

## CASE STUDY

# Transforming Corporate Liquidity Management

for a Leading Middle Eastern Bank  
with Regional Interest Optimisation



### Solution Category

Digital Liquidity Management Solution for Corporate Transaction Banking.



### Client Information

Our Client is a prominent, digitally focused bank headquartered in the Middle East, with a significant operational presence across four countries in the region. As a recognized leader in transaction banking, the bank specializes in providing sophisticated payment, collection, Virtual Account Management (VAM), trade, and account services to its top tier corporate clients. With a strong commitment to digital innovation, Our Client sought to deliver industry leading solutions that would cement its reputation as a pioneer and the preferred banking partner for large corporates.



### Challenges Faced by Our Client

Our Client's strategic objective was to deepen its relationships with large, multinational corporate customers by offering unparalleled value. However, they faced a critical gap in their product suite that was causing friction for their most valuable clients.

The core challenge stemmed from the operational structure of these corporates. Many operated multiple current accounts across different branches and even countries to manage localized business functions like vendor payments, payroll, and cash collections. While this decentralized model was essential for their operational autonomy, it created a significant financial inefficiency that the bank's existing systems could not address.

## The bank's key challenges were:

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### **Inability to Monetize Client Relationship Value:**

The bank's corporate clients held substantial aggregate balances, yet these funds were fragmented across numerous accounts. Individually, these accounts rarely met the minimum balance threshold to earn interest. The bank lacked a mechanism to recognize and reward the client's total liquidity contribution at a group level.

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### **Competitive Disadvantage:**

Competing banks were beginning to offer more flexible liquidity solutions. Our Client risked losing high value corporate customers who were seeking a partner that could help them unlock the potential of their idle cash without forcing disruptive operational changes.

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### **Operational Constraints of Traditional Solutions:**

Proposing traditional solutions like physical cash concentration (sweeping all funds into a single master account) was a non-starter. It directly conflicted with their clients' need for decentralized control, region specific reconciliation, and internal accountability.

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### **Lack of a Scalable, Digital First Offering:**

The bank needed a modern, automated solution that could be seamlessly integrated into its digital banking platform and rolled out consistently across all four of its key markets, each with its own regulatory nuances and core banking systems.

In essence, Our Client needed to find a way to help their customers bridge the gap between their decentralized operational needs and their centralized financial goals.



## Solution Provided by Mindgate

Mindgate Solutions partnered with the bank to implement the Regional Interest Optimisation (RIO) module, a key component of our flagship VTransact DigiTB Liquidity Management Solution. This solution was specifically designed to address the bank's challenges by providing a sophisticated, non-intrusive way to maximize interest income for its corporate clients.

### The RIO solution delivered the following key capabilities:



#### Group Level Balance Aggregation:

The VTransact system digitally aggregates the total EOD balances across all nominated current accounts belonging to the same corporate entity, across branches and even countries. This cumulative balance is then used to determine the applicable interest rate tier, allowing the client to qualify for higher rates that were previously unattainable.



#### Proportionate Interest Allocation:

While the interest rate is determined by the aggregated balance, the interest is calculated and credited back to each individual account in proportion to its specific contribution. This preserves account level autonomy and ensures clear, transparent reporting for reconciliation purposes.



#### No Physical Fund Movement:

The entire process is notional. No funds are physically moved, and no complex account structures like sweeping or pooling are required. This allows the corporate client to maintain its existing operational model without any disruption to local payment cycles or reporting lines.

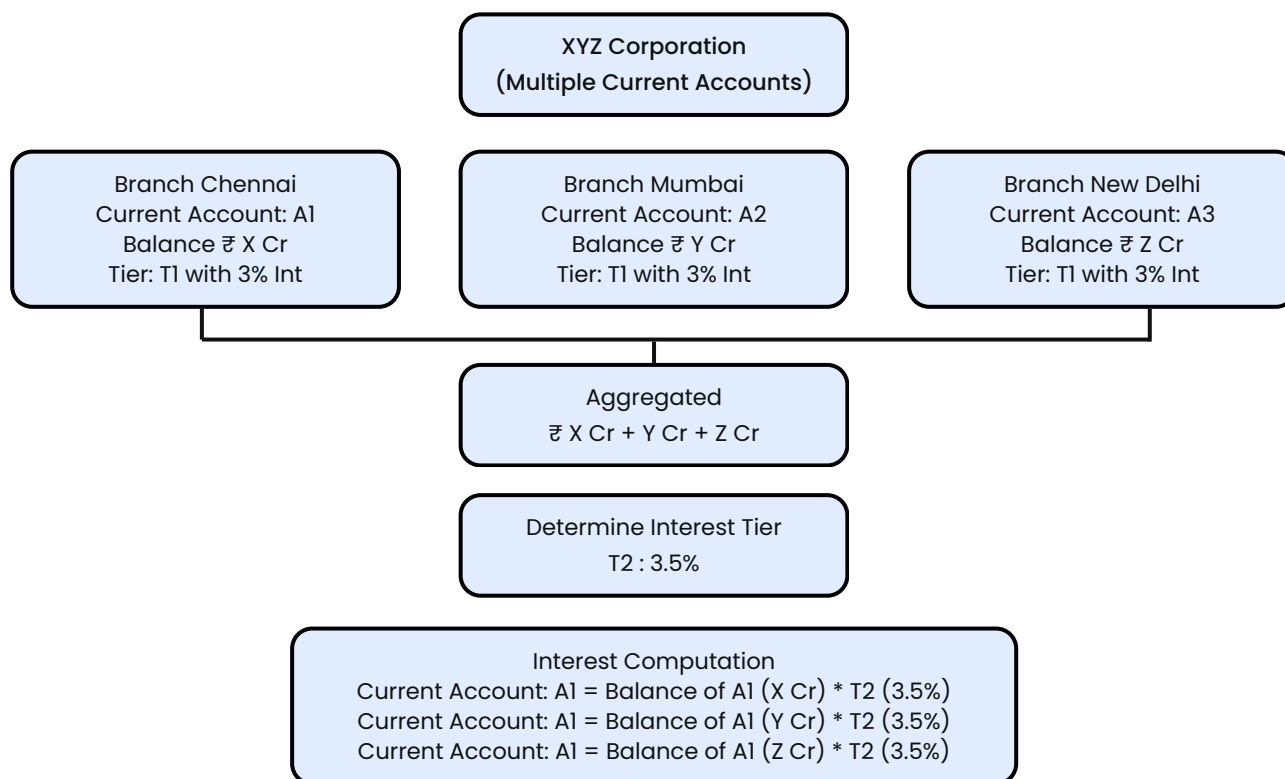


#### Frictionless Digital Onboarding:

The solution was designed for seamless activation. Corporate clients can opt in through a simple digital consent process via the bank's corporate portal, enabling frictionless onboarding and immediate value realization.

## Illustrated Example: A Multinational Corporate Client

A corporate client operates distinct current accounts in the Chennai (A1), Mumbai (A2), and New Delhi (A3). Individually, the balances in A1, A2, and A3 were below the interest eligibility threshold. With RIO powered by VTransact:



### Aggregation:

The system notionally combines the balances from A1, A2, and A3.



### Tier Determination:

The total aggregated balance qualifies for a higher interest rate tier.



### Computation & Allocation:

The system applies this higher rate to compute interest for each account based on its individual balance, and credits it accordingly. Operations in Chennai, Mumbai & New Delhi continue uninterrupted.



## Implementation Process

Mindgate's engagement model focused on a rapid, agile, and collaborative implementation to ensure the bank could achieve a swift time to market.



**Timeline and Key Milestones:** The entire multicountry implementation was completed in an aggressive 6 month timeline.

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### Months 1-2

Deep dive discovery workshops, solution architecture design, and integration mapping with the bank's four distinct CBS.

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### Month 3

System configuration, development of bespoke APIs, and initiation of User Acceptance Testing (UAT) in a dedicated sandbox environment.

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### Month 4

Pilot launch in the bank's primary home market.

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### Months 5-6

Phased, country by country rollout to the remaining three markets.



**Deployment Challenges & Resolutions:** The primary challenge was integrating with four different legacy core banking systems across the different countries, each with its own data formats and protocols. Mindgate's API first architecture and configurable VTransact platform were instrumental in overcoming this. Our dedicated integration specialists worked onsite with the bank's IT teams in each country to build lightweight connectors, ensuring a harmonized data flow without requiring major changes to the bank's core infrastructure.



**Seamless Integration:** Integration was achieved through a suite of RESTful APIs that connected VTransact with the bank's digital banking frontend and the core banking systems. This allowed for real time data exchange for balance inquiries, interest computation, and credit posting, ensuring the RIO module felt like a native part of the bank's existing ecosystem.



**Record Go Live:** A key success factor was the speed of deployment. The initial pilot for the bank's home market was taken live in a record 12 weeks from project kick off, allowing the bank to quickly validate the solution with a select group of flagship clients and generate early momentum.



## Results & Outcomes

Post implementation, the bank observed transformative improvements for both its own business and its corporate clients.

### For Our Client (The Bank)



#### Strengthened Market Leadership:

Strengthened Market Leadership: The launch of RIO positioned the bank as a digital innovator, providing a distinct competitive advantage in the transaction banking space.



#### Increased CASA Balances:

The solution incentivized clients to consolidate their banking relationships, leading to a 15% increase in low cost CASA (Current Account, Savings Account) deposits from the enrolled corporate client base within the first year.



#### Enhanced Client Stickiness:

By offering a solution that directly addressed a major client pain point, the bank significantly deepened its client relationships, reducing churn and increasing share of wallet.

### For the Bank's Corporate Customers



#### Monetization of Idle Funds:

Clients immediately began earning significant interest on aggregate balances that were previously dormant, turning an operational necessity into a yield generating asset.



#### Operational Continuity with Financial Gain:

They achieved financial optimization without any disruption to their decentralized operations, preserving local autonomy and reporting structures.



#### Enhanced Financial Visibility:

The bank's portal, powered by VTransact, provided clear, consolidated dashboards showing interest accrual across all accounts, simplifying financial reporting.



### **New Revenue Stream:**

The enhanced value proposition allowed the bank to attract new, high value corporate clients who were specifically seeking advanced liquidity management tools.



### **Strengthened Banking Relationship:**

Clients felt their full relationship value was being recognized and rewarded, fostering greater loyalty.



## **Client Feedback & Future Plans**

The feedback from the bank has been exceptionally positive.

Building on the success of RIO, the bank is now aggressively expanding its LMS offerings and positioning them to its key clients. This strategic expansion aims to further solidify its market leadership by providing a comprehensive, best in class digital transaction banking suite.



## **Conclusion**

The successful implementation of the Regional Interest Optimisation solution demonstrates the power of a true partnership between a forward-thinking financial institution and a fintech innovator like Mindgate Solutions. By leveraging our VTransact DigiTB platform, the bank was able to transform a significant structural inefficiency for its clients into a scalable strategic advantage. This project not only delivered immediate, measurable results in the form of increased deposits and enhanced client loyalty but also solidified the bank's position as the undisputed digital leader in regional transaction banking.

