FINASTRA

Factsheet - Finastra Liquidity Management

Elevate your cash management offering with an intelligent liquidity solution

Focusing on the essential technologies to optimise cash management, and increasing the use of liquidity tools are the top short-term priorities of corporate treasurers, as per a recent Celent report.

> ***"A cornerstone of corporate treasury operations is the ability to manage cash and liquidity. In times of economic stress, with high inflation, increasing borrowing costs, and exchange rate volatility, tools for managing liquidity become paramount for the treasurer."***

Source: *Celent - Unlocking Treasury Insights: Road Map to Intelligent Solutions 2023*

Minimizing interest cost
In today's complex economic environment, managing liquidity has become a key priority for treasury professionals. With interest rates on the rise and growth slowing down, financial stability and operational agility are at risk. As a result, it is imperative for treasurers to carefully balance accounts and subsidiaries, ensuring that no funds remain idle while others accrue borrowing costs from banks.

Improving cash visibility
Timely access to the cash positions of both local and international accounts is essential for treasurers and finance managers to make well-informed decisions regarding financing and investments.

Cost-effective treasury operations
Handling fund transfers across various accounts, coordinating with different time zones to meet business requirements, managing credit risk, overseeing intercompany lending and borrowing positions, calculating and recording interest rates, and handling tax management — all constitute intricate and time-intensive treasury tasks.

However, implementing Treasury Management software (TMS) to streamline these operations can be a costly endeavour.

Upgrading liquidity solution can be challenging
Traditionally, liquidity management solutions such as cash pooling and notional pooling have been provided through legacy core banking applications.

However, these systems often struggle to scale effectively to meet growing liquidity demands.

Finastra's Liquidity Management microservice empowers banks and their corporate clients to successfully navigate the complexities of liquidity management. By simplifying intricate liquidity workflows, delivering a feature-rich solution, providing real-time cash visibility, driving automation, and ensuring an intuitive user experience, we make liquidity work smarter for you.

Source: Celent - Tech Trends and Priorities for Corporate Treasury and Finance, 2023

Finastra Liquidity Management

Empower with self-service

With our user-friendly interface, corporate treasurers and bank users alike can adjust settings, simulate liquidity scenarios and create customized financial strategies.

Orchestrate liquidity

Our sophisticated liquidity orchestration frees corporate treasurers from mundane, repetitive tasks.

Configure workflows

Tailor the solution with custom workflows, rules, and thresholds to meet the diverse liquidity structures and regulatory nuances of each corporate.

Scale with ease

Ensure optimal performance with a microservices architecture and meet the increasing client demands for liquidity management, ensuring optimal performance.

Key challenges in digital treasury management

Persistent high interest rates

Rising interest rates are compelling corporate treasurers to reassess liquidity strategies, emphasizing a cost-conscious approach to liquidity management.

Each dollar in the liquidity buffer now bears a greater financial weight.

Rising risks and costs

While implementing a Treasury Management System (TMS) can enhance operational efficiency and financial control, its high total cost of ownership (TCO) often makes it a costly solution for many corporates.

Manual treasury operations

Large and mid-sized corporate treasurers encounter substantial difficulties in treasury operations with time-sensitive, repetitive tasks and inherently intricate steps. When performed manually, they become sluggish and error-prone, resulting in inefficiencies and creating potential risks.

Legacy core banking applications

The time-critical nature of liquidity sweeps, combined with the growing number of transactions driven by increased liquidity demand, places significant strain on completing core banking end of day (EOD) activities. Additionally, the rise of 24/7 banking in many countries has intensified the pressure on banks to minimize core banking downtime.

Finastra Liquidity Management – Key features

Physical pooling

Liquidity Management provides various cash pooling algorithms and supports rules and controls such as child accounts, parent accounts, account pairs, fund direction, balance management, and transaction limits. The application enables the creation of flexible cash pooling structures across different entities and currencies.

Scheduler

The application offers on-demand and flexible scheduling for sweeps and reverse sweeps. It covers intra-day and overnight liquidity management, allowing users to schedule executions on specific days or dates. Additionally, it seamlessly integrates with the bank's internal systems and external treasury management systems.

Agreement management

Managing the lifecycle of a liquidity structure involves intricate tasks, such as suspending instructions, adjusting structures with current and future impacts, and considering the effects of back value transactions. Our user-friendly application streamlines these complexities, ensuring adaptability and control.

Inter-company loan management

The application streamlines inter-company loan management, simplifying loan booking, lifecycle management, interest computation, tax considerations, and interest and tax posting. It also provides easy visualization of inter-company loans and deposit positions, making management effortless.

Front-to-back microservice built on the latest tech stack for liquidity management

Cloud-agnostic

Cloud-ready application that can be deployed on any cloud

Microservice

Headless microservice built on latest technology stack

Modern UI

Modern UI with access-driven self-service features

B2B | B2C APIs

APIs for seamless client connectivity and faster system integration

Contact us

About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning software solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (Retail, Digital and Commercial Banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by over 8,000 institutions, including 45 of the world's top 50 banks. For more information, **finastra.com**

© 2024 Finastra. All rights reserved.

Corporate Headquarters
4 Kingdom Street
Paddington
London W2 6BD
United Kingdom
T: +44 20 3320 5000

ID-43612 / 0724

FINASTRA