

EuroFinance⁷
Training

STRATEGIC CORPORATE RISK MANAGEMENT

Monday 9 - Tuesday 10 March 2020
Amsterdam, The Netherlands



FOR MAJOR DISCOUNTS REGISTER
AND PAY BY **17 JANUARY 2020**

The Economist Group

OVERVIEW

Today's global business climate has introduced new complexities, triggered heightened risks associated with international trade and placed increasing pressure on credit availability. As a result, international trade now requires an enhanced focus on understanding and mitigating risks and an ability to quickly access cost effective financing when and where it's needed. This challenge is driving many Corporate Treasurers to seek specialized expertise from trusted advisors, identify new and reliable sources of funding and automate processes to deliver additional efficiencies.

This intensive two-day program introduces the concepts, terminology and instruments associated with international trade and examines the roles of banks and other key players, including the emerging fintech providers. You will leave the program with a solid understanding of the key elements required for successful international trade as well as the opportunities available to unlock value from supply chains.

LEARNING OBJECTIVES

- Provide clarity about the terminology and processes of international trade and supply chain solutions
- Enhance the understanding about the effective use of trade instruments to mitigate risk and facilitate financing
- Identify meaningful opportunities to unlock working capital through trade finance solutions
- Investigate the potential for fintech providers to deliver solutions and efficiencies in support of international trade

WHO SHOULD ATTEND?

Corporate treasurers, senior treasury practitioners, finance professionals and third party providers who would personally benefit or find relevance from a comprehensive exposure to international trade matters.

TUTOR

James Lockyer

James has some 25 years' experience in multinational treasury. He developed risk management strategies for FX, liquidity, funding and credit risks at Unipart, before moving to the Association of Corporate Treasurers (ACT), leading the education function and developing the world's first articulation of financial risk management for non-financial organisations, consistent with ISO 31000. James also has extensive operational and commercial risk management experience, and has contributed regularly to thought leadership on the topic. His current activities include sourcing appropriately risk-weighted finance solutions for emerging businesses, tuition and training, and examining for the ACT.



DAY 1 // MONDAY 9 MARCH

AN INTRODUCTION TO INTERNATIONAL TRADE AND TRADITIONAL TRADE INSTRUMENTS

09:00 INTRODUCTION

- Introduce trainer, delegates, confirm aims / aspirations from the course
- A challenge for the Treasurer – there is no single ‘correct’ approach
- The risk management landscape
- Definition of risk – opportunities and threats to objectives
- RM Frameworks – ISO31000, COSO
- Society’s attitudes to risk especially post GFC – regulation and compliance; ‘safety’ vs entrepreneurship
- Behavioural issues “risk is riskier”
- ERM concepts
- Integration of RM with business decision making

10:00 TREASURY’S ROLE IN RISK MANAGEMENT

- ERM and a risk classification (business / financial / operational split)
- Business objectives correlated to RM objectives
- Organisational structures for decision making and RM; committees and delegation
- Treasury’s role in decision making
- Types of risk (systematic and diversifiable, continuous / event led, transferable / not, committed / uncommitted, time horizon)
- Risk management responses (accept / manage / avoid)
- Core treasury risk management tasks

11:00 REFRESHMENT BREAK

11:15 CASE STUDY: RM FRAMEWORK 1 – IDENTIFICATION AND ASSESSMENT

- Analysing a business and business objectives
- Commercial (eg products, market share, key customers, territories)
- Financial – profitability, cashflow, EPS
- Credit – ratings, covenants
- Sources of risk and identifying key risks to objectives
- Initial risk assessment and risk map

12:15 RM FRAMEWORK 2 – EVALUATION

- Practical evaluation tools:
- Sensitivity analysis
- Scenario analysis
- VAR and importance of correlations
- Stress / reverse stress tests
- Total loss overlay

13:15 LUNCH

14:00 RM FRAMEWORK 3 – RESPONSES TO RISK AND RM POLICY DEVELOPMENT

- Expand / discuss available responses and types of risk
- Exercise – apply to own business and compare group responses
- Hedging and speculation
- Treasury’s role in developing / deploying responses
- Policy development exercise

15:00 REFRESHMENT BREAK

15:15 RM FRAMEWORK 4 – RM REPORTING AND CONTINUOUS FEEDBACK

- Reporting and the framework
- Reporting aims – integration with policy and business objectives
- Management / financial / regulatory / credit
- Reporting criteria and systems implications
- Report examples for treasury; dashboards
- Measures and benchmarking – KPIs / KRIs etc

16:15 REPRISÉ KEY TREASURY RM TOOLS

- Uses / advantages / disadvantages of:
- Gearing (the biggest lever of all and potentially overlooked)
- FX (and commodity): spots / forwards / short term swaps
- Interest rate: FRAs, swaps
- Cross currency swaps
- FX and currency options
- Real options eg cash, committed headroom
- Borrowings security, guarantees, letters of comfort
- Trading guarantees, take-off agreements, price agreements

DAY 2 // TUESDAY 10 MARCH

USING TRADE AS A SOURCE OF FINANCE

09:00 PROJECTS AND CONTRACTS – OPPORTUNITIES TO ELIMINATE RISK?

- Eliminating or reducing FX and commodity risk from contracts
- Life of risk in a contract and managing price lists
- Managing multiple contracts / business / remittance streams across groups
- Hidden FX risk in contracts

10:00 CASE STUDY: RISK AND RETURN – CORPORATE FINANCE AND CREDIT INTERACTIONS

- Importance of key credit ratios
- Managing risks and return criteria in business investments
- Funding subsidiaries / projects abroad – FX translation risk and credit implications

11:00 REFRESHMENT BREAK

11:15 CASE STUDY: MANAGING FX RISK – ADVANCED DEPLOYMENT OF OUTRIGHTS AND OPTIONS

- Options
- Hedging or speculation?
- Cost-effective option strategies; appraising collars, AVROs, knock-in/ knock-outs
- When you need the ability to walk away

Outrights:

- Synthesise an average rate
- Use of stop loss / profit orders

12:15 LUNCH

13:15 CASE STUDY: MANAGING INTEREST RATE (AND LONG TERM CURRENCY) RISK – UNDERSTANDING THE INTERACTION OF INTEREST RATES AND THE BUSINESS

- Debate – whose risk is interest rate risk? Hence, whose job is it to manage it, and how?
- Hedging and speculation in interest rate RM
- Yield curve and swap prices – confirm technical understanding
- Appraising the value of currency swaps
- Liquidity implications – margin calls

14:00 MANAGING LIQUIDITY RISK

- Approaches to fitting to an RM framework
- Interaction of business and gearing – selection of gearing level / credit rating
- Mitigation techniques eg diversification, layering, pooling, maturities
- Impact of fashion – sectors, covenants, funding sources
- Estimating headroom
- Evaluating the drag from cash / cost of the real option
- Case studies from different sectors

15:00 REFRESHMENT BREAK

15:15 MANAGING NEW RISKS 1 – MACRO THREATS

- Behavioural aspects:
- Effect of wealth on investment decisions
- Over-optimism and overconfidence
- Mis-selling or mis-purchasing?
- Political risk – growing equivalence of fines and taxes
- Compliance – regulatory and extraterritorial legislation (eg EMIR, KYC, FTCA, FTT)
- Sanctions and AML
- BEPS
- Accounting changes and impact on own credit
- Cyber risk

16:15 MANAGING NEW RISKS 2 – PROVIDER CAPABILITIES

- Effect of Basel III on banking economics and services – implications for banking groups and funding and risk management strategies
- Evaluating required bank returns and interaction with corporate credit strength
- Bank credit strength
- Bank splits – Vickers, Liikanen, Dodd Frank
- End of notional pooling
- FinTechs, PSD2, APIs and new banks
- AI, distributed ledger
- Treasury systems development

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Prices

We offer a variety of discounts for group bookings. For advice on how to get the best rate for you, contact the training team on +44 (0) 20 7576 8555 or training@eurofinance.com.

Register and pay by **Friday 17 January 2020** to qualify for the early registration discount. If payment is not received by this date, you will be charged the full registration fee.

Early registration (book by Friday 17 January 2020)	€1,695 + 21% VAT = €2050.95
Full registration	€2,095 + 21% VAT = €2,534.95

- VAT must be paid irrespective of the delegate's country of residence.
- If the delegate considers that withholding tax is payable, then the delegate will pay to EuroFinance Conferences Limited such additional amounts as are necessary to ensure receipt of the full amount of the invoice

How to register

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For further enquiries, please call: +44 (0)20 7576 8555
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Venue information

Information on the venue/hotel will be provided 2-4 weeks prior to the start of the course. Travel should only be booked once the venue details are received.

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