

CASE STUDY

G-SIB achieves global inventory optimization with centralized funding platform

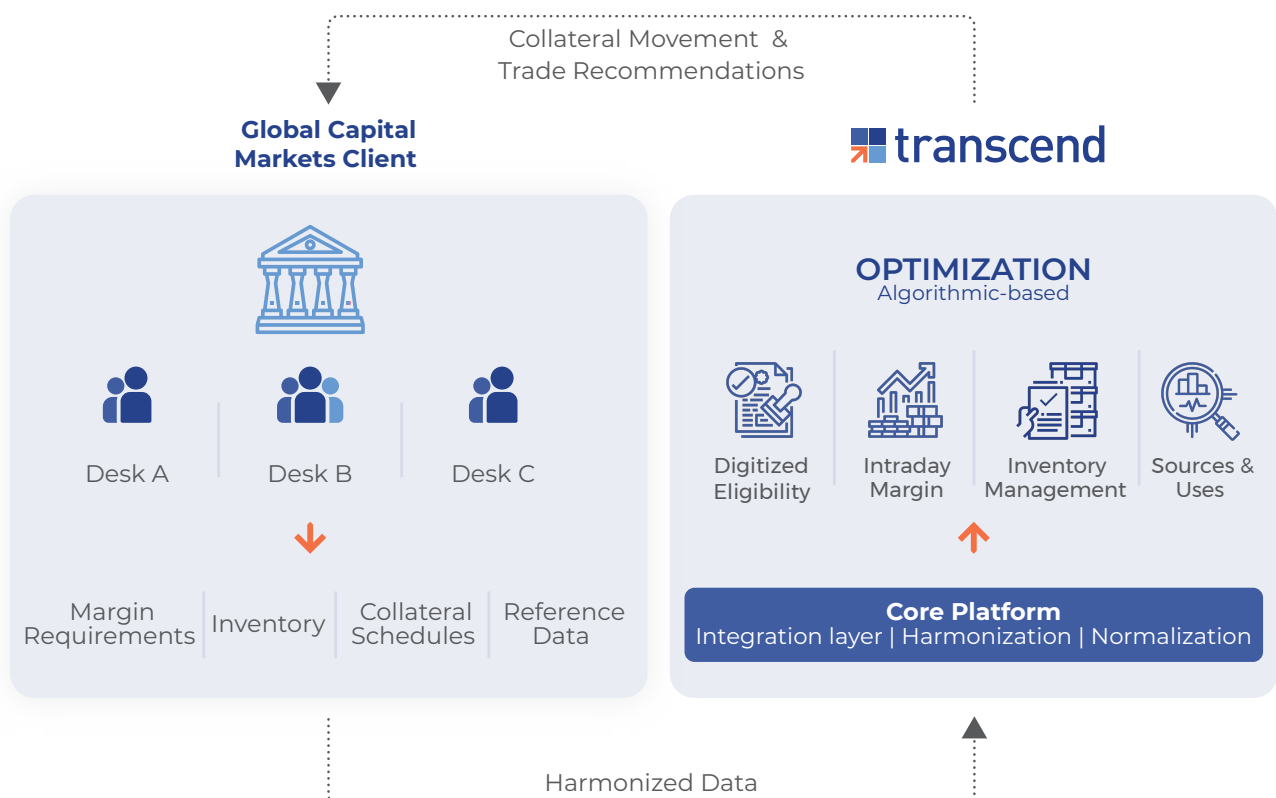
Summary

A global, US-based bank recognized the opportunity to improve and coordinate collateral management and funding processes across business areas to drive better firm-wide benefits. To increase efficiencies, and reduce funding costs and compliance risk, the firm pursued a centralized funding and collateral optimization strategy. To realize these strategic goals, they turned to the modular solutions and expertise from Transcend.

Business Challenge

- Business units lacked visibility and access to each other's collateral and eligibility data, thus unable to coordinate superior funding opportunities and inventory optimization
- Difficulty in tracking actual sources and uses of collateral across businesses lines made allocation decisions challenging
- Inefficient operational processes were manually intensive and increased execution risk

Given these challenges and the regulatory and market pressures, it was time to rethink the firm's approach and develop a centralized funding and collateral strategy. Internal development would be a huge undertaking, and come with higher costs and coordination challenges. Thus, the team chose a holistic, enterprise-wide solution to complement, not disrupt, their existing technology and infrastructure.



The Transcend Solution

The bank selected Transcend to integrate modules—Inventory Management, Digitized Eligibility, Intraday Margin, Sources and Uses, and Collateral Optimization—to power better economic decisions and automate workflows with some clear objectives:



Optimizing the firm's global inventory in one place



Deploying smart algorithms to drive collateral and trade allocations, maximizing financial resources and streamlining operational capacity



Consolidating collateral, agreements, schedules, trades, reference data and more in real-time for all users, from front-to-back office

Key Benefits

The Transcend solution empowered the entire team, from front-to-back and across businesses, with advanced capabilities, including:

- ✓ Substantially reducing overall collateral funding costs
- ✓ Managing the firm's securities assets and algorithm-driven workflows in ONE place
- ✓ Tracking collateral sources against uses to coordinate funding decisions, and allocating costs accurately to analyze efficiency of resources
- ✓ Better upgrade/downgrade decisions through Transcend's "transformation services" to ensure use of the cheapest-to-deliver collateral
- ✓ Streamlining compliant RRP reporting with harmonized data



Linking sources and uses of collateral is driving better, more coordinated allocation and funding decisions across the firm, which in turn is increasing liquidity.

Results

The global bank reduced costs and increased liquidity through its centralized optimization strategy. It will gain further ROI as it scales scope and capabilities.

The firm has gained new insights and automated functions—saving valuable staff time, improving collateral decisions and reducing costs. Buying vs. building a holistic, centralized solution helped align the organization with the strategic objectives and deploy an advanced, scalable framework to execute the program better, cheaper and faster.



Transcend provides modular technology that works seamlessly with existing infrastructure to resolve collateral, funding and liquidity optimization challenges.



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ABOUT TRANSCEND

Transcend is a leading provider of optimization solutions for collateralized businesses. With a growing roster of world-class banks and other financial institutions as clients, the firm is poised to become the gold standard for the real-time, firm-wide management of inventory, funding and liquidity. With more than 75 employees globally, Transcend addresses an array of regulatory and capital challenges that are facing the industry with a user-friendly, SaaS-based or on-prem collateral and liquidity management platform.