



RECENT NEWS

Noor Islamic Finance Co. selects iMAL for Islamic Banking

March 12, 2009 – Kuwait-based banking software solutions provider Path Solutions said it has signed an agreement with Noor Islamic Finance Co. in Abu Dhabi for the provision of iMAL for their start-up operations.

The significance of the deal is twofold: Noor Islamic Finance Co. - partially owned by Noor Capital PSC of Abu Dhabi and GulfCap of Dubai - has big plans to expand in the Middle East and Africa. And winning this deal reasserts Path Solutions' position in automating Islamic finance companies. This is the third finance company for Path after Abu Dhabi National Islamic Finance Co. and Aljazeera Finance Co.

Baligh Bedewi, Vice President Technology & Treasury at Noor Islamic Finance Co. commented, "Path Solutions was selected due to its excellent implementation track record in the region. Moreover, its flagship product iMAL is the 1st banking software to be certified by AAOIFI. With iMAL fast-tracking processes and guaranteed compliance with Sharia, Noor Islamic Finance will be leading the way in delivering modern Islamic banking".

Nazzem Yaghmour, EVP Business Development at Path Solutions, added, "Path is quickly capturing a leadership position in this particular market because our solution is flexible and can be customized to meet the unique requirements of Islamic banks and financial institutions worldwide. We are delighted to be working with Noor Islamic Finance on this project and we look forward to our continued partnership together".

The solution is the latest version of the widely-implemented AAOIFI-certified banking solution from Path. It will help Noor Islamic Finance to gain competitive advantage by providing a broad range of innovative Islamic services to its customers. ■

Bank Muamalat chooses Path Solutions' iMAL as its preferred solution for the future

March 11, 2009 – Path Solutions, the global software provider for the Islamic banking

industry, today announced that Bank Muamalat Malaysia Berhad (BMMB) has selected Path's Enterprise Islamic Banking Solution to provide a centralized, front-to-back office core banking platform for its Islamic, Retail, Corporate and Investment banking operations.



The historic agreement between BMMB and Path Solutions is the first of its kind and reflects the confidence BMMB has in the future of enterprise Islamic banking technologies.

Path Solutions' iMAL will be implemented and deployed at over 50 existing branches for BMMB in Malaysia. It is expected to go live by September 2010. In addition to iMAL Core Banking, BMMB will also deploy the Branch Automation, Deposit, Financing, Remittance, ATM and Card System, Assets & Portfolio Management, Trade Finance, Internet Banking, Business Intelligence and Regulatory Reporting modules.

The selection was made by BMMB following an exhaustive process involving all major solution providers. YBhg. Dato' Haji Mohd Redza Shah Abdul Wahid, CEO of BMMB said: "Bank Muamalat is very selective about partnerships with strategic IT vendors. After an extensive review, we chose Path Solutions' iMAL - a Sharia-compliant software certified by AAOIFI - capable of addressing the Islamic banking requirements for BMMB".

Founded in 1999, BMMB is the nation's second full-fledged Islamic bank offering innovative, quality and competitive financial products and services with strict adherence to Sharia principles with value creation at the very heart of its mission. BMMB currently operates 53 branches spread throughout Malaysia, and 1 offshore bank in Labuan. With the rise in demand for Islamic banking products, BMMB needed to launch a series of Islamic banking services to cater for its clients' needs.

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"We are delighted to expand our relationship and provide the first AAOIFI-certified solution that will serve all of BMMB banking requirements," stated Naji Moukadam, President of Path Solutions. "Besides the continuous local support from Path, we are confident of the technology excellence and expertise BMMB will obtain using iMAL. This partnership will help to maintain and enhance its competitiveness in South East Asia market".

Mr. Moukadam added: "At Path, we are determined to lead by example within the markets in which we operate, by contributing to the empowerment of the Islamic finance industry through innovative and enterprise-wide solutions to exceed all expectations. Our partnership with BMMB rated as one of the largest pure Islamic banks in Malaysia and a key symbol in the Malaysian banking sector is another major step in consolidating iMAL as a brand of reference in South East Asia, enhancing further Path Solutions' positioning and connection to the local banking market".



Over the past years, Path Solutions has withstood the test of time. It has evolved progressively into the Best ■ **P. 02**

Technology Provider for the Islamic finance industry as acknowledged by different rating agencies, and has since embarked on a course of mature, sound, and steady expansion to better serve its customers. Path Solutions' Malaysia branch office acts as a service hub for Malaysia and South East Asia, which reduces the service reaction times for customers in the region to a minimum.

About Path Solutions

Path Solutions is the 1st and only banking software firm to be recognized and certified by the Accounting and Auditing Organization for Islamic Financial Institutions.

The AAOIFI Certification covers all iMAL modules, business processes, contracts, Islamic accounting treatments, implications and behavior. Path also offers a wide range of IAS compliant integrated solutions covering Core Banking, Customer Universal Services, Investment and Private Equity, Treasury, Funds Management, and Securities Trading system in GCC and Global Capital Markets.

Offerings include Project Management and Business Consulting addressing the whole spectrum of the global finance industry and in specific the Islamic finance industry.

In 2008, Path Solutions was ranked the 1st

Islamic Banking Software Provider in terms of the number of new licensing deals.

Founded in 1992, Path Solutions is headquartered in Kuwait, with a Research & Development centre in Lebanon and support offices in Bahrain, London and Kuala Lumpur.

About Bank Muamalat Malaysia Berhad

Bank Muamalat helps Muslims manage their money in the modern world. The company, Malaysia's second full-fledged Islamic bank, offers a wide range of financial services in compliance with the Islamic law.

It provides consumer and business lending, savings accounts, remittances, and investment services as well as trade financing, offshore banking and foreign exchange products. BMMB also helps Muslims meet their zakat (charitable giving) obligations by setting up accounts and providing calculators for that purpose.

The bank was formed on October 1, 1999 from the Islamic banking components of the then Bank Bumiputra, Bank of Commerce Malaysia and BBMB Kewangan. DRB-HICOM Berhad now owns 70% while Khazanah Nasional owns 30%. ■

The Globalization of the Islamic Banking Industry

Islamic banking, in the exact sense of the term, started in 1963 in Egypt in the town of Mit Ghamr in the form of a saving bank based on profit-sharing. By 1967, 9 such banks were operating in the country functioning as saving-investment institutions. Subsequently, in 1971, The Nasir Social Bank was declared an interest-free commercial bank and was the first Islamic Commercial bank. The first Islamic bank outside Egypt, The Islamic Development Bank (IDB), was established in 1974 in the United Arab Emirates. The bank was established primarily as inter-governmental bank aiming for providing funds for development projects in member countries. All of these banks invested mostly by engaging in trade and industry, directly or in partnership with others, and shared the profits with their depositors. These banks did neither charge nor paid interest. The idea of Islamic banking was welcomed by the Muslim population who wanted to put their money in institutions that are not based on Riba or interest.

By 2005, according to the IMF Yearly Report, over 300 Islamic financial institutions were operating worldwide, with estimated total assets of \$250 billion and annual growth rate of 15%. At that time, many banks including Citibank, HSBC, BNP Paribas, Barclays and UBS have started offering Islamic financing products. The IMF Report attributed the continued growth in the Islamic banking industry to three factors being: the increasing demand from a large number of Muslims (including Muslim immigrants to Western countries), the growing oil wealth in jurisdictions such as Dubai and other countries of the United Arab Emirates, and the attractiveness of Sharia-compliant financial services to non-Muslim investors seeking "ethical" investments and banking practices. The Eurromoney Islamic Finance Review for the years 2007/2008 stated that the estimated Islamic banking market size is US\$700-750 billion with annual growth rate of 15%. Since the year 2008 and beyond, the Islamic banking industry is said to be growing at 20% per year and will reach a level with total assets exceeding \$1 trillion by 2016.

After the leading conventional banks (such as Citibank, HSBC) stated above started offering Islamic financing products on basic levels, other leading conventional banks started similar operations. In addition, recently, the burgeoning international footprint of Islamic finance manifested itself by the fact that even though Islamic finance continues to grow in the geographic areas in which it is known to have started and grew, countries all over Europe, North America and in new areas in Asia have also witnessed the set up of Islamic banking operations. These operations are offered either through Islamic windows, started at currently operating banks and financial institutions, or through newly established financial services banks; both reaping the benefits from local investments and deposits, and cross-borders capital flows.

PUBLISHED ARTICLES

The Globalization of the Islamic Banking Industry and the Related Supporting IT System (May 2008)

by Dourria Mehyo, VP Product Strategy



Introduction

Currently Islamic finance is the fastest growing sector in the global finance industry. From the GCC countries to Malaysia, from the UK to North America, more than 350 Islamic banks and financial institutions are operating in more than 50 countries, with total assets that top US\$ 400 billion. The industry's prospect benefits and returns caught the attention of even non-Islamic banks that may have never considered offering such types of products, and the

services are well accepted by Muslims as well as non Muslims based on the "ethical banking" concept. As recent facts and developments show, the industry is on the track of the increasing globalization of the financial services sector. The future's expectations are for continued high growth and great potential across the globe. For the next few years, it is expected that the Islamic banking industry will continue to grow at least by around 20% percent per year. Therefore Islamic banking is here to grow and expand; with proven global operations, the joining of the industry by leading banks, and the offering of Islamic banking in new territories, globalization and growth is anticipated.

As in any industry, and since the Islamic banking operations are based on the Sharia rules and regulations which are the same (despite the minor differences in specific areas) regardless of the bank's geographic operation, the IT system to support such growth and globalization should also confirm with the basics and specifics of the industry with enough flexibility to cater for country specific areas. The globalization of an industry naturally leads to the need of the related IT system to cover the operations of the industry regardless of the geographical location, and consequently leads to the globalization of the related IT supporting system.

The aim of this article is to present the Islamic banking globalization facts and to present the requirements from the supporting IT system to sustain the globalization of Islamic banking practices and the global operations of an Islamic bank.

reached globalization levels. The global acceptance of Islamic banking products from customers in new regions is briefly touched at with the following two examples. In the Islamic Bank of Britain "One in five applicants for some of our products is non-Muslim"; per the director of sales (Source: Money UK Website, August 2006). In 2004, When HSBC Group began offering Islamic equivalent mortgages (more like leases), surprisingly more than half of the customers were non-Muslim. According to the bank officials, what drew these customers is the "competitive pricing" compared with traditional interest-based financing.

Aside from the facts stated above, the key areas of growth with respect to geographic distribution of new Islamic banks in 2007 included mostly the UK with at least 5 new investment banks offering mostly Islamic investment and treasury banking services; France, where a license was applied for the first Islamic Commercial Bank; and finally Germany is listed as potential for new Islamic banks; Other examples of new geographic areas include: Africa (2 Islamic commercial banks started operations in Kenya), Syria (where 2 Islamic commercial banks started operations) and Sri Lanka is another example.

Additionally, Amanah Finance (HSBC subsidiary), is currently operating in countries such as Malaysia, Saudi Arabia, and the UK, offering personal products (such as: private banking, home finance, personal finance, vehicle finance, investments, Takaful); and business products (such as: trade services, working capital finance, assets finance, investments); And as a final example, Citi Islamic operating in countries such as Korea, Turkey, Egypt, Mexico, South Africa, Pakistan, India, and Bangladesh offers different products such as term Islamic investment products and opened ended global equity fund.

On the other hand, GCC-based banks started, a time ago offering Islamic banking services in European countries. One example is Ahli United Bank; a Bahrain-based Islamic commercial bank, which offers banking services in Bahrain, Qatar, and the UK.

Finally, in the US and Canada, some "alternative products and services" are currently offered by a limited number of companies and finance houses; these products cover: Home, Auto, and Business Financing; Car and Equipment Leasing; Interest-free Deposits; and Mutual Funds Management; in addition, Equity Indices were created by Dow Jones for investors who wish to invest according to the Sharia guidelines. Currently Canada is studying the possibility of licensing the first Islamic investment bank.

The Related Supporting IT System

As in any industry, going on the global drive must be supported by the concomitant IT backup. As such, the globalization of Islamic financial services leads to challenges including the need for specialized technology that meets the Islamic banking rules and regulations; these are the industry distinguishing aspects which must be applied and followed regardless of

the geographic location of the bank since the underlying rules and regulations of Islamic banking are the same across the globe. In addition to that, the supporting technology should also be flexible and innovative enough to meet the country's specifics (such as taxes issues).

Islamic Banking Industry Requirements from an IT System

It is a matter of fact that the rules and regulations on which Islamic finance is based and which govern its operations are significantly different when compared to conventional operations. The absence of interest is the most important differentiating aspect; this by itself makes the structuring of Islamic financial products a complex task. As such, Islamic banks need to rely on an efficient IT system in order to handle their significant transactions' nature and volumes, and to make available necessary information for the bank's management on accurate and timely basis. This can only be achieved through advanced IT solutions that allow streamlining procedures, consolidating operations, and efficiently processing transactions.

The first essential characteristic in the software is that it must be built on the Sharia rules and regulations and have imbedded the related information capturing features. The captured information must fully cater for the type of the Islamic product; i.e. in order to fully cover recording of a commodity Murabaha transaction, the details to be captured must relate to the details of the bought and sold products, and cover details related to the suppliers and made down payments.

For efficient and proper operations of banks in the Islamic banking industry, the system must allow the set up and ease of tracking the restricted and unrestricted investment accounts of the clients across the system and getting the information on timely basis.

Since Islamic banking is based on sharing risks and the resulting profit and loss, the operations, simply put, cover pooling of clients' funds and then distributing profits based on revenues generated from the created pools (in the case where profits were made); the distributable amounts are obtained after applying certain computations and costs and revenues allocation criteria's that are pertinent to Islamic banking. In light of this procedure, the software must support proper recording, tracking, and management of the pools of funds. Each pool must be easily tracked to its component accounts and computations must be made on efficient timely basis and affect clients' accounts and produce reports detailing the results of the computations. As such, the system must also support the complex profit computation method for the unrestricted investment accounts and distribution of the computed profits to each account holder. On the other hand, and in reference to the Restricted Investment Accounts management, the system must allow the tracking of the financing transactions, the contributors in these transactions, and automatically handle the computations of profit to be received from funded (or partnership parties) and computation of the profit shares to be

distributed to the contributors based on each client's invested amount.

The industry operations are directed by the standards issued by the Accounting and Auditing Organization of Islamic Financial Institutions. As such, the system's processes, procedures, computations, and accounting entries bookings must be in compliance with the AAOIFI standards.

Legal documents and confirmations are an essential part of Islamic banking operations and each type of Islamic financing product has its own legal documents. As such, the IT solution to be utilized must allow printing of the Islamic banking and financing transactions' details, the related confirmations and the related legal documents and contracts as set by the AAOIFI standards, and also allow the bank to add confirmations and letters and contracts as needed.

Sharia Audit is an important aspect of the Islamic banking operations, the IT system must facilitate the procedure and provide ease of access to information to empower such audit. As such, the system must allow the user to keep copies of the signed contracts as scanned documents and facilitate their access whenever needed. The logging of dates and times of a transaction and provision of audit trail reports is also an essential factor for the Sharia Auditor to ensure that the transactions are processed in compliance with the Islamic operations.

In the era of banking operations where customer service management is becoming more and more essential for competitive advantage, customer centricity is extremely important. The banks need to know, from a single screen or click, the total balances, transactions, and operations done by one client. This is important for customer service, sales management, risk management and exposure analysis. The IT software to be utilized should be fully customer centric in order to give bank the competitive advantage of obtaining such information on an accurate and timely basis.

Needless to say that the software must also have a powerful reporting tool that allows ease of access to data and development of all types of reports for the bank's management and the Central Banks reporting. The system must also easily integrate with other applications for data mining and in order for the bank to obtain its needed reports to support its operations. The software must also allow the bank to comply with Basel II requirements and compute what is needed for such compliance on timely manner and must also allow the Islamic bank to properly record and monitor its market, credit and operational risk.

Globalization Factors Requirements

In addition to the industry specifics requirements, the globalization of an industry raises the need for the supporting IT system to be also flexible to cater for the distinguishing aspects of a geographical area or specific country in timely manner in a way to guarantee quick time-to-market and return on investment for the bank with very efficient preparation and strong basis of operation. ■»P. 04

The following paragraphs present examples of the major areas of consideration.

While most, if not all, of GCC countries do not have Income Tax and Value Added Tax (VAT), these types of taxes exist in other geographic areas, such as Europe. On the other hand, the GCC countries do have the Zakat requirement that must be paid. The IT solution to support the global Islamic banking industry must be able to cater for both areas (taxes, non-tax, and Zakat) in timely manner and allow the automation and related computations and accounting related bookings and reporting.

A bank operating on global level (such as having operations in the UK and in Kuwait) will need, to develop consolidated financial statements for its global operations; a task that is expected to be made efficiently and on timely manner using the IT system.

While the basic operations of Islamic financing products are the same across all banks, banks operating in specific geographic areas may have different policies and procedures (which are approved by the Sharia Boards) and which are different from banks operating in other geographic areas. Policies with respect to profits structures and repayment terms are as examples. The utilized system must allow both banks to process their operations. With the globalization of the industry, more sophisticated Sharia-compliant products may be set up (Hybrid/Mixed products), presenting another challenge for IT system supporting the industry's globalization drive.

In addition, the regulatory reporting requirements differ between countries in the same geographical area (such as countries within Europe, or the GCC), and the challenge is bigger when the IT system is utilized across continents; the system should facilitate the extraction of the regulatory reporting requirements. The system should also have open architecture allowing interfacing with local Central Banks or Regulatory Institutions where required and applicable. An example of these is the Real Time Gross Settlements systems available in KSA (SA-DAD) and Malaysia (RENTAS).

The globalization of Islamic financial services with its opportunities and challenges naturally lead to potential returns to innovation and specialized technology.

Finally, but not the least, with the globalization of the Islamic banking industry, and since new countries will be working on new areas of operations, the value added of an IT system provider expands from just IT related to advisory and consulting related services. As such, the IT software provider must have subject-matter experts who have strong and deep industry knowledge and enough exposure to the industry's specific operations, in addition to the technical staff.

Conclusion

With the current rise of the Islamic financing services worldwide and the returns it is bringing to both banks and clients, Islamic

banking has proven not to be a negligible or merely temporary phenomenon; Islamic banks are here to stay and the Islamic banking services are to expand more geographically. Even if one does not subscribe to the Islamic injunction against the institution of interest, one may find in Islamic banking innovative ideas which would add more variety to the existing financial network.

With the openness and willingness of regulators across the globe to address and understand such industry, the willingness of institutions to enter the market, the efforts of regulators at the industry level, and the existing and potential growing demand, there is significant proof of the growth in the globalization track we are witnessing in the current days; and this should be naturally coupled with IT innovation and globalization of the related software services. ■

INTERVIEW

Mr. Richard Williams CFO at Bank of London and the Middle East (BLME) - London



Bank of London & the Middle East (BLME) has selected Path Solutions' iMAL back in 2007 to fulfill its Sharia-compliant transactions' requirements.

• **When did your bank start looking for a new system?**

We started looking for a system in January 2007.

• **How the system was selected (RFI, RFP, Gap Analysis etc)?**

iMAL was selected following a Gap Analysis and based on a reference.

• **What were the criteria of choosing the system? What were the main requirements?**

We were looking for a system with wide Sharia coverage and which could cater for UK regulatory requirements.

• **Why did you choose iMAL?**

Because it is a system that is designed to cater for Sharia-compliant financial products.

• **When did your bank sign a contract with Path Solutions? Did the implementation begin straight away?**

The agreement was signed in March 2007 and

the implementation started one month later.

• **Was the implementation process divided into stages? If yes, how long did every stage last and what did it consist of?**

Yes, the initial implementation took 3 months and this was followed by the business implementation. This took 12 months to be completed.

• **Who participated in the implementation process (bank, vendor, third parties)?**
BLME and Path Solutions' business and technical teams.

• **Were there a lot of people involved? What were the responsibilities of the teams?**

A total of six were involved in the implementation process. There were three participants from BLME from the Corporate Banking, the Products and IT Department. Path provided three in their Project Implementation Team.

• **Did you test the system during the implementation?**

Of course, for a period of two months prior to Live running.

• **What hardware/platform/DBMS (Data Base Management Server) is the system based on?**
The system is based on IBM(hardware) / AIX (operating system) using Sybase (database).

• **What internal/external applications were the system interfaced to/integrated with?**
The system is interfaced to STB, a regulatory reporting package.

• **Is the new system centralised?**
Yes.

• **How many branches of the bank are operating the system?**
One branch.

• **What modules were implemented?**
iMAL *CSM, Facility Management, Islamic Invest, Islamic Treasury, Islamic Profit Calc, Portfolio/Funds Management, Islamic Trade Finance, Accounting, Financial Template Reports, Alerts, SWIFT, Transfer Pricing, Batch Processing, Business Intelligence, Integration Manager, Report Designer and SADS.

• **When did the system go live? Was the project completed on time and on budget?**
The system went Live in July 2007. The project was completed successfully and on budget.

• **How were the users trained?**
The users were initially trained on the functional side of the system and then in a UAT process.

• **What advice can you give to other banks embarking on a new core system project?**
More effort should be placed in the project definitions in order to set the key milestones.

• **Do you think that the new system is a good value for money and time invested?**
Yes, you can say so on a general basis.

• **Is there any future plans regarding your bank's IT?**
As the business expands its product base we will make plans.

About BLME

- Bank of London and the Middle East ("BLME") launched on 9 July 2007 as a standalone, wholesale, Sharia-compliant bank based in the City of London.
- BLME provides a range of high quality Sharia-compliant banking services and advice to businesses both in Europe and the MENA region who wish to access innovative Islamic financial products.
- BLME focuses on four main business lines: Islamic Treasury and Financial Institutions, Corporate Banking, Private Banking and Investment Management, Investment Banking.
- BLME is founded and managed by a high quality team bringing together a combination of highly experienced international financiers and leading experts in Islamic finance. ■

EVENTS&CEREMONIES

Jakarta Islamic Finance Dialogue 2009



April 30, 2009 – The Jakarta Islamic Finance Dialogue 2009 was organized and fully sponsored by Path Solutions. The aim of this one-day seminar - which was held in Indonesia on April 16 - was to bring together the different Islamic banking players and industry experts in South East Asia to advance and provide knowledge, facilitate information exchange and share industry expertise, in addition to exploring the latest developments and growth of Sharia banking in Indonesia.

The event started with an opening keynote speech by Mr. A. Riawan Amin (President of ASBISINDO – Association of Sharia Banking Indonesia), followed by a presentation done by Mr. Naji Moukadam (President of Path Solutions) on the experience of Technology Adoption by Islamic Financial Institutions in the Middle East & Europe.

Mr. Roslan Abdul Razak (Director – Training and Sharia Business Advisory, Islamic Banking and Finance Institute Malaysia) spoke about the Challenges Faced by Islamic Banks in Malaysia in Adopting a Truly Sharia-Compliant Banking System. Dr. Aznan Bin Hasan (Sharia Advisor) concluded with the Importance of Adopting a Truly Sharia-Compliant Islamic Banking System from Sharia Principle.

The seminar has successfully ended with a lively debate over lunch. ■

Path Solutions successfully participated as a Bronze Sponsor in IFF Dubai

April 28, 2009 - Path Solutions co-hosted the International Islamic Finance Forum held under the esteemed patronage of H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

The forum opened its doors on April 26 for 4 consecutive days during which pioneering international Islamic finance practitioners have addressed the challenges and opportunities presented by the new global financial era and the increasingly important role of the Islamic finance industry. ■



Path Solutions wraps up a remarkable participation in Leaders in Islamic Finance 2009

April 23, 2009 – On 19-21 April, Path Solutions participated in Leaders in Islamic Finance Summit in Qatar as Silver and Booth Sponsor.

As Qatar is becoming home to some of the largest Islamic financial institutions in the world and another pivotal centre for this sector within the GCC, prominent figures in the financial world gathered to discuss the main challenges currently facing the Islamic finance industry.

Mr. Naji Moukadam, President of Path Solutions made a presentation in which he briefly covered the impact and benefits of emerging technologies on financial institutions following the global financial crisis. ■



Path, IT Sponsor of the Forum Africain de la Finance Islamique

April 5, 2009 – The forum which was sponsored by Path Solutions was held on 1 & 2 April in Casablanca. More than 100 participants from several African states attended the forum which

tackled a range of topics among them the impact of the financial crisis on the African continent, the role of Central Banks and regulatory authorities and risk management capabilities. ■



Effective participation for Path Solutions in Euromoney's Islamic Finance Summit

February 28, 2009 - Path Solutions participated as a Bronze Sponsor at Euromoney's 9th Annual Islamic Finance Summit. The event which covered high level panel discussions on the credit crunch and its impact on the competitiveness of Islamic finance took place in London on February 24 - 25.

The summit provided attendees with the opportunity to meet with senior decision-makers and leading market experts while also helping delegates establish new partnerships and execute business deals. ■



Path Solutions joined this year's MEFTEC

February 14, 2009 - Path Solutions was present at the world's leading financial technology exhibition dedicated to high-growth markets. The Middle East Financial Technology Exhibition and Conference (MEFTEC) 2009 was held in a strategic partnership with the Central Bank of Bahrain and the Bahrain Exhibition & Convention Authority on the 10th -11th of February in Manama.

The event attracted over 1000 visitors of the highest caliber and 150 IT and banking exhibitors from 40 countries. In a speech before the event, the Governor of the Central Bank of Bahrain, H.E. Rasheed M. Al Maraj, said that advances in technology bring many opportunities and benefits to the banking industry, but challenges too, as he urged businesses to better manage risk through the effective use of technology. ■



CIPA Certificate

Rafah Slika, our Business Analyst - Islamic Finance & Sharia Compliance has recently received the CIPA (Certified Islamic Professional Accountant) certificate. Based on an AAOIFI source, only 40% of the candidates passed successfully the exam which took place in March 2009 in Bahrain. The CIPA exam covered Audit, Accounting, Governance and Sharia concepts. ■



CORPORATE ACADEMY NEWS

Another Crash Course was provided, by the Corporate Academy, to new recruits and present employees during both months of January and February 2009.

This series of sessions included the 5-day combo workshop "Consultants Behavioral Skills", which was offered at the Green Valley Residence complex and lead by the Academy's VP Joseph Moghabghab.

This same combo workshop was also provided in Kuwait during the month of March for Path Solutions' employees stationed there.

On the other hand, the advanced course



“Islamic Accounting and Financial Concepts” was offered for the first time by the Academy. This course, also provided by the Academy’s VP was held from February 25 through the 27th at Path Solutions training center – Lebanon.

This course was created internally to help employees better understand Islamic banking and sit for the CIPA exam provided by AAOIFI.

In line with having Path Solutions’ employees getting certified in vital certifications, and in addition to getting CIPA certified, a dozen of employees will be sitting within the next couple of months for the Project Management exam to be certified by the Project Management Institute. An internal training of 5 days has taken place to get the candidates ready for this exam. ■

In-house Training for Clients

At Path Solutions’ R&D centre, a technical training was given by our Manager Technical Support, Issam Gera, to our AIB clients.

The training covered the following modules: System Administration and Security, Accounting, NostroVostro and Customer Service Management.

From January 12 till January 22, Simone Vasco, Martin Downey and Rami Hraiki from BLME attended a course given by our Senior Business Consultant Solange Obeid on Assets and Portfolio Management, and two other courses on IslamicInvest & Islamic-Treasury given by Rana Abou Sabha another Senior Business Consultant at Path Solutions. ■

Corporate Academy List of Courses for 2009

In line with Path Solutions’ Corporate Academy Thought Leadership endeavor, the Academy partnered with reference Islamic banking lecturers to offer our clients training on best Islamic banking practices.

Our open courses list for 2009 is updated regularly and will be as follows:

Introduction to Islamic finance (6 days)

- (3 days)
 - Sharia law
 - Contract laws
- (3 days)
 - Financial instruments
 - Islamic finance (Banking & Investment Products)

Source and usage of funds (4 days)

- Role of intermediation of Islamic banks
- On balance – Off balance
- ALM (Assets and Liabilities Management)
- Profit distribution and reserves

Islamic financial engineering (7 days)

- (4 days)
 - Fixed income
 - Liquidity management
 - Hedging
- (3 days)
 - Islamic banking corporate governance (International norms adapted to Islamic finance)

Risk management (Derivatives) (3 days)

Certifications are generated from Path Solutions’ Corporate Academy (on the whole curriculum or for separate courses).

For more information on the exact dates, please contact the Corporate Academy at Path Solutions on: +961 1 697444 or e-mail us at academy@path-solutions.com ■



ACTIVITIES

A Unique Approach at Career Fairs

We, at Path Solutions, create a unique personal environment for job seekers. We believe the best career relationships start with meeting people in a professional and personal environment.

For this purpose, we were present this year at BIEL between March 19 & 22 where our different managers had face to face meetings with their future staff.

Our VP Human Capital, Mr. Elias Geha was introducing the company brand and services and the opportunities to the candidate audience. ■



PATH SOLUTIONS' EVENTS CALENDAR 2009

EVENT	DATE	LOCATION	ORGANIZER	SPONSORSHIP
The Islamic Finance in Turkey	05&06/ 05/09	Turkey	ICG Events	Exhibitor
6th Islamic Financial Services Board Summit	07&08/ 05/09	Singapore	IFSB	Bronze Sponsor
5th Annual World Islamic Funds & Capital Markets Conference	25&26/ 05/ 09	Bahrain	Mega Events	Silver Strategic Partner
the 4th Islamic Banks and Financial Institutions Conference	01&02/ 06/09	Syria	Al Salam For Conferences	Exhibitor
2nd Annual World Islamic Banking Conference	06/ 06/09	United Kingdom	Mega Events	Silver Partner
Islamic Finance & Investment World Africa 2009 Conference	09&10/ 06/09	Cape Town	Terrapinn	Technology Sponsor
2009 London Sukuk Summit	23&24/ 06/09	United Kingdom	ICG Events	Exhibitor

PUBLICATIONS

Islamic Asset Management: Forming the Future for Shari'a-Compliant Investment Strategies

By Sohail Jaffer



Get a better understanding of Islamic asset management - investments and structures, by learning from 20 leading Islamic finance experts from across the asset management world.

ISBN: 978 1 84374 121 3
Edition: 1
Publisher: Euromoney Books

Islamic Finance Glossary



This unique one-off PDF glossary will allow you to understand the core principles of Islamic finance terms and their

placement in the context of modern financial developments. This glossary is compiled by expert authors. A must-have for all those engaged in Islamic finance and banking, those advising Islamic financial institutions, and every professional needing to understand Islamic finance terms

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Islamic Finance Law, Economics, and Practice

By El-Gamal Mahmoud A.

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