

intellidexⁱ

Top Private Banks & Wealth Managers South Africa 2023

June 2023

Summary Report



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WHAT?

Intellidex launched the Top Private Banks & Wealth Managers awards in 2012, based on an institutional questionnaire. In 2013 we added a survey completed by clients and the People's Choice award. This is the 12th edition of what we believe is the only comprehensive public analysis of the industry.

WHEN?

The fieldwork for this year's survey was conducted between March and April 2023. The results are published in the FM Investors Monthly on 29 June 2023.

HOW?

Intellidex, which conducts a range of different research across financial services in South Africa, designed two questionnaires, one for private banks and wealth managers and another for their clients. More emphasis is now placed on client rankings of their firms in various categories.

WHY?

A comprehensive survey provides important insight into the competitiveness of South Africa's private banks and wealth managers. The survey is designed as a guide for potential clients to establish which institution will serve their individual needs the best. It also generates substantial statistical analysis of clients' opinions that can be useful to firms that want to improve their products and services.

Who is Intellidex?

Intellidex is a leading research house focused on South Africa's capital markets and financial services. We also undertake major research projects into stockbroking, institutional research analysts, black economic empowerment, environmental, social and governance issues and other areas. You can find out more at www.intellidex.co.za

WANT TO KNOW MORE?

The research process for this survey gathered substantial insight and information from clients. This includes demographic information and rankings from clients on their specific institutions on various aspects of products, services and costs, among others.

We are able to provide detailed reports for private banks and wealth managers, with benchmarking against industry averages and historical data. If you are interested in such a detailed report, please contact Heidi Dietzsch at heidi@intellidex.co.za or 083 276 0435.

GET READY FOR 2024

We will be undertaking the project again in the first half of 2024. Stay in touch with us through social media so you don't miss this and other information about research we undertake.

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INTRODUCTION

The Top Private Banks and Wealth Managers survey has established itself as SA's leading assessment of the industry. This year's survey marks the 12th anniversary of this rigorous review of private banking and wealth management services in SA. The results stem from a questionnaire completed by participating firms as well as feedback from their clients via an online survey. This year a record number of 11,788 clients participated in the client survey. We consider the sample size to be a meaningful reflection of the views of the universe of clients of South African private banks and wealth managers.

This publication is a summary of the main findings from the 2023 survey. It also contains, under the general market dynamics section from page 12, a selection of responses to the online client survey to provide some insight into the thinking of clients on various issues.

This brief report provides some insights from the client research survey as well as an overview of the overall winners. The winners are chosen by a panel of judges which this year consisted of:

Dr Graunt Kruger (Global lead: strategy and primary research)

Heidi Dietzsch (Research manager: awards)

Colin Anthony (Head: media project)

Jennifer Henry (external judge)

Hobs Mojalefa (external judge)

Jennifer Henry is deputy chief investment officer at STANLIB Multi-Manager/INN8. She is a CFA charterholder and certified financial risk manager and has been president of the CFA Society South Africa since September 2021.

Hobs Mojalefa, is the founder of Tiisetso Research Analytics Inc (TRA Inc), a US-based private client fundamental and technical research business founded in March 2021. Prior to founding TRA Inc, Hobs was the CEO and stockbroker in control at two prominent private client stockbroking and portfolio management firms in SA and has more than 20 years' industry experience.

Please see the June 2023 issue of FM Investors Monthly for the full, detailed report of the findings.

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Get your bespoke benchmarking report

Gain the benefit of our market analysis with a customised report that benchmarks your services against those offered by the rest of the industry. We provide crucial insight into client feedback as well as strategies and trends in the wealth management and private banking sectors.

	Client views	Institutional analysis	Market Insight
Results presentation with Intellidex analysts	●	●	●
Analysis of your clients' feedback from client survey	●	●	●
Client ratings of your offerings and services	●	●	●
Trend analysis from three years of client feedback as well as comparison against the industry	●	●	●
Comparison of service capabilities		●	●
Analysis of your institution's submission		●	●
Analysis of pricing strategy and market comparison			●
Market share analysis			●
Analysis of market segmentation and targeting			●
Digitalisation in wealth management			●
New developments and competitive strategies			●
Price (excl VAT)	R140 per client response*	+R20,900	+R38,500**

*Based on number of your clients who completed the survey; minimum fee of R20,000 (120 clients or less); maximum fee of R210,000 (1,500 clients and more)

**10% discount on market insight section if your firm ordered the full report last year

Take advantage of our three-year pre-order special offer and get 15% discount in year two and 15% in year three.

Confidentiality guaranteed

Due to confidentiality commitments, we do not provide details on direct competitors. The focus is to compare your services and client views with aggregates for the industry.

AWARD WINNERS

The two Top Wealth Manager awards (large institutions and boutiques) and the Top Private Bank award are based 40% on the judges' assessments of responses in the firm questionnaires and 60% on client ratings from the online survey.

Top Wealth Manager: Large Institutions

Institution	Rank	Out of 10 (Weighted)
PSG Wealth	1	8,15
Nedbank Private Wealth	2	7,63
RMB Private Bank	3	7,61
Sanlam Private Wealth	4	7,42
FNB Private Wealth	5	7,39
Standard Bank Wealth and Investment	6	7,26
Absa Wealth	7	7,21

Another sterling performance from PSG Wealth ensures that it wins this coveted award again in 2023. The firm has won this award since 2019. This year PSG also wins three of the six archetype awards in the wealth management category – lump-sum investor, executive and retiree. Clients certainly hold the firm in high regard, and one says: "Excellent, personal service. As a pensioner I know my money and investments are safe with PSG Wealth. This gives me peace of mind." Another states: "I am 100% satisfied with the advice and service I receive from PSG Wealth. I feel part of the PSG family."

Nedbank Private Wealth moves up from third last year into second while RMB Private Bank takes third spot after being fourth last year.

Top Wealth Manager: Boutiques

Institution	Rank	Out of 10 (Weighted)
Centric Wealth Advisory	1	8,51
Brenthurst Wealth Management	2	8,25
BDO Wealth Advisers	3	8,14
Sterling Wealth	4	8,13
Efficient Wealth	5	8,03

Centric Wealth Advisory wins the Top Wealth Manager award for boutiques for the second consecutive year. The firm also wins the young professional and executive archetype awards as well as the People's Choice award. Clients rate the firm highly and 90% rate the quality of service as excellent and 88% give the same rating for the quality of the advice they receive.

Brenthurst Wealth Management moves from third position in 2022 to second while BDO Wealth Advisers surges from sixth to third. Sterling Wealth, a newcomer to the survey, takes fourth spot.

Top Private Bank

Institution	Rank	Out of 10 (Weighted)
Nedbank Private Wealth	1	7,83
Standard Bank Private Banking	2	7,65
RMB Private Bank	3	7,64
FNB Private Wealth	4	7,53
Absa Private Wealth Banking	5	6,80

Nedbank Private Wealth delivers an exceptional performance and jumps into top spot from fifth in 2022. The bank also wins the young professional and retiree archetype awards in the private banking section. Clients

are satisfied and one says: "The service is extremely valuable. I wouldn't have been able to navigate the complexities of my portfolio, and my finances in general, without Nedbank Private Wealth." Another reports: "I have been a Nedbank Private Wealth client for a very long time. I am completely satisfied with their services."

Standard Private Bank moves from third last year to second, displacing RMB Private Bank.

Winners per archetype: Wealth Management

The wealth management archetype awards, except for the wealthy family award, are 90% based on client ratings and 10% on peer ratings from participating firms. Firms that participate in the wealthy family category submitted a case study which was evaluated by the judges.

Lump-sum investor	Rank	Weighted score (out of 10)
PSG Wealth	1	8,33
Efficient Wealth	2	8,05
BDO Wealth Advisers	3	7,99
Brenthurst Wealth Management	4	7,76
Nedbank Private Wealth	5	7,44

Young professional	Rank	Weighted score (out of 10)
Centric Wealth Advisory	1	8,15
PSG Wealth	2	8,03
BDO Wealth Advisers	3	7,90
Brenthurst Wealth Management	4	7,86
RMB Private Bank	5	7,71

Entrepreneur	Rank	Weighted score (out of 10)
Centric Wealth Advisory	1	8,19
Efficient Wealth	2	7,81
PSG Wealth	3	7,69
Brenthurst Wealth Management	4	7,53
Sanlam Private Wealth	5	7,10

Executive	Rank	Weighted score (out of 10)
PSG Wealth	1	8,29
Efficient Wealth	2	8,20
Brenthurst Wealth Management	3	7,42
Nedbank Private Wealth	4	7,18
Sanlam Private Wealth	5	6,84

Retiree	Rank	Weighted score (out of 10)
PSG Wealth	1	8,20
Centric Wealth Advisory	2	7,90
BDO Wealth Advisers	3	7,81
Brenthurst Wealth Management	4	7,65
Sasfin Wealth	5	7,58

Wealthy family	Rank	Weighted score (out of 10)
Nedbank Private Wealth	1	8,42
Sanlam Private Wealth	2	8,26
RMB Private Bank	3	7,84
FNB Private Wealth	3	7,84
Standard Bank Wealth and Investment	4	7,82
PSG Wealth	5	7,66

These archetype awards pay homage to excellent service to specific client segments and Intellidex believes these are particularly useful for new clients seeking a firm that meets their particular needs.

Overall wealth manager winners PSG Wealth and Centric Wealth Advisory also deliver stellar performances in these categories. PSG Wealth wins the lump-sum investor, executive and retiree archetype awards while Centric Wealth Advisory walks away with the young professional and entrepreneur archetype awards.

Nedbank Private Wealth wins the significant wealthy family archetype award for the second year in a row, with Sanlam Private Wealth a close second. Judges assessing the case studies written for this component are always impressed by the high quality of the submissions and this is a highly competitive segment of our survey.

Winners per archetype: Private Banking

This year Intellidex has incorporated the archetype awards into the private banking section of the survey. The awards are 90% based on client ratings and 10% on peer ratings from participating firms.

Lump-sum investor	Rank	Weighted score (out of 10)
Standard Bank Private Banking	1	7,29
FNB Private Wealth	2	7,13
Nedbank Private Wealth	3	6,36
Absa Private Wealth Banking	4	5,62

Young professional	Rank	Weighted score (out of 10)
Nedbank Private Wealth	1	7,32
FNB Private Wealth	2	7,13
RMB Private Bank	3	6,94
Standard Bank Private Banking	4	6,74
Absa Private Wealth Banking	5	5,90

Entrepreneur	Rank	Weighted score (out of 10)
RMB Private Bank	1	7,16
Nedbank Private Wealth	2	7,14
FNB Private Wealth	3	6,85
Standard Bank Private Banking	4	6,78
Absa Private Wealth Banking	5	6,32

Executive	Rank	Weighted score (out of 10)
FNB Private Bank	1	7,27
Nedbank Private Wealth	2	7,26
RMB Private Bank	3	7,03
Standard Bank Private Banking	4	6,92
Absa Private Wealth Banking	5	5,83

Retiree	Rank	Weighted score (out of 10)
Nedbank Private Wealth	1	7,02
Standard Bank Private Banking	2	6,79
RMB Private Bank	3	6,66
FNB Private Bank	4	6,56
Absa Private Wealth Banking	5	5,82

Standard Private Bank wins the lump-sum investor award, Nedbank Private Wealth wins the young professional and retiree awards, RMB Private Bank wins the entrepreneur award and FNB Private Wealth wins executive award.

People's Choice: Wealth Managers

The two People's Choice awards are based solely on client ratings from the online survey.

Institution	Rank	Out of 10 (Weighted)
Centric Wealth Advisory	1	6,80
Brenthurst Wealth Management	2	6,67
Sterling Private Wealth	3	6,66
PWM Wealth	4	6,56
Sasfin Wealth	5	6,46

Performing well in the People's Choice award is a great accolade to firms because it indicates that clients are highly satisfied with the services they receive. This year it is a hat trick for Centric Wealth Advisory that has taken the gong since 2021. Brenthurst Wealth Management moves from the fourth position in 2022 to second while newcomers to the survey, Sterling Private Wealth and PWM Wealth, are in third and fourth positions respectively.

People's Choice: Private Banks

Institution	Rank	Out of 10 (Weighted)
Investec Private Bank	1	8,07
Nedbank Private Wealth	2	7,32
RMB Private Bank	3	7,03
FNB Private Wealth	4	6,93
Standard Bank Private Banking	5	6,82
Absa Private Wealth Banking	6	6,06

Investec Private Bank has reigned in this category for many years and wins the People's Choice award for private banks again in 2023. Nedbank Private Wealth retains its second position while RMB Private Bank moves from fourth in 2022 to third.

Top Relationship Manager: Wealth Management

This award is based solely on the client ratings gathered in the online survey.

Relationship Manager	Firm	Rank
Gené Scott	Centric Wealth Advisory	1
Charles McAllister	Centric Wealth Advisory	2
Allen Heynen	BDO Wealth Advisers	2
Warren Forbes	PSG Wealth	3

Winning the Top Relationship Managers award is a fantastic achievement because it stems from clients showing their appreciation for excellent service. This year Centric Wealth Advisory takes the spotlight with two of its relationship managers, Gené Scott and Charles McAllister, in the top two positions. Allen Heynen from BDO Wealth Advisers shares second position while Warren Forbes from PSG Wealth is in third.

Note: This year we changed the scoring methodology and results are not comparable to previous years.

Top Private Banker: Private Banking

Following requests from the market, we've introduced the Top Private Banker award, akin to the previous award that honours individual excellence.

Relationship Manager	Firm	Rank
Hannalie van der Nest	Absa Private Wealth Banking	1
Redesh Singh	Nedbank Private Wealth	1
Louise Davies	Nedbank Private Wealth	2
Ruby Pienaar	Absa Private Wealth Banking	3

Absa's Hannalie van der Nest and Nedbank's Redesh Singh share this maiden award with their clients expressing high praise for their services. Louise Davies, also from Nedbank Private Wealth, is the runner-up while Ruby Pienaar from Absa Private Bank is third.

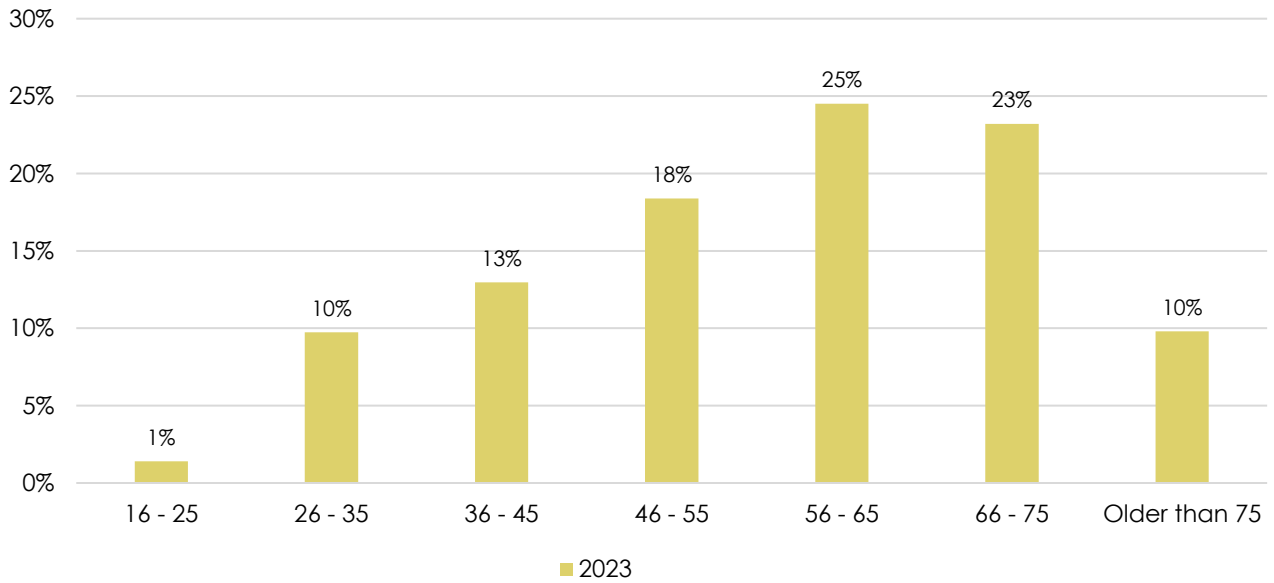
GENERAL MARKET DYNAMICS

In this section we provide some insight into general market dynamics. We are able to provide a wide range of analysis to clients, comparing the scores to the market aggregate. Please contact us if you are interested in our in-depth analysis. This year we've noticed that clients are less enamoured with their wealth managers than in previous years. In many of the satisfaction-type questions there is a noticeable drop in the percentage of clients who give positive rankings, with more neutral and negative scores.

Wealth Management

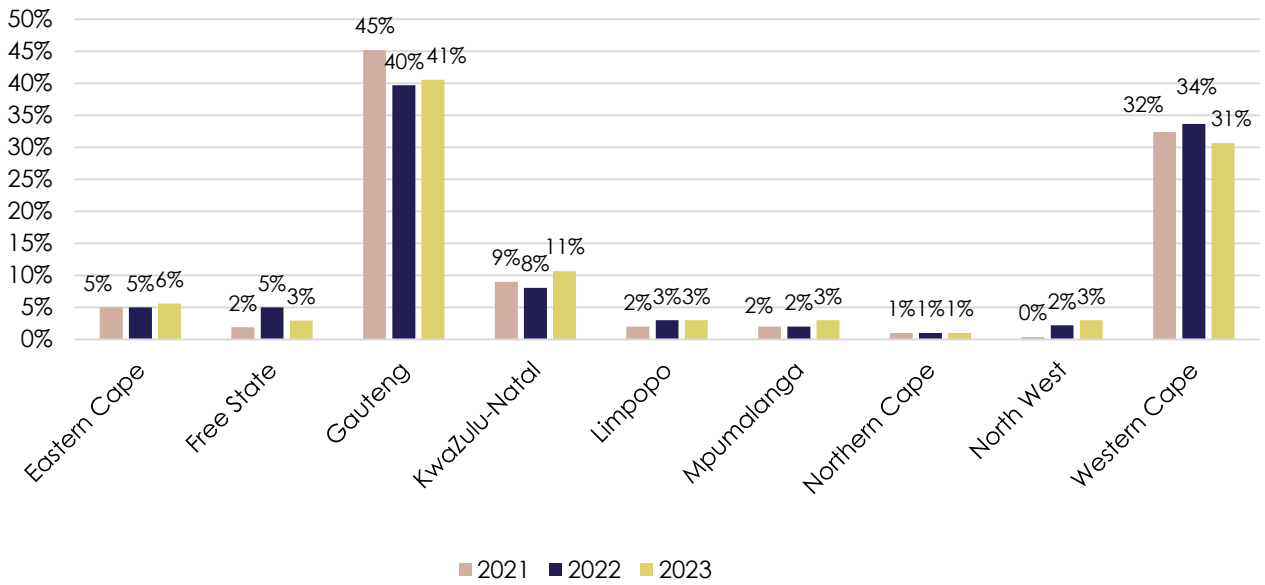
We've added new questions in 2023 and therefore some questions will not include historical data.

Figure 1: How old are you?



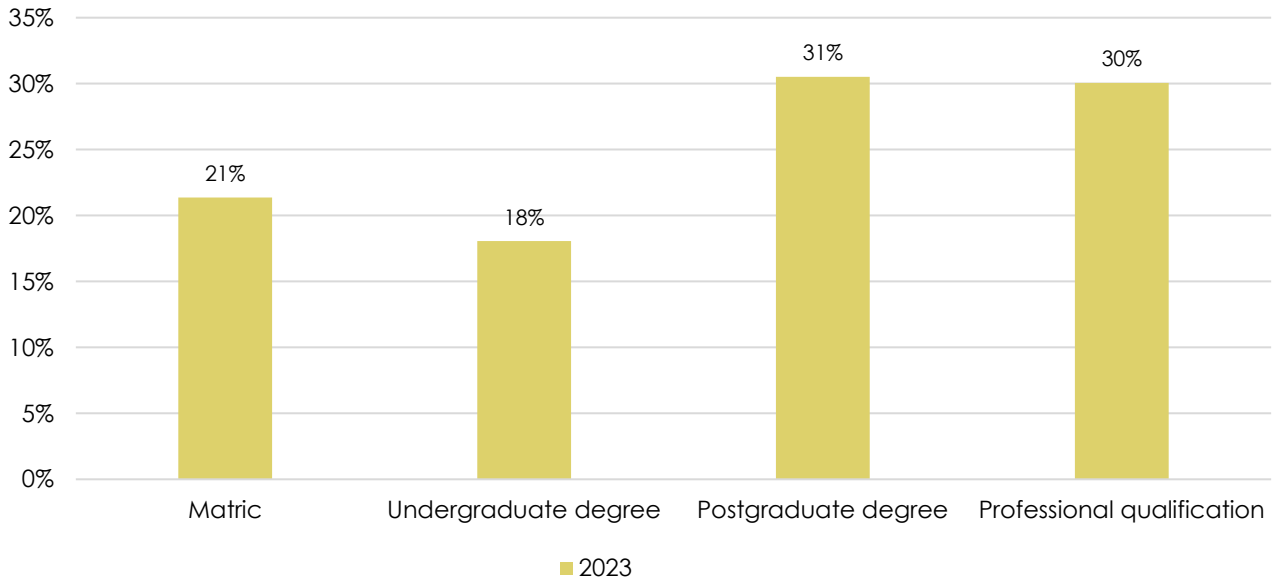
This year clients' ages have been recategorised into 10-year bands. The industry has low penetration into youths under 36.

Figure 2: In which province do you live?



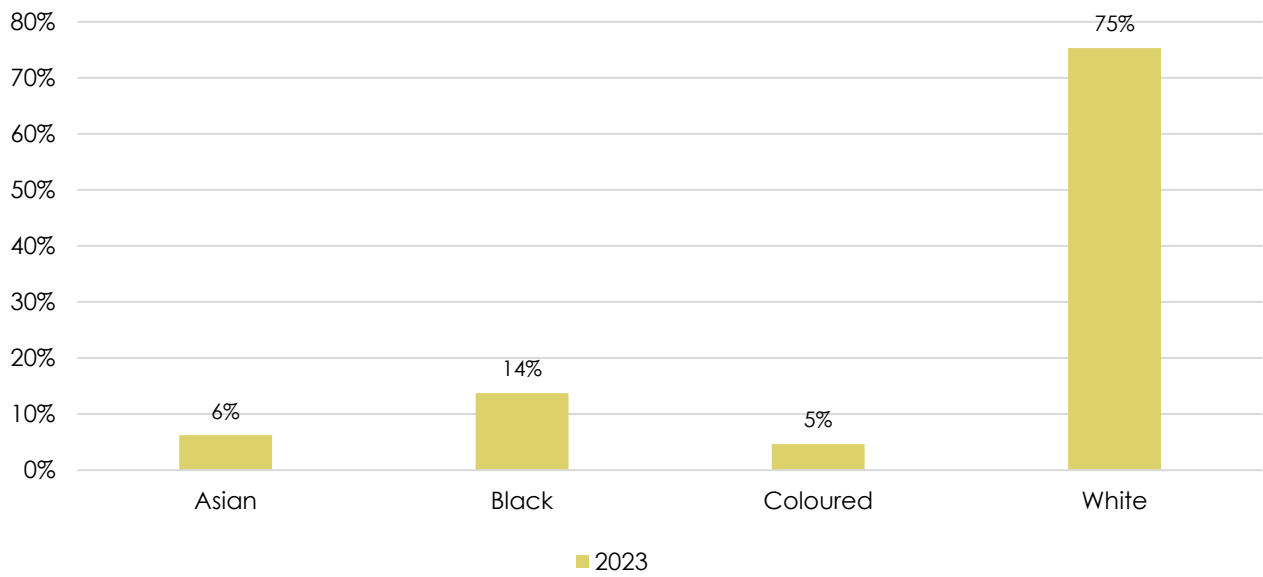
Gauteng, followed by the Western Cape continue to have the highest client representation. The percentage of wealth management clients have increased in KwaZulu-Natal this year.

Figure 3: What is your highest qualification?



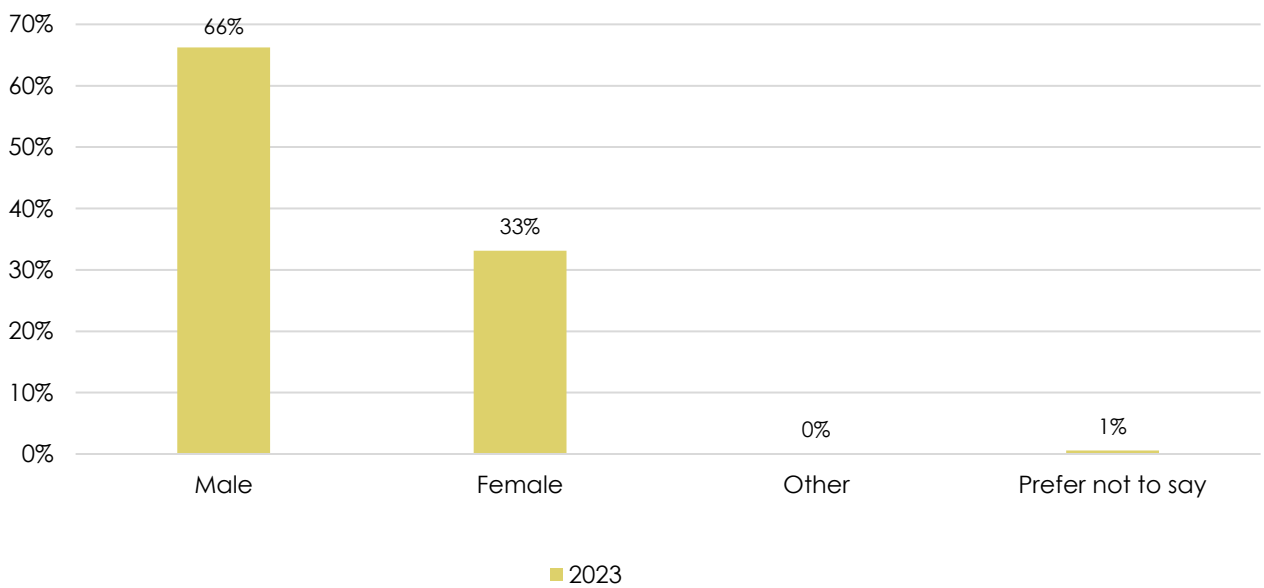
This is a new question. Clients are well represented across different qualification levels although most have a post-graduate degree or professional qualification.

Figure 4: What is your race?



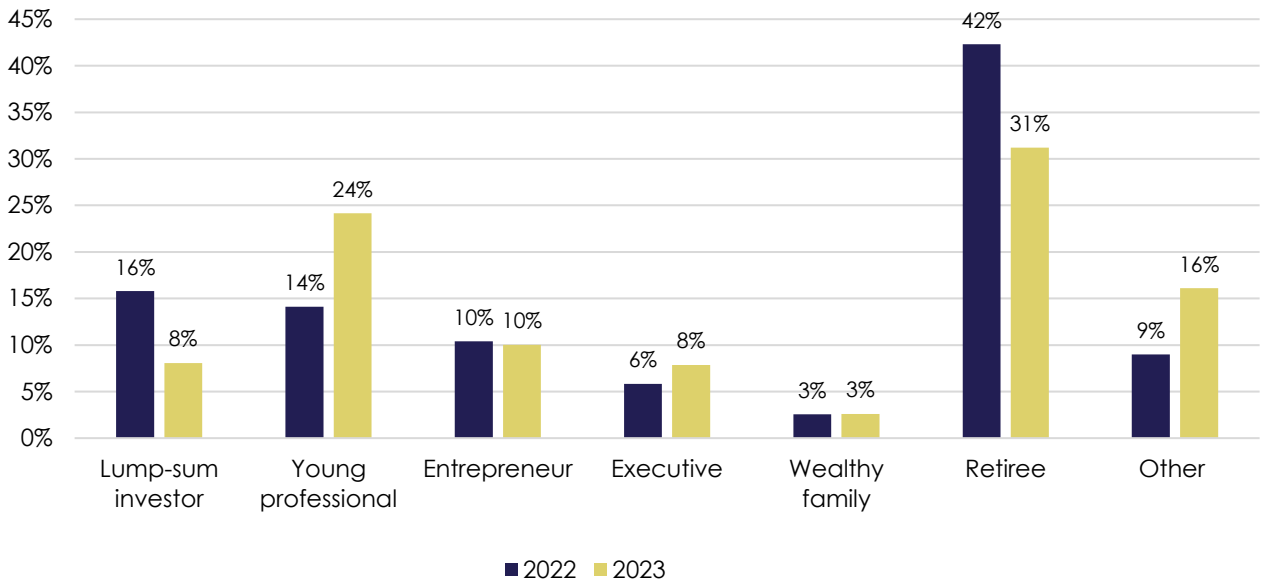
This is also a new question with the results clearly reflecting SA's racial inequalities.

Figure 5: What is your gender?



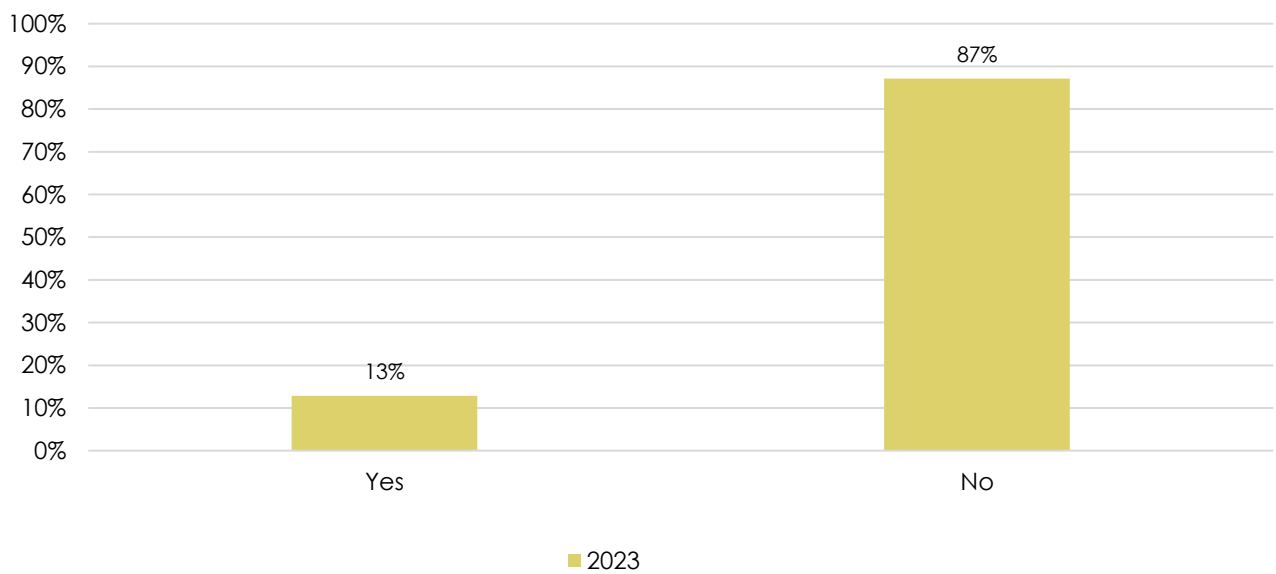
Gender inequality is not as pronounced but still far from representing the demographics of the country.

Figure 6: Which of the following best describes your current financial situation?



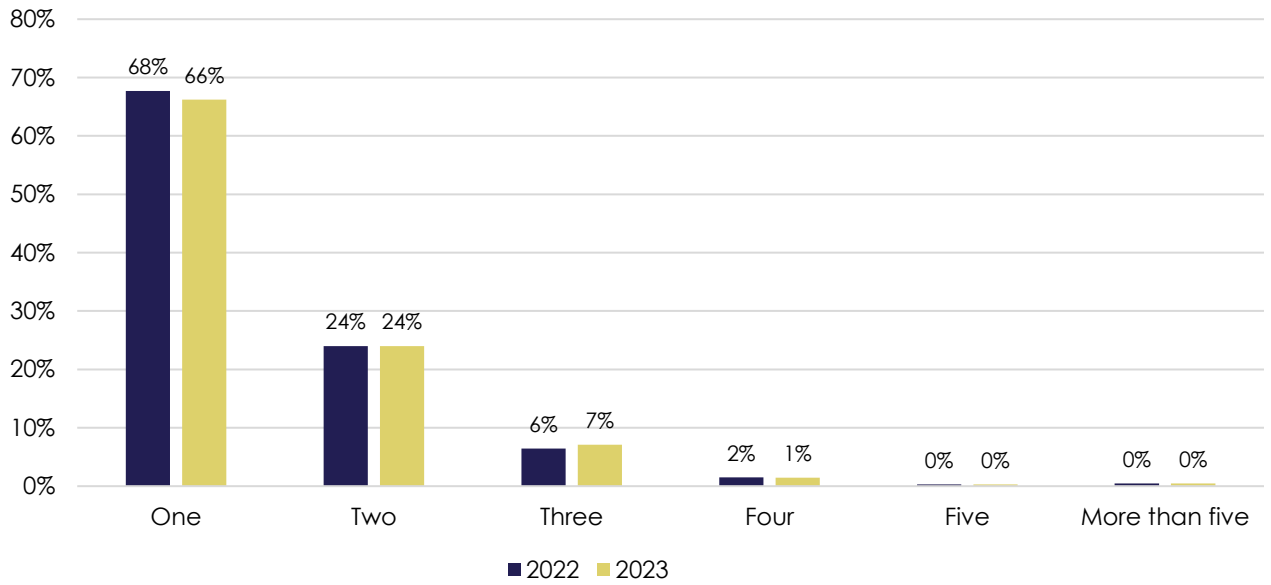
There is a significant dip in retirees across the market while young professionals are on the rise.

Figure 7: Have you moved your assets from another provider to your current wealth manager in the past year?



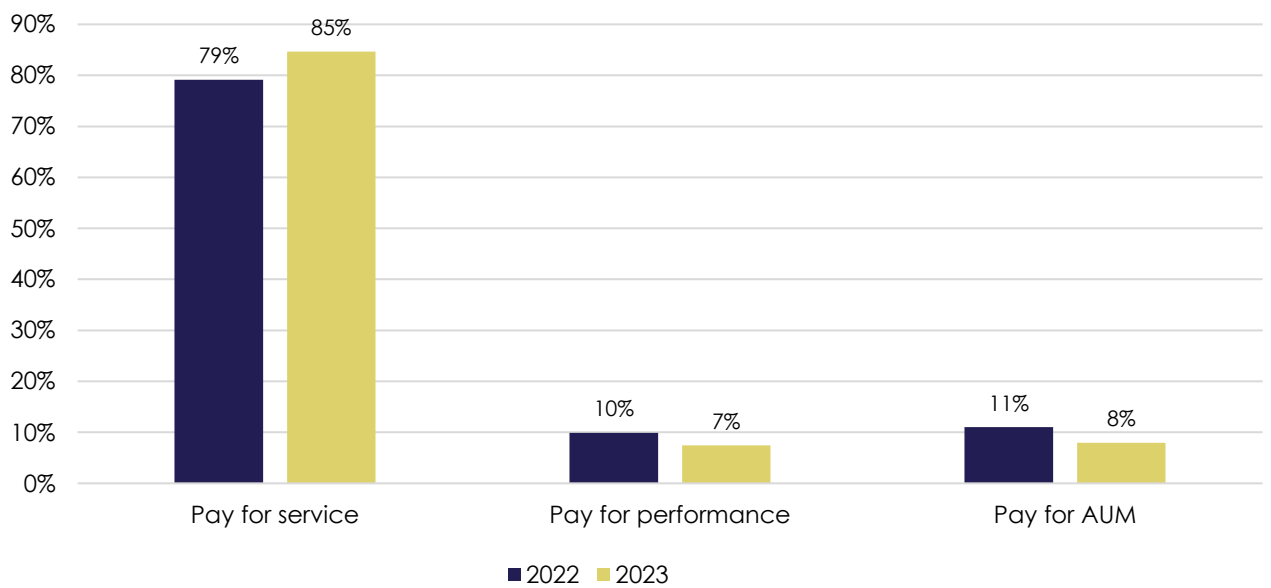
Most clients remain loyal and in future years it'll be interesting to see if the 13% level is a regular feature of the market or whether more or fewer clients switch wealth managers.

Figure 8: How many wealth providers do you use?



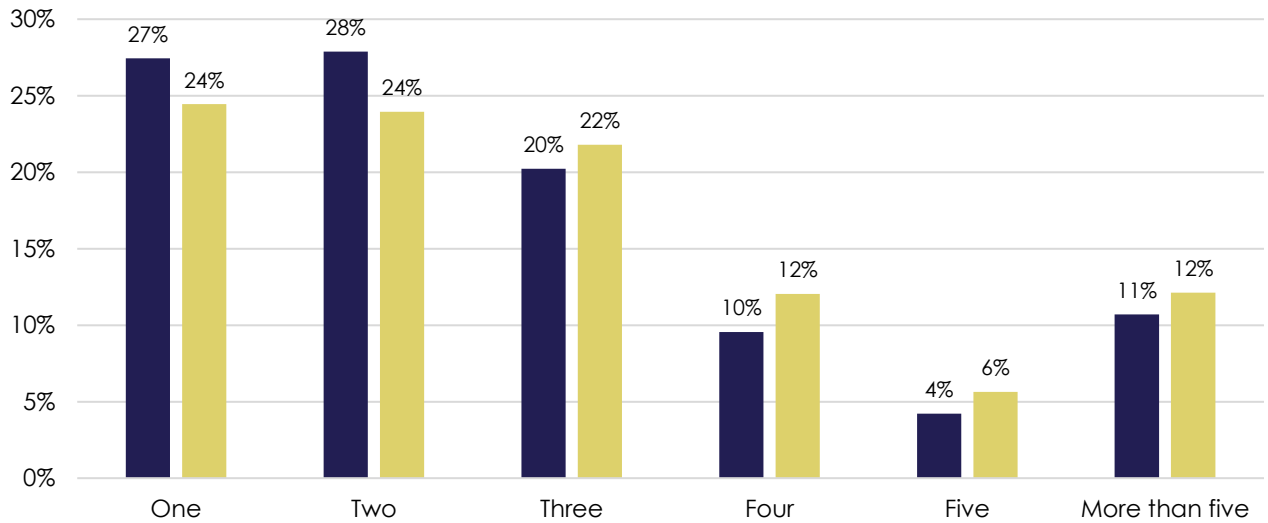
Two thirds of the industry use only one wealth manager.

Figure 9: How do you pay your wealth manager?



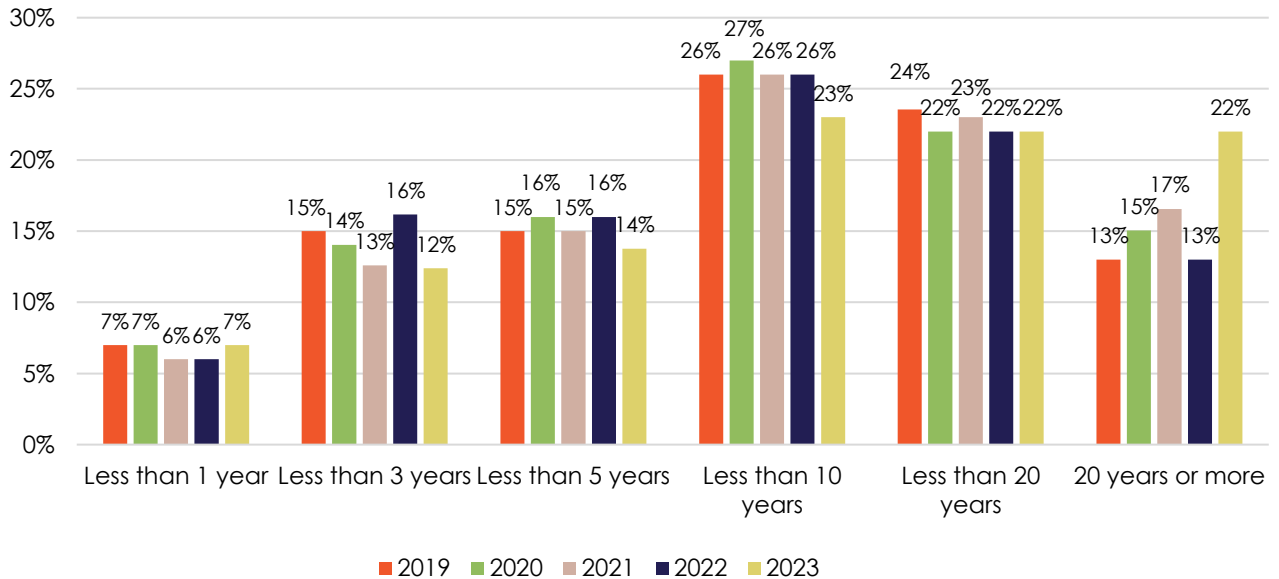
An increase this year in clients who pay for services rendered with fewer performance- or AUM-linked payments.

Figure 10: How many products do you have with your wealth manager?



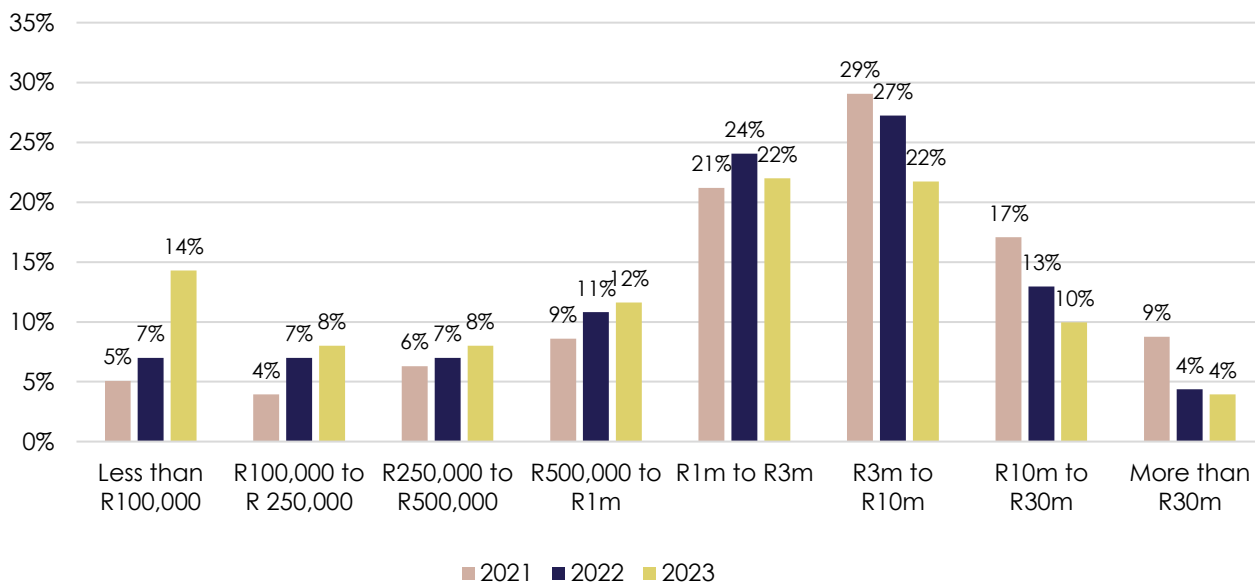
Most clients in the market have between one and three products with their wealth manager. There is an increase in the clients who have three or more products this year.

Figure 11: How long have you been a client of your wealth manager?



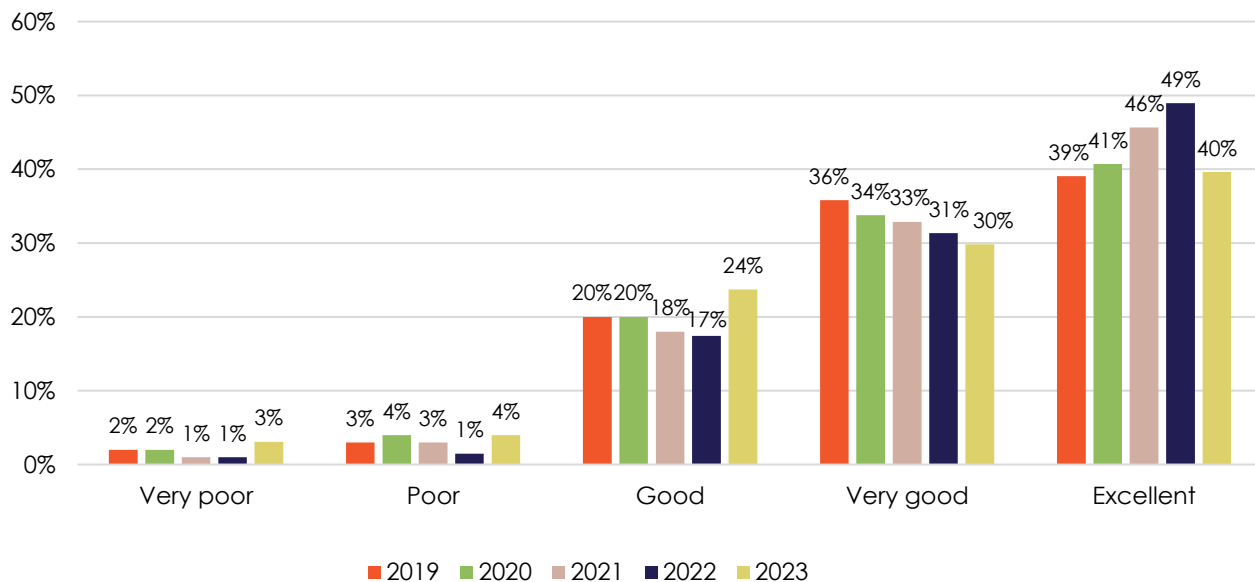
The wealth industry in South Africa has retained long-term clients well over the last five years with 44% above 10 years.

Figure 12: What is the approximate total value of the assets that your wealth manager advises you on or manages on your behalf?



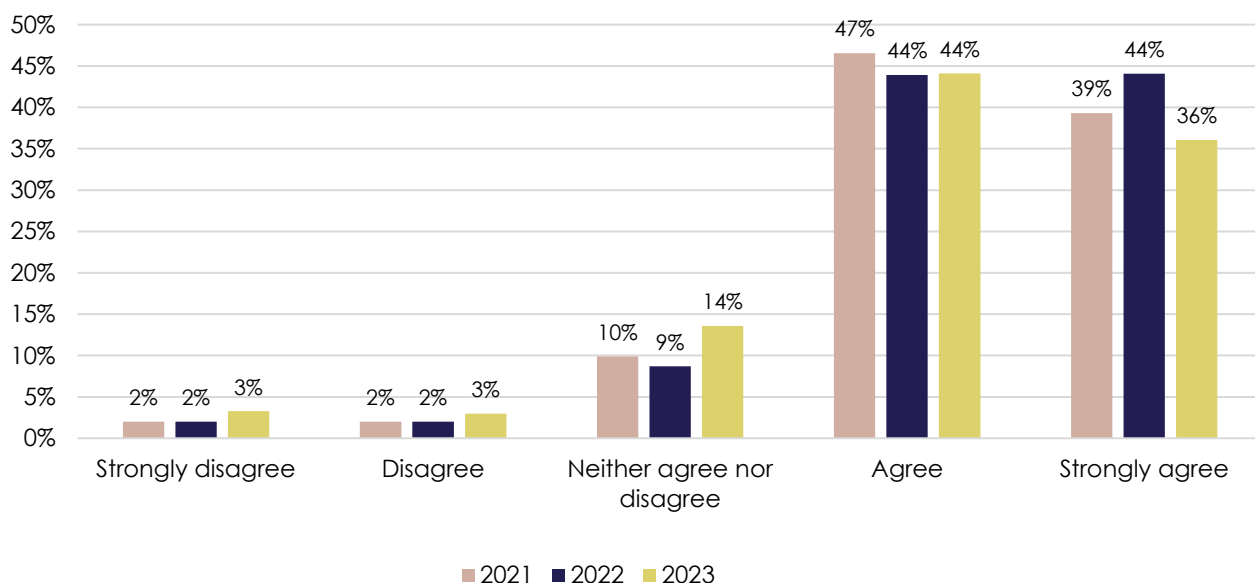
There is a year-on-year decline in clients who have assets valued at R3m and above. In contrast, the market attracted a significant group earning less than R500,000.

Figure 13: Please rate the clarity and coherence of the investment plan that your wealth manager gave you.



“Excellent” ratings on this important element of the investment advisory process took a significant dip this year.

Figure 14: To which extent do you agree with the statement: “My wealth manager’s fees and compensations on advice, investment management, and custody or administration services are transparent.”



Client ratings are also declining on this measure. In this and the previous graph, note that the percentage of clients voting for the next best factor (“agree” in this graph and “very good in the previous one) have not climbed but more clients giving the neutral rating with small hikes in the negative ones.

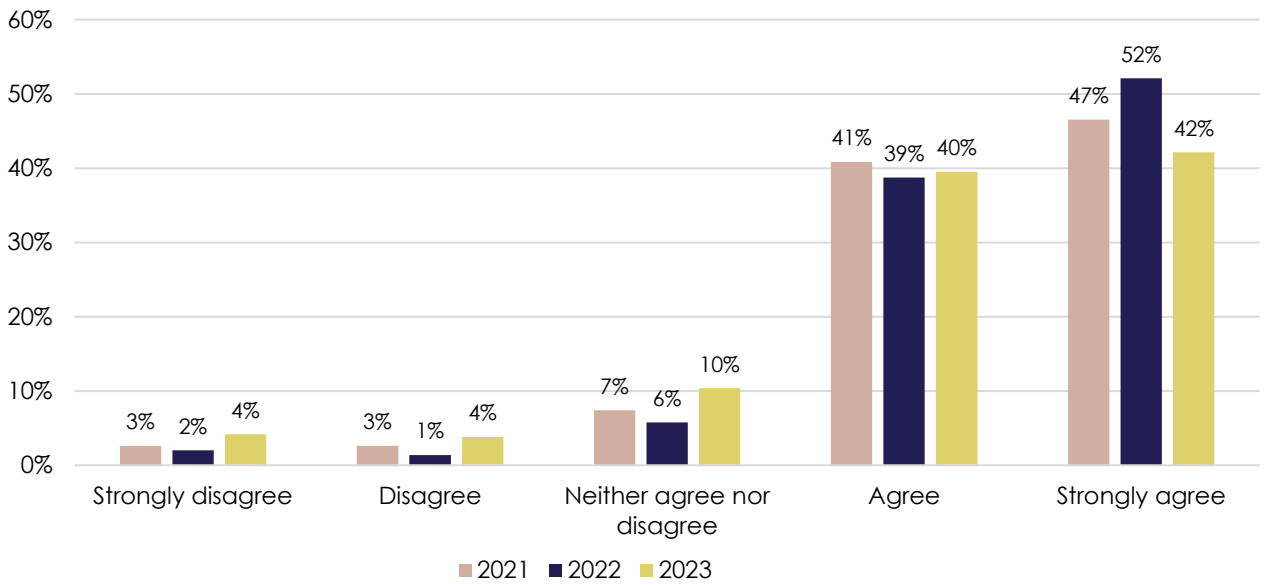
Table 1: Did your wealth manager’s advice take the following issues into account?

Issue		Yes	No	Not applicable
Financial planning	2019	-	-	-
	2020	-	-	-
	2021	87%	6%	8%
	2022	90%	4%	6%
	2023	81%	10%	9%
Investment planning	2019	-	-	-
	2020	-	-	-
	2021	92%	3%	4%
	2022	94%	3%	3%
	2023	82%	10%	8%
Your risk profile	2019	-	-	-
	2020	-	-	-
	2021	90%	5%	5%
	2022	92%	3%	4%
	2023	82%	10%	8%
Monthly income and household budget	2019	75%	8%	18%
	2020	74%	8%	17%
	2021	65%	14%	21%
	2022	69%	12%	19%
	2023	65%	16%	19%
Children’s education	2019	32%	7%	61%
	2020	29%	8%	63%
	2021	22%	14%	64%
	2022	23%	12%	64%
	2023	25%	19%	56%
Medical expenses	2019	56%	12%	32%
	2020	56%	13%	31%
	2021	39%	20%	42%
	2022	41%	17%	42%

	2023	39%	23%	38%
Big expenditures, such as new car	2019	43%	15%	42%
	2020	41%	15%	44%
	2021	31%	20%	49%
	2022	32%	18%	50%
	2023	31%	24%	44%
Comprehensive retirement planning	2019	76%	9%	15%
	2020	75%	10%	15%
	2021	69%	12%	19%
	2022	75%	9%	16%
	2023	62%	19%	19%
Estate planning	2019	61%	16%	23%
	2020	59%	16%	25%
	2021	53%	19%	28%
	2022	55%	17%	29%
	2023	48%	23%	29%
Implications of marriage contract	2019	49%	12%	38%
	2020	48%	14%	38%
	2021	41%	16%	43%
	2022	41%	16%	43%
	2023	35%	23%	42%
Life cover	2019	-	-	-
	2020	-	-	-
	2021	40%	20%	40%
	2022	44%	17%	39%
	2023	47%	20%	33%
Short-term insurance	2019	-	-	-
	2020	-	-	-
	2021	27%	27%	46%
	2022	30%	23%	47%
	2023	36%	26%	38%
Different investment options	2019	-	-	-
	2020	-	-	-
	2021	82%	9%	9%
	2022	81%	8%	11%
	2023	71%	15%	14%
Fiduciary services	2019	-	-	-
	2020	-	-	-
	2021	47%	18%	35%
	2022	45%	17%	39%
	2023	39%	24%	37%
Tax planning	2019	-	-	-
	2020	-	-	-
	2021	50%	23%	27%
	2022	53%	20%	28%
	2023	43%	28%	29%
Risk cover	2019	-	-	-
	2020	-	-	-
	2021	48%	22%	30%
	2022	52%	17%	30%
	2023	48%	24%	28%

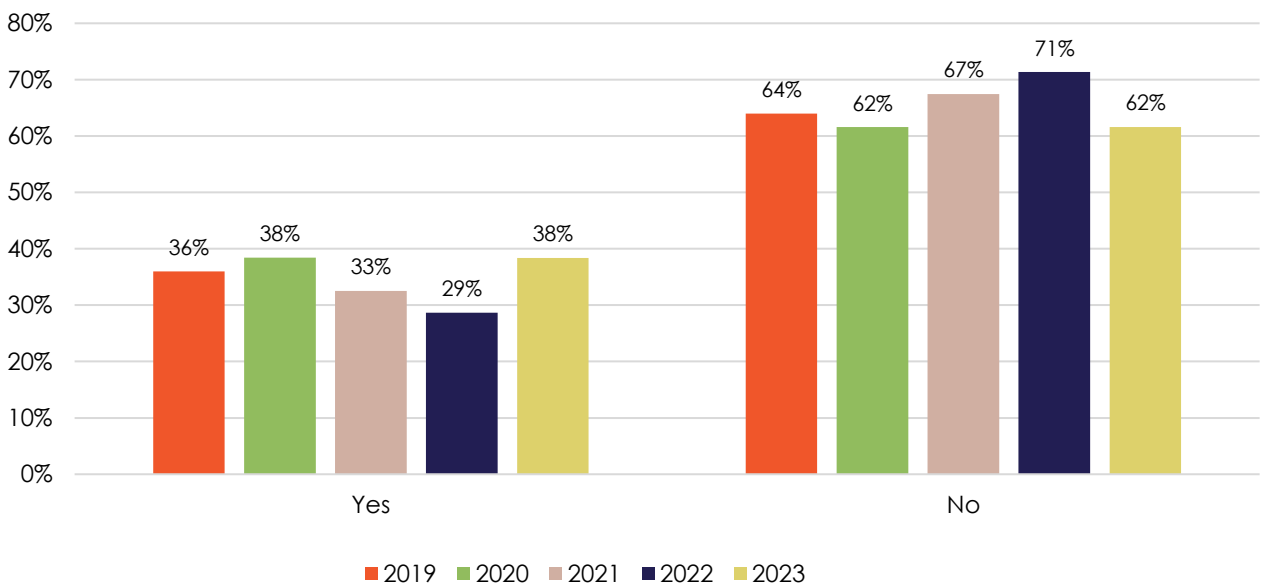
Financial planning, investment planning and risk profiling are covered comprehensively by wealth managers. However, children's education, life cover and short-term insurance are the only three factors that show an increase in clients saying their wealth managers' advice have taken it into account.

Figure 15: Please indicate to what extent you agree with the statement: “The advice I received from my wealth manager met my needs and goals”.



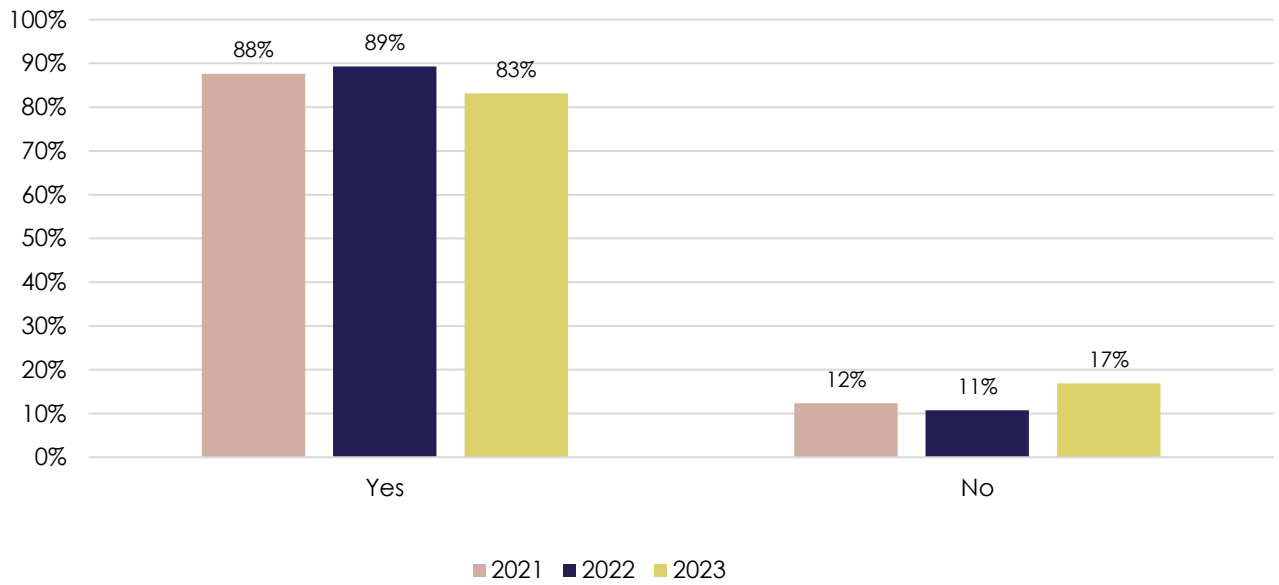
Clients are giving lower ratings for this factor as well with a sharp drop in “strongly agree”.

Figure 16: Do you think your wealth manager could improve its offering to meet your specific needs?



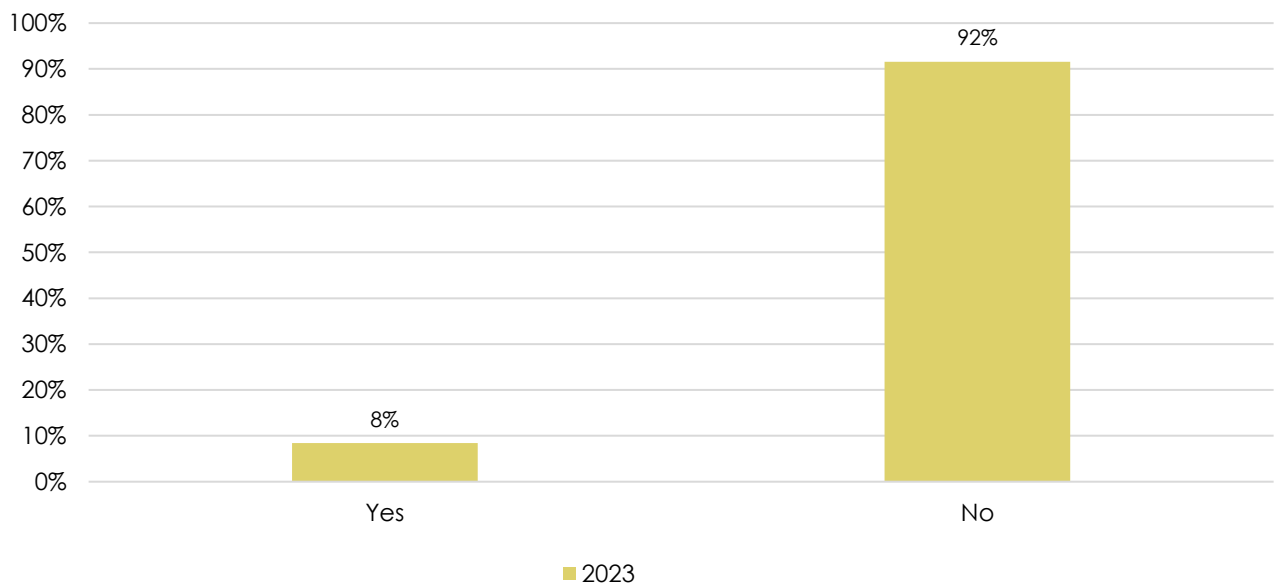
Client sentiments have mostly returned to pre-Covid levels in 2019. Consistent and substantial improvements were made between 2020 and 2022, but the trend is reversing.

Figure 17: Do you believe the frequency of engagements (personal, virtual/online interactions and communications) you have with your wealth manager is appropriate for your needs?



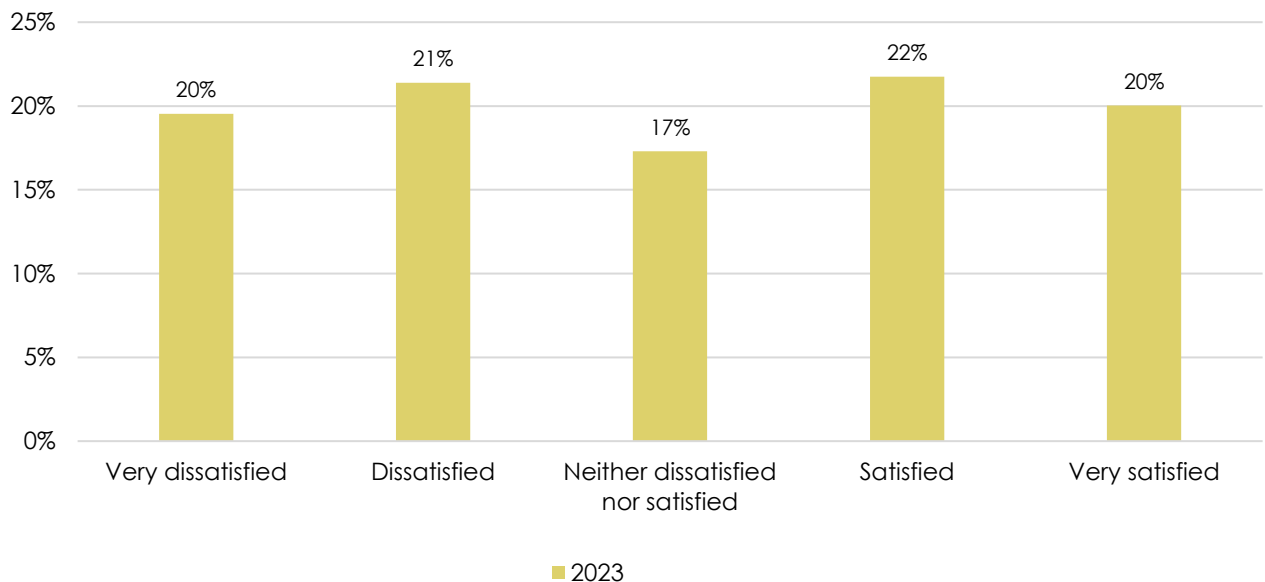
Wealth managers continue to put in great effort to communicate with their clients. Despite this, there is a growing number of clients who are not satisfied with the frequency of engagement.

Figure 18: Have you recently reported a complaint to your wealth manager?



This question is new and indicates that clients are mostly satisfied without a need to lodge complaints.

Figure 19: How satisfied were you with the resolution of your complaint?



Only 8% of clients reported a complaint and of these an equal percentage are “very dissatisfied” or “very satisfied” with the resolution of the complaint.

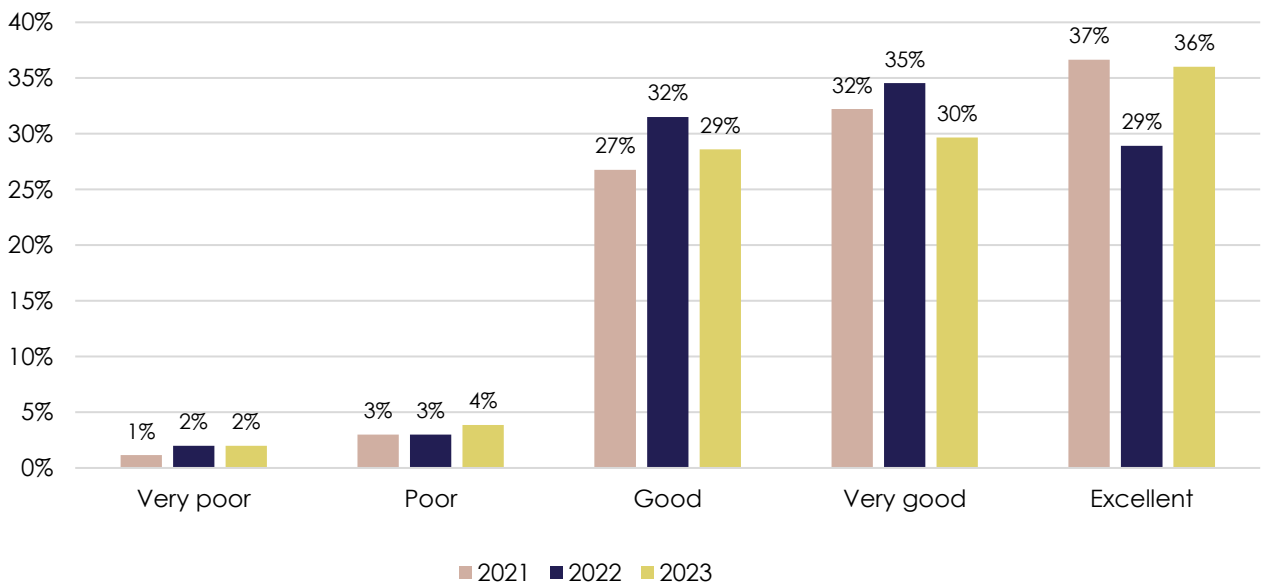
Table 2: Please rate the following aspects regarding your wealth manager.

Aspect		Very poor	Poor	Good	Very good	Excellent	Not applicable
My portfolio's performance	2021	1%	7%	32%	31%	29%	5%
	2022	1%	5%	35%	33%	26%	2%
	2023	3%	8%	34%	28%	28%	9%
The personal relationship I have with my wealth manager	2021	2%	3%	13%	20%	62%	3%
	2022	1%	3%	16%	22%	57%	2%
	2023	5%	6%	18%	19%	52%	6%
The firm's reputation	2021	0%	1%	15%	26%	57%	3%
	2022	0%	1%	15%	28%	56%	2%
	2023	2%	3%	18%	24%	53%	5%
Trustworthiness	2021	0%	1%	13%	22%	64%	2%
	2022	0%	1%	13%	24%	61%	1%
	2023	2%	2%	17%	22%	57%	3%
The quality of interactions I have with my wealth manager	2021	1%	3%	12%	21%	63%	3%
	2022	1%	3%	14%	23%	58%	2%
	2023	4%	6%	16%	21%	53%	6%
Institutional support (webinars, client communication and newsletters)	2021	2%	3%	19%	27%	49%	8%
	2022	1%	4%	19%	29%	47%	8%
	2023	4%	7%	22%	25%	42%	13%
The ease of access through technology	2021	2%	3%	18%	29%	49%	4%
	2022	1%	3%	19%	28%	50%	4%
	2023	3%	4%	21%	25%	48%	6%
The comprehensiveness of the product range	2021	1%	3%	19%	30%	46%	6%
	2022	1%	3%	20%	29%	47%	5%
	2023	2%	4%	23%	27%	44%	8%
The transparency of reporting	2021	1%	3%	18%	26%	53%	3%
	2022	1%	2%	17%	27%	52%	3%

The quality of service I receive	2023	2%	4%	21%	24%	48%	6%
	2021	1%	3%	13%	20%	62%	2%
	2022	1%	3%	14%	22%	60%	1%
The quality of advice I receive	2023	4%	4%	17%	20%	55%	2%
	2021	1%	3%	15%	23%	58%	3%
	2022	1%	3%	15%	24%	57%	2%
The prestige and exclusivity my wealth manager offers	2023	4%	5%	17%	21%	52%	5%
	2021	2%	4%	16%	26%	52%	13%
	2022	1%	4%	17%	28%	51%	12%
Affordability	2023	4%	7%	18%	24%	47%	14%
	2021	1%	4%	27%	32%	36%	5%
	2022	1%	4%	27%	31%	38%	4%
The fringe benefits offered (airline lounge access/airmiles/loyalty points)	2023	3%	6%	28%	28%	35%	6%
	2021	1%	4%	27%	32%	36%	5%
	2022	1%	4%	27%	31%	38%	4%
The fringe benefits offered (airline lounge access/airmiles/loyalty points)	2023	11%	14%	24%	20%	31%	45%
	2021	21%	15%	21%	18%	26%	50%
	2022	12%	20%	22%	20%	26%	62%

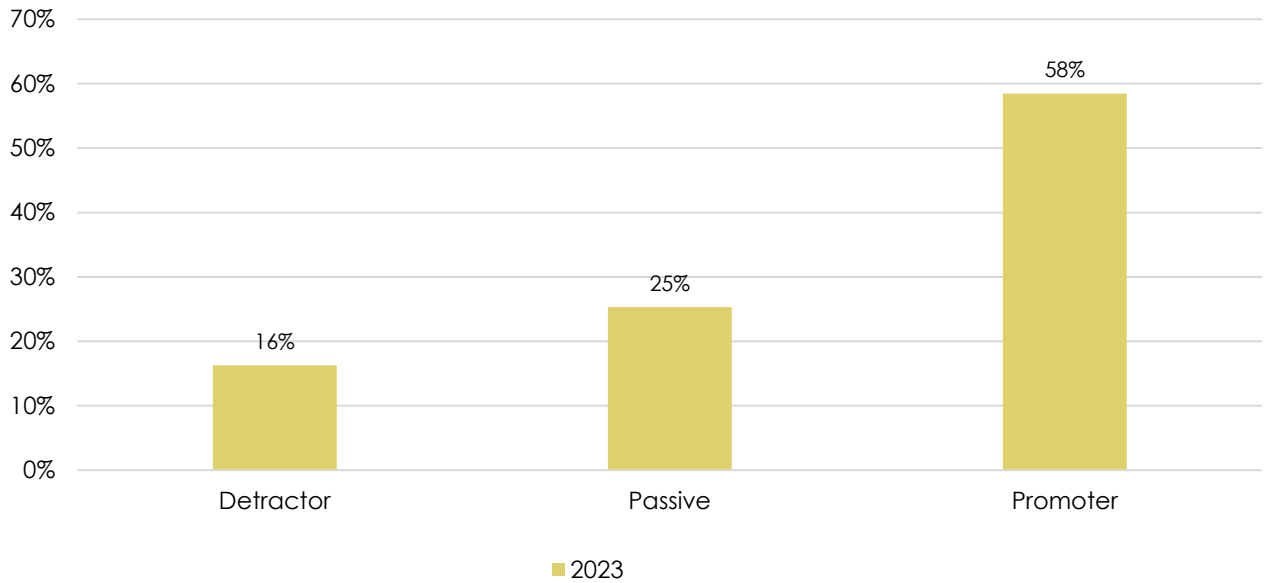
"Trustworthiness" followed by "quality of service" remain the highest-ranking wealth management aspects since last year. It is noteworthy however that there is a decline this year on most aspects across the industry (12 out of 14).

Figure 20: If your wealth manager offers an app, how do you rate it?



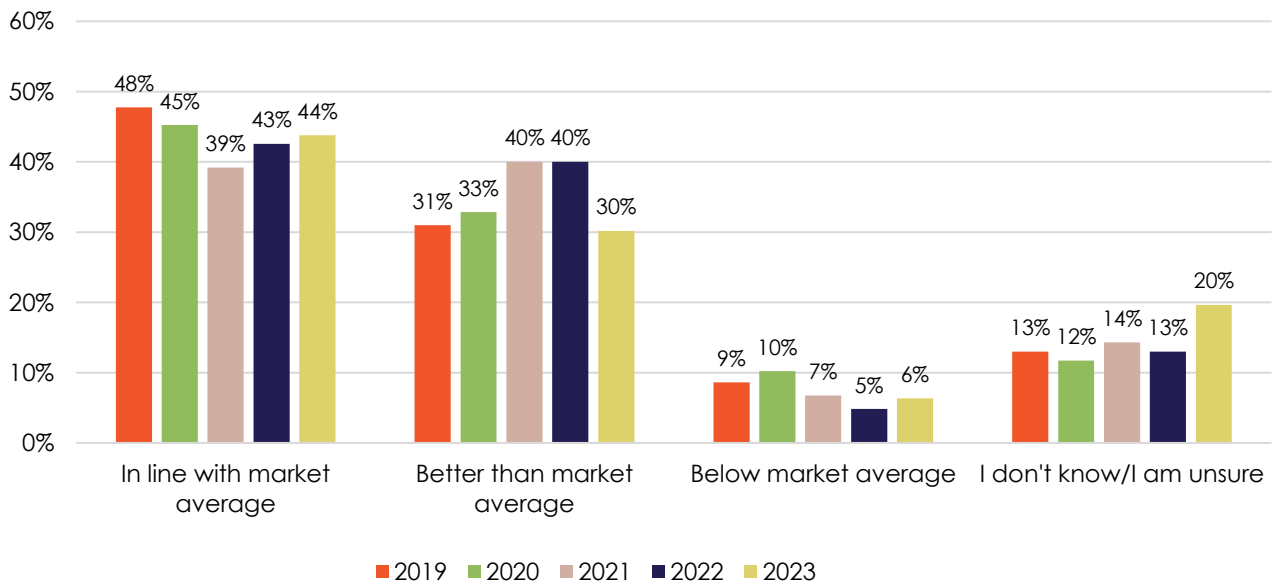
The market has been able to mostly recover its "excellent" ratings from 2021 for online wealth apps.

Figure 21: How likely are you to recommend your wealth manager to others?



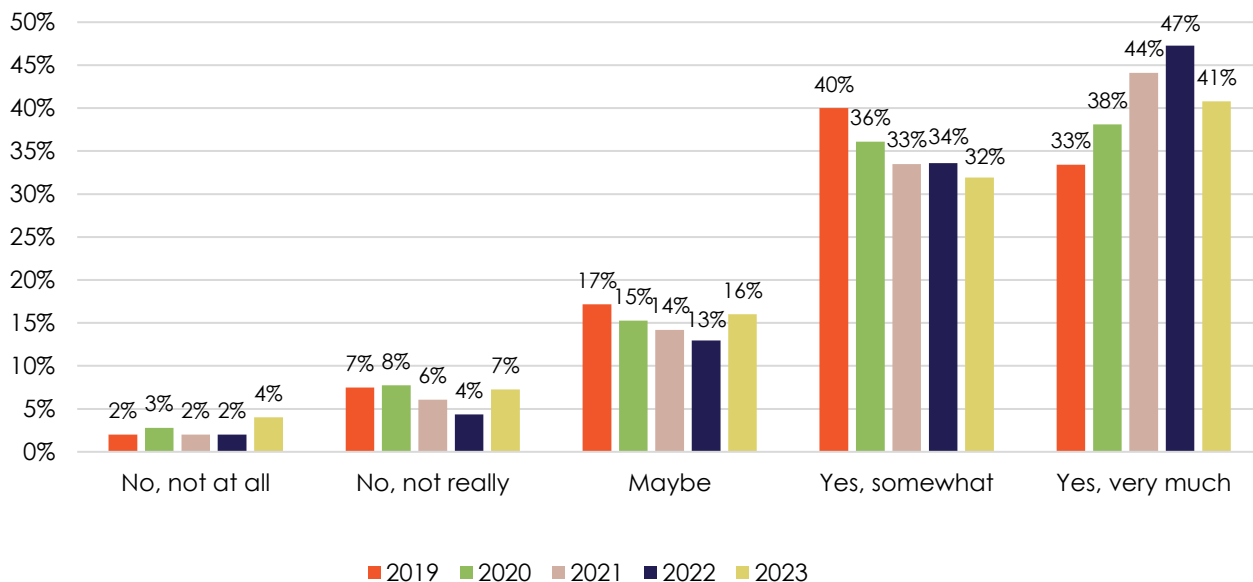
The industry's Net Promoter Score (NPS) is 42 and is calculated by subtracting the percentage of detractors from the percentage of promoters. Clients are asked how likely they are to recommend their private banks to others on a scale of 0 to 10. Those who gave a score of 0 to 6 are considered detractors, those who gave a score of 7 to 8 are passives and those with a score of 9 to 10 are promoters. Most companies tend to have an NPS of 31 to 50 and they place a high premium on quality client service and generally have a solid group of promoters who are most likely to refer the company to others.

Figure 22: Do you think the returns you are getting on your investments are?



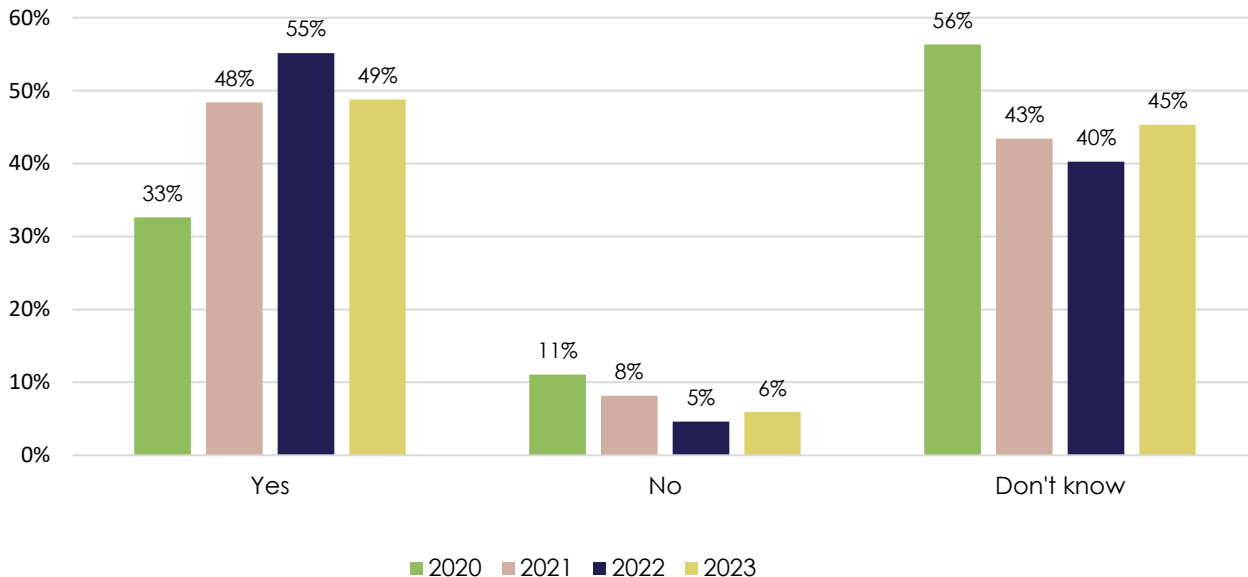
There is a considerable drop in the percentage of clients who feel the returns on their investment are “better than market average”.

Figure 23: Do you feel you are getting good value for money for the fees you are charged?



The positive trend is slowing down for clients who rate value for money positively. In contrast, there is a rise in negative ratings for the same question across the industry.

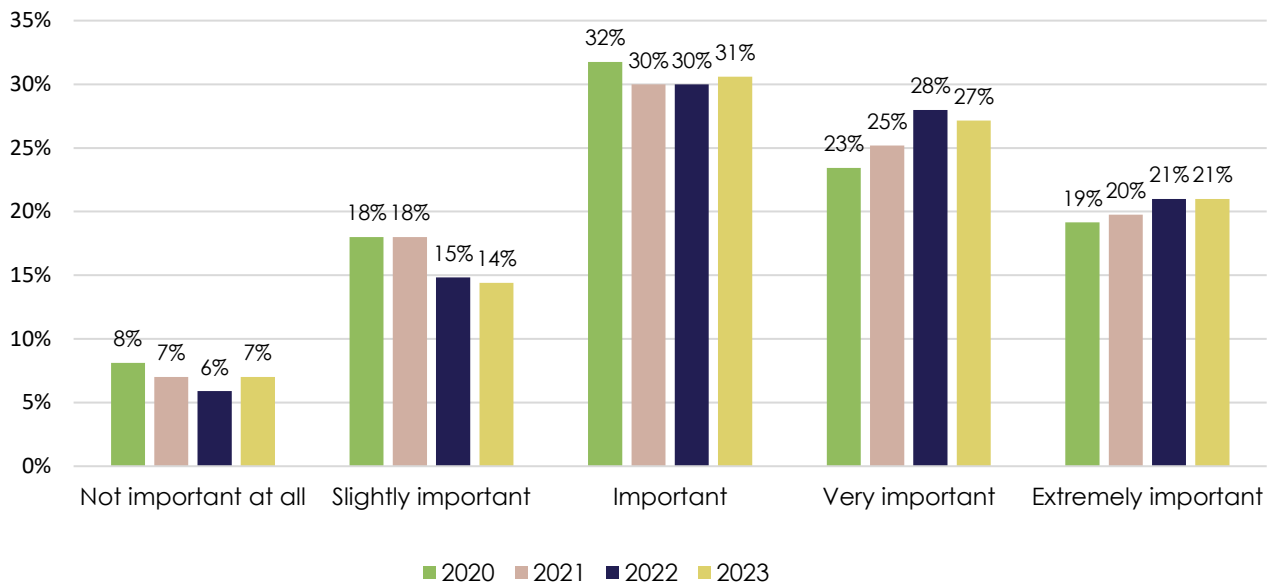
Figure 24: Does your wealth manager consider sustainable investing when creating your investment portfolio?



Sustainable investing, also known as ethical investing, refers to investment strategies that not only consider financial return but also the promotion of social, governance and environmental good.

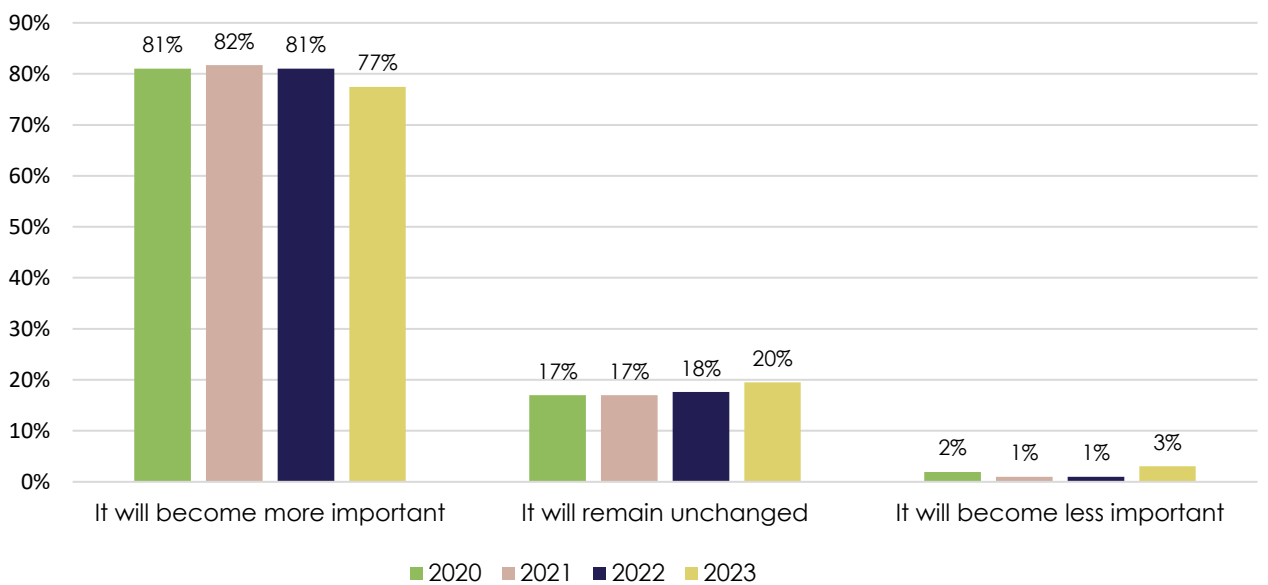
In 2023 the upward trend has slowed down and fewer clients are certain that their wealth manager considers sustainable investing.

Figure 25: How important is sustainable investing to you?



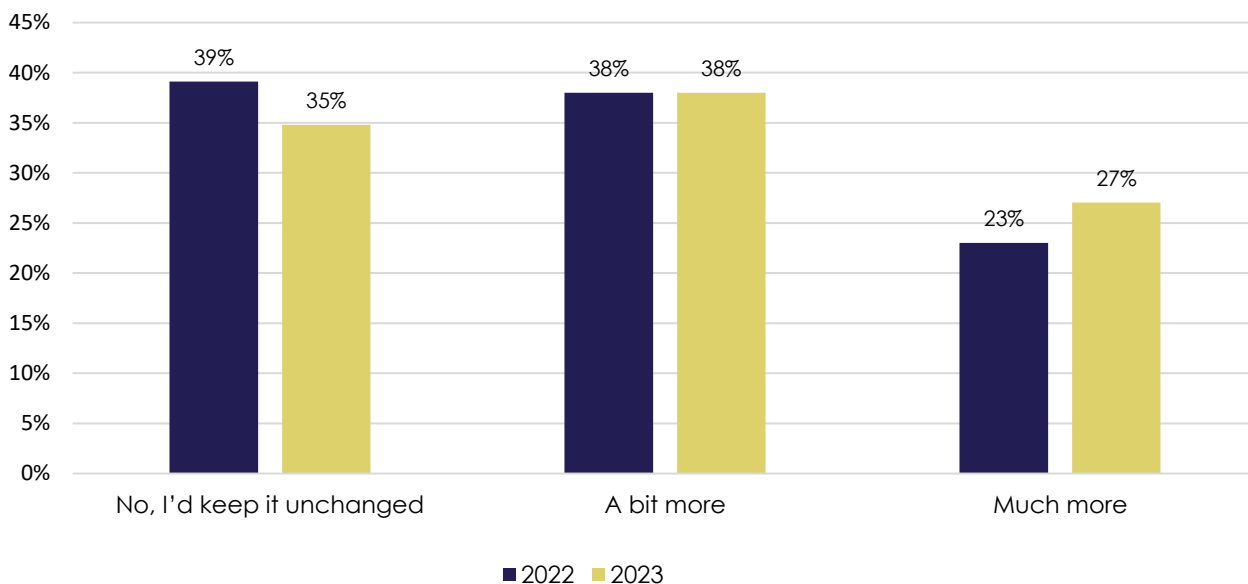
Sustainable investing remains important to wealth clients with minimal changes since last year.

Figure 26: How do you expect the role of sustainable investing to change in the next five years?



There is a slight drop in clients who expect sustainable investing to become “more important”.

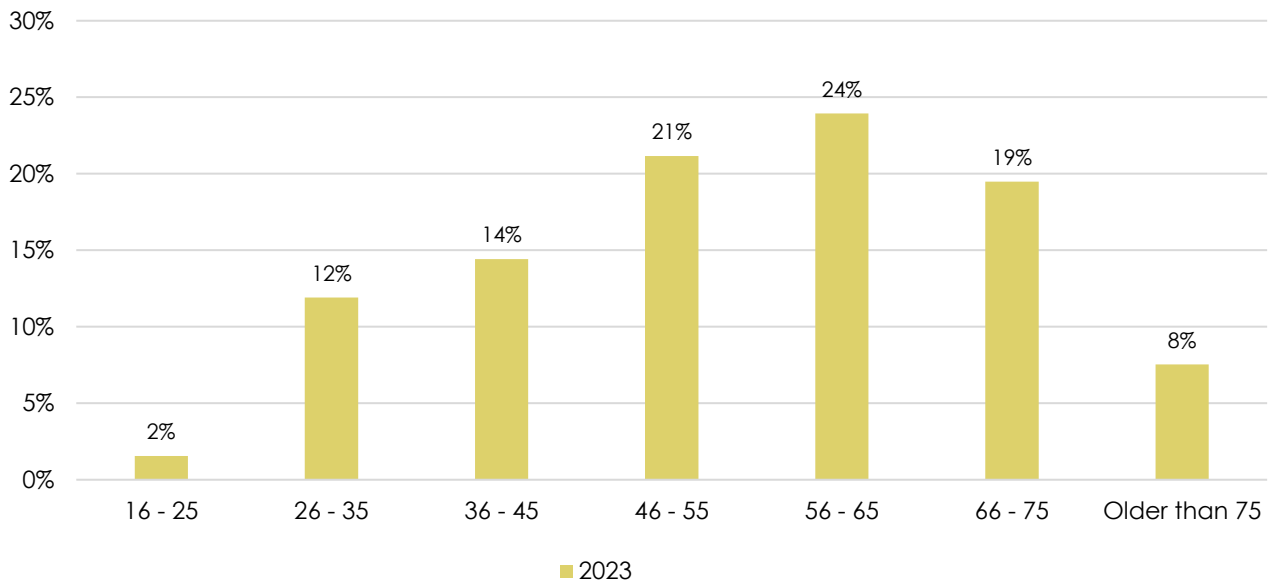
Figure 27: Would you invest more if you knew that your funds were making a positive difference?



Client sentiments have shifted across the market with more clients saying they would invest “much more” if their funds would make a positive difference.

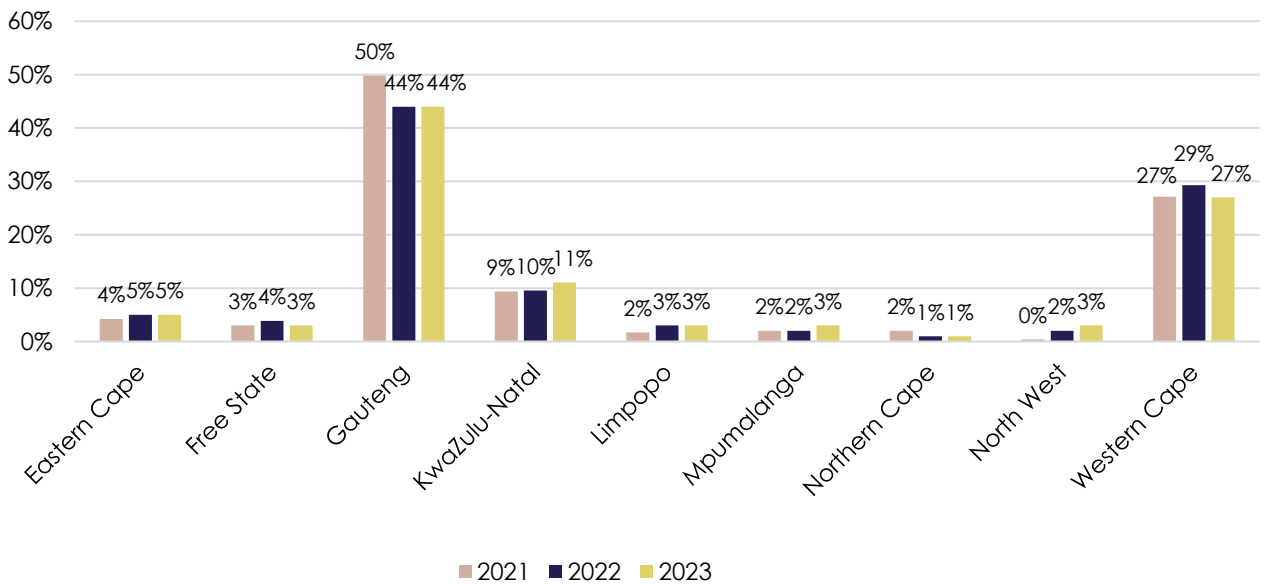
Private Banking

Figure 28: How old are you?



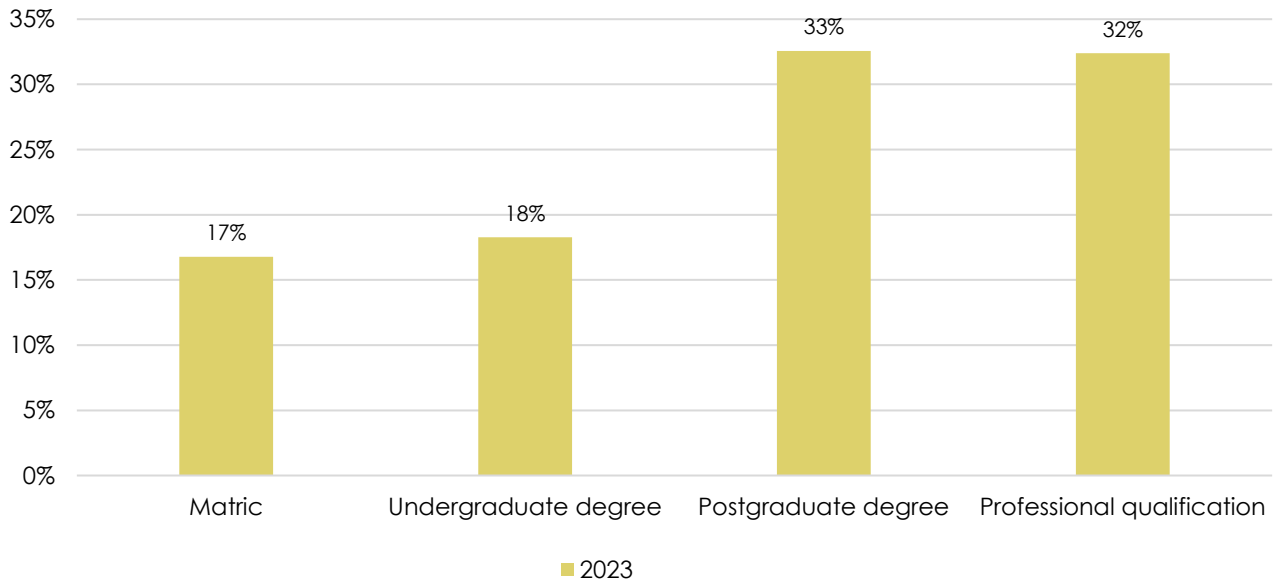
Private banking clients have a higher and more even distribution across the age categories than wealth management clients.

Figure 29: In which province do you live?



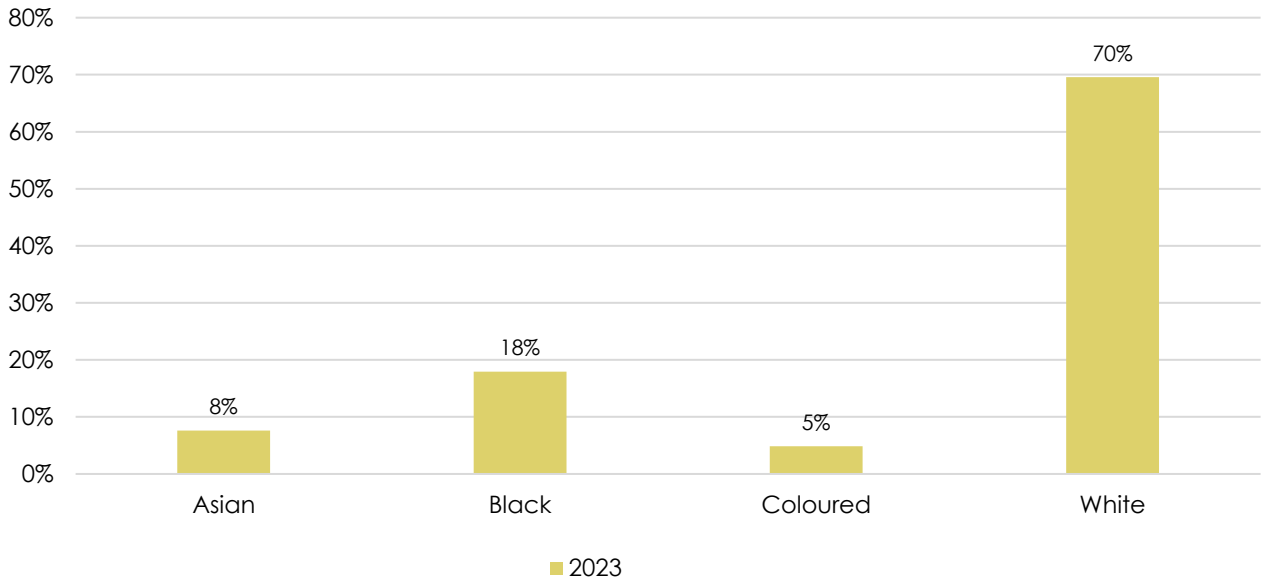
Clients are still concentrated in Gauteng and the Western Cape with little representation across the rest of the country.

Figure 30: What is your highest educational qualification?



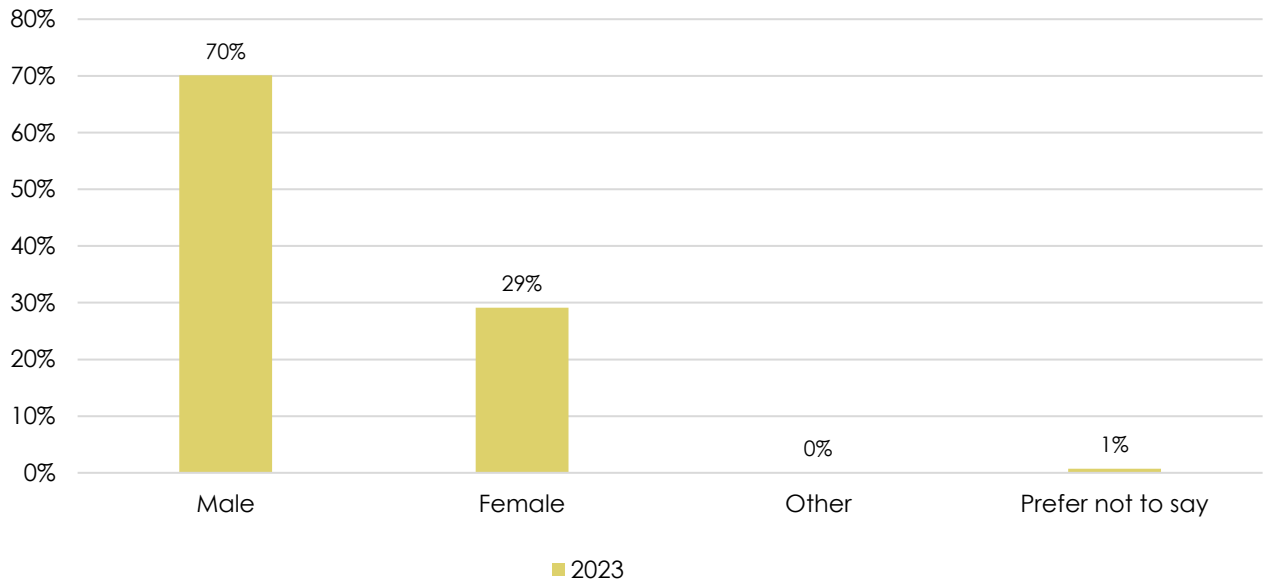
The bulk of clients in the private banking industry are highly qualified with 65% having a post-graduate or professional qualification.

Figure 31: What is your race?



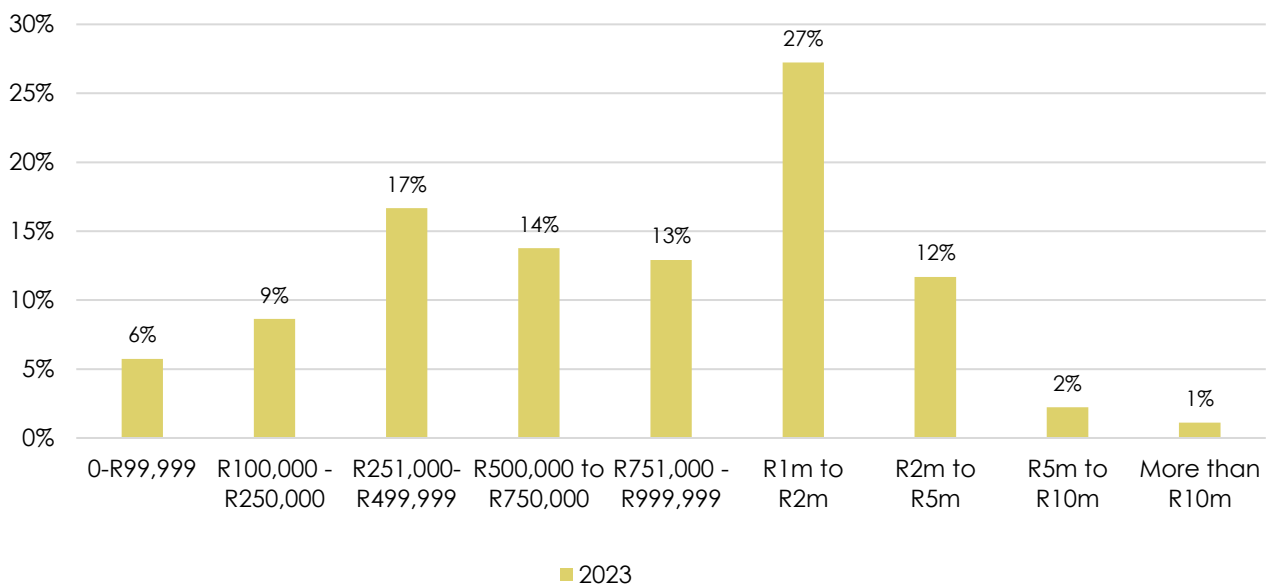
White clients dominate the private banking market while Black, Asian and Coloured clients lag behind by a large margin.

Figure 32: What is your gender?



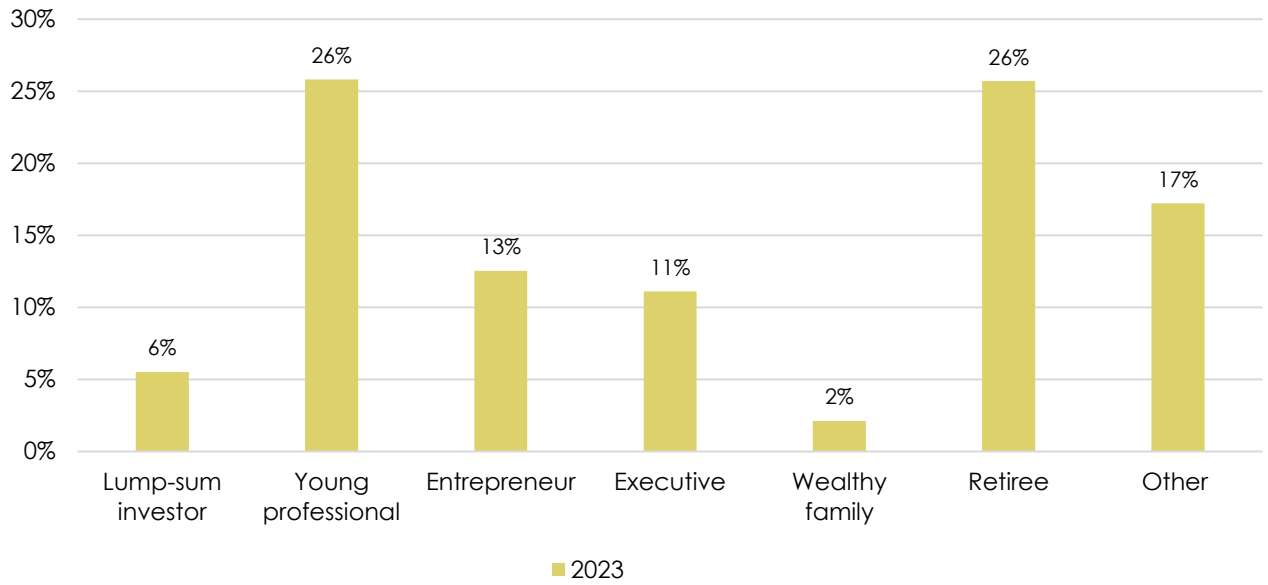
Males dominate the private banking industry by far in 2023.

Figure 33: What is your annual income?



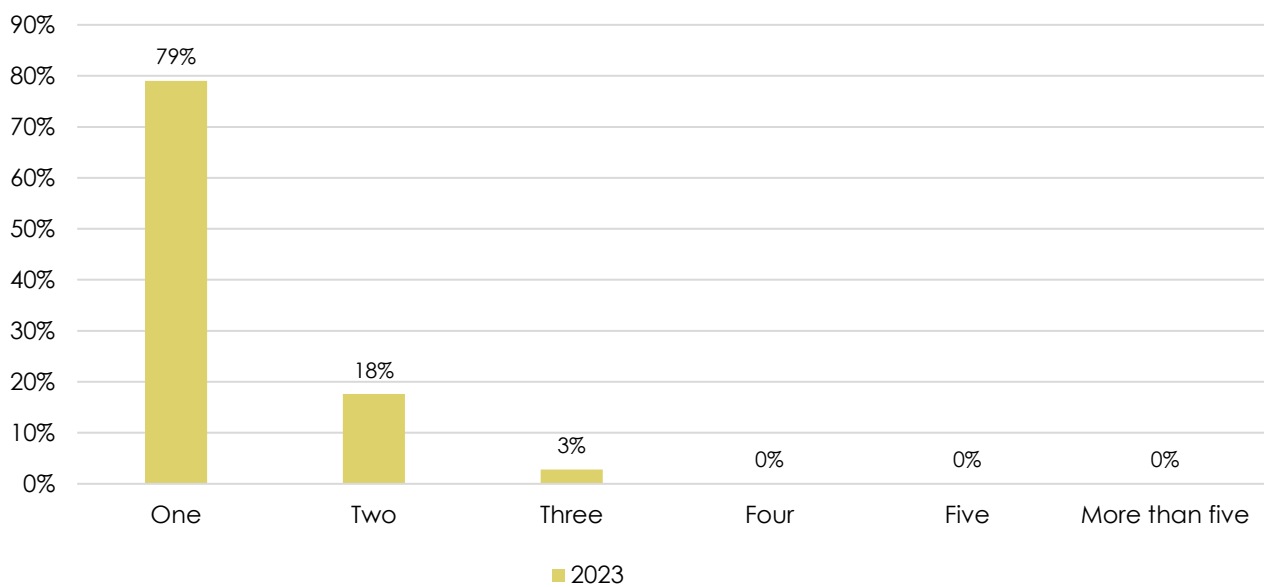
Most private banking clients earn less than R1m per annum.

Figure 34: Which of the following best describes your current financial situation?



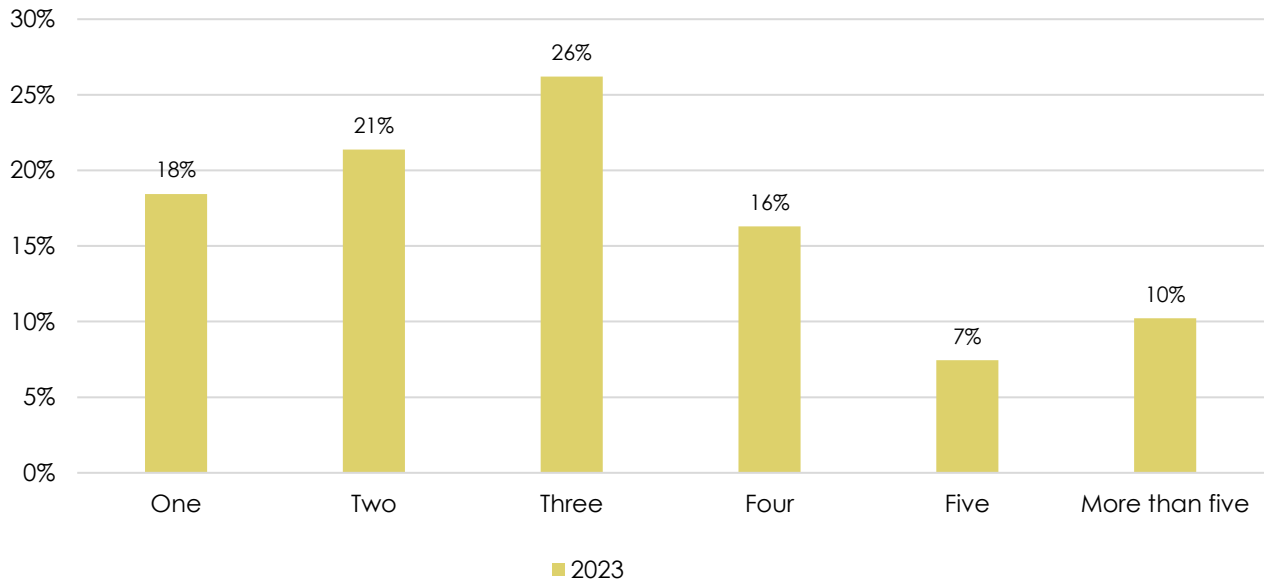
Retirees and young professionals make up more than half of private banking clients.

Figure 35: How many private banks do you use?



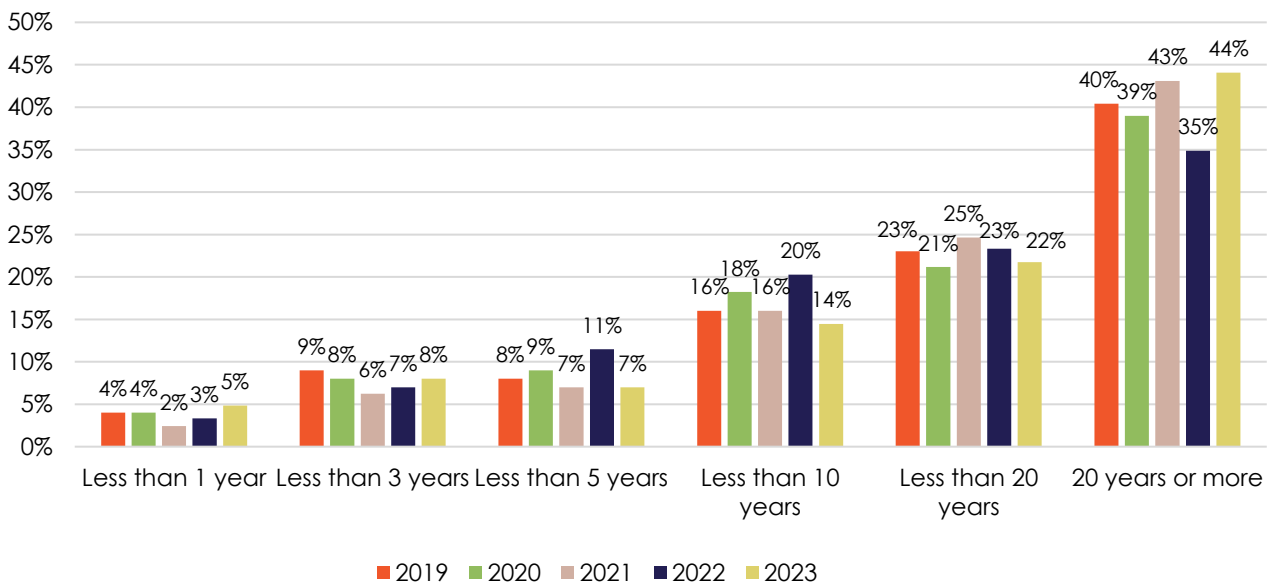
Clients typically have a preference for one private bank with a small proportion who use more than one.

Figure 36: How many products do you have with your private bank?



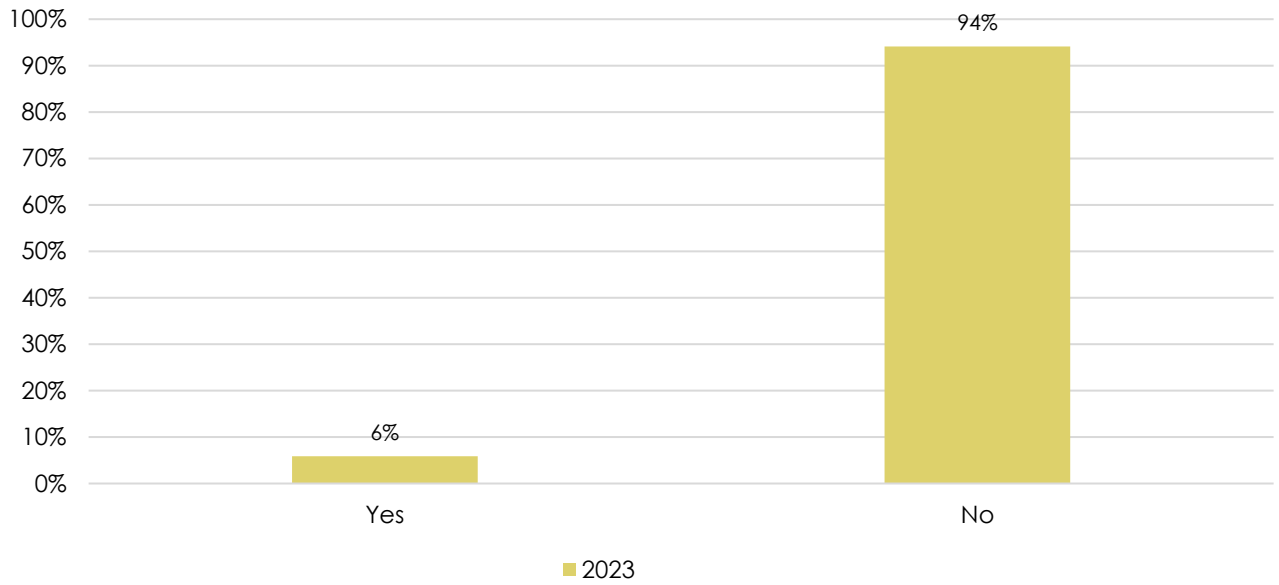
Most clients have one to three products with their private bank.

Figure 37: How long have you been a client of your private bank?



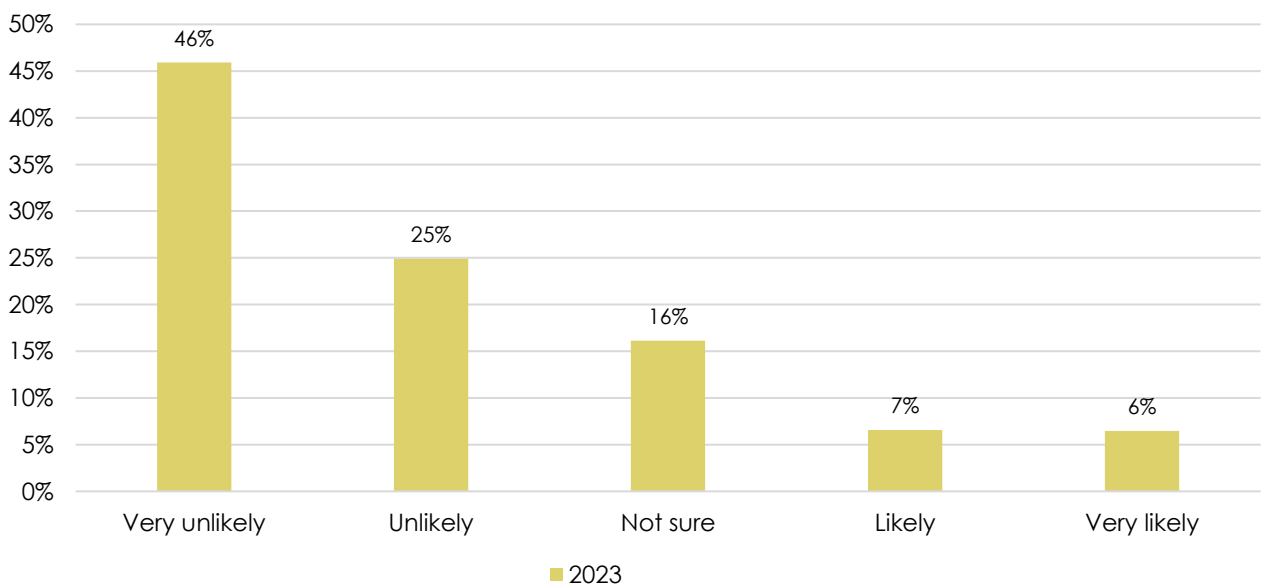
Private banking clients are long-term clients with 62% having been with their banks for longer than 10 years.

Figure 38: Have you moved your account from another private bank to your current private bank in the past year?



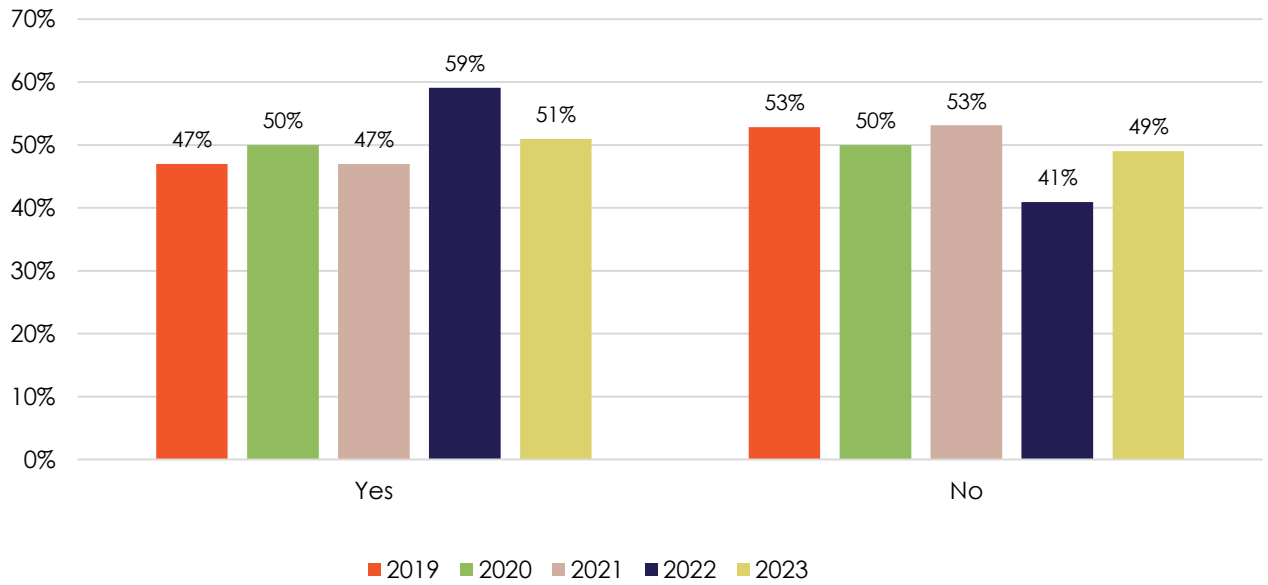
Generally, there has been little migration of accounts.

Figure 39: How likely are you to switch from your current private bank to another private bank in the next few years?



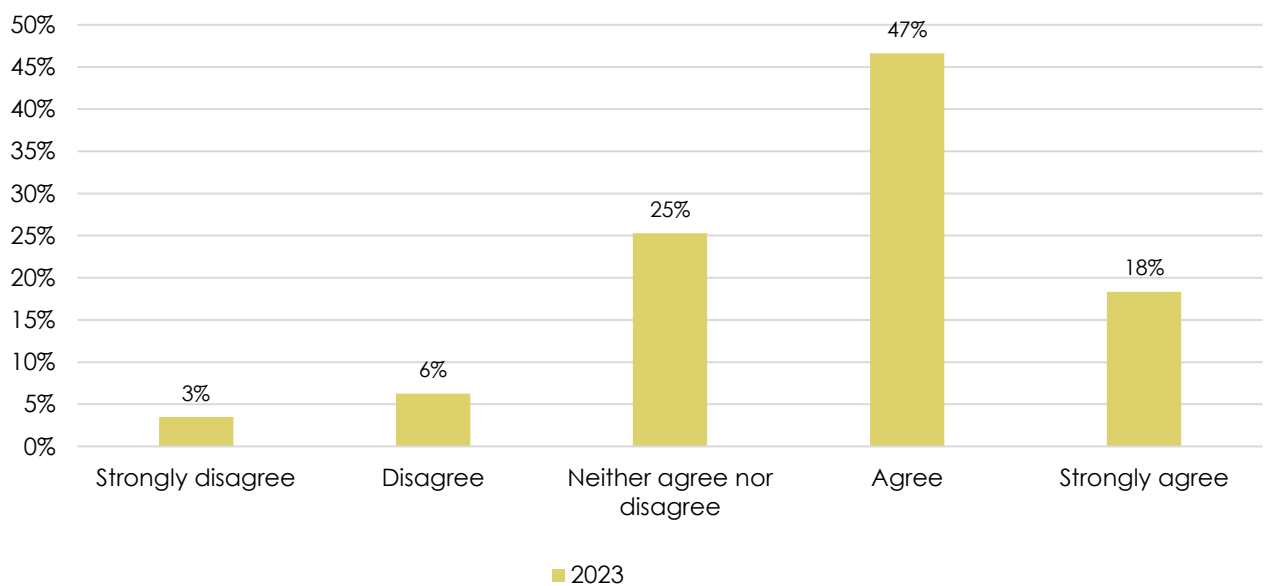
Clients are loyal, but 13% are “likely” or “very likely” to switch.

Figure 40: Do you think your private bank could improve its offering to meet your specific needs?



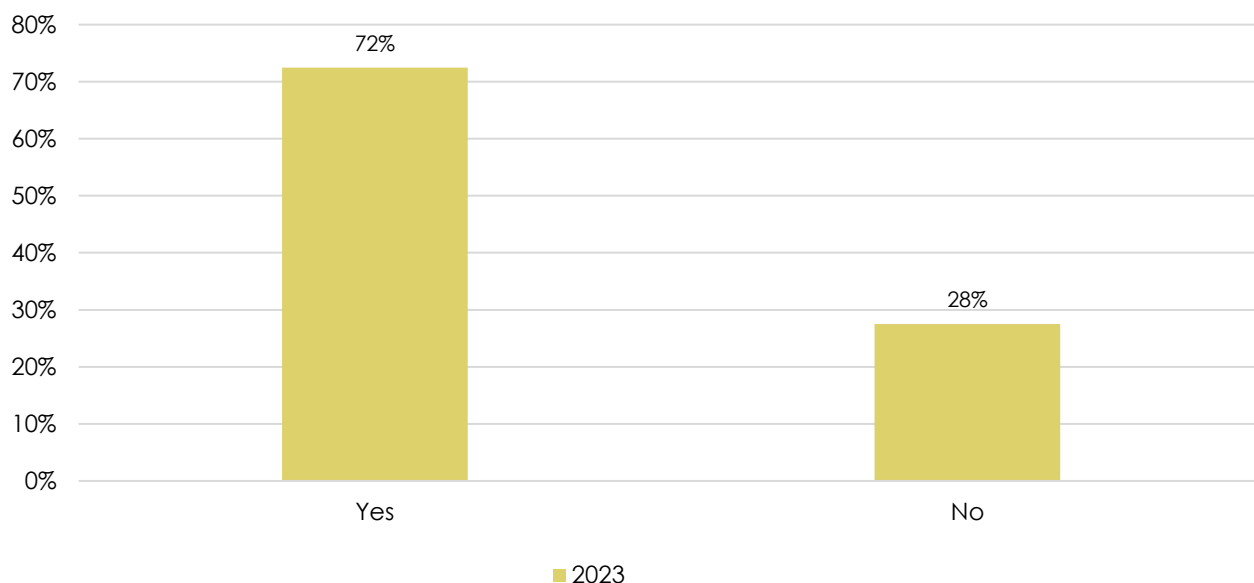
Nearly half of private banking clients feel there is room for improvement of services by firms in the industry.

Figure 41: Please indicate to what extent you agree with the statement: “My private bank’s fees and compensations are transparent.”



Private banks receive strong ratings for transparency of fees.

Figure 42: Do you believe the frequency of engagements (personal, virtual/online interactions and communications) you have with your private bank is appropriate for your needs?



The frequency of engagements is appropriate for clients although a substantial percentage believe improvement is needed on this measure.

Table 3: Please rate the following aspects regarding your private bank.

Aspects		Very poor	Poor	Good	Very good	Excellent	Not applicable
The personal relationship I have with my private banker	2023	11%	15%	27%	18%	30%	7%
The bank's reputation	2023	2%	4%	28%	28%	37%	2%
Trustworthiness	2023	2%	4%	27%	28%	40%	2%
The quality of interactions I have with my private banker	2023	10%	13%	24%	20%	32%	7%
Institutional support in the form of webinars, client communication and newsletters	2023	8%	16%	32%	22%	23%	16%
The ease of access through technology	2023	3%	4%	27%	26%	40%	3%
The comprehensiveness of the product range	2023	2%	6%	32%	28%	31%	6%
The transparency of reporting	2023	3%	7%	33%	26%	29%	7%

This is a new question which we think factors in key aspects and it will be interesting to monitor changes in future years.

This year trustworthiness, ease of access through technology and the bank's reputation are the best-rated aspects. Institutional support and the transparency of reporting require the most improvement.

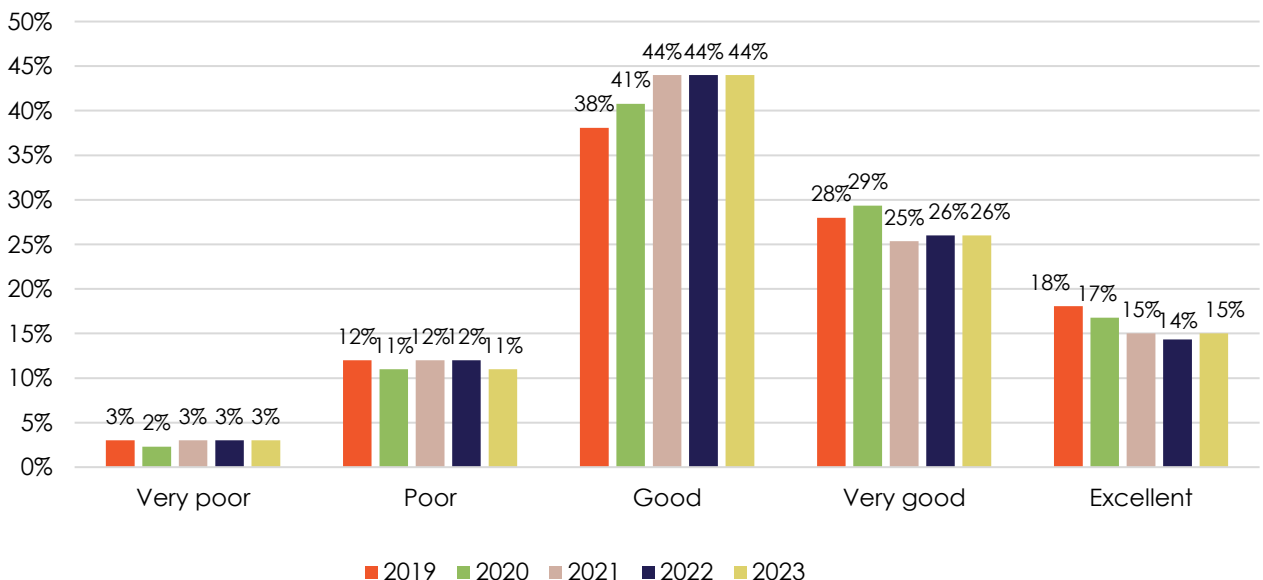
Table 4: Please rate the following aspects regarding your private bank.

Service		Very poor	Poor	Good	Very good	Excellent	Not applicable
Transactional banking (payments, debit cards, cheque books, current accounts)	2019	1%	2%	21%	33%	43%	4%
	2020	1%	2%	22%	36%	38%	5%
	2021	1%	2%	24%	30%	44%	4%
	2022	1%	2%	23%	30%	43%	2%
	2023	1%	2%	26%	29%	43%	2%
Savings products (cash-based savings like fixed or notice accounts)	2019	2%	5%	28%	35%	31%	21%
	2020	2%	7%	33%	33%	24%	23%
	2021	2%	8%	34%	30%	26%	16%
	2022	1%	8%	35%	30%	26%	12%
	2023	2%	4%	34%	29%	32%	11%
Loan products (credit cards, home loans and vehicle loans)	2019	4%	6%	27%	29%	34%	45%
	2020	4%	8%	29%	32%	27%	47%
	2021	2%	5%	29%	31%	33%	26%
	2022	2%	5%	30%	31%	31%	20%
	2023	3%	5%	30%	29%	33%	19%
International infrastructure to meet my investment and wealth planning needs	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	13%	26%	26%	31%	46%
	2022	3%	11%	32%	27%	27%	39%
	2023	4%	10%	31%	25%	30%	42%
Corporate banking and other services for my company	2019	6%	9%	30%	29%	27%	74%
	2020	5%	11%	31%	28%	25%	78%
	2021	5%	11%	30%	23%	30%	67%
	2022	4%	10%	34%	25%	28%	61%
	2023	5%	8%	33%	24%	30%	61%
Structured finance products like equity derivatives or foreign exchange structures	2019	6%	9%	32%	28%	25%	79%
	2020	9%	14%	31%	21%	25%	79%
	2021	5%	13%	29%	24%	29%	67%
	2022	3%	11%	33%	27%	25%	60%
	2023	5%	9%	33%	24%	30%	61%
Debt products including basic mortgages and asset finance	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	9%	27%	26%	34%	52%
	2022	3%	7%	30%	29%	31%	41%
	2023	3%	7%	30%	26%	34%	41%
Debt structuring capabilities and balance sheet (specialised lending)	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	8%	14%	27%	21%	30%	75%
	2022	5%	13%	33%	26%	24%	67%
	2023	6%	12%	31%	22%	29%	63%
Share/derivatives trading	2019	3%	11%	24%	30%	32%	72%
	2020	8%	9%	30%	27%	27%	70%
	2021	6%	11%	27%	25%	32%	67%
	2022	4%	12%	31%	26%	27%	58%
	2023	5%	9%	31%	26%	29%	62%
Insurance products such as life insurance and/or short-term insurance	2019	8%	11%	31%	26%	24%	71%
	2020	8%	14%	37%	24%	18%	73%
	2021	7%	15%	31%	22%	25%	67%
	2022	4%	15%	33%	26%	22%	54%
	2023	6%	11%	32%	22%	29%	49%
The quality of service I receive	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	9%	25%	25%	37%	3%
	2022	3%	10%	25%	25%	37%	2%

The quality of advice I receive	2023	5%	9%	27%	23%	36%		3%
	2019	-	-	-	-	-		-
	2020	-	-	-	-	-		-
	2021	4%	12%	25%	25%	33%		16%
	2022	5%	12%	28%	24%	30%		12%
	2023	7%	11%	27%	22%	32%		12%
The prestige and exclusivity my private bank offer	2019	-	-	-	-	-		-
	2020	-	-	-	-	-		-
	2021	4%	11%	26%	25%	34%		14%
	2022	4%	11%	29%	26%	30%		10%
	2023	6%	11%	26%	24%	33%		10%
	Affordability	2019	-	-	-	-	-	
2020		-	-	-	-	-		-
2021		3%	14%	37%	24%	21%		4%
2022		2%	14%	40%	26%	18%		3%
2023		3%	12%	39%	23%	23%		4%
The fringe benefits offered (airline lounge access/airmiles/loyalty points)		2019	-	-	-	-	-	
	2020	-	-	-	-	-		-
	2021	5%	13%	27%	25%	30%		24%
	2022	6%	12%	30%	26%	26%		19%
	2023	6%	11%	28%	23%	32%		20%

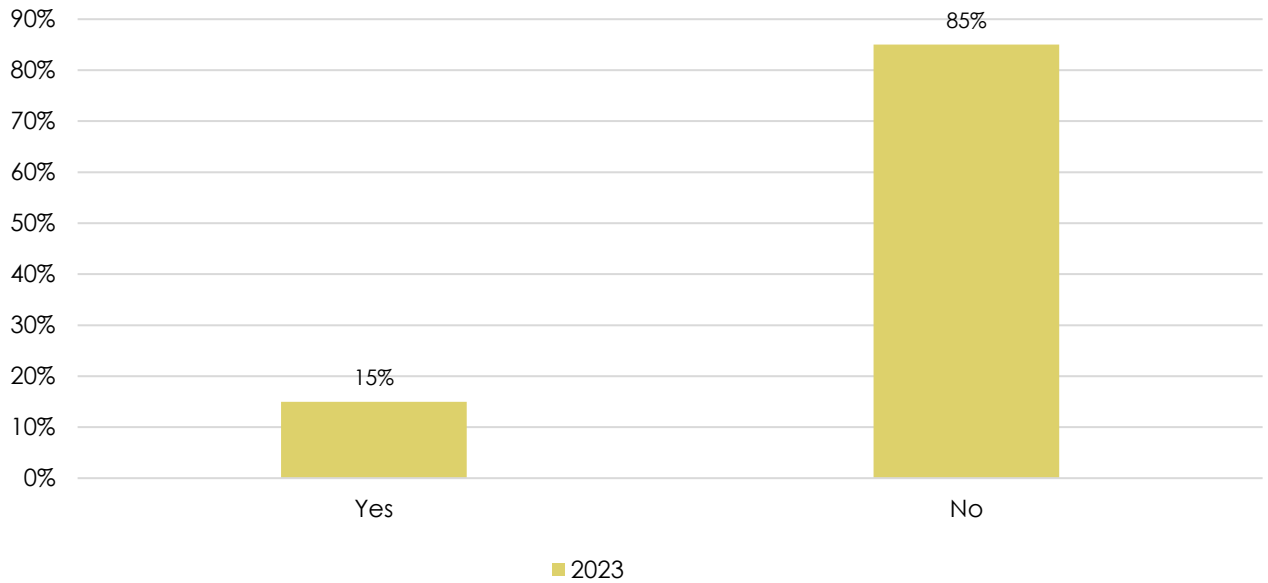
The market has mostly returned to pre-Covid levels on three categories: loan products, savings products and transactional banking. There is an improvement in all private banking aspects in 2023 except for two factors: transactional banking which has remained the same, and the quality of service.

Figure 43: How do you rate the overall value for money you feel you receive from your private bank?



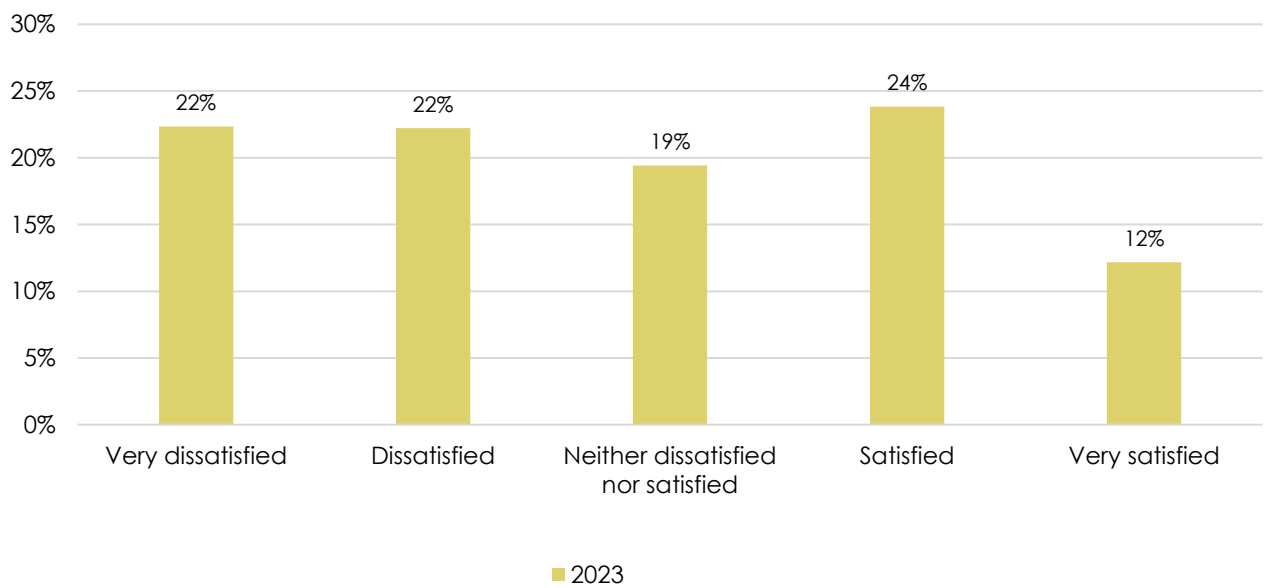
The value for money that the private banking industry provides is generally considered as “good”. Sentiments are positive for this measure and remain consistent over the last five years.

Figure 44: Have you recently reported a complaint to your private bank?



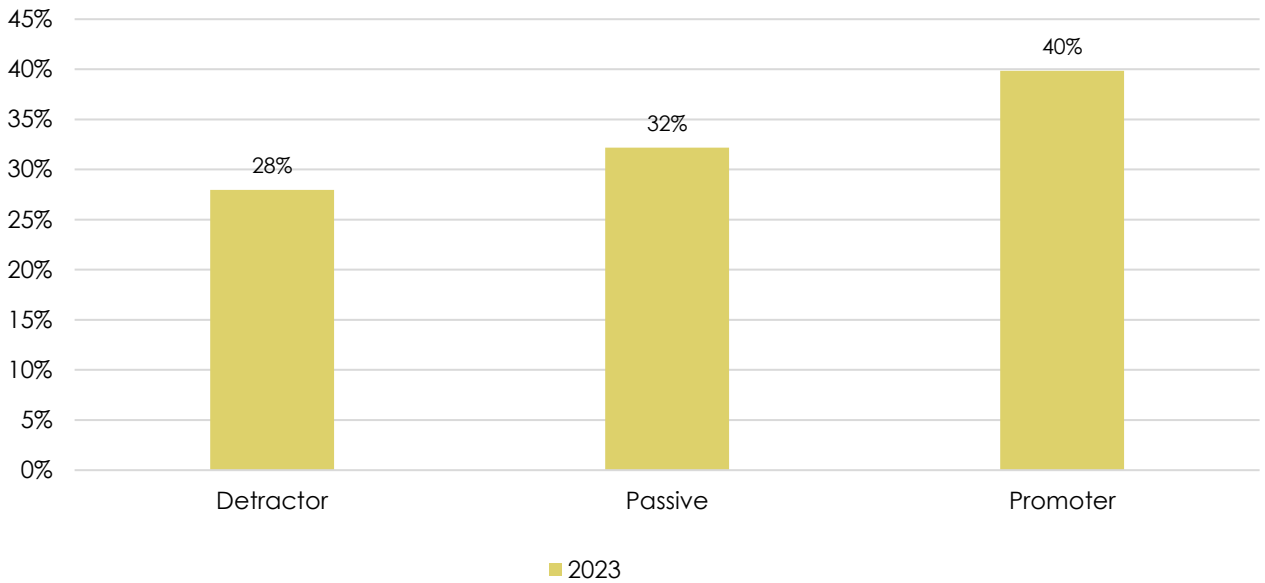
More than 80% of private banking clients have not recently reported a complaint to their private bank.

Figure 45: How satisfied were you with the resolution of your complaint?



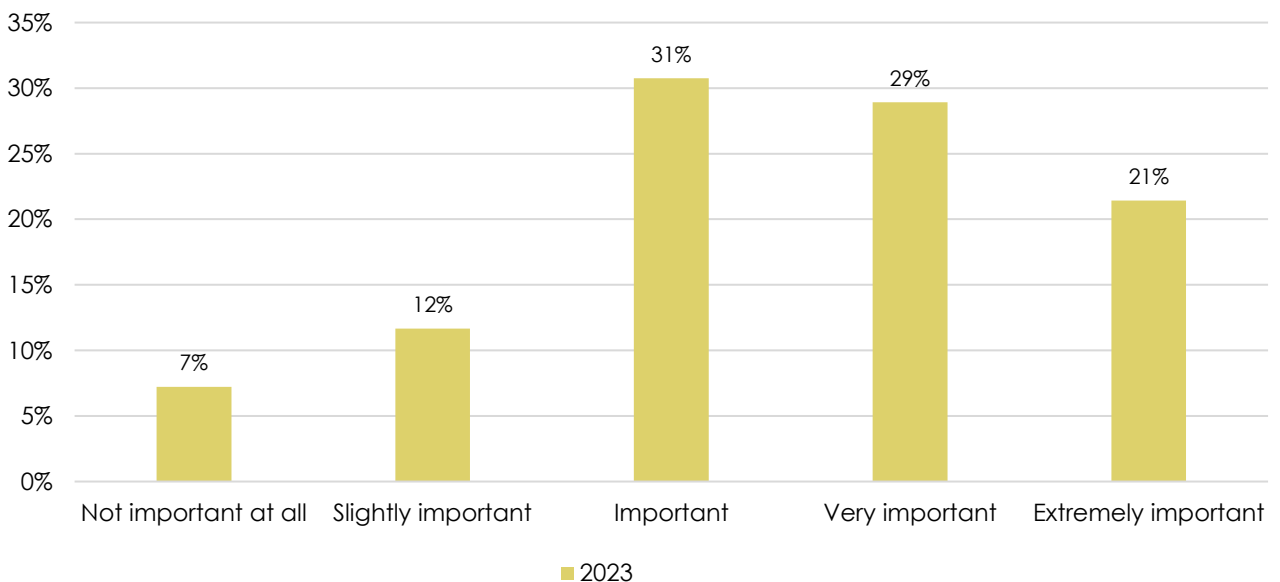
Of the 15% of clients who did report complaints, 44% were “very dissatisfied” or “dissatisfied” – clearly indicating an aspect that private banks need to improve.

Figure 46: How likely would you be to recommend your private bank to others?



The industry's Net Promoter Score (NPS) is 12 and is calculated by subtracting the percentage of detractors from the percentage of promoters. Clients are asked how likely they are to recommend their private banks to others on a scale of 0 to 10. Those who gave a score of 0 to 6 are considered detractors, those who gave a score of 7 to 8 are passives and those with a score of 9 to 10 are promoters. A score of 12 is seen as acceptable because the industry has more promoters than passives and detractors. However, improvement is needed.

Figure 47: How important are your private bank's sustainable banking and finance practices to you?



Clients share positive sentiments about the importance of sustainable banking practices. This indicates a widespread awareness of sustainable banking in the market.

METHODOLOGY

The Top Private Banks & Wealth Managers survey is researched and prepared by Intellidex, a specialist financial services research house.

This is the 12th anniversary of the survey which we develop every year to ensure that it best reflects the dynamics of the wealth management industry and that we are delivering a product that meets the needs of clients who make use of such firms.

Format

The survey still has two main prongs: a questionnaire completed by participating firms and a comprehensive online client survey. Intellidex judges allocate points to the firms in certain categories but client rankings generally contribute the most to the overall scores.

The questions we ask clients are wide-ranging and are designed to assess the different strengths and weaknesses of the private banks and wealth managers. The main areas of focus, though, are on satisfaction levels with products and services as well as with investment returns, whether clients believe they are getting value for money and whether clients would recommend their service providers to others. We also ask questions relating to why clients use private banks and wealth managers and whether their specific needs are being met. Clients add comments on aspects not covered by our multiple-choice format of questions. Here we receive some valuable insights that are used to inform the judging process.

In 2020 we revised the format, reintroducing the case study concept. All firms respond to one case study while those that participate in the top end of the spectrum, the internationally wealthy family archetype, were asked to respond to another case study specific to that archetype.

This year a record number of 11,788 clients of private banks and wealth managers participated in the online survey.

In terms of the overall judging, we understand that firms have different areas of focus. Thus, in our minds, the individual archetype winners are at least as important as the overall awards. If a firm is the best in the industry in its specific area of focus and does not pretend to be all things to all people, it deserves recognition for that area of excellence. If a firm does not compete in a particular market segment, we do not penalise it for not having an offering for that archetype.

After requests from the market, we've introduced the archetype awards to the private banking section of the survey as well. Also, apart from the individual Top Relationship Manager award, a new award now recognises service excellence from individual private bankers – the Top Private Banker award.

Awards

There are three overall awards - two Top Wealth Manager awards (large institutions and boutiques) and the Top Private Bank award. These three awards are based 40% on the judges' assessments of the firm questionnaires and 60% on client ratings from the online survey.

The awards are:

1. Top Wealth Manager of the Year: Large institutions
2. Top Wealth Manager of the Year: Boutiques
3. Top Private Bank
4. Archetype awards: Wealth managers and private banks
5. Lump-sum investor, young professional; entrepreneur; executive; retiree and wealthy family (only applies to wealth managers). These awards are based 90% on client ratings and 10% on peer ratings from participating firms.
6. People's Choice Award: Wealth managers and private banks

7. The two People's Choice awards are based solely on client ratings from the online survey.

Top Individual Relationship Manager and Top Private Banker awards are based on the number of nominations and ratings by clients.

This table below summarises the mix of methodologies used to score firms for the awards:

Award name		Methodology mix		
		Clients' votes	Judges' subjective assessments	Peer ratings
1	Top Wealth Manager of the Year: Large Financial Institutions	✓	✓	
2	Top Wealth Manager of the Year: Boutique Firms	✓	✓	
3	Top Private Bank	✓	✓	
4	Lump-sum investor	✓		✓
5	Young professional	✓		✓
6	Entrepreneur	✓		✓
7	Executive	✓		✓
8	Retiree	✓		✓
9	Wealthy family		✓	
10	People's Choice Awards (one for private banks and one for wealth managers)	✓		
11	Top Individual Relationship Manager	✓		
10	Top Private Banker (individual)	✓		



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Find out more

Intellidex produces detailed reports on the performance of individual private banks and wealth managers based on the client feedback we have collected. If you would like to commission such a report, please contact Heidi Dietzsch at hdietzsch@intellidex.co.za.

Give us feedback

We would like to know what you think of the Private Banks & Wealth Managers survey process. If you have any thoughts or feedback, please email Colin Anthony at canthony@intellidex.co.za.



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