



Albaraka Bank's information technology division supports the evolution of the bank, while facilitating sustained growth in all areas of operations by developing and providing systems and technologies of world-class standards.

The review period proved most favourable, with the IT Division having attained several key objectives, whilst also excelling by way of a number of achievements, the most notable of which include:

- The implementation of the final phase of the Midas Business System, which facilitated the consolidation of the bank's retail systems into a centralised data-base. The benefits of such centralisation have proved invaluable in terms of accessing information, producing management and regulatory reports, as well as enhancing the efficiency of customer service delivery. Improvements include new, easy-to-read format laser-printed statements, quicker inter-branch transaction processing, new unique 10-digit account numbers and automatic debit order processing (internal systems);
- The introduction of a state-of-the-art report-writing solution, providing users with flexibility as regards the accessing of information on demand, while also providing for the customisation of reports to suit user requirements. This was in keeping with the bank's philosophy of providing – through automation – user-friendly information delivery and reporting systems throughout the company;
- The installation of Compliance Watch, a sophisticated system designed to constantly monitor the bank's data-base, in line with regulatory requirements, in order to mitigate risks associated with fraud and corruption;
- The introduction of a host of new hard technologies, including the provision of a state-of-the-art video conferencing system, geared to improving communications within the bank and considerably reducing travel costs;
- The implementation of electronic meetings within Albaraka Bank, which have quickly

become commonplace within the bank, allowing meeting attendees to use notebook computers instead of paper. All meeting material is electronically supplied in an easy-to-read format using Adobe Acrobat software, dramatically reducing and, in some cases, eliminating the printing, copying and archiving of papers and files. This intervention has helped improve efficiencies and reduce costs;

- The fitting of biometric (fingerprint) authentication devices to notebook computers acquired for bank use as a means of safeguarding access to computers and the sensitive and often stored confidential data;
- The introduction of least-cost-routing technology, which is expected to generate a reduction of some 38% in telecommunications costs.

All such interventions have ensured the effective harnessing of the bank's collective systems and processing capabilities, and the introduction of innovative methods of communication and collaboration.

#### Future Strategy

There is little doubt that the year ahead holds intense IT challenges, while simultaneously offering lucrative opportunities for the reinforcement of Albaraka Bank's leadership in Islamic banking in South Africa.

It is also necessary, in conjunction with effective foresight, to ensure that strategic and sustainable development of information systems and technologies is undertaken to support this vision. Some of the initiatives planned for the ensuing period are geared toward enhancing the capabilities of existing information systems while also improving the quality of information produced.

Initiatives such as Basel II, Anti-Money Laundering and Credit-Scoring solutions have a particular bearing on the bank's efforts to meet regulatory compliance requirements, whilst also facilitating additional risk controls and data accuracy mechanisms.

# Information Technology (Continued)



In addition, future access by customers to their statements, via the internet, is set to advance the bank's presence to 24-hour online status. Customers will then be able to enjoy the flexibility of being able to securely access and download their account statements online and at their leisure. This intervention is intended to form an introduction to a host of online services, including full internet banking services in the future.

The implementation of new credit and deposit processing interfaces are also expected to significantly reduce transaction and application processing times, which translates to savings in time spent by both customers and processing staff. The inherent benefits which may be expected include improved accuracy rates and more efficient service delivery at both credit and deposit processing levels.

Electronic signature verification systems are to be introduced to allow users to visually confirm account signatories against digital records as a way of enhancing security against unauthorised withdrawals, thereby reducing the risk of fraudulent transactions. By implication, the physical process of verifying signatures and authorisation of transactions would be greatly improved.

The convergence of voice, video and data, coupled with the availability of multiple communication mediums has led many institutions, including Albaraka Bank, to consider upgrading network infrastructure so as to take advantage of cost and performance benefits. This consideration is further fuelled by the bank's planned systems and technologies such as those indicated in preceding paragraphs and which will impact on the network in one way or another.

These and other significant IT initiatives are set to raise Albaraka Bank's Islamic banking operations to a level comparable with the best in the industry.

