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IN SYDNEY**

BANKING & FINANCIAL SERVICES

Q1 2010



ROBERT WALTERS

Welcome to the Robert Walters Q1 2010 market update. We hope you find this update both interesting and informative. Should you wish to further discuss the market or any recruitment related issue, please contact your Robert Walters Consultant.

MARKET UPDATE

The employment market within financial services was markedly more positive throughout Q1. As companies looked to take advantage of a perceived high volume of available candidates, we saw a sharp increase in permanent placements through December to March. Conversely, we saw the demand for contractors increase only marginally, although towards the end of the quarter we saw savvy clients adapt to supply limitations and begin to engage contract staff.

As we emerge from this defining period, it is likely that it will still be three months before the employment market frees up entirely and calibrates itself, with many still digesting bonus payments and salary reviews more cautiously than previously. We saw an unprecedented number of candidates approach us to benchmark themselves against peers in competitor organisations and although some remain afraid of the unknown, it is fair to say that many people in the financial services industry have begun to question what reward exists for remaining loyal.

In contrast to 2009, we are seeing salaries increase and professionals moving for large percentage uplifts from current packages. In certain areas we are seeing increases of 10-15% to lure candidates across, where in others it is more modest. The pressure to retain talent remains high on most companies' agendas thus we predict certain firms will be forced to review their remuneration strategies to align themselves to a fast-changing marketplace.

Accounting & Finance

As obvious talent gaps start to appear in many organisations, it is evident that the areas in demand seem to be duplicated across the market.

In accounting, we have seen a relatively sharp increase in the number of clients looking for product control specialists with two to five years' experience. In broader terms, most clients are looking to hire strong finance staff at the \$100 - 130k level to backfill senior roles made redundant in 2009. In particular, candidates with strong management accounting skills are in highest demand as companies look to ensure businesses are running efficiently into the future. In the funds space, we have seen a sharp increase in demand for financial accounting skills whilst the more operational roles are only now starting to be released to the market.

The contract market in this sector is gaining momentum, after a typically slow start to 2010. The demand for contractors for year-end and half year-end roles has returned, as has the need for senior project managers and business analysts to assist with integration and project work following on from global and local mergers. Project spend in other areas such as product control where systems are being enhanced has again created a need for strong business analysts with specific product knowledge. As per the compliance market where there is increased pressure on reporting measures, a need for candidates with

APRA / Basel II / internal control / tax experience has also grown. Most contracts have initially been short-term, however many have been extended or become permanent positions. This has created a high demand for local candidates but as that pool tightens, the use of overseas workers on Working Holiday visas, for example, has become more evident and opportunities for sponsorship have also increased.

Risk Management, Compliance & Audit

The compliance market experienced high demand for professionals across most technical disciplines throughout Q1 and into Q2. AML compliance remains an area of high growth as the tranches of reforms come into effect. Investment banking and financial markets activity has been driving strong demand for experienced equities, global markets and control room compliance personnel, and the recovery in fund performance has led to demand for managed funds skill sets. Recruitment in these areas is competitive for high calibre professionals, and salaries are rising as a result.

Across the disciplines of risk management, there have been numerous opportunities for individuals with deep technical quantitative skill sets for modelling and valuations roles within market and credit risk. Furthermore, individuals with understanding of capital adequacy and Basel II requirements have been sought after as firms experience increased pressure for board and APRA reporting.

Operations

Fund managers, custodians and retail banks appear to be recovering the fastest, leading to increased hiring in these firms, whilst the international investment banks lag in comparison. Broadly speaking, candidates have favoured working for domestic houses due to perceived security and stability. Although off-shoring has slowed somewhat, many of the internationals still prefer the more laborious and process-driven roles to be based in lower cost centres such as India, China, Singapore and the Philippines.

The local recruitment that took place throughout Q1 was as a result of new products or streams of business. Generally speaking, retail banks have focused on cash products whilst investment banks are focused on fixed income products.

The current market represents the most buoyant market we have seen since 2007. Salaries are once again competitive, and employers need to make timely offers comprising of an attractive package, benefits and a strong culture to secure and retain quality talent.

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