

Success story



ACOSS selects integrated management solution for its intense financial activity

About ACOSS

ACOSS is one of the largest treasuries of France, and among the five largest SSA (Supra-national, sovereign and Agencies) agencies ECP issuers globally.

ACOSS in figures:

- 280 000 treasury flows / year.
- 2.7 Billion€ of treasury flows / day (with peaks up to 15 Billion€).
- 1 600 Billion€ of transactions and funding / year.
- Strongest short term credit rating in France– Moody's, S&P and Fitch.

Interview: Alexandre Bois, Head of Central Treasury Financing and Investments in the Finance Department of ACOSS, explains how they optimised its treasury and risks and operations through the use of TITAN Treasury platform.

Mr. Bois, can you introduce ACOSS?

Created in 1967, ACOSS is the Agence Centrale des Organismes de Sécurité Sociale (Central Agency for Social Security Organisations) who manages the treasury of the general scheme of social security. ACOSS is the national fund for Urssaf (a network of private organizations, whose main task is to collect the employee and employer social security contributions, which finance the general account of France's social security system, including state health insurance).

Our main job is to collect social security contributions for the payment of social benefits. Therefore, we have to manage on a daily basis financial flows for the benefit of the general scheme which covers 85% of the French population.



What are the main objectives of one of the largest treasuries of France?

In a very volatile environment with large transaction volumes our objective is to balance the Agency treasury prudently and effectively.

We develop diversified and secure funding solutions. On one hand, we borrow short-term to cover our cash

needs by issuing negotiable securities (TCN in French), corporate treasury bills, or through Euro Commercial Paper (ECP). ACOSS cannot accept currency risk and therefore for non-EUR debt issuance and investments we use cross currency swaps. On the other hand, we are making secure investments of our cash excess with Repos.

In what context did you call 3V Finance?

Early 2015, ACOSS decided to structure its treasury activity with distinctive Front, Middle and Back Office functions. As part of this reorganisation, we decided at the same time to increase efficiency by introducing the use of a treasury management system.

We have therefore launched a public RFP and analysed different proposals received from a range of providers. 3V Finance was our preferred provider. We appreciated the user friendly interface as well as the wide range of functionalities of the TITAN Treasury Solution that meet our requirements. These include counterparty risk, interest rate risk, foreign exchange risk, workflow management and real time reporting.

In addition to these, we were impressed by the specialised treasury support that 3VFinance professionals can offer.

Today, what is the TITAN Treasury solution used for?

We now have a powerful tool to manage all our debt issuance and risk management activities across a range of currencies (mainly in USD and GBP, but also in CHF, CAD, JPY, HUF, AUD, TLY ...) as well as our financial investments. The platform is utilised by the entire treasury team and workflows have been set up between the Front - Middle - Back Office teams.

TITAN Treasury has also been naturally interfaced with our current cash central system which allows us to optimise the entire treasury and cash management process.

One other point to note is that we have a strong requirement for ongoing monitoring. Due to the fact that ACOSS is under both supervisions of the Ministry of Social Affairs & Health and the Ministry of the Economy & Finance, we have to produce regular management reports.

TITAN Treasury allows us to efficiently automate and customise our reporting.

How did 3V Finance help you to manage your counterparty risks and associated collateral payments?

We hedge the currency risk of our Repo and ECP issuances in foreign currencies through collateralised cross currency swaps. Collateral flows management is therefore a critical requirement for ACOSS as the issuance volumes are very high: in 2015, approximately € 60 billion ECP were issued across 750 completed transactions.

We therefore use the Collateral management module of TITAN Treasury that allows us to deal with multiple margin calls of approximately € 100 million / day.

To be more specific, our transactions with the bank counterparties are revalued twice per day, TITAN Treasury automatically calculates intraday mark to market valuations as well as associated margin calls.

Collateral movements are therefore paid or received daily and interest is paid monthly. Across our ten banks, we manage the collateral payments in a pool, which streamlines our operations and facilitate our guarantees substitutions.

What benefits has TITAN Treasury brought to you?

Our risk management process was previously done manually by the Middle Office team. TITAN Treasury has allowed our organisation to save considerable time and improve efficiencies by using this dedicated and integrated platform. Due to the streamlining of operations we have managed to almost double our management capacity and at the same time optimised operational risk.

We are in a position that we can forecast and run sensitivity analysis on our cash flows (inventories, assets, margin calls, etc.) which allows us to optimise our liquidity management requirements.

What has impressed you most in relation to the 3V Finance support?

The project was completed in less than 10 months. Each business team has been assigned with a dedicated project manager. We were reassured at each project stage because 3V Finance teams have shown a great level of project management expertise.

At the end of the project, the training sessions delivered to each of our teams have helped us improve our skillset and expertise and make the most out of the system use. Our new organization accompanied by the new information system is a success!

In 3 words, 3V Finance for you is...?

"The Treasury team is unanimous: efficient, knowledgeable and adaptable!"



3V Finance

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