



# **Foro de Inversionistas – Bolsa de Panama: The Tides of Global Investment: Destination Americas?**

**Preserving and Channeling Regional Growth**

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29 September 2016

**SWIFT**  
in figures

**27.5 million**

FIN messages peak day (2015)

**6.11+ billion**

FIN messages per year (2015)

**8.4%**

Increase in FIN traffic (2015)

**10,800+**

SWIFT users

**200+**

Countries and territories



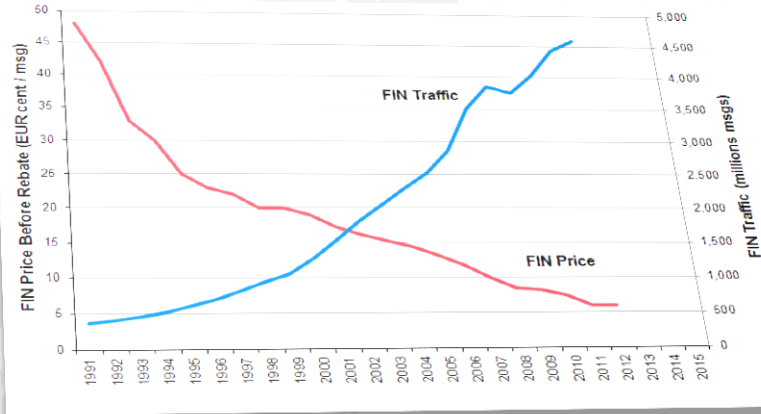
# While firms are trying to recover and grow, they face pressure from regulation, costs and need to improve STP

## Voice of the Customer

### Regulatory Overload



### Competitive Differentiation



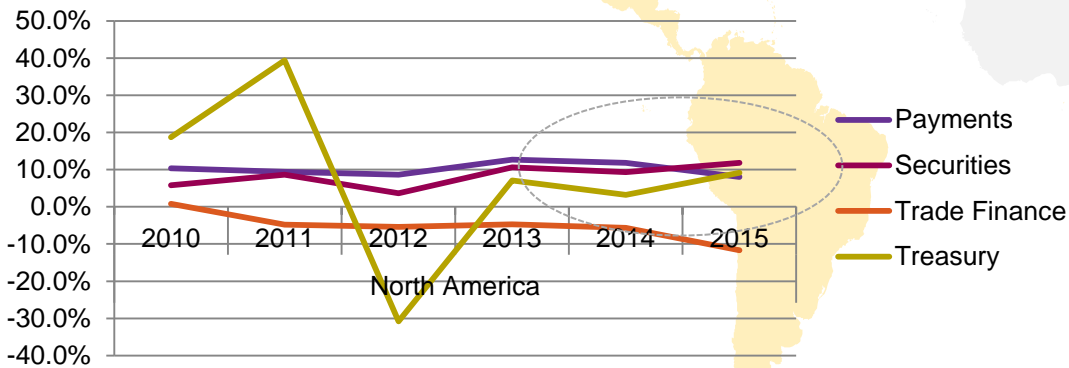
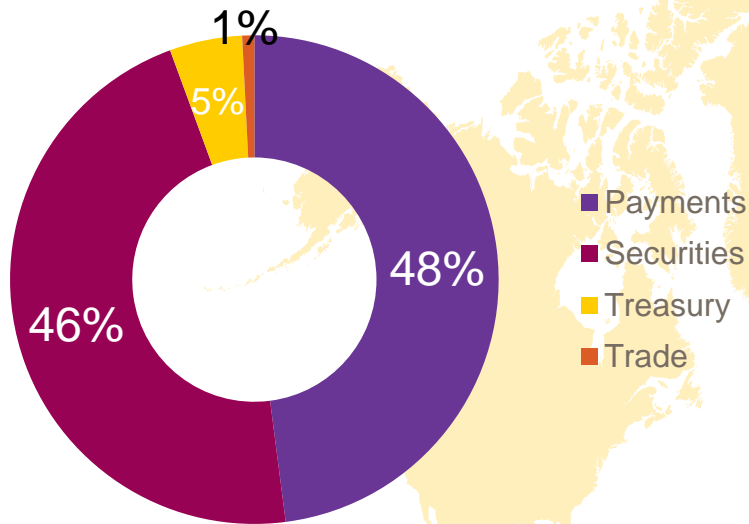
Regulation

Growth

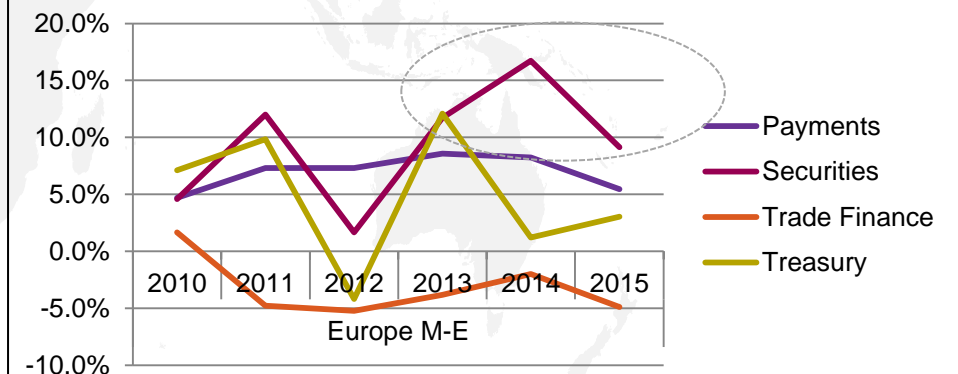
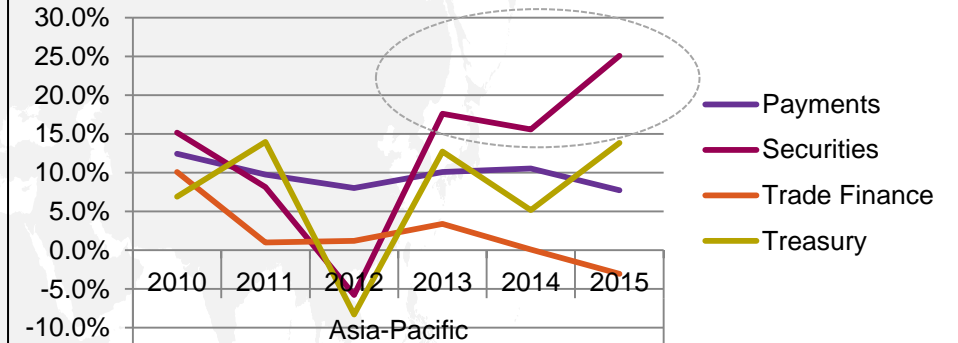
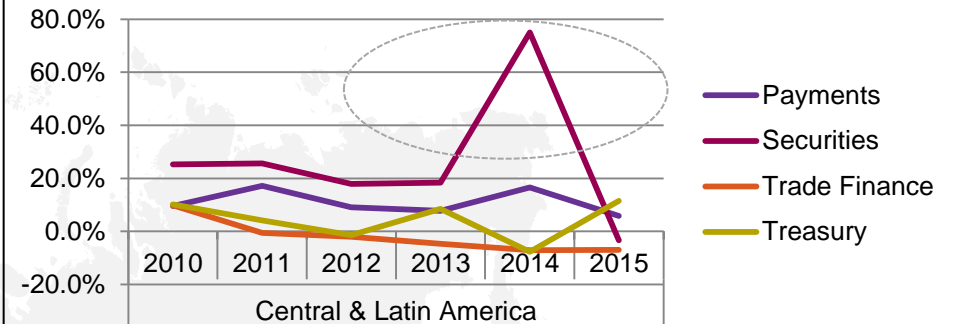
Costs



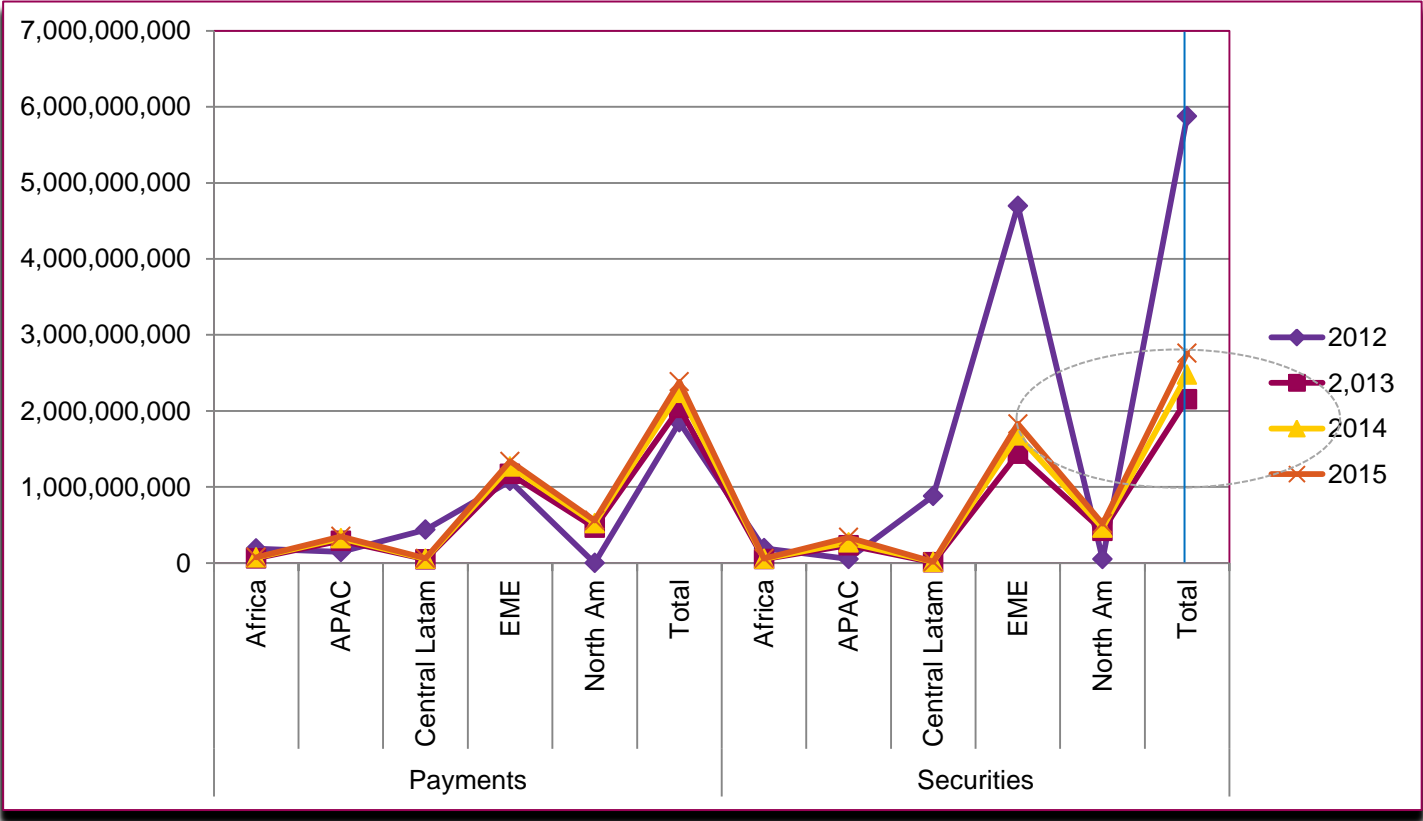
## SWIFT FIN Traffic – Global Distribution by Market



## SWIFT FIN Traffic – by Region



# Strong growth from Securities versus Payments Traffic



## Securities Traffic Growth

- Impacted by clearance & settlement, statements, trade status and asset servicing



# Regulatory impact for financial institutions

## *Risk, transparency and operations*

### Challenges

### Needs

#### Collateral and Liquidity



- High quality collateral demand and fragmentation
- Avoid concentration
- Very conservative haircuts

- Optimise collateral monitoring & mobility
- Cross-product margining
- Settlement netting for all products
- Timely process of payments

#### Transparency



- Account segregation
- Reporting arrangements unclear
- Trading in different jurisdictions
- Level of detail and relevance

- Change account structure and granularity(cost)
- Clear procedures for TR
- Clear TR guidelines
- Reduce the number of TRs

#### Operations



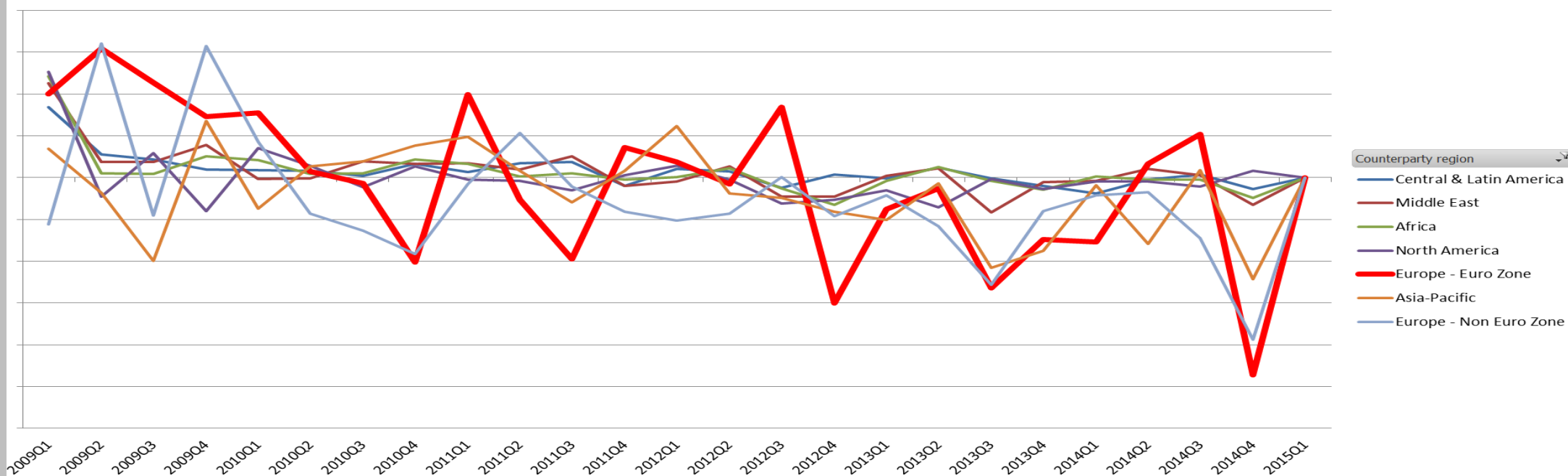
- Collateral account segregation
- Stringent risk controls
- Efficiency middle/back office
- Ensure business continuity

- Automation (STP)-limited human intervention
- Scalability to cope with volume growth
- Interoperability framework (inter-MI)
- Data archival for dispute resolution

# Changes happening in correspondent banking

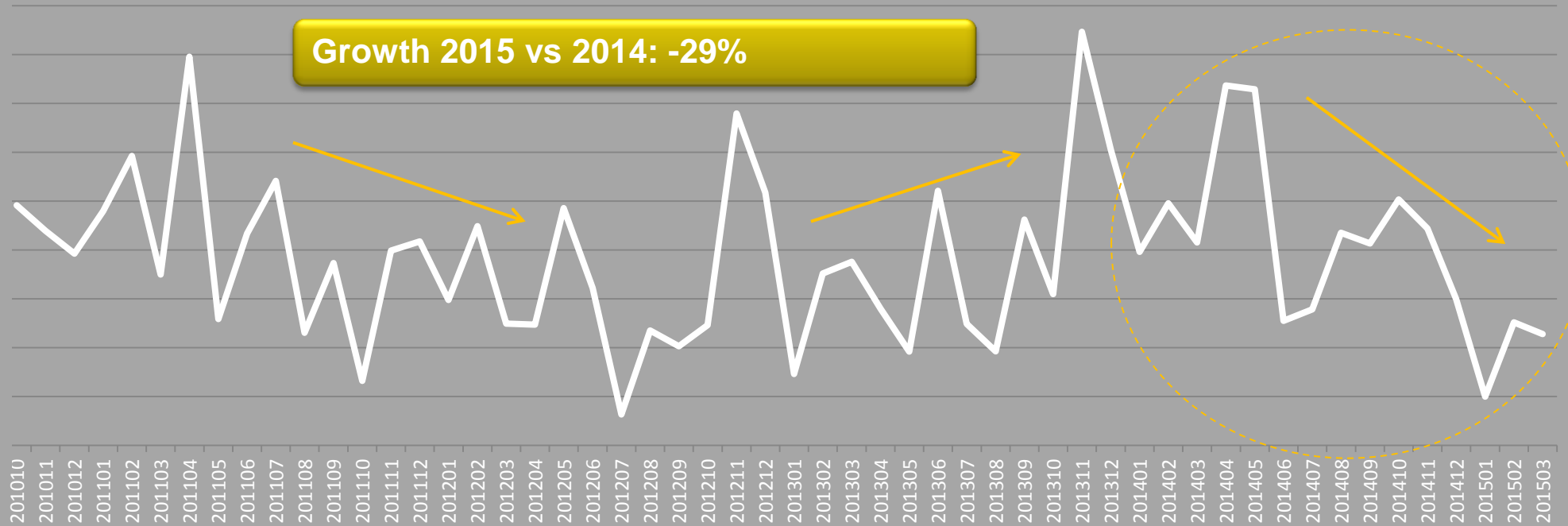
## *More risk averse banking*

The number of net new RMA relationships is going down worldwide – banks are closing down relationships in order to drive risks down and comply with regulatory requirements



# Declining trust between Eurozone & PIIGS countries?

## *Average value of an export trade finance transaction is going down*



European banks seem to take less risk over the past year in financing export to the 'more risky' EU countries

Average value MT400 & MT700



# Key Takeaways



## Transparency

- Transparency is becoming a key area of focus driven by regulatory requirements

## Gravitation Towards Safe Havens

- Current trend is showing volumes gravitating towards securities traffic
- Greater emphasis in standardizing and automating securities transactions

## De-risking

- Emphasis on de-risking as banks re-shuffle portfolios to accommodate lower risk appetites
- Consolidation of business with trusted correspondent parties across all markets



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