

Luxembourg, November 3th - November 11th, 2014

CERTIFIED PRIVATE BANKER

FOUNDATION LEVEL COURSE

ORGANISATION SHEET

<p>Objective</p>	<p>The Wealth management and the Private Banking industry have been hit in 2008 and 2009 due to the financial crisis but the outlook is bright and global wealth creation continues apace. As one of the biggest financial centre in the World, Luxembourg is especially active in these two fields. New products are being developed constantly especially in the field of alternative assets and structured products.</p> <p>This seminar introduces to modern financial tools destined to value and use these new products in Modern Portfolio Management in general.</p> <p>Upon finishing this module, participants will know how:</p> <ul style="list-style-type: none">- To use modern financial instruments in investing portfolios- Make investment decisions based on the aspects of risk and return- Understand the concept of markets efficiency in portfolio management- Integrate efficient financial vehicles in investment solutions <p>All types of investment solutions to the client's needs will be covered.</p>
<p>Methodology</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 E-learning course "International Financial Market" (maximum duration: 20 hours) with a <u>final test</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 instructor-led training (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>
<p>Target group</p>	<p>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.</p>
<p>Experts</p>	<p>High-Level training experts, member of IFBL Quality Circles in Private Banking, Financial Products and Risk Management</p>
<p>Language</p>	<p>English (without translation)</p>
<p>Participants</p>	<ul style="list-style-type: none"> ➤ Maximum of 20 participants from the following invited countries: 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 & Economic Union- selected by ICMA/IFBL and ATTF according to the relevance of their applications. ➤ Other participants: from Luxembourg-based banks.
<p>PART 1 E-Learning preparation course "International Financial</p>	<p>The E-learning course <i>International Financial Markets</i> is a prerequisite for the second part of the "Certified Private Banker Foundation level". The objective of the E-learning part of the programme is to provide participants with a good understanding of financial markets, the financial instruments traded in them, the key players in financial markets and the activities that</p>



Markets”

they perform. Participants will have access to the E-learning course on a 24/7 basis through the internet from the selection onwards. Participants will be able to log-on and log-off the course as many times as they would like.

The instructor-led parts of the Private Banker Programme will start where the E-learning finishes, so completing the E-learning course is a prerequisite for the ILT parts of the programme. The knowledge acquired through E-learning will be deepened and reinforced through “hands-on”, ILT workshops, which are very practical.

The specific material that the E-learning course *International Financial Markets* will cover is the following:

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

The estimated total duration for the E-Learning course is **between 10 and 20 hours**, which are divided into sessions of 30-40 minutes each. The duration depends on the knowledge level of each participant.

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.

Knowledge Assessment of the E-Learning part

Participants will be asked to pass a test at the end of the E-Learning course (they are allowed to redo the course and retry the final test as often as they want before the ILT course)

Of course, **passing this test is a pre-requisite** to attend the ILT part in Luxembourg.

PART 2

During this training, industry experts will teach the



The instructor-led training (ILT) part in Luxembourg

subjects in a highly interactive way. Theoretical lectures will be combined with practical examples, exercises and case studies.

Knowledge Assessment of the ILT part

A written exam based on all the covered topics will be held at the end of the ILT course.

Duration: 3 hours

All successful candidates will be granted a certificate of success and be certified Private Banker, Foundation Course.

After this training programme, experts will remain available for questions from the participants and explanations or recommendations via e-mail.

Duration of PART 1

Between 10 and 20 hours depending on the knowledge level of the participants.

Access to the E-Learning environment once selected.

Duration of PART 2

6 working days + 3 hours examination

From Monday, November 03 to Tuesday, November 11, 2014

Arrival day: Sunday, November 02

Departure day: Tuesday, November 11, afternoon or Wednesday, November 12



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CONTENT

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.

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



Different class of derivatives instruments
Options: concepts and calculation
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
Types of IRSs
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.

