



CITYPAYASSOCIATES

City HR
Compensation Forum
16th March 2020

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City Pay Survey

- Participants
 - London focused
 - Smaller to medium sized organisations
 - Commercial, Investment & Private Banks
 - Fund/Asset Management Companies
 - Commodity Trading Companies
 - Other Financial Sector
- City Pay Survey October 2019
Preview of April 2020 publication

Company-Wide Base Salary Increases

(Source: City Pay Guide, Oct 2019)

Increases By Company (% of Base Salary Budget)	2019	2018	2017
Upper Quartile	4.0	4.1	3.9
Median	3.4	3.4	3.0
Lower Quartile	2.6	2.5	2.5

Pay Reviews - 2020

(Source: Interim survey of our participants, Jan 2020)

Categories of staff likely to receive higher than average increases

- Most popular answer – those that have fallen behind the market
- Back office staff
- Fee earning staff
- Those who are proving they are developing their role

Pay Reviews - 2020

(Source: Interim survey of our participants, Jan 2020)

Reported pressure areas (pay, recruitment & retention):

- SMF functions
- Control functions:
 - Compliance
 - Risk
 - Finance
 - Financial Crime
 - Legal
 - Audit
- Trade Finance & Corporate Banking Support
- Information Technology

Pay Reviews - 2020

- In October 2019 we reported likely pay increase budgets for early 2020 at 2.8 - 3.4%
- Based on early responses to our City Pay Survey for 2020 and on our interim survey of regular participants - actual and expected increases for 2020
- Median percentage increase on base salaries so far reported for 2020 is 3%



Annual Bonus Awards

(Source: City Pay and Benefits Survey, 2019)

- 95% of participating companies operate a bonus scheme.
- Average bonus awards as a percentage of base salary in 2019, for 2018 performance, were higher than that paid in 2018 (for matched individuals only).

Annual Bonus Awards - 2020

- 90% of respondents to our interim survey operate an annual bonus scheme
- Changes in bonus expectations due to local & global business performance experience in 2019
- 10% of respondents intend to pay no bonuses in 2020 with the remainder expecting to make bonus awards by April 2020
- Over 40% expect bonus payments as a percentage of salary to be below 2019 levels.
- Remainder evenly split between those expecting similar bonus payouts as in 2019 and those expecting increased bonuses.

Expected Bonus Awards - 2020

Type of Role	Midpoint Expected Bonus Award (% of base)
Senior Management	c35%
Front Office	c33%
Middle Office Mgmt.	c20%
Back Office Mgmt.	c25%
Clerical	c14%

Deferred Bonus Awards

(Source: City Pay and Benefits Survey, 2019)

- Fewer smaller to medium sized organisations made deferred awards in 2019
- Limited to a small minority of higher earning staff - less than 5% of all employees were awarded a deferred element in 2019 (for 2018 performance)



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City Pay Guide – April & October 2020
City Benefits Guide – July 2020
Non-Executive Directors' Survey – May/June 2020

If you are interested in participating in our surveys,
purchasing our pay guides or tailored benchmarking,
please contact us on:

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