
EUROPE'S BANK REGULATORS ON EXPENSIVE HIRING SPREE BEFORE BREXIT

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By John O'Donnell FRANKFURT (Reuters) □ Europes regulators are competing to hire risk specialists to prepare for an influx of banks escaping Brexit, nudging up salaries and stretching staff budgets. Wall Street giants Goldman Sachs, which have big operations in London, intend to expand in the European Union after Britains departure.

Germany's financial regulator, Bafin, and the French and Irish central banks intend to hire dozens of new recruits in the coming year, according to officials. The European Central Bank, which has overall responsibility for supervising banks, is also seeking new staff. But filling such positions is difficult, partly because risk specialists are in hot demand and budgets of public institutions are limited. We are seeing a lot more competition in hiring people for risk, in both the public sector and the private sector, said Nigel David, a head-hunter at Charles Levick in London. You are seeing salaries shoot up. Irelands central bank said late last year it had set a target of boosting staff numbers this year by almost 10 percent, or 170 people, in part to cope with Brexit.

By May, the numbers were broadly unchanged at about 1,600 employees. A central bank spokeswoman declined to say why it had not hired more staff. But Philip Lane, its governor, spoke of the challenge of hiring in a newspaper interview in July. Any regulator in a major financial centre, Im sure the Bank of England or the New York Fed have similar challenges, there is always going to be the issue of how to compete with the other opportunities, he said. The majority of its employees earn between 25,000 euros and 75,000 euros (\$90,400). Starting salaries for risk managers at an investment bank are around \$52,600. Irelands problem has been exacerbated by pay restrictions and extra taxes on civil servants, imposed by the government as it seeks to recover from a financial collapse. The central bank recently approved the creation of 26 new posts to deal with the increased workload post the Brexit referendum.

MATHS, PHYSICS DEGREES With the clock ticking to Britains EU departure by April 2019, banks are already beginning to migrate from London. The shift will give Europes regulators a greater say over global finance after Brexit even though they are still dealing with the regulatory fallout from the last financial crash. Regulators in Paris wants to hire 50 additional people, while Germany's Bafin is examining new staff as part of budget negotiations for 2018 now taking place, people familiar with the matter said. But like Dublin, they may find that their hiring pot is not big enough. A survey of risk experts by recruiter Barclay Simpson found that salaries for European market risk specialists at an investment bank began at 40,000 pounds (\$52,600) for graduates and climbed

above 400,000 pounds for top managers. By comparison, Daniele Nouy, the ECBs top regulator, earned just 278,000 euros (\$335,300) last year. The typical candidate for a risk management job would have a degree in maths or physics to help spot the risk of, for example, a mortgage default, one headhunter said. They might also have experience of working in a retail bank. Risk is a very competitive market, said Liam OMahoney, of head-hunter Eames Consulting in London. Its going to be very difficult for a central bank to attract people. The ECB, which has an annual budget for policing banks of more than 400 million euros, may be one of the few institutions able to keep pace. It is seeking to hire contractor risk specialists at daily rates of 1,000 euros □ plus expenses, people familiar with the programme said. A spokeswoman for the ECB declined to comment. For others, such as Germanys Bafin, where salaries range between 35,000 euros and 80,000 euros, the hope is that the appeal of a secure job in a predictable civil service will appeal. Its international, said one employee. The work is interesting. And unlike the private sector, people here work 41 hours a week. (\$1 = 0.8292 euros) (Editing by Anna Willard)

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