

# IBOS BANKS PLAY PERFECT HOST



IN TODAY'S TOUGH ECONOMIC CLIMATE, TREASURERS NEED ALL THE HELP THEY CAN GET TO CUT COSTS AND RATIONALISE PROCESSES. HERE, **BOB LYDDON** FINDS AN ASSOCIATION THAT CAN HELP.

IBOS is an association of major commercial banks that enables each member to offer a comprehensive international payments and cash management service to its customers, without the bank needing its own branch network.

Several of the IBOS member banks have a significant regional footprint, which enables service to be offered in more than 40 countries on the basis of 12 member banks. This then translates into a meaningful global footprint.

Within the countries there is a preponderance of local banks, meaning that they operate nationwide, have direct access to all paper and electronic clearings, offer diverse borrowing and investment products, and can be competitive pricewise in terms of fees and float.

The IBOS service includes all the same elements as a 'monobank', offering:

- streamlined account opening;
- full local payment, collection and liquidity management service, and local electronic banking links for in-country finance managers;
- intra-IBOS payments on preferential terms – usually used to fund/de-fund in-country accounts from accounts held at a concentration point;
- payments out of local accounts into local payment circuits, initiated by a centralised finance function;
- intraday and end-of-day balance and transaction reporting; and
- end-of-day sweep of available funds between customer accounts at different IBOS banks.

**BRIDGING THE BANKING GAP:** The arrangement is supported by further processes:

- tracking the implementation of agreed solutions;
- ensuring local relationships are cemented;
- ensuring good service quality in production; and
- creating and maintaining – on the IBOS website – a database of country practices, member bank capabilities, IBOS services, prices, documentation and contacts so that the members can inform their customers accordingly.

The customer's entry point is their host bank, a major commercial bank in their own country, no doubt with an existing credit and wider banking relationship. The host bank's role is to introduce the customer into the network and also to make available the pieces that complete the jigsaw, including:

- an electronic banking gateway connecting the central customer to the host bank and then to IBOS;
- a liquidity management solution which aggregates funds in IBOS banks with other customer liquidity; and
- foreign exchange, lending and investment services.

**OFFERING TRUE VALUE TO TODAY'S TREASURERS.** The value of IBOS to the treasurer is that it:

- is available in the countries representing a large percentage of turnover for most companies;
- is available in the countries where local markets are liberal enough for cash management to be worthwhile;
- delivers comprehensive local coverage from banks with whom it is feasible to do the in-country business;
- facilitates both day-to-day banking and local/cross-border liquidity management under one roof;
- is accessible locally or from a central customer site, in line with customer organisation and technology;
- is well-supported, both at the customer's point of entry and by other members; and
- offers a tangible co-ordination function to design, agree and monitor the products and processes using 'best practice' programme management techniques.

For the customer, this adds up to all the advantages of using local banks, but with the connectivity associated with using just one.

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