



AL Hilal Bank Case Study

Transforming Business Operations, Supporting Growth

Al Hilal Bank lays the technology foundation for its future expansion and growth with deployment of state-of-the-art ETHIX financial solutions

Business Challenge

- Transform existing IT infrastructure by deploying automated Profit Calculation and Distribution system
- Reduce risk potential and improve operational control

The Solution

- ETHIX-Profit Calculation and Distribution system (ETHIX-PCD)

Business Impact

- Full-fledged automation, reduced costs and operational risks
- Increased levels of accuracy in profit calculation and distribution
- Wider coverage of investment resources and pools

Business Challenge

Al Hilal Bank was founded by the Abu Dhabi Investment Council, the investment arm of the Government of Abu Dhabi, in June 2008. With the dramatic upswing in the demand for Islamic banking services post the global financial crisis that started later that year, the Shari'a-compliant bank saw its banking network expand rapidly. In just a few short years, Al Hilal Bank would become one of the fastest growing banks in the UAE with 22 branches and over 116 ATMs, as well as 3 overseas branches in Kazakhstan.

Buoyed by its success in the UAE, the bank set its sights on becoming the leading financial institution in the region, committing itself to support the growth of Islamic banking by providing new direction, technologies and services.



Threatening to put a spoke in the wheels of the bank's ambitious growth plans, however, was a technology deficiency: the bank's core banking system did not support automated profit calculation and distribution. The result was a time- and resource-consuming work environment characterized by increased errors, less certainty and lack of control.

"As our banking operations kept expanding, so did the hassle and risk inherent in manually handling the allocation of assets and profits. We realized that we were missing out on a comprehensive solution that can efficiently manage profit calculation and distribution, which is a fundamental component of the Islamic banking concept," **said Mohamed Jamil Berro, CEO, Al Hilal Bank.**

Solution

ITS Global Financial Solutions (GFS) was selected as solutions provider after careful consideration of several vendors. After closely analyzing the bank's requirements, ITS deployed its ETHIX- Profit Calculation and Distribution system (PCD) system, part of the company's ETHIX technology suite of pre-defined solutions for Islamic finance and investment, to shore up Al Hilal Bank's

operational capabilities. The Shari'a-compliant ETHIX platform was seamlessly incorporated into the bank's existing technology infrastructure with minimal downtime.

ITS was able to complete the implementation in just three months by leveraging its expertise as a technology enabler and business partner for Islamic financial institutions worldwide.

Business Results

Implementation of the ETHIX-PCD solution has fully automated Al Hilal Bank's profit and asset management operations, rationalizing operational risks and eliminating the unnecessary costs, time and effort associated with manual intervention.

The bank is now able to take advantage of real-time calculation and distribution of profit and losses across all transactions in a highly efficient and accurate manner. It is also able to maintain consistently high levels of accuracy in profit calculation and distribution.

The ETHIX platform provides Al Hilal Bank with a wide range of investment resources to support its holistic approach in asset and profit management, and allows the bank to offer new products to its customers - products that can be segregated to include restricted as well unrestricted investment pools.

Full-fledged automation of profit and asset management has allowed us to take our operational capabilities to the next level and more fully satisfy the Islamic banking needs of our customers. More importantly, from a strategic perspective, it lays the technology groundwork for the bank's future growth and expansion. Mohamed Jamil Berro, CEO, Al Hilal Bank



About ITS Global Financial Solutions:

ITS Global Financial Solutions (GFS), a part of the ITS Group, is a leader in Shari'a compliant financial solutions, offering financial institutions the business and technology expertise that enables customers to achieve their strategic business goals and achieve operational excellence.

ITS GFS has 1600 staff across the Middle East with a dedicated team focused on the research and development of the ETHIX portfolio.

About ETHIX Financial Solutions:

ETHIX Shari'a compliant financial solutions empower financial institutions to achieve operational excellence, cost leadership, growth and product innovation in today's challenging and ever-evolving global financial services environment. ETHIX's multi-channelled corporate and retail products and services address the challenges encountered by financial institutions today, offering them the tools and technology to serve as a business enabler and ultimately, to sharpen their competitive edge.

The ETHIX portfolio is aimed at Islamic financial institutions, universal banks, greenfield banks, and investment and treasury organizations. Specifically, ETHIX's comprehensive repository of Islamic finance products is supported by an accounting backbone that adheres to the International Accounting Standards (IAS) and has won many industry awards and certifications over the years.

A dedicated team of software developers at ITS Global Financial Solutions (GFS) are working to constantly enhance and evolve the ETHIX portfolio which is built on a Services-Oriented Architecture (SOA) and Web services-based model, enabling seamless integration with existing core banking systems.