

## THE PROGRAMME

### INTRODUCTION

Professionalism, knowledge and skills have contributed much to the strength and resilience of the banking industry in Hong Kong. The Association is delighted to offer this part-time diploma programme to those young executives who have chosen banking as their career.

This professional diploma is a very useful course for executives who wish to deepen their knowledge and expertise in the banking business, which is by far the biggest employer in Hong Kong.





Some of the subjects in this programme have not been commonly taught in Hong Kong, and all seven modules are practical and skill oriented. They aim at giving a solid and all-round knowledge about the basics of banking operations to students and enabling them to carry out their work more competently. They also provide students with an insight into the new requirements and changing environment in Hong Kong's banking industry.

The diploma comprises seven modules, one of which is a management report. Each module consists of 30 contact hours, except for the Management Report.

Participants will be asked to submit a management report which may be on any aspect of banking practice, so that they are given a chance to put theory into application. Lectures will be conducted by experienced and qualified practitioners and academics from local institutes of higher education.

### PROGRAMME STRUCTURE

The programme consists of seven modules, with a diploma being awarded upon successful completion of all modules.

FIRST TERM			
BP2 	BP3	BP6 	
Lending and Credit Analysis	Treasury Operations and Management	Business Development in Banking Environment	
SECOND TERM			
BP1 	BP4 	BP5	BP7
Trade Finance	e-Banking and Strategic Application of Internet in Finance and Investment	Trust and Trustee Services	Management Report

 The course has been included in the list of reimbursable course for CEF purposes.

### ADMISSION REQUIREMENTS

Applicants should fulfil the following requirements:

1. be secondary school graduates;
2. possess 2 or more years of working experience;
3. have a reasonable command of written/spoken English

### LANGUAGE MEDIUM

Cantonese (supplemented with English)  
Course materials, mid-term assessments and final examinations will be in English.

### ENQUIRIES

To make enquiries, please call 2774-8501 / 2774-8500 (Customer Service Department) during normal office hours. For course details, please contact Ms Shirley Chan on 2774-8569.

## YOUR ADVANCEMENT PATH

PDBP graduates are eligible to apply for the following part-time programmes offered in Hong Kong by overseas universities in association with the HKMA:

### Bachelor's Degree

- **Bachelor of Business (Economics and Finance)**  
RMIT University, Australia (Exemption up to 1/2 of the programme, completed in 2 years)

### Master's Degree

- **Master of Finance**  
RMIT University, Australia
- **Master of Management (Financial Management, Management)**, offered in Hong Kong by Macquarie Graduate School of Management, Sydney in association with The Hong Kong Management Association, completed in 18 months.  
*(PDBP graduates without other qualifications and have a minimum of 5 years relevant work experience could apply the Master of Management via successful completion of the Postgraduate Diploma in Management, offered in Hong Kong by Macquarie Graduate School of Management, Sydney in association with HKMA)*
- **Master of Business (General Management)**, offered in Hong Kong by The University of Newcastle, Australia in association with The Hong Kong Management Association.  
*(PDBP graduates without additional academic/professional qualifications should have substantial working experience including 8 years relevant management experience when they apply for the Master of Business programme.)*
- **MBA in Financial Services (MBAFS)**  
The University of Greenwich  
*(PDBP graduates with minimum 5-year relevant business experience are eligible to apply for the part-time programme MBA in Financial Services (MBAFS) offered in Hong Kong by The University of Greenwich in association with HKMA.)*

*Applicants are required to demonstrate proficiency in English in line with the criteria set by respective universities. Admission to academic institution is also on a competitive basis entirely at the discretion of the respective universities.*

## FEE (each module)

HKMA Member: HK\$2,850 \* Participants enrolling in module(s) / programme(s) commencing next year can enjoy the member rate only if they continue to subscribe for the HKMA membership the following year.  
Non-member: HK\$2,950  
Application Fee: HK\$ 200

## REIMBURSABLE BY CONTINUING EDUCATION FUND (CEF)

Name of Institution: HKMA    CEF Institution Code: 300    CEF Course Code: 23Z076103  
CEF Course Title: Trade Finance; Lending and Credit Analysis; Finance and Investment; Business Development in Banking Environment (modules of the Professional Diploma in Banking Practices)

These four modules have been included to be reimbursable under the CEF. Participants MUST submit their applications directly to the Office of the CEF before the commencement of the programme. For details, please visit the website: <http://www.info.gov.hk/sfaa/cef> or contact the CEF enquiry hotline: 3142 2277.

## EXEMPTION

Applicants can apply for exemptions for up to 2 modules of the programme. For details, please contact the Customer Service Department on 2774-8500. The application form for exemption can be downloaded from our website ([WWW.HKMA.ORG.HK](http://WWW.HKMA.ORG.HK)).

## COMPLETION OF A MODULE AND AWARD OF DIPLOMA

### Satisfactory Completion of a Module

A minimum of 70% attendance is required for satisfactory completion of a module. Failure to do so will disqualify the student from sitting for the final written examination. Students must obtain an aggregate of 50% at least in the mid-term assessment and the final examination. For the management report, the student is required to achieve a pass grade in the report.

### Completion of the Professional Diploma in Banking Practices

Completion of the PDBP Programme requires a student after initial registration to pass the continuous assessments and final written examinations of all seven modules in two consecutive terms. A candidate who has satisfied all the requirements will be awarded the Professional Diploma in Banking Practices.

### Unsatisfactory Performance in a Module

On failing any one module at the first attempt, the student may sit once only for the remedial examination in the following term by paying a fee. Participants who fail the remedial examination are allowed to retake the module by paying full module fees.

However, the maximum time for participants to complete the whole programme is 2 years.

# SYLLABUS

## BP1. Trade Finance

### Aims

- Enable students to understand the fundamentals and essentials of International Trade.
- Trade Finance products and services provided by Banks in Hong Kong and Worldwide to Importers and Exporters.
- Enable students to grasp the know-how in Evaluation of Risks associated with International Trade Operations and Financing.
- Enable students to understand the functionalities and practices of Documentary Credit and Collection – the 2 most popular International Trade Settlement Methods chosen in Hong Kong.
- Introduction and demonstration to students various Bank to Bank Financing vehicle under International Trade.

### Contents

- I. Understand International Trade**
  - What is It?
  - Who are Involved?
  - How it Works?
  - Who Sets Barriers to It? Why and How?
  - What is INCOTERMS?
- II. Various Methods of Settlement in International Trade**
  - Methodology of various means and respective risk
- III. Analysis of Risks Involved in International Trade**
  - Country Risks
  - Credit Risks
  - Foreign Exchange Risks
  - Marine Risks
  - Settlement Risks
- IV. Understanding the Role and Function of Documentations in International Trade**
- V. Financial Planning for Importers and Exporters and Factors Leading to a Successful Application for Banking Facility for International Trade Finance**
- VI. Documentary Collections**
  - Definition and Operations
  - Uniform Rules for Collection
  - Export Credit Insurance
  - Financing to Exporters
- VII. Documentary Credit**
  - Definition and Operations
- VIII. Finance Through Various International Trade Financing Products/Services Available to Importers and Exporters Under Documentary Credit such as:**
  - Uniform Customs and Practice for Documentary Credits
  - Various types of Documentary Credit
    - *revocable/irrevocable*
    - *sight: payment/negotiation*
    - *usance: acceptance/deferred payment*
    - *confirmed*
    - *transfer revolving*
    - *local*
    - *standby*
- IX. Court Case and Fraudulent Case Study & Analysis**
- X. Foreign Exchange in Trade Finance Aspect and Risk Control**
- X. Bank to Bank Financing Vehicles Under International Trade**

## BP2. Lending and Credit Analysis

### Aims

- Enable students to grasp the basic techniques of bank lending and credit analysis
- Assist students to better assess the risk elements involved in extending credit
- Demonstrate to student techniques of reducing incidences of bad debt and increase the rate of debt recovery

### Contents

- I. The Lending Process**
  - Target Market Screening
  - Basic Considerations in Granting Credit Facilities
  - Interviewing the Client
  - Assessing Risk
  - Writing up a Credit Proposal
- II. Credit Process**
  - Further Risk Assessment
    - *credit risk assessment and mitigation for sole proprietorship, partnership and limited company*
    - *overtrading*
    - *corporate governance*
  - Analyzing Financial Statements for Lending Purposes
    - *sales figures, net worth, working capital, contingent liabilities, cash flow projection*
    - *quality of assets, asset conversion cycle*
    - *investment strategy*
  - Industry Study
    - *industry risk*
    - *critical success factors*
    - *industry trend and outlook*
  - Ongoing Monitoring
    - *the annual and interim review*
    - *exceeding limits and approval*
- III. Credit Administration and Control**
  - Types of Advances
    - *personal lending, commercial lending, interbank lending and borrowing*
  - Securities and Related Documentation
  - Company Search and Credit Investigation
  - Monitoring of Loan Portfolio Techniques
  - Borrower and Facility Risk Ratings
  - Warning Signals of Potential Bad Loans
  - Criteria for Immediate Action
  - Loan Restructuring
  - Debt Recovering
  - Control of Collection Agents
  - Legal Proceedings
- IV. Specialized Lending Products**
  - Syndicated Loan
  - Project Financing
  - Factoring Services
  - Leasing
  - Guarantee Services
  - Asset Based Lending

## BP3. Treasury Operations and Management

### Aims

- Increase the awareness of the students of the complexity of opportunities and challenges of today's Treasury operations
- Enable students to formulate hedging strategies against interest and exchange rates exposure
- Broaden the knowledge of the students in the management of risk within the Treasury functions

### Contents

- Introduction to Treasury Operations and Management
- Treasury Management Techniques
- On Balance Sheet Traditional Approach
- Off Balance Sheet Treasury Management
- Principles of Currency and Interest Rate Hedging
- Foreign Exchange Rate Risk Management
- Derivatives Treasury Management
- Liquidity Management and Cash Forecasting
- Credit Risk Management
- Quantification of Different Levels of Risk for Treasury Products

## BP4. e-Banking and Strategic Application of Internet in Finance and Investment

### Aims

- Enable students to grasp the knowledge, development and the trend of e-Banking in the business world
- Enable students to grasp the advantages of using internet in investment and finance, and to take the preparations needed to start investing online
- Boarden the knowledge of students of the most common online financial products in Hong Kong including shares, bonds, debentures, mutual funds, options and derivatives products
- Be able to formulate better investment strategies and control financial risk

### Contents

- I. **e-Banking and other Online Banking Services**
  - *Characteristics and Features of e-Banking*
  - *Discussion of Banking Services Available Online*
  - *Future Development of e-Banking*
  - *Impact of e-banking on Operation, Cost Structure and Development Strategy in the Banking Business*
  - *CRM Application in e-Banking*
  - *Development Trend in e-Banking System in China*
- II. **Marketing Strategy of e-Banking**
  - *Marketing Position of e-Banking Services*
  - *Market Segmentation of e-Banking Services*
  - *Market Penetration*
  - *Pricing Policy of e-Banking*
  - *Promotion Policy of e-Banking*
- III. **Online Investment**
  - *Advantages and Disadvantages of Online Investment*
  - *Comparison of Online Investment vs Traditional Onvestment*
  - *Privacy and Security on Online Investment*
  - *Web Sites to Provides Fundamental Knowledge on Investment*
- IV. **How to Trade Online Financial Products**
  - *Discussion the Investment Strategies for Different Financial Products on Online Investment*
    - \* Shares
    - \* Debentures
- \* Option
- \* Warrants
- \* Derivatives
- \* Structural Products
- \* Property Investment Trusts Funds
- \* Future Index
- \* Mutual Funds
- \* Insurance and Retirement Products
- V. **How to Make Investment on Internet**
  - *Criteria for Selection of Online Brokerage Firms*
  - *Preparation Work for Online Investment*
  - *Financial Risk Management and Control for Online Investment- Different Techniques in Investment*
    - \* Fundamental Analysis
    - \* Technical Analysis
    - \* Macro Economics Analysis
    - \* Geographical Analysis
    - \* Industrial Analysis
    - \* Simulation Modelling
- VI. **How to Implement Online Investment Plan**
  - *To Prepare Oneself Online Financial/Investment Model*
  - *Online Portfolio Performance Analysis and Control*
  - *Financial Risk Management and Control for Online Investment*
- VII. **Future Development and Trend of Online Investment**

## BP5. Trust and Trustee Services

### Aims

- Enable students to understand the legal relationship of a trust, duties of a trustee, and privileges of a beneficiary
- Learn the different types of trustee services provided by a bank
- Be able to tailor-make trusts to meet customer needs

### Contents

- I. **The Concept of Trust**
  - The Law of Trust
    - *common law and equity*
    - *express private trust*
    - *secret trust*
    - *resulting and constructive trust*
  - The Law of Trustees
    - *power and duties of trustees*
- *trust corporation*
- *breach of trust*
- Creation of a Trust and Trust Deed
- Types of Trust Commonly Used in Trustee Services
  - *life interest trusts*
  - *accumulation and maintenance trusts*
  - *discretionary trusts*
  - *charitable trusts*

## Contents

### II. Wills and Probate

- Wills and Intestate Law
- Grant of Probate and Letters of Administration
- Estate Duty and Tax Planning
- Inheritance (Provision for Family and Dependents) Ordinance

### III. Trustee Services

- Private Trusts
  - estate planning
  - pre-emigration estate planning
  - tax planning
  - succession planning
  - estate duty minimization
  - wealth preservation
  - asset collection
  - protection of assets from financial, fiscal and political risk
  - avoiding fragmentation of a family business or assets
  - benefiting charities
  - confidentiality/anonymity
- Private Corporate Services
  - placing assets into a private company
  - avoiding capital taxes
  - efficient tax planning
  - professional asset management
  - collection of income from royalties, patents and copyrights
  - confidentiality
- Global Asset Protection Services
  - establishment of a trust and the transfer of assets into the trust
  - ownership of the client's assets for the duration of the trust in a politically stable country
  - day-to-day administration of the trust
  - safeguarding client's assets from:
    - . political and civil unrest
    - . adverse economic conditions
    - . inheritance limitations
    - . expropriation
    - . unfavourable effects of changes of residence
    - . income, withholding and inheritance taxes
    - . exchange control restrictions

## BP6. Business Development in Banking Environment

### Aims

- Enable students to grasp practical marketing skills in both corporate banking and consumer banking application
- Improve their skills in market analysis and research, and market planning
- Be able to identify possible ways to improve profitability of the bank

## Contents

### I. Understanding the Market In the Banking Environment

- Customer Behavior in Corporate Markets and Consumer Markets
- Market Segmentation for Corporate Banking and Consumer Banking and its Positioning Strategies

### II. Developing Marketing Mix Strategies for the Banking Industry

- Bank Products
  - marketing bank products in corporate markets: trade finance, overdraft, and commercial loan
  - consumer markets: current and savings accounts, unit trusts, credit cards, insurance agency services, brokerage services, margin account, mortgage loan and tax loan
  - new product development in corporate and consumer markets
- Price
  - different price strategies in corporate markets and consumer markets
  - ways to increase the income source from interest earnings and non-interest earnings

### • Distribution

- physical factors in location selection
- types of delivery channels to corporate and consumer markets

### • Promotion

- advertising
- sales promotion
- personal selling
- public relations

### III. Marketing Planning in Banking

- Strategic Marketing Planning Process
- Different Organizational Structure in the Banking Industry
- Factors Affecting Implementation

### IV. Application on Corporate and Consumer Markets

- Cross-Selling Techniques Between Corporate and Consumer Markets
- Security Evaluation on Corporate Customer
- Security Evaluation on Individual Customer
- Common Failures of Marketing Application

### V. The Future of Bank Marketing

- Short-term and Long-term Concerns
- Strategic Options

## BP7. MANAGEMENT REPORT

Submit a Report title



Write the Management Report under the supervision of the report guide appointed by the HKMA

The management report allows students to demonstrate their ability in applying their knowledge and skills to a real situation, usually within their own organization or based on a new business idea. Under the guidance of a supervisor, students are required to complete a comprehensive management plan including a logical sequence of analysis, decision rationale, steps of implementation, control and financial projection.

*Course contents of all modules may be subject to change if required without prior notice.*