The SWIFT global payments innovation initiative
SWIFT scrl is the global provider of secure financial messaging services
40 years serving the global financial community

24 years serving India’s financial community

Now serving India’s domestic financial markets

1973: Swift is born
1976: First operating centre opens
1977: SWIFT goes live – first message sent
1979: North America connects to SWIFT
1980: First Asian countries connect to SWIFT
1986: SWIFT launches value-added services
1987: SWIFT launches securities services
1989: North America connects to SWIFT
1992: Interbank File Transfer goes live
1994: Customer support centre opens in Hong Kong
1997: SWIFT technology centre opens in the United States
2001: SWIFTNet goes live
2004: ISO 20022 introduction
2006: SWIFT launches Alliance Lite
2009: SWIFT launches Innotribe
2012: SWIFT India joint venture established
2015: SWIFT India approved to provide domestic messaging services, and platform is live
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
Corporate expectations vs. cross-border bank services

- Uncertainty after payment initiation
- Inconsistencies between amount sent and received
- Predictability of the payment reaching the beneficiary account
- Fee transparency, including FX costs and deducts
- Cumbersome handling of exceptions and investigation
- Payment traceability and automation (STP)
- Incomplete or missing remittance information
- Simple reconciliation of invoices and payments
SWIFT gpi: secure, faster, traceable & transparent cross-border payments

1. Faster payments
   Same day use of funds*

2. Traceable
   End-to-end payment tracking
   a1700db1-90b2-4948-83d8-6309c5c34a3d

3. Transparent fees
   Deducts and FX

4. Full remittance data
   Unaltered reconciliation info

*Within the time zone of the receiving gpi member
SWIFT gpi concept

Messaging technologies

Core transaction banks

SWIFT gpi accessible by any bank

Still reach non-initiative banks

SLA rulebook

Reaching any bank

Value-added product suite

Tracker

Directory

Observer

SWIFT gpi overview - December 2016
Payments tracker “in the cloud” (bank view)*

- Central payments database, hosted at SWIFT
- Updated via MT199 or API
- Data consumption via GUI, via MT199 (push) or via API (pull)
- Transparency of total fees and time
- Unique, end-end tracking number
- “One-glance” status overview
- Track path, in real-time
- Details of banks along the chain

*The gpi service may vary across banks
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. Fast(er) (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
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 customer credit transfer – Value proposition for corporates

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

- **Reduce Costs**
  - Increase operational efficiency in your customer claims and investigations management
  - Ability to do cash forecasting and optimise your liquidity management

- **Delight Customers**
  - Enhance customer satisfaction by offering speed and transparency in 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
SWIFT gpi initiative banks

50% Europe, Middle East, Africa
30% Asia Pacific
20% Americas

92 initiative banks
Channelling payments into 224 countries
Representing 71% of all SWIFT cross-border payments

50%
30%
20%

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. Bangkok Bank
8. Bank of America Merrill Lynch*
9. Bank of China*
10. Bank of New York Mellon*
11. Bank of Nova Scotia
12. Bank of the Philippine Islands
13. Bank of Tokyo-Mitsubishi UFJ*
14. Banco Bradesco
15. Banco Santander
16. Banco de Crédito del Perú
17. Banco do Brasil
18. Banorte
19. Banque Européenne d’Investissement
20. Barclays*
21. Bidvest Bank
22. BNP Paribas*
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24. CaixaBank
25. Canadian Imperial Bank of Commerce
26. China Construction Bank
27. China Merchants Bank
28. Citibank*
29. Commonwealth Bank of Australia
30. Commerzbank
31. Crédit Agricole
32. Crédit Mutuel-CIC Banques
33. Credit Suisse
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74. Royal Bank of Scotland
75. Sberbank
76. Siam Commercial Bank
77. Silicon Valley Bank
78. Skandinaviska Enskilda Banken
79. Société Générale
80. SpareBank 1
81. Standard Bank of South Africa
82. Standard Chartered Bank*
83. Sumitomo Mitsui Banking Corporation*
84. Swedbank
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86. TMB Bank
87. Toronto-Dominion Bank
88. UBS
89. U.S. Bank
90. UniCredit*
91. United Overseas Bank
92. Wells Fargo*

(*) Pilot bank

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(*) Pilot bank
SWIFT & Trade Digitization
How SWIFT supports Trade digitization

- Streamline the L/C, Guarantees and open account trade transactions
- Automate workflow of the trade life cycle to reduce cost
- Accelerate handling of discrepancies and settlement
- Move to paperless transaction processing
- Enhance visibility on credit lines
Win-win benefits for corporates and banks

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Corporates</th>
<th>Banks</th>
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<tbody>
<tr>
<td>Consolidated Trade finance positions and increased visibility</td>
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<td>Single multi-bank &amp; multi-business channel</td>
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<td>Dematerialization &amp; standardization</td>
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<td>Re-use bank-to-bank FIN MT7xx data fields with Corporates</td>
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<td>Re-use of FileAct for any needed documents to be included in the information flows</td>
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<td>Overall cost reduction</td>
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<td>Improved straight-through processing end-to-end</td>
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<td>Improved overall transaction time</td>
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<td>Only one interface development to integrate to Bank back office (no need for vendor-specific interfaces, procedures, contracts, formats)</td>
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<td>Corporates and banks can make independent decisions on technical platforms and implementations</td>
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Questions?

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