SWIFT Traffic and Russian Community Pricing 2017

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Key Highlights

365+ thousand
FIN messages per day (YTD Feb 2017)

83+ million
FIN messages per year (2016)

88%
Weight of FIN Payments in total **FIN** traffic (YTD Feb 2017)

8%
Weight of FIN Securities in total **FIN** traffic (YTD Feb 2017)

500+
FileAct Kchar per day (YTD Feb 2017)

200+
InterAct messages per day (YTD Feb 2017)

Year to date February 2017 FIN Traffic growth at a glance

Growth rates based on Year to date Feb 2017 vs. 2016 Average Daily Messages

|	AMUK	APAC	EMEA	Total SWIFT	Russia
Payments	11.9%	9.9%	9.4%	10.6%	51.3%
Securities	0.6%	-5.8%	8.5%	3.4%	22.3%
Treasury	-4.3%	-10.1%	-7.2%	-5.9%	-1.4%
Trade	-6.2%	3.7%	-4.5%	-1.2%	10.8%
	5.9%	1.8%	8.5%	6.4%	45.2%

<-10%	-10% to 0%	>0%

FIN traffic evolution over the years

Growth	Full year 2013	Full year 2014	Full year 2015	Full year 2016	Year to date 2017	
Russia	43.2%	27.7%	-24.9%	17.3%	45.2%	Growth rates based on
Total SWIFT	10.8%	11.0%	8.4%	6.5%	6.4%	Average Daily Messages
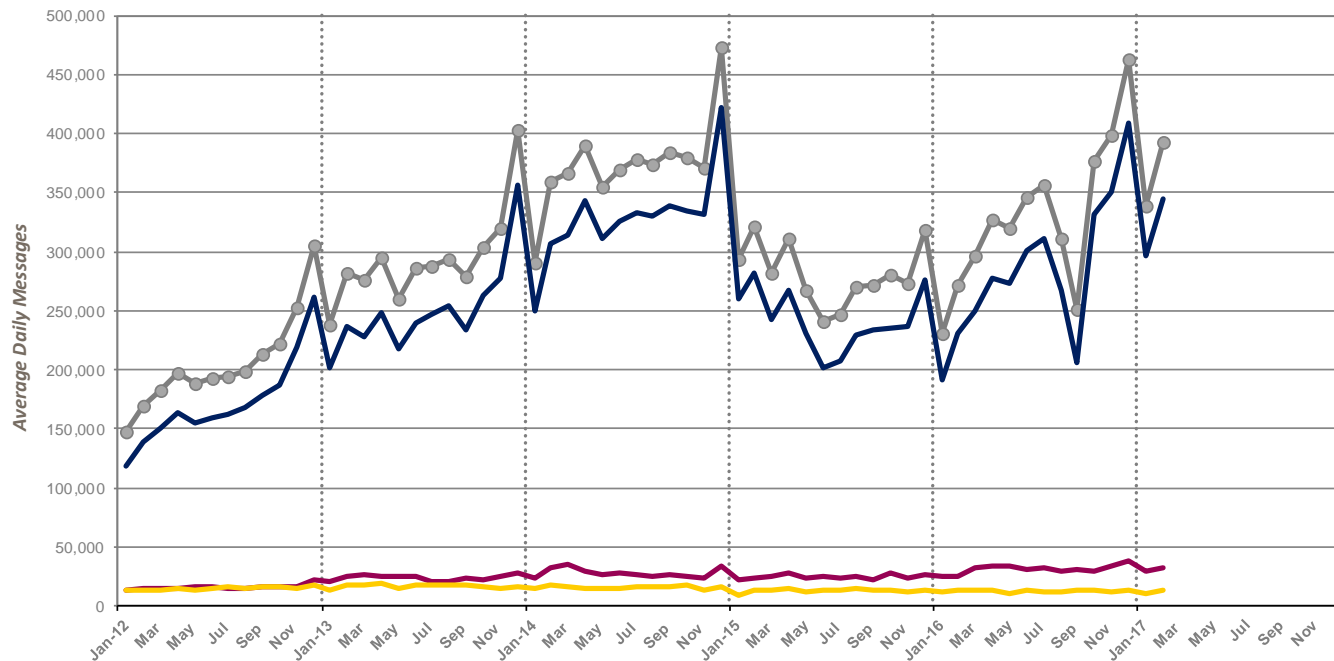
Compound Annual Growth Rate (CAGR)

2012 - Year to date 2017

All Markets
+12%   vs   SWIFT   +8%

Payments
+13%   vs.   SWIFT   +7%

Securities
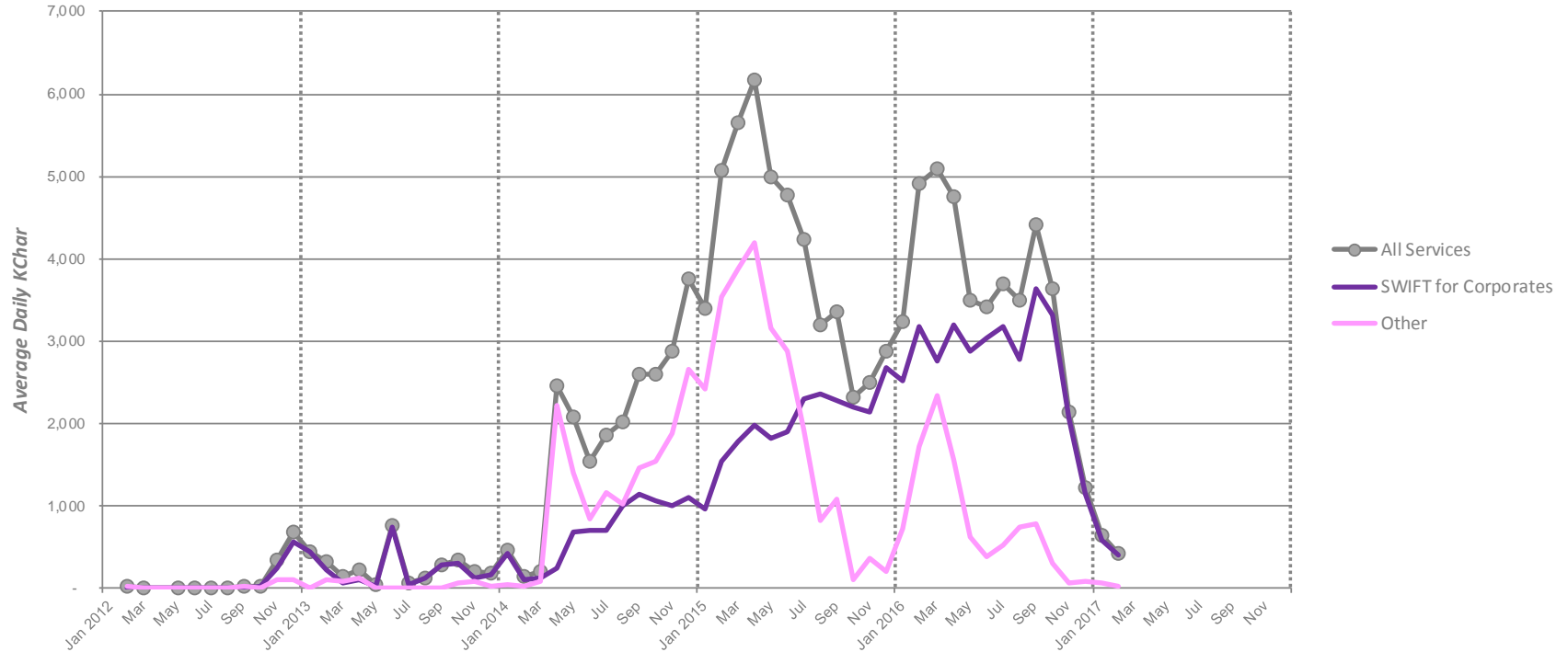+14%   vs.   SWIFT   +9%

Treasury
-3%   vs.   SWIFT   +5%

FileAct traffic evolution over the years

Total average daily number of Kchar (Live and Test)

| Growth	Full year 2013	Full year 2014	Full year 2015	Full year 2016	Year to date 2017	
Russia	202.8%	636.0%	114.1%	-10.1%	-87.1%	*Growth rates based on*
Total SWIFT	47.5%	37.0%	3.7%	28.6%	32.1%	*Average Daily Messages*

InterAct traffic evolution over the years

Total average daily number of Messages (Live and Test)

Growth	Full year 2013	Full year 2014	Full year 2015	Full year 2016	Year to date 2017	
Russia	863.6%	63.2%	-65.9%	-34.2%	32.1%	Growth rates based on
Total SWIFT	15.8%	5.2%	30.1%	60.6%	112.8%	Average Daily Messages

Legend:
- All Services
- Securities MI
- RMA
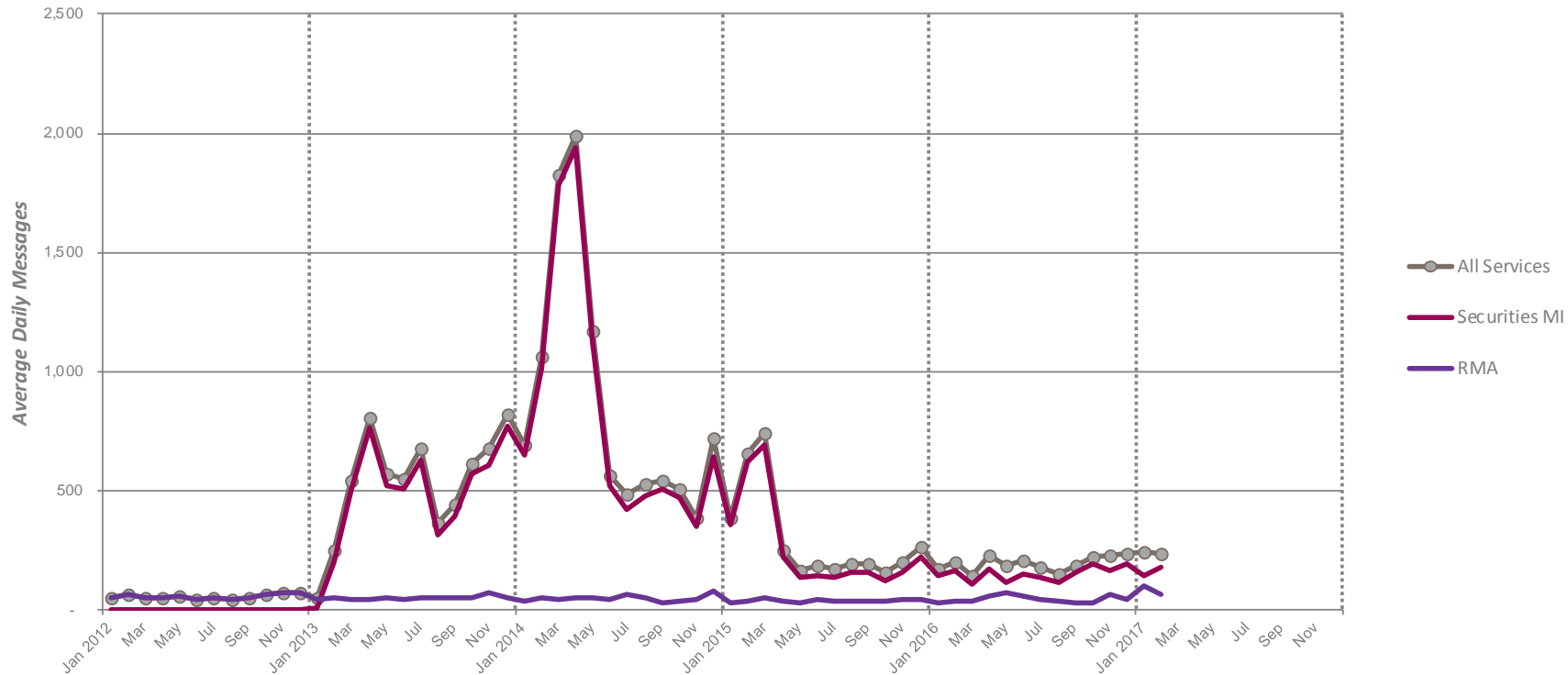
Global FIN Payments traffic flow to and from **Russia**

65% traffic sent from Russia is domestic

Average daily number of messages

1. Domestic
212 Kmsgs (+18.1%)

Russia

3. Germany
11 Kmsgs (+4.0%)
10 Kmsgs (+2.0%)

4. Belarus
6 Kmsgs (+14.6%)
3 Kmsgs (+21.6%)

5. Kazakhstan
4 Kmsgs (+5.9%)
4 Kmsgs (+6.3%)

2. USA
12 Kmsgs (+5.1%)
17 Kmsgs (+6.5%)

Traffic sent

Traffic received
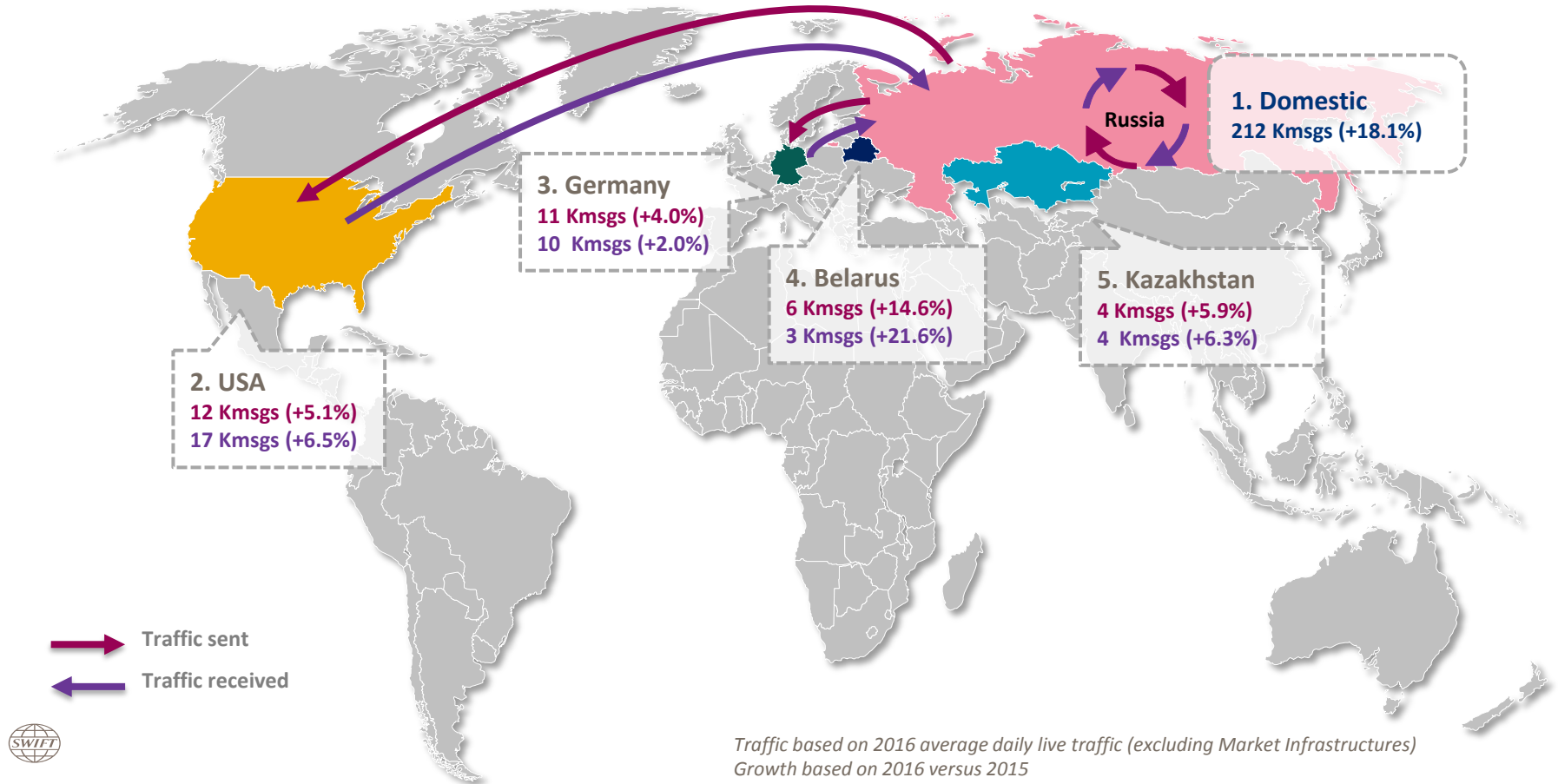
Traffic based on 2016 average daily live traffic (excluding Market Infrastructures)
Growth based on 2016 versus 2015

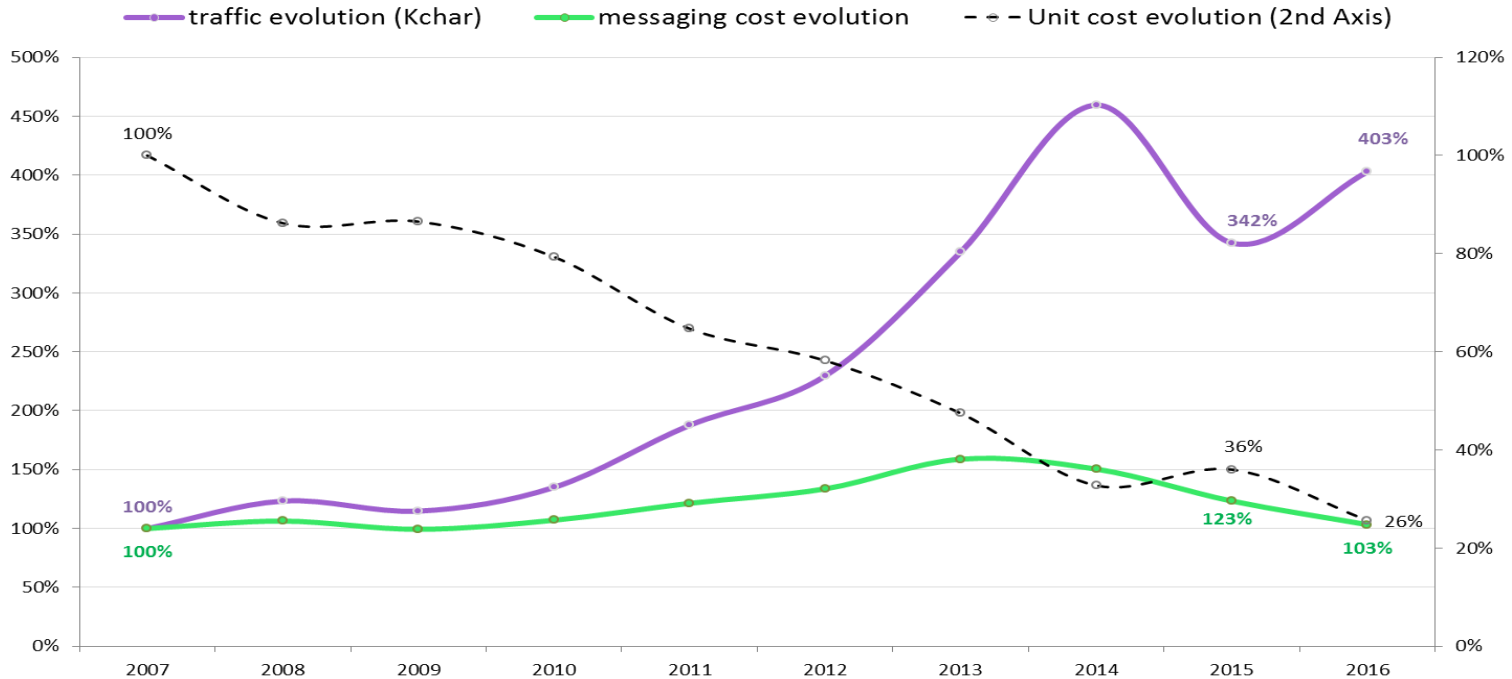# SWIFT commits with a 30% to 50% price cut over 2015-2020

price reduction
2001 - 2006

-58%

price reduction
2006 - 2010

-51%

price reduction
2010 - 2015

-57%

price reduction
2015 - 2016

-9%
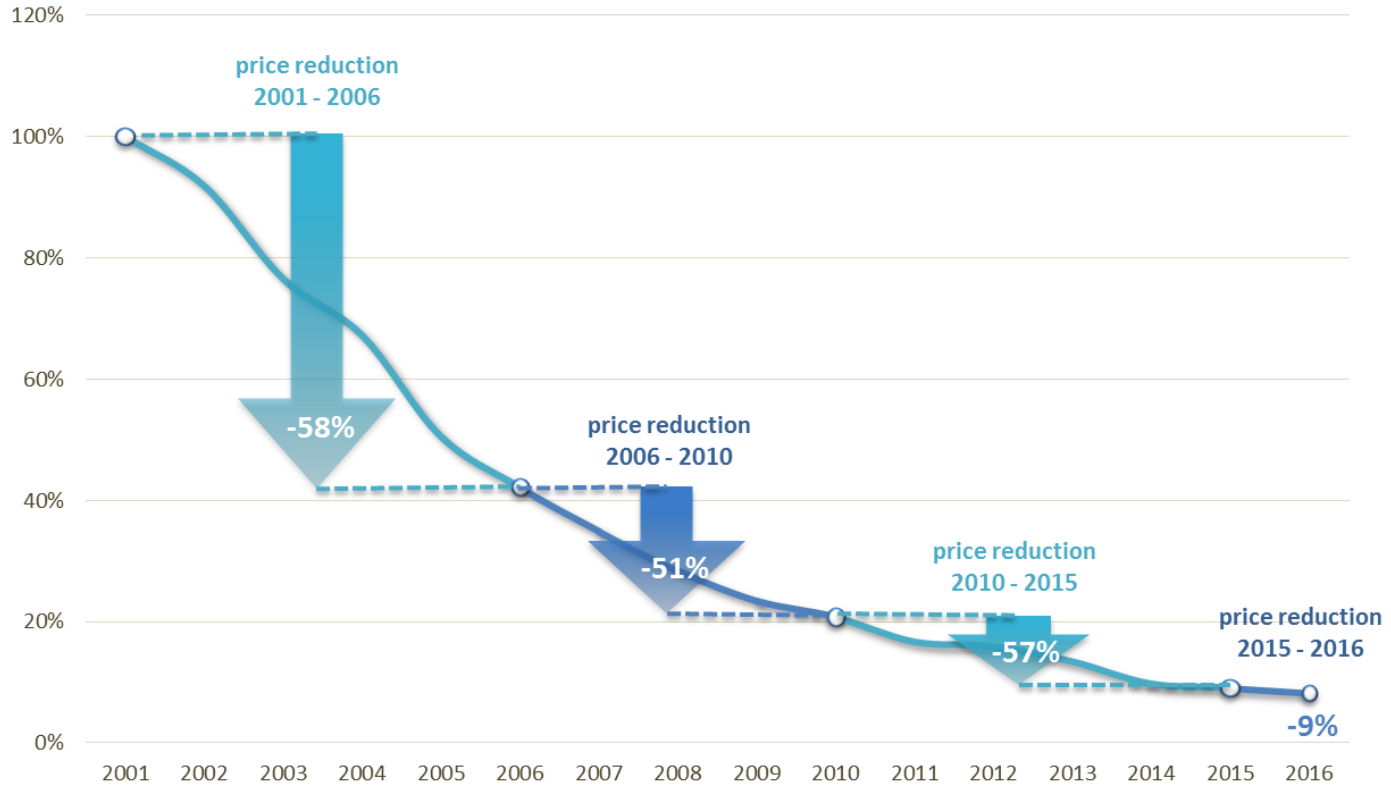
Traffic evolution versus Messaging cost evolution

Since 2007 four times more traffic for the same price

Russia

2007 is used as base year (100%). Figures are after Fixed Fee, after discount for High Volume Connections and before Rebate.
Traffic is expressed in kilo characters, and is the combination of FIN, InterAct (including CREST) and FileAct (Kchar after compression)
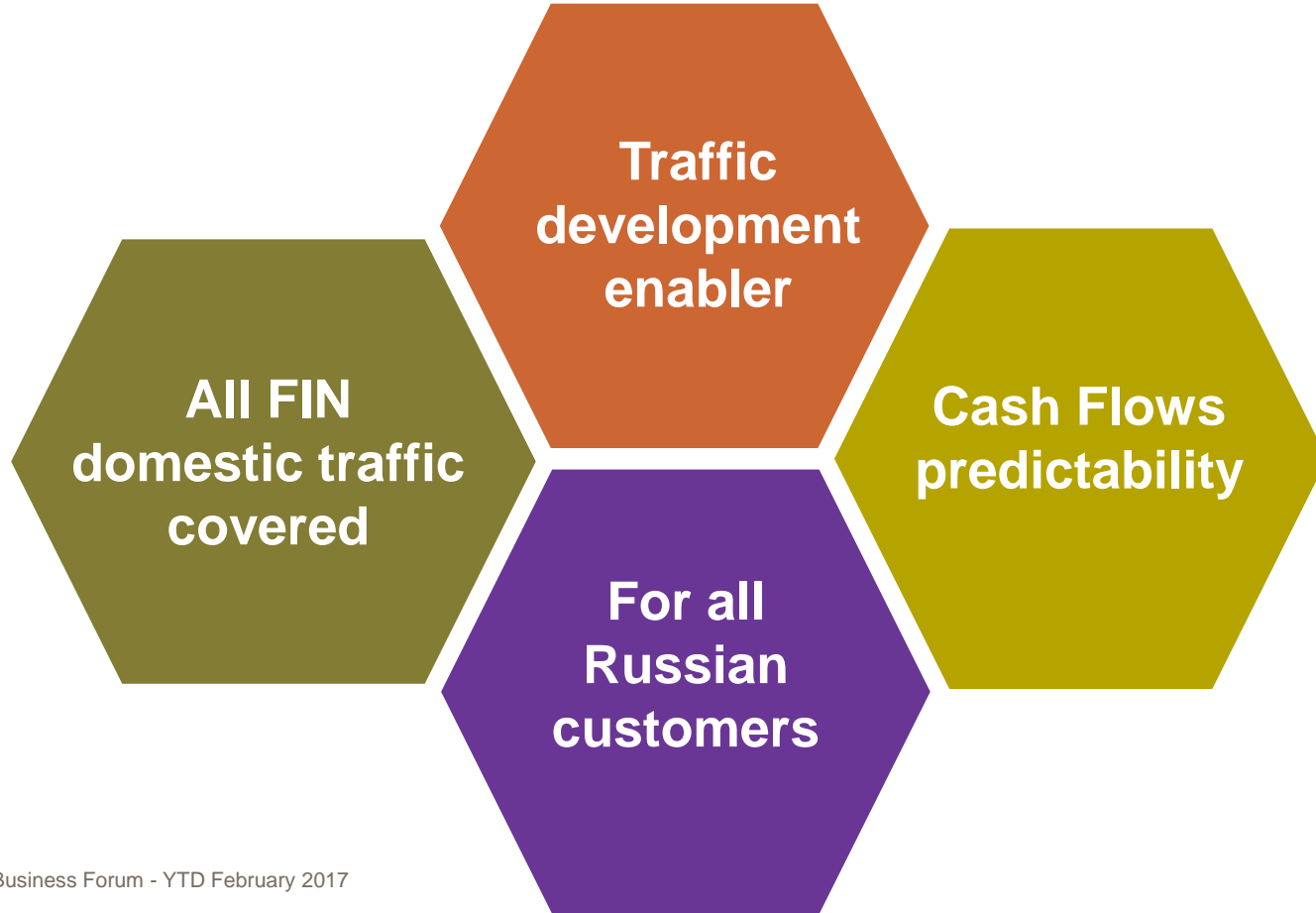
Domestic Community Deal
Enabling Russia's growth

SWIFT Pricing Principles

1. Designed to maximize usage

    – Fixed Fee programme

    – Point-to-point discount

    – Intra-traffic Discount

2. Community Prices

3. Recognizes the contribution of large users

4. Be fair and transparent to all users

    (eg. HSM migration, Lite2 at low cost, sanctions screening)

5. Reduce barriers to entry for smaller users

New pricing approach to Russian Domestic Traffic

Traffic development enabler

All FIN domestic traffic covered

Cash Flows predictability

For all Russian customers

Community deal for Domestic FIN traffic

- SWIFT has offered a community deal on the domestic traffic in Russia

Community traffic (in chargeable units/year)		Price per chargeable unit (EURCents)	
		Non reporting	Reporting
130,000,001	150,000,000	3.04	2.44
150,000,001	175,000,000	2.78	2.24
175,000,001	-	2.53	2.03

- In January 2017, SWIFT has applied a price reduction on the FIN fees
- As a result the community offer will be reviewed to apply the price reduction
- The average price reduction is 6%. The new price grid is:

Community traffic (in chargeable units/year)		Price per chargeable unit (EURCents)	
		Non reporting	Reporting
130,000,001	150,000,000	2.83	2.28
150,000,001	175,000,000	2.61	2.10
175,000,001	-	2.38	1.90

Community deal for Domestic FIN traffic

- All domestic FIN messages sent and received by Russian customers will be considered*

- A Russian customer is identified with the following BIC8 – XXXXRUXX

- The bigger the total community traffic is, the lower the unit price

- Today's traffic is around 123 Million chargeable units

- If the community falls back to a cumulative traffic below 130 Million chargeable units, then SWIFT will revert all user to standard pricing:
  - The time it takes to revert to standard pricing will depend on SWIFT technical capabilities and will be confirmed at a later stage

- Point-to-point and Fixed Fee remain discounts on top of the agreed price

FIN user-to-user traffic

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