



TREASURY & CAPITAL MARKETS

REFORM COMPLEX IT LANDSCAPES WITH A MORE OPEN AND FLEXIBLE ARCHITECTURE

**(THE FUTURE OF
FINANCE IS OPEN**



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.



Rigid and fragmented systems must give way to flexible cross-functional platforms to facilitate the fast and accurate real-time management of data.

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.



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.



49%

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

Source: KPMG, From Burden to Competitive Advantage

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.



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.

[Read more](#)



Componentized Solutions for Enterprise Consistency and Full Integration

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



The relationship we have with Finastra is definitely a strategic partnership, and this new project has only deepened the collaboration and commitment between us.”

Saverio Ferraro

IT Director, Iccrea Banking Group

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40%

Estimated savings through transformation projects

– Accenture

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.



FusionFabric, the Architecture for the Future

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



Finastra provides us with a powerful, front-to-back platform for managing all our asset classes. We have automated previously manual workflows and brought operations much closer together.”

Thomas Raab

Delivery Lead, Münchener Hypothekenbank

Our treasury and capital markets solutions derive their agility, flexibility and speed from FusionFabric, Finastra’s state-of-the-art architecture. FusionFabric 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 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.

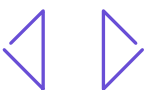
Dynamic resource allocation and CPU utilization improves Return on Equity (ROE) and optimizes the use of hardware, so commodity hardware and cloud can be used to cope with demand peaks. Open architecture makes for cost-effective compliance and helps reduce TCO.

[Read more](#)

Our treasury and capital markets solutions are also available as cloud solutions on FinCloud, Finastra’s cloud environment. 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.





“

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

[Alior Bank case study](#)



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.

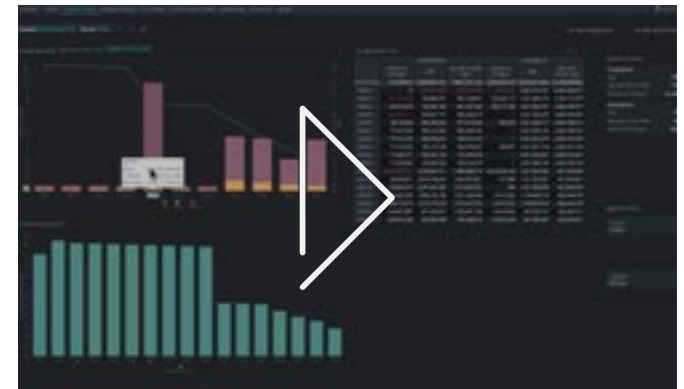
However, the treasury's ability to meet those expectations is impaired by rigid, costly, and fragmented IT systems. There is an opportunity for flexible cross-functional platforms to provide the fast, accurate real-time data management that is critical today.

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.

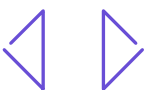
Finastra's treasury solution is a scalable and componentized solution. Fusion Treasury's flexible approach keeps pace with evolving compliance and delivers effective regulatory reporting and risk monitoring.

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 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.

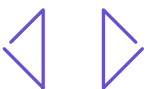
Organizations will have to re-assess and change their processes, including their entire front-to-risk IT architecture, to achieve alignment between front office and risk systems, deliver an exponential increase in computational power and be able to optimize capital and running costs. There are two different 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.

[Read more](#)

The Most Efficient Path to Compliance in Treasury and Capital Markets



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.



78%

Average capital markets IT spend on operations and maintenance in 2017

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



66%

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.

[Read more](#)



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.

[Read more](#)

Award winning solutions



The Asian Banker Technology Innovation Awards 2017

Best Treasury Management Project



FStech awards 2017

FusionFabric.cloud – Cloud Computing Innovation of the Year



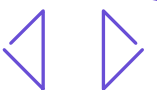
XCelent Functionality 2017

FRTB Category Leader for Advanced Technology and Features, Breadth of Coverage and Functionality, and Depth of client services



HFM European Hedge Fund Services Awards 2016

Winner: Best Portfolio Management Software Provider





Contact us

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today –spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers.

48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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