



Latin America Business Intelligence Update

Ruby Pantoja & John Taboada

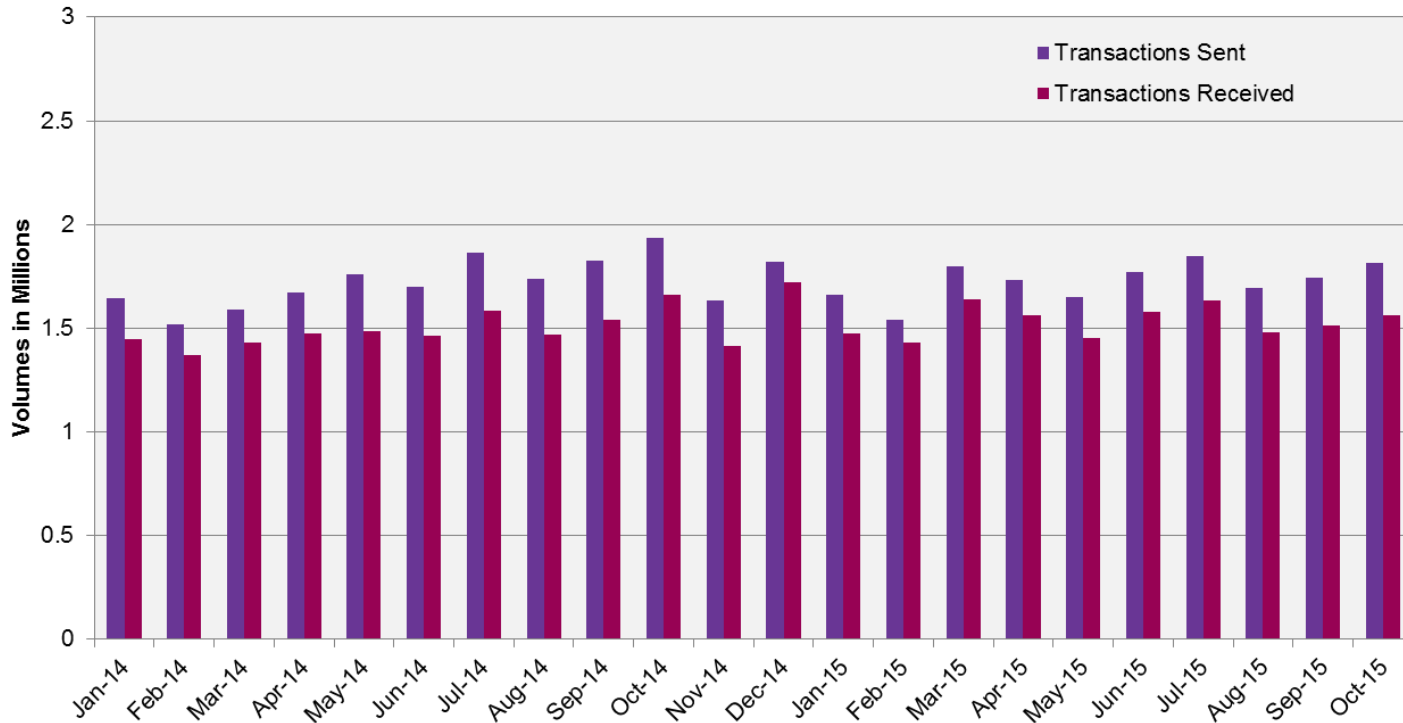
LATAM - World



LATAM - World Overall Sent & Received Traffic Evolution

Traffic of MT 103s and MT 202s in 2014 and Oct YTD 2015,

Live, International Traffic



2015 Monthly Average & % of Global Traffic

Transactions Sent:
1.7M / 3.2% of Global Traffic

Transactions Received:
1.5M / 2.8% of Global Traffic

Growth

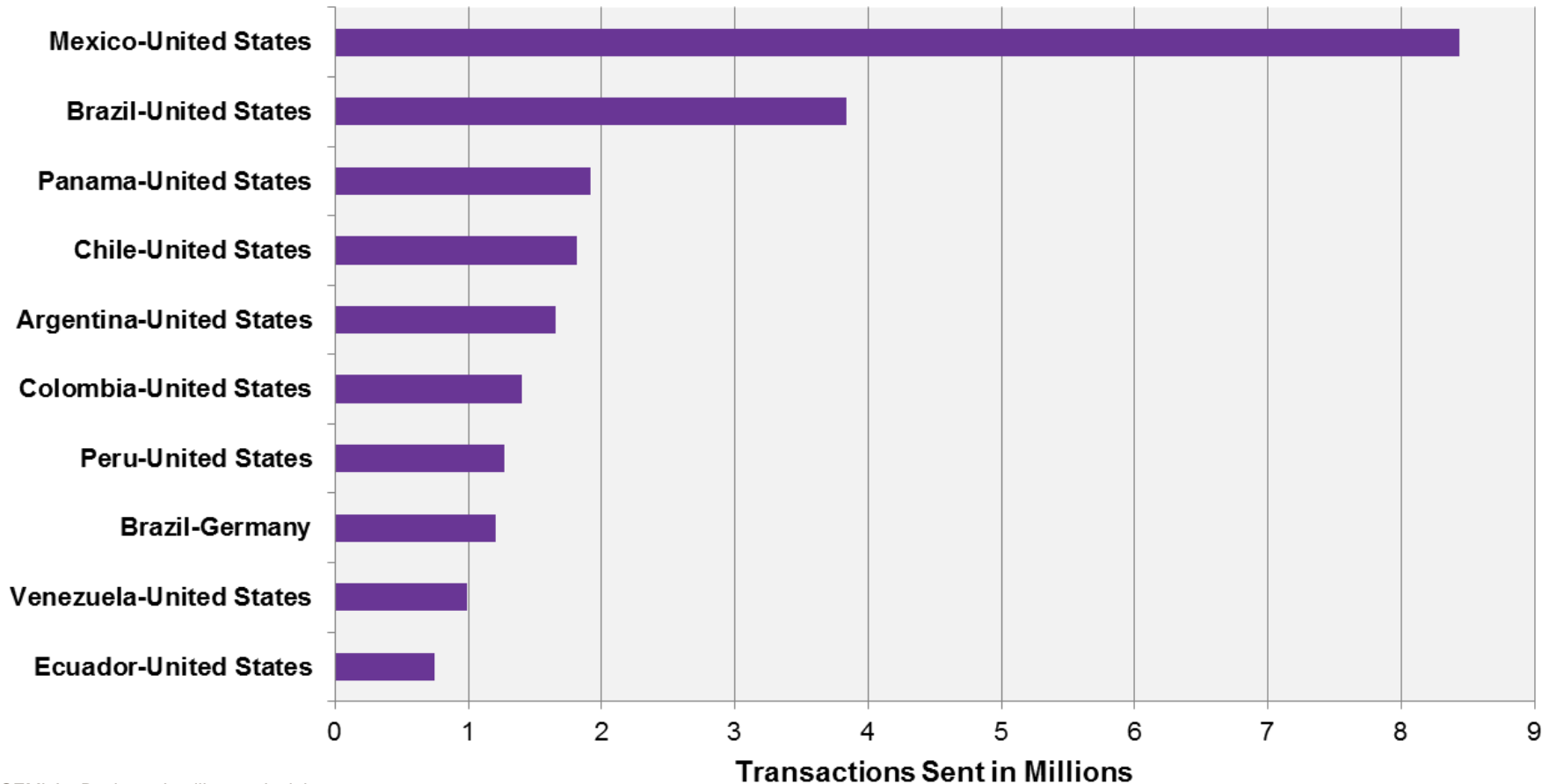
Transactions Sent
2015YTD vs. 2014YTD
+0.12%

Transactions Received 2015YTD
vs. 2014YTD
+2.72%



LATAM- World Top 10 Payments Sent Corridors

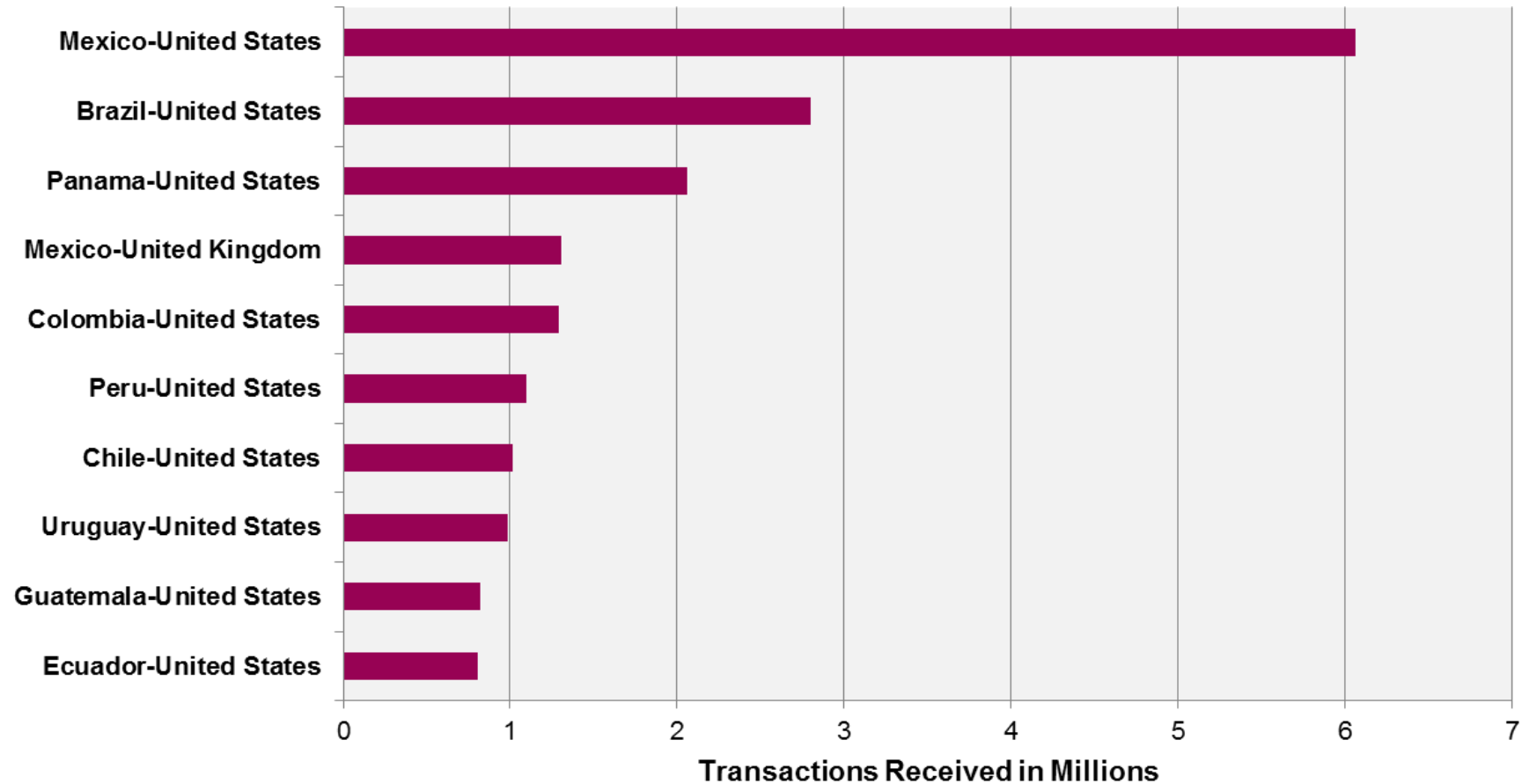
Traffic of MT 103s and MT 202s in 2014 and YTD 2015,
Live, International Traffic



LATAM- World Top 10 Payments Received Corridors

Traffic of MT 103s and MT 202s in 2014 and YTD 2015,

Live, International Traffic

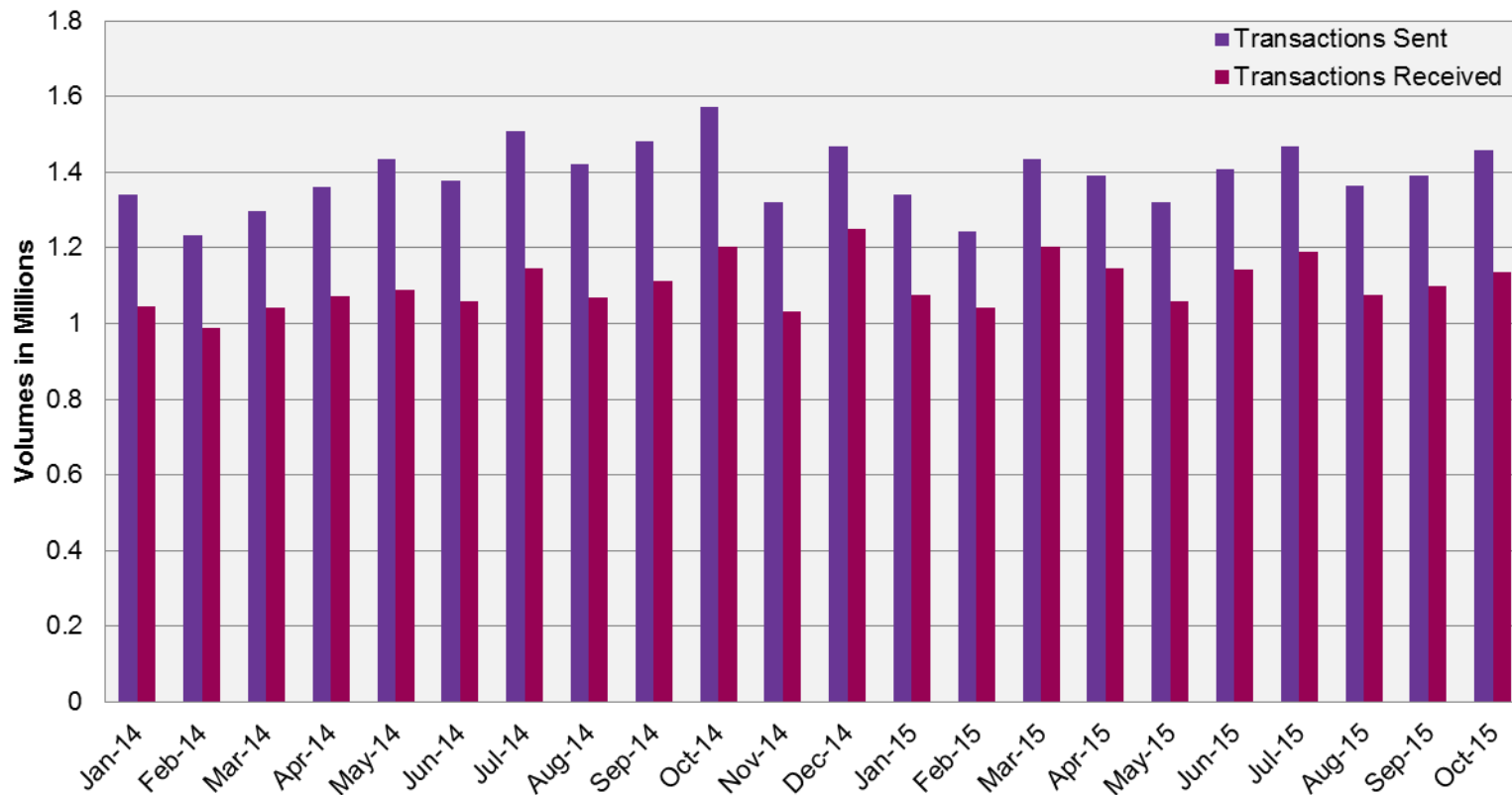


LATAM - Regions



LATAM - US Overall Sent & Received Traffic Evolution

Traffic of MT 103s and MT 202s in 2014 and YTD 2015



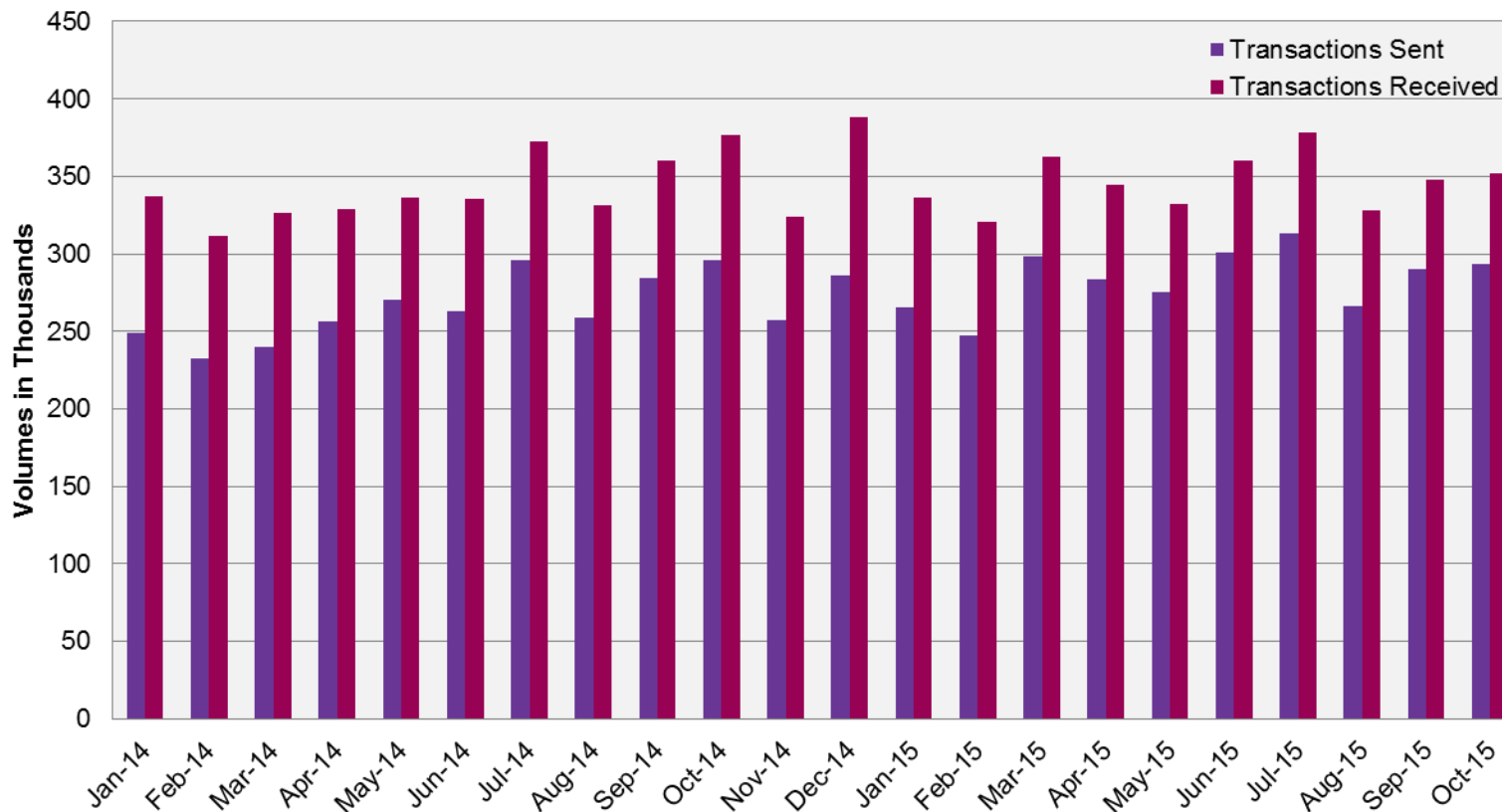
Growth
 Transactions Sent
 2015YTD vs. 2014YTD
-1.51%

Transactions Received
 2015YTD vs. 2014YTD
+3.16%



LATAM - Europe Overall Sent & Received Traffic Evolution

Traffic of MT 103s and MT 202s in 2014 and YTD 2015



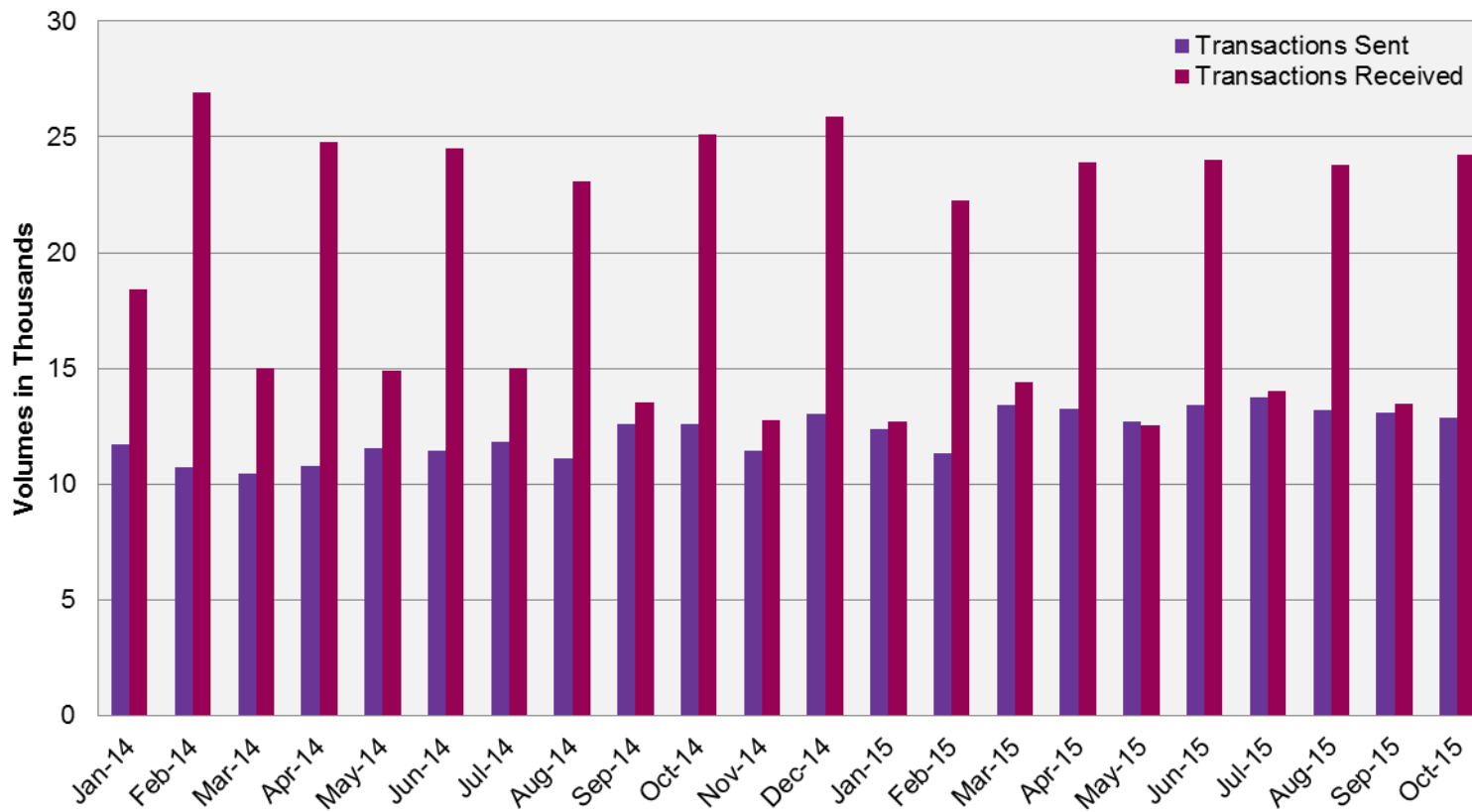
Growth
Transactions Sent
2015YTD vs. 2014YTD
+7.20%

Transactions Received
2015YTD vs. 2014YTD
+1.35%



LATAM - Asia Pacific Overall Sent & Received Traffic Evolution

Traffic of MT 103s and MT 202s in 2014 and YTD 2015



Growth
Transactions Sent
2015YTD vs. 2014YTD
+12.64%

Transactions Received
2015YTD vs. 2014YTD
-7.94%

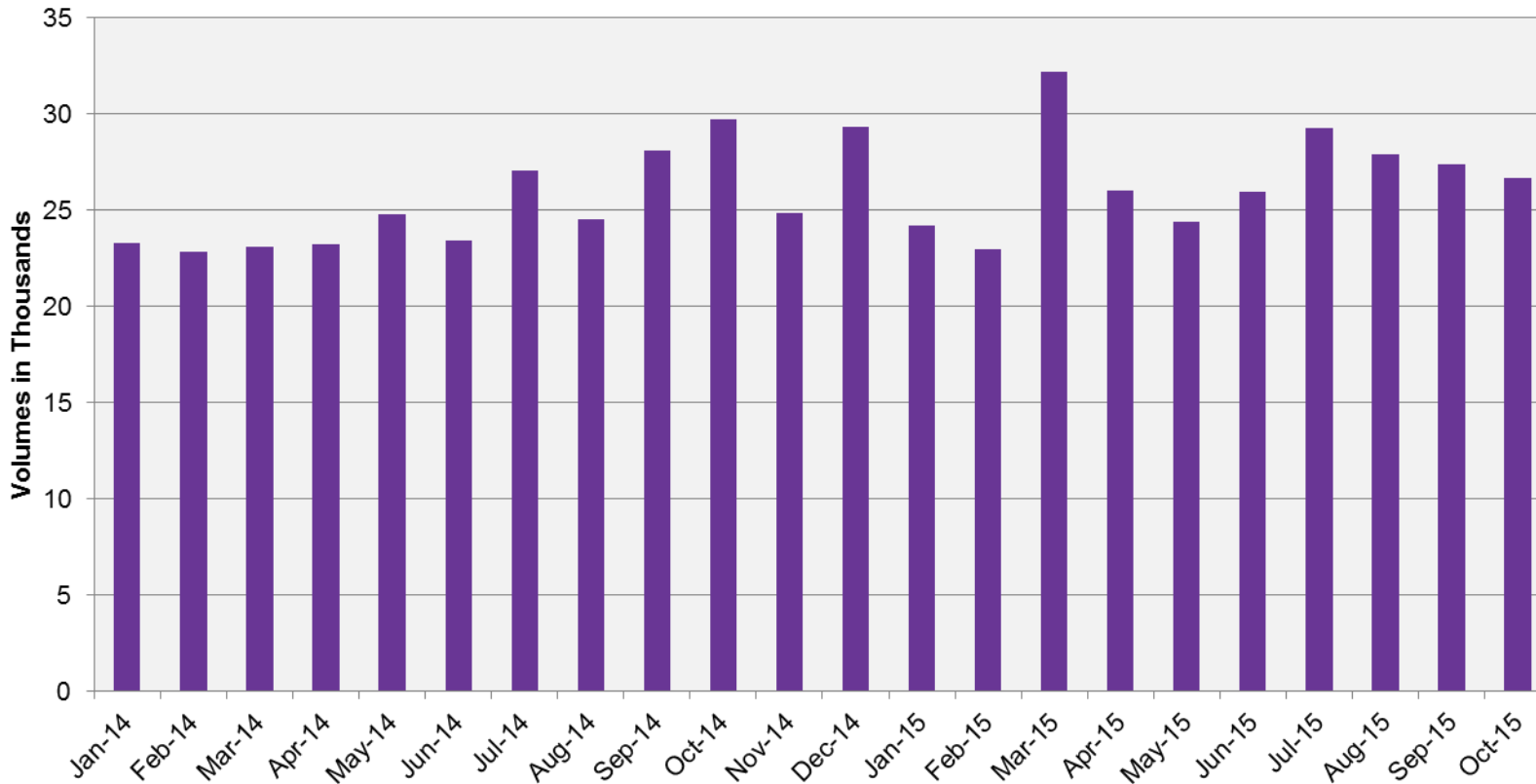


Intra-LATAM



Intra-LATAM Overall Traffic Evolution

Traffic of MT 103s and MT 202s sent and received in 2014 and YTD 2015,
Live, International traffic



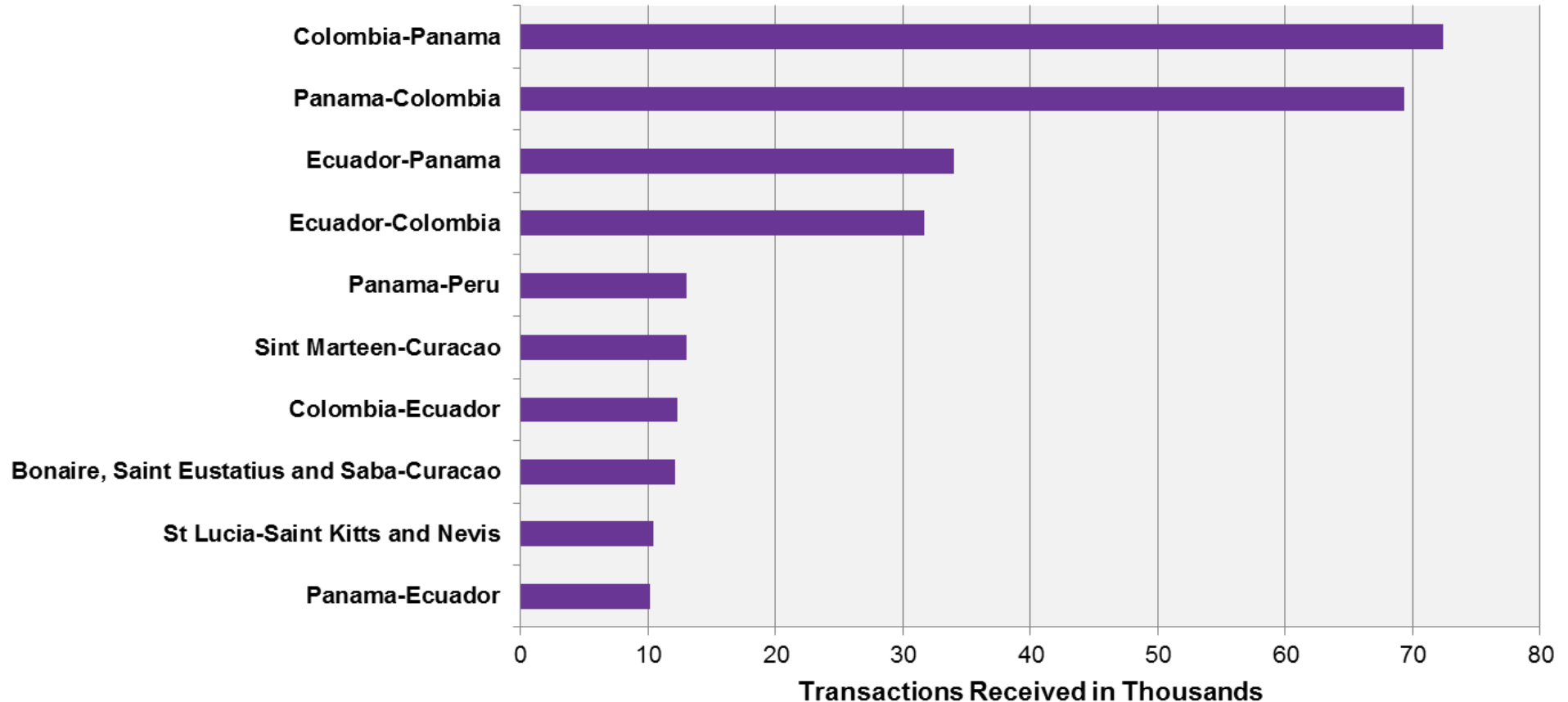
Growth
Transactions
2015YTD vs. 2014YTD
+6.71%



Intra-LATAM Top Payments Received Corridors

Traffic of MT 103s and MT 202s in 2014 and YTD 2015,

Live, Cross-Border Traffic

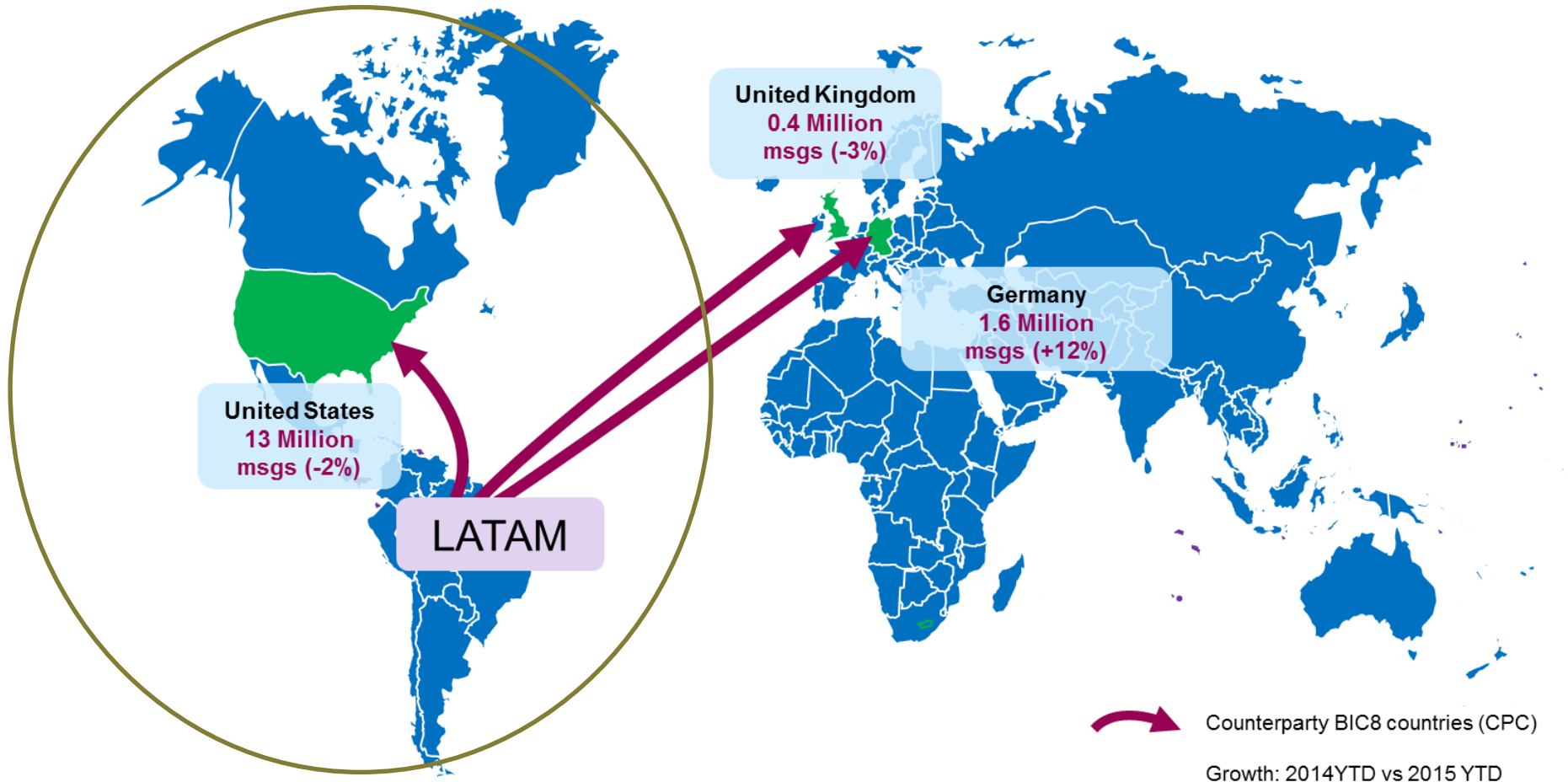


LATAM - End Beneficiaries



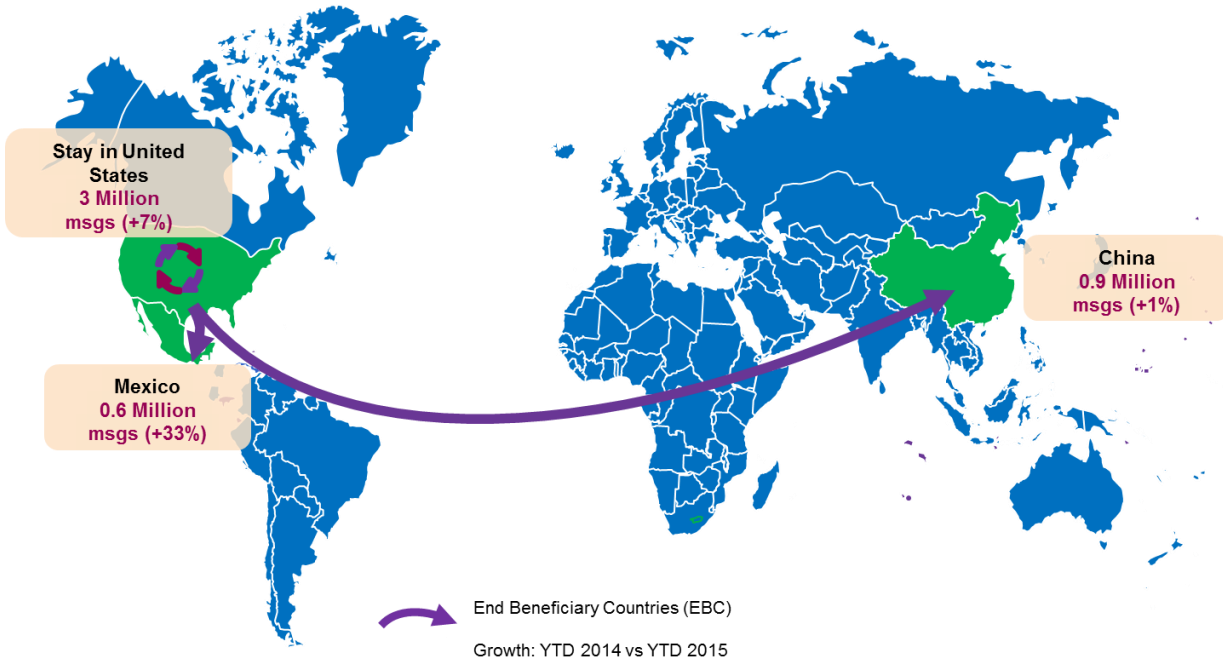
LATAM Top 3 counterparty countries

MT 103s and MT 202s Payments Sent from LATAM (Jan-Oct, 2015)



Top 10 End Beneficiary Countries from Counterparty US

MT 103s and MT 202s Payments sent from LATAM (Jan-Oct, 2015)

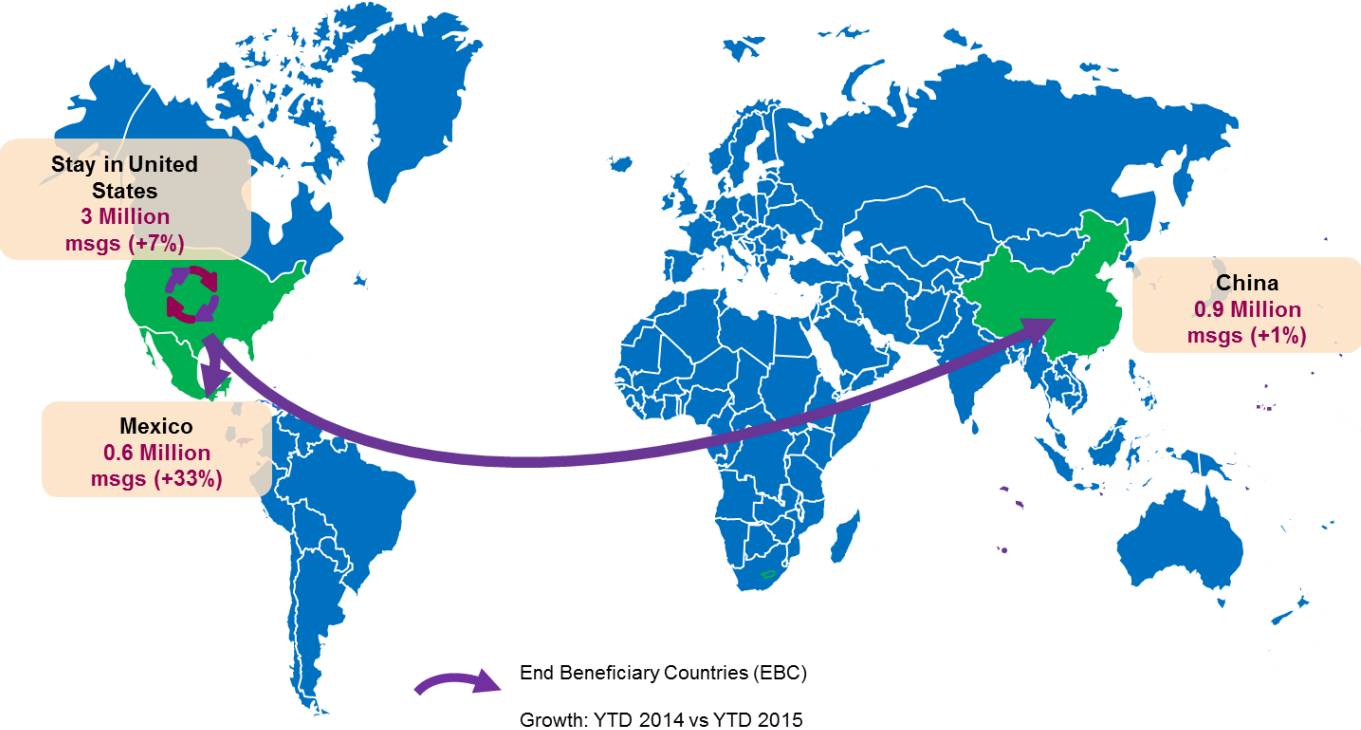


| End Beneficiary Countries | Transactions Sent | Growth |
|---------------------------|-------------------|--------|
| United States | 2,964,847 | 6.70% |
| China | 914,944 | 1.40% |
| Mexico | 628,646 | 32.59% |
| Hong Kong | 439,482 | 0.25% |
| Brazil | 372,050 | 40.80% |
| Panama | 269,953 | -0.35% |
| United Kingdom | 319,430 | 58.36% |
| Chile | 276,757 | 67.16% |
| Spain | 199,435 | 13.59% |
| Canada | 183,027 | 15.97% |



LATAM as End Beneficiary Countries from Counterparty US

MT 103s and MT 202s Payments sent from LATAM (Jan-Oct, 2015)



LATAM

2.7 Million msgs
(+29%)



RTGS-SSP-Case Studies



Role of High Value Payment Systems

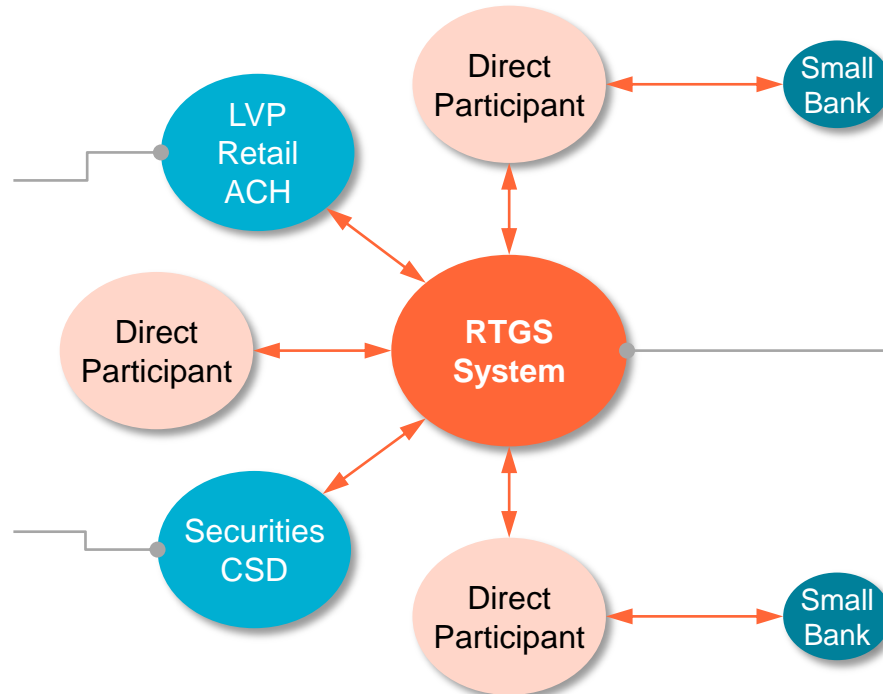
HVP systems play a central role in payments settlement

HVP / RTGS Characteristics

- Funds transfer systems that **settle payments** between banks
- Transactions are settled **continuously, in real-time transaction-by-transaction**, without netting
- Transactions are settled **irrevocably and unconditionally**, to eliminate the credit risk of payment default
- Typically used for **high-value** (\$0.5 to \$5M) transactions that require immediate clearing
- Aside from payment transaction processing, RTGS provides **liquidity management and reporting**

LVP systems, such as retail ACHs, will net large volumes of low value payments before initiating a single high value payment at the RTGS

Central Securities Depositories use RTGS systems to settle DVP securities transactions by debiting / crediting the central bank cash accounts of their custodian banks



Typically operated by a country's central bank, or bankers associations, as it is regarded as critical infrastructure

Regionalisation

Single shared platform Supporting multi currency

If systems share common :

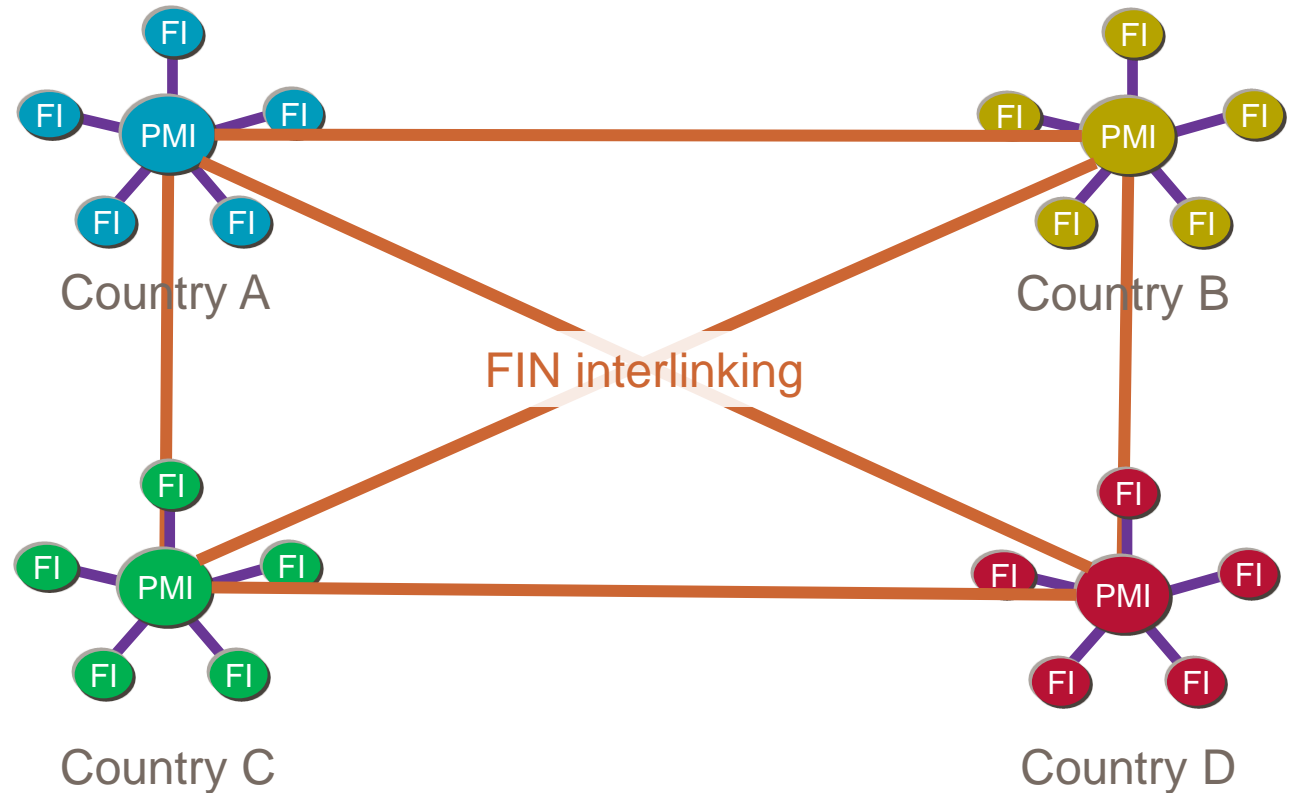
Standards

Connectivity

Rules

...

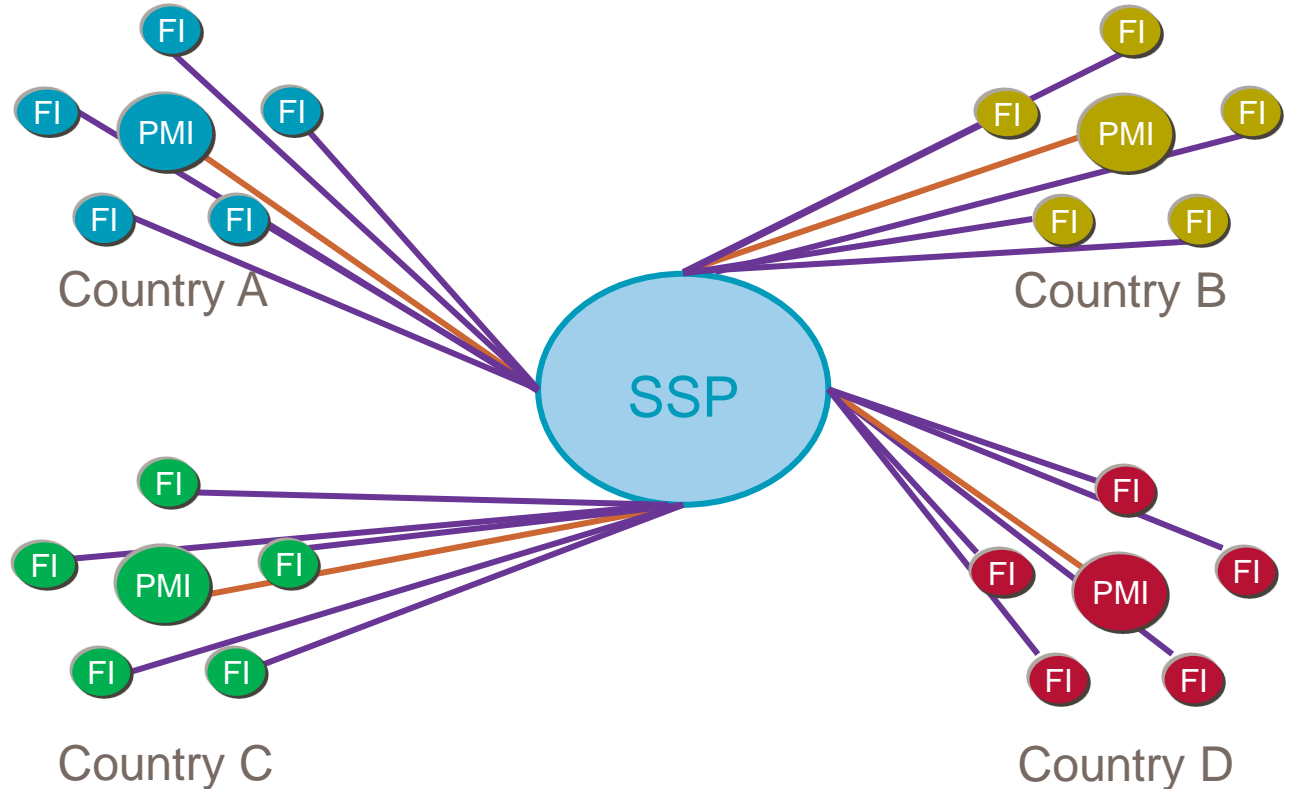
Then integration becomes possible and bring great opportunities



Regionalisation

Interlinking of RTGS Supporting cross borders using one currency

The deployment of a Single Shared Platform allows for further integration of systems and rationalisation of the infrastructure



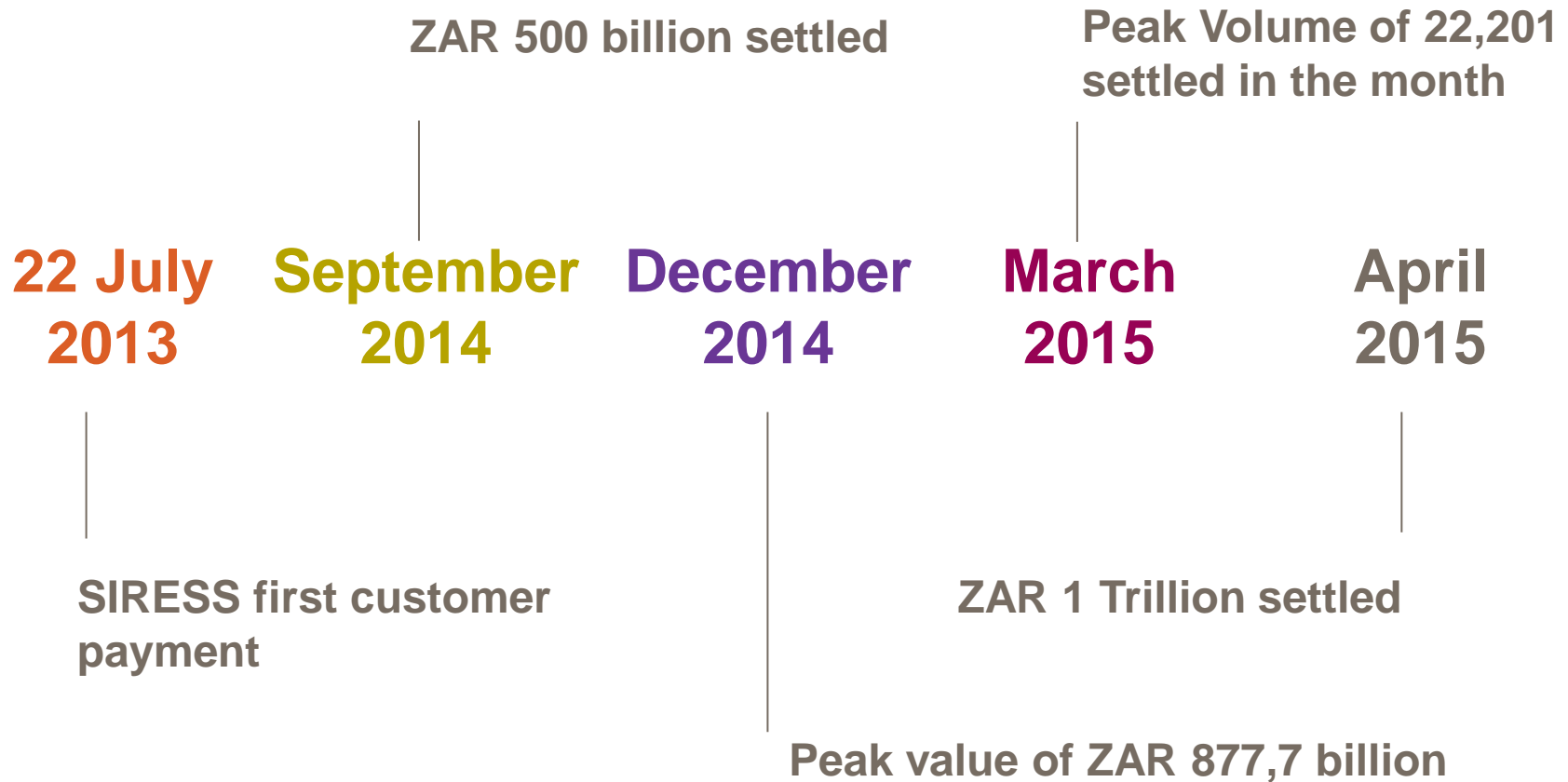
Case Study 1 : SADC – Southern Africa Development Community

Key strategic aspects

- Each country maintain its own currency for the foreseeable future
- Each country maintain its own financial infrastructures
- Intra-SADC will be settled over a central settlement system –SIRESS
- All banks and subsidiaries of bank will ,over time, be required to main settlement accounts at SIRESS
- Intra-regional settlement currency adopted is the South African Rand



Case Study 1 : SADC



Case Study 2 : ASEAN – Association of Southeast Asian Nations

Few figures

600m

Consumers

S\$3 trillion

GDP in 2013

5%

**GDP annual rate
projected**

10

Countries

Case Study 2 : ASEAN – Association of Southeast Asian Nations

Few figures

Brunei

Cambodia

Indonesia

Lao PDR

Malaysia

Myanmar

Philippines

Singapore

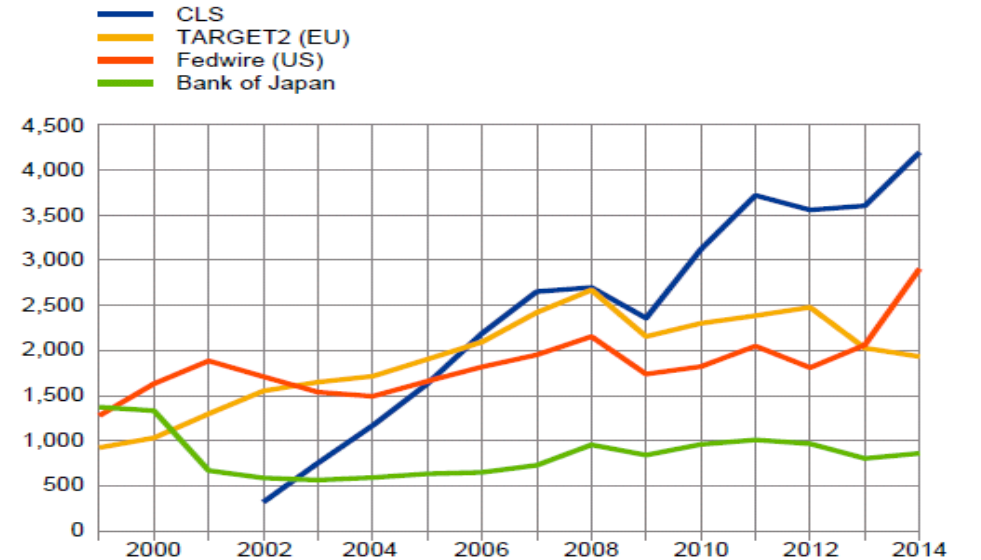
Thailand



Case Study 3 : TARGET2

Few figures

- RTGS owned and operated by the Eurosystem in SSP model live since November 2007
- 1,007 direct participants ; 837 indirect participants; 5,037 correspondent ; 83 Ancillary Systems
- Daily average of 354,263 payments, representing a daily average value of €1.9 trillion
- Competitor being EURO1 and STEP1 operated by EBA



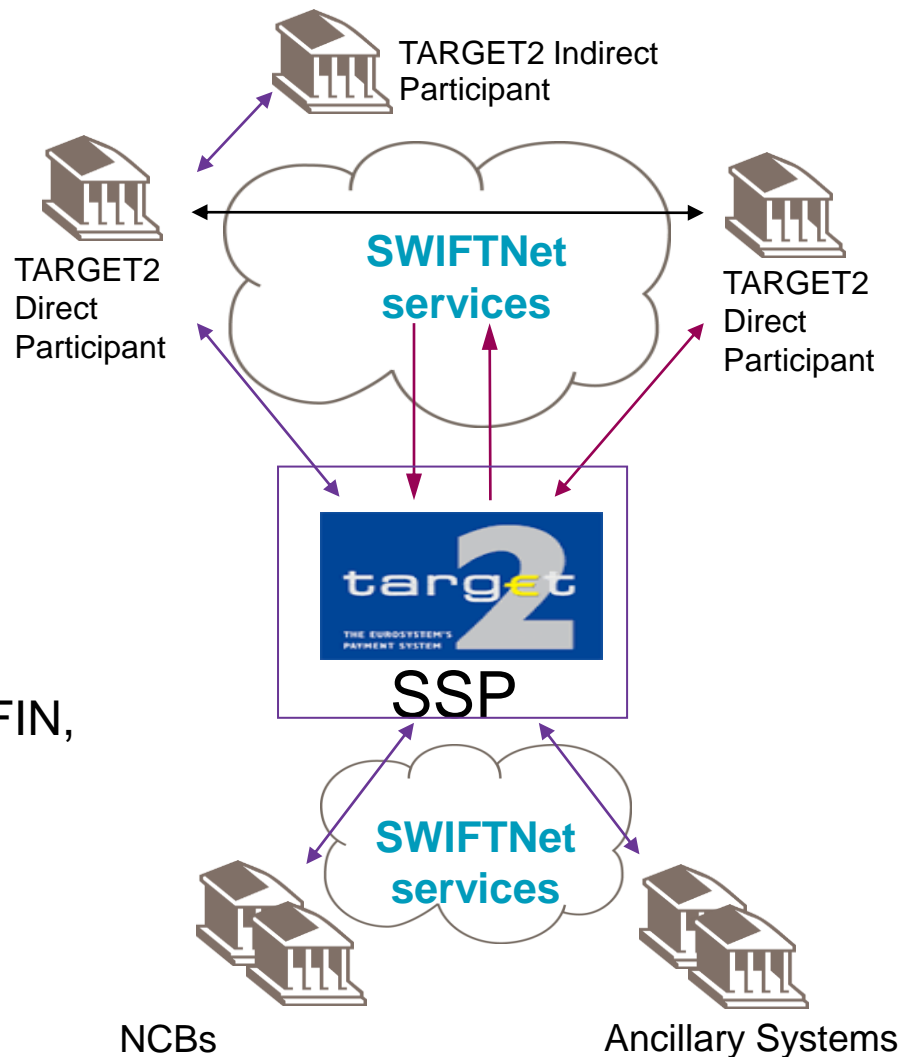
Source: ECB.

Average daily turnover in EUR billions (equivalent)

Case Study 3 : TARGET2

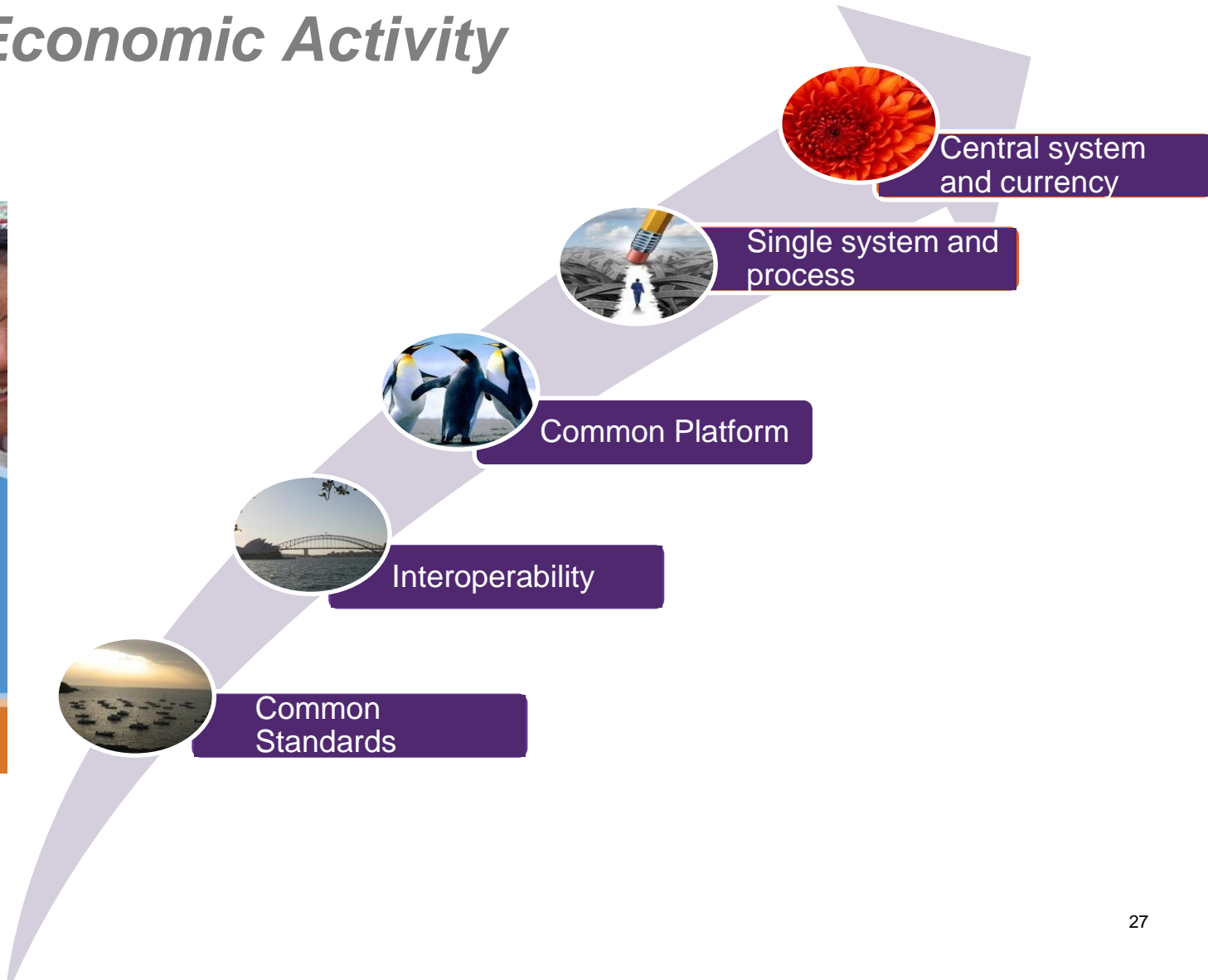
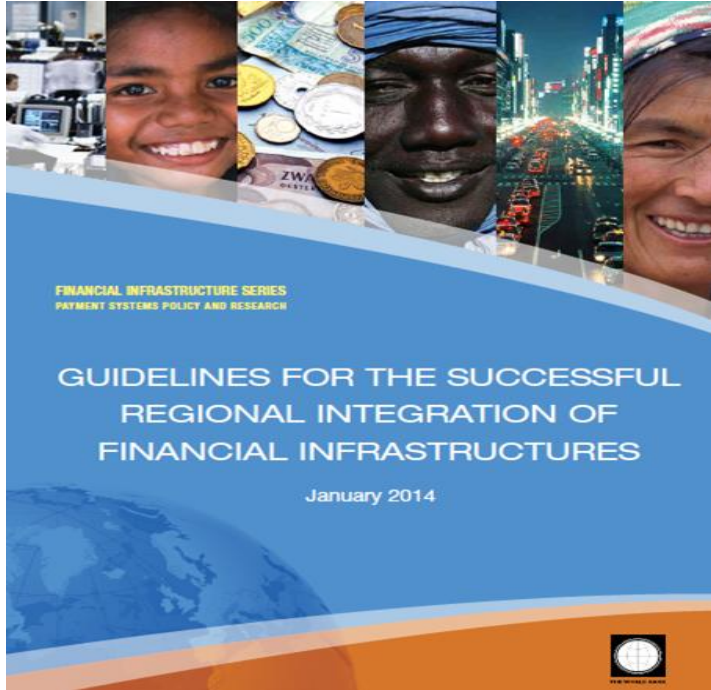
Few figures

- “Single platform” system
- Concentration of domestic euro RTGSs
- Direct & indirect participants
- Large set of SWIFTNet messaging services: FIN, FIN Copy, InterAct, FileAct, Browse
- Automated (A2A) or manual (U2A) access



Regionalisation

Needs to Facilitate Economic Activity





www.swift.com