



SWIFT Index Predicts Strong UK GDP Growth through Q3

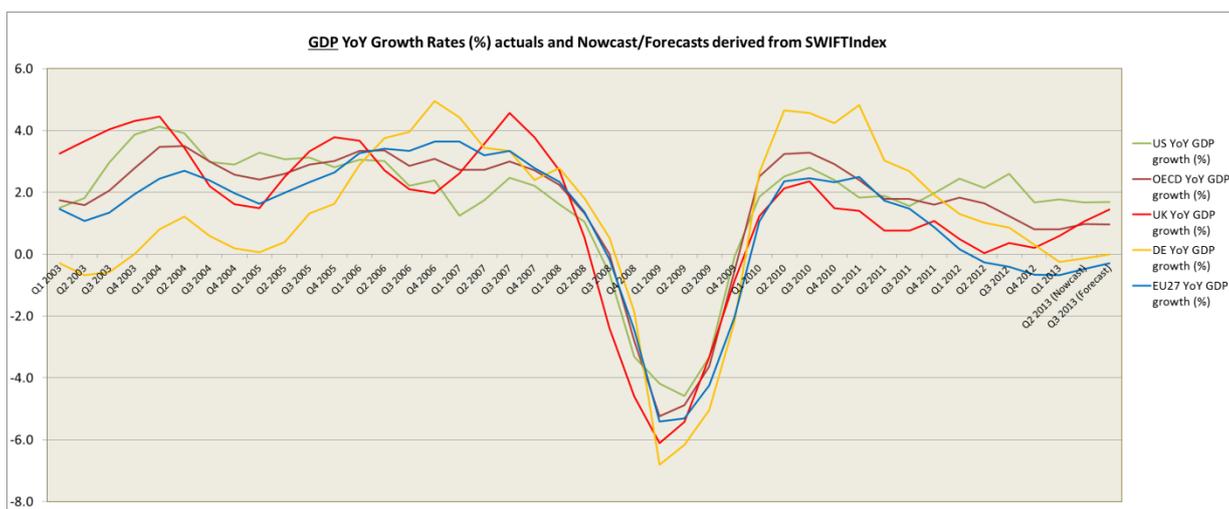
- Latest forecasts supported by change in UK economy confirms SWIFT payments volumes as a leading metric for GDP growth

Brussels, 20 June 2013 – SWIFT, the financial messaging provider for more than 10,000 financial institutions and corporations in 212 countries, has released its latest SWIFT Index data based on an average of 2 million SWIFT payments messages per day.

The SWIFT Index forecasts that there will be stronger GDP growth in the UK over Q3, with a year-on-year GDP growth rate of 1.4%. The noticeable change in the UK is confirmed by other indicators including PMI data.

The US economy will show little improvement during Q3 as the SWIFT Index forecasts a 1.7% year-on-year GDP growth rate. A similar growth rate was experienced for Q1 and Q2, pointing to a slow down and a flat economy.

The following graph shows year-on-year GDP growth based on the SWIFT Index, clearly indicating improving growth for the UK, slightly improving growth for Germany, EU27 and OECD aggregates, and stable growth for US.

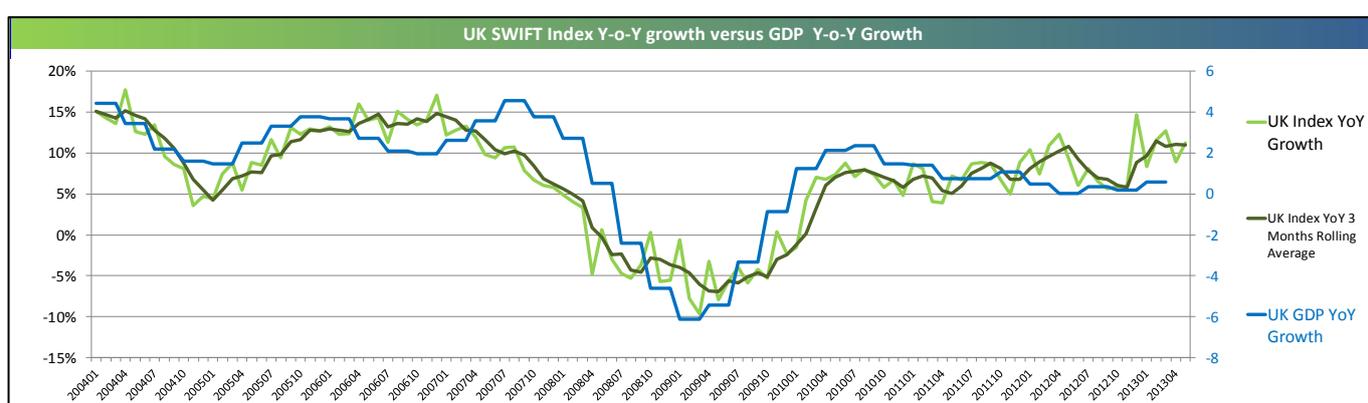


For EU27, the SWIFT Index points to a small improvement with contraction easing in Q3, at a year-on-year GDP growth rate of -0.5% in Q2 to -0.3% in Q3. The SWIFT Index predicts that the EU27 should turn positive by the end of 2013.

The SWIFT Index predicts that German GDP growth will slowly leave the contraction area with a year-on-year GDP growth rate of 0.0% forecast in Q3.

“A combination of OECD data and our own algorithm based on SWIFT payments volumes, the SWIFT Index provides a strong indication of the direction of global GDP growth” commented

Andre Boico, Head of Pricing & Analytics, SWIFT. “The latest SWIFT Index, which shows the strongest improvement in the UK, is supported by the related payments growth that is above 10% for the fourth consecutive month this year. The last time we observed this trend was in Q3-2007. For the EU27 and Germany, although those economies have shown little improvement in the first half of 2013, it is expected that they should turn positive in the next five to six months.”



Notes to the editor:

Below, you can find a summary table of the GDP estimates derived from the SWIFT Index and the forecast trend compared to the last actual figure (Q1-2013).

Region/ Country	Q1-2013 vs. Q1-2012 (Year-on- Year %)	Q2-2013 vs. Q2-2012 (Year-on- Year %)	Q3-2013 vs. Q3-2012 (Year-on- Year %)	Forecast Q3-2013 Trend	
	GDP Actual ⁽¹⁾ (published by OECD)	GDP Nowcast	GDP Forecast	Direction ⁽²⁾	Rate of change ⁽³⁾
OECD	0.8%	1.0%	1.0%	Growing	Slightly faster
EU27	-0.7%	-0.5%	-0.3%	Contracting	Slightly faster
US	1.8%	1.7%	1.7%	Growing	Flat
UK	0.6%	1.1%	1.4%	Growing	Faster
Germany	-0.3%	-0.1%	0.0%	Flat	From Contracting

Dictionary of terms:

- (1) Published by OECD & downloaded on 10 June 2013. When no actual is available, SWIFT will use its previous nowcasted GDP growth rate.
- (2) Direction: sign of the GDP forecast figure. Positive growth rate (>0%) is equivalent to 'Growing'. Negative growth rate (<0%) is equivalent to 'Contracting'. Flat is used when GDP shows no change at 0%.
- (3) Rate of change: we compare the GDP growth rate forecast to the last known actual . If the forecasted GDP growth rate is higher than the last actual, then the "rate of change" can be 'Faster', 'Slightly Faster' or 'From Contracting' (if there is a change in sign from negative growth to positive growth). If the forecasted GDP growth rate is lower than the last actual, then the "rate of change" can be 'Slower', 'Slightly Slower' or 'From Growing' (if there is a change in sign from positive growth to negative growth).

About SWIFT Index

Part of the Business Intelligence portfolio, the SWIFT Index provides quantitative fact-based Business Intelligence aggregated from SWIFT data on payments traffic and can be used to derive an early forecast of GDP growth on a monthly basis. The SWIFT Index utilizes Year-on-Year data to calculate GDP growth to deseasonalize annual variations in volumes and highlight economic trends of relevance.

As announced in October 2012, SWIFT can now offer an Index for UK, Germany, US and EU27 in addition to the World Index and OECD Index. These four new additional indices will support business decision-making in these major economies and will act as leading indicators of national and regional GDP growth. SWIFT is able to forecast GDP growth through a methodology that has been validated by academic experts from the Centre for Operations Research and Econometrics (CORE – Université Catholique de Louvain, Belgium).

The SWIFT Business Intelligence (BI) portfolio offers clients a suite of intuitive tools including analytics, insights and economic indicators, designed to grow with a customer's business needs.

For further information about the SWIFT Index and its methodology, please visit www.swift.com/swiftindex.

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,000 banking organisations, securities institutions and corporate customers in 212 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

For more information, please visit www.swift.com or follow us on [Twitter: @swiftcommunity](https://twitter.com/swiftcommunity) and [Linkedin: SWIFT](https://www.linkedin.com/company/swift).

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