Title : Habib Bank AG Zurich (HBZ) Case Study
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# Habib Bank AG Zurich (HBZ)
(Incorporated in Switzerland 1967)

## Java-based *hPLUS*™ Solution from BiLOGiC Systems Inc. Creates Leaner and More Efficient Bank

"The fact that BiLOGiC Systems Inc.'s *hPLUS*™ is completely designed and implemented in Java means that it provides for platform independence and facilitates multi-tier architectures. This allows for more options and flexibility in designing the physical infrastructure, so the infrastructure becomes more cost-efficient and inherently has greater security."

Reza S. Habib, Joint President, Habib Bank AG Zurich.

### Industry Overview

Habib Bank AG Zurich (HBZ) was the first bank to introduce and deploy the *hPLUS*™ solution in 1994 and *hPLUS*™ Java Ver on the release of the first JDK in 1996. The deployment of *hPLUS*™ has made a significant contribution to the bank and its clients both from an operational and financial standpoint.

Reduced costs of redundancy, insurance, security, maintenance and upgrades have led to a lean and efficient business environment. As a result, HBZ UAE has registered the lowest DA (Deposits to Advances) ratio and the highest ROE (Return on Equity) simultaneously, although both are inversely proportional; all while maintaining a capital adequacy ratio much higher than mandated by BIS.

On September 1, 2000, hPLUS™ from BiLOGiC enabled HBZ to simultaneously launch multiple delivery channels for its client base. Thus, HBZ became the first bank in the Middle East to offer secure WAP (now GPRS enabled) banking, multiple products through HBZweb (Internet banking) and HBZgsm (event-based SMS messaging). Even its ATM network is powered by hPLUS™. HBZ also offers the region's only PDA enabled banking platform through HBZpda.

Remote banking client services through HBZweb (Internet banking) include secure mail, unlimited cascading account login management, global unified login access for all accounts, bill payment, third party fund transfers (HBZsecure Key), electronic letters of credit (HBZeLc) and document level drilling. Microsoft Excel™, text and XML downloading of statement of accounts with live history for over eight years for all accounts also allows clients easy integration with their systems.

"Sun's SPARC/Solaris combination is hard to beat."
Reza S. Habib, Joint President, Habib Bank AG Zurich.


Online third party fund transfer

### Features
- Multiple delivery channels for customer transactions & services
- Enhanced transaction flow management
- Improved business management capabilities
- Integrated security

### Benefits
- Reduced total cost of technology ownership
- Advanced customer service levels
- Superior security across application, software and hardware layers
- Greater scalability and flexibility

### Other Technology Products
- Sybase 12.5 x database

### Sun/Sun ONE technology / products
- The Java 2 Platform, Enterprise Edition (J2EE)
- SolarisTM 9 Operating Environment

### Abstract
Habib Bank AG Zurich (HBZ) was established in Switzerland in 1967 on a solid foundation of banking tradition spanning several generations.

Traditional banking values set in the context of international banking has determined Habib Bank AG Zurich's corporate philosophy - *Service with Security* - for over 35 years in operation.

Providing trade finance, corporate, consumer, private, retail and correspondent banking products, the bank offers highly personalized serviceto its customers through its international network of over 30 branches.

**The key criteria for the successful implementation and roll-out at Habib Bank AG Zurich**

Security is the key priority for any bank - even more so for a bank with a mandate demanding such high standards of Service with Security as HBZ.

During the *hPLUS*™ implementation project, HBZ worked closely with Sun Microsystems Middle East & North Africa and its Sun Professional Services division (SunPS). SunPS was critical for the success of the design and implementation in a large number of areas, including HBZ's security concept and architecture design.

Security, control and auditing are major components of *hPLUS*™. Any change of information in the system (not necessarily financial data) is considered a transaction. As a result, all transactions have to go through the business and security control rules defined in the core of the *hPLUS*™ banking system.

Security was not considered a single element residing somewhere on the network, like a firewall. It was a design principal for all tiers and layers of the application, the required software infrastructure and the physical infrastructure. In short, it was integrated security across the board.

One of the many strengths of *hPLUS*™ from BiLOGiC is that there was no difference between the multi-channel parts and the core processing components; all were equally well-secured. It was well understood from the beginning that the strongest keys and locks do not help if Windows are left open. Consequently security policies and procedures for the entire organisation were created and implemented.

Different levels of authentication were implemented to provide authorisation flexibility from low-value to high-value transactions. Depending on the value of a business transaction, different approvals are required. Authentication is the key to allow *hPLUS*™ to properly distinguish individuals and accordingly to assign roles with different rights granted and tasks permitted.

"There are some key decisions to be made regarding infrastructure for banking technology. Performance, reliability, scalability and security are the areas where we deployed either SUN components or leveraged their professional services expertise in an extremely cost effective manner."
Reza S. Habib, Joint President, Habib Bank AG Zurich.

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In addition to offering traditional banking products over a number of channels, HBZ's leading technology solution, *hPLUS*™ allows its clients to manage their accounts and conduct secure real time transactions 24 hours a day, world wide through http://www.habibbank.com
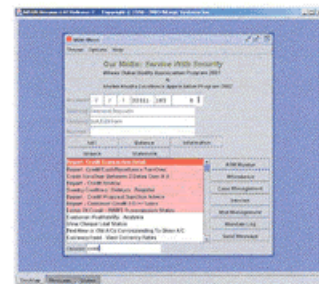


*hPLUS*™ main menu
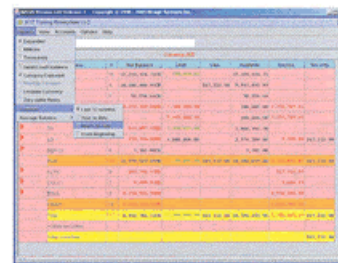


*hPLUS*™ Analytical Tool (*hAT*) - Combined liability

## *h*PLUS™ enabled electronic channels for Habib Bank AG Zurich

### HBZweb

> First in the region with leading banking technologies
> 58.35% of credit & 48.57% of deposit customers use e-banking
> Online third party fund transfer (HBZsecure Key)
> Online letter of credit (HBZeLc)
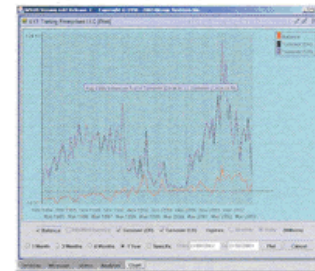> Customised account details: download in Excel / XML format


HBZ eBanking

### HBZpda/HBZwap

> First and only GPRS enabled banking service for PDA / mobile phone
> Providing secure & fast transactions
> Device specific optimization for ease of use
> Client enabled transactional capabilities


hAT - Charting tool

### HBZgsm

> Event-driven system
> Delivers A/C information to GSM Mobile phones, via SMS
> Client-defined transaction-based & balance-based events
> Keep track of transactions in over 90 countries
> Activate service through HBZweb / HBZwap / HBZatm


Bureau De Change - Teller system

### HBZatm

> Access 35,000 ATMs world wide
> UAESWITCH & Cirrus network
> Pay utility bills, deposit / withdraw / transfer funds, order cheque books, etc.
> Subscribe to HBZgsm

### HBZtel / HBZfax

> 24 hour telephone banking (IVR)
> Balance and transaction inquiries
> Manage adhoc ATM limits
> Statement of account faxed on demand
> SWIFT remmittance message receipt


Signature verification

**"The most valuable service from the SUN Professional Services division (SunPS) was the Security Audit"**

Reza S. Habib, Joint President, Habib Bank AG Zurich.

## Conclusion

Today, HBZ deploys one of the most efficient IT operation models, allowing for an extremely low total cost of ownership thanks to BiLOGiC's unique and multifaceted approach in developing its *h*PLUS™ core banking system. At the same time, the infrastructure, as well as the application itself, provides flexibility and scalability to meet ongoing future demands.

As a result, Habib Bank AG Zurich is an outstanding example of highly efficient operations, customer orientation and cutting-edge front-end and back-end banking solutions. *Service with Security* is offered 24 hours a day, world wide.

Value proposition:
> Increased customer service
> Extended product offerings to customers
> Improved business management & transaction flow management
> Reduced overhead
> Better decision making & execution capabilities

Habib Bank AG Zurich achieves this with a lower cost of:
> Procurement
> Maintenance
> Enhancement
> Redundancy
> Implementation
> Scalability

## Result:
> Successive performance & service awards
> Highest ROI - HBZ has been rated # 1 in ROI for the last five
  years in a row amongst all banks in the UAE
> Lowest Risk - HBZ has been rated # 1 in D/A (liquidity) ratio for
  the last five years in a row amongst all foreign banks in the UAE



Banker Middle East Innovation Award 2001
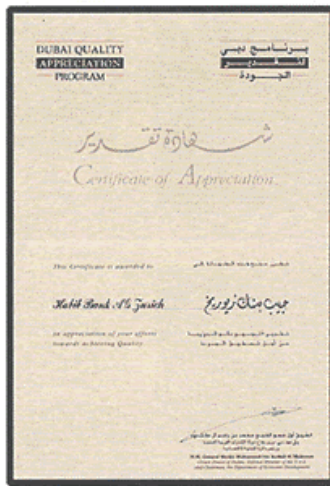


Dubai Quality Appreciation Program 2002



Sheikh Khalifa Excellence Award 2003




*h*PLUS
The Power of Imagination


BiLOGiC SYSTEMS INC.