

How important are languages in banking?

Investment Banking › Interview Preparation



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As a student, you may be wondering about the importance of European Languages. Is it a big weakness to only speak English or non-European languages? As an international student, what can you do to excel in interviews? From what we've experienced, here are our observations:

Speaking 1+ European languages does give you an edge over other applicants

London-based banks cover the entire European continent, and often, they also cover Middle East. If you think in terms of the most active economies outside of the UK, three countries (Germany, France, and Italy) spring to mind; therefore, those languages are often in high demand. As an analyst, you often need to go through research reports, financial statements, and other data, which for some countries are only available in the companies' native language. In some cases, teams will focus on hiring a specific language speaker if they often deal with a specific country (i.e. a Russian speaker for Oil & Gas teams), because hiring the services of a translator would be too complicated.

The other very popular languages are Nordic and Eastern European languages, as those regions have been very active in terms of M&A activity, and also because the supply of native speakers from those smaller countries is much lower than for bigger countries such as Germany or France. Additionally, speaking various languages means that you will be a more "transferable" resource. For example, if you are a French speaker, it would be possible to send you to work in Paris or Brussels for some time if the need arises.

While speaking European languages is an edge, but isn't the critical decision factor

Between two very similar candidates, you would pick the one that has something more than the other. It could be better grades, more extra-curricular activities, or speaking more languages. This is to say that speaking multiple European languages is an advantage, but will not guarantee you the job. The most important criteria for hiring an investment banker still remain i) a good attitude, ii) good personality, and ii) analytical skills. You could be fully trilingual or quadrilingual, but the person who only speaks English and nothing else will still get the job if he/she is doing better during the interviews and has a more pleasant personality.

Given that banks are such large institutions, they will always be able to find French, German, Swedish, or Spanish speakers in other teams who can help if needed. In a worst-case scenario, they will ask people from the local offices to help them with translation and research or ask a junior banker if she/he wants to transfer to London. The evidence is that many analysts in London investment banks are from China or India, and they do get hired despite their inability to speak any

additional European languages. As long as they do well during the interviews, and they are liked by the hiring team, they will get an offer.

Remember that "cultural awareness" is as important as the practical use of languages

Banks are very global and multicultural organisations. Therefore, you will need to interact with people from different countries and different backgrounds on a daily basis. This is why investment banks, when hiring people, look for a "multicultural" dimension, that shows you are able to deal with those different cultures. If you are British, they will look for evidence that you spent some time abroad: as an exchange student, for an internship, or for some personal travel. If you are from outside Europe, this will be a positive as they will know that you will be knowledgeable about different cultures.

Be aware that whatever language you speak, you can be assigned to ANY deal

Even if you are a native French speaker, you will still be assigned to work on German deals, Turkish deals or Greek deals. Do not expect to be constantly assigned to deals based on your language ability. It is common practice to assign at least one or two native speakers to a specific deal at the junior level to help with some translation, but that may be a more senior associate or even an intern.

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