SWIFT Board Member Report

SWIFT's Engagement
June 2009: SWIFT Board Report

9th July, 2009

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SWIFT Board Member,
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Agenda

Ⅰ. SWIFT Traffic Volume (Current Status)

- Traffic Evolution
  - ･Global Volume(1990-2008)
  - ･Average Daily Volume (Jan 2008 - May 2009)
- Traffic Volume Comparison
  : First quarter
  - ･By Market
  - ･By Region
- Characteristics of Japan's Traffic

Ⅱ. SWIFT's Engagement

- Lean Program
- Asset Servicing
- SWIFT 2015

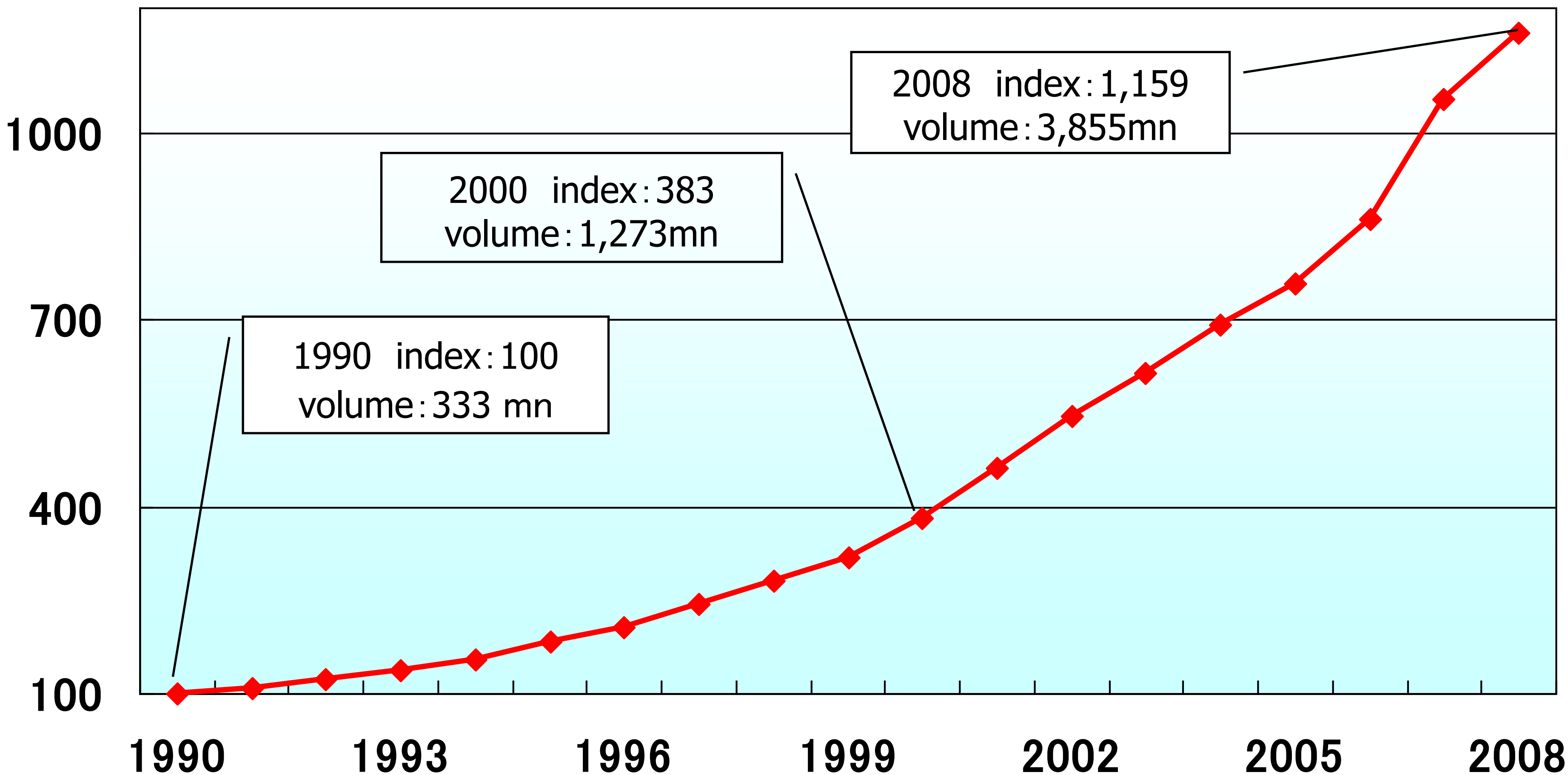
Ⅲ. Sibos

- 2012 Sibos in Osaka

1. Traffic Evolution*

＊FIN messages

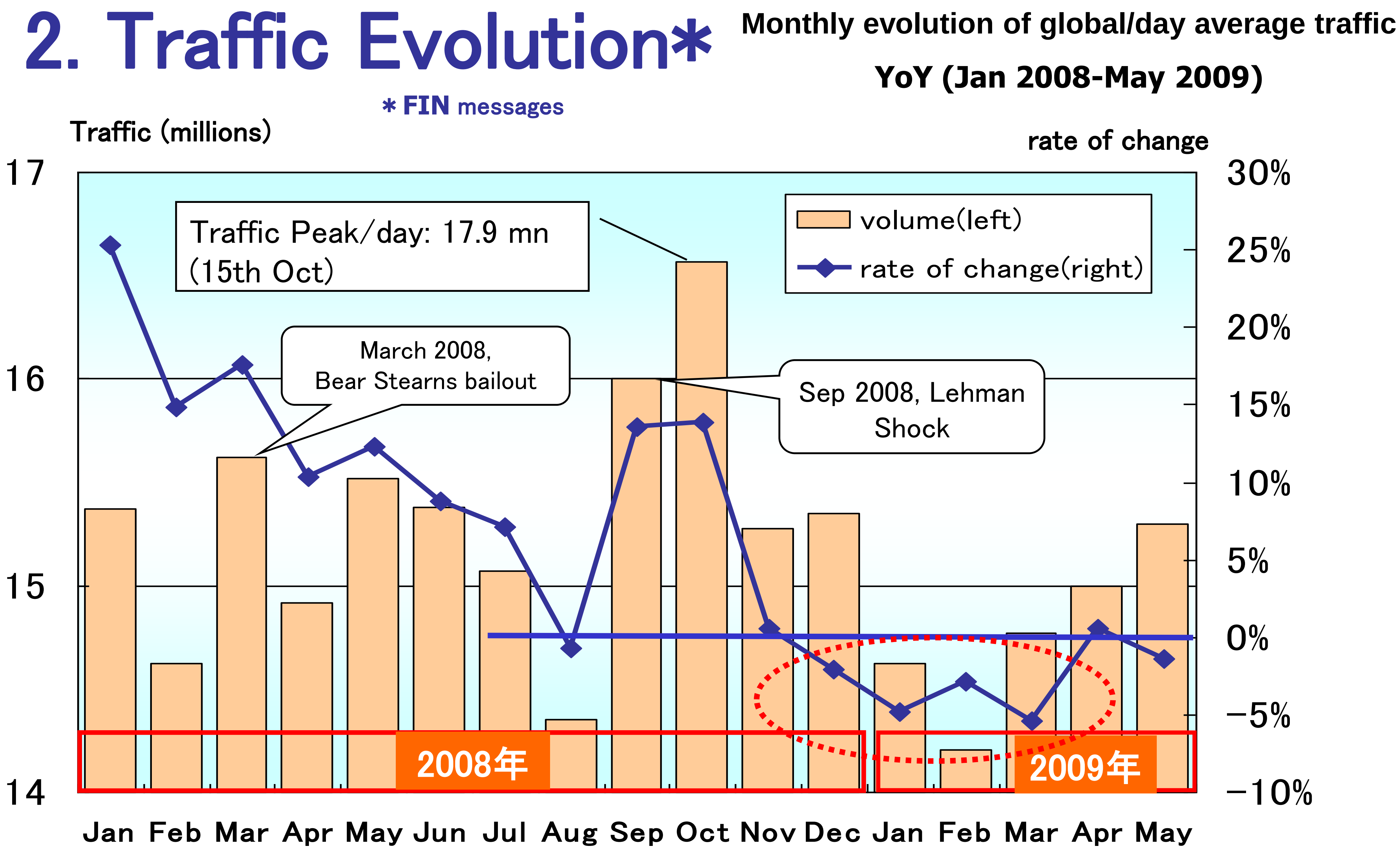
Global Traffic Volume Evolution



＊Indexed Data based on traffic as of 1990 = 100

2. Traffic Evolution*

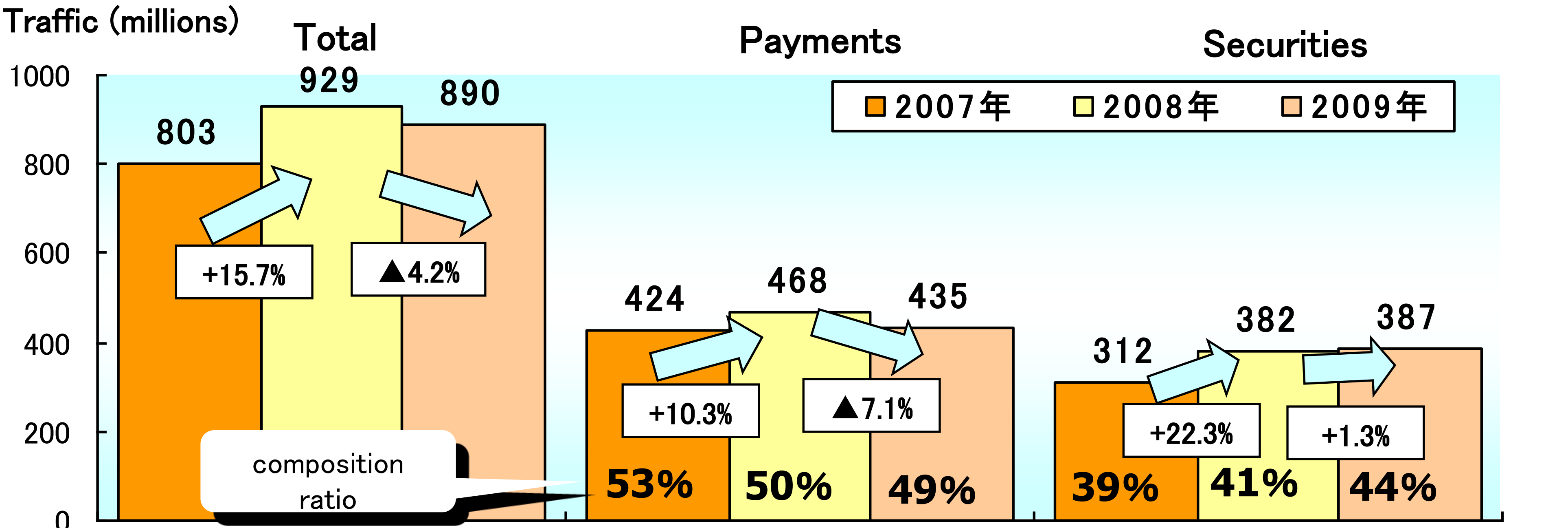
*FIN messages



YoY Negative growth for 4 months in a row from December 2008

1. Traffic Volume Comparison: Q1

Global: by Market (2007-2009)



(millions)

Year	2007年 (composition ratio)		2008年 (composition ratio)		rate of change	2009年 (composition ratio)		rate of change
Total	803	100%	929	100%	15.7%	890	100%	▲4.2%
Payments	424	53%	468	50%	10.3%	435	49%	▲7.1%
Securities	312	39%	382	41%	22.3%	387	44%	1.3%
Other areas	67	8%	79	9%	18.5%	68	7%	▲13.9%

2. Traffic Volume Comparison: Q1

Global: by Region (2008･2009)

Region (Share as of Q1 2009)		Rate of increase 2008 Q1	Rate of increase 2009 Q1
Global (100%)		15.7%	▲4.2%
	Payments	10.3%	▲7.1%
	Securities	22.3%	1.3%
	Other areas	18.5%	▲13.9%
Europe (64%)		10.1%	▲4.0%
	Payments	▲0.2%	▲8.5%
	Securities	21.0%	1.5%
	Other areas	22.1%	▲9.2%
America (20%)		17.9%	▲1.6%
	Payments	14.6%	▲6.2%
	Securities	23.5%	10.8%
	Other areas	14.1%	▲27.3%

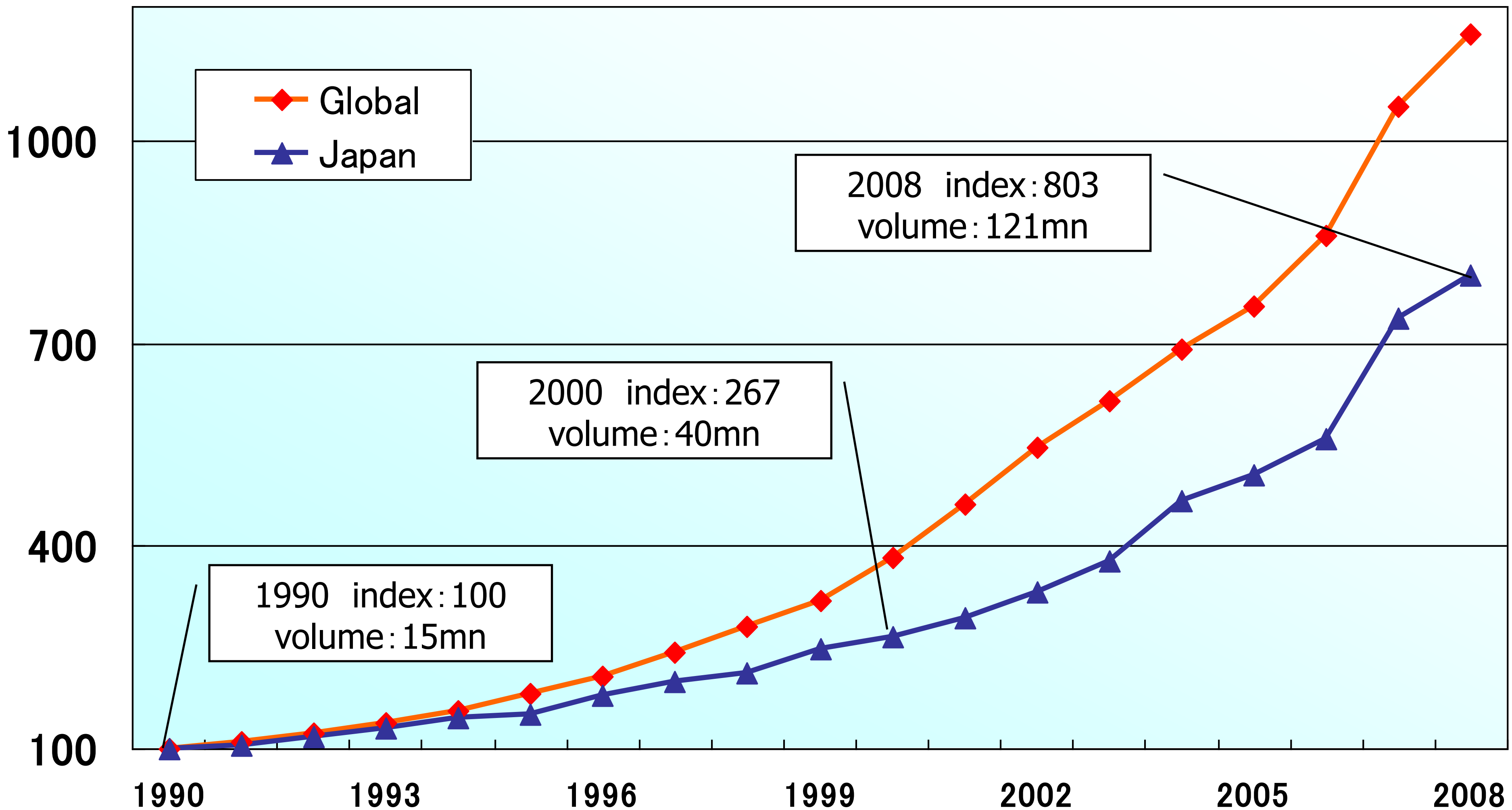
Region (Share as of Q1 2009)		Rate of increase 2008 Q1	Rate of increase 2009 Q1
Asia (11%)		19.4%	▲8.5%
	Payments	12.7%	▲8.8%
	Securities	31.9%	▲6.7%
	Other areas	14.3%	▲12.6%
Japan (3%)		14.0%	▲6.0%
	Payments	11.9%	▲24.8%
	Securities	17.4%	7.1%
	Other areas	3.8%	▲12.5%

＊Share in other regions (e.g. Africa) 5%

1. Japan's Traffic Volume *

＊FIN messages

Comparison between the World and Japan

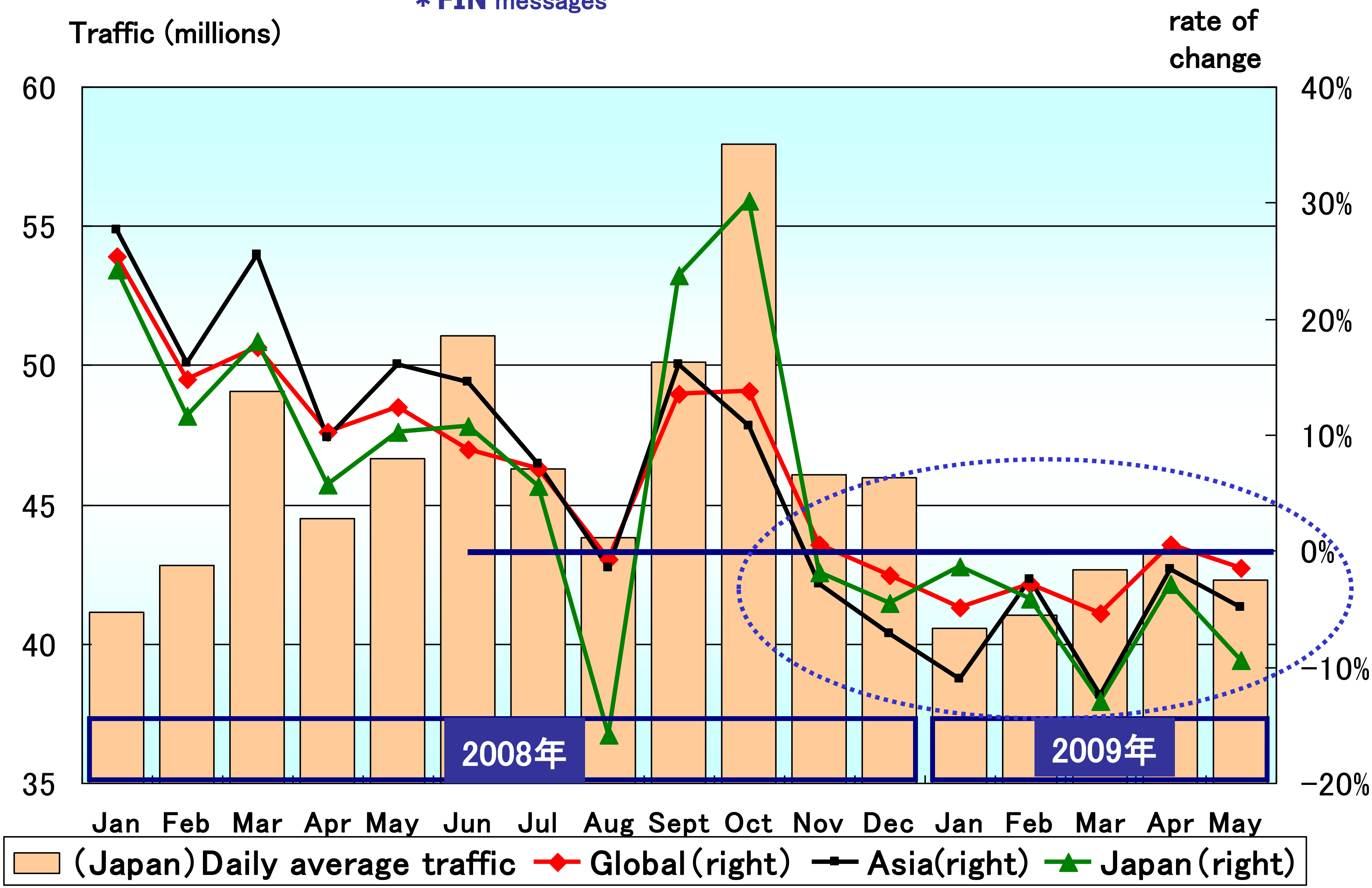


＊Indexed Data based on traffic as of 1990 = 100

2. Japan's Traffic Volume ＊

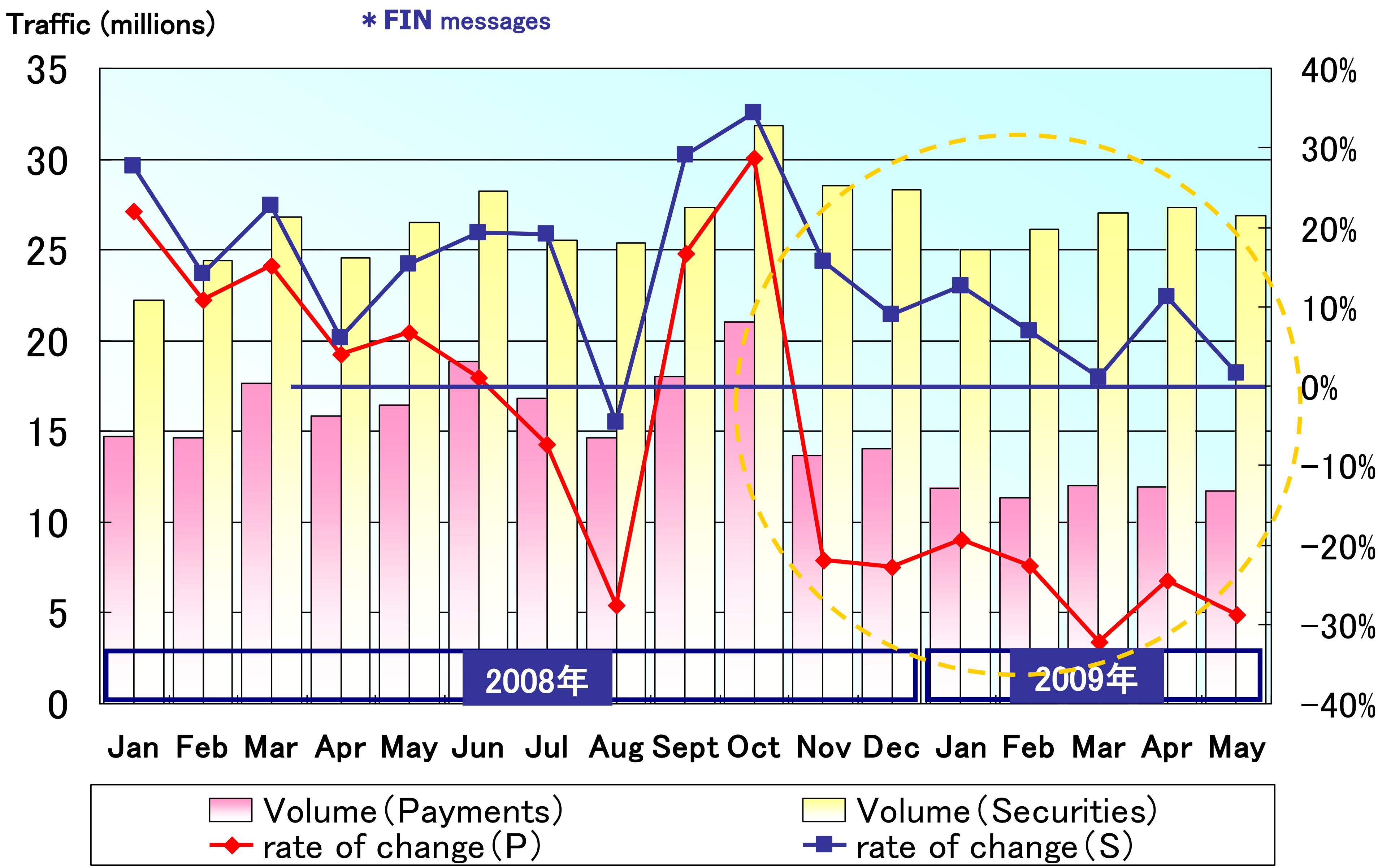
Monthly evolution of daily average traffic YoY (Jan 2008-May 2009)

＊FIN messages



3. Japan's Traffic Volume ＊

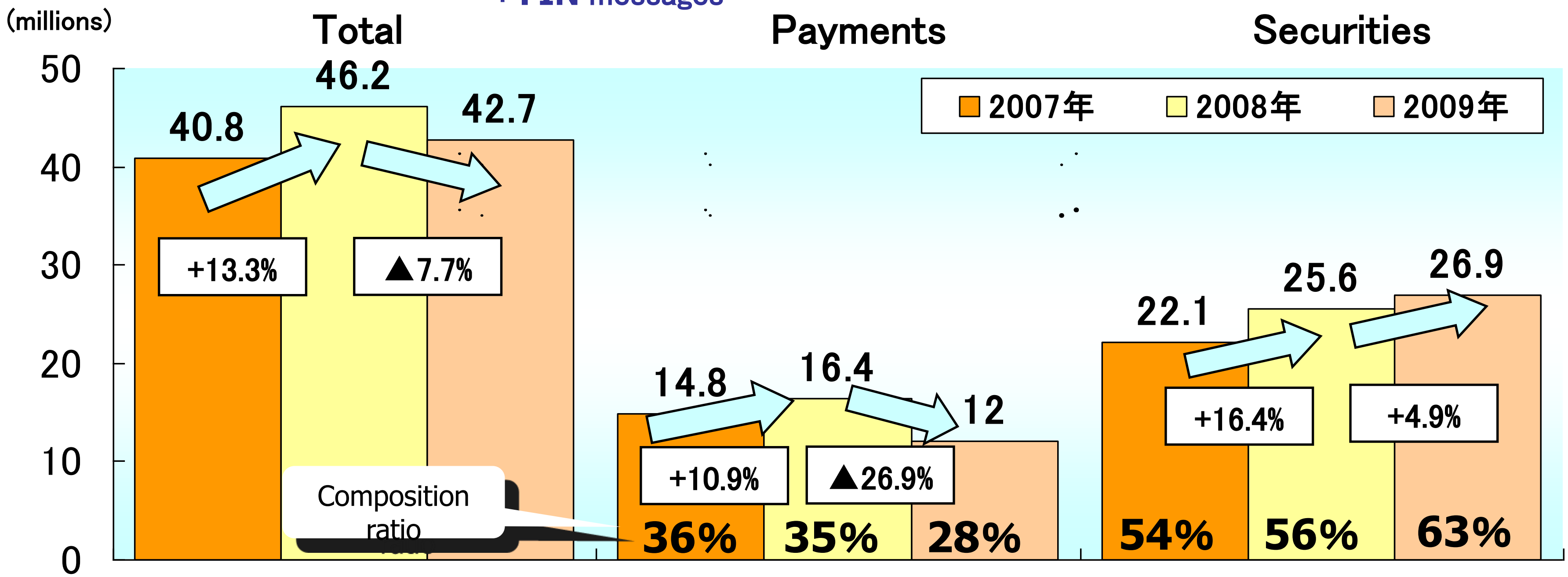
By Market: Evolution of Average Daily Volume YoY (Jan 2008-May 2009)



4. Japan's Traffic Volume ＊

By Market: Evolution in Volume, January to May (2007, 2008, 2009)

＊FIN messages



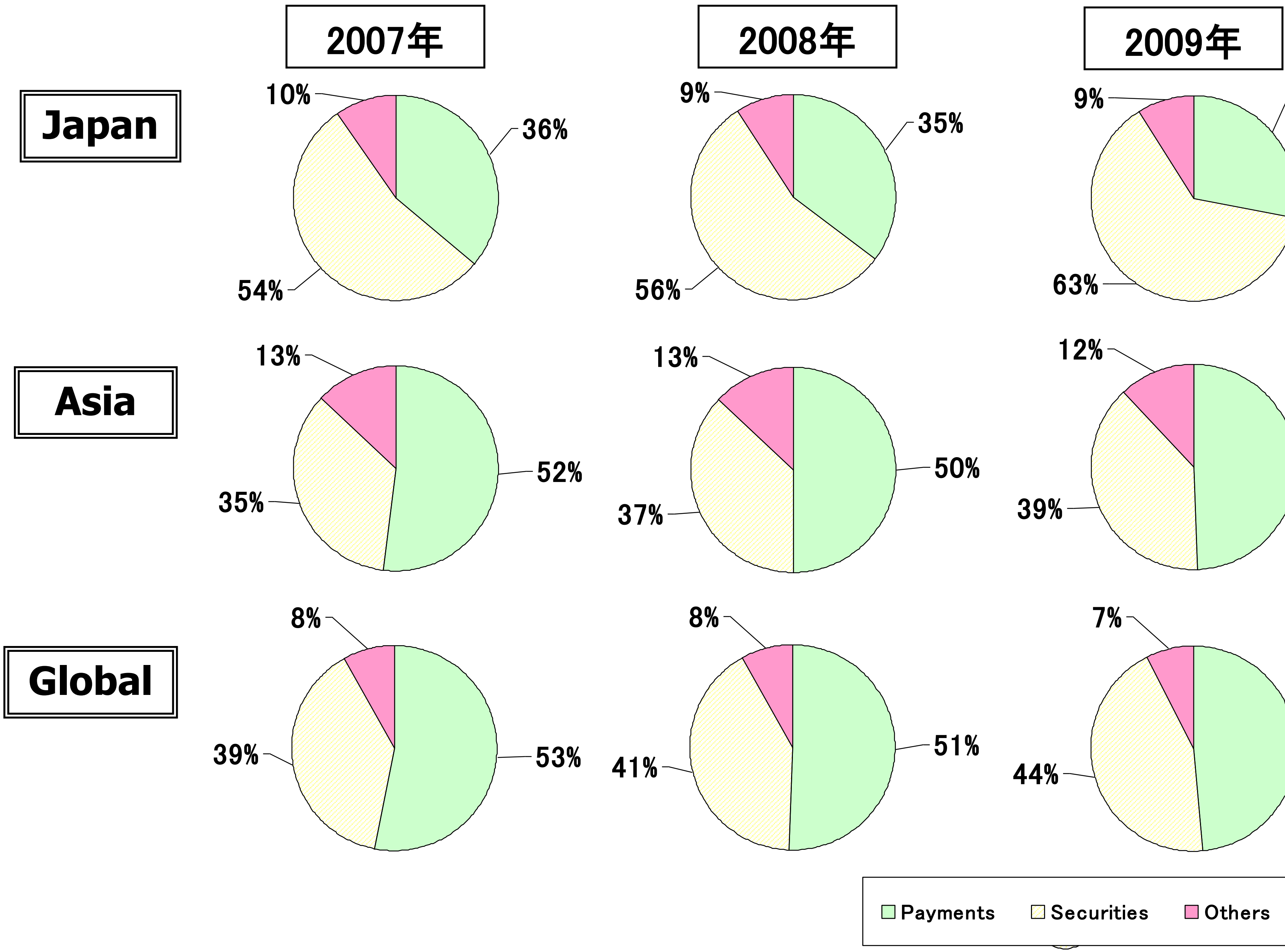
(millions)

Year	2007年	(composition ratio)	2008年	(composition ratio)	rate of change	2009年	(composition ratio)	rate of change
Total	40.8	100%	46.2	100%	**13.3%**	42.7	100%	**▲7.7%**
Payments	14.8	36%	16.4	35%	**10.9%**	12.0	28%	**▲26.9%**
Securities	22.0	54%	25.6	56%	**16.4%**	26.9	63%	**4.9%**
Other areas	4.0	10%	4.2	9%	**5.0%**	3.8	9%	**▲10.0%**

5. Japan’s Traffic Volume ＊

Proportion of MTs to Traffic Volume

(Comparison of Traffic from Jan. to May)



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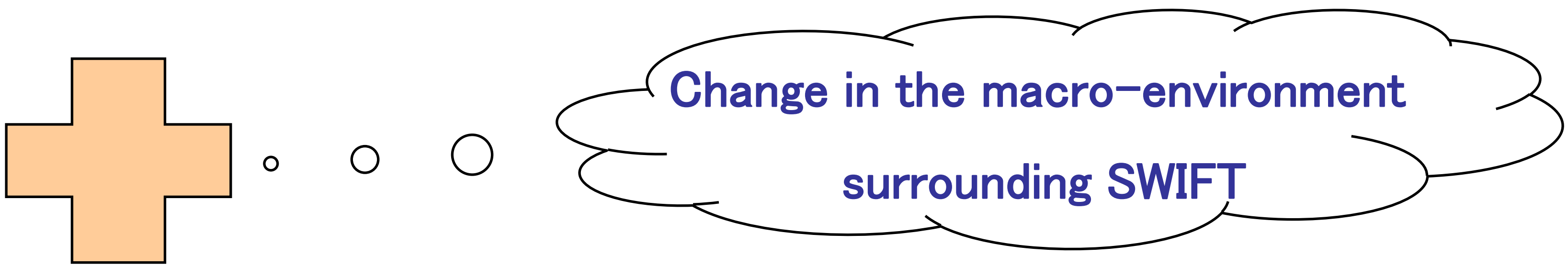
SWIFT's Engagement　　Lean Program

＜Continuance of Existing Measures and Pursuing Further Customer Centricity＞

■Continuing our programme to drive down message prices in accordance with "SWIFT2010“ strategy
■Cutting the total cost of ownership (TCO) ～Alliance Lite～
■Responding to market needs



<Lean Program>SWIFT's two-year business optimisation programme

■Implement a more efficient operating model, geared towards customer centricity
■Foster a "continuous improvement" culture and mindset
■Reduce costs structurally
■Maintain excellent levels of security, availability and quality

SWIFT's Engagement

Asset Service Strategies

Innovation in the Securities Area (Automation, Standardisation, Streamlining)

To reduce risk and cost on Asset services carry out reforms on Corporate Action, Tax related matters and Proxy voting related services

■Replace text with data standards

■Enforce and support market practice adoption, as a step to standardisation

■Increase automation and use of standards

SWIFT's Engagement

～SWIFT 2015～

- ■ **Mid term business strategy following "SWIFT2010" (2011-2015)**
- ■ **Review the business model fundamentally in 3 phases to respond to the rapid transformation of clients and the environment surrounding SWIFT**

Phase 1

2009 Q3

Collection of information/ideas

Phase 2

2009 Q4～2010 Q1

Strategy Planning

Phase 3

2010 Q3

Strategy decision/Execution preparation

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Sibos

Past Successful Records

Year	City	Participants	Speakers	Japanese Speakers
2005	**Copenhagen**	6,850	87	2
2006	**Sydney**	5,700	98	3
2007	**Boston**	7,200	125	4
2008	**Vienna**	8,100	181	2
2009	**Hong Kong**	Open for application	WIP	7—8 （projected）

SWIFT

MUFG Bank of Tokyo-Mitsubishi UFJ

Sibos

Future Schedules

Year	City
2009	**Hong Kong**
2010	**Amsterdam**
2011	**Toronto**
2012	**Osaka**

2012 Osaka will be the first time for Japan to host Sibos

SWIFT

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Thank you

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