



THE OUTLOOK
FOR 2015

Risk management and treasury



Contents

Risk	1
Quantative	2
Banking treasury – temporary and permanent	3

Risk

Our Risk team specialises in the recruitment of Credit and Market Risk opportunities across all levels for financial services and banking organisations across London. We service our clients with permanent, contract and temporary candidates to meet requirements.

2014 trends

The second half of 2014 saw a significant increase in the need for financial institutions to improve and grow their risk management functions and deliver well managed and sustainable business growth.

The job vacancy and candidate market has remained strong on both fronts as companies have generally looked to ensure they have sufficient headcount to deliver to the expectations of the regulators. Organisations have made a focussed effort to mitigate non-compliance and poor risk practices.

There have been two obvious areas of focus – changes to engagement with counterparties, leading to portfolio and model review and regulations around trading books, leading to a change in market risk.

The counterparty initiatives have been driven by regulation. Typically the candidates hired in to these roles have had a mixture of strong technology and data modelling skills, appreciation of credit scenarios and been able work closely with quants around Basel II, IRC and wrong way risk

Candidate movement has remained buoyant with the market presenting a good balance of opportunities across market, credit, and quantitative risk. This is expected to continue as there has been an increase in roles encompassing multiple areas as more candidates look to develop and add value to their skill set.

As with all markets, a high demand for specific skills makes it a candidate driven market. The candidates are able to command a significant raise in their permanent packages or their day rates in contracting.

The main challenge still for job seekers surrounds the level of expectation to fulfil a demanding wish list of desirable skills which in turn shrinks the pool of potentially relevant candidates.

For 2015

The forecast for 2015 is that risk management will continue to be an area of growth with the planned regulatory changes on the horizon. We expect to see organisations investing further in frameworks to meet technical requirements – these are likely to include:

- Basel III initiatives
- Retail risk modelling and IFRS 9.
- Counterparty credit risk and ICAAP
- Front office trading book regulation

We expect candidates to look to diversify their skill sets as these will be the most sought after by organisations.

Market risk/credit risk - permanent

Role	Salary (£)	Likely salary uplift (%'age)	2014 bonus low (%'age)	2014 bonus med (%'age)	2014 bonus high (%'age)
Analyst/associate (or equivalent)	40,000-60,000	0-3	0	10	25
Manager/associate vice president (or equivalent)	55,000-75,000	0-3	0	12.5	30
Senior manager/vice president (or equivalent)	75,000-105,000	2-5	0	15	40
Senior vice president	105,000-120,000	2-5	0	15	40
Director/department head	120,000-185,000	2-5	0	25	50

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Risk management – temporary

Role	Low (£)	Mid(£)	High (£)
Market risk (VaR) reporting	250	350	450
Market risk methodology	350	450	650
Stress testing	350	500	650
Credit risk reporting	250	350	450
Economic capital	350	500	600
Quantative risk	350	550	700
Credit risk modelling/methodology	300	450	600
Regulatory risk projects	400	550	750

Quantitative

Our Quantitative business sits within our over arching Financial Services and Banking division based in London. We recruit in Decision Science and Quantitative, Portfolio and Risk Analytics across all levels from analyst through to director level positions.

2014 Trends

2014 has been a period of transition in Quantitative hiring. We have seen less demand around the front office facing business areas – in previous years there has been a demand for quants to develop front office pricing libraries and models

This year the focus has been much more in core infrastructure with quant analysts hired to look at counterparty risk portfolios, credit portfolios, credit models and the impact of new regulation.

The hiring has spanned both permanent and temporary markets but with significant focus in some bigger financial services institutions on contractor hires. This has given these companies the opportunity to hire quickly, run projects efficiently and achieve and hit regulatory deadlines.

A number of retail banking and markets initiatives and projects (IFRS 9/PD/LGD/EPE/RWA) have hired more quantitative candidates this year. They have tended to be from strong credit risk backgrounds and are senior subject matter experts who can review impairment, methodology and models

This has proved to be a high demand area as progressive growth in retail has created a need for specialists with analytical and quantitative skill sets to better manage risk exposure.

For 2015

We anticipate the trend to continue in 2015 where demand for key skill sets in portfolio & product analytics will be high. This will mainly be linked to credit, counterparty and regulatory risk initiatives.

It is expected that volume of movement will be at the senior analyst and AVP level with teams looking to add headcount to the areas in demand especially in a project team style capacity.

Above and beyond natural movement, hires at senior levels will be sought to drive the required quantitative and risk methodology to implement strategic and impending regulatory projects.

Quants

Role	Experience	Salary (£)	Likely salary uplift (% age)	2014 bonus low (% age)	2014 bonus med (% age)	2014 bonus high (% age)
Analyst/associate (or equivalent)	1-5 years'	40,000-65,000	2-5	0	10	25
Manager/associate vice president (or equivalent)	4-7 years'	55,000-85,000	2-5	0	12.5	30
Senior manager/vice president (or equivalent)	7+ years'	90,000-120,000	2-6	0	25	50
Senior vice president	9+ years'	120,000-135,000	2-7	0	25	50
Director/department head	10+ years'	125,000-225,000	2-7	0	35	70

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Banking treasury – temporary and permanent

Our Financial Services Treasury team provides a focussed approach to recruit permanent, contract and temporary talent to a multitude of financial institutions and service providers. Our consultants work across all levels and divisions of treasury including liquidity management, capital management, balance sheet management, methodology, validation, funding, as well as Treasury Finance and Operations.

The level of recruiting in 2014 has been consistent throughout the year with positions ranging from lower to higher management levels. The implementation of Basel III sought both contract and permanent candidates with the largest job volumes evident in liquidity management and reporting. The hiring at the more senior level has been due to natural attrition as organisations continue to make an active effort to retain talent.

The majority of hiring has been in retail banks, wholesale banks and smaller emerging markets players, however, the latter half of 2014 also saw increased hiring across non traditional financial institutions as they expand their treasury functions leading up to the new year.

In most firms the primary focus has been across Asset Liability Management and Liquidity Management, particularly because of the advent of the regulatory implementations in the liquidity arena by way of IFRS9. This has resulted in a spike in demand for specialists in reporting and regulations, in turn creating fierce competition given candidates are sourced from a finite talent pool.

We expect this trend to continue through to 2015 as the sector continues to adapt to cater for the stringent regulatory changes.

Liquidity risk management

Role	Experience	Salary (£)	Likely salary uplift (%'age)	2014 bonus low (%'age)	2014 bonus med (%'age)	2014 bonus high (%'age)
Associate (or equivalent)	1-4 years'	up to 55,000	0-3	0	10	15
Manager/associate vice president (or equivalent)	5-7 years'	55,000-75,000	0-3	0	10	15
Senior manager/vice president (or equivalent)	8-14 years'	70,000-110,000	0-4	0	20	35
Senior vice president	10-15 years'	110,000-125,000	0-4	0	25	40
Director/department head	12+ years'	120,000-175,000	0-4	0	30	60

Asset and liability management

Role	Experience	Salary (£)	Likely salary uplift (%'age)	2014 bonus low (%'age)	2014 bonus med (%'age)	2014 bonus high (%'age)
Associate (or equivalent)	1-4 years'	up to 60,000	0-3	0	10	15
Manager/associate vice president (or equivalent)	5-7 years'	60,000-75,000	0-3	0	10	15
Senior manager/vice president (or equivalent)	8-14 years'	70,000-115,000	0-4	0	20	35
Senior vice president	15+ years'	115,000+	0-4	0	25	50
Director/department head	12+ years'	120,000-175,000	0-4	0	30	60

Capital management

Role	Experience	Salary (£)	Likely salary uplift (%'age)	2014 bonus low (%'age)	2014 bonus med (%'age)	2014 bonus high (%'age)
Associate (or equivalent)	1-4 years'	up to 50,000	0-3	0	10	15
Manager/associate vice president (or equivalent)	5-7 years'	50,000-65,000	0-3	0	10	15
Senior manager/vice president (or equivalent)	8-14 years'	65,000-115,000	0-4	0	15	20
Senior vice president	15 years'	110,000+	0-4	0	20	35
Director/department head	12+ years'	120,000-175,000	0-4	0	30	60

Funding/balance sheet management/money markets

Role	Experience	Salary (£)	Likely salary uplift (%'age)	2014 bonus low (%'age)	2014 bonus med (%'age)	2014 bonus high (%'age)
Associate (or equivalent)	1-4 years'	up to 60,000	0-3	0	15	30
Manager/associate vice president (or equivalent)	5-7 years'	65,000-80,000	0-3	0	25	50
Senior manager/vice president (or equivalent)	8-14 years'	85,000-115,000	0-4	0	35	70
Senior vice president	15 years'	105,000-125,000	0-4	0	35	70
Director/department head	12+ years'	130,000-225,000	0-4	0	60	120

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