Building the better bank every day

TD **Bank Financial Group**

Enterprise Architecture in Financial Services
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Minaz Sarangi, Chief Architect, SVP
TD Bank Financial Group

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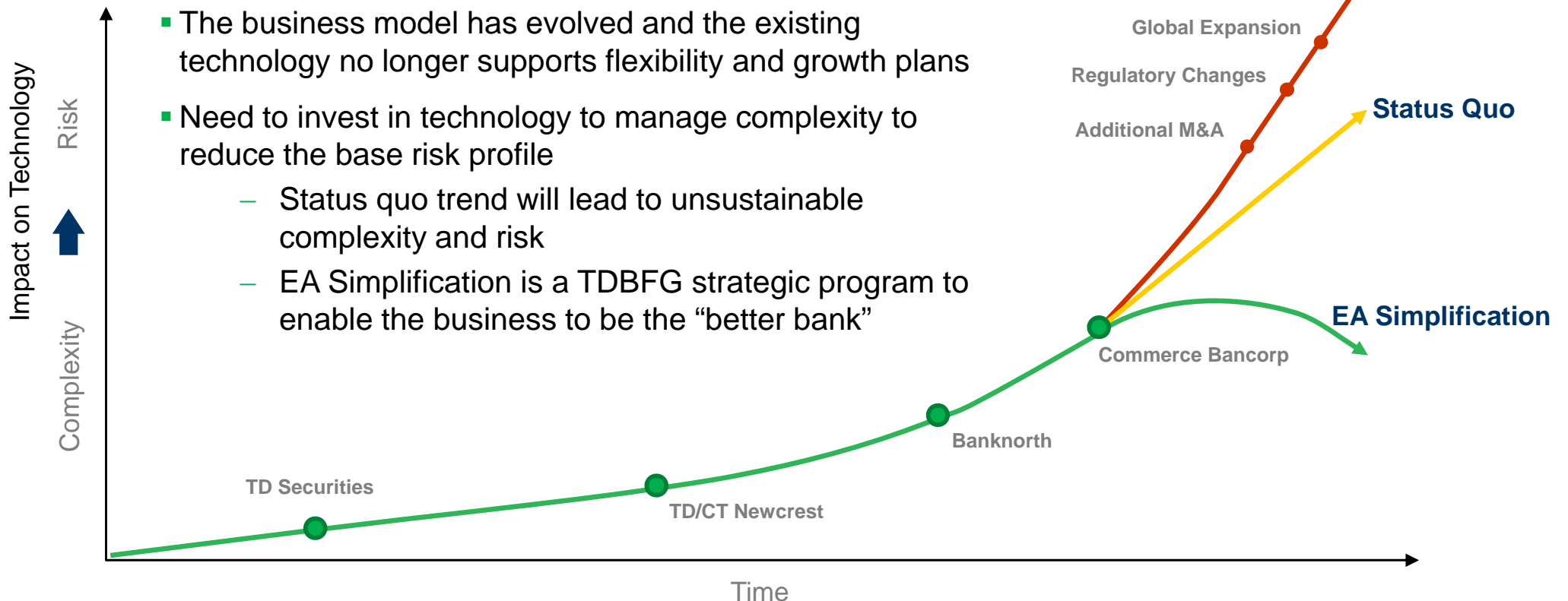# Video

Complexity in Financial Services

- Most financial institutions have grown by Siloed Line of Business

- P & L in LOB's

- Many origination & product systems not customer focused

- Systems not designed for rapid change

- Heavily siloed management, application and infrastructure

- Technology Legacy 30 + years old

- Legislative and Regulatory Compliance increasing

- Electronic threats (externally & internally)

- Under funding in core foundation technologies

- M & A

Evolution of the TDBFG Business Model

Evolving Business Model

Siloed Business Model	Federated North American Business Model	Integrated North American Powerhouse

- Technology was originally designed to support a siloed business model

- The business model has evolved and the existing technology no longer supports flexibility and growth plans

- Need to invest in technology to manage complexity to reduce the base risk profile
  - Status quo trend will lead to unsustainable complexity and risk
  - EA Simplification is a TDBFG strategic program to enable the business to be the "better bank"

Impact on Technology / **Risk** / **Complexity**

Unplanned Events

Global Expansion

Regulatory Changes

Additional M&A

Status Quo

EA Simplification

Commerce Bancorp

Banknorth

TD/CT Newcrest

TD Securities

Time

Evolving Enterprise Architecture to Meet the Demand

Past

- TD's architecture approach was grounded by well-defined business strategies and IT standards at the LOB level, BUT *enterprise-wide* architectural standards had a lower priority

- To drive business value through simplicity, agility and scalability, Enterprise Architecture is needed to focus on the enterprise technology capabilities

Present

- Enterprise Architecture Vision

  - *Ensure the alignment of business strategy and IT investments at the enterprise level, not just at the LOB level, through the creation and lifecycle management of effective, reusable EA technology building blocks*

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- Business Strategy is guiding our Enterprise Architecture and driving our Enterprise Technology Strategies.

- Architecture Domain practices for Business, Application, Data, Security, and Technology articulate the Architectures.

- Enterprise Architecture is guiding and aligning our Solutions Delivery and Operations areas to our enterprise standards through prescriptive architectures

- Solutions Delivery is helping to evolve the Building Blocks through identified opportunities.

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- Enterprise-Wide Technology View provides the context for all technology Building Blocks.

- A Building Block has/will have a corresponding <u>strategy</u> and <u>reference architecture</u> to articulate: current and future state; roadmap; capabilities required (current and future need); deployed solutions associated with the capabilities; and reference implementations which provide prescriptive guidance on what to use, when to use, and how to deploy

- Each Building Block defines the technology standards for the respective technology offering

Simplification Enables Being the Better Bank and a North American Powerhouse

Objective

- EA Simplification's objective is to help the business RUN the bank better and MANAGE risk, allowing us to SCALE and GROW the bank.

To Enable the "Better Bank"...

- Be the best run bank
- Consistent, legendary customer experience integrated across the bank
- Effective capabilities to enhance employee productivity and customer service
- Operational risk reduction
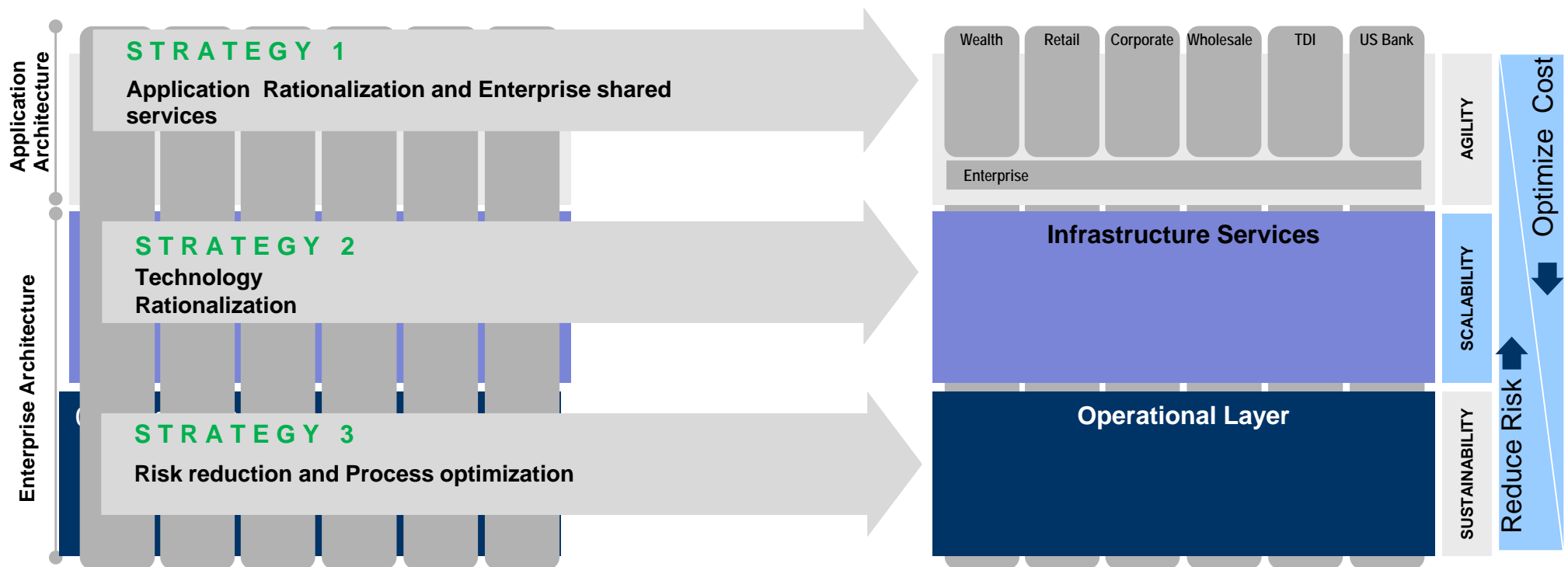- Technology that is flexible, reliable and always available

EA Simplification Vision

- Enhanced employee experience and productivity (anywhere, anytime)
- Superior Customer Experience across all channels
- Enterprise shared technology capabilities
- Reduction and simplification of our operational footprint
- Standardized technology platforms
- Infrastructure that is secure and protected
- Scalable, secure, and highly available architecture

The EA Simplification Context

Objective

- A strategic, proactive and phased EA simplification program that enables the
  - **Reduction** of our operational footprint for **greater agility**
  - **Consolidation** and standardization of our core technology platform for **scalability**
  - **Automation** of repetitive architectural and engineering processes for **sustainability**

Application Architecture

STRATEGY 1

Application Rationalization and Enterprise shared services

Enterprise Architecture

STRATEGY 2

Technology Rationalization

STRATEGY 3

Risk reduction and Process optimization

| Wealth | Retail | Corporate | Wholesale | TDI | US Bank |

Enterprise

AGILITY

Infrastructure Services

SCALABILITY

Operational Layer

SUSTAINABILITY

Optimize Cost

Reduce Risk

Success Criteria

- Business sponsorship at the highest level

- Commitment
  - Governance at the highest level
  - Compliance to Enterprise Standards
  - Business aligned governance model

- Resources
  - "Seed" Funding and Self-Funding
  - Growth of appropriate workforce/talent
  - New and refined management methods to deal with scale

- Perspectives
  - North American "lens" applied to all Architectures
  - Success Measures/Metrics are defined and agreed to
  - Balance between competing forces in LOB, Centre and Enterprise

Thank You