Annex to the Annual Review

2014

CONSOLIDATED FINANCIAL STATEMENTS SWIFT GROUP

AT 31 DECEMBER 2014

PER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AS ENDORSED BY THE EUROPEAN UNION

Contents

Building a better working world

Ernst & Young
Réviseurs d'Entreprises
Bedrijfsrevisoren
De Kleetlaan 2
B - 1831 Diegem

Tel: +32 (0)2 774 91 11
Fax: +32 (0)2 774 90 90
ey.com

Free translation from the French original

Statutory auditor's report to the general meeting of the Company S.W.I.F.T. scrl for the year ended December 31, 2014

As required by law, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated statement of financial position as at December 31, 2014, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended December 31, 2014 and the disclosures (all elements together "the Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of S.W.I.F.T. scrl ("the Company") and her subsidiaries (together "the Group") as of and for the year ended December 31, 2014, prepared in accordance with the *International Financial Reporting Standards* as adopted by the European Union, which show a consolidated statement of financial position total of K€ 713,940 and of which the consolidated statement of profit and loss shows a net profit for the year of K€ 28,988.

Responsibility of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the *International Financial Reporting Standards*, as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and 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 given circumstances.

Responsibility of the statutory auditor

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

Building a better working world

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit procedure and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of S.W.I.F.T. scrl and her subsidiaries as at December 31, 2014 give a true and fair view of the net equity and financial position of the consolidated whole, as well as of its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard issued by the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, April 30, 2015

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Pierre Vanderbeek
Partner

15PVDB0203

B. Key figures

(in millions)	**2014 EUR**	2013 EUR	2012 EUR	2011 EUR	2010 EUR
Operating revenue before rebate	**628**	618	597	582	590
Rebate	**(31)**	(34)	-	(51)	(52)
Revenue after rebate	**597**	584	597	531	538
Operating expenses	**(559)**	(546)	(579)	(513)	(528)
Profit before taxation	**38**	35	21	16	21
Net profit	**29**	21	15	11	15
Net cash flow from operating activities	**104**	77	95	46	135
Capital expenditure of which:	**38**	46	70	64	52
property, plant and equipment	**29**	40	66	55	44
intangibles	**9**	6	4	9	9
Shareholders' equity	**326**	325	247	291	296
Total assets	**714**	603	603	548	514
Number of employees at end of year	**2,163**	2,010	1,928	1,882	1,807

C. Consolidated statement of profit and loss

(in thousands)	Note	2014 EUR	2013 EUR Restated*
Revenues			
Traffic revenue	2	**287,175**	311,663
One-time revenue	3	**8,850**	5,632
Recurring revenue	4	**136,909**	127,257
Interface and consulting revenue	5	**163,910**	135,616
Other operating revenue		**205**	3,552
		597,049	583,720
Expenses			
Royalties and cost of inventory	12	**(9,809)**	(3,103)
Payroll and related charges	6	**(301,658)**	(292,471)
Network expenses	7	**(11,761)**	(12,069)
External services expenses	8	**(189,852)**	(182,981)
Depreciation of property, plant and equipment	13	**(37,423)**	(39,441)
Amortisation of intangible assets	14	**(6,999)**	(5,880)
Other expenses	9	**(1,532)**	(10,347)
		(559,034)	(546,292)
Profit from operating activities		**38,015**	37,428
Financing costs		**(1,270)**	(1,128)
Other financial income and expenses	10	**1,304**	(1,604)
Share of profit of associated companies	15	**-**	(6)
Profit before tax		**38,049**	34,690
Income tax expense	11	**(9,061)**	(13,968)
Net profit		**28,988**	20,722
Attributable to:			
Equity holders of the parent		**31,817**	21,599
Non-controlling interests	15	**(2,829)**	(877)
		28,988	20,722

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer Note 1.3.

D. Consolidated statement of comprehensive income

(in thousands)		Note	2014 EUR Before tax	2014 EUR Tax (expense) benefit	2014 EUR Net of tax	2013 EUR Before tax	2013 EUR Tax (expense) benefit	2013 EUR Net of tax
Profit for the year	**(A)**		**38,049**	**(9,061)**	**28,988**	**34,690**	**(13,968)**	**20,722**
OCI items that may be reclassified subsequently to profit or loss:								
Foreign currency translation			640	-	640	(732)	-	(732)
Cash flow hedges:								
Current year gain / (loss) on financial instruments		31	3,611	(1,240)	2,371	(2,136)	746	(1,390)
Prior year (gain) / loss transferred to income statement		31	2,136	(746)	1,390	1,183	(402)	781
OCI items that will not be reclassified to profit or loss:								
Recognition of actuarial gains and losses		24	(56,158)	22,727	(33,431)	83,926	(31,475)	52,451
Other comprehensive income	**(B)**		**(49,771)**	**20,741**	**(29,030)**	**82,241**	**(31,131)**	**51,110**
Total comprehensive income for the year	**(A) + (B)**		**(11,722)**	**11,680**	**(42)**	**116,931**	**(45,099)**	**71,832**
Attributable to:								
Equity holders of the parent					2,195			72,911
Non-controlling interests					(2,237)			(1,079)
					(42)			**71,832**

E. Consolidated statement of financial position

(in thousands)	Note	2014 EUR	2013 EUR
Non-current assets			
Property, plant and equipment	13	**189,662**	206,006
Intangible assets	14	**20,798**	19,182
Investments in associated companies	15	**-**	1,954
Other investments	16	**-**	-
Deferred income tax assets	17	**89,285**	56,181
Other long-term assets	21	**7,933**	10,238
Total non-current assets		**307,678**	293,561
Current assets			
Cash and cash equivalents	18	**174,188**	106,451
Other current financial assets	18	**97,069**	116,200
Trade receivables	19	**65,470**	40,658
Other receivables	20	**21,438**	10,298
Prepayments to suppliers and accrued income	21	**31,054**	27,435
Inventories	22	**6,320**	3,386
Prepaid taxes	23	**2,472**	5,439
Total current assets		**398,011**	309,867
Assets held for sale	13	**8,251**	-
Total assets		**713,940**	603,428
Shareholders' equity		**325,662**	325,216
Equity attributable to equity holders of the parent		**320,502**	319,739
Non-controlling interests		**5,160**	5,477
Non-current liabilities			
Long-term employee benefits	24	**197,874**	125,060
Deferred income tax liabilities	17	**6,709**	1,658
Long-term provisions	26	**7,607**	11,898
Other long-term liabilities	27	**531**	202
Total non-current liabilities		**212,721**	138,818
Current liabilities			
Amounts payable to suppliers	31	**42,037**	18,085
Short-term employee benefits	25	**63,145**	53,558
Short-term provisions	26	**13,377**	28,435
Other liabilities	27	**55,302**	36,697
Accrued taxes	28	**1,696**	2,619
Total current liabilities		**175,557**	139,394
Total equity and liabilities		**713,940**	603,428

F. Consolidated statement of cash flows

(in thousands)	Note	2014 EUR	2013 EUR
Cash flow from operating activities			
Profit before taxation		**38,049**	34,690
Depreciation of property, plant and equipment	13	**37,423**	39,441
Amortisation of intangible fixed assets	14	**6,999**	5,880
Net gain/loss and write-off on sale of property, plant and equipment, and intangible assets		**148**	611
Other non-cash operating losses/(gains)			
Increase/(decrease) in provisions, pensions and government grants		**35,092**	(32,233)
(Increase)/decrease in net deferred taxes assets	17	**(28,053)**	26,672
Increase/(decrease) in current taxes		**17,342**	30,919
(Increase)/decrease in participations		**1,260**	(7)
Increase/(decrease) in retained earnings		**(6,142)**	(5,983)
Changes in net working capital			
(Increase)/decrease in trade and other receivables and prepayments		**(37,264)**	28,994
(Increase)/decrease in inventories	22	**(2,934)**	(2,363)
Increase/(decrease) in trade and other payables		**38,565**	18,005
Investments in other financial assets	18	**19,131**	(43,600)
Net cash flow before interest and tax		**119,615**	101,027
Interest received	10	**1,341**	493
Interest paid		**(1,270)**	(1,128)
Tax paid	11	**(15,297)**	(23,508)
Net cash flow from operating activities		**104,389**	76,884
Cash flow from investing activities			
Capital expenditures			
Property, plant and equipment	13	**(29,424)**	(40,124)
Intangibles	14	**(8,586)**	(6,184)
Proceeds from sale of fixed assets	13-14	**(85)**	2
Net cash flow used in investing activities		**(38,095)**	(46,306)
Cash flow from financing activities			
Net payments for reimbursement of capital		**(1,432)**	(457)
Net cash flow from (used in) financing activities		**(1,432)**	(457)
Increase/(decrease) of cash and cash equivalents		**64,862**	30,121
Movement in cash and cash equivalents			
At the beginning of the year		**106,451**	78,624
Increase/(decrease) of cash and cash equivalents		**64,862**	30,121
Effects of exchange rate changes		**2,875**	(2,294)
At the end of the year	18	**174,188**	106,451
Cash and cash equivalent components are:			
Cash	18	**37,766**	39,862
Liquid money market products	18	**136,422**	66,589
At the end of the year	18	**174,188**	106,451

G. Consolidated statement of changes in equity

(in thousands of EUR, except number of shares)	Number of shares	Share Capital	Share Premium	Retained Earnings	Actuarial Gains and Losses	Cash Flow Hedge	Foreign Currency Translation	TOTAL	Non-controlling Interests (Note 15)	TOTAL Shareholders' Equity
	Attributable to the equity holders of the parent									
Balance at 31 December 2012	**110,927**	**13,868**	**136,064**	**201,955**	**(104,289)**	**(781)**	**468**	**247,285**	**-**	**247,285**
Other comprehensive income	-	-	-		52,451	(609)	(530)	51,312	(202)	51,110
Net profit	-	-	-	21,599	-	-	-	21,599	(877)	20,722
Total comprehensive income for the year	**-**	**-**	**-**	**21,599**	**52,451**	**(609)**	**(530)**	**72,911**	**(1,079)**	**71,832**
Capital increase in cash	33	4	97		-	-	-	101	6,556	6,657
Capital reimbursement in cash	(177)	(23)	(359)	(176)	-	-	-	(558)		(558)
Share reallocation										
Balance at 31 December 2013	**110,783**	**13,849**	**135,802**	**223,378**	**(51,838)**	**(1,390)**	**(62)**	**319,739**	**5,477**	**325,216**
Other comprehensive income	-	-	-		(33,431)	3,761	48	(29,622)	592	(29,030)
Net profit	-	-	-	31,817	-	-	-	31,817	(2,829)	28,988
Total comprehensive income for the year	**-**	**-**	**-**	**31,817**	**(33,431)**	**3,761**	**48**	**2,195**	**(2,237)**	**(42)**
Acquisition of subsidiary										
Capital increase in cash	33	4	100	1				105	1,920	2,025
Capital reimbursement in cash	(476)	(59)	(1,022)	(456)				(1,537)		(1,537)
Share reallocation										
Balance at 31 December 2014	**110,340**	**13,794**	**134,880**	**254,740**	**(85,269)**	**2,371**	**(14)**	**320,502**	**5,160**	**325,662**

The Company's Members hold interest in the cooperative through shares. The nominal value per share amounts to EUR 125. The Company manages the shares through the reallocation principle defined in the By-laws and in the general membership rules.

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

Further information on actuarial gains and losses can be found on note 24 and cash flow hedge on note 31.

Notes to the consolidated financial statements

1.1 Corporate information

The consolidated financial statements of S.W.I.F.T. SCRL (also referred to as SWIFT, the Company or the Group) for the year ended 31 December 2014, were authorised for issue in accordance with a resolution of the Board of Directors on 25 March 2015 and will be proposed for approval at the Annual General Meeting on 11 June 2015. 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 10,000 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 more than 200 countries and territories, and employed 2,163 employees as of 31 December 2014.

1.2 Summary of significant accounting policies

i. Basis of preparation

The consolidated financial statements of S.W.I.F.T. SCRL have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as -endorsed by the European Union. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousands, except when otherwise indicated.

The consolidated financial statements have been prepared on a historical cost basis, except for the measurement at fair value of derivatives and money market products as required by IFRS. The significant accounting policies used in the preparation of these financial statements are set out below.

ii. Changes in accounting standards

In 2014, the Group has not applied for the first time any standards or amendments that require restatement of previous financial statements.

Several other amendments apply for the first time in 2014. However, they do not impact the annual consolidated financial statements of the Group.

The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- IFRS 10 Consolidated Financial Statements, effective 1 January 2014
- IFRS 11 Joint Arrangements, effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014
- Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition Guidance, effective 1 January 2014
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities, effective 1 January 2014
- IAS 27 Separate Financial Statements (revised 2011), effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures (revised 2011), effective 1 January 2014
- Amendments to IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- Amendments to IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets, effective 1 January 2014
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014
- IFRIC 21 Levies, effective 1 January 2014
- Annual Improvements 2010-2012 Cycle: Amendment to IFRS 13 Fair Value Measurement, effective 1 January 2014

- Annual Improvements 2011-2013 Cycle: Amendment to IFRS 1 First-time Adoption of IFRS, effective 1 January 2014

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing of standards and interpretations issued[1] are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

- IFRS 9 Financial Instruments, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, effective 1 January 2017
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, effective 1 January 2016
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception, effective 1 January 2016
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective 1 January 2016
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January 2016
- IFRS 14 Regulatory Deferral Accounts, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements, effective 1 January 2016
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)1, effective 1 January 2016

IFRS 9 Financial Instruments

The IASB issued the final version of IFRS 9 which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets and on hedge accounting, but will not have an impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of this standard. The standard becomes effective for financial years beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. The Group is currently assessing the impact of this standard. The standard becomes effective for financial years beginning on or after 1 January 2017. Full or modified retrospective application is required.

[1] Not yet endorsed by the EU as per 9 January 2015

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

The amendments mark the completion of the five, narrow-focus improvements to disclosure requirements. They are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The Group is currently assessing the impact of these improvements. The amendments become effective for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments are applied prospectively and clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, revenue-based methods cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments will have no impact on the Group's financial position and performance. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The Group is currently assessing the impact of this standard. The amendments become effective for financial years beginning on or after 1 February 2015.

Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013)

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording.

- **IFRS 2 Share-based Payment**: This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
  - A performance condition must contain a service condition
  - A performance target must be met while the counterparty is rendering service
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
  - A performance condition may be a market or non-market condition
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.
- **IFRS 3 Business Combinations**: This improvement is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable).
- **IFRS 8 Operating Segments**: These improvements are applied retrospectively and clarify that:
  - An entity must disclose the judgements made by management in applying the aggregation criteria, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
  - The reconciliation of segment assets to total assets is only required to be disclosed if this reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- **IFRS 13 Fair Value Measurement**: It was clarified in the Basis for Conclusions that short-term receivables and payables with no stated interest can be measured at invoice amounts when the effect of discounting is immaterial.

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets**: This improvement is applied retrospectively and clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.
- **IAS 24 Related Party Disclosures**: This improvement is applied retrospectively and clarifies that a management entity - an entity that provides key management personnel services - is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

These improvements are not expected to have a material impact on the Groups financial position and performance. The improvements become effective for financial years beginning on or after 1 February 2015.

Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013)

The IASB issued the 2011-2013 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording.

- **IFRS 3 Business Combinations**: This improvement is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
  - Joint arrangements, and not just joint ventures, are outside the scope of IFRS 3
  - This scope exemption applies only to the accounting in the financial statements of the joint arrangement itself.
- **IFRS 13 Fair Value Measurement**: This improvement is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable).
- **IAS 40 Investment Property**: The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e. property, plant and equipment). This improvement is applied prospectively and clarifies that IFRS 3 Business Combinations, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination.

These improvements are not expected to have a material impact on the Groups financial position and performance. The improvements become effective for financial years beginning on or after 1 February 2015.

Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)

The IASB issued the 2012-2014 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements cover the following standards and subjects.

- **IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations**: Changes in methods of disposal
- **IFRS 7 Financial Instruments**: Disclosures:
  - Servicing contracts
  - Applicability of the amendments to IFRS 7 to condensed interim financial statements.
- **IAS 19 Employee Benefits**: Regional market issue
- **IAS 34 Interim Financial Reporting**: Disclosure of information “elsewhere in the interim financial report”

The Group is currently assessing the impact of these improvements. The improvements become effective for financial years beginning on or after 1 January 2016.

iii. 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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. Consistent accounting policies are used across 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 intercompany transactions are eliminated in full.

Name	% Ownership 31 December 2014	% Ownership 31 December 2013	Country of registration
ARKELIS N.V.	100.00	100.00	Belgium
Omnicision Ltd	100.00	0.00	United Kingdom
S.W.I.F.T. (Beijing) Ltd	100.00	100.00	People's Republic of China
S.W.I.F.T. (Dubai) Ltd	100.00	100.00	United Arab Emirates
S.W.I.F.T. Austria GmbH	100.00	100.00	Austria
S.W.I.F.T. Domestic Australia Pty Ltd	100.00	0.00	Australia
S.W.I.F.T. France SAS	100.00	100.00	France
S.W.I.F.T. Germany GmbH	100.00	100.00	Germany
S.W.I.F.T. Iberia SL	100.00	100.00	Spain
S.W.I.F.T. Italy S.R.L.	100.00	100.00	Italy
S.W.I.F.T. Japan Ltd	100.00	100.00	Japan
S.W.I.F.T. Korea Ltd	100.00	100.00	South Korea
S.W.I.F.T. Lease S.A.	100.00	100.00	Belgium
S.W.I.F.T. LLC	100.00	100.00	Russia
S.W.I.F.T. México Servicios, S. de R.L. de C.V.	100.00	0.00	Mexico
S.W.I.F.T. Nordic AB	100.00	100.00	Sweden
S.W.I.F.T. Pan-Americas, Inc.	100.00	100.00	United States of America
S.W.I.F.T. Para A América Latina Transfêrencia de Dados Fianceiros Ltda.	100.00	100.00	Brazil
S.W.I.F.T. Securenet Ltd	100.00	100.00	United Kingdom
S.W.I.F.T. Services Australia Pty Ltd	100.00	100.00	Australia
S.W.I.F.T. Switzerland GmbH	100.00	100.00	Switzerland
S.W.I.F.T. Terminal Services (Pte) Ltd	100.00	100.00	Singapore
Society For Worldwide Inter Financial Telecommunication South Africa (Pty) Ltd	100.00	100.00	South Africa
SWIFT India Domestic Services Private LTD	55.00	55.00	India
SWIFT India Private Limited	100.00	100.00	India
SWIFT Support Services Malaysia SDN. BHD.	100.00	100.00	Malaysia

iv. Use of estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has not made judgements that would significantly affect the amounts recognised in the consolidated financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described where needed in the notes. These mainly include IAS 19 assumptions, which are described here below (point xvi) as well as in Note 24. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

v. Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the equity method. 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.

vi. 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 if any. The capitalised grants and interest costs are depreciated at the same rate as the assets to which they relate.

The costs of assets constructed by the Company includes any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Leasehold improvements are depreciated over the term of the leases, 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.

The Group regularly engages independent valuation experts to assess the value of its property. The carrying amounts of the assets are reviewed in an impairment test at each balance sheet date to assess whether or not they are in excess of their recoverable amounts, which is the higher of the fair value less costs to sell and the value in use. Where carrying amounts exceed these estimated recoverable amounts, assets are written down to their recoverable amounts.

vii. Financial and operating lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The Company does not currently have any contracts which lead to the recognition of a financial lease under IAS 17 / IFRIC 4. An analysis regularly takes place in accordance with IFRIC 4.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

viii. Intangible assets

Intangible assets include acquired software licences and capitalised development costs. Intangible assets are carried at cost less accumulated amortisation and impairment losses. Those are amortised using the straight-line method commencing when the asset is available for its intended use for the operations of the Company. Amortisation rates are detailed in Note 14.

Research and Development costs are accounted for in accordance with IAS 38 - Intangibles. Expenditure on research or on the research phase of an internal project is recognised as an expense when incurred. The intangible assets arising from the development phase of projects are recognised if the conditions 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 the period of expected future benefits.

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.

The cost of an intangible asset includes all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

ix. 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.

x. Income taxes

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

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

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

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

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

Deferred tax assets and liabilities are presented on a net basis within the same legal entity.

xi. Fair value hierarchy

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised with the fair value hierarchy, described as follows:

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which inputs that are significant to the fair value measurement are directly or indirectly observable market data.

Level 3: valuation techniques for which inputs that are significant to the fair value measurement are unobservable market data.

The techniques mentioned in level 3 are currently not used.

xii. 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.

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, the effective portion of the gain or loss on a hedging instrument is recognised in the OCI in the cash flow hedge reserve, while the ineffective portion is recognised immediately in the income statement in other operating expenses.

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.

When the hedged transaction relates to a non-financial asset or liability, then at the time the asset or liability is recognised, the associated gains or losses that have previously been recognised in the OCI are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses which are recognised in the OCI are transferred to the financial profit and loss accounts in the same period in which the hedged firm commitment or forecasted transaction affects the profit and loss accounts.

All derivative financial instruments are classified as level 2 with respect to the source of inputs used to derive their fair value. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

xiii. 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 with a maturity of 3 months or less from inception. These are carried at market value and revalued through the income statement in financial results.

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

The money market products are classified as level 1 in the fair value hierarchy.

xiv. Inventories
Inventories mainly comprise of 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.

xv. 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 euro 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.

xvi. Pension schemes
S.W.I.F.T. SCRL operates a number of defined benefit pension plans covering primarily its Belgian, US, Swiss 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.

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

The pension obligations are determined using actuarial valuations (projected unit credit method). An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

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

In addition to the defined benefit plans described above, S.W.I.F.T. SCRL makes contributions to defined contribution plans in certain locations.

xvii. Revenue
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 discounts when the transaction is processed through the SWIFT network. Traffic rebates are recognised when decided by the Board and communicated to the SWIFT user 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 of fees from connection, sanctions, and security products, as well as from new market infrastructure projects.

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 revenue consists of fees charged for the sale of interface software which are recognised in income when delivered, and interface maintenance fees which are recognised in revenues on a pro-rata basis over the period of the agreement. Consulting revenue is the revenue resulting from the various consulting activities.

Other operating revenue mainly comprises capital gains on the sale of fixed assets and non-recurring items.

For multi-year projects and consulting services, the recognition of revenue and expenses is made by reference to the stage of completion of the contract (percentage of completion method). Under the percentage of completion method, contract revenue is recognised as revenue in the income statement for the accounting periods during which the work is performed. Contract costs are recognised as an expense in the income statement for the accounting periodsduring which the work to which they relate is performed. However, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately.

xviii. 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, SWIFT India Domestic Services Private Ltd which has the Indian rupee as functional currency and S.W.I.F.T. Australia Domestic Pty Ltd which has the Australian dollar as functional currency.

Transactions in foreign currencies are initially translated to the functional currency at the exchange rate applicable on 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 on 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 on the dates of the initial transactions.

The assets and liabilities of Securenet Ltd., SWIFT India Domestic Services Private Ltd and S.W.I.F.T. Australia Domestic Pty Ltd (monetary and non-monetary) are translated from their functional currency, respectively the British pound, the Indian rupee and the Australian dollar, into the presentation currency of the Company, the euro, at the exchange rate applicable on the balance sheet date. Their income statements are translated monthly at the exchange rate prevailing during the month. The exchange differences arising from these translations are recorded directly in the OCI.

1.3 Changes in accounting policies and disclosures

In 2014, the Group changed the classification of the commissions paid to third parties. These were previously recognised as Royalties (see Note 12), while they are now accounted for as External services expenses (see Note 8).

The impact of these changes on the relevant positions in the statement of profit and loss is shown below.

Statement of profit and loss 2013

(in thousands)

		Reported	Adjustment	Restated
Royalties and cost of inventory	12	(5,462)	2,359	(3,103)
External services expenses	8	(180,622)	(2,359)	(182,981)
Profit from operating activities		37,428	-	37,428
Profit before tax		34,690	-	34,690
Income tax expense	11	(13,968)	-	(13,968)
Net profit		20,722	-	20,722
Attributable to:				
Equity holders of the parent		21,599	-	21,599
Non-controlling interests		(877)	-	(877)
		20,722	-	20,722

1.4 Events after the reporting date

Following the office renovation investments that occurred in 2012 and 2013 in Belgium and the decision to rationalise the office space, one of the three Headquarter buildings has been considered as asset held for sale in 2014. On 6 January 2015, the building was effectively sold to an external party, resulting in a realized gain of EUR 10.3 million. This gain will be recorded in the 2015 financial statements.

2. Traffic revenue

The decrease in traffic revenue from EUR 311.7 million in 2013 to EUR 287.2 million in 2014 is mainly explained by a 20% price reduction on FIN messages introduced on 1 January 2014. This price reduction is partially compensated by a 11% growth in FIN traffic and by a rise in FileAct volume resulting from the SEPA migration.

3. One-time revenue

The increase in one-time revenue from EUR 5.6 million in 2013 to EUR 8.9 million in 2014 is mainly explained by additional revenue from a new market infrastructure project and the development of the Compliance Products portfolio.

4. Recurring revenue

(in thousands)	2014 EUR	2013 EUR
Recurring connectivity revenue	**26,408**	25,355
Recurring service revenue	**59,389**	53,845
Documentation and directory services	**23,929**	20,157
Conferences	**21,723**	21,869
Training	**5,460**	6,031
	136,909	127,257

Recurring revenue increased from EUR 127.3 million in 2013 to EUR 136.9 million in 2014. This is mainly due to the ramp-up of recently launched products and by higher revenue from connectivity fees.

5. Interface and consulting revenue

(in thousands)	2014 EUR	2013 EUR
Revenue from sale of interface software	**35,988**	23,227
Interface maintenance fees	**99,359**	93,172
Consulting revenue	**28,563**	19,217
	163,910	135,616

The increase in interface and consulting revenue from EUR 135.6 million in 2013 to EUR 163.9 million in 2014 is due to sales of hardware security modules in the context of a technology renewal programme (EUR 7.1 million), higher sales from interfaces products (EUR 4.9 million) and the continuous growth in the consulting business (EUR 9.3 million).

6. Payroll and related charges

(in thousands)	2014 EUR	2013 EUR
Salaries	**199,602**	182,185
Termination indemnities	**5,471**	4,832
Social security expenses	**35,301**	33,517
Pension costs - defined contribution plans	**5,502**	4,642
Pension costs - defined benefit plans (Note 24)	**21,845**	33,767
Other post-retirement benefits (Note 24)	**6,401**	5,793
Other payroll related expenses	**27,536**	27,735
	301,658	292,471

The increase in payroll and related charges from EUR 292.5 million in 2013 to EUR 301.7 million in 2014 results from increased headcount, higher incentive costs, salary inflation, the strengthening of the US dollar, and from a one-time adjustment in 2013 in relation to tax incentives linked to Research and Development activities (EUR 1.0 million in 2014 and EUR 3.2 million in 2013). These effects are partially compensated by lower pension costs for defined benefit plans (see Note 24).

7. Network expenses

There are no major variances in network expenses in 2014 compared to 2013.

8. External services expenses

(in thousands)	2014 EUR	2013 EUR Restated*
Rent of buildings	**9,028**	11,869
Software operating leases	**518**	3,481
Repair and maintenance expenses	**43,661**	44,187
General office expenses	**7,119**	7,961
Advertising and conferences expenses	**17,607**	15,183
Contractor fees	**29,333**	20,891
Outside service fees	**28,384**	26,178
Travel and expenses	**24,099**	22,265
Other rental costs	**4,135**	4,693
Other expenses	**25,968**	26,273
	189,852	182,981

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer Note 1.3.

The increase in external services expenses from EUR 183.0 million in 2013 to EUR 189.9 million in 2014 is mainly due to higher contractor fees, one-time legal costs incurred in 2014 for the opening of new entities and higher costs linked to the organisation of the Sibos conference in 2014.

These effects are partially compensated by lower rental costs as the lease of temporary premises was discontinued upon the start of operations in our new data centre in Switzerland and by reduced software costs resulting from the FIN Renewal programme.

9. Other expenses

(in thousands)	2014 EUR	2013 EUR
Taxes other than income taxes	**3,965**	3,133
Loss on sales, impairment or disposals of current and non-current assets	**274**	613
Accrued promotional expenses	**(3,191)**	(1,936)
Other	**484**	8,537
	1,532	10,347

The decrease in the other expenses from EUR 10.3 million in 2013 to EUR 1.5 million in 2014 is attributable to "Accrued promotional expenses" and "Other".

The decrease in "Accrued promotional expenses" is explained by the revised assumptions of the provision made in 2012 for an incentive programme allowing customers to renew their security infrastructure at subsidised prices.

The decrease in "Other" is explained by one-time costs linked to an early retirement plan proposed in Belgium in 2013 and not renewed in 2014.

10. Other financial income and expenses

(in thousands)	2014 EUR	2013 EUR
Net interest income/(expense)	**1,241**	450
Money market products income	**49**	29
Net foreign exchange gains/(losses)	**(1,151)**	2,638
Net gains/(losses) on financial instruments - derivatives (Note 31)	**1,824**	(4,080)
Bank charges	**(665)**	(657)
Other financial income	**6**	16
	1,304	(1,604)

The increase in net interest income/(expense) of EUR 0.8 million is mainly due to higher cash balances in 2014.

The evolution of net foreign exchange results and net results on financial instruments is explained by the evolution of market rates compared to the contract rates. This impact is compensated by an opposite effect on various captions of the operational results.

11. Income tax expense

Major components of the income tax expense are as follows:

(in thousands)	2014 EUR	2013 EUR
Current income taxes		
S.W.I.F.T. SCRL - Belgian Headquarter		
Current year tax income/(expense)	(4,493)	(11,345)
Adjustments of prior year tax income/(expense)	1,590	1,808
	(2,903)	(9,537)
Other entities of the Group		
Current year tax income/(expense)	(13,846)	(8,827)
Adjustments of prior year tax income/(expense)	403	(255)
	(13,443)	(9,082)
Current income tax income/(expense)	**(16,346)**	(18,619)
Deferred income taxes		
S.W.I.F.T. SCRL - Belgian Headquarter		
Current year tax income/(expense)	(7,122)	4,286
Adjustments of prior year tax income/(expense)	-	(669)
	(7,122)	3,617
Other entities of the Group		
Current year tax income/(expense)	11,711	233
Adjustments of prior year tax income/(expense)	2,696	801
	14,407	1,034
Deferred income tax income/(expense)	**7,285**	4,651
Income tax expense	**(9,061)**	(13,968)

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 2014 and 31 December 2013 is included in the table below.

(in thousands)	2014 EUR	2013 EUR
Income tax charge at statutory rate	(12,933)	(11,790)
Adjustments of prior year tax income/(expense)	4,689	1,447
Effect of different tax rates in other countries	211	395
Tax incentives	2,006	1,187
Tax charges on non-deductible/ non taxed/exempted items	(3,034)	(5,207)
Income tax expense	**(9,061)**	(13,968)

The decrease from EUR 14.0 million in 2013 to EUR 9.1 million in 2014 is explained by higher tax incentives, by the recoverability of a previously taxed item related to the liquidation of a participation and by a positive adjustment on prior years deferred taxes.

12. Royalties and cost of inventory

(in thousands)	2014 EUR	2013 EUR Restated*
Commissions & royalties	**2,208**	1,334
Stock outflows	**7,419**	872
Others	**182**	897
	9,809	3,103

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer Note 1.3.

The increase in royalties and cost of inventory from EUR 3.1 million in 2013 to 9.8 million in 2014 is mainly driven by stock outflows linked to a programme launched in 2012 allowing customers to renew their security infrastructure at subsidised prices.

13. Property, plant and equipment

(in thousands)	Land and buildings EUR	Plant, machinery and equipment EUR	Work in progress EUR	Total EUR
Cost or valuation				
At 1 January 2013	358,968	278,289	15,432	652,689
Additions	19,659	18,928	1,537	40,124
Disposals	-	(611)	-	(611)
Transfer	13,758	1,674	(15,432)	-
Exchange difference	-	-	-	-
At 31 December 2013	**392,385**	**298,280**	**1,537**	**692,202**
Additions	6,853	16,185	6,386	29,424
Disposals	-	(21)	-	(21)
Impairment	-	(218)	-	(218)
Assets held for sale	(46,992)	-	-	(46,992)
Transfer	-	1,537	(1,537)	-
Exchange difference	-	145	-	145
At 31 December 2014	**352,246**	**315,908**	**6,386**	**674,540**
Depreciation and impairment				
At 1 January 2013	(208,686)	(238,069)	-	(446,755)
Depreciation charges for the year	(21,378)	(18,063)	-	(39,441)
Impairment	-	-	-	-
Disposals	-	-	-	-
Transfer	-	-	-	-
Exchange difference	-	-	-	-
At 31 December 2013	**(230,064)**	**(256,132)**	**-**	**(486,196)**
Depreciation charges for the year	(19,726)	(17,697)	-	(37,423)
Impairment	-	-	-	-
Disposals	-	-	-	-
Assets held for sale	38,741	-	-	38,741
Transfer	-	-	-	-
Exchange difference	-	-	-	-
At 31 December 2014	**(211,049)**	**(273,829)**	**-**	**(484,878)**
Depreciation rates	*3-10%*	*20-33%*		
Net book value				
At 31 December 2013	**162,321**	**42,148**	**1,537**	**206,006**
At 31 December 2014	**141,197**	**42,079**	**6,386**	**189,662**

The additions in 2014 for EUR 29.4 million mainly relate to new hardware investments in order to increase the resilience and scalability of the network and systems, and the renovation of several offices. The increase in work in progress essentially relates to technology renewal initiatives and the set-up of a new infrastructure in India.

At 31 December 2014, one of the buildings in Belgium has been classified as asset held for sale and reported separately as per IFRS 5 (see Note 1.4).

14. Intangible assets

(in thousands)	Development costs EUR	Concessions, patents and licenses EUR	Work in progress EUR	Total EUR
Cost or valuation				
At 1 January 2013	4,619	133,437	976	139,032
Additions	-	2,494	3,690	6,184
Disposals	-	(1)	-	(1)
Transfer	-	976	(976)	-
At 31 December 2013	**4,619**	**136,906**	**3,690**	**145,215**
Additions	-	7,902	684	8,586
Disposals	-	-	-	-
Assets held for sale	-	-	-	-
Transfer	-	1,120	(1,120)	-
Exchange difference	-	29	-	29
At 31 December 2014	**4,619**	**145,957**	**3,254**	**153,830**
Amortization and impairment				
At 1 January 2013	(4,584)	(115,569)	-	(120,153)
Amortization charges for the year	(35)	(5,845)	-	(5,880)
Impairment	-	-	-	-
Disposals	-	-	-	-
Transfer	-	-	-	-
At 31 December 2013	**(4,619)**	**(121,414)**	**-**	**(126,033)**
Amortization charges for the year	-	(6,999)	-	(6,999)
Impairment	-	-	-	-
Disposals	-	-	-	-
Assets held for sale	-	-	-	-
Transfer	-	-	-	-
At 31 December 2014	**(4,619)**	**(128,413)**	**-**	**(133,032)**
Amortization rates	*5-33%*	*20-33%*		
Net book value				
At 31 December 2013	**-**	**15,492**	**3,690**	**19,182**
At 31 December 2014	**-**	**17,544**	**3,254**	**20,798**

The main components of the net intangible assets relate to the acquisition of the AMH business from Sungard in 2010 for which the purchase consideration was allocated to some identified intangible assets (EUR 5.8 million to the technology, EUR 1.3 million to customer relations and EUR 0.2 million to the brand). The assets are amortised over 20 years for technology, 10 years for customer relations and 20 years for the brand.

Additions for 2014 include the EUR 2.1 million purchase of office automation software licences and EUR 1.8 million resulting from the valorisation of the sanctions suite software in the framework of a recent acquisition. The work in progress additions are mainly related to the FIN Renewal programme.

15. Investments in associated companies and partly-owned subsidiaries

i. Investments in associated companies

At 31 December 2013, the Group held a 20 percent interest in AccuMatch, a company that aimed to develop a Transaction Flow Monitor for the Securities industry. This company was liquidated in 2014, leading to a reimbursement of EUR 1.91 million (before tax); in line with the portion relative to SWIFT in AccuMatch net equity at 31 December 2013.

ii. Partly-owned subsidiaries

In 2012, a shareholders' agreement was signed by SWIFT and 7 Indian banks that led to the setting-up of a new Indian entity, SWIFT India Domestic Services Private Limited. The entity was incorporated on 27 December 2012. The capital of the entity as of 31 December 2013 amounted to EUR 14.6 million, of which EUR 6.6 million are attributable to non-controlling interests. In 2014, 2 new Indian banks joined the entity, leading to a capital increase of EUR 4.3 million, of which EUR 1.9 million are attributable to non-controlling interests.

According to the shareholders' agreement, SWIFT holds 55% of the share capital and voting rights. Daily management of this entity is under the control of SWIFT. As this entity is under SWIFT's control, it is fully consolidated in accordance with IFRS 10, and generates the recognition of non-controlling interests since 2013.

The summarised financial information of SWIFT India Domestic Private Limited is provided below.

Summarised statement of profit and loss

year ended 31 December 2014 (in thousands)	**2014 EUR**	2013 EUR
Revenue	**-**	-
Cost of sales	**-**	-
Operating expenses	**(6,981)**	(1,940)
Financial results	**691**	(2)
Profit before tax	**(6,290)**	(1,942)
Income tax	**(70)**	-
Profit for the year coming from continuing operations	**(6,360)**	(1,942)
Attributable to non-controlling interests	**(2,829)**	(877)
Dividends paid to non-controlling interests	**-**	-

Summarised statement of financial position

year ended 31 December 2014 (in thousands)	**2014 EUR**	2013 EUR
Total current assets	**13,816**	13,364
Total non-current assets	**3,119**	-
Total assets	**16,935**	13,364
Total equity	**11,440**	12,184
Attributable to:		
Equity holders of the parent	**6,280**	6,707
Non-controlling interest	**5,160**	5,477
Total current liabilities	**5,495**	1,180
Total non-current liabilities		
Total equity and liabilities	**16,935**	13,364

16. Other investments

SWIFT's interest in Bolero.net was reduced to 0.1 percent in 2012 due to changes in the shareholding of the company without having any impact on the Company's financial statements as the initial investment of EUR 10.5 million was fully impaired in 2000.

17. Deferred income tax assets and liabilities

The net deferred tax assets (liabilities) recognised in the statement of financial position relate to the following items:

(in thousands)	**2014 EUR**	2013 EUR
Temporary differences on fixed assets and other related items	**9,830**	2,435
Revaluation of cash-flow hedges and other unrealised exchange differences	**(1,787)**	(2,151)
Losses available for offsetting against future taxable income	**548**	174
Non deductible payroll related provisions	**3,790**	2,528
Other non deductible provisions	**1,842**	209
Retirement benefit obligations and other long-term employee benefits	**69,137**	39,060
Depreciation on financial assets - temporary difference	**-**	12,202
Others	**(784)**	66
Net Deferred tax assets (liabilities)	**82,576**	54,523

The increase in deferred income tax assets, from EUR 54.5 million in 2013 to EUR 82.6 million in 2014 results essentially from the deferred tax consequences of the actuarial losses on pension plans (see Note 24 on Long-term employee benefits).

Deferred tax assets have not been recognised on the tax losses carried forward by Arkelis NV and SWIFT India Domestic Services Private LTD.

Movements in net deferred tax assets (liabilities) recognised in the statement of financial position can be explained as follows:

(in thousands)	**2014 EUR**	2013 EUR
At the beginning of the year	**54,523**	81,210
Tax Income (expense)	**7,285**	4,651
Tax Income (expense) recognised in the other comprehensive income	**20,741**	(31,131)
Exchange rate differences	**27**	(207)
At the end of the year	**82,576**	54,523

18. Cash and current financial assets

1. Cash & cash equivalents

(in thousands)	2014 EUR	2013 EUR
Cash at banks and on hand	**37,766**	39,862
Liquid money market products and other short term deposits	**136,422**	66,589
Total cash & cash equivalents	**174,188**	106,451

According to IAS7, cash and cash equivalents are restricted to cash on hand, cash at banks and investments in deposits or liquid money market products with a maturity of 3 months or less at inception.

The increased cash position in 2014 has been mainly invested in liquid money market products.

2. Other current financial assets

(in thousands)	2014 EUR	2013 EUR
Short term deposits	**97,069**	116,200
Total other current financial assets	**97,069**	116,200

Deposits and liquid money market products with maturity of more than 3 months and less than 12 months at inception are included in the other current financial assets.

19. Trade receivables

1. Trade receivables

The increase in trade receivables compared to last year mainly relates to customer credit balances of EUR 17.8 million linked to the messaging traffic rebate and other discounts which have been reclassified as "Amounts payable to suppliers" (see Note 27) and by the invoicing of a specific contract for EUR 5.2 million in December 2014.

Loans and receivables (in thousands)	Balance sheet gross amount 2014 EUR	Balance sheet impairment 2014 EUR	Total carrying amount 2014 EUR	Balance sheet gross amount 2013 EUR	Balance sheet impairment 2013 EUR	Total carrying amount 2013 EUR
Trade receivables	65,723	(253)	**65,470**	41,227	(569)	40,658
Credit notes to receive (included in other receivables)	1,108	-	**1,108**	1,112	-	1,112
	66,831	**(253)**	**66,578**	42,339	(569)	41,770

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

The movement in the provision for impairment in respect of trade receivables is shown below:

(in thousands)	2014 EUR	2013 EUR
Opening balance	(569)	(401)
Charge of the year	(201)	(504)
Utilised	214	304
Unused amounts reversed	303	32
Closing balance	(253)	(569)

2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The concentration of credit risk with respect to trade receivables is limited due to the large number of users and their geographical dispersion.

Sixty percent of the Company's revenue is paid by direct debit, carrying a very limited credit risk. The main remaining potential trade credit risk is thereby concentrated on the remaining 40 percent. The Company evaluates trade credit risk on an individual customer basis and immediately recognises any impairment when significant evidence of the risk of loss exists. Trade receivables are presented net of the allowance for doubtful receivables.

3. Ageing balance of trade receivables

In 2014, the ageing of trade receivables can be detailed as follows:

			Of which not impaired as of the reporting date and past due				
(in thousands)	Balance sheet carrying amount as of 31.12.2014 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 more than 180 days EUR
Trade receivables	65,723	46,045	9,305	6,871	1,979	1,410	113
Credit notes to receive	1,108	1,108	-	-	-	-	-

The balance sheet impairment recognised at 31 December 2014 mainly covers the amount receivable at more than 180 days.

The non-overdue trade receivables balance consists of EUR 87.2 million of non-overdue trade receivables (compared to EUR 84.4 million in 2013) and EUR (41.1) million of accruals for traffic rebate and other discounts (compared to EUR (54.8) million in 2013). The decrease in the accruals by EUR 13.7 million is mainly explained customer credit balances of EUR 17.8 million that have been reclassified as "Amounts payable to suppliers" (see Note 27).

In 2013, the ageing of trade receivables can be detailed as follows:

	Balance sheet carrying amount as of 31.12.2013	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 more than 180 days
(in thousands)	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Trade receivables	41,227	29,613	8,224	1,731	526	777	356
Credit notes to receive	1,112	1,112	-	-	-	-	-

20. Other receivables

The increase in other receivables from EUR 10.3 million in 2013 to EUR 21.4 million in 2014 is mainly due to an increase in the fair value of hedging instruments.

The fair value of financial instruments mainly relates to forward contracts concluded to hedge the foreign currency exposure of the 2015 budget. The increase compared to last year is explained by the relative evolution of the foreign exchange rate between the date of inception of the contracts and year-end.

21. Prepayments to suppliers and accrued income

1. Non-current assets

(in thousands)	2014 EUR	2013 EUR
Long-term prepayments to suppliers	**7,933**	10,238
Total non-current assets	**7,933**	10,238

Prepayments to suppliers are presented in other long-term assets for their non-current part. The decrease from EUR 10.2 million in 2013 to EUR 7.9 million in 2014 is mainly driven by EUR 6.2 million in prepayments of 2013 which became current in 2014 (including prepayments for the Sibos conference in 2015 and a 3-year contract for telephony system), partially offset by new long term prepayments for EUR 3.9 million (including a new software maintenance contract for EUR 1.4 million).

2. Current assets

(in thousands)	2014 EUR	2013 EUR
Prepayments to suppliers	**30,874**	24,795
Accrued Income	**180**	2,640
Total current assets	**31,054**	27,435

For their current part, the increase in prepayments to suppliers from EUR 24.8 million in 2013 to EUR 30.9 million in 2014 is mainly driven by the transfer from long term to current of large prepayments for EUR 6.2 million.

The decrease in "Accrued Income" is explained by recoverable payroll taxes granted on specific Research and Development projects in Belgium accrued in 2013 and received in 2014 for EUR 2.5 million.

22. Inventories

(in thousands)	2014 EUR	2013 EUR
Hardware	**6,249**	3,227
Software	**71**	159
Total inventories	**6,320**	3,386

The increase in inventories from EUR 3.4 million in 2013 to EUR 6.3 million in 2014 is mainly explained by the purchase of Hardware Security Modules in the context of a technology renewal programme.

23. Prepaid taxes

The decrease of prepaid taxes from EUR 5.4 million in 2013 to EUR 2.5 million in 2014 mainly relates to the full recovery of a past litigation.

24. Long-term employee benefits

This note covers the material defined benefit plans. The other non-material plans are reported under note 27 on Other liabilities.

(in thousands)	2014 EUR	2013 EUR
Long-term employee benefits		
Retirement benefit obligation	**184,244**	114,013
Other long-term employee benefits	**13,630**	11,047
Total long-term employee benefits	**197,874**	125,060

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

(in thousands)	Pension schemes 2014 EUR	Pension schemes 2013 EUR	Post-employment medical benefits 2014 EUR	Post-employment medical benefits 2013 EUR	Total 2014 EUR	Total 2013 EUR
Present value of wholly or partly funded obligations	**479,210**	362,095	**103,243**	59,835	**582,453**	421,930
Defined benefit obligation	**479,210**	362,095	**103,243**	59,835	**582,453**	421,930
Fair value of plan assets	**(387,213)**	(299,242)	**(10,996)**	(8,675)	**(398,209)**	(307,917)
Retirement benefit obligation	**91,997**	62,853	**92,247**	51,160	**184,244**	114,013

The increase of the defined benefit obligation recognised in the statement of financial position is primarily due to the decrease in the discount rate in all countries.

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

(in thousands)	Pension schemes 2014 EUR	Pension schemes 2013 EUR	Post-employment medical benefits 2014 EUR	Post-employment medical benefits 2013 EUR	Total 2014 EUR	Total 2013 EUR
Current service cost	**21,305**	24,753	**2,920**	3,292	**24,225**	28,045
Interest on obligation	**13,192**	13,430	**3,160**	2,801	**16,352**	16,231
Expected return on plan assets	**(11,774)**	(9,855)	**(462)**	(300)	**(12,236)**	(10,155)
Costs of plan amendments	**(3,546)**	4,906			**(3,546)**	4,906
Costs of termination benefit	**2,044**		**783**		**2,827**	
Administration costs and taxes	**624**	533			**624**	533
Total pension cost (note 6)	**21,845**	33,767	**6,401**	5,793	**28,246**	39,560

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

(in thousands)	Pension schemes 2014 EUR	Pension schemes 2013 EUR	Post-employment medical benefits 2014 EUR	Post-employment medical benefits 2013 EUR	Total 2014 EUR	Total 2013 EUR
At the beginning of the year	**54,564**	125,168	**24,965**	38,287	**79,529**	163,455
Actuarial (gains)/losses	**21,678**	(70,150)	**26,389**	(12,081)	**48,067**	(82,231)
Actuarial (gains)/losses due to experience on DBO	**(7,892)**	(10,408)	**(529)**	2,039	**(8,421)**	(8,369)
Actuarial (gains)/losses due to demographic assumption changes in DBO	**16,618**	(110)	**8,171**		**24,789**	(110)
Actuarial (gains)/losses due to financial assumption changes in DBO	**78,953**	(42,418)	**19,352**	(13,149)	**98,305**	(55,567)
Return on plan assets (greater)/less than discount rate	**(66,001)**	(17,214)	**(605)**	(971)	**(66,606)**	(18,185)
Exchange rate differences	**2,471**	(454)	**5,620**	(1,241)	**8,091**	(1,695)
Total recognised in the OCI	**24,149**	(70,604)	**32,009**	(13,322)	**56,158**	(83,926)
At the end of the year	**78,713**	54,564	**56,974**	24,965	**135,687**	79,529

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

(in thousands)	Pension schemes 2014 EUR	Pension schemes 2013 EUR	Post-employment medical benefits 2014 EUR	Post-employment medical benefits 2013 EUR	Total 2014 EUR	Total 2013 EUR
At the beginning of the year	**62,853**	122,774	**51,160**	61,886	**114,013**	184,660
Total expense as above	**21,845**	33,767	**6,401**	5,793	**28,246**	39,560
Employer contribution	**(14,151)**	(22,753)	**-**	(1,029)	**(14,151)**	(23,782)
Total recognised in the OCI	**24,149**	(70,604)	**32,009**	(13,322)	**56,158**	(83,926)
Exchange differences	**(1,694)**	708	**3,951**	(1,143)	**2,257**	(435)
Disbursements paid directly by the employer	**(1,005)**	(1,039)	**(1,274)**	(1,025)	**(2,279)**	(2,064)
At the end of the year	**91,997**	62,853	**92,247**	51,160	**184,244**	114,013

The following disclosure requirements under IAS19 (revised 2011) were derived from reports obtained from externally recognised actuaries:

Change in defined benefit obligation (DBO):

(in thousands)	Pension schemes 2014 EUR	Pension schemes 2013 EUR	Post-employment medical benefits 2014 EUR	Post-employment medical benefits 2013 EUR	Total 2014 EUR	Total 2013 EUR
At the beginning of the year	**362,095**	397,486	**59,835**	68,629	**421,930**	466,115
Current service cost	**21,305**	24,753	**2,920**	3,292	**24,225**	28,045
Costs of termination benefit	**2,044**		**783**		**2,827**	
Employee contribution	**112**	117			**112**	117
Interest on obligation	**13,192**	13,430	**3,160**	2,801	**16,352**	16,231
Past service cost - plan amendement	**(3,546)**	4,906			**(3,546)**	4,906
Actual benefit payment	**(17,972)**	(21,023)			**(17,972)**	(21,023)
Actuarial (gains)/losses on DBO	**87,680**	(52,936)	**26,994**	(11,110)	**114,674**	(64,046)
Administration costs and taxes	**624**	533			**624**	533
Disbursements paid directly by the employer	**(1,005)**	(1,039)	**(1,274)**	(1,025)	**(2,279)**	(2,064)
Exchange rate differences	**14,681**	(4,132)	**10,825**	(2,752)	**25,506**	(6,884)
At the end of the year	**479,210**	362,095	**103,243**	59,835	**582,453**	421,930

Change in fair value of plan assets:

(in thousands)	Pension schemes 2014 EUR	Pension schemes 2013 EUR	Post-employment medical benefits 2014 EUR	Post-employment medical benefits 2013 EUR	Total 2014 EUR	Total 2013 EUR
At the beginning of the year	**299,242**	274,712	**8,675**	6,743	**307,917**	281,455
Expected return on plan assets	**11,774**	9,855	**462**	300	**12,236**	10,155
Disbursements	**(18,977)**	(22,062)	**(1,274)**	(1,025)	**(20,251)**	(23,087)
Employer contribution	**15,156**	23,792	**1,274**	2,054	**16,430**	25,846
Employee contribution	**112**	117			**112**	117
Actuarial gains/(losses) on plan assets	**66,002**	17,214	**605**	971	**66,607**	18,185
Exchange rate differences	**13,904**	(4,386)	**1,254**	(368)	**15,158**	(4,754)
At the end of the year	**387,213**	299,242	**10,996**	8,675	**398,209**	307,917

The detail per class of plan asset is as follows:

Asset class	Belgium plan assets 2014 in %	The Netherlands plan assets 2014 in %	IME(1) and IPP(2) plan assets 2014 in %	United States plan assets 2014 in %	Belgium plan assets 2013 in %	The Netherlands plan assets 2013 in %	IME and IPP plan assets 2013 in %	United States plan assets 2013 in %
Quoted Securities	**21.4%**	**0.0%**	**0.0%**	**100.0%**	100.0%	100.0%	100.0%	100.0%
Equities	**21.4%**	**0.0%**	**0.0%**	**64.4%**	27.6%	29.5%	0.0%	69.3%
Bonds	**0.0%**	**0.0%**	**0.0%**	**31.5%**	72.4%	68.5%	0.0%	28.7%
Cash	**0.0%**	**0.0%**	**0.0%**	**4.1%**	0.0%	2.0%	0.0%	2.0%
Insurance contracts	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	100.0%	0.0%
Non-quoted Securities	**78.6%**	**100.0%**	**100.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%
Equities	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%
Bonds	**0.3%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%
Insurance contracts	**78.3%**	**100.0%**	**100.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%
Total	**100%**	**100%**	**100%**	**100%**	100%	100%	100%	100%

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

The principal actuarial assumptions applied at 31 December were:

	Belgium		IME and IPP		The Netherlands		United States		Switzerland	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Weighted average discount rate	**1.7%**	3.1%	**1.7%**	3.1%	**2.3%**	3.6%	**4.0%**	5.1%	**1.3%**	2.4%
Rate of salary increases	**3.5%**	3.5%	**3.5%**	3.5%	**3.0%**	3.0%	**4.5%**	4.5%	**2.5%**	2.5%

Medical cost trend rate

The medical cost trend rate related to post employment medical benefits is shown below:

Year	Rate
2015	8.50%
2016	7.50%
2017	6.50%
2018	5.50%
From 2019 to 2027	5.20%
From 2028 to 2040	5.10%
From 2041 to 2042	5.00%
2043 and beyond	4.90%

5-year trend analysis:

(in thousands)	2014 EUR	2013 EUR	2012 EUR	2011 EUR	2010 EUR
Defined benefit obligation (DBO)	**582,453**	421,930	466,115	353,048	307,016
Plan assets	**(398,209)**	(307,917)	(281,455)	(254,597)	(238,243)
(Surplus)/deficit	**184,244**	114,013	184,660	98,451	68,773
Actuarial (gains)/losses on DBO	**114,674**	(64,046)	91,578	19,767	8,122
Actuarial (gains)/losses on plan assets	**(66,607)**	(18,185)	(8,706)	6,038	(1,164)
Total actuarial (gains)/losses of the year	**48,067**	(82,231)	82,872	25,805	6,958

A quantitative sensitivity analysis for significant assumptions as at 31 December 2014 is as shown below:

Assumptions	Discount rate		Estimated healthcare cost	Future salary increases
Sensitivity Level	1% increase	1% decrease	1% increase	0.25% increase
(in thousands)				
Impact on the net defined benefit obligation	(83,776)	107,265	25,001	14,512
International Plan	(782)	972	N/A	320
Belgium	(27,772)	32,932	N/A	10,845
Switzerland	(874)	1,125	N/A	146
Netherlands	(17,397)	23,869	N/A	1,477
United States of America	(36,951)	48,367	25,001	1,724

Assumptions	Future pension cost increase	Mortality	Turnover
Sensitivity Level	0.5% increase	Decrease by 1 year	Increase by 1%
(in thousands)			
Impact on the net defined benefit obligation	13,024	5,583	(14,468)
International Plan	-	60	(300)
Belgium	-	(82)	(12,652)
Switzerland	239	71	(117)
Netherlands	7,838	(278)	(1,270)
United States of America	4,947	5,812	(129)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

25. Short-term employee benefits

Short-term employee benefits are mainly composed of accrued employee incentives, accrued holiday allowances and accrued unused vacation. The increase from EUR 53.6 million in 2013 to EUR 63.1 million in 2014 is mainly linked to higher incentive costs.

26. Provisions

(in thousands)	Legal claims	Early retirement plan	Other provisions	Total provisions
Balance beginning of year	**1,059**	**12,032**	**27,242**	**40,333**
Additional provision		948	5,728	6,676
Amounts utilised during the year	(588)	(5,236)	(14,625)	(20,449)
Unused amounts reversed during the period	(471)		(5,216)	(5,687)
Discount rate adjustment and imputed interest		(25)	136	111
Balance at end of year	**-**	**7,719**	**13,265**	**20,984**
Current 2014	-	3,507	9,870	13,377
Non-current 2014		4,212	3,395	7,607
Balance at end of year	**-**	**7,719**	**13,265**	**20,984**

The decrease in provisions from EUR 40.3 million in 2013 to EUR 21.0 million in 2014 is mainly explained by the utilisation and revised assumptions of the provision made in 2012 for an incentive programme allowing customers to renew their security infrastructure at subsidised prices (EUR 14.6 million) and by an early retirement plan proposed in Belgium in 2013 and not renewed in 2014 (EUR 5.2 million).

The “Other provisions” at year-end 2014 is mainly composed by a provision for onerous contract for a total amount of EUR 6.2 million recorded for two specific contracts, ending respectively in 2015 and 2020.

27. Other liabilities

(a) Amounts payable to suppliers

The increase in "Amounts payable to suppliers" by EUR 23.9 million is mainly explained by customer credit balances of EUR 17.8 million linked to accruals for traffic rebate and other discounts (see Note 19).

(b) Other liabilities

(in thousands)	2014 EUR	2013 EUR
Other long-term and short-term liabilities		
Accrued liabilities	**31,386**	24,870
VAT and withholding taxes payable	**537**	182
Fair value of financial instruments	**10,331**	6,296
Other liabilities and deferred income	**13,579**	5,551
Total other short-term and long-term liabilities	**55,833**	36,899
Current 2014	**55,302**	36,697
Non-current 2014	**531**	202
Total other short-term and long-term liabilities	**55,833**	36,899

The increase in other liabilities from EUR 36.9 million in 2013 to EUR 55.8 million in 2014 is mainly driven by an accrual for deferred revenues (EUR 5.9 million) of which EUR 3.5 million relate to a specific contract, EUR 3.6 million relate to the purchase of additional hardware security equipment, EUR 2.1 million relate to the renewal of a 3-years licenses contract, as well as a EUR 3.8 million increase in the market value of unrealised hedging.

The fair value of financial instruments relates to the forward contracts concluded primarily to hedge the foreign currency exposure on the 2015 budget. The increase compared to last year is explained by the relative evolution of the foreign exchange rates between the date of inception of the contracts and the year-end.

28. Accrued taxes

The decrease from EUR 2.6 million in 2013 to EUR 1.7 million in EUR is mainly linked to a lower tax liability in the United States, explained by higher tax pre-payments.

29. Related party disclosures

All entities controlled by S.W.I.F.T. SCRL are consolidated using the global integration method. There are no other related parties as per IAS 24 definition than the key management personnel of the SWIFT Group. Key management personnel comprise of members of the Executive Committee and Board of Directors. There have been no transactions with key management personnel other than remunerations presented below.

(a) Compensation of the Executive Committee

(in thousands)	2014 EUR	2013 EUR
Short-term employee benefits		
Salary	**2,206**	2,127
Bonus	**1,435**	1,336
Car benefits	**103**	123
Other	**136**	127
	3,880	3,713
Post-employment benefits		
Pension	**1,507**	1,613
Post-retirement medical	**16**	18
	1,523	1,631
Other long-term employee benefits		
Long-term incentives	**2,020**	1,834
Other	**62**	54
	2,082	1,888
Termination benefits	**0**	70
Total compensation	**7,485**	7,302
Social charges on the above	**779**	652
Total cost of compensation	**8,264**	7,954

The compensation of the Executive Committee includes the compensation paid to the six SWIFT Executives in 2014.

(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 2014 amounting to EUR 9.6 million related to the infrastructure improvements in one of our data centres and to the purchase of licenses in the framework of the FIN Renewal programme.

(b) Contractual obligations and operating leases

The company has entered into contractual obligations and operating leases mainly covering motor vehicles, IT equipment and rental space. These commitments amount to EUR 252 million at 31 December 2014, and include the commitments for capital expenditures. The increase by 20% is mainly driven by a new market infrastructure project, the renegotiation of the pension contract in the Netherlands, the extension of the rental agreement in the United Kingdom (till 2029) and capital expenditures planned for datacentre.

(in millions)	**2014 EUR**	2013 EUR
Within one year	**137**	110
After one year but not more than five years	**78**	73
More than five years	**37**	14
Total commitments	**252**	197

Out of the EUR 252 million commitments, operating leases represent EUR 85 million, including real estate leases for EUR 41 million, telecom leases for EUR 15 million and car leases for EUR 13 million. None of these contracts are subject to purchase options.

(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 2014 or in 2013.

(d) Restrictions

Some of the subsidiaries of SWIFT operate in countries that are subject to regulatory currency control that regulates the payment of dividends or repayment of loans or advances.

The table below provides the exposure by country:

	2014 EUR		2013 EUR	
(in thousands)	Equity	Intercompany loans payable/(receivable)	Equity	Intercompany loans payable/(receivable)
India	**12,646**	**3,159**	13,292	(199)
Russia	**14**	**135**	32	(85)
China	**1,131**	**(645)**	984	(465)

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 specialised treasury team that has the appropriate skills, experience and supervision. The Treasury Committee, consisting of the Chief Financial Officer, the Financial Controller, the Head of Financial Planning & Analysis and the Treasurer, reviews the risk assessment, approves risk management strategies, monitors compliance with treasury policy and reports to the Audit and Finance Committee.

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

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

(b) Liquidity risk

Liquidity risk is the risk that the Company would not be able to meet its financial obligations when they are 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 deposits with a maturity of less than one year. In addition, the Company maintains EUR 22.3 million of committed credit lines of which none are currently used.

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

(in thousands)	Maturity within 1 year 2014 EUR	Maturity > 1 year 2014 EUR	Maturity within 1 year 2013 EUR	Maturity > 1 year 2013 EUR
Assets:				
Cash and cash equivalents	**174,188**	**-**	106,451	-
Other current financial assets	**97,069**	**-**	116,200	-
Prepayments to suppliers	**31,054**	**7,933**	27,435	10,238
Liabilities:				
Amounts payable to suppliers	**42,037**	**-**	18,085	-
Accrued liabilities	**30,855**	**531**	24,668	202
Other liabilities and deferred income	**13,579**	**-**	5,551	-

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.

(c) Foreign currency risk

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

(in thousands)	Notional amount 2014 EUR	Notional amount 2013 EUR	Fair value 2014 EUR	Fair value 2013 EUR
Cash flow hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.3023 USD)	**161,103**	135,652	**11,256**	(4,558)
GBP (at rates averaging 1 EUR = 0.8038 GBP)	**18,214**	15,721	**496**	323
JPY (at rates averaging 1 EUR = 141.35 JPY)	**1,774**	1,960	**(46)**	(272)
HKD (at rates averaging 1 EUR = 10.2353 HKD)	**15,417**	16,208	**1,287**	(683)
CHF (at rates averaging 1 EUR = 1.2062 CHF)	**7,710**	6,624	**30**	(12)
SGD (at rates averaging 1 EUR = 1.6496 SGD)	**15,671**	6,992	**387**	(338)
MYR (at rates averaging 1 EUR = 4.3531 MYR)	**7,925**	4,265	**50**	(253)
INR (at rates averaging 1 EUR = 82.9078 INR)	**1,423**	975	**56**	(7)
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.3197 USD)	**(111,843)**	(111,234)	**(9,583)**	3,690
GBP (at rates averaging 1 EUR = 0.8110 GBP)	**(1,393)**	(1,294)	**(55)**	(26)
CHF (at rates averaging 1 EUR = 1.2009 CHF)	**(3,922)**	-	**2**	-
MYR (at rates averaging 1 EUR = 4.3477 MYR)	**(265)**	-	**(2)**	-
AUD (at rates averaging 1EUR= 1.5083 AUD)	**(13,856)**	-	**(230)**	-
INR (at rates averaging 1 EUR = 82.0833 INR)	**(1,326)**	-	**(37)**	-
Net position on cash flow hedges	**96,632**	75,869	**3,611**	(2,136)
Fair value hedges				
Amounts to be received under forward contracts				
USD (at rates averaging 1 EUR = 1.2166 USD)	**19,398**	18,551	**14**	(47)
GBP (at rates averaging 1 EUR = 0.7838 GBP)	**2,169**	600	**10**	-
Amounts to be paid under forward contracts				
USD (at rates averaging 1 EUR = 1.2341 USD)	**(17,827)**	(15,675)	**(271)**	145
HKD		(2,339)	**-**	-
CHF (at rates averaging 1 EUR = 1.2023 CHF)	**(998)**	(405)	**-**	(3)
INR (at rates averaging 1 EUR = 79.93 INR)	**(14)**	-	**(1)**	-
Net position on fair value hedges	**2,728**	732	**(248)**	95
Economical hedges				
Amounts to be received under forward contracts				
JPY		821		(63)
CHF		2,449		-
Amounts to be paid under forward contracts				
JPY (at rates averaging 1 EUR = 133.64 JPY)		(820)		62
CHF (at rates averaging 1 EUR = 1.2338 CHF)		(2,432)		(17)
MYR (at rates averaging 1 EUR = 4.2130 MYR)	**(12)**		**-**	
Net position on freestanding deals	**(12)**	18	**-**	(18)
Net investment hedge				
Amounts to be paid under forward contracts				
INR (at rates averaging 1 EUR = 82.26 INR)	**(5,106)**	(4,605)	**51**	57
Total	**94,242**	72,014	**3,414**	(2,002)

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

All hedges outstanding on 31 December 2014 mature in 2015.

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

Net foreign exchange gains/(losses) (in thousands)	Contracts initiated in 2012 2014 EUR	New contracts initiated in 2013 2014 EUR	Total 2014 EUR	Contracts initiated in 2011 2013 EUR	New contracts initiated in 2012 2013 EUR	Total 2013 EUR
Cash flow hedges	**3,537**	**(584)**	**2,953**	(2,749)	6	(2,743)
Fair value hedges	**52**	**(1,152)**	**(1,100)**	188	(1,493)	(1,305)
Economical hedges	**2**	**(31)**	**(29)**	-	(32)	(32)
	3,591	**(1,767)**	**1,824**	(2,561)	(1,519)	(4,080)

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

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

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

Hedge items with positive foreign exchange results:

(in thousands)	2014 EUR	2013 EUR
Gain on hedged item	**1,223**	2,368
Gain/(loss) on corresponding hedging instrument	**(1,239)**	(2,374)
Net gain/(loss)	**(16)**	(6)

Hedge items with negative foreign exchange results:

(in thousands)	2014 EUR	2013 EUR
Loss on hedged item	**(317)**	(1,204)
Gain/(loss) on corresponding hedging instrument	**319**	1,151
Net gain/(loss)	**2**	(53)

(d) Sensitivity analysis

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

(in thousands)	At year end closing rate 2014 EUR	USD closing rate -100 bp 2014 EUR	USD closing rate +100 bp 2014 EUR	At year end closing rate 2013 EUR	USD closing rate -100 bp 2013 EUR	USD closing rate +100 bp 2013 EUR
OCI impact: cash flow hedges	**3,611**	**4,069**	**3,234**	(2,136)	(1,965)	(2,304)
Income statement impact: fair value hedges	**(248)**	**(236)**	**(257)**	95	117	74
Consolidated financial position impact: foreign exchange on un-hedged USD	**(31)**	**(42)**	**(21)**	(9)	(4)	(14)

(e) 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 2014.

32. Business combinations

On 1 April 2014, SWIFT acquired 100% of the shares of Omnicision Ltd, a Company developing a software service to test and tune sanctions screening filters for their effectiveness. The consideration transferred to acquire Omnicision amounts to EUR 3.28 million. This amount was paid on the date of the acquisition.

In addition, fixed instalments of a total of EUR 2.75 million are payable on the three subsequent anniversaries of the Omnicision acquisition date, subject to the retention of key employees. In accordance with IFRS, these instalments have been treated separately from the business combination, and consequently fully recognised in 2014 in the statement of profit and loss under the line item "Payroll and related charges".

Based on an assessment of the fair value of the identified intangible assets and other assets and liabilities of Omnicision, the acquisition did not result in a goodwill or bargain purchase as presented in the table below:

(in thousands of EUR, except for share acquired)	Fair Value as of 1 April 2014
Non-current assets	**1,906**
Fixed assets	60
Sanction Suite software	1,846
Current assets	**2,362**
Trade receivables	0
Prepayments and accrued income	231
VAT	13
Cash and cash equivalents	2,118
Total assets	**4,268**
Current liabilities	**985**
Trade creditors	22
Corporation tax	37
Social security and other tax	77
Provisions for bonus	82
Accruals and deferred income	765
Director's current accounts	2
Total liabilities	**985**
TOTAL NET ASSETS	**3,283**
Share acquired	**100%**
Total net assets acquired	**3,283**

In the context of this transaction, the sanctions suite software is the key income-generating asset of the acquired entity.

Management estimated the fair value of the software as the weighted average of the valuation conclusions derived under the cost approach and the income approach.

• The cost approach relies on the principal of substitution. It recognises that a prudent investor would pay no more for an asset than the cost to replace it with an identical or similar unit of equivalent utility. When applied to income-generating assets, the cost approach tends to give the floor value of the intangible asset because it does not reflect its value-generating capacity.

• The income approach focuses on the income-producing capability of the subject asset. The underlying premise of this approach is that the value of an asset can be measured by the present value of the net economic benefit (cash receipts less cash outflows) to be received over the life of the subject asset. The multi-period excess earnings method, or MPEEM, is a specific application of the discounted cash flows method. The principle behind the MPEEM is that the value of an intangible asset is equal to the present value of the incremental after-tax cash flows attributable only to the subject intangible asset after deducting contributory asset charges.

Management concluded that the fair value of assets and liabilities, other than the sanctions suite software, approximate their carrying amount.

The impact on the consolidated statement of cash flows amounts to EUR 1.17 million, resulting from the cash consideration paid by SWIFT (EUR 3.28 million), net of the cash acquired through the business combination (EUR 2.11 million).

The impact of the business combination on the net consolidated profit and loss since acquisition date is EUR (0.7) million. No other contingent liabilities are to be recognised within this transaction.