Report of the independent financial auditors

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

We have audited the accompanying financial statements of S.W.I.F.T. SCRL, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial statements give a true and fair view of the financial position of S.W.I.F.T. SCRL as of 31 December 2008, 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, 11 March 2009

Security audit statement

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

Management is satisfied that, for the period 1 January 2008 to 31 December 2008, the control policies and procedures relating to the SWIFTNet and FIN services were operating with sufficient effectiveness to provide reasonable assurance that appropriate governance was in place and the confidentiality, integrity, availability and change management objectives were met. The control objectives were specified by SWIFT Management.

PricewaterhouseCoopers were retained by the Directors to review the control policies and controls, both manual and computer-based, related to the FIN and SWIFTNet messaging services, specified by SWIFT Management for the period 1 January 2008 to 31 December 2008.

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

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

Consolidated statement of income

— year ended 31 December 2008

(in thousands)	Note	2008 EUR	2007 EUR
Revenues			
Traffic revenues	2	361,040	332,854
One-time revenues	3	8,038	12,379
Recurring revenues	4	106,023	106,210
Interface revenues	5	101,414	112,945
Other operating revenues		2,974	3,985
		579,489	568,373
Expenses			
Royalties and cost of inventory		(12,982)	(16,805)
Payroll and related charges	6	(264,771)	(258,605)
Network expenses	7	(20,116)	(21,828)
Rental, maintenance, office and outside service expenses	8	(196,021)	(182,536)
Depreciation of property, plant and equipment	13	(42,853)	(38,543)
Amortisation of intangible fixed assets	14	(10,740)	(9,965)
Other expenses	9	(12,101)	(6,735)
		(559,584)	(535,017)
Profit from operating activities		19,905	33,356
Financing costs		(705)	(715)
Other financial income and expenses	10	3,651	3,256
Gain on sale of subsidiary	12	7,797	-
Profit before tax		30,648	35,897
Income tax expense	11	(5,918)	(12,860)
Net profit		24,730	23,037

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

— year ended 31 December 2008

(in thousands)		2008 EUR	2007 EUR
Net profit		24,730	23,037
Foreign currency translation		(296)	(144)
Cash flow hedges:			
– Current year gains/(losses) on financial instruments		1,186	(5,469)
– Prior year (gains)/losses transferred to income statement		5,469	(420)
Recognition of actuarial gains and losses	24	(34,095)	(2,641)
Deferred taxes recognised in shareholders' equity	17	11,565	2,901
Income and expense recognised in shareholders' equity		8,559	17,264

The accompanying notes on pages 42 to 68 are an integral part of these financial statements.

Consolidated balance sheet

— year ended 31 December 2008

(in thousands)	Note	2008 EUR	2007 EUR
Non-current assets			
Property, plant and equipment	13	167,568	137,408
Intangible assets	14	27,540	16,148
Investments in associated companies	15	549	549
Other investments	16	-	-
Deferred income tax assets	17	32,434	23,703
Total non-current assets		228,091	177,808
Current assets			
Cash and cash equivalents		96,153	171,817
Trade receivables	18	64,243	34,365
Other receivables	19	26,891	13,628
Prepayments to suppliers	20	38,592	48,170
Inventories	21	799	3,279
Prepaid taxes	22	46,883	31,300
Total current assets		273,561	302,559
Total assets		501,652	480,367
Shareholders' equity	23	262,281	254,809
Non-current liabilities			
Long-term employee benefits	24	98,005	70,336
Deferred income tax liabilities	17	-	11,976
Total non-current liabilities		98,005	82,312
Current liabilities			
Amounts payable to suppliers		21,420	21,352
Short-term employee benefits	25	57,597	64,840
Short-term provisions	26	1,971	1,910
Other liabilities	27	49,568	38,662
Advance payments from current and prospective members		-	40
Accrued taxes	28	10,810	16,442
Total current liabilities		141,366	143,246
Total liabilities and shareholders' equity		501,652	480,367

The accompanying notes on pages 42 to 68 are an integral part of these financial statements.

Consolidated statement of cash flows

— year ended 31 December 2008

(in thousands)	2008 EUR	2007 EUR
Cash flow from operating activities		
Profit from operating activities	19,905	33,356
Depreciation of property, plant and equipment	42,853	38,543
Amortisation of intangible fixed assets	10,740	9,965
Net loss and write-off on sale of property, plant and equipment, and intangible assets	246	819
Other non-cash operating losses	6,962	1,038
Changes in net working capital	(43,654)	11,489
Net cash flow before interest and tax	37,052	95,210
Interest received	7,639	5,761
Interest paid	(705)	(715)
Tax paid	(20,063)	(14,386)
Net cash flow from operating activities	23,923	85,870
Cash flow from investing activities		
Capital expenditures:		
– Property, plant and equipment	(73,215)	(40,758)
– Intangibles	(22,528)	(10,166)
Proceeds from sale of fixed assets	351	904
Net proceeds from sale of subsidiary	(3,629)	-
Net cash flow used in investing activities	(99,021)	(50,020)
Cash flow from financing activities		
Net payments for reimbursement of contributions	(1,087)	(428)
Net cash flow from (used in) financing activities	(1,087)	(428)
Increase/(decrease) of cash and cash equivalents	(76,185)	35,422
Movement in cash and cash equivalents		
At the beginning of the year	171,817	137,090
Increase/(decrease) of cash and cash equivalents	(76,185)	35,422
Effects of exchange rate changes	521	(695)
At end of the year	96,153	171,817
Cash and cash equivalent components are:		
Cash	22,024	33,226
Liquid money market products	74,129	138,591
At the end of the year	96,153	171,817

The accompanying notes on pages 42 to 68 are an integral part of these financial statements.

Notes to the consolidated financial statements

01 Corporate information

The consolidated financial statements of S.W.I.F.T. SCRL (also referred to as SWIFT or the Company) for the year ended 31 December 2008, were authorised for issuance in accordance with a resolution of the Board of Directors on 11 March 2009 and will be proposed for approval at the Annual General Meeting of 10 June 2009.

The registered office of S.W.I.F.T. SCRL is located at Avenue Adèle 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 8,800 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 employed 2,138 employees as of 31 December 2008.

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 the following new standards, interpretations and amendments, that are effective for the period beginning on 1 January 2008 has been investigated. It was concluded that these are not applicable to the Company.

1/ IFRIC 12 – Service concession arrangements (1 January 2008)

2/ IFRIC 14 – IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (1 January 2008)

3/ IFRIC 11 – IFRS 2 – Group and treasury share transactions (1 March 2007)

New standards, interpretations and amendments, that have been issued but are not yet effective for the period beginning on 1 January 2008, 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 8 – Operating Segments (1 January 2009)

2/ IAS 1 (Revised) – Presentation of Financial Statements (1 January 2009)

3/ IAS 23 (Revised) – Borrowing Costs (1 January 2009)

4/ IFRS 1 (Revised) – First Time Adoption of IFRS (1 July 2009)

5/ IFRS 3 (Revised) – Business Combinations (1 July 2009)

6/ IFRS 2 (Amended) – Share-Based Payment: Vesting Conditions and Cancellations (1 January 2009)

7/ IFRS 1/IAS 27 (Amended) – Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate (1 January 2009)

8/ IAS 27 (Revised) – Consolidated and Separate Financial Statements (1 July 2009)

9/ IAS 39/IFRS 7 (Amended) – Reclassification of Financial Assets: Effective Date and Transition (1 July 2008)

10/ IAS 39 (Amended) – Eligible Hedged Items (1 July 2009)

11/ IFRIC 13 – Customer Loyalty Programmes (1 July 2009)

12/ IFRIC 15 – Agreements for the Construction of Real Estate (1 January 2009)

13/ IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (1 October 2008)

14/ IFRIC 17 – Distribution of Non-Cash Assets to Owners (1 July 2009)

15/ IFRIC 18 – Transfers of Assets from Customers (1 July 2009)

16/ Annual Improvements to IFRS (1 January 2009)

The Company opted for early adoption of amendments to IAS 32 and IAS 1 – Puttable Financial Instruments and Obligations Arising on Liquidation. SWIFT's shares fall within the definition of puttable instruments as any SWIFT shareholder has the right to sell its shares back to SWIFT and as SWIFT has the obligation to buy its shares back. Adoption of these amendments affected the financial position of the Company as SWIFT shares are considered as puttable financial instruments to classify as equity whereas, prior to the amendments, they were classified as Net assets attributable to members.

SWIFT shares are presented in a Consolidated Statement of changes in equity instead of being presented in a statement of change in Net Assets Attributable to members. The effects of this restatement as at 31 December 2006 are disclosed in Note 23 of these consolidated financial statements.

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, collectively referred to as "the Group".

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.

The liquidation of S.W.I.F.T. Ireland SNC (in liquidation) was finalised end of October 2008. In December 2008, S.W.I.F.T. Re (Luxembourg) SA was sold. The 2008 activities of both subsidiaries until their deconsolidation are included in the 2008 consolidated income statement.

In 2008, two new subsidiaries were opened in Austria and in China: S.W.I.F.T. Austria GmbH and S.W.I.F.T. Beijing Ltd.

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.	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 currently has 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 recognised income and expense ("SoRIE") are also recorded in the consolidated statement of recognised income and expense.

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 31.

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 exotic and vanilla 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 statement of recognised income and expense (SoRIE) 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 SoRIE are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses which are recognised in the SoRIE are transferred to the 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.

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.

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 40-90 days payment terms, are recognised and carried at original invoice amount. An impairment loss is recognised for any difference between carrying amount and recoverable amount. Receivables from related parties are recognised and carried at nominal value.

Pension schemes

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

In 2006, the Company decided to report all actuarial gains and losses in the SoRIE, as allowed under IAS 19 (revised 2004).

In 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 24.

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 SoRIE.

02 Traffic revenues

The increase in traffic revenues from EUR 332.9 million in 2007 to EUR 361.0 million in 2008 is explained by the higher traffic volume in 2008 and by a lower 2008 rebate of 5 percent versus 15 percent in 2007. Those effects are offset by a reduced average unit price and by the introduction of an optional fixed fee pricing scheme for the large users.

03 One-time revenues

The decrease in one-time revenue from EUR 12.4 million in 2007 to EUR 8.0 million in 2008 is mainly explained by a decrease of EUR 3.3 million in revenues coming from the sales of security certificates. The decrease is also driven by the full year impact of the decision to no longer charge membership admission fees as of July 2007.

04 Recurring revenues

(in thousands)	2008 EUR	2007 EUR
Recurring connectivity revenues	33,411	34,922
Recurring service revenues	34,373	31,042
Documentation and directory services	13,906	15,705
Conferences	17,052	16,339
Education	7,281	8,202
	106,023	106,210

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

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

05 Interface revenues

The decrease in interface revenues from EUR 112.9 million last year to EUR 101.4 million in 2008 results from the decrease in the number of new interfaces and security systems sold, partially due to the end of SWIFTNet Phase 2 migration. This decrease is also explained by the weakening of the US dollar compared to 2007, as the pricing for interfaces is denominated in US dollars.

06 Payroll and related charges

(in thousands)	2008 EUR	2007 EUR
Salaries	171,123	168,175
Termination indemnities	2,475	3,923
Social security costs	37,080	33,414
Pension costs – defined contribution plans	1,950	1,874
Pension costs – defined benefit plans (Note 24)	17,711	16,285
Other post-retirement benefits (Note 24)	2,167	2,051
Insurance, training and other personnel expenses	32,265	32,883
	264,771	258,605

The increase in salaries is explained by the 6.9 percent growth in average number of employees from 2007 to 2008, driven by the investments in *SWIFT2010* strategic initiatives and the Distibuted Architecture project as well as the evolution of the remuneration of employees. This increase has been partially offset by gains resulting from the weakening of the US dollar.

07 Network expenses

The decrease in network expenses from EUR 21.8 million in 2007 to EUR 20.1 million in 2008 is mainly explained by the end of the network subsidisation programme for customers in emerging markets. This programme was discontinued due to the availability of new low cost connectivity solutions.

08 Rental, maintenance, office and outside service expenses

(in thousands)	2008 EUR	2007 EUR
Rent of buildings	10,019	8,752
Software operating lease	9,525	10,256
Other rental costs	5,360	5,433
Repair and maintenance costs	45,489	42,298
General office expenses	9,080	8,602
Other outside service expenses	116,548	107,195
	196,021	182,536

The increase in other outside service expenses from EUR 107.2 million last year to EUR 116.6 million in 2008 is primarily explained by the Distributed Architecture project and other IT projects launched in 2008.

09 Other expenses

(in thousands)	2008 EUR	2007 EUR
Taxes other than income taxes	4,497	3,665
Loss on sale or disposal of current and non-current assets	631	1,128
Changes in short-term and voluntary leave provisions	1,585	528
Accrued promotional expenses	4,933	-
Other	455	1,414
	12,101	6,735

The increase in other expenses from EUR 6.7 million last year to EUR 12.1 million in 2008 is primarily explained by the provisioning in 2008 of the costs related to VPN box hardware upgrade programme.

10 Other financial income and expenses

(in thousands)	2008 EUR	2007 EUR
Interest income	8,289	3,870
Money market products income	2,044	4,469
Net foreign exchange gains/(losses)	(1,284)	(1,762)
Net gains/(losses) on financial instruments – derivatives (Note 31)	(5,975)	(3,624)
Bank charges	(530)	(795)
Other financial income	1,107	1,098
	3,651	3,256

Following the financial credit crisis, SWIFT has decreased the amount of cash invested in money market funds and increased the investments in term deposits.

The net increase in interest and money market products income from EUR 8.3 million last year to EUR 10.3 million this year is explained by a EUR 4.1 million additional accrual of interest due by the Belgian Government on blocked funds included in a litigation with the Belgian Tax Administration. The increase is partly offset by less interest gained due to a lower average cash position in 2008 and lower interest rates in the last quarter of the year.

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, and is compensated by the positive effect of mainly the US dollar on the various captions of the income statement.

11 Income tax expense

Major components of the income tax expense are as follows:

(in thousands)	2008 EUR	2007 EUR
Current income taxes		
Domestic:		
– Current year tax expense	(1,247)	(7,145)
– Adjustments of prior year tax income	2,124	903
	877	(6,242)
Foreign:		
– Current year tax expense	(3,470)	(5,346)
– Adjustments of prior year tax income	(498)	18
	(3,968)	(5,328)
Current income tax expense	(3,091)	(11,570)
Deferred income taxes		
Domestic:		
– Current year tax income/(expense)	(587)	(2,318)
– Adjustments of prior year tax income/(expense)	31	(598)
	(556)	(2,916)
Foreign:		
– Current year tax income/(expense)	(2,534)	1,734
– Adjustments of prior year tax expense	263	(108)
	(2,271)	1,626
Deferred income tax income/(expense)	(2,827)	(1,290)
Income tax expense	(5,918)	(12,860)

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 2008 and 2007 is included in the table below.

(in thousands)	2008 EUR	2007 EUR
Income tax charge at statutory rate	(10,417)	(12,201)
Adjustments of prior year current income tax expense	1,625	1,096
Adjustments of prior year deferred income tax expense	294	(706)
Effect of different tax rates in other countries	46	738
Tax incentives	2,304	808
Capital gain exemption on sale of subsidiary	2,650	-
Non deductible items	(2,420)	(2,595)
Income tax charge	(5,918)	(12,860)

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

12 Gain on sale of subsidiary

The net capital gain realised on the sale of S.W.I.F.T. Re (Luxembourg) SA (EUR 7.8 million) corresponds to the difference between the sale price and the net assets value of the subsidiary at the date of disposal of this entity by S.W.I.F.T. SCRL.

The liquidation of S.W.I.F.T. Ireland SNC (in liquidation) has no impact on the 2008 results.

13 Property, plant and equipment

(in thousands)	Land and buildings EUR	Plant, machinery and equipment EUR	Work in progress EUR	Total EUR
2007				
Opening net book value	65,116	65,231	6,484	136,831
Foreign currency translation	-	(11)	-	(11)
Additions	6,966	24,900	8,892	40,758
Transfers	4,247	2,249	(6,415)	81
Disposals	(1,520)	(188)	-	(1,708)
Depreciation charges	(9,855)	(28,688)	-	(38,543)
Depreciation rates	3-10%	20-33%	-	-
Closing net book value	64,954	63,493	8,961	137,408
At 31 December 2007				
Cost	209,359	236,421	8,961	454,741
Accumulated depreciation	(144,405)	(172,928)	-	(317,333)
Net book value	64,954	63,493	8,961	137,408
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

The additions in 2008 amounting to EUR 73.2 million relate mainly to the Distributed Architecture project, 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 licences EUR	Capitalised development costs EUR	Work in progress EUR	Total intangible assets EUR
2007				
Opening net book value	15,084	665	283	16,032
Foreign currency translation	-	-	-	-
Additions	9,202	400	564	10,166
Transfers	202	-	(283)	(81)
Disposals/write-offs	(4)	-	-	(4)
Amortisation charges	(9,652)	(313)	-	(9,965)
Amortisation rates	20-33%	33%	-	-
Closing net book value	14,832	752	564	16,148
At 31 December 2007				
Cost	150,521	8,762	564	159,847
Accumulated amortisation	(135,689)	(8,010)	-	(143,699)
Net book value	14,832	752	564	16,148
2008				
Opening net book value	14,832	752	564	16,148
Foreign currency translation	-	-	-	-
Additions	19,188	1,874	1,466	22,528
Transfers	589	-	(564)	25
Disposals	(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

The additions for 2008 amounting to EUR 22.5 million relate mainly to investment in new products, investment in resilience and scaling of the SWIFTNet platform, and to software investments for further improvement of internal systems.

15 Investments in associated companies

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

In 2006, the carrying value of the investment in AccuMatch has been increased to EUR 0.5 million following increased net equity in the accounts of AccuMatch in 2006. In 2008, the carrying value remains unchanged.

The latest published financial statements of AccuMatch, dated 31 December 2007, are summarised below:

Consolidated statement of income:

year ended 31 December 2007

(in thousands)	2007 EUR	2006 EUR
Net result before tax	46	2,584
Taxes and duties	(5)	(58)
Net result after tax	41	2,526

Consolidated balance sheet:

year ended 31 December 2007

(in thousands)	2007 EUR	2006 EUR
Total assets	2,968	2,705
Total equity	2,940	2,686
Total liabilities	28	19
Total equity and liabilities	2,968	2,705

16 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.

17 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities at 31 December 2008 are detailed as follows:

(in thousands)	2008 EUR	2007 EUR	Variation	Variation recognised in the SoRIE	Variation recognised in the income statement	Balance sheet movement	Deconsolidation recognised in the income statement
Deferred income tax assets							
Property, plant and equipment	3,251	3,387	(136)	(2)	(134)	-	-
Provisions	31,272	20,833	10,439	13,826	(3,387)	-	-
Other temporary differences	5,038	4,153	885	969	(84)	-	-
Netting of deferred income tax assets and liabilities by tax entities	(7,127)	(4,670)	(2,457)	-	-	(2,457)	-
	32,434	23,703	8,731	14,793	(3,605)	(2,457)	-
Deferred income tax liabilities							
Property, plant and equipment	(260)	(166)	(94)	-	(94)	-	-
Provisions	-	(12,010)	12,010	-	40	-	11,970
Other temporary differences	(6,867)	(4,470)	(2,397)	(3,228)	831	-	-
Netting of deferred income tax assets and liabilities by tax entities	7,127	4,670	2,457	-	-	2,457	-
	-	(11,976)	11,976	(3,228)	777	2,457	11,970
Net deferred income tax assets/(liabilities)	32,434	11,727	20,707	11,565	(2,827)	-	11,970

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

18 Trade receivables

(a) Trade receivables

The increase in trade receivables from EUR 34.4 million in 2007 to EUR 64.2 million in 2008 is mainly explained by a decrease of the traffic rebate from EUR 57.2 million in 2007 (15 percent) to EUR 19.0 million in 2008 (5 percent).

Loans and receivables (in thousands)	Balance sheet carrying amount 2008 EUR	Balance sheet impairment 2008 EUR	Total	Balance sheet carrying amount 2007 EUR	Balance sheet impairment 2007 EUR	Total
Trade receivables	64,738	(495)	64,243	35,114	(749)	34,365
Credit notes to receive (included in other receivables)	1,388	-	1,388	1,012	-	1,012
	66,126	(495)	65,631	36,126	(749)	35,377

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 749 thousand at 31 December 2007 has been fully utilised. The impairment loss of EUR 495 thousand at 31 December 2008 relates to two specific cases.

(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:

			Of which not impaired as of the reporting date and past due				
(in thousands)	Net carrying amount as of 31 December 2008 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	64,243	59,655	-	426	3,218	402	542
Credit notes to receive	1,388	1,042	169	36	31	83	27

19 Other receivables

The increase in other receivables from EUR 13.6 million last year to EUR 26.9 million in 2008 is driven by an increase in the market value of unrealised hedging contracts. The fair value of hedging contracts amounted to EUR 5.3 million in 2007 versus EUR 15.8 million in 2008 and relates to forward and options contracts concluded to hedge foreign currency exposure.

The financial instruments are described in Note 31.

20 Prepayments to suppliers

The decrease in prepayments to suppliers from EUR 48.2 million in 2007 to EUR 38.6 million in 2008 is explained by the unusual level of advance payments on certain contracts that were made in 2007 in order to benefit from significant commercial discounts.

21 Inventories

(in thousands)	2008 EUR	2007 EUR
Hardware	525	8,124
Impairment on hardware	-	(5,024)
Software	273	179
Total inventories	799	3,279

The decrease in inventory from EUR 3.3 million in 2007 to EUR 0.8 million in 2008 is mainly explained by the write-off of the security hardware following the migration to new technologies as well as by the deployment of the hardware security module.

22 Prepaid taxes

Prepaid taxes amount to EUR 46.9 million and mainly include funds which will be refunded following the positive outcome of a litigation with the Belgian Tax Administration. The increase compared to 2007 is primarily explained by the evolution of the interest expected to be received on those funds and excess advanced tax payments.

23 Changes in shareholders' equity

(in thousands of EUR, except number of shares)	Number of shares	Share Capital	Share Premium	Retained Earnings	Foreign Currency Translation and other reserves	Total Shareholders' Equity
Balances at 31 December 2006	112,072	14,012	114,609	123,934	(14,582)	237,973
Net income (expense) recognised directly in equity	-	-	-	-	(5,773)	(5,773)
Net profit	-	-	-	23,037	-	23,037
Total recognised income and expense for the period	-	-	-	23,037	(5,773)	17,264
Capital increase in cash	36	5	88	-	-	93
Capital reimbursment in cash	(211)	(26)	(262)	(233)	-	(521)
Balances at 31 December 2007	111,897	13,991	114,435	146,738	(20,355)	254,809
Net income (expense) recognised directly in equity	-	-	-	-	(16,171)	(16,171)
Net profit	-	-	-	24,730	-	24,730
Total recognised income and expense for the period	-	-	-	24,730	(16,171)	8,559
Capital increase in cash	49	6	123	-	-	129
Capital reimbursment in cash	(449)	(57)	(870)	(289)	-	(1,216)
Balances at 31 December 2008	111,497	13,940	113,688	171,179	(36,526)	262,281

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.

The table below shows the Net assets attributable to members as published in 2006 and the restatement to show these Net assets attributable to members as shareholders' equity following the early adoption of Amendments to IAS 32 and IAS 1 – Puttable Financial Instruments and Obligations Arising on Liquidation as described in Note 1 to the consolidated financial statements.

Restatement (in thousands of EUR)	31 December 2006 amounts as published	Restatement	31 December 2006 amounts as restated
Net assets attributable to members	237,973	(237,973)	-
Capital	-	14,012	14,012
Share premium	-	114,609	114,609
Retained earnings	-	123,934	123,934
Foreign currency translation and other reserves	-	(14,582)	(14,582)
Shareholders' equity	-	237,973	237,973

24 Long-term employee benefits

(in thousands)	2008 EUR	2007 EUR
Long-term employee benefits		
Retirement benefit obligation	83,968	57,248
Voluntary leave provision	4,177	3,224
Other long-term employee benefits	9,860	9,864
Total long-term employee benefits	98,005	70,336

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

(in thousands)	Pension schemes 2008 EUR	Pension schemes 2007 EUR	Post-employment medical benefits 2008 EUR	Post-employment medical benefits 2007 EUR	Total 2008 EUR	Total 2007 EUR
Present value of wholly or partly funded obligations	233,084	215,000	25,907	17,357	258,991	232,357
Present value of unfunded obligations	2,955	7,532	-	-	2,955	7,532
Defined benefit obligation	236,039	222,532	25,907	17,357	261,946	239,889
Fair value of plan assets	(178,457)	(183,866)	(1,341)	(673)	(179,798)	(184,539)
Unfunded liabilities	57,582	38,666	24,566	16,684	82,148	55,350
Unrecognised past service gains	-	-	1,820	1,898	1,820	1,898
Retirement benefit obligation	57,582	38,666	26,386	18,582	83,968	57,248

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 2008 EUR	Pension schemes 2007 EUR	Post-employment medical benefits 2008 EUR	Post-employment medical benefits 2007 EUR	Total 2008 EUR	Total 2007 EUR
Current service cost	16,813	15,889	1,322	1,291	18,135	17,180
Interest on obligation	11,234	9,454	1,074	928	12,308	10,382
Expected return on plan assets	(10,336)	(9,058)	(72)	-	(10,408)	(9,058)
Adjustment on past service cost	-	-	-	-	-	-
Amortisation on unrecognised past service gains	-	-	(157)	(168)	(157)	(168)
Total	17,711	16,285	2,167	2,051	19,878	18,336

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

Retirement benefit obligation amounts recognised in the statement of recognised income and expense are as follows:

(in thousands)	Pension schemes 2008 EUR	Pension schemes 2007 EUR	Post-employment medical benefits 2008 EUR	Post-employment medical benefits 2007 EUR	Total 2008 EUR	Total 2007 EUR
At the beginning of the year	16,815	13,342	9,738	10,570	26,553	23,912
Actuarial (gain)/loss	27,514	4,430	5,855	286	33,369	4,716
Exchange rate differences	288	(957)	438	(1,118)	726	(2,075)
Total recognised in the SoRIE	27,802	3,473	6,293	(832)	34,095	2,641
At the end of the year	44,617	16,815	16,031	9,738	60,648	26,553

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

(in thousands)	Pension schemes 2008 EUR	Pension schemes 2007 EUR	Post-employment medical benefits 2008 EUR	Post-employment medical benefits 2007 EUR	Total 2008 EUR	Total 2007 EUR
At the beginning of the year	38,666	35,352	18,582	19,307	57,248	54,659
Total expense as above	17,711	16,285	2,167	2,051	19,878	18,336
Employer contribution	(26,327)	(16,873)	(1,105)	(949)	(27,432)	(17,822)
Total recognised in the SoRIE	27,802	3,473	6,293	(832)	34,095	2,641
Exchange differences	(270)	429	449	(995)	179	(566)
At the end of the year	57,582	38,666	26,386	18,582	83,968	57,248

The increase of the retirement benefit obligation recognised in the balance sheet is primarily explained by the lower return on plan assets than initially expected. This is mainly the result of the financial crisis.

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 2008 EUR	Pension schemes 2007 EUR	Post-employment medical benefits 2008 EUR	Post-employment medical benefits 2007 EUR	Total 2008 EUR	Total 2007 EUR
At the beginning of the year	222,532	206,986	17,357	17,008	239,889	223,994
Current service cost	16,813	15,889	1,322	1,291	18,135	17,180
Interest on obligation	11,234	9,454	1,074	928	12,308	10,382
Adjustment of past service cost	-	-	-	-	-	-
Actual benefit payment	(15,175)	(7,284)	(352)	(237)	(15,527)	(7,521)
Actuarial (gains)/losses on DBO	(1,187)	1,702	5,509	293	4,322	1,995
Unrecognised past service gains	-	-	-	-	-	-
Exchange rate differences	1,822	(4,215)	997	(1,926)	2,819	(6,141)
At the end of the year	236,039	222,532	25,907	17,357	261,946	239,889

Change in fair value of plan assets:

(in thousands)	Pension schemes 2008 EUR	Pension schemes 2007 EUR	Post-employment medical benefits 2008 EUR	Post-employment medical benefits 2007 EUR	Total 2008 EUR	Total 2007 EUR
At the beginning of the year	183,866	171,634	673	-	184,539	171,634
Expected return on plan assets	10,336	9,058	72	-	10,408	9,058
Actual benefit payment	(15,175)	(7,284)	(352)	(237)	(15,527)	(7,521)
Employer contribution	26,327	16,873	1,105	949	27,432	17,822
Actuarial gains/(losses) on plan assets	(28,701)	(2,728)	(346)	7	(29,047)	(2,721)
Exchange rate differences	1,804	(3,687)	189	(46)	1,993	(3,733)
At the end of the year	178,457	183,866	1,341	673	179,798	184,539

The detail per class of plan asset is as follows:

Asset class	Belgium plan assets 2008 in %	The Netherlands plan assets 2008 in %	United States plan assets 2008 in %	Belgium plan assets 2007 in %	The Netherlands plan assets 2007 in %	United States plan assets 2007 in %
Equities	16.0%	30.0%	59.3%	22.0%	30.0%	64.5%
Bonds	84.0%	70.0%	39.7%	78.0%	70.0%	34.5%
Cash	0.0%	0.0%	1.0%	0.0%	0.0%	1.0%
Total	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 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Weighted average discount rate	5.5%	5.0%	5.3%	5.0%	5.3%	5.3%	6.0%	6.3%
Expected long-term rate of return on assets	5.2%	5.3%	N/A	N/A	5.7%	5.5%	6.5%	6.5%
Rate of increase in future salaries	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5.0%	5.0%

The actual return on the plan assets amounted to EUR (18.6) million. The expected contribution for 2009 amounts to EUR 21.1 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 2008 EUR	One percentage point decrease 2008 EUR
Effect on the aggregate of the service cost and interest cost	849	(648)
Effect on defined benefit obligation as at 31 December 2008	5,685	(4,414)

5-year trend analysis:

(in thousands)	2008 EUR	2007 EUR	2006 EUR	2005 EUR	2004 EUR
Defined benefit obligation	261,946	239,889	223,994	199,360	164,293
Plan assets	(179,798)	(184,539)	(171,634)	(151,327)	(127,372)
(Surplus)/deficit	82,148	55,350	52,360	48,033	36,921
Actuarial (gains)/losses on DBO	4,322	1,995	9,475	13,544	(3,463)
Actuarial (gains)/losses on plan assets	29,047	2,721	(4,025)	(4,795)	(877)
Total actuarial (gains)/losses of the year	33,369	4,716	5,450	8,749	(4,340)

25 Short-term employee benefits

(in thousands)	2008 EUR	2007 EUR
Short-term employee benefits		
Social security and payroll liabilities	55,301	63,008
Voluntary leave provision	2,296	1,832
Total short-term employee benefits	57,597	64,840

The decrease in social security and payroll liabilities is explained by timing differences in the payment of related invoices between 2007 and 2008, and by the decrease in employee incentive plans.

26 Short-term provisions

(in thousands)	Legal claims	Severance	Other	Total short-term provisions
Balance at beginning of year	320	1,576	14	1,910
Additional provision	177	1,780	-	1,957
Reversal of unused accrual	-	-	-	-
Amounts charged to income in 2008	177	1,780	-	1,957
Amounts utilised during the year	(320)	(1,576)	-	(1,896)
Balance at end of year	177	1,780	14	1,971

27 Other liabilities

(a) Other liabilities

(in thousands)	2008 EUR	2007 EUR
Other liabilities		
Accrued liabilities	30,443	22,924
VAT and withholding taxes payable	1,783	291
Fair value of financial instruments	14,542	10,989
Other liabilities and deferred income	2,800	4,458
Total other liabilities	49,568	38,662

The increase in the accrued liabilities is mainly explained by software development costs related to new products incurred but not yet invoiced.

The fair value of financial instruments relates to the forward and option contracts concluded to primarily hedge the foreign currency exposure of the 2009 budget. The increase compared to last year is explained by the relative evolution of the foreign exchange rates.

(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 42.7 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 2008 EUR	Maturity > 1 year 2008 EUR	Maturity within 1 year 2007 EUR	Maturity > 1 year 2007 EUR
Assets				
Cash and cash equivalents	96,153	-	171,817	-
Prepayments to suppliers	28,195	10,398	31,735	16,435
Liabilities				
Amounts payable to suppliers	21,419	-	21,352	-
Accrued liabilities	25,116	5,327	21,871	1,053
Other liabilities and deferred income	2,663	137	3,681	777

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.

28 Accrued taxes

Accrued taxes amount to EUR 10.8 million at the end of 2008 and mainly include income taxes related to prior years.

29 Related party disclosures

(a) Compensation of the Leadership Council

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)	2008 EUR	2007 EUR
Short-term employee benefits		
Salary	3,770	2,947
Bonus	2,048	1,760
Car benefits	272	188
Other	324	389
	6,414	5,284
Post-employment benefits		
Pension	1,566	1,971
Post-retirement medical	4	15
	1,570	1,986
Other long-term employee benefits		
Long-term incentives	2,651	3,495
Other	104	266
	2,755	3,761
Termination benefits	-	564
Total compensation for the Leadership Council	10,739	11,595
Social charges on the above	1,821	1,722
Total cost of compensation for the Leadership Council	12,560	13,317

Due to changes in the composition of SWIFT's leadership team in 2007, the cost of compensation for 2008 is not directly comparable to the 2007 compensation cost. The 2007 figures include the compensation for the eight members of the Executive Steering Group for the period of 1 January through 31 August 2007 and the cost of compensation of 15 members of the Leadership Council for the period September to December. The 2008 figures include the compensation for the 15 members of the Leadership Council for all year. Furthermore, in 2007 there was a period during which the retiring Chief Executive Officer and his successor overlapped.

(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.

30 Commitments and contingent liabilities

(a) Capital expenditure commitments

The Company had commitments for capital expenditure at 31 December 2008 amounting to EUR 26.6 million primarily related to the renovation of office buildings and machinery and equipment.

(b) Contractual obligations and operating leases

The Company has entered into contractual obligations and operating leases covering certain equipment and rental space. These commitments total EUR 192 million at 31 December 2008, and are estimated to be payable in the following years:

Year	EUR (millions)
2009	96
2010	40
2011	18
2012	9
2013 and beyond	29
Total commitments	192

(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 2008 or in 2007.

Following the positive Court decision on the tax litigations, 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.

31 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 Corporate Planning 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 2008 EUR	Notional amount 2007 EUR	Fair value 2008 EUR	Fair value 2007 EUR
Cash flow hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.48 USD)	157,418	178,483	9,473	(9,374)
GBP (at rates averaging 1 EUR = 0.84 GBP)	24,108	12,910	(2,934)	(341)
JPY (at rates averaging 1 EUR = 119 JPY)	4,102	2,885	(202)	(29)
HKD (at rates averaging 1 EUR = 10.4 HKD)	17,617	9,080	(600)	(42)
CHF (at rates averaging 1 EUR = 1.53 CHF)	10,884	3,341	466	1
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.48 USD)	(99,185)	(65,281)	(6,007)	4,316
GBP (at rates averaging 1 EUR = 0.83 GBP)	(7,301)	-	990	-
Net position on cash flow hedges	107,643	141,418	1,186	(5,469)
Fair value hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.47 USD)	18,500	4,890	912	(201)
GBP (at rates averaging 1 EUR = 0.84 GBP)	2,120	1,463	(304)	(54)
JPY (at rates averaging 1 EUR = 134 JPY)	354	353	21	(1)
HKD (at rates averaging 1 EUR = 11.0 HKD)	1,303	670	13	(31)
CHF (at rates averaging 1 EUR = 1.48 CHF)	983	-	-	-
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.43 USD)	(18,719)	(4,712)	(445)	(40)
GBP (at rates averaging 1 EUR = 0.82 GBP)	(1,349)	-	226	-
Net position on fair value hedges	3,192	2,664	423	(327)

(in thousands)	Notional amount 2008 EUR	Notional amount 2007 EUR	Fair value 2008 EUR	Fair value 2007 EUR
Economic hedges = the effective hedge relationship cannot efficiently be demonstrated				
Amounts to be received upon exercise of the options purchased				
USD (at rates averaging 1 EUR = 1.37 USD)	11,941	10,344	(325)	(152)
CHF	-	10,095	-	(13)
Amounts to be received under forward contracts				
USD	-	10,068	-	(592)
GBP	-	972	-	(23)
HKD	-	719	-	(4)
CHF	-	301	-	-
Amounts to be paid upon exercise options purchased				
USD	-	(46,235)	-	366
Amounts to be paid under forward contracts				
USD	-	(6,231)	-	527
Net position on economic hedges	11,941	(19,967)	(325)	109
Total	122,776	124,114	1,284	(5,687)

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 financial instruments – derivatives, by contract inception date and type of hedge.

(in thousands)	Contracts initiated in 2007 2008 EUR	New contracts initiated in 2008 2008 EUR	Total 2008 EUR	Contracts initiated in 2006 2007 EUR	New contracts initiated in 2007 2007 EUR	Total 2007 EUR
Cash flow hedges	(4,129)	(949)	(5,079)	1,030	(1,924)	(895)
Fair value hedges	(499)	(863)	(1,363)	(384)	1,098	715
Economic hedges	792	(325)	467	(3,418)	(26)	(3,444)
	(3,836)	(2,137)	(5,975)	(2,772)	(852)	(3,624)

All hedges mature during the next budget year, except for EUR 5.8 million of cash flow hedges and EUR 1.4 million of fair value hedges maturing 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 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)	2008 EUR	2007 EUR
Gains/(losses) on hedged item	2,033	(796)
Gains/(losses) on hedging instrument	(2,094)	779
Net gain/(loss)	(61)	(17)

(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 dollars. 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 US dollar positions open at balance sheet date.

(in thousands)	At USD year end closing rate 2008 EUR	USD closing rate -100 bp 2008 EUR	USD closing rate +100 bp 2008 EUR	At USD year end closing rate 2007 EUR	USD closing rate -100 bp 2007 EUR	USD closing rate +100 bp 2007 EUR
Cash flow hedges in reserves in SoRIE	1,186	1,631	734	5,469	4,740	6,209
Fair value hedges in income statement	423	403	456	327	339	338
Economic hedges in income statement	(325)	(229)	(388)	26	69	(84)
Un-hedged position	2,856	2,876	2,836	(2,245)	(2,260)	(2,230)

(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 2008.

(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.

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