



2016

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

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.

As their trusted provider, we relentlessly pursue operational excellence; we support our community in addressing cyber threats; and we 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.

While 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 supporting global and local financial flows, as well as trade and commerce all around the world.

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.

# 2019 highlights

# 100%

SWIFTNet availability

# 99.999%

FIN availability

# 11,000+

Institutions connected to SWIFT

# 200+

Countries and territories

# 8.4+ billion

Total FIN messages

# 33.5+ million

Average daily number of FIN messages

# 36.7+ million

FIN messaging peak day

# +7.4%

FIN growth

# 5.5+ billion

Total FileAct traffic (Kchar)

# 22.1+ million

Average daily FileAct traffic (Kchar)

# 1.9%

FileAct growth (Kchar)

# 2.4+ billion

Total InterAct messages

# 9.9+ million

Average daily InterAct messages

# 2.1%

InterAct traffic increase

# Chairman's letter



**Yawar Shah**  
Chairman of the Board

As I write this letter, the world is confronting a global pandemic without precedent in modern times. It is first and foremost a terrible human crisis, as Covid-19 costs lives across our communities. It is also a tremendous test of the world's economic resilience, disrupting livelihoods and fundamentally altering the business landscape. It is becoming increasingly clear that the effects and after-effects will reverberate around the world – and across the SWIFT community – for many months to come.

As your cooperative, we are addressing the challenges head on as we remain steadfast in support of the more than 11,000 institutions we serve across more than 200 countries and territories. From a governance perspective, we have shifted priorities to focus even further on enhancing resiliency, capacity, reliability and security.

We have made adjustments in key areas, refocusing Standards Release 2020, for instance, and converting Sibos 2020 to a digital experience, to ease burdens on the community and reflect the realities of this exceptional period. As we double down on business continuity, and make choices to support financial institutions, we also continue to lay strong groundwork for the future.

SWIFT is fortunate that we entered this global crisis in a position of strength, with a strong balance sheet and record traffic volume of 8.4 billion messages last year. This solid footing is testament to the transformation we have embraced over the past 5 years through our 2020 strategy. As we reach the end of that strategic cycle, we have accomplished tangible community benefits together including:

- **Accelerating payment speed through gpi.** By the end of last year, 65% of cross-border and intergroup payments were sent using gpi – representing nearly \$77 trillion in value – as the number of live gpi country corridors nearly doubled to 1,939. Not only has gpi significantly accelerated payments, it has proven to be a success story of collective action.
- **Embracing APIs.** Great progress has been made in building state-of-the-art API infrastructure that handled 1 billion API calls last year, enabling the community across both payments and securities to interact with SWIFT in faster and more transparent ways.

- **Embedding the Customer Security Programme.** By putting in place mandatory security controls and facilitating information exchange, the CSP has reinforced the security of the entire global banking system. In 2019, 91% of customers, representing 99% of SWIFT's FIN traffic had attested to their level of compliance against our set of mandatory security controls.

Our strong foundation, governed by the SWIFT Board and overseen by the G10 central banks, gives us the durability to support the community through the stresses of the exceptional period that we currently face. We have the capability to look past this moment, beyond the horizon of this crisis, to prepare and adapt to the evolving needs of the market with an enduring focus on resilience and risk management.

To that end, the SWIFT Board in March endorsed a new strategic vision for SWIFT to support the payments and securities business of financial institutions, through instant and frictionless transactions. This ambitious vision for the cooperative will support financial institutions to strengthen their positions in transaction banking and support core B2B cross-border payments, as well as extending into SME and consumer segments. In securities, the roadmap will bring about a step change in the business experience and allow access to deeper data insights than ever before. It will provide end-to-end visibility of transactions to reduce settlement fails and fines.

Indeed, SWIFT will evolve with the objective of enabling the whole financial ecosystem to thrive — removing industry complexity, ensuring transparency and allowing compatibility. All on a trusted platform, with unmatched security and resiliency, owned by a global, neutral cooperative with strong governance set up to enable the growth and success of the financial community.

The SWIFT Board and Executive are fully committed to this direction and will invest and support this vision in which financial institutions are front and centre. As we all steer our way to a new normal, it is more important than ever that we work together to create and sustain economic value for our community.

We have good momentum with the strong leadership of SWIFT's new CEO Javier Pérez-Tasso, who took over the role after a smooth transition process in mid-2019, and with the capable and experienced SWIFT management team. Especially during today's challenging times, I want to thank the entire management team at SWIFT and all of its employees for their dedication and service.

I would also like to express my gratitude to the Board for its active engagement to govern SWIFT through this tumultuous period, as well as its foresight in helping shape the future strategy of the company.

And I want to extend my appreciation to the highly valued National Member and User Groups communities and the global transaction banks for their continued engagement and leadership.

We at SWIFT remain committed to serving you, our global community, with innovation, security and responsibility.

**Yawar Shah**  
Chairman of the Board  
May 2020

# CEO's letter



**Javier Pérez-Tasso**  
CEO

It is a privilege to have the trust of the Chairman and the Board as we navigate these extraordinary times.

Following the selection process in 2019, I was fortunate to step into the role with SWIFT in great shape — we have an extremely resilient core and at the same time huge opportunities to innovate.

For me personally, I have been 25 years in the company, and I have to say, I don't think there has ever been a better time to work for SWIFT. Over these years, this industry has become an increasingly dynamic and challenging place to be, and SWIFT is at the heart of the ecosystem.

Our core network and services continue to play a crucial role in the global financial system. However, with increasing competitive pressures and the rapid pace of technology modernisation, we can go even further to help financial institutions capture benefits through mutualised services.

Around the world, our customers tell us they are recalibrating and reprioritising as they adjust to new ways of working due to the coronavirus pandemic and new demands brought on by the changing economic climate. At SWIFT, we have been adapting to these changing circumstances too — upholding our strong record of operational excellence and customer service through business continuity plans, and adapting to ease operational burdens on our customers. These extraordinary challenges only add to the broader market challenges that financial institutions were already working to manage.

Competition is intensifying as companies, from FinTechs to BigTech, card providers and incumbent players seek to address the need for rich capabilities, simplicity and increased predictability. Across the value chain, financial institutions face common challenges around customer retention, margin erosion, regulatory compliance, as well as the underlying challenge of modernising legacy technology.

SWIFT and our community have taken bold steps over the past five years, through the adoption of gpi and real-time payments, embrace of APIs, a shift to the cloud and much more, to adapt to a rapidly evolving future. And as we look forward, we will build on this robust, secure and compliant foundation — further embrace speed, agility,

digital technology and customer orientation — and step up our game as a solution for the whole industry.

The new approach we are pursuing as part of the strategic ambition endorsed by the Board will transform cross-border transactions, creating an end-to-end instant and frictionless experience that will enable exciting new possibilities in the payments and securities industries.

Work is underway to evolve our platform so that it is richer, smarter and faster. Over the next two years and beyond our aim is to become the single trusted partner in every area of transactions — both in our existing core B2B franchise and beyond by providing the underlying infrastructure for SME and consumer payments.

To that end, we will be focusing on evolving our capabilities to enable seamless, frictionless and instant payments from one account to another, anywhere in the world. This can unlock huge potential for our community with more than 4 billion accounts over our network of 11,000 institutions today. We're also going to redouble our focus on securities to make processes more efficient, transparent and less complex. The aim is to support all asset types — including tokenised assets — and help the industry improve reconciliation, reporting and asset servicing processes.

Whatever transaction type is needed, in whatever format or currency, our platform will be capable of adapting and delivering in real time — removing complexity, ensuring transparency and guaranteeing compatibility for every bank around the world.

We will operate with better data integrity than ever before to reduce today's frictions. On top, there will be additional opportunities to take advantage of ISO 20022-based rich data analytics in areas such as cyber prevention and compliance, and for financial institutions to create innovative new services

for their own customers through APIs that will further reinforce competitiveness.

Perhaps most importantly, backward compatibility will help our customer base move easily to this innovative architecture at a pace that suits their own business priorities.

I view SWIFT's role as a grown-up fintech — innovating responsibly by building on our strong foundations of security and compliance. As we introduce improvements we will also stay sharply focused on customer needs as market environments evolve, and we are committed to enhancing our customers' experience of SWIFT.

And of course we will embrace our cooperative structure and the true asset of our reach as an enabler for the entire global community, delivering underlying infrastructure designed to power your businesses forward, and help you to anticipate and adapt through the turbulent months and years ahead.

We will continue standing behind the community to support its future growth.

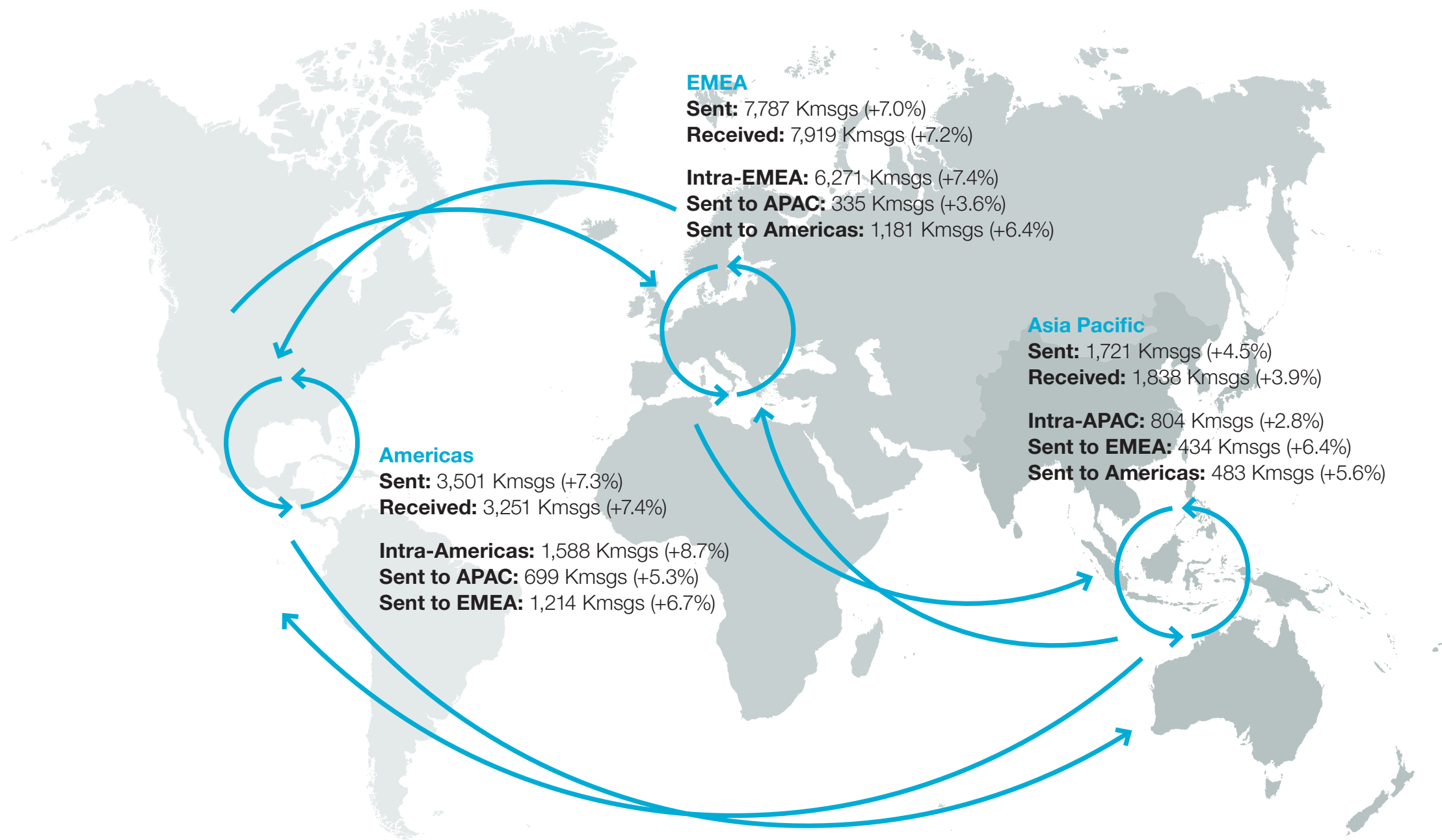
**Javier Pérez-Tasso**  
CEO  
May 2020

# Payments traffic flow by region

## 2019 average daily FIN messaging volume (in Kmsgs) - growth versus 2018

This traffic compares year-on-year growth rates for regional payment flows in 2019. SWIFT observed traffic growth in all regions and for all routes between regions. Strong intra-regional traffic growth is recorded in all three regions. EMEA intra-region payments traffic represents the highest share of the volume.

Figures are based on user-to-user live payment traffic.



FIN payments and securities highlights

**8.4+ billion**  
Total FIN messages

**17.9 million**  
Average daily payments messages

**16.7 million**  
Average daily securities messages

## Going from strength to strength

Responsible innovation is at the heart of what we do. As we work to make cross-border payments as seamless as domestic ones, we maintain relentless focus on the unparalleled availability and security that are the hallmarks of our service.

Industry awards recognise and celebrate companies that have demonstrated excellence, innovation and the ability to bring transformational change to the financial industry. In 2019, we won several prestigious awards:

**Fintech and Regtech Awards 2019**  
Best cybersecurity provider (CSP)

**Payments Awards 2019**  
Best Cross-border Payments Solution (gpi) and the Payments Infrastructure Award (NPP)

**Treasury Management International Awards 2019**  
Outstanding contribution to treasury innovation award

**Regulation Asia Awards for Excellence 2019**  
Best solution in transaction monitoring (Payment Controls)

**Banking Technology Awards 2019**  
Highly commended for best Fraud Protection Solution (Payment Controls)

**Data Management Insight Awards 2019**  
Best Payments Data Solution (SWIFTRef)

### Ready and resilient

SWIFT's continued focus on operational excellence and resiliency resulted in 99.999% availability of FIN and 100% availability of SWIFTNet messaging services last year. This achievement is all the more impressive as it occurred against a backdrop of steady and strong traffic growth. SWIFT had record FIN traffic volumes of more than 8.4 billion messages, up from 7.8 billion in 2018, and a new peak day of 36.7 million messages on 31 October 2019. Our operational performance was underpinned by a continuing commitment to testing and preparation. Last year, we carried out more than 500 business continuity exercises to ensure our systems and processes withstand even the most demanding situations.

### Fast and seamless

In 2019, SWIFT published a whitepaper articulating a bold future for cross-border payments. Our ambition is simple: to make cross-border payments as seamless and convenient as domestic ones - instant, accessible and ubiquitous. In 2019, we continued to build the foundations to make this possible.

### gpi

SWIFT gpi is a key cornerstone of this dynamic future and, in just more than two years since launch, has been widely embraced by the community as a catalyst for unprecedented change in cross-border payments. In 2019, more than 65% of SWIFT cross-border payments were made via gpi, representing nearly \$77 trillion in value – nearly double the amount moved over the service in 2018. We continued to layer on new services, including Stop and Recall, which allows banks to stop payments in flight, and Pay and Trace for corporates to initiate and track payments across multiple banks.

### Instant payments

In September, we extended the benefits of gpi further, announcing gpi instant payments. The new service integrates gpi into domestic instant payments systems. It built on several instant trials conducted around the world, including one integrating gpi and Singapore FAST that saw the fastest cross-border payment, from Australia into Singapore and processed onward via FAST, reach the beneficiary account in just 13 seconds.

### Agile development

As we work to deliver a faster, frictionless future, we are also transforming how we work. To that end, SWIFT last year began implementing a new Agile organisational structure. We began with pilot groups – known as tribes – to increase our ability to adapt quickly to rapidly evolving market requirements. We are involving customers earlier in product development and implementing client feedback on a continuous basis so that we can deliver new innovation in regular sprints. In addition, SWIFT has established a new Agile Control Framework, which allows for the delivery of new products and services collaboratively, with greater flexibility, while sustaining operational excellence. In December 2019, the Board approved the further scaling up of our Agile transformation, as the pilot provided sufficient assurance of the organisation's readiness to progress with a broader rollout. SWIFT considers Agile to be a key building block towards constructing that future.

### Connected and collaborative APIs

Overall, 2019 was an important year in laying the foundations of our Open API platform. Users across both payments and securities can now easily deploy our products and consume content from SWIFT and third parties via APIs. Adoption and usage of our platform significantly increased throughout the year, with 1 billion API calls made by SWIFT users. This growth was driven by a number of product launches, including:

- An API Playground – enabling multiple SWIFT APIs to be combined to complete the full payment transaction flow
- New API Gateways – fully live for both SWIFT content APIs and Community APIs
- The general availability of our Software Development Kit (SDK) – a simplified way for SWIFT users to consume API-based services
- A series of new API specs – published for initiatives from Alliance Cloud, SWIFT gpi for corporates, and pre-validation APIs

### Community engagement

Throughout the year, we continued to bring the community together at events around the world. Bringing together more than 11,500 delegates, 600 speakers and 300 exhibitors, Sibos 2019 London was the largest and most ambitious Sibos to date. Prominent figures from the financial industry and beyond shared their insights in the hundreds of conference sessions, the Innotribe area provided a great platform for collaborative innovation, and new initiatives such as the STAR (Sibos Talent Accelerator Route) programme brought together the next generation of industry leaders. Beyond Sibos, we brought the SWIFT community together at local and regional events to advance dialogue and showcase the

strategic role that we are playing in areas such as payments transformation, financial crime compliance and cybersecurity.

### Secure and compliant

In 2019, we continued to develop our portfolio of Financial Crime Compliance solutions to support our customers with their ever more complex compliance obligations. Our sanctions solutions continued to enable transaction and name screening against standardised sanctions lists, along with integrated reporting and case management, for nearly 1,000 institutions. The KYC Registry continued to gain market confidence, with 5,500 financial institutions now using it to publish their KYC data and receive data from their correspondent banks. In 2019, we also extended the availability of the KYC Registry to all SWIFT-connected corporates. Uptake of our Payment Controls service more than doubled in 2019, helping more and more customers mitigate fraudulent attacks by detecting and preventing high-risk payments and supporting recovery.

We have continued to strengthen and embed the Customer Security Programme (CSP) to help customers ensure the security of their SWIFT-related infrastructure and to defend against, detect and recover from cybercrime. By the end of the year, 91% of customers, representing 99% of SWIFT's FIN payments traffic, had attested to their level of compliance with the mandatory security controls.

## Delivering instant and frictionless payments

We are fundamentally re-engineering international payments, rapidly accelerating their journey around the world while increasing transparency and certainty along the way.

**65%**  
of payments sent via gpi  
in 2019

**\$77 trillion**  
value sent over gpi in 2019

**1,900+**  
country corridors

**40%**  
of gpi payments are credited  
to end beneficiaries within  
5 minutes

**50%**  
of gpi payments are credited  
within 30 minutes

**75%**  
of gpi payments are credited  
within 6 hours

**100%**  
almost all gpi payments are  
credited within 24 hours

The share of cross-border payment messages using gpi increased from 56% at the start of 2019, to 65% by the end of the year.

Nearly \$77 trillion was transferred over gpi in 2019 – almost double the \$40 trillion that moved through the service in 2018.

A payment on gpi is typically made within minutes or even seconds. On average, 40% of SWIFT gpi payments are credited to end beneficiaries within five minutes; 50% are credited within 30 minutes; 75% within six hours; and almost 100% within 24 hours.

More than 3,800 banks are now committed to adopting gpi – including the top 60 banking groups on SWIFT.

gpi payments are being made in nearly 150 currencies, across more than 1,900 country corridors.

We introduced a number of new services to gpi during 2019, including: a stop and recall service, pay and trace for corporates, gpi instant, and tracking of financial institution transfers.

### Stop and recall (Jan 2019)

The SWIFT gpi stop and recall functionality enables financial institutions to immediately stop payments in flight, reducing the risk of fraudulent or erroneous transactions.

Banks are now able to stop a payment instantly, regardless of where it is in the payment chain, thanks to the unique tracking code linked to any gpi transaction.

In addition, every bank in the payment chain is notified at the same time.

### Pay and trace (July 2019)

SWIFT introduced a new enhancement to gpi, enabling multi-banked corporates to initiate and track payments across multiple banks directly from their treasury and payment systems.

The go-live followed a successful pilot with 22 corporates and banks that collaborated to scope the project, define the standard and business practices, and test the functionality within their treasury systems.

### gpi instant payments (Sept 2019)

SWIFT announced the launch of a new service to deliver global instant payments by integrating gpi into domestic instant payments systems around the world.

The new service builds on trials conducted across continents, beginning in Australia in 2018.

In July 2019, we trialled cross-border instant payments over gpi and Singapore FAST with banks in Asia Pacific, Europe and North America. It involved 17 banks across seven countries and saw payments settle almost immediately, the fastest in just 13 seconds.

In September 2019, a trial concluded between the European Central Bank (ECB), SWIFT and a group of 19 banks using the TARGET Instant Payments Settlement (TIPS) platform.

### Tracking of financial institution transfers (Nov 2019)

In the first phase of our financial institution transfer service, banks, securities players and other institutions are able to track and trace both incoming and outgoing institutional transactions sent over gpi, enabling monitoring of their settlement and counterparty exposure, accurate and timely institutional intraday liquidity management and forecasting.

We are also extending the benefits of tracking and confirming payments to all SWIFT customers with Universal Confirmations. By the end of 2020, every single customer payment (MT 103 on FIN) will require a confirmation that the funds have been credited to the end beneficiary account. This enables all financial institutions to improve operational efficiency and provide an excellent customer experience by offering transparency and certainty that the funds have reached their destination and are available to the beneficiary.

In 2019, we launched the free-of-charge Basic Tracker, which enables non-gpi members to manually confirm payments and track all their payments end-to-end in real time. A series of automated tools have also been made available to ensure the whole community can meet the Universal Confirmation requirements and deadline. Throughout the year, we ran a series of awareness sessions to inform the community about the Universal Confirmation requirement and the tools available to support them.



## Financial Crime Compliance

As regulation becomes more robust and compliance requirements more complex, businesses need to demonstrate that their compliance programmes are effective. SWIFT has responded by developing a broad portfolio of sanctions, KYC, compliance analytics and fraud prevention solutions to help support the compliance needs of the community.

### 5,500

financial institutions using the KYC Registry

### 900

financial institutions continue to benefit from SWIFT's Sanction Screening tools

### 100%+

growth in customers using Payment Controls

#### Sanctions

Financial institutions are required to screen their customers for KYC and monitor transactions against rapidly growing lists of sanctioned individuals and organisations. Institutions need to ensure that their sanctions screening controls are both effective and that they can screen both transaction and customer details efficiently, without generating unwarranted false-positive rates.

In 2019, our sanctions compliance solutions continued to help over 900 financial institutions mitigate their transaction and customer sanctions risk and provide testing and validation for customers that have their own filters.

#### KYC

More than 5,500 financial institutions are now using the KYC Registry to both publish their KYC data and receive data from their correspondent banks. It is now recognised as the accepted standard for reducing risk within the correspondent banking due diligence process.

In 2019, we extended the availability of the KYC Registry to all SWIFT-connected corporates. Before the launch, we tested with 18 leading corporate groups and 16 global banks representing more than 7,000 corporate-to-bank relationships on SWIFT.

#### Compliance Analytics

SWIFT's Compliance Analytics solutions help our customers to comply with global regulatory standards by providing a comprehensive dataset of their SWIFT message traffic.

By providing a truly global view of message traffic, Compliance Analytics helps identify unusual patterns or trends and hidden relationships, supporting KYC, AML and sanctions compliance.

In 2019, Compliance Analytics continued to play a significant role in helping banks mitigate against risk within the correspondent banking network.

#### Fraud prevention

SWIFT has been working with the community through the CSP programme to help collectively combat fraud and cyber-crime. Institutions need to ensure that their controls are adequate and also monitor to identify fraudulent transactions.

SWIFT's Payment Controls service helps customers mitigate fraudulent attacks by detecting and preventing high-risk payments and supporting recovery. It combines real-time monitoring, alerting and blocking of sent payments with independent daily reporting.

In 2019, the number of customers using Payment Controls more than doubled.

By leveraging industry-defined standards, a common infrastructure and shared costs, and by collaborating closely with our customers, SWIFT's portfolio of compliance solutions help members address evolving regulatory requirements, while increasing the effectiveness and efficiency of their compliance programmes.

## Customer Security Programme

As an industry cooperative, SWIFT plays a key role in reinforcing and safeguarding the security of the global financial ecosystem. In 2019, we continued to strengthen and embed the Customer Security Programme (CSP) to help customers ensure the security of their SWIFT-related infrastructure and to defend against, detect and recover from cybercrime.

**19**  
mandatory security controls  
and 10 advisory security  
controls in 2019

**91%**  
of customers attested to  
mandatory security controls

**99%**  
volume of traffic covered by  
CSP-compliant customers

The CSP is articulated around three mutually reinforcing areas: the need for SWIFT users to secure and protect their own environments; the importance of managing relationships with counterparties; and the need to share information within the SWIFT community about threats.

The cornerstone of the CSP is the Customer Security Controls Framework (CSCF) – a set of mandatory and advisory cybersecurity controls that SWIFT revises annually.

The framework, introduced in 2017, aims to continuously raise the bar on security across the SWIFT community. The 2019 version was the most stringent to date, articulating 19 mandatory and 10 advisory controls. It also marked the second year that customers were required to attest to their compliance.

By 31 December 2019, 91% of customers, representing 99% of SWIFT's FIN payments traffic, had attested to their level of compliance with the mandatory security controls. Data related to compliance with the controls can be shared with other financial institutions in the network so they can build it into their counterparty risk management processes.

As we enter the fourth year of the programme, we have made strong progress in supporting our users and it is delivering tangible results. We look forward to building on this progress with CSCF v2020 which has a number changes from v2019 and includes 21 mandatory and 10 advisory controls.

Furthermore, to enhance the overall integrity of attestations across all customers, all submitted attestations for CSCF v2020 must be supported by an independent assessment – either by a second or third line of defence of an internal department (e.g. risk, compliance or internal audit) or by an external third-party.

Having relevant and timely intelligence is crucial for organisations to protect themselves against attacks from cybercriminals. That is why SWIFT created an information sharing initiative with a truly global reach. We established a dedicated Customer Security Intelligence (CSI) team to investigate cyber incidents experienced by our customers and introduced a 'SWIFT ISAC' information sharing portal to share threat intelligence across the community.

Focused on forensics and analysis, the CSI team investigates potential threats and customer security incidents. The team identifies new attack patterns, techniques and tactics that can help customers protect against cyber attacks. Through the SWIFT ISAC they publish anonymised detailed security bulletins, informing customers of related indicators.

SWIFT has also developed its Payment Controls Service to make it easy for banks to mitigate fraudulent attacks by detecting and preventing high-risk payments and supporting recovery. It combines real-time monitoring, alerting and blocking of sent payments with independent daily reporting.

At an industry-level, SWIFT continues to support numerous pan-industry initiatives, including the European Central Bank Cyber Resiliency Board (ECRB). The ECRB aims to share cybersecurity intelligence across EU market infrastructures, central banks, settlement system operators, payment service providers, network providers, intelligence agencies and law enforcement.

In July, the SWIFT Institute, Carnegie Endowment for International Peace, IMF and other partners released a new resource to help financial institutions globally strengthen their cyber defences. "Cyber Resilience and Financial Organisations: A Capacity-building Tool Box" features six easy-to-use, one-page guides and checklists that provide senior management at financial institutions with actionable measures to improve cybersecurity.

To raise customer awareness of CSP and engage with the wider SWIFT community, we hosted and participated in a number of events across the globe in 2019, including 11 roundtables for chief information security officers, 11 SWIFT Business Forums and Regional Conferences, 26 Sibos sessions and 19 external conferences.

With the CSP, SWIFT is reinforcing the security of the entire financial ecosystem. As the industry faces ongoing threats, we see banks, securities players and corporates across the world using SWIFT's CSP as the cornerstone of their cyber defences.

In April 2019, SWIFT published a report "Three Years on from Bangladesh: tackling the adversaries," that highlighted the changing tactics of threat actors across the industry. Among the findings:

**Four out of five of all fraudulent transactions across the financial industry were issued to Beneficiary accounts in East and South East Asia**

**Approximately 70% of attempted thefts were USD-based – but usage of European currencies was increasing**

**The value of each individual attempted fraudulent transaction decreased dramatically – from more than \$10m to between \$250,000 and \$2m**

**As well as targeting banks outside business hours and during local public holidays, fraudsters are operating during business hours to blend in with legitimate business**

# Market Infrastructures

SWIFT provides robust, reliable and secure financial messaging solutions to more than 235 payment, securities and treasury infrastructures globally.

**25%+**  
contribution to total revenue

**43%**  
contribution to total volumes

Our Market Infrastructures (MI) franchise continues to contribute more than a quarter of SWIFT's total revenue and around 43% of our messaging volumes. The 2019 traffic increase was the result of steady growth on both FIN and SWIFTNet across all continents, in both the payments and securities markets.

As the MI market segment faces major shifts in the coming years, we are closely monitoring the renewal of the many MIs across the world. A particular focus of MIs in 2019 was on instant payments, and solutions we have developed in support of this shift will now be positioned for re-use in targeted markets around the world.

In Europe, SWIFT was awarded one of two concession contracts for the provision of connectivity to the Eurosystem Single Market Infrastructure Gateway, via which TARGET participants will in future be required to connect to all TARGET services – TARGET2, TARGET2-Securities (T2S) and TARGET Instant Payment Settlement (TIPS). SWIFT has also designed a number of value-added services that will simplify customers' migration projects and help optimise their use of their SWIFT infrastructure. In 2019, the European Central Bank (ECB), SWIFT and a group of 19 banks ran a proof of concept linking SWIFT gpi to the TARGET Instant Payments Settlement (TIPS) platform. SWIFT also has a long standing partnership with EBA CLEARING. SWIFT operates the EURO1 application and will renew the EURO1 platform to cater for ISO 20022 and additional new services that EBA CLEARING wants to offer its customers.

In the Middle East, SWIFT has strengthened its position as a key strategic partner for payment market infrastructure renewal, working with the Arab Monetary Fund (AMF) to develop a regional payment platform, called BUNA. It will enable regional financial institutions across 22 Arab countries to send and receive cross-border payments using the SWIFT network and standards. The initiative

constitutes a significant step toward the integration of Arab economies.

In Africa, the adoption rate of SWIFT Scope continued to grow in 2019, with the go live of BEAC and BCEAO. The implementation of our end-to-end real-time business intelligence solution will enable both central banks to gain deeper insights into their respective market activities.

In North America, SWIFT has been partnering with both The Clearing House (TCH) and the Federal Reserve to build out AMH connectors into their CHIPS (Clearing House Interbank Payments System) and Fedline Direct networks respectively as a means of offering additional risk mitigation and resiliency to member banks. SWIFT has also continued to collaborate with the Fed and TCH to bring awareness of the ISO 20022 programme to the broader community in light of the revised timings. In Canada, SWIFT is working closely with Payments Canada on its plans to update its RTGS infrastructure. Additionally, SWIFT coordinated with Payments Canada and the Canadian financial industry on their adoption and implementation plans for ISO 20022. SWIFT is also working to foster existing partnerships with securities MIs across the Americas region for the benefit of the community.

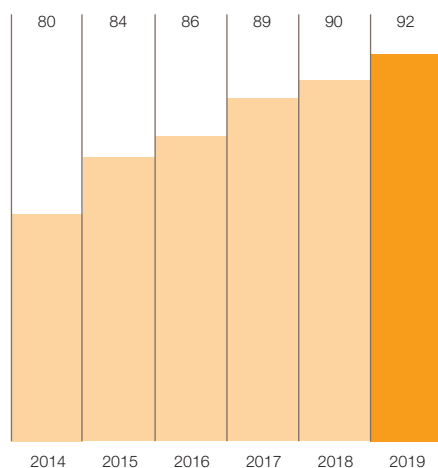
SWIFT worked with the Central Bank of Brazil on ISO 20022 to support the Brazilian Instant Payment ecosystem.

SWIFT continues to collaborate with MIs in the Caribbean. In the Bahamas, the Central Bank is moving forward with SWIFT Scope.

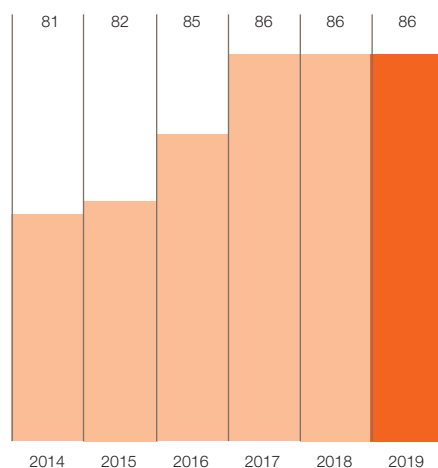
In Asia Pacific, SWIFT kept close engagement with payments and securities market infrastructures, helping them with their innovation agenda. In September, the Stock Exchange of Thailand and Clearstream launched the linkage of their fund platforms, FundConnex and Vestima, powered by SWIFT and ISO 20022. The linkage marks

unprecedented cross-border cooperation and aims to broaden opportunities in the Asian investment fund markets for international investors. We also supported Bursa Malaysia in their adoption and implementation process of ISO 20022, with a first phase to bring corporate announcements on the standards completed in March 2020. ISO 20022 adoption by Malaysia's securities exchange will not only transform the corporate announcements flow in the country but also favour interoperability with other market places and foster innovation.

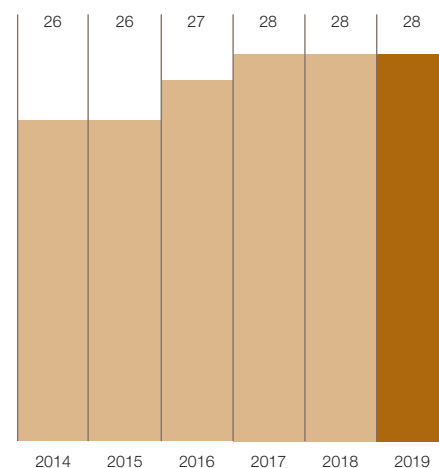
CSDs connected to SWIFT



HVPs connected to SWIFT



LVPs connected to SWIFT



## Standards

In 2019, SWIFT Standards continued its mission to reduce friction and maximise interoperability for the financial industry by creating, maintaining and promoting global industry standards.

### ISO 20022

At its March 2020 meeting, the SWIFT Board and Executive endorsed ambitious plans for SWIFT to support financial institutions' payments and securities businesses and make the SWIFT platform richer, smarter and faster. SWIFT will enable transactions to move instantly and seamlessly from account-to-account anywhere in the world across the end-to-end payments chain. Rich data lies at the heart of this vision. It will provide the foundations for financial institutions to innovate and deliver better payments and digital experiences to end customers, and enable them to leverage the full value of the new platform.

In line with that vision, SWIFT is fully committed to improving transaction data quality through ISO 20022 and will enable ISO 20022 messages for cross-border payments and cash reporting businesses starting from the end of 2022. This extends the originally announced start date by one year, whilst the end-date to enable full ISO 20022 for cross-border payments remains November 2025 as originally planned.

In 2019, SWIFT instigated a wide-ranging programme to communicate about the benefits of ISO 20022 and its impact on the community, and to build and roll out new capabilities to facilitate adoption. Key deliverables of the programme include:

- A market practice with detailed specifications and translation rules for the use of ISO 20022 for cross-border payments (CPBR+), created in consultation with a working group of top payment banks representing their respective communities;
- Online testing tools for customers and vendors to confirm compliance with specifications;
- A self-attestation framework and new compatibility label requirements to support vendors in their adoption of ISO 20022;
- Whitepapers, case studies, message usage guidelines and other publications;
- Communication through events, webinars and presentations to inform and support the community.

# 70

countries already using  
ISO 20022

# 80%

of global high-value payment  
volumes expected to be on  
ISO 20022 by 2025

Standards also supported the Payments Market Practice Group (PMPG) initiative to standardise ISO 20022 for high-value payment systems. The HVPS+ working group, which was formed under the governance of the PMPG, is facilitated by the SWIFT Standards team, and brings together commercial banks and key market infrastructures including the US Federal Reserve, The Clearing House, ECB and Bank of England to create harmonised specifications. These specifications will ensure a common baseline implementation for ISO 20022-based high-value payment systems. HVPS+ specifications are also aligned with the ISO 20022 specified for cross-border, ensuring end-to-end data integrity for international payments.

### Standards in APIs

SWIFT continued its campaign to bring standardisation to financial APIs, working with industry bodies including The Berlin Group and STET to refine common specifications for compliance with PSD2. Standards also convened ad hoc working groups to focus on other use cases for API standards, including Payment Pre-authorisation and Pay Later in the payments space, and Net Asset Value (NAV) calculation for securities.

## Data analytics

With the potential and need for data analytics in the financial industry growing dramatically, we have continued to further leverage our broader transaction data set, both for the improvement of our product development processes and to deliver better business intelligence services to our customers.

### Business Intelligence

In 2019, we enhanced our Business Intelligence portfolio with unique data extracted from SWIFT messages – placing transparency, cost optimisation, and business development at the heart of our offering.

### Watch

We further developed the Watch portfolio in response to evolving customer needs by enhancing Watch Banking Analytics Premium to serve correspondent banking, treasury and trade finance demands.

### SWIFT Scope

We improved SWIFT Scope's value proposition to central banks by extending the offering beyond balance of payments (e.g. statement analysis and trade finance modules), and to financial institutions by extending intraday liquidity monitoring and reporting insights (e.g. stress testing module).

### Observer Insights and Analytics

The solution now allows gpi member banks to gain deeper business insights into their gpi cross-border payment flows, giving them speed, transparency, routing intelligence, and benchmarking capabilities against the wider gpi community.

### SWIFTRef

In 2019, SWIFTRef continued to collect, maintain and provide quality reference data to our customers. We also expanded our reach through APIs and developing new partnership with fintechs. This continued expansion and commitment to product excellence won us an award for Best Payments Data Solution at the Data Management Insight Awards 2019.

# Community engagement

Bringing the community together, debating topics of shared interest, showcasing innovative solutions and new thinking.

## Americas, UK & Ireland

In 2019, SWIFT welcomed members of the community to forums and events held across the region. The key theme discussed at all events was 'Accelerating Digital Transformation' – which explored how financial institutions can harness the power of new technologies and accelerate their transformation into truly digital organisations.

In April, the inaugural Business Forum Ireland brought the Irish community together in Dublin, with 260 customer registrations from 80 institutions. In May, SWIFT's Latin American Regional Conference (LARC) took place in Panama City for the first time, hosting more than 600 customers from 30 countries. Also in May, we hosted the Premium Services Forum Americas in Washington D.C. – welcoming 100 delegates from 30 of our premium services customers.

In May and June, we held five events under the 'SWIFT on' banner. These intimate, targeted events brought together key customers to learn more about SWIFT's strategic initiatives. 'SWIFT on Risk' led the series in May under the theme 'Managing Risk in a Real-Time World'. 'SWIFT on Innovation' events took place in the U.S., Canada, Brazil and Colombia, examining payment innovation in cross-border and domestic markets.

In July and November, SWIFT partnered with the Financial Times to host two 'Leadership Roundtables' in New York and London. Discussions in New York centred on firms reimagining the customer experience whilst in London the ongoing systemic reform of the UK payments infrastructure was on the agenda.

An extensive webinar programme also ran throughout the year, with a wide range of digital briefings covering key initiatives such as the ISO 20022 Programme, Customer Security Programme, SWIFT gpi, and our

financial crime compliance portfolio. These webinars were attended by more than 5,000 customers from across the region.

## Asia Pacific

In 2019, the Asia Pacific region hosted a series of events which responded to our strategic priorities of the year. Focus was placed on payments transformation, financial crime compliance, ISO 20022, instant payments, MI renewals and APIs, all of which are important topics for our customers. These crucial events helped strengthen our position in the market, showcasing our strategic role and demonstrating the importance of these key priorities to the financial community in the region.

In April, we held our inaugural SWIFT Japan Payments Innovation Forum in Tokyo, where we brought together industry experts to address ways to increase payment efficiency, scale, and transparency, with new technologies that have emerged in the industry. The event attracted more than 300 delegates representing regulatory bodies, financial institutions and corporates, all with a keen focus on learning more about cross-border and domestic payments, Payment Controls, cybersecurity and standards.

In May, we held the annual SWIFT India and South Asia Regional Conference, where we focused on the future of innovation and cybersecurity. The scale of this conference, which gathered close to 500 in attendance, is proof that the India strategy is firmly establishing SWIFT as the industry voice in the country. SWIFT's main mission in the South Asia region remains to create a unified platform across customer segments, implement the best global practice through community engagement and drive innovation, with a specific focus on trade digitisation.

The SWIFT Greater China Regional Conference took place in June, bringing together 200 attendees to address China's new economy enablers, technology innovation and financial reforms, as well as markets liberations and opportunities this presents for China's capital markets.

In October, the first ever SWIFT Operations Forum for Asia Pacific was held in Singapore, gathering 250 participants to debate the industry's operational challenges and discussing how to achieve and maintain levels of operational excellence and security.

## EMEA

In 2019, we brought the SWIFT community in EMEA together at a series of events across the region. Through regional conferences, business forums, workshops and webinars, we showcased the strategic role that we are playing in areas such as payments transformation, securities market evolution, financial crime compliance and cybersecurity. We raised awareness about mandatory market initiatives such as the ECB's TARGET Consolidation project, the adoption of ISO 20022 for cross-border payments and universal confirmations and highlighted the many ways in which SWIFT is supporting its customers as they prepare to implement major changes to their systems and business processes.

SWIFT's 26th African Regional Conference (ARC) was the largest yet. ARC 2019 gathered more than 610 participants from 55 countries in June in Accra, Ghana. The event was opened by His Excellency Nana Akufo-Addo, the President of the Republic of Ghana. Discussions over three days focused on what's driving change in Africa's financial service sector including emerging technologies, increasing regulatory pressure and new competitors entering the scene and how the financial industry is delivering change to its customers.

In November, more than 400 delegates from 30 countries came together in Istanbul for the SWIFT Regional Conference: Middle East & Turkey. The event explored the evolution of the financial sector, and the role of technology in driving this change. Also in November, the Premium Services Forum Europe and the SWIFT Operations Forum Europe took place in Amsterdam. These events brought more than 500 experts from 48 countries together to discuss how operational teams across the region are supporting transformation and preparing for major mandatory migrations, all whilst maintaining operational excellence and protecting their institutions from cyber threats.

Business Forums in Benelux, Bucharest, Copenhagen, Madrid, Moscow, Vienna and Warsaw looked at how global trends are impacting the ongoing development of each market and what SWIFT is doing to support each local community. Many of these events also featured a SWIFT demo zone through which customers could meet with SWIFT experts and gain hands-on experience of our products and services.

## Global thought leadership

Sibos 2019 London was the largest Sibos ever with more than 11,500 delegates, 600 speakers and 300 exhibitors.

**11,500+**  
participants

**680**  
speakers

**375**  
conference sessions

**152**  
countries represented

**300+**  
exhibiting companies

**170,000**  
digital “Smart Badge” contact exchanges

### Sibos

Featuring more than 11,500 delegates, 600 speakers and 300 exhibitors, Sibos 2019 London was the largest and most ambitious Sibos to date.

The opening plenary keynote speaker was Dame Minouche Shafik, Director of the London School of Economics (LSE), who gave her views on the challenges faced by the global financial industry. Javier Pérez-Tasso, who was giving his first opening plenary speech as SWIFT’s CEO, took the stage next to explain SWIFT’s vision and priorities in supporting customers’ innovation. On the final day of Sibos, the closing speech was given by Thomas Kurian, CEO of Google Cloud, who provided insights into the development of cloud services and their role in empowering users of financial services. During the week, the conference programme included a series of highly informative and insightful “Views from the Top” sessions, presented by the CEOs of some of the world’s major banks, such as Christian Sewing, CEO Deutsche Bank, Bill Winters, CEO Standard Chartered Bank and António Horta-Osório, CEO Lloyds Bank.

Taking delegates on a digital journey, Innotribe at Sibos 2019 presented a fantastic line-up of world-renowned speakers – including the UK’s ‘rock star scientist’ Professor Brian Cox – exploring the concepts of trust and identity in an increasingly digitised world, reflecting on how to combine the power of human and artificial intelligences, and offering insights into the future of money and currency. The Discover Zone brought together fintechs from across the globe, trade associations, accelerators and bank innovation labs, showcasing their products, services and collaboration as part of the fabric of the financial industry.

As an enabler of collaborative innovation, Innotribe at Sibos 2019 also played host to

the first Sibos hackathon, with teams of developers from banks, SWIFT, fintechs and software vendors working together under a common theme – open banking needs open minds.

A number of new initiatives were launched at Sibos in London to help talented professionals enhance their careers. On the first day, 30 participants of the inaugural STAR (Sibos Talent Accelerator Route) scholarship opened trading at the London Stock Exchange. The STAR scholarship programme is designed to empower professional women, accelerating their knowledge, skills and self-confidence to help them become future leaders in the financial industry.

### SWIFT Institute

The SWIFT Institute continues to serve as a provider of thought leadership to the financial industry. In 2019, new research grants were issued to fund a deeper look into the shadow payments system, gender diversity in financial services, cybersecurity and the role of privacy preserving data analytics in the detection and prevention of financial crime.

Newly published papers included a look at the challenges of information sharing for cyber fraud detection, a study of Australia’s Fintel Alliance to disrupt financial crime, cybersecurity in India’s payment system, a mapping of the shadow payment system, and a set of cybersecurity tools to help banks with their cyber resilience. Since launching the SWIFT Institute in 2012, 37 research papers have been published, with nearly 20,000 downloads.

In May, the SWIFT Institute hosted a conference on artificial intelligence in the financial industry in New York. Delegates and speakers from academia, technology firms and banks engaged in debate on the opportunities, limitations and ethical aspects of AI.

The SWIFT Institute brought some of the top thought leaders from academia to Sibos London, who shared their insights on DLT, shadow payments, gender diversity, banking platforms, instant payments, cybersecurity, artificial intelligence and geo-politics. A data science panel discussion highlighted the power of technology with one speaker joining the discussion as a hologram beamed in live from Toronto.

The 2019 Student Challenge culminated at Sibos with five university teams from across Europe presenting their ideas on using artificial intelligence to combat fraud in an instant payment environment. The winners from Cardiff University impressed judges with their idea to utilise generative adversarial networks (GANs) to improve the quality, quantity and utility of customer data thereby increasing the level of fraud detection.

Throughout 2019, a number of dedicated training sessions were held, bringing the SWIFT community together with academics who provided overviews on a range of topics including market infrastructures, payments, innovation and open banking. Training sessions will play an even bigger role for the SWIFT Institute in 2020.

## Corporate Social Responsibility

Our CSR efforts are aligned with the United Nations Global Compact (UNGC), which we have participated in since 2012.

**41**  
tonnes of waste fully recycled

**178**  
charitable organisations supported by SWIFT in 29 countries across 6 continents

**150,000**  
trees planted

**171,185 km**  
cycled to our global headquarters

**€341,750**  
donated to local charities

Our business is global. We work with and for financial communities across the globe. We know this is a privilege as well as a responsibility, and we are committed to making a positive impact wherever we can. Our actions focus around the environment, education and community support and engagement.

### Reducing the environmental impact of our company

We use renewable energy whenever feasible and, since 2012, compensate emissions related to business travel and events, with the objective of being carbon neutral by the end of 2020. To this end, in addition to our efforts to decrease our overall emissions, we also invest in two offsetting projects: a project in Brazil focusing on forest preservation, and a project deploying a solar thermal power plant in India.

### Energy efficiency

During 2019, we lowered our energy consumption by optimising office space and controlling our electricity consumption in our locations around the world. We also installed high performance cooling machines and LED lighting, and implemented more efficient HVAC systems in one of our data centres.

### Mobility

We replaced 50 vehicles with plug-in and electric models. SWIFT Belgium was awarded the 5\* Tous Vélo-Actifs award for the sixth consecutive year, recognising the continued effort of the company to promote cycling to work.

### Waste

During 2019, we deployed a Zero-Waste awareness campaign in HQ and eliminated nearly all single-use and non-recyclable plastic. We now recycle all paper, wood, glass and organic waste. The first results of the campaign show that we produced 8% less waste and recycled four times more than in 2018.

### Sibos

Environmental criteria are included in the location selection process for Sibos. Last year in London, our stand used materials from renewable sources and waste was minimised. Furniture, lighting and AV were hired locally, graphics were digital or 100% recyclable, props and accessories were donated and the online exhibition manual included a chapter outlining guidelines.

### Biodiversity

In 2019, we planted 150,000 trees in Zambia through our partnership with WeForest. The project focuses on engaging smallholder farmers in forest restoration and reversing deforestation. We also have conservation and biodiversity efforts on our campus in Belgium.

### Reinforcing business sustainability in emerging countries

In 2019, we continued our support to a financial inclusion project of Fundación Capital, an international organisation that works to advance economic citizenship. Our donation helped to finance the development and launch of a tablet-based financial education application targeted at vulnerable youth and women in Mozambique. We also funded projects of the Teach for All network in Belgium and the Philippines. In South Africa, we continued to support the Student Scholarship Programme.

### Caring for our local communities

Nearly one in four of our staff around the globe were engaged in various CSR-related activities such as fundraising and volunteering efforts. SWIFT matched donations made by employees to multiple charities including the American Cancer Society, the Red Cross, Médecins sans Frontières and Save the Children Mozambique. At our 2019 events, we helped organisations of the Save the Children network in Denmark and Turkey, Green Schools in Ireland, the Honeypot Children's Charity in the UK, Beyond Social Services in

Singapore, Kinderen Kankervrij (KIKA) in the Netherlands, and SOS Children's Villages in Belgium, China, Ghana, India, Panama, Poland, Romania, Russia, Spain and USA.

The United Fund for Belgium continues to benefit from our financial support. This non-profit, hosted on SWIFT premises, redistributes 100% of its donations to local charities involved in child welfare, poverty reduction, support for handicapped persons and social integration and training.

### Facilitating dialogue on sustainability in the financial industry

In 2019, we launched the Diversity and Inclusion strategy at SWIFT, and we signed the Febelfin Gender Balance in Finance Charter, aiming to support the progression of women into senior roles. We organised a series of events focussing on women in the workplace and included panels on diversity and inclusion at the Business Forum in Ireland.

Together with the SWIFT Institute, we developed a new strategic partnership with The Ethics & Trust in Finance Prize. The award encourages fresh thinking and greater awareness among young people throughout the world on the benefits of ethics in finance, encouraging high-quality management of banking and financial services based on trust and integrity. Three of the finalists of the competition presented their ideas at Sibos 2019.

# Board and Executive

## SWIFT Board

### Yawar Shah

Managing Director, Citi, USA and Chairman of the Board of Directors, SWIFT

### John Ellington

Director, Shared Services, NatWest Group, United Kingdom and Deputy Chair of the Board of Directors, SWIFT

### Eddie Astanin

Chairman of the Executive Board, National Settlement Depository, Russia

### Mark Buitenhek

Global Head of Transaction Services, ING, The Netherlands

### Jose Luís Calderón Igareda

Managing Director, Global Head of GTB, Santander Corporate and Investment Banking (SCIB), Member of SCIB Executive Committee, Santander, Spain

### Bernard Carless

Head Settlement and SWIFT, FirstRand Bank Ltd, South Africa

### Fabrice Denèle

Senior Vice President, Strategy & Partnerships of Natixis Payment Solutions, France.

### Yaosheng Fan

General Manager, Bank of China, China

### Göran Fors

Deputy Head of Investor Services, SEB, Sweden

### Seraina Frey

Global Head Shared Services, UBS Business Solutions AG, Zurich, Switzerland

### Mark Gem

Member of the Executive Board, Clearstream International, Luxembourg

### Martin Kobler

Managing Director, Credit Suisse, Switzerland

### Frederic Hannequart

Chief Business Officer, Euroclear S.A./N.V., Belgium

### Søren Haugaard

Senior Vice President, Danske Bank, Denmark

### Lisa Lansdowne-Higgins

Vice President, Business Deposits and Treasury Solutions, Royal Bank of Canada, Canada

### Emma Loftus

Managing Director, EVP and Head of Treasury Management, PNC Bank, USA

### Lynn Mathews

Chairman of the Australian National Member Group, Australia

### Stephan Müller

Divisional Board Member Corporate Clients Transaction Banking, Commerzbank, Germany

### Hiroshi Nakatake

Managing Director, Transaction Banking Division, MUFG Bank, Japan

### Bock Cheng Neo

Executive Vice President, Global Transaction Banking, OCBC Bank, Singapore

### Alain Pochet

Head of Client Delivery BNP Paribas Securities Services, France

### Russell Saunders

Managing Director, Payments Strategy, Lloyds Banking Group, United Kingdom

### Christian Westerhaus

Head of Cash Products, Corporate Bank, Deutsche Bank, Germany

During the course of 2019, the following

Directors left the Board:

Gianfranco Bisagnii, Unicredit, Italy

Olivier Onclin, Belfius, Belgium

## Our executive team

### Javier Pérez-Tasso

#### Chief Executive Officer

Javier Pérez-Tasso was appointed Chief Executive Officer at SWIFT in July 2019.

Prior to this he was Chief Executive, Americas & UK region since September 2015. In this position, he significantly deepened SWIFT's engagement model with global transaction banks and successfully delivered business development results in high-growth markets. He was also an Executive sponsor of SWIFT's Customer Security Programme from 2016 to 2018, helping to formulate and lead SWIFT's response to the growing cyber challenge facing the community.

Pérez-Tasso joined SWIFT in 1995 and held a number of position including as Chief Marketing Officer, a role in which he was responsible for developing SWIFT's 2020 strategy. Under his leadership, the cooperative has pushed further into instant payments and has embraced a new strategic ambition to make account-to-account cross-border transactions as seamless as domestic ones through development of a new SWIFT platform that is richer, smarter and faster.

Earlier in his career, Pérez-Tasso held a number of technology and leadership positions in business development in regional offices in Europe, the Middle East and Africa.

### Anna Agafonova

#### Chief Financial Officer

Anna was appointed Chief Financial Officer in September 2018, with responsibility for overseeing SWIFT's financial management.

Previously, she was Global CFO of American Express Global Business Travel.

She has experience working in audit and control, forecasting, budgeting and reporting across a range of industries.

### Alain Raes

#### Chief Business Development Officer

Alain was appointed Chief Business Development Officer in November 2019, with responsibility for building and maintaining relationships with customers.

Previously, Alain was Chief Executive of the Asia Pacific and Europe, Middle East and Africa (EMEA) regions, and Head of EMEA prior to that.

He joined SWIFT in 1990, following roles at Citibank in Belgium and Fortis Bank in Singapore.

### Rosemary Stone

#### Chief Corporate Officer

Rosemary was appointed Chief Corporate Officer in November 2019, with responsibility for communications, talent and supporting transformation.

Previously, Rosemary was SWIFT's Global Head of Human Resources. Prior to that, she was Managing Director for the UK, Ireland and Nordics, and held senior management positions within SWIFT in the US and Belgium.

Earlier in her career, she held a variety of senior roles in corporate and public affairs in both London and Brussels.

### Cate Kemp

#### Chief Customer Experience Officer

Cate was appointed Chief Customer Experience Officer in November 2019, with responsibility for delivering smooth customer experiences.

Previously, Cate was SWIFT's Head of UK, Ireland and Nordics.

She joined SWIFT from Lloyds Banking Group, where she was Global Transaction Compliance Director.

### Craig Young

#### Chief Information Officer

Craig was appointed Chief Information Officer in February 2015, with responsibility for safeguarding SWIFT's operational excellence.

Previously, Craig served as SWIFT's Chief Technology Officer, responsible for developing the company's long-term technology vision and strategy.

He joined SWIFT from Verizon, where he was Senior Vice President and Chief Information Officer, and has more than 20 years of industry experience.

### Stephen Gilderdale

#### Chief Product Officer

Stephen was appointed Chief Product Officer in November 2019, with responsibility for creating and delivering customer-centric products.

Previously, Stephen was Chief Operations Officer and Chief Platform Officer, responsible for the development of SWIFT's messaging platforms. Before that, Stephen was Managing Director for the UK, Ireland and Nordics, and headed SWIFT's Customer Security Programme.

Prior to joining SWIFT in 2007, Stephen held senior management positions at Accenture where he worked across a variety of financial institutions.

The General Counsel, the Chief Risk Officer and the Chief Auditor report directly to the CEO and participate in Executive Committee meetings..

Peter De Koninck, Chief Auditor  
Dina Quraishi, Chief Risk Officer  
Patrick Krekels, General Counsel and Board Secretary



# Oversight

## SWIFT's 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 is therefore not regulated as such by central banks or bank supervisors, it is subject to central bank oversight as a critical service provider. 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. SWIFT has been subject to oversight since 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 the security, operational reliability, business continuity, risk identification, and resilience of the SWIFT infrastructure.

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, to the extent that they are under SWIFT's control. 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 cybersecurity, 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, The People's Bank of China, Hong Kong Monetary Authority, Reserve Bank of India, Bank of Korea, Central Bank of the Russian Federation, Saudi Arabian Monetary Agency, Monetary Authority of Singapore, South African Reserve Bank, the Central Bank of the Republic of Turkey, the Central Bank of the Argentine Republic, the Central Bank of Brazil, the Bank of Spain, and the Central Bank of Indonesia. 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 Market Infrastructures and Payment Services Report published by the National Bank of Belgium and is available on its website [www.nbb.be](http://www.nbb.be).

# SWIFT Governance

SWIFT is a cooperative society 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. Shares are reallocated based on the financial contribution of shareholders for network based services. 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 1. or 2. 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 Chair and a Deputy Chair from among its members. It meets at least four times a year.

## Director remuneration

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

## Board committees

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

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 (in cooperation with the Franchise Risk Committee (FRC)); Audit oversight.

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

The AFC 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 AFC deems appropriate.

The Banking & Payments Committee (BPC) and the SWIFT Securities Committee (SSC) focus on segment specific developments, while the Banking Services Committee (BSC) focuses on Standards, Data and APIs (principles of business architecture).

The Franchise Risk Committee (FRC) assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks. The FRC's role includes oversight of risk management of SWIFT. The FRC coordinates with the Chairs of the AFC and TPC, and focuses on risks not covered by those committees. The FRC is chaired by the Chair of the Board, and includes the Vice-Chair and the Chairs of the AFC, TPC and BSC. The Committee meets at least three times a year, out of the normal Board cycle.

The Human Resources Committee (HRC) oversees executive compensation. It assesses the Company's 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 Chair and Deputy Chair are routinely members of the HRC, 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 HRC has delegated powers from the Board in these matters. The HRC also meets without SWIFT executives several times a year.

The Technology & Production Committee (TPC) covers technology and production risks and developments.

## 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 of 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 2018 and runs to June 2021. Their financial Audit Reports can be found in their 2019 statutory and Consolidated Financial Statements.

PwC, London has held the Security Audit mandate since September 2003. In 2016 their mandate for third-party assurance reporting (ISAE 3000) was renewed for three years, to end in 2019. For the 2019 calendar year, SWIFT is providing standalone ISAE 3000 Type 2 reports for SWIFTNet and FIN, the Interface Products, T2S, Alliance Lite2 and other services. Each report includes PwC's opinion on the design adequacy and operating effectiveness of the control activities that help achieve the control objectives in the areas of risk management, security management, technology management, resilience and user communication (in line with CPMI IOSCO's

Expectations for Critical Service Providers). ISAE 3000 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 3000 reports for SWIFTNet and FIN, Interface Products and Alliance Lite2 are made available to shareholding institutions or registered SWIFT users on request. The ISAE 3000 report for T2S is restricted to the Eurosystem and T2S Directly Connected Actors.

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 National User Group is chaired by a representative who is a prime line of communication between the national user community and SWIFT.

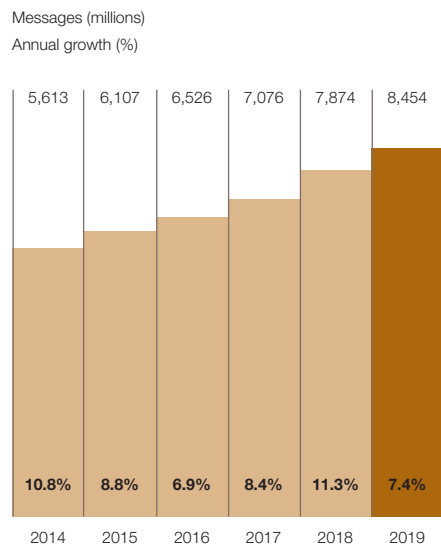
# Messaging facts and figures

## FIN

Financial institutions use FIN for individual, richly featured messaging which requires the highest levels of security and resilience. Features include validation to ensure messages conform to SWIFT message standards, delivery monitoring and prioritisation, message storage and retrieval.

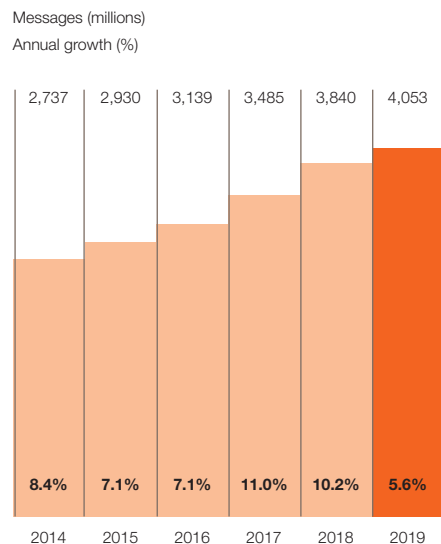
In 2019, more than 8.4 billion FIN messages, or an average of 33.6 million messages per day, were sent over SWIFT network. This is an increase in total FIN volume of 7.4 percent over 2018.

SWIFT recorded two FIN peak days in 2019. The latest one, was on 31 October when more than 36.7 million messages were sent over the SWIFT network. This peak was the result of strong Securities and Treasury volume, combined with typical end of month reporting.



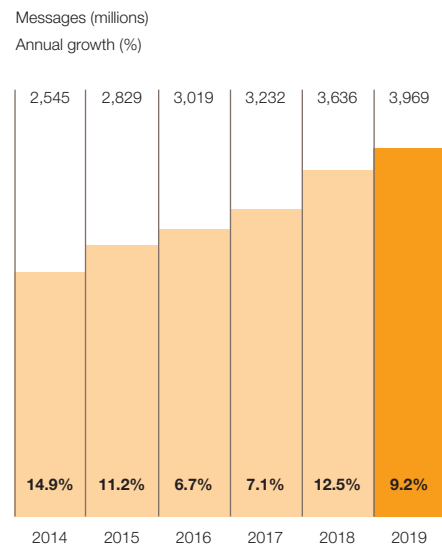
## Payment messages

Payments volume increased by 5.6% in 2019. As is customary, the highest performing month volume-wise was December, with Payments volumes reaching a new all-time high of 17.9 million messages/day on average.



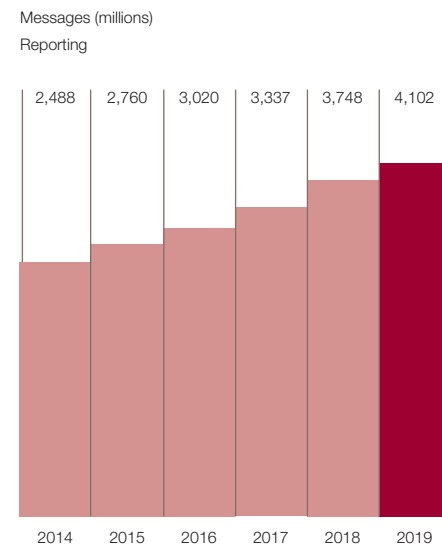
## Securities messages

Securities traffic grew by 9.2% in line with the average of the past 5 years. November was the highest performing month of the year in terms of volume, with Securities traffic reaching a new all-time high of 16.7 million messages/day on average.



## Reporting messages

Reporting messages grew by 9.4% in 2019. Over the last five years, the weight of the reporting messages over the total FIN traffic has increased by 5 percentage points.

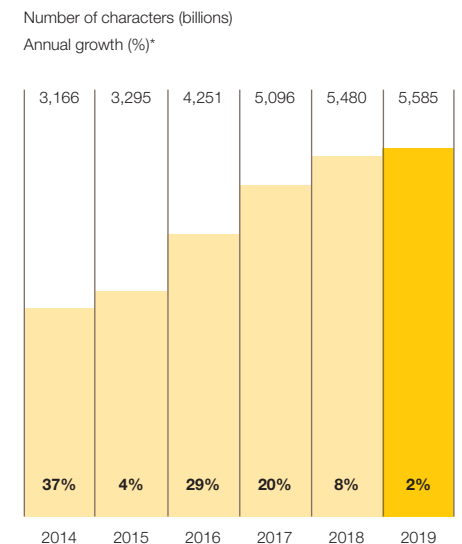


## FileAct

FileAct is an advanced, secured and resilient file transfer protocol tailored to the need of 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 saw average traffic of over 22 million KCharacters per day. Low-value payments remained the largest FileAct volume contributor, and continued to grow mainly thanks to gains in the European cards clearing business and new Market Infrastructures on SWIFT. The Corporates segment kept its steady growth for another year, while TARGET2-Securities traffic also contributed to overall FileAct growth.

FileAct volume in billions of characters	5,585
FileAct volume in millions of files	183
Live and pilot users	2,939
Services using FileAct	164



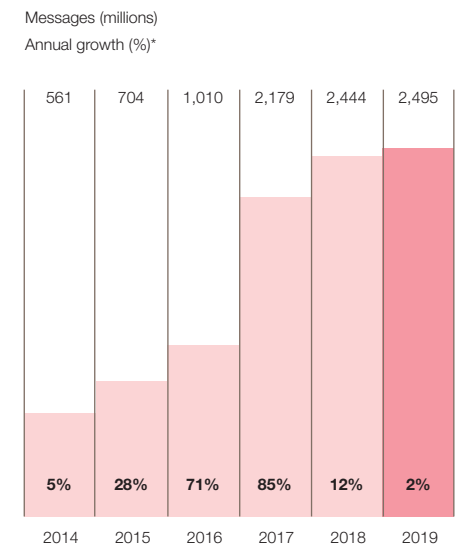
## InterAct

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.

InterAct saw average traffic of approximately 10 million messages per day. TARGET2-Securities represented close to 69% of the total InterAct traffic and remained the largest InterAct volume growth contributor, followed by CLS and Funds.

InterAct messages (*)	2,495 million
Live and pilot users (**)	2,315
Services using InterAct (*)	77

(\*) including CREST  
 (\*\*) including CREST, excluding RMA



\* Growth rates 2015-2017 are based on adjusted historical volumes, neutralising the impact of the CLS platform migration.

# 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](http://www.swift.com)

## 2019 Security audit statement

The Directors and management acknowledge their responsibility for maintaining an effective system of internal control. Management is satisfied that, for the period 1 January 2019 to 31 December 2019, the control policies and procedures were operating with sufficient effectiveness to ensure that the control objectives with regard to risk identification and management, information security, reliability and resilience, technology planning and communication with users were met.

The control objectives were specified by SWIFT management, in line with the overseers' High Level Expectations for Critical Service Providers. PwC was retained by the Directors to review the adequacy of design and the operating effectiveness of the manual and computer-based controls and the control policies specified by SWIFT management for the FIN and SWIFTNet messaging services, Alliance Lite2, Interfaces, and other services, covering the period from 1 January to 31 December 2019.

Their examination was made in accordance with the International Standard for Assurance Engagements (ISAE) 3000, established by the International Auditing and Assurance Standards Board (IAASB). ISAE 3000 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 3000 reports provide information and assurance on the security and reliability of SWIFT's FIN and SWIFTNet messaging services, Alliance Lite2, Interfaces, and other services.

## Key figures

	For the year ended 31 December 2019				
(in millions)	2019 EUR	2018 EUR	2017 EUR	2016 EUR	2015 EUR
Operating revenue before rebate	877	811	780	745	710
Rebate	-	-	-	-	(33)
Revenue after rebate	877	811	780	745	677
Operating expenses	(829)	(760)	(697)	(691)	(653)
Profit before taxation	56	53	69	47	35
Net profit	40	34	45	26	19
Net cash flow from operating activities	196	31	155	53	64
Capital expenditure of which:	46	59	80	51	48
Property, plant and equipment	42	52	53	42	38
Intangibles	4	7	27	9	10
Shareholders' equity	443	408	469	415	388
Total assets	1,005	898	804	797	763
Number of employees at end of year	3,145	2,835	2,779	2,629	2,328

## Consolidated statement of comprehensive income

For the year ended 31 December 2019

(in thousands)	Note	2019 EUR			2018 EUR		
		Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Profit for the year</b>	(A)	56,489	(16,659)	39,830	52,698	(19,185)	33,513
<b>OCI items that may be reclassified subsequently to profit or loss:</b>							
Foreign currency translation		(103)	-	(103)	(1,102)	-	(1,102)
Cash flow hedges:							
Current year gain / (loss) on financial instruments	31	2,508	(742)	1,766	3,573	(1,057)	2,516
Prior year (gain) / loss transferred to income statement	31	(3,573)	1,057	(2,516)	5,504	(1,627)	3,877
<b>OCI items that will not be reclassified to profit or loss:</b>							
Recognition of actuarial gains and losses	24	(3,249)	755	(2,494)	(4,671)	200	(4,471)
<b>Other comprehensive income</b>	(B)	(4,417)	1,070	(3,347)	3,304	(2,484)	820
<b>Total comprehensive income for the year</b>	(A) + (B)	52,072	(15,589)	36,483	56,002	(21,669)	34,333
Attributable to:							
Equity holders of the parent				37,257			35,377
Non-controlling interests				(774)			(1,044)
				36,483			34,333

## Consolidated statement of profit and loss

For the year ended 31 December 2019

(in thousands)	Note	2019 EUR	2018 EUR
<b>Revenue</b>			
Traffic revenue	2	394,570	377,006
One-time revenue	3	5,257	5,537
Recurring revenue	4	277,651	249,516
Interface revenue	5	196,447	175,691
Other operating revenue		2,662	3,244
		876,587	810,994
<b>Expenses</b>			
Royalties and cost of inventory	12	(7,064)	(8,345)
Payroll and related charges	6	(397,712)	(382,050)
Network expenses	7	(12,818)	(15,105)
External services expenses	8	(320,828)	(283,744)
Depreciation of property, plant and equipment	13	(50,488)	(48,055)
Amortisation of intangible assets	14	(13,015)	(13,658)
Depreciation of right-of-use assets	16	(17,869)	-
Other expenses	9	(9,048)	(8,567)
		(828,842)	(759,524)
<b>Profit from operating activities</b>		47,745	51,470
Financing costs	10	(1,894)	(1,396)
Other financial income and expenses	10	10,638	2,624
<b>Profit before tax</b>		56,489	52,698
Income tax expense	11	(16,659)	(19,185)
<b>Net profit</b>		39,830	33,513
Attributable to:			
Equity holders of the parent		40,600	34,250
Non-controlling interests	15	(770)	(737)
		39,830	33,513

# Security audit and financial performance (continued)



To download the full set of financial statements, including the accompanying notes referred to below, please visit: [www.swift.com](http://www.swift.com)

## Consolidated statement of financial position

For the year ended 31 December 2019

(in thousands)	Note	2019 EUR	2018 EUR
<b>Non-current assets</b>			
Property, plant and equipment	13	188,434	197,091
Intangible assets	14	20,739	29,850
Other investments	16	61,471	-
Deferred income tax assets	17	76,328	73,817
Other long-term assets	21	21,558	13,728
<b>Total non-current assets</b>		<b>368,530</b>	<b>314,486</b>
<b>Current assets</b>			
Cash and cash equivalents	18	397,224	266,332
Other current financial assets	18	80,685	137,887
Trade receivables	19	85,774	89,521
Other receivables	20	20,779	26,162
Prepayments to suppliers and accrued income	21	39,902	48,049
Inventories	22	5,193	5,070
Prepaid taxes	23	7,287	10,128
<b>Total current assets</b>		<b>636,844</b>	<b>583,149</b>
<b>Total assets</b>		<b>1,005,374</b>	<b>897,635</b>
<b>Shareholders' equity</b>		<b>442,950</b>	<b>407,529</b>
Equity attributable to equity holders of the parent		437,559	401,365
Non-controlling interests	15	5,391	6,164
<b>Non-current liabilities</b>			
Long-term employee benefits	24	133,668	121,328
Deferred income tax liabilities	17	3,470	4,433
Long-term provisions	26	3,907	12,430
Contract liabilities	5	109,227	111,768
Lease liabilities	16	47,190	-
Other long-term liabilities	27	948	651
<b>Total non-current liabilities</b>		<b>298,410</b>	<b>250,610</b>
<b>Current liabilities</b>			
Amounts payable to suppliers	27	48,787	56,219
Short-term employee benefits	25	70,179	73,790
Short-term provisions	26	8,414	11,105
Contract liabilities	5	25,017	23,246
Lease liabilities	16	15,649	-
Other liabilities	27	93,154	71,268
Accrued taxes	28	2,814	3,868
<b>Total current liabilities</b>		<b>264,014</b>	<b>239,496</b>
<b>Total equity and liabilities</b>		<b>1,005,374</b>	<b>897,635</b>

## Consolidated statement of cash flows

For the year ended 31 December 2019

(in thousands)	Note	2019 EUR	2018 EUR
<b>Cash flow from operating activities</b>			
Profit before taxation		56,489	52,698
Depreciation of property, plant and equipment	13-16	68,357	48,055
Amortisation of intangible assets	14	13,015	13,658
Net (gain)/loss and write-off on sale of property, plant and equipment, and intangible assets		174	1
<i>Other non-cash operating losses/(gains)</i>			
Increase/(decrease) in provisions, pensions and government grants		(7,172)	15,879
(Increase)/decrease in other net long-term assets		(7,533)	(323)
Net financial (income)/costs		1,417	1,414
Net unrealized exchange (gain)/loss		(653)	4,384
Increase/(decrease) in other non-cash operating items		220	462
<i>Changes in net working capital</i>			
(Increase)/decrease in trade and other receivables and prepayments	19-20-21	17,277	(19,860)
(Increase)/decrease in inventories	22	(124)	(3,424)
Increase/(decrease) in trade and other payables and contract liabilities		13,683	7,066
Investments in other financial assets	18	57,202	(63,841)
<b>Net cash flow before interest and tax</b>		<b>212,352</b>	<b>56,169</b>
Interest received		2,114	1,252
Interest paid		(1,673)	(2,583)
Tax paid		(16,674)	(24,164)
<b>Net cash flow from operating activities</b>		<b>196,119</b>	<b>30,674</b>
<b>Cash flow from investing activities</b>			
Capital expenditures			
Property, plant and equipment	13	(41,941)	(52,010)
Intangibles	14	(3,906)	(6,881)
Proceeds from sale of fixed assets		(37)	70
<b>Net cash flow used in investing activities</b>		<b>(45,884)</b>	<b>(58,821)</b>
<b>Cash flow from financing activities</b>			
Payment of principal portion of lease liabilities	16	(19,020)	-
<b>Net payments for reimbursement of capital</b>		<b>(1,067)</b>	<b>(1,104)</b>
Net cash flow from (used in) financing activities		(20,087)	(1,104)
<b>Increase/(decrease) of cash and cash equivalents</b>		<b>130,148</b>	<b>(29,251)</b>
<b>Movement in cash and cash equivalents</b>			
At the beginning of the year		266,332	294,659
Increase/(decrease) of cash and cash equivalents		130,148	(29,251)
Effects of exchange rate changes		744	924
<b>At the end of the year</b>	<b>18</b>	<b>397,224</b>	<b>266,332</b>
<b>Cash and cash equivalent components are:</b>			
Cash	18	54,491	40,167
Liquid money market products	18	342,926	226,462
Credit loss allowance	18	(193)	-
<b>At the end of the year</b>	<b>18</b>	<b>397,224</b>	<b>266,332</b>

# SWIFT offices

Global presence  
28 offices worldwide  
Connecting more than  
200 countries and  
territories

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