

Eska News



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Launching mortgage securities
for the first time in the region





Message of General Manager

In the last four months the Bank yielded the fruits of its continuous endeavour to achieve the recently developed goals according to clear vision through which the Bank is looking for a wider role in the field of property development and to become an effective member in the financial sector and a contributor in developing the capital market along with total commitment to provide social mortgage loans in accordance with the plans and schedules of the Ministry of Housing. Last September, the Bank launched mortgage loans on commercial basis for those who wish to finance their estate housing projects for personal utilization such as buying, building and enhancing as part of the Banks services to offer suitable financing choices for Bahraini citizens to provide decent housing as promptly as possible. These loans which were recently launched by the bank give an opportunity to citizens who wish to complete their housing estate projects hindered by the small size of loans allocated by the government. Now, according to the new loan system, they are able to get commercial mortgage loans from Eskin Bank at the same original guarantee used for the housing loan with the Bank after satisfying all terms and conditions of the commercial loans. The Bank has also, for the first time in Bahrain and the region, successfully completed the issuance of mortgage securities at BD 30 million, backed by a part of social mortgage loans distributed by Eskin Bank in its endeavor to diversify and expand its financial revenues and establishing innovative solutions and alternatives to fulfill the increasing needs for financing in order to expand the estate banking

operations as well as providing the opportunity for both the commercial financial sector and the individual sector to participate in this venture.

In the framework of its vision to make the Bank a leader in innovating suitable housing financing solutions for citizens, the Bank works strenuously to develop a new activity i.e. the Mortgage System, which facilitates housing loans for citizens within short periods of time via commercial banks keeping the role of the Government as a supporter to the calculated interest rate levels on such loans leading without doubt an end of the long waiting lists that many Bahraini citizens suffered from for a long time.

In the area of developing real estate investment for middle income citizens, the Bank has successfully accomplished the launching and sale of the projects of both Al Busaiteen and Hamad Town Villas as well as several buildings built by the Bank at an earlier time of this year.

At the internal level, the Bank Management endeavors to improve the organizational structure and support it by expertise, granting benefits for its employees in a competitive manner according to the market standards. Believing in the importance of the human factor in the success of the organization, it also provides training and development opportunities.

The Bank is confident that the clear vision that it drew for itself which is in harmony with the available opportunities and developments in the banking sector on the one hand and the real estate sector on the other shall ensure the achievement of its objectives and the goals of both its employees and valuable customers.

Sabah Khalil Al Moayyed



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First Annual Report received by HH the Crown Prince



HE Mr. Fahmi Bin Ali Al Jowder, Minister of Works and Housing & Chairman of Eskin Bank presented the first issue of the Annual Report to HH the Crown Prince, the General Commander of the Armed Forces Shaikh Salman Bin Hamad Al Khalifa. HE the Minister

briefed HH the Crown Prince about the good financial results achieved by the Bank and its programs that aim at enhancing its role in providing mortgage financing as well as working on the development of its work structure in a way that suits the economical

and social development in the Country.

The reports show that the Bank achieved an outstanding performance in 2006. Statistics indicate noticeable advances in developing the Banks works that achieved the strategic ambitions of the Bank. The Bank was able to provide housing loans that reached BD 132 million during 2006 compared to BD 97 million during 2005 (an increase of 35.7% over the previous year)

The Banks assets also grew by 30% from BD 168.4 million at the end of 2005 to BD 217.5 million at the end of 2006. He pointed out that due to the good performance during 2006, the gross revenues increased by 40% to reach BD 6.3 million at the end of

the year compared to BD 4.5 million at the end of 2005.

HH Shaikh Salman welcomed the huge steps that the Bank achieved in providing its services to the Bahraini citizens and the Banks endeavor to bring about more of the housing projects and constructional development in response to the needs of the citizens and their housing requirements.

HH also praised the role of the Executive Management of the bank especially in their endeavor to vary the services and the Banks trend to diversify the Banks investment services in a way that keeps pace with the development witnessed by the financial and investment sectors in the Kingdom of Bahrain as well as contributing to the development programs in the various sectors.

Al Moayyed participates in the Scroll of Honour Award Ceremony



The General Manager of the Bank Mrs. Sabah Khalil Al Moayyed participated in the United Nations Scroll of Honour Award Ceremony in which HH the Prime Minister Shaikh Khalifa Bin Salman Al Khalifa received the Honour Prize for distinctive achievement in the area of Human Development held last July in Switzerland.

The award was launched in 1989 and is considered as a high-level international award initiated by the UN Program for Human Settlements in recogni-

tion of the efforts and achievements of the country leaders in areas of development, housing and construction as well as constructing public housing complexes, fighting poverty, and a constant endeavor to upgrade the standards of living.

The award aims at recognising initiatives for the provision of shelter, and the role of the leaders in the process of post-war rebuilding, developing the human settlements and improving the standards of living.

RMBS Launch: Valued BD 30 million



The Bank and a number of financial sharing institutions signed an agreement last August to issue Residential Mortgage Backed Securities at the value of BD 30 million. This agreement is the first in the Gulf region in general and it is the first time such agreement is permitted by the Central Bank of Bahrain under the umbrella of the Financial Protection Law since it was issued last year.

The Bank and a number of other financial institutions shall, under this agreement, issue mortgage activities through giving a part of its loans as mortgage loans, in its endeavor to diversify and expand its financial revenues and establishing innovative solutions and alternatives to fulfill the increasing needs for financing in order to expand the estate banking operations as well as providing the opportunity for both the commercial financial sector and the individual sector to participate in this venture, and to initiate solutions and innovative alternatives to meet the increasing need to receive financing for estate purposes.

The Mortgage Securities, which are valued BD 30 million are divided into four categories; the first valued at BD 8.5 million and it lasts 3 years; the second valued at BD 6 million and it lasts 5 years; the third category valued at BD 6.5 million and it lasts 7 years; and the fourth category valued at BD 9 million and it lasts 10 years.

For this purpose the Bank established a sub-company solely owned by the Bank itself "RMBS Company", which shall purchase housing loans for the Eskan Bank and in a later stage issue mortgage securities using guarantees of such loans.

On this occasion, the Chairman of the Board of Directors of Eskan Bank Mr. Fahmi Al Jowder stated that "the Bank, a government financial institution specialized in every thing that has to do with the affairs of housing and housing loans for over 25 years, is taking this step to keep pace with the innovation carried out by the Bank to modify its identity during 2006 in order to become more effective in exploring methods to become less dependent on government

resources and to establish non-government alternatives from both the banking and individual sectors".

The General Manager of the Bank, Mrs. Sabah Khalil Al Moayyed stated that "Eskan Bank has succeeded over the last two years to establish the bases that support the transfer of the Bank from an institution for providing housing loans allocated by the public budget of the State into an independent financial institution, which is able to provide suitable housing solutions for Bahraini citizens of all levels in the Kingdom of Bahrain." And added that "in order to head for this new trend, the Bank obtained a permit from the Central Bank of Bahrain that allows it to expand its activities by providing commercial banking services where the Bank becomes, like all the other local banks, operate by giving a part of its loans as mortgage loans, in its endeavor to diversify and expand its financial revenues and establishing innovative solutions and alternatives to fulfill the increasing needs for financing in order to expand

the estate banking operations as well as providing the opportunity for both the commercial financial sector and the individual sector to participate in this venture under the direct supervision of the Central Bank of Bahrain, which is known for its high level monitoring and legislative systems."

Mrs. Al Moayyed appraised the support of the Ministry of Finance in this operation and its full cooperation with the Ministry of Works & Housing in order to put this issuance into success. The Government is committed to take the necessary actions in case of any decreases of the bank dues as a result of facilitating the Royal orders or any decision by the Government to reduce loans due from Bahraini citizens.

The issuance comes in coordination with "Aseam Bankers" from Malaysia who arranged for this issuance. Aseam Bankers also provided Eskan Bank with consultation services to help with the design of the mortgage securities and issue them for launching in the local and regional markets.

Al Daar offers loans at a value of BD 140,000

Mortgages



The Bank announced the introduction of mortgage loans under the name “Al Daar Mortgages” executed on commercial bases for those who wish to finance their housing projects for personal purposes such as purchasing, building and enhancing. This is done within the Bank’s continued effort to create suitable financing choices for the citizens to secure proper housing as promptly as possible beside commitment to provide social housing loans consistent with the plans and schedules of the Ministry of Works & Housing.

The Senior Director of Loans

Ms. Parween Ali, stated that the Bank offers commercial loans for the first time to middle-income individuals to finance 80% of the property value at a minimum sum of BD 10,000 (ten thousand) while the maximum level may reach BD 140,000 for purchasing, BD 120,000 for building and BD 100,000 for enhancing.

The Bank gives 25 years for paying back the loans given for building, purchasing relatively new houses and 15 years to pay back loans given for renovation, at 8.5% decreasing interest rate but varying according to the market prices.

Citizens qualify for the new loans from the Bank individually or sharing couples of 23 – 60 maximum age categories when repaying the last installment of the loan. Commercial Registry holders are given up to 65 years maximum extension.

Ms. Parween Ali considers Al

Daar mortgages offered by the Bank as a suitable opportunity for this category who wish to accomplish their estate housing projects but are hindered by the size of loans allocated by the Government. Now they are able, according to the new commercial loan system, to get an extra commercial mortgage loan with the same security granted for the original housing loan provided that the applicant is qualified for the commercial loan according to provisions and terms relating to the age and the total number of installments due which shall not exceed, with the new loan, 60% of the beneficiary income.

This action from the Bank comes within a framework of an ambitious plan being executed by the Bank to expand its commercial and investment activities after obtaining a permission to do that from the Central Bank Bahrain in the year 2005. The Bank plans, according to this arrangement, to become an

effective contributor in the development of the mortgage loan market and to provide Bahraini citizens with suitable and quick financing for their private estate projects.

The Bank provides enough transparent information about the dealings of the new commercial loans that include all requirements, qualifications of the beneficiary / beneficiaries and the percentage of deduction. All this information is available at the main headquarters of the Bank at the Seef District.



The Bank disbursed loans worth BD 25.3 million in the first half of this year

The total number of loans paid out to Bahraini citizens in the first half of 2007 was 39% reaching BD 25,317,477.00 million dinars compared to BD17,998,589 million for the same period of the previous year with 2533 beneficiaries.

Building loans dominated the highest percentage of the loans granted in the first

half of this year reaching up to 63% of the total loans. The total value of 1698 loans allotted for this reason reached BD 16,017,663 million, with the 359 loans for purchasing being second at 29% and at a value of BD 7,428,736.

Renovation loans were 476 and made up 8% of the total granted loans during the first

half of this year with a value of BD 871,078

It is worth mentioning that the Bank shall concentrate in the coming phase on improving the level of the services provided to Bahraini citizens through fast execution of the dealings and the provision of basic solutions that will lead to complete transactions in a way that fulfills the

needs of citizens. Eskan Bank is looking forward, as it always has done, to effectively contribute and participate in a way that conform to the housing vision and strategy adopted by the High Leadership of the Kingdom and support all efforts in this direction in order to achieve the desired goals in facilitating the provision of housing to every citizen.

The Bank launches its New Website



In a concurrent action to achieve more by corresponding with a wide portion of its customers as possible, the Bank launched in the end of last July its new

website (www.eskanbank.com) in the light of the big changes, this first mortgage bank specialized in to the citizens providing suitable housing solutions with

Bahrain is witnessing.

The new site goes along with the development that the bank is witnessing on more than one field and in the framework of upgrading the central system of the electronic banking services of the Bank which was accomplished recently. This site comprises the infrastructure of the electronic Banking which is going to be applied banking in future stages.

The sites comprises, in its home page, information about the Bank, the Bank's mission and vision as well as comprehensive information about the Banks main activities that are represented in financing the companies and their projects that are executed within the framework of partnership between the private and the public sectors. The site also presents the activities

of the treasury which is considered an investment of the self resources of the Bank in order to finance its activities. It also gives a summary about the Bank's subsidiaries and their related projects.

Visitors of the site can read all press releases and the newsletter published by the Bank. There is also a link allocated for announcing job vacancies to facilitate easier communication between those who wish to apply for jobs in the Bank. For more information, visitors can send their queries through: inquiries@eskanbank.com

The Bank aspires through its electronic site to respond to the requirements of introducing the Bank, its services and its products as well as to provide comprehensive information of any thing that relates to the Bank.

The Bank joins UAB and WHAB

The Bank recently joined the Union of Arab Banks. Also the General Manger of the Bank Mrs. Sabah Khalil Al Moayyed attained the membership of the World Union of Arab Bankers which recently emerged from the Union of the Arab Banks.

The Union of the Arab Banks comprises about 350 institutions i.e. the Arab Banks and the Arab Foreign Banks, Development Funds, Arab Investment Companies and the Central Banks as observers.

The Union aims at enhancing connections between members and strengthening cooperation among them as well as the coor-

dination of their activities. It also aims at exposing their entity to achieve their common benefits through the discussion and exchange of their opinions in the field of monetary, credit, banks, stock exchange both internationally and at the level of the Arab World, defending the common interests of the members against the other parties, endeavoring to achieve a freedom of money movements between the Arab countries, coordinating their endeavor to unify the Arab banking legislations, financial and banking systems that are related to the Arabic financial and banking institutions and systems and their development as well as upgrading the qual-

ity of the workers in the field. It also aims at preparing studies about the common development and investment projects in the Arab countries, working on translating, editing and unifying the banking and financial glossaries and forms, trying to activate the trade and investment exchange between the Arab countries, provide advice to banks in all the above and do what ever possible that allows the establishment of the Arabic Common Market and economic integration as well as spreading banking awareness with all its means, especially the Islamic Banking in its various forms.

The Union, in order to achieve

the above objectives, exchanges expertise, all documents that are necessary for research and studies to provide its members with the needed data and trains its manpower. It also forms sub committees, establishes institutes and banking training centers and cooperates with the concerned regional and international organizations. The Union also publishes a magazine for studies and statistics that are concerned with monetary, credit and financing activities and the endeavor to establish common Arabic institutions and companies that serve the integration of the Arabic economy.

32 high standard villas in Hamad Town



In the framework of its commitment to fulfill the advanced housing requirements of the citizens with outstanding tastes, the Bank launches two distinctive designs for 32 Luxurious villas of high level specifications that the Bank intends to construct in several important areas

in Hamad Town, which is considered one of the best areas that is provided with modern facilities needed for a relaxed life. The Bank allocates Hamad Town villas for sale in continuation of its activities to fulfill a portion of the people who wish to own an appropriate house with

high standard qualities.

The bank also provides a choice with a financing plan to own these units.

The Hamad Town villas are of high quality standards, with the highest architecture characteristics and the most comfortable design that harmonize with the modern life sought by people with high level sense of taste.

The area of the villas that the Bank constructs ranges between 350 and 490 square meters. Each villa has two spacious floors. The first floor comprises a main bedroom, two other bedrooms and a living hall. The ground floor comprises three open spaces that can be used as a majlis to host guests, a dining room and a living room. There is also an extra bedroom for guests and a kitchen with a

store attached to it. Also, there is garage that can accommodate two cars.

In order to build these villas in Hamad Town, the Bank put all its expertise that it accumulated from constructing other similar projects over two decades.

The Bank shall make available for those who wish to own these luxurious villas the choice of commercial mortgage a loans within a framework of comprehensive detailed plan to own the villa according to the personal requirements of each customer. There is more to owning one of these Hamad Town units than just owning a villa. It is a place that provides comfort in its modern style that is sought by the modern generation of the Bahraini families.

Commercial stores, a kindergarten and a supermarket for rent in Sitra Mall



Within the Bank's commitment to provide the housing blocks in various towns and villages of the Kingdom with the neces-

sary facilities to ease the life of residents in these areas and make the necessary services available at hand, the Bank re-

cently built a multi-purpose mall in Sitra (Mhazzah) on an area of 2043 square meters that comprises commercial stores and a building for a kindergarten to become one of the service centers that the Bank constructs with the aim of providing support facilities and establishing estate projects that are directed to serve the society in the various areas of the Kingdom of Bahrain.

The mall, which costs around BD 325,000, comprises 12 commercial shops each of which has two floors, a 30 square meter ground one and an 18 square meters mezanin.

The mall also includes a kin-

dergarten of 414 square meters with four classrooms, a big gym for the various activities, an open area for food consumption, an office for the management and a playground for outside activities for the kindergarten children.

There is also a supermarket with an area of 220 square meters a part from a car park that can hold 26 cars.

The Mall was built in response to the need for such services in Sitra as part of the Bank's desire to fulfill the need for such type of services of these facilities in the various populated areas, in the Kingdom.

Registration of First Mortgage of a Strata Titled Property in Bahrain.

The ESKAN Bank Legal Department registered the First Mortgage of a Strata Titled Property in Bahrain subject to the New Land Laws.

ESKAN Bank is the leading organization in this area and is working closely with the Notary section of the Ministry of Justice and the Survey & Land Registration Bureau to deliver better products to the citizens of Bahrain.

Team work enhancement work shop



A number of the Bank's employees of the administrative level spent a fruitful day by participating in training workshop organized by the Human Resource Department of the Bank called Building the "Skills of Team-work"

The workshop aimed at training participants on the principles of working as a team to create an ideal environment in order to enhance production and performance. Mr. Esam Al Alawi, Director of Training and Development in the Bank stated that

"the high performance team is more than just a group of people working together, rather, it is a team that work together according to a perspective and unified goals that push towards more achievement."

Al Alawi emphasized the importance of catering for the human element by harmonizing different behaviour to motivate work in accordance with the best production models, pointing out that there is some differences among humans in their behaviour as there is some who are motivated by blind obedience and so they only stay at work during the working hours and do not execute more than what is required, while there are others who get motivated by being

committed and hard working and are always contributing to the success of the organization, which in return cares for in the same way.

During the workshop, the institutional values that should be observed in the establishment were considered. There was also training on techniques to develop confidence and support among the work team. Participants were also trained to build high performance teams making a comparison between the traditional work team and the highly distinctive performance team.

Participants concluded the workshop with the construction of work charter that comprises a clear perspective and an action guide with defined goals.

Induction Program for 16 new employees in the Bank

The Department of Development and Training in the Directorate of the Human Resources recently organized an intensive induction program for a group of the Bank's new employees who joined the various areas and sections of the Banks Headquarters at Al Moayyad Tower. The meeting was opened by Mr. Karim Badri the Head of

the Human Resources. The day comprised an intensive program to show the new employees the Banks vision, mission, organizational hierarchy, Strategic objectives, its various services and the other activities it carries out.

On the other hand the heads and managers of the various sections participated by presenting their sections and de-

partments and the activities and services they provide. They also talked about the responsibilities they assume and explained to the participants a clear idea about the Bank and the services it provides for the society.

In his comments on the occasion, Mr. Badri commented, "We in the Bank believe in the importance of such induction

programs with the aim to give our new staffs, who recently joined the Bank, the motive to execute their duties in the best of their efforts. Not only this gives the new employees the motive to work but it creates a feeling of belonging to a family. The Human Resource management intends to organize such workshops periodically"

The Bank hosts 25 trainees from the Secondary Schools



The Bank hosted, during the summer holiday, (July & August), a training programme for 25 male and female students from the Secondary Educa-

tion government schools, in its endeavor to contribute to the development of the future cadres and cooperate with the academic institutions and the Minis-

try of Education.

The students were distributed onto the various departments and sections of the Bank where they were able to benefit and equip themselves with practical experience and observe closely and directly the various aspects of the work in the Bank, which benefits their study and their future vocational career.

It is worth mentioning that these trainees finished their secondary education and their graduation requires that they complete the subject of "Community Service" which necessitates their practical social work to complete their

graduation requirement.

The Bank is about to implement a new mechanism to accept those university students who are interested as from next summer to receive training in the various departments of the Bank. This program will be one of the cooperation programs between the Bank and the various educational institutions in the Kingdom with purpose of encouraging the young students to receive proper and practical training to help them qualify to take over their positions in the labor market in the future.

STC Launches BD 300,000 Speed Boat



Under the patronage of the Chairman of Eskan Bank HE Mr. Fahmi Bin Ali Al Jowder, a tourist speedboat was launched in the presence of the Chairman of the Southern Tourism Company (STC) and the General Manager of the Bank, Mrs. Sabah Khalil Al Moayyed and the General Manager of the Company Mr. Tawfiq Al Maskati, at the Coral Beach Club on the shores of Marina Club and a large number of officials and media representatives.

The Speed Boat, which is designed to the best international quality standards, joins the STC's fleet that comprises 12 boats of various sizes used to transport passengers and for other requirements.

In a statement on the occasion, HE the Minister emphasized the "importance of developing tourism conforms to the Kingdom's trend to diversify the income

resources" pointing out that "the Southern Tourism Company continues to maintain its commitment in the same trend to provide safe and comfortable transportation means and develop its services".

Mrs. Al Moayyed said that, "this speedboat shows the STC's commitment to develop ways of facilitating tourism, especially the family tours", further pointing out that, "adding this new boat comes in response to the big demand on the Company services".

The boat, which was highly and professionally designed by "Al Dhaen Company", was subjected, during the manufacturing phase, to highly accurate standards and specifications laid by the local Coastguard Authorities"

Besides all safety and security standards which were followed

during the manufacturing process, the best quality fiberglass and chemicals were used, and other equipment of the boat were imported from sources classified as of internationally high standard.

It is known that the STC which is completely owned by the Bank was established in 2000 as a closed company.

The Company currently provides marine transportation to

and from Hawar Islands and provides tourist facilities there also. It operates 48 chalets and manages 27 other chalets owned by the "South Development Company".

Currently, STC owns a fleet of boats that includes "Sea Rose" that carries 160 passengers and two speedboats with 25 passenger capacity each and 4 tug boats as well as two speedboats for emergencies.

