

CASE STUDY



Enhancing Customer Service

National Commercial Bank, Saudi Arabia



YOUR INNOVATION PARTNER



Enhancing Customer Service

OVERVIEW

The Challenge

The task in hand was to automate the manual processes at the bank, reduce time and costs, and offer an exclusive online channel for corporate customer interactions.

The Solution

A new-generation web-based solution that provides increased flexibility, extensibility and is multichannel-enabled.

The Benefit

National Commercial Bank, Saudi Arabia, not only streamlined its operations, but also enhanced

PROFILE

Established in 1953, the National Commercial Bank (NCB) was the first bank to be formed in Saudi Arabia and is currently the largest bank, not only in Saudi Arabia but all of the Middle East, with a paid-up capital of SR 6,000 million (US\$ 1,600 million). The total assets for the bank at the end of 2007 summed up to US\$ 55,658 million and net profit for the fiscal year 2007 was US\$ 1,610 million.

Committed to delivering better service to its customers by leveraging technology, NCB offers some of the most modern services in the banking world, all the while keeping Saudi traditions in view. All 266 retail branches are dedicated to Islamic banking services. NCB services a customer base of over 2 million, through a comprehensive array of delivery channels, including 942 ATMs and 7000 point of sale (P.O.S) terminals. NCB pioneered mobile banking in Saudi Arabia and was the first bank to launch credit cards for settlement of online purchases. It is estimated that in the fiscal year 2007, over 85 percent of customer transactions for the bank were executed through alternative delivery channels. NCB also runs the largest dealing room in foreign exchange and money market in the Middle East.

KEY BUSINESS DRIVERS



In 2003, NCB was looking to enhance its corporate banking service. At that time, while some corporates used NCBDirect, a PC-banking solution, most corporate customers interacted with the bank through the bank branches and the level of manual processing was very high. Some of the key issues faced by NCB were:

Branch as the Primary Channel for Corporate Clients

Corporate customers mainly used bank branches for their day-to-day inquiries and transactions. Despite a PC-banking solution, NCBDirect, being available to a few customers, was not able to reduce the branch overhead. NCB had a huge volume of Cashier Check/Foreign Currency Draft requests from corporates, which involved manual operations at the branch, with branch tellers often being required to interact with the treasury help-desk, in order to decide on the best exchange rate to be given to the corporate clients.

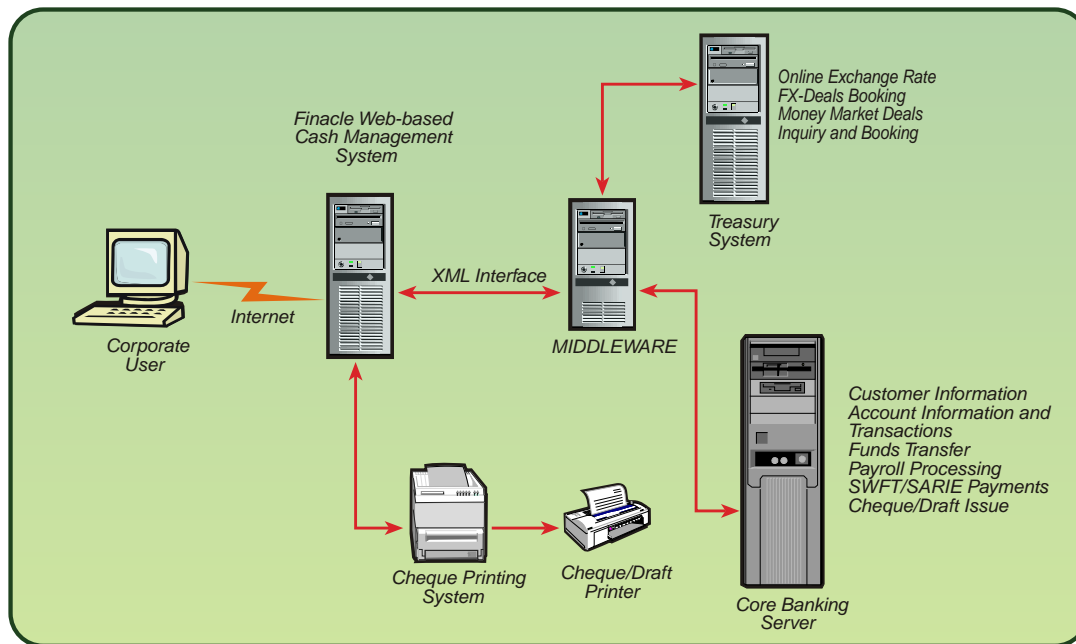
Fewer Features in Incumbent System

The existing PC-banking solution offered limited functionality. Cash management features for deriving exchange rates in online mode from the treasury system were not available. In addition, liquidity management features such as account sweep, time deposits management and SWIFT/SARIE payments had to be executed by corporates at a bank branch or by calling up their relationship manager and sending the authorization by fax.

Non Web-Enabled Transactions

The absence of a Web-enabled solution meant that the level of manual processing was very high for both NCB and its customers. For instance, corporate customers had to prepare their payroll files in the format specified by the bank and courier the storage media to the bank for processing.

SOLUTION OVERVIEW



After a thorough evaluation of online corporate banking solutions, NCB identified Infosys as its technology partner and selected Infosys' Finacle Web-based cash management solution, to be implemented within 12 months.

Finacle Web-based cash management solution is backed by Infosys' in-depth understanding of the banking domain and new-generation industry standard technologies like J2EE and .NET. It helps eliminate constraints of geography to provide anytime, anywhere access to information. Further, the solution provides banks with a rich set of functionality such as global liquidity management, client-managed short-term investments, pooling, sweeping, EIPP and crossborder payments.

Finacle Web-based cash management offers multi-channel delivery through desktop and wireless devices, integration with large corporate ERP systems and image delivery for positive pay. In addition to providing the benefits of scalability, performance and fault tolerance, this solution also

ensures reduced TCO (Total Cost of Ownership), increased flexibility, extensibility, faster time-to-market, quicker implementation and ease of maintenance for the bank.

NCB's Web-based cash management solution offering, named Alahli eCorp, has successfully addressed the following key operational areas:

Web-enablement of Services to the Bank's Corporate Customers

NCB's corporate customers do not need to use bank branches for inquiries and transactions anymore. Alahli eCorp allows customers to remotely login, using a browser, inquire and transact with NCB. Corporates can now access the liquidity management features of the application over the Internet, to set up account sweep rules, initiate/roll-over money market deals and have an automated reconciliation of the account transactions with the corporate ERP entries.

Cutting-edge Features

Finacle Web-based cash management solution interfaces with NCB's treasury host system to fetch online exchange rates and seamlessly applies these rates to corporate transactions. The corporate is thus given the latest rate when approving the transaction. Finacle also provides a facility for corporates to enter/upload their check/draft requests. It also interfaces with NCB's bulk-check-printing solution and the core banking system to ensure faster processing of customer requests.

Real-Time Transaction Processing

Corporate clients can set up third-party beneficiaries and transact SWIFT/SARIE

payments online over the Internet. The solution interfaces with the bank's core banking system to ensure straight-through-processing of these payments. It facilitates the bank to set up spread for the exchange rates based on the corporate category and the amount of the transaction.

Secure Architecture for Safe Transactions

Corporates can now easily upload payroll files using the Internet, over a secure connection. The payroll files formats are verified by the solution and delivery to core banking system is automated for processing. The status of the processing is displayed to the corporate in the application.

REAPING THE BENEFITS

By partnering with Finacle, NCB has effectively addressed its existing business constraints and successfully met the demands of its corporate clientele:

Enhanced Customer Service

The online service offers an enriching and convenient customer experience. Therefore, corporate customers are increasingly opting for NCB's online service over other delivery channels.

Reduced Costs

With the online service creating a virtual branch for NCB, the overall cost of service for corporate transactions has decreased and so has the staffing requirements.

Streamlined Operations

Rich functionality delivered through the online channel has reduced the load on branch operations and helped streamlining operations. The bank can now access a bulk of the transactions from a single point and fix the pricing of the products and features accordingly.

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“With Finacle Web-based cash management solution, we, at NCB, have taken steps towards offering business value to our corporate customers. The solution offers us flexibility and functionalities that would be the key differentiator for global banks, and provides us the competitive edge. Its Web-enabled real-time transaction processing capabilities and secure architecture has given us that much needed business value.”

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Taha Al Kuwaiz

Deputy General Manager
The National Commercial Bank
Saudi Arabia

Finacle - Universal Banking Solution

Finacle from Infosys partners with banks to power-up their innovation agenda, enabling them to differentiate their products and service, enhance customer experience and achieve greater operational efficiency. Finacle solutions address the core banking, wealth management, CRM, Islamic banking and treasury requirements of retail, corporate and universal banks worldwide and provide online marketing tools like Finacle finanz tools. Finacle solutions also empower banks with multiple sales, service and marketing channels including e-banking, mobile banking and call centers. These offerings make Finacle a strong innovation-facilitator enabling banks to accelerate growth, while maximizing value from their large scale business transformation.

Infosys. The Organization behind Finacle.

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT enabled business solutions. Infosys' offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing. Infosys today has more than a third of its business coming from the banking and financial services industry and has a strategic focus on this segment.

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