SWIFT in figures

- 22.68 million FIN messages peak day (2013)
- 5+ billion FIN messages per year (2013)
- 10,500+ SWIFT users
- 200+ Countries and territories
- 10.4% Increase in FIN traffic (2013)
Banks  Fund Managers  Central Counterparties  Clearing & Settlement Systems  Corporates  Broker-Dealers  ICSDs  Central Banks  Global Custodians  CSDs  Stock Exchanges  Depositories  Trade Depositories
Continually lowering Total Cost of Ownership (TCO)

1991 – 2014 forecast

FIN price before rebate

Cent / msg (EUR)

FIN traffic

Millions of messages
SWIFT2015
Delivery on-track

Applications
Sanctions
KYC
Business Intelligence
SWIFTRef

Messaging
Payments / Securities
Market Infrastructures
Corporate Treasury

Platform
FIN Renewal
HSM Refresh
Distributed Architecture

Connectivity
Alliance Lite2
Alliance Access
AMH
SWIFT’s core messaging service

Financial messaging, enabled by platform and standards
SWIFT’s software offering

Interfaces and integration products for today’s financial market needs

- **Integration**
  - Converter
  - IPLA
  - Alliance Messaging Hub

- **Interface**
  - Alliance Access
  - Alliance Gateway
  - Alliance Remote Gateway

- **Connectivity**
  - Alliance Lite 2
  - Low Volume
  - Mid Volume
  - High Volume
Shared Services

Portfolio at a glance

Business Intelligence
- Gain insight through unique data

SWIFTRef
- Increase STP using quality data

My Standards
- Share, manage and test industry formats

Matching
- Drive down cost and risk in trade matching

Compliance Services
- Reduce cost & risk in financial crime compliance

Deliver turnkey solutions through Services
Business Intelligence

Gain insights through unique data

Watch for Correspondent Banking
BI Consulting Services
Watch for Securities
On-site solutions
SWIFT Economics
SWIFTRef

Quality reference data

- Bank Identifiers (BIC, LEI)
- IBAN/SEPA data
- Standing Settlement Instructions (SSI)
- Financial & market data

All available via file-based directories, API web services and online tools
SWIFTRef Delivery Channels

Automated file download (API)

FileAct (automated)

SWIFTNet

internet

Manual file download

Formatting

TXT

XML

Frequency

Monthly

Daily

APIs (web services)

Bankers World Online

internet

internet
<table>
<thead>
<tr>
<th>Financial Crime Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Services, tools and roadmap</strong></td>
</tr>
<tr>
<td><strong>Data repositories</strong></td>
</tr>
<tr>
<td><strong>Traffic analysis</strong></td>
</tr>
<tr>
<td><strong>Quality assurance</strong></td>
</tr>
<tr>
<td><strong>Processing services</strong></td>
</tr>
<tr>
<td><strong>Client / Name screening</strong></td>
</tr>
<tr>
<td><strong>Sanctions</strong></td>
</tr>
<tr>
<td><strong>KYC</strong></td>
</tr>
</tbody>
</table>

- **Live**, **Development**, **Qualification**, **Exploration**
Sanctions Screening overview

Your institution

Hosted and managed screening engine

Real-time screening

Daily updates from 35 lists + private lists

No additional footprint

Your correspondents
The KYC Registry
Today’s market: An unprecedented challenge to comply with KYC requirements

The Cost of KYC is becoming prohibitive

- Pressure to reconcile & ‘de-risk’
- Exploding AML/KYC fines
- KYC complexity (FATF/FATCA) and inconsistencies across jurisdictions
- Cumbersome, repetitive and inefficient bilateral exchanges
- Unavailability and poor quality of information

As a result the industry has witnessed a new development, the growth of the KYC ‘utility’
Comunicado de prensa

El Registro KYC de SWIFT se pone en marcha para la Banca corresponsal alrededor del mundo.

La nueva utilidad, propiedad de la industria, ofrece el intercambio seguro de información de KYC, para el apoyo del cumplimiento y la transparencia.

México, D.F. a 11 de diciembre de 2014 – SWIFT anuncia la disponibilidad de “El Registro KYC” para los bancos que buscan aumentar su eficiencia y reducir los riesgos relacionados con las actividades de cumplimiento Conozca a su Cliente (KYC) de sus bancos corresponsales. Más de 20 bancos globales y regionales se han unido a “El Registro KYC”, demostrando un respaldo claro en apoyo a esta iniciativa de cumplimiento contra el delito financiero, la cual ha sido impulsada por la comunidad financiera.
The founding principles

- A Single Standard
- Validated data
- A feature-rich Platform
- Unique value-add content
- Community-lead engagement
Sanctions Fines

U.S. SEC fines firm $7.2 mln in record short-selling sanction

WASHINGTON, March 5  - A New York proprietary trading firm and its owner will pay $7.2 million to settle civil charges said on Wednesday the firm had placed illegal short sales that defrauded customers.

(Related Topics: Markets, Financials)

Lloyds TSB agrees to pay fine of $350m for sanctions help

Lloyds TSB, Britain's third-largest bank, has agreed to pay a $350 million fine to American and British authorities on Thursday for its role in helping Iran evade international sanctions.

JPMorgan to Pay $9 Billion in U.S. Violating Sanctions Plea Deal

BNP to Pay Almost $9 Billion in U.S. Violating Sanctions Plea Deal

Bank of Tokyo-Mitsubishi UFJ (BTMU) has agreed to pay $250 million to American and British authorities on Monday for its role in helping Iran evade international sanctions.

RBS fined $100m for busting US sanctions in Iran and elsewhere

Royal Bank of Scotland (RBS) was fined a total of $100 million on Monday by American and British authorities for its role in helping Iran evade international sanctions.

Sanctions Fines

Regulators said Japan's largest bank by assets made 28,000 illegal transactions totalling $100bn for governments and institutions in the state's banking laws over transactions involving Iran, Sudan and Myanmar.

Sanctions Fines

BNP Paribas SA (BNP), France's largest bank, pleaded guilty to U.S. sanctions violations and agreed to pay a record $8.967 billion in a case that reached into highest echelons of French and American diplomacy.

Sanctions Fines

BNP Paribas SA (BNP) pleaded guilty to U.S. sanctions violations and agreed to pay a record $8.967 billion in a case that reached into highest echelons of French and American diplomacy.

Sanctions Fines

BNP Paribas SA (BNP) pleaded guilty to U.S. sanctions violations and agreed to pay a record $8.967 billion in a case that reached into highest echelons of French and American diplomacy.
Sanctions Impact

Global review of banking relationships both on profitability and on compliance

The pressure to adhere to anti-money laundering standards, has resulted ‘in higher operational costs for trade and export finance business’ (ICC)
Why is sanctions compliance so complex?

40,000 Names and aliases on lists

500 Correspondent relationship terminated over the past year by just one US Bank

1 day Average interval of list updates

4 billion + Possible fuzzy logic combinations

3,000 New aliases in a single EU update on 19 July 2011
Sanctions screening over SWIFT

- Screening engine & user interface
- Sanctions List update service with enhancements
- Minimum/no installation or integration required
- Centrally hosted and operated by SWIFT for SWIFT users
- Real-time
“We value the ability to use a secure, automated system that ensures we are compliant with the most up-to-date sanctions lists.”

Mohamed Isa AL Mutaweh, Chief Executive Officer & Member of the board of Directors, Al Baraka Islamic Bank
Public Sanctions Lists available

AU – Australia Department of Foreign Affairs and Trade
AU - DFAT Countries Embargoes
AU - DFAT Iran Specified Entities List
CA – Canada Foreign Affairs and International Trade
CA - FAIT Countries Embargoes
CA - Office of the Superintendent of Financial Institutions
CA - OSFI - United Nations Act Sanctions
CN - People’s Republic of China - Ministry of Public Security
EU - EUROPE Countries Embargoes
EU - European Official Journal
EU - Ukraine Restrictive Measures
FR - Journal Officiel français
HK - Hong Kong Monetary Authority
HK - HKMA Countries Embargoes
JP - Ministry of Finance
NL - Frozen Assets List - Dutch Government
NZ - New Zealand Police
SG - Singapore MAS - Investor Alert List
CH - Switzerland Secrétariat d’Etat à l’Economie
CH - SECO Countries Embargoes
UK - Her Majesty’s Treasury
UK - HMT Countries Embargoes
UK – HMT Ukraine Restrictive Measures
UN - United Nations
UN - UN Countries Embargoes
US - Office of Foreign Assets Control
SDN list
US - OFAC Palestinian Legislative Council
US - OFAC Part 561 list
US - OFAC Foreign Sanctions Evaders
US – OFAC Sectoral Sanctions Identifications
US - Financial Crimes Enforcement Network
US - OFAC Countries Embargoes
Sanctions Screening - Additional Lists

Private Lists

Good Guys List

- Single entries and bulk capability
Data Enhancements

• List from regulator needs to be enhanced and repaired
• 28 different ways of spelling Mohamed
• List repairs:
  – DFAT000527 : ASSAD AHMAD BARAKAT
    • City Name (FOX DO IGUACO) corrected to: FOZ DO IGUAÇU
  – OFAC004632 : BANK MARKAZI JOMHOURI ISLAMI IRAN
    • No BIC Code : added BMJIIRTH
Screening and Audit Report

Screening Transactions

Evaluating Results

Downloading Reports

Screening Report

Audit Report: Full Audit Trail

True Hit
False Positive
Sanctions Screening – *Customer ramp up*

- 29 Oct 2014
- 252 contracts
- 90 countries
Introducing a new Sanctions Screening option

Based on Copy

Based on Connector