

1. Executive Summary

The 2005 Risk Talent Associates Professional Compensation Survey – Technology & Software demonstrates average growth of 9% in total compensation and salaries over the previous year for risk technology and software professionals. Almost 100 professionals participated in the survey, with the majority representing Risk Talent’s core constituency of mid- to senior-level risk executives.

Approximately 25% of survey respondents reported changing jobs within the last two years, which is consistent with the 25-30% rate in previous salary surveys conducted by Risk Talent Associates in asset management and corporate risk. Of those who did change jobs, 40% came from other jobs in software and technology, while 60% came from industries such as commercial banking, investment banking, consulting and asset management.

2. Survey Shows Greater Variability in Compensation For Titles Over Tenure

Differences in salary are relatively minor between those with 0-6 years, 7-15 years and over 16 years of experience. Higher non-cash bonuses create greater variability for total compensation, with overall average growth at 11% for executives with more than 7 years of experience and 6% for those with less than 6 years of experience.

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

| TECHNOLOGY | Total Comp | | Salary | | Bonus-Cash | | Bonus- Non-Cash | |
|------------------|------------|------------|------------|------------|------------|-----------|-----------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| 0-6 years (30%) | \$ 221,000 | \$ 236,000 | \$ 163,000 | \$ 168,000 | \$ 58,000 | \$ 68,000 | \$ 44,000 | \$ 46,000 |
| 7-15 years (50%) | \$ 325,000 | \$ 369,000 | \$ 168,000 | \$ 175,000 | \$ 72,000 | \$ 94,000 | \$ 85,000 | \$ 100,000 |
| 16+ years (20%) | \$ 367,000 | \$ 415,000 | \$ 165,000 | \$ 175,000 | \$ 77,000 | \$ 85,000 | \$ 125,000 | \$ 155,000 |

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 “***”.

There is much greater variability in salary and total compensation according to title, with dramatically larger cash and non-cash bonuses awarded to the most senior executives.

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

| TECHNOLOGY | Total Comp | | Salary | | Bonus-Cash | | Bonus- Non-Cash | |
|--------------------------|------------|------------|------------|------------|------------|------------|-----------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Associate/Analyst (20%) | \$ 143,000 | \$ 156,000 | \$ 120,000 | \$ 128,000 | \$ 23,000 | \$ 28,000 | ** | ** |
| Manager/Consultant (24%) | \$ 220,000 | \$ 248,000 | \$ 144,000 | \$ 152,000 | \$ 46,000 | \$ 56,000 | \$ 30,000 | \$ 40,000 |
| Director (22%) | \$ 297,000 | \$ 325,000 | \$ 182,000 | \$ 184,000 | \$ 43,000 | \$ 65,000 | \$ 72,000 | \$ 76,000 |
| VP/SVP (20%) | \$ 335,000 | \$ 372,000 | \$ 220,000 | \$ 230,000 | \$ 64,000 | \$ 70,000 | \$ 51,000 | \$ 72,000 |
| MD/President (14%) | \$ 688,000 | \$ 780,000 | \$ 255,000 | \$ 290,000 | \$ 153,000 | \$ 204,000 | \$ 280,000 | \$ 286,000 |

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 Highest Compensation at Smallest Companies

Salaries and total compensation were highest for risk professionals at the smallest companies (less than 5 risk managers). However, mid-sized companies (5-20, 20-50 and 50-100 risk professionals) experienced the highest average growth in total compensation at 12%. Risk professionals working at both the smallest and largest firms saw their average total compensation grow only 5% by comparison.

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

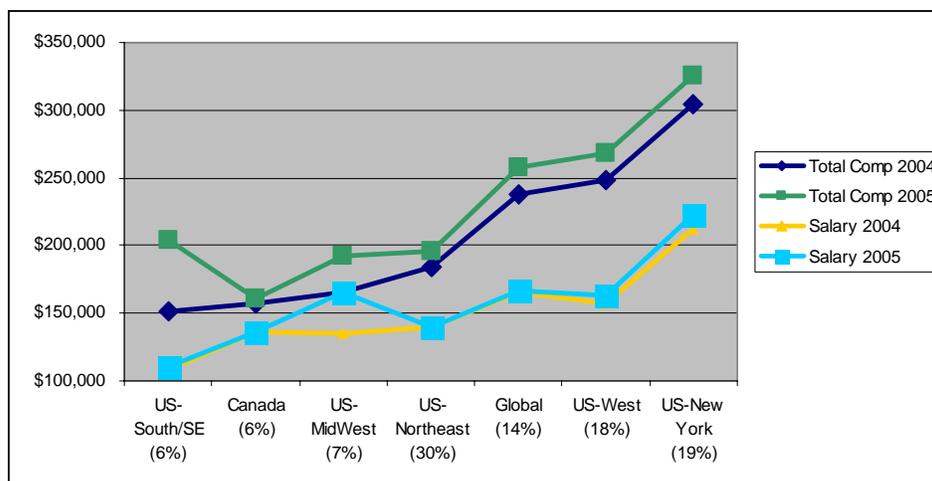
| TECHNOLOGY | Total Comp | | Salary | | Bonus-Cash | | Bonus- Non-Cash | |
|--------------|------------|------------|------------|------------|------------|------------|-----------------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| < 5 (10%) | \$ 301,000 | \$ 317,000 | \$ 215,000 | \$ 220,000 | \$ 86,000 | \$ 97,000 | ** | ** |
| 5-20 (28%) | \$ 183,000 | \$ 209,000 | \$ 149,000 | \$ 158,000 | \$ 34,000 | \$ 51,000 | ** | ** |
| 20-100 (19%) | \$ 221,000 | \$ 249,000 | \$ 166,000 | \$ 174,000 | \$ 55,000 | \$ 75,000 | ** | ** |
| > 100 (43%) | \$ 263,000 | \$ 277,000 | \$ 166,000 | \$ 170,000 | \$ 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. Highest Total Compensation in New York City

Almost 20% of the survey’s respondents work in New York City, which offers the highest total compensation packages regionally. Total compensation is also above average for respondents working in the US West and globally.

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 (58%) of survey respondents report focusing on a combination of market risk and other types of risk in their occupation. Of those who report focusing on only one type of risk, 41% cite credit risk, 29% market risk, 24% technology risk and 5% operational risk.

6. Survey Methodology

The **2005 Risk Talent Associates Professional Compensation Survey – Technology and Software** was conducted between June 16 and July 12, 2005 using Survey Monkey Internet survey software. E-mail invitations to participate in the survey were sent to risk consulting professionals in the Risk Talent Associates corporate database. Responses were received from 98 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.

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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