

Treasury Management Systems

A Practical Buyer's Guide for Banks and Financial Institutions



Introducing

For banks and financial institutions, establishing a fully integrated and efficient Treasury Management System (TMS) is a key enabler of effective cashflow control, balance sheet management, regulatory compliance, and risk control. Treasury functions operate across trading activity, funding, liquidity management, and regulatory reporting, requiring systems that can support a high degree of complexity and scale.

An integrated TMS enables:

- A single, consistent source of data across trading, banking, and investment activities
- Real-time or near real-time visibility of positions, P&L, liquidity, and exposures
- Standardised workflows across front, middle, and back office functions
- Comprehensive auditability to support regulatory oversight
- Operational resilience across multiple entities, locations, and time zones

In banking environments, these capabilities support the alignment of data, processes, and controls required to meet supervisory expectations and manage risk effectively. Increasingly, institutions are evaluating modern platforms designed specifically for banking treasury use cases, where integration and real-time processing are embedded at the core of the system architecture.

Evolving Treasury Requirements in Banking

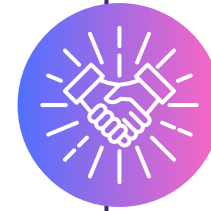
Treasury functions within banks are shaped by:

- Multi-asset trading and hedging activity
- Cross-border funding and liquidity management
- Increasing regulatory and supervisory requirements
- The need for intraday monitoring of liquidity and exposures

To operate effectively, treasury teams typically require:



Timely visibility of cash flow, positions, P&L, and liquidity



Integrated views across trading books, banking books, and investment portfolios



Reliable, consistent data for decision-making, reporting, and risk monitoring

Where systems do not provide these capabilities, additional tools and processes are often introduced, increasing operational complexity. This has led many institutions to consider platforms that unify these requirements within a single framework, rather than relying on incremental extensions to legacy infrastructure.

System Fragmentation and Operational Impact

Many banks have evolved their treasury systems incrementally, introducing:

- Risk and valuation engines
- Pricing and market data tools
- Cashflow aggregation solutions
- Spreadsheet-based models
- Workflow and reconciliation tools

While these solutions address specific functional needs, they may also result in:

- Inconsistent data across systems
- Duplicate processing of transactions
- Increased operational and model risk
- Reduced transparency across treasury activities

These challenges are amplified in distributed operating models, where treasury functions span multiple booking centres and jurisdictions. In response, some modern TMS platforms have been designed to replace fragmented architectures with a more consolidated, service-based approach.



Data, Visibility, and Control

A core objective for banking treasury systems is the establishment of a single source of truth.

Key requirements include:

- A consolidated data environment supporting all treasury activities
- Real-time or near real-time updates across systems
- Alignment of front office, middle office, and back office data
- Full traceability of transactions, adjustments, and decisions

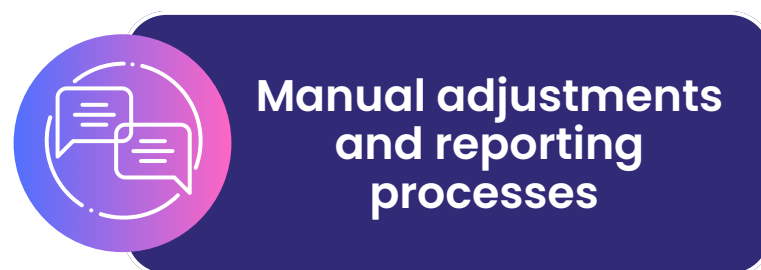
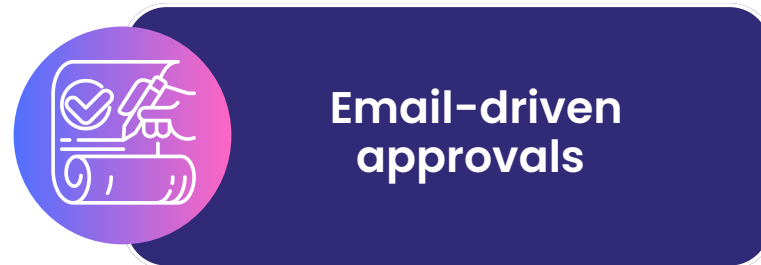
These capabilities support both internal risk management and external regulatory reporting requirements. Systems built around centralised data models and consistent processing logic, rather than distributed data silos, are typically better positioned to deliver this outcome.



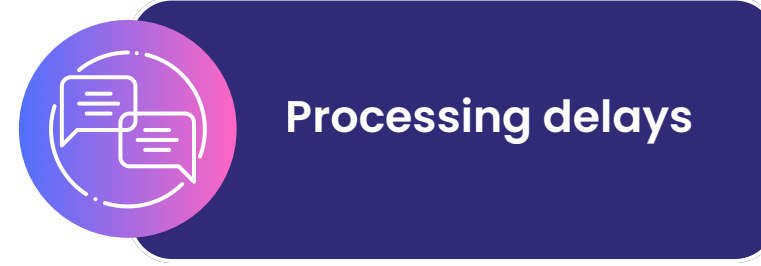
Automation and Workflow Management

Manual processes remain prevalent in some banking environments, particularly where legacy systems are supplemented by spreadsheets or local tools.

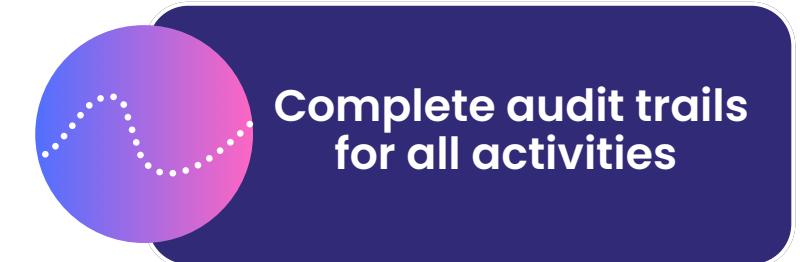
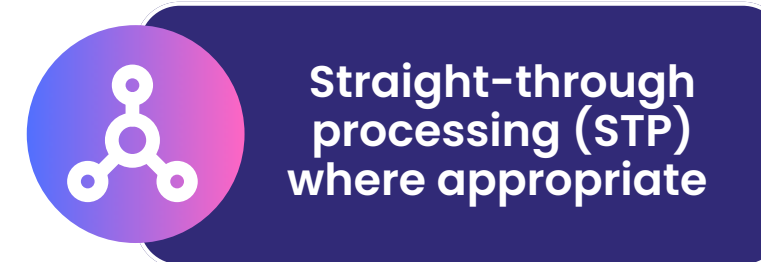
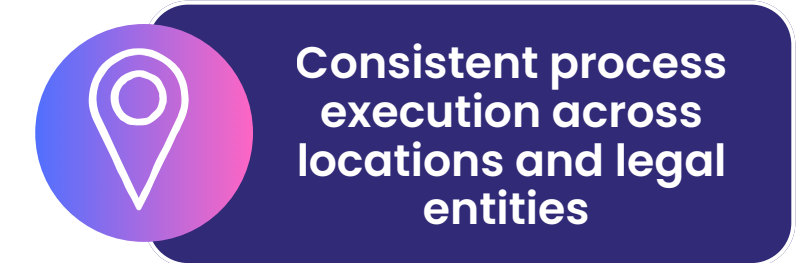
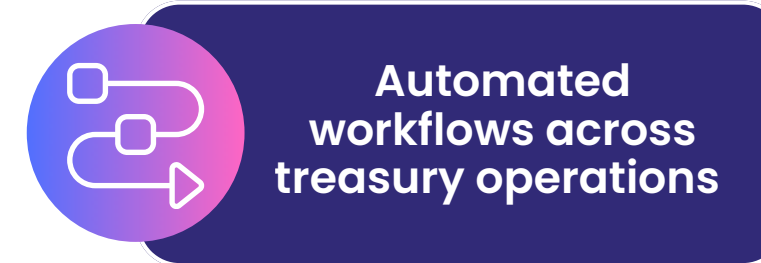
Common Examples Include:



These Approaches May Introduce:



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In recent system designs, workflow orchestration is increasingly embedded within the platform, reducing the need for external tools or manual intervention.

Regulatory Compliance and Reporting

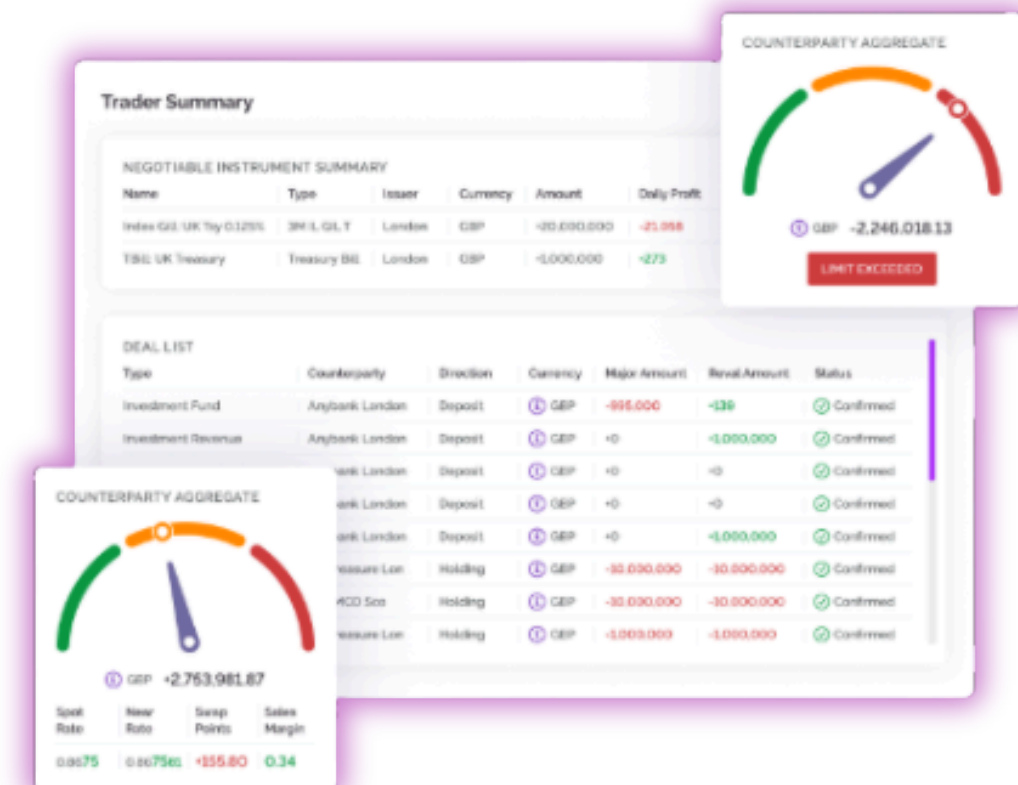
Banks operate under extensive regulatory frameworks governing treasury activities, including:

- Liquidity risk requirements (e.g. LCR, NSFR)
- Trade and transaction reporting
- Best execution and conduct rules
- Accounting standards (e.g. IFRS 9)

To support these requirements, a TMS should provide:

- Integrated regulatory reporting capabilities
- Monitoring tools to identify and resolve reporting issues
- Data consistency across reporting outputs
- Audit trails supporting supervisory review

Some platforms now incorporate regulatory logic directly into transaction processing and reporting layers, helping to reduce reconciliation effort and improve consistency across reports.



Communication and Record-Keeping

Treasury and trading activities within banks involve multiple communication channels, including:



Voice trading systems



Messaging platforms



Video and collaboration tools

Where these communications form part of execution or decision-making processes, they may need to be:



Captured and retained



Linked to specific transactions or quotes



Accessible for compliance and surveillance purposes

Modern systems may support integration with communication recording and surveillance tools, enabling a more complete and auditable record of treasury activity across channels.

Sales Desk and Execution Workflows

Bank treasury functions often support client-facing sales and trading activities.

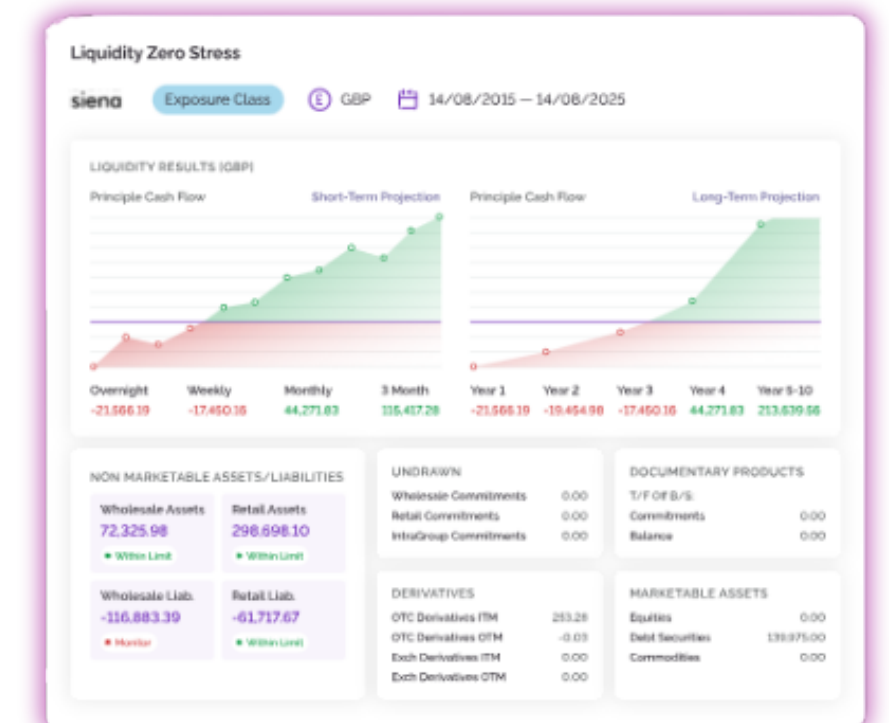
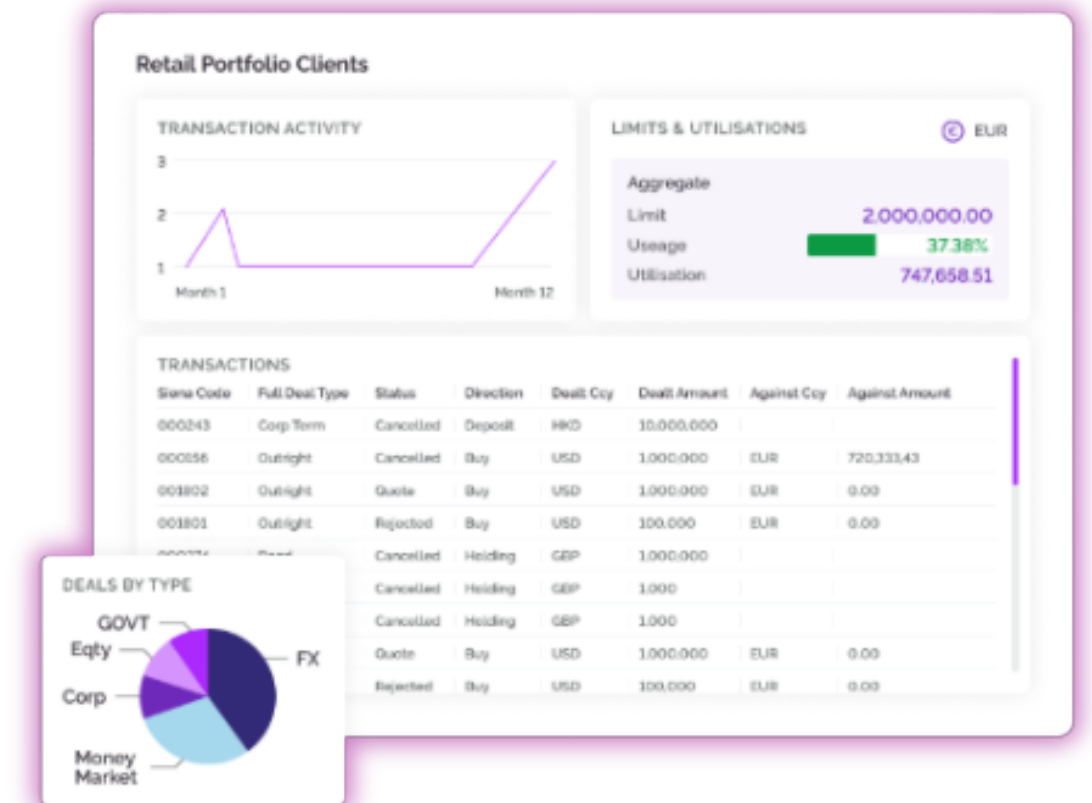
Typical workflow requirements include:

- Access to market data and pricing feeds
- Application of mark-ups in line with internal policies and regulatory expectations
- Capture of quotes, including those not executed
- Recording of full transaction details and associated context

Hybrid execution models are increasingly used, where:

- Pricing is generated electronically
- Adjustments are controlled within predefined parameters
- Execution outcomes are recorded immediately with full audit trails

Some modern platforms incorporate these workflows natively, supporting consistent execution processes across both voice and electronic channels.



Credit, Margin, and Risk Monitoring

In banking environments, treasury systems must support the monitoring of exposures to counterparties and markets.

Key capabilities include:

- Real-time or near real-time credit exposure monitoring
- Ability to update credit limits as market conditions change
- Margin calculation and management processes
- Monitoring and governance of mark-ups applied to client transactions

These functions are particularly important during periods of market stress. Platforms with integrated risk and limit management capabilities may reduce reliance on external systems and enable faster response times.



Asset and Liability Management (ALM)

Treasury plays a central role in managing the bank's balance sheet.

TMS capabilities typically support:

- Liquidity metrics such as LCR and NSFR
- Interest rate risk metrics (e.g. IRRBB, NII, NIM)
- Scenario analysis and stress testing
- Funding and balance sheet optimisation

Integration of ALM within the TMS can improve consistency of data and reduce reliance on separate analytical tools. Some systems provide these capabilities within a unified analytical framework, enabling alignment between treasury, risk, and finance functions.



Technology and Deployment Considerations

Treasury operations will continue to evolve. Technology decisions made today should support tomorrow's requirements.

Banks may deploy TMS platforms using:

- On-premise infrastructure
- Cloud-based environments (public, private, or hybrid)

Cloud deployment can support:

- Secure remote access
- Scalability across entities and regions
- Reduced infrastructure management requirements

Connectivity is also a key consideration, including:

- API-based integration with banks, payment systems, and trading venues
- Links to market data providers and regulatory reporting systems

Modern platforms increasingly adopt API-first architectures, supporting more flexible integration and real-time data exchange across the treasury ecosystem.



Emerging Considerations in Banking Treasury

Several developments may influence future TMS requirements for banks:

- Increased use of APIs and real-time data integration
- Growth in electronic execution channels for clients
- Adoption of distributed ledger technologies
- Development of central bank digital currencies (CBDCs)

Systems designed with extensibility in mind—such as modular architectures or configurable data models—may be better placed to accommodate these developments over time.



Evaluation Checklist for Banks and Financial Institutions

When assessing a TMS, institutions may consider:

- 1.Reduction of manual processes and spreadsheet reliance
- 2.Ability to provide a single, consistent source of treasury data
- 3.Integration of regulatory reporting requirements
- 4.Support for business continuity and cross-location operations
- 5.Capture and linkage of communications to transactions
- 6.Availability of sales desk and execution functionality
- 7.Real-time handling of credit, margin, and mark-ups
- 8.Support for regulatory frameworks (e.g. BCBS, IFRS)
- 9.Deployment flexibility, including cloud options
- 10.Capacity to support future regulatory and technological developments



Conclusion

Treasury functions within banks and financial institutions continue to evolve in response to market conditions, regulatory expectations, and operational complexity. In this context, the selection of a Treasury Management System is a critical component of the overall treasury strategy.

A structured evaluation approach, focused on integration, data quality, control, and scalability can support the identification of solutions that meet both current operational needs and future requirements. Increasingly, institutions are considering platforms designed specifically for banking treasury environments, where integrated data, real-time processing, and end-to-end workflow support form part of the core system design rather than additional layers.



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About eurobase

eurobase is a leading international software and services provider of banking solutions. Established in 1988 and with customers in over 31 countries, we have gained extensive knowledge of the financial service markets. Our aim is to be recognised as thought leaders in the sectors we operate, and to deliver innovative solutions that provide real business value to our customers. We pride ourselves on our personal approach, ensuring we deliver the support and flexibility our customers need and the service they expect. Our customers have long and lasting partnerships with Eurobase and all will verify our approach to doing business and commitment to product investment - delivering ongoing value above and beyond our initial engagements.

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