FINANCIALOXYGEN

# INTER COMPANY LENDING

Multi-Currency Accounts

Liquidity Management

COMPLIANCE | ROI | CLOUD NATIVE | SPEED TO MARKET

## Introduction

The Intercompany lending (ICL) function of corporate and international treasuries improves liquidity and reduces credit costs. FO2 ICL module provides the right tools and best practices to enable treasury managers to efficiently initiate, price, track, accrue, renew and monitor payment schedules in a secure and easy to use treasury environment.

Corporates use the ICL module to create financing centers and allocate credit to entities with in the corporate. Each credit can be priced according to their rating. This ensures compliance with In response to market needs, FO2 developed the Intercompany Loans module–a packaged toolkit that facilitates the management of Intercompany pooling and term loans. Simple to sophisticated in-house banking structures alike will benefit from this comprehensive, flexible solution.

**Intercompany Pooling:**

FO2 Intercompany Loans module uses actual bank transactions to manage Intercompany loans that result from pooling. Cash, zero balance account, and notional pooling structures are supported. Balances are created and tracked daily with a corresponding rate for calculating interest. Borrowing/investing limits and interest allocation are tracked and reported for each entity. Users also have the ability to create entries for non-cash items that affect balances, but for which there is no underlying money movement.

**Intercompany Term Loans:**

With the Intercompany Loans module, users can track interest-bearing notes between different organizational units using three term loan types: interest, discount and facility (i.e., line-of-credit). Settlement, maturity and interest cash flows are calculated and integrated into the forecast for both the borrowing and lending entity. FO2 automatically generates the appropriate GL entries.

**WITH FO2'S INTERCOMPANY LOANS MODULE, YOU CAN…**

Pooling and intercompany term loan structures are unique to each organization and depend on several factors including regulatory requirements, degree of corporate centralization, geographic location and bank capabilities. FO2 documented the different methods of numerous organizations engaged in substantial intercompany banking activities to develop a solution flexible enough to meet the needs of any treasury. Use FO2's Intercompany Loans module to model your current operations, or take the opportunity to introduce new best practices.

**Support a Dynamic Treasury:**

The Intercompany Loans module handles back office requirements to save valuable resources. Enter data once and everything else is taken care of by FO2. Intercompany flows are automatically included in your cash forecast.Use the time saved to shift focus to the front office where it belongs.

**View based on permissions:**

- Repayment/Early Termination
- Approval workflow
- Interest Summary Report
- Settlement Report
- Position Report
- Treasury Report
- Tax withholding Report

User activity report:

- Audit trail

**Interest Rates:**

- In Country regulations
- Index based pricing
- Routing of loans

**Security Manager:**

Administrators have the ability to define and customize the list of users and their access privileges. They do this by managing user privileges and authorizations to input data, edit information, open accounts, approval workflow process and setting up other arrangements. The system can also be set up to create alerts for activity and approval processes by incorporating state-of-the-art security protocols, data encryption, and user account and password change security procedures to provide secure Internet-based operations. Corporates can thus create capabilities. Comprehensive solution that is customized to their needs. FO2's track record of on-time and in-budget solutions, combined with its deep experience in the financial ser vices industry, provides your corporate with a compelling ROI.

**FO2 Treasury Solutions**

Using FO2 systems users can view net balance reports with intercompany flows represented in the cash forecasts.Treasury managers can view related ratios for a multitude of operating companies. FO2 system generates reports for actual vs. forecast cash balances and YTD and year-on-year cash flows with appropriate analytics. FO2 provides comprehensive solutions for treasury and liquidity management with detailed reporting and modeling capabilities.

The intuitive interfaces and integration with data sources provide timely information and rich client experience for the users of the system.

Financial Oxygen is the leading builder and operator of transaction platforms for the capital markets.
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**Partnering with $FO_2$ on your Cash Management Solution provides you with proven and empirical benefits. Talk to us today.**

Strategic Liquidity Management underlined by Operational Efficiency

Optimized Service Delivery and increased Customer Satisfaction

Fee Income from Services

Open API and Web based Deployment

Robotic Process Automation for (RPA) Enhanced ROI

Agile technology enables Partnering across the business to drive revenue

**Where Finance & Technology Converge**