

{ CASH AND LIQUIDITY MANAGEMENT }



BANK DIRECTORS ARE PAID MOST IN SINGAPORE

➤ Asia is home to the world's highest paid banking directors, research suggests.

According to salary benchmarking site Emolument.com, front-office directors at banks in Singapore earn average base salaries of \$255,000, with a bonus of \$281,000 on top, taking their total compensation up to \$536,000. Meanwhile, bankers in the city-state also have the largest bonuses as a share of their base salary, with this amounting to 110%.

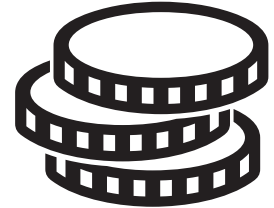
Bankers in Hong Kong are also well remunerated, with directors securing average base salaries of \$271,000 and bonuses of \$256,000, bringing their packages to \$527,000. In Sydney, banking directors typically earn \$487,000, with basic pay comprising \$272,000 of the total.

Unsurprisingly, bank directors in London are better paid than their European counterparts. They earn \$475,000 on average with base pay constituting some \$252,000 of the total and a bonus the remaining \$223,000. Bonuses are typically 88% of base salary in the UK capital.

Zürich and Paris pay bank directors similar sums of \$353,000 and \$351,000 respectively. But in Zürich, reward is much more skewed towards basic salary since bonuses are just 43% of base pay. In contrast, bonuses are 91% of base salary in Paris. Amsterdam pays modestly compared with other European cities, with bank directors based there taking home packages of \$239,000.

Bank directors who work in New York enjoy average total compensation of \$466,000, made up of a basic salary of \$226,000 and a bonus of \$240,000.

Robert Benson, CEO of Emolument.com, said: "With recent European tax-rate changes and bonus-cap rules due to be implemented, Asia and the Middle East attract bankers looking for strong financial incentives."



{ HIGHLIGHTS OF RESEARCH BY EMOLUMENT.COM INTO THE SALARIES OF GLOBAL BANK DIRECTORS }

43% the bonus as a percentage of a bank director's base pay in Zürich

\$47,000 total bonus for a bank director in Amsterdam, 24% of base salary

106% the average bonus as a percentage of base salary for a bank director working in New York

\$536,000 total compensation package for a front-office director in a bank in Singapore

\$372,000 the combined salary and bonus package typically earned by a bank director in Dubai

\$167,000 a bank director's basic pay in Milan

{ AROUND THE WORLD IN 30 DAYS }

IRAN, KAZAKHSTAN AND THE FINANCIAL TRANSACTION TAX

Iranian economy recovers
The Iranian economy will return to growth in 2014, Business Monitor has predicted. In a research report, the analyst said that the country's improved relations with the West and better macroeconomic management would lead to "an improved outlook for exports and increased business and consumer confidence". Nevertheless, it predicted that Iran's currency, the rial, would remain "volatile in open-market transactions" over the coming quarters. Business Monitor expects the Iranian economy to expand by 2.8% in 2014.

Tenge is devalued
Last month, Kazakhstan's central bank announced that it would allow its national currency,

the tenge, to depreciate by around 19% against the dollar. This move was prompted by a reduction in quantitative easing in the US and the fall of the Russian ruble. The currency was last devalued in February 2009 at the height of the financial crisis. FTSE-listed miner Kazakhmys saw its share price surge 30% at the news since devaluation will reduce its local costs. But Kazakh citizens were less impressed and took to the streets in protest.

FTT row rumbles on
Eleven eurozone nations are pressing ahead with plans to introduce a financial transaction tax (FTT). At a joint press conference last month, French president François

Hollande and German chancellor Angela Merkel said they wanted to make progress with the FTT before the European parliamentary elections in May. But the proposals to apply a levy to derivative contracts and the exchange of shares and bonds are controversial. The UK has challenged the legal basis of the FTT and a recent report from consultancy London Economics found that Germany could lose up to €150bn in savings as a result of the tax.



GOOD MONTH: RIO TINTO

Rio Tinto proved it had bounced back from a difficult period in 2013 when it unveiled full-year net profits of \$3.7bn last month. The result reversed the \$3bn loss that the mining giant reported last year after it was forced to write down the value of its Canadian aluminium business and its coal-mining operations in Mozambique to the tune of \$14bn. In the year since he took over as CEO, Sam Walsh has helped Rio Tinto to shave 18% off its net debt, reducing it to \$18.1bn. Healthy profits meant that shareholders were rewarded with a 15% increase in the dividend payment to \$1.92 per share, exceeding analysts' expectations. "These strong results reflect the progress we are making to transform our business," Walsh said in a statement.

BAD MONTH: FORWARD GUIDANCE

The UK economy seems determined to make a fool out of Bank of England governor Mark Carney. Ever since he launched his much-touted 'forward guidance' policy last August, vowing that interest rates would stay low until unemployment has fallen below a 7% threshold, the economy has steadily gained momentum, hiring has picked up and house prices have surged. Last month, with unemployment starting to hover uncomfortably close to the threshold, Carney was forced to revamp his policy so that the central bank can take into account a broad range of factors besides unemployment when contemplating a rate rise. But he still maintained that forward guidance was working. "Expected interest rates have remained low even as the economy has recovered strongly and, most importantly, UK businesses have understood the message," he said.

{ INSIGHT }

GREECE IS BACK IN SURPLUS

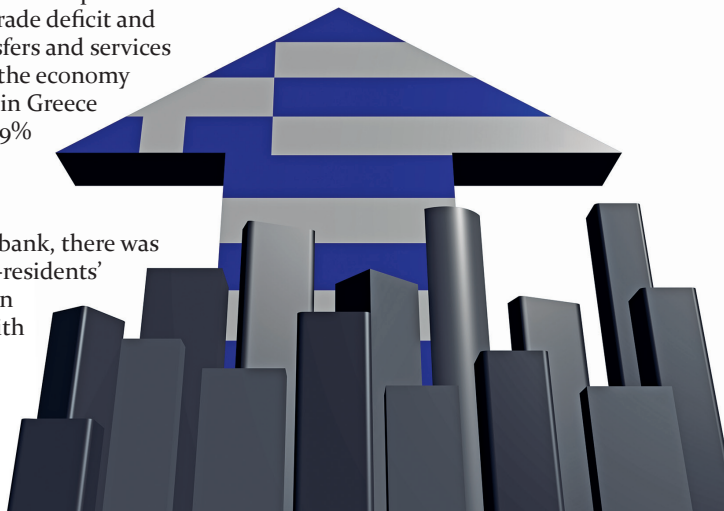
> Greece surprised commentators last month by announcing that it had posted a current account surplus of €1.2bn for 2013.

It is the first time that Greece has achieved a surplus since records began in 1946. The Bank of Greece attributed the development to "a significant decline in the trade deficit and increases in the current transfers and services surpluses". Tourism boosted the economy in 2013, with travel spending in Greece by non-residents growing 14.9% year-on-year.

Foreign investment into Greece also appears to be increasing. According to the bank, there was a net inflow of €1.2bn of non-residents' direct investment in Greece in December 2013, compared with €555m a year previously.

Nevertheless, the Greek unemployment rate reached a record high of 28% in November 2013, up from

11.8% in April 2010, which was before the country was first bailed out by the EU and the International Monetary Fund. Greece's economy has shrunk by a quarter over the past four years.



CHAPS TURNS 30

> CHAPS, the UK's high-value, same-day payment system, marked its 30th anniversary last month. In 2013, it was processing payments with an average daily total value of £277bn and volume of 138,000 payments. While the vast majority of CHAPS payments are for high-value transfers between banks and large corporates, consumers commonly use the system when they buy houses. In 2012/13 the average payment value via CHAPS was £2.1m, but 78% of payments were below £100,000. CHAPS' highest ever settlement figure in one day was £446bn on 28 September 2007, during the early part of the financial crisis.



'VIRTUAL RING OF STEEL' TO CIRCLE CITY

> The British Bankers' Association (BBA) is working with the City of London Police to create a "virtual ring of steel" around the UK's financial capital.

Under an agreement between the BBA and the City of London Police, thousands of bankers will get police training each year in how to spot scams and protect customers' cash.

The agreement comes after banks and the police collaborated to prevent fraudsters and cybercriminals from stealing £173.9m from bank customers over the last nine months of 2013.

Together they identified 20,000 bank accounts that were at risk of or actually being used to acquire money from victims between 1 April and 31 December 2013.

Commenting on the agreement, City of London police commissioner Adrian Leppard said: "Over the past 175 years, we have learned that the best way to keep the City streets safe is by standing shoulder to shoulder with those who live or work in the Square Mile."