

ARKESDEN COMPENSATION REPORT

2020 / 2021

Welcome to the Arkesden Annual Compensation Report



It would be easy to write about the tumultuous global events of the last 12 months around the pandemic. Or indeed to focus on the effects (or not) of Brexit depending on your point of view on the London based banks. However, as the UK starts to lift lockdown and hopefully brighter times lie ahead for us all, we wanted to focus on a good news story for Investment Banking.

Gender diversity has long been talked about in banking institutions as something to tackle and improve and ultimately solve. Programmes and schemes have been implemented over the last few decades but often to no avail in increasing gender parity. This does not reflect a lack of hard work or focus on the issue, just the fact that gender diversity needed one key ingredient to effect cultural change, and that was time.

As we write this piece in early April 2021, the tide of gender diversity in the banks is finally starting to rise. It is not noticeable in the mid to upper ranks yet and won't be for some time. But summer intern programmes, graduate schemes, campus recruitment and even school engagement work of the last five to ten years are all taking effect to attracting a higher number of women into Investment Banking at a graduate and post MBA level. This is easy to see in pure intake volume as reported by many of our clients. Some classes are reporting 50:50 or greater female to male ratio.

But the shift that really needed to happen and is more unquantifiable is the cultural shift from Investment Banking professionals themselves. Where gender diversity was a 'nice to have' a few years ago, it is now top of everyone's list and rightly so. It is great to see that so many Investment Bankers now talk habitually about gender diversity, not as an after thought but as one of the key pillars for a hire.

Changing attitudes has been one part of the equation and retention is the next. As any banker will know, there are plenty of areas for opportunity for younger Investment Bankers led by the New York style 'two years and out' model that seems to be gaining traction in European Banking culture. In London, the burgeoning Fintech and Alternative Investment markets all seek strong numerate and commercial talent. It is now down to the banks to really develop and nurture female and male talent in equal measure along the banking career path once the hard work of bringing them in has been completed.

Banks are under a greater spotlight than ever around culture, work life balance, diversity and equal opportunity. One of the keys to retaining staff is surely going to be offering a smarter, more predictable way of working. Whilst compensation reports like this show that Bankers are still really well remunerated for their hard work, the current mood music seems to indicate that going forwards, it won't be enough to pay well to keep the best talent as other factors start to hold higher value for many.

We hope you enjoy our report
The Arkesden Team



In an interesting move, we are hearing that BAML have announced an increase in their fixed compensation for Analyst through to VP levels. For example VP's are now paid a flat £165K base salary up from £150K base last year. Senior Associates are now up to £135K on fixed compensation from £120K. BAML are the second bank to follow Morgan Stanley with this model in increasing fixed compensation. There is a lot of discussion around whether the other banks will follow this trend. Given what has happened in New York where this is the case, it may be that we see some big uplifts in basic salaries in the coming year.

Despite a lot of anecdotal information around bonus pools being lower, Arkeden found that the average bonus pool was up slightly this year in most banks for Associates and VP' by on average 3%.

We did note that there were far fewer one-off top bonuses paid and also had a lot more news of near or zero bonuses in some instances. However, those results seemed to be outliers as the data points to a bunching trend between each ranking, therefore allowing the mean result to increase slightly.

Our data tells us that Morgan Stanley topped the market in the last year at the VP level for compensation coming out ahead of JPM, Goldman and Citi. BAML was strongest at the Associate class continuing its strong showing over the last five years.

The bounce back story from 2019 is that Deutsche Bank have returned to more normal service and that can be seen in all their mean figures rising to parity with their competitors. Not a surprising result given they changed their bonus pool and pay structure so considerably in 2019.

The gap between the European and US banks has widened a little this year reversing the trend of the last two years. UBS came out on top for the European houses as the best payer. Barclays had a well-publicised tougher year in terms of bonuses. Like Deutsche last year however this would seem to be a likely one off event as the bank continues to trade really well in the opening half of 2021.

There does seem to be an increasing trend for using deferred stock a little bit more at the Associate level compared to 2019. This mechanism was used to bolster top performers overall compensation for the year whilst not overpaying on upfront cash. Deferred stock at the VP level is more usual but not so much at the Associate level. One to keep an eye on in 2021.

Analyst, Associate & Vice President – Fixed Compensation 2020 Onwards



LEVEL	Analyst 1		Analyst 2		Analyst 3		Associate 1/2		Associate 2/3		Associate 3/4		VP 1		VP 2		VP 3	
	BANK	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20
JP Morgan*	£50K	£50K	£55K	£55K	£60K	£60k	£90K	£90K	£105K	£105K	£120K	£120K	£145K	£145K	£155K	£155K	£160K	£160K
Goldman Sachs*	£50K	£50K	£60K	£60K	N/A	N/A	£91K	£91K	£106K	£106K	£122K	£122K	£150K	£150K	£150K	£150K	£150K	£150K
Morgan Stanley	£50K	£50K	£55K	£55K	N/A	N/A	£98K	£98K	£123	£123	£123K	£123K	£170K	£170K	£170K	£170K	£170K	£170K
BAML	£50K	£62.5K	£60K	£65.5K	N/A	N/A	£90K	£105K	£105K	£120K	£120K	£135K	£150K	£165K	£150K	£165K	£150K	£165K
CITI	£50K	£50K	£55K	£55K	£60K	£60k	£90K	£90K	£105K	£105K	£120K	£120K	£135K	£135K	£150K	£150K	£150K	£150K
Deutsche Bank	£50K	£50K	£55k*	£55K	N/A	N/A	£90K	£90K	£105K	£105K	£110/120K	£120K	£140K	£140K	£155K	£155K	£155K	£155K
Barclays	£50K	£50K	£55K	£55K	£60K	£60k	£90K	£90K	£105K	£105K	£120K	£120K	£140K	£140K	£145K	£145K	£155K	£155K
Credit Suisse	£50K	£50K	£55K	£55K	£60K	£60k	£90K	£90K	£105K	£105K	£120K	£120K	£150K	£150K	£150K	£150K	£150K	£150K
UBS	£50K	£50K	£58K	£58K	£62K	£60k	£95K	£95K	£110K	£110K	£122K	£122K	£150K	£150K	£150K	£150K	£150K	£150K

* Each VP level's base salary at these institutions can vary by £0 to £15,000, depending on performance

Changes to Analyst and Associate Promotion Cycles 2020 Onwards

BANK	Bonus Cycle	Analyst 1	Analyst 2	Analyst 3	Associate 0	Associate 1	Associate 2	Associate 3	Associate 4	Total Years to VP
JP Morgan	Summer	1 year	1 year	1 year	6 months	1 year	1 year	1 year	N/A	6.5 years
Goldman Sachs	Summer	1 year	1 year	N/A	6 months	1 year	1 year	1 year	1 year	6.5 years
Morgan Stanley	Summer	1 year	1 year	N/A	1 year	6 months	1 year	1 year	1 year	6.5 years
BAML	Summer	1 year	1 year	N/A	6 months	1 year	1 year	1 year	N/A	5.5 years
CITI	Summer	1 year	1 year	1 year	6 months	1 year	1 year	1 year	N/A	6.5 years
Deutsche Bank	Summer	1 year	1 year	N/A	6 months	1 year	1 year	1 year	1 year	6.5 years
Barclays	Winter	6 months	1 year	1 year	N/A	1 year	1 year	1 year	N/A	5.5 years
Credit Suisse	Winter	1 year	1 year	1 year	6 months	1 year	1 year	1 year	N/A	6.5 years
UBS	Winter	6 months	1 year	1 year	N/A	1 year	1 year	1 year	N/A	5.5 years

Associate 1/2 - 2017 Starters



BANK	2019/2020 Fixed	2020/2021 Fixed	2019/2020 Upper Bonus	2020/2021 Upper Bonus	2019/2020 Mean Bonus	2020/2021 Mean Bonus	2019/2020 Mean Total Comp	2020/2021 Mean Total Comp
JP Morgan	£90,000	£90,000	£100,000	£95,000	£72,000	£74,000	£162,000	£174,000
Goldman Sachs	£91,000	£91,000	£105,000	£105,000	£73,000	£79,000	£164,000	£170,000
Morgan Stanley	£98,000	£98,000	£90,000	£94,000	£63,000	£73,000	£161,000	£171,000
BAML	£90,000	£105,000	£125,000	£98,000	£79,000	£80,000	£169,000	£170,000
CITI	£90,000	£90,000	£105,000	£97,000	£68,000	£75,000	£158,000	£165,000
Deutsche Bank	£105,000*	£90,000*	£85,000	£88,000	£52,000	£68,000	£157,000	£158,000
Barclays	£90,000	£90,000	£85,000	£87,000	£62,000	£61,000	£152,000	£151,000
Credit Suisse	£90,000	£90,000	£90,000	£85,000	£63,000	£60,000	£153,000	£150,000
UBS	£95,000	£95,000	£95,000	£95,000	£65,000	£65,000	£160,000	£160,000

* Deutsche Bank realigned to the street base number after an anomolie year in 2019

Associate 2/3 - 2016 Starters



BANK	2019/2020 Fixed	2020/2021 Fixed	2019/2020 Upper Bonus	2020/2021 Upper Bonus	2019/2020 Mean Bonus	2020/2021 Mean Bonus	2019/2020 Mean Total Comp	2020/2021 Mean Total Comp
JP Morgan	£105,000	£105,000	£120,000	£105,000	£82,000	£90,000	£187,000	£195,000
Goldman Sachs	£106,000	£106,000	£124,000	£120,000	£81,000	£92,000	£187,000	£198,000
Morgan Stanley	£123,000	£123,000	£126,000	£105,000	£71,000	£89,000	£194,000	£212,000
BAML	£105,000	£120,000	£130,000	£136,000	£84,000	£90,000*	£189,000	£213,000*
CITI	£105,000	£105,000	£130,000	£125,000	£77,000	£98,000	£182,000	£203,000
Deutsche Bank	£110,000	£110,000	£100,000	£95,000	£67,000	£78,000	£177,000	£188,000
Barclays	£105,000	£105,000	£95,000	£100,000	£68,000	£70,000	£173,000	£175,000
Credit Suisse	£105,000	£105,000	£129,000	£105,000	£75,000	£75,000	£180,000	£180,000
UBS	£110,000	£110,000	£118,000	£110,000	£72,000	£79,000	£182,000	£189,000

* We understand that BAML have raised their bonus but paid up to 25% in deferred stock

Associate 3/4 - 2015 Starters



BANK	2019/2020 Fixed	2020/2021 Fixed	2019/2020 Upper Bonus	2020/2021 Upper Bonus	2019/2020 Mean Bonus	2020/2021 Mean Bonus	2019/2020 Mean Total Comp	2020/2021 Mean Total Comp
JP Morgan	£120,000	£120,000	£140,000	£160,000	£97,000	£112,000	£217,000	£232,000
Goldman Sachs	£123,000	£123,000	£160,000	£165,000	£96,000	£110,000	£219,000	£233,000
Morgan Stanley	£123,000	£123,000	£164,000	£170,000	£92,000	£116,000	£215,000	£239,000
BAML	£120,000	£135,000	£167,000	£150,000	£104,000	£108,000	£224,000	£228,000
CITI	£120,000	£120,000	£156,000	£162,000	£94,000	£106,000	£214,000	£226,000
Deutsche Bank	£120,000	£120,000	£120,000	£162,000	£82,000	£105,000	£202,000	£225,000
Barclays	£120,000	£120,000	£115,000	£100,000	£75,000	£82,000	£195,000	£202,000
Credit Suisse	£120,000	£120,000	£150,000	£145,000	£95,000	£98,000	£215,000	£218,000
UBS	£123,000	£123,000	£120,000	£150,000	£86,000	£95,000	£209,000	£218,000

VP 1 - 2020 Promotes



BANK	2019/2020 Fixed	2020/2021 Fixed	2019/2020 Upper Bonus	2020/2021 Upper Bonus	2019/2020 Mean Bonus	2020/2021 Mean Bonus	2019/2020 Mean Total Comp	2020/2021 Mean Total Comp
JP Morgan*	£145,000	£145,000	£170,000	£175,000	£121,000	£125,000	£266,000	£270,000
Goldman Sachs*	£128,000	£128,000	£195,000	£205,000	£119,000	£120,000	£247,000	£248,000
Morgan Stanley	£170,000	£170,000	£185,000	£190,000	£95,000	£127,000	£265,000	£297,000
BAML	£150,000	£165,000	£200,000	£190,000	£120,000	£120,000	£270,000	£270,000
CITI	£135,000	£135,000	£205,000	£185,000	£117,000	£121,000	£252,000	£256,000
Deutsche Bank	£140,000	£140,000	£140,000	£165,000	£104,000	£114,000	£244,000	£254,000
Barclays	£140,000	£140,000	£142,500	£135,000	£98,000	£102,000	£238,000	£242,000
Credit Suisse	£150,000	£150,000	£175,000	£170,000	£114,000	£112,000	£264,000	£262,000
UBS	£150,000	£150,000	£155,000	£160,000	£112,000	£116,000	£262,000	£266,000

* Base salaries at these institutions vary by £0 - £15,000 based on performance

VP 2 - 2019 Promotes



BANK	2019/2020 Fixed	2020/2021 Fixed	2019/2020 Upper Bonus	2020/2021 Upper Bonus	2019/2020 Mean Bonus	2020/2021 Mean Bonus	2019/2020 Mean Total Comp	2020/2021 Mean Total Comp
JP Morgan*	£155,000	£155,000	£200,000	£215,000	£145,000	£149,000	£300,000	£304,000
Goldman Sachs*	£150,000	£150,000	£215,000	£220,000	£143,000	£145,000	£277,000	£295,000
Morgan Stanley	£170,000	£170,000	£218,000	£215,000	£130,000	£144,000	£300,000	£314,000
BAML	£150,000	£165,000	£220,000	£200,000	£142,000	£139,000	£292,000	£289,000
CITI	£150,000	£150,000	£220,000	£225,000	£137,000	£141,000	£287,000	£291,000
Deutsche Bank	£155,000	£155,000	£195,000	£200,000	£112,000	£138,000	£267,000	£293,000
Barclays	£145,000	£145,000	£160,000	£180,000	£114,000	£115,000	£259,000	£269,000
Credit Suisse	£150,000	£150,000	£205,000	£225,000	£138,000	£137,000	£288,000	£287,000
UBS	£150,000	£150,000	£160,000	£190,000	£129,000	£132,000	£279,000	£282,000

* Base salaries at these institutions vary by £0 - £15,000 based on performance.

VP 3 - 2018 Promotes



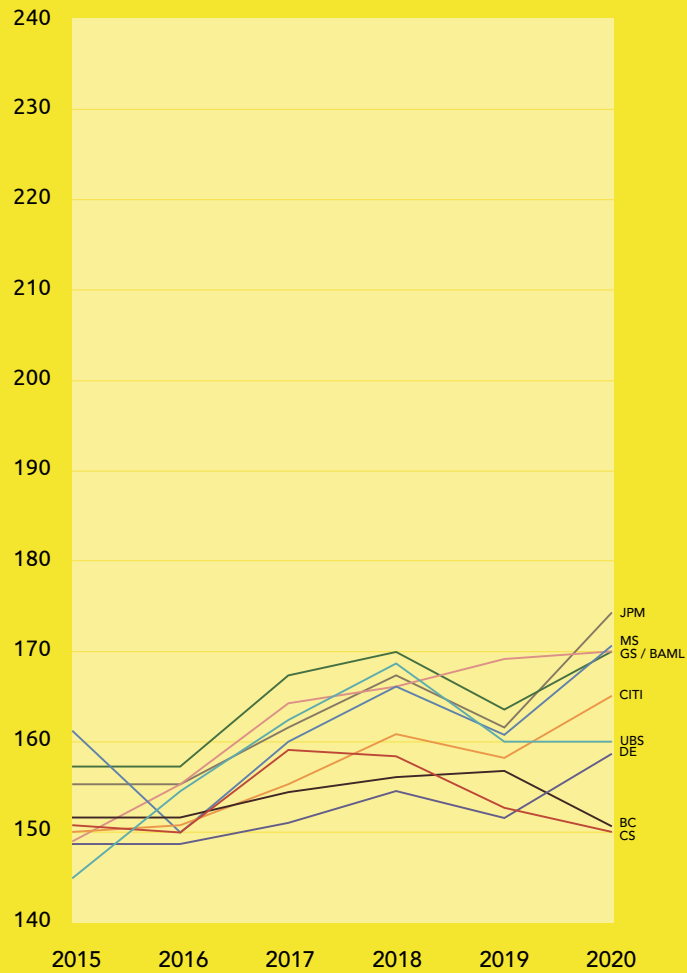
Bank	2019/2020 Fixed	2020/2021 Fixed	2019/2020 Upper Bonus	2020/2021 Upper Bonus	2019/2020 Mean Bonus	2020/2021 Mean Bonus	2019/2020 Mean Total Comp	2020/2021 Mean Total Comp
JP Morgan*	£160,000	£160,000	£260,000	£240,000	£169,000	£172,000	£329,000	£332,000
Goldman Sachs*	£150,000	£150,000	£270,000	£260,000	£159,000	£165,000	£309,000	£315,000
Morgan Stanley	£170,000	£170,000	£275,000	£272,000	£161,000	£172,000	£331,000	£342,000
BAML	£150,000	£165,000	£285,000	£266,000	£174,000	£170,000	£324,000	£320,000
CITI	£150,000	£150,000	£270,000	£260,000	£172,000	£166,000	£312,000	£316,000
Deutsche Bank	£155,000	£155,000	£200,000	£245,000	£145,000	£154,000	£300,000	£309,000
Barclays	£155,000	£155,000	£217,000	£195,000	£137,000	£132,000	£292,000	£287,000
Credit Suisse	£150,000	£150,000	£235,000	£240,000	£150,000	£156,000	£310,000	£306,000
UBS	£150,000	£150,000	£210,000	£235,000	£164,000	£158,000	£304,000	£308,000

* Base salaries at these institutions vary by £0 - £15,000 based on performance

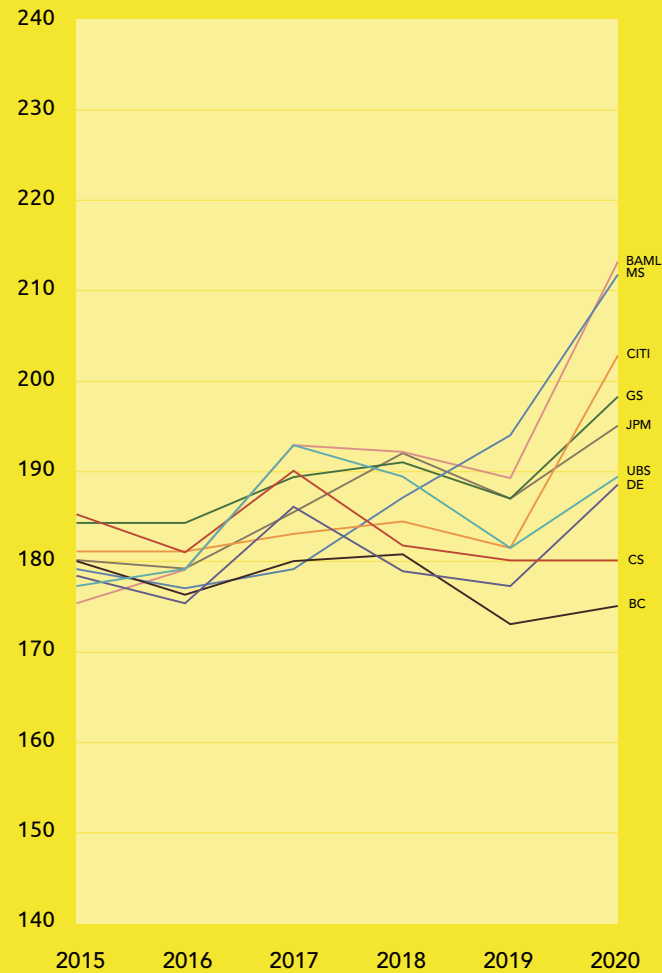
Associate Average Total Compensation 2015 - 2020



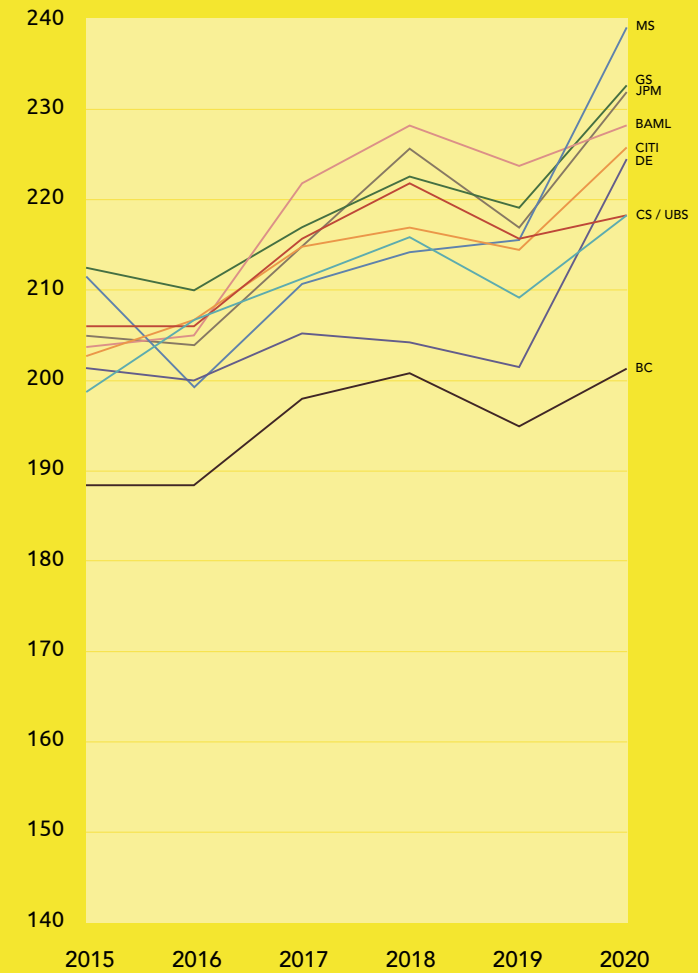
Associate 1
£ 1000s



Associate 2
£ 1000s



Associate 3
£ 1000s

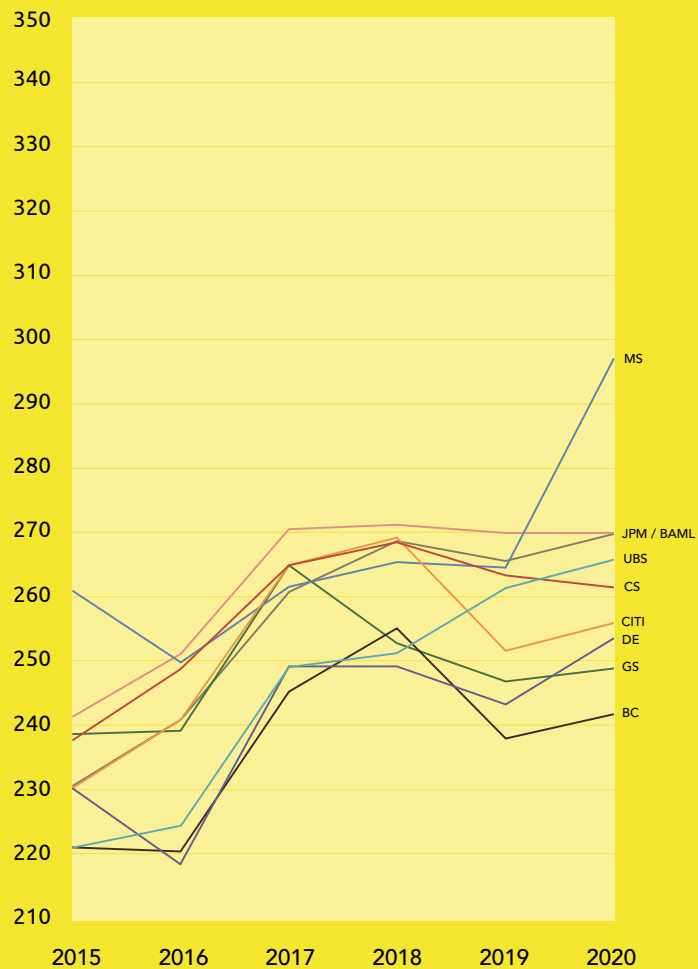


- JP Morgan (JPM)
- Goldman Sachs (GS)
- Morgan Stanley (MS)
- BAML
- CITI
- Barclays (BC)
- Deutsche (DE)
- Credit Suisse (CS)
- UBS

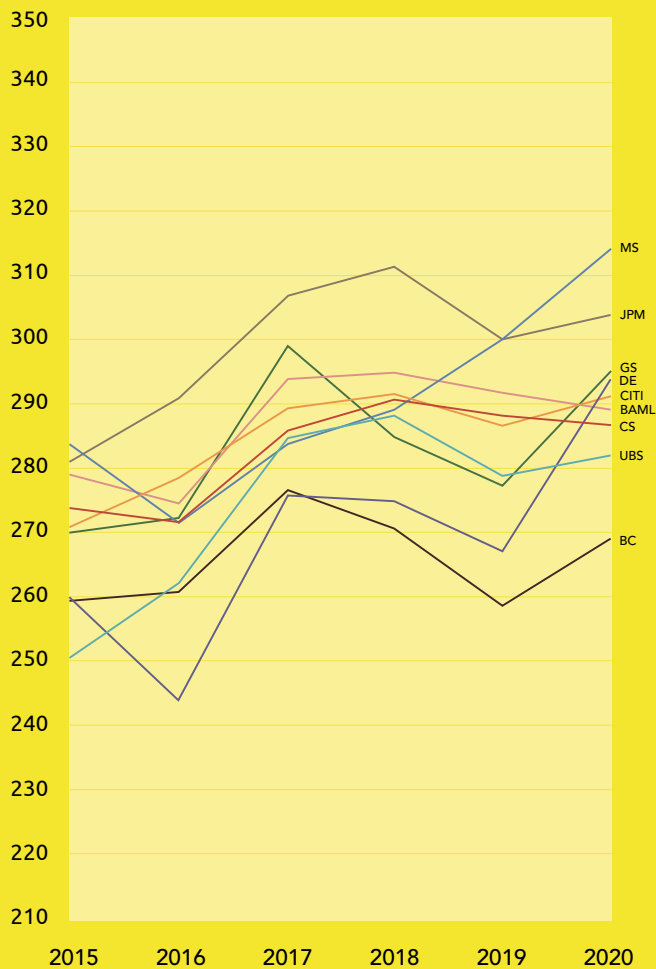
VP Average Total Compensation 2015 - 2020



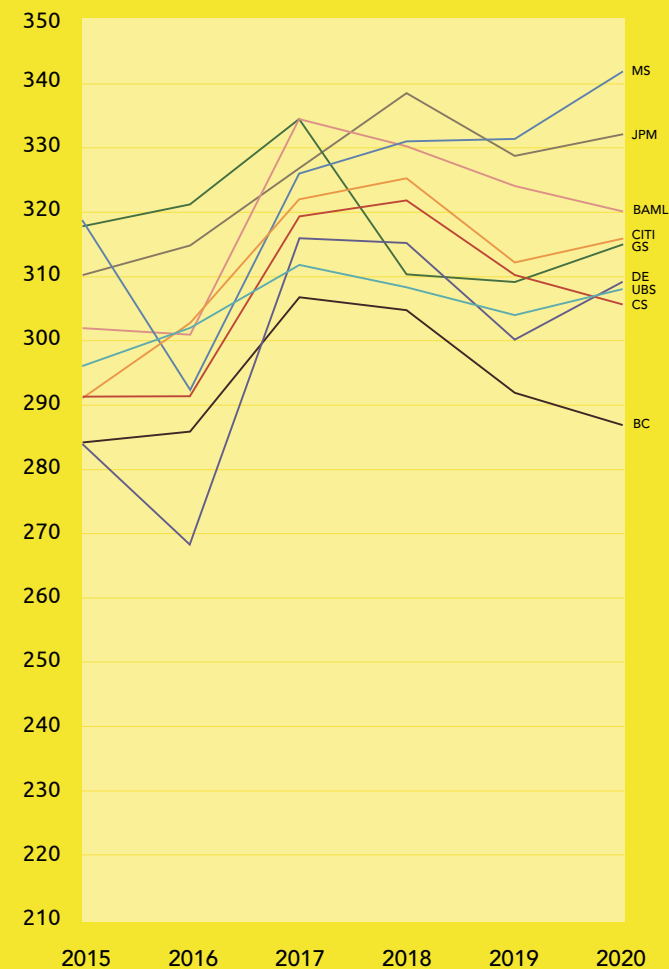
Vice President 1
£ 1000s



Vice President 2
£ 1000s



Vice President 3
£ 1000s



- JP Morgan (JPM)
- Goldman Sachs (GS)
- Morgan Stanley (MS)
- BAML
- CITI
- Barclays (BC)
- Deutsche (DE)
- Credit Suisse (CS)
- UBS



Arkeden Banking

Arkeden Banking Practice has consistently delivered both for our clients and candidates since its inception. The team operates across numerous markets including:

- M&A
- ECM
- Broking
- Restructuring
- Sector and Country Coverage
- Debt Advisory
- Leveraged Finance.

Arkeden Banking clients range from a select group of Tier 1, Tier 2, Independent Banks and Boutique Banks. Many of the relationships we hold have been developed over many years. Those relationships have often been strongest during economic downturns and indeed both our client and candidate community appreciate the continued support we offer them regardless of economic conditions. While sourcing individuals is a key part of what we do, we also provide market data and mapping services to our community.

Our Approach

During our history we have built a very wide ranging network of professionals within our five core markets. This has been built from real belief and understanding of the importance many people place on their careers. We always aim to offer sound medium term career advice. This approach has led us to be recommended many times to other professionals and clients alike to build fresh relationships.

To find out more about Arkeden Banking and the work we do please contact us.

Alex Cornell
adc@arkesden.com

Dorian Masters
dam@arkesden.com

+44 (0) 20 3762 2023

www.arkesden.com/investment-banking

LinkedIn
www.linkedin.com/company/arkesden-partners-limited

TALK TO US ABOUT YOUR RECRUITMENT NEEDS

Arkesden are a leading search firm that focuses on placing individuals into financial services and corporates.

We are London based but we undertake mandates throughout Europe, MENA and North American regions.

We have over a decade of experience and focus on individuals at the Director, Vice President and Associate levels.

ARKESDEN
7 BIRCHIN LANE
LONDON
EC3V 9BW

+44 (0)20 3762 2023
INFO@ARKESDEN.COM



Disclaimer: All views, data, opinion and trends of this compensation report are those of Arkesden Partners Ltd alone. All information as a data handler has been adhered to under GDPR regulations.