

Private Banking Targets 2004

Our negotiations with Wealth Management over 2004 targets have taken place against a backdrop this year of massive change, if not upheaval. The distinct roles of PBAs and IFAs were merged into a new role in July, Wealth Management has become part of UKRB, we have seen the migration of existing customers into new offers and Private Banking has become a banking rather than investment led service.

The levels of business on which many of these changes were predicated have, for much of the year, failed to materialise. The Bank has told LTU that in the last few weeks the level of introductions from the Retail Network has been on target, but the failure to deliver throughout the year has had a marked impact on results and of course bonuses. For example only 10% of PBIFAs are on target and expected to receive a bonus for 2003 performance.

Central to our negotiations therefore has been whether the level of introductions Wealth says it has been promised in 2004 can actually be delivered. The Bank has told us that it confidently expects 8,800 'quality' introductions from Retail next year which should result in 6,500 new Private Banking Premier clients.

PBIFA Targets

Based on the anticipated level of business in 2004 and the current level of introductions. The Bank believes there is a case for PBIFA targets to increase. Needless to say we do not believe there is any case for increases at this stage. Only when the Bank can properly demonstrate that the expected level of quality leads are being consistently delivered is any question of target adjustment appropriate. **We have agreed with the Bank therefore that for Q1 2004 the existing level of PBIFA targets should be maintained.**

However, to bring the target and bonus structure in line with the rest of Private Banking and UKRB it will now be expressed in the form of a Balanced Scorecard. As now, the trigger for bonus payments will be 90% achievement and 75% will relate to personal sales. The remaining 25% is made up of Office Contribution and Franchise Growth, Service Quality, Compliance and Verification and Personal Objectives.

PBM Targets

2004 target negotiations for PBMs have also taken place but no agreement has yet been reached. I hope to have more information for members early in the New Year.

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