

# FinnAxia Global Liquidity Management

Unlocking and leveraging trapped cash  
for effective working capital management

→ According to PwC, more than \$1 trillion could be released from the balance sheets of global corporates with effective working capital management strategies.

For corporates with multiple subsidiaries, often operating in different countries across different time zones, with varying internal processes and cash flow cycles, managing liquidity effectively becomes a gargantuan task. Therefore they rely on their banking partners to help them, not only to optimize their working capital but also to avoid paying high interest rates on overdrafts, while earning high interest rates on their deposits. A comprehensive liquidity management solution allows banks to help corporates unlock trapped cash and increase the earning potential of their surplus funds through investments while also reducing the cost of borrowing funds.

## STRATEGIC TREASURY MANAGEMENT

FinnAxia Global Liquidity Management helps banks deliver, to their corporate customers, a 360 degree view of their cash positions. The solution's advanced design – supporting multi-currency, multi-banking and multi-country operations – ensures that corporates can optimise the utilisation of their available funds and reduce interest costs through short-term bank borrowings. The web-enabled (J2EE) solution automates all transactions, interest and tax calculations and manages a registry of past intercompany lending/borrowing and limits for the corporate entity. The solution also enables corporates to earn

**ABOUT NUCLEUS SOFTWARE**

Nucleus Software is the global leader in advanced digital technology platforms that power Lending and Transaction Banking businesses worldwide. With over three decades of expertise, it supports the mission critical operations of more than 200 financial institutions in 50 countries across Retail and Corporate Lending, Transaction Banking and Cash Management, Automotive Finance and other business areas.

**AWARDS****Celent Model Bank Award For Retail Lending****2020**

RattanIndia Finance, India

**IBS Intelligence FinTech Innovation Award****2019**

Roha Housing Finance, India

**Best Lending Technology Implementation Award****2018**

SPFC, India

**Celent Model Bank Award****2016**

Celent Model Bank Vendor Award

**2014**

ICICI Bank, India

**2013**

Vietnam Prosperity Bank, Vietnam

**2010**

HDFC Bank, India

**2009**

ICICI Bank, India

**IDC Insights Award****2015**

DCB Bank, India

**Asian Banker Technology Implementation Award****2014**







ICICI Bank, India

**RBI Trailblazer Award****2013**







CIMB, Malaysia

**FINNAXIA**

Nucleus Software's FinnAxia is an integrated global transaction banking solution offering the capability to swiftly address corporate customers' working capital needs and handling the entire Cash Management lifecycle covering

-  Payments
-  Receivables
-  Liquidity Management
-  e-Trade Finance
-  e-Financial Supply Chain Management
-  Electronic Bill Presentation and Payment

**ACROSS DIFFERENT CHANNELS**

-  Website
-  Mobile
-  ERP
-  Email
-  Bank Branch
-  File Services

higher returns on surplus funds across locations and reduces interest, forex, and transaction costs.

**UNLOCKING TRAPPED CASH**

Optimizing cash through centralization, FinnAxia Global Liquidity Management enables easy cash flow forecasting for corporates by providing real time cash positions. This, in turn, can help corporates predict their cash cycle in advance and take preventive measures for risky transactions. Forecasting also helps to identify faults and bottlenecks at multiple levels in the supply chain. With auto reconciliation capabilities and 'follow the sun' approach, Global Liquidity Management ensures 24/7 availability to the corporate customers with faster time to market capabilities.

**MAKING IDLE CASH WORK HARDER**

The solution offers sweep functionality with parent and subsidiary customer group setup that can be used to manage automated and manual fund transfers, facilitating zero balancing and target balancing. Banks can now increase their customers' earning potential on surplus funds by offering them a variety of investment vehicles and linking their checking account to an investment account or line of credit. They can help customers fund shortfalls by moving funds from accounts with surplus funds thereby reducing the interest to be paid. The solution offers a rule based sweep reversal process through which the corporate can utilize the money at the beginning of a new business day where the balances of accounts are restored as per defined rules.

**REDUCING OPERATING EXPENSES**

FinnAxia Global Liquidity Management also enables a multi-entity, multi-currency, and multi-country notional pool structure for corporations with decentralized operational structures that want

to preserve the autonomy of their subsidiaries and accounts. Essentially, the balances are netted off to ensure that debit interest is minimized and credit interest is maximized. Funds are not physically moved, but are instead notionally combined. Operating expenses are hence reduced since the corporate incurs zero cash transfer fees and reduced foreign exchange transactions. Banks could also use a combination of sweeps and notional pooling by setting up a hybrid pooling structure.

**ELIMINATING EXTERNAL CREDIT REQUIREMENTS**

By improving the availability of funds and unlocking trapped cash, the solution enables corporates to source more of their working capital needs internally, reducing or eliminating external credit requirements. With this solution, group subsidiaries can lend or borrow from each other based on limits set by the corporate. The solution also offers complete loan tracking and interest calculation of outstanding loans based on predetermined lending and borrowing rates.

**KEY FEATURES**

- Multi-country, multi-currency, multi-banking
- Automated/manual/event based and rule based sweep executions and sweep reversal
- Zero balancing, target balancing, and range balancing
- Notional pooling
- Hybrid pooling
- Intercompany loans
- Structure simulation for predictive analysis
- SWIFT support
- Back value processing
- Multiple interest and billing models
- Multiple interest allocation and reallocation models
- Robust FX engine