



14th December 2023

Same day loan settlement

London – December 14, 2023 – **LedgerComm**, a leading provider of next-generation loan settlement solutions, today announced the settlement of the first same-day loan trade on its platform. The trade, valued at \$10 million, was conducted between two New York-based hedge funds in a fund-to-fund transaction without the involvement of an established market maker. This represents a significant milestone in the advancement of loan trading efficiency and marks a shift towards straight-through processing (STP) for loan transactions.

Closing Check Technology

Same day settlement was made possible by LedgerComm's Closing Check Technology. This infrastructure is so unique because it connects loan accounting ledgers, permissioned lender lists and KYC status of buyer, seller & agent to provide perfect pre trade visibility to users.

This innovative technology allowed the funds involved to check if they had the requisite KYC in place with each other, the agent and then verify if the amount being sold reconciled with the settled position maintained by the agent. Once this was done then immediate settlement of the trade was executed.

Fund to Fund loan trading

What sets this achievement apart is that it was a fund-to-fund trade, omitting the involvement of an established market maker. This was only possible due to the embedding of a KYC fund-to-fund review system. This marks a major paradigm shift in loan market liquidity, as LedgerComm becomes the pioneer in enabling straight-through processing in the loan market, akin to practices in the bond market.

Agent-Friendly Automation

This landmark trade also demonstrates the potential of LedgerComm's technology to streamline loan agent workflows. With LedgerComm, agents are immediately notified of any outstanding KYC issues, ensuring timely resolution and preventing delays in settlements. Once a trade is booked, confirmed, and allocated, a simple two-click

process is required to sign the legal documentation generated on the platform. All interest and fees due to buyer and seller are allocated according to the terms agreed on the trade ticket.

Lender position accuracy

Once trades are booked on LedgerComm, the agent doesn't have to manually update or reconcile positions. The updated lender positions and the resulting pro rata share of interest due at the next payment date is automatically updated in the system.

This represents a quantum leap in efficiency for agents, resulting in flawless accuracy in transfer of lender positions & accrued interest between buyer and seller and expediting the settlement process.

Breaking the monopoly on loan infrastructure

"Until now loan market users have been stuck with just 1 settlement platform provider. The existing solution doesn't address the 3 core issues of loan settlement - KYC, borrower permission & upstream delivery. Our next generation solution allows buyer, seller and agent to solve these issues in advance of trading.

"We are thrilled to have successfully executed our first same-day loan trade, showcasing the transformative power of our Closing Check technology and our commitment to streamlining the loan settlement process," said Will Nash, CEO of LedgerComm. "Our no 1 goal is not to monopolise loan market data but help customers with faster information discovery and faster settlement. This milestone marks a significant step towards a more efficient and accessible loan market, where participants can focus on driving business growth rather than navigating complex settlement procedures."

Fast-Track Loan Settlement Technology – challenging t+7 settlement

LedgerComm's fast-track loan settlement technology is poised to revolutionize how market participants trade and settle syndicated, bilateral, and private credit loans.

"With technology like this available loan market participants should start to question if T+7 is really an acceptable market standard to aim for in 2023.