

Derivatives in Private Banking



Objectives:

During this programme participants will:

- Understand derivative products and their applications in asset management and private banking
- See the coordination between front, middle and back offices
- Learn how these products can be priced intuitively
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Training methodology:

The programme is highly interactive and it will encourage participation through exercises and case studies, which the delegates will solve individually or in small work-groups.

These activities are designed to allow attendees to practise and to consolidate the concepts that will be discussed during the lectured sessions of the program.

The program will focus on the practical realities of the market, rather than taking an excessively mathematical or academic approach.

This is an intensive course which will require concentration.

Who should attend:

The programme is designed for:

- Relationship Bankers
- Financial Markets Sales
- Family Offices
- Middle Office
- Credit Officers
- Compliance

Course Duration

2 Days

Introduction and Programme Objectives

The Course Director will present a brief overview of the programme

Uses of Derivatives in Asset Management & Private Banking

- Why are derivatives used in asset management and private banking?
 - Effectiveness versus traditional cash-based instruments
- What are the building blocks of derivatives?
 - Spot and forward levels
 - Where do these numbers come from
- Why and how can principal protection be offered?
- Clarifying some of the jargon

Fundamental Products

- Interest rates
 - Financial futures
 - Interest rate swaps and their mechanics
- Foreign Exchange
 - Spot and forward FX rates
 - Applications in currency overlay and as an asset class
- Credit instruments
 - Fixed income bonds, Floating Rate Notes
 - Credit Default Swaps (CDS)
 - Uses in synthetic credit instruments
- Looking at structured product term sheets
 - Identify the risk and rewards
 - What questions do you think should be covered with structured products clients?
- Equities
 - Basic options
 - Warrants
 - (Reverse) Convertible / Exchangeable bonds
- Inflation & Commodities
 - Mechanics of inflation-linked bonds
 - Why take commodity risk?
 - How can you diversify your risk?
- Have you got what it takes to be a trader?

What is the relevance to the bank's operations?

Course Review And Close