



Introduction

This survey has been produced for both candidates and clients alike. For clients, it goes without saying that income and expenditure planning including cost of sales projections need to be accurate in order to reliably forecast performance. In putting together this comprehensive salary information with accompanying commentary, BSharpe has produced an accurate set of figures that can be incorporated into any sector relevant salary forecast, to cover the period December 2005 - December 2006. This also forms the basis of what a candidate can reasonably expect to earn up until that period. Some banks and building societies will be looking at the next twelve months budgets and candidates will be reviewing their own salary expectations.

The previous BSharpe salary surveys have focused on splitting out salaries according to the length of experience gained within any one discipline. This year due to popular demand we have included a basic salary range that provides both employer and employee an insight into what they can realistically expect to pay and earn. We have also broadened the survey to include on target earnings (OTE) and bonus potential for retail sales network staff.

This 2006 edition exceeds all previous salary surveys and remains the industry's foremost salary reference guide. Based on our experience of the market we have also included the trends that we predict for the next twelve months.

Comprehensive Survey

As BSharpe deal with a real cross-section of the market, it is prudent to conclude that these results are both comprehensive and an accurate assessment of how current salary markers stand and how they will develop over the forthcoming year.

Trends

Since BSharpe launched its first salary survey, some interesting trends have emerged.

General

The banking sector has never been so competitive. Standards have increased, there have been some major merger and acquisitions activity, and the customer has once again been placed at the centre of all decisions.

Significantly we have seen regulation on mortgage lending take its effect, a complete rethink about deployment of staff and a rationalisation of cost bases across the sector. We have even witnessed the major players entering into auctions over potential staff, scenes never witnessed before, with counter-offers in abundance. The positive impact of all of this, is that quality now reigns high on the

agenda and that a better standard of applicant will succeed in embarking on a career within the sector. Though, in the short-term this may feel painful, quality will eventually feed through to sales.

With competition tough, we are, in certain areas reaching the same stage of 'critical shortage' that has been witnessed in other financial sectors. Often, the competition for key personnel when it reaches this point is such that 'golden hellos' are entertained. Though it is unlikely to happen in the immediate future, we predict that this will become common place by 2007/8.

Branch Management

There is a growing demand in this area for fresh blood from outside the sector. This realisation stems from the belief that the key skills necessary to manage effectively in a face to face environment, are cross-transferable across a multitude of industries and that fresh blood often equates to fresh ideas. For the purpose of this survey we have included four bandings that denote different branch sizes. Though most salary bands are quite broad, it goes without saying that the crème de la crème will always command the top quartile. 2006 shows no sign of bucking 2005's trend.

Premium Management

The growth of the premium market has placed unprecedented pressure on the banks to locate and lock in strong high net worth solution providers. The skills shortage in this area is no more evident than it is now. The ever increasing range of products means that previous sector experience is almost certainly essential. The next twelve months will see more competition for candidates in this arena and will see larger than average increases in basic packages. As more non-traditional lenders enter the premium market this area will be one of the main beneficiaries of rises above the sector trend.

Relationship Management

There is huge drive across the sector to retain customers, which has in turn raised the profile of the Relationship Manager. A proven track record of building strong rapport and a good working knowledge of banking products mean that to attract the staff, the salary on offer generally has to be an improvement on current terms. However, because the profile has only recently risen, the financial expectations have yet to follow. The salary package for 2006 will be on a par with 2005.

Hunter – Business Development

2005 witnessed a slow down in staff-flow in the business sector as a general. A lot of the banks, with the exception of a few, are wise to new bonus and commission structures to tie in good sales staff. We have also witnessed that the sector as a whole has become more reliant on their own corporate branding and web presence to attract candidates and have also seen that search and selection has been used as a proactive way of attracting new staff, as the traditional agency route has failed. Sadly 2006

will see a continuation in this trend with base-line salaries rising above the norm.

Sales – Regulated

Mortgage Sales

Prior to 'M-Day' basic salary spreads were a lot more erratic with no great consistency across the board. Since 'M-Day' salaries have tended to be more competitive but within smaller bandings. This is due mainly to regulation rooting out the 'dead wood' in the industry, resulting in less people working in the sector. The net result of this, twelve months down the line, has been a tip in the supply-demand barometer. Whereas once supply outstripped demand the reverse has set in, opening up an acute skills shortage. This is consistent across the board and now employers are chasing a higher calibre of professionals resulting in an upward trend on general packages.

Financial Advising

Good financial advisors with a proven track record are now hard to find. The ones that are successful tend to be tied in via contractual bonus 'bolts'. To attract new blood it is commonplace to ensure a quick flow of commission funds at the early stages of employment, with some institutions offering a higher basic salary until the sales base yield grows to above a certain level, after which point the basic is reduced. 2006 will see a significant increase in basic package terms and also additional cash incentives to achieve the higher end.

Sales – Unregulated

Customer Advising

The market pressure to drive up the quality of regulated written business has also had a domino affect on non-regulated sales professionals. Whereas once many employers were willing to take on staff purely based on ability, the market is a lot more focused and most institutions require people with previous face to face sales experience gained with the financial sector. There are exceptions to this rule at the junior end. Customer service remuneration packages have held steady for 2005 and will continue to do so through 2006, rising 2 percent or so above inflation.

Salary Survey 2006

Position	Basic Salary		Commission		Bonus		OTE	
	From £	To £	From £	To £	From £	To £	From £	To £
Regional Manager - Retail*	55,000	75,000	–	–	9,000	15,000	64,000	90,000
Area Manager*	40,000	60,000	–	–	6,000	18,000	46,000	78,000
Branch Manager - Category 1*	30,000	48,000	–	–	5,000	15,000	35,000	63,000
Branch Manager - Category 2	25,000	38,000	–	–	4,000	12,000	29,000	50,000
Branch Manager - Category 3	20,000	33,000	–	–	3,000	10,000	23,000	43,000
Branch Manager - Category 4	18,000	28,000	–	–	3,000	9,000	21,000	37,000
Deputy Branch Manager - Category 1	23,000	34,000	–	–	4,000	7,000	27,000	41,000
Deputy Branch Manager - Category 2	19,000	29,000	–	–	3,000	6,000	22,000	35,000
Senior Relationship Manager	27,000	34,000	–	–	5,000	9,000	32,000	43,000
Relationship Manager	20,000	29,000	–	–	3,000	8,000	23,000	37,000
Premium Advisor	13,000	18,000	–	–	2,000	5,000	15,000	23,000
Area Manager - Business*	35,000	53,000	–	–	7,000	14,000	42,000	67,000
Hunter - Business Development Manager*	25,000	43,000	–	–	4,000	13,000	29,000	56,000
Business Advisor	13,000	20,000	–	–	2,000	4,000	15,000	24,000
Business Sales Support	10,000	15,000	–	–	1,000	2,000	11,000	17,000
Mortgage Advisor	18,000	30,000	–	–	4,000	18,000	50,000+	
Financial Planning Manager*	27,000	34,000	–	–	4,000	16,000	50,000+	
Branch Customer Advisor	15,000	20,000	–	–	3,000	6,000	18,000	26,000
Cashier	11,000	22,000	–	–	2,000	4,000	13,000	26,000

Category 1 - 40 staff

Category 2 - 15 / 30 staff

Category 3 - 5/15 staff

Category 4 - Up to 8 staff

* Company **car** or car allowance, which is between £300 pcm and £700pcm (£3600 to £8400 p.a.)

All figures are rounded up to the next £1000

In this report there is a clear distinction between bonus and commission:

Bonus relates to a combination of company performance, individual financial and non-financial (KPIs) performance.

Commission relates to a structure put in place that is exclusively linked to sales performance.

The above salary spreads relate to basic salary only and do not include **town allowances**.