Modern Operations in EIB

ECB Operations Managers Group
June 2024

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Agenda

Back Office Reorganization

Innovative Projects – IA

Q&A
Focus on few initiatives

**TEAM REORGANISATION**

**AI AND MACHINE LEARNING**
1. Predict the arrival time of future incoming payments to optimize prefunding and reduce costs
2. Automatically match cash flow and transactions confirmations
Back Office Reorganization

Merge of derivative & treasury back office

• Pool homogeneity
• Visual ILU and management
• Benefits measurement and evaluation
Pool Homogeneity

The demands on the profile of the back office team members are changing:

1. Automation
2. Pooling
3. Innovation & Regulation & IT Security

Goal: Homogeneous, professional-level staff capable of meeting today's challenges
TEAM REORGANIZATION

Pool

Complexity

Low
Medium
High

Daily
- Alerts
- MailBox
- New trns
- Mail
- Staff sending
- MM VA
- MM VET
- Mailbox send
- Mailbox wrap
- Projects TR
- Mailbox adhoc
- LS

Weekly
- Invoices

Monthly
- MA & Clients
- Special Deposits & Pre-approved funds
- Maintena
- New trns
- Projects
- Buybacks
- Monthly needs

Quarterly
- Few

Annual
- Few

Frequency
Seasonality of the activity
ILU Management

• A visually simple table

• ILU matrix allows us to:
  1. Manage team resilience in unstable demand situation
  2. Manage individual development in line with needs

• Continuous updates:
  • Regular review during team meetings of newly acquired competencies and need to refresh skills.
  • Guidelines/times for competency expiry (depending on task complexity/frequency)

• Availability also online
KPIs

A visual tool allowing us to see:

1. where we are
2. path to return to the normality

Examples & gather team input
TEAM REORGANIZATION

Pooling - KPI

Treasury's team

2024 Pool Rotation

Derivative's team

Deal allocation

ENRICH  VAL
In the bond market, counterparties confirm transactions via emails with unstructured PDF documents. FI Back Office reconciles manually these documents with the information in EIB systems.

**Background**
Derivatives coupon amounts are confirmed similarly to the previous case via email. The process is manual and time consuming (EIB performs nearly 30,000 of such confirmation annually).

**Solution**
With AI Intelligence, EIB created an automated process to extract precise data from confirmation documents. The tool then automatically matches the extracted data with EIB systems, automatically moves transactions to the next step in the workflow and finally archives documents in Document System.

**Why Artificial Intelligence**
AI engine reads and interprets PDF email attachments. On top, it is able to learn changing document templates.

AI - Challenge
In the bond market, counterparties confirm transactions via emails with unstructured PDF documents. FI Back Office reconciles manually these documents with the information in EIB systems.

**BUSINESS CASE 1 - DEAL CONFIRMATION MATCHING**
Background: EIB enters nearly 3,000 security trades per year with peak days amounting to 40 trades. Deals are confirmed manually via email.

**BUSINESS CASE 2 - COUPON CONFIRMATION MATCHING**
Background: EIB enters nearly 3,000 security trades per year with peak days amounting to 40 trades. Deals are confirmed manually via email.
Questions ?
THANK YOU

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