

## ISB Luxembourg goes live on Aqua Global's Intercept e2gen integrated with ERI's Olympic

LONDON, 9th August: ISB Luxembourg S.A, a wholly-owned subsidiary of Islandsbanki hf, has gone live with the first phases of Aqua Global Solutions' Intercept e2gen Transaction Cycle Processing suite. The platform is integrated with the Olympic back office system from ERI in Luxembourg and hooks into the parent bank's SWIFT interface in Iceland. The implementation of e2gen has been rapid and smooth, with ISB Luxembourg gaining markedly improved automation and control as a result.

The project was inspired by Islandsbanki's decision to turn its two year old Luxembourg branch into a fully fledged bank from April 2005. e2gen was selected in May once Olympic had gone live. The initial intention with e2gen was to address reconciliations. The feeling was that, being a new bank, some back office functions could be handled manually until later in the year. However, as Islandsbanki's general manager, project management office, Pall Kolka Isberg, explains, there was then a change of plan. 'When we saw how easy the implementation of e2gen was, we decided to go for it all in one.' As a result, ISB Luxembourg has gone live with not only the cash reconciliations and treasury message matching portions of e2gen but also outbound SWIFT messages. Implementation is now under way for automating the inward processing of cash and securities messages, the securities reconciliations module and sanctions monitoring.

'Everything has gone to schedule,' says Mr Isberg. The implementation of the initial phases took a matter of a few weeks, followed by tuning of parameters to maximise the Straight-Through Processing [STP]. 'There has been little effort needed for implementation. It is very structured and standardised,' he says. Moreover, the user is quickly in control once the cut-over has been achieved. 'The service needed post-implementation is minimal.' Integration with Olympic has not been an issue. This has been standard from the perspective of e2gen, he says. Indeed, he likens it to an old marriage: 'The partners don't have to speak to know what each other is thinking.' This has all meant 'minimal risk compared with many other projects'. The initial effort and Aqua Global's professionalism have both been 'marvellous', he adds.



ISB Luxembourg



Allan Strand Olesen,  
ISB Luxembourg's  
Managing Director

The automation itself has been a key benefit. 'This is important when building up a bank as you are always lacking in manpower,' says Mr Isberg. Another key benefit has been improved risk management, he says. 'You only have to make one or two errors in reconciliations and you can lose a lot before you can blink.'

ISB Luxembourg's managing director, Allan Strand Olesen, states: 'Within four weeks of delivery, the e2gen cash reconciliations module has reduced the manual workload by around 85 percent. This figure is continually improving as users fine-tune the matching rules. Comparable results are being achieved with treasury message matching, while our outward SWIFT messaging has been implemented and has similarly significantly reduced stress levels in the back office.' Mr Strand Olesen believes that the figures will be well above 90 percent before long. He feels that, with this sort of quantifiable benefit, it is relatively straightforward for any new customer to measure the Return on Investment from e2gen.

At the time of selection, aside from the functionality, a key influence was Aqua Global's user base. This was felt to be that much more impressive given the relatively small headcount of the supplier. Mr Isberg explains: 'If you look at the number and names of their customers, compared with their number of staff, I think it is a correlation that you would see in no other software house today. It was what surprised us most in relation to Aqua. It shows the strength of the software and its simplicity of use, in contrast to its complex functionality.'

#### About ISB Luxembourg S.A:

A wholly-owned subsidiary of Iceland-based Islandsbanki, ISB Luxembourg S.A started operations in April 2005. The parent bank had been present in Luxembourg since mid-2003 when it opened a branch here. It now has 26 staff. Services offered include private banking and asset management, and institutional and corporate banking. Further emphasis is placed on offering specialist financing solutions to Nordic borrowers in specific industry segments, particularly retail and residential property markets.

#### About Aqua Global:

The company has specialised in STP and integration for IBM iSeries (AS/400) users since it was set up in 1983. It has a global customer base of retail and wholesale banks, plus fund administration, and wealth and asset management institutions. It is privately owned and has been profitable since the outset. It has a huge depth of expertise, with the original founders still actively involved.

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For more information or to arrange a meeting at SIBOS, please contact Aqua Global sales manager, Peter Truckle, on +44 (0) 20 7335 8557.