

BASF & 360T Value Report

A Success Story

The starting point

Founded on the banks of the river Rhine in Germany during 1865, BASF has subsequently grown to become the largest chemical producer in the world, with customers in more than 190 countries, subsidiaries and joint ventures in over 80 countries and operating over 390 production sites, globally.

Such growth has over time introduced new challenges for the firm when it comes to effectively managing its foreign exchange trading requirements. Having many different entities within an organisation, executing FX trades in different ways across a variety of systems was inefficient and very challenging to reconcile.



Growing businesses require innovative solutions

Therefore, in 2002, BASF turned to 360T to help it address this challenge. As a result, it implemented 360T's pioneering intragroup trading system, I-TEX. This enabled BASF to drive new efficiencies within its FX trading activity, by allowing for many different entities across the global organisation to enter trades into a single intragroup system.

However, the demands and requirements of treasury desks are not static. Recognising that firms, such as BASF, are always looking for more advanced solutions to incorporate into their existing workflows – like automated exposure analysis and management tools – 360T has always been committed to regular new technology release cycles. Consequently, it continued to enhance and improve the I-TEX platform, in order to meet the evolving needs of BASF and other clients.

For example, the initial version of I-TEX required multiple internal and external logins for each of the global BASF entities to be able to access and utilise all the different workflows contained within 360T's ecosystem. To optimise this, 360T integrated all of the various systems within one single workflow process, which includes one single login for multiple entities.

In more recent years, another growth-related challenge emerged on the horizon for BASF. The sheer volume of FX flows that treasury staff were expected to handle alongside their other day-to-day tasks continuously increased, and therefore BASF needed to further enhance its trading capabilities by becoming more efficient and productive around FX execution.

Consequently, the firm's treasury department required an automated end-to-end workflow solution that could be integrated into both its pretrade evaluation system and existing SAP post-trade treasury management system (TRM).



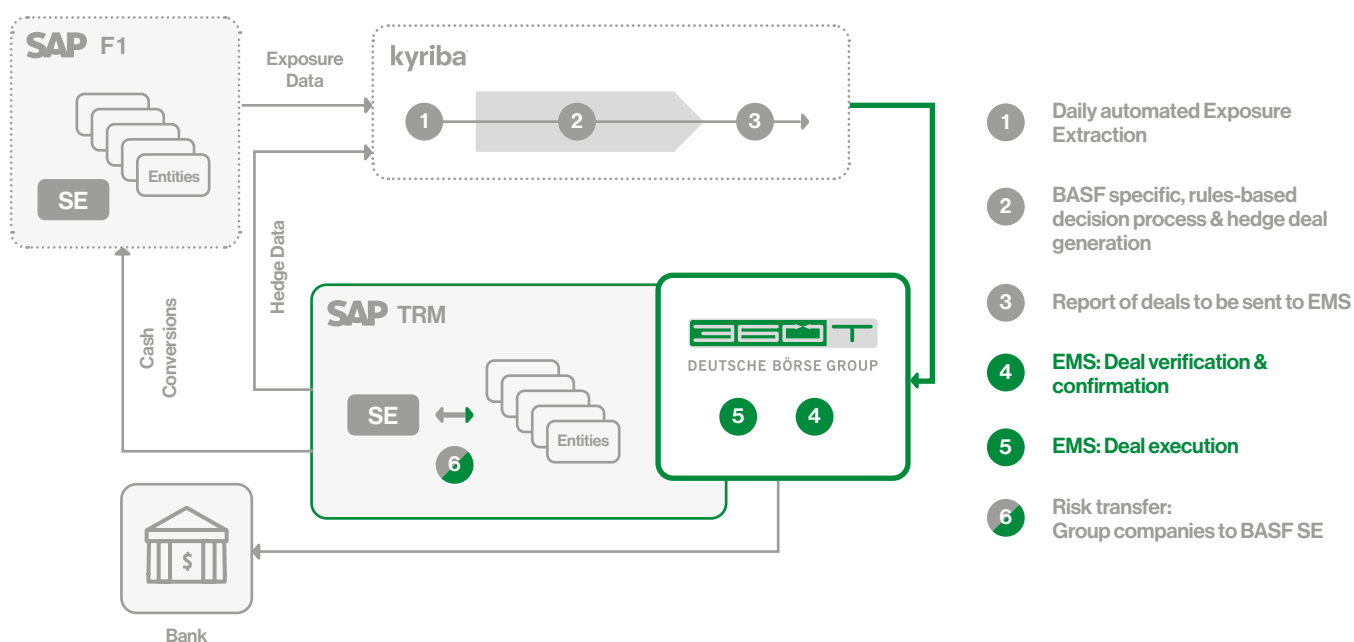
360T's Execution Management System: A fully automated end-to-end workflow solution

BASF implemented 360T's Execution Management System (EMS), a powerful end-to-end workflow solution, integrated across its 60 global entities, to address the need for more efficient and automated processes.

360T's EMS provides one integrated system that optimises BASF's order organisation (trade requests coming from entities via a convenient inter-system connectivity) and execution using fully configurable, systematic rules. This substantially streamlines the FX trading process, freeing treasury staff to focus their time and attention on other, potentially more mission-critical and profitable elements of the business. In addition, by reducing the amount of manual processing associated with this trading activity, the EMS has also enabled BASF to minimise operational risks on the trading desk.

Another important feature of the EMS is that it is flexible enough to allow for additional third-party technology solutions to be easily integrated into it. For instance, BASF implemented an automated exposure evaluation tool, FiREapps by Kyriba, so that its pre-trade analysis no longer needs to be conducted manually. As FiREapps is fully integrated into 360T's EMS, market orders are seamlessly uploaded to the platform, after the exposure analysis is done. The uploaded trades are approved by regional/service centres, and then routed to either the BASF global head office or directly to the regional market for execution, depending on the local regulations of each region. The trades then get executed according to best price policy on 360T's multibank portal and are automatically transferred to the SAP treasury management system.

The entire workflow process can be automated, and today BASF uses this end-to-end solution to run rules-based, fully automated FX trading. This has enabled the firm to significantly increase the efficiency of its trading activity, whilst also removing the operational risks that are inherent in any manual processes on the treasury desk.



Key benefits of 360T's EMS for BASF

› Easily Configurable Rules

A system of easily configurable yet highly customisable rules enables the auto-execution of orders in one integrated end-to-end workflow solution, meeting the core demand from BASF to improve the efficiency and productivity of its FX trading.

› Low- or No-Touch Trading

Low- or no-touch trading speeds up processes and quickly identifies and reduces market risk whilst increasing control and freeing up resources for BASF's complex or large FX trades.

› Integration of Subsidiaries

For a large, multinational company like BASF the ability to integrate the trading activity of all its subsidiaries with just one login substantially streamlines FX operations.

› Single Login

Decentralised treasury members can trade for internal entities with their head office as well as use the same login to execute trades externally.

› Reduction of Operational Risk

The automation of previously manual processes allows treasurers to reduce operational risks across the entire trade lifecycle.

› Integration of Kyriba and SAP

Integrated with pre-trade evaluation through FiREapps by Kyriba as well as post-trade SAP's R3 treasury management, 360T enabled BASF to implement the EMS in a quick and truly seamless manner.

› The Best of Both Worlds

The EMS combines TEX, a multidealer portal offering relationship-based trading for OTC financial instruments, with I-TEX, an intra-group trading system which enables an organisation to run a fully-fledged trading solution for a closed user group.

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We are enjoying a long and successful partnership with 360T, who are always highly responsive to the evolving needs of our business. Implementing their EMS has enabled BASF to streamline our FX workflows across the entire trade lifecycle, substantially enhancing the productivity of our treasury desk. In addition, we think that 360T's commitment to regular new technology release cycles ensures that their EMS remains at the very cutting edge of FX trading technology.

— Joachim Gauglitz, Head of Front Office at BASF SE

About 360T

360T is an independent and globally-established trading venue. As Deutsche Boerse Group's FX unit, it provides web-based trading technology for over-the-counter (OTC) instruments, integration tools and related services. With a track record stretching back over 20 years, 360T provides proven technology solutions which deliver the robustness and resilience required by major financial institutions whilst simultaneously offering the flexibility needed to adapt to regulatory changes and continued shifts in FX market structure. In addition to this, 360T's award-winning market data products and sophisticated analytics suite enable FX market participants to create a more transparent trading process and effectively benchmark their execution performance.

About BASF

BASF is a German multinational chemical company and the largest chemical producer in the world. The BASF Group comprises subsidiaries and joint ventures in more than 80 countries and operates six integrated production sites and 390 other production sites in Europe, Asia, Australia, the Americas and Africa. Its headquarters is located in Ludwigshafen, Germany. BASF has customers in over 190 countries and supplies products to a wide variety of industries. Their portfolio is organised into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €59 billion in 2020. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information can be found at [🔗 www.basf.com](https://www.basf.com)

About Kyriba

Kyriba empowers CFOs, Treasurers, and their IT counterparts to optimize their financial technology solutions, de-risk ERP cloud migration, and activate liquidity as a dynamic, real-time vehicle for growth and value creation. With over 2,500 clients worldwide, including 25 percent of Fortune 500 and Eurostoxx 50 companies, Kyriba's pioneering Connectivity as a Service platform integrates internal applications for treasury, risk, payments and working capital with external sources such as banks, ERPs, trading platforms, and market data providers. For more information, visit [🔗 www.kyriba.com](https://www.kyriba.com)



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