

Treasury Trends in 2007

IBA and UBS Investment Bank, Zurich organized a half-day briefing on 'Treasury Trends 2007' on May 31, 2007 at Hotel Taj President, Mumbai.



Shyam Sunder, senior general manager, Reserve Bank of India

The purpose of this event was to share know-how and expertise. 'Treasury is getting transformed in unprecedented ways due to various developments like large capital flows, varieties of underlined products which banks have to deal with, availability to hedge and need to hedge the risk', said Shyam Sunder, senior general manager, Reserve Bank of India (RBI) in his keynote address. He gave a brief on the initiatives taken and the role played by RBI in areas like interest rates, forex, derivatives, and accounting standards.

Following the keynote address, a short introduction to UBS's globally implemented strategy 'The Bank for Banks' was given. With this concept, UBS offered partnerships for sharing global expertise and products while not competing against Indian banks in their traditional core business.

Andreas Amschwand, member of the UBS Group Managing Board presented the dynamics and challenges in modern treasury markets focusing on the developments over the past years and a look into the future of the FX-World. According to him the technology is the main driver for internal and external developments of the banks / institutions. Ritesh Dutta, managing director, global head MCC emerging markets, himself an Indian expatriate

resident in Zurich, gave a brief on currency derivatives at UBS. Both speakers emphasized the importance of change management, re-engineering business processes with massive investments in technology, reducing production costs and gaining economies of scale, as well as the importance of risk management. They presented their solution to tackle challenges such as the ongoing commoditisation of products, i.e. shrinking margins.

Dr Stefan Friesenecker, managing director, with responsibility for the implementation of Basel II and other risk management programmes in UBS AG gave an insight on the multi-dimensional approach to this highly complex programme spanning different business groups and locations: With 39 entities subject to different regulatory bodies, how does UBS bridge the gap between generic regulatory requirements and individual internal risk management practices? He also stressed that capital management needs to take place on a more granular level. An introduction to the implementation of Basel II rounded off his presentation.



Andreas Amschwand, Member of the UBS Group managing board

The final presentation was given by Simon Bunce, global head of fixed income and member of the UBS Group Management Board. He introduced the audience to the products and structure within fixed income, and the drivers of market growth, focusing on key elements such as continuing globalisation and the private equity-driven M&A boom, as well as giving an analysis of the impact of Basel II.