

# M&A in the wealth management industry.



**We expect to see significant volumes of M&A transactions continue in the wealth management sector in the near term.**

## A boom in M&A activity

**\$5.9T**

Global M&A volume in wealth management in 2021<sup>1</sup>

**296**

Deals in assets and wealth management in 2021<sup>2</sup>

**Big players.  
Big deals.**

Big private equity firms dominate RIA M&A<sup>3</sup>

<sup>1</sup> J.P. Morgan: Top 10 Trends Shaping Global M&A Activity ([www.jpmorgan.com/solutions/cib/investment-banking/2022-global-ma-outlook](http://www.jpmorgan.com/solutions/cib/investment-banking/2022-global-ma-outlook))

<sup>2</sup> Spear's: The wealth management industry's appetite for mergers is growing ([spearswms.com/wealth-management-mergers](http://spearswms.com/wealth-management-mergers))

<sup>3</sup> Echelon's RIA M&A Deal ReportTM: U.S. Wealth Management, 3Q 2021

<sup>4</sup> McKinsey: U.S. wealth management: A growth agenda for the coming decade ([www.mckinsey.com/industries/financial-services/our-insights/us-wealth-management-a-growth-agenda-for-the-coming-decade](http://www.mckinsey.com/industries/financial-services/our-insights/us-wealth-management-a-growth-agenda-for-the-coming-decade))

<sup>5</sup> Fidelity Wealth Management M&A Transaction Report

<sup>6</sup> EY: UK Financial Services M&A ([www.ey.com/en\\_uk/news/2022/01/uk-financial-services-m-a-volume-hit-5-year-high-in-2021-following-a-pandemic-lull-the-year-before-but-deal-value-fell](http://www.ey.com/en_uk/news/2022/01/uk-financial-services-m-a-volume-hit-5-year-high-in-2021-following-a-pandemic-lull-the-year-before-but-deal-value-fell))

## Key drivers

- Operational leverage and scale
- Operational and technology infrastructure
- Increasing fee compression
- Rising cost of compliance

## Predictions for the next decade<sup>4</sup>

- Acquisition key for growth
- Reimagine client engagement
- Entering adjacent revenue pools
- New product offering for client need

## The big picture

### U.S.

- 78 deals announced Q3 2021 (all-time high)<sup>3</sup>
- 26 RIA deals in January 2022 (\$39.3 billion client AUM)<sup>5</sup>

### U.K.

- 113 wealth and asset management deals in 2021 worth £10.5 billion<sup>6</sup>
- Banking sector deals up from 44 in 2020 to 58 in 2021<sup>6</sup>