



SWIFT for CSDs

April 11th (ESP) & April 12th (ENG)

Agenda

- **Introducción/Introduction- Fabian Banchiero / Thomas Trepanier**
- **Visión General de SWIFT/SWIFT Overview- Carmen Mejía**
 - **Mensajería/ Messaging**
 - **Oferta de Software/ Software Services**
 - **Conectividad y Seguridad/ Connectivity and Security**
- **Servicios Compartidos/Shared Services**
 - **Estándares/Standards- Omar Lago-Rodriguez**
 - **Business Intelligence- Daniel Lynch**
 - **Cumplimiento/Compliance- Paul Taylor**
- **Propuesta de Valor de SWIFT para DCVs**
SWIFT Value Proposition for CSDs - Nadine Limbourg
- **Q&A**

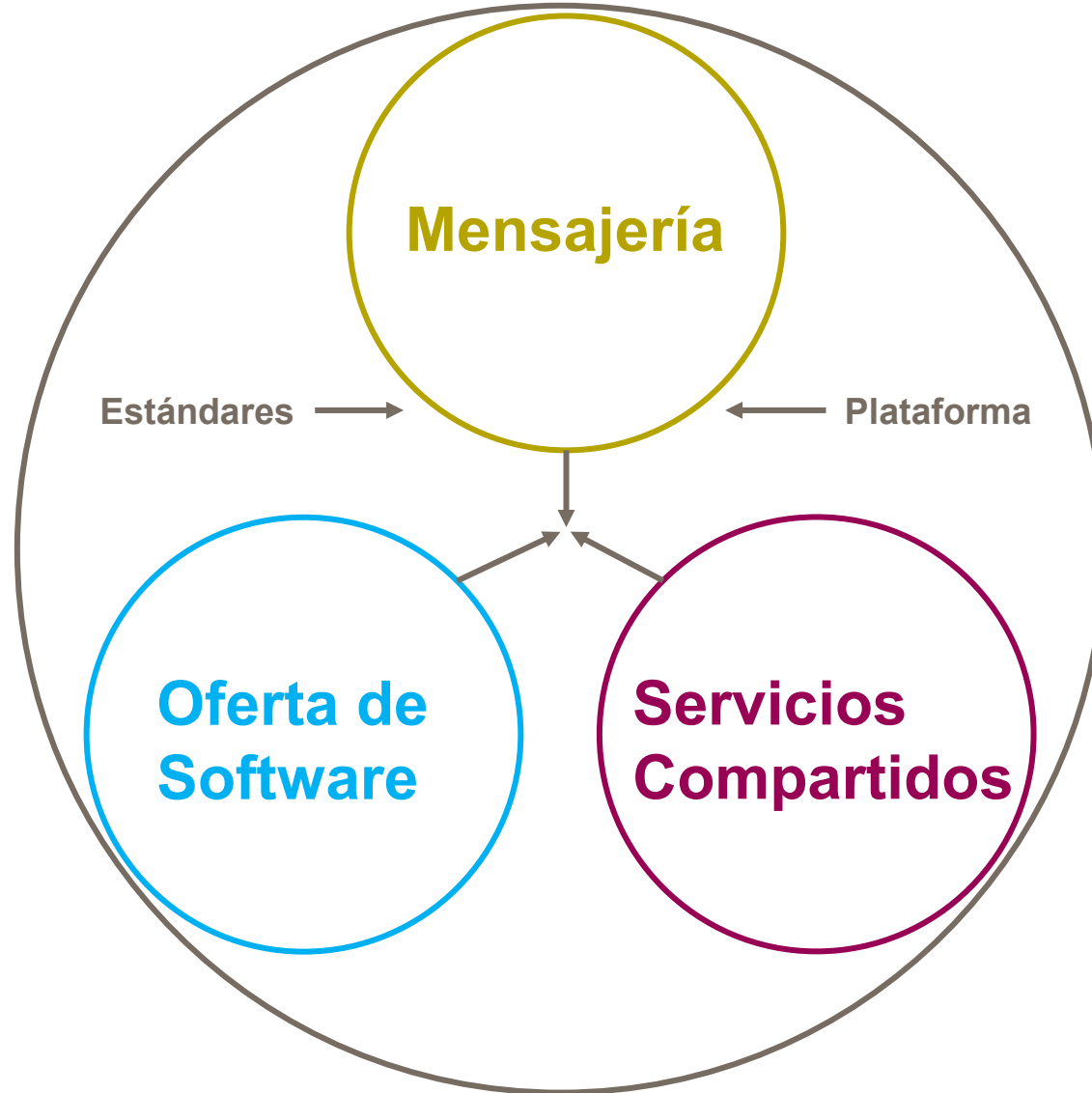




SWIFT para Depósitos Centrales de Valores (DCVs)

Abril 2016

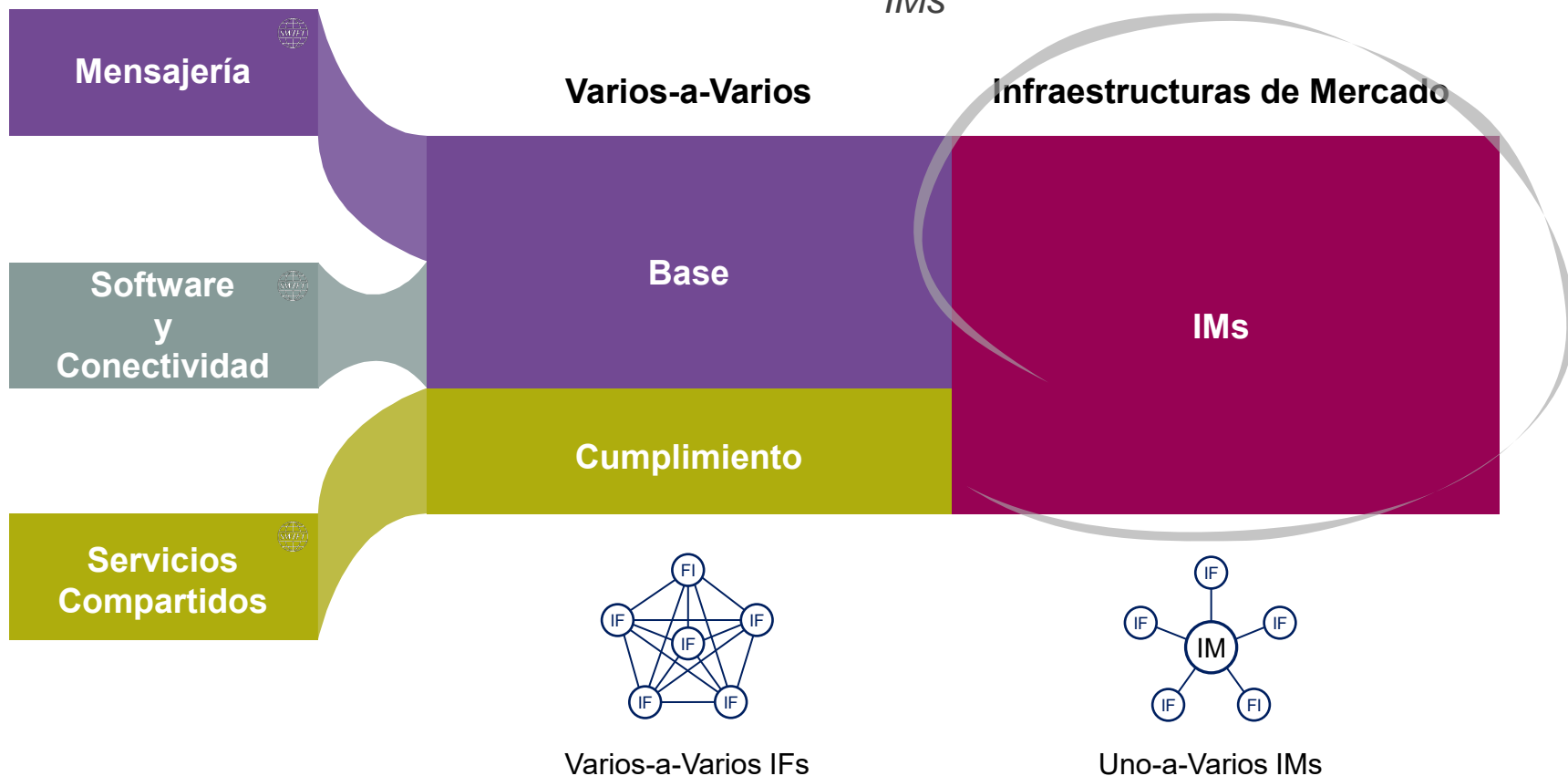
Nuestra oferta a la Comunidad



Las Infraestructuras de Mercado son una de las 3 prioridades principales de la estrategia SWIFT 2020

Apoyando a más de 220 infraestructuras de mercado (IMs) alrededor del mundo, estas son estratégicamente importante para SWIFT y forman una parte principal de SWIFT2020

Prioridades SWIFT2020 | Base, Cumplimiento y IMs

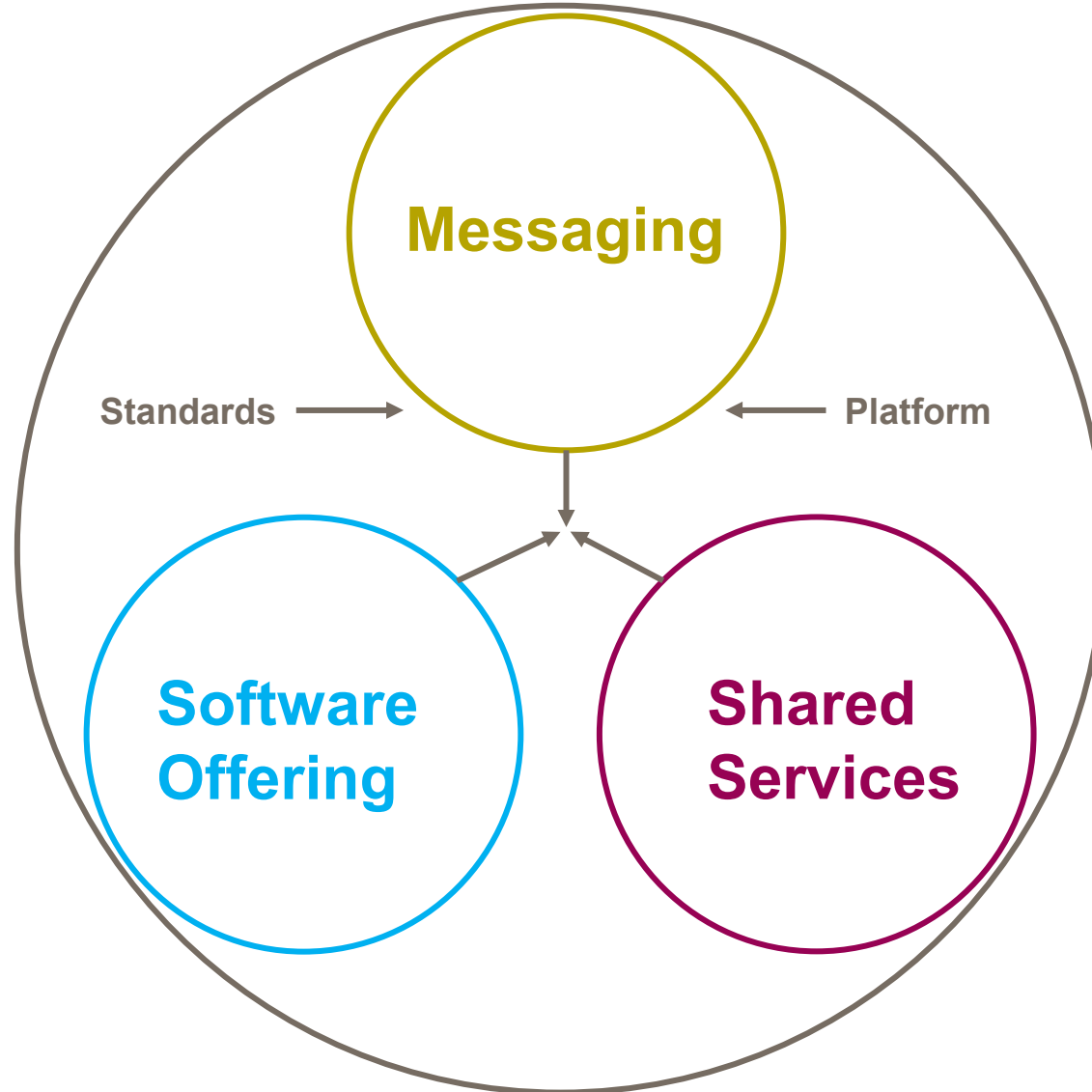




SWIFT for CSDs

April 11th (ESP) & April 12th (ENG)

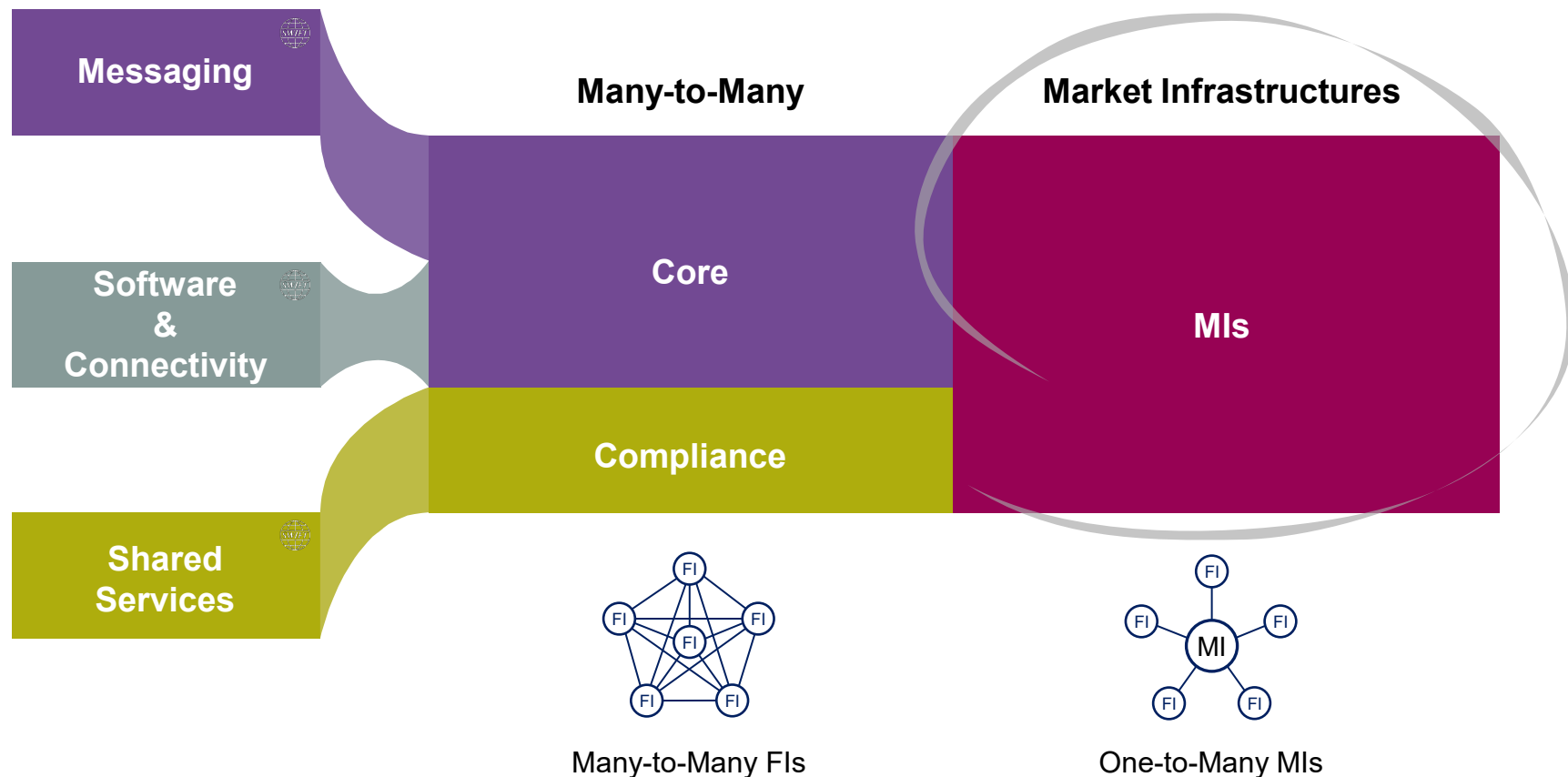
Our offering to the Community



Market infrastructures are one of the 3 top priorities of SWIFT 2020 strategy

Supporting more than 220 around the world, MIs are strategically important to SWIFT, and form a major part of SWIFT2020

SWIFT2020 Priorities | Core, Compliance and MIs





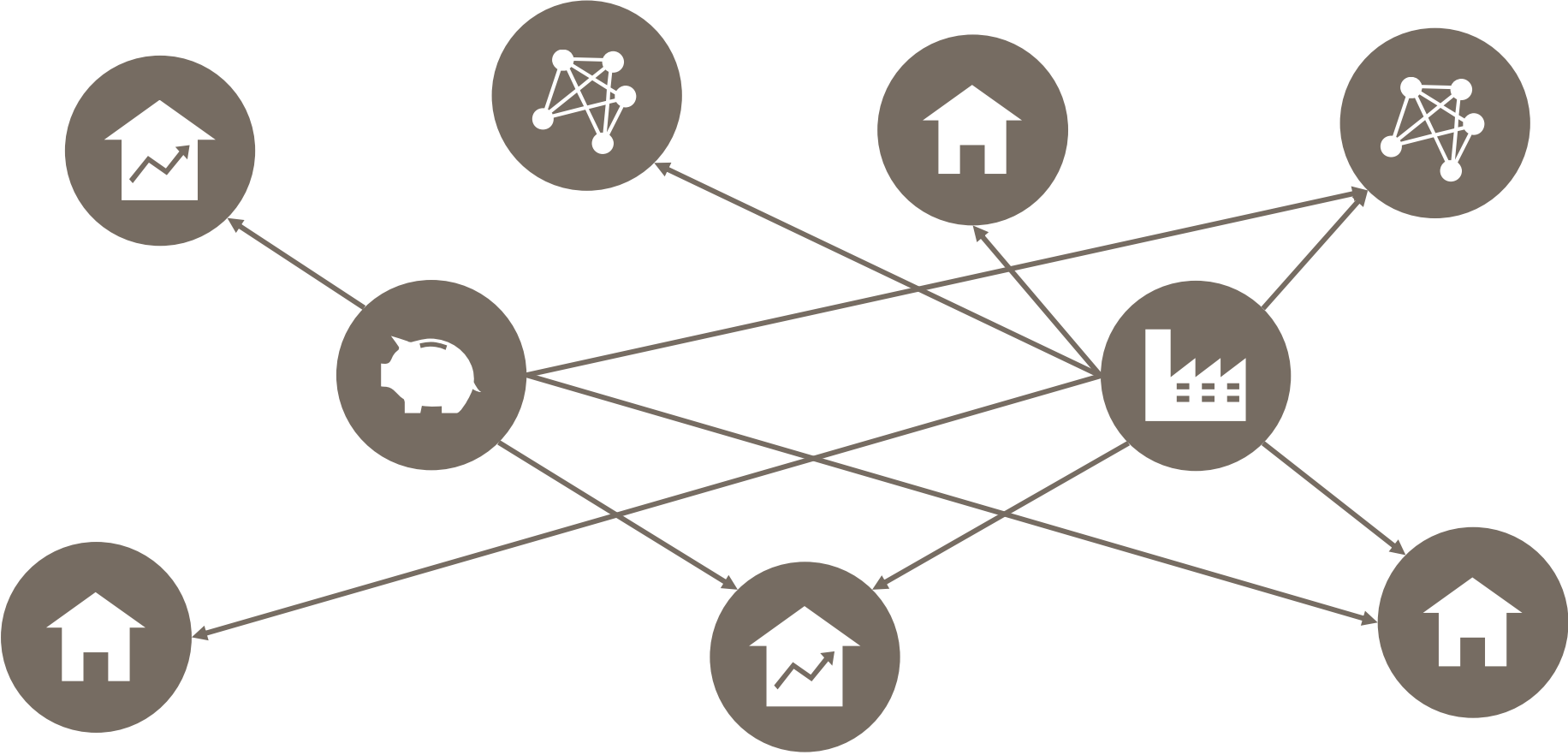
Messaging Services

Understand which SWIFT messaging services best meet the business needs of your institution and community.

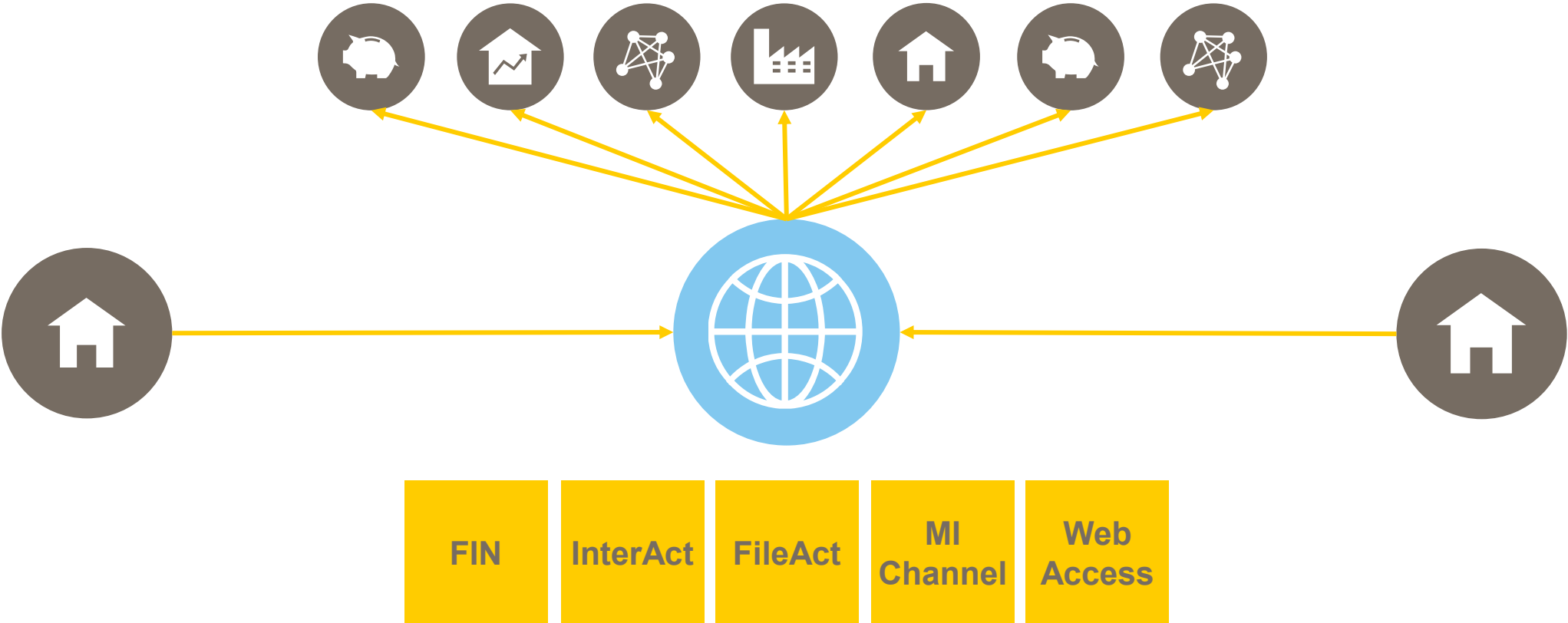
Menu

- › FIN
- › InterAct
- › FileAct
- › WebAccess

How can your organisation address its financial messaging needs?

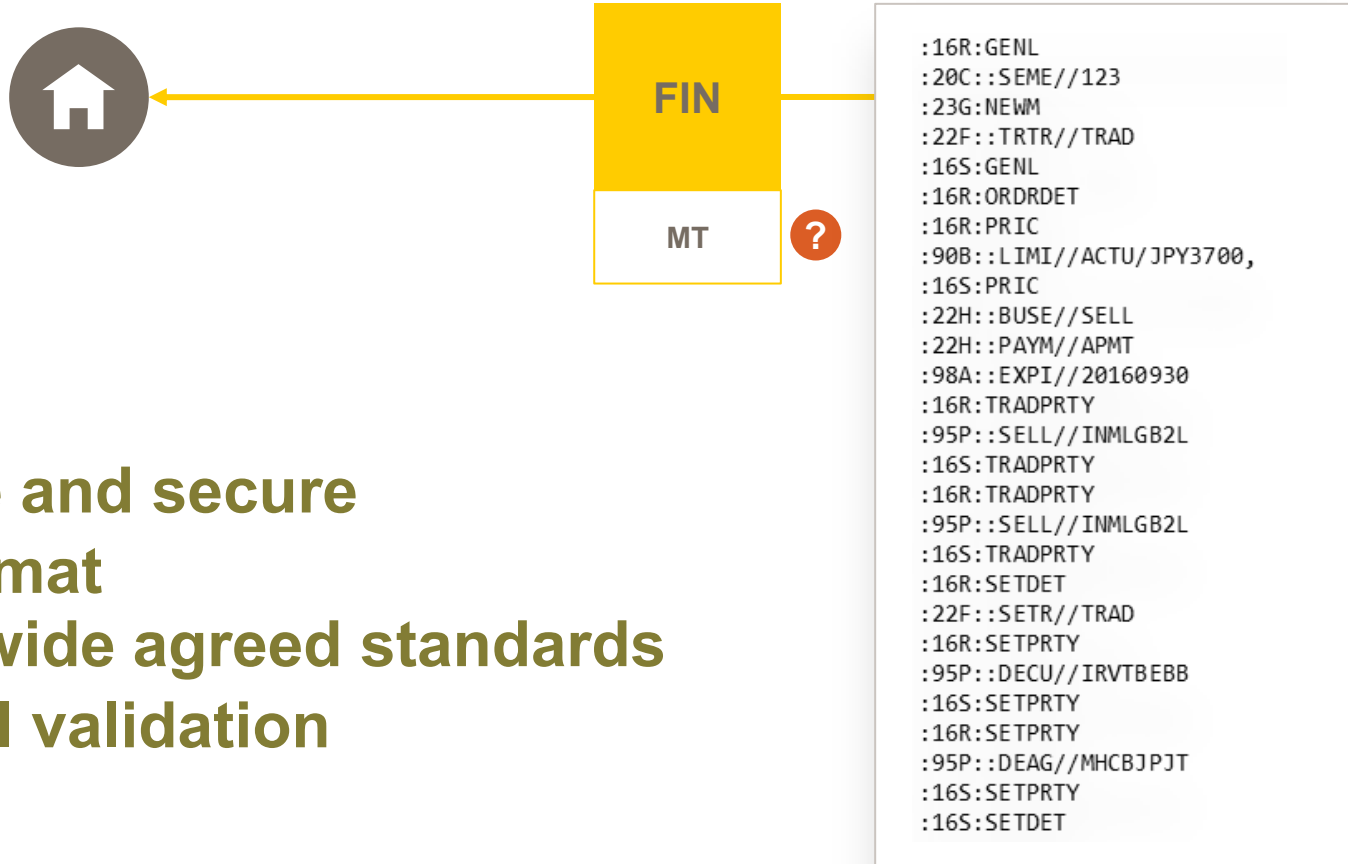


How can your organisation address its financial messaging needs?



FIN

How do you exchange financial data in a simple and secure way?



Simple and secure
MT format
Worldwide agreed standards
Central validation

exchange:

uctions
nations
porting
llateral
rations

Settlement and Reconciliation Message Types

Transaction Processing Command	530
Receive Free	540
Receive Against Payment	541
Deliver Free	542
Deliver Against Payment	543
Receive Free Confirmation	544
Receive Against Payment Confirmation	545
Deliver Free Confirmation	546
Deliver Against Payment Confirmation	547

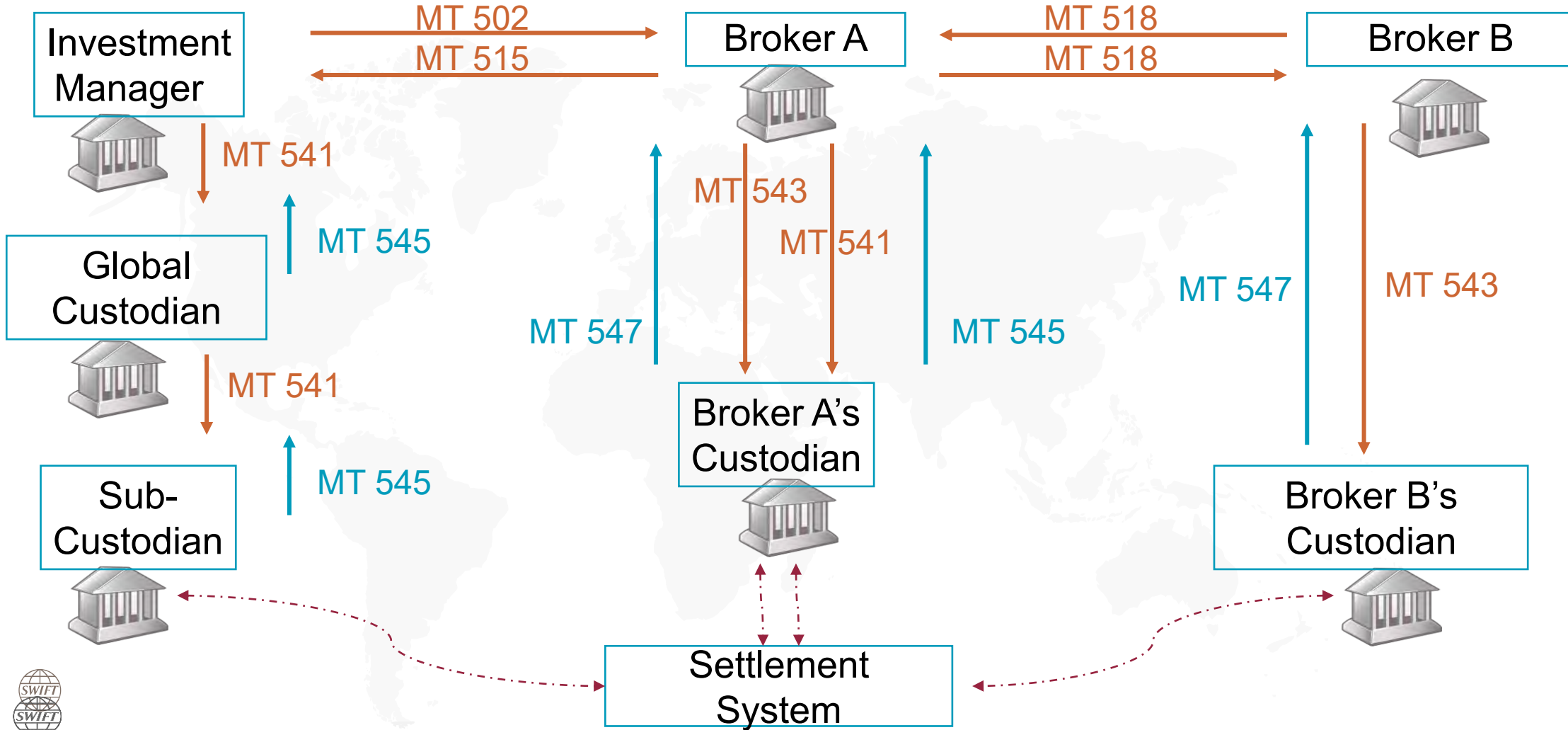


Settlement and Reconciliation Message Types

Settlement Status and Processing Advice	548
Request for Statement/Status Advice	549
Statement of Holdings	535
Statement of Transactions	536
Statement of Pending Transactions	537
Settlement Allegement	578
Statement of Settlement Allegements	586

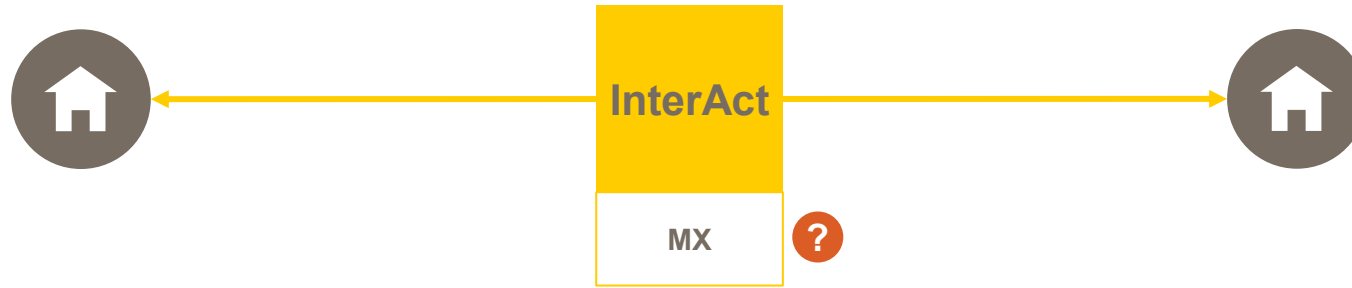


Trade and Settlement – Message Types



InterAct

How do you exchange financial data in a simple and secure way?



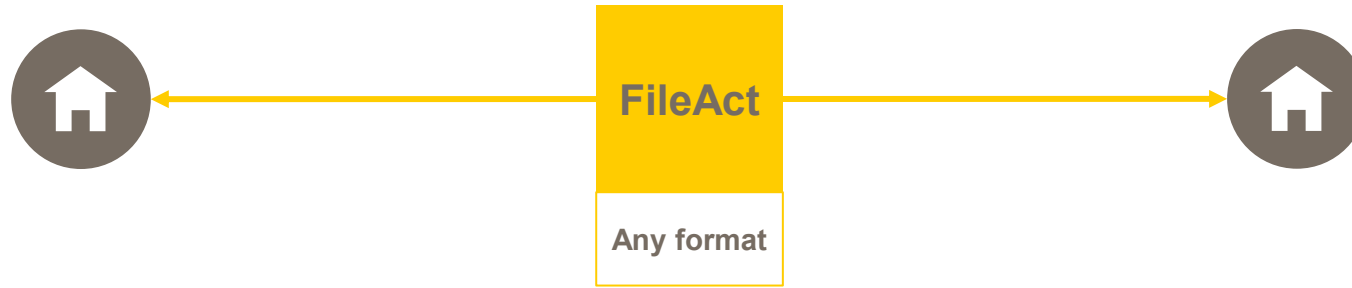
InterAct is used to exchange:

Highly secure
XML syntax
MX Messages
Central validation
Worldwide agreed standards

Instructions
Confirmations
Settlement reporting
Collateral
Custodian operations

FileAct

How do you securely exchange large volumes of data in files?



Large volumes of data in files

High level security

Any file formats

Source authentication

File integrity

Bulk payments

Securities value-added information

Central bank and intra-institution reporting

Images and pdf documents

Web Access

How do you access web portals in a secure and reliable way?



Web access is used for :

Viewing dashboards

Viewing balances

Viewing transaction or liquidity statuses

Updating configuration data

**Secure and reliable
Access authentication
Single URL**



Software Solutions

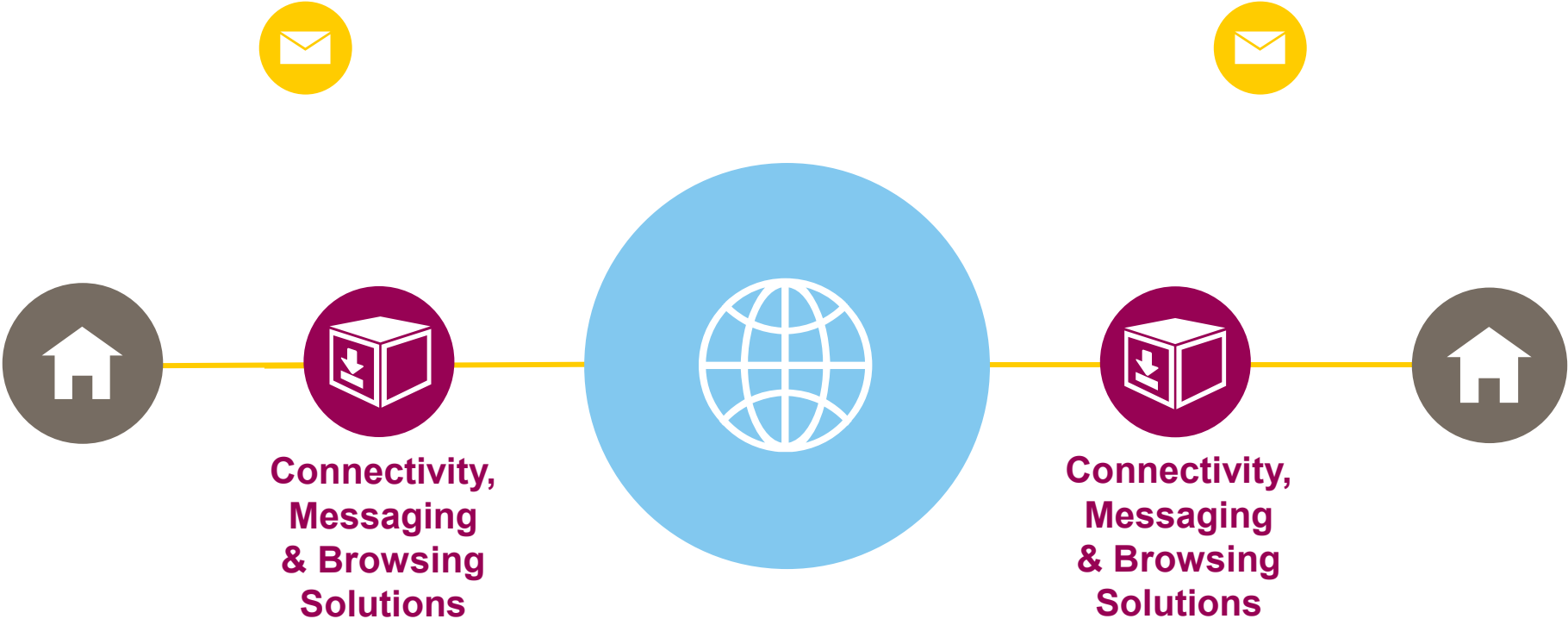
Understand which SWIFT connectivity, messaging and integration software solutions best meet your needs.

Menu

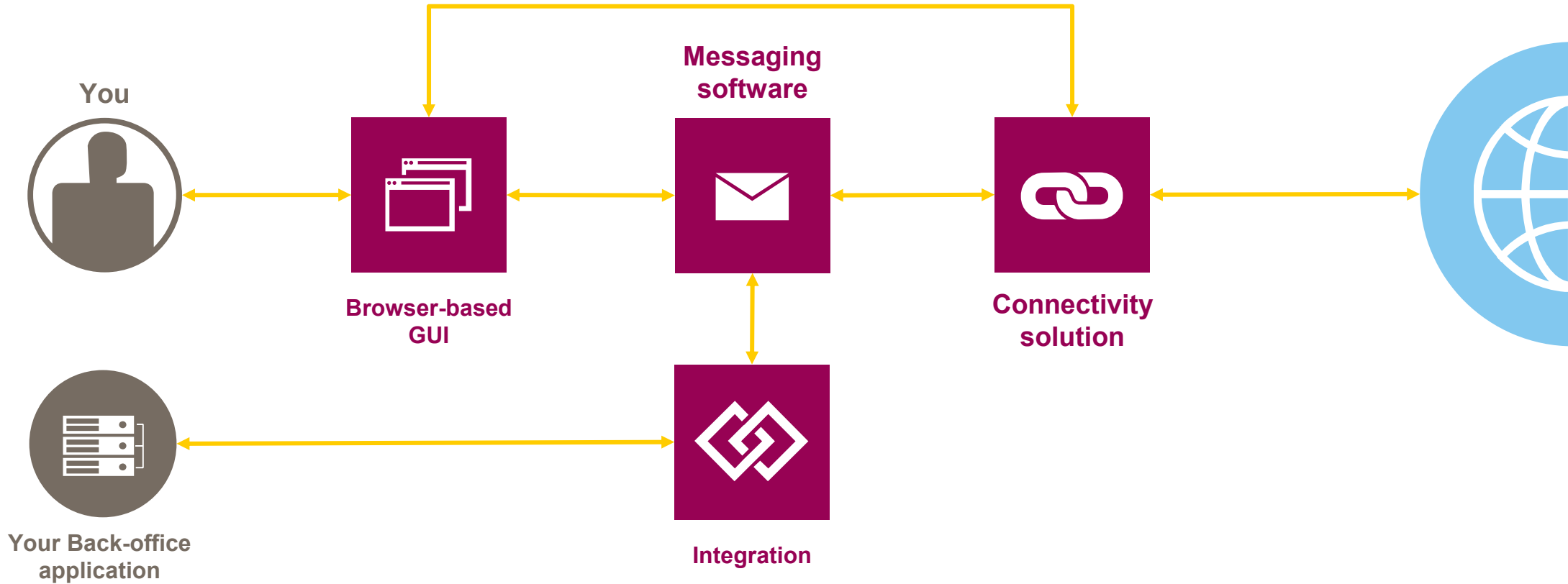
- › Which software solution best meets your needs?
- › “On premises” connectivity software solutions
- › “On premises” messaging software solutions
- › User graphical interface
- › “On premises” or cloud
- › Out-of-the-box integration
- › Integration software solutions

Which software solution best meets your needs?

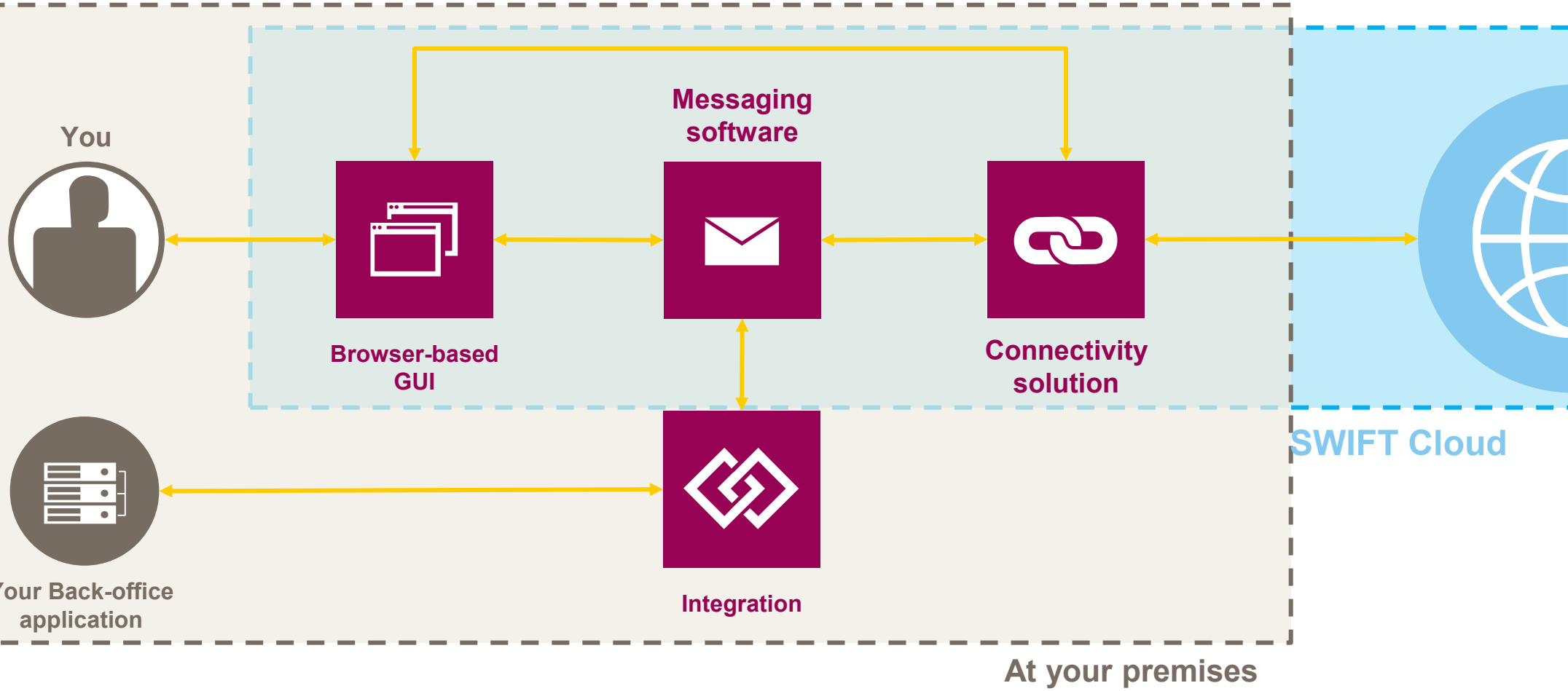
Connectivity, Messaging and Software solutions



How to connect to the SWIFT community?



“On premises” or cloud?



“On premises” connectivity software solutions

How do you connect to SWIFT with an “on premises” connectivity solution?



**Messaging
software**



**SWIFTNet
Link (SNL)
Connectivity
solution**

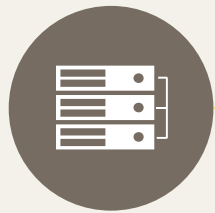


At your premises

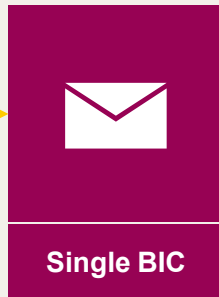
“On premises” messaging software solutions

How do you communicate with SWIFT with an “on premises” messaging software?

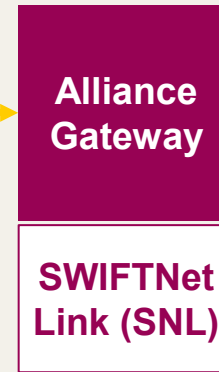
Low integration needs



Back-office application



Single BIC software



Alliance Gateway

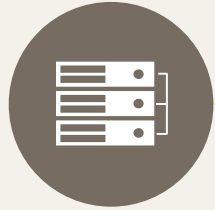
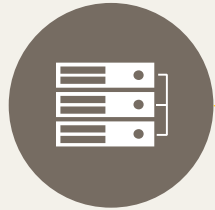
SWIFTNet Link (SNL)



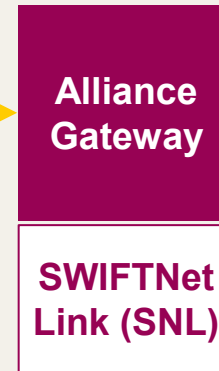
At your premises

How do you communicate with SWIFT with an “on premises” messaging software ?

Medium integration needs



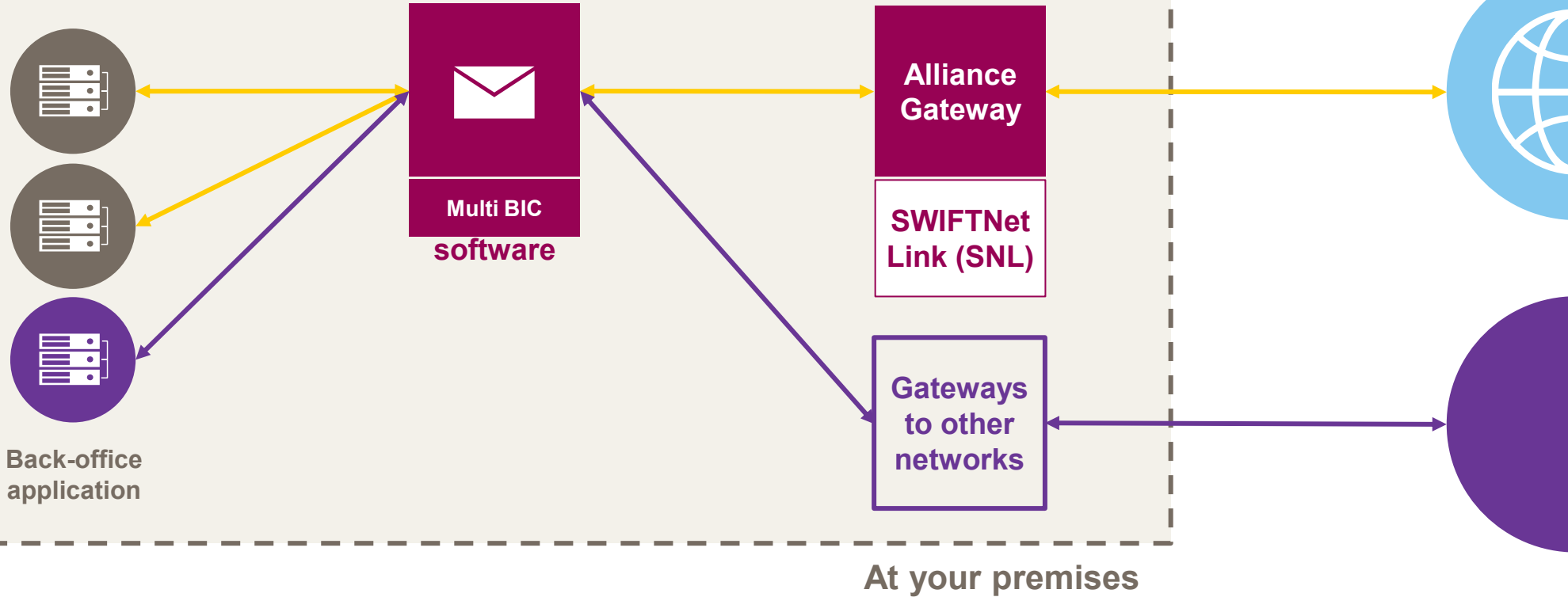
Back-office application



At your premises

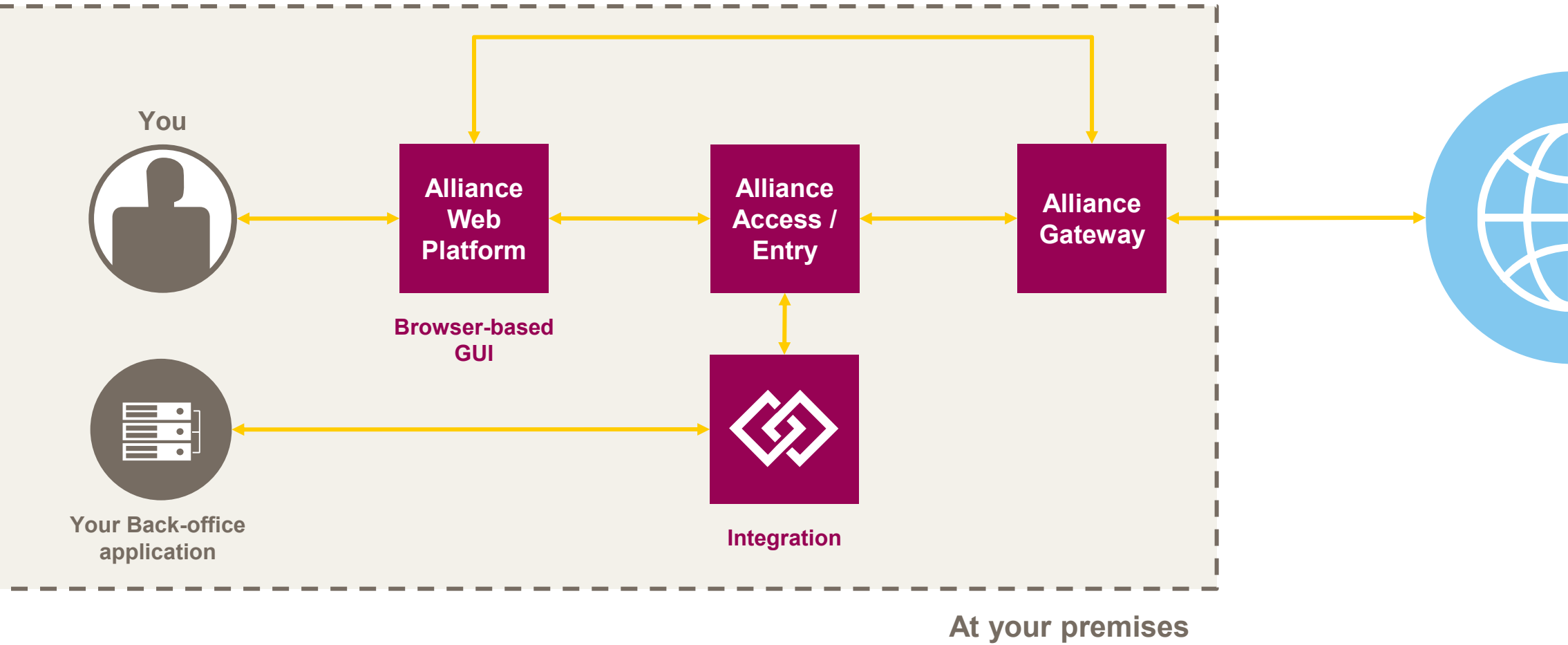
How do you communicate with SWIFT with an “on premises” messaging software ?

Complex integration needs



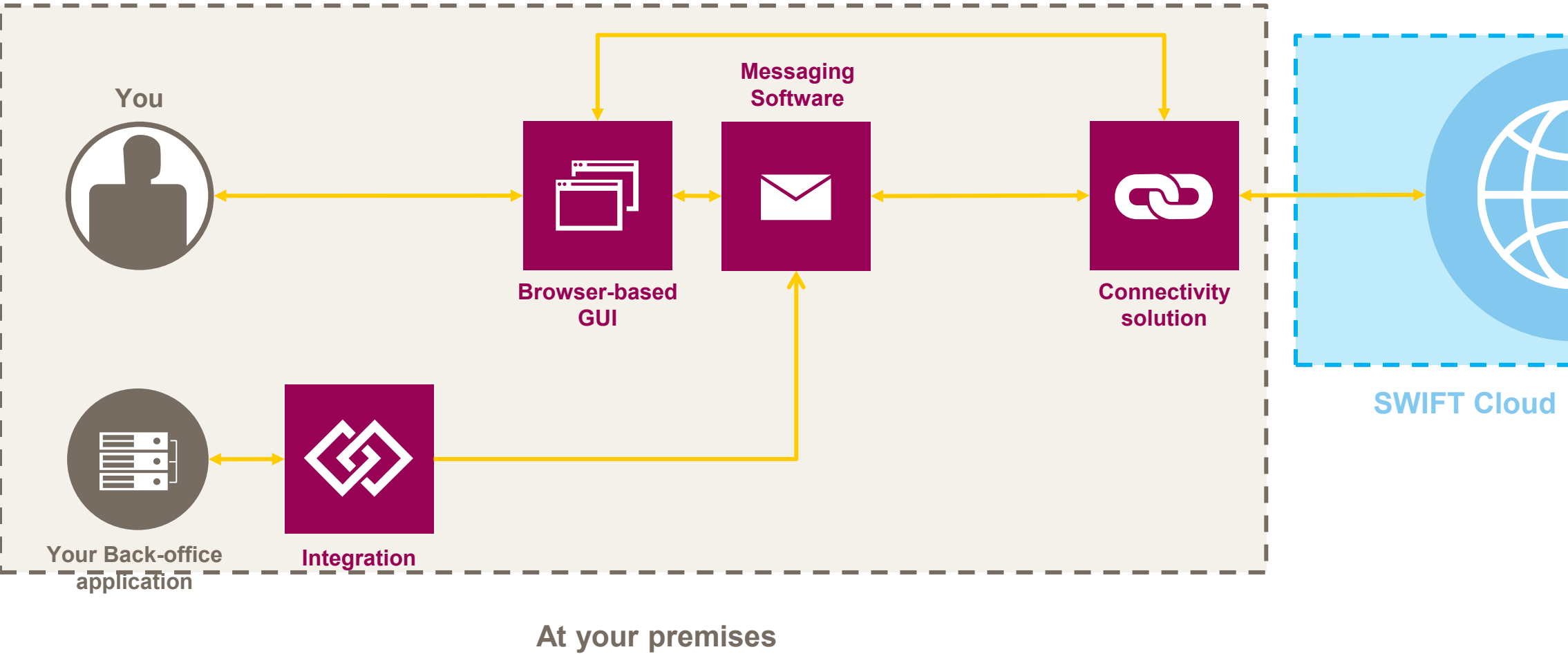
Graphical user interface (GUI)

How do end users connect to the different types of software?

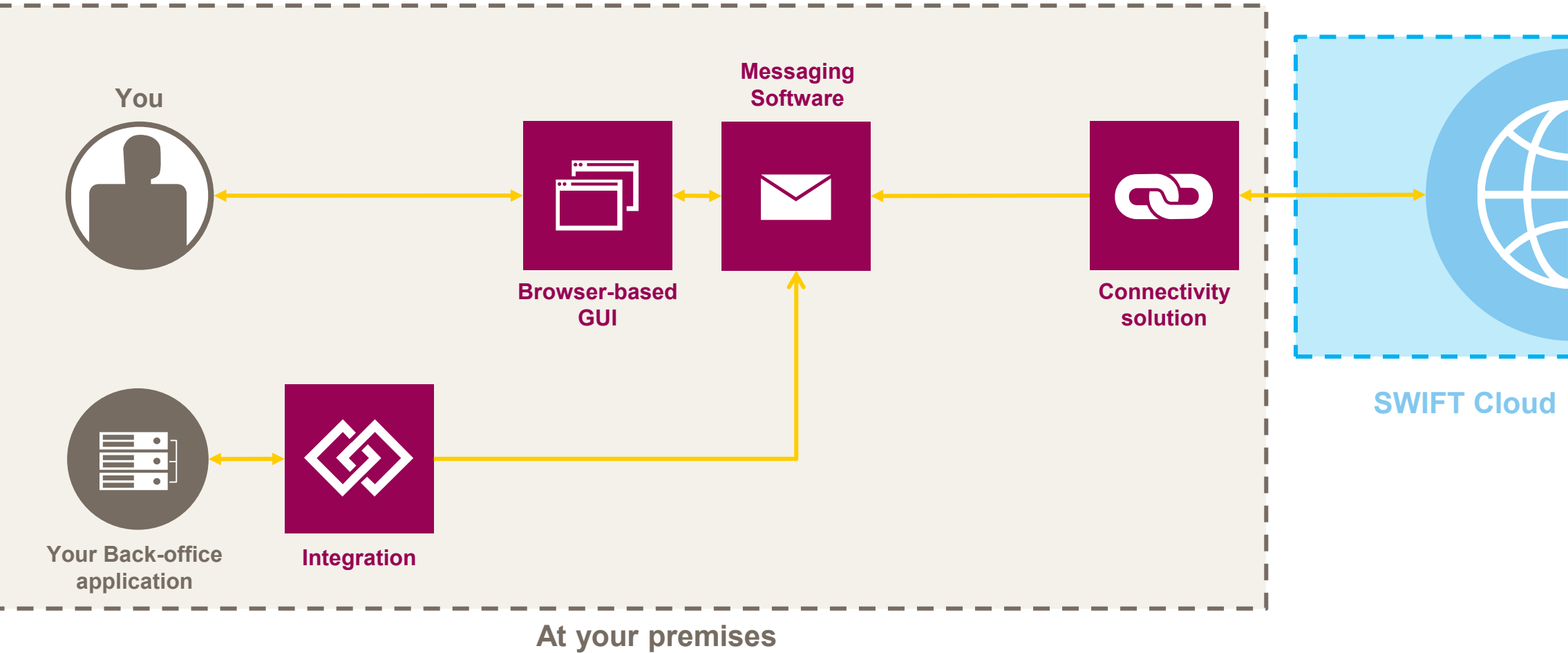


“On premises” or cloud?

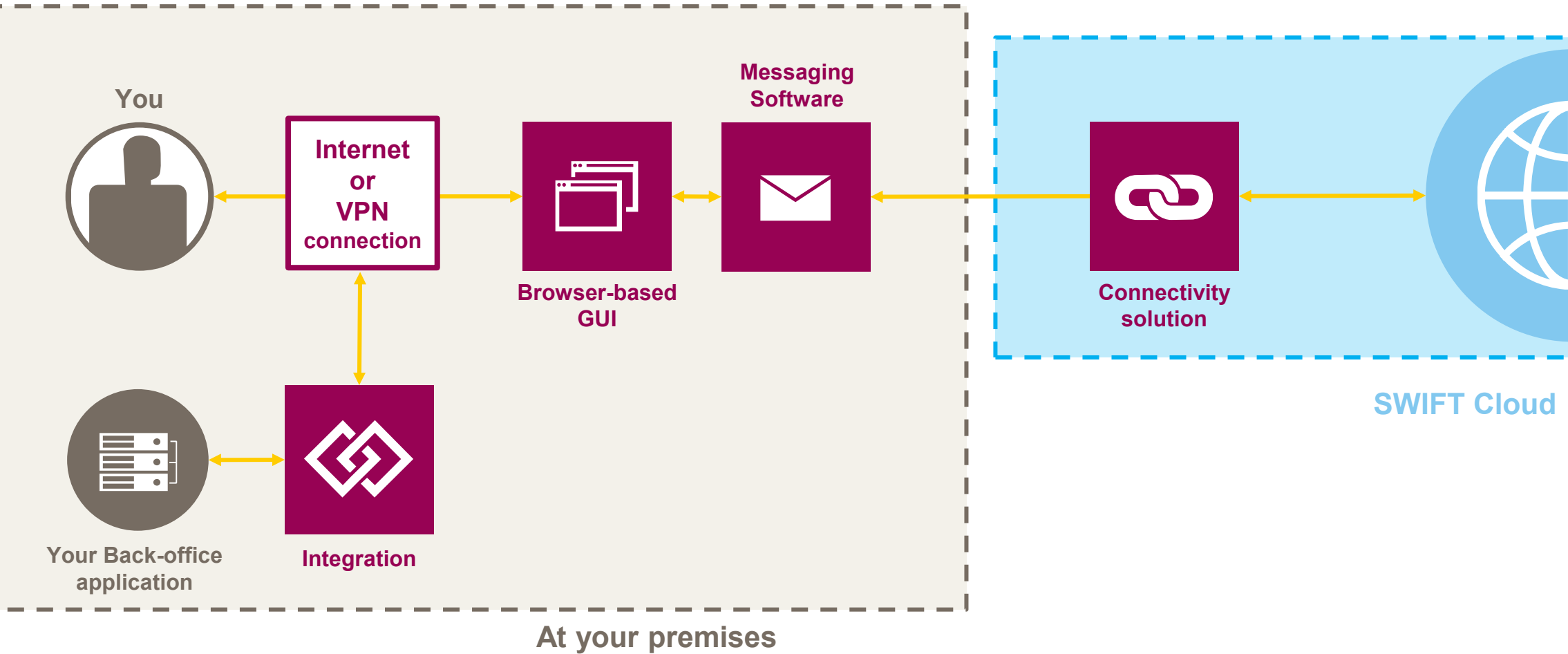
Option 1 - Fully "On premises"



Option 2 – Partially “On premises”

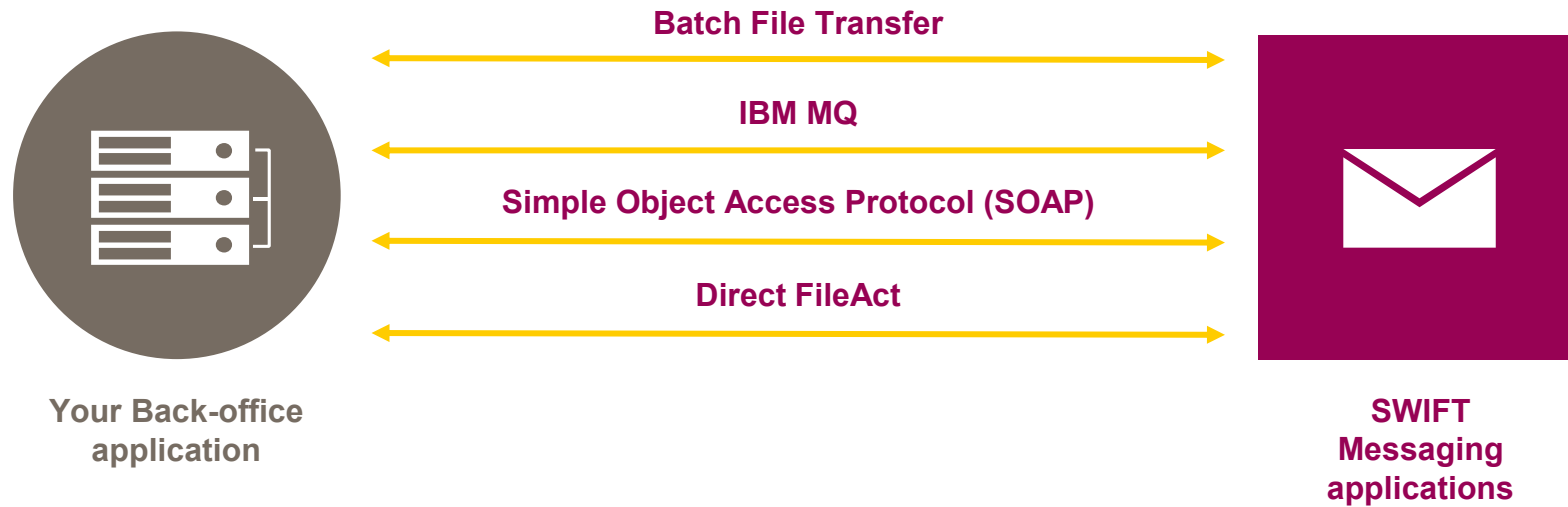


Option 3 – Fully cloud



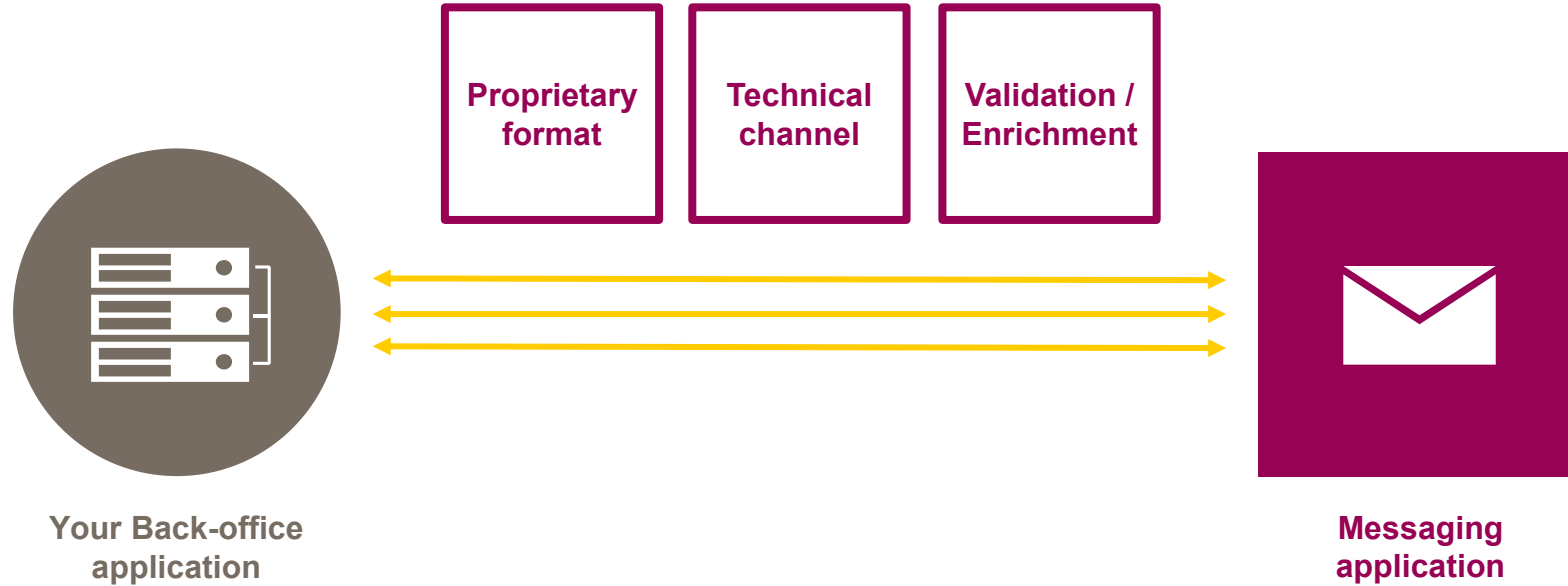
Out-of-the-box integration

How to integrate your back office with SWIFT

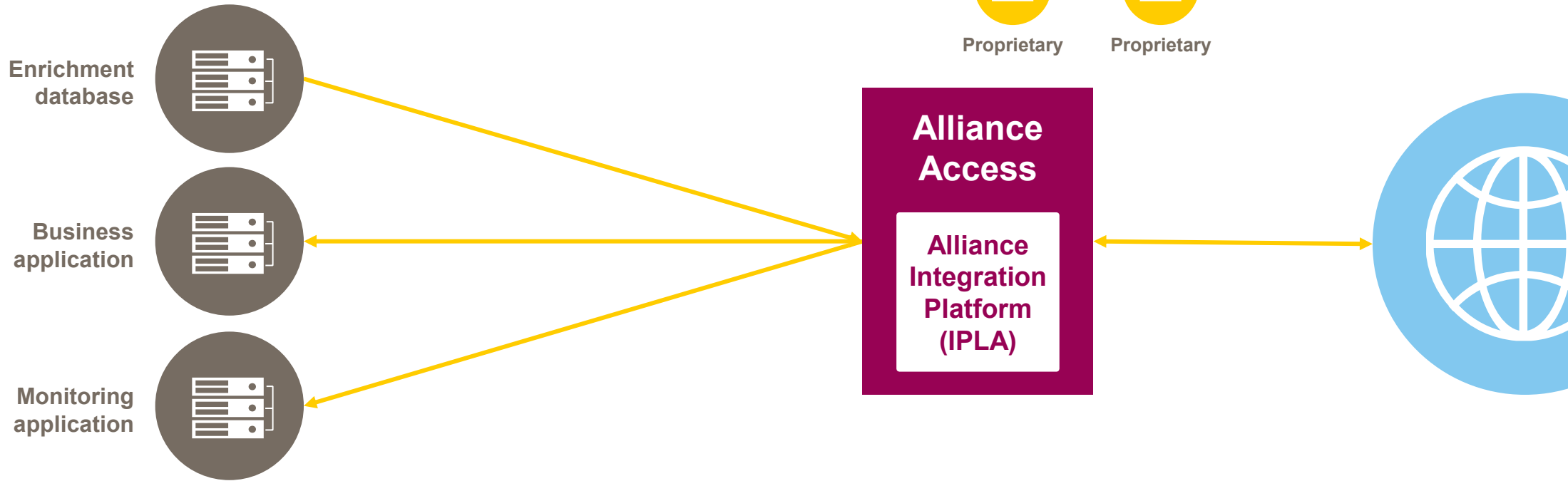


Integration software solutions

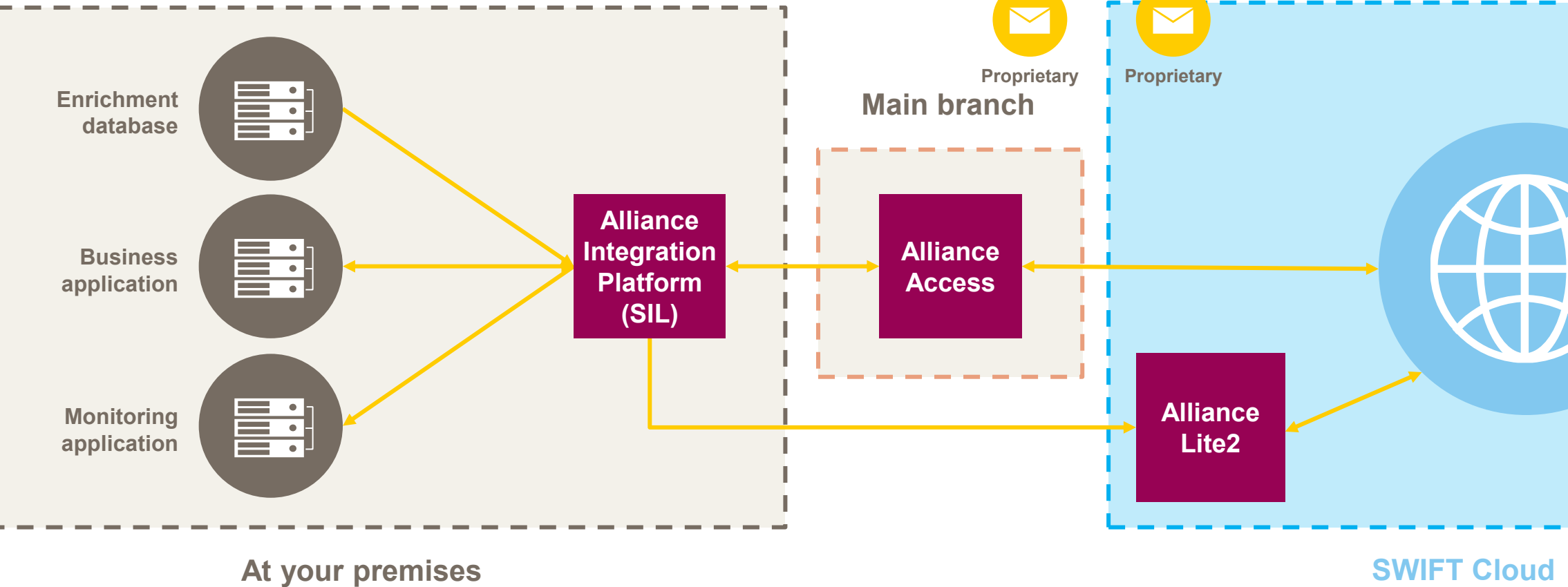
How to integrate your back office with SWIFT



How to integrate your back office with SWIFT (Alliance Access Embedded)



How to integrate your back office with SWIFT (Stand-alone software)





Connectivity and Security

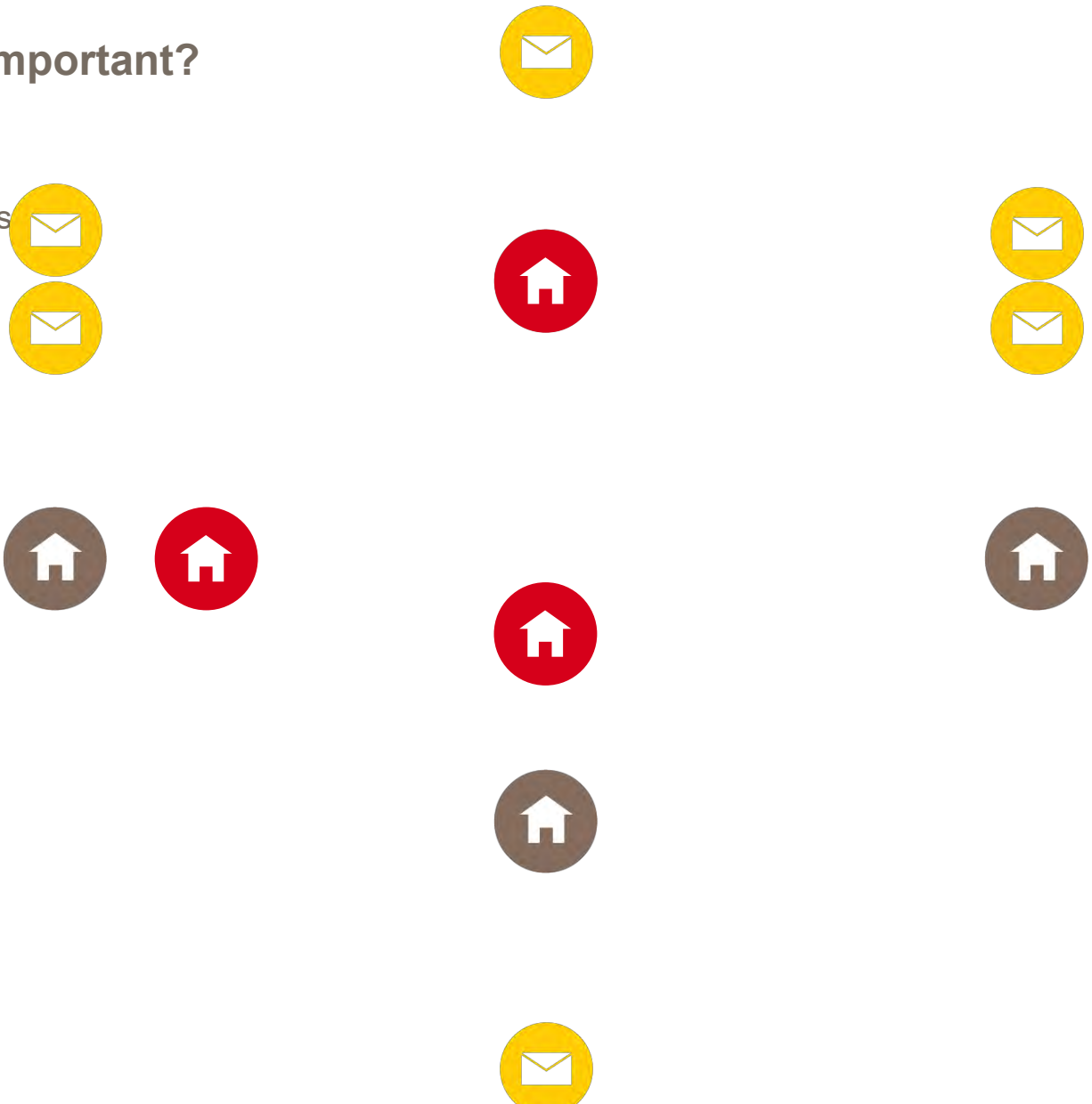
Understand how SWIFT delivers confidentiality, integrity and availability on its secure platform.

Menu

- › Why is security so important?
- › Design, infrastructure and architecture
- › The three security layers of the SWIFT secure IP network
- › To sum up

Why is security so important?

Security incidents can have dire effects on your business



The SWIFT secure IP network (SIPN)



Secure IP network (SIPN)

Design, infrastructure and architecture

Design

Encryption

Member screening

Identity authentication

Access control

No data modification

No data deleted

No message loss

24/7 Service

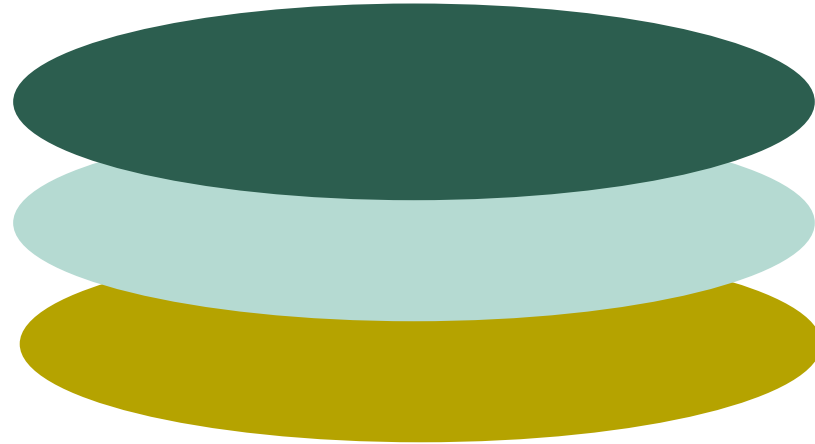
**Clear Service Level
Agreements**

99,999 availability



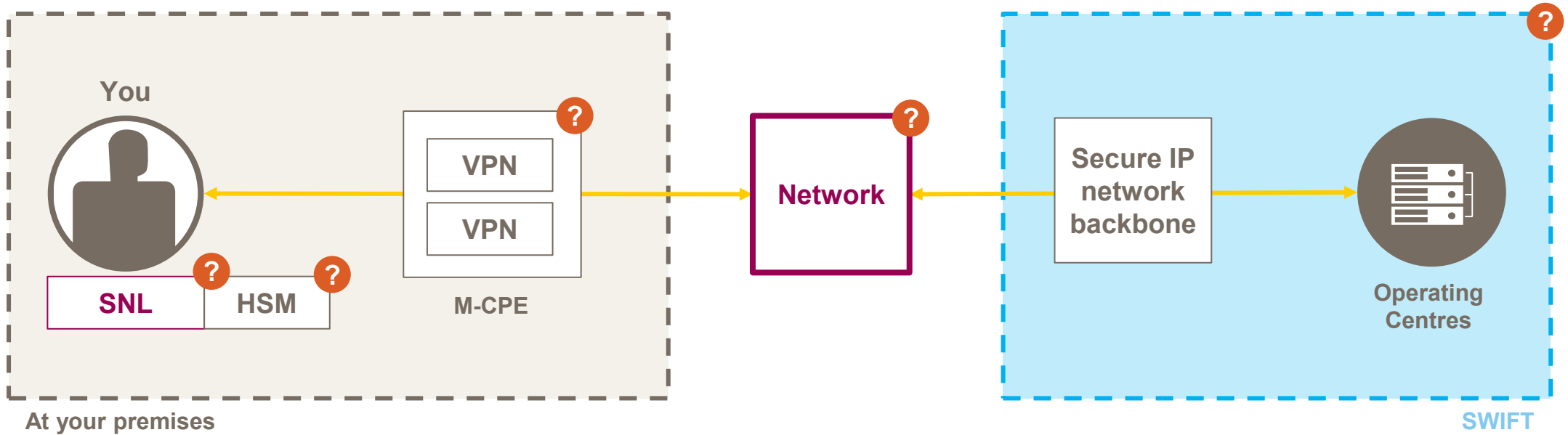
Infrastructure

- 3** Disaster Recovery Infrastructure
- 2** Inter-site recovery
- 1** Same site resilience



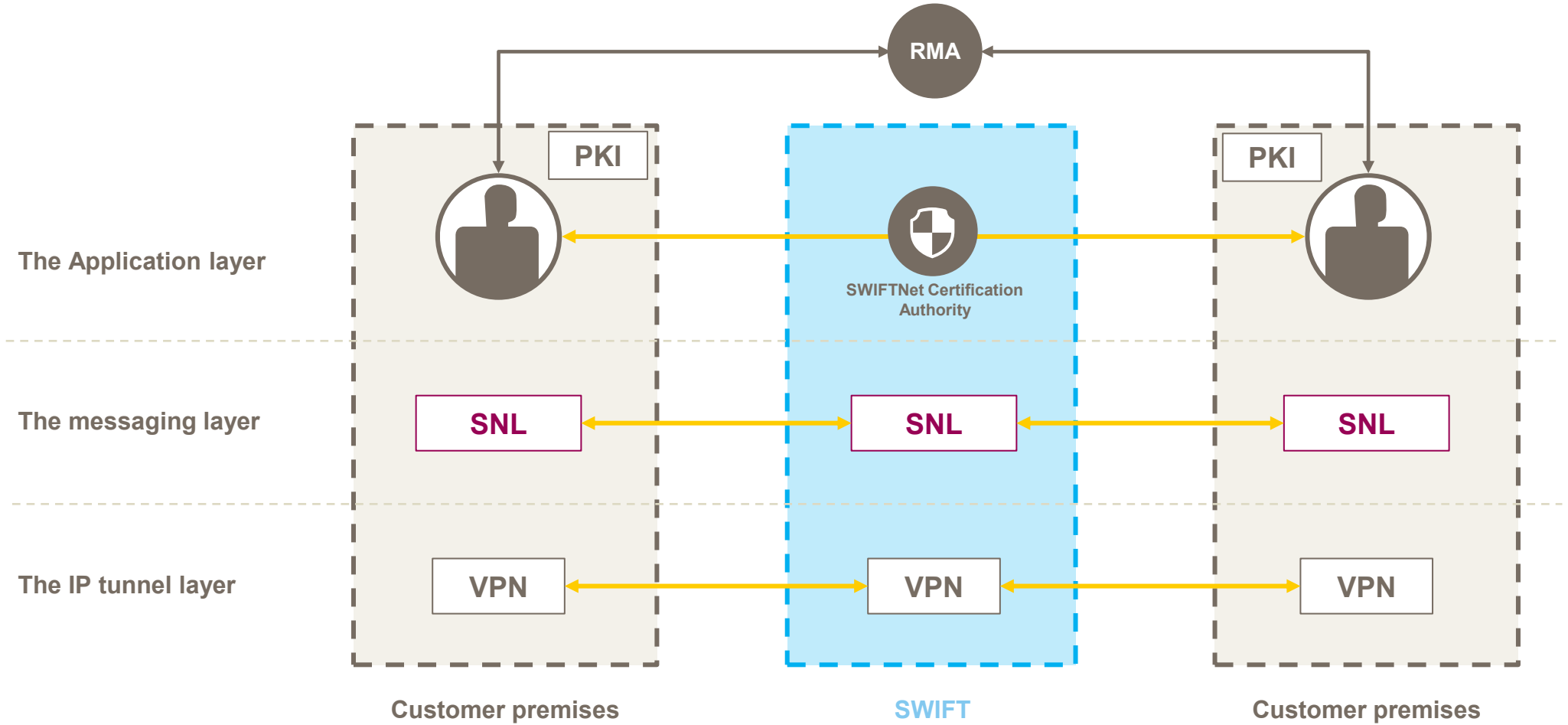
Data protection

Secure IP Network Architecture

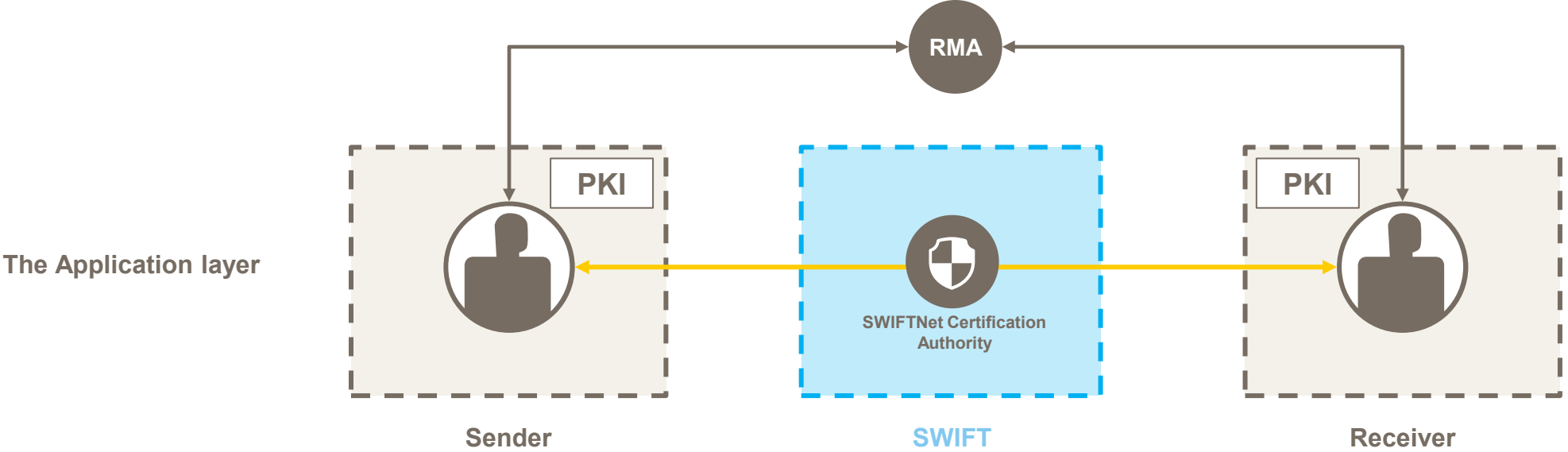


The three security layers of the SWIFT SIPN

The 3 security layers of the SWIFT SIPN



The application layer

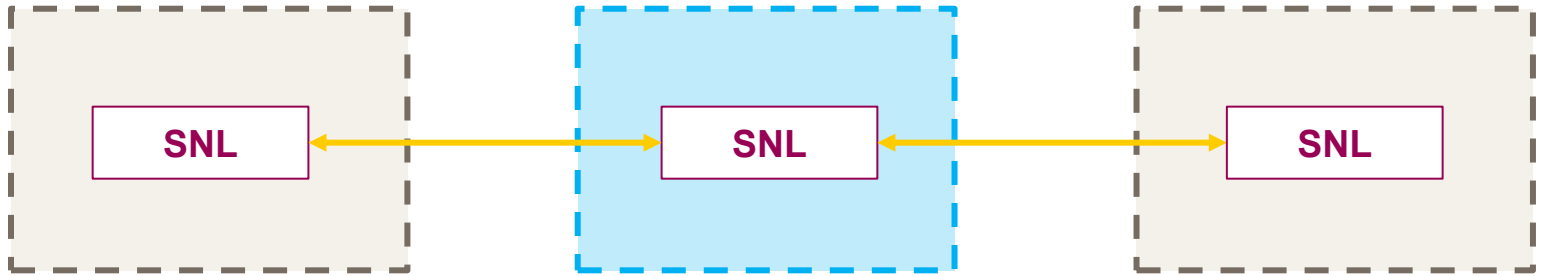


Authentication

Content integrity

The messaging layer

The messaging layer



Sender

SWIFT

Receiver

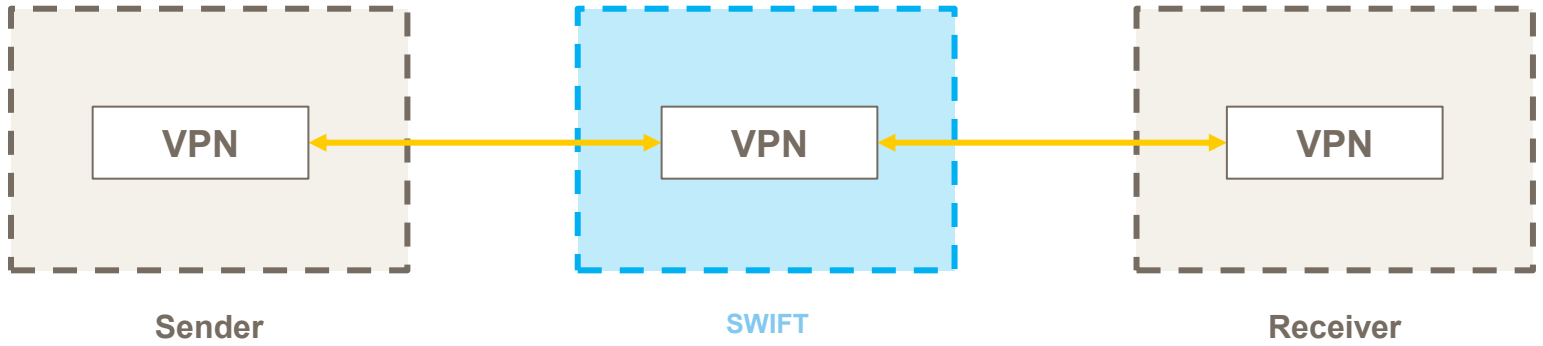
Integrity

Confidentiality

Authentication

The IP tunnel layer

The IP tunnel layer

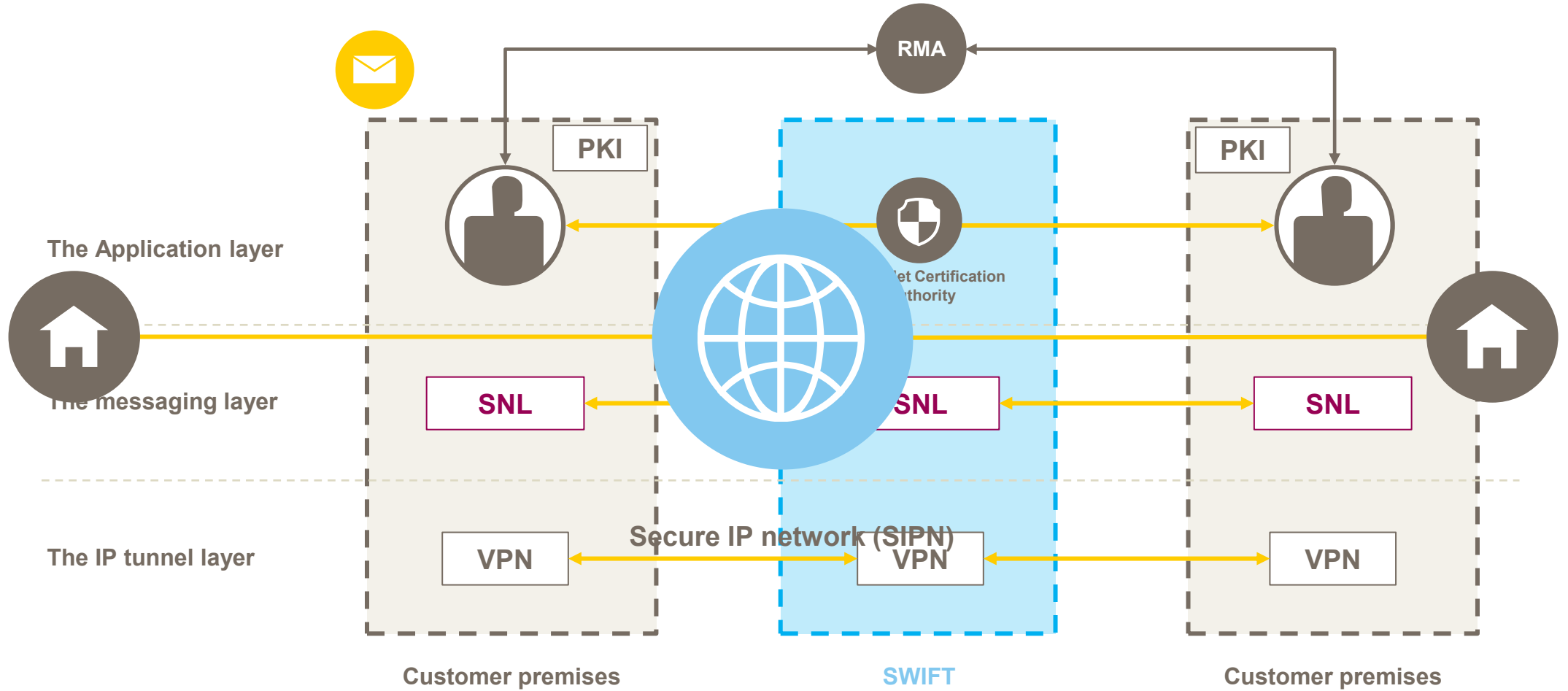


Encryption

Resiliency

To sum up

SWIFT Secure IP network (SIPN)





ISO 20022 Adoption Trends

Omar Rodríguez, SWIFT LATAM

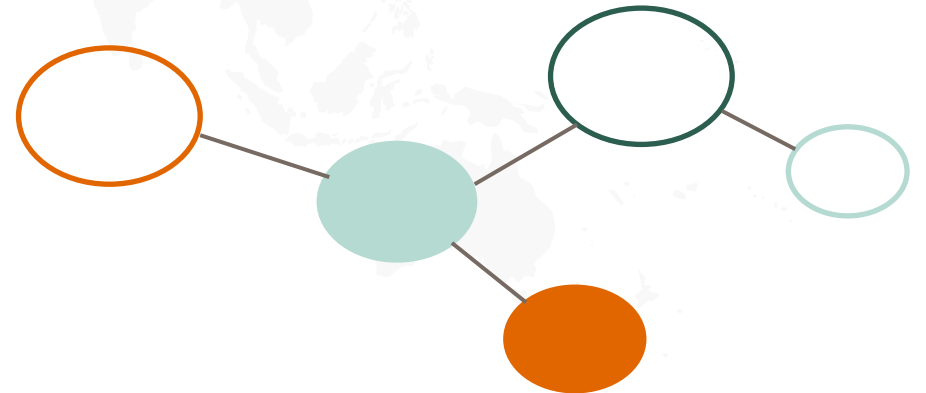
April 2016

Agenda

The evolution of standards

Overview of ISO20022:

- What is it?
- Why is it being adopted? Drivers & Benefits
- Who is Adopting it?



Standards Evolution



The Evolution of Standards



FIN MT:
Computer-processable
versions of telexes

- Paper-based
- Proprietary syntax
- Point-to-point
- One size fits all
- **SWIFT only**



The Evolution of Standards

> Globalization
> New technology
> New market-specific requirements



FIN MT:
Computer-processable
versions of telexes

- Paper-based
- Proprietary syntax
- Point-to-point
- One size fits all
- SWIFT only



- Reference standard
- Electronic
- Open, neutral syntax
- End-to-end transaction
- Market practice
- SWIFT + other organisations



ISO20022 Overview



What is ISO 20022?

Single standardisation approach (methodology) to be used by all financial standards

Recipe to create financial standards

Business / Conceptual

- Defines **business meaning** of financial concepts, e.g., 'Credit Transfer'

Logical

- Defines e.g. credit transfer **messages**, to execute the business process

Physical

- Defines **physical syntax**, e.g. XML

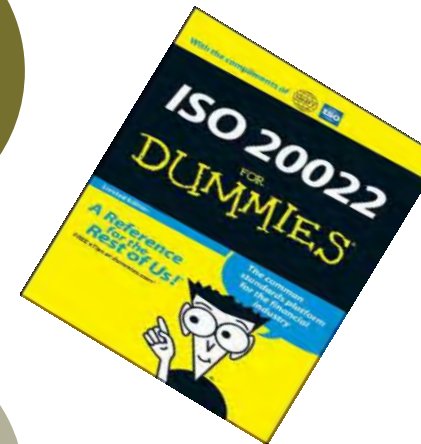


SWIFT is Registration Authority for ISO 20022

Business models

Data dictionary

Catalogue of messages





+ UHB



Maintenance process – built on strict business justifications and review process - leading to new 'versions' of the messages

More than 20 submitting organisations, besides SWIFT



ISO 20022 message catalogue

More than 360 messages, covering payments, securities, trade services, FX, cards

18 business areas



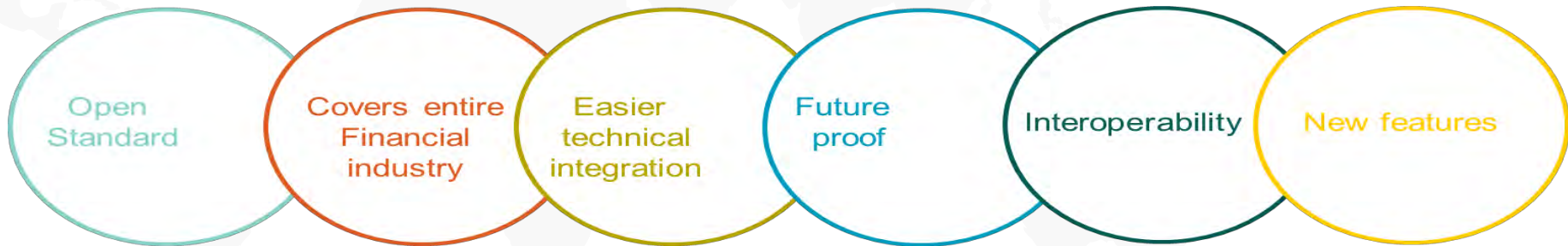
- 'PAIN' = Payment initiation
- 'PACS' = Interbank clearing and settlement
- 'SESE' = Securities settlement
- 'SEEV' = Securities events
- = used by SCORE, SEPA and CPA
- = used by SEPA, HVP and CPA
- = used by T2S
- = used by DTCC

ISO 2022 adoption trends

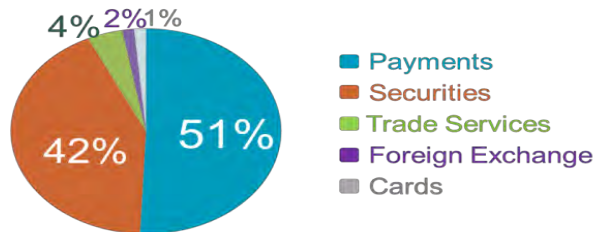
Drivers



Benefits



Market Infrastructures – Global ISO 2022 adoption



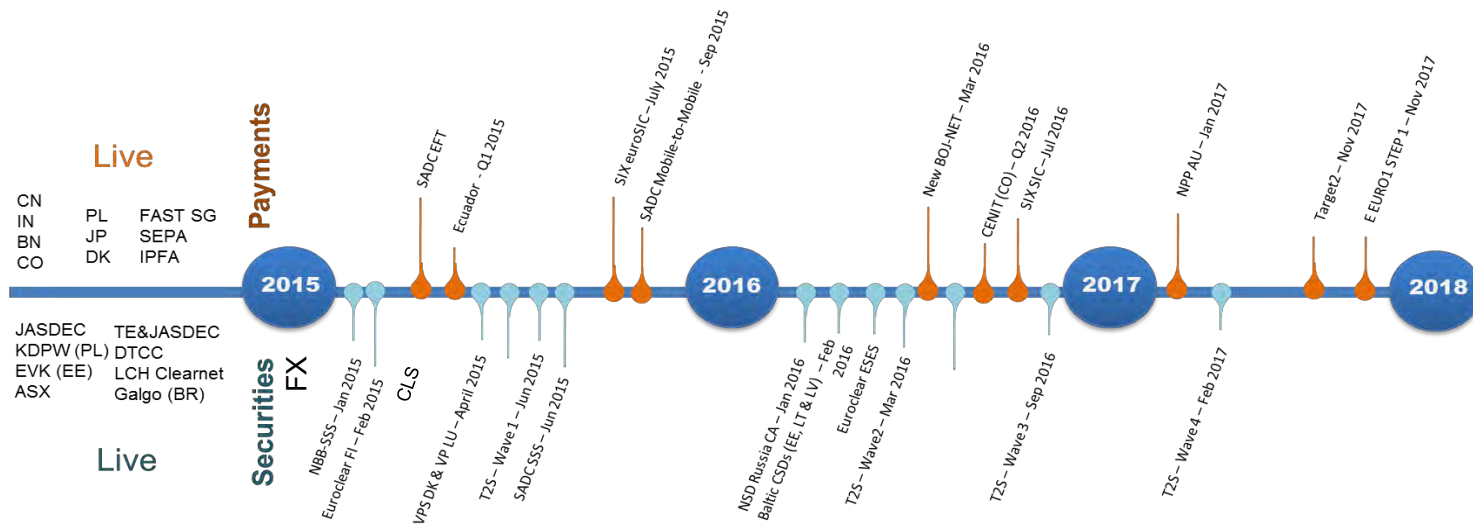
200 initiatives

Under discussion > planned > rollout > live

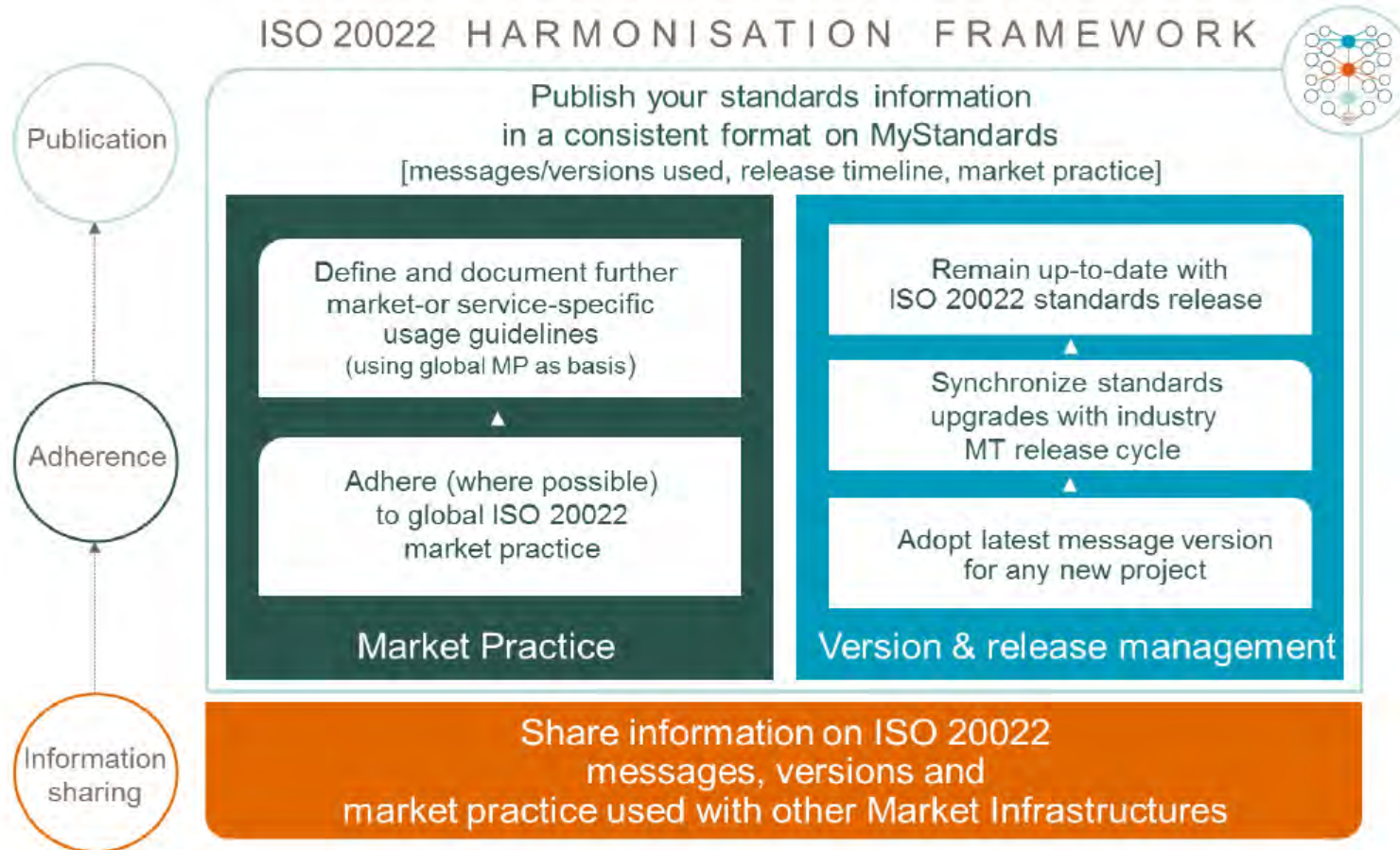
90 countries



Europe
Asia Pacific
Americas



Market Infrastructures – Global ISO 2022 adoption





Watch for Securities

Daniel Lynch Daniel.Lynch@swift.com

BI Solutions Manager Americas

3/2016

What is Watch for Securities?



Web-based single platform

Low footprint

Monitor your securities traffic

S&R and Corporate Actions

Market benchmark

Complete picture of your operations

Neutral Provider

SWIFT solution standards

Services

Peer benchmarking, impact and gap assessment





Message Volumes,
Amounts and
Ratios

Corridors
of
Growth

Unusual
Patterns

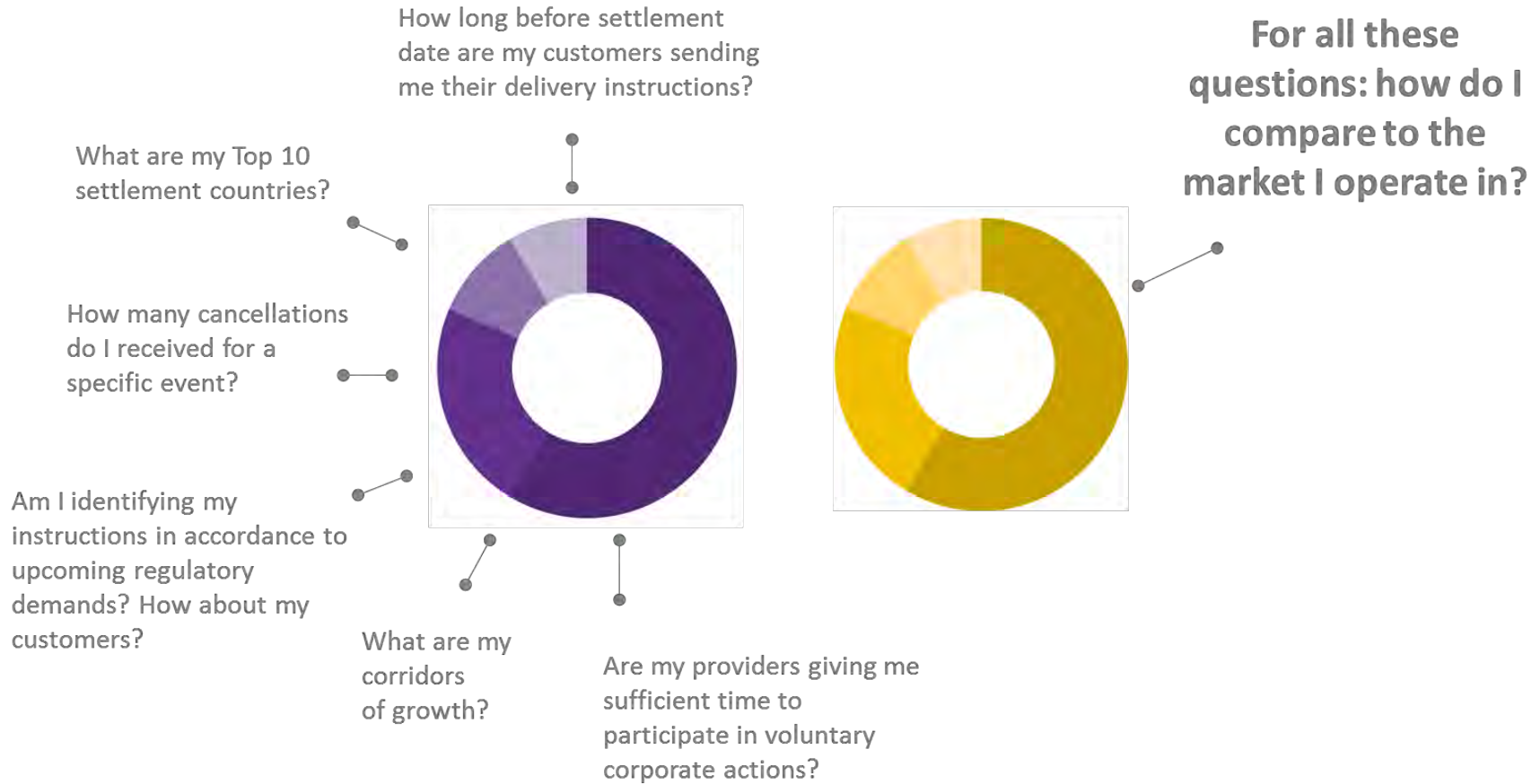
Interesting
Correlations

Activity
Share

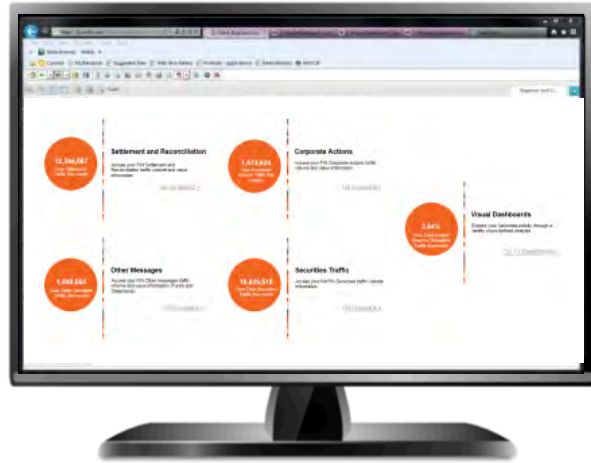
Readiness
Level

**How do I compare
to the market?**

Market Benchmark



Watch for Securities: One tool, **two ways** of consuming the data



Securities Insights

Library of pre-defined views, ready to consume

Securities Analytics

Get Securities Insights plus the full “Wizard” tool to customize your queries



How to have better insights of all

Documentation
DEMOXCPD Aug 2015 ?



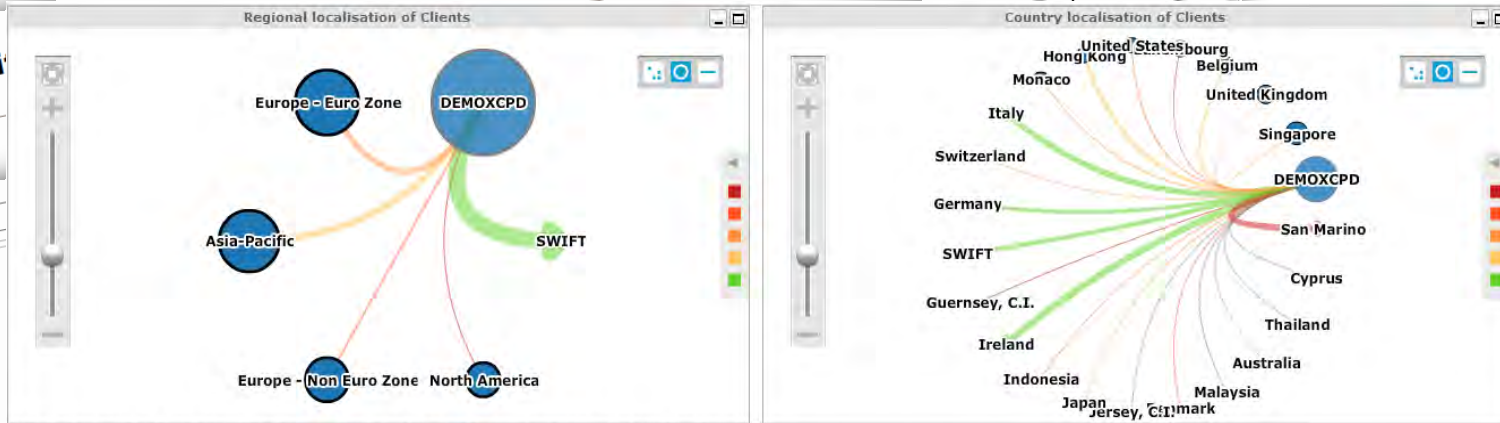
Securi

758,032

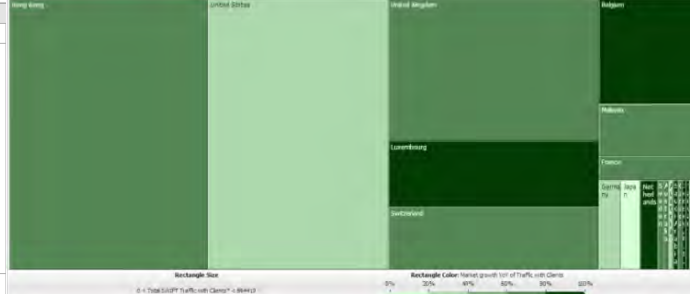
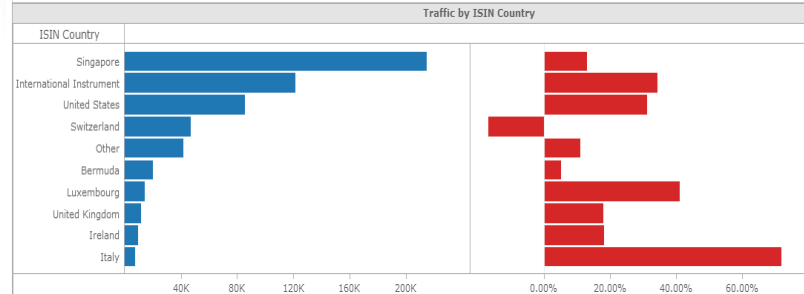
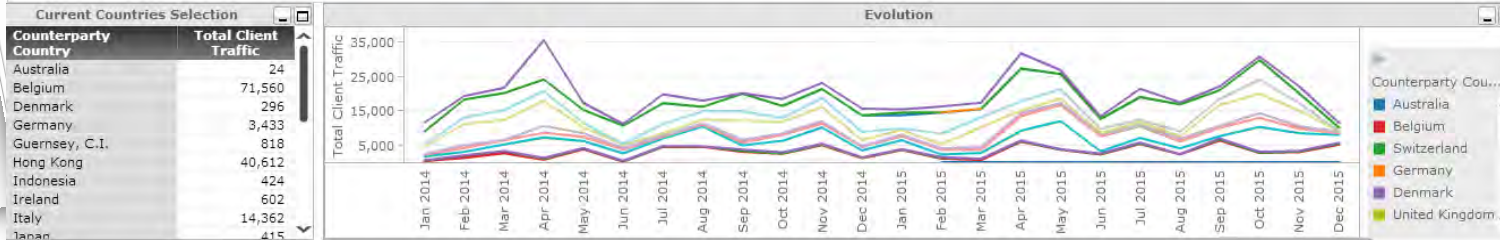
Your Total Securities Traffic this month

87

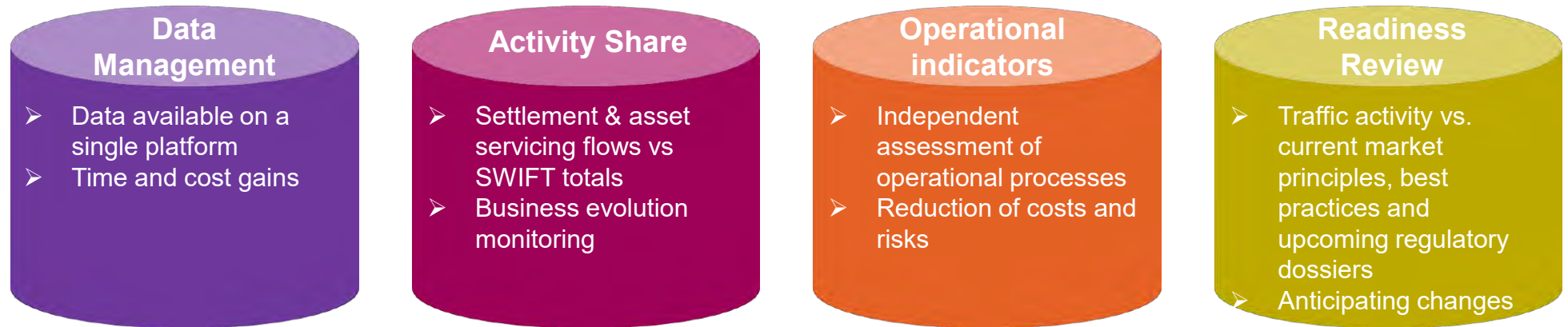
Number of counterparties (branch level) this month



Click on a region to deep dive into the country level and click on a country to monitor its evolution over time



A compelling offering based on 4 pillars



How is my **corridors** traffic (client business and provider business) evolving for both Settlement and Corporate messages?

What is my **activity share** of Settlement or Corporate actions messages in a specific market?
Where do I see **opportunities of growth** ?

What is my ratio of **cancelled settlement instructions**?

When are my settlements occurring compared to the settlement date? How long before/after the intended settlement did the effective settlement date occur? (**settlement lifecycle, T+2 readiness**)

Are my clients correctly identifying their settlement transaction type behind their deliver free instructions? **CSD-R regulation**



Watch Traffic Analytics



LATAM PSET



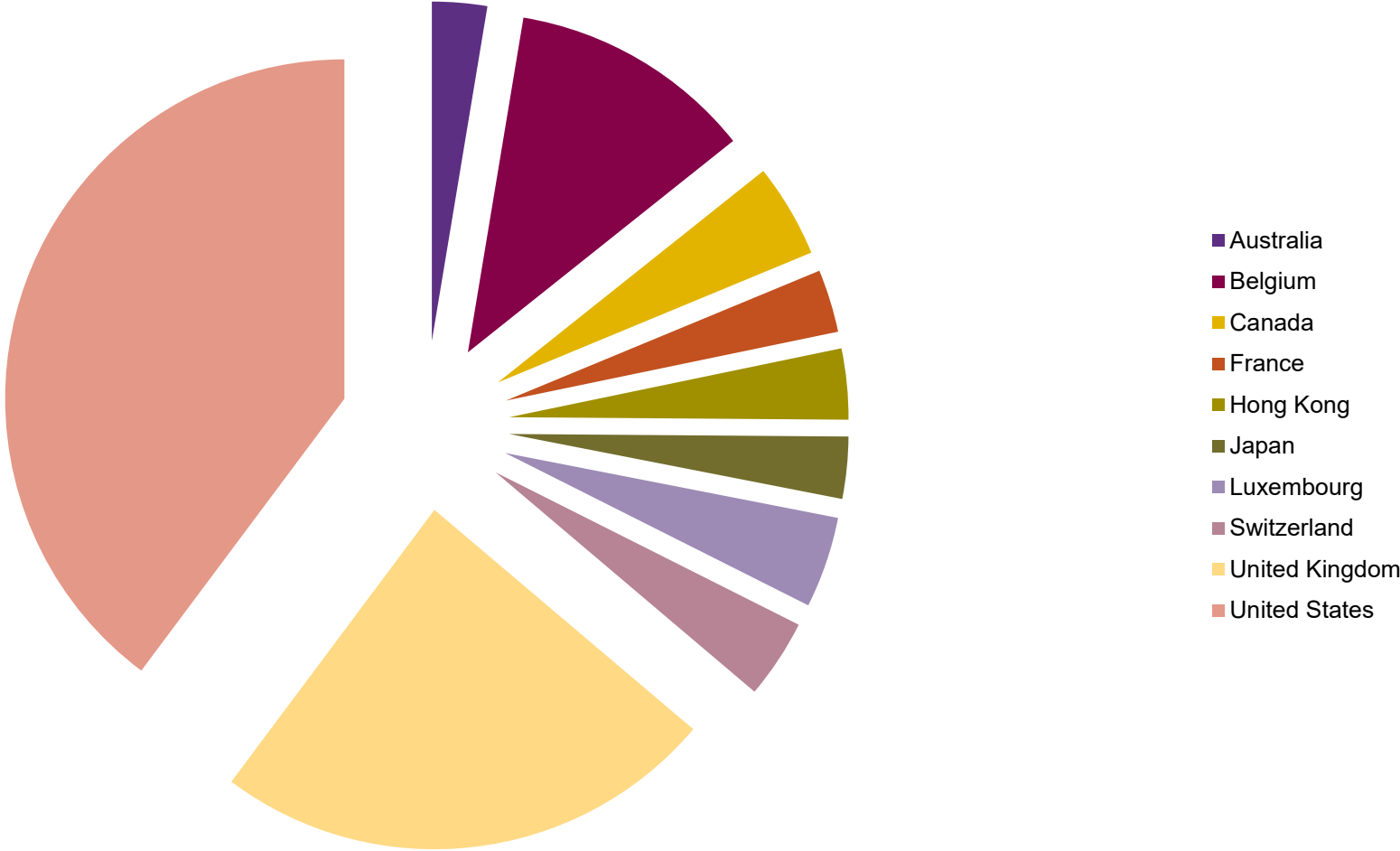
NAM PSET



Corporate Actions LATAM



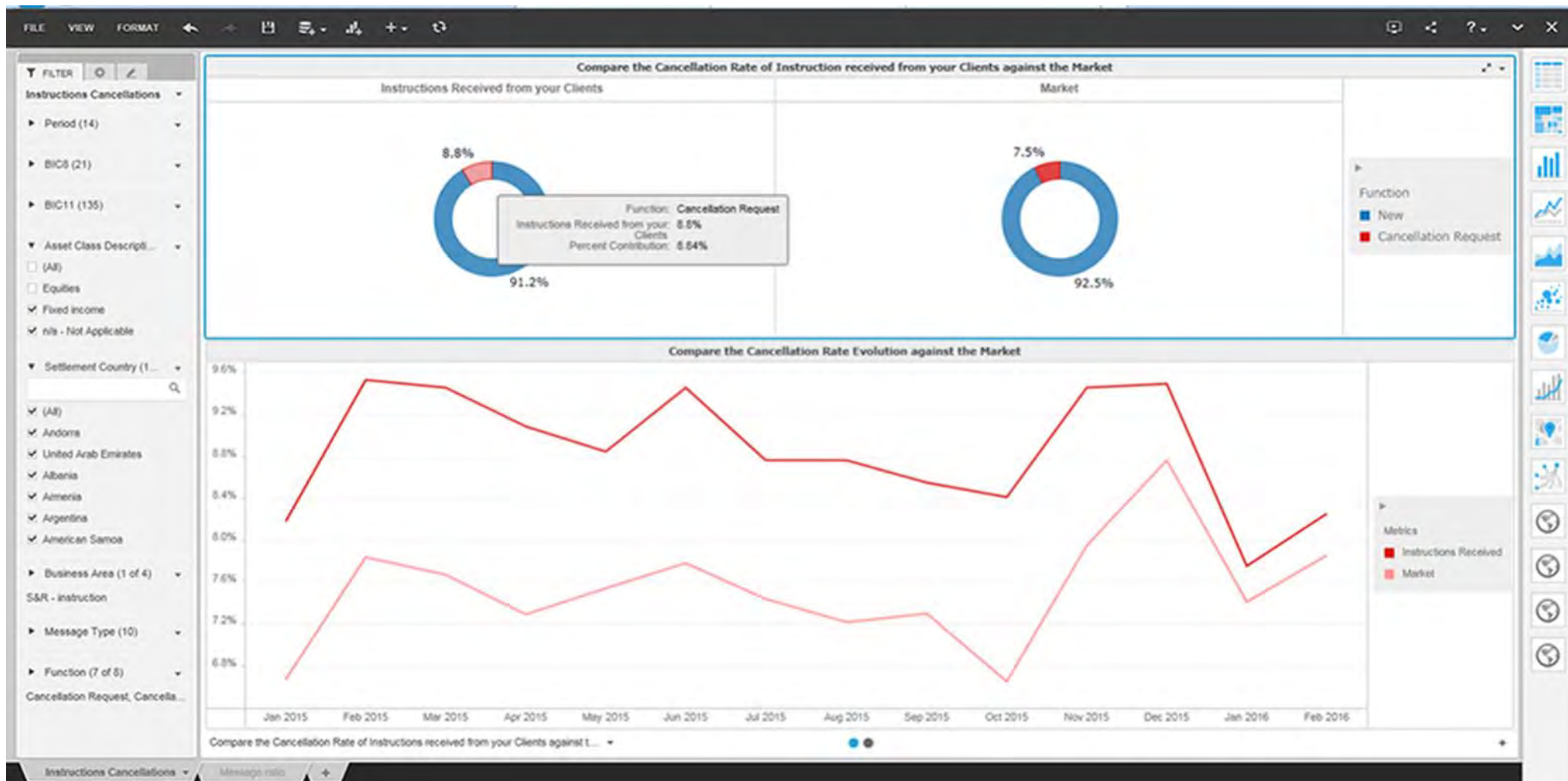
NAM Corporate Actions

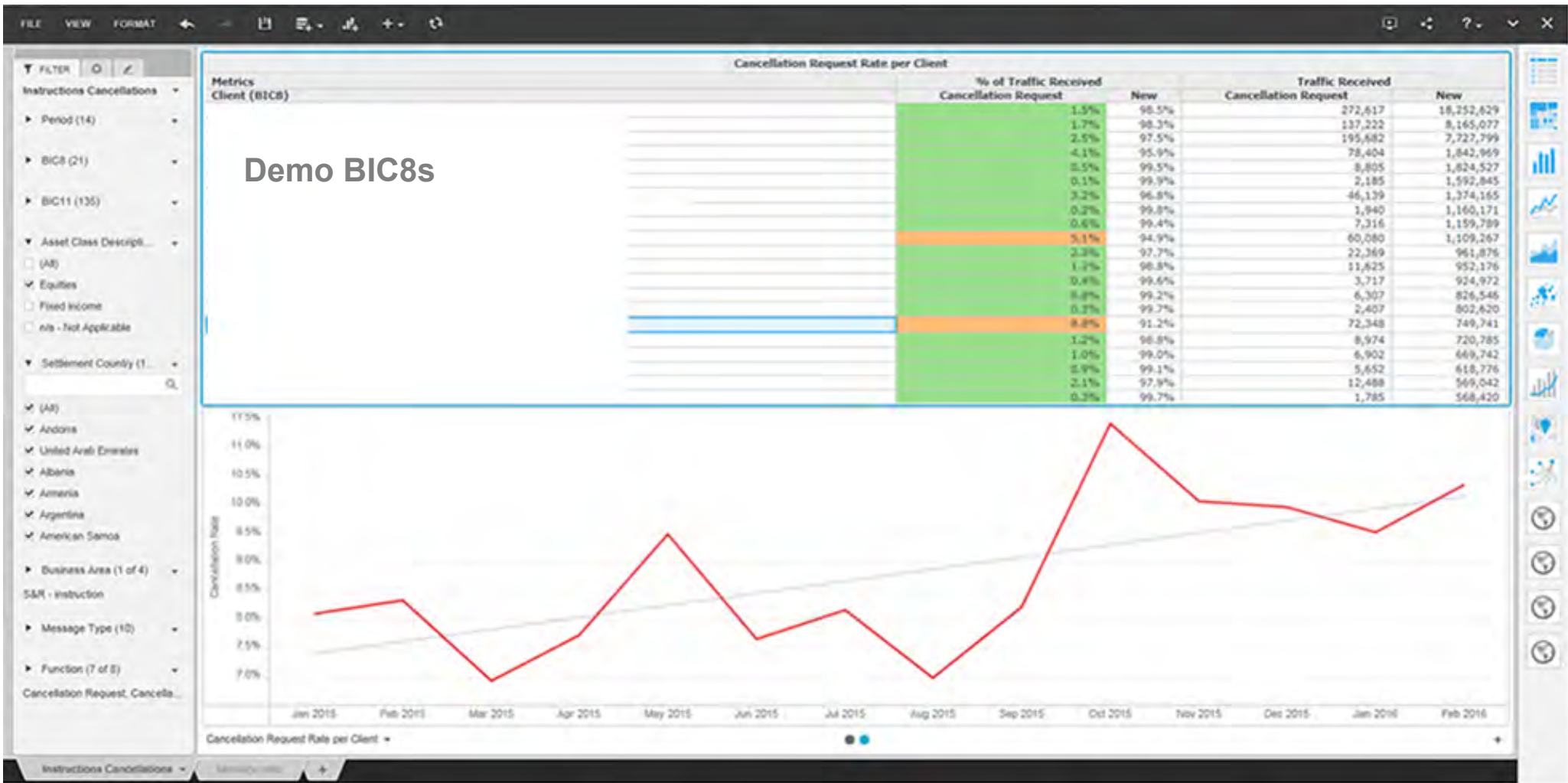


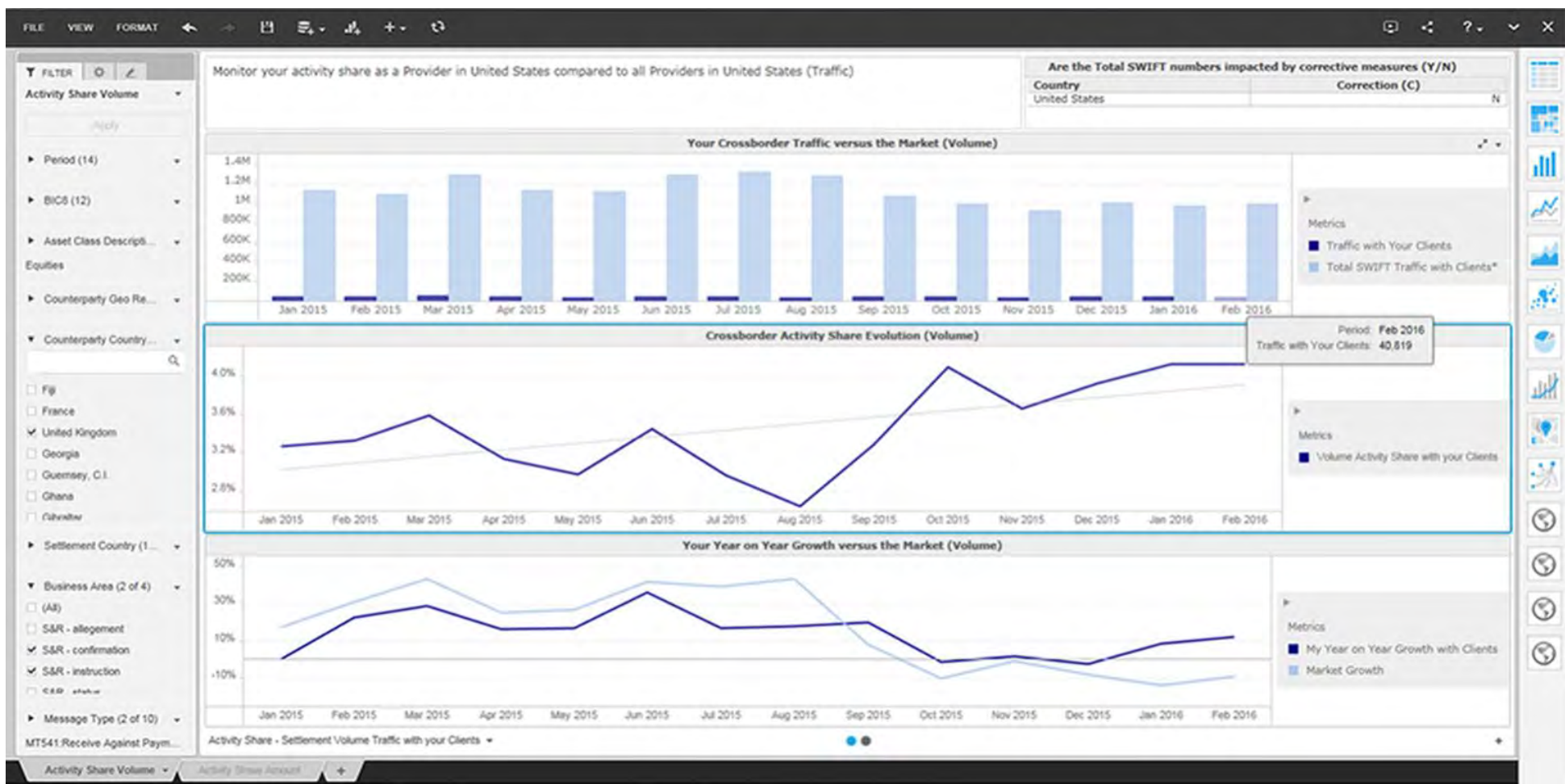
Watch Securities Insights

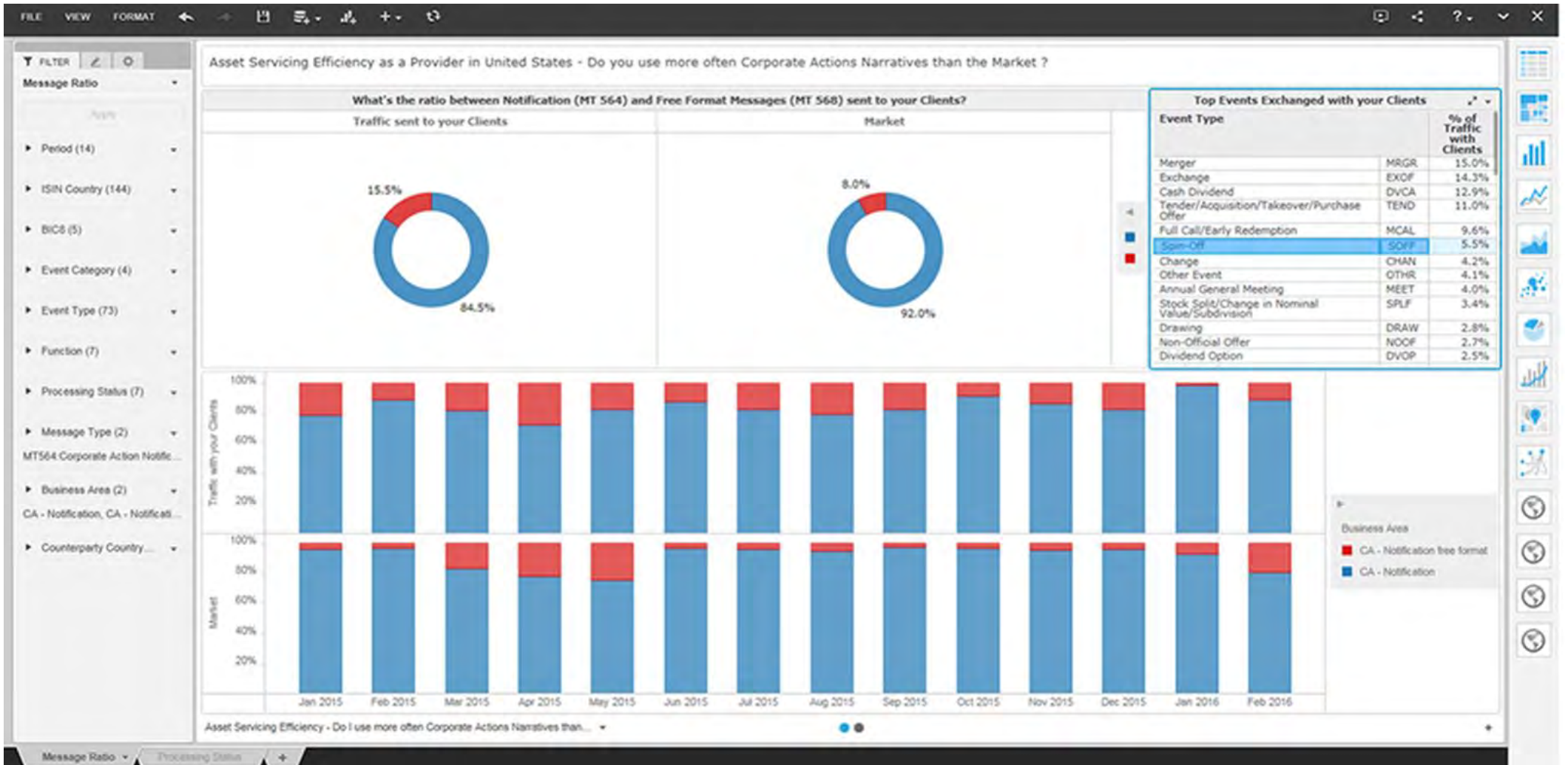


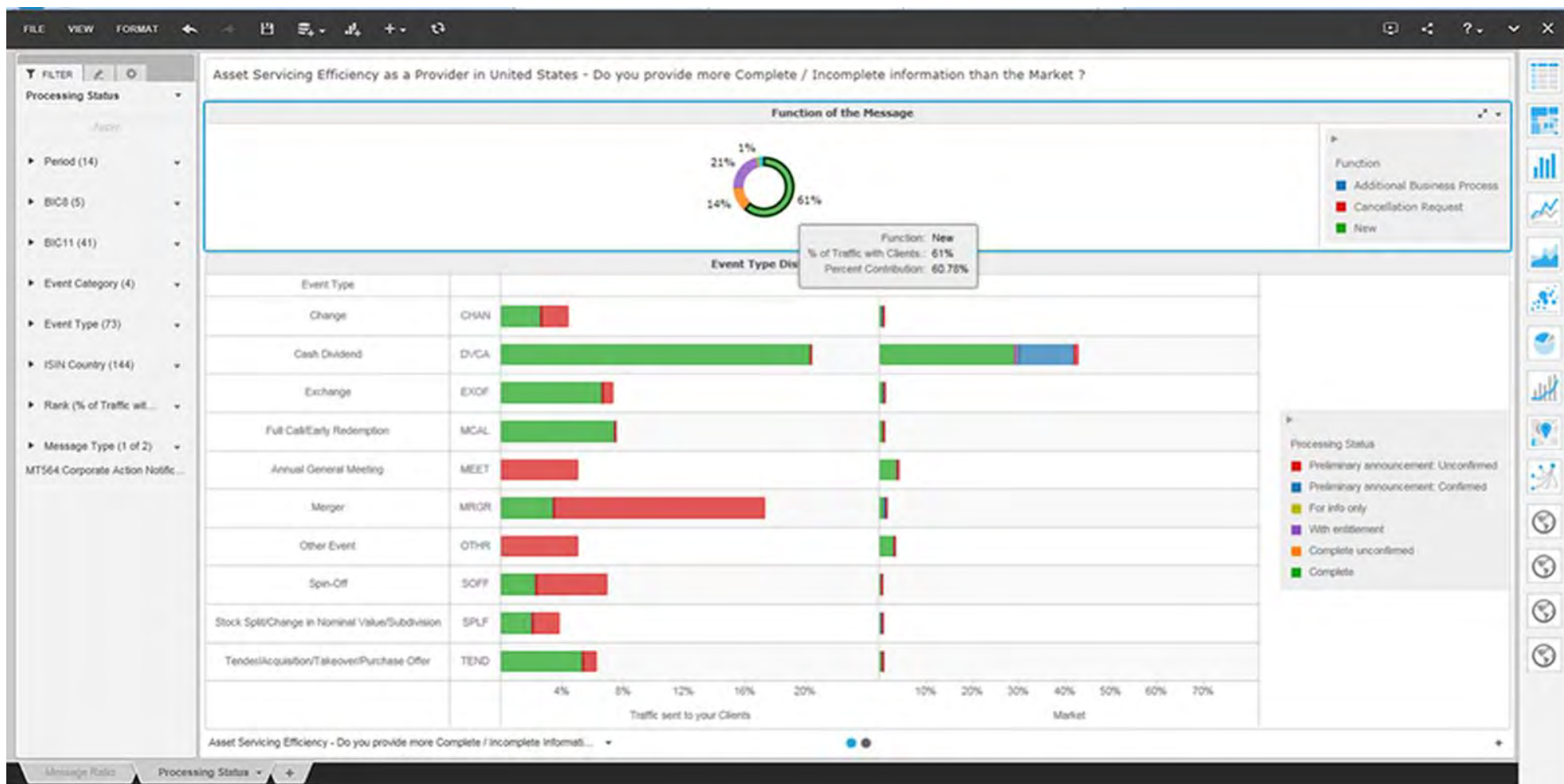












Watch Securities Analytics



SWIFT Watch for Securities > Shared Reports > Analytics - Securities > Wizards > Settlement and Reconciliation Country Wizard

BORTOLIN Quentin

INDEX

- Summary of your selections
- 1 Please select the attributes visible in your report (Required)
- 2 Please select the metrics for your report (Required)
- 3 Please select the period scope of your report (Required)
- 4 Please apply any of these pre-defined filters (optional)
- 5 Please apply currencies related filter (optional)
- 6 Please apply "Message type" related filter (optional)
- 7 Please apply "Market Place" related filter (optional)
- 8 Please apply your branches (BIC) related filter (optional)
- 9 Please apply your counterparties related filter (optional)
- 10 Please select the currency to be applied for the amount metrics conversion (USD is the base currency) (Required)

1. Please select the attributes visible in your report (Required)

Choose attributes from the list.

Remember this answer

Available:

- Test and Training Flag
- Function
- Sub-function
- Asset Class
- Settlement Country
- ISSN Country
- Effective Settl. Date - Expected Settl. Date
- Effective Settl. Date - Message Sent Date

Selected:

- Period
- Asset Class Description
- Settlement Reason

2. Please select the metrics for your report (Required)

Choose metrics from the list.

Remember this answer

Available:

- Traffic Received
- Total SWIFT Traffic Received*
- SWIFT Activity Share Traffic Sent*
- SWIFT Activity Share Traffic Received*
- Amount Received
- Total SWIFT Amount Received*
- SWIFT Activity Share Amount Sent*
- SWIFT Activity Share Amount Received*

Selected:

- Traffic Sent
- Amount Sent
- Total SWIFT Traffic Sent*
- Total SWIFT Amount Sent*

3. Please select the period scope of your report (Required)

Choose period scope from the list.

This prompt allows only one selection.

Remember this answer

Available:

- Current Year
- Current Year + Previous Year
- Current Year + Previous 2 Years
- Last Month
- Last 6 Months

Selected:

- Last 3 Months

Report Message Name: Settlement and Reconciliation Country Wizard

Run Report Cancel



REPORT HOME | TOOLS | DATA | GRID | FORMAT | Last update: 3/30/16 3:49:07 PM

REPORT OBJECTS

- Event Category
- Event Type
- ISIN Country
- Period
- Total SWIFT Traffic Sent

5 items found

REPORT OBJECTS

- ALL OBJECTS
- MDX OBJECTS
- NOTES
- RELATED REPORTS

REPORT DETAILS

Report Filter:
 (Corporate Actions) (ID) = 1 And Rank of (Max(month_long_num)) Top 3 And (Test and Training Flag) (value) = "N" And (Delivery Status) (code) = "DL" And (Message Type (Corporate Actions))"="MT564:Corporate Action Notification And (Processing Status) "="Complete And (Geo Region)"="North America And (Currency (for metrics conversion))"="USD

VIEW FILTER The filter is empty. [Add Condition](#) Auto-Apply changes

PROMPT DETAILS

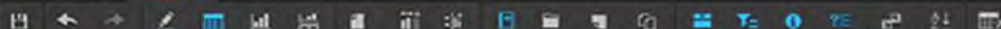
Event Category, Event Type, ISIN Country
 Total SWIFT Traffic Sent
 Last 3 Months
 Live only, Delivered only
 (Message Type (Corporate Actions))"="MT564:Corporate Action Notification
 (Processing Status)"="Complete
 (Geo Region)"="North America
 USD

1 2 3 4 5 of 49 pages

Data rows: 1 - 50 of 2428 | Data columns:

Event Type	Event Category	ISIN Country	Metrics Total SWIFT Traffic Sent
Cash Dividend	Mandatory CA event	United States	1,029,828
Interest Payment	Mandatory CA event	United States	485,899
Partial Redemption Without Reduction of Nominal Value	Mandatory CA event	United States	180,011
Cash Dividend	Mandatory CA event	United Kingdom	146,270
Dividend Option	Mandatory w/ options CA event	Canada	137,308
Cash Dividend	Mandatory CA event	Canada	134,260
Dividend Reinvestment	Mandatory w/ options CA event	Canada	130,848
Interest Payment with Principal	Mandatory CA event	Canada	126,940
Interest Payment	Mandatory CA event	United States	84,829
Interest Payment	Mandatory CA event	Canada	69,160
Final Maturity	Mandatory CA event	Canada	58,064
Dividend Reinvestment	Mandatory w/ options CA event	United Kingdom	56,307
Cash Dividend	Mandatory CA event	Brazil	52,987
Other Event	Mandatory CA event	United States	46,426
Conversion	Voluntary CA event	Canada	32,700
Extraordinary or Special General Meeting	Voluntary CA event	Brazil	30,104
Dividend Option	Mandatory w/ options CA event	United States	29,079
Interest Payment	Mandatory CA event	International Instrument	28,148
Interest Payment	Mandatory CA event	United Kingdom	27,958
Merger	Mandatory CA event	United States	26,550
Exchange	Voluntary CA event	United States	23,924





- C Flag Received
- C Flag Sent
- Total SWIFT Amount Sent*
- Total SWIFT Traffic Sent*
- Traffic Sent

VIEW FILTER The filter is empty.

Add Condition

Auto-Apply changes

PROMPT DETAILS

Period, Asset Class Description, Settlement Reason
 Traffic Sent, Amount Sent, Total SWIFT Traffic Sent*, Total SWIFT Amount Sent*
 Last 3 Months
 Live only, Delivered only
 (Business Area (Settlement and Reconciliation))"="S&R; - instruction
 (ISIN Country)"="US/United States
 USD

PAGE-BY: Asset Class Description:

Data rows: 24 | Data columns: 8

Settlement Reason	Metrics Period	Total SWIFT Traffic Sent*			Total SWIFT Amount Sent*		
		Dec 2015	Jan 2016	Feb 2016	Dec 2015	Jan 2016	Feb 2016
Collateral In		227	188	321	40,501.38	9,476,946.16	60,156.02
Collateral Out		622	611	575	618,000.00	3,266,000.00	2,633,000.00
DR Conversion		6	11	5	0.00	0.00	0.00
Exchange Traded Funds		1	2	1	721,580.00	1,365,330.00	666,577.00
Move of Stock			1			27,977.04	
Mark-Down		302	74	52	602,763.15	20,633,950.60	6,276,670.24
Mark-Up		2	8	10	1,959.13	20,662,969.10	182,193.88
n/a - Not Applicable		324	269	266	438,478.84	432,501.51	3,224,815.86
Netting		144	122	79	6,600,122.29	10,359,045.21	6,333,539.50
External Account Transfer		64,373	51,875	51,635	8,040,264,170.42	2,589,696,668.64	1,802,125,764.25
Internal Account Transfer		96,078	93,496	85,434	12,927,755,519.12	17,192,054,600.96	3,858,699,590.01
Pair-Off		7	12	6	63,415,292.52	126,260,273.46	63,657,690.63
Portfolio Move		7,666	10,176	3,780	572,767,853.04	910,141,635.12	406,152,356.70
Reassignment		395	292	281	0.00	0.00	0.00
Withdrawal				1			0.00
Repo		8	22	47	14,771,966.25	199,614,903.69	371,226,663.51
Return of Delivery Without Matching		78	93	67	0.00	0.00	0.00
Reverse Repo		36	59	51	433,664,194.26	543,104,936.03	341,492,578.76
Securities Borrowing		41,409	38,206	41,653	15,564,375,469.65	13,478,643,481.43	16,304,933,242.27
Securities Lending		788,547	697,868	791,370	688,035,131,818.06	609,297,573,314.18	713,318,421,055.87
Lending Reallocation		21,897	35,955	36,607	0.00	0.00	0.00
Trade		6,235,159	6,293,065	6,041,710	1,226,333,614,216.99	1,290,554,599,501.92	1,315,996,157,453.37
Triparty Reverse Repo				0			0.00
Turnaround		357	502	567	142,387,328.97	209,020,750.29	367,524,704.21

9 items found

REPORT OBJECTS

ALL OBJECTS

MDX OBJECTS

NOTES

RELATED REPORTS





DCVs en SWIFT

Estado del momento, retos y estrategia

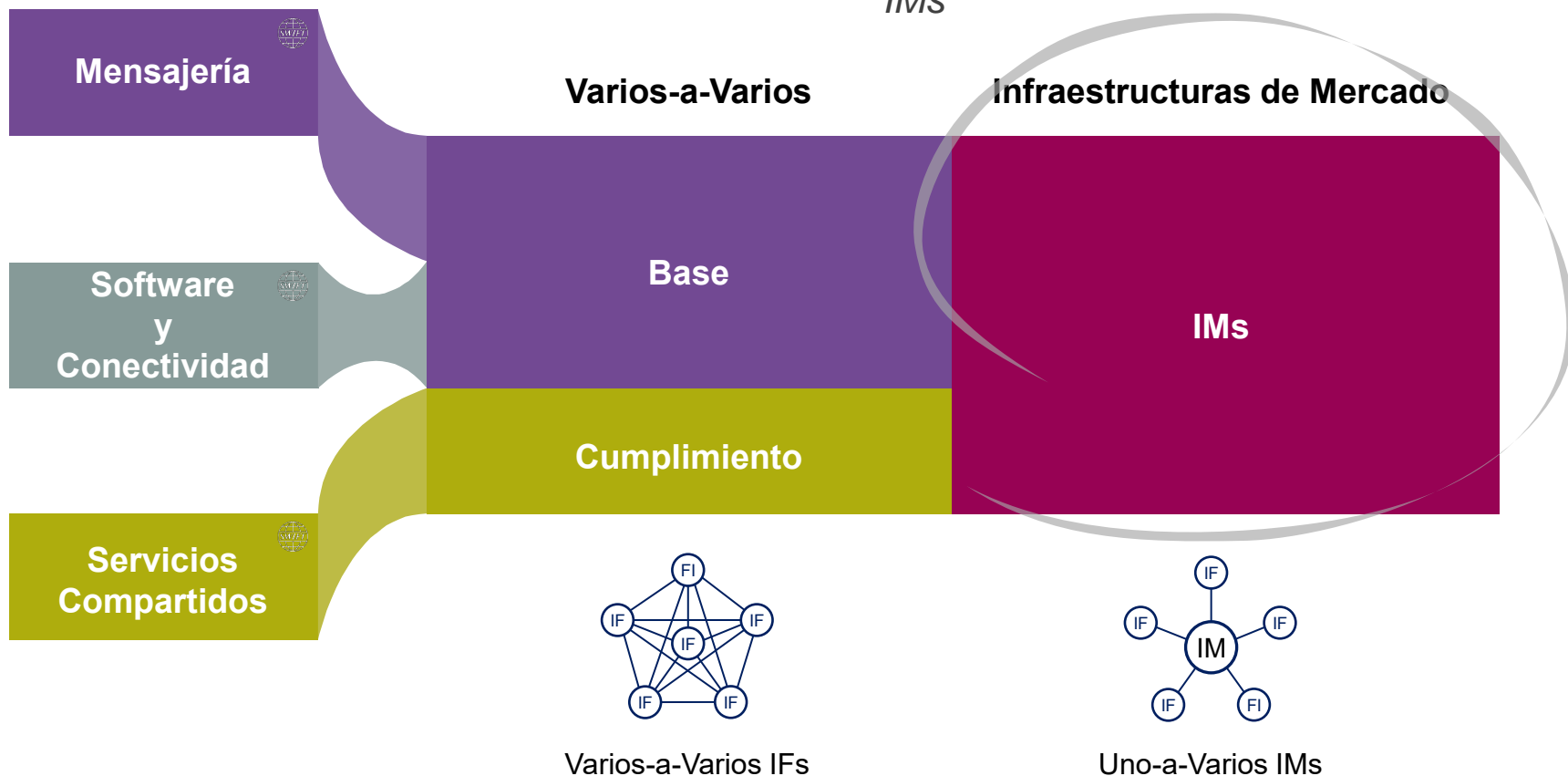
Infraestructuras de Mercado

Abril 2016

Las Infraestructuras de Mercado son una de las 3 prioridades principales de la estrategia SWIFT 2020

Apoyando a más de 220 infraestructuras de mercado (IMs) alrededor del mundo, estas son estratégicamente importantes para SWIFT y forman una parte principal de SWIFT2020

Prioridades SWIFT2020 | Base, Cumplimiento y IMs



¿Cuáles infraestructuras de mercado usan SWIFT hoy y porqué?

4

Segmentos del Mercado

Sistemas de Pagos de Alto Valor- RTGS
Sistemas de Pagos de Bajo Valor- ACHs
Depositorios centrales y Sistemas de
Liquidación de Valores como Contrapartida
Central

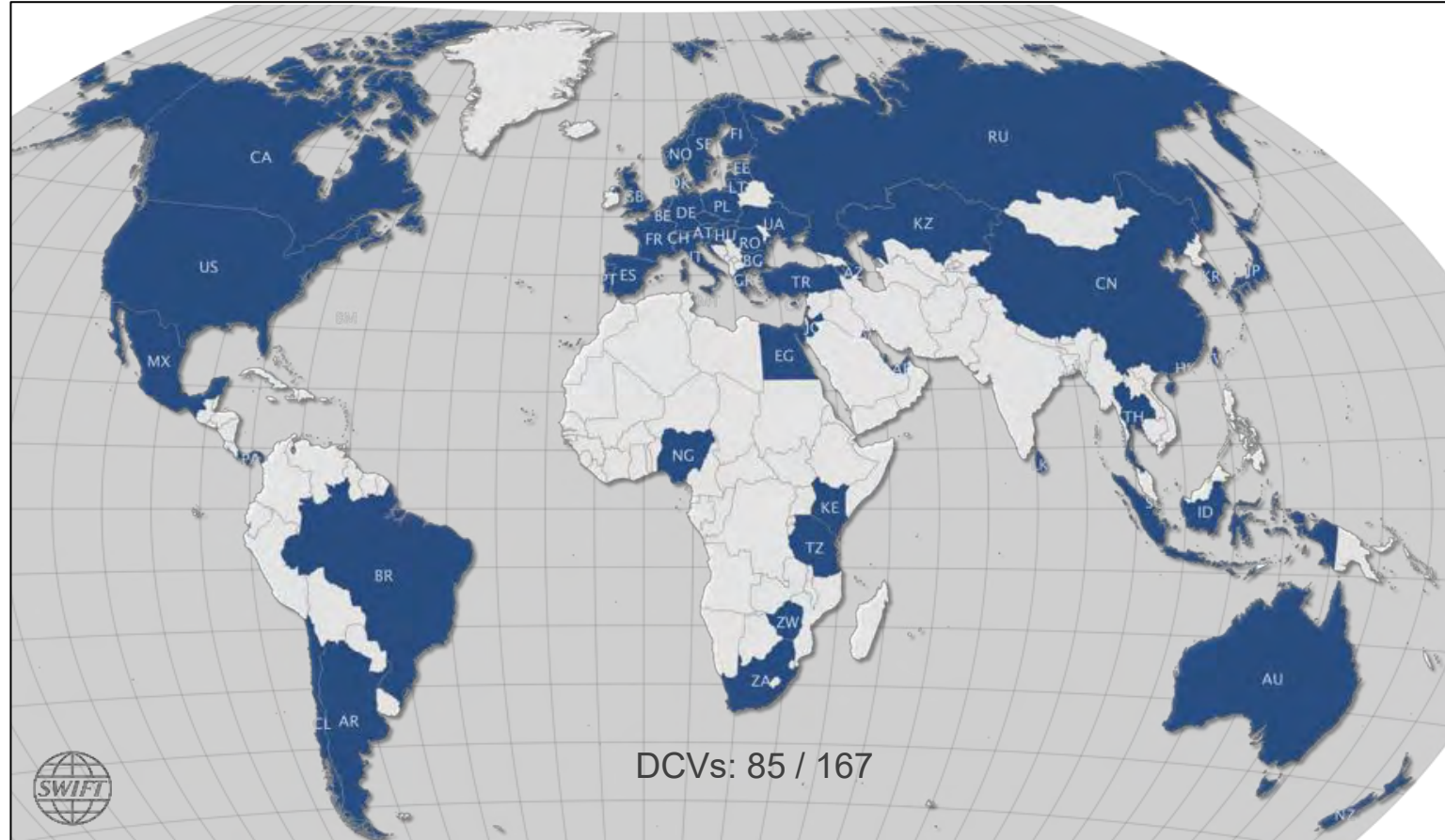
7

Áreas de Negocio

Pagos y administración de efectivo
Cambio de moneda y administración de liquidez de
efectivo
Pre y pos negociación de valores
Compensación y liquidación de valores
Custodia y administración de activos
Fondos
Negociación y cadena de suministro

Enfoque en los DCVs: ¿cuáles DCVs están conectados a SWIFT hoy ?

SWIFT tiene una penetración global importante, especialmente en los mercados maduros y desarrollados



La cifras de DCVs

12 a 16%

Porcentaje de mercado en volumen

33 ISO 20022

Proyecto a materializarse en los próximos 24 meses

85

DCVs, DCV(I) y Sistemas de Liquidación de Valores Activos

IMs representan un 25% de los volúmenes totales de SWIFT

Cifras 2015

800 millones

Mensajes (FIN) en 2015 desde y hacia a los DCV(I)s

> 60 %

De SWIFTNet IA ,
Principalmente para T2S, CREST, Jasdec,
DTCC y Euclid de Euroclear

90%

De los DCVs / Bancos Centrales que han seleccionado un proveedor de T2S eligieron a SWIFT, usando 20022

9% growth

Mensajes FIN en 2015



Los depositarios centrales de valores se han convertido en piezas fundamentales en la evolución del mercado de valores

Evolucionando los modelos del mercado

Los depositarios son claves para los proyectos regionales:
EU, ASEAN, MILA, SADC, EAC

Evolución de negocios: colateral, fondos de inversión, enlaces con CCPs

Impulsando cambios al mercado

Los depositarios son agentes de cambio para sus mercados.

Impulsan estandarización en el mercado.

Movimiento claro de ISO 15022 and 20022

Administración de riesgo

Impacto de regulación: CPMI-IOSCO

Enfoque en excelencia operacional

Resiliencia incuestionable

¿Qué está haciendo SWIFT para apoyar a los DCVs con sus evoluciones?

Los DCVs no son clientes 'simples'.....

Evolucionando
los modelos
del mercado

Desarrollo completo de soluciones de mensajería con y para DCVs:

- DCVs pueden desarrollarse a su propio ritmo sin la necesidad de reinvertir cuando deciden desarrollar nuevos servicios

- Más de 10,000 contrapartidas

Impulsando
cambios al
mercado

Desarrollo de comunidades alrededor de los DCVs :

- migración a nuevos estándares
- modelo comercial beneficioso para entidades pequeñas y grandes
- soluciones de conectividad adaptados a tamaño y uso

Soluciones interoperables utilizando estándares internacionales (ISO 15022 and 20022)

Administración
de riesgo

Calidad de servicios- 99.999%

Soporte 24/7

Servicios de Excelencia Operativa

Cumplimiento con requerimientos CPMI-IOSCO

¿Cómo los DCVs usan SWIFT ?

85 DCVs, DCV(I)s conectados a SWIFT

- Compensación y Liquidación
- Servicios para activos, eventos corporativos y custodia
- Colateral, divisas y administración de liquidez
- Informes regulatorios

- Liquidación y compensación transfronteriza
- Servicios para valores
- Enlaces a plataformas de colateral
- Concentrador de distribución de fondos
- Enlaces a nuevos sistemas de liquidación de valores como T2S.



- Adentro : enlaces del extranjero al mercado domestico
- Afuera : servicios de valor agregado para valores en otros mercados para los participantes de DCVs

- Enlace con bancos de compensación y liquidación
- Miembro de sistemas de pagos y RTGS



Comunidades, estandarización y excelencia de servicios son los valores principales de SWIFT

Aproximadamente 15 comunidades de DCVs están usando ISO 20022 hoy.

Más de 30 DCVs están lanzando nuevos proyectos de ISO 20022 en los próximos 24 meses



Nuestra propuesta de valor para DCVs



- Propuesta de mensajería convincente
 - Ecosistema completo de DCVs
 - Cadena completa de procesamiento para valores y efectivo
 - Doméstico e internacional
 - Enlace con otros IMs: Euroclear, Clearstream, etc.
 - Servicios de valor agregado: cumplimiento, herramientas analíticas, datos de referencia
- Uso armonizado de estándares
 - Protege TCO (Costo Total de propiedad)
 - Asegura interoperabilidad con todos los sistemas principales
 - Facilita nuevas líneas de negocios para DCVs (fondos, colateral, servicios para valores..)
- Solución escalable
 - Infraestructura escalable
 - Solución escalable transparente al mercado
- Precios competitivos y predecibles
 - Facturación invertida: no hay necesidad de cobrarles a los clientes de nuevo ni crear un sistema nuevo de facturación
 - Precios competitivos para clientes pequeños y grandes de los DCVs
 - Costos de infraestructura no son impactados por la evolución de volumen
- Tranquilidad : solución de mensajería operado a los estándares mas altos de la industria
 - Excelencia operacional
 - Resiliencia y administración de riesgos





CSDs over SWIFT

Current status, challenges and strategy

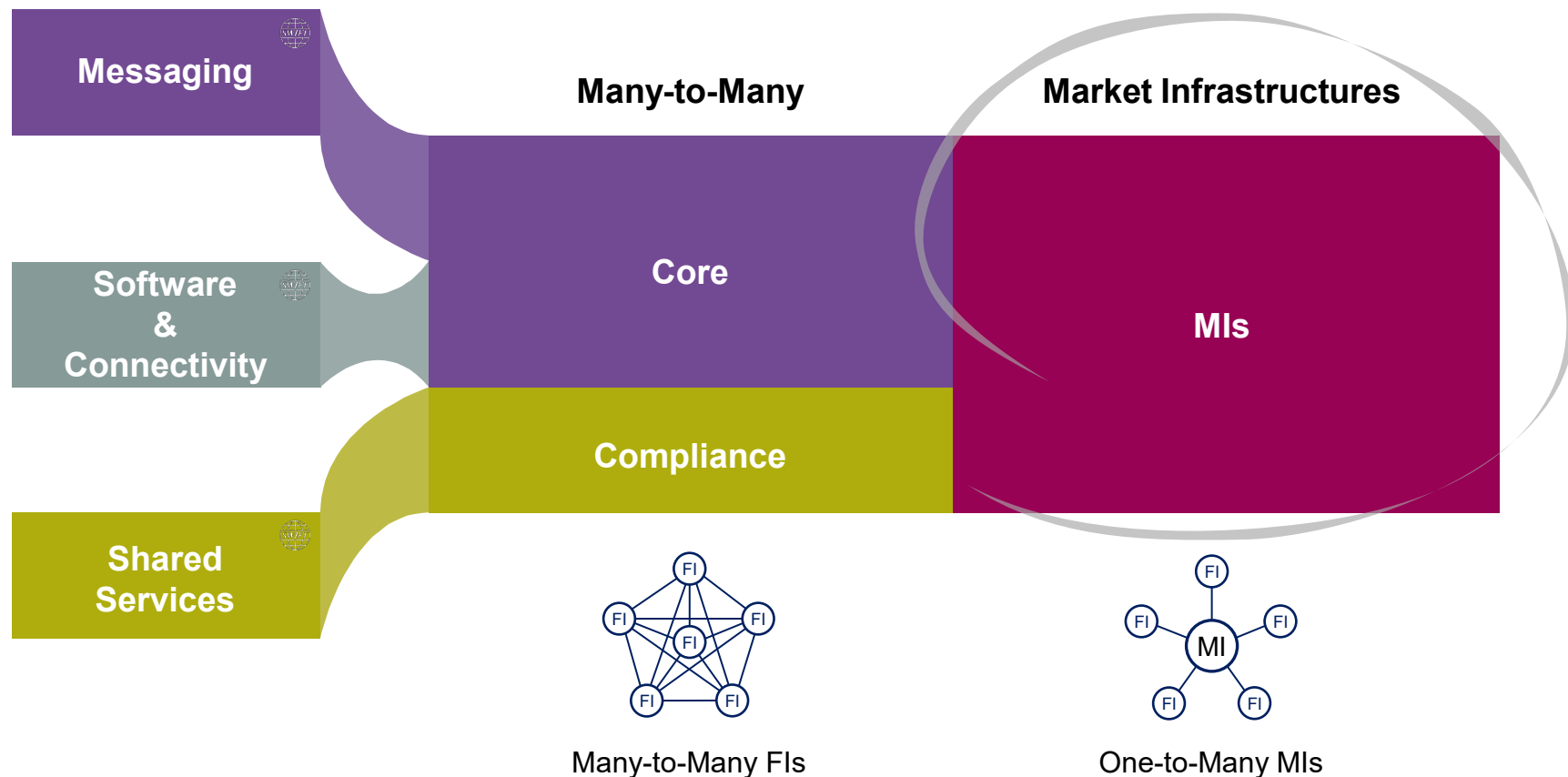
Market Infrastructures

April 2016

Market infrastructures are one of the 3 top priorities of SWIFT 2020 strategy

Supporting more than 220 around the world, MIs are strategically important to SWIFT, and form a major part of SWIFT2020

SWIFT2020 Priorities | Core, Compliance and MIs



Which market infrastructures use SWIFT today and why ?

4

Market Segments

High Value Payment Systems - RTGSs
Low Value Payment Systems - ACHs
(I)CSDs and Securities Settlement Systems
CCPs

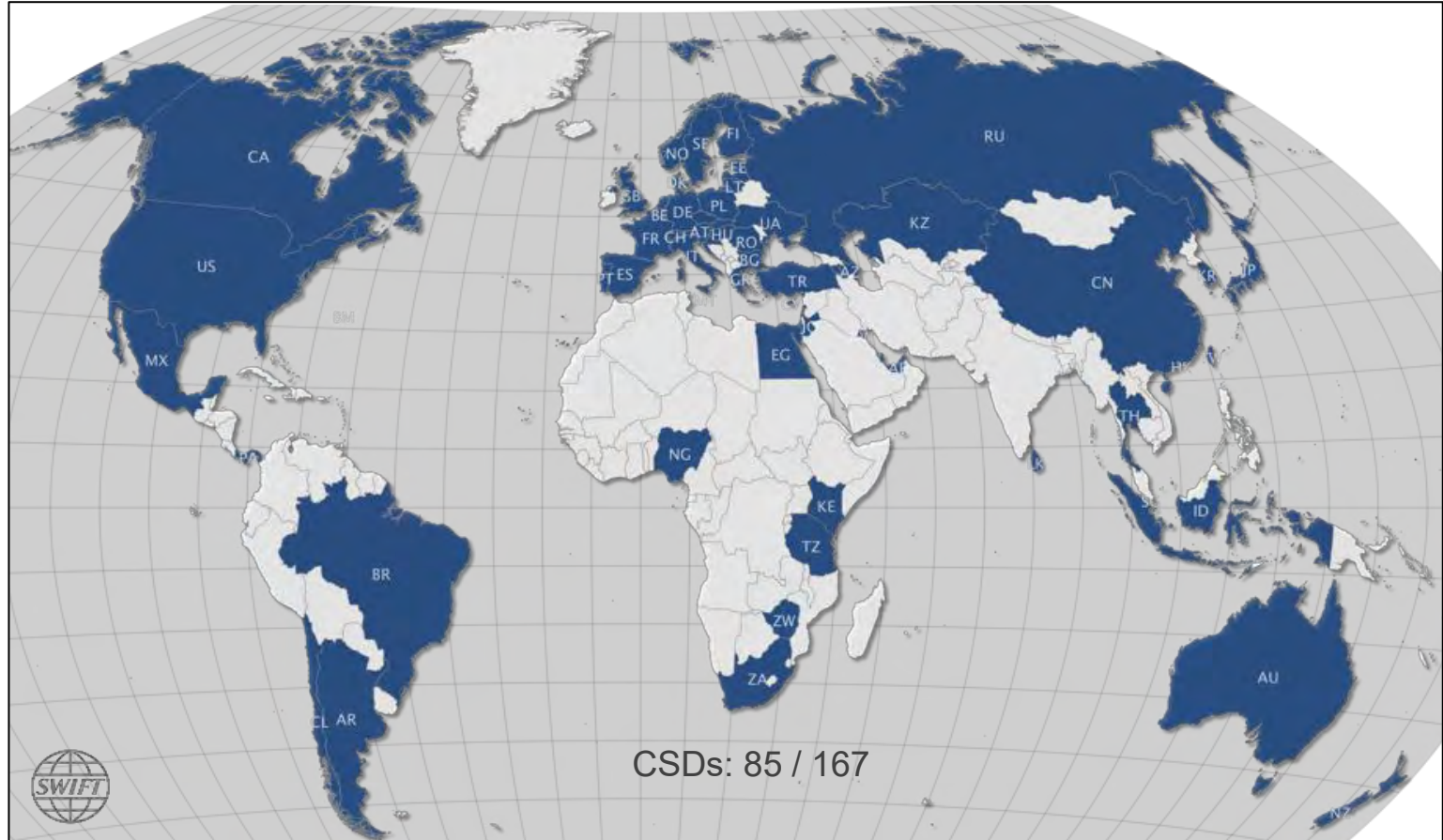
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Business Areas

Payment and cash management
Forex and liquidity management
Securities pre-trade/trade
Securities clearing and settlement
Custody and asset servicing
Funds
Trade and supply chain

Let's focus on CSDs: which CSDs are connected to SWIFT today ?

SWIFT has deep, global penetration, especially in mature markets



CSDs in figures

Ms represent over a quarter of all SWIFT's volumes

2015 figures

12 to 16%

Market share in volume

33 ISO 20022

Projects to materialise in the next 24 months

85

Live CSDs, ICSDs and SSSs connected to SWIFT

800 million

FIN messages to and from (I)CSDs in 2015

> 60 %

Of SWIFTNet IA ,
Mainly for T2S, CREST, Jasdec,
DTCC and Euroclear's Euclid

90%

Of the CSDs / Central Banks that selected a T2S service provider chose SWIFT, using ISO 20022

9% growth

FIN messages in 2015



CSDs have become instrumental to any major securities market evolution

Evolving market model

CSDs are key to any regional project:

EU, ASEAN, MILA, SADC, EAC

Evolving business: collateral, investment funds, links with CCPs

Driving market changes

CSDs become change engines for their markets

Driving market standardisation

A clear move towards ISO 15022 and 20022

Risk management

Impact of regulation: CPMI-IOSCO, ..

Focus on operational excellence

Unquestionable resilience

What is SWIFT doing to support CSDs in their evolution ?

CSDs are not treated as 'simple customers' ...

Evolving market model

Develop complete messaging solutions with and for CSDs:

- CSDs can develop at their pace without need to re-invest when they decide to develop new services
- more than 10.000 counterparties

Driving market changes

Develop communities around CSDs :

- migration to new standards
- commercial model attractive to big and small players
- connectivity solutions adapted to size and usage

Interoperable solutions using international standards (ISO 15022 and 20022)

Risk management

99.999% quality of services

24/7 support

Operational excellence services

Compliance with CPMI-IOSCO requirements

How do CSDs use SWIFT ?

85 CSDs, ICSDs connected to SWIFT

- Clearing and settlement
- Asset servicing, corporate actions and custody
- Collateral, fx and liquidity management
- Regulatory reporting

- Cross-boarder clearing and settlement
- Asset servicing
- Link to collateral platforms
- Funds hubs
- Link to new SSS such as T2S



- In : foreign link into domestic market
- Out : value added securities services in another market for CSDs' participants

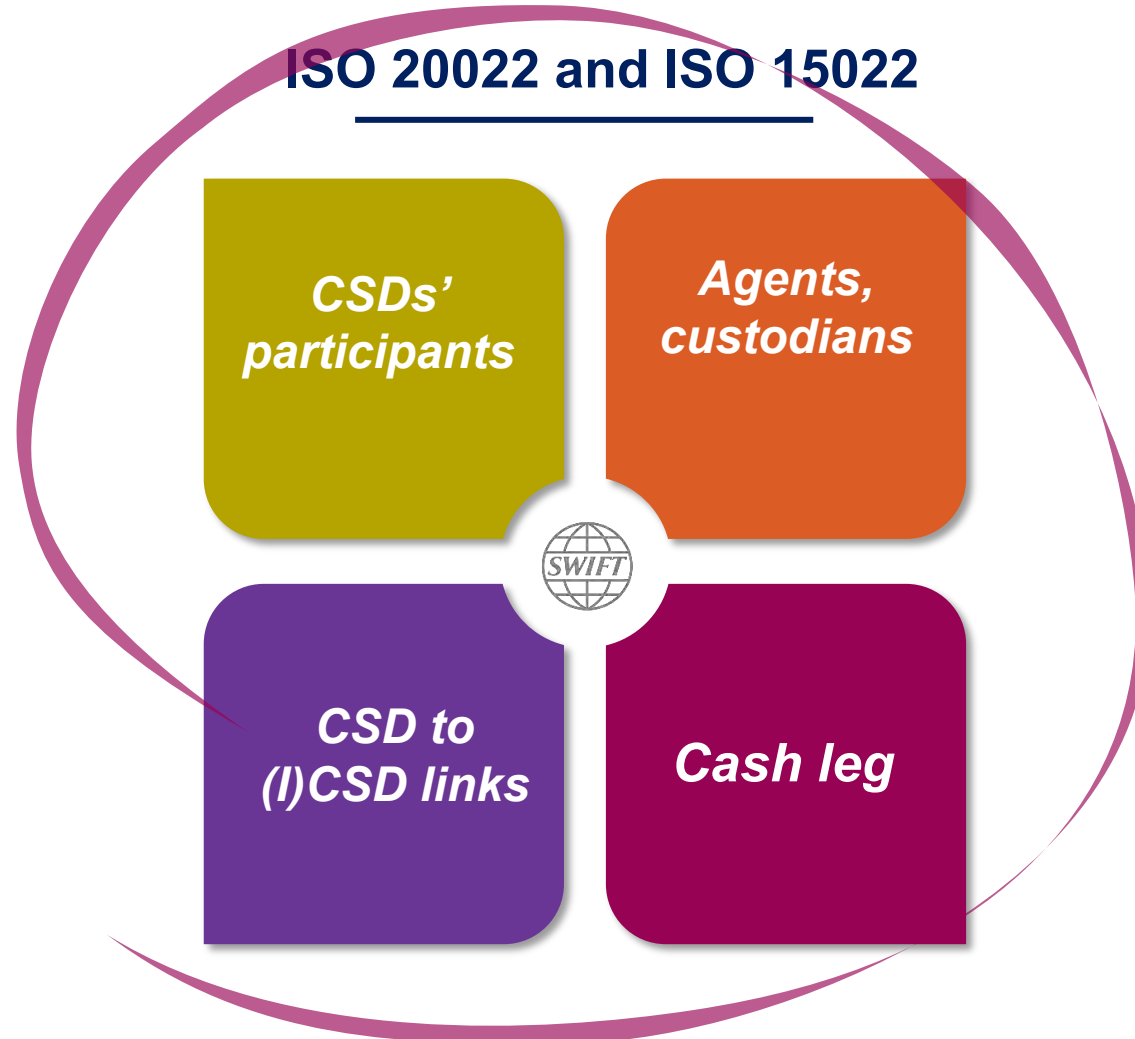
- Link with clearing or settlement banks
- Member of payment and RTGS systems



Communities, standardisation and excellence of services are SWIFT key values

Some 15 CSDs communities are using ISO 20022 today

More than 30 CSDs will launch new ISO 20022 projects in the next 24 months



Our value proposition for CSDs



- Compelling messaging proposal
 - CSDs' entire eco system
 - Complete securities and cash processing chain
 - Domestic and international
 - Links with other MIs : Euroclear, Clearstream, ..
 - Value added services : compliance, analytics, ref data..
- Harmonised usage of standards
 - Protects TCO
 - Ensures interoperability with all major systems
 - Facilitates CSDs developing new types of business (funds, collateral, asset servicing..)
- Scalable solution
 - Scalable infrastructure
 - Scalable solution transparent to the market
- Competitive and predictable pricing
 - Reverse billing : no need to re-charge customers and build a new invoicing mechanism
 - Competitive price for both small and big CSD customers
 - Infrastructure costs not impacted by volume evolution
- Peace of mind : messaging solution operated at highest industry standards
 - Operational excellence
 - Resilience and risk management







Q&A



Latin American Regional Conference

28 y 29 de junio del 2016





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