

# Treasury Trends

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## Practical Use of AI in Corporate Treasury

Artificial intelligence (“AI”) is moving rapidly from a theoretical concept to a practical tool within corporate treasury functions. While discussions around AI often focus on automation and workforce reduction, the more realistic and valuable application in treasury is the enhancement of decision-making, forecasting accuracy, and operational efficiency.

Rather than replacing treasury professionals, AI has the potential to free them from repetitive analytical tasks, allowing greater focus on strategic risk management, stakeholder engagement, and capital allocation decisions.

Treasury functions sit at the intersection of liquidity management, financial risk management, funding, banking relationships, and financial planning. These activities generate significant volumes of structured and unstructured data, making them well suited to AI-enabled analysis.

### Sustainable Opportunities

#### Cash Forecasting

One of the most immediate applications of AI is cash forecasting. Treasury teams often spend considerable time consolidating information from enterprise resource planning (“ERP”) systems, accounts payable and receivable ledgers, procurement data, and business forecasts.

Traditional forecasting methods rely heavily on historical trends and manual adjustments. AI models can analyse thousands of variables simultaneously, identifying patterns that human analysts may overlook. For example, machine learning algorithms can recognise seasonal fluctuations, customer payment behaviours, supplier trends, and macroeconomic indicators to improve forecast accuracy. A number of high profile multinational organisations have reported meaningful forecast accuracy improvements through AI-enhanced forecasting tools, reducing liquidity buffers and enabling more efficient deployment of cash.

#### Anomaly Detection

A practical use case is anomaly detection in payments and treasury operations. AI systems can continuously monitor payment activity and identify unusual transactions that may indicate fraud, error, or operational issues. Rather than reviewing every payment manually, treasury staff can focus their attention on exceptions flagged by

### Key Points

- Tailor AI application
- Recognise capabilities and limitations
- Explainable outputs remain key. Use AI to support decision making
- Retain humans!

the system. This approach not only improves control effectiveness but also reduces the time spent on routine monitoring.

#### Working capital optimisation

Working capital optimisation represents another area where AI is demonstrating practical value. By analysing customer payment behaviour, supplier terms, inventory cycles, and operational data, AI can identify opportunities to improve cash conversion cycles. Treasury teams can use these insights when collaborating with procurement, finance, and operations functions to unlock liquidity without increasing external borrowing.

#### Market Risk Management

Foreign exchange and interest rate risk management also present opportunities for AI deployment. Treasury teams frequently analyse market data, economic releases, and portfolio exposures to assess risks. AI tools can process vast quantities of information from financial markets, news sources, and internal exposure data to identify emerging risks or recommend hedging scenarios.

It is critical though that recommendations generated ‘automatically’ be recognised as information to support rather than replace treasury judgement. Market events centred around behavioural factors remain difficult for AI models to fully interpret.

### Aiding + (re)training

AI is becoming increasingly useful in treasury reporting and information gathering. Generative AI tools can, very quickly, summarise market developments, draft commentary on treasury positions, and prepare first drafts of routine reports. While human review remains essential, this capability can reduce preparation time substantially and allow treasury staff to focus on interpretation and strategic recommendations rather than document production.



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Several treasury management system providers have already integrated AI capabilities into their platforms. These include predictive cash forecasting, automated reconciliation, payment anomaly detection, and natural-language querying of treasury data. Rather than requiring specialist data science expertise, many of these solutions are designed to be used directly by treasury practitioners within existing workflows.

## Please explain

Despite these opportunities, there are significant risks associated with overreliance on AI. As is always the case when looking for technology solutions, take the time to understand what you want to achieve from the enhancement before you begin the round of demonstrations. You do not want to be the one explaining to a Board, Council or other that the answer came from AI - with no interrogation or verification of the answer.

Treasury is fundamentally a risk management function, and excessive dependence on algorithmic outputs can create new vulnerabilities. AI models are only as good as the data they receive and the assumptions embedded within them. Historical data may not adequately reflect events such as geopolitical crises, pandemics, financial market dislocations, or sudden regulatory changes.

There is also a danger of 'automation bias', where users place excessive confidence in AI-generated outputs simply because they are produced by sophisticated technology. Treasury professionals must remain capable of challenging model assumptions and understanding the drivers behind recommendations. An AI-generated forecast or hedge recommendation should be viewed as an input into decision-making rather than the decision itself.

## Gain + maintain

Conversely, organisations should avoid complacency by dismissing AI as a passing trend or an experimental technology with limited relevance to treasury. The competitive advantages associated with faster analysis, better forecasting, and more efficient processes are becoming increasingly tangible. Treasury functions that fail to explore AI may find themselves spending disproportionate time on manual activities while peers leverage technology to enhance strategic capability.

The most effective approach lies between these extremes. Treasury teams should adopt AI selectively, focusing first on areas where large datasets, repetitive analysis, and clear performance metrics exist. Cash forecasting, reconciliation, reporting, fraud detection, and working capital analysis look to be logical starting points. Governance frameworks should ensure transparency, human oversight, model validation, and clear accountability for decisions.

## Have faith, don't be afraid

Ultimately, the future of AI in treasury is not about removing people from the process. Treasury remains heavily reliant on judgement, experience, relationship management, and strategic thinking. The real value of AI lies in augmenting human capability.

There is nothing wrong with seeking advice or ideas from anybody but clarity around objectives ahead of a process typically helps to avoid buyer's remorse, which leads to frustration for all parties and unnecessary cost.

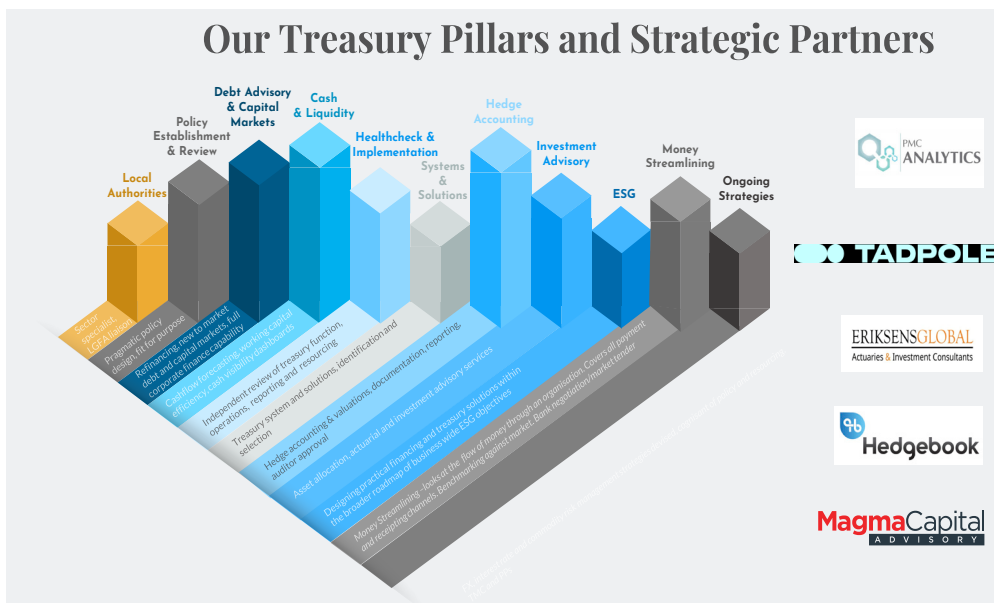
By automating data-intensive tasks and providing deeper analytical insights, AI can enable treasury professionals to devote more time to understanding emerging risks, evaluating funding strategies, engaging with stakeholders, and supporting broader corporate objectives.

In this sense, AI should be viewed not as a substitute for treasury expertise but as a tool that enhances it. The treasury functions that derive the greatest value from AI are likely to be those that combine technological capability with strong professional judgement, maintaining a healthy balance between innovation, scepticism, and risk awareness.

Don't use AI just because it's popular. Maximising AI is less about technical implementation and more about strategic clarity. Use it for a purpose, reduce the mundane, remove frustrations and help your team make better decisions.

For now at least, there remains a place for humans in treasury! If you would like to speak with one in our team on AI or any other aspect of treasury, please add to the agenda of your next strategy meeting - or contact us as below.

## WHAT WE DO



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