

Egyptian Commercial Bank

Appnetics – National Systems Research

Core Banking Application in the ASP Model Gives Bank Strategic Edge, Reduces Costs

Published: **June 2003**

To compete in the fast-developing market of today and meet its customer expectations, the Egyptian Commercial Bank (ECB) moved from its legacy system to a new agile, scalable and secure system based on the latest in Microsoft technology and utilizing the in-depth knowledge and expertise of Appnetics – National Systems Research, a leading IT firm that has pioneered Outsourced Applications to financial institutions.

The solution, based on FNS BANCS®, enabled ECB to accelerate time-to-market of new banking products as well as offer clients new customized experience. The bank is now better able to identify and respond to market opportunities thus has increased its market share while achieving significant reduction in IT costs.

Situation

As part of its restructuring plan, Egyptian Commercial Bank (ECB) decided to overhaul the bank's operations through the development of new products and services especially in the consumer/retail areas, as well as increasing responsiveness to customer needs and improvement of Service quality. Unfortunately, the bank's legacy systems constituted a stumbling block to internal and business plans. The seventies era core application was GL centric, and hence did not match the recent developments in the banking industry that had long since moved to customer centric environments. Under the legacy system, responding to market demands sometimes took as long as six months thereby causing the bank to miss valuable opportunities. Years of modifications and patching up made the applications costly to maintain.

Appnetics has recognized the changing nature of the financial industry, and moved towards the delivery of mission critical IT services. Appnetics built a solution based on robust and highly available Microsoft components that combined speed of implementation with flexibility and expandability. It provided the user staff as well as the bank customer with an enhanced experience.

Outsourcing as Strategic Direction

From the outset, ECB decided on Outsourcing as a strategic direction for designing and deploying a state-of-the-art Information technology infrastructure. Core banking was the first building block in this architecture.

Solution Overview

Customer Profile

Egyptian Commercial Bank went through major restructuring to become the best performing bank in Egypt in 2002/2003. ECB uses its new IT capabilities to spearhead its market penetration program through the introduction of customized products and services including private banking to a growing universe of customers.

Partner Profile

Appnetics pioneered mission critical application services to the financial industry and other large enterprises in Egypt. Appnetics also provides integrated BPR and other IT and management consulting services to its clients.

Business Situation

The legacy system of ECB was hindering the development and expansion of the bank. The bank needed to move quickly to a more agile system that allows them to respond to customer needs and market opportunities.

Solution

Appnetics provided a mission critical, cost effective and scalable solution based on Microsoft technologies that allow banks to react to rapid changes in the market and provide customers with improved products and services

Benefits

- Customer Satisfaction
- Sharper Competitive Edge
- Increased market share
- Substantial Cost Savings

Software and Services

- Microsoft® Windows®
- Microsoft Office
- Microsoft SQL Server™
- Microsoft Share Point Server
- FNS BANCS®
- Appnetics Portal

Partners

- Appnetics
- Financial Network Services FNS
- Microsoft Great Plans

Solution

Traditionally, acquisition of core banking systems focuses solely on the functionality and performance of applications, the majority of which were based on either proprietary operating systems, or on UNIX. Appnetics took a radically different approach in building a banking environment based entirely on **Microsoft .Net** technology. This provided ECB with an integrated work environment that improved productivity and enhanced the work experience.

Appnetics developed a highly available, massively scalable architecture based on extensive surveying and Business Process Reengineering. This Mission Critical platform is flexible and extensible and will allow the addition of future functionalities with ease.



Appnetics developed a unique, industry specific information backbone based on the rich functionalities of **SharePoint®** Server which gave ECB a web enabled corporate desktop from which staff could operate specialized banking applications as well as make full use of personal productivity tools, email, personal work space for files, photographs and other media, in addition to an extensive document repository. Finally it gave the bank a participative forum for informal communication, acting as a much needed glue to the newly revitalized organization.

Appnetics selected **Great Plains® General Ledger** application as the cornerstone of the corporate accounting system at ECB, in response to the banks requirement to enhance financial control and extend it to departmental auditing and to support decision making. Great plains general ledger integrated seamlessly with the FNS core banking solution BANCS and with other FNS financial applications such as Treasury and Trade Finance.

Coupled with extensive Business Process Reengineering (BPR), Great Plains General Ledger streamlined accounting procedure and shifted the accounting burden from the branches to a centralized function. This resulted in substantial reduction of initial manual input and hence dedicated headcount. Finally it provided the Financial Management of the bank with a consistent focus of accounting information, and the ability to perform multidimensional analysis and default budgeting.



“The completion of the Implementation project within twelve months, down from a traditional 24-36 months is an incredible achievement made possible only by the excellence of the products and the sheer energy of the professionals involved in implementation. It enabled our bank to complete its internal transformation in record time. This was reflected in our stellar performance during the past 12 months.”

Gamal Moharam
Deputy Chairman &
Managing Director
Egyptian Commercial Bank

“The robust, cost effective platform provided by Microsoft .NET and FNS gave the bank a handsome ROI. This was made more noticeable by the proactive project management and support of Appnetics. This has certainly been the most effective deployment of Core Banking systems I have seen in my 35 year experience.”

Nazre Dastgir
Naming Technology Advisor
Egyptian Commercial Bank

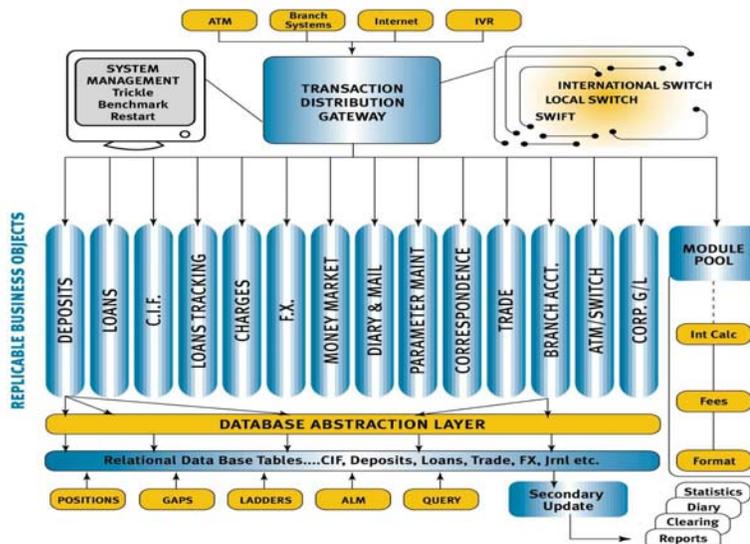
FNS BANCS - A Total Solution

FNS's core banking solution - **BANCS** – was deployed to automate every aspect of the bank's operation. It was configured to meet ECB's staff and customer needs in the areas of retail, corporate banking and MIS. The BANCS solution allows ECB to compete more aggressively by providing support for effective processing of current products and services while allowing the institution to quickly respond to market demands by introducing and changing products and services in a more timely manner.

BANCS - Functional Components

The BANCS solution is built using component business object techniques and provides support for common core banking functions such as:

- Customer Relationship Management
- Limits and Exposures
- Collateral Management
- Marketing Notification and Response
- Deposit processing
- Loans processing including:
- Loan Workflow Management
- Contingent Account processing
- Cash Accounting including:
- EFT Switch Management
- Debt Collection
- Remittance Reconciliation
- Correspondence Management
- Integrated Treasury
- Integrated Internet Banking
- Integrated Branch Delivery



BANCS Treasury

BANCS Treasury provides all Front, Middle and Back Office functions for Foreign Exchange, Money Market and Securities instruments in one straight through processing application. It also provides comprehensive Risk Management tools for monitoring Open Exchange, Market and Credit, Operational, and Interest Rate Risk. SWIFT confirmation and payment messages are generated transactionally and may be viewed real-time by settlement staff. Correspondence software is available to generate user-defined confirmation messages for non-bank counterparties and these may be issued automatically via linked MS Exchange 2000.

BANCS Trade

Trade Finance is a complex business due to the labor-intensive workflows required for completing and managing a transaction throughout its life cycle. **FNS BANCS Trade** provides complete workflow automation applying user defined business rules and interfaces seamlessly with International Payment Gateways.

BANCS Trade provides flexible tools for transaction and authorization tracking, user access and security. Its integration with core banking and Great Plains General Ledger reduces bookkeeping through automatic generation of Accounting Entries.

ECB provided a great opportunity to showcase FNS banking solutions to the Egyptian market. The reliability and high availability of the Microsoft platform contributed significantly to a successful, problem free launch.

The accelerated deployment methodology developed by Appnetics provided both the bank and FNS with an opportunity for an early start in the market.

David Parker
Vice President
Business Development
FNS - Middle East

Benefits

Competitive Edge:

The new agile IT infrastructure gave ECB a tremendous advantage in the market, with tangible results reflected in the bank's performance during the first 12 months. Improvement of customer experience, shortened time-to-market of new products lead to increased market share. It also helped the bank shift its emphasis from Corporate to Retail Banking.

Increased Management Control:

Both FNS BANCS solution and Great Plains General Ledger provided management with adaptable control tools that enabled them to monitor performance and make guided decisions in near real-time. On the operation level, the cross functional audit features of Great Plains General Ledger enhanced the internal security of bank operations.

Improved Product Delivery environment:

Unlike legacy applications, FNS BANCS solution offers continuous operations 24/7. From the customer's perspective, they will never be denied service at the ATM because the solution is performing end-of-day operations. From the bank's point of view, this and other customer centric Processing features increases revenue and helps attract new customers.

Saving for the Future:

ECB's Strategic decision to outsource the IT function and to select a platform based on Microsoft technology has resulted in substantial savings not only in current operation over legacy which is estimated at 28%, but also projected these savings into the future where the platforms improved performance and scalability help protect the bank's investment in its infrastructure.

For More Information

For information about Microsoft products and services, call Microsoft Egypt at (202) 7922445.

To access information using the World Wide Web, go to: <http://www.microsoft.com/Egypt>

For information about Egyptian Commercial Bank, Visit the site at <http://www.ecb.com.eg>.

For information on Financial Network Services visit the site at <http://www.fns.com.au>.

For information on Appnetics - NSR visit the site at <http://www.appnetics.com>

Appnetics

Logp

The challenge posed by ECB management was not so much to implement a new system in record time, but to act as an agent for change and be a partner in the planned corporate transformation.

Sherif Hosni
Chairman & CEO
Appnetics - NSR

Our integrated deployment team conducted an extensive business Process Reengineering exercise that covered all bank operations. Bank staff was engaged in design and documentation of the new processes using MS Visio as a workflow charting tool.

Ateyya Shafik
VP Application Services
Appnetics – NSR

Two factors had beneficial effect on the implementation project; first, proactive involvement of ECB top management gave substantial impetus to the deployment project. Second,, the use of the MS SPS based Portal which provided organizational glue that helped mobilize staff.

Kareem Al Tobgy
Director
Customer Support & Training
National Systems Research