

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Finance
Course Outline
FIN3120B - Topics in Finance: Transaction Banking

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Course Description

Transaction Banking is an area of bank services aiming at serving the needs of corporate treasurers and helping companies manage their liquidity and working capital more efficiently, accurately, and systematically.

This course will provide students with a broad and deep knowledge about transaction banking and tools and technologies available to corporate treasury management. It will also provides students with a good understanding of the value that transaction banks bring to their corporate clients in order to help the latter better manage their businesses.

The course is held in partnership with an international bank, which, through their guest speakers, helps bring the latest industry knowledge and concepts to the classroom. The course also provides opportunities for students to interact with industry practitioners and learn about the latest innovations in Transaction Banking.

With the rapid growth of intra-Asia and cross-regional trades and investments in Asia, regional corporate treasury management has become an increasing important activity for many multinational companies. As a result, Transaction Banking services have become one of the most important businesses in the banking industry.

This course will benefit students who are interested in acquiring knowledge and analytical skills that are relevant to banking, finance, Fintech, corporate and business management, financial services consulting, financial services technology, accounting and auditing industry, family business, etc.

Topics Covered:

The following is the list of major topics that are covered in the course.

Corporate Treasury Management

- What are the roles and responsibilities of corporate treasurers?
- How does treasury management impact the company's performance?

Business of Banking and Transaction Banking

- How do banks segment their markets and services?
- How does Transaction Banking fit into the business of banking?

Cash Forecasting in Corporate Treasury

- Why is cash forecasting important to corporate treasury management?
- What are the practical considerations in cash forecasting?

Cash Management Metrics

- What are the metrics treasurers use to gain insight into their cash flows?
- How can banks add value to treasurers in helping them improve their metrics?

Global Payments & Receipts

- What are infrastructures that support local and global payments and receipts?
- How do banks add value to their clients in managing payments and receipts?

Clearing & Settlement Systems

- What are the clearing and settlement systems in money transactions?
- What are the clearing and settlement systems in securities transactions?

Working of Documentary Credits in International Trade

- What are the banking instruments used in facilitating international trade?
- How do these instruments help mitigate risks for businesses?

Cash Concentration (Liquidity Management)

- What are the cash concentration systems available to enhance a company's liquidity?
- What are the key considerations (economic, operational, accounting, tax, etc) in implementing these systems?

Cash Investment (Liquidity Management)

- How can treasurers maximize returns on their cash?
- What are the considerations when investing company's cash?

Working Capital Enhancement (Liquidity Management)

- How banks enhance working capital of a business through account payable and receivable financing?
- What are the risks and complications involved in such financing?

Treasury Management Systems (Liquidity Management)

- What information will treasurers need for their treasury management function?
- How does the industry provide information management services to treasurers?

Treasury Analytics and Fintech (in an international bank)

- How are big data used in treasury analytics?
- How Fintech is adopted in transaction banking?

Course Format

This is a one full semester course, consisting of lectures, in-class case study discussions, guest speakers from the banking industry, student group projects and presentations, and quizzes.

Guest speakers from the industry are invited to speak on a wider range of topics related to the world of Transaction Banking and interact with the students. Their lectures will help the students to benchmark their knowledge against those in the industry. One or more of these guest lectures may be conducted at the banks' premises.

Assessment

The final grade for each student in this course is computed based on the following:

Class Participation	30%
Mid-Term Quiz	30%
Group Project & Presentation	30%
Final Quiz	10%

Under ***Class Participation***, students are expected to participate in in-class case study discussions and demonstrating that sufficient prior self-study and reflection have been done on the case study and subject materials. Students may participate by sharing observations and analysis, answering questions, asking questions, experience sharing, etc which contribute to the overall learning experience of the class.

The ***Class Quizzes*** require students to demonstrate that they have acquired sufficient knowledge and understanding about the materials taught in class and those assigned for homework reading. The quizzes will focus on key concepts and knowledge related to Transaction Banking.

In ***Group Project & Presentation***, students will be split into small groups to carry out research and make presentations to the class about topics related to important innovations, developments, and markets in the Transaction Banking world. The projects provide the opportunities for the students to apply what they have learned in class to their research and analysis of the topics. The presentation of their works is part of the learning process for the students involved in the projects and also a learning opportunity for the rest of the class.

Textbook Reference

Most of the knowledge of Transaction Banking cannot be found in textbooks. However, having a good knowledge of Corporate Treasury Management helps students to understand the concepts and needs behind Transaction Banking and why various Transaction Banking products and services have their inherent demands.

Beyond the materials shared in lectures, the following reference books can provide students with deeper understanding to the various topics covered in the classes.

- “The Handbook of Global Corporate Treasury” by Rajiv Rajendra - Publisher: Wiley.
- “Treasury Management: The Practitioner’s Guide” by Steven M. Bragg – Publisher: Wiley
- “Corporate Cash Management” by Steven M. Bragg – Publisher: Accounting Tools.

About the Instructor

Ted Teo is the Founder and Managing Director of Kerrywood Asia, a firm specializing in providing corporate advisory and training services to its clients. He is also part of the Managing Director team at Capital Asia Partners, a boutique corporate finance firm based in Singapore with a focus on the South East Asia market.

Ted was previously Managing Director at Citi Corporate & Investment Banking, having spent 17 years of his banking career in China, Hong Kong, Singapore, and Indonesia, and with business responsibilities in the Asia Pacific region. Through his banking career, Ted has accumulated a broad spectrum of knowledge and experiences in Investment Banking, Corporate Banking, and Private Banking.

Ted holds a Master of Business Administration, with *Beta Gamma Sigma* and Dean’s Honor, from Columbia Business School and a Bachelor of Science from the National University of Singapore. Prior to his MBA, Ted spent more than 5 years in technical services, sales, corporate treasury, and general management in the oil & gas and the electronic manufacturing industries.