

Treasury Checkup

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About ID

We are a specialized management consulting company for banks and microfinance institutions (MFIs) operating in developing countries and emerging markets.

Founded in 2014 by former senior executives with bank and holding company experience.

Team: 50+ permanent staff.

Central office located in Frankfurt, with regional teams on three continents.

SERVICE DIVISIONS



Investments &
Restructurings



Management
Services



Advisory
Services



Advisory Services - Areas



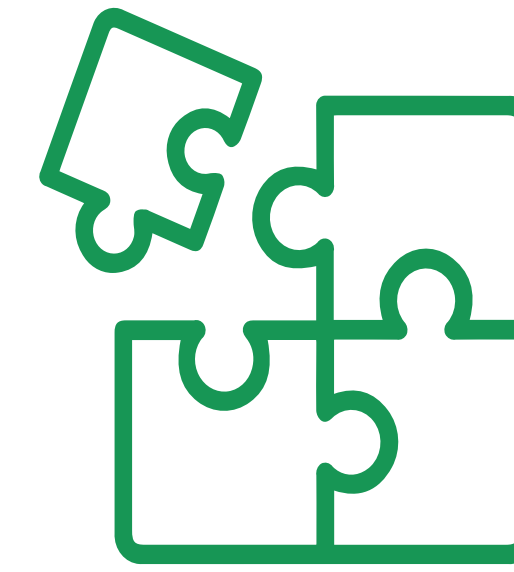
Finance
Management & IFRS



Credit &
Underwriting



Risk
Management



Processes Efficiency &
Digitalization



Strategy

The Problem

1

Leaving Money on the Table

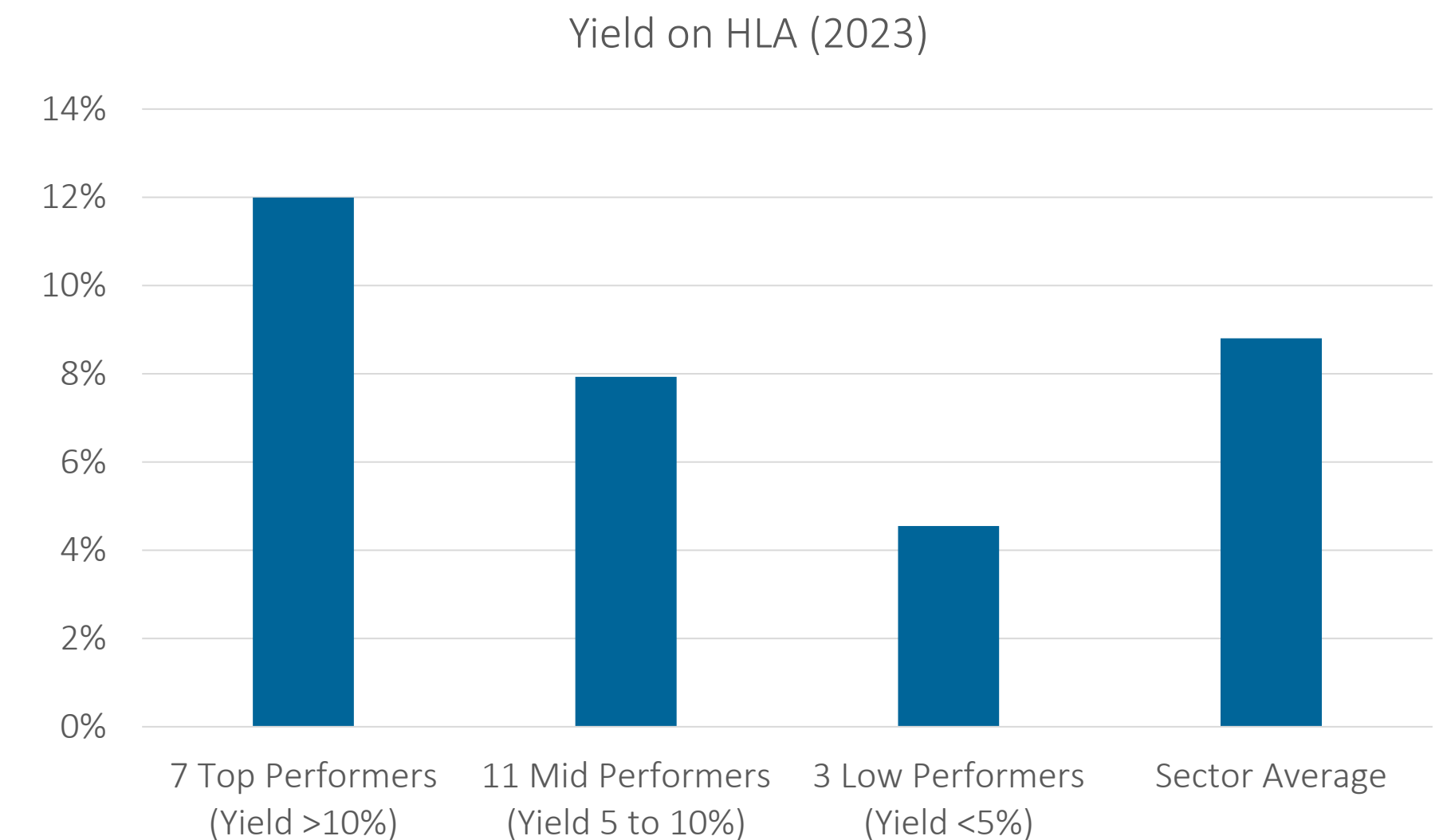
Some Treasury departments invest liquidity too cautiously and don't realize the financial gains they could.

Example: In the Kazakh banking sector...

Banks either leave liquid assets on the account or invest – typically in T-Bills or similar

Different investment policies lead to banks earning from 4%-12% on their Liquid Assets

Significant potential for optimizing earnings



The Problem

2

Blowing it on Revaluation

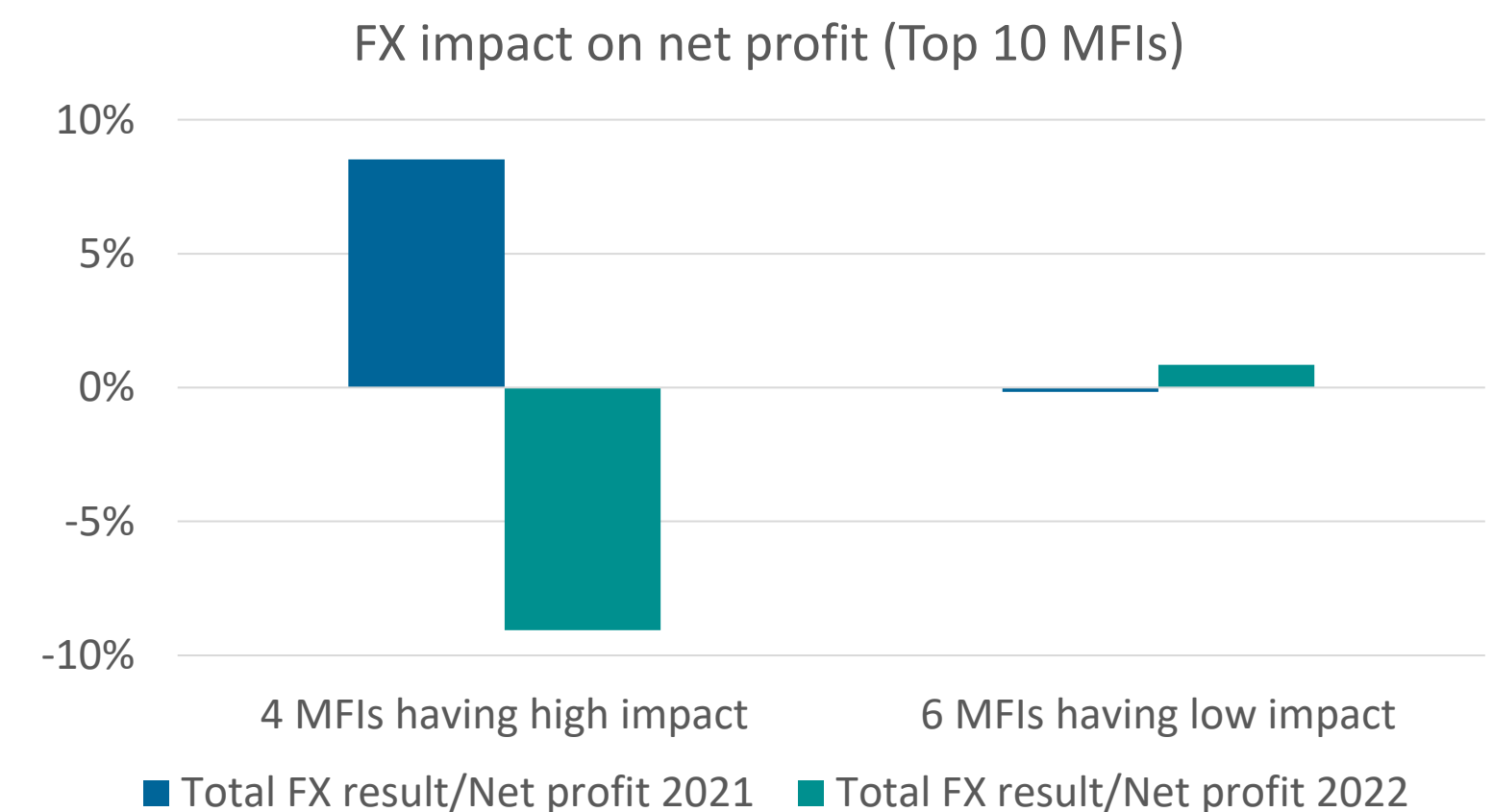
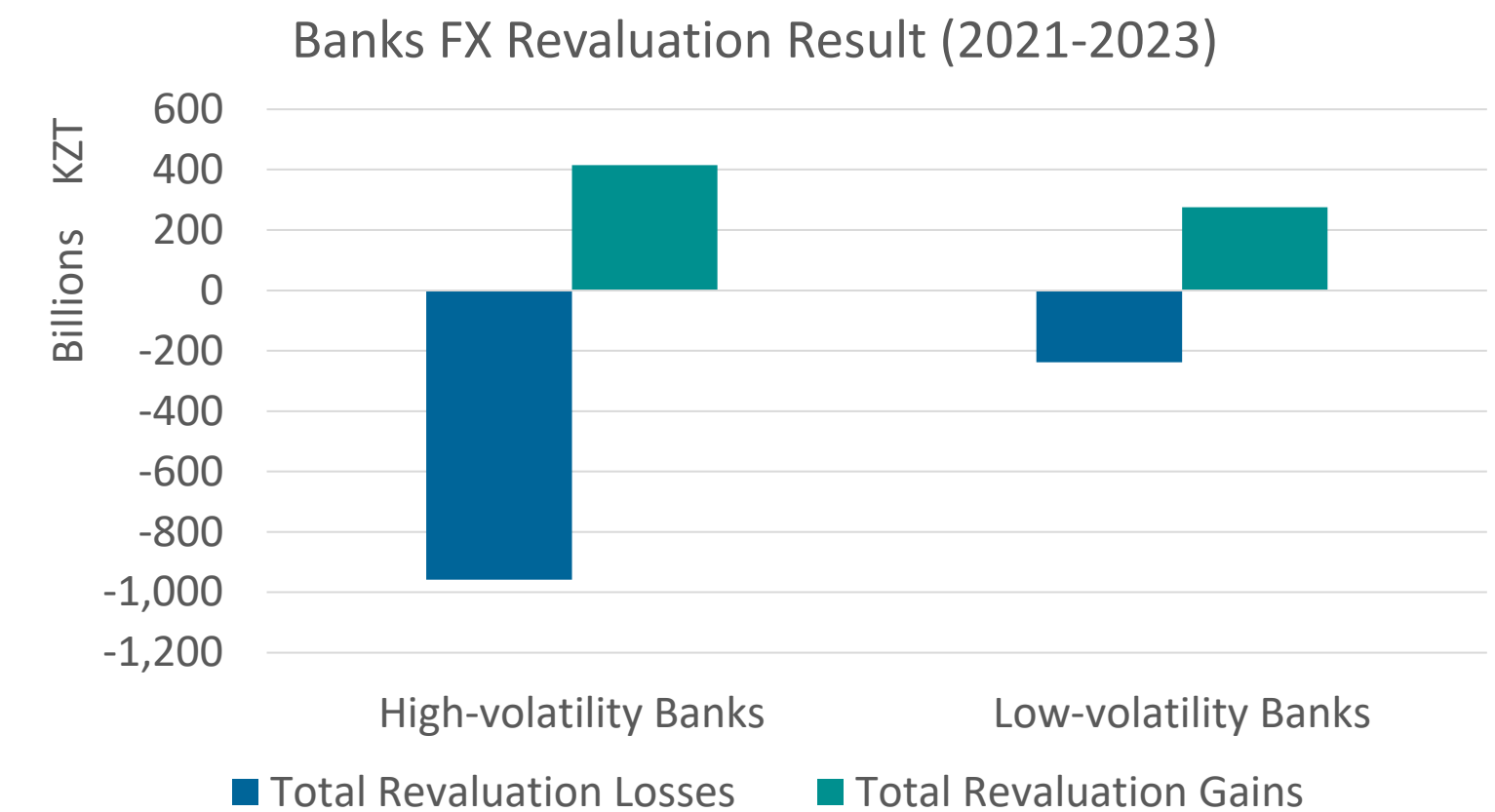
Volatile trading results: Good Treasury earnings from trading with customers but big parts of it are lost to frequent revaluation of open currency positions.

Example: In the Kazakh financial sector...

10 high-volatility: banks have revaluations losses in more than half of the last 36 months

4 of the top 10 MFIs show dramatic FX gains or losses – despite not trading with customers

Significant potential for stabilizing earnings and reducing FX losses



The Problem



3

Focus on Transactions, not Clients

Many Treasury departments see themselves as a technical, back-office function and do not focus on client needs



Exchange rates and margins are not adjusted in relation to the overall client relationship

Lack of products that need client needs for risk management and predictability – beyond currency exchange

Processes can be slow and unpleasant from the client perspective

ID Solutions: ALM as a Profit Driver



An analysis of the income and loss from treasury activities can examine:

Is the liquidity planning well-founded with a transparent model? Is there a clear understanding of “excess liquidity” – and if that excess liquidity is fully and efficiently placed – minimizing cash and other non-yielding assets.

Do client transactions ensure a reasonable profit margin?

Key features

**Individual
assessment to fit the
bank’s business
model**

**Development of
analytical tools**

**Practical
recommendations**



ID Solutions: Client Focus



Many clients need currency exchange from time to time. But for some clients, Treasury-related activities may be crucial – this could mean they need special exchange rates with a lower, pre-agreed margin, or they may swaps or forwards as risk management instruments.

Understanding and meeting these client needs requires close cooperation with the business department and is a key driver of success.

Key features

Clarifying client needs

Product Development

Process development and implementation support



ID Solutions: Risk and Control



ID can map and diagnose current treasury processes to assess – are the relevant control points in place? And do the controls function in practice?

Is there a clearly separated treasury back office? Do they effectively control counterparty and position limits?

This includes an assessment of the reporting to the ALCO or other responsible committee and their decision-making.

Key features

**Benchmarking
against international
best practice**

**Reduction of
operational / fraud
risk**



Meet the Team



**Asmus
Rotne**

Managing Partner

Asmus Co-heads the Advisory services division at ID and develops strategies for banks. He has a background as CEO of several MSME banks in Eastern Europe.



**Svetlana
Tolmacheva**

Senior Banker

Svetlana delivers results in boosting institutional financial performance by optimizing processes and cost and enhancing efficiency. She is also a former bank CEO and CFO.



**Ana
Khvtisiashvili**

Principal Banker

Ana uses her strong technical skills to develop financial models for banks to optimize their financial risk management.



**David
Demetradze**

Principal Banker

David uses his practical experience running a treasury department of an MSME Bank to help financial institutions develop products, improve profitability and meet the demands of their clients.

ID Experience

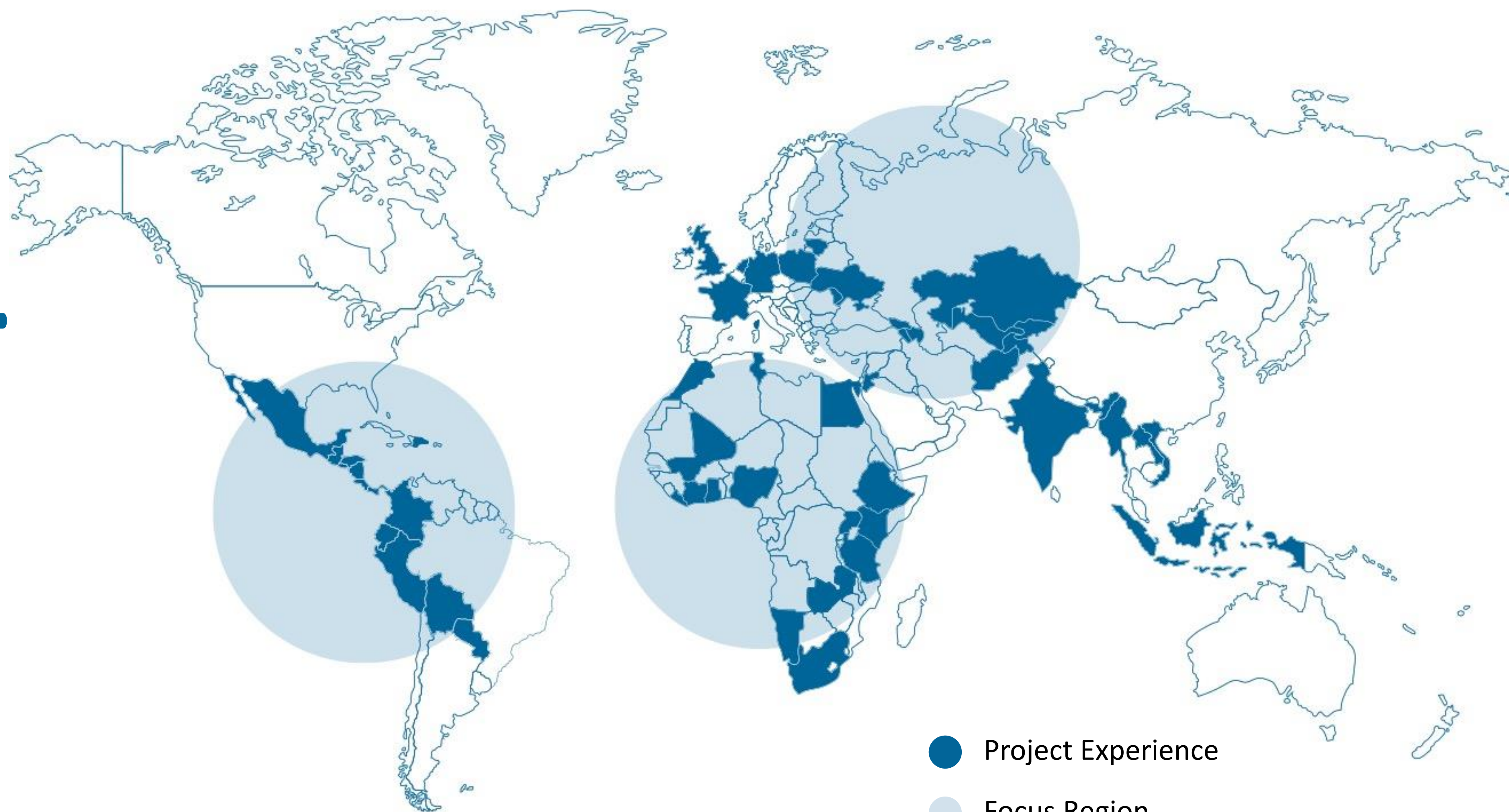


300+

projects realized in

55

countries



● Project Experience

● Focus Region

Our Results



Eskhata Bank, Tajikistan

Implementation of ALCO and Risk committees, development of Risk Management Framework. Separation of duties in the lending process with dedicated business and risk analysts.

“ID brought in new ideas from other markets and helped us to develop a good balance between risk and business”

Akmaljon Saifidinov, CEO



Crystal MFO, Georgia

Gap analysis of the risk management function in preparation for bank transformation, training, development of risk management framework and tools.

“We got a clear assessment – and with the training and policies we are confident that we can comply with banking sector regulations after transformation”

Ilia Revia, CEO



Hamkorbank, Uzbekistan

CFO Coaching, development of treasury products, improvement of asset and liability management and fund transfer pricing (FTP)

“The experience of Inspiring Development helped us a lot in our work to perfect the organization of the bank, and especially the finance area.”

Sherzod Muhitdinov, CFO

Why ID?



We care about each client and offer solutions tailored to your situation instead of one size-fits-all templates



We offer an outsider's clear and direct perspective, and fresh ideas from other markets



We have run banks and MFIs, understand the operational complexity, and can ensure smooth implementation



We provide learning and development opportunities and build capacity

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Get in Touch!