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Commercial Bank International (CBI) Revamps Its Systems with New Silverlake Core and FINTECH Banking Platform Solution

SOURCE:
IBS CASE STUDY,
OCTOBER 2017

KEY FACTS

BANK

Commercial Bank International

ASSETS

US\$ 5.5 Bn (2016)

BRANCHES (#)

27

LOCATION

UAE

SUPPLIER

Silverlake

SOLUTION IMPLEMENTED

SIBS core and digital omni-channel platform

PURPOSE

To replace core platform and add digital omni-channel capabilities

TIMELINE

20 months

Commercial Bank International (CBI) is incorporated in UAE and has been in operation since 1991. The bank is listed on the Abu Dhabi Stock Exchange and had a market capitalization of around \$ 477 million (as of July 2017) and asset size of \$ 5.5 billion as of 2016. It operates exclusively in the UAE through its network of 27 branches and 121 ATMs. The bank caters to corporates, SME and retail clients through standard and customizable banking products like account services, retail loans, commercial loans and project financing.

With a new CEO and new senior management, CBI's strategy is focussed on expanding its retail customer base by developing its digital offerings to allow clients to bank online and on mobile phones. One of the hurdles that the bank had in achieving this objective was the ability to offer digital banking service channels with its existing technology infrastructure which consisted of an old Silverlake Axis core banking system and other systems that were installed in 2008 or earlier and had not gone through an upgrade since then.

In 2013, CBI decided to replace its core platform and did vendor evaluations where Oracle, Infosys and Silverlake participated. The selection process which included demo and model bank visits was completed in 2015 with the selection of Silverlake's Digital Bank Omni-Channel Platform solution. This solution, now branded Silverlake FINTECH Banking Platform, is the Co-Core digital bank offering that integrates seamlessly with the Silverlake Core Banking System. The Platform offers Omni-Channel architecture design with "out of the box" ready-made digital target operating model for all fulfilment processes.



CBI completely overhauled its systems and is now able to offer customers digital products as well as an improved experience

CBI is able to centralise its product and services processing policy and rules across all channels and all type of devices consistently at a faster pace of delivery than ever before.

Typically, banks go about upgrading their systems in a phased approach, for example by adding a digital front-end while maintaining the core unchanged. However, Silverlake and CBI, decided to go with a ‘big bang’ approach in order to accelerate the bank’s digital ambitions. This involved implementing the advanced Silverlake FINTECH Banking Platform whilst replacing the existing core all this whilst upgrading 40 odd peripheral systems so that they would work in tandem with the new core and front end channels.

The new core banking system which offers conventional and Islamic banking came from Silverlake Axis while the digital omni-channel software (FINTECH Banking Platform) came from Silverlake Digital Economy (SDE); all these are part of the Silverlake Group Technology solutions.

The program structure was organised under the directorship of CBI CEO. The Programme Management Office consisted of the senior leadership team of CBI and Silverlake senior management. This bank-wide initiative comprised new digital omni-channel capabilities in concert with the new core banking. The new digital omni-channel platform, the Silverlake FINTECH Banking Platform, is based on a new open platform technology architecture and has the capability to support all the physical channels and digital devices commonly used by a bank customer. These include the mobile phone, tablet, PC, kiosk, phone/IVR and ATM. CBI’s customers are able to use the channels and devices of their choice anytime, anywhere with consistent access to the business services managed by the Platform.

KEY MODULES IMPLEMENTED

Core Banking Platform

- 1 **CUSTOMER INFORMATION FILE**
- 2 **DEPOSITS, LOAN & FINANCING**
- 3 **TRADE FINANCE**
- 4 **REMITTANCE**
- 5 **GENERAL LEDGER**
- 6 **INTERFACES**

Digital Omni-Channel Platform

- 1 **OMNI-CHANNEL BRANCH**
- 2 **RETAIL ONLINE (INTERNET & MOBILE)**
- 3 **CORPORATE ONLINE (INTERNET & MOBILE)**
- 4 **CONSUMER LOAN FULFILLMENT**
- 5 **TRADE FINANCE ONLINE**
- 6 **COLLECTIVE CONSUMER INTELLIGENCE INFORMATION**

There has also been an improvement in customer experience with the bank able to offer mobile banking for the first time and the potential to bring in more offerings like tablet banking in the future.

The biggest risk to the successful delivery of the project was smoothly carrying out the simultaneous implementation of the core banking system and the FINTECH Banking Platform. However, throughout the whole process there was high level of senior management involvement including sponsorship from the CEO's office, and commitment from the Silverlake team, which were highlighted as the key success factors in making a smooth transition. CBI was specifically appreciative of the continuous support and commitment from the Silverlake team, with even the Chairman of Silverlake Group keeping tabs on the project implementation. Another challenge for the bank was the cultural change that the bank staff had to go through in moving from traditional bank processes to digital focused bank processes and a new interface. The staff were provided with extensive training from October 2016 till after the go-live to bring them up to speed.

The target goal was to use the "out of the box" ready-made solutions with minimal customization of for both the FINTECH Banking Platform and the core banking system.

CBI are extremely pleased with the new solution and the outcome of the project. They claim to be able to achieve up to 65% - 70% STP in their inbound process which was not possible with the older core banking platform. The Silverlake Digital Economy FINTECH Banking Platform offers a digitalised end-to-end, fully automated set of customer fulfilment services. For example turnaround time of conventional and Islamic financing applications processing is within minutes instead of days under the traditional practices. There has also been an improvement in customer experience with the bank able to offer mobile banking for the first time and the potential to bring in more offerings like tablet banking in the future. Based on this experience, CBI has indicated that they expect to become a Silverlake Model Bank in the Middle East region.

The implementation, which was one of the largest investments for CBI, and a first for Silverlake Digital Economy in the GCC region, is one of the few examples of successful implementations involving a complete overhaul of existing systems and simultaneously deploying addition digital capabilities, and completing it all in a reasonable time frame. In IBS' view, this platform gives CBI a robust base to develop digital banking offerings for its customers. At the same time, for Silverlake, this has set a foot in the door for the Middle Eastern market, especially for its FINTECH Banking Platform solution •



Silverlake Digital Economy in Banking

Background

In 2012 the founder of Silverlake, in conjunction with a new team from an international bank background, set up a new company 'Silverlake Digital Economy' to devise a way of simplifying the business problem of managing continuous change in banks as customers embrace mobility and the pace of business change increases. The goal of Silverlake Digital Economy was to develop a bank-wide unified Platform of customer experience and customer fulfilment services that would sit in front of any bank's systems of record, including core banking. The resulting, newly architected Silverlake FINTECH Banking Platform provides a properly layered solution for meeting the needs of customers, whilst positioning Core Banking as a manufacturing system to meet the needs of bank management and regulators. The Platform is architected to be agnostic to core banking vendors and acts as a 'CO-Core' to the Core; the CO-Core focused on the customer, the Core on bank manufacturing and regulatory needs.

Deployments

The 'anchor bank' for the development of the Silverlake FINTECH Banking Platform since 2013 has been Bank Islam Brunei Darussalam (BIBD). A number of applications have been delivered to BIBD using the FINTECH Banking Platform in accordance with the bank's highly successful digital banking strategy. One of these applications (an assisted-service bank sales and service model) won an Asian Banker award for Best Smart Branch Project in 2016.

The Platform has reengineered all of a commercial bank's fulfilment processes (for example account opening, origination, account maintenance, payments) into digital operating models that can be executed STP. These digital operating models are designed around the customer and provide an end-to-end (e2e) solution (for example the loan fulfilment process begins with the customer application (on any channel) and ends with disbursement - cutting across multiple existing bank organization silos). These new operating models and the business service software components that automate these fulfilment processes were launched to the market in the second half of 2015.

Two more banks committed to the Platform at the end of 2015 - Commercial Bank International (CBI) in the UAE and People's Bank of Sri Lanka. CBI chose to deploy multiple FINTECH Banking Platform modules and a new version of Silverlake Core Banking as a 'Big Bang' deployment; this was achieved in June 2017. People's Bank has chosen to deploy the selected modules of the FINTECH Banking Platform in phases; the first phase - a new sales and service model for branches - was launched at the end of July 2017.