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Global FinTech Perspectives

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# IBSi FinTech Journal

Global FinTech Perspectives

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# Half a century of achievements serving the financial sector and building client confidence

***BML Istisharat is celebrating '50 years of innovative software solutions'. The company was founded in 1972, almost at the start of the modern information technology era. Now it operates from Dubai and Beirut, with a sister company in Paris, rep offices in Malta and Iraq and a large geographically distributed partner network***

**Robin Amlôt**

Managing Editor, IBS Intelligence



**A**s a consequence of the civil war in Lebanon that started in 1975 and the devaluation of the local currency, it was vital for BML Istisharat to look for new markets, according to Raji Challita, Chief Executive Officer at BML Istisharat.

“Supported by partnerships with industry leaders (IBM, Bull and Oracle), armed with the determination, resilience and adaptability to change of its qualified and trilingual personnel, BML penetrated a number of markets starting with regional Middle Eastern countries before founding a subsidiary in Paris (Infoel SA) opening doors to Europe, Africa and North America.

“Among the leading international institutions that adopted our products are NCB (KSA), CGB Citibank (France), Banque Populaire (France), Allianz – AGF (France and Greece), Swiss Life (Netherlands and Hungary), Superior Insurance (USA) a subsidiary of Goldman Sachs, AXA (Middle East), and many more.

“Specialising in innovative banking and insurance software solutions, putting passion onto practice, accumulating achievements, international recognitions and success stories BML has grown from a local software house to a global solution provider, proactively accompanying its customers on their digital transformation journey in more than 35 countries across Europe, the Middle East, Africa, North America and Southeast Asia.”

**50 years is a long time to encapsulate in a few words – but what are the achievements that the company is most proud of?**

“Our history is a record of customers’ trust with a number of loyal institutions which adopted our core banking solution over the decades, periodically upgrading to the latest version as the foundation for their transformation and growth expansions including Bank of Jordan, Banque Banorient France, IBL Bank, etc.

“Our pride is in succeeding where other key players failed to deliver. Among BML’s numerous success stories are successful ICBS (Integrated



**Raji Challita, CEO, BML Istisharat**

Computerized Banking System) implementation at Commercial Bank of Kuwait, BSN Bank Malaysia and APS Bank Malta.”

**What was your smartest move?**

“Focusing on export activities, keeping in touch with the regional and international markets to continue complying with evolving standards IAS/IFRS, ISO and AAOFI while periodically embracing the latest technology: in the late ‘80s and early ‘90s reengineering our solutions on the by-then promising IBM AS/400 platforms; in the mid ‘90s a complete redesign on Oracle Client/Servers environments; in the mid-2000s web-enabling our products followed by a complete overhaul on J2EE Web Application with an MVC architecture toward composable, cloud native SaaS offering.”

**You offer both conventional and Shariah-compliant software solutions – do they evolve in tandem?**

“Yes, we make sure that both editions (ICBS Conventional and Islamic ICBS) do progress together in meeting evolving market requirements, enabling our customers in anticipating clients’ expectations while complying with new regulations.

“Indeed, we have adopted a strategy whereby both editions need to:

- Abide by a set of technical criteria as the result of periodic design review and architecture overhaul, making sure our products are deployable on the latest platforms and that they meet the latest technology standards.
- Share a number of common business domains and components in compliance with Shariah principles, for instance, customers’ KYC management, payments and remittances, IT management, etc.
- Provide the main driver to maintain simultaneous evolution and modernisation of our solutions while of course keeping up with each edition’s functional particularities.”

### What do you see as the biggest challenge facing the banking sector and how do you as BML Istisharat help institutions address it?

“In an open banking and digital journey ecosystem with fierce competition from FinTechs and new entrants, Banks definitely need to enhance value to customers, maintaining their competitive position while reducing churning.

“Nowadays, customers are more sensitive regarding service value and worthiness, expecting higher benefits (quality, reliability, efficiency, and a consistent experience across touchpoints) at lower cost (in fees and charges as well as emotional and social)

“Banks must balance between satisfying their customers’ expectations, meeting ever-increasing strict regulations while increasing shareholder value – hence dealing with cost optimisation, with efficient operations, agility and adaptability, an innovative approach with accelerated time-to-market products, ultra-personalisation and fast ecosystems setup.

“BML Istisharat’s approach towards supporting banks remains based on the following pillars:

- **Comprehensive offering** including a Universal Banking solution covering Retail and Corporate, Investment, Private Banking, Trade Finance, Funds Management, Bancassurance
- **Hyper-parametric capabilities** ensuring a high level of autonomy through embedded products factory, dynamic workflows and transactions builder.
- **Real time data analysis and KPIs** with a central database and single source of truth.
- **Highly available, scalable and secure architecture** ensuring connectivity through APIs/microservices, growth while preserving investment, business continuity, data integrity and cloud option deployment.
- **Interactive, intuitive, automated operations** with straight through processes increasing productivity and efficiency while reducing operational cost.”

### What key trends do you see in your market sector for the coming year and the longer term?

“I believe that banks will have to deal effectively with cryptocurrencies and extend collaborations with local and international players including other banks, NBFCs, Banking as a Service (BaaS) platforms, online

## “a real transformation starting with core banking modernisation is an essential foundation towards offering next generation products

payments, FinTechs and BigTechs (GAFA). Also, banks can no longer ignore sustainability, so steps need to be taken to reduce carbon footprint, fulfilling ESG and CSR commitments through innovative green products. Ultimately, banking in the metaverse will become a subject of actuality if not a must.”

### What changed in your business model as a result of the pandemic?

“There are three key areas:

**Solutions:** Banking clients’ increasing demands for digital services in a consistent journey across channels are driving financial institutions to further focus on customer centricity, hence undertaking a real transformation starting with core banking modernisation is an essential foundation towards offering next generation products and services instead of adopting siloed solutions addressing discrete channels. Accordingly, BML expanded its APIs integration layer, generalised its dynamic workflow capabilities and established partnership with proven channel providers towards offering an end-to-end value proposition.

**Services:** Our bank customers are now more willing to opt for remote implementation and support as compared to pre-pandemic when on-site interventions and physical presence was deemed to be essential.

**Resources:** After having experienced satisfactory results from remote operation, a number of colleagues, supported by cloud environments and tools, are now working from different geographical locations and time zones, realizing increased productivity with reduced cost, ensuring higher contingency with extended customer support coverage.”

### How are you working to develop your offerings?

“With the objective of continuously looking to offer end-to-end solutions with extended support, BML undertook the following action plan:

- Expanding our solution partners’ network to horizontally complement our offering,
- Reengineering internally our products to vertically extend our solutions functionality within a componentised architecture,
- Establishing partnership with cloud and hosting providers while expanding our administrators and support team towards SaaS distribution mode.”

### What sets you apart from the competition?

“We are keeping up with the latest technology trends offering componentised and fully integrated solutions with embedded workflows, hyper-parametric features, an agnostic platform, and the option to deploy on premises or on cloud. Our main differentiators remain our agility, flexibility, and customer focus.”