

Treasury shown in a new light PwC Global Treasury Survey 2014

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Asian Corporate Treasury survey findings in line with global trends

Singapore, 16 October 2014 - The treasury function is changing, raising some pressing questions about companies' organisational structure, treasury

reporting and systems, oversight and control.

PwC's *'Treasury shown in a new light: 2014 global treasury survey'* looks at how, in the years following the financial crisis, treasury teams have increased their impact across the organisation – getting closer to the business operations and allowing them to move on from the historical transactional focus on producing data, to bring more value-added insight into the risks facing the business. The survey findings support the need for redefining 'treasury' as an enterprise wide process and no longer as a department.

Chen Voon Hoe, PwC, Accounting Advisory, Reporting and Corporate Treasury Lead, PwC Singapore says:

“The direct crisis management actions that treasurers took in the first few years after the crisis have now been replaced by a focus on sustainable solutions that integrate with systems and processes across the organisation. Today, we see a corporate treasury profession that's maturing and consolidating its role as the custodian of financial and liquidity risk management.

“The findings from this survey are in line with those from a similar survey we embarked on earlier this year that focused on [Corporate Treasuries in Asia](#).”

The topics and challenges discussed in this survey clearly call upon CFOs and treasurers to take a fresh, strategic look at treasury and its integration with the wider finance function to:

- evaluate the current operating model for treasury
- assess the business case for transformation, and
- review the options for systems integration and leverage the investments already made in the corporate strategy.

Key themes revealed by the survey include:

- ***Wider responsibilities across the enterprise require a review of the Operating Model for treasury***

Treasurers are getting more deeply involved in processes outside their department including: working capital management payment processing, commodity risk management and exposure discovery. As a consequence, and in order to remain effective, treasury requires a revised Target Operating Model.

- ***Treasury Reporting demand from senior management requires more systems integration***

With finance and liquidity in the spotlight of senior management, treasury reporting requirements are more demanding than ever. Treasury reporting is becoming a big data challenge (a 3V play: Volume, Velocity and Variety) and requires data integration across Enterprise Resource Planning, Treasury Management Systems and banking in (near) real time. This reporting demand forces treasurers to rethink treasury and payment processes as part of a revised Target Operating Model.

- ***Less than 40% of treasury reporting includes information on KPIs***

While most treasury reporting packages cover traditional treasury activities like funding, risk management, cash management and counterparty risk, less than half (40%) report against (pre)defined KPIs. Far fewer reporting packages include information on working capital management (50%) and operational risk (41%) and, if they are included, encompassing KPIs on these areas is not commonplace (23% and 13% respectively).

- ***Alternative sources of funding are growing in importance but are by no means replacing traditional forms of funding***

Compared to our last Global Treasury Survey in 2010, alternative sources of funding, including supply chain finance solutions, are now used by twice as many organisations (19%). Whereas pricing is a key criterion for selecting funding (87%), refinancing risk is less so (61%). This may become a point of contention in the coming years when new regulations like Basel III will impact the availability and pricing of traditional (bank) funding. Supply chain finance solutions therefore are bound to take a more prominent role.

The findings of the survey are based on information collected from 110 companies that participated in PwC's Global Benchmarking Tool, which

allows companies to compare their treasury strategy and operations anonymously with those of similar organisations around the world. The interviews were held between June and September 2014.

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Notes to editors:

To view the report, click [here](#) or visit pwc.com/corporatetreasury. To view the Asian Corporate Treasury survey titled [Transforming challenges into opportunities](#), please visit <http://www.pwc.com/sg/en/risk-assurance/corporate-treasury-solutions.jhtml>

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