

# OpusCapita In-House Bank

Savings from centralised accounts and payments

The OpusCapita In-House Bank is an advanced tool for centralised management of corporate accounts and payments. With this solution, payments are made between subsidiaries and units, internal accounts are managed, and external transactions are delivered to the bank in a centralised manner.

## Cost savings with internal accounts

Internal accounts form the basis of In-House Bank, which gives the parent company and all the companies and units belonging to the group specific accounts. Internal accounts provide instant cost savings, since banking costs due to a group's internal payments can be eliminated and the number of external accounts can be decreased. Monitoring is easy at group as well as subsidiary and bank level, and external accounts can be attached to the system. Centralisation also provides the opportunity to optimise the routing of external bank transactions and gives the group more negotiating power, for example, on bank service charges. Since In-House Bank facilitates liquidity monitoring, managing working capital becomes more efficient.

## Payments

In-House Bank simplifies the group's payment process, clarifies cash flows between units, and creates cost savings.

## Internal transactions

Internal transactions are payments from one subsidiary to another through internal accounts. Since such payments are not sent to an external bank, savings are generated with respect to external charges and float. Internal transactions are immediately visible in the payer's internal account as debits and in the recipient's internal account as instantly available credit. Transactions on internal account statements are specified and posted in the same way as on external bank account statements.

## External transactions

Subsidiaries send their external payments to In-House Bank, which pays them from the group's appropriate external bank account. Incoming external payments for the subsidiaries are credited to the group's bank account and allocated to internal accounts. Allocations to the internal accounts are automated as far as possible. A subsidiary may also have its own external bank account for incoming and outgoing external transactions. Accounts may be in any currency.

## Flexible interest calculation

In-House Bank produces interest calculations and reports for external as well as internal accounts. Interest calculations can be performed in a versatile manner according to the company's needs. For instance, the parent company can define its own interest rate for the internal account balances that will be paid to the units. Since the parent company is able to define the interest rate and margins itself, it can use them as a unit guidance tool. With regard to external accounts, this feature can be used, e.g. for calculating interest for cash pools. Interest calculations can also be defined for generating interest reports on internal accounts as well as automated booking and posting of interest transactions for internal accounts. The interest calculation feature can be implemented as an independent application.

## Improved clearing

In clearing, the liability and receivable positions between internal accounts are settled. The software creates payment proposals based on the clearing automatically for the units.

# OpusCapita

Benchmark in Cash Flow Automation

## Easy implementation

The implementation of the solution is rapid because the software processes the same standard data as the banks. The integration of various systems and interface configurations are performed only once and the implementation of new features is easy since the features are only installed in one location, after which they are available to the whole group. Financial management procedures can be streamlined, e.g. the electronic banking of each subsidiary can be managed centrally with OpusCapita software but the subsidiaries can continue to perform their operative financial tasks, such as reconciliation of account statements, in a distributed manner. Routine tasks can be automated. For example, account statements and references can be retrieved automatically each morning and the files moved to preset destinations for further processing. Allocations and postings can also be automated as far as possible.

## Reliable data security solutions

Individual access rights, for example, to specified companies and accounts, are created for the users of In-House Bank. External data communication connections, such as bank transactions, are managed via one route only, enabling data security solutions and the related expertise to be managed in a centralised manner.

## An example of In-House Bank's operations: payment processing

1 A subsidiary processes its payments: processed payment data is transferred from the ledger to OpusCapita Payments. Payments outside the ledger, to be processed manually, are added to OpusCapita Payments.

2 Payments are sent to the banks: it is possible to send payments in a single transaction to both In-House Bank and all available external banks.

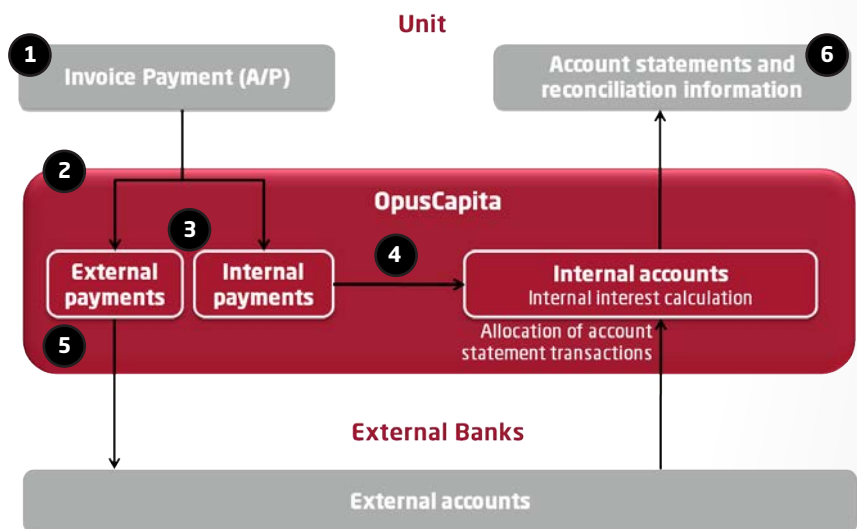
3 In-House Bank receives the internal and external payments that the company has specified for payment from its In-House Bank account. In-House Bank divides the payment data supplied by the company into internal payments, i.e. the recipient of the payment is another subsidiary of the group, and external payments for which the recipient is a company outside the group.

4 Internal payments are managed in In-House Bank: the internal account of the pay-

ing company is debited and the internal account of the payee company is credited with the amount of the internal payment. Internal transactions are entered on the In-House Bank account statement of both the paying company and the payee company. A reference list of payments is formed, with reference data created on internal accounts. The actual reference deposit transaction is visible on the In-House Bank account statement.

5 External payments are sent to the bank and paid out of the relevant group bank account. The account statement from the group bank arrives at In-House Bank where transactions concerning subsidiaries are allocated to internal bank statements.

6 Subsidiaries may browse and process the bank statements for internal accounts in OpusCapita Account Management. Bank statement transactions are processed and their posting data is transferred to accounting.



## Benefits

- Facilitates centralised liquidity management.
- Reduces idle cash.
- Improves control over outgoing and incoming payment flows.
- Enables centralised and/or decentralised processing of account statements.
- Reduces external banking costs.
- Enables cost-efficient internal financing.
- Interest can be calculated both for internal and external accounts.
- No need for software maintenance and bank connections at group companies.

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