



The SWIFT global payments innovation initiative

August, 2017

SWIFTgpi

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

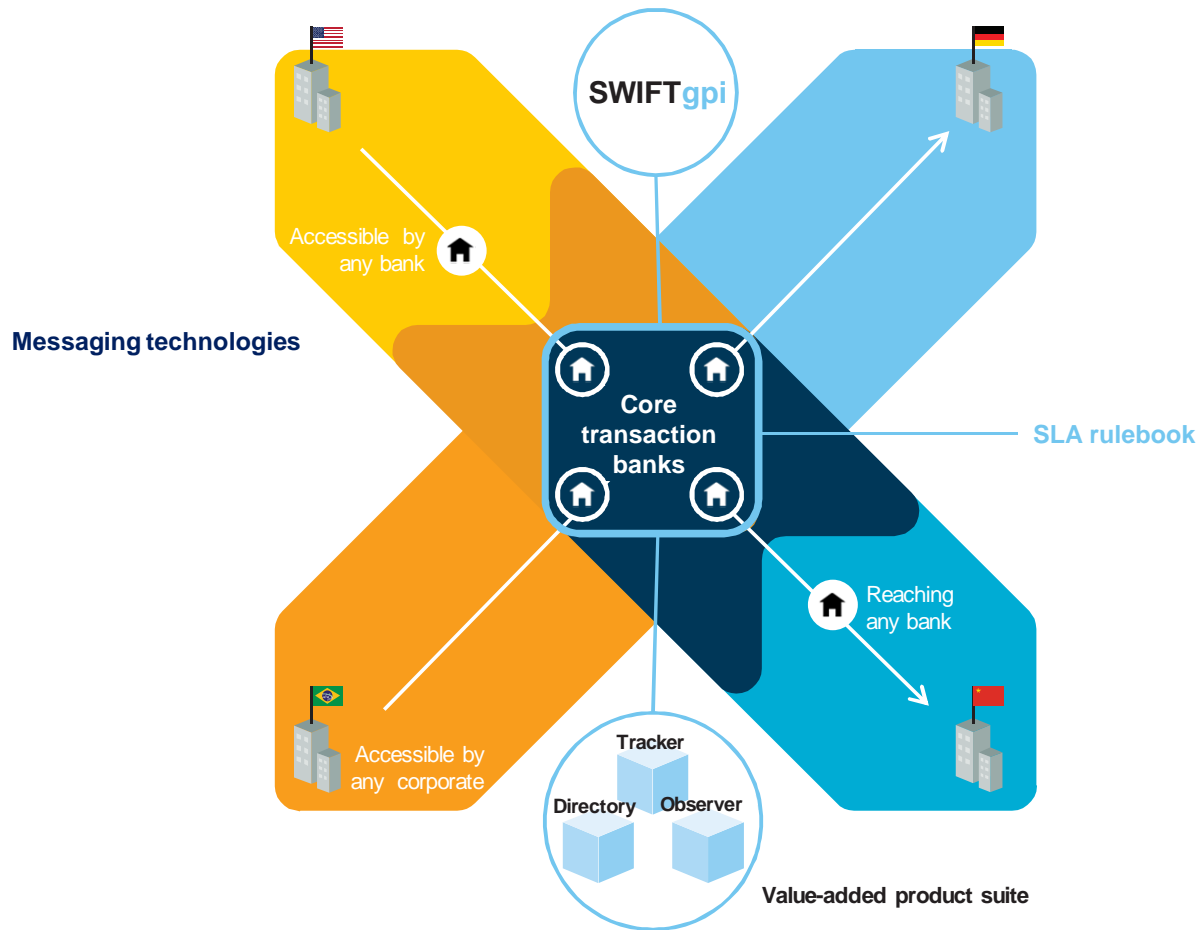
Digital innovators offer new disruptive solutions

Disintermediation

Enhanced value proposition



Time for SWIFT gpi



SWIFT gpi: Three phases running in parallel

Phase 1

Delivering a
New standard

Live in Feb 2017

Phase 2

Designing
Digital transformation

Q4 2017 - 2018

Phase 3

Exploring
Technological innovation

Q1 2017 – 2019?



SWIFT gpi roadmap

Phase 1
Delivering a
New standard

Phase 2
Designing
Digital transformation

Phase 3
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Technological innovation

SWIFT gpi **Customer Credit Transfer**

- Faster
- Transparent
- Traceable
- Unaltered remittance information

Live in Feb 2017



SWIFT gpi Phase 1:

Enhancing customer experience by delivering a new standard in cross-border payments

"Yesterday" |
Traditional correspondent banking

- Slow, can take multiple days
- No transparency on costs
- No transparency on time
- No confirmation of credit



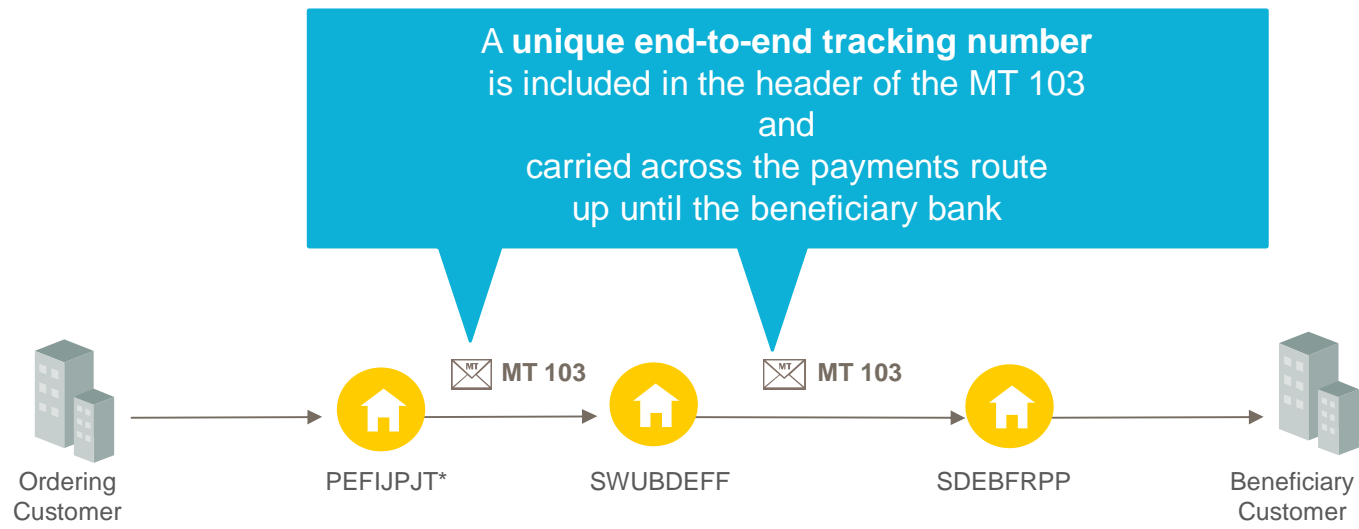
"Today" |
SWIFT global payments innovation (gpi)

- 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



Key element: Introduction of a unique end-to-end tracking number



** BICs for illustration purposes only*



Key features: The SWIFT gpi Tracker

Function

End-to-end payments tracking database to monitor progress of a gpi payment

Benefits

Allowing to track a payment's path in real time, obtain transparency on deducts and confirmation that payment was credited

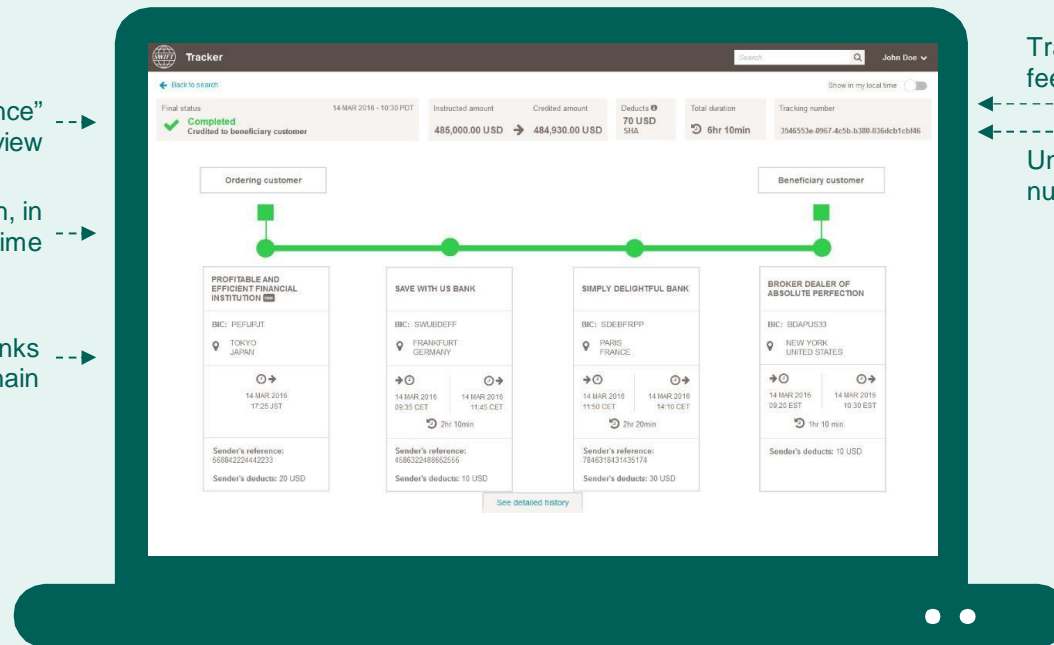
Availability

GUI: November 2016
MT 199 / API: Q2 2017

"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

The SWIFT gpi Observer

Function

Business Intelligence dashboard showing bank compliance with gpi SLA.

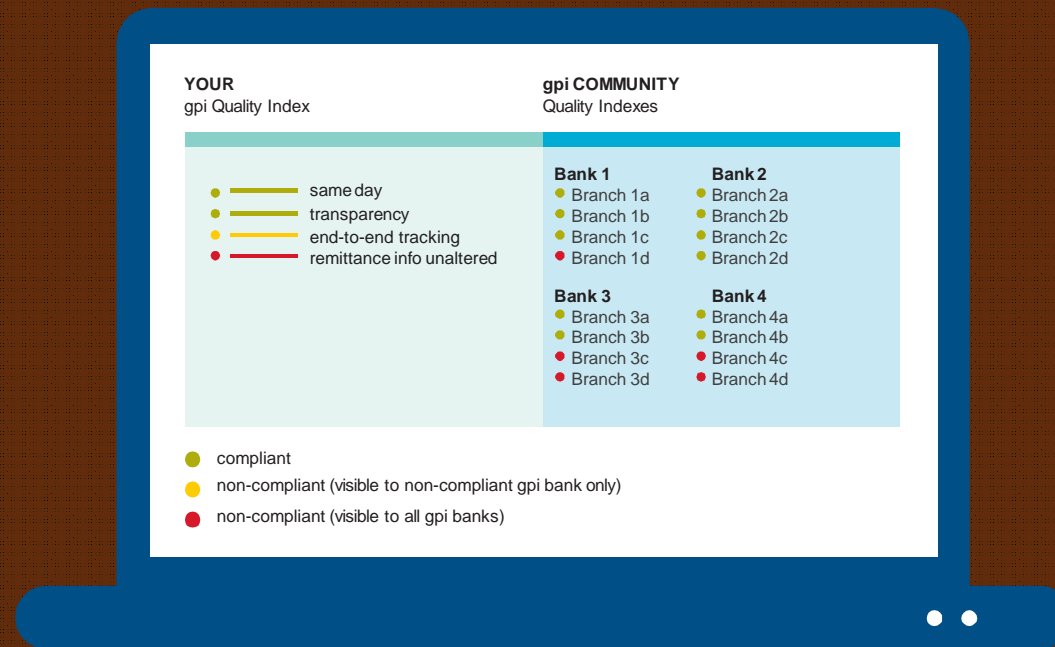
Benefits

Ensuring control, monitoring and enforcement of SLA, and, consequently, **service quality**.

Availability

Observer Insights : April 2017

Observer Analytics : Q4 2017



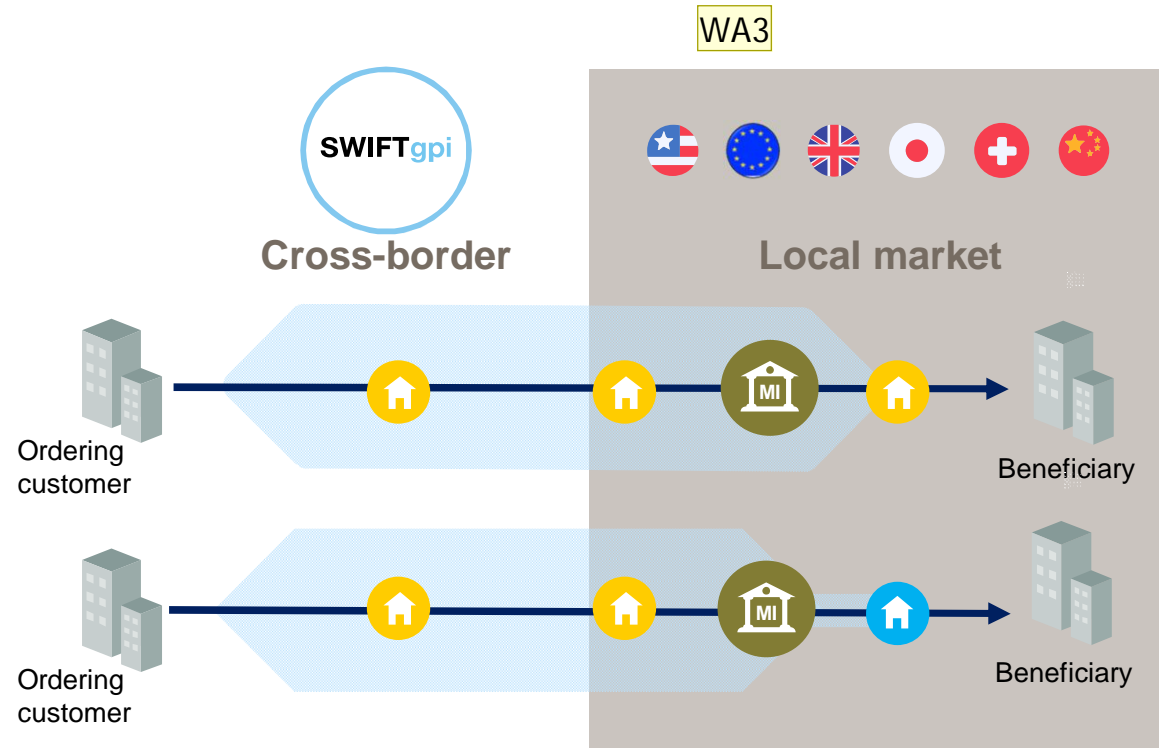
Key participants: The market infrastructures

Market infrastructures play key role in:

1. **SWIFT gpi clearing**
To pass on unique gpi identifier and data between gpi banks
2. **SWIFT gpi tracking:**
To pass on unique gpi identifier to local non-gpi member banks

Market infrastructures support gpi:

1. **When based on SWIFT:**
fully supporting gpi
2. **When not based on SWIFT:**
Local market practice for gpi mapping (to be) agreed
3. **When using ISO 2022:**
gpi recommendations available



Diapositiva 11

WA3

Add a tick to confirm they're on board

WALRAVENS Anne-Sophie, 13/03/2017

Value for banks

Reduce Costs

Increase operational efficiency in your customer claims and investigations management

Ability to do **cash forecasting** and **optimise your liquidity management**

Delight Customers

Significantly increase customer satisfaction by offering speed, certainty, transparency and a confirmation of credit for cross-border payments

Build a reputation of leader in global payments innovation


Grow Business

Retain and attract new customers

Sell payments services to third parties



Value for corporates



Accounting & core functions

- Better cash flow management
- Speed and visibility on critical payments
- Certainty for buyers and sellers
- Transparency on bank fees
- Reduced exception handling & investigations



Budgeting, planning and forecasting

- Enhanced predictability and traceability
- Greater planning and decision making
- Improved reconciliation and forecast reporting



Treasury & Cash Management

- Reduced settlement time
- Leverage investment opportunities
- Higher visibility for capital and credit management
- Reduced FX risk



Over 120 global transaction banks committed to gpi

Sample illustration of banks with implementation project, **17 live**

110+

Banks

220+

Countries

75%

SWIFT cross-border payments

ABN AMRO Bank

ABSA Bank
Agricultural Bank of China
Akbank
Alfa-Bank

ANZ

BBVA

Banco de Crédito del Perú
Banco de Galicia
Banco Inbursa
Banque Centrale Populaire
Bank for Foreign Trade of Vietnam

Bank of America Merrill Lynch

Bank of China

Bank of Communications
Bank of Jiangsu
Bank of Montreal

Bank of New York Mellon

Bank of Ningbo
Bank of Nova Scotia
Bank of Tokyo-Mitsubishi
Bank of Yinzhou
Barclays

Bayerische Landesbank

Bidvest Bank
BNP Paribas
Cajamar Caja Rural
Canadian Imperial Bank of Commerce
Central Africa Building Society
China Citic Bank
China Construction Bank
China Minsheng Banking Corporation

Citibank

Commerzbank
Commonwealth Bank of Australia
Crédit Mutuel-CIC Banques
CTBC Bank

Danske Bank

DBS Bank

Deutsche Bank
Denizbank
DNB Bank
Ebury
E.SUN Commercial Bank
Erste Group Bank
FirstRand Bank
Guangfa Bank
Landesbanken-Hessen-Thuringen

HSBC

ICBC

Industrial Bank

ING Bank

Intesa Sanpaolo

INTL FCStone
JPMorgan Chase Bank

KBC Bank

KEB Hana Bank
Lek Securities Corporation
Lloyds Bank
Mashreq Bank
Mizuho Bank

National Australia Bank

National Commercial Bank

Natixis

Nedbank

Nordea Bank

Oversea Chinese Banking Corporation
Ping An Bank
Piraeus Bank
Postal Savings Bank of China
PKO Bank Polski
Rabobank

Raiffeisen Bank International

Royal Bank of Canada

Santander
Sberbank
Shanghai Pudong Development Bank
Siam Commercial Bank
Skandinaviska Enskilda Banken
Société Générale
Standard Bank of South Africa

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation
Tadhamon International Islamic bank
TEB

The Commercial Bank of Kuwait

Toronto-Dominion Bank

Turkiye Cumhuriyeti Ziraat Bankasi

UBS Group

UniCredit

Wells Fargo
Westpac Banking Corporation
Yapi Ve Kredi Bankasi
Zhejiang Rural Credit Cooperative Union



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Enabling **digital payment services**

- Rich payment data service
- Stop and recall payment service
- International payments assistant service

Q4 2017 - 2018



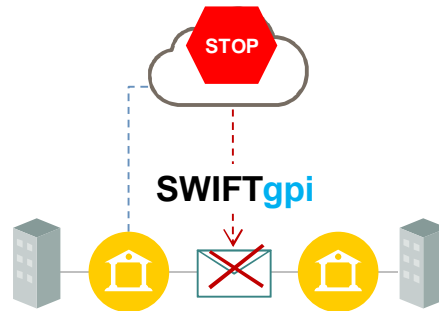
SWIFT gpi phase 2: The digital transformation of cross-border payments

Rich payment data



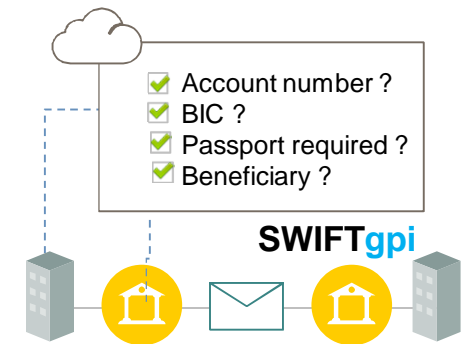
Rich remittance information,
invoices, compliance documents,
etc.

Stop and recall a payment



Instantly stop unsolicited payments
(double payments, manual errors,
fraud)

International payments assistant



Payments assistance at origination,
to increase straight-through-
processing



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Exploring the use of **new technologies**

- DLT Proof of Concept for real-time reconciliation of nostro accounts

Q1 2017 – 2019?



SWIFT gpi Phase 3: DLT PoC in support of Nostro reconciliation

Background

Nostro reconciliation identified by gpi Vision group as a priority use case for DLT exploration

SWIFT is facilitating a collaborative approach and has engaged with a number of banks with an interest in this PoC

Objective

Prove adequacy of DLT technology in a multilateral use case

Investigate whether DLT can help **achieve automated real-time nostro reconciliation**

Quantification of benefits and impacts of DLT if **deployed in production environment and integrated within the bank**

Investigate **how to incorporate this solution into the gpi framework**

Approach

Proof of concept with a small group in first half of 2017

Additional group for additional testing and qualification of PoC

Showcase experience at Sibos



How to get started with SWIFT gpi?

- 1** Learn more on www.swift.com/gpi or on our SWIFTgpi App (available for iPad)
- 2** Contact us via swiftforbanks@swift.com to discuss onboarding steps





www.swift.com