

WWW.AMERICANFINANCE.COM

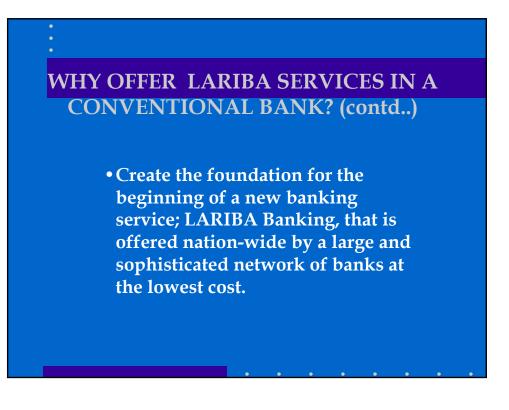


HARVARD ISLAMIC BANKING FORUM 1999 October 1, 1999



WHY OFFER LARIBA SERVICES IN A CONVENTIONAL BANK?

- Apply the strict American Banking regulatory and supervisory practices to LARIBA Banking. This will :
 - Add more credibility to the LARIBA Banking
 - Benefit providers, clients and regulators
- Create a larger pool of bankers of all faiths, training and experience who are conversant in both conventional RIBA Banking and LARIBA Banking.



WHY OFFER LARIBA SERVICES IN A CONVENTIONAL BANK? (contd..)

 Offer consumers the choice between conventional RIBA and LARIBA banking products. In doing so, the consumer will enjoy the ability to choose from a wide variety of banking, financing, and saving products and services from <u>one</u> organization.

WHY OFFER LARIBA SERVICES IN A CONVENTIONAL BANK? (contd..)

- Encourage members of the Muslim community to participate, with their wealth, in the American economic system without violating their religious beliefs. This will help create new investment opportunities.
- Create an atmosphere of healthy competition between the RIBA conventional banking products and the LARIBA products.

CHALLENGE 1

Compliance with Islamic Law IS IT ACCEPTABLE TO RUN A RIBA BANK THAT OFFERS LARIBA PRODUCTS & SERVICES ?

OPINION OF ISLAMIC SCHOLARS

- YES, Desirable & Encouraged
 - Malaysia Scholars & Experience
 - Middle Eastern Countries' Scholars

CHALLENGE 2

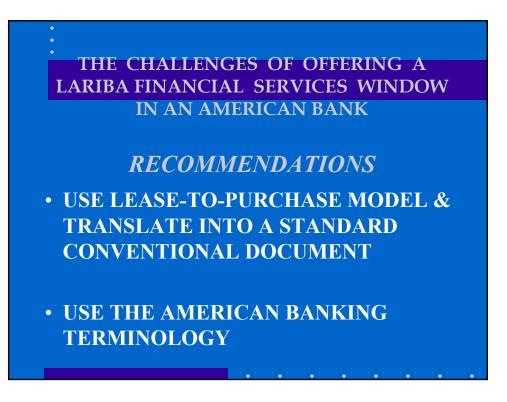
COMPLIANCE WITH U.S. BANKING LAWS & REGULATORY AGENCIES OCC, FRB & FDIC

- SEPARATION OF CHURCH & STATE
- OCC OPINION: BASED ON PRIOR SUPREME COURT DECISIONS CONFIRM THAT BANKS ARE ABLE TO CONDUCT LEASE-TO-PURCHASE FINANCING.
- FRB & FDIC NO OPINION YET

CHALLENGE 3

THE HUMAN FACTOR

- STETREOTYPING
- SUSPICIONS ABOUT A RELATIVELY NEW RELIGIOUS GROUP IN AMERICA
- UNFORTUNATE INTERNATIONAL EVENTS TIED TO ISLAM & MUSLIMS



THE CHALLENGES OF OFFERING A LARIBA FINANCIAL SERVICES WINDOW IN AN AMERICAN BANK

RECOMMENDATIONS

• INTENSIVE FAMILIARIZATION & EDUCATION PROGRAMS TO TEACH THE REGULATORS, THE BANKERS &THE PUBLIC AT LARGE

• PATIENCE, HUMBLENESS & LOW KEY