

ARKESDEN COMPENSATION REPORT 2018/19

Welcome to the 2018 Arkesden Compensation Report

Overview

This is the eighth annual report we have generated for our Institutional and Alternative Investment clients who consider hiring Investment Banking profiles in to their Funds.

The aim of the report is to provide up to date and accurate information around compensation structures and promotion cycles for the top nine U.S. and European Banks in London. The report should help with hiring decisions, setting expectations for candidates entering in to processes with you and highlighting trends around bonus dates and differing Analyst, Associate and VP programmes across the banks.

We hope you enjoy the report.

Adam Cairns
Founder & Managing Partner, Arkesden Partners

Report Trends

• Mean Compensation Trends

We are reporting a slight year on year increase for mean total compensation for Analyst, Associate and VP classes. This is reflective of the global performance of M&A in 2018 compared to 2017.

• Associates Faired The Best

US houses did push their compensation for Associates higher year on year compared to other classes. Early and mid-level Banking Associate erosion was high in 2018 in London, mostly to Private Equity, Institutional and or Credit Funds. The banks are again reacting to this issue. We also know that U.S. banks on Wall Street have led an internal review of compensation given the war for talent with Technology giants has increased this year again. This along with attrition rates have made Associates the front line of compensation focus.

• Shortened Analyst Cycle

The Analyst cycles continue to trend towards being shortened to either 2 or 2.5 year cycles rather than the historic 3. Goldmans Sachs and BAML for example now have a 2 year programme therefore the total years to VP has come down to 5.5 years. However some, in line with this, have extended the Associate level so it remains 6 or 6.5 years to VP. The European banks are indicating that they are looking at their Analyst programmes in response to this.

• Top Performers

Banks looking after top performers is not new. But at both the Associate and VP level we saw some really high one off t-comp for individuals in 2018. Our sense was that these were either for individuals in really thinly staffed teams, or where there had been erosion of Associate talent and so there was an offset of bonus to good performers available.

• Goldman VP Base Salaries

We note that Goldman have adjusted their VP base salaries downwards in London in 2018 compared to 2017. Mean total compensation was still slightly up at each level. No one factor has been given for this, however any reduction in a fixed cost by a Bank is not exactly an unsurprising requirement in the pursuit of efficiency.

• European Banks Competing

We pointed out last year that when it came to mean t-comp numbers, the European banks were, in part, competing with the bigger US clients. This year we can see from the data that particularly at the Associate class, the likes of UBS are now paying comparable mean t-comp to the U.S. bulge brackets.

Analyst, Associate & Vice President – Fixed Compensation 2019 Onwards

LEVEL	Analyst 1		Analyst 2		Analyst 3		Associate 0/1		Associate 1/2		Associate 2/3		Associate 3/4		VP 1		VP 2		VP 3	
	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
JP Morgan	£50K	£50K	£55K	£55K	£60K	£60K	£80K	£90K	£90K	£90K	£105K	£105K	£120K	£120K	£135K	£135K	£155K	£155K	£155K	£155K
Goldman Sachs	£50K	£50K	£60K	£60K	£60K	N/A	£80K	£80K	£91K	£91K	£106K	£106K	£122K	£122K	£134K	£128K	£143K	£134K	£160K	£146K
Morgan Stanley	£50K	£50K	£55K	£55K	£60K	N/A	£80K	£80K	£98K	£98K	£111K	£111K	£123K	£123K	£170K	£170K	£170K	£170K	£170K	£170K
BAML	£50K	£50K	£55K	£55K	£60K	N/A	£80K	£90K	£90K	£90K	£105K	£105K	£120K	£120K	£150K	£150K	£150K	£150K	£150K	£150K
CITI	£50K	£50K	£55K	£55K	£60K	£60K	£80K	£80K	£90K	£90K	£105K	£105K	£120K	£120K	£135K	£135K	£150K	£150K	£150K	£150K
Barclays	£50K	£50K	£55K	£55K	£60K	£60K	N/A	N/A	£90K	£90K	£105K	£105K	£115K	£115K	£135K	£135K	£145K	£145K	£155K	£155K
Deutsche Bank	£50K	£50K	£55K	£55K	£60K	N/A	N/A	N/A	£90K	£90K	£105K	£105K	£120K	£120K	£140K	£140K	£155K	£155K	£170K	£170K
Credit Suisse	£50K	£50K	£55K	£55K	£60K	£60K	£80K	£80K	£90K	£90K	£105K	£105K	£120K	£120K	£150K	£150K	£150K	£150K	£150K	£150K
UBS	£50K	£50K	£55K	£58K	£62K	£62K	N/A	N/A	£95K	£95K	£110K	£110K	£122K	£122K	£135K	£150K	£150K	£150K	£150K	£150K

Changes to Analyst and Associate Promotion Cycles 2019 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	N/A	6 months	1 year	1 year	1 year	5.5 years
Morgan Stanley	Summer	1 year	1 year	N/A	N/A	1 year	1 year	1 year	1 year	6 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
Barclays	Winter	6 months	1 year	1 year	N/A	1 year	1 year	1 year	N/A	5.5 years
Deutsche Bank	Winter	1 year	1 year	N/A	6 months	1 year	1 year	1 year	1 year	6.5 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

Analyst 1 - 2018 Starters

BANK	Bonus Cycle	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	Summer	£50,000	£50,000	£44,000	Not Announced	£32,000	Not Announced	£82,000	N/A
Goldman Sachs	Summer	£50,000	£50,000	£46,000	Not Announced	£31,000	Not Announced	£81,000	N/A
Morgan Stanley	Summer	£50,000	£50,000	£48,000	Not Announced	£29,000	Not Announced	£79,000	N/A
BAML	Summer	£50,000	£50,000	£46,000	Not Announced	£28,000	Not Announced	£78,000	N/A
*CITI	Summer	£50,000	£50,000	N/A	Not Announced	£12,500 stub	Not Announced	£62,500	N/A
Barclays	Winter	£50,000	£50,000	N/A	N/A	£10,000 stub	£13,000 stub	£60,000	£63,000
Deutsche Bank	Winter	£50,000	£50,000	N/A	N/A	£16,000 stub	£16,000 stub	£66,000	£66,000
Credit Suisse	Winter	£50,000	£50,000	N/A	N/A	£17,500 stub	£18,000 stub	£67,500	£68,000
UBS	Winter	£50,000	£50,000	N/A	N/A	£15,000 stub	£10,000 stub	£65,000	£60,000

*Citi has moved its Analyst from the Winter bonus cycle to Summer

Analyst 2 - 2017 Starters

BANK	Bonus Cycle	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	Summer	£55,000	£55,000	£55,000	Not Announced	£38,000	Not Announced	£93,000	N/A
Goldman Sachs	Summer	£60,000	£60,000	£54,000	Not Announced	£39,000	Not Announced	£99,000	N/A
Morgan Stanley	Summer	£55,000	£55,000	£52,000	Not Announced	£40,000	Not Announced	£95,000	N/A
BAML	Summer	£55,000	£55,000	£56,000	Not Announced	£41,000	Not Announced	£96,000	N/A
CITI	Summer	£55,000	£55,000	£50,000	Not Announced	£36,000	Not Announced	£91,000	N/A
Barclays	Winter	£55,000	£55,000	£45,000	£45,000	£34,000	£35,000	£89,000	£90,000
Deutsche Bank	Winter	£55,000	£55,000	£42,000	£44,000	£34,000	£34,000	£89,000	£89,000
Credit Suisse	Winter	£55,000	£55,000	£55,000	£46,000	£38,000	£37,000	£93,000	£92,000
UBS	Winter	£55,000	£58,000	£42,000	£48,000	£35,000	£36,000	£90,000	£94,000

Analyst 3 - 2016 Starters

BANK	Bonus Cycle	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	Summer	£60,000	£60,000	£66,000	Not Announced	£46,000	Not Announced	£106,000	N/A
Goldman Sachs	Summer	£60,000	N/A	£64,000	Not Announced	£47,000	Not Announced	£107,000	N/A
Morgan Stanley	Summer	£60,000	£60,000	£62,000	Not Announced	£49,000	Not Announced	£109,000	N/A
BAML	Summer	£60,000	£60,000	£65,000	Not Announced	£48,000	Not Announced	£108,000	N/A
CITI	Summer	£60,000	£60,000	£62,000	Not Announced	£44,000	Not Announced	£104,000	N/A
Barclays	Winter	£60,000	£60,000	£48,000	£52,000	£40,000	£43,000	£100,000	£103,000
Deutsche Bank	Winter	£60,000	£60,000	£40,000	£55,000	£36,000	£37,000	£96,000	£97,000
Credit Suisse	Winter	£60,000	£60,000	£60,000	£64,000	£45,000	£46,000	£105,000	£106,000
UBS	Winter	£62,000	£62,000	£62,000	£65,000	£45,000	£47,000	£107,000	£109,000

Associate 0/1 - 2015 Starters

BANK	Summer Fixed & Level 2018	Summer 2018 Associate Sign On	Fixed January 2019	January 2019 Stub/Sign on	Upper Bonus Range (Inc. when paid)	Mean Bonus Range (Inc. when paid)
JP Morgan	£90,000 Associate 0	£22,000	£90,000 Associate 1	£21,500	£64,000 Summer 2018	£55,000 Summer 2018
Goldman Sachs	£80,000 Associate 1	N/A	£91,000 Associate 2	£22,000	£65,000 Summer 2018	£56,000 Summer 2018
*Morgan Stanley	£80,000 Associate 1	N/A	£80,000 // £98,000 Associate 1	£33,000	£62,000 Summer 2018	£54,000 Summer 2018
BAML	£90,000 Associate 0	\$40,000	£90,000 Associate 1	£35,000	£85,000 Summer 2018	£56,000 Summer 2018
**CITI	£80,000 Associate 0	£25,000	£90,000 Associate 1	£20,000	£30,000 Summer 2018	£25,000 Summer 2018
Barclays	N/A	N/A	£90,000 Associate 1	£11,000	£60,000 January 2019	£49,000 January 2019
Deutsche Bank	N/A	N/A	£80,000 Associate 1	N/A	£60,000 January 2019	£47,000 January 2019
Credit Suisse	£80,000 Associate 0	£25,000	£90,000 Associate 1	N/A	£62,000 January 2019	£52,000 January 2019
UBS	N/A	N/A	£85,000 Associate 1	N/A	£64,000 January 2019	£53,000 January 2019

Due to changes across the banks over the last 6-12 months this is as it stands currently for those at the Associate 0 / 1 level. As a result of these changes we have not compared them to previous years.

*Newly promoted Associates (Analyst 2015) have gone straight to £98,000 whilst new Associates (Analyst 2016) will go to £80,000

**Due to the changes in the Analyst cycle this bonus was for a 6 month period

Associate 1/2 - 2014 Starters

BANK	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	£90,000	£90,000	£92,000	£102,000	£72,000	£77,000	£162,000	£167,000
Goldman Sachs	£91,000	£91,000	£110,000	£115,000	£76,000	£79,000	£167,000	£170,000
Morgan Stanley	£98,000	£98,000	£83,000	£98,000	£62,000	£68,000	£160,000	£166,000
BAML	£90,000	£90,000	£112,000	£125,000	£74,000	£76,000	£164,000	£166,000
CITI	£90,000	£90,000	£86,000	£92,000	£65,000	£71,000	£155,000	£161,000
Barclays	£90,000	£90,000	£89,000	£90,000	£64,000	£66,000	£154,000	£156,000
Deutsche Bank	£90,000	£90,000	£92,000	£88,000	£61,000	£64,000	£151,000	£154,000
Credit Suisse	£90,000	£90,000	£88,000	£92,000	£69,000	£68,000	£159,000	£158,000
UBS	£95,000	£95,000	£85,000	£95,000	£68,000	£73,000	£163,000	£168,000

Associate 2/3 - 2013 Starters

BANK	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	£105,000	£105,000	£100,000	£122,000	£81,000	£87,000	£186,000	£192,000
Goldman Sachs	£106,000	£106,000	£122,000	£125,000	£83,000	£85,000	£189,000	£191,000
Morgan Stanley	£111,000	£111,000	£115,000	£118,000	£68,000	£76,000	£179,000	£187,000
BAML	£105,000	£105,000	£120,000	£128,000	£88,000	£87,000	£193,000	£192,000
CITI	£105,000	£105,000	£105,000	£106,000	£78,000	£79,000	£183,000	£184,000
Barclays	£105,000	£105,000	£95,000	£100,000	£75,000	£76,000	£180,000	£181,000
Deutsche Bank	£105,000	£105,000	£110,000	£105,000	£81,000	£73,000	£186,000	£178,000
Credit Suisse	£105,000	£105,000	£110,000	£110,000	£85,000	£77,000	£190,000	£182,000
UBS	£110,000	£110,000	£100,000	£112,000	£83,000	£79,000	£193,000	£189,000

Associate 3/4 - VP 2019 Promotes

BANK	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	£120,000	£120,000	£125,000	£160,000	£95,000	£106,000	£215,000	£226,000
Goldman Sachs	£120,000	£122,000	£135,000	£142,000	£97,000	£101,000	£217,000	£223,000
Morgan Stanley	£123,000	£123,000	£145,000	£146,000	£88,000	£91,000	£211,000	£214,000
BAML	£120,000	£120,000	£155,000	£170,000	£102,000	£108,000	£222,000	£228,000
CITI	£120,000	£120,000	£126,000	£135,000	£95,000	£97,000	£215,000	£217,000
Barclays	£115,000	£115,000	£130,000	£132,000	£82,000	£86,000	£197,000	£201,000
Deutsche Bank	£120,000	£120,000	£125,000	£126,000	£85,000	£84,000	£205,000	£204,000
Credit Suisse	£120,000	£120,000	£136,000	£142,000	£96,000	£102,000	£216,000	£222,000
UBS	£123,000	£123,000	£135,000	£140,000	£89,000	£93,000	£212,000	£216,000

VP 1 - 2018 Promotes

BANK	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	£140,000	£140,000	£165,000	£185,000	£122,000	£128,000	£262,000	£268,000
Goldman Sachs	£134,000	£128,000	£170,000	£172,000	£131,000	£125,000	£265,000	£253,000
Morgan Stanley	£170,000	£170,000	£175,000	£170,000	£93,000	£96,000	£263,000	£266,000
BAML	£150,000	£150,000	£175,000	£185,000	£121,000	£122,000	£271,000	£272,000
CITI	£150,000	£150,000	£135,000	£180,000	£115,000	£119,000	£265,000	£269,000
Barclays	£135,000	£140,000	£150,000	£170,000	£111,000	£115,000	£246,000	£255,000
Deutsche Bank	£140,000	£140,000	£145,000	£146,000	£109,000	£109,000	£249,000	£249,000
Credit Suisse	£150,000	£150,000	£160,000	£168,000	£115,000	£118,000	£265,000	£268,000
UBS	£135,000	£135,000	£165,000	£170,000	£114,000	£117,000	£249,000	£252,000

VP 2 - VP 2017 Promotes

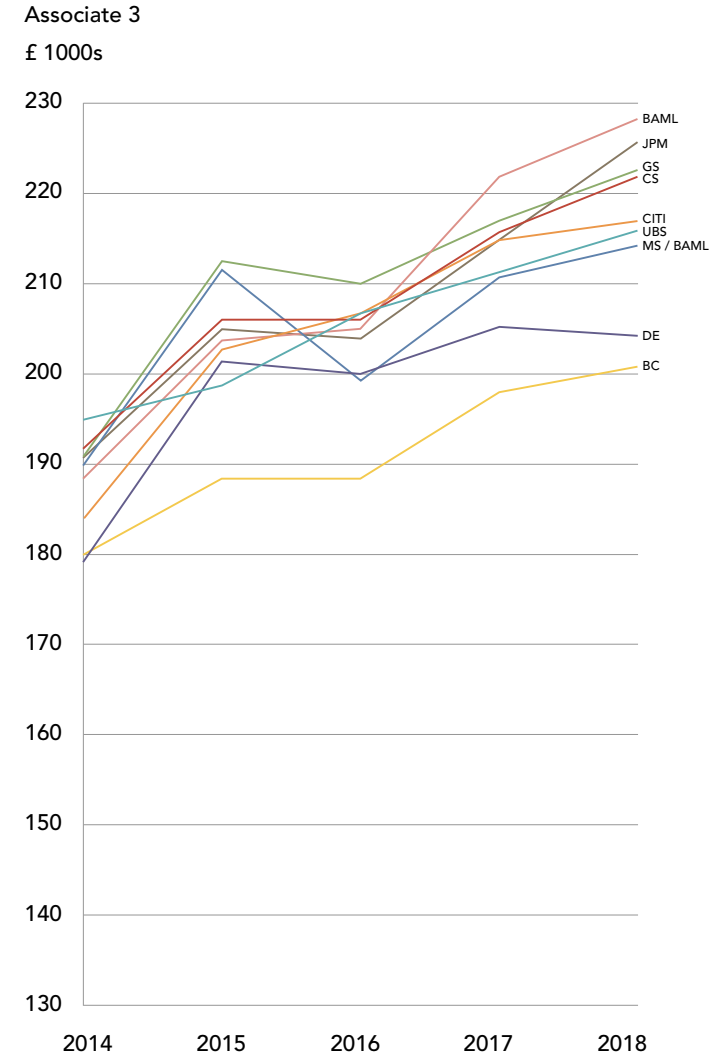
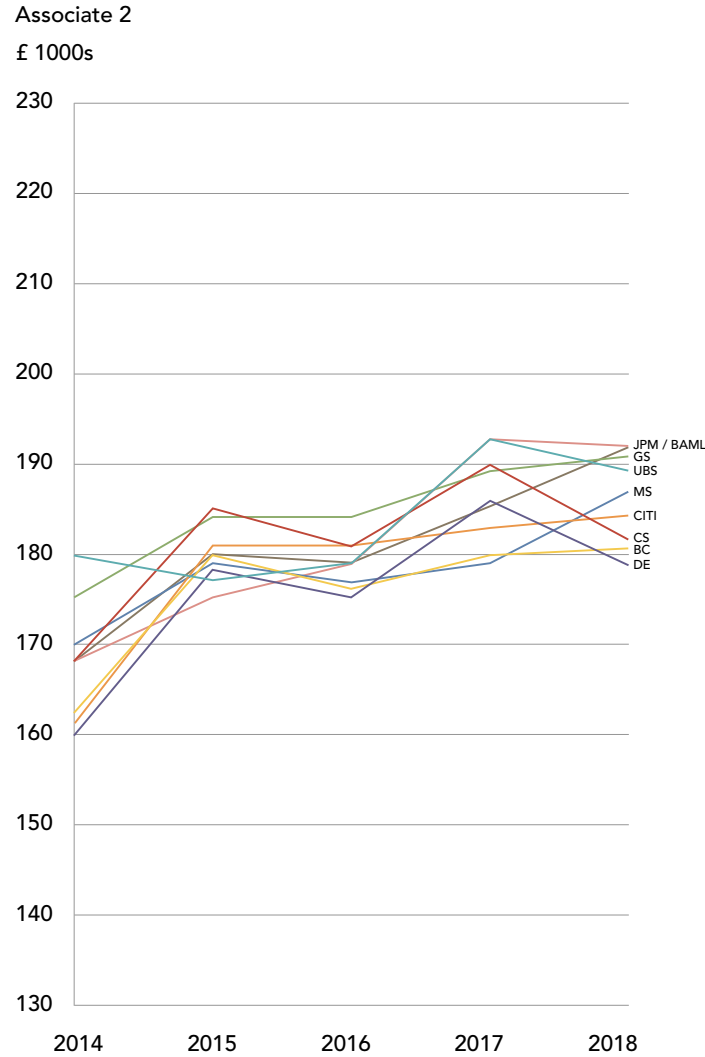
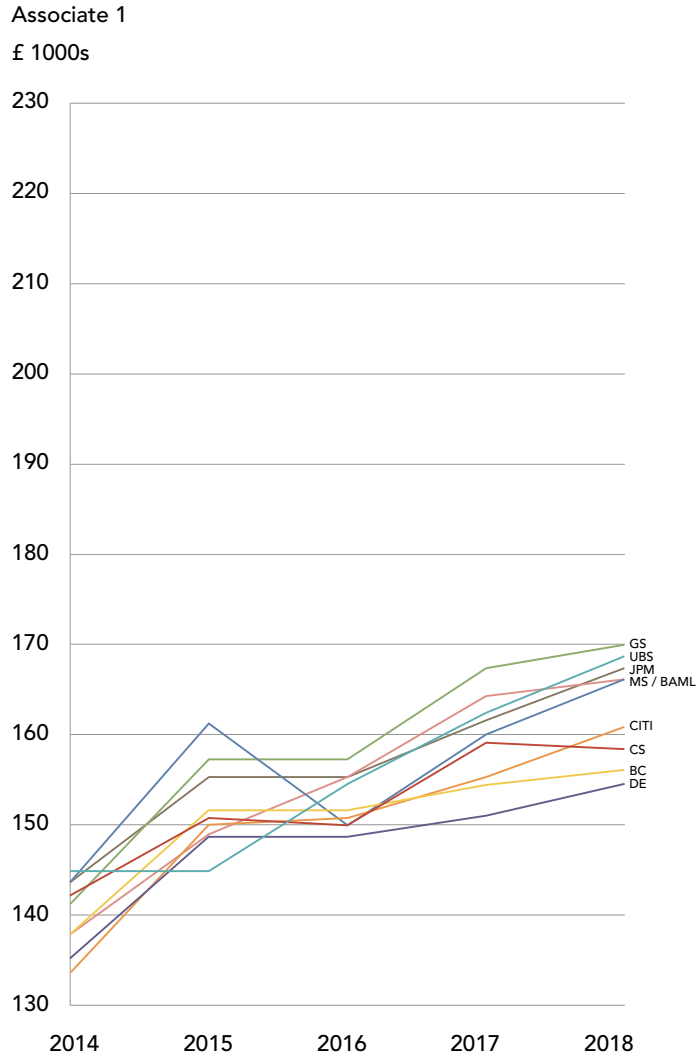
BANK	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	£155,000	£155,000	£215,000	£235,000	£152,000	£157,000	£307,000	£312,000
Goldman Sachs	£146,000	£134,000	£228,000	£230,000	£152,000	£151,000	£298,000	£285,000
Morgan Stanley	£170,000	£170,000	£210,000	£220,000	£114,000	£119,000	£284,000	£289,000
BAML	£150,000	£150,000	£232,000	£238,000	£144,000	£145,000	£294,000	£295,000
CITI	£150,000	£150,000	£230,000	£236,000	£139,000	£142,000	£289,000	£292,000
Barclays	£145,000	£145,000	£205,000	£200,000	£132,000	£126,000	£277,000	£271,000
Deutsche Bank	£155,000	£155,000	£200,000	£202,000	£121,000	£120,000	£276,000	£275,000
Credit Suisse	£150,000	£150,000	£220,000	£225,000	£136,000	£141,000	£286,000	£291,000
UBS	£150,000	£150,000	£245,000	£240,000	£135,000	£138,000	£285,000	£288,000

VP 3 - VP 2016 Promotes

Bank	2017/2018 Fixed	2018/2019 Fixed	2017/2018 Upper Bonus	2018/2019 Upper Bonus	2017/2018 Mean Bonus	2018/2019 Mean Bonus	2017/2018 Mean Total Comp	2018/2019 Mean Total Comp
JP Morgan	£155,000	£155,000	£262,000	£315,000	£172,000	£183,000	£327,000	£338,000
Goldman Sachs	£160,000	£134,000	£270,000	£290,000	£174,000	£176,000	£334,000	£310,000
Morgan Stanley	£170,000	£170,000	£248,000	£255,000	£156,000	£161,000	£326,000	£331,000
BAML	£150,000	£150,000	£340,000	£315,000	£184,000	£180,000	£334,000	£330,000
CITI	£150,000	£150,000	£260,000	£275,000	£172,000	£175,000	£322,000	£325,000
Barclays	£155,000	£155,000	£240,000	£245,000	£152,000	£149,000	£307,000	£304,000
Deutsche Bank	£170,000	£170,000	£235,000	£238,000	£146,000	£145,000	£316,000	£315,000
Credit Suisse	£150,000	£150,000	£265,000	£272,000	£169,000	£172,000	£319,000	£322,000
UBS	£150,000	£150,000	£255,000	£260,000	£162,000	£158,000	£312,000	£308,000

Associate Average Total Compensation for 2014 - 2018

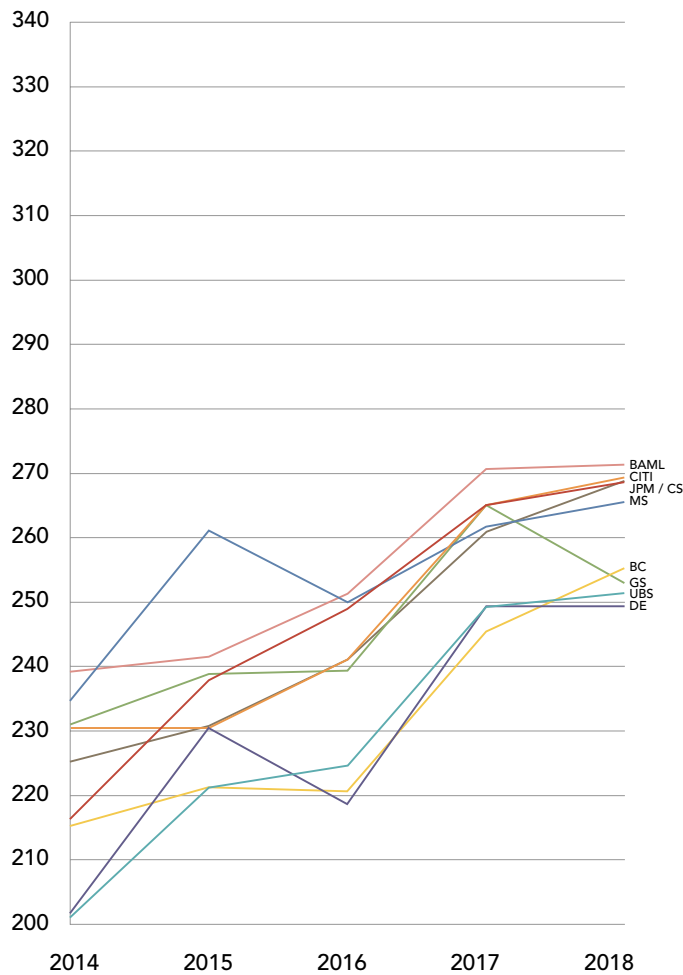
- JP Morgan
- Goldman Sachs
- Morgan Stanley
- BAML
- CITI
- Barclays
- Deutsche
- Credit Suisse
- UBS



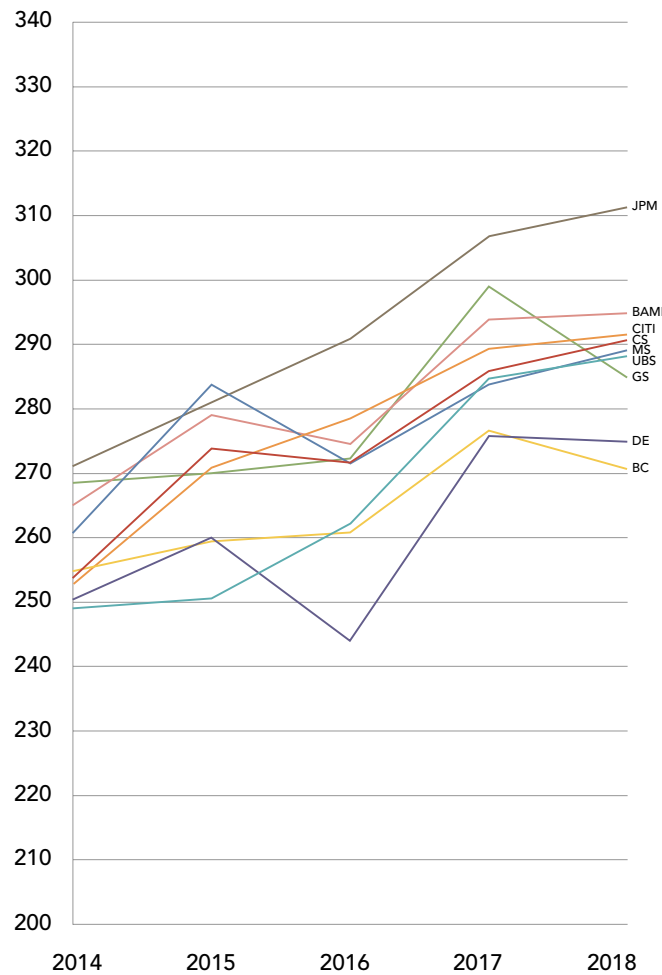
VP Average Total Compensation for 2014 - 2018

- JP Morgan
- Goldman Sachs
- Morgan Stanley
- BAML
- CITI
- Barclays
- Deutsche
- Credit Suisse
- UBS

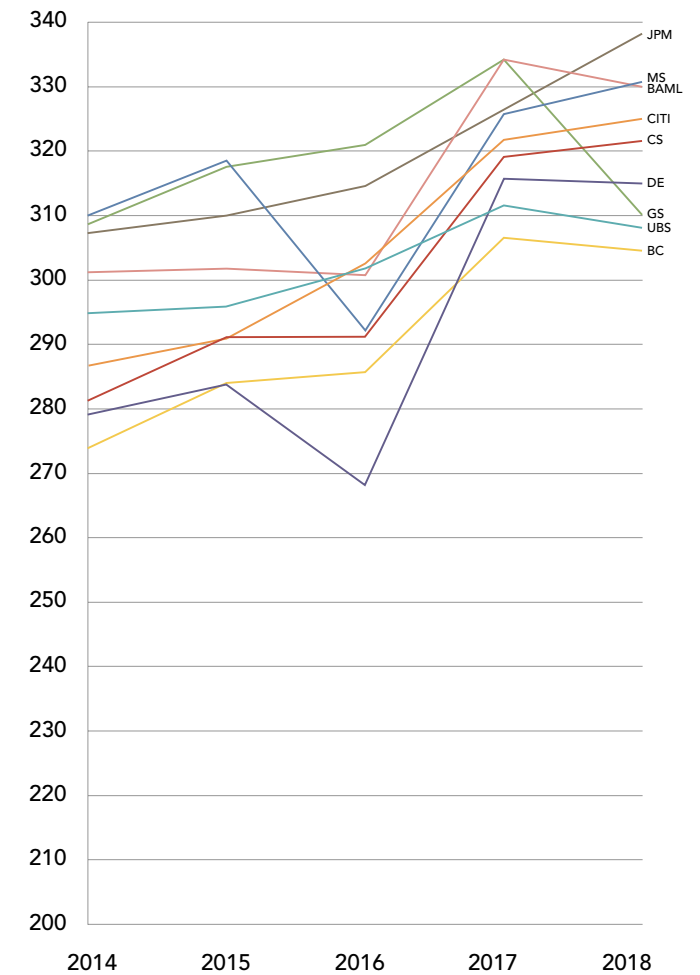
Vice President 1
£ 1000s



Vice President 2
£ 1000s



Vice President 3
£ 1000s



Arkesden Private Equity

www.arkesden.com/private-equity

We are a leading search firm that focuses on placing individuals in to the Private Equity and Investment space. We are London based but we undertake mandates throughout Europe and wider CEEMEA. We have over a decade of experience and over this time we have consistently delivered both for our clients and candidates. Our mandates focus on placing individuals at the Investment Director, Investment Manager, Associate and Analyst levels across the buy-side space.

Typical Fund Coverage:

- Private Equity Funds (Small, Mid & Large Cap)
- Secondary and Fund of Funds
- Sector and Geographic Focused Funds
- Operational and Portfolio Management Teams
- Credit, Distressed and Special Situations Funds

Our Approach

During our ten year 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.

Contact us

To find out more about Arkesden Private Equity and the work we do please feel free to contact us.

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