

Virtually all investment banks and boutiques will ask you for a cover letter as part of the application process. But how important are those cover letters and what should you really write in investment banking cover letters? Below is some key advice:

What are cover letters?

A cover letter is a one-page document that accompanies your CV and is aimed at summarising the following points:

- (i) Which job you are applying for
- (ii) Why you are interested in the job
- (iii) Your strengths and competencies that make you a good candidate for the job

Who reads cover letters?

Given the large volume of applications that investment banks receive, very few people actually do read cover letters. If they do read them, bankers or HR personnel will likely only spend no more than 10 seconds reading a cover letter. At smaller firms (i.e. small boutiques), bankers may spend more time reading cover letters because the application volume is lower and also they may want to find out the motivation of the applicant to apply to a smaller firm.

If not many people read them, what is the point of cover letters?

The reason why almost all banks ask for cover letters are the following:

- It adds another "barrier to entry" to the application process. It simply means that you have to spend more time on every application for every bank, which is some test of your motivation. That is also why graduate applicants need to answer so many questions and write essays.

- It prevents random "CV bombardments". If banks were simply to ask for CVs, they know that students would just send the same CV to every single bank irrespective of their real job interests to maximise their chances. Because cover letters need to be tailored, this prevents mass-scale applications.
- It forces the applicant to research the company and think about why they want to apply. It is good for the company because only students who are genuinely interested will apply, and it also creates some natural advertising; not many students may have heard of some of the smaller boutiques before they started to look for a job!
- Finally, it remains a test of your ability to write concisely and do some basic research. If you write a good cover letter, it may not help your application much, but writing a poor one will definitely hurt your chances! So you still need to pay attention.

What should be the structure of investment banking cover letters?

There are no "investment banking" specific structures for cover letters, though a typical structure is as follows:

Paragraph 1: Summary of the job you are applying for and where you heard about this job.

Paragraph 2: Why you are interested in the job, and why the company in particular.

Paragraph 3: An explanation of your relevant skills for the job that make you a strong applicant.

Paragraph 4: Thank the company and say that you are looking forward to hearing back from them.

Can you give me some tips, Do's and Don'ts?

- Do: spell and grammar check, be specific to the company (not too broad), mention your unique skills/selling points, make sure the skills are relevant to banking
- Don't: exceed an A4 page, sound too arrogant when selling yourself, rehash your resume (highlight the very key points instead)

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