



SWIFT Webinar:

SWIFT gpi for Capital Markets

Cross-border payments transformed

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Agenda

1. What is SWIFT gpi?
2. SWIFT gpi development into Capital Markets
3. Why the focus on Capital Market firms?
4. SWIFT gpi benefits for Capital Market firms
5. Use cases for SWIFT gpi for Capital Market firms
6. Next steps

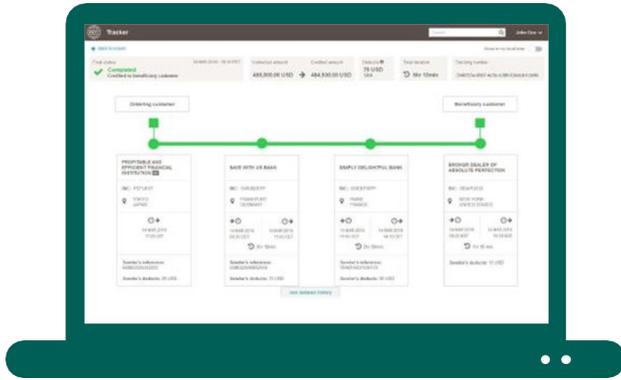


What is SWIFT global payments innovation (gpi)?

End-to-end tracking number - UETR



Payment Tracker



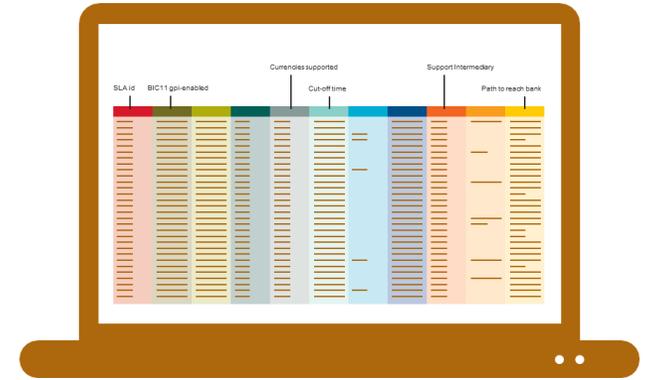
End-to-end payments tracking database

Observer



Business Intelligence dashboard showing bank compliance with gpi SLA

Directory



Providing operational info on gpi members, BICs, currencies, cut-off times

- To monitor progress of a gpi payment in real time
- To obtain transparency on deducts
- To receive confirmation that payment was credited

SWIFT gpi is seeing unparalleled growth in adoption, traffic and corridors

Very large
community

3,540+

FIs signed

488

FI groups
(60 of top 60 banking groups)

200+

countries covered

80+%

SWIFT cross-border
payments represented

Millions live
payments

550+

FIs live

1,300+

country corridors

\$300 bn

payments sent as gpi
every day

55+%

cross-border MT103
sent as gpi

Delivering real
value

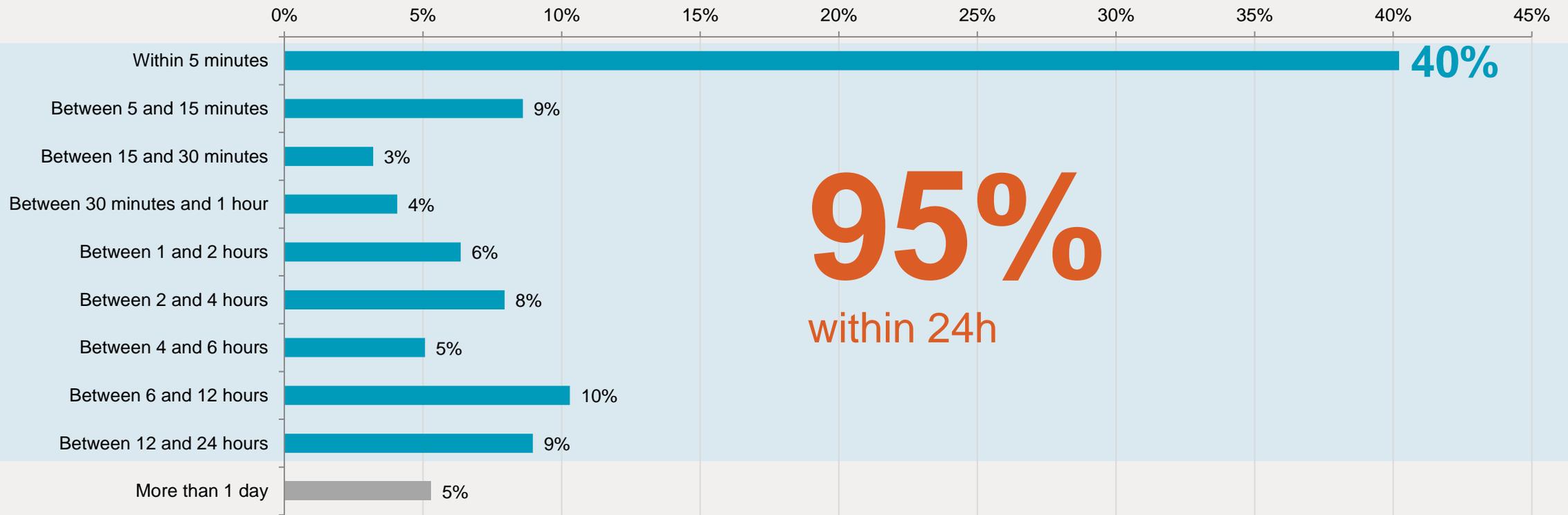
On average, **40% of SWIFT gpi payments are credited to end beneficiaries within 5 minutes**, 50% within 30 minutes, 75% within 6 hours, almost 100% within 24 hours

FIs have seen **significant reduction in number of payment enquiries** and quicker investigations handling

Positive reactions from corporates



SWIFT gpi is very fast!

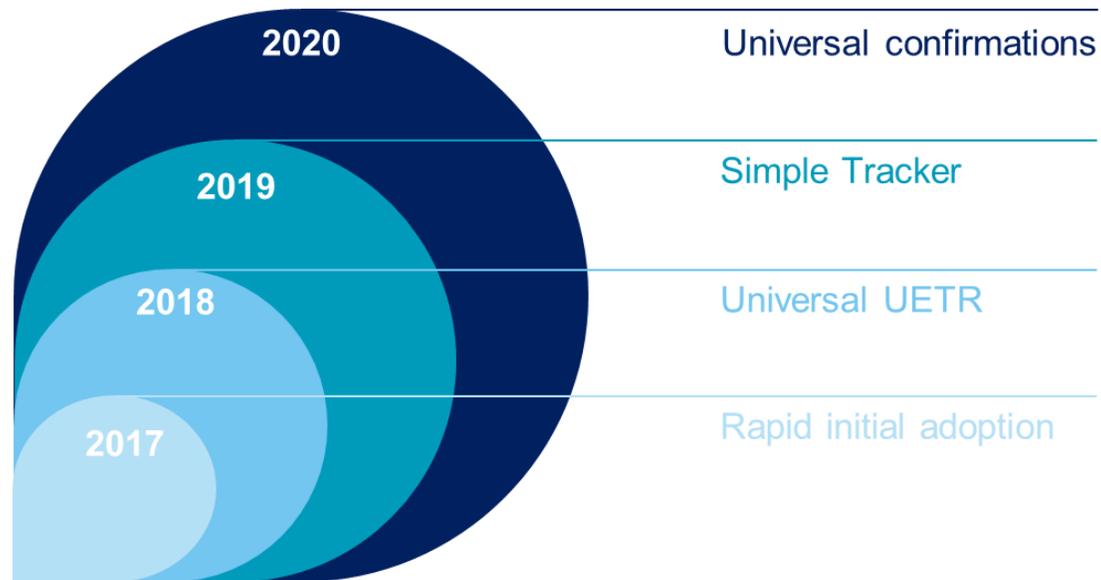


SWIFT gpi & 2020 Confirms

Global adoption: By end 2020, all SWIFT FIs will benefit from tracking and credit confirmations

To build a world where customers have certainty on all their payments, all financial institutions will need to confirm payments by 2020

“Tracker for All Financial Institutions” vision is a key enabler to reach that ambition



Simple Tracker

- Help low volume FIs with **confirm payments**
- **Free** and provides manual and automated functionalities to confirm payments
- Can upgrade to full SWIFT gpi Tracker at any time

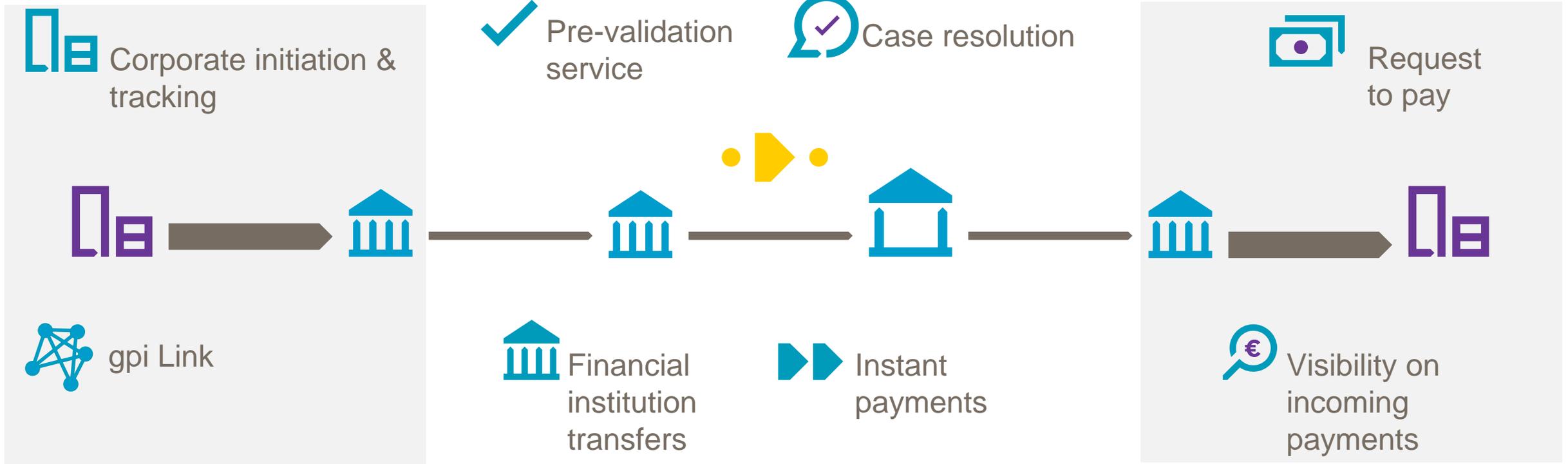
Simple search and tracking functionalities are blocked when banks do not meet universal confirmations rules

SWIFT gpi Tracker

- **Paid service**, upon subscription to gpi
- **Advanced search and tracking**, view on deducts, intermediary routings, send and receive amounts, and more...
- **Value-added services** e.g.: Stop & Recall
- Lower price band for low-volume institutions (under review)



2019 roadmap



SWIFT gpi development into Capital Markets

- 2017 : Genesis: Addressing the payment challenges in correspondent banking
 - No transparency – Where is the money? Why so long?
 - Different amounts - What are the fees?
- 2018: Adoption reaches **80% of SWIFT payments** - with 50% of settlements happening in **less than 10 minutes**
- **2019:** Create the frameworks for the service – gpi becoming the “new norm” for **All** cross border payments on SWIFT
 - Universal Confirmations – Real-time tracker notification to beneficiary on allocation of funds
 - Tracking of all payments made available to **all Financial Institutions**
- **2020:** The “New Norm”
 - MT 202 SLA release
 - Universal Credit Confirmations



Capital Markets firms: Key stakeholder in cash processing value chain as they send and consume large proportion of cash transactions on SWIFT

50+%

All SWIFT traffic is securities messages

30+%

All SWIFT payments originate from capital markets activity

- **Track and trace of MT 202 in 2019** – essential for capital markets operations.
- **Confirmation of credit** by the end beneficiary in 2020 will greatly improve the processing efficiency and richness of information for all players.
- **A strong product roadmap** for SWIFT gpi help capital markets firms with fail prevention and payment processing while **improving business activity monitoring and fraud intervention.**
 - Pre validation
 - Notification of incoming payments
 - Stop and Recall



Capital Market firms derive efficiencies from SWIFT gpi

Operational efficiencies (cost & risk)

- **Reduced Exception management processing costs** with increased straight-through processing and real-time transaction tracking (UETR)
- **Enhanced operational and risk controls** with improved information (fee and FX data, credit confirmations)
- **Prevent and manage erroneous or fraudulent transactions** with real-time transaction tracking (stop and recall)

Liquidity / Cash investment optimization

- **Optimise liquidity** with real-time view of cash transactions, cash positions and cash collateral with counterparts
- **Improved transaction speed** achieved through adherence of service level agreements and usage of real-time transaction tracking

Improved customer service level

- **Manage anticipated critical payments** along the processing chain
- **More transparent speed and quality of service** and can be further optimised with SWIFT gpi Observer



Use cases for Capital Market Institutions

Focus on increasing cash optimization, better management of risk and operational efficiency

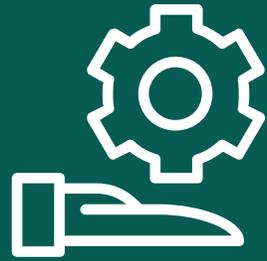
	Business impact	Use Cases	Efficiency
Internal	Operational efficiencies (cost & risk)	UC1. Reduce exception management processing and costs through real time transaction tracking	Reduces time and cost of exception mgmt. process
		UC2. Improve STP through enhanced data quality	Pre-validation & payment data analytics leads to automation of workflows, driving operational efficiencies
		UC3. Improve operational and risk controls through real-time transaction tracking	Improve operational and risk controls through traceability and transparency
		UC4. Prevent final processing of fraud & operational mistakes by stopping and recalling transactions	Quick corrective actions in case of fraud and operational errors mitigates risk
	Liquidity / cash Investment optimization	UC5. Optimize cash collateral with different counterparts through speed and transaction tracking	Real-time tracking of margin payments & faster settlement reduces costs & exposure risk of cash collateral movement
		UC6. Optimize liquidity management by real-time view of payments and cash positions	Reducing overdrafts & overfunding will impact profitability & overall performance
External	Improved customer service level	UC7. Provide clients with more efficient cash management	Providing accuracy of funds available & cash forecast reduces operational costs & risks - better service levels for end customers
		UC8. Better management of critical payments	Monitoring critical payments real-time reduces settlement risk & speed of boarder settlement—funding client t transactions quickly
		US9. Optimize provider services through benchmarking	Transparency of performance information though SLA optimizes performance



With SWIFT gpi Capital Market firms can optimize their internal processes, improve liquidity while fostering relationships



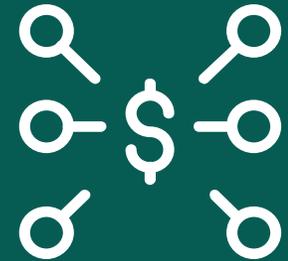
Reduce exception management costs through end-to-end and real-time transaction tracking



Improve operational and risk controls through traceability and transparency



Optimize liquidity management by real-time view of payments and cash positions



Optimize cash collateral with different counterparts



Provide clients with more efficient cash management



Better management of critical payments

Questions and Answers



Future Webinars

Additional webinars for the Capital Markets business:

- SWIFT gpi
- ISO 20022 Migration
- SWIFT API Initiatives
- Customer Security Programme
- Financial Crime Compliance
- And more!





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