

1. Executive Summary

The **2007 Risk Talent Associates Professional Compensation Survey – Risk Consulting** reports average growth of 8% in total compensation and 5% in salaries between 2005 and 2006 for risk consulting professionals. This compares favorably to the 5% average growth for both total compensation and salaries between 2004 and 2005. Approximately 70% of survey participants represent large consulting firms while 30% represent smaller firms with a risk specialty.

Consulting remains an attractive career opportunity for professionals to learn a broad range of skills and stay abreast of industry best practices in risk management and compliance. Approximately 18% of survey respondents reported changing jobs within the last two years, while 19% expect to change jobs in the next two years. These figures are much lower than the 20-30% range reported in other salary surveys by Risk Talent Associates in segments such as capital markets and asset management. Of those who changed jobs, 40% moved from other consulting firms, 30% from banking, 15% from corporations and 15% from other segments.

Risk consulting should remain vibrant as three-quarters of respondents expect their risk management group to grow in size during the next year. In order to fill new roles, 75% of the groups will leverage internal recruiting or corporate staffing to fill open positions. At the same time, 42% will use retained search firms, 21% will use contingency recruiting firms and 21% will use job boards.

2. Best Total Compensation Gains in Middle Tenure and Titles

Growth in total compensation is highest at 14% for mid-level executives with 7-15 years of experience, 4% for those with 0-6 years of experience, and 6% for those with 16 or more years of experience. When measured in terms of bonus as a percentage of salary, those with 7-15 years of experience also fare best at 46%.

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

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2005	2006	2005	2006	2005	2006	2005	2006
0-6 years	26%	\$ 105,000	\$ 110,000	\$ 87,000	\$ 88,000	\$ 13,000	\$ 15,000	\$ 5,000	\$ 7,000
7-15 years	52%	\$ 288,000	\$ 339,000	\$ 170,000	\$ 182,000	\$ 50,000	\$ 62,000	\$ 68,000	\$ 95,000
16+ years	22%	\$ 473,000	\$ 503,000	\$ 293,000	\$ 312,000	\$ 100,000	\$ 106,000	\$ 80,000	\$ 85,000

Source: Risk Talent Associates Salary Survey 2007. All figures in US Dollars and rounded to nearest thousand.
 Notes: Percentage of overall respondents indicated by “%”. Insufficient data reported as “***”.

Growth in total compensation averages 8% but varies by title at risk consulting firms, with the highest growth rate reported for the Consultant/Principal level.

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

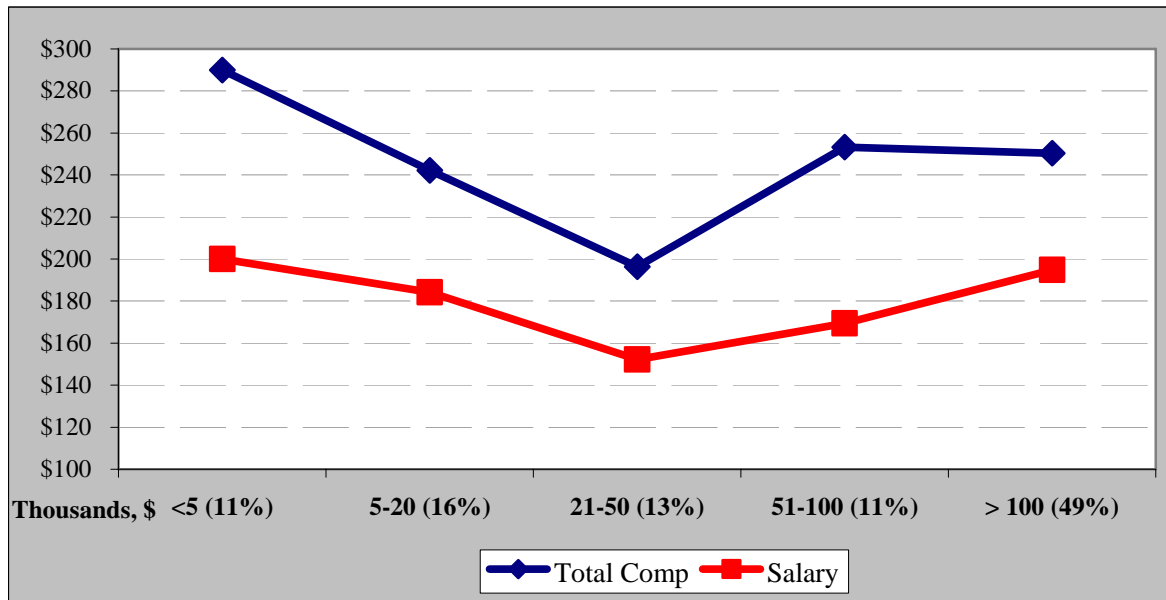
	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2005	2006	2005	2006	2005	2006	2005	2006
Senior Associate	13%	\$ 91,000	\$ 94,000	\$ 78,000	\$ 79,000	\$ 13,000	\$ 15,000	**	**
Manager	23%	\$ 132,000	\$ 143,000	\$ 118,000	\$ 128,000	\$ 14,000	\$ 15,000	**	**
Consultant/Principal	16%	\$ 189,000	\$ 229,000	\$ 132,000	\$ 144,000	\$ 57,000	\$ 85,000	**	**
Director	26%	\$ 216,000	\$ 238,000	\$ 176,000	\$ 188,000	\$ 40,000	\$ 50,000	**	**
Vice President/ SVP	6%	\$ 441,000	\$ 453,000	\$ 306,000	\$ 316,000	\$ 135,000	\$ 137,000	**	**
President/Partner	9%	\$ 561,000	\$ 622,000	\$ 346,000	\$ 364,000	\$ 140,000	\$ 158,000	\$ 75,000	\$ 100,000
Managing Director	7%	\$ 671,000	\$ 690,000	\$ 406,000	\$ 415,000	\$ 145,000	\$ 150,000	\$ 120,000	\$ 125,000

Source: Risk Talent Associates Salary Survey 2007. All figures in US Dollars and rounded to nearest thousand. Abbreviations: Senior Vice President (SVP). Insufficient data reported as "**".

3. Survey Reflects Highest Compensation at Firms with Small Risk Groups

Risk professionals at large consulting firms with risk management practices such as Deloitte Consulting, Ernst & Young and Price Waterhouse traditionally demonstrated the highest overall compensation. However, this year's survey reports that the smallest firms, buoyed by larger bonuses, show higher total compensation.

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

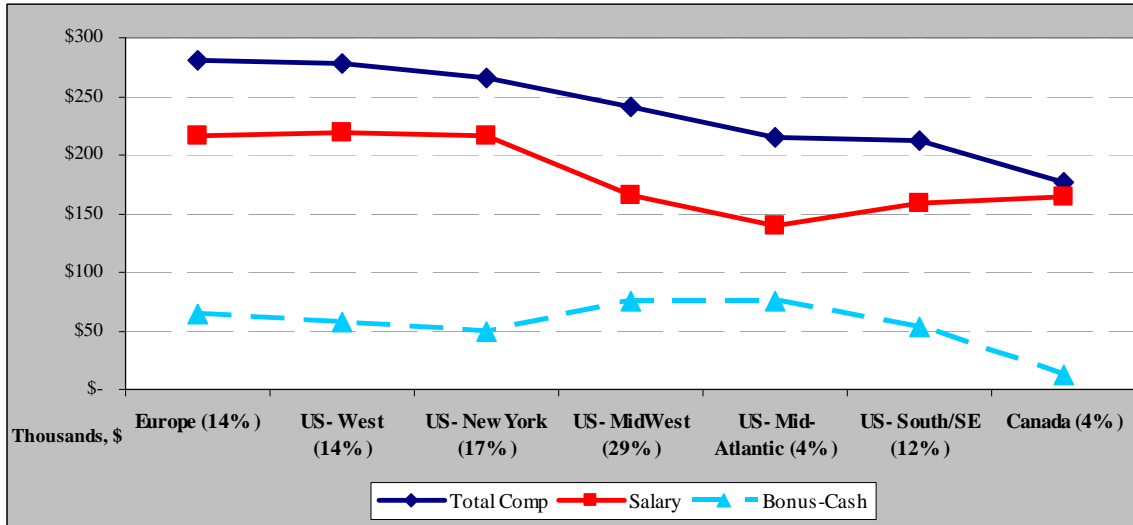


Source: Risk Talent Associates Salary Survey 2007. All figures in US Dollars. Note: Percentage of overall respondents reported in brackets "(%)".

4. Highest Paid Regions are Europe, US West and New York

Survey participants represent the United States most heavily but Europe retains the distinction of the highest paid geographic region.

Figure 4: 2006 Total Compensation, Salary and Cash Bonus by Geography (US Dollars)

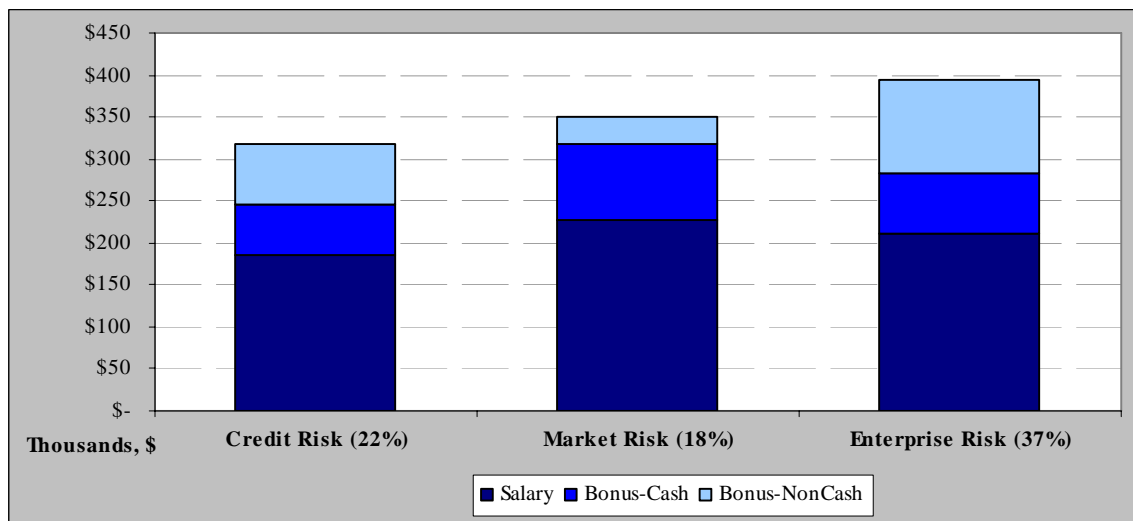


Source: Risk Talent Associates Salary Survey 2007. All figures in US Dollars.
Notes: Percentage of overall respondents reported in brackets “(%)”

5. Enterprise Risk Professionals Top Compensation

Professionals focused on enterprise risk make more in total compensation and salary than those focused on credit risk, risk technology, market risk, operational risk or financial compliance exclusively.

Figure 5: 2006 Total Compensation, Salary and Bonus by Risk Type (US Dollars)



Source: Risk Talent Associates Salary Survey 2007. All figures in US Dollars.
Notes: Percentage of overall respondents reported in brackets “(%)”

6. Survey Methodology

The **2007 Risk Talent Associates Professional Compensation Survey – Risk Consulting** was conducted during the summer of 2007 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 82 professionals. The survey collected 2005 and 2006 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).

Risk Talent Associates, an executive search firm focused on risk management, is conducting a series of risk compensation surveys in 2007 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, Hong Kong and London.

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