

MicroMac

eDEAL

a centralized front-to-back-office
solution with straight through
processing for **cash**,
liquidity support and
risk management

eDeal: Treasury Management Solution

www.mmtvbd.com

MicroMac | Banking Solution Provider



Industry Overview

Any kind of financial activity involves a certain degree of risk and particularly, banks of modern era are engaged in various financial activities requiring them to put proper attention to every detail. Successful treasury operation depends on the ability to manage various risk encountered in the treasury operation.

From May 31, 2003, the Bangladesh Taka exchange rate was declared floating and the band of the central bank's US Dollar buying selling rate were withdrawn. To adapt to the changed environment, many banks established dealing rooms and some centralized their foreign exchange and money market activities under a single functional area.

Treasury departments often rely on separate systems in the front office, middle office and back office. This can result in data discrepancies and inefficiencies which directly impact the ability of the bank to understand enterprise risk, establish suitable controls and understand liquidity and risk in real-time.

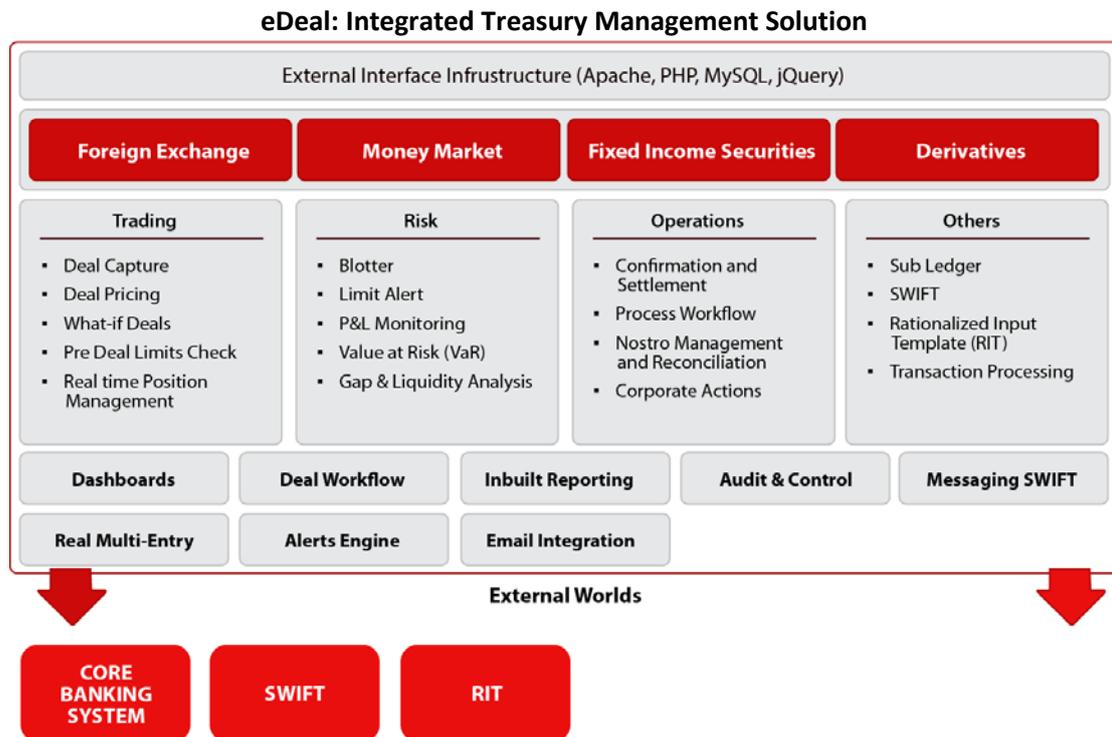
The Solution

MicroMac can help. MicroMac's eDeal is an integrated treasury solution addressing the complete treasury management requirements of banks. eDeal covers a wide range of products including foreign exchange, money market, government securities (bills & bonds), etc. and entire lifecycle of deal. It addresses the functionalities across the front office, mid office and back office of the treasury.

eDeal offers an end to end investment management and transaction processing system right from pre-deal analytics, order management, deal capture, position management, valuation, bank account management, reconciliation, etc. The solution also has a powerful risk management module for maintaining limits and exposures tracking for regulatory and internal compliance.

eDeal can help banks to forecast both known and projected cash flows based on real-time data as well as improve transparency with real-time risk and regulatory reporting

Functional Architecture



Key Modules

Foreign Exchange:

Support for foreign exchange includes FX Cash, FX Tom, FX Spot, FX Forward, FX Option and FX Swap. Risk for FX transaction can be decomposed by BDT for easier management of positions.

Money Markets:

The money market module supports over night (O/N) Lending, O/N Borrowing, Term Lending, Term Borrowing, OBU Lending and OBU Borrowing. Through this module amortization schedule can be managed, floating rates calculated and capitalized interest payments can be initiated.

Government Security:

This module covers Treasury Bills, Treasury Bonds, REPO and Reverse REPO. Through this module treasury bills and bonds calculator, interest accruals, revaluation and amortization can be managed.

Limit Management Module:

Counterparty and dealer limits can be entered and tracked in the system. Limits can be checked prior to trade entry to help manage treasury risk effectively. Dealers can request temporary, time based limit enhancements which need to be approved by designated middle office users.

Counter Party Module:

eDeal maintains counter party database, Standard Settlement Instructions (SSI) and bank accounts. SSIs are applied to deals entered into the system to automatically generate specific payment instructions. It is important that the corporate counter party's bank accounts are entered correctly for the settlements to be processed properly.

User Module:

eDeal has an extensive user module. Besides create/edit/delete users there will be option to set user privilege.

Transaction Processing Module:

Actual accounting entries will be passed away to the core software. eDeal has options to generate handoff files of entries that can be uploaded in the core system.

Rationalized Input Template (RIT) Module:

eDeal is capable to generate various RIT as per Bangladesh Bank requirements.

Key Benefits

Extensive Instrument Coverage:

Extensive instrument coverage across Foreign Exchange and Money Markets.

Efficient Front-Mid-Back Office Processing:

eDeal provides a centralized front-mid-back office solution with straight-through processing (STP) for cash, liquidity support and risk management.

Improved Risk Management:

A complete and accurate view of risk exposure improves risk management. Real-time limit management improves audit and compliance and counterparty risk.

Reduced Operational Costs:

eDeal covers all aspects of deal processing, including every workflow step from front to back office. The objective is to minimize expensive manual operations wherever possible and reduce the amount of human error through introducing automation.

Lower Level of IT Investment & TCO (Total Cost of Ownership):

eDeal has a simple and fast interface to integrate with any other system used by bank. eDeal allows users, belonging to different legal entities to work on a single system and database, with support for cross – entity consolidation of risk and standing data. This significantly lowers implementation costs and enables ease of centralized reporting for the bank.

Fast & Clear Reporting:

eDeal contains embedded reporting and analysis tools that generate accurate reports based on confirmed deals. Bank treasury operations and those on behalf of clients may be analyzed by almost any variable within eDeal, giving a complete view of treasury positions for compliance, performance and risk purposes.

Traders Happiness

Flexible Deal Entry Platform:

eDeal fully supports a wide breath of instruments and provides a highly intuitive user interface ensuring trade capture is an effortless activity with all blotters, positions, limits and other information displays updated in real-time.

Dynamic Dashboard:

Dealers can monitor deals and positions in real-time through highly configurable blotters. eDeal has separate blotters for Foreign Exchange and Money Market.

Limit Monitoring:

Limits can be checked prior to trade entry. Pre settlement, settlement, counterparty, intra-day, overnight and gap limits are supported to help manage treasury risk effectively.

Simulation and Scenario Analysis:

eDeal enables dealers to simulate and run scenarios and observe its effect on the underlying portfolio. This flexible scenario based analysis helps define risk provision and timely and accurate decision making.

Operations

Overview:

Complete deal entry from accounting and settlement to verification, confirmation and NOSTRO reconciliation. Powerful reporting tools are seamlessly integrated giving users up-to-date information.

Straight Through Processing:

eDeal provides full STP for all supported deal types from deal capture and pre-deal analysis to operations life cycle processing and settlement.

Deal Lifecycle:

Complete workflow for deal passing from the front office to back office is supported.

Operational Control:

eDeal's security and permission system allows tighter control over bank's operational risk. Users assigned to the role, or group, are granted those permissions assigned to the role. Users access only the data and functions they are permitted to.

Exception Management:

The integral exception management system of eDeal raises exceptions during events, such as when a deal is entered by a dealer and specified details for counterparty, comments, payment instructions. It can also raise exceptions for a counter party on the watch list and when the limit exceeds.

Static Data:

Users are able to load static data easily and update it on an ongoing basis. This includes counterparty, counterparty SSI, user identities, user permissions, branches, divisions, departments, nostros, etc.

Accounting:

Each accounting trade in eDeal is recorder in accordance with standards set by the bank. eDeal can generate voucher for FX, money market, OBU and treasury bills & bonds trades.

Dashboard and Blotters:

Users can monitor deals, positions and Nostro movements through highly configurable blotters. Users can undertake most operations on the deals from the deal blotter itself.

Reporting:

eDeal contains embedded reporting and analysis tools that generate accurate reports. Besides a wide range of MIS reporting it covers all compliance reports of Bangladesh Bank. Formats such as PDF, EXCEL and HTML are supported.

Messaging Framework:

Powerful messaging framework of eDeal enables complete STP for settlement and confirmation messages over SWIFT gateway.

Risk Modeling

Prudent risk management requires that a corporate treasurer has a holistic view of market risk (i.e. interest rate, credit, foreign exchange, and interpolated market risk) across the bank. The ability to monitor trading credit limits, calculate market prices and sensitivities, and perform portfolio monitoring is essential.

eDeal is an integrated dealer desktop that combines market risk management and performance measurement capabilities across all the positions that the treasury department manages. The solution provides for tighter controls, efficiency enhancements and improved reporting.

Features:

- Holistic view of risk
- Dealer desktop
- Performance measurement and benchmarking
- Liquidity risk, market risk, credit risk (pre and post trade)
- Settlement and cash management
- Position management and valuation
- Scenario analysis
- Interpolated market yield analysis

Benefits:

- Achieve a consolidated view of risk across the organization
- Improve data transparency to support decision making
- Automatic notification of risk alerts such as limit breaches
- Centralized view of cash flows across the organization

eDeal – at a Glance

- Interface to automated dealing systems, deals pass through seamlessly to the back office for processing
- Dealer and counter party Real-time limit checking
- Customizable deal blotter and deal locator
- Fast, dealer-oriented input screens with intelligent defaulting and cross-validation
- Review, Approve/Verify, Display, Cancel
- Rate Fixing, Early Redemption, Rollover, Cancellation
- Full range of dealer, currency, deal and credit limits for STP
- Real-time market positions and online dealer PL
- Online revaluation of foreign currency positions using market rates
- Continuous Linked Settlement (CLS) functionality, including specifying counterparties and currency pairs
- Zero-coupon curve construction from multiple asset market rates
- Interest gap analysis, cash flows, etc.
- Full reporting capability including Bangladesh Bank specific regulatory reports
- Encrypted passwords for database security, flexible user authorization setup
- Ability to define term rates, overnight rates, internal rates, fixing rates and zero coupon rates
- Ability to define term rates, inter office rates, overnight rates, internal rates, charges, fixing rates and zero coupon rates
- Treasury bills and bonds calculator, interest accruals, revaluation and amortization

Reporting

eDeal's reporting tools are ranked among the most intuitive and easy to use in the industry. Some of the reports generated by eDeal are:

Foreign Exchange (FX):

- Foreign Exchange Deal Slip
- Cross-Border FX Deal Confirmation
- MT 300 Local
- Foreign Exchange Deal Confirmation
- Fund Transfer Instruction
- Debit/Credit Voucher
- Daily Inter-Bank Foreign Exchange Report
- List of Inter-Bank SPOT Transaction
- List of Cross Border Transaction
- List of Inter-Bank Outright Forward Transaction
- List of Outright Forward Transaction to Customer
- Forwarding for Inter-Bank Transaction
- Cheque
- Draft
- Forwarding FX Position
- Contingent Entry Voucher
- Contingent Entry Reversal Voucher
- Cash Dollar Sale Voucher
- Voucher for Corporate FX Deal

Money Market (MM):

- Money Market Deal Slip
- Money Receipt
- Term Deposit Receipt
- Tax Deduction Certificate
- Daily Work Sheet
- Statement of Call Money Transaction
- Government Securities Transfer Confirmation Form (REPO)
- Government Securities Purchase Confirmation Form (Reverse REPO)
- Cheque
- Call Lending Voucher (New)
- Call Received Voucher (INTPAY, ADJUST, FULL)
- Borrowing Voucher (New)
- Borrowing Paid Voucher (INTPAY, ADJUST, FULL)
- REPO Voucher (New)
- REPO Payment Voucher (Maturity)
- Reverse REPO Voucher (New)
- Reverse REPO Payment Voucher (Maturity)
- Term/FDR Lending Voucher (New)
- Term/FDR Received Voucher (Maturity)
- Term/FDR Borrowing Voucher (New)
- Term/FDR Borrowing Payment Voucher (Maturity)
- NRB Voucher
- TT Voucher
- Weekly Balance Report
- Money Market Operation (Daily, Monthly, Yearly)
- Term Lending Provision
- Term Borrowing Provision
- Call Lending Provision
- Call Borrowing Provision
- ALS (REPO) Voucher
- ALS (REPO) Deal Confirmation

Offshore Banking Unit (OBU):

- OBU Deal Slip
- OBU Deal Confirmation
- OBU 320 (RENEWAL)
- OBU 320 (NEW)
- OBU 202 (SETTLEMENT)
- OBU Fresh Borrowing Voucher
- OBU Settlement Voucher
- OBU Month End Voucher
- Fund Transfer MT202
- Fund Transfer Voucher
- Fund Transfer (Not Bangladesh Bank) MT 200

Fund Transfer:

- Fund Transfer (MT202) Instructions (Except ACU)
- Fund Transfer (MT202) Instructions (ACU)
- Fund Transfer (MT200 Other Bank) Instructions (ACU)
- Fund Transfer (Cr. Party B. Bank) msg. (Except ACU)
- Fund Transfer (Cr. Party B. Bank) msg. (ACU)
- Fund Transfer (Dr. Party B. Bank) msg. (Except ACU)
- Fund Transfer (Dr. Party B. Bank) msg. (ACU)
- Fund Transfer Debit Credit Voucher

Government Securities (Treasury Bills & Bonds):

- Deal Slip
- Purchase New BB
- Buy Confirmation
- Sale New BB
- Sale Confirmation
- DB – 5D (For buy)
- Daily Bangladesh Bank Statement
- Bond & Bill (Revaluation)
- Bond & Bill (Amortization)
- Tenor/Maturity wise Break-up Report
- AFS Calculation
- Statement DV5-rv
- Statement DV5-5d (C)
- Statement DV5-5p (C)
- Statement DV5-5rp (C)
- Voucher (Buy & Sale)
- Voucher (Coupon Provision, Coupon Maturity, Amortization, Revaluation, Bill/Bond Maturity, REPO and Reverse REPO at value and maturity date)

Others:

- Risk Report
- After Hour Deal Report
- Counter Party Limits for FX Deal
- Foreign Exchange Market Activities (Trading Deal)
- Foreign Exchange Market Activities (Funding Deal)
- Deleted Deal for Foreign Exchange
- Deleted Deal for Money Market
- Deleted Deal for OBU
- Deleted Deal for Treasury Bills and Bonds

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