

1. Executive Summary

The 2005 Risk Talent Associates Professional Compensation Survey – Risk Consulting demonstrates modest average growth of 6% in total compensation and salaries over the previous year for risk consulting professionals. Growth in total compensation is highest at 14% for mid-level executives with 7-15 years of experience and closer to 6% for those with less than 6 years and those with more than 16 years of experience. The survey affirms that risk consulting is an attractive career opportunity, as corporations continue to leverage consultants to stay abreast of industry best practices in risk management and compliance.

Seventy-four professionals participated in the survey, with the majority representing Risk Talent’s core constituency of mid- to senior-level risk executives. Approximately 60% of survey respondents represented large consulting firms with risk management practices such as Deloitte Consulting, Ernst & Young and Price Waterhouse. The remaining 40% represented more specialized firms, including ERisk Consulting and PA Consulting Group.

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

CONSULTING	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
	2004	2005	2004	2005	2004	2005	2004	2005
0-6 years (24%)	\$ 125,000	\$ 134,000	\$ 115,000	\$ 118,000	\$ 10,000	\$ 16,000	**	**
7-15 years (38%)	\$ 261,000	\$ 303,000	\$ 200,000	\$ 227,000	\$ 43,000	\$ 52,000	\$ 18,000	\$ 24,000
16+ years (38%)	\$ 501,000	\$ 529,000	\$ 284,000	\$ 292,000	\$ 105,000	\$ 120,000	\$ 112,000	\$ 117,000

Source: Risk Talent Associates Salary Survey 2005. All figures in US Dollars and rounded to nearest thousand.

Notes: Percentage of overall respondents indicated by “%”. Insufficient data reported as “**”.

Approximately 15% of survey respondents reported changing jobs within the last two years, compared to 25-30% in other salary surveys conducted by Risk Talent Associates in asset management, corporate risk, energy and technology/software. Of those who did change jobs, 73% came out of other industries such as investment banking, commercial banking, energy and technology/software, while the remaining 27% moved from other consulting firms

2. Survey Shows Consistent Increases in Total Compensation Across Titles

Growth in total compensation ranges between 5-11% across titles at risk consulting firms.

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

CONSULTING	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
	2004	2005	2004	2005	2004	2005	2004	2005
Associate/Analyst (8%)	\$ 87,000	\$ 100,000	\$ 82,000	\$ 84,000	\$ 5,000	\$ 16,000	**	**
Consultant (17%)	\$ 144,000	\$ 160,000	\$ 132,000	\$ 142,000	\$ 12,000	\$ 18,000	**	**
Manager (20%)	\$ 161,000	\$ 180,000	\$ 148,000	\$ 158,000	\$ 13,000	\$ 22,000	**	**
Director (10%)	\$ 223,000	\$ 249,000	\$ 180,000	\$ 184,000	\$ 43,000	\$ 65,000	**	**
VP/SVP (7%)	\$ 284,000	\$ 300,000	\$ 220,000	\$ 230,000	\$ 64,000	\$ 70,000	**	**
Principal/MD/CRO (18%)	\$ 363,000	\$ 397,000	\$ 263,000	\$ 285,000	\$ 100,000	\$ 112,000	**	**
Partner/President (20%)	\$ 494,000	\$ 545,000	\$ 358,000	\$ 387,000	\$ 136,000	\$ 158,000	**	**

Source: Risk Talent Associates Salary Survey 2005. All figures in US Dollars and rounded to nearest thousand.

Notes: Percentage of overall respondents indicated by “%”. Insufficient data reported as “**”.

Abbreviations: Vice President (VP), Senior Vice President (SVP), Managing Director (MD), Chief Risk Officer (CRO).

3. Survey Reflects Higher Increases in Total Compensation at Largest Companies

Risk professionals at companies with more than 50 risk managers saw their total compensation grow by an average of 10%, compared to 7% for those at firms with less than 50 risk managers. This is driven by higher non-cash bonuses at the largest companies, on top of similar cash bonuses and salary levels at both large and small firms.

Figure 3: Total Compensation, Salary and Bonus by Size of Company (US Dollars)

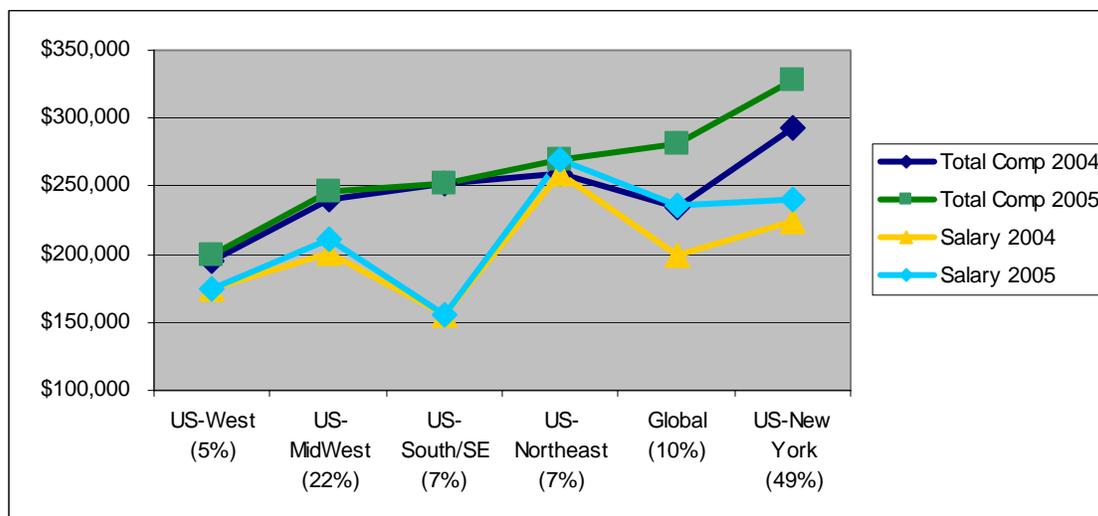
CONSULTING	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
	2004	2005	2004	2005	2004	2005	2004	2005
0-50 (43%)	\$ 324,000	\$ 349,000	\$ 204,000	\$ 220,000	\$ 60,000	\$ 65,000	\$ 60,000	\$ 64,000
> 50 (57%)	\$ 361,000	\$ 403,000	\$ 216,000	\$ 230,000	\$ 48,000	\$ 66,000	\$ 97,000	\$ 107,000

Source: Risk Talent Associates Salary Survey 2005. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets "(%)"

4. Majority of Consultants Work in New York City

Survey participants represented the United States most heavily, with half of respondents from New York City, which offers the highest total compensation packages.

Figure 4: Total Compensation, Salary and Bonus by Geography (US Dollars)



Source: Risk Talent Associates Salary Survey 2005. All figures in US Dollars.
Notes: Percentage of overall respondents indicated by "%". Global includes Europe, Asia and Canada.

5. The Majority of Risk Consultants Cover All Types of Risk

The majority (65%) of survey respondents report a focus on a combination of market risk and other types of risk in their occupation. Another 30% indicate they work exclusively in one type of risk management, including credit risk, market risk, and operational risk.

6. Survey Methodology

The **2005 Risk Talent Associates Professional Compensation Survey – Risk Consulting** was conducted between June 22 and July 12, 2005 using Survey Monkey Internet survey software. Invitations to participate in the survey were e-mailed to risk consulting professionals in the Risk Talent Associates corporate database. Responses were received from 74 professionals.

The survey collected information on 2005 and 2004 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation) levels. Survey respondents were asked to identify their years of experience, title, type of risk focus (market, credit, operational, risk technology and financial compliance), geographic location, size of company (based on the number of risk professionals in their organization) and type of company (consulting).

Risk Talent Associates, an executive search firm focused on risk management, is conducting a series of risk compensation surveys in 2005 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 and London.

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