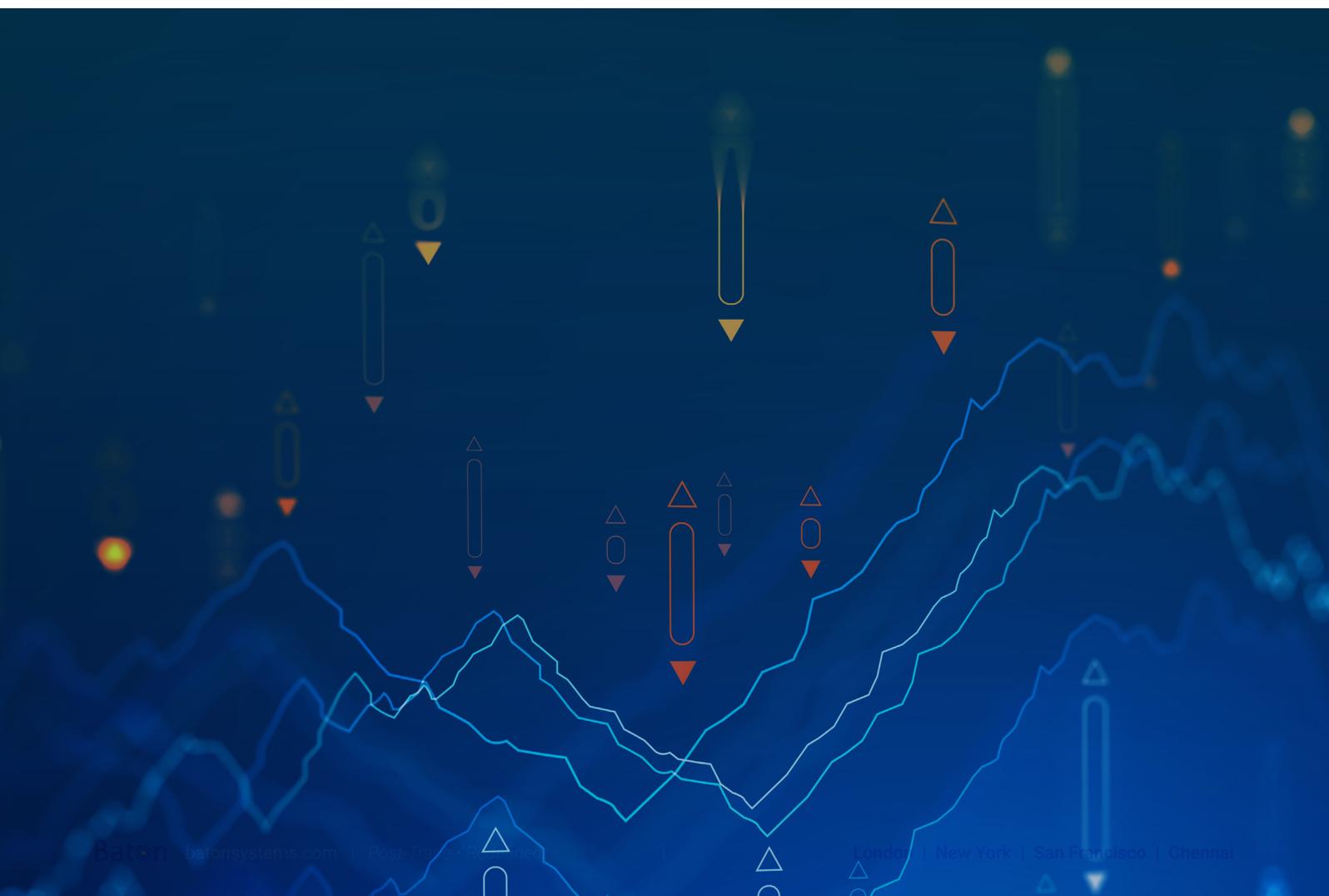


USE CASE

Liquidity

How Baton's **Core-Liquidity** revolutionises liquidity management by allowing the transfer of assets in real time and on-demand



Baton Systems' Core-Liquidity allows asset ownership to be transferred in real time and on demand, 24/7, in a legally enforceable way.

The solution empowers banks to net and sequence cash movements, and hence optimise liquidity allocation and management, with immediate changes of ownership reinforced by a robust rulebook providing settlement finality. Core-Liquidity does not require the tokenisation or digitisation of assets.

The ability to net, move and settle assets dynamically across entities alleviates the considerable liquidity, operational, funding, and regulatory costs associated with this complex aspect of a bank's daily internal payment and reconciliation processes.

“The ability to net, move and settle assets dynamically across entities alleviates considerable liquidity, operational, funding, and regulatory costs.”

THE PROBLEM

Rationalising the complex web of intercompany exposures is one of the major challenges facing any large financial institution, where internal fund transfers make up a significant proportion of total movements. Within these organisations, each entity will generally maintain its own nostro in each currency, but transfers between entities are often time-consuming, hard to synchronise and expensive. Additionally, currency cutoffs restrict the times when moves can be made. Maintaining and tracking liquidity is challenging and firms often find themselves crossing large spreads on interest payments and charges when, at an overall level they are sufficiently funded to avoid this.

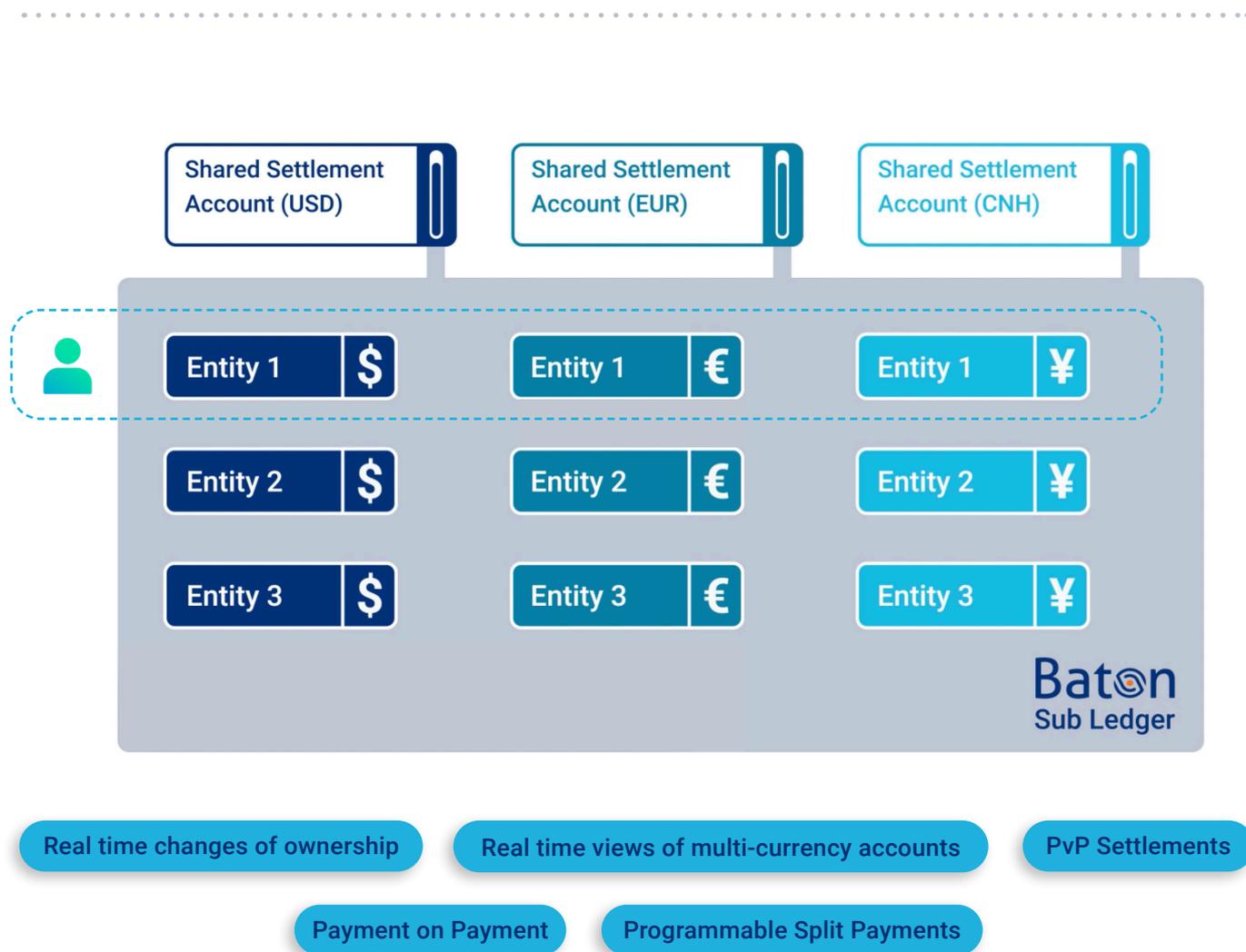
“Rationalising the complex web of intercompany exposures is one of the major challenges facing any large financial institution.”

INTRODUCING BATON'S CORE-LIQUIDITY SOLUTION

With Core-Liquidity, Baton's shared permissioned ledger and smart workflows are deployed to manage an account that is shared by the participating entities.

The workflows can be used to optimise the netting and sequencing of internal and external cash movements to match your binding constraints, while the Baton ledger reflects the allocation of asset ownership across a range of sub-accounts or wallets.

Changes of ownership are then driven through the Baton workflows according to the configuration and instructions that you determine. They are completely flexible, and enforced by a robust rulebook, ensuring irreversibility and enabling you to achieve settlement finality.



BATON'S DISTRIBUTED LEDGER TECHNOLOGY

Underpinning Baton's Core-Liquidity and Core-FX solutions is Baton's interoperable, rules-based shared, permissioned ledger, bringing certainty and security to the transfer of assets. It is system-agnostic and unobtrusive, allowing banks digitally to enrich their legacy infrastructure without the need to 'rip and replace'. Baton's technology integrates seamlessly with core ledgers, payment gateways and messaging systems using secure access protocols, adapters and APIs.

Baton's CORE DLT-based platform has been designed to meet the stringent security requirements of the world's largest financial institutions. The platform is SaaS-based and SOC2-Type2 compliant, and can be quickly deployed via the cloud using single-tenant architecture.

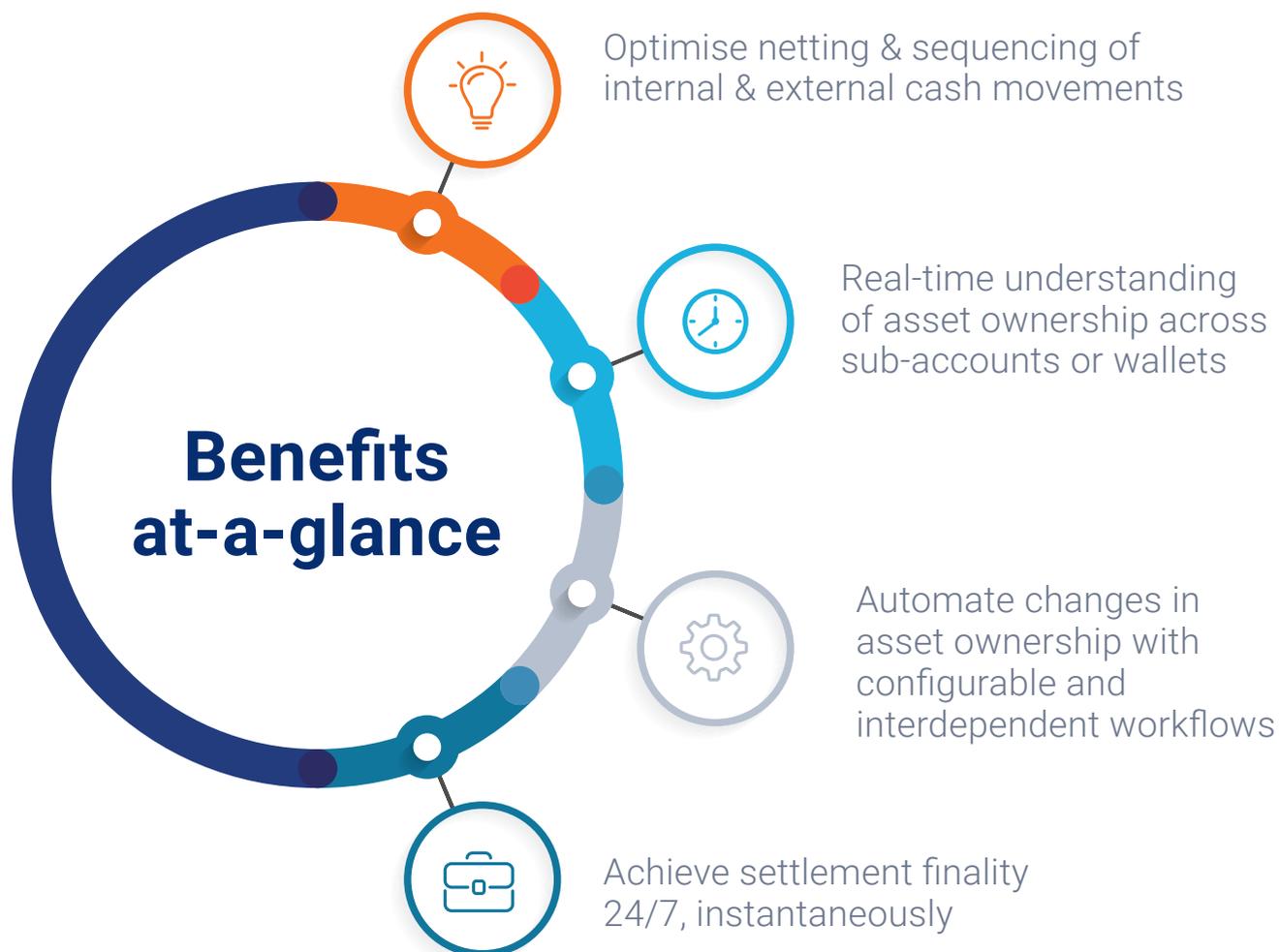
THE BENEFITS

Core-Liquidity allows firms to more precisely manage and control intraday liquidity at the individual entity and overall firm level. These benefits are reflected through materially lower funding costs.

The real time reporting and control that Core-Liquidity delivers allows firms to reduce the operational and third party costs associated with internal cash transfers and to deploy a new set of systematic payment functions that existing technology simply doesn't support.

“Rationalising the complex web of intercompany exposures is one of the major challenges facing any large financial institution.”

As well as deploying this solution to manage intercompany transactions, banks can also enable this solution for their underlying banking customers – passing on the benefits that arise from the deployment of distributed ledger technology, smart workflows and a rulebook that provides for finality of settlement.



Learn more, book a demo: www.batonsystems.com/core-liquidity



About Baton

Baton Systems is revolutionising the entire front-to-back post-trade process, introducing interoperable and connected digital market infrastructures from trade matching through to settlement.

Empowering financial institutions to take control with automated, rules-based workflows, access to real-time information, and on-demand settlement, Baton is redefining what post-trade processing should look like: fully connected, friction-free, flexible and transparent.

Founded in 2016 by Silicon Valley technologists and capital market specialists, Baton's solutions are now being used by several of the world's largest financial institutions to facilitate the movement of billions of dollars of cash and securities on a daily basis.

Find out more at www.batonsystems.com