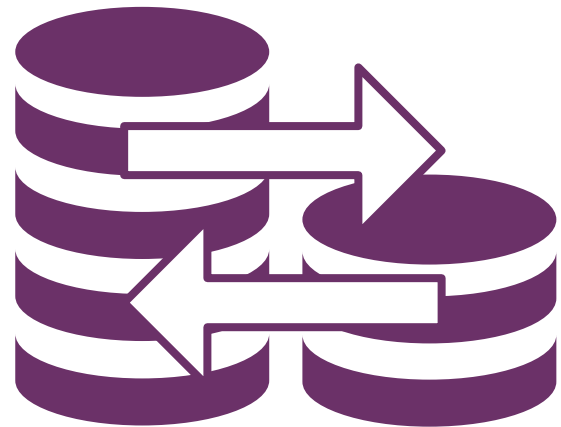


FTP

Funds Transfer Pricing

Surya



A way to measure and analyse Profit by Business Lines, Business Units

Liability products are the lifeline of a bank; in traditional accounting, they form costs and do not become a part of profit. But without them, a bank does not exist.

FTP is a management accounting system that enables measurement of profitability by product, product categories, customer, customer categories, business lines and business units – on both assets and liabilities. For a dynamic business orientation a well-structured FTP methodology can drive implementation of product pricing – be it liability or asset.

Combine this with Surya's risk management products and a move towards economic capital allocation - a recognized banking best practice is not too far.

FTP PROVIDES COMPREHENSIVE BUSINESS INSIGHTS

- Assign FTP to
 - Branch and branch groups
 - Product and product groups
 - Customer groups
- Flexible income and expense items definition

FTP ASSIGNMENT MAY BE ANY CURVE WHICH IS SPECIFIED AND FOR WHICH DATA IS AVAILABLE

- Treasury Rates
- Marginal funds pool
- Bank cost of funds
- Target borrowing rate
- Proxy curves for cost of funds
- Interest rates swap curve
- Wholesale CD rates
- LIBOR
- Any others that may be required

MEASURE PRODUCT AND BUSINESS LINE PROFITABILITY WITH SURYA'S FTP SOLUTION.

Choice of Transfer Pricing Methodologies and how they Work for You

FTP provides multiple transfer-pricing methods to identify the net margin and value contribution of funds gathered and used. Transfer-pricing methods supported are:

+ POOLS

Funds are assigned to one or more pools created using a pre-defined set of criteria such as type, term, origination, or other funding attributes. FTP assigned to individual pools is derived. A preset value for FTP and spreads make up FTP.

o MATCHED MATURITY

FTP is assigned based on external world market data, product rates and spreads. This yields a better view of profitability as tenor of an instrument defines both risks and returns. Matched duration approach is similar in nature and can be provided on request.

Surya specializes in risk and treasury management systems for financial services industry. With an implementation base spanning several countries across continents, Surya's solutions help enterprises to minimize risk, improve profitability and effectively monitor financial performance. Central to its products are robust frameworks and plug-n-play software components that ensure cost efficiency, scalability, ease of use and rapid implementation.

Surya is focused on developing solutions that help clients to keep abreast of changing internal and external financial risk management requirements.

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