The SWIFT global payments innovation initiative
The journey so far

December 2015

SWIFT announces Global Payments Innovation (gpi)

Delivering a new standard in cross-border payments.

January 2016

45 leading banks sign up to SWIFT’s innovation initiative

Major banks around the world take action to design customer experiences in cross-border payments.

April 2016

SWIFT kicks off pilot for global payments innovation initiative

7 banks piloting SWIFT’s new initiative to improve cross-border payments.

June 2016

SWIFT’s global payments innovation transforms cross-border payments

More than 70 banks worldwide collaborate to deliver better payments experiences with greater speed, lower costs.

September 2016

SWIFT successfully completes first phase of global payments innovation initiative pilot

Global banks prepare for gpi go-live in early 2017

---
The correspondent banking model is under pressure

Customers and regulators push for better payments service

- End customers increasingly demanding
- Domestic payments going real-time

Banks rationalize their correspondent banking networks

- Regulatory intensity and increasing costs
- Network rationalization

Digital innovators offer new disruptive solutions

- Disintermediation
- Enhanced value proposition
Objective: deliver a better customer payment experience

“Before”
Traditional correspondent banking

1. Slow, can take multiple days
2. Expensive, multiple deducts
3. Secure and compliant
4. No transparency on cost and time
5. Convenient and ubiquitous
6. Open and inclusive (global reach)

“After”

The SWIFT global payments innovation (gpi) initiative

1. Faster (start with “same day”)
2. Higher efficiency & less intermediaries
3. Secure and compliant
4. Transparent, with payments tracking
5. Convenient and ubiquitous
6. Open and inclusive (global reach)

The objective is to first fix these key pain points

Note regarding prices: it will be at the discretion of each SWIFT gpi member to decide the pricing strategy vis-à-vis its customers, including other financial institutions
The SWIFT global payments innovation (gpi) initiative

Delivering the future of cross-border payments

- Proactively respond to evolving customer needs for more speed, transparency and traceability in cross-border payments
- **New multilateral rulebook**, initially focused on business-to-business payments
- Building on the foundation that banks provide in security, resiliency and compliance
- **Delivering real-world innovation**: building on existing platform, embrace new technologies along a strategic roadmap
- **Global reach**, collaborative industry-wide initiative, organised by SWIFT
- **Open model**, participation based on operational quality

- ✓ Fast
- ✓ Transparent
- ✓ Traceable
- ✓ Secure
- ✓ Resilient
- ✓ Compliant
- ✓ Real-world innovation
- ✓ Global reach
- ✓ Open model
SWIFT gpi concept

Messing technologies

Core transaction banks

Accessible by any bank

Still reach non-initiative banks

Reaching any bank

Tracker

Directory

Observer

Value-added product suite

SWIFT gpi overview - October 2016
SWIFT gpi product suite

### Directory
- Providing operational info on gpi members, BICs, currencies, cut-off times
- Essential reference data to calculate best gpi payment route

### Tracker
- End-to-end payments tracking database to monitor progress of a gpi payment
- Allows to track a payment’s path in real time, obtain transparency on deducts and confirmation that payment was credited

### Observer
- Business Intelligence dashboard showing bank compliance with gpi SLA.
- Ensure control, monitoring and enforcement of SLA, and, consequently, service quality

<table>
<thead>
<tr>
<th>Service Name</th>
<th>Participant ID</th>
<th>Participant Name</th>
<th>Country</th>
<th>Currency</th>
<th>Cut-off Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPI 001</td>
<td>ANZBAUDXX</td>
<td>Australia and New Zealand</td>
<td>AUD</td>
<td>16:00–10:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>ANZBAUDXX</td>
<td>Australia and New Zealand</td>
<td>EUR</td>
<td>16:00–10:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>ANZBAUDXX</td>
<td>Australia and New Zealand</td>
<td>USD</td>
<td>16:00–10:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>ANZBAUDXX</td>
<td>Australia and New Zealand</td>
<td>CAD</td>
<td>16:00–10:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>BOTAM05XXX</td>
<td>Bank of America, N.A.</td>
<td>USD</td>
<td>18:00–08:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>DAADK000X</td>
<td>Danske Bank A/S</td>
<td>DKK</td>
<td>13:45–01:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>DAADK000X</td>
<td>Danske Bank A/S</td>
<td>EUR</td>
<td>13:45–01:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>DAADK000X</td>
<td>Danske Bank A/S</td>
<td>DKK</td>
<td>13:45–01:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>DAADK000X</td>
<td>Danske Bank A/S</td>
<td>USD</td>
<td>13:45–01:00</td>
<td></td>
</tr>
<tr>
<td>GPI 001</td>
<td>UNCRINTXXX</td>
<td>Unicredit SPA</td>
<td>IT</td>
<td>16:00–10:00</td>
<td></td>
</tr>
</tbody>
</table>

### Availability
- December 2016 via SWIFTRef
- GUI: November 2016
- MT 199 / API: Q1 2017

### Approach to be finalised:
- Basic version: April 2017
- Advanced version: Q4 2017
Central payments database, hosted at SWIFT
Updated via MT199 or API
Data consumption via GUI, via MT199 (push) or via API (pull)

SWIFT gpi tracker “in the cloud”

“One-glance” status overview
Track path, in real time
Details of banks along the chain

Transparency of total fees and time
Unique, end-end tracking number
Central payments database, hosted at SWIFT
Updated via MT199 or API
Data consumption via GUI, via MT199 (push) or via API (pull)
Key features

- Faster, same day use of funds*
- Transparency of fees
- End-to-end payments tracking
- Remittance information transferred unaltered

(*) within the timezone of the receiving gpi member

Benefits for a corporate

- Grow international business
- Enhance supplier relationships
- Increase treasury efficiencies
SWIFT gpi customer credit transfer - Value proposition for banks

**Grow volumes**
- Offer distinctive payments service
- Retain and attract new customers
- Protect and grow transaction volumes
- Comply with regulation (Dodd-Frank, PSD2, …)
- Sell payments services to third parties

**Reduce cost**
- Lower network management cost, avoid proprietary connections in non-strategic countries, access global quality network
- Enhanced compliance practices
- Optimised intraday liquidity flows
- Increased straight through processing

**Lead innovation**
- Reputational benefit
- Leader in global payments innovation
SWIFT gpi initiative banks

1. ABN AMRO Bank
2. ABSA Bank
3. Alfa-Bank
4. Australia and New Zealand Banking Group
5. Axis Bank
6. Banco Bilbao Vizcaya Argentaria
7. Banco Bradesco
8. Bangkok Bank
9. Bank of America Merrill Lynch
10. Bank of China
12. Bank of Nova Scotia
13. Bank of the Philippine Islands
14. Bank of Tokyo-Mitsubishi UFJ
15. Banco Santander
16. Banco de Crédito del Peru
17. Banco do Brasil
18. Banque Européenne d'Investissement
19. Barclays
20. Bidvest Bank
21. BNP Paribas
22. Budapest Bank
23. CaixaBank
24. Canadian Imperial Bank of Commerce
25. China Construction Bank
26. China Merchants Bank
27. Citibank
28. Commonwealth Bank of Australia
29. Commerzbank
30. Crédit Agricole
31. Crédit Mutuel-CIC Banques
32. Credit Suisse
33. CTBC Bank
34. Danske Bank
35. DBS Bank
36. Deutsche Bank
37. DNB Bank
38. Ecobank
39. E.Sun Commercial Bank
40. Erste Group Bank
41. Fifth Third Bank
42. FirstRand Bank
43. Handelsbanken
44. Helaba Landesbank Hessen-Thüringen
45. HSBC Bank
46. ICICI Bank
47. IndusInd Bank
48. Industrial and Commercial Bank of China
49. ING Bank
50. Intesa Sanpaolo
51. Investec
52. Itaú Unibanco
53. JPMorgan Chase Bank
54. Kasikornbank
55. KBC Bank
56. KEB Hana Bank
57. Lloyds Bank
58. Mashreq Bank
59. Maybank
60. Mizuho Bank
61. National Australia Bank
62. Natixis
63. Nordea Bank
64. Oversea-Chinese Banking Corporation
65. PKO Bank Polski
66. Promsvyazbank
67. Rabobank
68. Raiffeisen Bank International
69. Resona Bank
70. Royal Bank of Canada
71. Royal Bank of Scotland
72. Sberbank
73. Siam Commercial Bank
74. Silicon Valley Bank
75. Skandinaviska Enskilda Banken
76. Société Générale
77. SpareBank 1
78. Standard Bank of South Africa
79. Standard Chartered Bank
80. Sumitomo Mitsui Banking Corporation
81. Swedbank
82. Tadhamon International Islamic Bank
83. TMB Bank
84. Toronto-Dominion Bank
85. UBS
86. U.S. Bank
87. UniCredit
88. United Overseas Bank
89. Wells Fargo

(*) Pilot bank
SWIFT gpi roadmap – Draft proposal

Today

- V1
  - Speed, transparency and traceability
  - Identify, scope
  - Design
  - Build, test
  - Go live, commercialise

- V1.5
  - Intraday liquidity
  - Identify
  - Scope
  - Design
  - Build, test
  - Go live, commercialise
  - R2, R3

- V2
  - Digital transformation
  - Identify
  - Scope
  - Design
  - Build, test
  - Go live, commercialise
  - 1. Rich Payment Data
  - 2. Request for Payment
  - 3. Request for Cancellation
  - 4. Intr’l Payments Assistant
  - 5. Interbank Claims Optimiser

- V3
  - New business models, new technologies
  - Identify
  - Scope
  - Design
  - Build, test
SWIFT gpi v2: The digital transformation of cross-border payments

- Create value first
  - Front-office of core banks
  - Customers
  - Third-party organisations

- Digitized customer experience
  - Core digital transaction banks
  - Improved intra-bank operating model
  - Renewed correspondent banking technology
  - Open access, new collaborative approach

- Reduce back-office cost
- Reduce fundamental interbank cost

- Enable collaborative innovation

SWIFT gpi overview - October 2016
Timeline

2015
- Identify drivers
- Define principles
- Announce initiative

2016
- Promote
- Pilot and show early results at Sibos
- Define strategic roadmap/vision

2017
- Go-live
- Broad market adoption