

Central Risk & Liquidity Optimization

Recognizing Capital and Order Flow as a Strategic Asset

For years, banks and brokers made a rational choice, partnering with or outsourcing trading execution to external liquidity providers or specialist brokers. This lowered costs, reduced operational complexity, and allowed firms to benefit from the scale of others' technology investments. However, the market has matured and so has technology.

Banks and brokers can now own their execution logic, internalize client flow intelligently, and engage external partners selectively. Additionally, they can commit risk capital within a measured, analytically driven framework to provide liquidity directly to clients. This is the new value equation: firms that control their execution infrastructure and deploy capital strategically are better positioned to deepen client relationships, improve execution outcomes, and build a sustainable competitive advantage.

Our Solution: Key Components

BTCS's Central Risk and Liquidity Optimization Solution helps banks and brokers leverage their order flow to provide liquidity, manage risk, lower costs, and drive revenues.

The solution comprises five main components:

- **Smart Order Router (SOR)** gives firms intelligent, configurable control over how client order flow is managed across internal and external venues. By prioritizing internalization where appropriate and routing residual flow selectively to external liquidity providers or marketplaces, the SOR delivers optimal execution quality for clients.
- **Matching Engine** enables internalization by matching client flow against internal liquidity sources and CRB-driven interest. This increases crossing rates and makes more efficient use of inventory.
- **Central Risk Book (CRB)** has become the core of a firm's

principal trading operation. By aggregating positions across all trading desks in real time, the CRB provides a consolidated, firm-wide view of exposure, enabling faster, more informed decisions on risk management and hedging. Firms are not locked into a single risk framework. The CRB is designed to integrate with preferred risk models or proprietary models, giving firms the analytical foundation to manage capital confidently while preserving the methodologies that define their edge.

- **Actionable IOI and RFQ** capabilities allow firms to proactively distribute axes and indications of interest to targeted clients, respond to inquiries with speed and precision, and execute negotiated bilateral trades that encompass the firm's own liquidity, pricing, and risk capital. Firms can scale their bilateral trading activity, deepening client relationships while maintaining full control over the terms on which they provide liquidity.
- **Execution Algos:** BTCS is developing a next-generation algorithm as a single adaptive execution strategy, designed to operate seamlessly across all asset classes. Driven by a trader-defined objective function, it dynamically selects optimal execution tactics based on prevailing market conditions and deep microstructure analytics.

Key Benefits

- Fully integrated with Tbricks suite of market making strategies (covering Single Stock, Options, ETFs and Structured Products), as well as Broadridge's OMS and Connectivity Platform.
- Centralize firm-wide trading flows and positions to manage capital-at-risk more efficiently.
- Provide principal liquidity to drive bilateral client relationships and increase client revenue streams.
- Optimize internalization and help reduce exchange fees, hedging, and impact costs.
- Capture more agency flow by improving execution quality, liquidity access, and client service.

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