



Welcome to the third volume of our newsletter, Across the Bow. We have an excellent mix of news and articles for you.

## IPBS counsels firms to continue investing in information technology

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Private banks and other financial services providers that are facing diminished revenue streams need to look to better and more efficient technology solutions to counteract bottomline impairment. Failure to invest now could be a risky strategy in the long term.

It is essential that private banks continue to invest in appropriate IT solutions to support their operations. Banks need to look for proven technology to ensure they remain financially viable and to gain maximum return on investment. The front and back office are key areas where modern banking systems can deliver higher rates of straight through processing (STP) and lower operational risk, whilst ensuring compliance mandates are met.

If automation projects are implemented correctly you can drive costs out of the front and back office. New technology can be an enabler to free up staff time that can be spent more productively on other value added client relationship activities which heavily influence customer satisfaction and profitability. By investing in modular systems that can provide specialised banking functionality private banks give themselves a better chance of coping with the current challenges and leave them well positioned for any future market recovery.

## Spotlight on Jamaica

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The spotlight now falls on Jamaica and its evolution into a financial centre with real promise. Jamaica has a wide variety of industrial and commercial activities and the financial system is large with reasonably well developed sectors consisting of private and commercial banks, merchant and trust banks, credit unions and building societies. The banking system is diversified and

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competitive although the region has yet to achieve International Financial Centre status.

In January 2006 Jamaica joined the CARICOM single market and economy that is designed to promote greater financial and economic co-operation between the various Caribbean islands and territories. Jamaica has high potential for growth and has recovered well from a series of financial crises in the mid 1990's. This prompted the financial authorities to put in place a regulatory framework that has brought Jamaica in line with international standards and practices.

It is recognised that further work is required by the regulatory authorities and financial institutions themselves to reduce operational risk within the payments and settlements process. A key part of this has been the implementation of a Real Time Gross Settlements (RTGS) system for large value inter-bank payments.

Institutions that will flourish in the growing Jamaican market are those that are able to exploit the latest technology to support back office and trading operations. As consumers become more demanding, advanced technology will increasingly be seen as a competitive necessity. IPBS is well placed to support these requirements and our private banking and wealth management solutions are already in use in Jamaica.

## Client update

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We now look a long time client and more a recent addition to the IPBS client base. We are delighted to announce that EUBK Stock House Corporation (EUBK), a leading broker based in Panama, is now live on the IPBS/Banking, IPBS/Investments and IPBS/e-Banking modules.

EUBK has set up a new division to offer trading, banking and e-banking services and Indira Veitia, Director of EUBK Stock House Corporation said,

"We wanted best of breed products to support our new banking and trading offering. The IPBS private banking system demonstrated great flexibility and its ability to meet our multi-lingual requirement for Japanese support was a key factor in our decision. We are confident we have selected a future proof system that will ensure we can manage our back office transaction processing efficiently and minimise our operational costs."

IPBS has enhanced the multi-lingual capabilities of the IPBS/e-Banking module to provide Japanese language support. The broker also uses the IPBS/Investments module as a comprehensive platform for managing client investment assets from the initial portfolio allocation and structuring through to trade order placement, order dealing and trade settlement, thus maintaining high rates of Straight Through Processing (STP).

We are proud to have built a long relationship with Queensgate Bank and Trust, a niche private bank and trust company based in the Cayman Islands. Dennis Hunter, Managing Director, Queensgate Bank and Trust commented,

"IPBS is a very good system for our size of business. It has powerful functionality, coped seamlessly as we have grown and takes care of our banking tasks. With high rates of STP, we have been able to free up time and resources so that we can use staff in more productive and value added areas."

Queensgate has a high volume of cheques, deposits and wire transfers. These are time consuming to process manually and potentially leave a bank open to greater risk of errors and operational risk. The IPBS/Banking module provides all of the operational functionality for Queensgate to manage their traditional banking functions. IPBS has also provided enhanced cheque facilities for the bank which has significantly cut down the time required to produce, manage and process cheques.

Jane Fleming, Client Accountant concluded,

"It is easy to use and support and training has been first class. By enabling the bank to offer secure remote logon for our clients, it empowers them to access their accounts on the IPBS system as and when required. This is more convenient and efficient for the client and enables them to meet strict reporting and audit requirements."

## Building an effective executive shield

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The financial services industry is looking for a way to not only enforce compliance with regulatory, industry and corporate policies, but also make this obvious to the outside world. One technology that is coming into its own in this respect is business event handling.

Using event capabilities, companies can improve compliance management dramatically without incurring huge costs or resource demands. The idea behind event processing is that users can define particular business events together with automated actions that take place if and when the event occurs. These business events usually translate either into a particular technical occurrence being detected in the operational system, such as a predefined data limit being exceeded, or in the user inserting the generation of an event in an application when a certain path is taken or condition is met. Once the event is detected, the event processing software looks up the required action to be taken, such as alerting a compliance officer or blocking the activity, and executes it.

For example, an event might be triggered if a particular trader exceeds their defined exposure limit, or when the corporate actions system is notified of a counterparty going bust. Events can also be used to control the level of risk on an ongoing basis rather than having to evaluate risk in the wake of monthly reports. Events processing is generally easy to implement. There is no need to try to understand the whole of an application or process – only the specific part relevant to the event definition.

Events technology is not intended to be a panacea, but as a quick and effective way of handling, and being seen to handle, compliance and risk management they provide a handy shield for the embattled executive team.

Article contributed by Steve Craggs of Analyst firm Lustratus.

## Events

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IPBS is committed to maintaining its presence at industry events in 2009. We enjoyed meeting with customers, prospects and partners at the Private Banking World event in the Bahamas. It was an important time to come together to look at how the private banking and wealth management industry is coping with the unprecedented changes currently sweeping the global financial landscape.

The next event where you can see IPBS is the Annual STEP Caribbean Conference, May 4-6 in Puerto Rico. STEP has an appropriate theme "Leading in turbulent times." If you would like to meet IPBS at STEP or to arrange another more convenient time, please let me know.

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You can read IPBS's thought provoking article looking at how the private banking world has risen above the global financial turmoil on the [EU Bankers](#) website, or you can download a copy [here](#).

IPBS continues to feature on the leading news sites around the world, with our news and views featured on Panama Guide, Corporate Financial Systems, Bobsguide, Finextra, IT Director, Global Custodian and Computer Business Review.

If you have a suggestion for a topic or would like to contribute an article for the next issue of Across the Bow, then email me at [bruce@ipbs.com](mailto:bruce@ipbs.com). I look forward to hearing from you.

Regards,

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