

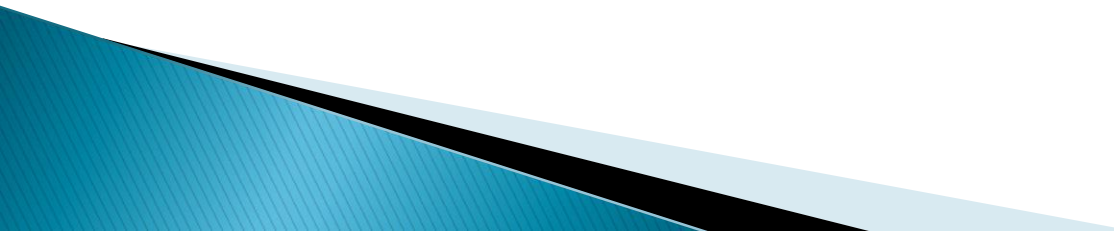
**SOS POLITICAL SCIENCE AND PUBLIC  
ADMINISTRATION**

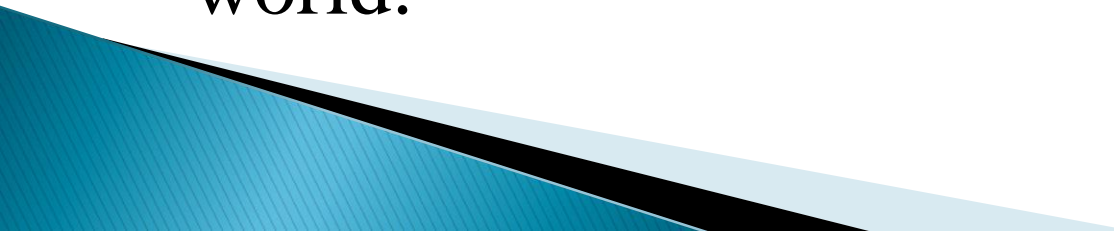
**MBA FA 406(A)**

**SUBJECT NAME: INTERNATIONAL  
FINANCIAL MANAGEMENT**

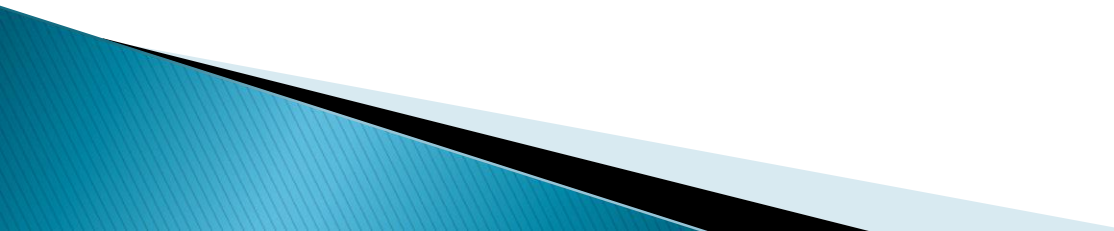
**TOPIC NAME: INTERNATIONAL CASH  
MANAGEMENT**

# MEANING OF INTERNATIONAL CASH MANAGEMENT:

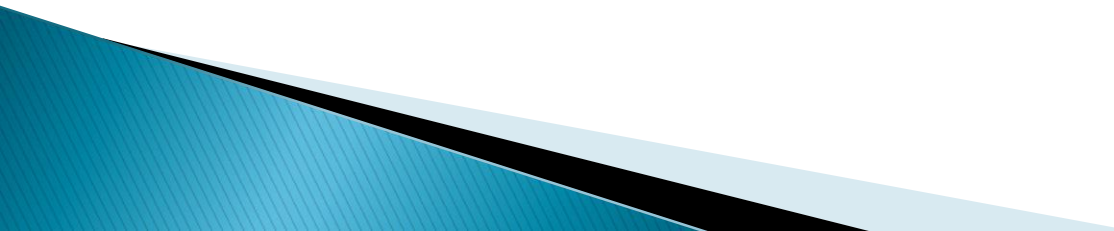
- ▶ International cash management is a field that helps smooth the process of moving money between countries. The cash managers in charge of setting up accounts in local currencies within areas of interest and moving necessary money into and out of foreign countries.
  - ▶ International cash management systems work with people in different countries that use the same financial system, such as when a bank operates in multiple nations.
- 

- ▶ Bank of the West is a subsidiary of BNP Paribas Group and is the Cash Management provider to our multinational clients in the US. We help our clients tap into an expansive global network and International Cash Management services to help US-based, mid-sized and large companies set up effective treasury management solutions around the world.
- 

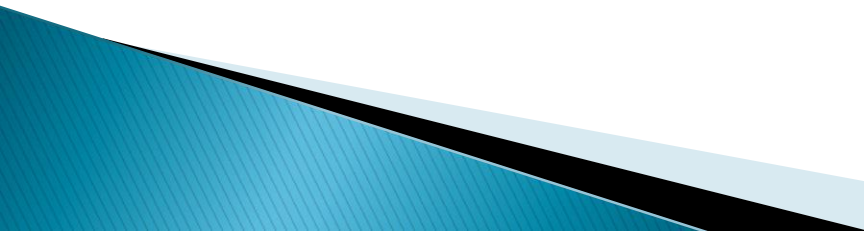
All firms, both domestic and international, engage in some form of the following fundamental steps:

- ▶ Planning
  - ▶ Collection
  - ▶ Repositioning
  - ▶ Disbursement
  - ▶ Covering cash storages
  - ▶ Investing surplus cash
- 

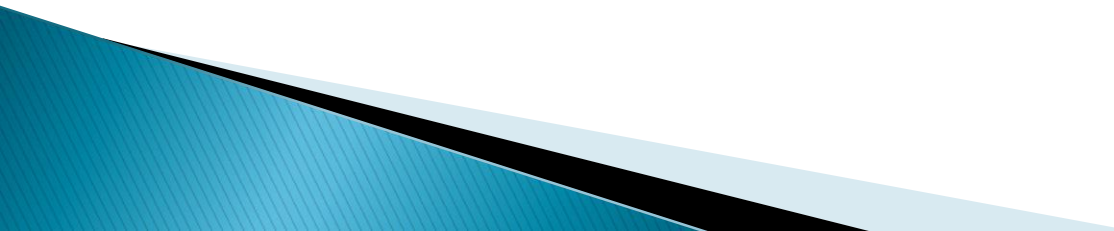
# GLOBAL CAPABILITIES:

- ▶ Achieve your international treasury goals and seamlessly partner with a global bank. Visit One Bank for Corporate for more information on our specialized team of bankers dedicated solely to the success and growth of our international clients . Through One Bank for Corporate, Bank of the West serves the financial needs of local and multinational corporations based anywhere in the US.
  - ▶ At Bank of the West we are uniquely positioned to provide corporate worldwide with an extensive range of Cash Management products and services to meet your business needs.
- 

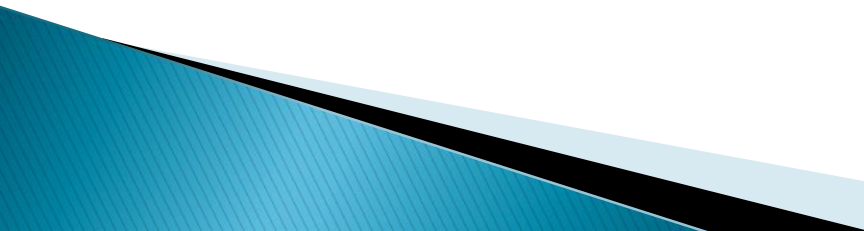
# OBJECTIVES OF INTERNATIONAL CASH MANAGEMENT:

- ▶ To minimize currency exposure risk.
  - ▶ To minimize overall cash requirement of the company as a whole without disturbing smooth operations of the subsidiary or its affiliate.
  - ▶ To minimize transaction costs.
  - ▶ To minimize country's political risk.
  - ▶ To take advantages of economies of scale as well as reap benefits of superior knowledge.
- 

# CHALLENGES OF INTERNATIONAL CASH MANAGEMENT:

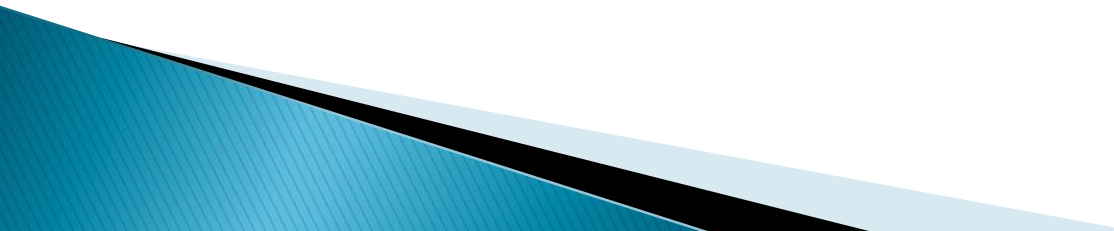
- ▶ Visibility
  - ▶ Centralization/ Decentralization balance
  - ▶ Lack of technology
  - ▶ Inefficient process/ structures (e.g. netting, pooling)
- 

# KEY AREAS OF INTERNATIONAL CASH MANAGEMENT:

- ▶ Organization
  - ▶ Collection and disbursement of funds
  - ▶ Netting of interaffiliate payments
  - ▶ Investment of excess funds
  - ▶ Optimal level of worldwide cash balance
  - ▶ Cash planning and budgeting
  - ▶ Bank relations
- 



# ADVANTAGES OF INTERNATIONAL CASH MANAGEMENT:

- ▶ Decision making enhanced
  - ▶ Better volume currency quotes
  - ▶ Greater cash management expertise
  - ▶ Less political risk
- 

# TECHNIQUES INCLUDED:

- ▶ Wire transfer
  - ▶ Cash pooling
  - ▶ Payment netting
  - ▶ Electronic fund transfer
- 