

# CORPORATE BANKING IRELAND 2012

## INSIDE:

- The 'go-to' banking products and services identified
- Leading corporate banking provider profiles
- Capital markets opportunities for Irish companies
- How to create a 'cash culture'



# National Irish Bank ticks all the boxes as a banking partner for Irish corporates



**W**hat does Corporate Banking mean to you? As strange a question as that may seem, especially in a Corporate Banking feature in probably the most corporate of publications, perhaps you should take a look at the five questions below and ask yourself whether you and your corporate banking activities could fit together better.

## 1. What should your bank give you?

All the things you'd expect - sound advice, peace of mind, assurance, confidence to concentrate on your own business, value-for-money, etc... You'll find these terms in the brochure of any bank with a corporate focus. And, of course, they are all true. But in reality, your bank should be your partner. It should be the place you go to first for advice. It should have your best interests to heart and it should listen to what you want and then deliver solutions. It should do this in the most efficient and cost-effective way possible, allowing you, the customer, to maximise your resources and returns.



**Terry Browne**

National Irish Bank (NIB) has been a key provider of corporate banking services for many years. From next month, it will be known as Danske Bank as it takes on the name of its parent in a Group-wide move where all its banking operations across Europe will be harmonised under one brand.

NIB's strong corporate presence is evidenced by the large number of Ireland's top companies who choose it as their banking partner. Its Corporate Banking team, led by Terry Browne (pictured), offers market-leading financial advice and specialised

corporate and investment banking services to Irish and international corporate clients. From its base in the IFSC, the team is committed to building long-term relationships with customers nationwide and delivering superior financial solutions.

The Corporate Banking team offers a variety of services ranging from cash management to advising on complex corporate transactions. Dedicated teams provide bespoke strategies to help customers achieve their objectives by working closely with Danske Bank Group colleagues.

**"We're already seeing the business potential in advising our clients on their funding needs and then helping them to secure that funding outside of the traditional model."**

'As we have a 'one banking platform' ethos, not only do we get the benefits of this constantly improving technology, but we also have a fully integrated Group platform, ideally suited to cross-border transactions and trading,' Browne says.

'The advice we provide is entirely focused on, and tailored to, our clients, considering what are the best financial solutions for the coming years, not just the next three or six months. For example, there are various regulatory and accounting changes that will impact on companies' financial position over the next few years, but that companies should be considering now,' adds Marc Caron, head of Client Advisory.



**Marc Caron**

## 2. Is having an international banking

### group as your banking partner an advantage?

Yes. An international group such as Danske Bank will give a company access to the funding potential and international expertise that isn't always domestically available.

Having international banks in Ireland is central to the future of the banking sector here, says Browne. 'They're key to maintaining competition in the market

### The future of funding

The market for corporate lending has been quietly changing in recent years. Many corporates are developing their treasury functions and going to the capital markets themselves, using their banking partners for advice instead, a trend that's likely to continue, says Caron. 'The introduction of Basel III from next year will accelerate this process as banks will be required to hold more capital against their loans. We're already seeing the business potential in advising our clients on their funding needs and then helping them to secure that funding outside of the traditional model,' he says.

'Larger companies are now going in greater numbers to the market to raise funds. We've recently seen Ryanair and ESB raising funds through bond sales, giving them greater control of their funding operations and often at keener prices and longer tenors. We can leverage our position as a primary dealer in Ireland, and across Europe, to facilitate our customers to fund themselves on the open market.'

and to giving customers an international exposure. This is especially evident with a bank like Danske who entered the Irish market in 2005. Having an international presence in Ireland is especially relevant when you consider the importance to the Irish economy of having so many multi-national corporations here. An

international bank can cater for these corporations' domestic and international banking needs and thereby help to attract continued Foreign Direct Investment (FDI) into Ireland'.

**3. How can an international bank help an Irish company?**

The answer to this can be given in four words - relationships, research, risk and reputation.

**Relationships** - Stephen Mullin, National Irish Bank's Head of International Corporate Banking comments - 'Danske Bank prides itself on building strong relationships with multinational clients across the whole of Northern Europe and in the US', he says. With its network of banks, its relationship focus and its eBanking platform, Danske is ideally placed to support import and export companies, for example, in reducing the complexities sometimes associated with international trade.

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**Research** – Mullin continues, 'The markets are international, so having up-to-date international information is vital if our customers are to compete effectively.' Danske Research regularly publishes reports on market and economic developments across Europe and global markets.



**Stephen Mullin**

'NIB customers benefit greatly from these reports and from the regular customer presentations we offer,' he says.

**Risk** - Companies are increasingly opting for more secure methods of payment for the export of goods and services. 'The use of financial instruments to reduce the associated uncertainties is finding greater use with businesses all over the world, and that is equally true for businesses with an international focus operating in Ireland,' Mullin says.

**Reputation** – NIB's International Corporate Banking team has a growing reputation for dealing with multinational corporations in Ireland. It has a particular interest in supporting the development of FDI into Ireland. 'FDI is a key area in supporting economic recovery and development in Ireland,' says Mullin. 'It's an area where we want

the highest rated banks operating in Ireland.

**5. What makes National Irish Bank your ideal corporate banking partner?**

Apart from the counter-party strengths listed above, NIB has the expertise, the experience and the

**SEPA will change the European payments process**

SEPA is the most important development in international payments for many years. It will create a harmonised payments system across Europe, allowing payments to be made from Ireland to anywhere in the eurozone at the touch of a button.

An acronym for Single Euro Payments Area, a home market area is being established for payments traffic in the European Economic Area (EEA) including all 27 EU member states, as well as Norway, Iceland, Lichtenstein, Switzerland and Monaco. By using SEPA, a company can carry out all payments in the SEPA area from one country, through one bank, using one standard payment type in one instalment and using the same terms.

Barry Manning, Head of Corporate Cash Management is a fan. 'SEPA will open the market up in a truly European way for the first time, allowing all businesses to benefit from a single payments system, offering convenience, time and money-savings. It will lead to new initiatives such as e-invoicing and the greater use of internet payment solutions. All in all, it will make payments simpler for the customer.'

SEPA will mean significant technological change in European payment systems because it involves more than 300 million consumers, 15 million companies, as well as 8,000 banks, public corporations, clearing corporations and software suppliers.

Manning says that SEPA basically means 'creating a payments infrastructure where there'll be no difference between sending a payment to a supplier in France compared to one in Dublin, Cork or Galway.'

For the customer it makes sense. 'If you're a corporate customer headquartered in Ireland, and you have sales operations across Europe, from your account in Dublin you'll now be able to pay salaries, creditors, direct debits and receive payments for your German or Italian sales offices. When SEPA is fully operational, everything will be payable from one euro account.'

It is critical that Ireland can rely on its banks to be ready for SEPA. Every company in Ireland that deals with businesses elsewhere in Europe will need to have a SEPA-ready bank. With its cross-border capability and its award-winning technology platform, Danske Bank is SEPA-ready. In fact, NIB already has a number of customers using its SEPA-direct debit solution.

to be positioned as the bank of choice for multi-national corporations operating, or seeking to locate here.'

**4. Does Corporate strength really matter?**

Again, yes. The relative strength of your bank is something that can't be underestimated, as it can directly affect the cost of, and access to, key funding. Danske Bank is one of the largest, best-capitalised banking groups in northern Europe, with total tier 1 capital ratio of 16.0 per cent at the end of 2011. The Group also had assets of €460bn and a market capitalisation of €11.8 billion.

As a full branch of the group, National Irish Bank also benefits from Danske's credit ratings, making it one of

appetite to become the bank of choice for corporate customers across Ireland and internationally.

Danske Bank is a leader in electronic banking services and is continually developing its online product suite. 'This allows us to look at innovative and secure ways of enhancing our customers' banking experience, by improving cash flow, maximising returns on surplus liquidity, effectively saving time, money and administrative costs. For international corporate clients this is a means of increasing efficiency, increasing profitability, releasing money tied up in working capital, and, ultimately, increasing shareholder value,' concludes Browne.