



# **Improve your decision-making in Correspondent Banking using SWIFT Business Intelligence**

**September 2011**

# Correspondent Banking in the spotlight

One of our key strategic thrusts for the next five years is to help YOU reinvent the **correspondent banking business for the 21st century**



Payments



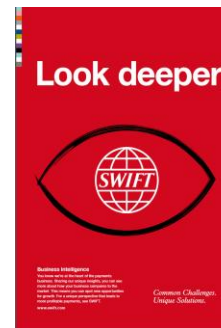
Mobile



Liquidity Risk



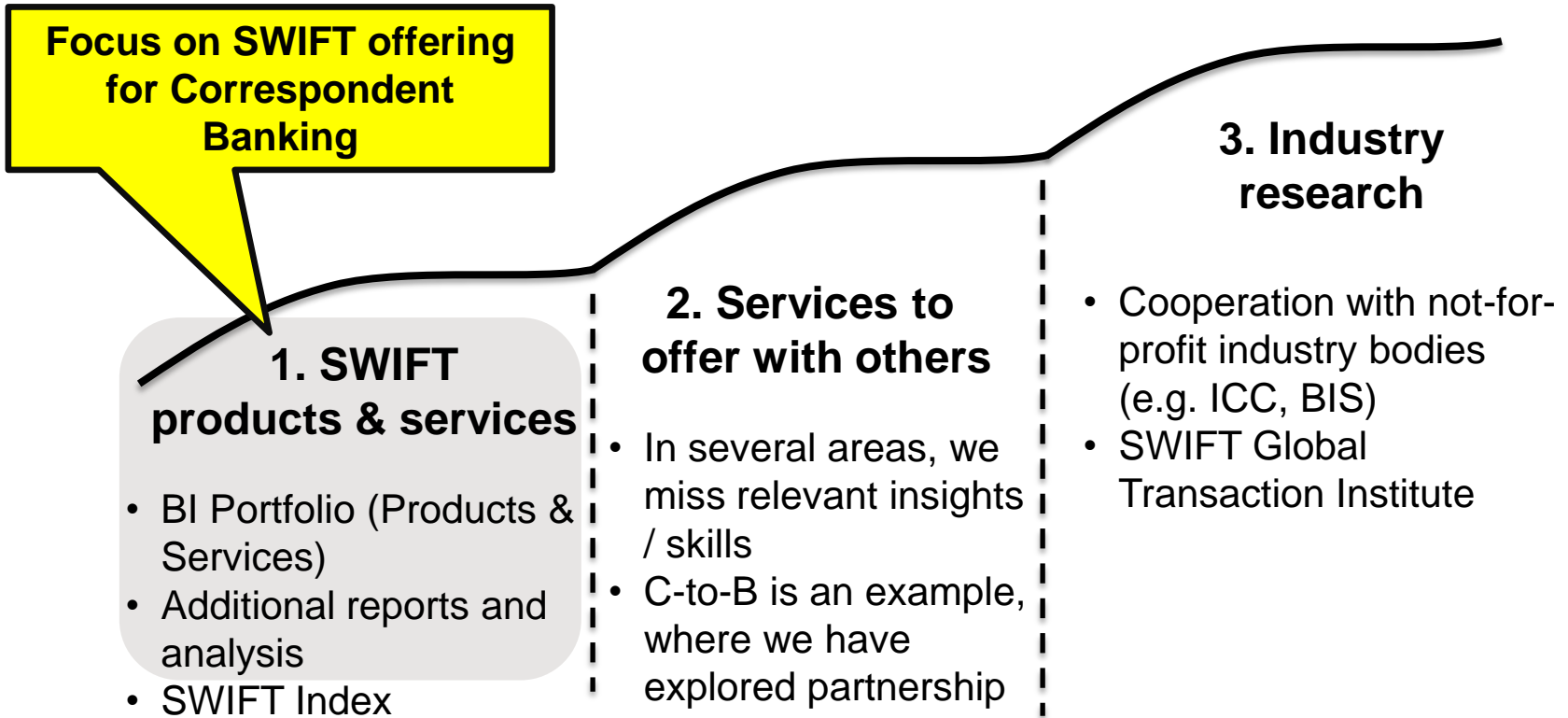
Ready for RMB?



Business Intelligence



# Business Intelligence: landscape & benefits



# Need for Business Intelligence in Correspondent Banking



Product &  
Market strategy



Performance  
Monitoring



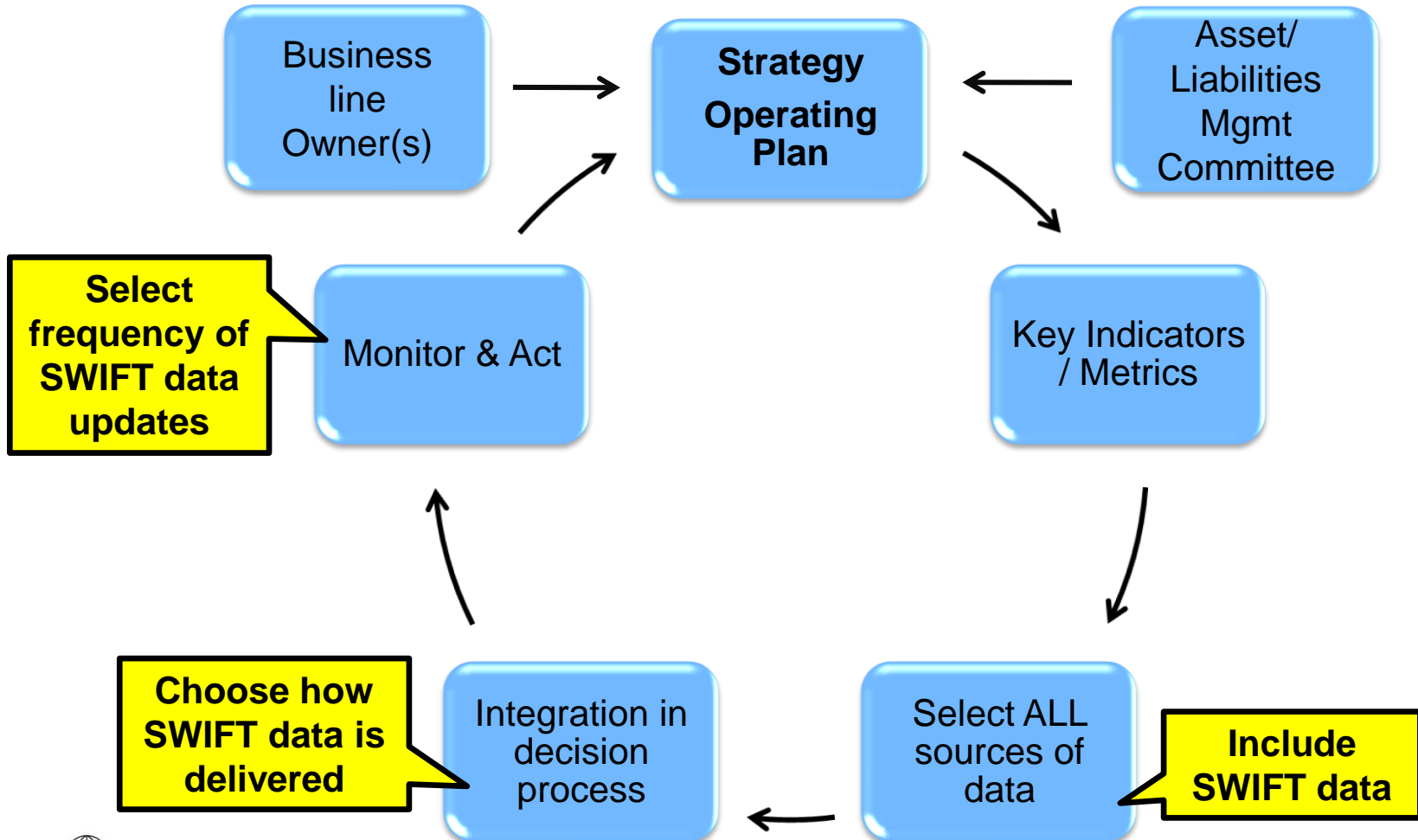
Risk &  
Compliance



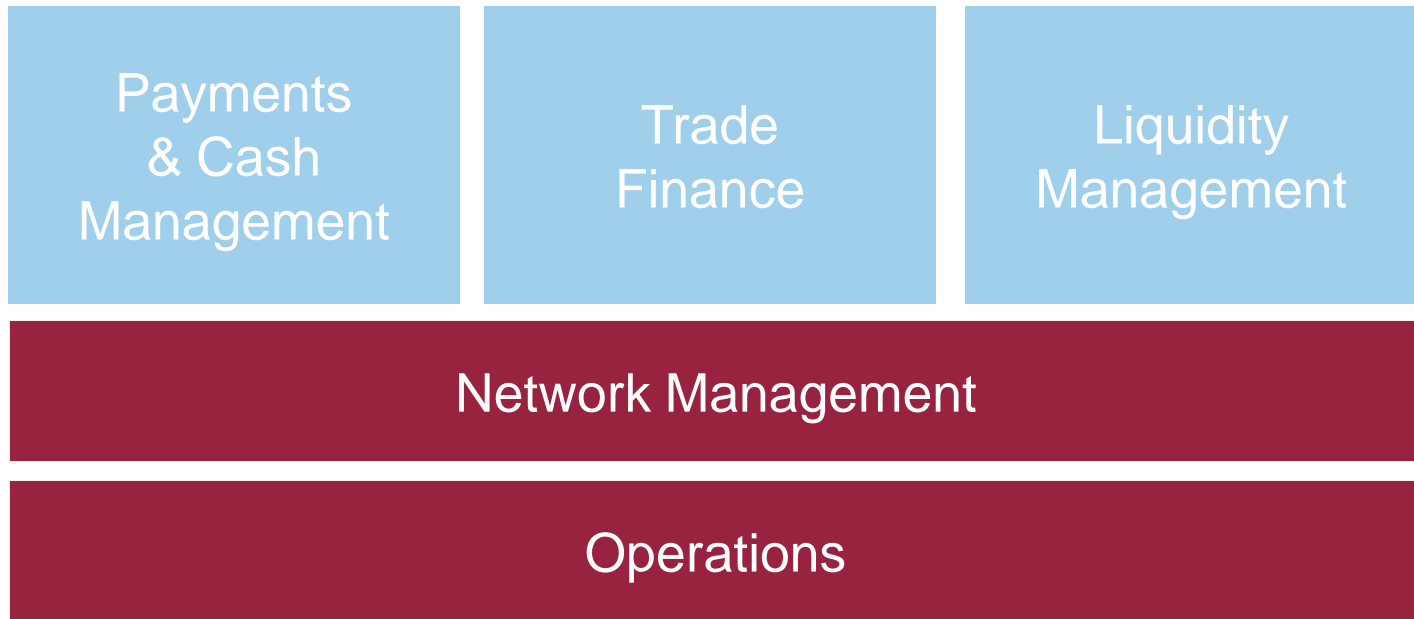
Regulatory  
Reporting



# SWIFT Business Intelligence in your decision cycle



# SWIFT Business Intelligence covers all Correspondent Banking activities



Data provided covers your institution, market total and **market share** and, it can include **peer comparison**



# SWIFT's BI arms you to take the best decision for your Correspondent Banking business

Develop your  
portfolio and  
footprint

Monitor your  
counterpart  
exposure

Improve your  
messaging  
efficiency and  
quality

Multiple angles and dynamicity

- Messaging volume / values
- Top countries
- Top currencies
- Market / peer comparison

**Grow market  
share!**

- Top correspondents
- Concentration
- Reciprocity
- Risky countries

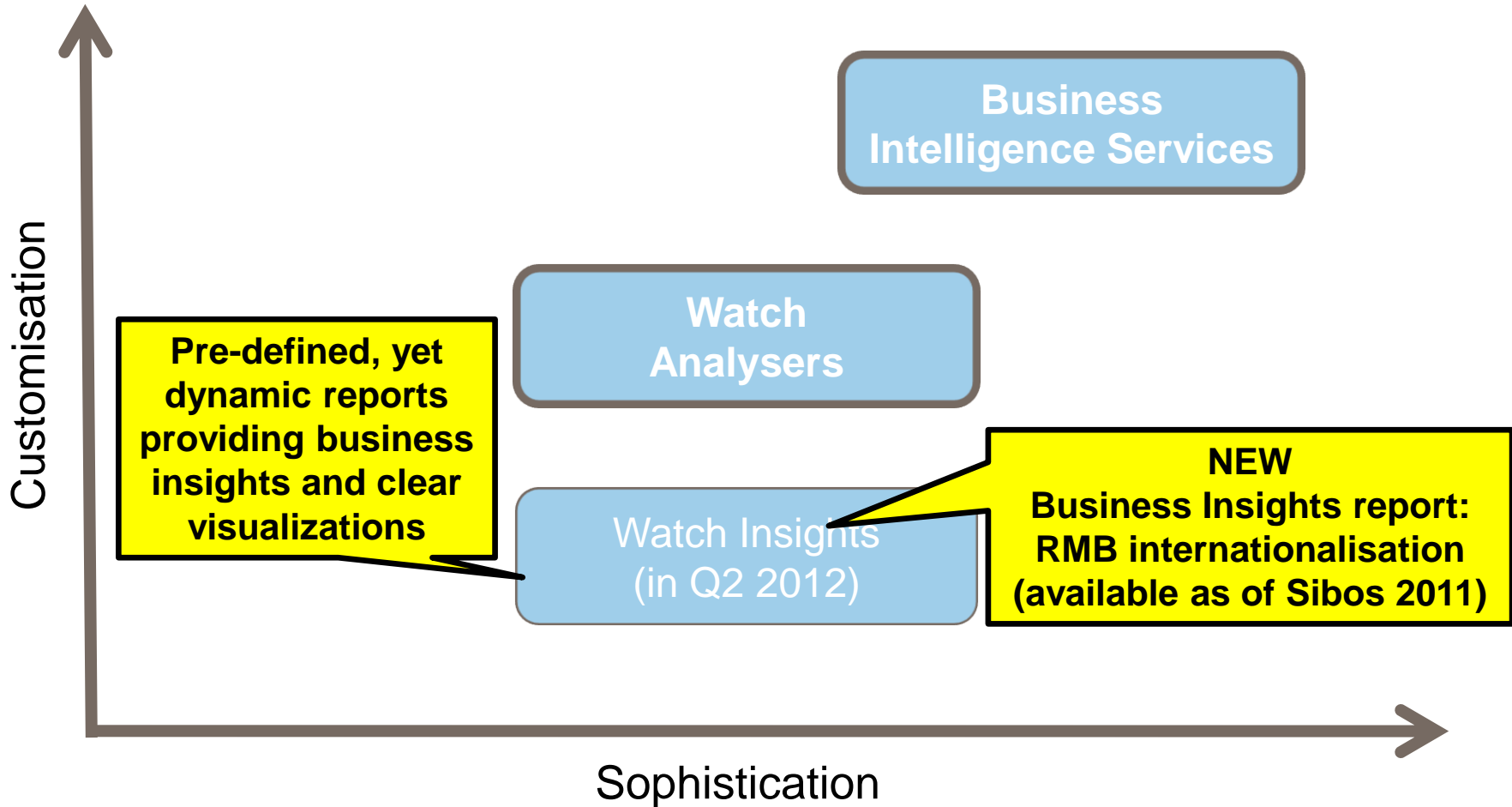
**Decrease risk  
exposure!**

- Serial / cover
- Message delivery
- Free / structured text
- Market / peer comparison

**Reduce  
costs!**



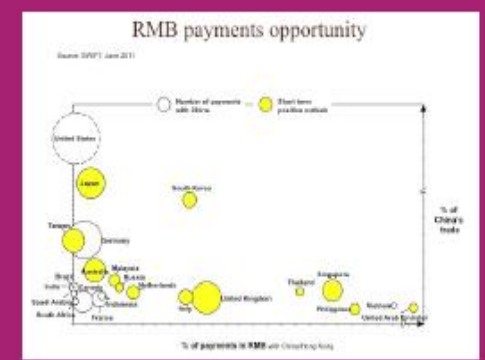
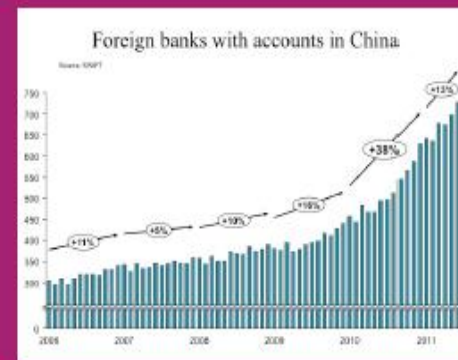
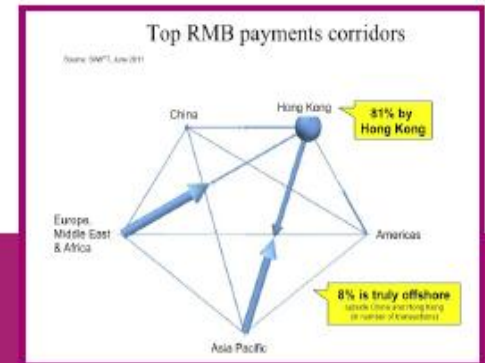
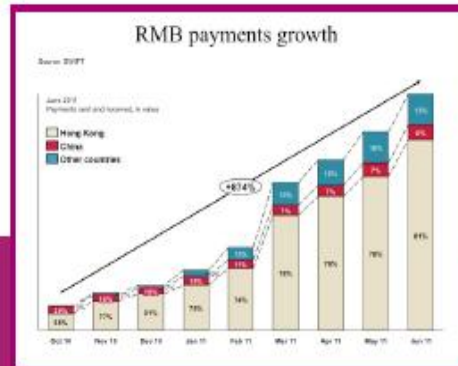
# SWIFT's current BI portfolio for Correspondent Banking



# Business Insight Report: RMB internationalization (available as of Sibos 2011)

Complementing a White Paper on the same subject, this 40-page report provides **key business insights into the internationalisation of the Chinese Renminbi (RMB), based on financial transactions going over SWIFT**, including:

- 1) Insights into recent developments of the RMB as currency, activity by financial institutions and countries, and transaction evolution and corridors by market;
- 2) Identification and priority of opportunities for business development in RMB payments;
- 3) 21 tables with detailed monthly transaction data that can be used by a financial institution to calculate its market share in financial RMB transactions.



# Watch Analyzers

Watch Analysers (Traffic and Market) provide on-line and direct access to a **playground of data covering payments, securities, trade and treasury.**

This portfolio has recently been extended with a new analyser, called **Value Analyser**, allowing financial institutions to delve into the message content to understand the true value behind the transactional activity and analyse currency flows.



Watch Value Analyser

Period: January 2008 - July 2010

EUR - Euro All Periods All Months Payments All BICs All Environments All Geographical Routes All Customer Routes Belgium All Functions All Transaction Types MEASURES

# Messages Sent as values	2008	2009	2010	All Periods
EUR - Euro				
DEABBE8R - Demo BIC8 name AB of BE	1,949	2,092	2,236	6,277
DEABE22 - Demo BIC8 name BA of BE	7,657	8,022	8,542	24,221
DEABE3X - Demo BIC8 name BA of BE	3,846	3,958	4,115	11,919
DEABEBB - Demo BIC8 name BA of BE	12,611	13,276	13,980	39,867
DEBNBEBB - Demo BIC8 name BN of BE	26,183	27,629	29,001	82,813
DEBYBEBB - Demo BIC8 name BY of BE	7,295	7,747	7,975	23,017
DECI8BERX - Demo BIC8 name CI of BE	253	264	275	792
DECOBERX - Demo BIC8 name CO of BE	2,501	2,645	2,771	7,917
DEDEBEBB - Demo BIC8 name DE of BE	33,505	35,521	37,431	106,457
DEDEBEBE - Demo BIC8 name DE of BE	1,244	1,339	1,393	3,976
DEEUBEBE - Demo BIC8 name EU of BE	0	0	0	0
DEFIBF22 - Demo BIC8 name FI of BE	4,121	4,256	4,388	12,765
DEFOBEBB - Demo BIC8 name FO of BE	83,469	87,246	91,524	262,239
DEHSBEBB - Demo BIC8 name HS of BE	0	0	0	0
DEINBEBB - Demo BIC8 name IN of BE	77,943	82,009	85,586	245,538
DEJPBEBB - Demo BIC8 name JP of BE	2	2	2	6
DEKBBE22 - Demo BIC8 name KB of BE	4,201	4,356	4,505	13,062
DEKBBE85 - Demo BIC8 name KB of BE	0	0	0	0
DEKBBEBB - Demo BIC8 name KB of BE	25,678	27,025	28,465	81,168
DELLBEBB - Demo BIC8 name LL of BE	181	184	198	563
DERABE22 - Demo BIC8 name RA of BE	0	0	0	0
DESOBEB2 - Demo BIC8 name SO of BE	308	314	331	953
DESTBF2X - Demo BIC8 name ST of BE	0	0	0	0
DETHBEBB - Demo BIC8 name TH of BE	0	0	0	0
Belgium	292,947	307,885	322,718	923,550
EUR - Euro	292,947	307,885	322,718	923,550

Playground of data with filters or drag/drop options



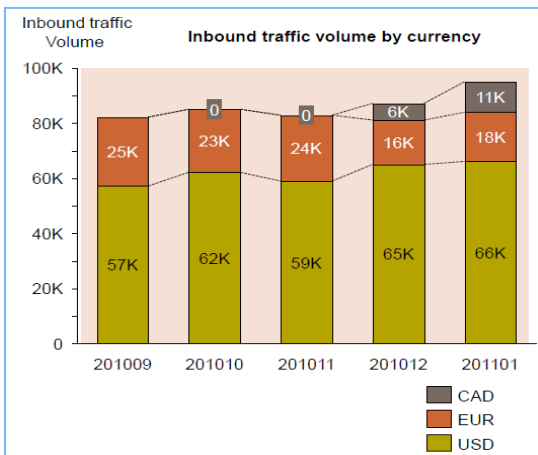
# Watch Value Analyser

## Example: Develop your portfolio and footprint

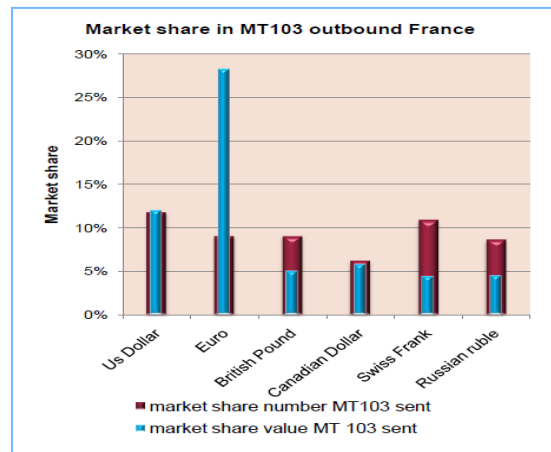
### Business Insights:

- What is the evolution of messages sent and received? Compared to market/peers?
- What is the average value of the payments? Compared to market/peers?
- What is the evolution of cash reporting messages sent and received? Compared to market/peers?
- Do you get the required visibility on Nostro accounts? What do you provide on Vostro accounts?
- In which countries do you have a strong or weak position? What about your peers?
- Should you set up different business models for 'developed' countries versus 'emerging' markets?
- Which Subsidiary/branch is far below the targets?
- Any currency getting new traction?

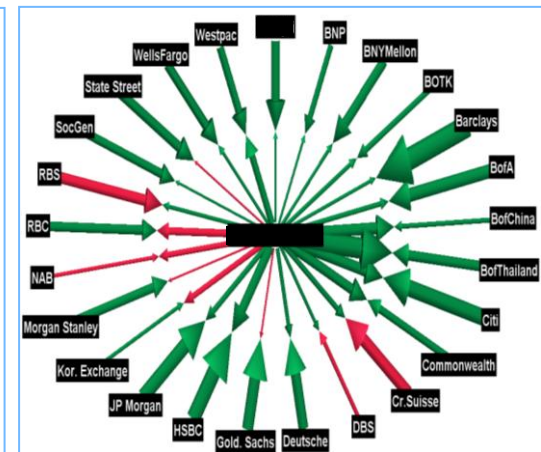
**Inbound traffic growth from one country**



**Market share based on currency usage per value/volume**



**Top 25 counterparties with period comparison**



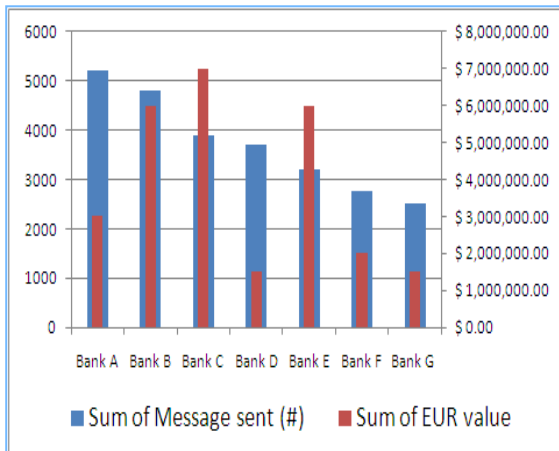
# Watch Value Analyser

## Example: Reduce your risk exposure

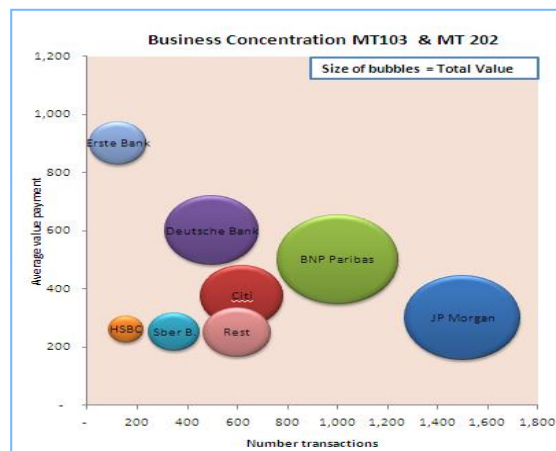
### Business Insights:

- Who are your top correspondents? How much of your traffic goes through them?
- What are your volumes and values (currency) per message type (Cat 1, 2, 4, 7 and 9)?
- Are your payments sent/received being channeled through your preferred partners?
- Which relationships are growing in line, above or below business expectations?
- What are the reciprocity gaps in volume/value?
- With which counterparts do you have the highest concentration? Are some banks a risk?
- Should the traffic be routed to selective counterparts? Rationalization or expansion?
- With which correspondents do you have or do you miss regular reporting messages (cat 9)?
- Which main currencies are used? What does it mean in terms of liquidity buffer?

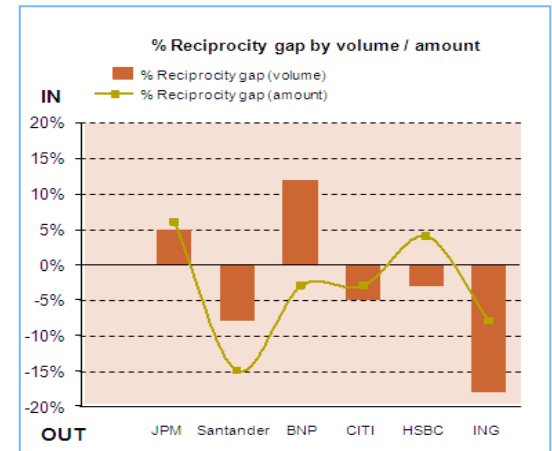
**Top correspondents for customer payments**



**Business concentration (average value) with counterparts**



**Reciprocity gap in volume and value**



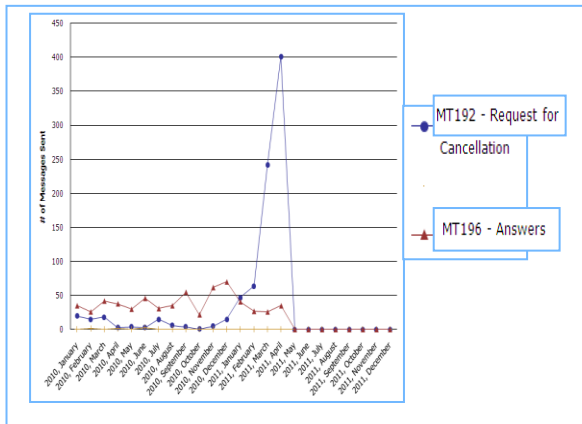
# Watch Volume Analyser

## Example: Improve your efficiency and quality

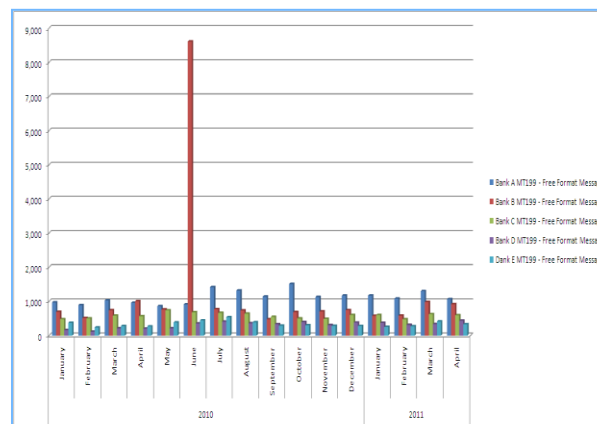
### Business Insights:

- What is the evolution of non structured messages flows (MT19X, MT29X)?
- How much free text format do we use (MTX99) versus market or peers?
- Should this switch to other MTs?
- What is the quality of your counterparts data?
- How good are your transactions versus the Market? Or your peers?
- Which counterparts ratio of errors is higher? Should the relationship end?
- Are you getting the correct messages for the transactions (MT202 vs. MT202 cov)?
- When should you serialize payments when should we use COV?
- How many non delivery messages do you get (based on delivery status: nacked, duplicate)?

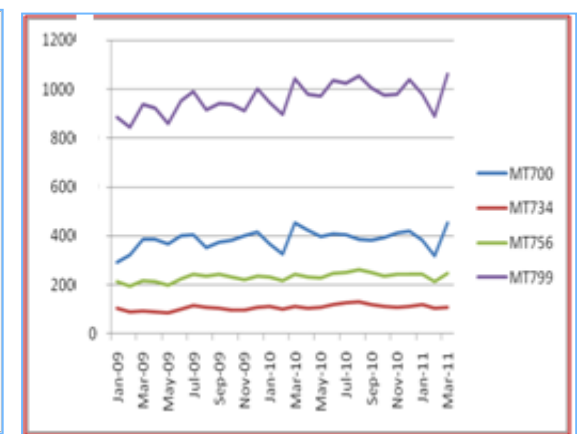
Evolution of the requests for cancellation and answers to queries



Evolution of MT 199 with our Top 5 correspondents



Evolution of specific MTs (ex. 707, 734, 756, 798 and 799)



# Business Intelligence Services

Business Intelligence Services provide **reports and views customised to your specific businesses needs and, insights beyond the standard Watch Analysers**, as an example macro-economic comparisons according to GDP or international trade.

Also, **BI Services offers Peer to Peer competitive analysis studies** that will provide you with further insights on market trends and how your peers are leveraging SWIFT

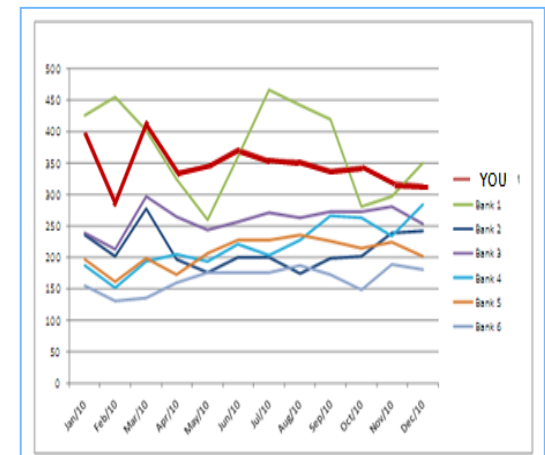
## Customised benchmarking:

- ✓ Client defined list of peers
- ✓ Client defined traffic to be benchmarked
- ✓ Client defined granularity for market specific views

## Peer comparisons in a further drill-down can provide:

- ✓ Traffic growth trends
- ✓ Identify market share
- ✓ Determine correspondent reach and depth
- ✓ Provide message ratio comparisons

## Peer benchmarking on one corridor on the ratio open account vs. Trade Finance instruments



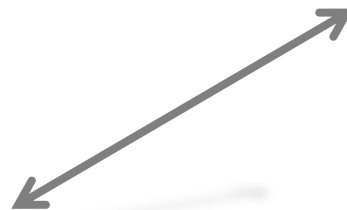
# Moving up the value chain – Data & Insights

What's in the plan...



## Value Analyser 2.0

- MI versus non-MI
- Currency conversion



## “Watch Insights” dynamic reports (Q2 2012)

Meaningful Business Insights and Clear Visualizations.

Monthly pulse on major trends in your CB business.

## BI Services (available now)

Beyond Watch Analytics and Watch Insights; Fully customized/sophisticated offering to meet customer strategic and tactical needs.

# “Watch Insights” - Offering

## Watch Insights (Volume, Value and Currency)

- Pre-defined, yet dynamic reports
- Providing a **specific business scope**
- Using **business terms**
- Clear (**visual**) insights
- **Make it easy**
- Intuitive and user-friendly
- Monthly updates
- Focus on getting insights rather than collecting data



## A first focus... bring value to Correspondent Banking

- Grow / maintain your market share (in Payments & Cash Management and/or Trade Finance)
- Monitor / reduce counterparty exposure
- Improve messaging efficiency / quality

# More information

- **Order Watch:** [http://www.swift.com/business\\_intelligence/our\\_solution](http://www.swift.com/business_intelligence/our_solution)
- **SWIFT BI Champions:**
  - AMERICAS: Mathieu Cattafesta ([mathieu.cattafesta@swift.com](mailto:mathieu.cattafesta@swift.com))
  - ASIA-PACIFIC: Eric Yang ([eric.yang@swift.com](mailto:eric.yang@swift.com))
  - EMEA: Damien Dugauquier ([damien.dugauquier@swift.com](mailto:damien.dugauquier@swift.com))
- **SWIFT Marketing Experts:**
  - Watch Product Manager: Bart Claeys ([bart.claeys@swift.com](mailto:bart.claeys@swift.com))
  - Correspondent Banking Market Manager: Astrid Thorsen ([astrid.thorsen@swift.com](mailto:astrid.thorsen@swift.com))

