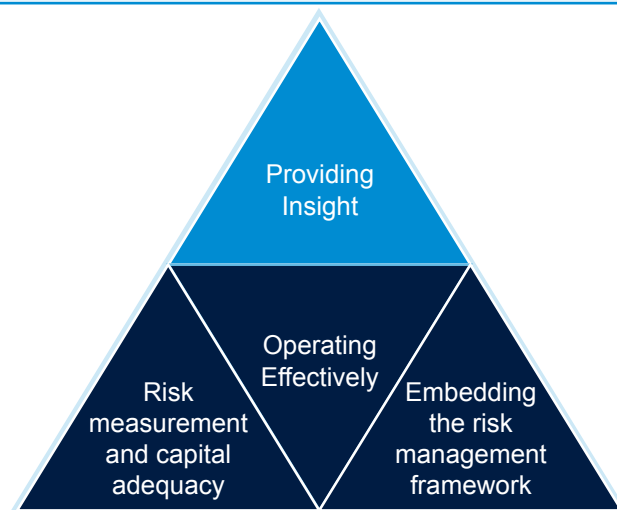


# Key priorities and activities of the CRO

Most organisations are currently evaluating the role and requirements of their CRO and risk function. Whilst the design of each organisational model needs to meet the demands of the individual company, to be successful, we believe there are four key areas the CRO should focus upon:

## Risk measurement and capital adequacy

Establishing reliable and effective means of quantifying and measuring risk, future scenario planning, the impact on capital and presenting this in a way that is effective and useful to executive management.



## Providing Insight

Providing real management insight into the effective risk adjusted performance of the business, the risks it is running and potential situations it may have to address given changes in the market. Overall risk management has to be a forward working activity focussed constantly on maximising shareholder returns in a constant, consistent and reliable basis.

## Operating Effectively

Operating the risk function in an efficient and cost effective manner, such that activities, resources and processes are focussed and conducted in appropriate locations.

## Embedding the Risk Management Framework

Establishing the disciplines needed to articulate risk and risk appetite within the business and setting up the management processes and disciplines within each of the core business processes such as strategic planning, capital allocation, business performance measurement, pricing etc, to control risk within the business and maximise shareholder return.

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