378.5 billion worth of deals were completed in 2010 – and a sizable fund management industry, with $2.6 trillion in AUM.

Ireland and Luxembourg are major centers for global custody, administering assets of $2.7 trillion and $3.2 trillion respectively. Scotland is gaining a reputation for investment banking operations expertise, and the Middle East has numerous large sovereign wealth funds and is attracting more global private banks.

The Nordic region and the Netherlands are big institutional investors, while Belgium is home to post-trade services firm Euroclear, which clears $721 trillion of securities annually.

Asia-Pacific

Asia’s key banking cities, supported by economic growth in China and India, have rebounded from the 2008 crisis, and financial institutions are expanding across the region. Hong Kong, Singapore, Tokyo, Shanghai and Sydney are all top 10 global financial centers.

The wealth held by high net worth individuals in Asia-Pacific rose 30.9 percent to $9.7 trillion between 2008 and 2009, helping Singapore cement its strong position in global private banking. The country is an operations and IT center for several investment banks. It is also Asia’s top energy trading hub and increasingly a location of choice for other commodities, including agricultural products, metals and minerals.

Singapore fund managers looked after a record $1.1 trillion in assets in 2010, representing a rise of 13 percent on the year before but still no match for Hong Kong’s $1.6 trillion in AUM.

One of Hong Kong’s main strengths is its securities market. Funds raised by initial public offerings (IPOs) hit a record high of $57.1 billion on the Hong Kong Stock Exchange in 2010.

Despite Japan’s recent natural disasters, Tokyo remains one of the world’s top financial centers. It is Asia’s main foreign exchange market and has the largest asset management industry in the region.

Although Shanghai, Beijing and Shenzhen cannot yet match the product sophistication of more mature centers, China is flexing its financial muscles in terms of equity capital markets volume, ranking second globally in the second quarter of 2011.

Australia’s financial sector has a comparatively domestic focus and is dominated by its “Big Four” commercial banks. Within investment banking, the booming resources sector is driving M&A and capital markets activity.

The world’s financial hubs at a glance
A GLOBAL INDUSTRY

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The world’s financial hubs at a glance

GETTING IN

A bird’s eye view of each global financial center and its individual strengths

Financial Centers

1. London
2. New York
3. Hong Kong
4. Singapore
5. Tokyo
6. Shanghai
7. Chicago
8. Zurich
9. Geneva
10. Toronto
11. Sydney

Source: Z/Yen Global Financial Centers Index 2011.
Each financial services firm has its own culture and personality. Some value the latest in cutting-edge state of the art strategies while others take pride in their tradition. Some celebrate the art of the deal, while others praise diligence and integrity. Financial firms come in all shapes and sizes from global giants like Citigroup and Bank of America with tens of thousands of employees to smaller boutique firms of less than a hundred. Despite their differences, most share a common approach to organization and job titles.

**Analyst**
The first rung on the ladder is the analyst. In corporate finance, they’re basically number-crunchers who study a firm’s financial reports and put together “pitch books.” In research, they help cover companies and sectors. In sales, analysts call clients on non-crucial matters. Analysts assigned to the trading floor can’t trade until they’ve passed their regulatory exams. Even once they have, they’re heavily constrained until they prove they’re not going to press the wrong button and lose millions. Most banks keep analysts in place for three years before promoting them.

**Associates**
Associates are either analysts who’ve made the grade or business school students who’ve joined the bank after earning their MBA. Typically, associates manage and allocate work to their own teams of analysts. Here again, they usually hold their position for three years.

**Vice Presidents**
Vice presidents manage the day-to-day affairs of associates and analysts, and usually have more frequent contact with clients. Those working in sales, trading or research often have their own book of customers, more flexible risk parameters when trading or their own list of companies to research. Because sales people and traders operate on their own, exceptionally talented trading-desk VPs can make more money than their firm’s managing directors. VPs stay in place for longer than the typical three years. Some jump to another bank to advance. Those who don’t advance at one bank often jump to another where they can join at the next higher rank of Director or Executive Director.

**Director or Executive Director**
Directors and executive directors are the right hands of investment banking’s leaders, the managing directors. In corporate finance, executive directors help MDs handle relationships with client companies. In sales and trading, they call bigger and more important clients and place ever larger trades.

**Managing Directors**
Managing Directors are the upper echelons of the investment banking hierarchy. These are the rainmakers who bring in business and the big deals. Only a few of those who start as analysts ever make it to this level because banks typically promote only 6 to 8 percent of its directors to managing director each year. At the end of the day, individual performance, revenue generation and client service are keys to moving up in the investment banking world. How long does it take? It’s not unreasonable for a hungry and highly effective new analyst to become a managing director in his or her 30’s.

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In any career, interning has always been a great way to not only experience whether a particular profession is the right one, but to also get a leg up on landing a full-time job after graduation. In the world of finance, internships are practically mandatory while at the same time very competitive.

If you want to stand out during the application process, you should research which of the over 30 different sectors of the financial markets industry you want to explore, along with the companies that operate in those sectors.

Make sure to continue to hone relevant skills whether they’re math, quantitative analytics or communications. Keep up on current events and the markets. Read financial news every day and take courses that will give you academic foundation in economics as well as financial and investment principals.

When Citigroup selects summer interns from college seniors and summer associates (students between their first and second years of graduate school, 90 percent of whom are MBA candidates), it looks for students who can articulate an interest in the financial markets.

Another tip is to line up some recommendations. Whenever you can, get people to put in a good word for you. It's easier to get an internship when you can get recommended, especially by someone with connections to the company which you are applying to.

Keep Your Eyes Open
When seeking your internship, cast a wide net. There are a number of different positions in a variety of sectors in financial markets. Banks look for people with a variety of backgrounds for positions in human resources, risk management, sales and trading. This industry welcomes students with varied and interesting backgrounds.

Once you're in the door, keep a mental checklist:

• Do you like the work?

• Are the other employees' interests and skills similar to yours? Be curious (but not pushy) about their backgrounds and responsibilities.

• Is the work environment comfortable or lacking?

• If you don't feel you have enough to do, ask, politely, for more.

• Always be enthusiastic and professional.

• If you're in a new city, try to network with other students and alumni from your school. As you hone your existing skills and acquire new ones, you just might meet someone who can help you find a permanent job.

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How to start off on the right foot in the financial markets

LANDING YOUR FIRST JOB

The key to landing that first job in financial services is to see you from the employer’s point of view. What do you bring to the table? As you write your resume, ask yourself if each item is presented in a way that shows your value to the employer. When you network, be sure your elevator speech mentions what you can do for the company that hires you. Remember – it’s not about you. It’s about the company’s needs.

Banks tend to be very selective about who they hire. When the industry is under pressure and cutting back, institutions ease up on student recruiting, making it even less likely that if your major isn’t math, finance or economics, you will be hired.

Beyond a good internship experience, you’ll also need to do a ton of research so you know what’s going on in the markets generally and be able to describe why you’re interested in joining a particular firm. Academically, the better your GPA, the better your chances of landing the job. But academics alone won’t get you an offer. Your goal should be to strike a good balance between academic credentials and interpersonal skills such as leadership and teamwork.

Showcase your leadership roles on and off campus along with how you’ve taken on responsibility and have been able to complete tasks. That what-I-can-do-for-you attitude needs to show up in all your networking communications as well.

Networking remains the best way to get a job. Start with what your school has to offer, but don’t stop there. Use all of your connections, alumni, parents and peers already in the market. Have you networked with alumni who are working where you want to work? And don’t forget those on campus interviews with recruiters.

Show Value

The second most important element to the search is the way you express your value proposition, which is corporate speak for how you show your value. You do this by having a solidly built foundation, with classes that led to a major relevant to Wall Street and an internship in investment banking. You need to be able to explain why banking is the right career for you.

You also need to be aware that a career in the financial markets is not all glitz and glamour. A typical week for starting investment banking analysts is 80 to 90 hours. Some people love it, but that is a rare breed. If the hours and the challenge of actually finding a job in investment banking don’t scare you off, remember that someone is going to get hired – and it might as well be you.

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What (not) to write when applying to the banks

RESUMES, COVER LETTERS AND APPLICATIONS

Resumes

Length — Ideally one page, but never more than two.

Contact details — Put your name in a bigger font at the top (in the page header) to help it stand out and your contact details underneath in a smaller font.

E-mail address — Don’t try to be clever with your e-mail address — boywonder2011@hotmail.com will make a bad impression.

Education — Make sure this section is on the first page, and put your educational qualifications in reverse chronological order, i.e., most recent first.

Dates — Don’t put the dates on the left – the reader’s eye will fall on the left-hand side first when skimreading; instead, put the qualification or job title (i.e., what you’ve actually done/achieved) on the left, the college where you studied and then the date, so BA Business & Law, Imperial College London, Sep ’08 – Jun ’11.

Achievements — The idea is to describe what you achieved and accomplished and not to just list your duties for every job that you performed. This can include what you achieved for your employer by way of business results, as well as for yourself in terms of skills and development.

Hobbies / Extracurricular activities — Keep them relevant, i.e., loaded with employability skills such as leadership, teamwork, initiative. If you’ve climbed Mount Everest, this shows planning, grit and stamina. If you’ve set up an investment club at college, this demonstrates an early interest in finance.

Applications

No shortcuts — “We often come across applications with answers that have been cut and pasted, which doesn’t reflect well,” says Natalia Garland, head of global graduate marketing and infrastructure, BNP Paribas.

But of course, it also depends on what you put in the space. “Be sensible,” advises Linda Jackson, managing director of consultants Fairplace. “Do not devote more space to your victory on the playing field than to your summer working for a big bank, because it will send the wrong message about your priorities.”

Questions to expect — There will probably be a question on your motivation(s) for breaking into the industry and for applying to a particular division or bank, along with questions on your industry knowledge. Then there are the inescapable “competency” questions, for which you should use the S.T.A.R. formula to frame your answers.

Cover letters

Their purpose — “People underestimate the importance of a cover letter,” says Sarah Harper, head of recruiting, EMEA and India at Goldman Sachs. “It is a useful mechanism to show your enthusiasm for the firm and the particular job you are applying for. It can really make a difference.”

Top and tail — Cover letters are still rather formal affairs, so never address it to the person’s first name. If you know the surname of the person you are writing to, write Dear Mr./Ms. X; then sign off with Yours sincerely; if you don’t know the surname of the person you are writing to, find out what it is. Do not just write Dear Sir/Madam and sign off Respectfully yours or Sincerely.

Tailoring — This means making sure you get the name of the person and company you’re writing to, address, job role and reference spot on, for a start. Then pull something from the job ad or job spec to show you know what they’re looking for, and tell them how you match it.

A word of thanks — Don’t forget to thank them at the end for considering your application.

Not forgetting e-mail

E-mail etiquette — It’s best to treat this as an online cover letter, so keep it formal and no SMS speak.
The S.T.A.R. technique may sound like a recipe for reality television success, but it’s actually the evidence and competency-based method of interviewing which is increasingly favored by investment banks.

S.T.A.R. stands for Situation, Task, Action, Result and is a method that allows the interviewer to assess your competencies (read “skills” or “abilities”) as a candidate by analyzing how you handled specific events in your past. “Instead of asking hypothetical questions, you find out how the person actually reacted in a real situation, making it much easier to distinguish between strong and weak candidates,” says Dr. Rob Yeung, corporate psychologist and director at leadership consulting firm Talentspace.

It is possible – and indeed necessary – to prepare for a S.T.A.R. interview. Step one is to identify the core and common competencies or skills that the banks tend to look for in their potential graduate recruits. Think leadership, teamwork, initiative, problem solving, communication, commercial awareness. Step two is to prepare a list of examples of how you’ve demonstrated these competencies in the past. Your examples may come from your work experience, studies, extra-curricular activities, volunteering, etc. Step three is to apply the S.T.A.R. formula to your examples to make sure you cover all the elements the recruiters will be looking for. But don’t learn your answers parrot-fashion, warns Dr. Yeung. “Remember the details so you can give a smooth answer, but do not learn the stories by heart or you will sound robotic,” he advises.

**Situation**

This is basically the scene-setting for your example, or the “once upon a time” opening to your story. “One day, during my internship with Bank X...” You shouldn’t spend too much time (or space, if on an application form) on this bit. Set the context for the story clearly in a few sentences.

**Task**

Now you are homing in on the specific problem you faced. The task should be credible – so using “Lehman was about to collapse so they turned to me to solve it” as an intern probably won’t wash. Instead, you should show a combination of realism and ambition, choosing a task that was achievable but without setting your sights too low.

**Action**

Next, it is time to move on to what you actually did in order to accomplish the task. This is the really meaty part in which your skills are put to the test. The key is to show that a) you had an objective clearly in mind, b) you assessed what needed to be done and c) there was logic in your action(s). By the way, they’ll expect more than one action.

Talk about the obstacles you faced and how you overcame them. Explain what you did, give details of how you carried it out and why you chose that course of action. Be prepared to be interrupted and asked to expand.

**Result**

They are now waiting to hear or read what happened as a result of what you did – project completed, money raised, happy customers, contract won or whatever, pitch book delivered, universe saved (OK, maybe not that one).

Be specific about the result for the company or group your task involved, and also the result for you – for example, what you learned. If the results were positive, underline your contribution and highlight your achievements. If the results were negative, remember that a setback can actually reflect positively on you, showing that you assess the consequences of your actions, that you are able to learn from your mistakes and that you are resilient in the face of adversity.
Insider tips on investment banking, sales and trading interviews

FRONT-OFFICE INTERVIEWS

Three former students, now gainfully employed in
front-office roles, give the inside scoop on what to expect
during interviews for investment banking, sales and trading positions.

Investment banking interviews

If you make it to the final round of an investment banking interview process, you will encounter an assessment center. Most banks use them. At that center, the final stage will be a round of interviews.

Brainteaser questions — Finally, there are also the apparently trick questions designed to test your logic, such as:
• You have a balance that doesn’t tell you how heavy each ball is. You can only use the balance twice. How can you identify the heavier ball?
• If one tap fills up a swimming pool in two hours and another
  tap fills it in four hours, how quick will it be if both fill it up at the same time?

My advice — Practice as many brainteaser questions as you can. The key to questions you can’t answer is [...] to demonstrate your thought process.

Technical questions — Slightly trickier questions designed to test your logic, such as:
• How would you explain credit spread?
• What is an inverted yield curve?
• Graph the price-yield relationship of bonds.

Other examples include:
• If you were given $250,000, where would you invest?

ANONYMOUS
Bulge-bracket bank

Trading interviews

The market has a way of turning cool, calm, collected individuals into irrational, impulsive and angry players. If you fall into the latter group, you will not succeed.

My advice — Whichever role you go for in an investment bank, some questions are inevitably. You should always be prepared to say why you want to work for that bank and why you want that job. And you should always come with some questions of your own.

Sales interviews

Tell me about yourself - walk me through your resume. Let’s face it – if you can’t sell yourself, you have little hope of selling anything to a portfolio manager.

My advice — However these questions are phrased, they are designed to find out more about you. How motivated and passionate are you? Can you sell? Will you achieve good results? Do you fit into the culture and style of the firm/deal?
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The answer to this question will help weed out those who truly understand the market and those who don’t.

Sales interviews

I cannot guarantee 100 percent that you will be asked these questions if you interview for a sales position in an investment bank, but I can say that the question is effectively designed to test your knowledge of the sales role within the bank/division and whether your selling style fits the culture of the firm or particular desk. If the desk’s revenue is based on a long sales process, the interviewer will be looking for a sales person with patience, diligence, organization and the ability to follow up. High-sales-volume flow desks will want someone driven to get the trade and close.

Which attributes do you think are vital to a good trader? Demonstrate you have these.

A good trader is able to digest large amounts of information and to play out scenarios that lie in together. If you want to be a trader, you will need to think for yourself and piece together various scenarios and outcomes. You’ll also need to keep your objectivity when things unfold in a fast and volatile market. To prepare for this question, focus on competencies and abilities suited to trading roles.

What is a call option?

Technical questions will depend on who is interviewing you. For example, a yield guy, a commodities trader and an equities trader will all tend to ask questions based on their product.

Other examples include: if the yen/dollar exchange rate is 110 yen/dollar today and the one-year forward rate is 115 yen/dollar, what does this imply? Would the price of a call option go up or down when the maturity of the option is longer?

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Virtual interviews

The author is a junior in a bulge-bracket bank in London.

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The key to this question is to focus on the abilities that every investment banker needs and to provide concrete examples of situations in which you’ve demonstrated them. They include understanding your target audience, asking the right questions, listening to the client and negotiation skills.

You have been warned…

If you haven’t to have a career in sales, what would you do?

This question is designed to unearth your true career goals. I personally ask, “Where do you see yourself in three/five/10 years?” You often find candidates haven’t prepared to discuss their true ambitions. The off-the-cuff response often reveals much about their long-term fit within the firm.

Which attributes do you think are vital to a good sales person? Demonstrate you have these.

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Why do you want to work for Bank X?

This is your opportunity to demonstrate you have researched and prepared. It is not enough to sit and reel off a million statistics about the achievements of the firm. Touch on the people, the culture, the structure of the graduate program. Make it personal. What genuinely interests you in Bank X?

Why sales?

The answer to this question will help weed out those who truly love selling from those who just happened to fall into sales as a profession. Your interviewers are looking to discover your self-awareness and motivation. Know your strengths and be able to show how they relate to sales.

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This question is designed to unearth your true career goals. I personally ask, “Where do you see yourself in three/five/10 years?” You often find candidates haven’t prepared to discuss their true ambitions. The off-the-cuff response often reveals much about their long-term fit within the firm.

My advice — However these questions are phrased, they are designed to find out more about you. How motivated and passionate are you? Can you self? Will you achieve good results? Do you fit into the culture and style of the firm/deck?

ANONYMOUS

Front-office markets professional, U.S. investment bank

Technical questions will depend on who is interviewing you. For example, a yield guy, a commodities trader and an equities trader will all tend to ask questions based on their product.

What attributes do you think are vital to a good sales person? Demonstrate you have these.

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Advice from investment banks’ graduate recruiters on how to make it through the process

GRADUATE RECRUITER Q&A

Laurence Raison
Global head of talent management and people development, Société Générale CIB

Q: What are the top qualities you are looking for in your graduate recruits? What are the most common mistakes that students make when applying?
A: Honestly and integrity are top of the list; the candidate must share our values. Then curiosity, the hunger to learn and try new things. Finally, flexibility and adaptability. We believe leadership never comes from replicating what was done before but from constantly asking how we can do it better. We encourage creative new ways of thinking and a combination of enthusiasm and rigor.

Q: Do you look for any particular academic qualifications, and how can a candidate make their resume stand out?
A: We always look for evidence of a high level of skill and motivation, as well as something that makes you stand out from the crowd. It’s very important that the candidate thinks carefully about their career and makes an informed decision about which division and which bank they are applying to. Read the job description carefully and take time to research the bank – we expect to see more than what’s on our Web site. You must be able to demonstrate some enthusiasm for your chosen career.

Q: What would make you pick out one graduate resume over thousands of others you receive in Asia-Pacific? What non-work-related activities do you look on favorably?
A: One of the key things we look for is activities that demonstrate team spirit or an ability to work well with others. This could be something like charity work or sporting achievements. Candidates need to be able to create a link between the activities they’ve been involved with and explain how the skills they’ve gained from this are relevant to the role they’re applying for.

Q: What are the chances of a candidate from the West securing a position in Asia-Pacific?
A: It’s not purely about academics. Yes, candidates need to pursue a career in investment banking and have a financial knowledge. We do, however, want to see a real interest and enthusiasm for the banking industry.

Q: Are the top qualities you are looking for the same in all aspects of the application process – students need to articulate clearly why they are strong candidates and why they want to work for Deutsche Bank. How integral is gaining an internship to securing a full-time offer eventually?
A: Very important. The internship program is more than just a “summer work experience” – it is a two-way interview, as it allows the employer to assess your ability and potential, and enables the candidate to determine whether this is the right industry, firm or division for them.

Q: What are the top qualities you are looking for in your graduate recruits? How do you assess the qualifications of an applicant based on a variety of factors? What is the number one reason why applicants are rejected?
A: Hiring for the graduate program is a long-term commitment, for both the employer and the candidate, and the internship program is a key pipeline. It is therefore important that candidates approach their search for an internship with the same rigor, commitment and focus as they would for a full-time job.

Q: Applications must be well-written and concise. Attention to detail is very important and spelling errors are not tolerated. Thorough preparation and communication skills are the most important aspects of the application process – students need to articulate clearly why they are strong candidates and why they want to work for Deutsche Bank.
A: We assess the qualifications of an applicant based on a variety of factors. It’s difficult to specify one particular reason. We look at academic performance, work experience and leadership qualities. There are multiple factors that we take into consideration when making a decision on a candidate.

Q: Can you offer any tips on how to prepare for the interview process? What are the top qualities you are looking for in your graduate recruits?
A: The key is to evaluate your own strengths, weaknesses and development areas, so that you can anticipate the questions you will be asked during the interview. It’s also important to research Deutsche Bank – not all investment banks are the same and candidates need to know why they want to work for us over other firms.

Q: What are the characteristics that describe your ideal graduate hire? What are the chances of a candidate from the West securing a position in Asia-Pacific?
A: We look for a number of things including top talent, overall cultural fit within the bank and people who are team players. We also look for leadership qualities and assess their overall work and academic experience to determine what a candidate brings to the table.

Q: What are the non-work-related activities do you look on favorably? What are the top qualities you are looking for in your graduate recruits?
A: Can you offer any tips on how to prepare for the interview process? What are the top qualities you are looking for in your graduate recruits?

Q: What is the interview a two-way process. If candidates don’t have any questions at the end of an interview, it doesn’t send out a positive message. How do you look at the overall academic performance?
A: Do you arrange work permits or help foreign students work at the company? What are the most common mistakes that students make when applying?

Q: What non-work-related activities do you look on favorably? What are the top qualities you are looking for in your graduate recruits?
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Q: What are the chances of a candidate from the West securing a position in Asia-Pacific?
A: We look at the overall academic performance. Our focus is to develop a holistic view of a candidate that allows us to look at their entire academic record, so normally one course would only be a small component of a candidate’s full profile.

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Interviews aren’t always about knowing the right answer to questions. Most questions are designed to test your thought processes and logical reasoning skills rather than specific financial knowledge. We do, however, want to see a real interest and enthusiasm for the banking industry.

Remember that the interview is a two-way process. If candidates don’t have any questions at the end of an interview, it doesn’t send out a positive message.

What are the chances of a candidate from the West securing a position in Asia-Pacific?

Deutsche Bank aims to recruit the best students wherever they are studying. Our graduate training program is truly global, and whether you choose to start your career in London, New York, Tokyo or Singapore, you can expect the same high standard of training and opportunities. If you are interested in working in a specific country, it is important to do your research and articulate what interests you about the region.

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**Q** What are the most common mistakes that students make when applying?

Undoubtedly, the most common is a lack of attention to detail. Any grammar and spelling mistakes look careless and unprofessional, especially as it is so easy to avoid them now. Some resumes contain too much information, which makes it difficult to find what is relevant to us, while others contain too little, which makes it hard to establish if the candidate is right for the job. During interviews, candidates are stressed so they often do not listen carefully to the question asked.

**Q** What non-work-related activities do you look on favorably?

One of the key things we look for is activities that demonstrate team spirit or an ability to work well with others. This could be something like charity work or sporting achievements. Candidates need to be able to create a link between the activities they’ve been involved with and explain how the skills they’ve gained from this are relevant to the role they’re applying for.

**Q** What would make you pick out one graduate resume over thousands of others you receive in Asia-Pacific?

It’s not purely about academics. Yes, candidates need to achieve a certain academic standard but they should also be able to show that they can manage their workload effectively – perhaps through balancing a heavy course load with extracurricular activities or a part-time job.

**Q** What are the top qualities you are looking for in your job.

Honesty and integrity are top of the list: the candidate must make when applying?

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**LAURENCE RAISON**
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You may not be able to predict what questions you will be asked at an interview, but you can know the types of questions to expect. The questions banks ask will generally come from one of five categories.

Competency questions
Loved by graduate recruiters and human resources interviewers everywhere, the aim of this type of question is to establish your behavior in a given situation. “This type of question allows us to focus on what the candidate brings to the table beyond their technical skill set,” confirms Keisha Smith, global head of recruiting, Morgan Stanley. “We want to determine whether candidates have the personal attributes to succeed. Do they have good judgment, are they self-starters, are they influential and can they lead?”

Come with at least two answers prepared for each type of major “employability skill” or “competency” that you can identify.

Some examples:
• Tell me about a time when you faced a challenging experience. How did you overcome it and what was the result?
• Can you describe a situation in which you showed initiative?

Motivation questions
This is the “why this company/division/job” question. There is no excuse for not prepping this type of question correctly. They want to know a) if you know the difference between their bank/division/role and another, and b) if you have a genuine (or plausible) reason for wanting to work in it.

Some examples:
• Why are manhole covers round? (If you say, “Because the hole is round,” you’re out.)
• What is 21 x 19?

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Brainteaser questions
These are the apparently cryptic questions originating from the “tech geek” interview-style espoused by companies such as Google or Microsoft, which have migrated to interviews for banks. Often they will pop up in between competency, motivation and/or technical questions.

There is no right answer. While many are pure mental arithmetic, others are designed to see your logic in working them out.

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KEISHA SMITH
Global head of recruiting, Morgan Stanley

Technical questions
Mostly asked by business interviewers, i.e., the people running the desks in the business area you want to join. They ask these to weed out the time-wasters – students who haven’t kept up with what’s going on in the economy or markets around them. Even at graduate level, a certain standard of industry knowledge is expected.

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Your questions for them
Yes, they do expect you to come with questions – at least two. Avoid the classic mistakes at this stage. One, thinking the interview is over now you’ve reached the “have you any questions for us?” stage. Two, using this as an opportunity to ask about pay, holidays or benefits. Instead, ask questions about the industry, company and the job itself. All safe.

Some examples:
• I read recently that M&A activity is turning a corner. Would you be willing to give me your view on the M&A trend in the market?
• How is performance on the graduate program measured?
Depending where you are in the world, the notion of diversity is a widely subjective and extremely relative experience.

In the U.S., where diversity has become ingrained into the corporate strategy of most large companies including all of the major banks, it dates back half a century to when the President’s Committee on Equal Opportunity was created in 1961. It was followed by “affirmative action” in 1970 with its quotas, goals and timetables. But it wasn’t until the 1980s that having a diverse workforce became valued as a business strategy.

While that strategy still holds today, in a few regions, there are signs that some industries are less diverse than they were a few years ago.

How female-friendly?

Within investment banking, the financial crisis has not been beneficial to diversity initiatives. According to Reuters, the number of women in senior level management, which was already disproportionately low, had dropped to just over 15 percent in 2009 from nearly 18 percent in 2007. In the U.S., the number of women working in finance has fallen by 141,000 over 10 years, while the ranks of men grew by 389,000 according to the Bureau of Labor Statistics.

In China, Taiwan and Vietnam, more women than men are taking MBAs. A Bloomberg survey found that 76 percent of Chinese women considering business school are aiming for a top job, compared with 52 percent of American women.

Financial services have some catching up to do, but is it really the case that banks and investment firms are not devoting as many resources to diversity initiatives as they did in better times?

Milton Irvin, a managing director and America’s head of diversity and inclusion at UBS, believes not. Diversity programs continue to involve a multifaceted approach, devoted to "leveraging talent, impacting culture and delivering on and taking advantage of marketplace opportunities," he argues.

LGBT leading the way

Global banks and investment firms have a variety of structured efforts in place, including internships, immersion events and mentoring programs. For example, UBS has its Freshman Forum and Sophomore Symposium to get undergraduate students interested in the financial sector. These programs are geared to women and ethnic minorities, as well as lesbian, gay, bisexual and transgender (LGBT) candidates.

In fact, in the U.S., the LGBT community has become one of the most vocal elements of the diversity movement. Recently, Deutsche Bank’s New York headquarters hosted a summit called Out on the Street, dedicated to advancing the ranks of LGBT banking leaders.

Bank of America Merrill Lynch, Barclays, Citi, Goldman Sachs and Morgan Stanley also participated in the event. They discussed progress to date, particularly the emergence of private banking and advice-giving practices for gay couples, by gay advisors.

A revolving door?

People in the field say initiatives not only need to focus on recruitment but also on the more critical issue of retention. Irvin says there is clearly more to be done to hold onto qualified talent. The problem in the finance sector, says Irvin, is that highly qualified professionals can easily find other opportunities outside the industry or even at the entrepreneurial end.

Jennifer Hatch, president and managing partner at Christopher Street Financial, a wealth management firm catering for the gay and lesbian community, was one of those people. She previously served as a vice president at J.P. Morgan and as a managing director at Bear Stearns, working in equities and high yield bonds for institutional investors.

“Back when I first started, women couldn’t even wear a professional pant suit into the office,” she says.
M&A is the toughest area of investment banking to break into
Expect long hours, number crunching and a steep learning curve at junior level
Senior bankers do most of the client liaison

INVESTMENT BANKING AND M&A

Because of its reputation as the glamorous side of investment banking, mergers and acquisitions (M&A) is one of the most competitive sectors to break into. M&A teams in investment banks advise clients on mergers (where two companies join up as equals) and acquisitions (where one firm takes over part or all of another). Big investment banks only get involved with transactions worth at least $100 million. At the top end, the deals can be worth billions.

A career in M&A demands considerable commitment. M&A bankers advise their clients at stressful and critically important periods in a company’s lifetime, so they must make themselves available whenever the client needs them. Junior bankers put in long hours and can expect to work late into the night.

“M&A is heavily quantitative – so while you don’t need to be an economics or maths major, you do need to be a strong quantitative thinker,” says K. Don Cornwell, managing director, investment banking division at Morgan Stanley.

Key players
The big U.S. investment banks dominate the 2010 advisor rankings. The highest-ranked European player was Credit Suisse.

Roles and career paths
There is a relatively straight route up the career ladder in M&A. Generally in the U.S., after receiving your undergraduate degree, you start out at analyst level for three years, then return to school for your MBA or MIS in finance, going back to work first as an associate for another three years, then vice president, director and managing director, although the precise job titles may vary. Within those roles, you have a chance to focus on sectors such as consumer, financials, oil and gas or media and telecommunications.

The more senior you get in M&A banking, the more you’ll deal face to face with clients. At the junior level, you may attend client meetings with more senior bankers, but mainly you’ll be focused on complex financial modeling and research to compile the “pitch book” – the document the firm uses to outline its ideas on which companies a client should buy or sell to.

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Managing director, investment banking division, Morgan Stanley

As an analyst, your key tasks will include working on those client service presentations, largely for M&A deals, but occasionally for initial public offerings. A lot of this will involve building a financial model, valuing a company or benchmarking it against its peers.

It is only later that you step away from the number crunching. The key difference between an analyst and an associate is that you take more responsibility for the transactions and projects. You’ll be assigned more tasks, so expect your workload to be more complex.

Pay and bonuses
Many banks have mitigated regulatory pressure on bonuses by increasing base salaries, as well as altering the structure of variable pay to include deferrals and a larger proportion paid in stock.

Skills sought
Given that you’ll be working on complex financial models for valuing companies and piecing together presentations to clients, numerical and analytical skills are essential. Second languages are valued for working with overseas clients, as are stamina and attention to detail.

“While it is not necessary to have a finance or mathematics degree, you are expected to have first-rate analytical and numerical skills, which are required for valuation exercises and financial modeling that could form the basis of a client pitch,” says Jasper van Bilgen, global banking analyst program manager at Royal Bank of Scotland in London.

Many of an analyst’s duties are focused around financial modeling but, as you get more senior, these technical skills need to be combined with softer qualities.

“As well as having strong technical and financial skills, the best M&A bankers are also part-lawyer and part-psychoanalyst,” says Jason Morris, executive director, head of southeast Asia M&A, Nomura. “This combination marries a strong knowledge of the local regulations in each market with an ability tactically to develop an overall deal strategy based on the dynamics, motivations and cultural considerations of all stakeholders. It also brings to the table smart negotiation skills to secure the best outcome for your client.”

Nathalie Feretti
Analyst, M&A, Rothschild
Nathalie studied economics at Bristol University and joined the Rothschild graduate program in 2010.

What are the key elements of your job?
One of the most important pieces of advice we give is our opinion on how much clients should expect to pay for a company or sell a company for, as a large part of the job involves coming up with a suitable valuation. We need to understand the business and take a view on the outlook for the industry.

What’s your average day like?
If I’m working on a live transaction, I would get involved with tasks such as writing an information memorandum (describing the company for sale to potential bidders) or management presentations.

“If I’m helping write a pitch book, I would spend time researching the potential client’s business and industry. I also do financial modeling and analyses for valuation purposes. If I’m lucky, I might get invited to a client meeting. When it’s quiet, I finish around 8 p.m., on busier days it’s after midnight!”

What are the best things about your job?
You can take on a lot of responsibility quickly, something you really start to notice once people begin to trust you more. It’s a constant learning process all the way through your career.

How do you see your career progressing?
In five years’ time, I hope to have started to build my own list of client contacts and to have worked on a large and varied list of transactions. I expect I’ll be much more involved in client pitches as well as in the management side of a transaction process.

“Client focus, impeccable ethics and team orientation are vital. Having teams made up of individuals with diverse experiences and backgrounds helps us to serve clients better,” adds Celine Desaulelleer, executive director, investment banking division at Goldman Sachs.

You also need to be a self-starter and to try to be ahead of the curve in anticipating the next appropriate step, because you will not always get day-to-day guidance on what you’re supposed to be doing, adds Morgan Stanley’s Cornwell.

“We’re often asked to do analyses with limited information or inputs, so being creative during the financial modeling process is important,” he says.

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<tr>
<th>Role Base Bonus Bonus YoY</th>
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<tr>
<td>1st-2nd year analyst 90-100 40-80 -5%</td>
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<td>3rd year analyst 110-170 70-100 -6%</td>
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<tr>
<td>1st-2nd year associate 120-200 110-200 -6%</td>
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<td>3rd year associate 160-180 150-225 -7%</td>
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<tr>
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<tr>
<td>Director 250-300 300-500 -34%</td>
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<td>Managing director 350-500 800-1400 -23%</td>
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Average global investment banking pay 2010 ($k)

Source: Citigroup Global Markets

What can you take on for a M&A analyst candidate? The average role is an analyst with a strong quantitative background, something you really start to notice once people begin to trust you more...
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What are the best things about your job?

You can take on a lot of responsibility quickly, something you really start to notice once people begin to trust you more. It’s a constant learning process all the way through your career.

There must be some downsides though?

The long hours take a bit of getting used to, and it’s difficult to make plans during the week as it’s quite rare that I’m out of the office before 10 p.m.

How do you see your career progressing?

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Role | Base | Bonus | Year-end bonus |
--- | --- | --- | --- |
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2nd year analyst | 110-170 | 70-100 | -6% |
3rd year analyst | 120-200 | 110-200 | -6% |
3rd year associate | 160-180 | 150-225 | -7% |
Vice president | 200-250 | 200-300 | -11% |
Director | 250-300 | 300-500 | -34% |
Managing director | 300-500 | 800-1400 | -23% |

Source: Options Group Intelligence Unit.
Bankers in the capital markets divisions of investment banks produce the securities companies and institutions use to raise money through public markets. The two main products are stocks, which are traded on equity capital markets, and bonds traded in the debt or fixed income markets.

Equity capital markets (ECM) bankers help companies raise money by issuing shares and related derivative products, which are sold to investors. They act as “underwriters” in the process. This means that, in exchange for a fee, they guarantee they will sell the shares the company is issuing for a certain price. If they can’t find enough people to buy the shares at the price they’ve agreed with the client, the bank is obliged to buy the shares.

Debt capital markets (DCM), meanwhile, deal with saleable units of debt in the form of bonds that are issued by companies or governments. Bonds come in a variety of types, such as investment grade corporate bonds, less than investment grade high yield or so-called “junk” bonds, municipal or muni bonds, and treasuries, which are issued by the federal government.

DCM is also often referred to as the fixed-income market. This is because the origins of bond underwriting were in debt securities that paid a fixed amount of interest.

Financial products that have been created by capital markets bankers in the so-called “primary markets” go on to be bought and sold by banks’ salespeople and traders in the “secondary markets.”

Roles and career paths
As banks are essentially offering similar services, they have to convince clients that their firm is the one to use. So before new equity or debt-related products can be created, deal “originators” are deployed to bring in new business.

Origination specialists spend a lot of time traveling to clients to gain an insight into their financing needs. However, you are unlikely to become one until you’ve worked in capital markets for some time.

As a junior capital markets professional, you are more likely to be involved in structuring the products so that they meet the client company’s financing needs and are compelling for investors, or in the syndication process (preparing for the sale of finished products to investors).

“Product knowledge, such as how to structure and price various equity products, and market understanding are key skills of a capital markets banker.”

DARIUS NARAGHI
Director, equity capital markets, Deutsche Bank in Hong Kong

These days, it is often not sufficient simply to be an equity or a bond specialist. Banks such as Morgan Stanley, J.P. Morgan, Citigroup and UBS have combined their equity and debt origination businesses, so it helps to understand both.

Pay and bonuses
Capital markets analysts can expect $70-75k in their first year, rising to $80-100k after two years, according to recruitment sources.
Skills sought
If you want to work in capital markets, it will help to have an understanding of, and interest in, the technicalities of company financing, but this isn’t the limit of the job.

“Product knowledge, such as how to structure and price various equity products, and market understanding are key skills of a capital markets banker,” says Darius Naraghi, director, equity capital markets at Deutsche Bank in Hong Kong.

“As ECM bankers become more senior, it is also important to develop strong relationships with regional companies that are looking to raise money and also with institutions that are looking to invest.”

If you want to advance, it is important to look at the bigger picture and take an interest in industries and sectors outside your current area of specialization, suggests George Davis, managing director, RBC Capital Markets. “You need to understand your role, where you fit within your immediate group and where your group fits within the firm’s broader objectives,” he says. “You should also have a clear understanding of client needs and the utmost in ethical conduct.”

Although you will be given a high level of individual responsibility, capital markets careers are not like trading careers, where individual excellence can reap the highest rewards. You have to be a real team player, largely to keep a variety of parties happy throughout a complex process.

Top 10 bookrunners: global debt, equity & equity-related activity 2010

<table>
<thead>
<tr>
<th>Bookrunner</th>
<th>Proceeds ($bn)</th>
<th>Market share (%)</th>
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<tr>
<td>1. J.P. Morgan</td>
<td>452.9</td>
<td>7.5</td>
</tr>
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<td>2. Barclays Capital</td>
<td>448.4</td>
<td>7.5</td>
</tr>
<tr>
<td>3. Bank of America Merrill Lynch</td>
<td>413.3</td>
<td>6.9</td>
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<td>4. Deutsche Bank</td>
<td>393.7</td>
<td>6.6</td>
</tr>
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<td>5. Morgan Stanley</td>
<td>320.9</td>
<td>5.3</td>
</tr>
<tr>
<td>6. Citi</td>
<td>297.9</td>
<td>5.0</td>
</tr>
<tr>
<td>7. Goldman Sachs</td>
<td>295.7</td>
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</tr>
<tr>
<td>8. Credit Suisse</td>
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<td>10. RBS</td>
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Source: Thomson Reuters.

How did you end up in capital markets?
I started my career on the buy-side during the financial crisis. It was obviously a challenging market, and I decided I’d rather move to a more diversified investment bank to help broaden my skill set. After visiting the Morgan Stanley careers Web site, I leveraged some prior relationships and attended one of the bank’s networking events. Eventually I was accepted onto its training program and that helped me get up to speed as quickly as possible.

Why do you think you’re good at what you do?
As a capital markets analyst, I need to be able to juggle multiple tasks simultaneously and absorb and react to all sorts of data. I am dependable and exercise good judgment – two assets I acquired on the job.

What are the most appealing aspects?
Being on a team and the competitive dynamics of the job appeal the most. They remind me of my time on the University of Maryland golf team. The job requires you to work hard and earn the trust of teammates. Being able to have a direct, meaningful impact on clients also makes the job rewarding.

What have you found most challenging?
Unpredictable requests, particularly those received at the last minute. We have to be able to prioritize tasks and stay organized all the time. I’d say that is one of the most challenging, demanding and integral parts of the job. But the more experience you get, the better you become at balancing the workload.

What are you working on today?
I’m currently working on some debt financing transactions, in collaboration with our mergers and acquisitions team in investment banking. I also speak frequently to the treasury teams at large companies to provide financing terms and market updates for live and potential transactions.

“...I need to be able to juggle multiple tasks simultaneously and absorb and react to all sorts of data. I am dependable and exercise good judgment – two assets I acquired on the job.”
There is also a range of “exotic” derivative products within all the largest in the world, with an average daily turnover of $4 trillion, currencies and interest rate products. Within the fixed income shares) and fixed income (corporate credit, government debt, opportunities, while traders buy and sell securities. Secondary markets, salespeople advise clients on investment purchase and add value accordingly,” says Lutfey Siddiqi, head of not just a product. It’s important to understand what is driving the usually focus on particular products (e.g., government bonds) and other institutional investors, when to buy and sell securities. They salespeople advise clients on investment. Your career will be defined both by what you trade of a button. Your career will be defined both by what you trade.Traders track the markets and buy and sell products at the touch Traders need to stay cool under pressure and make decisions based on analysis, not emotion. An analytical mind and strong mathematics will give you the edge in research. An outgoing and confident personality are a must for sales.

SALES, TRADING AND RESEARCH

Every day, millions of financial products are bought and sold in the secondary markets where traders, salespeople and researchers trade for clients after a security’s initial issue. In the secondary markets, salespeople advise clients on investment opportunities, while traders buy and sell securities. The secondary markets are divided into equities (stocks and shares) and fixed income (corporate credit, government debt, currencies and interest rate products). Within the fixed income division is the foreign exchange (FX) team. The FX market is the largest in the world, with an average daily turnover of $4 trillion, according to the Bank for International Settlements figures. There is also a range of “exotic” derivative products within all these sectors, whose value depends on the underlying security.

Roles and career paths

Sales, trading and research are distinct careers. Salespeople advise their clients, who might be hedge funds, pension funds or other institutional investors, when to buy and sell securities. They usually focus on particular products (e.g., government bonds) and clients. “Most of the time, we’re selling ‘convenience’ or ‘utility,’ not just a product. It’s important to understand what is driving the purchase and add value accordingly,” says Lutfey Siddiqi, head of FICC corporate coverage and FX distribution Asia-Pacific at J.P. Morgan Investment Bank.

Traders track the markets and buy and sell products at the touch of a button. Your career will be defined both by what you trade (e.g., equities, foreign exchange or commodities) and by the kind of trader you are. There are several types.

Skills sought

Traders need a good sense of risk and reward, an understanding of the dynamics of the markets and an analytical mind. If you’re trading complex derivatives, you’ll need the mathematical ability to understand the products. If you’re trading non-complex, “vanilla” products, you’ll need to understand what drives the market.

If you are a little shy or lack strong communication skills, be honest with yourself and avoid applying to sales.

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In any trading role, strong analytical abilities, whether across equities, bonds or derivative products, are essential, even at a junior level, says David Sayer, head of Asia cash equity trading and execution at J.P. Morgan.

“If the number one quality I look for in candidates, apart from technical skills, is someone who is broad-minded and has the ability to stay cool under pressure because trading in the markets can be very emotional,” he says. “Traders also need to be communicative and confident, especially since working on the trading floor sees them interacting with hundreds of people every week.”

Highly developed analytical skills are essential for research roles, as is an inquisitive nature and an ability to synthesize large quantities of information and turn it into a linear argument.

Cynthia Rupeka, junior associate, hardlines retail at Morgan Stanley Equity Research, says, “Successful associates not only pay attention to detail but utilize that detail to understand and quantify the ‘big picture’ implications for stocks in their coverage universe.”

If you want a career in sales, you’ll need to be good at dealing with people. Adam Law, director, fixed income, Barclays Capital, says, “We look for people who show an interest and hunger to immerse themselves in their products and markets so that they understand them completely, who are highly proactive in their approach towards their colleagues and the firm’s clients and have a strong sense of long-term commercial value.”

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Why did you choose a role on the structuring desk?

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“Realizing the risks and reaping the rewards”

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The rise of electronic trading over the past decade has had a profound effect on the structure of equity markets. Automation transformed the market from one where a great deal of human intermediation was required into one where computers largely do the work in executing and processing trades.

There are many benefits to this. First, it allows greater volumes of trades, which improves market liquidity: the U.S. average daily reported trading volume increased from three billion shares in 2003 to nearly 10 billion in 2009. Second, the speed of executions and cost of transactions have fallen sharply while transparency has increased. The use of algorithms—computer systems that decide on price, timing and quantity of an order—has also cut the size of the average trade. Slicing large blocks into smaller pieces reduces the market impact of trades and limits adverse costs of trading large positions.

A downside is that greater automation means less manpower. One bulge-bracket bank tells us it employs 30 percent fewer traders than in 2005, dealing with three times the flow.

Electronic trading is well-established in the high-volume foreign exchange market and increasingly important in fixed income.

Roles and career paths

Quantitative analysts — Are the mathematically elite key to gaining an edge in e-trading. They design, develop and implement execution algorithms using a mathematical approach to identify investment opportunities and strategies.

Consultants — Keep clients happy. They run statistical reports, including transaction cost analysis and trade reports, to ensure clients are using trading tools effectively.

Sales traders — Facilitate the execution of trades for clients, offer a menu of the bank’s e-trading products and facilitate a customer’s decision. This role combines marketing and client relationship management. Banks also hire for pure sales roles.

Market structurers — Analyze regulatory changes and macro trends and their potential effect on trading.

There are also technology positions in the development of e-trading platforms (see IT in finance).

Skills sought

Most quants have Ph.D.s in a highly mathematical subject and must also possess a solid knowledge of financial instruments and technical computing software such as MATLAB, C, C++, Java and SQL.

For other roles within e-trading, softer skills are valued. Good communicators and team players are essential, suggests Chris Jackson, graduate program manager, global banking and markets at Royal Bank of Scotland. “This is important because our electronic markets business acts as a partner in driving and implementing the electronic trading and distribution strategy across designated asset classes,” he says.

The key to succeeding in electronic trading is versatility. “The skill set of today may not be the skill set of tomorrow given rapid changes in technology and in the industry landscape. You need not only to accept change – you also need to embrace, welcome and thrive amid change,” says Andrew Silverman, managing director, Morgan Stanley Electronic Trading. “Those who succeed know how to multitask, work as part of a team and share information with colleagues in other countries.”

Average global electronic trading pay ($k)

<table>
<thead>
<tr>
<th>Role</th>
<th>Base</th>
<th>Bonus</th>
<th>Bonus YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate (quant)</td>
<td>95-115</td>
<td>25-100</td>
<td>+20%</td>
</tr>
<tr>
<td>Vice president</td>
<td>120-200</td>
<td>50-100</td>
<td>+15%</td>
</tr>
<tr>
<td>Director</td>
<td>200-300</td>
<td>200-500</td>
<td>+10%</td>
</tr>
<tr>
<td>Managing director</td>
<td>300-500</td>
<td>300-1,500</td>
<td>+5%</td>
</tr>
</tbody>
</table>

Source: Options Group Intelligence Unit.
Since the financial crisis, regulators across the world have increasingly been baring their teeth. With regulators in different countries adopting different approaches, there have been increasing calls for more international coordination on how best to reform financial services regulation.

The regulatory shake-up has driven demand for compliance staff. Risk managers have been thrust into the spotlight. Internal and external liaison means communication skills are important.

**Keeping tabs on risks and regulations**

COMPLIANCE AND RISK MANAGEMENT

I t is up to risk management teams in investment banks to make sure the bank understands the risks it is taking in the aggregate and all the way down to individual traders.

With the losses sustained during the global financial crisis of 2008 and the impact of subsequent regulatory reform, the focus on a stronger and more embedded risk management has never been greater.

In the UK, the regulatory regime is in a period of flux, with the Bank of England taking on more responsibility and the Financial Services Authority to be succeeded by the Financial Conduct Authority and the Prudential Regulatory Authority.

In the U.S., the Federal Reserve, the Securities and Exchange Commission and FINRA, among others, are financial watchdogs. In Asia, the Securities and Futures Commission regulates Hong Kong, while Singapore is under the watchful eye of the Monetary Authority of Singapore.

As well as individual country watchdogs, European firms are also regulated by the Committee for European Securities Regulation, the Committee of European Banking Supervisors and the Committee of European Insurance and Occupational Pension Supervisors.

**Roles and career paths**

Risk management in investment banks is divided into different areas of risk, including:

- **Market risk** — Of traded financial products (e.g., stocks, bonds or commodities) changing in value because of fluctuations in market variables, such as oil prices, interest rates or spreads.
- **Credit risk** — Of a particular company or an individual defaulting on their obligation to repay their debts.
- **Operational risk** — Of a bank incurring damage or losses due to internal factors, such as systems breakdown or financial wrongdoing.
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If you join an investment bank as a graduate trainee, you are likely to be “rotated” around different areas of the risk function. Compliance roles in investment banks can also be divided into various categories.

Sales and trading compliance — Working with a bank’s salespeople and traders to ensure their activities comply with the requirements of the local regulator. Sales and trading compliance pros are often product specialists — they might specialize in bonds, equities or derivatives.

**What makes you good at your job?**

My good numeracy and quantitative skills help. In daily trading risk monitoring, I can instantly feel if one risk number is right or wrong, and whether there is a need to drill down further.

**Problem solving is critical and is a personal strength. I enjoy connecting the numbers with the trading strategies and identifying any potential risks early.**

**Why would you recommend a career in risk?**

You can work in a specialized skill set or area, or have broad exposure across a business or different functions. You don’t have to operate in a silo if you choose a career in risk.

**Control room compliance** — Centralized tasks such as maintaining the bank’s restricted list (which restricts confidential information to key individuals) and checking for abnormal or alarming dealing activity. Should certain staff be placed on “stop and watch” lists, it is the control room compliance team that ensures they are stopped and watched.

**Monitoring and surveillance** — Scrutinizing specific behavior and transactions that might indicate fraudulent activity, such as insider dealing or manipulation of markets.

**Anti-money laundering** — Stopping money laundering (where proceeds of illegal activities are given the appearance of being legitimate).

**Pay and bonuses**

The heightened focus on risk and compliance has meant that teams are expanding and salaries are higher.

Risk managers and compliance officers who work alongside salespeople and traders typically earn the most. On the risk side, this means high-ranking market risk specialists. And in compliance, sales and trading compliance professionals who specialize in the latest hot product can expect the biggest pay packages.

**Ying Gu**

**Market risk analyst, Citi**

Ying Gu graduated in 2007 with a bachelor’s in economics from the Shanghai Institute of Foreign Trade and completed a master’s in statistics at Columbia University in December 2008. She joined the Citi global risk analyst program in 2009 and is now based in Hong Kong.

**What do you do?**

On a day-to-day basis, my role is hectic and challenging. It involves identifying, monitoring and managing market risks, as well as liaising with traders, primarily in the equity and equity derivatives markets. This involves aggregating the market factor sensitivities based on each portfolio and observing trading positions. There is also regular and ad hoc analysis of risk management and trading data such as economic indicators analysis and the risk return matrix.

**What do you think are the most important skills to possess?**

Ability to think on your feet and identify any potential risks early. My good numeracy and quantitative skills help. In daily trading risk monitoring, I can instantly feel if one risk number is right or wrong, and whether there is a need to drill down further.

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**Why did you choose a career in risk?**

I was looking for insightful and persuasive people who can work constructively with every area of the firm to protect our reputation, manage risk and advance our business.

**JAMES PETERS**

Managing director, IBD compliance, Goldman Sachs

Risk managers try to make sure their bank isn’t over-exposed to borrowers or trading partners that may not repay their debt or meet other obligations, to falling markets or other financial pressures that could jeopardize the balance sheet. In investment banking or asset management, risk managers help ensure the overall strength of the firm’s portfolio and sometimes manage regulatory risk.

Compliance teams ensure that banks are working in line with the regulations imposed in the country in which they operate. A number of new financial regulations coming from the Dodd-Frank act has created a need for more compliance officers.

Since the financial crisis, regulators across the world have increasingly been baring their teeth. With regulators in different countries adopting different approaches, there have been increasing calls for more international coordination on how best to reform financial services regulation.

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**Skills sought**

Perhaps slightly surprisingly, among the key attributes banks look for in their compliance recruits are good communication skills and an ability to build relationships, largely because of interaction with various divisions within the business.

“It is critical for us to be in compliance with both the spirit and the letter of the regulations that govern us and always to maintain the highest ethical standards,” says James Peters, managing director, IBD compliance at Goldman Sachs.

“We’re looking for insightful and persuasive people, who can work constructively with every area of the firm to protect our reputation, manage risk and advance our business.”

In risk, numeracy skills are a must. You need good applied math skills and an understanding of differential equations, as well as financial modeling skills. “We look for people who can identify the problem from the confusion that surrounds the business decision, model it and then improve the decision-making around it,” said a risk manager at a bulge-bracket bank.

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<td>50-82</td>
<td>106-148</td>
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<td>80-100</td>
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Source: Robert Walters.
**The business of the back office**

**OPERATIONS**

If you work in operations at an investment bank, hedge fund, asset management firm or other financial services company, your job is to make sure the firm’s various divisions function efficiently. Often referred to as the “back office,” operations may not generate the fees and profits, but a well-run operations division can make sure a greater percentage of those revenues are recorded as profits.

Operations professionals support everything from information technology and human resources to trading and risk management. The overall operations role is so broad most employees will typically specialize in supporting one function.

Operations managers need to be able to act decisively and be able to respond immediately to any adverse event.

One of the primary roles in operations is the function of clearing and settling trades. Clearing involves making sure that the records one bank has kept of the sale of a financial security match those of the bank or organization it sold the security to.

In most cases, simple trades are cleared automatically through huge electronic systems such as the Brussels-based Euroclear.

“Settlements” covers everything from preparing the documentation required for a sale to making sure the bank has been paid for all the shares it has sold and bought.

Settlements professionals ensure that stocks or shares bought and sold by the bank’s traders are exchanged for the correct amount of money.

**Roles and career paths**

As a junior working in clearing and settlements, your job will mainly involve intervening when computer systems fail.

Every now and then, automatic clearing systems break down in a so-called “exception.” Clearing specialists spend most of their time dealing with these exceptions, trying to work out what went wrong.

If you work as an exception manager on a settlement desk, you might talk to traders who claim to have sold shares for $3 each when the buyer says the price was only $2, for example.

However, there are some areas of the market where clearing is not automated, and if you work in one of these, you will be expected to do a lot more than simply sort out failures in the electronic clearing and settlements process.

In particular, the huge $600 trillion over-the-counter (OTC) derivatives market still relies heavily on a lot of manual processing, which is creating problems. Due to the Dodd Frank Financial Reform Act, moves are being made to automate and centralize the clearing and settlements process in the OTC derivatives market but until this happens, people are needed to fill in and fax through the documentation.

As a junior, you should expect around $49k–$55k as a starting salary, with a bonus of around $8k.

Meanwhile, settlements professionals earn $55k–165k at the Associate to Senior VP level. Chief operating officers can earn $185k–300k.

**Skills sought**

When banks are filling operations roles, they look for a combination of problem-solving, interpersonal and time management skills.

In a role where accuracy and consistency are absolutely key, attention to detail is also a must. Aside from that, if you want to progress, it pays to hone your skills in various areas of the business.

“Find a firm that creates an environment that provides exposure to all areas of the business. That will allow you to become well-rounded and knowledgeable on the different areas in operations.”

ANDREW DOUGHERTY
Managing director, head of alternative and institutional solutions, BNP Paribas, U.S.

**Pay and bonuses**

As a general rule, the more exotic or specialized the product you’re working on, the higher the pay.

A manager working on equity and fixed-income settlements receives an average salary of $75k–$121k, according to recruiters at Robert Walters. This rises to a maximum of $126k for someone working on OTC derivatives or foreign exchange options and $105k–130k for commodities or listed derivatives.

What is your average day like?

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**What is the appeal of operations?**

It’s so diverse; from project roles where you are working on future initiatives and developments to building a better bank, to line roles like settlements where your tasks are dependent on the different issues of the day. You learn a lot about the processes that drive investment banking, as operations staff are involved every step of the way, from trade capture to confirmation, reconciliation and settlement.

What does your job involve?

I work as a trader assistant on the interest rate derivatives desk. My job involves sitting on the trading floor, close to the traders, and being their first line of support for any queries, from booking trades to resolving issues with reconciliation between various systems, and discrepancies with the counterparties at the time of settlement.

What is your average day like?

The first task of my day is typically to perform a range of front-to-back reconciliations on the previous day’s trades, which means identifying any problems, bringing them to the trader’s attention and fixing them immediately. The second part usually involves ad hoc queries and tasks from traders. At the end of the trading day, one of the most important tasks is running the trader’s daily profit and loss calculation process. This provides vital information about the total risk on their books, the daily performance of their positions, as well as data about collateral held or received.

“What are the best things about your job? There are new challenges and new issues to resolve every day, and you have the knowledge that you are really adding value to the business. A good example is when a trader asks you to book a non-standard trade that the system cannot handle automatically. Problems like this need some investigative work as well as creative thinking and offer a very rewarding feeling of success.

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The business of the back office

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Operations is not a stepping stone to the front office

The back office is a key point of contact for various platforms and divisions
Bonuses are smaller but the hours are shorter

If you work in operations at an investment bank, hedge fund, asset management firm or other financial services company, your job is to make sure the firm’s various divisions function efficiently. Often referred to as the “back office,” operations may not generate the fees and profits, but a well-run operations division can make sure a greater percentage of those revenues are recorded as profits.

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What is the appeal of operations?
While operations professionals have few client-facing responsibilities, they are essentially ensuring the smooth running of the organization and therefore any problems they solve help enhance the “client experience.”

Good communications skills are therefore important, because people in operations deal with many other divisions and functions within the bank. Would you be comfortable, for example, dealing with an impanels agent?

Vikram Sud, Asia-Pacific head, operations and technology at Citi, says candidates should have “strong interpersonal skills to lead teams and interact well with the business and clients. While process-oriented, they will continuously challenge the status quo and make effective use of technology to improve the customer experience and drive efficiency.”

What are the best things about your job?
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Investment roles

If you want to work in investment consulting, there are two key areas – “asset allocation” and “fund selection.” Asset allocation professionals advise clients on how to balance investments in equities, bonds or other financial products to target desired returns. Fund selectors analyze fund managers and question them about the nature of their investment strategy, then write reports on the firm’s strengths and weaknesses for institutional investors.

Property of the stock market

Equity portfolio managers in the U.S. earn an average total compensation of $850k, according to figures from Greenwich Associates and Johnson Associates, while the range in the fixed income sector is $340k-$525k.

In Singapore, analyst salaries start at S$60k-100k ($48.1k-80.2k) and rise to S$190k-350k ($152.4k-280k) at the senior end, suggests Robert Walters. The result is that the skills required are becoming broader – not just a high level of numeracy, but also a strong ability to liaise with clients.

What makes a good fund manager?

You have to be a good analyst, which means you have to understand how to break down a company and translate how it sells products and makes money. Once you understand its finances, you have to translate that into the language of the stock market and determine what price the company’s stock should be selling for. The key is to use that understanding to make better-than-average investment returns. It’s as much an art as it is a science.

Which asset appeals to you personally?

This is a dynamic environment and every day is literally a “new day” with fresh information that I have to absorb and react to. I have to know what’s going on all around the world that could have an impact on the price of stocks.

What have you found most challenging?

It’s a very competitive industry. Our successes, or lack of successes, can be measured every day because we can see our daily returns. The most challenging part is the pressure to be consistently successful. You have to be, just to keep your job.

Pay and bonuses

Fund managers have not (yet) felt the same pressure to change their pay practices as investment banks. In the EU, they fall outside new rules restricting the cash component of bonuses, so pay structures have remained largely unchanged, with an emphasis on bonus payments, dependent on performance targets.

In the UK, a junior portfolio manager earns a salary of £50k-80k ($97.6k-130.1k), according to the Robert Walters salary survey, which rises to £130k ($211.5k) at the senior level. Bonuses are typically at least 100 percent of salary, but often more. In Germany, salaries reach €140k ($197.4k) at the senior end.

Key players

Jeff Lindsay
Managing director, fundamental large-cap growth equity team, BlackRock

Jeff graduated from the University of Virginia with a Bachelor of Science in commerce and received an MBA from Emory University. He joined BlackRock in 2005 when it merged with State Street Research & Management.

Roles and career paths

Investment roles — These are about investing money managed by the asset management firm. People in investment roles are usually analysts, who scrutinize the best companies and products in which to invest, or portfolio managers, who are responsible for investment decisions on a range of funds in their area of expertise, be it equities, fixed income or alternatives.

Distribution roles — These cover sales, marketing, product development and client servicing, and are about selling a fund manager’s services to clients.
Asset management is about investing other people’s money and earning a fee for the privilege — be it from individual investors or from large institutions such as pension funds.

Asset managers (also known as fund managers) fall into two camps: "active" fund managers and "passive" fund managers.

"Active" fund managers use their skill to beat the market average and often take bigger risks for better rewards.

By comparison, "passive" management, or index tracking, involves selecting a portfolio of assets whose value will match that of a financial index — such as the UK’s FTSE 100, EuroStoxx 50 in the eurozone, the Dow Jones Industrial Average in the U.S., and the Hang Seng Index in Hong Kong. Simply creating returns that match the market is known as "generating beta."

The array of fund managers and fund management strategies is huge and can be confusing. So pension fund trustees (who are typically at least 100 percent of salary, but often more. In the EU, they fall outside new rules restricting the cash component of bonuses, so pay structures have remained largely unchanged, with an emphasis on bonus payments, dependent on performance.)

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The array of fund managers and fund management strategies is huge and can be confusing. So pension fund trustees meet there are a vast array of asset management strategies.

Roles and career paths

Investment roles — These are about investing money managed for investment goals.

Equity portfolio managers in the U.S. earn an average total compensation of $850k, according to figures from Greenwich Associates and Johnson Associates, while the range in the fixed income sector is $340k-525k.

In Singapore, analyst salaries start at S$60k-100k ($44k-80k 2k) and rise to $519k-350k ($525k-460k) at the senior end, suggests Robert Walters.

Pay and bonuses

Fund managers have not (yet) felt the same pressure to change their pay practices as investment banks. In the EU, they fall outside new rules restricting the cash component of bonuses, so pay structures have remained largely unchanged, with an emphasis on bonus payments, dependent on performance targets.

In the UK, a junior portfolio manager earns a salary of £50k-£60k (£97k-130k), according to the Robert Walters salary survey, which rises to £130k (£211k) at the senior level. Bonuses are typically at least 100 percent of salary, but often more. In Germany, salaries reach €140k ($197k 4s) at the senior end.

Key players

Notable players in the investment consulting world include Oppenheimer, Graystone, Morgan Keegan and Hammond Associates, among others.

What makes a good fund manager?

You have to be a good analyst, which means you have to understand how to break down a company and translate how it sells products and makes money. Once you understand its finances, you have to translate that into the language of the stock market and determine what price the company’s stock should be selling for. The key is to use that understanding to make better-than-average investment returns. It’s as much an art as it is a science.

Which asset appeals to you personally?

This is a dynamic environment and every day is literally a "new day" with fresh information that I have to absorb and react to. I have to know what’s going on all around the world that could have an impact on the price of stocks.

What have you found most challenging?

It’s a very competitive industry. Our successes, or lack of successes, can be measured every day because we can see our daily returns. The most challenging part is the pressure to be consistently successful. You have to be, just to keep your job.

What are you working on today?

Right now we’re at a point on our calendar that’s between earnings periods. So we’re being more selective in searching for new investment ideas. Most of the focus is on tech stocks, where there’s a lot of activity. I’m meeting chief executive officers and chief financial officers trying to get a better understanding of their business future prospects and what they can earn.

What makes you good at your job?

My passion for the business, which I believe is the absolute most critical component to have as a fund manager. I love this stuff.

As a young person, I knew that I had good math and quant skills. It wasn’t until later that I realized how important it was to be able to talk to people as well, to be relatable.

Jeffrey Lindsey
Managing director, fundamental large-cap growth equity team, BlackRock
Jeff graduated from the University of Virginia with a Bachelor of Science in commerce and received an MBA from Emory University.

He joined BlackRock in 2005 when it merged with State Street Research & Management.

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“Why did you choose to work in investment consulting?”

I chose to work in investment consulting because I’m passionate about investing. You’ll also be heavily judged on your ability to filter large quantities of data and be selective in searching for new investment ideas, which requires strong interpersonal capabilities, but as these businesses have expanded, a greater variety of positions has been created from analytical to process to compliance-type jobs,” he says.
A typical financial investment is usually in stocks, bonds or cash, made with a view toward earning interest or dividends, or because the value of the investment is expected to rise over time. Alternative investments cover a broader range of financial opportunities from wine to art and real estate but primarily hedge funds and private equity.

Hedge fund managers also invest in stocks or bonds, but while traditional asset managers do so in the hope that prices rise, hedge funds also use strategies to make money even if they fall.

Private equity is an asset class that refers to securities of companies not publicly traded. These investments are typically made by a private equity or venture capital firm. Investment strategies include leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital.

**Key players**
The biggest fish in the hedge fund pond is currently Bridgewater Associates, with $58.9 billion in assets, according to *Institutional Investor* magazine rankings. JPMorgan Asset Management, Man Investments, Paulson & Co. and Brevan Howard Asset Management make up the top five.

In private equity, Goldman Sachs’ Merchant Banking Division is the biggest player in terms of funds raised over the last 10 years, at $62.1 billion, according to figures from Preqin. TPG, Blackstone Group, Carlyle Group and Kohlberg Kravis Roberts comprise the top five – all these firms are from the U.S.

**Roles and career paths**
There are three key areas in the front office of a hedge fund: sales and marketing, analysis and trading. Sales and marketing liaise with investors and persuade them to put money into the fund; analysts look at the companies, markets and financial products the hedge fund invests in; traders act on the analysts’ recommendations and place trades.

In a private equity fund, you’ll probably start out as an analyst looking for possible investment targets. You can then move into the role of principal, appraising whether a deal is worth pursuing and sorting out legal issues. At the top are originators, usually partners in the firm, who source deals and oversee everything.

Graduate recruits are rare, however, and either experience in investment banking or a top MBA is usually required.

**Pay and bonuses**
Hedge fund managers can bring in huge sums. The highest earner in 2010, John Paulson, made $4.9 billion (Absolute Return + Alpha).

**Skills sought**
Hedge funds are not big recruiters of graduates, but an increasing number have programs to recruit juniors. “All our graduate recruitment programs – whether that’s in finance, marketing, operational, quantitative or technology – require candidates to be numerically strong with an active interest in financial markets,” says Jo Carter, head of talent and development at Man Group. “We also look for evidence that they’re able to work in a collaborative manner and can show a strong sense of integrity and entrepreneurial flair.”

As for private equity, someone coming in from a business school needs to have experience in private equity, investment banking or management consulting. Jordy Spiegel, managing partner, Spiegel Partners, says, “Also valuable would be an executive-level position with a private equity firm’s portfolio company, because you’ll know many of the processes, procedures and protocols.”
The increasingly complex task of administrating investments

GLOBAL CUSTODY

As fund managers become more sophisticated with their investment strategies, the role of global custodians has changed significantly. The range of products and services they offer to clients has snowballed in recent years.

“Clients are increasingly looking for solutions that cut across traditional geographic boundaries in order to facilitate those new business models, enhanced transparency and greater automation,” says Frank Froud, head of Europe, Middle East and Africa at BNY Mellon Asset Servicing.

Core functions include fund administration and fund accounting (calculating how much income funds are making and spending), settlements (delivering securities to the buyer and the money to the seller) and corporate actions (keeping track of dividend payments for equities and coupon payments for bonds).

Roles and career paths

Client-facing — You will manage relationships with fund manager clients, ensure they’re happy with existing services and, hopefully, sell them others. Firms rarely offer client-facing roles at graduate level.

Delivery — Includes fund accounting, settlements and corporate actions. Graduates usually get a grounding in all these areas before specializing.

Technology — Custodians spend hundreds of millions of dollars on technology, which is integral for profitability, so they look for the right IT staff from a graduate level. Firms hire system programmers, data architects, business analysts and systems integrators.

Pay and bonuses

The client-facing roles are the most lucrative within global custody. A senior relationship manager in the UK can earn £70k-95k ($114k-155k), according to the Robert Walters salary survey. Settlements roles pay £25k-35k ($40k-57k) at the junior end, rising to £50k-75k ($81k-122k) in the senior ranks.

In Dublin, fund accountant salaries start at €27k-35k ($36k-50k), rising to €49k-75k ($71k-108k) at the top end. In Luxembourg, a fund administration head gets $136k+ after 10 years’ experience.

In Singapore, fund administration jobs pay $51k-80k at manager/AVP level, while corporate actions roles pay $51k-73k at the same level. Recruitment sources suggest average global custody salaries in the U.S. are about $73k.

Skills sought

There are no favored degrees for global custodians but certain roles, such as fund accounting or IT, require a pre-existing skills base. Graduates with mathematical degrees gravitate toward the core custody functions. Calculating corporate actions can be complex, and a firm grasp of math will help.

Graduates will also need to demonstrate softer attributes. “While technical attributes, like having skills in accounting and financial analysis or having had an economics background, will be valuable, they’ll only go so far in achieving the level of client satisfaction necessary,” says Laurie Neu, group head for public entities and institutions at Northern Trust. “We want someone able to write and give presentations and to be a good listener for clients.”

“Today we are recruiting far more in areas like accountancy and law,” says Froud. “That said, for all the focus on technology and innovation, this very much remains a relationship business, so strong people skills remain at a premium.”

Company Assets

1. BNY Mellon Asset Servicing 25,000
2. J.P. Morgan Worldwide Securities Services 16,100
3. State Street 15,860
4. Citi 12,600
5. Northern Trust 4,081

Private bankers and wealth managers assist high net worth people with managing their money. Careers in wealth management are usually in one of two categories:

**Private bankers** – Private bankers provide a more personalized level of service to wealthy clients than is available to typical customers. They help clients invest their money carefully to avoid risk that could shrink the value of their assets. They also supply advice on tax and retirement funds, help clients develop a strategy for donations to charity and advise them on the best strategies for leaving their wealth to their descendents.

**Wealth managers/financial advisors** – Wealth managers and financial advisors help clients buy and sell financial products, develop financial and investment plans and provide portfolio management, usually for a fee.

Clients of private bankers and wealth managers range from high net worth clients who have at least $1 million in liquid assets to invest to ultra high net worth individuals who can invest $10 million or more. Some banks apply an even higher minimum such as $30 million to an exclusive ultra-high net group.

**Roles and career paths**
During a private banking career, you’ll probably perform one of three wide categories of job: invest money for current clients, building relationships or handling back-office functions like human resources or accounting.

Private bankers who work on the investment side usually either invest their clients’ money themselves as portfolio managers or monitor other asset managers to ensure their strategies are performing up to their clients’ expectations. These bankers are usually product specialists with expertise in a certain asset class, like fixed income, equities, structured products or investments in the private equity and hedge fund sectors.

Private bankers working in relationship management have a more sales-focused position, as they spend most of their time strengthening their relationships with clients and selling the bank’s services.

Relationship private banking often requires a lot of traveling and maintaining close contact with high net worth people, some of whom can be demanding. After a relationship private banker understands a client’s unique requirements, he or she will work with investment specialists to put a more detailed investment plan together.

Wealth managers and financial advisors, on the other hand, will create and sometimes manage a client’s investment plan. In the past, financial advisors were not required to have an MBA or a bachelor’s in finance. But that appears to be changing as more and more people entering this field do have financial and business degrees, and this is becoming the norm.

“A good wealth manager is someone who enjoys both art and science. He or she may have a degree in business, but they also have an affinity for right brain activity like art, music and language,” says Edythe De Marco, financial advisor with Merrill Lynch Wealth Management in the U.S.

**Pay and bonuses**
In Switzerland, traditionally a hub for wealth management, a private client relationship manager can expect to earn CHF 100k-160k ($118k-190k) base pay after five to seven years’ experience, rising to CHF 170k-280k ($200k-333k) at the senior end, according to the Robert Walters 2011 salary survey.

In Singapore, which is actively recruiting wealth managers, a junior relationship manager can expect a base of S$85k-120k ($69k-97k), while an investment advisor can bring in S$80k-110k ($65k-89k), according to Robert Walters.
At the senior end, pay comes in around $320k+ but can be much higher for private wealth management advisors with ultra high net worth clients. The average wage for a junior financial advisor, however, is around $91k, according to figures from the Bureau of Labor Statistics.

Skills sought
It is no good going into private banking if you have a taste for gossip. Discretion and an ability to manage, retain and build relationships with incredibly wealthy individuals are absolutely vital attributes.

“You need a broad set of skills, from sound commercial judgment and having an international outlook, to being able to build a rapport and understanding of what makes your clients tick,” says Kate Turner, head of private banking at Coutts & Co. “Every client is different, with changing attitudes to risk and return, and it’s essential to understand their needs fully in order to provide the best advice, win their trust and win the business.”

Merrill Lynch’s De Marco says that having emotional intelligence is one of the keys to success.

“One needs to have the skill set to be able to do financial planning, but must also be able to connect emotionally with clients in order to understand their needs and aspirations,” she says. “As wealth managers, we form deep, meaningful and lasting relationships with our clients. These are qualities that are also important in being a good friend.”

But it is not just about being personable. In the fiercely competitive market of wealth management, private bankers need technical expertise to get ahead of the herd.

“Technical skills include a good grasp of financial products, terminology, risk measurements, portfolio construction and various other wealth management tools like trust and estate planning,” says Tan Su Shan, group head of wealth management at DBS.

What made you choose wealth management?
I wanted a client-facing role. A private banking role was my preferred choice because I wanted to deal directly with a select number of clients. The position allows me to form tangible relationships with clients and really get to know them and their situations.

What does your job involve?
I deal directly with high net worth clients daily. I am their first point of contact and act as a conduit for them to access all our services like wealth advice, risk management, estate planning, markets, full-service broking and philanthropy to name a few. My expertise is banking, but I can identify client needs across our products and services.

What’s good about working in wealth management?
Meeting clients and having in-depth discussions about their financial goals and aspirations. Longer term, I enjoy building a trusted advisor status with my clients.

What’s it like being a banker for high net worth individuals? Do you have any famous clients?
It keeps you on your toes, delivering banking services to high net worth individuals. I keep my BlackBerry on me at all times. It’s very stimulating, as high net worth clients usually have more sophisticated needs. I have many clients with fascinating stories and who are household names, but I can’t divulge any details.

How do you see your career progressing?
My personal progression will involve the refinement of my skills, knowledge base and experience. If opportunities present themselves, I’ll evaluate them on their merits, but I’m in no rush to change roles as I view private banking relationships with clients as a long-term proposition. I’d consider a position overseas in the future, depending on market conditions and my stage of life at the time.

Raymond Lam
Private client manager, NAB Private Wealth
Based in Sydney, Raymond completed NAB’s graduate program in 2009. He has a double degree in commerce and arts from the University of NSW (2008). His majors include a mix of finance, economics, psychology and politics.

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The world’s largest private banks ($bn)

<table>
<thead>
<tr>
<th>Company</th>
<th>AUM</th>
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<tbody>
<tr>
<td>1. UBS</td>
<td>1,815</td>
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<tr>
<td>2. Morgan Stanley</td>
<td>1,780</td>
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<tr>
<td>3. Wells Fargo</td>
<td>1,488</td>
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<tr>
<td>4. Credit Suisse</td>
<td>920</td>
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<td>5. Bank of America Merrill Lynch</td>
<td>687</td>
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<tr>
<td>6. Deutsche Bank</td>
<td>459</td>
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<tr>
<td>7. HSBC</td>
<td>415</td>
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<tr>
<td>8. BNP Paribas</td>
<td>361</td>
</tr>
<tr>
<td>9. J.P. Morgan</td>
<td>303</td>
</tr>
<tr>
<td>10. Pictet</td>
<td>284</td>
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Source: 2011 Barometer, La Tribune/Bain & Company.
COMMERCIAL BANKING

Commercial banking is the broad term applied to the various banking services offered to large companies – those worth $25 million and above, governments or other big institutions. This may sound simple, but it’s not.

It can mean arranging loans (a service which comes in various forms), offering cash management services – such as helping minimize tax paid by overseas subsidiaries – managing changes in foreign exchange rates or offering treasury solutions.

Commercial bankers target different industries. They often carve out niche areas of expertise. Those servicing energy, mining or utilities companies, for instance, might be project finance experts, working out the business case for funding a new power plant or mine.

Roles and career paths

While most graduates joining a commercial bank will be expected to undertake a qualification, such as that of a credit analyst, they can also expect on-the-job training.

Junior commercial bankers often start out as credit analysts, assessing company balance sheets and deciding whether or not to issue loans. You may also accompany senior sales and relationship staff as they try to sell products to corporate customers.

Senior roles in commercial banking are more client-focused. There are business development managers, who attempt to bring in new customers, or relationship managers, who look after existing clients. Both involve winning and dining chief executives and relationship staff as they try to sell products to corporate customers.

Pay and bonuses

Entry level positions can start as low as $35k, but are generally slightly higher and a senior relationship manager can earn $210k or more, according to recruitment sources.

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“Financial or technical knowledge is an important criterion in commercial banking, but candidates should also be able to demonstrate communication skills, creativity, tenacity, team-working skills, an ability to think quickly and the determination to excel,” says Matthew Henderson, regional head of Asia-Pacific campus recruiting at UBS.

Also, because many roles cover a number of geographical locations, you will have to be aware of the regulatory hurdles and the cultural sensitivities of doing business in several countries.

“You need understanding of commercial businesses’ goals, strategic thinking, communication and collaboration,” adds Margaret Scopelianos, treasury solutions executive for specialized industries, global commercial banking at Bank of America Merrill Lynch.

“To succeed, you must be versatile, able to cultivate relationships, make ethical decisions and be willing to take on tough assignments and take prudent risks. You need to be able to focus on results and have a passion for innovation.”

“Clients look for balanced advice, so candidates need to be knowledgeable, driven and self-confident,” adds BNP Paribas’ Redferne. “It is not about selling the product but about building up a relationship of trust. You can even point out the shortfalls of a product, and that may gain you the client’s respect and trust, which is one of the secrets of success in commercial banking.”

Commercial bankers will be given a lot of responsibility relatively quickly, so employers want to see evidence of maturity and tenacity even at a graduate level.

“We are looking for graduates to be energetic, enthusiastic, engaging and hard working, willing to challenge the status quo when appropriate and innovative in their approach,” says Ann Deacon, people strategy manager, commercial and structured banking at HSBC.

Why did you choose commercial banking? A key attraction for me was the wide range of businesses we have relationships with: one day I could be dealing with a credit renewal for a family-owned manufacturer and the next I could be on a site visit with an FTSE-250 telecoms provider.

How did you end up where you are? I joined HSBC straight from college on the executive management program, which is a two-year graduate scheme consisting of four six-month placements in different areas of the bank. I spent six months in our commercial banking center in Southampton, then moved to a placement working in the global commercial banking strategy team in Hong Kong. Commercial banking seemed like an ideal choice for me.

What is a typical working day like? I support a team of commercial relationship managers with wide-ranging portfolios, so there is usually a steady flow of new deals and annual credit renewals all year. My main responsibility is preparing credit applications, analyzing a client's performance from a financial and non-financial perspective based on meetings with the client, their annual accounts and information from the relationship manager. I then pull together this information into a credit application and submit it for approval to our central credit function.

What are the downsides? The only downside is that you can easily have your plans for the day scuppered by urgent requests from customers. But this is to be expected, and working in such an environment helps improve your flexibility and responsiveness, which are important skills to possess.

What are the highlights of your job? Getting out to see clients. As the portfolios here are extremely varied, it can be a great experience to learn more about a wide range of industries and also to see the client’s business in action.

What is the world’s biggest banks by assets ($bn)?

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<tbody>
<tr>
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<td>2,669</td>
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<td>2. Deutsche Bank</td>
<td>2,546</td>
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<td>3. HSBC Holdings</td>
<td>2,454</td>
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<td>4. Barclays</td>
<td>2,331</td>
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<td>2,275</td>
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<td>6. Bank of America</td>
<td>2,268</td>
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<td>7. Credit Agricole</td>
<td>2,120</td>
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MIKE REDFERN
Managing director for investment banking Europe, BNP Paribas

Commercial banks provide complex services to large institutions
Relationship building is key but technical skills are also essential
A deep understanding of various industries and financial products is required

Banking for big business
COMMERCIAL BANKING

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Senior roles in commercial banking are more client-focused. There are business development managers, who attempt to bring in new customers, or relationship managers, who look after existing clients. Both involve mining and dining chief executives and finance officers but are also quite technical.

Relationship managers have a support team. But when the company needs to raise finance, the relationship management team also provides transaction and structuring advice.

*Always keep in mind we are a service industry and you are dealing with clients, so they come first. You must always have the drive and the energy to respond to your clients’ needs.*

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“We are looking for graduates to be energetic, enthusiastic, engaging and hard working, willing to challenge the status quo when appropriate and innovative in their approach,” says Ann Deacon, people strategy manager, commercial and structured banking at HSBC.

There is no room for lethargy; you must always be on your toes,” says Mike Redfern, managing director for investment banking Europe, BNP Paribas.

If you’re not up for a client-facing role but still want to work in commercial banking, you have the option of working in risk/credit assessments or product, operations or treasury management.

**Pay and bonuses**
Entry level positions can start as low as $35k, but are generally slightly higher and a senior relationship manager can earn $210k or more, according to recruitment sources.

**Skills sought**
You have to be affable to win business and maintain relationships, but you also have to be a ruthless number cruncher.

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Andrew Pedder
Commercial banking analyst, HSBC
Andrew graduated from the University of Sheffield with a degree in history. He joined HSBC’s executive management program in 2009.

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**Working in such an environment helps improve your flexibility and responsiveness, which are important skills to possess.**
Credit rating agencies assess the likelihood that an organization issuing debt will fail to pay back its creditors fully and on time – called “going into default.”

Organizations are rated from AAA (virtually no expectation of default) through C (indicating a high risk of default). Risks are classified as “investment grade” if they come in at BBB or above, with anything less known as “speculative grade.”

Data providers supply financial markets and media with critical real-time information such as company share prices, research and analytics, exchange rates and tools and software for tracking portfolios. They also offer financial and business news services.

Key players
The credit rating agency business is dominated by U.S.-based Moody’s Investor Services and Standard & Poor’s, the top two, and Fitch Ratings. In the data provider space, Thomson Reuters and Bloomberg have 29.4 percent and 29.2 percent market share respectively, according to Burton-Taylor International Consulting. Other significant names include Dow Jones/Factiva, Interactive Data, FactSet, SIX-Telekurs and IRESS.

Roles and career paths
Rating agencies usually recruit graduates into data analysis jobs. Trainees typically start in research teams focusing on industry sectors and/or financial products. Fitch has a structured graduate program. Moody’s and Standard & Poor’s recruit according to need. Data providers offer a variety of graduate roles.

Pay and bonuses
Graduate trainees within data providers can expect to start on $35k-40k in London, depending on experience and academic background, according to recruiters. Rating agencies typically pay less at junior level, with the possibility of a small bonus. Further up the ladder, credit analysis roles pay well. After five to seven years, salaries are $90k-120k, according to the Robert Walters salary survey, rising to $120k-150k after seven to 10 years.

“A credit rating is a gold stamp for an organization or country. Bloomberg and Thomson Reuters are dominant players in the data providers’ world. Rating agencies look for graduates who did well in finance, accounting or economics.”

ANDY JACKSON
Head of human resources for EMEA, Fitch Ratings

Skills sought
The volatility within the world’s financial markets has led to increased demand for data providers, argues Chris Mills, European human resources director at Interactive Data. While firms still want good technical skills, they also want “soft skills.” “In addition to technical skills, we also focus on soft skills when hiring. New recruits are encouraged to develop relationship-building skills, as well as the capacity to adapt to a matrix organization,” he says.

“We look for graduates with a strong academic background that includes finance, accounting or economics, plus the ability to convey a complex message clearly.”

ANDY JACKSON
Head of human resources for EMEA, Fitch Ratings
The right technology is often the differentiating factor in giving a financial services company the edge over its competitors. It can also help the organization save money, so financial firms are among the biggest spenders on IT.

Investment banks, retail banks, fund managers, brokers and insurance firms all spend billions on technology. By the end of 2011, they are expected to have spent $363.8 billion globally on IT, according to research from consultancy Celent.

The big user of technology is the trading floor and everything related to it. Whether it is buying and selling financial products electronically, processing them through smart-order routing systems, or communicating to ensure trades go through smoothly, multi-million dollar technology projects are crucial.

“We have over 3,000 IT professionals in the Asia-Pacific region alone; it’s our largest division and our professionals are responsible for providing support to the bank in more than 50 countries around the world,” says Divyesh Vithlani, chief information officer of Credit Suisse Asia-Pacific.

Roles and career paths

IT roles fall into five camps: development, business analysis, project management, infrastructure and technical support.

The developer is at the heart of the IT department. Much of the technology is developed in-house, but when banks purchase software from third-party vendors, developers need to tailor it to banks’ individual needs.

Within products traded in large volumes, such as equities or foreign exchange, developers aim for “low latency” or reducing the time it takes to execute and process a trade. The speed with which a trade is placed can be crucial to its profitability.

Business analysts liaise between the IT department and the company. Project managers will take on the new venture once it has been given the go-ahead. You’ll have to manage a team of developers, liaise with third-party vendors and be answerable should plans go awry.

Technical support solves problems when they arise on the trading floor: glitches could cost banks millions of dollars within minutes. Traders will sometimes get emotional if it seems his or her computer is taking too long to execute a trade. It’s up to the IT analyst to figure out the problem and fix it, quickly.

Infrastructure jobs deal with the IT nuts and bolts – from servers to operating systems to databases. There is also the option of working for third-party vendors, which specialize in providing software to financial services.

“If you want to work for a vendor, try sending your resume to major players such as Sungard or Oracle, or apply to specialist financial services software vendors such as Fidessa, Sophis, SimCorp, OpenLink or Charles River.

Pay and bonuses

Entry-level IT in finance pay is determined by whether you possess knowledge of more complex financial products or have a comparatively rare skill set. If you do, then your earning potential will be greater than a generalist.

Also, if you work in New York, average salaries are 20% higher for IT professionals working in finance than the technology population as a whole. Junior C# GUI developers earn...
$58k-$74k, which increases to $106k-$140k at the upper end, while C++/Unix developers start at the same level but can earn even more. Java developers in the front office start at $58k-$74k, which increases to $106k-$148k at the senior end.

Skills sought
In IT, the majority of successful applicants will have a computer science degree, and those who don’t tend to come from a math or physics background. However, for less technical roles, such as business analysis or project management, banks will consider other degree disciplines. It also helps to have some knowledge or expertise about the financial markets, so consider internships with financial firms as a great way to get that financial domain experience.

“We are looking for strong all-rounders and potential leaders,” says Ian Scott, IT manager, fixed-income division at BNP Paribas in London. “These may be technically inclined or may be more interested in the analytical, business-facing and people-centric activities such as analysis, project management or application support. A non-technical degree is often fine, provided that they demonstrate good analytical and organizational skills and some evidence of commitment to the role they are applying for, such as financial industry knowledge.”

If you want to move into a development role, experience with programming languages such as Java, C++ or C# is important. Soft skills are valuable for business analyst or project management roles. Business analysts, for example, have to be able to explain the benefits and pitfalls behind a potential technology investment, without leaving non-IT people swimming in a sea of jargon.

Project manager roles have to be able to act as a central coordinator for disparate groups with differing interests in a particular technology endeavor. Any IT role, though, requires a certain degree of business acumen and ability to communicate and work well with other areas of the company. The image of the introverted nerd working in a tech position is irrelevant to today’s roles.

“You must be able to ask key questions and develop technology solutions that work,” says Peter Devlin, executive director, emerging power and gas technology, commodities at J.P. Morgan in New York. “The business is dynamic – profitability changes, regulations change, so you must be able to reinvent yourself and be prepared to adapt to a changing environment.”

Credit Suisse’s Vithlani adds: “As well as academic achievement, we look for candidates who show leadership potential and have the ability to inspire confidence and loyalty. We especially like candidates who are self-motivated and resourceful, who collaborate well with others and build strong working relationships.”

How would you describe your current job?
I work in trading technology within the market data group. We support services across several lines of business with users across trading and non-trading floors and liaise with IT vendors. We manage big technology projects and make sure connectivity and new applications are up to date. We also handle new solutions and upgrades.

What made you choose banking rather than another industry?
After graduation, I joined a consulting firm as an intern and worked on a project for a European bank. I really enjoyed banking and thought it would be a good career choice. Later, J.P. Morgan organized an event for women in technology and I took part in it. When I came for the interview, I liked the culture and the opportunities that exist in technology at the firm.

What skills are most important?
Analytical and logical thinking are critical, particularly as issues occur. You need to act fast to get to the source of problems that arise, so you can fix them quickly.

Also, you must have attention to detail With new solutions and new connectivity applications, you have to ensure that every possible scenario is accounted for so that any issues are kept to a minimum.

What is the best part of your job?
Being able to interact with many different groups of people. On a daily basis, I talk to traders in different businesses, as well as vendors. It’s great to develop new relationships with external and internal groups. There’s so much happening. It’s a dynamic role and the variety of work and talent is such that I’m always learning.

What do you think makes you good at it?
I’m good at prioritizing things. I need to think about what’s most important and that requires an understanding of business.

“Analytical and logical thinking are critical, particularly as issues occur. You need to act fast to get to the source of problems that arise, so you can fix them quickly.”
Here's more to insurance than making sure you're covered if your car gets stolen or your widescreen TV decides to blow up. Global insurance premiums totaled more than $4.3 trillion in 2010. In the U.S. (the largest insurance center, followed by Japan and the UK), the industry provides about 2.3 million jobs, according to the Labor Department.

The industry has four main areas:
- **Insurers** — Assess risk and develop products for sale to individuals and corporations.
- **Re-insurers** — Insure insurers against risk of significant losses.
- **Insurance brokers** — Intermediaries who sell insurance products – particularly important in the corporate market.
- **Lloyds global market** — About 80 corporations, individuals, underwriters and financial backers, or syndicates, who come together to spread risk.

The complex business of being covered for the worst

**INSURANCE**

Pay and bonuses
Actuaries are among the highest paid professionals in the industry. In the U.S., the median annual wage of qualified actuaries is $87.6k, but the top 10 percent earn over $160k, according to the Bureau of Labor Statistics. In the UK, the starting salary for qualified actuaries is £43.9k ($71.7k), increasing to £184k ($300k) for a chief actuary, according to The Actuarial Profession.

A junior commercial underwriter in the UK starts on £23k-25k ($37.5k-40k), according to figures from recruiters Joslin Rowe, which rises to £35k-60k (£57k-98k) at the senior end. Sales and business development roles start at £25k-35k (£40k-57k), but increase to £55k-100k (£90k-163k) at the top level.

Skills sought
It takes five to seven years just to qualify as an associate actuary, but training is usually provided by the employer. You will need a math-based degree to get your foot in the door, but this is the case for most graduate roles in insurance.

"Most of our graduate recruits tend to have a business, law, mathematics or engineering background," says Yvonne Herbst, talent management consultant at Munich Re. "If they've completed an internship, this shows evidence of analytical and social skills, which are important for the full-time roles."

For underwriting roles, a good level of numeracy is required, plus communication skills, as you will have to liaise with other business areas and clients.

"We're looking for people who can build long-term relationships. Many of our clients work with the same financial professional over the course of 30 or 40 years," says Stephen Mannebach, vice president of agency development at Northwestern Mutual.

### Key insurance players (by sales, profits, assets and market value)

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Roles and career paths
Underwriting — Involves extensive risk analysis, sifting stats on industries, demographics and clients to prepare a quote.

**Actuaries** — The domain of the math whiz. Actuaries produce financial models based on the statistical analysis of risk, which are used by underwriters in their analysis.

**Agents** — The salespeople of insurance, who try to find the right product for a client. There are few places for graduates.

**Claims** — Where most insurance people work. Graduates are likely to land in fraud detection or claims investigation.

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ACCOUNTING

Accountants come in various shapes and sizes. If you want to become one, ask yourself where you want to work and what kind of accountant you’d like to be. Within financial services, investment banks hire accountants, as do retail banks, hedge funds, private equity firms, insurance companies and fund managers. Companies in all other sectors also need accountants to help them pull up profits and losses.

Alternatively, you could work for an accounting firm providing independent audit services to other companies. The best known are the Big Four – Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers (PwC).

Pay and bonuses

Accountants earn more in financial services than in any other sector. Basic salaries are higher, and there’s the potential to earn lucrative bonuses.

An internal auditor with more than five years’ experience working in banking and financial services can expect $85k-$135k.

Skills sought

Most large accounting firms will demand a finance-related degree but the first few years in the job are spent undertaking an accountancy qualification. Increasingly, though, the Big Four firms are open to applications from non-finance related fields, and some even have schemes set up for school leavers.

If you train as an accountant in London, most firms will expect you to take the exams run by the Association of Chartered Certified Accountants (ACCA) or the Chartered Institute of Management Accountants (CIMA), while banks and Big Four accountancy firms tend to favor qualified associates of the Institute of Chartered Accountants in England and Wales (ACA). This qualification is internationally recognized, but different countries also offer their own options.

In France, there is the DCG (Diplôme de Comptabilité et Gestion), equivalent to a three-year degree, and the DSCG (Diplôme Supérieur de Comptabilité et Gestion), equivalent to a master’s. In Germany, accountants qualify through vocational training with the accounts of publicly traded companies and independently validate that a company’s accounts are correct.

Big Four firms also conduct advisory work, which can include corporate finance (see Mergers and Acquisitions), reorganization services (offering advice on everything from restructuring or insolvency to simply improving a firm’s performance) or forensic accounting (investigating improper practices). They also run consulting arms offering advice on the business case for everything from technology to outsourcing.

There are other accounting opportunities in industry and commerce for financial and management accountants.

How do you get there?

I was an economics major at Barnard and I’d never even taken an accounting course. In fact, I was headed toward a career in marketing and finance when I realized that what I really wanted to do was something more mathematical.

When I took my first accounting course, I loved it and discovered that I had the disposition for a career in tax and accounting.

I then went for my MBA, but learned that the Big Four accounting firms recruit heavily out of a combined three-year MBA and master’s in taxation program so I did that and it paid off.

I got internship offers at KPMG as well as Deloitte, which was the company I really wanted to work for.

What kinds of skills are most sought among tax and accounting professionals?

A strong academic foundation and a desire to learn and work hard.

In public accounting, you need interpersonal skills because it’s a professional service organization and we’re serving and interacting with clients.

What do you like most about what you do?

I like to research. I have to incorporate the law into my work, which means I have to stay on top of laws and keep up with the current code, which is always shifting.

Plus, working in tax accounting is rewarding because we’re helping companies and their investors save money.

How does the position differ from your initial expectations?

I guess I didn’t expect it to vary so much from client to client. I had to learn to be flexible because I could get shifted to a new project at any time. Plus, client expectations are high and we are constantly working hard to meet deadlines.

What are you working on now?

I’m working on a real estate client, two hedge funds, a few C corps and a large partnership... a little of everything.

What kind of work do you do at KPMG?

I’m working with a variety of clients, doing audits, helping them with tax, tax research and financial statements.
A
counts come in various shapes and sizes. If you want to become one, ask yourself where you want to work and what kind of accountant you’d like to be.
Within financial services, investment banks hire accountants, as do retail banks, hedge funds, private equity firms, insurance companies and fund managers. Companies in all other sectors also need accountants to help them tot up profits and losses.
Alternatively, you could work for an accounting firm providing independent audit services to other companies. The best known are the Big Four – Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers (PwC).

Roles and career paths
There are several options open to you in an investment bank.

Product control — Keep an eye on the profits and losses made on products bought and sold on the trading floor.

Financial control — Analyse the bank’s overall performance and produce regular reports.

Internal audit — Responsible for checking that financial systems and controls within the organisation are being complied with.

Regulatory — Ensure the bank reports its financial activity according to the legal rules of the countries it trades in.

Treasury — Structure the bank’s financial affairs so that sufficient cash is available to meet its liabilities.

By comparison, if you start as a graduate trainee in a Big Four accounting firm, your career will be more limited; about half end up in audit and assurance departments, where they handle the accounts of publicly traded companies and independently validate that a company’s accounts are correct.

Big Four firms also conduct advisory work, which can include corporate finance (see Mergers and Acquisitions), reorganisation services (offering advice on everything from restructurings or insolvency to simply improving a firm’s performance) or forensic accountancy (investigating improper practices). They also run consulting arms offering advice on the business case for everything from technology to outsourcing.

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In the U.S., the Certified Public Accountants (CPA) qualification is key but there is also the option of Certified Internal Auditors (CIA), Certified Management Accountants (CMA), and Accredited Business Accountants (ABAs) qualifications.

“Form those looking to enter our audit or tax practice, one key attribute is a degree in accounting,” says Holly Paul, U.S. recruiting leader at PwC. “Beyond that, we look for well-rounded individuals, especially those that excel academically and show strong leadership skills. We also welcome those with strong oral and written communication skills, which we see as critical.”

Accounting firms don’t always expect you to have all the technical skills. They look for raw talent.

“We hire people who are able to work across functions and across a variety of clients, whether they are auditors, accountants or consultants in our advisory practice,” says Stephen Carpenter, managing partner of people performance and culture and senior tax partner at KPMG Australia.

“When we look to recruit accounting specialists into banking at graduate level, being qualified is important,” says Gregg Carnall, head of graduate recruitment and development at HSBC. “The things that set a great candidate apart, however, are the wider experiences and skills they bring to the table. We have no shortage of applications from well-qualified candidates but voluntary work, supporting clubs and societies and general work experience all provide really great opportunities to demonstrate the competencies employers like us are looking for.”

Laila Shetty
Tax consultant, business tax services, Deloitte
Laila graduated from Fordham with an MBA in accounting/ finance and a master’s in taxation. She joined Deloitte as a summer intern in the summer of 2010 and began working there full time in January 2011.

How did you get where you are today?
I was an economics major at Barnard and I’d never even taken an accounting course. In fact, I was headed toward a career in marketing and finance when I realized that what I really wanted to do was something more mathematical. When I took my first accounting course, I loved it and discovered that I had the disposition for a career in tax and accounting.

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Stephen Carpenter
Managing partner of people performance and culture and senior tax partner, KPMG Australia
The hurdles you have to overcome as a foreign graduate

A LOCAL START

Banks value the diversity of an international workforce, but securing a graduate place in a foreign location is not as simple as it once was.

U.S.
In the U.S., H1-B visa numbers are set by the Citizenship and Immigration Services and have remained flat for some time, at 65,000 annually. Plus, it will depend on which sector of the financial markets a foreign-born professional is exploring that will determine the level of difficulty in finding a job opportunity. While investment banking and trading positions may prove limited, those who require H1-B visa sponsorship could face better prospects in the areas of financial technology or quantitative analysis.

Wendy Tsung, associate dean and executive director of MBA Career Services for Emory University’s Goizueta Business School, says foreign-born students have found jobs in finance hard to get in the U.S.

“Firms are less likely to sponsor someone when they’re unsure they will be able to stay,” says Tsung. “The price of the visa isn’t overly burdensome, but the training costs and the cost of getting someone up and running in a position is a big factor.”

H1-B visas generally last for up to six years. After that, foreign-born workers must start the process anew or seek permanent residency status.

EMEA
Most investment banks base the vast majority of their European graduate trainees in London, but new UK immigration restrictions are causing a headache when it comes to recruiting students from outside the European Union (EU).

Traditionally, non-EU students have been able to arrange their own tier one post-study work visas that granted permission to work in the UK for two years after graduating without the need for a sponsor employer. But the government has announced plans to close this route from April 2012. At present, it is unclear if the closure will definitely go ahead or what will replace it if it does.

Instead, non-EU graduates who wish to be recruited via the UK are advised to look to tier two restricted visas, available to those who have been offered a (skilled) job. This means you need a job offer first.

The good news is that the bank generally does the paperwork for these once they’ve decided to appoint you. The bad news is that there are currently only 20,700 of these available to all UK companies. Worse still, these are released on a monthly quota basis and, with most banks tending to apply for their graduate visas in June and July, this reduces their share of the 20,700 still further.

Perhaps surprisingly, despite the gloomy outlook and administrative burden, most banks insist that they’re maintaining the number of foreign students they employ.

Asia-Pacific
A growing number of graduates want to work in Asia because they want to be based in a region of high economic growth. However, banks demand a genuine knowledge of Asia, without which opportunities for foreigners are limited because employers have a large local talent pool from which to choose.

Any foreign national with aspirations to work in Hong Kong or Singapore needs the support of their employer, who then sends a visa request to the Ministry of Manpower in Singapore or the Immigration Department in Hong Kong.

Foreign nationals who have attended college in Asia have an advantage over those coming straight from institutions in other parts of the world. Fluency in Mandarin is helpful, especially in Hong Kong where most firms are increasing their focus on mainland China.

Completing a local internship will also boost your chances of securing a graduate place because you will have demonstrated a commitment to the region and the employer. But getting an internship in the first place can be problematic, because some banks are less willing to consider non-local applications for short-term roles.

If you are studying outside Asia and haven’t done an Asian internship, consider visiting in the summer before you graduate to network and become a “known entity.”

Investment banks in Australia, which tend to have a smaller number of entry-level vacancies, generally fill their intake with local graduates.
What to expect from the recruitment process in the U.S., EMEA and Asia-Pacific

GLOBAL RECRUITMENT TIMELINES

U.S.

**Deadlines** — Assuming you submit your application online rather than apply during college recruitment, the deadline is toward the end of September or beginning of October for full-time positions. For internship recruitment, the deadlines run from mid- to late January.

**Application form or resume** — Both. Some banks will accept resumes from students while on campus; others require students to submit them electronically or fill in an online application form. They are reviewed in January and, if you’re attending a college on the campus recruitment circuit, banks will inform you and allow you to sign up for interviews a week before their visit.

**Interviews** — Expect two rounds of interviews. You will meet numerous people during this time, with the first taking place in early February. The final rounds of interviews will take place about one or two weeks later. Some banks take this process a step further. For instance, Bank of America Merrill Lynch runs a series of “super days,” during which candidates are interviewed in New York over a single day.

I graduated in May 2010, then pursued an internship during the summer. In October, I sent my CV, covering letter and completed application form to Société Générale (SocGen). The form consisted of a series of competency questions and also asked why I wanted to work in banking in general and SocGen in particular.

Less than two weeks later, I had an invitation to complete numerical tests online, for which I practiced on other tests I found on the Internet. A week later, I was asked to do a telephone interview, during which I was asked about my previous experience and my leadership and team working skills.

Two weeks later, I was invited to attend an assessment center. That day I had three interviews, more numerical tests and a group exercise.

I received my offer of a job a few days after the assessment, in mid-December, and I started my job in February. It was quicker than usual because I had already graduated and was available immediately.

**Target schools** — Definitely. A lot of banks fill many business areas through their on-campus recruitment programs, which normally target a core of 50 universities. These include Wharton, Dartmouth, Harvard, Princeton, Stanford, NYU and Columbia.

**EMEA**

**Deadlines** — Most full-time graduate programs close between late October and mid-November, although some banks recruit into early December. Certain divisions, notably technology, operations and finance, have extended the recruitment process into the new year. Summer internship deadlines close in mid-January.

**Application form or resume** — Increasingly, banks are favoring resumes because of the volume of applications they receive. For more tips and guidance, see Resumes, Cover Letters and Apps.

**Interviews** — The majority of banks recruit on a rolling basis so interviews will take place from September, when applications open. You should find out whether you have made it to the first round of interviews within one to four weeks, depending on the volume of applications, with the actual interviews taking place a couple of weeks after. The first round of interviews is usually with human resources (HR) and/or representatives of the division you’re applying to and consists of a first round of competency-based interviews and a possible presentation or case study. If you are successful, banks aim to inform you 24 to 48 hours afterwards, with the aim of staging the second round one or two weeks later.

The second round is also sometimes the assessment center and will generally consist of more competency-based and technical interviews, a group exercise, psychometric tests and a networking event.

**Target schools** — Most banks target a restricted number of colleges in each country. In the UK, think Oxbridge, LSE, Imperial and UCL; in the eurozone, think HEC, Essec, Paris Dauphine, INSEAD, EBS, SDA Bocconi and Università degli Studi di Genova, to name a few.

**Asia-Pacific**

**Deadlines** — In Singapore and Hong Kong, application deadlines are similar to Europe: October or November for graduate programs and November to January for internships. Australia follows a different calendar, with most banks closing full-time graduate programs in March or April and internships in July or August.

**Application form or resume** — Most banks in Asia-Pacific request a combination of application form and resume. The former extracts standard information about an applicant and ensures that all candidates answer the same questions.

**Interviews** — You should find out whether you have an interview within a month of sending your application, and you will typically be given up to two weeks’ notice before the interview takes place. Depending on the bank, first-round interviewees face a grilling from human resources and/or representatives of the division they have applied to. Waiting times for the next stage depend on when you were initially interviewed, but it is best to prepare for a quick turnaround of just a week or two.

The second round may consist of a competency-based interview, case-study presentation, group exercise, networking event and sometimes a psychometric test. This is similar to the assessment center approach used by banks in other locations.

**Target schools** — Banks in Asia-Pacific actively target returnees from leading universities in the U.S. and Europe. Closer to home, they like graduates of colleges such as the National University of Singapore, Singapore Management University, the University of Hong Kong, City University of Hong Kong and the Chinese University of Hong Kong.

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What to expect from the recruitment process in the U.S., EMEA and Asia-Pacific

GLOBAL RECRUITMENT TIMELINES

U.S.

Deadlines — Assuming you submit your application online rather than apply during college recruitment, the deadlines are toward the end of September or beginning of October for full-time positions. For internship recruitment, the deadlines run from mid- to late January.

Application form or resume — Both. Some banks will accept resumes from students while on campus; others require students to submit them electronically or fill in an online application form. They are reviewed in January and, if you’re attending a college on the campus recruitment circuit, banks will inform you and allow you to sign up for interviews a week before their visit.

Interviews — Expect two rounds of interviews. You will meet numerous people during this time, with the first taking place in early February. The final rounds of interviews will take place about one or two weeks later. Some banks take this process a step further. For instance, Bank of America Merrill Lynch runs a series of “super days,” during which candidates are interviewed in New York over a single day.

Target schools — Definitely. A lot of banks fill many business areas through their on-campus recruitment programs, which normally target a core of 30 universities. These include Wharton, Dartmouth, Harvard, Princeton, Stanford, NYU and Columbia.

EMEA

Deadlines — Most full-time graduate programs close between late October and mid-November, although some banks recruit into early December. Certain divisions, notably technology, operations and finance, have extended the recruitment process into the new year. Summer internship deadlines close in mid-January.

Application form or resume — Increasingly, banks are favoring resumes because of the volume of applications they receive. For more tips and guidance, see Resumes, Cover Letters and Apps.

Interviews — The majority of banks recruit on a rolling basis so interviews will take place from September, when applications open. You should find out whether you have made it to the first round of interviews within one to four weeks, depending on the volume of applications, with the actual interviews taking place a couple of weeks after. The first round of interviews is usually with human resources (HR) and/or representatives of the division you’re applying to and consists of a first round of competency-based interviews and a possible presentation or case study. If you are successful, banks aim to inform you 24 to 48 hours afterwards, with the aim of staging the second round one or two weeks later.

The second round is also sometimes the assessment center and will generally consist of more competency-based and technical interviews, a group exercise, psychometric tests and a networking event.

Target schools — Most banks target a restricted number of colleges in each country. In the UK, think Oxbridge, LSE, Imperial and UCL; in the eurozone, think HEC, Essec, Paris Dauphine, INSEAD, EBS, SDA Bocconi and Università degli Studi di Genova, to name a few.

Asia-Pacific

Deadlines — In Singapore and Hong Kong, application deadlines are similar to Europe: October or November for graduate programs and November to January for internships. Australia follows a different calendar, with most banks closing full-time graduate programs in March or April and internships in July or August.

Application form or resume — Most banks in Asia-Pacific request a combination of application form and resume. The former extracts standard information about an applicant and ensures that all candidates answer the same questions.

Interviews — You should find out whether you have an interview within a month of sending your application, and you will typically be given up to two weeks’ notice before the interview takes place. Depending on the bank, first-round interviewees face a grilling from human resources and/or representatives of the division they have applied to. Waiting times for the next stage depend on when you were initially interviewed, but it is best to prepare for a quick turnaround of just a week or two.

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I graduated in May 2010, then pursued an internship during the summer. In October, I sent my CV, covering letter and completed application form to Société Générale (SocGen). The form consisted of a series of competency questions and also asked why I wanted to work in banking in general and SocGen in particular.

Less than two weeks later, I had an invitation to complete numerical tests online, for which I practiced on other tests I found on the Internet. A week later, I was asked to do a telephone interview, during which I was asked about my previous experience and my leadership and team working skills.

Two weeks later, I was invited to attend an assessment center. That day I had three interviews, more numerical tests and a group exercise. I received my offer of a job a few days after the assessment, in mid-December, and I started my job in February. It was quicker than usual because I had already graduated and was available immediately.

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