



## Bank Account Structures

My bank account  
My receivables  
My payables  
Single currency  
My liquidity solution

What is my optimal solution ?

---

Relating to the world of Corporate Treasury  
Multiple accounts  
Multiple receivables  
Multiple payables  
Multi-currency  
Multiple liquidity solutions

...or just one solution?

6 Other 'Flow' Businesses	
4 Liquidity and Finance	5 Technical Infrastructure
2 Bank Accounts	3 Payables and Receivables
1 The Foundations	

FINANCIALEDGE

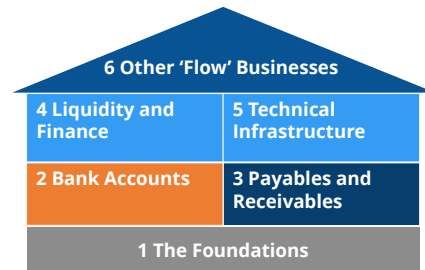
## Bank Account Structures

All bank account structures can be captured by one of:

No account required  
 The "Single Financial Centre Bank" solution  
 The "Indigenous Bank" solution  
 The "Overlay Bank" solution  
 The "Global Bank" solution

Now let us analyse each of these structures individually from the point of view of the efficiency of:

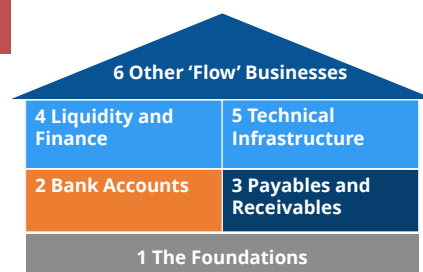
The bank account structure itself  
 The receivables and payables  
 The liquidity solution  
 The user



## Bank Account Structures

What is the optimal location for bank account structures

Home or away

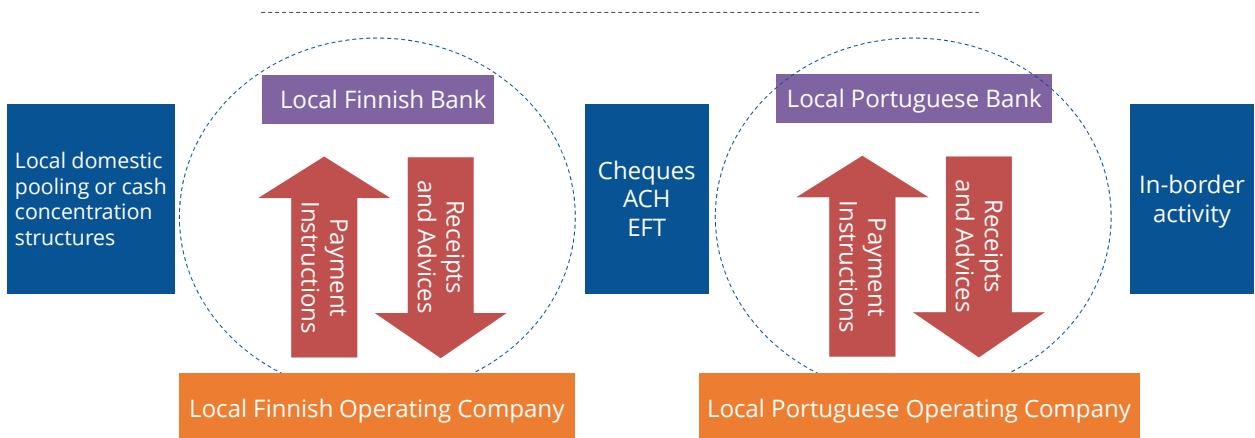


## Bank Account Structures

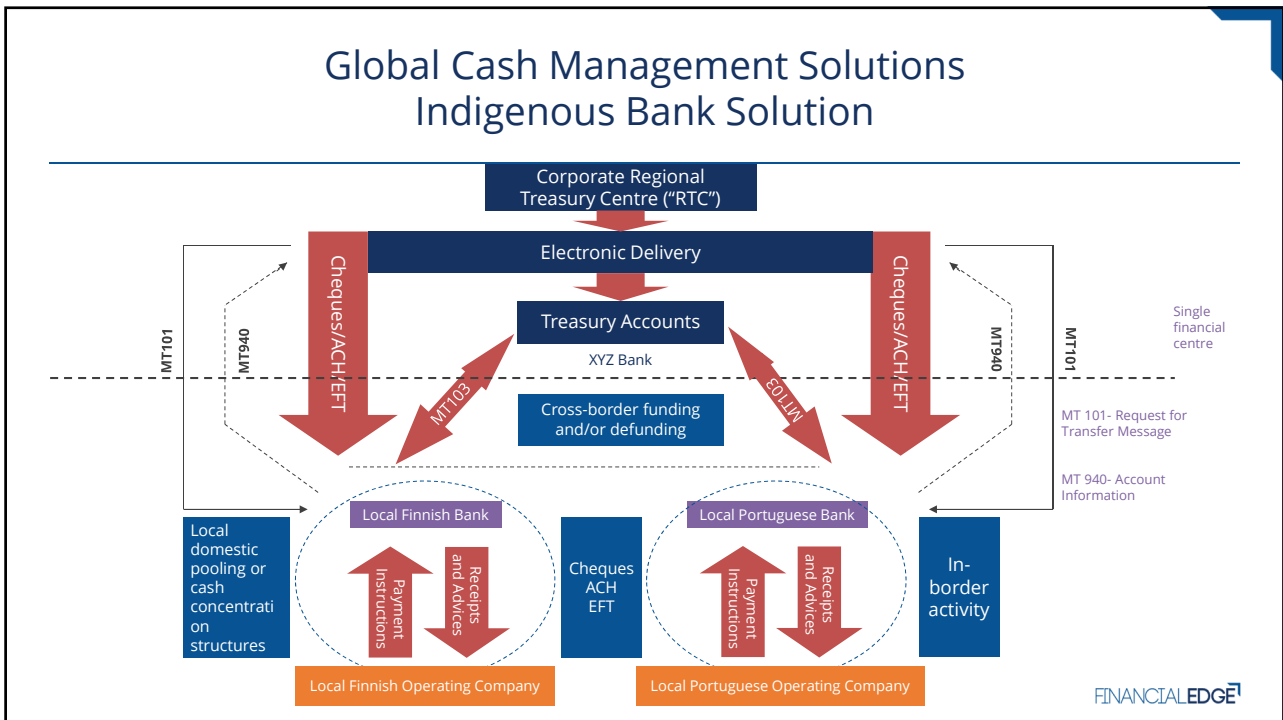
	Home	Away
Advantages	<ul style="list-style-type: none"> <li>Local bank in home financial centre</li> <li>Ease of communication</li> <li>Minimal, marginal cost for account maintenance</li> <li>Single Electronic Banking connection to local bank</li> <li>Ideal for "low volume" currencies</li> <li>Liquidity solutions can be simplified and enhanced</li> </ul>	<ul style="list-style-type: none"> <li>Currency account in the correct financial centre for the currency concerned</li> <li>Direct access to Clearing Systems and Money Markets, in border</li> <li>"Real time" in the financial centre for the currency concerned</li> <li>Ideal for "high volume" currencies</li> <li>Inexpensive for transactions, local receipts/payments</li> <li>Distributes "share of wallet"</li> </ul>
Dis-advantages	<ul style="list-style-type: none"> <li>Bank "nostro" solution in a financial centre "foreign" to the currency concerned</li> <li>Indirect access to Clearing Systems and Money Markets, cross border</li> <li>Expensive for cross border transactions (high volume)</li> <li>Not "real time" in the financial centre for the currency concerned</li> <li>Concentrates "share of wallet" to a single bank</li> </ul>	<ul style="list-style-type: none"> <li>New relationship with new bank: distance, time zones</li> <li>Potential difficulties in communication</li> <li>Expensive account maintenance</li> <li>Potential second Electronic Banking system required</li> <li>Centralised Liquidity solutions become cross border</li> </ul>

NB: A bank account may not be required at all

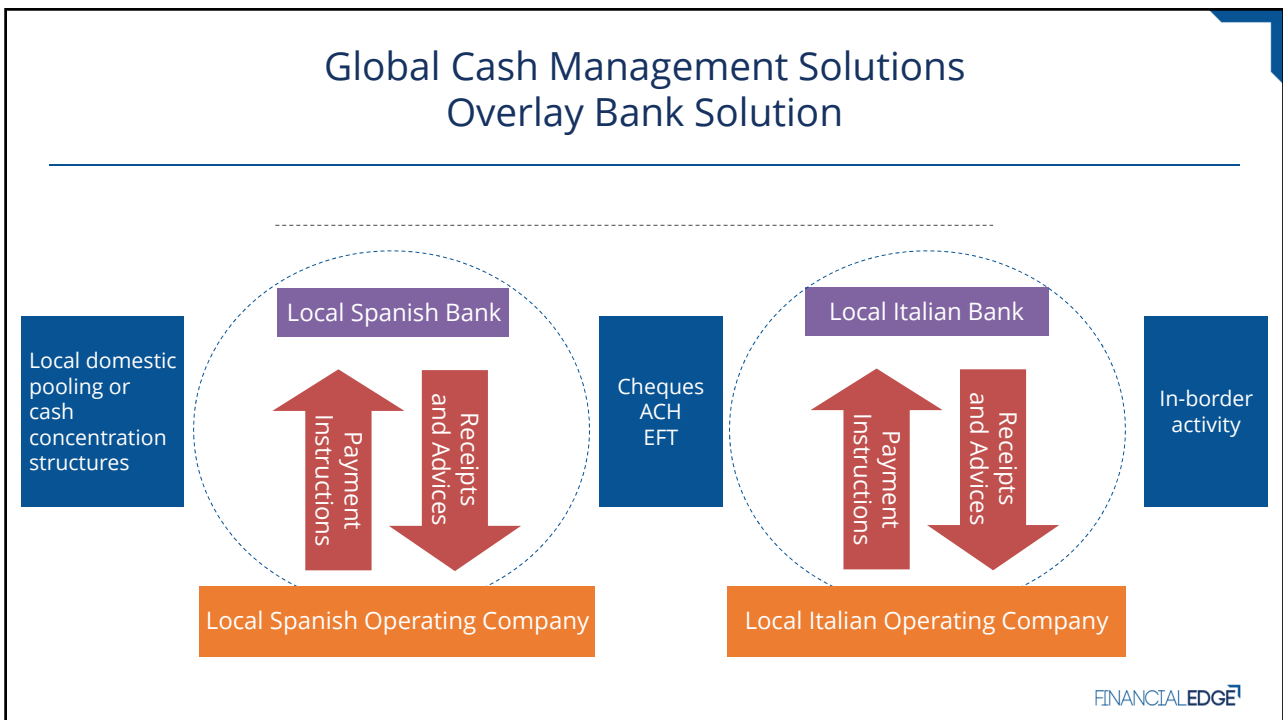
## Global Cash Management Solutions Indigenous Bank Solution



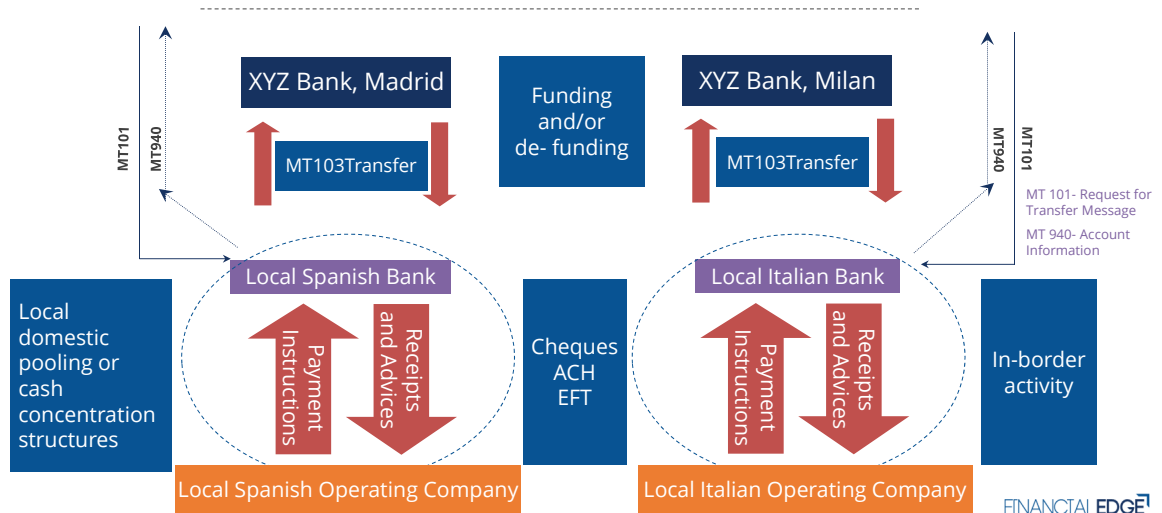
## Global Cash Management Solutions Indigenous Bank Solution



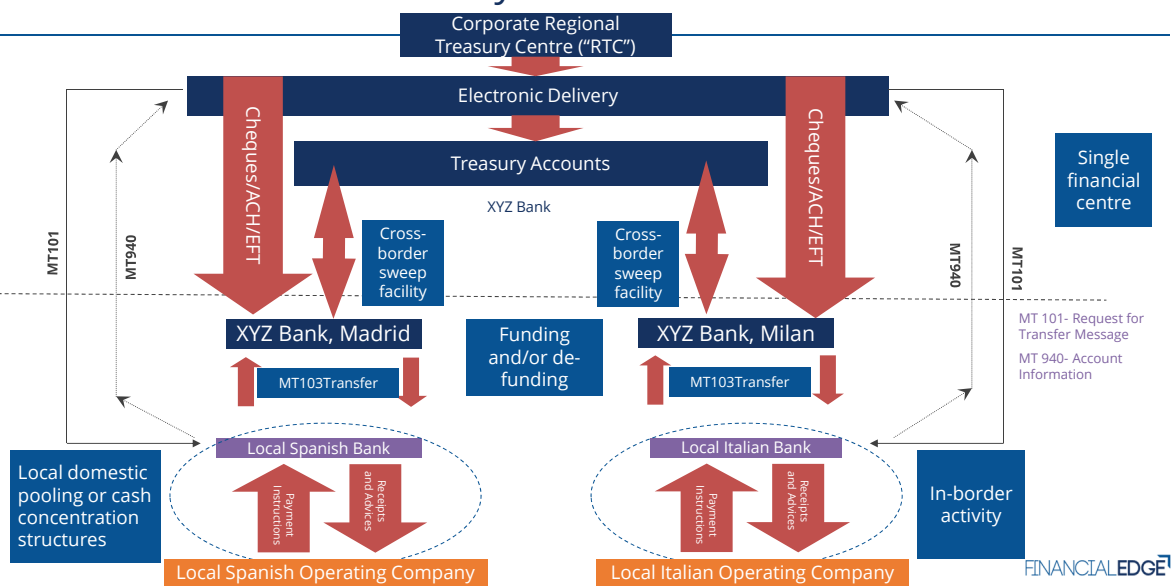
## Global Cash Management Solutions Overlay Bank Solution



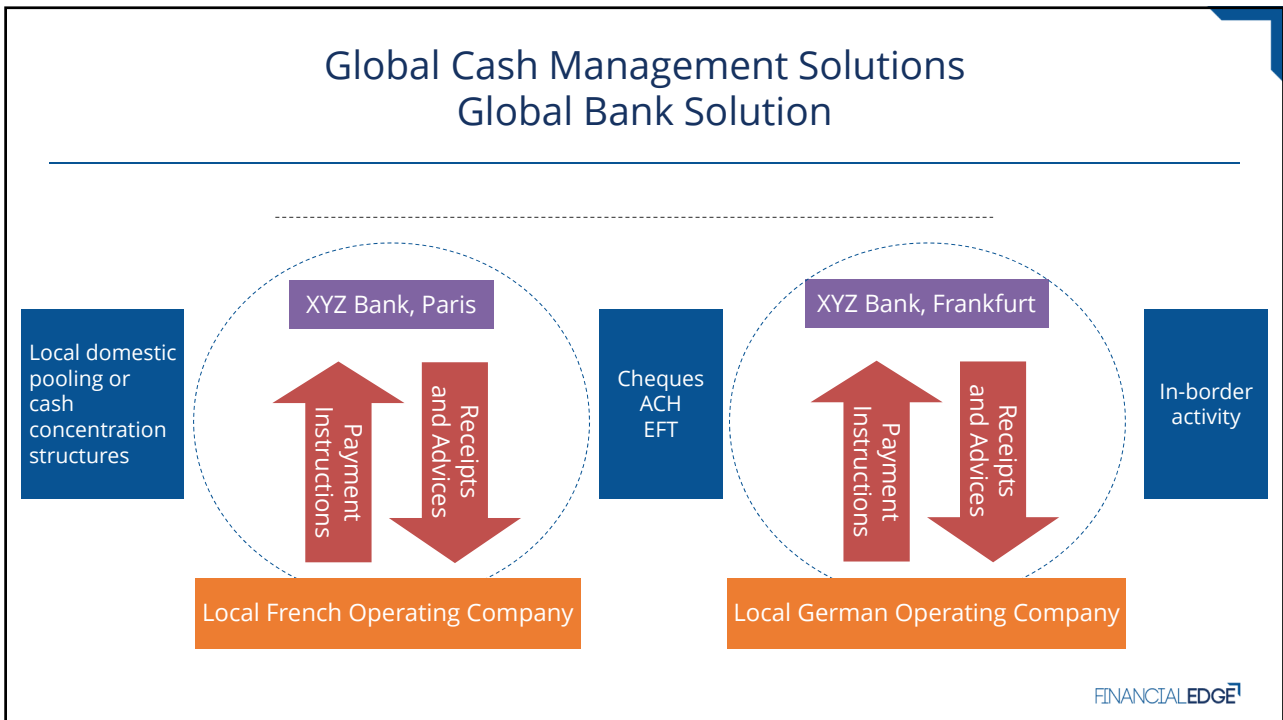
## Global Cash Management Solutions Overlay Bank Solution



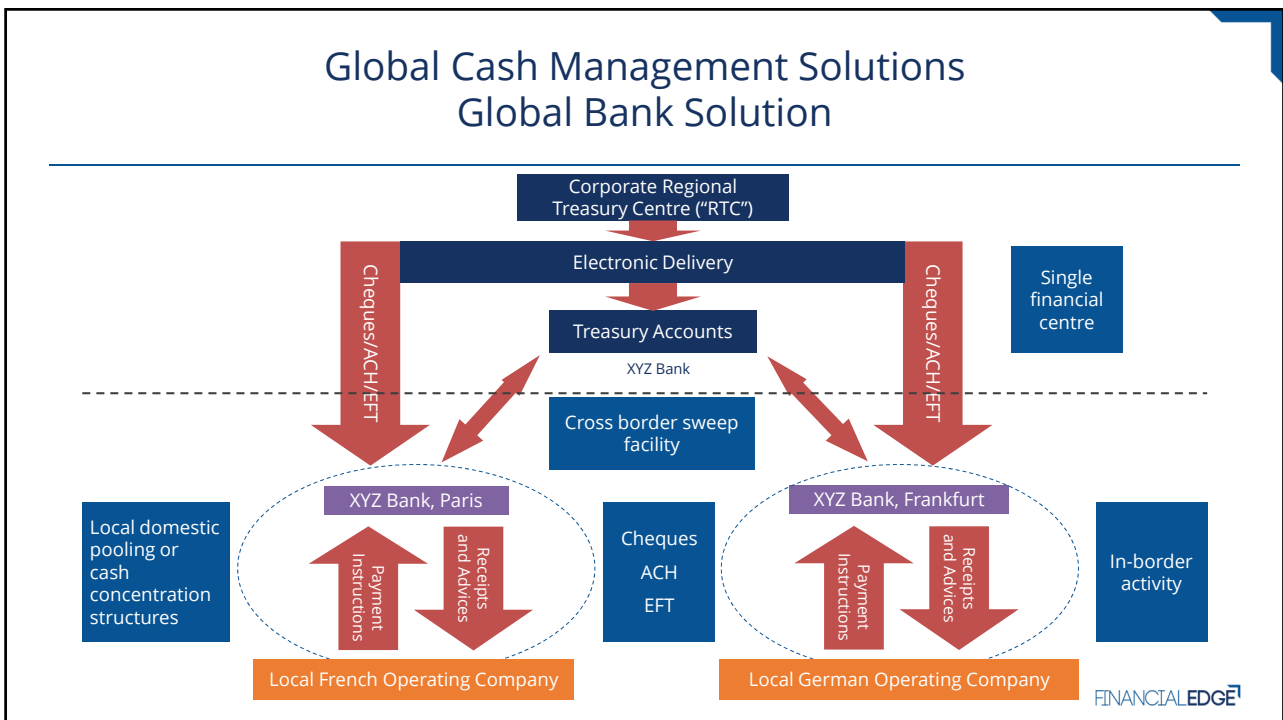
## Global Cash Management Solutions Overlay Bank Solution



## Global Cash Management Solutions Global Bank Solution



## Global Cash Management Solutions Global Bank Solution



FINANCIALEDGE<sup>7</sup>

[www.FE.training](http://www.FE.training)

Please do not redistribute these materials without the express  
permission of Financial Edge Training.

© 2019 Financial Edge Training

FINANCIALEDGE<sup>7</sup>