Bank Manager interview questions

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What to expect

Interviews for bank manager roles in Australia usually involve a panel from the regional or state office, sometimes with a HR representative and a senior credit or compliance officer. Expect a mix of behavioural questions about leadership and customer relationships, technical questions on lending and regulation, and scenario-based questions on risk and branch performance.

- **Behavioural:** Questions that ask you to describe past situations, such as managing underperformance or handling a difficult customer, to assess how you lead and make decisions.
- **Technical and compliance:** Questions on credit assessment, delegated lending authority, AML/CTF, KYC and responsible lending obligations under the NCCP, checking your practical knowledge of Australian banking rules.
- **Scenario or judgement:** Hypothetical branch situations, such as a suspected fraud, a budget shortfall or a staff conflict, to see how you prioritise risk, customers and commercial outcomes.
- **Process and operations:** Questions about how you run a branch day to day, from opening and closing procedures to performance reporting and staff rostering.
- **Client-facing:** Questions about building relationships with business and personal customers, growing deposits and loans, and handling complaints or escalations.

The interview often starts with introductions and a walk through your resume, then moves to behavioural questions using STAR, followed by technical compliance and lending scenarios. Some employers include a branch case study or a short presentation on improving branch performance. You will usually get time to ask questions at the end, and second interviews may involve a regional manager or a credit assessment exercise.

1. Tell me about a time you had to manage an underperforming team member in a branch. How did you handle it and what was the outcome?

Why they ask

This behavioural question tests your people leadership and performance management skills, which are central to running a branch team and hitting targets.

How to structure your answer

Use STAR: describe the situation and the team member's performance issue, the task of addressing it, the actions you took such as a performance improvement plan and regular check-ins, and the result including whether performance improved or the person exited.

Example answer

“In a previous branch, a personal banker was consistently missing referral targets and affecting team morale. I sat down with them privately to understand the barriers, which turned out to be a lack of confidence with business customers. I arranged for them to shadow a senior lender for two weeks and set weekly coaching sessions with me. We agreed on a clear 30-day improvement plan. By the end of the month, their referrals had doubled and they became one of the branch's stronger performers. The experience taught me that early, supportive intervention works better than waiting for a formal review.”

2. How do you ensure your branch meets its AML/CTF and KYC obligations while still providing good customer service?

Why they ask

This technical question checks your understanding of Australian compliance requirements and your ability to balance regulatory duties with commercial relationships.

How to structure your answer

Outline your approach: start with embedding a culture of compliance, then describe specific steps such as daily transaction monitoring, customer identification and verification, staff training, and escalation to the AML/CTF compliance officer. Finish with how you monitor effectiveness through audits and reporting.

> **Example answer**
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> *"I make compliance part of the daily routine rather than a separate task. Each morning, my team and I review alerts from the transaction monitoring system and check that all new account openings have completed KYC. I run monthly refresher sessions on AML/CTF and responsible lending, using real examples from our branch. If something looks unusual, such as a customer refusing to provide ID or a sudden large cash deposit, we follow the escalation process immediately and document everything. For good customers, I explain that verification protects them from fraud, which usually turns a tense moment into a constructive conversation. Our branch has passed every internal audit since I took over."*

3. You notice a long-standing business customer's account activity doesn't match their usual pattern and a large overseas transfer is pending. What do you do?

Why they ask

This scenario question assesses your judgement under pressure, your knowledge of suspicious matter reporting, and your ability to act without tipping off the customer.

How to structure your answer

Walk through the steps in order: identify the red flags, check the customer's profile and expected activity, escalate to your AML/CTF compliance team or money laundering reporting officer, follow their instructions on whether to proceed or hold the transfer, and document your actions. Do not contact the customer about the suspicion.

> **Example answer**
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> *"First, I would not process the transfer or discuss it with the customer. I would pull up the account history and compare the transfer against the customer's known business, turnover and usual overseas transactions. If the pattern is genuinely unusual, I would escalate immediately to our AML/CTF compliance officer with the details, including the customer's explanation if they had already provided one. I would follow their guidance on whether to place a temporary hold and what to tell the customer, which might simply be that the transfer is being reviewed. I would record everything in the compliance system, including the time of the alert and who I spoke to. Protecting the bank and the customer from financial crime takes priority over speed on a single transaction."*

4. How would you go about improving a branch's financial performance if it was behind on its deposit and lending targets?

Why they ask

This commercial question tests your ability to analyse branch performance, lead a team and implement practical growth strategies without compromising risk.

How to structure your answer

Start with a diagnosis: review your branch's P&L;, KPI reports and customer data to find the gap. Then describe how you would engage the team, set clear actions, and monitor progress. Include a mix of quick wins and longer-term relationship building.

> **Example answer**

“I would begin by pulling the branch's monthly performance reports and comparing them against budget and the previous year. I would look at which products are lagging, whether it is deposits, home loans or business lending, and whether the issue is pipeline conversion, customer retention or simply a lack of activity. Then I would meet with the team to share the numbers openly and ask for their input. We would set weekly activity targets, such as customer reviews or outbound calls, and I would join them on key business appointments. I would also review pricing and fee waivers within my authority to make sure we are competitive. Throughout, I would monitor progress against the plan and adjust. In a previous role, this approach helped us turn around a deposit shortfall within two quarters by focusing on existing business customers who had surplus cash sitting elsewhere.”

5. Describe a time you had to decline a loan application that a customer really wanted. How did you handle the conversation?

Why they ask

This behavioural question probes your client-facing skills, your understanding of responsible lending, and your ability to maintain a relationship after a difficult message.

How to structure your answer

Use STAR: set up the customer's situation and what they wanted, the task of assessing the application, the action of explaining the decision clearly and exploring alternatives, and the result including whether the customer stayed with the bank.

Example answer

“A long-term customer applied to extend their home loan to consolidate credit card debt. After reviewing their income and expenses, I could see the combined repayments would leave them with very little buffer, and the application did not meet our responsible lending requirements. I asked them to come in for a face-to-face meeting. I explained that I could not approve the loan as it stood, and I walked them through exactly why using the assessment figures. Rather than just saying no, I suggested they speak to a financial counsellor about the credit card debt and offered to review the application again in six months if their circumstances changed. The customer was disappointed but appreciated the honesty. They kept their transaction accounts with us and later referred a family member.”

6. What is your approach to leading a branch team through a period of change, such as new compliance requirements or a restructure?

Why they ask

This leadership question assesses how you communicate, support staff and maintain performance when the ground is shifting, which is common in banking.

How to structure your answer

Structure your answer around a clear framework: communicate the why early, involve the team in planning, provide training and support, address resistance openly, and measure progress. Use a real or plausible example to ground it.

Example answer

“When my branch had to adopt a new regulatory reporting platform, I knew the team would feel anxious about extra work. I started by explaining the reason behind the change and what it meant for our customers, then asked for two volunteers to become super users. We ran short weekly training sessions and created a one-page cheat sheet for common tasks. I made sure to acknowledge the extra effort and celebrated small wins. When one staff member struggled, I paired them with a super user rather than letting them fall behind. Within six weeks, the branch was meeting all reporting deadlines and the team felt more confident with the system. I believe change works best when people understand the purpose and have a role in making it happen.”