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& ASSOCIATES

Investment Banking Compensation Report 2024 – 2025

Introduction

At Masters & Associates, we bring a deep-rooted understanding of the financial services sector, underpinned by years of expertise in Investment Banking Executive Search. Our consultants, industry specialists with an astute grasp of market dynamics are dedicated to delivering bespoke talent solutions that align with the strategic objectives of our clients. From identifying high-calibre leadership to providing nuanced advisory services, every engagement is approached with integrity, prevision and an unwavering commitment to excellence.

Within the ever-evolving landscape of London's Investment Banking Industry, staying informed on compensation trends is more critical than ever. Our latest analysis focuses on developments at the Associate and Vice President levels, segments that are currently experiencing meaningful shifts in remuneration structures.

Over the past year, the market experienced a pronounced reduction in bonus payouts, signalling the onset of broader compensation recalibrations. However, this cycle marks a notable inflection point: for the first time since 2022/2023, we are witnessing a modest but meaningful increase in bonus percentages across levels. This upward movement suggests a potential stabilisation, and even recalibration or compensation strategies across the sector, reflecting improved sentiment and performance metrics within select areas of Investment Banking.

This report offers a details exploration of the factors influencing these trends, combining data-driven insights with perspectives from market experts. Our objective is to empower both professionals and institutions with actionable intelligence, enabling informed decisions in the face of ongoing market transformation.

As we examine the drivers behind these changes and propose adaptive strategies, Masters & Associates remains committed to supporting our clients and candidates in navigating the complexities of London's competitive Investment Banking landscape.

The Numbers Explained

After two consecutive years of declining variable compensation, the Investment Banking M&A market is undergoing a measured recalibration. In a clear sign of cautious optimism, bonuses have increased across most levels by approximately 10-20% year-on-year. This rebound reflects a broader industry recognition that the sharp pullbacks in 2023 and 2022 were unsustainable, especially given the strategic importance of retaining high-performing talent as deal activity continues to show signs of recovery.

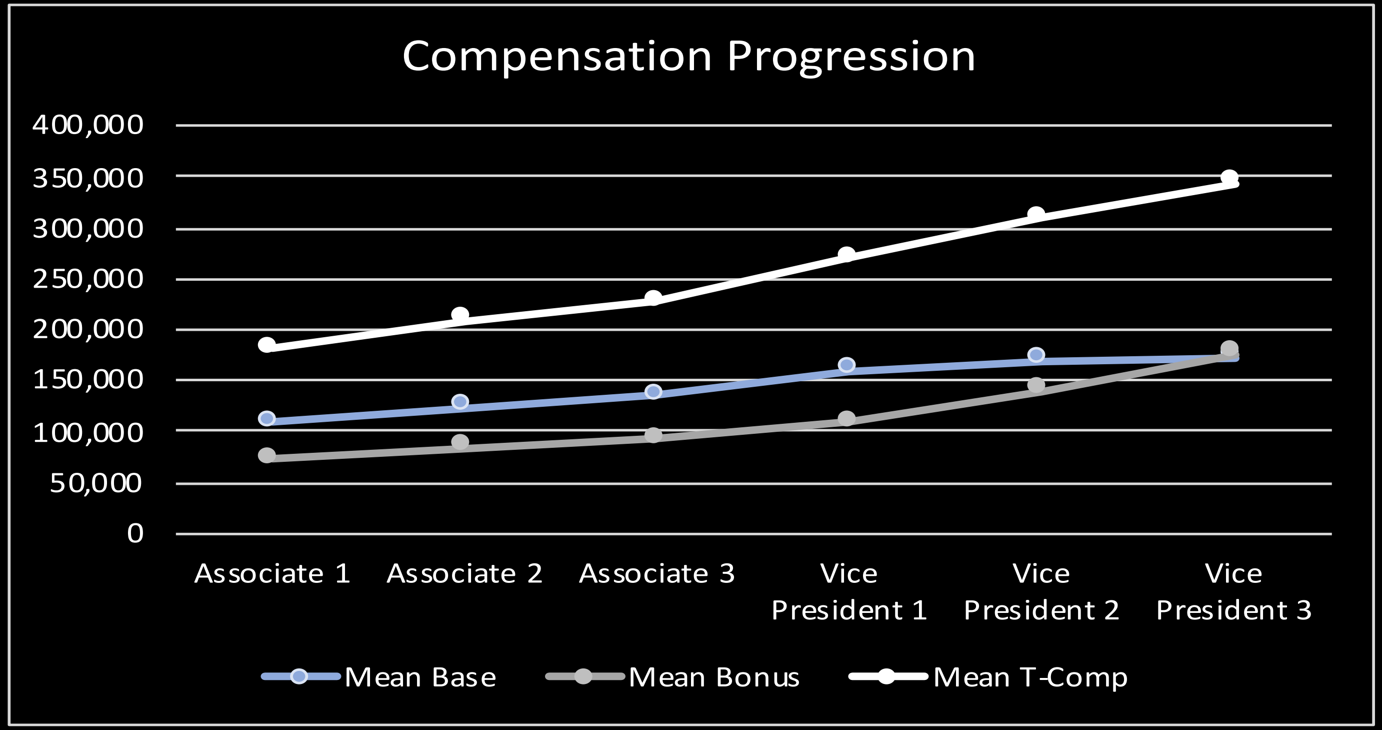
Notably, the Vice President and Director levels have emerged as the primary beneficiaries of this shift. These mid-level professionals have seen some of the most substantial bonus increases across the market. Firms are increasingly acknowledging the central role this cohort plays in the execution and origination of deals - often acting as the glue between senior leadership and junior execution teams. With many team's leaner than in previous years, losing talent at these levels has proven particularly disruptive, prompting a more aggressive compensation strategy to retain this core layer of institutional knowledge and execution strength.

Base salaries, which has already seen major upwards adjustments in prior years, have largely stabilised. This year's compensation recalibration is instead being driven by variable pay, indicating a return to more performance-linked reward structures, albeit with a more deliberate and sustainable mindset.

At the Associate level, bonuses have also trended upward, though at a more modest pace, as banks continue to view retention of junior talent as a key priority in a still-competitive hiring market. While the absolute increases here are smaller, the sentiment shift is positive compared to recent years of austerity.

Additionally, the compensation gape between European and US Banks remains narrow, particularly at the junior and mid-levels, suggesting an industry-wide harmonisation of pay structures. More banks are also incorporating deferred elements into bonus packages, such as stock awards or performance-based equity, particularly at the senior end of the spectrum. Clawback provisions are becoming more common, especially for Directors and MD's, as firms aim to balance risk management with incentivisation.

Overall, the 2025 compensation landscape reflects a recalibrated but more constructive market outlook. While challenges remain, particularly around deal volume consistence, firms appear to be better aligned in their efforts to retain top talent and invest in key individuals who will drive future growth.



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Associate Compensation

Associate 1

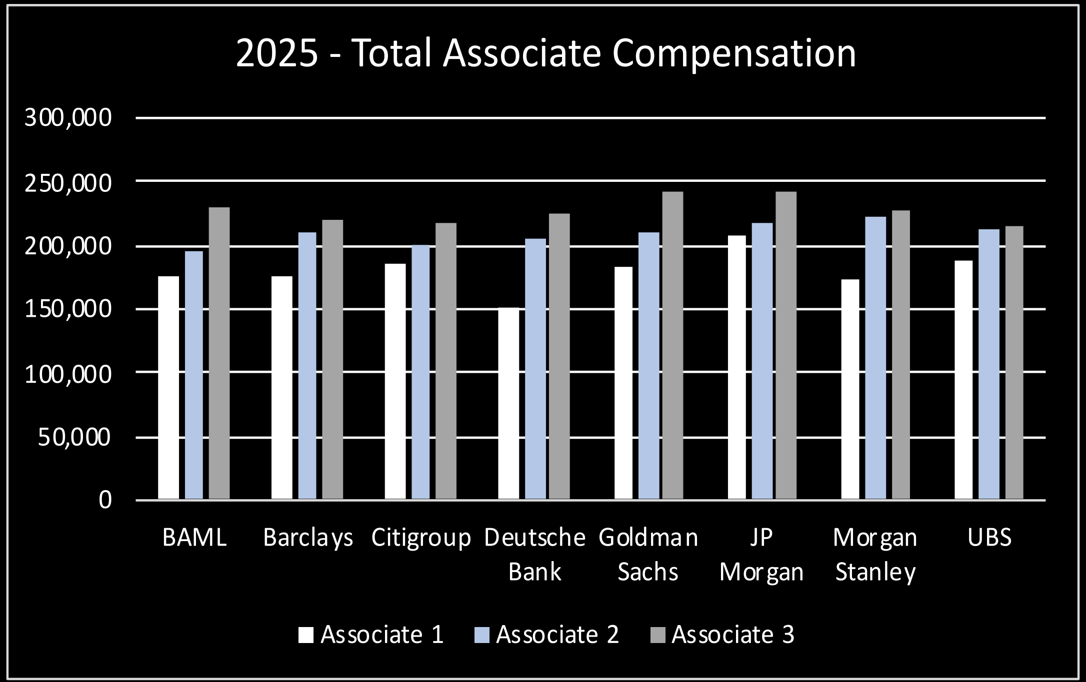
Bank	Bonus Cycle	Mean Base	Mean Bonus	Mean Total Comp
BAML	January	110,000	66,000	176,000
Barclays	March	105,000	72,000	177,000
Citigroup	January	110,000	75,500	185,500
Deutsche Bank	March	100,000	52,000	152,000
Goldman Sachs	January	106,000	78,000	184,000
JP Morgan	January	110,000	99,000	209,000
Morgan Stanley	January	115,000	57,500	172,500
UBS	March	110,000	78,000	188,000

Associate 2

Bank	Bonus Cycle	Mean Base	Mean Bonus	Mean Total Comp
BAML	January	120,000	75,500	195,500
Barclays	March	120,000	89,500	209,500
Citigroup	January	125,000	76,500	201,500
Deutsche Bank	March	120,000	86,000	206,000
Goldman Sachs	January	120,000	90,500	210,500
JP Morgan	January	125,000	92,500	217,500
Morgan Stanley	January	140,000	81,500	221,500
UBS	March	125,000	87,500	212,500

Associate 3

Bank	Bonus Cycle	Mean Base	Mean Bonus	Mean Total Comp
BAML	January	135,000	94,500	229,500
Barclays	March	135,000	84,500	219,500
Citigroup	January	135,000	82,500	217,500
Deutsche Bank	March	135,000	89,000	224,000
Goldman Sachs	January	136,000	107,500	243,500
JP Morgan	January	135,000	108,500	243,500
Morgan Stanley	January	140,000	86,500	226,500
UBS	March	135,000	81,500	216,500



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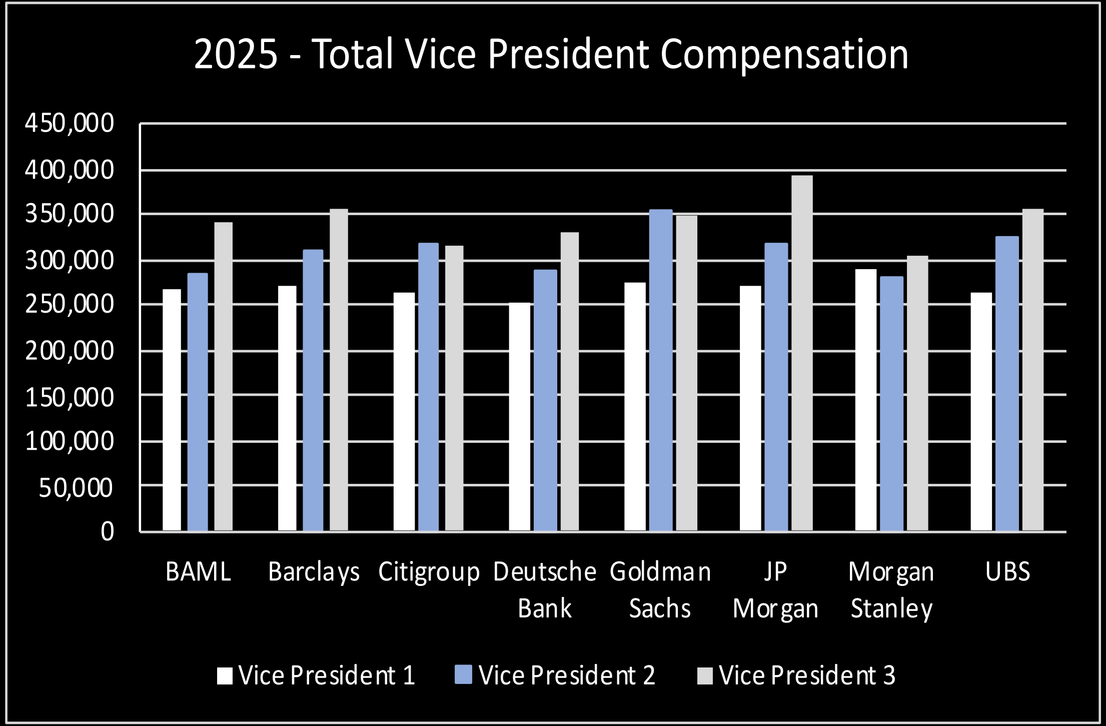
Vice President Compensation

VP 1				
Bank	Bonus Cycle	Mean Base	Mean Bonus	Mean Total Comp
BAML	January	165,000	103,000	268,000
Barclays	March	155,000	114,500	269,500
Citigroup	January	150,000	114,000	264,000
Deutsche Bank	March	150,000	102,500	252,500
Goldman Sachs	January	160,000	116,500	276,500
JP Morgan	January	155,000	118,000	273,000
Morgan Stanley	January	185,000	104,500	289,500
UBS	March	165,000	100,000	265,000

VP 2				
Bank	Bonus Cycle	Mean Base	Mean Bonus	Mean Total Comp
BAML	January	165,000	120,500	285,500
Barclays	March	160,000	150,000	310,000
Citigroup	January	165,000	152,500	317,500
Deutsche Bank	March	165,000	121,000	286,000
Goldman Sachs	January	170,000	184,000	354,000
JP Morgan	January	180,000	136,000	316,000
Morgan Stanley	January	185,000	94,500	279,500
UBS	March	165,000	158,500	323,500

VP 3				
Bank	Bonus Cycle	Mean Base	Mean Bonus	Mean Total Comp
BAML	January	165,000	177,000	342,000
Barclays	March	165,000	192,000	357,000
Citigroup	January	165,000	149,500	314,500
Deutsche Bank	March	165,000	167,000	332,000
Goldman Sachs	January	170,000	178,000	348,000
JP Morgan	January	200,000	192,500	392,500
Morgan Stanley	January	185,000	165,500	305,500
UBS	March	165,000	190,500	355,500



Summary

The Mergers and Acquisitions (M&A) market is showing clear signs of recovery, gradually regaining momentum after a period of caution driven by global economic uncertainty and shifting interest rate dynamics. As inflation stabilises and financial markets adjust to a more predictable monetary policy landscape, corporates are regaining confidence in both their balance sheets and long-term strategic planning. This renewed optimism is translating into a measurable uptick in M&A activity, driven by a strategic focus on consolidation, innovation, and growth through acquisition.

Improved access to capital, combined with more resilient market fundamentals, is supporting a resurgence in dealmaking. This in turn is creating a ripple effect across the broader Investment Banking ecosystem - energizing advisory, financing and capital markets activity. The positive momentum is also underpinned by stronger macroeconomic indicators and an increased appetite among investors to deploy capital into transformative deals.

As a result, Investment Banks are experiencing a notable increase in demand for Advisory and Execution capabilities. Institutions are not only revisiting previously shelved mandates but also aggressively pursuing new opportunities. This has led to a marked rise in hiring demand, particularly for professionals with sector expertise, strong client relationships, and ability to navigate complex transactions in a competitive environment.

At Masters & Associates, we are seeing a clear trend: firms are making strategic hires to position themselves ahead of what is expected to be a heightened-growth period. Whether expanding product coverage, building out sector-specific teams, or strengthening execution capacity, the industry is recalibrating for a new cycle of activity.

About us

Masters & Associates is a leading Executive Search Firm specialising in Investment Banking Recruitment and the broader Financial Services Industry. Our team partners with premier Global Investment Banks and Merchant Banks to deliver top-tier talent solutions, underpinned by deep market insights and a consultative approach.

If you're interested in discussing this year's hiring trends or reviewing your current compensation structures, we'd be delighted to connect.

Investment Banking Search

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- Leveraged Finance/Financial Sponsors
- ECM
- DCM
- Structured Finance
- Project Finance
- Merchant Banking

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