

Multi-Banking: from the concept to a next reality



Current Situation in Liquidity Management for many multinationals and their subs

A. Diversity of bank processes

- Different ebanking systems
- Different security protocols

B. Limited transparency

- Problematic liquidity allocation
- Data access limitations

C. Trapped cash

- Liquidity is spread over group entities
- Relocation difficulties

Main Objectives

1. Establish secure and transparent CMS



2. Free trapped cash



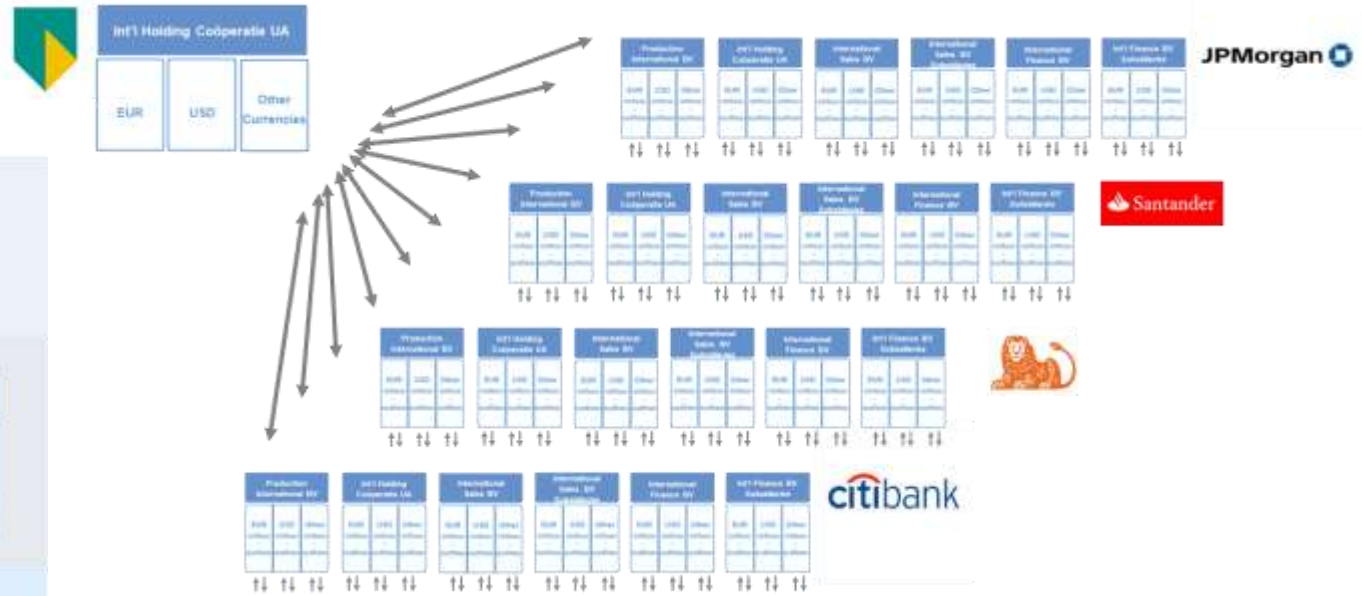
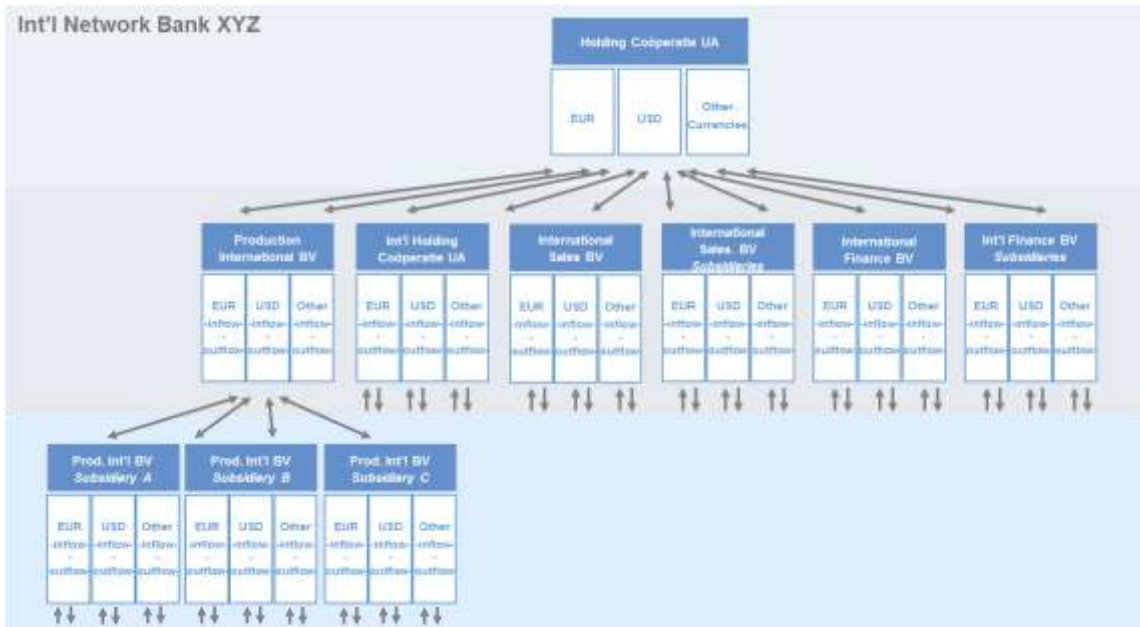
3. Increase banking efficiency



Possible Solutions

Traditional: Single-Bank Cash Pooling
(one-bank cash concentration)

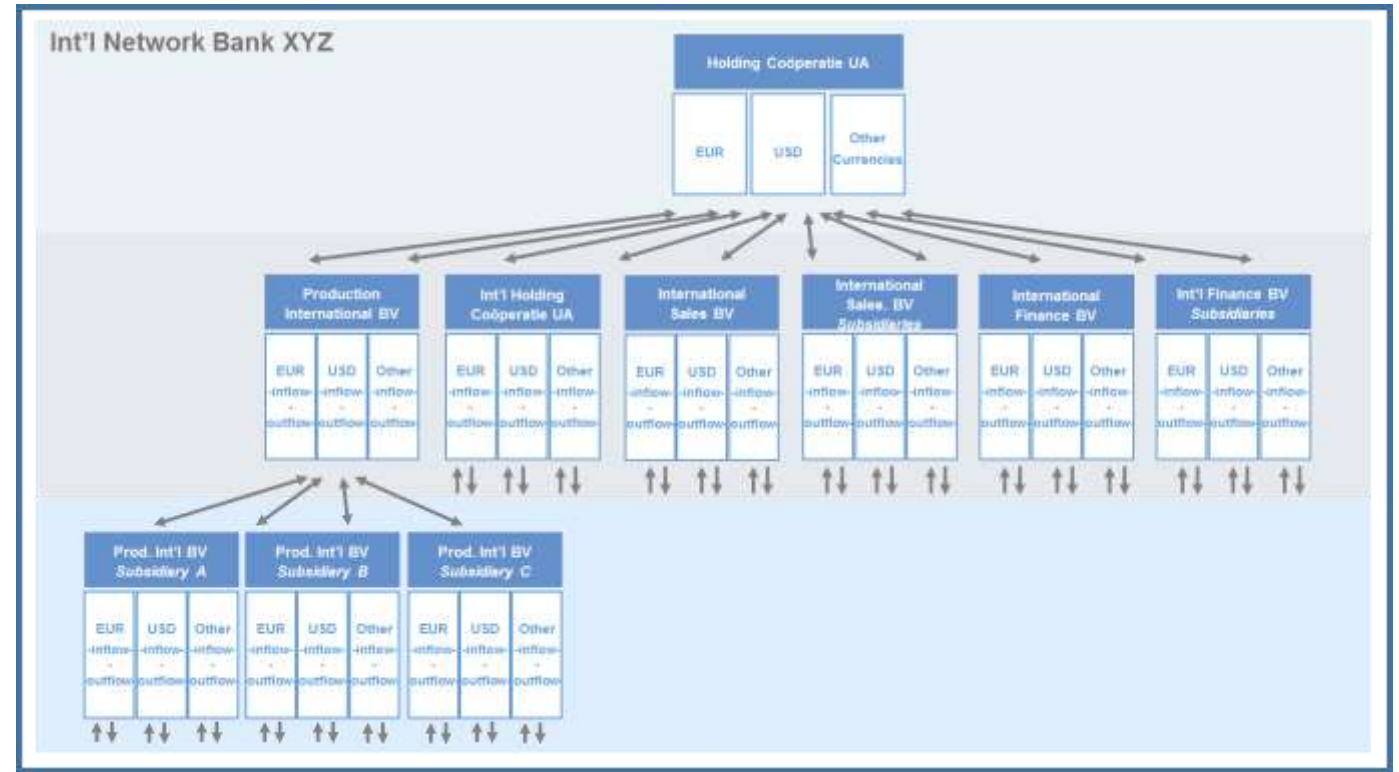
New: Multi-Bank Cash Pooling
(multi-bank cash concentration)



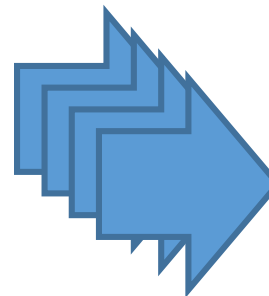
Single-Bank Cash Pooling

Only single bank accounts efficiently managed :

- cash concentration
- single ebanking only oversight, reporting, initiation transfers for single bank accounts.



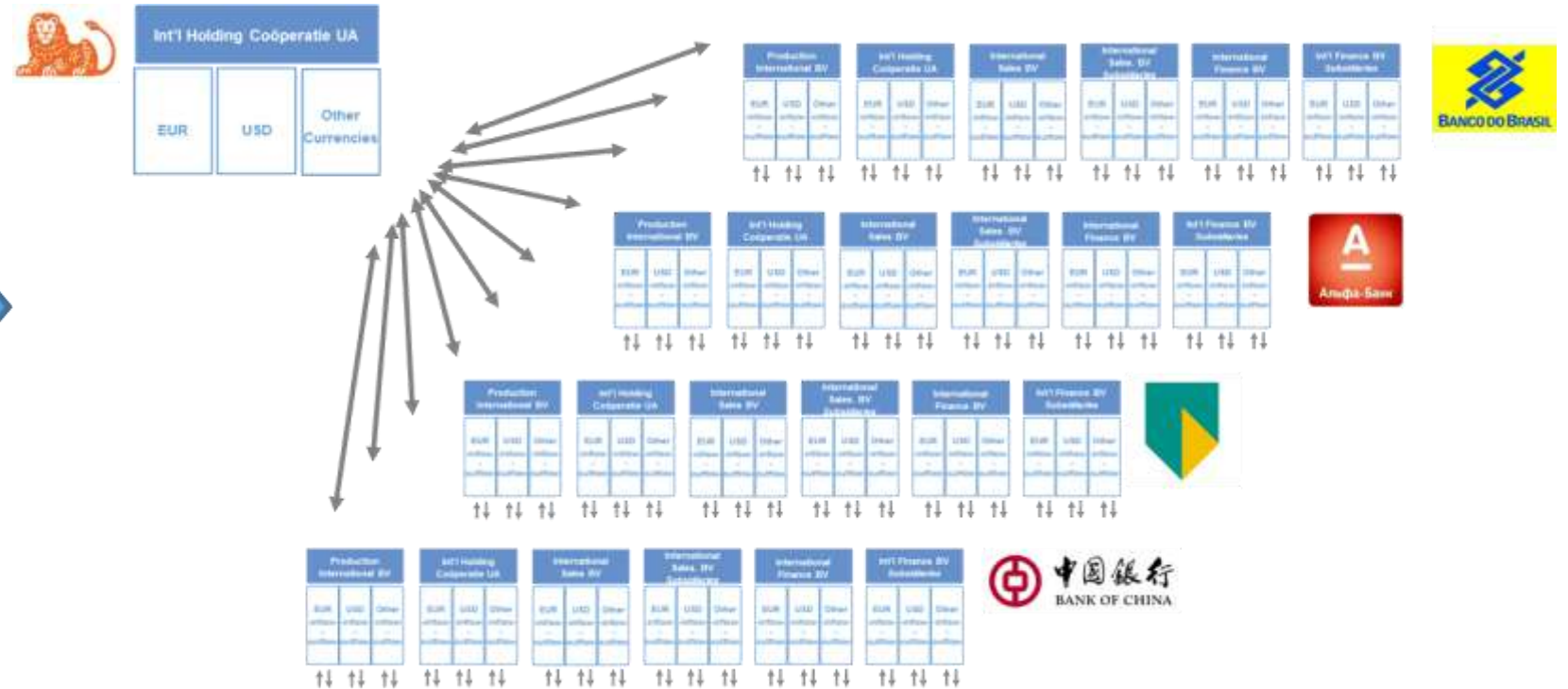
- ✓ Solution does not cover all bank accounts
- ✓ Cash concentration limited to cash pooling bank only
- ✓ Various ebanking systems stay in use
- ✓ Differing bank reportings do not combine
- ✓ Other banks can may be included via SWIFT solutions



Multi-Bank Cash Pooling

Efficiently managed via multi-bank cash pooling:

- cash concentration for **all** bank accounts/no trapped cash
- One solution: 100% oversight, 100% reporting, 100% initiation transfers
- All banks included



- ✓ Capture all banks in one cash pooling system
- ✓ Plug & Play: fast plug in and plug out of banks
- ✓ Overnight change capability concentration accounts
- ✓ Concentration accounts can be with any other bank account

Single-Bank- and Multi-Bank Cash Pooling

System Comparison

Item	Single-Bank	Multi-Bank
Cash concentration	Limited *)	Optimal
Reporting Transparency	Various Limited	Harmonised Unlimited
SWIFT-Network required	Yes	No
Implementation duration	9 – 12 months	5 – 7 months
Change: - Bank structure - Cash pooling bBank	Big effort Big effort	Flexible Flexible
eBanking operations Manual cash pool efforts	Various None	Harmonised Daily sweeps initiation

**) Inclusion other bank accounts in single bank cash pool require SWIFT-Network connections & sweeps*

Single-Bank- and Multi-Bank Cash Pooling

Strict Cost Comparison

Item	Single-Bank		Multi-Bank	
	One-Off	Monthly	One-Off	Monthly
System - eBanking, cash pooling, TMS	€23.3K	€6.3K	€61.3K	€7.5K
Reporting (SWIFT-network)	€55.0K	€8.6K		
SWIFT-Network sweeps <i>(sweep other banks balances with cash pool bank)</i>		€3.5K		
Total	€78.3K	€18.4K	€61.3K	€7.5K

Extending single-bank cash pool via SWIFT-network generates significant costs

Single-Bank- and Multi-Bank Cash Pooling

Conclusions

Any suggested (Single-Bank or Multi-Bank) **solution** significantly improves

- ✓ Efficiency of cash management
- ✓ Transparency of group's movements/transactions/balances

Same One-Off costs (Single-Bank or Multi-Bank) = **More** functionality of **Multi-Bank**

- ✓ Lower operational costs
- ✓ SWIFT-independence
- ✓ Flexibility adjustment banking arrangements

Only **Multi-Bank** Cash Pooling system provides enough flexibility to be a **Backup Plan**

Appendix

Multi-Banking/Multi-Bank Cash Pooling *eBanking and Treasury Technology*



TreasuryMetrics

Treasury Management System, including multibank cash pooling functionality

www.treasuryservices.be



Multi-bank electronic banking systems

www.omikron.de



Treasury
Intelligence
Solutions

Multi-bank electronic banking systems

www.tis.biz

Back-Up Plan?



Implementing Multi-Bank eBanking

Sample Project Scheme

	2015																							
Month:	June				July				August				September				October				November			
Week:	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44		
Group 1: Regional Banks																								
Citibank	S	C	T	IP																				
BNP Paribas	S	C	T	IP																				
Bank of China	S	C	T	IP																				
Deutsche Bank	S	C	T	IP																				
JP Morgan Chase Bank	S	D	D	D	D	D	D	D	D	C	T	IP												
ING Bank	S	C	T	IP																				
Raiffeisen Bank	S	C	T	IP																				
Group 2: Local Banks																								
Bosznia and Herzegovina, Raiffeisen Bank					S	C	T	IP																
Bangladesh, Sonaly Bank					S	D	D	D	D	D	D	D	D	C	T	IP								
India, ICICI Bank					S	D	D	D	D	D	D	D	D	C	T	IP								
Kazakhstan, Kazkommertsbank					S	D	D	D	D	D	D	D	D	C	T	IP								
Vietnam, Pvcombank								S	D	D	D	D	D	D	D	D	C	T	IP					
Cyprus, RCB Bank								S	D	D	D	D	D	D	D	D	C	T	IP					
Bolivia, Banco BISA S.A.								S	D	D	D	D	D	D	D	D	C	T	IP					
Brazil, Itaú Unibanco S.A.								S	D	D	D	D	D	D	D	D	C	T	IP					
Venezuela, BBVA Banco Provincial (BBVA Group)										S	D	D	D	D	D	D	D	C	T	IP				
Algeria, Societe Generale Algerie										S	D	D	D	D	D	D	D	C	T	IP				
Kyrgyzstan, Promstroybank										S	D	D	D	D	D	D	D	C	T	IP				
Libya, Gumhouria Bank										S	D	D	D	D	D	D	D	C	T	IP				
Nigeria, Fidelity Bank Nigeria													S	D	D	D	D	D	D	D	D	D		
Uzbekistan, JSC Bank "Pahta Bank"													S	D	D	D	D	D	D	D	D	D		
Tajikistan, Bank Eskhata													S	D	D	D	D	D	D	D	D	D		
Russia, Sberbank													S	D	D	D	D	D	D	D	D	D		

Phase per bank

- S** Scope
- D** Develop
- C** Configure
- T** Testing
- IP** In Productions

Duration time depending on (A) planning/project management, (B) bank's cooperation/availability

