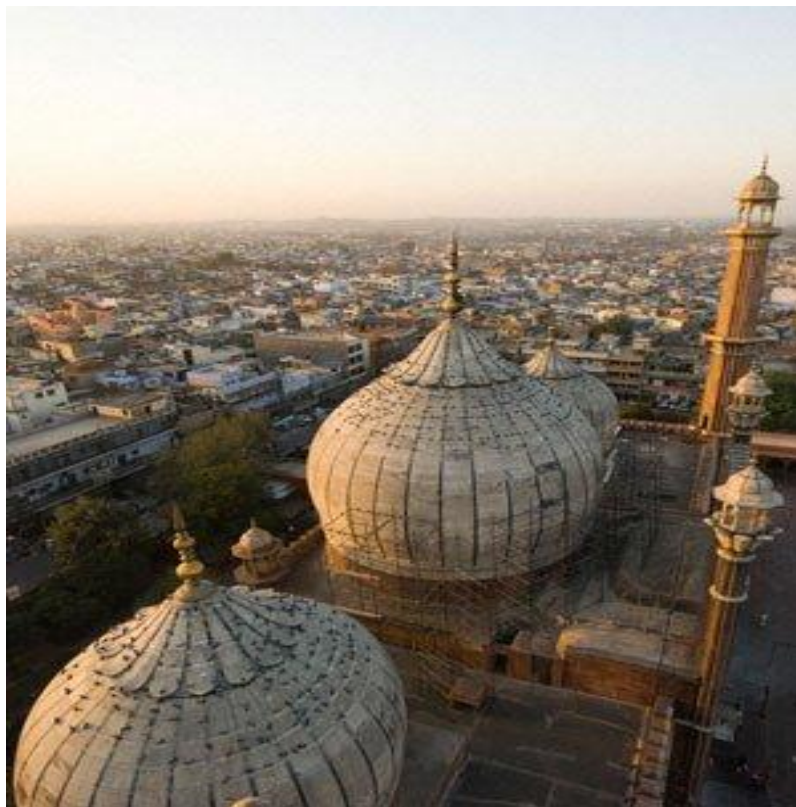


# Tier 1 & Tier 2 Capital of Islamic Banks:

*A critical review of  
Islamic banks' capital,  
assets and liabilities,  
products, treasury,  
operations, risk and  
future*

**(25-26 April 2012)**



Tier 1 and Tier 2 capital sukuk rank among the top investments of investors. Is it due to the implicit comfort offered by the word "bank"? Khalid Mahmood Bhaimia, the former CEO of Albaraka Europe put the capital, operations, management and risks of Islamic banks under the microscope. And, share with you why Islamic banking is retreating in Europe.

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## **Symphony Digest**

### ***Centre for Financial Mastery***

#### **Who Should Attend?**

- ✓ **Fixed Income investors**
- ✓ **Fund Managers**
- ✓ **Regulators**
- ✓ **Islamic Bankers**
- ✓ **Credit Analysts**

## Course Outline

### Day 1

#### Capital in Islamic banks

1. BNM rules: types of capital Tier 1 and Tier 2
2. Sukuk – types of sukuk
3. Sukuk for Tier 2 capital
  - a. Global experience and examples
  - b. Malaysian experience and examples
  - c. Key terms to appreciate in a Tier 2 sukuk term sheet
  - d. Rating methodology of Malaysian Tier 2 sukuk issuance
  - e. Investor risk in Tier 2 sukuk
  - f. Tier 1 sukuk – key terms to fulfil BNM requirements for Tier 1 capital

#### Islamic banking operations and review

1. Principles of Islamic banking
2. Islamic banking models – market driven / government initiatives
  - a) Global models – experience and examples
  - b) A critical review of the Malaysian model
3. Types of Islamic banks – profitability and risks
  - a) Investment
  - b) Wholesale
  - c) Retail
  - d) Full service
4. Islamic bank products – traditional and new to market, and why some products fail
  - a) Assets
  - b) Liabilities

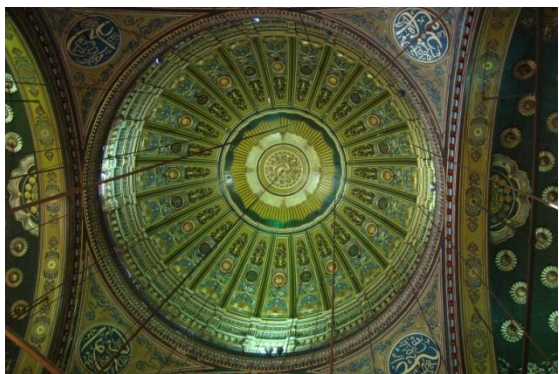


### Day 2

#### Islamic banking operations and review (cont'd)

1. Regulation and supervision of Islamic banks
  - a) Capital adequacy
  - b) Arbiters of what is shariah compliant
    - i) IFSB / AAOIFI / OIC Shariah / BNM
    - ii) Shariah boards
2. Evaluation of Islamic banks
  - a) BNM requirements
  - b) Accounting standards
  - c) AAOIFI standards
  - d) Quality of disclosure
3. Financial risks of Islamic banks
  - a) Asset / liability mismatch
  - b) Funding and treasury management
  - c) Managing liquidity
  - d) Depositor protection / insurance
  - e) Risk management in Islamic banks
4. Shariah risks of Islamic banks
  - a) Equity vs. debt concepts in Islamic banks
  - b) Is limited liability shariah-compliant?
  - c) Is passing of business losses to shareholders shariah-compliant?
5. Islamic banking today
  - a) Why Islamic banking is losing its attraction in Europe?
  - b) Islamic banking in the Middle East
  - c) Will Islamic banking take flight elsewhere e.g. Japan and China?
  - d) Infrastructure for development

## Trainer's Profile



**Khalid Mahmood Bhaimia**, a Pakistani British citizen, has had a distinguished and long international career in both conventional and Islamic banking.

His Islamic banking experience spanning 20 years included creating Islamic banks and non-bank Islamic financial institutions in various markets. He also transformed, merged and divested existing Islamic banks.

Khalid directly managed Islamic banks in UK and Malaysia. He also supervised Albaraka Group Islamic Bank's franchises in many countries including Pakistan, India, Bangladesh and Malaysia. During Khalid's tenure as CEO of RHB ISLAMIC Bank Malaysia, it won the 2007 Euromoney award as "The Most Improved Islamic Bank in Asia".

Khalid was one of the pioneers behind the launch of the innovative house financing "Diminishing Musharaka" product in 1991 at Albaraka Bank, London. This is now an established mortgage product in the Islamic banking industry. Khalid's latest assignment involved setting up an international Islamic bank in Malaysia for a Bahraini bank dealing only in foreign currencies.

Prior to his Islamic banking career, Khalid spent 19 years working within the conventional banking industry in Kuwait and Bahrain and held senior positions for Citibank in Egypt, Saudi Arabia, Hong Kong and Pakistan.

## Registration: Tier 1 & Tier 2 Capital of Islamic Banks (25-26 April 2012)

Name:		Name:		
Designation:		Designation:		
Department:		Department:		
Company:		Company:		
Address:		Address:		
Tel:		Tel:		
Fax:		Fax:		
Email:		Email:		
CMSRL Holder:	Yes	No	CMSRL Holder: Yes	No

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### Contact for administrative matters if different from above

Name:		Department:	
Tel:		Fax:	
Email:			

**Date: 25-26 April 2012**

**Workshop duration and time: 2 days, 9.00 am to 5.00 pm**

**Venue: The Royale Chulan Hotel, Kuala Lumpur**

**Course fee** (inclusive of course materials, lunch and 2 tea breaks): **RM2,600**

**Registration is confirmed upon receipt of payment, unless otherwise notified.**

### Payment Options

- Cheque      Bank \_\_\_\_\_ Cheque No. \_\_\_\_\_ Amount RM \_\_\_\_\_  
Payable to **Symphony Digest Sdn. Bhd.**  
*\*Please write company name and programme at the back of the cheque and mail to 69-3, Block F, Zenith Corporate Park, Kelana Jaya, 47301 Petaling Jaya, Selangor.*
- Bank Transfer      Account holder: Symphony Digest Sdn. Bhd.  
Bank: Maybank Berhad A/C No.: **512688105442**  
*\*Please e-mail or fax (03-7806 2800) us the bank-in slip / transfer confirmation together with the completed registration form.*