

## ARAB FINANCIAL SERVICES PROCESSING



Sixty banks in the Middle East formed Arab Financial Services (AFS) with an investment bank charter in 1984 to issue travelers cheques and provide related support services. By 1989, AFS had become a third-party processor offering cardholder and merchant account management on IBM mainframe technology. It exited the travelers cheques business in 2003, but expanded its processing services in 2005

to include ATM driving, debit card processing, and switch services through a 51%-49% joint venture it owns with Euronet World-

wide.

AFS, a principal member of Visa and MasterCard, operates an EMV-certified, PCI DSS compliant card personalization bureau for credit, debit, and prepaid cards that serves its 60 clients from 15 countries. It forms partnerships with other vendors to bring needed services to its clients. First Data provides the card processing platform. Giesecke & Devrient, Sagem Orga, Gemalto, and UniCard provide cards. CapGemini, Attra, and Virtusa offer strategic and management consulting. Comviva provides mobile commerce technology.

With more than 1.5 million general purpose and private label credit card accounts on its system, AFS is the largest third-party processor in the Middle East/

North Africa region where it competes with Network International, CSC Lebanon, and Global Processing Services.

Arab Financial Services has \$80 million in assets and says revenue has been growing at 30% annually for several years. Top cardholder account processing clients include National Commercial Bank of Saudi Arabia, Arab Bank in 12 countries, Ahli United Bank in 2 countries, and Commercial Bank of Kuwait. Barclays and Standard Chartered are clients of its Euronet Middle East joint venture.

**AFS IS A PRINCIPAL MEMBER OF VISA AND MASTERCARD.**

Arab Banking Corp. owns 54.56% of AFS out of a total of 40 banks with an equity interest. In addition to core processing, AFS sees its best growth opportunities in value-added services including SMS text alerts, a 24/7 call center, chargeback support, online fraud monitoring, reconciliation, mobile commerce, and data warehousing. Shankar

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