

Executive Summary

Growth in Total Compensation for Energy Risk Professionals Remains Healthy

The **2009 Risk Talent Associates Professional Compensation Survey – Energy** reveals growth in total compensation of 12% and growth in salary of 5% in 2008 over 2007 for energy risk professionals. While compensation for risk managers in asset management and capital markets was down dramatically during this time period which covered the credit crisis and beginning of the economic downturn, compensation for energy risk professionals remains robust. Almost 90% of respondents in the energy segment report receiving a bonus for 2008, versus only 80% of those in asset management and capital markets.

The survey data indicates that job movement within the energy segment is slightly higher than in previous years at 25%, but predicted to go down to 17% in the next two years. While salaries have not been impacted, growth in the size of risk groups has been affected by the downturn. Only 28% of survey respondents expect that their risk management will grow in size, lower than the 38% observed in the 2008 survey and 56% reported in the 2007 survey.

For risk management groups that are expanding, 95% of respondents fill open positions through internal recruiting or corporate staffing. However, job boards such as www.globalriskjobs.com have increased in popularity and are now used by almost half of survey respondents along with contingency recruiting firms and retained search firms.

Survey Analysis

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

The 2009 survey shows that growth rates in total compensation are highest for those with 7-15 years of experience over their more junior and more senior colleagues. The survey also demonstrates the highest growth rates for Directors and Chief Risk Officers, with negative growth for the few Managing Directors involved 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	
		2007	2008	2007	2008	2007	2008	2007	2008
0-6 years	23%	\$ 111,000	\$ 121,000	\$ 93,000	\$ 97,000	\$ 18,000	\$ 24,000	**	**
7-15 years	50%	\$ 318,000	\$ 359,000	\$ 154,000	\$ 167,000	\$ 42,000	\$ 42,000	\$ 122,000	\$ 150,000
16+ years	27%	\$ 335,000	\$ 362,000	\$ 173,000	\$ 182,000	\$ 72,000	\$ 70,000	\$ 90,000	\$ 110,000

Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars and rounded to nearest thousand.

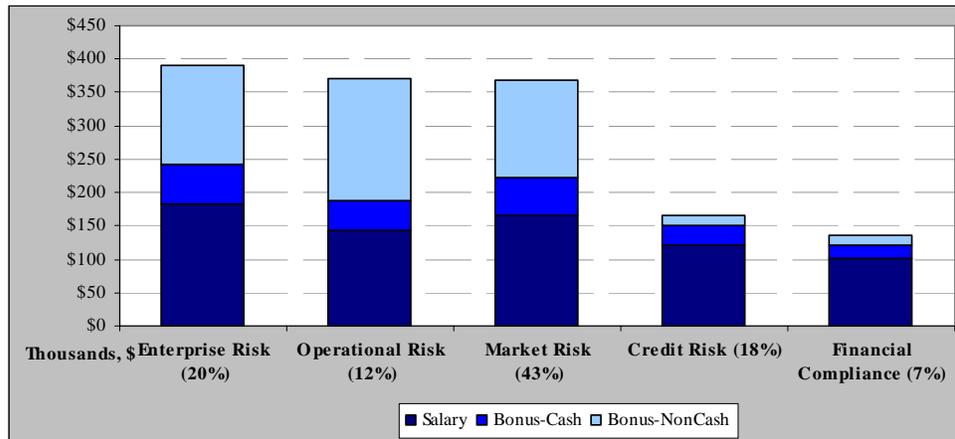
Figure 2: Total Compensation, Salary and Bonus by Title (US Dollars)

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2007	2008	2007	2008	2007	2008	2007	2008
Analyst	22%	\$ 92,000	\$ 101,000	\$ 80,000	\$ 86,000	\$ 12,000	\$ 15,000	**	**
Manager	28%	\$ 193,000	\$ 212,000	\$ 128,000	\$ 142,000	\$ 23,000	\$ 28,000	\$ 42,000	\$ 42,000
Vice President	7%	\$ 396,000	\$ 438,000	\$ 171,000	\$ 178,000	\$ 75,000	\$ 80,000	\$ 150,000	\$ 180,000
Director	26%	\$ 351,000	\$ 400,000	\$ 163,000	\$ 178,000	\$ 60,000	\$ 66,000	\$ 128,000	\$ 156,000
Managing Director	5%	\$ 455,000	\$ 383,000	\$ 235,000	\$ 243,000	\$ 120,000	\$ 65,000	\$ 100,000	\$ 75,000
Chief Risk Officer	10%	\$ 432,000	\$ 484,000	\$ 220,000	\$ 220,000	\$ 75,000	\$ 64,000	\$ 137,000	\$ 200,000

Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars and rounded to nearest thousand.

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

Figure 3: 2008 Total Compensation, Salary and Bonus by Risk Type (US Dollars)



Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars. Percentage of respondents “(%)”

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

Survey Methodology

The **2009 Risk Talent Associates Professional Compensation Survey – Energy** includes responses from 60 professionals in the Risk Talent Associates corporate database who reported 2007 and 2008 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their segment within asset management, 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 fifth annual series of risk compensation surveys in 2009 across several 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.

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