



Liquidity management

*Avoiding the severe implications
when lacking control over it*

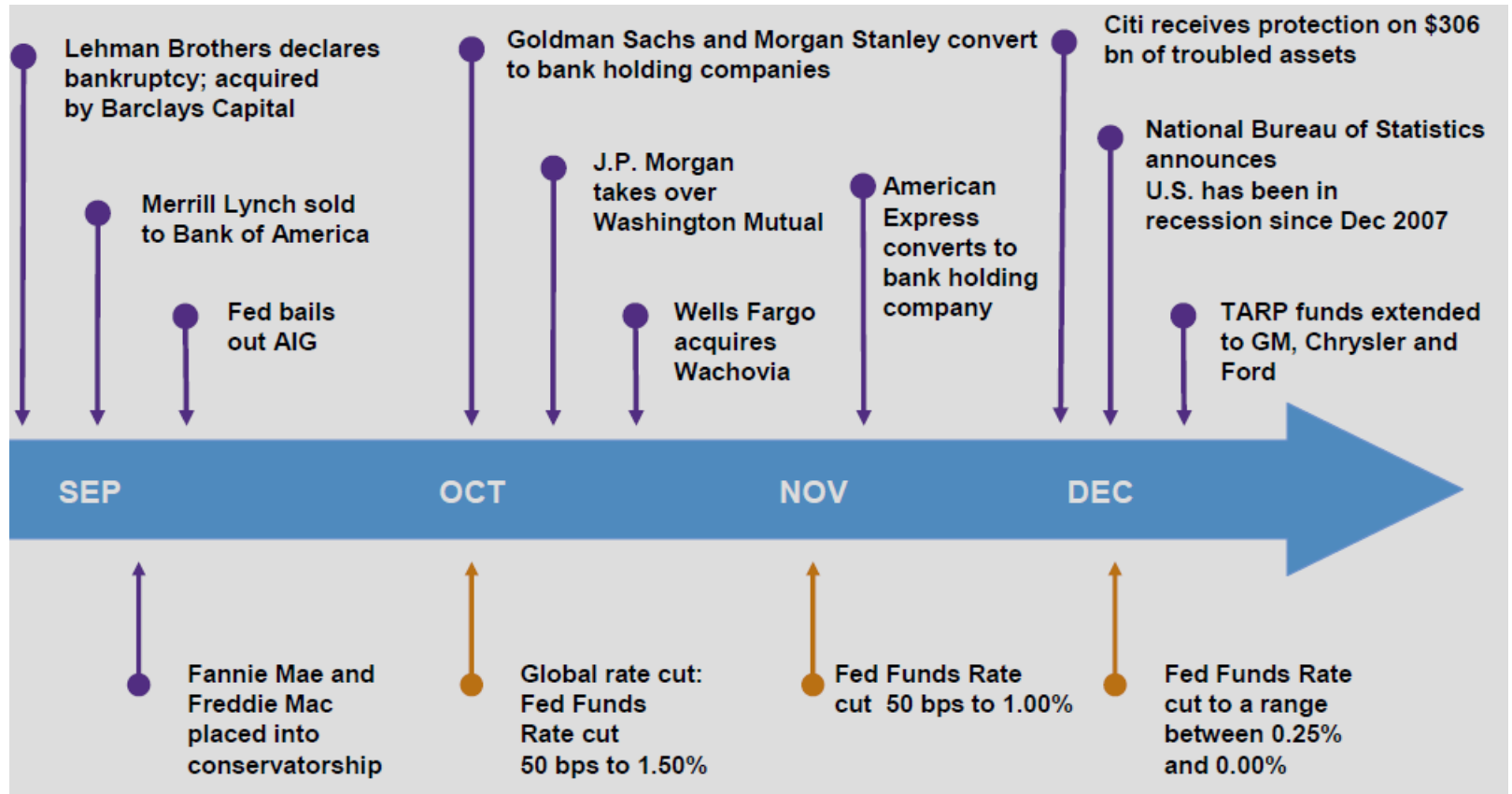
Q4 2009

Agenda

- Your challenges, our solution
- The SWIFT liquidity management solution
- Your project
- More information



Remember the crisis in 2008



Source: J.P.Morgan at Sibos 2009, Hong Kong



More regulation is expected

Global

- **Principles for Sound Liquidity Risk Management and Supervision** - Basel Committee on Banking Supervision (BCBS) of the Bank for International Settlements (BIS) – September 2008

EMEA

- **Advice on Liquidity Risk Management** - Committee of European Banking Supervisors (CEBS) – September 2008
- **Strengthening liquidity standards** - Financial Services Authority (FSA) - June 2009

Americas

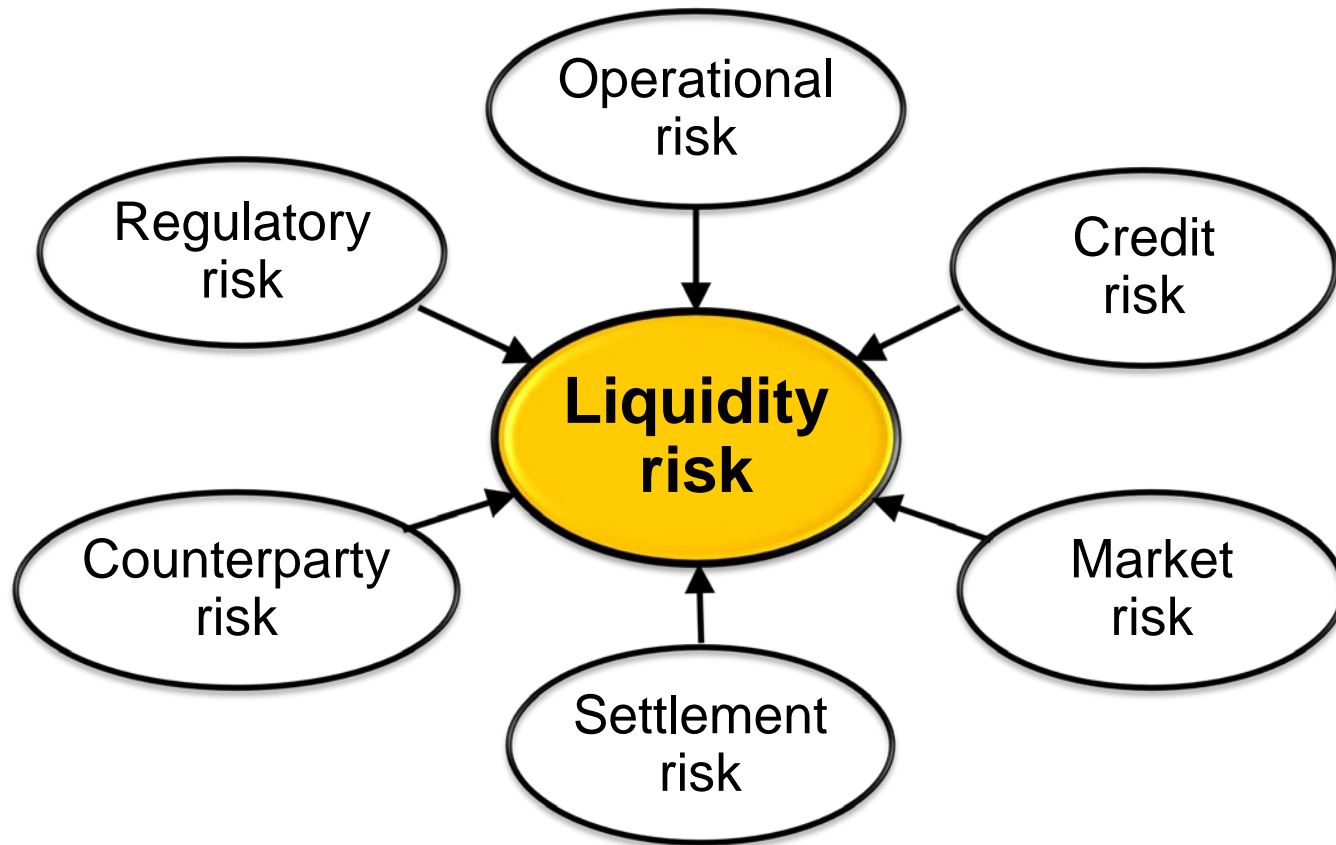
- **Federal Register / Vol. 74, No. 127**: Consultation on proposed guidance on funding and liquidity risk management - US regulators – July 2009
- **Financial Regulatory Reform** - Department of the Treasury – June 2009

Asia Pacific

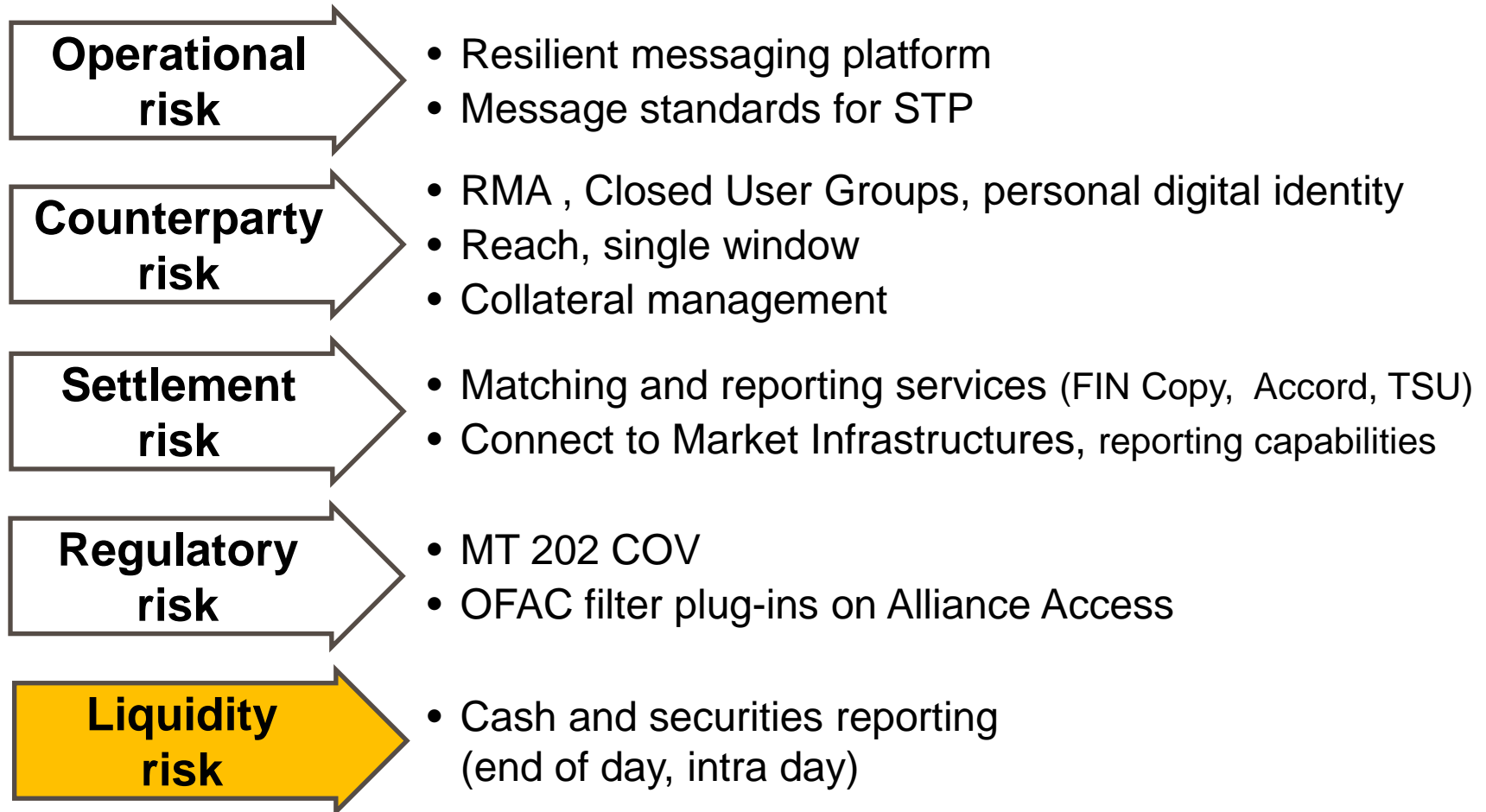
- **Guidelines on risk management practices** - Monetary Authority of Singapore (MAS) – February 2006
- Review of liquidity regime - Hong Kong Monetary Authority, June 2009



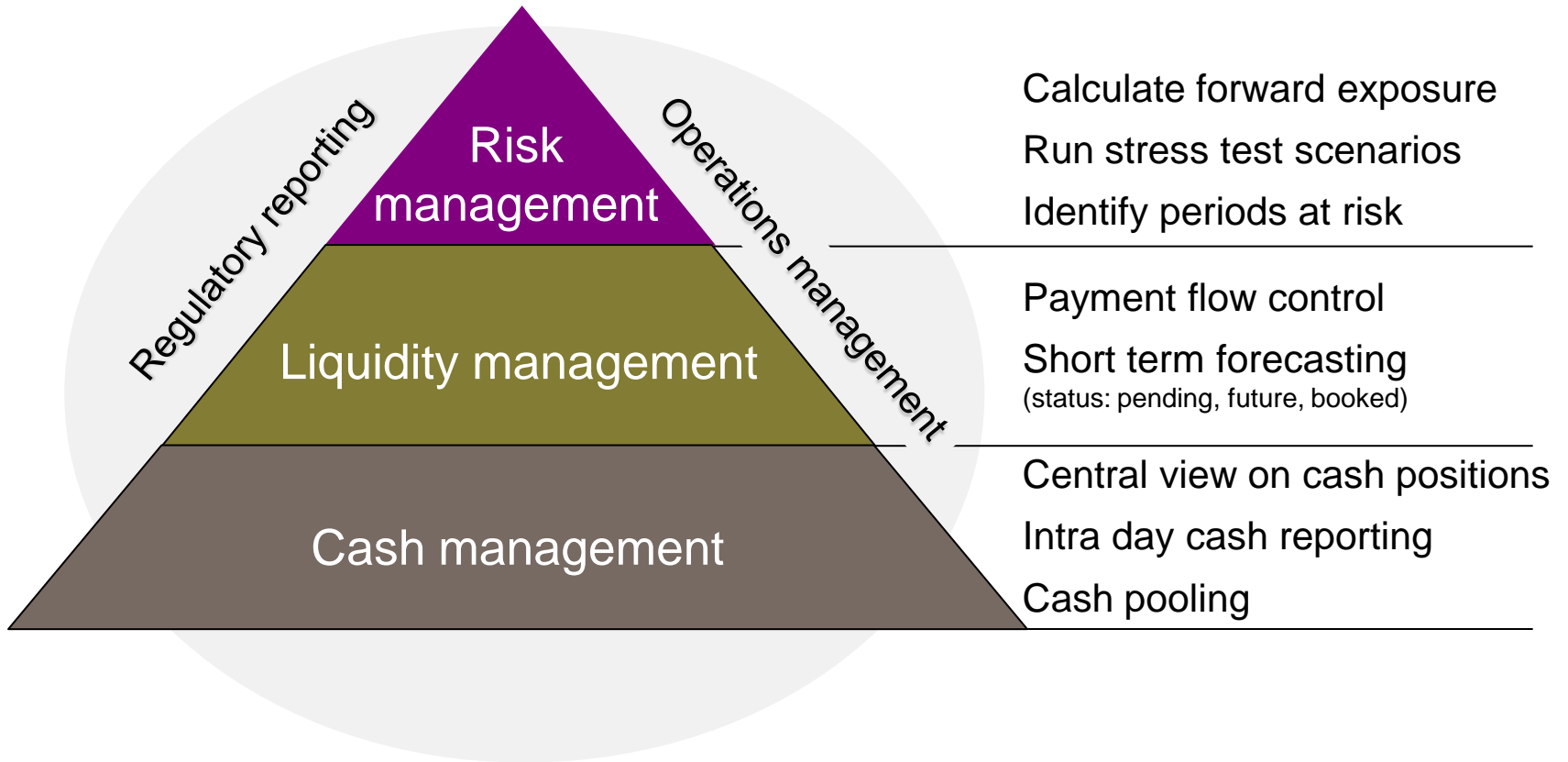
Liquidity risk is now at the forefront



SWIFT's solutions to address risk

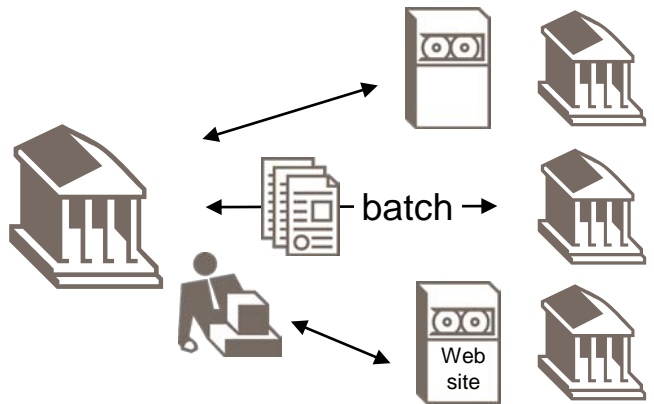


Liquidity management value pyramid



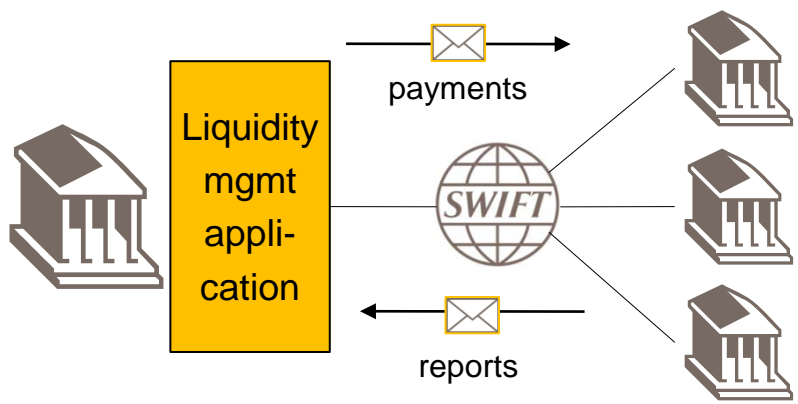
SWIFT's liquidity management solution

Today



- Many disparate systems
- Manual process
- Information mainly in batch
- Lack of consolidated view

SWIFT



- Single channel
- Structured, granular, timely data
- Feed liquidity / risk applications
- Central view on liquidity

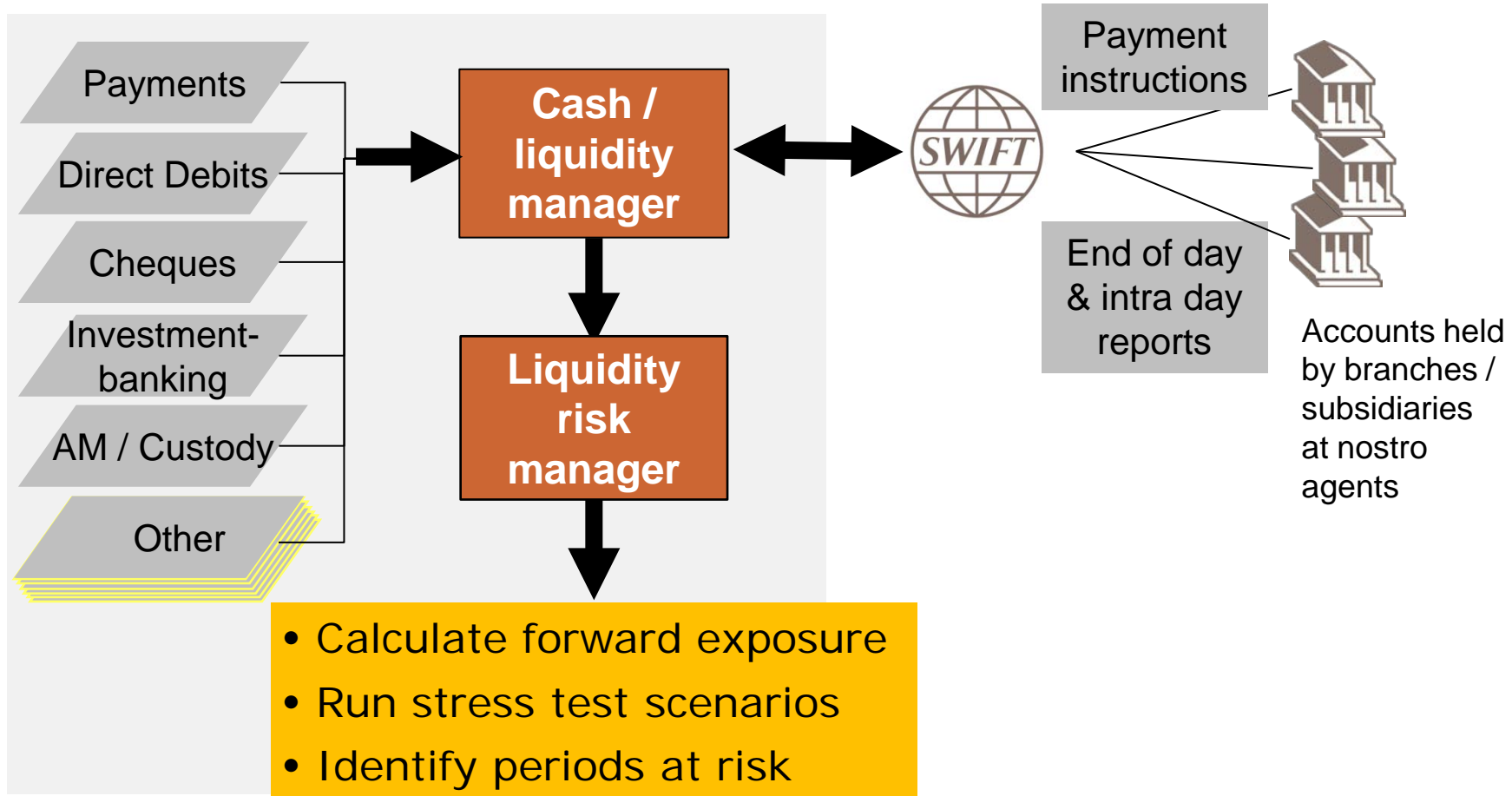


A complete set of reports

	End of day		Intra day		
MT	MT 940 Customer statement Multiple transactions Opening and closing balance Statement line	MT 950 Statement Multiple transactions Opening and closing balance Statement line	MT 900 Confirmation of debit Single transaction No balance Related reference Ordering institution	MT 910 Confirmation of credit Single transaction No balance Related reference Ordering institution	MT 942 Interim transaction report Multiple transactions No balance Statement line
	Statement (camt.053)		Debit / Credit Notification (camt.054)		Account Report (camt.052)
MX	Structured and granular data in XML 100% of cash movements reported Rulebook for service delivery SLAs (optional) Store and forward / real-time data delivery				



Risk management



Evolving SWIFT's offering

Standards

- Do current standards cover your needs? Use MX versions?
- Common rulebook around service delivery SLAs?

Messaging

- Receive more frequent and intra-day reports?
- Collect information from each branch or use FINInform to copy reports to head-office?

Software

- More SWIFTReady application vendors?
- Bundle messaging services with liquidity / risk software?

Integration services

- Mainly internal IT staff?
- Role for SWIFT consultancy services?

Community

- Exchange expertise and best practice on swift community.net?
- Facilitate dialogue on collaborative solutions?



Your project

Current situation

payments sent:

statements / reports received:

Methods used to obtain statements / reports:

a)

b)

c)

Applications

- Cash management:
- Liquidity management:
- Liquidity risk management:

Business objective

- Receive intra-day account information, to perform liquidity management
- Put in place liquidity risk management function
- Provide liquidity information to customers, to enhance service and generate new revenue



More info?

- Your SWIFT relationship manager
- www.swift.com
- www.swiftcommunity.net
- swiftforbanks@swift.com

