

Bank of The Bahamas 1st to offer 3-day clearance of US check deposits

Clearance time for US cheque deposits will be sliced from three weeks or more to three days or less for customers of Bank of The Bahamas beginning today, the bank announced at a press conference. The move is expected to make it easier for businesses whose receipts include substantial US dollar transactions to operate, reducing time waiting for cheques to clear and funds to become available.

“Bank of The Bahamas is pleased to continue its commitment to deliver excellence in service to our customers with personal attention to their needs and through the best and highest use of technology,” said Paul McWeeney, Managing Director. “Reducing US cheque clearance time by 700% or more is a prime example of putting available technology to use for real results.”

The technology McWeeney referred to is electronic imaging that allows the bank to send, store and manage transactions through computerized, scanned back-and-front images of the cheque. Those images, which serve as a substitute cheque but retain the same legal integrity, are electronically transmitted from Bank of The Bahamas to its US correspondent bank which then inserts the images into the US clearing system for payment, eliminating the need to send the physical check for settlement, a process that could take up to 40 days to complete. A change in US law also facilitated the ability of banks to exchange checks electronically.

“Imaging technology is the key to making quicker processing possible,” explained Vaughn Delaney, Manager of Information Technology for the financial institution with branches throughout the country. “Bank of The Bahamas made a major investment in imaging software as part of our comprehensive e-banking solutions system, knowing that in the future it would have additional applications. The future is here.”

Imaging and the time it slices from standard handling of US-dollar transactions will also help prepare the bank to meet the demands of doing business in an increasingly global economy, benefiting Bahamian companies in international trade.

As online banking grows in popularity, greater reliance on imaging will follow, though bank spokesmen say business customers who use online banking will continue to receive traditional bank statements and can request cancelled cheques along with the substitute cheque should they wish. Online banking allows customers thorough review of their accounts, enabling them to view account history instantly even from prior years,

including deposits, authorized electronic payments and cheques they have written during any given period. Online banking features also allow customers to request US dollar drafts, reducing waiting time in a bank branch, pay utility bills without standing in line at BTC or Cable Bahamas, transfer funds between accounts, make electronic payments for loans or mortgages, order cheques and other services. Introduced less than two years ago with the first imaging capability among commercial banks, it has proven to be one of the quickly growing bank's most popular services. Bank of The Bahamas, with some 4,000 shareholders and more than \$500 million in assets, was also the first Bahamian bank to introduce trust services for Bahamians.