

JPMorgan Chase & Co

JPMorgan vs Citi: the Wall Street fight to bank New York's top lawyers

As law firm partner pay has soared, so has their desirability as clients for private bankers

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JPMorgan Chase has stepped up efforts to lure New York's top lawyers to its private bank, seeking to break rival Citigroup's stranglehold on some of Wall Street's wealthiest clients.

JPMorgan this year poached one of Citi's top private bankers in the field, Bola Oyesanya, in a bid to chip away at its rival's dominance in New York. Oyesanya was previously running Citi's law firm group focused on the New York region and joined JPMorgan in July to run its own law firm banking team.

Wells Fargo and Truist have strong businesses serving lawyers outside Manhattan, but Citi's private bank dominates the market among New York's attorneys, having launched a dedicated team to serve them more than 50 years ago.

The team has helped Citi win access to partners at law firms including Kirkland & Ellis, Skadden Arps and Sullivan & Cromwell, who have cashed in on a boom in dealmaking in recent years to take home blockbuster profits. Average remuneration for equity partners in the US's top law firms reached \$1.47mn in 2022, according to recruiters Major, Lindsey & Africa, but partners at top firms can take home sums well in excess of \$10mn.

The lengths to which both Citi and JPMorgan went in trying to secure Oyesanya underlines the value of managing the assets of a lucrative swath of the private banking industry. It also highlights the scale of the opportunity banks such as JPMorgan and Citi, as well as Goldman Sachs and Morgan Stanley, see in wealth management.

Citi's chief financial officer Mark Mason personally spoke with Oyesanya to try to convince her to stay, according to a person familiar with the matter. At JPMorgan, she received a call from chief executive Jamie Dimon after she joined.

"She's a force in the industry," said one banker who has worked with Oyesanya. "The people who touch law firms and wealth in that context know who Bola is."

Citi's law firm group started in 1971 after two of its private bankers had the idea that partners at so-called white-shoe law firms in New York could help with referrals to ultra-wealthy clients. Citi quickly began banking the lawyers and law firms themselves, allowing it to develop a dominant position in the market.

"It's more quantity than quality," said one private banker. "They're not billionaires but they're standard, stable clients. And they can also be referral sources too."

Citi also has a reputation for offering favourable rates on mortgages to its law firm clients. A law firm consultant said a managing partner of a top firm once called his Newport, Rhode Island, holiday home, "the house that Citi built", because of the deal he got on his mortgage. Citi says it offers its best rates to a wide variety of clients.

The bank remains bullish about its ability to fend off any challenges from the likes of JPMorgan. Citi says it serves 700 law firms and 50,000 lawyers in the US and Britain. It is rolling out the model developed banking law firms to other industries such as consulting

and asset management.

"When you have a leadership position in a market like this, and a model which was highly successful and ahead of its time, you're going to see others look to enter the market," Andy Sieg, Citi's head of wealth division, told the Financial Times.

There are other competitors. Wells has a strong foothold in the sector outside New York dating back to 2004, when a pair of former Citi private bankers launched a law firm business at what was then Wachovia.

But JPMorgan, which has been targeting lawyers via its private banking team for two decades, has struggled to dislodge Citi and Wells, in part because of the in-depth industry data the rival firms offer clients.

"Citi and Wells have an advantage because they have the data," said Kent Zimmerman, an adviser to law firm partners at Zeughauser Group.

Citi and Wells provide lawyers with a

"We get asked from time to time to consider other private banking relationships, but our firm would never leave Citi," said a partner at one of the world's largest law firms. "No one can match the data they have, and access to it is essential to my practice."

In the absence of comparable data, JPMorgan is aiming to provide lawyers with "thought leadership" and recently gave a presentation to law firms on how they can use artificial intelligence, a bank spokesperson said.

Citi is also extending private bank accounts to more junior lawyers, in order to lure law firm clients, who often use such offerings in recruitment. Wells plans to provide a similar offering starting in 2024.

In turn, JPMorgan is banking more junior lawyers through its Chase Wealth Management business, who can over time graduate to a private banking account as their earning power increases.

Wealthy lawyers are in-demand clients for private banks

Am Law 100	Profits per equity partner in 2022
Davis Polk & Wardwell	\$5,550,000
Gibson, Dunn & Crutcher	\$4,925,000
Kirkland & Ellis	\$7,516,000
Latham & Watkins	\$5,154,000
Paul, Weiss, Rifkind, Wharton & Garrison	\$5,727,000
Quinn Emanuel Urquhart & Sullivan	\$5,229,000
Simpson Thacher & Bartlett	\$5,319,000
Skadden, Arps, Slate, Meagher & Flom	\$5,013,000
Sullivan & Cromwell	\$5,983,000
Wachtell, Lipton, Rosen & Katz	\$7,294,000

Source: Am Law 100

quasi-consulting service by offering granular market intelligence on how their firm compares to the wider industry, including on metrics such as hourly rates, hours billed, the ratio of partners to staff and real estate costs. Citi tailors the data by practice area and time period, and is able to provide daily updates.

"Attorneys make wonderful clients," said Peter Haugh, managing executive of Wells' legal speciality group. "They are risk averse by the very nature of their legal training. They're very loyal clients. They tend to stay with the bank for a good long time."

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