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

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

“actuarial mould”

Technical
Quantitative

Financial reporting
Knows Insurance

Logical

Conservative

Practical

Modelling

Excel/Programming

Ethical

Detailed, not “big picture”

Lacking social skills

Highly specialised
“valuable skills”

Quantitative
- Financial reporting
- Knows Insurance

Modelling
- Excel/Programming

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

BActStudies (Part 1’s)  PwC (3 yrs) - Actuarial Consultant (Part 2)  Allianz (1 yr) - Actuarial Analyst

I’ve turned to the darkside!
Me

BActStudies (Part 1’s) → PwC (3 yrs) - Actuarial Consultant (Part 2) → Allianz (1 yr) - Actuarial Analyst

? → EBRD (1.5 yrs) – Banker → Fitch Ratings (3.5 yrs) – Credit Rating Analyst (CFA Level 1 and 2)

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’s selected investments in Insurance

- **Ukraine**: Universalna Insurance Co, 23% stake, #11 in market
- **Poland**: Uniqa, 30% stake, #7 in market
- **Croatia**: Uniqa, 20% stake, #12 in market
- **Hungary**: Uniqa, 20% stake, #12 in market
- **Turkey**: Fiba Sigorta, 10% stake, #11 in market
- **Azerbaijan, Armenia, Georgia**: Top 5 Co’s, 30-35% stake
  - Individual/local investors
- **Slovakia**: Allianz, 15% stake, #1 in market
- **Russia**: Reso, 7% stake, #4 in market

**Note**: As of October 2011

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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
- Analyse financial performance of target companies
- Build valuation model (DCF)
- Conduct due diligence, esp. talk to underwriters, risk managers and actuaries

Modelling
- Monitor performance of portfolio companies
- Talk to Credit department
- Add conservatism/realism to projections of returns on investment
- Act ethically!

Financial reporting

Conservative

Knows Insurance

Excel/Programming

Development Bank – Banking role

“Breaking the mould”:

Technical
- 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

Detailed, not “big picture”

Lacking social skills

Highly specialised
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

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!
Thank you! Any Questions?

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