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JAVA BANKING

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REACHING OUT
Having web-enabled its Java-based core banking system, Habib Bank is now deploying a clutch of new access channels including web, WAP and GSM short messaging

For customers of Habib Bank, the business of managing their money has suddenly become much more convenient. On September 1, in one grand gesture, the bank launched a clutch of new channels, allowing its customers (who reside mainly in the United Arab Emirates) to access their accounts not only from any web-enabled PC, but also via WAP-based mobile phones.

Those with regular GSM phones can now subscribe to a customized SMS service that uses push technology to send out messages when certain events occur in their accounts. And to round things off, Habib Bank has also put a new ATM network in place.

With WAP, Habib Bank was breaking new ground. It was the first bank in the Middle East to announce such a service. So what has been the response from customers? "Everybody is talking about the WAP service, but at the moment more people are using the web," says Habib bank chief executive, Reza Habib.

Habib Bank's center of gravity may be the UAE, but the bank is incorporated in Switzerland. It began life in India more than a century ago, as a family banking business known as Habib Bank Ltd, but after partition in 1947, found itself in Pakistan. In 1974, with some 2,000 branches, it was brought under state control. By that stage, however, the founding family had set up Habib Bank Ag in Zurich, and was busy developing the bank's commercial potential worldwide, beginning with a prime focus on trade finance. Today, Habib Bank Ag operates in the UAE, Sri Lanka, the UK, the US and a growing number of African states.

Habib Bank's IT is managed from Dubai. In 1995, having previously run its operations on localized PCs, the bank installed a TCP/IP-based WAN, with a Sun-Sybase platform at the back end. Today, mid-range Sun Enterprise servers power the network from the UAE and other Sun equipment has steadily been introduced in the branches.

Habib Bank is a Java pioneer. In the mid 1990s, having rejected the accepted client-server model because of the high administration overheads associated with maintaining fat clients, it set about developing its own object-based language that would allow it to create a more flexible general banking application. It created a platform-independent language called hPlus and, using the language, went on to build a modular banking package that goes by the same name. Along the way, however, the bank tapped into developments in California and was amazed to find that hPlus was remarkably similar to Java.

Convinced that Java had the backing and momentum to become a global standard, Habib Bank decided to port hPlus across, and it has remained a keen advocate of Java technology ever since. The switch for the recently announced ATM network, for instance, is one of the first in the world to be developed on a Java platform. "Back in 1997, we could see that the teething problems associated with Java were going to be resolved, because we had been through that life cycle once ourselves with hPlus," says Habib.

"There were two reasons initially for migrating to Java," he continues. "First, it is based on acceptability-every browser was going to support Java; and second, because there was going to be a huge team working on it, we thought it would evolve really well. They have done a tremendous job: today there are millions of users; and component development is getting more and more exciting. To my mind, the only thing lacking is a native Java computer-a lightweight client that just runs Java."

hPlus was among the world's first portable Java banking solutions. Based on a core of 35 modules, the package offers 1,000 options that paved the way not only for a full-fledged banking system, but also the fixed location and mobile services the bank is now introducing. "hPlus today relies on a Sybase back end, which has some powerful Java capabilities that no other database vendor provides," says Habib. "In Sybase Version 12, for example, you have columns and tables that are actually Java objects, whereas, with other databases, you have to do your own serialization to access objects in the database. And with the rest of the system now in Java, deployment is quite flexible. We have a simple, multi-tiered architecture-keeping it simple is the secret. Interoperability remains the biggest problem facing financial institutions."

For the front end, Habib continues to investigate thin clients. "The SunRay concept is really quite beautiful," he says. "It gets back to the old world of total centralized power, but it needs a lot of bandwidth to communicate with central services, and if your operation spans different countries it is too expensive. But we recently deployed an IP-telephony application in the bank, and we are looking at devices that are essentially telephones-Samsung has an IP phone, with a browser, pullout keyboard and touchscreen. I believe we could replace 70-80% of the PCs in the bank with something like that."

With hPlus fully implemented in the branches, the bank last year turned its attention to developing additional ways to interface with its customers. "The next step was these delivery channels, which will allow us to realize further benefits. And the good part is that, with the internet, we can bring a new product to market every month if we like."

The first such added-value offering is an internet-based letters of credit application the bank was due to launch in November. "We can offload more and more services to the web, which means customers have better control of their accounts and easier access, and at the bank we save a lot of labor," says Habib.

As it worked on its web and WAP services, the bank's chief concern has been security. "We currently have two different types of commercial firewalls from Cisco and Sun, and every device in the server room runs SunScreen Lite," Habib explains. "Beyond that, we have our own firewall bridge that is written in Java. But you can never be too careful. Security is the one area where we are willing to pay dollars for consultancy.

"But once we had deployed the security, the great upside is that the entire hPlus banking system is now web-enabled. I can sit in Los Angeles and do my work as if I was in Dubai, not through the internet banking application, but via hPlus itself. With the security in place, we have proper digital certificates to ensure that I am who I say I am when I log on. So it has become very convenient. Bank employees can roam around freely and still keep up to date in their work."

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