

Tech is Changing Finance & Treasury function and how we live with that

Sept, 2018

Tech is changing the way we do business, and the way we look at business from top management perspective



Business Model : Customer acquisition VS User acquisition



Business Targets : Maximizing single entity profits VS Value creation through collaboration, Ecosystem



KPI & performance measurement : Profit VS Valuation

...and the way we look at business, in turn drives the change in finance & treasury and also creates challenges & opportunities to audit



Business Life cycle is getting shorter and shorter:

- Winner takes it all. Life expectancy of companies is becoming shorter and shorter, going concern judgment more difficult
- Traditional capital budgeting is becoming more difficult



Cost & benefits analysis becoming more difficult :

- Traditional link between cost & return is weakened, and is becoming more invisible
- User acquisition as compared to customer acquisition
- Human beings add little value to traditional financial analysis, machines can do better
- What truly valuable is intelligence forecast, which can only be done by AI and deep learning



Big leap in speed & efficiency of operation :

- RPA enables more finance operations to be done without human beings
- Blockchain enables trackable evidence, creates both opportunities and challenges to internal & external audit

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...and the emergence of face & voice recognition and other tech applications, are all changing the way we do banking and finance, and it's happening



No-branch distribution network, No distribution staff
Full online and automation service, chatbot, AI customer service



Branch account opening, identity verification



Trade finance: No more documentation & verification checking needed

4

...features of Blockchain will improve efficiency & data integrity



Dis : Distributed Network



P : Permission

Co : Consensus



Distributed Ledger Technology



SC : Smart Contract

De : Decentralization



V : Value/ Asset

E : Encryption



O : Others

Real life examples

The future is now. Steps we took to cope with the change before it is too late



Step 1

Digitized + Standardize

Step 2

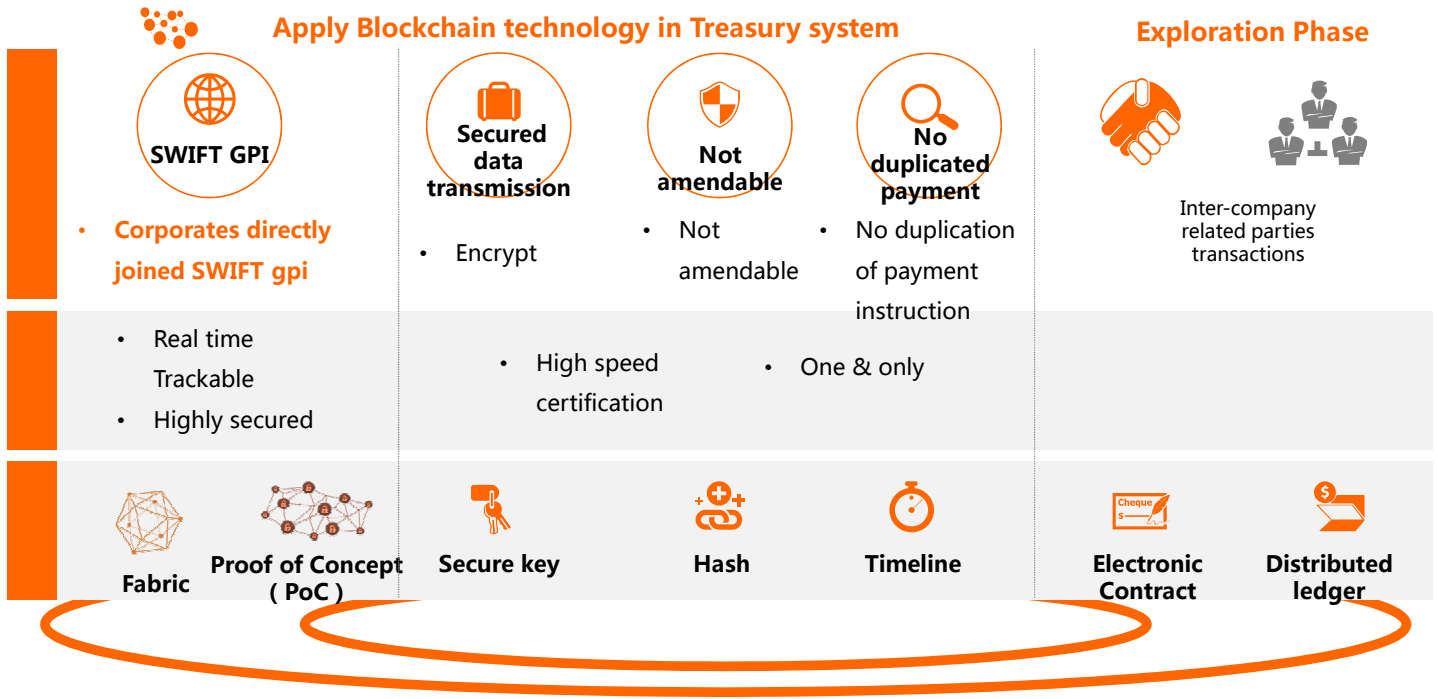
Centralised + Automation

Step 3

Reduce Operation headcount

Real life examples 1

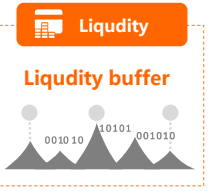
Our Treasury: 1st batch in the world SWIFT GPI, the only one in Asia



Real life examples 2

Treasury: Go Automation, Go Intelligence

Best Liquidity buffer level

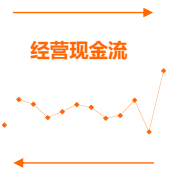


Liquidity
Liquidity buffer

Fully automated cash pooling from 7000 bank accounts

A.I. Dynamic estimation in best liquidity level

Cashflow forecast



经营现金流

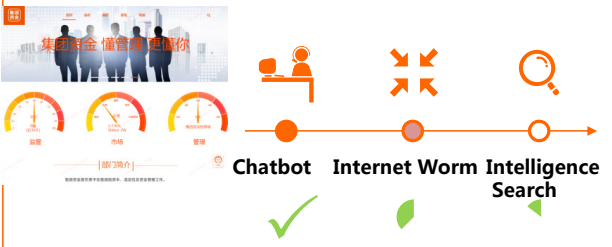
Automated Cashflow forecast

Market liquidity forecast



95%
人机预测 accuracy

Chatbot, Intelligence Search



Chatbot **Internet Worm** **Intelligence Search**

End result

More efficient, more intelligence, more time for valuable works



1st batch of corporates in the world applying SWIFT GPI



Human vs Machine



90% • Planning • Decision making + **10%**

10% • Exception Control + **90%**

2% • Off-site monitoring + **98%**

5% • Reconciliations & checking + **95%**



12 → 6 No of operation processes deduced by **50%**



7- 14days → 1day Cross border payment shorten

