

NATO SANS CLASSIFICATION

14 décembre 2015

DOCUMENT
C-M(2015)0084-AS1

**RAPPORT DU COLLÈGE INTERNATIONAL
DES COMMISSAIRES AUX COMPTES DE L'OTAN
SUR LA VÉRIFICATION DES ÉTATS FINANCIERS
DU RÉGIME DE PENSIONS COORDONNÉ DE L'OTAN
POUR L'EXERCICE 2014**

SUITE DONNÉE

Le 11 décembre 2015, au terme d'une procédure d'accord tacite, le Conseil a pris note du rapport du Collège international des commissaires aux comptes de l'OTAN diffusé sous la cote IBA-AR(2015)25, qui figure en annexe au C-M(2015)0084, et il a approuvé la recommandation du Bureau de la planification et de la politique générale des ressources visant la communication au public.

(signé) Alexander Vershbow
Secrétaire général délégué

NOTE : La présente note fait partie du C-M(2015)0084 et doit être placée en tête de ce document.

NATO SANS CLASSIFICATION

7 décembre 2015

DOCUMENT

C-M(2015)0084

Procédure d'accord tacite :

11 déc 2015 16:00

**RAPPORT DU COLLÈGE INTERNATIONAL
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POUR L'EXERCICE 2014**

Note du secrétaire général délégué

1. On trouvera ci-joint le rapport du Collège international des commissaires aux comptes de l'OTAN (IBAN) sur la vérification des états financiers du régime de pensions coordonné de l'OTAN pour l'exercice clos le 31 décembre 2014. Ce rapport contient une opinion sans réserve.
2. Le rapport a été examiné par le Bureau de la planification et de la politique générale des ressources (RPPB). Conformément au PO(2015)0052, celui-ci recommande au Conseil, dans une note qu'il a approuvée le 25 novembre 2015, de communiquer au public le rapport de l'IBAN ainsi que les états financiers correspondants (annexes).
3. J'estime que ce rapport ne nécessite pas d'examen plus approfondi. Par conséquent, sauf avis contraire me parvenant d'ici au **vendredi 11 décembre 2015 à 16 heures**, je considérerai que le Conseil aura pris note du rapport de l'IBAN diffusé sous la cote IBA-AR(2015)25 et qu'il aura approuvé la recommandation du RPPB visant la communication au public des documents précités.

(signé) Alexander Vershbow

4 annexes
1 pièce jointe

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**NOTE DU BUREAU DE LA PLANIFICATION ET DE LA POLITIQUE GÉNÉRALE DES
RESSOURCES SUR LA COMMUNICATION AU PUBLIC**

**RAPPORT DU COLLÈGE INTERNATIONAL
DES COMMISSAIRES AUX COMPTES DE L'OTAN
SUR LA VÉRIFICATION DES ÉTATS FINANCIERS
DU RÉGIME DE PENSIONS COORDONNÉ DE L'OTAN POUR L'EXERCICE 2014**

Références : (A) IBA-A(2015)180 // IBA-AR(2015)25

(B) Note de couverture accompagnant les états financiers 2014 du régime de pensions coordonné de l'OTAN (FC(2015)081)

1. En vertu du PO(2015)0052, les rapports non classifiés du Collège international des commissaires aux comptes de l'OTAN (IBAN), assortis le cas échéant des états financiers correspondants, sont en principe rendus publics après leur examen par le Conseil.

2. L'IBAN a émis une opinion sans réserve sur les états financiers 2014 du régime de pensions coordonné de l'OTAN. Son rapport (référence (A)) sera transmis au Conseil afin qu'il en prenne note, ainsi que le prévoient les procédures agréées.

3. Le contrôleur des finances du Secrétariat international a estimé (référence (B)) que les états financiers 2014 du régime de pensions coordonné de l'OTAN pouvaient être rendus publics.

4. Le Bureau de la planification et de la politique générale des ressources estime quant à lui que le rapport de l'IBAN ne contient pas d'informations qui, en vertu de la politique relative à la mise en lecture publique de l'information OTAN, ne peuvent être rendues publiques et, conformément à la politique agréée dans le PO(2015)0052, il recommande par conséquent que le Conseil approuve la communication au public de ce rapport et des états financiers correspondants.

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**Note succincte
du Collège international des commissaires aux comptes de l'OTAN
à l'intention du Conseil
sur la vérification des états financiers
du régime de pensions coordonné de l'OTAN
pour l'exercice clos le 31 décembre 2014**

Le régime de pensions coordonné de l'OTAN, régime non financé à prestations définies, s'applique à tous les agents civils recrutés entre le 1^{er} juillet 1974 et le 30 juin 2005. Les agents recrutés avant juillet 1974 sont membres de la Caisse de prévoyance, et ceux qui ont été recrutés après le 1^{er} juillet 2005 sont affiliés au régime de pensions à cotisations définies.

Les pays membres de l'OTAN garantissent collectivement le versement des prestations. En 2014, le montant total des paiements effectués au titre du régime de pensions s'est élevé à 135 millions d'euros (contre 129 millions d'euros en 2013). Au 31 décembre 2014, la valeur actuarielle du passif accumulé par le régime au titre des pensions s'élevait à 6,2 milliards d'euros (contre 4,6 milliards d'euros au 31 décembre 2013).

Le Collège a émis une opinion sans réserve sur les états financiers du régime de pensions coordonné de l'OTAN et sur la conformité pour l'exercice clos le 31 décembre 2014.

Le Collège a eu une observation à formuler pour l'exercice considéré (voir annexe 4).

Il ne restait aucune question à régler à la suite des audits précédents.

Les commentaires officiels du contrôleur des finances du Secrétariat international figurent à l'annexe 4.

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COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN

OPINION SUR LA VÉRIFICATION DES ÉTATS FINANCIERS

DU RÉGIME DE PENSIONS COORDONNÉ DE L'OTAN

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2014

**OPINION DU COLLÈGE INTERNATIONAL
DES COMMISSAIRES AUX COMPTES DE L'OTAN
À L'INTENTION DU CONSEIL DE L'ATLANTIQUE NORD
ET DES MEMBRES DU PERSONNEL AFFILIÉS
AU RÉGIME DE PENSIONS COORDONNÉ DE L'OTAN**

Rapport sur les états financiers

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers du régime de pensions coordonné de l'OTAN pour l'exercice clos le 31 décembre 2014, composés de l'état de l'actif net disponible pour le service des prestations et de l'état de l'évolution de l'actif net disponible pour le service des prestations pour l'exercice clos à cette date, ainsi que de diverses notes explicatives, y compris un résumé des méthodes comptables importantes.

Responsabilité de la direction

La direction est chargée d'établir les états financiers conformément à la norme comptable internationale (IAS) 26 (*Comptabilité et rapports financiers des régimes de retraite*)¹ et aux dispositions du Règlement financier de l'OTAN telles qu'elles ont été fixées par le Conseil de l'Atlantique Nord, et de veiller à ce qu'ils donnent une image fidèle de la situation de l'entité. Elle est ainsi responsable de la conception, de l'application et de la tenue d'un système de contrôle interne de nature à permettre l'établissement et la présentation d'états financiers qui soient exempts d'inexactitudes significatives, que celles-ci relèvent d'une fraude ou d'une erreur.

Responsabilité du Collège

Il incombe au Collège de formuler sur ces états financiers une opinion qui soit fondée sur son travail de vérification, lequel aura été effectué conformément aux dispositions de sa charte et aux normes internationales d'audit. Ces normes exigent que le Collège respecte certains principes déontologiques, et qu'il planifie et effectue sa vérification de manière à parvenir à une assurance raisonnable sur le point de savoir si les états financiers sont exempts d'inexactitudes significatives.

Un audit consiste à appliquer des procédures permettant d'obtenir des éléments probants relatifs aux montants et aux informations figurant dans les états financiers. Les procédures retenues à cette fin sont laissées à l'appréciation de l'auditeur, qui évalue notamment les risques d'inexactitudes significatives dans les états financiers, que celles-ci relèvent d'une fraude ou d'une erreur. Pour l'évaluation de ces risques, le système de contrôle interne sur

¹ Comme le cadre comptable OTAN ne comporte pas de norme portant spécifiquement sur la comptabilité et sur les rapports financiers des régimes de retraite, le Secrétariat international établit les états financiers du régime de pensions coordonné de l'OTAN conformément à l'IAS 26.

lequel s'appuient l'établissement et la présentation des états financiers de l'entité concernée est pris en considération, le but étant d'élaborer des procédures d'audit qui soient adaptées à la situation considérée et non pas d'exprimer une opinion sur l'efficacité du système de contrôle interne. Il s'agit aussi de déterminer si les méthodes comptables appliquées sont appropriées et si les estimations comptables faites par la direction sont raisonnables, ainsi que d'évaluer la présentation générale des états financiers.

Le Collège estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Opinion sur les états financiers

L'opinion du Collège est qu'à tous égards significatifs, les états financiers donnent une image fidèle, conforme à l'IAS 26, de la situation financière du régime de pensions coordonné de l'OTAN au 31 décembre 2014, ainsi que de l'évolution de sa situation financière au cours de l'exercice clos à cette date.

Rapport sur la conformité

Responsabilité de la direction

En plus d'être responsable, comme il est dit plus haut, de l'établissement et de la présentation des états financiers, la direction est chargée de veiller à ce que les opérations financières et les informations présentées dans les états financiers soient conformes aux dispositions du Règlement financier de l'OTAN et du Règlement du personnel civil de l'OTAN telles qu'elles ont été fixées par le Conseil de l'Atlantique Nord.

Responsabilité du Collège

En plus d'être responsable, comme il est dit plus haut, de la formulation d'une opinion sur les états financiers, le Collège est chargé de se prononcer sur le point de savoir si les opérations financières et les informations présentées dans les états financiers sont, à tous égards significatifs, conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN. Il lui incombe notamment d'appliquer des procédures lui permettant d'obtenir une assurance raisonnable sur le point de savoir si les fonds ont été utilisés pour le règlement de dépenses autorisées et si les opérations correspondantes ont été exécutées conformément à la réglementation en vigueur dans le domaine financier et en matière de personnel. De telles procédures prévoient notamment l'évaluation des risques de non-conformité significative.

Le Collège estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Opinion sur la conformité

Le Collège estime que les opérations financières et les informations présentées dans les états financiers sont, à tous égards significatifs, conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN.

Bruxelles, le 30 octobre 2015

Lyn Sachs
Présidente

COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN

LETTRE D'OBSERVATIONS ET DE RECOMMANDATIONS

CONCERNANT LE RÉGIME DE PENSIONS COORDONNÉ DE L'OTAN

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2014

Introduction

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers du régime de pensions coordonné de l'OTAN pour l'exercice clos le 31 décembre 2014, et il a émis une opinion sans réserve à leur sujet ainsi que sur la conformité.

Observations et recommandations

À l'issue de l'audit, le Collège a formulé une observation et une recommandation, sur la publication tardive des états financiers. Cette observation et cette recommandation n'ont pas d'incidence sur l'opinion qu'il a émise.

Il ne restait aucune question à régler à la suite des audits précédents.

Les commentaires officiels du contrôleur des finances du Secrétariat international ont été intégrés dans la présente lettre.

OBSERVATIONS ET RECOMMANDATIONS

1. PUBLICATION TARDIVE DES ÉTATS FINANCIERS

Contexte

1.1 Aux termes de l'article 27 de la version du Règlement financier de l'OTAN (NFR) qui s'appliquait pour les états financiers de 2014, « [d]es états financiers annuels reflétant la comptabilité prescrite par l'article 26 sont soumis au Collège international des commissaires aux comptes de l'OTAN ainsi qu'au comité financier au plus tard le 30 avril qui suit la fin de l'exercice financier ». Le NFR révisé, qui s'appliquera pour les états financiers des exercices 2015 et suivants, prévoit que les états financiers seront soumis au Collège au plus tard le 31 mars qui suivra la fin de l'exercice visé.

Observation

1.2 Les états financiers du régime de pensions coordonné ont été soumis au Collège le 9 juin 2015, ce qui contrevenait aux dispositions du NFR. Un tel retard empêche le Collège de planifier correctement la vérification des états financiers et d'en présenter les résultats au Conseil en temps voulu.

Recommandation

1.3 Le Collège recommande qu'à l'avenir, les états financiers soient soumis pour le 31 mars, échéance fixée dans le NFR révisé.

Commentaires du contrôleur des finances du Secrétariat international

La publication tardive est due à la charge de travail et aux difficultés liées à la mise en œuvre du l'ERP en 2015.

THE NATO COORDINATED PENSION SCHEME
Statement of Net Assets Available for Benefits

(All amounts in EUR)	Notes	Current Year	Prior Year
		31-Dec-2014	31-Dec-2013
Assets			
Cash and cash equivalent	4	113,404,411.86	75,427,587.41
Staff member contributions receivable	5	268,515.66	324,908.68
Employer contribution receivable	6	1,372,204.92	1,606,380.38
Nation contributions receivable	7	55,842,803.49	85,093,448.47
Pension adjustments contribution receivable	8	21,396,246.84	18,824,324.79
Credit for past service to be refunded by staff	9	76,037.39	83,989.91
Advance DCPS	10	0.00	0.00
Other	11	385,890.80	486,995.08
Total assets		192,746,110.96	181,847,634.72
Liabilities			
Contributions called for y+1	7	127,423,000.00	120,735,000.00
Pension adjustments called for y+1	8	21,238,600.00	18,844,400.00
Other	12	328,205.13	471,717.35
Total Liabilities		148,989,805.13	140,051,117.35
Net assets available for benefits	13	43,756,305.83	41,796,517.37

THE NATO COORDINATED PENSION SCHEME
Statement of Changes in Net Assets Available for Benefits

(All amounts in EUR)	Notes	Current Year	Prior Year
		31-Dec-2014	31-Dec-2013
Increase in net assets		436,233.94	3,241,046.62
Interest income	14	39,623.92	267,277.92
Transfers from other pension funds	15	328,987.23	2,696,075.27
Other	16	67,622.79	277,693.43
Contributions		136,066,026.07	126,316,198.24
Staff members	5	17,485,268.03	18,910,770.28
Employer's	6	397,622.94	452,417.72
Nations	7	118,183,135.10	106,953,010.24
Total increase in net assets available for benefits		136,502,260.01	129,557,244.86
Decrease in net assets			
Pension benefits	17	131,394,223.39	125,504,782.13
Leaving allowances	17	2,942,177.12	3,525,282.66
Bank costs	14	206,071.04	187,538.25
Total decrease in net assets available for benefits		134,542,471.55	129,217,603.04
Net change for the year		1,959,788.46	339,641.82
Net assets available for benefits, beginning of year		41,796,517.37	41,456,875.55
Net assets available for benefits, end of year		43,756,305.83	41,796,517.37

**EXPLANATORY NOTES TO THE
2014 FINANCIAL STATEMENTS OF THE
NATO COORDINATED PENSION SCHEME****NOTE 1: GENERAL INFORMATION****Description**

The NATO Coordinated Pension Scheme is a defined benefit retirement plan that applies to NATO staff recruited between 1 July 1974 and 30 June 2005. NATO staff recruited before 1 July 1974 are participants in the NATO Provident Fund, a defined contribution retirement plan. NATO staff recruited after 30 June 2005 are participants in the NATO Defined Contribution Pension Scheme (DCPS), also a defined contribution retirement plan.

NATO IS operates the Coordinated Pension Scheme for all NATO staff. This Scheme is often referred to as the NATO Defined Benefit Pension Scheme, and is hereafter referred to as the NATO DBPS.

The NATO DBPS is coordinated with five other international organisations (the Council of Europe, the European Centre for Medium Range Weather Forecast, the European Space Agency, the Organisation for Economic Cooperation and Development and the Western European Union). These Coordinated Organisations apply a common set of rules concerning the present defined benefit retirement plan. These rules are initiated and recommended by the Coordinating Committee on Remuneration and are approved by the North Atlantic Council. They are embedded in the NATO Civilian Personnel Regulations (CPRs), Annex IV.

The scheme includes provisions for retirement, invalidity, survivor, orphan and dependent pensions. Benefits paid are usually calculated as a proportion of the staff member's final salary. NATO civilian staff recruited between 1 July 1974 and 30 June 2005 become eligible for a retirement pension after 10 years of service; those who depart before 10 years of service receive a leaving allowance. The details of the conditions and entitlements of each component of the NATO DBPS are laid down in Annex IV of the CPRs.

The NATO DBPS had 3,425 beneficiaries at year-end 2014 (3,313 year-end 2013). More statistical data is provided at the end of these notes.

Financing Policy

The benefits of the NATO DBPS are paid from annual budgets approved by the North Atlantic Council. Funding sources consist of compulsory contributions from active staff, employer contributions of certain NATO bodies, and, as a balancing resource, budgetary contributions by NATO member Nations. Contrary to most, if not all, of the other Co-ordinated Organisations, NATO has not set aside funds to be invested to fund future costs and, therefore, NATO's funding of the Co-ordinated Pension Scheme is on a pay-as-you-go basis.

Staff Contributions

The rate of the staff contribution is set so as to represent the cost, in the long term, of one-third of the benefits provided at the coordinated level. Therefore this rate is not specific to NATO; it is the same for all the Coordinated Organisations.

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The staff contribution rate is adjusted in accordance with the result of an actuarial study which is carried out every 5 years. This rate has been increasing over time. It was 7.0% from the inception of the scheme until it was brought to 8.0% in 1995. The rate was further increased to 8.3% in 2000 and to 8.9% in 2005.

As of 1 January 2010, contributions to the NATO DBPS from serving staff increased from 8.9% to 9% of their basic salary, further to a change in the method used to calculate such rates in order to take account of the closure of the pension scheme in certain Coordinated Organisations. The rate was increased to 9.5% as from 1 January 2015.

Employer contributions

In specific cases, and in particular for a few NATO activities, limited either in time or in numbers of personnel, or with a specific financial basis, Nations decided that the pension liability is best discharged through a contribution equal to twice the staff contribution rate from the annual budget of the concerned activity or NATO entity (BC-WP(83)3(Revised) paragraph 5(1) and C-M(83)34). This contribution is considered as an employer's contribution. This contribution, together with the staff's, is deemed to provide the necessary funds for the subsequent pensions liability of the entities concerned. Employer contributions are due from the following NATO bodies: the NATO Headquarters Staff Centre, the New NATO Headquarters Project Office (NHQPO), the Munitions Safety Information Analysis Centre (MSIAC), the NATO Naval Forces Sensor and Weapon Accuracy Check Sites (FORACS), the NATO Battlefield Information Collection and Exploitation Systems (BICES) Agency and the NATO Alliance Ground Surveillance Management Agency (NAGSMA).

Nations' contributions

The member states jointly guarantee the payment of benefits. Should a country, being a member or ex-member of the Organisation, fail to comply with its obligations, the other countries shall meet the cost thereof in proportion to their contributions to the budget of the Organisation as fixed annually from and after the said country's default.

Contributions from member states are called once a year based on the authorized annual budgets. They are calculated as the difference between the anticipated benefits due for the year under review and the main sources of funding, primarily staff contributions and employer's contributions. The NATO DBPS is funded through two separate budgets approved by the North Atlantic Council, one for the International Staff and the other for the Military Budgets which includes NATO agencies.

The related calls for contributions are issued in advance, usually towards the end of the preceding year. Costs are shared among NATO member countries based on the cost-shares applicable to the NATO body for which the staff member worked before he/she became a beneficiary of the scheme. In practice, the annual call is based on a weighted average of each NATO body's cost-share weighted by the related pension costs as per the latest available financial statements.

Management of the DBPS

Administrative services and secretarial support are provided by the Pensions Unit of NATO-IS Human Resources. In the framework of the Co-ordinated system, this unit is referred to as Computation Unit II. The Pensions Unit assesses the entitlement to benefits payable under the DBPS for the whole NATO community. Financial services are provided by the NATO-IS Office of Financial Control (OFC). The OECD's International Service for Remunerations and

Pensions (ISRP) provides overall support concerning the global NATO DBPS (actuarial studies, adjustment calculations, etc.).

An Administrative Committee on Pensions of the Coordinated Organizations (CAPOC) was set up to ensure that provisions of the Pension Scheme Rules are uniformly applied at the coordinated level.

None of the costs related to the administrative services provided by NATO and the ISRP are charged to the NATO DBPS (see note on Related Parties).

Pension Adjustment

The recipient of a pension is entitled to an adjustment applying to the member country of the organisation in which the pension and adjustment relating thereto are chargeable to income taxes under the tax regulations in force in that country. This adjustment (sometimes referred to as "tax adjustment") concerns members of the NATO DBPS and of the DCPS. The adjustment equals 50% of the amount by which the recipient's pension would theoretically need to be increased, were the balance remaining after deduction of the amount of national income tax or taxes on the total to correspond to the amount of the pension calculated in accordance with the rules of the NATO DBPS or of the DCPS.

The adjustment is borne by the country in which the recipient is subject to taxes on income for the period considered and, therefore, separate accounts are drawn up for each individual country.

For practical reasons, the operations relating to the adjustment of pensions are included in the present financial statements.

A specific call for contributions is issued to the countries concerned.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Declaration of conformity

The financial statements of the NATO DCPS have been prepared in accordance with the NATO Financial Regulations and International Accounting Standard 26, "Accounting and Reporting by Retirement Benefit Plans". The NATO Accounting Framework, which is an adapted version of the International Public Sector Accounting Standards (IPSAS), does not have a specific standard for accounting and reporting by retirement benefit plans.

The accounting system currently used by the NATO DBPS is accrual based.

The financial statements summarise the transactions, net assets available for benefits and the changes in net assets available for benefits. In accordance with IAS 26 the actuarial present value of promised retirement benefits of the NATO DBPS is presented in Note 3.

Basis of presentation

The financial statements have been prepared on a going-concern basis: the NATO DBPS will continue in operation for the foreseeable future.

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The amounts shown in these financial statements are presented in EUR.

Changes in accounting policy

None in 2014.

Reclassification of financial statements of previous year

None in 2014.

Use of estimates

In the application of accounting policies judgments, estimates and assumptions are made about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates include, but are not limited to: the long term obligation of the NATO DBPS and receivables.

Foreign currency transactions

NATO entities pay their staff's contributions in various currencies (EUR mostly, GBP, USD, NOK, PLN and DKK) normally in the bank accounts denominated in the same currency. Contributions from the Nations to the pension budget are exclusively called in EUR at the year-end for the following year and received in the EUR bank account.

Benefits are paid in various currencies. Benefits are calculated by reference to salary scales applicable to the country of the staff member's last posting. However the staff member may opt for the scale applicable to another country if the former staff member settles subsequently: in a member country of one of the Coordinated Organisations of which he is a national, or in a member country of one of the Coordinated Organisations of which his spouse is a national, or in a country where he/she has served at least five years in one of the organisations of the Coordinated Organisations. As a consequence payments are made in the following currencies: EUR, AUD, CAD, CHF, DKK, GBP, NOK, NZD, SEK, THB, TRY and USD.

Foreign currency transactions are accounted for at the NATO exchange rates prevailing on the date of transactions. The monetary assets and liabilities at year-end are reported in EUR using the NATO rates of exchange that were applicable at year-end.

Gains and losses resulting from the settlement of such transactions and from the revaluation at the reporting dates of monetary assets and liabilities denominated in foreign currencies are recognized as expenses and revenues.

Cash and Cash equivalents

Cash and cash equivalents are defined as short-term assets. They include cash in banks, term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash.

Receivables

Receivables are stated at net realisable value. No allowance for loss is recorded for receivables relating to NATO bodies' statutory contributions or to national contributions.

Payables

Payables are amounts due to third parties based on rights acquired by staff or pensioners, or services provided that remain unpaid. This includes, as required, an estimate of the related accrued obligation for rights not liquidated, or services provided but not yet invoiced.

Financial instruments

The NATO DBPS uses only non-derivative financial instruments as part as its normal operations. These financial elements include bank accounts, deposit accounts, accounts receivable and provisions.

All the financial instruments are recognised in the statement of financial position at their fair value.

The maximum exposure as at 31 December 2014 is equal to the total amount of bank balances, short term deposits and receivables. There is very limited credit risk associated with the realization of these elements.

Credit risk

The NATO DBPS incurs credit risks from cash and cash equivalent held with banks and receivables.

Concerning cash and cash equivalent the NATO DBPS credit risk is managed by holding current bank accounts and short term highly liquid deposits that are readily convertible to a known amount of cash held a with registered banking institution with the following rating (short term).

ING Bank	Credit Ratings as at 31.12.2014			
	Fitch	S&P	Moody's	Date of last rating update
Short term	A+	A	A2	19.12.2014

Credit risk is managed by maintaining control procedures over receivables. These consist essentially of contributions due from NATO member countries. This risk is considered limited since these countries are generally considered creditworthy. Similarly, the risk linked to employer or staff contributions due from NATO bodies is considered limited since, with the exception of the Staff Centre, these bodies are directly funded by member Nations or indirectly in the case of customer funding.

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Currency risk

The NATO DBPS is exposed to foreign currency exchange risk arising from fluctuations in currency rates. The scheme receives contributions in EUR from member Nations. It receives mostly EUR but also GBP, USD, NOK, PLN and DKK from NATO bodies. As explained above, benefits due to participants in the scheme are in various currencies. Payments are made mainly in EUR (83%), GBP (8%), NOK (2%), USD (2%) and DKK (2%); the other currencies (AUD, CAD, CHF, NZD, SEK, THB, TRY) each represent less than 1%. Foreign currencies are purchased as needed on a monthly basis keeping foreign currency holdings at a minimum. There is therefore very little currency risk because cash and cash equivalent balances on bank accounts in foreign currencies are always a small percentage of the cash and equivalents.

Liquidity risk

A liquidity risk could arise from an unforeseen short term liquidity requirement. There is a very limited exposure to liquidity risk because contributions ensure funding commensurate with budgeted benefit disbursements and because member states jointly guarantee the funding of this pension scheme. Some limited risk could be due to the validity of forecasts used for the NATO DBPS budget formulation. However, past history shows that this process results in surpluses.

The outflows of cash follow fairly regular paths and so do the staff and employer contributions but the latter are of a smaller amount. While the timing of member Nations' contributions is not entirely predictable, staff and employer contributions as well as benefit outflows are very stable. The budgetary surplus shields NATO DBPS from liquidity risk.

Interest rate risk

The scheme is restricted from entering into borrowings and investments and, therefore, there is no identified interest rate risk.

NOTE 3: ACTUARIAL VALUATION

The new DCPS was created on 1 July 2005 and thereafter the NATO DBPS was closed to new entrants.

An actuarial study was conducted in 2015 by the OECD International Service for Remunerations and Pensions (ISRP).

The evaluation of the situation end 2014, further to the study conducted in 2015, results in a present value of the NATO DBPS obligation of MEUR 6,169 at year end 2014 (including MEUR 39.7 inward transfer of pension rights). The previous evaluation was MEUR 4,563 (including MEUR 39 inward transfer of pension rights).

The methodology is based on the Projected Unit Credit Approach, the method recognised by the IFRS/IPSAS standards.

Endogenous assumptions taken into account are:

- Probability that a staff member leaves the Organisation, retires, or becomes invalid.
- Annual salary increase and impact due to career progression (0.27% above inflation)

Exogenous assumptions taken into account are:

- Discount rate in nominal value for pensions: 1.33%
- Price inflation in the long run: 2%
- Rates of mortality for both active staff and pensioners.

The previous actuarial study dated from 2014 estimated the value of the obligation at the end of 2013 at MEUR 4,525 (excluding inward transfers of rights). The current projection of this liability at the end of 2014 can be obtained as follows:

(amounts in MEUR – excluding transfers of pension rights)

Evaluation of the obligation at year end 2013	(a)	4,525
Benefits paid	(b)	134
Interest costs	(c)	123
Current service costs	(d)	129
Obligation at year end 2013 projected into 2014	(e)=(a-b+c+d)	4,643
Actuarial loss (gain) on obligation	(e-f)	1,428
Evaluation of obligation at year end 2014	(f)	6,129

The actuarial loss, i.e. the difference between the obligation of 2013 projected into 2014 resulting from the previous study and the obligation estimated at year end 2014 by the new study, is MEUR 1,428. The actuarial loss represents 32% of the obligation projected into 2014. The sharp decrease of the discount rate used for the calculations explains most (96%) of this actuarial loss.

Assumptions taken into account in the previous actuarial study were:

Discount rate for pensions: 2.77%

Price inflation: 2%

Future salary increase: 0.27% above inflation

By definition actuarial valuations are largely dependent on the exogenous and endogenous parameters. Therefore any changes to the latter can result in material changes to the final evaluation of the obligation. In this case, the discount rate was changed, by 144 basis points, from 2.77% to 1.33%.

The discount rate refers to market yields on high quality corporate bonds. For the purpose of this actuarial study, in the absence of a market for Eurozone corporate bonds with maturities longer than 18 years, the Euro area government bond yield curve was used instead as a reference to discount the liabilities of the DBPS. This resulted in the discount rate of 1.33%, compared to the previous 2.77%.

Use of the ever-changing market value reference discount rate is likely to result in substantial changes of the actuarial valuation. Considering that the present interest rates used for the actuarial study are historically low, the use of a higher discount rate in the future would result in a decrease in the valuation of the liability.

The present actuarial study has used a new mortality table developed jointly by ISRP and EUROSTAT (ICSLT2013). It is based on data covering several international organizations in Europe, including NATO and the European Union.

Any potential liabilities regarding medical expenses for present and future pensioners are reported in the financial statements of the RMCF.

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There could be an additional long term obligation in relation to the adjustment of pensions for countries in which pensions are subject to national tax legislation. This obligation is not an obligation of the NATO DBPS and, therefore, it is not reported here.

NOTE 4: CASH AND CASH EQUIVALENTS

Payments are made in the following currencies: EUR, AUD, CAD, CHF, DKK, GBP, NOK, NZD, SEK, TRY and USD. Separate bank accounts are held in various currencies in order to ensure such payments and the table below provides the breakdown by currency of bank holdings at year end.

BANK HOLDINGS :		31 December 2014		
		CURRENCIES	EUR	EUR
(Current accounts)				
ING (Brussels)	AUD	15,653	10,396	
ING (Brussels)	EUR		92,013,336	
ING (Brussels)	CAD	98,084	69,691	
ING (Brussels)	CHF	117,589	96,693	
ING (Brussels)	DKK	756,302	99,938	
ING (Brussels)	GBP	301,023	357,043	
ING (Brussels)	NOK	6,471,804	718,610	
ING (Brussels)	USD	282,996	229,873	
ING (Brussels) Namsa	EUR		58,831	
Sub-total :				93,654,411.86
(Short term deposits)				
ING (Brussels) Business acc.	EUR		19,750,000	
Sub-total :				19,750,000.00
TOTAL :				113,404,411.86

BANK HOLDINGS :		31 December 2013		
		CURRENCIES	EUR	EUR
(Current accounts)				
ING (Brussels)	AUD	35,483	22,973	
ING (Brussels)	EUR		53,967,278	
ING (Brussels)	CAD	162,003	112,690	
ING (Brussels)	CHF	154,561	124,205	
ING (Brussels)	DKK	837,781	110,705	
ING (Brussels)	GBP	413,345	490,268	
ING (Brussels)	NOK	5,585,438	670,440	
ING (Brussels)	USD	163,134	120,438	
ING (Brussels) Namsa	EUR		58,589	
Sub-total :				55,677,587.41
(Short term deposits)				
ING (Brussels) Business acc.	EUR		19,750,000	
Sub-total :				19,750,000.00
TOTAL :				75,427,587.41

Cash is held on account of third parties in the amount of EUR 58,831 (EUR 58,589 end 2013). These funds belong to Nations, members of former NAMSAs (now NSPAs), who decided that amounts credited to them further to the transfer of staff from the Provident Fund to the DBPS (validation costs) would be kept at their disposal. Five Nations are concerned. These funds are typically used to fund part of their budgetary contributions to the DBPS.

The increase in the level of cash holdings can be explained by early contributions by Nations.

NOTE 5: STAFF MEMBER CONTRIBUTIONS

As of 1 January 2010, contributions to the NATO DBPS from serving staff were 9% of their basic salary. Staff member contributions are paid monthly by the NATO payroll centres. The decrease in staff member contributions between 2013 and 2014 is explained by the reduction in the number of contributing staff, as newly recruited staff are members of the DCPS.

Outstanding amounts are contributions due on staff salaries for December from several NATO entities, which were all received in early 2015.

NOTE 6: EMPLOYER CONTRIBUTIONS

Employer contributions are due from the following NATO bodies: MSIAC, FORACS, NAGSMA, the NATO BICES Agency, the New NATO Headquarters Project Office and the NATO Headquarters Staff Centre. Employer contributions are paid monthly.

Outstanding amounts are essentially employer contributions due by the NATO Headquarters Staff Centre. No employer contributions have been made by the Staff Centre since 2001 (employee contributions were paid). A recovery plan was established in 2011 and the Staff Centre reimburses EUR 25,000 per month (EUR 300,000 per annum) which is about 50% more than its annual dues. According to the plan the full amount will be repaid by 2021.

NOTE 7: NATIONS' CONTRIBUTION

Contributions due from NATO member Nations to fund the NATO DBPS of a given budget year are called towards the end of the preceding year. In accordance with Article 15.5 of the NATO Financial Regulations, amounts called are to be paid in principle within a period of one month after receipt of the request. Amounts recognised are those amounts effectively called.

An amount of EUR 127,423,000 was called in late 2014 (EUR 120,735,000 in 2013), as an advance on the next year's pension budget. EUR 30,623,000 was for the Civil Budget and EUR 96,800,000 for the Military Budgets (in 2013, EUR 29,935,000 was for the 2014 Civil Budget and EUR 90,800,000 for the 2014 Military Budgets). These amounts correspond to the 2015 initially approved budgets including any frozen credits. Further adjustments done in the course of the budget year such as budget revisions are taken into account with the next call for contributions (i.e. in the following year).

Each annual call takes into account the previous year's surplus or deficit. The 2014 call was reduced by the 2013 surplus of EUR 2,301,864.90 (EUR 4,633,989.76 for 2012). Of the 2013 surplus, EUR 2,547,178.47 pertained to the Military Pensions Budget, offset by a deficit of EUR 245,313.57 for the Civil Pensions Budget. The deficit was the consequence of an underestimation of 2013 Civil Pensions expenses. A further adjustment was related to the EUR 250,000 downward revisions of the 2014 Civil Pensions Budget which occurred in the course of the year. Therefore the net amounts called from Nations in 2014 were EUR 30,733,199.57 for the Civil Pensions Budget and EUR 94,497,025.53 for the Military Pensions Budget.

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Uncollected budgetary contributions from Nations amounted to EUR 55,842,803.49 at year end 2014 (EUR 85,093,448.47 at year end 2013) and relate mainly to the call for the 2015 pension budget. End 2014, there were no contributions due for earlier budget years.

NOTE 8: PENSION ADJUSTMENT

For practical reasons, the operations relating to the adjustment of pensions are included in the present financial statements. Members of the DCPS are also entitled to such an adjustment. DCPS related payments are a very small fraction of the total (KEUR 42 in 2014 out of a total of EUR 20.9 million) and were advanced by the DCPS.

The adjustment is paid monthly by way of advance at the same time as the pension.

The table below provides the breakdown of actual payments by country.

(CPR - ANNEX IV Chapter X, art. 42)	2014	2013
ALBANIA	0.00	0.00
BELGIUM	9,737,001.00	9,194,001.00
BULGARIA	0.00	0.00
CANADA	182,902.76	141,211.93
CZECH REPUBLIC	0.00	0.00
CROATIA	0.00	0.00
DENMARK	644,202.22	675,167.07
ESTONIA	0.00	0.00
FRANCE	1,582,755.00	1,514,565.00
GERMANY	1,421,551.00	1,309,756.00
GREECE	190,297.00	166,554.00
HUNGARY	0.00	0.00
ICELAND	0.00	0.00
ITALY	1,911,717.00	1,774,607.00
LATVIA	0.00	0.00
LITHUANIA	0.00	0.00
LUXEMBOURG	1,008,653.00	937,935.00
NETHERLANDS	2,058,455.00	1,945,011.00
NORWAY	507,281.74	549,504.22
POLAND	0.00	0.00
PORTUGAL	126,935.00	110,610.00
ROMANIA	0.00	0.00
SLOVAKIA	0.00	0.00
SLOVENIA	0.00	0.00
SPAIN	263,388.00	215,147.00
TURKEY	0.00	0.00
UNITED KINGDOM	1,018,465.00	871,084.05
UNITED STATES	283,793.49	208,115.43
TOTAL :	20,937,397.21	19,613,268.70

Contributions due by Nations concerned to fund the Pension Adjustment of a given budget year are called towards the end of the preceding year. In accordance with Article 15.5 of the NATO Financial Regulations, amounts called are to be paid in principle within one month after receipt of the request. Amounts recognised are those amounts effectively called.

An amount of EUR 21,238,600 was called in late 2014 (EUR 18,844,400 in 2013), as an advance on the next year's payments of the pension adjustment.

Receivables from Nations as contributions to fund the adjustment of pensions amounted to EUR 21,396,246.84 as at 31 December 2014 (EUR 18,824,324.79 as at 31 December 2013). Of the advance called in late 2014 for the 2015 pension adjustments, EUR 17,218,989.00 was outstanding as of 31 December 2014 (EUR 12,683,700.00 was outstanding as of 31 December 2013). An amount of EUR 2,091,366.21 corresponding to the difference between amounts called for 2014 and actual 2014 payments is to be called in 2015 as a regularisation. An amount of EUR 2,091,404.63 corresponds to amounts due in relation to prior fiscal years (before 2014), part of which was called in late 2014 as a regularisation of 2013 operations. Regarding calls issued before 2014, the outstanding amount was EUR 214,853.59

NOTE 9: CREDIT FOR PAST SERVICE TO BE REFUNDED BY STAFF

This relates to amounts due from staff who had left the Organisation and were paid a leaving allowance but who were later re-employed by the Organisation. Said staff members must reimburse the leaving allowance through monthly instalments.

NOTE 10: ADVANCE TO THE DCPS

Advances were made in the past to the DCPS to allow for the timely payment of annuities due to DCPS retirees. These were reimbursed in 2012.

NOTE 11: OTHER RECEIVABLES

These are essentially accrued interest (EUR 190,220.55) and miscellaneous amounts to be regularised (for instance linked to successions further to the death of beneficiaries).

NOTE 12: OTHER LIABILITIES

These correspond to amounts relating to bank fees (EUR 15,863.95), life insurance capital due (EUR 191,204.97) and other miscellaneous amounts due to be regularised.

This item also includes funds held on behalf of certain Nations corresponding to their share of former NAMSA (now NSPA) staff members' validation costs (EUR 58,831.41). When the DBPS was established, staff who decided to transfer from the Provident Fund had to return the value of their accounts to the DBPS. The related holdings were returned to the Nations but certain Nations decided to keep the funds in the DBPS accounts.

NOTE 13: NET ASSETS AVAILABLE FOR BENEFITS

The net assets available for benefits at year-end correspond essentially to the surplus linked to the budgetary process, the inward transfer of pension rights (Note 15) and the amounts corresponding to the credit for past service due by staff (Note 9). As explained in the introductory note on the funding of the DBPS, contrary to most, if not all, of the other Co-ordinated Organisations, NATO has not set aside funds to be invested to fund future costs and, therefore, NATO's funding of the Co-ordinated Pension Scheme is on a pay-as-you-go basis.

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(amounts in EUR)

	2014	2013
End of year surplus	3,940,618.65	2,301,864.90
Inward transfer of pension rights	39,739,649.79	39,410,662.56
Credit for past services	76,037.39	83,989.91
TOTAL :	43,756,305.83	41,796,517.37

The change between 2013 and 2014 is mainly due to an increase in the budget surplus.

The surplus at year-end is the difference between the final approved budgets and actual amounts required to ensure the payment of benefits due for the period covered by these financial statements. It therefore normally contains excess funding from Nations. The surplus is due to the budgetary context under which the NATO DBPS operates and normally results from prudent estimation of the net funding requirements and unforeseen net revenue (such as the net result from interest revenue, foreign exchange profit and loss, bank charges and other miscellaneous income and expenditure).

This surplus is not invested into a fund from which future benefits would be paid: it is returned to contributing Nations. The surplus is taken into account, as a deduction, in the assessment of the net contributions to be called from member Nations for the budgets of the second year after the reporting period (e.g. the surplus end of 2014 will be returned to Nations with the call for the 2016 budget to be issued end 2015). In accordance with NATO Financial Regulations, under the direction of the NAC, some Nations decided on an individual basis to use their share of the 2014 surplus to offset part of the contributions owed by them to fund the financial consequences of the claim related to the New NATO Headquarters project.

	CURRENT YEAR	PREVIOUS YEAR
	TOTAL	TOTAL N-1
Final Approved Budget (a)	120,485,000.00	111,587,000.00
Actual Funding Requirement (b)	116,544,381.35	109,285,135.10
Surplus (a) - (b)	3,940,618.65	2,301,864.90

NOTE 14: INTEREST EARNED AND BANK CHARGES

This corresponds to expenses and revenues related to financial operations, interest earned on cash holdings and bank charges paid on transactions.

NOTE 15: INWARD TRANSFER OF PENSION RIGHTS FROM PENSION SYSTEMS

The NATO Civilian Personnel Regulations (Annex IV, Article 12) provide that staff may, under certain circumstances, arrange for payment to the Organisation of any amounts corresponding to the retirement pension rights accrued under the pension scheme to which the staff member was previously affiliated in so far as that scheme allows such a transfer. Agreements can be signed with other pension systems to establish the conditions under which such transfers apply to staff in given conditions.

For the individuals concerned, the related amount is converted into a number of years of reckonable service with which the staff member concerned has been credited under his/her own pension scheme.

In 2009, the Belgian Authorities allowed such inward transfers to NATO and accordingly gave the then-active staff a limited period of time, from 1 December 2009 to 31 May 2010, to make their request. For 2010 and 2011, the Belgian "Office National des pensions" was the sole case concerned, with contributions amounting to respectively EUR 22.507 million and EUR 10.914 million. As of 31 December 2013, NATO-IS OFC had received EUR 36.025 million from the Belgian "Office National des Pensions" (EUR 35.714 million as of end 2012, EUR 33.422 million as of 31 December 2011). No contributions were received in 2014.

In 2012, the inward transfers received amounted to EUR 3.294 million, with the main contributions coming from the following national pension systems: Belgium (EUR 2.291 million), Greece (EUR 0.471 million), the Netherlands (EUR 0.369 million) and Luxemburg (0.072 million).

In 2013, the inward transfers received amounted to EUR 2.694 million, with the main contributions coming from the following national pension systems: Belgium (EUR 0.311 million), Greece (EUR 0.232 million), the Netherlands (EUR 2.026 million) and Luxemburg (0.124 million).

In 2014, the inward transfers received amounted to EUR 0.329 million, with the main contributions coming from the following pension systems: Greece (EUR 0.191 million), the Netherlands (EUR 0.034 million) and International Organisations (0.103 million).

In consideration of the fact that this inward transfer of rights has been evaluated at the actuarial value of future benefits due to the concerned staff, the corresponding amount has been considered as a net asset available for future benefits. It has also been included in the actuarial value of the future obligation of the NATO DBPS.

The Budget Committee approved, per BC-DS(2011)0055, that the related budgetary receipts be applied not as a lump sum to the current year but rather spread over time and should offset expenses when they occur.

NOTE 16: OTHER INCREASES IN NET ASSETS

This corresponds mainly to income related to the pension costs component of fees charged by NCIA to non-NATO or single nation customers.

NOTE 17: PENSIONS AND LEAVING ALLOWANCES

The table below provides a breakdown of payments according to the kind of pensions paid.

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	I.S.	MILITARY BUDGET	TOTAL	I.S. N-1	MILITARY BUDGET N-1	TOTAL N-1
PAYMENTS / PAIEMENTS						
Retirement Pensions / Pensions d'Ancienneté	21,912,496.67	63,847,600.83	85,760,097.50	20,755,398.05	59,905,034.54	80,660,432.59
Survivor's Pensions / Pensions de Survie	5,045,338.60	14,048,388.35	19,093,726.95	4,933,871.16	13,630,971.82	18,564,842.98
Orphan's Pensions / Pensions d'Orphelins	188,006.37	616,990.81	804,997.18	215,800.80	646,959.65	862,760.45
Invalidity Pensions / Pensions d'Invalidité	4,588,482.83	14,300,963.09	18,889,445.92	4,476,865.28	14,285,340.67	18,762,205.95
Family Allowances / Allocations Familiales	1,461,239.35	5,265,818.11	6,727,057.46	1,415,059.17	5,194,043.21	6,609,102.38
Leaving Allowances / Allocations de Départ	463,148.28	2,479,028.84	2,942,177.12	408,085.84	3,117,196.82	3,525,282.66
Validation costs paid / Coûts de validation payés	7,530.38	0.00	7,530.38	45,437.78	0.00	45,437.78
Miscellaneous / Divers	0.00	111,368.00	111,368.00	0.00	0.00	0.00
TOTAL PAYMENTS / TOTAL PAIEMENTS	33,666,242.48	100,670,158.03	134,336,400.51	32,250,518.08	96,779,546.71	129,030,064.79
RECEIPTS / RECETTES						
Contributions 9%	3,987,763.42	13,497,504.61	17,485,268.03	4,294,723.63	14,616,046.65	18,910,770.28
Employer's Contribution / Contributions Employeur	112,331.10	149,849.46	262,180.56	118,815.20	147,783.72	266,598.92
Insurer's Contribution / Contributions Assureur	0.00	0.00	0.00	0.00	0.00	0.00
Validation costs received / Coûts de validation reçus	7,952.52	0.00	7,952.52	22,779.93	1,528.66	24,308.59
Interests, P/L Exchange / Intérêts, P&P sur change	-39,541.58	-126,905.54	-166,447.12	18,334.13	61,405.54	79,739.67
Miscellaneous / Divers	29,331.63	38,291.16	67,622.79	7,732.82	269,960.61	277,693.43
Contributions 18% due by Staff center	135,442.38	0.00	135,442.38	185,818.80	0.00	185,818.80
TOTAL RECEIPTS / TOTAL RECETTES	4,233,279.47	13,558,739.69	17,792,019.16	4,648,204.51	15,096,725.18	19,744,929.69
Funding Requirement / Besoin de financement	29,432,963.01	87,111,418.34	116,544,381.35	27,602,313.57	81,682,821.53	109,285,135.10

NOTE 18: CONTINGENT ASSETS

Nothing to report.

NOTE 19: CONTINGENT LIABILITIES

There are no material contingent liabilities arising from legal actions and claims that are likely to result in significant liability to the NATO DBPS.

NOTE 20: SEGMENT INFORMATION

Although there are only two main sources of funding (Civil Budget and Military Budgets), each of the NATO bodies has its own individual funding cost share which is taken into account when calculating the final contributions for each individual country. Segment information is developed in the following tables to show income and expenditure by NATO body (i.e. the NATO body which was the last employer of the retired staff member on the expense side, and the NATO body which is currently employing the contributing staff member on the revenue side).

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										(In / en EUR)
	I.S.	NAPMA	BGOH / NHMO	BGOH / NHMO	BGOH / NHMO	CEPMA	NAHEMA	NAMEADSMA		SOUS-TOTAL
	(28 N)	(13 N)	(9 N)	(8 N)	(2 N)	(8 N)	(4 N)	(2 N)		SUB-TOTAL
PAYMENTS / PAIEMENTS										
Retirement Pensions / Pensions d'Ancienneté	21,912,496.67	1,413,652.53	1,239,758.41	33,750.65	292,949.34	1,857,185.83	22,537.08	0.00		26,772,330.51
Survivor's Pensions / Pensions de Survie	5,045,338.60	227,771.47	617,702.69	10,394.67	11,480.36	788,830.80	0.00	0.00		6,701,518.59
Orphan's Pensions / Pensions d'Orphelins	188,006.37	0.00	0.00	0.00	0.00	0.00	27,798.00	0.00		215,804.37
Invalidity Pensions / Pensions d'Invalidité	4,588,482.83	410,158.38	250,901.33	5,915.72	108,935.94	112,358.30	0.00	0.00		5,476,752.50
Family Allow ances / Allocations Familiales	1,461,239.35	141,099.03	86,254.20	3,547.97	44,881.77	99,894.04	2,310.36	0.00		1,839,226.72
Leaving Allow ances / Allocations de Départ	463,148.28	218,398.76	0.00	0.00	0.00	0.00	0.00	0.00		681,547.04
Validation costs paid / Coûts de validation payés	7,530.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00		7,530.38
Miscellaneous / Divers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
TOTAL PAYMENTS / TOTAL PAIEMENTS	33,666,242.48	2,411,080.17	2,194,616.63	53,609.01	458,247.41	2,858,268.97	52,645.44	0.00		41,694,710.11
RECEIPTS / RECETTES										
Contributions 9%	3,987,763.42	0.00	0.00	0.00	0.00	0.00	10,125.50	8,885.97		4,006,774.89
Employer's Contribution / Contributions Employeur	112,331.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00		112,331.10
Insurer's Contribution / Contributions Assureur	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Validation costs received / Coûts de validation reçus	7,952.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00		7,952.52
Interests,P/L Exchange / Intérêts,P&P sur change	-39,541.58	0.00	0.00	0.00	0.00	0.00	-89.08	-78.17		-39,708.83
Miscellaneous / Divers	29,331.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00		29,331.63
Contributions 18% due by Staff center	135,442.38									135,442.38
TOTAL RECEIPTS / TOTAL RECETTES	4,233,279.47	0.00	0.00	0.00	0.00	0.00	10,036.42	8,807.80		4,252,123.69
Funding Requirement / Besoin de financement	29,432,963.01	2,411,080.17	2,194,616.63	53,609.01	458,247.41	2,858,268.97	42,609.02	-8,807.80		37,442,586.42

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											(In / en EUR)
	IMS		EX-NACISA	NC3A	NA MMA	NEFMA	NETMA	CEPMA	CEPMA	CEPMA	SOUS-TOTAL
	("27" N)	(28 N)	(14 N)	(28 N)	(3 N)	(4 N)	(4 N)	(7 N)	(6 N)	(5 N)	SUB-TOTAL
PAYMENTS / PAIEMENTS											
Retirement Pensions / Pensions d'Ancienneté	783,820.28	3,518,614.63	1,071,744.31	6,837,465.27	27,498.31	79,878.48	502,443.24	136,357.75	11,166.70	3,722.24	39,745,041.72
Survivor's Pensions / Pensions de Survie	329,007.77	549,686.72	361,415.92	446,948.02	77,673.84	72,365.76	152,263.00	0.00	0.00	0.00	8,690,879.62
Orphan's Pensions / Pensions d'Orphelins	29,448.50	0.00	0.00	38,944.08	0.00	0.00	0.00	0.00	0.00	0.00	284,196.95
Invalidity Pensions / Pensions d'Invalidité	84,741.80	351,688.63	35,066.38	943,953.35	76,978.44	83,317.44	165,994.32	53,901.84	52,189.20	17,396.40	7,341,980.30
Family Allowances / Allocations Familiales	43,628.88	226,561.86	72,699.05	499,033.85	2,461.79	7,890.72	24,322.16	11,418.90	2,749.99	916.70	2,730,910.62
Leaving Allowances / Allocations de Départ	0.00	0.00	0.00	1,553,492.15	0.00	0.00	0.00	0.00	0.00	0.00	2,235,039.19
Validation costs paid / Coûts de validation payés	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,530.38
Miscellaneous / Divers	0.00	0.00	0.00	0.00	0.00	0.00	111,368.00	0.00	0.00	0.00	111,368.00
TOTAL PAYMENTS / TOTAL PAIEMENTS	1,270,647.23	4,646,551.84	1,540,925.66	10,319,836.72	184,612.38	243,452.40	956,390.72	201,678.49	66,105.89	22,035.34	61,146,946.78
RECEIPTS / RECETTES											
Contributions 9%	0.00	632,197.34	0.00	0.00	0.00	0.00	16,928.88	0.00	0.00	0.00	4,655,901.11
Employer's Contribution / Contributions Employeur	0.00	129,798.18	0.00	20,051.28	0.00	0.00	0.00	0.00	0.00	0.00	262,180.56
Insurer's Contribution / Contributions Assureur	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Validation costs received / Coûts de validation reçus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,952.52
Interests, P/L Exchange / Intérêts, P&P sur change	-95.41	-6,703.45	0.00	-508.16	0.00	0.00	-148.93	0.00	0.00	0.00	-47,164.78
Miscellaneous / Divers	0.00	0.00	0.00	37,712.49	0.00	0.00	0.00	0.00	0.00	0.00	67,044.12
Contributions 18% due by Staff center											135,442.38
TOTAL RECEIPTS / TOTAL RECETTES	-95.41	755,292.07	0.00	57,255.61	0.00	0.00	16,779.95	0.00	0.00	0.00	5,081,355.91
Funding Requirement / Besoin de financement	1,270,742.64	3,891,259.77	1,540,925.66	10,262,581.11	184,612.38	243,452.40	939,610.77	201,678.49	66,105.89	22,035.34	56,065,590.87

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	ACO - ACT				NAMSA	NAMA	NCIA	NSPA		(In / en EUR)
	(17 N)	(18 N)	("27" N)	(28 N)	(25 N)	(12 N)				TOTAL
PAYMENTS / PAIEMENTS										
Retirement Pensions / Pensions d'Ancienneté	6,240,931.34	0.00	21,977,673.39	2,646,863.52	15,149,587.53	0.00	0.00	0.00		85,760,097.50
Survivor's Pensions / Pensions de Survie	1,303,934.63	0.00	5,645,628.60	426,431.84	3,026,852.26	0.00	0.00	0.00		19,093,726.95
Orphan's Pensions / Pensions d'Orphelins	42,615.12	0.00	177,438.38	26,540.64	274,206.09	0.00	0.00	0.00		804,997.18
Invalidity Pensions / Pensions d'Invalidité	5,660,770.46	0.00	2,297,797.43	180,689.61	3,408,208.12	0.00	0.00	0.00		18,889,445.92
Family Allow ances / Allocations Familiales	1,001,089.25	0.00	1,586,368.22	216,939.13	1,191,750.24	0.00	0.00	0.00		6,727,057.46
Leaving Allow ances / Allocations de Départ	339,060.69	0.00	0.00	0.00	368,077.24	0.00	0.00	0.00		2,942,177.12
Validation costs paid / Coûts de validation payés	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		7,530.38
Miscellaneous / Divers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		111,368.00
TOTAL PAYMENTS / TOTAL PAIEMENTS	14,588,401.49	0.00	31,684,906.02	3,497,464.74	23,418,681.48	0.00	0.00	0.00		134,336,400.51
RECEIPTS / RECETTES										
Contributions 9%	2,373,774.80	36,667.28	0.00	2,366,842.40	0.00	0.00	4,394,191.40	3,657,891.04		17,485,268.03
Employer's Contribution / Contributions Employeur	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		262,180.56
Insurer's Contribution / Contributions Assureur	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Validation costs received / Coûts de validation reçus	0.00	0.00	0.00	0.00	0.00	0.00	30.87	0.00		7,952.52
Interests, P/L Exchange / Intérêts, P&P sur change	-26,950.59	-322.57	-288.33	-20,821.29	-94.16	0.00	-38,656.97	-32,179.30		-166,447.12
Miscellaneous / Divers	578.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00		67,622.79
Contributions 18% due by Staff center										135,442.38
TOTAL RECEIPTS / TOTAL RECETTES	2,347,402.88	36,344.71	-288.33	2,346,021.11	-94.16	0.00	4,355,565.30	3,625,711.74		17,792,019.16
Funding Requirement / Besoin de financement	12,240,998.61	-36,344.71	31,685,194.35	1,151,443.63	23,418,775.64	0.00	-4,355,565.30	-3,625,711.74		116,544,381.35

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NOTE 21: BUDGET EXECUTION

Presently the NATO DBPS budgets are not made available to the public. The following table compares approved budgets and actuals.

	Initial Budget	Revised Budget	Actuals	Difference
	(a)	(b)	(c)	(b-c)
CIVIL BUDGET				
PAYMENTS / PAIEMENTS				
Retirement Pension / Pension d'Ancienneté	22,055,000	22,055,000	21,912,496.67	142,503.33
Survivor Pension / Pension de Survie	5,043,000	5,043,000	5,045,338.60	-2,338.60
Orphans Pension / Pension d'Orphelins	219,000	219,000	188,006.37	30,993.63
Invalidity Pension / Pension d'Invalidité	4,522,000	4,660,000	4,588,482.83	71,517.17
Family Allowance / Allocations Familiales	1,487,000	1,487,000	1,461,239.35	25,760.65
Leaving Allowance / Allocations de Départ	800,000	470,000	463,148.28	6,851.72
Validation Costs Paid / Coûts de Validation payés	0.00	0	7,530.38	-7,530.38
Miscellaneous / Divers			0.00	0.00
Total Payments / Paiements	34,126,000.00	33,934,000.00	33,666,242.48	267,757.52
RECEIPTS / RECETTES				
Staff Contributions / Contributions des Agents	4,077,000	4,069,000	3,987,763.42	81,236.58
Employer Contributions / Contributions de l'Employeur	114,000	108,000	112,331.10	-4,331.10
Validation Costs Received / Coûts de Validation reçus	0	0	7,952.52	-7,952.52
Interests, Profit & Loss / Intérêts, Pertes & Profits	0	72,000	-39,541.58	111,541.58
Miscellaneous / Divers	0	0	29,331.63	-29,331.63
Contributions due by Staff Center	0.00	0	135,442.38	-135,442.38
Total Receipts / Recettes	4,191,000.00	4,249,000.00	4,233,279.47	15,720.53
Funding Requirement / Besoin de financement	29,935,000.00	29,685,000.00	29,432,963.01	252,036.99
MILITARY BUDGETS				
PAYMENTS / PAIEMENTS				
Retirement Pension / Pension d'Ancienneté	64,500,000	64,500,000	63,847,600.83	652,399.17
Survivor Pension / Pension de Survie	14,600,000	14,600,000	14,048,388.35	551,611.65
Orphans Pension / Pension d'Orphelins	700,000	700,000	616,990.81	83,009.19
Invalidity Pension / Pension d'Invalidité	15,300,000	15,300,000	14,300,963.09	999,036.91
Family Allowance / Allocations Familiales	5,500,000	5,500,000	5,265,818.11	234,181.89
Leaving Allowance / Allocations de Départ	4,000,000	4,000,000	2,479,028.84	1,520,971.16
Validation Costs Paid / Coûts de Validation payés	0	0.00	0.00	0.00
Miscellaneous / Divers	0.00	0.00	111,368.00	-111,368.00
Total Payments / Paiements	104,600,000.00	104,600,000.00	100,670,158.03	3,929,841.97
RECEIPTS / RECETTES				
Staff Contributions / Contributions des Agents	13,100,000	13,100,000	13,497,504.61	-397,504.61
Employer Contributions / Contributions de l'Employeur	100,000	100,000	149,849.46	-49,849.46
Validation Costs Received / Coûts de Validation reçus	300,000	300,000	0.00	300,000.00
Interests, Profit & Loss / Intérêts, Pertes & Profits	100,000	100,000	-126,905.54	226,905.54
Miscellaneous / Divers	200,000.00	200,000.00	38,291.16	161,708.84
Total Receipts / Recettes	13,800,000.00	13,800,000.00	13,558,739.69	241,260.31
Funding Requirement / Besoin de financement	90,800,000.00	90,800,000.00	87,111,418.34	3,688,581.66
TOTAL CIVIL + MILITARY BUDGETS				
TOTAL Funding Requirement	120,735,000.00	120,485,000.00	116,544,381.35	3,940,618.65

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The "actual amounts" referred to by IPSAS 24 ("amounts that result from execution of the budget") are considered to be the commitment of credits. In the case of the NATO DBPS there are no differences between the budget and accounting bases. The notion of commitments used for the NATO DBPS budget execution corresponds to expenses incurred during the course of the year. In this respect the NATO DBPS budget should be considered as prepared and executed on an accrual basis. There are no timing or entity differences.

DBPS funding requirement credits for 2014 for the Civil Budget and the Military Budgets were initially approved at, respectively, EUR 29,935,000 and EUR 90,800,000. The Civil Budget component was revised in the course of the year to EUR 29,685,000. As a consequence, a reduction to the call issued to Nations end 2014 was made in the amount of EUR 250,000.

The difference between approved budgets and actual expenditures is in the Military Budgets and concerns leaving allowances (due to the difficulty of accurately predicting the number, grade and seniority of staff entitled to leaving allowances in a given year) and invalidity pensions (due to the difficulty of anticipating the causative events).

With regard to receipts, the main difference between approved budgets and actuals concerns staff contributions. Newly recruited staff are automatically members of the DCPS. As a consequence, the number of staff contributing to the NATO DBPS is declining. The impact of this trend has proven difficult to forecast.

For the first time bank costs and foreign exchange losses were more than bank interest and foreign exchange gains, resulting in net financial costs of EUR 166,447.12.

The difference between the overall final funding requirement estimate (budget) for 2014 of EUR 120,485,000 and the actual amount of EUR 116,544,381.35 amounted to EUR 3,940,618.65 (EUR 2,301,862.90 in 2013) and constitutes the 2014 surplus reimbursable to Nations. It will be returned to Nations with the call to be issued end 2015. This surplus is higher than that of the previous year (EUR 2.302 million) and smaller on average than in preceding years (EUR 4,633,989.76 in 2012, EUR 2,969,250.65 in 2011, EUR 6.498 million in 2010 and EUR 12.962 million in 2009).

NOTE 22: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

During 2014 there have been the following related party transactions:

Administrative Expenses

Administrative expenses in relation to the NATO DBPS are not recognised in these financial statements.

The administrative expenses related to the management of the scheme by NATO IS are estimated at EUR 457,000 for 2014 (EUR 454,000 for 2013). This includes miscellaneous operating costs and the personnel costs of the full time equivalent of 4.5 staff from the Office of Financial Control and the Human Resources Pension Unit.

NATO's contribution towards the annual administrative costs of the International Service for Remunerations and Pensions (ISRP which took over, among others, the activities of the former Joint Pensions Administrative Section) paid to the OECD was EUR 128,919 in 2011.

No similar breakdown for subsequent years has been provided but the amount is estimated to be of the same order of magnitude in 2014.

These administrative expenses are charged to the NATO Civil Budget, which includes the IS. In the framework of the Administrative Support Costs process applied by NATO IS to all of the other NATO bodies to which such kind of services are provided, NATO-IS charges these expenses to the other individual NATO bodies in proportion to the number of NATO established posts. The related income is returned to NATO member Nations as a deduction to the Civil Budget contributions called from them.

For the purposes of these financial statements, Key Management Personnel are considered to be the NATO-IS Assistant Secretary General for Executive Management and the Financial Controller. Their remuneration is totally covered by the NATO International Staff.

NOTE 23: STATISTICAL INFORMATION

The following table provides information concerning the number of beneficiaries in the NATO Coordinated Pension Scheme.

Year	Retirement Pension	Survivor and Reversion Pensions	Orphan and Dependant Pensions	Invalidity Pensions	Total
1995	830	330	88	155	1,403
1996	878	340	91	168	1,477
1997	926	374	97	188	1,585
1998	967	395	98	202	1,662
1999	1,020	409	104	224	1,757
2000	1,096	424	96	229	1,845
2001	1,134	432	102	248	1,916
2002	1,187	448	98	275	2,008
2003	1,243	461	103	293	2,100
2004	1,344	479	96	313	2,232
2005	1,417	500	99	336	2,352
2006	1,469	515	96	379	2,459
2007	1,548	515	90	406	2,559
2008	1,629	523	77	419	2,648
2009	1,715	537	79	452	2,783
2010	1,838	543	71	472	2,924
2011	1,950	561	68	480	3,059
2012	2,022	594	72	479	3,167
2013	2,149	609	64	491	3,313
2014	2,272	624	59	470	3,425

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List of acronyms:

BICES:	Battlefield Information Collection and Exploitation Systems Agency
CPR:	Civilian Personnel Regulations
DCPS:	Defined Contribution Pension Scheme
DBPS:	Defined Benefit Pension Scheme
FORACS:	NATO Naval Forces Sensor and Weapons Accuracy Check Sites
IFRS:	International Financial Reporting Standards
IPSAS:	International Public Sector Accounting Standards
IS:	International Staff
ISRP:	International Service for Remunerations and Pensions
JPAS:	Joint Pensions Administrative Section
MSIAC:	Munitions Safety Information Analysis Centre
NAGSMA:	NATO Alliance Ground Surveillance Management Agency
NAC:	North Atlantic Council
NCIA:	NATO Communication and Information Agency
NSPA:	NATO Support Agency.
OECD:	Organisation for Economic Co-operation and Development
OFC:	Office of Financial Control
RMCF:	Retirees Medical Claims Fund
SC:	NATO Headquarters' Staff Centre