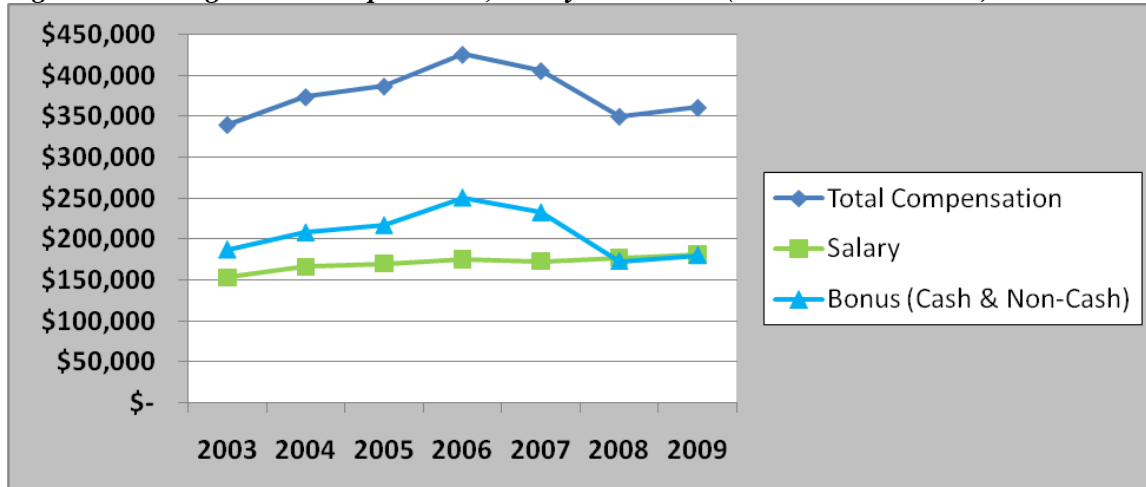


Executive Summary

The **2010 Risk Talent Associates Professional Compensation Survey – Capital Markets** reveals that total compensation for risk professionals in the capital markets was on the rebound in 2009, returning to levels between 2003 and 2004 after steady declines in 2007 and 2008. Between 2008 and 2009, total compensation increased by 3%, following the sobering 12% decrease between 2007 and 2008 that reflected the impact of the credit crisis and early parts of the recession. Between 2008 and 2009, salaries grew by 2% and bonuses by 4%. These modest gains show that employers are generally willing to compensate risk professionals by pre-recessionary standards even though bonuses are not as robust as those typical of the industry historically. Although bonuses are rising again, the numbers are on a lower growth trajectory than in the past. The percentage of respondents who reported receiving a bonus in 2009 was 88%, compared to 79% reported in 2008.

Figure 1: Average Total Compensation, Salary and Bonus (Cash and Non-Cash) 2003-2009



Source: Risk Talent Associates Salary Survey (published between 2004 and 2010). All figures in US Dollars.

This return to positive growth in compensation has allowed more respondents to consider staying in their current jobs in the next two years. The percentage of respondents who expect to change jobs in the next two years fell from 32% in last year’s survey to 25% in this year’s survey. To fill new risk management roles, 91% leverage internal recruiting, corporate staffing or human resources, 54% leverage retained search firms, 46% use contingency recruiting firms and 51% utilize job boards. The only change from last year was a decreased use in retained search.

Over 400 risk professionals in the capital markets participated in this year’s risk salary survey, representing commercial banks (41%), investment banks (36%), foreign-owned banks (6%), government sponsored entities (9%), credit card (2%), mortgage brokers and lenders (5%) and foreign exchange (2%). Risk Talent Associates, an executive search firm focused on risk management, will publish additional survey updates in 2010 including asset management, software, consulting, energy and corporate. All surveys analyze compensation trends by years of experience and title, industry segment, risk focus, geography and size of company.

Survey Analysis

Rebound is the Strongest for Junior and Mid-level Risk Managers

The survey validates that the rebound in total compensation is strongest for junior and mid-level risk managers in terms of years of experience and titles. Risk professionals who received the highest increases in total compensation are those with 7-10 years of experience at a growth rate of almost 13%, compared to approximately 6.5% for those with 0-6 and 11-15 years of experience. Risk professionals with more than 16 years of experience, which includes 38% of survey participants, continued to see slight declines of 1% in total compensation.

Figure 2: Average Total Compensation, Salary and Bonus by Years of Experience (in USD)

	% of Total	Total Comp		Salary		Bonus - Cash		Bonus - Non-Cash	
		2008	2009	2008	2009	2008	2009	2008	2009
0-6 years	13%	\$ 171,000	\$ 183,000	\$ 114,000	\$ 118,000	\$ 38,000	\$ 41,000	\$ 19,000	\$ 24,000
7-10 years	21%	\$ 258,000	\$ 291,000	\$ 150,000	\$ 152,000	\$ 72,000	\$ 81,000	\$ 36,000	\$ 58,000
11-15 years	27%	\$ 305,000	\$ 326,000	\$ 166,000	\$ 174,000	\$ 80,000	\$ 78,000	\$ 59,000	\$ 74,000
16+ years	38%	\$ 475,000	\$ 470,000	\$ 222,000	\$ 225,000	\$ 119,000	\$ 128,000	\$ 134,000	\$ 117,000

Source: Risk Talent Associates Salary Survey 2010. All figures in US Dollars and rounded to nearest thousand.

The survey results by title reveal that growth in total compensation is strongest for the titles of Senior Associate/Manager and Director, but negative for Senior Vice President and Chief Risk Officer. In surveys prior to 2008, total compensation for Managing Director exceeded \$800,000 and total compensation for Chief Risk Officers topped \$1 million. This year's survey puts the average total compensation in the \$600,000 and \$850,000 range for Managing Directors and Chief Risk Officers respectively. However, there is a significant deviation from the average for Chief Risk Officers employed by investment banks, who average more than \$2 million in total compensation compared to their counterparts at commercial bank and foreign-owned banks also represented in the survey.

Figure 3: Average Total Compensation, Salary and Bonus by Title (USD)

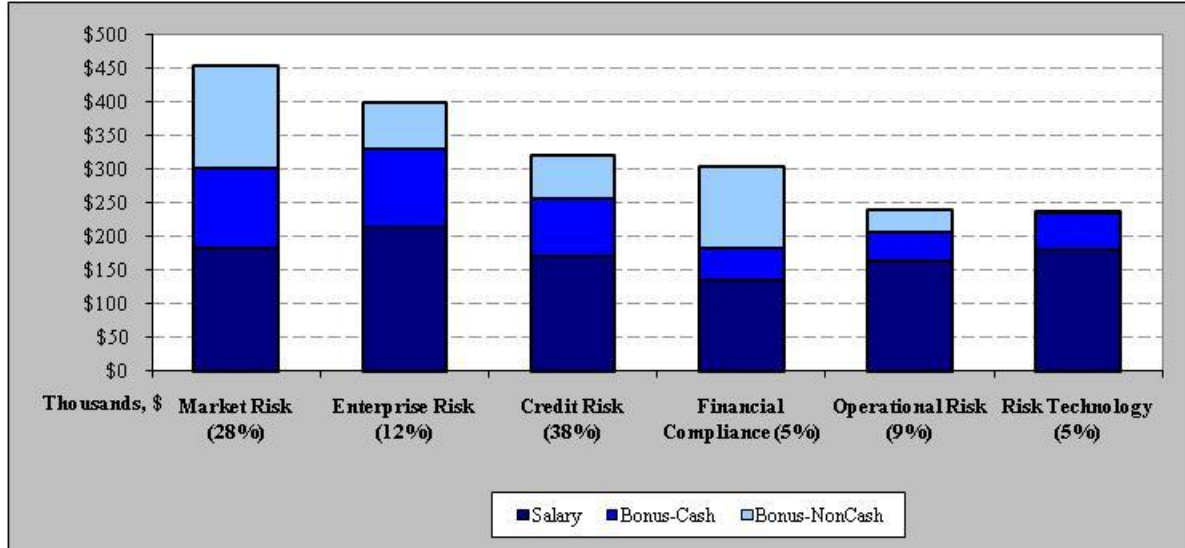
	% of Total	Total Comp		Salary		Bonus - Cash		Bonus - Non-Cash	
		2008	2009	2008	2009	2008	2009	2008	2009
Analyst/Associate	6%	\$ 116,000	\$ 120,704	\$ 93,000	\$ 93,704	\$ 20,000	\$ 20,000	\$ 3,000	\$ 7,000
Sr Assoc/Manager	12%	\$ 138,000	\$ 167,300	\$ 116,000	\$ 128,300	\$ 11,000	\$ 27,000	\$ 11,000	\$ 12,000
Vice President	23%	\$ 217,000	\$ 227,418	\$ 144,000	\$ 143,418	\$ 49,000	\$ 54,000	\$ 24,000	\$ 30,000
Director	23%	\$ 300,000	\$ 340,052	\$ 185,000	\$ 195,052	\$ 81,000	\$ 83,000	\$ 34,000	\$ 62,000
Senior VP	15%	\$ 344,000	\$ 334,790	\$ 183,000	\$ 188,790	\$ 80,000	\$ 81,000	\$ 81,000	\$ 65,000
Managing Director	12%	\$ 552,000	\$ 574,000	\$ 276,000	\$ 275,000	\$ 166,000	\$ 181,000	\$ 110,000	\$ 118,000
Chief Risk Officer	6%	\$ 861,000	\$ 851,000	\$ 273,000	\$ 268,000	\$ 279,000	\$ 288,000	\$ 309,000	\$ 295,000

Source: Risk Talent Associates Salary Survey 2010. All figures in US Dollars and rounded to nearest thousand.

Market Risk Professionals Top Capital Markets Total Compensation

Market and enterprise risk professionals receive higher total compensation than those focused exclusively on credit risk, financial compliance, operational risk and risk technology, in that order. These differences are still driven by more substantial cash and non-cash bonuses for those in enterprise, credit and market risk, as well as financial compliance.

Figure 4: 2009 Average Salary and Bonus by Risk Type (USD)

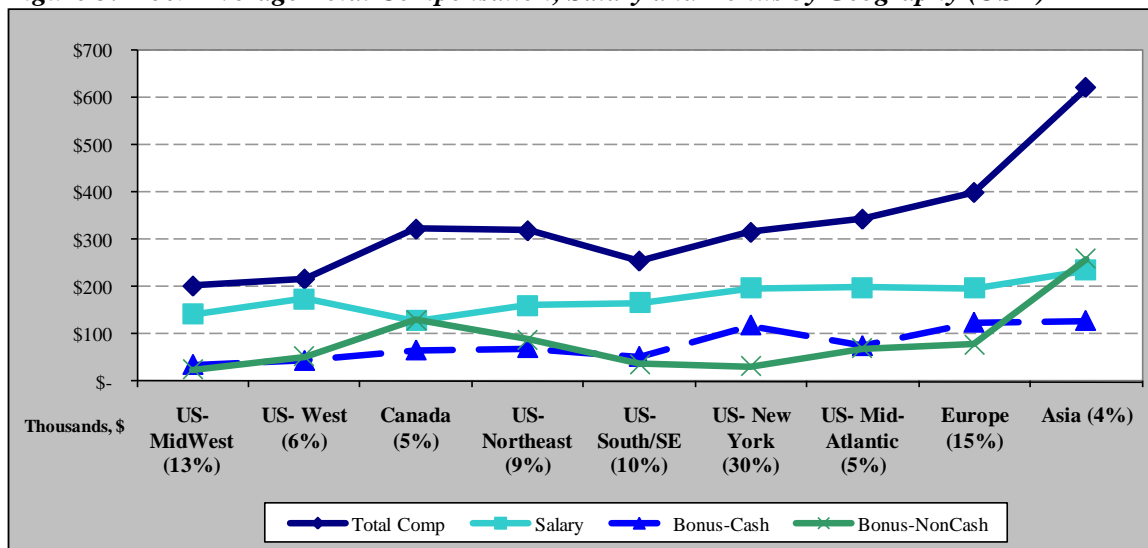


Source: Risk Talent Associates Salary Survey 2010. All figures in US Dollars and rounded to nearest thousand.

Professionals Based in New York and Mid-Atlantic Earn Top Compensation in U.S.

As in past surveys, risk managers based in Europe, Asia and New York command greater total compensation than in other regions. In a departure from previous surveys, the US Mid-Atlantic also demonstrates higher compensation as a region putting it on top with New York for the U.S.

Figure 5: 2009 Average Total Compensation, Salary and Bonus by Geography (USD)



Source: Risk Talent Associates Salary Survey 2010. All figures in US Dollars and rounded to nearest thousand.

Survey Methodology

The **2010 Risk Talent Associates Professional Compensation Survey – Capital Markets** was conducted in the spring of 2010 using Survey Monkey survey software. Invitations to participate in the survey were sent to risk professionals in the Risk Talent Associates corporate database.

The survey collected information on 2008 and 2009 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their capital markets segment, years of experience, title, type of risk focus, and geographic location.

Risk Talent Associates, an executive search firm focused on risk management, is conducting its sixth annual series of risk compensation surveys in 2010 across four market segments: capital markets, asset management, compliance and other fields (software, consulting, energy and corporate).

About Risk Talent Associates

Risk Talent Associates (www.risktalent.com) is the leading international executive search firm focused exclusively on positions in the fields of market, credit and operational risk, as well as financial compliance and risk technology. Risk Talent's expertise, industry knowledge, proprietary network and dedicated focus shorten the recruiting process to deliver senior and mid-level risk managers in the capital markets, asset management, energy, consulting and software industries. Risk Talent has offices in New York, Chicago, Hong Kong and London.

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