



TRIPLE E EUROPEAN FOUNDATION CERTIFICATE in BANKING
(TRIPLE E EFCB)

LEARNING OUTCOMES

1. LEARNING OUTCOMES

1.1. Learning Outcomes:

Knowledge, skills and competences, presented in Appendix 1

Accredited institutes are allowed to expand the learning outcomes specified in Appendix 1 by a maximum of 20 percent to cover country specific content at national level. In assessing the 20 per cent, both the number and the weight of the learning outcomes added should be taken into consideration. On approval of EBTN's Triple E Committee the Triple E EFCB can also be granted if the EFCB learning outcomes are an integral part of a wider national qualification.

1.2. Size of the Qualification:

Minimum 150 hrs of learning effort (maximum 180 hrs)

2. UNITS

2.1. Units (title and size):

1. The Monetary and Financial System of the EU – 20 hrs, constituting 13%
2. Bank Customers, Products and Services – 90 hrs, constituting 60%
3. Risks and Compliance – 40 hrs, constituting 27%

2.2. Assessment method at the unit level:

It is allowed that the LOs of a unit are assessed at the level of a unit. The assessment methods applied at the level of a unit should be used the same as in case of a consolidated exam at the end of the training programme or validation procedure.

2.3. Distribution of questions per unit

- Unit 1: minimum 8 questions
- Unit 2: minimum 36 questions
- Unit 3: minimum 16 questions

3. EQF/NQF LEVEL

EQF Level 4, recommended by EBTN

4. TRIPLE E POINTS

15 Triple VET credits for the entire qualification (maximum 18 Triple VET)

4.1. Allocation of Triple VET points to units:

Unit 1: 2 Triple VET credits

Unit 2: 9 Triple VET credits

Unit 3: 4 Triple VET credits

5. CPD

5.1. **Minimum requirement:** 10 hrs per year

Details of the procedure should be specified by the applicant institute within the accreditation process.

5.2. **Accepted activities:**

Formal training, non-formal training, including in-house training, exams, self-study. Up to 50% of the hours requirement can be fulfilled by self-study or other forms of informal training.

5.3. **Accepted validation procedure for CPD:**

A certificate holder is obliged to report the fulfilment of the CPD requirement to a local accredited Triple E EFCB provider, at least every 3 years. An accepted minimum form of documentation is a written self-declaration by Triple E EFCB holder of the activities performed, confirmed preferable by a third party (e.g. the employer of the EFCB holder) or by the EFCB accredited institute. The local Triple E EFCB provider maintains a registry of compliance with CPD requirements by Triple E EFCB holders. The information is available for inspection by EBTN on request.

6. ASSESSMENT

6.1. **Organiser:** The Triple E EFCB examination is organised at the national level by an accredited organisation.

6.2. **Form:** multiple choice exam (with an option to include open questions)

6.3. **Types of questions:** Multiple choice, including task-oriented and/or short open ended questions for example in case of LOs which are skills .

There is no requirement to test learning outcomes which are competences.

6.4. **Number of questions:** minimum 60

The number of questions for each unit and subunit directly corresponds to their weights in the whole Qualification, as indicated under 3.3. The number of alternatives per MC-question is minimum three of which one is correct.

6.5. **Duration of the examination:** minimum 90 minutes

6.6. **The pass mark:** 60%

A candidate should answer at least 36 of the 60 questions correctly while scoring at least 50% for each of the three Units in order to pass the exam:

Unit 1: at least 4 questions correct

Unit 2: at least 18 questions correct

Unit 3: at least 8 questions correct

This means that scoring at 50% on each unit does not result in passing the exam.

6.7. **The reliability and validity of the examination**

An accredited organisation should apply the following standards:

On the question level

- The average score on an exam question should lie between 40% and 80%. This means that between 40% and 80% of the participants should score correctly on this question.
- A question should have a positive discrimination factor. This means that the results of the top 30% of the candidates should be better than the results of the lowest 30% of the candidates.

On the examination level

- The average score on an exam as a whole should be around 65%. This means that around 65% of the participants should pass the exam.

Those indicators should be measured after each examination, analysed and then the appropriate corrections should be introduced to the exam questions for future use.

6.8. **Assessment of an individual unit:**
Assessment at the level of a unit is acceptable.

7. VALIDATION

It is recommended that the Triple E EFCB should be attainable through a validation process at the national level. Accepted methods to be used by an accredited organisation are defined by the Triple E Standard Guidelines (Guideline no 13).

8. UPDATING

The Learning Outcomes of the Triple E EFCB should be reviewed and updated at least every three years. This is the task of EBTN on advice of the Triple E EFCB Committee (see 11). A report on updating will be circulated to all accredited institutes with a message for consultation on required modifications.

9. ACCUMULATION AND TRANSFER OF LEARNING OUTCOMES

It is recommended that the Triple E EFCB should be suitable for accumulation and transfer procedures, according to the Triple E Standard Guidelines (Guideline no. 15). The Triple E EFCB Committee will take the initiative to enhance this between the Triple E EFCB accredited institutes.

10. TRIPLE E EFCB COMMITTEE

Accreditation committee responsible for:

- Updating learning outcomes Triple E EFCB;
- Advising EBTN's Triple E Committee on applications for (re-)accreditation of Triple EFCB.
- Advice on information requirements from accredited institutes to EBTN;
- Advice on examination model, CPD procedures, new accreditation requests etc.;
- Enhancing accumulation and transfer procedures regarding EFCB Learning outcomes;
- Initiate and support the promotion and marketing of Triple E EFCB;
- Processing complaints and appeal.

For the period 2016-2017 the Triple E EFCB Committee is composed by:

Mrs. Gabriela Hartescu	(Romania)
Mr. Corrado Iannucci	(Italy)
Mrs. Malgorzata Gromiec	(Poland)
Mrs. Viljenka Simoneti	(Slovenia)

ANNEX 1 TRIPLE E EFCB STRUCTURE

(TOTAL NUMBER OF HOURS = 150h)

UNIT 1: THE MONETARY AND FINANCIAL SYSTEM OF THE EU (20 h = 13%)
<i>ECONOMIC AND FINANCIAL STRUCTURE OF THE EUROPEAN UNION</i>
<i>MONETARY POLICY IN THE EUROPEAN UNION</i>
<i>THE EUROPEAN BANKING REGULATORY FRAMEWORK</i>
UNIT 2: BANK CUSTOMERS, PRODUCTS AND SERVICES (90h = 60%)
<p>CUSTOMERS</p> <ul style="list-style-type: none"> - Customer segmentation <ul style="list-style-type: none"> o Retail Customers o Corporate Customers o Private Customers o SME Customer - Anti-money laundering
<p>PRODUCTS AND SERVICES</p> <ul style="list-style-type: none"> - Retail customer products and services - Corporate customer products and services - Private customer products and services - Financial instruments - Distribution channels
<p>MATCHING CUSTOMERS NEEDS WITH PRODUCTS AND SERVICES</p> <ul style="list-style-type: none"> - Product and services proposal - Product and services development
<p>ETHICS</p> <ul style="list-style-type: none"> - Ethical thinking - Business ethics - Banking and ethics
UNIT 3: RISKS AND COMPLIANCE (40h = 27%)
<p>KEY BANKING RISKS</p> <ul style="list-style-type: none"> - Credit risk - Counterparty credit risk - Liquidity risk - Operational risk - Market risk
<i>INTERNAL AUDIT, COMPLIANCE & CONTROLS</i>

KEY LEARNING OUTCOMES OF TRIPLE E EFCB

Having obtained the TRIPLE E EFCB certificate the candidate is able to:

UNIT 1: THE MONETARY AND FINANCIAL SYSTEM OF THE EU (13%)

1. Explain the economic and financial structure of the European Union (*Knowledge*);
2. Describe the monetary policy in the European Union (*Knowledge*);
3. Describe the European banking regulatory framework and its impact on the banking system (*Knowledge*);

UNIT 2: BANK CUSTOMERS, PRODUCTS AND SERVICES (60%)

4. Define and explain the characteristics of the key segments of customers and their financial needs (*Knowledge*);
5. Analyse banking products and services in relation to the bank customer's needs and describe the distribution channels (*Skill, Knowledge*);
6. Perform a matching of customer needs with specific banking products and services (*Skill*);
7. Identify suspicious activities and transactions and take appropriate measures according to the bank's rules and procedures (*Knowledge, Skill*);
8. Take responsibility for being ethical, compliant and quality-oriented within the boundaries of his/her job working independently or within a team (*Competence*);

UNIT 3: RISKS AND COMPLIANCE (new) (27%)

9. Identify fundamental risks, risk management principles and processes and explains his/her position within the process (*Knowledge*);
10. Explain the credit process taking into consideration business and risk principles;
11. Define the compliance function within a bank and act according to the bank's rules and procedures (*Knowledge, Skill*);
12. Describe the main internal audit and controls mechanisms and explain his/her obligations according to the internal audit and controls system in a bank (*Knowledge*).

LEARNING OUTCOMES OF TRIPLE E EFCB

I. UNIT 1: THE MONETARY AND FINANCIAL SYSTEM OF EU – 13%

1. The economic and financial structure of the European Union – 4%

- 1) Indicate the key features of the EU economy which differentiate it from other main global economic systems and which shape the conditions for the operation of banks and other financial institutions.
- 2) List and shortly characterise the main principles of the operation of the EU economy (four economic freedoms)
 - a) Free movement of goods,
 - b) Free movement for workers,
 - c) Free movement of capital,
 - d) Free movement of services.
- 3) Describe the characteristics of the local economy which shape the demand by individuals and enterprises for banking and financial products, covering the stages of economic cycle and the main economic challenges.
- 4) Describe the role of banks and other financial institutions in the economy.

2. The monetary policy in EU – 4%

- 1) Define the three general functions of money and depict at least one of them.
- 2) Name the main functions of central banks.
- 3) Classify the objectives of the European Monetary Union.
- 4) Define key monetary goals of EU and actions by the European Central Bank (ECB)/national central banks in order to reach them.
- 5) Name the goals and tasks of the European System of Central Banks (ESCB).
- 6) Point out the relationship between ECB, ESCB and Eurosystem.
- 7) Define the key conditions for entering the Euro zone and describe what changes the introduction of Euro brings in a country.
- 8) Name the key types of interest rates in the Euro zone and in his/her country which are used to price the financial products and transactions. Can name and quote values of at least three of them.
- 9) Name at least 3 countries in EU which do not have Euro as national currencies
- 10) Explain the difference between the money and capital market

3. The financial system in EU and the Banking Union – 5%

- 1) Name the types of banks and other financial institutions operating in EU.
- 2) Define the objectives of the Banking Union and shortly characterise its three main components:
 - a) Single Supervisory Mechanism,
 - b) Single Resolution Mechanism,
 - c) Single Rulebook, including Deposit Guarantee.
- 3) Describe the role and tasks of the European Central Bank and the European Banking Authority in the implementation of the Banking Union.
- 4) Outline the relationship between the European Supervisory Authorities and their influence on the national financial institutions.
- 5) Name the most important EU regulations for the banking sector and briefly describe their relevance for the European and national banking sectors.
- 6) Characterise the financial and banking system in his/her country and indicate the key goals and tasks of the national supervisory authorities, if the country does not belong to the Euro zone/Banking Union.

II. UNIT 2: BANK CUSTOMERS, PRODUCTS AND SERVICES – 60%**1. Tailoring products and services to the needs of customers – 6%**

- 1) Describe the main trends in banking with regards to how the products and services are offered to customers, with a special focus on European banking.
- 2) Explain the main reasons for non-banks appearing on the financial market and opportunities and threats arising from this phenomenon for the banks and the customers.
- 3) Describe how:
 - a) customers needs,
 - b) competition,
 - c) technological developmentsinfluence the development of distribution channels.
- 4) Describe the constant need to modernise the traditional branch network
- 5) Explain why the development of electronic form of distribution and transforming products and services into electronic form benefits both the customer and the bank.
- 6) Explain the specific character of bank marketing.
- 7) Define what marketing mix is and describe the variables which it is composed of.

2. Products and services – 8%

- 1) Describe the concept of Client Relationship Management and explain why banks use the concept.
- 2) Distinguish asset and liabilities products in terms of liquidity and solvency.
- 3) Describe and give examples of:
 - a) interest margin products,
 - b) fee based products,
 - c) off-balance sheet products.
- 4) Describe local and international payment services (documentary) available to key segments of bank customers.
- 5) Describe the main benefits from the SEPA system for retail customers and enterprises.
- 6) Define the distribution channels used by banks and indicate advantages and disadvantages of those channels.
- 7) Define, describe and give examples of money laundering and indicate the main responsibilities of banks designed to fight this problem.

3. Retail customers – 12%

- 1) Define the retail customer and indicate the key differences with private customer, SME and the corporate customer.
- 2) Indicate the objectives and benefits of retail customers segmentation and list the most common criteria for retail customers segmentation (age, wealth, place of living, etc.)
- 3) Describe the relationship between the life cycle of a retail customer and his/her needs for specific banking products and services. Can relate banking products and services to the life cycle of the retail customer.
- 4) Differentiate between the concept of saving and investment.
- 5) Name the reasons which make the retail customer interested in saving products.
- 6) Describe the main financial needs of a retail customer and relate those to suitable credit products, including mortgages.
- 7) Describe consumption goals of a retail customer and indicate how the bank can meet those.
- 8) Name and describe payment services which are offered to a retail customer.
- 9) Describe the key regulations in place for financial advice in their country.

- 10) Describe how the consumer is protected in a bank, and can explain rights and obligations of the customer and the bank related to consumer credit under binding regulations.
- 11) Implement „Know Your Customer” procedure as an element of the anti money laundering programme in a bank.
- 12) Describe the importance of the retail customer segment for the financial performance of a universal bank.

4. Private customers – 6%

- 1) Indicate the reasons for segmenting private customers out of the segment of retail customers and list the most common criteria for private customers segmentation (according to income, wealth, investment, profession or job).
- 2) Describe the main financial goals and investment needs of private customers and relate adequate banking products to meet the goals and needs.
- 3) Describe the role of a financial advisor and explain the benefits of financial planning to customers.
- 4) Explain the difference between an investment in shares and bonds and an investment in mutual funds. Indicate opportunities and threats of those investments.
- 5) Explain the concept of primary and secondary market and can briefly describe a public offering of securities.
- 6) Describe the main goal of stock exchange and the characteristic features of the stock market, including the ways customers can invest on the stock market
- 7) Explain the principles of taxing the main financial products which are offered to private customers.
- 8) Describe the basic principle of portfolio management

5. SME customers – 12%

- 1) Define the SME customer and indicate the difference with the corporate customer.
- 2) Describe why the size of an enterprise influences the types of products offered to it by a bank.
- 3) Explain how the core business of an enterprise creates its financial needs.
- 4) Characterise the legal forms of business activities used by SMEs.
- 5) Can assess how the selection of a legal form for SME affects the related tax issues.
- 6) Read simple financial statements and capture relevant relationships between individual items in the balance sheet, profit and loss account statement and cash flows account.
- 7) Indicate the main (most common) mistakes and threats in managing the finances of an SME.
- 8) List and characterise the ways an SME finances its current activities:
 - a) overdraft,
 - b) renewable/non-renewable loans,
 - c) receivables purchasing,
 - d) factoring,
 and can indicate the products which suit the business needs of the customer best.
- 9) Describe the principles of investment financing and relate appropriate credit product which can finance the basic investment needs of an SME:
 - a) investment credit,
 - b) leasing,
 - c) bonds.

6. Corporate customers – 10%

- 1) Explain the importance of and the benefits from analyzing the economic environment and the sector of the corporate customer.
- 2) Define the corporate customer and identify the differences with the other business customers, especially SME customers.
- 3) Characterise the legal forms used for running the business activities in the corporate sector
- 4) Name and describe the reasons for individualised service for corporate customers.
- 5) Describe the most common organisational structures in a corporate enterprise and the principles for decision taking.
- 6) Find relevant information in financial statements and explain the relationships among individual items in the balance sheet, profit and loss account and cash flows account.
- 7) Identify the needs of the customer for financing the current assets and offer an optimal way of financing.
- 8) Briefly characterise the following ways of financing investment in the corporate sector:
 - a) by investment credit,
 - b) by „project finance”,
 - c) by M&A,
 - d) by issuing bonds and stock,
 - e) by „mezzanine” finance.

7. Ethics – 6%

- 1) Indicate the areas of ethical threats and risks in a bank.
- 2) Give examples of conflict of interest and how those can be eliminated.
- 3) Present the most important principles of an ethical code of a banker in his/her relationship with customers.
- 4) Define, describe and give examples of:
 - a) "insider trading",
 - b) Chinese walls,
 - c) market abuse.
- 5) Relate the characteristics of a corporate culture in a bank with the way it shapes ethical behaviour in the organisation.

III. UNIT 3: RISK AND COMPLIANCE – 27%

1. Credit risk – 8%

- 1) Define the substance and importance of credit in the banking business.
- 2) List the key regulatory requirements for the bank credit activity and name the key demands that the banks require from customers when giving credit.
- 3) Describe the main Basel requirements (CRD) in managing credit risk in banks.
- 4) Indicate the main sources of credit risk in the bank's portfolio.
- 5) Explain the concept of credit concentration and give examples of capital and organisational linkages which affect concentration
- 6) Name the reasons and objectives of applying banking consortiums in credit finance.
- 7) Describe what credit worthiness is and what it is conditioned upon.
- 8) Describe the credit process and define the following stages:
 - a) conversation with the customer
 - b) credit application,
 - c) evaluation of the economic and financial standing of the customer
 - d) credit agreement
 - e) legal collateral and additional covenants
 - f) credit monitoring
 - g) additional insurance for credit
- 9) Indicate the difference between the qualitative and quantitative evaluation of the customer.
- 10) Explain the concept of rating and scoring and can indicate the difference between them and their importance for credit business.
- 11) Explain the importance of monitoring in the credit process.
- 12) Describe what role an onsite visit plays in a credit process.
- 13) Name the key factors which increase the credit risk and the ways to protect against them.
- 14) Describe the importance of banc assurance in mitigating credit risk.
- 15) List the key types of credit collateral and can name the main criteria for selecting collateral by the banks.
- 16) Describe the basic principles of evaluating the bank credit business
- 17) Describe the principles for credit classification, including impairment

2. Liquidity risk – 5%

- 1) Name and define the key components of assets and liabilities of a bank.
- 2) Perform an analysis of a simple structure of a bank balance sheet.
- 3) Name the key methods for liquidity forecasting in banks.
- 4) Distinguish liquidity form solvency and describe the relationships among liquidity, solvency and profitability.
- 5) Briefly describe liquidity planning through liquidity positions analysis (*Liquidity Coverage Ratio*) and gap analysis.
- 6) Define tools used for asset and liabilities management in a bank.
- 7) Describe capital requirements importance in the analysis of the solvency ratio.
- 8) Explain the role and importance of the Asset Liability Committee in a bank (ALCO).

3. Market risk – 2%

- 1) Define and describe and give examples of market risk:
 - a) interest rate risk,
 - b) foreign exchange risk,
 - c) stock and commodities risk.

- 2) Indicate the key elements and organisation of the process of market risk management in a bank and explain his/her role in the process.

4. Operational risk – 4%

- 1) Define, describe and give examples of operational risk.

- 2) Describe how different types of operational risk affect the bank and how they can be controlled.
 - 3) Describe Basel II and Basel III requirements for identification and management of operational risk.
 - 4) Indicate the difference between the standard and advanced method of operational risk measurement.
 - 5) Explain his/her role in the process of managing the operational risk management.
- 5. Other risks – 1%**
- 1) Explain what factors influence the capital management in a bank and what can cause problems.
 - 2) Define and briefly describe other risks which are part of banking business: reputational risk, strategic risk, legal risk, etc.
- 6. Internal audit, compliance and the system of controls – %**
- 1) Describe the system of internal control in the banking operations (functional and institutional control) and explain their preventive role.
 - 2) Describe the goals, principles and organisation of internal audit and explain its role in bank's operations.
 - 3) Describe the role and position of the Audit Committee in a bank.
 - 4) Define the role of a Compliance Officer in a bank.
 - 5) Indicate and describe the main banking areas which are exposed to compliance risk.
 - 6) Define the following phenomena:
 - a) abusive market practices,
 - b) misleading market practices,
 - c) aggressive market practices.
 - 7) Indicate and describe the main sources of compliance risk.
 - 8) Explain his/her role in the compliance process within a bank.
- 7. Performance analysis – 1%**
- 1) Read simple performance reports, and in particular can describe and interpret the key performance (KPIs), i.e.: ROA, ROE, ROI, CIR, RAROC and give their reference values.