



The ACT Cash Management Conference

Cloud Computing and FinTech

Dimos Dimitriadis
Simeon Parker

Treasury Technology Associates

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Agenda

- Introduction
- The FinTech Phenomenon
- Cheaper, innovative, transparent – Is it a Threat?
- Opportunity for Corporates/Lifeline for SMEs
- Risks
- Concluding Remarks

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Introduction

- Treasury Technology Associates
- 100 years experience
- Large Network of associates in Financial Services
- Raison d' être and Mission



Raison d'être

Our mission is to help clients:

- Create a vision for their Treasury Technology
- Adopt a strategy of how to achieve the vision
- Design a system architecture that fits the business requirements
- Evaluate and select a solution (i.e. an appropriate system and systems landscape)
- Implement the chosen solution
- Achieve their objectives by providing advisory services in Treasury and Payments across corporates and banks

The aim is to complete every project on time and on budget and achieve maximum client satisfaction.

We use a network of seasoned professionals with experience in industry, banking and advisory sectors.

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The FinTech phenomenon

“It’s Treasury Jim but not as we know it”



Definition of FinTech

- Technological advances like cloud computing and the rise of mobile, combined with a distrust of banks, created startups that make finance cheaper and more accessible to a new generation of consumers.
- Technology that serves the clients of financial institutions, covering not only the back and middle offices but also the front office that for so long has been human-driven.
- User base includes Investment and Retail Banks, Hedge Funds, Asset Managers, advisors and brokers, hundreds of thousands of corporates and SMEs, and millions of consumers.
- Examples to name but a few
 - peer-to-peer lenders such as Funding Circle
 - on-line money transfer services such as TransferWise
 - others



Disruption!

- Banks' reactions to Basel III will disrupt a company's cash and liquidity practices
- Mobile banking will disrupt corporate treasury
- A bank (challenger or established one) should rethink what banking is about. The ability to rapidly create and launch propositions, will result in being disruptive and will redefine customers' expectations of banking
- Peer to peer lending
- Crowdfunding
- Blockchain/Bitcoin



Cheaper, Innovative, Transparent

Shifting from an operational focus to a strategic focus

- The need for efficient corporate treasury management is more relevant than ever
- Effective treasury management is dependent on using the payments and cash reporting systems to best advantage
- Corporates of all sizes are looking to streamline their internal processes and banking relationships in order to obtain accurate and timely multi-currency cash visibility
- SWIFT for Corporates membership is continuing to increase



Cheaper, Innovative, Transparent

Centralisation and Rationalisation

- Some Corporates are looking to realise greater efficiencies by centralising their treasury function
- Centralisation can provide Corporates with a clearer view of their positions, particularly where global expansion has resulted in complex and fragmented financial arrangements
- Many Corporates are rationalising their banking arrangements with a smaller number of primary banks- however the risk of a bank withdrawing their services from a geographical area has to be considered



Cheaper, Innovative, Transparent

Other questions for a Corporate to consider

- How important is it for Treasurers to have accurate cash visibility across their multiple banks and multicurrency bank accounts?
- What is the preference for communication with your banks?
 - Host to host, proprietary links
 - SWIFT
 - Ebics
- How do Treasurers cope with multiple banking systems with different logons, multiple security tokens and disparate standards?
- Is it important to have one single channel that can support connectivity to all your banks?



Opportunity for Corporates/Lifeline for SMEs

Some Selection Criteria in Choosing a Bank

- How well the Bank understands the Corporate's business
- The breadth of the geographic reach of payments and cash management services
- Technology platform
- Online and mobile services
- Availability of credit lines
- Pricing
- Quality and availability of services
- Financial stability of the bank

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Opportunity for Corporates/Lifeline for SMEs

Other questions to consider

- Do fractured reporting structures in different formats, including spreadsheets, inhibit automation?
- What is the importance of having accurate management reporting and user friendly dashboard reporting?
- How important is it that updated transaction and balance information is automatically updated in your TMS and ERP systems?



Risks

- Cyber threats
 - Corporates must be vigilant and need to understand their vulnerability to fraud attempts.
 - Treasury has a key role through regular monitoring for fraudulent activity and immediate reporting of suspicious transactions.
 - Treasury should also work closely with IT on fraud mitigation processes, and with their banking partners to learn about the latest best practice solutions
- DR/Business Continuity Plan
 - What is more likely: a building to burn down or a network/system to be attacked?
 - A contemporary BCP should be tested and updated a lot more frequently than in the past
- Digital currencies have been criticized in the US because they are anonymous and can be used for tax evasion or fraudulent transactions



Concluding Remarks

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Q&A

Thank You