Why an “Unofficial Guide to Investment Banking?”

The aim of this guide is to give you a fresh view of investment banking. A brochure is helpful, but can read a little like a catalog. We think you need to know what your life would really be like, challenging out-of-date myths and stereotypes, so you are able to make the most informed decision possible.

This is an honest look at investment banking and is based on the experiences of people just like you, who have now gone through the graduate program and come out the other side with blossoming careers. It is the inside story of investment banking written by analysts for graduates, and you won’t hear this tale anywhere else.

We’re going to tell you about all the divisions you could work for, what life’s really like for analysts and show you that there’s more to banking than pitch books, power lunches and pinstriped suits. And if you still want to go into banking once you’ve heard the inside scoop, we’ll tell you about how to get there and give you practical tips on interviews and applications. Oh and don’t worry if you come across words you don’t understand, you’ll find them in the “glossary of incomprehensible banking jargon”.

Happy reading and good luck!
OVERVIEW OF INVESTMENT BANKING

Investment banks are among the largest and most complex organizations in the world. They serve many different types of companies, institutions and governments and play a huge role in the financial sector.

Investment banking is now a much broader business than it was even a quarter of a century ago. Many traditional services centered on helping corporate clients secure financing to achieve key strategic objectives e.g. mergers and acquisitions. Today, investment banks are much more than well-connected intermediaries between investors and chief executives: the biggest players can meet virtually all the financing and investment needs of wholesale customers globally.

The industry changed because of the successive waves of consolidation in the finance sector. Investment banks now trade and issue equity and debt as well as lend directly to clients and offer a range of investment options. Having swallowed up brokers, commercial banks and asset managers - investment banks now appear bewilderingly huge.

As if the range of different businesses wasn’t enough, within each typically lies layer upon layer of complexity. This is, in part, due to the fierce competition for notoriously large fees. Without innovation and a detailed understanding of markets and clients, these fees rapidly disappear. The good news is that investment banks need both specialists and those able to grasp the bigger picture. As the opposite function-by-function list suggests, a mix of responsibilities, roles and opportunities are available to you.
These guys are the enforcers within the company. It's their role to keep an eye on pretty much everything from the trading desk P&L to compliance with financial regulations.

Do say: All our accounting processes are in line with regulation.
Don't say: Rogue traders are really cool!

Responsibility for putting together investment products for organizations with lots of cash to invest, asset managers and fund managers have strong relationships with their clients. Fund managers invest in equities, fixed income, property and hedge funds on behalf of clients.

Do say: Care to discuss asset allocation in my portfolio over dinner?
Don't say: I just open the Financial Times or Wall Street Journal, close my eyes and stick a pin in.

Manage all the technology and transaction processing challenges of the bank. Don't be fooled into thinking this is just a support function; business performance and competitive advantage relies on superior technology and processes these days.

Do say: The new transaction work-flow application has been a huge success, all the trading settled today without a hitch.
Don't say: Was that $50 million or $50 billion?

This is a huge division with a number of responsibilities. The division is split by industry, product and region to meet clients' needs. Looking after the bank's largest corporate clients, they provide everything from day-to-day banking services to strategic financing advice.

Do say: I think the current appetite for new search engine technology offers huge IPO opportunities for issuers and investors alike.
Don't say: Someone called wanting advice on an upcoming merger, but I told them we were too busy.

This is where the image of the furiously competitive pace in banking comes from. This division buys and sells a variety of financial instruments across global markets either on behalf of clients or across the bank's own book.

Do say: P&L on my book is going through the roof.
Don't say: If I have to get in for 6.30am, can I have a driver?
MYTHS AND REALITIES OF INVESTMENT BANKING

There are many assumptions made about investment banking, including the environment, work and people. Some of these clichés are based on truth and some are definitely rooted in misunderstanding.

Deutsche Bank’s current analysts considered the myths they had heard before they joined the bank and whether these had turned out to be reality.

MYTHS

TYPE OF PERSON
The investment banking world is like an unapproachable old boys’ club – unless you are an ivy league / red brick university graduate.

TRADERS
Traders are ruthless dealmakers who only care about money.

THE HOURS
There are no normal working hours in investment banking – you have to give up your personal life / girlfriend / boyfriend / family / hobbies.

REALITY

TYPE OF PERSON
This is completely untrue! Yes, a good degree is essential but banks invest a huge amount in trying to attract a very diverse range of people.

TRADERS
This is partially true – traders must be very focused and motivated as they conduct one of the bank’s core activities and therefore have a lot of responsibility to shoulder.

THE HOURS
Not entirely true, it does depend on the area where you work. On the trading floor you work an intense 10 hour day; and when on a deal, investment bankers can pull all-nighters. Other areas generally have more standard work schedules. Starting a career in any industry requires long hours and dedication to get ahead, banking is no different.
THE SALARY
You earn so much money; you can retire at 30 with a jet, yacht and country house.

THE CULTURE
The working culture is stuffy and closed. You have to make sure you keep your head down and don’t ask too many questions.

THE MATHS
You have to be a mathematical genius to apply to banking – an arts graduate has no chance.

DIVERSITY
There is not much diversity in investment banking – there are few women and minorities represented.

THE JARGON
There is so much jargon in banking; it’s like having to learn a new language.

THE ATTIRE
You have to wear a bow tie and pinstriped suit everyday – it’s the unspoken uniform of investment banking.

YOU HAVE TO SPEAK GERMAN
Deutsche Bank is very German in the way it does business and everyone has to speak German.

GRADUATES
Graduates get all the mundane, admin tasks while the rest of the team does the fun stuff.

THE SALARY
Not quite, bankers are not the Hollywood A-list. Most people have normal, down to earth lives. You may earn more than comparative roles in other industries, but a private jet might be going a bit far...

THE CULTURE
This is not true. In investment banking you are always learning and there’s an open, feedback culture.

THE MATHS
Being able to understand and express ideas with numbers is certainly an important skill in many roles, but what degree you have graduated with is not necessarily the qualifying factor – in fact, Deutsche Bank recruits the best from all disciplines.

DIVERSITY
Diversity is considered a very important, strategic business driver at Deutsche Bank. This is for two reasons: it mitigates the risk that is involved in homogenous thinking; and it allows us to reflect our client base – and they are a diverse group of people.

THE JARGON
That’s right; there is a lot of jargon. Once you have learned it (on the excellent training programs) you’ll wonder what you did without it. Check out the glossary if you need help.

THE ATTIRE
Of course some people like the old school attire, but the bow tie look is really not that cool anymore...

YOU HAVE TO SPEAK GERMAN
Deutsche Bank is a leading European Bank with a multinational workforce. It has a strong global presence with offices in London, New York, Hong Kong, Singapore, Tokyo, Sydney and Frankfurt (to name a few). And speaking German is not mandatory!

GRADUATES
Quite the opposite. Graduates are given a surprising amount of responsibility and anyone who’s skilled and willing is recognized.
ASSET MANAGEMENT

WHAT DOES THE ASSET MANAGEMENT DIVISION DO?
Asset Management firms manage other people’s money, usually belonging to companies, institutional investors, or private parties, by converting this money into assets – stocks, bonds, derivatives, and other types of investments – with the goal of making that money, make more money. Asset managers use a combination of investment theory, quantitative tools, market experience and research to pick investments for their portfolios, ranging from high-risk stocks to commercial real estate or cash accounts.

WHAT ROLES ARE THERE WITHIN ASSET MANAGEMENT?
Asset Management is typically split into three main areas according to investor and investment types:

INSTITUTIONAL INVESTORS
This area specializes in providing investment advice and products to pension funds, insurance companies, charities and corporates wanting to make long-term investments of their assets.

RETAIL INVESTORS
Most investment managers don’t deal direct with individual members of the public, but do develop products tailored to the retail needs which are marketed through retail banks or independent financial advisors.

ALTERNATIVE FUNDS
This segment includes real estate and hedge funds. Real estate enables investors to buy into funds featuring property types including domestic, commercial or industrial property. Asset managers increasingly offer the opportunity to invest in hedge funds. Typically this is attractive to organizations that want to diversify from traditional instrument types, e.g. equities (stocks) and fixed income (bonds) to boost returns.

There are two main functions in each of the above areas:

INVESTMENT MANAGEMENT
This function is responsible for investing clients’ funds in specific asset classes, such as equities and fixed income as well as hedge funds. Portfolio managers specialize in particular instruments and markets and are responsible for performance of a portfolio of fund types (e.g. growth, value, domestic or regional).

SALES AND DISTRIBUTION
This function is responsible for creating, positioning and selling the investment products the bank offers. The Market Strategy teams create the investment products, making sure each portfolio has a mixture of instruments that meet clients’ needs. Sales & Marketing are responsible for explaining the products to institutional investors. For any fund to flourish, the sales team must first convince clients of its attractions: without investors, there can be no fund.
WHAT IS THE GRADUATE PROGRAM LIKE?

Roles in Asset Management are less flexible than in any other area of the bank. Analysts tend to be hired into either investment management or sales and distribution. Then rotations may transpire throughout the program to allow trainees to find their niche (unless you knew what you wanted to do already) and become a specialist.

LIFE AS AN ANALYST

On the investment management side, there are fewer placements and success depends on niche market knowledge and building long-term relationships with clients. Specialization is crucial to demonstrating value to clients, but relationships and networking can be just as important. This adds up to long hours, but a varied and fulfilling working day. Eventually, you’ll become a true specialist in your area and an extremely valuable team member.

If you want to create and strategize on products, position them in the market and win over investors, business management is for you. You get to be the link between the asset managers, clients and Controlling – it’s hectic, but you will get to know your market really well. There are only a few graduates and commitment is key – you can’t forge a relationship with a client one year and dissolve it the next.

SO, IS ASSET MANAGEMENT FOR YOU?

The profession requires excellent quantitative and analytical skills, as well as a good degree. Many grads studied business or economics, but it’s not as essential as keenness and good communications skills. All analysts have to take the Investment Management Certificate (IMC) as part of the program and this happens outside of work time. Many analysts also opt to take the Chartered Financial Analyst (CFA) exam.

DO YOU WANT TO...

- Become an expert in a specific sector of the financial indices
- Work with and influence the world’s biggest investors
- Understand how different financial instruments behave
- Deal with long term investments (so work is not as deadline driven)
- Have a great opportunity to shine – only a few grads are taken on annually

BUT BEWARE...

- Lots of networking is required
- Focus is key in this division – you need to be certain of your choice of career
- It’s not as fast-paced as Global Markets
- Hours can be long
- It’s very challenging – knowing your specific sector is hard work
- You are required to take professional exams

“Working with Alternative Investments is a bit like being party coordinator between the portfolio managers and the underlying funds (fund of funds). You get to know Controlling and many other aspects of the bank.”
WHAT DOES THE FINANCE DIVISION DO?

For any company, integrity is crucial to its ability to do business. When a company’s regulatory compliance or internal controls fall short, we’re all aware of the scandal that can ensue (think WorldCom or Enron).

For banks, as financial intermediaries, it’s doubly important that there is a robust framework to establish control and ensure integrity.

The Finance division at Deutsche Bank does just this. It is a bit like a police force for the bank. It enforces the external laws that govern the financial industry and sets the internal controls to ensure the bank conducts its business effectively and profitably.

WHAT ROLES ARE THERE WITHIN FINANCE?

Finance is split into four areas:

BUSINESS AREA CONTROL (BAC)

When traders are doing deals, they don’t have much time on their hands. They are there to make money for the bank and don’t have time to check the fruits (or foibles) of their daily trading activity. For each business area, BAC calculates, analyzes and reports risk and profit and loss (P&L) to the trading desks and senior management daily, often using numerical models to tally these figures against what the traders ‘think’ they made that day. BAC are key partners with the traders when it comes to setting up new products and business streams, designing and implementing infrastructure changes and in providing information for them to manage their businesses in the most profitable and scaleable manner. BAC also interfaces with Legal Entity Control and Risk Management/Group Risk Control to ensure there is accurate and fair information in the firm’s financials and Value at Risk (VaR) respectively.

LEGAL ENTITY CONTROL (LEC)

LEC is responsible for reporting the financial results to Corporate Centre and for statutory reporting to regulators, such as the UK’s Financial Services Authority (FSA) and the Federal Reserve in the US. All regional Finance functions report on a monthly and annual basis on the managerial and financial aspects of the business. This function is also tasked with making sure Deutsche Bank’s reporting structure makes the best use of technology.

GROUP RISK CONTROL (GRC)

GRC is the centre of competence within Deutsche Bank for risk measurement and reporting. GRC teams work closely with Legal, Risk & Capital to implement risk methodology. GRC’s role includes the measurement, analysis and reporting of Credit, Market, Operational, Investment, Business and Liquidity Risk. In GRC you will be responsible for quantifying risk and ensuring the quality and integrity of risk related data.

GLOBAL VALUATION GROUP (GVG)

This department makes sure that all those exciting and exotic investment products are priced correctly. The GVG uses industry standards as well as complex mathematics to support its own pricing models. Some new investment products being created these days are so new that there is no industry standard, so it’s important to assess pricing. This group is also responsible for making sure that trading desks globally have their pricing tested on a regular basis.

Finance interfaces with the Group Technology and Operations functions regularly, ensuring that systems are able to cope with its requirements. Finance and Operations are also in charge of the ledger and making sure that the money is in the bank after a hard day of trading.
WHAT IS THE GRADUATE PROGRAM LIKE?
You will become part of a valued team and be given as much responsibility as you are ready for. Rather than doing lots of different rotations in each area, with Deutsche Bank you will begin a real job from the day you start. Before the end of your first year you will be a productive member of the team. The continuous development plan is tailored to suit your individual needs. During your first couple of years with Finance, not only will you be given the option to choose the most appropriate professional qualification for you, you will also be given the opportunity to take up a different role in another part of Finance – so you have some significant input into where your career goes!

LIFE AS AN ANALYST
In all areas of Finance you’ll be expected to contribute to critical processes straight away. Even during your graduate program you will work on annual reports or with key traders and risk managers in, say, credit derivatives. The environment is fast paced, especially when you’re working with traders, but the hours are mostly sociable. The division is geared towards mentoring its grads, but you’ll get further quicker with an inquisitive nature and by showing willingness to take on responsibility. As a part of the overall Finance team you’ll need to be able to stand up for yourself and your work. In BAC, RC and GVG you will find that traders are very focused and motivated individuals and as a result, you may need to stand your ground in the cauldron of the trading floor to make yourself heard! RC and GVG are less exposed to traders day-to-day, but the pressure of calculating acceptable levels of risk and pricing structures demands confidence in your models. Meanwhile the focus in LEC is more on the entities and regional management priorities, but the responsibilities are just as important, since the company’s financial reputation is at stake. Report writing skills and being able to talk to management with confidence are key.

“Within a year of working with the BAC group, I am managing my own set of trading books and talking to the Head Trader.”
“Attention to detail is really important. It can seem tedious until you realize that a small mistake can have massive implications, like slipping a zero in the ledger”

SO IS FINANCE FOR YOU?
Although you need to be numerate to work in all areas of Finance, a love of creating mathematical models would better suit those with an interest in Group Risk Control or the Global Valuations Group. A background in business and management is common amongst the Finance folk, but if you’re really keen, anyone with an analytical and numerical mind can apply.

DO YOU WANT TO...
- Get a good understanding of a bank’s control environment
- Be part of a nurturing culture where you learn on the job
- Have the opportunity to take on lots of responsibility
- Be exposed to other areas within the bank
- Have support in working towards professional qualifications
- Be paid better than you would at an accountancy firm

BUT BEWARE...
- It’s not for those shy of numbers!
- There is the challenge of working with difficult traders
- The hours can be long at key times in the month/year
- This is not the job for a Finance Stereotype!
GLOBAL BANKING

WHAT DOES THE GLOBAL BANKING DIVISION DO?

Just like your local bank provides you with an account, loans and investment opportunities, companies need someone to manage their finances too. Large, typically multinational corporates rely on investment banks because of the scope of services required.

Previously, investment banks provided corporates with advice and introductions to investors, rather than lending their own funds like a commercial bank. Banks nowadays, in order to meet increased demands, have broadened their range of products and services. That is certainly the case at Deutsche Bank.

Global Banking consists of Corporate Finance and Global Transaction Banking.

Corporate Finance comprises the complete range of integrated investment banking products and industry sector coverage, enhanced by extensive country and local market knowledge.

Products and services delivered across a cohesive global platform include Mergers & Acquisitions Advisory, Equity Capital Markets, Leveraged Debt Capital Markets, Commercial Real Estate, Asset Finance & Leasing and corporate lending services.

Corporate Finance at Deutsche Bank employs approximately 4,250 professionals in 37 countries. (June 2007)

Equally, within Global Transaction Banking there is a complete range of Cash Management, Trade Finance, Trust & Securities Services and Capital Market Sales available making Global Banking one of the most diverse businesses at Deutsche Bank. All the various services within Deutsche Bank are dedicated to fulfilling the complete financial needs of companies.
WHAT ROLES ARE THERE WITHIN GLOBAL BANKING?

Because of the wide range of client needs catered for by Global Banking, there is a great variety of specialist and generalist roles. A common distinction is between client coverage and product teams:

CLIENT COVERAGE

Client coverage involves senior professionals with specialist experience looking after clients designated by geography or by industry sector. This provides clients with access to an extensive skill and knowledge base built on a deep understanding of their market and industry from which they can leverage.

When coverage bankers have identified specific needs, they will call on product specialists to provide further advice and services while continuing to act as a bridge between the client and product specialist to ensure client satisfaction is maintained.

PRODUCT TEAMS

So that our clients get a comprehensive, integrated service from Deutsche Bank, Global Banking: Corporate Finance has been structured to offer:

Asset Finance & Leasing - AFL is a global provider of structured financing solutions as well as comprehensive advisory and arranging services for long-living, high-value assets such as: aircraft, ships, real estate, infrastructure, renewable energy and alternative assets, like patents and private equity.

Commercial Real Estate - Provides financing services to organizations owning or acquiring commercial real estate assets including arranging debt facilities and supplying liquidity to real estate institutions. Deutsche Bank is a global leader in Commercial Real Estate with an extensive team of professionals based in the US, Europe and Japan.

Equity Capital Markets - A global provider of primary equity products like IPOs, block trades and rights issues and innovator in new product developments.
GLOBAL BANKING continued

Leveraged Debt Capital Markets – This team uses innovative and complex structures to supply finance to organizations with limited access to traditional capital markets. Deutsche Bank has been involved in more high yield new issuance than any of its competitors over the last six years (Source: Thomson Financial, 2001-2007 YTD) and is a leader in jumbo leveraged buyouts.

Mergers & Acquisitions (M&A) – Buying another firm is a critical moment in any company’s development and they are willing to pay high fees for high-quality advice on the choice of financing options available. Deutsche Bank’s M&A bankers have the ability to enable their clients to achieve their strategic objectives as they can place the most powerful product platform and network of relationships at their service.

Within the Transaction Banking section of Global Banking, services relating to the movement of cash and securities have been split into three main areas:

Cash Management – Large corporates often have thousands of bank accounts and hundreds of banking partners. This can make it very hard to keep track of (and use!) all of the cash within the firm. The Cash Management team provides services to help consolidate cashflows and invest them short-term to maximize liquidity.

Trade Finance – This team offers comprehensive solutions along the client’s trade value chain by combining international trade risk mitigation products and services with custom-made solutions for structured trade and export finance. With Deutsche Bank as a trading partner, clients can seamlessly manage documentary collections, letters of credit and trade guarantees alongside their risk management and structured export finance. The Trade Finance team uses industry-leading technology across its global network to increase the efficiency of cross-border trading.

Trust & Securities Services – This team looks after the administration of securities transactions once they’re closed. Clients are either the issuers of stocks and bonds or the asset managers who buy them and require them to be held securely. This group also maintains relationships with investment bankers, lawyers, rating agencies and other third parties.

Capital Market Sales – This team provides clients with asset, liability and risk management solutions across a wide range of different asset classes, such as foreign exchange, interest rates, equities, commodities and credit.

“Our relationship with the Global Markets team is really interesting. We can ask them for information on the market, but they can’t ask us for information on deals because of client confidentiality.”

“You need to be driven and ambitious. You have to be able to work with lots of different people internally and externally – and be prepared to travel and work with different cultures. As long as you are hard working, analytical and smart, you’ll go far.”
**WHAT IS THE GRADUATE PROGRAM LIKE?**

In Global Banking, you’ll do rotations of up to a year, but the extent you move between departments varies depending on the region you are in.

One thing is for sure, expect the first year to be incredibly hard work – this is not for the faint-hearted who are precious about their spare time.

The rewards, however, of working in Corporate Finance are attractive! You will have a direct impact on the financial fortunes of the largest blue chip companies in the world – it’s a privileged position and that means you have to put in the hours.

The Global Transaction Banking training program is slightly more flexible than Corporate Finance; some analysts have commented on the seamless transition between when the ‘program’ ends and the ‘career’ begins.

The hard slog doesn’t last forever. Once the first year or so is over, you can generally start living a slightly more sociable life and things get easier as you get to know the ropes.

**LIFE AS A ANALYST**

Working in any part of Global Banking will mean you have to perform in a high pressure and intensely demanding atmosphere from day one. If you think you’re the kind of person who can thrive in a hot-house climate, then this is your ideal environment.

If you start in Corporate Finance, you could get to advise the CEOs of the world’s largest companies on a regular basis, create complex financial structures that help multinationals achieve growth strategies and strike deals worth millions. You have to be highly numerate as you’ll be working out how different strategies impact clients’ financial structures. It’s really challenging work, and you’ll need a cool head and plenty of stamina.

If you join Global Transaction Banking you will be talking regularly with clients and interacting with lawyers, other internal teams, other banks, market infrastructure organizations (i.e. clearing houses and exchanges) and rating agencies. It can take a long time to understand the roles of the different counterparties within Global Transaction Banking and the variety of clients’ needs mean you will build up the picture gradually but powerfully over time.

**SO, IS GLOBAL BANKING FOR YOU?**

As with most jobs in banking, numeracy is essential but this is insufficient without application, drive, flexibility and people skills. You don’t have to study Economics or Finance, an excellent degree will help you get on the program, but the way you progress is up to you.

**DO YOU WANT ...**

- One of the most high powered jobs in finance
- A massive learning curve and investment in your development
- A client-facing, networking oriented role
- To avoid the rush hour – you start late and the late nights mean the bank pays for you to get home
- Long term, satisfying projects
- High excitement!

**BUT BEWARE ...**

- The first year is the hardest working year of your life
- Long hours
- Lots to learn which they didn’t prepare you for at university
- You have to be a good writer and numerate
- You may have to spend time entertaining clients
- You may eat too many meals at the office
GLOBAL MARKETS

WHAT DOES THE GLOBAL MARKETS DIVISION DO?

Global Markets is what most people think of as investment banking (along with corporate finance). Although until relatively recently many roles dealing in the capital and money markets were performed by smaller specialist institutions.

The trading floor has also changed dramatically in recent years, with phones, then computers gradually replacing open outcry trading in most markets. However it still performs the same function - traders buying and selling financial instruments (e.g. equities and bonds) with the aim of turning a profit either directly for the bank or for clients (with the bank earning commission).

Investors deal in the markets for a number of reasons: as well as those that deal for the short term (using their market expertise to ‘beat the market’) and the long term (‘buy and stick’ investors who wish to achieve a return over a given period), many also trade as part of a risk management strategy (dealing in particular instruments to offset a predicted financial risk). As such, clients may include asset managers, hedge funds, other banks, mortgage institutions and corporates.

The pace of life is infamous; those that work on the trading floor need that legendary stamina to think and act as quickly as required throughout their day.

WHAT ROLES ARE THERE IN GLOBAL MARKETS?

Global Markets is split up into desks covering specific markets and regions. There are different roles but all revolve around presenting and executing new investment opportunities to clients:

SALES
Sales is responsible for making sure that clients are offered opportunities and trading strategies through liaising with the traders and researchers on what they have on their books and their knowledge of the market. Sales is also responsible for raising capital on behalf of companies and governments by placing their newly issued bonds and shares with investors.

TRADING
Traders make prices, book trades and manage risk on behalf of clients. They generally liaise with the sales team on their desk to understand what clients want, what ideas Sales and Research are pushing to clients and whether these are realistic according to market prices.
RESEARCH
Depending on the desk, researchers are often client facing with Sales, presenting their research and ideas on how different markets will perform. This might include analysis of a company or industry sector’s financial performance, or an opinion on the Gross Domestic Product (GDP) growth prospects of a particular country.

STRUCTURING
These are the people who create the more complex, over-the-counter instruments, they have their own desks and interface with clients.

There are hundreds of trading desks globally in large investment banks, but they can be split into some key areas:

EQUITY
These desks handle investments in various companies across the world. Investors typically buy and sell equity in companies based on expectations of future profitability. The Research function plays an important part: analysts examine company performance, investigate industry trends and scrutinize any issues impacting the companies’ finances. Traders pay close attention to results statements, but any information that could affect future financial performance of a company will result in swift buying or selling activity. If the news impacts a large firm or group of firms, the Dow Jones or FTSE 100 may also fluctuate in response.

DEBT
Also known as fixed income, many banks buy and sell debt (typically bonds) issued by governments, institutions and corporates. Organizations issue debt instruments in order to secure funds for a fixed term, perhaps 5-10 years. Investors buy bonds for the regular interest payments they receive before an instrument matures and the debt is repaid. Debt is sometimes considered less fast-paced than equities due to a higher proportion of longer-term investors.
**GLOBAL MARKETS continued**

**MONEY MARKETS & FOREIGN EXCHANGE**
Money market desks typically lend and borrow large amounts for very short-term periods (usually from a day to three months). Trading in foreign exchange (FX) also varies according to the time horizon. Banks do provide currency to clients for immediate use (the spot market), but most currency is bought and sold for future needs. Typically, clients want to buy currency at a guaranteed price, say, six months in the future, in order to meet a financial commitment in this currency (e.g. a payment to a supplier). Clients use FX to offset risk, but banks trade for profit.

**DERIVATIVES**
These are complex instruments based on the performance of an underlying asset, e.g. debt or equity. For example, you may want to buy 100 Company X shares, but current market trends mean that share price will likely rise in 6 months, so you buy the option (not an obligation) to purchase them in 6 months’ time at the current price. If you’re wrong, you don’t have to buy the shares; you simply sell the option.

Derivatives are a way of dealing in a particular financial instrument in the future under specific circumstances, so they are often used to manage risk. One high-profile example is the credit derivative. These instruments are a kind of insurance policy that allows financial institutions to offset the risks of lending (i.e. extending credit) to corporate clients. A bank might buy a credit derivative that permits it to sell on its exposure to a borrower in specific circumstances.

More complex still are structured products - derivatives based on multiple, market factors.

E.g. an investor might use a structured product to protect its investment in a wheat producing firm against the multiple factors affecting the price of the grain, such as oil prices, currency market movements, global warming and local production costs. These instruments are often tailored to very specific needs and as such require a detailed knowledge of market dynamics and risk modeling to make the structured product attractive to the client and profitable for the bank.

“It’s not all about making immediate trading decisions at a fast pace – I’m on a flow desk and some of my trade ideas might be for six months or two years in debt markets.”

“Becoming a trader is a lifestyle choice - you have to work hard and play hard, true despite being a cliché! I do have trading screens set up at home, but my work is so interesting I like to have access to the markets whenever I want.”
WHAT IS THE GRADUATE PROGRAM LIKE?
Everyone attends a global classroom training program, this equips you with the basics you’ll need on the trading floor and you meet your future colleagues from the other regions. Most grads go into a generalist pool where you rotate in different areas (products like credit, commodities, rates; and functions like sales, trading, research and structuring) before deciding on a permanent home. If you’re hired to a specific desk you’ll also have the opportunity to rotate in some relevant areas.

LIFE AS AN ANALYST
Global Markets is a tough environment and requires an insatiable appetite to learn. In the first year the demands made on graduates are great and you will be working long hours in a high stress environment (there is a lot at stake!) - all difficult circumstances in which to learn the ropes. As a trader, you will be given your own portfolio to trade, but you won’t be put in charge of a $5 billion book straight away. Learning is continuous but choose your time to ask questions carefully; time is the scarcest commodity on the trading floor.

If you hate getting up early, this might not be the career for you. Trading requires you to be in before the markets open and this means you can be at work for 12 hours a day starting at 6.30am. Research and sales analysts work to deadlines and the pressure is high. You may even be tempted to keep an eye on market movements over the weekend.

There are challenges working with your internal colleagues as well. Researchers can be frustrated at clients not buying into their ideas, and Sales can find it difficult if they can’t get what their client wants because market circumstances mean the trader is unable to do the deal.

SO, IS GLOBAL MARKETS FOR YOU?
Many traders and sales people have business or economics related degrees, but there are a lot of humanities graduates too. If you like the sound of the structured products desk, you will have to be a keen mathematician. But most important is attitude: you must be quick to learn and enthusiastic in order to make a good impact during your internship or graduate program.

DO YOU WANT TO...
- Work in a demanding environment
- Learn from highly skilled colleagues
- Deal in financial instruments worth $millions
- Create complex, cutting edge investment ideas
- Play a part in affecting the way markets behave

BUT BEWARE...
- The hours are often long with early starts
- It is hectic on the trading floor
- You have to be confident, assertive and quick to learn
- You need to be an all-rounder: intellectual, sociable and thick-skinned!
WHAT DOES THE HUMAN RESOURCES (HR) DIVISION DO?

The banking industry is highly competitive. The key to a bank's success is having the best people. HR partners with the different business areas to hire, motivate and retain the best talent. But you may not be aware just how sophisticated and varied the HR role within banking has become.

WHAT ROLES ARE THERE IN HR?

The roles within HR are pretty diverse. There is room for both generalists and specialists. HR covers:

- Advisory – relationship managers who advise a designated division of the bank, they manage issues such as change management, strategic planning, compensation reviews, leadership, career development and employee relations.

- Diversity – help make the bank truly diverse by supporting groups through community outreach and employee networks.

- Compensation – design and deliver employee compensation and benefit systems that can be applied across all functions of the bank around the world. They also handle international projects and assignments, advise on issues like tax and immigration - and of course they also make sure we get paid!

- Resourcing – responsible for the overall design and strategic direction of the employer brand, recruiting and workforce management.

- Development – design and deliver a curriculum that covers the skills that people need to develop in their role and reach their full potential, as well as tailored and specifically designed innovative solutions for business teams.

- Management Information Systems – provide analysis on employee data, produce analytical reports to support decisions on the future of the Deutsche Bank workforce.

“I was surprised at the opportunities available to take part in interesting, important projects that really make a difference to the bank.”
WHAT IS THE GRADUATE PROGRAM LIKE?

The graduate program covers the many areas in HR. The Global Graduate Training Program takes place in London with your global HR graduate class. It is designed to give you a headstart before joining your team in your home location. The program includes the latest ideas and trends in Human Resource Management; it’s practical and interactive, giving you a taste of life as an HR professional at Deutsche Bank. After the training program, in your home locations you will rotate in various teams and specialist areas. This is a great learning opportunity and you will meet a wide range of people. Your first placement in our team is decided after rotations. The network of contacts and colleagues you develop on the graduate training program will be invaluable as you start your career.

LIFE AS AN ANALYST

Life as an analyst is varied and challenging in an innovative environment.

You will work on ‘live’ projects that contribute to the strategic objectives of Deutsche Bank’s HR Team. Rotations across the HR function give you great insight to help you decide the area you want to work in. There is a lot of on-the-job training, learning from colleagues as well as learning about the businesses you support. Self-motivation, drive, communication, and creativity are skills that are often called upon to be successful in your projects and day-to-day responsibilities.

The great thing about banking and HR is that you work with very bright people, who are creative and work hard. Important skills when working with this group of people are resilience and the ability to influence others. While your ideas and suggestions may be exactly what the business needs, you will have the sell those benefits and best practices and get people on board with your ideas.

It is very rewarding when things go well; an idea of yours has been accepted, you have contributed to a global project that has rolled out successfully.

The competitive environment and the truly global scope of HR practices means your clients will be diverse in both location and business need. You will be in regular contact with people of various levels of seniority, nationalities and expertise, so your excellent communication skills are constantly in use.

As an Analyst you will work with a widely diverse group of professionals from different backgrounds and experience success in a very competitive environment.

SO, IS HR FOR YOU?

Prior HR degree and knowledge is not a prerequisite to applying for our graduate program. Skills needed are diverse, so people from varied backgrounds and experience are intentionally recruited. If you have practical, on-the-job business experience and can prove your interest in investment banking HR you’re in a strong position.

DO YOU WANT TO...

• Have a surprising amount of responsibility
• Work as part of a global team
• Be part of a truly strategic partnership
• Work in a fast-paced and exciting environment
• Have a structured career development program
• Be challenged on a regular basis
• Work in a meritocracy that pays its HR people better than most other industries
• Have a good work/life balance

BUT BEWARE

• The environment is competitive and challenging
• Change is constant in the banking industry and HR has to support the business through change
• The responsibility might be daunting
• Even routine work requires a high degree of accuracy
• It’s a large and complex organization, understanding the sheer breadth of the business will take time
GROUP TECHNOLOGY & OPERATIONS

WHAT DO TECHNOLOGY & OPERATIONS PEOPLE DO?

Technology and operations form the backbone of Deutsche Bank, managing all infrastructure and IT requirements. Today’s financial services industry is characterized by ever more complex trading methodologies and instruments, and growing legislation and regulation; all coupled with a need to reduce cost and risk, while improving client service. Having the right technology and infrastructure in place is key to banks meeting these challenges and gaining and maintaining that all important competitive edge.

WHAT DOES TECHNOLOGY DO?

Technology has allowed Deutsche Bank to become one of the largest global competitors in the financial markets. As the pace of change has increased, technology has allowed us to not only stay leaders in markets where margins have been squeezed but also to compete in markets where millisecond execution times are critical.

The face of Deutsche Bank’s technology team is also rapidly changing as we leverage the skills of a global workforce. Technology is no longer a place where programmers work in isolation but one where communication and innovation allow us to provide an unbeatable service to our clients.

WHAT DOES OPERATIONS DO?

The popular image of investment banking is one of slick, fast-moving dealmakers. But deals can only work if the right processes and people are in place to back up the deal making.

That’s why Operations is often described as the engine room of the bank. It’s a fast-paced and diverse division that makes sure trades are settled, risk is minimized and clients are satisfied; and that’s just the start.

"Operations is the backbone of the business. Without us, the rest of the organization wouldn’t be able to stand up properly!"
WHAT IS THE GRADUATE PROGRAM LIKE?

After the Global Orientation, the program starts with a week’s introduction to finance, banking and the markets, crucial for getting everyone up to speed. Topics covered include the trading process and the roles of each of the divisions in the Bank. This is then followed by another four weeks of general management, operations and technology training.

Depending on the area you are placed in you will have the opportunity to do at least two rotations during the program, allowing you to really get your teeth into an area that interests you and make an informed decision as to what to do next. The work is varied and includes ad-hoc tasks as well as ongoing longer term projects, and you may soon have a higher level of responsibility.

LIFE AS AN ANALYST

Most people working in technology or operations don’t know two colleagues who do the same thing! On a daily basis you might be dealing with trade settlement, setting departmental or global budgets, risk reporting, business continuity management or client relationship management. In IT you may be working with Corporate Finance, Trading, Sales and Research all the time. This all takes place across a network of contacts from Bahrain to Belgium, Brazil to Bangalore. The roles are high level, fundamental and the internal clients are demanding.

Everyone is motivated and focused, with one aim: to make money for the bank often using complex strategies and technology. GTO need to make sure trades end up being real money in the bank, and that takes robust technology slick processes and innovative people who understand the business.

It’s very rewarding – you won’t find a more complex, diverse and global environment in the industry.

SO, IS TECHNOLOGY OR OPERATIONS FOR YOU?

In Technology and operations roles you have to deal with different people and divisions all day, so effective communication is key. But there is no single ideal technology or operations candidate; the people and their backgrounds are as diverse as the division itself and all degree disciplines are considered valuable. Operations has seen many exotic graduates turn into successful managers. Of course if you want to be a web architect, you need to have a related degree.

DO YOU WANT TO ...

• Get an in-depth understanding of the whole trade process
• Have a good work/life balance
• Be exposed to multiple divisions and products
• Create truly cutting edge technology in a fast moving environment
• Have excellent career development opportunities
• Have a lot of responsibility
• Work with global systems and teams

BUT BEWARE ...

• There is a lot of banking jargon to learn
• Clients can be very demanding and hours can be long
• Global systems make for very complex, challenging problems
• Career development is up to you not just the bank
WHAT DOES THE LEGAL, RISK & CAPITAL DIVISION DO?

Every company in every industry must manage the risks to their business. But some risks are distinct to investment banks. Credit losses, volatility of market prices, liquidity shortages, and regulatory and legal matters can all have an impact on a bank’s capital and reputation. For Deutsche Bank to generate revenue and make a profit, capital needs to be used and risk taken. There is no reward (profit) without risk. However, it is critical to balance the risk/reward equation against a bank’s capacity to absorb the downside to risk (trading and lending losses). Deutsche Bank also strives to maintain its reputation as a leading provider of financial solutions. These are the ultimate objectives of Legal, Risk & Capital (LRC).

WHAT ROLES ARE THERE IN LRC?

There are five distinct hiring streams:

CHIEF OPERATING OFFICE

The Chief Operating Office is responsible for the control and management of all credit data across Deutsche Bank globally. Its remit also includes the management of headcount, costs, and outsourcing projects across LRC. It also provides operational support functions within the division. These functions include business management, communications and credit and market operations.

COMPLIANCE

Failure to comply with the regulations can cost a bank its business. That’s why Compliance’s work of identifying and managing regulatory risks is so critical. Compliance advances lawful and ethical business conduct and prevents and detects violations of law, helping to protect and maintain Deutsche Bank’s integrity and reputation.

CREDIT RISK MANAGEMENT

Credit Risk Management (CRM) is the independent credit approval and monitoring function for the whole of Deutsche Bank. CRM represents Deutsche Bank’s centre of competence for all counterparty risk related matters. The division uses its expert local knowledge from around the globe to maximize Deutsche Bank’s risk-adjusted rate of return. It provides structuring advice and credit approval on transactions, manages the credit exposure of Deutsche Bank’s derivative and foreign exchange portfolios, actively ensures the recovery of impaired loans and makes sure that the global risk and management reporting systems are timely and accurate.
perform the complex risk analyses that are crucial to inform their business decisions.

Investment Risk Management (IRM) looks at all risk-related aspects of potential acquisitions and is responsible for overseeing the integration of their risk processes. IRM also reviews Deutsche Bank’s principal investments. These include, for example, when the bank takes an equity stake in a company or project that it has been involved in from an advisory perspective.

Treasury & Capital Management (TCM) is responsible for the capital, liquidity, and balance sheet of Deutsche Bank on a global, regional, and local basis. TCM manages these resources with a view towards shareholder and bondholder value, as well as regulatory requirements and other external influences.

OPERATIONAL RISK MANAGEMENT AND CORPORATE SECURITY & BUSINESS CONTINUITY

Threats as diverse as product liabilities, information security, IT system failure, frauds, and even natural disasters fall within the remit of Operational Risk Management. The division raises awareness of these threats, performs value adding analysis, and sets and monitors loss and capital targets used within Deutsche Bank.

Corporate Security & Business Continuity ensures Deutsche Bank’s critical businesses, data, and functions can recover after an adverse event, and provides rigorous assessment of the global security situation and business-specific risks. It applies a fully integrated approach to risk intelligence gathering, staff safety, threat analysis, and application of protection measures.
WHAT IS THE GRADUATE PROGRAM LIKE?

The nature of the work and the skills required are different depending on the different stream you work in. You should know which area you want to go into before you apply. All areas have their own tailor-made programs that provide exposure to a variety of businesses, as well as the opportunity to complete an international rotation.

LIFE AS AN ANALYST

With so many distinct areas, life as an analyst within LRC varies widely. You could be managing a client portfolio that entails daily monitoring of industries and financial performance, or analyzing the risks taken by trading desks and the impact of day-to-day market movements on Deutsche Bank’s exposure.

You might find yourself evaluating the bank’s acquisitions, both potential and actual, and their implementation, or reviewing security risks within a particularly hostile country and ensuring that any staff members visiting this country are aware of the situation.

Alternatively, you could be conducting a detailed analysis to identify the bank’s key systems, and ensure appropriate procedures are in place to allow operations to be switched seamlessly in the event of a power outage or evacuation. You could also be responsible for addressing regulatory rule changes or investigations that could result in new or enhanced controls for Deutsche Bank.

Whichever LRC function you’re in, you will be working closely with numerous other parts of the organization and will get a good grounding in how the whole bank works together.
“LRC is a great mix of the big and the small world, a melting pot of corporate finance and economics. You need to know the small world, knowing your counterparty in detail, but also the big picture such as macroeconomics.”

“I have been presented with multiple career opportunities since I joined LRC. After six months into the program, I’ve gained exposure to a huge variety of corporates, banks, sovereigns, funds and securitizations.”

SO, IS LEGAL, RISK & CAPITAL FOR YOU?
Although you don’t need to be a mathematical genius for all the roles, a passion for numbers and an analytical mind helps. LRC appeals to humanities graduates too – because you’ll be looking at wider issues in companies and markets that affect trading. Good people skills are essential and second languages are a bonus because of the international nature of the roles. LRC is an ‘art, as well as a science’. Common sense and market intuition is needed just as much as analytical ability.

DO YOU WANT TO...
- Be part of a fast-paced, global team?
- Be at the core of the bank’s business?
- Get an in-depth understanding of complex markets?
- Get a close view of clients’ finances and strategies?
- Have a fundamental understanding of the bank’s processes and associated risks?

BUT BEWARE...
- You might have only a small influence on big decisions as a graduate
- You will deal with demanding clients
- There can be a lot of paper and database work
- Hours can be long
WORKING THE PROCESS AND TOP TIPS

First and foremost, you need to have a real interest in this field; the process is rigorous, the work is challenging. If you’re only interested in the financial rewards, this is not the right industry for you.

PREPARATION IS THE NEXT STEP TO SUCCESS

As analysts, we know what a daunting task it can be to make a successful application. So to help you have the best possible chance of getting through the application and interview process, here are some practical steps you can take:

RESEARCH THE INDUSTRY AND FIRM
Having an understanding of the financial players is advisable and you should at least know the essentials about Deutsche Bank – especially the area you are applying to.

ATTEND EVENTS
Attendance at recruitment events will help you gain a better understanding of the world you are about to enter and how it works. It will also give you a good idea about the people you will work with. Helpful tips and techniques from recruiters will be available, as well as great opportunities to network with representatives from the business divisions – who you can later mention on your application form.

BE PREPARED
Not only for the questions at the interview stage but for your future lifestyle. A few late nights and heavy schedules may be ahead.

ASK QUESTIONS
Talk to fellow graduates and your university alumni about what a career in an investment bank is really like. Talking to people at an early stage can help your research process and hopefully your decision process.

“My internship was invaluable. They were really impressed with my initiative, plus it meant I already had a real understanding of how my division works on a practical level and what I wanted to do.”
Completing the Application Form

As with resumes or CVs, a badly written application form will not get a second glance. This is an important stage of the recruitment process. Be sure to put effort into producing something of high quality. Try to highlight throughout your application, with examples, what your talents are, for instance teamwork, attention to detail, drive, problem solving, communication skills etc.

All Deutsche Bank applications are made online, and will take anywhere from 15 to 60 minutes to complete depending on the country you are applying to. It is a good idea to print this out to begin with and write a rough version before you submit the final version. Get someone to check it before you submit it; your careers service may offer to help with this. Make sure you do a spell check too – once submitted your application cannot be changed.

Check the Deutsche Bank website or your careers service office for application deadlines. We strongly recommend you apply early because in some regions we interview on a rolling basis throughout the recruitment period, so the earlier on you are in the process the more positions will be available.

Attending Interviews

Double check the date, time and venue: arrive in plenty of time, turning up late always looks bad and will leave you feeling flustered and unprepared.
Wear a suit: business attire is always a safe bet, make sure you have a well ironed shirt and clean shiny shoes.
Smile: when you meet your interviewer and give a firm handshake.
Be confident and enthusiastic: you need to sell yourself – but don’t be arrogant, no one wants to work with a show off.
Have some questions prepared: ask about the bank, the division or the program – questions about salary are not advisable at this stage.
Take your time to answer questions: your interviewer is assessing your analytical thought processes, long rambling answers will not do you any favors.

Much more information on the graduate program and internships at Deutsche Bank, as well as the online application, can be found at www.db.com/careers

Good luck on the road to a career in banking!
ALL NIGHTER
Every analyst’s worst nightmare; entails working non-stop for at least 24 hours to meet a deadline

ANALYST
The specialist for a specific area, sector or function, also the job title new graduates are given in investment banking

ARBITRAGE
Profiting from differences between market prices by buying securities in one and selling them in another

ASSET MANAGEMENT
Fund managers/asset managers investing, typically, in the financial markets on behalf of their clients to achieve better returns than a given benchmark

AUDIT
Professional examination and verification of a company’s accounting data

AUTOMATION
Used to describe processing transactions using technology rather than manually, this is a big issue in financial services as cost and risk are seriously impacted by manual processing

BACK OFFICE
The support functions not directly responsible for the revenue generation aspects of the bank (i.e. IT, accounting and human resources). In banking the back-office also includes the departments and processes related to the settlement of financial transactions; handling, position keeping, clearance and settlement

BASEL COMMITTEE
A group of representatives from central banks around the world that mandate regulation to ensure stability of global financial infrastructure, they are responsible for the Basel II regulatory framework

BASIS POINTS
Representing a hundredth of a percent; a basis point is used to measure changes in interest rates

BEAR
An individual who expects the value of a commodity, security, currency or market sector to fall

BEAR MARKET
Any market in which prices exhibit a declining trend, for a prolonged period, usually falling by 20% or more. Because a bear attacks by clawing down, this term is associated with a falling market

BLUE CHIP
A well-established company with a good record of earnings over a long period of time; these companies are valued by investors seeking relative safety and stability

BOOK
The summary of positions held by a dealer, desk, or room

BOND
A long-term debt instrument with the promise to pay a specified amount of interest and to return the principal amount on a specified maturity date; usually issued by governments and organizations in order to raise capital

BROKER
An individual or firm that charges a fee or commission for executing buy and sell orders submitted by another individual or firm. Or, the role of a broker firm when it acts as an agent for a customer and charges the customer a commission for its service

BULL MARKET
A period during which security prices in a particular market (such as the stock market) are generally rising. Because a bull attacks by thrusting upward, this term is associated with a rising market

BUY SIDE
Institutional investors that hold their customer’s money and make buy and sell decisions on their behalf i.e. mutual funds, pension funds and trust companies. A buy-side firm must utilize a sell-side firm to execute the trading of securities

CALL OPTION
The right but not the obligation to buy stock, shares or futures at a specified price within a specified time period; the investor pays a premium in order to get the option

CAPITAL
Money put into a business by its shareholders; can also be used as a general term to describe liquidity/cash

CAPITAL MARKETS
A general term encompassing all markets for financial instruments with more than one year to maturity

CAPITAL Raising
Mechanisms by which companies raise money through the financial markets

CASH/FLOW PRODUCTS
The fundamental underlying investment products upon which derivatives are based
CENTRAL SECURITIES DEPOSITORY (CSD)
An agency that clears and settles securities transactions

CHARTERED FINANCIAL ANALYST (CFA)
A globally recognized US qualification taken by a range of professionals in the financial services industry

CHINESE WALL
The imaginary wall between different areas in the bank that may have a conflict of interest; it denotes a commitment not to disclose confidential information to one another

CLEARING
Denotes all activities from the time a trade is made until it is finally settled; some of the activities in clearing are reporting/monitoring, risk margining, netting of trades to single positions, tax handling and failure handling

CLEARING HOUSE
A separate agency or corporation working with the commodity exchange to match up buy and sell orders. The clearing house also ensures that financial statements are made independent of the exchange

COMMISSION
Fees paid to investment banks by clients for buying investments on their behalf

COMMODITIES
Physical items such as oil, gold or grain that are traded on exchanges. They are traded for spot (trade date plus two business days) or future delivery; options also exist to buy and sell commodities

CONVERTIBLE BONDS
Bonds which may be converted, at the option of the holder, into shares of the issuing corporation during a specified time period and according to specified conditions

COUPON
This part of a bearer bond denotes the amount of interest due, and on what date and where payment will be made. As bearer bonds are no longer issued in the United States and, hence, physical coupons are increasingly scarce, dealers and investors often still refer to the stated interest rate on a registered or book-entry bond as the “coupon”

COUNTERPARTY
The opposite side of a financial transaction, typically another financial institution

CREDIT
Typically loans on which interest is charged

CREDIT CORRELATION
Measure of how the default risk of one company moves in relation to that of another

CREDIT DERIVATIVE
A financial transaction whose payoff depends on whether or not a credit event occurs (i.e. bankruptcy, default, upgrade or downgrade); is used to offset risk

CREDIT RISK
The risk that the issuer of a security, such as a bond, may default on interest and/or principal payments or become bankrupt. Rating services such as Standard & Poor’s and Moody’s evaluate the financial condition of bond issuers to assign ratings to their bonds, in general, the better the rating, the lower the bond’s coupon rate

CUSTODIAN
A financial institution, usually a bank or trust company that holds a mutual fund’s securities and cash in safekeeping

CUSTODY
Administering of securities by a financial institution, the custodian keeps a record of a client’s investments and may also collect income, process tax reclaims and provide other services, according to client instructions. The custodian physically holds the securities for safe-keeping

DEBT CAPITAL MARKETS (DCM)
The market on which debt instruments are traded as well as the division of an investment bank which helps clients buy and sell them. DCM is also involved in the bond product; providing credit rating advice for corporates, organizing bond finance using a pool of investors and offering derivative solutions for risk management

DEBT
Money owed to creditors/lenders or buyers of debt securities

DELIVERY
The settlement of a futures contract

DERIVATIVE
An instrument derived from securities, currencies or commodities, or an index or indicator representing any of these, the price of which will move in a direct relationship to the price of the base instrument or index. They involve the trading of rights or obligations based on the underlying product, but do not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for fixed rate of return.

DOW JONES INDEX
Usually refers to the Dow Jones Industrial Index (DJ II), an index of share prices calculated for thirty large US stocks; the US equivalent of the FTSE100
EQUITY CAPITAL MARKETS (ECM)
The markets on which primary equity issues (i.e. IPOs) are traded; as well as the name of a division of an investment bank which helps clients structure, buy and sell primary equity

EMERGING MARKETS
The financial markets of developing countries, examples include Mexico, Malaysia, Chile, Thailand and Philippines. Emerging-market securities are the most volatile in the world, they have tremendous growth potential, but also pose significant risks - political upheaval, corruption and currency collapse, to name just a few

EQUITIES
Securities representing ownership interest possessed by shareholders in a corporation - stock as opposed to bonds

EQUITY
The net worth of a company, it represents the ownership interest of the shareholders (common and preferred) of a company; for this reason, shares are often known as equities

EXOTIC/HYBRID
The most complex derivatives tailored and traded over-the-counter (OTC)

EXCHANGE
A venue for companies to publicly and centrally offer their investment options to investors

FINANCIAL RESTRUCTURING
The reorganization of a company’s finances; often employed when the company is experiencing financial difficulty

FIXED INCOME
Debt instruments of corporations, government or agencies characterized by a fixed interest rate and stated maturity date. An example of a fixed income investment is a bond, because a bond regularly pays a fixed amount of money (interest) to its holder until maturity

FINANCIAL SERVICES AUTHORITY (FSA)
The UK regulatory body for the financial services

FTSE 100/250
Financial Times Stock Exchange - top 100/250 companies by market value

FOREIGN EXCHANGE MARKET (FX)
An over-the-counter market where buyers and sellers trade the currencies of different countries, also referred to as a forex or FX market

FRONT OFFICE
Is the area or function which relates to revenue generating (trading, investing or sales) activities for a financial firm

FUND
A pool of money to be invested, or a fiscal and accounting entity with self-balancing set of accounts

FUND MANAGER
The individual or team of individuals that manages a fund of stocks, bonds and other securities. The fund manager decides when to buy or sell the securities held in the fund

FUTURES CONTRACT
A legally binding agreement to buy or sell a commodity or financial instrument at a later date. They are standardized according to the quality, quantity, delivery time and location for each commodity, the only variable is price

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)
The methodology for preparing company accounts - it varies from country to country

HEDGE
Holding two contrary positions in two or more financial instruments in order to offset a loss in one by a gain in the other

HEDGE FUNDS
A fund, usually used by wealthy individuals and institutions, which is allowed to use aggressive strategies (including leverage, swaps, arbitrage, and derivatives). Because of the high-risk nature of these investments, hedge funds can often give returns to investors when markets are poor

INSTRUMENT
An item which may be traded, typically stocks, bonds, futures, options, and currencies

INTEREST RATE
The cost of borrowing money, expressed as a percentage, usually over a period of one year. The rate may be either fixed (unchanging) or variable (based upon an index or market condition)

INVESTMENT PRODUCTS
Similar to instrument types – different types of investments offered by asset managers

INITIAL PUBLIC OFFERING (IPO)
This is the initial, or first, offering of common stock to the public. As the stock market has heated up in the last 5-7 years, the number of companies initiating IPOs has exploded.
JUNK BOND
Bonds that have little or no collateral or liquidation value and are typically very risky and for this risk, they offer a high rate of return. Also known as high yield bonds.

LEDGER
A group of accounts in which financial transactions are recorded.

LEVERAGE
The degree to which a company or individual is using borrowed money.

LEVERAGE D FINANCE
Finance which takes advantage of the ratio between a company’s debt and equity, often associated with relatively high risk and return. It is also the name of the group in an investment bank which provides advice on these opportunities.

LIQUIDITY
The ease with which a financial asset can be exchanged for a good without the holder incurring financial loss. A currency like sterling is liquid; a life-insurance policy is not.

MANDATED
When the client company agrees to use the bank for a specific service or transaction.

MARKET RISK
The chance that a security’s value will decline. With debt securities, market risk is closely tied to interest rate risk - as interest rates rise, prices decline and vice versa.

MARKET CAPITALIZATION
The value of a company’s stock, which gives a picture of the company’s size. It is calculated by multiplying the price of shares by the number of shares outstanding (in the hands of the public).

MARKET MAKER
A firm or individual who sets a price at which they’re willing to sell or buy stock, providing a stable price against which to judge any rise or fall.

MATURE
When an investment based on a fixed term, such as a bond, closes and repayment of principal is made.

MERGERS & ACQUISITIONS (M&A)
Negotiating the buying and selling of companies or parts of companies. This also describes a division of banks that, among other things, consults companies on mergers and takeovers.

MIDDLE OFFICE
Is the area or function which relates to risk management, they measure, monitor and occasionally proactively manage the firm’s exposure.

ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC)
Controls the price and production of oil globally.

OPTIONS
Like a futures contract, however, the purchaser pays a premium to gain the option (rather than the obligation) to complete the contract; the contract can be the right to buy (a call option) or to sell (a put option) a set number of shares at a fixed price.

ORIGINATION
Generating business by pitching an idea to a client.

OUTSOURCING/OFFSHORING
When a business moves a service function of its business to an external provider; offshoring is when that service is provided by an organization based abroad.

OVER THE COUNTER (OTC)
The buying and selling of securities that are not listed on an organized exchange; trading is handled by dealers through negotiation - the majority of securities are traded over the counter.

PLAIN/VANILLA
The most basic, standardized derivatives, normally exchange traded, now commonly applied to any standard banking product.

PORTFOLIO
A collection of investments (can be shares, bonds, convertibles, cash, convertibles, derivatives, property, art, etc) belonging to an individual or institutional investor. The purpose of a portfolio is to reduce risk by diversifying investments (i.e. holding many investments and spreading out the risk).

POSITION
A trading view expressed by buying or selling, it can refer to the amount of a currency either owned or owed by an investor. If the position is open it is exposed to market risk, if a position is closed the profit/loss has been realized.

PRIVATE CLIENTS
People with significant personal assets (cash, company stock, art, shares) requiring professional investment management; also called high net worth individuals (i.e. very rich).

PROJECT FINANCE
A form of loan extension in which the interest payments and repayments in respect of the funds are made largely or exclusively from the earnings of the investment project concerned.
PROPRIETARY TRADING
When a bank trades in the financial markets with its own capital to make more money for the business

PUT OPTION
The right to sell shares at an agreed price on a future date (see call option)

RIGHTS ISSUE
The issue of equity to current shareholders in order to raise capital for the company

RISK MANAGEMENT
The measurement of the possibility of losing or not gaining value and structuring risks at an optimal risk/reward ratio

SARBANES OXLEY (SOX)
The Sarbanes Oxley Act (July 2002) introduced a series of corporate reforms in an attempt to restore investor confidence and pre-empt future corporate scandals

SECURITIES
Collective noun for bonds and shares

SECURITIES EXCHANGE COMMISSION (SEC)
US regulatory body for the financial services industry

SECURITIZATION
A financial technique that pools assets together and, in effect, turns them into a tradable security

SELL SIDE
Used to describe brokers who sell securities to customers and the research departments of brokerage firms that make recommendations to their clientele. See also Buy Side

SETTLEMENT
Trial stage of a transaction after clearing. Involves making payment and transferring ownership/documentation

SHARES
A certificate issued by a company for general purchase entitling the holder to ownership rights including dividends from any profits the company may make

SPREAD
The difference between the price at which a financial institution will buy a security and the price at which it will sell

STOCKBROKER
Those who advise people who want to buy/sell securities

STOCK
Another word for shares and equities

STRESS TEST
A test used by risk managers to see what the impact would be on particular stocks, companies or markets in extreme hypothetical scenarios

STRUCTURED PRODUCTS
A tailor-made investment solution combining bonds with options on equities and/or other asset classes, created using complex mathematical modeling techniques

SWAP
The exchange of one asset or liability for a similar asset or liability for the purpose of lengthening or shortening maturities, or raising or lowering coupon rates to maximize revenue or minimize financing costs

TOMBSTONE
Usually Lucite (plastic) blocks detailing a closed transaction that bankers collect on their desks to show how successful they have been

TRADER
Person who buys and sells instruments in the financial markets, also known as the sell side

TRADING A ‘BOOK’
An individual trader’s total positions in the market bound by specific risk limits

TRADING FLOOR
Where all trading desks sit within an investment bank

UNDERWRITING
The guarantee (which is offered by a bank in return for a fee) to buy or to find the buyers for an entire issue of stocks and shares

VALUE AT RISK (VAR)
A measure of the potential change in the portfolio value for a given confidence interval and specified time-horizon

For further details, see the Deutsche Bank website and BARRON’s “Dictionary of Financial and Investment Terms”

www.db.com/careers
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Graduated from University College Durham with a BA Hons in Politics and Philosophy
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