

# **Global Funding System (GFS)**

## **New User Training**

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# What is GFS?

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- ◆ GFS is a global platform for warehousing, calculating, and reporting the Firm's financial resources.
- ◆ GFS consolidates account, position, and trade level information from multiple middle office and settlement systems across the Firm.
- ◆ The GFS front end interface allows users to create and run their own reports. It also permits certain users to post topside adjustments to the data.
- ◆ Origin: 1998 Funding Crisis - no single source of data available to provide information required to determine Firm's funding needs

# Benefits of GFS

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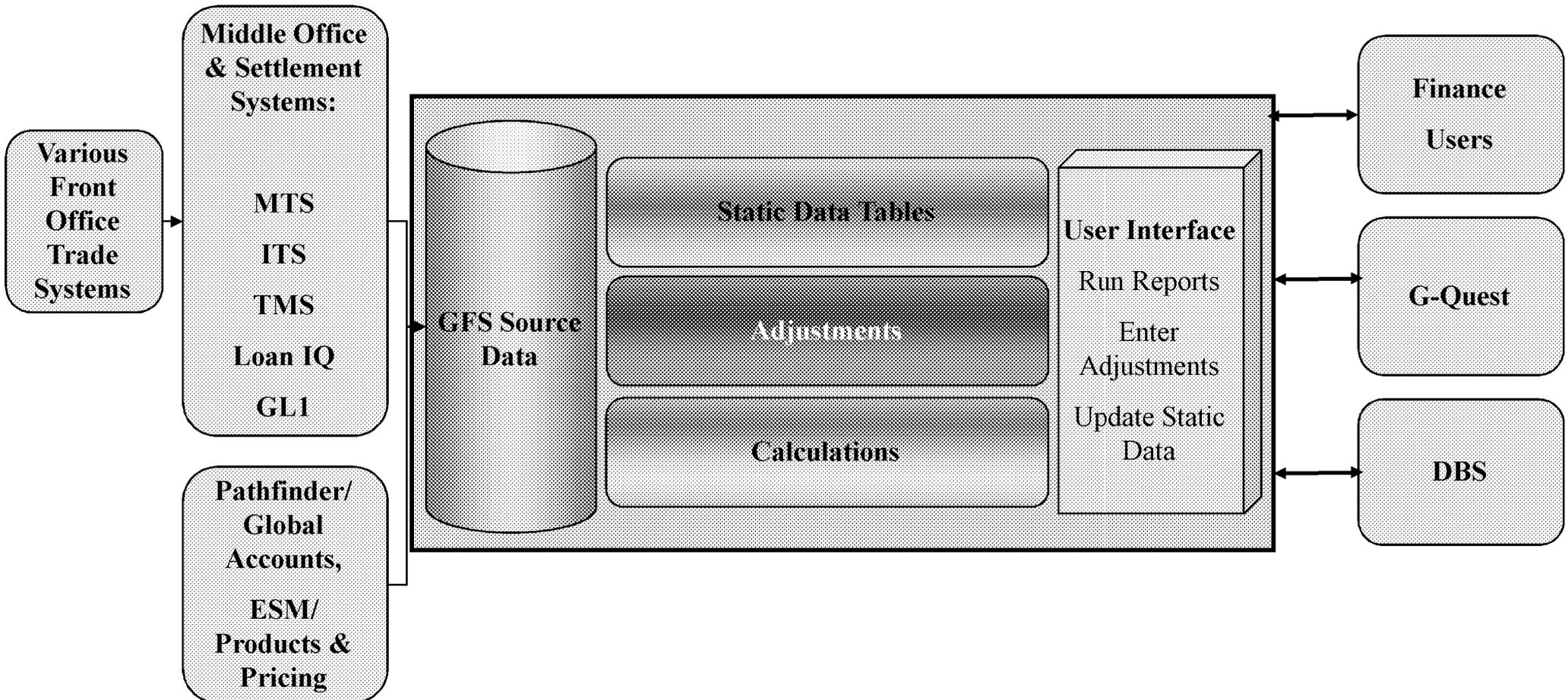
- ◆ Centralized firm-wide data
- ◆ Standardized global reports
- ◆ Consistent calculations
- ◆ Elimination of manual and duplicated processes
- ◆ Improves accuracy and timeliness of reporting
- ◆ Archives data to permit trending and variance analysis
- ◆ Improves funding efficiency to reduce interest expense
- ◆ Reduction in liquidity risk to improve prospect of credit rating upgrade
- ◆ Optimizes Firm balance sheet

# Functionality Architecture

Inputs/ Sources

Global Funding System

Outputs / Clients



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# What is GFS? (Reporting Modules)

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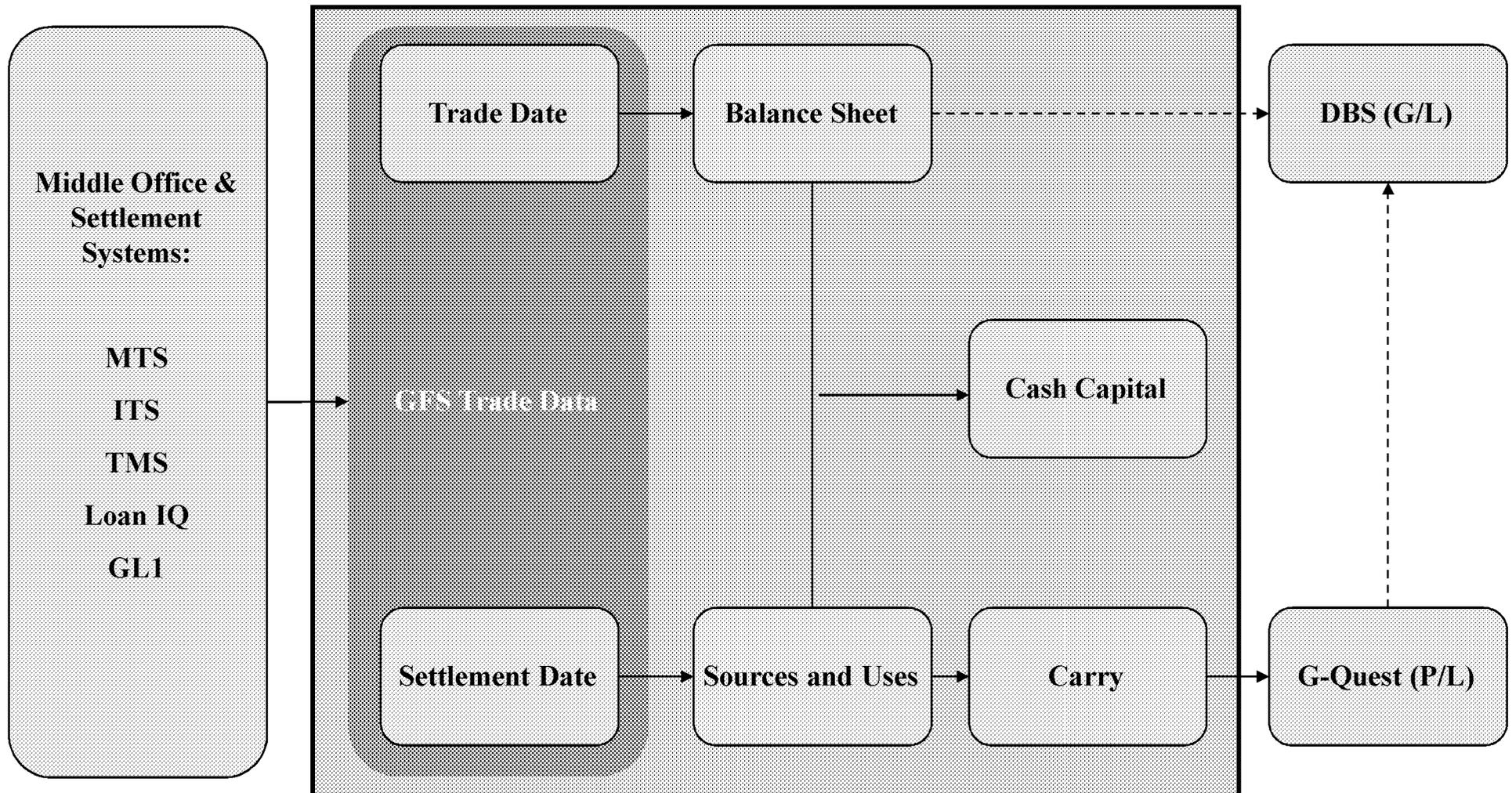
- ◆ There are four main reporting “Modules” within the GFS framework:
  - **Carry** - Allocation of funding cost
  - **Sources and Uses** - Allocation of secured financing and identification of unsecured funding requirements
  - **Balance Sheet** - Statement of capital resources
  - **Cash Capital** - Calculation and allocation of capital requirements
- GFS also houses **ICB**, a real-time balance sheet for the New York Fixed-Income CFU Traders and Salespeople

# Module Architecture

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# GFS Front End Demonstration

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- ◆ Logging into GFS
- ◆ Running a Report – Applying Filters
- ◆ Viewing Historical Information
- ◆ Creating a New Report
- ◆ Creating a New Filter
- ◆ Advanced Filtering/Favorites
- ◆ Adjustment functionality – Quick/Bulk Uploader
- ◆ Viewing: Load Status, Report Status
- ◆ Exporting to Excel
- ◆ Adjustment Lock/Balance Sheet Lock

# What does GFS do?

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## Reporting

- ◆ Reporting is done from either a standard set of reports provided by technology or by users creating custom reports.
- ◆ Additional reports are provided as stored procedures reports.

## Adjustment Functionality

- ◆ Adjustments are entered both automatically from Quest and manually by users.
- ◆ Users adjustments can be entered on either the quick Adjustment Screen or in the Adjustments Bulk Uploader.

## Static Data Maintenance

- ◆ GFS houses a set of user-maintained tables used to perform various functions on the core data.
- ◆ Lookup, Inclusion, Exclusion, Override

# GFS Other Functionality

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## History

- ◆ Previous 22 Business Days
- ◆ Previous 13 Month Ends
- ◆ Previous 2 Year Ends

## GFS to Quest Relationship

- ◆ Quest Mark adjustments flow through to GFS
- ◆ Carry calculated in GFS and flows through back to Quest
- ◆ Quest Trade adjustments flow through to GFS

## Advanced Filtering

- ◆ Enables users to add operators to custom reports to decrease the scope of their output.

## Favourites

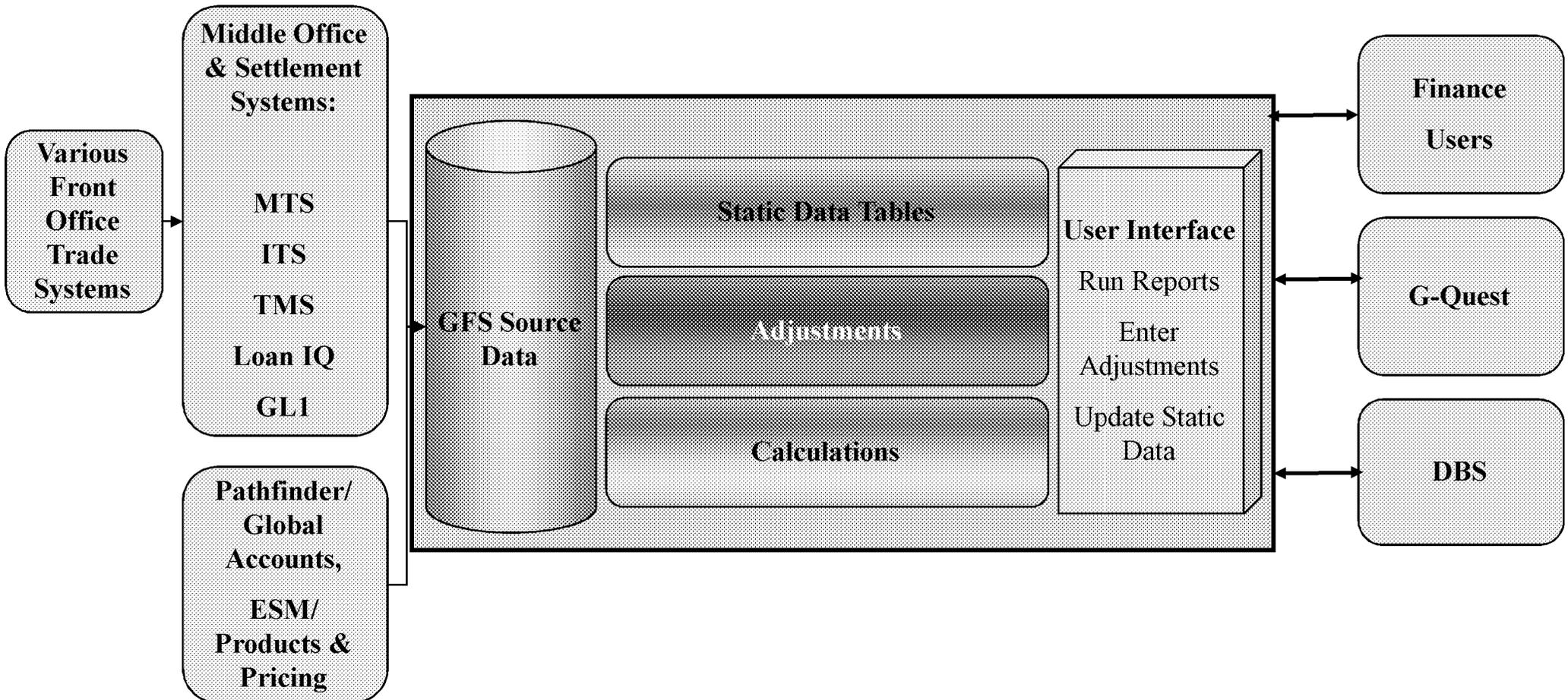
- ◆ Enables users to store frequently used reports for easy access and usage

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# Balance Sheet Module

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- ◆ The GFS Balance Sheet is used as a daily sub-ledger of the DBS Balance Sheet. It is used to produce a daily management balance sheet which shows differences over prior day and against target.
- ◆ GFS facilitates the month end financial reporting process by providing appropriate data for inventory classification, gross ups/net downs, etc.
- ◆ Used to research issues and reconcile differences between the daily and the global general ledger.
- ◆ Key Features:
  - ◆ Daily Asset Statement by business area (BPM)
  - ◆ Netdown Processing
  - ◆ Projected Month End Balance Sheet
  - ◆ Adjustment Functionality
  - ◆ Penalty Charging
  - ◆ GAAP Classifications to assist in DBS reporting

# Carry Module

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- ◆ The Global Interest Group in Treasury ensures that the expense of secured and unsecured funding activities is completely and accurately allocated to the business area responsible for the funding need.
- ◆ Allocating out the Firm's interest correctly evaluates the performance of each business area and ensures traders to make informed trading decisions.
- ◆ GFS calculates Carry charges and sends to GQuest and provides a consolidated database to create customized Carry reporting to analyze the activity driving the allocations.
- ◆ Benefits of GFS Carry include greater transparency in allocations, increased granularity in asset categories, and more equitable carry economics.

# Sources & Uses Module

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- ◆ The Sources & Uses module is designed to provide us with the intelligence that we need to understand the drivers of the Firm's liquidity requirements, to enhance liquidity management and control, and to minimize interest and operational costs.
- ◆ The GFS Sources & Uses function provides consolidated settlement date stock information with details of how inventory has been financed.
- ◆ GFS provides a flexible reporting and ad-hoc tool to monitor, evaluate, and analyze trends.
- ◆ Sources & Uses also serves as a source of data for GFS Carry and GFS Cash Capital.

# Cash Capital Module

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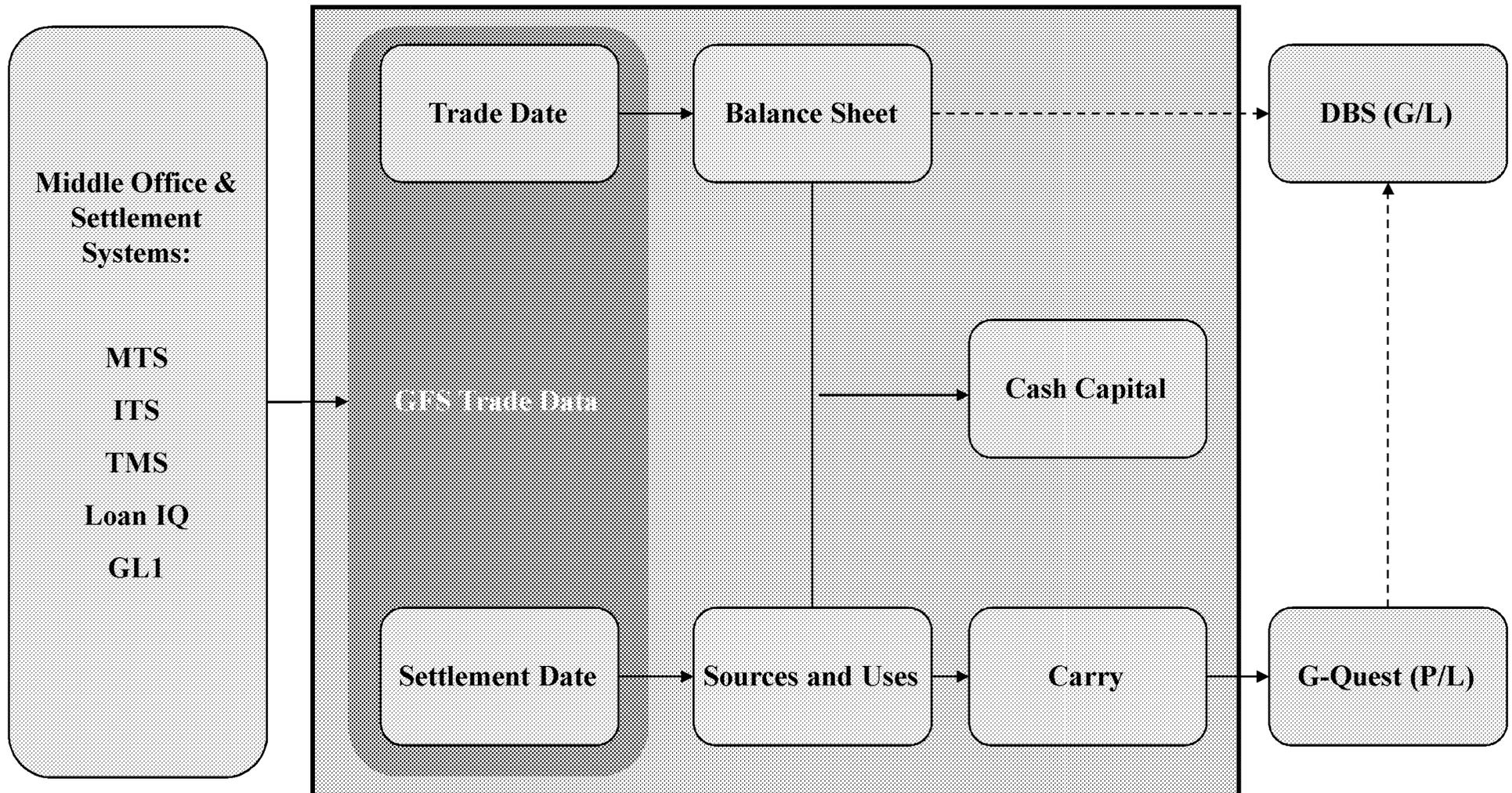
- ◆ The Cash and Collateral Management group ensures the Firm has appropriate controls and processes in place to efficiently manage intra-day liquidity requirements and an optimal cost.
- ◆ GFS Cash Capital output summarizes the Firm's Cash Capital requirements, which is used to facilitate the management of liquidity and the long term debt issuance plan.
- ◆ The Cash Capital function seeks to maintain reliable secured funding to continually fund its operations and meet its funding obligations in all market environments.
- ◆ GFS utilizes inventory from GFS Balance Sheet and the “unencumbered box” amounts from the Sources & Uses data. It also combines static data tables and adjustments to systematically calculate funding requirements.

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# ICB

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- ◆ ICB is Intra-Day Balance Sheet for the Central Funding Unit (CFU)
- ◆ CFU Traders and Salespeople borrow and lend bonds to/from customers to fulfil the funding requirements of inventory traders.
- ◆ ICB shows the total Balance Sheet for each trader, and allows them to drill down to see the detail.
- ◆ The Traders and Sales staff use ICB to make trading decisions that will help to reduce the total assets on the Balance Sheet. In order to minimize Balance sheet at month-end lends are “offset” against borrows.
- ◆ Technology: Infinity feeds all trades into ICB using Tibco, a real-time messaging system

# GFS Contacts

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## Helpdesk Support

- ◆ Fill out a SAM ticket  
[https://live.lehman.com/go/LL/lehmanlive?url=%2FRFB%2FWebFormViewServlet%3F%26ll\\_function\\_key%3DMYC\\_RF\\_GSGZ%26LLfunctionCode%3DMYC\\_RF\\_GSGZ](https://live.lehman.com/go/LL/lehmanlive?url=%2FRFB%2FWebFormViewServlet%3F%26ll_function_key%3DMYC_RF_GSGZ%26LLfunctionCode%3DMYC_RF_GSGZ)
- ◆ Critical Issues & 24 hour support during weekdays
- ◆ User Questions

## Finance Technology

- ◆ Email: [GFS Technology](#)
- ◆ Technology specific requests

## Additional Information

- ◆ GFS Webpage – Keyword GFS

# GFS

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## Questions?