

Creating integrated asset and liability management solutions



BBD has an 11-year history with a treasury service, appointed in 2007 to develop and implement an integrated asset and liability management system for managing government cash, domestic and foreign public debt.

Objectives

- › Provide a secure and integrated asset and liability management solution
- › Manage government's debt
- › Administer government's daily expenditure and revenue
- › Manage daily cash liquidity of government's investment portfolio

Benefits

- › Integration and automation between financial institutions
- › Multi-level authorisation for financial transactions
- › Automated bank reconciliation
- › Correspondence generation for investors
- › Automated banking details verification with banks
- › Automated RICA and FICA verification
- › Management of the Government Employee Housing Scheme (GEHS)

Overview of the solution

South Africa's economic and fiscal policy development is driven by the Ministry of Finance. Within this, National Treasury handles the co-ordination of intergovernmental financial relations, manages the budget preparation process and exercises control over the implementation of the annual national budget, including any adjustment budgets.

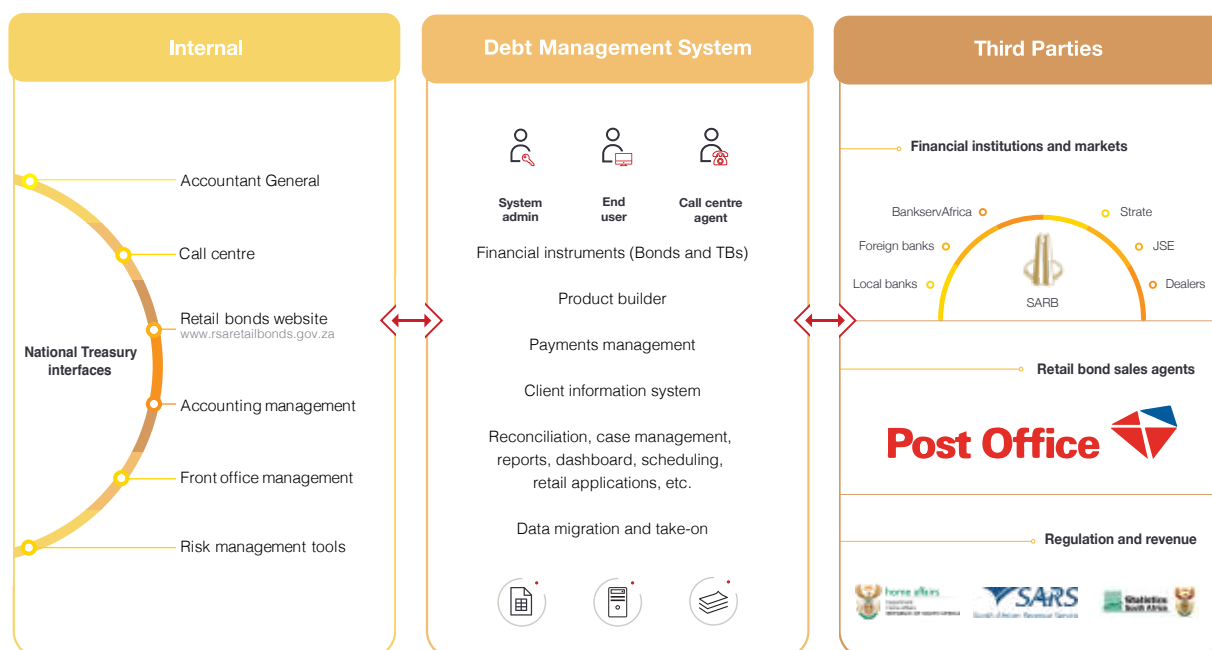
The Asset and Liability Management (ALM) division is a unit within National Treasury. Their strategic objective is to manage government's financial asset and liability portfolio in a way that ensures prudent cash management, asset restructuring, financial management and optimal management of the state's domestic and foreign debt.

To ensure the above objective is met, a strategic project was established in 2007, with the primary goal being to provide a fully secure and integrated ALM solution. This solution would manage government's debt, administer government's daily expenditure and revenue, while managing the daily cash liquidity of government's investment portfolio. The management of the Government Employee Housing Scheme (GEHS), a benefit that offers housing access support services to government employees, also falls within this solution.

BBD was brought onboard to roll out this project over a decade ago and has become a long-standing partner of this client.



Core module and interface



Challenges

The previous static environment of the treasury service meant that processes were manual and uncoordinated, resulting in siloed operations within the department and across stakeholders. The department expressed a need to have a financial instrument manager for the scheduling of future government obligations such as loan repayments, redemptions of debt, interest payments and fees, and to reduce time spent on manual processes.

BBD's expert skills and knowledge were brought to bear to ensure the ALM system was implemented and could perform tasks such as:

- › Authorisation of financial transactions by multiple resources
- › Manual bank reconciliation
- › Generating reports and sending correspondence to investors
- › RICA, FICA and bank detail verifications

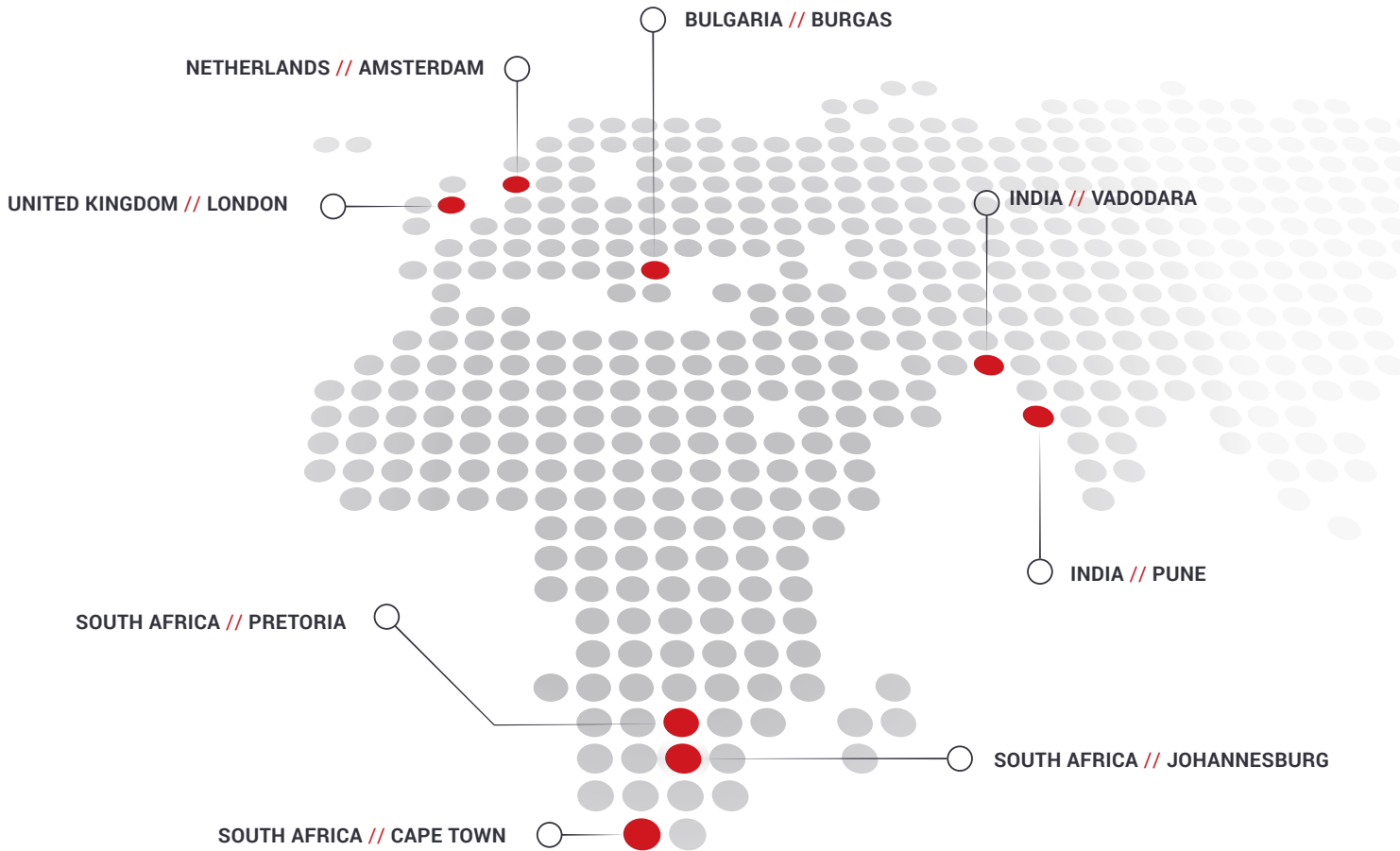
Impact of BBD's partnership

We have been able to assist the client realise their vision and mission, underpinned by these four important pillars, which impact each and every citizen:

- › Promote economic growth and employment
- › Reduce poverty
- › Ensure good governance and accountability
- › Promote optimal allocation and utilisation of state financial resources


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