

Introduction to SKYIHB™

Radically improving effectiveness in managing your global corporate payments

Effectively addressing your challenge of minimizing international corporate payment costs and risks

As a multinational corporate with subsidiaries at various jurisdictions supported by local banks, you face enormous supply chain costs of conducting your business internationally – especially due to cross-border payments, currency exchange (FX), volatility and risks, lending, and account maintenance. Our innovative service SKYIHB™ helps mid-size companies to achieve **substantial savings on their banking costs** and provides better risk management.

BELPAY's solution: SKYIHB™ In-House Bank services

Concept of In-House Bank

The term *In-House Bank (IHB)* is used when a special corporate division provides complex financial services to the subsidiaries of the business group, such as cash management, payments and collections, FX, loans and deposits, factoring. All corporate subsidiaries get IHB managed virtual multi-currency accounts linked to the physical bank accounts owned by the HQ's IHB.

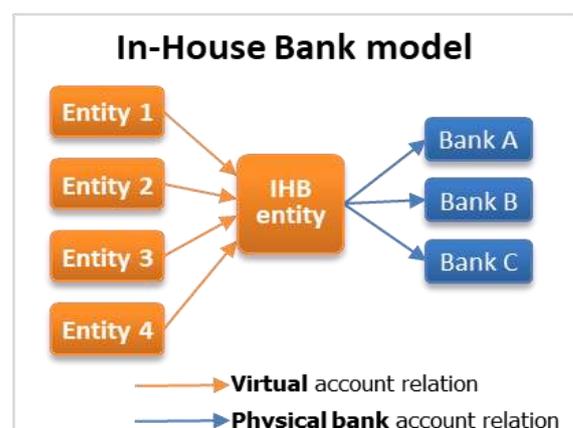
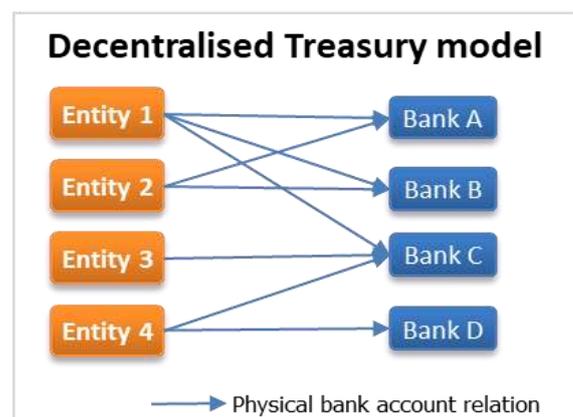
Main benefits of an IHB

Improved liquidity management

- Cash stored in a centralized core currency pools managed by corporate HQs, thus ensuring real time availability of liquidity.
- Centralized currency pools make possible lower cost intercompany loans.
- Virtual accounts for subsidiaries eliminate the need of physical sweeps for intercompany loans.

Improved corporate financial controls and visibility

- Improved HQ's visibility of global controls, transactions, currency positions and forecasting.
- Centralised corporate activities improve security, fraud controls and payment processes.



Payment optimisation and improved transactional cost

- Consolidation of Foreign Exchange (Forex) for cross-currency payments and improved hedging reduces banking spreads and other overhead costs for the corporate global supply chain.
- Rationalization of bank relations and accounts reduces bank account maintenance costs.
- Facilitation of company's ability to shop globally for the best cost of payment transactions among the best banks.
- Reduction of excessive overhead costs for intercompany and external payment transactions, especially in the high banking cost jurisdictions.

Challenges of the IHB model

As IHB grows in support of corporate worldwide expansion, it might be compelled by financial authorities to obtain banking or payment licences and be regulated as a Financial Institution. New payment regulations are placing much compliance pressure on corporations that run an IHB to operate as transparently regulated financial entities.

Consequently, running an IHB with the huge upfront technology, human and regulatory investments might be attractive for top multinationals, but are not as cost effective for mid-size corporations.

*SKYIHB*TM offer

Our advanced *SKYIHB*TM service has been optimized to support multinational mid-size corporations, operating with numerous local subsidiaries. Such clients could **achieve substantial savings on costly international payments, Forex, short-term lending and hedging—all without creating and running an IHB financial entity**, which is expensive and cumbersome to setup and manage. As a part of *SKYIHB*TM service, we would also take full care of the complex regulatory, compliance, operational, human resources and IT issues for the specialised operations of the corporate IHB.

As every company is unique, there are no off-the-shelf IHB solutions. **Your success requires customization to your company's unique requirements and optimizing your Supply Chain Finance.** Our *SKYIHB*TM comprehensive and customizable service is analogous to the Private Wealth Management approach rather than to conventional Corporate Banking, helping you to achieving your challenging payment goals.

Our offer ensures cost-effectiveness of IHB services for selected corporations with revenues between \$10M and \$2B that conduct business globally. Using *SKYIHB*TM, such mid-size businesses could now compete with top multinational corporations by ensuring efficient and cost-effective international payment management solutions.