Baton
Liquidity • Redefined

Sound Practices for Managing Intraday Liquidity Risk

Modular, institutional-grade controls for forecasting, monitoring, and actively managing intraday liquidity risk.

The European Central Bank has set clear expectations for the active management of intraday liquidity risk.

Many banks have already assessed their intraday liquidity frameworks and identified where specific capabilities need strengthening. The next step is to deploy focused, supervisory-aligned controls that address the identified gaps and integrate with existing treasury, risk, and payments infrastructure.

Baton provides a real-time intraday liquidity risk control layer, delivered through modular capabilities that can be deployed independently and easily extended over time as requirements evolve.

While this document focuses on commonly identified gaps in forecasting, monitoring and managing outflows, Baton supports multiple elements across all seven ECB intraday liquidity risk management principles

Modular by design

- Deploy individual capabilities where gaps currently exist
- Incrementally extend functionality and coverage as requirements evolve
- Operates as an interoperable control layer. Not a replacement platform

Real-Time Intraday Liquidity Control Layer

Traditional and Digital Payment and Settlement Rails
RTGS • Correspondent Banks • FMIs • CCPs • Digital rails

Intelligent payment release instructions ↑↓ Updated information on balances, credits and debits

Baton Real-Time Intraday Liquidity Control Layer

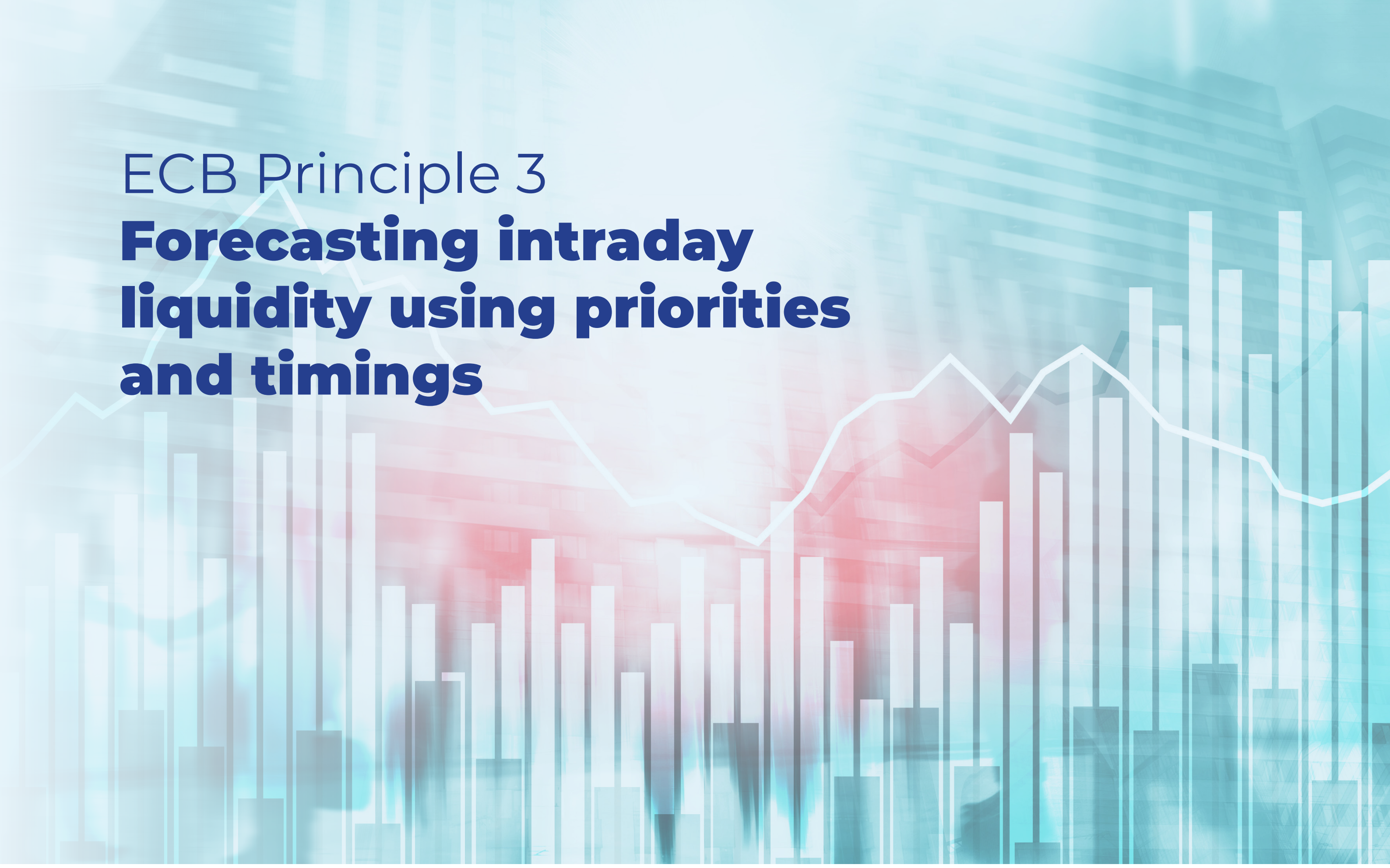
Balance Manager · Exposure Manager · Liquidity Manager · Dynamic Forecasting · Alerts and Workflows

Insight → Decisioning → Controlled Execution

Real-time data exchange and status updates ↕

Existing Treasury, Risk and Payments Systems
Positions • Exposures • Collateral • SSIs • Limits

Connects intraday liquidity insight directly to settlement execution.



ECB Principle 3
Forecasting intraday liquidity using priorities and timings

ECB Expectations

Institutions forecast intraday, end-of-day, and next-day liquidity needs based on upcoming payments, their priorities, and associated intraday timing, with projections updated throughout the day.

Baton's intraday liquidity forecasting enables institutions to project intraday and next-day liquidity needs based on forthcoming payments, their priorities and associated intraday timing.

Forecasts incorporate known and expected payments across currencies, legal entities and payment systems. Mandatory time-specific obligations (TSOs) and other priority payments are explicitly identified and embedded into intraday, end-of-day and next-day projections, including expected settlement timing.

Forecast accuracy is maintained through continuous intraday recalibration using a rich reconciled data set that reflects current liquidity behaviours, combining:

- Historical counterparty payment settlement behaviours and timings
- Scheduled obligations, TSOs and other priority payments
- Live balances, reconciled cashflows and in-flight payments
- Real-time variance tracking between expected and actual flows

Projections are updated throughout the day to surface unanticipated liquidity needs, the early identification of very large known transactions and associated funding requirements, and to support calculation of the largest negative net cumulative position (LNNCP). Short-horizon forecasts provide early visibility of emerging net outflows and funding pressure points.

Forecast outputs can reflect expected ranges and uncertainty under BAU conditions, supporting proactive intraday liquidity management.

Explore Baton's intraday liquidity forecasting capabilities →

Key Baton Functions

- → Precision Forecasting
- → Balance Manager
- → Exposure Manager

What this enables

- Continuously updated forecasts grounded in granular real-time and historic reconciled data
- Earlier visibility of emerging liquidity pressure points
- Actionable outputs driving controlled and optimised outflows

Forecasting flow

Forthcoming payments and obligations

↓

Payment rules and priorities (including TSOs)

↓

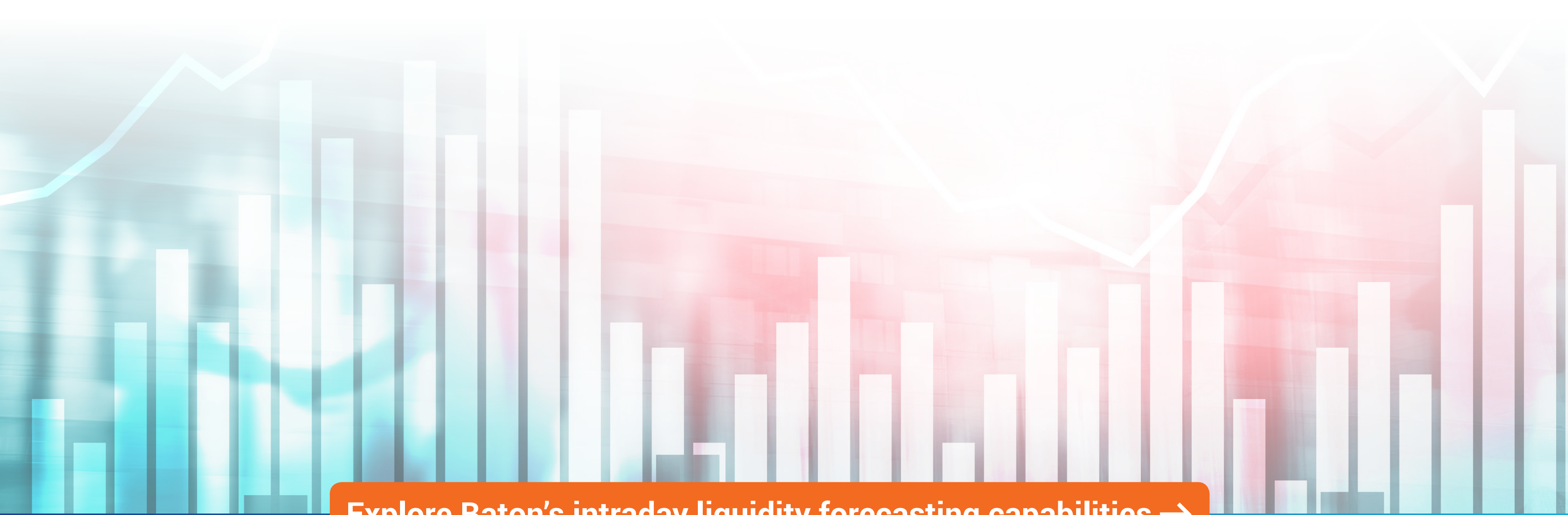
Expected settlement for credits and debits

↓

Intraday, end-of-day and next-day projections

Recalibration inputs

- Live balances and exposures
- Settlement updates and variance



Explore Baton's intraday liquidity forecasting capabilities →

ECB Principle 4

Real-time monitoring of intraday liquidity

ECB focus

Payment flows should be monitored in material currencies in real time, with alerts and tools to promptly identify unexpected intraday liquidity needs and monitor the adequacy of available liquidity.

Baton provides a, consolidated real-time view of intraday liquidity across material currencies, legal entities, counterparties and payment systems.

Monitoring views show current balances, intraday and end-of-day projections, inflows and outflows, projected LNNCP, and available liquidity resources, including pre-pledged and qualifying collateral and available credit lines.

Settlement activity is monitored across real-time gross settlement (RTGS) systems, correspondent banks and other relevant financial market infrastructures (FMIs).

Incoming and outgoing payments, and their settlement status, are updated based on real-time payment messages, with expected flows continuously matched to actual credit and debit advice.

Real-time alerts notify relevant first- and second-line (1LoD and 2LoD) teams when predefined conditions are met. Treasury can actively monitor intraday developments through a role-specific dashboard or step in immediately when alerts are triggered, detailing ownership, status, and resolution-tracking.

Users can filter, sort and drill down to investigate unexpected balance movements, payment delays or counterparty behaviour. Views are available at a group or entity level, by counterparty, currency or FMI. For non-material currencies, intraday usage and LNNCP can be monitored on an ex-post basis.

Configurable dashboards provide easy access to key information including live balances, upcoming time-sensitive payments, short-term projections with trendlines, and counterparty-level payment patterns to support rapid identification and investigation of intraday liquidity pressures.

See Baton's real-time intraday monitoring tools →

Key Baton Functions

- → Balance Manager
- → Exposure Manager
- → Alerts Manager

What this enables

- Real-time visibility of balances, projections and LNNCP across all chosen currencies including historical context
- Faster identification and investigation of unexpected intraday liquidity pressures
- Shared situational awareness across Treasury, Risk and Operations

Real-time intraday monitoring and escalation

Monitored inputs
- Live balances and cash flows
- Intraday and end-of-day projections
- LNNCP (Largest Negative Net Cumulative Position)
- Collateral and credit lines
- Payments and settlement status

Consolidated, real-time view

Drill-down by currency, entity, counterparty, FMI

Alerts and Notifications
- Threshold breaches
- Projected shortfalls
- Time-sensitive payment risk

Teams
- Treasury
- Risk (1LoD / 2LoD)
- Operations

Investigation views

Upcoming TSOs and other priority payments

Short-term projections and trendlines

Counterparty payment patterns

See Baton's real-time intraday monitoring tools →

ECB Principle 5
Active management of outflows

ECB focus

Institutions should actively manage intraday outflows to ensure time-specific payments are made on time, while duly prioritising other payments within available liquidity under BAU and stressed conditions.

Baton enables real-time active control of intraday payment outflows, aligning settlement activity with actual and expected liquidity conditions throughout the day.

Payments are organised into an explicit outflow ladder, with mandatory TSOs and other priority payments clearly distinguished. Institutions can configure thresholds to define their BAU liquidity levels within which cash operations manage payments using automated payment orchestration capabilities. As liquidity levels approach BAU buffer thresholds, alerts notify relevant 1LoD and 2LoD teams, enabling Treasury and Risk to intervene before buffers are exhausted.

Payment release decisions are governed by rules that combine:

- Intraday liquidity forecasts of expected positions and timings
- Confirmed inflows and real-time settlement status
- Payment priorities, cut-offs and throughput considerations

Payment can be prioritised, sequenced or throttled, with throttles adjusted based on predefined conditions, such as time or circumstance, to ensure all payments due are made within the day.

In stressed conditions, controls can be set to reflect a hierarchy of liquidity usage, reserving capacity for TSOs and other priority payments. Outflows can be actively managed across all material currencies, including via RTGS where available. Where active management is constrained, automated prioritisation ensures TSOs are met on time.

All release decisions are transparent, auditable and subject to human override, with clear lineage from forecast inputs to execution.

Learn how Baton enables active intraday outflow management →

Key Baton Functions

→ Managing Outflows

→ Forecasting

→ Alerts Manager

What this enables

- Predictable, controlled real-time management of payment outflows
- Reduced peak liquidity usage and intraday borrowing
- Active protection of TSOs under BAU and stressed conditions
- Stronger operational and liquidity resilience with full auditability

Execution ladder

1. **Payment priorities (TSOs / TSPs)**
2. **Available liquidity (BAU and stress buffers)**
3. **Sequencing and throttling**
4. **Controlled payment release**

Human oversight and auditability

Treasury | Risk | Operations | Alerts

Learn how Baton enables active intraday outflow management →

Supporting the broader **intraday liquidity risk management framework**

Beyond forecasting, monitoring and managing outflows, Baton supports key elements of the wider intraday liquidity risk management framework, including:

Principles 1 & 2: Risk Management Framework and governance

Granular intraday data, indicators and alerts support escalation and oversight across Treasury, Risk and Operations, with consistent reporting and audit trails that strengthen governance and review.

Principle 6: Sources of liquidity

Enterprise-wide visibility of intraday liquidity sources by currency and entity supports prioritisation and timely mobilisation of funding in BAU and stressed conditions.

Principle 7: Stress testing

Scenario analysis using live and historical intraday data supports intraday buffer calibration and preparedness for idiosyncratic and market stress.

Baton's modular intraday liquidity management capabilities allow institutions to address specific ECB supervisory expectations today.

This interoperable, scalable foundation can be extended over time to support more active liquidity risk management and settlement optimisation.

Address ECB intraday liquidity expectations, by focusing on the areas where your firm has an immediate requirement

Download Baton's ECB intraday liquidity risk management white paper →

Speak to Baton about your intraday liquidity priorities →