



Financial Statement Presentation EFRAG Outreach

Dr. Iwona Nowicka

Öffentliche Diskussion

Frankfurt am Main, 27.09.2010



Gliederung

1. Projektstruktur
2. Grundkonzept und Inhalt
3. Ausgewählte Diskussionspunkte
 - 3.1 Direkte Cashflow Bestimmung
 - 3.2 Remeasurements
 - 3.3 Änderungsanalyse von Vermögenswerten und Schulden



1. Projektstruktur

Struktur des Financial Statement Presentation (FSP) Projekt laut IASB

- **Replacement of IAS 1 and IAS 7**
 - ED: Q1 2011
 - IFRS: H2+ 2011
- **Presentation of items of other comprehensive income**
 - ED: Mai 2010
 - IFRS: Q4 2010
- **Discontinued operations**
 - ED: Q1 2011
 - IFRS: H2+ 2011



2. Grundkonzept und Inhalt (1)

Gründe für das Financial Statement Presentation Projekt

- Die optimale Darstellung des Jahresabschlusses ist für den Anwender von besonderer Bedeutung
- Die bisherigen Regeln lassen zu viele alternative Darstellungen zu
→ Beschränkte Vergleichbarkeit
- Verknüpfungen zusammengehöriger Bestandteile im Jahresabschluss sind schwer ersichtlich und kaum vergleichbar (z.B. operative Gewinne und operative Cashflows)
- Alternative Berechnungsmöglichkeiten von Cashflows
→ Beschränkte Vergleichbarkeit
- Durch die Globalisierung steigt der Bedarf der Adressaten an einer international einheitlichen und harmonisierten Rechnungslegung



2. Grundkonzept und Inhalt (2)

Grundsätze

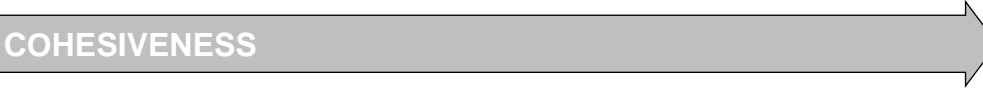
- *Cohesiveness:*
Der Zusammenhang zwischen Bestandteilen des Jahresabschlusses, deren Beschreibung sowie die Anordnung in der Bilanz, der Gesamtergebnisrechnung und in der Kapitalflussrechnung sollen in eine einheitliche Systematik gebracht werden


- *Disaggregation:*
Die Trennung von Ressourcen nach Funktionen und ökonomischen Eigenschaften

- Beide Grundsätze sollen die Verständlichkeit eines Jahresabschlusses verbessern

2. Grundkonzept und Inhalt (3)

Gesamtüberblick

COHESIVENESS 		
Statement of financial position	Statement of comprehensive income	Statement of cash flows
BUSINESS	BUSINESS	BUSINESS
• Operating	• Operating	• Operating
• Investing	• Investing	• Investing
FINANCING	FINANCING	FINANCING
• Debt	• Debt	
• Equity		
	MULTI-CATEGORY TRANSACTION	MULTI-CATEGORY TRANSACTION
INCOME TAX	INCOME TAX	INCOME TAX
DISCONTINUED OPERATION	DISCONTINUED OPERATION (net of tax)	DISCONTINUED OPERATION
	OTHER COMPREHENSIVE INCOME (net of tax)	


 DISAGREGATION



2. Grundkonzept und Inhalt (4)

Beispiel für die Anwendung des *cohesiveness principle*: Business Bereich

Statement of financial position	Statement of comprehensive income	Statement of cash flows
BUSINESS	BUSINESS	BUSINESS
<p>Operating</p> <ul style="list-style-type: none"> ➤ Cash ➤ Accounts receivable ➤ Inventory ➤ Property, plant and equipment ➤ Accounts payable 	<p>Operating</p> <ul style="list-style-type: none"> ➤ Revenue ➤ Cost of sales ➤ Depreciation ➤ Operating expenses ➤ Post-employment benefits service cost 	<p>Operating</p> <ul style="list-style-type: none"> ➤ Cash collected from customers ➤ Cash paid to suppliers ➤ Cash paid to employees ➤ Purchase of property, plant and equipment ➤ Cash paid for operating expenses
<p>Operating finance</p> <ul style="list-style-type: none"> ➤ Net pension liability ➤ Lease liability 	<p>Operating finance</p> <ul style="list-style-type: none"> ➤ Expected return on plan Assets ➤ Post-employment benefits interest costs ➤ Interest expense on leases 	<ul style="list-style-type: none"> ➤ Cash contribution to pension plan ➤ Cash paid for leases
<p>Investing</p> <ul style="list-style-type: none"> ➤ Short-term investments ➤ Investment in securities ➤ Investment in associates 	<p>Investing</p> <ul style="list-style-type: none"> ➤ Interest income ➤ Interest and dividends Gains/losses ➤ Share of profit of associates 	<p>Investing</p> <ul style="list-style-type: none"> ➤ Interest received ➤ Net cash from short-term investments ➤ Purchase of securities ➤ Sale of securities ➤ Interest and dividends received ➤ Cash invested in associates



2. Grundkonzept und Inhalt (5)

Beispiel für die Anwendung des *cohesiveness principle*: Finanzierungsbereich

Statement of financial position	Statement of comprehensive income	Statement of cash flows
FINANCING	FINANCING	FINANCING
<i>Debt</i> <ul style="list-style-type: none"> ➤ Short-term debt ➤ Long-term debt ➤ Interest payable ➤ Dividends payable 	<i>Debt</i> <ul style="list-style-type: none"> ➤ Interest expense 	<ul style="list-style-type: none"> ➤ Proceeds from issuance of debt ➤ Repayment of debt ➤ Interest paid ➤ Dividends paid ➤ Cash received from issue of shares
<i>Equity</i> <ul style="list-style-type: none"> ➤ Share capital 		



2. Grundkonzept und Inhalt (6)

Bilanz

- Gliederung nach Haupttätigkeiten (Geschäftsaktivitäten oder Funktionen) und nicht wie bisher nach Abschlussposten
- Gliederung innerhalb der Kategorien nach Fristigkeit (*short- and long-term*) und alternativ, sofern relevantere Informationen entstehen, nach Liquidität
- Die Klassifizierung der Vermögenswerte und Schulden in der Bilanz bestimmt grundsätzlich die Klassifizierung der Gesamtergebnisrechnung und Cashflow-Rechnung
- Keine Zusammenfassung bei unterschiedlichen Bewertungsmaßstäben möglich



2. Grundkonzept und Inhalt (7)

Gesamtergebnisrechnung

- Gliederung i.d.R. primär nach Umsatzkostenverfahren
Beispiel: Aufgliederung nach den Funktionsbereichen des Unternehmens wie Handel, Dienstleistung, Produktion oder Zinsen (für Finanzdienstleistungsunternehmen)
- Zusätzlich Aufgliederung nach Aufwands-/Ertragsarten (ggf. im Anhang), um die Prognose zukünftiger Cashflows zu erleichtern
- *Single Statement Approach* mit zwei separaten Bestandteilen
Periodenergebnis („GuV“) und Sonstiges Ergebnis (OCI)
→ Separates Projekt



2. Grundkonzept und Inhalt (8)

Kapitalflussrechnung

- Alleinige Anwendung der direkten Methode zur Cashflow-Ermittlung für jede Kategorie (*Business* und *Financing*) sowie Unterkategorien (*Operating* und *Investing*)
- Eine Cashflow Überleitungsrechnung vom operativem Ergebnis zum operativen Cashflow wird erforderlich als Teil der Kapitalflussrechnung (sie soll den Anwendern ein eigenes Urteil erlauben, ob und wie die Bestandteile des Gesamtergebnisses ihre Realisierung in den zukünftigen Zahlungen finden)
- Die Definitionen der einzelnen Cashflow-Bereiche (*operating*, *investing* und *financing*) sind anders als die Definitionen in IAS 7



3. Ausgewählte Diskussionspunkte (1)

3.1 Direkte Cashflow Bestimmung (1)

Zielsetzung des IASB:

- Erhöhung der Entscheidungsnützlichkeit: Für Anwender wird die Herkunft und Verwendung operativer Cashflows leichter ersichtlich, wodurch sich ein klareres Bild über die Cashflows eines Unternehmens ergibt



3. Ausgewählte Diskussionspunkte (2)

3.1 Direkte Cashflow Bestimmung (2)

Methoden der direkten Ermittlung des operativen Cashflows:

- Zusammenstellung der Daten direkt aus dem System auf dem Transaktionsniveau

oder

- Ableitung der Daten aus der Bilanz und Gesamtergebnisrechnung, indem bestimmte Anpassungen der Beträge stattfinden



3. Ausgewählte Diskussionspunkte (3)

Beispiel für direkte Cashflow Bestimmung (1)

Forderungen - Detailaufriss	Opening Balance	Sales	Receivable from aquisition	Cash collections	Other entries	Closing Balance
A Co	1.000	2.500	-	- 2.600	-	900
B Corp	2.500	4.000	-	- 4.500	-	2.000
C Inc	1.800	-	-	- 1.700	-	100
D Co	-	-	10.000	-	-	10.000
E Suppliers	2.200	-	-	- 2.200	4.000	4.000
F Factoring	-	-	-	- 5.000	5.000	-
W Corp	8.000	23.000	-	-	-	31.000
X Partners	10.000	8.000	-	-	-	18.000
Y Corp	6.400	-	-	-	- 6.400	-
Z Co	250	50.000	-	- 49.000	-	1.250
	32.150	87.500	10.000	- 65.000	2.600	67.250

Cash receipts
from customers
accounts



3. Ausgewählte Diskussionspunkte (4)

Beispiel für direkte Cashflow Bestimmung (2)

Variante 1: Direct method cash from cutomers – transactions-level data

Cash from Customers (via system query of customer account cash receipts)	57.800
--	---------------

Variante 2: Direct method cash from customers – derived by changes in balances

Opening Balance	32.150
- Closing Balance	- 67.250
+ Sales	87.500
	<hr/>
	52.400
Transactions with those other than customers	
Aquisition	10.000
Change in non-customer receivables (E Suppliers)	1.800
Account reduction from factoring	- 6.400
Cash from customers	57.800



3. Ausgewählte Diskussionspunkte (5)

3.2 Remeasurements

A remeasurement is an amount recognised in comprehensive income that increases or decreases the net carrying amount of an asset or a liability and that is the result of:

- a) a change in (or realisation of) a current price or value;
- b) a change in an estimate of a current price or value; or
- c) a change in any estimate or method used to measure the carrying amount of an asset or a liability

→ Remeasurement definition includes both types of remeasurements, realised and unrealised



3. Ausgewählte Diskussionspunkte (6)

Remeasurements – Abgrenzungsbeispiele (1)

Item	remeasurement	No remeasurement
Revenue and related items	<ul style="list-style-type: none"> ➤ Gains, losses on derivatives entered into to fix the sales price of anticipated sales ➤ Losses on onerous contracts 	<ul style="list-style-type: none"> ➤ Gross margin earned on sale of goods ➤ Spread earned by broker dealers for market-making activity
Costs of sales	<ul style="list-style-type: none"> ➤ Write-down of inventory to lower of cost or market ➤ Changes in the market price of inventories measured at estimated market value ➤ Gains/losses on derivatives hedging the purchase price of inventory ➤ Adjustments to methods of estimating inventory value and cost of sales 	<ul style="list-style-type: none"> ➤ Cost of sales
Impairment loss	<ul style="list-style-type: none"> ➤ Revision of an asset's recoverable amount 	
Accrued liabilities	<ul style="list-style-type: none"> ➤ Reassessment of the amount owned for a previously accrued contingent liability ➤ Other income/expense arising from changes in the method of estimating a warranty obligation 	<ul style="list-style-type: none"> ➤ Reduction in an accrued liability for the passage of time ➤ Reduction in accrued warranty obligation for expenditures incurred
Postemployment benefits expense/liability adjustment	<ul style="list-style-type: none"> ➤ Difference between the return on plan assets and the expected return on plan assets ➤ Settlements ➤ Actuarial gain/loss on obligations 	<ul style="list-style-type: none"> ➤ Expected return on plan assets ➤ Service cost ➤ Interest cost ➤ Past service cost



3. Ausgewählte Diskussionspunkte (7)

Remeasurements – Abgrenzungsbeispiele (2)

Item	remeasurement	No remeasurement
Depreciation and other gains/losses related to fixed assets	<ul style="list-style-type: none"> ➤ Revaluation ➤ Impairment ➤ Disposal gains/losses ➤ Change in depreciation estimates 	<ul style="list-style-type: none"> ➤ Depreciation expense as determined using initial depreciation method
Amortisation and other gains/losses related to intangible assets	<ul style="list-style-type: none"> ➤ Impairment ➤ Disposal gains/losses ➤ Change in amortisation estimates 	<ul style="list-style-type: none"> ➤ Amortisation expense as determined using initial amortisation scheme
Income/expense and other gains/losses related to financial assets	<ul style="list-style-type: none"> ➤ Impairment ➤ Holding gains/losses ➤ Realised gains/losses 	<ul style="list-style-type: none"> ➤ Interest income ➤ Dividend income
Income/expense and other gains/losses related to financial liabilities	<ul style="list-style-type: none"> ➤ Holding gains/losses ➤ Realised gain/loss on retirement 	<ul style="list-style-type: none"> ➤ Interest expense
Investment property	<ul style="list-style-type: none"> ➤ Changes in property values 	<ul style="list-style-type: none"> ➤ Rent
Income taxes	<ul style="list-style-type: none"> ➤ Changes in tax rates 	<ul style="list-style-type: none"> ➤ Current tax expense ➤ Deferred tax expense
Foreign currency gain/loss	<ul style="list-style-type: none"> ➤ Foreign currency translations adjustment ➤ Other income/expense 	



3. Ausgewählte Diskussionspunkte (8)

Remeasurements – Darstellung

	20X1	20X0
Operating		
➤ Gain on disposal of property, plant and equipment	22.650	-
➤ Gain on futures contracts	5.821	5.390
➤ Loss on sale of receivables	- 4.987	- 2.025
➤ Change in estimate for impairment of accounts receivable	-	15.034
➤ Loss on inventory	- 29.000	- 9.500
➤ Impairment of goodwill	-	- 35.033
➤ Change in share-based remuneration liability	- 6.250	- 5.000
➤ Revaluation surplus	5.620	-
➤ Change in litigation accrual	- 1.998	- 1.850
Investing		
➤ Fair value change of securities	98.700	81.000
➤ Fair value in private equity investment	7.500	3.250
➤ Foreign currency translation adjustments – associate	- 2.160	- 2.000
Other		
➤ Foreign currency translation adjustment – consolidated subsidiary	3.222	- 2.295



3. Ausgewählte Diskussionspunkte (9)

3.3 Änderungsanalyse von Vermögenswerten und Schulden

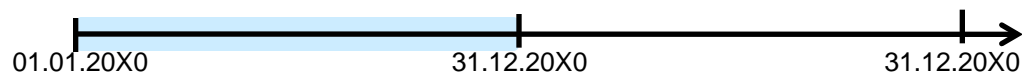
An entity is required to disclose an analysis of the change between the opening and closing balances of asset or liability line items (or group of line items) that management regards as important for understanding the change in the entity's financial position.



3. Ausgewählte Diskussionspunkte (10)

Beispiel für Änderungsanalyse von Vermögenswerten und Schulden (1)

Analysis of changes in debt and liquid asset line items and an analysis of revenue related assets and liability line items

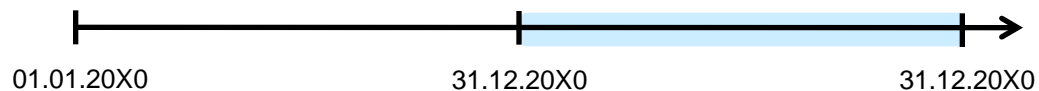


	Balance 01.01.20X0	Net cash flow	Other non-cash changes	Foreign exchange	Other remeasurements	Balance 31.12.20X0
Long-term debt	- 1.950.000	- 250.000	150.000	-	-	- 2.050.000
Short-term debt	- 250.000	- 150.000	-	-	-	- 400.000
Interest payable on debt	- 85.001	82.688	- 110.250	-	-	- 112.563
Interest portion of lease payable	-	-	- 16.500	-	-	- 16.500
Principal portion of lease payable	-	-	- 330.000	-	-	- 330.000
Total	- 2.285.001	- 317.312	- 306.750	-	-	- 2.909.063
Cash	550.000	- 489.086	-	1.027	-	61.941
Short-term investments	-	800.000	-	-	-	800.000
Financial assets at fair value	375.000	29.000	-	-	81.000	485.000
Total	925.000	339.914	-	1.027	81.000	1.346.941
	- 1.360.001	22.602	- 306.750	1.027	81.000	- 1.562.122



3. Ausgewählte Diskussionspunkte (11)

Beispiel für Änderungsanalyse von Vermögenswerten und Schulden (2)



	Balance 31.12.20X0	Net cash flow	Other non-cash changes	Foreign exchange	Other remeasurements	Balance 31.12.20X1
Long-term debt	- 2.050.000	-	-	-	-	- 2.050.000
Short-term debt	- 400.000	- 162.000	-	-	-	- 562.000
Interest payable on debt	- 112.563	83.514	- 111.352	-	-	- 140.401
Interest portion of lease payable	- 16.500	16.500	- 14.825	-	-	- 14.825
Principal portion of lease payable	- 330.000	33.500	-	-	-	- 296.500
Total	- 2.909.063	- 28.486	- 126.177	-	-	- 3.063.726
Cash	61.941	8.951	-	3.210	-	74.102
Short-term investments	800.000	300.000	-	-	-	1.100.000
Financial assets at fair value	485.000	- 110.100	-	-	98.700	473.600
Total	1.346.941	198.851	-	3.210	98.700	1.647.702
	- 1.562.122	170.365	- 126.177	3.210	98.700	- 1.416.024



3. Ausgewählte Diskussionspunkte (12)

Beispiel für Änderungsanalyse von Vermögenswerten und Schulden (3)

	Accounts receivable, net	Customer advances
Opening balance, 01.01.20X0	339.500	- 650.000
Cash collections	- 2.282.073	- 300.000
Revenue accrual	2.714.250	525.000
Remeasurement – loss on sale of receivables	- 2.025	-
Impairment of accounts receivable	- 15.034	-
Amounts reclassified to discontinued operations	- 225.000	-
Remeasurement – foreign exchange adjustment	- 1.777	-
Closing Balance, 31.12.20X0	527.841	- 425.000
Cash collection	- 2.496.741	- 324.000
Revenue accrual	2.920.600	567.000
Remeasurement – loss on sale of receivables	- 4.987	-
Impairment of accounts receivable	- 23.068	-
Remeasurement – foreign exchange adjustment	- 1.609	-
Closing balance, 31.12.20X1	922.036	- 182.000



Deutsches Rechnungslegungs Standards
German Accounting Standards

Committee e. V.



Dr. Iwona Nowicka

Zimmerstraße 30

10969 Berlin

Tel. 030 20 64 12 22

Fax 030 20 64 12 15

www.drsc.de

nowicka@drsc.de

FINANCIAL STATEMENT PRESENTATION

Example 11 – Illustrative financial statements for a financial services entity (Entity Y)

- IG29 Paragraphs IG30–IG32 provide general information about Entity Y that might be obtained by reading a complete set of financial statements and accompanying information, such as a management commentary.
- IG30 Entity Y is a financial holding company that conducts its business operations primarily through its commercial bank subsidiary. In addition, Entity Y has several non-bank subsidiaries that offer financial services products. Entity Y is a single segment entity and its reporting currency is currency units (CU). Entity Y's financial statements are prepared in accordance with IFRSs.
- IG31 **Entity Y adopted IFRS 9 early.** The securities portfolio comprises (a) financial assets at amortised cost, which primarily consist of fixed income securities purchased at par and (b) other financial assets at fair value through profit or loss including those presented as trading securities, primarily consisting of equities. For the purpose of these examples disclosures associated with the adoption of IFRS 9 are not incorporated.
- IG32 The illustrative financial statements of Entity Y contain the following items affecting its performance during 20X1 and 20X0:
- (a) categorisation of various financial assets and financial liabilities within the operating category
 - (b) deposit taking and lending activities
 - (c) central bank borrowings
 - (d) share of profit of associates
 - (e) fair value measurement of a private equity investment
 - (f) gains and losses on securities
 - (g) futures contracts primarily consisting of cash flow hedges of business loans
 - (h) changes in the carrying amount of liabilities for share-based payments (cash-settled warrants).

STATEMENT OF COMPREHENSIVE INCOME

	For the years ended	
	31 December	
	20X1	20X0
BUSINESS		
Operating		
Interest income		
Loans and leases, including fees	220,320	204,000
Trading securities	1,399	1,295
Securities	23,539	21,795
Central bank funds sold	3,672	3,400
Interest expense		
Interest checking deposits	(564)	(414)
Savings deposits	(21,644)	(20,290)
Central bank funds purchased	(19,224)	(17,800)
Time deposits	(46,296)	(41,170)
Net interest income	161,202	150,816
Write-down of loan balances for credit losses	(12,853)	(11,922)
Net interest income after provision for credit losses	148,349	138,894
Non-interest operating income (expense)		
Mortgage banking revenue	7,907	8,931
Service charges on deposits	32,079	31,033
Wages, salaries and benefits expense	(38,000)	(35,000)
Occupancy expense	(6,860)	(7,000)
Share-based remuneration expense	(36,172)	(17,000)
Depreciation expense	(6,400)	(5,850)
Fair value changes of financial assets	(50,007)	47,260
Impairment loss on goodwill	-	(9,000)
Amortisation of core deposit intangibles	(2,658)	(3,544)
Transaction processing expense and other	(23,298)	(25,049)
Total operating profit	24,940	123,675
Investing		
Share of profits in associates	3,780	3,500
Fair value change in private equity investment	(7,500)	3,250
Dividend income from associates	2,700	2,500
Total investing profit	(1,020)	9,250
TOTAL BUSINESS PROFIT	23,920	132,925
FINANCING		
Debt		
Interest expense on debt	(47,127)	(44,457)
TOTAL FINANCING EXPENSE	(47,127)	(44,457)
Profit before tax	(23,207)	88,468
INCOME TAX		
Total income tax expense	8,198	(34,187)
NET (LOSS) PROFIT	(15,009)	54,281
OTHER COMPREHENSIVE INCOME, NET OF TAX		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Gains on futures contract arising during the year	443	410
Amounts reclassified into profit or loss	(260)	(241)
Unrealised gain on futures contract (operating)	183	169
Foreign currency translation adjustment on associate (investing)	(540)	(500)
Total other comprehensive loss	(357)	(331)
TOTAL COMPREHENSIVE (LOSS) INCOME	(15,366)	53,950
Net (loss) profit per share - basic	(0.12)	0.53
Net (loss) profit per share - basic	(0.11)	0.49

FINANCIAL STATEMENT PRESENTATION

STATEMENT OF FINANCIAL POSITION

	As of 31 December	
	20X1	20X0
BUSINESS		
Operating		
Assets		
Cash	22,871	25,993
Central bank funds sold	45,800	35,000
Advances and loans to banks	15,203	10,279
Trading securities at fair value	34,022	32,685
Financial assets at amortised cost	496,000	507,000
Financial asset at fair value through profit or loss	157,636	237,812
Derivatives at fair value	655	315
Interest receivables on loans and leases (see Note 3)	180,570	79,000
Loans and leases, net (see Note 3)	3,836,442	3,844,975
Premises and equipment, net	195,250	176,650
Goodwill, core deposit and other intangible assets	84,165	86,824
Total operating assets	5,068,614	5,036,533
Liabilities		
Non-interest bearing deposits	(670,717)	(646,217)
Interest checking deposits	(78,846)	(72,156)
Savings deposits	(1,352,372)	(1,292,728)
Time deposits	(1,236,335)	(1,154,039)
Total deposits	(3,338,270)	(3,165,140)
Central bank funds purchased	(404,704)	(376,300)
Wages payable and share-based remuneration liability	(106,172)	(67,000)
Litigation provision	(3,846)	(1,850)
Total operating liabilities	(3,852,992)	(3,610,290)
Net operating assets	1,215,622	1,426,243
Investing		
Investment in associates	53,240	50,000
Private investment at fair value	31,750	39,250
Total investing assets	84,990	89,250
NET BUSINESS ASSETS	1,300,612	1,515,493
INCOME TAXES		
Deferred tax assets	34,391	17,945
Income tax payable	(2,087)	(4,306)
NET INCOME TAX ASSET	32,304	13,639
FINANCING		
Debt		
Interest payable	(93,360)	(89,446)
Dividends payable	(20,000)	(20,000)
Long-term debt	(727,313)	(834,101)
Total debt	(840,673)	(943,547)
Equity		
Share capital	(74,724)	(66,300)
Retained earnings	(414,507)	(515,916)
Accumulated other comprehensive income	(3,012)	(3,369)
Total equity	(492,243)	(585,585)
TOTAL FINANCING	(1,332,916)	(1,529,132)
Total assets	5,187,995	5,143,728
Total liabilities	(4,695,752)	(4,558,143)

STATEMENT OF CASH FLOWS

	For the years ended	
	31 December	
	20X1	20X0
BUSINESS		
Operating		
Interest received from loans	118,750	125,000
Cash interest received from investments	11,875	12,500
Cash interest received from central bank funds sold	3,672	3,400
Cash interest paid from central bank funds purchased	(19,224)	(17,800)
Interest paid—deposits	(61,220)	(68,150)
Total interest collected, net of interest paid	53,853	54,950
Mortgage banking revenue	7,907	8,931
Service charges on deposits	32,079	31,033
Wages, salaries and benefits	(35,000)	(30,000)
Other net cash outflows	(28,159)	(30,200)
Cash received for interest and fees, net of cash paid for expenses	30,680	34,714
Cash flows related to operating assets and liabilities		
Principal collected on loans	86,400	80,000
Cash paid for loan originations	(103,680)	(96,000)
Cash received from trading securities	2,375	2,500
Cash received from deposits, net		
Interest checking deposits	6,545	6,170
Savings deposits	58,300	61,500
Time deposits	76,500	76,100
Non interest-bearing deposits	24,500	25,000
Cash from central bank funds purchased, net of central bank funds sold	17,604	16,300
Cash paid for advances and loans to banks, net	(4,924)	(406)
Purchase of equipment	(25,000)	(25,000)
Sale of loans	8,000	10,000
Purchase of financial assets	-	(130,000)
Sale of financial assets	55,080	51,000
Received from settlement of derivatives	340	315
Net cash flows from operating activities	232,720	112,193
Investing		
Investment in associate	-	(12,000)
Dividends received from associate	2,700	2,500
Net cash from investing activities	2,700	(9,500)
NET CASH FROM BUSINESS ACTIVITIES	235,420	102,693
INCOME TAX		
Total cash paid for income taxes	(10,566)	(15,667)
FINANCING		
Cash dividends paid	(86,400)	(80,000)
Proceeds from issuance of long-term debt	-	135,780
Debt repayments	(109,989)	(106,788)
Interest paid	(40,011)	(43,212)
Proceeds from reissuance of treasury shares	8,424	7,800
NET CASH USED BY FINANCING ACTIVITIES	(227,976)	(86,420)
Change in cash	(3,122)	606
Opening cash	25,993	25,387
Closing cash	22,871	25,993

FINANCIAL STATEMENT PRESENTATION

Supplemental cash flow information

	For the years ended 31 December	
	20X1	20X0
Operating profit	24,940	123,675
Adjustments to reconcile operating profit to cash flow from operating activities		
Provision for credit losses	12,853	11,922
Share-based remuneration	36,172	17,000
Depreciation and amortisation	9,058	9,394
Fair value changes of financial assets	45,047	(49,260)
Loss on sale of loans	4,960	2,000
Impairment loss on goodwill		9,000
Other non-cash items	1,997	1,850
Change in operating assets and liabilities		
Change in interest receivable	(112,257)	(87,090)
Change in advances and loans to banks	(4,924)	(406)
Net increase in deposits	173,130	162,493
Cash received from central bank funds purchased, net	17,604	16,300
Other	3,000	5,000
Sale (purchase) of operating assets and liabilities		
Purchase of financial assets	-	(130,000)
Sale of financial assets	55,080	51,000
Sale of loans	8,000	10,000
Loan repayment	86,400	80,000
Loan origination	(103,680)	(96,000)
Purchase of equipment	(25,000)	(25,000)
Proceeds from settlement of derivatives	340	315
Net cash flows from operating activities	232,720	112,193

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Foreign currency translation adjustment	Unrealised gain on futures contract	Total Equity
Balance at 1 January 20X0	58,500	541,635	1,000	2,700	603,835
Comprehensive income					
Net profit		54,281	-	-	54,281
Other comprehensive income		-	(500)	169	(331)
Total comprehensive income		54,281	(500)	169	53,950
Transactions with owners					
Issue of share capital	7,800	-	-	-	7,800
Dividends	-	(80,000)	-	-	(80,000)
Balance at 31 December 20X0	66,300	515,916	500	2,869	585,585
Comprehensive income					
Net profit		(15,009)	-	-	(15,009)
Other comprehensive income		-	(540)	183	(357)
Total comprehensive income		(15,009)	(540)	183	(15,366)
Transactions with owners					
Issue of share capital	8,424	-	-	-	8,424
Dividends	-	(86,400)	-	-	(86,400)
Balance at 31 December 20X1	74,724	414,507	(40)	3,052	492,243