

BankDhofar's Maisarah fuels digital transformation strategy with Path Solutions



Established in 1990, BankDhofar, formerly known as Bank Dhofar al Omani al Fransi, is the Sultanate of Oman's second-largest bank with assets of OMR 4.01 billion (\$10.4 billion) as of Q3 2019. The bank has a presence in corporate banking, consumer banking, treasury and project finance segments.

The bank also offers a wide range of Sharia-compliant products and financial solutions through its Islamic window, Maisarah Islamic Banking Services. Launched in 2013, Maisarah maintains complete segregation of business activities with BankDhofar's conventional business and operates through ten independent branches across the country.

As part of Maisarah's strategy to deliver state-of-the-art products and services to its customers, the bank embarked on a digital transformation journey in 2018. The objective was to enhance the level of customer service offerings and system capabilities in terms of automation and integration with other systems.

The bank was already running on Path Solutions' **iMAL** core banking platform R12.8 version, which it had selected in 2012 following a stringent evaluation process that included multiple international vendors.

The selection of Path Solutions was due to its market-leading position as an Islamic banking system provider and wide adoption across the sector.

Path Solutions provides world-class AAOIFI-certified banking solutions to more than 130 Islamic financial institutions including core banking, mobile and internet banking, risk management and compliance, trade finance amongst others.

In 2018, the Maisarah management decided to upgrade its system to align it to their digital transformation objectives. Due to its past business experience with Path Solutions, the bank approached the supplier for upgrading its **iMAL** core banking platform to the latest version of **iMAL** R14.1.

“The new version provides the bank with a web-based omnichannel ready platform with enhancements such as social banking, channels and alerts added to its internet banking and mobile banking platforms.

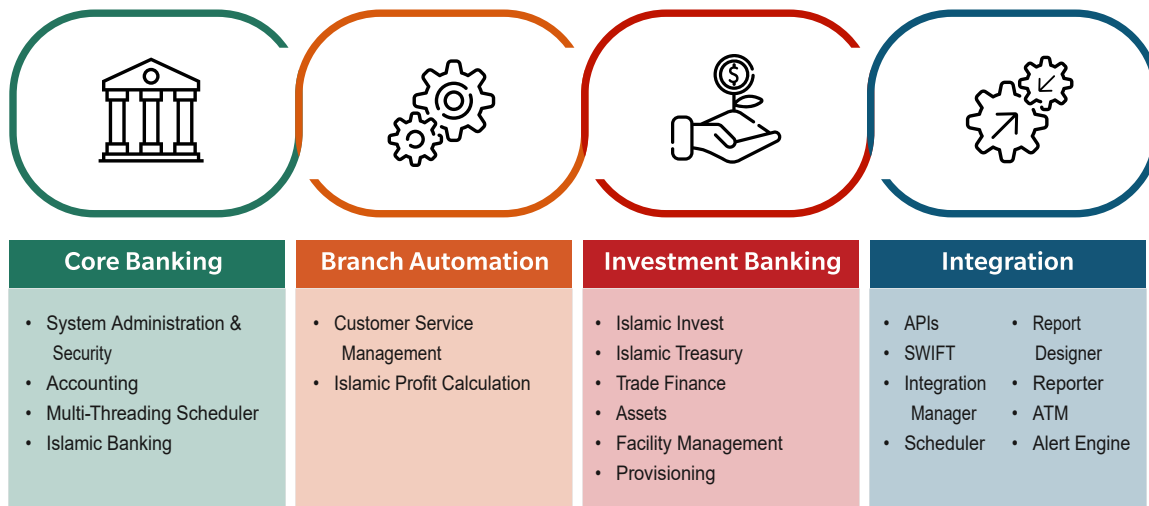
It also provides a Java-based user-friendly reporting tool, customisable screens, a multi-threading scheduler that enables high volume processing capabilities and a jBPM-ready suite.

Implementation

In order to ensure a smooth transition to the new version, Maisarah deployed 41 resources, of which 22 were deployed full-time for the UAT (user acceptance testing) while 19 were deployed as part-time. The Path Solutions' team included 9 resources of which 5 were deployed onsite for the UAT and 4 others were added during the go-live stage for further support. The system upgrade was under constant scrutiny of the Maisarah team at every stage of its implementation.

Since it was a technical upgrade, the level of customisation was low with minimal data migration requirements, however the bank retained all the customisations that were done to the earlier version of the core banking platform. The upgrade covered the new functionalities including eight interfaces. Overall, the bank had 39 systems and integration points with **iMAL**.

The initial timeline decided by Maisarah for the completion of the **iMAL** system upgrade was around 6 to 7 months. However, the bank decided to extend the UAT (Cycle 1 and Cycle 2) period in order to cover all business scenarios. Thus, there was an extension in the deadline,



and the system upgrade was then completed in 9 months which was mutually accepted by Path Solutions and the bank.

While the upgrade was reasonably smooth, Maisarah faced a couple of hurdles during UAT and post go-live phases. As commonly observed with any system change, the acceptance of a new system by the bank staff was also a challenge. Initially, complaints surfaced with the system taking longer to complete the task. However, with close coordination between the internal team and Path Solutions' team, the bank was successful in training the staff and effectively overcoming this challenge.

Moreover, Maisarah ensured to align the right team for the system upgrade to avoid the challenge of team allocation which commonly occurs during any system change. One of the key success factors here was the inclusion of experienced business users from the bank to be a part of the core implementation team.

Benefits

The upgrade to **iMAL R14.1** proved to be beneficial for Maisarah. With the earlier **iMAL** version, the time required for the bank staff to familiarise with the new version was around 1 to 2 months. However, the **iMAL R14.1** system provided the bank with a user-friendly version navigation and was faster in terms of system capabilities. Moreover, the bank witnessed an improved system performance in processing times. For instance, the time required for the end of day processing was significantly reduced from 2 hours to 35 minutes, while the PCS profit distribution was also reduced from 1 hour to 15 minutes.

The bank has benefitted from the upgrade in several ways. The installation of a Java-based user-friendly reporting tool known as **iMAL*Reporter** is providing the bank with features that facilitate report creation, generation, scheduling along with consolidation of central bank reports.

The **iMAL*Multi-ThreadingScheduler** replaces the older version of **iMAL*PROC** which offers the bank concurrent management of process amalgamation with parallel processing of records. With the new

upgrade, the BPM is enabling the bank to provide a disciplined approach to identify, design, execute, monitor, and control, both automated as well as non-automated business processes in order to achieve consistent results that are aligned with the bank's strategic goals.

Moreover, the upgrade to the new version **iMAL R14.1** is enabling the bank to strengthen its relationship with Path Solutions. This will also provide the bank with the required continuity and align with its expectations of the digitalisation journey.

Conclusion

Maisarah's team was happy with the end results and the timeline followed by Path Solutions to successfully complete the project. This upgrade was the result of meticulous planning and coordination between both teams – the bank and the supplier. Together, the team from the bank as well as the system provider worked in close coordination, thus making the system upgrade a notable success.

As part of Maisarah's transformation roadmap, they will continue to enhance their system capabilities in the coming years. The bank believes that there is scope for higher system utilisation and is planning for automation and enhancing the integration of sub-systems in the near future.

As per BankDhofar's business plan for Maisarah, they expect to complete the digital transformation in the next five years. One of the key focus areas for the bank now is to enhance and strengthen its internet banking and mobile banking services.

KEY FACTS

- Bank:** Maisarah Islamic Banking Services (BankDhofar)
- Headquarters:** Muscat, Sultanate of Oman
- Supplier:** Path Solutions
- Solution:** **iMAL R14.1**
- Timeline:** 9 Months