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Fast Finances

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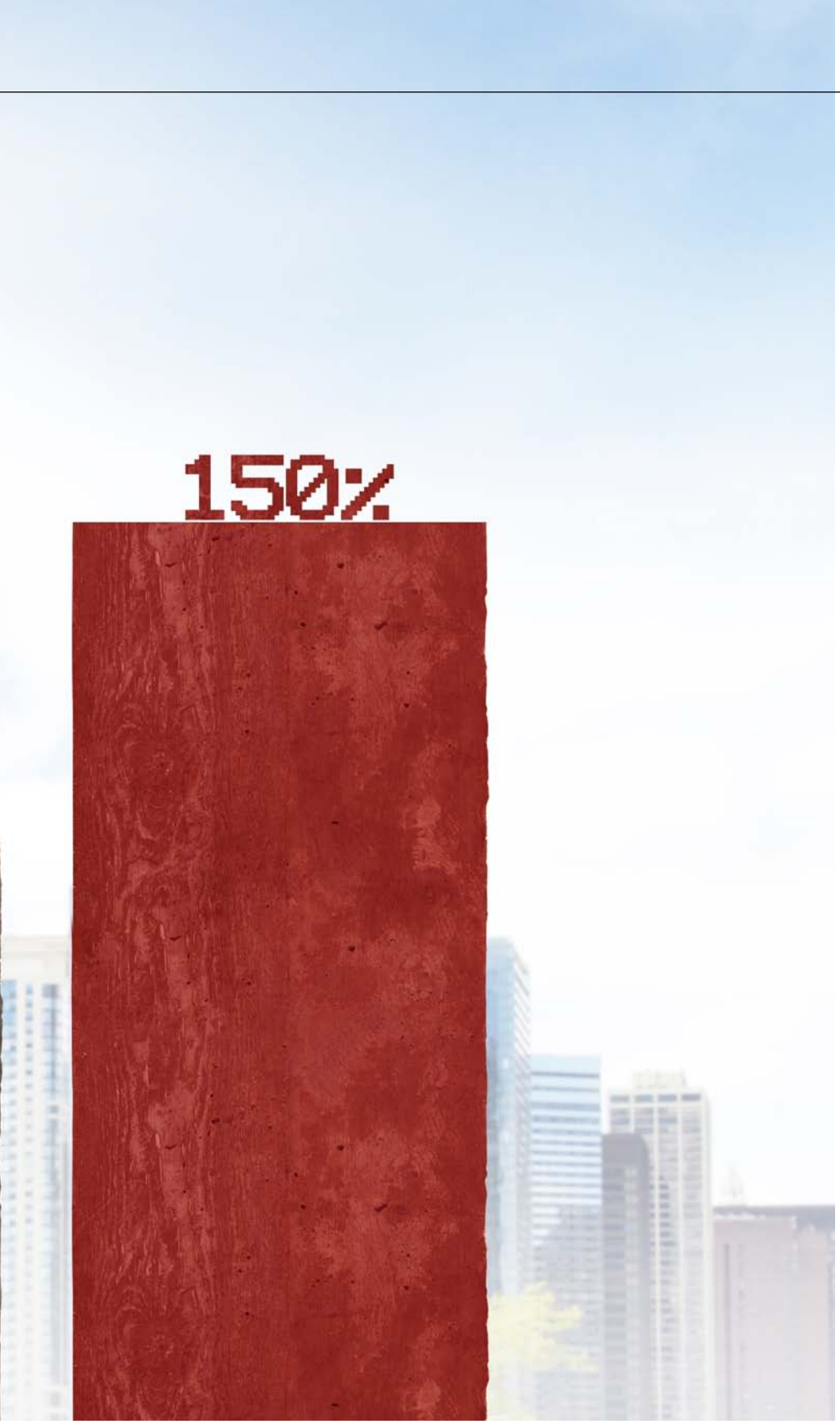


When it comes to handling finances, more information is always better. The more a bank knows about its clients' accounts, the better equipped they will be to address issues and offer assistance. Dubai Islamic Bank is one of the largest and oldest Islamic banking institutions in the UAE. Islamic banking and finance is one of the world's fastest-growing economic sectors that comprises more than 400 institutions tasked with managing assets in excess of US$ 1 trillion globally. With over 60 branches in the UAE alone, and many more overseas, DIB has the monumental responsibility of serving thousands of clients. In an economy that is booming, with a necessity to maintain traditional ideals, DIB needs to be both progressive and transparent in its dealings.

While DIB has been providing quality, first-class service to its account holders since 1975, recently, the bank decided to invest in improving operations, which in turn will enhance customer experience. DIB had a great deal of data on all of its account holders, generated from a number of sources. Collecting that data was never the issue. However, the bank had silos of data stores distributed at the different lines of business. Different departments had different ways of managing their data, so when it came to collaborative efforts between departments, generating comprehensive reports proved to be difficult. "Putting reports together that provided a clear view could take days – sometimes as many as five," says Vinay Akhil, Senior Client Manager, Banking and Finance, GBM. As DIB has grown, more data has been created and the problem was just getting more difficult to manage.

It was no surprise that DIB approached GBM, one of the leading IT and business solutions provider in the region, to help the Bank achieve their goals. DIB has worked with GBM on numerous projects in the past and were satisfied not only with the hardware and software provided by GBM (GBM is a sole distributor for IBM in the region), but almost as importantly, they have been consistently satisfied with the level of support and experience that GBM takes with all of its projects. "We have worked with DIB in the past on a number of their infrastructure projects," says Akhil.

The existing relationship between DIB and GBM, combined with the quality of IBM solutions, set GBM apart from their competitors.

DIB went through an extensive exercise of evaluating different solutions from different vendors realising that the GBM/IBM offering was the one providing the highest benefit for the bank.

"It is also important," explains Akhil, "that if there is an issue, DIB can

simply call us, speak to an expert, and have their problem addressed in a way that is both timely and personalised."
To overcome the existing problems of data silos and the time consumed to get insights on their data, GBM proposed a data warehouse solution based on IBM's PureData System for Analytics, and the company's InfoSphere Information Server. It leverages the IBM Integration and Governance platform to speed up the loading process by having a single tool to consolidate the data from multiple sources into a single repository. "This cut down on a great deal of back-and-forth between departments," says Tamer Ali, Information Management specialist, GBM. "Having all data stored in one area gave DIB the advantage of having a single source of truth used as a foundation for their analysis and reporting."

Abdul Rehman Parkar, VP MIS & Reporting, Dubai Islamic Bank

Vinay Akhil, Senior Client, Manager Finance Sector, United Computer & Management Consultancy Company

With this solution in place, DIB could begin to leverage the wealth of data that they had at hand. A unified reporting layer is now able to function with agility and directly benefits from having an integrated source to satisfy the needs of all lines of business. The entire solution is designed to help DIB unlock their existing data's true potential and garner a more robust understanding of their account holders and their business.

The implementation itself was an exercise in trust and confidence for both DIB and GBM. This was to be the first time that this particular IBM solution was put in place in the region. "The project was successful, of course, but it was an exercise in learning," says Akhil. "We can now look at the process and refer back to it when taking on new projects." In all, the implementation took between six and eight months from start to finish.

The results of the successful implementation were both measurable and immediate. GBM integrated DIB's financial and risk information architecture and created a single Vision of Truth. Business users now receive reports early in the morning, which makes a huge difference for their daily operations. Query execution time has been reduced from nine hours to just minutes. This quick analytic turn-around time has increased the performance and the quality of decision making processes within DIB. Business users can leverage the solution's built-in analytic capabilities to derive insight from data with unheard of speed using self-service business analytics.

Moreover, the solution now allows business users to take control of their data and reports. No longer do they need to call the IT department every time a report needs to be created. Instead they can do it themselves, and do it more quickly than before. This frees up the IT department to take on new projects to make the business faster and more user friendly.

The real proof of success, says Akhil, is in how the customer has reacted after the implementation was complete. "They happily signed on the dotted line to be an international reference for us," says Akhil. "They are willing to welcome other banks and show them what we have done for them. The value of the DIB implementation was also recognised by IBM, who invited DIB to present their success at IBM Insight 2014, which was held last November in Las Vegas. IBM Insight is the biggest worldwide conference for Big Data and Analytics in the world, attended by over 13,000 business executives and IT specialists ."

DIB's partnership with GBM has been fruitful, giving the bank a clear and comprehensive view of their customers. With the relationship as solid as ever, and the IT department freed from joining bits of data together, time will only tell what project will come next. "We have things in the works," says Akhil, "we aren't going to mention them just yet, but we will continue to work with DIB so they can provide the best services possible to their customers."

> **"A unified reporting layer is now able to function with agility and directly benefits from having an integrated source to satisfy the needs of all lines of business.**

Finesse launches Banking Process Automation Services

Finesse, a global Software System Integrator and a leading Financial Technology Services Provider has launched Banking Process Automation Services in the Middle East at the recently held OPEX Middle East - Financial COO Event of the Year.

Finesse was recently a proud recipient of the 'Effective Technology Implementation' award at the NBAD SME Awards. This adds to the several accolades they have won, including the Red Herring Global Fast Growing 100, CNME ICT Achievement Awards 2014, GEC Enterprise Channels Awards, ICT Integrator Awards 2014, Datamatix Oustanding Risk Management company of the year among others.

The Banking Process Automation Services will be provided on both models including fully on-site, or on-site & offshore model based on the specific requirements. Finesse provides process automation as a capability service and depending on the needs of customers these are combined with software application delivery as per customers' requirements. Coupled with a whole host of analytical services around these, Finesse is able to help banks understand their transaction patterns better. Banks are also given the flexibility to choose to contract only the maker part of transactions or both the maker and checker parts.

Amongst a whole range of outsourced service offerings, Finesse mostly provides services for Cheque Clearing, Verification & Reconciliation, Financial Document Management, Post Dated Cheque Management, Invoice Factoring, Remittances, Settlements & Payments, Cash Management & Credit Analysis as well as Credit Process Automation. Finesse is also fully geared up to providing services relating to initial public offerings as and when the IPO markets open up.

These services are provided to various banks in the UAE as well as in the region. Finesse is uniquely placed to provide services within the region, and if required, on-site thereby addressing some of the security concerns surrounding data security and off-site hosting. However, Finesse is also able to provide some of these services on an offshore basis for cost arbitrage.

"We have seen volumes grow substantially" said Raju Ramesh, Co-Founder & CEO at Finesse. "I believe it is a reflection of the uptick in the economy. Volumes have grown on a compounded basis by over fifteen percent in the first six months of the year. Currently we process over 3 million transactions every month".

"Following the recession banks want to be cautious about growing their fixed costs exponentially too soon. At the same time they have business to service. Our offering helps because we charge on a transaction volume basis. Therefore if business is impacted at some point their costs go down proportionately. Banks pay only for costs that they incur to service their customers. It works out to a win-win situation because we bring knowledge and efficiency from our experience with all customers and applications to the table that they would not have access to otherwise", said Sunil Paul, Co-Founder & COO at Finesse. Paul went on to add that Finesse has been able "to offer best-in-class process efficiency improvements through the involvement of domain experts having considerable experience in the region and its practices".

"At Finesse, the emphasis is always value addition to the customers, be it in the form of process efficiencies, enhanced customer experience or innovative solutions. Finesse works closely with key stakeholders in all engagements and provides the services of domain experts in any area where the customer faces a pain point" said Sekhar Thodla, Strategic Advisor at Finesse. "This allows customers a solid sounding board to bounce their thoughts and ideas for validation", he added.

Finesse intends to increase both the depth and breadth of their offering going forward. "We are constantly looking at value enhancement. The essence is to increase the number of banks subscribing to these services as well as open up more services to this model. We are currently in a research and development mode to extend these to mobile based marketing and sales enablement processes going forward,"said Ramesh.

Comply or die

Sanjeev Walia, Director, Spire Solutions, discusses how to effectively utilise people, processes and technology in the constant battle in banking IT security.

What are some of the technology trends that will shape the banking and financial services industry in 2015?

I don't anticipate drastic changes next year, I think things will continue more as they have done in 2014. I think we can expect customers to look at the improvement of their existing technology, and in terms of security we will see the need to respond faster and more accurately at the top of the agenda.

Our interactions with customers have shown us that legal frameworks are very important in the region. There is a need for work on compliance mandates, but banks here are still looking to comply with standards such as IS27001, and with local regulations like the ISR in Dubai.

I don't really see any real change in operational technology trends; it is more an issue of agility and awareness of systems, threats and how to respond to them. Doing this in a way that satisfies compliance, legal and security perspectives and standards is an important task for the industry.

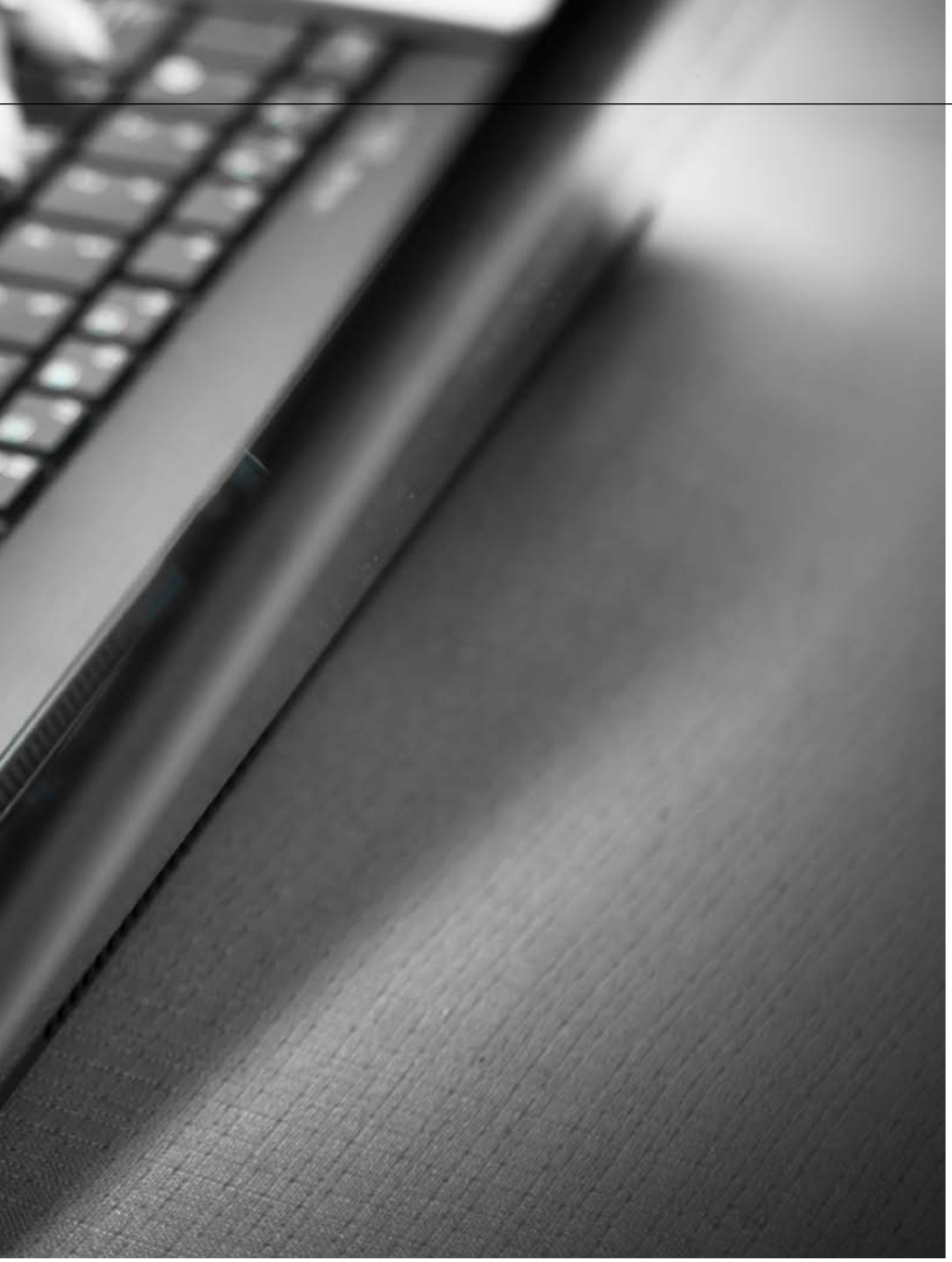
Is compliance and risk management crucial for regional banks?

Absolutely. There are always two important thought processes in this respect: one is compliance, and the other is controls and security. The two should be given equal importance, and the best way to ensure a business is secured to a certain standard is through compliance.

What should banks do to ensure neither they nor their customers are susceptible to cyber-attacks and fraud?

They should have the right controls either from a compliance or threat perspective. It's important that each bank understands the threats that are relevant to them. Their focus should be on awareness, both in terms of their own users and external clients. They need to position themselves so that they have a strong degree of agility, and have excellent decision making capabilities and are able to respond to threats as soon as possible, both from their own users and external clients.

Their focus needs to be on agility, in terms of their decision making and ability to respond to threats. This is a particular challenge and nowadays banks – and businesses in general – receive so many alerts and so much information, but how much of it is actually actionable? Most large organisations are facing an information overload, and that is what happened in the high profile Target breach.



> **“There is a need for work on compliance mandates, but banks here are still looking to comply with standards such as IS27001, and with local regulations like the ISR in Dubai.”**

Banks need to focus on getting their cyber playbooks ready; they need to be ready with a planned framework of operations.

Do you think omni-channel banking, including mobile, poses significant threats?

I don’t think so. Mobile applications can be made very secure. There are multiple ways to ensure they are correctly firewalled from external threats. Banks need to ensure their applications are as secure as possible. I don’t think the issues associated with traditional online banking are vastly different from what we’re facing today in terms of mobile banking.

You’ve mentioned the importance of protecting from external threats, but what about the internal threats posed by employees?

There are a variety of threats that organisations need to defend against. They are caused by a range of things, but main thing is lack of user awareness; they are largely innocuous or unintentional. In this sense effective training of users is vitally important. Social campaigns – where internal use awareness plans are shared – are effective, and a must for organisations who are committed to eradicating employee ignorance in this regard.

The other side of the coin is internal threats that are initiated by those who are motivated to do damage, and to prevent those users’ actions, we recommend good monitoring solutions and effective control privileges.

What is Spire bringing to the table to ensure the information security for banks in the region?

We provide value addition in three main areas: people, processes and technology. In terms of people, we provide a lot of different types of training and skill enhancement. For processes we go to great lengths to help clients achieve compliance mandates, implementing the necessary frameworks. We also offer enterprise risk management, and specialise in streamlining security operations centre processes, which drastically reduces time to respond.

When it comes to technology we cover the whole gamut, largely in terms of monitoring what happens on the network, and providing the solutions to respond to threats.

We’re currently working with Rapid 7, who are one of the fastest growing security companies in the world, and who specialise in identifying existing vulnerabilities in infrastructure via their penetration testing techniques. We’re also collaborating with Damballa, who specialise in identifying threats that already exist on networks. They provide actionable reports with evidence that allows SOC teams to act and respond to threats swiftly, which is especially helpful in the banking industry.

Top banks to launch app stores, says Gartner

But banks need to make it easier for customers to find the apps.

A quarter of the top 50 global banks will have launched banking app stores for customers by 2016, says analyst Gartner.

Banking CIOs, CMOs and line of business (LOB) heads face two key challenges, the analyst said.

The first is that the visibility of customer banking apps in public stores is decreasing due to the total number of apps available. The second is that visibility of apps on bank websites is decreasing as the number of apps a bank deploys increases.

This second issue is exacerbated by the fact that most bank websites do not make it easy for customers to find their apps. Apps are often listed by LOB, making it difficult for a customer to see all the apps offered by the bank, and even if they are listed in one place, the descriptions are often "high-level and vague", said Gartner.

"Left unaddressed, these two challenges and others could really have a negative impact on banking revenues and customer experience," said Gartner analyst Kristen Moyer. "Banks can use banking app stores to improve app discovery but only if the added cost and complexity are warranted."

Gartner is advising CIOs, CMOs and LOB heads to evaluate the potential need for a banking app store. The two most important variables in evaluating the need for a banking app store are the total number of apps and the presence (or otherwise) of an application programming interface (API) platform.

The more apps a bank has deployed, the more challenging it becomes for users to discover the right app for them. Public web APIs deployed to third-party developers, customers, partners, employees and others will serve as a multiplier to the number of apps deployed by the bank itself.

Gartner expects to see about 25 percent of large banks deploy banking app stores to improve app discovery, user experience and collaboration. As more banks deploy app stores, it will put competitive pressure on those that do not, said the analyst.

Banks also need to make it easier for customers to find their apps by providing a "get your mobile app here" type of banner through their online banking application, Gartner said.

Banks however should continue to make banking apps available through public app stores, regardless of whether or not they deploy their own banking app stores.

This is because "it's important to be where customers are", said Gartner, and many customers will continue to discover apps through public stores. In addition, for some mobile operating systems - like iOS - a banking app store would still need to link apps to iTunes to enable them to be downloaded.

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