



SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 9,700 banking organisations, securities institutions and corporate customers in 209 countries. We enable our users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. We also create the connections and standards that make markets work across the globe. We bring together the world's financial institutions, promoting dialogue and helping to solve common industry problems. And we combine a uniquely informed perspective with the flexibility to respond to the individual needs of every customer.

This annual review contains a summary of SWIFT's financial performance. The full set of financial accounts can be downloaded at [www.swift.com](http://www.swift.com) and is also available from any of our offices.

The signs of confidence have begun to return to the financial industry, but it is clear that the future will be very different from the past. The core of what we do at SWIFT is as relevant as ever to our communities. But the way we do it is changing – bolder, sharper, more agile, but always reliable and secure.

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# Achievements and highlights

# 1

acquisition, Arkelis, enabling us to offer more flexible high-volume financial messaging solutions to our largest customers

# 2.5

tonnes of paper saved at Sibos 2010, equivalent to 180 trees, as part of our commitment to being an environmentally responsible organisation

# 15%

rebate given on 2010 messaging usage. We also announced a 20 percent average FIN price reduction to take effect in 2011. This is in addition to the achievement, one year ahead of schedule, of a targeted 50 percent price reduction over five years set in 2006

# 726

corporates registered by year-end. Our SWIFT for Corporates solution allows the exchange of financial information with many financial institutions through a single, highly secure standardised communication platform

# 30

years of SWIFT presence in Hong Kong, Japan and Singapore, strengthening our global organisation and getting closer to our customers to understand and respond to their needs

# 3.8 million

confirmations processed on Accord for Securities since live date in 2009, enabling broker/dealer customers to reduce counterparty risk and cut their settlement costs

# 4,162

consulting days delivered globally, covering technical and business processes and practices

# 15,000+

copies of 'ISO 20022 for Dummies' distributed. Now in its second edition, our aim in writing the book was to demystify the standard and encourage take up worldwide

# 8,900

participants at Sibos in Amsterdam, the biggest ever attendance in the event's 32 year history

# A time to stay focused

A few words from our Chairman

I have often insisted that SWIFT should be judged by its actions, not by what we say from various podiums. From a Board perspective, it therefore gives me pleasure to report that we can be proud of the actions of our cooperative in 2010. Without compromising in any way on the attributes of security, reliability and resilience that are the hallmarks of its operations, SWIFT is delivering real business benefits through its programme of structural cost reductions and its execution of the *SWIFT2015* strategy.



Yawar Shah

The use of SWIFT is to a large extent a derived demand. Its traffic volumes are highly correlated with the economic environment. In my letter last year, I noted that SWIFT traffic volumes in 2009 reflected the decreased levels of business activity within our community. Volumes have since demonstrated an upward trend. It became clear during the financial crisis, however, that SWIFT needed to examine its cost structure and act on it with precision, focus and deliberation. The process of structural cost reductions launched in 2009 continued throughout 2010. The results are obvious as Lázaro Campos, CEO, outlines on the following pages.

The achievements of the 'Lean at SWIFT' programme are not simply a one-time internal event. Beyond the 15 percent rebate on 2010 message bills, SWIFT is committed to a structural price reduction that is both substantial and sustainable – for 2011 alone it includes an average 20 percent price reduction. The fixed fee programme has also been a dramatic success. Over 70 percent of SWIFT's traffic is now on a fixed fee basis. Fixed fee customers naturally reduce their unit price as their volumes grow, creating a self-incentivising virtual cycle.

As Chairman of the Board, I would like to give credit to Lázaro and the executive team for the way the Lean programme has been managed.

Although it may have been painful at times, it was conducted in a manner that has created the right outcomes. The resulting change in the culture of the cooperative will benefit the community in tangible ways.

#### Focused execution

The business of SWIFT is to serve its financial institution customers. Last year I spoke about the 2015 strategy exercise and the extensive community consultation that was underway. The *SWIFT2015* strategy was approved by the Board in June 2010, ahead of schedule. I'm happy to report that SWIFT is already busy implementing and executing the strategy in a disciplined way based on the priorities that you have set for your cooperative. You will hear more about this from Lázaro.

There is, of course, a continuous need in our industry to balance cooperation and competition. There are many pain points for the industry that drive risk and cost. SWIFT is trying to address these issues through collaborative innovation in a way that is open, structured and transparent. This is a collective challenge for the industry and SWIFT.

A well-structured governance process, based on a trusting and transparent relationship between the Board and the Executive Committee, has helped

# value 安全性 LA EFICIENCIA EFFICIENCY DELIVERY GOVERNANCE ENTREGA

to support this purposeful innovation. The acquisition of the AMH business and creation of a wholly-owned subsidiary, Arkelis, in 2010 provides a good example of how appropriate Board oversight and support have enabled the Executive to take bold steps in exploiting new opportunities for the SWIFT community within the context of the *SWIFT2015* strategy.

#### Regulation and oversight

SWIFT will always be driven by the priorities of its community. Its ambition is to execute in a robust world-class manner what its customers ask it to do. Over the past year, as the regulatory environment has intensified, banks have looked to SWIFT to help them as a community to address new reporting requirements. SWIFT is responding actively to these requests. As a tangible example, the community has asked SWIFT to create a sanctions-screening utility for smaller institutions to help them meet regulatory requirements. SWIFT has stepped up to the challenge and in Q4 2010 announced a plan and time frame for a new service. We are already being approached on other related potential services.

The oversight of SWIFT itself by the G-10 central banks chaired by the National Bank of Belgium is a comprehensive and well-structured process. There are regular meetings between the oversight group and the

SWIFT Chairman and CEO as well as formal discussions with various specialised committees. We take these discussions very seriously. This oversight process, which has been very intelligently structured by the G-10 central banks, continues to work well.

#### A practitioner's perspective

The members of the SWIFT Board are practitioners drawn from among the SWIFT community. We look to SWIFT to act with quiet competence, to focus on integrity and resilience, and to always serve its community. SWIFT performs exceptionally well on each of these dimensions. As a practitioner, I would also like to see SWIFT pointing out areas where, from its unique vantage point, it believes the community as a whole could be more efficient and where SWIFT could help us achieve that efficiency without posing a commercial threat to individual members.

I recognise that as practitioners, we sometimes tell SWIFT to stay within its box, but as Chairman I would also like to see SWIFT offer even more value to the community it serves. For instance, I would like SWIFT to become increasingly idea-oriented about where and how it could help the community. Mobile payments, internet security and regulatory reporting, along with specific opportunities and challenges included in *SWIFT2015* are all areas where, as Board Chairman, I would welcome input

on how SWIFT could help us address the common challenges we face.

As we move further into a new financial year, SWIFT is enjoying a fundamentally sound environment. It is executing well, its governance structure is sound and it is well overseen. The SWIFT brand, that of an independent, trusted, neutral third party with integrity and reliability, is firmly established. As the outlook brightens, we must maintain vigilance, diligence and an awareness of the conditions of continued success. Now is not the time to relax. Now is the time to stay focused on Good Governance, Exceptional Control and Disciplined Delivery.

**Yawar Shah**  
Chairman  
April 2011

# Delivering on our commitments

Perspectives from the CEO

It's not in the nature of our organisation to overstate our achievements, but 2010 was undeniably a year of 'bests'. Our business activities saw healthy growth across the board, we had the best ever availability of our services, the best ever customer support ratings, and the most highly-attended Sibos in the event's history.



*Lázaro Campos*

## Growth returns

Coming off the back of a tough 2009, in 2010 we saw a return to steady traffic growth. And thanks to strong overall financial performance and a continued focus on structural cost reductions, we were well placed to deliver on our commitment to significantly reduce your message prices. Whilst the renewed growth is positive, we know that the days of double-digit organic growth are behind us. We have to earn future growth through a combination of continuous improvement and efficiency in our business operations and a relentless focus on understanding where we can deliver most value to our customers. For us, this means addressing your common challenges and proposing meaningful and relevant solutions. I believe the growth we saw in 2010 validates the hard work we have done over the past two years for your cooperative. Work to create a different SWIFT and prove that we are ready for the next phase of expansion.

Mirroring the global economy, Asia Pacific was the engine of SWIFT traffic growth in the year with 13.8 percent and similar double digits in almost all business areas. We expect this trend to continue into the future. And with growth and investment in Asia, intra-Asia traffic has provided additional routes for growth. The Americas also provided a contribution of 8.7 percent growth, whilst FIN traffic growth of 5.6 percent in EMEA far outpaced the region's GDP.

That performance, combined with the impact of our two-year business

efficiency programme (Lean), allowed us to give back to the community. We announced a 15 percent rebate on 2010 messaging usage, and a 20 percent average FIN price reduction as of 2011. The combined saving of EUR 120 million represents the biggest single saving package ever offered to our customers, and is consistent with our commitment to ensure that the savings coming from Lean are shared with our customers.

## Efficiencies delivered

By the end of 2010, over 90 percent of the organisation had gone through Lean. As I write, the programme is drawing to a close. We have delivered on our stated objectives: 30 percent efficiency gains across the entire organisation delivered with zero impact on reliability, security and availability of our systems to our users – in fact we saw our best ever availability in 2010. We promised to deliver “efficiency without compromise” and that is exactly what we did.

The programme may be over but the Lean way of working is here to stay. It is becoming instilled across SWIFT, and we will stay focused on retaining the efficiencies the programme delivered within individual teams. Beyond that, we are turning our attention to see where we can derive additional efficiency gains from activities that span teams and departments. Lean has been the cornerstone for creating a different SWIFT. It has earned us the right for future growth. And it provides the basis for a more agile, responsive and customer-focused organisation.

# agile RELEVANT DILIGENTE, INOVAÇÃO COLLABORATIVE innovative

## New five-year strategy underway

Following approval from the Board in the middle of the year, we launched our strategy for the next five years. SWIFT2015 is based on the understanding that there is still a lot of mileage left in our established business areas that we have served over the years: correspondent banking; custody and asset servicing; high value market infrastructures; clearing and settlement. But it also broadens our horizons and allows us to work on addressing common challenges our customers face in other areas such as reference data, sanctions screening and securities matching. Each of these present pain points for our customers as they require considerable investment and effort that do not necessarily provide significant competitive advantage or business growth. As a cooperative, SWIFT is uniquely positioned to tackle these challenges and come up with relevant solutions – and as you'll see further in this annual review, we are already making meaningful inroads.

Similarly, the industry is wasting billions on systems and standards that cannot 'talk' to one another and this is where the concept of 'interoperability' solutions factors strongly in our 2015 plans and where we believe our expertise and strength can make a significant difference. Yet another pain point stems from the 'total cost of ownership' of SWIFT for our customers – four or five times as large as your SWIFT invoice. Again, we are looking at ways to reduce this significantly, including more standards automation, integration solutions, product

optimisation and infrastructure hosting services among others.

We've hit the ground running. Although it's a five year plan and will evolve, it is designed to demonstrate a different kind of SWIFT. One of the first illustrations of this was the first major acquisition in SWIFT's history. The acquisition of SunGard's Ambit Messaging Hub extended our portfolio in high-end messaging and services and provided our customers with the best solution in that space. We created a subsidiary company, Arkelis, which we operate at arm's length. We have already secured our first customers for our Advanced Messaging Hub solution. They recognise that the combination of SWIFT's security, reliability and support, with the agility and product innovation of Arkelis, is a valuable proposition.

## Community dialogue and collaboration extended

There were many other highlights in 2010. We welcomed a record 8,900 participants to Sibos in Amsterdam and the buzz throughout the event proved that the industry really is back in business. And we advanced critical dialogue well beyond this annual event. Over the course of the year we hosted over 50 events worldwide, touching almost 16,000 people from a diverse set of communities within the SWIFT ecosystem.

Through Innotribe, our focus on collaborative innovation has continued with great success at a growing number of events including Sibos. And we have now extended Innotribe's remit

to include generating new ideas and projects with the community in order to accelerate product development and go-to-market times. We are involved with a number of institutions to assess the potential and appetite for this approach – a different 'how' as per SWIFT2015 – and to assess potential opportunities for such 'crowd-sourcing' approaches to complement our own internal product development and management approaches.

## Innovation, communities, excellence

2011 has started where 2010 left off. Traffic growth is positive, and we are making excellent progress in continuing to deliver on our commitments to you. Feedback tells us that you are seeing the difference.

As we continue into 2011, I promise you a bolder, sharper, more agile SWIFT. A company that is inspired by more innovative thinking; that is focused on delivering solutions that meet the needs of an increasingly diverse set of communities; and that will never compromise on our heritage of reliability, security and resilience that remains fuelled by our passion for operational and service excellence.

**Lázaro Campos**  
Chief Executive Officer  
April 2011

# 2010 in context

SWIFT traffic is closely associated with and impacted by the economic environment. Sometimes it shows a reaction to events, sometimes it is an indication of what is going to happen.

SWIFT's ecosystem is a daily barometer of the world economic performance such as GDP growth rates in major countries and regions, capital and import/export flows, FX and securities trade volatility.

## Monthly evolution of average daily live FIN messages (millions)



**S** Q1 traffic increased by 5.9 percent compared to Q1 2009. This positive trend was a sign of the improving economic landscape. The growth was observed in all regions though is strongest in Asia Pacific (double digit growth).

**S** Exceptional SWIFT traffic was driven by a combination of very high volatility in the securities and FX markets, and improving economic conditions. Budget deficits in Greece and some other European countries led to uncertainty in the market with the euro and about the potential impact on the European banks.

**S** On Tuesday 11 May 2010, we recorded a peak day with 18,361,704 messages – an increase of 501,636 messages (+2.8 percent) over the previous peak. This was the first peak day of 2010 and the first one since 15 October 2008.

**S** Typical seasonal drop.

**S** Traffic of 30 November 2010 was exceptional:  
 – Total FIN traffic reached 18.23 million messages: the second best day ever after 11 May 2010 (18.36 million messages).  
 – Payments traffic reached 9.32 million messages: the second best day ever after 30 September 2010 (9.45 million messages).

**S** December was the second best month ever after May 2010. FIN traffic grew faster than anticipated and reached the threshold of 4 billion messages in 2010.

**M** The UK economy came out of recession, after figures showed it had grown by 0.1 percent in the last three months of 2009. The economy had previously contracted for six consecutive quarters – the longest period since 1955.

**M** The Chinese economy expanded by 10.7 percent in fourth quarter 2009 compared with the same period a year earlier. The strong growth, however, was accompanied by higher inflation, raising fears that Beijing may introduce stronger measures to avoid economic overheating.

**M** On 18 January, the International Monetary Fund (IMF) warned that the global economy could experience a double dip recession. Dominique Strauss-Kahn said countries should not exit from stimulus packages that bolstered growth through huge amounts of government spending.

**M** On 16 February, it was forecast that the economy of the eurozone would grow by about 1 percent in 2010 but it remains fragile. In 2009, the eurozone was hit hard by the economic downturn, contracting by 4 percent, its biggest drop since the euro launched in 1999.

**M** On 18 February, the US Federal Reserve Bank said that the economy was expected to grow between 2.8 percent and 3.5 percent in 2010, but warned that unemployment would remain high.

**M** On 24 February, the credit ratings of Greece's four largest banks were downgraded by ratings agency Fitch.

**M** In February, according to the Federal Reserve, US industrial production increased for the eighth month in a row.

**M** Industrial production in the 16 countries that use the euro increased by much more than expected in January. The 1.7 percent growth between December and January was the largest monthly jump since Eurostat started producing the data in 1990.

**M** On 6 May, US stockmarkets plunged as concerns about European government debt continued to shake investor confidence. At one point, the Dow Jones was down by more than 9 percent, its worst fall since 1987, before starting to recover. Stocks fall might have been made worse by computer-driven trade ('flash crash').

**M** On 9 May, the International Monetary Fund (IMF) approved a three-year EUR 30 billion Stand-By Arrangement for Greece.

**M** On 18 May, the euro fell below USD 1.22 for the first time since April 2006.

**M** On 8 July, the International Monetary Fund (IMF) raised its forecast for global growth in 2010, from 4.2 percent to 4.6 percent, mainly thanks to robust growth in Asia. The IMF also warned risks had increased and there had been a setback in progress towards financial stability.

**M** On 23 July, the Committee of European Banking Supervisors (CEBS) published the results of the EU-wide stress-testing exercise, in close cooperation with the ECB.

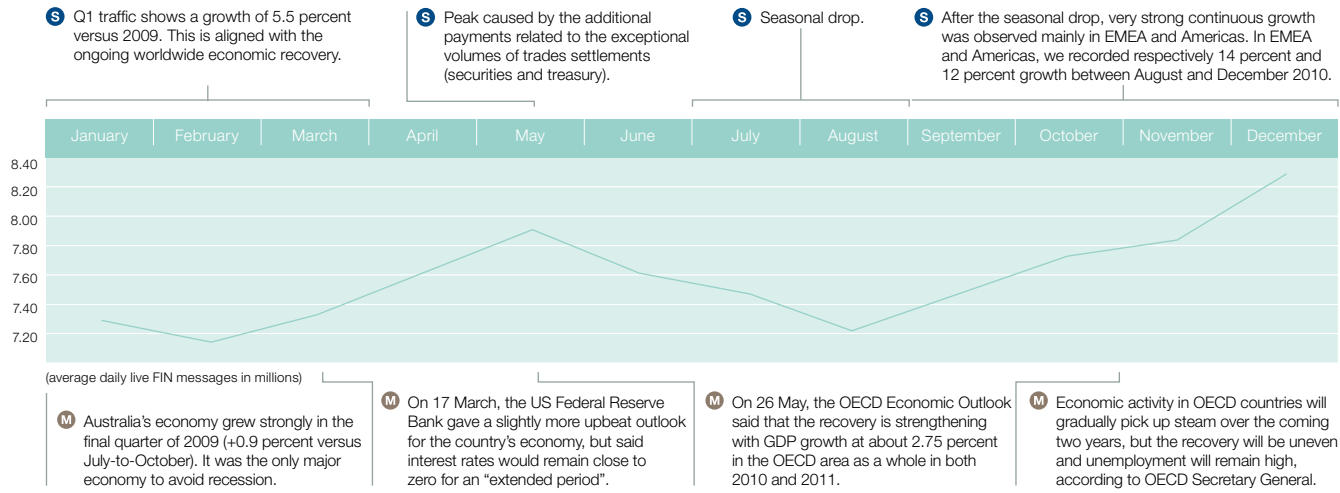
**M** In October, the annual meetings of the International Monetary Fund (IMF) and the World Bank were overshadowed by the tension over currency policies and by a very unbalanced recovery in the global economy. It predicted GDP would increase by 4.2 percent in 2011, down from an earlier forecast of 4.3 percent.

**M** Dow Jones index ended at highest levels in more than two years.

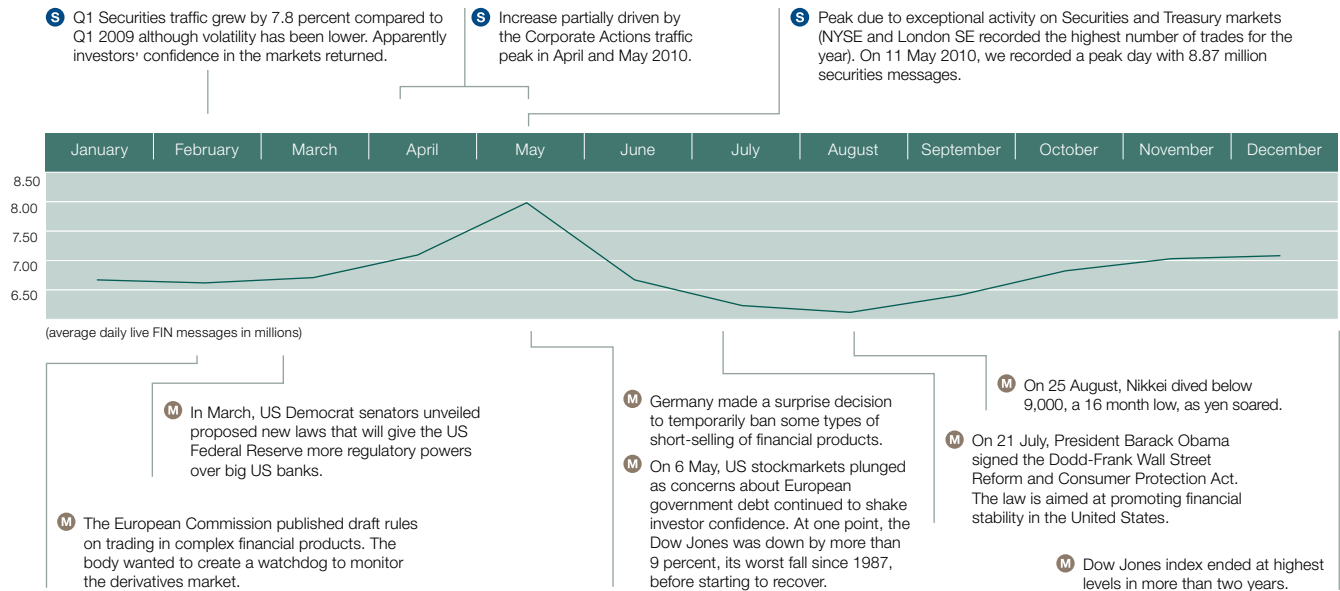
**M** On 12 November, G-20 statement on Irish debt helped to calm investors' fears.

**M** In an historic decision, the International Monetary Fund (IMF) board agreed on 17 November to boost the voting power of big emerging economies and make China the third voting power.

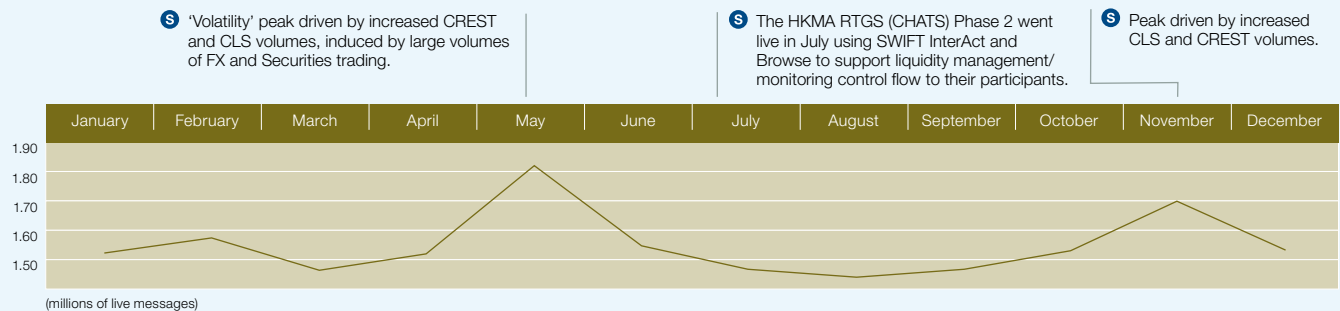
### Payments



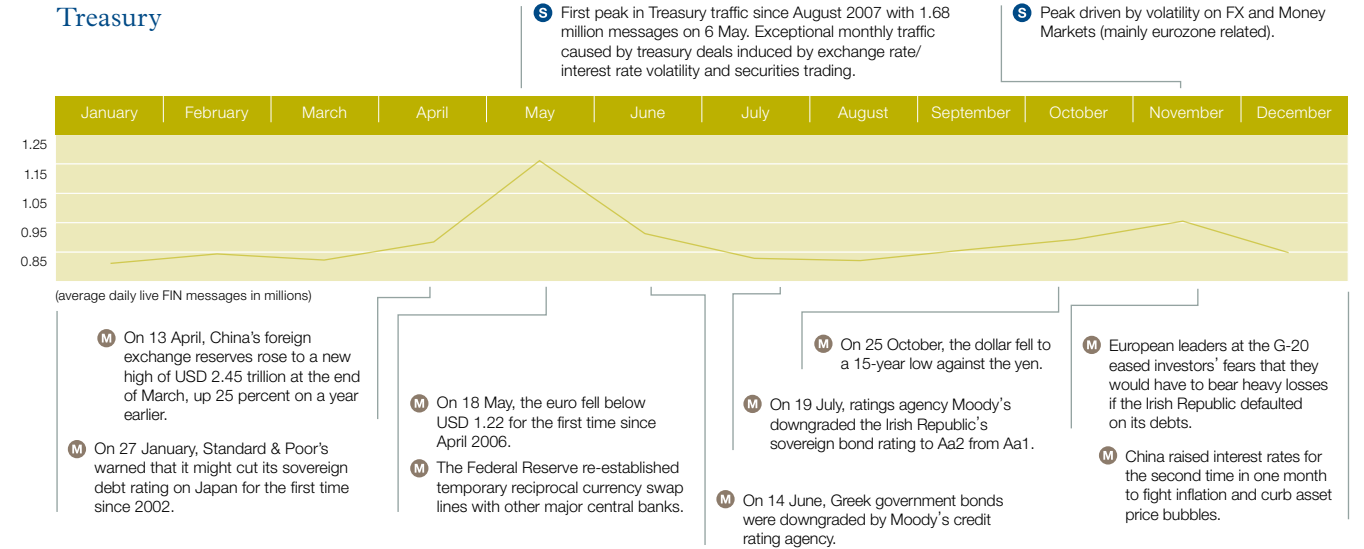
### Securities



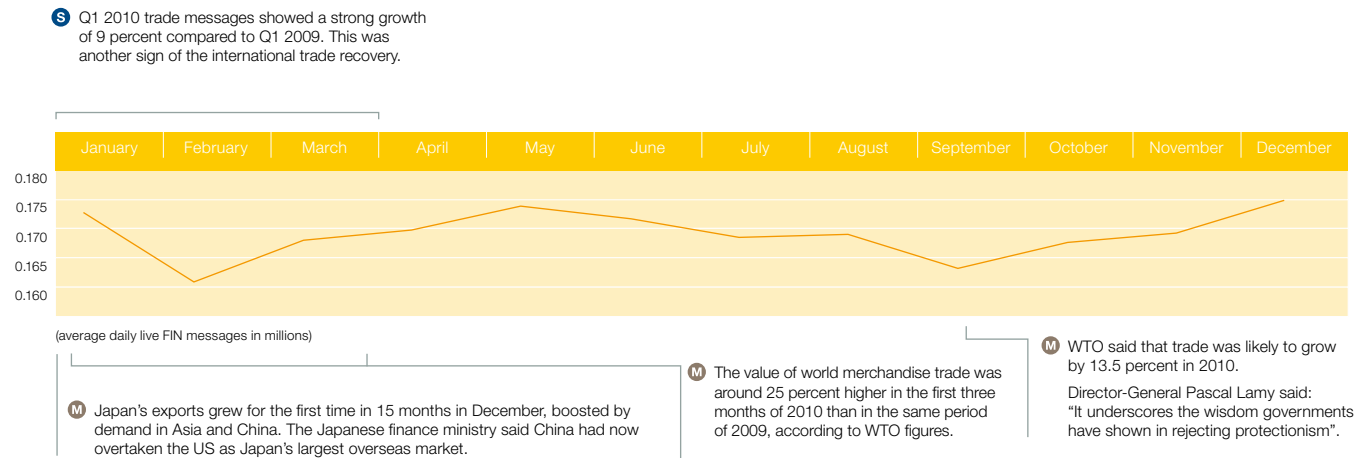
### Average daily number of InterAct messages



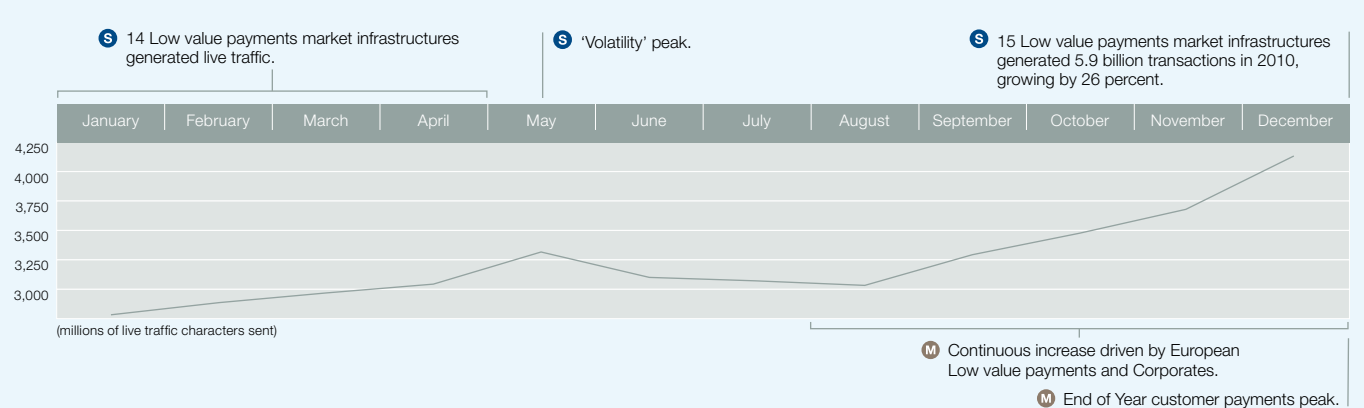
### Treasury



### Trade



### Average daily volumes of FileAct



## Recovery continues but not yet embedded

### SWIFT Payments and GDP evolution

Analysis of traffic flows in Q4 2010 once again confirms that SWIFT provides a useful barometer of global economic trends. In terms of payment traffic, Q4 was the best quarter ever for both FIN and FileAct in all regions. This was driven by global economic recovery, and for December specifically, by typical end of quarter/end of year payment peaks. As Figure 1 indicates, however, the pace of recovery began to slow down.

This confirms the OECD's view in its November 2010 Economic Outlook:

"The global recovery has been underway for some time now, although unemployment remains persistently high in many countries. Growth has been much stronger in emerging market economies, but remains weak and uneven in much of the OECD, and has faltered recently. As financial markets continue to normalise, and households and firms reduce their indebtedness, growth is projected to gradually strengthen in the OECD area in 2011-12."

The OECD suggests, also, that progress has become more hesitant. "Output and trade growth have softened since the early part of the year, as temporary growth drivers, including the boost from fiscal support measures, have faded and not yet been fully replaced by self-sustaining growth dynamics."

Until the recovery becomes self-sustaining, levels of activity will vary with perceptions of business and consumer confidence.

As the OECD observes:

"Enhanced confidence could result in a faster-than-projected recovery, especially given the much-improved position of corporations and the strengthening position of households. However, there are significant risks on the downside, notably those stemming from renewed declines in UK and US house prices, high sovereign debt, and possible abrupt reversals in government bond yields."

### Purchasing managers' index (PMI)

The Purchasing Managers' Index is another common indicator of economic activity. A PMI over 50 indicates expansion, while anything below suggests contraction. In Figure 2, the correlation of the PMI and SWIFT payment traffic volumes is stark and confirms the OECD's observation for year-end.

Figure 1: SWIFT payments and GDP evolution  
Year-on-year quarterly growth rates

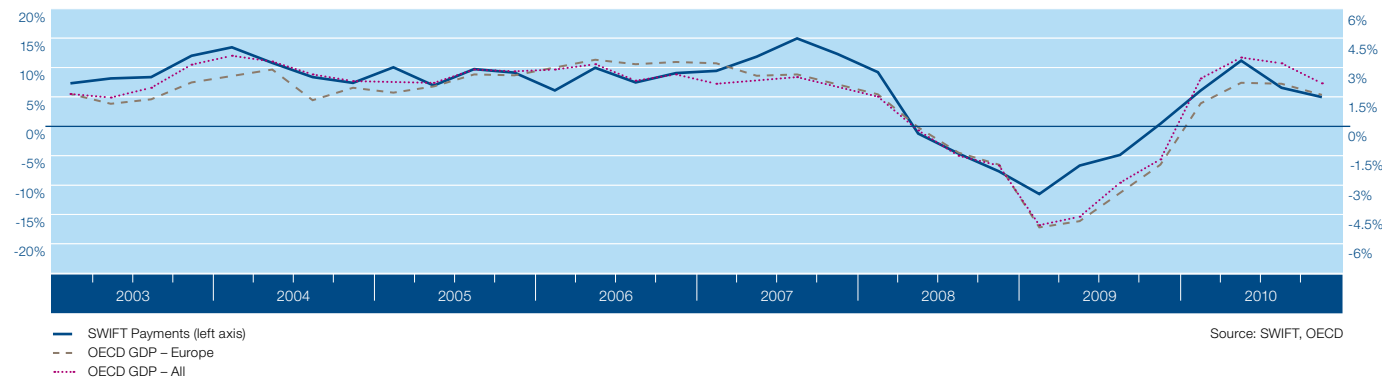
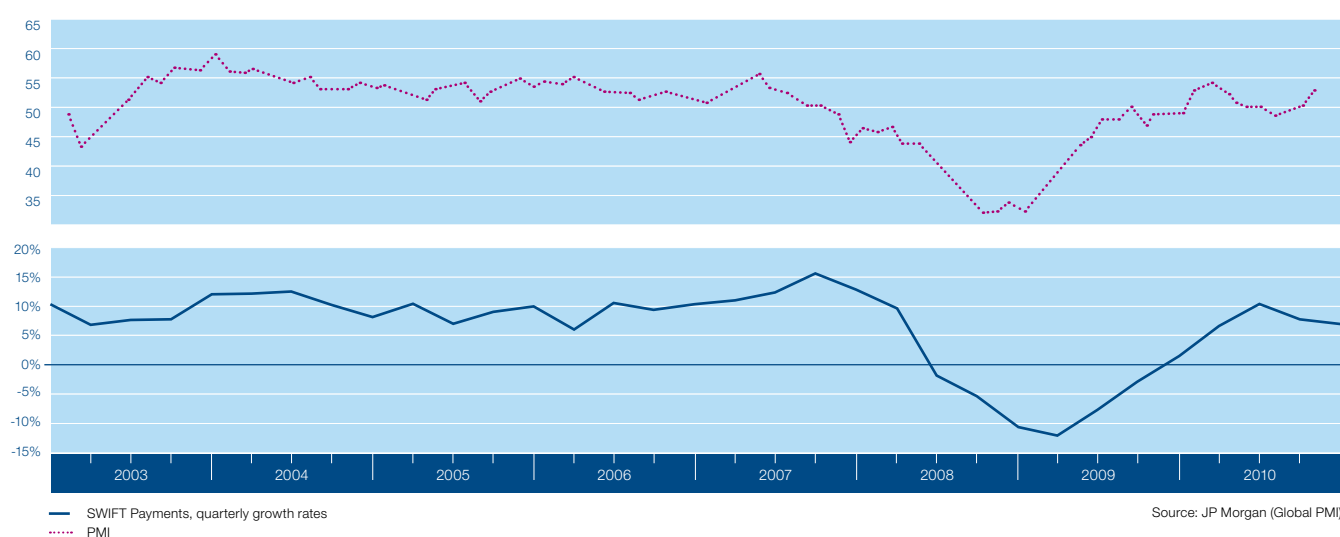


Figure 2: Purchasing Managers' Index (PMI)



### SWIFT Payments versus other external indicators

Figure 3 compares year-on-year quarterly growth rates for SWIFT payments traffic on the one hand and the number of passengers transported by major airlines and FedEx shipments on the other.

Shipments volumes are reliable indicators of the state of the economy, because an increase of shipments indicates demand is picking up and industrial production is growing.

The number of passengers transported by major airlines is showing a fourth consecutive quarter of growth. While each measure has followed an upward trend since the end of 2008, pre-crisis growth trends have yet to be recaptured.

Figure 3: SWIFT payments and other external indicators  
Year-on-year quarterly growth rates

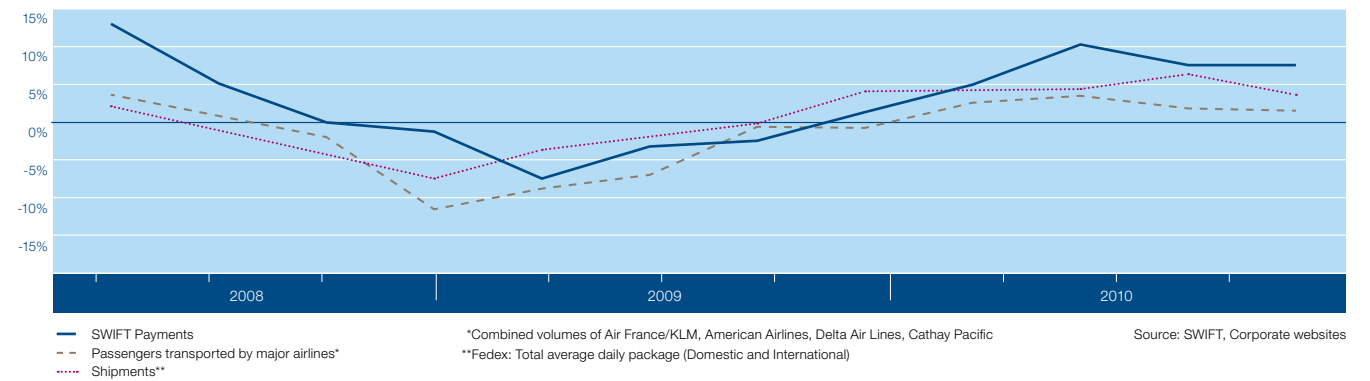
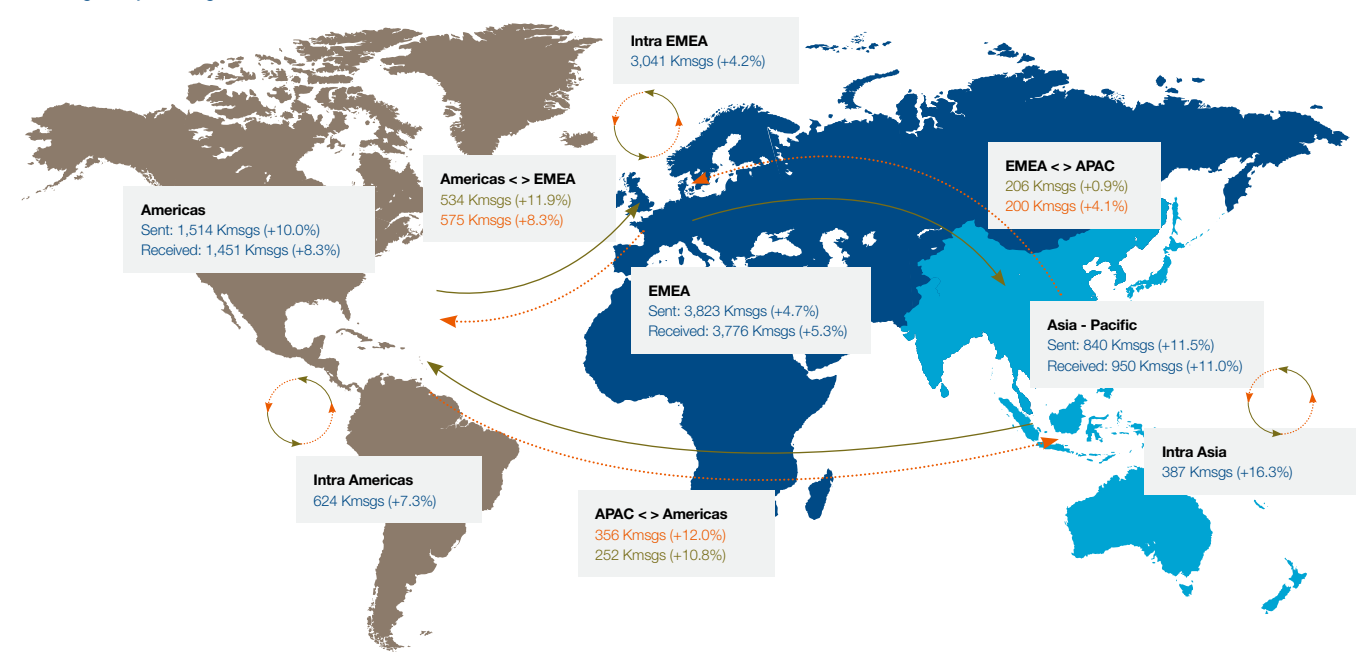


Figure 4: Payments regional traffic flows  
Average daily messages





# Being responsive

Delivering solutions to community problems

After a tough period for many in the industry, in 2010 we began to see the revival of cautious optimism. Growth in SWIFT traffic has not been at the same rate as in the past. We saw signs of recovery in Asia as early as mid-2009 and in 2010 this positive trend spread to other regions.

What has been clear in 2010 is that our industry is looking at the future in a different way. Cost control, risk and reach – our customers and our communities have new and different needs. At SWIFT, we are not just serving one member community, but many. We have to be in the business of delivering total, targeted solutions to their specific problems. The one constant is that our customers expect everything to be underpinned by resilience, reliability, robustness and service excellence and we do not take this for granted.

## Meeting the needs of our diverse communities

SWIFT's stakeholders are diverse and each is facing its own challenges that demand particular answers. In 2010 we have been setting the groundwork for the next five years – acting on what our different customers and communities need to do business better, simpler, faster – and post crisis, to recover and grow. In so doing, we are becoming a bolder SWIFT, moving beyond the provision of infrastructure and messaging to problem solving across the industry.

### Our actions in 2010

We have put real energy into identifying relevant solutions for specific groups of customers – not one size fits all, or ready-made toolkits, but genuine answers to specific business needs. Examples of just some of the initiatives that we developed or delivered in 2010 are:

**Digital identity for corporate treasurers:** A new solution, 3SKey, was introduced at Sibos to help corporate treasurers manage all their banking relationships with a single, multi-network personal digital identity. It will help take the complexity out of managing different accounts with different banks and cut risk and cost.

**Corporate to bank links:** In Europe, we partnered with Isabel, a provider of e-banking applications to corporates and small and medium enterprises. The partnership is allowing its member banks to use their SWIFT connection to connect to Isabel's payment

solutions. Eventually, it will give Isabel customers worldwide a user-friendly access to more than 9,500 financial institutions in 209 countries that connect to the SWIFT network.

### Sanctions screening service for smaller financial institutions:

Anti-money laundering regulations have added significant cost to business operations for customers, and weigh particularly on smaller institutions. In 2010, we started the design and development of a centrally managed sanctions screening service to help these organisations cope with evolving regulations. It will go live in 2011. The service will screen messages against multiple watch lists, generating alerts that will allow the banks to suspend payments pending investigation. The new service will reduce both cost and risk for customers.

### An extension to our securities matching service:

We launched an initiative linking our global central trade matching solution for equities and fixed income trades, Accord for Securities, to multiple central clearing counterparties (CCPs). Leveraging its existing Accord connection, a broker/dealer now has the ability to specify which CCP it wants to clear its matched trades. This development further reduces costs and risks for our customers.

**Islamic finance:** We built on last year's successful pilot for the processing of treasury Murabaha transactions. The new ISO 15022 message standards were certified as Sharia-compliant in 2010.

**Corporate Actions:** We are collaborating with DTCC and XBRL US to improve the communications between issuers of corporate actions announcements and investors, which is today often manual and can result in costly error. By increasing automation and adopting standards, such as XBRL and ISO 20022, the industry can reduce risk and reap significant global operational efficiencies.

**Beyond training and support:** We are extending our knowledge of how we use SWIFT to help customers' operations and reduce their total cost of ownership. A year ago, Consulting Services was a fledgling business. In 2010, it was one of our biggest growth areas, doubling revenues from 2009 with a much stronger focus on business operations, standards and business intelligence, rather than purely technical assistance.

# excellence

# 發展 GROWTH

# INNOVATE

# innovacion COLLABORATION

# ZUSAMMENARBEIT

## The power of our communities working together

SWIFT has always provided a neutral forum for the industry to come together to confront its shared challenges. This has never been more true or more necessary than in 2010. The tough challenges of the past couple of years have reinforced the value of coming together to share ideas and shape the future.

### Our actions in 2010

The events programme in 2010 has been one of the most dynamic we have hosted and been involved in.

2010 was a year when engagement, exchange and re-energising was central to the industry.

We saw record attendance at SWIFT events – more than 15,000 delegates joined a variety of conferences and forums worldwide. These events were more than just discussion of common problems – most, if not all, saw real engagement with opportunities to solve and innovate. And we also celebrated our longstanding industry collaboration in the most dynamically growing part of the world: Asia Pacific. Events in Tokyo, Hong Kong and Singapore marked 30 years of SWIFT in those countries.

### An expanding 'family'

The benefits of using SWIFT continued to attract new customers. By the end of 2010, 726 corporates were connected and we signed up Bank Indonesia – the ninth country in Asia Pacific to choose SWIFT as its platform for its real-time gross settlement system.

In Germany, more than 40 banks joined SWIFT in 2010 to gain direct access to TARGET2. SWIFT membership has also enabled these banks to leverage their SWIFT connection for Bulk Payments as an alternative to proprietary communication channels.

SWIFT is also making traction with RTGS systems in Latin America. The Central Banks of El Salvador and Venezuela went live in 2010.

The Central Banks of Uruguay and Honduras also joined SWIFT in 2010 and are currently in the implementation phases of their projects. ACH Colombia became the second Low Value Payment system in Latin America to use SWIFT services.



## sibos

- Sibos in Amsterdam sets new highs
- Biggest in event's 32 year history
- 8,900 participants
- Nearly 1,000 participating in innovation initiatives looking at Cloud, Mobile and Smart data and the future of banking
- Extended reach through social networking

# Acting differently

Challenging the status quo

To create the new kind of responses that the global financial industry demands, we have to think creatively about how we develop and offer our products and services.

Across the different SWIFT communities, the message has been loud and clear that we can, and should, be bold in looking at different strategies, different operating models and new types of partnership. In 2010 we made significant moves in this direction.

## Making new links possible

One of the most intractable problems the industry faces is that of interoperability – communicating across different platforms with different standards. Our approach has always been to try to bring the industry together behind common international standards and through a common infrastructure, and we have done much to make progress with this ambition globally.

But where global links to local, we are now increasingly looking at 'multilingual' options – finding ways to knit together different systems so that the industry can always connect seamlessly.

### Our actions in 2010

In 2010 we used this pragmatic approach to make it easier for customers to apply the common and deal with the different.

### Clear standards, simply told, simply applied

We are continuing to support customers in applying ISO 20022, working through the Standards Forum, Consulting Services and comprehensive training programmes.

The Standards Forum in Beijing in May played a particularly important role in increasing the Chinese community's understanding of ISO 20022, highlighting the leadership of the People's Bank of China in terms of ISO 20022 adoption, and encouraging ISO 20022 implementation and usage by financial institutions in China.

To help demystify and encourage take up of the standard, we published 'ISO 20022 for Dummies' with John Wiley & Sons, the publishers of the world's bestselling knowledge reference brand.

Launched at Sibos, the book generated real excitement at the Standards Forum stand: more than 15,000 copies had been distributed by the end of 2010 and the book is now in its second edition.

The Standards Developer Kit, launched at Sibos in Hong Kong in 2009, is also proving its value to customers – 50 licences had been sold by the end of 2010.

We know that even with these kinds of initiatives, the cost of implementing new standards can be a burden to customers. We have continued the flexible approach of last year to minimise the impact of Standards releases and we continue to look for new ways to lower implementation costs.

Where we are making major upgrades, we are doing more to ensure customers can see the value. The SWIFTNet and Alliance 7.0 release became available in 2010. We took account of customer feedback to ensure we offered new business features and improvements that will simplify and ease operations and help to reduce costs for customers. The documentation has been put together to convey the benefits in a much clearer way than in the past so that customers can see the opportunity the upgrade offers for their business.

# flexible valeur CREATIVE VALUE SUPPORT دعم

## Making innovation part of the everyday

Operational excellence will always lie at the heart of SWIFT, but just as innovation is essential to our customers within their own organisations, it has to be just as big a part of our everyday, too.

### Our actions in 2010

Often, the best solutions are not developed in isolation, but when the industry comes together to solve problems. We continued to harness the power of our communities and industry ecosystems, enabling customers, vendors and partners to work together to create solutions.

Innotribe was once again an important feature of Sibos, and both there and online at innotribe.com, SWIFT provided a forum for communities to work collaboratively and with a different approach, exploring emerging technologies and business practices.

### Next stage of collaborative innovation

Beyond this, we have taken our commitment to collaborative innovation an important step further. Following a first meeting with a number of institutions at Sibos, we have begun to explore the potential to work together more closely on new ideas and projects to accelerate the thinking, development and speed to market.

Some examples of projects in the pipeline include an eBAM Hub, a proposed central utility, comprising a range of services, to streamline account management in a multibanking environment; a research project to develop a long-term strategic framework for digital identity in financial services, the outcome of which could build on SWIFT's existing digital identity offering, 3SKey; and 'MyStandards.com', a proposed platform in the cloud to centralise the input and broadcast of market practices. It will comprise a range of services and collaborative tools designed to raise the bar in standards conception and adoption.

These discussions are gauging the appetite for different degrees of co-operation, from combining our resources to co-funding, as well as potential opportunities for 'crowd sourcing' to complement our own internal product development. This style of innovation underpins our 2015 strategy and will be a key component of all SWIFT's activities across the entire organisation.



## Arkelis

### A new way of working

A significant first step in working in a different way has been our acquisition of SunGard's Ambit Messaging Hub (AMH) solution. This is the first acquisition in SWIFT's history and very much in line with our 2015 strategy. Now known as Advanced Messaging Hub (AMH), it sits within Arkelis, a wholly-owned subsidiary of SWIFT. As a modular, multi-network platform, AMH improves our ability to offer services that are interoperable and enables us to offer more flexible high-volume financial messaging solutions to our largest customers.

With AMH, customers now have the ability to connect multiple back office applications with multiple communication channels, one of them being SWIFT. We have already signed a first deal for AMH with a large global bank, transmitting five million messages a day.

# Maintaining core strengths

Uncompromising excellence

All our initiatives to meet the changes and challenges in our industry are built on strong foundations of uncompromising operational and service excellence, tight cost containment and the stability that comes with financial robustness.

While we are not seeing the double digit growth we saw in economic boom times, we are still on an upward curve – a 6.5 percent increase in traffic overall, with Asia Pacific showing increases at more than double that level.

Alongside that steady growth, we have worked hard to ensure unprecedented levels of service quality. We have also delivered on our commitment to reduce message prices.

## Reliability and resilience without compromise

Nothing is as important to our customers as reliability, resilience and security.

### Our actions in 2010

In 2010, we delivered 99.999 percent for both SWIFTNet and FIN availability. This service record is the product of focused investment and effort over a number of years to ensure we never compromise on the service levels expected by our customers.

### Investment in core service

We are continuing to work on maintaining those levels of resilience. Over the next five years, we will invest significantly in core service and service quality with EUR 150 million to EUR 175 million devoted to strengthening platform and infrastructure.

As part of the second phase of our distributed architecture programme, we finalised the land purchase and building permits for our new global operating centre in Switzerland. Construction work began in early 2011. We have also continued work on expanding and upgrading our operating centres in the Netherlands and US.

## Keeping the cost of ownership down

The other big priority for our customers is keeping their overall costs down. We have made significant strides in recent years in annual price reductions and rebates, and have been determined not to lose momentum.

### Our actions in 2010

We reduced the price of messages on our core FIN service by an average of 20 percent. This will represent an estimated saving of EUR 70 million for SWIFT customers in 2011. The new pricing plan took effect on 1 January 2011. It is the largest price reduction since 1995 and customers with smaller volumes will also benefit. The 20 percent reduction is in addition to the achievement, one year ahead of schedule, of a targeted 50 percent price reduction over five years set in 2006.

### Greater efficiency from leaner operations

We have made this level of price reduction possible by reducing our cost base.

By the end of 2010, 90 percent of the company had been through our business efficiency programme, Lean. We started this programme in 2009 to identify ways of increasing operational efficiency and reducing costs. We expect to achieve our target structural cost reductions of EUR 90 million during 2011. The Lean programme has made us a more cost-effective and agile organisation, better able to respond to the challenges and

# OPPORTUNITY 기회

# ROBUST

# EFFICIENCY

## *cost-effective*

コスト効率がよい

opportunities ahead. Lean at SWIFT has meant changing the mindset within the organisation and establishing new ways of working. As a result, we now do more with less. For instance, our commercial teams now spend 20 percent more time with customers, and other groups have reported efficiency gains of up to 30 percent.

### Better value from fixed pricing

Looking at the way we price, as well as how much, has also brought savings for customers. For customers who joined the optional fixed fee programme initiated in January 2008, the first three year contractual period ended in December 2010. Out of the 15 contracts that were due for renewal, 13 were renewed on 1 January 2011, demonstrating the value of the programme for our large customers. We have extended the programme to a broader group of customers, offering opportunities for significant savings as well as cost predictability. Customers who have signed up to the fixed fee programme are growing their traffic volumes three times as fast as the rest of the community.

EUR  
70  
million

saving for SWIFT customers in 2011

# Being responsible

Our impact on the wider community

Being socially responsible is a fundamental aspect of our corporate life; reaching out with open hands to those in need, taking concrete steps to leaving a brighter, greener future for the generations that follow – these are the pillars of corporate social responsibility at SWIFT.

## A greener SWIFT

With high ambitions and ever-increasing engagement, 2010 saw us continue our partnership with the International Polar Foundation, an organisation committed to increasing awareness about climate change and the impact we have on our environment. We made significant strides towards our target of a 60 percent reduction in CO<sub>2</sub> emissions in the period 2007–2012 – our carbon footprint was measured at 35 ktCO<sub>2</sub> in 2010, a 10 percent reduction compared with last year, bringing our total reduction so far to over 36 percent.

Our facilities were a particular focus; transferring our Netherlands operating centre to green sources of energy, incorporating energy-efficient design into our new Switzerland operating centre, and carrying out an energy audit of the computer room for internal systems helped identify more reductions for the future.

Hosting events has an inevitable impact on our emissions, and here, too, we implemented a range of initiatives to ensure that that impact is kept to a minimum. Our Greening Sibos project saw major reductions in food and paper waste. We also reduced our travel emissions by opting for travelling by train where possible and offsetting when air travel was unavoidable.

Accounting for some 25 percent of our overall carbon footprint, making changes to travel and commuting was and continues to be necessary. Deploying tools to reduce the need for travel – Telepresence, LiveMeeting and WebEx – and launching a carbon contribution for all business air travel starting in 2011 were just two elements in a portfolio of concrete actions taken in 2010.

## Giving back to the community: the social perspective

For the past three years, SWIFT has pledged its support for the One Laptop Per Child (OLPC) organisation and its mission. Together, we have helped deploy nearly 30,000 laptops to underprivileged children, using technology as a catalyst for new educational possibilities. SWIFT hosts the OLPC Europe Foundation at its headquarters in La Hulpe, Belgium. Two other social partners are also housed here: the United Fund for Belgium, a Belgian non-profit organisation whose mission is to help people in need in Belgium by engaging the (inter)national business community; and BamBoost, a social online community to support entrepreneurs in developing countries.



# 負責任 community IMPACT RESPONSIBILITY AWARENESS comunidade

Whilst global partners have a key role to play, our regional and local partners bring us even closer to the communities that surround us. Here are just some examples:

- **EMEA:** SOS Children's Villages, an international non-governmental organisation active in the field of children's needs and rights; and FACE for children in need, whose mission is to safeguard abandoned babies, orphans or street children in Cairo
- **Asia Pacific:** Beyond Social Services in Singapore, aiming at curbing delinquency among disadvantaged young people and their families; and Changing Young Lives in Hong Kong, an organisation with a focus on helping children
- **Americas:** the American Cancer Society, whose mission is to save lives by helping people stay well, get well, find cures, and fight back; and Habitat for Humanity in New York, transforming lives and the city by building quality homes for families in need.

Special donations campaigns, set up in partnership with the International Red Cross, raised EUR 45,000 for the victims of the Haiti earthquake and floods in Pakistan and most recently those affected by the disaster in Japan.

Understanding the responsibility that each of us has as individuals is part of our company culture, and this was once again reflected by the level of staff engagement in 2010. Over 18 percent of our employees gave their time, knowledge and skills to help others, almost double the number a year ago. These efforts were recognised by a social solidarity award, Solidaritest®, an initiative of the Belgian Red Cross. This award is a result of an annual

survey of the real work done by Belgian companies, and the Belgian divisions of international companies, in the area of social solidarity.

We also recognise our unique position within the financial community, and after engaging with our customers at Sibos, we will continue to explore our role as a potential facilitator in the financial industry for co-operation around CSR where it can bring tangible, additional value. Doing good can be good for business, and by joining forces with our key clients and partners, we can have an even greater impact in the future.

“SWIFT and One Laptop Per Child: partners for sustainable education in the developing world.”  
*One Laptop Per Child*

# Facts and figures

For pages 24 to 27 inclusive, all percentages have been calculated using unrounded figures. Totals may not add up due to rounding.

## InterAct

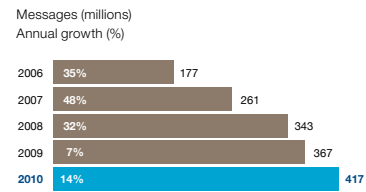
Financial institutions use InterAct to send structured financial messages and short reports. It supports real-time messaging, store-and-forward messaging and real-time query and response between two customers.

Driven by increased continuous linked settlement (CLS) and securities market infrastructure traffic, InterAct volumes, with a growth of 14 percent, are back into double digit growth figures.

InterAct messages (*)	416.6 million
Live and pilot users (**)	1,780
Services using InterAct (*)	50

(\*) Including CREST  
(\*\*) Including CREST, excluding FIMA

### InterAct traffic evolution



## Top 25 InterAct countries

	Number of messages* (millions)	Growth	Share
1 United Kingdom	200.71	16.3%	48.2%
2 United States	47.29	13.3%	11.4%
3 Germany	34.47	32.9%	8.3%
4 Switzerland	25.75	9.2%	6.2%
5 Netherlands	18.27	-2.7%	4.4%
6 France	10.47	-14.3%	2.5%
7 Italy	10.24	8.6%	2.5%
8 Sweden	8.52	9.0%	2.0%
9 Japan	8.08	-2.2%	1.9%
10 Spain	6.57	22.2%	1.6%
11 Canada	6.18	36.3%	1.5%
12 Australia	5.08	17.9%	1.2%
13 Belgium	4.70	-5.4%	1.1%
14 Hong Kong	4.34	17.0%	1.0%
15 Luxembourg	4.11	75.4%	1.0%
16 Denmark	3.40	1.2%	0.8%
17 Singapore	3.28	1.6%	0.8%
18 Korea, Republic of	2.80	8.7%	0.7%
19 South Africa	2.57	23.7%	0.6%
20 Ireland	2.43	2.6%	0.6%
21 Portugal	1.85	-6.5%	0.4%
22 Israel	1.85	-2.2%	0.4%
23 Norway	0.97	2.8%	0.2%
24 Greece	0.62	-21.8%	0.1%
25 New Zealand	0.45	-6.9%	0.1%
Others	1.56	-2.5%	0.4%
<b>Total</b>	<b>416.56</b>	<b>13.5%</b>	<b>100.0%</b>

(\*) Including CREST

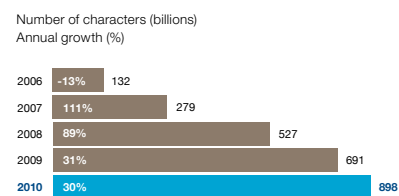
## FileAct

Financial institutions use FileAct to send batches of structured financial messages and large reports. It is primarily tailored for the reliable transmission of large volumes of less critical information.

Powered by a strong increase in traffic generated by corporates, FileAct volumes increased by 30 percent. The number of services increased by 24 and 184 additional FileAct users were registered.

FileAct volume in billions of characters	898
FileAct number of files	10,060,919
Live and pilot users	1,607
Services using FileAct	157

### FileAct traffic evolution



## Top 25 FileAct countries

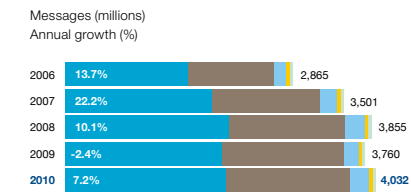
	Volume (billions of characters)	Growth	Number of files (thousands)
1 United Kingdom	182.32	26.2%	844
2 Netherlands	140.76	90.8%	1,855
3 Italy	120.34	20.8%	574
4 Germany	100.57	32.5%	1,278
5 France	84.69	41.7%	2,177
6 United States	53.12	17.6%	699
7 Belgium	49.61	69.4%	405
8 Luxembourg	42.97	12.6%	128
9 Spain	26.66	-2.4%	287
10 Finland	13.64	117.9%	130
11 Austria	13.25	-25.6%	128
12 Portugal	8.01	-57.5%	132
13 Switzerland	6.43	10.6%	110
14 Denmark	6.22	21.8%	182
15 South Africa	6.02	12.2%	141
16 Ireland	5.60	113.9%	74
17 Sweden	5.43	-13.0%	94
18 Peru	3.75	819.5%	2
19 Greece	3.27	58.1%	34
20 Korea, Republic of	2.59	354.1%	59
21 Poland	2.53	-22.0%	22
22 Canada	2.50	-49.4%	118
23 Slovenia	2.48	-14.2%	12
24 Zimbabwe	1.81	35.1%	30
25 Australia	1.80	316.7%	55
Others	11.94	-12.8%	490
<b>Total</b>	<b>898.31</b>	<b>30.0%</b>	<b>10,061</b>

## FIN

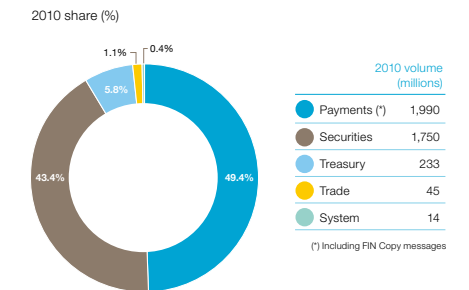
Financial institutions use FIN for individual, richly featured messaging which requires the highest levels of security and resilience. Features include validation to ensure messages conform to SWIFT message standards, delivery monitoring and prioritisation, message storage and retrieval.

2010 Total FIN traffic reached, for the first time in the history of SWIFT, over 4 billion FIN messages or 7.2 percent above 2009 volumes. In 2010 there were 18 days when FIN traffic recorded over 17 million messages (compared to only 1 day in 2009), four of which had FIN volumes above 18 million messages. During May 2010, SWIFT traffic peaked, driven by a combination of volatility in the securities and FX markets, and better economic conditions.

## FIN messages – growth by market



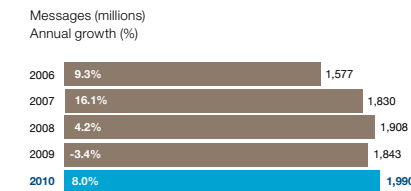
## FIN share by market



(\*) Including FIN Copy messages

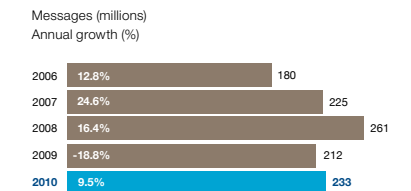
## Payments messages

Payment traffic grew 8.0 percent compared to 2009, and ended up 4.3 percent higher than 2008 volumes.



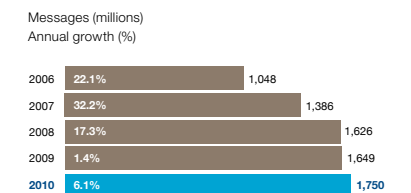
## Treasury messages

Treasury traffic in the first quarter of 2010 was below 2009 volumes. As of quarter two, volumes were above 2009 (peak in May) and towards the end of 2010, traffic volumes were also above 2008 volumes. Treasury traffic grew by 9.5 percent compared to 2009.



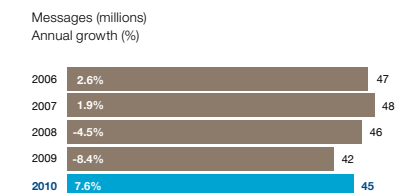
## Securities messages

Securities continued its positive trend (only market with growth figures in 2009) and grew another 6.1 percent.



## Trade messages

After two years of decline, Trade showed a growth of 7.6 percent versus 2009.

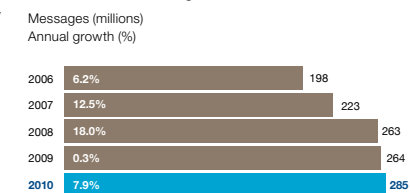


## FIN Copy

Market infrastructures use the FIN Copy mechanism (FIN Copy messages are included in the Payment messages) to provide value-added services. FIN Copy copies information from selected messages to a third party, usually before release to the receiver.

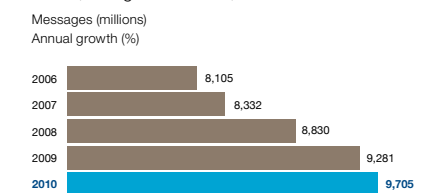
## FIN Copy messages

FIN Copy traffic grew by 7.9 percent to 285 million messages.



## Institutions connected

In 2010, 424 additional institutions connected to SWIFT, taking the total to 9,705 connected institutions.



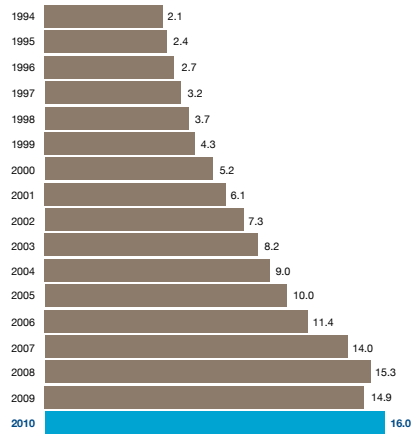
## Countries/territories connected



## Facts and figures (continued)

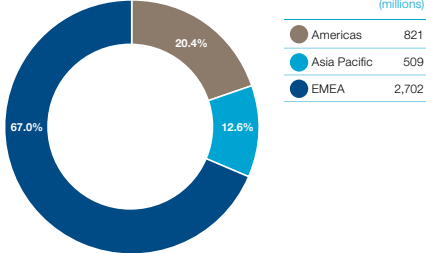
### Average daily traffic

Messages (millions)



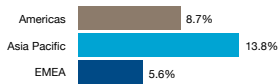
### FIN messages by region

2010 share (%)



### FIN messages – growth by region

Growth (%)



### Europe, Middle East and Africa (EMEA)

In 2010, we saw further signs of recovery from the financial crisis. FIN traffic in the region grew by 5.6 percent, with a year-end total of 2,702 million messages which represents 67 percent of SWIFT's total FIN traffic. FileAct traffic in EMEA was up 31.2 percent with the EMEA region accounting for 89.4 percent of SWIFT's total FileAct traffic. Key contributors to this growth were Low Value Payment market infrastructures in Europe and traffic from corporates. InterAct traffic in EMEA grew by 17.3 percent, primarily driven by CLS. In the securities market, the introduction of the CCP in the Nordics had a negative impact on our securities settlement traffic in that subregion but we compensated for some of this by capturing the new clearing traffic. Funds messaging grew strongly thanks to new participants, new funds distribution platforms and progress on the ISO 20022 migration. The year also saw sustained growth in messaging and matching revenues following the introduction of our Accord for Securities service. In the collateral management space, as the result of an RFP process, the Eurosystem decided to go live in 2013 with CCBM2 (Collateral Central Bank Management 2) communication only via SWIFTNet complemented by an internet option with very limited services for very small users. In banking markets, SEPA traffic picked up and continued throughout the year to help the banks which saw our share of the European Low Value Payments market grow even further. We strengthened our involvement in Market Infrastructures in the Middle East and Africa. In the corporate to bank space, we signed an agreement with Isabel, the provider of professional eBanking applications to 110,000 corporates and SMEs in Europe, to offer Isabel eBanking applications over the SWIFT network.

### Asia Pacific

2010 was a banner year for the Asia Pacific region, which was the best-growing region versus the previous year with 13.8 percent growth at year end. All markets contribute positively to this regional performance: securities grew 15.6 percent, payments increased by 13.3 percent, treasury expanded by 9.6 percent and trade grew by 12.8 percent. In May, overall traffic peaked with the best month for the region since January 2008 before the global financial crisis started to take effect, but the payments market saw its highest performance for the year in December. Hong Kong, China, Indonesia, Korea, the Philippines and India were all in the top eight growing countries, driven by strong resilience in payments markets linked to the rebound in trade. Interestingly, the cross-border transactions across markets showed an increasing shift towards intra-regional exchanges

compared with the traditional East-West flows, reflecting growing Asian investment within the region and booming local economies driving domestic demand for goods and investment opportunities produced in Asia.

### Americas

The region realised an 8.7 percent growth in traffic and had 180 new customer signings in 2010 despite recovering economic conditions and market uncertainty related to new US regulations planned for 2011. New customers included 21 corporates, 94 banks, 60 securities firms, and 5 market infrastructures. Consulting Services, once a fledgling business in the Americas, doubled its revenue from 2009 closing the year in excess of EUR 3.1 million. A significant contribution to this success was the on-boarding of notable corporates, including Cisco, eBay/PayPal and General Motors, to name a few, as well as several Consulting engagements with banks and market infrastructures in Latin America. In 2011, Consulting Services is well positioned to continue driving new opportunities with banks and market infrastructures in Latin America as well as key banking accounts in the US and Canada. In banking, payments traffic grew by 11.2 percent while treasury traffic grew by 19.2 percent over 2009. The region also successfully launched eBAM, an electronic bank account management messaging solution greatly improving the bank account management process through standardisation and automation. In securities, the region received a 'no-action' relief for its trade confirmation message (MT 515) from the US Securities and Exchange Commission (SEC). Now, brokers can leverage a SWIFT electronic message format to confirm trade details with buy-side counterparties that meets the requirements of the SEC electronic trade confirmation rules. Buy side firms benefit by switching to electronic archival technologies in place of paper-based confirmation delivery mechanisms. Corporate actions average daily message traffic sustained a growth of 16.5 percent for the year. A key to this success was the continued awareness campaigns and ongoing strategic partnership with DTCC and XBRL US to capture corporate action data at the source resulting in significant global operational efficiencies. Additionally, other projects initiated with DTCC in the US, particularly in the area of reference data, as well as strategic projects with key market infrastructures in Latin America and the Caribbean, are setting the stage for future business growth.

### Top 25 FIN countries

Rank based on traffic for all users in the country:

	Traffic (millions)	Growth	Share
1 United Kingdom	716.34	7.6%	17.8%
2 United States	711.98	7.8%	17.7%
3 Germany	341.06	9.9%	8.5%
4 Belgium	294.62	13.8%	7.3%
5 France	180.84	5.9%	4.5%
6 Luxembourg	140.72	13.3%	3.5%
7 Netherlands	134.76	0.5%	3.3%
8 Switzerland	129.28	4.6%	3.2%
9 Japan	112.28	0.9%	2.8%
10 Hong Kong	101.62	35.4%	2.5%
11 Italy	99.61	4.4%	2.5%
12 Australia	79.65	6.4%	2.0%
13 Spain	66.39	6.5%	1.6%
14 South Africa	64.81	9.0%	1.6%
15 Canada	64.04	19.3%	1.6%
16 Sweden	57.84	-14.2%	1.4%
17 Singapore	52.02	14.3%	1.3%
18 Norway	45.07	-15.0%	1.1%
19 Austria	38.22	5.0%	0.9%
20 Denmark	34.00	-20.8%	0.8%
21 Korea, Republic of	33.94	20.5%	0.8%
22 Russia	31.63	15.3%	0.8%
23 China	25.67	18.3%	0.6%
24 Finland	24.16	-44.2%	0.6%
25 Poland	23.00	21.8%	0.6%
Others	428.35	8.2%	10.6%
<b>Total</b>	<b>4,031.94</b>	<b>7.2%</b>	<b>100.0%</b>

Rank based on traffic allocated to the country of the parent institution:

	Traffic (millions)	Growth	Share
1 United States	1197.76	12.0%	29.7%
2 United Kingdom	545.12	1.4%	13.5%
3 France	327.50	6.1%	8.1%
4 Germany	288.00	9.0%	7.1%
5 Belgium	238.23	14.7%	5.9%
6 Switzerland	178.50	7.3%	4.4%
7 Netherlands	132.66	21.0%	3.3%
8 Luxembourg	114.85	22.3%	2.8%
9 Italy	105.16	-0.2%	2.6%
10 Canada	87.92	18.7%	2.2%
11 Japan	86.70	3.1%	2.2%
12 Sweden	69.78	-22.3%	1.7%
13 Finland	63.01	-28.1%	1.6%
14 Australia	59.79	5.4%	1.5%
15 South Africa	59.49	7.1%	1.5%
16 Spain	57.40	3.1%	1.4%
17 China	39.41	17.0%	1.0%
18 Austria	37.39	5.9%	0.9%
19 Russia	27.30	14.7%	0.7%
20 Denmark	19.64	-10.4%	0.5%
21 Norway	17.56	-4.8%	0.4%
22 Singapore	15.94	5.3%	0.4%
23 Korea, Republic of	14.93	8.2%	0.4%
24 Saudi Arabia	13.80	-11.4%	0.3%
25 Greece	13.22	-7.3%	0.3%
Others	220.87	9.7%	5.5%
<b>Total</b>	<b>4,031.94</b>	<b>7.2%</b>	<b>100.0%</b>

### Peak days 2010

FIN traffic hit its peak on 11 May 2010, with 18,361,704 messages processed.

## Members, users and FIN traffic by country or territory

### Americas

	Member banks	Institutions connected	Messages sent (thousands)	Messages received (thousands)	Growth sent & received vs 2009
Anguilla	1	5	14	51	9.9%
Antigua and Barbuda	2	15	119	142	-3.1%
Argentina	18	53	1,735	1,878	7.2%
Aruba	2	5	109	120	9.0%
Bahamas	3	52	867	1,308	-1.3%
Barbados	3	16	284	391	10.8%
Belize	2	9	60	76	27.6%
Bermuda	2	14	1,221	3,401	21.5%
Bolivia	4	12	241	483	-1.7%
Brazil	21	95	7,328	6,661	12.9%
Canada	16	80	64,044	46,221	17.1%
Cayman Islands	2	68	721	1,057	17.1%
Chile	8	31	7,390	6,299	10.6%
Colombia	21	37	1,659	1,346	3.2%
Costa Rica	2	15	417	576	4.4%
Cuba	6	10	480	865	2.0%
Dominica	0	6	36	37	9.6%
Dominican Republic	4	16	728	969	16.4%
Ecuador	11	22	1,416	1,920	8.0%
El Salvador	3	11	167	529	12.4%
Falkland Islands (Malvinas)	0	1	0	3	-36.3%
Grenada	1	6	44	63	8.4%
Guatemala	2	13	440	449	18.0%
Guyana	1	8	59	80	9.4%
Haiti	0	7	93	103	24.8%
Honduras	2	13	207	242	8.5%
Jamaica	2	7	305	317	5.1%
Mexico	13	40	11,507	7,364	4.0%
Montserrat	0	3	13	10	1.2%
Netherlands Antilles	8	28	860	1,072	4.8%
Nicaragua	2	7	125	195	11.6%
Panama	9	61	1,123	1,590	10.4%
Paraguay	0	15	278	295	16.8%
Peru	5	17	1,196	1,634	12.4%
Saint Kitts and Nevis	2	10	107	116	6.6%
Saint Lucia	1	9	84	110	12.9%
Saint Vincent and the Grenadines	2	6	47	74	7.0%
Suriname	1	8	81	145	5.0%
Trinidad and Tobago	3	10	489	478	8.6%
Turks and Caicos Islands	0	5	61	86	5.1%
United States*	114	729	712,203	834,752	8.0%
Uruguay	5	20	706	1,074	6.7%
Venezuela	12	41	1,337	921	18.2%
Virgin Islands, British	0	2	57	126	8.1%
<b>Total Americas</b>	<b>316</b>	<b>1,638</b>	<b>820,455</b>	<b>925,628</b>	<b>8.6%</b>

### Asia Pacific

	Member banks	Institutions connected	Messages sent (thousands)	Messages received (thousands)	Growth sent & received vs 2009
Australia	11	104	79,647	69,232	6.0%
Bangladesh	30	46	1,717	5,564	-5.7%
Bhutan	0	5	17	39	12.7%
Brunei Darussalam	1	8	151	101	4.3%
Cambodia	5	28	211	348	5.2%
China	40	259	25,667	55,238	14.3%
Cook Islands	0	4	20	26	-2.6%
Fiji	1	6	404	403	21.5%
Hong Kong	23	223	101,620	91,498	35.9%
India	43	96	17,817	19,485	12.6%
Indonesia	28	77	12,418	10,531	15.9%
Japan	118	243	112,283	81,240	0.6%
Kiribati	0	1	6	4	7.2%
Korea, Democratic People's Rep. of	9	18	20	24	-12.7%
Korea, Republic of	19	77	33,940	21,795	20.2%
Lao People's Democratic Republic	1	16	128	170	61.1%
Macau	3	25	759	861	-0.8%
Malaysia	13	70	14,452	6,345	14.8%
Maldives	2	7	114	129	11.3%
Myanmar	2	4	126	81	14.2%
Nepal	6	32	371	723	7.7%
New Zealand	5	25	9,753	8,920	3.9%
Papua New Guinea	3	5	232	148	9.7%
Philippines	18	48	6,333	7,365	14.1%
Samoa	1	5	36	35	-0.2%
Singapore	8	175	52,025	58,161	16.9%
Solomon Islands	1	4	47	35	-1.4%
Sri Lanka	10	32	3,661	4,339	13.1%
Taiwan	29	72	18,751	17,103	11.4%
Thailand	11	39	13,248	13,547	13.5%
Timor-Leste	0	3	25	27	20.7%
Tonga	1	4	27	27	-6.6%
Tuvalu	0	1	4	5	4.6%
Vanuatu	0	6	62	65	-8.8%
Vietnam	11	84	3,015	3,708	14.1%
<b>Total Asia Pacific</b>	<b>453</b>	<b>1,852</b>	<b>509,109</b>	<b>477,321</b>	<b>13.5%</b>

### EMEA

	Member banks	Institutions connected	Messages sent (thousands)	Messages received (thousands)	Growth sent & received vs 2009
Afghanistan	3	18	219	268	34.0%
Albania	4	18	547	576	15.3%
Algeria	6	26	1,734	2,003	12.8%
Andorra	4	6	495	1,034	16.7%
Angola	11	25	1,058	1,044	-1.6%
Armenia	12	23	269	404	10.5%
Austria	52	120	38,223	36,372	4.5%
Bahrain	12	51	1,071	1,259	-4.6%
Bahrain	19	81	3,556	3,426	17.0%
Belarus	9	32	1,880	2,503	13.5%
Belgium	21	108	294,623	169,220	11.3%
Benin	4	13	111	247	-1.6%
Bosnia and Herzegovina	19	31	2,729	2,871	4.2%
Botswana	5	12	816	580	15.2%
Bulgaria	14	34	4,153	5,137	3.8%
Burkina Faso	0	13	162	355	-0.6%
Burundi	0	9	54	87	10.4%
Cameroon	8	16	483	378	5.3%
Cape Verde	4	10	75	147	8.1%
Central African Republic	0	5	21	34	7.3%
Chad	2	9	47	90	8.6%
Comoros	0	4	15	18	9.4%
Congo	1	8	96	106	3.5%
Congo, The Democratic Republic of the	1	20	294	408	30.4%
Côte d'Ivoire	7	23	446	801	6.2%
Croatia	20	38	3,885	4,210	1.3%
Cyprus	7	46	3,578	4,002	8.4%
Czech Republic	7	32	13,637	10,681	-0.5%
Denmark	25	61	34,003	29,761	-11.5%
Djibouti	1	8	48	68	8.9%
Egypt	30	115	8,211	7,542	11.6%
Equatorial Guinea	1	5	74	60	-2.5%
Eritrea	0	3	7	15	3.9%
Estonia	3	17	2,811	2,326	5.5%
Ethiopia	2	17	196	384	11.7%
Faeroe Islands	1	2	62	67	11.3%
Finland	8	28	24,159	17,702	-33.4%
France*	46	329	181,356	190,580	7.5%
Gabon	3	10	181	181	12.6%
Gambia	0	15	56	110	0.1%
Georgia	3	19	397	568	26.6%
Germany	105	363	341,061	301,399	9.9%
Ghana	9	29	1,302	1,426	69.4%
Gibraltar	0	14	274	401	29.2%
Greece	16	38	18,111	11,599	-3.1%
Greenland	0	1	4	15	-42.3%
Guernsey, C.I.	2	28	989	2,050	3.9%
Guinea	2	13	57	77	-19.3%
Guinea-Bissau	0	4			

# Executive Committee

The day-to-day management of SWIFT is carried out by the Executive Committee, comprising the Chief Executive Officer, the Chief Financial Officer, the Chief Information Officer, the Head of Marketing, the Heads of EMEA, Asia Pacific and the Americas regions and the Head of Stakeholder Relations.



**Lázaro Campos**  
**Chief Executive Officer**

Spanish  
CEO since 2007. Lázaro joined SWIFT in 1987, with postings in Education and Standards. Served as Manager, FIN Products and Value Added Services from 1993 until 1995. From 1995 until 1998, he was Director of Market Infrastructure Services with responsibility for multiple domestic and international market infrastructure projects, including ECHO, CHAPS Euro, EBA Clearing and TARGET. Served as Director of Treasury Markets, where he managed the CLS project for SWIFT from 1998 until 2000. He was then appointed Head of Marketing where he led the SWIFT strategy initiative. In October 2003 he became Head of the Banking Industry Division until his CEO appointment. Lázaro has over 20 years' international banking and telecommunications experience. Prior to joining SWIFT he served in the international division of Banc Agricol.



**Chris Church**  
**Chief Executive, Americas**

British  
Chris Church joined SWIFT in August 2008. Prior to joining SWIFT, Chris was Managing Director of Radianz Services, a division of BT Global Financial Services. Chris was part of the executive team that founded Radianz, Inc. In 2000, he was responsible for Global Sales & Marketing until its acquisition by BT in 2005. He has also held senior management roles at Reuters in both London and the US. Chris is a member of the Board of Directors for XBRL US and also a member of the board of the International Securities Services Association (ISSA). Chris holds an MBA from the London Business School.



**Ian Johnston**  
**Chief Executive, Asia Pacific**

Australian  
Ian was appointed Head of the Asia Pacific region in September 2007. He was previously interim Head of Banking Industry Division in the Asia Pacific region, which included both banking and securities commercial activity. Ian joined SWIFT in 1993. He had 20 years' experience in banking operations, in international business, trade, treasury and communications before joining SWIFT.



**Gottfried Leibbrandt**  
**Head of Marketing**

Dutch  
Gottfried is Head of Marketing, the group that defines the value proposition for SWIFT's customer segments and includes Standards as well as Products and Solutions. He was previously Head of Standards and Head of Strategy. Gottfried joined SWIFT in 2005. Prior to joining SWIFT, he worked for McKinsey & Company for 18 years.



**Michael Fish**  
**Chief Information Officer, Head of Information Technology and Operations**

American  
Mike was appointed Chief Information Officer in July 2006. He oversees the teams that build, maintain and operate the company's products and services. Mike joined SWIFT in 1999 from Ameritech, where he held various senior management positions in IT.



**Rosie Halfhead**  
**Head of Stakeholder Relations**

British  
Rosie was appointed Head of Stakeholder Relations in September 2007. She joined SWIFT in 1987. In 2001 she was recruited by ACNielsen. In 2003, Rosie created her own brand communications consultancy. Her clients have included Toyota, American Standard Company and Tetra Pak as well as the European Central Bank and the European Payments Council.



**Alain Raes**  
**Chief Executive, EMEA**

Belgian  
Alain was appointed Head of the EMEA region in September 2007. He was previously Director of the Continental Europe region, covering securities and banking sales activities. Alain joined SWIFT in 1990. Prior to SWIFT he worked at Citibank, Belgium, and Fortis Bank, Singapore.



**Francis Vanbever**  
**Chief Financial Officer**

Belgian  
Francis was appointed to his current position in 1997. Francis joined SWIFT in 1988. Prior to SWIFT he held various financial responsibilities for the Belgian and European operations of Exxon Chemicals.

# Board of Directors



## Yawar Shah

Chairman of the Board of Directors, SWIFT  
Chief Operating Officer, Customer Intelligence,  
Citi, USA  
SWIFT Director since 1995. Deputy Chairman of the  
Board since 1996, and Chairman since June 2006



## Stephan Zimmermann

Deputy Chairman of the Board of Directors, SWIFT  
COO, Global Wealth Management, UBS AG,  
Switzerland  
SWIFT Director since 1998. Chair of Human  
Resources Committee of the Board, SWIFT



## Udo Braun

Member of the Executive Board, Group Markets  
Operations, Commerzbank, Germany  
SWIFT Director since 2007



## Finn Otto Hansen

Head, SWIFT Clearing and Settlement  
Strategies, DnB NOR Bank ASA, Norway  
SWIFT Director since 2004. Chair of the Banking  
and Payments Committee of the Board, SWIFT



## Gerard Hartsink

Senior Executive Vice President of Global  
Transaction Services and Market Infrastructures,  
ABN Amro Bank, Netherlands  
SWIFT Director since 2009



## Yumesaku Ishigaki

General Manager, Transaction Services Division,  
The Bank of Tokyo-Mitsubishi UFJ, Japan  
SWIFT Director since 2010



## Guy Beniada

CFO and Managing Director, ING Belgium, Belgium  
SWIFT Director since 2011



## Fabrice Denèle

Head of Payments, BPCE, France  
SWIFT Director since 2009



## John Ellington

Director, Debt Management and Fraud Operations,  
The Royal Bank of Scotland, United Kingdom  
SWIFT Director since 2005. Chair of the Pricing  
Board Task Force of the Board, SWIFT



## Godelieve Mostrey

Executive Director and Chief Technology  
and Services Officer, Euroclear, Belgium  
SWIFT Director since 2010



## Yves Maas

Head International Operations, Managing Director,  
Credit Suisse, Switzerland  
SWIFT Director since 2003. Chair of the  
Securities Committee of the Board, SWIFT



## Alain Pochet

Head of Banking Services, BNP Paribas  
Securities Services, France  
SWIFT Director since 2010



## Giorgio Ferrero

Head of Payment Systems Strategy and  
Development, Intesa Sanpaolo, Italy  
SWIFT Director since 2008



## Göran Fors

Global Head of Custody Services, SEB, Sweden  
SWIFT Director since 2009



## Wolfgang Gaertner

CIO, Deutsche Bank AG, Germany  
SWIFT Director since 2001. Chair of Technology  
and Production Committee of the Board, SWIFT



## Lynn Mathews

Chairman of the Australian National Member Group  
and Asia Pacific and Latin American Representative  
of CLS Services, Australia  
SWIFT Director since 1998



## Javier Santamaria

Assistant General Manager, Banco  
Santander, Spain  
SWIFT Director since 2009



## Eli I Sinyak

Group General Manager, Chief Technology & Services  
Officer (CTSO), HSBC Asia Pacific, Hong Kong  
SWIFT Director since 2006



## Günther Gall

Executive Vice President, Division Head  
of Transactions Services, Raiffeisenbank  
International AG, Austria  
SWIFT Director since 2001



## Alan Goldstein

Executive Vice President & Chief Information  
Officer, Asset Management & International,  
The Bank of New York Mellon, USA  
SWIFT Director since 2006. Chair of the Audit  
and Finance Committee of the Board, SWIFT



## Rob Green

Chief Risk Officer, Global Transaction Services,  
Corporate and Investment Banking, FirstRand  
Bank Limited, South Africa  
SWIFT Director since 2009



## Jeffrey Tessler

Member of the Executive Board of Deutsche Börse  
AG, responsible for Clearstream Division. Chief  
Executive Officer of Clearstream International  
S.A. Luxembourg, Luxembourg  
SWIFT Director since 2006



## Marcus Treacher

Head of eCommerce, Global Head of Payments  
and Cash Management Client Experience, Global  
Transaction Banking, HSBC, United Kingdom  
SWIFT Director since 2010



## Ingrid Versnel

Head, Wealth Management Operations  
& Technology, Royal Bank of Canada, Canada  
SWIFT Director since 2007. Chair of the  
Standards Committee of the Board, SWIFT



## Jee Hong Yee-Tang

Technology Advisor to ABS, Singapore  
SWIFT Director since 1999

## Directors who left the Board in 2010

During the course of 2010, five directors left the Board

Ignace Combes, Deputy Chief Executive Officer, Euroclear  
SA/NV, Belgium, left, having joined the Board in 2006.  
He was replaced by Guy Beniada. Hideo Kazusa,  
General Manager, Transaction Services Division, The  
Bank of Tokyo-Mitsubishi UFJ, Ltd, Japan, left, having  
joined the Board in 2008. He was replaced by Yumesaku  
Ishigaki. Colin Klipin, Managing Director, Global Payments,  
Barclays Bank, United Kingdom, left, having joined the

Board in 2008. He was replaced by Marcus Treacher.  
Jacques-Philippe Marson, Board Member, BNP Paribas  
Securities Services, France, left, having joined the  
Board in 2001. He was replaced by Alain Pochet. Dirk  
Vanderschrick, Vice-Chairman and CFO, Dexia Insurance,  
Belgium, left, having joined the Board in 2007. He was  
replaced by Godelieve Mostrey.



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

## Board committees

The Board has six committees:

- 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
  - Responsibility and liability/Code of conduct
  - Audit oversight

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

The Committee may request presence of any member of SWIFT staff at its discretion. External auditors are present when their annual statements/opinions are discussed and when the Committee deems appropriate.

- The Human Resources Committee oversees executive compensation. It assesses Company performance and decides on the remuneration package for members of the Executive Committee and other key executives. It monitors employee compensation and benefits programmes, including the provisioning and funding of the pension plans. It also approves appointments to the Executive Committee and assists in the development of the organisation, including succession planning. The Board Chairman and Deputy

Chairman are members of the Committee and meet four to five times per year with the CEO, the Head of Human Resources, and the CFO on financial and performance measures. The Human Resources Committee has delegated powers from the Board in these matters. The Committee also meets without the SWIFT executives several times a year.

- Two business committees: Banking and Payments, and Securities.
- Two technical committees: Standards, and Technology and Production.

The Committees provide strategic guidance to the Board and the Executive Committee, and review project progress in their respective areas.

## Remuneration of Directors

The members of the Board do not receive any remuneration from the Company. They are reimbursed for the travel costs incurred to perform their mandate. SWIFT reimburses the employer of the Chairman of the Board for the share of the Chairman's payroll and related costs representing the portion of the time dedicated by the Chairman to SWIFT.

## Audit process

SWIFT's Chief Auditor has a dual reporting line, with a direct solid functional reporting line to the Chair of the AFC and also a direct solid administrative reporting line to the CEO. Given the sensitivity to external auditors performing consultancy work for management, the AFC also annually reviews the respective spending and trends. To ensure objectivity, the mandates of the external auditors, as well as their remuneration, are approved by the AFC.

SWIFT has two mandates for external audit:

- Ernst & Young, Brussels has held the Financial Audit mandate

since June 2000. Their mandate was renewed in June 2009, and runs to June 2012. The 'Independent auditors' report to the shareholders of S.W.I.F.T. SCRL' can be found in the 'Consolidated Financial Statements' which can be downloaded from [www.swift.com](http://www.swift.com).

- PricewaterhouseCoopers has held the Security Audit mandate since September 2003. In December 2010, the AFC renewed PwC's mandate which now runs to June 2014. Their opinion over SWIFT's security for FIN and SWIFTNet is included in the 2010 SAS 70 report, available to shareholding institutions or registered SWIFT users on request by e-mail to [SAS70@swift.com](mailto:SAS70@swift.com)

## Oversight

SWIFT maintains an open and constructive dialogue with oversight authorities. Under an arrangement with the central banks of the G-10 countries, The National Bank of Belgium, the central bank of the country in which SWIFT's headquarters are located, acts as lead overseer of SWIFT. The issues discussed can include all topics related to systemic risk, confidentiality, integrity, availability and company strategy. SWIFT is overseen because of its importance to the smooth functioning of the worldwide financial system, in its role of provider of messaging services.

## User representation

National Member Groups and National User Groups help ensure a coherent global focus by ensuring a timely and accurate two-way flow of information between SWIFT and its users.

The National Member Group comprises all of a nation's SWIFT shareholders, and proposes candidates for election to the SWIFT Board of Directors. It serves in an advisory capacity to Board Directors and SWIFT management, and serves the interests of the shareholders by coordinating their views. The National Member Group is chaired by a Chairperson elected by the SWIFT shareholders of the nation.

The National User Group comprises all SWIFT users within a nation and acts as a forum for planning and coordinating operational activities. The user group is chaired by the User Group Chairperson who is a prime line of communication between the national user community and SWIFT.

## Board nominations

A nation can propose a Board Director depending on its ranking, which is determined by the total number of shares owned by the nation's shareholders:

- 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 shall not exceed twelve.
- 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 shall not exceed ten.
- The shareholders of a nation which does not qualify under a) or b) may join with the shareholders of one or more other nations to propose a Director for election. The number of Directors proposed in this way shall not exceed three.

The Directors are elected by the Annual General Meeting of shareholders for a term of three years. They are eligible for re-election. The total number of Directors cannot exceed 25.

## Elections

The members of SWIFT elect a Board of 25 independent Directors, which governs the Company and oversees the management of the Company. The Directors are elected by the Annual General Meeting of shareholders for a term of three years. They are eligible for re-election. The Board elects a Chairman and a Deputy Chairman from among its members. It meets at least four times a year.

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

Because of this, the central banks of the Group of Ten countries (G-10) agreed that SWIFT should be subject to cooperative oversight by central banks. The oversight of SWIFT in its current form dates from 1998.

#### **An open and constructive dialogue**

SWIFT is committed to an open and constructive dialogue with oversight authorities. The National Bank of Belgium acts as the lead overseer, supported by the G-10 central banks. The oversight focuses primarily 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 National Bank of Belgium (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 in payments systems oversight, the major instrument for the oversight of SWIFT is moral suasion. Overseers place great importance on the constructive and open dialogues conducted on a basis of mutual trust with the SWIFT Board and senior management. During these dialogues, overseers formulate their recommendations to SWIFT.

A protocol signed between the NBB and SWIFT lays down the common understanding of overseers and SWIFT about the oversight objectives, and the activities that will be undertaken to achieve those objectives. It can be revised periodically to reflect evolving oversight arrangements.

#### **Objectives, areas of interest and limitations**

The objectives of oversight of SWIFT centre on the security, operational reliability, business continuity and resilience of the SWIFT infrastructure. To review whether SWIFT is pursuing these objectives, overseers want to obtain comfort that SWIFT has put in place appropriate governance arrangements, structures, processes, risk management procedures and controls that enable it to effectively manage the potential risks to financial stability and to the soundness of financial infrastructures.

Overseers review SWIFT's identification and mitigation of operational risks, and may also review legal risks, transparency of arrangements and customer access policies. SWIFT's strategic direction may also be discussed with the Board and senior management.

This list of oversight fields is indicative, not exhaustive. In short, 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. It should be understood that 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 in cooperation with the other G-10 central banks, that is 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.

#### **Oversight structure – oversight meetings**

The NBB monitors SWIFT on an ongoing basis. It identifies relevant issues through the analysis of documents provided by SWIFT and through discussions with the management. It maintains a continuous relationship with SWIFT, with periodic meetings and serves as the G-10 central banks' entry point for the cooperative oversight of SWIFT. In that capacity, the NBB chairs the senior policy and technical groups that facilitate the cooperative oversight, provide the secretariat and monitor the follow-up of the decisions taken.

#### **Access to information**

In order to achieve their oversight objectives, the overseers need timely access to all information they judge relevant for the purpose of the oversight. Typical sources of information are SWIFT Board papers, security audit reports, incident reports and incident review reports.

Another important channel for gathering information is through presentations by SWIFT staff and management. Finally, SWIFT assists 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 Memorandums of Understanding between the NBB and each of the other cooperative central banks. For further information please refer to the 2005 Financial Stability Review, where the oversight arrangements are explained under the heading 'Cooperating oversight of Euroclear and SWIFT'. This has been published by the National Bank of Belgium and is available on its website [www.nbb.be](http://www.nbb.be).

# 2010 Security audit statement

The Directors and Management acknowledge their responsibility for maintaining an effective system of internal control in respect of the SWIFTNet and FIN services. SWIFT has put in place controls based on the ISO 27002 standard, to support its control objectives in relation to governance, confidentiality, integrity, availability and change management.

Management is satisfied that, for the period 1 January 2010 to 31 December 2010, the control policies and procedures relating to the SWIFTNet and FIN services were operating with sufficient effectiveness to provide reasonable assurance that appropriate governance was in place and the confidentiality, integrity, availability and change management objectives were met. The control objectives were specified by SWIFT Management. PricewaterhouseCoopers were retained by the Directors to review the control policies and controls, both manual and computer-based, related to the FIN and SWIFTNet

messaging services, specified by SWIFT Management for the period 1 January 2010 to 31 December 2010. Their examination was made in accordance with the SAS 70 standard established by the American Institute of Certified Public Accountants and their report covers both controls placed in operation and tests of operating effectiveness, as specified in the standard. The SAS 70 Type 2 report, which includes the PricewaterhouseCoopers' independent report prepared within the SAS 70 framework as well as all noted observations, has been discussed and reviewed by SWIFT's Audit and Finance Committee. The report was provided to all Board members.

Shareholding institutions or registered SWIFT users can request an electronic or hard copy by sending an e-mail with the requestor's name, job title, institution, BIC and reason for the request to SAS70@swift.com.

## Financial performance

In accordance with article 105 of the Belgian Code of Company Law, the following statements represent a condensed version of SWIFT's 2010 annual financial statements prepared in accordance with International Financial Reporting Standards. The full text is available on SWIFT's website ([www.swift.com](http://www.swift.com)) or on request from any of SWIFT's offices. The full version of the 2010 annual financial statements will be filed with the National Bank of Belgium no later than 30 June 2011. This condensed version does not contain all of the appendices or the report of the auditors, who expressed an unqualified opinion.

### Key figures

— year ended 31 December 2010

(in millions)	2010 EUR	2009 EUR	2008 EUR	2007 EUR	2006 EUR
Operating revenues before rebate	590	586	598	625	588
Rebate	(52)	-	(19)	(57)	(26)
Revenue after rebate	538	586	579	568	562
Operating expenses	(528)	(568)	(560)	(535)	(539)
Profit before taxation	21	17	31	36	29
Net profit	15	15	25	23	25
Net cash flow from operating activities	135	68	24	86	83
Capital expenditure of which:	52	46	96	51	46
– Property, plant and equipment	44	40	73	41	38
– Intangibles	9	6	23	10	8
Shareholders' equity	296	285	262	255	238
Total assets	514	497	502	480	473
Number of employees at end of year	1,807	1,991	2,138	2,001	1,890

## Consolidated income statement

— year ended 31 December 2010

(in thousands)	Note*	2010 EUR	2009 EUR
<b>Revenues</b>			
Traffic revenue	2	302,250	360,011
One-time revenue	3	3,593	5,000
Recurring revenue	4	118,220	106,990
Interface revenue	5	112,368	110,733
Other operating revenue		1,542	3,340
		537,973	586,074
<b>Expenses</b>			
Royalties and cost of inventory	12	(7,941)	(9,824)
Payroll and related charges	6	(254,321)	(270,206)
Network expenses	7	(16,694)	(19,134)
Rental, maintenance, office and outside service expenses	8	(160,504)	(161,166)
Depreciation of property, plant and equipment	14	(42,739)	(44,424)
Amortisation of intangible fixed assets	15	(12,343)	(12,872)
Other expenses	9	(9,412)	(5,824)
Restructuring costs	16	(23,791)	(44,145)
		(527,745)	(567,595)
<b>Profit from operating activities</b>		10,228	18,479
Financing costs		(990)	(863)
Other financial income and expenses	10	10,859	(264)
Share of profit of associated companies	17	1,299	-
<b>Profit before tax</b>		21,396	17,352
Income tax expense	11	(6,575)	(1,966)
<b>Net profit</b>		14,821	15,386

## Consolidated statement of comprehensive income

— year ended 31 December 2010

(in thousands)	Note*	Before tax 2010 EUR	Tax (expense) benefit 2010 EUR	Net of tax 2010 EUR	Before tax 2009 EUR	Tax (expense) benefit 2009 EUR	Net of tax 2009 EUR
<b>Net profit for the year</b>		14,821	-	14,821	15,386	-	15,386
Foreign currency translation		61	-	61	126	-	126
Cash flow hedges:				-			-
– Current year gain / (loss) on financial instruments	33	1,256	(426)	830	(2,502)	852	(1,651)
– Prior year (gain) / loss transferred to income statement	33	2,502	(852)	1,650	(1,186)	403	(783)
Recognition of actuarial gains and losses	26	(9,666)	3,654	(6,012)	15,544	(5,323)	10,221
<b>Total comprehensive income for the year</b>		8,974	2,376	11,350	27,368	(4,068)	23,300

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

## Consolidated statement of financial position

— year ended 31 December 2010

(in thousands)	Note*	2010 EUR	2009 EUR
<b>Non-current assets</b>			
Property, plant and equipment	14	159,118	160,745
Intangible assets	15	20,803	21,225
Investments in associated companies	17	1,848	549
Other investments	18	-	-
Pension assets	26	1,637	-
Deferred income tax assets	19	34,651	31,108
Other long-term assets	22	18,461	2,714
<b>Total non-current assets</b>		<b>236,518</b>	<b>216,341</b>
<b>Current assets</b>			
Cash and cash equivalents		202,516	120,280
Trade receivables	20	20,810	77,716
Other receivables	21	10,577	9,470
Prepayments to suppliers	22	22,102	26,893
Inventories	23	1,477	1,016
Prepaid taxes	24	20,405	45,469
<b>Total current assets</b>		<b>277,887</b>	<b>280,844</b>
<b>Total assets</b>		<b>514,405</b>	<b>497,185</b>
<b>Shareholders' equity</b>	25	<b>296,346</b>	<b>285,312</b>
<b>Non-current liabilities</b>			
Long-term employee benefits	26	83,728	79,978
Deferred income tax liabilities	19	70	25
Other long-term liabilities	28	11,469	4,226
<b>Total non-current liabilities</b>		<b>95,267</b>	<b>84,229</b>
<b>Current liabilities</b>			
Amounts payable to suppliers		19,560	17,158
Short-term employee benefits	27	53,212	59,512
Other short-term liabilities	28	16,823	14,272
Other liabilities	29	24,902	28,002
Accrued taxes	30	8,295	8,700
<b>Total current liabilities</b>		<b>122,792</b>	<b>127,644</b>
<b>Total equity and liabilities</b>		<b>514,405</b>	<b>497,185</b>

## Consolidated statement of cash flows

— year ended 31 December 2010

(in thousands)	2010 EUR	2009 EUR
<b>Cash flow from operating activities</b>		
Profit from operating activities	10,228	18,479
Depreciation of property, plant and equipment	42,739	44,424
Amortisation of intangible fixed assets	12,343	12,872
Net loss and write-off on sale of property, plant and equipment, and intangible assets	1,955	46
Other non-cash operating losses	899	(12,451)
Changes in net working capital	67,220	6,211
<b>Net cash flow before interest and tax</b>	<b>135,384</b>	<b>69,581</b>
Interest received	4,310	1,514
Interest paid	(990)	(863)
Tax paid	(3,571)	(1,919)
<b>Net cash flow from operating activities</b>	<b>135,133</b>	<b>68,313</b>
<b>Cash flow from investing activities</b>		
Capital expenditures:		
– Property, plant and equipment	(43,542)	(39,884)
– Intangibles	(8,791)	(6,472)
Proceeds from sale of fixed assets	475	2,152
Acquisition of a subsidiary, net of cash acquired	(3,130)	-
<b>Net cash flow used in investing activities</b>	<b>(54,988)</b>	<b>(44,204)</b>
<b>Cash flow from financing activities</b>		
Net payments for reimbursement of contributions	(317)	(268)
<b>Net cash flow from (used in) financing activities</b>	<b>(317)</b>	<b>(268)</b>
<b>Increase/(decrease) of cash and cash equivalents</b>	<b>79,828</b>	<b>23,841</b>
<b>Movement in cash and cash equivalents</b>		
At the beginning of the year	120,280	96,153
Increase/(decrease) of cash and cash equivalents	79,828	23,841
Effects of exchange rate changes	2,408	285
<b>At end of the year</b>	<b>202,516</b>	<b>120,280</b>
<b>Cash and cash equivalent components are:</b>		
Cash	10,044	31,166
Liquid money market products	192,472	89,114
<b>At the end of the year</b>	<b>202,516</b>	<b>120,280</b>

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