

COLLATERAL WORKFLOW FOR CLEARED DERIVATIVES

- Improve decision making with better, faster data, integrated with eligibility and haircut rules
- Eliminate operational hurdles for processing moves; increase capacity by at least 300%
- Manage liquidity and grow net interest income
- Expand collateral eligibility to drive business growth

Fully deployed, with USD billions processed daily across hundreds of movements and multiple CCPs

Exchange	Account	Cash	Non cash	Margin	Excess / Deficit	Updated
CME	IRS Client	32,718,312.98	21,006,217.14	48,287,223.46	5,437,306.66	2020-04-20, 12:30
CME	F&O Client Delivery	89,118,444.00	89,246,444.00	196,192,360.00	-9,825,472.00	2020-04-20, 12:30
CME	Commodity Client	4,505,296.50	4,508,879.96	9,114,390.00	317,745.46	2020-04-20, 12:30
CME	F&O Client	2,762,315.49	8,535,123.04			2020-04-20, 12:30
EUREX	FRX Client	9,500,000.00	341,454.52			2020-04-20, 09:30
EUREX	Omnibus Client	223,749.00	5,167,547.52			2020-04-20, 09:30
EUREX	Non ISA EUHSE	87,382,912.00	9,174,743.11	-234123	VM USD 2/13/2020	2020-04-20, 09:30
EUREX	ISA F&O Client	10,231,462.00	45,018,382.52	-4416359.43	IM GBP 2/14/2020	2020-04-20, 09:30
EUREX	SEG Client	76,231,207.25	13,014,386.41	88,260,729.57	984,844.09	2020-04-20, 09:30
LCH	Evolum ISA	3,018,168.67	3,706,300.70	2,936,499.54	3,787,969.83	2020-04-20, 08:30
Total :		382,846,027.89	212,649,320.05	582,647,895.13	12,847,462.81	

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The technology we have developed [with Baton] reduces the time needed to process the entire collateral workflow from hours to near real-time.

– Anthony Fraser
Head of Global Clearing Operations & Trading Cost Management
JP Morgan

Intraday margin data, normalized and presented in one standardized interface for all integrated CCPs

Pledge Assets

Code Type	CUSIP / ISIN / LOC NO	Currency	Par Value
<input type="checkbox"/> CASH		CAD	7,675,851.10
<input type="checkbox"/> CASH		CHF	76,270,497.97
<input type="checkbox"/> CASH		EUR	353,768,617.87
<input type="checkbox"/> CASH		AUD	22,054,324.95
<input type="checkbox"/> CASH		GBP	63,010,851.94
<input type="checkbox"/> CASH		JPY	10,800,295,642.00

Counterparty : CME | Counterparty A/C : F&O Client Delivery | Excess / Deficit : -9825472.00

Asset Class	CUSIP / ISIN / LOC NO	Code Type	Currency	Par Value	Haircut Value
GOV MRTGAGE BCKD SEC	3788EBRE2	CUSIP	USD	38,110,498.00	34,299,448.20
GOV MRTGAGE BCKD SEC	3138ETEE2	CUSIP	USD	13,000,100.00	11,700,090.00
TREASURY STRIPS	912803FA6	CUSIP	USD	100,000.00	90,000.00
CASH		CASH	USD	5,000,000.00	5,000,000.00
				56,210,598.00	51,089,538.20

Value (USD) Bar Chart:

- GOV MRTGAGE BCKD SEC: ~38M
- TREASURY STRIPS: ~100k
- CASH: ~5M

Preview Validation:

- Cutoff Limit Validation: 2020-04-20 11:04:70 ✓
- Holiday Calendar Validation: 2020-04-20 11:04:70 ✓
- Excess/Deficit Validation: ✗
- Concentration Limit Validation: ✗
- Acceptable Collateral Validation: 2020-04-20 11:04:70 ✓

Integrate with longbox data and payments processes for full STP

Baton Payments accelerated | John Ivo | Notifications 0

Movements

All - All - From 02/13/2020 To 02/13/2020 [Pledge] [Recall] [Substitution]

Pending requests

Name	Submitted Time	Type	Creator	Counterparty	Par value	Haircut value	Status
SCME990-110KN8	2020-02-13 07:46:22	SUBSTITUTION	admin	CME	200,000.00	120,000.00	Submitted
RCME990-109KN7	2020-02-13 07:54:39	RECALL	admin	CME	1,239,100.00	1,149,100.00	Submitted
PLCH990-110KN6	2020-02-13 07:57:34	PLEDGE	admin	LCH	1,230,000.00	1,107,000.00	Submitted
SILCH990-111KN5	2020-02-13 08:01:39	SUBSTITUTION	admin	LCH	1,000,000.00	900,000.00	Reserved
REUREX990-110KN4	2020-02-13 07:59:34	RECALL	admin	EUREX	1,239,100.00	1,235,500.00	Reserved

Completed requests

Name	Submitted Time	Type	Creator	Counterparty	Par value	Haircut value
PCME990-110KN3	2020-02-13 07:50:33	PLEDGE	admin	CME	5,000.00	4,500.00
SEUREX990-110KN9	2020-02-13 07:48:33	SUBSTITUTION	admin	EUREX	5,000.00	4,500.00

Rejected requests

Name	Submitted Time	Type	Creator	Counterparty	Par value	Haircut value
REUREX990-110KN2	2020-02-13 07:56:43	RECALL	admin	EUREX	342,000.00	342,000.00
PCME990-110KN1	2020-02-13 07:59:37	PLEDGE	admin	CME	101,347.00	91,212.00

Workflow status

Task Name	Time Stamp	Status
Internal transfers	2020-03-05 16:03:76	✓
Drop file to C21	2020-03-05 16:03:81	✓
Process C21 response	2020-03-05 16:03:86	✓
External transfers	2020-03-05 16:03:91	✓

Pre-check proposed moves to ensure eligibility

MOVE ASSETS FASTER WITH BATON

By synchronizing and orchestrating the movement of assets between counterparties—on-demand—Baton is driving a new level of efficiency. Baton removes the friction by integrating with the existing collateral and cash systems of external providers (e.g. CCP's, custodians, etc.) and financial institutions, leaving their existing business processes, systems, or ledgers in place. Baton then provides a customizable software workflow engine for automating and synchronizing the existing business process within the institution. We eliminate the need to coordinate multiple systems, reports, spreadsheets and even institutions by consolidating relevant information into a single dashboard—including a global “longbox” view to provide real-time visibility of all assets on deposit at external custody banks and CCPs, with detailed breakdowns by products and accounts. The resulting end-to-end automation of the collateral workflow provides full visibility of the asset flows between counterparties, with full audit trails and real-time notifications.

Baton moves real assets to and from real accounts without the need for tokenization or crypto-currencies. Finally, we enable the ability to synchronize the movement of two legs of a transaction whether they be cash vs. collateral, currency vs. currency, or collateral vs. collateral, even when there are multiple settlement and custodian banks involved. Baton reduces the time needed for this entire process from hours to near real-time. This results in faster, more efficient payments, a reduction in failures to deliver, and instant reconciliation and reporting for all parties.

In summary, better quality, up-to-date, more complete and normalized data allows for better decision-making. Automated workflows allow for the implementation of some of these decisions. Integration into payments systems allows for the automation of the asset movement instructions, and transparency of progress. By moving the right assets to the right place at the right time, Baton customers are able to optimize capital, drive efficiencies and reduce risk.

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