# Delivering Digital Business optimization strategy

– Combining API first strategy with a unified Nordea portal to distribute digital services leveraging digitalization and automation

Nordea Interface

Nordea Corporate

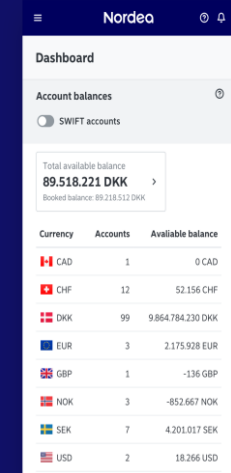| Netbank | FX | Dashboard | User Admin | Automation Services |
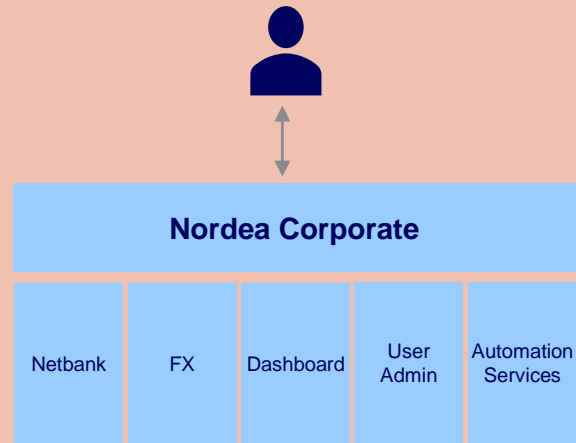
Seamless authentication, authorization and user administration
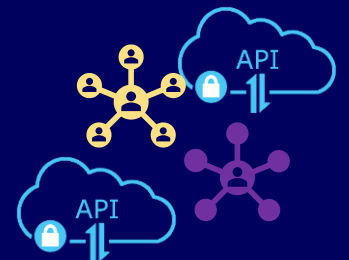
Nordea Corporate (Web)
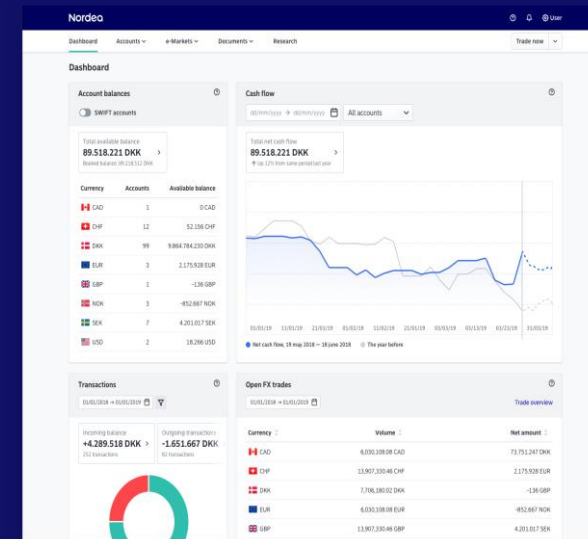
Mobile enabled

API first strategy

Delivering banking services into corporate customer's daily banking journeys – AR / AP / Treasury processes and ERP systems.

Key focus on automation & digitalization of manual processes – customer ecosystem in the center.

Where in Corporate processes do Nordea's Corporate APIs bring value?

Corporates have several processes which could benefit of real-time information

1 **Treasury** or the Finance function
- ✓ FX Trade Retriever
- ✓ FX Market Order
- ✓ Auto FX hedging
- ✓ Instant reporting
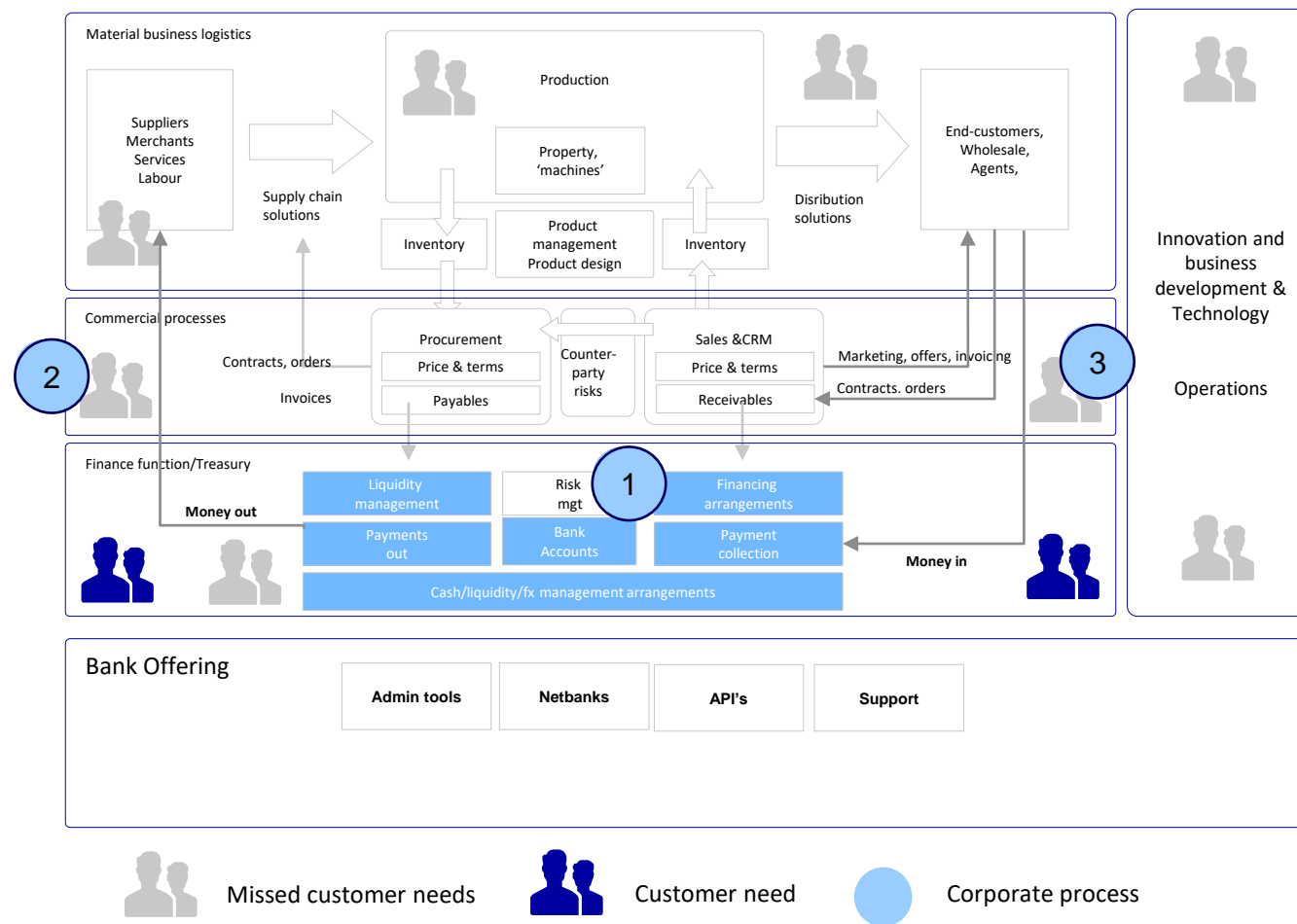- ✓ Bulk reporting

2 **"Purchase to pay" process**
- ✓ Beneficiary Account Validation
- ✓ Corporate Payout
- ✓ FX Pricing
- ✓ FX Market Order
- ✓ Mass Payments

3 **"Order to cash" process**
- ✓ Instant reporting
- ✓ FX Pricing
- ✓ FX Market Orders
- ✓ Retail Finance
- ✓ FX Listed Rates
- ✓ Payment Refund
- ✓ Merchant Insights

Existing API Product
Future API candidate

Overview of customers' business processes – the basis for customer needs

Material business logistics

Suppliers Merchants Services Labour → Supply chain solutions → Production — Property, 'machines' — Inventory — Product management Product design — Inventory — Disribution solutions → End-customers, Wholesale, Agents,

Commercial processes
- Contracts, orders — Procurement — Price & terms — Counter-party risks — Sales &CRM — Price & terms — Marketing, offers, invoicing
- Invoices — Payables — Receivables — Contracts. orders

Finance function/Treasury
- Money out — Liquidity management — Risk mgt — Financing arrangements
- Payments out — Bank Accounts — Payment collection — Money in
- Cash/liquidity/fx management arrangements

Innovation and business development & Technology

Operations

Bank Offering
- Admin tools
- Netbanks
- API's
- Support

Missed customer needs | Customer need | Corporate process

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Corporate customers see API Banking bringing value – but market uptake is slow

Customer API maturity

- Replacing mainstream payments & account reporting processes by APIs likely takes still years

- Progressive customers execute on the vision of automated & digitalised corporate processes

- Most customers face internal challenges which prohibit their appetite to integrate APIs

Customers' primary interests

Which Premium APIs they liked most?

1. Beneficiary Account Validation (18/22)
2. Instant Reporting (16/22)
3. Payment Refund (12/22)

Multibank reporting (10/22)

Corporate Payout (4/22) & FX (4/22)

Services preferred first via Nordea User Interface

Treasury Back office information

- Information for quarterly / year end reporting

Payment receipts, Swift GPI Pay &Trace,

KYC status, Bank fees,

Authorizations incl. PoA, Loans

Customers' API integration

- Integration varies per customer

- ERP vendors are not yet providing cost efficient tools or ready-made integrations

- While the "API first" strategy meets the expectations of frontrunners, many prefer to start through User Interface

- To scale up both API and UI need to be provided as alternatives for consuming digital services

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Real time Treasury & Liquidity

First companies are moving towards real time reconciliation & end2end automated rule-based processes

"We'd like to have real time ledgers, with transactions booked directly to the bank accounts."

"We appreciate solutions which do not involve netbanks, since we'd like to automate our treasury."

"It would relieve stress on first working day of the month if the incoming balances were already registered automatically during the last working day of the month."

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Customer Feedback on Beneficiary Account Validation API

"Cost saving by reduced manual work alone forms a solid business case for this API"

"We always do the pre-checking via the API first and initiate our old, cumbersome process only if required"

"This is the first banking API we have taken into use – as it brings concrete new value to us"

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Think big, start small

Design your Treasury, Purchase to Pay and Order to Cash processes.

Your Users and process

Design your data flows and system landscape to fit your specific needs best.

Applications & Services

We will deliver banking services through APIs directly to your processes.

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Nordea's Premium API's

Treasury   O2C / AR   P2P / AP

Micro Services

Core Banking Systems

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Thank you!