



SWIFT
Annual Review 2021

21

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Introduction

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 cybersecurity 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.

Reach

Connecting the global financial industry

11,000+

Institutions connected to SWIFT

200+

Countries and territories

40,000

Active payment routes

4 billion

Accounts

235+

Market infrastructures

Volume

The way the world moves value

10.5 billion+

FIN messages (year)

42 million

Average daily FIN messages

50.2 million

Record Daily FIN traffic
(30 November 2021)

Growth

Constantly innovating and evolving

11.2%

FIN traffic volume growth

66%

Increase in FIN traffic on peak day
over the past five years

120

Customers signed up for SWIFT Go

28%

Growth in API calls made over
the SWIFT platform

Resilience

Unrivalled security, reliability and resilience

99.999%

SWIFTNet availability

99.995%

FIN availability

426

Business continuity exercises



Yawar Shah
Chairman of the Board

SWIFT continues to be a strong partner in helping the financial community navigate turbulent times.

Over the last two years, the world has undergone an unprecedented transformation – shaped both by the pandemic and increasing geopolitical tensions. Despite this, the financial services industry has proven itself to be highly adaptable, demonstrating great resilience under extraordinary pressure, and an ability to innovate during difficult times.

So too has your cooperative. SWIFT is committed to empowering a thriving bank-centric ecosystem and enabling financial institutions – all of them – to capitalise on new opportunities to offer best-in-class services to their own customers.

There are three major imperatives for SWIFT that I would like to highlight. These reflect the work ongoing over the past year and set the direction for the years to come:

- 1 **Execution of the SWIFT strategy for instant and frictionless transactions**, including ISO 20022 adoption and the rollout of the transaction manager.
- 2 **Becoming even more fit for the future** with an emphasis on innovation, accelerated development and, rapid deployment and adoption.
- 3 **Remaining globally relevant, geopolitically neutral, and operationally resilient and secure** in an increasingly dynamic environment.

Execution of the SWIFT strategy

SWIFT has an ambitious vision and strategy to enable instant and frictionless payments and securities transactions from account to account anywhere in the world – and it is laser-focused on its execution.

2021 saw the delivery of key strategic developments such as SWIFT Go and Payment Pre-validation, services at the heart of this vision that enable financial institutions to enhance customer experience, increase efficiency and grow their business, including in the rapidly expanding consumer and small business segments. At the same time, SWIFT is supporting the major shift the industry is making to ISO 20022 for payments in 2022. This is a big lift for banks, with multi-year preparations in full swing. But there is no doubt that it provides the foundations needed for the future.

ISO 20022 is set to drive increased automation and innovation, better customer experiences and reduce processing exceptions. This will allow financial institutions to benefit from operational cost savings, risk reduction, diversify their product offerings and ultimately grow revenues. And the benefits extend all the way to end-customers too, with better data that can improve their processes as well.

Not all financial institutions will move to ISO 20022 at once, however. So to help banks ensure a smooth migration and enable a period of coexistence, SWIFT has embedded in-flow translation between different standards. This means that users who move to the data-rich ISO 20022 standard can start to immediately realise its benefits and others can migrate at their own pace through 2025.

In parallel, SWIFT is creating a new transaction manager that will leverage rich data to orchestrate flows for a reliable and consistent end-client experience. This represents an important shift from sequential messaging to full transaction management and a step-change for cross-border payments across the SWIFT network.

Becoming even more fit for the future

SWIFT exists to serve the financial community, and as financial institutions look to the future, SWIFT is innovating collaboratively alongside them.

As an industry-owned cooperative, SWIFT is uniquely placed to create the next generation foundations of financial services, responsibly. It doesn't carry this out for its profit, but rather to deliver a thriving financial ecosystem and enable the long-term success of all its members, across all market segments and across all regions.

In its position at the heart of the financial industry, SWIFT also plays a vital role in identifying and evaluating emerging technologies. And this work is more important than ever at this pivotal point in the financial industry's digital transformation.

SWIFT is actively working across the industry with banks, central banks, market infrastructures and regulators

on numerous proofs of concept, and is closely examining emerging trends in areas such as Central Bank Digital Currencies (CBDCs), tokenised assets, and the linking of market infrastructures to explore how it can support interoperability and enable the seamless flow of value worldwide, continuing to make it simple for banks to access and benefit from these new innovations.

Yet SWIFT is not complacent and recognises it must continue to innovate, develop, and deploy new and value-added services. SWIFT is doing this with a sense of urgency, but in an orderly fashion that enables innovation to happen securely and at scale, so that when a technology demonstrates promise we can harness our efforts to solve real-world challenges. These are the constructive challenges we set ourselves as your global cooperative.

Remaining globally relevant, geopolitically neutral, and operationally resilient and secure

Robust oversight by the G-10 central banks and a supervisory Board that provides the appropriate duty of care ensures SWIFT's core remains truly global. SWIFT holds its oversight and governance structure, which supports innovation in a way that prioritises security, reliability and resilience, in high regard.

As a global and systemically important organisation, nothing is more important than SWIFT being resilient, secure and operationally dependable. While new capabilities are being delivered at great speed, their execution must be supported by unwavering risk and control. This is a key focus for SWIFT, the Board and the Overseers, and SWIFT has clearly defined risk management processes in place that are essential for the execution of its strategy.

As the financial industry strives to address external threats by ensuring compliance, managing risk and constantly raising the bar on security, SWIFT remains an integral partner through its Customer Security Programme (CSP), which continues to deliver immense value and tangible results. Securing SWIFT and its community has never been as vital as it is today.

These are challenging and complex times, and SWIFT continues to navigate an unpredictable geopolitical environment. SWIFT's global neutrality is fundamental, and although it must act in accordance with appropriate law when required, it remains true to its core mission to be a neutral provider to the global financial industry.

A strong, vibrant community

I would like to thank the SWIFT Board for its active governance; and I also thank the National Member Groups and the entire SWIFT community of banks for actively engaging with us. Your collaboration and engagement ensure that ours remains a vibrant and resilient community, even during challenging times. I would also like to thank all SWIFT employees for their diligence and commitment.

Finally, I do this as a global citizen, with a belief that we as a global community have more in common with each other than some of our national or cultural differences. By working together as financial institutions, we can achieve more collectively, even while competing.

Yawar Shah
Chairman of the Board
May 2022



Javier Pérez-Tasso
CEO

2021 was another challenging year. But that hasn't slowed us down as we continue to execute our strategy to deliver instant and frictionless transactions.

With the last two years characterised by uncertainty, I've been impressed by the resiliency of our people, communities and industry working together against sometimes great odds to make a real difference.

We've seen that for example, through major global efforts to slow down the pandemic and vaccinate populations worldwide. And in the financial industry we've seen a quantum leap in the shift towards supporting digital businesses. In the SWIFT context, I've also been very impressed and humbled by the levels of commitment, collaboration, and sense of community shown by our teams. Even under the most challenging circumstances, we remain focused as one team on delivering the unwavering operational excellence and industry-shaping innovations our customers rely on, every day.

Laying strong foundations

When it comes to operational excellence, we've continued to maintain exceptional standards of system availability, security, and reliability. This comes at a time of robust traffic growth during 2021. Traffic volumes across our network grew by more than 11% and we reached a new milestone with a peak of 50.2 million messages in a single day in November. This impressive increase shows the strong foundations we have in place for our community as we enter into the next phase of our strategy to enable instant and frictionless transactions.

And speaking of our strategy, we've made significant progress with the roll out of key services that meet our delivery milestones and industry

commitments. Our vision for an innovative, low-value payments service became a reality when we launched SWIFT Go in July. SWIFT Go revolutionises the experience of small and medium-sized businesses and consumers when sending low-value cross-border payments with their banks. We are currently focused on rapid community adoption as it enables banks to retain and grow market share in this highly competitive space.

We also launched our Payment Pre-validation service, offering real-time, upfront payment validation to reduce payments friction through errors, exceptions and costs caused by wrong or missing beneficiary information. SWIFT Go and Payment Pre-validation are key pillars of our strategy, and their adoption and usage is a major priority for the industry in the year ahead.

2022 is also a pivotal year for SWIFT and our community as it will mark the start of ISO 20022 adoption for cross-border payments and reporting and preparation is well underway. ISO 20022's rich data provides the future foundation for international payments and we are working closely with our community to prepare for go-live in November 2022. Tools such as our In-flow Translation service, delivered a year in advance to provide sufficient time for testing, are essential to support interoperability and allow financial institutions to migrate to the new standard at their own pace.

From November 2022 onwards, SWIFT will also be introducing its new platform – laying down transaction management capabilities to drive instant and frictionless and to further leverage the business value of rich data.

Accelerating innovation, responsibly

In defining the next phases of our future vision, we're strongly focused on accelerating innovation and enabling back-end interoperability in an increasingly complex and fragmented world. SWIFT is a bridge across geographies, systems, accounts and technologies. We want to make sure that value in all its forms can move around the world quickly, seamlessly and securely for as many people as possible.

This is the basis of our work on Central Bank Digital Currencies (CBDCs) and new digital assets – ensuring that if they are adopted, they work seamlessly within the global financial system. In 2021, we kicked off a set of experiments to explore the role SWIFT could play in a world with CBDCs. Our trials demonstrate that we can achieve interoperability between CBDCs and existing payments systems.

We're also exploring how we can enable interoperability between participants and systems during the transaction lifecycle of tokenised assets. Working collaboratively with industry participants, we're developing the standards necessary to avoid market fragmentation and encourage growth in this emerging asset class, without compromising on security and trust.

As we've seen time and again, when our community comes together, we can achieve far more than could ever be done in isolation. That's why we have also been working collaboratively with the Bank for International Settlements, and the Committee on Payments and Markets Infrastructures to solve common challenges in the payments landscape, and our strategic roadmap supports these important partnerships and our shared goals.

Our collaboration also extends to market infrastructures, with whom we are forging strong partnerships to enable seamless cross-border transactions. Most notably in 2021 is our partnership with EBA CLEARING, The Clearing House (THC), and leading financial institutions to pilot a new instant cross-border payments service.

Supporting the financial community

SWIFT is more than a network – we're an ecosystem. And the value of the whole is bigger than the sum of its parts. We drive industry standardisation and put in place the risk and control frameworks that enable the efficiency, interoperability, security, and innovation banks and their customers rely on.

Towards the end of 2021, we saw a significant rise in geopolitical tensions, and this has intensified in 2022. Our response to recent geopolitical events reflects our position to fully comply

with all applicable sanction laws of the European Union, and we continue to keep our SWIFT community regularly updated on developments.

As we continue to navigate the complexities of Covid-19 and the evolving geopolitical landscape, our priority is on supporting the community. Not just in keeping the ecosystem secure and resilient, but also preparing for the evolution of new technologies and building the infrastructure needed to ensure an instant, frictionless and interoperable future.

As a cooperative, we're also focused on how we deliver for the global community sustainably. Our Corporate Social Responsibility programme addresses eight of the UN Sustainable Development Goals (SDGs), including SDG 13 on Climate Action. In 2021, on behalf of SWIFT, I signed the Science Based Targets initiative, setting goals across the organisation to reduce our carbon footprint. We're also committed to launching and strengthening initiatives to foster an open and inclusive culture within SWIFT, to attract diverse new talent and advance diversity and inclusion across the financial industry.

All of this is made possible with strong collaboration with our global community, the guidance of our Board, and the consistent commitment of our leaders and teams. As we continue to engage with the community in this pivotal year for the industry, I look forward to making major progress in realising our vision together.

Javier Pérez-Tasso
CEO
May 2022

Payments regional traffic



2021 average daily FIN messaging volume (in Kmsgs and growth versus 2020)

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

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

Americas

Sent: 4,059 Kmsgs (+11.5%)
Received: 3,708 Kmsgs (+9.5%)

Intra-Americas: 1,873 Kmsgs (+10.3%)
Sent to APAC: 759 Kmsgs (+9.3%)
Sent to EMEA: 1,427 Kmsgs (+14.4%)

EMEA

Sent: 8,679 Kmsgs (+10.4%)
Received: 8,990 Kmsgs (+11.7%)

Intra-EMEA: 7,048 Kmsgs (+11.3%)
Sent to APAC: 346 Kmsgs (+2.8%)
Sent to Americas: 1,285 Kmsgs (+8.1%)

APAC

Sent: 1,956 Kmsgs (+8.9%)
Received: 1,997 Kmsgs (+7.1%)

Intra-APAC: 892 Kmsgs (+7.0%)
Sent to EMEA: 514 Kmsgs (+10.7%)
Sent to Americas: 550 Kmsgs (+10.4%)

In 2020, we announced our vision to enable instant and frictionless transactions from end-to-end anywhere in the world. In 2021, we moved rapidly to make that vision a reality.

SWIFT strategy: powering an instant and inclusive future

Transforming transactions in 2021 and beyond

Across all business areas – payments, securities, financial crime compliance, cybersecurity, technology, innovation and others – we’re putting in place the strong foundations our community needs to thrive today and in the future.

Our strategy is paving the way for financial institutions to enhance customer experience, deliver exciting new services, leverage rich data, and embrace emerging innovations such as Central Bank Digital Currencies (CBDCs) in payments and tokenised assets in securities.

We’re delivering at pace and creating a platform for innovation. And because we want our entire community to be

part of this instant and frictionless future, ensuring accessibility, inclusivity and ubiquity of our solutions is a top priority.

Simply put: we’re delivering the underlying infrastructure that enables financial institutions to power a whole range of new opportunities for their customers. And we want our entire community to be a part of it.



Shaping the future of payments and securities

[Play video](#)

In 2021, we introduced **SWIFT Go** to enable banks to win and grow market share in the rapidly expanding consumer and small business payments segments. SWIFT Go enables banks to provide a streamlined experience with fee predictability, in-flight tracking and a fast service that matches domestic payment schemes – all underpinned by SWIFT’s strong security and vast reach. The service saw rapid uptake in 2021, with over 100 banks signed up and 11 live, and more expected in 2022.

We launched our **Payment Pre-validation** service to remove one of the leading causes of friction in international payments – incorrect payee information. More than 100 banks are already using the service, which introduces upfront checks for typos, misspellings and other entry errors that are a main cause for delays. Real-time account validation enables increased efficiency for banks, faster funds on account for customers and better defence against fraud.

We are also helping our community prepare for the start of **ISO 20022** adoption for cross-border payments and reporting in 2022 with the introduction of a new In-flow Translation service. Launched in November 2021, In-flow Translation is key to enabling interoperability between users of different standards during the three-year coexistence period running to 2025. This service will enable financial institutions to realise the benefits of rich data when they migrate to ISO 20022, even if their counterparts have not yet adopted the standard. More than 80% of the community is now engaged in readiness activities for the start of the coexistence period and we are encouraging the community to begin testing as soon as possible to ensure readiness for November.

In parallel, we are building our new **state-of-the-art platform with**

transaction management capabilities, which is a core pillar of our strategy to enable instant and frictionless payments and will take SWIFT’s capabilities way beyond messaging. The platform will orchestrate interactions between financial institutions and other participants to minimise friction, optimise speed and provide transparency and predictability from one account to another, virtually anywhere.

The initial launch of the new SWIFT platform is set for Q4 2022, with traffic expected to ramp up in 2023 and beyond. Over time we will embed all our supporting services too, including sanctions screening, anomaly detection, data analytics, tracking and exception management. This will ensure every SWIFT user can rely on safe, secure and compliant payments, and pass these

In 2021, we began putting in place the building blocks for an instant and frictionless future of payments

benefits on to their customers as well. SWIFT continues to play a vital role in the global securities markets, facilitating secure and efficient transactions, and securities messages account for around 50% of the total traffic on the SWIFT network. We are a trusted partner for over 6,000 organisations trading securities and we are committed to helping capital markets participants to increase value for their customers, work more efficiently, comply with fast-evolving regulations and reduce costs. SWIFT, together with our community, is

facilitating change and driving progress in the global securities markets. To this end, as part of our **smarter securities strategy**, we’re developing a new service that will provide end-to-end tracking of securities transactions for the first time ever. The solution will build on the ISO 23897 Unique Transaction Identifier (UTI) to enable all parties to see the status of the transaction in real time, ensuring transparent information throughout its lifecycle. We’ll be piloting the service in 2022.

As the payments industry starts to use the richer data enabled by ISO 20022, there comes an associated need for increased and enhanced compliance measures that adequately support instant and frictionless payments. We’re helping the community improve its screening standards whilst addressing these challenges through initiatives such as the **Transaction Screening Service**. Launched in 2021, this is a fully managed, securely-hosted service that screens users’ incoming and outgoing messages against up-to-date sanctions lists to alert them to any suspicious activity.

In 2021, we began putting in place the building blocks for an instant and frictionless future of payments. We rapidly executed against a strategic blueprint endorsed by the SWIFT Board and we took yet another step towards seamless, end-to-end transaction management in payments and securities processing. In 2022, we have ambitious plans to accelerate adoption of our new services across the global financial community, as we welcome a new era of possibilities in cross-border payments and securities.

SWIFT payments are fast and getting even faster

In a [paper](#) published earlier this year, the Committee on Payments and Market Infrastructures (CPMI) reported that the SWIFT community has improved the flow of money around the world. The analysis found that sending payments over SWIFT is fast, with a cross-border payment taking a median time of just 90 minutes. In addition, the majority of payments were settled within minutes or even seconds on the fastest routes, where well-established direct links already exist between countries.

Intermediary banks can process 78% of cross-border payments in less than five minutes. When delays do occur, the report found, it is usually on the beneficiary leg, where only 33% of payments are processed in under five minutes. These longer processing times are most frequently due to capital controls and associated compliance processes, limited operating hours and the use of batch-processing systems, which were also found to impact the speed that funds are delivered at.

SWIFT's new platform will play a key role in enabling instant cross-border payments in the future.

ISO 2022 promises opportunities for early adopters in 2022

By the end of 2025, it is anticipated that the majority of domestic and regional high-value payment systems will have migrated to the ISO 2022 format for financial messaging. The SWIFT community, with support from SWIFT, has also made the decision to adopt ISO for cross-border payments and reporting starting in November 2022 with the adoption period running until November 2025.

This will transform the way cross-border payments messages are exchanged, with ISO 2022 unlocking major and new opportunities. First movers will be able to capitalise early on the benefits of richer data, while others can adopt it at their own pace. SWIFT is there to support the community in this transition.

With more and better structured data in an ISO 2022 message, financial institutions will now be able to deliver innovative services, provide better customer experiences, and benefit from fewer processing exceptions that create friction and delays. These benefits also extend to the corporate customers of banks who will soon be able to improve reconciliation within their back-end systems, for example, with simpler matching of invoices to payments.

While these changes will require the payments industry to transition to ISO 2022 collectively, we recognise that not everyone will transition at the same time. As part of our commitment to support the entire community, we are embedding an In-flow Translation service to facilitate interoperability between the ISO 2022 and MT standards. This way, users who move to the data-rich standard will be able to immediately realise its benefits, while others may migrate at their own pace through 2025.

Enabling efficient communication for the financial world

Across financial services, and in the securities industry, a common language is essential for the efficient exchange of data, and SWIFT is committed to supporting this standardisation within the industry. By exchanging unambiguous, machine-friendly data, institutions will be able to benefit from greater automation, lower costs and reduced risk. We are working to achieve this by creating and maintaining standards for financial messaging and reference data.

We have been working with our user community to specify and publish market practices, and ensuring that the standards we maintain evolve and meet changing market needs. Key initiatives in 2021 include:

- Publishing regular updates to the Cross Border Payments and Reporting Plus (CBPR+) handbook
- Supporting the securities market on the Central Securities Depository Regulation (CSDR) and the Shareholder Rights Directive (SRD II)
- Publishing a [paper](#) on how we're developing APIs for different customer segments
- Publishing [guidelines](#) both on how to screen ISO 2022-based transactions; and on ISO 2022-based remittance information for the US market
- Launching an [accelerator package](#) to support market infrastructures and their communities in the adoption of ISO 2022

Richer data for better compliance

As the industry moves towards adopting ISO 2022, compliance will also need to evolve to support instant and frictionless payments. SWIFT's sanctions screening initiatives are helping the community reduce friction by improving their screening standards, adopting ISO 2022 screening practices and evolving their processes.

In July 2021, SWIFT launched its Transaction Screening Service to help users who are looking to better harness ISO 2022's additional data fields, improve filter efficiency and effectiveness. This allows financial institutions to securely screen incoming and outgoing messages against up-to-date sanctions lists, providing an alert if anything suspicious is detected. For institutions that are yet to make the move to ISO 2022, Transaction Screening prepares the ground for a smooth migration of their messaging flows.

Keeping the core resilient and secure

Underlying all this and much more is our unwavering focus on the availability and security of our network and we concluded 2021 with 99.995% availability achieved on core messaging service. The SWIFT Customer Security Programme (CSP) continues to deliver significant results.


The CSP is a well established programme that continues to innovate and deliver value and tangible results. The last five years have seen consistently high attestation and compliance rates by a community of highly engaged users committed to stopping cyberattacks in their tracks. In 2021, 89% of our customers, representing over 99% of SWIFT traffic, attested to their compliance with the cybersecurity controls mandated by the Customer Security Controls Framework (CSCF). This is along with over 94% of attested customers who also submitted an independent assessment for the first time, helping to ensure the veracity of attestations. This requirement, under the Independent Assessment Framework, (IAF) became effective in 2021.


Purpose-led thought leadership


SWIFT has made strong headway in our plans to facilitate instant transactions from one account to another anywhere in the world since the announcement of our strategic priorities in 2020. We continue to actively explore new frontiers of collaboration with the global financial industry, and we believe that a robust thought leadership programme goes a long way in bringing our communities together to serve this end.

Find out more about our thought leadership initiatives:

 [Read the joint paper from SWIFT and Accenture on Making CBDCs work for international payments](#)

 [Read the paper on Digitising trade: the time is now](#)

 [Read the paper on Realising the power of APIs in financial services](#)

 [Read the paper from SWIFT Institute on Open banking: A catalyst for reinvention](#)

 [Read the paper from SWIFT Institute on The future of Transaction Monitoring: better ways to detect and disrupt financial crime](#)

 [Watch replays from the Inside Innovation events](#)

 [Watch replays from the Smarter Securities events](#)

**Building the future
of global financial
transactions, together**

Innovation at SWIFT

Innovation at SWIFT

Innovation is part of SWIFT's DNA. For nearly 50 years, we have brought together financial institutions from around the world to develop solutions that benefit the entire global financial system.

Yet no business can sit still in an environment characterised by unprecedented market disruption – fuelled by changing customer expectations, growing competition and new technologies that challenge existing business models. So as we deliver our strategy, we continue to look to the horizon to prepare for the opportunities, changes and challenges that come next – to harness the power of new technologies and business models to both improve our existing product portfolio and develop the next generation of SWIFT services.

Linking market infrastructures

Linking market infrastructures and financial institutions is a fundamental pillar of our strategy, and one of the key building blocks in the Committee on Payments and Market Infrastructures' (CPMI) global roadmap on enhancing cross-border payments. In 2021, we kicked off a proof-of-concept with EBA CLEARING and The Clearing House (TCH) – and seven participating banks – demonstrating the feasibility of synchronising settlement across existing instant payment systems. The interlinking of domestic payment systems will require strong levels of interoperability to enable further innovation and the linking of additional systems. As a neutral party with worldwide reach that works with players from across the financial ecosystem, SWIFT is uniquely placed to support initiatives such as the links between TARGET Instant Payments (TIPS) and BUNA (the cross-border and multi-currency payment system owned by the Arab Monetary Fund), and the immediate cross-border (IXB) service between EBA CLEARING and TCH.

Preparing for the future: CBDCs

We're continuing to prepare for the future. As part of our innovation agenda, we're running a number of experiments to explore how digital assets could be used to solve real-world challenges and further transform financial services. In 2021, we explored the roles SWIFT could play in a world with **CBDCs** so we can seamlessly support our community. We stand ready for the next generation of money and our experiments aim to demonstrate that we have the potential to link CBDC and real-time gross settlement (RTGS) networks and facilitate the settlement of CBDCs across borders.

We're also working with leading industry players to explore how SWIFT could act as an interconnector to link up multiple securities tokenisation platforms and various payment types throughout the transaction lifecycle of a **tokenised asset**. In 2022, we are planning a series of experiments leveraging our trusted role as a central platform to explore the issuance, delivery versus payment (DVP), and redemption processes, to support a frictionless and seamless tokenised asset market.

In response to the growing momentum towards CBDCs globally, we partnered with Accenture on an innovation project to assess the impact of CBDCs on global transactions, and roles that SWIFT could play to seamlessly support our community. SWIFT subsequently published a paper on CBDCs in May 2021, which will guide the way forward on how SWIFT engages with, and enables, new forms of regulated money.

In 2022, SWIFT will launch the next phase of its experimentation, exploring the role it could play in linking together the domestic CBDC networks in development across the world.

Delivering innovation that generates business value

At its core, innovation at SWIFT aims to accelerate and de-risk the creation of new solutions that deliver value to our customers and the wider industry.

In 2021, SWIFT conducted over 20 product and technology innovation sprints, which saw teams of SWIFT employees working on a set of specific tasks and deliverables towards a technology goal. Eight of these sprints are now in the process of implementation.

For instance, SWIFT's innovation team recently conducted a sprint that focused on enhancing the user experience of our product portfolio. This sprint resulted in the adoption of a Digital Adoption Platform (DAP) that provides a structured, guided walkthrough for new product users. The DAP is currently being piloted with SWIFT's Transaction Screening Service, and if successful, will be rolled out across our wider product set.

Delivering a state-of-the-art scale AI platform

In 2021, SWIFT kicked off a multi-partner collaboration with some of the world's leading technology providers to develop an enterprise scale artificial intelligence platform to help unlock complex industry challenges whilst preserving user privacy. Set to be launched in 2022, the new platform will enable SWIFT to embed AI-enhanced detection into products such as Payment Controls and Payment Pre-validation, and facilitate the future adoption of artificial intelligence in additional use cases such as sanctions screening and business operations.

Pioneering tokenised asset trials

In 2021, we also announced a partnership with key customers and partners to help increase speed and efficiency in the post-trade processing of tokenised assets. To be conducted in 2022, the experiments will trial the use of the SWIFT platform as an interconnector – linking up multiple tokenisation platforms and various payment types throughout the transaction lifecycle of a tokenised asset. SWIFT's role will be to connect all entities as efficiently as possible with a view to enabling customers to grow their tokenised asset businesses.

Bringing the financial community together online



Sibos 2021: What we have learned

[Play video](#)

Sibos 2022 will take place in person in Amsterdam from 10 to 13 October.

[Register now](#)

Sibos 2021

In its second year, digital Sibos was attended by more than 19,000 registered delegates and 114 partners from nearly 200 countries. Under the theme “Recharging Global Finance”, the programme explored the trends and ideas shaping the future – from the rapid pace of digital acceleration to the intensifying focus on sustainability – and looked at how the financial industry is preparing today for the client, regulatory and societal demands of tomorrow. Innovative collaboration was a highlight of the programme, which sought to bring together leading industry minds to discuss and debate key challenges, agree a way forward and deploy solutions through a series of industry initiatives.

SWIFT Hackathon

More than 180 developers from 25 organisations joined forces to showcase their solutions around two challenges: “Enhancing the accuracy of anomaly detection in payments” and “Building ‘synthetic’ data sets required for AI-based product development, whilst protecting privacy”. The challenge focused on collaborative innovation to deliver on the promise of Artificial Intelligence with participants presenting their solutions to a judging committee of industry professionals.

Discover Perfect Pitch

Pioneering innovators from around the world participated in the second edition of a digital fintech pitch to showcase their products and services to the Sibos community. Fintechs competed across two streams – “Leadership” and “Partnership & Collaboration”. Winners – Quantexa and Partner Hub – were selected by industry experts.

SWIFT Institute

For the first time in India, the 2021 SWIFT Institute Student Challenge saw teams present solutions aimed at helping to increase adoption and use of digital trade transactions during Sibos. The winner, Team Phoenix, focused their research on minimising the use of paper-based trade, while mitigating risk of paperless trade using blockchain technologies.

Working with and for
financial communities
across the globe

Diversity & Inclusion and Corporate Social Responsibility

Diversity & Inclusion and Corporate Social Responsibility

Our business is global. SWIFT works with and for financial communities across the globe. We know this is a privilege as well as a responsibility, and we are committed to making a positive impact wherever we can. We are working to make a more positive impact on the communities where we operate and do business.

We integrate social, environmental, ethical, and human rights concerns into our operational strategy. Education, diversity, sustainability, community outreach—our belief in the importance of these issues is embedded in our company mindset.

Giving back

Our Corporate Social Responsibility (CSR) strategy focuses on the UN Sustainable Development Goals, which look at reducing carbon emissions and supporting education and financial inclusion.

Reducing the environmental impact of our company

In 2021, SWIFT signed its commitment to the Science Based Target initiative and pledged to set science-based emission reduction targets and take action to limit global warming to below 1.5°C by 2030, in line with the 2015 Paris Agreement.

Using the Green House Gas Protocol as a guideline, we used carbon offsets to compensate for our CO2 emissions in 2020. We also optimised our office space and installed both insulation and solar panels in our offices. We continue to encourage staff to opt for greener travel and commuting solutions.

Additionally, we funded renewable energy and nature conservation projects in Eastern Europe, the Greater Mekong region and the Amazon rainforest, and tree planting initiatives across the world.

Supporting those in need

We continue to support children in need and provide quality education to underprivileged communities with organisations around the world. We also sponsor a **Sustainable Future Prize**, which encourages fresh thinking and greater awareness among young people on the benefits of ethics in finance.

Our staff volunteer at charitable organisations that work with orphans, children with a long-term or terminal illness, disabled and autistic children, victims of war, the homeless, and children living in slums.

Humanitarian crisis

We continued our financial support to Médecins Sans Frontières' emergency funds, concentrating our support on the Covid pandemic in India. Additionally, following the devastating 2021 summer floods in Belgium and Northern Europe, SWIFT donated to local charitable organisations.

Promoting Diversity, Equity & Inclusion

SWIFT aims to promote an inclusive culture in which everyone is involved, respected and connected regardless of their differences. Diversity and inclusion are integral to our culture of excellence, innovation and community. Our Diversity and Inclusion strategy is led from the top of the organisation and spans 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.

To raise awareness, SWIFT held internal global events for Black History Month, International Women's Day, International Day for Disability, and Pride.

We integrate diversity and inclusion throughout our hiring and talent management practices across the organisation and in 2021, trained our people managers in unconscious bias, inclusive leadership and equitable hiring practices.

We continued our partnership with Diversicom, a charity that provides access to work for people with disabilities. We also organised internships at our head office that aim to open up SWIFT to a wider group of applicants with disabilities.

To further support and advance gender diversity, SWIFT launched its **Gender Equality Network** and put in place a corporate KPI to increase the numbers

of women in leadership across the organisation. On International Women's Day, we launched a programme of broad empowerment workshops for underrepresented groups across SWIFT over the following six months.

To offer further support to people in a minority at SWIFT, we launched a **Global Mentor Programme** open to all SWIFT staff.

At Sibos 2021, 40% of speakers at Sibos were female. The **Women of Sibos** networking event featured leading female speakers from the world of payments and environmental innovation. We held high profile debates on diversity within the industry, and the importance of diversity, equity and inclusion as a marker for business credibility.

SWIFT continued its virtual **Sibos Talent Accelerator Route (STAR) Scholarship** programme at Sibos in 2021, giving 25 high potential women from countries around the world access to the thought leadership and networking opportunities that Sibos provides.

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 2021, more than 10.5 billion FIN messages, or an average of 42.0 million messages per day, were sent over SWIFT network. This is an increase in total FIN volume of 11.2% from 2020.

As a result of the pandemic and highly volatile markets, SWIFT recorded three FIN peak days in 2021. On 30 November more than 50.2 million messages were sent over the SWIFT network. This peak was the result of strong Securities volumes combined with growth in Payments instructions plus the typical end of month payments reporting.

Payment messages

Payments message volumes recorded a 11.3% increase. This performance corresponds to recovering GDP growth and international trade following the Covid-19 pandemic. As usual, the highest performing month volume-wise was December with Payments message volumes reaching a new all-time high of 20.5 million messages per day on average.

Securities messages

Securities traffic grew by 11.9% in 2021. This was driven by market volatility and permanent high volumes of securities settlement instructions. November 2021 was the highest performing month in terms of volume, with 22.3 million messages each day on average.

FileAct

FileAct is an advanced, secure 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 21% traffic growth in 2020, when on average over 34 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 reporting flows from InterAct to FileAct. There was also an increase in bulk domestic low-value payments in line with historical statistics.

InterAct

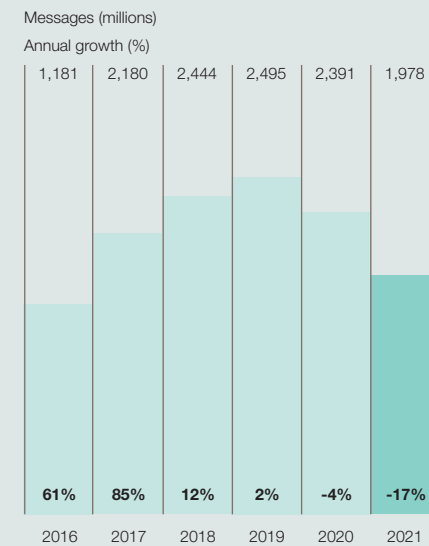
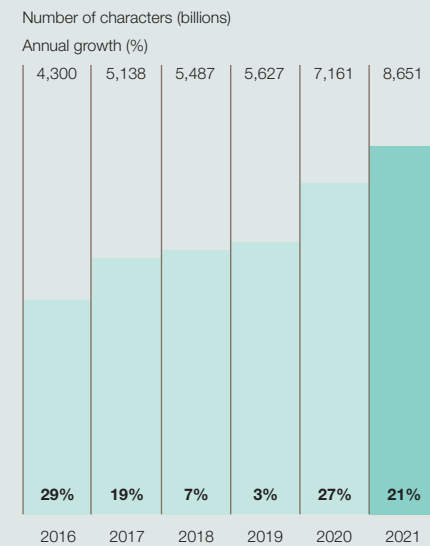
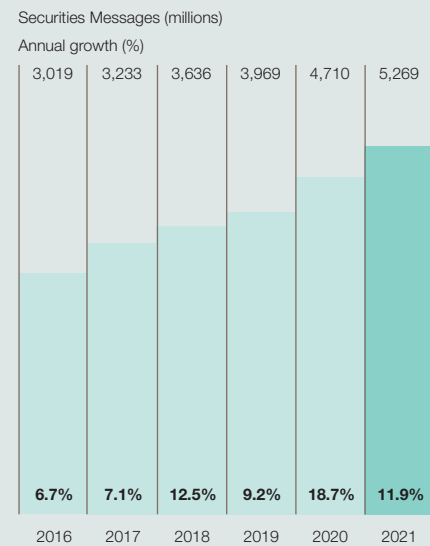
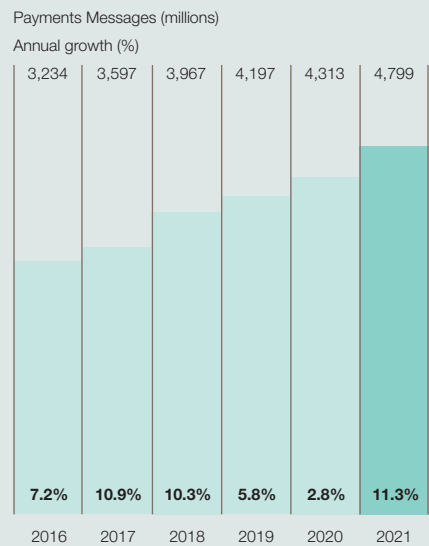
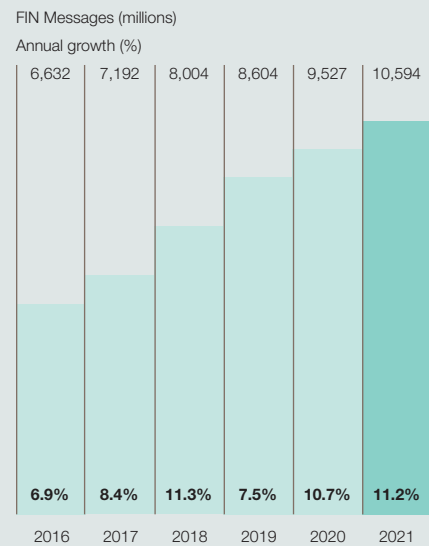
InterAct is a versatile protocol that supports different types of usage and business. It is primarily used by market infrastructures to support ISO 20022 messaging. Our Store & Forward version of InterAct has been enriched to provide the same level of functionalities as FIN.

InterAct traffic growth dropped 17% in 2021, with an average of 7.8 million messages per day. The decline is due to the migration of some reporting TARGET2-Securities flows from InterAct to FileAct.

FileAct volume in billions of characters	8,651
FileAct volume in millions of files	238
Live and pilot users	3,269
Services using FileAct	59

InterAct messages (*)	1978 million
Live and pilot users (**)	2,051
Services using InterAct (*)	67

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



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, 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 of Payment Market Infrastructures, FirstRand Group Treasury, South Africa

Fabrice Denèle

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

Marc Derycke

Managing Director, Euroclear, Belgium

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, Head CDIO COO Shared Services Operations, Member of the CDIO COO Managing Committee, UBS Business Solutions AG, Zurich, Switzerland

Mark Gem

Member of the Executive Board, Clearstream International, Luxembourg

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

Ole Matthiessen

Managing Director, Global Head of Cash Management, Deutsche Bank, Germany

Stephan Müller

Divisional Board Member Corporate Clients, Commerzbank, Germany

Noritoshi Murakami

Managing Director, Head of Transaction Banking Division, MUFG, Japan

Bock Cheng Neo

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

Alain Pochet

Head of Client Delivery BNP Paribas Securities Services, France

Russell Saunders

UK Board Member, United Kingdom

Patrick Tans

Senior General Manager, Banking Products and Transformation, KBC, Belgium

Yvonne Yiu

Managing Director, Head of Global Liquidity and Cash Management, HSBC, Hong Kong

SWIFT Executive

Javier Pérez-Tasso

Chief Executive Officer

Javier 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.

Cheri McGuire

Chief Technology Officer

Cheri was appointed Chief Technology Officer in August 2021, with responsibility for the vision, strategy and security of SWIFT's technology platform. As CTO, she oversees all aspects of the platform, network, cloud

capabilities and security, with a focus on resilience, trust and innovation Cheri brings more than 30 years of experience in strategy, policy, and operations, spanning the financial, software, consulting and government sectors. Previously, she was Managing Director and Group Chief Information Security Officer for Standard Chartered PLC in London, and held senior roles at Microsoft, Symantec, US Department of Homeland Security and Booz Allen Hamilton.

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.

David Watson

Chief Strategy Officer

David 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.

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.

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 the 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

The Annual General Meeting approved the appointment of PwC as external financial auditor as proposed by the Board of Directors following a competitive tender. This was approved by the works' council for a mandate of three years ending at the Annual General Meeting of 2024, covering 2021, 2022 and 2023. Their financial Audit Reports can be found in the 2021 Statutory and Consolidated Financial Statements.

Further to their appointment as external security auditor in 2020, Deloitte reviewed and examined in 2021 the adequacy and effectiveness of SWIFT's controls in accordance with the ISAE 3000 standard. For the 2021 calendar year, SWIFT provided six standalone ISAE 3000 Type 2 reports for SWIFTNet and FIN, selected on-premise Interface products, Alliance Lite2, T2S, ESMIG and AU-NPP. Each report includes Deloitte's view on 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 Annex F of CPMI IOSCO's Principles for Financial Market Infrastructures). Deloitte's mandate runs until March 2023 and covers the 2020, 2021 and 2022 calendar years.

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 risk identification and management, information security, reliability and resilience, technology planning, and communication with users. Central banks have the explicit objective of fostering financial stability and promoting the soundness of payment and settlement systems.

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

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

An open and constructive dialogue

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

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

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

International cooperative oversight

As lead overseer, the NBB conducts the oversight of SWIFT together with the G-10 central banks: Banca d'Italia, Bank of Canada, Bank of England, Bank of Japan, Banque de France, De Nederlandsche

Bank, Deutsche Bundesbank, European Central Bank, Sveriges Riksbank, Swiss National Bank, 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: Bank of Indonesia, Bank of Korea, Bank of Mexico, Bank of Spain, Central Bank of Brazil, Central Bank of the Argentine Republic, Central Bank of the Republic of Turkey, Central Bank of the Russian Federation, Hong Kong Monetary Authority, Monetary Authority of Singapore, the People's Bank of China, Reserve Bank of Australia, Reserve Bank of India, Saudi Arabian Monetary Agency, and South African Reserve Bank. The SWIFT Oversight Forum provides a forum for the G-10 central banks to share information on SWIFT oversight activities with a wider group of central banks.

Oversight structure – oversight meetings

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

Access to information

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

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

Security audit and financial performance

2021 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 2021 to 31 December 2021, the control policies and procedures were operating with sufficient effectiveness to ensure that the control objectives were met with regard to risk identification and management, information security, reliability and resilience, technology planning and communication with users.

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. Further to their appointment as external security auditor in 2020, Deloitte reviewed and examined in 2021 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, selected on-premise Interface products and ESMIG ('covered services and products'), covering the period through 1 January 2021 to 31 December 2021.

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 2021				
	2021 EUR	2020 EUR	2019 EUR	2018 EUR	2017 EUR
Operating revenue	894	905	877	811	780
Operating expenses	(827)	(851)	(827)	(760)	(697)
Profit before taxation	66	45	59	53	69
Net profit	52	36	42	34	45
Net cash flow from operating activities	149	76	196	31	155
Capital expenditure of which:	33	48	46	59	80
Property, plant and equipment	31	37	42	52	53
Intangibles	2	11	4	7	27
Shareholders' equity	616	487	466	408	469
Total assets	1,226	1,112	1,006	898	804
Number of employees at end of year	3,279	3,300	3,145	2,835	2,779



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 2021

(in thousands)	Note	2021 EUR	2020 EUR
Revenue			
Traffic revenue	2	418,670	418,520
One-time revenue	3	3,924	5,782
Recurring revenue	4	268,368	269,396
Interface revenue	5	198,882	208,670
Other operating revenue		4,145	3,027
		893,989	905,395
Expenses			
Royalties and cost of inventory	12	(6,618)	(7,125)
Payroll and related charges	6	(442,619)	(422,200)
Network expenses	7	(11,914)	(15,155)
External services expenses	8	(278,612)	(268,257)
Depreciation of property, plant and equipment	13	(47,846)	(48,553)
Amortisation of intangible assets	14	(7,970)	(10,232)
Depreciation of right-of-use assetst	16	(17,761)	(17,992)
Other expenses	9	(13,838)	(61,093)
		(827,178)	(850,607)
Profit from operating activities			
		66,811	54,788
Financing costs	10	(1,765)	(1,793)
Other financial income and expenses	10	1,294	(8,067)
Profit before tax			
		66,340	44,928
Income tax expense	11	(14,106)	(9,105)
Net profit			
		52,234	35,823
Attributable to:			
Equity holders of the parent		53,371	36,286
Non-controlling interests	15	(1,137)	(463)
		52,234	35,823

Consolidated statement of comprehensive income

For the year ended 31 December 2021

(in thousands)	Note	2021 EUR			2020 EUR		
		Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Profit for the year	(A)	66,340	(14,106)	52,234	44,928	(9,105)	35,823
OCI items that may be reclassified subsequently to profit or loss:							
Foreign currency translation		2,157	-	2,157	(1,348)	-	(1,348)
Cash flow hedges:							
Current year gain / (loss) on financial instruments	31	5,587	(1,397)	4,190	(5,248)	1,312	(3,936)
Prior year (gain) / loss transferred to income statement	31	5,248	(1,312)	3,936	(2,508)	742	(1,766)
OCI items that will not be reclassified to profit or loss:							
Recognition of actuarial gains and losses	24	87,151	(22,369)	64,782	(10,047)	3,636	(6,411)
Other comprehensive income	(B)	100,143	(25,078)	75,065	(19,151)	5,690	(13,461)
Total comprehensive income for the year	(A) + (B)	166,483	(39,184)	127,299	25,777	(3,415)	22,362
Attributable to:							
Equity holders of the parent				127,952			23,387
Non-controlling interests				(653)			(1,025)
				127,299			22,362

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 2021

(in thousands)	Note	2021 EUR	2020 EUR
Non-current assets			
Property, plant and equipment	13	158,580	175,388
Intangible assets	14	16,687	22,936
Right-of-use assets	16	63,131	66,034
Deferred income tax assets	17	81,640	91,012
Other long-term assets	21	17,654	19,501
Total non-current assets		337,692	374,871
Current assets			
Cash and cash equivalents	18	505,567	400,919
Other current financial assets	18	142,924	133,802
Trade receivables	19	128,373	99,388
Other receivables	20	35,541	26,958
Prepayments to suppliers and accrued income	21	57,652	53,363
Inventories	22	2,911	2,513
Prepaid taxes	23	15,638	19,699
Total current assets		888,606	736,642
Total assets		1,226,298	1,111,513
Shareholders' equity			
Equity attributable to equity holders of the parent		616,152	487,078
Non-controlling interests	15	609,058	482,713
		7,094	4,365
Non-current liabilities			
Long-term employee benefits	24	47,274	120,086
Deferred income tax liabilities	17	5,498	3,410
Long-term provisions	26	49,757	52,346
Contract liabilities	5	104,087	106,488
Lease liabilities	16	48,386	49,347
Other long-term liabilities	27	2,378	4,708
Total non-current liabilities		257,380	336,385
Current liabilities			
Amounts payable to suppliers	27	99,021	61,997
Short-term employee benefits	25	77,827	79,358
Short-term provisions	26	13,759	6,637
Contract liabilities	5	54,476	24,977
Lease liabilities	16	16,461	14,768
Other liabilities	27	84,554	87,515
Accrued taxes	28	6,668	12,798
Total current liabilities		352,766	288,050
Total equity and liabilities		1,226,298	1,111,513

Consolidated statement of cash flows

For the year ended 31 December 2021

(in thousands)	Note	2021 EUR	2020 EUR
Cash flow from operating activities			
Profit before taxation		66,340	44,928
Depreciation of property, plant and equipment and right-of-use asset	13-16	65,607	66,545
Amortisation of intangible assets	14	7,970	10,232
Net (gain)/loss and write-off on sale of property, plant and equipment, and intangible assets		381	-
Other non-cash operating losses/(gains)			
Increase/(decrease) in provisions, pensions and government grants		17,342	56,392
(Increase)/decrease in other net long-term assets		(482)	5,817
Net financial (income)/costs		4,060	2,884
Net unrealized exchange (gain)/loss		(2,157)	(1,259)
Increase/(decrease) in other non-cash operating items		396	853
Changes in net working capital			
(Increase)/decrease in trade and other receivables and prepayments	19-20-21	(38,464)	(33,253)
(Increase)/decrease in inventories	22	(398)	2,680
Increase/(decrease) in trade and other payables and contract liabilities		69,329	4,792
Investments in other financial assets	18	(9,122)	(53,117)
Net cash flow before interest and tax		180,802	107,494
Interest received		446	877
Interest paid		(3,352)	(2,115)
Tax paid		(28,432)	(30,457)
Net cash flow from operating activities		149,464	75,799
Cash flow from investing activities			
Capital expenditures			
Property, plant and equipment	13	(31,049)	(37,039)
Intangibles	14	(1,990)	(10,999)
Proceeds from sale of fixed assets		(100)	101
Capital increase in partly-owned subsidiaries		3,382	-
Net cash flow used in investing activities		(29,757)	(47,937)
Cash flow from financing activities			
Payment of principal portion of lease liabilities	16	(18,786)	(18,824)
Net payments for reimbursement of capital		(1,607)	(1,467)
Net cash flow from (used in) financing activities		(20,393)	(20,291)
Increase/(decrease) of cash and cash equivalents		99,314	7,569
Movement in cash and cash equivalents			
At the beginning of the year		400,919	397,224
Increase/(decrease) of cash and cash equivalents		99,314	7,569
Effects of exchange rate changes		5,335	(3,874)
At the end of the year	18	505,567	400,919
Cash and cash equivalent components are:			
Cash	18	89,025	81,554
Liquid money market products	18	416,710	319,798
Credit loss allowance	18	(168)	(433)
At the end of the year	18	505,567	400,919

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Global presence

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