

TAYLOR • ROOT

GLOBAL LEGAL RECRUITMENT

AUSTRALIAN BANKING AND FINANCIAL SERVICES MARKET & SALARY SURVEY 2007-2008



www.taylorroot.com.au

MARKET SURVEY

We are delighted to present our market survey for the Australian banking and financial services sector for 2007-2008.

Taylor Root recognises the specialist nature of the sector and we aim to provide as accurate and current information as possible in connection with salaries, market and recruitment trends as part of our service to clients and candidates.

The data collected in this survey has been collated in consultation with our clients and candidates across all sub sectors of the banking and financial services market together with analysis of placement data throughout the year. We thank those clients who contributed to salary and bonus data.

MARKET OVERVIEW

Recruitment activity and levels have remained high over the last 12 months. Despite some recent volatility, the financial services market has remained buoyant over the last year, driven by strong economic fundamentals as well as more specific events such as changes to superannuation contributions and the private equity boom.

In last years survey, we highlighted the demand for transactional lawyers across M&A, capital raising and funds management. This has continued and although we see this demand cooling into 2008, the supply-demand dynamic will result in continued interest in candidates with these skill sets well beyond the next 12 months.

Certainly we have seen a strong appetite for experienced debt finance lawyers from the banking sector. Experience gained in more exotic and structured products is highly

sought but distinctly short in supply.

With the changes to superannuation legislation and the growth in funds under management generally, the opportunities to work in-house for lawyers with funds management, superannuation, regulatory and private wealth management experience has never been greater.

The prevailing economic conditions have led to many organisations increasing the size of their in-house teams or at least replacing team members who have been "poached" by other organisations or moved internally into more senior positions. Further, Australia's challenging regulatory regime continues to impact on many in-house legal functions within financial services. Recent enactment of legislation such as the AML & CTF bill has increased many lawyers regulatory workload, particularly in those smaller organisations without a dedicated compliance function.

Whilst it is generally accepted that a better work-life balance is achievable within an in-house legal role compared to that in a law firm, the sheer volume of transactional work has undoubtedly led to relatively longer hours for most lawyers working in banking and financial services than in previous years. A career outside of private practice is still viewed positively however and the law firms are still the main "source" of talent for in-house roles. A developing trend is for some banking and corporate finance lawyers to move straight into non-legal roles, particularly to the investment banks, a clear indication that a career outside of the law is increasingly attractive.

Lawyers at the 3-6 year post admission level are the most sought after and, unfortunately, in shortest supply. This inequilibrium is a global issue but locally is, in part, caused by

the huge numbers of banking, finance and corporate lawyers moving offshore to the obvious capital markets of London, New York, Hong Kong and Singapore. The Middle East is developing fast and Dubai is making a strong play as the financial services centre of the Region.

Whilst the domestic candidate market remains so challenging, many organisations are considering sourcing talent from overseas. The UK and Asia are the most common locations and returning Australian and New Zealand lawyers from these markets are very highly regarded.

REMUNERATION

For certain positions, salaries have increased dramatically across the banking and finance sector. The investment banking market, in particular, has seen some spectacular salary rises often as a result of attempted poaching of staff or as a consequence of actively pursuing candidates otherwise not active in the job market. The latter is usually due to the specialist nature of the experience required eg derivatives and structured products lawyers.

Bonuses for 2007- 08 are expected to be very good and approaching 100% for some senior lawyers, typically in the investment banking space again. Participants in the funds management sector and particularly those smaller, more boutique operations, have enjoyed a very profitable run and their lawyers have also reaped the rewards. A typical bonus at the 3-6 year level within funds management will now hit somewhere near 30%.

Please review the salary data for specific remuneration levels.

INVESTMENT BANKING

	Tier 1 - large or international	Tier 2 - smaller or domestic
3 years	\$100,000 - \$120,000	\$90,000 - \$110,000
4 years	\$125,000 - \$140,000	\$115,000 - \$130,000
5 years	\$140,000 - \$170,000	\$125,000 - \$150,000
6 years	\$150,000 - \$180,000	\$135,000 - \$160,000
7 years	\$170,000 - \$190,000	\$150,000 - \$180,000
8-10 years	\$195,000 - \$280,000	\$170,000 - \$240,000
General Counsel	\$330,000 +	\$250,000 +

RETAIL BANKING

3 years	\$90,000 - \$110,000
4 years	\$100,000 - \$120,000
5 years	\$120,000 - \$150,000
6 years	\$135,000 - \$170,000
7 years	\$160,000 - \$190,000
8-10 years	\$180,000 - \$240,000
General Counsel	\$240,000 +

FUNDS MANAGEMENT

	Tier 1 - large or international	Tier 2 - smaller or domestic
3 years	\$90,000 - \$115,000	\$80,000 - \$105,000
4 years	\$110,000 - \$130,000	\$100,000 - \$120,000
5 years	\$120,000 - \$145,000	\$110,000 - \$135,000
6 years	\$140,000 - \$170,000	\$130,000 - \$160,000
7 years	\$160,000 - \$200,000	\$150,000 - \$190,000
8-10 years	\$190,000 - \$240,000	\$180,000 - \$230,000
General Counsel	\$250,000 +	\$230,000 +

INSURANCE

3 years	\$90,000 - \$110,000
4 years	\$100,000 - \$120,000
5 years	\$120,000 - \$150,000
6 years	\$135,000 - \$170,000
7 years	\$160,000 - \$190,000
8-10 years	\$180,000 - \$240,000
General Counsel	\$240,000 +

POINTS TO NOTE

- Although salaries continue to increase rapidly across the banking and finance sector, there continues to be significant discrepancies between sub sectors and even between companies within the same specialist market. For this reason and due to differing interpretation or definition of the same role between organisations, the salary bands can appear very wide. For example, the most senior legal role at a large international fund manager with 10 reports plus some regional responsibility will be remunerated higher than the same role in a small, domestic, single asset class manager.
- We assume that financial services organisations will fall into 1 of 3 categories based on size and range of operations in Australia. Large organisations will typically remunerate at the top end of the range, medium sized at the mid-point and smaller at the bottom end of the scale. However, with the growth in the "boutiques", this typical pattern can be reversed.
- Figures refer to salary packages inclusive of superannuation but exclude bonus and other benefits.
- Figures refer to those roles based in Sydney. Whilst Melbourne is home to some very obvious banking and finance organisations, Sydney is still generally acknowledged as the most common location of market participants in the sector. Melbourne figures are typically 10% lower than Sydney levels.
- For specific advice on salary levels and benefits or for a discussion around any of the points and figures in the survey, please contact one of our team, details of which are found overleaf.

CONTACTS

For further information on salaries, trends or market data, please contact one of our specialist consultants.



David Buckley
Partner, Sydney

E: davidbuckley@taylorroot.com.au
T: +61 (0)2 9236 9000



Catherine Wolfe-Coote
Consultant, Sydney

E: catherinewolfecoote@taylorroot.com.au
T: +61 (0)2 9236 9000



Romy Buchman
Consultant, Sydney

E: romybuchman@taylorroot.com.au
T: +61 (0)2 9236 9000



Neil Williams
Manager, Melbourne

E: neilwilliams@taylorroot.com.au
T: +61 (0)3 8610 8400

For further surveys/publications visit – www.taylorroot.com.au

TAYLOR • ROOT

GLOBAL LEGAL RECRUITMENT

LONDON

95 Queen Victoria Street, London EC4V 4HN
T: +44 (0)20 7415 2828

BIRMINGHAM

Waterloo House, 20 Waterloo Street, Birmingham B2 5TB
T: +44 (0)121 665 4920

MANCHESTER

Lowry House, 17 Marble Street, Manchester M2 3AW
T: +44 (0)161 638 9335

LEEDS

Park Row House, Park Row, Leeds LS1 5JF
T: +44 (0)113 394 6410

EDINBURGH

Comerstone House, 2 Melville Street, Edinburgh EH3 7NS
T: +44 (0)131 226 0640

DUBAI

20th floor, Commercial Tower, Crowne Plaza Complex
Sheikh Zayed Road, P.O.Box 62425, Dubai
T: +971 4-3326301

HONG KONG

1918 Hutchison House, 10 Harcourt Road, Central, Hong Kong
T: +852 2973 6333

SYDNEY

Level 12, 25 Bligh Street, Sydney, NSW 2000
T: +61 (0)2 9236 9000

MELBOURNE

Level 2, Rialto North Tower, 525 Collins Street, Melbourne, VIC 3000
T: +61 (0)3 8610 8400

THE SR GROUP – BREWER MORRIS • CARTER MURRAY • FRAZER JONES • TAYLOR ROOT

OFFICES IN LONDON • BIRMINGHAM • MANCHESTER • LEEDS • EDINBURGH • DUBAI • HONG KONG • SYDNEY • MELBOURNE