

Executive Summary

Growth in Total Compensation Has Slowed for Risk Consultants

The **2008 Risk Talent Associates Professional Compensation Survey – Risk Consulting** shows an average growth rate of 6% in total compensation for risk consulting professionals in 2007 over 2006, slightly lower than the 8% observed for 2006 over 2005. The average growth rate in salaries also dropped to 4% in 2007 over 2006, down from 5% in 2006 over 2005.

The survey data indicates more job movement within the consulting segment. Approximately 23% of survey respondents reported changing jobs within the last two years, more than the 18% who reported job movement in last year's survey. This figure is expected to rise as 26% of survey participants predict that they will change jobs in the next two years and another 39% expect they "may" change jobs. The remaining 35% expect to stay with the same employer.

Only 58% percent of survey respondents expect that their risk management group will grow in size, far lower than the 75% observed last year. Thirty-eight percent expect their groups to stay the same size, while 4% expect to see staff reductions.

For risk management groups that are expanding, the most popular ways of filling open positions in the risk consulting segment is contingency recruiting and job boards such as www.globalriskjobs.com, options that are both used by almost two-thirds of respondents. Internal recruiting/ corporate staffing and retained search firms are also used by over half of respondents.

Survey Analysis

1. Compensation Growth Across Tenures

This year's survey shows trends similar to prior years by tenure and title. For example, bonuses as a percentage of total compensation increase from one-third for junior titles to 61% for Principals and 77% for Chief Risk Officers.

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

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2006	2007	2006	2007	2006	2007	2006	2007
0-6 years	30%	\$ 144,000	\$ 161,000	\$ 105,000	\$ 116,000	\$ 27,000	\$ 32,000	\$ 12,000	\$ 13,000
7-15 years	45%	\$ 238,000	\$ 253,000	\$ 167,000	\$ 173,000	\$ 45,000	\$ 50,000	\$ 26,000	\$ 30,000
16+ years	25%	\$ 650,000	\$ 682,000	\$ 267,000	\$ 268,000	\$ 240,000	\$ 264,000	\$ 143,000	\$ 150,000

Source: Risk Talent Associates Salary Survey 2008. 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	
		2006	2007	2006	2007	2006	2007	2006	2007
Senior Associate	14%	\$ 157,000	\$ 169,000	\$ 108,000	\$ 115,000	\$ 18,000	\$ 22,000	\$ 31,000	\$ 32,000
Manager	22%	\$ 199,000	\$ 213,000	\$ 130,000	\$ 143,000	\$ 44,000	\$ 45,000	\$ 25,000	\$ 25,000
Consultant/ VP	22%	\$ 220,000	\$ 231,000	\$ 141,000	\$ 140,000	\$ 42,000	\$ 53,000	\$ 37,000	\$ 38,000
Director/ Sr. VP	20%	\$ 305,000	\$ 315,000	\$ 181,000	\$ 194,000	\$ 104,000	\$ 100,000	\$ 20,000	\$ 21,000
Managing Director	9%	\$ 514,000	\$ 577,000	\$ 300,000	\$ 306,000	\$ 174,000	\$ 221,000	\$ 40,000	\$ 50,000
Principal	6%	\$ 790,000	\$ 850,000	\$ 334,000	\$ 335,000	\$ 306,000	\$ 340,000	\$ 150,000	\$ 175,000
Chief Risk Officer	5%	\$ 1,034,000	\$ 1,059,000	\$ 234,000	\$ 239,000	\$ 300,000	\$ 320,000	\$ 500,000	\$ 500,000

Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars and rounded to nearest thousand.

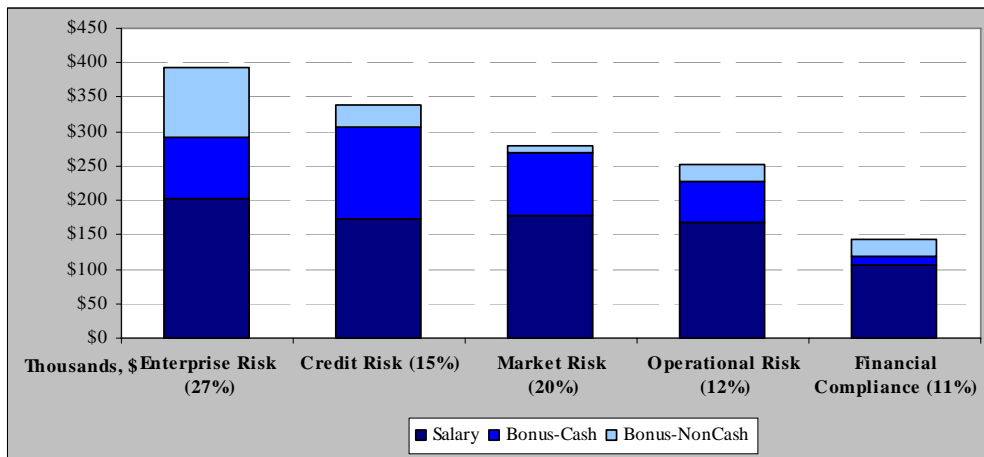
2. Highest Compensation at Smallest Companies

Within the consulting segment, the majority of risk professionals (51%) work for companies with more than 50 risk professionals. However, compensation is highest for professionals with the smallest firms (less than 5 risk professionals) including big-name companies with small risk groups and smaller specialty firms.

3. Enterprise Risk Professionals Receive Highest Total Compensation

Professionals reporting a focus on enterprise risk earn more than professionals with a focus on one specialty such as credit risk, market risk, operational risk or financial compliance.

Figure 3: 2007 Total Compensation, Salary and Bonus by Risk Type (US Dollars)

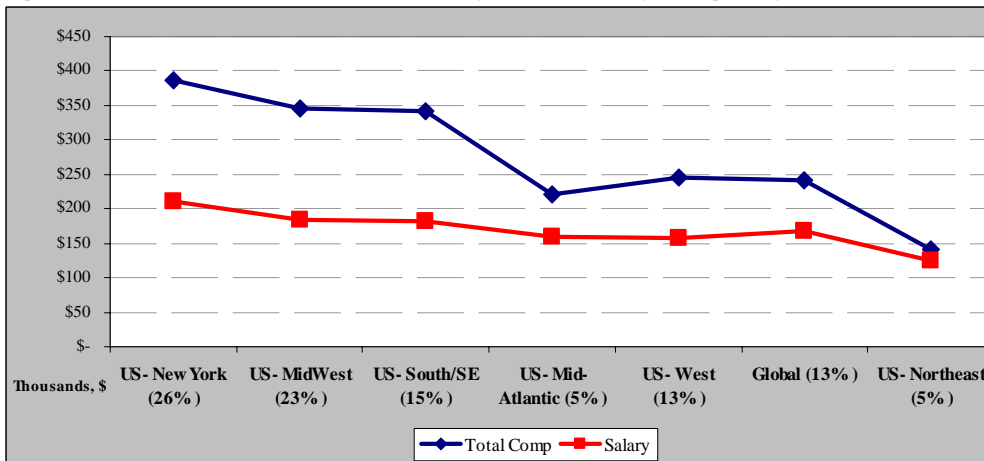


Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets "(%)"

4. Highest Total Compensation in New York and US Mid-West

Risk professionals based in New York and the US Mid-West earn more those in other regions in the United States and globally.

Figure 4: 2007 Total Compensation, Salary and Bonus by Geography (US Dollars)



Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets "(%)"

5. Survey Methodology

The **2008 Risk Talent Associates Professional Compensation Survey – Risk Consulting** was conducted during the summer of 2008 using Survey Monkey survey software. Responses were aggregated from 93 professionals in the Risk Talent Associates corporate database. The survey collected information on 2006 and 2007 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their years of experience, title, type of risk focus, geographic location, and size of company (based on the number of risk professionals in their organization). This is Risk Talent Associates' fourth annual series of risk compensation surveys across capital markets, asset management, compliance, 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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