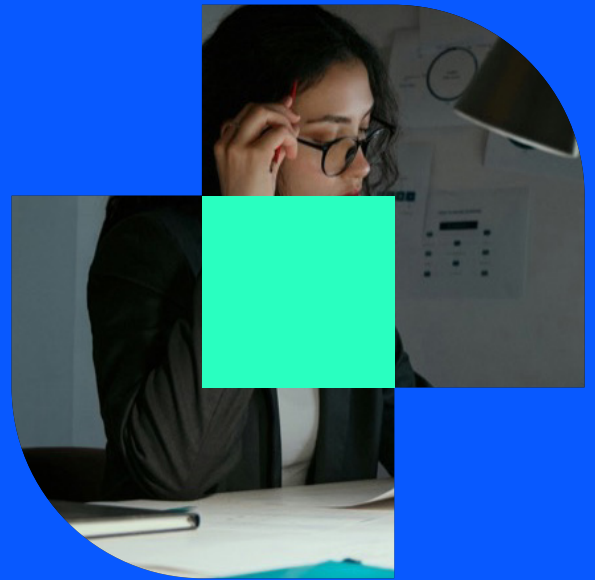


Use Case

Cash Accounts

SOLUTION

Smart Reconciliations



Cash reconciliation is the process of comparing a bank's internal ledger entries with the official statements received from its correspondent bank for Nostro accounts. This is required for a range of scenarios, including foreign currency accounts a bank holds abroad to support international payments, settlements, and FX transactions currency accounts a bank holds abroad to support international payments, settlements, and FX transactions. It ensures that every debit, credit, and balance in the bank's internal systems matches what the correspondent bank reports, giving the institution an accurate view of its real cash position across currencies and geographies.

Challenges

Nostro and cash reconciliation incorporates a range of data sources, where banks operate in an environment where statements arrive in multiple formats (SWIFT MT940/950, CAMT, proprietary files), and internal systems often fail to align cleanly with correspondent data.

High dependence on manual matching and spreadsheets slows investigation, increases error rates, drives operational risk, and obscures true cash positions.

This not only leads to mismatches, unallocated funds, trapped liquidity, overdrafts, settlement delays, and broader financial exposure, it also makes it difficult for firms to understand the true economic impact of breaks.

Without enriched balance information or visibility into value date related interest effects, institutions risk hidden revenue leakage, missed claims, and avoidable overdraft costs, date related interest effects, institutions.

They also increase the chance of preventable losses, from interest penalties and funding shortfalls to inaccurate cash forecasting and break resolution delays that escalate into disputes or write offs. Without detecting value date and interest related discrepancies, organisations cannot quantify exposure or recoverable amounts. Without detecting value date and interest related discrepancies, organisations cannot quantify exposure or recoverable amounts.



The Accelerating Forces

Transaction volumes: FX settlements, and cross border payment flows continue to grow, while ISO 20022 adoption expands data complexity.

Regulators expect timely, documented, and auditable reconciliation due to the material risk Nostro accounts pose to liquidity, capital, and compliance reporting.

Growing fraud and increasingly complex payment flows are putting pressure on banks: without automation and real time visibility, institutions face operational incidents, reporting inaccuracies, and heightened fraud and AML scrutiny, especially as cross border volumes rise, and ISO 20022 expands data complexity.

Solution

A Cash reconciliation solution automates the ingestion of correspondent bank statements, standardises and normalises internal and external data, and applies intelligent matching logic across cash movements. Breaks are identified instantly, routed through governed workflows, and tracked with complete auditability. Realtime dashboards provide clear visibility of reconciled and unreconciled balances, currency positions, and expected vs. actual cash movements, supporting smarter liquidity and settlement decisions.

Advanced solutions can also enrich underlying cash data with value adjusted balances, overdraft interest calculations, and value date-based gains or losses. This provides a more accurate representation of the institution's economic position, not just ledger figures, and helps identify recoverable interest, avoid unnecessary charges, and support the claims process with correspondent banks.

Recording and maintaining full point-in-time historical proofs for every reconciliation cycle, teams and auditors have instant access to past balances, adjustments, exceptions, and rationales. This accelerates investigations, strengthens audit readiness, enhances transparency, and improves both operational control and stakeholder confidence across the reconciliation lifecycle.

Benefits

- ✓ **Real time visibility of true cash positions**, enabling better liquidity, funding, and FX settlement decisions.
- ✓ **Reduced operational risk** by automatically identifying missing entries, value date mismatches, unexpected charges, and settlement delays.
- ✓ **Advanced economic insights**, including value-adjusted balances and interest-impact analysis, supporting claims handling and revenue protection.
- ✓ **Lower financial exposure**, helping prevent overdrafts, payment failures, trapped liquidity, and high value operational losses.
- ✓ **Audit ready compliance** through complete action trails, maker/checker controls, and timely, documented reconciliation aligned to regulatory expectations.
- ✓ **Greater operational efficiency**, replacing manual spreadsheets with automated matching, prioritised investigations, and streamlined workflows across treasury, payments, and operations teams.
- ✓ **Scalability across accounts, volumes, and currencies**, supporting expansion into new markets and faster settlement environments.

Next steps

To discover how Smartstream can help you eliminate three way confirmation breaks and reduce settlement risk with real time control, [request a demo](#) or contact our team at [smart.stream](mailto:sales@smart.stream)



About Smartstream

For more information visit:
smart.stream

Smartstream unlocks trusted, intelligent data insights – clearly, consistently, and without compromise.

Empowering leading global financial institutions and enterprises with innovative solutions that deliver accurate, timely data insights to streamline operations, reduce costs, and meet regulatory demands with confidence.

By harnessing data at the core of customer operations, Smartstream drives smarter, faster outcomes across reconciliations, liquidity, collateral, corporate actions, fees, and reference data solutions.