

Highly Commended Winner

Harnessing the Power of Emerging Technology

Prudential Corporation Asia
Hong Kong

Richard C. Shaw, Director, Treasury



Simon Cole, ION, Richard C. Shaw, Amy Ching and Bonny Ho, Prudential Corporation Asia

Prudential's move to cloud-based treasury generates handsome returns

The challenge

Two years ago, Prudential Corporation Asia began automating their decentralised treasury operations by moving from an Excel based model to a software-as-a-service (SaaS) solution provided by Reval, an ION Treasury solution, for cash and counterparty risk management.

The challenges included managing their liquidity across over ten Asian countries and 30 business units (BUs). Prior to this project, Prudential was unable to actively manage its cash and liquidity, or report on and manage counterparty risk across the organisation in a timely manner.

In addition, at the business unit level, treasury processes and controls were typically manual, and with not all business units (BUs) following a consistent model. These existing processes were not easily scalable to grow with the business, and could lead to a suboptimal control environment.

The solution

The decision was made to adopt cloud technology to allow Prudential to implement standardised best practice procedures and controls across the region and to leverage better returns through organisation-wide liquidity management. The increased level of automation, arising from the use of Reval, would also lead to more robust and simplified processes to visualise cash and manage risk.

Best practice and innovation

Embracing cloud technology has enabled Prudential to completely transform its treasury into a model of best practice throughout a decentralised treasury function.

Starting first with its approach of implementing at its largest and most complex business unit, Prudential then replicated that success across its other BUs. Each BU manages its own daily cash, minimising working capital to its own target levels. Standard workflows, controls and audit trails are now implemented across the business. Reval's liquidity and pooling tools allow the BU's to optimise their liquidity, and automate the creation, approval, and transmission of payments

electronically via SWIFT, instead of enacting manual paper payment instructions which traditionally had higher associated transactional cost and risk.

At the same time, the Regional Head Office is able to oversee the daily cash levels for all its BU's on demand, facilitating the centralised control and management of liquidity within a decentralised treasury operating model.

Prudential's selection of a best-of-breed cloud solution for treasury and risk was also innovative, especially in the Asia Pacific region. Cloud delivery will help them expand as Prudential's business needs grow and change over time.

Key benefits

Automating a large, decentralised treasury model in the Asia Pacific region using a cloud-based treasury and risk management solution is pretty unique and has generated many significant returns for Prudential including:

- More than 25% of cash released and invested in higher yielding assets, leading to significantly increased returns for policyholders and shareholders.
- Automated Pan-Asian daily cash visibility, as a result of SWIFT connectivity.
- Automated counterparty limit monitoring at country and regional levels.
- Automated liquidity management through cash sweeping tools.
- Systemised cash forecasting.
- System enforced segregation of duties for treasury processes with full audit trail.
- Upskilling of the business unit treasury teams, with more time to focus on value-added activities such as data analysis.
- Raised the profile of the entire treasury team with improved returns, reporting and control environment.



Prudential Corporation Asia is a business unit of Prudential plc (United Kingdom), comprising its life insurance operations in Asia, and its asset management business, Eastspring Investments. It is headquartered in Hong Kong.