

Driving Value by Revolutionizing the End-to-end Workflow for FX Settlements

Baton Systems is taking a new approach to the challenges of FX settlement. We reduce costs and risks, and enhance banks' use of available liquidity by harmonizing workflows and eliminating manual processes. By deploying our core components – already in use across a number of global banks – we deliver an end-to-end FX settlement ecosystem. The result? A transparent, scalable and robust process from pre-settlement payment agreement, all the way through to optimized payment sequencing and same-day reconciliation.

EVALUATE YOUR FX SETTLEMENTS

- How many different processes do you use to agree netted payments with your counterparties? Does this create a constraint on your business?
- Do you know during (or even at the end of) value date, which counterparties have met their obligations?
- Do you have good visibility, intraday, on your available balances and your outstanding settlement obligations?
- Do you use any data-related processes (such as AI or machine learning) to forecast intraday settlement or liquidity events, or to identify changes from usual behaviour?
- Should you be trying to increase the proportion of your settlements that are settled using PVP, with no settlement risk?

Management dashboard and automated alerts provide real-time updates on key business functions and priorities

The dashboard is titled "Dashboard" and includes a user profile for Jason Harris. It features several key sections:

- PRE-SETTLEMENT MATCHER:** A table showing "NOT AGREED" items categorized by cut-off times.

	Cut-off < 1Hr	Cut-off > 1Hr	Total
Gross (\$ MM)	578.30	1,243.60	1,821.90
Expected Payments	589	1,287	1,876
Counterparties	876	1,763	2,639
- SETTLEMENT MONITOR:** A table highlighting "SETTLEMENT RISK" by counterparty.

Counterparty	Risk (\$ MM)	DSL (\$ MM)	Earliest Cut-off ↓ (HH:MM)
AJ Capital	55.13	75.00	00:47
Centurion Bank	38.96	85.00	01:47
Vortex Financial	126.76	115.00	01:47
CandorCorp	42.64	50.00	02:47
Goliath National Bank	35.88	50.00	02:47
- LIQUIDITY TRACKER:** A table showing liquidity metrics in LCY MM.

Currency	Current Bal.	Bank to Receive	Bank to Pay ↓	Projected EOD Bal.	Cut-off
USD	676.02	730.09	599.05	807.06	07:47
EUR	289.77	175.00	114.03	350.75	04:47
CHF	175.87	58.78	38.00	196.66	04:47
CAD	78.90	45.00	128.75	-4.85	07:47
JPY	308.78	125.41	179.04	255.15	00:47
- PvP SETTLEMENTS:** A summary table comparing unconfirmed and confirmed netting groups.

Totals	CONFIRMED NETTING GROUPS			
	No Pymnt	Bank Paid	CP Paid	Complete
No. of Trades 4,095	No. of Trades 3,704	No. of Trades 1676	No. of Trades 898	No. of Trades 1,130
Netting Groups 861	Net. Groups 1,106	Net. Groups 524	Net. Groups 382	Net. Groups 200
- Currency Cutoff:** A vertical sidebar on the right showing a list of currencies and their respective cutoff times, including NZD, AUD, HKD, SGD, EUR, GBP, and USD.

BATON SYSTEMS INCREASES SETTLEMENT EFFICIENCY

The Baton system is delivered via functional modules that are integrated into your existing processes:

PRE-SETTLEMENT MATCHER

SETTLEMENT MONITOR

LIQUIDITY TRACKER

REAL-TIME PVP

Pre-Settlement Matcher

Counterparty: All | Agree Method: All | Currency: All | Jason Harris

NOT AGREED	Cut-off < 1Hr	Cut-off > 1Hr	Total
Gross (\$ MM)	578.30	1,243.60	1,821.90
Expected Payments	589	1,287	1,876
Counterparties	876	1,763	2,639

AGREED	Total
Gross (\$ MM)	52.50
Expected Payments	348
Counterparties	73

Counterparty	Netting Group	Net Amt (\$ MM)	Gross Amt (\$ MM)	Trades	Agree Method	Cut-off Time Remaining (HH:MM)	Agreement Status	Match ID
GNB, Goliath National Bank	NU56049228527951	265.78	124.55	11	Email	02:37	Not Initiated	
AJ Capital	NEU944648627951	46.55	53.21	21	Email	03:47	Not Initiated	MT_XL_037
Centurion Bank	NAE2083250996951	48.95	38.78	37	Email	03:37	Agreed	
Vortex Financial	NEX998090754651	52.15	376.73	11	Email	03:37	Not Initiated	

Pre-settlement Matcher:
Automating the process of communicating and agreeing netted payment values with counterparties

Settlement Monitor

Value Date: 07/31/2020 | Counterparty: All | Currency: All | Jason Harris

SETTLEMENT RISK BY COUNTERPARTY

Counterparty	Risk (\$ MM)	DSL (\$ MM)	Earliest Cut-off Time Remaining
AJ Capital	55.13	75.00	00:47
Centurion Bank	38.96	85.00	01:47
Vortex Financial	126.76	115.00	01:47
CandorCorp	42.64	50.00	02:47
Goliath National Bank	35.88	50.00	02:47
Inspire Services	12.44	50.00	02:47
Cipher Fund	23.63	50.00	03:47
Knight Investment Group	48.11	75.00	03:47
Moxie Capital	9.05	25.00	03:47
Epic Inc.	39.10	50.00	04:47
Moxie Capital	81.03	100.00	04:47
Illumination Fund	95.34	125.00	04:47
Flux Capacitor Co.	14.09	25.00	04:47
Quad Investments	11.29	25.00	05:47
Liquid Partners	3.32	25.00	05:47

BANK TO PAY

Currency	Amount (LCY MM)	Counterparty	Cut-off	Status	Match ID
SGD	8.33	AJ Capital	00:47	Complete	MT_XL_937
EUR	23.45	AJ Capital	04:47	Complete	MT_XL_937
CHF	26.74	AJ Capital	04:47	Not Paid	MT_XL_937

BANK TO RECEIVE

Currency	Amount (LCY MM)	Counterparty	Cut-off	Status	Match ID
AUD	13.45	AJ Capital	00:47	Expected	MT_XL_937
GBP	8.93	AJ Capital	04:47	Expected	MT_XL_937
USD	23.55	AJ Capital	07:47	Expected	MT_XL_937

Settlement Monitor:
Tracking and reconciling inbound payments, allowing intraday updates on settlement risk, and actual or potential failed settlements

Liquidity Tracker:
Maintaining available account balances and combining these with completed and pending incoming and outgoing payments

Liquidity Tracker

Value Date: USD | Legal Entity: Jason Harris

Currency	Current Bal.	Bank to Receive	Bank to Pay	Projected EOD Bal.	Cut-off
USD	676.02	730.09	599.05	807.06	07:47
EUR	289.77	175.00	114.03	350.75	04:47
CHF	175.87	58.78	38.00	196.66	04:47
GBP	308.78	125.41	179.04	255.15	04:47
JPY	1,022.06	5,619.54	1,590.48	5,051.12	00:47
AUD	50.71	0.00	18.26	32.46	00:47
CAD	78.90	45.00	128.75	-4.85	07:47
SEK	944.58	248.00	879.51	313.07	04:47
MXN	452.79	2,929.35	300.00	3,082.14	07:47
NOK	144.26	351.15	263.12	232.29	03:47
TRY	289.40	391.73	285.14	395.99	04:47
ZAR	1,809.04	419.74	1,452.92	775.87	00:47
HUF	12,887.60	5,702.55	13,443.66	5,146.49	03:47
NZD	157.01	0.00	136.07	20.94	00:47
RUB	8,095.44	0.00	7,387.25	708.20	01:47
CZK	1,420.02	575.00	898.00	1,097.02	02:47

FIND OUT MORE

Get in touch with us today to arrange a platform demo and learn more about Baton's workflow solution for FX settlements.

CONTACT

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