



Annual Review

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SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,800 financial institutions and corporations in more than 200 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.

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The financial industry has returned to impressive growth, making it more important than ever that SWIFT remains strong, secure and reliable.

At the same time, our Community is entering an age of new uncertainties; challenges are plentiful and require us to work together. Through closer cooperation with our Community, constant vigilance, and by adhering to our strict neutrality, SWIFT is committed to delivering bigger and better value to our users.

At SWIFT, failure is not an option – and by staying true to our values of Excellence, Communities and Innovation, we honour the trust that the financial community places in us.

2014 highlights

10,800+

institutions connected to SWIFT

200+

countries and territories

7,338

delegates at Sibos

-20%

average price reduction for FIN messaging

€31.2 million

rebate on 2014 messaging fees (10%)

€27.4 million

point-to-point messaging discount

100%

of services exceeded availability targets

99.999%

SWIFTNet availability

99.997%

FIN availability

+11%

FIN traffic increase

+37%

FileAct traffic increase

+5%

InterAct traffic increase

4

FIN peak days

9

Securities peak days

+16%

growth in reporting messages

5.6+

billion

FIN messages in 2014

25.8+

million

FIN messages peak day

Chairman's letter



Yawar Shah
Chairman

The global transaction industry seems to have put the turbulent recent years behind it. Despite periods of economic uncertainty, SWIFT experienced steep messaging traffic growth and recorded a total of nine Securities peak days last year. 2014 saw the fastest FIN messaging growth in seven years. In light of the growing regulatory, cyber and geopolitical challenges, this development is extraordinary.

SWIFT played its part in enabling the Community's growth. Our platform is in a great state and well prepared to process the increasing messaging volumes. SWIFT underpinned the Community's recovery by continuously lowering its prices. Additionally, SWIFT launched new tools on compliance and standardisation to support its users by enabling more effective back office processing. We delivered solutions to meet our Community's challenges.

Throughout 2014 the Board pursued the best interest for our Community. The Board and SWIFT management addressed disruption and change in the industry. With a strong focus on cyber security, we prioritised the reliability of our core messaging service – our true north.

Cyber risks present an ever increasing challenge. At SWIFT, cyber security is a Board level issue, and our focus is relentless. We invest in our technology, our processes and our people. We continue to do our best to ensure our security.

As SWIFT carries more messages and connects more institutions than ever before, our reliability and security remain paramount. Traffic and business data show that our users continue to place their trust in us – we value that trust and work hard for it. We take our security extremely seriously and aim for nothing less than operational excellence.

In 2014 discussions in the press about the use of SWIFT sanctions posed a challenge to our cooperative. Consistently, we maintain that SWIFT is a neutral global cooperative company set up under Belgian law. As a utility with a systemic global character, we adhere to our neutrality and have no authority to make sanctions decisions. SWIFT was established by and for its members to create a shared worldwide messaging service and a common language for international transactions. SWIFT is committed to its mission.

SWIFT's governance is strong and multinational, ensures our global relevance, supports our international reach and upholds our strict neutrality. SWIFT's dedicated oversight underscores the international dimension, and involves the central banks from 20 leading global economies. In addition to our international Board composition and oversight, SWIFT governance includes the Community itself: each and every user, each shareholder and National Member Group. Our truly international governance structure makes SWIFT special and is an important component of our neutrality.

The Board and management ensured that our cooperative develops and leads on innovation. In 2014 this included the support for various local solutions, including two landmark projects: in March we formally inaugurated the SWIFT India joint venture during a Board visit to the country, and in December we were confirmed as preferred vendor for the Australian New Payments Platform (AU NPP).

The Board also ensures that new innovation comes in addition to, and never detracts from, the focus on our core messaging service. We carefully assess our users' needs and select investments in key areas that ensure a secure return on investment for our Community. Last year, we achieved just that.

SWIFT is committed to supporting the financial industry with its critical challenges, such as financial crime compliance. SWIFT's acquisition of Omnicision and the launch of The KYC Registry in 2014 underscored our ambitions in the compliance space. We also continued to expand our Sanctions Screening and Sanctions Testing solutions and launched Compliance Analytics to better support our users.

Importantly, we developed our compliance services in close cooperation with our Community. We engaged in extensive dialogue at Sibos, at business forums and industry events. The KYC Registry working group, which includes leading correspondent banks, helped develop the registry itself and supported its launch. SWIFT will continue to engage the Community. Together we will determine how to broaden and deepen our compliance offering to maximise its Community benefit.

SWIFT's growth and investments are all the more impressive, as they come against the backdrop of a 20 percent average price reduction for FIN messaging in 2014. In addition to the price reduction, we also gave a 10 percent rebate on messaging fees in 2014. We thereby met the high end of our SWIFT2015 strategy target, which set out to reduce messaging prices by 30-50 percent in just five years, a whole year ahead of schedule.

But pricing is not all, SWIFT achieved significantly more. Back in 2010 we set ambitious targets together in the SWIFT2015 strategy. Our compliance

solutions, software and shared services, and our cloud connectivity offer, as well as our price reductions, are a direct result of this strategic process. Through SWIFT2015, the Board ensured that SWIFT delivers benefits to all its users. In 2014 we laid the foundation for the upcoming SWIFT2020 strategy and consulted our Community on the future of SWIFT.

It is in these challenging times that our Community moves closer together and extends its cooperation. This reminds us that SWIFT is much more than just an infrastructure – it is a Community – a Community which is both global and diverse, and which includes banks and broker/dealers, insurance companies and corporates, market infrastructures and central banks, as well as the oversight. Together we identify and address common challenges to our industry, enabling SWIFT to develop solutions and deliver services to solve our most pressing needs.

We are proud of our strong track record on delivering for our Community. The strong demand for our services, coupled with input from the entire Community, gives both the resources and the direction to do so. The entire SWIFT Board, and the dedicated SWIFT Executive and staff, remain ever vigilant towards existing and emergent risks, safeguarding the reliable and secure delivery of services to our Community.

Yawar Shah
Chairman
May 2015

CEO's statement



Gottfried Leibbrandt
CEO

2014 was another great year for SWIFT. We experienced continued messaging growth and were once again able to prove our worth and reliability to our Community of users. We carried over 25.6 billion FIN messages, recorded 11 percent FIN growth, 37 percent growth for FileAct, and 5 percent for InterAct (despite service migrations). At the same time, we exceeded all availability targets. This achievement is a result of our absolute dedication to our core messaging service. SWIFT is operationally resilient and financially sound.

Our 2014 achievements are all the more impressive amidst a fluctuating global economy. Hesitant and localised growth in some markets, and government debt woes in others, created widespread uncertainty. We saw low interest rates and low inflation across the western world, booming stock markets and a record low oil price. The resulting market volatility was reflected in the growing messaging traffic volumes last year. Coupled with increased geopolitical tensions and sophistication of cyber threats, we have entered a new and unpredictable normal. In light of this, the reliability of SWIFT is ever more important. As the neutral, reliable infrastructure to the global financial system, our primary mission is to ensure the availability and security of our global messaging service.

In 2014 we did this in a number of ways: 2014 was the year when SWIFT entered the real-time payments market. We are excited to have been chosen to build the first national real-time payments system for the Australian financial community.

Our real-time payments proposal represents a blueprint for other innovative financial markets that choose to follow the Australian model. SWIFT is a leading innovator in our sector. Along with the inauguration of our SWIFT India joint venture, we have reconfirmed our ability to serve individual Communities around the world.

SWIFT also welcomes the uptake of our services by key market infrastructures (MIs) around the world. The adoption of our SWIFT MI solutions by JASDEC and the Central Bank of Nigeria, as well as decisions by Malaysian MyClear and the Hong Kong Interbank Clearing system to follow suit, are a tribute to our reliability and growing market infrastructure role. Our Community trusts us and we are committed to deliver.

We continued to support major market integration initiatives such as T2S, CLS and SEPA, and are excited to help our user Community in realising its projects. In addition, SWIFT launched the MyStandards Readiness Portal, which helps customers with standards implementation. With the aim of better serving our many different users, we continued our drive towards greater diversification by offering new connectivity and pricing solutions.

I can confirm that our infrastructure is in a great state and SWIFT continues to be highly resilient. In 2014 all of our services met their availability targets. We achieved 99.999 percent availability of SWIFTNet and 99.997 percent availability for FIN. We completed the Distributed Architecture programme, which introduced another level of operational resilience.

In June last year CIO Michael Fish announced his intention to retire. Following a thorough search for his successor, in early 2015 Craig Young and Marcel Bronmans took up their new roles as Chief Technology Officer and Chief Operations Officer respectively. I am confident that with their dedication, our resilience will continue to strengthen further.

The completion of the FIN Renewal programme will mark the next big step in this direction. Throughout 2014 we continued investing in the renewal of our FIN infrastructure, to enable new security features and increase our operating capacity. Our ceaseless efforts to improve underline our commitment to achieve excellence in our operations. At SWIFT, failure is never an option.

SWIFT's integrity remains intact. Our mission demands that we fulfil the highest levels of confidentiality, security and integrity; and we take that responsibility extremely seriously. In 2014 the Belgian and Dutch Data Protection Authorities confirmed that there were no indications that third parties had or could have had unlawful access to financial messaging data through SWIFT.

2014 also offered significant challenges. In the face of cyber threats, industry disruption and geopolitical trouble, we stood firm in pursuing our mission. We meticulously protect our network from malicious attacks and IT vulnerabilities. We continue to invest in improving our cyber capabilities to make sure we maintain our record in the face of a rapidly evolving cyber landscape.

By 2014, only two years after opening its doors, our Kuala Lumpur Corporate Services Hub nearly doubled in size. Last year, SWIFT also strengthened its presence in Latin America by opening an office in Mexico City. We continued to bring SWIFT closer to our Community and the trend to extend our global reach is sure to continue.

A year before the conclusion of our SWIFT2015 strategy, we met a number of key milestones. We have succeeded in reducing messaging prices by 50 percent since 2010 to reach the high end of our target range. In addition, we were able to produce a 10 percent rebate on 2014 messaging fees.

Together with a refocused service portfolio and infrastructure renewal, SWIFT2015 has already made our cooperative more effective, relevant and reliable. We look forward to continuing this process as we launch our strategy for 2020.

At SWIFT, we never take our achievements for granted. We are fully committed to delivering and working with our Community. By listening to our users, we are able to evolve and adapt to their needs. Together, we work to make our cooperative better by the day. I for one take great pride in what we have achieved.

Gottfried Leibbrandt
Chief Executive Officer
May 2015

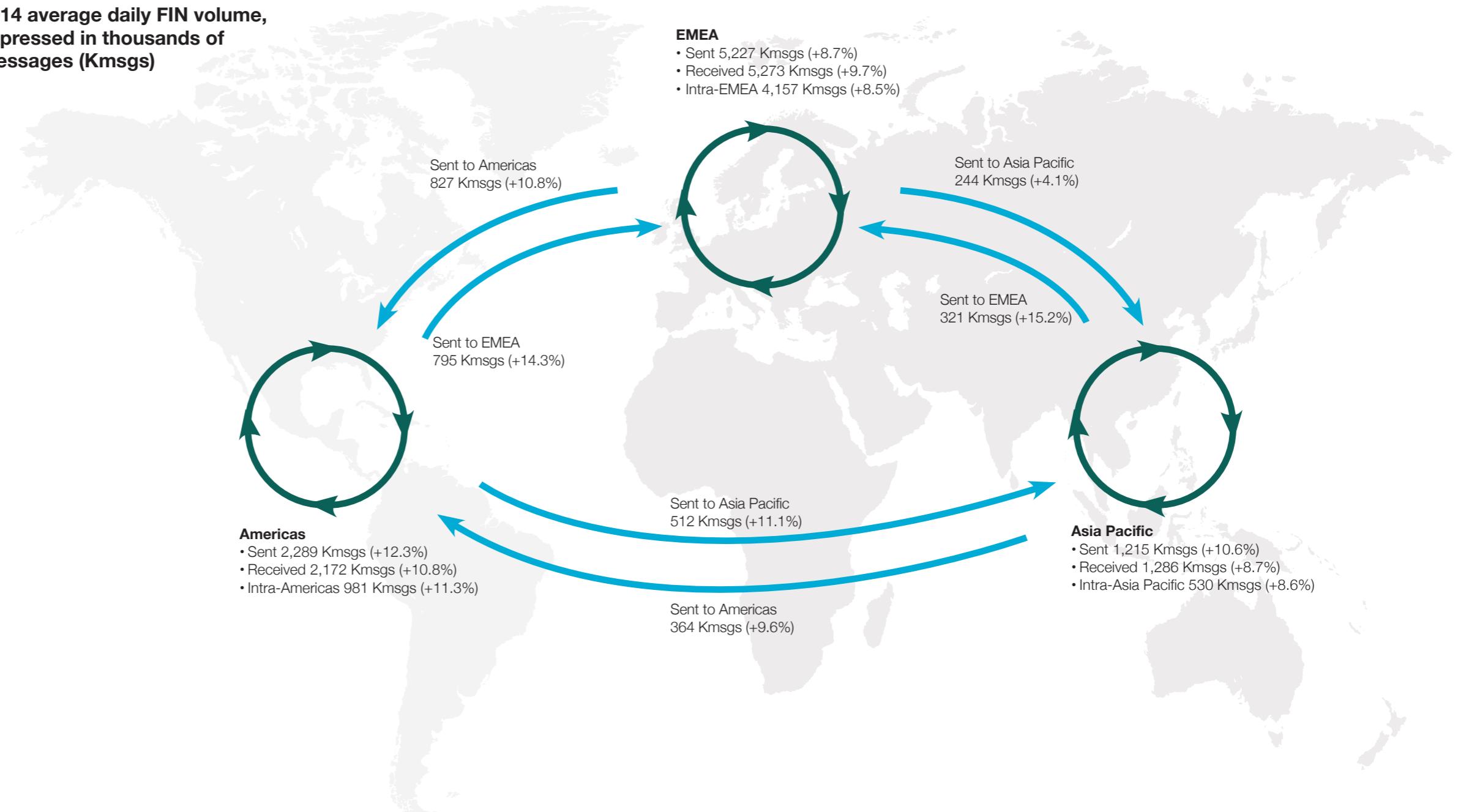
Payments regional traffic flows

This graphic compares year-on-year growth rates for regional payment flows. In 2014 flows increased in all regions, and on all routes between regions. Asia to EMEA flows showed the highest growth with an increase of 15.2 percent.

All regions showed strong payment traffic growth rates (total sent), ranging from 8.7 to 12.3 percent. More than 5 million payment messages were sent each day by EMEA.

Intra-regional payment traffic continued to grow, particularly in the Americas, where Intra-Americas payment traffic recorded growth of 11.3 percent.

2014 average daily FIN volume, expressed in thousands of messages (Kmsgs)



Operational performance

Our ongoing operational excellence is down to the expertise and dedication of our staff, our long-term technology investment and renewal programmes, and our constant vigilance towards new threats.

Prepared to perform

As a technology and infrastructure provider, it is SWIFT's objective to ensure that our systems work securely, efficiently and effectively every day, while remaining alert to new threats and opportunities: a relentless focus on the core, coupled with the rigorous pursuit of operational excellence, is our hallmark.

In 2014 SWIFT again delivered strong results, exceeding all targets – from service availability to customer support. This feat is all the more remarkable alongside strong FIN traffic growth, the implementation of major infrastructure changes and innovative customer project launches.

Our ongoing operational excellence is down to the expertise and dedication of our staff, our long-term technology investment and renewal programmes, and our constant vigilance towards new threats.

In 2014 we continued investing in SWIFT's core infrastructure and services, made good progress on multi-annual programmes such as FIN Renewal, as well as various new technological and procedural security enhancements, and completed our Distributed Architecture programme. All these measures add additional resilience to our operating infrastructure.

At the same time, we increased customer value by delivering new and improved products and services, such as the Sanctions Screening Connector Option, The KYC Registry, the Alliance Messaging Hub, TARGET2-Securities, CLS STAR and the platform for SWIFT India.

Delivering operational excellence and resilience

In September 2014 we established a new record when close to 26 million messages passed through the SWIFT system in a single day. In this growth climate, we succeeded in meeting the ambitious availability targets for our core services. This is despite a brief and partial interruption to the European FIN zone service that ended SWIFT's fantastic run of 20 months of 100 percent FIN and SWIFTNet availability.

SWIFT is well prepared for the rare event that its services are affected by an incident; in 2014 we carried out 450 business continuity exercises involving staff at all levels, local authorities and customers. Our post-incident reviews ensure that relevant improvement actions are taken. Finally, satisfaction with customer support was well above target throughout the year.

Investing in the core

Maintaining world-class core systems and facilities is part of SWIFT's commitment to delivering operational excellence and resilience. To support this commitment, we continually reinvest in our core infrastructure to further strengthen our security, resilience and reliability. Platform investments in 2014 focused on the renewal of our FIN messaging infrastructure, enhancements to cyber security and network upgrades. 2014 also saw the completion of our Distributed Architecture programme.

FIN Renewal

During 2014 SWIFT continued its ambitious infrastructure investments to renew the central FIN application and transfer of operations to a new, more powerful, cost-effective, and risk-optimised technology platform. Following the successful renewal of FIN front-end systems in 2013, the gradual deployment of the new back-end components began in 2014, following extremely rigorous testing. Once completed,

FIN Renewal will significantly reduce ongoing operating costs, further strengthen resilience and deliver strategically important enhancements to FIN messaging services.

Distributed Architecture

In 2014 SWIFT's new state-of-the-art Operating Centre (OPC) in Switzerland became fully operational. The new OPC now has the capability to support global messaging flows in the unlikely event of simultaneous failures at our other operating sites. This concludes the Distributed Architecture programme that commenced in October 2007, one of the largest programmes ever launched at SWIFT. The programme enabled SWIFT to introduce customer messaging zones to support data privacy and to advance SWIFT's overall security and resilience.

Cyber defence

SWIFT constantly monitors cyber security threats, and whenever we believe the security of our services is at risk, we investigate very thoroughly and take whatever actions we deem appropriate to mitigate that risk. In the light of increasing cyber threats, SWIFT has developed and maintains a Cyber Security Roadmap that defines our security focus areas for a rolling three-year period. This initiative, along with additional investments, ensures our focus on cyber vigilance. In 2014 SWIFT took steps to implement parts of the roadmap by setting new policies and building new operational teams to further strengthen our defences.

In 2014 SWIFT continued deploying the new Hardware Security Module (HSM) and upgraded the Public Key Infrastructure (PKI) Certification Authority infrastructure. At the end of 2014 the roll-out of this next generation HSM was ahead of schedule. Both projects further strengthen our security and service reliability. We also took additional measures to refresh network components such as routers and firewalls.

Increasing customer value

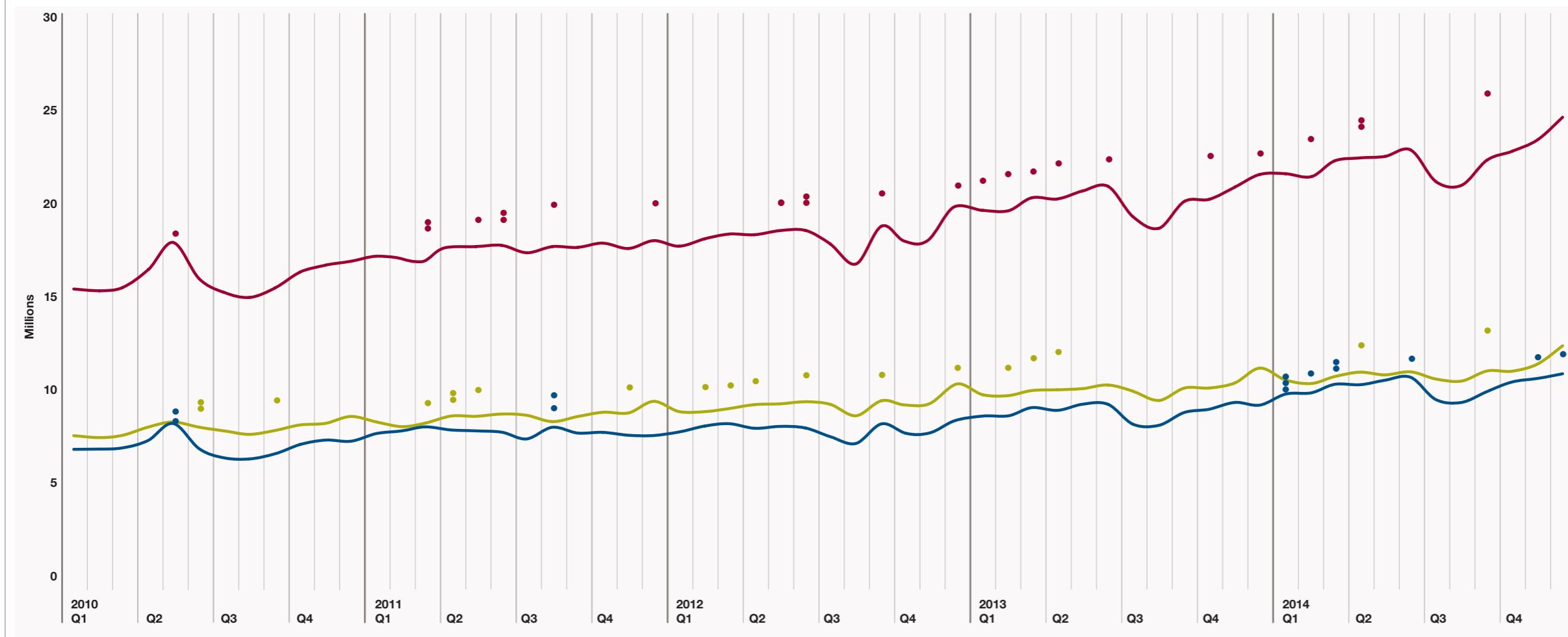
Throughout 2014 SWIFT rolled out various innovative product and service enhancements, thereby delivering additional value to our customers. The 2014 technology initiatives include:

- The development of an optimised connectivity solution for TARGET2-Securities, the European Central Bank's landmark cross-border securities settlement platform.
- The delivery of the central infrastructure and footprint software to CLS and the SWIFTNet Link/Alliance Gateway to CLS members for the CLS STAR initiative.
- A release of Alliance Messaging Hub (AMH), our high-end interface solution, marking a significant improvement in the quality of the product.
- The delivery of the software and the operating centres to the SWIFT India joint venture.
- The first release of The KYC Registry, made available for pilot testing in August 2014, followed by a successful go live in December.
- The launch of the Compliance Analytics service, helping institutions monitor and address financial crime risk.
- The introduction of SWIFT's Sanctions Screening Connector Option to enable cloud-based pre-screening of messages before they are sent over the network.
- The launch of a range of short 'How to' customer support video clips to complement the existing customer support options and collateral on the SWIFT Support Knowledge Base.

FIN messaging evolution

As traffic increases on our network, SWIFT regularly registers new FIN messaging peak days. In recent years peak volumes have become the new daily average faster than before. This trend underscores the solidity of the traffic growth momentum on SWIFT.

Evolution of average daily FIN volumes and peak days



- Monthly traffic evolution
- Peak day volume

- Total FIN
- Payments
- Securities

Four FIN traffic peak days were recorded in 2014. The last peak day was recorded on Tuesday, 30 September 2014, when a total of 25,877,390 messages were sent, 1.55 million or 6.4 percent more messages than had been recorded on the previous peak day of 30 April 2014.

This peak day was notable for two reasons: firstly, it was the first time since 2007 that SWIFT registered an increase of more than 6 percent between two peak days. Secondly, it was the first time that more than 25 million FIN messages were carried in one day.

Also striking is the fact that our peak figures are turning into average daily traffic volumes much faster than before. While peak day volumes recorded in 2010 and 2011 sometimes took up to two years to turn into average daily traffic volumes, the April 2014 peak day figure turned into average daily traffic volume only eight months later.

During 2014 SWIFT also recorded nine Securities peak days, while there were no such cases in 2012 and 2013.

2014 peak days

Total FIN traffic

Date	Messages
Tuesday, 30 September	25,877,390
Wednesday, 30 April	24,325,166
Tuesday, 1 April	24,268,728
Friday, 28 February	23,452,760

Payments

Date	Messages
Tuesday, 30 September	13,211,470
Wednesday, 30 April	12,411,901

Securities

Date	Messages
Thursday, 18 December	11,532,553
Tuesday, 25 November	11,363,998
Wednesday, 25 June	11,184,843
Wednesday, 26 March	11,146,905
Tuesday, 25 March	10,562,278
Friday, 28 February	10,246,514
Wednesday, 29 January	10,165,992
Tuesday, 28 January	10,090,997
Thursday, 16 January	9,768,206

SWIFT worldwide

SWIFT's unique structure, and our position at the heart of the global financial industry, facilitate close dialogue with our Communities around the world and underpin our ability to meet our users' needs.



Engaging with the Community

SWIFT listens to its users around the world. Through our interaction with the Community, we learn about their interests and concerns, seek out ways to tackle common challenges, and determine how SWIFT can help. In 2014 the Community's priorities were consistent around the world: compliance, market infrastructure developments and cyber security dominated the debate.

EMEA

In 2014 SWIFT brought together 3,200 delegates at Regional Conferences, Business Forums and Operational Forums across EMEA, where we also hosted events targeting specific markets, customer segments and business activities. More than 350 delegates from 45 countries convened in Marrakesh at the African Regional Conference to discuss intra-Africa development, financial inclusion and practical steps to support the development of payments, securities and corporates in Africa. The SWIFT Operations Forum Europe (SOFE) and the Premium Services Forum (PSF) in Paris reinvigorated discussions on how to achieve world-class operational excellence while remaining agile and innovative enough to survive in an environment beset by disruption. Business Forums in Bahrain, Brussels (for the Benelux region), Bucharest, Frankfurt, Istanbul, London, Moscow and Vienna explored challenges common to the entire region – chief among them regulatory compliance – as well as local priorities. Our EMEA events are part of our ongoing Community engagement on initiatives critical to the region, such as TARGET2-Securities, SEPA, African regional integration, market infrastructure evolution and ISO 20022 migration.

Americas

SWIFT Americas kicked off 2014 with three successful events in New York, including the Premium Services Forum, a Standards Forum hosted at Citi, and the New York Business Forum, where delegates debated trends in technology development and regulatory compliance. At the Canadian Business Forum in Toronto, discussion focused on ISO 20022 and how the Canadian Payments Association is progressing with its ISO 20022 roadmap. SWIFT also hosted the third annual Latin American Regional Conference (LARC), which coincided with the opening of the new SWIFT office in Mexico City. The event brought together over 300 members of the financial community from 20 countries, seeking ways to increase collaboration across the region. We further increased our presence in Latin America through a series of roadshow events in Colombia, Nicaragua, Panama, Paraguay, Argentina, Chile, Uruguay and Peru. Many of these programmes were organised with the support of central banks, banking associations and national User Group Chairpersons (UGCPs).

Asia Pacific

In 2014 SWIFT brought together its user Communities at both the Japan and Singapore Business Forums, where over 700 members met to discuss progress on their respective ISO 20022 roadmaps. We also held the Philippines Business Forum, where discussions focused on compliance and international standards. We celebrated the 20th anniversaries of SWIFT membership for Bangladesh and Sri Lanka at their respective SWIFT Business Forums. All Community conferences were hosted with the support of central banks, banking associations and UGCPs. SWIFT also continued to support the Community in many of the region's strategic initiatives, such as RMB internationalisation, SWIFT domestic messaging for India, real-time payments, standards for financial market infrastructures and global interoperability.

Sibos

In 2014 SWIFT's Sibos conference was held in Boston where 7,338 delegates gathered from 144 countries and 177 exhibitors covered more than 10,700m² of floor space. Cyber security, compliance, digital payments and collaborative innovation were among the big topics on the conference programme, which also featured a range of industry-specific forums and over 200 sessions with more than 400 speakers. Keynote speakers, including Bill Gates, spoke to the SWIFT Community about financial inclusion and diversity.

Innotribe – Insights on innovation

Using SWIFT's unique position at the heart of the financial industry, the Innotribe Startup Challenge continues to introduce the world's brightest fintech startups to our Community, bringing innovation closer to the mainstream.

In 2014 the programme saw over 280 startups apply – a 55 percent increase from 2013; 45 startups presented their new products during regional showcases in London, New York and Singapore. The programme culminated at Sibos, where the 15 most innovative companies competed in the final. The winning companies focused on bitcoin/blockchain and the digital wallet.

In addition to the Startup Challenge, Innotribe also ran a four-day programme at Sibos, with each day dedicated to a specific topic: crypto currencies, network effects, innovation capabilities and the fintech ecosystem.

SWIFT Institute

In 2014 the SWIFT Institute published five research papers covering issues such as Macroprudential Oversight, the Global Network of Payment Flows, Governance of Global Finance, Cross-border Low Value Payments and the Interbank Lending Market.

The SWIFT Institute hosted conferences in London with the London School of Economics and in Belgium with the University of Leuven, and invited academics from around the world to give lectures at Sibos.

SWIFT Standards and ISO 20022

Throughout 2014 the standards dialogue continued at the global Standards Forum in Boston and at five regional Standards Forums in Beijing, London, New York, Singapore and Utrecht. The events were attended by more than 620 people, with contributions from more than 110 industry speakers. Much of the standards debate concentrated on issues such as changes to the BIC, support for regulatory compliance and implementation of ISO 20022.

SWIFT observed the increasing adoption of ISO 20022 by market infrastructures for major transformation projects around the world. ISO 20022 is becoming a natural choice for market infrastructures and their communities; by the end of 2014 over 70 domestic and regional initiatives had either adopted, or were planning to adopt, ISO 20022.

In 2014 SWIFT supported ISO 20022 initiatives for TARGET2, TARGET2-Securities (T2S), the Canadian Payments Association (CPA), the RTGS system in Brunei, the RTGS system in India, the Australian Securities Exchange (ASX), the Singapore Exchange (SGX), EBA EURO1/STEP 1, the Southern African Development Community (SADC), the Continuous Link Settlement (CLS) and the New Payments Platform (NPP) in Australia.

Strategy to 2015

The 2010-2015 strategy continues SWIFT's path of long-term investment in its core infrastructure.

SWIFT2015: Achievements by 2014

Deepening the Core

- ✓ FIN and FileAct growth
- ✓ T2S, CLS
- ✓ Expansion in Corporates segment

Expanding the Core

- ✓ Sanctions Screening & Testing
- ✓ The KYC Registry
- ✓ SWIFTRef
- ✓ Business Intelligence
- ✓ Market Infrastructure Resiliency Service

Enabling Interoperability and TCO Reduction

- ✓ Alliance Messaging Hub
- ✓ Alliance Lite2
- ✓ SWIFT Integration Layer/IPLA
- ✓ Services

Enabling Transformation

- ✓ Platform investments (FIN renewal, Distributed Architecture)
- ✓ Expansion in Asia Pacific
- ✓ Innotribe

Delivering on our commitments

In 2010 SWIFT set out an ambitious five-year strategy to develop our core platform, enable interoperability, reduce total cost of ownership (TCO) and support business transformation. 2014 was a significant year of delivery against this strategy.

The SWIFT2015 strategy focuses on deepening SWIFT's core messaging services, while selectively exploring options to expand the core. It also contains measures designed to reduce the total cost of ownership for the industry, and enable interoperability to help customers meet the challenges of dealing with a variety of networks, infrastructures and standards. Of paramount importance, the strategy continues SWIFT's path of long-term investment in its core infrastructure as part of our commitment to deliver strong levels of security, reliability and availability.

By the end of 2014 SWIFT had significantly delivered against this strategy by:

- Continuing message traffic growth, with FIN traffic increasing 11 percent over the year, and a very significant 37 percent increase in FileAct traffic.
- Introducing new pricing models to lower the overall cost of doing business with SWIFT. As part of the SWIFT2015 strategy, SWIFT made a commitment to reduce its messaging prices by 30-50 percent over a five year period; in 2014 we achieved the high-end of this commitment one year ahead of schedule, delivering a 50 percent reduction in FIN messaging prices.
- Continuing investments in the core, by renewing our FIN messaging infrastructure and performing strategic system and security upgrades. During 2014 we also fully completed our Distributed Architecture programme.

- Delivering a growing range of innovative technology-based products and services to customers, including the rapid expansion of Compliance Services. In 2014 SWIFT acquired Omnicision (experts in sanctions screening and testing) to further grow the portfolio, and also launched the new Compliance Analytics service. The KYC Registry also went live to support the SWIFT Community in finding an efficient, standardised way of meeting the challenge of KYC compliance. In 2014 SWIFT also announced the extension of its Business Intelligence offering to the Securities segment and significantly upgraded its SWIFTRef reference data offering. The launch of the Readiness Portal in 2014 created a second wave of adoption for MyStandards, which is now being used by 40 major financial institutions and market infrastructures worldwide to onboard customers and manage large-scale migration projects (such as to ISO 20022). SWIFT also introduced an innovative business continuity offering in 2014, MIRS (Market Infrastructure Resiliency Service).
- As part of the SWIFT2015 strategy, SWIFT had already opened a new Corporate Services Hub in Kuala Lumpur, went live with a new operating centre in Switzerland, and entered into our first ever joint venture with SWIFT India. SWIFT is now working with the Australian Community to help deliver its New Payments Platform (NPP), creating a new technology model to enable domestic real-time payments using SWIFT infrastructure.

customers, and the Alliance Messaging Hub (AMH) for more specialised and high volume clients. SWIFT also provides integration products to enable interoperability. Our software and connectivity portfolio provides access (and back-up access) to SWIFT, as well as other network messaging services, and provides a single entry point to other SWIFT services.

- Expanding our client base, in particular in the Corporates and Market Infrastructure segments, and by supporting a number of major infrastructure and integration initiatives, including T2 and T2S, CLS and SEPA.

Towards SWIFT2020

Consultation is now actively underway for the next five year strategic cycle – SWIFT2020.

In June 2014 a Board Information Report was published, setting out key areas for Community exploration in response to key market trends and drivers: the move towards real-time domestic payments in the market infrastructure space, international person-to-person payments, financial crime compliance, securities and corporates. A six-month consultation period followed.

More than 70 consultation meetings have been held worldwide, involving more than 500 Community representatives drawn from more than 200 financial institutions. The resulting analysis led to the publication of a Community Discussion Paper (DP183: SWIFT2020 Strategic Direction) in December 2014, which sets out plans for SWIFT's future strategic direction. The proposed direction focuses principally on growing SWIFT's core, while also innovating and driving growth in the Market Infrastructure segment and rapidly expanding SWIFT's financial crime compliance offering. The final SWIFT2020 strategy will be published in June 2015.

SWIFT2020: Exploration, Consultation and Definition

2014 Strategy Exploration

March
Board offsite

June
Information report

December
Discussion paper

2015 Strategy Definition

June
Final report

Consultation Phase 1

- Share Board offsite outcome
- Gather Community perspectives
- Capture Community needs and prioritise
- Highlight any gaps/additional opportunities

Consultation Phase 2

- Consult based on key questions outlined in the Discussion paper
- Refine strategic direction and finalise recommendations

Corporate social responsibility

We consider the global nature of SWIFT's business – working with and for financial communities across the world – to be both a privilege and a responsibility.

70%

reduction of global CO₂ footprint since 2007

100%

of all travel-related CO₂ emissions are offset

19%

of SWIFT staff engaged in CSR activities

SWIFT cares

SWIFT assumes its corporate social responsibility and is committed to making a difference in supporting our three CSR priority areas: Greening SWIFT, Caring for our communities and Facilitating dialogue and business.

In 2014 SWIFT made strong progress in all three areas. SWIFT adheres to and supports the United Nations Global Compact (UNGC) and aligns all our CSR efforts with those of the UNGC.

Greening SWIFT

SWIFT succeeded in reducing its global CO₂ footprint by 70 percent between 2007 and 2014, a whole year earlier than planned. This is mainly due to reduced energy consumption in our offices and data centres, and a change in our CO₂ offsetting strategy.

A new way of working

In 2012 SWIFT introduced a new Working From Home/Flex-Time policy that enables employees to reduce their commuting impact and facilitates a reduction in energy consumption at our offices. We continue to invest in our telecommunications technology to reduce the need for travel.

Offsetting travel emissions

SWIFT offsets all air travel emissions. In January 2014 SWIFT extended this programme to offset all travel-related CO₂ emissions, including food, accommodation and local transport.

As in previous years, we encouraged Sibos delegates to reduce the environmental impact of their attendance at the annual conference – an event which brings together more than 7,000 people from around the world. We offset emissions generated by SWIFT staff and guests, and encouraged delegates to offset their travel emissions as well. Nearly 60 percent of delegates committed to doing so.

Mobility

We encourage staff to opt for more environmentally friendly ways of commuting to work (bicycles, greener cars and public transport). In 2014 we launched a project encouraging staff to lease electric cars. In Belgium we were awarded 5 stars (the highest score) by Tous Vélos Actifs, an organisation dedicated to promoting commuting to work by bicycle, in recognition of our bicycle commuting policy.

Energy efficiency and recycling

In 2014 SWIFT carried out an energy efficiency audit to highlight potential savings at our US Operating Centre and we have already implemented a number of the recommended measures.

At our headquarters in Belgium and our facilities in the Netherlands, Italy and Switzerland, we use electricity from renewable sources. In Belgium we installed 500 solar panels and are investigating geothermal technology to cool our server rooms.

In Kuala Lumpur staff launched a campaign to raise environmental awareness and reduce the use of food containers in the office.

For the first time ever, we calculated our water footprint. However the relatively low level of water consumption revealed by the assessment demonstrated that water reduction should not be a priority for us.

Protecting biodiversity

SWIFT cares about biodiversity. In 2012 we set up three beehives in the flower meadow at our HQ. Since then we have collected 65kg of honey, which we sold to employees, donating the proceeds to a local association dedicated to bees and beekeeping.

Selecting our suppliers

Through our CSR Ethical and Environmental Obligations Chart, we require our suppliers

to ensure efficient use of resources; to put in place measures to minimise harmful emissions; and to reduce the environmental impact of their products and services. Since 2014 the chart has been included in all our new contracts.

Caring for our communities

SWIFT staff around the world are engaged in activities to support their local communities.

Children in need and education

In 2014 SWIFT set up a partnership with Teach for Belgium, an association that addresses educational inequality in Belgium by training teachers to better support their students.

In 2014 we strengthened our partnership with Enactus, a community of students, academic and business leaders committed to entrepreneurial action to transform lives and shape a better, more sustainable world. For the first time, SWIFT sponsored the Enactus World Cup in Beijing, during which teams of national Enactus champions from around the world presented the results of their community outreach projects to a group of international business leaders.

Diversity is important to SWIFT. In order to encourage gender diversity, SWIFT set up a partnership with Greenlight for Girls, an international organisation dedicated to encouraging girls of all backgrounds to pursue STEM subjects (Science, Technology, Engineering and Mathematics).

We also support children in need by helping charities in locations in which we hold events. For instance, at the Asian regional conference in the Philippines, SWIFT donated EUR 15,000 to SOS Children's Villages to help the victims of last year's typhoon, while at Sibos we donated EUR 40,000 to the Boys and Girls Clubs of Boston, which provide a safe haven for over 15,000 children and teens.

Supporting crisis

SWIFT staff donated over EUR 8,000 to support the fight against Ebola, the proceeds of which were delivered to Doctors without Borders and the Red Cross. Together with the WIMLER Foundation, SWIFT Hong Kong also collected donations for the relief of victims of Typhoon Yolanda; while in Kuala Lumpur, our staff set up a campaign to help victims of the Malaysian floods.

Staff engagement

In 2014 over 19 percent of SWIFT staff actively got involved in CSR activities directly, as well as through Team with Spirit events, which we use to combine team building efforts with charitable activities. SWIFT staff in several locations also donated blood; staff in the Netherlands donated Christmas baskets to families in need; and in the US, staff collected toys for disadvantaged children and donated holiday meals for more than 500 families over Thanksgiving.

Facilitating dialogue and business

Through our work with major financial institutions and infrastructures around the world, we facilitate dialogue on corporate social responsibility, including through events and publications focused on gender diversity in the financial industry. At Sibos, Bill Gates promoted financial inclusion and called for partnerships between the Bill & Melinda Gates Foundation and banks.

SWIFT also contributes to development in our own sector. In 2014 we partnered with PASA (Payment Association of South Africa) to produce training material on payment systems, and to promote the country's payment system.

For more information on SWIFT CSR activities, please consult our UNGC Communication on Progress: www.unglobalcompact.org

Messaging facts and figures

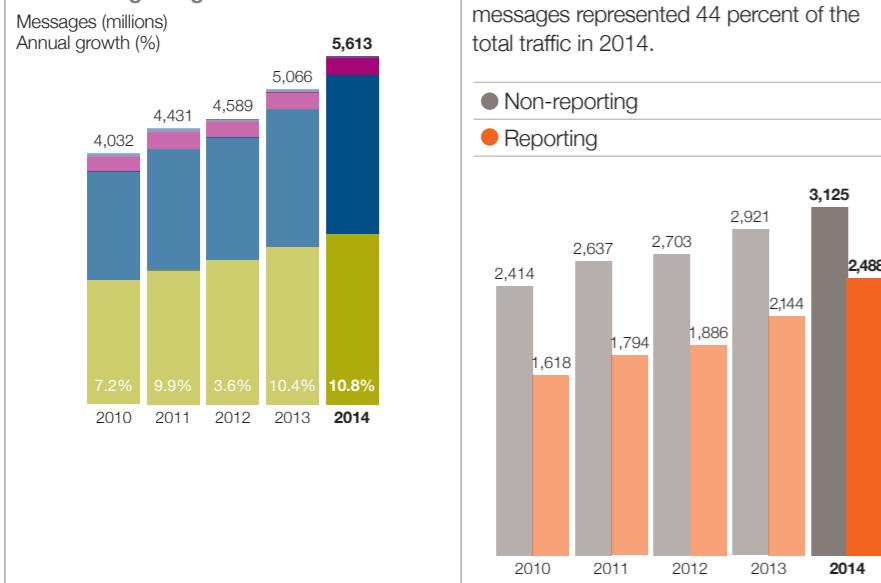
FIN

Financial institutions use FIN for individual, richly featured messaging. Features include validation to ensure messages conform to SWIFT message standards, delivery monitoring and prioritisation, message storage and retrieval.

A total of 5,613 million FIN messages were sent in 2014, representing an average of over 22.3 million messages per day. With year on year growth of 10.8 percent, 2014 showed the highest growth recorded during the last seven years. Despite the 2.4 percent drop in traffic in 2009 triggered by the financial crisis, FIN traffic has doubled over the past eight years.

In 2014 double digit growth was recorded in all three SWIFT regions: Asia Pacific grew by 12.1 percent, Americas by 10.9 percent and Europe, Middle East & Africa by 10.5 percent. Treasury recorded a growth of 2.3 percent, while Trade fell by 2.6 percent.

FIN messages – growth

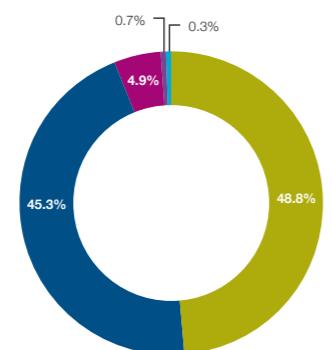


FIN share by market

2014 volume (millions)

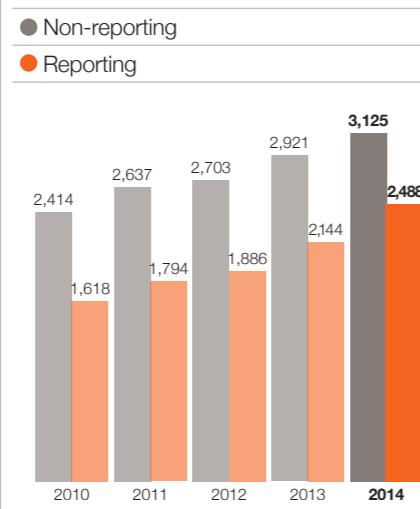
Payments (*)	2,737
Securities	2,545
Treasury	275
Trade	41
System	15

(*) including FIN Copy messages



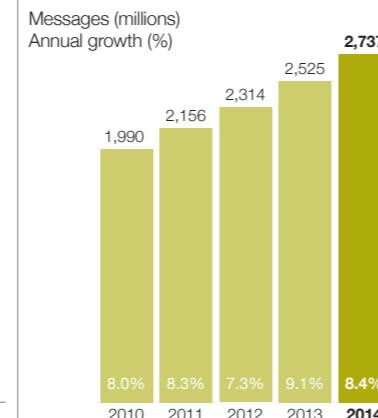
Reporting messages versus non-reporting messages

Reporting messages grew by 16 percent in 2014, accounting for 63 percent of the total FIN growth during the year. Overall, reporting messages represented 44 percent of the total traffic in 2014.



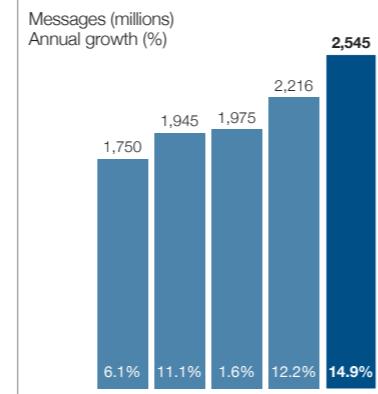
Payments messages

Since 2010 payment messages have been growing at a steady pace, with a compound annual growth rate of 8.3 percent. In 2014 the highest volumes were recorded in the last quarter, most notably in December, when payment volumes reached an average of over 12 million messages per day for the first time.



Securities messages

For the second year in a row, Securities was our fastest growing market, with growth of 14.9 percent. Over the last two years, the weight of securities traffic has increased by 2.3 percent; in 2014 Securities accounted for 45.3 percent of the total SWIFT FIN traffic. With an average of 10.8 million messages per day, December was the strongest month in 2014.



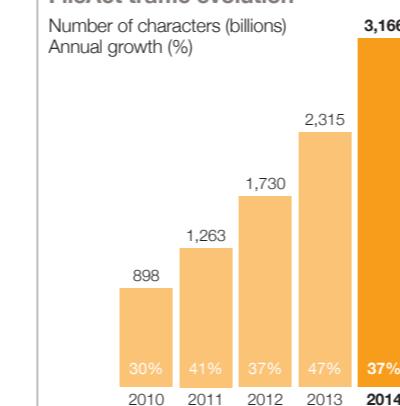
FileAct

FileAct is an advanced, secure and resilient file transfer protocol, tailored to enable customers to exchange freely-formatted transactions in bulk mode. It is primarily used to exchange large batches of low value payments and corresponding reports.

Strong FileAct traffic growth continued in 2014. The 37 percent growth in FileAct traffic was mainly driven by low value payment systems, as a result of the 2014 deadline for SEPA migration in Europe. The biggest impact was recorded in Germany, where FileAct traffic tripled during the year. Germany is now the number one FileAct country, followed by Belgium. Traffic related to corporates grew by 47 percent, and now represents 9 percent of total FileAct traffic.

Volume in billions of characters	3,166
Volume in number of files	97,593,114
Live and pilot users	2,389
Services using FileAct	173

FileAct traffic evolution



InterAct

InterAct is a versatile protocol that supports different business needs. It is primarily used by market infrastructures to support ISO 20022 messaging. The Store & Forward version of InterAct has been enriched to provide the same level of functionalities as FIN.

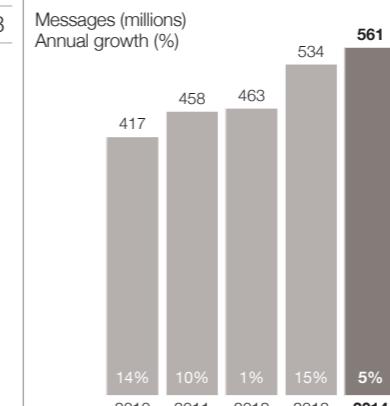
In 2014 561 million InterAct messages were sent, marking a 5 percent increase over 2013 volumes. Funds and corporate actions-related traffic recorded the highest growth at 41 percent and 61 percent respectively. Half of the increase was related to new services launched in 2014.

InterAct messages (*)	561.5 million
Live and pilot users (**)	2,037
Services using InterAct (*)	55

(*) including CREST

(**) including CREST, excluding RMA

InterAct traffic evolution



Executive Team and Board

Our Executive Team

Gottfried Leibbrandt

Chief Executive Officer

Gottfried Leibbrandt became CEO of SWIFT in July 2012. He joined SWIFT in 2005 to focus on the development of the SWIFT2010 strategy. Upon completion of the strategy, he was appointed Head of Standards, and then in 2007 he was promoted to Head of Marketing.

Gottfried was a key architect behind the SWIFT2015 strategy, which is now nearing its successful completion. Prior to joining SWIFT, Gottfried worked at McKinsey & Company for 18 years.

Chris Church

Chief Executive, Americas and Global Head of Securities

Chris Church joined SWIFT in August 2008. Prior to joining SWIFT, Chris was Managing Director of Radianz Services, a division of BT Global Financial Services. Chris was part of the executive team that founded Radianz. In 2000 he was responsible for Global Sales and Marketing until its acquisition by BT in 2005. He has also held senior management roles at Reuters in both London and the US. Chris is a member of the board of the International Securities Services Association (ISSA). Chris holds an MBA from the London Business School.

Michael Fish*

Chief Information Officer, Head of Information Technology and Operations

Michael Fish was appointed Chief Information Officer in July 2006. He oversees the teams that build, maintain and operate the company's core messaging services. Michael joined SWIFT in 1999 from Ameritech, where he held various senior management positions in IT.

Javier Pérez-Tasso

Chief Marketing Officer

Javier Pérez-Tasso joined the Executive team as Chief Marketing Officer in July 2012. He was previously Head of Products and Services, driving the evolution of SWIFT's platform and reducing total cost of ownership for customers. Javier joined SWIFT in 1995 and has held various management positions including Head of Western Europe, Middle East and Africa.

Alain Raes

Chief Executive, EMEA and Chief Executive, Asia Pacific

Alain Raes was appointed Head of the EMEA Region in September 2007 and added the role of Chief Executive Asia Pacific in January 2013. He was previously Director of the Continental Europe Region, covering securities and banking sales activities. Alain joined SWIFT in 1990. Prior to SWIFT he worked at Citibank, Belgium, and Fortis Bank, Singapore.

Francis Vanbever

Chief Financial Officer

Francis Vanbever was appointed to his current position in 1997. Francis joined SWIFT in 1988. Prior to SWIFT he held various financial responsibilities for the Belgian and European operations of Exxon Chemical.

The Head of Human Resources, the General Counsel, the Chief Risk Officer, the Chief Auditor and the Head of Corporate Affairs report directly to the CEO and are represented by the CEO on the Executive Committee.

Marcel Bronmans, Chief Risk Officer

Peter De Koninck, Chief Auditor

Natasha de Terán, Head of Corporate Affairs

Lieven Lambrecht, Head of Human Resources

Blanche Petre, General Counsel

*In mid-2014 CIO Michael Fish announced his retirement, and he was replaced in early 2015 by Marcel Bronmans as COO and Craig Young as CTO. Both the COO and CTO report directly to the CEO.

Our Board of Directors

Yawar Shah

Chairman of the Board of Directors, SWIFT Managing Director, Franchise Risk & Strategy, Citigroup, USA
SWIFT Director since 1995
Chairman of the Franchise Risk Committee of the Board, SWIFT

Stephan Zimmermann

Deputy Chairman of the Board of Directors, SWIFT
Head WM Strategy Initiatives and Industry Affairs and Group Managing Director, UBS AG, Switzerland
SWIFT Director since 1998
Chairman of the Human Resources Committee of the Board, SWIFT

Udo Braun

Divisional Board Member, Group Compliance, Commerzbank, Germany
SWIFT Director since 2007
Chairman of the Pricing Taskforce of the Board, SWIFT

Mark Buitenhok

Global Head, Transaction Services, ING, The Netherlands
SWIFT Director since 2012

Claudio Camozzo

Co-Head of Global Transaction Banking (GTB), UniCredit, Italy
SWIFT Director since 2014

Fabrice Denèle

Head of Payments Group, BPCE, France
SWIFT Director since 2009

John Ellington

Director, Retail Banking Operations, The Royal Bank of Scotland, United Kingdom
SWIFT Director since 2005
Chairman of the Technology and Production Committee of the Board, SWIFT

Göran Fors

Head of Market Developments, SEB, Sweden
SWIFT Director since 2009
Chairman of the SWIFT Securities Committee of the Board, SWIFT

Mark Gem

Member of the Executive Board, Clearstream International S.A., Luxembourg
SWIFT Director since 2013

Alan Goldstein

Chief Information Officer, CIB Technology APAC, J.P. Morgan, USA
SWIFT Director since 2006
Chairman of the Audit and Finance Committee of the Board, SWIFT

Rob Green

Head of Group Treasury Payments Market Infrastructure, FirstRand, South Africa
SWIFT Director since 2009

Frederic Hannequart

Chief Business Officer, Euroclear, Belgium
SWIFT Director since 2014

Finn Otto Hansen

SWIFT Director since 2004
Chairman of the Banking and Payments Committee of the Board, SWIFT

Yumesaku Ishigaki

Executive Officer, General Manager, Transaction Banking Division, Global Head of Transaction Banking, The Bank of Tokyo-Mitsubishi UFJ, Japan
SWIFT Director since 2010

Marcel Jongmans

CEO, ABN AMRO Global Clearing, The Netherlands
SWIFT Director since 2012

Lisa Lansdowne-Higgins

Vice President, Payments and Trade Operations and Product Support, Royal Bank of Canada, Canada
SWIFT Director since 2013

Abdul Raof Latiff

Regional Head of Product Management, Global Payments and Cash Management, Asia-Pacific, HSBC, Hong Kong
SWIFT Director since 2014

Stephen Lomas

Managing Director, Head of Market Policy Global Transaction Banking, Deutsche Bank, Germany
SWIFT Director since 2013

Lynn Mathews

Chairman of the Australian National Member Group, Australia
SWIFT Director since 1998

Alain Pochet

Head of Clearing, Custody and Corporate Trust Services, BNP Paribas, Securities Services, France
SWIFT Director since 2010

Javier Santamaria

Head of Payment Systems & Forums, Senior Vice President, Banco Santander, Spain
SWIFT Director since 2009

Ulrich Stritzke

Managing Director, Credit Suisse, Switzerland
SWIFT Director since 2012

Marcus Treacher

Global Head of Innovation, Payments and Cash Management, HSBC, United Kingdom
SWIFT Director since 2010

Bhavesh Zaveri

Country Head, Operations, HDFC Bank, India
SWIFT Director since 2012

Qingsong Zhang

General Manager, Head Office Clearing Department, Bank of China, China
SWIFT Director since 2014

During the course of 2014, the following directors left the Board:

Yongli Wang, Bank of China, China
John Laurens, HSBC, Hong Kong
Lieve Mostrey, Euroclear, Belgium

Governance at SWIFT

SWIFT's governance is designed to reflect usage of SWIFT messaging services, ensure our global relevance, support our international reach and uphold SWIFT's strict neutrality.

SWIFT is a cooperative society under Belgian law and is owned and controlled by its shareholders. SWIFT shareholders elect a Board of 25 independent Directors that governs and oversees the management of the Company. The Executive Committee is a group of full-time employees led by the Chief Executive Officer.

Board committees

The Board has six committees:

- The Audit and Finance Committee (AFC) is the oversight body for the audit process of SWIFT's operations and related internal controls. It commits to applying best practice for Audit Committees to ensure best governance and oversight in the following areas:
 - Accounting
 - Financial reporting and control
 - Legal and regulatory oversight
 - Security
 - Budget, finance and financial long-term planning
 - Ethics programmes
 - Risk management and oversight of ERM (in cooperation with the FRC)
 - Audit oversight

The AFC meets at least four times per year with the CEO, CIO*, CFO, CRO, General Counsel and Chief Auditor, or their pre-approved delegates.

The Committee may request the presence of any member of SWIFT staff at its discretion. External auditors are present when their annual statements/opinions are discussed and when the Committee deems appropriate.

- The Human Resources Committee (HRC) oversees executive compensation. It assesses Company performance and decides on the remuneration package for members of the Executive Committee and other key executives. It monitors employee compensation and benefit programmes, including the provisioning and funding of pension plans. It also approves appointments to the Executive Committee and assists in the development of the organisation, including succession planning. The Board Chairman and Deputy Chairman are routinely members of the Committee, which meets at least four times per year with the CEO, the Head of Human Resources and the CFO to determine financial and performance measures. The Human Resources Committee has delegated powers from the Board in these matters. The Committee also meets without SWIFT executives several times a year.
- The Franchise Risk Committee meets twice a year and focuses on risks not otherwise covered by the other committees.
- Two business committees: Banking and Payments, and Securities.
- One technical committee: Technology and Production.

The Committees provide strategic guidance to the Board and the Executive Committee and review progress on projects in their respective areas.

Director remuneration

Members of the Board do not receive any remuneration from the Company. They are reimbursed for travel costs incurred in the performance of their mandate. SWIFT reimburses the employer of the Chairman of the Board for the share of the Chairman's payroll and related costs that represent the portion of his time dedicated to SWIFT.

Audit process

SWIFT's Chief Auditor has a dual reporting line: a direct solid functional reporting line to the Chair of the AFC and a direct solid administrative reporting line to the CEO. Given the sensitivity to external auditors performing consultancy work for management, the AFC annually reviews respective spending and trends. To ensure objectivity, the mandates of the external auditors, as well as their remuneration, are approved by the AFC.

Two mandates for external audit: Ernst & Young, Brussels, has held the Financial Audit mandate since June 2000. Their mandate was renewed in June 2012 and runs until June 2015. Their financial Audit Report can be found in the 2014 Consolidated Financial Statements.

PwC, London, has held the Security Audit mandate since September 2003. In 2013 their mandate for third party assurance reporting (ISAE 3402) was renewed for two years, covering 2014 and 2015.

PwC's opinion on SWIFT's security for FIN and SWIFTNet is included in the 2014 ISAE 3402 report, available to shareholding institutions or registered SWIFT users on request by email to ISAE_3402@swift.com. ISAE 3402 is an international standard enabling service providers, such as SWIFT, to give independent assurance on their processes and controls to their customers and their auditors. The ISAE 3402 report provides information and assurance on the security and reliability of SWIFT's core messaging services.

Oversight

SWIFT maintains an open and constructive dialogue with its oversight authorities. SWIFT is overseen because of its importance to the smooth functioning of the global financial system, in its role as a provider of messaging services. Under an arrangement with the central banks of the G-10 countries, the National Bank of Belgium, the central bank of the country in which SWIFT's headquarters are located, acts as SWIFT's lead overseer. In 2012 this framework was reviewed and the SWIFT Oversight Forum was established, thereby expanding information sharing on SWIFT oversight activities to a larger group of central banks. The issues to be discussed may include the five High Level Expectations that relate to Risk Identification and Assessment, Information Security, Reliability and Resilience, Technology Planning and Communication with Users.

User representation

SWIFT users from individual countries (nations) coordinate their shareholding by forming national member and user groups. National Member Groups and National User Groups help to provide a coherent global focus by ensuring a timely and accurate two-way flow of information between SWIFT and its users.

National Member Groups comprise all SWIFT shareholders from a nation, and propose candidates for election to the SWIFT Board of Directors. They serve in a consultative capacity to Board Directors and SWIFT management, and serve the interests of their nation's shareholders by coordinating their views. Each National Member Group is chaired by a representative who is elected by the SWIFT shareholders of that nation.

National User Groups comprise all SWIFT users from a nation and act as a forum for planning and coordinating operational activities. Each User Group is chaired

by a representative who is a first line of communication between its national user community and SWIFT.

Board nominations

A nation can propose a Board Director depending on its ranking, which is determined by the total number of shares owned by the nation's shareholders:

a. For each of the first six nations ranked by number of shares, the shareholders of each nation may collectively propose two Directors for election. The number of Directors proposed in this way must not exceed 12.

b. For each of the ten following nations ranked by number of shares, the shareholders of each nation may collectively propose one Director for election. The number of Directors proposed in this way must not exceed ten.

c. The shareholders of a nation which does not qualify under a) or b) may join the shareholders of one or more other nations to propose a Director for election. The number of Directors proposed in this way must not exceed three.

The total number of Directors must not exceed 25.

Elections

The Directors are elected at the Annual General Meeting of shareholders for a three-year term. They are eligible for re-election. Every year, the Board elects a Chairman and a Deputy Chairman from among its members. It meets at least four times a year.

* In early 2015 the CIO function was replaced by the Chief Operations Officer (COO) and the Chief Technology Officer (CTO).

Oversight of SWIFT

The oversight objectives centre on the security, operational reliability, business continuity, risk identification, and resilience of the SWIFT infrastructure.

Central banks have the explicit objective of fostering financial stability and promoting the soundness of payment and settlement systems.

While SWIFT is neither a payment nor a settlement system and, as such, is not regulated by central banks or bank supervisors, a large and growing number of systemically important payment systems have become dependent on SWIFT, which has thereby acquired a systemic character.

As a result, the central banks of the G-10 countries agreed that SWIFT should be subject to cooperative oversight by central banks. The oversight of SWIFT in its current form dates from 1998.

The arrangement was last reviewed in 2012 when the SWIFT Oversight Forum was set up. Information sharing on SWIFT oversight activities was thereby expanded to a larger group of central banks.

An open and constructive dialogue

SWIFT is committed to an open and constructive dialogue with its oversight authorities. The National Bank of Belgium (NBB) acts as the lead overseer, and is supported by the G-10 central banks. The oversight focuses primarily on ensuring that SWIFT has effective controls and processes to avoid posing a risk to the financial stability and the soundness of financial market infrastructures.

The NBB is lead overseer, as SWIFT is incorporated in Belgium. Other central banks also have a legitimate interest in, or responsibility for, the oversight of SWIFT, given SWIFT's role in their domestic systems.

As is generally the case for payment systems oversight, the main instrument for oversight of SWIFT is moral suasion. Overseers place great importance on the constructive and open dialogue that is conducted on the basis of mutual trust with the SWIFT Board and senior management. Through this regular dialogue, the overseers formulate their recommendations to SWIFT.

A protocol signed by the NBB and SWIFT lays down the common understanding between the overseers and SWIFT. The protocol covers oversight objectives and the activities that are undertaken to achieve those objectives. The protocol may be revised periodically to reflect evolving oversight arrangements.

Objectives, areas of interest and limitations

The objectives of oversight of SWIFT centre on the security, operational reliability, business continuity, risk identification, and resilience of the SWIFT infrastructure. In their review, the overseers seek assurances that SWIFT has put in place appropriate governance arrangements, structures, processes, risk management procedures and controls that enable it to effectively manage the potential risks to financial stability and to the soundness of financial market infrastructures. The High Level Expectations document on the oversight of SWIFT sets out five categories of expectations that the overseers have vis-à-vis the services SWIFT provides to the global financial infrastructure. The five Expectations relate to Risk Identification and Assessment, Information Security, Reliability and Resilience, Technology Planning and Communication with Users.

Overseers review SWIFT's identification and mitigation of operational risks, including cyber security, and may also review legal risks, transparency of arrangements and customer access policies. The overseers may also discuss SWIFT's strategic direction with the SWIFT Board and senior management.

This list of oversight fields is indicative, not exhaustive. Overseers will undertake those activities that provide them comfort that SWIFT is paying proper attention to the objectives described above. Nevertheless, SWIFT continues to bear the responsibility for the security and reliability of its systems, products and services. The oversight of SWIFT does not grant SWIFT any certification, approval or authorisation.

International cooperative oversight

As lead overseer, the NBB conducts the oversight of SWIFT together with the G-10 central banks: Bank of Canada, Deutsche Bundesbank, European Central Bank, Banque de France, Banca d'Italia, Bank of Japan, De Nederlandsche Bank, Sveriges Riksbank, Swiss National Bank, Bank of England and the Federal Reserve System (USA), represented by the Federal Reserve Bank of New York and the Board of Governors of the Federal Reserve System.

In the SWIFT Oversight Forum, these central banks are joined by other central banks from major economies: Reserve Bank of Australia, People's Bank of China, Hong Kong Monetary Authority, Reserve Bank of India, Bank of Korea, Bank of Russia, Saudi Arabian Monetary Agency, Monetary Authority of Singapore, South African Reserve Bank and the Central Bank of the Republic of Turkey. The SWIFT Oversight Forum provides a forum for the central banks to share information on SWIFT oversight activities with this wider group of central banks.

Oversight structure – oversight meetings

The NBB monitors SWIFT on an ongoing basis. It identifies issues relevant to SWIFT oversight through the analysis of documents provided by SWIFT and through discussions with SWIFT management. The NBB maintains a close relationship with SWIFT, with regular ad-hoc meetings, and serves as the other central banks' entry point for the cooperative oversight of SWIFT. In that capacity, the NBB chairs the senior policy and technical groups that facilitate cooperative oversight, provides the secretariat and monitors the follow-up of any decisions taken.

Access to information

In order to achieve their oversight objectives, the overseers need timely access to all information that they consider relevant for the purpose. Typical sources of information are SWIFT Board papers, security audit reports, incident reports and incident review reports. Presentations by SWIFT staff and management represent another important source of information for the overseers.

Finally, SWIFT assists the overseers in identifying internal SWIFT documents that might be relevant to address specific oversight questions. Provisions on the confidential treatment of non-public information are included both in the protocol between the NBB and SWIFT, and in the bilateral Memoranda of Understanding between the NBB and each of the other cooperating central banks. The official description of the NBB's oversight role can be found in the Financial Stability Review published by the National Bank of Belgium and available on its website www.nbb.be.

Security audit and financial performance

2014 Security audit statement

The Directors and Management acknowledge their responsibility for maintaining an effective system of internal control in respect of the SWIFTNet and FIN services. SWIFT has put in place controls based on the ISO 27002 standard, to support its control objectives in relation to governance, confidentiality, integrity, availability and change management.

Management is satisfied that, for the period 1 January 2014 to 31 December 2014, the control policies and procedures relating to the SWIFTNet and FIN services were operating with sufficient effectiveness to provide reasonable assurance that appropriate governance was in place and the confidentiality, integrity, availability and change management objectives were met. The control objectives were specified by SWIFT Management.

PwC were retained by the Directors to review the control policies and controls, both manual and computer-based, related to the FIN and SWIFTNet messaging services, specified by SWIFT Management for the period 1 January 2014 to 31 December 2014.

Their examination was made in accordance with the International Standard for Assurance Engagements (ISAE) 3402, established by the International Auditing and Assurance Standards Board (IAASB). ISAE 3402 is an international standard enabling service providers, such as SWIFT, to give independent assurance on their processes and controls to their customers and their auditors. The ISAE 3402 report provides information and assurance on the security and reliability of SWIFT's core messaging services.

Financial performance

In accordance with article 105 of the Belgian Code of Company Law, the following statements represent a condensed version of SWIFT's 2014 Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The full text is available on SWIFT's website (www.swift.com) or on request from any of SWIFT's offices. The full version of the 2014 Consolidated Financial Statements will be filed with the National Bank of Belgium no later than 30 June 2015. This condensed version does not contain all of the appendices or the report of the auditors, who expressed an unqualified opinion.

Key figures

	For the year ended 31 December 2014				
(in millions)	2014 EUR	2013 EUR	2012 EUR	2011 EUR	2010 EUR
Operating revenue before rebate	628	618	597	582	590
Rebate	(31)	(34)	–	(51)	(52)
Revenue after rebate	597	584	597	531	538
Operating expenses	(559)	(546)	(579)	(513)	(528)
Profit before taxation	38	35	21	16	21
Net profit	29	21	15	11	15
Net cash flow from operating activities	104	77	95	46	135
Capital expenditure of which:	38	46	70	64	52
– Property, plant and equipment	29	40	66	55	44
– Intangibles	9	6	4	9	9
Shareholders' equity	326	325	247	291	296
Total assets	714	603	603	548	514
Number of employees at end of year	2,163	2,010	1,928	1,882	1,807



To download the full set of financial statements, including the accompanying notes referred to below, please visit: www.swift.com

* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to Note 1.3 of the Consolidated Financial Statements

Consolidated statement of profit and loss

	For the year ended 31 December 2014		
	Note	2014 EUR	2013 EUR Restated*
Revenues			
Traffic revenue	2	287,175	311,663
One-time revenue	3	8,850	5,632
Recurring revenue	4	136,909	127,257
Interface and consulting revenue	5	163,910	135,616
Other operating revenue		205	3,552
		597,049	583,720
Expenses			
Royalties and cost of inventory	12	(9,809)	(3,103)
Payroll and related charges	6	(301,658)	(292,471)
Network expenses	7	(11,761)	(12,069)
External services expenses	8	(189,852)	(182,981)
Depreciation of property, plant and equipment	13	(37,423)	(39,441)
Amortisation of intangible assets	14	(6,999)	(5,880)
Other expenses	9	(1,532)	(10,347)
		(559,034)	(546,292)
Profit from operating activities			
Financing costs		38,015	37,428
Other financial income and expenses		(1,270)	(1,128)
Share of profit of associated companies	10	1,304	(1,604)
	15	–	(6)
		38,049	34,690
Profit before tax			
Income tax expense	11	(9,061)	(13,968)
Net profit			
Attributable to:			
– Equity holders of the parent		31,817	21,599
– Non-controlling interests	15	(2,829)	(877)
		28,988	20,722

Consolidated statement of comprehensive income

	For the year ended 31 December 2014							
	Note	2014 EUR	2013 EUR					
		Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax	
(in thousands)								
Profit for the year (A)					38,049	(9,061)	28,988	
OCI items that may be reclassified subsequently to profit or loss:					640	–	640	
Foreign currency translation						640	–	640
Cash flow hedges:								
– Current year gain/(loss) on financial instruments	31	3,611	(1,240)	2,371	(2,136)	746	(1,390)	
– Prior year (gain)/loss transferred to income statement	31	2,136	(746)	1,390	1,183	(402)	781	
OCI items that will not be reclassified to profit or loss:								
Recognition of actuarial gains and losses	24	(56,158)	22,727	(33,431)	83,926	(31,475)	52,451	
Other comprehensive income (B)					(49,771)	20,741	(29,030)	
Total comprehensive income for the year (A)+(B)					(11,722)	11,680	(42)	
Attributable to:								
– Equity holders of the parent						2,195	72,911	
– Non-controlling interests						(2,237)	(1,079)	
						(42)	71,832	

Security audit and financial performance



To download the full set of financial statements, including the accompanying notes referred to below, please visit: www.swift.com

Consolidated statement of financial position

For the year ended 31 December 2014

(in thousands)	Note	2014 EUR	2013 EUR
Non-current assets			
Property, plant and equipment	13	189,662	206,006
Intangible assets	14	20,798	19,182
Investments in associated companies	15	–	1,954
Other investments	16	–	–
Deferred income tax assets	17	89,285	56,181
Other long-term assets	21	7,933	10,238
Total non-current assets		307,678	293,561
Current assets			
Cash and cash equivalents	18	174,188	106,451
Other current financial assets	18	97,069	116,200
Trade receivables	19	65,470	40,658
Other receivables	20	21,438	10,298
Prepayments to suppliers and accrued income	21	31,054	27,435
Inventories	22	6,320	3,386
Prepaid taxes	23	2,472	5,439
Total current assets		398,011	309,867
Assets held for sale	13	8,251	–
Total assets		713,940	603,428
Shareholders' equity			
Equity attributable to equity holders of the parent		325,662	325,216
Non-controlling interests		320,502	319,739
Total shareholders' equity		5,160	5,477
Non-current liabilities			
Long-term employee benefits	24	197,874	125,060
Deferred income tax liabilities	17	6,709	1,658
Long-term provisions	26	7,607	11,898
Other long-term liabilities	27	531	202
Total non-current liabilities		212,721	138,818
Current liabilities			
Amounts payable to suppliers	31	42,037	18,085
Short-term employee benefits	25	63,145	53,558
Short-term provisions	26	13,377	28,435
Other liabilities	27	55,302	36,697
Accrued taxes	28	1,696	2,619
Total current liabilities		175,557	139,394
Total equity and liabilities		713,940	603,428

Consolidated statement of cash flows

For the year ended 31 December 2014

(in thousands)	Note	2014 EUR	2013 EUR
Cash flow from operating activities			
Profit before taxation		38,049	34,690
Depreciation of property, plant and equipment	13	37,423	39,441
Amortisation of intangible assets	14	6,999	5,880
Net gain/loss and write-off on sale of property, plant and equipment, and intangible assets		148	611
Other non-cash operating losses/(gains)			
– Increase/(decrease) in provisions, pensions and government grants		35,092	(32,233)
– (Increase)/decrease in net deferred taxes assets	17	(28,053)	26,672
– Increase/(decrease) in current taxes		17,342	30,919
– (Increase)/decrease in participations		1,260	(7)
– Increase/(decrease) in retained earnings		(6,142)	(5,983)
Changes in net working capital			
– (Increase)/decrease in trade and other receivables and prepayments		(37,264)	28,994
– (Increase)/decrease in inventories	22	(2,934)	(2,363)
– Increase/(decrease) in trade and other payables		38,565	18,005
Investments in other financial assets	18	19,131	(43,600)
Net cash flow before interest and tax		119,615	101,027
Interest received	10	1,341	493
Interest paid		(1,270)	(1,128)
Tax paid	11	(15,297)	(23,508)
Net cash flow from operating activities		104,389	76,884
Cash flow from investing activities			
Capital expenditures			
– Property, plant and equipment	13	(29,424)	(40,124)
– Intangibles	14	(8,586)	(6,184)
Proceeds from sale of fixed assets	13-14	(85)	2
Net cash flow used in investing activities		(38,095)	(46,306)
Cash flow from financing activities			
Net payments for reimbursement of capital		(1,432)	(457)
Net cash flow from (used in) financing activities		(1,432)	(457)
Increase/(decrease) of cash and cash equivalents		64,862	30,121
Movement in cash and cash equivalents			
At the beginning of the year		106,451	78,624
Increase/(decrease) of cash and cash equivalents		64,862	30,121
Effects of exchange rate changes		2,875	(2,294)
At the end of the year	18	174,188	106,451
Cash and cash equivalent components are:			
Cash	18	37,766	39,862
Liquid money market products	18	136,422	66,589
At the end of the year	18	174,188	106,451

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