

Banking and financial services

The single currency has strengthened career opportunities.



“ NUMERICAL AND ANALYTICAL SKILLS ARE KEY, BUT GRADUATES SHOULD ALSO POSSESS STRONG COMMERCIAL AWARENESS, BE ABLE TO THINK LATERALLY AND WORK EFFECTIVELY AS PART OF A TEAM. ”

The banking and financial services sector has changed dramatically in recent years – the spread of information and communication technologies has led to new and innovative practices throughout the sector and has also been responsible for significant restructuring of business. Two further trends are the single currency and the movement towards creating a single integrated European financial market. The future is likely to see the strengthening of a few major global players, and mergers occurring on an escalating scale – with banks broadening their scope. Cross-border mergers at the European level may develop when the remaining

obstacles to their development have been removed as part of a further integration process. Major investment banks are also now beginning to offer more traditional commercial banking products and move into retail brokerage or insurance.

Within the European Union (EU) national financial systems can vary considerably. Since the introduction of the single market in 1992, globalisation has added impetus to the growth of bulge bracket investment banks such as UBS, Goldman Sachs, Deutsche and Morgan Stanley. Financial markets operate 24 hours a day with major

centres in Hong Kong, New York, Geneva, Zurich, London, Tokyo, Milan and Frankfurt. Consequently, as cross-border mergers proliferate (they remain rather few at this stage, because of obstacles), wholesale banking is increasingly dominated by a small handful of huge institutions without defined boundaries. The single currency has strengthened opportunities by reducing the cost of cross-border investment and transactions within the EU. Different languages and cultures, and taxation and legal disparities have, however, proved to be limiting factors in the ▶

banking and financial services continued

development of a truly single market. Hiring across borders has ameliorated some of these difficulties by creating truly multicultural workplaces. There are indications that some significant players are abandoning aspirations to global bulge bracket status and instead are concentrating on further developing European business. For instance, ING has recently announced plans to rebuild its equities franchise in Europe.

Forecasts for graduate intake by all major financial players in 2006–7 continue to grow. Financial institutions have long been known for their ‘point-to-point’ recruiting strategies: increasing graduate hiring when times are good but cutting back vigorously when times are bad. Fortunately the prediction for the global economy over the next year is positive – this is leading to significant optimism among banks. What’s more, it seems possible that financial institutions are now beginning to adopt a steadier upward recruitment trajectory, which takes less account of the state of the global economy. This change comes off the back of a significant economic downturn, during which graduate and junior staff hiring suffered the greatest cutbacks. When the economy finally recovered, banks found themselves faced with a massive shortage in junior staff and rushed to hire on the open market, often at inflated costs. It seems likely that they have learned their lesson – this is good news for graduates. In future, banks and financial service organisations are more likely to keep hiring juniors even while cutting back at higher levels.

Banking and financial services

Banking and financial services can be loosely divided into three sectors:

- The banking and investment sector (includes markets, investment

banking, corporate banking, investment management, technology and operations).

- The accounting and financial management sector (includes corporate finance and treasury, forensic and management accounting, corporate recovery, tax, audit and insurance).
- The insurance and financial services sector (includes regulation, risk, life assurance, insurance, retail banking and actuarial work).

All these career paths demand similar skills. Numerical and analytical skills are key, but graduates should also possess strong commercial awareness, be able to think laterally and work effectively as part of a team.

Getting the job

One of the main downsides to banking and financial services is the extended working hours required by many positions. You will need plenty of energy, the ability to multitask and a strong belief in yourself to get far in this sector. Dedication will be well rewarded, though – salaries and benefits are among the best available to graduates. Competition for every place is intense and graduates must work to distinguish themselves from equally well-qualified applicants. A good first step towards a career in finance is to secure an internship. Summer internships are usually open to penultimate year students and last eight to ten weeks. Competition is tough and positions are often allocated on a first-come-first-served basis, so be sure to get your application in early. An internship is your chance to make an impact – be confident in what you do and put your communication skills into practice. Strong performance will often lead to an offer of a graduate trainee position, so it’s worth putting

in the work. Aim to impress, but also use the time to help you decide if this is the right organisation and career area for you. The good news is that demand for interns tends to remain static, irrespective of the current economic climate.

And finally...

... if you can’t get an internship, don’t despair – aim to get work experience that demonstrates your leadership abilities and willingness to accept responsibility. □

TARGETjobs Europe would like to thank the European Banking Federation (EBF) for their assistance with this article.

Advice from a professional



Michael Spencer is the founder of ICAP, the world's largest interdealer broker

Banking and investment is a dynamic and exciting area. If you like financial markets, are ambitious and want to make quite a lot of money, it’s a fabulous place to be. Personality is a critical quality: people who are outgoing, with energy and passion, will do well. They also need to understand financial markets and it’s important to want to work somewhere fast moving. Finance is increasingly global so languages can be very important and it’s crucial to be able to interact with people of other cultures. You need to be able to develop relationships of trust, reliability and good humour.