



Annual Review



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SWIFT is a global member-owned cooperative and the world's leading provider of secure financial messaging services.

We provide our community with a platform for messaging and standards for communicating, and we offer products and services to facilitate access and integration, identification, analysis and regulatory compliance.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories. Whilst SWIFT does not hold funds or manage accounts on behalf of customers, we enable our global community of users to communicate securely, exchanging standardised financial messages in a reliable way, thereby facilitating global and local financial flows, and supporting trade and commerce all around the world.

As their trusted provider, we relentlessly pursue operational excellence and continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies. Our products and services support our community's access and integration, business intelligence, reference data and financial crime compliance needs.

SWIFT also brings the financial community together – at global, regional and local levels – to shape market practice, define standards and debate issues of mutual interest or concern.

Headquartered in Belgium, SWIFT's international governance and oversight reinforces the neutral, global character of its cooperative structure. SWIFT's global office network ensures an active presence in all the major financial centres.

2015 highlights

99.999 %

SWIFTNet availability

99.999 %

FIN availability

100 %

of services exceeded availability targets

24.2+ million

average daily number of FIN messages

+8.8 %

FIN traffic increase

+27.9 %

InterAct traffic increase

+4.1 %

FileAct traffic increase (Kchar)

8

Number of FIN Payments peak days

7

Number of FIN Securities peak days

2

Number of FIN peak days

11,000+

institutions connected to SWIFT

200+

countries and territories

€29.5 million

Point-to-point discount

€32.4 million

rebate on 2015 messaging fees (10%)

6.1+
billion

total FIN messages in 2015

27.5+
million

FIN messages peak day

SWIFT2015 strategy: messaging growth and price reduction 2010–2015

+51 %

FIN growth 2010–2015

+267 %

FileAct growth 2010–2015

+69 %

InterAct growth 2010–2015

-57 %

Reduction of average message price
2010–2015

Chairman's letter



Yawar Shah
Chairman

2015 was another dynamic year, and I am pleased to announce that the SWIFT cooperative is in excellent shape. Messaging traffic is up, operational performance is above target, financial reserves are strong and SWIFT delivers better value for its global community of users than ever before.

In 2015 SWIFT successfully completed its five year strategy *SWIFT2015*, which set out to strengthen our core messaging and related products and services, and to address our community's evolving needs. Over the five year period, SWIFT launched a range of new products, services and local initiatives, brought a new operating centre online, and succeeded in delivering a 57% reduction of the average message price to reduce the total cost of ownership. The successful conclusion of *SWIFT2015* is significant for a number of reasons.

Firstly, SWIFT is stronger and more resilient than ever before. SWIFT invested in its core messaging infrastructure, to increase its functionality, efficiency, resilience and security. With our new operating centre in Switzerland, SWIFT is now better prepared to recover its services and reduced the risk of downtime in the rare event that something should go wrong. These investments allowed us to further increase the trust in our systems.

Secondly, SWIFT listens to its user community, who are its very own shareholders. Our *SWIFT2015* strategic process was developed and implemented in close cooperation with our users. As such, our new services directly respond to user demand and address some of our users' most pressing needs. We focused in particular on delivering benefits for all categories of users in our community. We set up new pricing models and developed tailored interfaces to suit large and smaller institutions, and launched products and services for corporates and market infrastructures from all around the world. By making sure that all users benefit from SWIFT's progress, we demonstrated that our cooperative spirit is alive and well.

Thirdly, *SWIFT2015* proved that SWIFT is evolving. SWIFT continued to broaden its portfolio of services beyond messaging, to establish itself as a leader in the financial crime compliance space, and to develop its business intelligence and consultancy business – thereby complementing our role as a messaging infrastructure. SWIFT's evolution and innovation will ensure that SWIFT maintains its position at the heart of the financial system in the future.

Finally, SWIFT is more effective and more efficient. Today SWIFT delivers more messages than ever before, and has increased its security and support capabilities, all at significantly lower cost. SWIFT is delivering on its core mission to standardise, scale and globalise. The community is reaping the benefits.

Our community of users might be the best measure of our cooperative's success; in 2015 we have grown to more than 11,000 users from more than 200 countries and territories. Last year alone SWIFT opened

new offices in Accra, Nairobi and Miami to be closer to its local communities and capture opportunities in those markets. A truly global cooperative, SWIFT is becoming increasingly international, and this is also reflected in our governance and oversight. In 2015 we welcomed four new Directors to the SWIFT Board, reflecting our geographic diversity, and underlining our neutrality in an increasingly complex geopolitical landscape. As a truly global communication infrastructure, which transcends different languages, currencies and systems, SWIFT is committed to its neutrality. Our international governance and oversight underscore our neutrality and reflect our international user community.

Over the past five years SWIFT relied on its cooperative strengths and core focus to capture new opportunities. I am confident that this approach will continue to serve SWIFT well as we embark on the *SWIFT2020* process.

SWIFT2020 will allow our cooperative to drive value for its shareholders in the areas that SWIFT knows best. As such, the strategic focus in the next five years will lie on our core messaging service, financial crime compliance and market infrastructures, turning SWIFT into a one-stop shop for the financial industry's messaging and back office processing needs.

At the same time, SWIFT will remain the industry's forum to address common issues. We understand that our community faces a number of challenges, including regulation and compliance; innovation and disruption; and the security of our systems. Rest assured that cyber security is a Board-level priority at SWIFT and we work continuously to ensure the security of our infrastructure.

SWIFT takes the community's concerns and challenges very seriously and will continue to work towards finding common solutions. I believe that with the help of our community we will make the next strategic cycle at least as successful as the last one.

It won't be easy. As SWIFT is well aware, the sophistication of organised criminals is growing dramatically; incidents of cyber violations are getting more and more prevalent. SWIFT's Board and Management continue to be ever vigilant. SWIFT continues to invest in core capabilities, with a focus on control and compliance, and works with its users to help them deal with this challenge.

The SWIFT Board and Management also constantly review the portfolio of activities at SWIFT, making sure that there is a proper balance of priorities; that the focus on protecting the core remains strong, even as SWIFT continues to help its users and responds to commercial initiatives.

I am confident that we have the team, the strategy and the community with us to deliver on this. True to our cooperative spirit, SWIFT's success is a team effort. I therefore want to extend my thanks to our overseers and community of users for their support; the SWIFT Board for their diligence; the SWIFT CEO for his leadership and Management for their commitment, as well as SWIFT staff for their hard work and dedication.

Yawar Shah
Chairman
May 2016

CEO's letter

Gottfried Leibbrandt
CEO

2015 was a strong year for SWIFT. We delivered more than 6.1 billion FIN messages, marking an 8.8% increase over 2014; we achieved 99.999% availability for both our SWIFTNet and FIN services; and successfully concluded the SWIFT2015 strategy. Together with our continued price reductions, and new products and services, we ensured that SWIFT is more effective and relevant than ever before, even in an increasingly difficult operating environment.

Our growth and operating performance was achieved in the face of a volatile global economy. While markets were struggling with uncertainty, our users were able to rely on SWIFT to perform. At the same time SWIFT continued to evolve.

We took further steps towards completing Australia's real-time payments system, and continued to expand our financial crime compliance portfolio. Most notably, the award winning KYC Registry kept expanding to exceed 2,000 member institutions.

Following consultation with our community, we launched SWIFT2020, our new five year strategy. With a focus on our core messaging service, financial crime compliance and market infrastructures, we are building on the successful conclusion of our 2015 strategy and selected priorities most relevant to our customers. We are excited about future-proofing our cooperative and implementing our strategic plans over the next five years.

Our 2015 achievements are significant, since SWIFT and its community continue to face tough challenges, such as the continued rise of cyber risks and the rapid emergence of new technologies and new players. We take our security very seriously and continue to strengthen our capabilities; this means continuous investments in our infrastructure, setting up effective security structures and controls, supporting our community to strengthen their own infrastructure, and never ceasing to evolve. Our Cyber Security Roadmap defines our security focus areas for a rolling three-year period, and our rigorous business continuity processes prioritise SWIFT's resiliency and recovery. We have always maintained that 'Failure is not an option' (FNAO) for SWIFT. More than ever, this holds true today.

Our users trust SWIFT, and we do not take their trust for granted. We work hard to ensure our network remains the secure communication channel for the financial industry.

The emergence of new technologies poses challenges to all sectors, and the financial industry is not immune. New technologies entail new complexities and change consumer expectations, which challenge existing business models. Those that fail to innovate risk being left behind.

SWIFT embraces the opportunities derived from innovation. Ever since inception SWIFT has disrupted incumbent technologies and driven innovation in the sector. As the global automated financial communications backbone, SWIFT "did" FinTech long before the term became fashionable.

At SWIFT we understand that innovation is only successful if it addresses demand, which is why we work in close consultation with our user community in developing new solutions in areas with the greatest benefit for our users. For instance, together with our community, we recently announced the launch of the global payments innovation initiative (GPII), which aims to dramatically improve the customer experience in correspondent banking by increasing speed, transparency and predictability of cross-border payments.

I am convinced that by listening and working together with our community, SWIFT will continue to lead. Working together will allow us to keep innovating in areas that are most relevant, and address real community demand.

SWIFT's 2015 management reorganisation has been a success and is already showing results. Since Marcel Bronmans and Craig Young took up their new roles as Chief Operations Officer and Chief Technology Officer respectively, SWIFT has further strengthened its security posture and its approach to innovation.

Also in 2015, Javier Pérez-Tasso took over his new role as Chief Executive for Americas, UK, Ireland and the Nordics, and Christian Sarafidis became Chief Marketing Officer. I am confident that with our new commercial team, we are well placed to keep growing our community of users and successfully bring new services to market. Last but not least, Dina Quraishi joined us as Chief Risk Officer to help further build and strengthen our second line of defence.

SWIFT's success and resilience is founded on our dedication to operational excellence. In 2015 I witnessed this dedication among our staff around the world, and therefore want to thank all our employees for their tireless efforts. I also want to thank our community of users for their trust and engagement and our Board for their guidance. Together we are the SWIFT community.

Gottfried Leibbrandt
Chief Executive Officer
May 2016

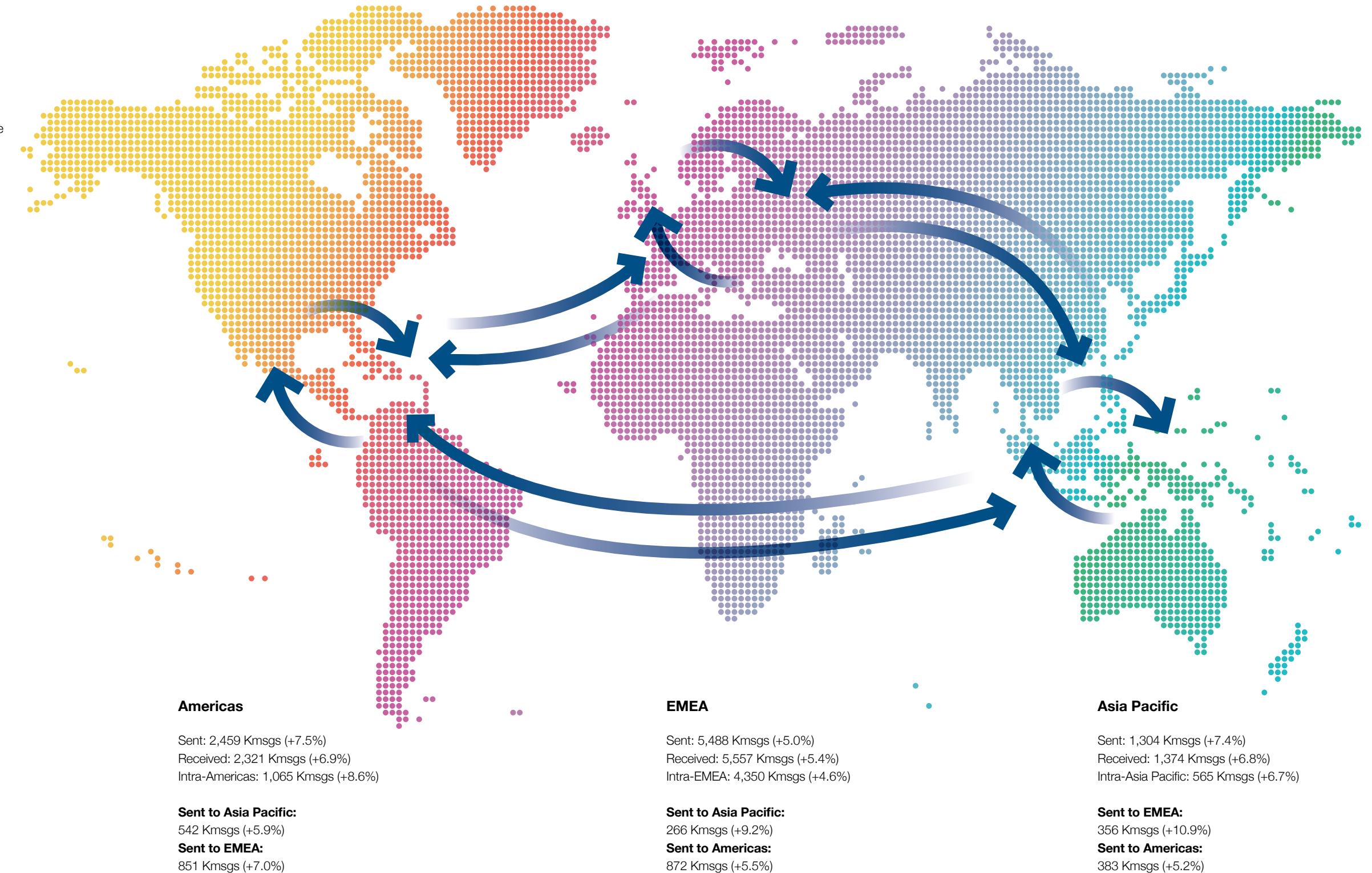
Payments regional traffic flows

This graphic compares year-on-year growth rates for regional payment flows in 2015. SWIFT observed traffic growth in all regions and for all routes between regions. At 10.9 percent, Asia to EMEA flows experienced the strongest growth in 2015.

All regions showed solid payment traffic growth rates, ranging from 5 to 7.5 percent. More than 5 million payment messages were sent within and from EMEA each day.

Intra-regional payment traffic also showed strong growth, with Intra-Americas payment traffic recording the highest growth at 8.6 percent.

2015 average daily FIN messaging volume (in Kmsgs) – growth versus 2014



Operational performance

SWIFT is committed to delivering operational excellence, and to the secure and reliable operation of our services at all times. This commitment sets us apart, and is the foundation of our critical role in the global financial system.

In 2015 we exceeded all our operational targets, from service availability to software quality. Whilst performing major infrastructure upgrades, we also implemented new and innovative customer projects, and FIN messaging traffic continued to increase, rising to more than 6.1 billion messages. During the year, SWIFT achieved 99.999% availability for both our FIN and SWIFTNet services, and all of our services exceeded their availability targets.

In February 2015 SWIFT regrouped its ITOPS functions into two new departments: IT and Operations. Marcel Bronmans and Craig Young took up their new positions as Chief Operations Officer and Chief Technology Officer respectively. Our new, more specialised and focused structure allows us to better navigate the increasingly complex operating environment, and maximises effectiveness and efficiency with the aim of upholding SWIFT's track record of operational excellence.

Security is our hallmark

Our strong credentials and our record availability figure help us earn and retain your trust – but neither gives us room for complacency. We understand that the sophistication and complexity of cyber risks continues to increase. In light of the new threats, industry practices and technologies, we continuously re-evaluate our Cyber Roadmap.

Our Cyber Roadmap includes four investment categories that cover our infrastructure, our people and their skills: (1) understanding SWIFT's exposure, (2) preventing cyber-attacks, (3) quickly detecting attacks, and (4) preparing to respond and recover from potential incidents.

SWIFT's security investments reflect the growing technological complexity and cyber risks in our industry. In 2015 we continued to raise the bar and made significant investments in both our physical and logical security.

In June, SWIFT created two new security groups: Security Operations (part of the Operations division) and Global Security (part of the IT division). The two groups work together closely as a virtual Security-at-SWIFT team.

The role of the Global Security team is to ensure that we keep abreast of the evolving threat landscape, that all parties are aware of the risks and threats we face, and that security is integral to all SWIFT products and services, from conception to operation. Among other activities, the team carries out ethical hacking exercises, such as penetration testing and red teaming, to simulate malicious cyber-attacks.

The role of Security Operations is to provide a best-in-class 24/7 Security Operations Centre with a mission to actively monitor, detect and react to any logical or physical threats or attacks.

Operational excellence and resilience

Our 99.999% availability performance comes against the backdrop of continuously increasing messaging volumes. On 30 April 2015 we marked a new record when more than 27 million FIN messages passed through the SWIFT system in a single day.

SWIFT's resilience and reliability are no coincidence. They are the result of a rigorous operational policy framework, continuous investments and an entrenched FNAO (Failure is not an option) mind-set. In 2015 we carried out 490 business continuity exercises to test and improve our preparedness for a multitude of eventualities.

In the rare event that a service is affected by an incident, we prioritise the recovery of our system to ensure we minimise the impact on our community. Through a centrally managed crisis response group, we ensure swift recovery and communication with our users. Following an incident, we carry out thorough reviews, involving staff at all levels, so that we can identify and implement necessary improvement actions.

Investing in the core

In 2015 we reached an important milestone in our FIN Renewal programme, when the new FIN Slice Processor started processing live FIN messages for Transatlantic zone in September. By November, all Transatlantic zone BICs were successfully migrated to the new processor, and by mid-2016 the migration of all European zone BICs should be completed. Thus far, the BIC migration has been carried out without any operational impact on our users.

The FIN Renewal programme, which commenced in 2011, modernises SWIFT's core messaging platform. It addresses technology obsolescence risks, makes the platform more cost effective and further strengthens the resilience and scalability

of our messaging infrastructure. FIN Renewal will also enable SWIFT to support strategically important and innovative service enhancements in the future.

Customer value through innovative solutions

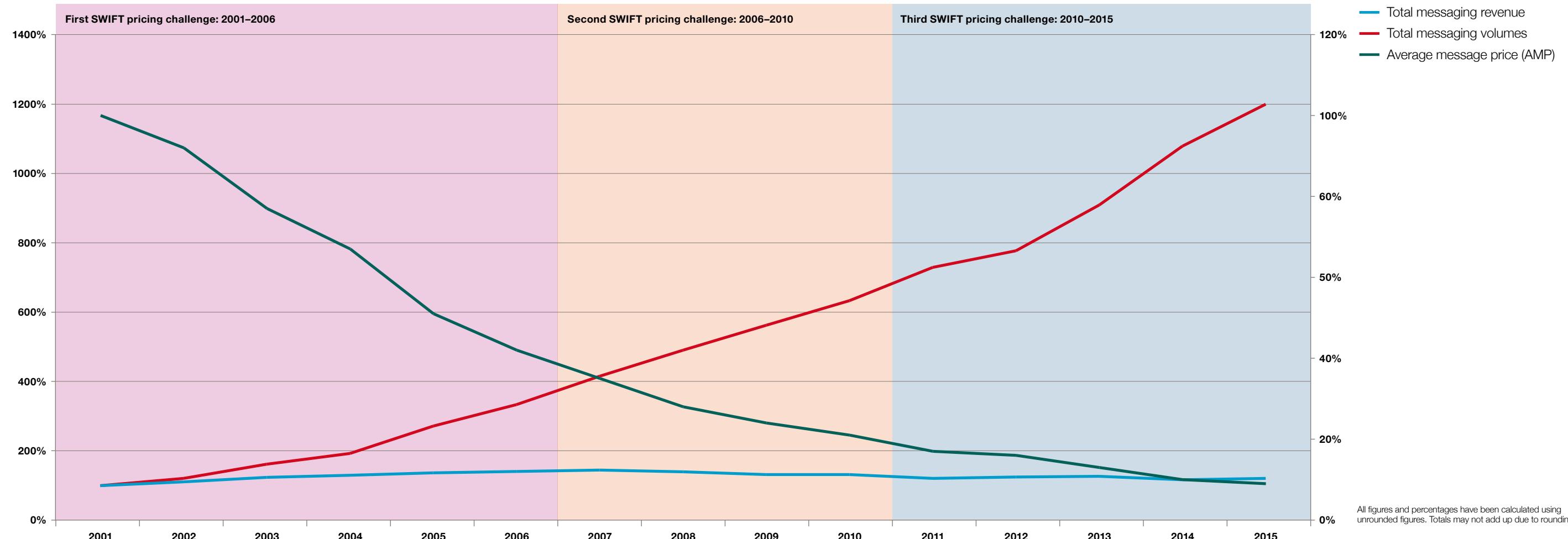
SWIFT continuously innovates to improve the products and services we offer our user community. As such, we take centre stage in the FinTech revolution. In 2015 we delivered innovative new services and solutions that address our users' challenges and future proof the industry's operations. These include:

- The system design for the Australian New Payments Platform (AU NPP).
- The go-live of SWIFT's Value Added Network (VAN) Solution for T2S in June, supporting the launch of the new pan-European securities settlement platform.
- Multiple new solutions and enhancements to existing services in Financial Crime Compliance, including hosting Sanctions Testing on the new secure and reliable SWIFT.com infrastructure and a new release of Compliance Analytics, which provides an enriched set of information through a Business Intelligence front-end.
- The evolution of our Alliance portfolio, including the deployment of a new version of Alliance Lite2; and a new release of the Alliance Messaging Hub (AMH), our high-end interface solution.
- The launch of our new homepage SWIFT.com, together with a new release of the Identity and Access Management platform.

Messaging traffic and pricing

SWIFT messaging volumes have increased significantly over the last 15 years, and SWIFT has been able to reduce its average messaging price to return the benefits of economies of scale to our community of users. Over the same period, SWIFT's total messaging revenue remained stable.

Evolution of messaging volume, messaging revenue and average message prices



Total SWIFT messaging volumes have multiplied twelve-fold over the last 15 years. Our strong messaging traffic growth demonstrates SWIFT's central role in the global financial system. Continuous investments in our infrastructure allowed us to scale our messaging capacity to support our growing user community with its increasing financial messaging needs. SWIFT is more relevant than ever before.

Over each of our last three strategic cycles, SWIFT has reduced its average messaging price (AMP) by more than 50 percent. In total, SWIFT has reduced the AMP by more than 90 percent since 2001.

At the same time SWIFT's total messaging revenue has remained stable. Stability in messaging revenues shows how SWIFT keeps returning the increasing benefits

of scale to its growing community, by continuously reducing the total cost of ownership. Today SWIFT provides a better service, and is more efficient and effective.

Over the last 15 years:

Total messaging traffic volume over SWIFT grew more than twelve-fold
SWIFT reduced its average message price by more than 90 percent
SWIFT's total messaging revenue remained stable.

SWIFT worldwide

At SWIFT we believe we can achieve more together, and we value the close cooperation with our community of users around the world. Together, we identify challenges to our industry, come up with solutions, and shape the future of the SWIFT cooperative.



Throughout the year, we bring together the financial community for a series of business, regional and standards forums, as well as Sibos, to engage with our users from around the world. SWIFT's events are the cornerstone of our community interaction. Additionally, we continuously extend our global presence by opening up new offices to be closer to our community.

EMEA

In 2015 SWIFT brought together more than 3,500 delegates at Regional Conferences, Business Forums and Operational Forums across the EMEA region. Two thousand more joined us for targeted workshops and briefings on specific markets, customer segments and business activities. Five hundred delegates from 45 countries came to Cape Town for the African Regional Conference (ARC), where we looked at how regional payment systems such as SIRESS drive economic growth. ARC2015 also hosted the inaugural Innotribe Startup Challenge for Africa. Business Forums in Moscow, Madrid, Frankfurt, Zurich, Kenya, Romania, Austria and London, SWIFT's largest regional event worldwide, looked at the common challenges across the entire region. We engaged with our community on topics that matter to them, such as regulatory compliance, ISO 20022, regional harmonisation and integration projects, the move towards real-time payments and disruptive innovation.

Americas

SWIFT started 2015 in the Americas with a number of successful events in New York, including the Premium Services Forum, the MyStandards User Group Meeting and the SWIFT Business Forum, which featured a panel discussion with Richard Dzina (the Federal Reserve Bank of New York) and Russ Waterhouse (The Clearing House) on the changing payments landscape, ISO 20022 and real-time payments in the United States. A record number of 269

delegates gathered for the Business Forum in Toronto, with an agenda focused on ISO 20022 and the Canadian Payment Association's roadmap towards its adoption. Later in the year, SWIFT opened a new office in Miami to better meet the growing needs of our Latin American community; and more than 130 executives from financial services and corporates gathered at the inaugural Brazil Business Forum in São Paulo. SWIFT also hosted the fourth annual Latin American Regional Conference (LARC) in Bogotá, Colombia, an event which drew in 250 members of the Latin American financial and corporate community, to discuss the current macroeconomic, financial and political context.

APAC

In Asia Pacific, SWIFT kicked off 2015 with three successful events in the ASEAN region, including the Indonesia Business Forum, the Thailand Business Forum and the Vietnam Business Forum, where delegates debated technology trends, market infrastructure (MI) developments and regulatory compliance. At the Business Forum in Beijing, the discussion focused on ISO 20022 and how China is progressing with its ISO 20022 roadmap and liberalisation of its financial markets. All of these programmes were organised with the support of our user communities in the region. SWIFT also continued to support strategic initiatives in the region, such as RMB internationalisation, SWIFT domestic messaging for India, real-time payments, standards for financial MIs and global interoperability.

Sibos

Sibos 2015 was held in Singapore where 8,213 delegates from 142 countries gathered, and 187 exhibitors covered

more than 10,700m² of floor space. Cyber security, compliance, payments modernisation and collaborative innovation were among the big topics on the conference programme, which also featured a range of industry-specific forums and more than 200 sessions with more than 400 speakers. Keynote speakers, including Piyush Gupta, CEO of DBS, spoke to the SWIFT community about the age of digital disruption and the significance of Asia in the global economy.

Innotribe

More than 370 companies applied to the 2015 Innotribe Startup Challenge. Sixty startups presented their products at regional showcases in London, Singapore, New York and Cape Town where, for the first time, Innotribe partnered with SWIFT's African Regional Conference (ARC). More than 3,000 delegates attended Innotribe sessions at Sibos in Singapore to discuss technology platforms, societal challenges, FinTech hubs and artificial intelligence. Innotribe also connected FinTech innovators with academics and industry professionals, contributed towards four research papers covering companies' innovation capabilities, power women in FinTech, millennials and the future of finance, and China's FinTech potential.

SWIFT Institute

In 2015 the SWIFT Institute published seven research papers covering issues such as bitcoin, real-time payments, ASEAN securities, securitisation in China, mutual fund outsourcing and compliance issues related to third-party payment providers. The SWIFT Institute also hosted several conferences around the world, and invited some of the world's leading academics to

give lectures at Sibos. Since April 2012, the SWIFT Institute has awarded 30 grants and published 17 papers.

SWIFTLab

Following its launch in 2014, the SWIFTLab at SWIFT's headquarters has rapidly established itself as a popular venue for our community and staff to experience SWIFT's products and services first hand. Visitors to the Lab get to experience an entire transaction lifecycle – from payment entry to final settlement – and see how our products fit together. SWIFT welcomed more than 2,000 visitors to the SWIFTLab in 2015, when we also opened new Lab facilities in New York and Hong Kong to better serve the community at those locations.

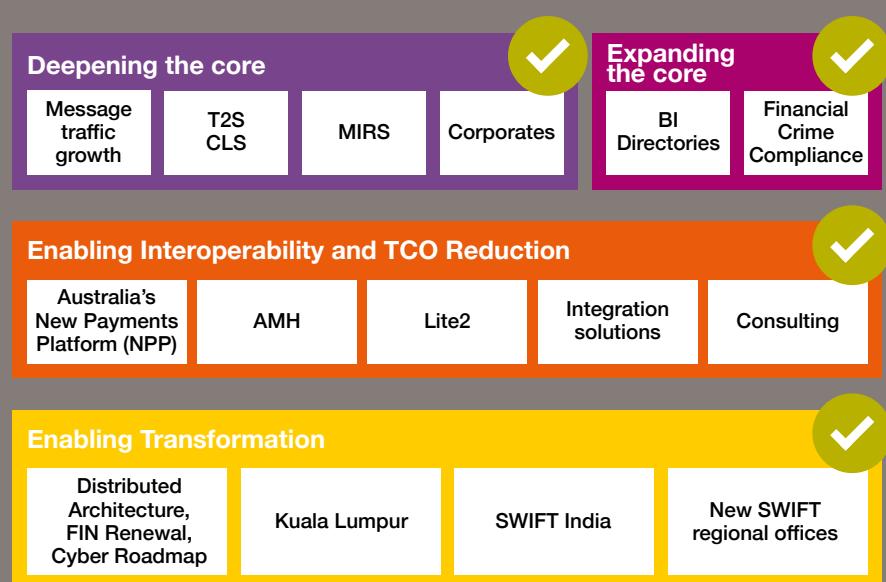
Standards and ISO 20022

In 2015 SWIFT hosted Standards Forums and ISO 20022 events in Frankfurt, Jakarta, London, New York, Paris, Seoul, Singapore, Tokyo and Vienna. The events were attended by more than 2,000 guests (including Sibos), with contributions from 160 industry speakers. By the end of 2015 more than 200 domestic and regional initiatives had either adopted, or were planning to adopt, ISO 20022.

In 2015 SWIFT launched an initiative in collaboration with MIs to promote the harmonised and consistent use of ISO 20022 across the world. The initiative aims to ensure a cost-effective and seamless move to ISO 20022 through the ISO 20022 Harmonisation Charter. By the end of 2015 12 major MIs had signed the Charter.

SWIFT2015

By successfully delivering against our 2015 strategy commitments, SWIFT has ensured better, stronger and cost effective service for our community.



The SWIFT2015 strategy focused on further strengthening our core messaging and related products and services, while selectively expanding our offering to address our user community's evolving needs. In delivering against SWIFT2015 over the past five years, we have provided for greater interoperability between networks, platforms and market infrastructures; contributed to lower total cost of ownership (TCO) for our users; and enabled business transformation, thereby better serving our global community.

Core Messaging and Pricing

During SWIFT2015 we continued our proven track record of investing in our core infrastructure as part of our commitment to delivering world-class levels of security, reliability and availability. We accomplished this while introducing new pricing models that further reduced the cost of SWIFT messaging.

At the outset of SWIFT2015, we committed to reducing messaging prices by 30–50 percent over a five-year period. The actual results were even better. SWIFT cut average FIN messaging prices by more than 50 percent from 2010–2015. Taken as a whole, prices for all SWIFT messaging services fell 57 percent during the same period.

Deepening and expanding the core

During the 2010–15 period, we also:

- Continued our strong message traffic growth. FIN traffic grew by 51 percent, FileAct by 267 percent and InterAct by 69 percent.
- Made major, long-term investments in our core platform and systems. We renewed our FIN messaging infrastructure and moved it to a more powerful and cost-effective platform; implemented a new Distributed Architecture, including a new operating centre in Switzerland; and performed strategic system and security upgrades to address evolving technology and cyber challenges. SWIFT put in place a Cyber Roadmap to further safeguard and protect our platforms, services and customers.
- Greatly expanded our strategic engagement with Market Infrastructures (MIs) and our service offering for MIs and their communities. In addition to providing consulting services and integration solutions, SWIFT contributed standards expertise to a number of major ISO 20022 initiatives, including TARGET2-Securities, CLS and DTCC Corporate Actions, and our ongoing engagement is helping to drive harmonisation across ISO 20022 projects and ensure the standard is deployed consistently.
- Delivered the SWIFT Value-Added Network (VAN) solution which ensures secure access to the T2S platform for our users and supported the CLS strategic migration and move to ISO 20022 with the secure, robust SWIFTNet connection that is already used by half of CLS member banks. We also developed the Market Infrastructure Resiliency Service (MIRS), a shared RTGS system back-up service, which is now live with the Bank of England and Norges Bank.
- Broadened our offering for corporates to include standards (MyStandards), security and authentication (3SKey), as well as compliance, connectivity and trade and supply chain services.
- Strengthening our presence in Asia, by opening a new Corporate Services Hub in Kuala Lumpur, and entering into our first ever joint venture with the development of SWIFT India.
- Supporting our expanding role in Africa and the growth and development of our Latin American activity, we have opened new regional offices in Ghana and Kenya, Mexico City and Miami.
- Diversifying connectivity options by providing Alliance Lite2 for lower-volume customers and the Alliance Messaging Hub (AMH) for more specialised and high-volume clients. SWIFT also now offers integration solutions to provide for interoperability, and enables strategic partners to bundle Lite2 connectivity into their business applications. Our software and connectivity portfolio provides access (and back-up access) to SWIFT messaging and other SWIFT services, and enables users to connect securely to other networks and market infrastructures.
- Engagement 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. SWIFT's central role demonstrates our ability to deliver innovative technology solutions that can be reused in future projects as part of our 'go local' strategy.
- Launching MyStandards and its Readiness Portal as an online platform for managing financial messaging standards, thereby increasing efficiency and reducing cost related to standards migration and customer on-boarding. With over 16,000 users, MyStandards has become the focal point for standardisation and efficient integration in the industry.

Enabling Interoperability, TCO reduction and business transformation

SWIFT has embraced the challenge of serving an industry that is evolving as a result of technological change, increased regulation, growing cost pressures, and shifting economic centres and trade corridors. Key achievements since 2010 in this area include:

Corporate social responsibility

We deliver on our commitment to reduce the environmental impact of our cooperative, support the communities we serve, facilitate CSR dialogue in our communities, and reinforce business sustainability in emerging countries.

23%
of SWIFT staff engaged in CSR activities

75,000 km

commuted by bicycle as part of the Bike to Work programme in Belgium

141,000 €

donated to match employees' fundraising contributions, on-site campaigns and individual initiatives

SWIFT's CSR programme covers three categories: (1) operating responsibly and sustainably; (2) caring for our communities; and (3) facilitating dialogue and reinforcing business sustainability. In 2015 SWIFT made strong progress in all three areas. Our CSR efforts are aligned with the United Nations Global Compact (UNGCG), which we subscribed to in 2012 and have supported ever since.

Operating responsibly and sustainably
In 2015 SWIFT implemented a string of new measures aimed at reducing our cooperative's carbon emissions and greening SWIFT. We improved the energy efficiency of our buildings and data centres, and limited staff travel and commuting-related emissions. We also continued reducing CO₂ emissions from our data centres. SWIFT uses renewable energy wherever feasible and we compensate carbon emissions when they are unavoidable. We carried out waste sorting and waste reduction campaigns, and promoted environmentally friendly behaviour among staff and contractors by implementing a sustainability policy with suppliers and CSR partners.

Finally, SWIFT introduced a new environmental policy that confirms our ambitious new goal to become carbon neutral by 2020.

A new way of working
In 2015 we expanded our hot-desking programme to more SWIFT offices, which allowed us to further rationalise office space and control electricity consumption while staff numbers continue to grow.

Offsetting travel emissions
SWIFT compensated the travel emissions caused by our employees and invitees to our events by buying green certificates. SWIFT's 2015 Sibos stand was made from repurposed furniture, electric fittings, wiring

and audio-visual equipment, and used environmentally friendly materials. We also encouraged Sibos exhibitors to take actions to reduce their environmental impact as well.

Mobility

In 2015 SWIFT received 21 electric cars for its company car fleet, and an increasing number of employees have been opting for plug-in hybrid vehicles. As a result, SWIFT's average CO₂ company car emissions fell by 16% between 2011 and 2015. At our headquarters in Belgium, SWIFT bought 30 new e-bikes to encourage low carbon, local mobility. For the second year in a row SWIFT was awarded the 5-star label from Tous Vélos-actifs, in recognition of our proactive and innovative policy to promote commuting by bicycle.

Protecting biodiversity

SWIFT financed the planting of 27,000 trees in Brazil, India and Tanzania in 2015, and at SWIFT's headquarters, three beehives produced 100kg of honey. The proceeds of the sale of honey were donated to local associations dedicated to the protection of bees. SWIFT's flower meadow and orchard conservation project remain an integral part of our biodiversity programme. Throughout the year SWIFT carried out awareness sessions and campaigns to encourage environmentally friendly behaviour among staff.

Selecting our suppliers

SWIFT has introduced a CSR Ethical and Environmental Obligations Chart, which requires all 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. SWIFT has included the chart in all its new contracts since 2014.

Caring for our communities

SWIFT staff around the world are actively engaged in causes to support their local communities. In 2015 over 23 percent of SWIFT staff got involved in CSR activities independently, or through our Team with Spirit events, through which we combine team building efforts with charitable activities.

Children in need and education

In 2015 SWIFT continued its partnership with Teach for Belgium, an association that addresses educational inequality in Belgium by training teachers to better support their students; and supported Teach for All projects in Bangladesh, Colombia and Ghana. We also extended our partnership with branches of SOS Children's Villages in Bangladesh, Brazil, Colombia, Mexico and the Philippines, and we established partnerships with Greenlight for Girls in India and NairoBits Trust in Kenya. Additionally, we supported children in need by helping charities in the locations in which we held business-related events. For each Regional Conference and Business Forum, SWIFT sponsored a cause in the area in which the event was organised.

Humanitarian support

To the best of our abilities, we seek to respond to needs arising from humanitarian emergencies through corporate donations, voluntary work and donation-matching

campaigns. In 2015 we contributed donations to support mobile hospitals of Doctors without Borders and victims of the earthquake in Nepal and Tropical Cyclone Pam.

Facilitating dialogue and reinforcing business sustainability

In 2015 SWIFT decided to allocate EUR 130,000 of its CSR budget to financial inclusion initiatives, such as the Mann Deshi Foundation in India, the SEED Center Philippines, the Phakamani Foundation in South Africa, and Fundación Capital in Brazil and Mexico. An initiative that is directly linked to our core business expertise, we hope SWIFT's contribution will do much to help reduce poverty and boost prosperity.

Diversity and inclusion are equally important to SWIFT. In 2015 SWIFT organised awareness sessions on diversity and inclusion at a number of offices all around the world, in order to encourage and further improve gender diversity. The sessions focused on SWIFT's Diversity and Inclusion Strategy, our achievements, and key insights on the topic from Sibos in Singapore.

We also launched a series of workshops focusing on unconscious biases for all people managers at SWIFT. It is our objective to cover all current people managers worldwide by the end of 2016.

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

Messaging facts and figures

FIN

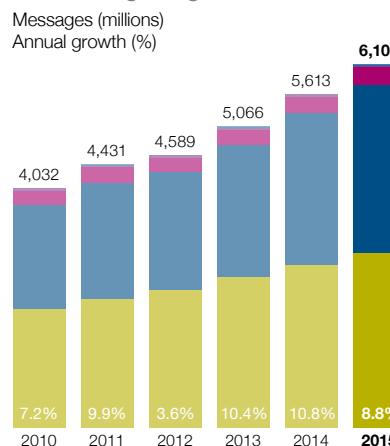
Financial institutions use FIN for individual, richly featured messaging. Features include validation to ensure messages conform to SWIFT message standards, delivery monitoring and prioritisation, message storage and retrieval.

In 2015 more than 6.1 billion FIN messages, or an average of 24.22 million messages per day, were sent over SWIFT, representing an 8.8 percent increase over 2014.

SWIFT exceeded the high end of the FIN traffic growth target set for the 2010–2015 strategy period, passing the 6 billion messages mark and growing FIN traffic by more than 50 percent over the 5-year period.

SWIFT registered two FIN peak days in 2015: on 31 March (26.84 million messages) and 30 April (27.55 million messages). In total, we recorded three payment peak days and seven securities peak days in 2015, including two days on which we experienced peaks in both payment and securities traffic for the first time since 2005.

FIN messages – growth

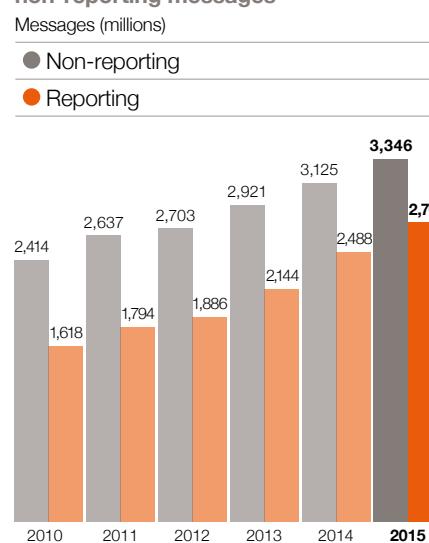


FIN share by market

	2015 volume (millions)
Payments ¹	2,930
Securities	2,829
Treasury	293
Trade	39
System	15

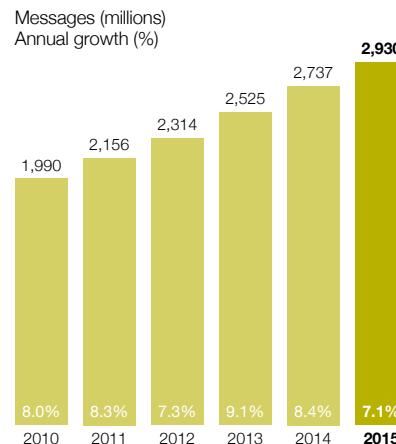
¹ including FIN Copy messages

Reporting messages versus non-reporting messages



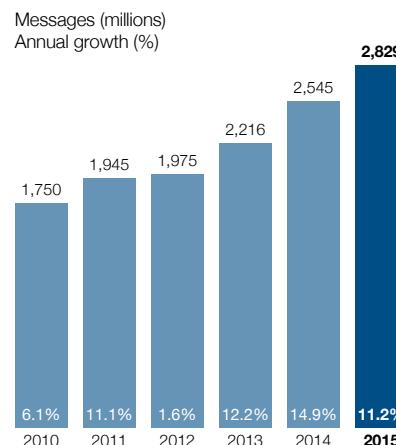
Payment messages

Payments messaging traffic has grown steadily since 2010, resulting in an 8 percent compound annual growth rate over the past five years. As usual, in 2015 the highest volumes were recorded in December when, for the first time, payment messaging volumes reached an average of over 12.5 million per day. In 2015 payments represented 48 percent of all FIN traffic.



Securities messages

For the third year in a row, securities messaging was the fastest growing segment, with an increase of 11.2 percent. Over the past five years securities traffic has grown by more than 10 percent per year on average, and now represents 46 percent of total FIN traffic.



FileAct

FileAct is an advanced, secured 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 the corresponding reporting.

FileAct traffic increased by 4.1 percent in 2015, thanks to strong performance in the last quarter of the year. Two major events affected FileAct growth in 2015: firstly the go-live of TARGET2-Securities, which represented 6 percent of total FileAct traffic in December and, secondly, the traffic ramp-up related to SEPA Card Clearing. The Corporates segment showed continuous growth and became the second biggest segment for FileAct traffic after EBA STEP2. Over the 2010–2015 period, FileAct traffic has grown 30 percent per year on average.

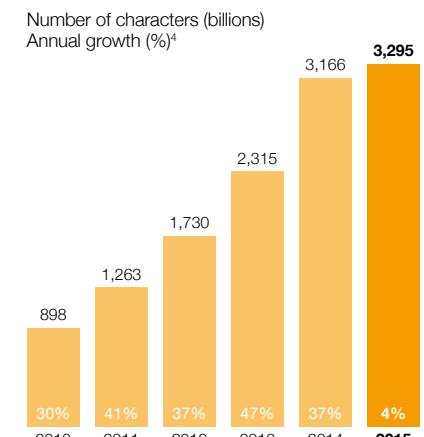
FileAct volume in billions of characters	3,295
InterAct messages ²	704 million
FileAct volume in million of files	106
Live and pilot users ³	2,182
Live and pilot users	2,612
Services using InterAct ²	67
Services using FileAct	174

InterAct

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

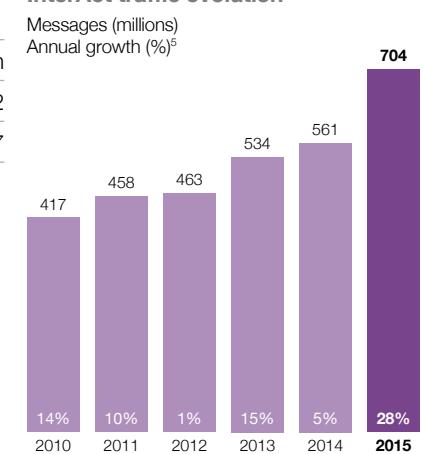
In 2015 704 million InterAct messages were sent over SWIFT, representing an average of 2.8 million messages per day. InterAct traffic grew by 28 percent during the year, and by 69 percent over the 5-year cycle. The go-live of TARGET2-Securities in 2015 boosted InterAct traffic, with related messaging comprising more than 20 percent of all InterAct traffic in December. Funds and corporate actions-related traffic recorded the highest growth over the year, at 35 percent and 84 percent respectively.

FileAct traffic evolution



⁴ The 2013 growth rate is based on adjusted 2012 volumes, which take into account the increased file compression rate. The compression rate changed due to customer migration to a new version of SWIFTNet Link (SNL) that applies compression automatically.

InterAct traffic evolution



⁵ Growth rate 2015 is based on adjusted 2014 volumes, neutralising the impact of the CLS platform migration.

Executive Team and Board

Our executive team

Gottfried Leibbrandt

Chief Executive Officer

Gottfried Leibbrandt was appointed Chief Executive Officer 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 in 2007 he was promoted to Head of Marketing and SWIFT's Executive Committee. In his Marketing role, Gottfried was the key architect behind the company's successful *SWIFT2015* strategy. Prior to joining SWIFT, Gottfried worked at McKinsey & Company for 18 years as a partner in the Amsterdam office and a co-leader of the European payments practice.

Marcel Bronmans

Chief Operations Officer

Marcel Bronmans was appointed Chief Operations Officer in February 2015. He joined SWIFT in 1987, and has held a variety of management positions in the IT and Operations area at SWIFT, including that of Director of Technology Operations. Most recently, Marcel held positions as Chief Risk Officer and Head of Human Resources.

Javier Pérez-Tasso

Chief Executive Americas, UK, Ireland and Nordics

Javier Pérez-Tasso is Chief Executive Americas, UK, Ireland and Nordics at SWIFT. Appointed in September 2015, he is responsible for key client relationships and business development across the region. Previously, Pérez-Tasso served as Chief Marketing Officer, whilst earlier in his career, Javier held several senior leadership positions in SWIFT's sales and marketing divisions.

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, having joined SWIFT in 1990. Prior to joining SWIFT he worked at Citibank, Belgium, and Fortis Bank, Singapore.

Christian Sarafidis

Chief Marketing Officer

Christian Sarafidis was appointed Chief Marketing Officer in September 2015. He was previously Head of Western Europe, Middle East and Africa and Deputy Chief Executive, EMEA. Prior to joining SWIFT, Christian held senior executive positions for several multinational finance and technology groups.

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 Chemicals.

Craig Young

Chief Technology Officer

Craig Young took up his position as Chief Technology Officer in February 2015. He joined SWIFT from Verizon Communications, where he had worked for twenty years, most recently as Senior Vice President and Chief Information Officer.

The General Counsel, the Chief Risk Officer and the Chief Auditor report directly to the CEO. The CEO represents the General Counsel, the Chief Risk Officer and the Chief Auditor on the Executive Committee.

Peter De Koninck, Chief Auditor

Blanche Petre¹, General Counsel and Board Secretary

Dina Quraishi², Chief Risk Officer

- In 2015 General Counsel and Board Secretary Blanche Petre announced her retirement. She was replaced in both her roles by Patrick Krekels at the beginning of 2016.
- Dina Quraishi joined SWIFT in 2015 as Chief Risk Officer to replace Marcel Bronmans, when he took up his new role as Chief Operating Officer.

Our Board of Directors

Yawar Shah

Chairman of the Board of Directors, SWIFT Managing Director and Head of Plan Implementation, Citigroup, United States 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 Human Resources Committee of the Board, SWIFT

Eddie Astanin

Chairman of the Executive Board of NSD, Russia SWIFT Director since 2015

Mark Buitenhok

Global Head of Transaction Services, ING, the Netherlands SWIFT Director since 2012 Chairman of the Banking & Payments Committee of the Board, SWIFT

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, Shared Services, Services, RBS, United Kingdom SWIFT Director since 2005 Chairman of the Technology & Production Committee of the Board, SWIFT

Göran Fors

Deputy Head of Investor Services, 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, United States SWIFT Director since 2006 Chairman of the Audit & 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 Development Officer, Euroclear, Belgium SWIFT Director since 2014

Søren Haugaard

Global Head of Trade and Supply Chain Finance, Danske Bank, Denmark SWIFT Director since 2015

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

Lisa Lansdowne-Higgins

Vice President, Card Operations & Supplier Management, Canadian Banking Operations, RBC, Canada SWIFT Director since 2013

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

Stephan Müller

Divisional Board Member and Group CIO, Commerzbank, Germany SWIFT Director since 2015

Bock Cheng Neo

Executive Vice President, Head of Global Transaction Banking, OCBC Bank, Singapore SWIFT Director since 2015

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

Patrick Tans

Senior General Manager, Banking Products and Member of the Management Committee of KBC Bank and Insurance Belgium, Belgium SWIFT Director since 2015

Marcus Treacher

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

Qingsong Zhang

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

During the course of 2015 the following Directors left the Board:

Udo Braun, Commerzbank, Germany
Marcel Jongmans, ABN AMRO, the Netherlands
Finn Otto Hansen, Norway
Bhavesh Zaveri, HDFC Bank, India

SWIFT governance

Ensuring global relevance; upholding strict neutrality; supporting international reach.

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

Board Director nominations

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

Each nation's usage of SWIFT's messaging services determines both SWIFT shareholding allocations and the number of Board Directors that each nation is entitled to.

SWIFT shareholdings are determined by a set formula, and the nomination process and the composition of the Board follow rules set out in SWIFT's by-laws. The more SWIFT users make use of SWIFT messaging services, the larger their shareholding in SWIFT becomes at the next share reallocation. This ensures that the composition of the Board reflects SWIFT's shareholders around the world. Depending on a nation's shareholder ranking, it may propose one or two Directors to the Board or join other nations to collectively propose a Director:

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 10.

c. The shareholders of those nations which do not qualify under a) or b) above 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 3.

The total number of Directors cannot exceed 25.

Director elections

Once the proposed Director nominees have been vetted, they are elected as Board Directors by SWIFT shareholders at the Annual General Meeting for a renewable three-year term. Every year, the Board elects a Chairman and a Deputy Chairman from among its members. It meets at least four times a year.

Director remuneration

Members of the Board do not receive any remuneration from the Company. They are reimbursed for the 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 the time dedicated to SWIFT.

Board committees

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

- The Audit & 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 Enterprise Risk Management (ERM) (in cooperation with the Franchise Risk Committee (FRC))
- Audit oversight

The AFC meets at least four times per year with the CEO, CFO, CRO, General Counsel and the 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 whenever the Committee deems appropriate.

• The Human Resources Committee oversees executive compensation. It assesses Company performance and decides on the remuneration packages for members of the Executive Committee and other key executives. It monitors employee compensation and benefits programmes, including the provisioning and funding of the 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 on 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.

- The Banking & Payments Committee and the Securities Committee focus on segment-specific developments.
- The Technology & Production Committee covers developments in those areas.

Audit process

SWIFT's Chief Auditor has a dual reporting line: a direct functional reporting line to the Chair of the AFC and also a direct administrative reporting line to the CEO. Given the sensitivity to external auditors performing consultancy work for management, the AFC annually reviews spending and trends related to external audit firms. 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 2015 and runs to June 2018. Their financial Audit Report can be found in the 2015 Consolidated Financial Statements.
- PwC, London has held the Security Audit mandate since September 2003. In 2015 their mandate for third-party assurance reporting (ISAE 3402) was renewed for one year, to end in 2016.

PwC's opinion on SWIFT's security for FIN and SWIFTNet is included in the 2015 ISAE 3402 report. 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.

The ISAE 3402 report is made available to shareholding institutions or registered SWIFT users on request by email to ISAE_3402@swift.com.

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 worldwide financial system, in its role as provider of messaging services. SWIFT is overseen by the central banks of the G-10 countries. Under an arrangement with the G-10 central banks, the National Bank of Belgium, the central bank of the country in which SWIFT's headquarters is located, acts as lead overseer. In 2012 this framework was reviewed and a SWIFT Oversight Forum was established, through which information sharing on SWIFT oversight activities was expanded 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 management, information security, reliability and resilience, technology planning, and communication with users.

User representation

SWIFT's 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.

The National Member Groups comprise all SWIFT shareholders from a nation, and propose candidates for election to the SWIFT Board of Directors. They act in a consultative capacity to the Board and 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 prime line of communication between the national user community and SWIFT.

SWIFT oversight

SWIFT's oversight objectives centre on: risk identification and management, information security, reliability and resilience, technology planning, and communication with users.

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 primarily focuses on ensuring that SWIFT has effective controls and processes to avoid posing a risk to the financial stability and the soundness of financial 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 dialogue, overseers formulate their recommendations to SWIFT.

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

Objectives, areas of interest and limitations

The oversight objectives centre on: risk identification and management, information security, reliability and resilience, technology planning, and communication with users. In their review, 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 potential risks to financial stability and to the soundness of financial infrastructures.

In 2007 the overseers developed specific oversight expectations applicable to SWIFT, known as the 'High Level Expectations for the Oversight of SWIFT' (HLEs). The High Level Expectations document the five categories of expectations that overseers have vis-à-vis the services SWIFT provides to the global financial infrastructure. The five Expectations relate to: risk identification and management; 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 G-10 central banks to share information on SWIFT oversight activities with a 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 central banks' entry point for the cooperative oversight of SWIFT. In this capacity, the NBB chairs the senior policy and technical groups that facilitate the 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. 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 is available on its website www.nbb.be.

Security audit and financial performance

2015 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 2015 to 31 December 2015, 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.

Key figures

(in millions)	For the year ended 31 December 2015				
	2015 EUR	2014 EUR	2013 EUR	2012 EUR	2011 EUR
Operating revenue before rebate	710	628	618	597	582
Rebate	(33)	(31)	(34)	-	(51)
Revenue after rebate	677	597	584	597	531
Operating expenses	(653)	(559)	(546)	(579)	(513)
Profit before taxation	35	38	35	21	16
Net profit	19	29	21	15	11
Net cash flow from operating activities	64	104	77	95	46
Capital expenditure of which:					
property, plant and equipment	48	38	46	70	64
intangibles	38	29	40	66	55
10	9	6	4	4	9
Shareholders' equity	388	326	325	247	291
Total assets	763	714	603	603	548
Number of employees at end of year	2,328	2,163	2,010	1,928	1,882

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 2015 to 31 December 2015.

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 2015 Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The full text is available to SWIFT users on SWIFT.com or on request from any of SWIFT's offices. The full version of the 2015 Consolidated Financial Statements will be filed with the National Bank of Belgium no later than 30 June 2016. This condensed version does not contain all of the appendices or the report of the auditors, who expressed an unqualified opinion.

Consolidated statement of profit and loss

(in thousands)	For the year ended 31 December 2015		
	Note	2015 EUR	2014 EUR
Revenue			
Traffic revenue	2	298,802	287,175
One-time revenue	3	15,731	8,850
Recurring revenue	4	155,738	136,909
Interface and consulting revenue	5	193,674	163,910
Other operating revenue	6	12,653	205
		676,598	597,049
Expenses			
Royalties and cost of inventory	13	(8,053)	(9,809)
Payroll and related charges	7	(333,140)	(301,658)
Network expenses	8	(12,951)	(11,761)
External services expenses	9	(226,763)	(189,852)
Depreciation of property, plant and equipment	14	(39,301)	(37,423)
Amortisation of intangible assets	15	(7,491)	(6,999)
Other expenses	10	(25,639)	(1,532)
		(653,338)	(559,034)
Profit from operating activities			
Financing costs	11	23,260	38,015
Other financial income and expenses	11	(1,358)	(1,270)
Profit before tax			
Income tax expense	12	12,707	1,304
		34,609	38,049
Net profit			
Attributable to :			
Equity holders of the parent		21,616	31,817
Non-controlling interests	16	(2,118)	(2,829)
		19,498	28,988

Consolidated statement of comprehensive income

(in thousands)	For the year ended 31 December 2015		
	Note	2015 EUR	2014 EUR
		Tax (expense) benefit	Tax (expense) benefit
Profit for the year (A)		34,609	(15,111)
		19,498	38,049
OCI items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(96)	-
Cash flow hedges:			
Current year gain/(loss) on financial instruments	32	(449)	152
Prior year (gain)/loss transferred to income statement	32	(3,611)	1,240
		(297)	(2,371)
		3,611	(1,240)
OCI items that will not be reclassified to profit or loss:			
Recognition of actuarial gains and losses	25	68,005	(22,225)
		45,780	(56,158)
Other comprehensive income (B)		63,849	(20,833)
		43,016	(49,771)
Total comprehensive income for the year (A) + (B)		98,458	(35,944)
		62,514	(11,722)
Attributable to:			
Equity holders of the parent		64,292	2,195
Non-controlling interests		(1,778)	(2,237)
		62,514	(42)



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

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 2015

(in thousands)	Note	2015 EUR	2014 EUR
Non-current assets			
Property, plant and equipment	14	189,212	189,662
Intangible assets	15	21,498	20,798
Other investments	17	-	-
Deferred income tax assets	18	80,893	89,285
Other long-term assets	22	5,552	7,933
Total non-current assets		297,155	307,678
Current assets			
Cash and cash equivalents	19	212,538	174,188
Other current financial assets	19	132,591	97,069
Trade receivables	20	49,608	65,470
Other receivables	21	19,198	21,438
Prepayments to suppliers and accrued income	22	44,616	31,054
Inventories	23	2,750	6,320
Prepaid taxes	24	4,263	2,472
Total current assets		465,564	398,011
Assets held for sale	14	-	8,251
Total assets		762,719	713,940
Shareholders' equity			
Equity attributable to equity holders of the parent		387,876	325,662
Non-controlling interests	16	3,382	5,160
Non-current liabilities			
Long-term employee benefits	25	153,806	197,874
Deferred income tax liabilities	18	7,740	6,709
Long-term provisions	27	22,461	7,607
Other long-term liabilities	28	834	531
Total non-current liabilities		184,841	212,721
Current liabilities			
Amounts payable to suppliers	32	61,065	42,037
Short-term employee benefits	26	61,902	63,145
Short-term provisions	27	8,937	13,377
Other liabilities	28	54,626	55,302
Accrued taxes	29	3,472	1,696
Total current liabilities		190,002	175,557
Total equity and liabilities		762,719	713,940

Consolidated statement of cash flows

For the year ended 31 December 2015

(in thousands)	Note	2015 EUR	2014 EUR
Cash flow from operating activities			
Profit before taxation		34,609	38,049
Depreciation of property, plant and equipment	14	39,301	37,423
Amortisation of intangible assets	15	7,491	6,999
Net (gain)/loss and write-off on sale of property, plant and equipment, and intangible assets	6	(10,320)	148
Other non-cash operating losses/(gains)			
Increase/(decrease) in provisions, pensions and government grants		(30,462)	35,092
(Increase)/decrease in net deferred taxes assets	18	9,423	(28,053)
Increase/(decrease) in current taxes		24,819	17,342
(Increase)/decrease in participations		-	1,260
Increase/(decrease) in other non-cash operating items		11,388	(6,142)
Changes in net working capital			
(Increase)/decrease in trade and other receivables and prepayments		6,920	(37,264)
(Increase)/decrease in inventories	23	3,570	(2,934)
Increase/(decrease) in trade and other payables		28,633	38,565
Investments in other financial assets	19	(35,522)	19,131
Net cash flow before interest and tax		89,850	119,615
Interest received		767	1,341
Interest paid	11	(1,358)	(1,270)
Tax paid		(24,834)	(15,297)
Net cash flow from operating activities		64,425	104,389
Cash flow from investing activities			
Capital expenditures			
Property, plant and equipment	14	(38,491)	(29,424)
Intangibles	15	(9,509)	(8,586)
Proceeds from sale of fixed assets		19,531	(85)
Net cash flow used in investing activities		(28,469)	(38,095)
Cash flow from financing activities			
Net payments for reimbursement of capital		(320)	(1,432)
Net cash flow from (used in) financing activities		(320)	(1,432)
Increase/(decrease) of cash and cash equivalents		35,636	64,862
Movement in cash and cash equivalents			
At the beginning of the year		174,188	106,451
Increase/(decrease) of cash and cash equivalents		35,636	64,862
Effects of exchange rate changes		2,714	2,875
At the end of the year	19	212,538	174,188
Cash and cash equivalent components are:			
Cash	19	85,134	37,766
Liquid money market products	19	127,404	136,422
At the end of the year	19	212,538	174,188

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