Data analytics and artificial intelligence: strategies to leverage the power of data for treasury

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Objectives

- Exploring the increasing importance of insight from data analytics for treasurers
- Strategies and advice to deploy data analytics solutions in corporate treasury centers
- Role of banks to deliver value

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Why is data analytics so relevant today

- This is an opportunity!!
- Decision making is becoming very complex today with increasing levels of complexity and increased scrutiny from regulators, compliance
- Pressure to grow in the middle of diminishing margins and increased competition.
- Need to make faster and accurate decisions.
- Focus on cost reductions.
- Increased digitization is forcing a rethink of the corporate strategy. Today, technology is matching our needs with solutions around cognitive computing, Artificial intelligence etc.

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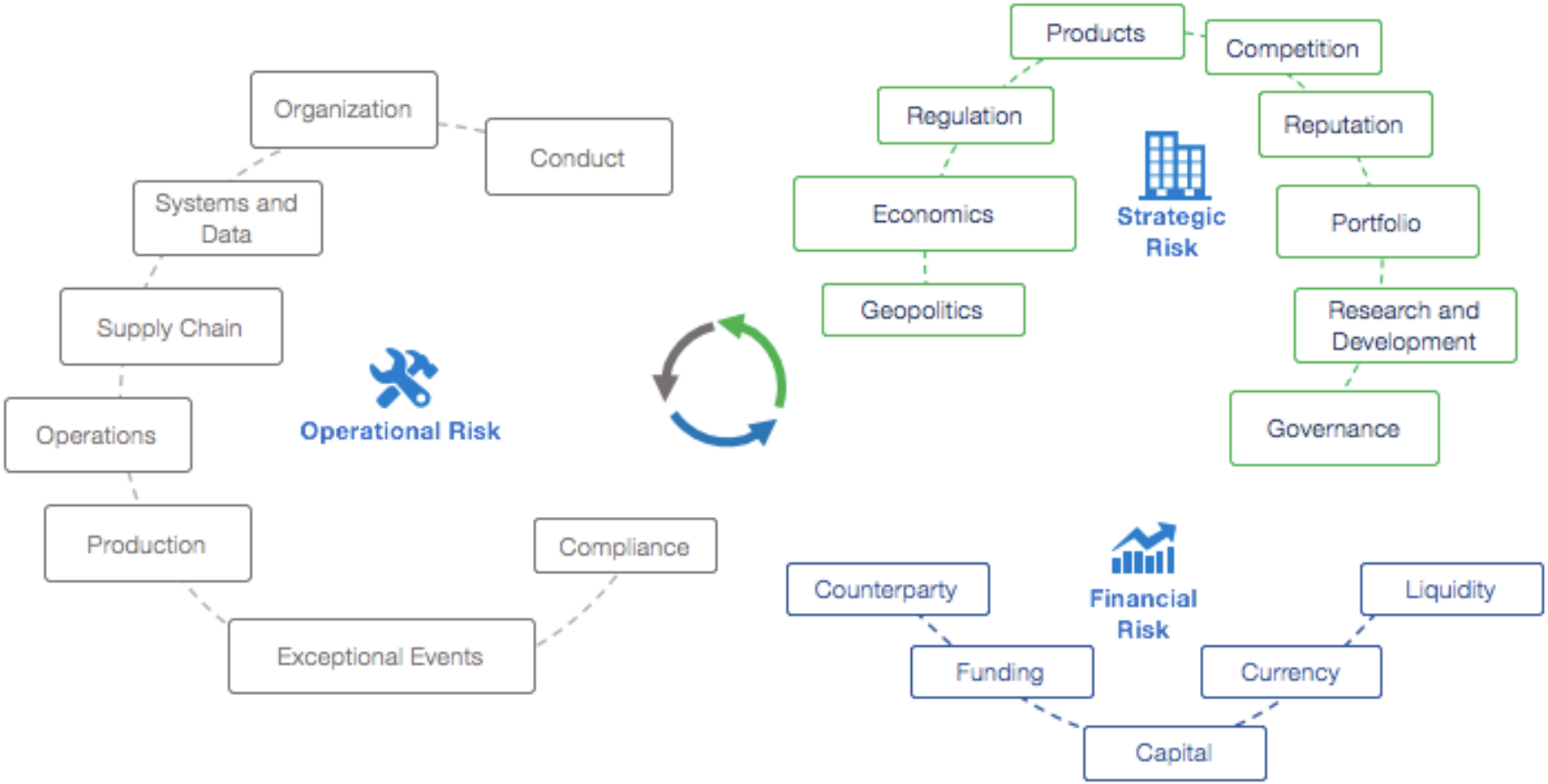
Rapidly changing treasury landscape and impact of data analytics



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Source - Gtnews 08 May 17 | Company Waltham Partners | Author David Castle Justin Lyon | Automation Financial Services Industry Sectors Operational Risk Risk Tech/Media/Telecoms Technology

Key considerations for an effective treasury data analytics strategy and solution

- Problem centric approach is essential.
- Observe – analyse – predict – decide. ***Past can help in predicting the future!!***
- Data analytics strategy that is aligned to the treasury transformational strategy and has 3 aspects:
  - management infrastructure
  - treasury operating model and
  - IT readiness
- Leverage availability and use of big data to make the correct decisions. Correct management of data is critical.
- Build in operational efficiencies – leverage AI tools to deliver costs reductions.
- Decision on centralised versus decentralised pools of data to drive balance between costs and more effective decisions on performance.
- Transparent and consistent data analysis. No silos.
- Areas where data analytics can help more effectively than before:
  - Liquidity and asset management
  - Cash management – forecasting flows and reconciliation
  - Managing risk
  - Fraud protection and regulatory compliance.

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Role of banks to deliver value

- Provide more insights and leverage the data that we get from the clients to help treasurers with:
  - Better reconciliation data that can automatically match entries in their treasury information systems and the bank records.
  - More insightful data to help with the cash forecasting process.
  - Help provide insights to clients based on both structured and un-structured data and from multiple sources including social media.
  - Consolidated cash position across all their accounts with enriched data than before.
  - Provide more information about the customers' counterparties
  - Analysing market and client industry data to create 'patterns' and 'trends' that can be of value to the client.
- Improve the bank's data analytics infrastructure so that is in pace with the changing client needs.

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ADCB Overview

- ADCB was formed in 1985 and as of 31 Dec 2016 employed over 4,500 people from 72 nationalities, serving over 600,000 retail customers and approximately 50,000 corporate and SME clients in 49 branches, 4 pay offices and 2 branches in India, 1 branch in Jersey and representative offices in London and Singapore.

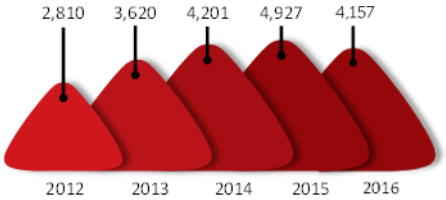
- ADCB is a full-service commercial bank which offers a wide range of products and services such as retail banking, wealth management, private banking, corporate banking, commercial banking, cash management, investment banking, corporate finance, foreign exchange, interest rate and currency derivatives and Islamic products, project finance and property management services.

- ADCB is owned 58.07% by the Government of Abu Dhabi (Abu Dhabi Investment Council). Its shares are traded on the Abu Dhabi Securities Exchange. As of 31 Dec 2016, excluding treasury shares, ADCB's market capitalization was AED 26 bn.

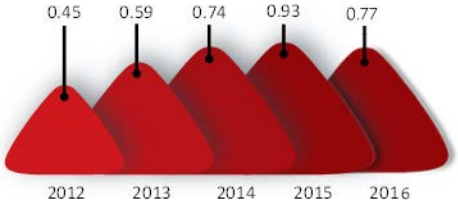
Historical Financials

Total Assets (AEDbn)

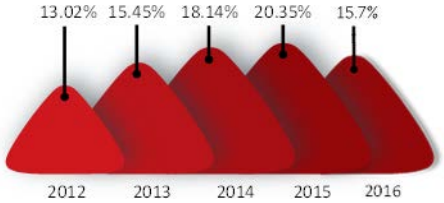
Net profit (AEDmn)



Earnings per Share



Return on Equity



All figures as at 31 Dec 2016