

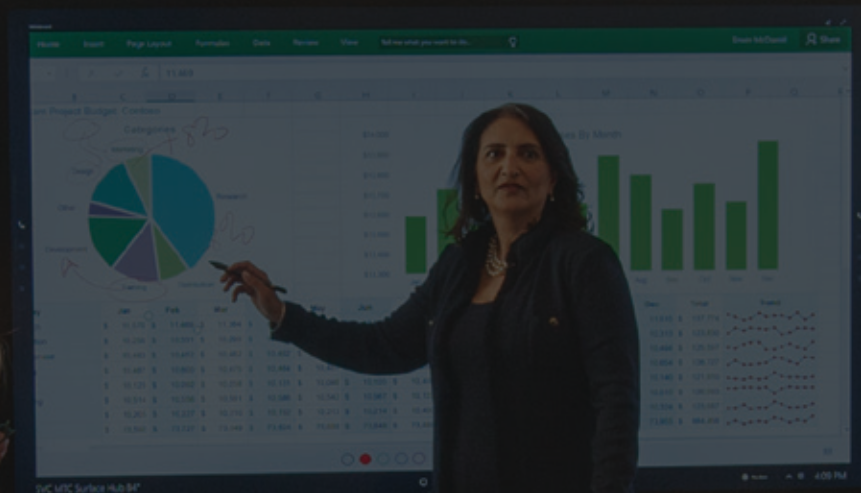
# **GLOBAL TRANSACTION BANKING**

**DIGITAL TRANSFORMATION  
WITH MICROSOFT**



Significant and rapid changes in the banking sector are placing enormous demands on banking businesses. The impact is across the board: the way customers are engaged, how executives manage and employees perform, the way operations work, and the products that can be provided.

**Nothing is out of scope and banks have to not only upgrade, they must also innovate. Banks must transform.**

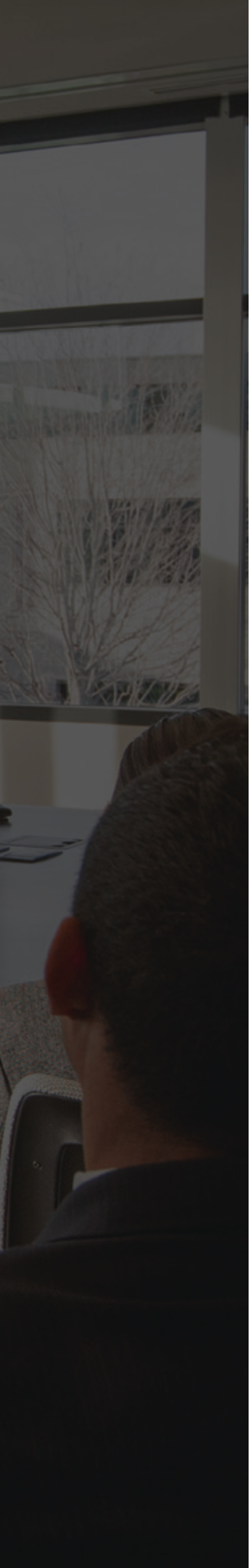


**ENGAGE YOUR  
CUSTOMERS**

**EMPOWER YOUR  
EMPLOYEES**

**OPTIMIZE YOUR  
OPERATIONS**

**TRANSFORM YOUR  
PRODUCTS**

A person in a dark suit is seen from the back, sitting at a desk. In the background, there is a large window looking out onto a cityscape with trees and buildings. The scene is dimly lit, with light coming from the window.

Global transaction banking has always been central for banks and their customers: It is core to how businesses work and how economies move.

Global transaction banking remains a central focus in an environment where adaptation and transformation are required and expected. **We will share examples of how Microsoft's technologies, services, staff, and partners can help transform your global transaction banking business.**

It's not just about moving from paper to digital. It's about empowering employees and giving them tools to achieve a high level of collaborative productivity; it's about elevating information and mining and managing it into outcomes that are impactful, actionable, and presented in ways that are visually stunning; it's about unfettering systems and operations so that they are cost-effective and agile now – and adaptable in the future; and it's about quickly meeting customer demands and expectations for modern, safe and innovative products and services.

The industry has changed in complexion too. The landscape is replete with technology companies – fintechs – playing in the banking space, taking the cream of products and leaving the risk and expense to banks.

Microsoft can be your bank's trusted change agent. Our financial services team has a personal, deep understanding of banking, the challenges being faced and changes to the industry. We get it. Together with carefully chosen partners, Microsoft has developed solutions that will help banks achieve transformation across every factor and with exactly the right details and nuances.

Partnering with Microsoft allows a bank to obtain the crucial agility, speed, interconnectivity, and client-centricity that have become the key differentiators against traditional and new competitors. **We look forward to speaking with you about ways we can help you achieve transformation.**

## ENGAGE YOUR CUSTOMERS

# Providing rich information and analytics to your customers


Bank customers have come to rely on online systems for a snapshot of their account, and line item details of specific transactions. But for any serious interpretation of cash flows, they have been required to accumulate data from their multiple banks, plus enterprise resource planning and other company systems, export it into spreadsheets and assorted other programs, then continuously refresh, reformat, and rerun reports to be up-to-date.

The information is siloed and one-dimensional; there is usually no additional color from outside sources such as web sites or social media. Fintechs and data consolidators recognized this and are seizing the opportunity to provide better solutions. The harsh reality is that banks could easily lose in the battle to provide this online sweet-spot platform.

At Microsoft, we have developed solutions that can be embedded directly into your bank's online or portal products that will

provide your customers with the tools and power they need to analyze their banking information, include information from other internal and external sources, and even calculate forecasting, incorporating predictive analysis and next best actions.

Your customers will be able to ask for details and insight using plain language and generate visually stunning reports, dashboards, and documents that examine data and take information to the next level, right from your online banking platform.

A photograph of three people in a meeting. A woman with curly hair is pointing at a laptop screen. A man is looking at the screen, and another person is partially visible. They are in a modern office setting.

“The key is to provide you with an agile solution that will provide your customer with a rich scope of information and data analytics”



“Microsoft solutions enable you to report not just on the past and the present, but can help your customers predict the future”

The key is to provide you with an agile solution that will enhance your online product and provide your customer with a rich scope of information and data analytics. Microsoft's embedded analytics suite, for example, has the capability to use real-time data, predictive science, natural language queries and collaborative services.

The flexibility of the solution is also notable: Your customers can start out with a simple focus, like a bank statement, and wrap in key historic and real-time information in order to produce dashboards and reports that are easy to create, modify, and update. Customers can add more information from other banks, links to their internal systems and external sources such as market and environment intelligence and social media. Microsoft solutions enable you to report not just on the past and the present, but can help your customers predict the future.

Your customers will leverage this functionality within their lines of business, for payables and receivables management, within their treasury, and even their investment lines. Instead of falling victim to disintermediation, your bank will become more deeply ingrained and valuable in the fabric of your customers' operations.

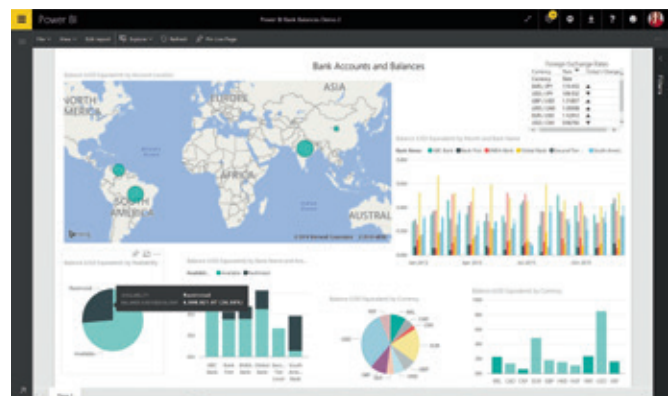
Microsoft is uniquely positioned to help you protect this space and turn disembodied information into clear insights, product-enhancing and revenue-producing opportunities, and sophisticated plans for your customers. We look forward to speaking with you.

## IN PRACTICE

Using the basic information available in a bank statement, a bank's customer can create meaningful and impactful reports in minutes. Here the customer has taken their balances for the past year, and reflected flows, locations, availability of funds (versus balances that are kept in countries where funds are 'trapped' or restricted):



Further detail is possible when the user clicks on a specific element and the entire page adjusts to reflect that information. For example, if the customer wanted to understand exactly how much of the company's balances are 'trapped' or restricted, clicking on the black portion of the circle in the lower left chart will adjust the page to highlight only the restricted cash:



## EMPOWER YOUR **EMPLOYEES**

# Improve collaboration with cloud-based communications

Historically, banks haven't created workplace modernization strategies. Instead modernization has come as a result of a mandatory enterprise-wide software upgrade projects, often to accommodate regulatory and policy compliance. New features may not be enabled for every employee and, even if enabled, proper training may not be available.

The result is a workforce that has to reinvent the wheel, sending out inconsistent messages to customers and the market, and whose work may not reflect the quality, insight, and creativity of the author.

Technology companies, on the other hand, have made digitization, social collaboration and inventive visuals commonplace; they make dramatically intelligent predictions and postures readily available to corporates

and consumers alike. In comparison, bankers appear to have fallen behind and can seem old-fashioned and outdated. If communication between bankers and with customers is outdated, then services, products and even trusted advisorship can also seem out-of-touch.

By moving from siloed, one-off projects to organizational collaboration using cloud-based communications and social media-style collaboration, you empower your

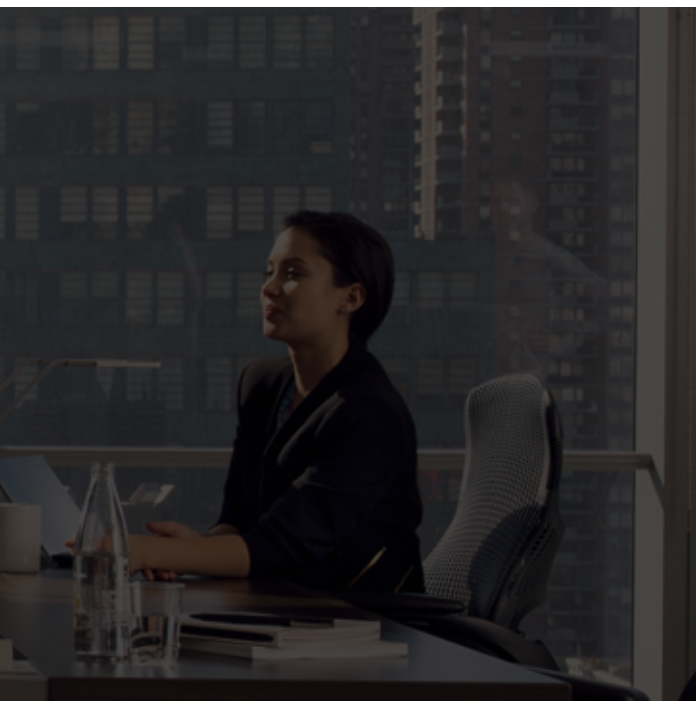


“Solutions like Microsoft Office 365 allow documents to be shared and content better leveraged, ensuring consistent messaging and time savings”

“Reports are extended from simple details of what has happened to an insightful estimation of what is potentially possible”

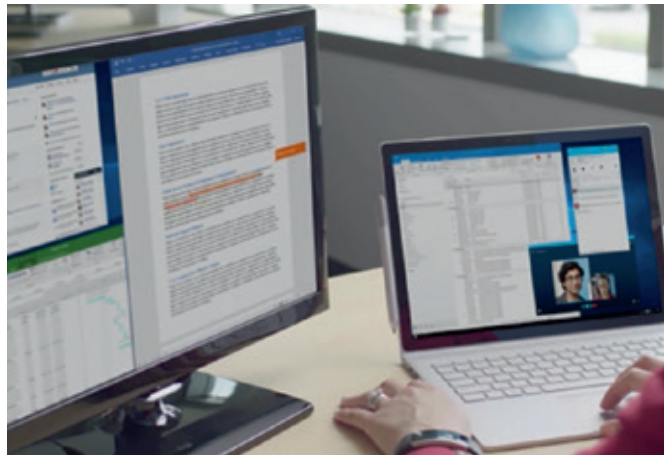
teams to provide information and ideas that demonstrate their quality and earn customers' trust.

With an emphasis on adherence to regulations and policies which protect customer information and data, solutions like Microsoft Office 365 allow documents to be shared and content better leveraged, ensuring consistent messaging and time savings. Visually beautiful graphics can punctuate text, offering the reader an impactful underscore to the message. By incorporating external information – such as industry news and research, market data, and social media comment – a proposal or report extends from simple details of what has happened to an insightful estimation of what is potentially possible. This quality of intellectual property defines what a trusted adviser must deliver in order to obtain and maintain that status.



#### IN PRACTICE

Banks can work more efficiently together to improve the quality of their offerings to customers. In this example, a bank's product manager tweaks a proposal against a tight deadline. She works through possible improvements to the service on offer to the customer by sharing screens and documents with colleagues:



In the decision-making meeting she asks for adjustments to data in real time to establish the best fit of services and costs for the client:





## OPTIMIZE YOUR **OPERATIONS**

# An integrated framework for risk management


Banks have paid \$260 billion in fines since 2009\*. 'First Line of Defense' means that every banker is directly responsible and accountable, and within global transaction banking those obligations are huge. 'Know Your Customer' sits first and foremost, and transaction monitoring, liquidity identification and document management are hotly tracked. The stakes are getting higher.

To survive and prosper, banks must now use more sophisticated processes and tools to manage and mitigate risk. Merely analyzing static data that may be outdated by days or weeks and fragmented across products is not acceptable. Comprehensive, real-time, predictive information that encapsulates credit, liquidity, market, payments, and settlement risks is no longer optional; it is a required, non-negotiable

competency. These challenges, coupled with the acceleration of transaction velocity and volume, call for a much tighter gauge of the business flow and more frequent risk measurement and modeling.

Advanced risk analytics within the Microsoft platform enables an integrated and actionable framework for risk management information, review and compliance that

\* Source: Morgan Stanley



“Comprehensive, real-time, predictive information that encapsulates credit, liquidity, market, payments, and settlement risks is no longer optional”



“With high-powered computing in the cloud, banks can now run risk models faster, interactively, and at lower cost”

caters to virtually every job function within global transaction banking and throughout the bank. With high-powered computing in the cloud, banks can now run risk models faster, interactively, and at a lower cost.

Predictive risk models combine financial and transaction data with external insights from ‘big data’ to detect risk patterns that escape conventional approaches and human review. Advanced risk analytics capitalizes on integrated features such as machine learning and the easy generation of stunning visualizations.

Your bank can target, cross-sell, and upsell to current and prospective customers with better insight and accuracy, spark new growth, and achieve better customer and product profitability, at lower risk.

#### IN PRACTICE

The bank’s anti money laundering team analyzes transaction data, as well as environment data from industry data feeds and social media activity, to identify patterns that could indicate money laundering activity. The team sets up automated alerts to quickly spot them in the future.



#### IN PRACTICE

The bank’s Treasury uses its cash forecasting app – selected from a suite of apps dedicated to Treasury functions – to predict the bank’s cash positions in various countries to help the FX team more accurately hedge.



## OPTIMIZE YOUR **OPERATIONS**

# A single vision of your customers

Does your bank serve corporate customers at a call, contact, or services center?  
Does the customer have a consistent experience if they use multiple touch points? Do your employees have a single vision of the customer and can they always provide consistent information and service?

In the digital age, the customer experience is an even more important differentiator and plays an increasingly significant role in driving business growth. The customer experience – influenced by advances in other industries – has become multi-dimensional, flexible, digitized, and more

efficient. Expectations are on the rise. Fragmented and outdated systems, and rifts among product, sales and back-office functions, create friction and delays. This leads to negative experiences which are no longer tolerated. Thanks to unified communications technologies and



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# “Easy to integrate, machine intelligence will optimize the effectiveness of customer interactions”

integration across multiple channels, the combination of voice and video interactions is becoming prominent and making a positive impact. Indeed, face-to-face video reaffirms customer trust, creates great customer experience and even proves instrumental to winning business. Microsoft provides omni-channel solutions – including automated voice – that integrate seamlessly with call center, mobile, web, and social media interactions.

Intelligent agents allow banks to conduct selected, simple, and quick interactions through chatbots which can then transfer customers to human support for more

complicated questions. Easy to integrate, machine intelligence will optimize the effectiveness of customer interactions.

The benefits of ‘conversations as a platform’ are extensive. Customer interactions provide valuable insight that can be incorporated into analytics and predictive tools, giving better intelligence to sales and marketing teams. The result can be improved close rates, increased revenue, better margins and more positive customer experiences. An integrated, intelligent platform can also accelerate the time to market of new offerings and improve operational efficiency.

## IN PRACTICE

The bank’s customer care department adds a chatbot to a dedicated web page to answer frequently asked questions from customers who are getting to grips with a new aspect of financial regulation. It adds a ‘click to talk’ button to make it easy for customers to get instant answers to their questions.



# TRANSFORM YOUR PRODUCTS

## Blockchain

Blockchain already stands out as a game-changer for banking, and has the potential to be one of the most significant and transformative innovations of all time. It *will* disrupt business models.

Blockchain applications ride on a distributed, immutable and secure ledger that is shared among participants. It is clear that banks and their customers will benefit from resulting structural changes, including the elimination of intermediaries, acceleration of transaction flows and reduction of fraud. The list can and will grow. Sweetening the need to adopt, the industry is estimating a \$20 billion cost elimination opportunity.

Global transaction banking teams are already feeling the impact, on demand deposit account systems, transaction flows, and documentation management and exchange. How is your bank affected? Is your bank acting strategically to match the wave of investments in transformative Blockchain technologies as the competition or your customers demand? Can Microsoft's Blockchain research help?

The cryptographic, undisputable proof that is embedded in distributed ledgers

replaces the trust in a central authority and authentication of financial transactions and assets. The Microsoft Blockchain-as-a-Service (BCaaS) ecosystem running on the Azure cloud introduced a new Blockchain generation. BCaaS application development takes weeks, not months.

As well as allowing banks to experiment and innovate with Blockchain applications, Microsoft BCaaS provides banks with an enterprise platform to support production workloads. This platform delivers advanced capabilities such as smart contracts and 'cryptlets' to enable complex, multi-party financial flows with utmost security and transaction integrity.

There's no doubt that Blockchain has huge potential, but there are performance and security issues to overcome. Microsoft is well-positioned to support your Blockchain lab, the testing of Blockchain-based applications, or the development of solutions using Blockchain.

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# TRANSFORM YOUR PRODUCTS

## API Economy

One significant theme to modern banking is the fast-flowing stream of new products and services to entice and attract customers. Application Program Interfaces (APIs) are at the technical heart of this flood.

Banks, corporates, service utilities, and fintechs are exposing diverse online services through APIs from partner and developer ecosystems. Creative applications encompass specialized financial functions such as payments, collections, market analytics, and trade finance. Nimble and imaginative, with customer appeal, new APIs are disrupting financial business models and pose threats to banking functions, margins, and market share.

APIs can deliver end-to-end value to the customer value chain digitally, instantly, and with minimal friction. The economic transformation potential may reach to trillions of dollars globally. But it's not as easy for a bank to 'click and apply.' As highly regulated entities, banks must carefully vet and manage all partners and suppliers. This caution can turn a process meant to be fast and agile into a slow and painful excursion.

Microsoft is a bank's trusted change agent. Microsoft's APIs are developed, built and

enhanced by the sharpest minds in the security business.

Microsoft provides API integration and management, and our cloud platform offers advanced APIs to build up cognitive services. For example, the advanced text analytics API (also in combination with natural speech-to-text conversion) extracts key phrases simultaneously with a customer conversation to gauge sentiment to help bank representatives service customers better and close deals.

APIs can deliver substantial features and functionality for a bank without the high cost of development, testing and implementation associated with 'build-from-scratch' IT systems. While banks are rightly cautious of new providers and technology, the delivery of an API through a trusted source, such as Microsoft's cloud platform, mitigates the risk and ensures an auditable and secure environment delivered by a responsible partner.

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ENGAGE, EMPOWER, OPTIMIZE, TRANSFORM

# Do it all with the partnership of Microsoft Services

The financial services industry is being revolutionized by digital technology. Customers expect to conduct banking any time, anywhere. They have higher expectations for transparency and customer service and are more likely to switch loyalties if they are not satisfied.

Microsoft Services offers world-class products and services that can meet the expectations of today's demanding customers and transform your financial services into a people-centric operation. We are focused on your journey to be a digital business.

We do this by learning about your organization with a curious mind, understanding your industry, business strategies and needs. Microsoft will bring unique insights that help you unlock new opportunities at the intersection of business performance improvement, differentiated experiences, and technology integration.

We have perfected our process and successfully guide our customers to transformation, through:

**Strategy briefings:** Identify specific challenges that can be addressed with solutions based on the Microsoft platform.

**Envision the art of the possible workshops:** Bring your ideas to life by envisioning innovative solutions and experiences that can accelerate your digital transformation.

**Solution engagements:** Focus on solution design, development, and deployment using a consolidated and accelerated approach.



## IMAGINE

We are creative and critical thinkers who challenge convention and develop innovative solutions focused on meeting your business needs by helping you imagine the art of the possible.



## REALIZE

We champion your technology adoption to help accelerate the realization of value at the intersection of business performance improvement, differentiated experiences and technology integration.

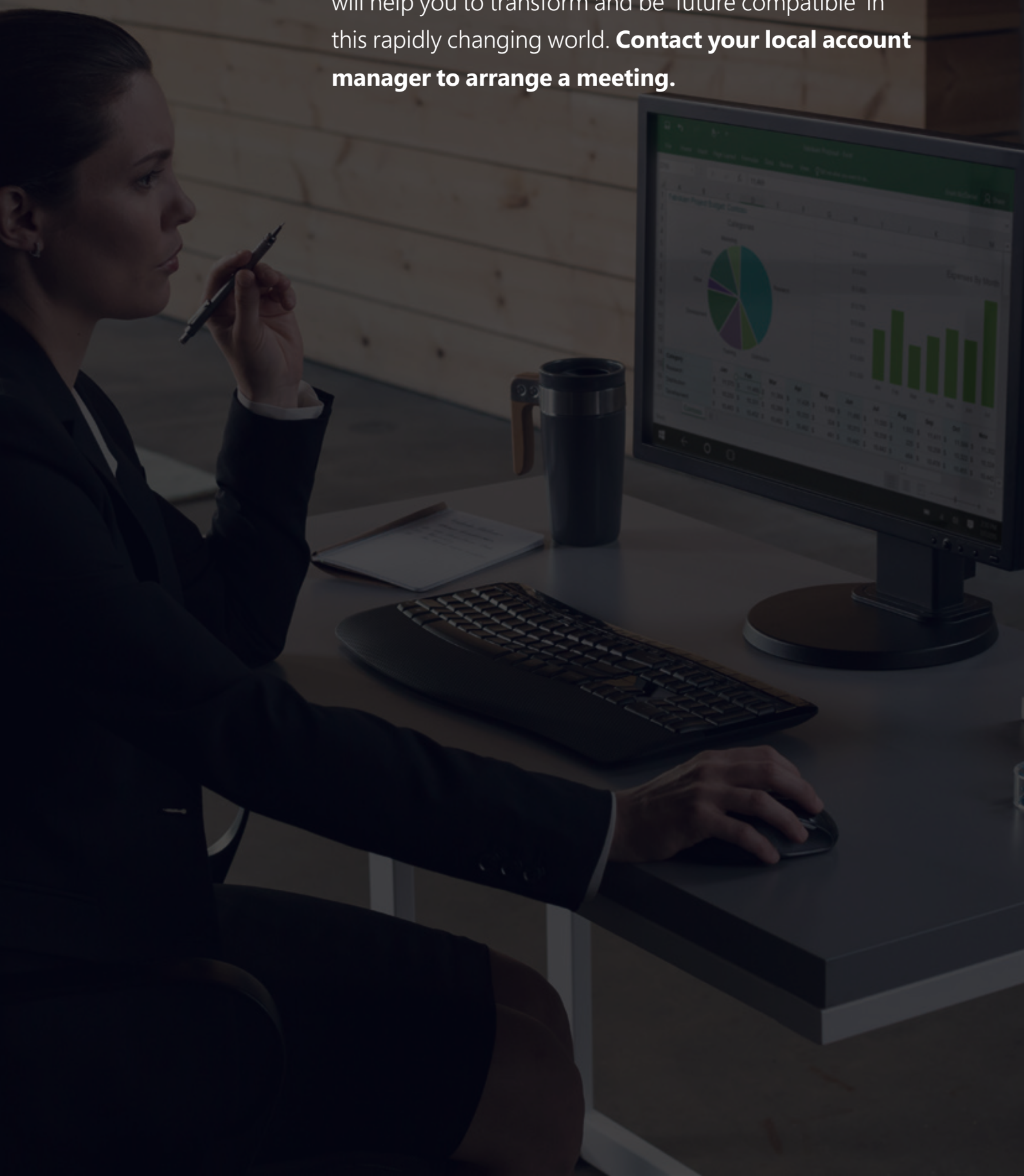


## EXPERIENCE

We support the lifecycle and build for your needs, regardless of where you are on your journey, by driving ease of integration across broad ecosystems by providing value-adding services and experiences that differentiate.



Our goal is to empower our global transaction banking customers to achieve their full potential. Our solutions will help you to transform and be 'future compatible' in this rapidly changing world. **Contact your local account manager to arrange a meeting.**





[microsoft.com/banking](https://microsoft.com/banking)