

ARAB BANK AUSTRALIA

Setting new standards in customer service

By Colin Sword, Regional Head for SouthEast Asia, Australia and New Zealand, TCS Financial Solutions



Arab Bank Australia Limited, a wholly-owned subsidiary of Amman, Jordan-based Arab Bank plc since 1994, was chartered to serve the migrant community in Australia originally hailing from the Arabic-speaking world. As Arab Bank Australia's market and customers' needs broadened, so have the capabilities of the bank.

Business migrants have extensive banking needs, including standard retail offerings such as home and personal loans, commercial offerings in support of small-to-medium-sized enterprises (SMEs), and corporate services for local subsidiaries of multinational firms. Serving these customers requires an extensive range of services and capabilities that would normally be the purview of a much larger bank.

With 132 people on staff across 10 branches and a head office, the Bank provides exceptional customer service to its clients. "We've developed an outstanding name in the corporate community as a bank that has a good knowledge of the property market, the health care sector, the transport industry, international trade with the Middle East, and retail banking to the migrant

community, particularly business migrants with in Australia," related James Wakim, CEO and Managing Director of Arab Bank Australia Limited

Despite its breadth, the bank hasn't lost focus on its specific market segment. "Many banks have come to Australia and lost money. In a nutshell, they try to be all things to all people and fail," says Wakim. "As we've evolved over the last 14 years or so, we've become specialists in certain fields, and now we're developing that specialization as part of our strategy."

That strategy, combined with a conservative lending profile and strength in retail deposits, has brought about solid results. The last 12 months have been particularly rewarding for Arab Bank Australia, in that its strategy has held up even as other banks have faltered, turning in growth rates of over 30 percent. "We tend to excel when the market is not overly heated," explains Wakim. "When the market's good, it's harder to compete on price with the big players – whereas now, with prices at a more acceptable level, our competitive edge is really starting to show."

RETAIL REWARDS

Another cornerstone to Arab Bank Australia's success is a funding strategy based on retail excellence. "Arab Bank Australia has, for the last several years, funded our loan book 100 percent through retail and corporate customer deposits," says Wakim.

With the recent decline of liquidity in the wholesale interbank funding market has come an industry-wide rediscovery of the wisdom of having a strong retail presence. "Now that the market has tightened up, instead of being at 100 percent deposit-to-loans ratio, we're at 130 percent," he adds.

FLEXIBILITY ADVANTAGE

TCS BOINC'S Core Banking and TCS BOINC'S Link power Arab Bank Australia's core processing and front-end delivery capabilities to process account opening, deposit and loan processing and international payments that span traditional banking silos. "We're not strictly a retail bank, a corporate bank, or a commercial bank," says Wakim. "We cater to small-to-medium-sized enterprises, and so we wanted retail banking capabilities like home loan and personal loan products, but at the same time we also wanted commercial banking capabilities like lines of credit, interest set-offs, contingent facilities and so on."

The bank's previous systems were unable to meet these diverse needs, and was "impeding the bank's growth and capability to explore new markets," relates Farid Khoury, Manager, Information Technology, Arab Bank Australia. Now, TCS BOINC'S Core Banking provides the flexibility to take on a wide range of business challenges, in line with the expansive needs of its core customers. "The ability to tailor the parameters in



FAST FACTS
ARAB BANK AUSTRALIA
 Assets: AUD \$1.3 billion in assets
 Branches: 10
 Employees: 132



James Wakim, CEO and Managing Director,
 Arab Bank Australia



the system to the organization's needs has been a tremendous benefit for Arab Bank Australia," says Khoury. "This, coupled with our innovative IT staff and dedicated field staff, gives us a continuous advantage in our market – especially in such an unusual and volatile business climate."

"As a parameterized application, TCS BOINC'S increased speed-to-market for product development and new services, provides us with an advantage to grow our business," says Khoury. "The product development process allowed us to innovate in products and services to fit our customer base. We continue to develop products and services that fit the business environment, benefiting both Arab Bank Australia and its customer base."

In many ways, the bank itself resembles many of its nimble SME customers. "We are a SME, agile and quick enough to respond to

AT A GLANCE

Company: Arab Bank Australia Limited, based in Sydney, Australia, is a wholly-owned subsidiary of Arab Bank plc, based in Amman, Jordan

Lines of business: Retail banking, commercial banking, corporate banking, specializing in supporting customers with personal and business connections to and from the Arab world

Technology: TCS BOINC'S Core Banking

Challenge: To provide, as a relatively small financial institution, a wide range of customized services for individuals, small-to-medium-sized businesses and corporations

changes in the market and business environments. Our dedicated staff has proudly built the business on a traditional relationship banking approach – we know our customers and their needs," says Khoury.

"With the implementation of TCS BOINC'S, we have improved our lending products, improved workflows in the lending application cycle, and continued our success with our deposit prod-

ucts," Khoury adds.

With TCS BOINC'S, Arab Bank Australia is positioned to continue its pattern of success, executing on a well-defined plan. "We're fairly focused on what we do, and we have a clear strategy for the next five years or so," says Wakim. "We're looking forward to developing the relationship with TCS Financial Solutions and enhancing TCS BOINC'S."