

Gulf African Bank first in Kenya to use latest Java-based iMAL



Established in 2005, Gulf African Bank (GAB) is the first and largest Islamic bank in Kenya with an asset size of \$238 million in 2015. The bank operates exclusively in Kenya and offers Shari'ah-compliant products and services through its 15-plus branches across the country to individuals, corporates and institutions.

The bank recently carried out an organisation-wide upgrade of its Islamic core banking system as part of a major modernisation project across its retail and corporate banking business. The new system, iMAL R14, was provided by the bank's existing vendor Path Solutions (Path). GAB has been using Path's iMAL platform since 2007 and did not feel the need to look for alternatives when considering a system upgrade.

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The upgrade involved moving to the latest Java-based version of iMAL which offered an open architecture and componentised approach that would allow for quick scalability of the bank's business and a feature-rich banking experience. GAB is the first bank in Kenya to implement this new web-based platform. The implementation which involved three on-site personnel from Path and fifteen from GAB was completed in only six months and the bank went live on May 1, 2016.

The key objective of the implementation was to help GAB remain competitive and meet customers' expectations while continuing its growth within the country. As cited by Mohammed Mukamani, Manager Business – Information Systems at GAB, the upgrade brought in many new functionalities and benefits for the bank. Some of the major benefits included:

- Faster processing: the upgrade of the system architecture and underlying infrastructure led to significant reduction in processing time. As an example, end-of-day processing that used to take around eight hours now happens in just 90 minutes.
- System performance as a result of a major architectural change and technology enhancements.

- Enhanced security: The Java-based centralised architecture, which involved the addition of application server and web server, provides extra layers of security compared to the older version, which was vulnerable to cyber attacks due to requests being sent directly to the DB server.

While the implementation was completed within the agreed timeline, there were a few challenges for both the implementation team at Path and GAB. For Path, the challenge was in implementing the highly customised solution required by GAB. Some of the requirements included introducing pay-order related reconciliation functionalities and the use of Google Mail for e-statements instead of MS Outlook which was part of the standard solution. For GAB, the challenge was mainly in getting the team trained quickly to use the web-based core banking system. This involved a series of training sessions on the latest iMAL version to allow staff to get acquainted with the added functionalities introduced in the system and how to maintain the new platform.

GAB is pleased with the new version upgrade and outcome. According to Mohammed Mukamani, the flexibility of the system will allow the bank to respond to market changes quickly and scale up rapidly. The centralised architecture also makes it easier for the bank's IT team to detect and rectify issues quickly. In IBS' view the web-based open and modular architecture of this new Islamic core banking platform is likely to be a key differentiator for GAB in a highly competitive market. In the future, the bank will also be looking at implementing additional modules such as the social banking module offered by Path Solutions.

KEY FACTS

- Bank:** Gulf African Bank
- Assets:** \$238 million (2015)
- Branches (#):** 15+
- Location:** Kenya
- Supplier:** Path Solutions
- Solution implemented:** iMAL R14
- Purpose:** To grow its business and meet changing customer and market requirements
- Timeline:** 6 months