

Unlocking Corporate Cash Potential



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Rapid market swings and rising governance demands are forcing corporates to rethink how they manage liquidity. Treasurers expect cash to be secure, accessible, and productive. Unlocking that potential depends on sharper cash segmentation, smarter diversification, and external partners with the expertise to support these goals.

Treasurers are being pushed to make their cash work harder. Recent rate moves and uneven funding conditions have encouraged a more deliberate approach, with leading teams treating liquidity as a tool that supports decision-making rather than a balance that sits untouched.

At the same time, the threat landscape has widened. Liquidity shocks now come from places few would have looked a decade ago. The gilt market turmoil after the mini-budget under then-UK Prime Minister Liz Truss in 2022, the collapse of several regional US banks in 2023, and the sharp swings in global rate expectations all showed how quickly positions can be tested.

The most sophisticated treasurers have responded by strengthening governance frameworks, tightening their cash oversight and reassessing how every euro, dollar or pound can be deployed more efficiently. As Stéphanie Akhal, Head of Liquidity Solutions Business Development Europe, Amundi, puts it, today's treasurer "is at the crossroads of liquidity, risk, regulation, and strategy. Treasurers need to ensure security, manage liquidity, optimise yield, and comply with accounting



and regulatory constraints, all while navigating volatile markets and geopolitical uncertainty."

This mix of complexity and opportunity has pushed treasurers towards a new mindset. Liquidity is no longer about parked cash, but purposeful cash. The foundation for that shift was laid during a series of hard lessons.

The resilience imperative

One of the most striking trends of the past decade has been the steady rise in corporate liquidity buffers. After the 2008 global financial crisis, and again during the pandemic, treasurers recognised that shocks rarely announce themselves in advance. Preparedness stopped being a buzzword and became standard practice.

Patrick Siméon, Head of Money Market, Amundi, notes how sharply those lessons came into focus: "The Covid crisis was a good example of an unexpected event that demonstrated the need for a corporate treasurer to have liquidity available at any time, whatever market circumstances may be."

Sudden credit events, collateral calls or sharp repricing can hit with little warning. Treasurers with diversified liquidity pools, robust cash segmentation, and tested governance structures are able to absorb the stress more easily, rather than being forced into reactive decision-making.

The gilt market turmoil during the UK's mini-budget is a case in point. "The dramatic increase in gilt yields over one day created a big need for cash collateral," Siméon recalls. "It proved that having a decent amount of cash and buffers of liquidity is key for facing unexpected events."

If the past few years showed anything, it is that liquidity strategy cannot be static. Markets move too quickly, and the cost of inaction is too high. Treasurers are responding by rethinking how cash is organised, prioritised and deployed.

The right product for each need

If resilience is the objective, segmentation is the framework that supports it. Treasury teams across Europe are adopting more granular, dynamic segmentation frameworks as the foundation for their liquidity strategy.

"Cash segmentation is a powerful concept that can transform the way companies manage liquidity," Akhal affirms. "It ensures that every euro of cash is working in line with their needs, either providing liquidity or performance depending on its role."

She breaks segmentation into three core buckets. Daily cash covers payments, payroll and day-to-day operations, typically invested from overnight to three months. Operational cash supports short-term projects or serves as a buffer, typically with a three- to six-month horizon. Strategic cash is held for longer horizons or future opportunities, generally for more than six months.



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The real value comes from matching each bucket to a purpose-built instrument. Short-term MMFs align naturally with daily cash. Standard MMFs sit well with operational cash. Ultra-short-term bond strategies often suit strategic cash, as the investment horizon allows for modest volatility.

"Treasurers have different levers they can use depending on their time horizon and liquidity constraints," Akhal says. "Some clients adopt a bullet approach and put everything in one type of investment fund, while others take a tiered approach. What matters is having the right product in front of each need."

Segmentation also pushes treasurers to revisit old habits. Many corporates historically relied on a single instrument, often a standard MMF, regardless of the underlying liquidity purpose. As Akhal notes, moving to a segmented model "requires a shift from what has been done before" but offers far greater control over risk and return.

Segmentation also clarifies where treasurers can afford to take measured risk. Once daily and operational cash are secured in short-term and standard MMFs, strategic cash can work harder in ultra-short-term bond strategies.

Within ultra-short-term bond strategies, investors can enhance returns by extending duration modestly or selecting issuers with slightly lower credit ratings within the investment-grade universe. "There is no free lunch," Siméon underlines. "When you extend your investment horizon in ultra-short-term bond funds, you can add return, but you must be ready to cope with the increased volatility that comes with it."

Diversifying with purpose

If segmentation provides the architecture for a smarter liquidity strategy, diversification is what gives that structure its strength and stability. Treasurers have broadened their approach in recent years, looking beyond issuer exposure to the behavioural patterns that influence liquidity flows. On the asset side, diversification reduces reliance on any single issuer, maturity profile or market instrument. On the

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liability side, it helps smooth drawdowns during periods of stress.

Large liquidity funds contribute to that stability. Multicountry, multisector investor bases create natural balance: redemptions from one group are often offset by inflows from another. For corporates that prioritise constant access and predictable execution, this structural resilience matters.

"It is vital to diversify across different types of investors with differing cash-flow patterns," Akhal explains. "When one type of investor needs cash at a specific time, another will stay invested. That helps stabilise the assets under management and the overall liquidity of the fund."

Fund-level diversification reinforces the point. Managers use both sides of the balance sheet to stabilise portfolios: broad issuer selection on the asset side, wide investor bases on the liability side.

"Diversification on both sides plays a significant role," Siméon adds. "Treasurers appreciate that we have open-ended mutual funds with a wide range of customers with different cash patterns. It participates in the overall liquidity of the product we provide."

In an environment where liquidity needs can spike without warning, this combination of corporate-level diversification and fund-level resilience has become part of the treasurer's core risk toolkit.

The new discipline of liquidity investing

As yields have risen, treasury scrutiny has risen with them. Treasurers now operate under tighter internal limits, more formal governance structures and far higher expectations around transparency. What started as a pragmatic, best-effort approach has hardened into a discipline in its own right.

Akhal sees four themes driving the shift: stricter risk guidelines, stronger governance, deeper transparency, and more efficient operations.

"Clients prioritise strict guidelines," she notes. "They want maximum weighted average life, strong liquidity buffers and formalised rules that sometimes go beyond regulation. They need a partner who can respect these guidelines or provide the right products to meet them."

Much of this discipline sits on a regulatory foundation. The European Union's Money Market Fund Regulation still defines the landscape for short-term and standard MMFs, setting rules on eligible assets, maturities, liquidity, and diversification. Its structure matters to corporates because it provides predictability.

Siméon notes how fundamental the framework has become. "It introduced a harmonised regime for MMFs across the EU," he says. "It created two categories, short-term and standard, and different formats such as VNAV [variable net asset value] and LVNAV [low-volatility net asset value] funds. This regulation is at the core of the liquidity solutions we provide."

After the regulation came into force, the European Commission conducted a scheduled review of its effectiveness. The 2023 assessment reinforced its resilience, confirming that EU-domiciled funds behaved as intended during recent stress events.

But regulation only defines the perimeter. Treasurers want to understand how those rules translate into day-to-day portfolio behaviour, issuer selection, liquidity profiles, and credit assessment standards. Asset managers who can interpret regulation through a practical lens are increasingly the ones treasurers rely on.

Transparency and operational clarity complete the picture. Treasurers expect full visibility into cash movements, fund holdings, and trade workflows, supported by tools that create an auditable, end-to-end record. Platforms such as Amundi's fund channel liquidity platform reflect this shift, offering consolidated reporting, timestamped approvals and seamless execution across products.

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"Clients want faster execution, lower operational risk, and better integration within their systems," Akhal points out.

ESG has followed the same path from principle to practice. Treasurers now focus less on ESG as a label and more on its mechanics: exclusion criteria, data quality, regulatory alignment, and protection against greenwashing. Amundi's long-standing commitment in this area is increasingly relevant.

"ESG has been part of Amundi's DNA since our creation," Akhal says. "It is about analysis, but also about data, where the saying 'garbage in, garbage out' still holds true."

The conversations are also becoming more cross-functional. Treasurers frequently bring CFOs and corporate ESG teams into discussions to understand how investment-level ESG decisions interact with broader corporate frameworks. And that same need for clarity is shaping their conversations with external partners.

"ESG factors are increasingly central in our client discussions," Siméon says. "Clients are focused on transparency, ESG integration, and impact measurement, and we have funds labelled under the French SRI [socially responsible investment] label where we follow the exclusions of the Paris-Aligned Benchmark."

Across governance, regulation, and ESG, the trend is unmistakable: treasurers want rigour, transparency, and products anchored in robust frameworks. Meeting those expectations increasingly depends on the quality of a firm's digital infrastructure.

Digitisation and the tokenisation frontier

Digitisation has transformed how treasurers access and manage liquidity. Automated execution, real-time reporting, and seamless links between front- and back-office systems are now basic requirements.

Trading platforms sit at the centre of this shift, giving treasurers a consolidated view of holdings and faster, cleaner execution. As Akhal puts it, this digital foundation "is now a standard" rather than a future ambition.

Tokenisation feeds into this mindset. Despite being at an early stage of treasury adoption, its direction is becoming clearer.

"MMFs are a perfect use case for tokenisation," Siméon enthuses. "Instant payments could be deployed for much more efficient cash management."

The appeal is practical. Tokenised share classes could speed up settlement and streamline operations, while still delivering the return profile treasurers expect from regulated liquidity instruments. It is not about replacing existing tools so much as opening a more efficient way to access them.

The liquidity agenda for 2026 and beyond

More corporates are using MMFs as core liquidity tools, not only for yield but for transparency, resilience, and ease of execution. Even as rates soften in parts of Europe, assets continue to flow into these products because the appeal now runs deeper than returns.

Akhal expects this shift to continue. "Increasing numbers of investors recognise MMFs for what they are: cash and cash equivalent tools that are transparent, easy to implement, and very safe," she says. "These intrinsic values matter."

Choice is becoming a strategic advantage. Treasurers want access to VNAV and LVNAV formats, euro and USD funds, standard and short-term funds, ultra-short-term bond strategies, digital execution tools, and early tokenised solutions. They want a menu of options, not a prescribed path.

"Use proven products that are flexible," Siméon advises. "Diversify your approach through products and asset managers and dedicate your investment to products with a cash efficiency nature."

Akhal pushes the thought one step further. "Consider your asset manager as an extension of your own treasury team." This is a valuable reminder that unlocking cash potential is not only about instruments or frameworks but about partnership and the ability to turn liquidity into a factor that strengthens decision-making across the organisation.

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