

Integrated Treasury and Risk Management



ABOUT

Defence Bank commenced operations in 1975 with the primary objective of assisting Australian Defence Force personnel to manage their money. They now operate 40 branches across Australia and offer financial services and products to not only the Defence Force but also the wider community. They have over 90,000 members and more than \$1.5 billion in assets under management, making them one of Australia's larger member-owned banks.

The Challenge

To improve the efficiency of the treasury function through automation of key activities and deliver a comprehensive reporting solution for treasury, risk and regulatory compliance. The Treasury and Finance teams are responsible for operations which span the management of daily liquidity as well as risk in the banking book arising from interest rate volatility. The combined use of spreadsheets and manual processes to manage the entire treasury function was proving challenging and ineffectual, leading Defence Bank to seek and implement a solution that would transform their operations and support the strategic direction of the business. Defence Bank also wanted to improve their strategic management of interest rate risk. Treasury wanted to leverage new technologies to support their strategic agenda and had very clear goals which supported their broader business objectives. The implementation of GTreasury brought significant changes in several key areas.

The Solution

GTreasury's asset liability management (ALM) solution provided them access to a full range of advanced risk analytics such as Value-at-Risk and Net Interest Income at Risk. These provide insight for management to make better strategic decisions. The team can now forecast the impact of various

KEY RESULTS

- Improved efficiency through removal of spreadsheets and automation of activities
- Improved control of daily liquidity activities
- Improved insight and management of interest rate risk
- Optimised and tailored reporting to meet stringent guidelines
- Commenced an Electronic Certificates of Deposits program

different assumptions based on changes to product balances, product margins and funding rates and visualise how various strategic decisions will impact the business. It also provides the ability to assess, undertake and maintain a hedging program. Importantly, it delivers a full suite of reports and disclosures required by regulatory bodies.

The Results

Automation & Integration

Defence Bank needed to readily access information from their financial market data provider and existing accounting system. GTreasury's ability to integrate with these existing systems ensured there was little disruption to such established processes. GL integration materially improved efficiency and reduced operational risk by eliminating manual intervention.

Audit and Controls

GTreasury monitors compliance within treasury limits and has improved control over daily actions. Users can now track all activity, respond to immediate concerns and foresee and alleviate potential issues. There is clear segregation of duties between front and back office which helps reduce the number of possible errors and conflicts between the two. The system is subject to ongoing auditing, guaranteeing that all key actions are tracked.

“Leveraging technology allows us to be proactive, supports our treasury goals both financial and procedural, and most importantly mitigates the risk that we encounter on a day to day basis.”

—Dean Barton, CFO, Defence Bank

Automation of deal workflows, trades and confirmations along with the segregation of duties means treasury now have tighter controls to monitor actions in each step of the work flow. If an error occurs, the system alerts the user who can take immediate action to rectify the issue. Additionally, introducing approvals steps within the transaction workflows provides greater control over the actions of the team.

In addition, GTreasury has delivered Defence Bank the tools to start its' Electronic Certificates of Deposits program for its wholesale funding requirements. Without the ability to capture the funding transactions and automatically generate contract notes, this would have been a very laborious manual process. It has now been streamlined.

Reporting

Regular reporting is a vital element of daily operations, providing insight into key activities, metrics and adherence to regulatory requirements. Comprehensive, tailored reporting is delivered, including combined reporting of investments, funding and ALM.

ABOUT GTREASURY

GTreasury's integrated TMS not only keeps pace with today's rapidly evolving enterprises, it surfaces the critical relationships between cash management and risk management. In this way, your treasury information becomes an invaluable driver of strategic business decisions.

For more information visit gtreasury.com



GTREASURY

the clarity to act