

Executive Summary

Slower, but Healthy Growth in Total Compensation for Energy Risk Professionals

The **2010 Risk Talent Associates Professional Compensation Survey – Energy** reveals growth in total compensation of 3.4% and growth in salary of 2.2% in 2009 over 2008 for energy risk professionals. While this is dramatically lower than the robust growth reported in our last survey of 12% in total compensation and 5% in salary in 2008 over 2007 for energy risk professionals, it still indicates a healthy employment environment. The numbers from last year indicated that energy significantly outpaced other risk management segments, especially asset management and capital markets which were more impacted by the credit crisis and beginning of the economic downturn. Now that compensation has rebounded for those segments, the growth in compensation for energy is more aligned with them as well as general global statistics for compensation growth.

The survey data includes many positive indicators for the energy segment. First, 92% of respondents reported receiving a bonus for 2009. Job movement is slightly down with 21% of respondents reporting a job change in the last two years, as compared to the 25% reported in last year's survey. Looking forward, 22% of respondents indicate that they are likely to move to a new job in the future.

Survey Analysis

Trends by Years of Experience, Title, Risk Type and Geography

The 2010 survey shows that growth rates in total compensation are highest for those with more than 16 years of experience over their more junior colleagues. The survey also demonstrates the highest growth rates for Chief Risk Officers, over other titles in the survey.

Figure 1: Total Compensation, Salary and Bonus by Years of Experience (US Dollars)

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2008	2009	2008	2009	2008	2009	2008	2009
0-6 years	18%	\$ 132,000	\$ 136,000	\$ 103,000	\$ 105,000	\$ 18,000	\$ 20,000	\$ 11,000	\$ 11,000
7-10 years	19%	\$ 194,000	\$ 204,000	\$ 132,000	\$ 135,000	\$ 32,000	\$ 37,000	\$ 30,000	\$ 32,000
11-15 years	37%	\$ 350,000	\$ 346,000	\$ 180,000	\$ 185,000	\$ 95,000	\$ 86,000	\$ 75,000	\$ 75,000
16+ years	27%	\$ 389,000	\$ 420,000	\$ 195,000	\$ 198,000	\$ 102,000	\$ 117,000	\$ 92,000	\$ 105,000

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

Figure 2: Total Compensation, Salary and Bonus by Title (US Dollars)

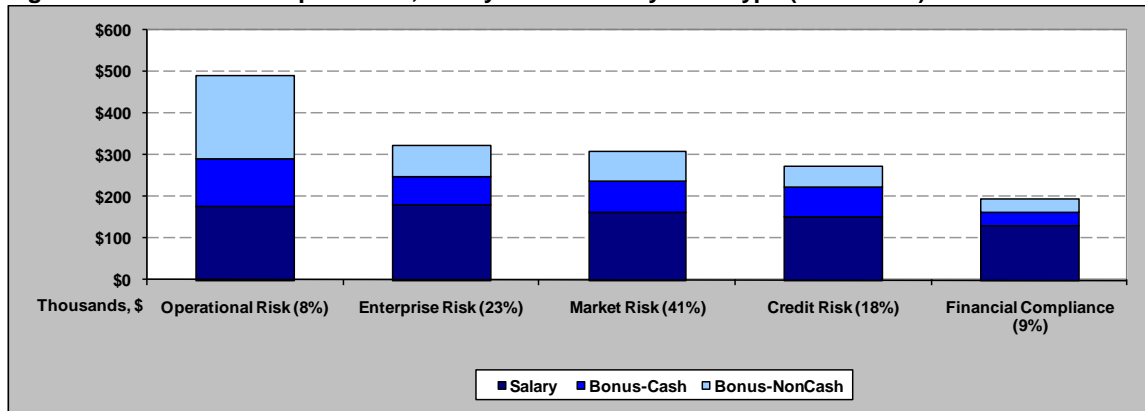
	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2008	2009	2008	2009	2008	2009	2008	2009
Analyst/Associate	22%	\$ 137,000	\$ 138,000	\$ 118,000	\$ 117,000	\$ 19,000	\$ 21,000	**	**
Manager	25%	\$ 170,000	\$ 170,453	\$ 140,000	\$ 140,000	\$ 30,000	\$ 30,453	**	**
Vice President	9%	\$ 294,000	\$ 303,000	\$ 180,000	\$ 186,000	\$ 114,000	\$ 117,000	**	**
Director	18%	\$ 283,019	\$ 286,115	\$ 176,000	\$ 182,000	\$ 57,019	\$ 51,115	\$ 50,000	\$ 53,000
Managing Director	10%	\$ 546,143	\$ 544,000	\$ 213,000	\$ 220,000	\$ 208,143	\$ 201,000	\$ 125,000	\$ 123,000
Chief Risk Officer	13%	\$ 401,578	\$ 442,744	\$ 210,000	\$ 220,000	\$ 106,578	\$ 126,744	\$ 85,000	\$ 96,000

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

Notes: Insufficient data reported as "**".

Professionals reporting a focus on operational risk earn more than those who focus on enterprise, market and credit risk, or financial compliance.

Figure 3: 2009 Total Compensation, Salary and Bonus by Risk Type (US Dollars)



Source: Risk Talent Associates Salary Survey 2010. All figures in US Dollars. Percentage of respondents "(%)"

Lastly, risk professionals based in the eastern United States earn the highest total compensation followed by those in the energy hub in the US South/Southeast. Participants from all U.S. regions report higher figures than those included in the survey from Europe and Canada.

Survey Methodology

The **2010 Risk Talent Associates Professional Compensation Survey – Energy** includes responses from 80 professionals in the Risk Talent Associates corporate database who reported 2008 and 2009 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their segment within energy, 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.

For more information, contact:
Michael Woodrow, President
Risk Talent Associates
212-253-2353
mwoodrow@risktalent.com

©2010 Risk Talent Associates LLC