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WALL STREET YEAR-END INCENTIVE AWARDS EXPECTED TO SHOW IMPROVEMENT IN 2012, JOHNSON ASSOCIATES ANALYSIS FINDS

Payouts Will Be Flat to Moderately Higher Following Hard Hit 2011; Largest Increases Expected for Fixed Income Traders

NEW YORK, November 5, 2012 — Wall Street professionals can expect to receive flat to moderately larger year-end incentive payouts compared to the previous year, according to an annual compensation analysis released today by Johnson Associates, Inc., a New York-based compensation consulting firm. The analysis found that this year's incentives results are an improvement over 2011, when incentives fell sharply throughout the financial services industry.

"The recovery in financial services continues to be a struggle, and while incentives will be modestly up, few professionals will have reason to cheer. With wide variations in outcomes, and an uncertain outlook, the bonus season will be rightfully subdued ," said Alan Johnson, managing director of Johnson Associates and one of the nation's foremost authorities on Wall Street compensation. "Following a year when year-end incentives declined by as much as 30 percent, the fact that many firms are able to keep this year's bonuses flat or slightly larger, is notable."

The Johnson Associates third quarter compensation analysis, a closely-watched industry barometer, shows that overall year-end incentives, which include cash bonuses and equity awards, will be flat to moderately larger (5 to 10%) this year compared to last year. There will be significant variation by firm and business, the analysis noted.

Fixed income traders, who were hardest hit last year, will be the winners this year. Their year-end incentives will jump 10 to 20% this year. On the other hand, investment bankers and equities traders are expected to see their year-end bonuses either flat or trimmed by 10% or more. Incentive payouts for the rest of the financial services industry, including prime brokerage, asset management, high net worth, retail and commercial banking and hedge funds will be flat or slightly higher (5 to 10%) than last year.

Business Area	**Percent Change from 2011**

Fixed Income	Plus 10 – Plus 20%
Staff Positions	0 – Plus 5%
Hedge Funds	0 – Plus 5%
Prime Brokerage	0 – Plus 5%
Private Equity	0 – Plus 5%
High Net Worth	0 – Plus 10%
Commercial/Retail Banking	0 – Plus 10%
Asset Management	0 – Plus 10%
Equities	Minus 5 – Minus 10%+
Investment Banking Advisory/Underwriting	Minus 10 – Plus 5%
Senior Management	Minus 5 – Plus 5%

Johnson Associates regularly monitors compensation trends among a wide range of commercial and investment banks, and financial services companies. Its quarterly compensation analysis is based on the firm's ongoing monitoring of the financial services industry and public data from eight of the nation's largest investment and commercial banks and ten of the largest asset management firms.

Outlook for 2013

"Looking ahead to 2013, we expect to see a continued modest recovery in many segments of the financial services industry. Barring further economic weakness, incentives for investment and commercial bankers and those in asset and wealth management and alternatives could rise by 5-15 percent next year. Additionally, firms will continue to reduce headcount in the United States but will add to staff in emerging markets where many companies are expanding or shifting their business operations," concluded Johnson.

ABOUT JOHNSON ASSOCIATES

Johnson Associates is a boutique compensation consulting firm specializing in the design of annual and long-term incentive plans and establishing appropriate market pay levels. The firm is well-known for providing candid advice and for its expertise and in-depth knowledge of the financial services industry, including major investment and commercial banks, asset management firms, hedge funds and other alternative investments, insurance companies, and brokerages. For more information, visit www.jaiconsulting.com