

For Immediate Release

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**WALL STREET INCENTIVE AWARDS TO INCREASE 10 - 15 PERCENT  
IN 2006, JOHNSON ASSOCIATES ANALYSIS FINDS**

NEW YORK, November 7, 2006 – Wall Street professionals can expect to receive year-end incentive payouts averaging 10 to 15 percent higher than last year, with investment bankers again leading the pack, earning incentives as much as 20 percent higher or more, according to a compensation analysis by Johnson Associates, Inc., a compensation consulting firm.

“This will be another banner year for Wall Street professionals,” said Alan Johnson, managing director of Johnson Associates and one of Wall Street’s leading compensation consultants. “Solid earnings performances by the major brokerage and investment firms this year, combined with the ongoing war for top talent, are fueling the larger incentive awards. And unlike the most recent years of higher payouts, this year’s incentive awards are up across all sectors on Wall Street.”

Johnson Associates third quarter compensation analysis shows that year-end incentives, which include cash bonuses and equity awards, will increase an average 10 to 15 percent over 2005. Last year, incentives increased an average 5 to 10 percent. The biggest winners will again be investment bankers, followed by professionals in the equities and prime brokerage markets. Mr. Johnson noted that a few investment banks performed extraordinarily well this year, which will result in “eye-popping” incentives for some Wall Street professionals.

**Compensation Consultants**

<b>Business Area</b>	<b>Percent Increase from 2005</b>
Asset Management	10- 15 percent
Senior Firm Management	10 - 15 percent
Corporate Staff	10 - 15 percent
High Net Worth	10 -15 percent
Fixed Income	10 percent
Commercial Banking	10 percent
Retail Banking	5 - 10 percent

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 industry and specific data from nine of the nation's largest investment and commercial banks and six of the largest asset management firms.

Johnson noted that Wall Street compensation has been increasing steadily since 2003, following declines in both 2001 and 2002. For example, an average managing director at an investment bank should earn about \$1.5 million in incentives this year, compared with \$1.2 million last year. Investment bankers have finally reached the market's peak achieved in 2000.

"Looking ahead to 2007, we expect most firms to accelerate their hiring plans with headcount to increase at least five percent next year," says Johnson. "The business environment looks solid and barring any economic decline, we expect next year's bonuses will be up sharply once again."

Other findings from the analysis include:

- Wall Street firms accelerated their staffing levels in 2006 making up for the last several years when staffing remained relatively flat. There was a major focus on hiring "high-end" talent.

- Companies will make heavy use of restricted stock this year as they begin to comply with the new stock option expensing rule. Stock options, however, will gradually return to Wall Street over the next three years.
- Increased attention on compensation levels and overall plan design in the alternative asset sector which includes hedge funds, private equity, venture capital, fund-of-funds and real-estate funds.
- International markets have become key business drivers and have helped fuel the growth in bonus pools.

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.