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Embedded Finance for Transaction Banking

Today's banks are under increasing pressure from fintech disruptors that offer companies aggregated, innovative financial services through a seamless and singular digital experience. Corporate and SME banking clients are demanding more value from their banks, as they struggle with getting access to real-time banking services, making faster payments, and managing liquidity holistically to address the demands on working-capital needs. They want a partner that can help them streamline the complexities of running and growing a business while delivering the timely intelligence they need to make more-informed financial decisions.

With corporate banking services representing a bank's lion share of profits, banks need to deepen the value of their corporate relationships by delivering a game-changing transaction banking experience.

Embedded finance is a new, ecosystem-based innovation that allows the delivery of financial services directly into nonfinancial websites, mobile applications, and business processes. Across a range of financial services—including payments, lending, and insurance—embedded finance is expected to generate US$230 billion in revenue by 2025, a 10X increase from US$22.5 billion in 2020.[1] Embedded finance is a once-in-a-lifetime opportunity for financial institutions to build a whole new class of delivery channels for their corporate services, penetrating the market through collaborations with ERP vendors and fintechs.

Oracle's Embedded Finance for Transaction Banking solution enables banks to provide a personalized, digital-banking experience—with seamless payments, collections, holistic working-capital management recommendations, and virtual account management—built on a modern, data-rich cloud foundation that is delivered seamlessly inside your clients' ERP systems.

"Business consumers will expect more out of their banking solution providers... Integrating with clients' core systems, such as enterprise resource planning (ERP) and treasury management systems (TMS), will be critical to a bank's ability to do this."

EY: Seven Themes Impacting the Future of Payments

Key benefits

- Improved insights through analytics that allow you to provide customers with timely, contextual offers in their channels of choice—for a better customer experience

- Deeper relationships through improved customer experience that allow you to anticipate customers' needs and advise them on making smarter financial management decisions

- Reduced lending risk through better understanding of cash flows and the needs of the business

- Reduced back-office costs through an improvement in straight-through payments processing and cash management

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[1] [Forbes: Embedded Fintech Versus Embedded Finance](#)

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Oracle's Embedded Finance for Transaction Banking
Banking delivered inside your customers' channel
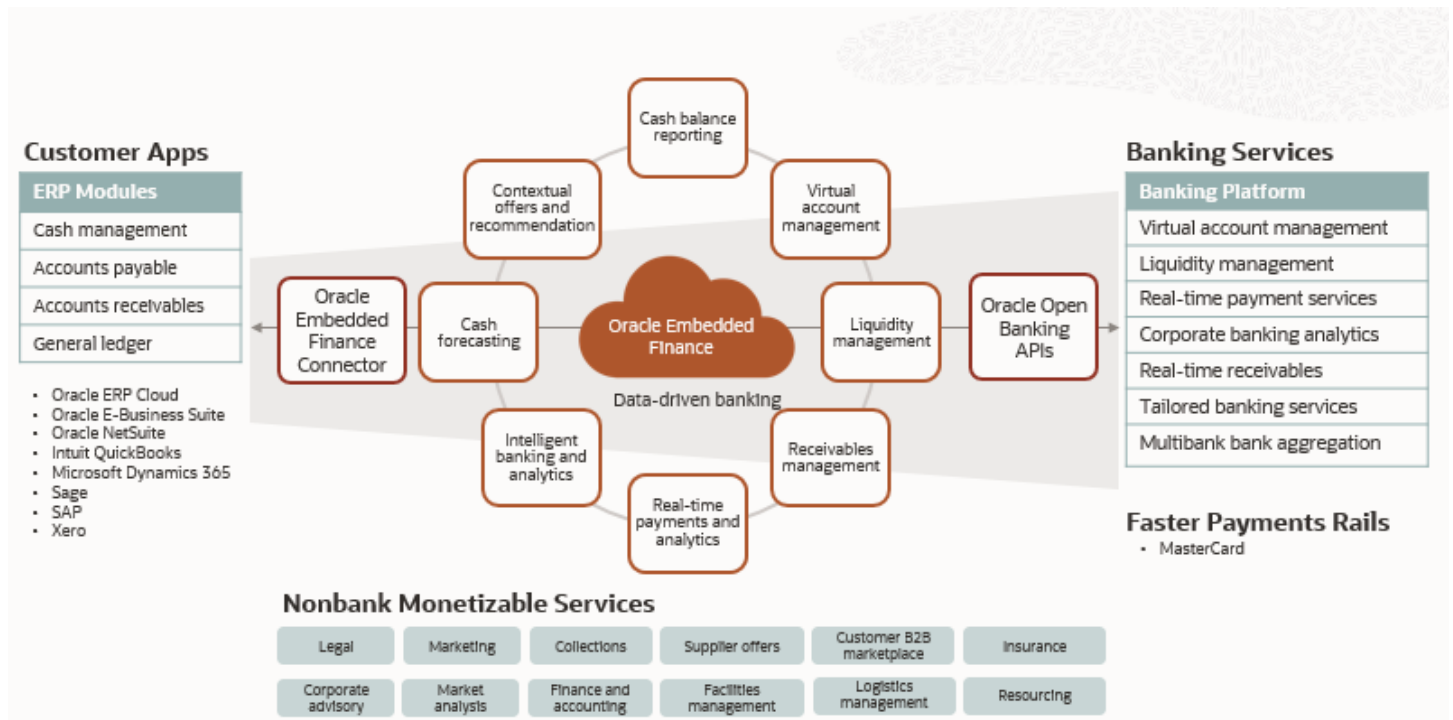
Provide an insightful and contextual banking experience where your customers conduct business

Your clients want a bank that understands their needs and acts as a partner, providing relevant services to help them manage and grow their businesses. Oracle's Embedded Finance for Transaction Banking solution analyzes client data in real time to provide timely, AI-served, contextual offers to clients when they need them—in their channels of choice.

The solution provides seamless, one-click connectivity to popular Oracle and third-party ERP platforms to deliver a deeper, stickier banking experience through the use of intelligent agents. Your clients will benefit from a shorter onboarding process and increased satisfaction while your bank improves operational efficiency and delivers new, value-added services faster.

Modernize your payments platform to enable faster processing and settlements with real-time views of your cash position

With Oracle's Embedded Finance for Transaction Banking solution and real-time payments hub, suppliers can be paid on time, reducing the amount of time that cash is held in transit and improving liquidity. Clients no longer need to export files from ERP and import them into your bank's portal. ERP payments are automatically sent to the bank via APIs, and payments are automatically linked against virtual accounts for supplier-level analytics. Payment status can be accessed via self-service mobile applications. Visibility to payments cash flows improves operational efficiencies and provides better working-capital clarity. Clients can even optimize their

Key features

- A fully reconciled banking experience delivered inside your ERP system

- A built-in cash forecasting platform

- Real-time, frictionless, streamlined payments to suppliers and beneficiaries

- Optimized cash-flow visibility based on real-time analytics

- A comprehensive view of cash and liquidity

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liquidity management with comprehensive analytics on money spent, payment fees, and currency exposures.

Unlock working-capital transparency so your clients can make better-informed financial decisions

Reducing the number of physical accounts and centralizing them virtually with Oracle's Embedded Finance for Transaction Banking solution improves cash concentration for your clients. Suppliers and buyers in your customers' ERP systems can be linked to virtual accounts to facilitate automatic payments, receivables tracking, and reconciliations. Payments are reflected on a real-time basis in account statements at both the physical and virtual account level. Real-time, cash-flow forecasting capability is available using receivables and payables from combined ERP and bank data. The solution enables centralized payables and receivables management, ensures efficient liquidity management with support for multi-entity, hierarchical, virtual account structures, and offers seamless reconciliation by facilitating easy segregation of inflow and outflow of funds.

Partner and innovate with Oracle to deliver embedded experiences to your corporate clients

Banks that can reimagine their value proposition to help their clients win at every stage of the corporate banking lifecycle—from securing and optimizing capital to facilitating trade—are well positioned to grow profitable partnerships for years to come. As a leader in ERP and banking technology solutions, Oracle can help you innovate and deliver value directly to our mutual clients globally.

> "The symmetry between our customer base and Oracle's ERP Cloud customers is extensive. With this offering, we are making it simpler and more time and cost effective for our joint customers to get business done."
>
> **Tapodyuti Bose**
> Global Head of Channel and Enterprise Services, Citi Treasury and Trade Solutions

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