

**Revision History**

Version	Author	Approval	Date
Version 1.0.	NBK Jordan		

**Disclaimer**

This guide is developed based on the Central Bank of Jordan regulations number No.:(65/2016), and ISACA's COBIT 5 framework.

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### 1. Introduction

NBK has recognized the need to embrace IT as a significant part of doing business and considers IT as an integral asset to deliver value to its customers. Where information and related technology has a significant role, NBK works to include IT within the governance and management approach.

The National Bank of Kuwait - Jordan has adopted COBIT 5 in an effort to establish an IT Governance Framework integrated with the Bank's enterprise governance. Enterprise goals and IT goals are governed and managed in NBK Kuwait by the board of directors and the executive management. As NBK Jordan is a branch of the headquarters in NBK Kuwait, these goals cascade to NBK Jordan through a well-defined organization structure.

COBIT 5 provides a comprehensive framework that assists the bank in achieving its objectives for the governance and management of enterprise IT. It helps the Bank creating optimal value from IT by maintaining a balance between realizing benefits and optimizing risk levels and resource use.

COBIT5 enables the enterprise IT to be governed and managed in a holistic manner for the entire enterprise, taking in the full end-to-end business and IT functional areas of responsibility, considering the IT-related interests of internal and external stakeholders.

### 2. Context

NBK set up in Jordan by opening its first branch in Amman in 2004 to capture Kuwaiti linkages and service Group relationships locally. Customer base has been broadened to include top tier local corporate, HNWIs, Affluent and Jordanian expatriates. NBK Jordan offers a wide range of corporate, trade, private banking and retail services and products and has fully dedicated relationship managers trained to offer tailored solutions that meet customers' needs.

NBK Jordan works closely with its counterparts within NBK's network of branches and subsidiaries to support customers with their cross-border transactions and global investment needs

### 3. IT Governance Objectives

NBK-Jordan has set the following objectives of the governance and management of information and related technology framework:

1. Meet stakeholder needs and achieve the objectives of the bank through the utilization of an established governance framework that:
  - a. Facilitates the creation of value by delivering expected benefits, optimizing risk, and optimizing resources.
  - b. Provides assurance of information quality to support decision-making.
  - c. Provides technological infrastructure that enables the bank to achieve its objectives.
  - d. Upgrade the bank operations by employing efficient, reliable and purpose-driven technological systems.
  - e. Strict risk management of information technology to ensure the necessary protection of the bank's assets.
  - f. Assist in achieving compliance with the requirements of laws, regulations and instructions as well as to comply with the bank policies, strategy and internal working procedures.
  - g. Improve the reliability of the internal control environment.
  - h. Maximize the level of satisfaction of information technology users by efficiently and effectively meeting the needs of their work.
  - i. Management of external party's services entrusted with carrying out operations, services and products.
2. Achieve comprehensiveness in the Governance and management of information and related technology taking into consideration the seven pillars that are complementary to IT Services which are:
  - a. Principles, Policies and Frameworks
  - b. Processes
  - c. Organizational Structures
  - d. Culture, Ethics and Behavior
  - e. Information
  - f. Services, Infrastructure and Applications
  - g. People, Skills and Competencies

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3. Adopt policies and best practices according to the international standards as a starting point to build on the Governance and management of IT operations, projects, and resources.
4. Separate the IT Governance committee responsibilities in the area of governance from those within the responsibility of the Management of the information and related technology.
5. Strengthen the mechanisms of self-assessments, internal and external auditing in the governance and management of information and related technology to ensure and contribute to the continuous improvement and performance development.

### 4. General Policies for the IT Governance Framework

#### IT Governance Framework Guide:

- This guide is based on the Central Bank of Jordan's regulations No: (65/2016), and on the COBIT 5 framework. It will be reviewed and updated on regular basis to ensure its consistency with any updated regulations, or COBIT 5 framework updates.
- The IT Governance guide for National Bank of Kuwait in Jordan will be reviewed and updated regularly.
- The IT Governance will be published for public on the NBK Jordan website.
- The IT Governance guide covers all the bank's IT-related operations in various locations and departments, where stakeholders holds the responsibility to apply it according to a defined roles and responsibilities.

#### IT Governance Framework Committees:

- NBK has several established governance structures (boards and committees) that provide control and security in the risk-averse environment of a financial institution. The bodies provide project approval, demand prioritization as well as overall IT oversight.

These bodies provide project approval, demand prioritization as well as overall IT oversight. These governance structures are located in NBK Kuwait:

#### 1. Project coordination committee:

- a. Foster coordination and collaboration among Project Management Offices across the group.
- b. Champions transparency on progress and success of IT and non-IT project execution across the group.
- c. Support IT Board and all stakeholders across the Group in running collaborative planning/prioritization process for IT projects.
- d. Supports coordination among business units and support functions across the Group in successful delivery of IT and non-IT Projects.

#### 2. Enterprise Change Management Committee:

- a. Supports the prioritization of the non-project business requests and system changes that are proposed by business groups.

#### 3. IT Board:

- d. Fosters and safeguard sound IT governance practices across the Group.
- e. Ensures alignment between utilization of IT resources and the strategic priorities of the Group.
- f. Ensure open communication between IT and other functional and business units to promote collaborative planning.
- g. Oversee transformation of IT to a healthier state.

#### 4. Group Risk Management committee.

#### 5. IT Steering Committee (Jordan):

NBK Jordan has formed a steering committee from its senior management to ensure a strategic alignment of information technology to achieve the strategic objectives of the bank. The committee documents its meetings, provided that periodic meetings shall be once every three months at least, and shall, in particular, carry out the tasks mentioned in the local IT steering committee charter. This committee raises its recommendations to IT Board.

## 5. Setting Enterprise Goals, IT Related Goals and Processes Related Goals for the IT Governance Framework.

NBK-Jordan has adopted the 17 enterprise goals and related IT goals. In addition to the goals mentioned above, NBK-Jordan has adopted the processes related to the enterprise goals and IT related goals. Refer to the Appendixes (A, B, C)

## 6. Policies System

NBK-Jordan has adopted the necessary set of policies for the IT governance framework, and considers these policies a minimum with the possibility of the combination of these policies as the work nature requires.

## 7. Information and Reports

NBK-Jordan will adopt the infrastructure and systems necessary to provide information and reports to their stakeholders in the IT Governance framework, as an anchor for the decision-making processes in the bank.

## 8. Organizational Structures:

NBK-Jordan established the organizational structures (hierarchical and committee's structures) concerning the management of resources, processes and projects of information technology, risk management, information security management, and human resources management that meet the operational requirements of governance and management of information technology, and to efficiently and effectively achieve the Bank's objectives.

## 9. Services, Programs and Infrastructure of Information Technology:

The Bank adopted systems of services, programs and IT infrastructure supporting information to achieve IT governance processes and objectives of information and related technology, and corporate objectives.

## 10. Knowledge, Skills and Experiences:

The Bank has been developing the necessary matrices of competencies (HR Competencies) and human resources policies to achieve the requirements of governance of information technology, and to ensure that the appropriate human resources are in place.

The bank's executive management will continue to enroll its staff in training and continuing education programs to maintain the level of knowledge and skills necessary to meet and achieve the governance of information technology.

## 11. Values, Morals and Behavior:

NBK Jordan adopted a code of conduct that reflects professional behavior related to the management of information and its related technology that clearly define the desired behavioral rules and consequences.

## 12. Five key Principles of the Governance Framework

The governance framework of information and related technology at the Bank is based on five key principles of COBIT 5:

### • Principle 1: Meeting Stakeholder Needs:

Enterprises exist to create value for their stakeholders by maintaining a balance between the realization of benefits and the optimization of risk and use of resources. COBIT provides all of the required processes and other enablers to support business value creation through the use of IT. Because every enterprise has different objectives, an enterprise can customize COBIT 5 to suit its own context through the goals cascade, translating high-level enterprise goals into manageable, specific, IT-related goals and mapping these to specific processes and practices.

### • Principle 2: Covering the Enterprise End-to-end:

IT Governance integrates governance of enterprise IT into enterprise governance: It covers all functions and processes within the enterprise; it does not focus only on the 'IT function', but treats information and related technologies as assets that need to be dealt with just like any other asset by everyone in the enterprise. – It considers all IT-related governance and management enablers to be enterprise wide and end-to-end, i.e., inclusive of everything and everyone—internal and external—that is relevant to governance and management of enterprise information and related IT.

### • Principle 3: Applying a Single, Integrated Framework:

There are many IT-related standards and good practices, each providing guidance on a subset of IT activities. IT Governance aligns with other relevant standards and frameworks at a high level, and thus can serve as the overarching framework for governance and management of enterprise IT.

- **Principle 4: Enabling a Holistic Approach:**

Efficient and effective governance and management of enterprise IT require a holistic approach, taking into account several interacting components. IT Governance defines a set of enablers to support the implementation of a comprehensive governance and management system for enterprise IT. Enablers are broadly defined as anything that can help to achieve the objectives of the enterprise.

- **Principle 5: Separating Governance from Management:**

The IT Governance makes a clear distinction between governance and management. These two disciplines encompass different types of activities, require different organizational structures and serve different purposes.

**Governance:** ensures that stakeholder needs, conditions and options are evaluated to determine balanced, agreed-on enterprise objectives to be achieved; setting direction through prioritization and decision making; and monitoring performance and compliance against agreed-on direction and objectives.

**Management:** plans, builds, runs and monitors activities in alignment with the direction set by the governance body to achieve the enterprise objectives.

## Goals Setting and Cascading

Every enterprise operates in a different context; this context is determined by external factors (the market, the industry, geopolitics, etc.) and internal factors (the culture, organization, risk appetite, etc.), and requires a customized governance and management system.

Consistent with the principles and guidance in COBIT 5, NBK created a governance structure based on stakeholder requirement and value delivery. NBK also created a sustainable strategy of governance, management and business alignment to stakeholder needs.

NBK has adopted the COBIT 5 goals cascade mechanism to translate stakeholder needs into specific, actionable and customized enterprise goals, IT-related goals and enabler goals. This translation allows setting specific goals at every level and in every area of the bank in support of the overall goals and stakeholder requirements, and thus effectively supports alignment between NBK needs and IT solutions and services.

### Step 1. Stakeholder Drivers Influence Stakeholder Needs

Stakeholder needs are influenced by a number of drivers, e.g., strategy changes, a changing business and regulatory environment, and new technologies.

### Step 2. Stakeholder Needs Cascade to Enterprise Goals

Stakeholder needs can be related to a set of generic enterprise goals. These enterprise goals have been developed using the balanced scorecard (BSC) dimensions, and they represent a list of commonly used goals that an enterprise may define for itself. Although this list is not exhaustive, most enterprise-specific goals can be mapped easily onto one or more of the generic enterprise goals.

### Step 3. Enterprise Goals Cascade to IT-related Goals

Achievement of enterprise goals requires a number of IT-related outcomes, which are represented by the IT-related goals. IT-related stands for information and related technology, and the IT-related goals are structured along the dimensions of the IT balanced scorecard (IT BSC). COBIT 5 defines 17 IT-related goals.

### Step 4. IT-related Goals Cascade to Enabler Goals

Achieving IT-related goals requires the successful application and use of a number of enablers.

For each enabler, a set of specific relevant goals can be defined in support of the IT-related goals. Processes are one of the enablers.

## Appendix A: Enterprise Goals

Balance Score Card (BSC)	Enterprise Goals
Financial	1. Stakeholder value of business investments
	2. Portfolio of competitive products and services
	3. Managed business risk (safeguarding of assets)
	4. Compliance with external laws and regulations
	5. Financial transparency
Customer	6. Customer-oriented service culture
	7. Business service continuity and availability
	8. Agile responses to a changing business environment
	9. Information-based strategic decision making
	10. Optimization of service delivery costs
Internal	11. Optimization of business process functionality
	12. Optimization of business process costs
	13. Managed business change programmes
	14. Operational and staff productivity
	15. Compliance with internal policies
Learning and Growth	16. Skilled and motivated people
	17. Product and business innovation culture

## Appendix B: IT-related goals

Balance Score Card (BSC)	IT-Related Goals
Financial	Alignment of IT and business strategy
	IT compliance and support for business compliance with external laws and regulations
	Commitment of executive management for making IT-related decisions
	Managed IT-related business risk
	Realized benefits from IT-enabled investments and services portfolio
	Transparency of IT costs, benefits and risk
Customer	Delivery of IT services in line with business requirements
	Adequate use of applications, information and technology solutions
Internal	IT agility
	Security of information, processing infrastructure and applications
	Optimization of IT assets, resources and capabilities
	Enablement and support of business processes by integrating applications and technology into business processes
	Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards
	Availability of reliable and useful information for decision making
	IT compliance with internal policies
Learning and Growth	Competent and motivated business and IT personnel
	Knowledge, expertise and initiatives for business innovation

## Appendix C: Governance processes

Process ID	Process Name
EDM01	Ensure Governance Framework Setting and Maintenance
EDM02	Ensure Benefits Delivery
EDM03	Ensure Risk Optimization
EDM04	Ensure Resource Optimization
EDM05	Ensure Stakeholder Transparency
APO01	Manage the IT Management Framework
APO02	Manage Strategy
APO03	Manage Enterprise Architecture
APO04	Manage Innovation
APO05	Manage Portfolio
APO06	Manage Budget and Costs
APO07	Manage Human Resources
APO08	Manage Knowledge
APO09	Manage Service Agreements
APO10	Manage Suppliers
APO11	Manage Quality
APO12	Manage Risk
APO13	Manage Security
BAI01	Manage Programmes and Projects
BAI02	Manage Requirements Definition
BAI03	Manage Solutions Identification and Build
BAI04	Manage Availability and Capacity
BAI05	Manage Organizational Change Enablement
BAI06	Manage Changes
BAI07	Manage Change Acceptance and Transitioning
BAI08	Manage Knowledge
BAI09	Manage Assets
BAI10	Manage Configuration
DSS01	Manage Operations
DSS02	Manage Service Requests and Incidents
DSS03	Manage Problems
DSS04	Manage Continuity
DSS05	Manage Security Services
DSS06	Manage Business Process Controls
MEA01	Monitor, Evaluate and Assess Performance and Conformance
MEA02	Monitor, Evaluate and Assess the System of Internal Control
MEA03	Monitor, Evaluate and Assess Compliance with External Requirements