Regulatory Changes in Islamic Banking, Pool Management and the Future Outlook

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Introduction

CHANGES IN ISLAMIC BANKING MALAYSIA
Support from government of Malaysia and the market has been tremendous

Malaysia aims to increase competitiveness within the region and ultimately global with several initiatives

The industry is being forced to move forward and support this national agenda

Push for compliance to international standards, including Basel requirements

SIGNIFICANT CHANGES TO THE ISLAMIC BANKING LANDSCAPE
For the past few years, BNM has re-looked at the Islamic Banking proposition vs the developments in the Middle East.

The intention is for Malaysia to continue as a global financial centre for Islamic Banking, in light of the advancements made in the Middle East.

Steps are now taken to either rationalise the Islamic contracts with the Middle East or take Malaysia to the next level of Islamic Banking.

**CHANGES TO THE ISLAMIC BANKING REGULATORY LANDSCAPE**

**2011**
- Recognition and Measurement of PSIA as Risk Absorbent
- Late Payment Charges
- Ibra’ (Rebate) for Sale Based Contracts

**2012**
- Shariah Resolution on Bai Inah Structure
- Product Transparency and Disclosure
- Capital Adequacy Framework
- Liquidity Framework

**2013**
- Islamic Financial Services Act (IFSA)
- Standards - Murabahah
- Operational / Shariah Practices - Mudharabah / Musharakah
- Exposure Draft – Wakalah / Wadiah / Wa’d / Tawarruq / Hibah / Bai Inah / Kafalah

**2014**
- Investment Account Guidelines
- Rate of Return Framework
- Reference Rate Framework
- Concept Papers – Ijara / Istsina’a / Liquidity Coverage Ratio
Islamic Fund Management

STEP #1 IN CHANGING THE WAY ON HOW ISLAMIC BANKS WORK
The Deposits and Financing positions are MANAGED separately by ALM Dept.

- No linkages / interdependence between Deposits and Financing. The ALM books are “managed” as an all-in pool of funds.

- The management of Deposits are as follows:
  - **Any Deposits – Bank place excess to other Banks or Interbank**

- The management of Financing are as follows:
  - **All Funding – Bank borrows from other Banks or Interbank**

- The pricing for Deposits = Interbank Returns
- The cost of Funds for Financing = Interbank Costs
- The pricing is determined and controlled by ALM, who manages the net position of the portfolio
Theory of Islamic Fund Management

Sources of Funds

- Deposits / Equity
- Pool of Deposits
- Financing / Investments / Interbank Deposits

Application of Funds

- Deposits / Equity
- Pool of Income
- Financing / Investments / Interbank Deposits

- The Deposits and Financing positions are MANAGED together by ALM Dept
- Deposits /Equity have direct linkages to Financing & investments
- The management of Deposits are as follows:
  1. **Excess Deposits** – Bank place excess to other Banks as Investments
  2. **Shortage Deposits** – Bank borrows shortage from other Banks to Fund Financing
- The pricing for Deposits = Net Financing Returns / Investment Returns
- The cost of Funds for Financing = Cost of Raising Deposits
- The pricing is determined and controlled by ALM’s investment activities and actual portfolio performance
Sources and Application of Funds

- Current Account
- Savings Account
- Term Deposits
- Investments
- Interbank Borrowings
- Shareholders Funds

- Mudharabah Pool
- Non-Mudharabah Pool
- Equity & SHF

- Financing
- Investment
- Liquidity Requirements
- Interbank Placement

- Profit Share
- Profit Realised
- Hibah
- Fee Income

Relationship

Contracts
Pool Management in Islamic Banks

INCREASING DISCIPLINE IN MANAGING CUSTOMERS FUNDS
Investment Guidelines

- 2013/2014 has been a busy year for IBIs
- **IFSA 2013** introduced to re-define Mudharabah contracts as Investments (non-guaranteed principal) by June 2015
- New **Investment Account Framework** introduced
  - New disclosure requirements
  - Performance reports
  - Risk Assessments
  - Pool Management
  - Asset Tagging
  - No DCR techniques
- **ROR Framework** redefines profit calculations and management of funds and reporting
- **CP Mudharabah** clarifies minimum Shariah requirements
- **ED Wadiah and Hibah** to stop industry from regressing development of products
## Types of Deposits

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current / Savings Account</td>
<td>• Mudharabah / Wadiah / Qardh / Commodity Murabahah</td>
</tr>
<tr>
<td>Term Deposits</td>
<td>• Mudharabah / Wakalah / Commodity Murabahah</td>
</tr>
<tr>
<td>Investment</td>
<td>• Mudharabah / Wakalah / Commodity Murabahah</td>
</tr>
<tr>
<td>Interbank Borrowings</td>
<td>• Mudharabah / Wakalah / Wadiah / Commodity Murabahah</td>
</tr>
<tr>
<td>Shareholders Funds</td>
<td>• Mudharabah / Wakalah / Wadiah / Qardh</td>
</tr>
</tbody>
</table>

- **Profit calculations**: Daily Accruals or Monthly Accruals
- **Different Placement Tenures**: Overnight, 1 month to 12 months, Up to 3 years
- **Liquidity**: High liquidity requirements i.e. Large withdrawals and campaign based
- **Behaviour**: Price sensitive, market driven, volatile balance
- **Note**: Specific emphasis is greatly placed on MUDHARABAHH/WAKALAH type of products, due to the obligation to Share Profits arising from Investments.
Types of Financing

- Secured Financing: Diminishing Musharakah / Istisna / Murabahah / Ijara / BBA / Bai Inah

- Leasing / Hire Purchase: Ijara Thumma Al Bai / Ijara / Murabahah

- Unsecured Financing: Commodity Murabahah / Bai Inah / Ijara / Ujrah

- Revolving Financing: Commodity Murabahah / BBA

- Working Capital: Commodity Murababah / Bai Inah / Wakalah / Kafalah

- Profit calculations: Fixed Rate, Floating Rate, Flat Rate, Rebate Structures, Fees
- Different Financing Tenures: 1 month to 72 months, Up to 30 years for mortgage
- Liquidity: Low liquidity i.e. Large redemptions funded elsewhere
- Behaviour: Margin of Financing, Market prices, competitive pricing, stable portfolio
- Note: Other factors affecting the returns include Non-Performing Financing, Economic conditions, rescheduling, and redemption / re-financing
The vision by BNM is for Banks to have a robust infrastructure that links between the Deposit/Investment pool into defined Financing/Asset Pool which will be able to determine the ACTUAL returns direct from the financing / asset.

Each deposit pool is directly tagged to an Asset which enables the distribution of profit based on performance.
To realise BNM’s vision of end-to-end Investment or Fund Management, the Investment Account Framework, together with the Rate of Return Framework, was introduced by BNM in March 2014.

Mudharabah as an Entrepreneurial Relationship is emphasized i.e. Rab Ul Mal and Mudharib

The Investment Account Framework outlined:

- Redefined Mudharabah – Deposit classification → Investment
- Responsibilities of Mudharib and Rab Ul Mal
- Redefined Risks – Capital Risks and Valuation Risk i.e. Capital not protected, removal of PIDM cover
- Risk and Disclosure Requirement – Similar to Unit Trust on-boarding process, Investor Assessment
- Pool Management – Combination of Portfolio in a specific pool
- Asset Tagging to specific Pool – Actual Performance of Portfolio and no DCR techniques allowed
- Liquidity Requirements – High Quality Liquid Asset, Liquidity Buffer, Stress Scenario, Redemption and suspension of profit
- Board Investment Committee and Syariah Oversight – Management of pools properly monitored and mandated
- Financial Reporting – “Investment” Deposit and corresponding Asset segregated from ADR
Deposits Pool: URIA vs RIA

Under the Investment Account Framework, the Investments (Customer Deposits) must be managed on segregated-pool basis. The pools must be either URIA, RIA or a combination of both. Only direct returns from these pools can be distributed to applicable investors’ products.

**Restricted Investment Account (RIA)**
- Use of funds limited to specific restrictions/conditions set by IAH e.g. purpose, asset classes & industry.
- Underlying assets are potentially specific e.g. high-risk return & illiquid investments.
- Strict redemption conditions are imposed to effectively mitigate liquidity risk to IFI.
  - Redemption only upon maturity of assets.
  - Early redemption subject to replacement of funds from other IAH or disposal of asset.
  - Set clear expectations on rights & responsibilities in operational issues e.g. Capital injection by current IAH if cost-overrun.

**Unrestricted Investment Account (URIA)**
- Use of funds not subject to any restrictions/conditions set by IAH - however, still bound by investment objectives disclosed to IAH.
- Underlying assets are generic (potentially common assets in IBIs such as financing) & tradable assets.
  - IBI may be exposed to liquidity risk as:
    - IBI may allow early redemption.
    - Maturity mismatch – i.e. maturity of investment shorter than maturity of underlying asset.

**Illustration:**
- Funds: Fixed term (3 years)
- Asset: Project Financing (3 years)

- Portfolio of Assets: [Eg. Liquid assets, financing, sukuk, equities]

- Funds: 3 mth → 3 mth → 3 mth → 3 mth → 3 mth → 3 mth
Asset Tagging to Deposits

The vision that BNM has about the management of funds in an Islamic Bank is that it must be ACTIVELY managed, and ROBUST enough to be competitive without sacrificing PERFORMANCE.

Specific recommendations are made by BNM on how the pool of funds are to be managed by Banks.
Generally, the sources of funds are Customer’s Deposits + Bank’s Equity (i.e. Shareholders Funds, Reserves and Retained Earnings). This will make up the core funds to finance the Bank’s banking activities and creation of Assets.

Ideally, the Total Deposits and Equity must match the Total Assets; which means efficient use of capital. However, if there is imbalance, then additional funds are either obtained or invested.

In the above, Total Assets of $18.6b > Total Liabilities of $14.9b i.e. Deposits are not sufficient to fund the financing of the Asset by $3.69 b. This shortage is then supported by Interbank Borrowings of $3.69b

In the above, it is assumed that all funds (Mudharabah & Non-Mudharabah) are invested in a General Asset Pool
If the Assets < Deposit, meaning there is excess “low cost” funds not utilised to generate the best returns; instead it is invested only into Interbank which gives very minimal returns to the Deposit pool.

To manage the diluted returns to Mudharabah Depositors, ideally a New Asset Class should be re-tagged into the Mudharabah Asset Pool where the shortfall is happening. The purpose is to ensure the Assets are always > the Deposits. Once a re-tag happens and Assets > Deposits, the Bank will then borrow from Interbank to Fund the Asset. This ensures that “cheap” funds will always be financing bigger yield of Assets. In the above, we have re-tagged “Corp Term Fin”.
Profit Calculations & Distribution

Making it Hard for Banks to Manipulate Customer Returns
Cash vs Accrual Accounting

Cash Accounting – Actual Cash to be matched against Actual Expenses. Actual Cash = Realised cash available in the pocket.

Accrual Accounting – Incurred & Accrued Revenue matched against Incurred & Accrued Expenses. Actual Cash may/may not be available in pocket.

- One of the on-going debate is the use of Cash Accounting vs Accrual Accounting
- Islamic Banking aims to MATCH Customer’s Deposit to Actual Returns, and there is a mismatch in maturity tenures.
- For example; 3-months Deposits vs 20 years Home Financing.
- Cash Accounting means no return until the investment is divested / matured and profit determined. Otherwise, the profit paid is an “expected” profit i.e. Not actual (realised) profit
- Cash Accounting could result in “inconsistent” month to month performance
- However, to be consistent with international accounting standards, Accrual Accounting are accepted due to its prudent nature i.e. Profit is calculated against the expected performance and costs incurred during that period.
### Profit Recognition & Calculation

<table>
<thead>
<tr>
<th>Category</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Sharing Ratio</td>
<td>Mudharabah / Musyarakah</td>
</tr>
<tr>
<td>Profit Realised</td>
<td>Mudharabah (Cash) / Salam</td>
</tr>
<tr>
<td>Hibah</td>
<td>Wadiyah / Qardh (TBC)</td>
</tr>
<tr>
<td>Profit Declared</td>
<td>Commodity Murabahah / AITAB / Istisna’/ Musawamah / Wakalah Fi Istihmar</td>
</tr>
<tr>
<td>Income</td>
<td>Ijarah / Ujrah</td>
</tr>
</tbody>
</table>

- **Profit Sharing Ratio**: Must be agreed at the start of the relationship
- **Actual Profit**: While Banks can accrue profits throughout the month, profit adjustments can be made upon actual declaration of the asset performance (+/−)
- **Tenures**: Although tenures of valuation vary, it is generally valued monthly
- **Declared Performance**: Based on market returns, customer payments, redemptions, Cost of Funding, Fee income booked and Foreign Currency exchange rates
- **Distribution**: Distribution date to be agreed, calculated based on the ROR Distribution Table
Displaced Commercial Risks (DCR)

- Displaced Commercial Risks (DCR) are techniques used by Banks to “smooth” the inadequacies of investment returns.
- These techniques have both supporters and critics to it. Biggest criticism is that it defeats the purpose of risk sharing and justice to customers.
- DCR techniques are generally disallowed by many regulators as it does not reflect the true risk profile of an investment to its investors.

# Guidance Note on the Practice of Smoothing the Profits Payout to Investment Account Holders – IFSB Dec 2010
Restriction in DCR Techniques

Very clearly, BNM has prohibited the use of DCR techniques for the Investment Account.

With the removal of weightages, the Bank is unable to manage returns by “partially” investing customers fund.

Now, Banks are restricted from further influencing returns using the DCR techniques

Banks are now required to be as transparent as it can in its operations

Reference Guidelines: Rate of Return Framework (2014) and Investment Account (2014)
Profit Equalisation Reserve

Profit Equalisation Reserve (PER) can be both a good thing and a bad thing.

Initially developed to allow for profit smoothing when markets are unfavourable to the customers / investors.

However, criticism on the issue of PER not re-distributed to customers / initial investors, and the unnecessary deduction of PER in good economic markets.

## Internal Components that Influence Profit

### Profit Sharing
- Resulting from Investments
- Common contracts: Mudharabah / Wakalah fi Istihmar
- Based on Agreed Profit Sharing Ratio e.g. 70:30 or 80:20

### Profit Earned
- Amortisation of Profit against a schedule of returns
- Common Contracts: Murabahah, Ijarah, Tawarruq
- Pricing based on % (fixed / floating / flat). Risk Adjusted

### Fee Income
- Lump-Sum Recognition of Income
- Common Contracts: Wakalah or Ujrah for Services Rendered
- Pricing Based on Negotiations or Urf (Customary Practice)

### Deposit Weightage
- Partial Deployment of Deposits
- Common Contracts: Mudharabah / Wakala fi Istihmar / Wadiah / Qardh
- Partial Deployment into liquidity = Blended Rate

### Hibah
- Transfer of Funds / Earnings
- Common Usage: Competitive Pricing
- Urf / Competition
Profit Distribution Mechanism

After taking into account all the returns arising from Investment & Financing activities (Application of Funds), the profit to be distributed to Investors / Customers must be allocated based on the format issued by BNM. This is to ensure consistency throughout all the Banks.

The Profit Distribution Calculation Table is a MANDATORY exercise for Mudharabah–based products.
### Profit Distribution Table (Sample)

<table>
<thead>
<tr>
<th>Types of Deposits</th>
<th>ADA (RM)</th>
<th>Weightage</th>
<th>WADA (RM)</th>
<th>Distributable Profit (RM)</th>
<th>PSR</th>
<th>Depositor (RM)</th>
<th>Depositor (%)</th>
<th>PSR</th>
<th>Bank (RM)</th>
<th>Bank (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Mudharabah</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wadiah CA</td>
<td>2,803,913.00</td>
<td>0.50</td>
<td>1,401,956.50</td>
<td>2,920.74</td>
<td>5.00%</td>
<td>0.30</td>
<td>876.22</td>
<td>0.38%</td>
<td>0.70</td>
<td>2,044.52</td>
</tr>
<tr>
<td>Wadiah SA</td>
<td>57,000,321.00</td>
<td>0.50</td>
<td>28,500,160.50</td>
<td>59,375.33</td>
<td>5.00%</td>
<td>0.30</td>
<td>17,812.60</td>
<td>0.38%</td>
<td>0.70</td>
<td>41,562.73</td>
</tr>
<tr>
<td><strong>Mudharabah</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA</td>
<td>235,230,000.00</td>
<td>0.50</td>
<td>117,615,000.00</td>
<td>245,031.25</td>
<td>5.00%</td>
<td>0.30</td>
<td>73,509.38</td>
<td>0.38%</td>
<td>0.70</td>
<td>171,521.88</td>
</tr>
<tr>
<td>SA</td>
<td>686,849,291.00</td>
<td>0.50</td>
<td>343,424,645.50</td>
<td>715,468.01</td>
<td>5.00%</td>
<td>0.30</td>
<td>214,640.40</td>
<td>0.38%</td>
<td>0.70</td>
<td>500,827.61</td>
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<tr>
<td><strong>GIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-month</td>
<td>25,000,013.00</td>
<td>0.76</td>
<td>19,000,009.88</td>
<td>60,166.70</td>
<td>5.00%</td>
<td>0.75</td>
<td>45,125.02</td>
<td>2.17%</td>
<td>0.25</td>
<td>15,041.67</td>
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<tr>
<td>2-month</td>
<td>28,000,014.56</td>
<td>0.78</td>
<td>21,840,011.36</td>
<td>70,980.04</td>
<td>5.00%</td>
<td>0.75</td>
<td>53,235.03</td>
<td>2.88%</td>
<td>0.25</td>
<td>17,745.01</td>
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<tr>
<td>3-month</td>
<td>31,360,016.31</td>
<td>0.80</td>
<td>25,088,013.05</td>
<td>83,626.71</td>
<td>5.00%</td>
<td>0.80</td>
<td>66,901.37</td>
<td>3.56%</td>
<td>0.20</td>
<td>16,725.34</td>
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<td>4-month</td>
<td>35,123,218.26</td>
<td>0.82</td>
<td>28,801,038.98</td>
<td>98,403.55</td>
<td>5.00%</td>
<td>0.80</td>
<td>78,722.84</td>
<td>3.96%</td>
<td>0.20</td>
<td>19,680.71</td>
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<tr>
<td>5-month</td>
<td>39,338,004.46</td>
<td>0.84</td>
<td>33,043,923.74</td>
<td>115,653.73</td>
<td>5.00%</td>
<td>0.80</td>
<td>92,522.99</td>
<td>4.22%</td>
<td>0.20</td>
<td>23,130.75</td>
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<tr>
<td>6-month</td>
<td>44,058,564.99</td>
<td>0.88</td>
<td>38,771,537.19</td>
<td>142,162.30</td>
<td>5.00%</td>
<td>0.85</td>
<td>120,837.96</td>
<td>3.29%</td>
<td>0.15</td>
<td>21,324.35</td>
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<tr>
<td>7-month</td>
<td>49,345,592.79</td>
<td>0.90</td>
<td>44,411,033.51</td>
<td>166,541.38</td>
<td>5.00%</td>
<td>0.85</td>
<td>141,560.17</td>
<td>3.44%</td>
<td>0.15</td>
<td>24,961.21</td>
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<tr>
<td>8-month</td>
<td>55,267,063.92</td>
<td>0.92</td>
<td>50,845,698.81</td>
<td>194,908.51</td>
<td>5.00%</td>
<td>0.85</td>
<td>165,672.24</td>
<td>3.60%</td>
<td>0.15</td>
<td>29,236.28</td>
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<tr>
<td>9-month</td>
<td>61,899,111.59</td>
<td>0.94</td>
<td>58,185,164.90</td>
<td>227,891.90</td>
<td>5.00%</td>
<td>0.90</td>
<td>205,102.71</td>
<td>3.96%</td>
<td>0.10</td>
<td>22,789.19</td>
</tr>
<tr>
<td>10-month</td>
<td>69,327,004.99</td>
<td>0.96</td>
<td>66,553,924.79</td>
<td>266,215.70</td>
<td>5.00%</td>
<td>0.90</td>
<td>239,594.13</td>
<td>4.15%</td>
<td>0.10</td>
<td>26,621.57</td>
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<tr>
<td>11-month</td>
<td>77,646,245.88</td>
<td>0.98</td>
<td>76,093,320.67</td>
<td>310,714.39</td>
<td>5.00%</td>
<td>0.90</td>
<td>279,642.95</td>
<td>4.32%</td>
<td>0.10</td>
<td>31,071.44</td>
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<tr>
<td>12-month</td>
<td>155,292,491.17</td>
<td>1.00</td>
<td>155,292,491.17</td>
<td>647,052.05</td>
<td>5.00%</td>
<td>0.95</td>
<td>614,699.44</td>
<td>4.75%</td>
<td>0.05</td>
<td>32,352.60</td>
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<tr>
<td>13-month</td>
<td>54,280,152.07</td>
<td>1.08</td>
<td>58,622,564.23</td>
<td>263,801.54</td>
<td>5.00%</td>
<td>0.95</td>
<td>250,611.46</td>
<td>5.54%</td>
<td>0.05</td>
<td>13,190.08</td>
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<td>14-month</td>
<td>68,089,022.75</td>
<td>1.12</td>
<td>78,302,376.17</td>
<td>375,198.89</td>
<td>5.00%</td>
<td>0.95</td>
<td>356,438.94</td>
<td>6.28%</td>
<td>0.05</td>
<td>18,759.94</td>
</tr>
<tr>
<td>15-month</td>
<td>68,089,022.75</td>
<td>1.15</td>
<td>78,302,376.17</td>
<td>375,198.89</td>
<td>5.00%</td>
<td>0.95</td>
<td>356,438.94</td>
<td>6.28%</td>
<td>0.05</td>
<td>18,759.94</td>
</tr>
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<td>16-month</td>
<td>43,271,804.90</td>
<td>1.24</td>
<td>53,657,038.08</td>
<td>277,228.03</td>
<td>5.00%</td>
<td>0.95</td>
<td>263,366.63</td>
<td>7.30%</td>
<td>0.05</td>
<td>13,861.40</td>
</tr>
</tbody>
</table>

**Notes:**
- **ADA** = Average Daily Amount
- **WADA** = Weightage Average Daily Amount
- **PSR** = Profit Share Ratio
- **Bank** = Bank's Share
Issues

For many years, Islamic Banks are asked on how the funds are managed and whether it follows the rules of Shariah.

The criticisms usually are directed at Islamic Subsidiaries of a conventional Bank, as well as Islamic Banking windows.

1. Use and application of funds
   - The small market and the banking infrastructure limits the instruments available

2. Co-mingling of funds
   - The Islamic ALM books are managed by the same CVB team. Only documentary evidence is available

3. Capital by parent banks
   - Difficulty in raising Islamic capital resulting in reliance of funds from Parent Banks

4. Competitive returns
   - As Islamic Banks compete side by side with CVB, price war results in stressed revenues for Islamic Banks

5. Leveraged Model
   - Being highly dependant on CVB infrastructure results in confused workforce (sales / processes)

6. Restrictions in Returns
   - Heavily governed pricing and fee structure, contracts
The Way Forward

MAKING A CAREER IN ISLAMIC BANKING
Is There A Career In Islamic Banking?

1. **Regulatory Change**
   - New development in way we do things and seeing the big picture

2. **Shariah Structure**
   - Constructive development and solution management

3. **Global / New Markets**
   - Regional opportunities, Middle East emerging, North Africa as new frontier

4. **Technical Development**
   - Adapting to new changes and building new innovations meeting Shariah requirements

5. **Career Development**
   - Shift from Conventional Banking to Islamic Banking

6. **Market Demand**
   - Customers demanding Islamic Banking products and services
Thank You

READY TO TAKE QUESTIONS FROM THE FLOOR
Speaker Profile

Amir Alfatakh Yusof
Head of Product Development
Standard Chartered Saadiq

http://islamicbankers.me/

- Started Career in **OCBC Bank, Malaysia** as Relationship Manager (1997) and Branch Operations (2000)

- Joined **Islamic Banking Department in OCBC Bank** in 2003. Heading the Consumer Product Development team.

- Briefly joined **Kuwait Finance House, Malaysia** in 2006 into Product Marketing. Interesting experience but didn’t really like it. Made some really good friends.

- Joined **ABN-AMRO Malaysia** in 2007 to start the Islamic Banking windows for Malaysia. Exciting period but the mission was aborted as **RBS** took over the following year.

- Went on to join **Al Khaliji Commercial Bank in Doha, Qatar** in late 2008 to start Islamic Banking windows. Launched Islamic Branch in 2009 and was happy living as an expat. Had to return to Malaysia due to some regulatory changes by QCB on Islamic Banking Windows. Sorry to leave.

- Briefly joined **AmIslamic Bank Malaysia** in 2011 as Head of Product Development with a team strength of 18. Busy managing the day-to-day people challenges.