

VALENTINE THOMAS

— & PARTNERS —

Private Banking Market | Market Overview

2023

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The domestic hiring market, and importantly hiring intent, for UK Private Banking was strong in 2022. This is despite Britain potentially entering recession, continued inflation, recent geopolitical instability, constrained growth, volatile markets and the continued fallout of Brexit. The hiring market also remains decidedly buoyant going into 2023. Most banks are still hiring, even in January, and as we come towards the end of the year most banks that we speak to have strong hiring ambitions for next year.

“We have headcount in several strategic areas including growing our more junior talent pool but we’re definitely opportunistically still on the look out for senior bankers with mature books”

– CEO, UK Private Bank



Key Hiring trends

- Growth and expansion within “the regions” has continued to be a focus for banks with the ability to properly service clients outside of London. Canaccord buying Adam & Co in Edinburgh and Punter Southall in England are excellent examples, as well as LGT’s regional expansion. Schroders and Rothschild, amongst others, have also been developing their offices throughout the UK.
- Within the London market, sourcing bankers covering domestic clients, especially domestic UHNWI clients, was possibly the strongest trend last year amongst the largest players and will continue to be in 2023 in our opinion. There has been continued consolidation within the marketplace as well. The most obvious example and the largest acquisition has been that of RBC and Brewin Dolphin, which domestically at least, could potentially look like a reverse takeover.
- The industry is making strides to tackle diversity and inclusion and every institution is consciously aspiring to hire, grow and promote female and diverse talent wherever possible. There seems to have been a trend within the larger institutions to find younger female talent at the VP level to increase diversity in their talent pools across their businesses, whereas boutiques and UHNWI platforms are still seemingly looking for more senior bankers with books that can be seen as plug and play, whether those bankers be female or not. The push for diversity, be it gender, ethnic or neuro diverse candidates will continue to be a core element of hiring plans going into 2023 (and beyond) and is always something that Valentine Thomas has at the core of every search we conduct.
- Several large global and American banks who traditionally favour servicing UHNW clients also chose to continue a focus on building bespoke HNWI offerings in 2022, whereas the banks we have seen with a strong continued demand for truly international clients are themselves more commonly the international banks and boutiques.

- The other obvious area of growth and interest is banks adopting a serious ESG approach to all areas of their business, with many houses looking to roll this out as a defined offering alongside ESG products with “specialist” ESG bankers in the market being more and more sought after. Most banks are now finally starting to look at asset exclusion, impact investing and Target Net Zero but all banks want to be seen to be part of this trend to some degree. Of the 1000+ certified B-Corp firms in the UK, only 33 are Wealth or Investment managers. The most recent is C Hoare and Co and the most well-known B-Corp accredited Wealth Managers are Lombard Odier and Coutts, the latter apparently outperforming the rest of the market in the most recent Principals of Responsible Investment assessment, especially in the investment and stewardship policy category. ESG, Climate Change, Net Zero Emissions and Responsible Investing will all continue to be core themes moving into 2023. This is an interesting area for talent in private banking as there is not a large talent pool of people with expertise at the cross section of ESG and private banking. Many people are transitioning into these roles from other areas, especially those with a particular interest in the subject area. Banks are also hiring more junior profiles in order to meet demand and in some cases people from outside of the PB sector are being hired.
- 2022 saw less demand across the market for pure play investment staff and there has also been a paucity of senior and C-Suite leadership roles for the third year in a row, which perhaps points to a slowdown in organic growth. One exception would be Chris Allen moving from HSBC to become Group CEO at Quintet Private Bank.
- Hiring strategy comes up in many of our discussions. It has always been hard hiring senior bankers, with timing and compensation being the main factors. We believe in this market it has become even harder. Firms are working harder on the retention of good producers, and platform and pay become ever more important. Several of our clients have also lamented the success of advertising senior jobs online last year at the senior end of the market, citing that whilst they get many applicants, the quality of those applicants continues to disappoint, and the best senior practitioners are reticent of applying for jobs in that way. Whether firms hire directly or with a partner, a genuine and hard-fought campaign is needed to hire the best talent in the market.

“Hiring was tough last year but we feel there is definitely the need to complement the development and growth of our internal talent this year with bringing in external talent and possibly teams from our competitors”

– *London based Head of Private Banking,
International Private Bank*

The Year Ahead

We believe that 2023 will be a continuation of 2022 from a candidate demand point of view, but with candidates cautious about joining new firms at the start of a perceived financial crisis. We've seen people being more risk averse when looking at new roles, and with the fear of being "last in, first out" being a more regular topic of conversation, the search process has become more consultative than ever.

This caution seems to have had the knock-on effect of pushing the price of top quartile candidates higher. Also, the immediate portability of client books, which generally don't move with candidates as quickly anymore, is less of a requirement for the larger banks who are instead looking to focus more on how books are built and are seeking out bankers who can truly "hunt" and develop genuine long term relationships.

However, in a growing number of cases, "farmers" who have shown excellent client retention skills and who possess long track records of growing and maintaining mature books are also becoming more in demand, with banks ring fencing and institutionalizing clients more effectively than ever.

Whatever this year holds, we look forward to partnering with our retained clients and sourcing the very best talent the market has to offer and we wish you all a very successful year ahead.



About Us

Over **550**
searches
conducted

Team of **7**
dedicated to
investment &
Wealth
Management

Placements in
13 countries

100+
collective years
of asset and
wealth search
experience

- Valentine Thomas is a partner owned business. We lead every search and adopt a partnership approach to each engagement.
- Founded in 2004, we are dedicated to investment and wealth management.
- We are a leading boutique in the asset management market, with an outstanding network and a database of over 50,000 people.
- We have no shareholders to service; our clients come first.
- Given our size, we can offer our clients flexibility for each engagement.
- We have a small off-limits list compared to larger firms, allowing us greater access to the talent market.
- Reputation for Diversity appointments.

The Team



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