Commercial Banking

What is Commercial Banking?

Commercial banks take deposits from individual and institutional customers, which they then use to extend credit to other customers. They make money by earning more in interest from borrowers than they pay in interest to those whose deposits they accept. They’re different from investment banks and brokerages in that those kinds of institutions focus on underwriting, selling, and trading corporate and municipal securities.

Most of us maintain checking accounts at commercial banks and use their ATMs. The money we deposit in our neighborhood bank branch or credit union supports economic activity through business loans, mortgages, auto loans, and home repair loans. Banks also provide loans in the form of credit card charges, and render local services including safe deposit, notary, and merchant banking.

Types of Commercial Banks

Consumer or Retail Banking

A small to mid-sized branch with tellers and platform officers. In addition to extending their consumer-banking operations, many of the larger banks have added to their investment banking and asset management capabilities. Make sure you’re applying to the right part of a large diversified organization.

Business or Corporate Banking

Many of the players in this group are the same ones in the consumer banking business; others you’ll find on Wall Street rather than Main Street. At the highest level, the larger players provide a wide range of advisory and transaction management services to corporate clients. Depending on which institution and activity area you join, the work can resemble branch banking or investment banking.

Securities and Investments

Traditionally, this field has been the domain of a few Wall Street firms. However, as federal regulations have eased, many of the biggest commercial banks have added investment banking and asset management activities to their portfolios. For anyone interested in corporate finance, securities underwriting, and asset management, many of these firms offer an option.

Nontraditional Options

Increasingly, a number of nonbank entities are offering opportunities to people interested in financial services. Players include credit card companies, credit card issuers and credit reporting agencies. Although people at these firms are still in the money business, the specific jobs vary greatly, perhaps more widely than jobs at traditional banks.

Skills

- Broad understanding of business
- Strong understanding of accounting
- Excellent written and oral communication skills
- Analytical skills
- Ability to synthesize
- Personable
- Strong math aptitude

For updated salary information on the various positions within the commercial banking industry, check out the following websites:

- www.glassdoor.com
- www.simplyhired.com/a/salary/home
- www.salary.com
- www.bls.gov/oes/oes_data.htm
Career Tracks in Commercial Banking

**Loan Officer**
Loan officers determine who gets loans (and on what terms) and who does not. They assess a customer’s situation, identify the most suitable loan option to meet the customer’s needs and walk the customer through the loan process.

**Branch Manager**
Oversees all operations of the branch, including supervising employees, selling and delivery of all financial services, supporting sales goals, and maintaining and developing business relationships in the community.

**Bank Teller**
This is the front line in the banking world. In addition to having extensive customer contact, tellers have to have a good feel for numbers, a willingness to handle large amounts of cash, and an attention to detail. There are more than 500,000 tellers in the United States; most work 9 to 5, and one-third work part-time.

**Programmer**
Financial institutions have a huge need for programmers and people with technical skills. Specific responsibilities can range from managing network systems to coding applications for a wide variety of transaction-oriented processes to modeling bank functions such as loan approvals and risk management. Positions usually require specific platform experience or programming knowledge.

**Sales**
Banks are competing with brokerages, investment banks, and mutual funds, all of which offer more obvious and alluring opportunities in sales. If you seem to have a talent for this and you would like a chance to be a big fish, then a commercial bank might be just the pond for you. Demand is also rising for salespeople who understand product development and for investment managers (brokers).

**Trust Officer**
Involves helping clients with trust services, estate planning, taxes, investing, and probate law. This job requires diplomacy, tact, deference, and a better, more current understanding of tax law than most attorneys need.
Online Resources for Banking and Finance

**Accounting Career Network** http://www.searchaccountingjobs.com
National database of employment opportunities in the areas of accounting and finance.

**American Bankers Association** www.aba.com

**American Academy of Financial Management** http://www.aafm.us

**Association for Finance Professionals** http://www.afponline.org
Has an online job center with access to finance jobs within Fortune 500 companies.

**BankJobs.com** http://www.bankjobs.com
Career site for banking and financial services positions.

**Careers in Finance** http://www.careers-in-finance.com
Information on careers in fields like investment banking, real estate and financial planning.

**Certified Financial Planning Board of Standards, Inc.** http://www.cfp.net

**eFinancialCareers** http://www.eFinancialCareers.com
Offers news, advice, and job postings for various sectors in the financial services industry.

**Jobs on Wall Street** http://www.jobsonwallstreet.com/index.html
Job board dedicated exclusively to the financial services and Wall Street industry.

**Financial Job Site** http://financialjobs.com
Accounting and Financial jobs for professionals at all levels.

**Financial Job Network** http://www.financialjobnet.com
Site to view global job opportunities for financial executives in the following categories: Chief Financial Officer, Controller, Auditor, Finance (VP, Analyst, Operations, Manager, Development, Tax, Accounting, Engineer, etc.) and Actuary.

**Financial Industry Regulatory Authority (FINRA)** http://www.finra.org

**Mergers and Acquisitions** http://www.mergersandinquisitions.com
An excellent resource for students interested in investment banking.


**QuintCareers** http://www.quintcareers.com
Career and job resources website for college students for over 14 years. This site offers over 4,500 pages of free content that can be useful when seeking a new career or job.

**Securities and Financial Markets Association** http://www.sifma.org

**Vault, Career Insider Guides** http://www.wfu.edu/career (*must use your WFU email to access*)
Check out industry, career, and employer guides, plus hot links to finance firms, newsletters, interview information and more.

**Wall Street Oasis** http://www.wallstreetoasis.com
Online financial community with access to industry and interview guides.

**WetFeet** http://www.wetfeet.com
Learn about financial industry trends, markets, major players, requirements, career tracks, and job outlooks, and more.
Getting Hired

Many roads lead into the commercial banking world. If you want to get a foot in this industry, keep these things in mind:

**Interpersonal Skills**
In banking, most jobs will relate in some way to convincing people to part with their money (checking, savings, investing) or to take the bank’s money (credit, loans) and pay surcharges for the privilege of doing either. Financial skills are only part of the job. To excel, you need good interpersonal skills as well.

**Be a Team Player**
In banking not only are strong interpersonal skills necessary for working with clients, but also working with fellow employees. Completing almost any type of task in a bank involves a series of checks and balances between several employees. Good communication among fellow employees helps ensure accuracy and security in the banking industry.

**Good Work Ethic**
Bankers’ hours aren’t what they used to be. Increasingly, banks are looking for talented, competitive individuals with the desire to work hard to beat out the competition.

**Interviewing**
Expect an extensive and intensive interview process. When interviewing for banking jobs you usually will have several interviews. Prepare for these interviews by learning as much as you can about the industry, bank, job, and, if possible, the person interviewing you. Illustrate your skills with specific examples from your internship, leadership, job, volunteer, and academic experiences. Have a mock interview with a Career Counselor. Smile, have a firm handshake, and be energetic.

**Know the Market**
Especially for corporate jobs, you’ll be expected to have some knowledge of changes going on in the financial services sector—and an opinion about it. Keep an eye on the business section of the newspaper—at least while you’re interviewing—to make sure that you catch the headline about your potential employer merging with another firm. Hint: Read the Wall Street Journal.

**Know the Region**
Especially when interviewing for branch positions, employers are interested in people who know the interests of the local community—businesses, history, community leaders, etc. Although a person from the actual location of the branch bank might have an edge over a transplant, this doesn’t mean that if you’re from outside of the area you won’t be able to get a position. It does, however, mean that you’ll have to work extra hard to learn about the local players and convince your interviewer of this knowledge.

**Education**
For many branch banking positions, a business degree is not required, but experience, such as an internship or part-time job at a bank, is helpful.