

CIBA

CERTIFICATE IN BANKING

WEALTH ADVISORY

What is Wealth Management?

- Managing a person's wealth to ensure he meets his short term and long term investment goals.
- It includes investment planning, insurance planning, estate planning, legal and tax advisory

HOW TO DO FINANCIAL PLANNING

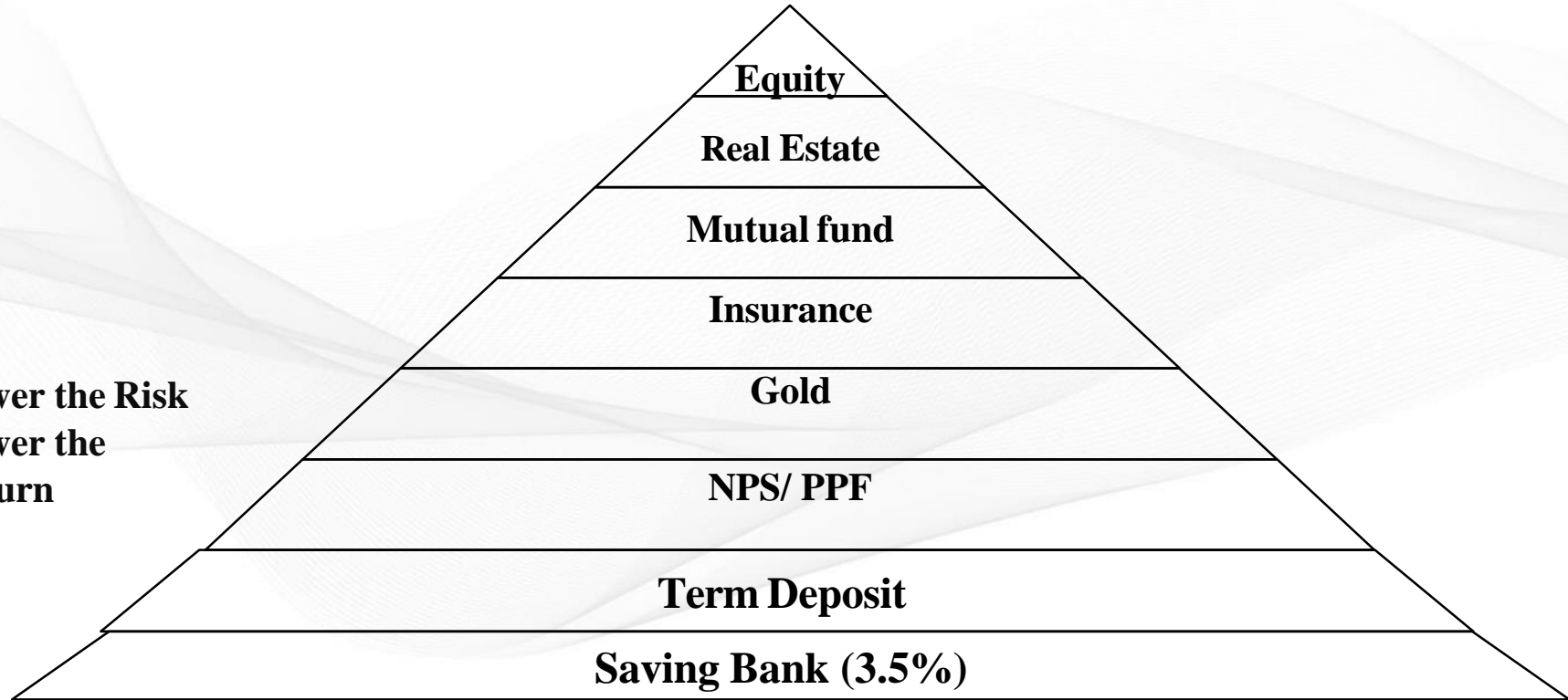


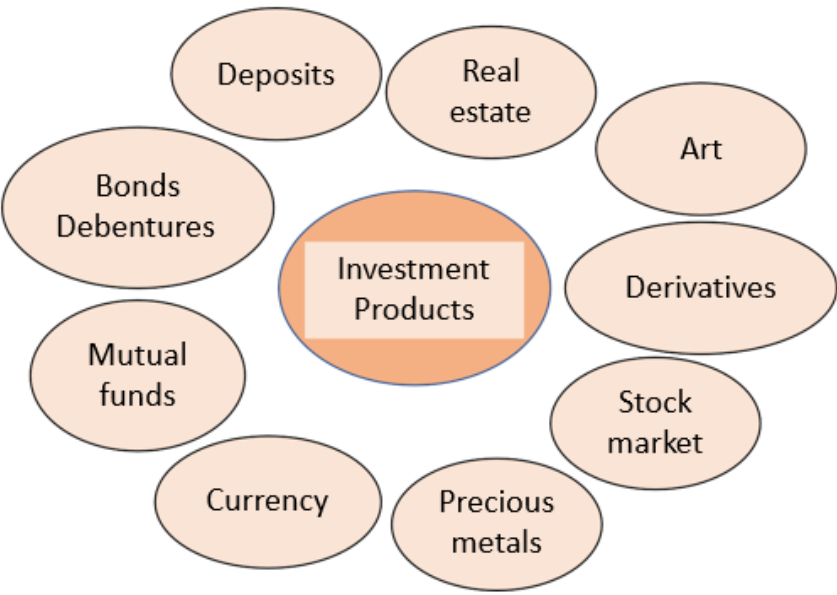
PERIODICAL REVIEW OF THE PORTFOLIO IS ESSENTIAL POST IMPLEMENTATION OF THE PLAN

RISK SOLUTION- STRATEGIC ASSET ALLOCATION

- Spreading risk to asset classes like Equity, Debt, Gold, Real estate and others
- As a thumb rule, 100 less age should be invested in equity.
- As age increases debt component should grow
- Investments should earn a good rate of return

RISK-RETURN TRADEOFF





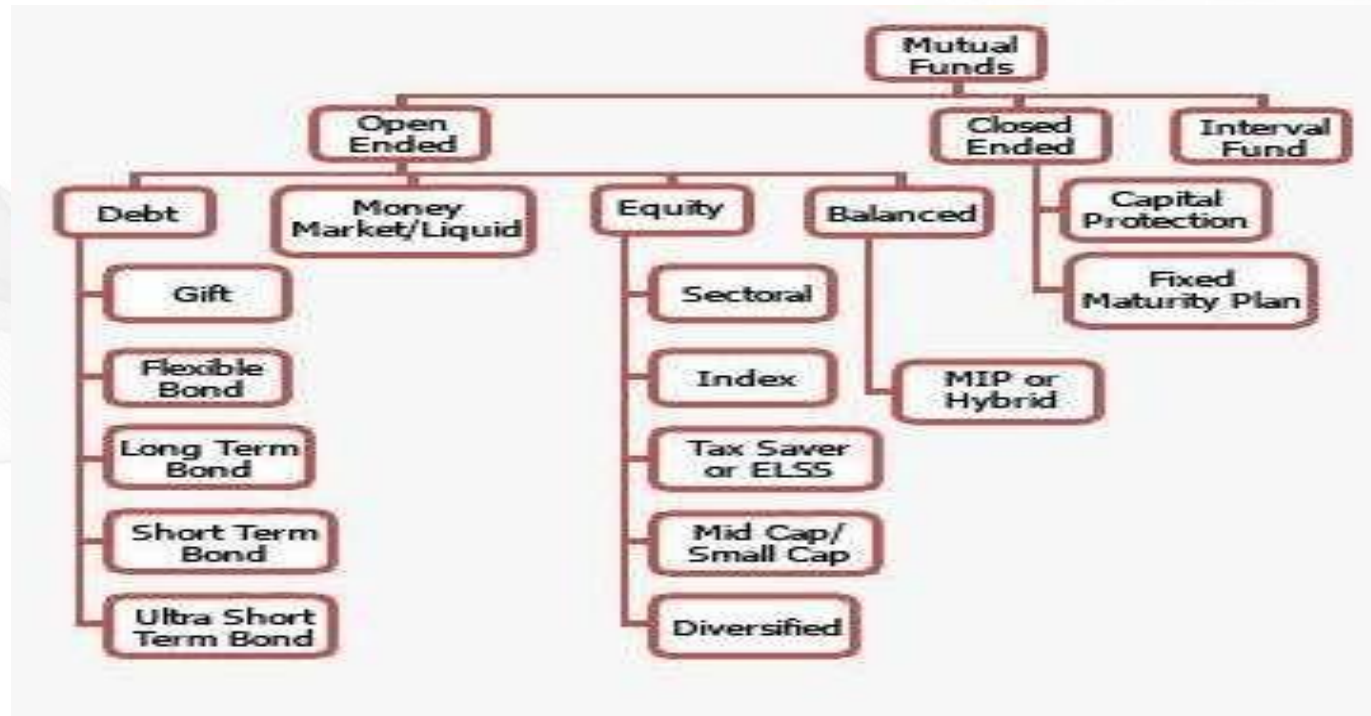
Investment Products with guaranteed returns

- Bank deposits
- Company deposits
- Public provident fund
- Post office schemes:
 - Post Office Savings Account
 - Post Office RD Account
 - Post Office MIS
 - National Savings Certificate
 - Kisan Vikas Patra
 - Senior Citizen Savings Scheme

Financial Market (Contd.)

- Capital market:
 - Equity or shares
 - Debentures
 - Government securities
 - Bonds- Zero coupon, Infrastructure, GOI Bonds
- Money market:
 - Commercial paper
 - Certificate of deposit
 - Treasury bills
 - Re-purchase agreements (REPO)
 - Call money market

Types of Mutual Funds



INSURANCE PLANNING

- An insurance plan:
 - Provides protection against financial aspects of a risk, such as risk to life, health and property.
 - Ensures adequate coverage against insurable risks.
 - Protects from contingencies

Review the existing insurance policies

Assess all of the financial and human resources

Look at the various options available

Consider how quickly claims are settled

Ensure that the clients are able to interact well and trust your judgement

TYPES OF LIFE INSURANCE POLICIES

- Term Policy
- Endowment policy
- Money Back Policy
- Whole life policy
- Unit Linked Insurance plan

RETIREMENT PLANNING

Factors to be kept in mind for retirement planning

- Projected everyday living expenses
- Life expectancy
- Projected costs
- Resources
- One's properties – if one owns a home (that is, have no outstanding mortgage balance) or will own a home by the time one retires; one should have the option of selling it or obtaining income through a reverse mortgage
- Intended lifestyle during retirement – for example, whether one plans to lead a quiet life post retirement or do expensive things such as travel around the world



OTHER IMPORTANT DECISIONS

- Tax Planning
- Estate Planning
- Family Succession Planning

CAN YOU CREATE A FINANCIAL PLAN FOR THE FOLLOWING CUSTOMERS?

1. Ravi, sold his house in Mumbai and received large credit of INR 50 Lakh into his account. His wife is working as a school teacher in a nearby school. His liabilities are educating his children and Planning for his retirement.
2. Rakesh and his wife, in their late forties work with a reputed IT company and their combined income is INR 3.5 lakhs p.m Both are very ambitious and want their two children to study in a foreign university. They have a Home loan of INR 1.5 Crore, Two high end car loans and a Personal loan which they have taken to decorate their new house.

How will you deal with the situation?

- Kamal is very angry and is using abusive language. that despite maintaining fixed deposits of Rs 8 Lakhs. He has not been allotted locker. He gave the application 8 months ago and has been constantly following up for the same. He was promised at the time of the account opening he will be issued a locker. Handle this abusive customer and also inform about non availability of locker at present.
- US citizen wants to open a NRE account jointly with his spouse. How will you check his eligibility? He also wants to deposit USD 7000 in cash in the account. What documents will you check?

Thank You