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in investment banking. Building relationships over time can lead to opportunities that may not be publicly advertised. What is the typical career trajectory for an investment banker? The career trajectory in investment banking usually begins with entry-level positions such as an analyst. Analysts typically spend 2-3 years in this role, working on financial modeling, pitch books, and various analytical tasks. After this period, many analysts pursue promotions to associate positions, which may require an MBA or several years of relevant experience. Associates usually have more client interaction and are involved in project management. Following the associate level, investment bankers can aspire to move up to senior positions such as vice president, director, and eventually managing director. Each advancement often requires proven success, leadership capabilities, and the ability to generate and manage client relationships. The typical timeline to reach senior leadership roles spans several years, often ranging from 7 to 10 years or more, depending on performance and firm's structure. At its core, becoming a corporate investment banker means understanding how companies, institutions and governments use money. Sometimes referred to as corporate finance, investment banking is all about helping companies to grow. Three big ways that an investment banker's clients use money are lending and borrowing, selling shares (also known as equity) or the whole company and buying or merging with other companies. An investment banker acts in an advisory capacity, help clients raise money from capital markets in order to expand their businesses. They also have a role in pricing capital, ie. deciding the cost of the money companies need to raise from investors. What do investment bankers do? Investment bankers and their peers in project management, venture capital and equity markets, tend to work in one of three big areas. One of the biggest areas of investment banking is corporate finance. If a company's board decide the business would prosper by merging with another company, or acquiring it outright, they will need an investment banker to advise them. Mergers and acquisitions (M&A) can help a company increase its profits, protect its market share or diversify to ensure long-term growth or survival in changing market conditions. Investment bankers play a crucial role in actually managing the whole transaction process, from modelling the outcomes of potential deals to analysing the risks. Other corporate investment banking specialisms include debt capital and equity capital. The former requires the investment banker to design and restructure a company's debt obligations in collaboration with lenders, credit rating agencies and other companies. The latter involves raising money for clients by issuing shares and sourcing buyers, either directly or through stock markets. What can I expect from a career as an investment banker? Your experience as an investment banker will usually depend on your specialism. Initially that is shaped by whether you become a corporate investment banker or an operational investment banker. As a corporate investment banker you generate business and perform client-facing duties, while in operations you ensure that business is conducted in an efficient manner, with money transferred as it should. Corporate investment bankers advise businesses, organisation and governments on achieving financial goals and implementing financial plans over various periods of time. You will have key duties during a typical two-stage corporate finance deal: Origination - assessing desirability, which can be a creative idea from the bank rather than the client. This requires a deep understanding of a sector and extensive research. Execution - negotiating and structuring detailed terms of a deal. As an operations specialist you are involved in developing new systems that maximise efficiencies and profitability. You will be responsible for overseeing that transactions are cleared and reconciled in accordance with all regulations and control requirements. Your operations duties will usually involve: Reconciling systems by monitoring data flow from the revenue-generating front office to the operations systems (operations control) Checking activity and reports of daily transactions Liaising with clients on transaction settlements Troubleshooting system problems. The working environment may be extremely stressful at times because of high expectations and ambitious targets. Related courses at City St George's If investment banking sounds like something you'd like to explore as a career, why not take the next step? Whatever your level of interest in becoming an investment banker, City St George's courses can help you take one step closer to a career as an investment banker, develop specialisms that'll set you apart from the field or broaden your horizons with study in related subjects. Who can I work for as an investment banker? Investment banking employers come in three distinct flavours. First are the big international investment banks. Names most people with an interest in the industry will have heard of. J.P. Morgan, Morgan Stanley, Goldman Sachs. Then you have the investment banking divisions of large commercial banks such as Bank of America, Citigroup and Barclays. Finally, the specialist, or boutique, independents. Names such as Allen & Company, Rothschild and Lazard. The world's big financial centres are London and New York, plus smaller but no less important cities including Frankfurt, Paris and Tokyo. In London investment banks are usually divided into three categories. These are international investment banks, investment banking departments of large commercial banks and finally, specialist independent investment banks. When applying to work for banks you should research their size and reputation. Larger banks can offer larger accounts, but your career progression may be quicker in a smaller organisation. Some are known for their work in debt capital while others might be strong in mergers and acquisitions. You might consider working for other employers offering relevant experience. These include the London Stock Exchange (LSE), The Bank of England, stockbrokers and investment firms. Becoming an investment banker This is a graduate career. Competition for jobs is intense, pushing up the minimum entry requirement to a 2.1 degree in a relevant subject. But competition for talent is equally fierce, leading to accelerated career progression for the hard-working and skilful few. What about work experience as an investment banker? One thing that is virtually essential is industry experience. Many employers in the sector offer summer internships, exposing interested students to the realities - and the rigours - of life as an investment banker. Work experience employers in the sector would consider relevant includes investment banks themselves, but also the Financial Conduct Authority (FAC), the London Stock Exchange (LSE), The Bank of England plus stockbrokers and venture capital firms. Candidates will be expected to develop in-depth knowledge of all the issues that could affect the success of their clients' deals. Everything from baking and tax regulations to market knowledge. The further up the investment banking hierarchy you progress, the more non-financial skills such as leadership, communications skills and negotiation ability become important. Any experience you can gain working in an investment bank will be useful. It reflects your commitment to the profession, gives you an insight into the world and can help you start to build a network of contacts. What are my prospects as an investment banker? You are likely to spend your first two to three years in an analyst role before progressing to associate level. Associates usually manage a team of analysts. With three more years' experience you may progress to vice president (VP) level, managing the work of both associates and analysts. Beyond this are director, executive director and managing director roles, but such promotion is difficult. Your high performance can lead to good bonuses, internal recognition and potentially being headhunted, which is common in the sector. Individuals or whole teams can be poached by other banks. Alternative career tracks might include senior management positions in industry, commerce or government. Useful links Economics at City St George's, University of London Pursing a career as an investment banker can be a rewarding endeavor. Investment banks operate as an intermediary between companies that want to raise money by issuing securities and individual or institutional investors who are willing to provide money in exchange for securities. Investment bankers handle every aspect of these transactions. Learn what it takes to become an investment banker. Investment bankers typically start their careers as interns during college. Investment banks facilitate deals between companies that want to raise money and investors. Investment bankers handle financing issues like helping a corporation choose what type of securities to issue. Investment bankers also help with the completion of mergers and acquisitions, including company valuation, strategizing, and deal finalizing. Investment bankers advise companies on what kind of securities to issue, such as stocks or bonds, and how, when, and at what price to issue them. They also handle placement of the securities with investors, a process known as underwriting. In addition to working with private and publicly traded companies, investment bankers also underwrite municipal bonds and other types of debt securities. Beyond company financing activities, investment bankers also handle a variety of other complex financial transactions. For example, an investment banker may help facilitate a company merger and acquisition (M&A) by providing advice and other related services to parties involved on either side of a potential transaction. They may assist an M&A client with company valuation, strategy formation, and deal negotiation. Investment bankers may also be involved in financing the final deal if it requires the issuance of new debt or stock. Many investment bankers begin in the industry by participating in internships with investment banks when they are undergraduate students. Although an internship is not required to enter the field, it is an excellent way to get started. After graduating with a bachelor's degree, it is possible to begin working in the field as an investment banking analyst conducting research and producing analytical reports for more senior staff members. Working as a financial analyst in a wealth management firm, bank, hedge fund, or another financial organization is also a good way to begin building experience. Typically, with several years of experience and a strong record of good performance, an analyst can often move into a junior-level position as an associate investment banker. This position may also be available to a highly qualified candidate with a master's degree and a strong resume but little investment banking experience. Commonly, the junior analyst phase is "on-the-job training" that usually lasts about 2 years. Some companies provides education to new analysts. Junior investment bankers eventually participate in most aspects of investment banking, including the planning, structuring, and execution of large financial transactions. With good performance, junior bankers can move into senior positions overseeing transactions from start to finish. A bachelor's degree is the minimum educational qualification required to work as an investment banker. Entry-level analyst positions in the field are typically open to bachelor's degree graduates, and it is possible to move on to a senior banker role without a master's degree in many investment banks. However, a master's degree is very common among the mid-level and senior staff in this industry, as it helps to pave the way for career advancement. In some investment banks, a master's degree is required for entry into the investment banker career track. The five largest investment banks in the world are Goldman Sachs, JPMorgan Chase, Bank of America Corporation, Morgan Stanley, and Citigroup. Most investment banks prefer degrees in finance, accounting, business administration, and other business disciplines. Undergraduate degree subjects are less influential in the hiring process if a candidate has a master's degree in business administration, finance, or another highly relevant subject. Coursework in finance, economics, and mathematics is highly recommended. Professional certifications are rarely required to get started in investment banking or to progress into senior positions. That said, the Chartered Financial Analyst (CFA) designation, awarded by the CFA Institute, can be advantageous in the job market. This professional designation is generally considered the most important certification for professionals working in the investment field. It is available to investment analysts and other types of financial analysts who have a minimum of four years of qualifying experience. Candidates must pass three examinations to earn the designation. Investment bankers have to obtain appropriate licenses from the Financial Industry Regulatory Authority (FINRA), an oversight body responsible for securities firms and brokers operating in the United States. As the licensing process requires sponsorship from an employing firm, professionals in the investment banking career track typically complete licensing requirements after getting hired. Many investment bankers require Series 63 and Series 79 licenses, although requirements can vary depending on the job. A Certified Public Accountant (CPA) and a Chartered Financial Analyst (CFA) are two credentials that can help you advance a career in finance. However, a CPA is generally designed for a career path in accounting whereas a CFA is more appropriate for investment banking. An investment banker is considered a highly competitive career path. However you can take certain steps to increase your chances of landing a job with an investment bank. Getting a degree in business administration from a reputable university and landing an internship at a large investment bank are key first steps to getting a job as an investment banker. Investment banker salaries will depend on the position and where you are in your career. For example, a job in investment banking may start at \$70,000. But you could earn well over six figures in a higher position. According to Glassdoor, the average salary of an investment banking analyst is \$177,000, as of Dec. 17, 2023. Investment bankers advise companies on issuing securities and handle the placement of the securities with investors, known as underwriting. Degrees in finance, accounting, business administration, and other business disciplines are common in the investment banking career path. A junior analyst can spend about two years in the phase of "on-the-job training." The right career for you will depend on a number of factors, including your interests and passions as well as your skills set. Consider your personal goals, along with the full job duties of an investment banker before you embark on this career path, which can entail demanding hours but also significant financial rewards.