

# **Family Finance Banking Institution**

*A New Name for the Oldest No-Interest Bank in Turkey  
Since 1985*

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**June 16, 2001**

# BACKGROUND



- **Established in 1985 as Faisal Finance Institution by H.R.H. Mohamed Al-Faisal Al-Saud**
- **First Interest-Free Bank in Modern History of Turkey**
- **In 2001, FFI was acquired by Mr. Sabri Ulker and Investors From American Finance House - LARIBA**
- **The name was changed to Family Finance in May, 2001**

*Since 1985...*

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# Provides Interest-Free Banking Instruments to Turkish & European Market



- Murabaha
- Mudaraba
- Musharaka
- Leasing
- Documentary Letters
- Profit & Loss Sharing Accounts
- Current Accounts
- Checking Accounts
- Internet Banking
- Fund Transfers

*Since 1985...*

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# **The 2001 Financial Crisis in Turkey**



- **Liquidity Shortages** severely hit the banking sector.
- **Banks Suffering From low liquidity ratios** could not survive.
- **Costs in Banking Sector Became Major Point of Attention.**
- **Ihlas Finance' Banking Licence was Revoked.**
- **4 Conventional Banks were Taken Over by Government.**
- **Financial Shrinkage Caused Position Liquidations, thus Losses.**

*Since 1985...*

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- **Currency & Other Exposures' Risks Caused Serious Losses.**

# Finance Houses' (Interest-Free) Banks' Performance During Crisis\*



<u>Thousand USD</u>	<u>17 Nov 2000</u>	<u>9 Feb 2001</u>	<u>16 Apr 2001</u>	<u>% Decrease</u>
Deposits	1,769,570	1,515,940	1,154,231	35%
Utilized Funds	1,479,418	1,218,346	1,018,308	31%
Reserves	186,660	170,140	40,247	78%
Liquid Assests	134,297	96,467	71,612	47%
Foreign Currency Liabilities	168,126	109,808	80,595	52%

*Since 1985...*

# **T U R K E Y**

## **THE ECONOMIC OUTLOOK**



**The Economic Improvements Achieved by Mr. Kemal Dervis and Current Government is Aiming to Enhance the Growth and Further Eliminate the Effects of the Recent Crisis.**

**Economic Reform Package is Expected to Stabilize the Interest Rates and Currency Fluctuations and Provide Lower Variations within the Financial Markets.**

**Increased volumes, after the initial application of the reform package, proves that the steps taken are in compliance with IMF program and international expectations.**

*Since 1985...*

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**FINANCE HOUSES (Interest-Free Banks)  
STOOD THE TEST OF  
WORST BANK CRISIS IN DECADES**

**Ability to Cope with Vast Customer Demands/Run on Banks  
During the Times of Crisis without any Support from  
Government Insurance Protection Proved the Value &  
Viability of Interest-Free Banks in Turkey.**

**The New Banking Law, Approved by Turkish Parliament  
Provides Deposit Insurance & Other Benefits to Finance  
Houses / Interest-Free Banks**

*Since 1985...*

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## Mission

**To Become the Preferred, Internationally Reputable, Financially Secure Interest-Free Financial Organization**

## Vision

**To Become a Respectable Global Financial Entity That is One of the Top Banks, with its Modern Banking Services and Network Throughout the Country & Europe.**

# OUR ASSETS FOR A BRIGHTER FUTURE



- **The Valuable Reputation & Track Record and Success of Mr. Sabri Ulker.**
- **Know-How and International Experience of American Finance House - LARIBA**
- **12 Branches.**
- **Licensed Representative Office in Germany Providing a Stepping Stone in Euro-zone.**
- **Professional Team - Young and Dynamic Structure.**

*Since 1985...*

# THE FUTURE



- **Develop Interest-Free Banking in Turkey by Providing Reliable, Innovative & Interest-Free Instruments.**
- **Generate Diversified Interest-Free Banking Services at all Levels: Retail, Institutions & Businesses.**
- **Attract Equity Investments to Enhance Growth of Family Finance.**
- **Improve Interest-Free Banking Operations, Services & Profitability.**
- **Expand Interest-Free Banking Services in European Union from Germany**

*Since 1985...*

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## **POTENTIAL & STRATEGY**

- **There is a Deposit Potential of 15 Billion USD Looking for Secure, Reliable and High Quality Interest-Free Banks in Turkey.**
- **Family Finans Aspires to be the Top Interest-Free Bank in Turkey by the End of 2003.**
- **Family Finans will Cater to The Needs of the Family & Community by Having a Nation-wide Branch Network Designed for Customer Convenience and True Service.**

# Global Strategic Alliances



**Family will be Positioned as the Strategic Partner for Quality Global INTEREST-FREE Banks around the World for their Banking Connections & Services in Turkey.**

**Family Finans  
is All in  
THE FAMILY.**

*Since 1985...*

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**THANK YOU**



**We Look Forward for Your Support**

*We Aspire to Gain Your Confidence ...*

**We will Work Hard to Deserve Your Confidence.**

*Since 1985...*

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