The number, size, and geographical reach of Islamic banks continues to grow at a rapid pace. This advancement has been supported by a strengthening financial and risk governance environment resulting from the issuance of best-practice guidelines and standards by financial oversight bodies.

To implement financial governance standards, individual banks must apply them within the context of their unique business models and develop sound financial and risk management policies aligned to their particular requirements. However, policy formulation relies to a large extent on the development of financial models to underpin important financial management decisions, for example, how to price products, how to manage risks, and how to set performance targets. Whilst many Islamic banks now have advanced financial transaction recording and reporting platforms, many have yet to fully benefit from the decision-making support available from robust financial models which apply methodologies relevant to the actual financial dynamics of their products and services.
KEY LEARNING OUTCOMES
This course provides Islamic banking practitioners with the necessary skills to create financial models which can be used for strategic as well as every day financial management decisions. The course builds understanding from the ground up by illustrating a range of modelling techniques and methodologies frequently applied in practice. Course delegates learn these models by completing a number of closely supervised financial modelling tasks. The course also includes a high level of interactive discussion, analysis of case studies, and a thorough instruction in techniques which can be directly applied in practice.

KEY HIGHLIGHTS
- Create financial models specific to Islamic banks and the products they manage
- Learn key modelling techniques and methodologies from a range of real-world applications drawn from Islamic retail banking, Islamic investment banking, and the Sukuk capital markets

COURSE PREREQUISITES AND SET-UP DETAILS
- Basic excel
- Familiarity with use of formulas
- Familiarity with built-in excel functions used in finance, e.g. XIRR

Equipment: Delegates will be required to bring with them a laptop installed with a recent version of MS Excel (preferably Excel 2010 or later). Should delegates not have a laptop one may be rented for a fee.

WHO SHOULD ATTEND?
This course has been specifically designed for the benefit of those who need to use or develop financial models for decision-making purposes:
- Chief Risk Officers
- Chief Financial Officers
- Financial Risk Managers
- Treasury and ALM professionals
- Risk Analysts
- Financial Analysts
- Credit Managers
- Credit Portfolio Managers
- Asset Managers
- Corporate bankers
- Retail bankers
- Supervisors, regulators and standard setters for the Islamic Financial Services Industry

COURSE OUTLINE
Day 1:
A) Financial Modelling for Islamic Banks

Short Synopsis of the Business Models of Islamic Banks
- Overview of the financial intermediation activities of Islamic banks
- Understanding the big picture
  » Balance sheet assets and funding sources
  » Off balance sheet sources and applications of funds
  » Sukuk and their tie back to the balance sheets of Islamic banks
- What are the main differences with conventional banks?

Brief Overview of Financial Products in Islamic Banks
- Financing versus Investment
  » Murabaha
  » Ijara
  » Istisna
  » Mudharaba
  » Musharaka

- Sukuk
- Risk sharing versus “guaranteed” returns
- Interest versus Profit

Why Islamic Financial Modelling and what’s different about Islamic Banks?
- What is the purpose of financial modelling?
  » Pricing and Valuation
  » Risk measurement and management
- What is the lifecycle of a financial model?
- Financial modelling in an Islamic banking context
  » Opportunity cost of capital
  » Time Value of Money
  » Net Present Value
  » Internal Rate of Return
- How to quantify uncertainty in the timing and amounts of cash flows
Day 2:

A) Financial Modelling in Islamic Commercial Banks: II

Financial Modelling of Islamic Banking Assets
- Islamic working capital financing
- Islamic Mortgage Products
  - Ijara Muntahia Bittamleek
  - Diminishing Musharaka
- Istisna and Project Finance
  - Construction period financial modelling
  - Repayment period financial modelling

Financial Modelling of Embedded Options in Islamic Banking Products
Which Islamic financial products have embedded options?
- The difference between Structural and Behavioral modelling
- How can embedded options be financially modelled?
  - Receivables: Prepayment Option
  - PSIAs: Early Withdrawal Option

B) Financial Modelling in Islamic Investment Banks

Investment in Private Equity
- Valuation approaches: DCF versus Multiples
- Challenges in each approach
- Calculating Risk in Private Equity
  - Which risk drivers do we need to capture?
  - Which output indicators are most useful?
  - How do we calculate risk?

Investment in Equity Funds
- Financial modelling issues in equity screening
- Portfolio performance modelling and risk analytics

Investment in Cash flow Generating Real Estate
- Application of the Gordon growth model to value income generating real estate
- How to go from real estate valuation to real estate risk?

Investment in Development Real Estate
- What’s the modelling difference between income generating and development real estate?
- Building out the base case financial projection
- Which risk drivers do we need to include to calculate risk?

Group Discussion:
- Can Islamic banks have a different return benchmark to conventional banks?

About the Speaker:

Dr. Ken Baldwin
Chief Executive Officer of Islamic Financial Modelling Limited

Dr. Ken Baldwin is Chief Executive Officer of Islamic Financial Modelling Limited, which provides training and advisory services in quantitative finance and risk management to the Islamic banking and finance industries. He also works as a Lecturer in Finance at Coventry University, UK, teaching Masters courses.

Dr. Ken has worked as a practitioner in banking and finance for over 25 years in senior finance and risk management positions. Having graduated from Oxford University with a first class honors degree in Physics, he qualified as a Chartered Accountant before joining UBS, and then later Credit Suisse, in derivatives risk and control functions based in London. He gained a PhD in the microeconomic theory of risk sharing in Islamic contracts, and worked in the GCC for 15 years in Islamic retail and Islamic investment banks. Dr. Ken built an ALM analytic technology platform for Abu Dhabi Islamic Bank, was MENA Regional Head of Quantitative Analysis for Citigroup, and has worked in risk management roles for both conventional and Islamic private equity and venture capital institutions. He most recently set up the Islamic Development Bank’s Financial Policies and Planning function, which provides risk and product pricing analytic support. Dr. Ken has also published quantitative finance articles in peer-reviewed academic journals including the Journal of Risk and has taught CFA and FRM.
### BOOKING DETAILS

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**Early bird offer:** registrations received before 16th October, 2016 (or earlier) will receive a 2.5% discount. No discounts shall be given to registrations received after this cut-off.

### DELEGATE DETAILS

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**WHO TO INVOICE AND CONTACT?**

Please tell us who we should invoice. It is also helpful for us to have the name of an administrator with whom we can liaise directly.

Contact person for invoicing: .................................................................  
Job Title: ...........................................................................................

Email: .................................................................  Tel: .................................................................  Fax: .................................................................

Contact person to send administration details: .................................................................

Job Title: ...............................................................................................  Email: .................................................................  Tel: .................................................................

Payment can be made by cheque or bank transfer. A notification will be sent to you once payment has been received.

I wish to pay by:  
- Cheque/bankers draft  
- Telegraphic transfer

Please note all telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

Payment made by foreign cheque will be charged additional bank fees of 1% of the invoice amount.

### APPROVING MANAGER

To process your registration we require the name and signature of a manager who is authorized by your organization to approve training expenditure.

Name: .................................................................  Job Title: .................................................................

Organization name: .................................................................  Email: .................................................................  Tel: .................................................................

Authorizing signature: ...........................................................................................................(mandatory)

☐ Yes, I have read and understood the booking and cancellation policy below.

### SEND US YOUR REGISTRATION!

By email: academy@nasdaqdubai.com  
You may also book online: http://www.nasdaqdubai.com/academy

Please call us on: +9714 305 5469 or +9714 305 5464 if you require assistance.

Our address is: Level 7, The Exchange Building (No. 5), Dubai International Financial Centre, P.O. Box 53536, Dubai, UAE

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**Booking, Payment and Cancellation Policy** — important, please read carefully

By completing, signing and sending us this registration form you are confirming delegate places on the course. You are also confirming your understanding of our Booking, Payment and Cancellation Policy.

**Cancellation:** If delegates cannot attend the course, replacement participants are welcome. Otherwise delegates must request in writing (letter, fax or email) to cancel registration/s or transfer to a different course at least 15 days before the course start date to be eligible for a refund, less a 5% administration fee. Delegates who cancel within 15 days of the course start date, or who do not attend (in case of a no show), are liable to pay the full course fee and no refunds will be given. Instead the delegate can attend a different course within one year of the invoice date. If a course is postponed for whatever reason, delegate bookings will be automatically transferred to the new course date. Delegates who wish to transfer to a different course will be subject to the same terms as above and will be charged the difference in course fees.

**Payment Terms:** All course fees are to be received before the course start date. Nasdaq Dubai shall receive the full course fee with no deductions of any description. All telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

© Nasdaq Dubai reserves the right to amend the published program or speaker. In the event of course cancellation by Nasdaq Dubai due to unforeseen circumstances, Nasdaq Dubai is liable to refund only the course fee.

Course Venue: Full details of the venue will be sent to you upon registration.

Email: academy@nasdaqdubai.com / Tel: +971 4 305 5469