SWIFT Annual Report 2006

Achieving more, together

Client reach

European harmonisation

Emerging markets

Securities and derivatives

Inside

Achieving more, together

SWIFT has a record of success in terms of traffic growth, price reductions, security, reliability and resilience, standards-setting and expansion into new markets.

Now, our new vision is to 'Achieve more, together'. This reflects the support of our community to raise our ambitions.

Where **More** means growth and **Together** brings strength.

Our ambition is to transform the co-operative space by extending our reach and enhancing our messaging and, in doing so, to deliver interoperability to our members with the lowest risk and highest resilience.

Our business

SWIFT is the industry-owned co-operative supplying secure, standardised messaging services and interface software to over 8,000 financial institutions in 207 countries and territories. The SWIFT community includes banks, broker-dealers and investment managers. The broader SWIFT community also encompasses corporates as well as market infrastructures in payments, securities, treasury and trade.

Key figures for 2006

— FIN traffic up 13.7 percent to 2.86 billion messages
— 11.4 million messages a day on average
— 8,105 institutions (+242) connected to the core FIN messaging service in 207 countries and territories at year-end
— FIN traffic peak of 13.6 million messages on 20 December
— Price reductions worth EUR 16 million and 7 percent rebate on all SWIFTNet messaging worth EUR 26 million
— Free hardware security modules worth EUR 23 million

From the Chairman

↘ I am writing to you as Chairman of SWIFT and also as a practitioner in the industry. As Chairman, my primary focus is to ensure that SWIFT meets your needs to reduce your operating costs, increases your product offering and helps you manage risk; the same values I seek for the operations I direct at JPMorgan.

2006 was another very successful year for our co-operative. We are well positioned for the future. While there are many achievements to note, I would like to focus my letter on three themes that underpin all that we do: succession and governance, customer reach, and compliance.

Succession and governance

In June, Jaap Kamp completed his very successful term as Chairman and seamlessly passed the baton to me. It was truly a pleasure to work with Jaap as Deputy Chairman. I would like to thank him for his inspiring leadership, his devotion to our cause, and his outstanding legacy of achievement. Jaap is fond of referring to SWIFT as our global village; he himself, without question, is the personification of the global citizen.

One of the biggest responsibilities for our Board recently has been to select a new Chief Executive Officer who could maintain the momentum following Leonard Schrank's 15 successful years at the helm. Lázaro Campos' appointment as the new CEO is a clear indication of the Board's view on the future direction of SWIFT. Lázaro's 20 years of experience with SWIFT and his market expertise will ensure continuity as we implement SWIFT's 2010 strategy and maintain the focus on customers and the co-operative franchise. I look forward to working closely with Lázaro as he assumes the Chief Executive's role.

On behalf of the Board, I would like to extend my thanks to Leonard. As he has noted in his letter, SWIFT has clearly been transformed since he joined us in 1992. Under his leadership, the SWIFT community has greatly expanded to include the securities industry, market infrastructures and now, corporates. Message traffic has grown seven-fold, the entire infrastructure has been rebuilt and launched as SWIFTNet. Resilience has been raised, and prices are down. This is quite a legacy and we are all grateful for it.

As important as our Chief Executive is, another one of the keys to the ongoing success of SWIFT is its governance: The Board, Board Advisory Groups, National Member Groups and User Groups have all been instrumental in providing SWIFT its strategic direction. This unique relationship, where SWIFT's shareholders are also its customers and trusted advisers, is SWIFT's real franchise. The Board is comprised of financial institution executives with diverse backgrounds

Yawar Shah
Chairman

leveraging the depth of subject matter expertise that they can draw upon from their institutions. This translates into governance and guidance that the SWIFT Executive values considerably.

Customer reach

SWIFT is also unique in that its focus and desired outcome is to apply its resources to improve the profitability of its customers and not itself. We have recently broadened the footprint of SWIFT to allow corporate clients to communicate with their financial institution partners, which delivers value to a new niche of users and extends the value delivered to our shareholders overall. SWIFT has also acted to deepen penetration into its traditional market segments by facilitating indirect connectivity, allowing smaller financial institutions to gain the benefits of SWIFT. I believe our next and greatest challenge is to build on our core strength of standards and connectivity to penetrate beyond the interface and reach deeper into our customers' operating environments to deliver more services that help them reduce costs, broaden product offerings and reduce risk.

Compliance

In retrospect, 2006 was a challenging year for SWIFT as we responded to some legal subpoenas and found ourselves caught between conflicting issues of international data privacy in different legal jurisdictions.

As we know, SWIFT has had to comply with legally served and mandatory subpoenas from the United States Treasury, targeted against terrorist financing. It is equally important to know that in complying with legal requirements SWIFT successfully obtained limitations on the scope of the information provided to the authorities as well as unprecedented levels of control and audit, which ensure that data requested and delivered follows very strict, narrow guidelines. We are encouraged by the dialogue that has been established between Europe and the United States in order to achieve legal certainty for SWIFT and for financial institutions that balances the need for public safety with protections for data privacy that we can all subscribe to.

Let's get back to business. SWIFT enters 2007 in excellent shape, with an eye on its clients' strategic goals, and a focus on execution.

I would like to thank my fellow Board members for all the time and talent they have devoted to SWIFT over the past year. The National Member Groups and National User Groups and their chairpersons also deserve thanks for their dedication and clear interest in the good of the community. You remain essential to our continued future success.

I would also like to thank the SWIFT Executive and all the employees of SWIFT for their dedicated work, which has positioned SWIFT well to meet the needs of the community. My best wishes to Lázaro as he assumes command from Lenny of a well running, and well run co-operative.

Yawar Shah

Yawar Shah
Chairman
March 2007

From the CEO

"Transforming SWIFT — and moving on"

↘ This is my 15th and final letter to you. Before I summarise 2006, allow me to reminisce about how we transformed SWIFT together over the past decade and a half. Looking back to 1992, we achieved our transformation in three distinct phases.

1992 – 1996 "Strengthening the co-operative"

During this period we strengthened the confidence our members had in the SWIFT co-operative. **We put major stakes in the ground about our pricing, markets and systems**. I still remember my first Board meeting where I wrote a note to the Chairman that prices needed to go down, not up, and that we needed to conduct urgent market research on price sensitivities. We've never looked back. Prices are now down over 80 percent overall from 1992.

We also quantified our four major markets that drove FIN messaging traffic — payments, treasury, trade and the new securities market. **Today, securities is over 40 percent of our business, and message traffic has grown seven-fold from 405 million messages in 1992 to nearly 2.9 billion messages in 2006**.

Finally, and most importantly, we initiated our 4 Pillars I (4PI) programme — "the road to 5x9s". 4PI focused on 1) dramatically reducing systems' recovery times, 2) increased message throughput rates, 3) fixing our disaster procedures, and 4) scaling our systems for the tremendous growth ahead.

In 1996 we published *SWIFT2001* which became the first instalment of our strategic trilogy: *SWIFT2001*, *SWIFT2006* and *SWIFT2010*.

1997 – 2001 "SWIFTNet"

SWIFT2001 covered our second transformational phase. We focused on growing our securities markets and providing the SWIFT "single window" to the ever-expanding segment of payments and securities market infrastructures (MIs). **We have grown from 2–3 MIs to now over 100 MIs, representing 30 percent of our message traffic**.

SWIFT2001 also anticipated the need for interactive messaging, better file transfer, and the need to move from our X.25 network technology to the new technology of the Internet — Internet Protocol (IP). In 1997, at Sibos in Sydney, we announced the "Next Generation" of SWIFT, now called SWIFTNet.

Leonard H. Schrank
Chief Executive Officer

It was during this period that we instilled our failure is not an option **(FNAO)** culture of resilience for our IT/Ops division. This soon spread, end-to-end, to all of SWIFT. **It remains our defining culture to this day**. FNAO served us well in the difficult days following September 11, 2001.

In 2002 we published *SWIFT2006*.

2002 – 2006 "Transformation"

SWIFT2006 defined our third transformational phase. Following 9/11, we initiated our 4 Pillars II (4PII) programme — "The Road to Resilience". 4PII raised our resilience to even higher levels by strengthening our 1) physical and cyber security, 2) personnel processes, 3) crisis management, and 4) service continuity. 4PII also drove important consultations with the Resilience Advisory Council (RAC) drawn from our global customers and key market infrastructures and the SWIFT Crisis, Communications and Coordination group (SC3) representing the five major currency zones.

In 2004 we significantly upgraded the depth and transparency of our security audit reporting by moving to the SAS 70 standard — probably the state-of-the-art standard for security audit. 2006 will be our third year running in which we delivered an in-depth "annual report" on the audited status of the controls involving confidentiality, integrity, availability, change management and security governance for our SWIFTNet messaging and related systems.

SWIFT2006 launched the SWIFT Pricing Challenge I to reduce average message prices by 50 percent over the 2002–2006 time frame. We succeeded. By December 2006, prices had fallen by 52 percent. This was all the more challenging as the pricing challenge was announced in May 2001, before 9/11. We still remained committed to the challenge, even though we had to make substantial unplanned investments to raise our resilience to even higher levels.

SWIFTNet was piloted in 2001–2002 and the entire community migrated to it over the 2003–2004 time frame. SWIFT knows how to migrate. I am sure many of you remember the USE security migration (1992), the EURO (1998), Y2K (1999), standards (every November), ISO 15022 (2002) and now SWIFTNet Phase 2 (2007–2008).

During this time frame **we upgraded our strategic partnering with major software and technology firms such as IBM, Microsoft, Oracle, SAP and SunGard**. They are all vital to our banking and securities solutions and each adds significant value to our SWIFT offering.

In June 2006, the AGM voted 98.6 percent to approve a broader category of corporate participant, which could very likely open up a major new corporate-to-bank market segment for SWIFT and its members.

In June 2006, *SWIFT2010* was approved by the Board. Based on our past successes and the renewed confidence from our Board and membership, *SWIFT2010* is our most ambitious strategy yet. Our new vision **"Achieve more, together"** also symbolises what our co-operative has become. "More" means growth — harnessing our economies of scale and scope which are at the centre of our business model. ↘

"By the end of 2006, we can honestly say that SWIFT is unrecognisable from what it was in 1992. A transformation has clearly taken place."

"Together" brings us strength — the strength of our worldwide community. Every important financial institution is a member of SWIFT. If you Google "more together", *SWIFT2010* comes up as the number one link!

By the end of 2006, we can honestly say that SWIFT is unrecognisable from what it was in 1992. A transformation has clearly taken place.

Disappointments

Of course not everything went as planned. Bolero should have been more bank-focused. EDIFACT was overtaken by XML. We had to reverse out of the Global Crossing outsourcing. GSTPA failed. The resilience we have shown in our disappointments and the ability to learn from our mistakes are two of SWIFT's strengths. That is also a hallmark of our FNAO culture.

2006

Now let's turn to last year. 2006 was another very strong year for SWIFT.

SWIFT2010 approved – In June, we presented our *SWIFT2010* strategy with its new vision and four strategic growth thrusts: Developing regions, Corporates, European harmonisation in payments and securities, and Securities and derivatives.

Strong financials – Our financials were strong for all the right reasons: strong revenues from all market segments and cost traction resulting from our prior two-year structural cost reduction programme. Early in 2006, we forecast a surplus and as a consequence, the March Board approved an additional investment of EUR 10 million to accelerate our *SWIFT2010* initiatives.

In June, we announced a mid-year price reduction and free hardware security modules (HSMs) for our Phase 2 migration. Counting our year-end rebate of 7 percent on all SWIFTNet messaging, we returned EUR 65 million to you — six months of price reduction (EUR 16 million) + free HSMs (EUR 23 million) + rebate (EUR 26 million).

Compliance – In June, the New York Times and other newspapers revealed a secret US Treasury (UST) programme for terrorism investigations involving SWIFT. We have endeavoured to keep our community fully informed via regular updates on www.swift.com. SWIFT is totally committed to protecting the confidentiality of its members' data. That is why SWIFT obtained unique and historic protections from the UST and why we say the data that is subpoenaed is legal, limited, targeted, protected, audited and overseen. The limited sets of subpoenaed data can be used exclusively for terrorism investigations and for no other purpose. **Senior European officials have called for an EU-US dialogue to provide legal certainty for SWIFT and its member banks**. SWIFT fully supports this approach and discussions between the EU and US are currently under way.

System availabilities – I used to say we are asymptotically approaching 5x9 availability. I am proud to report that in 2006, we recorded 100 percent availability for SWIFTNet while SWIFTNet FIN, which runs under SWIFTNet, came in at 99.996 percent. **It is no accident that there are so few accidents at SWIFT**.

↘ From the CEO continued

"FNAO… remains our defining culture to this day."

"It is no accident that there are so few accidents at SWIFT."

CEO succession – On 19 February 2007, we announced that the Board has selected Lázaro Campos to succeed me as SWIFT's CEO. The process was put in place three years ago when we announced a final extension of my contract. **Lázaro is a 20-year veteran of SWIFT and the Company will be in very safe hands**. I am delighted with the Board's choice and wish Lázaro the best of success in his new and important responsibilities. A two-month transition will ensure a smooth handover. On 23 April 2007, I will step down after serving as your CEO for 15 years. It has been an honour and a privilege and I have enjoyed every minute.

Thanking you

I would like to thank the Board for their time and dedication. The success of SWIFT is due in no small part to our loyal and dedicated Board members, past and present, who gave selflessly over the years to govern your co-operative. SWIFT cannot succeed without an inspired Board and I am pleased that the Board is now encouraging SWIFT to "raise its ambitions". SWIFT has changed a lot in the 15 years I have been here. I would like to emphasise the growing importance of your Board and the need to continue to send us your best and brightest to help oversee and guide SWIFT into the future.

A very special thank you to all our members and their national and user group chairpersons. **Your dedication and support make our SWIFT franchise strong and unique**.

SWIFT has nearly 2,000 professionals who work tirelessly for you around the world and around the clock. Each and every one of them deserves our special thanks for making SWIFT what it is today and for delivering such great 2006 results.

In June, Joe Eng decided to leave SWIFT after achieving tremendous success over the seven years he was our CIO. Joe set the standard for a CIO, and we all wish him well in his new exciting ventures. We welcomed Mike Fish, Joe's long-serving deputy, as our new CIO and Executive Committee member.

We could not have achieved our transformation without the contributions, talents and leadership of the SWIFT Executive, both current and past. I am confident our current team led by Lázaro will continue the transformation. We cannot be complacent.

SWIFT is really a special company. Our culture, our performance and our mission all combine to produce one of the most successful cooperatives in the world. I am going to miss it.

Sincerely yours,

Leonard H. Schrank
CEO, 1992–2007
February 2007

"SWIFT is really a special company. Our culture, our performance and our mission all combine to produce one of the most successful cooperatives in the world. I am going to miss it."

SWIFT2010 strategy

Our new strategy, *SWIFT2010*, was launched in June 2006.

Achieve more, together
"More" means growth and harnessing SWIFT's economies of scale and scope. "Together" brings strength and the commitment of the SWIFT community to get things done.

Strategic thrusts
To increase SWIFT's share of the cooperative messaging space, we identify four strategic thrusts:

— **Extending client reach**: Corporates can now use SWIFT as treasury counterparties, in member-administered closed user groups (MA-CUGs) and in the newly approved SWIFT Corporate Reach model (SCORE). The Trade Services Utility (TSU) supports our members' ambitions in supply chain management.

— **European harmonisation**: Supporting the Single Euro Payments Area (SEPA); TARGET2; Giovannini; MiFID and TARGET2 for Securities.

— **Emerging markets**: Expansion in the BRIC+ countries; enhancing our services to Market Infrastructures; identifying opportunities for worker remittances.

— **Securities and derivatives**: Establish a presence in the pre-settlement space. Support Alternative Investments and Derivatives.

Momentum
SWIFT2010 builds on the momentum that we have established with a range of SWIFTSolutions and product adjacencies, and by extending our reach within our existing markets.

Foundation
SWIFT's success is based on three key elements: Our community, our standards and our secure and reliable global messaging infrastructure.

2006 milestones ↘

"Most companies keep their strategy secret. SWIFT's cooperative strength is its community involvement and resulting commitment to execution."

SWIFT2010 strategic thrusts

Helping customers achieve their strategies

The case studies on the next eight pages show how *SWIFT2010* is helping customers address business challenges.

BRIC+ initiative for Southern Africa

The Johannesburg office recruits to strengthen support for regional securities and market infrastructures. The office serves 21 countries across Central and Southern Africa.

Making SWIFT easier

In 2006, SWIFT launched a cross-divisional programme to improve customer service. It focuses on simplifying processes such as membership, documentation, ordering and logistics, configuration, installation and upgrades, support and sales.

SWIFTNet for German retail payment system

Germany's central bank, the Deutsche Bundesbank, selects SWIFTNet FileAct as an additional messaging channel for its low-value Retail Payment System (RPS), which serves 300 financial institutions in Germany.

BRIC+: Chinese student trainee initiative in ful

In July, four Chinese MBA graduates complete a 12-month at SWIFT and transfer to the Beijing office to support develo major market. A second group begins its traineeship in Aug

Giovannini Barrier 1 to go

In March, SWIFT publishes the final recommendation for the communication protocol for eliminating Giovannini Barrier 1 in European Securities Clearing & Settlement, on behalf of the Independent Advisory Group (IAG).

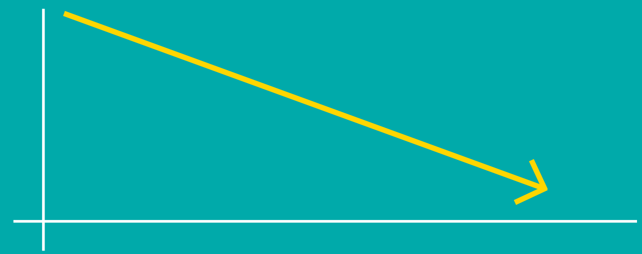
SWIFTN & Invest

Twenty-three corporates co Exceptions & a business an streamline the related enquir and improving

2006 miles

Mozambique hosts regional conference

Two hundred and fifty customers from across Africa gather in Maputo in May, to learn about SWIFT products and services and how these help gain strategic advantage, particularly for domestic low-value payment infrastructures.



Mid-year price reductions

Strong financial growth enables SWIFT to accelerate price reductions and provide free hardware security modules (HSMs). These decisions benefit all segments of the user community. Between June 2006 and year-end, SWIFT returns EUR 65 million to its user community in the form of rebates, free security hardware and price reductions.

l swing

traineeship
opment in this
just.

ISDA®

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

FpML on SWIFTNet

SWIFT and ISDA sign an agreement to support FpML messaging services over SWIFTNet. This will help financial institutions address automation challenges in the OTC derivatives post-trade area.

Overwhelming approval for new corporate access category

At the June AGM, shareholders approve by 98.6 percent a broader way for corporates to connect to SWIFT. Corporate-to-financial institution access over SWIFTNet enables better standardisation and interaction with multiple banks.

In June, Jaap Kamp retires aft six years as Chairman. Yawar S and Stephan Zimmermann ele Chairman and Deputy Chairm

Yawar Shah, JPMorgan Chase Bank replaces retiring Jaap Kamp as Chairm while Stephan Zimmermann, UBS AG is elected Deputy Chairman. Five new Directors are appointed as part of the Board rotation process.

let Exceptions igations goes live

financial institutions and three
ommit to implement SWIFTNet
Investigations, which provides
d communication protocol to
e management of payments-
ies, thereby reducing costs
g customer service.

stones

Customer Relationship Excellence Awards for SWIFT

The Asia Pacific Customer Service Consortium grants SWIFT two Customer Excellence Awards. One is for Global Support Services of the Year and the other for CRM Director of 2005, honouring SWIFT Executive Brian Haughan.

'Raising ambitions' at Sibos 2006 in Sydney

Sibos in Sydney attracts a record 5,300 participants to the Asia-Pacific region. Sibos 2007 will take place in Boston 1–5 October.

er
Shah
ected
an

an,

ISO 20022 corporate-to-bank standards get a boost

In September, work starts with banks and corporates to implement the ISO 20022 cash management and payment initiation standards. These XML-based standards result from a joint effort between SWIFT and standardisation organisations IFX, OAGi and TWIST. They improve STP by catering for comprehensive and structured information and are aligned with the interbank ISO 20022 payments standards which also support SEPA.

CIO
CIO 100
HONOREE
2006

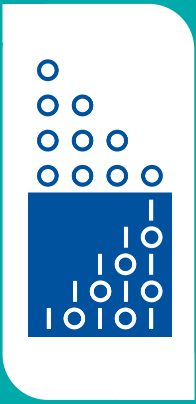
SWIFT wins second CIO 100 award

CIO magazine grants SWIFT an award for its technical leadership in developing the 'Standards Workstation', a tool that automates the standards-setting process for the global financial industry.

Corporate SCORE pilot under way

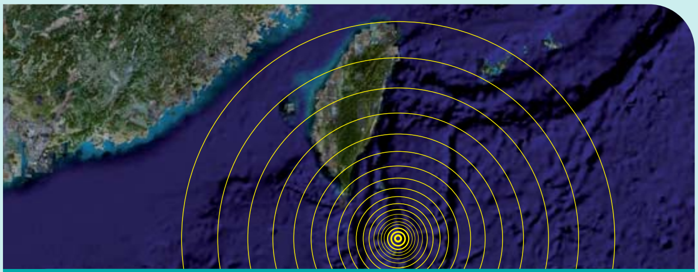
Following shareholder approval in June, customers start piloting the Standardised Corporate Environment (SCORE) model, with an initial focus on cash management and treasury.

Learn more on www.swift.com



Banks start SEPA testing

In October, major banks announce they will use the SWIFT messaging platform to test compliance of payments with SEPA standards and operational readiness across the Eurozone starting in third quarter 2007. In coordination with the European Payments Council (EPC), SWIFT is providing the messaging platform, testing solutions, services and organisational infrastructure built on, and fully compliant with, the SEPA Testing Framework produced by the EPC.



SWIFT messaging unaffected by Taiwan quake

SWIFT's vaunted resilience kicked in when an earthquake off Taiwan radiated through Asia end-December. SWIFT messaging continued to function normally while many regional data infrastructures, including Internet, were down for days.

Strong advance sales for Trade Services Utility

Eighteen banks contract for the Trade Services Utility in advance of live launch. The TSU will enable banks to offer supply chain services to corporate customers active in open account trading. Nineteen banks ran a successful pilot during 2006.

JASDEC to use SWIFTNet

In October, JASDEC (Japan Securities Depository Center) signed a Letter of Intent for SWIFT to build a communication network for its Pre-Settlement Matching System infrastructure on SWIFTNet.

MAS Monetary Authority of Singapore

Singapore launches improved MEPS settlement system

The Monetary Authority of Singapore launches an enhanced real-time gross and government securities settlement system. MEPS+ uses the full suite of SWIFTNet messaging services: SWIFTNet FIN, InterAct, Browse, FileAct, and FIN Copy.

13.6 million message peak

8th peak day of 2006: 13.6 million messages achieved

On 20 December, SWIFTNet FIN traffic peaks at 13,663,975 messages, two million messages above the 2005 peak day. FIN traffic increased 13.7 percent in 2006.

SWIFTNet Phase 2 kicks off

SWIFT announces the shipment in January 2007 of the Phase 2 migration kits, software and hardware security modules. Phase 2 significantly enhances the security of SWIFTNet FIN and introduces a new Relationship Management Application which will replace BKE.

SWIFT2010 strategic thrusts

Client reach

SWIFT is extending the scope of its community to embrace new, more diversified customers and to deliver greater value within existing markets.

Embracing corporates

Chris Furness
Global Head of Cash Management
Standard Chartered Bank
Singapore

Mr Furness is involved in industry standards initiatives and has most recently been promoting the benefits of SCORE (Standardised Corporate Environment) in Asia.

Five to ten years ago, he suggests, embracing corporates within the SWIFT fold would have been spurned out of fear of disintermediation. That has changed. "There is now recognition that corporates need a standardised communications protocol to deal with their banks," he says.

Interoperability from a shared transport mechanism with standard message formats is attractive to corporates. "SCORE opens up these options," says Furness. Nevertheless, he expects that banks will maintain MA-CUGs for corporate clients that do not meet the SCORE eligibility criteria. "Banks should not be competing on communication, and that covers the transport layer, the security layer, and the message layer," he says.

Furness is also attracted by the Trade Services Utility, pointing out that Standard Chartered was originally founded to finance trade. "If you look at the trend to open account trading, banks have a chance to intermediate themselves in the supply chain of their corporate customers in a cost-effective manner. SWIFT is facilitating this by bringing together banks, corporates and vendors to focus on cost-effective streamlining."

Rationalising connectivity

arcelor MITTAL

Pierre Boisselier
General Manager, Middle Office & Treasury Optimisation Projects
Arcelor Mittal
France

Arcelor Mittal is the world's number one steel company, with 330,000 employees in over 60 countries. It brings together the leading steel companies, Mittal Steel and Arcelor. It is one of the first users of SCORE (Standardised Corporate Environment).

"An early move by the firm to centralise treasury operations was designed to cope with expansion and the addition of new banking relationships. Arcelor Mittal was an early enthusiast of corporate connectivity to SWIFT," says Pierre Boisselier. After pilot testing, Arcelor became a member of some thirty MA-CUGs and has now embraced the new SCORE solution.

"We are live in SCORE with our pilot banks," he says. "MA-CUGs offered a huge improvement in rationalisation of connectivity platforms and interfaces. The SCORE corporate access model has made life even easier."

One of the advantages of the new SCORE model is the ease of addressing additional banking relationships. "You do not need to go through an administrative process each time you add a new bank," Mr Boisselier observes. SCORE also offers greater standardisation in message formats. "There used to be significant differences between the banks' implementation of the standards," he comments. "SCORE offers a harmonised environment."

Improving trade services

BANCO DO BRASIL

Antônio Carlos Bizzo Lima
Head of Foreign Trade Products
Banco do Brasil
Brazil

Antônio Carlos Bizzo Lima has been a consistent advocate of SWIFT's Trade Services Utility (TSU). "We've been involved with the TSU project from the outset and were a pilot bank for Brazil," he explains. His bank now anticipates a successful commercial roll-out of products and services based on the TSU towards the end of 2007.

Mr Bizzo Lima identifies two target groups that could benefit directly. "We see it as applicable both to large Brazilian companies importing components for local assembly, such as motor vehicles, and smaller firms supplying goods to large US-based entities. Today, we are outlining the value proposition to our clients and plan to have a commercial offering by year-end."

From Banco do Brasil's perspective, the integration of corporates into a coherent trade services framework will also allow the provision of related services. "The Brazilian local foreign exchange market is highly regulated," says Mr Bizzo Lima. "The customs requirements and the regulatory framework are complex. As a consequence, corporates want to outsource some of their back-office foreign exchange functions. The TSU will help banks to fashion a comprehensive offering covering all of a corporate client's trade-related financial activity."

"There used to be significant differences between the banks' implementation of standards. SCORE offers a harmonised environment."
Pierre Boisselier, Arcelor Mittal, France

SWIFT2010 strategic thrusts

European harmonisation

SWIFT is working with European authorities and financial institutions to increase efficiency and bring more value to European consumers.

Preparing for SEPA

Deutsche Bank

Werner Steinmueller
Head of Global Transaction Banking
Deutsche Bank
Germany

Werner Steinmueller joined Deutsche Bank in 1991 and became head of its Global Transaction Banking (GTB) business in April 2005. The SEPA initiative has reinforced the relationship between GTB and SWIFT.

"SWIFT was a valuable help right from the start of our process in preparing for SEPA," says Mr Steinmueller. "When I took up my new post in transaction banking at Deutsche Bank, I had a productive meeting with Lázaro Campos, Head of SWIFT's Banking Division. Discussing market trends and exchanging ideas helped to lift our strategic thinking about SEPA to the next level."

SWIFT's focus on the messaging side partnered by the banks' focus on ACH and the banking implications of SEPA create a good fit. "SWIFT is about cooperation and one area of fruitful collaboration we identified was in the definition of SEPA-compliant standards and rules, where SWIFT's expertise is proving invaluable," says Mr Steinmueller.

SEPA is key to Deutsche Bank's Cash Management strategy. "Within Deutsche Bank, we have a team working full time on SEPA," says Mr Steinmueller. "SWIFT helped us get an early start."

TARGET, SEPA and standards harmonisation

Martine Brachet
Head of Interbank Relations
Société Générale
France

For Société Générale, European harmonisation is a huge project – and one where SWIFT has helped lighten the load. "The existence of SWIFT as an industry-owned cooperative has itself allowed us to advance collectively", says Martine Brachet. "SWIFT is an excellent example of harmonisation in practice."

While she sees SWIFT standards as the principal foundation for progress, the way in which SWIFT engages its community helps to minimise conflict. "There is a strong partnership ethos between SWIFT and its members," says Ms Brachet. This, she believes, is one of the reasons that led to the central banks' choice of SWIFTNet as the platform for TARGET2.

Société Générale has a lot invested in the success of Europe as a single market. "We are one of the largest participants by volume in the European high-value payments arena and we also have significant European retail operations outside France," Ms Brachet points out. SWIFT is helping to grow that business in very practical ways. "We are building our SEPA testing programme with SWIFT," she says. "Once SEPA is launched, we intend to use our SWIFT partnership to support a significant part of our SEPA-related business so that we can concentrate on serving our customers."

Implementing Giovannini and MiFID

Mario Nava
Head of Unit, Financial Market Infrastructure
DG-Internal Market and Services
European Commission

European harmonisation is by definition a collective endeavour. For Mario Nava, SWIFT plays an important role in two distinct ways.

The first is direct involvement. "SWIFT is participating in the Giovannini Group and has a very active role in addressing Barrier 1," says Mr Nava. "In such initiatives, you need people willing to take a leading role and SWIFT is helping with that task."

The second is facilitation. The European Commission and SWIFT consult each other on a range of issues. Mr Nava cites SEPA and MiFID as other areas where SWIFT is proactive. "There is a huge amount of data that will need to be gathered and transmitted to ensure MiFID compliance," he says, "and I am pleased that SWIFT is working with the community to ensure that message standards are ready to support MiFID."

Mr Nava also values the broad nature of industry dialogue that SWIFT nurtures. "We have channels to meet and discuss with other regulators, but what is particularly useful is the ability to engage with the various views of market participants. SWIFT has encouraged discussion beyond its core issues. An example is the Sibos conference, which is a fantastic opportunity for the financial industry to engage in dialogue."

"SWIFT is about cooperation and one area of fruitful collaboration we identified was in the definition of SEPA-compliant standards and rules, where SWIFT's expertise is proving invaluable."
Werner Steinmueller,
Deutsche Bank, Germany

SWIFT2010 strategic thrusts

Emerging markets

SWIFT is strengthening its presence in emerging countries to help modernise their payments and securities systems and create more efficient financial markets.

Supporting emerging markets and remittances

THE WORLD BANK

Massimo Cirasino
Head, Payment Systems Development Group
The World Bank
USA

Since joining the World Bank in July 1998, Massimo Cirasino has been closely involved in financial sector reform programmes around the globe. In that capacity, he often finds himself working alongside and in partnership with SWIFT.

"Our cooperation began informally with our respective involvement in payment system reform," he says. "The World Bank supports a large number of emerging markets in the process of reforming their payments and securities systems. SWIFT often performs an equivalent role with the individual financial market infrastructures and financial institutions in these countries."

Cooperation takes place both on- and off-site. "We have worked together on specific projects," says Mr Cirasino, "but equally importantly, we continue to enrich our strategic thinking through dialogue and reciprocal participation in each other's events."

Moving forward, Cirasino sees room for further fruitful collaboration. "I expect increasing cooperation with SWIFT in the areas of market infrastructure and remittances – two subjects high on the agenda of many reform initiatives in emerging economies," he comments.

Streamlining technology

Bangkok Bank

Thanit Sirichote
Senior Vice President
Global Payment Services
Bangkok Bank
Thailand

Bangkok Bank has a strong reputation for innovation and the advantages of leveraging SWIFTNet were soon apparent to management.

"We quickly saw the benefit of SWIFTNet, and particularly of FileAct", says Khun Thanit. Bangkok Bank is Thailand's largest commercial bank and has the largest share of the Thai Baht clearing business. "We have significant international cash management relationships, which depend on file transfer and cash management technology. Our investment in the SWIFTNet infrastructure has allowed us to streamline that technology and to offer new services."

The bank has also replaced the leased line previously used to connect to the real-time Nostro hub in which it participates. "We now use SWIFTNet, which is much faster," says Khun Thanit. "As the Thai Baht is not yet a continuous linked settlement (CLS) currency, we want to provide our Thai Baht clearing clients with real-time Nostro account information so they can manage their settlement exposure proactively and conform to international best practices," he comments.

Bangkok Bank also runs an MA-CUG for customers in the Middle East, including Exchange Houses. "We previously communicated with these customers via telex," says Khun Thanit. "Now we send and receive via SWIFTNet messaging."

Creating best practice

Renaissance
Investment Management

Ilkka Salonen
President
Renaissance Investment Management
Russia

Mr Salonen is very familiar with the Russian banking community. Prior to joining Renaissance Investment Management, he was President of the Board of Management at the International Moscow Bank (IMB). He is one of the main drivers in the private sector of financial market reform and was instrumental in creating a robust framework for the Russian SWIFT community.

"One of the great benefits of adopting SWIFT is that it brings best practice to financial markets," says Mr Salonen. "This is important for the development of emerging economies."

"SWIFT's contribution to the Russian market infrastructure development has been particularly positive," says Mr Salonen. In 2006, the Federal Financial Markets Service (FFMS), the Russian regulator, signed a cooperation agreement with SWIFT to promote the use of ISO standards and to assist in the development of a central securities depository for the Russian financial markets. The Russian Central Bank, meanwhile, is building its RTGS system using SWIFTNet as an alternative messaging platform.

The Russian SWIFT national member group also plays a prominent role in promoting SWIFT standards and infrastructure to Russian commercial banks. As a result the share of domestic messaging that goes through SWIFT is particularly high in Russia (above 50 percent), as is the level of STP in rouble payments, says Mr Salonen.

"One of the great benefits of adopting SWIFT is that it brings best practice to financial markets. This is important for the development of emerging economies."
Ilkka Salonen, Renaissance Investment Management, Russia

SWIFT2010 strategic thrusts

Securities and derivatives

SWIFT is helping to address a lack of standards, heavy reliance on fax and other inefficiencies that increase risk and raise costs in the front- and back-office.

Automating derivatives

Timothy F. Keaney
Senior Executive Vice President
Bank of New York ConvergEx
United Kingdom

The Bank of New York is known globally for its asset servicing expertise. It is also among the top ten SWIFT users. "Connectivity with our asset management clients is crucial," says Timothy Keaney," and I find European investment managers to be ahead of their US peers in adopting SWIFT formats." The Bank of New York is also one of the banks piloting FpML messages.

Mr Keaney identifies two ways in which SWIFT works to the advantage of both the bank and its customers. "On the one hand, the use of SWIFTNet for inbound messages delivers economies of scale and greater levels of STP so there are no unprocessed transactions. Equally important, however, is the ability to send information-rich messages to the clients." Asset managers increasingly expect real-time updates and automated checks and balances, he says. "For asset managers, interest in automation is relatively new and the best way to help them achieve it is to promote the industry standard."

BNY is piloting FpML messages, the industry protocol for complex financial products, over SWIFTNet. "A significant development for our business is the growing interest in alternative investments, and specifically derivatives, among mutual funds and pension funds," says Mr Keaney. "It is the fastest growing near-term challenge for securities processing professionals. The availability of FpML on SWIFTNet will help us meet it."

Cooperating around FpML

ISDA.
INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

Robert Pickel
Executive Director and CEO
ISDA

In June 2006, the International Swaps and Derivatives Association (ISDA) and SWIFT agreed a strategic alliance to promote and enhance FpML messaging standards for OTC derivatives market. The collaboration will increase operational efficiency by transporting ISDA's FpML messaging standard over SWIFTNet. FpML covers the major derivatives asset classes and business processes.

"FpML is the lingua franca of OTC derivatives trade data communication and is widely recognised and promoted within the ISDA community," says Bob Pickel. "It is the de facto standard for the communication of electronic information for bilaterally negotiated derivative transactions."

A pilot programme began in the fall of 2006. Its first challenge was to arrange for the secure and rapid communication of a variety of OTC derivatives trade information between market participants. "This covers the process of trade notification between investment managers and custodians for a set of interest rate and credit derivative products", he says. Subsequent phases include matching of FpML messages, validation and expanded coverage of products and business processes, including portfolio reconciliation.

The programme has garnered involvement from investment managers, custodians and the alternative investment market. SWIFT and ISDA are committed to further collaboration on operational efficiencies across instruments.

Automating funds processing

Fidelity INTERNATIONAL

Janice Lin
Director, Operations, Asia Pacific

and **Kathy Shackle**
Director, B2B Automation Programme, Europe
Fidelity International

The Asian mutual fund industry is expected to grow to USD 2 trillion by 2010. Automation is key to competitively servicing those volumes. "In Asia Pacific, most of the processing work is fax-based," says Janice Lin. "There is a lot of manual work, which given the volatility of volumes is hard to resource for, both in terms of headcount and in office space." Also, faxes can be lost, they can be illegible and they allow for human error.

In Asia Pacific, Fidelity sees the solution in SWIFTNet Funds and was one of the first institutions to adopt it. "Last June, we took on our first client in Singapore, followed by two in Taiwan," says Ms Lin. Fidelity no longer needs to enter deals manually for those clients, and there is already a notable increase in client satisfaction. Fidelity is confident that the number of firms using SWIFTNet Funds XML messaging will increase. "We are in the educational phase with our Asian partners, but they are very receptive," says Janice, predicting that the automation rate of dealing flows will increase significantly in the next few years.

"Asia is going the way of the Continental European market," says Kathy Shackle. "Over the last five years, over 75 percent of our European financial institution volumes have been automated. The benefits are not only reduced operational costs, but also reduced error risk, reduced volume sensitivity, enhanced client servicing and the ability to deploy headcount more effectively."

"The interest in alternative investments... is the fastest growing near-term challenge for securities processing professionals. The availability of FpML on SWIFTNet will help us meet it."
Timothy F. Keaney, Bank of New York ConvergEx, United Kingdom

Facts & figures

Key 2006 data for all SWIFT messaging services

SWIFTNet is our IP-based messaging platform. It includes the core store-and-forward SWIFTNet FIN service and three additional messaging services: SWIFTNet InterAct, SWIFTNet FileAct and SWIFTNet Browse. These services enable secure, reliable and automated messaging between financial institutions and their industry counterparts, their end-customers or their market infrastructures. This section of the Annual Report provides data for all the messaging services.

+14.6%

InterAct growth
146.9 million messages

+13.7%

FIN growth
2.86 billion messages

+42.7%

FileAct growth
1.94 million files

SWIFTNet InterAct
Driven by high market infrastructure activity, users sent 14.6 percent more InterAct traffic in 2006 than in 2005. Together with the adoption of new SWIFTSolutions, the number of users grew from 428 to 567 and the number of services using SWIFTNet InterAct grew from 26 to 29.

SWIFTNet FileAct
Powered by a strong increase in Member-Administered Closed User Groups (MA-CUGs) and market infrastructures, SWIFTNet FileAct traffic grew 42.7 percent in terms of number of files. The number of customers using SWIFTNet FileAct doubled to 697 and the number of services using SWIFTNet FileAct increased from 46 to 53.

SWIFTNet Browse
SWIFTNet Browse enables secure, browser-based access to web servers available over SWIFTNet. It supports a wide range of solutions based on manual transaction input and reporting using web-based graphical user interfaces. The number of SWIFTNet Browse users increased from 212 to 399.

CREST
Since 1996, SWIFT provides interactive network services to CREST, the United Kingdom's securities settlement system. In 2004, CRESTCo accredited SWIFT to provide CREST services using SWIFTNet InterAct. Total CREST traffic increased 13.4 percent in 2006.

SWIFTNet InterAct

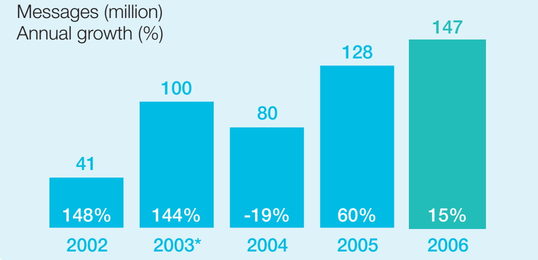
Financial institutions use SWIFTNet InterAct to send structured financial messages and short reports. It supports real-time messaging, store-and-forward messaging and real-time query and response between two customers. It is used in SWIFTSolutions, by market infrastructures and by MA-CUG administrators.

SWIFTNet InterAct messages*	146.9 million
Live and pilot users*	567
Services using SWIFTNet InterAct*	29

* Does not include traffic and users for SWIFTNet Accord, TSU and services which are still in testing or in implementation

SWIFTNet InterAct traffic evolution

Messages (million)
Annual growth (%)



* 2003 data contains a large amount of test messages

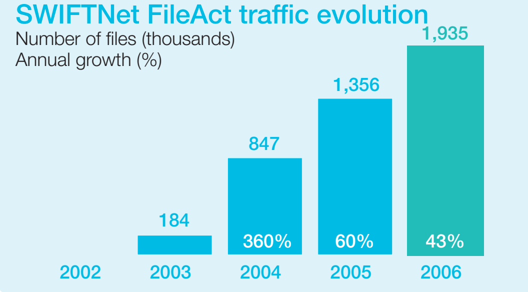
SWIFTNet FileAct

Financial institutions use SWIFTNet FileAct to send batches of structured financial messages and large reports. SWIFTNet FileAct supports the SWIFTSolutions portfolio and is available in Closed User Groups (CUGs). It is primarily tailored for the reliable transmission of large volumes of less critical information.

SWIFTNet FileAct volume in Kchar	132,114,506
SWIFTNet FileAct number of files	1,935,378
Live and pilot users	697
Services using SWIFTNet FileAct	53

SWIFTNet FileAct traffic evolution

Number of files (thousands)
Annual growth (%)



Top 20 SWIFTNet InterAct user countries

		Number of messages (million)	Growth	Share
1	United Kingdom	48.68	47.3%	33.1%
2	Switzerland	18.30	79.0%	12.5%
3	United States	18.04	30.6%	12.3%
4	Germany	8.36	4.5%	5.7%
5	Netherlands	7.07	6.9%	4.8%
6	Sweden	6.79	50.3%	4.6%
7	Japan	6.57	-3.5%	4.5%
8	France	6.24	-12.9%	4.3%
9	Belgium*	4.96	-71.6%	3.4%
10	Australia	3.49	1.3%	2.4%
11	Singapore	2.67	-9.0%	1.8%
12	Canada	2.62	39.1%	1.8%
13	Italy	2.44	-7.4%	1.7%
14	Denmark	2.29	3.4%	1.6%
15	Spain	1.84	19.0%	1.3%
16	South Africa	1.67	-9.2%	1.1%
17	Korea, Republic of	1.28	9.0%	0.9%
18	Hong Kong	1.07	14.8%	0.7%
19	Norway	0.89	-19.0%	0.6%
20	Luxembourg	0.82	14.6%	0.6%
Other countries		0.80	955.8%	0.5%
Total		**146.89**	**14.6%**	**100.0%**

* Note: 2005 volume was exceptionally high due to piloting of new infrastructure

Top 20 SWIFTNet FileAct user countries

		Number of files (thousands)	Growth	Megabytes*
1	France	675	27.5%	12.542
2	United Kingdom	233	92.2%	27,482
3	United States	148	63.4%	10,934
4	Belgium	145	21.2%	9,325
5	Germany	104	1.0%	20,147
6	Spain	92	70.1%	4,927
7	Italy	73	86.5%	2,442
8	Canada	64	17.7%	2,871
9	Netherlands	59	-41.8%	5,461
10	Portugal	48	262.8%	944
11	Albania	34	77.8%	104
12	Switzerland	33	177.7%	1,010
13	Denmark	32	195.0%	1,047
14	Sweden	32	123.9%	1,125
15	Luxembourg	25	251.9%	3,044
16	Zimbabwe	22	>999.9%	11,183
17	South Africa	17	8.5%	3,852
18	Austria	17	143.3%	3,087
19	Finland	16	37.7%	833
20	Singapore	12	49.7%	95
Other countries		58	131.9%	3,539
Total		**1,935**	**42.7%**	**125,994**

* Note: 1 Megabyte = 1,048,576 characters

SWIFTNet FIN

SWIFTNet FIN traffic showed consistently strong performance throughout the year, resulting in an end-of-year growth of 13.7 percent. This result was driven by strong securities traffic which showed an end-of-year increase of 22.1 percent. Payments and treasury traffic growth of 9.3 percent and 12.8 percent respectively were also above expectations.

Payments

Payments message volume grew 9.3 percent. This growth was driven by increased securities and FX settlements as well as an increase in customer credit transfers.

Securities

Securities traffic grew 22.1 percent to over 1 billion messages. This growth was driven by increased clearing and settlement activity by market infrastructures and strong adoption of the Corporate Actions message types.

Securities transactions contributed 19 percent to payments traffic and 19 percent to treasury traffic. The securities industry contributed 63 percent to year-over-year growth and represents 47.5 percent of total SWIFTNet FIN traffic.

Treasury

Treasury traffic grew 12.8 percent, driven by high foreign exchange volatility.

Trade

Trade traffic grew 2.6 percent, driven by increased commerce with Emerging and Asian markets.

FIN Copy

Supports 42 High Value Payments Systems. FIN Copy traffic grew 6.2 percent.

SWIFTNet FIN

Financial institutions use SWIFTNet 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.

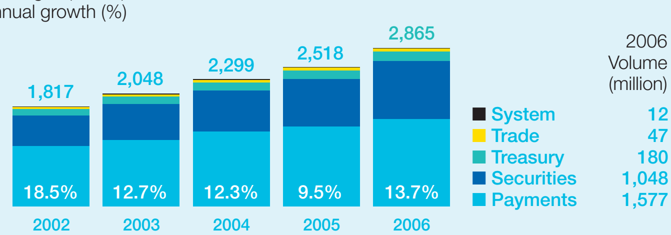
SWIFTNet FIN message categories (message types)

Payments	Cat 1	Customer payments and cheques
	Cat 2	Financial institutions transfers
	Cat 8	Traveller's cheques
	Cat 9	Cash management and customer status
FIN Copy	MT 012 + MT 096	
Securities	Cat 5	Securities markets
Treasury	Cat 3	Treasury markets, foreign exchange, money markets and derivatives
	Cat 6	Treasury markets, precious metals and syndications
Trade	Cat 4	Collection and cash letters
	Cat 7	Documentary credits and guarantees
System	Cat 0*	System messages

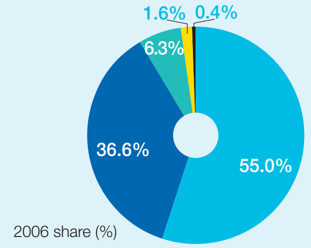
* Excluding FIN Copy messages: MT 012 + MT 096

SWIFTNet FIN messages – evolution by market

Messages (million)
Annual growth (%)

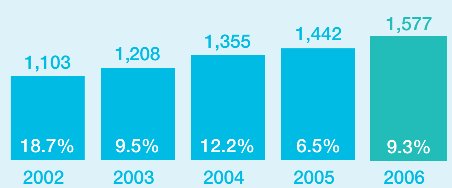


SWIFTNet FIN messages by market



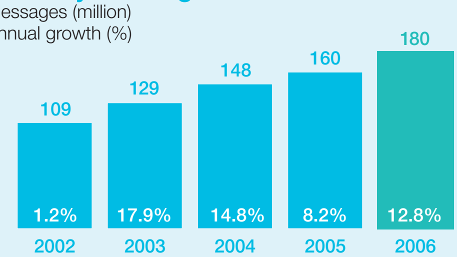
Payments messages

Messages (million)
Annual growth (%)



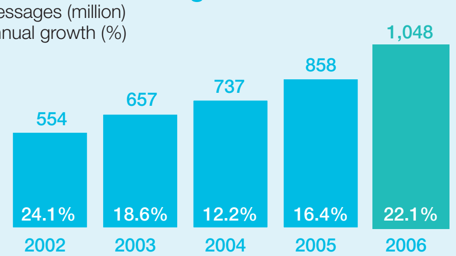
Treasury messages

Messages (million)
Annual growth (%)



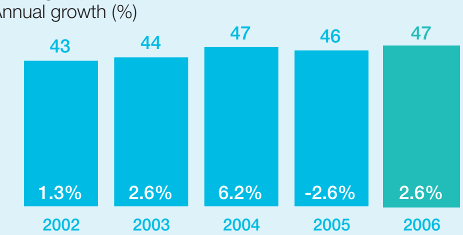
Securities messages

Messages (million)
Annual growth (%)



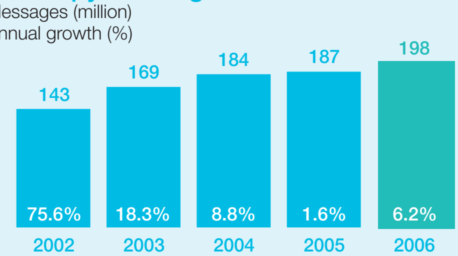
Trade messages

Messages (million)
Annual growth (%)



FIN Copy messages

Messages (million)
Annual growth (%)

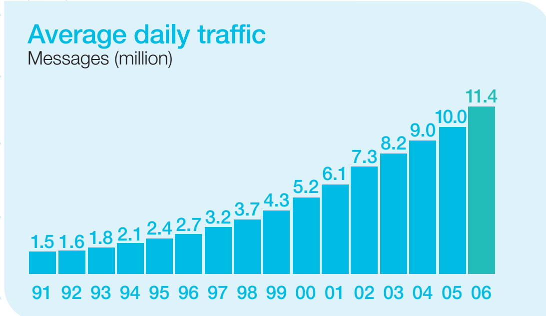


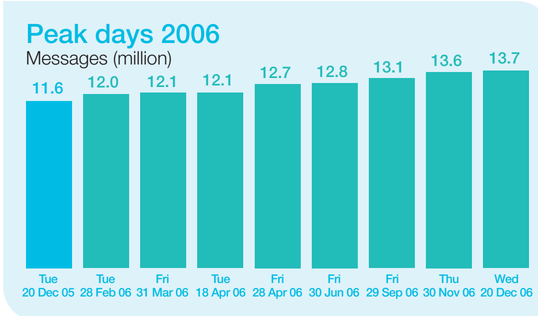
FIN Copy

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

Peak days

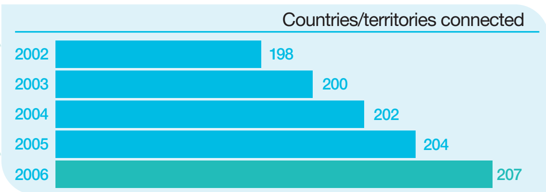
SWIFTNet FIN traffic hit its 2006 peak on 20 December, with 13,663,975 messages processed. This was the eight peak day of 2006 and is attributed to very vigorous end-of-year traffic across all markets, together with seasonal customer status reporting. On 1 December 2006, the securities market traffic hit its own record peak of 5,054,279 messages, driven by high clearing and settlement and corporate actions activity.

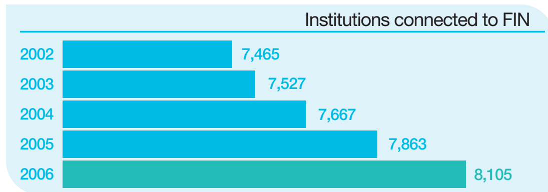


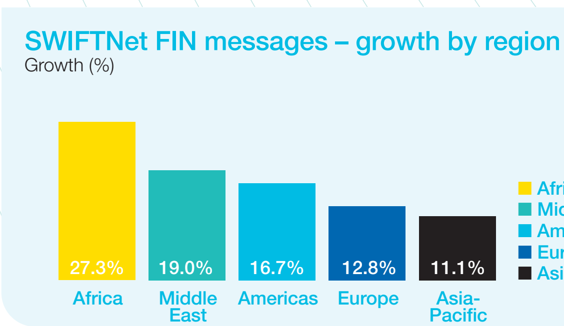


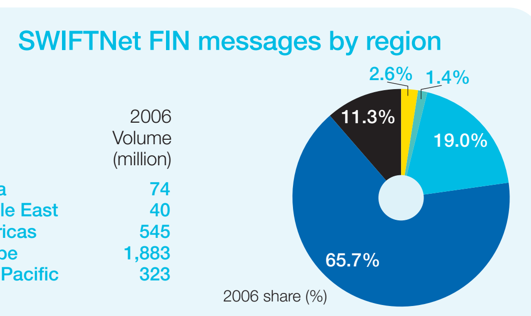
Countries and territories

SWIFT extended its reach to three more countries in 2006. São Tomé and Principe connected to the network in February, Tuvalu in May and Guinea Bissau in September.









FIN top 25 countries

Rank based on traffic for all users in the country

		Traffic millions	Growth	Share
1	United Kingdom	482.53	11.8%	16.8%
2	United States	470.33	15.9%	16.4%
3	Germany	268.62	9.5%	9.4%
4	Belgium	184.08	24.0%	6.4%
5	France	150.01	5.6%	5.2%
6	Italy	110.21	6.6%	3.8%
7	Netherlands	101.97	9.7%	3.6%
8	Switzerland	99.12	10.9%	3.5%
9	Luxembourg	91.99	20.1%	3.2%
10	Japan	84.26	10.6%	2.9%
11	Spain	50.74	13.2%	1.8%
12	Australia	50.15	18.3%	1.8%
13	Hong Kong	49.17	10.4%	1.7%
14	South Africa	45.86	20.5%	1.6%
15	Sweden	45.83	16.0%	1.6%
16	Canada	42.04	22.5%	1.5%
17	Austria	42.02	19.3%	1.5%
18	Finland	30.29	22.0%	1.1%
19	Norway	30.09	36.4%	1.1%
20	Singapore	29.40	18.3%	1.0%
21	Denmark	28.17	16.5%	1.0%
22	Korea, Republic of	22.74	11.8%	0.8%
23	Russia	20.53	15.3%	0.7%
24	Greece	18.26	11.0%	0.6%
25	Ireland	17.45	5.0%	0.6%
Other countries		298.65	14.5%	10.4%
Total		**2,864.54**	**13.7%**	**100.0%**

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

		Traffic millions	Growth	Share
1	United States	742.46	18.5%	25.9%
2	United Kingdom	333.55	11.0%	11.6%
3	Germany	225.43	-1.6%	7.9%
4	France	216.90	10.9%	7.6%
5	Belgium	185.52	21.9%	6.5%
6	Netherlands	135.99	11.1%	4.7%
7	Switzerland	134.84	12.2%	4.7%
8	Italy	122.98	7.8%	4.3%
9	Japan	62.95	2.7%	2.2%
10	Luxembourg	61.69	22.7%	2.2%
11	Sweden	57.31	22.5%	2.0%
12	Canada	53.69	31.0%	1.9%
13	Finland	52.02	18.1%	1.8%
14	Australia	47.09	12.6%	1.6%
15	South Africa	44.95	21.3%	1.6%
16	Spain	42.59	13.7%	1.5%
17	Austria	40.13	16.9%	1.4%
18	China	26.25	9.7%	0.9%
19	Norway	19.90	36.2%	0.7%
20	Denmark	18.81	12.6%	0.7%
21	Russia	17.64	13.8%	0.6%
22	Greece	14.16	9.6%	0.5%
23	Korea, Republic of	13.52	8.2%	0.5%
24	Ireland	13.41	-0.7%	0.5%
25	Singapore	11.43	38.4%	0.4%
Other countries		169.35	16.4%	5.9%
Total		**2,864.54**	**13.7%**	**100.0%**

Members, users and SWIFTNet FIN traffic by country or territory

Despite consolidation in the financial industry, the number of members increased by 63 in 2006. The number of members, sub-members and participants connected to SWIFTNet FIN increased by 242.

	Member banks	Institutions connected to FIN	Messages sent (thousands)	Messages received (thousands)
Afghanistan	3	12	69	92
Albania	5	18	324	339
Algeria	6	23	1,122	1,414
Andorra	4	7	521	729
Angola	6	14	679	571
Anguilla	1	4	14	20
Antigua and Barbuda	3	12	128	168
Argentina	19	50	1,444	1,724
Armenia	12	22	215	300
Aruba	2	5	106	102
Australia	11	90	50,150	45,668
Austria	50	97	42,018	39,047
Azerbaijan	10	47	1,002	1,174
Bahamas	4	57	929	1,305
Bahrain	11	62	1,940	1,726
Bangladesh	22	44	1,215	3,357
Barbados	3	12	191	268
Belarus	8	27	1,354	1,804
Belgium	22	87	184,078	109,960
Belize	1	5	30	39
Benin	4	12	106	163
Bermuda	2	11	1,244	3,213
Bhutan	0	3	16	22
Bolivia	4	13	202	351
Bosnia-Herzegovina	21	31	2,378	2,359
Botswana	3	10	401	275
Brazil	25	80	4,562	5,508
British Virgin Islands	0	2	34	76
Brunei Darussalam	1	8	139	80
Bulgaria	17	35	3,711	4,131
Burkina Faso	0	11	109	235
Burundi	0	8	38	48
Cambodia	5	16	119	202
Cameroon	7	11	144	180
Canada	14	63	42,042	32,071
Cape Verde	3	4	48	110
Cayman Islands	2	66	529	746
Central African Republic	0	4	16	20
Chad	1	8	34	37
Chile	9	29	4,361	4,319
China	37	196	15,393	42,094
Colombia	16	23	1,160	1,322
Comoros Islands	0	1	7	9
Congo	1	6	34	26
Congo (Democratic Republic of)	0	11	122	148
Cook Islands	0	2	22	20
Costa Rica	0	15	353	534
Côte d'Ivoire	7	21	334	482
Croatia	21	37	3,380	3,250
Cuba	6	10	507	822
Cyprus	8	35	3,018	2,626
Czech Republic	9	28	9,613	6,453
Denmark	27	58	28,174	23,415
Djibouti	1	3	38	45
Dominica	0	4	25	32
Dominican Republic	4	12	263	418
Ecuador	11	23	1,014	1,910
Egypt	32	52	4,314	4,732
El Salvador	3	10	184	229
Equatorial Guinea	1	6	24	19
Eritrea	0	2	7	19
Estonia	2	13	2,229	1,844
Ethiopia	1	11	156	299
Faeroe Islands	1	2	47	57
Falkland Islands	0	1	8	6
Fiji	1	6	158	232
Finland	8	21	30,285	12,504
France *	46	256	150,395	143,847
Gabon	2	7	161	93
Gambia	0	7	41	67
Georgia	4	18	216	332
Germany	107	299	268,623	247,345
Ghana	9	25	346	483
Gibraltar	0	12	141	331
Greece	16	40	18,265	12,655
Greenland	0	1	17	16
Grenada	1	5	35	44
Guatemala	1	14	257	228
Guernsey, C.I.	1	32	1,303	2,072
Guinea	0	6	30	48
Guinea-Bissau	0	3	1	2
Guyana	1	4	42	68
Haiti	0	9	53	46
Honduras	1	11	142	201
Hong Kong	26	196	49,169	48,188
Hungary	12	41	10,370	7,765
Iceland	5	6	1,328	1,014
India	48	93	9,627	14,215
Indonesia	28	63	8,208	8,395
Iran	14	18	1,769	1,612
Iraq	3	13	54	79
Ireland	12	81	17,451	17,559
Isle of Man	0	13	302	481
Israel	9	15	4,641	4,688
Italy	122	259	110,213	103,110
Jamaica	2	6	250	280
Japan	122	261	84,263	64,915
Jersey, C.I.	2	30	3,857	4,084
Jordan	12	24	1,915	1,927
Kazakhstan	8	39	1,284	1,188
Kenya	11	44	1,073	1,336
Kiribati	0	1	4	5
Korea, Republic of	20	67	22,742	15,516
Kuwait	12	31	2,901	2,272
Kyrgyzstan	1	19	418	293
Laos	1	5	28	63
Latvia	15	26	5,130	4,464
Lebanon	24	59	2,615	2,846
Lesotho	1	4	66	73
Liberia	0	4	16	21
Libyan Arab Jamahiriya	5	14	248	267
Liechtenstein	5	12	951	1,962
Lithuania	5	12	2,828	2,175
Luxembourg	22	155	91,992	80,483
Macao	4	21	701	805
Macedonia	4	17	554	606
Madagascar	5	8	195	256
Malawi	2	8	98	141
Malaysia	13	50	10,355	5,164
Maldives	1	6	117	101
Mali	1	13	106	276
Malta	8	15	990	799
Mauritania	2	11	32	63
Mauritius	6	19	994	978
Mexico	12	32	5,892	6,509
Moldova, Republic of	2	17	297	471
Monaco	3	20	631	1,204
Mongolia	6	16	101	150
Montserrat	0	2	5	5
Morocco	11	19	1,517	1,763
Mozambique	1	10	127	189
Myanmar	2	4	87	84
Namibia	5	10	509	558
Nepal	6	18	214	381
Netherlands Antilles	7	24	816	848
New Zealand	5	15	7,703	7,417
Nicaragua	2	8	95	150
Niger	0	10	52	124
Nigeria	14	26	851	1,407
North Korea	9	17	23	24
Norway	13	31	30,094	15,253
Oman	6	15	751	526
Pakistan	14	37	2,050	3,878
Palestine	2	10	147	573
Panama	7	43	760	851
Papua New Guinea	3	5	185	109
Paraguay	0	14	172	220
Peru	5	13	806	1,228
Philippines	19	48	3,719	5,497
Poland	21	49	12,511	11,059
Portugal	19	44	8,745	6,838
Qatar	8	19	2,459	2,211
Romania	15	41	7,114	6,884
Russian Federation	108	479	20,533	20,247
Rwanda	2	7	48	82
Saint Kitts and Nevis	2	7	73	92
Saint Lucia	1	7	80	98
Saint Vincent	2	5	34	47
Samoa	1	5	29	52
San Marino	2	4	34	47
São Tomé and Principe	0	6	8	9
Saudi Arabia	13	20	9,853	2,615
Senegal	3	18	970	695
Serbia-Montenegro	18	49	1,952	2,081
Seychelles	1	4	60	58
Sierra Leone	1	7	36	58
Singapore	8	160	29,401	30,415
Slovakia	9	19	3,830	3,287
Slovenia	13	23	5,293	5,303
Solomon Islands	1	4	48	36
South Africa	9	104	45,859	42,013
Spain	45	110	50,744	36,661
Sri Lanka	9	33	2,458	2,689
Sudan	3	33	216	549
Suriname	1	5	60	107
Swaziland	1	5	91	92
Sweden	7	34	45,831	31,042
Switzerland	100	267	99,121	105,540
Syrian Arab Republic	3	8	211	398
Taiwan	34	76	13,021	15,750
Tajikistan	1	9	54	126
Tanzania	0	26	561	686
Thailand	11	34	10,283	11,060
The Netherlands	23	94	101,974	111,103
Timor-Leste	0	2	8	7
Togo	3	13	61	122
Tonga	1	3	31	32
Trinidad and Tobago	3	8	354	356
Tunisia	17	24	1,370	1,497
Turkey	29	50	9,754	11,061
Turkmenistan	0	3	24	47
Turks & Caicos	0	3	45	55
Tuvalu	0	1	2	2
Uganda	3	17	1,013	1,106
Ukraine	19	121	2,428	4,049
United Arab Emirates	20	58	9,699	9,203
United Kingdom	88	457	482,525	617,458
United States *	114	599	470,492	525,694
Uruguay	5	22	595	885
Uzbekistan	3	22	216	362
Vanuatu	0	4	44	93
Vatican City State	1	1	47	71
Venezuela	12	48	4,266	4,250
Vietnam	11	57	1,582	2,589
Yemen	5	14	237	314
Zambia	4	14	734	745
Zimbabwe	14	28	9,259	9,250
Total	**2,301**	**8,105**	**2,864,540**	**2,864,540**

* Including overseas territories

Data includes all market, system and market infrastructure messages.

Customer events:

Inspiring the global financial community

↘ The customer events SWIFT organises each year around the world are a prime channel through which it maintains a dialogue with its worldwide community. They bring together industry leaders, financial institutions and technology providers to advance critical dialogue, network and learn about SWIFT products and services.

The annual Sibos conference and exhibition is the flagship event. A broad programme of conference sessions generates strategic debate around the way forward for the financial industry. The exhibition allows delegates to discover the latest SWIFT-related solutions from middleware vendors, system integrators, financial institutions, consultants and central clearing systems.

Fifty thousand people have attended the past 10 Sibos conferences, making Sibos the premier financial services event.

Seven thousand participants and over 200 exhibitors are expected in Boston 1–5 October for Sibos 2007.

sibos 2005
Copenhagen
6,800 participants

sibos 1998
Helsinki
3,500 participants

sibos 1999
Munich
5,300 participants

sibos 2002
Geneva
6,000 participants

sibos 1996
Florence
3,500 participants

sibos 2003
Singapore
4,600 participants

sibos 1997
Sydney
3,000 participants

sibos 2006
Sydney
5,700 participants

Over the past 10 years SWIFT has organised regional customer events in:

Abu Dhabi
Accra
Bahrain
Beijing
Brussels
Bucharest
Cape Town
Dakar
Dubai
Ecuador
Havana
Lima
London
Madrid
Maputo
Marrakech
Mauritius
Mexico City
Milan
Mumbai
Munich
Nairobi
Namibia
New York
Paris
Panama
Rome
Santiago
Singapore
St Petersburg
São Paulo
Tunis
Warsaw

"One Sibos takeaway is that the level of contact has been at a much higher level. Instead of technical people turning up, we've had CEOs, CFOs and members of the board. The dialogue is at a much more strategic level."
Michael Burkie, vice president, global payment services, The Bank of New York

Governing the co-operative

↘ SWIFT is a co-operative society under Belgian law, which its shareholders own and control. The shareholders elect a Board of 25 independent Directors, which governs the Company and oversees the Executive Steering Group (ESG). The ESG is a group of full-time employees headed by a Chief Executive Officer.

Elections
The members of SWIFT elect a Board of 25 independent Directors, which governs the Company and oversees the Executive Steering Group (ESG). 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.

The SWIFT Board has six committees:

— Audit and Finance
— Human Resources
— Banking and Payments
— Securities
— Standards
— Technology and Production

The committees provide guidance to the Board and the ESG, and review project progress in their respective areas.

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;
  — Regulatory oversight;
  — Budget, finance and financial long-term planning;
  — Responsibility and liability; and
  — Audit oversight.

  The AFC meets four or five times per year with management, the CFO, SWIFT's Chief Auditor and external auditors.

- The Human Resources Committee oversees executive compensation. It assesses Company performance and decides on the remuneration package for members of the ESG 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 ESG 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 Executive for Human Resources, and the CFO on financial and

National Member Groups and National User Groups help ensure a coherent global focus.

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 ESG, 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 functional reporting line to the Chair of the Audit and Finance Committee (AFC), and 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 2006, and runs to June 2009. Their financial audit statement is on page 31.
— PricewaterhouseCoopers has held the Security Audit mandate since September 2003. It runs to June 2008.

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 (read more about oversight on page 24).

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:

a) The shareholders from each of the first six nations ranked by number of shares may collectively propose two Directors for election.
b) The shareholders from each of the ten following nations ranked by number of shares may collectively propose one Director for election.
c) 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.

↘ 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, and the most recent strengthening of the practical arrangements took place in 2004.

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 dialogue 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.

Oversight of SWIFT

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.

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 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 ad hoc meetings on a regular basis, 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.

The official description of the NBB's oversight role can be found in *Financial Stability Review 2005*, published by The National Bank of Belgium and available on its website.

www.bnb.be

Board of Directors

1 Yawar Shah
Chairman
Executive Vice President, Global Operations Executive, Worldwide Securities Services, JPMorgan Chase Bank, United States
Elected Chairman in 2006. SWIFT Director since 1995 and Deputy Chairman from 1996 to 2006. At JPMorgan Chase, responsible for global operations for Worldwide Securities Services. Prior assignments have included Retail Service and Operations Executive, Chief Operating Officer of the Global Private Bank, General Manager of the Treasury Management Services business, as well as Chief Administrative Officer for Geoserve.

2 Stephan Zimmermann
Deputy Chairman
COO, Global Wealth Management & Business Banking and Member of the Group Managing Board, UBS AG, Switzerland
SWIFT Director since 1998. Chairman Telekurs Holding AG.

3 Roland Böff
General Manager, SECB Swiss Euro Clearing Bank GmbH, Germany
SWIFT Director since 1999. Chairman of SWIFT's Pricing Board Task Force and Standards Committee.

4 Ignace Combes
Deputy Chief Executive Officer, Euroclear SA/NV, Belgium
SWIFT Director since 2006. Deputy Chief Executive Officer, Vice Chairman of the Management Committee and member of the Executive Committee of Euroclear SA/NV. Chairman of the Board of Directors of Euroclear Nederland and Euroclear Belgium and member of the Board of Directors of Euroclear Bank. He also oversees Strategy, IT Development and Market Harmonisation. He is also a Director of LCH.Clearnet and a Director of FEBELFIN/ABB and he is Chairman of TransConstellation a.s.b.l./v.z.w. Previously held several managerial positions with JPMorgan in Brussels and New York.

5 Arthur Cousins
Director Strategy and Product Development, The Standard Bank of South Africa, South Africa
SWIFT Director since 2003. Joined Standard Bank in 1969. Currently responsible for strategy and product development at Corporate and Investment Banking Division. Previously Head of Treasury Operations, International Banking Operations including trade finance, and custody. CLS Board Member. Previous Board Member of STRATE (national CSD). Member of the JSE Securities Exchange Advisory Committee for Clearing and Settlement. Chairman Financial Industry Services Association. Member of the Money Market Forum. Chairman of National ISO TC68 Standards Committee and a Member of the Global Payments Forum Steering Committee.

6 Pascal Deman
CEO, Fin-Force, Belgium
SWIFT Director since 2002. Master in Applied Economics, University of Louvain (Belgium). Began his career with Kredietbank in 1980. Held various managerial positions, including foreign entities in Australia and France. Appointed CEO and Director of Fin-Force in May 2002. Holds several other directorships.

7 Erik Dralans
Senior Executive Vice President and Head of Operations and IT Banking, ING, The Netherlands
SWIFT Director since 2003. Started his career with Bank Brussels Lambert in 1972 and gained extensive international experience while working in Tokyo, Northeast Asia, Singapore and New York. Currently responsible for the processing of global operations and the related IT applications and platforms for ING Bank. Vice Chairman of the Board of Equens, Chairman of the European Debit Advisory Committee of MasterCard.

8 John Ellington
Director, Payment Operations, The Royal Bank of Scotland, United Kingdom
SWIFT Director since 2005. Joined The Royal Bank of Scotland (previously NatWest) in 1985 and held several managerial positions in international payment and trade operations. Currently responsible for all non-card payment processing operations and associated customer service functions within the UK, including domestic and international electronic payments, trade services, cheque clearing, cash handling, ATM network and electronic banking support. Director, SWIFT (UK), Director, LiNK and Alternate Member of the APACS Council.

9 Wolfgang Gaertner
CIO, Deutsche Bank AG, Germany
SWIFT Director since 2001. Joined Deutsche Bank in 1998 and serves as Chief Information Officer. His group provides IT solutions and operations services to the Global Banking, Private & Business Clients and Private Wealth Management divisions. Previous functions included management of Deutsche Bank's cash business for financial institutions, as well as managerial positions in IT at Commerzbank. Holds a degree in economics and technology from the University of Karlsruhe.

10 Günther Gall
Executive Vice President, Division Head of Transactions Services, Raiffeisen Zentralbank, Austria
SWIFT Director since 2001. Joined the Genossenschaftliche Zentralbank, Vienna (formerly Raiffeisen Zentralbank) in 1969. Currently Divisional Head of Transaction Services, which comprise cash management, custody, cards and infrastructure. Represents the Raiffeisen Banking Group on the Supervisory Board of STUZZA, the Austrian platform for non-competitive cooperation in payments and A-TRUST, the accredited Austrian Certification Authority. Additionally, a member of the Supervisory Board of EPA, Europay Austria, an Austrian payment company for card payments (Maestro, MasterCard). Internationally, he is Member of the EBA Association Board and the European Payment Council Plenary.

11 Jean-Yves Garnier
Deputy Manager, NATIXIS, France
SWIFT Director since 2002. Joined NATIXIS (subsidiairy of Banques Populaires Group and Saving Banks Group) in 1988 and was appointed Head of Interbank Relationships for Payments. Previously supervised the back-offices for card and payment systems and the project management team. Previously held functions at Banque Internationale pour l'Afrique Occidentale and Société Générale.

12 Alan Goldstein
Managing Director, The Bank of New York, United States
SWIFT Director since 2006. Joined The Bank of New York in 1997 as a Senior Vice President and Division Manager for Software Development. Currently responsible for Technology Risk Management and Architecture at the firm, with additional responsibility for Financial Messaging Systems, Data and Database Administration functions and Distributed Applications supporting Investor Services and Global Payment Services. Previously held technological and management positions with a number of firms in the US and Europe.

13 Finn Otto Hansen
Head, SWIFT and settlement systems, corporate function, DnB NOR Bank ASA, Norway
SWIFT Director since 2004. Joined DnB NOR in 1974. Held various positions in Credit, Payments and Cash Management. Currently heads the department for SWIFT and settlement systems, corporate function. Has represented his institution and Norwegian banks on various national committees over the last two decades, including the SWIFT National Member Group. Is a Member of the CLS Bank Board, the CLS Holding Board and representative of DnB NOR to EBA Clearing.

14 Takashi Kimori
General Manager of Transaction Services Division, The Bank of Tokyo-Mitsubishi UFJ Ltd, Japan
SWIFT Director since 2005. Joined The Bank of Tokyo Ltd. in 1978. Responsible for JPY interbank cash and securities payment and settlement operations as well as implementing and promoting new settlement business in industry-wide issues, such as developing various insourcing businesses in DVP settlements for Japanese Securities. Also responsible for JPY custody business and operations. Held various managerial positions in Foreign Exchange and Treasury in Tokyo Head Office, European Treasury Office in London, Brussels and Paris. Holds a degree in Economics from the University of Kyoto.

15 Yves Maas
Head, International Operations and External Relations, Credit Suisse, Switzerland
SWIFT Director since 2003. Started his career with Credit Suisse in 1999 (Credit Suisse Private Banking). Held positions in Securities, Treasury, IT, Operations as well as managerial positions at Cedelbank in Luxembourg. Member of the Board of SIS SegaInterSettle AG and representative of Credit Suisse at the G30 Clearing and Settlement Monitoring Committee.

16 Jacques-Philippe Marson
President and CEO, BNP Paribas Securities Services, France
SWIFT Director since 2001. Joined Paribas in 1998 as Head of Global Securities Services and Member of the Investment Bank Management Board. Formerly Executive Vice President of State Street. Held managerial positions at Cedel, SWIFT and JPMorgan. Member of the Board of Trustees of the International Charter School of New England, Member of the Board of Omgeo and Member of the ISSA Board.

17 Lynn Mathews
Chairman of the Australian National Member Group and Asia Pacific and Latin American Representative of CLS Services, Australia
SWIFT Director since 1998. Formerly, Head of Payments Products and Industry Policy and Strategy in the Global Transaction Services Group at Westpac Banking Corporation and General Manager of the Corporate and Investor Services Group at Citibank in Australia. Former Deputy Chairman of Austraclear Ltd.

18 Maurizio Mistura
Interbank Relations Director, SIA Ced Borsa SpA, Italy
SWIFT Director since 2000. Joined Banca Commerciale Italiana (now Intesa San Paolo) in 1967. He has held various domestic and international responsibilities. Joined SIA, Società Interbancaria per l'Automazione in 2003.

19 Martin Read
Assistant General Manager, The Bank of Nova Scotia, Canada
SWIFT Director since 1990. Assistant General Manager, Electronic Banking at The Bank of Nova Scotia. Previously Head of its International Banking Division. Chairman of SWIFT's Audit and Finance Committee.

20 Alfredo Rodríguez Pinilla
Director, Global Operations-Corporate Projects, Banco Bilbao Vizcaya Argentaria, Spain
SWIFT Director since 2003. Formerly Head of Operations at Banco Bilbao Vizcaya Argentaria (BBVA) London from 1995 until end 2002. Recently assigned to IT & Operations Division. Board Member at EBA Clearing, Member of the European Payments Council (EPC).

21 Eli I. Sinyak
Chief Information Officer, HSBC Asia Pacific, Hong Kong SAR
SWIFT Director since 2006. Assigned to HSBC's Asia Pacific region in 2005 as the Chief Information Officer with regional responsibility for Information Technology along with global responsibility for Commercial Banking IT. Member of the Executive Committee for Asia Pacific. Previously CEO of HSBC.com with global responsibility for e-commerce, Vice President of Distributed Systems for HSBC North America. Prior to joining HSBC held senior management posts in IT for other financial services and information technology firms.

22 Per-Eric Skotthag
Deputy Head of Global Operation Services and Head of GOS Transition Office, Nordea Bank AB (publ), Sweden
SWIFT Director since 2006. Joined Nordea Bank AB in 2003. Formerly CEO of Postgirot Bank, Deputy Regional Manager at SEB, Head of Cash Management and Payments at SEB. Member of number of Credit, Executive and other committees at SEB, the Swedish Post, Postgirot Bank, Nordea, Swedish Central Bank.

23 Marilyn H. Spearing
Global Head of Trade Finance and Cash Management Corporates, Global Transaction Banking, Deutsche Bank, United Kingdom
SWIFT Director since 2005. GTB covers Deutsche Bank's payments, cash management, trade finance, and trust and securities services. Joined Deutsche Bank in August 2006 with 25 years of banking experience. Former roles included her ten-year tenure at HSBC as Global Head of Payments and Cash Management. Prior to that, she held senior positions at Barclays Global Banking Services Division and Barclays de Zoete Wedd in New York.

24 Jeffrey Tessler
Member of the Board of Directors, Clearstream International S.A., Luxembourg
SWIFT Director since 2006. Chief Executive Officer of Clearstream International S.A., Chairman of the Group Executive Management of Clearstream International S.A., Member of the Executive Board of Deutsche Börse AG, Chief Executive Officer of Clearstream Banking S.A., Chairman of the Group Executive Management of Clearstream Banking S.A., Chairman of Edmond Israel Foundation. Previously held several managerial positions at Bank of New York, and BNY Securities Group in New York.

25 Jee Hong Yee-Tang
Technology Advisor, The Association of Banks in Singapore (ABS), Singapore
SWIFT Director since 1999. Member of Computerisation Steering Committee of National Health Care Group, Singapore. Previously Managing Director and Head of IT at DBS Bank. As EVP (Corporate Services) had responsibility for risk management and various operational departments, including Finance, Human Resources, Trade Finance, Credit Administration and Settlements. Was Board Member of DBS Asset Management and DBS Card Centre Pte Ltd.

Jaap Kamp
Chairman 2000 – 2006
The Netherlands
SWIFT Director since 1994 and Chairman of the Board since 2000. Jaap Kamp joined ABN AMRO Bank in 1975 and held Senior Executive Vice President positions in Wholesale Banking, Payments, Human Resources, Legal & Compliance until his retirement from the bank in September 2005.

↘ The SWIFT Board of Directors delegates the day-to-day management of the Company to the Chief Executive Officer (CEO). The CEO and the Executive Heads of the various divisions form the Executive Steering Group (ESG). The ESG is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other information presented in this Annual Report. The Executive Heads report to the CEO.

Organisational structure

SWIFT is organised into seven divisions, each led by an Executive:

— Marketing determines market demand and customer requirements for all products and services. It includes the Standards department and relations with all of SWIFT's technology partners.
— The Banking Industry and Securities Industry divisions manage commercial relationships with customers and market infrastructures and promote the SWIFT messaging services and SWIFTSolutions portfolio to prospective customers.

Executive Steering Group

Left to right:
Michael Fish, Mark Waller, Lázaro Campos, Leonard Schrank, Johan Kestens, Jim Donovan, Brian Haughan and Francis Vanbever.

The SWIFT divisions

– Marketing
– Banking Industry
– Securities Industry
– IT & Tech OPS
– Customer Operations
– Finance and Administration
– Human Resources

— IT designs and develops all product and technology solutions. It is also responsible for the security control framework for the SWIFT enterprise. Technology Operations manages and monitors the services used by customers including the running of SWIFT's operational centres and global network.
— Customer Operations is responsible for customer ordering, service provisioning, global customer support and crisis management.
— Finance and Administration is responsible for financial management, monitoring Company performance, billing, purchasing, logistics and general administration services.
— Human Resources recruits, develops, retains and rewards talent and provides the programmes, policies and practices to help achieve business goals through motivated, high-performing employees.

Remuneration of Executives

The remuneration of the CEO and the ESG is designed to:

— Attract and retain high-calibre talent, for which SWIFT competes in the international marketplace;
— Reward achievement of both demanding operational targets and medium-term strategic objectives; and
— Recognise both strong individual contribution and solid team performance.

The composition and the aggregate Company cost of the reward package of the CEO and the Executive for 2006 and 2005 are included in the Related Party Disclosures section of this Annual Report (see Note 31 on page 52).

The main components of the short-term employee benefits are the base salary and the annual bonus. The annual bonus is linked to the achievement of operational targets. The main benefit in the post-employment benefits is a defined benefit pension plan. This plan provides for a pension calculated on the 'final pensionable salary', which excludes variable compensation. The long-term incentive awards make up the most important element of the benefits reported under long-term benefits. The pay-out under this scheme is determined by SWIFT's performance against a number of key performance indicators which are aligned with the Company's strategic plan. In the aggregate amount of base salary, annual bonus and long-term incentives, the fixed component (base salary) represents 43 percent and the variable components (annual bonus and long-term incentives) represent 57 percent.

It is the opinion of the Board Human Resources Committee that the compensation packages provided to the SWIFT Executives are in line with the market and represent fair and appropriate recognition and remuneration for the individuals involved.

Leonard H. Schrank
Chief Executive Officer
Mr Schrank will step down in April 2007, after 15 years as SWIFT's longest serving CEO. He joined SWIFT as CEO in 1992. Career has consisted of managing European and US organisations that provide information services and software solutions to the financial services industry. Upon graduating from MIT, co-founded a software company in Cambridge, Massachusetts that was acquired by Chase/Interactive Data Corporation in 1977. Based in London, headed Chase/IDC's international activities for nearly ten years before joining SWIFT. President, American Chamber of Commerce in Belgium; Director, United Fund for Belgium; Vice President, MIT Club, Belgium; Member of the ICT Advisory Board of GIMV, a Belgian venture capital fund.
American.

Lázaro Campos
Banking Industry Division
CEO, Designate
Mr Campos will become CEO effective 23 April 2007. 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 to 1998, 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 *SWIFT2006* strategy initiative. In October 2003, he became Head of the Banking Industry Division. Has over 18 years' international banking and telecommunications experience. Before joining SWIFT, served in the international division of Banc Agricol.
Spanish.

James P. Donovan
Securities Industry Division
Joined SWIFT in 2005. Before joining SWIFT, worked for Citibank for 17 years where he held responsibility for marketing and sales, strategic planning and business development for the Worldwide Securities Services Division; COO of Global Clearing Services and Managing Director of the American Depositary Receipt business. Most recently based in London as Managing Director/Regional Business Executive – EMEA and Japan for Citibank's Global Securities Services Division. Prior to joining Citigroup, worked for Chemical Bank and Bankers Trust Company.
American.

Michael Fish
Chief Information Officer
Joined SWIFT in 1999 from Ameritech, a worldwide telecommunications provider, where he held various senior management positions in IT. Prior to Ameritech, Fish taught MBA courses at New York University, led project management seminars for the American Management Association and conducted IT consulting services for many large companies. Before that, Fish held management positions with Bellcore (now Telecordia) and SBC (now AT&T). He was appointed Chief Information Officer and joined the Executive Steering Group in July 2006.
American.

Brian Haughan
Customer Operations Division
Joined SWIFT in 1988. Has held various IT and management positions at SWIFT. He managed the IT initiatives for strategic customers and market infrastructures, established the Command Centre and led the SWIFTNet Migration Programme. He was appointed Head of Customer Operations Division and joined the Executive Steering Group in 2004. Prior to joining SWIFT, he consulted with Logica.
Irish.

Johan Kestens
Marketing
Joined SWIFT as the Head of New Business Development in December 2001. Became Head of Marketing in October 2003. Oversees product management, portfolio planning, pricing, user documentation, standards, customer events including Sibos, outreach to the corporate market, and relations with software partners to help members integrate and leverage the SWIFT offering. Previously with Almanij, the largest Belgian financial holding company, with responsibility for the Strategy and Development Group. Prior to Almanij, was a partner at McKinsey & Company, where he co-founded the European Electronic Payments practice.
Belgian.

Francis Vanbever
Chief Financial Officer
Joined SWIFT in 1988 as Manager, Accounting and Budget. Named Senior Manager, Budget and Control, in 1994 and Director, Financial Planning and Analysis, in 1996. Appointed to current post in 1997. From 1981 to 1988, worked in several financial roles for the Belgian and European operations of Exxon Chemicals.
Belgian.

Mark Waller
Human Resources
Joined SWIFT in April 2001. Previously was with Alcatel Paris where he was initially Director Career Development and latterly Area Director, Resourcing and Development – EMEA. Prior to Alcatel, Mark was with Alstom in France and the UK and before that held senior HR positions at two major UK industrial companies, BOC and GEC.
British.

Joseph Eng (left in July 2006)
Joined SWIFT in 1999 as Chief Information Officer and member of the Executive Steering Group. Recognised in 2005 by CIO Magazine with a CIO 100 Award. Responsible for all IT and technical operations.
American.

↘ SWIFT's sustained financial performance enabled the Company to return significant benefits to its customers in 2006, while ensuring a strong basis to finance future investments.

SWIFT continued to report strong financial results in 2006. In June, the Board approved the free distribution to customers of Hardware Security Modules (HSMs) for Phase 2 of the SWIFTNet migration. This represented a saving of EUR 23 million for the community. On 1 July, the Company introduced an overall 8 percent price reduction on FIN messaging for the second half of the year, worth EUR 16 million. Finally, we granted a customer rebate for the fifth consecutive year. For the first time, the rebate was applicable to all messaging services and not only to FIN. The 2006 rebate amounted to EUR 26 million, representing 7 percent of the year's messaging revenue. In total, SWIFT returned EUR 65 million to customers in 2006. After these actions, the profit before tax was EUR 29 million.

FIN traffic grew 13.7 percent compared to 2005, and remains our largest source of revenue. SWIFT experienced strong growth in all its major markets. Securities messages remain the major growth driver, with a 22.1 percent year-on-year volume increase. Payments messages were up 9.3 percent compared to last year, a remarkable increase for a mature market. Traffic in the Treasury market was driven by volatility in the foreign exchange markets and increased 12.8 percent.

We continue to honour our commitment to decrease the cost of messaging. The average price of a FIN message decreased by 10.7 percent compared to 2005. We are also proud to have achieved our pricing challenge to reduce the average price of messaging by 50 percent between 2001 and 2006. Our *SWIFT2010* strategy aims to reduce the cost of messaging by another 50 percent over the next five years. On 1 January 2007, we started our journey towards this objective by introducing new FIN price reductions representing an average decrease of 6 percent.

Total operating revenue before rebate increased by 5.2 percent, from EUR 559 million to EUR 588 million. Besides FIN traffic, the major contributor to this increase was strong revenue from interface sales.

Operating expenses showed a modest increase of 2.9 percent compared to 2005. This is due primarily to additional manpower recruited to support the implementation of our *SWIFT2010* strategy. The sharp decrease in amortisation of intangible assets results from a decision to lease certain software licences that were previously purchased. This decrease is partly offset by a corresponding increase in rental expenses. 2006 operating expenses are at the same level as they were in 2004. This results from a structural cost reduction programme which has reduced recurring expenses by EUR 50 million between 2004 and 2006, in order to generate resources to fund new investments without inflating our cost basis.

In 2006, SWIFT generated a net operating cash flow of EUR 83 million. This has allowed the Company to fund the 2006 capital investments while generating a net increase in cash of EUR 30 million. The net cash balance at the end of 2006 was EUR 137 million, which provides a solid basis to finance future investments.

Financial performance

Key financials

year ended 31 December

(in millions)	**2006 EUR**	Restated* 2005 EUR	2004 EUR	2003 EUR	2002 EUR
Revenues before rebate	**588**	559	588	577	579
Rebate	**(26)**	(23)	(33)	(25)	(15)
Revenues after rebate	**562**	536	555	552	564
Expenses	**(539)**	(524)	(536)	(518)	(525)
Profit before taxation	**29**	16	18	28	30
Net profit	**25**	8	10	16	10
Net cash flow from operating activities	**83**	112	94	83	38
Capital expenditure of which:	**46**	67	55	62	157
property, plant and equipment	**38**	57	45	47	65
intangibles	**8**	10	10	15	92
Net assets attributable to members	**238**	216	156	145	131
Total assets	**473**	424	406	413	447
Number of employees end of year	**1,890**	1,821	1,737	1,708	1,647

* See Note 1 for further details.

Report of the independent financial auditors

To the shareholders of S.W.I.F.T. SCRL

We have audited the accompanying financial statements of S.W.I.F.T. SCRL, which comprise the balance sheet as at 31 December 2006, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of S.W.I.F.T. SCRL as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Reviseurs d'Entreprises SCCRL
represented by

Marc Van Steenvoort
Partner
Brussels, 16 March 2007

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 17799 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 2006 to 31 December 2006, 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 2006 to 31 December 2006.

Their examination was made in accordance with the SAS 70 standard established by the American Institute of Certified Public Accountants and their report covered both controls placed in operation and tests of operating effectiveness, as specified in the standard. The SAS 70 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.

Copies of the SAS 70 report are available to shareholding institutions or registered SWIFT users by request to the Board Secretariat of SWIFT.

Consolidated statement of income year ended 31 December

(in thousands)	Note	2006 EUR	Restated* 2005 EUR
Revenues			
Traffic revenues	2	**352,991**	346,410
One-time revenues		**8,577**	6,063
Recurring revenues	3	**97,060**	94,685
Interface revenues	4	**100,581**	81,273
Other operating revenues	5	**3,228**	7,480
		562,437	535,911
Expenses			
Royalties and cost of inventory	6	**(18,769)**	(13,181)
Payroll and related charges	7	**(242,126)**	(221,786)
Network expenses	8	**(26,205)**	(29,948)
Rental, maintenance, office and outside service expenses	9	**(179,604)**	(151,907)
Depreciation of property, plant and equipment	13	**(44,589)**	(44,129)
Amortisation of intangible fixed assets	14	**(9,110)**	(43,485)
Other expenses	10	**(18,257)**	(19,816)
		(538,660)	(524,252)
Profit from operating activities		**23,777**	11,659
Financial income and expenses	11	**5,103**	4,178
Share of associated companies' gain	15	**549**	–
Profit before tax		**29,429**	15,837
Income tax expense	12	**(4,700)**	(7,435)
Net profit		**24,729**	8,402

Consolidated statement of recognised income and expense ('SoRIE')

(in thousands)	2006 EUR	2005 EUR
Net profit	**24,729**	8,402
Income and expense recognised directly in net assets attributable to members		
Foreign currency translation	**125**	(9)
Net unrealised gains on financial instruments	**182**	3,012
Recognition of actuarial gains and losses	**(3,623)**	(11,302)
Deferred taxes recognised in net assets attributable to members	**1,202**	2,813
Income and expense recognised in net assets attributable to members	**22,615**	2,916

* See Note 1 for further detail.

The accompanying notes on pages 35 to 54 are an integral part of these financial statements.

Consolidated balance sheet year ended 31 December

(in thousands)	Note	2006 EUR	Restated* 2005 EUR
Non-current assets			
Property, plant and equipment	13	**136,831**	144,105
Intangible assets	14	**16,032**	18,555
Investments in associated companies	15	**549**	–
Securities investments	16	**–**	–
Deferred income tax assets	17	**20,763**	17,070
Total non-current assets		**174,175**	179,730
Current assets			
Cash and cash equivalents		**137,090**	107,753
Trade receivables	18	**60,377**	56,113
Other receivables	19	**11,472**	19,147
Prepayments to suppliers	20	**55,059**	27,151
Inventories	21	**5,444**	6,344
Prepaid taxes	22	**29,819**	28,073
Total current assets		**299,261**	244,581
Total assets		**473,436**	424,311
Net assets attributable to members**	23	**237,973**	215,602
Non-current liabilities			
Long-term employee benefits	24	**69,444**	61,702
Deferred income tax liabilities	17	**10,647**	9,459
Total non-current liabilities		**80,091**	71,161
Current liabilities			
Amounts payable to suppliers	26	**21,673**	16,553
Short-term employee benefits	27	**56,872**	57,986
Short-term provisions	28	**3,818**	4,516
Other liabilities	29	**53,496**	24,515
Advance payments from current and prospective members		**427**	1,003
Current portion of non-interest bearing deposits	25	**–**	6,659
Accrued taxes	30	**19,086**	26,316
Total current liabilities		**155,372**	137,548
Total liabilities including net assets attributable to members		**473,436**	424,311

* See Note 1 for further detail.

** The Company has adopted IAS 32 'Financial Instruments: Disclosure and Presentation', and IFRIC interpretation 2 'Members' shares in cooperative entities and similar instruments', which require the Company's member shares, share premium, and retained earnings to be presented as net assets attributable to members.

The accompanying notes on pages 35 to 54 are an integral part of these financial statements.

Consolidated statement of cash flows year ended 31 December

(in thousands)	2006 EUR	Restated 2005 EUR
Cash flow from operating activities		
Profit from operating activities	23,777	11,659
Depreciation of property, plant and equipment	44,589	44,129
Amortisation of intangible fixed assets	9,110	43,485
Net loss and write-off on sale of property, plant and equipment, and intangible assets	1,691	298
Other non-cash operating losses	13,860	31,571
Actuarial losses reported in the SoRIE	(2,360)	(10,362)
Net unrealised gains on financial instruments reported in the SoRIE	120	1,988
Changes in net working capital	(3,312)	(1,128)
Net cash flow before interest and tax	87,475	121,640
Interest received	5,299	3,197
Interest paid	(675)	(577)
Tax paid	(9,581)	(12,629)
Net cash flow from operating activities	82,518	111,631
Cash flow from investing activities		
Capital expenditures		
Property, plant and equipment	(37,856)	(57,107)
Intangibles	(7,879)	(9,501)
Proceeds from sale of fixed assets	138	406
Net cash flow from investing activities	(45,597)	(66,202)
Cash flow from financing activities		
Reimbursement of non-interest bearing deposits	(6,994)	(3,930)
Net payments for reimbursement of contributions	(244)	(297)
Net cash flow from (used in) financing activities	(7,238)	(4,227)
Increase/(decrease) of cash and cash equivalents	29,683	41,202
Movement in cash and cash equivalents		
At the beginning of the year	107,753	66,333
Increase/(decrease) of cash and cash equivalents	29,683	41,202
Effects of exchange rate changes	(346)	218
At the end of the year	137,090	107,753
Cash and cash equivalent components are:		
Cash	22,650	2,546
Liquid money market products	114,440	105,207
At the end of the year	137,090	107,753

The accompanying notes on pages 35 to 54 are an integral part of these financial statements.

Notes to the consolidated financial statements

1 Corporate information

The consolidated financial statements of the Society for Worldwide Interbank Financial Telecommunication SCRL (in abbreviation S.W.I.F.T. SCRL) for the year ended 31 December 2006, were authorised for issuance in accordance with a resolution of the Board of Directors on 15 March 2007 and will be proposed for approval at the Annual General Meeting of 13 June 2007.

The registered office of S.W.I.F.T. SCRL is located at Avenue Adele 1, B-1310 La Hulpe, Belgium.

S.W.I.F.T. SCRL is the financial industry-owned cooperative supplying secure, standardised messaging services and interface software to 8,100 financial institutions. SWIFT's worldwide community includes banks, broker/dealers and investment managers, as well as their market infrastructures in payments, securities, treasury and trade.

S.W.I.F.T. SCRL operates in 207 countries and employed 1,890 employees as of 31 December 2006.

Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of S.W.I.F.T. SCRL have been prepared in accordance with International Financial Reporting Standards (IFRSs) and are presented in thousands of EUR. The financial statements have been prepared on a historical cost basis, except for the measurement at fair value of derivatives and available-for-sale investment securities as required by IFRSs. The significant accounting policies used in the preparation of these financial statements are set out below.

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Changes in accounting standards

Certain new or modified IFRSs became effective for financial statements covering periods beginning on or after 1 January 2006. It was concluded that these have no significant impact on the financial statements of the Company.

The Company adopted IFRIC Interpretation 4 as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This change in accounting standard has not had a significant impact on the financial statements of the Company as at 31 December 2006.

In 2006, the Company decided to report all actuarial gains and losses directly in the statement of recognised income and expenses ('SoRIE') in accordance with IAS 19 (revised 2004). In acccordance with IAS 8 'changes in accounting policy' the 2005 balances have been restated in order to provide meaningful comparatives. Other IFRSs have been consistently applied compared to last year.

New Standards and Interpretations, that have been issued but are not yet effective, have not been applied. The impact of initial application of these Standards and Interpretations has not yet been determined.

Principles of consolidation

The consolidated financial statements comprise the accounts of S.W.I.F.T. SCRL (the parent company including the branches) and its subsidiaries.

In preparing the consolidated financial statements, the financial statements of the parent and its subsidiaries are combined on a line-by-line basis and all material intercompany transactions are eliminated. Consistent accounting policies are used across the Group.

Notes to the consolidated financial statements

Summary of significant accounting policies (continued)

The subsidiaries of the Group are listed hereafter:

Name	% ownership	Country of registration
S.W.I.F.T. Services Australia Pty Ltd.	100.00	Australia
S.W.I.F.T. Para A América Latina	100.00	Brazil
S.W.I.F.T. Switzerland GmbH	100.00	Switzerland
S.W.I.F.T. Germany GmbH	100.00	Germany
S.W.I.F.T. Iberia SL	100.00	Spain
S.W.I.F.T. France S.A.S.	100.00	France
S.W.I.F.T. Securenet Ltd.	100.00	United Kingdom
S.W.I.F.T. Far East Ltd.	99.00	Hong Kong
S.W.I.F.T. Ireland	100.00	Ireland
S.W.I.F.T. Italy S.r.l.	100.00	Italy
S.W.I.F.T. Japan Ltd.	100.00	Japan
S.W.I.F.T. RE (Luxembourg) S.A.	99.99	Luxembourg
S.W.I.F.T. Nordic AB	100.00	Sweden
S.W.I.F.T. Terminal Services Pte. Ltd.	100.00	Singapore
S.W.I.F.T. Pan-Americas Inc.	100.00	United States of America
S.W.I.F.T. (Dubai) Limited	100.00	United Arab Emirates
S.W.I.F.T. SA Pty Ltd.	100.00	South Africa

Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the equity method of accounting. The Company performs impairment analysis in accordance with the provisions of IAS 36, Impairment of Assets, to ensure that the assets are carried at no more than their recoverable amount. The Company's investments in associates consist of a 20 percent ownership in AccuMatch AG (Switzerland).

Securities investments

Securities investments are carried at fair value. This may imply the use of reasonable estimates unless published price quotations or appropriate valuation models are available. The Company performs impairment analysis in accordance with the provisions of IAS 36, Impairment of Assets, to ensure that the assets are carried at no more than their recoverable amount.

Property, plant and equipment

Land and buildings, plant and equipment, leasehold improvements and office furniture and equipment are carried at cost less accumulated depreciation. The rates of depreciation used are described in Note 13.

Leasehold improvements are depreciated over the term of the leases, using the straight-line method commencing in the month of actual use of the asset for the operations of the Company. Government capital grants are deducted from the related fixed assets to arrive at the carrying amount of the asset. The net cost is depreciated using the straight-line method and recognised in the income statement over the useful life of the related assets. Government interest subsidies are recognised in the income statement over the same period as the related interest charges.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts. Where carrying amounts exceed these estimated recoverable amounts, assets are written down to their recoverable amounts.

Impairment tests are performed when there is an indication that the asset could be impaired.

Summary of significant accounting policies (continued)

Intangible assets

Intangible assets include acquired software licences and capitalised development costs. Intangible assets are amortised using the straight-line method commencing in the month of actual use of the asset for the operations of the Company. Amortisation rates are detailed in Note 14.

Research and Development costs are accounted for in accordance with IAS 38, Intangibles. Expenditures on research or on the research phase of an internal project are recognised as an expense when incurred. The intangible assets arising from the development phase of an internal project are recognised if the conditions as outlined in IAS 38 are complied with. This includes essentially that the technical feasibility of completing the intangible asset for it to be available for sale or use can be demonstrated and that the intangible asset will generate probable future economic benefits. The intangible assets arising from development are amortised over the useful economic lives. At each balance sheet date, the Company assesses whether there is any indication of impairment in accordance with IAS 36, Impairment of Assets. If any such indication exists, the recoverable amount is estimated.

Provisions

Provisions are recognised in accordance with IAS 37 when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Income taxes

Current income taxes are based on the results of the parent company and subsidiaries and are calculated according to local tax rules.

Deferred income tax assets and liabilities are determined, using the liability method, for all temporary differences arising between the tax basis of the assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that apply for the period when the asset will be realised or the liability will be settled based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred income tax assets are recognised on all temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

No provision is made for taxes which may be withheld on possible future distribution of earnings retained by subsidiaries, as there is no current intention to distribute retained earnings to the parent company.

Financial instruments

The Company uses derivative financial instruments such as foreign exchange forward and option contracts to hedge its risks associated with foreign currency fluctuations. It is the Company's policy not to trade in derivative financial instruments. Details of the Company's financial risk management objectives and policies are set out in Note 33.

The Company adopted IAS 39, Financial Instruments: Recognition and Measurement, effective 1 January 2001. The derivative financial instruments are recognised accordingly at fair value on the balance sheet.

For the purposes of hedge accounting, hedges are classified into three categories:

(a) fair value hedges to hedge the exposure to changes in the fair value of a recognised asset or liability;

(b) cash flow hedges to hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction; and

(c) hedges of a net investment in a foreign entity.

In case of forward hedging contracts, including the ones part of RKI's/RKO's that meet the conditions for specific hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised, according to cash flow hedge accounting, immediately in the SoRIE. Qualitative tests are used to assess hedge effectiveness.

Notes to the consolidated financial statements

Summary of significant accounting policies (continued)

When the hedged firm commitment or forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, then at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in the SoRIE are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses, which are recognised in the SoRIE are transferred to the profit and loss accounts in the same period in which the hedged firm commitment or forecasted transaction affects the profit and loss accounts (such as when the forecasted sale actually occurs). Hedges of a net investment in a foreign entity are accounted for similarly to cash flow hedges.

The Company qualifies the hedging relationship as cash flow hedge and as soon as hedged item is recognised, fair value hedge accounting is applied: fair market value changes of the hedged item and the hedging instrument are recognised in the profit and loss accounts.

In case of option hedging contracts, including the ones part of RKI's/RKO's, the portion of the gain or loss on the hedging instrument is recognised directly in the profit and loss accounts. The Company has decided not to qualify the exotic and vanilla options as hedge accounting even though all instruments qualify for economic hedges.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks as well as investments in liquid money market products. These are carried at market value.

Inventories

Inventories mainly comprise software licences, encryption and security devices for resale to end-customers.

Inventories are stated at the lower of cost or net realisable value. Cost is determined on a weighted average basis. Net realisable value is the amount that can be realised from the sale of the inventories in the normal course of business after allowing for the costs of realisation.

Trade receivables

Trade receivables, which generally have 40–90 days payment terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An impairment loss is recognised for any difference between carrying amount and recoverable amount. Receivables from related parties are recognised and carried at nominal value.

Pension schemes

S.W.I.F.T. SCRL operates a number of defined benefit pension plans covering primarily its Belgian, US and Dutch employees. Plan benefits are based on years of service and the employee's salary during the final years of employment. The funds are valued by a professional actuary on an annual basis.

In 2006, the Company decided to report all actuarial gains and losses in the SoRIE, as allowed under IAS 19 (revised 2004). In accordance with IAS 8 'changes in accounting policy' the 2005 balances have been restated in order to provide meaningful comparatives.

In addition to the defined benefit plans described above, S.W.I.F.T. SCRL makes contributions to defined contribution plans covering primarily employees in the UK and Hong Kong.

Details on the annual pension costs and the funded status for the defined benefit pension plans are disclosed in Note 24.

Summary of significant accounting policies (continued)

Revenues

Traffic revenues include:

– The amounts billed for messaging services;
– Amounts billed to a specific group of customers for matching services;
– Discounts and rebates on messaging services granted to customers.

One-time revenues consist of initial joining fees for members and participants, which are credited to income when all formalities have been completed, and connection fees.

Recurring revenues consist of fees charged to members and participants for the provision of services and equipment other than direct message transmission, revenues from conferences and training courses, provided by SWIFT to its customers.

Interface revenues consist of fees charged to members and participants for the sale of software which are recognised in income when delivered, as well as software maintenance charges which are recognised in revenues on a pro rata basis over the period of the agreement.

Other operating revenues comprise mainly the recovery of charges incurred on behalf of members, capital gains on the sale of fixed assets and other non-recurring items.

Foreign exchange differences

The Company's financial statements are presented in EUR, in accordance with IAS 21 'The effects of changes in foreign exchange rates'. The EUR is also the functional currency for all subsidiaries and branches of the Group except for Securenet Ltd. which has the Pound Sterling as functional currency.

Transactions in foreign currencies are initially translated to the functional currency at the exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate which applies at the balance sheet date. All differences are taken to profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates which applied at the dates of the initial transactions.

The assets and liabilities of Securenet Ltd. (monetary and non-monetary) are translated from its functional currency, the Pound Sterling, into the presentation currency of the Company, the EUR, at the exchange rate applicable at the balance sheet date, whereas its income statement is translated at the weighted average exchange rates for the year. The exchange differences arising from this translation are recorded directly in the SoRIE.

Restatement

The 2005 financial statements have been restated following the consolidation of an international pension plan and the decision to report actuarial gains and losses directly in the SoRIE, according to IAS 19 (revised 2004).

The 2005 net profit has been restated from EUR 7,790 thousands as published to EUR 8,402 thousands for the reversal of amortised actuarial gains and losses and related deferred taxes. The consolidation of the international pension plan did not have a material impact on the 2005 net profit.

In addition, the 2005 balance of deferred tax assets and liabilities has been reclassified in the balance sheet in order to be presented net at the level of each individual legal entity.

Notes to the consolidated financial statements

Summary of significant accounting policies (continued)
2005 restatements

(in thousands)	2005 amounts as published	Restatement	2005 amounts as restated
Deferred income tax assets	11,787	5,283	17,070
Cash and cash equivalents	90,723	17,030	107,753
Current and non-current assets		**22,313**	
Net assets attributable to members	**(225,053)**	**9,451**	**(215,602)**
Long-term employee benefits	(37,125)	(24,577)	(61,702)
Deferred income tax liabilities	(12,989)	3,530	(9,459)
Short-term employee benefits	(54,574)	(3,412)	(57,986)
Accrued taxes	(19,011)	(7,305)	(26,316)
Current and non-current liabilities		**(31,764)**	
Payroll and related charges	(222,695)	909	(221,786)
Income tax expense	(7,138)	(297)	(7,435)
Impact on net profit		**612**	

2 Traffic revenues
The increase in traffic revenues from EUR 346.4 million in 2005 to EUR 353.0 million in 2006 is primarily explained by an increase of 13.7 percent in FIN traffic volumes. This increase is partly offset by continued message price reductions amounting to 10.7 percent compared to 2005 and a rebate on traffic revenues amounting to EUR 26.1 million versus EUR 23.2 million in 2005. The reduction in message prices results from the full-year impact of the July 2005 price reductions, and the decision by the Board of Directors to further lower overall pricing as of July 2006.

3 Recurring revenues

(in thousands)	2006 EUR	2005 EUR
Recurring connectivity revenues	**33,812**	33,077
Recurring service revenues	**28,802**	27,456
Documentation and directory services	**15,844**	15,106
Conferences	**12,667**	13,710
Education	**5,935**	5,336
	97,060	94,685

4 Interface revenues
The increase in interface revenues from EUR 81.3 million last year to EUR 100.6 million in 2006 is driven by the increase in the number of new interfaces sold, the implementation in 2006 of an annual invoicing cycle for band upgrades, and a stronger USD rate which applied when annual maintenance fees were invoiced in January 2006.

5 Other operating revenues

(in thousands)	2006 EUR	2005 EUR
Recoverable charges	**1,249**	2,250
Gain on sale of property, plant and equipment and intangible assets	**112**	44
Other	**1,867**	5,186
	3,228	7,480

The decrease in other operating revenues from EUR 7.5 million last year to EUR 3.2 million in 2006 is explained by the 2005 renewal of the terms and conditions to acquire FIN hardware and software, which resulted in the recognition of one-time discounts in 2005 which were partially offset by the recognition of related one-time expenses (see Note 10).

6 Royalties and cost of inventory

The increase in royalties and cost of inventory from EUR 13.2 million last year to EUR 18.8 million in 2006 is explained by the partial delivery of Hardware Security Modules. Following a decision by the Board of Directors in June 2006, those devices will be distributed free of charge to the SWIFT community in order to prepare for SWIFTNet Phase 2.

7 Payroll and related charges

(in thousands)	2006 EUR	2005 EUR
Salaries	**158,218**	149,949
Termination indemnities	**1,153**	3,925
Social security costs	**30,565**	28,367
Pension costs – defined contribution plans	**3,260**	1,591
Pension costs – defined benefit plans (Note 24)	**17,681**	13,358
Other post-retirement benefits (Note 24)	**1,681**	2,091
Insurance, training and other compensation and benefits	**29,568**	22,505
	242,126	221,786

The increase in salaries is explained by the increase of the average number of employees from 1,733 in 2005 to 1,827 in 2006, driven by the investments in *SWIFT2010* strategic initiatives, and the evolution of the remuneration of employees. This increase has been partially offset by gains from the weakening of the USD.

The increase in insurance, training and other compensation and benefits is mainly explained by an increase in employee insurances and one-time discounts recorded in 2005.

8 Network expenses

The decrease in network expenses from EUR 29.9 million last year to EUR 26.2 million in 2006 is explained by cost-saving initiatives and contract renegotiations.

Notes to the consolidated financial statements

9 Rental, maintenance, office and outside service expenses

(in thousands)	2006 EUR	2005 EUR
Rent of buildings	**8,573**	10,843
Software operating lease	**10,646**	1,535
Other rental costs	**5,308**	4,890
Repair and maintenance costs	**41,984**	43,077
General office expenses	**8,619**	7,730
Other outside service expenses	**104,474**	83,832
	179,604	151,907

The increase in software operating lease from EUR 1.5 million last year to EUR 10.6 million in 2006 is explained by the decision to lease certain software as of 2006 whereas previously those were purchased. This also explains the decrease in the amortisation charges (see Note 14).

The increase in other outside service expenses from EUR 83.8 million last year to EUR 104.5 million in 2006 is primarily explained by additional expenses linked to *SWIFT2010* strategic initiatives, and the preparation for the SWIFTNet Phase 2 migration.

10 Other expenses

(in thousands)	2006 EUR	2005 EUR
Taxes other than income taxes	**4,217**	4,008
Loss on sale or disposal of current and non-current assets	**443**	368
Changes in short-term and voluntary leave provisions (Notes 24, 27 and 28)	**158**	4,639
Accrued promotional expenses	**12,913**	6,877
Other	**526**	3,924
	18,257	19,816

The accrued promotional expenses include the estimated remaining costs to be incurred from the decision to offer the Hardware Security Modules free of charge and the 2006 impact of the SWIFTAlliance Starter Set promotional offer decided by the Board of Directors in 2005.

The decrease in other expenses is explained by the renewal of the terms and conditions to acquire FIN hardware and software, which resulted in the recognition of one-time expenses in 2005, which were compensated by related one-time discounts (see Note 5).

11 Financial income and expenses

(in thousands)	2006 EUR	2005 EUR
Interest income	**10,473**	3,197
Interest expenses	**(675)**	(577)
Net foreign exchange (losses)/gains	**(1,152)**	(2,487)
Net foreign exchange (losses)/gains on financial instruments	**(3,297)**	4,405
Bank charges	**(397)**	(407)
Other financial income	**151**	47
	5,103	4,178

The increase in interest income from EUR 3.2 million last year to EUR 10.5 million in 2006 is explained by the higher average cash position, the recognition of estimated net interests to be received on funds which have been blocked in a litigation with the Belgian tax authorities, and by the increased interest rates on the financial markets.

The evolution of net foreign exchange results and the net results on financial instruments is explained by the relative fluctuations on the foreign exchange markets, and is compensated by the positive effect of the weakening of the USD on the various captions of the income statement.

12 Income tax expense

Major components of the income tax expense are as follows:

(in thousands)	2006 EUR	2005 EUR
Current income taxes		
Domestic		
Current year tax expense	(6,439)	(7,276)
Adjustments of prior year tax income/(expense)	5,630	(154)
	(809)	(7,430)
Foreign		
Current year tax expense	(6,287)	(4,849)
Adjustments of prior year tax income/(expense)	1,093	886
	(5,194)	(3,963)
Current income tax expense	(6,003)	(11,393)
Deferred income taxes		
Domestic		
Current year tax income/(expense)	3,353	3,061
Adjustments of prior year tax income/(expense)	–	–
	3,353	3,061
Foreign		
Current year tax income	(1,797)	2,491
Adjustments of prior year tax income/(expense)	(253)	(1,594)
	(2,050)	897
Deferred income tax income/(expense)	1,303	3,958
Income tax expense	(4,700)	(7,435)

A reconciliation of the income tax charge calculated at the statutory rate of 33.99 percent to the Company's effective tax rate as applicable to the net result for the years ended 31 December 2006 and 2005 is included in the table below.

(in thousands)	2006 EUR	2005 EUR
Income tax charge at statutory rate	(10,003)	(5,383)
Adjustments of prior year current income tax expense	6,723	732
Adjustments of prior year deferred income tax expense	(253)	(1,594)
Effect of different tax rates in other countries	(252)	154
Tax incentives	573	–
Non deductible items	(1,488)	(1,344)
Income tax charge	(4,700)	(7,435)

The prior year adjustments reflected in the income tax expenses relate primarily to the evolution of pending issues and questions with tax authorities that allowed to adjust the income tax provisions.

The tax incentives mainly include the deduction of notional interests, which is allowed for Belgian companies as of 2006.

Notes to the consolidated financial statements

13 Property, plant and equipment

(in thousands)	Land and buildings EUR	Plant, machinery and equipment EUR	Work in progress EUR	Total EUR
2006				
Opening net book value	**68,031**	**73,001**	**3,073**	**144,105**
Foreign currency translation	**–**	**5**	**–**	**5**
Additions	**5,019**	**26,742**	**6,094**	**37,855**
Transfers	**1,052**	**1,556**	**(2,683)**	**(75)**
Disposals	**–**	**(470)**	**–**	**(470)**
Depreciation charges	**(8,986)**	**(35,603)**	**–**	**(44,589)**
Depreciation rates	3–10%	20–33%	–	–
Closing net book value	**65,116**	**65,232**	**6,484**	**136,831**
At 31 December 2006				
Cost	**199,889**	**272,844**	**6,484**	**479,216**
Accumulated depreciation	**(134,773)**	**(207,612)**		**(342,385)**
Net book value	**65,116**	**65,232**	**6,484**	**136,831**
2005				
Opening net book value	42,534	83,184	6,619	132,337
Foreign currency translation	–	8	–	8
Additions	15,259	18,904	22,944	57,107
Transfers	18,128	7,840	(26,490)	(522)
Disposals	(541)	(155)	–	(696)
Depreciation charges	(7,349)	(36,780)	–	(44,129)
Depreciation rates	3–10%	20–33%	–	–
Closing net book value	68,031	73,001	3,073	144,105
At 31 December 2005				
Cost	194,188	254,619	3,073	451,880
Accumulated depreciation	(126,157)	(181,618)	–	(307,775)
Net book value	68,031	73,001	3,073	144,105

The acquisition cost of property, plant and equipment is stated after deduction of government capital grants totaling EUR 7.1 million at 31 December 2006 (2005: EUR 7.1 million) and after inclusion of capitalised interest costs totalling EUR 1.8 million at 31 December 2006 (2005: EUR 1.8 million). The capitalised grants and interest costs are depreciated at the same rate as the assets to which they relate.

The additions of the year amounting to EUR 37.9 million consist mainly of renovation and extension of premises, hardware investments in the resilience and scaling of the FIN and SWIFTNet systems, and improvements to internal systems.

14 Intangible assets

(in thousands)	Concessions, patents and licences EUR	Capitalised development costs EUR	Work in progress EUR	Total intangible assets EUR
2006				
Opening net book value	**17,392**	**793**	**370**	**18,555**
Foreign currency translation	**–**	**–**	**–**	**–**
Additions	**6,524**	**838**	**517**	**7,879**
Transfers	**242**	**437**	**(604)**	**75**
Disposals/write-offs	**(7)**	**(1,359)**	**–**	**(1,366)**
Amortisation charges	**(9,066)**	**(44)**	**–**	**(9,110)**
Amortisation rates	**20–33%**	**33%**	**–**	**–**
Closing net book value	**15,084**	**665**	**283**	**16,032**
At 31 December 2006				
Cost	**201,981**	**8,362**	**283**	**210,625**
Accumulated amortisation	**(186,897)**	**(7,697)**	**–**	**(194,593)**
Net book value	**15,084**	**665**	**283**	**16,032**
2005				
Opening net book value	50,229	–	1,796	52,025
Foreign currency translation	–	–	–	–
Additions	8,739	392	370	9,501
Transfers	1,887	431	(1,796)	522
Disposals	(8)	–	–	(8)
Amortisation charges	(43,455)	(30)	–	(43,485)
Amortisation rates	20–33%	33%	–	–
Closing net book value	17,392	793	370	18,555
At 31 December 2005				
Cost	199,941	8,483	370	208,794
Accumulated amortisation	(182,549)	(7,690)	–	(190,239)
Net book value	17,392	793	370	18,555

The additions of the year amounting to EUR 7.9 million consist mainly of software investments in the further improvement of the internal systems and in the resilience and scaling of the SWIFTNet platform.

The amortisation charges are decreasing from EUR 43.5 million to EUR 9.1 million in 2006 following the decision to lease certain software as of 2006 whereas those were purchased before.

The write-off of capitalised development costs amounting to EUR 1.4 million in 2006 is explained by the decision of the Board of Directors to provide Hardware Security Modules free of charge to the SWIFT community in order to prepare for SWIFTNet Phase 2. This implied the write-off of related development costs which have been capitalised in 2005.

Notes to the consolidated financial statements

15 Investments in associated companies

The Company has a 20 percent interest in AccuMatch. In accordance with IAS 36, the carrying value of the investment in AccuMatch was reduced to zero in 2002 following the losses that this company incurred due to the bankruptcy of GSTP AG, its sole customer.

In 2006, the carrying value of the investment in AccuMatch has been increased to EUR 0.5 million following increased net equity in the accounts of AccuMatch in 2006.

The latest published financial statements of AccuMatch, dated 31 December 2005, are summarised below:

Year ended 31 December (in thousands)	2005 EUR
Total assets	**2,839**
Total equity	161
Total liabilities	2,678
Total equity and liabilities	**2,839**

These results exclude the positive evolution of the AccuMatch net equity during 2006.

16 Securities investments

SWIFT's interest in Bolero.net remains stable at 5.4 percent. This investment has been impaired for its carrying amount since 2000.

17 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities at 31 December are detailed as follows:

(in thousands)	2006 EUR	2005 EUR	Variation	Variation recognised in the SoRIE	Variation recognised in income statement	Balance sheet movement
Deferred income tax assets						
Property, plant and equipment	**2,897**	3,218	(321)	–	(321)	–
Provisions	**19,692**	16,802	2,890	1,254	1,636	–
Other temporary differences	**1,138**	580	558	584	(26)	–
Netting of deferred income tax assets and liabilities by legal entities	**(2,964)**	(3,530)	566	–	–	566
Gross deferred income tax assets	**20,763**	17,070	3,693	1,838	1,289	566
Deferred income tax liabilities						
Property, plant and equipment	**(523)**	(2,176)	1,653	–	1,653	–
Provisions	**(10,635)**	(9,432)	(1,203)	–	(1,203)	–
Other temporary differences	**(2,453)**	(1,381)	(1,072)	(636)	(436)	–
Netting of deferred income tax assets and liabilities by legal entities	**2,964**	3,530	(566)	–	–	(566)
Gross deferred income tax liabilities	**(10,647)**	(9,459)	(1,188)	(636)	14	(566)
Net deferred income tax assets/(liabilities)	**10,116**	7,611	2,505	1,202	1,303	–

The increase in the deferred income tax assets results mainly from the decision to recognise actuarial gains and losses directly in the statement of recognised income and expense ('SoRIE'), in accordance with IAS 19 (revised 2004).

18 Trade receivables

The increase in trade receivables from EUR 56.1 million in 2005 to EUR 60.4 million in 2006 is mainly explained by the growth in traffic and interfaces sales, which is partly offset by the traffic rebate which increased from EUR 23.2 million last year to EUR 26.1 million in 2006.

19 Other receivables

The decrease in other receivables from EUR 19.1 million last year to EUR 11.5 million in 2006 is driven by a decrease in recoverable VAT and credit notes to receive, which is partially offset by an increase in the market value of unrealised hedging contracts.

The decrease in recoverable VAT results from the refund in 2006 of VAT on important investments made in FIN hardware and software end 2005 and from the resolution of a litigation with the Dutch VAT administration.

20 Prepayments to suppliers

The increase in prepayments to suppliers from EUR 27.2 million in 2005 to EUR 55.1 million in 2006 is explained by advance payments which have been made on certain contracts in order to benefit from important commercial discounts.

21 Inventories

(in thousands)	2006 EUR	2005 EUR
Hardware	**12,238**	5,622
Impairment on hardware	**(8,136)**	(1,332)
Software	**1,342**	2,054
Total inventories	**5,444**	6,344

The increase in hardware inventory from EUR 5.6 million in 2005 to EUR 12.2 million in 2006 is explained by the partial delivery of Hardware Security Modules, which will be distributed free of charge following a decision by the Board of Directors.

22 Prepaid taxes

Prepaid taxes amount to EUR 29.8 million and include mainly funds which have been blocked pending the outcome of a litigation with the Belgian Tax Administration. The increase compared to 2005 is primarily explained by the evolution of the interests we expect to receive on those funds.

Notes to the consolidated financial statements

23 Changes in net assets attributable to members

(in thousands)	Number of units	EUR
Balance, 31 December 2004 (published)	**86,219**	**155,862**
Restatement following decision to report actuarial gains and losses in the statement of recognised income and expense	–	(5,674)
Restatement following consolidation of international pension plan	–	3,076
Balance, 31 December 2004 (restated)	**86,219**	**153,264**
Total recognised income and expense	–	2,916
Increase of contributions from members	26,110	59,794
Reimbursement of contributions to members	(158)	(372)
Balance, 31 December 2005 (restated)	**112,171**	**215,602**
Total recognised income and expense	–	22,615
Increase of contributions from members	30	82
Reimbursement of contributions to members	(129)	(326)
Reallocation of units	–	–
Balance, 31 December 2006	**112,072**	**237,973**

The units held by each Member are proportional to the annual contribution paid by each Member for the network-based services of the Company. The exact number of units allocated to each Member is determined at least every three years by the Board of Directors, and the Members have the obligation to give up or take up the resulting change in units. The bylaws of the Company state that units are only reimbursed when a Member resigns, or when a Member has to give up units following a reallocation.

The Annual General Meeting ratified in June 2006 a unit transfer value of EUR 2,540, which is applied for all subsequent increases and reimbursements of contributions.

24 Long-term employee benefits

(in thousands)	2006 EUR	2005 EUR
Long-term employee benefits		
Retirement benefit obligation	**54,659**	48,033
Voluntary leave provision	**4,728**	4,360
Other long-term employee benefits	**10,057**	9,309
Total long-term employee benefits	**69,444**	61,702

The retirement benefit obligation recognised on the balance sheet is as follows:

(in thousands)	Pension schemes 2006 EUR	Pension schemes 2005 EUR	Post-employment medical benefits 2006 EUR	Post-employment medical benefits 2005 EUR	Total 2006 EUR	Total 2005 EUR
Present value of wholly or partly funded obligations	**200,447**	176,826	**–**	–	**200,447**	176,826
Present value of unfunded obligations	**6,539**	6,097	**17,008**	16,437	**23,547**	22,534
Defined benefit obligation	**206,986**	182,923	**17,008**	16,437	**223,994**	199,360
Fair value of plan assets	**(171,634)**	(151,327)	**–**	–	**(171,634)**	(151,327)
Unfunded liabilities	**35,352**	31,596	**17,008**	16,437	**52,360**	48,033
Unrecognised past service gains	**–**	–	**2,299**	–	**2,299**	–
Retirement benefit obligation	**35,352**	31,596	**19,307**	16,437	**54,659**	48,033

The unrecognised past service gain represents gains from unvested plan amendments.

24 Long-term employee benefits (continued)

The retirement benefit expenses recognised in the income statement are as follows:

(in thousands)	Pension schemes 2006 EUR	Pension schemes 2005 EUR	Post-employment medical benefits 2006 EUR	Post-employment medical benefits 2005 EUR	Total 2006 EUR	Total 2005 EUR
Current service cost	14,706	12,590	1,413	1,283	16,119	13,873
Interest on obligation	8,665	7,707	879	808	9,544	8,515
Expected return on plan assets	(7,709)	(6,939)	–	–	(7,709)	(6,939)
Adjustment on past service cost	2,019	–	(611)	–	1,408	–
Amortisation on unrecognised past service gains	–	–	–	–	–	–
Total	17,681	13,358	1,681	2,091	19,362	15,449

The adjustment on past service cost is explained by regulatory changes which affected certain pension plans and the impact of new voluntary leave plans.

Retirement benefit obligation amounts recognised in net assets attributable to members are as follows:

(in thousands)	Pension schemes 2006 EUR	Pension schemes 2005 EUR	Post-employment medical benefits 2006 EUR	Post-employment medical benefits 2005 EUR	Total 2006 EUR	Total 2005 EUR
At the beginning of the year	11,973	1,408	8,316	7,579	20,289	8,987
Actuarial (gain)/loss	2,332	9,196	3,118	(447)	5,450	8,749
Exchange rate differences	(963)	1,369	(864)	1,184	(1,827)	2,553
Total recognised in the SoRIE	1,369	10,565	2,254	737	3,623	11,302
At the end of the year	13,342	11,973	10,570	8,316	23,912	20,289

Movements in the retirement benefit obligation recognised on the balance sheet:

(in thousands)	Pension schemes 2006 EUR	Pension schemes 2005 EUR	Post-employment medical benefits 2006 EUR	Post-employment medical benefits 2005 EUR	Total 2006 EUR	Total 2005 EUR
At the beginning of the year	31,596	22,786	16,437	12,806	48,033	35,592
Total expense as above	17,681	13,358	1,681	2,091	19,362	15,449
Employer contribution	(15,558)	(14,823)	(158)	(111)	(15,716)	(14,934)
Total recognised in the SoRIE	1,369	10,565	2,254	737	3,623	11,302
Exchange differences	264	(290)	(907)	914	(643)	624
At the end of the year	35,352	31,596	19,307	16,437	54,659	48,033

Notes to the consolidated financial statements

24 Long-term employee benefits (continued)

The following disclosure requirements under IAS 19 (revised 2004) were derived from reports obtained from externally recognised actuaries:

Change in defined benefit obligation (DBO):

(in thousands)	Pension schemes 2006 EUR	Pension schemes 2005 EUR	Post-employment medical benefits 2006 EUR	Post-employment medical benefits 2005 EUR	Total 2006 EUR	Total 2005 EUR
At the beginning of the year	182,923	150,158	16,437	12,806	199,360	162,964
Current service cost	14,706	12,590	1,413	1,283	16,119	13,873
Interest on obligation	8,665	7,707	879	808	9,544	8,515
Adjustment of past service cost	2,019	–	(611)	–	1,408	–
Actual benefit payment	(3,845)	(5,838)	(158)	(111)	(4,003)	(5,949)
Actuarial (gains)/losses on DBO	6,357	13,991	3,118	(447)	9,475	13,544
Unrecognised past service gains	–	–	(2,299)	–	(2,299)	–
Exchange rate differences	(3,839)	4,315	(1,771)	2,098	(5,610)	6,413
At the end of the year	206,986	182,923	17,008	16,437	223,994	199,360

Change in fair value of plan assets:

(in thousands)	Pension schemes 2006 EUR	Pension schemes 2005 EUR	Post-employment medical benefits 2006 EUR	Post-employment medical benefits 2005 EUR	Total 2006 EUR	Total 2005 EUR
At the beginning of the year	(151,327)	(127,372)	–	–	(151,327)	(127,372)
Expected return on plan assets	(7,709)	(6,939)	–	–	(7,709)	(6,939)
Actual benefit payment	3,845	5,838	158	111	4,003	5,949
Employer contribution	(15,558)	(14,823)	(158)	(111)	(15,716)	(14,934)
Employee contribution	–	–	–	–	–	–
Actuarial (gains)/losses on plan assets	(4,025)	(4,795)	–	–	(4,025)	(4,795)
Other	–	–	–	–	–	–
Exchange rate differences	3,140	(3,236)	–	–	3,140	(3,236)
At the end of the year	(171,634)	(151,327)	–	–	(171,634)	(151,327)

The detail per class of plan asset is as follows:

Asset class	Belgium plan assets 2006 in %	The Netherlands plan assets 2006 in %	United States plan assets 2006 in %
Equities	22.0%	30.0%	90.0%
Bonds	78.0%	70.0%	10.0%
Cash	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%

The expected rate of return on bonds is calculated based on the market yields available, while the expected rate of return on equities is calculated based on long- and short-term historical analysis as well as the forecast of investment manager.

24 Long-term employee benefits (continued)

The principal actuarial assumptions applied at 31 December were:

	Euro zone		USD zone	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Weighted average discount rate	**4.50%**	4.50%	**5.75%**	5.75%
Expected long-term rate of return on assets	**5.00%**	4.50% – 5.00%	**6.50%**	6.50%
Rate of increase in future salaries	**4.00%**	4.00%	**4.00%**	4.00%

The actual return on the plan assets amounted to EUR 11.8 million. The expected contribution for 2007 amounts to EUR 20.4 million.

25 Current and non-current portions of non-interest bearing deposits from members and participants

The short-term non-interest bearing deposit of EUR 6.7 million which was due to members who did not subscribe to the 2005 capital increase was reimbursed in April 2006.

26 Amounts payable to suppliers

The increase in amounts payable to suppliers from EUR 16.6 million last year to EUR 21.7 million in 2006 in the amounts payable to suppliers is the result of timing differences in the payment of invoices from suppliers.

27 Short-term employee benefits

(in thousands)	2006 EUR	2005 EUR
Short-term employee benefits		
Social security and payroll liabilities	**54,016**	55,618
Voluntary leave provision	**2,856**	2,368
Total short-term employee benefits	**56,872**	57,986

The effect of the increase in salaries on the social security and payroll liabilities has been offset by timing differences in the payment of related invoices.

28 Short-term provisions

(in thousands)	Legal claims	Restructuring	Other	Total short-term provisions
Balance beginning of year	3,076	243	1,197	4,516
Additional provision	249	331	1	581
Reversal of unused accrual	–	–	–	–
Amounts charged to income in 2006	249	331	1	581
Amounts utilised during the year	–	(243)	(1,036)	(1,279)
Balance at end of year	**3,325**	**331**	**162**	**3,818**

The increase in the provisions for legal claims relates to the reassessment of claims that originated in 2004 resulting from business agreements concluded in the past. The provisions represent the Company's prudent estimate of the outcome of the court cases related to these claims.

The utilisation of other provisions is explained by the confirmation of the liability and its subsequent classification in amounts payable to suppliers.

Notes to the consolidated financial statements

29 Other liabilities

(in thousands)	2006 EUR	2005 EUR
Other liabilities		
Accrued liabilities	43,652	22,226
VAT and withholding taxes payable	876	202
Fair value of financial instruments	3,273	487
Other liabilities and deferred income	5,695	1,600
Total other liabilities	**53,496**	24,515

The increase in the accrued liabilities is mainly explained by remaining costs related to the June 2006 decision by the Board of Directors to give free Hardware Security Modules to the entire SWIFT community to prepare for SWIFTNet Phase 2.

The fair value of financial instruments relates to the forward and option contracts concluded to hedge foreign currency exposure. The increase compared to last year is explained by the relative evolution of the foreign exchange rates.

The increase in other liabilities and deferred income is mainly explained by financial discounts which have been obtained in 2006 relating to services that will be delivered in future years.

30 Accrued taxes

The decrease in accrued taxes from EUR 26.3 million last year to EUR 19.1 million in 2006 is explained by the evolution of pending issues and questions with various tax authorities that allowed to adjust the income tax provisions.

31 Related party disclosures

(a) Compensation of the Executive Steering Group

IAS 24 §16 requires companies to disclose key management personnel compensation. A description of the reward package has been included in the section 'Executive Steering Group' on pages 28 and 29. Amounts in USD are converted at the average rate of the year.

(in thousands)	2006 EUR	2005 EUR
Short-term employee benefits		
Salary	2,257	2,299
Bonus	900	904
Car benefits	155	162
Other	183	182
	3,495	3,547
Post-employment benefits		
Pension	1,865	1,398
Post-retirement medical	29	13
	1,894	1,411
Other long-term employee benefits		
Long-term incentives	2,129	2,913
Other	234	142
	2,363	3,055
Total compensation for the Executive Steering Group	**7,752**	8,013
Social charges on the above	967	1,266
Total cost of compensation for the Executive Steering Group	**8,719**	9,279

The compensation for 2005 and 2006 is not directly comparable as in 2005 there was a period during which a retiring executive and his successor overlapped for a transitionary period of several months.

31 Related party disclosures (continued)

(b) Compensation of the Board of Directors

The Members of the Board of Directors 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 of Directors for the share of the Chairman's payroll and related costs representing the portion of the time dedicated by the Chairman to SWIFT.

32 Commitments and contingent liabilities

(a) Capital expenditure commitments

The Company had commitments for capital expenditure at 31 December 2006 amounting to EUR 2.1 million primarily related to the renovation of office buildings and machinery and equipment.

(b) Contractual obligations and operating leases

The Company has entered into contractual obligations and operating leases covering certain equipment and rental space. These commitments total EUR 138 million, and are estimated to be payable in the following years:

Year	EUR (millions)
2007	77
2008	15
2009	12
2010	8
2011 and beyond	26
Total commitments	**138**

(c) Contingent liabilities

SWIFT has contractual commitments to reimburse its users up to a maximum amount for specific losses resulting from certain failure of the SWIFT system. SWIFT is insured against these losses. No material claims arose during the year, or the previous year.

The Company is involved in litigations with tax authorities related to the income tax charges for the financial years 1988 through 2000, and with employees. Maximum exposure of these litigations amounts to EUR 119 million. Provisions have been established amounting to EUR 5.5 million and Management is confident that these are adequate.

Notes to the consolidated financial statements

33 Financial instruments

(a) Derivative financial instruments

In accordance with the foreign exchange policy guidelines of the Company, all material foreign exchange exposures are hedged. The Company does not use derivative financial instruments for speculative purposes.

The derivative financial instruments relate primarily to forward exchange contracts and foreign exchange option contracts that are entered into to hedge firm commitments at the balance sheet date, mainly related to the purchase of hardware and software in USD, and to hedge budgeted revenues and operating expenses. The derivative contracts have settlement dates that range from one month up to 12 months.

The net unrealised results on financial instruments at 31 December 2006 on cash flow hedges and fair value hedges amounted to a loss of EUR (0.1) million, of which a EUR (0.3) million loss was recognised through the income statement and a EUR 0.2 million gain through the SoRIE (before deferred income tax impact). In 2006, all foreign exchange options were recognised through the income statement.

The fair value of the hedging instruments is recorded on the balance sheet in other receivables/other liabilities. The contracts outstanding at 31 December 2006 are as follows:

(in millions)	2006 EUR	2005 EUR
Amounts to be received under forward contracts		
USD (at rates averaging 1 EUR = 1.2945 USD)	**40**	36
GBP (at rates averaging 1 EUR = 0.67659 GBP)	**17**	4
JPY (at rates averaging 1 EUR = 151.61 JPY)	**3**	4
HKD (at rates averaging 1 EUR = 10.2459 HKD)	**9**	9
Amounts to be received upon exercise of the currency call options purchased		
USD (at rates averaging 1 EUR = 1.2921 USD)	**156**	147
Amounts to be paid under forward contracts		
USD (at rates averaging 1 EUR = 1.2908 USD)	**(92)**	(88)
Amounts to be paid upon exercise of the currency call options purchased		
USD (at rates averaging 1 EUR = 1.2889 USD)	**(24)**	(20)

Fair market value for fair value hedges and cash flow hedges for the major currency (USD), per expiration date:

(in thousands)	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total
Cash flow hedge	1,794	(2)	(840)	(493)	**459**
Fair value hedge	(461)	(554)	402	72	**(541)**

(b) Credit risk

Financial assets which potentially subject the Company to concentrations of credit risk consist exclusively of cash, short-term deposits, money market products and trade receivables.

The Company's cash and money market products are placed with high-credit quality financial institutions.

Trade receivables are presented net of the allowance for doubtful receivables. The concentration of credit risk with respect to trade receivables is limited due to the large number of users and their dispersion.

(c) Interest rate risk

The Company has no interest-bearing loans.

(d) Fair values

The carrying amounts of cash and cash equivalents, trade receivables, accounts payable and other liabilities approximate to their fair values due to the short-term maturities of these assets and liabilities.

Calendar of SWIFT events

2007	
21–24 May	SWIFT regional conference – Africa
	Dakar, Senegal
4 – 6 June	SWIFT regional conference – Central & Eastern Europe
	Saint Petersburg, Russia
13 June	Annual General Meeting of shareholders
	La Hulpe, Belgium
4 – 6 July	SWIFT regional conference – ELUS
	Cartagena, Colombia
1–5 October	**Sibos 2007**
	Boston, USA
2008	
11 June	Annual General Meeting of shareholders
	La Hulpe, Belgium
15–19 September	**Sibos 2008**
	Vienna, Austria

Shareholder information

The Annual General Meeting of shareholders of S.W.I.F.T. SCRL will be held on 13 June 2007, at 11.00am at SWIFT's headquarters in La Hulpe, Belgium. Shareholders unable to attend the meeting can give their proxy to the Board Member of their country, if any, or send it to the Board Secretary to give to the Board Member of their choice with voting instructions, if required.

SWIFT business offices

North and Latin Americas

United States
7 Times Square
45th Floor
New York, NY 10036
Tel: +1 212 455 1800
Fax: +1 212 455 1817

Brazil
Avenida Paulista, 1048
3 andar
01310-100 São Paulo SP
Tel: +55 11 3514 9000
Fax: +55 11 3514 9001

Asia Pacific

Australia
Suite 3202
AMP Centre
50 Bridge Street
Sydney, NSW 2000
Tel: +61 2 9225 8100
Fax: +61 2 9225 8111

Hong Kong
31/F One International
Finance Centre
1 Harbour View Street
Central
Tel: +852 2107 8700
Fax: +852 2107 8733

Japan
2nd Floor, AIG Building
1-3 Marunouchi 1-Chome
Chiyoda-Ku, Tokyo 100-0005
Tel: +81 3 5223 7400
Fax: +81 3 5223 7439

People's Republic of China
7 Financial Street, 8th floor
WIFC Xicheng District
Beijing 100034
Tel: +86 10 6658 2900

Singapore
80 Robinson Road # 16-02
Singapore 068898
Tel: +65 6347 8000
Fax: +65 6347 8099

Europe – Middle East – Africa

Headquarters
Belgium
1 avenue Adèle
1310 La Hulpe
Tel: +32 2 655 3111
Fax: +32 2 655 3226

France
Opera Trade Center
4 rue Auber
75009 Paris
Tel: +33 1 53 43 23 00
Fax: +33 1 53 43 23 90

Germany
20th Floor, City-Haus I
2-14 Friedrich-Ebert-Anlage
60325 Frankfurt am Main
Tel: +49 69 7541 2200
Fax: +49 69 7541 2290

Italy
Corso G. Matteotti 10
20121 Milano (MI)
Tel: +39 02 7742 5000
Fax: +39 02 7742 5090

South Africa
Block B, 101 Central Street
PO Box 2303
Houghton 2041
Tel: +2711 483 4502
Fax: +2711 483 4507

Spain
Edificio Cuzco IV
Paseo de la Castellana 141, 22A
28046 Madrid
Tel: +34 91 425 1300
Fax: +34 91 425 1310

Sweden
4 Oxtorgsgatan
7th Floor
Stockholm
Tel: +46 8 508 95 300

Switzerland
Freischützgasse 10
8004 Zurich
Tel: +41 43 336 5400
Fax: +41 43 336 5410

United Kingdom
7th Floor
The Corn Exchange
55 Mark Lane
London EC3R 7NE
Tel: +44 20 7762 2000
Fax: +44 20 7762 2222

United Arab Emirates
Office 42, Level 15
The Gate Building
PO Box 506575
Dubai
Tel: +971 4 425 0900
Fax: +971 4 425 0160

SWIFT business partners

SWIFT business partners
Global business partners

Andean region
BCG – Business Computer Group
Avenida Francisco de Miranda
Torre Provincial,
Torre B, Piso 14, Oficina 141
Chacao, Caracas
Venezuela
Tel: +58 212 267 2121
Fax: +58 212 264 7736
www.bcg.com.ve

Central America and Mexico
BCG Panama
Marbella World Trade Center
6th Floor, Oficina 605
PO Box 0832-0702
Panama City
Panama
Tel: +507 264 0998
Fax: +507 264 2341
www.bcg.com.ve

North America
S.I.D.E. America Corp.
450 Seventh Avenue, Suite 1509
New York, NY 10123
United States
Tel: +1 212 631 0666
Fax: +1 212 631 0170
www.sideamerica.com

North America
S.I.D.E. America Corp.
445 S Figueroa Street, Suite 2700
Los Angeles, CA 90071
United States
Tel: +1 213 612 7799
Fax: +1 213 612 7797
www.sideamerica.com

Southern Latin America
Financeware Comercio e Servicos Ltda
Rua Paraiso 139, Cj. 132
Rua Tutóia 324 – Paraíso
04103-000 – São Paulo/SP
Brazil
Tel: +55 11 3262 2095
Fax: +55 11 3251 1926
www.financeware.com.br

Indian subcontinent
Cambridge Solutions Ltd.
(formerly Scandent Solutions)
801, Madhava Building
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
India
Tel: +91 22 2659 4951
Fax: +91 22 2659 4952
www.cambridgeworldwide.com

Japan
Getronics Japan, Ltd.
Shuwa Shiba Koen 3-Chome Building
3-1-38, Shiba Koen, Minato-Ku
Tokyo 105-0011
Japan
Tel: +81 3 5403 1006
Fax: +81 3 5403 1013
jp.getronics.com/swift

Sumisho Computer Systems Co.
Harumi Island Triton Square,
Tower Z
1-8-12, Harumi
Chuo-ku, Tokyo 104-6241
Japan
Tel: +81 3 5859 3890
Fax: +81 3 5859 3869
www.scs.co.jp

Oceania – South Pacific
Decillion Solutions (Australia) Pty Ltd.
Suite 403
161 Walker Street
North Sydney, NSW 2060
Australia
Tel: +61 2 9929 0655
Fax: +612 9929 0799
www.decillion.com.au

People's Republic of China
NSCI (Shanghai) Co., Ltd.
13F World Trade Tower
No. 500 Guangdong Road
Shanghai 200001
P.R. China
Tel: +86 21 6141 5511
Fax: +86 21 6362 1800
www.nsc.com.cn

South East Asia
Decillion Solutions Pte Ltd.
39 Robinson Road
#16-03 Robinson Point
Singapore 068911
Tel: +65 6538 1661
Fax: +65 6538 1771
www.decillion.com.sg

South Korea
Comas Inc.
7-9F, Geobong Building 942-16
Daechi3-Dong, Gangnam-Gu
Seoul, Korea (135-845)
Tel: +82 2 3218 6312
Fax: +82 2 518 1969
www.comas.co.kr

Taiwan
Ares International Corp.
3rd Floor, 111, Sec.2
ZhongShan N. Road
Taipei, Taiwan 104
Tel: +886 2 2522 1351
Fax: +886 2 2560 1735
www.ares.com.tw

Austria, Germany, Liechtenstein, Switzerland
Incentage AG
Mülistrasse 18
CH-8320 Fehraltorf / Zurich
Switzerland
Tel: +41 43 355 86 00
Fax: +41 43 355 86 01
www.incentage.com

Balkan countries
CiS d.o.o.
Bulevar Oslobodjenja 88
CS-21000 Novi Sad
Serbia
Tel: + 381 21 4725 380
Fax: + 381 21 4725 288
www.cis.co.yu

Benelux and France
S.I.D.E. Benelux & France S.A.
200 Rue du Cerf
B-1330 Rixensart
Belgium
Tel: +32 2 656 0060
Fax: +32 2 656 00 70
www.side-international.com

British Isles, Ireland and Channel Islands
SMA Software + Consulting Ltd.
Bramah House
65–71 Bermondsey Street
London SE1 3XF
Great Britain
Tel: +44 20 7940 4200
Fax: +44 20 7940 4201
www.sma.co.uk

CIS countries
Alliance Factors Ltd.
6 Shubinsky Pereulok
Moscow 121099
Russian Federation
Tel: +7 495 967 1491
Fax: +7 495 241 4650
www.swift.ru

Italy
TAS – Gruppo NCH
Via del Lavoro 47
40033 Casalecchio di Reno (BO)
Italy
Tel: +39 051 458 0426
Fax: +39 051 458 0248
www.nchspa.com

Middle East and Gulf Region
Eastern Networks
Dubai Internet City
Building 2, # G02
PO Box 500135
Dubai
United Arab Emirates
Tel: +971 4 391 2880
Fax: +971 4 391 8652
www.eastnets.com

Middle East and North Africa
Allied Engineering Group S.A.R.L.
Assaf Center, 8th Floor
Verdun, Beirut
Lebanon
Tel: +961 1 791 002
Fax: +961 1 791 003
www.aeg-mea.com

Southern Africa
Perago Africa (Pty) Ltd.
Building II (B Block)
101 Central Street
Houghton 2194 Gauteng
South Africa
Tel: +27 11 483 4500
Fax: +27 11 483 4507
www.perago.com

West and Central Africa
Allied Engineering Group S.A.R.L.
El Mohandiseen – Giza
Lebanon Square
Al-Gihad Street 6
Cairo
Egypt
Tel: +202 305 5697
Fax: +202 305 5697
www.aeg-mea.com

IBM International Business Machines Corporation
IBM Belgium
BLS 2A1, 42 Avenue du Bourget
B-1130 Bruxelles
Belgium
Tel: +32 2 655 5423
Fax: +32 2 655 5423
www.ibm.com

LogicaCMG
Stephenson House
75 Hampstead Road
London NW1 2PL
United Kingdom
Tel: +44 20 7446 1462
Fax: +44 20 7674 1777
www.logicacmg.com

Produced by SWIFT Corporate Communications
Designed by greymatter williams and phoa, London
Printed in Belgium by Emico

www.swift.com