SWIFT

2010

Consolidated financial statements

BOUNDARIES INNOVATION soluções UNIQUE 공동의 도전, 독특한 솔루션
AGILE Sécurité Communauté réactif CONFIANZA
Défis communs, solutions uniques CHALENGES COMUM, SOLUÇÕES ÚNICAS 共同的挑戰, 獨特的解決方案
AGILE Progress التحديات المشتركة ، حلول فريدة progreso stabilité
Segurança
PROGRESS stabilité collaboration
confidence conectividad 共同 community réactif diligente Trust Definição DESAFÍOS COMUNES,
collective responsibility soluções 집단 책임 La SOLUCIONES ÚNICAS
TRUST responsabilité TRUST
sécurité stability boundaries Segurança collective collaborative
Innovation CONFIDENCE COMMUNITY
SECURITY أمن Défis communs, solutions uniques communities コミュニティ security
Défis communs, solutions uniques CONNECTIVITÉ grenzen Limite SOLUTIONS Définition stabilité
LÖSUNGEN Stability Inovação Vertrauen Growth soluções 진전
Responsabilidade 응답 TRUST solutions Security AGILE
coletiva 解决方案 CONFIANZA confidence Common challenges,
Conectividad COMMUNITIES Segurança progrès unique solutions
Fronteras diligente stabilité Collective responsibility AGILE
Stability Trust Chalenges comum, soluções únicas Growth
RESPONSIVO Segurança stability COLLABORATIVE innovation
المسؤولية الجماعية 负责任
Solutions
SECURITY connectivity Vertrauen stabilité Stability Zusammenarbeit
SEGURIDAD Segurança RESPONSÁVEL Limite COMMUNITIES
CHALENGES COMUM, SOLUÇÕES ÚNICAS
进展 SOLUTIONS community responsável common challenges, unique solutions
Stabilität Collective réactif Serviço diligente
responsibility Confianza security
ESTABILIDADE stability SOLUCIONES الثقة
sécurité SICHERHEIT diligente النمو 集体责任 Communauté CONNECTIVITÉ Vertrauen
collaboration responsável CRESCIMENTO
TRUST estabilidad CONFIDENCE
GROWTH innovation BOUNDARIES COLABORATIVO
La responsabilité collective
Zusammenarbeit LÖSUNGEN
communauté 信頼 DÉFIS COMMUNS,
Gemeinsame SOLUTIONS UNIQUES
Herausforderungen, SECURITY CONFIANÇA
Conectividad
einzigartige Lösungen Solutions Segurança 共同体
Responsável Responsabilidade coletiva VERTRAUEN Confianza
SECURITY stabilité COLLECTIVE RESPONSIBILITY INNOVATION trust
À COMUNIDADE La responsabilité collective LÖSUNGEN 創新 AGILE

CONSOLIDATED FINANCIAL STATEMENTS SWIFT GROUP

AT 31 DECEMBER 2010

PER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Key figures

year ended 31 December 2010

(in millions)	**2010 EUR**	2009 EUR	2008 EUR	2007 EUR	2006 EUR
Operating revenue before rebate	**590**	586	598	625	588
Rebate	**(52)**	-	(19)	(57)	(26)
Revenue after rebate	**538**	586	579	568	562
Operating expenses	**(528)**	(568)	(560)	(535)	(539)
Profit before taxation	**21**	17	31	36	29
Net profit	**15**	15	25	23	25
Net cash flow from operating activities	**135**	68	24	86	83
Capital expenditure of which :	**52**	46	96	51	46
property, plant and equipment	**44**	40	73	41	38
intangibles	**9**	6	23	10	8
Shareholders' equity	**296**	285	262	255	238
Total assets	**514**	497	502	480	473
Number of employees at end of year	**1.807**	1.991	2.138	2.001	1.890

Independent auditors' report 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 consolidated statement of financial position as at 31 December 2010 and the consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 judgment, 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 consolidated financial statements give a true and fair view of the financial position of S.W.I.F.T. scrl as of 31 December 2010, 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 2011

Consolidated income statement

year ended 31 December 2010

(in thousands)	Note	2010 EUR	2009 EUR
Revenues			
Traffic revenue	2	**302.250**	360.011
One-time revenue	3	**3.593**	5.000
Recurring revenue	4	**118.220**	106.990
Interface revenue	5	**112.368**	110.733
Other operating revenue		**1.542**	3.340
		537.973	586.074
Expenses			
Royalties and cost of inventory	12	**(7.941)**	(9.824)
Payroll and related charges	6	**(254.321)**	(270.206)
Network expenses	7	**(16.694)**	(19.134)
Rental, maintenance, office and outside service expenses	8	**(160.504)**	(161.166)
Depreciation of property, plant and equipment	14	**(42.739)**	(44.424)
Amortisation of intangible fixed assets	15	**(12.343)**	(12.872)
Other expenses	9	**(9.412)**	(5.824)
Restructuring costs	16	**(23.791)**	(44.145)
		(527.745)	(567.595)
Profit from operating activities		**10.228**	18.479
Financing costs		**(990)**	(863)
Other financial income and expenses	10	**10.859**	(264)
Share of profit of associated companies	17	**1.299**	-
Profit before tax		**21.396**	17.352
Income tax expense	11	**(6.575)**	(1.966)
Net profit		**14.821**	15.386

Consolidated statement of comprehensive income

year ended 31 December 2010

		2010 EUR			2009 EUR		
(in thousands)	Note	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Net profit for the year		**14.821**	**-**	**14.821**	15.386	-	15.386
Foreign currency translation		**61**	**-**	**61**	126	-	126
Cash flow hedges:				**-**			-
Current year gain / (loss) on financial instruments	33	**1.256**	**(426)**	**830**	(2.502)	852	(1.651)
Prior year (gain) / loss transferred to income statement	33	**2.502**	**(852)**	**1.650**	(1.186)	403	(783)
Recognition of actuarial gains and losses	26	**(9.666)**	**3.654**	**(6.012)**	15.544	(5.323)	10.221
Total comprehensive income for the year		**8.974**	**2.376**	**11.350**	27.368	(4.068)	23.300

Consolidated statement of financial position

year ended 31 December 2010

(in thousands)	Note	2010 EUR	2009 EUR
Non-current assets			
Property, plant and equipment	14	**159.118**	160.745
Intangible assets	15	**20.803**	21.225
Investments in associated companies	17	**1.848**	549
Other investments	18	**-**	-
Pension assets	26	**1.637**	-
Deferred income tax assets	19	**34.651**	31.108
Other long-term assets	22	**18.461**	2.714
Total non-current assets		**236.518**	216.341
Current assets			
Cash and cash equivalents		**202.516**	120.280
Trade receivables	20	**20.810**	77.716
Other receivables	21	**10.577**	9.470
Prepayments to suppliers	22	**22.102**	26.893
Inventories	23	**1.477**	1.016
Prepaid taxes	24	**20.405**	45.469
Total current assets		**277.887**	280.844
Total assets		**514.405**	497.185

Shareholders' equity	25	**296.346**	285.312
Non-current liabilities			
Long-term employee benefits	26	**83.728**	79.978
Deferred income tax liabilities	19	**70**	25
Other long-term liabilities	28	**11.469**	4.226
Total non-current liabilities		**95.267**	84.229
Current liabilities			
Amounts payable to suppliers		**19.560**	17.158
Short-term employee benefits	27	**53.212**	59.512
Other short-term liabilities	28	**16.823**	14.272
Other liabilities	29	**24.902**	28.002
Accrued taxes	30	**8.295**	8.700
Total current liabilities		**122.792**	127.644
Total equity and liabilities		**514.405**	497.185

Consolidated statement of cash flows

year ended 31 December 2010

(in thousands)	**2010 EUR**	2009 EUR
Cash flow from operating activities		
Profit from operating activities	**10.228**	18.479
Depreciation of property, plant and equipment	**42.739**	44.424
Amortisation of intangible fixed assets	**12.343**	12.872
Net loss and write-off on sale of property, plant and equipment, and intangible assets	**1.955**	46
Other non-cash operating losses	**899**	(12.451)
Changes in net working capital	**67.220**	6.211
Net cash flow before interest and tax	**135.384**	69.581
Interest received	**4.310**	1.514
Interest paid	**(990)**	(863)
Tax paid	**(3.571)**	(1.919)
Net cash flow from operating activities	**135.133**	68.313
Cash flow from investing activities		
Capital expenditures		
Property, plant and equipment	**(43.542)**	(39.884)
Intangibles	**(8.791)**	(6.472)
Proceeds from sale of fixed assets	**475**	2.152
Acquisition of a subsidiary, net of cash acquired	**(3.130)**	-
Net cash flow used in investing activities	**(54.988)**	(44.204)
Cash flow from financing activities		
Net payments for reimbursement of contributions	**(317)**	(268)
Net cash flow from (used in) financing activities	**(317)**	(268)
Increase / (decrease) of cash and cash equivalents	**79.828**	23.841
Movement in cash and cash equivalents		
At the beginning of the year	**120.280**	96.153
Increase / (decrease) of cash and cash equivalents	**79.828**	23.841
Effects of exchange rate changes	**2.408**	285
At end of the year	**202.516**	120.280
Cash and cash equivalent components are:		
Cash	**10.044**	31.166
Liquid money market products	**192.472**	89.114
At the end of the year	**202.516**	120.280

Notes to the consolidated financial statements

1 **Corporate information**

The consolidated financial statements of S.W.I.F.T. SCRL (also referred as SWIFT or the Company) for the year ended 31 December 2010, were authorised for issuance in accordance with a resolution of the Board of Directors on 16 March 2011 and will be proposed for approval at the Annual General Meeting of 09 June 2011.

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 more than 9,705 customers. SWIFT's worldwide community includes banks, broker/dealers, investment managers and corporates, as well as their market infrastructures in payments, securities, treasury and trade.

S.W.I.F.T. SCRL operates in 210 countries and employed 1,807 employees as of 31 December 2010.

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 (IFRS) and are presented in thousands of euro. 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 IFRS. 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 IFRS 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

The application by the Company of following new standards, interpretations and amendments, that are effective for the period beginning on 01 January 2010 has been investigated. It was concluded that these are not applicable to the Company.

1/ IFRS 1 First time Adoption of international Financial Reporting Standards - Additional exemptions for First-time Adopters (01 January 2010)
2/ IFRS 2 (Amended) Share-based Payment: Group Cash-Settled Share-based Payment Transactions (01 January 2010)
3/ IAS 27 (Revised) Consolidated and separate Financial Statements (01 July 2009)
4/ IAS 39 (Amended) Financial Instruments: Recognition and Measurement - Eligible Hedged Items (01 July 2009)
5/ IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement (01 July 2009)
6/ IFRIC 13 Customer Loyalty Programme (01 July 2009)
7/ IFRIC 17 Distribution of Non-Cash Assets to owners (01 July 2009)
8/ IFRIC 18 Transfers of Assets from Customers (01 July 2009)
9/ Annual Improvement to IFRS 2009 (01 January 2010)

The application by the Company of following new standards, interpretations and amendments, that are effective for the period beginning on 01 January 2010 has been investigated. It was concluded that these are applicable to the Company but have limited impact on the financial statements.

1/ IFRS 3 Business Combinations (01 January 2009)

New Standards, Interpretations and Amendments, that have been issued but are not yet effective for the period beginning on 01 January 2010, have not been applied as they are not applicable to the Company or the Company has not opted for early adoption. Application of these new Standards, Interpretations and Amendments is not likely to have significant impacts on the financial position or the results of the Company.
1/ IFRS 1 First time Adoption of international Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures (01 July 2010)
2/ IFRS 1 (Amended) First time Adoption of international Financial Reporting Standards: Severe Hyperinflation and removal of fixed dates for first-time adoptors (01 July 2011)
3/ IFRS 7 (Amended) Financial Instruments: Disclosures - Transfers of Financial Assets (01 July 2011)
4/ IAS 12 (Amended) Income Taxes: Tax recovery of underlying assets (01 January 2012)
5/ IAS 24 (Revised) Related Party Disclosures: State-controlled entities (01 January 2011)
6/ IFRIC 14 (Amended) Prepayments of a minimum Funding Requirement (01 January 2011)
7/ IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (01 July 2010)
8/ Annual Improvements to IFRS 2010 (01 January 2011)
9/ IFRS 9 Financial instruments: Classification and measurement (01 January 2013)

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.

In July 2010, the new subsidiary opened in Belgium (Arkelis N.V.) was integrated in the consolidation perimeter.

The subsidiaries of the group are listed hereafter:

Name	% Ownership	Country of registration
ARKELIS N.V.	100,00	Belgium
S.W.I.F.T. Austria GmbH	100,00	Austria
S.W.I.F.T. Services Australia Pty Ltd	100,00	Australia
S.W.I.F.T. Para A América Latina Transfêrencia de Dados Fianceiros Ltda.	100,00	Brazil
S.W.I.F.T. (Beijing) Ltd	100,00	People's Republic of China
S.W.I.F.T. Korea Ltd	100,00	South Korea
S.W.I.F.T. LLC	100,00	Russia
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 SAS	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. Lease S.A.	100,00	Belgium
SWIFT India Private Limited	100,00	India
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. 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) Ltd	100,00	United Arab Emirates
Society For Worldwide Inter Financial Telecommunication South Africa (Pty) Ltd	100,00	South Africa

Business Combination

Business combination has been accounted for using the acquisition method according to IFRS 3 revised, as only occured after 01 January 2010. The cost of this acquisition has been measured as the aggregate of the consideration transferred, measured at the acquisition date fair value. As the purchase consideration has been fully allocated to the identified assets and liabilities, no goodwill has been recognised. The main identified assets are intangible assets which are depreciated over their useful lifetime (see notes 13 and 15).
Acquisition costs incurred are expensed.

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).

Property, plant and equipment

Land and buildings, plant and equipment, leasehold improvements and office furniture and equipment are carried at cost less accumulated depreciation and impairment losses. The rates of depreciation used are described in Note 14.

The acquisition cost of property, plant and equipment is stated after deduction of government capital grants and after inclusion of capitalised interest costs. The capitalised grants and interest costs are depreciated at the same rate as the assets to which they relate.

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. The net cost is depreciated using the straight-line method and recognised in the income statement over the useful life of the related assets.

Impairment tests are performed when there is an indication that the asset could be impaired. Further, the carrying amounts are reviewed at each balance sheet date to assess whether or not they are in excess of their recoverable amounts. Where carrying amounts exceed these estimated recoverable amounts, assets are written down to their recoverable amounts.

Financial and Operating lease

The Company has currently no contracts that lead to the recognition of a financial lease under IAS 17 / IFRIC 4. An analysis of significant contracts is done recurrently in accordance with IFRIC 4. Costs relating to operating lease are recognised in the consolidated income statement on a straight-line basis.

Intangible assets

Intangible assets include acquired software licences and capitalised development costs. Intangible assets are carried at cost less accumulated amortisation and impairment losses. Those are amortised using the straight-line method commencing when the asset is available for its intended use for the operations of the Company. Amortisation rates are detailed in Note 15.

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 implies 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 their 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, assets are written down to the recoverable amount.

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 when 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 its 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.

Deferred income taxes relating to items of the consolidated statement of comprehensive income are also recorded in the consolidated statement of comprehensive income.

Fair Value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value on the statement of financial position:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Derivatives and hedge accounting

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 to use financial instruments only to protect against market rate fluctuations and never for speculative or trading purposes. Details of the Company's financial risk management objectives and policies are set out in Note 33.

The derivative financial instruments are recognised at fair value on the balance sheet. Economic hedges, which mitigate foreign currency risk but that do not meet the strict IAS 39 hedge accounting rules, are measured at fair value through profit and loss. This is mainly applicable for currency options. Freestanding deals, which are deals not linked anymore to an underlying exposure, are measured at fair value through profit and loss.

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

(a) cash flow hedges to hedge exposure to variability in cash flows that is attributable to a particular risk associated with forecasted transactions;

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

In the case of cash flow hedges, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the Other Comprehensive Income (OCI) under the line item cash flow hedges. Qualitative and quantitative tests are used to assess hedge effectiveness.

When the hedged transaction relates to a non-financial asset or liability, then at the time the asset or liability is recognised, the associated gains or losses that have previously been recognised in the OCI 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 OCI are transferred to the financial profit and loss accounts in the same period in which the hedged firm commitment or forecasted transaction affects the profit and loss accounts.

In the case of fair value hedges, fair market value changes of the hedged item and the hedging instrument are recognised in the profit and loss accounts.

All derivative financial instruments are classified as level 2 with respect to the source of inputs used to derive their fair value.

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 and revalued through the income statement in financial results.

The revaluation of these products is entirely made up of interest recognition in the profit and loss accounts.

The money market products are classified as level 1 with respect to the source of inputs used to derive their fair value.

Inventories

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

Inventories are stated at cost or net realisable value, whichever is lower. 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 30-40 days payment terms, are recognised and carried at the original invoiced amount inclusive of indirect taxes. Receivables denominated in foreign currency are translated into euros at the prevailing market exchange rate at the end of each month.

A specific impairment loss is recognised for any difference between the carrying amount and recoverable amount. Receivables from related parties are recognised and carried at invoiced 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 OCI, as allowed under IAS 19 (revised 2004).

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 other locations.

The value of any defined benefit asset recognised is restricted to the sum of reductions in the future contribution plan.

Details on the annual pension costs and the funded status for the defined benefit pension plans are disclosed in Note 26.

Revenues

Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the income can be measured reliably.

Traffic revenues are recognised net of discount when the transaction is processed through the SWIFT network. Traffic rebates are recognised when decided by the Board and communicated to the SWIFT community.

Traffic revenues include:
- The amounts billed for messaging services such as: financial data exchange, structured message exchange, file exchange, and browser based messaging;
- Amounts billed for business solutions such as: payment and cash management, treasury and derivatives, securities pre-trade/trade, pre-settlement, clearing and settlement, custody services, and reporting;
- Amounts billed to a specific group of customers for matching services;
- Discounts and rebates on messaging services granted to customers.

One-time revenues consist mainly of connection and security product fees.

Recurring revenues consist of fees charged for the provision of services and equipment other than direct message transmission, and revenues from conferences and training courses.

Interface revenues consist of fees charged for the sale of software, needed for customers to communicate with their counterparties, 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 euro. The euro is also the functional currency for all subsidiaries and branches of the Group except for Securenet Ltd. which has the British pound 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 were 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 British pound, into the presentation currency of the Company, the euro, at the exchange rate applicable at the balance sheet date. 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 OCI.

2 Traffic revenue

The decrease in traffic revenue from EUR 360.0 million in 2009 to EUR 302.2 million in 2010 is mainly explained by the application of a 15% rebate on the 2010 messaging services representing EUR 52.3 million, while no rebate was granted in 2009.

3 One-time revenue

The decrease in one time revenue from EUR 5.0 million in 2009 to EUR 3.6 million in 2010 is mainly explained by the exceptional tailor made development income realised in 2008 and 2009.

4 Recurring revenue

(in thousands)	2010 EUR	2009 EUR
Recurring connectivity revenue	**31.799**	33.009
Recurring service revenue	**44.590**	39.990
Documentation and directory services	**15.501**	16.182
Conferences	**21.126**	12.495
Training	**5.204**	5.314
	118.220	106.990

The increase in recurring revenue is mainly explained by the growth in the revenue from conferences. This growth is mainly the result of a higher attendance at Sibos 2010.

5 Interface revenue

The increase in interfaces revenue from EUR 110.7 million in 2009 to EUR 112.3 million in 2010 is mainly due to the combined effect of higher consulting services revenue and higher interface maintenance revenue driven by the growth of the installed base.

However, the positive effect of this increase was partially offset by the weakening of the US dollar rate in 2010 compared to 2009 as interface pricing is denominated in US dollars.

6 Payroll and related charges

(in thousands)	2010 EUR	2009 EUR
Salaries	**169.483**	178.251
Termination indemnities	**63**	223
Social security costs	**31.981**	34.759
Pension costs - defined contribution plans	**3.434**	3.845
Pension costs - defined benefit plans (Note 26)	**18.477**	20.982
Other post-retirement benefits (Note 26)	**3.925**	3.237
Insurance, training and other personnel expenses	**26.958**	28.909
	254.321	270.206

The decrease in salaries is mainly explained by the staffing reduction as part of the two year efficiency improvement programme launched by the company in 2009.

7 Network expenses

The decrease in network expenses from EUR 19.1 million in 2009 to EUR 16.7 million in 2010 is mainly explained by the migration of customers from dial lines to internet access, the progressive decommissioning of ISP Local Loop and the end of the decommissioning of the old SWIFTNet Backbone Network.

8 Rental, maintenance, office and outside service expenses

(in thousands)	2010 EUR	2009 EUR
Rent of buildings	**12.279**	11.446
Software operating leases	**8.953**	9.282
Other rental costs	**5.622**	5.572
Repair and maintenance costs	**44.632**	45.908
General office expenses	**7.756**	8.450
Other outside service expenses	**81.262**	80.508
	160.504	161.166

9 Other expenses

(in thousands)	2010 EUR	2009 EUR
Taxes other than income taxes	**3.738**	3.862
Loss on sales, impairment or disposals of current and non-current assets	**1.991**	770
Changes in short-term and voluntary leave provisions	**459**	1.054
Accrued promotional expenses	**2.291**	-
Other	**933**	138
	9.412	**5.824**

The increase in other expenses from EUR 5.8 million in 2009 to EUR 9.4 million in 2010 is mainly due to the combined effect of the items listed below:

- An impairment charge of EUR 1.3 million was recognised relating to a building project that has been cancelled.

- An impairment loss of EUR 0.5 million was recognised on the capitalised development costs of certain SWIFT products, considering their future cash flows.

- In 2010 the company decided the implementation of a Hardware Security Module upgrade program to be deployed in the course of 2011. This decision had an impact of EUR 2.3 million on the accrued promotional expenses.

10 Other financial income and expenses

(in thousands)	2010 EUR	2009, EUR
Interest income	**4.092**	4.613
Money market products income	**241**	357
Net foreign exchange gains/(losses)	**844**	(867)
Net gains/(losses) on financial instruments - derivatives (Note 33)	**6.326**	(4.376)
Bank charges	**(649)**	(434)
Other financial income	**5**	443
	10.859	(264)

The decrease in interest and money market products income is a result of the full year impact of the important decline in interest rates which started in 2009 and which has only partially been compensated by higher cash balances in 2010.

The evolution of net foreign exchange results and the net results on financial instrument derivatives is explained by favourable contract rates compared to market rates.
This positive result is compensated by an opposite effect on the various captions of the income statement.

11 Income tax expense

Major components of the income tax expense are as follows:

(in thousands)		2010 EUR	2009 EUR
Current income taxes			
Domestic			
	Current year tax expense	(4.292)	(2.483)
	Adjustments of prior year tax income	1.303	1.191
		(2.989)	(1.292)
Foreign			
	Current year tax expense	(3.254)	(4.256)
	Adjustments of prior year tax income	(1.218)	865
		(4.472)	(3.391)
Current income tax expense		(7.461)	(4.683)
Deferred income taxes			
Domestic			
	Current year tax income/(expense)	(195)	977
	Adjustments of prior year tax income/(expense)	-	(17)
		(195)	960
Foreign			
	Current year tax income/(expense)	713	2.166
	Adjustments of prior year tax expense	368	(409)
		1.081	1.757
Deferred income tax income/(expense)		886	2.717
Income tax expense		(6.575)	(1.966)

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 2010 and 31 December 2009 is included in the table below.

(in thousands)	2010 EUR	2009 EUR
Income tax charge at statutory rate	(7.273)	(5.898)
Current and deferred taxes	487	1.630
Effect of different tax rates in other countries	(119)	529
Tax incentives	3.234	3.058
Non deductible items	(2.904)	(1.285)
Income tax charge	(6.575)	(1.966)

The prior year adjustments reflected in the income tax expenses relate primarily to the evolution of pending litigation issues and reimbursement of overpaid corporate income tax in foreign entity.

12 Royalties and cost of inventory

The decrease in royalties and cost of inventory is mainly due to renegotiated conditions on certain contracts as well as partnerships stopped in certain regions.

13 Business combinations

Acquisition in 2010

On 15 October 2010, S.W.I.F.T. acquired certain assets and liabilities related to the 'Ambit Messaging Hub' software and assumed the transfer of 19 employees (AMH business) from SunGard as approved by S.W.I.F.T. Board of Directors. The AMH business has been acquired by a newly incorporated Belgian entity denominated ARKELIS NV, 100% owned by the SWIFT Group.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of AMH business as the date of the acquisition were:

(in thousands)	Fair value recognised on acquisition 2010 EUR
Assets	
Intangible assets (note 15)	9.930
Total assets	**9.930**
Liabilities	
Short-term employee benefits	(306)
Deferred revenues	(64)
Total liabilities	**(370)**
Total identifiable net assets at fair value	9.560
Cash	(3.130)
Other liabilities	(6.430)
Purchase consideration transferred	(9.560)

Purchase consideration

The purchase price consideration has been determined at EUR 9.6 million of which EUR 3.1 million has been paid at the date of acquisition and EUR 6.4 million will be paid over 4 years based on a migration plan of SunGard MINT customers to ARKELIS AMH software.

Identifiable net assets at fair value

The purchase consideration has been mainly allocated to identified intangible assets of the AMH business acquired (EUR 7.4 million to the technology, EUR 2.3 million to the customer relations and EUR 0.2 million to the brand) and no goodwill has been recognised.

14 Property, plant and equipment

(in thousands)	Land and buildings EUR	Plant machinery and equipment EUR	Work in progress EUR	Total EUR
2009				
Opening net book value	68.565	83.299	15.704	167.568
Foreign currency translation	-	5	-	5
Additions	8.922	18.773	12.189	39.884
Transfers	13.249	2.367	(15.704)	(88)
Disposals	2	(2.202)	-	(2.200)
Depreciation charges	(11.213)	(33.211)	-	(44.424)
Depreciation rates	*3-10%*	*20-33%*		
Closing net book value	**79.525**	**69.031**	**12.189**	**160.745**
At 31 December 2009				
Cost	245.585	273.836	12.189	531.610
Accumulated depreciation	(166.060)	(204.805)	-	(370.865)
Net book value	**79.525**	**69.031**	**12.189**	**160.745**
2010				
Opening net book value	79.525	69.031	12.189	160.745
Foreign currency translation	-	5	-	5
Additions	11.672	10.482	21.388	43.542
Transfers	10.733	1.455	(12.189)	(1)
Disposals	(1.360)	(1.074)	-	(2.434)
Depreciation charges	(12.414)	(30.325)	-	(42.739)
Depreciation rates	*3-10%*	*20-33%*		
Closing net book value	**88.156**	**49.574**	**21.388**	**159.118**
At 31 December 2010				
Cost	266.619	244.600	21.388	532.607
Accumulated depreciation	(178.463)	(195.026)	-	(373.489)
Net book value	**88.156**	**49.574**	**21.388**	**159.118**

The additions in 2010, amounting to EUR 43.5 million, mainly relate to the acquisition of land in Switzerland, the expansion of the operating centre in the Netherlands and the upgrades of the cooling systems and power plant in the US operating centre.
The other investments mainly relate to building improvements, new hardware investments in resilience and scaling of the FIN and SWIFTNet systems, and improvements of internal systems.

15 Intangible assets

(in thousands)	Concessions, patents and licenses EUR	Capitalised development costs EUR	Work in progress EUR	Total intangible assets EUR
2009				
Opening net book value	24.310	1.764	1.466	27.540
Foreign currency translation	1	-	-	1
Additions	3.596	1.084	1.792	6.472
Transfers	681	873	(1.466)	88
Disposals	(4)	-	-	(4)
Amortisation charges	(11.767)	(1.105)	-	(12.872)
Amortisation rates	*20-33%*	*33%*		
Closing net book value	**16.817**	**2.616**	**1.792**	**21.225**
At 31 December 2009				
Cost	113.342	4.065	1.792	119.199
Accumulated amortisation	(96.525)	(1.449)	-	(97.974)
Net book value	**16.817**	**2.616**	**1.792**	**21.225**
2010				
Opening net book value	16.817	2.616	1.792	21.225
Foreign currency translation	-	-	-	-
Additions	12.044	(123)	-	11.921
Transfers	1.115	677	(1.792)	-
Disposals	-	-	-	-
Amortisation charges	(10.869)	(1.474)	-	(12.343)
Amortisation rates	*5-33%*	*33%*		
Closing net book value	**19.107**	**1.696**	**-**	**20.803**
At 31 December 2010				
Cost	120.909	4.619	-	125.528
Accumulated amortisation	(101.802)	(2.923)	-	(104.725)
Net book value	**19.107**	**1.696**	**-**	**20.803**

The additions for 2010, amounting to EUR 11.9 million, mainly relate to the acquisition of the AMH business from SunGard (EUR 9.9 million).

16 Restructuring costs

In 2009 the Company has launched a two year Lean improvement programme designed to significantly increase its operational and organisational efficiency on a sustainable basis. The costs associated with phases engaged in 2010 and decided for 2011 amount to EUR 23.8 million.

These costs include the following elements:
- termination benefits
- legal, outplacement and consultancy costs
- curtailment impact
- benefits granted as part of the termination packages
- costs related to the discontinued use of facilities
- the provision of costs for the last phase foreseen in the first quarter of 2011

17 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 this company incurred due to the bankruptcy of GSTP AG, its sole customer.

In 2006, the carrying value of the investment in AccuMatch was increased to EUR 0.5 million following increased net equity in the accounts of AccuMatch in 2006.
Following increased net equity in the accounts in 2009, the carrying value of the investment has been increased by EUR 1.3 million in 2010.
At 31 December 2010, the investment was evaluated at EUR 1.8 million.

The latest published financial statements of AccuMatch, dated 31 December 2009, are summarised below:

Consolidated statement of income:

year ended 31 December 2009 (in thousands)	**2009 EUR**	2008 EUR
Net result before tax	**6.018**	23
Taxes and duties	**(6)**	(5)
Net result after tax	**6.012**	18

Consolidated balance sheet:

year ended 31 December 2009

(in thousands)	**2009 EUR**	2008 EUR
Total assets	**9.553**	2.994
Total equity	**9.535**	2.968
Total liabilities	**18**	26
Total equity and liabilities	**9.553**	2.994

18 Other investments

SWIFT's interest in Bolero.net remains stable at 5.4 percent. This investment of EUR 10.5 million was impaired in 2000.

19 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities at 31 December 2010 are detailed as follows:

(in thousands)	2010 EUR	2009 EUR	Variation	Variation recognised in the OCI	Variation recognised in income statement	Balance sheet movement
Deferred income tax assets						
Property, plant and equipment	**4.557**	4.053	504	-	504	
Provisions	**30.256**	27.757	2.499	3.654	(1.155)	
Other temporary differences	**4.559**	5.200	(641)	(609)	(32)	
Netting of deferred income tax assets and liabilities by tax entities	**(4.721)**	(5.902)	1.181	-	-	1.181
	34.651	31.108	3.543	3.045	(683)	1.181
Deferred income tax liabilities						
Property, plant and equipment	**(1.201)**	(2.504)	1.303	-	1.303	
Provisions	**(318)**	(108)	(210)	-	(210)	
Other temporary differences	**(3.272)**	(3.315)	43	(669)	711	
Netting of deferred income tax assets and liabilities by tax entities	**4.721**	5.902	(1.181)	-	-	(1.181)
	(70)	(25)	(45)	(669)	1.804	(1.181)
Net deferred income tax assets/(liabilities)	**34.581**	**31.083**	3.498	2.376	1.121	-

The increase in the deferred income tax assets results mainly from the actuarial gain and loss on pension plans.

The variation recognised in the income statement includes a foreign exchange difference of EUR 0,2 million.

20 Trade receivables

(a) Trade receivables

The decrease in trade receivables from EUR 77.7 million in 2009 towards EUR 20.8 million is mainly explained by the EUR 52.3 million traffic rebate and the EUR 11.5 million Point to Point discount accrued at the end of December 2010.

Loans and receivables (in thousands)	Balance sheet carrying amount 2010 EUR	Balance sheet impairment 2010 EUR	Total	Balance sheet carrying amount 2009 EUR	Balance sheet impairment 2009 EUR	Total
Trade receivables	21.023	(213)	**20.810**	77.862	(146)	77.716
Credit notes to receive (included in other receivables)	480	-	**480**	529	-	529
	21.503	**(213)**	**21.290**	**78.391**	**(146)**	**78.245**

Trade receivables are valued at their carrying amount, as they have short-term maturity, and are adjusted for foreign exchange gains or losses and estimated impairment losses on individual outstanding balances.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers.

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 geographical dispersion.

The Company actively manages trade credit risk through a dedicated team. Approximately 74% of the Company's revenue is paid by direct debit. Any potential trade credit risk is thereby limited to the remaining 26%. The Company evaluates credit risk on an individual customer basis and recognises any impairment immediately when significant evidence exists of the risk of loss. Individual impairment of overdue trade receivables is therefore recorded based on the thorough evaluation of the credit risk associated with each customer.

Financial assets, other than trade receivables which potentially subject the Company to concentrations of credit risk, consist exclusively of cash, short-term deposits, money market products and derivatives. These assets are placed with high credit quality institutions. In addition, the Company's treasury policy limits the amounts which can be placed with a single institution.

(c) Ageing balance of trade receivables

The ageing of trade receivables can be detailed as follows :

			Of which not impaired as of the reporting date and past due				
(in thousands)	Net carrying amount as of 31.12.2010 EUR	Of which neither impaired nor past due on the reporting date EUR	Past due less than 30 days EUR	Past due between 30 and 59 days EUR	Past due between 60 and 89 days EUR	Past due between 90 and 179 days EUR	Past due between 180 and 359 days EUR
Trade receivables	20.810	(16.105)	35.420	374	629	429	63
Credit notes to receive	480	277	145	34	-	24	-

21 Other receivables

The increase in other receivables from EUR 9.5 million in 2009 to EUR 10.6 million in 2010 is mainly due to an increase in the fair value of hedging instruments.
The fair value of financial instruments relates to forward contracts concluded to hedge the foreign currency exposure of the 2011 budget. The increase compared to last year is explained by the relative evolution of the foreign exchange rate between the date of inception of the contract and year end.

22 Prepayments to suppliers

Prepayments to suppliers are presented in other long-term assets for their non-current part. The increase from EUR 2.7 million in 2009 to EUR 18.5 million in 2010, relates to advance payments made in 2010 to suppliers in order to benefit from commercial discount.

For their short-term part, prepayments to suppliers decreased from EUR 26.9 million in 2009 to EUR 22.1 million in 2010 due to advance payments made before 2009 on certain contracts that were expensed in 2010.

23 Inventories

(in thousands)	2010 EUR	2009 EUR
Hardware	**1.199**	846
Software	**278**	170
Total inventories	**1.477**	1.016

The increase in inventory from EUR 1.0 million in 2009 to EUR 1.5 million in 2010 is mainly explained by the purchase of VPN box hardware to cover the migration of dial lines to Alliance Connect Internet Access, the purchase of Hardware Security Module boxes and the purchase of new software licenses.

24 Prepaid taxes

The decrease in prepaid taxes from EUR 45.5 million in 2009 to EUR 20.4 million in 2010, is mainly related to the reimbursement of blocked funds as part of the settlement of a litigation.

25 Consolidated statement of changes in Equity

(in thousands of EUR, except number of shares)	Number of shares	Share Capital	Share Premium	Retained Earnings	Foreign Currency Translation & Other reserves	Total Shareholders' Equity
Balances at 31 December 2008	**111.497**	**13.940**	**113.688**	**171.179**	**(36.526)**	**262.281**
Total Comprehensive Income	-	-	-		7.914	7.914
Net Profit	-	-	-	15.386		15.386
Total comprehensive income for the year	**-**	**-**	**-**	**15.386**	**7.914**	**23.300**
Capital increase in cash	23	3	59	-	-	62
Capital reimbursement in cash	(121)	(16)	(163)	(151)	-	(330)
Share reallocation	-	-	9.117	(9.117)	-	-
Balances at 31 December 2009	**111.399**	**13.927**	**122.701**	**177.297**	**(28.612)**	**285.313**
Total Comprehensive Income	-	-	-	-	(3.471)	(3.471)
Net Profit	-	-	-	14.821	-	14.821
Total comprehensive income for the year	**-**	**-**	**-**	**14.821**	**(3.471)**	**11.350**
Capital increase in cash	19	2	56	-	-	58
Capital reimbursement in cash	(125)	(16)	(223)	(136)	-	(375)
Share reallocation	-	-	-	-	-	-
Balances at 31 December 2010	**111.293**	**13.913**	**122.534**	**191.982**	**(32.083)**	**296.346**

The Company's Members hold interest in the cooperative through shares. The Company manages the shares through the reallocation principle defined in the By-laws and in the general membership rules.

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

26 Long-term employee benefits

(in thousands)	2010 EUR	2009 EUR
Long-term employee benefits		
Retirement benefit obligation	**71.984**	66.821
Voluntary leave provision	**1.645**	2.726
Other long-term employee benefits	**10.099**	10.431
Total long-term employee benefits	**83.728**	79.978

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

(in thousands)	Pension schemes 2010 EUR	Pension schemes 2009 EUR	Post-employment benefits 2010 EUR	Post-employment benefits 2009 EUR	Total 2010 EUR	Total 2009 EUR
Present value of wholly or partly funded obligations	**266.124**	241.698	**40.892**	33.203	**307.016**	274.901
Present value of unfunded obligations	**-**	-	**-**	-	**-**	-
Defined benefit obligation	**266.124**	241.698	**40.892**	33.203	**307.016**	274.901
Fair value of plan assets	**(234.529)**	(207.320)	**(3.714)**	(2.379)	**(238.243)**	(209.699)
Unfunded liabilities	**31.595**	34.378	**37.178**	30.824	**68.773**	65.202
Unrecognised past service gains	**-**	-	**1.574**	1.619	**1.574**	1.619
Retirement benefit obligation	**31.595**	34.378	**38.752**	32.443	**70.347**	66.821
Transfer to the non-current assets of the Dutch plan asset surplus	**1.637**	-	**-**	-	**1.637**	-
Retirement benefit obligation excluding the Dutch plan asset surplus	**33.232**	34.378	**38.752**	32.443	**71.984**	66.821

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

In the Netherlands the net retirement benefit obligation shows an asset surplus of EUR 1,6 million. According to the rules set out in IFRIC 14, this asset surplus, being refundable, has been presented in non current assets in the balance sheet.

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

(in thousands)	Pension schemes 2010 EUR	Pension schemes 2009 EUR	Post-employment benefits 2010 EUR	Post-employment benefits 2009 EUR	Total 2010 EUR	Total 2009 EUR
Current service cost	**16.726**	18.100	**2.142**	1.956	**18.868**	20.056
Interest on obligation	**13.248**	13.003	**2.154**	1.559	**15.402**	14.562
Expected return on plan assets	**(11.497)**	(10.121)	**(195)**	(112)	**(11.692)**	(10.233)
Amortisation on unrecognised past service gains	**-**	-	**(176)**	(166)	**(176)**	(166)
Total pension cost (Note 6)	**18.477**	20.982	**3.925**	3.237	**22.402**	24.219
Curtailment	**(5.001)**	(6.595)	**(612)**	-	**(5.613)**	(6.595)
Additional pension cost	**2.756**	5.702	**993**	2.488	**3.749**	8.190
Total	**16.232**	20.089	**4.306**	5.725	**20.538**	25.814

In 2009, the Company launched a two year lean improvement programme designed to significantly increase its operational and organisational efficiency on a sustainable basis. This program meets the criteria to recognise a curtailment as prescribed by IAS 19.

Retirement benefit obligation amounts recognised in the other comprehensive income and expense are as follows:

(in thousands)	Pension schemes 2010 EUR	Pension schemes 2009 EUR	Post-employment benefits 2010 EUR	Post-employment benefits 2009 EUR	Total 2010 EUR	Total 2009 EUR
At the beginning of the year	**27.377**	44.617	**17.727**	16.031	**45.104**	60.648
Actuarial (gains)/losses	**5.959**	(16.739)	**999**	2.047	**6.958**	(14.692)
Exchange rate differences	**1.313**	(501)	**1.395**	(351)	**2.708**	(852)
Total recognised in the OCI	**7.272**	(17.240)	**2.394**	1.696	**9.666**	(15.544)
At the end of the year	**34.649**	27.377	**20.121**	17.727	**54.770**	45.104

Movements in the retirement benefit obligation recognised on the balance sheet are as follows:

(in thousands)	Pension schemes 2010 EUR	Pension schemes 2009 EUR	Post-employment benefits 2010 EUR	Post-employment benefits 2009 EUR	Total 2010 EUR	Total 2009 EUR
At the beginning of the year	**34.378**	57.582	**32.443**	26.386	**66.821**	83.968
Total expense as above	**16.232**	20.089	**4.306**	5.725	**20.538**	25.814
Employer contribution	**(25.958)**	(26.158)	**(1.515)**	(990)	**(27.473)**	(27.148)
Total recognised in the OCI	**7.272**	(17.240)	**2.394**	1.696	**9.666**	(15.544)
Exchange differences	**(329)**	105	**1.124**	(374)	**795**	(269)
Transfer to the non-current assets of the Dutch plan asset surplus	**1.637**	-	**-**	-	**1.637**	-
At the end of the year	**33.232**	34.378	**38.752**	32.443	**71.984**	66.821

The increase of the retirement benefit obligation recognised in the balance sheet is mainly explained by the decrease of the discount rate in Belgium and the United States.

The following disclosure requirements under IAS19 (revised 2004) were derived from reports obtained from externally recognised actuaries:

Change in defined benefit obligation (DBO):

(in thousands)	Pension schemes 2010 EUR	Pension schemes 2009 EUR	Post-employment benefits 2010 EUR	Post-employment benefits 2009 EUR	Total 2010 EUR	Total 2009 EUR
At the beginning of the year	**241.698**	236.039	**33.203**	25.907	**274.901**	261.946
Current service cost	**16.726**	18.100	**2.142**	1.956	**18.868**	20.056
Curtailment	**(5.001)**	(6.595)	**(612)**	-	**(5.613)**	(6.595)
Additional pension cost	**2.756**	5.702	**993**	2.488	**3.749**	8.190
Settlement	**(7.086)**	(7.223)	**-**	-	**(7.086)**	(7.223)
Interest on obligation	**13.248**	13.003	**2.154**	1.559	**15.402**	14.562
Adjustment of past service cost	**-**	-	**-**	-	**-**	-
Actual benefit payment	**(7.437)**	(7.029)	**(767)**	(283)	**(8.204)**	(7.312)
Actuarial (gains)/losses on DBO	**6.908**	(8.971)	**1.214**	2.321	**8.122**	(6.650)
Exchange rate differences	**4.312**	(1.328)	**2.565**	(745)	**6.877**	(2.073)
At the end of the year	**266.124**	241.698	**40.892**	33.203	**307.016**	274.901

Change in fair value of plan assets:

(in thousands)	Pension schemes 2010 EUR	Pension schemes 2009 EUR	Post-employment benefits 2010 EUR	Post-employment benefits 2009 EUR	Total 2010 EUR	Total 2009 EUR
At the beginning of the year	**207.320**	178.457	**2.379**	1.341	**209.699**	179.798
Expected return on plan assets	**11.497**	10.121	**195**	112	**11.692**	10.233
Actual benefit payment	**(7.437)**	(7.029)	**(767)**	(283)	**(8.204)**	(7.312)
Employer contribution	**25.958**	26.158	**1.515**	990	**27.473**	27.148
Actuarial gains/(losses) on plan assets	**949**	7.768	**215**	274	**1.164**	8.042
Settlement	**(7.086)**	(7.223)	**-**	-	**(7.086)**	(7.223)
Exchange rate differences	**3.328**	(932)	**177**	(55)	**3.505**	(987)
At the end of the year	**234.529**	207.320	**3.714**	2.379	**238.243**	209.699

The detail per class of plan asset is as follows:

Asset class	Belgium plan assets 2010 in %	The Netherlands plan assets 2010 in %	IME and IPP plan assets 2010 in %	United States plan assets 2010 in %	Belgium plan assets 2009 in %	The Netherlands plan assets 2009 in %	IME and IPP plan assets 2009 in %	United States plan assets 2009 in %
Equities	**13,3%**	**30,8%**	**0,0%**	**67,9%**	12,0%	24,4%	0,0%	66,4%
Bonds	**86,7%**	**66,6%**	**0,0%**	**30,6%**	88,0%	68,1%	0,0%	32,0%
Cash	**0,0%**	**2,6%**	**100,0%**	**1,5%**	0,0%	7,5%	100,0%	1,6%
Total	**100,0%**	**100,0%**	**100,0%**	**100,0%**	100,0%	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.

The principal actuarial assumptions applied at 31 December were:

	Belgium		IME(1) and IPP(2)		The Netherlands		United States	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Weighted average discount rate	**4,8%**	5,3%	**4,8%**	5,3%	**5,6%**	5,5%	**5,7%**	6,0%
Expected long-term rate of return on assets	**4,0%**	4,7%	**4,0%**	4,7%	**4,7%**	5,3%	**6,5%**	6,5%
Rate of increase in future salaries	**4,0%**	4,0%	**4,0%**	4,0%	**4,0%**	4,0%	**5,0%**	5,0%

The actual return on the plan assets amounted to EUR (12.9) million. The expected contribution for 2011 amounts to EUR 23.9 million.

(1) IME = International Mobile Employee Pension Plan.
(2) IPP = Individual Pension Promises made to US nationals.

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in profit and loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

(in thousands)	One percentage point increase 2010 EUR	One percentage point decrease 2010 EUR
Effect on the aggregate of the service cost and interest cost	**1.023**	**(781)**
Effect on defined benefit obligation as at 31 December 2010	**8.880**	**(6.876)**

5-year trend analysis:

(in thousands)	2010 EUR	2009 EUR	2008 EUR	2007 EUR	2006 EUR
Defined benefit obligation (DBO)	307.016	274.901	261.946	239.889	223.994
Plan assets	(238.243)	(209.699)	(179.798)	(184.539)	(171.634)
(Surplus)/deficit	68.773	65.202	82.148	55.350	52.360
Actuarial (gains)/losses on DBO	8.122	(6.650)	4.322	1.995	9.475
Actuarial (gains)/losses on plan assets	(1.164)	(8.042)	29.047	2.721	(4.025)
Total actuarial (gains)/losses of the year	6.958	(14.692)	33.369	4.716	5.450

27 Short-term employee benefits

(in thousands)	2010 EUR	2009 EUR
Short-term employee benefits		
Social security and payroll liabilities	**51.951**	57.542
Voluntary leave provision	**1.261**	1.970
Total short-term employee benefits	**53.212**	59.512

The decrease in social security and payroll liabilities is mainly explained by timing differences in the payment of related invoices between 2009 and 2010.

28 Other short-term and Long-term liabilities

(in thousands)	Legal claims	Severance	Restructuring	Other	Total liabilities
Balance beginning of year	508	8	17.953	29	**18.498**
Additional liability	-	-	17.498	6.448	**23.946**
Amounts utilised during the year	(418)	(8)	(13.726)	-	**(14.152)**
Balance at end of year	**90**	**-**	**21.725**	**6.477**	**28.292**
Current 2010	90	-	15.216	1.517	**16.823**
Non-current 2010	-	-	6.509	4.960	**11.469**
Balance at end of year	**90**	**-**	**21.725**	**6.477**	**28.292**

The other additional liability mainly relates to the migration fees to be paid over 4 years relating to the acquisition of the AMH business (see note 13).

29 Other liabilities

(a) Other liabilities

(in thousands)	2010 EUR	2009 EUR
Other liabilities		
Accrued liabilities	**18.885**	19.604
VAT and withholding taxes payable	**377**	256
Fair value of financial instruments	**3.298**	5.587
Other liabilities and deferred income	**2.342**	2.555
Total other liabilities	**24.902**	28.002

The decrease in other liabilities from EUR 28.0 million last year to EUR 24.9 million is mainly driven by an increase in the market value of unrealised hedging contracts.
The fair value of financial instruments relates to the forward contracts concluded to primarily hedge the foreign currency exposure of the 2011 budget. The decrease compared to last year is explained by the relative evolution of the foreign exchange rates between date of inception of contract and the year end.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is mitigated by the Company's strong cash position and the absence of debt. Excess cash is invested in liquid money market funds and short-term deposits. In addition, the Company maintains EUR 25.5 million of committed credit lines of which none is currently used.

The following table provides in undiscounted amounts an overview of the maturities of selected financial assets and liabilities.

(in thousands)	Maturity within 1 year 2010 EUR	Maturity > 1 year 2010 EUR	Maturity within 1 year 2009 EUR	Maturity > 1 year 2009 EUR
Assets:				
Cash and cash equivalents	**202.516**	**-**	120.280	-
Prepayments to suppliers	**22.102**	**18.461**	26.893	2.714
Liabilities:				
Amounts payable to suppliers	**19.560**	**-**	17.158	-
Accrued liabilities	**16.982**	**1.903**	19.052	552
Other liabilities and deferred income	**2.342**	**-**	2.269	286

The Company's financial assets and liabilities are valued at cost as they generally have short-term maturity falling within one year. The Company has contracted standard payment terms with counterparties.

30 Accrued taxes

The decrease in accrued taxes, from EUR 8.7 million in 2009 to EUR 8.3 million in 2010, primarily results from a decrease in the litigation provision, following the positive outcome of the litigation with the Belgian tax authorities, compensated by an increase of the corporate income tax liability for 2010.

31 Related party disclosures

(a) Compensation of the Executive Committee

(in thousands)	2010 EUR	2009 EUR
Short-term employee benefits		
Salary	**2.234**	2.974
Bonus	**1.512**	1.769
Car benefits	**156**	213
Other	**111**	134
	4.013	5.090
Post-employment benefits		
Pension	**1.209**	2.007
Post-retirement medical	**9**	8
	1.218	2.015
Other long-term employee benefits		
Long-term incentives	**2.217**	2.407
Other	**63**	74
	2.280	2.481
Termination benefits	**0**	1.923
Total compensation	**7.511**	11.509
Social charges on the above	**1.155**	1.710
Total cost of compensation	**8.666**	13.219

Due to changes in the composition of SWIFT's leadership team in 2009, the cost of compensation for 2010 is not directly comparable to the 2009 compensation cost. The 2010 figures include the compensation for the 8 members of the Executive Committee. The 2009 figures include the compensation for the 16 members of the Leadership Council for the first 5 months of the year, and for the 8 members of the Executive Committee for the last 7 months of 2009.

(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 2010 amounting to EUR 56.0 million primarily related to the construction of new facilities in Switzerland.

(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 to EUR 181 million at 31 December 2010, and are estimated to be payable in the following years:

Year	2010 EUR (millions)	2009 EUR (millions)
2011	112	34
2012	32	17
2013	10	8
2014	5	4
2015 and beyond	22	21
Total commitments	**181**	**84**

(c) Contingent liabilities

SWIFT has contractual commitments to reimburse its users up to a maximum amount for specific losses resulting from certain failures of the SWIFT system. SWIFT is insured against these losses. No material claims arose during 2010 or in 2009.

The Belgian tax authorities have progressed on the recomputation of the assessment notes related to the final settlement of the litigation.
SWIFT has reviewed the documentation already provided by the authorities and has made the required adjustments in the books.

33 Market risk and financial instruments

a) Risk management policies

Market risk is the possibility that changes in currency exchange rates and interest rates will adversely affect the value of the Company's financial assets, liabilities or expected future cash flows. The Company analyses each of these risks and has specific treasury policies and guidelines on risk mitigating actions. Market risk management is performed by a specialised treasury team that has the appropriate skills, experience and supervision. The Treasury Committee, consisting of the Chief Financial Officer, the Financial Controller, the Head of Financial Planning & Analysis and the Treasurer, reviews the risk assessment, approves risk management strategies, monitors compliance with treasury policy and reports to the Audit and Finance Committee.

Accounting policies related to financial instruments are summarised in Note 1.

Market value of outstanding deals is calculated by the SAP Treasury module implemented in 2010 and validated with bank confirmation at closing date.

(b) Foreign currency risk

The following table provides an overview of the derivative financial instruments outstanding at year end.

(in thousands)	Notional amount 2010 EUR	Notional amount 2009 EUR	Fair value 2010 EUR	Fair value 2009 EUR
Cash flow hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.31 USD)	119.581	126.641	(1.839)	(3.420)
GBP (at rates averaging 1 EUR = 0.85 GBP)	8.524	8.717	(112)	(76)
JPY (at rates averaging 1 EUR = 113,73 JPY)	4.305	3.721	213	(16)
HKD (at rates averaging 1 EUR = 10.17 HKD)	13.381	12.827	(218)	(58)
CHF (at rates averaging 1 EUR = 1.33 CHF)	31.719	6.164	2.104	91
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.32 USD)	(87.754)	(81.085)	1.108	977
Net position on cash flow hedges	**89.756**	**76.985**	**1.256**	**(2.502)**
Fair value hedges				
Amounts to be received under forward contracts				
USD	-	5.831	-	(130)
GBP	-	717	-	67
HKD	-	539	-	(38)
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.32 USD)	(19.278)	(22.009)	178	(272)
GBP	-	-	-	-
Net position on fair value hedges	**(19.278)**	**(14.922)**	**178**	**(373)**
Total	**70.478**	**62.063**	**1.434**	**(2.875)**

The market value of the hedging contracts is recorded on the balance sheet in other receivables/other liabilities with an opposite entry in cash flow reserves for cash flow hedges and in the income statement for fair value and economic hedges.

All hedges outstanding on 31 December 2010 mature in 2011.

The following table provides an overview of the net foreign exchange gains/(losses) on financial derivatives, by contract inception date and type of hedge.

(in thousands)	initiated in 2008 / 2009 2010 EUR	contracts initiated in 2010 2010 EUR	Total 2010 EUR	Contracts initiated in 2008 2009 EUR	contracts initiated in 2009 2009 EUR	Total 2009 EUR
Cash flow hedges	8.931	(308)	8.623	(7.228)	97	(7.132)
Fair value hedges	(124)	(2.230)	(2.354)	909	2.016	2.926
Economic hedges	57	-	57	(170)	-	(170)
	8.864	(2.538)	6.326	(6.489)	2.113	(4.376)

Each transaction of the above instruments is recorded at trade date.

The Company did not account for credit risk associated with financial instruments since they are all contracted with institutions that have a minimum credit rating of A (Standard & Poor's).

The following table provides an overview of the realised gains and losses for the major currency (US dollar) related to fair value hedges and the related hedged item in order to reflect hedge effectiveness.

(in thousands)	2010 EUR	2009 EUR
Gain/(loss) on hedged item	3.009	(3.536)
Gain/(loss) on hedging instrument	(3.074)	3.638
Net gain/(loss)	(65)	102

(c) Sensitivity analysis

The Company is mainly exposed to fluctuations of the US dollar, which is explained by the costs it incurs in its US based offices and from products priced internationally in US dollar. Hedging contracts minimise exposures resulting from currency movements against the US dollar. The sensitivity analysis provides the effect of a change of the US dollar year rate of 100 basis points on the positions open at balance sheet date.

(in thousands)	At year end closing rate 2010 EUR	USD closing rate -100 bp 2010 EUR	USD closing rate +100 bp 2010 EUR	At year end closing rate 2009 EUR	USD closing rate -100 bp 2009 EUR	USD closing rate +100 bp 2009 EUR
Cash flow hedges in reserves in OCI	1.256	1.485	1.030	(2.502)	(2.198)	(2.802)
Fair value hedges in income statement	178	34	319	(373)	(789)	(259)
Foreigh exchange impact on un-hedged USD position	175	14	333	42	50	33

(d) Interest rate risk

The treasury committee evaluates interest rate risk on a regular basis and takes appropriate action when needed. No interest rate hedging contracts have been concluded in 2010.

(e) Fair values

The carrying amounts of financial instruments not stated at fair value approximate to their fair values due to the short-term maturities of these assets and liabilities.