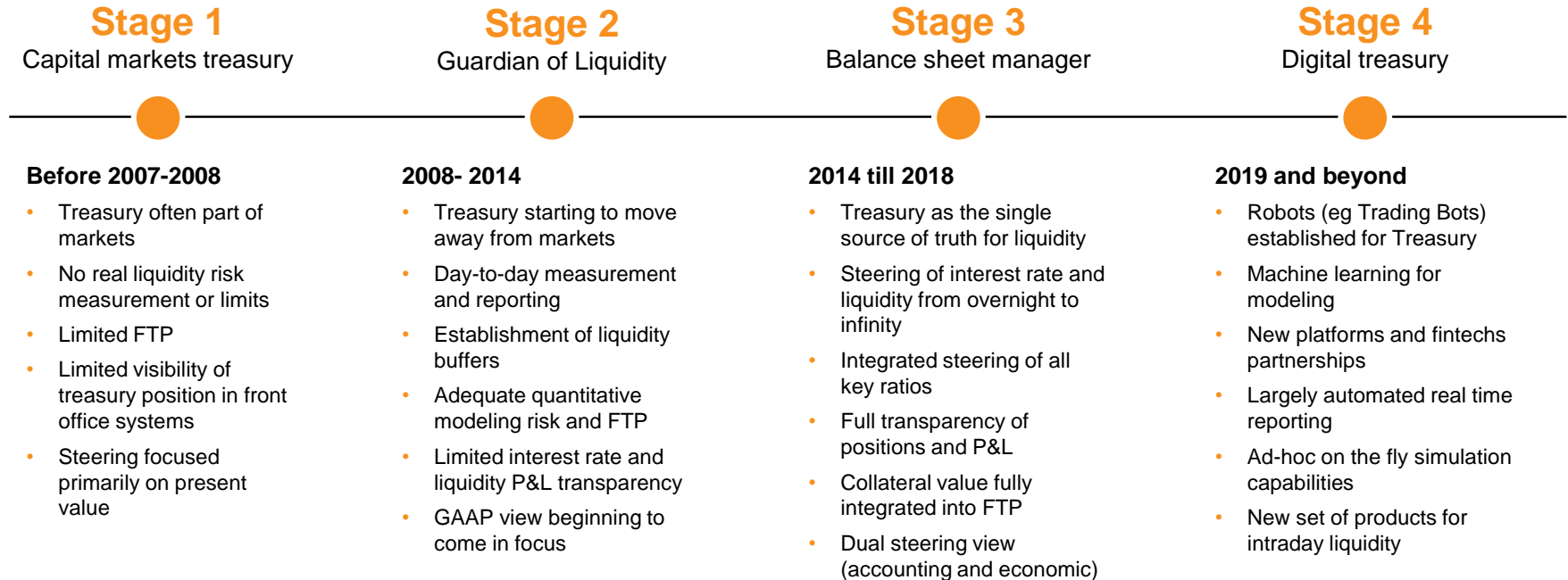# Agenda

- **The changing face of Bank treasury operating model**

- **The new design principles for bank treasury**

- **Accelerating Treasury Transformation with Finacle Treasury**

The changing face of Bank Treasury operating model

Stage 1
Capital markets treasury

Stage 2
Guardian of Liquidity

Stage 3
Balance sheet manager

Stage 4
Digital treasury

Before 2007-2008

- Treasury often part of markets
- No real liquidity risk measurement or limits
- Limited FTP
- Limited visibility of treasury position in front office systems
- Steering focused primarily on present value

2008- 2014

- Treasury starting to move away from markets
- Day-to-day measurement and reporting
- Establishment of liquidity buffers
- Adequate quantitative modeling risk and FTP
- Limited interest rate and liquidity P&L transparency
- GAAP view beginning to come in focus

2014 till 2018

- Treasury as the single source of truth for liquidity
- Steering of interest rate and liquidity from overnight to infinity
- Integrated steering of all key ratios
- Full transparency of positions and P&L
- Collateral value fully integrated into FTP
- Dual steering view (accounting and economic)

2019 and beyond

- Robots (eg Trading Bots) established for Treasury
- Machine learning for modeling
- New platforms and fintechs partnerships
- Largely automated real time reporting
- Ad-hoc on the fly simulation capabilities
- New set of products for intraday liquidity

Source: BCG Treasury Benchmark Survey 2018 - Creating a Digital Treasury in Banking

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The new design principles for bank treasury
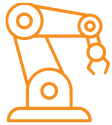
Intelligent and automated

Deploying technology and organizational designs that automate and amplify human creativity and intuition

Data led and client centric

Expanding the catalogue of data that's captured and analyzed to create real-time views of client needs and behavior

Open and accessible

Provide the capability for customers and ecosystem to engage deeply and seamlessly with organization
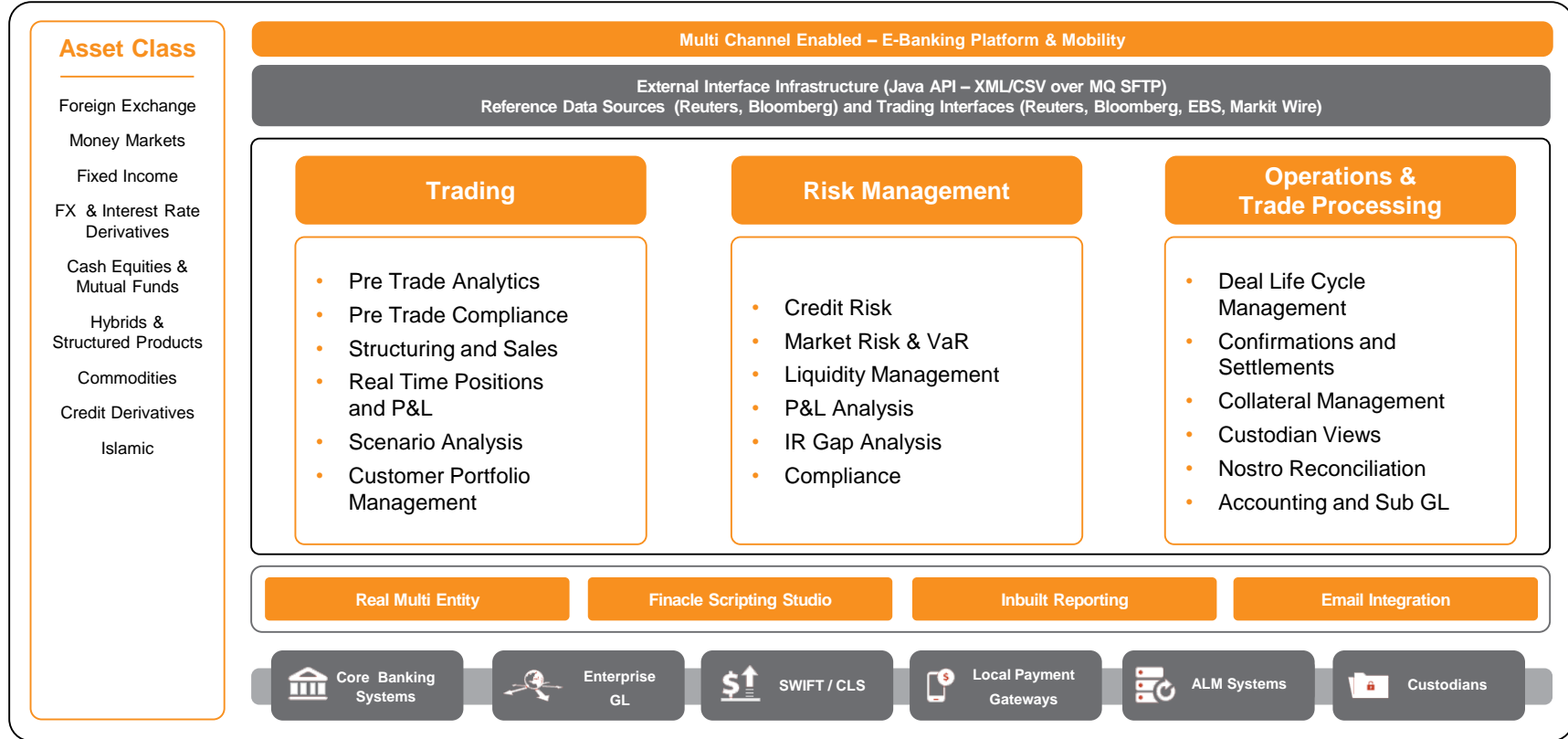
Agile and resilient

Designing a "living business" that assumes uncertainty and can adopt with pace and purpose

Simple and homogeneous

Removing unnecessary complexity and friction across the organization, outsourcing and leveraging utilities

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Finacle Treasury Functional Landscape

Asset Class

- Foreign Exchange
- Money Markets
- Fixed Income
- FX & Interest Rate Derivatives
- Cash Equities & Mutual Funds
- Hybrids & Structured Products
- Commodities
- Credit Derivatives
- Islamic

Multi Channel Enabled – E-Banking Platform & Mobility

External Interface Infrastructure (Java API – XML/CSV over MQ SFTP)
Reference Data Sources (Reuters, Bloomberg) and Trading Interfaces (Reuters, Bloomberg, EBS, Markit Wire)

Trading

- Pre Trade Analytics
- Pre Trade Compliance
- Structuring and Sales
- Real Time Positions and P&L
- Scenario Analysis
- Customer Portfolio Management

Risk Management

- Credit Risk
- Market Risk & VaR
- Liquidity Management
- P&L Analysis
- IR Gap Analysis
- Compliance

Operations & Trade Processing

- Deal Life Cycle Management
- Confirmations and Settlements
- Collateral Management
- Custodian Views
- Nostro Reconciliation
- Accounting and Sub GL

| Real Multi Entity | Finacle Scripting Studio | Inbuilt Reporting | Email Integration |

| Core Banking Systems | Enterprise GL | SWIFT / CLS | Local Payment Gateways | ALM Systems | Custodians |

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Cross Asset Solution

Foreign Exchange

- FX Spot
- FX Forwards
- FX Swaps
- FX Time Options
- FX NDF

Money Markets

- Placement & Borrowings
- Call Accounts
- Repos & Reverse Repos

Cash Equities & Mutual Funds

- Equities
- Preference Shares
- Rights and Warrants
- Mutual Funds
- ETFs

Hybrids & Structured Products

- DCD
- Range Accruals
- Snowball, Snowbear
- Inverse Floaters
- Leveraged Floaters

Fixed Income

- Sovereign Bonds
- Corporate Bonds
- Amortizing Bonds
- Index Bonds
- Euro Bonds
- FRN's
- T-Bills, CP's & CD's
- Asset Backed Securities
- Inflation Linked Bonds
- Securities Lending & Borrowing

FX & Interest Rate Derivatives

- FX OTC Options
- Interest Rate Swaps
- Cross Currency Swaps
- Asset Swaps
- FRA's
- IR Caps/Floors/Collars
- IR Swaptions
- IR /Bond F&O's
- Currency F&O's

Credit Derivatives

- Single Name CDS
- Index CDS
- Total Return Swap

Commodities

- Financials
- Physicals
- Dore Bars

Islamic

- Mudarabah
- Murabaha
  - Bank Murabaha
  - Private Murabaha
  - TFO Murabaha
  - Reverse Murabaha
- Wakala
- Sukuk

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Thank you