

**The Actuarial Profession**  
making financial sense of the future

Momentum Conference 2011  
Lyuba Tarnopolsky



## Breaking the actuarial mould

© 2010 The Actuarial Profession | www.actuaries.org.uk

---

### Question:

---

**Could you break the actuarial mould and put your valuable skills to work in wider fields?**

© 2010 The Actuarial Profession | www.actuaries.org.uk

1

Question:

What is “actuarial mould” and what are the “valuable skills”

© 2010 The Actuarial Profession • www.actuarial.org.uk

2

“actuarial mould”

<i>Technical</i>	<i>Ethical</i>
<i>Quantitative</i>	<i>Logical</i>
<i>Financial reporting</i>	<i>Detailed, not “big picture”</i>
<i>Knows Insurance</i>	
<i>Practical</i>	<i>Lacking social skills</i>
<i>Conservative</i>	<i>Highly specialised</i>
<i>Modelling</i>	
<i>Excel/Programming</i>	

© 2010 The Actuarial Profession • www.actuarial.org.uk

3

---

**“valuable skills”**

---

**Quantitative**

*Financial  
reporting*

*Knows Insurance*

**Modelling**

*Excel/Programming*

© 2010 The Actuarial Profession • www.actuaries.org.uk

4

---

**Question:**

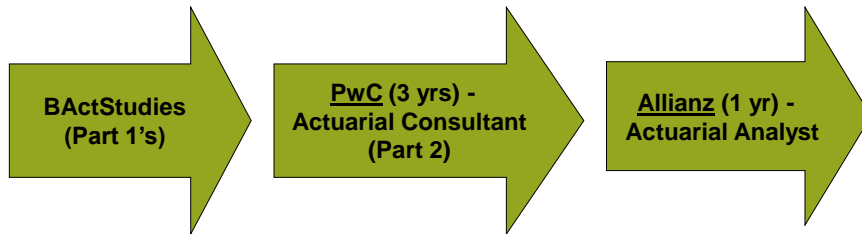
---

**Could you break the actuarial  
mould and put your valuable  
skills to work in wider fields?**

© 2010 The Actuarial Profession • www.actuaries.org.uk

5

## Me



© 2010 The Actuarial Profession • www.actuaries.org.uk

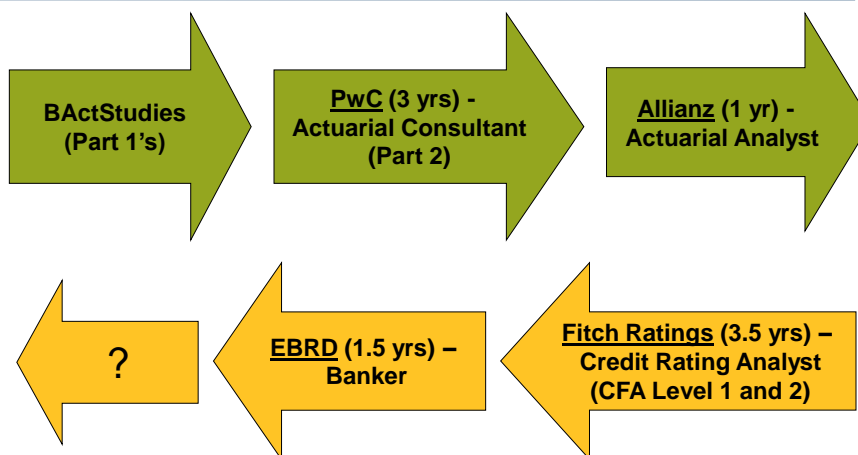
6



© 2010 The Actuarial P

7

Me



© 2010 The Actuarial Profession • www.actuaries.org.uk

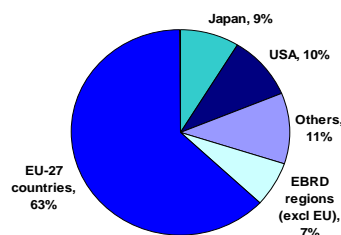
8

## EBRD: European Bank for Reconstruction and Development

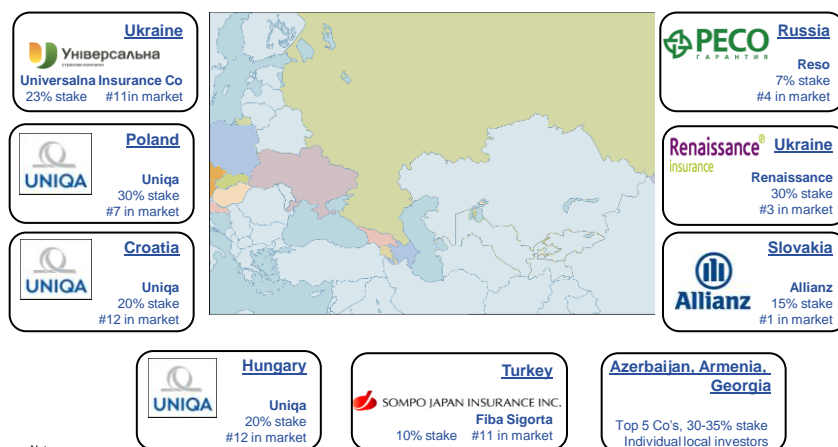
International Financial Institution (IFI), promotes transition to market economies

- **1991** - year of establishment
- **29** countries of operation (Russia, CIS, CEE + Turkey)
- **61** countries as shareholders
- **AAA** rated
- **€ 62 bn** invested during 20 years
- over **3,119** equity and debt investments in financial, infrastructure, energy, agricultural and other sectors

EBRD Shareholder Breakdown



## EBRD's selected investments in Insurance



## Development Bank – Banking role

### What's the job all about?

#### Insurance and Financial Services Team

##### Structuring and closing transactions

- **Debt or equity** (€ 1 m to € 200 m)
- Project screening
- Due diligence (onsite, offsite)
- Negotiation on price, terms and conditions
- Legal agreements

##### Internal approvals

- Memos and presentations to
  - Investment Committee
  - Board of Directors
- Liaise with:
  - Credit team
  - Economists
  - Lawyers
  - Operations
  - Treasury

##### Monitoring of existing investments

- Quarterly or half yearly
- Check on financial performance and corporate governance
- Check covenants are met (for debt)
- Check suitable time to exit and price/conditions (for equity)

## Development Bank – Banking role

### “Putting valuable skills to work”

**Quantitative**

**Modelling**

**Financial reporting**

**Conservative**

**Knows Insurance**

**Excel/Programming**

- ✓ Analyse financial performance of target companies
- ✓ Build valuation model (DCF)
- ✓ Conduct due diligence, esp. talk to underwriters, risk managers and actuaries
- ✓ Monitor performance of portfolio companies
- ✓ Talk to Credit department
- ✓ Add conservatism/realism to projections of returns on investment
- ✓ Act ethically!

© 2010 The Actuarial Profession • www.actuaries.org.uk

12

## Development Bank – Banking role

### “Breaking the mould”:

**Technical**

**Detailed, not “big picture”**

**Lacking social skills**

**Highly specialised**

- ✓ Negotiate with client
- ✓ Be “bullish” and optimistic
- ✓ Talk to lots of people in different areas of the Bank
- ✓ Understand the “big picture” for market dynamics / potential targets or acquirers
- ✓ Write lots of convincing / argumentative memos
- ✓ Explain technical things in a simple way to non-specialists
- ✓ Lots of travel

© 2010 The Actuarial Profession • www.actuaries.org.uk

13

---

## Development Bank – Banking role

---

### Why do it:

- Do something good!
- Make real investment decisions
- Understand the Big Picture
- Improve soft-skills esp. Negotiation
- Learn to structure debt/equity investments
- Stepping-stone to private equity/IB M&A

© 2010 The Actuarial Profession • www.actuarial.org.uk

14

---

## What was the question?

---

**Could you break the actuarial mould and put your valuable skills to work in wider fields?**

**Yes, and have fun while doing it!**

© 2010 The Actuarial Profession • www.actuarial.org.uk

15



---

**Thank you! Any Questions?**

---

**Contact details:**

**Lyuba Tarnopolsky**  
Principal Banker  
Insurance and Financial Services  
EBRD  
[TarnopoL@ebrd.com](mailto:TarnopoL@ebrd.com)  
[+44 20 7338 6936](tel:+442073386936)

EBRD Headquarters  
One Exchange Square, London. EC2A 2JN, United Kingdom  
[www.ebrd.com](http://www.ebrd.com)