IGUAKO CAPITAL · Sector brief

Financial Systems: sector brief

Financial systems means the plumbing rather than the products. Reconciliation engines, payment rails for corporate users, fund accounting platforms and messaging between custodians all sit behind the counterparties IGUAK

KIND	EXPOSURE	POSITIONS
Deployment	US$58 million across 3 positions	3

DIVISIONS

Information & Data, Investment Banking, Commercial Finance

Overview

Financial systems means the plumbing rather than the products. Reconciliation engines, payment rails for corporate users, fund accounting platforms and messaging between custodians all sit behind the counterparties IGUAKO Capital already deals with. The firm buys the software and the operating licences that make those flows work, and never the deposit-taking business in front of them.

The 3 positions total US$58 million. One is a reconciliation and control platform used by fund administrators. One is a payments institution serving corporate treasurers across three regions. The third is a fund accounting platform sold to independent administrators. Together they process instructions for counterparties in 19 of the 28 jurisdictions where the firm is registered.

Switching cost is the whole thesis. An administrator that has moved 8 years of records into a platform does not move again over a price difference. Revenue is recurring, contracts run for 3 to 5 years, and the operating conditions attached to a payments licence keep new entrants slow. Uptime obligations are underwritten with the Chief Risk Officer before completion.

Thesis

Financial systems positions earn less in a good year than an origination position and lose almost nothing in a bad one. That is what makes them a home for proceeds. IGUAKO Capital funds the platforms its own counterparties depend on, holds them for recurring revenue, and takes the operating discipline back into its own processing.

Themes

- Reconciliation and control platforms for fund administrators
- Corporate payment rails held under an operating licence
- Fund accounting sold to independent administrators
- Recurring contracts of 3 to 5 years
- Switching costs measured in years of migrated records

Case studies

Case	Year	Jurisdiction
Coolbeg Settlement Systems	2025	Ireland

Research

- 2021-10-20: The cost of a cleared payment
- 2022-10-18: Settlement latency is a risk input, not an operations problem
- 2023-09-19: Ninety-four relationships: correspondent banking as infrastructure
- 2024-06-18: Sequencing the Asia-Pacific build-out: settlement first, coverage second
- 2025-07-15: Two platforms, one purpose: why the fund estate sits in Luxembourg and Dublin
- 2026-02-17: The network at 140: what a correspondent relationship costs to keep
- 2026-08-18: The arithmetic at the half-year: figures to 30 June 2026

Colophon

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