FX Risk Management: Embracing Digital Treasury ACT Conference May 2018

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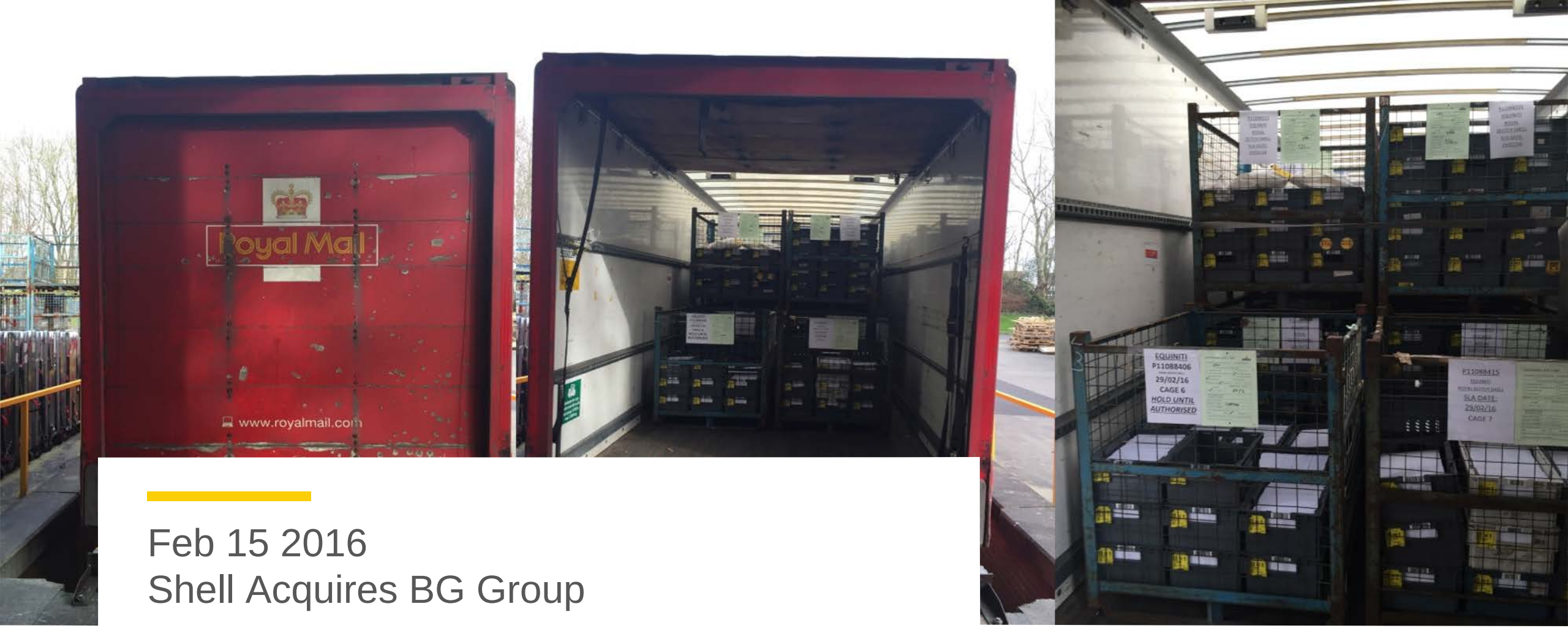

Feb 15 2016
Shell Acquires BG Group

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Shell’s FX Management Organisation

Before

Treasury Centres in London, Singapore and Rio.

Treasury team based in Reading

After

Treasury Centres in London & Singapore

Fewer staff

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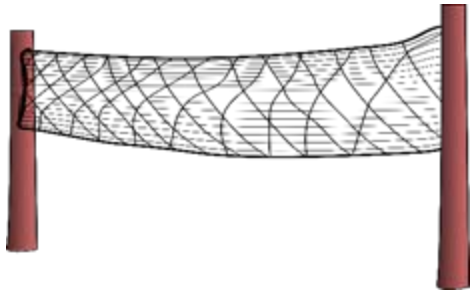
How did this work?

99%+ STP

Agency dealing model



65%+ netting

System-generated FX deals

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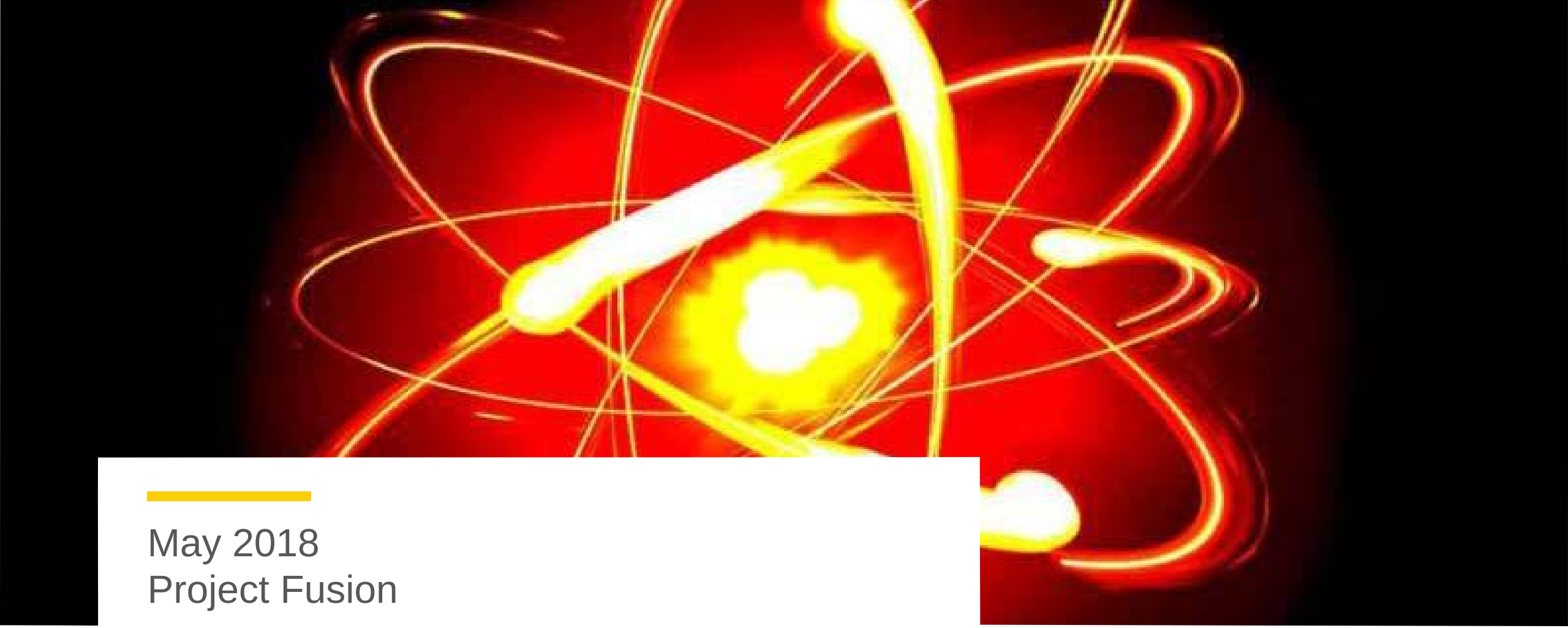

May 2018
Project Fusion

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Dimensions

2 TreasuryCentres

- London
- Singapore

Market Dealers

10

Users located in

25 countries

Relationship with

> 35 Banks

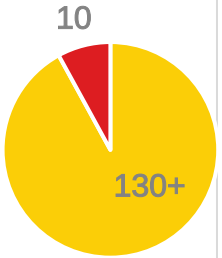
500+ / year

Local currency money market Requests

Total Outright FX Flow **> $ 400 bn** /year

Users

- eTreasury End Users
- Front Office



Number of Deal Entries per year

Total	30000 +
Manual	10000 +

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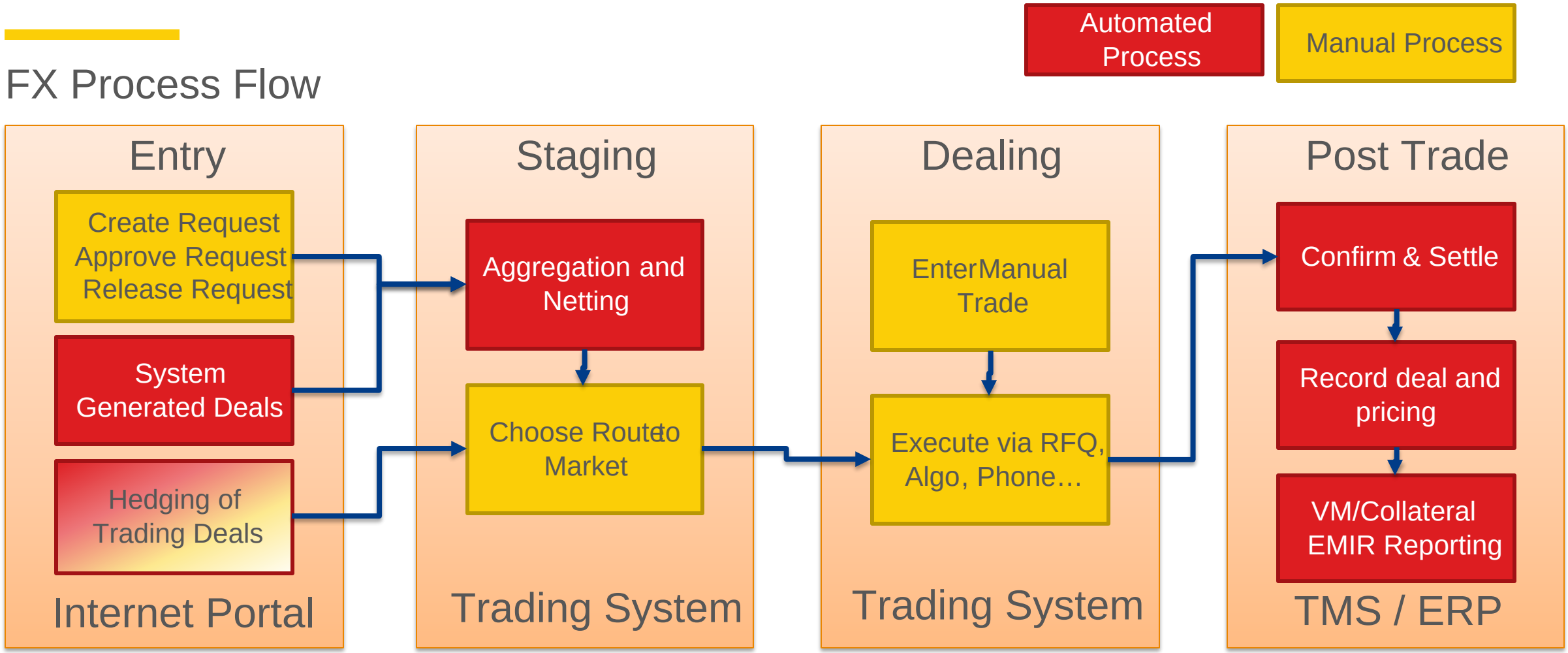
FX Process Flow



Lower cost of ownership and Minimise Execution Cost
Manual Intervention only where it adds value
Deal Entry, Consolidation and Execution on one application developed, hosted and managed as a service

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A Question of Balance

- Automation ⚖ Error-checking
- Value add ⚖ Efficiency
- 4-eye checks ⚖ Accountability
- IRM/ Controls ⚖ Outsourcing
- Preventative ⚖ Detective Controls

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May 2020
The Future?

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Four Trends In FX Management

This Year?
More Data

Next Year?
Automatic management of FX exposures

Sometime?
More use of AI

(N)Ever?
The 24/7 Treasurer

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