CORPORATE TREASURY AT A CROSSROADS

Modernizing Corporate Treasury to Improve Effectiveness and Reduce Risk
Corporate treasury departments are at a technological crossroads. That’s according to treasury practitioners themselves, as measured in a recent global study by FIS.

More than two-thirds of companies say treasury’s responsibilities have expanded. In fact, the focus has shifted from purely operational to strategic and visionary. Treasurers are increasingly expected to make more precise, timely decisions, while delivering strategic guidance to business leadership.

At the same time, fundamental issues like operational efficiency, liquidity optimization, foreign exchange risk, and cyber-security risk still keep treasurers up at night. This reality has led treasurers to up their investments in projects for data centralization, automation, process improvement and technology optimization. They’re seeking more powerful, scalable ways to perform traditional treasury tasks such as cash management. They also need solutions for newer treasury challenges like cyber-fraud.

Treasury departments haven’t been effective at implementing new technology, or even leveraging existing technology to solve their growing challenges, the FIS study reveals. Many companies have implemented treasury management software, but solutions often are lacking or underused for complex tasks such as cash forecasting, risk quantification, and limit setting and monitoring.

To address these shortcomings, treasurers need to recognize their new, evolving responsibilities and understand which technologies can help. They also have to create a new vision and road map to a more strategic and sustainable future based on gaps that exist today.

### Top Treasury Challenges

- **Operational efficiency**: 71%
- **Liquidity optimization**: 59%
- **Foreign exchange risk**: 56%
- **Cyber-security risk**: 56%
- **Regulatory challenges**: 52%
- **Economical, political uncertainty**: 52%

**Challenging or Most challenging**

*Source: 2019 Treasury Modernization Survey: Corporate Treasury at a Crossroads, FIS, June 2019*
Corporate Treasury at a Crossroads
Improving Effectiveness and Reducing Risk

Treasury departments small and large have a tremendous opportunity to adopt new technology to improve efficiency, reduce risk and centralize key functions.

Emerging technologies like artificial intelligence (AI) and robotic process automation (RPA) will play larger, more important roles in treasury. RPA, for instance, can aggregate, sort, reconstitute and flow data from inbound bank statements to automatically populate daily cash positions and reconcile transactions. Software as a Service (SaaS) technology has already been and will continue to be transformative. Today’s SaaS solutions provide robust yet standardized core capabilities with lower upfront costs, faster deployments, automated updates and stronger cyber-security.

Established treasury technologies can also be optimized for improved efficiency, scalability and effectiveness. Smart treasurers are gaining new advantages from core treasury solutions, from global cash and liquidity management software to payment-factory technology.

To move forward, treasurers should start with an informed assessment of their treasury function and existing capabilities. They should gather intelligence about current workflows, resources and pain points around technology and processes. By benchmarking and baselining the current state, treasurers can identify opportunities for improvement in key functional areas.

Equipped with these insights, treasurers will be prepared to take their first steps beyond the corporate treasury crossroads – and begin their journey to success in the new digital treasury era.

Top Treasury Developments

<table>
<thead>
<tr>
<th>Development</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud and SaaS</td>
<td>71%</td>
</tr>
<tr>
<td>AI &amp; predictive analytics</td>
<td>69%</td>
</tr>
<tr>
<td>AI &amp; cyber-security</td>
<td>68%</td>
</tr>
<tr>
<td>Banking APIs</td>
<td>60%</td>
</tr>
<tr>
<td>Robotic process automation</td>
<td>58%</td>
</tr>
<tr>
<td>SWIFT gpi</td>
<td>58%</td>
</tr>
<tr>
<td>Mobile payments</td>
<td>36%</td>
</tr>
<tr>
<td>Blockchain/Ripple</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: 2019 Treasury Modernization Survey: Corporate Treasury at a Crossroads, FIS, June 2019
Today’s corporate treasurers require technology that automates daily activities to allow for a more strategic focus.

That’s the power of FIS Integrity SaaS.

This fully cloud-based solution offers the functionality and flexibility to handle the most complex treasury requirements, while at the same time simplifying reporting and processes, helping treasurers to gain the visibility and velocity needed for a best-in-class global treasury department.

FIS Integrity SaaS is designed for large and small treasury departments alike. You can leverage the solution for everything from basic cash positioning to complex hedge accounting. Timely compliance, reporting and connectivity to the treasury ecosystem deliver the insights and effectiveness treasurers need.

With FIS Integrity SaaS, treasury can:

- Gain greater automation across all treasury activities
- Centralize treasury functions
- Protect data and assets with systematic security and controls
- Benefit from liquidity and risk visibility with sophisticated reporting and analytics

The proven software integrates smoothly with ERP as well as other specialized trading and banking solutions. Cloud-based deployment, combined with the FIS standardized delivery model, gives clients a rapid, cost-effective path to best-in-class treasury technology.

FIS Integrity SaaS simplifies and optimizes all your core treasury processes:

**Liquidity Management**
- Cash positioning
- Cash forecasting
- Payment processing
- Investment and debt management

**Risk Management**
- Foreign-exchange risk management
- Liquidity risk management
- Interest-rate risk management
- Counterparty risk management

**Reporting and Accounting**
- Accounting
- Hedge accounting
- Treasury reporting
- Regulatory reporting

**In-House Banking**
- Intercompany loan management
- Netting
- Electronic bank account management (eBAM) and bank-fee analysis
- Trade finance
Corporate Treasury at a Crossroads
We Understand Your Treasury Needs

Does FIS Integrity SaaS use the latest in cloud technology?
The best-in-class FIS cloud is secure, flexible and scalable. FIS Integrity SaaS is a multi-tenant deployment with regular, seamless updates at no extra cost or effort to clients. Its service-oriented architecture is browser and operating system agnostic. Our standardized SaaS delivery model promotes consistently successful outcomes while minimizing client resource efforts during implementation.

Will the solution lower my operating costs?
In-house software deployments can involve substantial upfront costs. FIS Integrity SaaS allows you to avoid capex investments in hardware and application development, lowering overall costs for IT and infrastructure. The subscription model normalizes opex budget and includes regular software updates. FIS is the single point of contact for all application management and support, so client staff can focus on strategic tasks.

Is the solution secure?
The FIS Secure by Design infrastructure is the foundation of our SaaS deployments. FIS delivers the high security standards you need to protect your investment, your data and your treasury operations. FIS scans 100 percent of our source code for vulnerabilities on a weekly basis. Additionally, FIS conducts real-time network monitoring of zero-day attacks, distributed denial-of-service (DDoS) attacks and rogue wireless devices. Lastly, FIS maintains real-time access to a centralized repository of worldwide security activities, with 24/7 monitoring by a highly skilled incident response team.

Is the solution fast and easy to deploy?
The Integrity SaaS standardized implementation methodology and predefined workflows reduce cost and accelerate deployment. With FIS Integrity SaaS, clients can lower their total cost of ownership while making sure treasury always benefits from the advanced tools it needs.
Are You Ready to Modernize Your Corporate Treasury?

Find Out How FIS Can Help You

Contact us today.

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About FIS
FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 53,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor’s 500® Index. For more information about FIS, visit www.fisglobal.com