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Everyone's  
Banking  
Platform

A Temenos white paper

# The Corporate Banking Revolution

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# Executive summary

**Corporates have long been banking's most profitable customers and banks continue to strive to provide the best service to the sector. A recent report<sup>1</sup> found the global corporate banking market is expected to grow at a CAGR of 7.5% from 2022 to 2027 – presenting huge potential and opportunity.**

Despite this, as with many sectors in banking, the pandemic revealed significant digital gaps in the corporate banking experience and the imperative for many financial institutions became improving their digital-first customer approach. In a survey<sup>2</sup> of global corporate banking executives, 86% of respondents felt that digital would change the competitive landscape and the business economics.

As banks undertake their digital transformation journeys, in the corporate banking sector the objective is to enable corporates to become increasingly sophisticated in all aspects of banking, from cash management, supply chain finance, to liquidity management and much more. To do this, banks have had to undertake a paradigm shift in their customer experiences and internal processes, moving from product-centric to customer-centric, where the customer is placed at the heart of the process. And to enable and support these often complex transformations, addressing legacy technology and ever-changing customer needs, to name only a few challenges, banks are turning to their digital technology partners for the latest advanced technologies.

Next page we explore the top corporate banking trends likely to be adopted by financial institutions globally in 2023.



# 1

## Devising the digital-first strategy

Corporate banking relationship managers spend less time in client interactions, bogged down by manual processes and low-value admin tasks. The digitization of these processes will significantly enhance operational efficiency by providing tools that enable front-line teams to effectively interact with their clients more often. Corporate onboarding has also always proved a challenge, but banks are working on digitizing the onboarding with minimum data capture on a device of the customer's choice. Thereby enabling "Anywhere, Anytime Banking".

# Harnessing the power of data

Banks have access to vast troves of data, more than most other industries. Meaningful data-driven actionable insights can be drawn out using the advanced technologies such as Artificial Intelligence (AI) and Machine Learning (ML). AI models provide the supplier or customer payments behavior for improved fraud detection. Predictive risk models based on the cash management data identify low-risk lending opportunities that enable tailored financing. These insights assist banks to provide personalized recommended products and services. And significant service improvements can be realized through analytics that tend to increase the customer stickiness.

2





# 3 Providing end-to-end solutions

Corporate bankers want solutions that help them run their business efficiently with lower risk. Supply chain finance solutions that offer an integrated approach to managing purchase orders, transportation documents, invoices, payments, and working capital financing on digital channels is a particular current need. Simplified payments and cash management workflow solutions make life simple and easier for the corporate customers. Thus, it is imperative that financial institutions simplify the workflow processes and paper-work to provide customer services very quickly keeping the regulatory requirements in mind.

# Adopting contemporary technologies

The advent of new technologies such as blockchain, AI and ML, cloud computing, and composability are game changers in corporate banking. An implementation in a leading bank<sup>3</sup> indicates that the adoption of blockchain technologies has reduced transaction processing times from 10 days to 24 hrs. Cloud computing reduces complexity and capital expenditure, provides enhanced security.

Corporate clients' preferences for interacting with their banks are changing rapidly, with growing expectations of fully integrated solutions, lean and frictionless processes, and 24/7 banking access via web, mobile and Internet-of-Things devices. A BCG survey<sup>4</sup> with corporate customers indicates that digital capabilities is a key evaluation point for corporates looking to start a banking relationship.

So corporate banks, are you ready for the digital race?



**Customers have a strong voice, they can make noise!"**

<sup>1</sup> Global Corporate Banking Market Analysis | Size & Forecasts (globalmarketestimates.com)

<sup>2</sup> Global Corporate Banking 2018: Unlocking Success Through Digital (bcg.com)

<sup>3</sup> HSBC Completes Malaysia's First Blockchain Letter of Credit Transaction, Trading Hours Reduced from 10 Days to 24 Hours Blockchain Network (blocking.net)

<sup>4</sup> Five Trends Disrupting the Corporate Banking Landscape (bcg.com)

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Padmani Koteeswaran is a Principal Solutions Consultant at Temenos in APAC, with over 18 years of digital banking solutions expertise. Padmani is passionate about helping financial institutions with solutions that bring benefits to the business and their customers as the need of the hour is a rock-solid foundation for sustainability.

## About Temenos

Temenos (SIX: TEMN) is the world's leading open platform for composable banking, creating opportunities for over 1.2 billion people around the world every day. We serve two-thirds of the world's top 1,000 banks and 70+ challenger banks in 150+ countries by helping them build new banking services and state-of-the-art customer experiences. The Temenos open platform helps our top-performing clients achieve return on equity three times the industry average and cost-to-income ratios half the industry average.

For more information, visit [www.temenos.com](https://www.temenos.com)

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