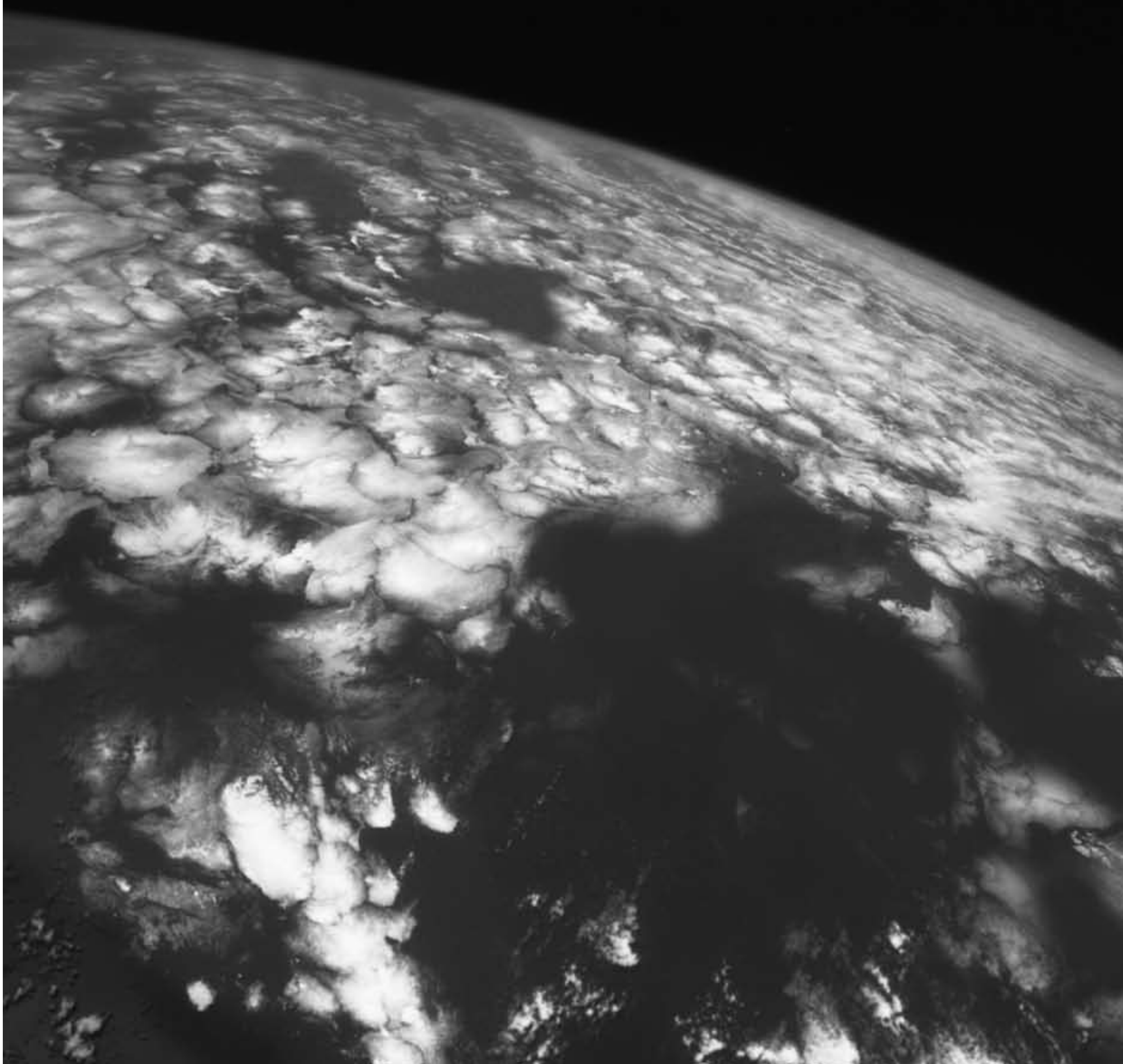
Consolidated Financial Statements

2009



CONSOLIDATED FINANCIAL STATEMENTS SWIFT GROUP

AT 31 DECEMBER 2009

PER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Key figures

year ended 31 December 2009

(in millions)	**2009 EUR**	2008 EUR	2007 EUR	2006 EUR	2005 EUR
Operating revenue before rebate	**586**	598	625	588	559
Rebate	**-**	(19)	(57)	(26)	(23)
Revenue after rebate	**586**	579	568	562	536
Operating expenses	**(568)**	(560)	(535)	(539)	(524)
Profit before taxation	**17**	31	36	29	16
Net profit	**15**	25	23	25	8
Net cash flow from operating activities	**68**	24	86	83	112
Capital expenditure of which :	**46**	96	51	46	67
property, plant and equipment	**40**	73	41	38	57
intangibles	**6**	23	10	8	10
Shareholders' equity	**285**	262	255	238	216
Total assets	**497**	502	480	473	424
Number of employees end of year	**1,991**	2,138	2,001	1,890	1,821

Independent auditors' report to the shareholders of S.W.I.F.T. SCRL

We have audited the accompanying consolidated financial statements of S.W.I.F.T. SCRL, which comprise the statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income and statement of cash flows 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.

Auditors' 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 auditors consider 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 2009, 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, 08 March 2010

Consolidated income statement

year ended 31 December 2009

(in thousands)	Note	2009 EUR	2008 EUR
Revenues			
Traffic revenue	2	**360,011**	361,040
One-time revenue	3	**5,000**	8,038
Recurring revenue	4	**106,990**	106,023
Interface revenue	5	**110,733**	101,414
Other operating revenue		**3,340**	2,974
		586,074	579,489
Expenses			
Royalties and cost of inventory		**(9,824)**	(12,982)
Payroll and related charges	6	**(270,206)**	(264,771)
Network expenses	7	**(19,134)**	(20,116)
Rental, maintenance, office and outside service expenses	8	**(161,166)**	(196,021)
Depreciation of property, plant and equipment	13	**(44,424)**	(42,853)
Amortisation of intangible fixed assets	14	**(12,872)**	(10,740)
Other expenses	9	**(5,824)**	(12,101)
Restructuring costs	15	**(44,145)**	-
		(567,595)	(559,584)
Profit from operating activities		**18,479**	19,905
Financing costs		**(863)**	(705)
Other financial income and expenses	10	**(264)**	3,651
Gain on sale of subsidiary	12	**-**	7,797
Profit before tax		**17,352**	30,648
Income tax expense	11	**(1,966)**	(5,918)
Net profit		**15,386**	24,730

Consolidated statement of comprehensive income

year ended 31 December 2009

		2009 EUR			2008 EUR		
(in thousands)		Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Profit for the year		**15,386**	**-**	**15,386**	24,730	-	24,730
Foreign currency translation		**126**	**-**	**126**	(296)	-	(296)
Cash flow hedges:				**-**			-
Current year gain / (loss) on financial instruments		**(2,502)**	**852**	**(1,651)**	1,186	(403)	783
Prior year (gain) / loss transferred to income statement		**(1,186)**	**403**	**(783)**	5,469	(1,859)	3,610
Recognition of actuarial gains and losses	25	**15,544**	**(5,323)**	**10,221**	(34,095)	13,827	(20,268)
Total comprehensive income for the year		**27,368**	**(4,068)**	**23,300**	(3,006)	11,565	8,559

Consolidated statement of financial position

year ended 31 December 2009

(in thousands)	Note	2009 EUR	2008 EUR
Non-current assets			
Property, plant and equipment	13	**160,745**	167,568
Intangible assets	14	**21,225**	27,540
Investments in associated companies	16	**549**	549
Other investments	17	**-**	-
Deferred income tax assets	18	**31,108**	32,434
Total non-current assets		**213,627**	228,091
Current assets			
Cash and cash equivalents		**120,280**	96,153
Trade receivables	19	**77,716**	64,243
Other receivables	20	**9,470**	26,891
Prepayments to suppliers	21	**29,607**	38,592
Inventories	22	**1,016**	799
Prepaid taxes	23	**45,469**	46,883
Total current assets		**283,558**	273,561
Total assets		**497,185**	501,652
Shareholders' equity	24	**285,312**	262,281
Non-current liabilities			
Long-term employee benefits	25	**79,978**	98,005
Deferred income tax liabilities	18	**25**	0
Other long-term liabilities	27	**4,226**	0
Total non-current liabilities		**84,229**	98,005
Current liabilities			
Amounts payable to suppliers		**17,158**	21,420
Short-term employee benefits	26	**59,512**	57,597
Short-term provisions	27	**14,272**	1,971
Other liabilities	28	**28,002**	49,568
Accrued taxes	29	**8,700**	10,810
Total current liabilities		**127,644**	141,366
Total equity and liabilities		**497,185**	501,652

Consolidated statement of cash flows

year ended 31 December 2009

(in thousands)	**2009 EUR**	2008 EUR
Cash flow from operating activities		
Profit from operating activities	**18,479**	19,905
Depreciation of property, plant and equipment	**44,424**	42,853
Amortisation of intangible fixed assets	**12,872**	10,740
Net loss and write-off on sale of property, plant and equipment, and intangible assets	**46**	246
Other non-cash operating losses	**(12,451)**	6,962
Changes in net working capital	**6,211**	(43,654)
Net cash flow before interest and tax	**69,581**	37,052
Interest received	**1,514**	7,639
Interest paid	**(863)**	(705)
Tax paid	**(1,919)**	(20,063)
Net cash flow from operating activities	**68,313**	23,923
Cash flow from investing activities		
Capital expenditures		
Property, plant and equipment	**(39,884)**	(73,215)
Intangibles	**(6,472)**	(22,528)
Proceeds from sale of fixed assets	**2,152**	351
Net proceeds from sale of Subsidiary	**-**	(3,629)
Net cash flow used in investing activities	**(44,204)**	(99,021)
Cash flow from financing activities		
Net payments for reimbursement of contributions	**(268)**	(1,087)
Net cash flow from (used in) financing activities	**(268)**	(1,087)
Increase / (decrease) of cash and cash equivalents	**23,842**	(76,185)
Movement in cash and cash equivalents		
At the beginning of the year	**96,153**	171,817
Increase / (decrease) of cash and cash equivalents	**23,842**	(76,185)
Effects of exchange rate changes	**285**	521
At end of the year	**120,280**	96,153
Cash and cash equivalent components are:		
Cash	**31,166**	22,024
Liquid money market products	**89,114**	74,129
At the end of the year	**120,280**	96,153

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 2009, were authorised for issuance in accordance with a resolution of the Board of Directors on 08 March 2010 and will be proposed for approval at the Annual General Meeting of 10 June 2010.

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 9,281 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 209 countries and territories and employed 1,991 employees as of 31 December 2009.

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 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 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

The application by the Company of following new standards, interpretations and amendments, that are effective for the period beginning on 01 January 2009 has been investigated. It was concluded that these are not applicable to the Company.

1/ IFRS 8 - Operating Segments (01 January 2009)
2/ IAS 23 (Revised) - Borrowing Costs (01 January 2009)
3/ IFRS 1 (Revised) - First Time Adoption of IFRS (01 July 2009)
4/ IFRS 3 (Revised) - Business Combinations (01 July 2009)
5/ IFRS 2 (Amended) - Share-Based Payment: Vesting Conditions and Cancellations (01 January 2009)
6/ IFRS 1 / IAS 27 (Amended) - Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate (01 January 2009)
7/ IAS 27 (Revised) - Consolidated and Separate Financial Statements (01 July 2009)
8/ IAS 39 (Amended) - Eligible Hedged Items (01 July 2009)
9/ IFRIC 13 - Customer Loyalty Programmes (01 July 2009)
10/ IFRIC 15 - Agreements for the Construction of Real Estate (01 January 2009)
11/ IFRIC 17 - Distribution of Non-Cash Assets to Owners (01 July 2009)
12/ IFRIC 18 - Transfers of Assets from Customers (01 July 2009)
13/ Annual Improvements to IFRS (01 January 2009)

The application by the Company of following new standards, interpretations and amendments, that are effective for the period beginning on 01 January 2009 has been investigated. It was concluded that these are applicable to the Company but have limited impact on the financial statements.

1/ IAS 1 (Revised) - Presentation of financial statements (01 January 2009)
2/ IFRS 7 Financial Instruments: Disclosures (01 January 2009)

New Standards, Interpretations and Amendments, that have been issued but are not yet effective for the period beginning on 01 January 2009, 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 2 (Amended) Share-based Payment: Group Cash-Settled Share-based Payment Transactions (01 January 2010)
2/ IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement (01 July 2009)
3/ Annual improvement to IFRSs (01 April 2009)
4/ IFRS 9 - Financial instruments - Classification and measurement (01 January 2013)
5/ IFRIC 14 (Amended) - Prepayments of a Minimum Funding Requirement (01 January 2011)
6/ IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (01 July 2010)
7/ IFRS 1 - First-time Adoption of International Financial Reporting Standards - Additional Exemptions for First-time Adopters (01 January 2010)
8/ IFRS 1 - First-time Adoption of International Financial reporting Standards - Limited Exemption from Comparative IFRS7 Disclosures (01 July 2010)
9/ IAS 39 - Financial Instruments: Presentation: Classification of Rights Issues (01 January 2010)
10/ IAS 24 - Related Party Disclosures - State-controlled entities (01 January 2011)

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 2009, the two new subsidiaries opened in South Korea and in Russia (S.W.I.F.T. Korea Ltd and S.W.I.F.T. LLC) and the new branch of S.W.I.F.T. Beijing Ltd (S.W.I.F.T. Beijing Limited Shanghai Branch) have been integrated in the consolidation perimeter.

The subsidiaries of the group are listed hereafter:

Name	% Ownership	Country of registration
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
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).

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 13.

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. Depreciation 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 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 statement of comprehensive income are also recorded in the consolidated statement of comprehensive income.

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 32.

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.

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 re-measuring the hedging instrument at fair value is recognised immediately in the other comprehensive income 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 other comprehensive income 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 other comprehensive income 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 money market products are classified as available for sale. 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 other comprehensive income, 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.

Details on the annual pension costs and the funded status for the defined benefit pension plans are disclosed in Note 25.

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 revenue is 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 revenue includes:
- 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 for matching services;
- Discounts and rebates on messaging services granted to customers.

One-time revenue consists mainly of connection and security product fees.

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

Interface revenue consists 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 revenue on a pro rata basis over the period of the agreement.

Other operating revenue comprises 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 other comprehensive income.

2 Traffic revenue

The decrease in traffic revenue from EUR 361.0 million in 2008 to EUR 360.0 million in 2009 is explained by a 2.5% lower traffic volume and by the average unit price reduction. Those effects are however offset by the non application in 2009 of a rebate to the community. In 2008, SWIFT granted a rebate of EUR 19.0 million.

3 One-time revenue

The decrease in one time revenue from EUR 8.0 million in 2008 to EUR 5.0 million in 2009 is mainly explained by the combined effect of the slowdown of the security certificates sales (EUR 1.6 million) and the one time revenue for tailored made development realised in 2008.

4 Recurring revenue

(in thousands)	2009 EUR	2008 EUR
Recurring connectivity revenue	**33,009**	33,411
Recurring service revenue	**39,990**	34,373
Documentation and directory services	**16,182**	13,906
Conferences	**12,495**	17,052
Training	**5,314**	7,281
	106,990	106,023

The recurring connectivity revenue represents the annual charges paid by users to connect to SWIFT's network.

The recurring service revenue is mainly composed by the annual support charges associated to the security products.

The overall recurring revenue remains stable compared to 2008 as a result of the combined effect of an increase in the recurring service revenue driven by the launch in 2009 of a new security product and a decrease in conference revenue due to a lower attendance at the yearly Sibos conference.

5 Interface revenue

The increase in interface revenue from EUR 101.4 million last year to EUR 110.7 million in 2009 is due to higher Interface maintenance revenue. This is partly offset by the decrease in interface sales affected by the difficult economical environment.

6 Payroll and related charges

(in thousands)	2009 EUR	2008 EUR
Salaries	**178,251**	171,123
Termination indemnities	**223**	2,475
Social security costs	**34,759**	37,080
Pension costs - defined contribution plans	**3,845**	3,937
Pension costs - defined benefit plans (Note 25)	**20,982**	17,711
Other post-retirement benefits (Note 25)	**3,237**	2,167
Insurance, training and other personnel expenses	**28,909**	30,278
	270,206	264,771

The increase in salaries is mainly explained by the evolution of the remuneration of employees, reinforced by the US dollar strengthening. This increase has been partly offset by savings resulting from the two years efficiency improvement programme launched in 2009.

In 2008, an amount of EUR 2.0 million has been reallocated between the expense category insurance, training and other personnel expenses and the category defined contribution plans.

7 Network expenses

The decrease in network expenses from EUR 20.1 million in 2008 to EUR 19.1 million in 2009 is mainly explained by the migration of dial lines to Internet Access, ISP Local Loop progressive decommissioning and the decommissioning of the old SWIFTNet Backbone Network.

8 Rental, maintenance, office and outside service expenses

(in thousands)	2009 EUR	2008 EUR
Rent of buildings	**11,446**	10,019
Software operating lease	**9,282**	9,525
Other rental costs	**5,572**	5,360
Repair and maintenance costs	**45,908**	45,489
General office expenses	**8,450**	9,080
Other outside service expenses	**80,508**	116,548
	161,166	196,021

The decrease in other outside service expenses from EUR 116.5 million in 2008 to EUR 80.6 million in 2009 reflects the commitment of the Company to reduce the overall service expenses in order to face the financial crisis.

This commitment resulted primarily in the reduction of the number of contractors, the reduction of the recruitment costs and the overall consultancy services.

9 Other expenses

(in thousands)	2009 EUR	2008 EUR
Taxes other than income taxes	**3,862**	4,497
Loss on sales or disposals of current and non-current assets	**770**	631
Changes in short-term and voluntary leave provisions	**1,054**	1,585
Accrued promotional expenses	**-**	4,933
Other	**138**	455
	5,824	**12,101**

The decrease in other expenses from EUR 12.1 million in 2008 to EUR 5.8 million in 2009 is primarily explained by the provisioning in 2008 of the costs related to the VPN box technology upgrade programme that will take place between 2009 and 2011.

10 Other financial income and expenses

(in thousands)	2009 EUR	2008 EUR
Interest income	**4,613**	8,289
Money market products income	**357**	2,044
Net foreign exchange gains/(losses)	**(867)**	(1,284)
Net gains/(losses) on financial instruments - derivatives (Note 32)	**(4,376)**	(5,975)
Bank charges	**(434)**	(530)
Other financial income	**443**	1,107
	(264)	3,651

The decrease in interest and money market products income is a result of the important decline in interest rates during 2009.

The evolution of net foreign exchange results and the net results on financial instrument derivatives is explained by the relative fluctuations on the foreign exchange markets which is compensated in various captions of the income statement.

11 Income tax expense

Major components of the income tax expense are as follows:

(in thousands)	2009 EUR	2008 EUR
Current income taxes		
Domestic		
Current year tax expense	(2,483)	(1,247)
Adjustments of prior year tax income	1,191	2,124
	(1,292)	877
Foreign		
Current year tax expense	(4,256)	(3,470)
Adjustments of prior year tax income	865	(498)
	(3,391)	(3,968)
Current income tax expense	(4,683)	(3,091)
Deferred income taxes		
Domestic		
Current year tax income/(expense)	977	(587)
Adjustments of prior year tax income/(expense)	(17)	31
	960	(556)
Foreign		
Current year tax income/(expense)	2,166	(2,534)
Adjustments of prior year tax expense	(409)	263
	1,757	(2,271)
Deferred income tax income/(expense)	2,717	(2,827)
Income tax expense	(1,966)	(5,918)

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 2009 and 31 December 2008 is included in the table below.

(in thousands)	2009 EUR	2008 EUR
Income tax charge at statutory rate	(5,898)	(10,417)
Adjustments of prior year current income tax expense	2,056	1,625
Adjustments of prior year deferred income tax expense	(426)	294
Effect of different tax rates in other countries	529	46
Tax incentives	3,058	2,304
Capital gain exemption on sale of Subsidiary	-	2,650
Non deductible items	(1,285)	(2,420)
Income tax charge	(1,966)	(5,918)

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 Gain/ loss on sale of Subsidiary

The decrease is related to the exceptional 2008 gain resulting from the sale of S.W.I.F.T. Re (Luxembourg) SA.

13 Property, plant and equipment

(in thousands)	Land and buildings EUR	Plant machinery and equipment EUR	Work in progress EUR	Total EUR
2008				
Opening net book value	64,954	63,493	8,961	137,408
Foreign currency translation	-	(19)	-	(19)
Additions	9,137	48,374	15,704	73,215
Transfers	5,778	3,157	(8,961)	(26)
Disposals	(3)	(154)	-	(157)
Depreciation charges	(11,301)	(31,552)	-	(42,853)
Depreciation rates	*3-10%*	*20-33%*	-	-
Closing net book value	68,565	83,299	15,704	167,568
At 31 December 2008				
Cost	224,225	270,241	15,704	510,170
Accumulated depreciation	(155,660)	(186,942)	-	(342,602)
Net book value	68,565	83,299	15,704	167,568
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**

The additions in 2009 amounting to EUR 39.9 million relate mainly to building improvements, new hardware investments in resilience and scaling of the FIN and SWIFTNet systems, and improvements of internal systems.

14 Intangible assets

(in thousands)	Concessions, patents and licenses EUR	Capitalised development costs EUR	Work in progress EUR	Total intangible assets EUR
2008				
Opening net book value	**14,832**	**752**	**564**	**16,148**
Foreign currency translation	0	-	-	**0**
Additions	19,188	1,874	1,466	**22,528**
Transfers	589	-	(564)	**25**
Disposals / write-offs	(5)	(416)	-	**(421)**
Amortisation charges	(10,294)	(446)	-	**(10,740)**
Amortisation rates	*20-33%*	*33%*	-	**-**
Closing net book value	**24,310**	**1,764**	**1,466**	**27,540**
At 31 December 2008				
Cost	110,165	9,760	1,466	**121,391**
Accumulated amortisation	(85,855)	(7,996)	-	**(93,851)**
Net book value	**24,310**	**1,764**	**1,466**	**27,540**
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**

The additions for 2009 amounting to EUR 6.5 million relate mainly to further investment in new products launched in 2009 (Alliance Lite and Alliance Integrator), investment in resilience and scaling of the SWIFTNet platform, and to software investments for continuous improvement of internal systems.

15 Restructuring costs

In 2009, the Company has launched a 2-year Lean improvement programme designed to significantly increase its operational and organisational efficiency on a sustainable basis. The costs associated with the phases engaged in 2009 amounting to EUR 44.1 million include termination benefits, legal, outplacement and consultancy costs, curtailment impact and additional pension and benefits coverage granted as part of the termination packages.

16 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. In 2009, the carrying value remains unchanged.

The latest published financial statements of AccuMatch, dated 31 December 2008, are summarised below:

Consolidated statement of income:

year ended 31 December 2008 (in thousands)	**2008 EUR**	2007 EUR
Net result before tax	**23**	46
Taxes and duties	**(5)**	(5)
Net result after tax	**18**	41

Consolidated balance sheet:

year ended 31 December 2008

(in thousands)	**2008 EUR**	2007 EUR
Total assets	**2,994**	2,968
Total equity	**2,968**	2,940
Total liabilities	**26**	28
Total equity and liabilities	**2,994**	2,968

17 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.

18 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities at 31 December 2009 are detailed as follows:

(in thousands)	2009 EUR	2008 EUR	Variation	Variation recognised in the other comprehensive income	Variation recognised in income statement	Balance sheet movement
Deferred income tax assets						
Property, plant and equipment	**4,053**	**3,251**	802		802	
Provisions	**27,757**	**31,272**	(3,515)	(5,323)	1,808	
Other temporary differences	**5,200**	**5,038**	162	(2,578)	2,740	
Netting of deferred income tax assets and liabilities by tax entities	**(5,902)**	**(7,127)**	1,225			1,225
	31,108	**32,434**	(1,326)	(7,901)	5,350	1,225
Deferred income tax liabilities						
Property, plant and equipment	**(2,504)**	**(260)**	(2,244)		(2,244)	
Provisions	**(108)**	**-**	(108)		(108)	
Other temporary differences	**(3,315)**	**(6,867)**	3,552	3,833	(281)	
Netting of deferred income tax assets and liabilities by tax entities	**5,902**	**7,127**	(1,225)			(1,225)
	(25)	**-**	(25)	3,833	(2,633)	(1,225)
Net deferred income tax assets/(liabilities)	**31,083**	**32,434**	(1,351)	(4,068)	2,717	-

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

19 Trade receivables

(a) Trade receivables

The increase in trade receivables from EUR 64.2 million in 2008 to EUR 77.7 million in 2009 is mainly explained by the EUR 19 million traffic rebate granted in 2008.

Loans and receivables	Balance sheet carrying amount	Balance sheet impairment	Total	Balance sheet carrying amount	Balance sheet impairment	Total
(in thousands)	2009 EUR	2009 EUR		2008 EUR	2008 EUR	
Trade receivables	77,862	(146)	77,716	64,738	(495)	64,243
Credit notes to receive (included in other receivables)	529	-	529	1,388	-	1,388
	78,391	**(146)**	**78,245**	**66,126**	**(495)**	**65,631**

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.
The impairment balance of EUR 495 thousand at 31 December 2008 has been fully utilised.

(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 76 percent of the Company's revenue is paid by direct debit. Any potential trade credit risk is thereby limited to the remaining 24 percent. These customers are individually monitored and are reported each month against strict target limits. 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 :

	Net carrying amount as of 31.12.2009	Of which neither impaired nor past due on the reporting date	Of which not impaired as of the reporting date and past due: Past due less than 30 days	Past due between 30 and 59 days	Past due between 60 and 89 days	Past due between 90 and 179 days	Past due between 180 and 359 days
(in thousands)	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Trade receivables	77,716	75,213	157	1,820	277	249	-
Credit notes to receive	529	382	91	5	35	16	-

20 Other receivables

The decrease in other receivables from EUR 26.9 million last year to EUR 9.5 million in 2009 is driven by a decrease in the market value of unrealised hedging contracts. The fair value of hedging contracts amounted to EUR 15.8 million in 2008 versus EUR 2.7 million in 2009 and relates to forward and options contracts concluded to hedge foreign currency exposure. The financial instruments are described in note 32.

21 Prepayments to suppliers

The decrease in prepayments to suppliers from EUR 38.6 million in 2008 to EUR 29.6 million in 2009 is explained by the unusual level of advance payments on certain contracts covering several years that were made in 2007 in order to benefit from significant commercial discounts.

22 Inventories

(in thousands)	2009 EUR	2008 EUR
Hardware	**846**	526
Software	**170**	273
Total inventories	**1,016**	799

The increase in inventory from EUR 0.8 million in 2008 to EUR 1.0 million in 2009 is mainly explained by the purchase of VPN box hardware to cover the migration of dial lines to Alliance Connect Internet Access.

23 Prepaid taxes

The decrease of EUR 1.4 million compared to last year is mainly related to a decrease in prepayments of corporate income tax which is partly compensated by the recognition of interest on blocked funds for which the settlement is pending the final unwinding of a litigation.

24 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 2007	**111,897**	**13,991**	**114,435**	**146,738**	**(20,355)**	**254,809**
Total Comprehensive Income	-	-	-		(16,171)	(16,171)
Net Profit	-	-	-	24,730		24,730
Total comprehensive income for the year	**-**	**-**	**-**	**24,730**	**(16,171)**	**8,559**
Capital increase in cash	49	6	123	-	-	129
Capital reimbursement in cash	(449)	(57)	(870)	(289)	-	(1,216)
Share reallocation	-	-	-	-	-	-
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)	(152)	-	(331)
Share reallocation	-	-	9,117	(9,117)	-	-
Balances at 31 December 2009	**111,399**	**13,927**	**122,701**	**177,295**	**(28,612)**	**285,312**

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 by the Board of Directors 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.

25 Long-term employee benefits

(in thousands)	2009 EUR	2008 EUR
Long-term employee benefits		
Retirement benefit obligation	**66,821**	83,968
Voluntary leave provision	**2,726**	4,177
Other long-term employee benefits	**10,431**	9,860
Total long-term employee benefits	**79,978**	98,005

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

(in thousands)	Pension schemes 2009 EUR	Pension schemes 2008 EUR	Post-employment medical benefits 2009 EUR	Post-employment medical benefits 2008 EUR	Total 2009 EUR	Total 2008 EUR
Present value of wholly or partly funded obligations	**241,698**	233,084	**33,203**	25,907	**274,901**	258,991
Present value of unfunded obligations	**0**	2,955	**0**	0	**0**	2,955
Defined benefit obligation	**241,698**	236,039	**33,203**	25,907	**274,901**	261,946
Fair value of plan assets	**(207,320)**	(178,457)	**(2,379)**	(1,341)	**(209,699)**	(179,798)
Unfunded liabilities	**34,378**	57,582	**30,824**	24,566	**65,202**	82,148
Unrecognised past service gains	**0**	0	**1,619**	1,820	**1,619**	1,820
Retirement benefit obligation	**34,378**	57,582	**32,443**	26,386	**66,821**	83,968

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

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

(in thousands)	Pension schemes 2009 EUR	Pension schemes 2008 EUR	Post-employment medical benefits 2009 EUR	Post-employment medical benefits 2008 EUR	Total 2009 EUR	Total 2008 EUR
Current service cost	**18,100**	16,813	**1,956**	1,322	**20,056**	18,135
Interest on obligation	**13,003**	11,234	**1,559**	1,074	**14,562**	12,308
Expected return on plan assets	**(10,121)**	(10,336)	**(112)**	(72)	**(10,233)**	(10,408)
Amortisation on unrecognised past service gains	**0**	0	**(166)**	(157)	**(166)**	(157)
Total pension cost (Note 6)	**20,982**	17,711	**3,237**	2,167	**24,219**	19,878
Curtailment	**(6,595)**	0	**0**	0	**(6,595)**	0
Additional pension cost	**5,702**	0	**2,488**	0	**8,190**	0
Total	**20,089**	17,711	**5,725**	2,167	**25,814**	19,878

In 2009, the Company has launched a 2-year Lean improvement program 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 2009 EUR	Pension schemes 2008 EUR	Post-employment medical benefits 2009 EUR	Post-employment medical benefits 2008 EUR	Total 2009 EUR	Total 2008 EUR
At the beginning of the year	**44,617**	16,815	**16,031**	9,738	**60,648**	26,553
Actuarial (gain)/loss	**(16,739)**	27,514	**2,047**	5,855	**(14,692)**	33,369
Exchange rate differences	**(501)**	288	**(351)**	438	**(852)**	726
Total recognised in the other comprehensive income	**(17,240)**	27,802	**1,696**	6,293	**(15,544)**	34,095
At the end of the year	**27,377**	44,617	**17,727**	16,031	**45,104**	60,648

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

(in thousands)	Pension schemes 2009 EUR	Pension schemes 2008 EUR	Post-employment medical benefits 2009 EUR	Post-employment medical benefits 2008 EUR	Total 2009 EUR	Total 2008 EUR
At the beginning of the year	**57,582**	38,666	**26,386**	18,582	**83,968**	57,248
Total expense as above	**20,089**	17,711	**5,725**	2,167	**25,814**	19,878
Employer contribution	**(26,158)**	(26,327)	**(990)**	(1,105)	**(27,148)**	(27,432)
Total recognised in the other comprehensive income	**(17,240)**	27,802	**1,696**	6,293	**(15,544)**	34,095
Exchange differences	**105**	(270)	**(374)**	449	**(269)**	179
At the end of the year	**34,378**	57,582	**32,443**	26,386	**66,821**	83,968

The decrease of the retirement benefit obligation recognised in the balance sheet is explained by the higher return on plan assets than initially expected and by the review of the salary increase assumptions.

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 2009 EUR	Pension schemes 2008 EUR	Post-employment medical benefits 2009 EUR	Post-employment medical benefits 2008 EUR	Total 2009 EUR	Total 2008 EUR
At the beginning of the year	**236,039**	222,532	**25,907**	17,357	**261,946**	239,889
Current service cost	**18,100**	16,813	**1,956**	1,322	**20,056**	18,135
Curtailment	**(6,595)**	0	**0**	0	**(6,595)**	0
Additional pension cost	**5,702**	0	**2,488**	0	**8,190**	0
Settlement	**(7,223)**	0	**0**	0	**(7,223)**	0
Interest on obligation	**13,003**	11,234	**1,559**	1,074	**14,562**	12,308
Adjustment of past service cost	**0**	0	**0**	0	**0**	0
Actual benefit payment	**(7,029)**	(15,175)	**(283)**	(352)	**(7,312)**	(15,527)
Actuarial (gains)/losses on DBO	**(8,971)**	(1,187)	**2,321**	5,509	**(6,650)**	4,322
Exchange rate differences	**(1,328)**	1,822	**(745)**	997	**(2,073)**	2,819
At the end of the year	**241,698**	236,039	**33,203**	25,907	**274,901**	261,946

Change in fair value of plan assets:

(in thousands)	Pension schemes 2009 EUR	Pension schemes 2008 EUR	Post-employment medical benefits 2009 EUR	Post-employment medical benefits 2008 EUR	Total 2009 EUR	Total 2008 EUR
At the beginning of the year	**178,457**	183,866	**1,341**	673	**179,798**	184,539
Expected return on plan assets	**10,121**	10,336	**112**	72	**10,233**	10,408
Actual benefit payment	**(7,029)**	(15,175)	**(283)**	(352)	**(7,312)**	(15,527)
Employer contribution	**26,158**	26,327	**990**	1,105	**27,148**	27,432
Actuarial gains/(losses) on plan assets	**7,768**	(28,701)	**274**	(346)	**8,042**	(29,047)
Settlement	**(7,223)**	0	**0**	0	**(7,223)**	0
Exchange rate differences	**(932)**	1,804	**(55)**	189	**(987)**	1,993
At the end of the year	**207,320**	178,457	**2,379**	1,341	**209,699**	179,798

The detail per class of plan asset is as follows:

Asset class	Belgium plan assets 2009 in %	The Netherlands plan assets 2009 in %	IME and IPP plan assets 2009 in %	Unites States plan assets 2009 in %	Belgium plan assets 2008 in %	The Netherlands plan assets 2008 in %	Unites States plan assets 2008 in %
Equities	**12.0%**	**24.4%**	**0.0%**	**66.4%**	**16.0%**	**30.0%**	**59.3%**
Bonds	**88.0%**	**68.1%**	**0.0%**	**32.0%**	**84.0%**	**70.0%**	**39.7%**
Cash	**0.0%**	**7.5%**	**100.0%**	**1.6%**	**0.0%**	**0.0%**	**1.0%**
Total	**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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Weighted average discount rate	**5.3%**	5.5%	**5.3%**	5.3%	**5.5%**	5.3%	**6.0%**	6.0%
Expected long-term rate of return on assets	**4.7%**	5.2%	**4.7%**	N/A	**5.3%**	5.7%	**6.5%**	6.5%
Rate of increase in future salaries	**4.0%**	4.5%	**4.0%**	4.5%	**4.0%**	4.5%	**5.0%**	5.0%

The actual return on the plan assets amounted to EUR (18.3) million. The expected contribution for 2010 amounts to EUR 28.5 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 2009 EUR	One percentage point decrease 2009 EUR
Effect on the aggregate of the service cost and interest cost	**948**	**(724)**
Effect on defined benefit obligation as at 31 December 2008	**7,033**	**(5,473)**

5-year trend analysis:

(in thousands)	2009 EUR	2008 EUR	2007 EUR	2006 EUR	2005 EUR
Defined benefit obligation (DBO)	274,901	261,946	239,889	223,994	199,360
Plan assets	(209,699)	(179,798)	(184,539)	(171,634)	(151,327)
(Surplus)/deficit	65,202	82,148	55,350	52,360	48,033
Actuarial (gains)/losses on DBO	(6,650)	4,322	1,995	9,475	13,544
Actuarial (gains)/losses on plan assets	(8,042)	29,047	2,721	(4,025)	(4,795)
Total actuarial (gains)/losses of the year	(14,692)	33,369	4,716	5,450	8,749

26 Short-term employee benefits

(in thousands)	2009 EUR	2008 EUR
Short-term employee benefits		
Social security and payroll liabilities	**57,542**	55,301
Voluntary leave provision	**1,970**	2,296
Total short-term employee benefits	**59,512**	57,597

The increase in social security and payroll liabilities is mainly explained by timing differences in the payment of related invoices between 2008 and 2009.

27 Short-term and long-term provisions

(in thousands)	Legal claims	Severance	Restructuring	Other	Total provisions
Balance beginning of year	177	1,780	-	14	**1,971**
Additional provision	482	-	17,953	29	**18,464**
Reversal of unused accrual	-	-	-	-	**-**
Amounts charged to income in 2009	482	-	17,953	29	**18,464**
Amounts utilised during the year	(151)	(1,772)	-	(14)	**(1,937)**
Balance at end of year	**508**	**8**	**17,953**	**29**	**18,498**
Current 2009	508	8	13,727	29	**14,272**
Non-current 2009	-	-	4,226	-	**4,226**
Balance at end of year	**508**	**8**	**17,953**	**29**	**18,498**

28 Other liabilities

(a) Other liabilities

(in thousands)	2009 EUR	2008 EUR
Other liabilities		
Accrued liabilities	**19,604**	30,443
VAT and withholding taxes payable	**256**	1,783
Fair value of financial instruments	**5,587**	14,542
Other liabilities and deferred income	**2,555**	2,800
Total other liabilities	**28,002**	49,568

The decrease in the accrued liabilities is mainly explained by 2008 software development costs that were accrued at year end 2008.

The fair value of financial instruments relates to the forward contracts concluded to hedge the foreign currency exposure of the 2010 budget. The decrease compared to last year is explained by the relative evolution of the foreign exchange rates between the date of inception of the contract and 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 33.7 million of committed credit lines of which none is currently used.

The following table provides in undiscounted amounts an overview of selected financial assets and liabilities' maturity:

(in thousands)	Maturity within 1 year 2009 EUR	Maturity > 1 year 2009 EUR	Maturity within 1 year 2008 EUR	Maturity > 1 year 2008 EUR
Assets:				
Cash and cash equivalents	**120,280**	**-**	96,153	-
Prepayments to suppliers	**26,893**	**2,714**	28,195	10,398
Liabilities:				
Amounts payable to suppliers	**17,159**	**-**	21,419	-
Accrued liabilities	**19,052**	**552**	25,116	5,327
Other liabilities and deferred income	**2,269**	**286**	2,663	137

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.

29 Accrued taxes

The decrease in accrued taxes from EUR 10.8 million in 2008 to EUR 8.7 million in 2009 primarily results from the adjustment of the provisions for litigation following the positive outcome. This effect is reinforced by lower corporate income tax liability in 2009.

30 Related party disclosures

(a) Compensation of the Executive Committee

IAS 24 §16 requires companies to disclose key management personnel compensation. Amounts in foreign currency are converted at the average rate of the year.

(in thousands)	2009 EUR	2008 EUR
Short-term employee benefits		
Salary	**2,974**	3,770
Bonus	**1,769**	2,048
Car benefits	**213**	272
Other	**134**	324
	5,090	6,414
Post-employment benefits		
Pension	**2,007**	1,566
Post-retirement medical	**8**	4
	2,015	1,570
Other long-term employee benefits		
Long-term incentives	**2,407**	2,651
Other	**74**	104
	2,481	2,755
Termination benefits	**1,923**	0
Total compensation for the Executive Committee	**11,509**	10,739
Social charges on the above	**1,710**	1,821
Total cost of compensation for the Executive Committee	**13,219**	12,560

Due to changes in the composition of SWIFT's leadership team in 2009, the cost of compensation for 2009 is not directly comparable to the 2008 compensation cost. The 2009 figures include the compensation for the 16 members of the Executive Committee for the first five months of the year, and for the eight members of the Executive Committee for the last seven months of 2009 . The 2008 figures include the compensation for the 15 members of the Executive Committee.

(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.

31 Commitments and contingent liabilities

(a) Capital expenditure commitments

The Company had commitments for capital expenditure at 31 December 2009 amounting to EUR 25.0 million primarily related to the refurbishment and expansion of the data centre.

(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 196 million at 31 December 2009, and are estimated to be payable in the following years:

Year	2009 EUR (millions)	2008 EUR (millions)
2010	112	40
2011	34	18
2012	17	9
2013	8	7
2014 and beyond	25	22
Total commitments	**196**	**96**

(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 2009 or in 2008.

Following the positive final outcome of the court decision on the tax litigation, the Belgian tax authorities have initiated the recomputation process of the assessment notes related to the final settlement of the litigation. SWIFT has started the review of the preliminary draft computation and further contacts with the authorities will be needed to agree on the settlement.

32 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 specialist 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 and 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.

Fair value is determined based on 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 2009 EUR	Notional amount 2008 EUR	Fair value 2009 EUR	Fair value 2008 EUR
Cash flow hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.40 USD)	126,641	157,418	(3,420)	9,473
GBP (at rates averaging 1 EUR = 0.88 GBP)	8,717	24,108	(76)	(2,934)
JPY (at rates averaging 1 EUR = 132 JPY)	3,721	4,102	(16)	(202)
HKD (at rates averaging 1 EUR = 11.1 HKD)	12,827	17,617	(58)	(600)
CHF (at rates averaging 1 EUR = 1.51 CHF)	6,164	10,884	91	466
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.42 USD)	(81,085)	(99,185)	977	(6,007)
GBP	-	(7,301)	-	990
Net position on cash flow hedges	**76,985**	**107,643**	**(2,502)**	**1,186**
Fair value hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.40 USD)	5,831	18,500	(130)	912
GBP (at rates averaging 1 EUR = 0.98 GBP)	717	2,120	67	(304)
JPY	-	354	-	21
HKD (at rates averaging 1 EUR = 10.4 HKD)	539	1,303	(38)	13
CHF	-	983	-	-
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.46 USD)	(22,009)	(18,719)	(272)	(445)
GBP	-	(1,349)	-	226
Net position on fair value hedges	**(14,923)**	**3,192**	**(373)**	**423**
Economic hedges = the effective hedge relationship cannot efficiently be demonstrated				
Amounts to be received upon exercise of the options purchased				
USD	-	11,941	-	(325)
Net position on economic hedges	**-**	**11,941**	**-**	**(325)**
Total	**62,063**	**122,776**	**(2,876)**	**1,284**

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.

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

(in thousands)	Contracts initiated in 2008 2009 EUR	New contracts initiated in 2009 2009 EUR	Total 2009 EUR	Contracts initiated in 2007 2008 EUR	New contracts initiated in 2008 2008 EUR	Total 2008 EUR
Cash flow hedges	(7,228)	97	(7,132)	(4,129)	(949)	(5,079)
Fair value hedges	909	2,016	2,926	(499)	(863)	(1,363)
Economic hedges	(170)		(170)	792	(325)	467
	(6,489)	2,113	(4,376)	(3,836)	(2,137)	(5,975)

All hedges mature in 2010.

Each transaction of the above instruments is recorded at trade date. Derivatives mark-to-market valuations are provided by the respective financial institutions with whom the deals were done.

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)	2009 EUR	2008 EUR
Gain/(loss) on hedged item	(3,536)	2,033
Gain/(loss) on hedging instrument	3,638	(2,094)
Net gain/(loss)	102	(61)

(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 bp on the US dollar positions open at balance sheet date.

(in thousands)	At USD year end closing rate 2009 EUR	USD closing rate -100 bp 2009 EUR	USD closing rate +100 bp 2009 EUR	At USD year end closing rate 2008 EUR	USD closing rate -100 bp 2008 EUR	USD closing rate +100 bp 2008 EUR
Cash flow hedges in reserves in other comprehensive income	(2,502)	(2,198)	(2,802)	1,186	1,631	734
Fair value hedges in income statement	(373)	(789)	(259)	423	403	456
Economic hedges in income statement	-	-	-	(325)	(229)	(388)
Un-hedged position	1,226	1,234	1,217	2,856	2,876	2,836

(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 2009.

(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.