SWIFT:
The global financial
messaging provider

Contents

About SWIFT

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

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

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

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

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

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

Evolution of the SWIFT Cooperative
Serving our community for over 40 years

SWIFT was founded in the 1970s based on the ambitious and innovative vision of creating a global financial messaging service and a common language for international financial messaging.

40 years

Serving our community for over 40 years
In 1973, 239 banks from 15 countries got together to solve a common problem: how to communicate about cross-border payments. The banks formed a cooperative utility, the Society for Worldwide Interbank Financial Telecommunication, headquartered in Belgium. SWIFT went live with its messaging services in 1977, replacing the Telex technology that was then in widespread use, and rapidly became the reliable, trusted global partner for financial institutions all around the world. The main components of the original services included a messaging platform, a computer system to validate and route messages, and a set of message standards. The standards were developed to allow for a common understanding of data across linguistic and system boundaries and to permit the seamless, automated transmission, receipt and processing of communications exchanged between users.

Having disrupted the manual processes that were the norm of the past, SWIFT is now a global financial infrastructure that spans every continent, more than 200 countries and territories, and services more than 11,000 institutions around the world. Our services are as relevant today as they were ground-breaking back at the time of their inception, but we do not stand still: we are about continuity and change.

1970s

Founding SWIFT
SWIFT was set up in 1973 by and for its users to support international finance and commerce. By the time SWIFT went live in 1977, 518 institutions from 22 countries were connected to SWIFT's messaging services.

The success of SWIFT exceeded all expectations. Less than 12 months after operations began, SWIFT had processed a total of 10 million messages.

From the very start, SWIFT has engaged closely with our users and listened to their needs, and our user community remains at the heart of SWIFT's strategy and activities. Since inception, we have prioritised confidentiality, security and reliability, and our operating centres have ensured the highest systems availability, redundancy and back-up capabilities.

1980s

Establishing the SWIFT community
The 80s were characterised by the rapid expansion of users, traffic and countries on SWIFT. In 1980 Hong Kong and Singapore started live operations, and by 1983 more than 1,000 users from 52 countries were using our services; SWIFT processed 46.9 million messages that year.

The connection of the first central banks in 1983 reinforced SWIFT's position as the common link between all parties in the financial industry. In 1987 we extended our messaging services and user base, when we entered the securities market. In parallel SWIFT launched a range of complementary services to supplement our core messaging offer, and in 1988 SWIFT set up a dedicated customer support team to better assist our users.

During the 80s SWIFT strengthened its coordinating role by organising various forums to address standards, business and operational issues. Together with our Sibos conference, these forums became the foundation of our community engagement.

1990s

Driving technological change
In 1991 SWIFT received the Computerworld Smithsonian Information Technology Award in recognition for its role in standardised financial telecommunication.

In 1992 SWIFT's Interbank File Transfer went live, and by 1996 SWIFT was carrying over 3 million messages in a single day. By the end of the decade, SWIFT had reached new record FIN availability rates at 99.98% and gained recognition for its outstanding reliability. With the dawn of the Internet and the subsequent rapid technological change, SWIFT further strengthened its focus on security to ensure maximum certainty and reliability for our users.

With the launch of our UNIX interface systems and straight-through processing capabilities in 1993, SWIFT continued to improve efficiencies in our community's back office operations. By the end of the 90s SWIFT had reduced prices for its users, improved automation levels in the financial industry and was well prepared for the introduction of the euro and Y2K.

2000s

Leading on innovation
The SWIFT community continued growing to connect more than 9,000 users from more than 200 countries and territories. By 2009 SWIFT carried 3.76 billion messages per year and had truly established itself as the global backbone of the financial industry. SWIFT continued launching innovative products, increased security and further reduced prices. Through economies of scale SWIFT was able to offer our users much more for a lot less.

SWIFT introduced SWIFTNet, developed new online services and connectivity solutions, launched Innotribe, and, in our role as a standards authority, led the financial industry's migration to ISO 15022 and the deployment of ISO 20022.

SWIFT entered into regional integration projects such as SEPA and TARGET2 in Europe, and opened offices in Brazil, Mumbai, Dubai and Johannesburg.

Cyber security started playing an ever increasing role for SWIFT as we launched our Distributed Architecture programme, and introduced the secure Public Key Infrastructure for SWIFTNet.

2010s

More relevant than ever before
The SWIFT community is stronger than ever before. Our global and neutral character is reflected in our increasingly international governance and oversight, including the SWIFT Oversight Forum.

New offices continue to expand our global presence, bringing us closer to our users and underpinning our ambitious growth strategy. SWIFT continues to lead in innovation, entering the real-time payments market with Australia's New Payments Platform and pursuing new digital opportunities. We launched our first ever joint venture SWIFT India; and we continue to reduce the cost of business for our users – for instance by reducing FIN messaging prices by more than 50% between 2010 and 2015.

Meanwhile, we continue to invest in our infrastructure and consistently exceed 99.99% availability for our FIN and SWIFTNet services.

We continue to listen to our users and address challenges affecting our community, for example by supporting them with the growing compliance challenge.

Our *SWIFT2020* strategy underscores our longstanding commitment to maintaining a strong focus on our core, building our financial crime compliance portfolio, and expanding our Market Infrastructures offerings. Our strategy ensures that we continue to innovate and never stand still.

The Global SWIFT Community

SWIFT is a neutral global cooperative defined by its community of users from all around the world. At SWIFT we believe we can achieve more together. Our Shareholders, National Member, User and Advisory Groups play key roles in the SWIFT community; by drawing from the resources of our global community, we are able to harness the potential of our franchise for the benefit of our users all around the world.

Close cooperation with our users helps us understand their needs and challenges, and allows us to adapt and innovate according to their needs. We cooperate closely with our community in setting standards, shaping market practice and developing new services, and we collaborate to define our strategy, solve problems and stimulate dialogue to address business challenges. Our community engagement enables us to think and act long-term, and to look beyond quick fixes to craft affordable, sustainable solutions.

Shareholders

National Member Groups

National User Groups

Advisory Groups

Mission, Vision and Values

SWIFT is driven and defined by its vision, mission and three core values: Excellence, Community and Innovation.

These values guide our activities and ensure we adhere to the highest standards; understand and deliver on our users' needs; and drive efficiencies across the industry.

Achieve more together

This reflects both the support of our community to raise our ambitions as well as the economics of our time. 'More' means growth through our strategic thrusts. 'Together' means strength, drawing on the resources of the global SWIFT community.

At SWIFT we believe we can achieve more together. To 'achieve more together' we will harness what has been called 'one of the dominant franchises of our network age' and tap the enormous potential of that franchise for the benefit of our worldwide community of members.

Excellence

Operational excellence is central to everything we do at SWIFT. Thousands of financial institutions trust us to deliver millions of financial messages every day. We operate at the heart of the world's financial industry and take this responsibility very seriously.

Through our unremitting focus on security, resilience, reliability and integrity, we ensure that our systems and services live up to our high expectations and deliver on our promise to be the secure global messaging provider for the financial industry.

At SWIFT failure is not an option.

SWIFT also stands for excellence in service. We do our utmost to ensure that our community of users values their SWIFT experience. We challenge ourselves to exceed all their expectations in us. We continuously work to improve the customer experience and develop new solutions to address the financial community's challenges. We strive to become more relevant to our customers every day.

Community

As a neutral global cooperative, SWIFT is defined by its community of users around the world.

Close cooperation with our users helps us understand their needs and challenges, and allows us to adapt and innovate according to their needs. We cooperate closely with our community in setting standards, shaping market practice and developing new services.

We mobilise our community, collaborate to define our strategy, to solve problems, and to stimulate dialogue to address the business challenges of today and tomorrow. We think and act long-term. As a member-owned cooperative, we look beyond quick fixes and craft affordable, sustainable solutions.

Innovation

SWIFT is about continuity and change. SWIFT continues to advance by embracing the exciting potential of new technologies. Over the past forty years, we have successfully pioneered secure technology, services and standards. SWIFT was at the forefront of developing digital solutions such as electronic data interchange and file-transfers. We disrupted previously manual processes to unlock huge efficiencies in the financial system, dramatically increasing reliability and reducing operational risk.

SWIFT is a technology leader in its sector, and continues innovating to shape the future of the financial world. At SWIFT innovation focuses on and around the core, ensuring that our platform and processes evolve to meet the expectations of our customers in a rapidly changing world.

Through Innotribe, the SWIFT Institute, the SWIFT Lab and our product development teams, we support innovation throughout the fintech sector; at the same time, we collaborate and seek to inspire our community to embrace change and understand the potential of innovation in our sector.

Inspired by excellence
Driven by our community
Leading through innovation
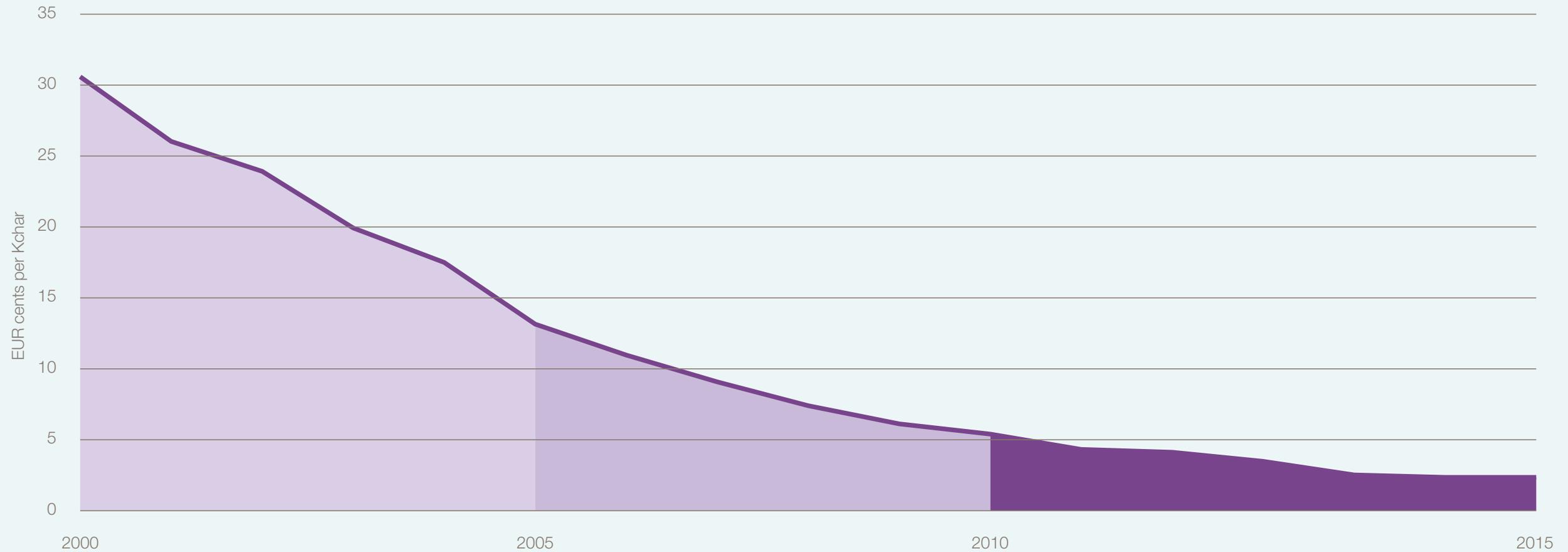
SWIFT Message Pricing

Harnessing the potential of our franchise for the benefit of our global community

SWIFT's pricing principles are designed to encourage usage, to recognise the contribution of large users and to reduce barriers to entry for smaller users. Our pricing is designed to be economically sustainable and to maintain the community spirit upon which SWIFT was founded.

Over each of the last three strategic cycles, SWIFT has decreased the average messaging unit cost by more than 50%, returning the benefits of economies of scale back to the community.

Pricing: Decreasing message unit costs
Average message price evolution (EUR cents per kilocharacters)

Average message price reduction of more than 90% over a 15-year period.

y-axis: EUR cents per Kchar (0, 5, 10, 15, 20, 25, 30, 35)
x-axis: 2000, 2005, 2010, 2015

Technology and Operations

SWIFT's hallmark is a relentless focus on the core, coupled with the rigorous pursuit of operational excellence.

SWIFT is at the forefront of the innovative application of technology within the financial sector. We retain and hire the best minds and embrace the exciting potential of new technologies; we are committed to maintaining a market-leading platform and to delivering innovative technological solutions.

A relentless focus on the core

SWIFT's messaging services support more than 11,000 financial institutions around the world and have systemic importance for the global economy; our users trust us to deliver. As a critical technology and infrastructure provider, our objective is to ensure that our systems work securely and reliably every day, while remaining alert to new threats and opportunities. The expertise and dedication of our staff, our long-term technology investment and renewal programmes, and our constant vigilance towards new threats, are key components in ensuring we meet this challenging commitment, day after day, year after year.

Our reputation for quality is the foundation for our users' trust in SWIFT; we take great pride in our proven track record. We continually invest in our technology, security, people and processes to deliver on this commitment to operational excellence.

SWIFT's approach to providing best-in-class service is founded on our technically skilled workforce, a structured, methodical approach to solving problems, demonstrated crisis response, and industry acknowledged quality and availability.

SWIFT's operational excellence is underscored by our zero-risk approach to failure and reflected in our approach to building highly-available solutions for the financial community. By combining a resilient topology with robust software design and a disciplined approach to the introduction of changes, SWIFT is able to deliver services which continue to run even in the event of unforeseen issues.

Broadly speaking, we structure operational risk areas and controls around five main principles:

1. Effective governance sets the direction at all layers of the company and ensures that security and risk management is prioritised across the whole organisation.
2. Confidentiality of information is critical to the financial services industry, and SWIFT plays a key role in providing secure messaging services. Confidentiality controls protect our customers' message data from unauthorised disclosure.
3. Extensive integrity controls are built into our applications in order to protect against unauthorised changes to messages, and to detect corruption of messages.
4. The availability and resilience of the messaging service infrastructure is of prime importance to SWIFT users. Stringent availability controls and procedures are in place to ensure that service availability commitments are met or exceeded.
5. Finally, rigorous change management processes help ensure that, in a continually changing environment, our security principles are not undermined.

Innovation

As a leading technology company operating in the financial sector, SWIFT has pioneered the application of secure technology, services and standards in the correspondent banking business and was at the forefront of driving the sector's adoption of digital solutions, such as electronic data interchange and file transfer.

Our technologies have disrupted previously manual processes and unlocked efficiencies in the financial system, dramatically reducing frictions, costs and operational risk, and we continue to advance by embracing the exciting potential of new technologies.

We continue to refresh and evolve our platform, to ensure it remains as modern, powerful, reliable and feature-rich as our customers now expect. In addition, we constantly renew our product portfolio in response to the needs of our customer community and we foster a culture of innovation in order to bring new offerings to market while preserving a no-risk approach to the maintenance and evolution of our mission-critical core.

In order to deliver products of the highest quality, we apply a rigorous methodology throughout the product development cycle, from initial idea to deployment in the production environment. Major investments are subject to internal reviews, gating procedures, senior management and executive oversight, and, where appropriate, approval by the SWIFT Board.

Customer Support

All services provided by SWIFT are monitored and supported on a 24/7 basis by teams of technical specialists located within geographically diverse control centres. Using customised service management platforms, our support professionals are able to react instantly to any availability or security issues, and to take the necessary actions to protect the services on which our customers rely.

A comparable 'follow the sun' approach is used by SWIFT's Customer Service divisions to provide our customers with assistance on any issues or questions concerning the use of SWIFT's products and services at any time of day or night.

Architecture

Maintaining world-class core systems and facilities is part of SWIFT's commitment to delivering operational excellence. To support this commitment, we continually reinvest in our core infrastructure to further strengthen our security, resilience and reliability.

Our messaging services are secure, reliable and resilient, and are based on a distributed architecture with full, built-in redundancy to ensure maximum availability. Our core messaging platform operates with a layered security model backed by a secure application development process and 'state-of-the-art' hardware-based Public Key Infrastructure (PKI) technology to ensure that our hosted services deliver industry-leading security functionality to the financial industry.

We invest heavily in our core messaging solutions ensuring they are not only reliable and resilient, but as modern and powerful, rich in features, cost-effective and scalable as we can make them. This approach is exemplified by the ongoing renewal of our core messaging application platform in the 6-year FIN Renewal programme.

Information Security
An uncompromising approach to information security

At SWIFT, we have an uncompromising approach to information security which we recognise is a key value driver for our customers and a major differentiator of our services.

Failure is not an option

The essential components of SWIFT's business, information and cyber security are actively managed throughout the organisation – from Board level, through the CEO and senior management, to operations.

SWIFT's information security measures are comprehensive. They are designed to cater for extreme situations and aim to prevent any unauthorised physical and logical access which could lead to a loss of confidentiality, integrity or availability. Our measures include physical controls that safeguard our premises as well as logical controls that protect against unauthorised access to data and systems and encompass our detection, response and recovery capabilities.

The physical security of our IT assets and data is ensured by: incorporating the highest levels of protection in the design and construction of our purpose-built data centres; enforcing rigorous controls on access to these sites on a strict business-need basis; and by applying strict controls over the handling of computer hardware and media during the entire lifecycle.

We take a similar approach in the architecture, design, development, maintenance and operation of our services and applications. Using a structured development methodology, we ensure that the highest levels of logical security are embedded into the SWIFT services, applications and technologies that support our customers' business. Dedicated teams of security specialists,

working together with leaders in the field, review all designs and security practices to provide guidance, support, testing and assurance that our offerings are appropriately designed, implemented and operated before being delivered to the customer community.

Risk Framework

Risk management is deeply embedded in operational practices at SWIFT, and is underpinned by a very strong risk culture that is captured in the motto: "Failure is Not an Option" (FNAO). Three solid lines of defence underpin and oversee SWIFT's risk management approach: first, management, which is responsible for developing and implementing strong reliability and security frameworks; second, the risk and compliance functions responsible for the overall risk frameworks; and third, the audit functions. All of this is supported by a robust 3rd party assurance framework and through reporting by an external security audit firm, in accordance with the requirements in the applicable International Standards on Assurance Engagements.

SWIFT's overall Enterprise Risk Management framework provides a consolidated view of risk management information across SWIFT, building on and governing other risk management practices within SWIFT, such as Information Security Risk Management. The Information Security Risk Management Framework documents the way security risks are identified, mitigated, tracked and reported up to the SWIFT Board. This framework is designed to cater for the ongoing evolution of our risk practices which are adapted in line with emerging threats and the cyber arms race.

SWIFT's internal audit and external security audit complete the information security risk management system by independently and objectively reviewing,

assessing and reporting on SWIFT's risk and control functions on an ongoing basis. The Internal Audit team itself is periodically subject to external review, providing assurance to the Board and SWIFT Management that the team operates in line with international auditing standards and practices.

Cyber Roadmap

SWIFT takes cyber security very seriously. We actively learn about external cyber incidents, malicious modus operandi and cyber threats from a variety of public, specialised or confidential sources, helping us to drive our continuous investment in prevention, detection and/or recovery. Whenever our comprehensive investigations lead us to believe such threats or vulnerabilities may constitute a risk to the security of our operations, we take appropriate actions in a timely fashion to mitigate such risks and protect our services.

In line with widely recognised standards such as ISO or the NIST cyber framework, we have a history of substantial investment in our cyber strategy and infrastructure, but we acknowledge that there is no room for complacency; we have to live up to our role and reputation as a critical element of the global financial industry's infrastructure. SWIFT will continue to invest in and focus on security in order to stay ahead of the constantly changing threat landscape. In light of increasing cyber threats, SWIFT maintains a cyber-security roadmap which defines our security focus areas for a rolling three-year period. Our cyber investments are structured in four main dimensions:

- Learn – know the enemy and understand our exposure;
- Prevent – make enemies' lives inherently more complicated, prevent cyber-attacks;

- Plan – never underestimate the enemy, and seek to detect attacks that could overcome our prevention;
- Manage – assume breach. Prepare for the worst, be ready to respond, contain and recover from attacks.

SWIFT Messaging Services

SWIFT messaging services are provided within the SWIFT Environment, which includes all the premises, infrastructure, software, products and services owned and directly operated (and controlled) by SWIFT and its personnel. The SWIFT Environment applies strict security, confidentiality and integrity protections to customers' messages. We have controls and procedures in place to protect message data from unauthorised disclosure, to guarantee message origin, to protect against unauthorised changes to messages, and to detect corruption of messages; furthermore content validation features can be used to ensure that only validated messages are processed and delivered in the relevant sequence to the intended recipient.

We commit to the availability of our messaging services, and we ensure the confidentiality and integrity of messages and related customer data and privacy rights within the SWIFT Environment.

Message data[1] sent by our customers is authenticated using advanced security and identification technology. State of the art encryption is added before the messages leave the customer[2] environment and enter the SWIFT Environment. They remain in the protected SWIFT Environment, subject to all SWIFT's confidentiality and integrity commitments, throughout the transmission process and until they are safely delivered to the receiver. All customer messages are encrypted when stored on SWIFT systems.

Availability

SWIFT's messaging services are designed to be available 24 hours a day, 365 days a year, with some limited planned downtime. We maintain multiple operating centres (OPCs) providing full site redundancy. Within each OPC, the central systems are designed to eliminate single points of failure by means of multiple local computer floors. In 2014, SWIFT's state-of-the-art Operating Centre in Switzerland became fully operational. This new IT facility has the capability to support global messaging flow. SWIFT has a further capability to restore messaging in the unlikely and extreme case all other resiliency measures and backups prove inadequate.

Confidentiality

We protect customer data from unauthorised disclosure. All customer messages are encrypted when stored on SWIFT systems. Our security measures provide robust controls around physical and logical access, including physical measures that protect premises as well as logical controls that restrict access based on business needs. Additionally, customer messages are processed and stored in OPCs located in geographical zones best matching customer expectations on data privacy regulations.

Integrity

SWIFT-specific public keys, digital certificates and digital signatures are variously used to authenticate senders and to validate the integrity of the messages sent. SWIFT verifies signatures to confirm message integrity and validates certificates to authenticate the senders. SWIFT ensures that messages are delivered to the intended recipient in the appropriate sequence and offers end-to-end security, allowing senders to apply signatures for their receivers and enabling

receivers to verify the message integrity and authenticate the senders. Thus, the data in messages can be issued and controlled exclusively by the sending and receiving institutions and message originators are able to provide message recipients with the means of verifying that the message has not been modified during transmission.

Resiliency

SWIFT's messaging services are critical to the seamless operation of financial markets across the world and we therefore place particular focus on the resiliency of our messaging services. Our infrastructure is designed, built and tested to remain available in the event of stresses, disturbances, malfunctions or malicious acts and to meet specified recovery time objectives.

A sustained failure of our messaging services is unlikely because of the highly resilient nature of our infrastructure. Since its inception SWIFT has been a pioneer in the area of highly-available IT services, and this commitment to resilience continues today. SWIFT has used its experience in designing and implementing highly resilient architectures in accordance with documented resilience principles.

We maintain multiple operating centres (OPCs) to provide full site redundancy and our OPCs are situated in geographically diverse locations, which were selected after careful consideration of potential man-made and natural hazards. Within each OPC, the system architecture is designed to eliminate single points of failure. The systems and networks at each OPC are designed and configured to meet the processing and storage requirements of the SWIFT user community in the concerned zone(s).

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[1] As well as messages, files can be sent, using FileAct. The described controls also apply to such files.
[2] Or customers' partners' environments.

Information Security

The OPCs are highly secure, and access to them is strictly controlled. Each operating centre has local redundancy for items of critical importance, from servers to cooling devices and power supplies. Message data is always stored in two geographically independent operating centres before delivery.

To cater for the extreme scenario in which multiple operating centres should fail simultaneously, a completely separate disaster recovery infrastructure can be activated to keep our messaging services running. Service continuity testing plans, based on defined scenarios and expected outcomes, are executed in accordance with a published and audited plan. SWIFT tests its disaster site takeovers within expected timeframes at least once a year.

SWIFT is well prepared for the rare event that its messaging services are affected by an incident: every year we carry out hundreds of business continuity exercises, which can variously involve staff at all levels, local authorities, and customers, and cover different scenarios including cyber-related events. Specific cyber business continuity plans have been developed. Our post-test reviews ensure that relevant improvement actions are taken.

The resilience of SWIFT's services is subjected to regular internal and external audits and included in the scope of the external audit report.

Independent assurance provided through External Audit

SWIFT's external security auditor performs an annual independent external audit of our messaging services. This audit is conducted in accordance with the requirements in the applicable International Standards on Assurance Engagements. The resulting reports provide independent assurance on the security and reliability of SWIFT's services in scope. Reports covering calendar years up to 2015 were prepared under the ISAE 3402 standard and contained the Independent Security Auditor's opinion that they have obtained reasonable assurance that SWIFT has adequate and effective controls in place to meet the stated control objectives in the areas of Governance, Confidentiality, Integrity, Availability, and Change Management. As of 2016, reports are produced under the ISAE 3000 standard. Aligned with CPMI-IOSCO's Expectations for Critical Service Providers, they cover the areas of Risk Management, Security Management, Technology Management, Resilience and User Communication. Both ISAE 3402 and ISAE 3000 are international standards which enable service providers such as SWIFT to provide independent assurance on their processes and controls to their customers and their auditors.

Every year the report is made available to customers upon request, as well as to potential customers, subject to appropriate confidentiality arrangements.

Security is a key value driver for our users and therefore for SWIFT. Security at SWIFT is closely managed and overseen under a strict governance framework.

- Board and Sub-Committees (TPC, AFC)
- CEO and Executive Committee
- Security Council (CEO, CIO, CFO, CRO, CSO, GC)
- Security & Reliability Committee (CIO, CRO, CSO, COO)
- Policies, Processes, Procedures and Standards
- Line Management and Project Management
- Day to Day Operations

- G-10 Central Bank Overseers
- External Audit
- Internal Audit
- Information Security Risk Management
- Security Awareness and Compliance

Financial Messaging Services
Secure, seamless financial communications

SWIFT's messaging services are trusted and used by more than 11,000 financial institutions in more than 200 countries and territories around the world. Providing reliable, secure and efficient messaging services to our community of users, SWIFT is the backbone of global financial communication.

Connecting global finance

Our messaging services went live in 1977 to replace the Telex technology then widely used by banks to communicate instructions related to cross-border transfers. The service remains as relevant today as it was ground-breaking back then, representing the primary communications channel for financial institutions engaged in correspondent banking all around the world, and offering the most secure, cost-effective and reliable way of transmitting financial messages relating to payments, securities, treasury and trade.

Since its inception, SWIFT has played a leading role, together with its community, in the standardisation that underpins global financial messaging and its automation. The use of standardised messages and reference data ensures that data exchanged between institutions is unambiguous and machine friendly, facilitating automation, reducing costs and mitigating risks. Through SWIFT, banks, custodians, investment institutions, central banks, market infrastructures and corporate clients, can connect with one another exchanging structured electronic messages to perform common business processes, such as making payments or settling trades.

SWIFT is committed to the confidentiality, integrity and availability of its messaging services. We have controls and procedures in place to: protect message data from unauthorised disclosure; to help ensure the accuracy, completeness and validity of messages and their delivery; and to ensure our service availability requirements are met.

SWIFTNet

Our messaging platform, known as SWIFTNet, produces huge efficiencies for our users by enabling them to seamlessly and securely communicate through a single shared utility.

Financial services organisations have increasingly complex and diverse messaging requirements – whether communicating with market infrastructures, with correspondents or with commercial clients. Today we therefore offer four complementary messaging services, all of which allow for seamless straight-through-processing: FIN, InterAct, FileAct and WebAccess. Each service delivers different advantages that cater for the distinct messaging needs of our different users.

FIN

FIN is the longest established of all our messaging services. It enables the exchange of messages formatted with the traditional SWIFT MT standards. These standards cover a wide range of business areas and are widely used and accepted by the financial community. FIN enables the exchange of messages on a message-per-message basis, and supports the exchange of proprietary formats between market infrastructures and their customers. It also works in store-and-forward mode and offers extensive functionalities, such as message copy, broadcasts to groups of other users, and online retrieval of previously-exchanged messages.

InterAct

Like FIN, InterAct enables the exchange of messages on a message-per-message basis, and supports the exchange of proprietary formats between market infrastructures and their customers.

In addition, InterAct offers increased flexibility, including store-and-forward messaging, real-time messaging, and real-time query-and-response options. The InterAct service enables the exchange of MX message types, which are expressed in the flexible XML syntax and developed in accordance with the ISO 20022 standard methodology, many of which have already been published as ISO 20022 standard definitions.

FileAct

FileAct enables the transfer of files. It is typically used to transfer large batches of messages, such as bulk payment files, very large reports, or operational data.

WebAccess

With WebAccess, SWIFTNet users can browse securely on financial web sites available on SWIFTNet using standard Internet technologies and protocols.

Connectivity

In order to use SWIFT's messaging services, customers need to connect to the SWIFT Environment. There are several ways of connecting to the SWIFT Environment: directly via permanent leased lines, the internet, or SWIFT's cloud service (Lite2); or indirectly via their appointed partners.

Messages[1] sent by our customers are authenticated using our specialised security and identification technology. Encryption is added as the messages leave the customer[2] environment and enter the SWIFT Environment. Messages remain in the protected SWIFT Environment, subject to all SWIFT's confidentiality and integrity commitments, throughout the transmission process – whilst they are transmitted to our operating centres (OPCs) where they are processed – until they are safely delivered to the receiver.

In addition to the different connectivity options and our range of gateway products, SWIFT also provides a range of interfaces, providing seamless links between users' internal systems and the SWIFT Environment. All our interface products manage the SWIFT protocols needed to access the SWIFT Environment; our range of interfaces supports different services and functionalities, addressing distinct customer needs.

All SWIFT messaging services can be combined with a range of standard and optional features. Users can increase efficiencies and tailor their SWIFTNet package to their messaging needs by making use of these additional tools.

Traffic and pricing

The SWIFT community keeps growing and we record new peak messaging days several times a year. The growth in message volumes and users generates economies of scale which we return to our community through message price reductions.

The more users join SWIFT and the more messaging traffic there is, the greater the benefits are to the community, as our traffic growth contributes to significant price reductions for our users. We offer several different pricing options to suit every user profile, including a fixed rate for large users.

[1] Files can also be sent via our FileAct messaging service. The connection descriptions apply to files as well as messages.
[2] Or customers' partners' environments.

FIN Messaging Traffic Evolution

SWIFT's traffic growth is proof of our central role in the financial system, and testament to the financial industry's trust in our secure financial messaging services. Since SWIFT's messaging services went live, our messaging volumes have increased year in, year out; and in the fifteen years to 2015 our FIN messaging volumes grew nearly fivefold.

380% increase in FIN messaging volumes since 2000
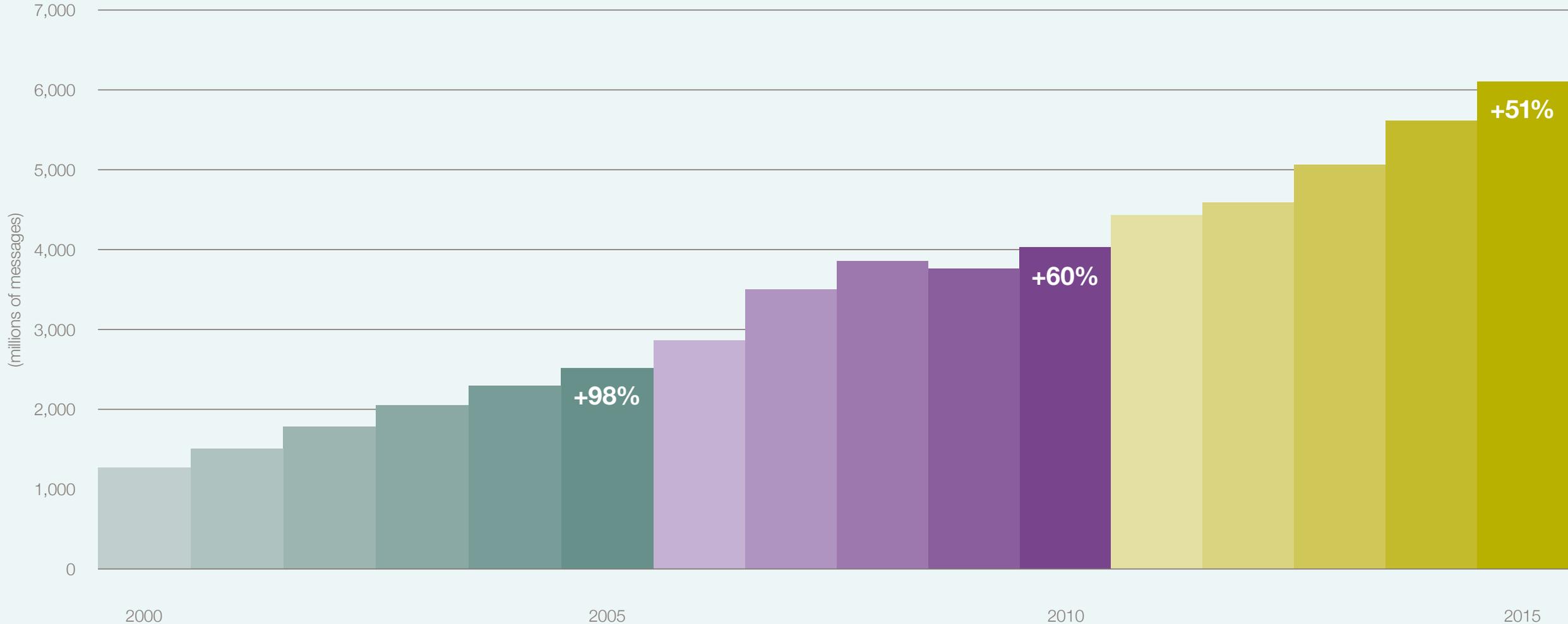
Standards
Enabling efficient communication for the financial world

SWIFT was founded in 1973, based on the ambitious and innovative vision of creating shared worldwide financial messaging services, and a common language for international financial messaging. To achieve this vision, SWIFT has long played an important role in standardisation, notably by creating and maintaining global financial messaging and reference data standards.

A shared understanding

Standards are vital to allow for a common understanding of data across linguistic and systems boundaries and to permit the seamless, automated transmission, receipt and processing of communications exchanged between users. Use of standardised messages and reference data ensures that data exchanged between institutions is unambiguous and machine friendly; in turn this enables efficient automation, thereby reducing costs and mitigating risks.

Today financial players routinely send structured electronic messages to one another to perform common business processes, such as making payments or confirming trades. In its ongoing role as a financial messaging standardiser, the SWIFT Standards group works with the financial community to define standards for these messages. These standards specify the data elements that can be included in the messages, document the meaning and format of those data elements, and specify which of the data elements are mandatory, which are optional, and which are only required in specific business scenarios. The message standards also describe the actions expected of the message receivers, and, because some business processes require several messages to be exchanged, they also specify the order in which messages should be sent and received.

SWIFT Standards acts as Registration Authority (RA) for several standards that define universal codes for common data items, or reference data. RAs are appointed by the International Organization for Standardization (ISO) to ensure the integrity of the reference data defined by ISO standards, and to publish the data in an accessible form for the benefit of the user community. Examples of such standards include the ISO 9362 Business Identifier Code (BIC – commonly referred to as the "SWIFT" code), which is used to identify parties, and the ISO 10383 Market Identifier Code (MIC), which is used to identify exchanges, trading platforms, regulated or non-regulated markets and trade reporting facilities.

SWIFT Standards also contributes to the formalisation and implementation of other reference data standards, notably the ISO 17442 Legal Entity Identifier (LEI), which is increasingly required for regulatory reporting purposes. Financial messaging standards specify these codes wherever possible to minimise the ambiguity of data.

Standards in the community

SWIFT Standards works with the user community to specify and publish Market Practice – rules and best-practice advice on how standards should be deployed to meet particular business needs or to comply with regulation.

The SWIFT Standards group maintains several important message standards. The SWIFT MT standard, for instance, is used for international payments, cash management, trade finance and treasury business. Working with the SWIFT community, SWIFT Standards operates the annual maintenance process for MT, which ensures that the standard evolves to meet changing market needs.

SWIFT Standards, under contract to ISO, also maintains two open messaging standards: ISO 15022, which is used for securities settlement and asset servicing, and ISO 20022, which is scoped to all financial industry processes.

The role of ISO 20022 is twofold: it is a methodology for creating financial messaging standards, and it is a related body of content, which includes definitions of common industry terms, and message definitions addressing an expanding range of business areas, including payments, cash management, treasury, cards and securities.

SWIFT and Payment Messaging
Standardising, simplifying and securing payment messaging all around the world

The transfer of value – or payment – is one of the oldest and most widely used customs in the world. We routinely make value transfers in the normal conduct our daily lives – whether in cash, or through our bank accounts. So much so, that we take payments for granted and rarely stop to think how value is really and ultimately transferred.

In a cash-based transaction the value transfer clearly occurs at the moment the notes and coins are handed over; the simple action of the handover of the cash results in the transfer of value. However, bank payments which we all routinely use to move income, assets and receivables around, are not binary processes. Most interbank transfers are non-cash payments which are realised through the exchange of instructions, confirmations, and the subsequent registration of debits and credits.

Modern economies depend heavily on the smooth transfer of value within the banking system; hundreds of banks might participate in any given domestic market, and transfers will seamlessly be effected between them. The payer and payee respectively experience the debits and credits materialising in their accounts, but behind these movements lies a complex exchange of instructions, confirmations, checks and reports, netting and settlement processes; all these between a web of participants – including

a multitude of banks, retail payment systems, high value payment systems, central banks and more.

A global solution

When value is "transferred" across borders – when we make cross-border payments – the complexity rises; more information, instructions and checks invariably have to be conveyed and exchanged between a greater number of participants and systems. In addition, different jurisdictions will typically follow different rules and have different market practices, operating hours – and different currencies.

We take it for granted that we can "send" money around the world between banks large and small with the simple provision of the payment details, and the clear identification of the beneficiary and their bank. More often than not, however, the sending bank will not have a direct relationship with the beneficiary's receiving bank – and yet the payment still goes through. This process is supported by correspondent banking, an essential component of the global payment system, not only, but especially for cross-border transactions.

Essentially, correspondent banking is an informal network of banks around the world, connected together by a series of formal contractual arrangements. Under correspondent banking arrangements, one bank, the "correspondent", will hold deposits for other banks, their

"respondents", providing payment, short term credit and other services to them. All this oils the wheels of the global payments business.

SWIFT plays a pivotal role in this system, providing a safe, secure and confidential platform for the exchange of these vital instructions and pieces of information between participants.

A common language

Established to create a common language and a secure system to solve for these cross-border communication needs, SWIFT continues to play a leading role across the whole payments area today, not only internationally, but also domestically.

Our messaging platform and standards allow for the seamless transfer of messages across geographies and between thousands of banks and payment systems, enabling banks to automatically process the related payment instructions – irrespective of language barriers and differences between IT systems.

Building on our proven role as a trusted messaging provider, we relentlessly invest in our systems, maintain messaging standards and pursue innovative processes and technologies to ensure the payments business can perform its key role: oiling the wheels of economies across the world.

SWIFT and Securities Messaging
A pivotal role in a complex system

Securities operations are simple on the face of it, but for each securities sale or purchase to be completed, a series of instructions need to be exchanged between both the buyer's and the seller's custodians and/or their agents and, ultimately, both of their securities depositories.

When investors operate across borders, additional communications are often required between agents and global custodians, as well between the aforementioned parties.

A trusted partner

Once a buyer has "purchased" a security, they will need to send a settlement instruction to the custodian at which they hold their cash and securities account to receive those securities (typically) against payment. After the custodian has verified and confirmed the instructions it has received, it will send a further instruction to the relevant central securities depository (CSD), which will match the instruction with the selling counterparty's instruction. In this step, information such as the date, price and the amount of securities set out in the settlement receipt instruction will be matched with

the counterparty's delivery instruction. Once it has successfully matched the information sets, the CSD will settle the transaction and confirm this to the custodians, who will then inform the seller and the buyer (and, potentially, both their agents) that the transactions have been settled and that the assets have moved to their respective accounts.

A shared infrastructure

All this activity takes place repeatedly throughout the trading day involving a multitude of buyers and sellers, custodians, CSDs and agents across multiple markets, jurisdictions, geographies and languages. In addition, a wealth of further information and instructions need to be exchanged to support the simple maintenance of securities holdings – related to dividend or interest payments, to share splits, to voting, to reporting, to reconciliation, and more.

SWIFT provides the platform on which all these communications are exchanged, in effect, acting as a secure shared communication infrastructure for securities market participants all around the world.

The industry's choice

SWIFT launched our securities messaging services in 1987 and since then securities traffic has grown continuously, to account for approximately 50% of our traffic today. More than 4,500 securities market participants rely on SWIFT for their related messaging needs, including banks and market infrastructures, broker dealers, custodians, fund distributors and investment managers.

Together with our community, SWIFT also plays an important role in developing message standards for all the different process steps in the post-trade securities chain. Our standardised messaging formats allow for full automation and straight-through-processing of securities-related instructions, radically improving the efficiency of post-trade securities settlement – again allowing for the seamless transfer of the related messages across geographies and between thousands of different participants.

Securing
SWIFT delivers the world's financial messages securely and reliably.

Simplifying
Institutions all across the world rely on SWIFT for payments, securities, treasury and trade messaging purposes.

Standardising
SWIFT messaging services offer standardisation and automation – the keys to operational efficiency.

Products and Services

A portfolio of innovative products and services

SWIFT's products and services continually evolve to support our community's growing array of access, integration, business intelligence, reference data and financial crime compliance needs, and they help users access, generate, manage, process and understand their messaging traffic. Our products and services help our users get the most out of SWIFT messaging.

A community approach

Our products and services are as varied as the financial industry itself. SWIFT offers a range of access options, produces messaging management software packages, carries out macro-economic analyses, and enables back-office automation. We also support financial crime compliance needs and standards implementation, offer professional training, and help our users enhance their security and resilience.

Our solutions seek to address challenges faced by the SWIFT community, to reduce risk, eliminate costs and to realise efficiencies in the processes supporting correspondent banking.

Our community approach allows us to best address our users' needs and to develop shared solutions and harmonised industry-wide approaches.

Connectivity and Access

In order to use SWIFT's messaging services, customers need to connect to the SWIFT Environment. Catering to distinct user needs, SWIFT offers several different means of connecting to the SWIFT Environment: directly via permanent leased lines, the internet, or SWIFT's cloud service (Lite2); or indirectly via their appointed partners.

In addition to the different connectivity options and gateway products, SWIFT also provides a range of interfaces, providing seamless links between users' internal systems and the SWIFT Environment. All our interface products manage the SWIFT protocols needed to access the SWIFT Environment; our range of interfaces supports different services and functionalities, addressing distinct customer needs.

Software

SWIFT offers a range of integration and messaging management solutions that support everything from the complex high volume messaging needs of the world's largest institutions, to the lower-volume, cost-sensitive needs of smaller banks and corporates.

The solutions are designed to address users' full financial messaging needs, and offer storage, formatting, translation and conversion, orchestration, archiving and repair functionalities, amongst others.

Shared Services

Our services portfolio addresses some of the biggest operational challenges faced by financial institutions. These solutions focus on automating otherwise manual and time-consuming procedures, and simplifying regulatory and technological complexities associated with financial communication and back-office processing more generally.

Our financial crime compliance services, for example, help our community guard against financial crime by addressing complexity and cost related to complying with sanctions and Know Your Customer (KYC) requirements. Small to mid-sized institutions use our managed service to screen financial transactions, while larger institutions gain third-party assurance that their sanctions environments are performing properly. The KYC Registry enables banks to exchange a standard set of due diligence information, mitigating the cost of data collection and enabling compliance teams to focus on decision-making. Our expanding data analytics services help banks pinpoint, investigate and mitigate possible compliance risks related to financial transactions and correspondent relationships.

We also compile detailed business and macro-economic intelligence based on our messaging traffic data. By measuring traffic volumes, SWIFT is able to assess economic performance as it happens, undertake studies on the use of currencies in international transactions, and enable our users to analyse their own traffic.

As well as serving market infrastructures all across the world, SWIFT offers tailor-made resilience and back-up services to financial market infrastructures, which thereby benefit from an additional layer of resiliency.

Building on our central role as an ISO standards registration authority, SWIFT helps our users implement and update individual financial standard sets. Special standard applications show our users when standards changes standards have been effected, and whether their systems are up to date. Through SWIFT's reference data utility we also provide the financial industry with a common source of up-to-date correspondent information.

SWIFT's community spirit is evidenced through our many different consulting, professional training and support services which ensure that our users are not left alone, and always have access to our SWIFT experts, no matter where they are in the world. Our trained experts ensure that our users get the most out of their SWIFT messaging experience and help us respond to their needs.

SWIFT2020

Grow the core, build the future

SWIFT2020 defines our priorities for the five years to 2020. We have shaped *SWIFT2020* to respond to external challenges and drivers as well as to build on the success of previous strategies.

The *SWIFT2020* strategy focuses on three main dimensions:

- Grow and strengthen core messaging services for payments and securities
- Expand and deepen offerings for market infrastructures
- Build our financial crime compliance portfolio

As in previous strategic cycles our principal area of focus is on our core: delivering operational excellence, increasing 'many-to-many' message volume growth, and returning the benefits of economies of scale back to customers through targeted price reductions.

In addition, we have ambitious plans to support the industry in addressing financial crime compliance, and to develop our offering for market infrastructures and their communities.

Messaging

Integration & Interfaces

Shared Services

Many-to-Many

CORE
Grow and strengthen core 'many-to-many' financial messaging, connectivity and closely adjacent products and services

COMPLIANCE
Build our Financial Crime Compliance portfolio to meet the full spectrum of related challenges

Market Infrastructures

MIs
Expand and deepen offerings for Market Infrastructures

Financial Market Infrastructures

SWIFT is a trusted partner for Financial Market Infrastructures (FMIs) all across the world. We support both payment and securities FMIs, including high- and low-value as well as real-time payment systems, Central Counterparties (CCPs), Central Securities Depositories (CSDs), Securities Settlement Systems (SSS), Trade Repositories, and Exchanges. SWIFT also provides a specially tailored communications and service solution for Continuous Linked Settlement (CLS) which provides FX settlement services around the world; and is actively supporting FMIs and their communities in the shift towards real-time payments.

Today, SWIFT supports more than 200 market infrastructures around the world, including:

- **More than 100 payment systems, covering more than 50% of all high value payment systems and nearly 20% of all low value payment systems.**

- **More than 100 securities systems, covering nearly 50% of all CSDs and over 30% of all Central Counterparties.**

FMIs are impacted by fast evolving and potentially disruptive technologies, by direct and indirect regulation, the need to control costs, and the ongoing evolution in standards. SWIFT's expertise in innovative technologies, messaging and standards enables us to partner effectively with FMIs to help address these challenges and find cost effective and reliable ways to adapt to change, to reduce costs and to capture new opportunities.

SWIFT engages in partnerships with FMIs to provide a platform for their financial messaging and integration needs. Using SWIFT enables FMIs to successfully process financial transactions, mitigate risk, increase operational efficiency and

lower costs. With its strong track record, SWIFT delivers continued assurance via high levels of service availability and a relentless focus on security and reliability, as well as offering innovative tailor-made resilience and back-up services. For example, SWIFT's Value-Added Network (VAN) Solution for T2S provides secure exchange of information in ISO 20022 formats between T2S participants and the T2S platform. In addition, our optional products and services allow for a complete T2S connectivity solution, including the integration layer with the back-office.

SWIFT has a long-standing history of supporting FMIs and their communities undertaking major structural and regional projects. As well as supporting FMIs with mission-critical infrastructure initiatives in the Americas, APAC, and EMEA, SWIFT is driving innovation in the payments where we are facilitating a cost-effective instant domestic retail payments system.
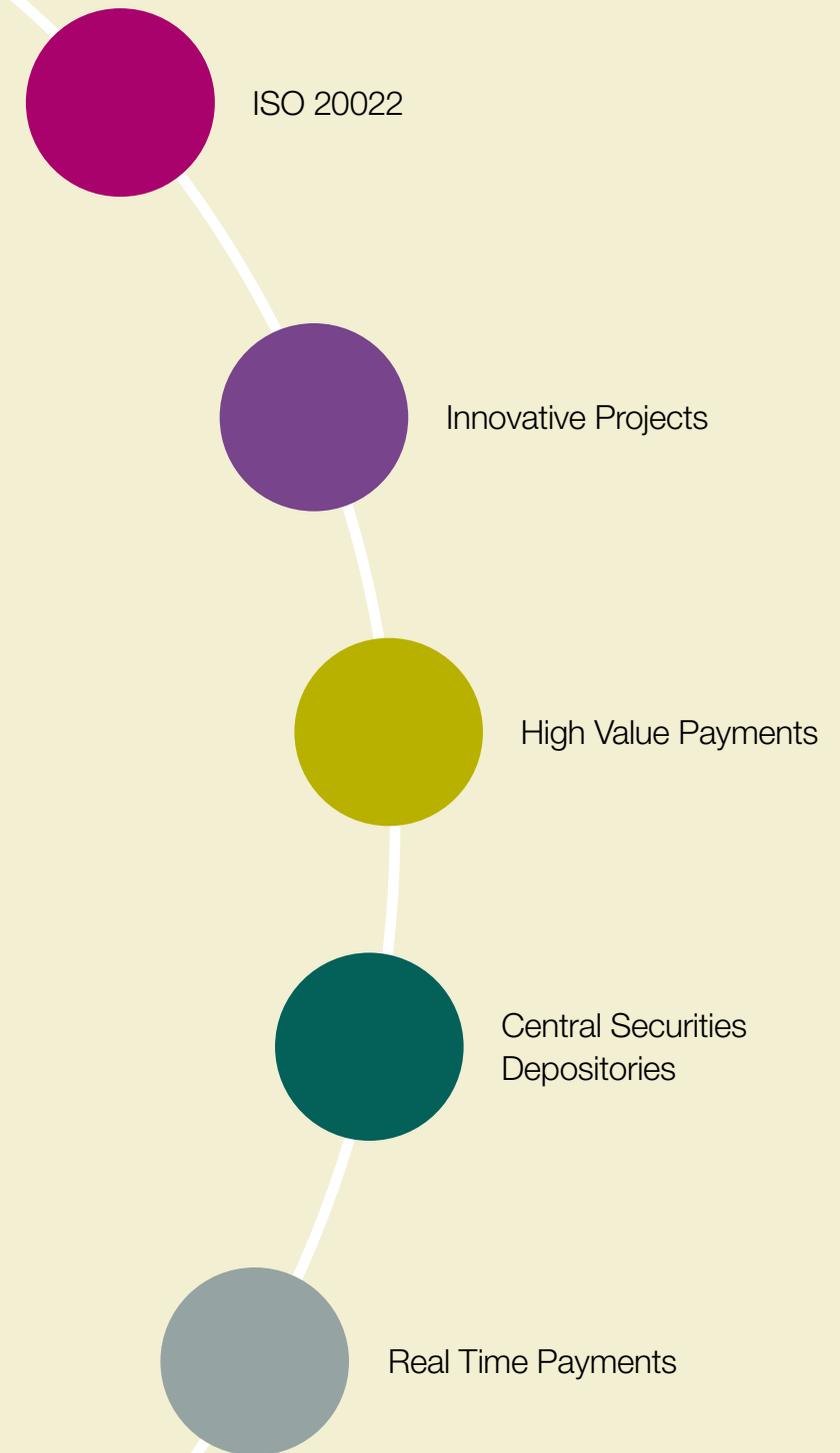
Driven by increased market demand for real-time retail payment services, SWIFT has created a new model suitable for both domestic and regional market infrastructures which require low latency, continuous availability and single-currency processing. This unique and innovative model allows for ubiquitous real-time payment services, ensures cost-effectiveness through the re-use of customers' existing SWIFT infrastructure and operates with the highest levels of security, availability, bandwidth and resilience. Operable on a 24/7/365 basis it allows for 'clearing' to be distributed between debtor and creditor banks. 'Switch' components orchestrate the complete message flow and enable access to additional applications, such as proxy addressing databases which allow payments to be made using personal identifiers such as mobile phone numbers and email addresses.

SWIFT's role in standardisation extends to supporting FMIs and their communities. As well as managing and updating standards, we help distribute Legal Entity Identifiers and support migration to new standards, such as ISO 20022. SWIFT is also playing an important coordinating role in FMI's adoption of ISO 20022 through the ISO 20022 Harmonisation Charter. As ISO 20022 implementations proliferate, variability in the ways in which ISO 20022 is deployed, in terms of message versions, market practice rules and release cycles, threatens to undermine its value as a means to reduce industry cost and risk and to enable interoperability. By its nature, the challenge posed by this fragmentation cannot be addressed piecemeal; only coordinated action at an industry level can provide a solution. Through the Charter, SWIFT brings FMIs from around the world together in dialogue, providing a roadmap and technology to facilitate harmonisation. In addition, SWIFT's MyStandards platform can be used to capture and share related standards information.

SWIFT's portfolio of FMI services also includes a range of tailored services to address key operational challenges, including: standards migration and interoperability, resiliency and connectivity.

SWIFT continues to evolve its FMI offering to meet market needs.

Financial Market Infrastructure strategy: Expand and deepen offerings for market infrastructures

ISO 20022

Innovative Projects

High Value Payments

Central Securities Depositories

Real Time Payments

Financial Crime Compliance

As a shared utility SWIFT has a natural role to play in financial crime compliance. Financial crime compliance is critical to every SWIFT user, independently of location and size. It is an area in which no competitive advantage can be gained by individual institutions and in which SWIFT's economies of scale can benefit all users.

SWIFT's financial crime compliance services complement our core messaging services, and help the financial industry address one of its most pressing challenges. Not only are banks expected to prevent criminal activity, but regulators require increasing transparency into how such compliance activities are being conducted. With the cost of compliance continuing to grow, industry leaders agree that collaborative solutions are needed to successfully reduce costs, operational pressures and risk.

Failure to comply with international sanctions has been at the base of many of the well-publicised enforcement actions in recent years. The complexity of sanctions requirements and the operational challenges of addressing these pose a significant burden in terms of cost and risk.

Acting on community feedback, SWIFT has launched a series of financial crime compliance services which are being broadly adopted by our members.

For example, SWIFT's Sanctions Screening service provides simple, cost-effective, real-time transaction screening against sanctions lists. Sanctions Testing provides financial institutions with transparency into their own sanctions environment, third-party assurance that their controls are working properly, and enables them to optimise effectiveness and efficiency.

Regulators have made it clear that they expect banks to know their customers – and their customers' customers. The process of performing and demonstrating Know Your Customer (KYC) compliance involves the exchange of massive amounts of data and documentation with each banking partner. If this work were carried out by each institution individually, the effort would be costly and duplicative. SWIFT's KYC Registry addresses this challenge by offering a single, secure global source of standardised, high-quality KYC information. The Registry was developed together with leading correspondent banks, and now also includes fund distributors and custodians. The centralised cooperative setup of the Registry shows the true value of SWIFT's utility-approach to financial crime compliance.

Sifting through large amounts of non-standardised data in order to detect and prevent money laundering, terrorist financing and other illicit activities, represents another major compliance challenge for banks. SWIFT's Compliance Analytics service helps banks monitor and address financial crime risk by leveraging standardised SWIFT message traffic data. It enables users to identify anomalies in behaviour, unusual patterns or trends, hidden relationships, and consistently high levels of activity with high-risk countries and entities. Institutions can either use the advanced analytics tool themselves to analyse their data, or SWIFT can perform analytics for them and provide the results as a reporting service.

SWIFT is committed to supporting the industry face financial crime compliance challenges. Together with our community, we are making the continuing expansion of our financial crime compliance portfolio a top strategic priority.

Financial Crime Compliance priorities:
Go faster and deeper with new compliance products and drive economies of scale

Utility

KYC

Sanctions

AML

Securities
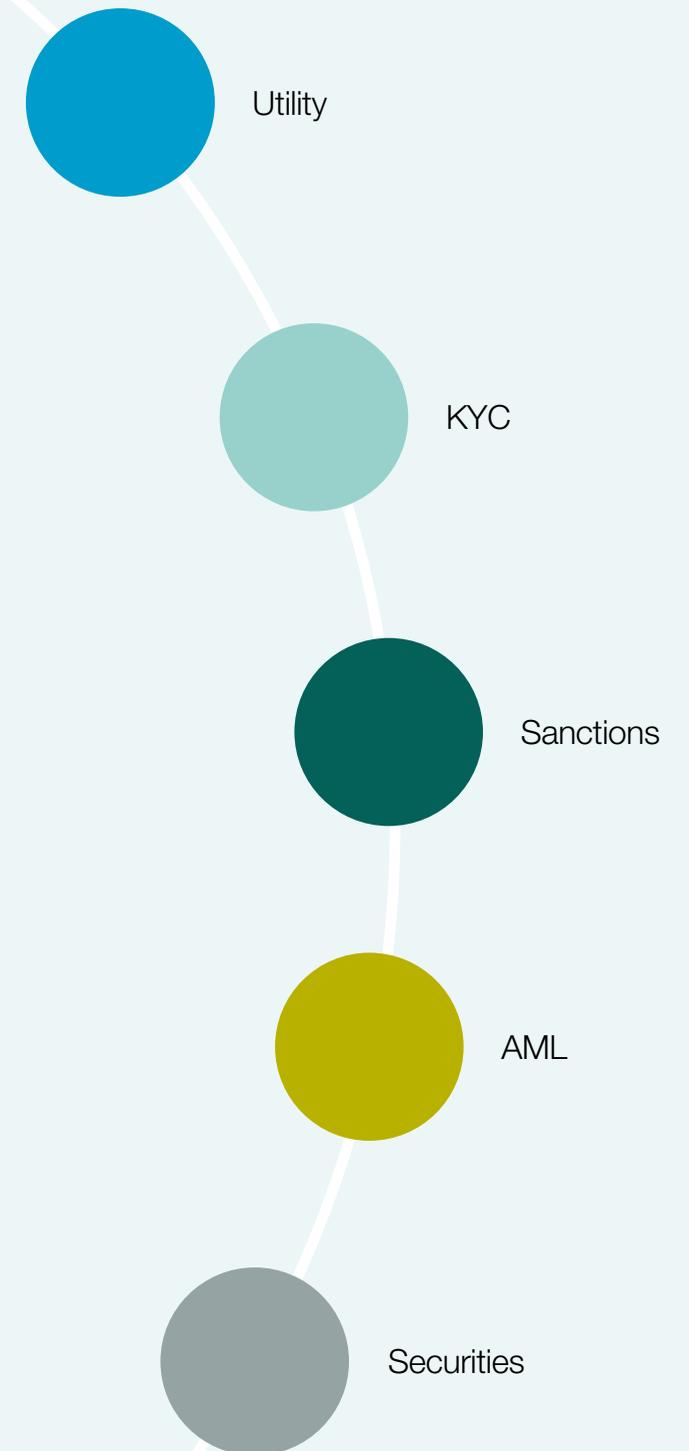
Data Privacy
Committed to privacy and data protection

Privacy is a fundamental commitment at SWIFT, an essential component of our core services and integral to the SWIFT Environment. We protect the data and privacy of our customers around the world. We operate our services to strict privacy and data protection standards, and in compliance with EU data protection regulation – considered as the most stringent privacy legislation in the world.

A fundamental commitment

At SWIFT we take our commitment to privacy extremely seriously and seek to deliver a very strong degree of privacy by ensuring that all data is protected by design in the SWIFT Environment, as well as by ensuring our full compliance with all applicable privacy and data protection laws.

Privacy protections are embedded into the design and architecture of our systems and business practices at SWIFT. We operate according to two important principles: privacy by design, and data minimisation.

SWIFT's approach to protecting data is proactive and preventative: we aim to anticipate and prevent events before they happen; we do not wait for privacy risks to materialise; and we trust, but verify.

Privacy protections at SWIFT are also extended securely throughout the entire lifecycle of the data involved, from start to finish. This ensures that data is securely stored and then securely destroyed at the end of the process in a timely fashion. Thus, we ensure cradle-to-grave, secure lifecycle management of data.

Over the years SWIFT has repeatedly improved transparency by enhancing its contractual documentation with respect to the processing of customers' data (including personal data). In doing so, SWIFT has been assisted by a working group of data protection and compliance experts from SWIFT users around the world. SWIFT has a Data Protection Officer who ensures that SWIFT complies with all applicable data protection legislation and that SWIFT's own privacy and data protection policies are up to date and fit for purpose.

Policies, principles and practices

At SWIFT, use and protection of data is strictly controlled according to formal policies and audited processes. Our annual ISAE report on our SWIFTNet and FIN messaging services, includes data protection controls and our Data Protection Officer regularly reviews these controls and makes appropriate modifications within the related policies as required.

SWIFT operates according to its stated promises and objectives, as set out in its data policies. These policies are governed by the following key principles:

- Appropriateness: We regularly review our data policies and contractual documentation to ensure we explain clearly how we handle data, whether personal or not.

- Transparency: Our customer related data policies are made publicly available on our website and form an integral part of the contractual documentation for SWIFT's messaging services.

- Privacy by design: Respect for privacy is paramount at every stage of the design, development and delivery of our products and services.

- Data minimisation: We collect the minimum amount of data needed to fulfil our messaging service obligations.

- Awareness: We provide awareness training to all employees to ensure they have a clear understanding of the importance of data privacy and how to ensure data is protected.

Data

Some of our messaging services require SWIFT to store message data for 124 days. This is to ensure that customers have the ability to retrieve their own data in the case of disasters, catastrophe, queries or disputes.

Message data is stored at our operating centres (OPCs). SWIFT maintains three OPCs in two different continental zones (EU and Trans-Atlantic) to ensure full site redundancy. Data is held in two OPCs so that there is always a back-up in the case of disruption to an OPC.

Our OPCs are highly secure, and access to them is strictly controlled. Our security measures are designed to prevent unauthorised physical and logical access, and include physical measures that protect premises as well as logical measures that prevent unauthorised access to data.

We do not share customers' data (personal or not) with any third party unless we are authorised by our customers to do so or compelled to do so by law. We carefully review each demand we receive and, in the rare cases in which we are legally compelled to provide customers' data (which may include personal data), we respect any relevant agreements, protect our customers' personal data to the largest extent possible, and inform our customers of our compliance with such enforceable requests, unless this is prohibited by law.

SWIFT Governance

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

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 meets at least four times a year, governs the Company and oversees management.

Neutral Global Governance

SWIFT's Board composition is designed to reflect usage of SWIFT messaging services, ensure SWIFT's global relevance, support its international reach and uphold its strict neutrality. Each nation's usage of SWIFT's messaging services determines both SWIFT shareholding allocations and the number of Board Directors that each nation is entitled to. SWIFT shareholdings are determined by a set formula, and the nomination process and the composition of the Board follow rules set out in SWIFT's by-laws. The more SWIFT users make use of SWIFT messaging services, the larger their shareholding in SWIFT becomes at the next share re-allocation. 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. The total number of Directors cannot exceed 25.

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

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

Board Committees

The Board has six committees which 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. The Human Resources Committee oversees executive compensation, monitors company performance, approves appointments to the Executive Committee and assists in the development of the organisation, including succession planning. The Franchise Risk Committee meets twice a year and focusses on risks not otherwise covered by the other committees. The Banking and Payments, and the Securities Committees focus on segment specific developments, whilst the Technology and Production Committee covers developments in that area.

Audit

The AFC is the oversight body for the audit process of SWIFT's internal controls. SWIFT has an internal audit function and two independent external audit mandates.

The internal audit function is led by the Chief Auditor who has a dual reporting line: a direct functional reporting line to the Chair of the AFC and a direct administrative reporting line to the CEO. The external audit mandates include the statutory audit and an independent security audit mandate. The statutory auditor's report can be found in SWIFT's annual Consolidated Financial Statements which customers can download from SWIFT.com, and the independent security auditor's report is made available to each customer upon requests, subject to appropriate confidentiality arrangements.

User Representation

As a neutral global cooperative, SWIFT is defined by its community of users around the world. At SWIFT we believe we can achieve more together. By drawing from the resources of our global community, we are able to harness the potential of our franchise for the benefit of our users all across the world. Close cooperation with our users helps us understand their needs and challenges, and allows us to adapt and innovate according to their needs.

SWIFT's National Member Groups and National User Groups play key roles in the SWIFT community, helping to provide a coherent global focus by ensuring a timely and accurate two-way flow of information. The National Member Groups propose candidates for election to the SWIFT Board of Directors and act in a consultative capacity to the Board and management, whilst National User Groups act as fora for planning and coordinating operational activities.

SWIFT Oversight

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

Global Oversight

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

As a result, the central banks of the G-10 countries agreed that SWIFT should be subject to cooperative oversight by central banks. The oversight of SWIFT in its current form dates from 1998. The arrangement was last reviewed in 2012 when the SWIFT Oversight Forum was set up. Information sharing on SWIFT oversight activities was thereby expanded to a larger group of central banks.

An open and constructive dialogue

SWIFT is committed to an open and constructive dialogue with its oversight authorities. The National Bank of Belgium (NBB) acts as SWIFT's 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 and the NBB is therefore supported by the G-10 central banks in this role.

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. 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.

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

In their review, overseers seek assurances that SWIFT has put in place appropriate governance arrangements, structures, processes, risk management procedures and controls that enable it to effectively manage potential risks to financial stability and to the soundness of financial infrastructures.

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.

A global utility with global oversight

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

In the SWIFT Oversight Forum, these central banks are joined by other central banks from major economies: Reserve Bank of Australia, People's Bank of China, Hong Kong Monetary Authority, Reserve Bank of India, Bank of Korea, Bank of Russia, Saudi Arabian Monetary Agency, Monetary Authority of Singapore, South African Reserve Bank and the Central Bank of the Republic of Turkey. The SWIFT Oversight Forum provides a forum for the G-10 central banks to share information on SWIFT oversight activities with a wider group of central banks.

Working at SWIFT
Performing at your best

With a worldwide presence and offices in all major financial centres, as well as in developing markets, SWIFT offers a truly global working environment at the intersection of finance and technology.

SWIFT is a mid-sized company with global reach, in which employees know each other well, and internal collaboration and mobility are not only encouraged – but required. SWIFT's unique position gives our staff exceptional exposure to all aspects of the global financial system and allows our staff to make a meaningful contribution to the industry's development.

The challenging business, operating and security environments in which SWIFT and its users operate require international teamwork and industry collaboration. SWIFT staff have the opportunity to co-create the future of the financial industry from within, and our expected growth will continue to create local and international career opportunities for our workforce in the years to come.

Our highly skilled staff are required to meet the highest standards of personal and professional integrity and to demonstrate the capacity to go

beyond the ordinary. We seek energy, initiative, curiosity and a drive for continuous improvement.

In the race for a challenging career, there are two winners – our staff and SWIFT. Careers at SWIFT carefully balance our company's business needs with the personal aspirations of our staff. Moreover, we support career growth by providing opportunities for people management, exposure to different fields of expertise, technical training and lateral moves between business areas. There are many career paths within SWIFT, and no two paths are alike.

SWIFT employees have diverse perspectives, work experiences, life styles and cultures. We strongly believe that respecting and valuing these differences strengthens our company's ability to grow. We believe it helps us to be better prepared for the future. Our inclusive approach ensures a diverse workforce, in which both applicants and employees are offered equal opportunities.

SWIFT adopts a modern employment approach with a healthy vision on work-life balance that offers remote and flexible working regimes wherever possible. To do so, SWIFT empowers employees with cutting edge online tools and a collaborative working infrastructure.

Inter-personal trust, clear expectations and defined responsibilities ensure that our teams are both effective and efficient.

Our compensation and benefits policy looks beyond salary and bonus packages. Through world-class development opportunities and job rotation programmes, SWIFT has attractive career opportunities for ambitious professionals who value internal mobility. SWIFT also actively strives to continuously improve the wellbeing of its workforce.

We are continuously on the look-out for financial market experts and technology professionals who are eager to contribute to the excellence of SWIFT.

If you are a collaboration-oriented global citizen with a drive for excellence; someone who appreciates the challenges and opportunities of a critical high-tech environment in which your curiosity and improvement is rewarded with interesting international career opportunities, then SWIFT may be just the place for you!

Diversity

Mobility

Opportunity

Corporate Social Responsibility
SWIFT cares

SWIFT's Corporate Social Responsibility programme aims to embed CSR in SWIFT's corporate mind-set and to leverage SWIFT's role as a CSR facilitator within the financial industry.

We consider the global nature of SWIFT's business – working with and for financial communities across the world – to be both a privilege and a responsibility. We aim to fulfil this duty with maximum efficiency and sustainability, and by taking every opportunity to positively touch the communities we serve.

At SWIFT we incorporate social, environmental, ethical, and human rights considerations in our operational strategy. Education, diversity, sustainability, community outreach—our belief in the importance of these issues is embedded in our mindset. Our role as an intermediary in the financial industry also places us in a great position to facilitate dialogue on these topics.

SWIFT has adhered to the United Nations Global Compact since October 2012. This initiative aims to create a sustainable and inclusive global economy by calling on companies to align strategies and operations with Ten Principles in the areas of human rights, labour, environment and anti-corruption. SWIFT's annual progress report on these principles is available both on the UN Global Compact website and on SWIFT.com.

SWIFT is committed to making a difference in supporting our three CSR priority areas:

• Operating responsibly and sustainably

• Caring for our communities

• Facilitating dialogue and reinforcing business sustainability

1

Operating responsibly and sustainably by:
– Greening SWIFT, with the objective of becoming CO_2 neutral by 2020,
– Fostering responsible and ethical behaviours of our staff and stakeholders,
– Embedding CSR in our supply chain,
– Promoting diversity and inclusion.

2

Caring for our communities:
– Engaging in local initiatives that focus on children and education,
– Encouraging our staff around the world to get involved in community service.

3

Facilitating dialogue and reinforcing business sustainability by:
– Promoting CSR topics at Sibos and through the SWIFT Institute,
– Contributing to local initiatives in emerging countries in line with our business priorities.

SWIFT in the Community

SWIFT Institute

The SWIFT Institute is committed to fostering research and disseminating knowledge and information about the financial services industry. It works to bridge the gap between academia and the global financial industry.

SWIFT Lab

The SWIFTLab is a collaborative innovation space dedicated to fostering new ideas, to testing new technologies and to showcasing all that SWIFT can offer.

Innotribe

Through Innotribe SWIFT brings together leading financial institutions, industry professionals and startups at a series of global events to identify, develop and implement transformational innovations in and around strategic focus areas.

Sibos and events

Sibos is an annual conference, exhibition and networking event organised by SWIFT for the global financial industry. In addition SWIFT gathers members of its community together throughout the year at a series of regular events and local business forums.

SWIFT supports the financial industry in more than 200 countries and territories, and has a global presence with 27 offices worldwide.

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