Accelerate Cash Management Digitization

Finacle Cash Management Suite
Corporate Banking
Business Today

The business dynamics is fast changing

Consider the following -

• The lending environment is sluggish and interest based incomes, the mainstay of corporate banking faces vulnerability.

• The competition for high margins FX business is intense.

• The traditional source of revenue from payments business is on the wane, thanks to new entrants with low cost digital platforms providing niche offerings.

• The float revenues earned by banks on the ledger balances maintained by corporates, have decreased over the years.

Profitability is an issue, and reportedly one in two globally have returns below the hurdle rate. The shrinking loyalty, and attrition of corporate clientele for want of tailored, cost efficient solutions is a reality. And to add, the increasing presence of Fintech competition in transaction banking business, is fundamentally disrupting the corporate banking value chain. Banks are coming under increasing pressure to reimagine their service models for corporate customers.
Digital Cash Management – A Renewed Proposition for Corporate Banks

Digital Cash Management, provides an excellent opportunity for banks to retain their existing customer base, secure new business and be seen as an innovative leader in the corporate banking space.

Globally, there are multiple forces propelling the cash and liquidity management dynamics, creating new orders.

Central banks, regulatory bodies worldwide are driving real time payments initiatives.

Market infrastructures such as SWIFT are reimagining the cross border correspondent banking paradigms, when it comes to payments and liquidity flows. SWIFT gpi, the new standard in global payments, is a step in this direction which fosters faster frictionless payments, with increased transparency and enhanced visibility.

The API driven, open banking mandates such as account access services, account aggregation services are creating new avenues for real-time information flows. Take for example, PSD2’s X2A service, as a point in case.
Corporates and SMEs see banks as strategic partners in treasury management

Business leaders are increasingly looking at their corporate treasury function to play a key role in managing and delivering financial prudence, while maximizing business outcomes. The enhanced focus on streamlining the working capital, strengthening the balance sheet, improving the financial stability and maximizing profitability, is like never before.

As the businesses become more global, the corporate treasurers face a host of challenges, thanks to the structural complexities they deal with -

- Different lines of business have unique working capital requirements
- As geographical expansions increase, they need to deal with varying macroeconomic conditions
- Operating across multiple time zones requires round-the-clock treasury management
- Multiple currency transactions require strategic forex and risk management
- Optimize the banking relationships and reduce the costs
- Comply with regulations, global and local, at minimal costs and penalties

With expanding role, corporate treasurers are expected to take a strategic view of their function. They are prioritizing the following to deliver what is expected of them

However, most banks aren’t ready to meet the emerging expectations

A truly digital cash management proposition can be built on three fundamental premises. The first and foremost is to give enhanced visibility on the cash flows. With visibility in place, the next step is to empower corporates experience greater mobility in managing their cash positions, in real-time and on the go. And finally, scale the offerings to enable cash management as strategic enabler, delivering business outcomes.

However, most banks have not got their act right across the three tenets and the services rendered by them have remained suboptimal. The corporates continue to suffer. According to a global survey\(^1\) of corporate treasurers by Ovum, a leading analyst firm, the results are fully evident, and as follows -

Only 13% of multinational corporates can see their global cash position in real time

Among the largest corporates, 45% face challenges with the accuracy of their cash flow forecasting

39% of the very largest corporates face challenges from manual intervention in key workflows

Mobile services remain a clear development area for banks, with 42% of mid-sized corporates underserved

The ability to view real-time balance information on mobile is a clear requirement for 47% of small and mid-sized corporates

One size does not fit all for corporates, and 52% would consider moving to a provider with a better fit for their needs

\(^1\) Understanding Today’s Corporate Treasurer – Ovum.
It’s Time Banks Step-Up Cash Management Services

For corporate banks, it’s time to scale new frontiers in digital cash management - one that provides corporate clients access to innovative global cash and liquidity management solutions, along with much-needed flexibility and self-serve capabilities.

It entails keeping the following 8 tenets in mind:

- Enabling real-time cash flow views for visibility and control
- Providing global access to accounts across banks on a single sign-on interface offering a unified experience
- Enabling digital, omni-channel liquidity management for seamless services on-the-go
- Offering tailored sweeps and pooling structures that are fully contextualized to the corporate’s unique needs
- Enabling real-time, faster payments
- Offering innovative liquidity planning and forecasting solutions to improve predictability and investment yields
- Facilitating flexible ERP integrations for improved account receivables and payables management
- Offering on-behalf banking for streamlined working capital management

For banks to realize all of the above, we recommend a transformation journey along the ‘Digital cash management continuum’.

Digital Cash Management Continuum

The digital cash management continuum offers a holistic transformation approach for banks to reimagine their cash management propositions.

The continuum provides a progressive roadmap through which banks can build capabilities closely aligned with the fundamental tenets of enabling cash visibility, empowering for cash mobility and finally, offering a range of services designed to deliver strategic value. The graphic below identifies each of the 8 tenets of reimagined cash propositions, across the continuum.
Finacle Cash Management Suite

Accelerate your digital cash management transformation across the continuum

Finacle Cash Management is a comprehensive solution suite built on an advanced architecture. The componentized suite empowers corporate banks deliver new propositions in digital cash management.

Finacle’s proven digital offering which includes Finacle Liquidity Management Solution, Finacle Virtual Accounts Management, Finacle Payments along with Finacle Corporate Online Banking, Finacle Corporate Mobile Banking and Finacle Digital Engagement Hub helps banks successfully transform along the continuum.

Finacle Cash Management Suite

Finacle Liquidity Management Solution
Integrated Cash Management Solution
Finacle Digital Engagement Hub
Finacle Payments
Finacle Virtual Accounts Management

The suite’s liquidity management solution offers a comprehensive range of liquidity services enabling corporate clients to identify, manage and optimize liquidity. The virtual accounts management module empowers corporates to transform their treasury operations, streamline payments and receivables, and reimagine in-house banking dynamics. The SWIFT certified, enterprise class payments services hub designed leveraging ISO 20022 standards, enhances the customer proposition with value added services and tailored payment offerings that improve cash mobility. The solution suite gives corporate customers seamless access to range of cash management services in digital self-service mode, across channels and through context sensitive APIs.

Finacle has helped corporate banks around the world reimagine their cash management service offerings with digital technologies to drive new revenue streams. The solution leverages emerging technologies such as blockchain and advanced analytics to offer impressive benefits to banks and their clients.
The Finacle promise:

• To empower corporate banks with the required agility for delivering tailored liquidity structures and products that best meet the unique needs of corporate customers

• To provide a robust platform for corporates to manage their global multi-bank cash and liquidity positions with a high degree of visibility and control

An industry-leading solution suite designed to accelerate your digital cash management transformation journey

Deliver tailored liquidity products
Empower your corporates drive treasury agility

Comprehensive, Componentized Suite
Advanced Architecture
Simplified Transformation
Modernize at your pace

Digital technology is shaking up the competitive landscape of corporate cash management. Other factors, including real-time payments initiatives, market infrastructures reshaping correspondent banking, and open banking, are further catalyzing corporate cash management dynamics. Consequently, liquidity is more mobile today than it has ever been, and also more transparent. For corporates seeking efficiency in treasury operations, smarter cash management is a top priority. They need banks that can match their expectations of a sound value proposition, tailored solutions and highly efficient delivery of digital cash management services. This is only possible when corporate banks also modernize their cash management systems with a robust digital platform that is packed with the latest capabilities.

Finacle Cash Management meets and exceeds these expectations. A comprehensive, componentized platform of corporate cash management solutions, it allows you the freedom to choose products that match your bank’s business priorities, and the flexibility to decide when to deploy or upgrade a particular component. What’s more, Finacle enables your bank to transform at one go, or in a progressive, phased manner.

With Finacle, your bank gains a wide range of enterprise-level products with rich business functionality that can be delivered on all channels. No matter how big or complex your business is, Finacle will give it a firm foundation of functional capability, architecture and delivery readiness.

Key solutions include:

- **Corporate Liquidity Management** - Pooling | Sweeping | Inter/Intra company loan agreements
- **Virtual Accounts Management** - Virtual Accounts | On-behalf liquidity management | Virtual Sweeps | Virtual Pooling
- **Payments Hub** - ISO20022 based, swift certified enterprise payments hub
- **Corporate Digital Engagement Suite** - Corporate Online Banking | Corporate Mobile Banking | Open APIs for ERP integrations
- **Blockchain Powered Solutions** - Finacle Payments Connect | Finacle Trade Connect
Corporate liquidity management transformation

Emirates NBD wanted to respond to its treasury customers’ call for a real-time liquidity management solution that could provide an aggregated view of global accounts. With the Finacle liquidity management solution, Emirates NBD clients can now design their unique cash management policies to manage receivables, payables, account services and investments, efficiently. The initiative helped improve stickiness with corporate clients significantly, while also delivering a remarkable seven times return on technology investments.
Future proof your digital cash management transformation

As multiple disruptive trends collide with traditional business models, cash management offerings face unprecedented flux. To stay competitive and innovative, corporate banks must tailor cash management solutions to clients’ unique needs, enable digital self-service across channels, collaborate with partner ecosystems, mitigate risks, and streamline internal and client-facing processes and integrations.

Digital leaders in corporate banking look towards technology to deliver enhanced propositions across the cash management value chain. But the archaic technology environment in many banks – complex legacy solutions built on obsolete technology and existing in silos – is not quite ready to change. This stifles innovation and hampers their ability to create benchmark cash management products. Corporate banks need to overcome this challenge and adopt a modern platform built on advanced architecture to become agile, flexible and scalable.

The Finacle Cash Management suite, which is built on the most advanced architecture in the industry, offers the above benefits and more:

**Enterprise-class components** such as liquidity management, virtual accounts management and payments help banks in creating unified processing hubs across business units, thus enhancing efficiencies.

**Services oriented architecture** with a comprehensive suite of both fine and coarse-grained services, extending reusability and increasing business agility.

**A host of Open APIs** across the suite, enabling collaboration with ecosystem partners as well as integrations with corporate systems.

**Readymade integration adaptors and compliance with industry standards**, lowering integration costs and enabling enterprise-wide straight through processing capabilities.

**Extensibility framework with GUI** (graphical user interface) based toolkit, extending the product to meet unique needs.

**Multi-entity, multi-currency, multi-time zone** capabilities, standardizing and centralizing operations across international and domestic subsidiaries.

**Business workflow management** capabilities to automate, streamline and optimize processes.

**Progressive cloud journeys**, with our partners such as AWS, MS Azure, Oracle and IBM for improving agility and lowering TCO.

**Scalable, secure and proven technology**, consistently rated best-in-class by leading industry analysts.
Infosys Finacle positioned as a Leader in The Forrester Wave™: Global Digital Banking Platforms, Q3 2018

"EdgeVerve builds its banking platform on a strong architectural foundation. Today's architecture shows ingredients such as a service-oriented architecture (SOA), a strong decoupling from data and business logic, built-in API management, and — to some degree — micro services. Broad and rich off-the-shelf business capabilities support corporate and business banking."

- **Jost Hoppermann**, Author of The Forrester Wave™: Global Digital Banking Platforms, Q3 2018
Drive simplified, risk-mitigated transformation

Technology is playing a profound role in disrupting the corporate cash management value chain. Fintech companies are leading the charge with their technology-led models, specialized services offered on low cost digital-only platforms, and superior customer service. They are rapidly scaling their offerings in fee-based businesses such as payments, foreign exchange. Digitally savvy challenger banks are leveraging technology to design and deliver highly personalized cash management products, driving customer centricity. As new technologies emerge, they create new markets and consequently, new competition for corporate banks. This poses challenges, but at the same time, opens up opportunities for banks that are willing to transform and meet emergent expectations. Finacle enables banks to transform cash management with agility, and in risk-mitigated fashion.

Whether it is a big bang switchover, progressive deployment or complete overhaul, Finacle helps your bank transform at its own pace. The following tenets simplify the transformation and mitigate its risks:

- **Finacle reference liquidity products for cutting complexity and time**
  Leverage our rich suite of standard liquidity products as you transform your bank’s cash management services. The reference liquidity products provide a platform allowing simple progression of liquidity management solutions to further empowering you drive segment-specific innovations. The product setup engine with extensive parameterization and rule-based configuration provides you the agility to roll out tailored, niche products. Ready interface adapters facilitate connections with external interfaces, such as payments systems and third party agencies, to further expedite the setup process.

- **Phased transformation for maximizing business outcomes**
  The fully componentized structure of the Finacle Cash Management suite allows you to set up flexible modernization milestones. This clearly reduces your bank’s transformation risks while accelerating the benefits of modernization. The business priority mapping and value realization models continually assess transformation progress and outcomes.

- **Agile delivery for progressive launches**
  Finacle implementations are done with agile methodology. Our approach enables your bank to achieve solution excellence, while frontloading risks and practicing strong governance.
Simplified and risk-mitigated transformation

Reference liquidity products
- Global standard liquidity products
- Extensibility with parameterization for segment-specific innovations
- Interface adapters for payments systems, third party agencies

Phased transformation
- Progressive modernization
- A phase-wise approach
- Business priority mapping and value realization

Agile delivery
- SAFe Agile Practice
- CI-CD, end to end release automation
- Progressive launches
Transform cash management for innovation and growth

The traditional model, where a bank manufactures and distributes basic, standard cash management products with little or no customization is fast losing relevance. Rigid liquidity structures amidst corporates’ complex liquidity flows, banal products setup for basic sweeps, pooling with limited or no cross-border, cross-currency capabilities, and batch-based payments processing diminish customer proposition. Progressive corporate banks realize that the future is about building a digital cash management platform that delivers highly contextual, niche liquidity products for their clients’ unique requirements.

New-age corporate cash management dynamics call for a digital product engine that will not only host a bank’s own products, but also widen the scope of offerings to include complementary products sourced from a partner ecosystem. The bank’s role will change from merely pushing products to recommending contextual offerings built to suit the needs of the industry segments in which its corporate clients operate.

Tailored Liquidity Products

Finacle’s Approach

- Expanse of liquidity products, such as global sweeps, with many variants including zero balancing, target balancing, range balancing, cover overdraft, reverse sweeps, and single entity, multi-locational, cross-currency notional pooling structures, along with virtual accounts including virtual sweeps and virtual pooling.

- Product defined liquidity structures that derive their behavior from its parameters, enabling banks to deliver tailored liquidity structures, as well as achieve regulatory compliance with appropriate business rule assignments.

- Extensive product capabilities, such as structured products, product bundling and product templates backed by extensive parameterization, providing the flexibility to personalize the liquidity solutions that best meet individual corporate requirements.

- Open APIs for ease of collaboration with partners, FinTech companies, corporate clients, and the extended developer ecosystem.

- Blockchain based networks to digitize cross-border payments.

- Finacle AppCenter, bringing an ecosystem of large partners and Fintech startups to complement the Finacle solution suite, and providing a marketplace for accelerating innovation.
Enabling an outside-in and inside-out innovation approach to deliver tailored liquidity products meeting corporates’ unique needs
Corporate cash management is a complex proposition for businesses with global operations, given the structural complexities they deal with. As companies accelerate the digitization of their business operations, they demand sophisticated digital cash management solutions from their primary banks to enable them to manage their cash and treasury optimally.

A key expectation is complete visibility and control over the cash management value chain. Specifically, corporate customers want digital self-service models that empower them to perform bank-like actions while managing treasury operations.

Corporate banks are expected to keep pace, and provide technology and business solutions that best meet such requirements. For that, they need new operating models that deliver products and services cost effectively across channels and fulfill new customer needs through innovation.

**Finacle’s Approach**

- Finacle digital engagement hub gives clients seamless access to corporate cash management services across channels and devices.
- Comprehensive digital self-service models empower corporate customers to set up sweep structures, and virtual account hierarchies that best meet their needs.
- Enterprise-level dashboards provide graphical views of liquidity positions on-the-go, cash flow forecasting and liquidity management structuring options.
- Open APIs for flexible ERP integrations enhance automation and reconciliation outcomes.
- Tailored, real-time payments services offer enhanced propositions across corporate channels.
Powering Santander UK’s International Cash Management System

“Using Finacle solutions, Santander will provide our corporate customers a single point of access to better manage their interbank global commercial cash flow conveniently and securely. It represents a significant part of GTB UK’s channel strategy, helping to prepare the bank for its shift towards serving its digitally enabled corporate clients.”

Bart Timmermans, Head of Global Transaction Banking (GTB), Santander UK

Referring to Finacle solution for Cash Management Transformation
Our Clients Have Leveraged Finacle To Gain Outstanding Value.

Here are few of the successes that our clients have seen

<table>
<thead>
<tr>
<th>%</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>Average reduction in transaction costs through automation, process optimizations, and seamless integration across disparate applications and multiple channels*</td>
</tr>
<tr>
<td>37%</td>
<td>Average reduction in product roll-out efforts due to flexibility of the solution enabled with extensive parameterization and extensibility*</td>
</tr>
<tr>
<td>21%</td>
<td>Average improvement in time to serve customers due to a unified and real-time view of customer and family relationships, transactions and interactions*</td>
</tr>
<tr>
<td>7.2%</td>
<td>Points lesser cost-to-income ratios, on an average, than others*</td>
</tr>
</tbody>
</table>

* Assessment of the top 1,250 banks in the world by The Banker
* An independent client survey
Experience That Speaks for Itself

Year after year, Finacle is chosen as a leader in independent industry assessments by major analyst firms.

Industry leading solution

*IDC*
Rated as a leader in IDC MarketScape: Worldwide E2E Corporate Banking Solution Providers 2019

*Kapronasia*
Rated as a leader among Payment Hub solutions by Kapronasia in their research titled ‘2018 Asia Pacific Vendor Landscape: Payment Hubs’

*Forrester®*
Rated as a leader in The Forrester Wave™: Digital Banking Engagement Platforms, Q3 2019
Rated as a leader in The Forrester Wave™: Global Digital Banking Platforms, Q3 2018

*Ovum*
Rated as a leader among digital banking in "Ovum Decision Matrix: Selecting a Digital Banking Platform," 2019

Industry recognitions for Finacle solutions and transformation programs

*Best Payments System implementation*
Infosys Finacle & Qatar National Bank

*Juniper Future Digital Awards - 2018*
Best Blockchain Deployment in Banking & Payments – Finacle Payments Connect
Best B2B Payment Platform – Finacle Payments Connect

*Celent Model Bank Award for 2018*
A consortium of seven leading banks in India powered by Finacle’s blockchain based trade network

*Infosys Finacle recognised with “Best Digital Banking Technology” award at Banker Middle East awards 2018*

*Infosys Finacle recognised with “Most Innovative Technology Provider” award at Banker Africa - East Africa Awards 2018*
The digital cash management revolution is on. Overcoming the disruption and keeping pace with corporates’ demands requires banks to become truly digital and to anticipate what tomorrow’s digital landscape may hold. Join the global community of corporate banking leaders who are innovating and transforming with Finacle.

Start your journey, today.

Contact us:
www.finacle.com | finacle@edgeverve.com
Finacle is the industry-leading digital banking solution suite from EdgeVerve Systems, a wholly owned product subsidiary of Infosys. Finacle helps traditional and emerging financial institutions drive truly digital transformation to achieve frictionless customer experiences, larger ecosystem play, insights-driven interactions and ubiquitous automation. Today, banks in over 100 countries rely on Finacle to service more than a billion consumers and 1.3 billion accounts.

Finacle solutions address the core banking, omnichannel banking, payments, treasury, origination, liquidity management, Islamic banking, wealth management, analytics, artificial intelligence, and blockchain requirements of financial institutions to drive business excellence. An assessment of the top 1250 banks in the world reveals that institutions powered by the Finacle Core Banking solution, on average, enjoy 7.2% points lower costs-to-income ratio than others.