

Executive Summary

Growth in Total Compensation Has Slowed for Risk Professionals in Technology

The **2008 Risk Talent Associates Professional Compensation Survey – Technology & Software** shows an average growth rate of 6% in total compensation for risk technology and software professionals in 2007 over 2006, lower than the 9% observed for 2006 over 2005. The average growth rate in salaries also dropped to 4% in 2007 over 2006, down from 7% in 2006 over 2005.

Approximately 23% of survey respondents reported changing jobs within the last two years, which is consistent with the 20-25% reported in the two previous annual surveys for technology and software. This figure will likely hold as 21% of survey participants predict they will change jobs in the next two years, while 33% expect they “may” change jobs and the remaining 45% expect to stay with the same employer. The latter group is dramatically more than the 26% seen in last year’s survey, perhaps reflecting a desire to stay the course in an economy that has turned downward.

Fifty-nine percent of survey participants expect that their risk management group will grow in size, far lower than the 70% observed last year. Thirty-four percent expect their groups to stay the same size, while 7% expect to see staff reductions. These figures also reflect more conservative growth than seen in prior years for risk professionals in technology.

For risk management groups that are expanding, the most popular way of filling open positions remains internal recruiting or corporate staffing. However, job boards such as www.globalriskjobs.com have increased in popularity and are now used by over half of survey respondents. Contingency recruiting firms and retained search firms are used frequently or sometimes by just under one-half of survey respondents.

Survey Analysis

1 Compensation Growth Across Tenures

This year’s survey shows slightly higher levels of growth in total compensation by professionals with less than 6 years of experience.

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	27%	\$ 252,000	\$ 277,000	\$ 135,000	\$ 155,000	\$ 87,000	\$ 92,000	\$ 30,000	\$ 30,000
7-15 years	52%	\$ 357,000	\$ 375,000	\$ 194,000	\$ 198,000	\$ 89,000	\$ 100,000	\$ 74,000	\$ 77,000
16+ years	21%	\$ 419,000	\$ 453,000	\$ 201,000	\$ 212,000	\$ 112,000	\$ 115,000	\$ 106,000	\$ 126,000

Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars and rounded to nearest thousand.
Notes: Percentage of overall respondents indicated by “% of Total”. Insufficient data reported as “***”.

There is much greater variability in salary and total compensation according to title, with larger cash and non-cash bonuses awarded to the most senior executives. Growth rate in total compensation is highest for those at the Vice President level.

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

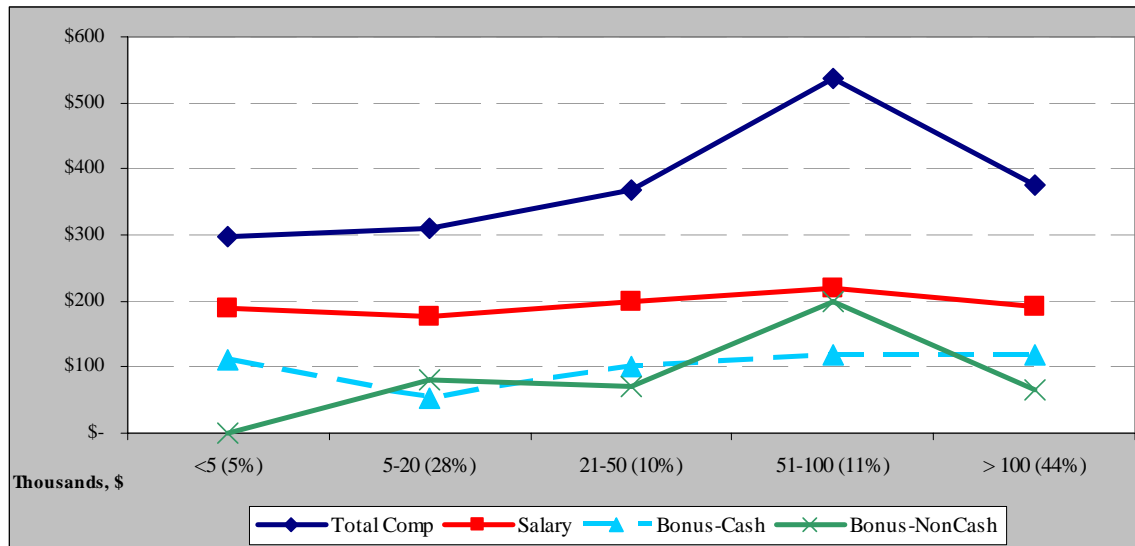
	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2006	2007	2006	2007	2006	2007	2006	2007
Analyst/Associate	8%	\$ 145,000	\$ 156,000	\$ 107,000	\$ 116,000	\$ 27,000	\$ 28,000	\$ 11,000	\$ 12,000
Sr Assoc/Manager	24%	\$ 183,000	\$ 184,000	\$ 128,000	\$ 128,000	\$ 35,000	\$ 36,000	\$ 20,000	\$ 20,000
Consultant/Principal	8%	\$ 295,000	\$ 304,000	\$ 175,000	\$ 175,000	\$ 60,000	\$ 67,000	\$ 60,000	\$ 62,000
Vice President	12%	\$ 248,000	\$ 286,000	\$ 167,000	\$ 185,000	\$ 64,000	\$ 77,000	\$ 17,000	\$ 24,000
Director	20%	\$ 288,000	\$ 311,000	\$ 190,000	\$ 197,000	\$ 58,000	\$ 74,000	\$ 40,000	\$ 40,000
Senior VP	8%	\$ 385,000	\$ 417,000	\$ 225,000	\$ 221,000	\$ 115,000	\$ 142,000	\$ 45,000	\$ 54,000
Managing Director	15%	\$ 556,000	\$ 612,000	\$ 250,000	\$ 258,000	\$ 202,000	\$ 214,000	\$ 104,000	\$ 140,000
Chief Risk Officer	5%	\$ 690,000	\$ 725,000	\$ 335,000	\$ 360,000	\$ 200,000	\$ 209,000	\$ 155,000	\$ 156,000

Source: Risk Talent Associates Salary Survey 2008. All figures in US Dollars and rounded to nearest thousand.
Notes: Percentage of overall respondents indicated by "% of Total". Insufficient data reported as "***" ..

2. Highest Compensation at Largest Companies

The majority of risk professionals (55%) who participated in this survey work for companies with a risk group that is over 50 professionals. Compensation is highest for those professionals and lowest for those who work in risk groups with less than 5 professionals.

Figure 3: 2006 Total Compensation, Salary and Bonus by Size of Company (US Dollars)



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

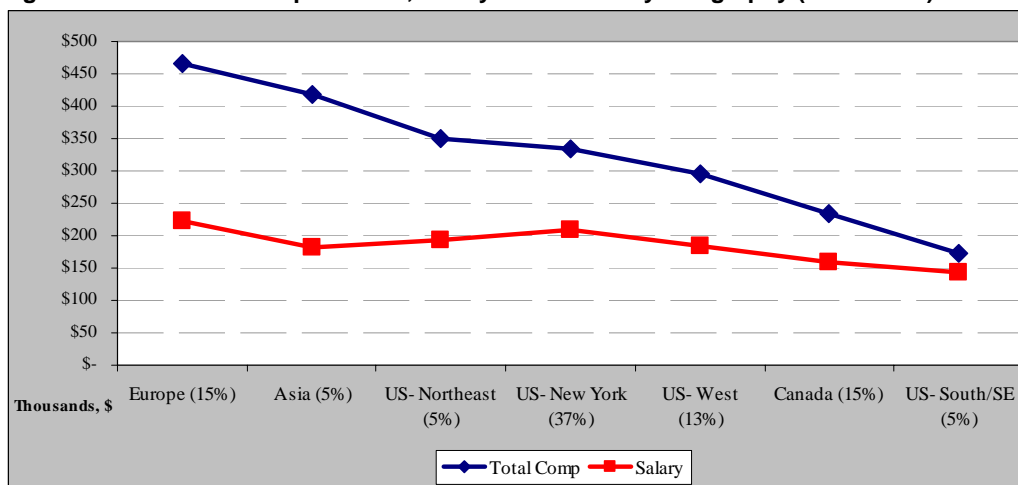
3. Enterprise and Market Risk Professionals Receive Highest Total Compensation

Professionals reporting a focus on enterprise risk or market risk earn approximately 5% more than professionals with a focus on credit risk.

4. Highest Total Compensation in Europe and Asia

Unlike last year’s survey that reported New York-based professionals earned the highest total compensation packages, Europe and Asia top this year’s compensation by region. Total compensation is progressively lower for the US-Northeast, New York City, US-West, Canada and US-South/Southeast, with insufficient data for the US-Mid-Atlantic and US-MidWest.

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 – Technology and Software** was conducted during the summer of 2008 using Survey Monkey survey software. Responses were aggregated from 75 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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