

Level 3 International Banking & Finance Certificate – Foundation

Qualification Specification



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Please always review the latest document available through the website

Purpose of the qualification

Why study the International Banking & Finance Certificate - Foundation (IBCF)?

The Level 3 International Banking & Finance Certificate – Foundation (IBCF) has been designed to develop and enhance your knowledge and understanding of banking and finance, and to equip you with the skills required of the modern banker.

This course takes an international perspective, looking at typical banking and finance products, services and processes. In addition, the course will look at conventional banking products and the differences with Islamic Banking alternatives.

As you progress through the qualification, you will have the ability and opportunity to apply the knowledge gained across a range of banking functions. This will allow you to develop both personally and professionally.

This qualification has been developed for customer-facing staff and will equip you with essential knowledge of the financial services environment, regulatory requirements, banking products and services.

Objective

To provide those new to banking services roles in international financial centres with a foundation level knowledge of the banking sector, the roles within a banking or financial organisation, and banking products and services.

Key content areas

- Role of banking and financial markets in the economy;
- The role and functions of a bank including Islamic banking and how banks make money;
- Financial statements and their components for both a bank and a corporate entity;
- Financial calculations (incorporating time value of money, future and present value);
- The range of financial products and services offered by banks to retail customers including private banking and wealth management;
- The range of financial products and services offered by banks to corporate customers;
- Credit and market risk, the role of bank capital and the impact of Basel III;
- Corporate, treasury and risk management products and services offered by a bank.

Qualification learning outcomes

On completing this qualification you will:

LO	Detail
LO1	Understand the role and functions of banks including Islamic banks.
LO2	Understand a bank's balance sheet, assets, liabilities, funding and capital.
LO3	Understand how banks generate income.
LO4	Understand the key risk types facing banks, why and how banks are regulated and the importance of capital.
LO5	Understand financial calculations, present and future value.
LO6	Understand the basics of accounting.
LO7	Understand the credit cycle, and retail and corporate credit analysis.
LO8	Understand key retail and corporate banking customers and products for conventional and Islamic banks.

Key skills developed

The qualification will encourage you to:

- understand financial concepts and terminology;
- consider the financial services and solutions offered by a bank and begin to formulate opinions as to the suitability of a solution to specific customers situations;
- demonstrate numeracy skills, including the ability to analyse financial reports, understand credit risk and calculate the cash flows associated with financial products;
- select appropriate data and information to make business decisions;
- engage in both client and internal meetings in an informed and professional manner.

Entry requirements

This course is open to those who have previously taken the LIBF Banking Foundation Training Programme. You also need to be satisfied of your ability to study and sit a formal assessment in English. We would strongly recommend that you have previously successfully studied to this level.

Recognition of prior learning

In line with The London Institute of Banking & Finance regulations, as IBCF is a single unit qualification, recognition of prior learning does not apply.

Progression and preparation for further study

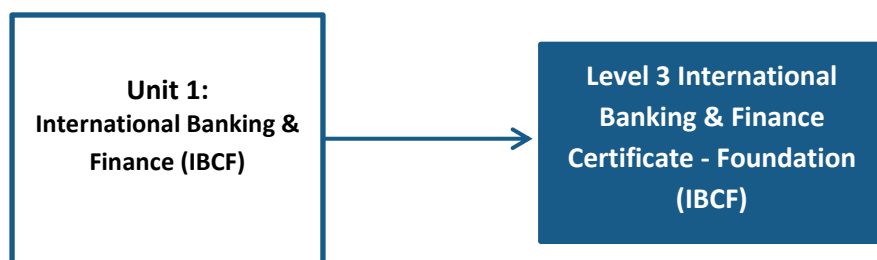
When you have successfully completed the Level 3 International Banking & Finance Certificate – Foundation (IBCF), there are opportunities for further study with The London Institute of Banking & Finance. Our [Professional Qualifications](#) cover a wide range of topics and areas including retail and corporate banking, trade finance, and other specialist qualifications.

Preparation for employment / professional development

This qualification has been designed for new entrants within retail and corporate banking. It develops knowledge and understanding and enhances skills that are valued within a broad range of roles in banking.

Structure

IBCF is made up of one unit, which must be successfully completed to achieve the qualification:



The detailed unit syllabus is available as an Appendix to this document and the latest version is available through our course site.

Total Qualification Time (TQT)

Total Qualification Time (TQT) is a prediction of the total time the typical student may need to complete the course.

IBCF is primarily considered a distance learning qualification assessed via a single online examination. Total qualification time is 130 hours, which includes time spent reading the learning materials, undertaking the in-text exercises, attending revision workshops, and preparing for and sitting the examination.

Learning resources

Study for the IBCF qualification is undertaken part-time on a distance-learning basis, supported by comprehensive learning materials.

Students are provided with the following learning resources:

- online study materials including a series of workbooks with embedded exercises;
- online access to additional resources through MyLIBF- www.myLIBF.ac.uk;
- access to KnowledgeBank (virtual library) through MyLIBF;
- study skills resources;
- unit syllabus;
- specimen examination paper; and
- student handbook.

Preparing for the assessment

To prepare for each assessment, you should make use of all learning resources as described in the section above. Learning resources will be available to you in the online course site. It is also recommended that you attend the revision workshops organised by the LIBF MENA Office.

The examination is sat electronically. Your examination will be booked for you by the LIBF MENA Office and you will be advised of your examination date, time and location.

Assessment

The unit is assessed through a three hour mandatory multiple-choice examination. A total of 80 marks are available comprising 50 marks in part 1 and 30 marks in part 2. The unit pass mark is 60%, and you must achieve the minimum pass mark for the unit. The structure of the assessment ensures that all aspects of the course content are subject to external examination.

- Part 1: an electronic assessment with 50 multiple choice questions. This component is worth 50 marks.
- Part 2: An electronic assessment with six mini cases studies, each with five linked multiple choice questions. This component is worth 30 marks.

Feedback for MCQ assessments is provided in your analysis sheets (available on www.mylibf.ac.uk) for the qualification.

Qualification grading

IBCF is a single-unit qualification. To achieve a pass in the qualification, you must achieve a mark of 60% in the unit. The unit and qualification are both graded and higher level passes are identified at merit (70%) and distinction (80%) level.

Grade	Pass mark
Pass	60%
Merit	70%
Distinction	80%

Resit attempts

The qualification has a 12 month registration period. If you have been unsuccessful in an examination, you will be able to resit. There are no restrictions on the number of times you can resit the unit although each resit will require a new registration and payment of the relevant fee.

Appendices

Appendix 1 – Summary detail

This document describes the summary detail that is applicable to the qualification.

Qualification title	LIBF Level 3 International Banking & Finance Certificate – Foundation (IBCF)
Ofqual qualification number	603 / 5274 / 7
Qualification level (RQF)	3
European Qualifications Framework (EQF) level	4
Qualification Type	Vocationally-Related Qualification
Guided learning hours	0 hours
Total qualification time	130 hours
Total credits	13
Sector Subject Area	15. Business, Administration, Finance and Law
Sub SSA	15.3 Business Management
Overall grading type	Pass/Merit/Distinction
Assessment methods	Multiple-choice examination
Available in	UK, Wales and Northern Ireland, and Internationally.
Qualification for ages	19+
Operational start date	18.11.2019
Qualification description	The LIBF Level 3 International Banking & Finance Certificate – Foundation (IBCF) consists of one mandatory unit. A total credit value of 13 must be obtained for achievement of the qualification.

Appendix 2 – Unit 1 Unit Details

International Banking & Finance (IBCF)

Unit description

This unit has been developed for customer-facing staff in international banking centres and covers the essential knowledge of the financial services environment, regulatory requirements, banking products and services.

Unit title	International Banking & Finance (IBCF)
Unit level	3
Unit credit value	13
Typical study hours	130

Unit 1 Assessment Methodology

The assessment of IBCF will have one component:

- i. An electronic assessment with multiple choice questions via a three hour multiple-choice examination.
 - a. Part 1 with 50 multiple choice questions. This component is worth 50 marks.
 - b. Part 2 with six mini cases studies, each with five linked multiple choice questions. This component is worth 30 marks.
- ii. A total of 80 marks are available.
- iii. The unit pass mark is 60%, and you must achieve the minimum pass mark for the unit. Higher level passes are achieved at merit (70%) and distinction (80%) level.

Unit 1 learning outcomes / assessment criteria

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
LO1. Understand the role and functions of banks including Islamic banks.	AC1.1 Understand the role of banks. AC1.2 Distinguish between different types of banks including investment banks and Islamic banks and the function of different parts of a bank.
LO2 Understand a bank's balance sheet, assets, liabilities, funding and capital.	AC2.1 Understand the main components of a typical bank balance sheet and distinguish between assets and liabilities. AC2.2 Understand how banks are funded.
LO3. Understand how banks generate income.	AC3.1 Understand bank income streams. AC3.2 Analyse the profitability of a bank.
LO4. Understand the key risk types facing banks, why and how banks are regulated and the importance of capital.	AC4.1 Understand the main types of risk that banks face and distinguish between different risk types. AC4.2 Understand the Basel capital requirements placed on Banks, restrictions on leverage and the requirements for stable funding and liquidity.
LO5 Understand financial calculations, present and future value.	AC5.1 Understand key financial calculations (interest rate calculation, discounting and compounding), their purpose and use. AC5.2 Understand the concepts of present and future value in investment appraisal.
LO6 Understand the basics of accounting.	AC6.1 Understand the importance of financial performance and profitability to the sustainability of a non-financial company. AC6.2 Understand simple financial statement analysis of a non-financial company's income statement, balance sheet and cash flow statement
LO7. Understand the credit cycle, and retail and commercial credit analysis.	AC7.1 Understand the retail lending cycle and role of credit scoring. AC7.2 Understand the importance of cash flow to the credit analysis of a business, recognise different measures of cash flow and why they are used. AC7.3 Understand how to calculate and use key ratios that measure leverage, gearing and coverage when analysing the financial performance of a business. AC7.4 Understand secured and unsecured debt.

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
<p>LO8. Understand key retail and corporate banking customers and products for conventional and Islamic banks.</p>	<p>AC8.1 Understand different retail banking products and services, including both deposits and lending.</p> <p>AC8.2 Distinguish how products and services meet customer needs.</p> <p>AC8.3 Understand the role of private banking and wealth management services.</p> <p>AC8.4 Understand cash management, correspondent banking and trade finance services offered by a bank.</p> <p>AC8.5 Understand working capital and how term lending products and services meet corporate needs.</p> <p>AC8.6 Understand the nature of market risk including foreign exchange, interest and commodity risk and the treasury services available to manage these market risks.</p> <p>AC8.7 Understand the principles of Islamic Banking and the key differences between traditional banking products and Islamic alternatives to those products.</p>

Unit 1 Indicative content

UNIT 1 SYLLABUS LOs / ACs	
LO1:	Understand the role and functions of banks including Islamic banks.
AC1.1	Understand the role of banks. <ul style="list-style-type: none"> • What is a bank? • How banks are different to other companies • Intermediation
AC1.2	Distinguish between different types of banks including Islamic banks and the functions of different parts of the bank. <ul style="list-style-type: none"> • Different types of banks including investment banks and Islamic banks • The role of Central Banks • Front, Middle and Back Office roles in banking
LO2	Understand a bank's balance sheet, assets, liabilities, funding and capital.
AC2.1	Understand the main components of a typical bank balance sheet and distinguish between assets and liabilities. <ul style="list-style-type: none"> • Introduction to the Balance Sheet • Assets and liabilities
AC2.2	Understand how banks are funded. <ul style="list-style-type: none"> • How banks fund themselves • Equity and long term liabilities
LO3:	Understand how banks generate income.
AC3.1	Understand bank income streams. <ul style="list-style-type: none"> • How banks make money • Net interest income • Trading income • Fees and other income
AC3.2	Analyse the profitability of a bank. <ul style="list-style-type: none"> • The structure of Income Statements • Ways to analyse a bank's profitability
LO4	Understand the key risk types facing banks, why and how banks are regulated and the importance of capital.
AC4.1	Understand the main types of risk that banks face and distinguish between different risk types. <ul style="list-style-type: none"> • Types of risks: credit risk, market risk, operational risk, reputational risk, other risks • Implications for banks
AC4.2	Understand the Basel capital requirements placed on Banks, restrictions on leverage and the requirements for stable funding and liquidity. <ul style="list-style-type: none"> • The importance of capital under the Basel regime • Bank leverage • How banks manage capital relative to risk weighted assets, stable funding and liquidity
LO5	Understand financial calculations, present and future value.

UNIT 1 SYLLABUS	
LOs / ACs	
AC5.1	Understand key financial calculations (interest rate calculation, discounting and compounding), their purpose and use. <ul style="list-style-type: none"> • Introduction to key financial calculations • Interest rates and day counts
AC5.2	Understand the concepts of present and future value in investment appraisal. <ul style="list-style-type: none"> • Present Value (PV) and Future Value (FV) • Time value of money
LO6	Understand the basics of accounting.
AC6.1	Understand the importance of financial performance and profitability to the sustainability of a non-financial company <ul style="list-style-type: none"> • Stakeholder management • The role of financial accounting
AC6.2	Understand simple financial statement analysis of a non-financial company's income statement, balance sheet and cash flow statement <ul style="list-style-type: none"> • What are company accounts? • Accounting terms and concepts • IFRS standards • Review of a non-financial company's annual report • Building a simple set of accounts
LO7:	Understand the credit cycle, and retail and corporate credit analysis.
AC7.1	Understand the retail lending cycle and role of credit scoring <ul style="list-style-type: none"> • Retail credit analysis • Credit scoring • Behavioural scoring
AC7.2	Understand the importance of cash flow to the credit analysis of a business, recognise different measures of cash flow and why they are used <ul style="list-style-type: none"> • Corporate credit analysis • Introduction to financial analysis • Income Statement structure • Balance sheet of a non-financial corporate
AC7.3	Understand how to calculate and use key ratios that measure leverage, gearing and coverage when analysing the financial performance of a business <ul style="list-style-type: none"> • Cash flow statements • Analysing cash flow • Leverage, gearing and coverage
AC7.4	Understand secured and unsecured debt
LO8	Understand key retail and corporate banking customers and products for conventional and Islamic banks.
AC8.1	Understand different retail bank products and services, including both deposits and lending <ul style="list-style-type: none"> • Retail banking products • Know Your Customer (KYC) and anti-money laundering (AML) rules • Savings products • Retail lending products and credit cards • Fintech and digital disruption
AC8.2	Distinguish how products and services meet customer needs.

UNIT 1 SYLLABUS**LOs / ACs**

AC8.3	<p>Understand the role of private banking and wealth management services.</p> <ul style="list-style-type: none">• Why invest and the goals of investment• Defining the role and duties of a fiduciary• Evaluating a new customer, and preparing the Investment Policy Statement• The investment process and risk profile of the differing asset classes• What is asset allocation and the process of portfolio construction
AC8.4	<p>Understand cash management, correspondent banking and trade finance services offered by a bank.</p> <ul style="list-style-type: none">• Role of treasury and the treasurer• Transaction banking services (cash management)• Correspondent banking services• Trade Finance
AC8.5	<p>Understand working capital and how term lending products and services meet corporate needs.</p> <ul style="list-style-type: none">• What is working capital• Invoice discounting and factoring• Supply chain financing• Term lending including, bilateral, club and syndicated loans.
AC8.6	<p>Understand the nature of market risk including foreign exchange, interest and commodity risk and the treasury services available to manage these market risks.</p> <ul style="list-style-type: none">• Definition of market risk• Why foreign exchange and interest rate risk need to be managed• Nature of commodities• How to hedge FX risk using FX forwards• Ways to manage interest rate risk
AC8.7	<p>Understand the principles of Islamic Banking and the key differences between traditional banking products and Islamic alternatives to those products.</p> <ul style="list-style-type: none">• Principles of Islamic banking• Conventional vs. Islamic services