

## Test terms DSI Inform Treasury

1.

Given a currency exchange rate, candidate can convert a certain quantity of one currency into a certain quantity of another currency.

2.

Candidate can explain the difference between a contract exposure, a cash flow exposure and a balance sheet exposure in the context of currency risk management and of price risk management of commodities

3.

Candidate can explain the difference between currency risk at the offering stage and currency risk after an offer has been accepted and can indicate the three ways in which companies can deal with currency risk

4.

Candidate can explain the concept of an FX forward (currency forward affair) and can indicate applications of FX forwards

5.

Candidate can explain the concept of an NDF and can explain how a given NDF contract is settled at the end date for a given spot price

6.

Candidate can explain which options companies can use to hedge against a price increase/price decrease and can indicate for which prices on the expiry date of an option contract a company decides to exercise a given option

7.

Candidate can calculate the effective price at the end date of an option contract given the strike price and the spot price on expiration date

8.

Candidate knows which options a cylinder strategy can consist of

9.

Candidate may mention the advantage and disadvantage of a cylinder strategy compared to buying an option exclusively

10.

Candidate can explain how a company can hedge against the interest rate risk on a variable-rate loan by means of an interest rate swap and can explain the consequences of early repayment

11.

Candidate can calculate the effective fixed interest rate that a company pays if it has both a variable-rate loan and an interest rate swap

12.

Candidate can explain how a cap works and can mention the advantage and disadvantage of a cap compared to an interest rate swap and to leaving the position open

13.

Candidate can explain which options together form a collar, how a collar works and can mention the advantage and disadvantage of a collar compared to a cap and an interest rate swap

14.

Can indicate what the interest costs are at different interest rates at fixing moments when using a cap and a collar and what the maximum effective interest costs are during the term of the hedge

15.

Candidate can explain the difference between Commodity futures and OTC forwards, between physical delivery and cash settlement and can explain how the settlement of the different OTC commodity derivatives takes place

16.

Candidate can indicate in which situations commodityforwards / futures, commodity swaps, commodity caps, floors or collars could be suitable

17.

Candidate knows the characteristics and application possibilities of an FX Swap

18.

Candidate can indicate how an FX Forward can be rolled over by means of a currency swap and can indicate how a company can attract eurofunding through a combination of a loan in other currencies and a currency swap

19.

Candidate can explain the relationship between interest rate differentials and swap points

20.

Candidate can indicate under which circumstances there may be over- or under-coverage and what the consequences are

21.

Candidate can indicate which treasury products are covered by MiFIDII and can describe the factors determining the level of complexity of financial instruments.

22.

Candidate can describe the pillars of treasury policy and cash management and understands the importance of risk coverage

23.

Candidate knows which factors in general determine the interest rate mismatch, liquidity mismatch and currency mismatch of companies, pension funds and banks and can describe which risks are managed at the treasury of companies.

24.

Candidate can indicate to customers the cost structure that the bank uses for its services and products

25.

Candidate knows the definition of 'recommendation' in MIFID2

26.

Candidate can distinguish between the service concepts 'execution only', 'advice' and 'asset management'

27.

Candidate can apply the standard rules regarding customer classification from MiFID 2

28.

Candidate knows when his client has to take an appropriateness test and when his client has to take a suitability test.

29.

The candidate may make a clear distinction between his obligations to professional clients on the one hand and non-professional clients on the other.

30.

Candidate knows what a yield curve is, can indicate the shape of a yield curve and can roughly calculate an implied forward yield

30.

Candidate can explain to the client in general terms how the pricing of the financial instruments offered by the bank is established and understands the importance of periodic recalibration of financial instruments used by customers or services to client profiles.

32.

Candidate knows the submarkets and broadly understands how financial markets work. Candidate can interpret the influence of economic data and (geo)political events on the financial markets and on the value of commonly used financial instruments.

33.

Candidate can explain in general terms how the monetary policy pursued by central banks can determine the short- and long-term interest rates and exchange rates.

34.

Candidate can describe in general terms the impact of the Basel IV regulations on derivatives

35.

Candidate knows the characteristics of the main interest rate benchmarks (EONIA, €STER and SOFR) and can explain in general terms why benchmark reforms have been implemented and the impact it has on financial firms and clients.

36.

Candidate can estimate the influence of the value parameters on the market value of a derivative contract

37.

Candidate can calculate the value of an FX Forward and can give a reasoned estimate of the value of an interest rate swap

38.

Candidate can explain the relationship between the value of a derivatives contract and the credit risk incurred by the bank under this contract

39.

Candidate can explain in general terms the impact of climate risks on interest rate swaps, cross currency swaps and FX Forwards.

40.

Candidate knows the current regulations and guidelines regarding market abuse and anti-money laundering measures, knows the procedures to make possible situations of market abuse or money laundering within the organization known and is familiar with the scope of the sanctions list.

41.

Candidate knows the content of and can provide the client with insight into standard documentation that is representative of financial instruments generally used by banks

42.

Candidate knows the guidelines for communication regarding the order execution policy of the bank where he/she works and knows the principles of the best execution rules in MiFID

43.

Candidate knows in general terms the content of the European Benchmark Regulation

44.

Candidate is broadly aware of the implications of EMIR for the services offered by the bank

45.

Candidate knows the main rules for reporting derivatives of the commonly used valuation methods, such as IFRS and USGAAP.