

USING TECHNOLOGY TO REDUCE COST

Habib Bank Zurich has used technology intelligently not only to improve services, but also to lower the cost of those services



HBZ believes that the use of PDAs is about to explode in the Middle East

Banking has become more technology-driven than it was any time in the past. A bank without technology such as Internet banking faces the risk of losing the race even before it is run and stands no chance in any competitive field. Yet, many banks use technology as an embellishment to their service offerings, rather than to optimize operational efficiency. It may often be because even if the bank is ready, the customers are not.

Similarly, many banks are forced to spend more resources on technology than they save through channels such as online banking. And they end up hiring more staff to manage and run the system, although its impact on the bottomlines is hardly positive.

There are of course exceptions. A good example is Habib Bank Zurich (HBZ), which has emerged as the technology leader in the region's banking and financial sector. The bank has been using technology intelligently to deliver tangible solutions and services that benefits its clients and customers.

HBZ was the first bank in the region to introduce Web, WAP and GSM banking and also the region's first bank to launch online letter of credit. The services are known as HBZweb, HBZwap and HBZgsm respectively.

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HBZ recently recorded another first by becoming the first bank in the UAE to have a fully functional banking service over PDA (Personal Digital Assistant). The introduction of the service was a part of the total innovative secure web and mobile banking platform, the bank said.

According to Amer A. Farid, vice-president, the technology innovations have given the bank's customers the freedom to do transactions in real time 24 hours a day from anywhere in the world. "The increasing global nature of businesses is requiring decision makers to be in many places at one time and therefore HBZ enables its clients with the ability to manage their finances through transactional capabilities in real time and remain mobile," Amer pointed out.

Explaining the intelligent deployment of technology, Amer said it helps translate into a suite of competitively priced loan products, continuously increasing levels of personalized service, flexibility for the client and better manageability for the bank. In fact, the bank has been getting media attention for its offer of personal loans at the lowest rate in town.

The bank uses a core banking solution from Bilogic Systems that by design provides multi-channel capabilities, local and international branch banking, interoperability and security. Given that these features are an integral part of the core architecture, there is no need to incorporate separate channels, thus eliminating costly middleware solutions, he said.

The levels of integration translate into major savings due to lower manpower, maintenance, insurance, redundancy and training costs on the one hand and better decision-making and efficiency solutions on the other for the bank and its clients, Amer explained.

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According to him, the use of PDAs in the Middle East is about to explode, given the region's leading telecommunications infrastructure and user appetite for new technology devices. All leading manufacturers have either already launched their latest products or are in the process of planning the launches, he said.

"Given the forecast for a large installed user base, it only makes sense for HBZ to offer yet another channel for its clients," he said.