



AMAN UNION 2014 TRAINING

Provided by SACE
&
Hosted by Export Guarantee Fund of Iran



26-27-28 MAY 2014, ESPINAS HOTEL, TEHRAN

Detailed Course Outline for

Course one: Enterprise Risk Management

Course two: Domestic Credit Insurance

AGENDA

Enterprise Risk Management

WORKSHOP 1: MAY 26- 27, 2014 (TWO DAYS)

MAIN TUTOR: PIERGIORGIO D'IGNAZIO, CHIEF RISK OFFICER, SACE

DAY ONE – MAY 26

- 08:00 – 09:30 Registration
- 09:30 - 11:00 **Introduction to ERM**
- Definitions and overview
 - A brief history
 - Establishment of the right and best practices in managing risks
 - Corporate benefits and strategy
- 11:00 Coffee break
- 11:30 - 13:00 **Risk Management processes and policies**
- General concepts used
 - Background to the importance of establishing ERM processes & policies
 - The 7Rs and the 4Ts
 - Cost and feasibility of risk management tools for the ECAs' case
- 13:00 Lunch
- 14:00 - 15:00 **Establishment of an ERM system**
- Underlying requirements in terms of design and implementation
 - Accountability requirements
 - Relevant ERM frameworks (COSO, FIRM, PESTE...)
 - SACE's recommendation and experience of the ERM frameworks (LISO/FIRM)
- 15:00 Coffee break
- 15:30 - 17:00 **Case Studies**

DAY TWO – MAY 27

- 09:30 - 11:00 **Risk measurement, monitoring and reporting**
- Technical approach
 - Limit Management
 - Risk Limits at SACE
 - Monitoring of risk limits
- 11:00 Coffee break
- 11:30 - 13:00 **Provisioning for Insurance**
- Best practices
 - Technical reserves
 - Provisioning types



- Example of the life-cycle of an insurance policy
- Estimation and calculation methods
- Solvency 2 ALM approach

13:00

Lunch

14:00 - 15:30

Risks categories and Portfolio management

- Credit/Underwriting risk
- Market risk
- Counterparty risk
- Operational risk

Pricing methodologies

- Portfolio Expected Loss
- Fair Premium levels
- Premium models

15:30

Coffee break

16:00 - 17:00

Beyond ERM: Corporate Control Bodies & the relevant internal implementation

- Control and Governance bodies and processes
- Overview of SACE's internal organization

20:00

Gala Dinner (please refer to the social programme)

Course Description: The purpose of this course is to provide participants with an overview of the key elements involved in constructing and executing an effective Enterprise Risk Management (ERM) system. Starting with organizational concerns surrounding corporate governance and transparency, the course provides the tools necessary for using risk management as a strategy informing mechanism. Particular focus is given to the transformation of the internal risk management and control mechanisms to effective devices to be used within the ERM framework.

Participants will learn:

- A proven process for implementing ERM based upon industry examples
- Essential technical and non-technical elements necessary for establishing the ERM programme "from the top" and implementing it from below
- Roles for executives, managers, control and risk managers in the ERM process
- The primary ERM frameworks--COSO and other relevant frameworks — their strengths and weaknesses and how to implement them
- How to get started and actually implement ERM
- How to overcome common hurdles that make ERM stall
- How to combine quantitative (i.e., financial risk, hazard risk, etc.) assessment with hard-to-quantify strategic risks in establishing an enterprise-wide risk assessment tool
- How to create an executive dashboard to indicate overall risk levels
- Key line management elements related to establishing and utilizing risk based pricing with respect to market, credit and operational risk exposures.

Intended audience: This course is geared towards Financial Officers, Risk Officers, Risk Managers, Risk Analysts, Auditors, Accountants as well as IT personnel.

AGENDA

Domestic Credit Insurance

WORKSHOP 2: MAY 28, 2014 (ONE DAY)

MAIN TUTOR: ENRICO LUCCIOLA, SENIOR UNDERWRITER, SACE

- 09:30 - 12:00 **New trends and business environment; Export vs. Domestic Credit Insurance**
- Background and definitions
 - The rise in demand for Domestic Credit Insurance
 - Overview of traditional Export Credit products and main features
 - Domestic Credit Insurance: Product range
 - Eligibility criteria export/non-export
 - Marketing strategies and new projects
 - Cooperation with multilaterals (e.g. European Investment Bank)
- 12:00 - 13:00 **Requirements and concepts differing from traditional Export support**
- Potential change in National law and ECA Statutes
 - Reference to International regulation
 - SACE's approach and organization, including decision making process
- 14:00 – 15:30 **Risk Assessment and underlying Pricing**
- Financial and project information requested for analysis
 - Risk evaluation (corporate, project, bonds)
 - Internal rating assigned
 - The approach to pricing and the differing elements compared to Export Credit
- 15:30 – 17:00 **Documentation and wording**
- Financial documents
 - Guarantees issued and relevant clauses
- Claims and Recoveries**
- Clauses to consider in the documentation
 - Relevant claims assessment and processes
 - Recovery activities
 - Main differences from Export support

Course Description:

The purpose of this course is to give participants an overview of the domestic credit insurance and its special features compared to export credit insurance. The course will cover all aspects of domestic credit insurance from marketing to wording, risk assessment, pricing, claims and recoveries.

Participants will learn how:

- to market domestic credit insurance
- to address domestic credit insurance particularities

Intended audience: This course is geared towards Underwriters and Risk Officers.



Certificate: Participants will receive a Certificate of Training for both sessions.

SACE'S Team

Ms. Paola Valerio

Head of International Relations

Ms. Valerio is currently heading SACE's International Relations department. Her responsibilities include representing SACE's role on Export Credits within the OECD, EU, and the Paris Club, which encompasses negotiations and working groups on policy-related issues and topics that steer Export Credit activities. The purpose of the Groups is to provide a unique platform where national governments, their Export Credit Agencies and relevant international institutions meet, in order to agree and complement the internationally coordinated rules, guidelines and regulations which are to provide for a level playing field amongst the national Export Credit providers.

Ms. Valerio concurrently manages the reinsurance agreements that SACE enters into with other institutions/entities and she is also responsible for SACE's overall relationship with other Export Credit Agencies.

Ms. Valerio was also Project Manager of the advisory contract awarded in 2012 to SACE to assist with the operational set up of the Russian agency for insurance of export credit and investment – EXIAR, which was further extended in 2013. Further to this, Ms. Valerio has over the past years been managing SACE's political recoveries which contributed to her expertise in Sovereign Credit Recovery, debt restructuring and emerging markets. Her prior experience in SACE has evolved in the Credit Risk Assessment department. Ms. Valerio holds a degree in Economics from LUISS University in Rome, Italy.

Ms. Hanieh Ferdowsi

Project Manager, International Relations

Ms. Hanieh Ferdowsi joined SACE in 2006 and is currently managing the Technical Assistance activities. Amongst her further responsibilities she looks after SACE's representation and negotiation at the OECD and EU, which includes preparing policy papers related to trade issues and Export Credits, the relationship with the various Export Credit Agencies and other international institutions.

Ms. Ferdowsi is also responsible for the coordination of SACE's activity, participation and representation at the Berne Union, where she recently chaired a working session during the Annual General Meeting. Ms. Ferdowsi was also part of the SACE core Team fully dedicated to the overall implementation of the advisory contract for the operational set up of the Russian agency for insurance of export credit and investment – EXIAR.

She has previously worked in SACE's Business Development division and was part of the International Network team for the expansion of SACE's overseas offices, including the preparation of the training program for new staff, as well as a secondment at the Hong Kong office for a few months. Previous to joining SACE, she worked with MEC International, a consultancy firm based in London which focused on trade and technical support for projects in the Middle Eastern and North African countries. Her role incorporated project management which included fund raising, events organization and the preparation of market and sector specific reports. She holds an International Relations BA Honors degree from Richmond University (London) with an MA (Merit) in European Studies from Westminster University (London).

Mr Piergiorgio D'Ignazio

Group Chief Risk Officer

Mr. D'Ignazio joined SACE in February 2005, and he is currently the Group Chief Risk Officer, heading the Risk Management for both the short (SACE BT) and the medium/long term (SACE Spa) companies, as well as for the factoring company (SACE Fct). His role comprises the coordination



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and harmonization of risk policies for the whole group, relationship with guardian authorities, board members and stockholders.

The Risk Management Division is in charge of the development, certification and management of the companies' quantitative models for risk pricing, scoring/rating, provisioning and capital absorption, under each company's regulatory framework (e.g.: Basel II, Solvency II, OECD Consensus). The division is also responsible for the trading activity limits definition and monitoring, as well as the supervision of the group's ALM as implemented by the CFO.

Mr. D'Ignazio is a member of the OECD Technical Working Group on Premium, the EU Council Working Group and the Berne Union MLT Risk Quantification Working Group, as well as various national and international organizations and consultancy bodies on risk management.

Prior to joining SACE, he has worked several years with Banca Nazionale del Lavoro (now BNP Paribas), holding various positions at senior level within the Wholesale Markets and International Banking Division. He was responsible, inter alia, for the financial markets pricing systems development, position keeping and risk management. Before BNL, Mr. D'Ignazio spent two years at MTS and EuroMTS, the leading Pan-European bond markets, developing pricing and reporting infrastructures. Before that, he worked for five years as a technical writer for Gruppo Editoriale Infomedia.

Mr. D'Ignazio has been a lecturer at the Politecnico of Milan, at LUISS University of Rome and at University of Pisa, from which he holds a degree in Engineering.

Mr Enrico Lucciola

Senior Underwriter, New Markets department

Mr Lucciola joined SACE in 2009 as Senior Underwriter in the Energy and Infrastructures Department focusing on the structuring and underwriting of corporate, project finance and capital markets transactions, primarily in the renewables, transportation and healthcare sectors on the domestic market. In the renewables sector, Mr Lucciola has been involved in several wind, photovoltaic and geothermal projects, including the Andromeda project bond (aimed at financing a 51MW PV plant nearby Rome through a combination of a standard project finance loan with an Italian Law 130 securitization, representing the first project bond ever issued in the Italian market and the first publicly rated and listed solar project bond in the world). In the infrastructures field, Mr. Lucciola has closed deals connected to the construction or the widening of about 1,000 km of motorways, including the BreBeMi project (DBOT of a 62km toll road linking Milan to Brescia in northern Italy), the first full traffic risk greenfield motorway transaction closed in Italy, financed via a combination of sponsors' equity / subordinated debt and c. €1.82 Bn project facilities provided by a pool of commercial banks, EIB and CDP.

Mr Lucciola has been invited to speak at several international conferences organized by Euromoney and Project Finance International.

Prior to joining SACE, Enrico worked for 6 years for a top tier international investment bank (Rome, London), maturing a thorough experience in the arrangement of PPP/PFI deals in the renewable powers, utilities and infrastructures fields in Italy and the UK, as well as in M&A transactions.

Mr Lucciola holds a Master of Science in Business Administration from LUISS Business School (Rome).