



TEMENOS

Transact

Treasury

Temenos Transact Treasury is an end-to-end, real-time solution, designed to help treasurers improve risk mitigation and time-to-market, optimize liquidity management, better service customers, and manage financial and operational risks. This completely renovated and flexible offering provides wide asset coverage, advanced front-office features under a single platform and a single database thereby providing a seamless & transparent flow of information with increased Straight Through Processing (STP).





In the time since the global financial crisis, **the treasury mandate has grown markedly in scope and strategic importance.**”

Boston Consulting Group - Creating a Digital Treasury in Banking



In a world of increased regulations, market turbulence and a constantly demanding customer, the role of bank treasurers is growing in importance. The traditional values of Treasury, namely mitigating risk, managing capital allocation, servicing customers and leveraging markets remain. However, several factors are re-shaping the way Treasury operates.

Specifically, external forces and internal banking challenges are increasing the need for treasurers to manage risks and liquidity and at the same time, allocate capital in a more efficient way. All these factors not only call for a rationalized IT landscape but also demand a tight integration with the core banking system in order for banks to move to real-time, adopt digital transformation and innovate to meet their own needs and those of their customers. Treasury being at the core of banking operations, it needs to react effectively to these new business expectations.



Highlights



The primary reason we chose Temenos is that it offers us complete banking system solutions that have a built-in ability to grow with our bank and evolve to meet the future needs of our customers.”

AL KHALIJII BANK

Efficiency through a complete solution

In a single platform, the system provides full straight-through-processing (STP) from deal capture, control and risk management to confirmation matching, settlement and accounting. Together with a broad range of planning and analysis tools, Transact Treasury provides a seamless and transparent flow of information to synchronize the banking and trading books with real-time links to the market for instant and accurate data.

Transact Treasury supports all asset classes in single repository, which, with user configurable workflows, further ensures STP to meet each organizations individual requirements. A broad and powerful engine for flexible and dependable settlement processing and accounting underpins these efficiency drivers.

Increased profitability

IT overheads are minimized through a simplified infrastructure which negates the need for complex interfaces. In addition, the entire system manages bank wide positions with ‘always on’ links to key data sources, enabling ‘finger on the pulse’ profit and loss analysis.

Reduced Risk

Transact Treasury helps manage positions across the bank, in real-time, whether arising from trading (trading book) or anywhere else in the bank (banking book). This effective control includes the management of numerous limit definitions and extensive analysis tools that assist the fast and accurate monitoring and management of exposures.



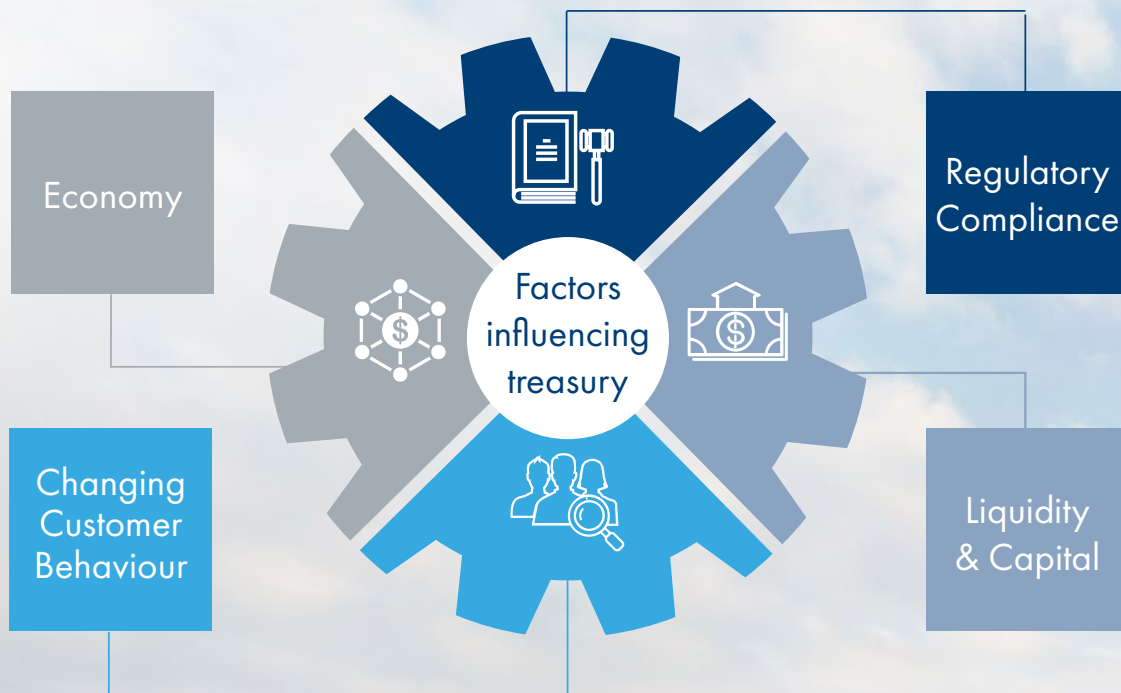
Transact Treasury

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Market Background

Since the last financial crisis, there have been a number of drivers that have projected the treasury division to the center of banking operations.

As a result, bank treasury department's influence has significantly increased within the overall strategy and decision-making.



Low yields and margins

At a time when yields and margins are low and returns need to be maximized, sometimes to compensate for now less profitable areas of the bank, treasury must leverage existing capital and liquidity in order to satisfy regulators and bank's risk appetite. Treasury must not only adapt to achieve higher efficiency in operating functions such as funding and balance sheet optimization, but there is also a need to control and improve all business-as-usual processes. Much of this involves consolidating and aggregating data arising from the bank's different business units and systems.

Increased regulation

The new regulatory framework taking place since the financial crisis of 2007-2008 has placed a significant burden on bank treasury. And, depending on jurisdiction, treasury has to demonstrate compliance at all times with regulatory bodies such as BASEL, PRA, FCA, EBA, etc. As a result, bank treasurers are required to allocate resources (time, money, human, and IT) just for this purpose.

Services to bank customers

In addition to looking after their own treasury activities, there is also a renewed demand for banks to provide treasury services to their customers. This is particularly true with corporate and institutional customers. Banks and Bank treasurers are therefore also concerned with competition, customer service as well as upholding their reputation. They need to provide key services through efficient channels in order to remain relevant to new and existing customers.

Intra-day Liquidity Management

In the demanding world of instant payments, Treasurers require ability to manage intraday liquidity in order to optimize the use of collateral and cash. Treasurers are in need of real-time visibility, tools for optimized cash management, advanced forecasting and enhanced control framework.

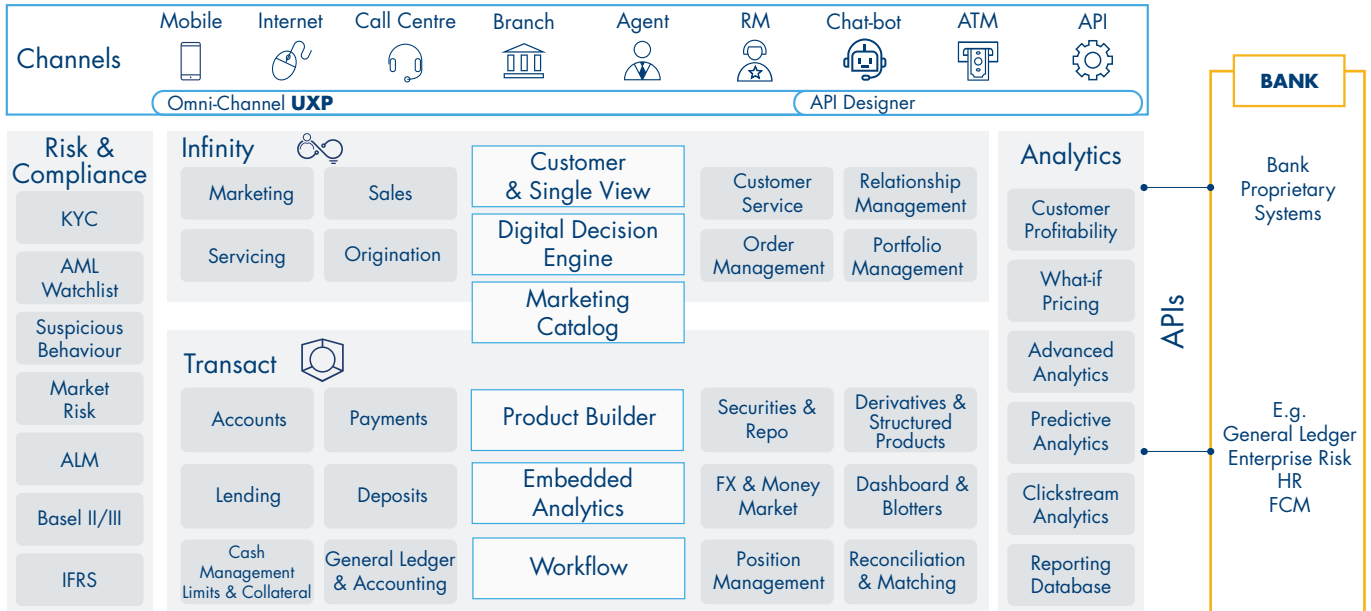
The need for real-time systems

For a bank treasurer to maintain compliance, manage liquidity and allocate capital as efficiently as possible, they need to adopt a proactive approach to balance sheet optimization. Therefore, latency, complex integration, data collection and reconciliation is no longer sustainable. In the past, treasury divisions were also often focused on trading activities where they were run as profit centers and generated significant returns, and could, therefore, afford to select their own systems. These were often standalone systems or multiple systems to fit any given asset class. Prevailing cost pressures, as well as the demands of a changing regulatory landscape mean that treasurers need to glean efficiencies in all areas.



Transact Treasury

Key Features



Leading-edge technology

Built on, Transact Treasury provides scalable, highly performant, best in class capabilities for your entire treasury operation. Including advanced API-first technology, which empowers banks to rapidly innovate, connect to ecosystems and enable developers to build their own connectivity or Apps.

Wide-range of asset classes and risks coverage

Coverage spans across FX, Money markets, Equities, Fixed Income, Derivatives and Structured Products including all common and less commonly traded sub-asset classes.

Seamless connectivity

Out-of-the-box interfaces for connecting to industry-leading market data and dealing systems providers, including Reuters, Bloomberg and SWIFT, as well as configurable adapters for connecting to other 3rd party systems.

Full trade lifecycle

Complete workflow and exception processing for deals passing from front to back office. User configurable process reduces operational risk and ensures faster STP and automation.

Unparalleled user experience

Designed by treasurers for treasurers, Transact Treasury's UX is fast and intuitive, allowing users to see everything that is important to them in a single view and follow threads where more information is required. Users are able to create dashboards, widgets, shortcuts and blotters with the additional ability to perform What-If analysis. Users are also able to add custom columns defining own formula and calculations.

360-degree visibility

Real-time view of positions, profit and loss (P&L), and cash-flows arising from both banking and trading books. Through an impressive series of planning and analysis tools, users are able to monitor and manage exposure and risk as it occurs from anywhere in the bank.

Reduced overhead and time-to-market

Built into the Transact platform, available on premises or cloud-native, treasury departments are able to reduce IT footprint and running costs. While implementation time, effort and risk are minimized through this pre-packaged solution.

Advanced Dealing



Real-time market rates

Real-time links to instant and accurate market data together with an impressive range of tools in order to manage bank-wide positions and data.



Risk management

Allows the monitoring and management of risk originating from banking and trading operations in one place. Real-time tools make it possible to manage liquidity, market and credit risks effectively.



Deal capture

Fast intuitive deal capture. Remembers preferences and allows the transaction to be entered with minimal keystrokes.



Dealer limits

Real-time monitoring of currency and position, and ability to set limits per deal amount, dealer, desk, department, and even bank-wide.



Advanced deal blotters

Highly customizable deal blotters not only lists all the trades but allow filtering on numerous parameters, creating favorites and sharing views on the fly.



Exception management

Users can define exceptions which when combined with workflow controls provide complete control over trade lifecycle.



Position management

Comprehensive real-time view of positions from both treasury and other banking operations support accurate decision making in real-time.



Dynamic dashboards

A set of dynamic dashboards provide at-a-glance views of dealers Key Performance Indicators (KPIs) and aid them in their critical decision-making process.



Profit and loss (P&L) monitoring

Dealers can use this knowledge to understand realized and unrealized P&L as well as perform what-if analysis to see the impact of underlying asset rate movements.



Simulation and scenario analysis

Dealers are able to simulate and analyze the effect on underlying portfolios of changes on FX and interest rates.

Treasury Operations

Limit controls

Various risks or exposures can be controlled and managed by way of numerous configurable limit checks. Limit types supported include Counterparty, Geography, Industry, and Currency.

Nostro reconciliation

Provides treasury with the ability to perform nostro (own bank accounts) reconciliation by matching credits and debits in nostro ledger against the same in the correspondent's statement, as defined by the user's own matching criteria.

Static data maintenance

Banks can easily set up and maintain static data for a wide range of financial instruments required for front-office dealing.

User-Configurable workflows

Based on any number of deal attributes users can define trade workflows to meet their organizational needs, including departmental hierarchy and lines of responsibility.

Confirmations and settlements

User-definable rules matching any message type, including support for a wide range of SWIFT incoming and outgoing messages pertaining to deal confirmation and settlement. And, multiple standard settlement instructions (SSIs) can be easily defined and automatically used for counterparties.

Netting

To minimize transaction costs, Transact Treasury offers netting of FX settlements. User can configure and control all parameters needed for netting.

Revaluation

Support for multiple revaluation options. Users can configure revaluation option at Instrument level.

Accounting

Hedge accounting framework is fully compliant with both IAS 39 and IFRS 9 providing, therefore, the bank with the ability to define the hedge types:

- Fair value / cash flow / Net Investment in Foreign Operations
- Define / document hedge relationship between the hedged item and hedging instrument
- Raise accounting entries for hedge adjustment amounts based on hedge status.

OTC Clearing

Ensures regulatory compliance readiness for OTC derivatives, including transactions reporting (EMIR, Dodd-Frank, etc.).

Reporting and Analytics

Helps in performing key activities such as cash-flow forecasting, nostro projections, liquidity and interest rate gaps management, and any other post-trade processing activities.

Multi-Company

Allows implementation where bank entities can be consolidated across several geographical locations, or legal entities, while maintaining different sets of trading books.

Transact Treasury – Key Benefits

Increased
Profitability

Real-time
Visibility

Reduced
Risk

Improved
Efficiency

Better Service
Customers

Manage
Compliance



We wanted a platform that would help us drive operational efficiency in the treasury function. Transact Treasury enables near-instant access to insights across all our asset classes, which is a key enabler for high-quality client services and accurate regulatory reporting.”

AZHAR KHAN, GROUP HEAD OPERATIONS JS BANK

Getting in touch

To learn more on Treasury, contact us at sales@temenos.com

About Temenos

Temenos AG (SIX: TEMN) is the world's leader in banking software. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information, please visit www.temenos.com.



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