



Title : The Habib Bank Road to Java  
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# JAVA™ COMPUTING MEANS BUSINESS

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Foreword by George Gilder

# SECTION 1 JAVA COMPUTING IN: FINANCIAL SERVICES

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## INTRODUCTION

With the financial services industry's consolidation, there's been a shift in emphasis from products and transactions to a focus on customer relationships. Java Computing provides financial institutions with enterprise-wide access to the latest customer data and allows consumers to access their information anytime from anywhere and on any device securely.

Java Computing also helps financial institutions reduce enterprise-wide support costs, integrate their delivery channels, develop superior products and services, and bring them to market quickly, while improving customer satisfaction and preserving legacy investments.

As the financial services industry continues to grow globally, the benefits of Java Computing—effective and efficient communication, secure delivery, and controlled information and electronic commerce—will continue to play a significant role in the development of breakaway business strategies.

## The Habib Bank Road to Java >>>>

*"By using Java, we have achieved our goal of platform independence. The logic of our application is no longer tied to one type of computer system."* - SIRAJ GHAFFAR, DEPUTY IT CHIEF, HABIB BANK

### INVESTIGATE



Habib Bank AG Zurich (HBZ) started the development of hPLUS, its new, streamlined banking system, in its own object-oriented language before Java was publicly available. In 1996, Habib realized Java was just the tool it needed.

### EVALUATE



### ARCHITECT



Habib Bank AG Zurich decided to re-architect hPLUS to port its existing work to Java. With Java, HBZ is no longer required to enhance its own programming language. HBZ chose Java because of its "Write Once, Run Anywhere" ability that gives platform independence.

### PILOT



Habib Bank AG Zurich is currently piloting its solution for core banking applications at 11 branches across the UAE and Oman. Following the pilot testing of hPLUS, HBZ plans to roll out this Java-based application to its banks around the world. HBZ is also considering putting hPLUS on the bank's Web site to give its customers access to Internet banking.

### IMPLEMENT



## **HABIB BANK AG ZURICH**

### **Java Streamlines Banking Operations**

#### **INTRODUCTION**

In the world of international finance, transactions involving multiple currencies, different time zones and multistep reconciliation processes cost banks time and money. To be more competitive in this aggressive market where time – literally – is money. Swiss-based Habib Bank AG Zurich (HBZ) set out to streamline its banking operations.

Rather than using decentralized systems based on a four-stage processing model, where it takes at least 24 hours to post transactions on the system, HBZ chose a centralized information and control system with a two-step process-driven system that updates records instantly, as transactions take place.

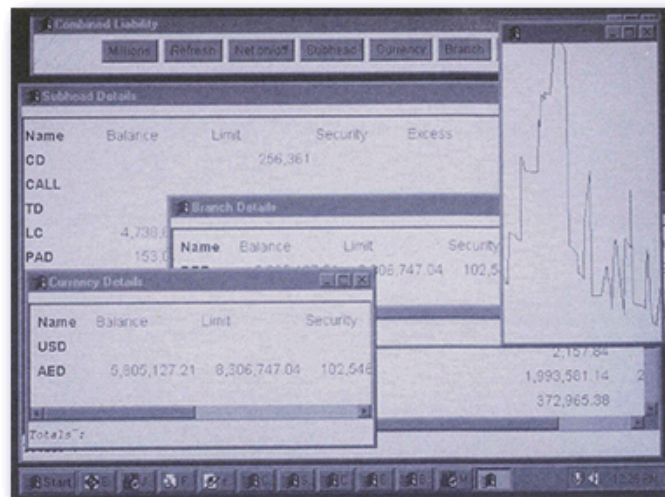
#### **THE CHALLENGE – BETTER CUSTOMER SERVICE FOR A LOWER PRICE**

For Habib Bank AG Zurich, with 35 branches in the United Arab Emirates, Oman, Sri Lanka, Pakistan, the U.K., the U.S, and a number of African nations, the new system eliminates the need for inter-branch reconciliation and reduces the number of tedious procedures performed during business hours by tellers. HBZ can now divide banking and control functions between its various branches. For example, a branch in one country can control security while another manages the treasury and yet another focuses on trade finance activities. Transactions can be entered and authorized in completely different geographic locations. A uniform end-of-day is not required, eliminating night runs to generate basic general ledger and balance sheets. HBZ has no need for shadow posting to produce same-day customer account statements. HBZ's operations are more efficient, and the bank is able to provide better customer service for a lower price.

In 1993, Habib Bank began developing its new streamlined banking system, called hPLUS, in its own object-based computer language. With the wide variety of client systems used by tellers and back-office employees, the bank required the new applications to run on any computer platform, regardless of operating system, processor speed, or manufacturer. And, the bank wanted the applications to run equally well on PCs with a 286 microprocessor as they run on Pentium-based systems or network computers.

#### **THE SOLUTION – PLATFORM INDEPENDENCE THROUGH JAVA**

Towards the end of 1996, HBZ discovered 100% Pure Java™ relational database connectivity software from Connect Software, Inc., and decided it was finally time to port their existing work on hPLUS to Java. "We looked at Java and fell in love with it – it was just the tool we needed," said Reza Habib, chief executive vice president of HBZ. "It is a really elegant language. And the advantage for us is that we won't have to think about enhancing our own language. Java has become a standard, so Sun will take care of that."



**HBZ's Java-based hPLUS application connecting client systems around the world to their relational database.**

"Because we wrote our application in Java, we have the added advantage that the same software will run on any computer platform. The Java slogan, "Write Once, Run Anywhere," is true," says Siraj Ghaffar, HBZ's deputy IT chief. "By using Java we have achieved our goal of platform independence. The logic of our application is no longer tied to one type of computer system," adds Ghaffar.

**RESULTS AND THE FUTURE**

Habib Bank AG Zurich is currently piloting hPLUS at 11 branches across the UAE and Oman. The hPLUS software, which was written by the bank's information technology group in Dubai, is based on core of 55 modules that delivers 1000 banking options. It can be used to run an internal banking system with features like interest rate management, check clearing, check handling, balance sheet analysis, and fixed asset management apart from its core banking and international trade finance activities. Home and Internet banking services are also provided by hPLUS.

HBZ uses a version server at each branch that contains all the updated hPLUS banking applications. When employees request a banking application from a menu on their computer screen, the application is downloaded from the server. Most hPLUS applications - written in Java - are small (about 3K), so they download quickly, and the IT department is guaranteed the whole bank is running the same version of the software.

#### **JAVA FOR CORE BANKING APPLICATIONS**

The only requirement at the client end is Java-enabled browser, "In the future we will be able to run hPLUS over either our intranet or the internet," Habib says. "So long as you have a browser, the front-end platform can vary. Sun's JavaStation™ and its picoJava™ chips are widening the options still further to smart phones and hand-held devices. hPLUS is a 100% Pure Java™ application, so you will be able to run it on almost anything ." Habib also points out that while many banks are using Java as their Internet banking solution, few have yet to embrace the technology for core business applications.

Following the pilot testing of hPLUS, HBZ plans to roll out this Java-based application to all its worldwide branches. In future, hPLUS may be launched on HBZ's Web site allowing its customers access to Internet banking. Says Reza Habib, "The future holds exciting new possibilities like heuristical analysis of credit, PDA and smart phone banking support."