

Slovakia

Marsh works with clients around the world to identify and assess risks, focusing on the implementation of risk management programs that contribute measurable financial gain.

In 2006 Marsh conducted a survey to identify the ways in which organizations in Central and Eastern Europe perceive, prioritize and manage risks.

This report presents the results from Slovakia.

Our specialists are experienced in helping companies resolve the challenges identified in the report. For more details about these and other topics, please contact:

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Profile of the respondents

WE ASKED REPRESENTATIVES of 100 companies with a turnover of more than 5 million Euro to share their observations. The sample selected gives an appropriate cross section of Slovakia's main industries.

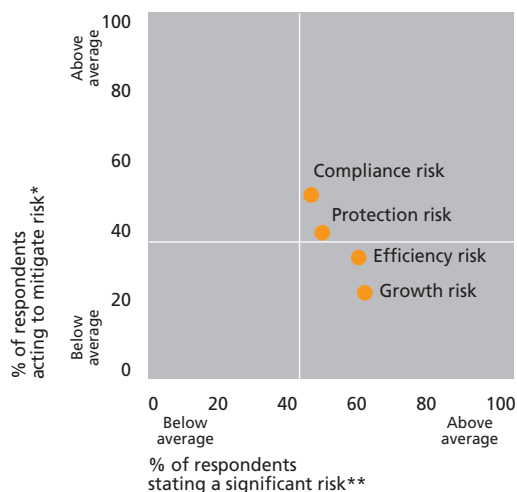
Industry	Companies > 5 m EUR	Sample
Agriculture, hunting, forestry and fishing	45	6
Manufacturing, mining and quarrying	450	39
Electricity, gas and water supply	20	1
Construction	55	13
Wholesale and retail trade; repair of goods	337	18
Transport, storage and communications	50	7
Financial intermediation, real estate, renting and business activities	214	9
Public administration; social security, education, health and social welfare	8	1
Hotels, restaurants and other service activities	28	6
Total	1207	100

The respondents were Risk Managers or people with similar responsibilities. In Slovakia they are usually Financial Directors (29%).

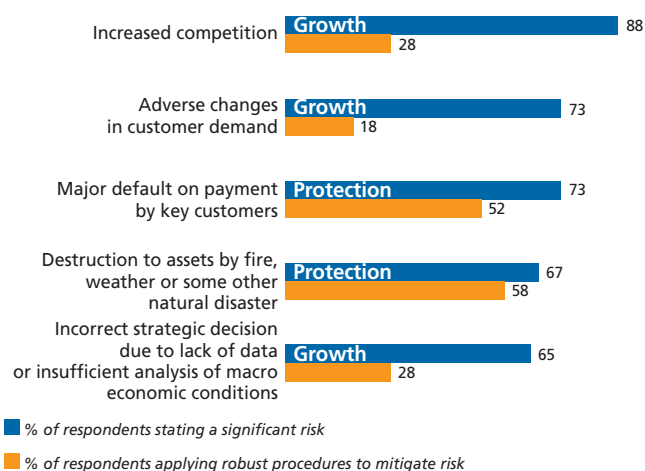
Risk Awareness and Management

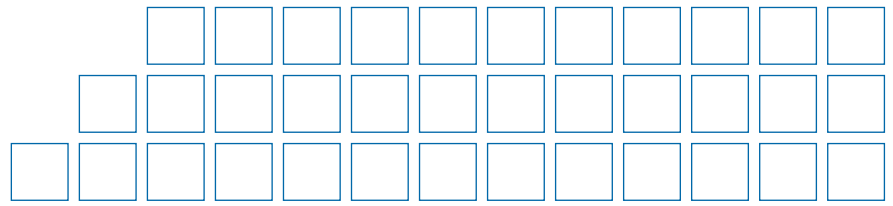
WE ASKED THE RESPONDENTS to assess 42 different risks in four categories (see Figure 3, page 4 in the main report for details).

The survey found that while almost 60% of the companies perceive **Efficiency** and **Growth** risks as threats to their business, just 20%-30% have actually adopted robust prevention or mitigation measures. There is also a slight gap between the significance and mitigation of **Protection** risks. Unlike **Compliance** risks, which most companies are handling quite well.



The top 5 risks of most concern:



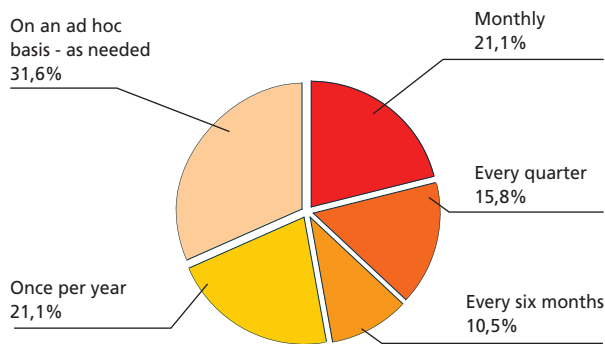


Process and procedures

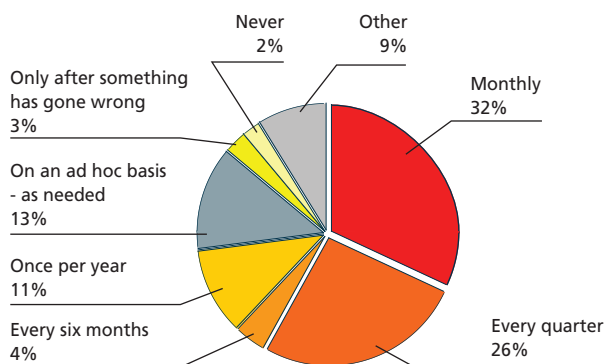
THE MANAGING DIRECTOR is most often responsible for risk management in Slovak companies. Only 8% of the companies surveyed have a full time Risk Manager.

One in five companies have suffered a significant financial loss over the last three years as a consequence of risks. Almost all of these companies responded by drawing up a crisis management plan.

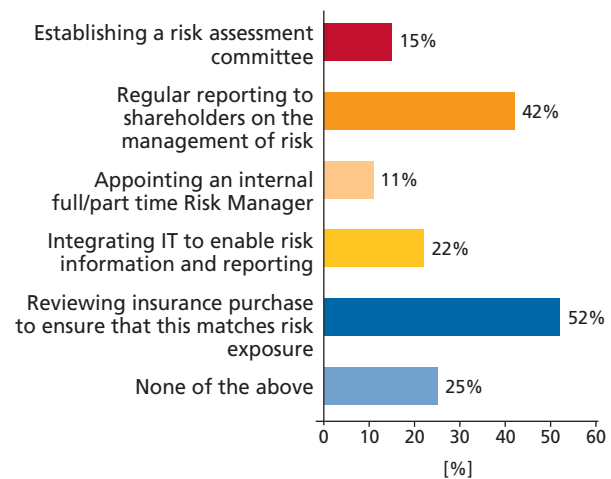
Nearly 40% of the companies review their crisis management plans at least once every quarter. A high number of the companies only do it on an ad hoc basis.



Almost 60% of the companies recognize risks and conduct regular quarterly risk reviews. More than one quarter of the companies do not organize regular meetings to discuss risk. But this is expected to improve with 61% of the companies claiming that they do risk reviews more frequently than 2 years ago. A small fraction of companies admit to doing less risk review work.



In most cases risk management comes down to addressing risk exposure with insurance policies, 50% of the companies report this activity. Two in five respondents report this to the shareholders and one in five has an IT infrastructure supporting risk management. Only 11% of the companies have a full/part time Risk Manager.



More than 3 in 4 companies have a clear corporate governance policy. About every second company has formalized procedures for assessing board performance and appointing external auditors. Only 25% of the companies surveyed reported receiving risk management services that address their specific business needs.

