

Wallstreet FX

High performance, real-time trade processing solutions for currency management

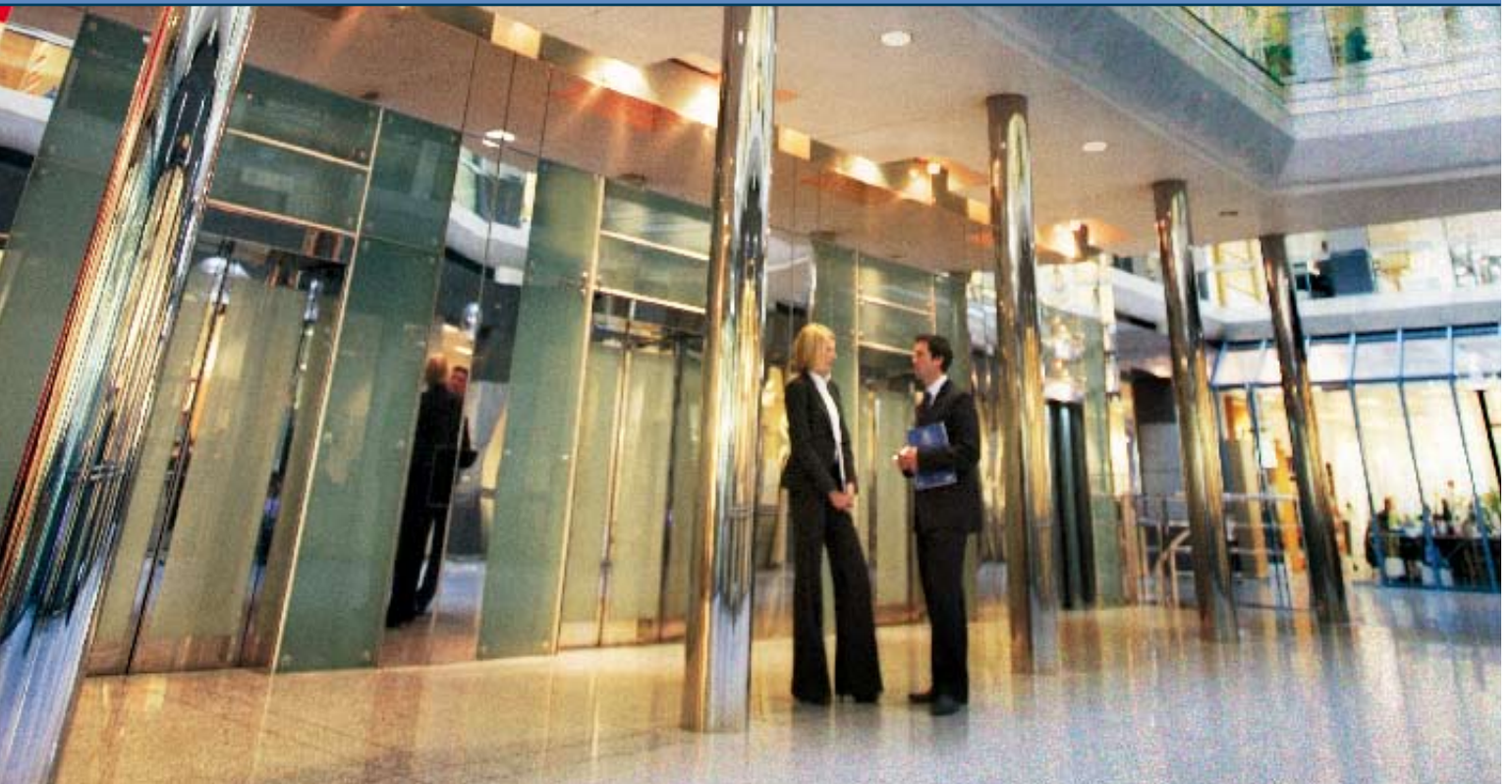
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Case Study

BANK JULIUS BAER ACHIEVES 50x INCREASE IN DEALS CLOSED WITH WALLSTREET INTRANET TRADING SOLUTION



"... with Wallstreet FX web functionality, we are benefiting from a single database for all transactions and static data."

Simon Battaglia
Bank Julius Baer

Bank Julius Baer (BJB) is a Swiss private bank and is active in foreign exchange (FX) trading. It provides its clients with round-the-clock access to currency markets. By implementing an intranet-based trading solution, Bank Julius Baer's asset managers gain direct access to its trading environment. The bank is able to offer improved levels of service to its customers, and benefits from greater profitability and efficiencies. Since its launch, BJB has experienced a fifty-fold increase in the number of deals closed.



WALL STREET SYSTEMS IS AMONG THE LEADING PROVIDERS OF TREASURY AND ASSET MANAGEMENT SOFTWARE FOR BUSINESSES AND FINANCIAL INSTITUTIONS.

CUSTOMER OVERVIEW

Bank Julius Baer, which has an Aa3 rating from Moody's, is part of the Julius Baer Group, the leading dedicated wealth manager in Switzerland. The Julius Baer Group's global presence comprises more than 30 locations in Europe, North America, Latin America and Asia, including Zurich (head office), Buenos Aires, Dubai, Frankfurt, Geneva, Hong Kong, London, Lugano, Moscow, New York, Singapore and Tokyo. With more than 4,000 employees worldwide, the Group managed assets in excess of CHF 400 billion at the end of 2007.

THE CHALLENGE

Following the acquisition of three private banks, Bank Julius Baer decided to invest in an intranet-based trading tool to replace existing infrastructure and to cope with its vastly increasing volumes, while also addressing significant operational challenges.

Prior to the implementation, the bank's asset and portfolio managers would call the dealing room to book the majority of trades – including relatively small amounts. This meant that traders in the dealing room spent a disproportionate amount of time handling these smaller deals as opposed to focusing on the high value services that BJB's high net-worth clients require. Time, money and resources were therefore being consumed by less profitable activities, and there was a danger that if left unresolved the situation would start to have an impact on BJB's bottom line.

Another major requirement for BJB was to provide its asset managers with greater visibility and transparency into their position and market evaluation. Any technology solution would therefore have to provide its asset managers with better access to BJB's trading environment.

SOLUTION

In a bid to meet these challenges and realise the potential of both sales traders and asset managers, the bank reviewed the market for internet trading applications. After a competitive tender, Bank Julius Baer chose the Wallstreet FX web functionality from Wall Street Systems (Wallstreet). This decision was largely due to the bank's satisfaction with Wallstreet FX which is already in use for trade processing.

The implementation took approximately one year to complete and was carried out by three members of the Bank Julius Baer project team, working in close collaboration with Wallstreet's Professional Services business and technical consultants. The solution was deployed at the bank's global headquarters in Zurich and several branches throughout Switzerland. The project was completed on time and within budget.

Live since March 2007, this is the first intranet-based trading system Bank Julius Baer has deployed and used. A test period of two months saw 15 relationship managers use the solution. This proved highly successful and there are now 700 users. Wallstreet FX web functionality which is named FX Trader internally, has given the bank's internal asset and fund managers direct access to its trading environment, via the easy-to-use web-based tool. Bank Julius Baer is one of the first private banks to offer such a solution.

Wallstreet FX web functionality supports the fourteen main currencies for BJB and accepts rates from third party live price feeds. Furthermore, it automatically calculates margins when quoting prices in real time. The bank's asset managers can also execute small to medium sized transactions and allocate trades – providing further relief to the dealing room. The bank has defined an amount limit for entering a trade within the system. Additionally, this solution provides additional security and privacy to BJB's customers, as users of the system only have visibility of their own customers' accounts, thereby maintaining customer confidentiality.

BENEFITS

The implementation has significantly boosted the productivity of Bank Julius Baer's FX sales desk, by eliminating the time-consuming process of entering low value trades and transactions. Now, traders are more active at BJB and thanks to the new system, more deals can be efficiently booked and closed. Indeed, in March 2007, the total number of active users was just 10. By November 2007, this figure had risen to 650. As a result, the amount of deals booked using this system has seen a fifty-fold increase since March 2007, when the total amount of deals booked was 100. By November, this figure had risen to 5,000. Furthermore, in March the total average number of deals per day was just five. This number rose to an average of 250 deals per day in November 2007, which again marks a fifty-fold increase.

Bank Julius Baer has already experienced a number of tangible benefits from the implementation of Wallstreet FX web functionality, including greater profitability and efficiencies. For example, the price per ticket/deal has decreased considerably. Furthermore, the bank is able to achieve higher profit margins because the dealing room is now almost exclusively focused on providing strategic advice and intelligence to clients.

BJB's asset managers can now view all of their deals via one single, integrated view. This provides greater visibility and precision, and allows asset managers to more easily assess their market valuations. Fund managers can also allocate multiple trades across several funds automatically, which improves accuracy and operational efficiency.

The BJB dealing room is now even more focused on delivering high quality consultancy and partnering with its clients to drive maximum value from their transactions, without distraction. As a result, the bank's clients also benefit from the implementation. They now have increased access to strategic analysis and consulting, ultimately helping them to improve the value of their portfolios.

"Now that we have gone live with Wallstreet FX web functionality, we are benefiting from a single database for all transactions and static data," said Simon Battaglia of Bank Julius Baer. "This enables our portfolio managers to view all deals regardless of whether they were executed online or over the phone. We're delighted with the improved accuracies and efficiencies we have gained from this solution. It has allowed us to maintain a leadership position in our chosen markets."

By using Wallstreet FX web functionality, BJB has laid the foundations for further initiatives to improve productivity and provide its clients with higher value services. In the next phase of this project, the services will be made available to Bank Julius Baer's external asset managers. Another future development under consideration is the introduction of back-to-back automated deals. This means that the rate provider essentially acts as a liquidity provider, allowing BJB to concentrate on the currencies it specialises in, while in turn supporting its customers activities performed in a wider variety of currencies.





KEY FACTS

Profile

- A Swiss private bank, one of the leaders in FX trading.

Challenge

- To cope with vastly increased volumes, following the acquisition of three private banks.
- To allow traders to focus on high value services.
- To provide asset managers with better access to the bank's trading environment.

Result

- Price per ticket/deal has decreased considerably.
- Asset managers have a single, integrated view of all deals.

Benefits

- The bank is able to achieve higher profit margins.
- Clients have increased access to strategic analysis and consulting.
- BJB maintains its leadership position.

Solution

- Wallstreet FX web functionality deployed at the bank's global HQ in Zurich and various branches throughout Switzerland.

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