



Testimonial

faurecia

Faurecia optimises currency trading management

About Faurecia

- A World leader in design and production of automotive components, Faurecia has developed its expertise in four areas of business: automotive seating, interior systems, automotive exteriors and emissions control technologies.
- With around 500 patents annually, Research and Development is in Faurecia's DNA.
- Faurecia assists manufacturers in developing lighter, cleaner, more comfortable and customisable cars by offering innovative solutions for sustainable mobility and optimisation of life on board.
- Presence in 34 countries through 330 sites and 30 major Research & Development centres.
- 2014 Turnover: 18.8 billion Euros.

Interview with Yannick Guillot - Treasury team Faurecia

A world business with centralised management

Organised in a small team and based in Paris, Faurecia's Treasury Department has eight employees: three of them are in charge of cash management and back office, two are in charge of the front office, one for bank funding and one in IT systems and projects; all of which are supervised by the Director of Treasury and Finance.

This department deals with all currencies and interest rate operations for the group, in which the directors of business units or regions send forecast exposures to it through an internal system.

In case of specific needs, additional positions may be taken or adjusted on request via email.

Thus, depending on market opportunities, the front office team hedges 80% of subsidiaries exposures at reception of information. Traded instruments are mainly FX spot transactions for one off demands, FX Forwards and some options with barriers.

Additionally, the hedge accounting FVH (Fair Value Hedge) and CFH (cash flow hedge) is given the permanent objective of neutralising the artificial volatility and its impact on the income statement of hedging transactions.

More than 14 billion euros in total currency exchange.

The world presence of the group generates trading on many currencies: USD, MXN, PLN, GBP, BRL, CNY, JPY, etc. for an estimated annual volume of more than 14 billion Eur.

Trading volume for hedging of interest rates is minimal and tends to balance fixed/floating rates, which requires fixing some rates with swap transactions.

Finally, as the group is structurally borrowing cash, we make small investments and we issue commercial paper as part of a 1 Billion EUR program.

"Annually, we deal with an overall currency volume of about 14.8 billion (equivalent Euros). The stakes are high and so it is a subject for which it was important to equip ourselves with a powerful monitoring tool."

**Yannick Guillot Treasurer Front Office Manager
Faurecia**

In 2008, the Treasury department planned to select a solution for the monitoring and valuation of treasury positions in order to overcome uncontrollable valuations received at the end of the month from banks.

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 **3V Finance**
Designed by experts



For this purpose, three TMS providers with a real capacity to cover the requirements were consulted, including 3V Finance.

A responsive team of experts

A clear, precise and professional presentation of TITAN™ Treasury immediately distinguished 3V Finance from its competitors whilst offering almost equivalent solutions in terms of functional coverage and price.

Their proactive listening, expertise and ability to answer our questions promptly and effectively have done the rest.

Since then TITAN™ Treasury has been locally installed, so that the IT Department can control the system, and has resolutely imposed it self as a valuable tool to insert positions and hedging transactions.

An interface directly and automatically integrates trades from FxAll, and also with the back-office tool for the management of electronic confirmations and payments of these hedging transactions.

Especially appreciated by the heads of the finance team, were the various reports are generated for both the central service which closely monitor bank transaction figures, but also for the business units (Mark-To-Market, portfolio revaluation, global position by currency, etc).

"Having very quick answers was a very important point for us, because we knew that on these issues we would have very little internal support"

EMIR daily reporting with TITAN Treasury

The Treasury Department has selected the EMIR module in TITAN™ Treasury to manage its EMIR regulatory reporting.

However, for privacy reasons, the processing of one bank's transactions were excluded, as this option would have presented too high a cost.

"This key start solution has naturally emerged as the best choice for us, with complete reports ready to be used. This saved us valuable time." Says Yannick Guillot.

"With 3V Finance quickly adapting to transmit the reports required by our Trade repository, this made our choice of TITAN™ Treasury particularly appropriate."

Today, after seven years of use, the treasury department's team is still surprised by how simple it is to handle very complex subjects, whilst being in a user friendly environment, which is something that is particularly appreciated.

Other strengths highlighted: the increase in productivity, numerous relevant reports in which the information was fully utilised.

But beyond the performance and adaptability of TITAN™ Treasury, the team would like to highlight the responsiveness of 3V Finance who helped forge a very special relationship based on trust.

Faurecia project in brief:

- Availability and professionalism of 3V Finance's team
- User friendliness
- Highly adaptable tool
- Reports create value
- Confidence and trust in team renewed



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