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Seoul contacts

Heetaek Hwang
Relationship Manager, Korea
heetaek.hwang@swift.com

Brown Lee
Relationship Manager, Korea
brown.lee@swift.com

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Fast facts

Date
17 June 2009

Delegates
220

Speakers
18

SWIFT partners
- COMAS
- Clearstream

Global Shockwaves: South Korea's Big Test

The 2009 Business Forum brought the SWIFT community in South Korea together to discuss the prevailing issues across the region -- and specifically in Korea -- in light of the corrosion of the global economy, and at the same time propose solutions to the current problems besetting the financial industry and market alike.

“While the world deals with multiple financial and economic shocks and their aftermath, Korea is increasingly challenged as well. Will we be able to shield Korea from the shockwaves of the global crisis? Which measures can limit the effects of the economic turmoil created by the credit crunch?”

The above issue was the subject of animated discussion by financial industry professionals at the annual SWIFT Business Forum hosted in Seoul on 17 June 2009. This one-day event attracted over 200 participants from various sectors of the financial industry, including sales and business managers from the payments and securities markets, IT professionals, corporates, technology, service providers and bankers, establishing the event as a major fixture gathering of Korea's financial services industry.

They attended the Business Forum to hear from 18 senior speakers talk about how standards and technology are keys to moving forward towards recovery and to explore the latest developments and market insights in supply chain and trade management, securities, payments and cash management.

A major theme that emerged throughout the day was “working together,” reflecting the trend of collaborative efforts by governing authorities, customers, partners and all the segments of the financial industry to beat the current crisis. The mood of the community at the Business Forum was that of hope and confidence, particularly because Korea already had some experience in coming out of the Asian financial crisis in 1997.

Ian Johnston, Chief Executive of SWIFT Asia Pacific, welcomed the customers with words with optimism. He mentioned that despite these tough global economic times, circumstances are improving; so we should look at the glass as half full rather than half empty. He further noted that Korea has the ability to move ahead and it should have confidence in its drive to beat the current situation and establish itself as the Northeast financial hub. He remarked, “Don't worry about tomorrow. I believe we can do better by being confident.”





▲ Hanpack Chun, Director General, Payment Systems Department, The Bank of Korea

One of the most steadfast economies...

In the opening plenary, senior financial professionals from across the region addressed the topic of The Financial sector in 2009: Crisis or Opportunity?

Hanpack Chun, director general of payment systems department at The Bank of Korea, described the events in Korea triggered by sub-prime mortgage and the ensuing global financial crisis. He pointed out that regulators are set on bringing about good changes in the regulatory methods in order to better contain the local financial industry: "The government is looking at the current methods of checks and balances. There will be some form of regulatory changes for sure."

From a global perspective, Robert Blair, executive director of client access channel management, treasury & securities at J.P. Morgan, said: "Korea has many strengths, like its proficiency in the IT industry and its capability to participate in a global market, which will eventually drive the Korean economy out of the current doldrums. The 21st century is described as the 'Asian Century' and Korea is absolutely central to Asian market." Furthermore, he remarked that Korea is an export-driven economy so it should look to

export its expertise from the various newer segments of the industry like its technology standards and green vehicles.

In the same vein, Oh-hoon Kwon, general manager of Korea Exchange Bank and the chairperson of the SWIFT Korea User Group, emphasised that the Korean financial industry needs to utilise its strengths to its advantage in coming up with a harmonised approach to recovery. He outlined an example where Woori, Shinhan and KEB created a fund for job sharing. He also called out to the financial community to think together, to come up with ideas to beat the current crisis. "Crisis is an opportunity," he said.

Standards is key to moving forward towards recovery

The morning program came to a close with the Standards session, addressing one of the core initiatives of SWIFT. Heetaek Hwang, relationship manager for SWIFT Korea, welcomed that many Asian market infrastructures including Korea are looking into sending SWIFT corporate actions notification messages to custodians and broader investment community, which will increase STP, efficiency and transparency for the whole securities community. Ultimately, this will help the local market attract more investment from global investors.

The one day event kicked off with full-house audiences. The plenary session in the morning was discussed from different perspectives and was followed by presentations on Standards and SWIFT partner introduction. In the afternoon, the participants selected from a series of workshops ranging from topics like global trends in cash management, securities & funds, trade and supply chain as well as technology and interfaces.

More details, including participant videos and presentations, are available in the Korean community on www.swiftcommunity.net



Robert Blair of J.P. Morgan also echoed sentiments of crucial importance for standards, focusing on latest developments. He singled out SWIFT's development of ISO 20022 syntax versions for core clearing and settlement messages, available in ISO 15022. He welcomed its contribution to building a "common standard and harmonisation," recognising SWIFT as the "largest standards organisation in the global financial services space."

Cash is king

"It was obvious from the cash management workshop that the business environment has changed," noted Aseem Goyal, SWIFT's head of payment market, Asia Pacific, who moderated the cash management workshop that took place during the afternoon. "Liquidity management is now considered key to business performance."

Touching on some trends, Aseem also remarked that companies are looking to having complete visibility of their cash nowadays, and they are also looking to expand their relationships to more banks (multi-banking). Another notable overseas trend, not apparent yet in Asia, is establishing a single gateway in payments, which will lead to market harmonisation, as with SEPA in Europe.

Youngjee Park, general manager at LG CNS, outlined what SWIFT provides in the area of liquidity management for a global company like LG, which looks to gain

competitive edge through efficient cash management. He explained that SWIFT's solution was effective for customer services, risk management, and profit improvement by realising cash centralisation, visibility of financial information, and better cash management.

Mark R. Wuscher, director of treasury and trade solutions head, global transaction services from Citi, recommended "SWIFT for Corporates as it is aligned with the key industry trends in corporate treasury." He further mentioned that Citi has embraced SWIFT connectivity for their corporates and has established a support model for clients for implementing and transacting via SWIFTNet for Corporates. "SWIFT has become a core part of Citi's product offering."

Yunju Baik, team manager of Korea Exchange Bank, gave a presentation on their adoption of SWIFT Exceptions & Investigations (E&I) to increase automation, improve customer service and business performance. According to Ms. Baik, KEB was able to process payments 45% faster after the implementation of E&I.



▲ Oh-hoon Kwon, General Manager, Korea Exchange Bank Chairperson, SWIFT Korea User Group



▲ From left: Robert Blair, Executive Director of Client Access Channel Management, Treasury & Securities, J.P. Morgan and Mark R. Wuscher, Director of Treasury and Trade Solutions Head, Global Transaction Services, Citi



▲ From left: Yunju Baik, Team Manager, Korea Exchange Bank; Aseem Goyal, Head of Payment Market, Asia Pacific, SWIFT; Mark R. Wuscher, Director of Treasury and Trade Solutions Head, Global Transaction Services, Citi and Youngjee Park, General Manager, LG CNS





^ From left: Joshua Derrick and Lisa O'Connor, Asset Management team, SWIFT with Jonghyung Lee, Head of International Relations and Planning, Korea Securities Depository

More work to be done

In the securities and funds workshop, Karim Chabane, director of product management in Euroclear Asia, opened the session by looking at the position of Korea with regard to settlements market and was "impressed to see the big changes that have occurred over the past years." He did mention that improvements were still needed in order to avoid splits and reduce liquidity distinctions between Korea and the global market but noted that these might take a longer time to materialise.

Chulbok Chang, head of investors and intermediaries, transaction banking at Standard Chartered First Bank, looked at the Korea funds market and presented the automation process that has been implemented at his institution with a detailed overview of the pros and cons. Heejin Kim, director of securities and funds services at Citibank Korea, laid out a proposal to improve asset services and securities borrowing and lending, whereby an automated information collection and notification service would increase process efficiency while reducing operating risks.



^ Chulbok Chang, Head of Investors and Intermediaries, Transaction Banking, Standard Chartered First Bank

Jonghyung Lee, head of international relations and planning team at the Korea Securities Depository, addressed these questions with an overview of the progress made in the establishment of the Regional Settlement Intermediary (RSI) and the Asian Bond Market Initiative (ABMI) in particular, where SWIFT has a role to play in terms of linking and communication between all the market players.

Revolutionary trade

In the trade and supply chain workshop, Shinwon Kang, senior manager from Korea Exchange Bank, explained the bank's effort to upgrade the quality of their trade services. Mr. Kang emphasized that "in these days of credit crunch, which has a major impact on worldwide trade business, both global and local banks should help enterprise customers overcome the current financial crisis by shortening the period for collecting on export delivery and reducing the processing time and cost." He added that E-Nego, SMART OAT (built on SWIFT's Trade Services Utility) and a series of KEB's Ultimate e-Trade



^ From left: Yung Sheng Lee, Executive Director and Head of Trade Finance Sales-North Asia, J.P. Morgan Treasury Services; Connie Leung, Head of Trade and Supply Chain, Asia Pacific, SWIFT; Shinwon Kang, Senior Manager, Korea Exchange Bank and Young Kim, E-trade Promotion Center, Korea International Trade Association



Services, are helpful for this. Rounding out his presentation, he expressed his hopes for a full automation of import and export business, in order to save trade-related costs.

To demonstrate Korea's lead in paperless trade with its unique nationwide e-trade project, Young Kim from the E-trade promotion center of the Korea International Trade Association, introduced uTradeHub Services. This is a complete paperless trade service based on a single window system and e-Nego & Global e-Trade Service Model. He explained how this trade and supply chain service was centered to meet enterprise customers' requirements.

Yung Sheng Lee, executive director and head of trade finance sales-North Asia from J.P. Morgan Treasury Services, warned about the overall global trade decline, especially the significant declines in East Asian exports. He also emphasized that Korea, which boasts a lead in e-Trade in partnership with other Asian countries, is really at the vanguard of efforts to harmonise government and businesses.

Benefits of seamless integration

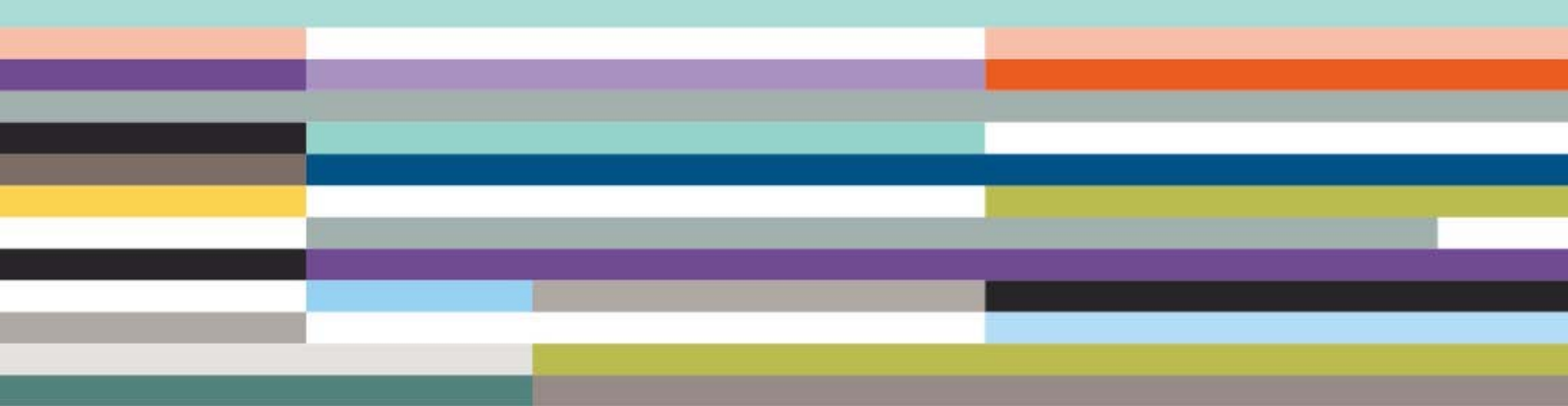
In the technology and interfaces workshop, Simon Lau, title, of SWIFT gave a detailed overview of the benefits of the integration of business applications and the subsequent reduction in maintenance costs thanks to SWIFT's Alliance Integrator. Brown Lee, relationship manager at SWIFT Korea, presented new Standard and Premium

options for customer support model.

Giving back to the community:

In honor of the SWIFT community in Korea, SWIFT is proud to support ChildFund Korea, an international charity with a Korean focus on assisting less-privileged people such as needy children and youth, the handicapped and the elderly to become sound citizens of our society. For more information and learn about how you can contribute, please refer to their website at www.childfund.org.kr





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