



OneConnect Financial
Technology Co., Ltd.

Funds Transfer Pricing (FTP) Platform

Funds transfer pricing (FTP) is vital to commercial banks and financial institutions. It helps management to understand the profitability of their products, and analyse customer behaviour and business operations.

Regulators, on the other hand, want banks to demonstrate how their FTP frameworks are aligned to the best practices for liquidity management.

OneConnect FTP Platform provides you with the right foundation to extract more value from FTP. Now you can position your financial institution for success while ensuring that your organisation keeps up with the latest regulatory requirements.

Features



System Management

- User management
- Role management



Public Parameters

- Dimension management
- Curve management
- Reserve management
- Data management
- Query of pricing results



Funds Transfer Pricing

- Data import
- Rule configuration
- Pricing execution



Reporting Platform

- Present FTP analysis based on different D&L term structures, institutions, subjects and products.

Why use OneConnect FTP Platform?



User-Friendly Visual Interface

The user-friendly visual interface makes configuring the platform a breeze. All configuration processes are concisely presented and aligned with product pricing. You can also use the platform to assess and improve current settings.



Multiple data import modes

Conventionally, banking data is uploaded by the mechanism of Extract-Transform-Load (ETL). However, for banks whose amount of data is relatively small and not equipped with ETL, OneConnect has also developed a basic data import interface which is independent of ETL. Upload and import data with just a few simple steps with our FTP platform that comes with preset configurations for data quality inspection. Now you can minimise the layers of data mart required and enhance the data flow procedures to improve your work efficiency.



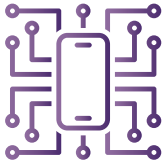
Flexible and Automated Processes

Our pricing model automatically sorts the imported data into corresponding business units. A sub item can be set to inherit the pricing rule of the main item, and the pricing rules can also be flexibly adjusted to meet the requirement of new businesses.



Adjustment Options

The platform supports reserve adjustments to accurately reflect the true value of funds from the risk management perspective. You can configure parameters such as item and product types, credit terms and account types; or make flexible adjustments of transfer pricing easily in accordance with organisational policies.



Tailored for you to achieve digital transformation

Our time-saving, cost-effective and user-friendly FTP platform is the best choice for those who are looking to transform your business through digitalisation. With preset standard pricing rules and report templates, you can present FTP analysis based on different D&L term structures and products.

Our FTP solution applies perfectly to the scenarios below:

Optimise pricing curves

Based on the analysis of the bank's FTP spreads, the system optimises and adjusts the pricing curves to make the FTP price of your businesses more accurate and reasonable.

Operational Analysis

Generate multi-dimensional reports (such as organisation-level or product-level reports) that include data consolidation and analysis, to offer insights into the bank's operations and guide decision-making.

Budgeting and Performance Appraisal

Set budget plans and performance indicators on the basis of FTP profits, appraise performance of business units according to their degree of completing the preset business objectives.

Simulated Calculation of Pricing

Conduct simulated calculations for specific business deals, and generate prices on the customer side based on FTP to enhance the bank's profitability.

We have worked with banks all over China on 160+ FTP projects.

Joint Stock Banks



- Adopt a pricing model fully based on the bank's asset and liability to minimise maturity mismatch.
- Connect to real-time systems and improve pricing engine through R&D to generate daily pricing.
- Create multiple yield curves and match different businesses to corresponding yield curves.
- Develop a holistic risk adjustment approach, covering interest rate risk, liquidity risk, and exchange rate risk.

Other Similar Use Cases



Policy Banks



中国进出口银行
THE EXPORT-IMPORT BANK OF CHINA

- Create a yield curve suitable for policy banks, including renminbi and foreign currency yield curves.
- Use the system to automatically select the corresponding algorithm based on product type.
- Supports data import for FTP calculations, including calculations for special transaction categories.
- Enable online publication and calculation of FTP prices.
- Data shared conveniently and flexibly to facilitate analysis by external parties.

Other Similar Use Cases



中国农业发展银行
AGRICULTURAL DEVELOPMENT BANK OF CHINA

State-Owned Banks



中国邮政储蓄银行
POSTAL SAVINGS BANK OF CHINA

- Build a financial data processing module that complies with the bank's asset and liability management system by combining market, business and general ledger data, model parameters, situation analysis and interest rate scenarios, cash flow models, deposit rate analysis, and customer behaviour analysis.
- Make use of the four major features: operational analysis, simulation of projected earnings, interest rate risk sensitivity test, and customer behaviour modeling to produce fast and accurate data reports. This enables the bank to make more efficient daily analyses and enhance its decision-making capabilities while meeting regulatory requirements.
- Adopt internationally recognised advanced pricing methodologies, profit management theories, and risk control theories and benefit from the latest data processing solution that uses multi-layer software architecture, parallel computing technology, centralised data storage, and cluster deployment technology to integrate data. With these powerful tools, the bank can form a business development plan for the next 3-5 years of growth.
- Connect with up to 21 systems in the bank through the data sharing platform, and process up to 230 million pieces of data per day for FTP accounting.

Digital Banks



We've provided WeBank with a full range of services on consulting, system optimisations and implementation since 2016, which include ALM, management accounting and FTP. With our help, Webank has constructed a management accounting system with a revamped data platform and metering engine (based on their own data platform), which aids robust performance management and achieve automation.

Pain points

- ◆ With the rapid increase in transactions, Webank has to manage a large amount of data. Traditional data processing methods which rely on manual work are outdated, especially when dealing with internal pricing basing on transaction-level data. The bank urgently needed to advance to the next phase of digital transformation.
- ◆ In contrast to traditional counterparts which rely largely on inter-bank cooperation, Webank is more sensitive to fluctuations in market interest rates.
- ◆ The management of Webank's assets and liabilities, liquidity and internal pricing has become more complex and vulnerable to risks, due to the rapid pace of business expansion.
- ◆ Webank's businesses are more flexible compared to traditional banks and uses a unique mode for liquidity and interest rate risk management expansion.

Goals

Business Performance Management

- ◆ Establish an equitable and reasonable internal funds pricing mechanism that is in line with the market.
- ◆ Transfer interest rate risk and maintain the stability of spread income of business units.
- ◆ Evaluate the profitability of products to support Webank's pricing decisions.
- ◆ Increase spread income via performance incentives and performance appraisal of different business units.

Strategy execution

- ◆ Support asset and liability management, improve the efficiency of funds allocation, and reduce the costs of financing to control risks.
- ◆ Implement ALM strategies via pricing adjustments and the strategic use of resources.

Functions

Key system functions

- ◆ Daily pricing, pricing management and monitoring
- ◆ Configuration of pricing parameters, rules and curves
- ◆ System management and control
- ◆ Simulated real-time pricing calculation
- ◆ Generate FTP reports

IT capabilities

- ◆ Able to run daily FTP on hundreds of millions of accounts and handle tens of millions of transactions.
- ◆ Non-IOE architecture, offers users full control over the technology.
- ◆ Calculate pricing using distributed computing engine.

Support external management

- ◆ FTP budgeting: Forecast profits of products based on FTP costs and funds.
- ◆ Include FTP cost and income into general ledger system for accounting.
- ◆ External pricing: pricing of products on the customer side.

Other similar use cases



Urban and rural commercial banks



Data Protection & Privacy

OneConnect will work closely with you to ensure your firm stays compliant with applicable data protection and privacy laws throughout our engagement with you. We will take care to ensure we fulfil our obligations as a data intermediary to protect your data accordingly.

Visit www.ocft.com.sg or email us at pub_yztmarketing@ocft.com

