

► Sundar Parthasarathy,
Head of Consumer Assets, ADCB

ADCB plays its cards right with RBS

► Channel looks at how ADCB has managed the acquisition of The Royal Bank of Scotland's Retail Banking UAE, which saw more than 250,000 customers and 1,000 staff join the bank

Taking on an extra 1,311 employees and 250,000 new customers all in one go may seem a tough proposition for any company.

But for ADCB this is exactly what was required when it became the first UAE bank to acquire a multinational lender's business last July.

ADCB was chosen by the Royal Bank of Scotland over several other banks last summer to take on the retail business; the legal formalities were completed in October.

ADCB is now the number one player in the UAE in terms of total number of cards in the market and the total credit card outstanding balances.

"All these employees have been transferred to ADCB Cards and Wealth management businesses, in line with the ADCB organisation structure and terms," said Sundar Parthasarathy, Head of Consumer Assets.

"It would have taken ADCB at least seven years to build this business organically."

To make the process of integrating customers and staff 'seamless', a project team was put together immediately to conduct the

due diligence and negotiations. Auditing firm Deloitte & Touche, along with Cedar Consulting, were appointed to assist ADCB in the due diligence process.

The consultancy engagement with Cedar was subsequently extended to cover pre- and post-acquisition integration activities.

Rabi Bibi, who had been banking with The Royal Bank of Scotland for the previous five years, runs his own catering and transportation business. He said he was extremely satisfied with the integration of his account.

"With all honesty, I would say that moving my account from RBS to ADCB was so smooth that I didn't have to comment on any negative issue," he said.

"On the contrary, I am happy now as I have my account in a bank with branches spread all over the UAE with easy access."

The significant planning from ADCB's side to assist employees led to the creation of a Project Management Office governed by a Steering Committee chaired by the CFO.

"Planning activities ranged from defining the target operating model and implementation plan," said Parthasarathy.

"We are using the acquisition as an opportunity to improve the underlying retail business model, reduce merger integration risks and unlock integration synergies, to name a few key elements."

The impact of the combined business will see a stronger operating platform, a wider distribution network, as well as increased shareholder value.

"The internal and external feedback has been extremely positive," said Parthasarathy.

"Employees, analysts and shareholders alike truly believe that the acquisition is a step in the right direction for ADCB's growth."

Benefits of the acquisition

- It will better fulfill customer needs in an increasingly competitive environment
- Strengthen product and service offering and widen distribution capabilities
- Create shareholder value from the first year
- Significantly enhance scale and market position, as well as cost and revenue synergies
- Enhance managerial and operational expertise
- Enhance talent pool and drive performance culture