Blades International, Inc.

FX Savings Innovations with Pre-Agreed Spreads and Integrity Pricing.

Dallas Association for Financial Professionals

Education Summit

September 16, 2026 | Bob Blades, President — Blades International, Inc.

CURRENT EVENTS IN PRICING TRANSPARENCY & INTEGRITY

- **RealPage.**
  Justice Department sues over an algorithmic pricing scheme harming renters.
- **Mark Cuban Cost Plus Drugs.**
  Pricing medicine direct to the consumer at a disclosed 15% markup.
- **Visa Sued for Monopoly.**
  Justice Department alleges Visa monopolizes the debit card market.
- **Real Estate Broker Commissions.**
  Antitrust settlement over practices that kept commission rates inflated.
- **Robinhood Brokerage.**
  Free trading isn't really free — the revenue sits in the spread and order flow.
- **FTC — Personalized Pricing.**
  Using personal data to set an individual price may violate consumer-protection law unless properly disclosed.



An independent interbank price exists for every currency pair, second by second — timestamped, and visible to anyone who looks for it.

WHAT THE RESEARCH SAYS

FX PROVIDERS ARE OFTEN OVERCHARGING CUSTOMERS

> ***Dealers systematically and consistently overcharge clients who don't have currency trading expertise…***



Harald Hau

University of Geneva, School of Economics

> ***Rates can be 25 times higher [for smaller corporate clients] than for bigger, more sophisticated customers.***



Eva Szalay

Financial Times

The presumption that a corporate can negotiate, compare, and verify is only true if someone actually verifies. **In most treasury functions, nobody does.**

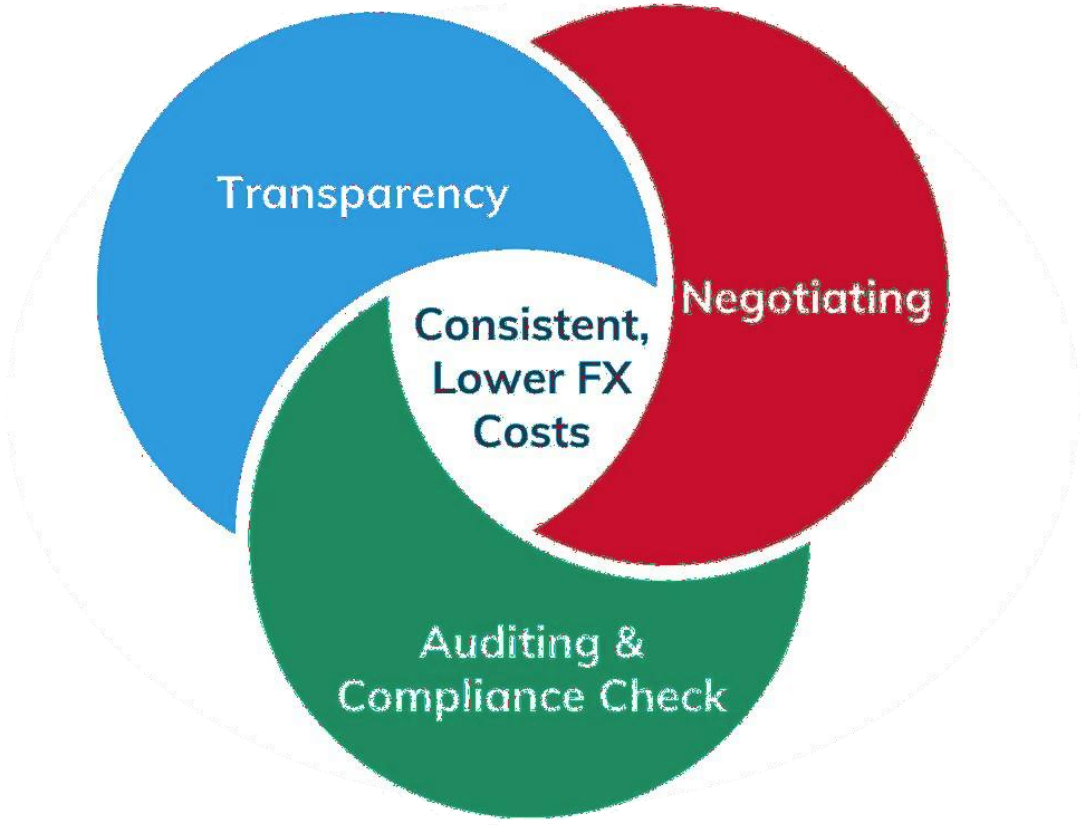
TREASURY PROFESSIONALS DISCUSS GETTING THE BEST RATES ON FX

The AFP APAC Treasury Advisory Council shares FX best practices, as written by AFP staff.

1. **Have predetermined pricing for select currencies and "thresholds"-Pre-Agreed Spreads**
2. **Utilize a transparent third-party reference tool**
3. **Timestamp each trade**
4. **Reconcile pricing**
5. **Conduct a relationship review**
6. **Review your process**



FX PRICING BEST PRACTICES



Transparency

Back-test and benchmark historic trades against the independent interbank mid. Accurate timestamps are the key input — and banks need to provide them.

Negotiating

Data makes the conversation constructive: a pre-agreed spread over the mid, covering spot and forward, named channels and entities — in writing.

Auditing & Compliance Check

Monitor the new arrangement over time, raise variances with trade-level evidence, and recover where the error is significant.

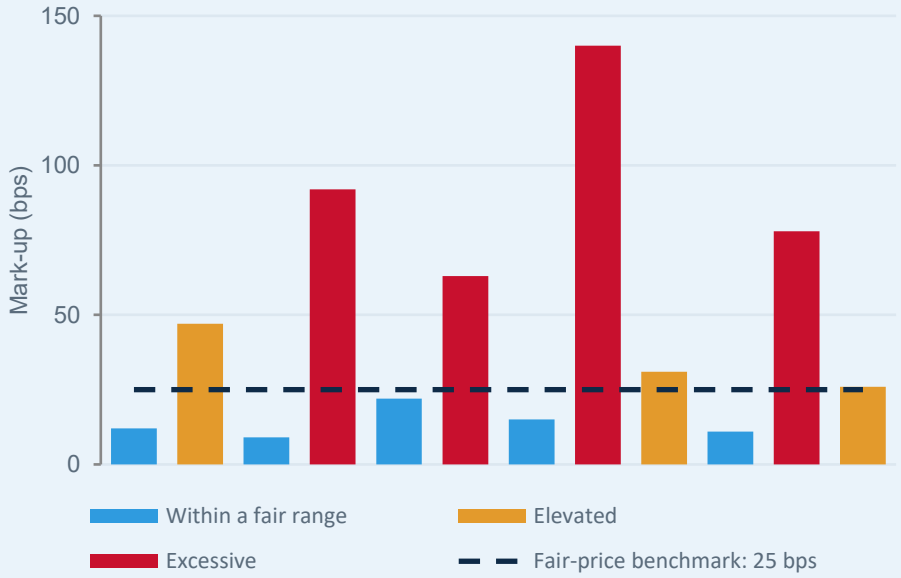
No single pillar holds on its own — a rate you never measured cannot be negotiated, and an agreement nobody checks is a preference, not a price.

BEST PRACTICE ONE

TRANSPARENCY

- “Back Test” and “Benchmark” your historic FX trades for true cost.
- Understand what you have paid relative to market costs.
- With FX data you can see if you deserve an FX pricing improvement.
- A key is accurate time stamps, which banks need to provide.

WHAT A BACK TEST ACTUALLY LOOKS LIKE

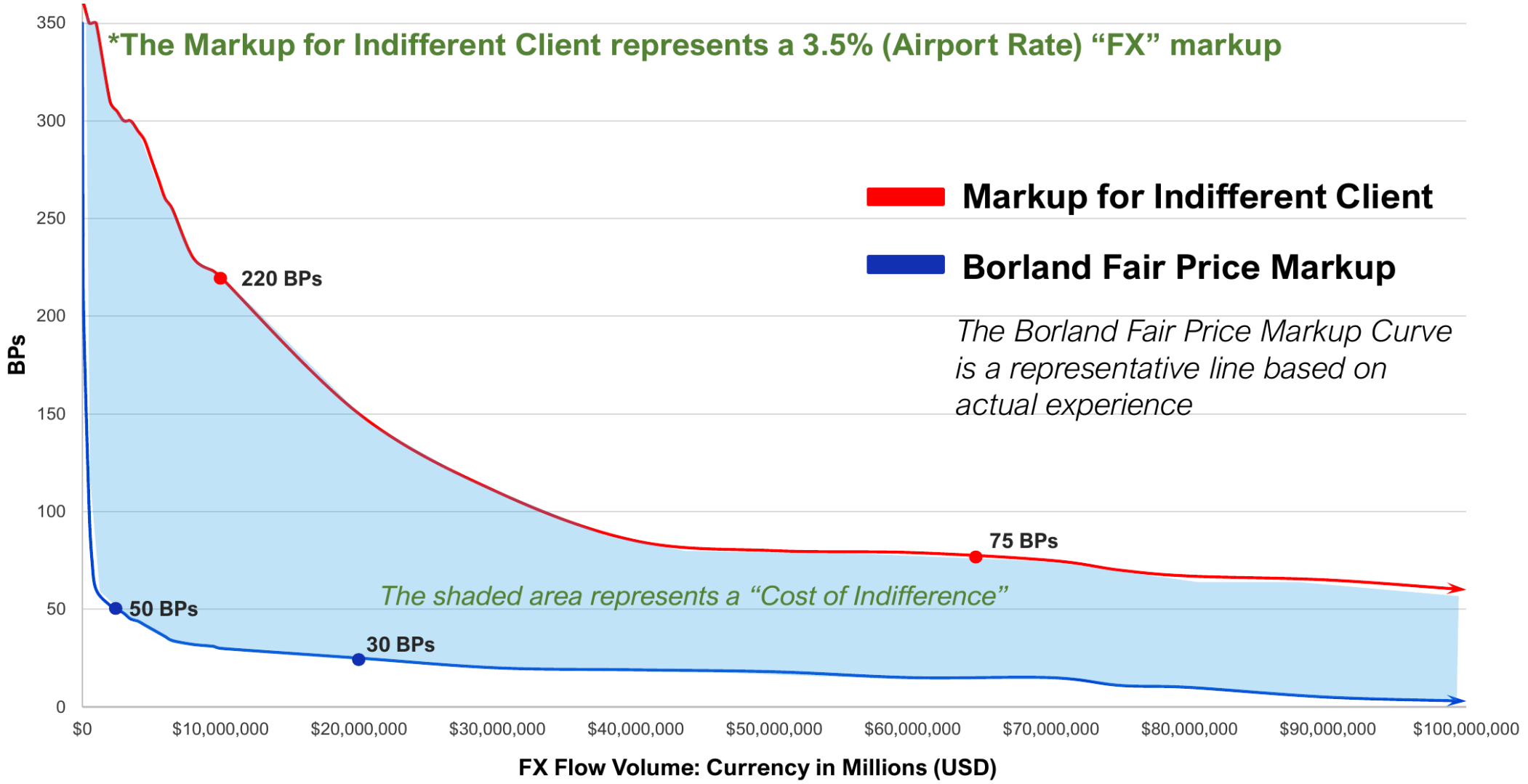


Twelve trades, one quarter, one currency pair, same company, same bank. The price paid ranged from 9 to 140 basis points.

Representative data.

TRANSPARENCY

THE BORLAND CURVE



BORLAND CURVE AXIOMS



1. Size & Trade Number



2. Currency



3. Credit Issues



4. Operations



5. Off Hours Trading



6. Trade Methods



7. Relationship Issues



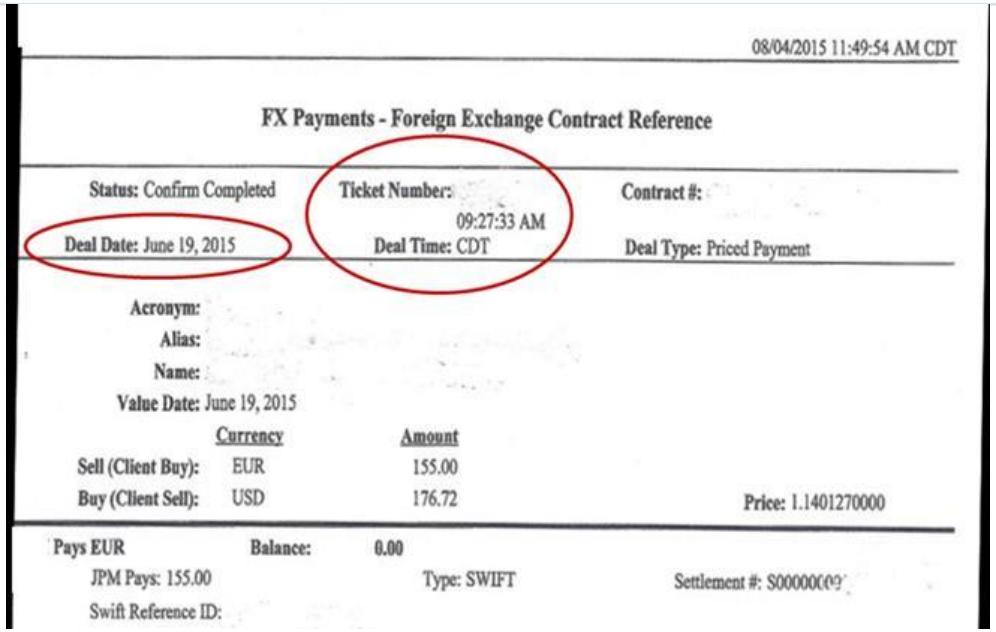
8. Competitive Bid Issues

THE IMPORTANCE OF TIMESTAMPS

Time Stamp SAMPLE

Deal Date	Pay CCY	Bank Sell (Client Buy)	Recv CCY	Bank Buy (Client Sell)	All In Spot Rate
Mar 13, 2012 10:51 AM	GBP	2,635.20	USD	4,160.82	1.578900000
Mar 21, 2012 11:01 AM	GBP	17,078.39	USD	27,147.52	1.589600000
Mar 28, 2012 3:36 PM	EUR	918.00	USD	1,226.65	1.336200000
Jan 6, 2012 12:40 PM	JPY	1,635,200.00	USD	21,287.68	76.820000000
Apr 23, 2012 9:21 AM	MXN	658,863.90	USD	50,000.00	13.180700000
Apr 13, 2012 10:04 AM	GBP	350.00	USD	557.70	1.593400000
Jun 1, 2012 11:15 AM	EUR	475.00	USD	591.53	1.245300000
Jun 7, 2012 3:17 PM	EUR	1,304.00	USD	1,643.92	1.260700000
Jan 9, 2012 5:48 PM	MXN	2,600.00	USD	190.53	13.648400000

Time stamp sample data from a client's internet banking system.



08/04/2015 11:49:54 AM CDT

FX Payments - Foreign Exchange Contract Reference

Status: Confirm Completed
Ticket Number: 09:27:33 AM
Contract #:
Deal Date: June 19, 2015
Deal Time: CDT
Deal Type: Priced Payment

Acronym:
Alias:
Name:
Value Date: June 19, 2015

	Currency	Amount
Sell (Client Buy):	EUR	155.00
Buy (Client Sell):	USD	176.72

Price: 1.1401270000

Pays EUR Balance: 0.00
JPM Pays: 155.00 Type: SWIFT Settlement #: S00000009
Swift Reference ID:

One page confirm of trades.

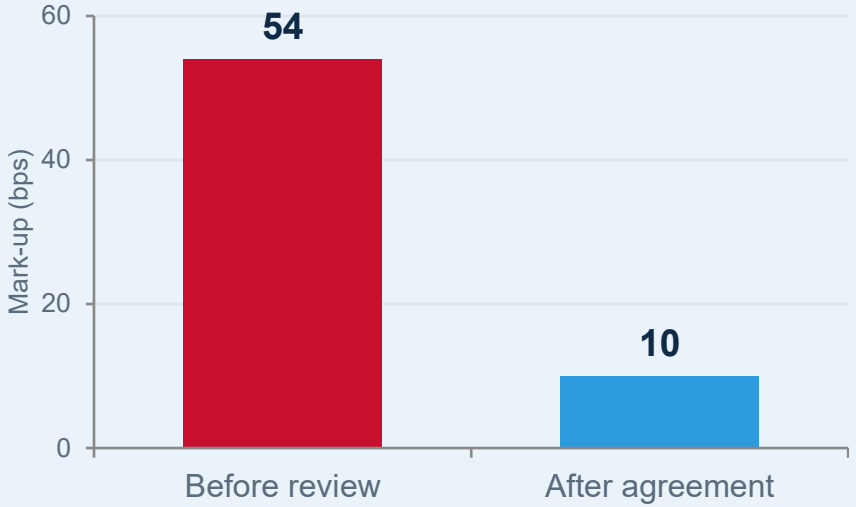
Without an execution time and time zone, there is no market to measure against — which is why the timestamp is so important!

BEST PRACTICE TWO

NEGOTIATING

- Back Testing and Data Analytics Are Keys to Being Prepared.
- Negotiate a Fair Markup Agreement as FX Flows are Valuable to Banks.
- Get Your New FX Markup Agreement in Writing.

WHAT PREPARATION IS WORTH



A global engineering client: two relationship banks pricing at 79 and 29 bps before the review, held near 10 bps for the year after a written agreement.

NEGOTIATING

FX WRITTEN AGREEMENTS

With FX data, clients are confident to broach better FX arrangements in writing.

SUGGESTIONS FOR FX AGREEMENTS

- Pre-agreed FX spreads
- Outline the payment channels, locations, and subsidiaries
- Spread over the interbank mid-market rate to calculate true cost
- Require FX provider to advise if they will have variances to the agreement

Expect conditional language — "outs" for credit or operational issues. In most cases the pre-agreed spread should already cover the credit risk, with no add-on.

FX PRICING GRID

ANNUAL VOLUME OF FX FLOWS IN AGGREGATE	BASIS POINTS RANGE
$2,000,000	40 – 60 Bps
$5,000,000	30 – 40 Bps
$10,000,000	20 – 30 Bps
$20,000,000	15 – 25 Bps
$30,000,000	10 – 15 Bps
$40,000,000	8 – 12 Bps
$60,000,000	6 – 10 Bps
$80,000,000	4 – 10 Bps
$100,000,000	3 – 8 Bps
$150,000,000	2 – 5 Bps
$200,000,000	1 – 3 Bps

This grid is based on a generic FX flow, before taking account of the Borland Curve Axioms. Each FX relationship has a unique set of characteristics — currency mix, trade count, credit, operations, and competitive tension all move the number.

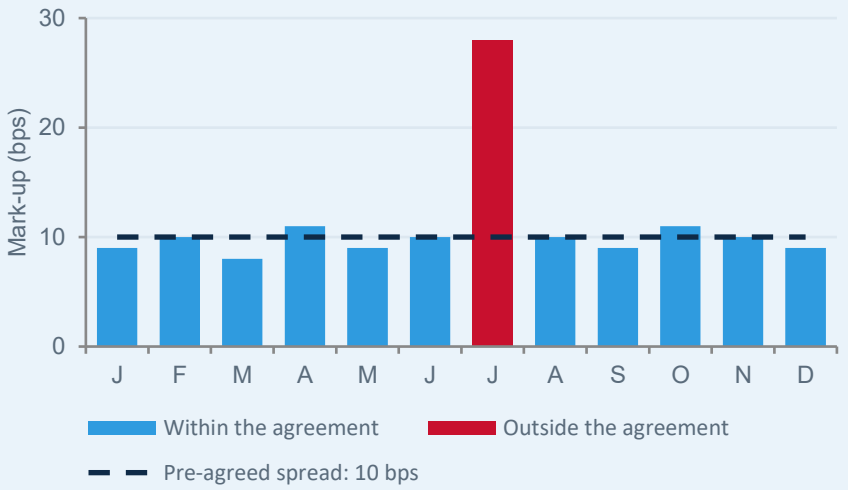
A 25 bps improvement on $40 Million of annual flow is $100,000 a year.

BEST PRACTICE THREE

AUDITING & CHECK FOR COMPLIANCE

- Checks for Compliance to Maintain Rate Integrity by Monitoring New FX Arrangements.
- Regular **Foreign Exchange Rate Integrity®** reviews will highlight when a Bank or Fintech FX provider makes a mistake.
- Banks should be diplomatically confronted with the FX trading data if there are variances.
- Significant mistakes can warrant a refund.

WHAT MONITORING CATCHES



Twelve months against a written 10 bps agreement. One month drifted to 28. Nobody inside the company would have seen it — the rate arrived already blended.

Representative data.

WHERE THE MARK-UP HIDES IN A GLOBAL STRUCTURE

THRESHOLDS, FOREIGN SUBSIDIARIES & SECONDARY FX

- Large multinationals have policies that FX trades at foreign subsidiaries that are over a threshold be sent to headquarters for execution.
- Hedging and large trades are centralized at headquarters. Large multinationals with billions in FX flows use multibank platforms such as FXAll, 360T, and Bloomberg.
- Thresholds may be set at $1,000,000, or at $500,000. Trades below threshold are Secondary FX trades, or nuisance trades.
- However, subsidiaries often breach the thresholds due to local management needs, time zone constraints, and processing challenges.
- Subsidiary staff typically have no incentive to monitor spreads. These Secondary FX payments routinely carry high spreads.



INNOVATION

DIRECT FX TRADE SUBMISSIONS

- Clients authorize once — standing instructions are given to the FX provider to supply monthly FX trade data.
- The FX provider sends the sanitized trade data to the secure FX Rate Integrity® portal.
- The independent back-testing is compared to the interbank rate at the minute of execution, to show compliance or mark-up excesses.
- The client is sent a monthly report itemizing FX savings and highlighting any variances to pre-agreed spreads.
- Once in place, the client only needs to review the monthly compliance reports.

The client authorizes each FX provider, in writing.

THEN, EVERY MONTH — AUTOMATICALLY

- Provider sends trade data to the FXRI® portal.
- BII back-tests each trade against the interbank rate.
- Client receives a report: savings itemized, variances flagged.

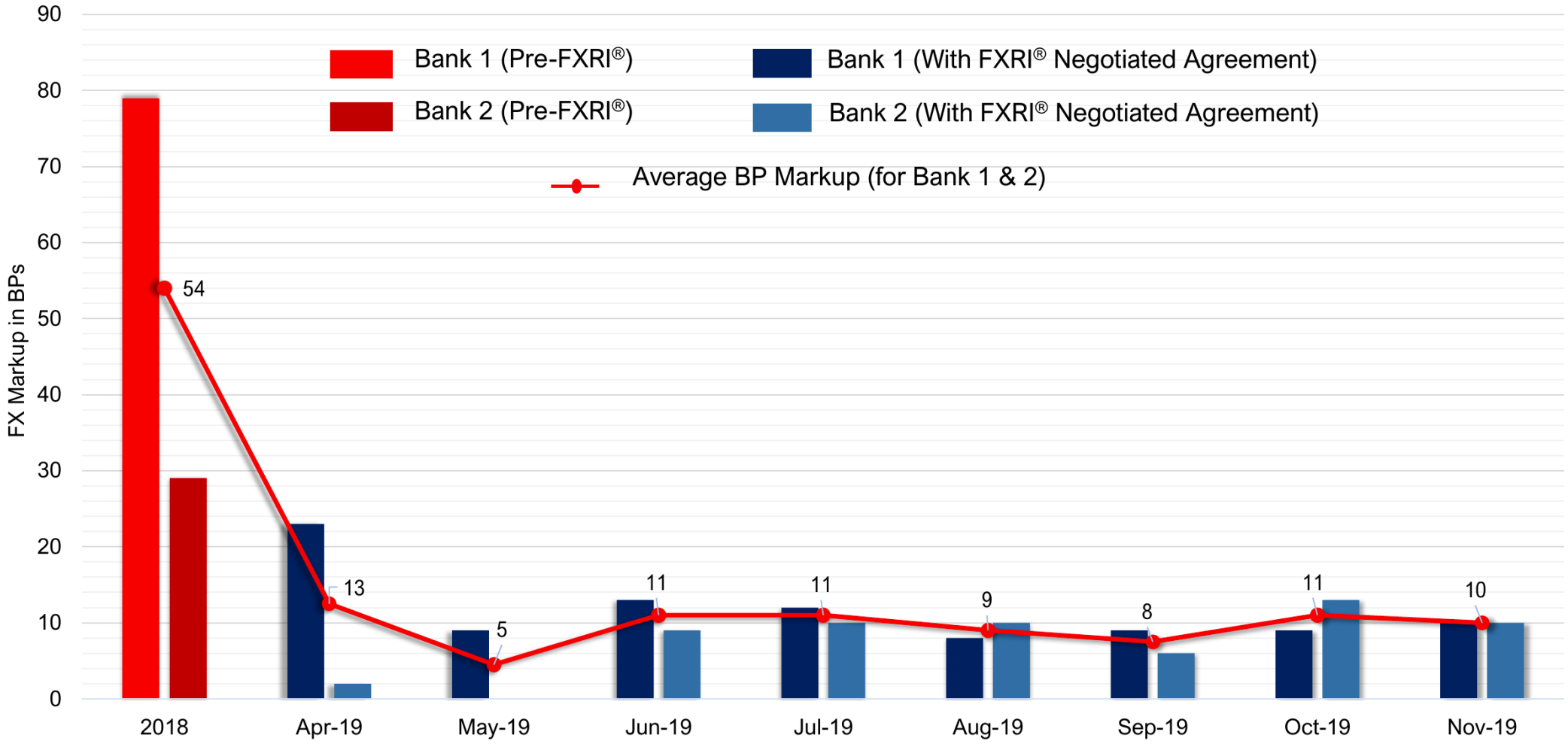
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CASE STUDIES

Three reviews, three scales — and what changed after each one.

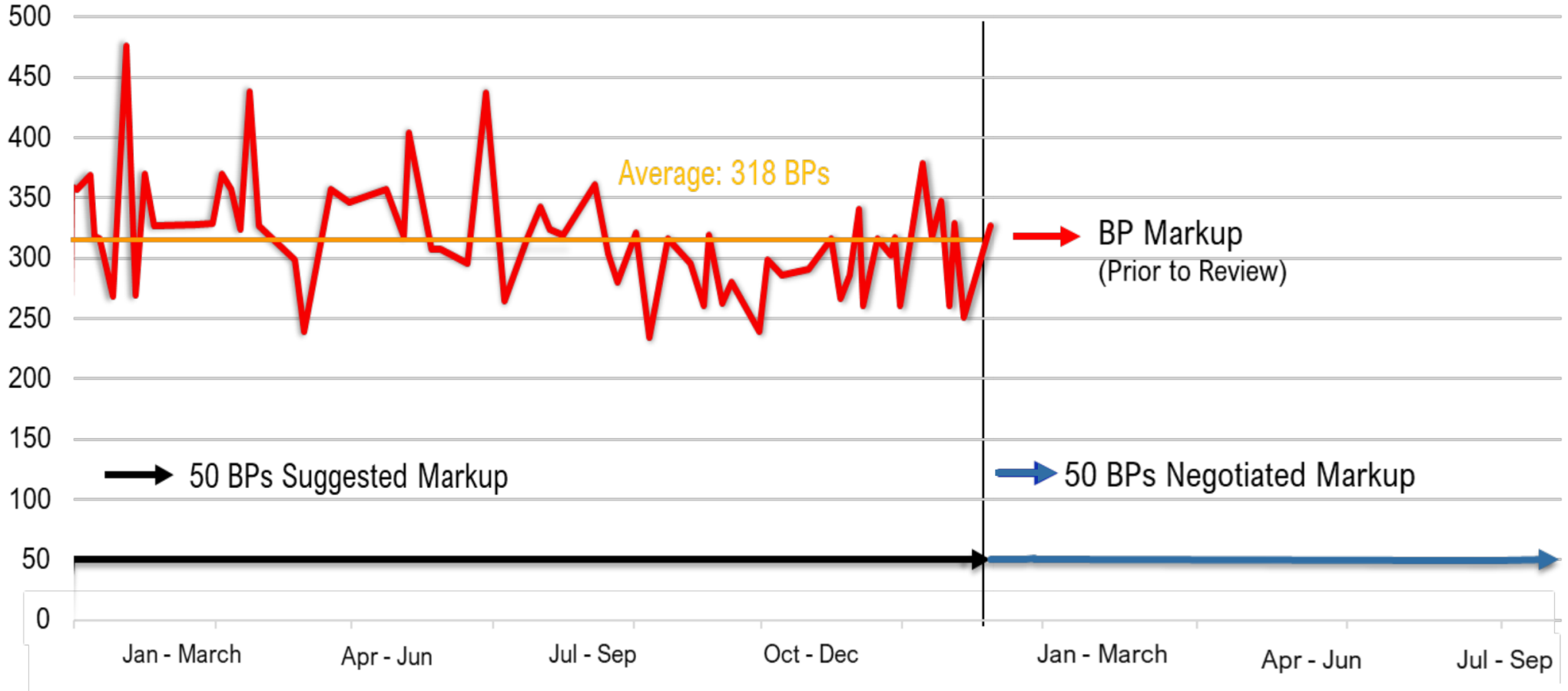
CASE STUDY 1

GLOBAL ENGINEERING



CASE STUDY 2

TRANSPORTATION COMPANY (MIDDLE MARKET)

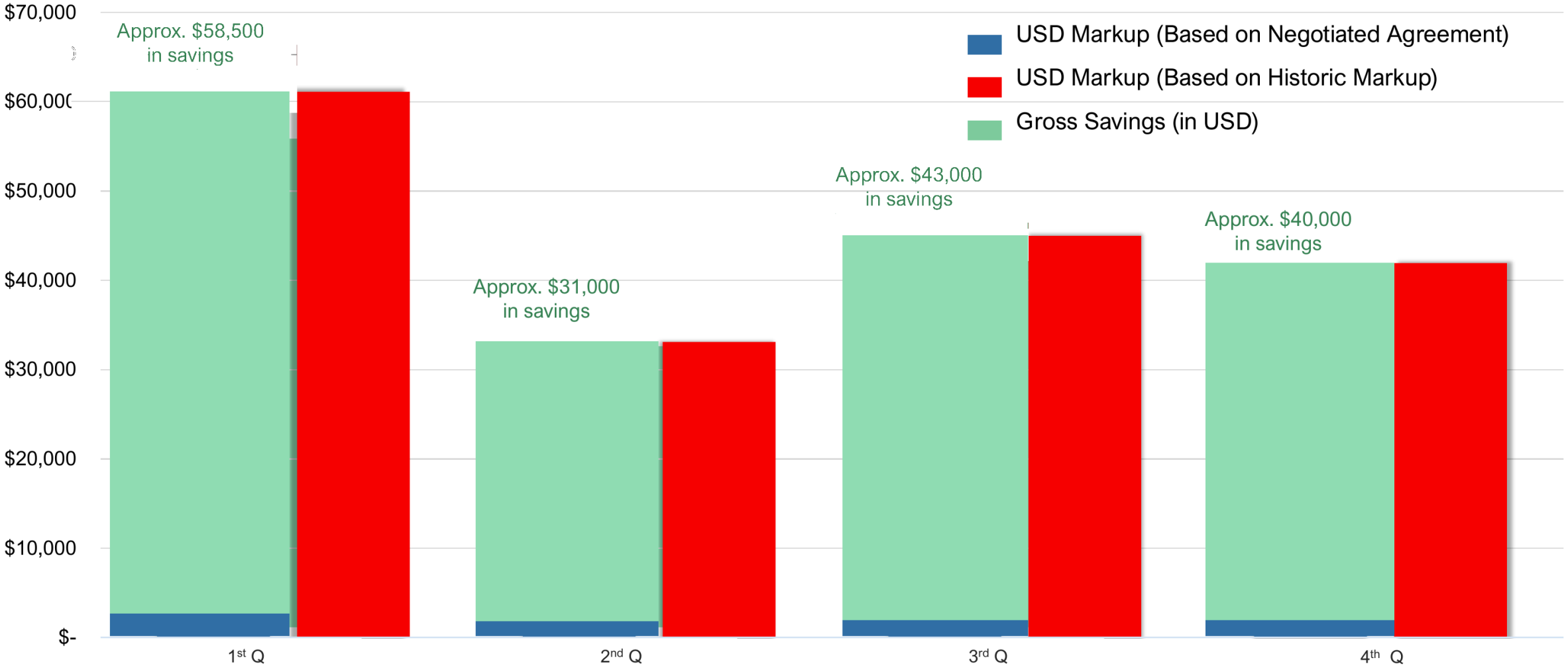


Prior to a **Foreign Exchange Rate Integrity®** Review

After a **Foreign Exchange Rate Integrity®** Review

CASE STUDY 3

GLOBAL CHEMICAL (95% SAVE)



IN CONCLUSION

We see FX Markups going lower, influenced by the following factors.

1. **Competition for FX Flows**

2. **Advances in Technology, Artificial Intelligence and Data Analytics**

3. **Innovations in Pricing such as Pre-Agreed Spreads, Integrity, and Compliance.**



If you are involved in FX,
we believe you are wise to pursue
FX Rate Integrity®



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FOREIGN EXCHANGE RATE INTEGRITY® — STANDARDS & REPRESENTATIONS

- BII uses the latest technology and multiple leading market data services to determine, by back testing, the Foreign Exchange interbank market rates on client trades.
- BII relies on the client submission of FX trade data including date, time stamp, and time zone information. There is a reliance on the quality of the data and time stamp provided.
- It is the policy of BII to sanitize any data submitted by the user and by third parties such that sensitive data — including but not limited to account numbers and payee identifying information — is removed.
- Recommendations are based on the quantitative review of the markups, FX market conditions, comparable trading, and a customized review of the qualitative aspects of bank relationships.
- We will discuss and review all FX Rate Integrity® results and encourage questions regarding the data. If requested, documentary support for specific trades and our composite views and calculations can be provided.