

Keep pace with negative interest rates, while ensuring customer centricity

A photograph of a modern bank building with a glass facade and white columns. The word "Bank" is written in large, white, 3D letters on the building's facade. The sky is blue and clear.

Bank



Cloud Native | Cloud Agnostic

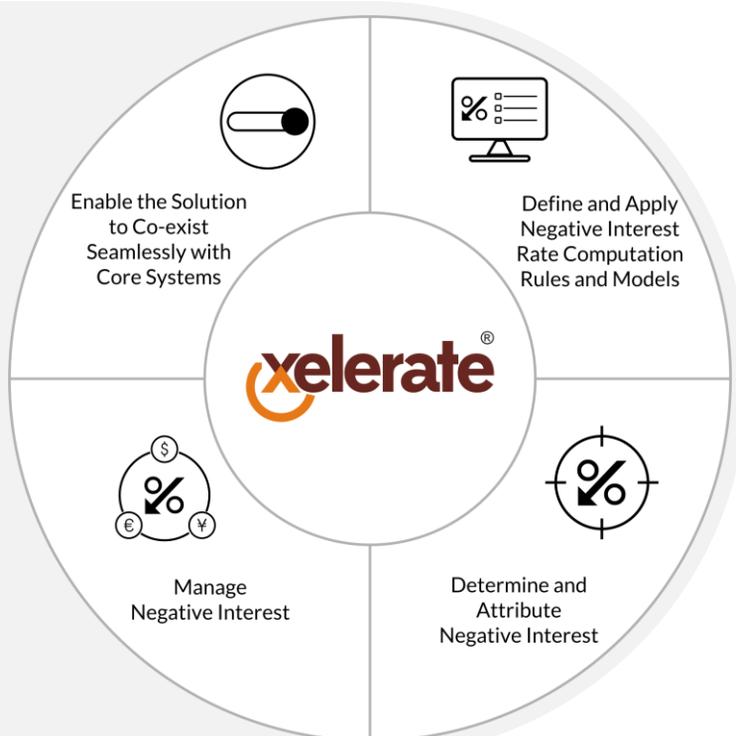
The adoption of negative interest policies is a reality in several economies and is a growing consideration in others as they look at such unconventional approaches to overcome deflationary periods and resultant economic downturns. Its effectiveness might be controversial at a policy-level but waiting around for proof of its efficacy to act on your strategies to respond to this regime could significantly erode profitability. Several banks are attempting to solve this challenge using a combination of strategies, including the transmission of negative interest implications down to the client-level. But deploying negative interest programs at scale and in a customer-centric manner can be a major challenge since most banks' core systems aren't designed to support the implementation of this contemporary and evolving approach.

SunTec Negative Interest Management Solution, powered by our proprietary platform Xelerate, makes it easy to calculate, implement, and manage negative interest for your clients, while allowing the flexibility to apply it based on a variety of parameters.

This centralized, non-intrusive solution comes with a pre-defined and common set of rules to compute negative interest rates and amounts. It can also be easily configured to your bank's own negative interest calculation rules. The solution functions as a middle layer within your technology landscape, interfaces seamlessly with your core and other systems, and, thereby, advances your capabilities to manage negative interest and respond to the evolving regulatory environment in an agile manner. The best part - you can do all this while also delivering positive client experience through customer centric pricing and rate strategies!



- Acquire the technological agility required to **keep pace with the evolving regulatory environment.**
- **Implement negative interest in a customer centric manner** by utilizing the flexibility to define interest computation rules that take into consideration relationship and behavior.
- **Save time and effort** by automating the computation of negative interests at scale.
- **Simplify negative interest accounting** by automatically treating the arising income as a different source of income and not as interest income.
- **Accelerate time-to-value** with a simple and non-intrusive solution.
- Simplify integration with core banking systems and **lower the costs of IT maintenance.**
- **Strengthen compliance** by ensuring transparency and traceability of negative interest calculations.





Define and Apply Negative Interest Rate Computation Rules and Models

- Apply pre-defined rules for calculating negative interest rates based on certain standard criteria such as balance, period, and index rate, among others.
- Define rules for preferential interest rates based on specific parameters, including customer segment, holdings across relationships and account currency.
- Utilize a range of simple and complex out-of-the-box interest rate computation models (e.g., flat, and tiered).
- Personalize negative interest rates at different levels in the customer hierarchy including segment, group, customer, and account levels.
- Define interest rates with or without variances such as base rates, discounts, desired margins, among others to help meet financial and business goals.
- Set minimum and maximum negative interest rate thresholds to ensure proper governance and clarify negotiability limits.



Determine and Attribute Negative Interest

- Set up products that offer negative interest rates.
- Map applicable negative interest to each product using different interest and currency codes during product rate definition.
- Differentiate customers and evaluate whether customer segments or individual customers receive negative interest rates.
- Determine appropriate interest rates based on simple or complex qualifier conditions, which are based on different attributes including, but not limited to, product, customer, account, portfolio among several others.





Manage Negative Interest

- Utilize the centralized interest management solution to compute preferential interest rates or amounts.
- Gain a holistic view of negative interest programs, including base interest rates, interest margins, personalized rates and past negative interest rate and amount computations.
- Utilize analytics, based on the data within the solution, on interest calculated and collected and profitability across customers, portfolios, and products and services, among others.
- Manage negative interest rates and amounts in different currencies and across entities in different geographies.
- Define the frequency of negative interest computations, and rate applicability periods to fit your unique strategies.
- Manage tax on negative interest for each customer and segment.
- Automate posting to your accounting systems, while utilizing a rule-based approach for defining account heads in the solution.



Enable the Solution to Co-exist Seamlessly with Core Systems

- Utilize a standard integration framework that allows the software to seamlessly engage with systems of interaction as well as your core banking systems.
- Choose the implementation approach that best fits your core systems and processes: the solution can manage just the negative interest rates or the entire negative interest computation.
- Adopt an optimal format and frequency to automatically upload customer data for interest rate computation and share computed preferential interest with core systems.

About SunTec

SunTec is the world's No. 1 pricing and billing company that creates value for enterprises through its Cloud-based products. More than 130 clients in 45+ countries rely on SunTec to provide hyper-personalized products, offers, pricing, loyalty programs, tax compliance, and billing for over 400 million end-customers. SunTec products are based on our cloud-native and cloud-agnostic, API first, micro-services-based proprietary platform, Xelerate and are delivered on-premise, on private cloud and as SaaS. SunTec has global operations including the USA, UK, Germany, UAE, Singapore, Canada, Australia, and India. For more information, please visit us at www.suntecgroup.com or email us at marketing@suntecgroup.com

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