FINANCE
THINK TANK
CORPORATE BANKING & FINANCE

CORPORATE BANKING PORTALS
Status Report and Ambitions 2018

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EXECUTIVE SUMMARY

THE MISSION

In retail banking, online portals have already become key to commercial success. In corporate banking, the revolution has yet to come. However, both the need for efficiency in banking processes and the demand from clients for fast, easy solutions are driving banks to innovate their online services.

This survey finds out which products and services are available online and to which degree the processes are digitized and transparent for the client.

The digitization of the corporate customer journey is, in many cases, a work in progress. Taking this into account, we asked 14 banks to reveal both the current status quo and their ambitions for the next 12 months.

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THE SURVEY

» A total 14 banks completed the survey earlier this year:
Nine German banks and five banks headquartered elsewhere in Europe: Austria (1), France (1), Netherlands (1), Spain (1) & Sweden (1).

» Two factors complicated the survey:
Firstly, banks were only willing to participate on condition of anonymity. Secondly, the large European banks have no single point of contact for questions related to their corporate banking portals but many different ones, usually related to specific products.

» Corporate banking portals cover all segments with a focus on SMEs and large caps.

KEY FINDINGS

» Payment transactions and FX services are the most common services provided. Payment transactions are usually provided as fully transactional services.

» All respondents believe their corporate customer portals allow customers to save time.

» Further advantages that were frequently mentioned: the option to personalize services and cost savings

» The overwhelming majority of the banks (12 of 14) believe corporate customer portals are important or very important for their competitiveness in the corporate customer business.

» The biggest challenges ahead are the integration of legacy systems and the standardization of online services

» Two thirds of banks surveyed are planning significant investment in their portals over the next 12 months, in order to further expand their online product range.

FINDINGS

SITUATION NOW – AND IN A YEAR FROM NOW

Two thirds of all banks surveyed (9 of 14) are planning significant investment in their portals over the coming year and aim to further expand their online banking services.

All banks currently ranking low in terms of functional scope (i.e. product range) are planning improvements. At the same time, none of the banks are focussing on a seamless integration of their online services into standard business. Banks with a comparatively high level of integration seem to have done their homework well, as they are a lot less likely to plan significant further improvements.
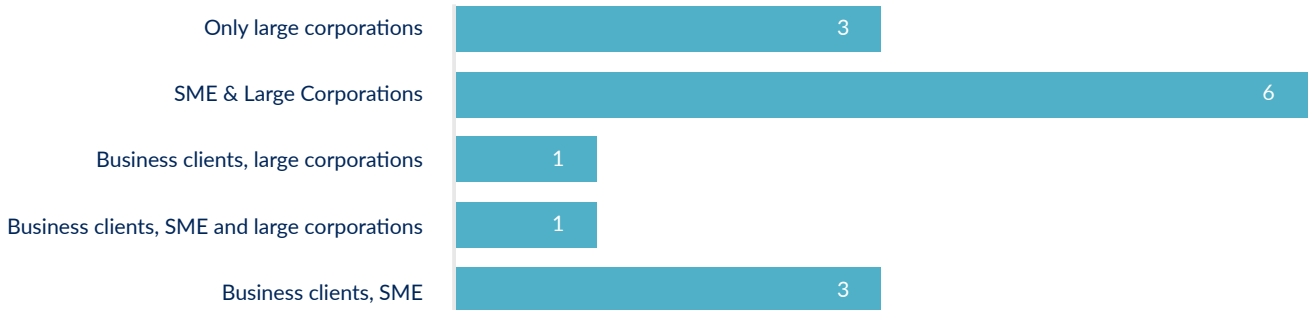
● current status

○ future status (reflecting the expected improvements over the next 12 months)
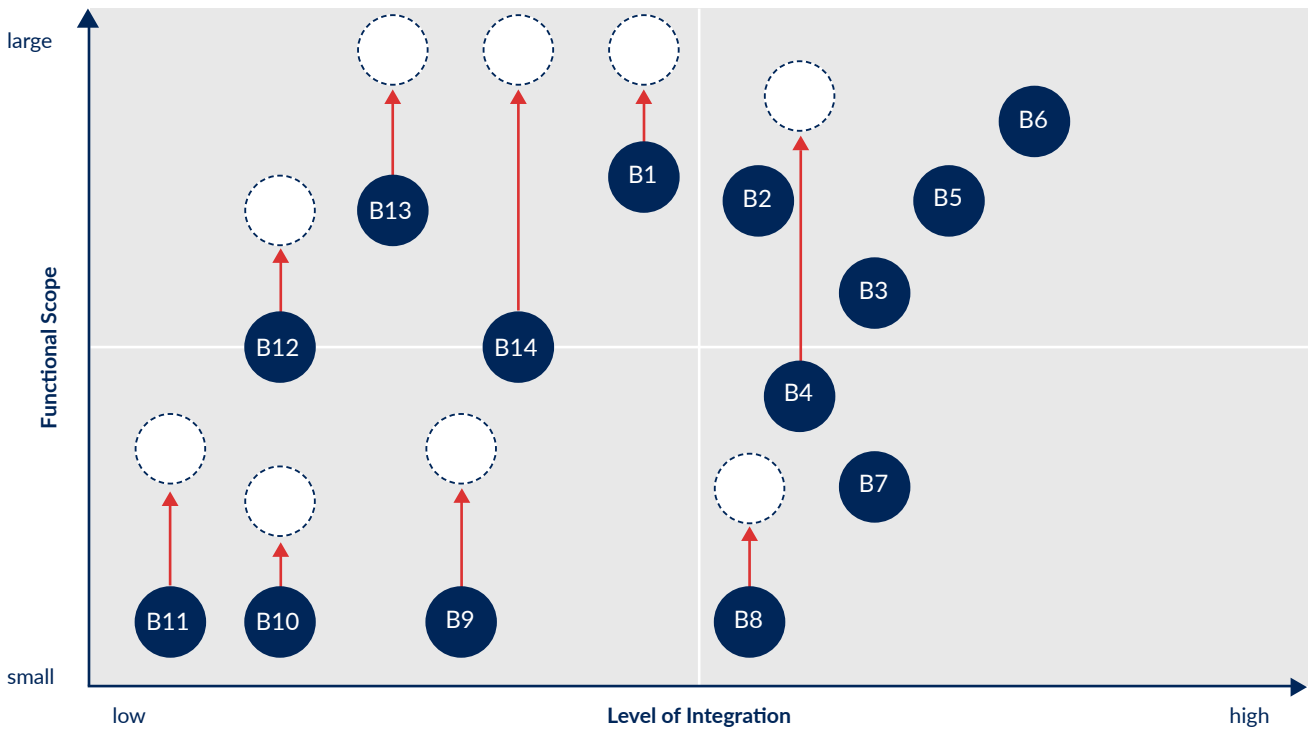
» Portals Target All Corporate Client Groups, Focus on SME and Large Cap

Which customer groups does your corporate banking portal target?

● Number of replies

Customer group	Number of replies
Only large corporations	3
SME & Large Corporations	6
Business clients, large corporations	1
Business clients, SME and large corporations	1
Business clients, SME	3

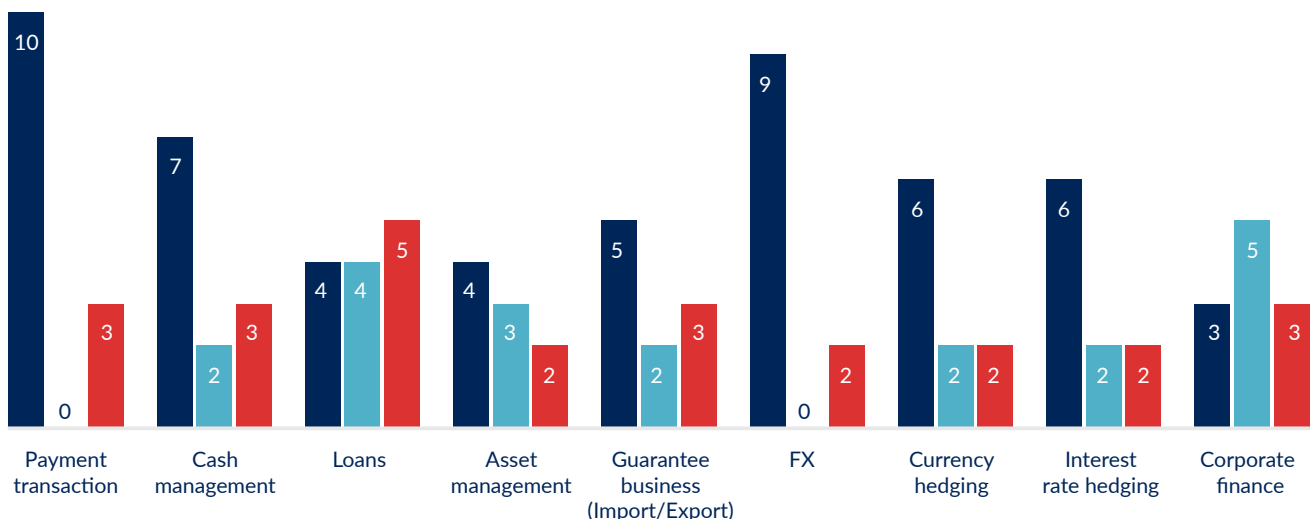## » Top Services: Payments and FX, Loans in planning

Which traditional banking services are provided on your corporate customer portal?

The majority of the banks surveyed provide payment transaction services (10 of 14) and FX services (9 of 14) on their portals. However, only half provide cash management services and just six of 14 provide currency hedging and interest rate hedging services. Over a third of those surveyed have plans to introduce online loans services in the coming year.

Only three banks have portals offering corporate financial services, although a further three banks plan to make them available within the next 12 months.

NB: The banks did not always give answers to every part of every question.

● Yes   ● No   ● Not yet, but within the next 12 months.

Service	Yes	No	Not yet, but within the next 12 months
Payment transaction	10	0	3
Cash management	7	2	3
Loans	4	4	5
Asset management	4	3	2
Guarantee business (Import/Export)	5	2	3
FX	9	0	2
Currency hedging	6	2	2
Interest rate hedging	6	2	2
Corporate finance	3	5	3

» *"Ideally, the spectrum [of services] should be as broad and individualized as possible."*

"The range of services is to be further developed in depth so that more variants of final products can be developed and rolled out. The breadth of the product range is considered secondary."

"Our goal: presentation of data; analysis of data; advice based upon data analysis."

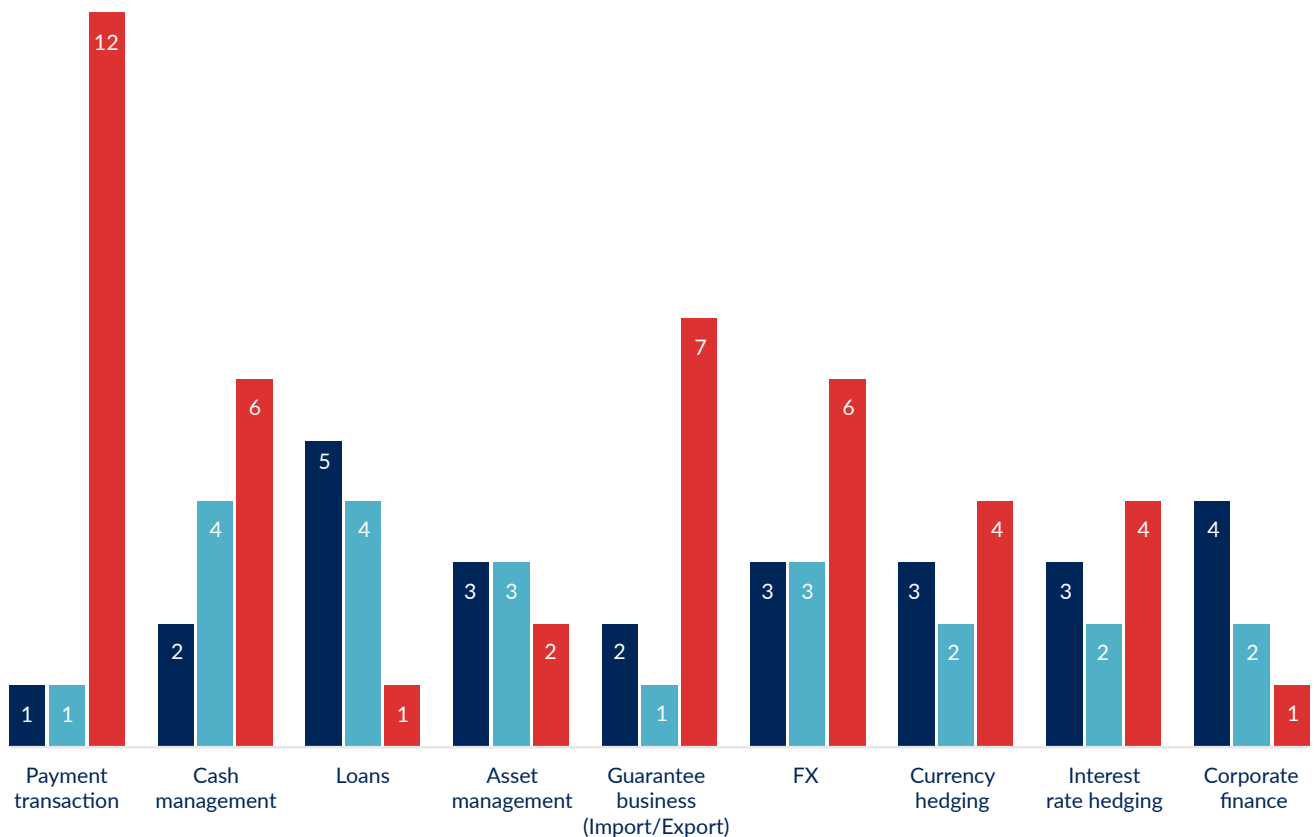# » Payments, Trade and Cash Management Typically on a Transaction Level

To what degree are the respective services integrated?

Payment transactions are the most fully integrated[1] online services – all but two of the banks provide full transactional services on this front. Half the banks provide transactional services for guarantee business (import/export) while six of 14 offer cash management transactional services.

Corporate finance and loans are currently the least integrated services and only about a third of all banks surveyed even provide information about these services online.

NB: The answers to this and the previous question are not entirely consistent.

● Information   ● Interaction   ● Transaction

	Information	Interaction	Transaction
Payment transaction	1	1	12
Cash management	2	4	6
Loans	5	4	1
Asset management	3	3	2
Guarantee business (Import/Export)	2	1	7
FX	3	3	6
Currency hedging	3	2	4
Interest rate hedging	3	2	4
Corporate finance	4	2	1

[1] In this report, we differentiate between three levels of integration: 1/ Information - Information is provided via the website but the customer cannot interact with the website or the website team. 2/ Interaction - Information can be exchanged, communication between the client and the bank is possible. 3/ Transaction – This is the highest level of integration. Bank services can be carried out at least partially and seamlessly online by the customer.

» Most Common Features: Uploading and Signing

Which features does your portal offer at the transactional level?

Roughly two thirds of the banks allow their clients to digitally sign and upload documents while nearly half of all portals offer the possibility to use save-and-resume forms. Only five of the 14 banks enable their clients to track their status.

● Number of replies

Upload of documents	8
Track status feature	5
Save-and-Resume	6
Digital Signatures	9

» Clear Differences in Mobile-Friendliness

How mobile-friendly is your corporate customer portal?

Almost half of all portals (6 out of 14) are optimized for mobile use and offer some of their banking services via mobile websites and/or apps. However, two banks offer no banking services via mobile devices.

● Number of replies

5	2
4	0
3	6
2	3
1	3
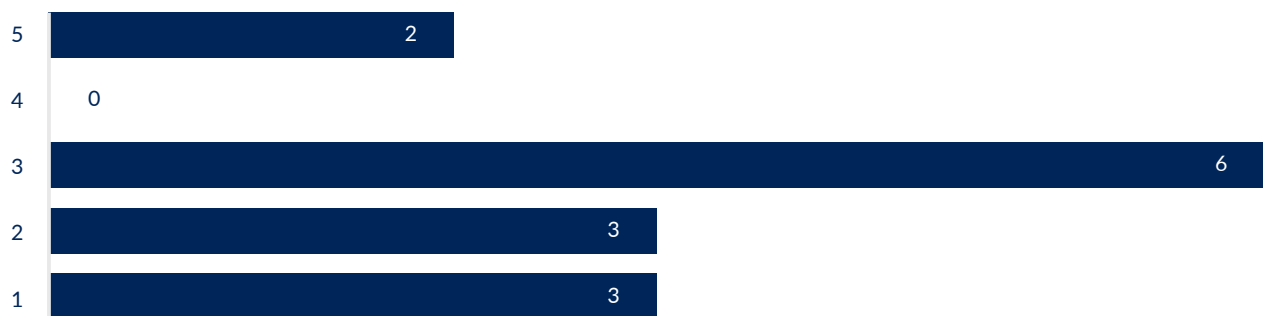
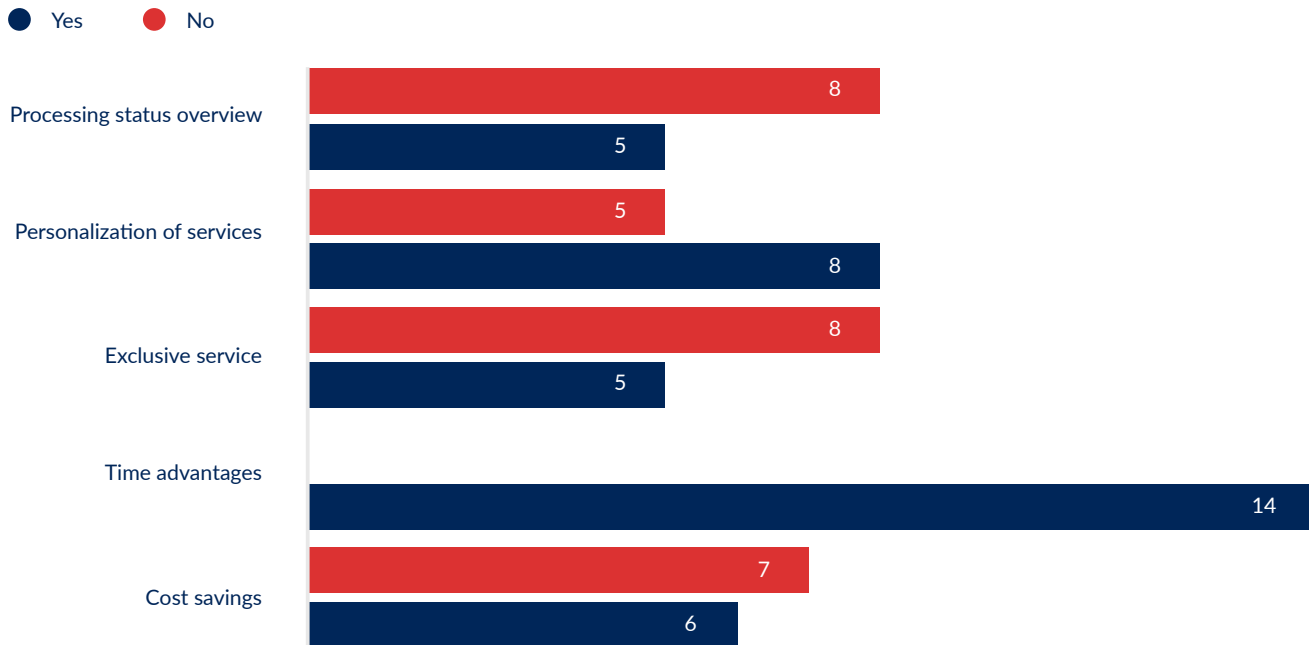1 = All banking services can be accessed via a mobile and/or an app
5 = None of the banking services can be accessed via a mobile website and/or an app

➤ Customer Benefits: Time, Personalization and Money

What are the advantages of using your corporate customer portal?

All the respondents believe their corporate customer portals allow customers to save time, while roughly half of them see advantages in reducing costs and in the option to personalize services.
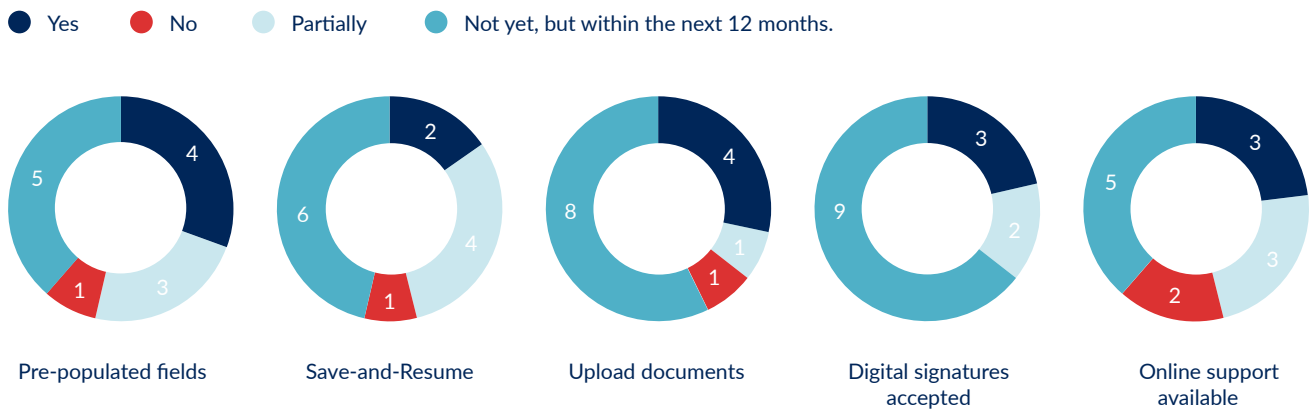
Only five of the 14 banks offer any exclusive, online-only services or allow an overview of the processing status.

● Yes   ● No

Processing status overview	No: 8 / Yes: 5
Personalization of services	No: 5 / Yes: 8
Exclusive service	No: 8 / Yes: 5
Time advantages	Yes: 14
Cost savings	No: 7 / Yes: 6

➤ Onboarding of New Clients: A Key Focus over Next 12 Months

How does your portal support the onboarding process of new clients and/or first-time users?

The majority of the banks surveyed see it as a priority to improve the online onboarding process for new clients and/or first-time users. Two thirds (9 of 14) are taking steps to accept digital signatures and over half the banks (8) want to enable their users to upload files during the onboarding process.

● Yes   ● No   ● Partially   ● Not yet, but within the next 12 months.

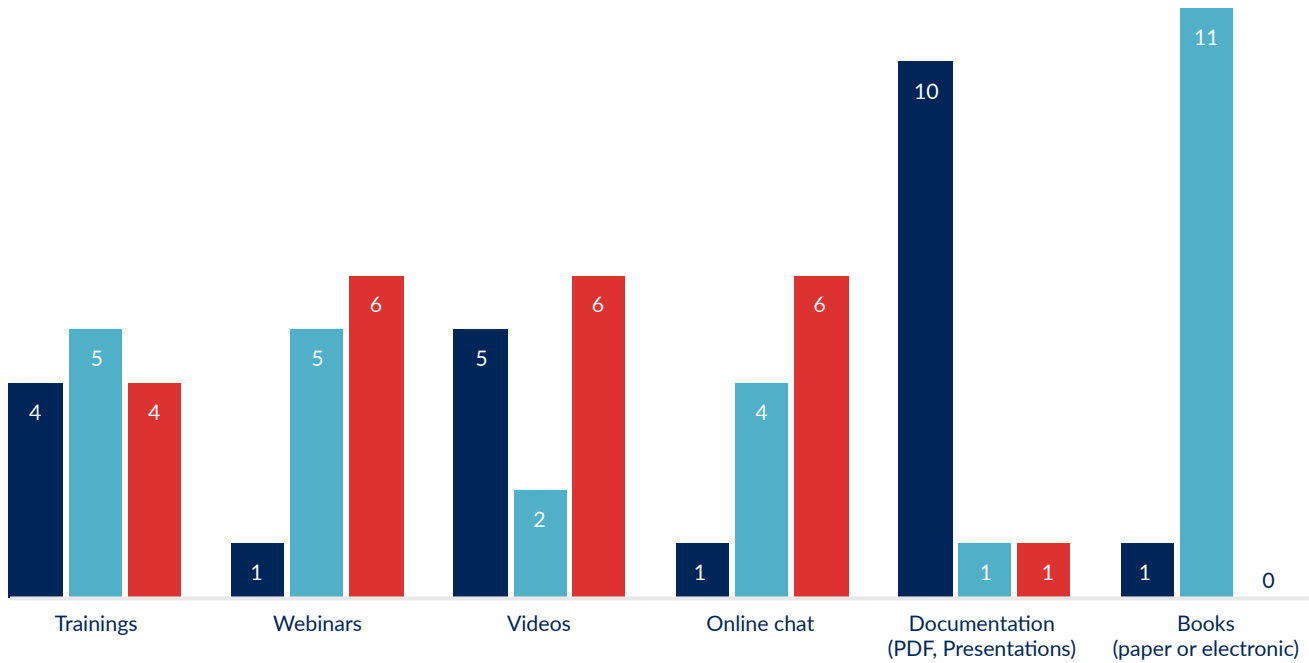|	Yes	No	Partially	Not yet
Pre-populated fields	4	1	3	5
Save-and-Resume	2	1	4	6
Upload documents	4	1	1	8
Digital signatures accepted	3		2	9
Online support available	3	2	3	5

» Guidance Available, More to Come

Navigating the portal: Is help available?

Nearly all the banks (10 of 12) provide documentation to help users navigate their portal. Some also provide videos and/or training.

● Yes   ● No   ● Not yet, but within the next 12 months.

	Trainings	Webinars	Videos	Online chat	Documentation (PDF, Presentations)	Books (paper or electronic)
Yes	4	1	5	1	10	1
No	5	5	2	4	1	11
Not yet	4	6	6	6	1	0

» On Average: "Better than Average"

How do you rate your corporate customer portal in comparison to your national competitors' offerings?

All but two of the banks surveyed consider their portals to be on a par with, or better than, those of their competitors. Of these, six rate their portals as "better than the average" and one respondent rated their portal as "much better than the average".

● Number of replies

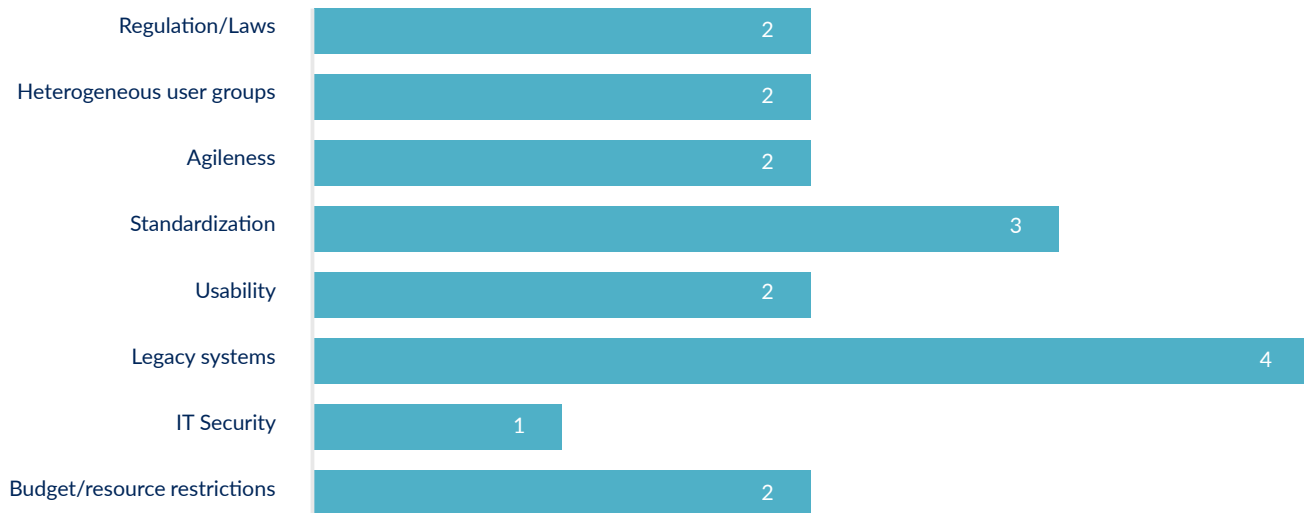|	
1	1
2	6
3	5
4	2
5	0

1 = Much better than the average

5 = Much worse than the average

» The Challenges: Money, Legacy and Standards

What challenges do you face in the further development of your corporate customer portal?

With regards to the further development of their corporate customer portals, the banks see a number of challenges ahead, such as the integration of legacy systems (4 of 14 banks) and standardization of solutions (3 of 14).

● Number of replies

Regulation/Laws	2
Heterogeneous user groups	2
Agileness	2
Standardization	3
Usability	2
Legacy systems	4
IT Security	1
Budget/resource restrictions	2

» *"Budget constraints"*

"Balance between features and usability"

"Integration into legacy systems and regulation"

» Key to Success

In your opinion, how important is the corporate customer portal for your bank's competitiveness in the corporate customer business?

The vast majority of the banks (12 of 14) see the corporate customer portals as being essential to their bank's competitiveness in the corporate customer business.

● Number of replies

No reply	1
Not that important	1
Important or very important	12

» *"It's not so much a distinguishing feature as a must-have."*

"High importance especially for younger CFOs and managing directors"

"Core component of the strategy and a unique selling proposition"

» Portal Development Prompts Broader Improvements

Did the development of your corporate customer portal prompt the optimization of backend processes or the set-up of new ones?

Nearly all the banks said that the development of their corporate customer portals prompted them to optimize backend processes or set up completely new ones. Only two of the 14 banks made no changes at all.

● Number of replies

Yes	10
Partially	2
No	2

» *"Media disruptions are eliminated"*

"Consistent thinking from the customer's point of view has led to awareness of changes in the process sequence/steps of the business and to adaptations."

"Existing applications will be integrated."

APPENDIX

Please note: The acronyms in the tables do not correspond: B1 in Table 1 is not necessarily the same bank as B1 in Table 2

Bank	Which traditional banking services are provided by your corporate customer portal?
B1	Electronic mailbox
	Research portal
	Account documents/statements
	Mifid information
B3	Online forms
	Leasing
	Sureties
	Investment / Risk advice
	Power of attorney management
B4	Engagement overview
	Communication
	Collaboration capabilities
	Research information
B5	Robo Advisory Wealth Management
	Asset/Credit platform
	Blockchain-based services
B6	Single log in
	Further details in the planning phase
B7	Custody services
	Fund administration & distribution
	Online research
	Trading and research analytics APIs
	E-signature
B8	Custody
	Letters of credit/collections
	Receivable financing
	Factoring
	Leasing
B9	Liquidity planning
	Multibank aggregation
	Service as a product
	Beyond banking services
B10	Virtual cash management
	Money markets deposit
	Order management (proprietary and SWIFT)
	Mark-to-market reporting

Bank	Which services should your corporate customer portal include in the future?
B1	Full commitment overview
B2	Loans
	Onboarding
	Credit lines
	Digital signature
B3	The range of services is to be further developed in depth so that more variants of final products can be developed and rolled out. The breadth of the product range is considered secondary.
B4	Only a simple portal presence available today - a full range of all-financial offers in the future; plain vanilla products lockable - information and self-service offers for remaining solutions.
B5	Continuous expansion of functionalities based on ongoing customer surveys
	Conclusion of standardized products
	Process support and transparency about process progress
	Interaction/collaboration with several parties in complex products (e. g. project financing etc.)
B6	More B2B transactions
B7	360° view of all products
	Trigger transactions
	Document workflow
	Online legitimation
B8	Ideally, the spectrum should be as broad and individualized as possible.
B9	Event management
	Securitization of trade receivables
B10	Single sign-on (to all services), single look & feel
B11	Two-factor authentication requirement, also for login compatibility
	SAP connector for straight-through processing
	Credit lines management
	Disposition
B12	Presentation of data; Analysis of data; Advice based upon data analysis; Single sign on to all services;
	Notifications based upon logic set by customer
B13	Existing and new digital banking and Beyond Banking solutions

Bank	What challenges do you face in the further development of your corporate customer portal?
B1	Budget constraints Different open-mindedness of the customers
B2	Globalization of platforms for global clients
B3	Individual regulations and agreements with corporate customers in the past have made it difficult to digitize processes (in the sense of standardization); The technical mapping of given proxies/rights increases the complexity. In addition, numerous applications that have already existed for several years must be transferred to an environment (both technically and UX).
B4	User-friendly operating concepts - high modularity for addressing a wide range of target groups and the most varied needs, speed and long-term availability. Agile support - close to the user's needs, future features should be developed.
B5	Provision of resources internally by the relevant departments and IT Overcoming technical challenges caused by legacy IT systems
B6	Balance between features and usability
B7	Creation of the necessary IT infrastructure Authorization concepts IT security
B8	Especially the KYC and customer onboarding processes have to be standardized and digitized in order to integrate this area into the portal.
B9	Harmonized ID management
B10	To implement market requirements in the structure of the bank quickly and to survive against and / or with the fintechs who regularly attack us.
B11	Combine new technology with legacy systems.
B12	Integration into legacy systems and regulation
B13	Different laws in European countries regarding digitization

Bank	In your opinion, how important is the corporate customer portal for your bank's competitiveness in the corporate customer business?
B1	It's not so much a distinguishing feature as a must-have.
B2	It is critical. The corporate clients demand a digital relationship with the bank to improve time and efficiency.
B3	Portal solutions represent a standard service that is now expected by customers. In our view, however, interfaces/APIs will be in much greater demand in the future, which means that the expansion of portal solutions will be pushed into the background in the future. Decisive for competitiveness will be the right mix of standardized portal solutions and interfaces that can be used individually by the customer.
B4	Basic functionalities are now perceived by customers as a "hygiene factor" in the customer relationship. Cost advantages can be increased through self-service. Customer portal basis for bundling digitization topics at the customer interface.
B5	Very important - especially regarding administrative tasks and provision of information
B6	Very important
B7	A must-have for every corporate bank in the future
B8	This makes the bank more customer and user friendly. Especially for CM customers, who tend to strive for bank-independent solutions, the importance of a corporate customer portal plays a relatively minor role, apart from the current burning issue of KYC.
B9	Growing importance
B10	High importance, especially for younger CFOs and managing directors
B11	Different for different customer segments, but in general very important.
B12	Core component of the strategy and a unique selling proposition
B13	Very important

Bank	Did the development of your corporate customer portal prompt the optimization of backend processes or the set-up of completely new ones?
B1	Media disruptions are eliminated
B2	In principle, processes E-2-E are considered in all activities. In this context, some backend processes have been optimized and digitized. Consistent optimization is desirable but due to the complex IT architecture and limited time resources, it is not always possible to display it, which can lead to break points in the process flow.
B3	Adjustments were also made here
B4	Consistent thinking from the customer's point of view has led to awareness of changes in the process sequence/steps of the business and to adaptations.
B5	Partially new set-up
B6	Processes and IT must be re-launched Meaning of near-time information Data quality Time2Market with new functions/products in the portal
B7	Partially new set-up
B8	This forces us to review all the underlying processes
B9	Existing applications will be integrated.
B10	New set-up to realize direct coupling with backend systems and not to keep data duplicate.
B11	Serving customer needs and making internal processes more efficient
B12	In many cases new procedures and processes are needed to optimize online behavior (instant, 24/7)