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2012 Salary Budget Planning

December 2011

In McLagan's 2012 Salary Budget Planning Flash Survey, participants were asked if they planned to give salary increases in 2012. If so, participants were asked to provide the budgeted percentage increase and indicate if it is greater than, less than, or the same as 2011.

Responses are broken out by three employee levels:

- Executive Employees
- Exempt Employees (Salaried)
- Non-Exempt Employees (Hourly)

Total participants – 67 organizations participated in our Salary Budget Planning survey in November 2011. Public and private banks throughout the country were represented, with assets ranging from under \$500 million to over \$15 billion; the median asset size was \$1.5 billion.

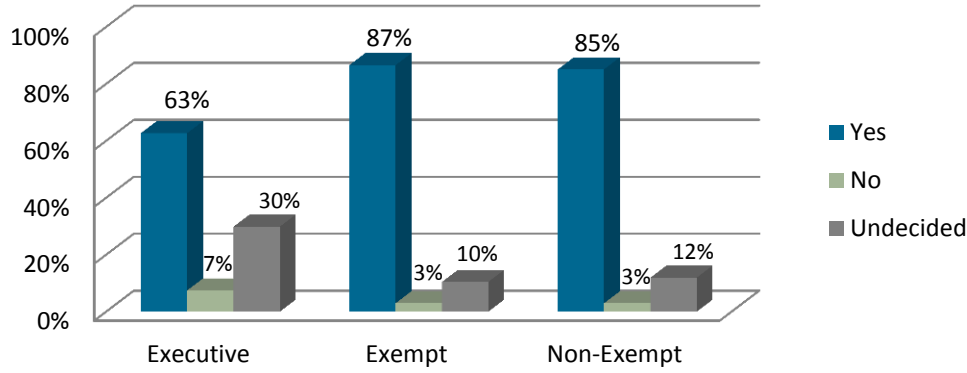
SUMMARY OF RESULTS

Similar to our 2011 Flash Survey, this year's survey found that the majority of banks are planning to give base salary increases next year.

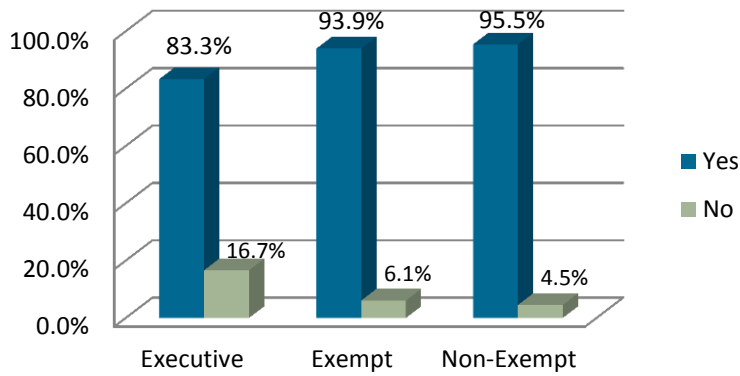
Average Planned 2012 Salary Increases:

- Executive – 3.07%
 - Exempt Employees – 2.69%
 - Non-Exempt Employees – 2.65%
- Most exempt and non-exempt employees are likely to receive an increase, with only 3% of respondents indicating no increase.
 - More banks (30%) were undecided on executive level increases compared to exempt and non-exempt decisions. Sixty-three percent (63%) confirmed planned 2012 increases in executive salaries.
 - Of the banks planning to increase base salaries in 2012, the majority of increases (approximately two-thirds) will remain the same as 2011 increase levels.
 - Private banks reported higher levels of planned increases compared to public banks.
 - In general, higher levels of increases are planned at banks with lower asset sizes.

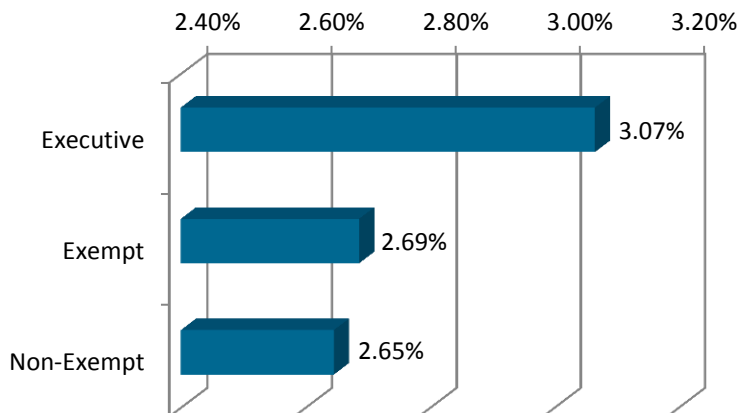
Prevalence of Banks Planning Salary Increases in 2012



Prevalence of Banks Providing Salary Increases in 2011

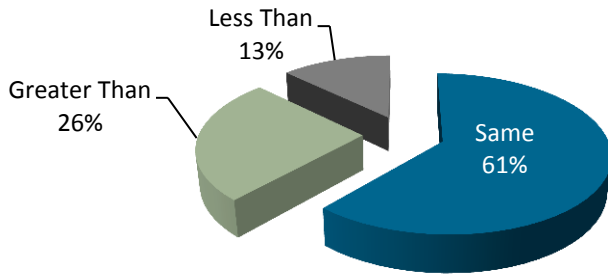


Planned 2012 Salary Increases by Position Level

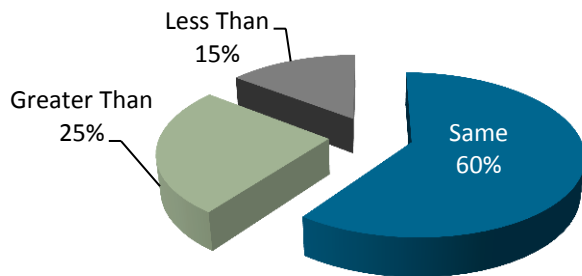


Comparative Increases – 2011 to 2012

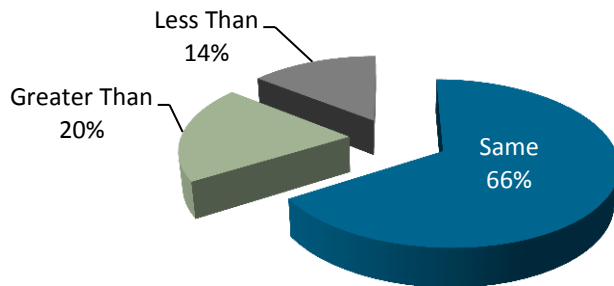
Executive - 2012 Salary Increase Compared to 2011



Exempt - 2012 Salary Increase Compared to 2011

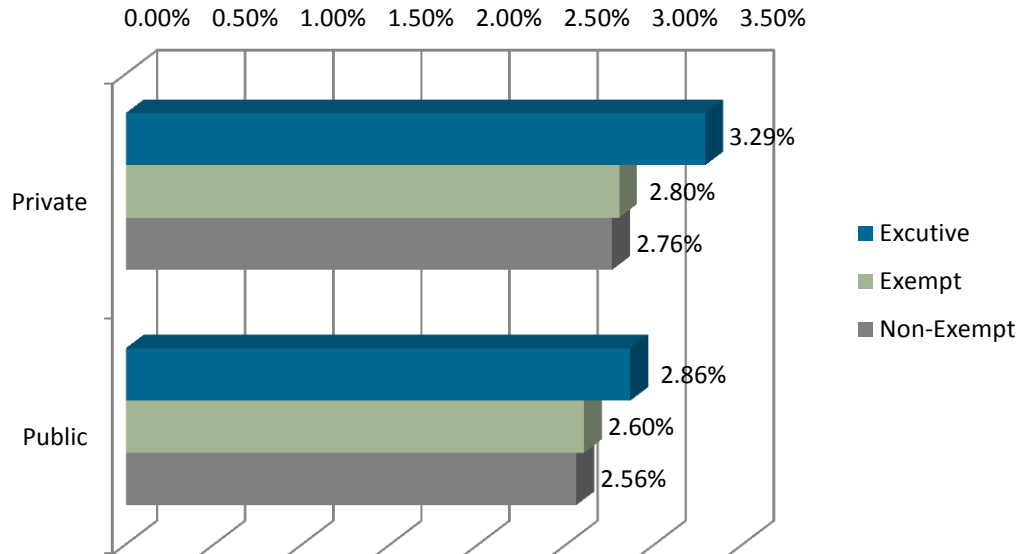


Non - Exempt - 2012 Salary Increase Compared to 2011



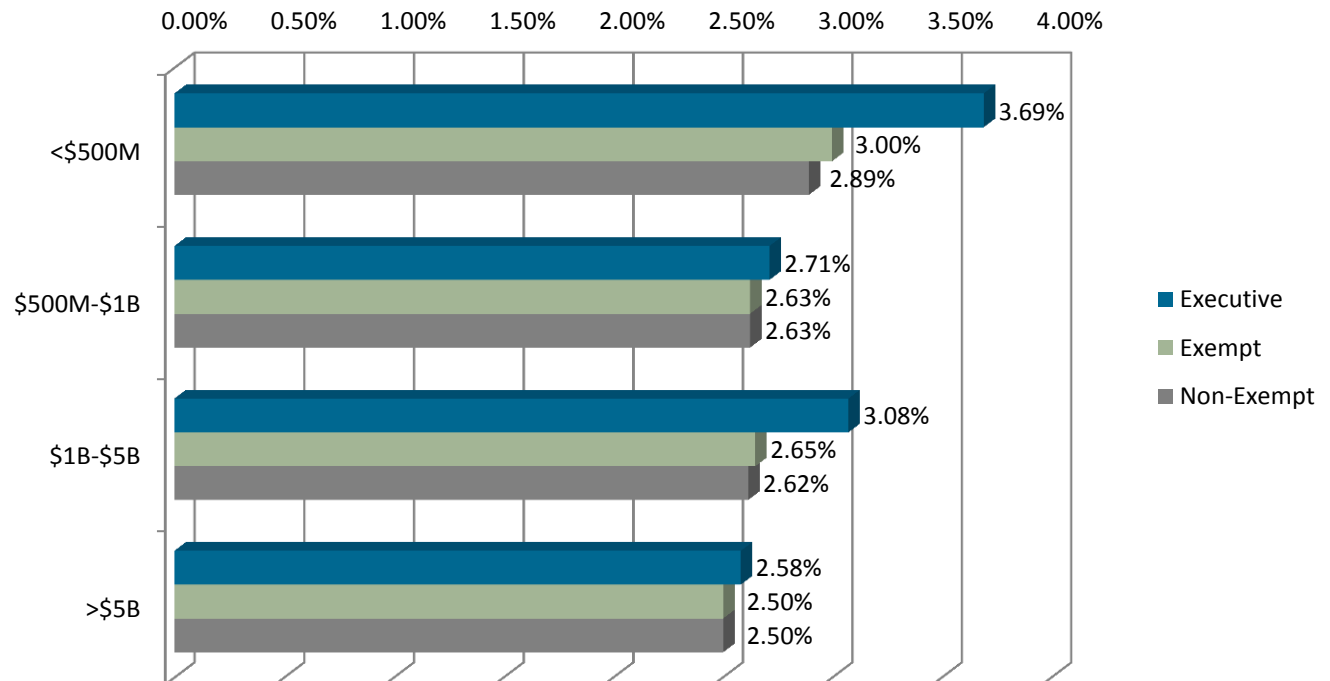
2012 Planned Salary Increases – Private vs. Public Banks

(Survey Participants: Private = 26, Public = 41)



2012 Planned Salary Increases – Asset Ranges

(Survey Participants: <\$500M = 17, \$500M-\$1B = 10, \$1B-\$5B = 18, >\$5B = 22)



Contacting McLagan

This publication is provided by McLagan as a service to clients and the banking community. The information contained in this publication is not to be considered as a formal opinion on legal, accounting, or actuarial issues. Questions regarding the information discussed in this publication may be directed to Kara Anderson. If you have not received this publication directly from us, you may obtain a copy of any past or future related publications from Sean Bateman (952.806.6368; sean.bateman@mclagan.com).

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