



Treasury & Capital Markets

Reform complex IT
landscapes with
a more open and
flexible architecture



Achieve true market responsiveness with modern technology

After the financial crisis, organizations are turning to innovative solutions to accelerate change, satisfy their long-term goals and reclaim a competitive advantage.

Challenges and opportunities:

1 Because the rapidly changing regulatory landscape is impacting capital requirements, financial institutions are looking to streamline operating models to find the improved performance investors demand.

2 New opportunities within global markets demand greater technological agility if organizations are to react effectively to fintech and institutional competition.

3 With more sophisticated data management, banks can control risk more effectively and respond to changing markets and regulations with greater cost efficiency.

Introduction	Competitive advantage	Componentized solutions	Platform	Transforming treasury	Conclusion
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Get a competitive advantage with speed, agility, and full integration

Caught in a storm of economic and regulatory challenges, financial institutions must rethink their business models and leverage technology to innovate and regain their competitive advantage.



of capital markets businesses are in the “assessing and planning” stage of transformation¹

The past ten years have seen financial institutions grappling with volatile and fast changing markets.

Amidst an unfavorable macro environment with low rates and volumes, they must contend with a more rigorous regulatory framework, disruptive new competitors, and outsized, rigid infrastructures.

New regulations in particular have hit financial institutions hard. The Fundamental Review of the Trading Book (FRTB), for example, requires new processes and greater reporting requirements that put more pressure on already strained and antiquated legacy systems.

Capital markets organizations also face a dynamic competitive landscape, where established players have been joined by new fintechs and regtechs. At the same time, a host of innovations – from blockchain, cloud, big data and Platform-as-a-Service (PaaS) to Artificial Intelligence (AI) and Machine Learning (ML) – have entered the mainstream and are poised to deliver economic benefits.

Transformation has been on financial institutions’ agendas for a while. Yet to date, many have seen only modest improvements. Today, that effort needs to accelerate.

1. Source: KPMG, From Burden to Competitive Advantage

3 **Finastra** Reform and complex IT landscapes with a more open and flexible architecture [Overview](#)

Digital transformation can shrink costs and accelerate innovation

Technology is the key to meeting today's challenges and preparing for future market changes.



By rethinking legacy architecture, financial institutions will be able to create space for innovation and respond quickly to regulatory demands, market disruption and new digital opportunities.

Capital markets institutions are responding to today's challenges, optimizing revenue streams and controlling costs.

However, they are often held back by inadequate, costly, and complex IT systems. These rigid and fragmented systems would perform better if they were more flexible and cross functional.

From a technology perspective, organizations have been working hard to reduce their Total Cost of Ownership (TCO). However digital transformation offers an additional opportunity: to rejuvenate systems so they can cope with today's challenges and opportunities.

It also provides financial institutions with a platform for exploring developments such as blockchain, ML, AI, and the cloud that have the potential to deliver both technology and economic benefits.

Through digital transformation, capital markets organizations can chart a new course and alter their business models to improve productivity today and be better positioned for changes in the market tomorrow.

Componentized solutions for enterprise consistency and full integration

More than 30 years' experience delivering superior performance, agility, and cost reductions.

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Our relationship with Finastra is a strategic one. It has grown with us for years and I hope that we can continue with them to build the bank of the future."

Maha Al Mahmood

Head of Capital Market Sales,
National Bank of Bahrain

Designed to solve the issues facing treasury and capital markets businesses today, Finastra's solutions are system-agnostic, dissolving any barriers to change. They complement and integrate with any existing IT system, enabling banks to move away from silos towards an integrated and agile infrastructure. This way, organizations can add immediate value, deliver faster Return on Investment (ROI), and bring greater agility and decision-making power across the business.

Finastra's treasury and capital markets solutions deliver increased functionality and data accessibility across asset classes with a consistent, real-time pricing and analytics capability. The result is the enterprise-wide picture that new regulations and business demands need.

The solutions combine a sophisticated user interface, dashboards, and graphics to deliver transparency and visibility across the business. Their integral analytics and business logic bring enterprise-wide consistency so institutions can act faster and with superior information.

And they capture innovation such as ML and AI to accelerate trade validations, reduce exceptions, and drive efficiency.

With Finastra solutions, financial institutions can transform while leveraging their existing systems to innovate and deploy new services.

40%

Estimated savings through transformation projects.

Accenture

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We wanted to be on a cloud enabled platform, that allows for the expansion of resources without requiring expensive hardware upgrades."

Ricardo Rola
Head of IT at Itau BBA

FusionFabric.cloud, the architecture for the future

Rejuvenate traditional solutions with value-added functionalities such as analytics and data visualization as well as ML and AI.

Our treasury and capital markets solutions derive their agility, flexibility and speed from FusionFabric.cloud, Finastra's open and collaborative developer platform.

FusionFabric.cloud uses Resource-Oriented Architecture (ROA) to provide a highly flexible and scalable stack and blueprint for applications. In-memory computing rather than a SQL – only approach to big data management makes it faster and easier to trade, analyze, simulate, and execute.

FusionFabric.cloud delivers a common interface and user experience with cutting-edge design based on open, standard HTML5 technology. Its integrated, componentized services can be added on top of our own or third-party treasury and capital markets core systems, so organizations can innovate without having to rip out and replace existing systems.

Dynamic resource allocation and CPU utilization improves Return on Equity (ROE) and optimizes the use of hardware, so commodity hardware and cloud can be used to cope with demand peaks. Open architecture makes for cost-effective compliance and helps reduce TCO.

Our treasury and capital markets solutions are also available as cloud solutions on FusionFabric.cloud, Finastra's open platform. Here, they are offered as fully managed services, with operation and management included alongside infrastructure hosting and management.

Finastra utilizes state-of-the-art virtual server technology, storage, security, disaster recovery and networking hardware, all managed and monitored in line with industry best practice and contracted service levels to ensure the highest levels of availability and performance.

All our cloud services are provided in a secure and audited environment. Finastra and its supporting ecosystem of partners have all the relevant ISO and ISAE accreditations and proven track records of delivery in financial services.

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**We feel confident
that our investment in
Finastra solutions will
pay off by helping us
provide better customer
service, attract new
business and win
greater market share."**

Tomasz Wróblewski
Head of Treasury, Alior Bank

Transforming the treasury function to drive profitability and optimize capital allocation

Over the past few years, the bank's treasury has become a top priority.

Its role within the bank has evolved to encompass wider responsibilities and increased collaboration to shape the bank's strategy.

The treasury now sits at the very center of a bank's operations as banks need to focus on both improving returns on capital and meeting new regulatory obligations. Its role has expanded from pure funding to include the bank's wider profitability, capital consumption, and risk governance.

However, the treasury's ability to meet those expectations is impaired by rigid, costly, and fragmented IT systems. There is an opportunity for flexible cross-functional platforms to provide the fast, accurate real-time data management that is critical today.

As regulation increases and liquidity requirements become stricter, banks must adopt flexible solutions to ensure adequate capital allocation and robust risk management practices are in place.

Finastra's treasury solution is a scalable and componentized solution.

Fusion Treasury's flexible approach keeps pace with evolving compliance and delivers effective regulatory reporting and risk monitoring.

With Fusion Treasury, treasurers can use in-depth real-time analysis to optimize funding, buffers, collateral and hedging, centralize banking and trading books, and actively manage intraday trades.

Fusion Treasury is fully integrated to empower all the wider treasury stakeholders with automated processes, effective technology, consistent views, and a coherent dataset. Treasurers can now lead and communicate more effectively and make better decisions to optimize profitability.



Greater control, analysis, and forecast in one integrated solution, offering improved accuracy and balance sheet modelling, scenario simulation, and stress testing.

The most efficient path to compliance in treasury and capital markets

The Fundamental Review of the Trading Book (FRTB) will have a far-reaching impact on financial institutions.

One of the most complex regulations that the market has seen in recent years, FRTB will force banks to review every aspect of how they calculate market risk capital.

Organizations will have to re-assess and change their processes, including their entire front-to-risk IT architecture, to achieve alignment between front office and risk systems, deliver an exponential increase in computational power and be able to optimize capital and running costs. There are two different approaches to choose from: Standardized Approach (SA) and Internal Model Approach (IMA). Both present different challenges and benefits.

Finastra's risk and regulatory solution offers a scalable, componentized off-the shelf package. Fusion Risk not only delivers standard FRTB compliance but also offers value beyond the FRTB implementation deadline and beyond standard compliance itself.

Fusion Risk delivers the full front-to-risk alignment required by the regulation, including the necessary connectivity to other third-party or in-house solutions, scalability and speed, monitoring and reporting capabilities.

Leverage existing investment and benefit from advanced technology

Capital markets firms are facing a new world: technological innovation is the only way to address efficiencies and reduce costs.



Average capital markets IT spend on operations and maintenance in 2017

Source: Accenture, Investment Banking Technology: Jettisoning Legacy Architecture.



Potential cost savings achieved by automating processes and applying efficiency tools

Source: IDC

Since the 2008 financial crisis, capital markets businesses have had to contend with volatile and rapidly shifting markets.

In today's tumultuous global environment, they now must deal with a fast-evolving landscape, rationalize systems and reduce costs to satisfy the growing demands of regulatory change.

Capital markets organizations are charting a new course for themselves, rethinking their business models, and improving the way they run their operations. Facing increased competition from their peers and Fintechs, they need to use technology as an agent of change to improve their performance.

Finastra's trading solutions are fully componentized. Fusion Markets and Fusion Post-trade are built with an open architecture and deliver increased functionality with a consistent, real-time pricing and analytics capability to render the enterprise-wide picture required by new regulations and business demands.

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Conclusion

Simplifying Investment Management Complexity

Investment managers need a fully integrated approach to investment operations, portfolio, and risk management.

Unprecedented market conditions are driving a requirement for asset class diversification and more powerful, timely analytics and decision-support capabilities to improve risk-adjusted performance.

Today, portfolio managers must analyze all aspects of the investment process to meet the requirements of their investment mandates. Investment managers need to improve operational efficiency and collaboration across teams by providing consistent, real-time data and analytics to all business functions across the investment process.

Finastra's investment management solution enables you to meet these needs. Available as a complete front-to-back system or a standalone component, Fusion Invest offers unrivaled asset class coverage that allows firms to manage both traditional and alternative investment strategies on a single platform.

Award winning solutions



RiskTech100 - 2020 Award
1st Place - Capital Optimization Treasury
1st Place - FX Risk



The Asian Banker Vietnam Awards 2020
Best Treasury Management Implementation



Chartis Leader Quadrants 2019
Technology Solutions for Credit Risk 2.0: Vendor Landscape, 2019; Banking Book – Leader



Regulation Asia Award for Excellence 2019
REGTECH Award for API Innovation

THE FUTURE OF FINANCE IS **OPEN**

Finastra is unlocking the power of finance for everyone by creating a platform for open innovation in the world of financial services.



[Contact us](#)

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top100 banks. Our open architecture approach brings together a number of partners and innovators.

Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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