

European Corporate Cash Management: Impact of COVID-19

Webinar & Virtual Panel Discussion

10 December 2020



Coalition Greenwich

CRISIL
An S&P Global Company

Today's Speakers



Tobias Miarka
Co-Head of Banking
CRISIL
Coalition Greenwich



Steven Lenaerts
Head of Product Management
Global Channels
BNP Paribas



Cara Savas
European Head of
Corporate Sales
HSBC

About Greenwich Associates

We are the leading provider of global information based products and advisory services to the financial services industry

We provide unique market information, insights and advice to help clients:

- **Improve their business performance**
 - Enhance operational performance
 - Increase sales effectiveness
- **Drive product strategy and development**
- **Improve every aspect of customer experience**
- **Gain a significant competitive advantage**

By the numbers

300+ Clients

in financial services and Fintech

200 Employees

throughout North America, Europe and Asia

Unique Data Sourcing

Gather proprietary data from commercial banks, investment banks, asset managers, and third parties

Data Collection from Buy Side

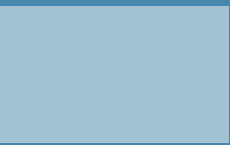
Annual inputs from over 60,000 key buyers of financial languages

300,000+ Universe of Experts

relationships with buy-side contacts who control global asset flows

Firm Facts

- Founded in 1972
- Since 2020 part of CRISIL (an S&P Global company); Integrated with Coalition
- Headquartered in Stamford, CT, with regional offices in London, Singapore, Tokyo, and Toronto

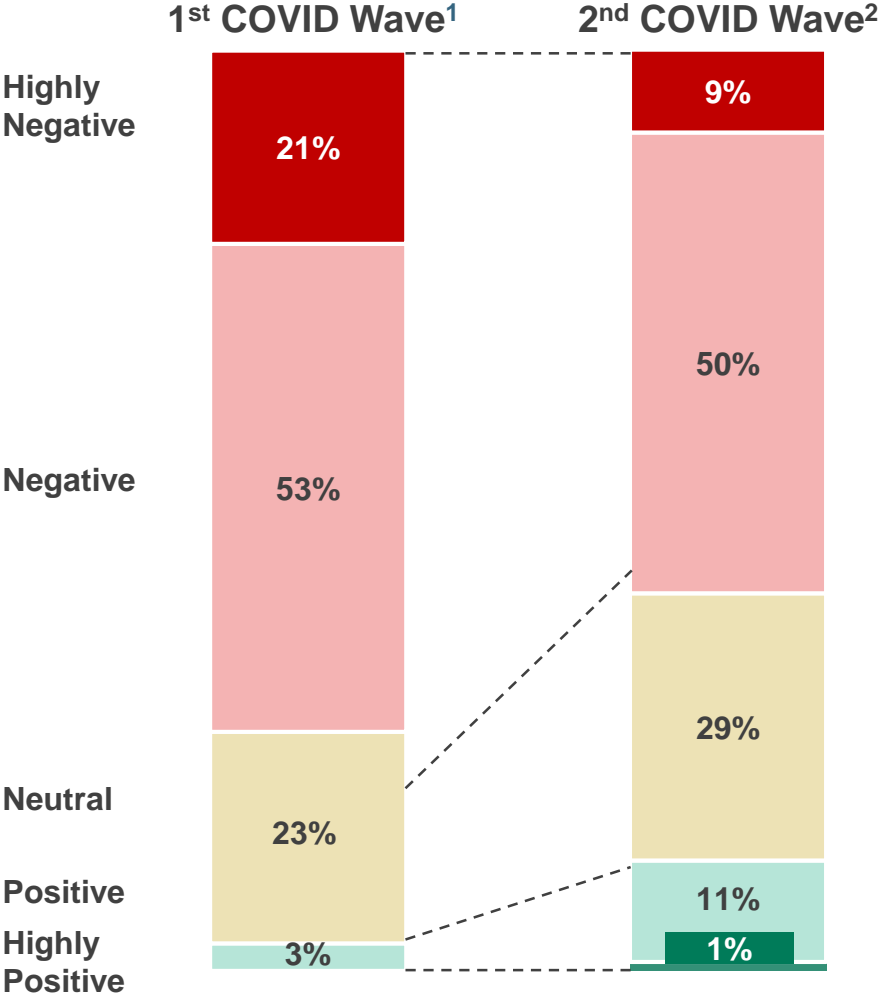


Highlights from Greenwich 2020 Large Corporate Cash Management Study – Europe Focus

Impact of COVID-19 on Business of European Large Corporates

To what extent has COVID-19 impacted your business?

■ High Negative Impact
 ■ Negative Impact
 ■ No Impact
 ■ Positive Impact
 ■ High Positive Impact



Key Themes:

- Sentiment on impact of COVID has moderated over past two quarters as some markets benefit from faster recovery / stability
- Transition to “Adapt” phase as corporates adjust to New Normal
- Set of Winners and Losers emerging from impact of COVID

¹ Based on 416 respondents from Greenwich Large Corporate Trade Finance Study 2020 in Europe, interviewed between March to August 2020.

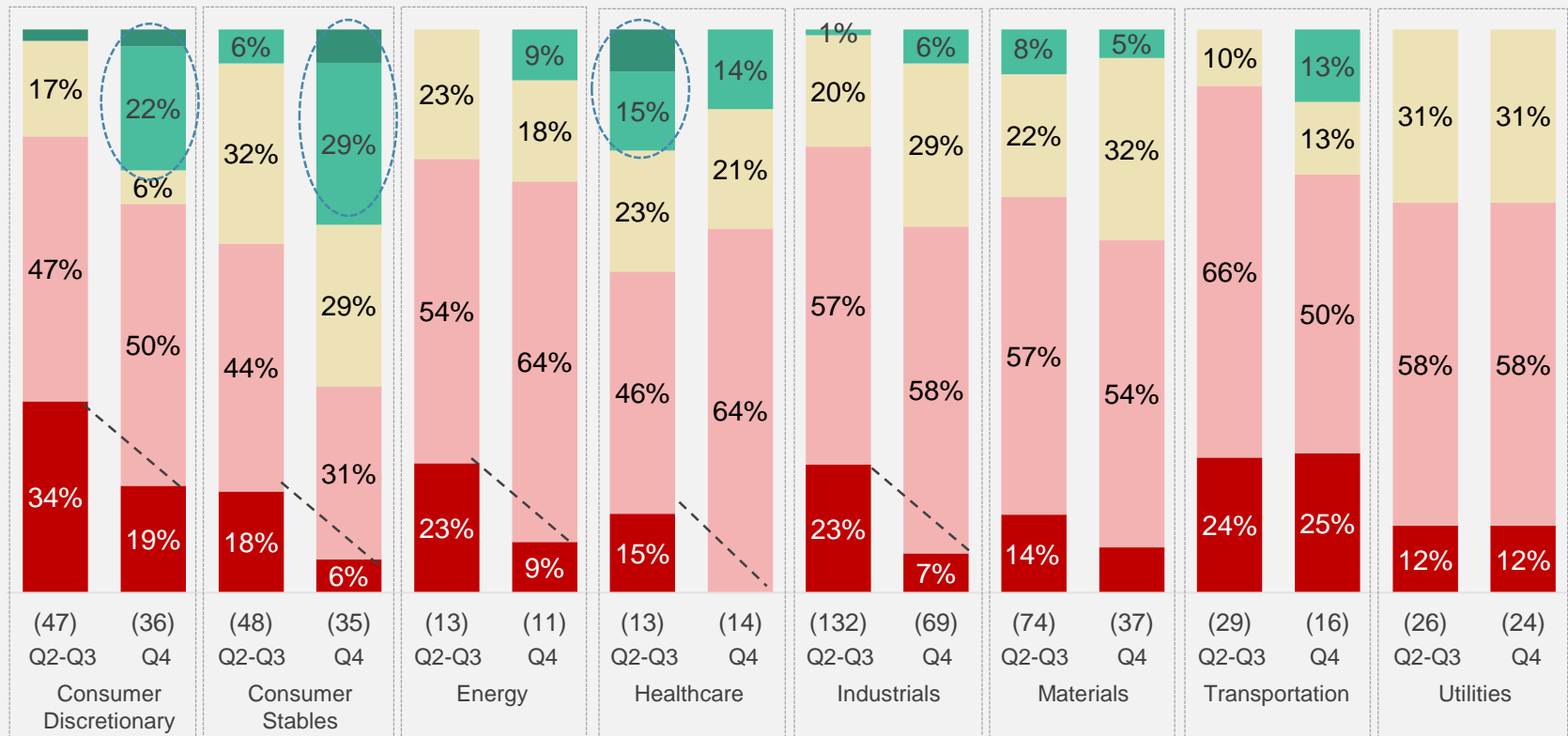
² Based on 283 respondents from Greenwich Large Corporate Cash Management Study 2020 in Europe, interviewed between September to November 2020 ; study still fielding.
Greenwich Associates

Degree of COVID-19 Impact on Large Corporates by Industry in Western Europe

What is the impact of the pandemic on your business?

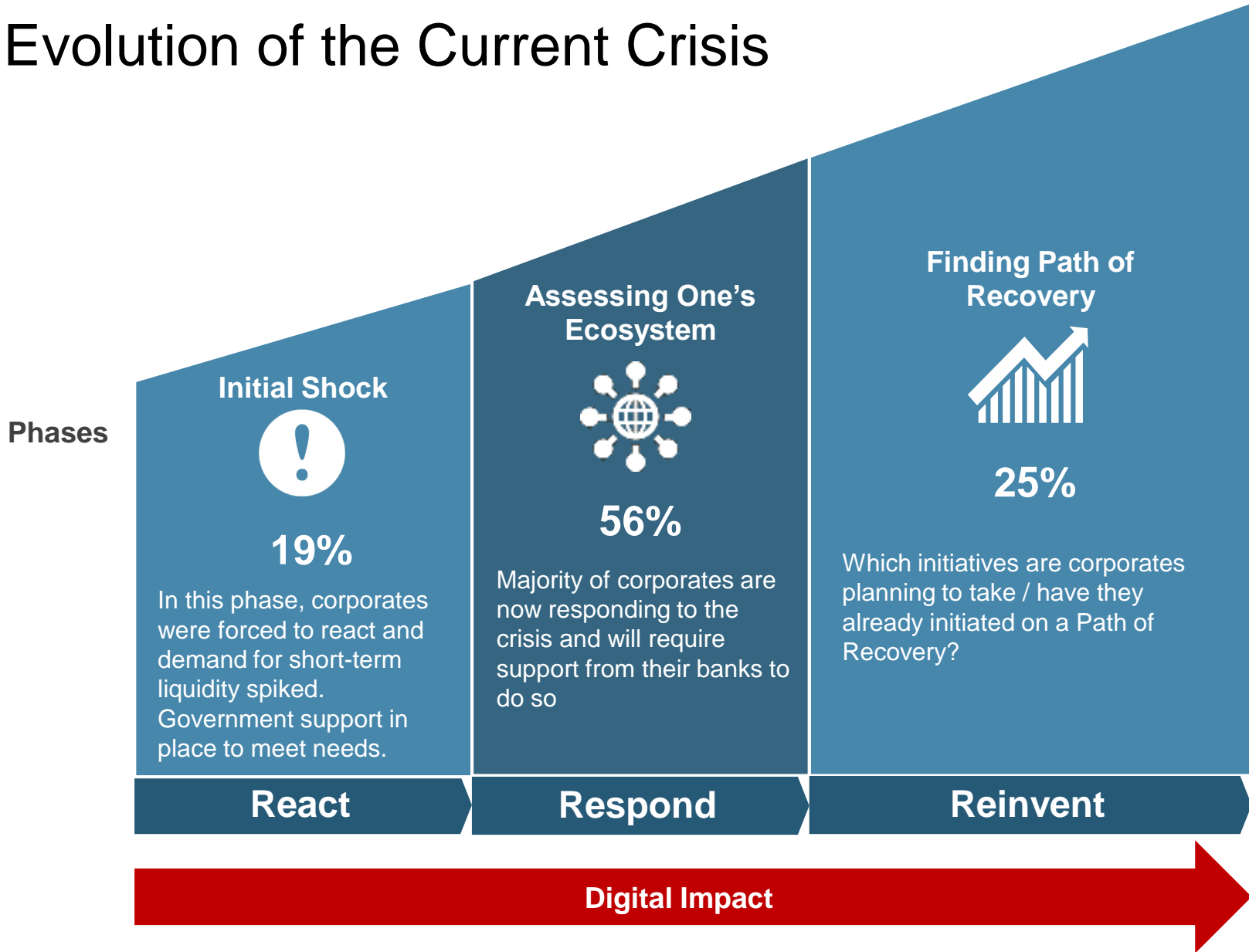
■ High Negative Impact
 ■ Negative Impact
 ■ No Impact
 ■ Positive Impact
 ■ High Positive Impact

Degree of Impact by Industry¹



Q2-Q3 evaluations based on 416 respondents from Greenwich Large Corporate Trade Finance Study 2020 in Europe, interviewed between March to August 2020.
 Q4 evaluations based on 283 respondents from Greenwich Large Corporate Cash Management Study 2020 in Europe, interviewed between September to November 2020.

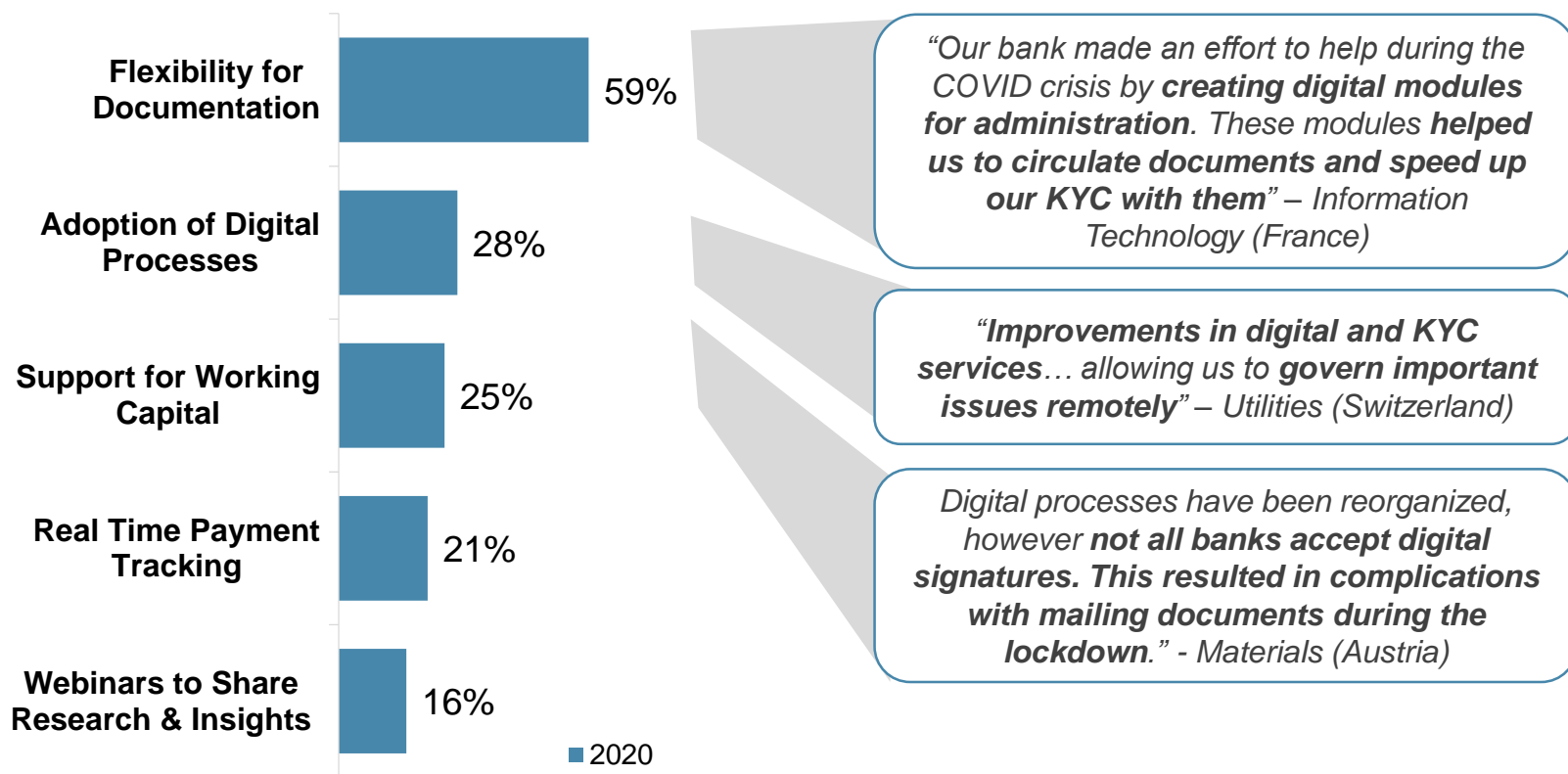
Evolution of the Current Crisis



Most Valuable Response from Cash Management Providers to the COVID-19 Crisis

Beyond liquidity support to sustain working capital flows, corporates cite operational flexibility and processing agility as the most valuable bank response

Top 5 Actions / Initiatives

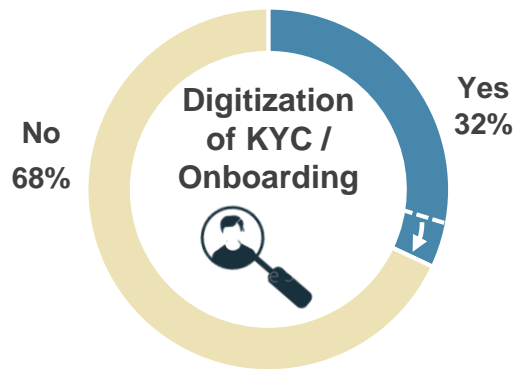


Based on 228 respondents provided a response on the most valuable response from their cash management provider to mitigate the impact of COVID-19, from Greenwich Large Corporate Cash Management Study 2020 in Europe, interviewed between September to November 2020; study still fielding.

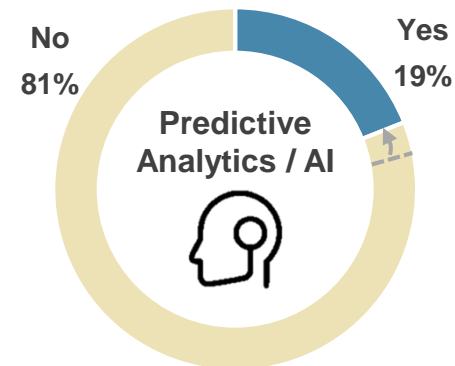
European corporates are starting to experience the benefits of digital solutions to ease operations and KYC, while more to come to accelerate knowledge-based innovations

Have you experienced new values / insights from the following?¹

1. Operational Ease



2. Knowledge Creation



Key benefits experienced by Large Corporates as a result of accelerated digitization:

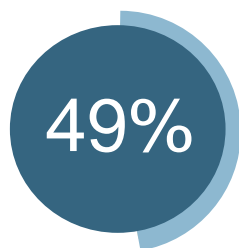
- Transparency and User-Friendly
- Streamlined speed of internal procedures
- Digitized documentation and e-signature solutions

“Especially during times of crisis, the speed and the KYC of opening accounts is most valued. We are a company that frequently acquires other companies, and the speed with which our bank can open accounts and move everything across is phenomenal compared others.” – Information Technology (UK)

Source: European Large Corporate Cash Management Study, interviewed between September to November 2020; study still fielding.

¹ Based on 228 corporates that responded to experiencing new values from Digitization of KYC or Predictive Analytics / AI,

Treasurers are keen to access a variety of banking products and services **via APIs** and would like to see more through collaboration with banks and third party providers



Percentage of Large Corporates Treasury Management Systems ready to accept APIs¹



Liquidity Management

- Multi-bank sweeping arrangements to reduce idle balances across geographies
- Enable accurate cash forecasting; integration of 3rd party analytics

Financing / Credit Process

- Facilitate faster credit approvals by sharing corporate transaction, internal and public information
- Visibility across supply chain – end-to-end banking offering

Internal Accounting

- Checking of balances, reconciliation of A/R
- Integration with ERP
- Link AI tech from bank/fintech for fraud detection

Real-Time Payment

- Initiation, authorization and tracking of status (visibility)
- Connection with other banks and fintech service providers

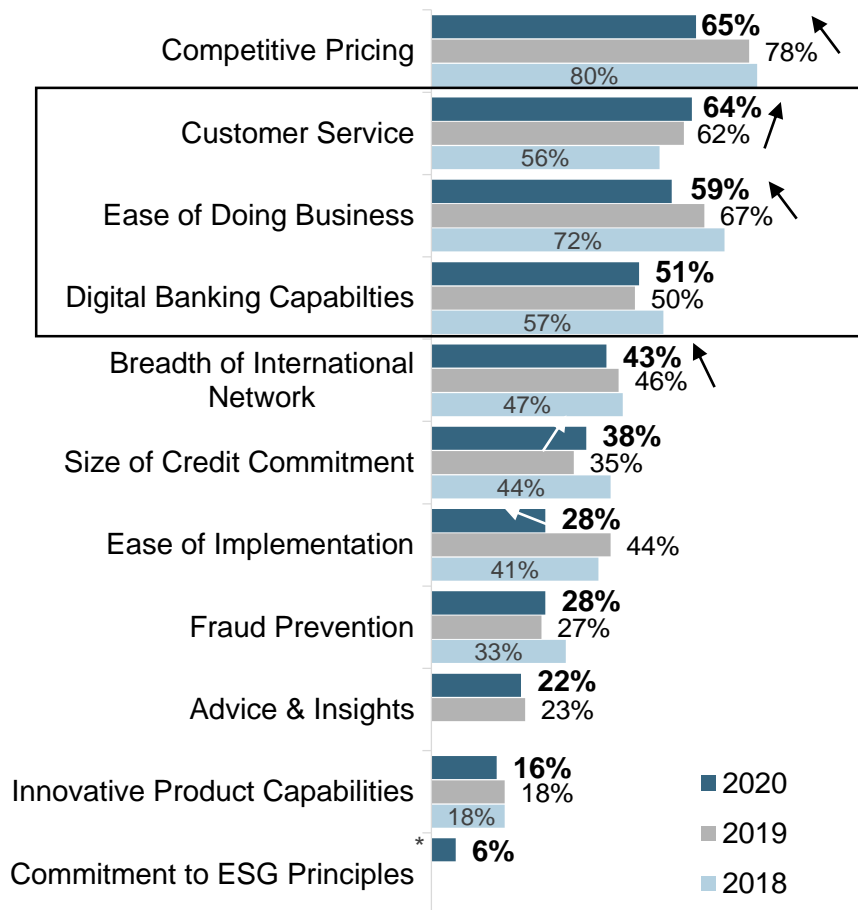
Risk Management

- Access to live quotes for FX, rates and other product pricing
- Country risk advisory research
- Provide KYC required data

¹ Based on 76 corporates that responded to 'Is your TMS ready to accept APIs' from European Large Corporate Cash Management Study, interviewed between Sept to Nov 2020.

Evolving Selection Criteria for Cash Management providers: Emphasis on Customer Experience and Digital Capabilities

Selection Criteria in Europe for choosing Cash Management providers



“We expect to allocate business to them as their customer service is excellent / outstanding!” – Industrials (Germany)

“We expect to allocate more business as they are able to provide both financial support and flexibility to be able to adapt their products and services to specific requirements of their business.” – Healthcare (Spain)

“We would like our bank to get more flexible and digital (especially e-signatures)” – Consumer Discretionary (Germany)

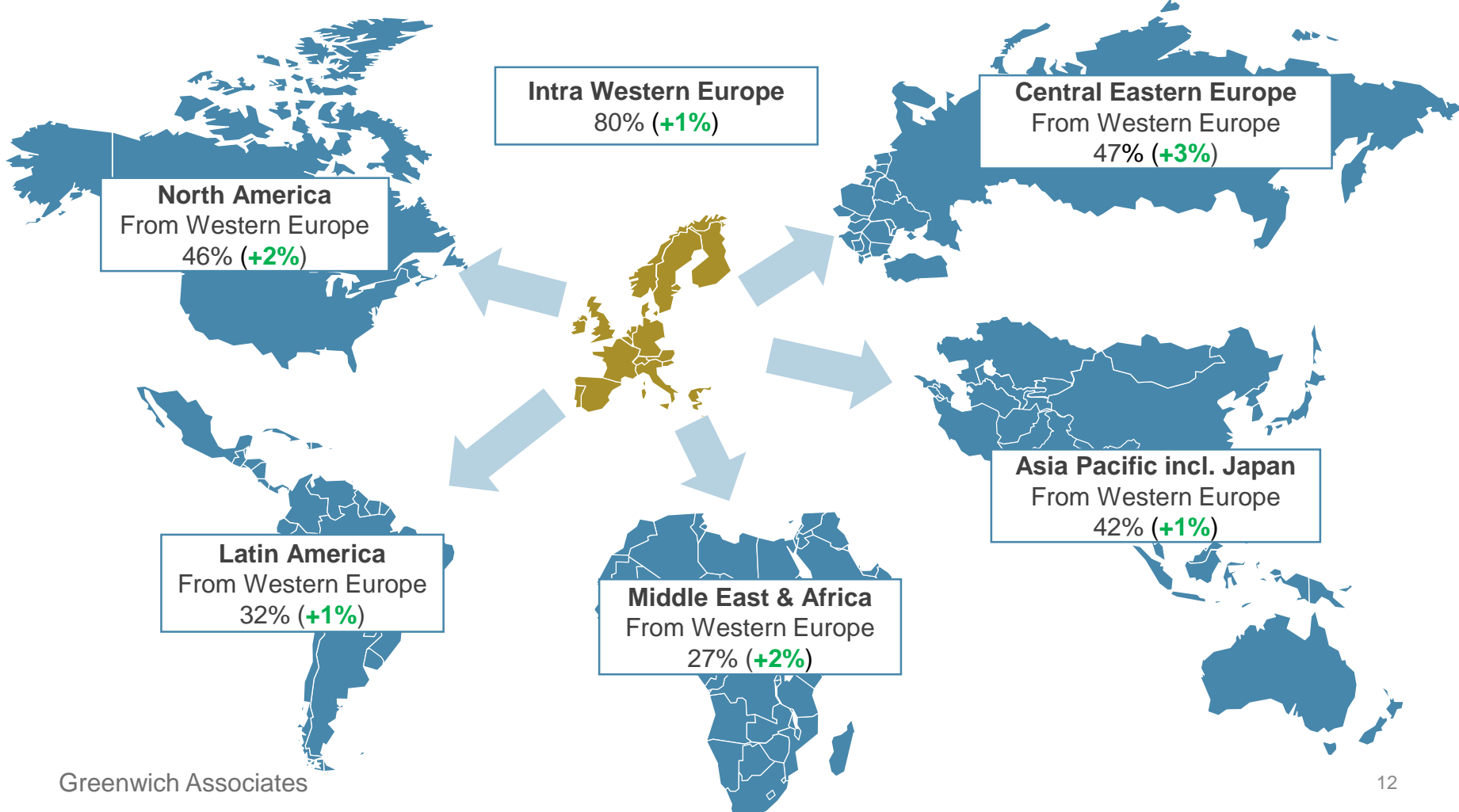
Based on 196 respondents in Europe that provided a response to top selection criteria for Cash Management Providers.

Source: 2020 Large Corporate Cash Management Study in Europe, interviewed between September to November 2020; study still fielding.

Despite flow volumes declining due to slower economic activity, the need for a banking partner to support corporates' cross-border activities remains strong, even slightly increasing

Matched Sample

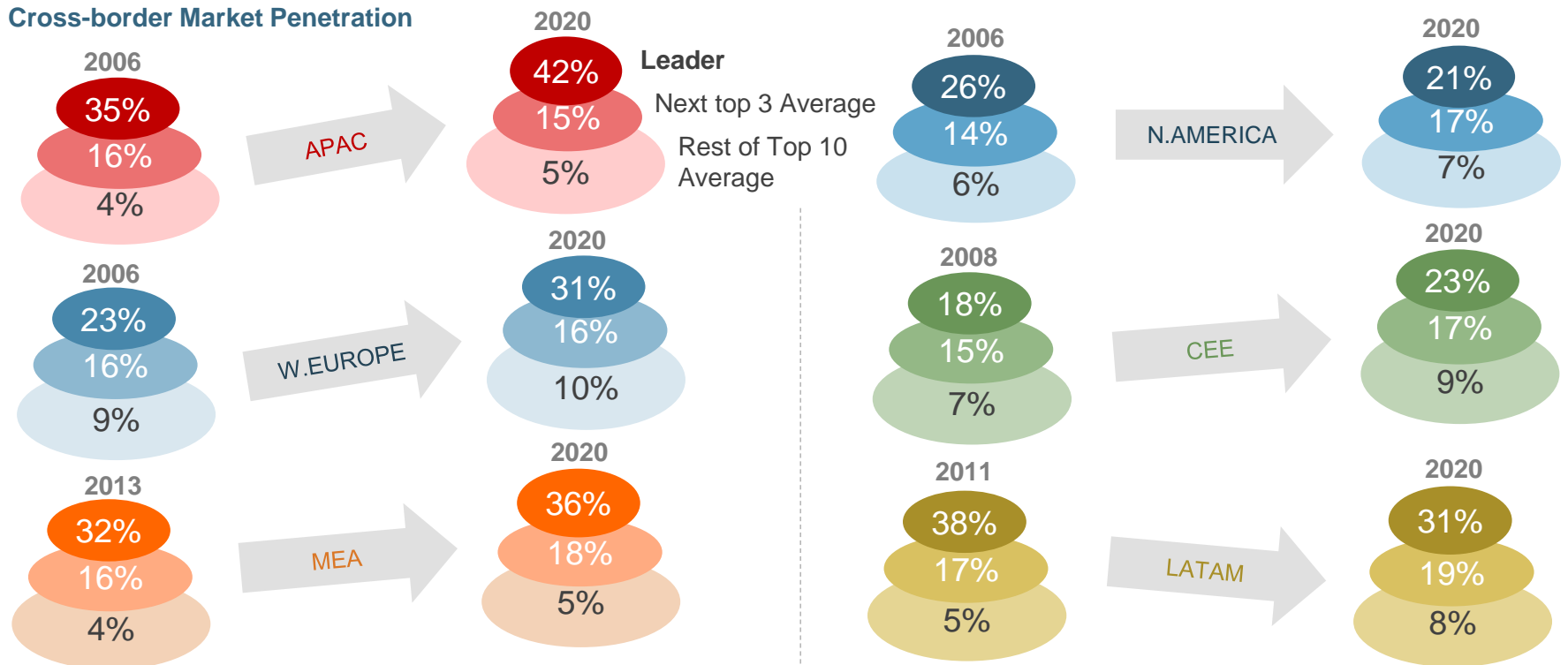
Share of Companies Domiciled in Western Europe Using Cross-Border Cash Mgmt. Services into:



Regional specialists with solid boots on the ground increasingly used for corporates outbound cash management needs

Evolution of Regional Leader's Market Penetration for Cross-border Cash Management services:

Cross-border Market Penetration



Difference between Leader & Rest of Top 10	2006	2013	2020
APAC	31%	32%	37%
Intra W.Europe	14%	16%	21%
MEA	--	28%	31%

Difference between Leader & Rest of Top 10	2006	2013	2020
North America	20%	17%	14%
CEE <small>*2008 data shown</small>	11%*	16%	14%
LatAM	--	22%	23%

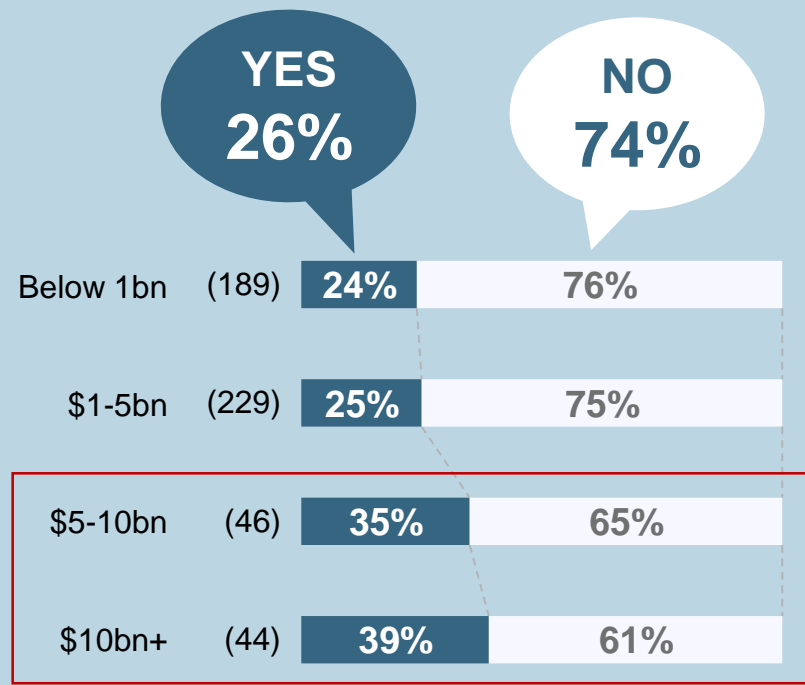
Greenwich Associates Results displayed are on an aggregate regional basis and we acknowledge there are differences per country.

Source: Greenwich Large Corporate Cash Management study. Based on aggregate results across all of Western Europe, through 2006 to 2020.

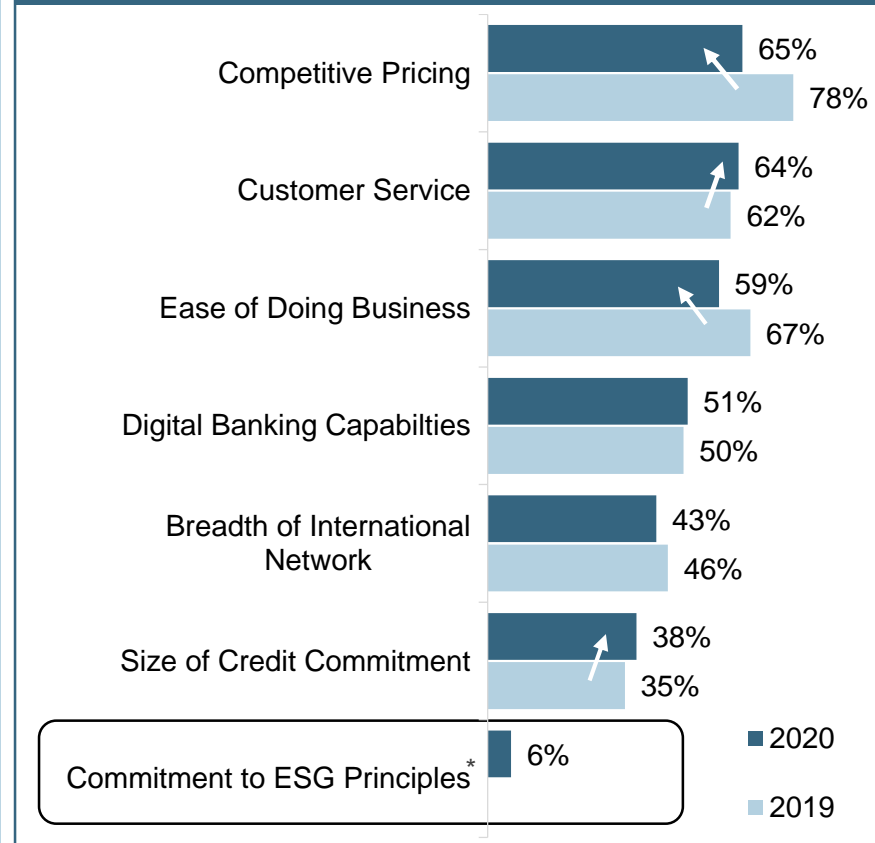
Early days for ESG in Cash Management

While a banks' ability to provide Sustainable Finance or advise on ESG considerations is increasingly important for overall corporate banking relationships, a Cash Management provider's commitment to ESG principles is not yet a key criterion for Large Corporates

Do banks' ability to provide sustainable finance (e.g. green bonds) or advise on ESG considerations influence your allocation of business to them?¹



Selection Criteria for choosing Cash Mgmt.

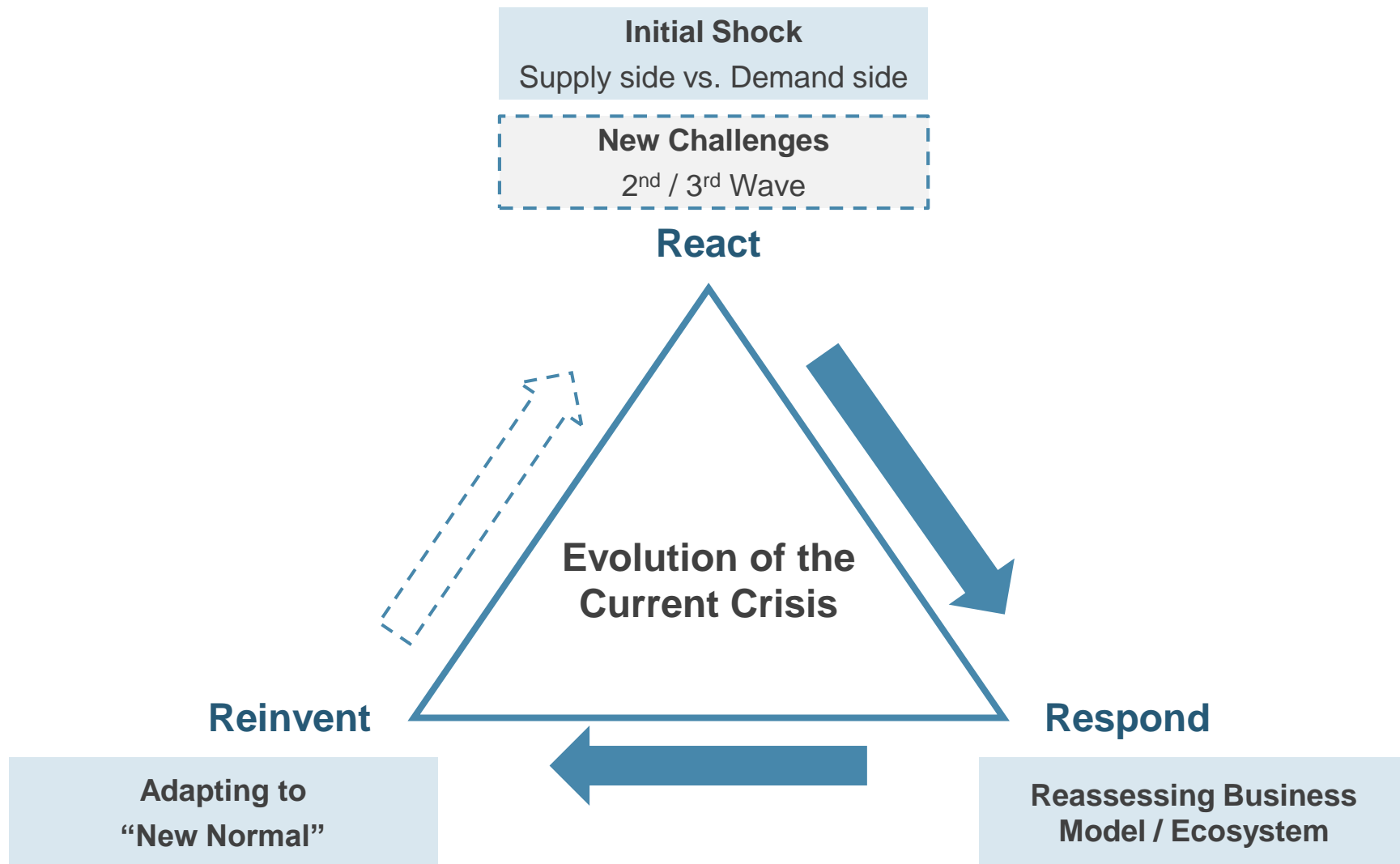


¹ Based on 556 corporates across Europe that responded to 'Do banks' ability to provide sustainable finance e.g. "green bonds" or to advise on ESG considerations influence your allocation of business to them?'. Source: European Large Corporate Banking Study, interviewed between September to November 2020



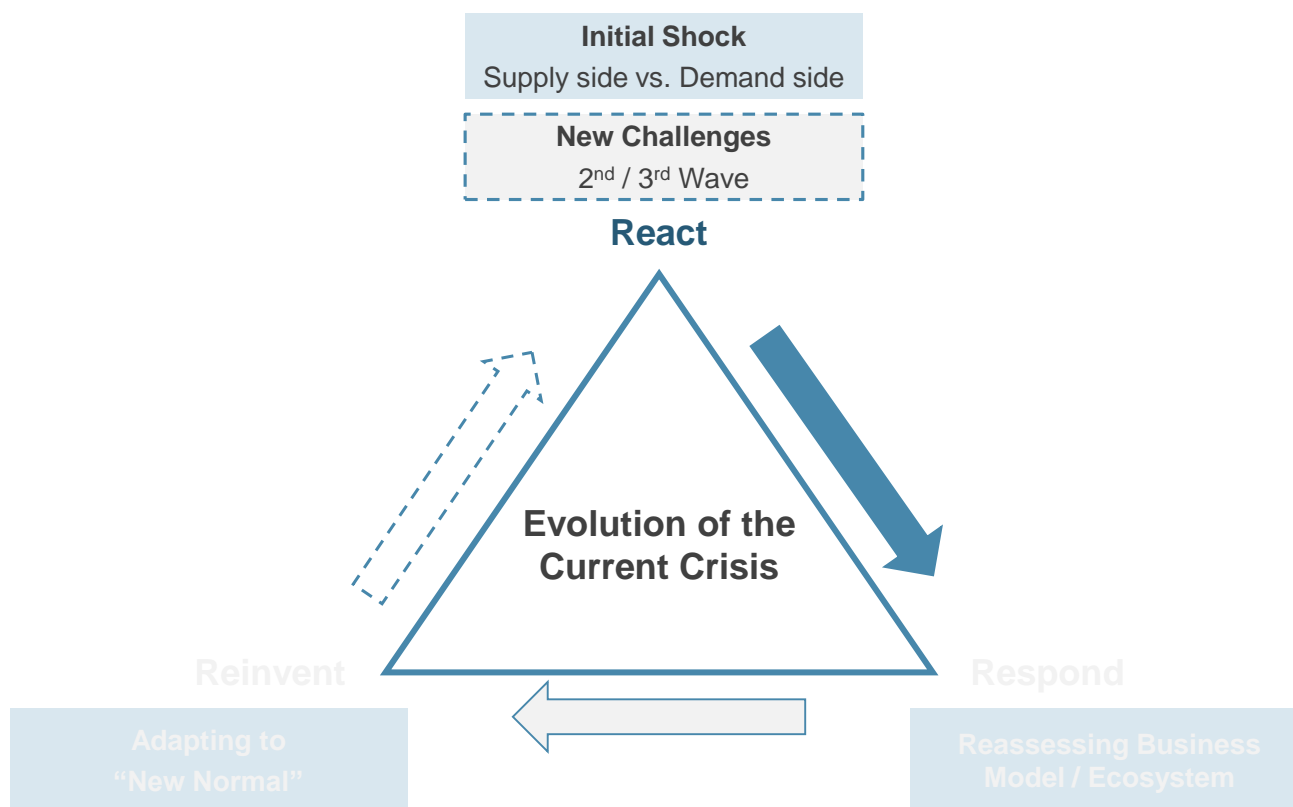
Panel Discussion

Panel Discussion



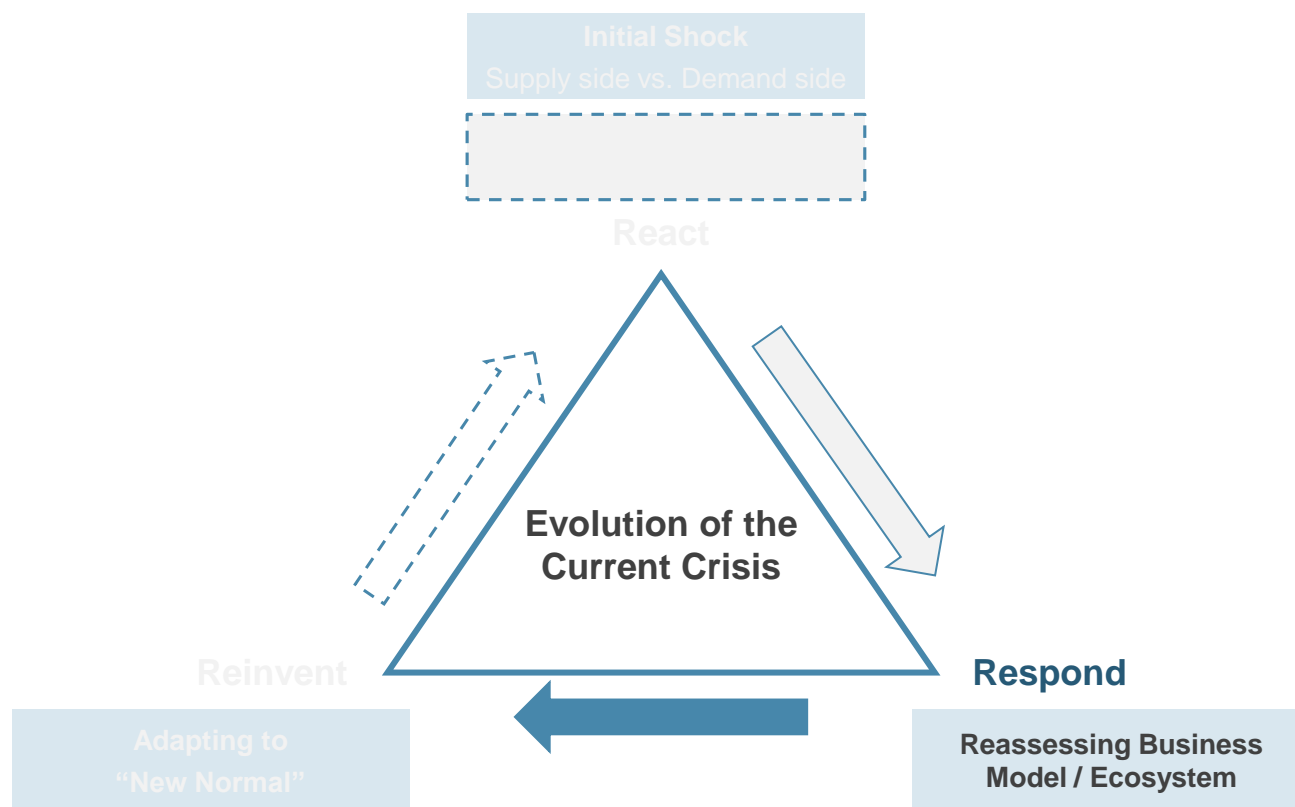
Panel Discussion

Q: How are banks helping to meet the evolving needs of clients across different markets & to mitigating the impact of COVID-19?



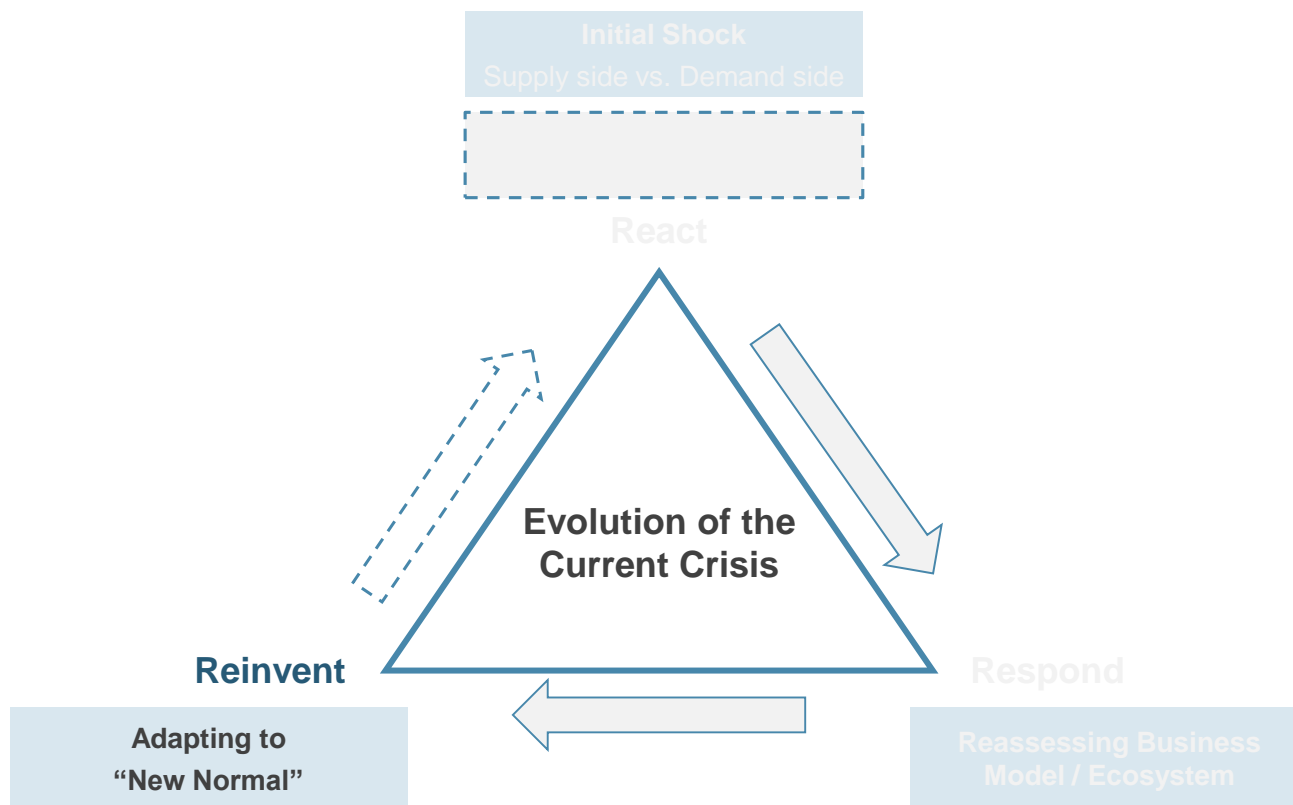
Panel Discussion

Q: What are some developments on digital and product solutions to help clients better manage their Cash Management needs?



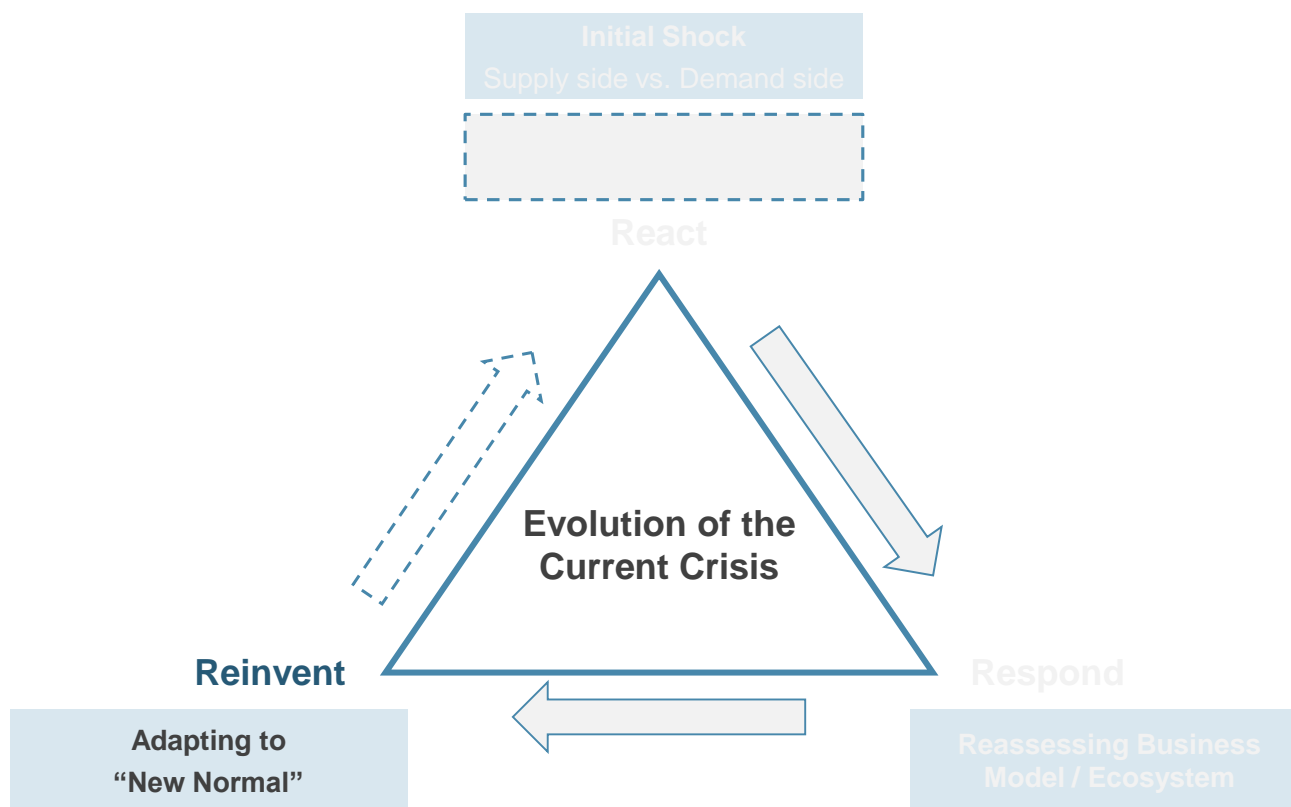
Panel Discussion

Q: How do you see the international Cash Management needs of Corporates evolving and which actions are you taking to anticipate these evolving needs?



Panel Discussion

Q: Looking forward, where do you see the most opportunities or risks for businesses in Europe?



Questions?



Tobias Miarka
Co-Head of Banking
CRISIL Coalition
Greenwich



Steven Lenaerts
Head of Product Management
Global Channels
BNP Paribas



Cara Savas
European Head of
Corporate Sales
HSBC

Contact Information

Dr. Tobias Miarka

Co-Head of Banking

Direct: +44-207-726-9404

Email: Tobias.Miarka@greenwich.com

Stamford | London | Singapore | Tokyo | Toronto | Pleasanton, CA

Coalition Greenwich

CRISIL
An S&P Global Company