

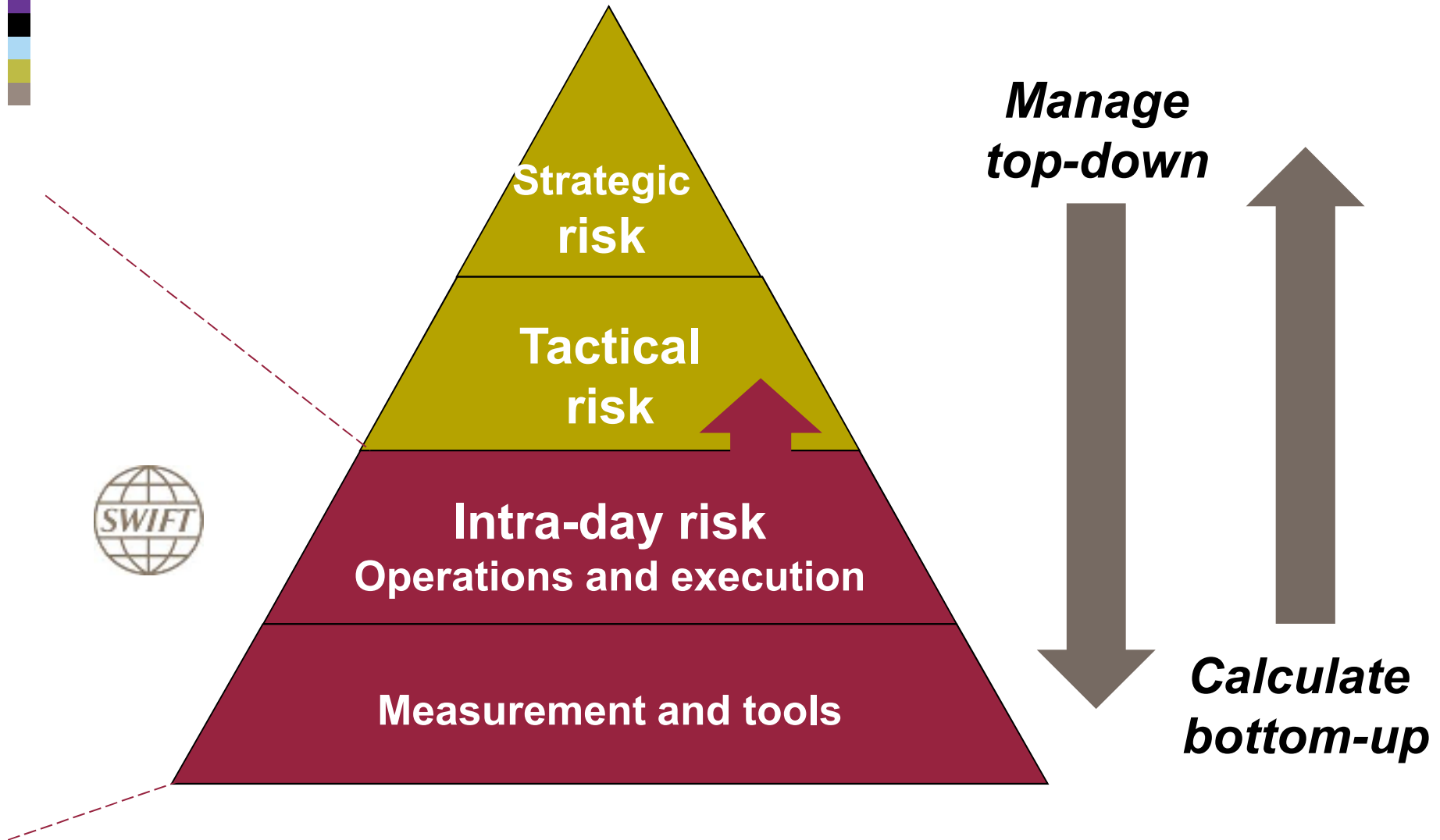
SWIFT solutions for Liquidity risk management

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Business Forum Bucharest

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Approach to liquidity risk management





4 operational issues

**Data
integration**

**Intra-day
visibility**

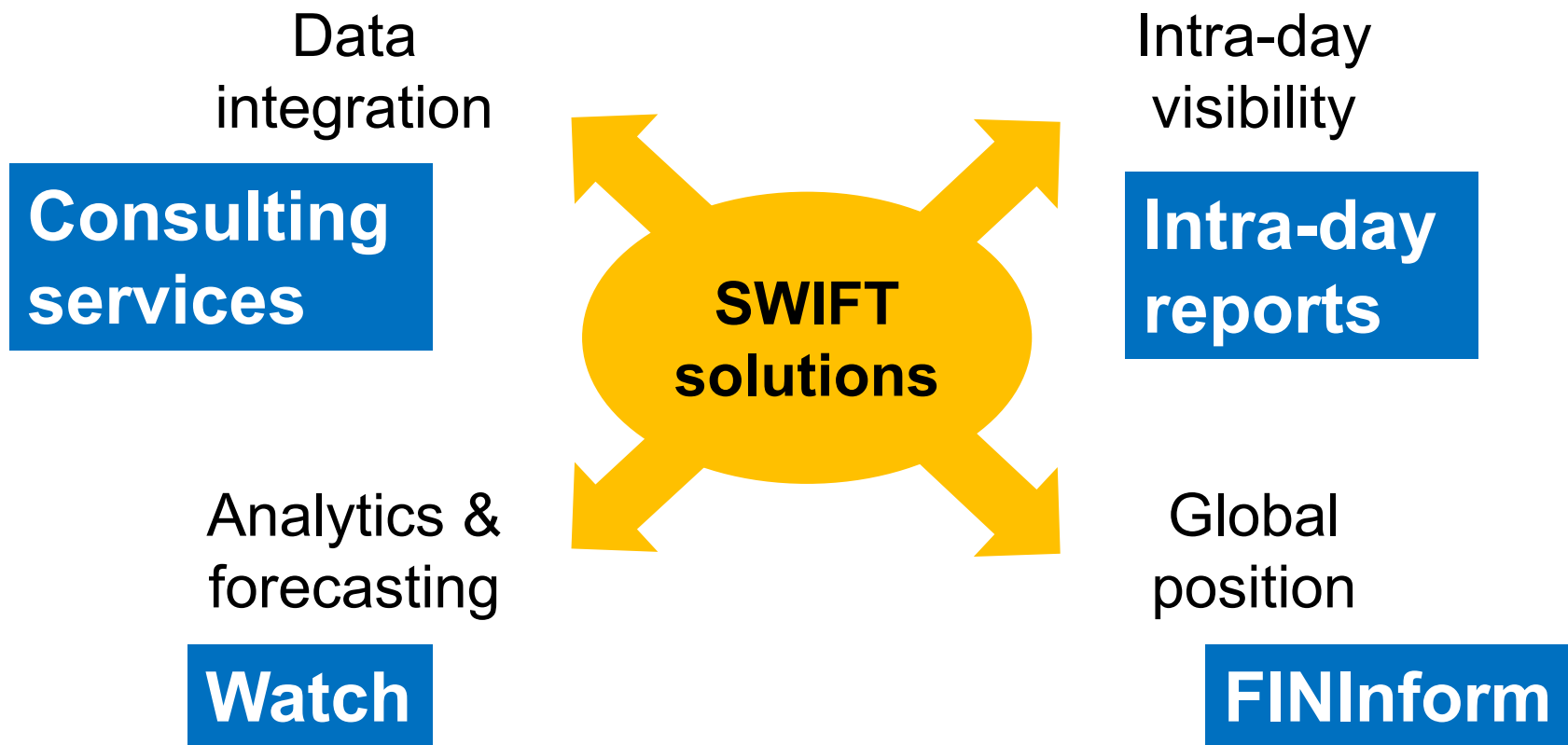
**Analytics &
forecasting**

**Global
position**





SWIFT solutions for liquidity risk management





Intra-day cash reports, to improve liquidity visibility for correspondents and market infrastructures flows

SWIFT standards for intra-day reporting

| | | | |
|-----------|---|-------------------------------------|---------------------------------|
| MT | Debit /credit confirmation (MT 900/910) | Interim transaction report (MT 942) | Interim balance report (MT 941) |
| MX | Debit/credit Notification (camt054) | Account report (camt 052) | |

Intra-day reporting

- Structured, granular information on underlying transactions, transaction date/time
- Based on threshold
- Event-driven or periodic

Position across accounts and currencies

- Additional balance types: projected balance

- **Business practice development (rule book)**
- **Third party application certification in 2011**





Collateral position management

Current position

Intra-day reporting

MT535 – holding position of underlying securities collateral

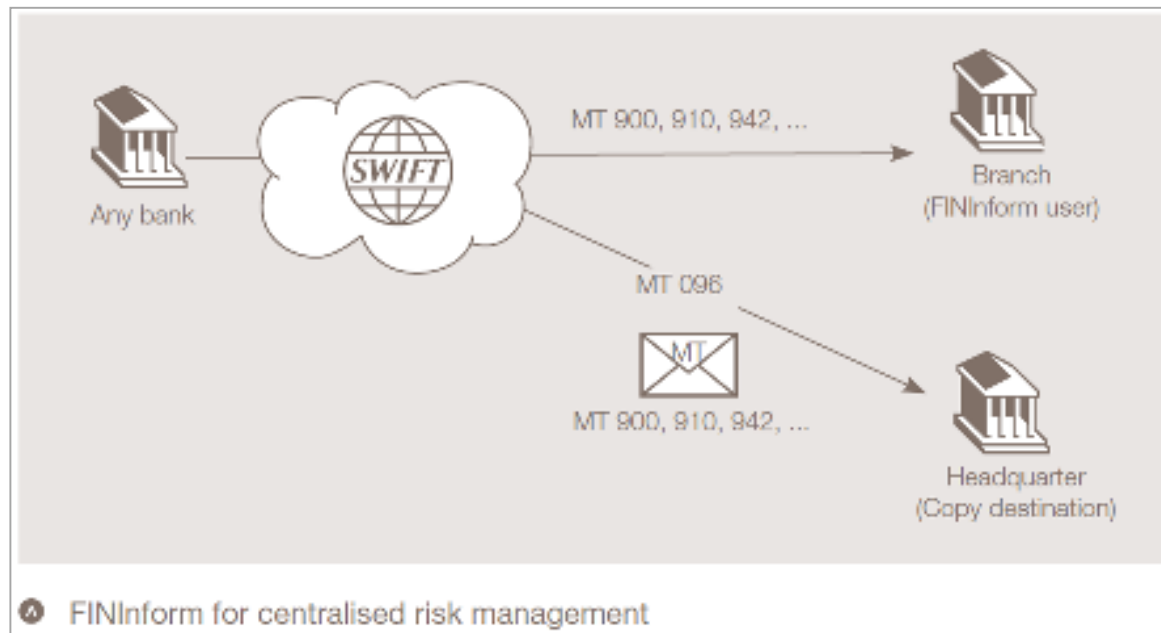
Predictive position

Monitor your portfolio in real-time & reduce your counterparty risk

MX standards automating the margin call process including reporting and support
Availability date: December 2010 (pilot)



Copy service, to build central liquidity view



- Receive reports sent to branches
- Accurate, timely
- Simple
No action or development by sender or receiver
- Flexible
You define which senders, receivers, message types





Traffic analytics, to give insights on liquidity flows and exposure

For my bank, which are the biggest senders / receivers of payments, in value?

What is my counterpart concentration risk?

How do I compare against my peers / the market?

Watch features

- SWIFT traffic, sent and received
- Volume, **currency and value**
- Including MI related traffic
- Year to date + 2 years history
- Monthly updated
- Powerful drill down
per market / message type, per region / country, for all BICs / per BIC, ...
- Flexible sorting and filtering
- Accessed via swift.com, can be exported (csv, excel, PDF)



What can I get out of Watch?

⇒ *Monitor my business*

Payments ▾ All Periods ▾ All Months ▾ All BICs ▾ All Delivery Statuses ▾ Live ▲ All Geographical Routes ▾
 MEASURES ▾

| MEASURES as values | | 2008 | 2009 | 2010 | All Periods |
|------------------------------------|-------------------------------|------------|------------|-----------|-------------|
| <u>Africa</u> | <u># of Messages Sent</u> | 523,070 | 508,081 | 47,444 | 1,078,595 |
| | <u># of Messages Received</u> | 635,302 | 694,678 | 64,447 | 1,394,427 |
| <u>Asia-Pacific</u> | <u># of Messages Sent</u> | 1,278,176 | 1,437,031 | 129,555 | 2,844,762 |
| | <u># of Messages Received</u> | 2,139,201 | 2,598,791 | 245,959 | 4,983,951 |
| <u>Central & Latin America</u> | <u># of Messages Sent</u> | 129,573 | 110,929 | 9,416 | 249,918 |
| | <u># of Messages Received</u> | 144,257 | 130,116 | 11,248 | 285,621 |
| <u>Europe - Euro Zone</u> | <u># of Messages Sent</u> | 18,946,802 | 18,809,880 | 1,771,949 | 39,528,631 |
| | <u># of Messages Received</u> | 21,206,698 | 21,752,064 | 2,030,947 | 44,989,709 |
| <u>Europe - Non Euro Zone</u> | <u># of Messages Sent</u> | 3,814,425 | 3,708,391 | 346,661 | 7,869,477 |
| | <u># of Messages Received</u> | 6,836,821 | 6,714,108 | 694,017 | 14,244,946 |
| <u>Middle East</u> | <u># of Messages Sent</u> | 440,617 | 431,017 | 41,803 | 913,437 |
| | <u># of Messages Received</u> | 399,954 | 390,067 | 37,709 | 827,730 |
| <u>North America</u> | <u># of Messages Sent</u> | 2,659,863 | 2,414,778 | 210,913 | 5,285,554 |
| | <u># of Messages Received</u> | 3,167,893 | 2,948,822 | 262,556 | 6,379,271 |
| All BICs | | NA | NA | NA | NA |

“What is the regional breakdown of payments exchanged in the past years?”



What can I get out of Watch?

=> *Track Evolution*

14 41
 Payments ▾ YTD versus YTD previous year ▾ All Months ▾ Europe - Euro Zone ▾ All Delivery Statuses ▾
 All Copied / Non Copied ▾ All Services ▾ All Counterparty BICs ▾ MEASURES ▾

| MEASURES as values | | Prior YTD | YTD | YTD Change | YTD Growth |
|--------------------|------------------------|-----------|-----------|------------|------------|
| Belgium | # of Messages Sent | 7,857 | 11,622 | 3,765 | 47.92% |
| | # of Messages Received | 8,764 | 9,527 | 763 | 8.71% |
| France | # of Messages Sent | 1,034,850 | 1,103,734 | 68,884 | 6.66% |
| | # of Messages Received | 1,161,968 | 1,266,428 | 104,460 | 8.99% |
| Germany | # of Messages Sent | 122,306 | 173,351 | 51,045 | 41.74% |
| | # of Messages Received | 52,902 | 58,369 | 5,467 | 10.33% |
| Greece | # of Messages Sent | 13,337 | 12,805 | -532 | -3.99% |
| | # of Messages Received | 23,872 | 25,802 | 1,930 | 8.08% |
| Ireland | # of Messages Sent | 11,072 | 13,475 | 2,403 | 21.70% |
| | # of Messages Received | 13,694 | 15,492 | 1,798 | 13.13% |
| Italy | # of Messages Sent | 239,061 | 267,846 | 28,785 | 12.04% |
| | # of Messages Received | 480,592 | 525,350 | 44,758 | 9.31% |
| Luxembourg | # of Messages Sent | 71,336 | 99,952 | 28,616 | 40.11% |
| | # of Messages Received | 83,753 | 88,455 | 4,702 | 5.61% |
| Monaco | # of Messages Sent | 1,735 | 1,648 | -87 | -5.01% |
| | # of Messages Received | 3,020 | 2,783 | -237 | -7.85% |
| Netherlands | # of Messages Sent | 28,146 | 32,924 | 4,778 | 16.98% |
| | # of Messages Received | 16,864 | 17,877 | 1,013 | 6.01% |

“Which countries are growing fastest in terms of Payments volumes?”

**In value/
currency
by
Q4/10**



What can I get out of Watch?

=> *Counterparty Risk Analysis*

Payments ▾ YTD ▾ All Months ▾ Europe - Euro Zone ▾ All Delivery Statuses ▾ Live ▲ All Geographical Routes ▾

MEASURES ▾

| MEASURES as values | # of Messages Sent | # of Messages Received | Variance |
|--|--------------------|------------------------|----------|
| Demo CPD name BN of FR | 419,871 | 355,947 | 63,924 |
| Demo CPD name JP of US | 66,666 | 26,940 | 39,726 |
| Demo CPD name CR of IT | 64,446 | 48,414 | 16,032 |
| Demo CPD name ME of US | 62,951 | 4,161 | 58,790 |
| Demo CPD name BA of LB | 62,191 | 100,784 | -38,593 |
| Demo CPD name DE of PH | 52,487 | 58,625 | -6,138 |
| Demo CPD name DR of DE | 48,502 | 44,276 | 4,226 |
| Demo CPD name CI of US | 47,495 | 57,094 | -9,599 |
| Demo CPD name BA of PT | 47,068 | 47,907 | -839 |
| Demo CPD name AB of NL | 45,395 | 33,832 | 11,563 |
| Demo CPD name UB of CH | 44,981 | 18,578 | 26,403 |
| Demo CPD name HS of MX | 42,746 | 71,055 | -28,309 |
| Demo CPD name BA of VN | 39,449 | 170,412 | -130,963 |
| Demo CPD name LE of US | 34,672 | 668 | 34,004 |
| Demo CPD name BA of US | 33,567 | 34,653 | -1,086 |
| Demo CPD name SO of MA | 32,472 | 40,439 | -7,967 |
| Demo CPD name GO of US | 32,218 | 2,005 | 30,213 |
| Demo CPD name FO of TR | 30,113 | 20,659 | 9,454 |
| Demo CPD name IN of NL | 28,063 | 25,761 | 2,302 |

“Who are my counterparties?”

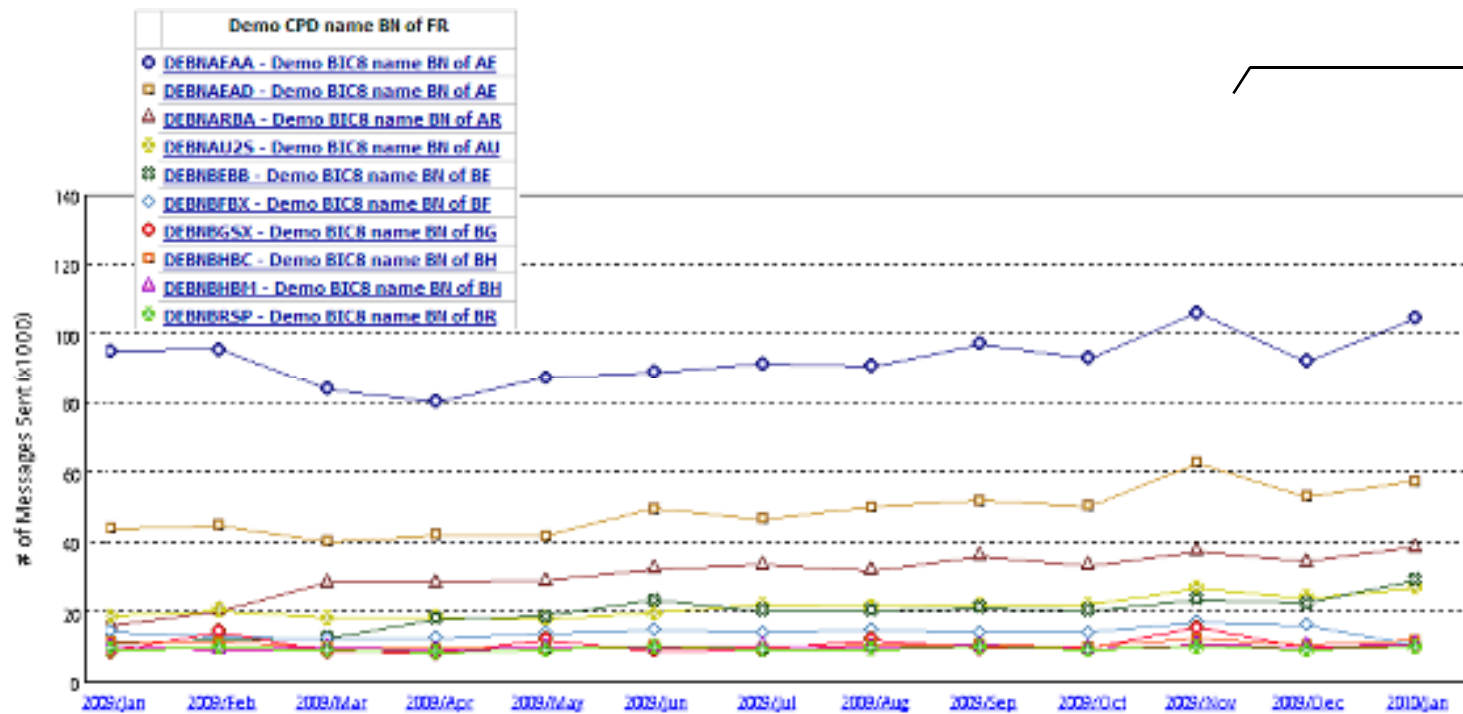
What is the direction of my exposure?”

In value by Q4/10



What can I get out of Watch?

=> *Trend Analysis*



“What is the evolution of my exposure over time?”





Integration consulting services

Assessment

- Assessing cash and liquidity business / operational processes
 - Intra-day position management
 - Predictive position management
 - Payment flow control
- Guidance for potential process improvements in line with new liquidity risk regulation

- Typically 25-35 days

Implementation

- Business layer - Formal modeling of cash & liquidity processes and data flows
- Middle layer - Technical model representation
- Messaging layer - Data mapping with SWIFT messages and integration with your applications
- Connectivity layer - Configuration, deployment and testing support

- Efforts tailored to scope

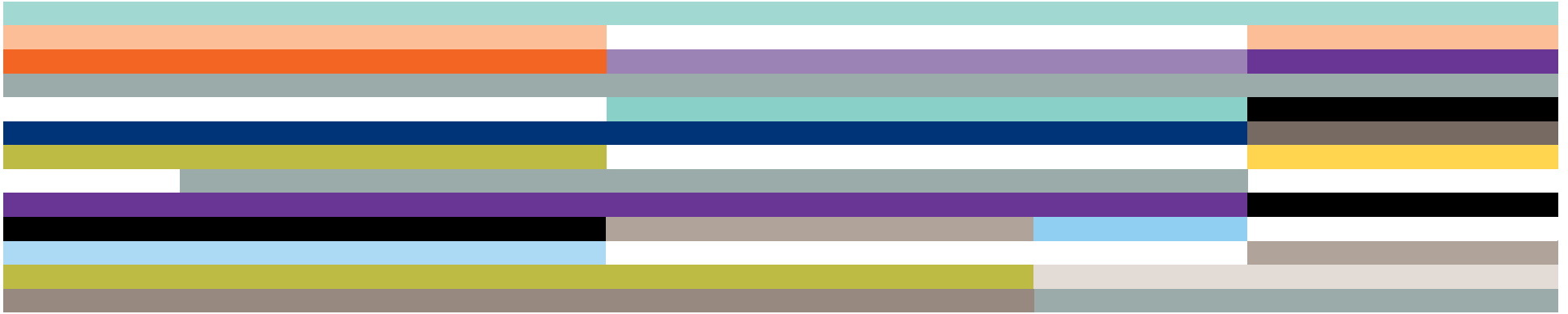




More info?

- Your SWIFT relationship manager
- www.swift.com
- [White paper: Managing liquidity risk in a changed and global world \[PDF\]](#)
- [Market research: industry pain points and SWIFT solutions \[PDF\]](#)
- [SWIFT solutions for liquidity risk management factsheet \[PDF\]](#)





Thank you

