

1. Executive Summary

The **2006 Risk Talent Associates Professional Compensation Survey – Technology & Software** demonstrates a healthy average growth of 7% in total compensation over the previous year for risk technology and software professionals. Growth in salary was a modest average of 3%, while growth in bonus was a more robust 11% over the one year period. Approximately 150 professionals participated in this survey and reported actual salary data for 2004 and 2005.

Approximately 25% of survey respondents reported changing jobs within the last two years, which is consistent with the 20-30% range reported in other salary surveys such as asset management and energy conducted by Risk Talent Associates. 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. Largest Bonuses for Most Senior Professionals

In 2005, bonuses as a percentage of total compensation increased with longer tenures: 38% for professionals with 0-6 years of experience, compared to 50% for 7-15 years and 62% for over 16 years of experience. Bonus growth in 2005 over 2004 was 17% for professionals with 7-15 years of experience, compared to 10% for 0-6 years and 6% for over 16 years of experience.

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

TECHNOLOGY	% Resp	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2004	2005	2004	2005	2004	2005	2004	2005
0-6 years	25%	\$ 213,000	\$ 227,000	\$ 135,000	\$ 140,000	\$ 48,000	\$ 53,000	\$ 30,000	\$ 34,000
7-15 years	53%	\$ 300,000	\$ 336,000	\$ 160,000	\$ 168,000	\$ 74,000	\$ 88,000	\$ 66,000	\$ 80,000
16+ years	22%	\$ 518,000	\$ 548,000	\$ 200,000	\$ 208,000	\$ 170,000	\$ 182,000	\$ 148,000	\$ 158,000

Source: Risk Talent Associates Salary Survey 2006. All figures in US Dollars and rounded to nearest thousand.

Notes: Percentage of overall respondents indicated by "% Resp". 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. Chief Risk Officers, Partners and Presidents garner over twice their salary in bonus payments. This yields total compensation packages at \$635,000 for Chief Risk Officers and over \$1 million for Partners and Presidents at risk technology firms.

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

TECHNOLOGY	% Resp	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2004	2005	2004	2005	2004	2005	2004	2005
Analyst/Associate	16%	\$ 118,000	\$ 142,000	\$ 100,000	\$ 120,000	\$ 18,000	\$ 22,000	**	**
Manager	19%	\$ 168,000	\$ 190,000	\$ 116,000	\$ 124,000	\$ 34,000	\$ 42,000	\$ 18,000	\$ 24,000
Director	23%	\$ 321,000	\$ 339,000	\$ 180,000	\$ 182,000	\$ 86,000	\$ 100,000	\$ 55,000	\$ 57,000
Vice President/ SVP	20%	\$ 325,000	\$ 370,000	\$ 185,000	\$ 198,000	\$ 90,000	\$ 104,000	\$ 50,000	\$ 68,000
Managing Director	6%	\$ 541,000	\$ 583,000	\$ 230,000	\$ 232,000	\$ 150,000	\$ 173,000	\$ 161,000	\$ 178,000
CRO	9%	\$ 585,000	\$ 635,000	\$ 198,000	\$ 206,000	\$ 141,000	\$ 187,000	\$ 246,000	\$ 242,000
Partner/President	3%	\$ 1,150,000	\$ 1,177,000	\$ 330,000	\$ 335,000	\$ 540,000	\$ 542,000	\$ 280,000	\$ 300,000

Source: Risk Talent Associates Salary Survey 2006. All figures in US Dollars and rounded to nearest thousand.

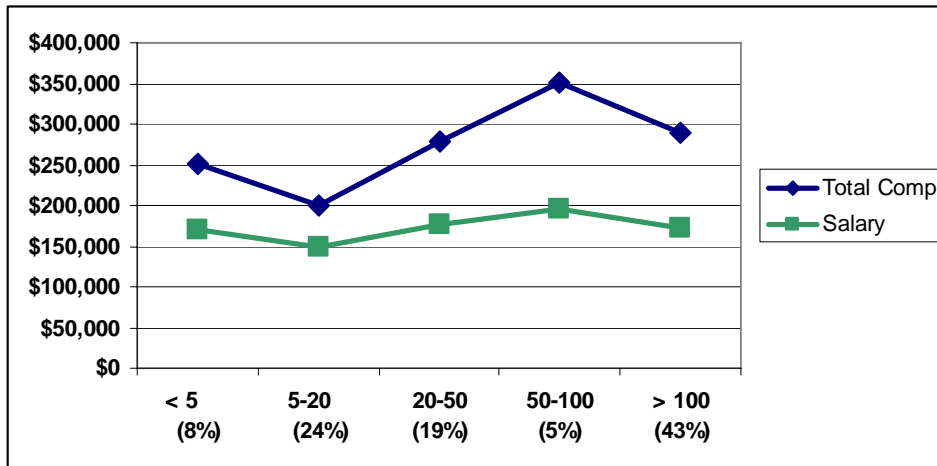
Notes: Percentage of overall respondents indicated by "% Resp". Insufficient data reported as "**".

Abbreviations: Senior Vice President (SVP), Chief Risk Officer (CRO).

3. Highest Compensation at Largest Companies

Salaries and total compensation were highest for risk professionals at larger companies, topped by those with groups of 50-100 risk managers.

Figure 3: 2005 Total Compensation, Salary and Bonus by Size of Company (US Dollars)

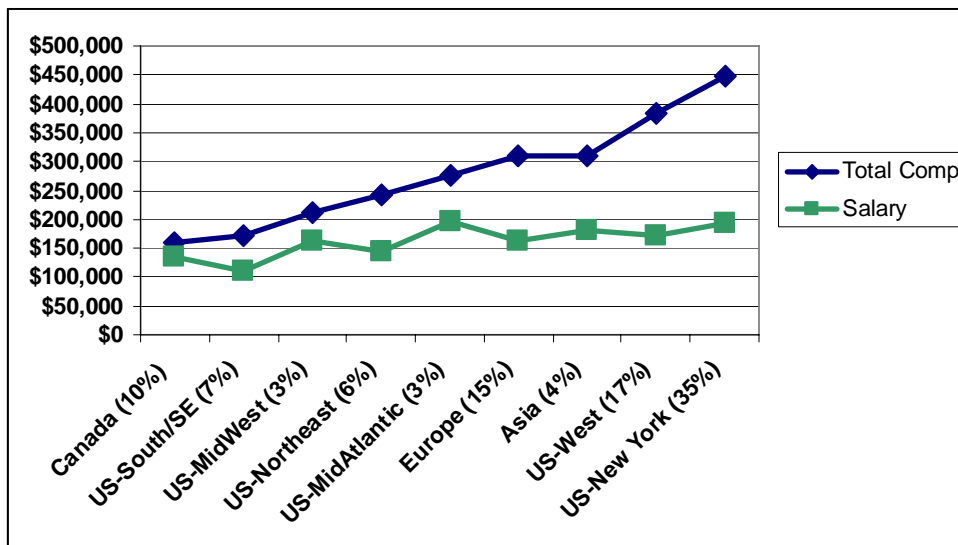


Source: Risk Talent Associates Salary Survey 2006. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets “(%)”

4. Highest Total Compensation in New York City

Approximately 35% 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 in Asia and Europe.

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



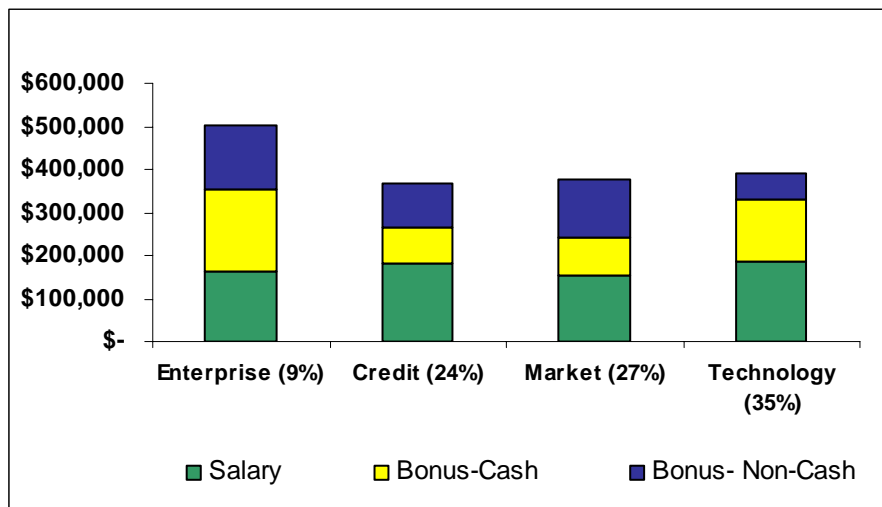
Source: Risk Talent Associates Salary Survey 2006. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets “(%)”

5. Enterprise Risk Professionals Receive Highest Total Compensation

Professionals focused on enterprise-wide risk activities, which are often the most seasoned executives, earn more than those focused individually on credit risk, market risk or technology risk. Those focused on technology risk receive the highest average salaries and healthy cash bonuses, but smaller non-cash bonuses than other risk professionals.

There was insufficient data on software and technology professionals focused on financial compliance or operational risk to report in this survey.

Figure 4: 2005 Total Compensation, Salary and Bonus by Risk Type (US Dollars)



Source: Risk Talent Associates Salary Survey 2006. All figures in US Dollars.

6. Survey Methodology

The **2006 Risk Talent Associates Professional Compensation Survey – Technology and Software** was conducted during June 2006 using Survey Monkey Internet survey software. E-mail invitations were sent to risk consulting professionals in the Risk Talent Associates corporate database, with responses from almost 150 professionals. The survey collected 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, and size (based on the number of risk professionals in their organization).

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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