



SWIFT
Annual Review 2020

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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**.

We relentlessly pursue operational excellence and continuously evolve our platform in line with our vision for instant, frictionless payments and more transparent securities transactions. We create the standards so that everyone in the global community can operate most effectively. We harness decades of expertise in compliance and cyber-security to enable the community to build on secure and compliant foundations. We work in an agile way, so that we can rapidly adapt to the needs of the community and bring new ideas to market faster than ever.

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.

SWIFTNet availability

99.996%

Institutions connected to SWIFT

11,000+

Total FIN messages

9.5+ Billion

Countries and territories

200+

Business continuity exercises

500

Cross-border traffic on gpi

75%

FIN availability

99.995%

Average daily InterAct traffic

9.4+ Million

Total FileAct traffic (Kchar)

7.1+ Billion

Average daily FileAct traffic (Kchar)

28.3+ Million

API Calls

2 Billion

Increase in gpi corridors

40%



Yawar Shah
Chairman of the Board

As we all know this past year was defined by the worst pandemic in a century, and as we adapt to its many impacts, there is much to reflect on.

First and foremost certainly is the terrible human toll — the lives lost and the impact Covid-19 has had on health and well-being right across the globe. In addition, we have seen very clear strains on economies — and our industry — that are leading us to a period of challenge and recovery.

Banks have navigated unprecedented circumstances to keep commerce moving, and SWIFT has been proud to support you. We doubled down on operational excellence, and I am pleased to report 99.996% availability of our core infrastructure throughout the pandemic period despite unprecedented market volatility and record traffic volumes that drove year-on-year FIN message growth of 10.3%.

We shifted and re-prioritised activities to ensure banks could put their full focus on their own operational needs, while continuing to strengthen the foundations of our payments and securities businesses through the introduction of new SWIFT gpi services, universal confirmations and continued innovation in APIs, standards and many other areas. We kept full attention on security as well and saw first-hand the benefit of the Customer Security Programme and investments our community has made to reinforce cyber defences as the world pivoted towards truly digital economies. And we prioritised community connection, reimagining Sibos as fully digital experience to maintain this forum for key industry discussion as financial institutions forge a path through and beyond these challenging times.

In this context, the new strategy SWIFT adopted last year for payments and securities has gained momentum against a backdrop

of increasing industry competition and disruption. It is built around a bank-centric vision for instant and frictionless end-to-end cross-border payment experiences and securities processing with financial institutions at the heart. As a strategic partner, SWIFT is delivering the underlying infrastructure to help financial institutions adapt, thrive and grow in a competitive world. By introducing transaction management, the cooperative will enable the industry to create services that are fast, frictionless and capable of working securely and at scale so that financial institutions are fully equipped to capture growth and create new and differentiated customer experiences. As you would expect given the core values of the cooperative, SWIFT is also staying ahead of compliance and cyber-security concerns, and is significantly investing in risk and control so that everything delivered under the new strategy has the necessary framework of governance and control.

In 2021 we are executing fast on that strategy, moving full speed ahead to deliver truly state-of-the-art transaction services that financial institutions can adopt at a pace that suits their own business objectives. SWIFT's new platform will put the power of ISO 20022 data in your hands, open new channels — including APIs — to interact with your customers and future-proof your business models by providing the transparency and flexibility required to continue delivering world-class customer service. And as we drive strategy execution in 2021 and beyond, we will continue to innovate and invest in service to our core mission as a bank-owned cooperative. We fully recognise that we must continuously challenge ourselves to stay relevant to the global transaction banks as well as our entire

community of more than 11,000 institutions we serve across 200 countries worldwide, anticipating and adapting to meet the needs of a dynamic industry being reshaped by new technologies, new competitors, new forms of currency and the increasing acceleration of digital transformation.

I want to express my sincere appreciation to the Board for its collective expertise and active role in governing SWIFT through this past year as we navigated the pandemic and set a bold course for the future, and to the National Member and User Groups for their valuable feedback and engagement across regions and cultures as we get ready to harness the benefits of SWIFT's new strategy. And I want to thank the SWIFT Executive and the entire SWIFT staff for their exceptional work over the past months keeping our community and teams safe and SWIFT secure, resilient and reliable, while forging ahead with ambitious plans for the future.

As a neutral, industry-owned cooperative, with strong and vibrant engagement with global transaction banks, market infrastructures, central banks, securities players, fintechs and the entire financial community across all regions of the world, and with oversight from the G10 central banks, we are well positioned to enable the banking industry's success. And as we move forward together, SWIFT will remain laser focused on disciplined execution, building out strategic capabilities relevant to your business and staying resilient and secure as your responsible industry innovator.

Yawar Shah
Chairman of the Board
May 2021



Javier Pérez-Tasso
CEO

2020 was my first full year as SWIFT CEO, and of course I never would have predicted that a global pandemic would be my primary leadership challenge.

Our priority was — and still is — the health and safety of our employees, while delivering business continuity and operational excellence to the industry, and we have put our focus firmly on maintaining the stability of our core infrastructure. SWIFT remained strong and reliable throughout an extraordinary year, and despite these unpredictable circumstances, continued to build very strong momentum for the future.

By the end of 2020, more than 75% of cross-border traffic was sent using gpi, representing another milestone in the journey of international payments transformation. We went live with gpi Instant, connecting SWIFT gpi with real-time domestic infrastructure, further reducing the experience gap between domestic and cross-border payments. We launched a pilot of a new service that will enable SMEs and consumers to send faster and easier low-value payments around the world. And we brought more transparency to the payments process. Thanks to the community's attention to the universal confirmations initiative, by the end of 2020, over 90% of cross-border transactions in top corridors were confirmed

These important developments speak to the power of community and of strong collaboration to meet the evolving needs of a world experiencing unprecedented change. And, importantly, they are the result not just of a few months of hard work but of an ongoing commitment by the banking community to drive innovation in cross-border payments and securities.

These important foundations of gpi combined with cyber resilience and financial crime compliance services in areas such as sanctions and KYC, are being accelerated to the next level as part of our strategic roadmap. Over the next two years and beyond, we are set to deliver instant and frictionless payments and securities processing. We will expand SWIFT's capabilities beyond financial messaging to provide comprehensive transaction management services.

To this end, we are evolving our platform to provide a set of common services, such as pre-validation of essential data, transaction tracking, exception case management and sanctions screening — leveraging rich data and mutualising capabilities that today are typically provided by each financial institution individually. We aim to significantly improve end-to-end efficiency, reduce total costs and enable our customers to provide better, faster and new services to their own end clients, build in rich data standards and ISO 20022.

The transformation of our platform is already well underway and, importantly, will leverage the investments our community has already made. This year we are building out and deploying new gpi capabilities such as pre-validation that will converge with our new transaction management platform which will have its first release in November 2022. SWIFT teams worldwide are engaging with the community to ensure readiness for this first release phase, and awareness of the new opportunities it will bring.

Internally, we continue to change the way we develop products and services -- embracing the Agile methodology to adapt quickly to evolving market requirements, involve customers earlier in product development and respond to client feedback on a continuous basis. During the course of 2020, we have also further reinforced our strong commitment to diversity and inclusion, to continue driving an open and inclusive culture within SWIFT as well as to attract diverse new talent, and play our role in advancing D&I across the financial industry. We also redefined our corporate social responsibility strategy in 2020 with strong alignment to United Nations Sustainable Development goals.

All of this progress — on so many fronts — was made possible only through strong collaboration with our community, the steady guidance of our Board and the consistent commitment and agility of the people in our teams. As we place a strong focus on execution in 2021, I look forward towards major progress in realising our vision and impact for the community.

Javier Pérez-Tasso
CEO
May 2021

Payments regional traffic

9.5+ billion

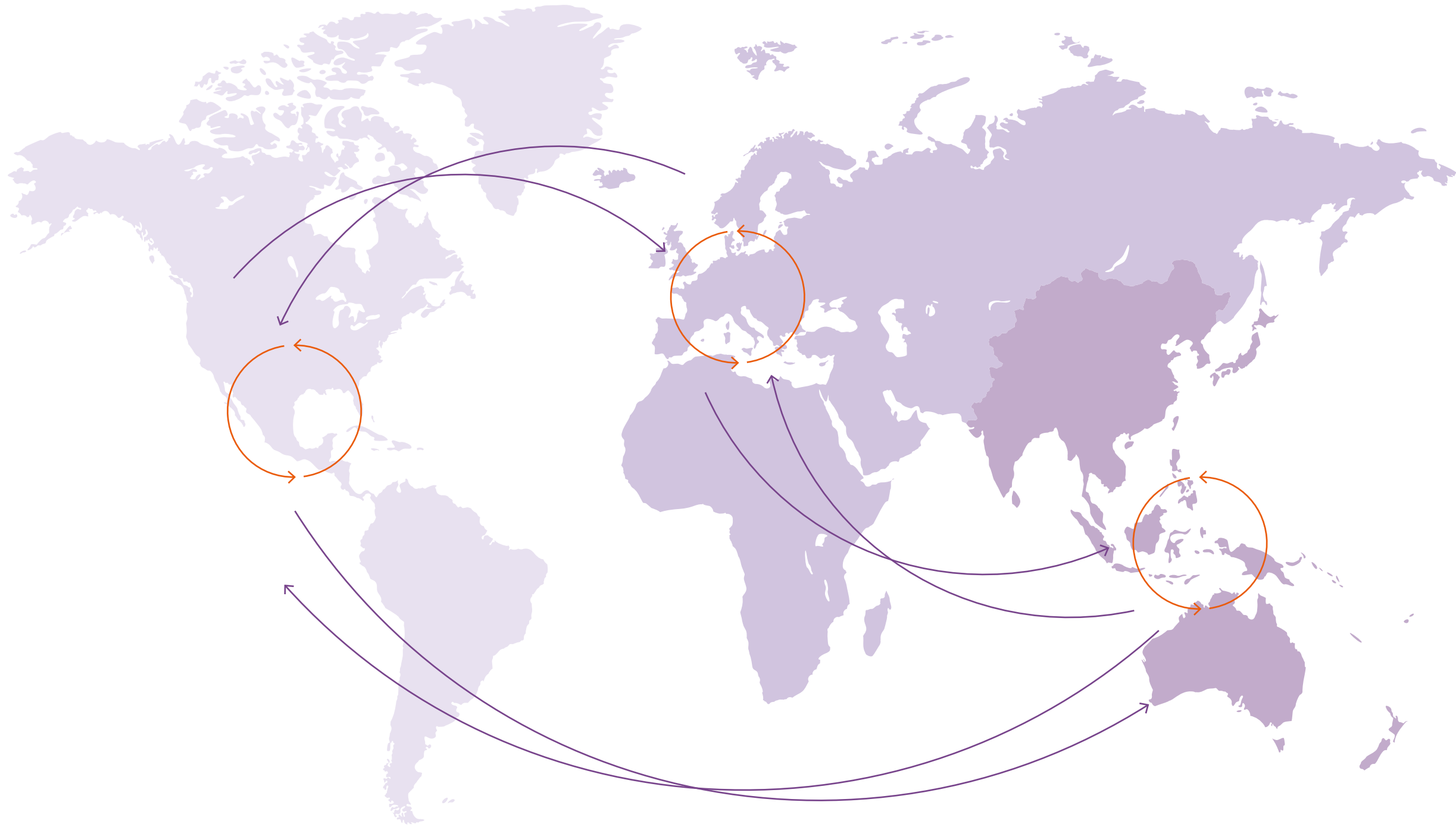
Total FIN messages

37.7+ million

Average daily number of FIN messages

44.2+ million

FIN messaging peak day



2020 average daily FIN messaging volume (in Kmsgs and growth versus 2019)

This traffic compares year-on-year growth rates for regional payment flows in 2020. SWIFT observed traffic growth in all regions and most of the routes between regions. Positive 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.

Americas

Sent: 3,640 Kmsgs (+4.0%)

Received: 3,386 Kmsgs (+4.1%)

Intra-Americas: 1,698 Kmsgs (+7.0%)

Sent to APAC: 694 Kmsgs (-0.7%)

Sent to EMEA: 1,248 Kmsgs (+2.8%)

EMEA

Sent: 7,859 Kmsgs (+0.9%)

Received: 8,046 Kmsgs (+1.6%)

Intra EMEA: 6,334 Kmsgs (+1.0%)

Sent to APAC: 336 Kmsgs (+0.5%)

Sent to Americas: 1,189 Kmsgs (+0.7%)

APAC

Sent: 1,797 Kmsgs (+4.4%)

Received: 1,864 Kmsgs (+1.4%)

Intra-APAC: 834 Kmsgs (+3.6%)

Sent to EMEA: 464 Kmsgs (+7.0%)

Sent to Americas: 499 Kmsgs (+3.3%)

In September 2020, SWIFT announced a **bold new strategy** to enable **instant and frictionless end-to-end transactions** as it **transforms payments and securities processing** over the next two years and beyond.

Our vision

SWIFT is fundamentally transforming payments and securities processing to help our customers navigate the complex challenges they face today and remain prepared well into the future.

Over the next two years and beyond, we are set to deliver on an exciting strategic roadmap for and with our global community that will expand SWIFT capabilities beyond financial messaging to provide a platform for comprehensive transaction management services. Improving data quality with ISO 20022 plays a central role in achieving this vision.

Version 1 will go live in November 2022. To help customers evaluate the platform connectivity options, SWIFT published an information paper in March 2021, "SWIFT platform evolution: Connectivity guidance". This paper sets out our vision for customer connectivity to the enhanced SWIFT platform, and provides information on options available to help customers start to plan their implementations and take advantage of faster, smarter, better transactions.

Payments

SWIFT gpi has transformed the world of cross-border payments. The service is now used by thousands of banks, carries millions of payments around the world each day, and enables ever-faster transaction processing times and transparency.

By transforming the SWIFT platform to centrally orchestrate transactions end to end, we are taking the next step towards enabling instant, frictionless cross-border, account-to-account payments.

This way, making payments – and performing the necessary compliance checks – becomes faster, more efficient and more cost-effective, without compromising on security. Improved data quality, advanced analytics and insights, and new value-added services all become possible, leading to new and exciting customer experiences.

As the platform is developed, we will continue to roll out planned new functionalities for our services, including gpi and financial crime compliance, avoiding major migrations. These services will provide the building blocks to the transaction management capabilities of our platform – pre-validation and fraud detection, for example – and will continue to be available with enhanced functionality once the platform is live, ensuring the investments you make today are future-proofed.

Securities

We are transforming our platform to provide an instant, frictionless and secure experience for all financial transactions. Through good quality reference data, increased transparency along the processing chain and dynamic intraday reporting – for both cash and securities – we will help financial institutions prevent fails, reduce costs, and gain actionable insights.

Our focus is on three key areas:

- 1. Visibility throughout the settlement and reconciliation value chain**
We are exploring how the platform can enable increased transparency via a single end-to-end view of transactions

and critical pre-validation services, in particular by enriching securities standing settlement instructions (SSI) in flow. Early detection of errors helps participants reduce costs; manage risks associated with settlement failure by ensuring issues are detected early on; and gain actionable insights shared throughout the transaction chain.

Just as inaccurate SSI reference data is a significant source of operational failures, we are also looking to include screening of International Securities Identification Numbers (ISINs) against sanctions lists as part of our pre-validation services, as a complement to our financial crime compliance portfolio.

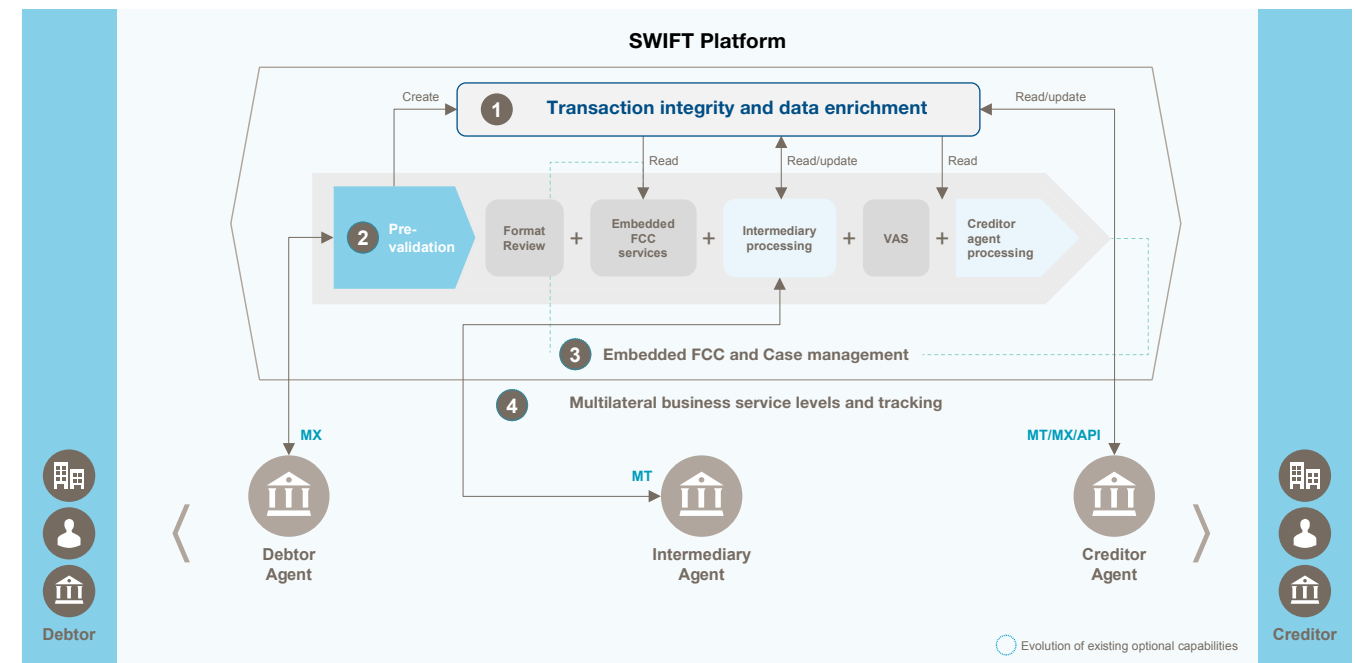
After securities settlement, the power of the transformed SWIFT platform will be deployed towards other securities flows such as corporate actions, collateral management and investment funds.

- 2. Real-time view of multi-asset holdings**
In addition to transaction tracking, the platform will enable securities servicing

institutions to build real-time global balances across all cash and holdings for their customers. By offering dynamic access to operational data, users will be able to better understand where to focus and have the possibility to integrate this with their intraday reporting based on data exchanged over SWIFT.

- 3. Tokenised assets**
The platform will enable the financial industry to better prepare for the future. We will also explore collaboration with our community in areas where asset tokenisation and traditional finance are merging. This includes navigating the challenges of market fragmentation by developing the necessary standards to support the secure transfer of tokenised assets.

This new approach will support and accelerate innovation, paving the way for financial institutions – independently, or in collaboration with fintechs – to create new value-added services to support their business growth.



gpi sets the **foundation** for our **instant and frictionless** **ambition**

Enabling new services

In 2020, we enabled member banks to leverage their gpi investment to provide even faster end-to-end service and access important payment flows.

gpi Instant

In November 2020, the SWIFT gpi Instant service went live in the UK and India.

The gpi Instant service works by connecting SWIFT gpi, the high-speed cross-border rails, with real-time domestic infrastructures such as Faster Payments System in UK and Immediate Payments Service in India.

Adoption is expected to continue globally as demand for an instant cross-border experience rises.

SWIFTGo

SWIFT began working with more than 20 banks to develop a new low value payment service, which builds on the strength of SWIFT gpi and the high-speed rails that have already transformed high-value payments.

This new service, called SWIFTGo, will enable consumers and SMEs to benefit from predictable payments, with costs and processing times known upfront, and real-time status available to both originator and beneficiary customers via their financial institutions.

The new service is another building block for our ambitious new strategy to enable instant and frictionless transactions from one account to another, anywhere in the world.

The journey to instant and frictionless

Universal confirmations

Being able to track and confirm payments in real time is fundamental to transparency and reducing friction. By the end of 2020, every customer payment (MT 103 on FIN) required a confirmation that it has been credited to the account of the beneficiary, placed on hold or transferred outside of SWIFT. Confirmation is required within a maximum of two business days following the value date indicated in the MT 103 for non-gpi members. However, banks are encouraged to provide a confirmation as soon as possible.

From 1 June 2021, Universal Confirmations compliance will become visible to the whole community, in the Observer Insights (for gpi members) and in the Basic Tracker Observer (for non-gpi members).

Over 90% of cross-border transactions in top corridors were confirmed by the end of 2020.

Inbound tracking

Our new inbound tracking service gives corporate treasurers unrivalled insights into their incoming payments. Being able to see when a payment is on its way and when it will arrive opens up new opportunities for businesses to cut costs and reduce friction. Among many benefits, treasurers are able to enhance their liquidity management by reconciling payments more efficiently, thereby having greater visibility on their overall cash position.

The inbound tracking capability was made generally available at the end of 2020 as part of gpi for corporates (g4C). This followed a successful pilot project involving banks, corporates and application providers.

Case resolution

The case resolution service went live for gpi members following the successful piloting of the service with 72 financial institutions and six application providers.

The 'in-flight' cloud-based service allows for dynamic query handling between banks on the SWIFT network, enabling them to quickly resolve instances in which information is incorrect or missing in payment instructions.

A group of 60 financial institutions in Japan have signed up to case resolution, marking a first major country-wide implementation of the new solution.

At present, case resolution is a service exclusively for SWIFT gpi members. However, as part of the ambition towards Universal Case Management, we intend to bring the benefits of smooth and frictionless case resolution to our entire community.

Financial institution transfers

In November 2020, we launched a new service that brings full end-to-end transparency and tracking to high value MT 202 and MT 205 payments. With this, the full spectrum of payment types used by financial institutions on SWIFT now benefit from the transformed customer experience enabled by gpi.

Financial institutions typically use an MT 202 or MT 205 to perform treasury operations or to settle securities and foreign exchange transactions.

A dedicated group of 16 early adopters co-created the solution with SWIFT, representing a range of financial institution types. This service is optional and open to all SWIFT-connected financial institutions, whether they are gpi members or not.

75%+
cross-border traffic sent on gpi

4,200+
financial institutions signed up

790+
banking groups (including all of top 60)

2,700+
country corridors

42%
of SWIFT gpi payments are credited to end beneficiaries within 5 minutes

56%
of SWIFT gpi payments are credited to end beneficiaries within 30 minutes

78%
of SWIFT gpi payments are credited to end beneficiaries within 6 hours

Almost 100%
of SWIFT gpi payments are credited to end beneficiaries within 24 hours

SWIFT's **Customer Security Programme (CSP)** continues to deliver significant results. Our dedicated Customer Security Intelligence team, which **investigates potential threats** and customer security incidents, is helping to recover the majority of funds targeted by attackers.

Over the past four years, the SWIFT community of CSP participants has come together to stand strong against the growing and evolving threat of cyber-attacks.

Throughout 2020, the Customer Security Programme (CSP) has continued to drive industry-wide collaboration against the cyber threat. The aim of CSP remains the same - reduce the risk of cyber-attacks across the institutional financial services ecosystem, 'raise the bar' of cyber-security hygiene through the provision of security controls, and minimise the impact of fraudulent transactions.

At the end of 2020, over 89% of all SWIFT customers had re-attested their level of compliance against the CSP controls - these institutions represent over 99% of all FIN message traffic carried across the SWIFT network. For attested customers, the overall compliance level reported by customers for each individual mandatory control ranged between 93% and 99%.

Despite an increase in generic cyber threats (themed phishing attacks and creation of malicious URL domains) and its increase in the attack surface (remote working, use of 'bring your own devices', unsecured home networks), the number of sophisticated Advanced Persistent Threat (APT) cyber-attacks targeting SWIFT customers and institutional payments fraud has dropped to roughly a third of the historical norms. Experts suggest that, given the reliance on the need for local money-mule networks to perform in-person withdrawals to exfiltrate stolen funds, the effects of travel restrictions and local lockdowns may have limited the ability of threat actors to maintain normal levels of in-person fraudulent operations.

Alongside maintaining a solid attestation rate, SWIFT continued to work closely with customers, focused on strengthening cyber defences further. This was through the introduction of an expanded set of controls and a new requirement for independent assessment, both announced in 2020.

A cornerstone of the SWIFT community's cyber defences, the Customer Security Controls Framework (CSCF) defines mandatory and advisory controls for customers to implement in their local environments to protect against existing and emerging cyber threats.

The CSCF v2021 has a number of additional requirements and includes 22 mandatory and nine advisory controls against which customers need to attest. These were announced in 2020 for attestation and compliance by the end of 2021.

Furthermore, to enhance the overall integrity of attestations across customers, all submitted attestations for CSCF v2021 must be supported by an independent assessment.

The assessments, introduced at the request of the entire SWIFT community through its Board and Overseers, further reinforce the security of the global banking.

SWIFT's overseers – led by the National Bank of Belgium (NBB) and supported by the G10 central banks, as well as an extended group of central banks in the SWIFT Oversight Forum – continue to monitor the programme closely.

SWIFT continues to provide CSP data to third parties, including the world's leading anti-virus providers, as well as sharing data with central banks. One way in which it does this is via the Euro Cyber Resilience Board for pan-European Financial Infrastructures information sharing working group. This is chaired by SWIFT and shares vital cyber-security threat information with major European market infrastructures such as central banks, stock exchanges, clearing houses and payment systems providers.

Follow the Money Report

SWIFT and BAE Systems published 'Follow the Money', a new report that describes the complex web of money mules, front companies and cryptocurrencies that criminals use to siphon funds from the financial system after a cyber-attack.

The report highlighted the ingenuity of money laundering tactics to obtain liquid financial assets and avoid any subsequent tracing of the funds. This underscores how the community must remain vigilant and continue working together in the face of the persistent cyber threat.

89%
of customers attested to their compliance with mandatory security controls

99%
volume of traffic covered by CSP-compliant customers

93-99%
average compliance rate for each individual mandatory control

Collaboration is part of SWIFT's DNA and is at the **heart of our new strategy**. We are working with our community around the world to **develop solutions** that benefit the entire global financial system.

We have put collaborative innovation at the heart of our strategy.

We are supporting and accelerating innovation, paving the way for financial institutions to create new value-added services to support their business growth.

We delivered improvements to our existing product portfolio and developed next generation products for core markets in three key areas: cloud; data and cyber; and digital identity.

For example, we explored solutions to help simplify customers' cloud migrations and are now building tools to accelerate the migration of Alliance Access customers to Alliance Cloud. We are also building a next-generation machine learning (ML) platform internally to enable us to deploy applications into production with ML capabilities embedded in their design.

In 2021 and beyond, we will continue to work with our community and the wider ecosystem to co-create new products and services as we enter a new era for transaction management, efficiency and interoperability.

Working with the community

SWIFT constantly works to identify, validate and prioritise new opportunities to co-innovate and contribute to industry initiatives as the best way of driving the industry forward. We led and participated in a range of industry initiatives, collaborating with players across the financial ecosystem – from financial institutions to fintechs, market infrastructures and central banks.

SWIFT launched a series of Co-innovation Challenges in which we combine with individual financial institutions to collaborate, co-innovate and co-build mutually beneficial solutions. For example, SWIFT is currently developing Alliance Connect Virtual, a network connectivity product that enables users to deploy virtual private networks in a public cloud environment. These innovation sprints focused on developing a testable minimum viable product (MVP) that progresses both parties towards solving the industry challenge in question.

Exploring new technology

Thanks to our unique position at the heart of the financial industry, we play a vital role in identifying and evaluating the viability, practicality, and potential of emerging technologies to deliver value to our community.

SWIFT continued its engagement with central banks, financial institutions, technology providers and academics to understand possibilities that central bank digital currencies (CBDCs) could enable, and how SWIFT could support central banks should they wish to implement digital currencies in the future. As part of that exploration, we published a paper in May 2021 discussing the opportunities and challenges of CBDCs for international payments.

We further explored how we can harness the power of SWIFT's unique data with AI. Combining AI with SWIFT data has the potential to provide unique insights that can help resolve existing and emerging challenges across financial services without compromising the integrity of transaction data or the privacy of users.

Meeting market needs

In March 2020, SWIFT embarked on an initial Proof of Value (PoV) with a group of leading banks to explore how current trade processes could be digitised by leveraging and unlocking the power of the SWIFT network.

As the pandemic continued to drive the need for change, in October 2020, SWIFT announced it was partnering with the Singapore Government on trade digitalisation.

The agreement will see SWIFT working with Singapore's Infocomm Media Development Authority (IMDA) to explore the transition of paper documents to digitally-signed assets, transported across the SWIFT platform, with the support of key partners across the ecosystem.

Awards

TMI Innovation and Excellence Awards 2020 – best KYC solution
Regulation Asia Awards 2020 – best solution (sanctions testing) and best KYC utility
Fintech and Regtech Awards 2020 – payments technology partner award
Central Banking Awards 2020 – payments services award and data services award
FStech Awards 2020 – payments award

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

Enabling real-time cross-border payments

SWIFT has taken another step in its collaboration with market infrastructures to bridge the domestic and cross-border payments experience. Building on the success of a number of global trials in Australia, Singapore and Europe, SWIFT gpi Instant is now live and connected to the Instant Payments Systems in the UK and India. The gpi Instant service works by connecting SWIFT gpi, the high-speed cross-border rails, with real-time domestic infrastructures. It enables banks to use their existing domestic infrastructure to provide a better cross-border service 24/7, with faster speeds, clarity on fees and, crucially, predictability on when an end beneficiary's account will be credited.

Adoption is expected to continue globally as demand for an instant cross-border experience rises. gpi Instant is a building block in SWIFT's new strategy to enable instant, frictionless payments from account-to-account anywhere in the world.

Cross-border instant payment guidelines for domestic market infrastructures

SWIFT, alongside major market infrastructures and global transaction banks, created a set of implementation guidelines for ISO 20022 messages to ensure that domestic payments infrastructures can adopt a common market practice, and process cross-border payments from anywhere around the world, instantly.

SWIFT brought 15 institutions together to collaborate as part of the Instant Payments Plus (IP+) working group. This collaboration resulted in the development of global ISO 20022 market practice and implementation guidelines to enable participants to clear cross-border payments through their domestic instant payment system. The IP+ guidelines are fully compatible with similar guidelines for

cross-border transactions (CBPR+) and high value payments (HVPS+). Each of the market infrastructures involved in the working group intends to align with the IP+ guidelines, which will bring the industry a step closer towards making ubiquitous, instant cross-border payments a reality.

SWIFT as Network Service Provider

In 2018, SWIFT was awarded the license to offer connectivity services to all Eurosystem market infrastructures via the European Single Market Infrastructure Gateway (ESMIG). More than 800 financial institutions have selected SWIFT as their Network Service Provider. Participants connected to SWIFT are able to use our Test Sparring Service, which can simulate future interactions with the TARGET2 service.

Moving market infrastructures to ISO 20022

SWIFT collaborated with market infrastructures moving towards ISO 20022 – for example, with the ECB's TARGET2, Bank of England's CHAPS and EBA Clearing's EURO1/STEP1. We also worked with other major market infrastructures that do not use SWIFT – such as the Federal Reserve's Fedwire and The Clearing House's CHIPS.

By 2025, all reserve currency high-value payments systems (HVPS) will have fully transitioned to rich ISO 20022, and more than 90% of HVPS value worldwide will move on ISO 20022 rails.

92

Central securities depositories connected to SWIFT (2020)

87

Higher-value payments systems connected to SWIFT (2020)

28

Lower-value payments systems connected to SWIFT (2020)

Fighting financial crime

Financial crime compliance **has never been more important** – or more challenging. As regulation becomes more robust, businesses need to demonstrate that their compliance programmes remain effective. And as the speed and intricacy of fraudulent schemes evolve, effective detection and prevention is more vital than ever.

Sanctions

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

KYC continues to be one of the biggest challenges in the compliance space, both for financial institutions and corporates. More than 5,500 financial institutions are using the KYC Registry to both publish their KYC data and receive data from their correspondent banks. It is recognised as the accepted standard for reducing risk within the correspondent banking due diligence process.

In December 2019, we extended the availability of the KYC Registry to all SWIFT-connected corporates, enabling them to manage and share KYC data with their banking partners around the world. Since then, more than 125 corporate groups have signed up to and are now using the registry.

Compliance Analytics

SWIFT's Compliance Analytics solutions help 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.

Fraud control

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. Currently almost 300 institutions, representing over 700 BICs, are screening their traffic using Payment Controls.

Implementing our cloud-hosted screening and fraud solutions reduces IT costs, accelerates deployment and reduces reliance on time-consuming, inefficient and potentially risky manual processes, while also lowering overall costs and achieving world-class security.

Harnessing data

We have combined a wealth of unique SWIFT data with powerful analytics tools to bring customers a rich portfolio of business analysis and market intelligence.

Watch

SWIFT's Watch portfolio consists of reporting and analytical tools giving customers direct and easy access to business insights about their financial institution and the global financial industry. With this, they can analyse their performance over SWIFT and access key SWIFT totals across markets.

SWIFT 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. We also enhanced the user interface and expanded our reach through APIs for better customer experience.

gpi Observer Insights and Analytics

These services allow 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.

Last year, we enhanced gpi Observer Analytics with new insights on deducted charges. This now helps banks to better understand the end-to-end cost of their payments and to further optimise their cross-border payment flows. Meanwhile, gpi Observer Insights was redesigned to offer more intuitive navigation.

SWIFT Scope

SWIFT Scope for central banks is a business intelligence solution focused on the data collection and analysis needs of central banks. The solution automates the collection and analysis of cross-border transaction flows from SWIFT message data, and can also collect and consolidate data from other information sources, to provide full and comprehensive coverage of cross-border activity. Three central banks joined the service in 2020, bringing the total number of central bank users to 21, representing 33 countries.

SWIFTRef

SWIFTRef is a comprehensive reference data utility that provides customers with accurate, global and up to date payment reference information on financial institutions for suppliers, customers and counterparties.

SWIFTRef provides access to the complete universe of SWIFT BICs, LEIs, national bank identifiers, IBAN validation tools, standard settlement instructions (SSIs) and bank holiday lists, amongst others.

SWIFT continued to **collaborate with the industry** to create, maintain and implement business and platform standards, working to meet **customer needs**, **promote interoperability** and **help drive innovation**.

ISO 20022

As the move to ISO 20022 continues, SWIFT has supported customers through its ISO 20022 Adoption Programme for Cross-Border Payments and Reporting.

A key aim of Release 1 of the new platform, set for November 2022, is to help banks navigate the complexity of the coexistence period between ISO 20022 and other message formats, from 2022 to 2025.

During this period, the platform will act as a bridge between formats, enabling financial institutions to migrate at their own pace, and providing central mapping and translation services so that the value of richer data can be captured by the whole community.

Programme work includes:

- Iterative collaboration with banks, vendors and market infrastructures adopting ISO 20022 and preparing to connect to the platform.
- Regular updates and events with customers and partners on business milestones and operational requirements.
- Publications including white papers, case studies and message usage guidelines.
- Provision of supporting materials including adoption briefings with the ability to self-serve.

Ensuring standardised data models for APIs

SWIFT continued its involvement in industry-wide initiatives. These included its partnership with standards bodies Berlin Group, OBIE and STET to develop a global, common data dictionary on a newly-formed collaboration platform. This will help to remove existing fragmentation and differing standards so that future changes to technical standards can be harmonised, making it easier for institutions to connect and provide services to a wider range of customers. This data model is intended to become the foundation for future API definitions, which will better support interoperability among open banking participants globally.

Evolving standards offerings

SWIFT has expanded its range of standards services offerings, all supporting our platform strategy:

- MyStandards is the portal allowing customers to manage their standards specifications needs and onboard their own clients much more easily and quickly. It allows our community to consume, compare, publish and test message specifications as suits their requirements. Responder is a key new feature within MyStandards and was developed in response to user group feedback. It enables testers to have a first look at what a response message from a bank or market infrastructure would look like, and whether back office systems can work with it.
- SWIFT Translator is a message translation service enabling customers to define format translations from any-to-any format, most notably MT to ISO 20022. This simplifies defining, mapping and validating messages, for improved processes and reduced costs and risks. Customers can deploy it within their own infrastructure, or as part of their SWIFT interface.
- SWIFT Translator mapping libraries consist of pre-defined definitions of messages and mappings. This means ISO 20022 messages can be quickly validated, and messages from MT to ISO 20022 and vice versa are efficiently translated. Each library has a different target market and serving a different set of customer needs.

Eurosystem Collateral Management System (ECMS)

SWIFT is working with Banco de España to develop ISO 20022 messages for triparty collateral management for use in ECMS. To support this initiative, market participants have developed a Single Collateral Management Rulebook for Europe and have recommended ISO 20022 for the collateral management process flows. To support this key harmonisation initiative, the SWIFT community will be able to exchange the new collateral messages over FINplus as of November 2022.

10x

the amount of space an ISO 20022 message provides compared to an MT message

90%

HVP value expected to be based on ISO 20022 in the next three years

80%

of all currency settlement estimated to use ISO 20022 by 2025

For the first time in its history, Sibos went digital and the event welcomed more than **22,000 delegates** to hear industry insights from **200 leading finance professionals**.

Our first fully digital Sibos was attended by more than 22,000 registered delegates from across the financial industry.

Under the theme “Driving the evolution of smart finance”, the programme featured a wide range of topics from digitisation and payments innovation, emerging technologies, risk, compliance and cyber-security, to responsible innovation, the future of banking, sustainable finance, and diversity and inclusion.

Insights were provided during Sibos week by more than 200 speakers across 70 sessions and panel debates, and included leading experts in banking, payments, securities services, technology, FX and more. Diversity among speakers was a strong priority and the percentage of female speakers rose from 25% in 2019 to 43% in 2020. We also welcomed 12 CEOs and presidents from multinational banks and corporates who provided visionary remarks in a series of “View from the Top” keynote sessions on a wide range of topics of interest to the global financial community.

All Sibos sessions were available to replay on demand until the end of March 2021 and there was a total of 81,487 viewings overall. Sibos also offered a good opportunity for customers to showcase their own thought leadership to the Sibos audience, and more than 100 leading banks and technology providers from around the world signed up to be Sibos digital partners.

Hackathon

More than 50 developers from the Sibos ecosystem formed teams to collaborate and showcase their ingenuity. The hackathon focused on three key challenges to explore how leveraging advanced analytic technologies such as machine learning and deep learning can deliver better customer outcomes and solve industry challenges.

1. Managing risk & financial crime
2. Transforming customer experience
3. Fostering financial inclusion

The participants had three weeks to evolve their solutions from idea to prototype. In collaboration with Google Cloud and other third party partners, SWIFT provided all participating teams with cloud, data and API tools to help bring their solutions to life.

The Discover Perfect Pitch

The Discover Perfect Pitch competition gave fintechs from around the world the opportunity to showcase their products and services to the Sibos community. Fintechs competed across three streams - Leadership, Society/Humanity and Sustainability. Participating fintechs selected the category best aligned to their business, values and principles, and submitted a pitch video to a panel of experts representing banks, venture capitalists, futurists and innovators. The winners – Agryo, Identitii and Illumio – were announced during a live final on the closing day of Sibos.

SWIFT Institute

The SWIFT Institute supported the publication of new research focused on how to improve gender diversity in the financial industry, and new grants were issued on the topics of transaction monitoring relating to anti-money laundering, and the impact of central bank digital currencies (CBDCs) on international payments.

At Sibos, we launched the inaugural Sibos Academy stream to combine educational content with an independent perspectives. Speakers included academics, analysts, technology experts and financial industry practitioners on a range of topics including digital identity, payments regulation, and quantum computing.

The 2020 SWIFT Institute Student Challenge saw teams from American universities competing on how to raise the level of cyber-security to protect applications and data, with four finalist teams presenting their ideas at Sibos. The winning team of five students from George Mason University and the University of Virginia impressed judges with their idea on the use of algorithms to mitigate phishing attacks combined with a novel approach to cyber training for bank-based employees.

The SWIFT Institute, in conjunction with SWIFT’s CSR programme, partnered with the 8th edition of the global Ethics & Trust in Finance Prize. This biennial competition invites essays from anyone under the age of 35 who is studying or working in the financial industry with ideas on how to improve finance in terms of ethics, trust and sustainability. The results will be available in the latter part of 2021.

22,000+
registered delegates

70
sessions

900
fintech delegates

100
Sibos partners

200
speakers

Building on our diversity and inclusion strategy launched in 2019, we broadened our approach in 2020 to adopt five work streams focusing on **age, gender, disability, ethnicity** and **LGBTQ+**.

At SWIFT, we foster a culture where people of all backgrounds can feel confident to bring their whole selves to work, feel included and know that their unique talents and viewpoints are respected and supported.

Our diversity and inclusion strategy is led from the very top of the organisation and has five pillars of focus: gender, disability, ethnicity, age and sexual orientation.

Through a range of strategies and initiatives, we work hard to ensure SWIFT is inclusive for everyone.

SWIFT launched employee resource groups for LGBTQ+ and allies, and ethnicity. To support and raise awareness, SWIFT marked Pride and Black History Month and promoted resources to staff on unconscious bias and understanding different perspectives. Our grassroots Balance@SWIFT Global Ambassador network held events to celebrate International Women's Day in March. We held a panel discussion in the London office, while the Kuala Lumpur office held a session on D&I at SWIFT.

We continued our partnership with Diversicom, a charity that provides access to work for people with disabilities, and we hosted internships in our head office that aim to open up SWIFT to a wider group of applicants. SWIFT continued to track the number of women in leadership across the organisation and piloted training on inclusive leadership for people managers to support this. In addition, we continued our objective to drive diversity more broadly across the organisation through diverse sourcing and hiring practices, new diversity partnerships and through the ongoing assessment and promotion of talent within our organisation.

In line with our diversity strategy, we advocate for diversity and inclusion in our industry. At Sibos, we continued to put diversity onto the agenda and organised a high profile debate 'Diversity in investment needs to move up a gear' and organised a panel discussion 'Make 2021 the year to improve your bank's diversity'. Together with our Sibos partners across the industry, we worked to provide balanced panels of speakers and 43% of speakers at Sibos were female. The Women of Sibos networking event at Sibos featured a keynote from diversity champion, Deborah Frances-White.

Following our successful launch of the Sibos Talent Accelerator Route (STAR) at Sibos in 2019, SWIFT ran the programme in a virtual format in 2020. Twenty-one high potential women from 16 countries around the world, who are at early stages in their career, took part in the programme. The programme promotes the development of the next generation of female leadership talent in financial institutions by offering an eight-month mentoring and coaching programme for them, alongside a curated syllabus of Sibos conference sessions and inspirational speakers. Feedback from the participants was overwhelmingly positive and will form the basis for the future development of the programme.

We also shared lessons learned from running this programme with our industry through the Belgian Women in Finance working group.

Our **CSR strategy** is focused on **UN Sustainable Development Goals** centered on reducing carbon emissions and supporting education and financial inclusion.

We continued to align our efforts with the United Nations Global Compact (UNGC), by reducing our carbon emissions and supporting projects focusing on education and financial inclusion of less privileged communities.

Reducing the environmental impact

At SWIFT, we continue to reduce our impact on the environment by implementing carbon reduction measures across the organisation. We signed the Belgian Alliance for Climate Action pledge reinforcing our commitment to sustainability and in line with this established a company transversal team to define a roadmap that will lead SWIFT to climate neutrality.

Using the Green House Gas (GHG) Protocol, we compensated 2019 CO2 emissions related to our offices, cars and business travel. We invested in Verified Carbon Standard credits of a forestation project in Brazil, and Verified Gold Standard credits of clean cooking stoves in Ghana and renewable energy projects in India.

Energy efficiency

Due to the Covid-19 impact and lockdowns, SWIFT drastically reduced its electricity consumption in most offices around the world. Additionally, we installed 420 solar panels on our HQ building. We also installed LED lighting and insulated the building of our US site during the year. We continue to use renewable energy wherever feasible.

Mobility

We continue to encourage staff to opt for an electric or hybrid vehicle. Additionally, we increased the amount of electric charging stations in HQ by 30% enabling recharging for 104 vehicles. Our target is to have a 35% green car fleet by the end of 2021 and to reach 60% by 2024.

Biodiversity

SWIFT planted 100 trees across the city of Manassas, US, and 576 at our Belgium HQ premises. We also participated in nature conservation and tree planting projects across the rest of the world.

Financial inclusion and educational partnerships

SWIFT continued to support the Fundación Capital project, an international social enterprise that works to advance economic citizenship. SWIFT's funds helped to finance the development and launch of an offline tablet-based financial education application targeted at vulnerable youth and women without internet access in Mozambique.

We also funded projects of the Teach for All network in Argentina, Belgium, Ghana and the Philippines. This global network aims to reduce education inequalities through the development of transformational leadership programmes. In South Africa, we continued to support the Student Scholarship Programme enabling underprivileged students to receive a high quality education.

Caring for our local communities

Employee engagement continued to be strong, despite the Covid-19 lockdown restrictions. Staff contributed in a variety of different ways to a wide number of charitable organisations around the world. Additionally, SWIFT donated laptops, projectors and screens to schools in Malaysia and helped students in the US without internet at home to access hotspots, so they could continue their education during the pandemic.

We also continued to support charities in locations where we host our events. As our events turned virtual, we donated to Dream Big in the US, NORSA Community care centre in South Africa, and on a worldwide basis to Médecins sans Frontières and SOS Children's Villages.

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

SWIFT supports victims of natural disasters and disease outbreaks through donations to emergency relief organisations. In response to the Covid-19 pandemic, SWIFT donated to the World Health Organisation and to the St Pierre Hospital in Brussels. We also continued our financial support to Médecins Sans Frontiers' emergency funds to help the people who suffered as a result of the Beirut explosions and the hurricanes in Latin America in 2020.

700

trees planted across the city of Manassas, US and in HQ, Belgium

400

solar panels installed in HQ

300,000 EUR+

donated to Covid-19 research projects and charities

1,500

SWIFT staff joined internal awareness sessions on SWIFT's CSR and Sustainability Programme

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 2020, more than 9.5 billion FIN messages, or an average of 37.7 million messages per day, were sent over SWIFT network. This is an increase in total FIN volume of 10.7% over 2019.

In the context of the pandemic and highly volatile markets, SWIFT recorded six FIN peak days in 2020. The latest one was on December 1st, where more than 44.2 million messages were sent over the SWIFT network. This peak was the result of strong securities volume, combined with typical end of month payments reporting. In aggregate, reporting messages grew 11.7% in 2020.

Payment messages

Payments volume recorded a 2.8% increase. This performance reflects the overall slowdown in the economic conditions and outlook, mainly impacted by lockdown measures implemented around the world due to Covid-19 pandemic. As is customary, the highest performing month volume-wise was December with payments volumes reaching a new all-time high of 18.9 million messages/day on average.

Securities messages

Securities traffic grew by 18.7%. Traffic has been mainly driven by market volatility in the pandemic context. March 2020 was the highest performing month of the year in terms of volume, as securities traffic reached a new all-time high of 22.4 million messages/day on average.

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 recorded 27% traffic growth in 2020, when on average over 28 million KCharacters were sent over the SWIFT network per day. Over two-thirds of the growth was driven by TARGET2-Securities traffic, mainly due to the migration of some reporting flows from InterAct to FileAct. Besides this trend, we report a growth on bulk domestic low-value payments in line with historical statistics, and the corporate to bank space maintained its steady growth for another year.

InterAct

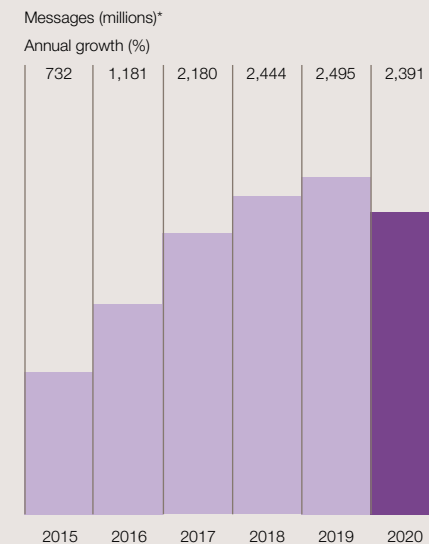
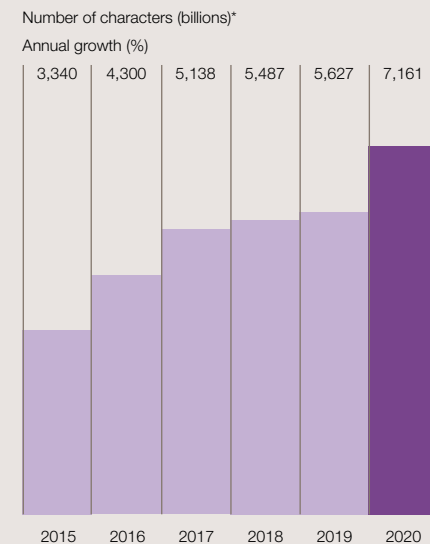
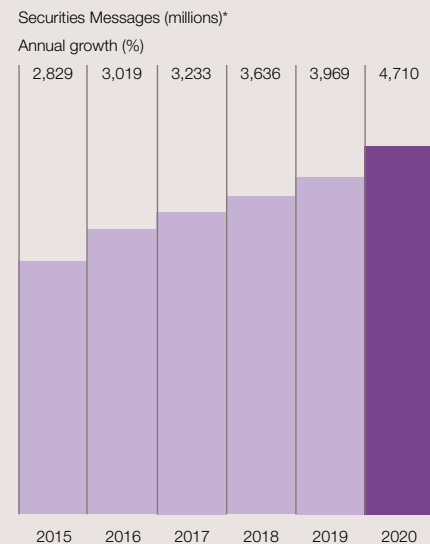
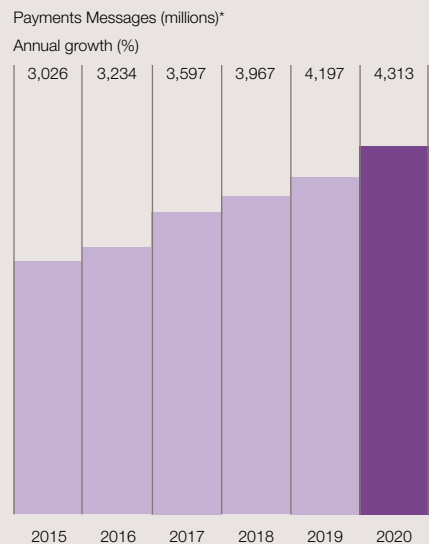
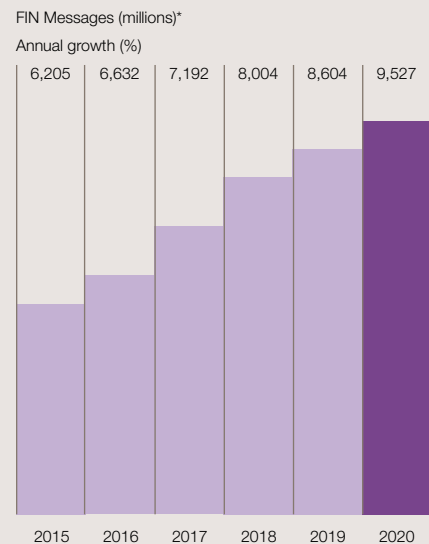
InterAct is a versatile protocol that supports different types of usage and business. It is primarily used by market infrastructures to support ISO 20022 messaging. Our Store & Forward version of InterAct has been enriched to provide the same level of functionalities as FIN.

InterAct traffic growth dropped 4% in 2020, when on average approximately 9.4 million messages were sent over SWIFT network per day. The decline is mainly due to the migration of some reporting TARGET2-Securities flows from using InterAct to FileAct. Nevertheless, TARGET2-Securities represented close to 65% of the total InterAct traffic.

| | |
|--|-------|
| FileAct volume in billions of characters | 7,161 |
| FileAct volume in millions of files | 211 |
| Live and pilot users | 3,101 |
| Services using FileAct | 58 |

| | |
|-----------------------------|---------------|
| InterAct messages (*) | 2,391 million |
| Live and pilot users (**) | 1,849 |
| Services using InterAct (*) | 68 |

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



* 2015-2019 traffic volumes are restated to include all billable traffic.

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* 2015-2019 traffic volumes are restated to include all billable traffic.

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 Management Board, Central Counterparty Clearing Centre (NCC), Russia

Mark Buitenhok

Head of Transaction Services, Wholesale Banking, 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, Head Office Clearing Department, Bank of China, China

Stefano Favale

Global Head of Global Transaction Banking, Intesa Sanpaolo, Italy

Göran Fors

Deputy Head of Investor Services, SEB, Sweden

Seraina Frey

Managing Director, Group Operations Head Shared Services, Member of the Group Operations Management Committee, UBS Business Solutions AG, Switzerland

Mark Gem

Member of the Executive Board, Clearstream International, Luxembourg

Frederic Hannequart

Chief Business Officer, Euroclear Group, Belgium

Søren Haugaard

Head of Transaction Banking International, Danske Bank, Denmark

Martin Kobler

Managing Director, Head Financial Institutions, Credit Suisse (Switzerland) Ltd. Institutional Clients, Switzerland

Lisa Lansdowne-Higgins

Senior Vice President, Business Transformation and Deposits, 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, 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

Johan Vankelecom

Chief Financial Officer, Belfius, Belgium

Christian Westerhaus

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

SWIFT Executive

Javier Pérez-Tasso

Chief Executive Officer

Javier Pérez-Tasso was appointed Chief Executive Officer at SWIFT in July 2019. In this position, he has led the company's new strategy for instant and frictionless payments and securities processing. Prior to this role, 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. Javier joined SWIFT in 1995 and held a number of positions, including Chief Marketing Officer. Earlier in his career, he held a number of technology and leadership positions in business development in regional offices in Europe, the Middle East and Africa.

Rosemary Stone

Chief Business Development Officer

Rosemary was appointed Chief Business Development Officer in May 2021, with responsibility for business development and communications. Previously, Rosemary was SWIFT's Chief Corporate Officer. Prior to that, she was Global Head of Human Resources, 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.

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.

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.

Cate Kemp

Chief Risk and Control Officer

Cate was appointed Chief Risk and Control Officer in May 2021, with responsibility for building on SWIFT's strong foundations to further support the organisation's continuing risk maturity as it executes on its strategy. Previously, Cate was SWIFT's Chief Customer Experience Officer. She brings extensive experience to the role, having held leadership positions in risk, control and compliance in a global transaction banking context. She joined from Lloyds Banking Group, where she was Global Transaction Compliance Director, and was appointed SWIFT's Chief Customer Experience Officer in November 2019.

Pat Antonacci

Chief Customer Experience Officer

Pat was appointed Chief Customer Experience Officer in May 2021, responsible for ensuring a persistent focus on customer needs. Before assuming this role, Pat held a number of leadership positions at SWIFT in professional services, project management, service management, training and support. He also has led SWIFT's Customer Security Programme (CSP), which actively supports the global banking community in the fight against cyber-attacks.

Prior to joining SWIFT in 2007, he worked for a number of banks including JP Morgan Chase, State Street, Deutsche Bank and Bankers' Trust in payments, securities, custody, private banking, and program management.

David Watson

Chief Strategy Officer

David Watson was appointed Chief Strategy Officer in October 2020, with responsibility for market and competitive intelligence, strategic planning, thought leadership, and execution of key strategic initiatives for the company. He brings extensive experience to the role, with an international career spanning more than 15 years in the financial services industry. He served in a number of commercial and product leadership roles at Deutsche Bank before joining SWIFT in 2019 to drive business performance and key client relationships. He was integral to the development of SWIFT's new strategy to deliver transaction management services as well as our global corporate market engagement.

Peter De Koninck

Chief Auditor

Patrick Krekels

General Counsel and Board Secretary

Wendy Zidan

Head of Human Resources

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 the 2019 statutory

and Consolidated Financial Statements. Following a competitive tender, SWIFT's Board of Directors appointed Deloitte, Brussels for a three year period to review and examine the adequacy and effectiveness of SWIFT's controls in accordance with the guidelines in the standard. For the 2020 calendar year, SWIFT is providing standalone ISAE 3000 Type 2 reports for SWIFTNet and FIN, the Interface Products, Alliance Lite2, T2S, ESMIG and AU-NPP. Each report includes Deloitte'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).

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.

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 G10 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 G10 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 cyber-security, and may also review legal

risks, transparency of arrangements and customer access policies. The overseers may also discuss SWIFT's strategic direction with the SWIFT Board and senior management. This list of oversight fields is indicative, not exhaustive. Overseers will undertake those activities that provide them comfort that SWIFT is paying proper attention to the objectives described above. Nevertheless, SWIFT continues to bear the responsibility for the security and reliability of its systems, products and services. The oversight of SWIFT does not grant SWIFT any certification, approval or authorisation.

International cooperative oversight

As lead overseer, the NBB conducts the oversight of SWIFT together with the G10 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 G10 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.

Security audit and financial performance

2020 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 2020 to 31 December 2020, 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 SWIFT and CMPI-IOSCO's Expectations for Critical Service Providers. Following a competitive tender, SWIFT appointed Deloitte 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 SWIFTNet and FIN, Alliance Lite 2, T2S, AUNPP, Interfaces and ESMIG ('covered services and products'), covering the period through 1 January 2020 to 31 December 2020.

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 the covered services and products.

Key figures

| (in millions) | Year ended 31 December 2020 | | | | | |
|---|-----------------------------|----------|-----------|----------|----------|----------|
| | 2020 EUR | 2019 EUR | 2019 EUR | 2018 EUR | 2017 EUR | 2016 EUR |
| | | | Restated* | | | |
| Operating revenue | 905 | 877 | 877 | 811 | 780 | 745 |
| Operating expenses | (851) | (827) | (829) | (760) | (697) | (691) |
| Profit before taxation | 45 | 59 | 56 | 53 | 69 | 47 |
| Net profit | 36 | 42 | 40 | 34 | 45 | 26 |
| Net cash flow from operating activities | 76 | 196 | 196 | 31 | 155 | 53 |
| Capital expenditure of which: | 48 | 46 | 46 | 59 | 80 | 51 |
| Property, plant and equipment | 37 | 42 | 42 | 52 | 53 | 42 |
| Intangibles | 11 | 4 | 4 | 7 | 27 | 9 |
| Shareholders' equity | 487 | 466 | 443 | 408 | 469 | 415 |
| Total assets | 1,112 | 1,006 | 1,005 | 898 | 804 | 797 |
| Number of employees at end of year | 3,300 | 3,145 | 3,145 | 2,835 | 2,779 | 2,629 |



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

Consolidated statement of profit and loss

For the year ended 31 December 2020

| (in thousands) | Note | 2020 EUR | 2019 EUR | 2019 EUR |
|---|------|-----------|-----------|-----------|
| | | | Restated | |
| Revenue | | | | |
| Traffic revenue | 2 | 418,520 | 394,570 | 394,570 |
| One-time revenue | 3 | 5,782 | 5,257 | 5,275 |
| Recurring revenue | 4 | 269,396 | 277,651 | 277,651 |
| Interface revenue | 5 | 208,670 | 196,447 | 196,447 |
| Other operating revenue | | 3,027 | 2,662 | 2,662 |
| | | 905,395 | 876,587 | 876,587 |
| Expenses | | | | |
| Royalties and cost of inventory | 12 | (7,125) | (7,064) | (7,064) |
| Payroll and related charges | 6 | (422,200) | (395,812) | (397,712) |
| Network expenses | 7 | (15,155) | (12,818) | (12,818) |
| External services expenses | 8 | (268,257) | (320,828) | (320,828) |
| Depreciation of property, plant and equipment | 13 | (48,553) | (50,488) | (50,488) |
| Amortisation of intangible assets | 14 | (10,232) | (13,015) | (13,015) |
| Depreciation of right-of-use assetst | 16 | (17,992) | (17,869) | (17,869) |
| Other expenses | 9 | (61,093) | (9,048) | (9,048) |
| | | (850,607) | (826,942) | (828,842) |
| Profit from operating activities | | 54,788 | 49,646 | 47,745 |
| Financing costs | 10 | (1,793) | (1,894) | (1,894) |
| Other financial income and expenses | 10 | (8,067) | 11,252 | 10,638 |
| Profit before tax | | 44,928 | 59,004 | 56,489 |
| Income tax expense | 11 | (9,105) | (17,131) | (16,659) |
| Net profit | | 35,823 | 41,872 | 39,830 |
| Attributable to: | | | | |
| Equity holders of the parent | | 36,286 | 46,554 | 40,600 |
| Non-controlling interests | 15 | (463) | (770) | (770) |
| | | 35,823 | 41,872 | 39,830 |

Consolidated statement of comprehensive income

For the year ended 31 December 2020

| (in thousands) | Note | 2020 EUR | | | 2019 EUR | | |
|---|-----------|------------|-----------------------|------------|------------|-----------------------|------------|
| | | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Profit for the year | (A) | 44,928 | (9,105) | 35,823 | 59,004 | (17,131) | 41,872 |
| OCI items that may be reclassified subsequently to profit or loss: | | | | | | | |
| Foreign currency translation | | (1,348) | - | (1,348) | (103) | - | (103) |
| Cash flow hedges: | | | | | | | |
| Current year gain / (loss) on financial instruments | 31 | (5,248) | 1,312 | (3,936) | 2,508 | (742) | 1,766 |
| Prior year (gain) / loss transferred to income statement | 31 | (2,508) | 742 | (1,766) | (3,573) | 1,057 | (2,516) |
| OCI items that will not be reclassified to profit or loss: | | | | | | | |
| Recognition of actuarial gains and losses | 24 | (10,047) | 3,636 | (6,411) | 210 | (146) | 64 |
| Other comprehensive income | (B) | (19,151) | 5,690 | (13,461) | (957) | 169 | (788) |
| Total comprehensive income for the year | (A) + (B) | 25,777 | (3,415) | 22,362 | 58,047 | (16,962) | 41,084 |
| Attributable to: | | | | | | | |
| Equity holders of the parent | | | | 23,387 | | | 41,857 |
| Non-controlling interests | | | | (1,025) | | | (774) |
| | | | | 22,362 | | | 41,084 |

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

Consolidated statement of financial position

For the year ended 31 December 2020

| (in thousands) | Note | 2020 EUR | 2019 EUR | 2019 EUR |
|---|------|------------------|-----------|-----------|
| | | | Restated | |
| Non-current assets | | | | |
| Property, plant and equipment | 13 | 175,388 | 188,434 | 188,434 |
| Intangible assets | 14 | 22,936 | 20,739 | 20,739 |
| Right-of-use assets | 16 | 66,034 | 61,471 | 61,471 |
| Deferred income tax assets | 17 | 91,012 | 69,296 | 76,328 |
| Other long-term assets | 21 | 19,501 | 21,558 | 21,558 |
| Total non-current assets | | 374,871 | 361,497 | 368,530 |
| Current assets | | | | |
| Cash and cash equivalents | 18 | 400,919 | 397,224 | 397,224 |
| Other current financial assets | 18 | 133,802 | 80,685 | 80,685 |
| Trade receivables | 19 | 99,388 | 85,774 | 85,774 |
| Other receivables | 20 | 26,958 | 20,779 | 20,779 |
| Prepayments to suppliers and accrued income | 21 | 53,363 | 39,902 | 39,902 |
| Inventories | 22 | 2,513 | 5,193 | 5,193 |
| Prepaid taxes | 23 | 19,699 | 14,807 | 7,287 |
| Total current assets | | 736,642 | 644,365 | 636,844 |
| Total assets | | 1,111,513 | 1,005,862 | 1,005,374 |
| Shareholders' equity | | | | |
| Equity attributable to equity holders of the parent | | 487,078 | 466,183 | 442,950 |
| Non-controlling interests | 15 | 4,365 | 5,391 | 5,391 |
| Non-current liabilities | | | | |
| Long-term employee benefits | 24 | 120,086 | 102,206 | 133,668 |
| Deferred income tax liabilities | 17 | 3,410 | 3,470 | 3,470 |
| Long-term provisions | 26 | 52,346 | 3,907 | 3,907 |
| Contract liabilities | 5 | 106,488 | 109,227 | 109,227 |
| Lease liabilities | 16 | 49,347 | 47,190 | 47,190 |
| Other long-term liabilities | 27 | 4,708 | 948 | 948 |
| Total non-current liabilities | | 336,385 | 266,949 | 298,410 |
| Current liabilities | | | | |
| Amounts payable to suppliers | 27 | 61,997 | 48,787 | 48,787 |
| Short-term employee benefits | 25 | 79,358 | 70,179 | 70,179 |
| Short-term provisions | 26 | 6,637 | 8,414 | 8,414 |
| Contract liabilities | 5 | 24,977 | 25,017 | 25,017 |
| Lease liabilities | 16 | 14,768 | 15,649 | 15,649 |
| Other liabilities | 27 | 87,515 | 93,154 | 93,154 |
| Accrued taxes | 28 | 12,789 | 11,530 | 2,814 |
| Total current liabilities | | 288,050 | 272,730 | 264,014 |
| Total equity and liabilities | | 1,111,513 | 1,005,862 | 1,005,374 |

Consolidated statement of cash flows

For the year ended 31 December 2018

| (in thousands) | Note | 2020 EUR | 2019 EUR | 2019 EUR |
|---|----------|------------------|----------|----------|
| | | | Restated | |
| Cash flow from operating activities | | | | |
| Profit before taxation | | 44,928 | 59,004 | 56,489 |
| Depreciation of property, plant and equipment | 13-16 | 66,545 | 68,357 | 68,357 |
| Amortisation of intangible assets | 14 | 10,232 | 13,015 | 13,015 |
| Net (gain)/loss and write-off on sale of property, plant and equipment, and intangible assets | | - | 174 | 174 |
| Other non-cash operating losses/(gains) | | | | |
| Increase/(decrease) in provisions, pensions and government grants | | 56,392 | (9,073) | (7,172) |
| (Increase)/decrease in other net long-term assets | | 5,817 | (7,533) | (7,533) |
| Net financial (income)/costs | | 2,884 | 1,417 | 1,417 |
| Net unrealized exchange (gain)/loss | | (1,259) | (1,257) | (653) |
| Increase/(decrease) in other non-cash operating items | | 853 | 220 | 220 |
| Changes in net working capital | | | | |
| (Increase)/decrease in trade and other receivables and prepayments | 19-20-21 | (33,253) | 17,277 | 17,277 |
| (Increase)/decrease in inventories | 22 | 2,680 | (124) | (124) |
| Increase/(decrease) in trade and other payables and contract liabilities | | 4,792 | 13,683 | 13,683 |
| Investments in other financial assets | 18 | (53,117) | 57,202 | 57,202 |
| Net cash flow before interest and tax | | 107,494 | 212,362 | 212,352 |
| Interest received | | 877 | 2,114 | 2,114 |
| Interest paid | | (2,115) | (1,673) | (1,673) |
| Tax paid | | (30,457) | (16,674) | (16,674) |
| Net cash flow from operating activities | | 75,799 | 196,129 | 196,119 |
| Cash flow from investing activities | | | | |
| Capital expenditures | | | | |
| Property, plant and equipment | 13 | (37,039) | (41,941) | (41,941) |
| Intangibles | 14 | (10,999) | (3,906) | (3,906) |
| Proceeds from sale of fixed assets | | 100 | 37 | (37) |
| Net cash flow used in investing activities | | (47,938) | (45,884) | (45,884) |
| Cash flow from financing activities | | | | |
| Payment of principal portion of lease liabilities | 16 | (18,824) | (19,020) | (19,020) |
| Net payments for reimbursement of capital | | (1,467) | (1,067) | (1,067) |
| Net cash flow from (used in) financing activities | | (-20,291) | (20,087) | (20,087) |
| Increase/(decrease) of cash and cash equivalents | | (7,569) | 130,158 | 130,148 |
| Movement in cash and cash equivalents | | | | |
| At the beginning of the year | | 397,224 | 266,332 | 266,332 |
| Increase/(decrease) of cash and cash equivalents | | 7,569 | 130,148 | 130,148 |
| Effects of exchange rate changes | | (-3,874) | 744 | 744 |
| At the end of the year | 18 | 400,919 | 397,224 | 397,224 |
| Cash and cash equivalent components are: | | | | |
| Cash | 18 | 81,554 | 54,491 | 54,491 |
| Liquid money market products | 18 | 319,798 | 342,926 | 342,926 |
| Credit loss allowance | 18 | (433) | (193) | (193) |
| At the end of the year | 18 | 400,919 | 397,224 | 397,224 |

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