

# Cobase In-House Banking



**Managing liquidity efficiently can be a daunting task for organizations with multiple subsidiaries or divisions. Without a clear, unified view of surplus and deficit positions, companies may find themselves paying unnecessary interest on external financing while surplus cash sits idle elsewhere within the group.**

Reconciling intercompany transactions, maintaining accurate records of internal loans, and handling intercompany invoices can quickly become overwhelming—often relying on fragmented spreadsheets, manual approvals, and separate bank portals. These inefficiencies lead to higher costs, increased operational risk, and reduced financial visibility.

The module addresses these challenges by creating a single platform where treasury teams can automate, monitor, and control all intercompany financial flows. From centralizing cash and pooling funds across subsidiaries to administering intercompany loans and settling internal invoices, Cobase provides a one-stop solution that reduces complexity and boosts transparency. Seamlessly integrates with existing Cobase modules—such as Payment and Cash Management—making it easy to implement and scale as your company evolves.

One of the most significant hurdles for finance teams is ensuring that cash is available where it is needed most. Traditionally, many organizations rely on bank-managed cash pooling, where the bank automatically sweeps surplus funds from local accounts into a master account. Cobase takes this arrangement a step further by monitoring every sweep. As soon as funds move in or out of a subsidiary's external bank account, Cobase mirrors the transaction on the corresponding in-house bank accounts, updating balances across the organization. This allows finance teams to see at a glance which subsidiaries have excess cash and which need funding.

Alternatively, businesses can employ Cobase's own balance optimization capabilities to manage pooling. Instead of a bank cash pool, Cobase's rules-based engine tracks account balances within its framework and executes transfers when predefined thresholds are breached. In each scenario, you remain in control of how much cash is pooled, where it is directed, and how frequently transactions take place—all without the repetitive approvals and spreadsheet reconciliations that can bog down operations.

### **Intercompany Loan Administration**

In addition to pooling, many organizations extend intercompany loans to finance short- or long-term needs across various subsidiaries. Handling these loans manually can lead to inconsistent tracking of principal amounts, interest calculations, and maturity dates. The Cobase In-house banking Module centralizes all loan information in one repository, allowing treasury teams to set up new term loans or credit facilities (revolving/non-revolving), record drawdowns, and manage scheduled repayments with ease. When an entity borrows from or repays its parent or another subsidiary, Cobase automatically posts the corresponding debit and credit entries to the relevant in-house accounts, ensuring that the group's ledgers remain balanced.

The platform's interest-calculation engine supports both fixed and floating rates, giving organizations the freedom to apply external benchmarks such as EURIBOR, LIBOR and many other, or to configure internal rates that better reflect the group's policy. Different day-count conventions, such as actual/ actual, actual/ 360 or actual/365, are easily accommodated. Whenever an interest period ends or a loan is extended, Cobase calculates the amounts owed and posts the necessary entries, significantly reducing the manual work associated with recalculations or adjusting for mid-period changes.

### **Intercompany invoices and netting**

Beyond larger financing arrangements, day-to-day intercompany transactions can also consume valuable time. Subsidiaries may regularly buy or sell goods and services from each other, generating a flurry of internal invoices. Cobase streamlines these processes by integrating intercompany payments into the same in-house banking environment. Users can manually initiate settlements or upload payment files, and the platform will automatically post each transaction to the correct in-house accounts.

When multiple invoices exist across different entities, Cobase supports netting. Instead of each subsidiary sending separate payments for every outstanding invoice, the platform calculates net positions and settles them in one or few consolidated transactions – significantly reducing the total number of payments and thereby cutting associated costs. This helps reduce bank fees, eliminate duplicate payments, and minimize foreign exchange risk when entities operate in different currencies. All postings are tracked in real time, and treasury teams can monitor and reconcile them through Cobase's integrated reporting.

### **Comprehensive reporting and security**

Throughout these processes, maintaining a clear audit trail is essential. Cobase automatically creates intraday statements that capture transactions as they occur, along with end-of-day statements summarizing each account's final balance. Staff can quickly access historical transactions, verify specific entries, or export data to ERP systems for further analysis. This consistent visibility fosters more accurate liquidity forecasting, reduces reconciliation headaches, and ensures compliance with internal and external auditing requirements.

Additionally, direct initiation of payments from the In-house bank module is available as one of the settlement options. Thanks to Cobase's seamless integration with its Payment Module, every initiated transaction is processed securely and immediately reflected in the platform's comprehensive reporting. Treasury and finance teams can therefore manage all payments—both internal and external—within a single, unified environment, simplifying workflows and reducing operational risks.

To protect against fraud and operational risk, Cobase enforces dual authorization for critical changes (e.g., modifying thresholds, loan conditions, or netting rules). Access rights can be configured so that only the relevant stakeholders—such as the corporate treasurer or designated finance managers—can view or alter specific in-house bank accounts. All activities, from approving a new internal loan to adjusting an interest rate, are logged and time-stamped.

## Key advantages of the in-house bank

- **Optimized liquidity:** Surplus funds move seamlessly where needed, reducing reliance on external financing and saving on interest costs.
- **Reduced complexity:** A single platform manages intercompany loans, invoice settlements, and account balances, minimizing the need for multiple spreadsheets and manual reconciliations.
- **Real-time visibility:** Finance teams see exactly where funds are at any given time and can make data-driven decisions about investments, funding, and forecasting.
- **Enhanced security and auditability:** Dual authorizations, detailed transaction logs, and comprehensive statements mitigate fraud risks and streamline audits.
- **Scalability:** The module can be expanded to incorporate other Cobase features—such as cash forecasting, payment factory operations, or FX services—according to the company's strategic needs.

## Conclusion

The Cobase In-house banking Module delivers a unified solution that tackles many of the pain points companies face when juggling multiple subsidiaries, scattered bank accounts, and diverse intercompany transactions. By bringing pooling, loan administration, invoice settlements, and real-time reporting into one cohesive environment, it empowers treasurers and finance teams to make more informed decisions about liquidity, reduce operational burdens, and improve overall financial governance. Whether you're maintaining existing bank-based cash pools or looking to implement Cobase's balance optimisation module, the platform adapts to your organization's unique workflows and growth trajectory, ensuring that funds remain available whenever and wherever they are needed most.

## Learn More

Explore how Cobase's In-house banking module can help you centralize liquidity, reduce external banking costs, and gain full control. For more information, visit [www.cobase.com/company/contact](http://www.cobase.com/company/contact)

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