Emirates NBD's "Digital from the Core" Transformation

November 2019

Emirates NBD is the Middle East's largest bank with a significantly advanced digital agenda

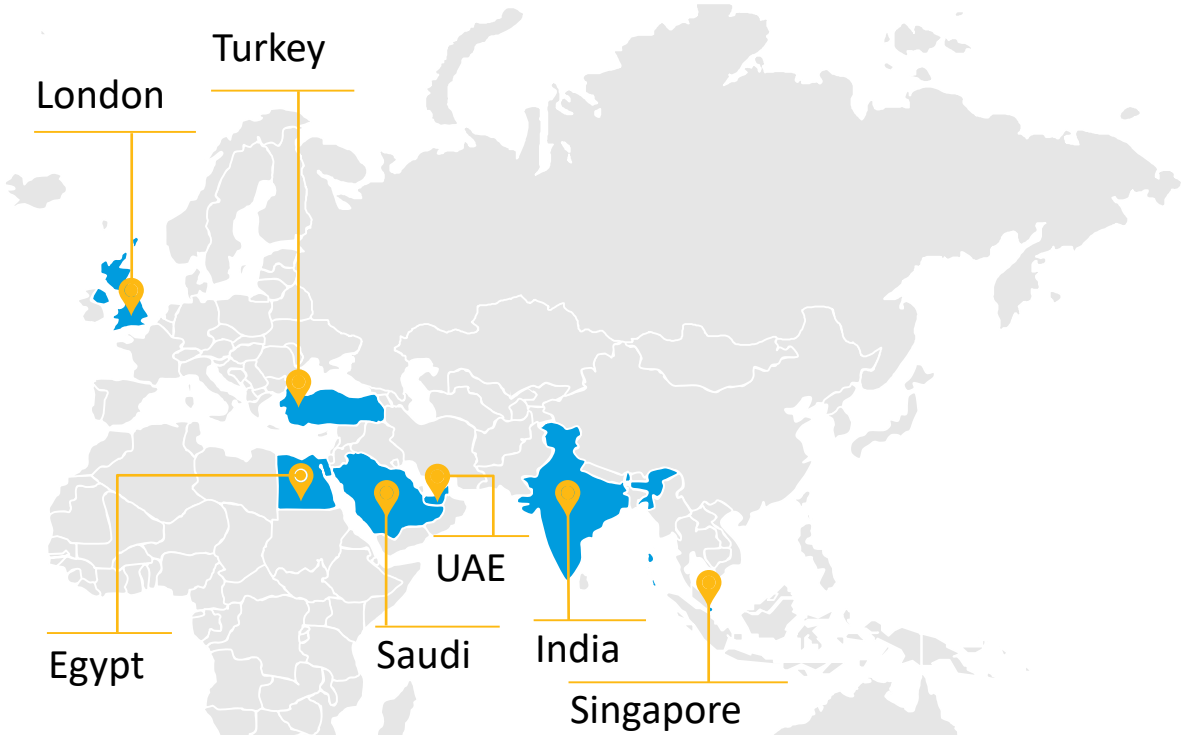
Key figures

A leading banking group in the MENA region offering core financial services along **corporate, retail, Islamic, and investment banking**

- ~23,000 employees from 70 nationalities
- ~1,000 branches
- ~7,000 ATMs
- ~$170B asset size
- ~$2.5B net profit
- 31% Cost-income ratio

Countries of operations

Operating in **7 countries**



Awards (2017-2019)

- **BAI Global Awards:** Most Innovative Financial Services Organization in the World
- **BAI Global Awards:** Best Internet Banking Application
- **Retail Banker Global Awards:** Best Retail Bank in the Middle East
- **Asian Banker:** Best Digital Bank in the Middle East

In order to maintain this position we identified the need for a deep broad IT transformation

Key challenges identified to our current position

1. Remain a **innovation leader** in digital on worldwide scale
   - Fitness account (42% full digital sales, 85% STP)
   - WhatsApp banking
   - Blockchain (Liv., E20.)

2. Outperform the **competitive landscape** including fintech
   - Cloud
   - Agile
   - Dev. OPS

3. Set-up **platform** to support our ongoing growth and latest technologies

Embark on a deep broad IT transformation

- New way of working
- New technology
- New business model

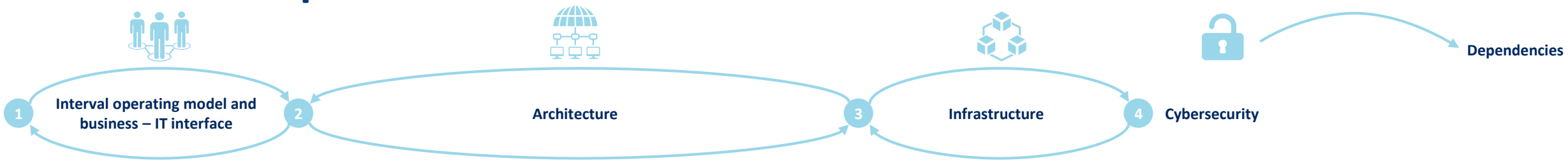
To support our business ambitions we needed to structure the IT transformation along 4 pillars

What we identified as key needs from business…	…and how we have structured the transformation
▪ New digital experience ▪ Fast and continuous development of our service offering	1 Interval operating model and business – IT interface
▪ Build an ecosystem ▪ Scale our international footprint ▪ Support latest technology	2 Architecture
▪ Support new cryptocurrencies ▪ Reduce cost	3 Infrastructure
▪ Become and remain fully resilient	4 Cybersecurity

Competitive requirements

Transformation workstreams

The corresponding transformation program is comprehensive including numerous dependencies



Build up and **train business analysts and PMs** (Business Side)	**Establish** new **managerial roles** in the IT organization	Frontend & middleware built as ▪ **Omnichannel** ▪ **2- speed** ▪ **3rd party /** digital ecosystem	Reduce current **infrastructure complexity**	Upgrade **security access** and monitoring control
Transform **business partners role**	Implement best practice **resourcing model**	Make **core systems digital ready**	**Upgrade** key **infrastructure** components	Upgrade **security malware control**
Align and implement new **IT project budgeting and portfolio process**	Implement new **procurement process/ governance**	Build a **digital-ready payments hub**	Set up a **cloud platform** for capital light scalability	Upgrade **security mobile control**
Establish new **BU-IT** project reporting and **governance regime**	**Establish data governance** including data modeling	Implement a **treasury** and **trade finance** end-to-end **IT platform**	**Upgrade** current **network** and bandwidth	Upgrade **security data control**
Establish an **agile working model**	Transform current **testing function**	**Establish EDW** as a single source of truth regulation for Bank steering 2.0 and next generation analytics		Implement **security code controls**
	Implement **new KPIs** aligned with transformation needs			
	Launch **employee satisfaction** and talent retention initiatives			

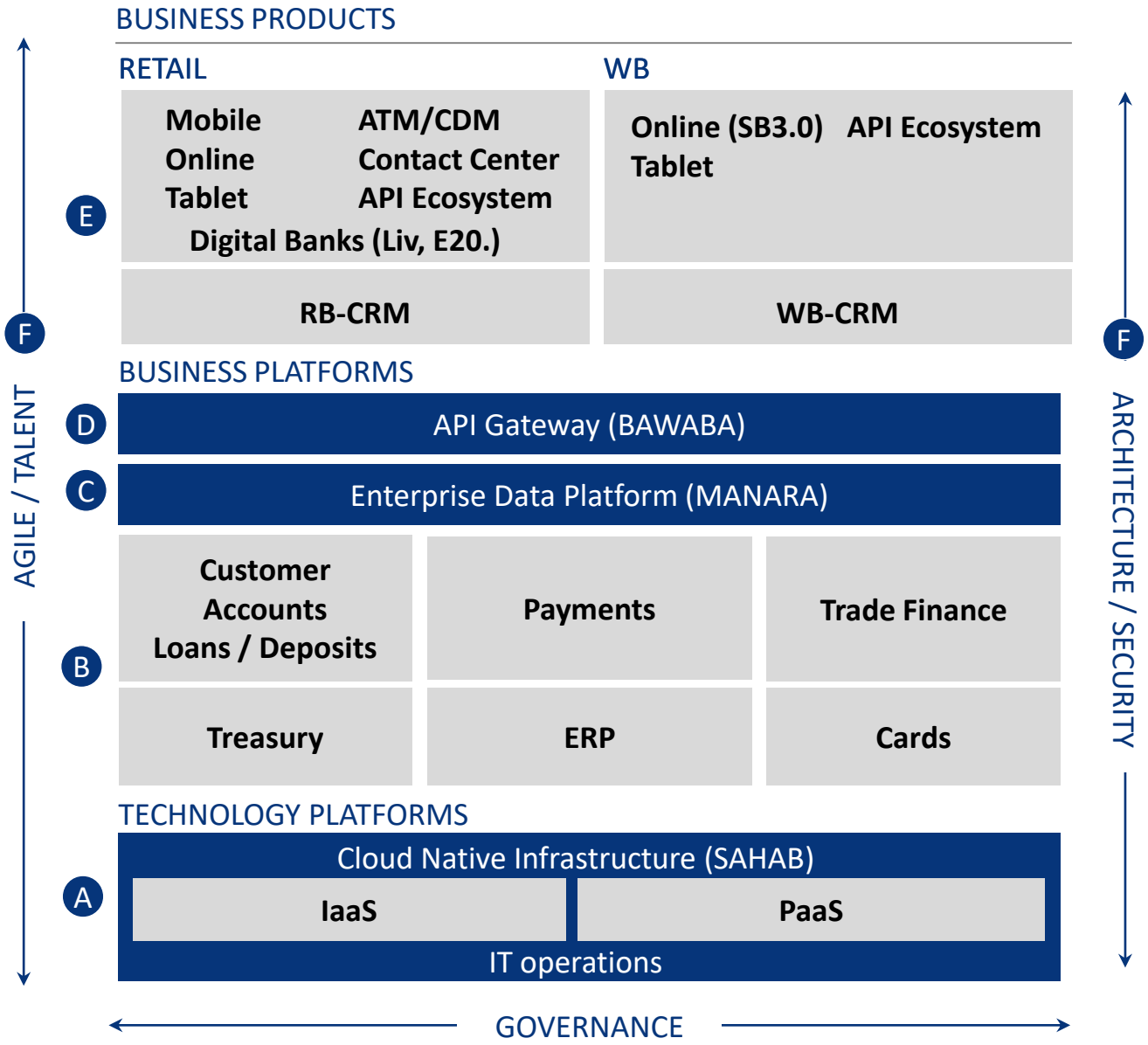
We are in the third year of our transformation – EPIC 3 focuses on scaling our technology transformation and the new operating model

Ongoing

Completed

EPIC	2017 (Aug- Dec)	2018	2019	2020
	1	2	3	4
	STRUCTURE	TECHNOLOGY	CHANNELS	SUSTAINABILITY
	Put the **right organization** and **key skills** in place to ensure transformation success	Launch **technical transformation** of platform and broader **operating model**	**Scale up** and complete majority of transformation	**Accrue all benefits** and sustainably anchor change within the organization

We are making a quantum leap in modernizing our technology platforms and capabilities including a new standardized core across all our entities



A We have made our infrastructure **fully cloud native (53%)** allowing for significant gains in **speed (1/90)**, **cost (1/5)** and **quality (0 errors)**, enabling next-generation application development – micro-services – while allowing us to be prepared for a **datacenter-less future**

B We have standardized and de-customized our business platforms (cards, trade finance, treasury, ERP, core banking Singapore, London, KSA)

C We have made **all data of the bank available** in benchmark big-data platform for **next-generation AA use cases** and brought an industry standard data model to production

D We have enabled **+400 truly reusable, cloud native APIs** and made them available to our channels and external partners

E We have started our channels and CRM transformation, building **truly global multi-tenant applications**, while significantly improving design, functionality and architecture

F We went **”all in” on agile in IT**, clearly separating “how” from ”what” roles, adopting agile principles and operating model and sourcing new talent

We have identified key learnings

Management support and buy-in is key to develop the IT transformation to a true successful business transformation

Aim only for the best people – taking in B candidates will make you struggle continuously

Assess and strictly manage your vendors – quality and commitment is often questionable

If you want to do everything in parallel you need to build proper architectural separations (data vaults, API layers, etc.)

Do not lock yourself into vendors – coaching and training resources and making engineering a part of the organizational culture is key

You will need to push back to business – they will need to hold back for a period of time to get to a better future

Communication and change management cannot be under-emphasized – communicating and explaining a transformation is the key measure for success