

Luxembourg, May 04-12, 2015

**CERTIFIED PRIVATE BANKER**

**FOUNDATION LEVEL COURSE**

**ORGANISATION SHEET**

<p><b>Objective</b></p>	<p>Private Banking is one of the pillars of the Luxembourg financial centre and the ever growing complexity of this business requires that a private banker possesses a solid knowledge of the financial instruments and their use as investment vehicles.</p> <p>In order to provide this background the IFBL has developed a foundation course focusing on the following aspects:</p> <ul style="list-style-type: none"><li>- the use financial instruments in investment portfolios</li><li>- the taking of investment decisions based on the aspects of risk and return</li><li>- the understanding of the concept of market efficiency in portfolio management</li><li>- the integration of efficient financial vehicles in investment solutions</li></ul>
<p><b>Methodology</b></p>	<p>For this programme, the IFBL has developed an innovative blended learning approach that combines the efficiency of E-Learning with the effectiveness of instructor-led training (ILT):</p> <p>Part 1: An <b>E-learning course</b> "International Financial Market" (maximum duration: 20 hours) with a <u>final written exam</u>.</p> <p><u>Participants are required to take this course and pass the test before the beginning of the second part</u></p> <p>Part 2: An <b>instructor-led training</b> (ILT) in Luxembourg. The ILT part of the programme is taught by industry experts, who effectively combine theory with practical examples, exercises and case studies.</p> <p>The training is ending with a <u>final written exam</u>.</p> <p>The theoretical aspects of the programme are based on the latest market standards, while examples, case studies and exercises are used to present and apply the material to realistic situations in private banking.</p>



<b>Target group</b>	Young executives, junior traders and specialists of commercial banks or other financial institutions with an interest in Asset Management, Private Banking, Investment Advisory, Relationship management, Risk management and Portfolio Management.
<b>Assessment</b>	<p>Part 1: E-learning test = prerequisite for the participation in the Luxembourg course.</p> <p>Part 2 (in Luxembourg): the participants will have their newly acquired knowledge validated through a written exam.</p>
<b>Experts</b>	High-Level training experts, member of IFBL Quality Circles in Private Banking, Financial Products and Risk Management
<b>Language</b>	English (without translation)
<b>Participants</b>	<ul style="list-style-type: none"> <li>➤ Maximum of <b>15 participants from the following invited countries</b>: Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Cape Verde, China, Croatia, Czech Republic, Egypt, El Salvador, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lebanon, Lithuania, Macedonia, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tunisia, Turkey, Ukraine, Vietnam and from the West African Monetary &amp; Economic Union- selected by ICMA/IFBL and ATTF according to the relevance of their applications.</li> <li>➤ <b>Other participants</b>: from Luxembourg-based banks.</li> </ul>
<b>Dates</b>	<p>From Monday 4 May to Tuesday 12 May 2015 (6.5 days)</p> <p>Arrival: Sunday 3 May</p> <p>Departure: Tuesday 12 May afternoon or Wednesday 13 May 2015</p>



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**CERTIFIED PRIVATE BANKER  
FOUNDATION COURSE**

**CONTENT**

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The most essential financial products used in wealth management and the Private Banking industry will be reviewed: simple instruments (forex, money markets, bonds and equities) and complex or structured financial products (investment funds, hedge funds, derivatives, structured products). Risk management will be on the agenda as well. The international financial architecture of this programme will lead to the integration of these instruments in a global solution of portfolio management. Then, participants will have the opportunity to have a brief global overview of the total product offering corresponding to the needs complex Private Banking clients needs including fiscal planning, private equity, estate planning, family offices services and family governance.

***E-LEARNING "International Financial Markets"***

**PART 1 :**

The objective of this part is to provide the participants with a good understanding of financial markets, the financial instruments traded in them, the key players in financial markets and the activities that they perform.

Participants will have access to the E-learning course on a 24/7 basis through the Internet for a period of 6 months. They will be able to log-on and log-off the course as many times as they would like.

The instructor-led part will start where the E-learning finishes, therefore completing the E-learning course is **a prerequisite for the ILT part.**

The specific material that the E-learning course will cover is the following:

- Financial Markets
- Financial Instruments: Securities
- Financial Instruments: Derivatives and Investment Funds
- Market Activities
- Market Players
- Future Trends

The estimated duration for the E-learning course is approximately 10 hours, which are typically divided into sessions of 30-40 minutes each. The last chapter of the E-learning course is a test, which participants are expected to pass to confirm the knowledge that they acquired before beginning the ILT course. Participants are allowed to redo the course and to retry the test as often as they want.



The instructor-led part will start where the E-learning finishes, therefore completing the E-learning course is **a prerequisite for the ILT part.**

***INSTRUCTOR-LED PART (Luxembourg, 04 – 12 May 2015)***

**PART 2 (ILT) in Luxembourg:**

**Day 1:**

**Introduction to the Private Banking Business**

Private Banking in Europe  
Overview of global services  
Characteristics of Private Banking in Luxembourg  
The market and the business models  
Industry economics  
Target clients in Europe and interpersonal skills

**Fundamentals of risk management**

Type of risk in private banking  
Regulatory environment  
Market risk  
Credit risk  
Operational risk  
Liquidity risk  
Measuring risk  
Organisational aspects of Risk Management

**Day 2:**

**Forex and money market**

Market types: organized and OTC  
Money markets: characteristics and concepts  
Players  
Types of products  
Squaring a treasury  
Basis notion and mathematical concepts  
Foreign exchange market  
Forex futures  
Forex conventions  
Base currency  
Spot transactions  
FX swaps  
Non deliverable forwards  
Forex futures  
Forex exercise

**Day3:**

**Fixed income products**

Launch of a bond issue  
Importance of solvency criteria  
Principles of bond pricing  
Bond yields  
Yield curve



Bank earnings from bond transactions  
Calculation of bond duration  
How to consider an investment in different type of bonds  
Risk of bond investments

### **Analysis of Equities Investments**

The main securities transactions  
Topography and assessment of the risks inherent in an investment in shares  
Rights and obligations of the shareholder  
The principles and foundations of valuing a share  
Importance of financial information  
Remuneration of the bank  
Technical analysis  
Practical steps to compose an equity portfolio

### **Day 4:**

#### **Options, Futures and structured products**

##### **Derivatives**

What is a derivative: definition and concepts  
Notion of underlying asset  
Mathematical concepts and calculation  
Options: Intrinsic and time values  
Option pricing exercise  
Greeks  
Options for risk hedging  
Exotic options  
Futures: Mathematical notions  
Using futures for hedging  
Using futures for instrument pricing  
Interest Rates Swaps: swap valuation methods  
Hedging swaps  
Other swap types

##### **Structured products**

Basic definition of a structured product  
Interaction of market participants  
Development  
Structured products gain wider use  
Classification  
Issuing structured product  
Underlying assets  
Structured products & portfolio management  
Examples

### **Day 5:**

#### **Funds**

##### **Investment funds**

SICAV & FCP  
Players in the Investment Funds Market  
Calculating a NAV





Multiple asset classes  
UCITS IV  
ETFs

### **Hedge funds**

Definitions and basic concepts  
Main hedge funds strategies

### **Day 6:**

#### **Portfolio Management**

The importance of international diversification in portfolio management  
The use of modern theories of portfolio management  
Dividend discount model in day to day portfolio management  
Performance analysis: different risk/return ratios used in portfolio management and its utilisation  
Market efficiencies and analysis of efficiency in current market situations  
The use of indices and different benchmarking methodologies. Active versus passive portfolio management  
The different phases of building a portfolio for one client  
Current economic situation and influences of the current economic situation on portfolio management decisions  
Details about Europe most important Private Banking products and services considering their legal and regulatory framework (Introduction to the Certified Private Banking program)

### **Day 7: Examination:**

Written exam based on all covered topics during the ILT course in Luxembourg.

IFBL provides the questions for the examination.



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OF THE GRAND DUCHY OF LUXEMBOURG