Business Banker interview questions

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What to expect

Interviews for business banking roles typically assess your ability to analyse credit, structure loans, and manage client relationships while balancing risk. You will likely meet with a hiring manager and possibly a credit specialist or panel.

- **Technical/credit analysis:** Questions about financial statement analysis, loan structuring, and risk assessment.
- **Behavioural:** Examples of managing client relationships, handling difficult conversations, and working with credit teams.
- **Scenario:** How you would handle a client requesting more credit when their financials are weak, or a covenant breach.
- **Process:** How you approach preparing a credit proposal or conducting a site visit.
- **Compliance/risk:** Questions about regulatory obligations, AML/CTF, and responsible lending.
- **Client-facing:** Building rapport, negotiating terms, and maintaining long-term relationships.

The interview usually starts with introductions and an overview of the role. You may then move through a mix of technical and behavioural questions, often with a case study or scenario. Some banks include a credit assessment exercise or a panel interview with a credit manager. Expect to discuss your experience with financial analysis, loan structuring, and client management.

1. Walk me through how you assess a business loan application, from receiving the financials to making a recommendation.

Why they ask

They want to see your analytical process and understanding of credit risk.

How to structure your answer

A step-by-step walk-through: gather financials, spread and analyse, assess repayment capacity, consider security and risk, structure, prepare proposal. Keep it logical.

Example answer

“First, I review the financial statements and tax returns for at least two years, looking at profitability, cash flow, and balance sheet strength. I normalise the figures for any one-off items. Then I calculate key ratios like interest cover and debt serviceability to see if the business can meet repayments. I also consider industry conditions and management experience. If there are gaps, I might request additional information or conduct a site visit. Based on this, I recommend a loan structure and present it to the credit committee with my risk assessment.”

2. Tell me about a time you had to manage a difficult conversation with a business client about their loan application or existing facility.

Why they ask

Tests your client management and problem-solving under pressure.

How to structure your answer

STAR (Situation, Task, Action, Result).

Example answer

“I had a client whose overdraft was consistently at its limit and they requested an increase. I reviewed their financials and saw that their debtors were slow, causing cash flow issues. I met with them and explained that an increase wasn't the right solution; instead, we could help them improve their debt

collection. I worked with them to set up a better invoicing system and provided a temporary extension while they got on top of it. The result was they reduced their overdraft reliance and their business became more sustainable."

3. Imagine a long-standing client with a good repayment history asks for additional funding to expand, but their latest financials show declining margins. How would you handle this?

Why they ask

Assesses judgement and ability to balance relationship with risk.

How to structure your answer

A judgement-under-pressure structure: acknowledge the relationship, but focus on facts. Explain how you would investigate the decline, consider options, communicate transparently, and make a recommendation.

Example answer

"I would start by thanking them for their loyalty and understanding their expansion plans. Then I would dig into the financials to understand why margins are declining. Is it a temporary issue or a structural one? I might visit the business to see operations. If the decline is temporary, I could structure the facility with conditions or a smaller amount. If it's structural, I would explain the risks and suggest alternative strategies, like improving efficiency first. I would be transparent about what the bank can and can't do, and work with them to find a solution that doesn't put the bank at undue risk."

4. How do you ensure compliance with AML/CTF and KYC requirements when onboarding a new business client?

Why they ask

Tests knowledge of regulatory obligations.

How to structure your answer

A process question, so walk through the steps: identify beneficial owners, verify ABN and directors, check against sanctions lists, ongoing monitoring.

Example answer

"I follow the bank's AML/CTF program. For a new business client, I collect identification for all directors and beneficial owners, verify the ABN and business registration, and check the entity against sanctions and PEP lists. I also understand the nature of their business and expected transaction patterns. I document everything in the CRM and risk database. If anything seems unusual, I escalate to the compliance team. Ongoing, I monitor transactions for anything out of the ordinary."

5. What factors do you consider when structuring a loan facility for a small business?

Why they ask

Tests your understanding of credit structuring.

How to structure your answer

List factors: purpose, term, security, repayment capacity, cash flow cycles, covenants, pricing. Explain how you balance.

Example answer

"First, the purpose: is it for working capital, equipment, or property? That drives the term and structure. I look at the business's cash flow cycle to match repayments. I consider available security, but the primary focus is repayment capacity. I might use a mix of term debt and an overdraft to match different needs. I also set covenants to monitor performance. Pricing depends on risk. The goal is a facility that meets the client's needs while protecting the bank."

6. Describe a time you had to work with a credit team to get a deal approved that was initially declined.

Why they ask

Tests stakeholder management and negotiation.

How to structure your answer

STAR (Situation, Task, Action, Result).

Example answer

"I had a client in the hospitality industry who was seeking funding to renovate. The credit team initially declined due to industry risk and insufficient projections. I believed in the client's plan, so I worked with them to develop more detailed financial forecasts and a risk mitigation plan, including a personal guarantee and a shorter payback period. I presented this to the credit team, addressing their concerns directly. They approved it with conditions. The client completed the renovation and increased revenue, and we retained a valuable relationship."