



FINACLE TREASURY SOLUTION

Infosys® |  Finacle

Manage growing complexities

Finacle treasury solution is a highly scalable, multi-entity enabled solution that is designed to help banks manage multiple challenges while optimizing their treasury business support systems. Flexible interfaces and fully parameterized business functionality make Finacle treasury a truly

agile solution enabling banks to change according to growing demands.

Reduce costs: Reduce transaction costs, eliminate manual processes, deploy scalable systems, and right-size staff resources.

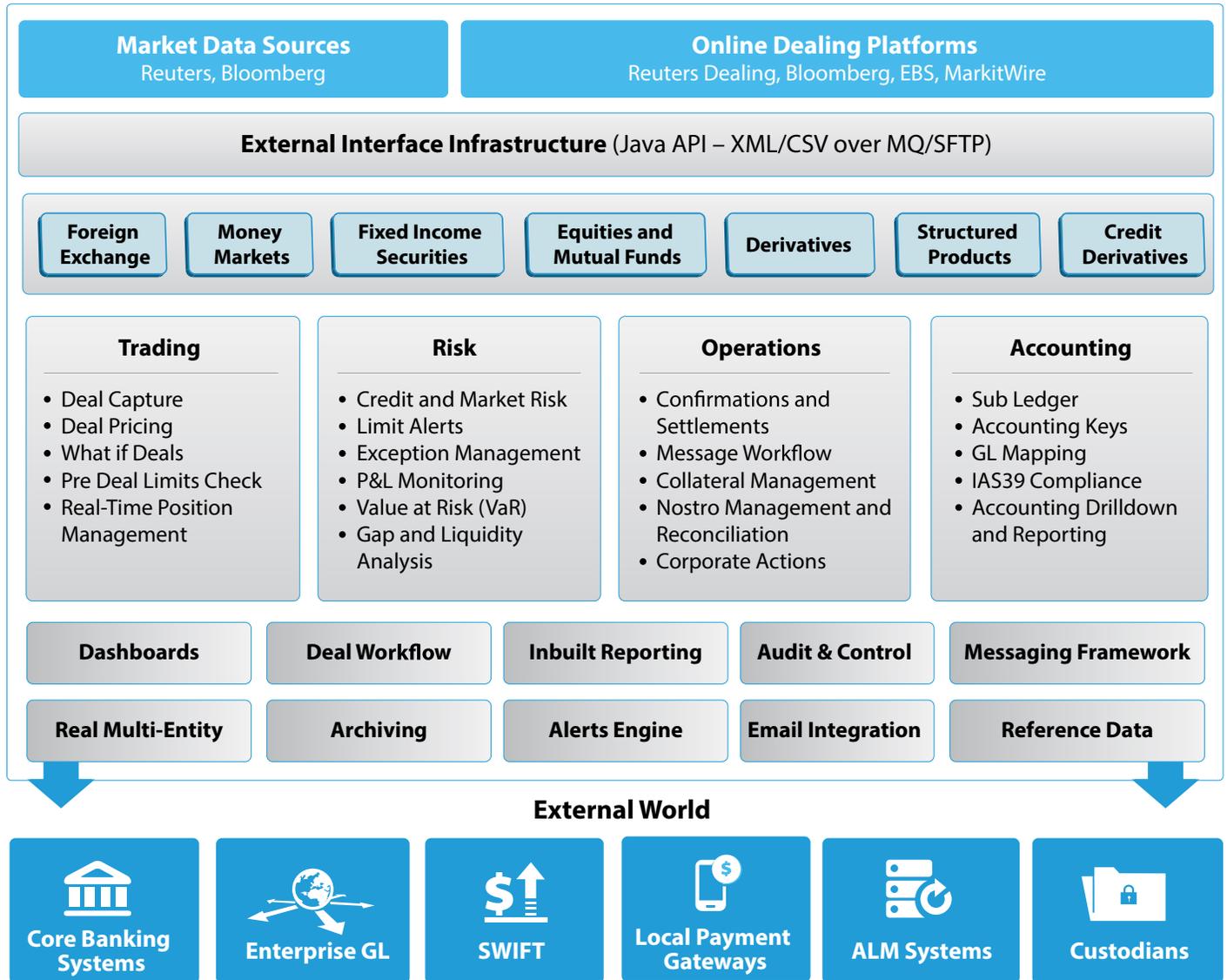
Ensure regulatory and compliance readiness: Finacle treasury solution is fully equipped to help you mitigate risk, reduce

complexity, aid in audit preparedness, and enhance your speed-to-comply.

Outplay the competition and optimize technology: The solution supports new product enhancements while ensuring localization, globalization as well as scalability.



Functional architecture



Key modules

Wide asset coverage

Finacle treasury solution supports a wide expanse of cross asset classes in the industry. It supports trading, risk management and processing on a single integrated platform.

Foreign exchange

Support for foreign exchange includes FX spot, FX forward, FX swap, FX time option (including takedowns and roll forwards), non-deliverable forwards and full-fledged corporate FX functionality. Its in-built flexibility supports bespoke instruments such as multiple counterparty swap and uneven swaps. Risk for FX transactions can be decomposed through a third currency for easier management of positions.

Money markets

The money markets engine supports short and long term loans and deposits, call or notice deals and structured loans and deposits. Through this module, amortization or accretion schedules can be built, floating rates calculated, and capitalized interest payments can be initiated.

Equities

The equities module supports proprietary equities trading, with support for equities, mutual funds, indices, rights, warrants

and fixed and floating preference shares. Corporate actions such as a cash or stock dividend or a split are supported.

Fixed income

Finacle treasury solution allows traders to trade in many types of discount and interest-bearing securities. The system processes securities as a series of cash flows, rather than treating each security type as a separate deal type. This offers more flexibility. A cash flow can be, for example, an interest payment, a premium payment, a payment of principal or a fee.

Exchange and interest rate derivatives

If you handle complex transactions, Finacle treasury solution can help you manage them. Not only does the solution offer comprehensive derivatives processing and risk management for standard derivative instruments but it also has the ability to support complex, non-standard derivatives through its powerful inbuilt rules and formulae.

Structured products

The structured products module is comprehensive and supports most of the standard structured products dealt with in the market. Support expands to cover the entire deal lifecycle from deal capture, settlements and confirmations to accounting. The solution enables users to create mixed structures (a combination of two underlying structures).

Credit derivatives

This module supports multiple products including single name credit default swaps, index credit default swaps, total return swaps.

Traders delight

Intuitive deal entry platform

A comprehensive dealer-friendly front office module enables quick and efficient deal capture. The solution provides treasurers with the flexibility to price and capture deals or import these from external sources through integrated interfaces. Trade can be captured through the Finacle treasury API (deal loader) and through other dealing systems like Reuters.

Smooth navigation

Dealers can open multiple windows concurrently and toggle between them. Users can also save a preferred layout and load it each time they commence work. Screen features can be set according to user preference while intelligent key-stroke mapping increases capture speed and efficiency. The order of deal entry can be configured. Easy-to-use shortcuts and extensive online help further enable swift and effortless trading.

In control always

Online rate feeds, from sources such as Reuters, ensure information is timely and accurate for making decisions. New deals

as well as changed rates are flashed for dealers to view. Trade and market data is updated in real-time. Users can specify the frequency for market data updates. Positions and P&L can be viewed online in real-time, segregated by product, currency, dealer and portfolio. Deals or positions to be viewed can be customized for each dealer. Position keeping sessions can be initiated as required.

Multi-entity structure

Finacle treasury solution is multi-entity enabled and supports operations across geographies on a single system. Different legal entities can trade on a single database under different time zones. Aggregation for trades, positions and risk is supported across entities. The solution supports trading books with unlimited hierarchies effectively capturing the organization and risk structures of the entity.

Dynamic dashboards

Dealers can monitor deals and positions in real-time through highly configurable blotters. All blotters in Finacle treasury solution can be linked to Microsoft Excel in real-time for analysis.

Powerful pricing engine

The powerful pricing engine allows dealers to price trades using real-time market rate feeds. Derivative pricing using various pricing methodologies such as cash flow discounting, zero rates

Limited or rates with appropriate mark-up, Black Scholes-Extension (Garman-Kohlhagen) or Binomial-CRR and Binomial-LR method for FX and interest rate options is supported. Pricing of complex derivatives is supported through one of the world's leading pricing library providers.

Simulation and scenario analysis

Finacle treasury solution enables traders to simulate and run scenarios and observe its effect on the underlying portfolio. This flexible scenario-based analysis helps define risk provision and timely, accurate decision making.

Limits monitoring

Limits can be checked prior to trade entry. Pre-settlement, settlement, counterparty, country, trading book, intra-day, overnight and gap limits are supported to help manage treasury risk effectively.

Risk management

Finacle treasury solution offers powerful real-time tools to view positions and manage market, currency and credit risks effectively.

- Online monitoring of positions, P&L numbers and liquidity position by asset class, currency, trading portfolios and time horizons
- Integrated Value at Risk (VaR) engine with parametric, historical and Monte Carlo models which portfolios with full-fledged support for back testing

- Integrated limits monitoring for pre-trade and post-trade limits monitoring

Value at Risk (VaR)

The Value at Risk module provides calculations for market risk of the portfolio. The risk can be viewed by currency, portfolio or for specifically selected transactions. All calculation methodologies, including parametric, Monte Carlo and historical, are supported. Back testing and stress testing are also supported.

Multiple revaluation methodologies

The revaluation methodologies supported for foreign exchange deals include mark to market, accrual and realized vs. unrealized, swap points using manual inputs or interpolation from yield curves using linear and cubic spline methodologies. For securities, the revaluation methodologies mark to market and amortized (straight line, interest basis, EIR and effective yield) are supported. Revaluation is also supported using market prices for traded products.

Limits control

Sophisticated limits module helps in setting up limits across deal types and also helps consolidate risks across products. Tenor-wise limits can be set up at the counter-party, country and trading book or portfolio levels. Limits workstation

empowers risk managers to monitor limits utilization under various categories like country, counter-party, trading book and portfolios. Its powerful drill down feature allows users to pinpoint trades causing limit consumption. The user-friendly graphical interface displays usage and availability across tenors.

Collateral management

The collateral management module provides comprehensive support for management of the collaterals right from defining eligibility, threshold valuation setup for tracking collateral movement, collateral valuation and margin calls management.

Operations

Complete deal processing from accounting and deal settlement, to verification, confirmation and Nostro reconciliation. Powerful reporting tools are seamlessly integrated giving users up-to-date information.

Straight Through Processing (STP)

The solution provides full STP for all supported deal types from deal capture and pre-deal analysis to operations life cycle processing and settlement.

Deal lifecycle

Complete workflow for deals passing from the front office to the back office is supported. In addition, managers can dynamically alter workflows as required

allowing best practices to be deployed at any time.

Operational control

The solution's security and permission system allows tighter control over your bank's operational risk. Each and every action within the system has permissions aligned to it. There are multiple levels of security including user log-on, function-based and field-based. Importantly, the security features support user groups creation with hierarchical security structures.

Exceptions management

The inbuilt exception management system raises exceptions during events, such as when a trade is entered by junior dealers and manually specified details for counter party, comments and payment instructions. It can also raise exceptions for a counterparty on the watch list and when the amount or rate tolerance.

Static data

Users are able to load static data easily and update it on an ongoing basis. This includes counterparty, security, F&O contract, user identities, user permissions, trading books, entities, departments and Nostros. The four-eye principle is supported for security sensitive maintenance providing advanced control.

Accounting

Finacle treasury solution comes with a highly flexible, integrated multi-currency

accounting and general ledger system. Each accounting trade and event is recorded in accordance with standards set by the user organization. Multiple accounting standards are supported.

Dashboards and blotters

Users can monitor deals, positions and Nostro movements through highly configurable and real-time blotters. All blotters in the Finacle treasury solution can be linked to Microsoft Excel in real-time and also can be exported to Access database. Users can undertake most operations on the deals from the deal blotter itself.

Reporting

The solution has its own reporting infrastructure which enables users to customize and design reports to suit their bespoke requirements. Many of the reports come with user selected criteria greatly enhancing effectiveness of the reporting application. Formats such as pdf, rtf, excel and html are supported.

Messaging framework

Powerful messaging framework enables complete STP for settlement and confirmation messages over SWIFT gateway. Rule based messaging infrastructure ensures STP over other standard gateways as well. Besides it is extremely easy to design in-house confirmations to be sent by e-mail, fax or paper.

Cutting edge technology

- Built on industry standard open architecture, with integrated, secure and scalable reporting infrastructure
- The tiered LiMo architecture, combined with server based processing and intelligent caching strategy provides much desired scalability and performance
- Sophisticated security management at application, database and user levels with built in checks and role-based access
- Role-based security enables the organizations to control and manage what individual is allowed to see and do
- Finacle treasury's unique extensibility toolkit combined with built-in scripting engine enables banks to not only customize, but even enhance the solution as per the bank's requirement without requesting for source-code change
- Rich set of parameters render the solution extremely flexible and receptive to user needs
- Built in interfaces for leading industry systems such as Reuters Dealing 3000, EBS, Markitwire, SWIFT, RMDS
- Industry standards-based interfacing framework that is highly configurable and generic to enable both upstream and downstream interfacing with external systems

- Seamless integration with MS Office products enables real-time data flow from application to MS Excel. The solution also enables publishing of data into MS Access database
- Finacle treasury Excel plug-in allows MS Excel to be used as front-end for data capture as well as batch uploads

Business benefits

Efficient front-mid-back office processing

An integrated system with straight through processing in the front, middle and back office the solution reduces operational costs that often emerge from leveraging multiple systems. It enables transparent and interactive service delivery to customers.

Greater flexibility

Easy configuration of new products and processes is accomplished through thousands of built-in parameters. The Scripting Studio ensures the solution keeps pace with growing business needs. The system's reporting tools are ranked among the most intuitive and easy to use in the industry.

Higher operational efficiency

The solution provides full STP for all supported instruments from pricing and pre-deal analysis to operation lifecycle processing, confirmation and settlement. It comes with a powerful integration

framework that interfaces with the bank's core banking solution and external data sources, to minimize operational delays and ensure seamless transaction flows.

Comprehensive 24x7 solution

The solution provides a full range of products and their derivatives in FX, money markets and securities, round the clock. This empowers the bank with an all-in-one system that addresses corporate clients' needs for sophisticated functionalities. It also relieves the constraint of unavailability of systems for long periods during EOD operations.

Collaboration and co-creation

Finacle treasury features a fully customizable user interface, dashboards streamlined for optimal workflow control, and product roadmap shaped with input from customers.

Lower TCO

The solution allows users, belonging to different legal entities to work on a single system and database, with support for cross-entity consolidation of risk and standing data. This significantly lowers implementation costs and enables ease of centralized reporting for the bank.

About Infosys Finacle

Finacle is the industry-leading universal banking solution from EdgeVerve Systems, a wholly owned subsidiary of Infosys. The solution helps financial institutions develop deeper connections with stakeholders, power continuous innovation and accelerate growth in the digital world. Today, Finacle is the choice of banks across 94 countries and serves over 848 million customers – estimated to be nearly 16.5 percent of the world's adult banked population.

Finacle solutions address the core banking, online banking, mobile banking, CRM, payments, treasury, origination, liquidity management, Islamic banking, wealth management, and analytics needs of financial institutions worldwide. Assessment of the top 1000 world banks reveals that banks powered by Finacle enjoy 50 percent higher returns on assets, 30 percent higher returns on capital, and 8.1 percent points lesser costs to income than others.



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