Risk Appetite Case Study: Canadian Family Assurance Group

Michael Stramaglia, Executive in Residence

Key Learning Objectives

- To establish familiarity with the types of core principles that might underpin a financial institution's risk appetite framework
- To gain insights into how these core principles can be applied in practice
- To explore the role of the risk appetite framework to help navigate through potential risk/reward trade-offs and establish a clear "tone from the top" for disciplined risk-taking behaviour

Background

Canadian Family Assurance Group ("Canadian Family") is a publicly listed (TSX: CFA) Canadian insurance group. It has two primary business units (BUs) – the Retail BU and the Commercial BU. The Retail BU offers a wide range of simplified issue retail insurance products (primarily life, home, auto and travel insurance) to "self-directed" Canadian consumers, with a particular focus on serving the needs of families in the broad middle market. It distributes its products through various direct response channels (i.e., no intermediaries) that include internet sales and inbound/outbound telemarketing, supported by industry leading web-based insurance needs analysis tools, an integrated marketing strategy (print media, off-prime time television advertising and sophisticated web-based positioning) and the use of leading-edge simplified issue underwriting techniques. The Commercial BU is focused on serving the commercial property and casualty insurance needs of Canadian entrepreneurs and small businesses, with a particular focus on the commercial real estate, tech and professional services sectors. These products are distributed through a national network of independent insurance brokers. While Canadian Family is licensed in all provinces, it only recently expanded into Western Canada, which currently only accounts for 10% of its total revenue.

Canadian Family's success in developing these capabilities has been supported by its long-standing tradition of continuous innovation, data-driven decision making and high levels of organizational agility in pursuing emerging opportunities.

While Canadian Family enjoys a long history of overall underwriting profitability, over the last three years ROEs have been in the range of 8-10%, somewhat below its stated long-term objective of 13-15% (a level it had historically been able to achieve in the period before the financial crisis). The recently tabled draft business plan shows projected profitability largely in line with current ranges, with relatively modest core income and revenue growth (low single digits). The board has expressed its dissatisfaction with the draft plan and has challenged management to *"go back and find some creative ways to bring profitability more in line with our long-term objectives."*

Canadian Family's capital and surplus position is strong, and its regulatory capital ratio stands at 340% (3.4 times minimum regulatory requirements), which exceeds its long term "target" level of 235%. The ROE "drag" associated with the current "excess" surplus position accounts for approximately half of the prevailing ROE shortfall.

Canadian Family's stock has traditionally been favoured by income-oriented investors, primarily due to its reliable dividend performance. There are currently seven equity analysts rating the stock, with the following ratings distribution: 2 "sell", 4 "hold", 1 "buy". The two "sell" ratings are relatively recent developments and appear to be based on the recent period of sector underperformance and increasing concerns about future growth prospects.

Canadian Family's articulated corporate vision, mission and values are as follows:

- *Vision:* To be the most trusted provider of insurance solutions to Canadian families and small businesses.
- *Mission:* To help our customers establish control and peace of mind regarding life's inherent uncertainties.
- *Corporate Values:*
    - Innovation
    - Customer solution focus integrity
    - Agility
    - Data-driven decision making

Scenario

A national reinsurance broker recently approached Canadian Family with an opportunity to participate (as part of a reinsurance syndicate) in providing catastrophic loss coverage for certain pools of commercial property insurance risks in Western Canada (i.e., covering aggregate commercial property damage losses above very high deductibles, up to a specified policy limit). The high deductible structure means that any potential claims would only arise as the result of a significant natural catastrophe. The supply of this type of capacity has contracted considerably over the last few years and the current hard market conditions therefore now appear to provide an opportunity to achieve pricing margins significantly in excess of traditional market levels. The broker has indicated a high degree of confidence in being able to place a bid yielding pro-forma ROEs in the mid-20% range. This indicative return has been validated by external actuarial advisors, who Canadian Family retained to assist in the assessment of this opportunity.

While acknowledging that this opportunity may be *"a little off of our core strategy"*, both the CEO and head of the Commercial BU support advancing this bid based on the attractive indicative returns, its ability to quickly deploy excess capital and bolster top line growth, and it being a *"great diversification play"*. The CRO has indicated that based on the analysis provided by the reinsurance broker and the retained actuarial advisors, she could *"get comfortable"* with this risk, provided that the transaction is maintained within a prescribed limit and monitored closely. The New Initiatives Policy requires that any capital allocations to new business or underwriting ventures need to be presented to the Risk Committee of the Board for review and approval, hence the reason it is being tabled on today's agenda.

You are a member of the Board Risk Committee being asked to consider this proposed transaction. This discussion has already exceeded the allotted time, with many strong views being expressed both for and against this proposal. Feeling that the committee is struggling to reach a clear consensus, the Chair pronounces *"This is an interesting opportunity, and we've heard a number of good points being expressed on both sides, but we seem to be spinning our wheels. I don't feel that we've organized our thoughts sufficiently yet to take this to a vote. You will recall that we recently spent a lot of time and effort developing our Risk Appetite Principles, and I know we were all pretty happy with the results. It seems to me that this type of situation is precisely why we need to have a good articulation of our risk appetite. I'd therefore like to suggest that we organize our discussion around those core principles and then take this to a vote once we have the benefit of that holistic perspective in front of us."*

Risk Appetite Case Study Worksheet

Principle	Opportunity Alignment	Notes
Return for Risk Assumed • Appropriately compensated for level of risk assumed		
Strategic Alignment • Risk enables strategic goals • Risk aligns with vision, mission • Enables delivery of core customer value proposition		
Total Portfolio Perspective • Marginal contribution to existing risk profile • Diversification/concentration effects are favourable		
Stakeholder Interests • Risk appropriately balances stakeholders' reasonable expectations • "No surprises"		
Culture/Values Alignment • Risk aligns with core corporate values • Acceptable reputation/brand risk profile		
Capability/Capacity • Risk taking is appropriately supported by available risk-taking capacity (financial and other)		

Pre-Session Materials

From Discrete Risks to Systemic Stressors

This package contains the table briefs for the group exercise in this session. Please review the materials before the session. No advance preparation beyond the pre-reading is required.

Pre-Reading (included separately in this pre-mail)

Lawrence, M., Shipman, M., and Collins, C. (2025). *Global Systemic Stresses: Understanding the Drivers of Polycrisis.* Version 1.0. Cascade Institute / Global Risk Institute.

The session framework draws directly on this report. Familiarity with its central argument will enrich your table discussion, but the session is designed to be fully accessible to those reading it for the first time on the day.

About This Session

This session explores a shift in how risk leaders see the operating environment: from managing discrete risk events to recognizing the systemic stressors that determine how dangerous those events become. The central argument is that the same trigger—a recession, market shock or catastrophe—can be manageable for one institution and destabilizing for another, depending on the structural stressors already present.

The session is built around a group table exercise. Each table will receive one of the five stressor briefs included in this package and will work through three questions:

- What is the transmission channel or migration pathway from this stressor to your organization?
- Which lines of business are impacted, and how; and where does navigating this stressor well create competitive advantage?
- What early warning signals would be worth monitoring before the impact is visible in your financial results?

Each table will report its findings back in a facilitated debrief.

Your table brief is one of the following five. All five are included so you can review them in advance.

1. Geopolitical Fragmentation and Trade Stress
2. Climate Stress
3. Social, Political and Institutional Trust Erosion
4. Demographic Shift
5. Artificial Intelligence as a Systemic Stressor

Table Brief 1: Geopolitical Fragmentation and Trade Stress

Structural erosion of the global order through declining multilateral cooperation and rising economic nationalism, and the direct consequences for Canada of the disruption of its most significant trading relationship

Speaking at Davos in January 2026, Canada's Prime Minister declared that "we are in the midst of a rupture, not a transition," describing a world where great powers have begun using economic integration as a weapon, tariffs as leverage, and supply chains as vulnerabilities to exploit.

Political risk analyst Ian Bremmer has framed the same phenomenon through his "G-Zero" concept: a world in which the United States remains powerful but increasingly unwilling to sustain its traditional leadership role, while no other country or durable alliance is both willing and able to fill the resulting vacuum in global governance.

The Cascade Institute identifies geopolitical transition as one of 14 significant global systemic stresses, describing persistent instability generated by the disjunction between established Western-led institutions and the shifting distribution of military, economic and technological capabilities.

The Bank of Canada's Governor stated in February 2026 that "Canada is at a crossroads" and that "the era of rules-based open trade with the United States is over," characterizing the adjustment as deep structural change that transforms the economic landscape.

Canada enters this adjustment carrying a chronic productivity gap from years of underinvestment in technology, skills and innovation relative to peer economies.

CUSMA and the uncertainty surrounding its terms and durability represent the most immediate manifestation of this stressor for Canadian organizations. Policy unpredictability has become a permanent structural feature of the operating environment, and the adjustment it demands is measured in years, not quarters.

As you discuss, consider impacts across banking, insurance, wealth and investment management and capital markets. Consider both risk and opportunity — Where does navigating this stressor well create competitive advantage?

Table Discussion Questions

1. What is the transmission channel or migration pathway from this stressor to your organization?
2. Which lines of business are impacted, and how? Consider risks such as revenue compression, loss provisioning, capital pressure, client retention, operational cost, and opportunities such as new products or competitive differentiation.
3. What early warning signals would be worth monitoring before the impact is visible in your financial results?

Table Brief 2: Climate Stress

The progressive and accelerating change to natural systems—temperature, precipitation patterns, flood boundaries, wildfire risk zones—and their cascading effects on the built environment that financial institutions finance, insure and invest in

Unlike a catastrophe event, climate stress is directional and cumulative. Each successive year of physical change arrives on top of the last, progressively eroding the assumptions embedded in models, valuations and long-term plans.

The Cascade Institute identifies climate heating as accelerating, with the post-2010 rate of warming running at 50 percent above the 1970–2010 average. The 2024 global catastrophe loss year illustrates the scale: $320 billion in losses, of which less than half was insured, reflecting years of accumulated model underestimation that catastrophe events revealed rather than caused.

Key dimensions of this stressor for Canadian organizations:

- Physical perils are intensifying and expanding into geographies with limited prior exposure history.
- Insurance affordability and availability are becoming public policy issues, not just actuarial ones.
- The gap between insured and uninsured losses is widening, redistributing risk across the financial system.
- Climate migration—of populations, capital and risk—is reshaping the geography of exposure over multi-decade time horizons.
- Regulatory and political responses to climate stress are accelerating, creating new compliance and operating conditions.

The Canadian dimension is acute and regionally concentrated, with conditions moving in one direction.

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Table Brief 3: Social, Political and Institutional Trust Erosion

The gradual weakening of the trust relationships that allow societies, governments, markets and institutions to function predictably, and the financial consequences that can follow when that trust is strained during periods of stress

Trust functions as an important stabilizing force in financial systems. When trust remains strong, large loss events are more likely absorbed within established legal, regulatory and political frameworks. When it has eroded, the same events are likely to produce responses that are less predictable, more politically charged and harder to manage through established channels. The COVID-19 business interruption disputes demonstrated this dynamic.

The Cascade Institute identifies two reinforcing stresses driving this environment:

- **Political-institutional decay:** Declining trust in public institutions and growing dissatisfaction with government impairing collective problem-solving
- **Ideological fragmentation and polarization:** Social media dynamics and intensifying ideological conflict contributing to reduced social cohesion, diminished trust in expertise and increasingly adversarial public discourse

Together these dynamics may be contributing to a more politically charged and complex environment for financial services organizations. In the Canadian context, pressures associated with affordability, inequality, political polarization, misinformation and declining trust in institutions may reinforce one another during periods of economic or financial stress.

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Table Brief 4: Demographic Shift

The structural aging of Canada's population, accelerated by a significant recalibration of immigration policy, creating simultaneous pressures on labour supply, economic growth, consumer demand and the client base of financial services organizations

The Cascade Institute identifies demographic divergence as one of fourteen active global systemic stresses, noting that aging populations in wealthy countries are creating simultaneous pressure on pension systems, healthcare capacity and workforce availability while altering the population dynamics that supported economic growth for decades.

In Canada, these long-term demographic pressures are now intersecting with materially slower population growth following several years of historically elevated immigration levels. The consequences are increasingly visible in economic and demographic data:

- Canada's population declined in Q4 2025, an unusual development following decades of sustained population growth.
- Canada recorded more deaths than births in the same quarter, reinforcing Canada's economic dependence on immigration for labour force and population growth.
- Ontario and British Columbia recorded the steepest population declines; Alberta continued to attract strong interprovincial migration.
- Canada's median age continued to rise, reflecting the ongoing aging of the population.

Some real-economy consequences are already visible outside financial services: Major telecommunications providers reported materially weaker subscriber growth, with Bell specifically linking lower expected population growth to reduced capital investment plans. The question for this table is what equivalent signals may emerge in financial services, as population size, composition, geographic distribution and generational wealth dynamics shift.

Layered onto the population reversal, the largest intergenerational wealth transfer in Canadian history is underway as baby boomer assets begin moving to younger generations.

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Table Brief 5: Artificial Intelligence as a Systemic Stressor

The accelerating propagation of AI capabilities across economic and social systems, outpacing the governance frameworks designed to manage them, and reshaping the risk landscape of every sector that Canadian financial institutions serve

Note to participants: This brief addresses AI as a force reshaping the external environment — the clients, industries and systems financial services organizations serve. The separate session on AI as a cross-cutting risk addresses what AI means inside organizations and their risk frameworks.

The Cascade Institute identifies the propagation of artificial intelligence as one of fourteen active global systemic stresses, describing how AI capabilities are outpacing governance and disrupting all aspects of life through labour displacement, cybersecurity threats, misinformation, resource demands and emerging technology arms races.

Three characteristics define AI as a systemic stressor rather than a discrete risk event:

- **Velocity:** AI is disrupting sectors and systems faster than institutions, regulatory frameworks and governance processes are designed to adapt.
- **Simultaneity:** Impacts are arriving across multiple sectors and systems at the same time, creating correlated exposures that may not behave independently under stress.
- **Governance gap:**Capabilities are advancing in the external environment faster than the frameworks designed to oversee them, a defining characteristic of a structural stress.

For the Canadian financial services industry, the materiality of this stressor lies not in how AI is deployed internally, but in what AI is doing to the clients, communities, and industries on the other side of the balance sheet.

As you discuss, consider impacts across banking, insurance, wealth and investment management and capital markets. Consider both risk and opportunity—Where does navigating this stressor well create competitive advantage?

Table Discussion Questions

1. What is the transmission channel or migration pathway from this stressor to your organization?
2. Which lines of business are impacted, and how? Revenue compression, loss provisioning, capital pressure, client retention, operational cost, or through opportunities such as new products or competitive differentiation?
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Case Illustration

WhitePine Financial Holdings: AI as a Cross-Cutting Risk

Fictional illustration prepared for discussion purposes

WhitePine Financial Holdings is a Canadian financial institution with operations spanning retail banking, commercial lending, wealth management and insurance. Over the past two years, WhitePine has embedded AI systems across its core business functions. Three events in 2026 have raised questions the organization has struggled to answer cleanly.

The Credit Adjudication Platform | Machine Learning

In 2025, WhitePine deployed a machine learning model to accelerate small business and consumer lending decisions. The model integrated traditional credit variables with behavioural transaction data, real-time fraud screening and dynamic pricing logic. Unlike a rules-based system, the model incorporated ongoing retraining and periodic parameter updates informed by new data, and its credit assessments evolved as those updates took effect. Approval volumes increased, processing times fell, and management considered the deployment a success.

During a recent period of regional economic volatility, the model began declining applications that WhitePine's own credit policies would otherwise have supported, and pricing new credit facilities at spreads wider than WhitePine's standard risk-based pricing would have produced. Applicants quoted higher rates either went elsewhere or accepted terms more expensive than warranted. Those who were declined received a notice of the decision, but branch staff could not explain the basis for it if asked. Certain industries and communities appeared to be disproportionately affected. Complaints began circulating on social media, and local news media began questioning whether automated decision-making was disadvantaging particular borrowers.

Responsibility for monitoring model performance metrics sat with Model Risk; metrics remained within approved tolerances so no escalation was triggered. Legal and Compliance assessed whether complaint handling continued to meet FCAC standards during the surge. The business interpreted the model's response as appropriate given elevated economic risk. Customer Relations logged the surge in complaints as a service quality issue and routed them to the relevant business lines for response.

Each function observed indicators moving in concerning directions, but no single metric crossed the specific trigger that would have required escalation. The framework had been designed to respond to discrete breaches within risk categories, not to aggregate signals accumulating across them simultaneously.

By the time the issue reached executive management, OSFI and FCAC had already sent information requests.

The Call Centre Assistant | Generative AI

WhitePine's retail Call Centre had introduced a generative AI assistant that consulted the bank's actual policy documents in real time to help agents respond to customer inquiries. But in edge cases such as complex mortgage modifications and insurance claim eligibility, it produced responses that were confident, plausible and subtly incorrect. Call Centre agents, many of whom lacked deep product expertise, had little basis to question outputs that appeared authoritative. Several customers received inaccurate information about their loan terms and entitlements before the pattern was identified. Because interactions were summarized rather than fully retained, WhitePine struggled to determine which customers had received inaccurate information or whether affected customers could be identified systematically.

The Cash Management Tool | Agentic AI

WhitePine's Treasury division had deployed an agentic AI system to manage the bank's intraday cash positions, deciding how much money to hold in different parts of the business and moving funds between business units as market conditions changed, within parameters that had been pre-approved.

The system was authorized to execute liquidity reallocations automatically unless interrupted by authorized personnel. During a sudden market disruption, the system began acting faster than Treasury staff could follow. As conditions deteriorated, several staff concluded independently that the pre-approved parameters were no longer appropriate for the situation unfolding. The Treasury analyst monitoring the system attempted to pause specific transactions. Their manager, unaware the analyst was already acting, issued a different instruction. The head of a business unit whose funds were being reallocated tried to block those movements. The risk function, receiving escalation calls from multiple directions simultaneously, issued its own directive. Simultaneous attempts created conflicting instructions rather than effective control.

Escalation to senior leadership became congested. The organization's escalation framework had been designed for decisions made at human pace, and the system continued to operate throughout.

One More Thing

WhitePine's insurance broker also advised that carriers are introducing AI exclusions across D&O, professional liability, and general liability policies at renewal. Some categories of AI-related exposure WhitePine may have assumed were transferable are no longer insurable at economically viable levels. The board has begun asking whether the organization is accumulating forms of operational and governance risk that markets themselves are becoming unwilling to absorb.

Full Group Discussion: Your Assignment

The board Risk Committee has received separate briefings on all three events. Each business line has described its piece of the problem. The board is not satisfied. No one has connected these events into a coherent account of what WhitePine is actually facing.

As Special Advisor to the Chief Risk Officer, you have been asked to do exactly that. Your CRO has raised the following questions:

1. Do these events represent weaknesses in individual risk functions, or do they expose something more fundamental about how WhitePine is architected to govern risk in an AI-enabled business?

Credit Adjudication Platform

2. What risk categories were active in that scenario?
3. Where was the governance weakness? Was it Model Risk? Compliance? Business leadership?
4. Model Risk confirmed the model's performance metrics remained within approved tolerances throughout. Yet the model was producing outcomes that WhitePine's own credit policies would not support. How is it possible for a model to be performing correctly on every metric that Model Risk was tracking and still produce outcomes the bank did not intend? What does that tell us about what those metrics were measuring?

Call Centre Assistant

5. The credit platform produced unexpected behavior under conditions that might have been anticipated and tested for. The call centre system was operating exactly as designed and still produced wrong outputs. What does that difference mean for how you would approach governing each?

Cash Management Tool

6. Multiple people attempted to override the system simultaneously. None of them succeeded, and their attempts created conflicting instructions. What would have needed to be in place for any one of those override attempts to have been effective?

* * *

7. Which assumptions embedded in WhitePine's existing ERM architecture appear no longer reliable under conditions of large-scale AI deployment?

Breakout Session Discussion: Questions

You remain in the role of Special Advisor to the CRO of WhitePine. Each group has been assigned one of the six questions below. Be prepared to share your key observations with the full group.

Q1 - Credit adjudication: Monitoring and detection

Model Risk confirmed that performance metrics remained within approved tolerances throughout the credit platform event. Yet the model was declining applications and overpricing new facilities beyond what WhitePine's own credit policies would support. What monitoring of model outcomes rather than model performance metrics would have detected this earlier? At WhitePine, who might be best placed to take responsibility for that monitoring, and what expertise would they have needed to assess what they were seeing in real time? What outcomes, behaviours or customer impacts should have been treated as risk indicators even though traditional model metrics remained stable?

Q2 - Credit adjudication: Remediation

WhitePine now has a backlog of potentially affected lending decisions: wrongful declines and overpriced new originations. What would a credible remediation program require in terms of reviewer capacity, access to application files and model decision records, and credit judgment exercised independently of the model under review? What does the FCAC 56-day complaint resolution requirement mean for how quickly that capacity must be mobilized, and what would WhitePine, in hindsight, have been well advised to build into the model deployment to facilitate complaint resolution?

Q3 - Call centre: Detection and remediation

The generative AI assistant was operating as designed and yet customers received subtly incorrect information about their loan terms and entitlements. No threshold was breached and no metric flagged a problem. Unlike the credit adjudication scenario, there is no defined backlog of identifiable decisions to review. What does this reveal about the limits of traditional monitoring for this type of AI system, and what would identifying and remediating affected customers require? What design-stage decisions would have made it possible to detect this problem earlier and identify which customers were affected? What level of logging, retention and interaction traceability would have been necessary to investigate the issue effectively after the fact?

Q4 - Cash management: Governance of agentic systems

The agentic cash management system operated within its pre-approved parameters throughout the market disruption. Yet Treasury staff could not determine what it was doing or why, override attempts created conflicting instructions, and escalation to senior leadership became congested. What does this reveal about the limits of parameter-setting as a governance mechanism for agentic AI systems? What authorization architecture and human oversight design would WhitePine need before deploying this kind of system at operational scale?

Q5 - Cross-cutting: Accountability

Across all three events, each function operated within its defined lane and WhitePine was still blindsided. Consider both the first line business functions that deployed and operated these systems and the second line oversight functions responsible for the risk framework. Where should accountability for end-to-end AI system outcomes sit in the first line, and what coordination and integration role should the second line play to ensure that what each function sees is assembled into a coherent picture?

Q6 - Cross-cutting: Governance designed to cope with problems in production

In all three events, problems reached customers and regulators before WhitePine's internal governance detected them as enterprise risk events. WhitePine's governance architecture appears to have been designed around the assumption that controls would prevent problems from reaching production. How would WhitePine need to change its governance architecture to cope with AI-related problems in production?

Risk Actions

Michael Stramaglia, Executive in Residence

Business Case Study: Traduro S.L.

Traduro S.L. ("Traduro") is a publicly listed Spanish manufacturer of construction and large agricultural equipment. From its founding in 1978 until the early 2010s, it focused exclusively on the Spanish market. However, in 2014 it began to pursue a very aggressive international marketing strategy, with a particular focus on the North American market, which has been very successful. As a result, over 60% of its sales are now outside of its home market, primarily in the U.S.

Table 1 - Global Sales Distribution (millions Euro)

Market	2014	2015	2016	2017	2018	2019
Spain	289	334	379	425	453	566
Other EU	56	78	121	145	162	188
Mexico	-	38	67	92	130	167
U.S.	68	241	393	569	787	994
Canada	-	-	27	57	88	113
Total	413	691	987	1,288	1,620	2,028

This growth has prompted the need for a significant expansion in Traduro's existing production facilities, which are currently located in the Catalonia region of Spain.

With the increasing proportion of revenues coming from North America, Traduro net earnings (which are reported in its local currency, the Euro) have become increasingly impacted by changes in foreign exchange rates, particularly relative to the US$.

Chart 1 – Euro/US$ Exchange Rates 2000-2020

http://www.macrotrends.net/2548/euro-dollar-exchange-rate-historical-chart

The significant volatility in exchange rates over the last few years, coupled with the increasing growth of global revenues, have made net earnings much more volatile and difficult to predict. This has begun to impact Traduro's dividend policy and debt service coverage levels, since all of its financing to date has been raised in the local market on a Euro-denominated basis. This issue has been getting a lot of coverage in recent analysts' reports and has been a key theme in discussions with potential investment bankers as management begins to make the rounds in securing the additional financing required to support its planned production expansion project.

Management has undertaken various reviews in the past aimed at exploring the possibility of hedging its currency exposure, but has resisted doing so to date. This position is largely based on their expectation that global financial markets will be characterized by a long term secular trend of US$ strengthening against virtually all other major global currencies, particularly the Euro.

Exercise:

Please review the case and be prepared to discuss recommendations for the pending expansion of Traduro's production facilities. Consider the operational, financial and risk management implications of your recommendations(s).

It may be helpful to consider the following questions;

- What is management's risk appetite for currency risk?
- Is it appropriate?
- What is the range of expansion and financing options?
- What risk actions should accompany each and what are implications of these actions?
- What is the preferred strategy and why?