



**Empirical  
Search**

# **Market Update**

**Treasury & Risk Oversight**

**Financial Services**

January to June 2017

**Practical Recruitment Solutions**

## **General Overview**

There has been a notable increase in recruitment activity in the Treasury and Risk Oversight spaces across the whole of the banking sector, most noteworthy amongst two of the major high impact banks. The catalysts for these recruitment drives are a combination of high attrition and low replacement hiring last year coupled with an increased focus on structural reform and the subsequent headcount increases that has brought with it. Where the larger banks have started hiring again other banks, consultancies, other financial services firms and the regulator have all been targeted for candidates and the subsequent gaps left behind have provided further demand for people from these companies as the year has gone on.

## **Treasury**

New Treasurer appointments for Deutsche, HSBC, RBS, Santander and Standard Chartered, amongst others, has contributed to the greatest amount of movement we have seen at this level for years. Interestingly banks have opted to replace department heads internally on almost every occasion and this has paved the way for a shuffling of the pack beneath them and subsequent external recruitment needs at Director as a result.

To date there has not been one specific technical skillset in greatest demand with equal activity across ALM, capital management, liquidity, treasury markets and treasury finance. Liquidity expertise in general has been in greater demand than 2016 however with a particular need for regulatory and internal reporting as well as risk management experience. This is the case for both the permanent and interim markets. There is still a drive to improve better internal metrics for managing liquidity risk and with NSFR in its' final observation period before the January 2018 implementation, it is naturally getting a lot of attention.

We have seen the greatest number of opportunities across the capital markets and structured funding teams in Treasury for many years and these are spread across the banking community from challenger to leading UK deposit takers. It is a welcome addition to our portfolio as historically the lion share of vacancies here will be filled through mutual connections. Volumes have been too high for that to work this time however and we have been relied upon more heavily here than usual.

Treasury finance is a growing part of our service, mainly due to this function often having a direct or dotted line into the Treasurer. Work on addressing IFRS9 updates for classification & measurement, impairment and hedge accounting for financial instruments along with accounting for legal entity changes due to structural reform, has kept the need high for technically strong accountants who possess the ability to educate and work collaboratively with the business.

## **Risk Oversight**

Liquidity and capital oversight recruitment remains very active and we expect this to continue. As risk continues to evolve its' role in overseeing and validating the balance sheet, the end goal remains for a clear division of responsibility between first and second line of defence functions.

We are yet to see market wide consistency though to date. The preferred method appears to be second line achieving oversight of first line by owning the governance and setting the framework for managing and establishing risk appetite, ultimately allowing first line to manage, plan and execute.

Some high impact banks have made structural changes resulting in new reporting lines for individuals who were previously housed in the first line. A reliance on subject matter expertise in liquidity and Capital across second line roles remains high and has been achieved with redeployed first line headcount or maintaining strict technical standards when hiring externally. Smaller banks and building societies are either developing new second roles or redefining existing ones, the latter often retaining broader prudential regulation and compliance duties as well. Successful hires have resulted where expertise in one area is given the same recognition as the ability to pick up others.

## **What is new**

Diversity remains a key initiative with numerous requests to approach known talent in the market and ensure shortlists are as diverse as possible. Whilst this is a very real initiative technical expertise and meeting the required competencies remained the greatest priority. Increasing the numbers of females in roles across all levels in Treasury and Risk oversight continues to be the focus for a large proportion of the banks.

Brexit continues to be a popular topic with plans to establish new European subsidiaries taking shape, mainly to counter any potential disruption to current business activities. This will likely create a need for hiring in the short term to manage changes to the way departments are organised. We are already seeing the greatest demand for practitioners experienced in things like structural reform, and also those with good project management skills, for roles supporting this transition.

## **Empirical Search**

As Empirical approaches its' second anniversary as a business we have grown in headcount, upgraded our office space for the second time this year, and expanded our specialist offering to include corporate treasury within industry and commerce. We have also started assisting our clients with Non-Executive director recruitment with a good number of them showing a particular interest in the depth and quality of our networks across the senior Treasurer and CRO space.

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