



The Blueprint for Commercial & Corporate Banking Success

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It's no surprise that numerous banks in the United States are adapting their payment and associated services to align with the increasingly digital landscape.

Despite payments being a significant profit source for banks, **generating 20% to 30% of profits**, their outdated payment infrastructure falls short of meeting the expectations of their commercial and corporate banking clients. While they have adapted somewhat for consumers with services like Zelle, their rigid solutions for commercial clients still lack essential value-added services.

44%

A recent survey by Accenture shows 44% of banking customers in North America view fintech companies as viable alternatives to traditional banks in the commercial banking sector



The Essential Toolkit for Transforming Commercial Banking

We've created an essential toolkit based on our analysis of leading U.S. banks that excel in serving their corporate clients. These institutions have developed a comprehensive range of services supported by a robust payment infrastructure, drawing inspiration from both fintech innovations and their banking expertise. For corporate clients who choose these banks, the experience is characterized by:

- Enhanced automation
- Improved transaction visibility for streamlined cash flow management
- Reduced errors and delays
- Seamless integration of APIs directly from their treasury platforms

The underlying commercial banking framework:

- 1 Focusing on Vertical Banking needs of commercial clients**
- 2 Leveraging Embedded Finance opportunities through better ecosystem participation**
- 3 The Commercial Banking SuperApp**
- 4 Fortifying Real-time Payments with Real-Time Experience**

1 Focusing on Vertical Banking needs of commercial clients

Specialized neobanks, targeting specific demographics and industries, are on the rise. They excel at tailoring custom payment solutions to microsegments of customers, meeting their unique needs. For instance, Tide, a neobank, has become the preferred choice for small and medium-sized businesses by integrating with accounting platforms like Xero and offering features such as invoice creation and payment processing.

Traditional banks, once providers of broad services, are now shifting towards crafting specialized products tailored to the specific payment requirements of various industries, moving away from a one-size-fits-all approach. JP Morgan, for example, focuses on payment offerings curated for the healthcare industry, while KeyBank caters to the public sector and real estate fields.



Understanding vertical banking

Vertical banking is the practice of developing specialized banking products designed to meet the distinct demands of narrow customer segments. Unlike traditional banks offering a broad array of one-size-fits-all products, vertical banking delves deeply into catering to specific niche markets.

2 Leveraging Embedded Finance opportunities through better ecosystem participation

In today's interconnected ecosystem, banks are seizing embedded finance opportunities, not only as hidden challengers but also by connecting ecosystems for commercial customers. In order to help corporate customers integrate banking services into ERP platforms, AP/AR applications, and other treasury systems, banks are investing in modern API-based payment infrastructure.

Many banks like Citi offer sandbox environments to help their corporate customers test their platforms. JP Morgan brings an interesting, pre-wired ecosystem of treasury solutions, simplifying integration efforts for corporate customers. This is a great foundation for participating in the connected economy by actively preparing for embedded finance.

Strong Payments Ecosystem at JP Morgan

ERP	ORACLE	SAP	Microsoft Dynamics 365	Sage
Treasury Management	ION	ATOM	MODERN TREASURY	kyriba
AP tools	coupa	ORACLE	Remitra	
Billing platforms	FreshBooks	BillingPlatform	CSG Forte Commerce	
POS platforms	ingenico	TouchBistro		
Payment gateway	ACI Worldwide	AURUS [®] UNIFIED PAYMENTS PLATFORM	authorize.net A Visa Solution	
Capital management	cleareye.ai	wayflyer		

Source: internal research

Integrated Connectivity at Citi

Citi Connect

Files

A single channel solution for the transmission and receipt of files

SWIFT

A single channel solution for the transmission and receipt of files

ERP integrator

Uses SAP functionality to provide quick ERP integrations

Developer portal

Developer portal & access to test APIs through sandbox environment

Citi Direct

360° consolidated view of customers' banking relationship across Cash, Loans, Trade, FX, Servicing & Onboarding and UX for managing:

- Payments
- Approvals
- Statements
- Report

Source: internal research

To leverage opportunities in embedded finance, banks navigate a complex web of connections involving consumers, corporate clients, fintechs, platforms, and BaaS middleware partnerships. Having a proper oversight of complete money movement from different distribution channels is crucial for banks.

Banks are onboarding corporates and downstream partners with distributed teams and challenging hierarchies.

As several corporates have complex accounting structures, banks offer virtual accounts to simplify the bank account structures for these customers. Virtual accounts allow customers to

- Rationalize bank account structures & banking relationships, reducing complexity.
- Reduce maintenance costs by operating with fewer bank accounts.
- Increase the automation rate for reconciliation.

Understanding virtual accounts

Virtual Accounts are a series of sub-accounts linked to a single current account, reducing the need for physical bank accounts. They provide firms with greater control and visibility over their cash flows.

3 The Rise of Commercial Banking SuperApps

SuperApps are rapidly becoming an indispensable part of consumers' daily lives. Picture an all-in-one application designed to cater to the daily needs of treasurers. Leading banks are now offering such SuperApps to their corporate clients, providing a comprehensive platform for handling payments, managing accounts, granting approvals, managing users and beneficiaries, all while proactively preventing fraud through features like positive pay.

Moreover, these applications seamlessly oversee trade and payment operations, all under the umbrella of commercial digital banking apps. Celent research highlights that banks are giving top priority to investing in digital banking platforms and corporate digital channels. Examples like Bank of America's CashPro and Citi Bank's Citi Direct serve as prime examples of evolving digital capabilities tuned to address the complete cash management needs of corporate & commercial customers.

Bank of America's Platform for Payments, Receipts, Liquidity, Investments, FX and Trade



A single payment API, clients can disburse payments to hundreds of countries



ISO20022-compliant file validation



Developer sandbox



Real-time payment schemes and services



Integrations to TMS and ERP platforms



Multichannel platform for cash management with features like Positive Pay, online doc exchange

Source: internal research

Understanding SuperApps

A SuperApp is an all-in-one app serving as a central hub for a wide range of services customized to users' daily needs. It operates within a unified platform, often including a marketplace for 3rd party services, and leverages extensive data to engage users.

4 Real-Time Experience

Corporate customers increasingly demand real-time data about their payments, cash positions, trading, and valuations. To meet these demands, banks need to implement a real-time payments infrastructure going beyond just offering real-time payment rails like FedNow and RTP.

Real-time money movement platforms which can practically serve as **payment cores**, managing end to end payment processing for banks across rails and channels, enable banks to lower total cost of ownership, enhance operational efficiencies in the backend, and, above all, ensure customer satisfaction.

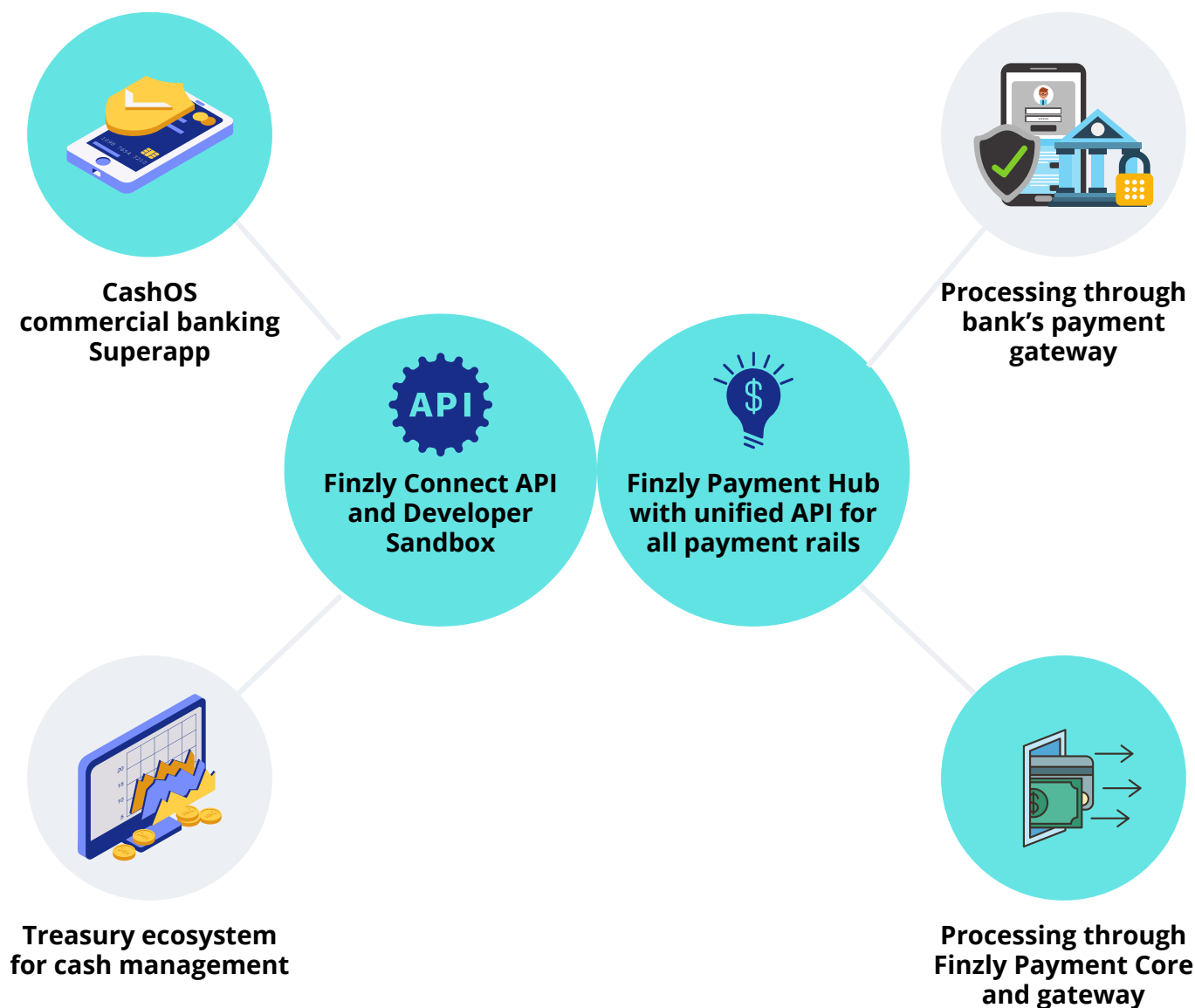
The shift to real-time has been driven by the growing use of application programming interfaces (APIs) enabling the dynamic exchange of data and transactions across systems.

To address these demands, banks are now focusing on providing real-time experiences to their customers through APIs in addition to providing real-time payments through FedNow and/or RTP instant payment networks. APIs enable treasurers to validate beneficiary details in real time, minimizing the risk of fraud and returns. The number of banks offering a dedicated suite of corporate API offerings has significantly increased, allowing corporates to enjoy real-time experiences.

Why real-time payments demand real-time payment infrastructure

Instant payment systems like FedNow and RTP provide remarkable transaction speeds, with execution times typically taking just a few seconds. These systems are ISO 20022-compatible, with a wealth of valuable payments data. However, the efficiency and real-time advantages of instant payments are impeded by legacy payment infrastructure at banks which have limited availability, sluggish response times, and difficulties in achieving scalability.

The Finzly Blueprint for Commercial Banking Success



Finzly Offerings for Commercial Banking Success



CashOS

Modern treasury experience on your digital banking platform through a self-service portal that allows treasurers to manage FX, payments, MCAs and deposits, positive rules, beneficiaries and offers a rail-agnostic, one-click payment experience.



Finzly Connect

Finzly Connect APIs provide the conduit between corporate systems and banks and can be offered by banks to corporates for embedding financial services. Earn new business and generate retention by allowing treasurers into integrate their treasury management systems, AR/AP, ERP and other systems to your banking services.



Payment Hub

Use our certified connections to Fed, TCH and Swift and process payments end-to-end on our “**payment core**” for ACH, RTP, FedNow, Fedwire and Swift or use our unified API to orchestrate payments into your existing processors and gateways.



International Banking Core

Impress your treasury customers with an easy-to-launch, award-winning FX Trading and International Payment solution on an API-based, cloud-native international banking core outside your legacy core. Also comes with Trade Finance and Interest Rate Swaps out of the box.

Technology Toolkit from Finzly



Vertical Banking

- Customizable payment products at feature-level
- Files, API, ISO20022 message processing
- Group/ Bulk payments



Embedded Finance

- Single API for all payment rails
- Open APIs & sandbox access
- Virtual accounts



Commercial SuperApp

- Unified, rail-agnostic experience
- Payments, Accounts, Files, Txns, Approvals
- Domestic, international, instant payments



Real-time experience

- FedNow/ RTP instant payments
- Real-time payment core & accounting ledger
- Real-time notifications and APIs



99.99%
up time



100% STP



API-based
microservices



Cloud-native



ISO20022
compliant



Certified TCH,
Fed connections

Finzly provides the financial infrastructure for banks, fintechs, and businesses to offer and access financial services in an open ecosystem that is connected, real-time, and embedded in everyone's lifestyle. Finzly offers an operating system for banks that is modern, cloud-based, real-time, and API-enabled. The digital core readily integrates to a bank's existing core, saving the bank time and money replacing the core and allowing it to focus on innovation. With an array of readymade solutions including an award-winning multi-rail payment hub (ACH, wires, RTP, FedNow, and SWIFT), foreign exchange, multi-asset deposit core, account opening, KYC, risk, compliance, and a suite of customer experience components, banks can offer cutting-edge solutions to the connected economy.



Join leading banks using FinzlyOS. [Learn more at www.finzly.com](https://www.finzly.com)

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