

Misys Equation

# Eskan Bank





Operating under the authority of the Ministry of Housing and Work, Eskan Bank processes and grants mortgage loans for Bahraini home owners. In 2006, Eskan Bank decided to work with Misys in order to help it deliver world-class banking services in Bahrain. As the retail banking, lending industry and in particular the real estate market grew rapidly, Eskan Bank needed a system that could help it cope with the increasing volumes of customer requests and give it the foundation to develop new products and services quickly.

Eskan chose the core banking solution, Misys Equation, to deliver these capabilities and, having had the solution for over a year, the bank is seeing multiple benefits and remains flexible to changing market conditions, including local and international regulation changes.

#### Banking in Bahrain

During the last 30 years Islamic banking and finance has developed, evolved and thrived not only in Bahrain, but also across the world to become a major global industry. Bahrain is recognised as having the pre-eminent financial services centre in the Middle East, comprising private banking, fund management, insurance, and capital markets and is noted as a pioneer in Islamic banking and finance. Bahrain's economy has been one of the most diversified economies in the region, particularly its financial sector, which has developed strongly to be a cornerstone for growth of the domestic economy. After the oil and gas sector, the financial institution sector remains the highest contributor to the country's GDP.

Eskan Bank was established in 1979 by an Amiri {Royal} Decree with the prime directive of developing and providing sustainable housing solutions either via facilities or financial loans to Bahraini citizens. With competition increasing from commercial banks entering the market and with consumers demanding a wider range of options for mortgages and other financial products, Eskan Bank was looking for ways to capitalise on technology to sustain its lead. With its stated mission to "serve as a partner to help provide the best mortgages and loans facilities for its customers", it knew that it had to work with the best technology provider to give it the solutions to achieve this.

### Modernisation

In 2005, Eskan Bank began to realise that the systems that it had in place to run the bank were becoming increasingly difficult to adapt to changing market conditions and customer volumes. Doing an important job for the inhabitants of Bahrain, the bank was keen to make the move to using an industry-leading solution to help the bank evolve into an even more important institution, offering a broader range of products. As part of its selection process, the bank evaluated several international solutions and decided to choose Misys for its depth of knowledge, reputation and its prestigious user base in the Middle East.

The bank installed Misys Equation for its core system, with advanced Branch Automation capabilities to manage consumer banking across its national branches. It has also rolled out its multi-channel banking offering integrating ATMs, Internet banking and telephone banking, while increasing its anti-money laundering capabilities and ensuring compliance with regulations such as Basel II. Having signed the contract towards the end 2006, the implementation was a smooth process, with the system going live in July of 2007. Since then, improvements have continued apace and the bank is now able to offer its customers a full range of retail services as well.

“Real estate is one of the fastest growing economies in Bahrain and we needed a system that could more than cope with the burgeoning number of loans being demanded by consumers seeking to build their own houses,” comments Jamal Qamber, IT Manager for Eskan

Bank. “Misys Equation has given us the technology to manage the growing levels of activity and enabled us to bring in new products quickly. We have been very impressed by the knowledge of the Misys consultants and the capabilities that Misys Equation has given us.”

### Benefits

Eskan Bank is the only bank in Bahrain to grant Social Loans which are granted by the Ministry of Finance exclusively for Bahraini citizens, a system that has been going for over 30 years. Among the new capabilities that the Misys Equation solution has brought to the bank are:

- + Commercial Mortgages
- + SWIFT
- + ATM

The bank now has the potential and flexibility to launch new services they were unable to before. Whereas cash management was previously manual or paper-based, now it is under the cashier system. The old system was also unable to handle daily accruals, but with Misys Equation, that is now possible. More importantly, monitoring risk is now much more easily achieved where the old systems had no systematic method of monitoring it. As the bank broadens its product range and volume, the ability to carefully manage risk is seen as crucially important.

Roy Froud, Misys Regional Director for Middle East and Africa, comments, “We were delighted to be chosen ahead of the competition for our understanding of the bank’s business and for the reliability and reputation of Misys Equation. We have been working alongside the team at Eskan Bank over the last two years to ensure that they can quickly expand, offering new products to their customers without disrupting normal business. Misys has extensive experience across the Middle East and was able to use this experience to ensure a smooth implementation that delivered the benefits that Eskan Bank was hoping for. We look forward to continuing to help the bank to grow, with Misys Equation working as the back bone to this development.”



#### About Eskan Bank

Eskan Bank was established in 1979 by an Amiri (Royal) Decree with the prime directive of developing and providing sustainable housing either via facilities or financial loans to Bahraini citizens. Since commencement of operations, Eskan Bank disbursed government subsidized mortgages of over BD. 513.2 million to 31.400 of Bahraini families. Eskan Bank is wholly owned by the government of the Kingdom of Bahrain with an authorized share capital of BD. 40 million of which BD. 15 million is paid up. As at 2007 year end, the total assets of the Bank exceeded BD. 217.5 million. Eskan Bank received 'The WIFCMC 2008 Innovation Award for Mortgage Product' in recognition of its innovative Residential Mortgage Backed Securities initiative that was successfully launched in 2007.

Assets 2007 : BD 217.5

Loans up-to-date: BD 513.2 to 31.400 citizens

Subsidiaries: STC, Eskan properties

For more information on how  
Misys Equation can help you  
please visit:  
[www.misys.com/banking](http://www.misys.com/banking)

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