

Madrid, October 2007



Comparative Analysis of Salaries in Investment Banking in Spain

CONTENTS:

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- 1 Executive Summary
- 2 Study Results
- 3 Conclusions
- 4 The Firm

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1 Executive Summary

OBJECTIVE (I):

As in previous editions, this document intends to show the actual situation of Investment Banking in Spain by analyzing the salary ranges of various executive positions and make comparisons with the same data collected in 2006.

To complete the study, the largest international banks, Spanish banks, and boutiques of M&A were analyzed.

The collected data corresponds to the salaries of Managing Directors, Directors, Vice Presidents and Associates of these entities. We analyzed the fixed and variable salaries as well as the fringe benefits for each of these executive positions.

1 Executive Summary

OBJECTIVE (II):

Our study once again collects not only the comparative results of the monetary retribution, but also includes intangible elements of the non-monetary retribution such as:

- Restaurant Tickets
- Car Financing
- Other (i.e. monthly gym membership, parking, social clubs, etc.)
- Pension Plans
- Stock Options
- Health Insurance
- Life Insurance

1 Executive Summary

OBJECTIVE (III):

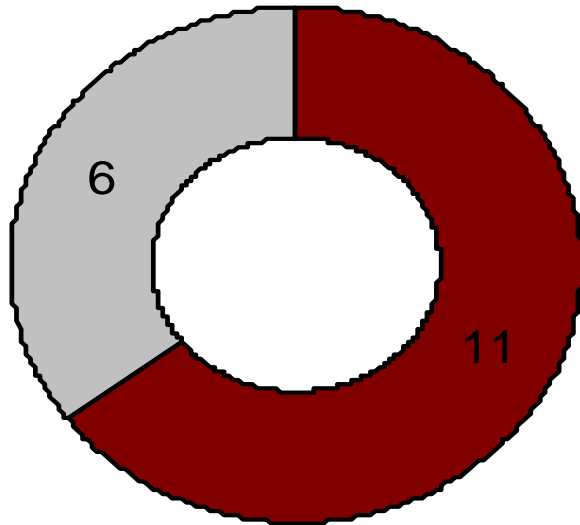
National and International Institutions based in Madrid.

Leveraged & Acquisition Finance
(17 institutions)

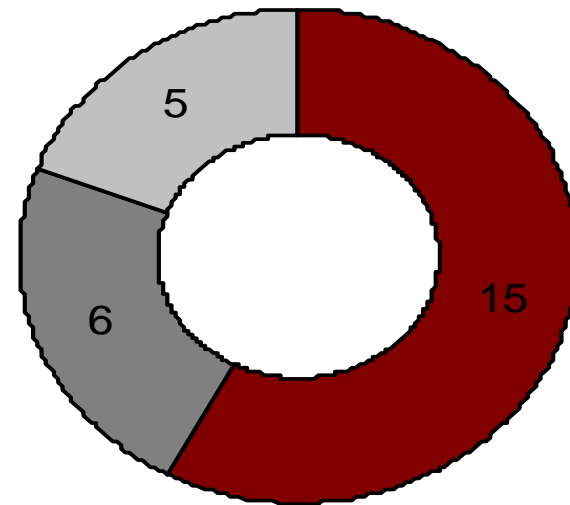
Mergers & Acquisitions
(26 institutions)

Aprox. 6 professionals per professional category and per Institution

Aprox. 10 professionals, per professional category and per Institution



■ Foreign Banks ■ Spanish Banks



■ Foreign Banks ■ Spanish Banks ■ Boutiques

1 Executive Summary

PROFESSIONAL CATEGORIES

Leveraged Finance/ M & A

Market category

Managing Director

Executive Director
Director

Vice President
Associate Director
Sub-director

Associate
Analyst



Study category

Managing Director

Director

Vice President

Associate

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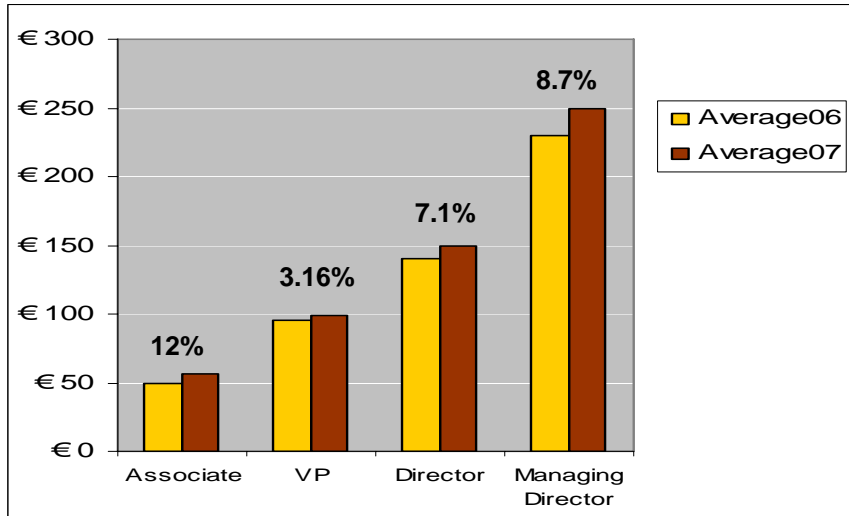
2 Study Results

Salary Structure in Leveraged & Acquisition Finance

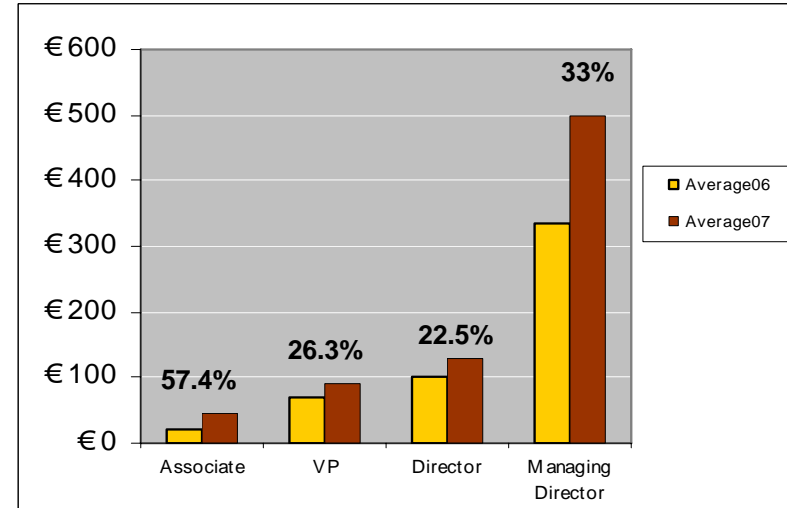
Category	Fixed			Variable			Total
	Minimum	Average	Maximum	Minimum	Average	Maximum	AVERAGE TOTAL
In Thousands							
Associate	€ 45	€ 56	€ 70	€ 18	€ 47	€ 71	€ 103
Vice President	€ 65	€ 98	€ 150	€ 40	€ 95	€ 150	€ 193
Director	€ 100	€ 150	€ 200	€ 90	€ 129	€ 200	€ 279
Managing Director	€ 170	€ 250	€ + 300	€ 185	+ 2 times	+ 2,5 times	+ € 500

2 Study Results: Comparison to LF

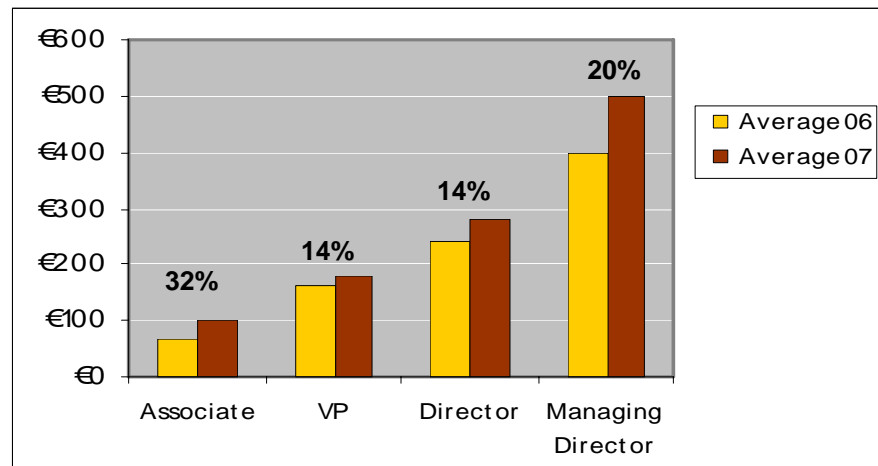
Fixed Salary Growth



Variable Salary Growth



Total Growth (Fixed + Variable)



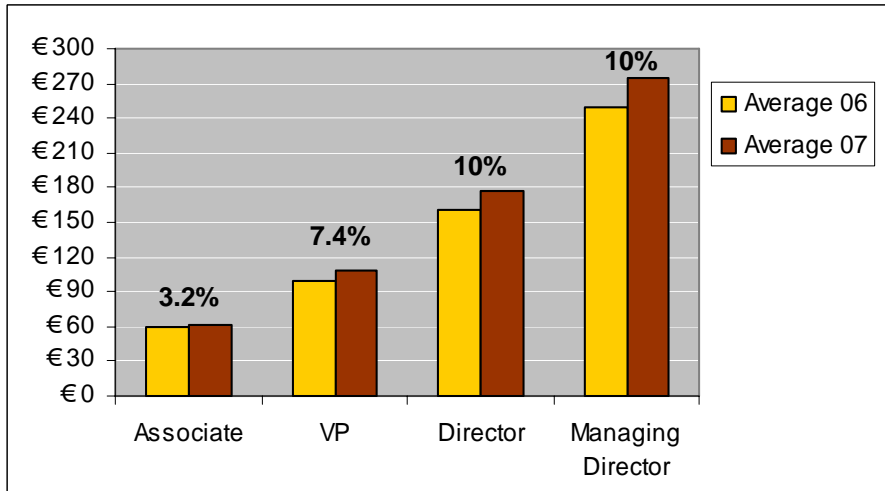
2 Study Results

Salary Structure in M & A

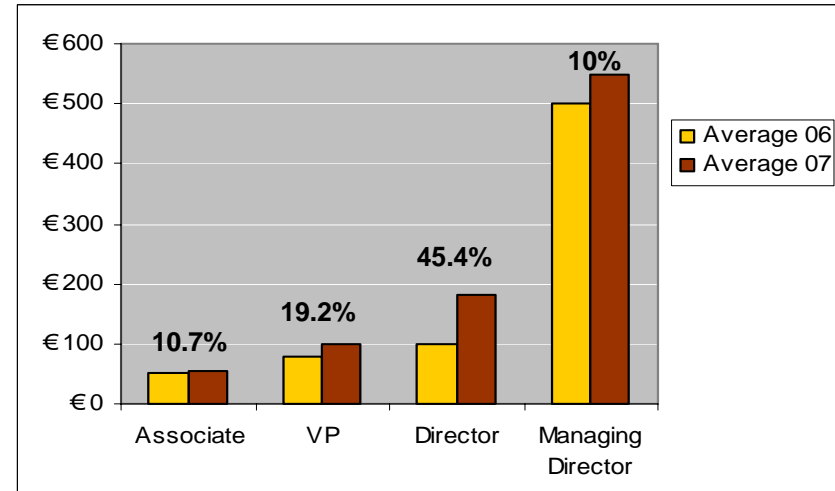
Category	Fixed			Variable			Total
	Minimum	Average	Maximum	Minimum	Average	Maximum	AVERAGE TOTAL
In Thousands							
Associate	€ 45	€ 60	€ 80	€ 25	€ 52	€ 82	€ 112
Vice President	€ 85	€ 108	€ 150	€ 55	€ 99	€ 200	€ 207
Director	€ 125	€ 178	€ 250	€ 90	€ 183	€ 300	€ 361
Managing Director	€ 190	€ 275	€ + 380	€ 250	+ 2 times	+ 3 times	€ 725

2 Study Results: Comparison in M&A

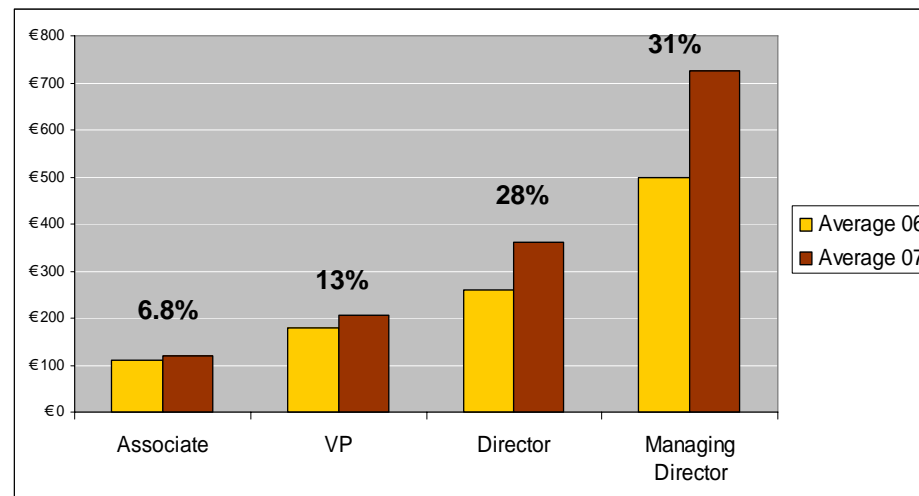
Fixed Salary Growth



Variable Salary Growth



Total Growth (Fixed + Variable)



2 Study Results

Other characteristics in the remuneration policy...

95 % of the companies that were analyzed use social benefits as a means of compensation.

	LIFE INSURANCE	MEDICAL INSURANCE	RESTAURANT TICKETS	COMPANY CAR	PENSION PLANS	OTHER (Mobile Phone, Parking)
Managing Director	95%	98%	0%	65%	70%	100%
Director	77%	80%	9%	23%	15%	90%
Vice President	65%	72%	12%	5%	6%	85%
Associate	25%	85%	17%	0%	0%	55%

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3 Conclusions

- In Leveraged & Acquisition Finance, there was a significant salary increase in all categories. This increase was significantly noticeable in the total compensation (fixed + variable) of the Associates (32%).
- In M&A, there also were some salary increases in comparison to 2006, with the largest variation shown in the Managing Director position (31%).
- More often, companies are using fringe benefits as non-monetary remuneration (95%). It should be highlighted that this type of compensation has acquired importance in junior positions.
- The continuing strength of the Investment Banking sector has provoked a strong demand for talent of the principal players, and consequently a retribution increase for all professional categories.

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4 The Firm

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4 The Firm – Worldwide Offices





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