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Risk Manager Role Insights



HELLENIC ASSOCIATION
OF **RISK MANAGERS**

Member of



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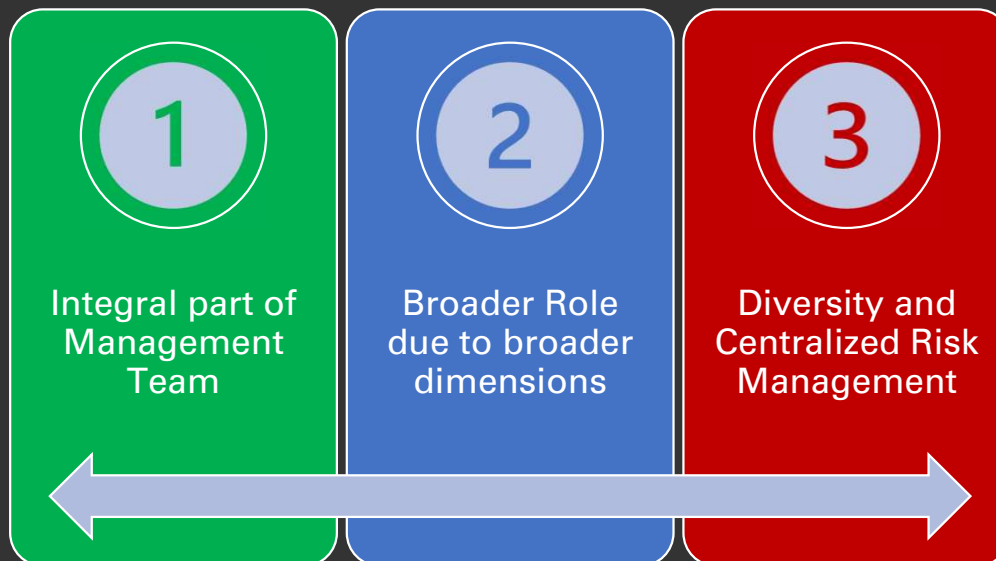


Learning Partner



Partner





- **Return / ROI:** Are we achieving an appropriate return for the risks we are taking?
- **Controls:** Do we have the controls in place to minimize losses?
- **Technology / Systems:** Do we have the systems to measure? Does technology evolution affect business & risk landscape?
- **Knowledge / Skills:** Do we have the right people, skills, culture and values for effective risk management?

Dimensions that affect Risk Manager Role

1



Broader role dimensions

- Risk exposure increase due to globalization
- New opportunities challenge traditional risk approaches

2



Changing Role dimensions

- Defensive vs. Offensive Risk Management
- Leveraging risk to determining opportunities
- Shareholder value increase

3



Regulatory Oversight dimensions

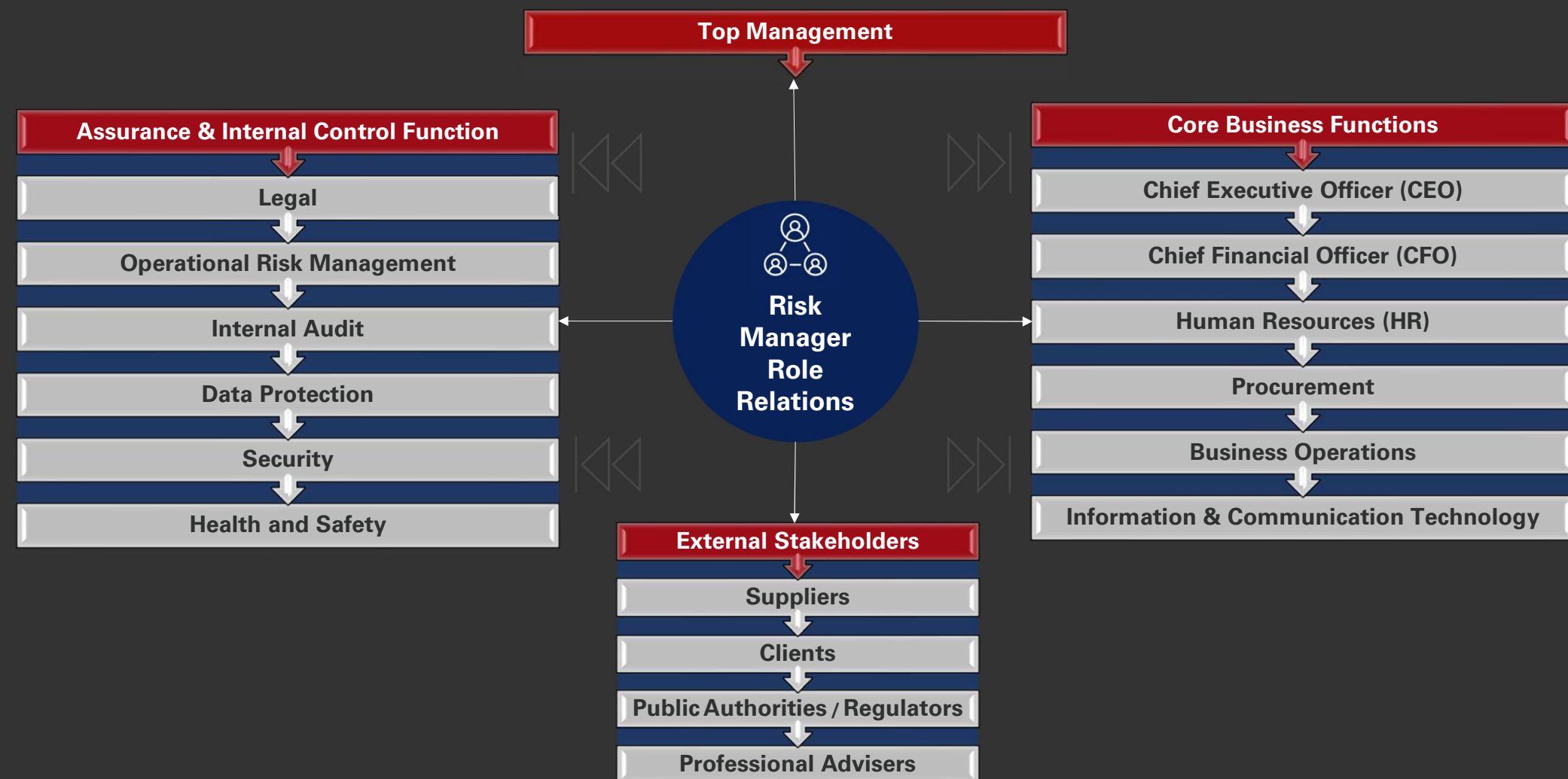
- Corporate Governance focus
- Regulatory environment changes
- Dynamic mix of causes and effects
- New Trends / Regulations

4



Technology evolution dimensions

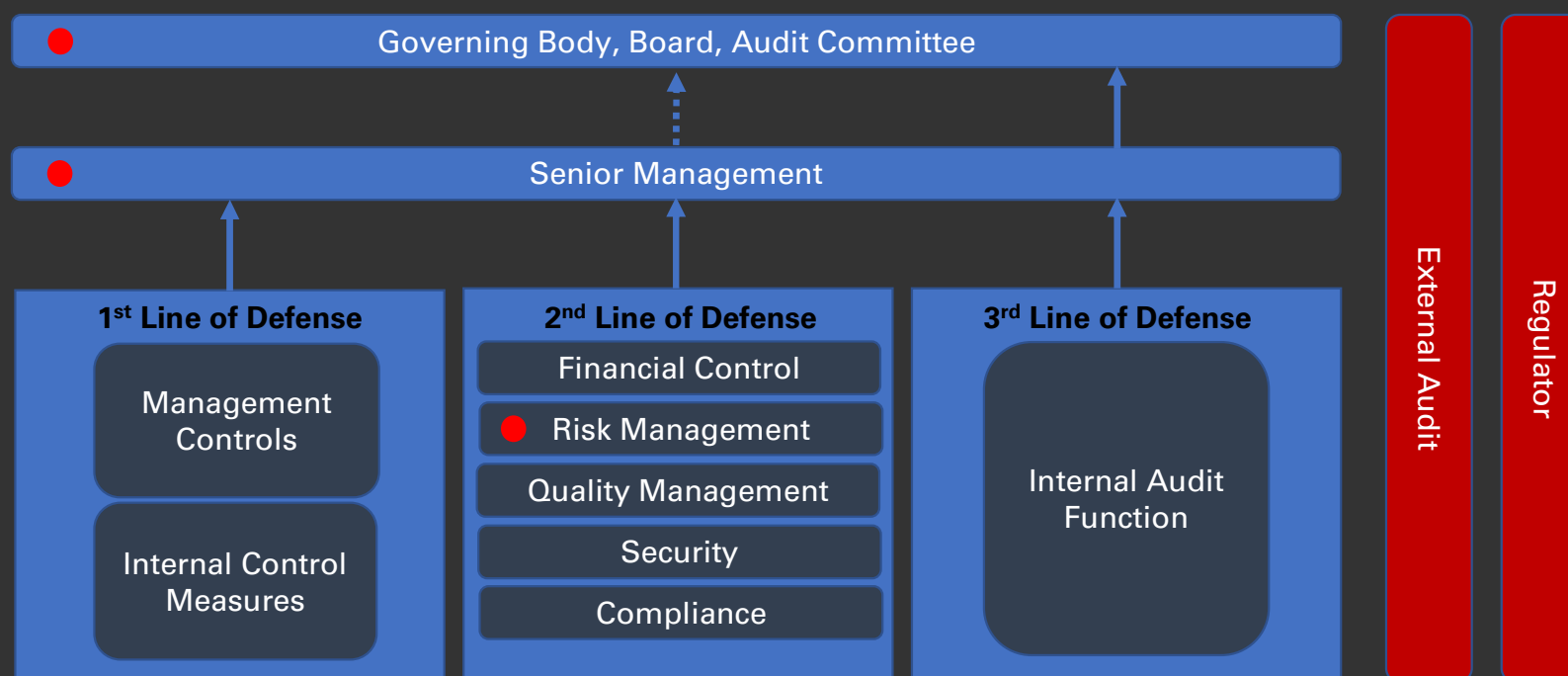
- Technology Advances
- 24/7 virtual marketplaces
- Risk Intelligent systems
- Partners / Vendors systems dependence





Risk Manager Role in the Risk Management Process





1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Risk Owners / Managers	Risk Control & Compliance	Risk Assurance
- Operating Management	- Limited Independence - Strategy Integration - Reports on Governing Body or Management	- Greater Independence - Reports to Governing Body

● Risk Manager / CRO role positioning based on size, risk exposure and strategy

Strengthening the Role of Risk Manager/CRO in an Organization

1 Viewed as a peer with business line leaders

In order to achieve the forward-looking risk perspective and its serious consideration, the CRO must be able to deliver those expectations through a collaborative relationship with business line leaders. Hence, the CRO must be viewed as a peer.

2 Board Reporting and interactions

While the CRO is not an owner of specific risks, he or she has the task of executing a strategic oversight of the entire risk management focus that mandates free access to the board for conveyance and reporting.

3 Managing Risks as everyone's job

The board, senior management and other line managers must remove the misconception that the CRO is the only person responsible for risk. Risk has to be an enterprise-wide concern.

4 Risk is equal to opportunity pursuit

Risk management functions to preserve value as well as create value.

5 Focus beyond compliance

The focus of the CRO should be on the enterprise risks, risk profile and aligning strategy based on risks. This goes beyond compliance risks and raises the bar for the CRO.

6 Clearly defined CRO position

Clearly defined CRO position should be in place in order to enhance the CRO's objectivity in fact and appearance. Setting the right expectation about the CRO's responsibility for promoting effective governance of significant risks is crucial in furthering the role of the CRO.

- Emerging and Complex Environment require broad responsibilities
- Strategy integration to preserve value as well as to add value
- Role beyond regulation towards risk / opportunity balancing
- Heavy expertise for early signals and management oversight
- Market need for Risk Manager role recognition upon industry layers

Key Conclusions

Thank you for attending