

**Consolidated Financial Statements and
Independent Auditor's Report
[ABC Bank Group]**

31 December 2022

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Independent Auditor's Report

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[Note: The Russian invasion of Ukraine alongside the imposition of international sanctions, have a pervasive economic impact resulting in accounting and auditing implications for 2022 reporting, and this impact should be reflected in the financial statements. Please refer to the following publications on this topic (available on Viewpoint.pwc.com):

- [Accounting implications of the Russian invasion of Ukraine - PwC In Depth 2022-05 \(this In Depth includes Frequently Asked Questions and it is updated on an on-going basis, check Viewpoint for updates\).](#)
- [Accounting impacts of Russian sanctions - Reserves and SWIFT – PwC In Brief 2022-04](#)
- [Implications of Russia's invasion of Ukraine on half-yearly financial reports – ESMA Public Statement May 2022](#)

[Note: COVID-19 pandemic has been and still is a major event with wide-ranging impact on many areas of economic environment in 2022 and its impact should be reflected in the financial statements, focusing on significant changes between 2021 and 2022. Please refer to the following publications on this topic (available on Viewpoint.pwc.com):

- [Accounting implications of the effects of coronavirus PwC In depth 2020-02 \(this In Depth includes Frequently Asked Questions and it is updated on an on-going basis, refer to Appendix F for the list of FAQs as of September 2021, check Viewpoint for updates\)](#)
- [The road\(s\) ahead: Estimating credit losses in 2021 & beyond](#)
- [In the Spotlight Post_model_adjustments_for_expected_credit_losses_during_COVID_19](#)
- [Implications of COVID_19 on expected credit loss models](#)
- [Volatile Values: Valuation in times of market uncertainty \(April 2020\)\]](#)

ABC Bank Group
Consolidated Statement of Financial Position [Alternatively may use 'Balance Sheet']*

<i>In thousands of EUR</i>	Note	31 December 2022	31 December 2021 ¹
ASSETS			
Cash and cash equivalents	7		
Mandatory cash balances with the National Bank of [Country]			
Due from other banks	8		
Investments in debt securities	9		
Investments in equity securities	10		
Loans and advances to customers	11		
Repurchase receivables	12		
Investment properties	13		
Investment in associates	14		
Current income tax prepayment	36		
Other financial assets	15		
Other assets	16		
Deferred income tax asset	36		
Goodwill	17		
Premises and equipment	18		
Intangible assets	18		
Right of use assets ²	19		
Non-current assets held for sale (or disposal groups)	20		
TOTAL ASSETS			
LIABILITIES			
Due to other banks	21		
Customer accounts	22		
Debt securities in issue [Promissory notes issued]	23		
Other borrowed funds	24		
Lease liabilities ²	19		
Other financial liabilities	26		
Current income tax liability	36		
Deferred income tax liability	36		
Provisions for liabilities and charges	25		
Other liabilities	27		
Subordinated debt	28		
Liabilities directly associated with disposal groups held for sale	20		
TOTAL LIABILITIES			
EQUITY			
Share capital	29		
Retained earnings [Accumulated deficit]			
Other reserves	31		
Net assets attributable to the Bank's owners			
Non-controlling interest	45		
TOTAL EQUITY			
TOTAL LIABILITIES AND EQUITY			

Approved for issue and signed [on behalf of Management Board] on _____ 2023.

 (name)
 President

 (name)
 Chief Accountant

¹ Note: as an alternative, the statement may be called 'balance sheet'. The default names of the primary statements used by IAS 1 are not mandatory.

² Right-of-use assets (except those meeting the definition of investment property) and lease liabilities do not need to be presented as separate line items in the balance sheet provided they are disclosed separately in the notes. Where right-of-use assets are presented within the same line item as the corresponding owned assets are presented, the lessee should identify which line items in the balance sheet include those right-of-use assets. Lease liabilities can be aggregated with other financial liabilities or other borrowed funds in the balance sheet

ABC Bank Group
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of EUR</i>	Note	2022	2021 <i>[(restated)]</i>
Interest income calculated using the effective interest method	32		
Other similar income	32		
Interest expense	32		
Other similar expense	32		
Net margin on interest and similar income			
Credit loss allowance for assets carried at amortised cost*			
Credit loss allowance for debt securities at fair value through other comprehensive income <i>[Consider including into the line "Credit loss allowance"]</i>			
Net margin on interest and similar income after credit loss allowance			
Fee and commission income	33		
Fee and commission expense	33		
Gains less losses on derecognition of financial assets measured at amortised cost			
Gains less losses from modification of financial assets measured at amortised cost, that did not lead to derecognition**			
Gains less losses from <i>[securities] [financial assets]</i> at fair value through profit or loss			
Gains less losses from financial derivatives			
Gains less losses from trading in foreign currencies			
Gains less losses on revaluation of investment properties	13		
Foreign exchange translation gains less losses			
Provision for credit related commitments			
Gains less losses from reclassification of financial assets from amortised cost to financial assets at fair value through profit or loss***			
Gains less losses from reclassification of debt instruments at fair value through other comprehensive income to debt instruments at fair value through profit or loss***			
Other operating income	34		
Gains/(losses) arising from early retirement of debt			
Sale of assets previously leased to customers			
Cost of assets sold and previously leased to customers			
Administrative and other operating expenses	35		
Share of result of associates	14		
Profit/(loss) before tax			
Income tax (expense)/credit	36		
PROFIT/(LOSS) FOR THE YEAR			
Other comprehensive income / (loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Debt securities at fair value through other comprehensive income:	9,12		
- Gains less losses arising during the year			
- Gains less losses reclassified to profit or loss upon disposal			
Translation of financial information of foreign operations to presentation currency			
Share of other comprehensive income of associates	14		
Income tax recorded directly in other comprehensive income	36		

ABC Bank Group
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of EUR</i>	Note	2022	2021 [[restated]]
<i>Items that will not be reclassified to profit or loss:</i>			
Gains less losses on investments in equity securities at fair value through other comprehensive income			
Change in fair value attributable to change in the credit risk of financial liabilities designated at fair value through profit or loss	[24,26]		
Revaluation of premises and equipment	18		
Remeasurements of post-employment defined benefit obligations			
Share of other comprehensive income of associates	14		
Income tax recorded directly in other comprehensive income	36		
Other comprehensive income / (loss) for the year			
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR			
Profit/(loss) is attributable to:			
- Owners of the Bank			
- Non-controlling interest			
Profit/(loss) for the year			
Total comprehensive income /(loss) is attributable to:			
- Owners of the Bank			
- Non-controlling interest			
Total comprehensive income / (loss) for the year			
Earnings [Loss] per share for profit [loss] attributable to the owners of the Bank, basic and diluted			
(expressed in EUR per share)	39		

[Credit loss allowance may also include allowance for loan commitments (e.g. unused credit lines), where an instrument includes both a loan and an undrawn commitment and the Group cannot identify the ECLs on these components separately. If the entity can separately identify those components, the ECL related to undrawn portion should be presented in the separate line of P&L "Provision for credit related commitments" where credit losses on credit commitments and financial guarantee contracts are presented.]*

*[** Payment holidays, granted in response to COVID-19 pandemic or for other reasons that may potentially affect the financial position of borrowers, affect the gross contractual cash flows of loans and advances and they may result in (i) a loss from modification (if they are treated as a contractual modification in accordance with IFRS 9 para 5.4.3), or (ii) a loss from revision to expected gross cash flows (if they are treated as a revision in expected gross cash flows in accordance with IFRS 9 para B5.4.6). It is appropriate to present this impact in P&L as a separate line item, clearly described, or aggregate with similar line items and disclose in the notes (e.g. present it within Gains less losses from modifications of financial assets or within Interest income using effective interest rate method). In addition, the impact of payment holidays on staging and ECL measurement should also be assessed. Please check recent guidance on this issue.]*

*[*** Such reclassifications under IFRS 9 are expected to be rare in practice, but in such cases additional disclosures are required by IFRS 7.12B.]*

[Note: IAS 1 Presentation of Financial Statements requires the separate presentation of the following line items in the statement of profit or loss:

(a) interest revenue calculated using the effective interest rate method, separately from other revenue

ABC Bank Group
Consolidated Statement of Profit or Loss and Other Comprehensive Income

- (b) gains and losses from the derecognition of financial assets measured at amortised cost
- (c) impairment losses on financial assets, including reversals of impairment losses or impairment gains
- (d) gains and losses recognised as a result of a reclassification of financial assets from measurement at amortised cost to fair value through profit or loss
- (e) gains and losses reclassified from OCI as a result of a reclassification of financial assets from the fair value through OCI measurement category to fair value through profit or loss.]

[Note: 'Interest income calculated using the effective interest method' line represents interest income on financial assets carried at amortised cost and debt instruments carried at FVOCI. It is also appropriate to include in this line items gains and losses arising from related qualifying hedging relationships to which hedge accounting is applied in accordance with IFRS 9 or IAS 39. The 'Other similar income' line represents interest on debt instruments at FVTPL, unless such interest is presented as part of the fair value gains or losses. The presentation policy selected by the entity should be disclosed. Refer to IFRS 7.B5(e)]

[Note: Interest income relating to finance lease receivables should be presented in 'Other similar income' or on a separate line because it is not calculated using the effective interest method.]

[All significant categories of assets, liabilities, income and expenses (use 10% as a general limit) must be disclosed on the face of the balance sheet or statement of comprehensive income / income statement.]

[Note: In accordance with IFRS 7.8 the carrying amount of each of the following categories of financial assets and liabilities: FVTPL (mandatory), FVTPL (designated), FVOCI, and AC shall be disclosed either in the consolidated statement of financial position or in the notes. For the purposes of this ABC Bank all financial instruments were aggregated in the lines of the consolidated statement of financial position in accordance with their nature rather than measurement categories. The disclosure of measurement categories for those instruments are provided in Note 50].

[If the Group has publicly traded ordinary shares or potential ordinary shares, they should disclose (loss)/earnings per share on the face of the consolidated statement of profit or loss and other comprehensive income and details of the calculation in the notes. If basic EPS is different from diluted EPS, then both need to be presented on the face of the consolidated statement of profit or loss and other comprehensive income / income statement. If the Group has discontinued operations, they should also disclose on the face of the P&L – EPS for profit from continuing operations – refer to IAS 33.66]

[Note: The bank may choose to present the statement of profit or loss and other comprehensive income as two separate statements following each other: (a) statement of profit or loss and (b) statement of other comprehensive income.]

[Note: Fair value gains and losses are shown before current or deferred tax effects within other comprehensive income. Income tax on transactions recorded in other comprehensive income is presented in a separate line 'Income tax recorded in other comprehensive income'. Alternatively, components of other comprehensive income may be presented net of related tax effects, eg "Revaluation, net of tax", rather than showing one amount for the aggregate amount of income tax relating to those components. Additional disclosure of the tax effects should be in the notes. IAS 1.90 requires disclosure of the amount of income tax relating to each component of other comprehensive income. See Note 36.]

ABC Bank Group
Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Bank							Total	Non-controlling Interest	Total equity
		Share capital	Share premium	[Perpetual bonds]	Revaluation reserve for securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve			
<i>In thousands of EUR</i>											
Balance at 1 January 2021											
Voluntary changes in accounting policies	3										
Balance at 1 January 2021 (restated)											
Profit / (loss) for the year											
Other comprehensive income	31										
Total comprehensive income for 2021											
Share issue	29										
Treasury shares:											
- Acquisitions	29										
- Disposals	29										
Business combinations	52										
Acquisition of non-controlling interest in subsidiaries											
Disposal of non-controlling interest in subsidiaries											
Transfer of revaluation surplus on premises [and equipment] to retained earnings	31										
Dividends declared	37										
Balance at 31 December 2021											

The notes set out on pages [] to [] form an integral part of these consolidated financial statements. 5

ABC Bank Group
Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Bank							Total	Non-controlling Interest	Total equity
		Share capital	Share premium	[Perpetual bonds]	Revaluation reserve for securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve			
<i>In thousands of EUR</i>											
[Voluntary changes in accounting policies] Effects of adoption of new or revised standards	5										
Restated balance at 1 January 2022											
Profit / (loss) for the year											
Other comprehensive income	31										
Total comprehensive income for 2022											
Share issue	29										
Treasury shares											
- Acquisitions	29										
- Disposals	29										
Business combinations	52										
Acquisition of non-controlling interest in subsidiaries											
Disposal of non-controlling interest in subsidiaries											
Transfer of revaluation surplus on premises [and equipment] to retained earnings	31										
Transfer of revaluation reserve on investments in equity securities at											

The notes set out on pages [] to [] form an integral part of these consolidated financial statements. 6

ABC Bank Group
Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Bank							Total	Non-controlling Interest	Total equity
		Share capital	Share premium	[Perpetual bonds]	Revaluation reserve for securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve			
<i>In thousands of EUR</i>											
FVOCI to retained earnings upon disposal											
Transfer of change in fair value attributable to change in the credit risk of financial liabilities at FVTPL to retained earnings											
Dividends declared	37										
Balance at 31 December 2022											

[Note:

- Include share premium in share capital amount or present it separately. If presented separately, adjust also balance sheet and Note 29.
- If the Group has negative retained earnings, change the heading from retained earnings to 'accumulated deficit'.
- Any significant capital transactions with owners of the Group should be described in Note 29.
- The name should be 'Statement of changes in equity' even if the Group has negative equity. Do not change 'equity' to 'deficit'.
- Treasury shares are deducted from share capital amount with additional disclosure in Note 29. If treasury shares are shown separately in the consolidated balance sheet – a separate column in this statement would be needed.
- In the case of equity-settled share-based payment arrangements, the credit to equity should be in the statement of changes in equity and not in other comprehensive income.
- If gains or losses on initial recognition of financial instruments are, in substance, distributions to or capital contributions from owners, then they should be included in the statement of changes in equity and not in the statement of comprehensive income.
- Transfer of realised revaluation reserve on premises and equipment to retained earnings should be presented as a capital transaction below 'Total comprehensive income' subtotal.
- For entities presenting financial statements in a currency which differs from the functional currency of one or more entities in the Group: Note that normal practice is for all equity components (e.g. share capital, retained earnings), except for non-controlling interest, to be presented at historic rates in the respective columns of the statement of changes in equity and notes thereto. Any effects of translating equity components from the functional currency to the presentation currency are recognised within the currency translation reserve movement for the year, except for those effects relating to non-controlling interest. As an alternative all components of equity may be translated using the closing rate as of each end of the reporting period. However, effects of translation of equity components should not be recognised in other comprehensive income but as a reclassification within equity below total comprehensive income.]

ABC Bank Group
Consolidated Statement of Cash Flows

<i>In thousands of EUR</i>	Note	2022	2021
Cash flows from operating activities			
Interest income calculated using the effective interest method received, excluding interest income on investments in debt securities			
Interest income received on investments at fair value through profit or loss			
Interest paid calculated using the effective interest method			
Other similar income paid			
Fees and commissions received			
Fees and commissions paid			
Income received from trading in trading securities			
Income received from financial derivatives			
Income received from trading in foreign currencies			
Other operating income received			
Proceeds from sale of assets previously leased to customers			
Staff costs paid			
Administrative and other operating expenses paid <i>[Consider further breakdown by major types of costs]</i>			
Income tax paid			
Cash flows from/(used in) operating activities before changes in operating assets and liabilities			
<i>Net (increase)/decrease in:</i>			
- investments in debt securities at fair value through profit or loss			-
- investments in equity securities at fair value through profit or loss			-
- due from other banks			
- loans and advances to customers			
- repurchase receivables			
- other financial assets			
- other assets			
<i>Net increase/(decrease) in:</i>			
- due to other banks			
- customer accounts			
- debt securities in issue <i>[promissory notes issued] [Movements in long-term debt securities in issue should be reported within cash flows from financing activities]</i>			
- other financial liabilities			
- provisions for liabilities and charges and other liabilities <i>[Delete increase/decrease as appropriate]</i>			
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Interest income received on investments in debt securities			
Acquisition of debt securities at fair value through other comprehensive income	9		-
Acquisition of equity securities at fair value through other comprehensive income	10		-
Proceeds from disposal <i>[and redemption]</i> of debt securities at fair value through other comprehensive income	9		-
Proceeds from disposal of equity securities at fair value through other comprehensive income	10		-
Acquisition of investments in debt securities carried at amortised cost	9		-
Proceeds from redemption of debt securities carried at amortised cost	9		-
Acquisition of premises and equipment	18		
Proceeds from disposal of premises and equipment	18, 20		

ABC Bank Group
Consolidated Statement of Cash Flows

<i>In thousands of EUR</i>	Note	2022	2021
Dividend income received			
Acquisition of subsidiaries, net of cash acquired	52		
Proceeds from disposal of subsidiary, net of disposed cash	20, 52		
Acquisition of associates	14		
Proceeds from disposal of associates	14, 20		
Acquisition of investment properties	13		
Proceeds from disposal of investment properties	13, 20		
Acquisition of intangible assets	18		
Proceeds from disposal of intangible assets	18, 20		
Net cash from/(used in) investing activities			
Cash flows from financing activities			
Proceeds from other borrowed funds	24		
Repayment of other borrowed funds	24		
Repayment of principal of lease liabilities			
Proceeds from [syndicated] long term borrowings from other banks	24		
Repayment of [syndicated] long term borrowings from other banks	24		
Proceeds from subordinated debt	28		
Repayment of subordinated debt	28		
Issue of ordinary shares	29		
Issue of preference shares	29		
Capital contributions from shareholders other than through issuance of shares	29		
Acquisition of treasury shares	29		
Disposal of treasury shares	29		
Acquisition of non-controlling interest in subsidiaries	45		
Proceeds from disposal of non-controlling interest in subsidiaries	45		
Dividends paid	37		
Discretionary interest on perpetual bonds paid	37		
Proceeds from issue of perpetual bonds	30		
Repayment of perpetual bonds	30		
Capital distributions to shareholders other than dividends	29		
Net cash from/(used in) financing activities			
Effect of exchange rate changes on cash and cash equivalents			
Effect of changes in expected credit losses on cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year			
	7		

[Refer to Note 7 for investing and financing transactions that did not require the use of cash and cash equivalents and were excluded from the statement of cash flows.]

[Note:

- *IAS 7.28 states that unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. They should, therefore, be eliminated as non-cash movements.*
- *All unrealised fair value adjustments should be eliminated as being non-cash items.*
- *Cash flows from investing and financing activities should be shown gross as a matter of principle.*
- *Investing activities may include only items that are capitalised as assets in the balance sheet.*

ABC Bank Group
Consolidated Statement of Cash Flows

- *Shares issued as part of the consideration for acquisition of a subsidiary represent a non-cash transaction and should be excluded from the cash outflow for the acquisition of the subsidiary.*
- *If an acquisition and/or a disposal of a financial asset is included in the cash flow from investing activities, the respective interest income can be included either in the cash flows from operating activities or in the cash flow from investing activities – this is an accounting policy choice and should be disclosed.*
- *Interest paid on lease liabilities should be presented consistently with interest paid on other liabilities, either in operating or financing activities based on the accounting policy choice of the Group.*
- *Money market short positions should not be deducted from cash and cash equivalents balance.*
- *If Bank receives material rent concessions (forgiveness or deferral of lease payments) in response to COVID-19 pandemic, the impact should be presented as non-cash movements in lease liabilities. Refer to Note 38.]*

Engagement teams can find additional guidance in the following link: [Statement of cash flows – classification guidance \(https://viewpoint.pwc.com/dt/gx/en/pwc/by_topic/by_topic_INT/by_topic_INT/Practice-Aids/Statement-of-cash-flows.html\)](https://viewpoint.pwc.com/dt/gx/en/pwc/by_topic/by_topic_INT/by_topic_INT/Practice-Aids/Statement-of-cash-flows.html).]

1 Introduction

These [consolidated] financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2022 for ABC Bank (the “Bank”) and its subsidiaries (the “Group”).

The Bank was incorporated and is domiciled in [Country]. The Bank is a joint stock company [or state the appropriate civil code classification] limited by shares and was set up in accordance with [Country’s] regulations. [As of 31 December 2022 and 2021 the Bank’s immediate [and ultimate] parent company was _____, and the Bank was ultimately controlled by Mr _____.] [The disclosure of ownership should be made here or in the related party note. Tailor the above wording or include additional wording such that the Bank’s ultimate parent company is disclosed under IAS 1.138(c) and ultimate controlling party under IAS 24.13.]

Principal activity. The Group’s principal business activity is [commercial and retail] banking operations within [Country]. The Bank has operated under a full banking licence issued by the [National Bank of Country (“NBC”)] since _____. The Bank participates in the state deposit protection scheme. The [Deposit Protection Fund] guarantees repayment of 100% of individual deposits up to EUR 100 thousand per individual in the case of the withdrawal of a licence of a bank or a NBC imposed moratorium on payments.

The Bank has _____ (2021: _____) branches within the [Country] and _____ (2021: _____) branches overseas in _____. Additionally, the Bank has representative offices in _____. [The Group had _____ employees at 31 December 2022 (2021: _____ employees).]

Registered address and place of business. The Bank’s registered address is: _____, [Country].

[The Bank’s principal place of business is _____.] [Note: the principal place of the Bank’s activity should be disclosed only where it is different from the registered address of the Bank.]

Presentation currency. These [consolidated] financial statements are presented in Euro (“EUR”), unless otherwise stated.

Abbreviations. A glossary of various abbreviations used in this document is included in Note 54.

2 Operating Environment of the Group

COVID-19. In March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the [Country] authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. Some of those measures were subsequently relaxed, however, as of 31 December 2022, there remains a risk that the authorities may impose additional restrictions in 2023 as a response to possible new variants of the virus.

[Disclose the actual status as of the reporting date. See appendix D for COVID-19 related FAQs and more guidance].

2 Operating Environment of the Group (continued)

War between Russia and Ukraine. The sanctions imposed by [Country] on Russia due to its military operations in the Ukraine and the related counter measures by Russia caused an unprecedented increase in the price of natural gas and electricity. The [Country] paid [x%] of its GDP (2021: [y%]) for energy imports, while this would amount to [z%] for 2023 at the price level observed as of 31 December 2022. This is expected to lead to defaults among the Group's customers operating in energy intensive sectors as reflected in additional EUR _____ expected credit loss allowance recognised in 2022. Macroeconomic assumptions underlying the expected loss allowance are disclosed in Note 4.

[Add information about the war in Ukraine, including how the invasion and on-going war impact the Group's operations and results for the reporting period.]

This section should be split into the following 2 sub-sections:

- a) In general, the war is expected to have a pervasive impact on the global economy e.g., via growing commodity prices, potential shortages of oil/ gas/ coal, business disruptions etc. The Group should disclose how these negative externalities impact their operations and performance – nature and amount – even if the Group has no direct exposure to the war-affected territories.*
- b) In addition, where the Group has direct exposure to Ukraine, Russia and Belorussia (subsidiaries, loans provided, financing etc.), disclose how the war and related sanctions directly impact the operations and performance of the Group – nature and amount.*

Please refer to the following publications on this topic (available on [Viewpoint.pwc.com](https://www.pwc.com/viewpoint)):

- *[Accounting implications of the Russian invasion of Ukraine - PwC In Depth 2022-05 \(this In Depth includes Frequently Asked Questions and it is updated on an on-going basis, check inform for updates\).](#)*
 - *[FAQ 2.1 - What are the implications following the limited access certain Russian banks have to the SWIFT \(Society for Worldwide Interbank Financial Telecommunication\) system?](#)*
 - *[FAQ 4.1 - What are factors to consider when reflecting impacts of the Russian invasion of Ukraine in the accounting of an existing financial instrument within the scope of IFRS 9?](#)*
 - *[FAQ 4.2.1 – In the context of the Russian invasion of Ukraine and ECL, what information is 'reasonable and supportable'?](#)*
 - *[FAQ 4.2.2 - To what extent should additional information related to the Russian invasion of Ukraine that becomes available after the reporting date be included in the ECL estimate?](#)*
 - *[FAQ 4.3.1 – What factors should be considered in assessing the 'highly probable' criterion for cash flow hedges of forecast purchases or sales in light of disruptions to the supply chain or sales process as a result of the Russian invasion of Ukraine?](#)*
 - *[FAQ 4.3.3 – Are government bonds that are denominated in USD or Euro, and issued by the government of Russia and held by foreign investors who are impacted by the sanctions, credit impaired under IFRS 9 as at 31 March and 30 June 2022?](#)*
 - *[FAQ 4.7.10 – What are the implications of the Russian invasion of Ukraine on the measurement of Russian bonds that are held at fair value?](#)*
 - *[FAQ 4.7.11 – What factors should be considered in fair valuing equity securities issued by Russian entities that are traded on the Moscow stock exchange at 31 March and 30 June 2022?](#)*
 - *[FAQ 13.1.1 – What are the factors to consider in light of sanctions on the Russian Central Bank when determining the spot rate for the Rouble under IAS 21 as at 31 March and 30 June 2022?](#)*
 - *[FAQ 13.2.2 – What are the relevant considerations when translating foreign operations with a Rouble functional currency as at 31 March and 30 June 2022 into another currency for consolidation purposes?](#)*
- *[Accounting impacts of Russian sanctions - Reserves and SWIFT – PwC In Brief 2022-04](#)*
- *[Implications of Russia's invasion of Ukraine on half-yearly financial reports – ESMA Public Statement May 2022](#)*

2 Operating Environment of the Group (continued)

The long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

For the purpose of measurement of expected credit losses ("ECL") the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Notes 4 and 41 provide more information of how the Group incorporated forward-looking information in the ECL models.

[Note: This note serves as an illustrative example and should be adjusted for the facts and circumstances relevant to the Group. E.g. if the Group is affected by Brexit, consider including appropriate wording to explain the impact.]

3 Significant Accounting Policies

Basis of preparation. These [consolidated] financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, and by the revaluation of [premises and equipment, investment properties,] financial instruments categorised at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI"). The principal accounting policies applied in the preparation of these [consolidated] financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Refer to Note 5.

[Going concern. Management prepared these [consolidated] financial statements on a going concern basis. Refer to Note 4 for uncertainties relating to events and conditions that may cast a significant doubt upon the Group's ability to continue as a going concern.] *[Include this paragraph only if there is doubt about going concern].*

Consolidated financial statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree.

3 Significant Accounting Policies (Continued)

Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount (“negative goodwill”) is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Bank and all of its subsidiaries use uniform accounting policies consistent with the Group’s policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group’s equity.

The acquisition method of accounting is applied if the acquired entity represents a business: it has inputs and a substantive process that together significantly contribute to the ability to create outputs. This definition is also applied to early stage companies that have not yet generated outputs. When assessing whether the acquired entity is a business, the Group may apply a ‘concentration test’ whereby the acquired assets are not considered a business if substantially all of the fair value of gross assets is concentrated in a single asset or a group of similar assets.

Purchases and sales of non-controlling interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

Purchases of subsidiaries from parties under common control. Purchases of subsidiaries from parties under common control are accounted for [in accordance with the acquisition method of accounting] [using the predecessor values method. Under this method, the [consolidated] financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity’s carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary’s IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity’s original acquisitions is also recorded in these [consolidated] financial statements. Any difference between the carrying amount of net assets, including the predecessor entity’s goodwill, and the consideration for the acquisition is accounted for in these [consolidated] financial statements as an adjustment to [other reserve / merger reserve] within equity].

3 Significant Accounting Policies (Continued)

Associates. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss, where appropriate.

Financial instruments – key measurement terms. *Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price. [The price within the bid-ask spread that is most representative of fair value in the circumstances was used to measure fair value, which management considers is [the last trading price on the reporting date] [the average of actual trading prices on the reporting date]. [The quoted market price used to value financial assets is the current bid price; the quoted market price for financial liabilities is the current asking price.]

[A portfolio of financial derivatives or other financial assets and liabilities that are not traded in an active market is measured at the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (ie an asset) for a particular risk exposure or paid to transfer a net short position (ie a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date. This is applicable for assets carried at fair value on a recurring basis if the Group: (a) manages the group of financial assets and financial liabilities on the basis of the entity's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's documented risk management or investment strategy; (b) it provides information on that basis about the group of assets and liabilities to the entity's key management personnel; and (c) the market risks, including duration of the entity's exposure to a particular market risk (or risks) arising from the financial assets and financial liabilities is substantially the same.]

3 Significant Accounting Policies (Continued)

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 49.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

3 Significant Accounting Policies (Continued)

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

[The Group uses [discounted cash flow] valuation techniques to determine the fair value of [currency swaps], [Foreign exchange forwards], [loans to related parties]] that are not traded in an active market. Differences may arise between the fair value at initial recognition, which is considered to be the transaction price, and the amount determined at initial recognition using a valuation technique with level 3 inputs. If any differences remain after calibration of model inputs, such differences are initially recognised within [other] assets or [other] liabilities and are subsequently amortised on a straight line basis over the term of the [currency swaps], [Foreign exchange forwards], [loans to related parties]. The differences are immediately recognised in profit or loss if the valuation uses only level 1 or level 2 inputs.] [See IFRS 7.IG14]

Financial assets – classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group’s business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group’s objective is: (i) solely to collect the contractual cash flows from the assets (“hold to collect contractual cash flows”), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets (“hold to collect contractual cash flows and sell”) or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of “other” business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include [the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets’ performance is assessed and how managers are compensated]. Refer to Note 4 for critical judgements applied by the Group in determining the business models for its financial assets.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest (“SPPI”). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 4 for critical judgements applied by the Group in performing the SPPI test for its financial assets.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. [The entity did not change its business model during the current and comparative period and did not make any reclassifications.]

3 Significant Accounting Policies (Continued)

[Note: reclassifications of financial assets should be rare and they need to be supported by robust evidence that the business model has actually changed – the change needs to be demonstrable to third parties for a period of time before a reclassification can be considered. Refer to detailed guidance in FAQ 44.59.2 How are the criteria for reclassification of financial assets and the timing of reclassification assessed?].

[Note: Any reclassifications triggered by the upcoming implementation of IFRS 17, in particular when insurers move assets into FVOCI category before adopting IFRS 17, should be carefully analysed and consulted with ACS. Under IFRS 17, it's expected that some insurers would want to classify/move more financial assets into FVOCI category to minimize OCI volatility from measuring certain portfolios of insurance contracts via OCI. Nevertheless, one must still meet the business model test in IFRS 9 for FVOCI classification of financial assets. It's unlikely that insurers will achieve change in business model solely based on adopting IFRS 17, given IFRS 9 requires actual changes in the way how the assets are managed to achieve reclassification. Careful analysis of the specific facts and circumstances should be performed. Another potential complexity is timing of the change e.g. when insurers what to change business model before IFRS 17 is actually adopted, while not being able to demonstrate how the way the assets are managed has changed.]

Financial assets impairment – credit loss allowance for ECL. The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains less losses on debt instruments at FVOCI.

The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the Group identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). Refer to Note 41 for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group’s definition of credit impaired assets and definition of default is explained in Note 41. For financial assets that are purchased or originated credit-impaired (“POCI Assets”), the ECL is always measured as a Lifetime ECL. Note 41 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

As an exception, for certain financial instruments, such as credit cards, that may include both a loan and an undrawn commitment component, the Group measures expected credit losses over the period that the Group is exposed to credit risk, that is, until the expected credit losses would be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. This is because contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to such contractual notice period.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. [\[Indicators that there is no reasonable expectation of recovery include... specify\]](#). The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

3 Significant Accounting Policies (Continued)

Financial assets – derecognition. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial assets – modification. The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: [any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.]

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets) and recognises a modification gain or loss in profit or loss.

Payment holidays granted by the Group in response to [specify as appropriate, e.g. COVID-19 pandemic] are treated as contractual modifications of the respective loans and advances. Their impact on the gross carrying amount (modification loss) is presented in profit or loss within [specify the line item].

[Where relevant, additional accounting policy should be included for derecognition of revolving credit facilities, such as credit cards or overdrafts. Such assets may be subject to numerous contractual modifications and their derecognition assessment is a complex area, requiring judgement specific to the entity's circumstances.]

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

3 Significant Accounting Policies (Continued)

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. *[In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.]* If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include *[mandatory reserve deposits with the NBC and]* all interbank placements *[and reverse sale and repurchase agreements with other banks]* with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents, both in the statement of financial position and for the purposes of the statement of cash flows. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. *[Features mandated solely by legislation, such as the bail-in legislation in certain countries, do not have an impact on the SPPI test, unless they are included in contractual terms such that the feature would apply even if the legislation is subsequently changed.]*

[The above policy for cash and cash equivalents reflects the practice of many entities; however each entity should determine and disclose the composition and maturity threshold of its cash equivalents used for meeting short-term cash commitments, based on the entity's own cash management practices. E.g. for some entities cash equivalents are only those realisable within one day.]

The payments or receipts presented in the statement of cash flows represent transfers of cash and cash equivalents by the Group, including amounts charged or credited to current accounts of the Group's counterparties held with the Group, such as loan interest income or principal collected by charging the customer's current account or interest payments or disbursement of loans credited to the customer's current account, which represents cash or cash equivalent from the customer's perspective.

Mandatory cash balances with the NBC. Mandatory cash balances with the NBC are carried at AC and represent non-interest bearing mandatory reserve deposits, which are not available to finance the Group's day to day operations, and hence are not considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

Due from other banks. Amounts due from other banks are recorded when the Group advances money to counterparty banks. Amounts due from other banks are carried at AC when: (i) they are held for the purposes of collecting contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Certain bank deposits held by the Group are subject to the "bail-in" legislation that permits or requires a national resolving authority to impose losses on holders in particular circumstances. Where the bail-in clauses are included in the contractual terms of the instrument and would apply even if legislation subsequently changes, the SPPI test is not met and such instruments are mandatorily measured at FVTPL. *[The Group did not identify such balances due from other banks.]* Where such clauses in the contract merely acknowledge the existence of the legislation and do not create any additional rights or obligation for the Group, the SPPI criterion is met and the respective instruments are carried at AC.

3 Significant Accounting Policies (Continued)

Investments in debt securities. Based on the business model and the cash flow characteristics, the Group classifies investments in debt securities as carried at AC, FVOCI or FVTPL. Debt securities are carried at AC if they are held for collection of contractual cash flows and where those cash flows represent SPPI, and if they are not voluntarily designated at FVTPL in order to significantly reduce an accounting mismatch.

Debt securities are carried at FVOCI if they are held for collection of contractual cash flows and for selling, where those cash flows represent SPPI, and if they are not designated at FVTPL. Interest income from these assets is calculated using the effective interest method and recognised in profit or loss. An impairment allowance estimated using the expected credit loss model is recognised in profit or loss for the year. All other changes in the carrying value are recognised in OCI. When the debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to profit or loss.

Investments in debt securities are carried at FVTPL if they do not meet the criteria for AC or FVOCI. The Group may also irrevocably designate investments in debt securities at FVTPL on initial recognition if applying this option significantly reduces an accounting mismatch between financial assets and liabilities being recognised or measured on different accounting bases.

Investments in equity securities. Financial assets that meet the definition of equity from the issuer's perspective, i.e. instruments that do not contain a contractual obligation to pay cash and that evidence a residual interest in the issuer's net assets, are considered as investments in equity securities by the Group. Investments in equity securities are measured at FVTPL, except where the Group elects at initial recognition to irrevocably designate an equity investments at FVOCI. The Group's policy is to designate equity investments as FVOCI when [those investments are held for strategic purposes other than solely to generate investment returns.] When the FVOCI election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversals, if any, are not measured separately from other changes in fair value. Dividends continue to be recognised in profit or loss when the Group's right to receive payments is established except when they represent a recovery of an investment rather than a return on such investment.

Loans and advances to customers. Loans and advances to customers are recorded when the Group advances money to purchase or originate a loan due from a customer. Based on the business model and the cash flow characteristics, the Group classifies loans and advances to customers into one of the following measurement categories: (i) AC: loans that are held for collection of contractual cash flows and those cash flows represent SPPI and loans that are not voluntarily designated at FVTPL, and (ii) FVTPL: loans that do not meet the SPPI test or other criteria for AC or FVOCI are measured at FVTPL.

Impairment allowances are determined based on the forward-looking ECL models. Note 41 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

[Note: Loans at FVOCI and those voluntarily at FVTPL are not illustrated in these financial statements, but if applicable, the respective disclosures should be added].

Repossessed collateral. Repossessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at cost (non-financial assets) or at fair value (financial assets) when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Group's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

[The Group applies its accounting policy for non-current assets held for sale or disposal groups to repossessed collateral where the relevant conditions for such classification are met at the end of the reporting period.]

Where repossessed collateral results in acquiring control over a business, the business combination is accounted for using the acquisition method of accounting with fair value of the settled loan representing the cost of acquisition (refer to the accounting policy for consolidation). Accounting policy for associates is applied to repossessed shares where the Group obtains significant influence, but not control. The cost of the associate is the fair value of the loan settled by repossessing the pledged shares.

3 Significant Accounting Policies (Continued)

Loan commitments. The Group issues commitments to provide loans. These commitments are irrevocable or revocable only in response to a material adverse change. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Group cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Note 41 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

Financial guarantees. Financial guarantees require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL loss allowance is recognised for fees receivable that are recognised in the statement of financial position as an asset. Note 41 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

Performance guarantees. Performance guarantees are contracts that provide compensation if another party fails to perform a contractual, commercial or legal obligation. Where the performance guarantee provides the Group with contractual indemnification rights to recover any payments made to the guarantee holder from the applicant and such rights are covered by collateral, they are treated as a loan commitment provided to the applicant, if the bank concludes that there is no event with commercial substance that could cause the bank to incur an overall loss on the guarantee arrangement. Such performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the amount of the loss allowance determined based on the expected credit loss model.

[Note: Performance guarantees do not meet the definition of a financial guarantee in IFRS 9, because there is no debt instrument outstanding between the contractor and the applicant and any payment under the guarantee does not solely depend on a debtor failing to make a payment. Many performance guarantees could result in a transfer of insurance risk and are therefore likely to fall into the scope of IFRS 17 effective from 1 January 2023. In such a case, the policy above would no longer be applicable and should be changed to accounting policy based on IFRS 17.]

Please refer to the CEE ACS Alert 2022.004 - Accounting for performance guarantees issued by banks and similar financial institutions for more details and explanations.

Engagement teams should consult with ACS on classification of performance guarantees.]

3 Significant Accounting Policies (Continued)

Sale and repurchase agreements and lending of securities. Sale and repurchase agreements (“repo agreements”), which effectively provide a lender’s return to the counterparty, are treated as secured financing transactions. Securities sold under such sale and repurchase agreements are not derecognised. The securities are reclassified as repurchase receivables in the statement of financial position if the transferee has the right by contract or custom to sell or repledge the securities. The corresponding liability is presented within amounts due to other banks or other borrowed funds.

Securities purchased under agreements to resell (“reverse repo agreements”), which effectively provide a lender’s return to the Group, are recorded as due from other banks or loans and advances to customers, as appropriate. The difference between the sale and repurchase price, adjusted by interest and dividend income collected by the counterparty, is treated as interest income and accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties for a fixed fee are retained in the [consolidated] financial statements in their original category in the statement of financial position unless the counterparty has the right by contract or custom to sell or repledge the securities, in which case they are reclassified and presented separately. Securities borrowed for a fixed fee are not recorded in the [consolidated] financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded in profit or loss for the year within gains less losses arising from trading securities. The obligation to return the securities is recorded at fair value in other borrowed funds.

Based on classification of securities sold under the sale and repurchase agreements, the Group classifies repurchase receivables into one of the following measurement categories: AC, FVOCI, and FVTPL.

Promissory notes purchased. Promissory notes purchased are included in due from other banks or in loans and advances to customers, depending on their substance and are recorded, subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

Purchased financial guarantees. The accounting for purchased financial guarantees, where the Group is the beneficiary and is compensated for credit losses incurred on its debt instruments, depends on whether the guarantees are both (i) in substance integral to the terms and conditions of the guaranteed loans and (ii) not recognised separately.

If the financial guarantee is both integral to the guaranteed loan and not recognised separately, fees paid for the guarantee are an integral part of the loan’s effective interest rate as transaction costs, unless the loan is measured at FVTPL. If the guaranteed loans are measured at amortised cost, the ability to recover cash flows from financial guarantee is considered in assessing whether significant increase in credit risk occurred, however, the expected cash flows from the financial guarantee are included in the measurement of ECL of the guaranteed loan.

The financial guarantee is recognised as a separate asset if it is not integral to the terms and conditions of any particular loan or group of loans. Since the financial guarantee is recognised separately, it is not included in the measurement of ECL of the guaranteed loan or loans. The Group measures the asset recognised for the financial guarantee at the higher of (i) the ECL allowance for related loans and (ii) its cost less cumulative amortisation recognised to allocate the cost of the guarantee over the shorter of (a) the life of the guarantee and (b) expected life of the guaranteed loan or loans. The asset is recognised provided it is virtually certain that the guarantee will reimburse the entity for a loss that it incurs if the borrower fails to pay.

[In response to COVID-19 pandemic, governments or similar bodies (e.g. European Investment Fund) offer financial guarantees to banks to cover credit losses incurred on certain qualifying pre-existing corporate or SME loans. From the perspective of the banks, these are purchased financial guarantees that are not integral to the loans and therefore they are separately recognised and not included in measurement of ECL allowance. If the Group has such financial guarantees, this accounting policy should be included and the details of the impact of the guarantee should be provided if they are material (they are a credit enhancement subject to disclosure under IFRS 7 paragraph 35K.)]

3 Significant Accounting Policies (Continued)

Investment property. *[Refer to Appendix D for an extended accounting policy if investment properties are material.]* Investment property is property held by the Group (owned or held as a right-of-use asset under a lease) to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period. Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs.

Fair value of the Group's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification and who have recent experience in valuation of property of similar location and category. *[If valuation is done by the entity's staff, amend wording accordingly and disclose that professional valuers were not involved – see IAS 40.75(e).]*

[Investment property represents industrial land and buildings that the Group valued using its expectation to convert them into a residential complex.] [Disclose if highest and best use differs from current use.]

Earned rental income is recorded in profit or loss for the year within *[other operating income]*. Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately.

[Alternative policy – cost model: Investment properties are stated at cost less accumulated depreciation and provision for impairment, where required. If any indication exists that investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs to sell. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. An impairment loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to premises and equipment.]

[Precious metals. The Group has a practice of taking delivery of precious metals and selling them within a short period after delivery, for the purpose of generating a profit from short-term fluctuations in price or dealer's margin. Precious metals are carried at the lower of cost or net realisable value.] [Precious metals are held by the Group's commodity broker-trader subsidiary and are measured at fair value less costs to sell with gains or losses recognised in profit or loss.] *[If the Group has receivables or liabilities that are linked to prices of precious metals but can be settled in cash, they should be treated as financial assets mandatorily at FVPL or financial liabilities with embedded derivatives, respectively.]*

Goodwill. Goodwill is carried at cost less accumulated impairment losses, if any. The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or group of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment. Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

3 Significant Accounting Policies (Continued)

Premises and equipment. Premises and equipment are stated at cost [or revalued amounts, as described below,] less accumulated depreciation and provision for impairment, where required.

[Premises [and equipment] are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for premises and equipment included in equity is transferred directly to retained earnings [accumulated deficit] when the revaluation surplus is realised on the retirement or disposal of the asset, or as the asset is used by the Group; in the latter case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.] *[Disclose specific details of the valuation method applied]*

If there is no market-based evidence of fair value, fair value is estimated using an income approach. [Management has updated the carrying value of land and buildings measured in accordance with the revaluation model at the end of the reporting period using market based evidence and is satisfied that sufficient market based evidence of fair value is available to support the updated fair values.] *[Or: Management has updated the carrying value of land and buildings measured in accordance with the revaluation model at the end of the reporting period using [specify method].]*

[Describe accounting policy for valuation based on depreciated replacement cost if there is no market-based evidence of fair value because of the specialised nature of the item of premises and equipment and the item is rarely sold, except as part of a continuing business.]

[Note that when an item of premises and equipment is revalued, the entire class of premises and equipment to which that asset belongs should be revalued (IAS 16.36).] [The items within a class of premises and equipment are revalued simultaneously in order to avoid selective revaluation of assets and the reporting of amounts in the financial statements which are a mixture of costs and values at different dates. However, a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period of time and provided the revaluations are kept up to date (IAS 16.38).]

Costs of minor repairs and day-to-day maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalised, and the replaced part is retired.

Leasehold improvements are alterations made to rented properties by the Group to customise it to its particular business needs and preferences. The improvements that are specialised to the Group's intended use of the property are treated as own assets for accounting purposes.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year [to the extent it exceeds the previous revaluation surplus in equity]. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within other operating income or expenses).

3 Significant Accounting Policies (Continued)

Depreciation. Land and construction in progress are not depreciated. *[Delete reference to non-depreciation of construction in progress, if not relevant.]* Depreciation of other items of premises and equipment and right-of-use assets is calculated using the straight-line method to allocate their cost *[or revalued amounts]* to their residual values over their estimated useful lives:

	Useful lives in years
Premises	[40 to 50]
Office and computer equipment <i>[May need more than one category]</i>	[5 to 10]
Right-of-use assets <i>[May need more than one category if useful lives vary significantly]</i>	<i>[Please disclose the range for the remaining lease terms]</i> <i>[Please disclose the range, shorter of useful life and the term of the underlying lease]</i>
Leasehold improvements	

[These lives need to be consistent with IFRS and not RAR, i.e. IFRS adjustments may be needed to reflect IFRS depreciation rates. The categories in the table should be consistent with PP&E note.]

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets. The Group's intangible assets other than goodwill have definite useful life and primarily include capitalised computer software and *[specify the nature of the other intangibles]*. *[Consult ACS about any material intangible assets with indefinite useful life.]* Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with identifiable and unique software controlled by the Group are recorded as intangible assets if the inflow of incremental economic benefits exceeding costs is probable. Capitalised costs include staff costs of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight line basis over expected useful lives of ___ to ___ years.

[Specify accounting treatment of significant classes of intangible assets, including those acquired in business combinations e.g. trademarks, trade names, internet domain names, non-competition agreements, customer lists and databases, customer contracts and the related contractual and non-contractual customer relationships, banking or other licences, favourable lease agreements, construction permits, patented technology, etc.]

[Servicing contracts such as mortgage servicing contracts acquired in business combinations may be intangible assets except if mortgage loans, credit card receivables or other financial assets are acquired in a business combination with servicing retained, then the inherent servicing rights are not a separate intangible asset because the fair value of those servicing rights is included in the measurement of the fair value of the acquired financial asset. See IFRS 3.IE36.]

Accounting for leases by the Group as a lessee. The Group leases *[land, office premises, equipment and cars]*. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recognised at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

3 Significant Accounting Policies (Continued)

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

[Payments under long-term leases of land based on cadastral value of land are treated as variable lease payments that are not based on an index or a rate.]

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

[As an exception to the above, the Group accounts for short-term leases and leases of low value assets by recognising the lease payments as an operating expense on a straight line basis.]

In determining the lease term, management of the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

[Potential future cash outflows of EUR ____ thousand have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).]

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. [During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of EUR _____ thousand].

[The Group applied the Amendment to IFRS 16 to COVID-19 related rent concessions granted by lessors in 2020 and the extension to this Amendment in 2021, respectively. These concessions were recorded as a reduction in the lease liability and variable rent in the period in which they were granted.] *[If the Group received material concessions and did not apply the Amendment, specify the accounting policy applied. Please note that if the Group applied the Amendment issued in May 2020, it should also mandatorily apply the Amendment (extension) issued in June 2021.]*

3 Significant Accounting Policies (Continued)

Accounting for operating leases by the Group as a lessor. When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

The Group routinely sells assets held for rental under operating leases when the leases are terminated. Such assets are transferred to inventories at their carrying amounts when they cease to be rented. The proceeds from sale are recognised as revenue with the corresponding cost of goods sold.

[If the Group granted COVID-19 related rent concessions under operating lease contracts, specify the accounting policy applied to these concessions. In the absence of specific guidance on such concessions for lessors, different accounting treatment may be applied as a matter of accounting policy election.]

Finance lease receivables. Where the Group is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as a finance lease receivable and carried at the present value of the future lease payments. Finance lease receivables are initially recognised at commencement (when the lease term begins) using a discount rate determined at inception (the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease).

The difference between the gross receivable and the present value represents unearned finance income. This income is recognised over the term of the lease [using the net investment method (before tax), which reflects a constant periodic rate of return] / [by applying the rate implicit in the lease to (i) the gross book value of lease receivables in stage 1 and 2 and (ii) net carrying amount of lease receivables in stage 3 of the ECL model]. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term [except for certain subsidiaries of the Group which act as manufacturer or dealer lessors, in which case such costs are expensed as part of the selling profit similarly to outright sales.] Finance income from leases is recorded within [Other similar income] [other operating income] in profit or loss.

Credit loss allowance is recognised [in accordance with the general ECL model] / [using a simplified approach at lifetime ECL]. The ECL is determined in the same way as for loans and advances measured at AC and recognised through an allowance account to write down the receivables' net carrying amount to the present value of expected cash flows discounted at the interest rates implicit in the finance leases. The estimated future cash flows reflect the cash flows that may result from obtaining and selling the assets subject to the lease.

Non-current assets classified as held for sale (or disposal groups). Non-current assets and disposal groups, which may include both non-current and current assets, are classified in the statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction, including loss of control of a subsidiary holding the assets, within twelve months after the end of the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn. Non-current assets or disposal groups classified as held for sale in the current period's statement of financial position are not reclassified or re-presented in the comparative statement of financial position to reflect the classification at the end of the current period.

3 Significant Accounting Policies (Continued)

A disposal group is a group of assets (current or non-current) to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Goodwill is included if the disposal group includes an operation within a cash-generating unit to which goodwill has been allocated on acquisition. Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the end of the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified.

Held for sale disposal groups as a whole are measured at the lower of their carrying amount and fair value less costs to sell. Held for sale premises and equipment [, investment properties and intangible assets] are not depreciated or amortised. Reclassified non-current financial instruments[,] [and] deferred taxes[,] [and investment properties held at fair value] are not subject to write down to the lower of their carrying amount and fair value less costs to sell.

[Specify accounting policy if the Group holds an asset (or disposal group) previously classified as held for sale, but the held for sale criteria are no longer met – see IFRS 5.26.]

Liabilities directly associated with disposal groups that will be transferred in the disposal transaction are reclassified and presented separately in the statement of financial position.

Discontinued operations. A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Earnings and cash flows of discontinued operations, if any, are disclosed separately from continuing operations with comparatives being re-presented.

[Note: Specific disclosures for discontinued operations are not covered in this pro forma. Refer to IFRS 5, PwC's Illustrative IFRS Consolidated Corporate Financial Statements, or PwC's ABC Group pro forma FSs.]

Due to other banks. Amounts due to other banks are recorded when money or other assets are advanced to the Group by counterparty banks. The non-derivative liability is carried at AC. If the Group purchases its own debt, the liability is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains or losses arising from [early] retirement of debt.

Customer accounts. Customer accounts are non-derivative liabilities to individuals, state or corporate customers and are carried at AC.

Financial liabilities designated at FVTPL. The Group may designate certain liabilities at FVTPL at initial recognition. Gains and losses on such liabilities are presented in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability (determined as the amount that is not attributable to changes in market conditions that give rise to market risk), which is recorded in OCI and is not subsequently reclassified to profit or loss. This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in credit risk of the liability are also presented in profit or loss.

Debt securities in issue. Debt securities in issue include promissory notes, bonds, certificates of deposit and debentures issued by the Group. Debt securities are stated at AC. If the Group purchases its own debt securities in issue, they are removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains arising from [early] retirement of debt.

3 Significant Accounting Policies (Continued)

[Upon the issue of convertible bonds, the liability component is determined by measuring the fair value of an equivalent non-convertible bond. The equity component is assigned the residual amount after deducting from the fair value of the convertible bonds as a whole the amount separately determined for the liability component. The obligation to make future payments of principal and interest to bondholders is carried at AC until extinguished on conversion or maturity of the bonds. The conversion feature is accounted for as a financial derivative where the conversion right held by the lender is not to convert a fixed amount of the bond expressed in the entity's functional currency to fixed number of equity instruments.]

Other borrowed funds. Other borrowed funds include [preference shares, which carry a mandatory coupon, or are redeemable on a specific date or at the option of the shareholder,] [obligations to return securities borrowed and sold to third parties] and [shareholder loans].

[Preference shares and] shareholder loans are carried at AC. Obligations to return securities borrowed and sold to third parties are carried at FVTPL. [Other structured funding may be designated at FVTPL at initial recognition if the borrowing includes certain embedded derivatives that are not closely related to the host debt contract].

Subordinated debt. Subordinated debt can only be paid in the event of a liquidation after the claims of other higher priority creditors have been met. Subordinated debt is carried at AC.

Derivative financial instruments. [This note does not cover hedge accounting.] Derivative financial instruments, including foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, and currency and interest rate options are carried at their fair value.

[The Group also enters into offsetting loans with its counterparty banks to exchange currencies. Such loans, while legally separate, are aggregated and accounted for as a single derivative financial instrument (currency swap) on a net basis where (i) the loans are entered into at the same time and in contemplation of one another, (ii) they have the same counterparty, (iii) they relate to the same risk and (iv) there is no apparent business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction.]

All derivative instruments are carried as assets when fair value is positive, and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year (gains less losses on derivatives). The Group does not apply hedge accounting.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Income taxes. Income taxes have been provided for in the [consolidated] financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge [credit] comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

[The tax benefits of distributions on perpetual bonds classified as equity (treated as liabilities for tax purposes) are recognised in profit or loss because these tax benefits are linked more directly to past transactions or events that generated distributable profits than to the distributions to owners.]

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the [consolidated] financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within administrative and other operating expenses.

3 Significant Accounting Policies (Continued)

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. [\[Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes.\]](#) Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

[\[Tax deduction for lease payments is allocated to depreciation of right of use asset and interest cost on the lease liability. As a result, no temporary differences arise upon initial recognition of a new lease where the Group is a lessee.\]](#)

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is not recognised on post-acquisition retained earnings and other post acquisition movements in reserves of subsidiaries where the Group controls the subsidiary's dividend policy, and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. [\[Include details of specific accounting policies for significant types of provisions.\]](#)

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment. [\[Note: This accounting policy applies to levies within the scope of IFRIC 21. It should be included if such levies are material, eg deposit insurance contributions. It may also apply to non-recoverable VAT charges which may be contractually included in lease payments by lessors where lessors have the primary VAT obligation.\]](#)

Trade and other payables. Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at AC. [\[Include details of specific accounting policies for significant other payables.\]](#)

Share capital. Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Incremental costs directly attributable to the issue of new shares [\[or options\]](#) are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

3 Significant Accounting Policies (Continued)

Preference shares which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised as interest expense on an AC basis, using the effective interest method.

[Ordinary shares issued to a lender (who is not an owner of the entity) in order to settle a financial liability are recorded at the fair value of the shares issued when the settlement in shares was not part of the original terms and conditions of the borrowing. A gain or loss on the negotiated early extinguishment of the debt is recognised in profit or loss.]

Perpetual bonds. The Group classifies perpetual bonds as equity or financial liability based on their contractual substance. Issued bonds, which do not have a specific maturity date and where any repayments (including interest) are at the Group's discretion, are classified as equity instruments. Interest payments on such bonds are treated as dividend payments and are recognised as distributions from equity when paid. The tax benefits of distributions are recognised in profit or loss because they are linked more directly to past transactions or events that generated distributable profits than to the distributions to owners.

Treasury shares. Where the Bank or its subsidiaries purchase the Bank's equity instruments, the consideration paid, including any directly attributable incremental external costs, net of income taxes, is deducted from equity attributable to the owners of the Bank until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently disposed of or reissued, any consideration received is included in equity.

Dividends. Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the [consolidated] financial statements are authorised for issue, are disclosed in the subsequent events note. The statutory accounting reports of the Bank are the basis for profit distribution and other appropriations. [Country] legislation identifies the basis of distribution as the current year net profit.

Interest income and expense recognition. Interest income and expense are recorded for all debt instruments[, other than those at FVTPL,] on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. [Interest income on debt instruments at FVTPL calculated at nominal interest rate is presented within 'other similar income' line in profit or loss.]

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at FVTPL.

For financial assets that are originated or purchased credit-impaired, the effective interest rate is the rate that discounts the expected cash flows (including the initial expected credit losses) to the fair value on initial recognition (normally represented by the purchase price). As a result, the effective interest is credit-adjusted.

3 Significant Accounting Policies (Continued)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their AC, net of the ECL provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.

If the credit risk on the financial asset classified in Stage 3 subsequently improves so that the asset is no longer credit-impaired and the improvement can be related objectively to an event occurring after the asset had been determined as credit-impaired (ie the asset becomes cured), the asset is reclassified from stage 3 and the interest revenue is calculated by applying the EIR to the gross carrying amount. The additional interest income, which was previously not recognised in P&L due to the asset being in stage 3 but it is now expected to be received following the asset's curing, is recognised as a reversal of impairment. *[The presentation of such interest has been clarified in the IFRIC agenda decision in March 2019 and it is mandatorily applicable.]*

Fee and commission income. Fee and commission income is recognised over time on a straight line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Such income includes *[recurring fees for account maintenance, account servicing fees, account subscription fees, premium service package fees, portfolio and other asset management advisory and service fees, wealth management and financial planning services, or fees for servicing loans on behalf of third parties, etc]*. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income is recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations. Such income includes *[fees for arranging a sale or purchase of foreign currencies on behalf of a customer, fees for processing payment transactions, fees for cash settlements, collection or cash disbursements, as well as, commissions and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses.]*. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself or retains a part at the same effective interest rate as for the other participants.

Fiduciary assets and custody services. Assets held by the Group in its own name, but on the account of third parties, are not reported in the consolidated statement of financial position. The amount of the fee received or receivable represents the consideration for the services.

These fees are recognised over time, on a straight-line basis, when the services are rendered because the customer simultaneously receives and consumes the benefits as the Group performs. Fees from fiduciary activities are presented within fee and commission income.

Customer loyalty program. The group operates a loyalty program where retail clients accumulate points, which entitle them to discounts on future services. Revenue from the award points is recognised when the points are redeemed or when they expire *[twelve]* months after the initial transaction. The amount of revenue is estimated based on the number of points redeemed relative to the total number expected to be redeemed. A contract liability is recognised for the amount of fair value of points expected to be redeemed until they are actually redeemed or expire.

Sales and purchases of foreign currencies and currency conversion. The Group sells and purchases foreign currencies in the cash offices and through the bank accounts, as well as exchanges foreign currencies. The transactions are performed at the exchange rates established by the Group, which are different from the official spot exchange rates at the particular dates. The differences between the official rates and Group rates are recognised as *[gains less losses from trading in foreign currencies]* at a point in time when a particular performance obligation is satisfied.

3 Significant Accounting Policies (Continued)

[Land development and resale. The Group's subsidiary develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title passes to the customer. Revenue is measured at the transaction price agreed in the contract. In most cases, the consideration is due when the legal title has been transferred. While deferred payment terms may be agreed in some circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. The revenue on the land development and resale is recognised within [other operating income in profit or loss].

Capitalisation of borrowing costs. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that [is not carried at fair value and that] necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset), form part of the cost of that asset. Other borrowing costs are recognised as an expense using the effective interest method. The Group capitalises borrowing costs that would have been avoided if it had not made capital expenditure on qualifying assets. The commencement date for capitalisation is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale. Capitalisation ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Interest or other investment income is not deducted in arriving at the amount of borrowing costs available for capitalisation, except where the Group obtains specific borrowings for the purpose of acquiring a qualifying asset and has investment income on the temporary investment of funds obtained through such specific borrowings.

Foreign currency translation. The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Bank and its subsidiaries, and the Group's presentation currency, is the national currency of the [Country], Euro ("EUR"). *[Consider including additional details if the determination involved significant judgement. Include further details of the functional currency of Group entities, and the basis for the determination, if this is not EUR.]*

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the European Central Bank ("ECB") at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the ECB, are recognised in profit or loss for the year (as foreign exchange translation gains less losses). Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

Loans between group entities and related foreign exchange gains or losses are eliminated upon consolidation. However, where the loan is between group entities that have different functional currencies, the foreign exchange gain or loss cannot be eliminated in full and is recognised in the consolidated profit or loss, unless the loan is not expected to be settled in the foreseeable future and thus forms part of the net investment in foreign operation. In such a case, the foreign exchange gain or loss is recognised in other comprehensive income.

3 Significant Accounting Policies (Continued)

The results and financial position of each group entity are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
- (ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- (iii) components of equity are translated at the historic rate; and
- (iv) all resulting exchange differences are recognised in other comprehensive income.

When control over a foreign operation is lost, the exchange differences previously recognised in other comprehensive income are reclassified to profit or loss for the year as part of the gain or loss on disposal. On partial disposal of a subsidiary without loss of control, the related portion of accumulated currency translation differences is reclassified to non-controlling interest within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

At 31 December 2022, the principal rate of exchange used for translating foreign currency balances was USD 1 = EUR _____ (2021: USD 1 = EUR _____). The principal average rate of exchange used for translating income and expenses was USD 1 = EUR _____ (2021: USD 1 = EUR _____).

[If the Group reports/presents in a currency other than the parent company's functional currency, it must separately disclose the reasons – IAS 21.53.] [Note that the above policies do not cover hyperinflation.]

[Review IAS 21 as to whether it is appropriate for the Group's entities to be able to have non-Euro as functional currency.]

Offsetting. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

Earnings per share. Preference shares are not redeemable, and are considered to be participating shares. Earnings per share are determined by dividing the profit or loss attributable to owners of the Bank by the weighted average number of participating shares outstanding during the reporting year. *[Accounting policy is only applicable if earnings per share are presented.]*

Staff costs and related contributions. Wages, salaries, contributions to the state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme. *[Separately disclose policies for other than statutory pension plans]*

Segment reporting. Segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately. *[Accounting policy is only applicable if segmental reporting is presented.]*

3 Significant Accounting Policies (Continued)

Presentation of statement of financial position in order of liquidity. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 41 for analysis of financial instruments by their maturity. The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period for items that are not analysed in Note 41.

[Note: Refer to IAS 1.61 for the disclosure requirement; include all items in the below table if you use condensed presentation of expected liquidity in Note 41].

	31 December 2022			31 December 2021		
	Amounts expected to be recovered or settled			Amounts expected to be recovered or settled		
	Within 12 months after the reporting period	After 12 months after the reporting period	Total	Within 12 months after the reporting period	After 12 months after the reporting period	Total
<i>In thousands of EUR</i>						
ASSETS						
Investment properties						
Investment in associates						
Current income tax prepayment						
Deferred income tax asset						
Goodwill						
Intangible assets						
Premises and equipment						
Right of use assets						
Other assets						
Non-current assets held for sale (or disposal groups)						
LIABILITIES						
Current income tax liability						
Deferred income tax liability						
Provisions for liabilities and charges						
Other liabilities						
Liabilities directly associated with disposal groups held for sale						

Changes in presentation. *[Provide details of the changes in presentation as required by IAS 1.45-46 and IAS 8.]*

3 Significant Accounting Policies (Continued)

Where necessary, corresponding figures have been adjusted to conform to the presentation of the current year amounts. The effect of reclassifications for presentation purposes was as follows on amounts at 31 December 2021:

<i>[In thousands of EUR]</i>	[As originally presented]	[Reclassification]	[As reclassified at 31 December 2021]
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			

The effect of reclassifications for presentation purposes was as follows on amounts at 1 January 2021:

<i>[In thousands of EUR]</i>	[As originally presented]	[Reclassification]	[As reclassified at 1 January 2021]
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			

The third statement of financial position as of 1 January 2021 is presented in these [\[consolidated\]](#) financial statements as a result of the above described changes in presentation.

Amendments of the [\[consolidated\]](#) financial statements after issue. The [\[Bank's shareholder\[s\] and management have\]](#) the power to amend the [\[consolidated\]](#) financial statements after issue.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the [consolidated] financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the [consolidated] financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

*[Refer to IAS 1.122 and 1.125 for disclosure requirements. The text below must be tailored and only **significant** estimates and judgements should be disclosed. For example, if no significant estimates and judgements specific to the entity's tax position are identified, but it is considered that there are some general tax risks applicable to all companies, no disclosures would be included in this note in relation to tax, as these general risks are described in Note 43 on contingencies.]*

Going concern. Management prepared these [consolidated] financial statements on a going concern basis. In making this judgement management considered the Group's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of recent macro-economic developments on future operations of the Group. *[This section should be included only if there is doubt about going concern. Expand the text to describe material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern – IAS 1.25.]*

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 41. The following components have a major impact on credit loss allowance:

- segmentation of financial assets for the ECL assessment purposes;
- determination of a level of ECL assessment on an individual instrument basis or on a collective basis;
- definition of default applied by the Group;
- development and application of internal credit grading models, which assigns PDs to the individual credit risk grades;
- development and application of internal models used to estimate exposure at default ("EAD") for financial instruments and credit related commitments;
- assessment of loss given default ("LGD"), including the judgments made in valuation of collaterals;
- criteria for assessing if there has been a significant increase in credit risk;
- selection of forward-looking macroeconomic scenarios and their probability weightings.

[Please tailor the above list as appropriate for the Group]

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

[In 2022, due to significant and rapid changes in the economic environment, the Group decided to adjust the approach to measure ECL for the Standard loans, Specialised loans, and loans issued to SMEs. The management performed a top-down portfolio analysis and had identified groups of borrowers, for which sufficient reasonable and supportable information for the ECL measurement is available only on the industry basis, instead of individual basis. Overlays applied by the management resulted in the increase of ECL for corporate borrowers in the following industries:

- Tourism and leisure – average ECL increase of ___% (2021: ___%);
- Transportation – average ECL increase of ___% (2021: ___%);
- Retail – average ECL increase of ___% (2021: ___%);
- Oil and gas – average ECL increase of ___% (2021: ___%).]

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

[Please describe the main changes to the ECL estimate, including information about potential release of the top-down or post-model adjustments. If relevant, include information about the impact of payment holidays on ECL.]

[Note: For detailed guidance on COVID-19 related ECL measurement issues please refer to the following guidance:

- *FAQ 3.2.2 – How should modified loans, such as loans subject to ‘forbearance’, be classified within the IFRS 9 expected credit loss (‘ECL’) impairment model?*
- *FAQ 3.2.3 – In the context of COVID-19 and ECL, what information is ‘reasonable and supportable’?*
- *FAQ 3.2.9 – Possible revisions to ECL estimates required in a downturn*
- *FAQ 3.2.12 – Inclusion of cash flows expected from the sale on default of a loan in the measurement of expected credit losses (ECL)*
- *FAQ 3.2.13 – Should borrower pre-payment options be taken into account when determining the period over which to measure expected credit losses (ECL)*
- *FAQ 3.2.14 – What discount rate should be used when measuring ECL for credit cards and other similar products?*
- *FAQ 3.2.15 – Factors to consider in relation to ‘days past due’ for IFRS 9 ECL where a loan has been granted a payment holiday*
- *FAQ 3.2.16 – Staging of loans where a significant increase in credit risk has occurred that cannot be identified individually or that is based on shared credit risk characteristics*
- *FAQ 3.2.17 – In the context of COVID-19, what are relevant considerations when determining if a financial instrument is credit impaired based on qualitative factors?]*

The Group used supportable forward-looking information for measurement of ECL, [\[primarily an outcome of its own macro-economic forecasting model\]](#). The most significant forward-looking assumptions that correlate with ECL level and their assigned weights were as follows at 31 December 2022:

Variable	Scenario	Assi- g- ned weight	Assumption for:				
			2023	2024	2025	2026	2027
[central bank base refinancing interest rate]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					
[Unemployment rate]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					
[GDP Growth rate]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					
[House price index]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

The assumptions and assigned weights were as follows at 31 December 2021:

Variable	Scenario	Assigned weight	Assumption for:				
			2022	2023	2024	2025	2026
[central bank base refinancing interest rat]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					
[Unemployment rate]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					
[GDP Growth rate]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					
[House price index]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					

[The Group reduced the weights assigned to the upside scenario during 2021 primarily as a result of the far-reaching implications of the COVID-19 pandemic. In 2022, the weights assigned to scenarios were adjusted / remained the same...(provide details of the changes in 2022, as appropriate)] *[Describe the changes in the key assumptions and state reasons for the changes as required by IFRS 7 para 36G(c).]*

[A change in the weight assigned to base forward looking macro-economic set of assumptions by 10% towards the immediate downside level assumptions would result in an increase in ECL by EUR _____ thousand at 31 December 2022 (31 December 2021: by EUR _____ thousand). A corresponding change towards the upside assumptions would result in a decrease in ECL by EUR _____ thousand at 31 December 2022 (31 December 2021: by EUR _____ thousand).

A [10]% increase or decrease in PD estimates would result in an increase or decrease in total expected credit loss allowances of EUR _____ thousand at 31 December 2022 (31 December 2021: increase or decrease of EUR _____ thousand). A [10]% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EUR _____ thousand at 31 December 2022 (31 December 2021: increase or decrease of EUR _____ thousand).]

[Tailor the sensitivity disclosure to the Group's circumstance; consider providing sensitivity for each material class of loans separately. The objective of this disclosure is to provide explanation of the changes between the two reporting dates.]

[The Group offered payment holidays and temporary reduction in interest rates on certain consumer loans. The Group concluded that these measures result in contractual modification of the respective loans. Since there is no additional interest charged to borrowers during the payment holiday period, the Group recognised a modification loss in the amount of EUR _____ thousand in the year ended 31 December 2022 (EUR _____ thousand at 31 December 2021). *Please specify where in the income statement this impact is presented.*]

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

[When the Group provides the customers with payment holidays, the Group stops counting days past due during the holiday period granted, if the customers are contractually relieved from making payments. After the end of the holiday period granted, the Group continues the count of days overdue starting from the number of days past due immediately before the grant of the payment holidays.]

[Note: Payment holidays can be imposed by law whereby borrowers may “opt in” by notifying the bank that they wish to exercise their right to payment holidays. In that case, the remeasurement gain / loss would still need to be recognised in the income statement no later than when the law is enacted, based on the estimated number of customers who will subsequently ‘opt in’. This is because the definition of effective interest rate in Appendix A to IFRS 9 requires the estimation of future cash flows to take into account prepayment, extension and similar options. Hence, changes resulting from permitted payment holidays at the borrower’s option should be included, even where a borrower has not yet notified the bank of its intention to exercise its right to the holiday. It would not be appropriate to recognise a remeasurement gain / loss only at a later date, when a borrower requests that their individual loan be granted the payment holiday.

Please refer to the following link for more guidance on accounting for payment holidays imposed by law: FAQ 3.1.2 – How should a bank and a borrower account for a loan repayment holiday imposed by law?

In this regard, please also note that there is a pending IFRIC discussion on application of IFRS 9 and IFRS 16 in accounting for a particular rent concession granted by a lessor to the lessee. The Committee tentatively concluded that, in the period before the rent concession is granted, the lessor measures expected credit losses on the operating lease receivable in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, including considering its expectations of forgiving lease payments recognised as part of that receivable. All cash shortfalls should be considered when estimating ECL, not necessarily only those shortfalls that are credit related.

Entities should be monitoring this discussion and evaluation its impact on their current accounting policies related to measuring ECL.

Refer to more details: <https://www.ifrs.org/content/dam/ifrs/meetings/2022/september/ifric/ap04-lessor-forgiveness-of-lease-payments.pdf>

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Significant increase in credit risk (“SICR”). In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular customer portfolios. The Group identifies behavioural indicators of increases in credit risk prior to delinquency and incorporated appropriate forward looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level. In 2022 and 2021, application for payment holidays which were conditional on losing a job or a major source of income was considered as an indicator of SICR, as explained above. Refer to Note 41. *[SICR is a critical element within the overall ECL estimate, given the potential effect on provisions of moving financial instruments from 12-month ECL to Lifetime ECL. Appropriate entity specific disclosure should, therefore, be provided. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity to determine SICR. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

[Please tailor the above disclosure to reflect the changes to SICR determination in the light of COVID-19.]

Should ECL on all loans and advances to customers be measured at lifetime ECL (that is, including those that are currently in Stage 1 measured at 12-months ECL), the expected credit loss allowance would be higher by EUR ____ thousand as of 31 December 2022 (31 December 2021: higher by EUR ____ thousand).

Performance guarantees treated as loan commitments. The Group analysed the issued performance guarantee contracts to assess whether they would meet the definition of insurance contracts in the scope of IFRS 17. The Group has concluded that its performance guarantee contracts expose the Group *[solely or primarily]* to credit risk of the applicant because (i) all the contracts require the customers who apply for a guarantee to fully collateralise their obligations to indemnify the Group as the issuer and (ii) there are no scenarios with commercial substance where the Group would have to pay significant additional amounts to the holders of such guarantees. Accordingly, the Group accounts for these contracts as loan commitments in accordance with IFRS 9. *The gross amount of the performance guarantees issued and accounted for as loan commitments is ____ (31 December 2021: ____)* (refer to Note 26) and the carrying value of the related liability recognised in the statement of financial position is ____ at 31 December 2022 (31 December 2021: ____). The fee income recognised for these performance guarantees was ____ for the year ended 31 December 2022 (2021: ____).

Credit exposure on revolving credit facilities (e.g. credit cards, overdrafts). For certain loan facilities, the Group's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the Group's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

For such facilities, the Group measures ECLs over the period that the Group is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The Group applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the Group becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the Group applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The Group considered historical information and experience about: (a) the period over which the Group is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the Group segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information. *[The policy of determining credit exposure period and measuring ECLs for revolving credit facilities is an area of critical judgement. The disclosure will need to take account of the specific approach(es) taken by each entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the Group considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimising potential losses due to credit deterioration are considered consistent with the “hold to collect” business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the “hold to collect” business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The Group assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the Group’s control, is not recurring and could not have been anticipated by the Group, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The “hold to collect and sell” business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model’s objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realising cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

The Group identified approximately ___% of debt securities as a liquidity portfolio and classified as held to collect and sell, while the rest of the debt securities is classified as held to collect based on the assumption that these securities would only be sold in a stress case scenario.

[The Group assessed that its residential mortgage loan portfolio meets the criteria for held to collect business model and determined that the past securitisation transactions were infrequent and therefore are not inconsistent with the held to collect business model.]

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Assessment whether cash flows are solely payments of principal and interest (“SPPI”). Determining whether a financial asset’s cash flows are solely payments of principal and interest required judgement. In making this judgement, the Group considers:

- Contingent events that would change the amount and timing of cash flows,
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group’s claim to the cash flows from specified assets (e.g. non-recourse financing);
- Features that modify consideration of the time value of money element (e.g. periodical reset of interest rates);

[Please adjust the above list for specific considerations.]

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument’s underlying base interest rate, for example a loan pays three months interbank rate but the rate is reset every month. The effect of the modified time value of money was assessed by comparing relevant instrument’s cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets. The Group applied a threshold of [5%] to determine whether differences against a benchmark instruments are significantly different. In case of a scenario with cash flows that significantly differ from the benchmark, the assessed instrument’s cash flows are not SPPI and the instrument is then carried at FVTPL.

The Group identified and considered contractual terms that change the timing or amount of contractual cash flows. The SPPI criterion is met if a loan allows early settlement and the prepayment amount substantially represents principal and accrued interest, plus a reasonable additional compensation for the early termination of the contract. The asset’s principal is the fair value at initial recognition less subsequent principal repayments, ie instalments net of interest determined using the effective interest method. As an exception to this principle, the standard also allows instruments with prepayment features that meet the following condition to meet SPPI: (i) the asset is originated at a premium or discount, (ii) the prepayment amount represents contractual par amount and accrued interest and a reasonable additional compensation for the early termination of the contract, and (ii) the fair value of the prepayment feature is immaterial at initial recognition.

[Please consider the guidance in PwC’s [In Depth Impact of ESG matters on IFRS financial statements - 3.1 Financial Instruments: Accounting for Green Loans](#) for classification and measurement of loans where contractual cash flows may change as a response to certain ESG metrics, such as compliance with emissions standards, energy efficiency metrics, or even a combination of different green measures. Note that some green loans may not pass the SPPI test.]

The Groups’ loans [\[and finance lease receivables\]](#) include cross-selling clauses that represent a reduction in the interest rate upon the customer entering into other contracts with the Group or achieving certain criteria, such as maintaining a minimum turnover on current bank accounts held with the Group. The cash flows are SPPI if such clauses merely reduce the Group’s overall profit margin on the instrument and there are no other features inconsistent with a basic lending arrangement.

The Group considered examples in the standard and concluded that features that arise solely from legislation and that are not part of the contract, that is, if legislation changed, the features would no longer apply (such as bail in legislation in certain countries), are not relevant for assessing whether cash flows are SPPI.

The Group’s loan agreements allow adjusting interest rates in response to certain macro-economic or regulatory changes. Management applied judgement and assessed that competition in the banking sector and the practical ability of the borrowers to refinance the loans would prevent it from resetting the interest rates at an above-market level and hence cash flows were assessed as being SPPI.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

The Group's loans, primarily to real estate developers, have cash flows that highly depend on performance of the underlying assets. The loans are carried at FVTPL where management determined that such loans are in substance non-recourse.

The instruments that failed the SPPI test are measured at FVTPL.

[Determining business model and applying SPPI test are likely to be the areas of critical judgement. Appropriate disclosure should be provided in accordance with IAS 1. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]

Modification of financial assets. When financial assets are contractually modified (e.g. renegotiated), the Group assesses whether the modification is substantial and should result in derecognition of the original asset and recognition of a new asset at fair value. This assessment is based primarily on qualitative factors, described in the relevant accounting policy and it requires significant judgment. In particular, the Group applies judgment in deciding whether credit impaired renegotiated loans should be derecognised and whether the new recognised loans should be considered as credit impaired on initial recognition. The derecognition assessment depends on whether the risks and rewards, that is, the variability of expected (rather than contractual) cash flows, change as a result of such modifications. Management determined that risks and rewards did not change as a result of modifying such loans and therefore in substantially all such modifications, the loans were neither derecognised nor reclassified out of the credit-impaired stage.

[Determining whether modification of financial asset is substantial is likely to be the area of critical judgement. Appropriate disclosure should be provided in accordance with IAS 1. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]

[Note: In general, loans modified in relation to COVID-19 pandemic or other factors that could negatively impact borrowers' ability to repay the loans, should not be derecognised because the primary reason for their modification is to provide relief to borrowers and it is expected that providing such relief generate a loss for lenders, in the absence of full compensation for time value of money. Derecognition of the loan and recognition of a new loan at fair value (and a new EIR) would result in spreading the modification loss, which is not appropriate. Modification of loans may result in the modified loans no longer meeting the SPPI criterion and the question arises whether failing the SPPI criterion, in the absence of other changes, should lead to derecognition. In line with our guidance, the fact that the modified terms are no longer SPPI does not in itself mean that the loan should be derecognised. See FAQ 42.35.1 Interplay between SPPI test and derecognition]

Write-off policy. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Determining the cash flows for which there is no reasonable expectation of recovery requires judgement. Management considered the following indicators that there is no reasonable expectation of recovery: **[loans being past due over ___ days, liquidation or bankruptcy proceedings, fair value of collateral is less than the costs to repossess it or enforcement activities were completed]**. Management also considers, based on past practices, that contractual default interest is not collectible for loans overdue over ___ days. Therefore, the default interest was written-off from the gross carrying amounts of the respective loans. *[A write-off is a derecognition event and the write-off policy is likely to be the area of significant judgement. Appropriate disclosure should be provided in accordance with IAS 1. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

Fair value of derivatives and certain other instruments. Information about fair values of instruments that were valued using assumptions that are not based on observable market data is disclosed in Note 49.

Finance leases and derecognition of financial assets. In assessing transfers of financial assets and classification of leases of non-financial assets to third parties, management applies judgement to determine if substantially all the significant risks and rewards of ownership of financial assets and leased assets are transferred to counterparties, in particular which risks and rewards are the most significant and what constitutes substantially all risks and rewards. *[Disclose specific judgements made.]*

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Deferred income tax on post-acquisition retained earnings of subsidiaries. Deferred income tax is provided on post-acquisition retained earnings and other post acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends, or otherwise, in the foreseeable future. *[Describe any significant judgements involved. If it is probable that the difference will reverse, deferred tax must be provided based on the rate expected to apply, e.g. the withholding tax (for dividends), or the rate for capital gains (if the subsidiary will be disposed of).]*

Structured entities. Structured entities are designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Judgement is also required to determine whether the substance of the relationship between the Group and a structured entity indicates that the structured entity is controlled by the Group.

The Group does not consolidate structured entities that it does not control. As it can sometimes be difficult to determine whether the Group does control a structured entity, management makes judgements about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the structured entity in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over a structured entity, but when considered together make it difficult to reach a clear conclusion. In cases where more arguments are in place towards existence of control, the structured entity is consolidated. *[Tailor to disclose specific judgements made.]*

Were the Group not to consolidate the assets, liabilities and the results of these consolidated structured entities, the net effect on the statement of financial position would be a [decrease] in net assets of EUR ____ thousand (31 December 2021: decrease in net assets of EUR ____ thousand) and [increase] in profit by EUR ____ thousand (2021: [increase] of EUR ____ thousand). Refer to Note 46 for further information about the Group's exposure to structured entities.

Deferred income tax asset recognition. The recognised deferred tax asset represents income taxes recoverable through future deductions from taxable profits, and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances. Key assumptions in the business plan are [list key assumptions used to prepare the budget].

[Tax legislation. Tax, currency and customs legislation is subject to varying interpretations. Refer to Note 43.]

Initial recognition of related party transactions. In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 51.

Goodwill. The recoverable amount of goodwill was estimated based on a value in use calculation [fair value less costs to sell]. Refer to Note 17.

Valuation of investment properties using income capitalisation method. Investment property is stated at its fair value based on reports prepared by an international valuation company at the end of each reporting period. As a result of the current economic environment and market conditions as described in Note 2, the frequency of property transactions is low [in the Group's principal markets]. Nevertheless, in management's assessment there remains sufficient market activity to provide comparable prices for orderly transactions with similar properties when determining the fair value for the Group's investment properties, except for certain of the Group's [specify type] properties located in [location], with a carrying value of EUR ____ thousand (2021: EUR ____ thousand), because this information is not readily available there.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

For these properties, the valuation was based principally on discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

In preparing the valuation reports on the Group's investment property, [the external appraisers] excluded distressed sales when considering comparable sales prices. Management has reviewed the appraisers' assumptions underlying discounted cash flow models used in the valuation and confirmed that factors such as the discount rate applied have been appropriately determined considering the market conditions at the end of the reporting period. Notwithstanding the above, management considers that the valuation of its investment properties is currently subject to an increased degree of judgement and an increased likelihood that actual proceeds on a sale may differ from the carrying value.

The principal assumptions underlying the estimation of the fair value are those relating to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group, and those reported by the market.

The principal assumptions made and the impact on the aggregate valuations of reasonably possible changes in these assumptions, with all other variables held constant, are as follows:

- The future rental rates were estimated depending on the actual location of the properties: for [specify region and rates] per square meter per annum for [retail and office space] respectively, and for [specify region and rates] per square meter per annum for [retail and office space] respectively. Had these rental rates been increased or decreased by 10 percent, the total carrying value of investment properties would be EUR ____ thousand higher or EUR ____ thousand lower, respectively.
- Vacancy loss rate was assumed to be in the range of ____% – ____% (2021: ____% – ____%) in different years of operation. Should the vacancy loss rate increase / decrease by 1 percentage point (2021: 1 percentage point), the carrying value of the investment properties would be EUR ____ thousand lower / EUR ____ thousand higher (2021: EUR ____ thousand lower / EUR ____ thousand higher).
- Bad debt losses are assumed to be [nil] in all years of operations (2021: [nil] in all years of operations). Should the bad debt losses increase to ____% (2021: ____%) of effective gross income each year, the carrying value of the investment properties would be EUR ____ thousand lower (2021: EUR ____ thousand lower).
- Property management fees are assumed to be ____% (2021: ____%) of effective gross income. Should the fees increase / decrease by 1 percentage point (2021: 1 percentage point), the carrying value of the investment properties would be EUR ____ thousand lower / higher (2021: EUR ____ thousand lower / higher).
- Repair expenses are assumed to be ____% (2021: ____%) of effective gross income. Should these expenses increase / decrease by ____ percentage point (2021: ____ percentage point), the carrying value of the investment property would be EUR ____ thousand lower / higher (2021: EUR ____ thousand lower / higher).
- The discount rate was assumed to be ____% – ____% (2021: ____% – ____%) for different properties. Should this discount rate increase / decrease by 1 percentage point (2021: 1 percentage point), the carrying value of the investment property would be EUR ____ thousand lower / EUR ____ thousand higher (2021: EUR ____ thousand lower / higher).
- [The capitalisation rate was assumed to be ____% – ____% (2021: ____% – ____%). Should this capitalisation rate increase / decrease by 1 percentage point (2021: 1 percentage point), the carrying value of the investment property would be EUR ____ thousand lower / EUR ____ thousand higher (2021: EUR ____ thousand lower / EUR ____ thousand higher).]

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Valuation of own use premises. Premises of the Group are stated at fair value based on reports prepared by an international valuation company. Due to the nature of the premises and lack of comparable market data, the fair value of the premises is estimated based on the income capitalisation method, where the value is estimated from the expected market rental income streams from similar properties and capitalisation yields. The method considers net income generated by comparable property, capitalised to determine the value for property which is subject to the valuation.

The principal assumptions underlying the estimation of the fair value are those relating to: the possible market rentals and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market.

The impact on the aggregate valuations of reasonably possible changes in these assumptions, with all other variables held constant, are as follows:

- The capitalisation rate was assumed to be ___% – ___% (2021: ___% – ___%). Should this capitalisation rate increase / decrease by 1 percentage point (2021: 1 percentage point), the carrying value of the premises would be EUR ___ thousand lower / EUR ___ thousand higher (2021: EUR ___ thousand lower / EUR ___ thousand higher).
- Possible property rental income was assumed to be EUR ___ thousand (2021: EUR ___ thousand) per annum. Should this rental income increase / decrease by 10 percent (2021: 10 percent), the carrying value of the premises would be EUR ___ thousand higher / EUR ___ thousand lower (2021: EUR ___ thousand higher / EUR ___ thousand lower).

Determining lease term. The Group leases office buildings from third parties under contracts which do not have contractual maturity dates and are automatically renewed unless either party submits a termination notice of [12 months]. The Group determines non-cancellable lease period for such leases, taking into consideration penalties that would be incurred upon termination, including economic disincentives such as leasehold improvements, cost of relocating or the importance of the premises to the Group's operations. As a result, the lease term for most significant office buildings has been determined as a period of [3-5 years].

Functional currencies of different entities of the Group. Different entities within the Group have different functional currencies, based on the underlying economic conditions of their operations. This determination, of what the specific underlying economic conditions are, requires judgement. In making this judgement, the Group evaluates among other factors, the location of activities, the sources of revenue, risks associated with activities and denomination of currencies of operations of different entities. Specifically, in determination of the functional currencies of [entity names], the Group based its judgement on the fact that the companies operate internationally on markets mainly influenced by the [US Dollar (not Euro)] and their major activities include provision of services to foreign investors. Moreover, the majority of their operations are denominated in [US Dollars] and also, the [US Dollar] is the currency in which their business risks and exposures are managed, and the performance of their business is measured.

Targeted long-term refinancing operations (TLTROs). TLTROs are Eurosystem's operations that provide financing to the Group by offering long-term funding at below-market conditions. The Group considers the Eurosystem to be a government agency or similar body and therefore treats the benefit of the favourable interest rates as a government grant under IAS 20 on initial recognition. For subsequent accounting, the Group applies IFRS 9. *[Please revise based on Group's consideration of the TLTRO programme, for more guidance refer to the IFRIC march 2020 agenda decision <https://www.ifrs.org/news-and-events/updates/ifric/2022/ifric-update-february-2022/#5>.]*

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Customer loyalty program. The credit card award points provide a material right to customers that they would not otherwise receive. Therefore, the loyalty points represent a separate performance obligation. The transaction price is allocated to the main product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience.

The stand-alone selling price of the product sold is estimated on the basis of the retail price. Discounts are not considered as they are only given in rare circumstances. If the likelihood of redemption would be [5] per cent higher/lower, the amount of the liability under the program would be EUR_____ higher/lower.

Identification of leases embedded in complex contracts. *[State specific judgements made. This may be applicable to complex service contracts.]*

Assumptions to determine amount of provisions. *[State key sources of estimation uncertainty.]*

Changes in accounting estimates. *[Note: Disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or that is expected to have an effect in future periods. If it is impracticable to estimate the amount, disclose this fact. Refer to IAS 8 paragraphs 39 and 40.] [Describe also other key assumptions or key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the assets and liabilities within the next year. Refer to IAS 1.125.]*

Environmental, Social and Governance (ESG) matters. *[Note: we expect that entities include ESG-related disclosures in the 2022 financial statements – this is currently a key focus of regulators and other users of financial statements.]*

[ESG: Climate change might affect a lender's exposure to credit losses for its financial assets. Climate change might affect the assumptions that are made by lenders to estimate ECL. It could also affect the risk ratings for individual borrowers or groups of borrowers, or their probability of default ('PD'). In some cases, it could result in moving loans between stages.

Borrowers could face a range of physical, regulatory and reputational risks that ultimately impact their credit risk and increase the likelihood that they might be unable to meet their debt obligations. Moreover, the value of assets against which loans are secured could fall in value, or even become inaccessible or uninsurable - affecting the value of collateral.

When considering the impacts on ECL best practices include:

- Thinking separately about physical risk (for example, destruction or temporary disruption of physical assets from increased incidence of severe weather events) and transition risk (advancement or displacement as a result of moving to a 'greener' and more sustainable economy).*
- Being mindful of duration - while change is happening fast, longer term exposures are likely to be more affected than short-term ones.*
- Recognising that 'one size' doesn't fit all - different portfolios will have different risk exposures depending on duration, industry, geography etc and, in many cases, only top-down assessments of vulnerable geographies and industries will be possible.*
- Avoiding double counting risks, by considering the extent to which they might already be captured directly or indirectly through model inputs such as market credit spreads, expected default frequency and other factors.*
- Considering other arrangements such as insurance, guarantees, government subsidies (or other payments and policies) and other sources of recoveries, including how they are structured and how their providers are thinking about (and responding to) evolving ESG risks.*

Refer to PwC's guidance on ESG impact on ECL measurement: [Impact of ESG matters on IFRS financial statements - 3.2 Financial Instruments: Expected Credit Losses.](#)

5 Adoption of New or Revised Standards and Interpretations

The following amendments became effective from 1 January 2022:

Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).

- The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognised in profit or loss. An entity will use IAS 2 to measure the cost of those items. Cost will not include depreciation of the asset being tested because it is not ready for its intended use. The amendment to IAS 16 also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by management and subject to depreciation before it has achieved the level of operating performance expected by management.
- The amendment to IAS 37 clarifies the meaning of ‘costs to fulfil a contract’. The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract; and an allocation of other costs that relate directly to fulfilling. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.
- IFRS 3 was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the 2001 Conceptual Framework for Financial Reporting. In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework. Without this new exception, an entity would have recognised some liabilities in a business combination that it would not recognise under IAS 37. Therefore, immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain. It was also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
- The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.
- Illustrative Example 13 that accompanies IFRS 16 was amended to remove the illustration of payments from the lessor relating to leasehold improvements. The reason for the amendment is to remove any potential confusion about the treatment of lease incentives.
- IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. The subsidiary can measure its assets and liabilities at the carrying amounts that would be included in its parent’s consolidated financial statements, based on the parent’s date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- The requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41 was removed. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The application of the amendments had no significant impact on the Group’s [\[consolidated\]](#) financial statements.

6 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2023 or later, and which the Group has not early adopted.

IFRS 17 “Insurance Contracts” (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies. IFRS 17 is a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard requires recognition and measurement of groups of insurance contracts at: (i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). Insurers will be recognising the profit from a group of insurance contracts over the period they provide insurance coverage, and as they are released from risk. If a group of contracts is or becomes loss-making, an entity will be recognising the loss immediately. [\[The Group expects to apply the standard to certain performance guarantees that it issues and that do not meet the definition of a loan commitment, and is currently assessing the impact of the new standard on its financial statements. Potential impact on insurance products embedded in loans and similar instruments is also under consideration.\]](#)

Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). The amendments include a number of clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard. The following amendments to IFRS 17 were made:

- **Effective date:** The effective date of IFRS 17 (incorporating the amendments) has been deferred by two years to annual reporting periods beginning on or after 1 January 2023; and the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 has also been deferred to annual reporting periods beginning on or after 1 January 2023.
- **Expected recovery of insurance acquisition cash flows:** An entity is required to allocate part of the acquisition costs to related expected contract renewals, and to recognise those costs as an asset until the entity recognises the contract renewals. Entities are required to assess the recoverability of the asset at each reporting date, and to provide specific information about the asset in the notes to the financial statements.
- **Contractual service margin attributable to investment services:** Coverage units should be identified, considering the quantity of benefits and expected period of both insurance coverage and investment services, for contracts under the variable fee approach and for other contracts with an ‘investment-return service’ under the general model. Costs related to investment activities should be included as cash flows within the boundary of an insurance contract, to the extent that the entity performs such activities to enhance benefits from insurance coverage for the policyholder.
- **Reinsurance contracts held – recovery of losses:** When an entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or on addition of onerous underlying contracts to a group, an entity should adjust the contractual service margin of a related group of reinsurance contracts held and recognise a gain on the reinsurance contracts held. The amount of the loss recovered from a reinsurance contract held is determined by multiplying the loss recognised on underlying insurance contracts and the percentage of claims on underlying insurance contracts that the entity expects to recover from the reinsurance contract held. This requirement would apply only when the reinsurance contract held is recognised before or at the same time as the loss is recognised on the underlying insurance contracts.

6 New Accounting Pronouncements (Continued)

- *Other amendments:* Other amendments include scope exclusions for some credit card (or similar) contracts, and some loan contracts; presentation of insurance contract assets and liabilities in the statement of financial position in portfolios instead of groups; applicability of the risk mitigation option when mitigating financial risks using reinsurance contracts held and non-derivative financial instruments at fair value through profit or loss; an accounting policy choice to change the estimates made in previous interim financial statements when applying IFRS 17; inclusion of income tax payments and receipts that are specifically chargeable to the policyholder under the terms of an insurance contract in the fulfilment cash flows; and selected transition reliefs and other minor amendments.

Transition option for insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to the transition requirements in IFRS 17 provides insurers with an option aimed at improving the usefulness of information to investors on initial application of IFRS 17. The amendment relates to insurers' transition to IFRS 17 only and does not affect any other requirements in IFRS 17. The transition requirements in IFRS 17 and IFRS 9 apply at different dates and will result in the following one-time classification differences in the comparative information presented on initial application of IFRS 17: accounting mismatches between insurance contract liabilities measured at current value and any related financial assets measured at amortised cost; and if an entity chooses to restate comparative information for IFRS 9, classification differences between financial assets derecognised in the comparative period (to which IFRS 9 will not apply) and other financial assets (to which IFRS 9 will apply). The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors. It does this by providing insurers with an option for the presentation of comparative information about financial assets. When initially applying IFRS 17, entities would, for the purpose of presenting comparative information, be permitted to apply a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. The transition option would be available, on an instrument-by-instrument basis; allow an entity to present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but not require an entity to apply the impairment requirements of IFRS 9; and require an entity that applies the classification overlay to a financial asset to use reasonable and supportable information available at the transition date to determine how the entity expects that financial asset to be classified applying IFRS 9.

[The Group is currently assessing the impact of IFRS 17 and related amendments on its financial statements.]

[When assessing the impact of IFRS 17 adoption, please consider the May 2022 ESMA Public Statement on Transparency on implementation of IFRS 17 Insurance Contracts.

ESMA expects that this Public Statement will be considered and reflected in the 2022 interim and annual financial statements to enhance the comparability of IFRS financial statements in the EU. ESMA will monitor the level of transparency that issuers provide in their financial statements about the implementation of IFRS 17 and will expect issuers to a) provide information about the significant accounting policy choices to be taken upon initial application of IFRS 17 such as methods to calculate the discount rate, how the level of aggregation requirements will be applied; b) disaggregate the expected impact in a way that is useful to users of financial statements; and c) explain the nature of the impacts (on recognition, measurement and presentation) so that users can understand the changes and their key drivers when compared to the accounting principles under IFRS 4.]

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. [The Group is currently assessing the impact of the amendments on its financial statements.]

6 New Accounting Pronouncements (Continued)

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022). These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. [\[The Group is currently assessing the impact of the amendments on its financial statements.\]](#)

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance. [\[The Group is currently assessing the impact of the amendments on its financial statements.\]](#)

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates. [\[The Group is currently assessing the impact of the amendments on its financial statements.\]](#)

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. [\[The Group is currently assessing the impact of the amendments on its financial statements.\]](#)

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's [\[consolidated\]](#) financial statements.

[\[Update based on the latest list of new standards and pronouncements published on the CEE ACS site.\]](#)

7 Cash and Cash Equivalents

<i>In thousands of EUR</i>	2022	2021
Cash on hand		
Cash balances with the NBC (other than mandatory reserve deposits)		
Mandatory cash balances with NBC		
Correspondent accounts and overnight placements with other banks		
Placements with other banks with original maturities of less than three months		
Reverse sale and repurchase agreements with other banks with original maturities of less than three months		
Total cash and cash equivalents		

[Note: Exclude from the Note any cash amounts restricted for more than three months. Any credit-impaired and past due balances also should be reclassified out of cash and cash equivalents, as in such case, they no longer meet the definition of cash and cash equivalents.]

Also, consider how the clarifications provided by the March 2022 IFRIC agenda decision Demand Deposits with Restrictions on Use arising from a Contract with a Third Party impact the classification of cash and cash equivalents of the Group. Restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash unless those restrictions change the nature of the deposit in a way that the entity can no longer access those amounts on demand. The entity includes such a demand deposit as a component of 'cash and cash equivalents' in its statement of cash flows even if using the amounts held in the demand deposit for purposes other than those agreed with the third party would result in breach of its contractual obligation with that third party. Consider also the impact on presentation in the statement of financial position - when relevant to an understanding of its financial position, the entity would disaggregate the 'cash and cash equivalents' line item and present the demand deposit separately in an additional line item.]

In 2021-2022, IFRIC has discussed a request about the recognition of cash received via an electronic transfer system as settlement for a financial asset. The Committee concluded that the entity recognises cash as a financial asset on the transfer settlement date, and not before. The Committee observed that, if an entity's contractual rights to the cash flows from the trade receivable expire before the transfer settlement date, the entity would recognise any financial asset received as settlement for the trade receivable (for example, a right to receive cash from the customer's bank) on that same date. An entity would not however recognise cash (or another financial asset) received as settlement for a trade receivable before it derecognises the trade receivable.

The matter is yet to be considered by the IASB, nevertheless entities should be monitoring the development of this matter in case change in current accounting policies would be required (timing of cash recognition/derecognition). See link for more information: <https://www.ifrs.org/projects/work-plan/cash-received-via-electronic-transfer-as-settlement-for-a-financ/tentative-agenda-decision-and-comment-letters/>]

7 Cash and Cash Equivalents (Continued)

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2022. Refer to Note 41 for the description of the Group's credit risk grading system.

	Cash balances with the NBC, including mandatory reserves	Correspondent accounts and overnight placements	Placements with other banks	Reverse sale and repurchase agreements with other banks	Total
<i>In thousands of EUR</i>					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
Total cash and cash equivalents, excluding cash on hand					

[The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances. The credit grades used in this disclosure should be consistent with those used for internal reporting to key management for credit risk management purposes. Refer to IFRS 7.35M and B8I.]

The credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2021 is as follows.

	Cash balances with the NBC, including mandatory reserves	Correspondent accounts and overnight placements	Placements with other banks	Reverse sale and repurchase agreements with other banks	Total
<i>In thousands of EUR</i>					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
Total cash and cash equivalents, excluding cash on hand					

For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The ECL for these balances represents an insignificant amount, therefore the Group did not recognise any credit loss allowance for cash and cash equivalents. Refer to Note 41 for the ECL measurement approach.

Except for reverse sale and repurchase agreements, amounts of cash and cash equivalents are not collateralised. The Group has a right to sell or repledge securities with a fair value of EUR ___ thousand (2021: EUR ___ thousand) received under reverse sale and repurchase agreements. *[Disclose any material terms and conditions associated with the use of the collateral.]*

7 Cash and Cash Equivalents (Continued)

Investing transactions that did not require the use of cash and cash equivalents, and were excluded from the statement of cash flows are as follows:

<i>In thousands of EUR</i>	2022	2021
----------------------------	-------------	-------------

Non-cash investing activities

Acquisition of debt securities at FVOCI in exchange for _____ [e.g. assumed liability]
Proceeds from disposal [and redemption] of debt securities at FVOCI in the form of _____ [e.g. investment property]
Acquisition of equity securities at FVOCI in exchange for _____
Proceeds from disposal of equity securities at FVOCI in the form of _____
Acquisition of premises and equipment in exchange for _____
Proceeds from disposal of premises and equipment in the form of _____
Acquisition of associates in exchange for _____
Proceeds from disposal of associates in the form of _____
Acquisition of investment properties in exchange for _____
Proceeds from disposal of investment properties in the form of _____
Acquisition of intangible assets in exchange for _____
Proceeds from disposal of intangible assets in the form of _____
Non-cash dividends received
Recognition of right of use assets against lease liabilities

Non-cash investing activities

7 Cash and Cash Equivalents (Continued)

Financing transactions that did not require the use of cash and cash equivalents, and were excluded from the statement of cash flows are as follows:

<i>In thousands of EUR</i>	2022	2021
Non-cash financing activities		
Proceeds from other borrowed funds in the form of _____		
Repayment of other borrowed funds in _____ <i>[e.g. gold]</i>		
Issue of ordinary shares in exchange for _____		
Issue of preference shares in exchange for _____		
Capital contributions from shareholders other than share issues in the form of _____		
Acquisition of treasury shares in exchange for _____		
Disposal of treasury shares for _____		
Transfer of _____ as a capital distribution to the shareholders other than a dividend		
Initial recognition of lease liabilities		

Non-cash financing activities

[Further non-cash transactions are presented in Note 52 which includes details of assets acquired and liabilities assumed in business combinations, and in Note 20 which includes details of assets and liabilities of disposed subsidiaries.] *[Include if the exchange was partly or wholly for non-cash consideration.]*

At 31 December 2022 the Group had _____ counterparty banks (2021: _____ banks) with aggregated cash and cash equivalent balances above EUR _____ thousand. The total aggregate amount of these balances was EUR _____ thousand (2021: EUR _____ thousand) or _____% of the cash and cash equivalents (2021: _____%).

Interest rate analysis of cash and cash equivalents is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

8 Due from Other Banks

<i>In thousands of EUR</i>	2022	2021
Placements with other banks with original maturities of more than three months		
Reverse sale and repurchase agreements with other banks with original maturities of more than three months		
Less credit loss allowance		
Total due from other banks		

8 Due from Other Banks (Continued)

The following table contains an analysis of due from other banks balances by credit quality at 31 December 2022 based on credit risk grades and discloses due from other banks balances by three stages for the purpose of ECL measurement. Refer to Note 41 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to due from other banks balances. The carrying amount of due from other banks balances at 31 December 2022 below also represents the Group's maximum exposure to credit risk on these assets:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	POCI	Total
<i>In thousands of EUR</i>					
Placements with other banks					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Reverse sale and repurchase agreements					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total due from other banks (gross carrying amount)					
Credit loss allowance					
Total due from other banks (carrying amount)					

8 Due from Other Banks (Continued)

The following table contains an analysis of due from other banks balances by credit quality at 31 December 2021 based on credit risk grades and discloses due from other banks balances by three stages for the purpose of ECL measurement.

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	POCI	Total
<i>In thousands of EUR</i>					
Placements with other banks					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Reverse sale and repurchase agreements					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total due from other banks (gross carrying amount)					
Credit loss allowance					
Total due from other banks (carrying amount)					

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was EUR _____ thousand (2021: EUR ____ thousand).

During 2022, a gain [loss] on initial recognition of due from other banks at rates above [below] market in the amount of EUR ____ thousand (2021: EUR ____ thousand) has been recorded [in profit or loss for the year].

8 Due from Other Banks (Continued)

At 31 December 2022 and 31 December 2021 except for reverse sale and repurchase agreements, due from other banks balances are not collateralised.

The Group has a right to sell or repledge securities with a fair value of EUR ____ thousand (2021: EUR ____ thousand) received under reverse sale and repurchase agreements. *[Disclose any material terms and conditions associated with the use of the collateral.]*

The extent to which collateral mitigates credit risk is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset (“over-collateralised assets”) and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset (“under-collateralised assets”).

<i>In thousands of EUR</i>	Over-collateralised assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
31 December 2022				
Reverse sale and repurchase agreements with other banks with original maturities of less than three months				
31 December 2021				
Reverse sale and repurchase agreements with other banks with original maturities of less than three months				

The Group did not recognise ECL for short-term over-collateralised reverse sale and repurchase agreements. The collateral represents marketable [\[government bonds\]](#). *[Disclose nature and quality of collateral, changes in quality of collateral.]*

The credit loss allowance for due from other banks recognised in 2022 year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular update of inputs to ECL models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount due to the passage of time because ECL is measured on a present value basis;
- Foreign exchange translations of assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

8 Due from Other Banks (Continued)

[Factors should be tailored to the specifics of the Group. Please note the following: In determining how to analyse ECL allowance movements over the period, Group should consider the underlying modelling approach adopted, the drivers of ECL change within that approach and how best to explain the effect of those drivers on ECL in the disclosure. The Group should also consider whether there are other material causes of movements that should be shown separately. These might, for example, be shown in the analysis prepared internally for the key management. Additional rows may also be required to explain ECL movements for different types of products. Where ECL allowance movements could potentially be reported in more than one row, explanation of which changes are reported in which row will assist users of the financial statements. Similarly, where changing the order in which key drivers are changed could result in a significantly different allocation between rows, explanation of the ordering used will be useful.]

[In addition to reconciliation it may be necessary to provide narrative explanation of the changes, eg including an analysis of the reasons for changes in the credit loss allowance, see IFRS 7.B8D]

The following tables explain the changes in the credit loss allowance and gross carrying amount due from other banks between the beginning and the end of the annual period due to these factors *[Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group's management]:*

8 Due from Other Banks (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

Placements with other banks

At 31 December 2021

Movements with impact on credit loss allowance charge for the period:

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement model assumptions
Unwinding of discounting
Changes in accrued interest
Other movements

Total movements with impact on credit loss allowance charge for the period

Movements without impact on credit loss allowance charge for the period:

Write-offs
Foreign exchange translation and other movements
Modification of contractual cash flows
Unwinding of discounting for Stage 3 assets

At 31 December 2022

8 Due from Other Banks (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

**Reverse repurchase
agreements**

At 31 December 2021

*Movements with impact on credit
loss allowance charge for the
period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discounting
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge for
the period:*

Write-offs
FX and other movements
Modification of contractual cash
flows
Unwinding of discounting (for
Stage 3)

At 31 December 2022

8 Due from Other Banks (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

Placements with other banks

At 1 January 2021

Movements with impact on credit loss allowance charge for the period:

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement model assumptions
Unwinding of discounting
Changes in accrued interest
Other movements

Total movements with impact on credit loss allowance charge for the period

Movements without impact on credit loss allowance charge for the period:

Write-offs
Foreign exchange translation and other movements
Modification of contractual cash flows
Unwinding of discounting for Stage 3 assets

At 31 December 2021

8 Due from Other Banks (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

**Reverse repurchase
agreements**

At 1 January 2021

*Movements with impact on credit
loss allowance charge for the
period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discounting
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge for
the period:*

Write-offs
FX and other movements
Modification of contractual cash
flows
Unwinding of discounting (for
Stage 3)

At 31 December 2021

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

8 Due from Other Banks (Continued)

[The change in expected credit loss allowance for the year differs from the credit loss amount presented in profit or loss for the year due to EUR _____ thousand (2021: EUR _____ thousand), recovery of amounts previously written off as uncollectible. The amount of the recovery was credited directly to the expected credit loss allowance line in profit or loss for the year.] *[This explanation is relevant and should be provided if the disclosure of ECL movements is not broken down into the movements with and without impact on the ECL P&L charge.]*

At 31 December 2022 the Group had balances with _____ counterparty banks (2021: _____ banks) with aggregated amounts above EUR _____ thousand. The total aggregate amount of these deposits was EUR _____ thousand (2021: EUR _____ thousand) or _____ % of the total amount due from other banks (2021: _____ %).

[As an active participant in the banking markets, the Group has a significant concentration of credit risk with other financial institutions. In total, credit risk exposure to financial institutions is estimated to have amounted to EUR _____ thousand (2021: EUR _____ thousand) comprising cash and cash equivalents, deposits and other amounts due from banks, repurchase receivables and financial derivatives.] *[Disclose any other concentrations.]*

Refer to Note 49 for the estimated fair value of each class of amounts due from other banks. Interest rate analysis of due from other banks is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

9 Investments in Debt Securities

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 12 and not here.]

<i>In thousands of EUR</i>	2022	2021
Debt securities mandatorily measured at FVTPL		
Debt securities designated as at FVTPL at initial recognition		
Debt securities at FVOCI		
Debt securities at AC		
Total investments in debt securities		

9 Investments in Debt Securities (Continued)

The table below discloses investments in debt securities at 31 December 2022 by measurement categories and classes:

	Debt securities mandatorily measured at FVTPL	Debt securities designated as at FVTPL at initial recognition	Debt securities at FVOCI	Debt securities at AC	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
Municipal bonds					
Corporate bonds					
Investments in mutual funds					
Promissory notes <i>[Adjust classes as appropriate]</i>					
<hr/>					
Total investments in debt securities at 31 December 2022 (fair value or gross carrying value)					
<hr/>					
Credit loss allowance	-	-	-		
<hr/>					
Total investments in debt securities at 31 December 2022 (carrying value)					

The table below discloses investments in debt securities at 31 December 2021 by measurement categories and classes:

	Debt securities mandatorily measured at FVTPL	Debt securities designated as at FVTPL at initial recognition	Debt securities at FVOCI	Debt securities at AC	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
Municipal bonds					
Corporate bonds					
Investments in mutual funds					
Promissory notes <i>[Adjust classes as appropriate]</i>					
<hr/>					
Total investments in debt securities at 31 December 2021 (fair value or gross carrying value)					
<hr/>					
Credit loss allowance	-	-	-		
<hr/>					
Total investments in debt securities at 31 December 2021 (carrying value)					

9 Investments in Debt Securities (Continued)

Debt securities mandatorily measured at FVTPL include investments in mutual funds. These investments failed to meet the “solely payment of principle and interest” (SPPI) requirement as mutual funds pay dividends at their discretion and, at redemption, a pro rata share of the net asset value of the funds that reflects the fair value changes of the underlying investments rather than an interest payment and a principal payment that equal those of a basic lending arrangement. *[Amend the disclosure as appropriate to reflect the nature of instruments mandatorily measured at FVTPL]*

(a) Investments in debt securities at FVTPL

Debt securities mandatorily classified as at FVTPL by the Group represent securities held for trading and securities in a ‘held to sell’ business model.

On initial recognition, the Group has irrevocably designated some of its securities at FVTPL. *[Disclose how the entity has satisfied the condition for FVTPL designation on initial recognition. (IFRS7.B5(aa), IFRS9.4.1.5 provide that such designation is only allowed if doing so significantly reduces a measurement or recognition inconsistency (‘accounting mismatch’) that would otherwise arise from measuring those securities or recognising the gains and losses on them on different bases.)]*

Debt securities at FVTPL are carried at fair value, which also reflects any credit risk related write-downs and best represents Group’s maximum exposure to credit risk.

The debt securities at FVTPL are not collateralised. *[Otherwise disclose information about collateral as in Note 11 on loans and advances to customers.]*

At 31 December 2022 debt securities at FVTPL with a carrying value of EUR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds (2021: EUR ____ thousand). Refer to Notes 21 and 24. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IFRS 9.3.2.23(a)].*

9 Investments in Debt Securities (Continued)

(b) Investments in debt securities at FVOCI

The table below contains an analysis of the credit risk exposure of debt securities measured at FVOCI at 31 December 2022, for which an ECL allowance is recognised, based on credit risk grades. Refer to Note 41 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to debt securities at FVOCI: *[Adjust classes as appropriate; movements must be by class and classes should be consistent with the internal reporting to the Group's management]*:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					

9 Investments in Debt Securities (Continued)

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Promissory notes <i>[Adjust classes as appropriate]</i>					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Total investments in debt securities measured at FVOCI (fair value)					

9 Investments in Debt Securities (Continued)

The table below contains an analysis of the credit risk exposure of debt securities measured at FVOCI at 31 December 2021, for which an ECL allowance is recognised, based on credit risk grades.

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					

9 Investments in Debt Securities (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Promissory notes <i>[Adjust classes as appropriate]</i>					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Total investments in debt securities measured at FVOCI (fair value)					

The debt securities at FVOCI are not collateralised. *[Otherwise disclose information about collateral as in Note 11 on loans and advances.] [The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]*

At 31 December 2022 debt securities at FVOCI with a carrying value of EUR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds (2021: EUR ____ thousand). Refer to Notes 21 and 24. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IFRS 9.3.2.23(a)].*

9 Investments in Debt Securities (Continued)

[The following tables - movements in the credit loss allowance and in the gross carrying amount – should be added for each material class of financial assets aggregated to the FSLI i.e., municipal bonds, corporate bonds, promissory notes etc. Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group’s management.]

Movements in the credit loss allowance and in the gross carrying amount of **[[Country] government bonds at FVOCI]** were as follows:

Credit loss allowance				Gross carrying amount			
Stage 1 (12- months ECL)	Stage 2 (lifetim e ECL for SICR)	Stage 3 (lifetim e ECL for credit im- paired)	Tot al	Stage 1 (12- months ECL)	Stage 2 (lifetim e ECL for SICR)	Stage 3 (lifetim e ECL for credit im- paired)	Tot al

In thousands of EUR

**[[Country] government
bonds]**

At 31 December 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs
FX and other movements
Modification of contractual cash
flows
Unwinding of discount (for
Stage 3)

At 31 December 2022

9 Investments in Debt Securities (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

**[[Country] government
bonds]**

At 1 January 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs
FX and other movements
Modification of contractual cash
flows
Unwinding of discount (for
Stage 3)

At 31 December 2021

9 Investments in Debt Securities (Continued)

(c) Investments in debt securities at AC

The following table contains an analysis of debt securities at AC by credit quality at 31 December 2022 based on credit risk grades and discloses the balances by three stages for the purpose of ECL measurement. Refer to Note 41 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to debt securities at AC. The carrying amount of debt securities at AC at 31 December 2022 below also represents the Group's maximum exposure to credit risk on these assets:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

9 Investments in Debt Securities (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Promissory notes <i>[Adjust classes as appropriate]</i>					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total investments in debt securities measured at AC (gross carrying amount)					
Credit loss allowance					
Total investments in debt securities measured at AC (carrying amount)					

9 Investments in Debt Securities (Continued)

The following table contains an analysis of debt securities at AC by credit quality at 31 December 2021.

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
<hr/>					
Gross carrying amount					
<hr/>					
Credit loss allowance					
<hr/>					
Carrying amount					
<hr/>					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
<hr/>					
Gross carrying amount					
<hr/>					
Credit loss allowance					
<hr/>					
Carrying amount					
<hr/>					

9 Investments in Debt Securities (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Promissory notes <i>[Adjust classes as appropriate]</i>					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total investments in debt securities measured at AC (gross carrying amount)					
Credit loss allowance					
Total investments in debt securities measured at AC (carrying amount)					

[The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]

The debt securities at AC as at 31 December 2022 are not collateralised (2021: not collateralised). *[Otherwise disclose information about collateral as in Note 11 on loans and advances.]*

At 31 December 2022 debt securities at AC with a carrying value of EUR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds (2021: ____ thousand). Refer to Notes 21 and 24. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IFRS 9.3.2.23(a)].*

9 Investments in Debt Securities (Continued)

[The following tables - movements in the credit loss allowance and in the gross carrying amount – should be added for each material class of financial assets aggregated to the FSLI i.e., municipal bonds, corporate bonds, promissory notes etc. Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group’s management.]

Movements in the credit loss allowance and in the gross carrying amount of **[[Country] government bonds at AC]** were as follows:

Credit loss allowance				Gross carrying amount			
Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

[[Country] government bonds]

At 31 December 2021

Movements with impact on credit loss allowance charge for the period:

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

Total movements with impact on credit loss allowance charge for the period

Movements without impact on credit loss allowance charge for the period:

Write-offs
FX and other movements
Modification of contractual cash flows
Unwinding of discount (for Stage 3)

At 31 December 2022

9 Investments in Debt Securities (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of EUR</i>								

**[[Country] government
bonds]**

At 1 January 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs
FX and other movements
Modification of contractual cash
flows
Unwinding of discount (for
Stage 3)

At 31 December 2021

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was EUR _____ thousand. *[Adjust the above tables to separately disclose POCI assets, if there are any.]*

10 Investments in Equity Securities

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 12 and not here.]

The tables below disclose investments in equity securities at 31 December 2022 and 31 December 2021 by measurement categories and classes:

<i>In thousands of EUR</i>	Equity securities at FVTPL	Equity securities at FVOCI	Total
Corporate shares			
American depositary receipts (ADR)			
Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>			
Total investments in equity securities at 31 December 2022			

<i>In thousands of EUR</i>	Equity securities at FVTPL	Equity securities at FVOCI	Total
Corporate shares			
American depositary receipts (ADR)			
Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>			
Total investments in equity securities at 31 December 2021			

(a) Investments in equity securities at FVTPL

Equity securities at FVTPL represent securities held for trading and other equity securities for which FVOCI election was not made on initial recognition.

At 31 December 2022 securities with a fair value of EUR ____ thousand (2021: EUR ____ thousand) have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 21 and 24.

(b) Investments in equity securities at FVOCI

The Group designated investments disclosed in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale and there are no plans to dispose of these investments in the short or medium term. This designation is irrevocable.

10 Investments in Equity Securities (Continued)

<i>In thousands of EUR</i>	Fair value at 31 December 2022	Dividend income recognised for 2022	Fair value at 31 December 2021	Dividend income recognised for 2022
Investment in [Name] Company ordinary shares				
Investment in [Name] Company ordinary shares				
Total investments in equity securities at FVOCI				

At 31 December 2022 securities at FVOCI include equity securities with a carrying value of EUR ____ thousand which are not publicly traded (2021: EUR ____ thousand). Due to the nature of the local financial markets, it is not possible to obtain current market value for these investments. For these investments, fair value is estimated by reference to the discounted operating cash flows of the investee [the earnings of the investee, the investee's net asset value]. Refer to Note 49. For other investments traded in active markets, fair value is determined by reference to the [quoted bid] price at the end of the reporting period.

[None of these strategic investments was disposed of during 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.] [In 2022, the Group sold its investment in shares of ____ [name] with fair value of EUR ____ thousand due to a change in the Group's strategy. The Group realised a gain of EUR ____ thousand on the sale which was transferred from FVOCI revaluation reserve to retained earnings directly in equity. Dividend income recognised during the year in relation to sold shares was EUR ____ thousand.]

11 Loans and Advances to Customers

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
Gross carrying amount of loans and advances to customers at AC		
Less credit loss allowance		
Total carrying amount of loans and advances to customers at AC		
Loans and advances to customers at FVTPL		-
Total loans and advances to customers		

The Group holds a portfolio of loans and advances to customers that does not meet the SPPI requirement for AC classification under IFRS 9. [Describe the dominant features that fail the SPPI test in more details]. As a result, these loans and advances were classified as at FVTPL from the date of initial recognition. Loans and advances to customers at FVTPL are measured taking into account the credit risk. The carrying amount presented in the statement of financial position best represents the Group's maximum exposure to credit risk arising from loans and advances to customers.

11 Loans and Advances to Customers (Continued)

Gross carrying amount and credit loss allowance amount for loans and advances to customers at AC by classes at 31 December 2022 and 31 December 2021 are disclosed in the table below:

<i>In thousands of EUR</i>	31 December 2022			31 December 2021		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Provision for loan impairment	Carrying amount
<i>Loans to corporate customers</i>						
Standard lending						
Specialised lending						
Loans to sovereigns						
Loans to sub-sovereigns						
Loans to SME						
Loans to leasing companies						
Reverse sale and repurchase agreements						
<i>[Adjust classes as appropriate]</i>						
<i>Loans to individuals</i>						
Mortgage loans						
Consumer loans						
Car loans						
Credit cards <i>[Adjust classes as appropriate]</i>						
Total loans and advances to customers at AC						

More detailed explanation of classes of loans to legal entities is provided below:

- Standard lending – loans issued to large commercial entities under the standard terms, mainly for working capital financing. Standard lending also includes supplier financing facilities, i.e. financing provided to large commercial entities to fund their trade payables [Specify the average turnover and other significant terms of such transaction];
- Specialised lending – loans issued to income producing real estate companies or companies realising investment projects;
- Loans to sovereigns – government' bonds purchased or loans issued to government;
- Loans to sub-sovereigns – loans issued to government regions of a sovereign or municipal organisations;
- Loans to SME – loans issued to small and medium-sized enterprises, where the Group defines such as *[Specify the criteria for SME classification used by the Group for management reporting]*;
- Loans to leasing companies – loans issued to leasing companies;
- Reverse sale and repurchase agreements. *[Adjust classes as appropriate]*

11 Loans and Advances to Customers (Continued)

The loans and advances to customers at FVTPL analysed by classes are as follows at 31 December 2022 and 31 December 2021:

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
----------------------------	-------------------------	-------------------------

Loans to corporate customers

Standard lending
Specialised lending
Loans to sovereigns
Loans to sub-sovereigns
Loans to SME
Loans to leasing companies
Reverse sale and repurchase agreements *[Adjust classes as appropriate]*

Loans to individuals

Mortgage loans
Consumer loans
Car loans
Credit cards *[Adjust classes as appropriate]*

Total loans and advances to customers at FVTPL

During 2022, a loss on initial recognition of loans at rates below market in the amount of EUR ___ thousand (2021: EUR ___ thousand) has been recorded in profit or loss for the year [\[statement of changes in equity because it represented a distribution to the Group's owners\]](#).

The Group has a right to sell or repledge securities with a fair value of EUR ___ thousand (2021: EUR ___ thousand) received under reverse sale and repurchase agreements. *[Disclose any material terms and conditions associated with the use of the collateral.]*

11 Loans and Advances to Customers (Continued)

[The following tables - movements in the credit loss allowance and in the gross carrying amount – should be added for each material class of financial assets aggregated to the FSLI i.e., standard lending, specialised lending, loans to sovereigns, loans to SMEs, loans to leasing companies, mortgage loans, consumer loans, car loans, credit cards etc. Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group’s management.]

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting and comparative periods *[Consider disclosing any significant movements related to COVID-19 pandemic (eg impact of payment holidays) as a separate line item]:*

	Credit loss allowance			Total	Gross carrying amount			Total
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)		Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	
<i>In thousands of EUR</i>								

[Standard lending]

At 31 December 2021

Movements with impact on credit loss allowance charge for the period:

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement model assumptions
Management overlay adjustment
Unwinding of discount
Changes in accrued interest
Other movements

Total movements with impact on credit loss allowance charge for the period

Movements without impact on credit loss allowance charge for the period:

Write-offs
Foreign exchange gains and losses and other movements
Modification of contractual cash flows
Unwinding of discount (for Stage 3)

At 31 December 2022

11 Loans and Advances to Customers (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of EUR</i>								

[Standard lending]

At 1 January 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the
period

Changes to ECL
measurement model
assumptions

Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with
impact on credit loss
allowance charge for the
period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs

Foreign exchange gains and
losses and other movements

Modification of contractual
cash flows

Unwinding of discount (for
Stage 3)

At 31 December 2021

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was EUR ____ thousand.

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the tables above.]

11 Loans and Advances to Customers (Continued)

The credit loss allowance for loans and advances to customers recognised in the period is impacted by a variety of factors, details of ECL measurement are provided in Note 43. The main movements in the table are described below:

- Transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models *[Consider more specific/ granular disclosure of impact of the changes related to COVID-19 pandemic]* ;
- Unwinding of discount due to the passage of time because ECL is measured on a present value basis;
- Foreign exchange translations of assets denominated in foreign currencies and other movements; and
- Write-offs of allowances related to assets that were written off during the period.

[Factors should be tailored to the specifics of the Group. Please, note the following: In determining how to analyse ECL allowance movements over the period, Group should consider the underlying modelling approach adopted, the drivers of ECL change within that approach and how best to explain the effect of those drivers on ECL in the disclosure. Group should also consider whether there are other material causes of movement that should be shown separately. These might, for example, be shown in the analysis prepared internally for senior management. Additional rows may also be required to explain ECL movements for different types of products. Where ECL allowance movements could potentially be reported in more than one row, explanation of which changes are reported in which row will assist users of the financial statements. Similarly, where changing the order in which key drivers are changed could result in a significantly different allocation between rows, explanation of the ordering used will be useful.]

The objective of this disclosure is to illustrate how the key drivers of changes in ECL impact the ECL amount, and therefore it is recommended that (i) ECL movements attributable to transfers of assets between stages should include the remeasurement (corresponding increases and decreases) of the respective ECL amounts and (ii) ECL movement attributable to origination or purchase of new assets should be presented as 12m ECL with any "step up" presented within transfers between stages.

The reconciliation presented above splits items between those that impact P&L impairment line and those that do not. This is not an explicit requirement of IFRS 7 paragraph 35H, however this information is likely to be helpful to users in understanding the impact of the various movements in ECL allowance].

The following tables contain analyses of the credit risk exposure of loans and advances to customers measured at AC and for which an ECL allowance is recognised. The carrying amount of loans and advances to customers below also represents the Group's maximum exposure to credit risk on these loans.

[This disclosure applies to all classes of loans, loan commitments and financial guarantees. It needs to be provided by credit risk rating grades – consistent with internal reporting provided to key management personnel unless: (i) IFRS 9.5.5.11 applies: information about grades is not available without undue cost and effort (ie entity uses past due information) – loans are presented by past due status, (ii) the Group measures ECL on a collective basis and is not able to allocate individual amounts to specific ratings – disclosure is provided separately for those loans that can be directly allocated and for the gross carrying amount for which lifetime ECL has been measured on a collective basis. The number of credit grades should be consistent with the information presented in Note 41 (Financial risk management) where the credit risk management process is described.]

11 Loans and Advances to Customers (Continued)

The credit quality of loans to corporate customers carried at amortised cost is as follows at 31 December 2022:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Standard lending					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Specialised lending					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to sovereigns					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Loans to sub-sovereigns					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to SME					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to leasing companies					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					

**Reverse sale and repurchase
agreements**

- Excellent
- Good
- Satisfactory
- Special monitoring
- Default

Gross carrying amount

Credit loss allowance

Carrying amount

The credit quality of loans to corporate customers carried at amortised cost is as follows at 31 December 2021:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					

Standard lending

- Excellent
- Good
- Satisfactory
- Special monitoring
- Default

Gross carrying amount

Credit loss allowance

Carrying amount

11 Loans and Advances to Customers (Continued)

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Specialised lending					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to sovereigns					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to sub-sovereigns					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
In thousands of EUR					
Loans to SME					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to leasing companies					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Reverse sale and repurchase agreements					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

The credit quality of loans to individuals carried at amortised cost is as follows at 31 December 2022:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Mortgage loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Consumer loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Car loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Credit cards					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

The credit quality of loans to individuals carried at amortised cost is as follows at 31 December 2021:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Mortgage loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Consumer loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Loans and Advances to Customers (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Car loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Credit cards					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

For description of the credit risk grading used in the tables above refer to Note 43.

Economic sector risk concentrations within the customer loan portfolio are as follows:

<i>In thousands of EUR</i>	2022		2021	
	Amount	%	Amount	%
State and public organisations				
Cities and municipalities				
Manufacturing				
Real estate				
Trade				
Agricultural				
Individuals				
Other				
<i>[Expand sectors as deemed necessary]</i>				
Total loans and advances to customers carried at AC and at FVTPL				

11 Loans and Advances to Customers (Continued)

State and public organisations exclude government owned profit orientated businesses.

At 31 December 2022 the Group had _____ borrowers (2021: _____ borrowers) with aggregated loan amounts above EUR _____ thousand. The total aggregate amount of these loans was EUR _____ thousand (2021: EUR _____ thousand) or _____% of the gross loan portfolio (2021: _____%). *[Consider concentration risk but also consider disclosure based on 'large exposure' notion of Basel Accord – i.e. loans in excess of 10% of Basel capital.]*

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period. Description of collateral held for loans to corporate customers carried at amortised cost is as follows at 31 December 2022: *[Specify any additional / new collateral arrangement resulting from COVID-19 pandemic, eg government guarantees on certain loans, if relevant]*

	Stan- dard lending	Specia- lised lending	Loans to sove- reigns	Loans to sub- sove- reigns	Loans to SME	Loans to leasing compa- nies	Reverse sale and repur- chase agree- ments	Total
<i>In thousands of EUR</i>								
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
Unsecured exposures								
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)								

11 Loans and Advances to Customers (Continued)

Description of collateral held for loans to individuals carried at amortised cost is as follows at 31 December 2022:

	Mortgage loans	Consumer loans	Car loans	Credit cards <i>[Adjust classes as appropriate]</i>	Total
<i>In thousands of EUR</i>					
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
Total					
Unsecured exposures					
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)					

Information about collateral for loans to corporate customers is as follows at 31 December 2021:

	Stan- dard lending	Speciali- sed lending	Loans to sovere- igns	Loans to sub- sove- reigns	Loans to SME	Loans to leasing compa- nies	Reverse sale and repur- chase agree- ments	Total
<i>In thousands of EUR</i>								
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
Unsecured exposures								
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)								

11 Loans and Advances to Customers (Continued)

Information about collateral of loans to individuals carried at amortised cost is as follows at 31 December 2021:

	Mortgage loans	Consumer loans	Car loans	Credit cards <i>[Adjust classes as appropriate]</i>	Total
<i>In thousands of EUR</i>					
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
<hr/>					
Total					
<hr/>					
Unsecured exposures					
<hr/>					
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)					

Other assets mainly include [\[equipment and receivables\]](#). The disclosure above represents the lower of the carrying value of the loan or collateral taken; the remaining part is disclosed within the unsecured exposures. The carrying value of loans was allocated based on liquidity of the assets taken as collateral. *[Add narrative text describing quality of collateral and its changes due to change in collateral policies.]*

The following table provides information on carrying value of loans, for which the Group did not recognise any expected credit loss allowance because of significant excess of collateral value over the gross carrying value of these loans.

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
<i>Loans to corporate customers</i>		
Standard lending		
Specialised lending		
Loans to sovereigns		
Loans to sub-sovereigns		
Loans to SME		
Loans to leasing companies		
Reverse sale and repurchase agreements		
<i>Loans to individuals</i>		
Mortgage loans		
Consumer loans		
Car loans		
Credit cards		
<hr/>		
Total significantly over-collateralised loans and advances to customers carried at AC		

11 Loans and Advances to Customers (Continued)

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortised cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset (“over-collateralised assets”) and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset (“under-collateralised assets”). The effect of collateral on credit impaired assets at 31 December 2022 is as follows.

<i>In thousands of EUR</i>	Over-collateralised Assets		Under-collateralised assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:				
<i>Loans to corporate customers carried at AC</i>				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
<i>Loans to individuals carried at AC</i>				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

The effect of collateral on credit impaired assets at 31 December 2021 is as follows.

<i>In thousands of EUR</i>	Over-collateralised Assets		Under-collateralised assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:				
<i>Loans to corporate customers carried at AC</i>				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
<i>Loans to individuals carried at AC</i>				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

11 Loans and Advances to Customers (Continued)

The Group obtains collateral valuation at the time of granting loans and generally updates it every [two to three] years, depending on the significance of the loan exposure. The values of collateral considered in this disclosure are after a valuation haircut of [20-50%] applied to consider liquidity and quality of the pledged assets. *[Expand to describe approach to collateral valuations / collateral policy.]*

Description of collateral held for loans to corporate customers carried at FVTPL is as follows at 31 December 2022:

	Stan- dard lending	Specia- lised lending	Loans to sove- reigns	Loans to sub- sove- reigns	Loans to SME	Loans to leasing compa- nies	Reverse sale and repur- chase agree- ments	Total
<i>In thousands of EUR</i>								
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
Unsecured exposures								
Total carrying value loans and advances to customers at FVTPL (amount representing exposure to credit risk for each class of loans at FVTPL)								

11 Loans and Advances to Customers (Continued)

Description of collateral held for loans to individuals carried at FVTPL is as follows at 31 December 2022:

	Mortgage loans	Consumer loans	Car loans	Credit cards <i>[Adjust classes as appropriate]</i>	Total
<i>In thousands of EUR</i>					
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
Total					
Unsecured exposures					
Total carrying value loans and advances to customers at FVTPL (amount representing exposure to credit risk for each class of loans at FVTPL)					

11 Loans and Advances to Customers (Continued)

Description of collateral held for loans to corporate customers carried at FVTPL is as follows at 31 December 2021:

	Stan- dard lending	Specia- lised lending	Loans to sove- reigns	Loans to sub- sove- reigns	Loans to SME	Loans to leasing compa- nies	Reverse sale and repur- chase agree- ments	Total
<i>In thousands of EUR</i>								
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
<hr/>								
Unsecured exposures								
<hr/>								
Total carrying value loans and advances to customers at FVTPL (amount representing exposure to credit risk for each class of loans at FVTPL)								
<hr/>								

11 Loans and Advances to Customers (Continued)

Description of collateral held for loans to individuals carried at FVTPL is as follows at 31 December 2021:

	Mortgage loans	Consumer loans	Car loans	Credit cards <i>[Adjust classes as appropriate]</i>	Total
<i>In thousands of EUR</i>					
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
Total					
Unsecured exposures					
Total carrying value loans and advances to customers at FVTPL (amount representing exposure to credit risk for each class of loans at FVTPL)					

Other assets mainly include [equipment and receivables](#). The disclosure above represents the lower of the carrying value of the loan or collateral taken; the remaining part is disclosed within the unsecured exposures. The carrying value of loans was allocated based on liquidity of the assets taken as collateral.

11 Loans and Advances to Customers (Continued)

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at FVTPL, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset (“over-collateralised assets”) and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset (“under-collateralised assets”). The effect of collateral on credit impaired assets is as follows at 31 December 2022.

	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
<i>In thousands of EUR</i>				
Credit impaired assets:				
<i>Loans to corporate customers at FVTPL</i>				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
<i>Loans to individuals at FVTPL</i>				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

The effect of collateral on credit impaired assets is as follows at 31 December 2021.

	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
<i>In thousands of EUR</i>				
Credit impaired assets:				
<i>Loans to corporate customers at FVTPL</i>				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
<i>Loans to individuals at FVTPL</i>				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

11 Loans and Advances to Customers (Continued)

The Group obtains collateral valuation at the time of granting loans and generally updates it every [two to three] years, depending on the significance of the loan exposure. The values of collateral considered in this disclosure are after a valuation haircut of [20-50%] applied to consider liquidity and quality of the pledged assets. *[Expand to describe approach to collateral valuations / collateral policy.]*

The outstanding contractual amounts of loans and advances to customers written off that are still subject to enforcement activity was as follows at 31 December 2022 and 31 December 2021:

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
<i>Loans to corporate customers</i>		
Standard lending		
Specialised lending		
Loans to sovereigns		
Loans to sub-sovereigns		
Loans to SME		
Loans to leasing companies		
Reverse sale and repurchase agreements		
<i>Loans to individuals</i>		
Mortgage loans		
Consumer loans		
Car loans		
Credit cards		
Total		

The Group's policy is to complete legal enforcement steps that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

Information about modifications of loans that have not resulted in derecognition is as follows:

<i>In thousands EUR</i>	Loans and advances to customers
Year ended 31 December 2022	
Amortised cost of loans with lifetime ECL immediately before contractual modification that was not a derecognition event	
Gains less losses recognised in profit or loss on modifications of loans with lifetime ECL that did not lead to derecognition	
At 31 December 2022	
Gross carrying amount of loans that were contractually modified (without derecognition) in the past when measured at lifetime ECL and which were reclassified to Stage 1 (12 months ECL) during the current year	
Year ended 31 December 2021	
Amortised cost of loans with lifetime ECL immediately before contractual modification that was not a derecognition event	
Gains less losses recognised in profit or loss on modifications of loans with lifetime ECL that did not lead to derecognition	
At 31 December 2021	
Gross carrying amount of loans that were contractually modified (without derecognition) in the past when measured at lifetime ECL and which were reclassified to Stage 1 (12 months ECL) during the current year	

11 Loans and Advances to Customers (Continued)

Refer to Note 49 for the estimated fair value of each class of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

12 Repurchase Receivables

Repurchase receivables represent securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or repledge. The repurchase agreements are [short-term] in nature and mature by [].

<i>In thousands of EUR</i>	2022	2021
Debt securities at FVOCI sold under sale and repurchase agreements		-
Debt securities at FVTPL sold under sale and repurchase agreements		-
Equity securities at FVOCI sold under sale and repurchase agreements		-
Equity securities at FVTPL sold under sale and repurchase agreements		-
Debt securities at AC sold under sale and repurchase agreements		-

Total repurchase receivables

Securities sold under sale and repurchase agreements at 31 December 2022:

<i>In thousands of EUR</i>	Debt securities at FVOCI	Debt securities at FVTPL	Equity securities at FVOCI	Equity securities at FVTPL	Debt securities at AC	Total
[Country] government bonds						
Municipal bonds						
Corporate bonds						
Investments in mutual funds						
Promissory notes <i>[Adjust classes as appropriate]</i>						

Total debt securities (fair value or gross carrying amount)

Credit loss allowance	-	-	-	-		
-----------------------	---	---	---	---	--	--

Total debt securities (carrying value)

Corporate shares						
American depositary receipts (ADR)						
Investments in mutual funds						
Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>						

Total equity securities (carrying value)

Total securities (carrying value)						
--	--	--	--	--	--	--

12 Repurchase Receivables (Continued)

Securities sold under sale and repurchase agreements at 31 December 2021:

<i>In thousands of EUR</i>	Debt securities at FVOCI	Debt securities at FVTPL	Equity securities at FVOCI	Equity securities at FVTPL	Debt securities at AC	Total
[Country] government bonds						
Municipal bonds						
Corporate bonds						
Investments in mutual funds						
Promissory notes <i>[Adjust classes as appropriate]</i>						
Total debt securities (fair value or gross carrying amount)						
Credit loss allowance	-	-	-	-		
Total debt securities (carrying value)						
Corporate shares						
American depositary receipts (ADR)						
Investments in mutual funds						
Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>						
Total equity securities (carrying value)						
Total securities (carrying value)						

The debt securities are not collateralised. *[Otherwise disclose information about collateral as in Note 11 on loans and advances to customers.]*

[In general, investments in mutual funds are 'puttable' by the holder and do not meet the definition of an equity instrument in IAS 32 even if the issuer classifies them as equity based on the exemption for 'puttable' instruments in IAS 32.16A-D. The holder should treat such instruments as debt mandatorily at FVTPL since the cash flows are not consistent with the SPPI feature.]

12 Repurchase Receivables (Continued)

Analysis by credit quality of debt securities at FVOCI that were transferred in a sale and repurchase agreement is as follows at 31 December 2022.

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					

12 Repurchase Receivables (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Promissory notes <i>[Adjust classes as appropriate]</i>					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Total investments in debt securities at FVOCI sold under sale and repurchase agreements (fair value)					

12 Repurchase Receivables (Continued)

Analysis by credit quality of debt securities at FVOCI that were transferred in a sale and repurchase agreement is as follows at 31 December 2021:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					

12 Repurchase Receivables (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Promissory notes <i>[Adjust classes as appropriate]</i>					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Total investments in debt securities at FVOCI sold under sale and repurchase agreements (fair value)					

12 Repurchase Receivables (Continued)

Analysis by credit quality of debt securities at AC that were transferred in a sale and repurchase agreement is as follows at 31 December 2022.

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

12 Repurchase Receivables (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Promissory notes <i>[Adjust classes as appropriate]</i>					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total investments in debt securities at AC sold under sale and repurchase agreements (gross value)					
Credit loss allowance					
Total investments in debt securities at AC sold under sale and repurchase agreements (carrying value)					

12 Repurchase Receivables (Continued)

Analysis by credit quality of debt securities at AC that were transferred in a sale and repurchase agreement is as follows at 31 December 2021

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
[Country] government bonds					
- Excellent					
- Good					
- Satisfactory					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

12 Repurchase Receivables (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Corporate bonds					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Promissory notes <i>[Adjust classes as appropriate]</i>					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total investments in debt securities at AC sold under sale and repurchase agreements (gross value)					
Credit loss allowance					
Total investments in debt securities at AC sold under sale and repurchase agreements (carrying value)					

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during 2022 was EUR [] thousand (2021: EUR ____ thousand). Refer to Note 41 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to the debt securities. *[The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]*

12 Repurchase Receivables (Continued)

[The following tables - movements in the credit loss allowance and in the gross carrying amount – should be added for each material class of financial assets aggregated to the FSLI i.e., government bonds, municipal bonds, corporate bonds, promissory notes etc. Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group’s management.]

Movements in the credit loss allowance and in the gross amortised cost amount of **[[Country] government bonds at FVOCI]** were as follows.

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

[[Country] government bonds]

At 31 December 2021

Movements with impact on credit loss allowance charge for the period:

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased

Derecognised during the period

Changes to ECL measurement model assumptions

Unwinding of discount

Changes in accrued interest

Other movements

Total movements with impact on credit loss allowance charge for the period

Movements without impact on credit loss allowance charge for the period:

Write-offs

FX and other movements

Modification of contractual cash flows

Unwinding of discount (for Stage 3)

At 31 December 2022

12 Repurchase Receivables (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

**[[Country] government
bonds]**

At 1 January 2021

*Movements with impact on
credit loss allowance
charge for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased

Derecognised during the period

Changes to ECL measurement model assumptions

Unwinding of discount

Changes in accrued interest

Other movements

**Total movements with
impact on credit loss
allowance charge for
the period**

*Movements without impact
on credit loss allowance
charge for the period:*

Write-offs

FX and other movements

Modification of contractual cash flows

Unwinding of discount (for Stage 3)

At 31 December 2021

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

12 Repurchase Receivables (Continued)

[The following tables - movements in the credit loss allowance and in the gross carrying amount – should be added for each material class of financial assets aggregated to the FSLI i.e., government bonds, municipal bonds, corporate bonds, promissory notes etc. Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group’s management.]

Movements in the credit loss allowance and in the gross amortised cost amount of **[[Country] government bonds carried at AC]** were as follows.

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total

In thousands of EUR

[[Country] government bonds]

At 31 December 2021

Movements with impact on credit loss allowance charge for the period:

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

Total movements with impact on credit loss allowance charge for the period

Movements without impact on credit loss allowance charge for the period:

Write-offs
FX and other movements
Modification of contractual cash flows
Unwinding of discount (for Stage 3)

At 31 December 2022

12 Repurchase Receivables (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of EUR</i>								

**[[Country] government
bonds]**

At 1 January 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs
FX and other movements
Modification of contractual cash
flows
Unwinding of discount (for
Stage 3)

At 31 December 2021

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

12 Repurchase Receivables (Continued)

Securities at FVTPL classified as repurchase receivables were provided as collateral under sale and repurchase agreements and the Group, therefore, has an additional credit risk exposure relating to the repurchase of the securities. The counterparty bank belongs to [the top 20] banks operating in the Eurozone with rating _____ by [Standard & Poor's / Moody's].

The carrying amount of financial assets that the Group reclassified as repurchase receivables during 2022 was EUR _____ thousand (2021: EUR _____ thousand).

Refer to Note 49 for the disclosure of the fair value of each class of repurchase receivables. Securities at FVTPL and securities at FVOCI reclassified to repurchase receivables continue to be carried at fair value in accordance with accounting policies for these categories of assets.

Interest rate analysis of securities classified as repurchase receivables is disclosed in Note 41. Information on related party debt securities is disclosed in Note 51.

13 Investment Properties

<i>In thousands of EUR</i>	2022	2021
Investment properties at fair value at 1 January		
Additions		
Expenditure on technical enhancements		
Additions through business combinations	52	
Transfer to non-current assets held for sale (or disposal groups)	20	
Disposals		
Transfer to owner-occupied premises	15	
Transfer from owner-occupied premises	15	
Transfer to other assets		
Fair value gains/(losses)	34	
Other		
[Effect of translation to presentation currency]		

Investment properties at fair value at 31 December

[The Group did not classify any right-of-use assets, where the underlying properties were sub-let, as investment properties in 2022 (2021: nil.)] The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified appraiser who has recent experience in valuing similar properties in [Country]. The methods and significant assumptions applied in determining the fair value were [Describe methods and assumptions, e.g. capitalisation rate used.]

[Describe to what extent the determination of fair value was supported by market evidence or was more heavily based on other factors (which should be disclosed) because of the nature of the property and lack of comparable market data.]

[If an independent professionally qualified valuer has not done the valuation, disclose that fact. See IAS 40.75(e)]

[Disclose a general description of the leasing arrangements / nature of the lessor's leasing activities.]

[Disclose how residual value risk in the assets leased to other parties is managed, including strategy and risk mitigating arrangements, such as variable lease payments, residual value guarantees etc. Refer to IFRS 16.92]

13 Investment Properties (Continued)

Valuations of properties obtained from independent professionally qualified appraisers were adjusted for the purpose of the [consolidated] financial statements to avoid double-counting of assets and liabilities that are recognised separately from the valuation in the statement of financial position. Reconciliation between the valuations obtained and the carrying amount of investment properties, is as follows:

	Note	31 December 2022	31 December 2021
Valuations obtained			
Less future construction costs and developers profit deducted from properties valued on an “as if complete” basis			
Less accrued rental income recognised as a separate asset			
Plus lease liabilities recognised for investment properties held under leases [See IAS 40.50]			

Fair value in the statement of financial position

[Consider describing how the Group complies with property regulations, e.g.: Investment properties with a carrying value of EUR ___ thousand (2021: EUR ___ thousand) were fully completed and in use at the end of the reporting period. The properties are required to comply with relevant health and safety and other environmental requirements, subject to ongoing self-certification and periodic inspections from independent oversight bodies, in order to continue in operation. Management considers that the Group’s completed properties comply substantially with all relevant requirements, and based on the Group’s historical experience, all properties are expected to continue to be approved for ongoing use.]

[Note: Current economic conditions are likely to have an impact on the valuation of investment properties. For detailed guidance on COVID-19 related issues applicable for investment property measurement refer to:

- *FAQ 2.6.1 – Impact of COVID-19 on investment property valuation*
- *FAQ 2.6.2 – Uncertainties in cash flows and change in valuation technique for level 3 fair value measurement*
- *FAQ 2.6.3 – Additional considerations for discount rates used in Level 3 fair value measurements]*

At 31 December 2022, investment properties carried at EUR _____ thousand (2021: EUR _____ thousand) have been pledged to third parties as collateral with respect to [other borrowed funds]. Refer to Note [24]. [Disclose the existence and amounts of any other restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.]

Where the Group is the lessor, the future minimum lease payments receivable under non-cancellable operating leases are as follows: [Refer to IFRS 16 Appendix A to determine the non-cancellable lease period; if a lease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation.]

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
Not later than 1 year		
Later than 1 year and not later than 2 years		
Later than 2 years and not later than 3 years		
Later than 3 years and not later than 4 years		
Later than 4 years and not later than 5 years		
Later than 5 years		

Total future operating lease payments receivable at 31 December

13 Investment Properties (Continued)

Total variable lease payments receivable that are not based on an index or rate recognised as income under the Group's non-cancellable operating leases were EUR _____ thousand (2021: total contingent rent payments receivable recognised as income under the Group's non-cancellable operating leases were EUR _____ thousand). *[Refer to IFRS 16 Appendix A to determine the non-cancellable lease period; if a lease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation.]*

[If relevant, specify types and amounts of COVID-19 rent-related concessions provided to lessees and how they were treated, eg rent forgiveness treated as derecognition of operating lease receivables.]

[Note: For detailed guidance on COVID-19 related issues applicable for lessors in operating leases:

- FAQ 4.5 – Should a lessor in an operating lease continue to recognise lease income when its collectability is uncertain due to COVID-19?*
- FAQ 4.6 – COVID-19-related modifications to operating leases: lessor perspective*
- FAQ 4.8 – Accounting by operating lessors for voluntary forgiveness of amounts contractually due for past rent*
- FAQ 4.9 – Lessor accounting for initial direct costs where an operating lease is modified*
- FAQ 4.10 – What does 'proportionally' mean in the context of 'consideration for a lease', as described in the IASB's educational material?*
- FAQ 4.11 – Is it appropriate for a lessor in an operating lease to change the pattern of income recognition in light of COVID-19?]*

14 Investment in Associates

The table below summarises the movements in the carrying amount of the Group's investment in associates.

<i>In thousands of EUR</i>	2022	2021
Carrying amount at 1 January		
Fair value of net assets of associate acquired		
Goodwill arising on acquisition of associate		
Share of profit of associates		
Share of other equity movements of associates		
Dividends from associates		
Impairment of investments in associates		
[Translation to presentation currency]		
Carrying amount at 31 December		

14 Investment in Associates (Continued)

The Group's interests in its principal associates were as follows:

Name	2022		2021	
	% ownership interest held (% of voting rights if different)	Place of business (country of incorporation if different)	% ownership interest held (% of voting rights if different)	Place of business (country of incorporation if different)
[Associate X]				
[Associate Y]				

Total

[Disclose here the nature of the entity's relationship with each associate (by, for example, describing the nature of the activities of the associate and whether it is strategic to the entity's activities) – IFRS 12.21]

Summarised financial information of each material associate is as follows at 31 December 2022:

	Associate X	Associate Y	Other individually immaterial associates	Total associates
<i>In thousands of EUR</i>				
Current assets				
Non-current assets				
Current liabilities				
Non-current liabilities				
Revenue				
Profit or loss from continuing operations				
Profit or loss from discontinued operations				
Other comprehensive income				
Total comprehensive income				

Summarised financial information of each material associate is as follows at 31 December 2021:

	Associate X	Associate Y	Other individually immaterial associates	Total associates
<i>In thousands of EUR</i>				
Current assets				
Non-current assets				
Current liabilities				
Non-current liabilities				
Revenue				
Profit or loss from continuing operations				
Profit or loss from discontinued operations				
Other comprehensive income				
Total comprehensive income				

The only reconciling difference between the above amounts and the carrying amount of the investments in associates is elimination of the ownership interest held by the other investors in the associates.

The fair value of the Group's investment in its associate _____, which is listed, is EUR _____ thousand (2021: EUR _____ thousand).

14 Investment in Associates (Continued)

[Associate X] has outstanding borrowing from a third party bank that includes a clause restricting payment of dividends to the investors without the lender's approval. *[Disclose the nature and extent of any significant restrictions on the ability of associates to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity – IFRS 12.22]*

The Group's share of contingent liabilities of the associates was EUR _____ thousand at 31 December 2022 (2021: EUR _____ thousand). In addition, the Group's contingent liabilities related to the associates incurred jointly with the other investors in the associate amount to EUR _____ thousand at 31 December 2022 (2021: EUR _____ thousand).

The carrying value of the Group's investment in associate _____ is nil. The unrecognised share of loss of this associate is EUR _____ thousand for 2022 (2021: EUR _____ thousand). Cumulatively, the unrecognised share of losses of this associate is EUR _____ thousand (2021: EUR _____ thousand).

15 Other Financial Assets

<i>In thousands of EUR</i>	Note	2022	2021
<i>Other financial assets at AC</i>			
Trade receivables from contracts with customers			
Finance lease receivables <i>[Consider disclosing separately on the face of the balance sheet if significant]</i>			
Credit and debit cards receivables			
Settlements on conversion operations			
Restricted cash <i>[Alternatively, report it within 'Due from other banks']</i>			
Other <i>[Expand as appropriate]</i>			
<hr/>			
Less credit loss allowance			
<hr/>			
Total other financial assets at AC			
<hr/>			
<i>Other financial assets at FVTPL</i>			
Foreign exchange forward contracts	50		
Precious metals forward contracts	50		
Other financial derivatives	50		
Other <i>[Expand as appropriate]</i>			
<hr/>			
Total other financial assets at FVTPL			
<hr/>			
Total other financial assets			

Restricted cash represents balances on correspondent accounts with foreign banks placed by the Group on behalf of its customers. The Group does not have the right to use these funds for the purposes of funding its own activities. The Group has received restricted deposits from these customers in the same amounts which are recorded in customer accounts.

15 Other Financial Assets (Continued)

The table below contains an analysis of the credit risk exposure of other financial assets at AC except for trade receivables. The carrying amount of other financial assets at AC at 31 December 2022 below also represents the Group's maximum exposure to credit risk on these assets:

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Finance lease receivables					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
<hr/>					
Gross carrying amount					
<hr/>					
Credit loss allowance					
<hr/>					
Carrying amount					
<hr/>					

15 Other Financial Assets (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Credit and debit cards receivables					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Settlements on conversion operations					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Restricted cash					
<ul style="list-style-type: none"> - Excellent - Good - Satisfactory - Special monitoring - Default 					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

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	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>In thousands of EUR</i>					
Other					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

[For trade receivables, contract assets and lease receivables for which the simplified approach in IFRS 9.5.5.15 is applied, the disclosure about collateral in IFRS 7.35K(b) does not apply and the disclosure about modification in IFRS 7.35J(a) applies if those assets are modified while more than 30 days overdue].

The credit loss allowance for trade receivables is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due, adjusted for *[describe forward looking information – the impact of the forward-looking information is likely to be more significant due to COVID-19 or the war in Ukraine, even for short-term receivables].*

	31 December 2022			31 December 2021		
	Loss rate	Gross carrying amount	Lifetime ECL	Loss rate	Gross carrying amount	Lifetime ECL
<i>In % of gross value</i>						
Trade receivables						
- current	[%]			[%]		
- less than 30 days overdue	[%]			[%]		
- 30 to 90 days overdue	[%]			[%]		
- 91 to 180 days overdue	[%]			[%]		
- 181 to 360 days overdue	[%]			[%]		
- over 360 days overdue	[%]			[%]		
Total trade receivables (gross carrying amount)						
Credit loss allowance						
Total trade receivables from contracts with customers (carrying amount)						

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was EUR ____ thousand (2021: EUR ____ thousand). *[If there are POCI assets, add POCI columns to the above table to show POCI items separately.]*

15 Other Financial Assets (Continued)

[According to IFRS 9 an entity may use practical expedients when measuring ECLs if they are consistent with the principles in paragraph 5.5.17 of IFRS 9. An example of a practical expedient is the calculation of the ECLs on trade receivables using a provision matrix. The entity would use its historical credit loss experience (adjusted as appropriate in accordance with paragraphs B5.5.51–B5.5.52 of IFRS 9) for trade receivables to estimate the 12-month ECLs or the lifetime ECLs on the financial assets as relevant. A provision matrix might, for example, specify fixed provision rates depending on the number of days that a trade receivable is past due (for example, 1 per cent if not past due, 2 per cent if less than 30 days past due, 3 per cent if more than 30 days but less than 90 days past due, 20 per cent if 90–180 days past due etc). Depending on the diversity of its customer base, the entity would use appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. Examples of criteria that might be used to group assets include geographical region, product type, customer rating, collateral or trade credit insurance and type of customer (such as wholesale or retail).]

The following tables explain the changes in the gross carrying amount and in the credit loss allowance for other financial assets under simplified ECL model between the beginning and the end of the current and comparative annual periods *[Adjust classes as appropriate; movements must be by class (classes should be consistent with internal reporting to the Group’s management)]*:

<i>In thousands of EUR</i>	2022		2021			
	Gross carrying amount	Credit loss allowance	Total	Gross carrying amount	Credit loss allowance	Total
Trade receivables						
Balance at 1 January						
New originated or purchased						
Financial assets derecognised during the period						
Changes in estimates and assumptions						
Other movements						
Total credit loss allowance charge in profit or loss for the period <i>[only for credit loss allowance]</i>		-				
Write-offs						
Foreign exchange gains and losses						
Modification of contractual cash flows						
Balance at 31 December						

15 Other Financial Assets (Continued)

[The following tables - movements in the credit loss allowance and in the gross carrying amount – should be added for each material class of financial assets aggregated to the FSLI i.e., finance lease receivables, credit and debit card receivables, settlements on conversion operations, restricted cash, other receivables etc. Adjust classes as appropriate; movements must be by class and classes should be consistent with internal reporting to the Group’s management.]

Movements in the credit loss allowance and in the gross amortised cost amount of [\[finance lease receivables\]](#) were as follows.

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of EUR</i>								

[\[Finance lease receivables\]](#)

At 31 December 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs
Foreign exchange gains and
losses and other movements
Modification of contractual cash
flows
Unwinding of discount (for
Stage 3)

At 31 December 2022

15 Other Financial Assets (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of EUR</i>								

[Finance lease receivables]

At 1 January 2021

*Movements with impact on
credit loss allowance charge
for the period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)

New originated or purchased
Derecognised during the period
Changes to ECL measurement
model assumptions
Unwinding of discount
Changes in accrued interest
Other movements

**Total movements with impact
on credit loss allowance
charge for the period**

*Movements without impact on
credit loss allowance charge
for the period:*

Write-offs
Foreign exchange gains and
losses and other movements
Modification of contractual cash
flows
Unwinding of discount (for
Stage 3)

At 31 December 2021

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

15 Other Financial Assets (Continued)

Finance lease receivables of EUR ____ thousand (2021: EUR ____ thousand) and EUR ____ thousand (2021: EUR ____ thousand) relate to leases of equipment and real estate, respectively.

Description of collateral held is as follows at 31 December 2022:

<i>In thousands of EUR</i>	Finance lease receivables	Other receivables	Total
Guaranteed by other banks			
Guaranteed by other parties, including credit insurance			
Residential real estate			
Other real estate			
Tradable securities			
Cash deposits			
Cars or other equipment			
Total			
Unsecured exposures			
Total carrying value at AC (amount representing exposure to credit risk for the respective class at AC)			

Description of collateral held is as follows at 31 December 2021:

<i>In thousands of EUR</i>	Finance lease receivables	Other receivables	Total
Guaranteed by other banks			
Guaranteed by other parties, including credit insurance			
Residential real estate			
Other real estate			
Tradable securities			
Cash deposits			
Cars or other equipment			
Total			
Unsecured exposures			
Total carrying value at AC (amount representing exposure to credit risk for the respective class at AC)			

15 Other Financial Assets (Continued)

The extent to which collateral and other credit enhancements mitigate credit risk for assets that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset (“over-collateralised assets”) and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset (“under-collateralised assets”). The effect of collateral on credit impaired assets at 31 December 2022 is as follows.

<i>In thousands of EUR</i>	Over-collateralised assets		Under-collateralised assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:				
Finance lease receivables				
Other receivables/assets				

The effect of collateral on credit impaired assets at 31 December 2021 is as follows.

<i>In thousands of EUR</i>	Over-collateralised assets		Under-collateralised assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:				
Finance lease receivables				
Other receivables/assets				

The Group obtains collateral valuation at the time of granting loans and generally updates it every [two to three] years, depending on the significance of the loan exposure. The values of collateral considered in this disclosure are after a valuation haircut of [20-50%] applied to consider liquidity and quality of the pledged assets. *[Expand to describe approach to collateral valuations / collateral policy.]*

Trade receivables, finance lease receivables, credit and debit cards receivables, settlements on conversion operations and restricted cash balances are not collateralised. *[Otherwise disclose information about collateral as in Note 11 on loans and advances also for these other assets.]*

15 Other Financial Assets (Continued)

Finance lease payments receivable (gross investment in the leases) and their present values are as follows:

<i>In thousands of EUR</i>	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due after 5 years	Total
Finance lease payments receivable at 31 December 2022							
Unearned finance income							
Unguaranteed residual value							
Credit loss allowance							
Present value of lease payments receivable at 31 December 2022							
Finance lease payments receivable at 31 December 2021							
Unearned finance income							
Unguaranteed residual value							
Impairment loss provision							
Present value of lease payments receivable at 31 December 2021							

[Include a general description of the leasing arrangements.]

The Group owns [\[equipment\]](#) of EUR _____ thousand (2021: EUR _____ thousand) obtained by terminating finance leases of counterparties which were in breach of their contractual obligations, primarily as a result of overdue lease payments. Refer to Note 16. *[See IFRS 7.38. IFRS 7.BC56 states that the purpose of the disclosure is to indicate the amount recognised in the balance sheet for such assets.]*

Refer to Note 49 for the disclosure of the fair value of each class of other financial assets. Information on related party balances is disclosed in Note 51.

16 Other Assets

<i>In thousands of EUR</i>	Note	2022	2021
Prepayments for construction in progress			
Prepayments for services			
Repossessed collateral			
Precious metals			
Other			
Total other assets			

16 Other Assets (Continued)

[Repossessed collateral represents real estate assets acquired by the Group in settlement of overdue loans. The Group expects to dispose of the assets in the foreseeable future. *[Depending on materiality, disclose in more details the policies for disposing of such assets or for using them in the Group's operations. See IFRS 7.38.]* The assets do not meet the definition of non-current assets held for sale, and are classified as inventories in accordance with IAS 2 "Inventories". The assets were initially recognised at fair value when acquired.]

[Depending on materiality, disclose more details in respect of prepayments, e.g. a table showing opening and closing balances and movements due to additions, amounts derecognised, etc.]

All of the above assets are expected to be recovered more than twelve months after the year-end, except for prepayments for services of EUR _____ thousand (2021: EUR _____ thousand) and precious metals of EUR _____ thousand (2021: EUR _____ thousand). Information on related party balances is disclosed in Note 51.

17 Goodwill

Movements in goodwill arising on the acquisition of subsidiaries are:

<i>In thousands of EUR</i>	Note	2022	2021
Gross book value at 1 January			
Accumulated impairment losses at 1 January			
Carrying amount at 1 January			
Acquisition of subsidiary	52		
Transfer to non-current assets held for sale (or disposal groups)	20		
Disposal of subsidiary			
Impairment loss	35		
<i>[Effect of translation to presentation currency]</i>			
Other			
Carrying amount at 31 December			
Gross book value at 31 December			
Accumulated impairment losses at 31 December			
Carrying amount at 31 December			

Goodwill Impairment Test

Goodwill is allocated to cash-generating units (CGUs, which represent the lowest level within the Group at which goodwill is monitored by management and which are not larger than a segment), as follows:

<i>In thousands of EUR</i>	2022	2021
[CGU 1]		
[CGU 2]		
[CGU 3]		
[...]		
Total carrying amount of goodwill		

17 Goodwill (Continued)

[If some or all of the carrying amount of goodwill is allocated across multiple CGUs (or groups of CGUs) and the amount allocated to each CGU (or group of CGUs) is not individually significant, that fact should be disclosed, together with the aggregate carrying amount of goodwill allocated to those CGUs (or group of CGUs). Refer to IAS 36.135 for additional required disclosures if goodwill is allocated across multiple CGUs (or groups of CGUs)]

[If any portion of the goodwill acquired in a business combination during the reporting period has not been allocated to a CGU at the end of the reporting period (IAS 36.84), disclose the amount of the unallocated goodwill, together with the reasons why that amount remains unallocated.]

[The disclosures below only cover situations when the recoverable amount is value in use. If fair value less costs to sell is higher than value in use, refer to IAS 36.134(e) for required disclosures.]

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. *[Note: Disclose why period of more than 5 years would be justified – IAS 36.134(d)(iii).]* Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

Assumptions used for value-in-use calculations to which the recoverable amount is most sensitive were:

	2022	2021
<i>[State assumptions, e.g. gross margin, sales growth, etc]</i>		
Growth rate beyond five years	X% p.a.	Y% p.a.
Pre-tax discount rate	X% p.a.	Y% p.a.
[.....]		

Management determined budgeted gross margin based on past performance and its market expectations. The weighted average growth rates used are consistent with the forecasts included in industry reports. *[Note: The assumptions should be disclosed separately for each CGU for which the allocated carrying amount of goodwill is significant in comparison to the entity's total goodwill. Describe Management's approach to developing each assumption, whether assumptions reflect past experience or whether they are consistent with external sources of information. Describe if and why assumptions differ from past experience or external sources of information. Refer to IAS 36.134(d)(i) and (ii)]*

The discount rates used are pre-tax, and reflect specific risks relating to the relevant CGUs. If the revised estimated pre-tax discount rate applied to the discounted cash flows of _____ CGU had been _____ % higher than management's estimates, the Group would need to reduce the carrying value of goodwill by EUR _____ thousand, and premises and equipment by EUR _____ thousand. Had this impairment been recognised, the Group would not be able to reverse any Credit loss allowance that arose on goodwill in subsequent periods, even if circumstances improve. The recoverable amount of _____ CGU exceeds its carrying amount by EUR _____ thousand. The CGUs' carrying amount would be equal to value in use at a discount rate of _____ % p.a. *[Note: This disclosure must be made if a reasonably possible change in a key assumption would cause the CGU to be impaired. Similarly describe sensitivity to all other key assumptions for each major CGU or groups of CGUs; include the same disclosure for 2021, if relevant.]*

The impairment charge arose in _____ CGU. *[Explain circumstances of the impairment, e.g. management decision to reduce the manufacturing output allocated to the operations; include the same disclosure for 2021, if relevant.] [Refer to IAS 36 for further disclosures if the Group has intangibles with indefinite life.]*

17 Goodwill (Continued)

[Note: For detailed guidance on COVID-19 related to goodwill impairment issues please refer to the following publications:

- *FAQ 2.1.1 – Is the coronavirus (COVID-19) pandemic an impairment indicator?*
- *FAQ 2.1.2 – Should the business plan prepared by management be revised to incorporate the impacts of COVID-19?*
- *FAQ 2.1.3 – How can impairment tests that incorporate cash flow forecasts be more reliably performed in periods of uncertainty?*
- *FAQ 2.1.4 – What are the consequences of the COVID-19 pandemic on the discount rate?*
- *FAQ 2.1.5 – Level at which impairment testing is performed*
- *FAQ 2.1.6 – Does an entity incorporate cash flows from government assistance or grants when determining the value in use of a cash-generating unit?*
- *FAQ 2.1.7 – Is an entity permitted to change the timing of its annual impairment test of goodwill, in the light of COVID-19 if the test was not historically performed at year end?]*

18 Premises, Equipment and Intangible Assets

<i>In thousands of EUR</i>	Note	Premises	Office and computer equipment	Construction in progress	Equipment leased to customers	Total premises and equipment	Computer software licences	Internally developed software	Total
Cost [or valuation] at 1 January 2021 Accumulated depreciation									
Carrying amount at 1 January 2021									
Acquisitions through business combinations	52								
Additions									
Capitalised internal [software] development costs									
Transfers									
Reclassification to non-current assets held for sale (or disposal groups)	20								
Disposals									
Depreciation charge	35								
Impairment charge to profit or loss	35								
Reversals of impairment through profit or loss									
Revaluation [Translation to presentation currency]	31								
Other									
Carrying amount at 31 December 2021									

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<i>In thousands of EUR</i>	Note	Premises	Office and computer equipment	Construction in progress	Equipment leased to customers	Total premises and equipment	Computer software licences	Internally developed software	Total
Cost [or valuation] at 31 December 2021 Accumulated depreciation									
Carrying amount at 31 December 2021									
Acquisitions through business combinations	52								
Additions									
Capitalised borrowing costs									
Capitalised internal [software] development costs									
Transfers									
Transfer to non-current assets held for sale (or disposal groups)	20								
Disposals									
Depreciation charge	35								
Impairment charge to profit or loss	35								
Reversals of impairment through profit or loss									
Revaluation [Translation to presentation currency]	31								
Other									
Carrying amount at 31 December 2022									
Cost [or valuation] at 31 December 2022 Accumulated depreciation									
Carrying amount at 31 December 2022									

[Note: Adjust categories in the above table, as appropriate.] [IFRS 3 requires separate recognition of acquired intangibles. If intangible assets are of any size, a separate note is required for intangibles.] [Movements in significant amounts of internally developed intangibles, e.g. computer software, should be shown separately from acquired intangibles, e.g. acquired software licences.]

*[Any purchase of equipment or furniture should be recorded in respective categories and **not** first go through construction in progress. Any impairment loss charge should be separately identified and described per IAS 36. Refer to IAS 36 for additional guidance.]*

[Assets leased to customers under operating leases should be presented in separate column in the movements table – each class of such assets in a separate column – IFRS 16.95.]

The Group leased a [equipment] to its customers under short-term operating lease arrangements *[Disclose narrative description of lessor’s leasing activities. Refer to IFRS 16.92]*

[Disclose how residual value risk in the assets leased to other parties is managed, including strategy and risk mitigating arrangements, such as variable lease payments, residual value guarantees etc.]

18 Premises, Equipment and Intangible Assets (Continued)

Where the Group is the lessor, the future minimum lease payments receivable under operating leases of equipment are as follows:

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
1 year		
2 year		
3 year		
4 year		
5 year		
Later than 5 years		
<hr/>		
Total undiscontinued future operating lease payments receivable at 31 December		

Rental income from equipment was EUR ____ thousand (2021: EUR ____ thousand), including EUR ____ thousand of income relating to variable lease payments that do not depend on an index or a rate.

[The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the Group. Leased assets may not be used by a lessee as collateral for borrowings.]

Total contingent payments receivable recognised as income in 2021 under the Group's non-cancellable operating leases of equipment were EUR ____ thousand.

[Note: For detailed guidance on COVID-19 related issues applicable for lessors in operating leases:

- *FAQ 4.5 – Should a lessor in an operating lease continue to recognise lease income when its collectability is uncertain due to COVID-19?*
- *FAQ 4.6 – COVID-19-related modifications to operating leases: lessor perspective*
- *FAQ 4.8 – Accounting by operating lessors for voluntary forgiveness of amounts contractually due for past rent*
- *FAQ 4.9 – Lessor accounting for initial direct costs where an operating lease is modified*
- *FAQ 4.10 – What does 'proportionally' mean in the context of 'consideration for a lease', as described in the IASB's educational material?*
- *FAQ 4.11 – Is it appropriate for a lessor in an operating lease to change the pattern of income recognition in light of COVID-19?]*

The Group capitalised borrowing costs of EUR ____ thousand (2021: EUR ____ thousand) relating to the construction of own premises. The capitalisation rate was __ % p.a.

Construction in progress consists [mainly] of construction and refurbishment of branch premises [and equipment]. Upon completion, assets are transferred to premises and equipment. [Additions to construction in progress include capitalised borrowing costs of EUR ____ thousand (2021: EUR ____ thousand). The capitalisation rate was ____ % (2021: ____ %).]

18 Premises, Equipment and Intangible Assets (Continued)

Premises have been revalued at fair value at _____ 2022. The valuation was carried out by an independent firm of valuers, _____, who hold a recognised and relevant professional qualification and who have recent experience in the valuation of assets in similar locations and in a similar category. The basis used for the appraisal was [replacement cost, market value, discounted cash flow, etc.] Fair values were estimated using appropriate valuation techniques and using the following assumptions: *[State here assumptions]. [If valuation is based on observable market prices in an active market, state that fact.] [Note that replacement cost and discounted cash flow methods may be used only if there is no market-based evidence of fair value because of the specialised nature of the item of property, plant and equipment and the item is rarely sold.] [Note: IAS 16.34 requires annual revaluation of property, plant and equipment carried under the revaluation model in case of significant and volatile changes in fair value. Effects of COVID-19 should be considered in deciding if a full scope revaluation of fixed assets carried under the revaluation model is required].*

At 31 December 2022, the carrying amount of premises would have been EUR _____ thousand (2021: EUR _____ thousand) had the assets been carried at cost less depreciation. The amount reconciles to the carrying value of the premises as follows:

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
Premises at revalued amount in the statement of financial position		
Revaluation reserve presented in equity, net of tax		
[Difference between accumulated depreciation based on cost and based on revalued amount not yet transferred to retained earnings]		
Deferred tax on revaluation (Note 36)		

Premises at cost less accumulated depreciation

At 31 December 2022, premises [and equipment] carried at EUR _____ thousand (2021: EUR _____ thousand) have been pledged to third parties as collateral with respect to [other borrowed funds]. Refer to Note [24]. *[Disclose amount of intangible assets whose title is restricted, if any.]*

[Provide the description, carrying amount and remaining amortisation period of any individual intangible asset that is material to the financial statements as a whole.] [Impairment losses were recognised as a result of the credit loss test described in Note 17.] [If impairment is for individual assets or CGUs not including goodwill, refer to IAS 36 for disclosure requirements.]

[Consider March 2021 IFRIC agenda decision on Configuration and customisation costs in a Cloud Computing Arrangement and how it impacts the Group.

Banks are recently very active in implementing cloud computing solutions and often incur additional CC costs associated with the cloud arrangement. IFRIC clarified that entities need to apply judgement to determine whether the CC costs would meet the definition of an intangible asset or would be recognised as an expense. Timing of the expense recognition is another potentially complex judgement based on assessing whether the CC services are distinct from the cloud computing arrangement. To determine whether the CC services are distinct from the cloud computing arrangement an entity should look to the criteria in IFRS 15. The customisation cost would be recognised over the period of the customisation when the promises are distinct. The customisation costs would be recognised as a prepayment and spread over the entire cloud computing arrangement if the promises are not distinct.

For some entities, the IFRIC agenda decision might result in a change in accounting policy.]

19 Right-of-use Assets and Lease Liabilities

The Group leases various [offices, equipment, vehicles and land]. Rental contracts are typically made for fixed periods of [6 months to 8 years, but may have extension options as described below].

All leases are recognised as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Group.

The right of use assets by class of underlying items is analysed as follows:

<i>In thousands of EUR</i>	Note	Land	Buildings	Equipment	Vehicles	Other	Total
Carrying amount at 1 January 2021							
Additions							
Disposals							
Depreciation charge							
Impairment charge							
[Effect of translation to presentation currency]							
Other							
Carrying amount at 31 December 2021							
Additions							
Disposals							
Depreciation charge							
Impairment charge							
[Effect of translation to presentation currency]							
Other							
Carrying amount at 31 December 2022							

Interest expense on lease liabilities was EUR _____ thousand (2021: EUR ____ thousand).

Some land leases contain variable payment terms that are linked to [cadastral values of the land]. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base. Variable lease payments that depend on [cadastral values] are recognised in profit or loss in the period in which the condition that triggers those payments occurs. A 10% increase in [cadastral values] across all properties in the group with such variable lease contracts would increase total lease payments by approximately EUR ____ thousand (2021: EUR ____ thousand).

Expense relating to variable lease payments not included in lease liabilities included [in general and administrative expenses] of 2022 was EUR _____ thousand (2021: EUR ____ thousand). As at 31 December 2022, future cash outflows of EUR ____ thousand (2021: EUR ____ thousand) (undiscounted) to which the Group is potentially exposed to during the lease term have not been included in the lease liability because they include variable lease payments that are linked to [sales, or other variable].

19 Right-of-use Assets and Lease Liabilities (Continued)

Expenses relating to short-term leases (included in [general and administrative expenses]) and to leases of low-value assets that are not shown as short-term leases are included in [general and administrative expenses]:

<i>In thousands of EUR</i>	2022	2021
Expense relating to short-term leases		
Expense relating to leases of low-value assets that are not shown above as short-term leases		

Total cash outflow for leases in 2022 was EUR ____ thousand (2021: EUR ____ thousand).

[The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as collateral for borrowings.] *[Disclose restrictions or covenants imposed by lease as required by IFRS 16.59(c).]*

[Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.]

[As at 31 December 2022, potential future cash outflows of EUR ____ thousand (2021: EUR ____ thousand) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.] *[In 2022 the Group performed a revision of its operational model and business plan. The Group reviewed the list of rented premises and concluded that some of the lease extension options are no longer reasonably certain to be exercised because the Group plans to reduce the number of its offices and implement remote working opportunities for employees. The reassessment resulted in reducing the lease liabilities by EUR ____ thousand with a corresponding adjustment to the right-of-use asset.]* [During the current reporting year, the financial effect of revising lease term to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of EUR ____ thousand.]

[To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases. The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the Group does not expect to pay anything under the guarantees.

At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices. As at 31 December 2022, EUR ____ thousand (2021: EUR ____ thousand) is expected to be payable and is included in calculating the lease liabilities while EUR ____ thousand (2021: EUR ____ thousand) (undiscounted) is not expected to be payable and has hence been excluded from the lease liabilities.]

20 Non-Current Assets Classified as Held for Sale (or Disposal Groups)

Major classes of non-current assets classified as held for sale (or disposal groups) are as follows:

<i>In thousands of EUR</i>	2022	2021
<i>Assets of a disposal group held for sale:</i>		
Cash and cash equivalents		
Investments in debt and equity securities		
Due from other banks		
Loans and advances to customers		
Investment properties		
Investment in associates		
Current income tax prepayment		
Deferred income tax asset		
Goodwill		
Intangible assets		
Premises and equipment <i>[expand as appropriate]</i>		
<i>Non-current assets held for sale:</i>		
Premises and equipment <i>[expand as appropriate]</i>		

Total Non-current assets held for sale (or disposal groups)

Major classes of liabilities directly associated with disposal groups held for sale are as follows:

<i>In thousands of EUR</i>	2022	2021
Due to other banks		
Customer accounts		
Debt securities in issue <i>[Promissory notes issued]</i>		
Other borrowed funds		
Current income tax liability		
Deferred income tax liability		
Provisions for liabilities and charges		
Other liabilities <i>[expand as appropriate]</i>		

Total liabilities directly associated with disposal groups held for sale

[Disclosure of the major classes of assets and liabilities is not required only if the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale on acquisition. Do not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheet for 2021 to reflect the classification in the balance sheet at 31 December 2022.]

Management approved a plan to sell _____ assets on _____ due to _____. The Group is actively marketing these assets and expects the sale to complete by _____ 2023. *[Describe facts and circumstances, expected manner and timing of that disposal.]* *[Refer to Note 35 for loss on write-down to fair value less costs to sell of Non-current assets held for sale (or disposal groups).]*

[If applicable, disclose, in the period of the decision to change the plan to sell the non-current asset (or disposal group), a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period and any prior periods presented.]

[If material, provide also IFRS 7 and IFRS 13 disclosures about measurement of financial assets and liabilities that are not otherwise included in Note 41, Financial Risk Management or Note 49, Fair Value of Financial Instruments. This includes for example analysis of credit quality and ECL of financial assets and information about fair value measurement. Refer to IFRS 5.5B.]

20 Non-Current Assets Classified as Held for Sale (or Disposal Groups) (Continued)

On _____ 2022, the Group disposed of _____% of the share capital of _____. The subsidiary was previously classified as a disposal group and its assets and liabilities were accordingly reclassified in the statement of financial position. The details of the disposed assets and liabilities and disposal consideration are as follows:

<i>In thousands of EUR</i>	Note	[Date of disposal]
Goodwill	17	
Cash and cash equivalents		
Loans and advances to customers		
Debt securities at [FVOCI]		
Other assets		
Customer accounts		
Other liabilities		
<i>[expand as appropriate]</i>		
Net assets of subsidiary, including attributed goodwill		
Less: non-controlling interest		
Carrying amount of disposed net assets		
Total disposal consideration		
Less: fair value of receivable arising on disposal	15	
Less: cash and cash equivalents in disposed subsidiary		
Cash inflow on disposal		

The gain **[loss]** on disposal of the subsidiary comprises:

<i>In thousands of EUR</i>	Note	Gain on disposal of subsidiary
Consideration for disposal of the subsidiary		
Carrying amount of disposed net assets, net of non-controlling interest		
Cumulative currency translation reserve on foreign operation recycled from other comprehensive income to profit or loss		
Revaluation reserve for FVOCI debt financial assets recycled from other comprehensive income to profit or loss upon disposal		

Gain **[loss] on disposal of subsidiary**

The portion of the gain or loss on disposal of the subsidiary attributable to measuring the investment retained in the former subsidiary at fair value at the date when control was lost amounts to EUR _____ thousand.

[Provide also the same information about disposals for the comparative period, 2021.]

[If the subsidiary is significant or was acquired with a view to resale, IFRS 5 discontinued operations disclosures may apply – these disclosures are not covered in this pro forma.]

21 Due to Other Banks

[If there are liabilities designated at FVTPL at initial recognition within this balance sheet line, amend the note as appropriate in accordance with the example of disclosure of information about financial liabilities designated at FVTPL at initial recognition in Note 24]

<i>In thousands of EUR</i>	2022	2021
Correspondent accounts and overnight placements of other banks		
Short-term placements of other banks		
Sale and repurchase agreements with other banks		
Liability to return collateral sold or repledged		
Overdue term placements of other banks <i>[Adjust classes as appropriate]</i>		

Total due to other banks

During 2022, a gain [loss] on initial recognition of balances due to other banks at rates below [above] market in the amount of EUR ___ thousand (2021: EUR ___ thousand) has been recorded in profit or loss for the year. *[Explain commercial reason for the gain/loss and consider whether the gain/loss should be recognised as a capital transaction in equity if it arises from transactions with parties under common control.]*

At 31 December 2022, included in amounts due to other banks are liabilities of EUR _____ thousand (2021: EUR _____ thousand) from sale and repurchase agreements. Refer to Note 12.

The Group accepted [securities] as collateral that it was allowed to sell or repledge (Note 11). The Group sold [or repledged] such collateral and recognised the cash proceeds as a liability carried at fair value of EUR _____ thousand at the end of the reporting period (2021: EUR _____ thousand).

[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.]

Refer to Note 49 for the disclosure of the fair value of each class of amounts due to other banks. Interest rate analysis of due to other banks is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

[Disclose any concentrations, etc.]

22 Customer Accounts

[If there are liabilities designated at FVTPL at initial recognition within this balance sheet line, amend the note as appropriate in accordance with the example of disclosure of information about financial liabilities designated at FVTPL at initial recognition in Note 24]

<i>In thousands of EUR</i>	2022	2021
State and public organisations		
- Current/settlement accounts		
- Term deposits		
Other legal entities		
- Current/settlement accounts		
- Term deposits		
Individuals		
- Current/demand accounts		
- Term deposits		

Total customer accounts

22 Customer Accounts (Continued)

State and public organisations exclude government owned profit-orientated businesses. During 2022, a gain [loss] on initial recognition of term deposits at rates below [above] market in the amount of EUR ____ thousand (2021: EUR ____ thousand) has been recorded in profit or loss for the year [statement of changes in equity because it effectively represents a capital contribution from [distribution to] the Group's owners].

Economic sector concentrations within customer accounts are as follows:

In thousands of EUR	2022		2021	
	Amount	%	Amount	%
State and public organisations				
Cities and municipalities				
Manufacturing				
Real estate				
Trade				
Agriculture				
Individuals				
Other				
<i>[Expand as necessary]</i>				

Total customer accounts

At 31 December 2022, the Group had ____ customers (2021: ____ customers) with balances above EUR ____ thousand. The aggregate balance of these customers was EUR ____ thousand (2021: EUR ____ thousand) or ____% (2021: ____%) of total customer accounts.

At 31 December 2022, included in customer accounts are deposits of EUR ____ thousand (2021: EUR ____ thousand) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 43.

[Significant material aspects of customer accounts should be discussed, i.e. special concentrations, loan/deposit schemes, etc.]

[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.]

Refer to Note 49 for the disclosure of the fair value of each class of customer accounts. Interest rate analysis of customer accounts is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

23 Debt Securities in Issue [Promissory Notes Issued]

[If there are liabilities designated at FVTPL at initial recognition within this balance sheet line, amend the note as appropriate in accordance with the example of disclosure of information about financial liabilities designated at FVTPL at initial recognition in Note 24]

In thousands of EUR	2022	2021
Promissory notes		
Eurobonds <i>[Specify each issue and if material, disclose Eurobonds separately on the face of the balance sheet]</i>		
Bonds issued on domestic market		
Deposit certificates		
Debentures		

Total debt securities in issue [Promissory notes issued]

23 Debt Securities in Issue [Promissory Notes Issued] (Continued)

[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.] At 31 December 2022, the Group has debt securities in issue of EUR _____ thousand (2021: EUR _____ thousand) in US Dollars denominated [Eurobonds]. These bonds mature on _____, have a coupon rate of _____% (2021: _____%) and a yield to maturity of _____% (2021: _____%) based on market quotes at the reporting date [and an effective interest rate of _____% (2021: _____%) based on their issue price, net of transaction costs, at the date of origination.]

Refer to Note 49 for the disclosure of the fair value of each class of debt securities in issue. Interest rate analyses of debt securities in issue [promissory notes issued] are disclosed in Note 41. Information on debt securities in issue [promissory notes issued] held by related parties is disclosed in Note 51.

At 31 December 2022, the Group had debt securities in issue held by _____ counterparties (2021: _____ counterparties) with balances above EUR _____ thousand. The aggregate amount of these balances was EUR _____ thousand (2021: EUR _____ thousand) or _____% (2021: _____%) of total debt securities in issue. *[If in default, describe the situation, penalties, carrying amount of the securities, whether the breach was remedied or the terms of the loans payable renegotiated before the date the financial statements were authorised for issue, etc. Refer to IFRS 7.18.]*

24 Other Borrowed Funds

<i>In thousands of EUR</i>	2022	2021
<i>Other borrowed funds at AC</i>		
Syndicated loan maturing on _____ <i>[If the creditors are banks, include the loan within Note 21 – ‘Due to Other Banks’]</i>		
Term borrowings from companies/government agencies		
Borrowings through securitisation transaction (Note 47)		
Total other borrowed funds at AC		
<i>Other borrowed funds at FVTPL</i>		
Liability to return collateral sold or repledged		
Other structured funding designated at FVTPL at initial recognition <i>[Adjust classes as appropriate]</i>		
Total other borrowed funds at FVTPL		
Total other borrowed funds		

Other structured funding has been designated at FVTPL as the instrument contains embedded derivatives arising from the early repayment option stipulated in the contract. *[Describe the embedded derivative substance].*

24 Other Borrowed Funds (Continued)

The amount of change in the fair value of financial liabilities designated at FVTPL that is attributable to changes in own credit risk is as follows:

<i>In thousands of EUR</i>	Other structured funding	
	2022	2021
Carrying amount at 1 January		
Change in the fair value attributable to changes in own credit risk recognised in OCI during the period		
Other changes in fair value		
<hr/>		
Carrying amount at 31 December		
<hr/>		
Accumulated amount of the change in fair value attributable to changes in own credit risk at 31 December		
<hr/>		
Difference between the contractual amount due at maturity and carrying amount at 31 December		

The change in fair value attributable to changes in credit risk on financial liabilities is calculated [using the credit spread observed for recent issuances of similar debt, adjusted for subsequent changes in the credit spread observed on credit default swaps on the issuing Bank's senior debt].

[Describe the terms of significant other borrowed funds: interest rate, collateral pledged, maturity date, covenants.]

The Group accepted [securities] as collateral that it was allowed to sell or repledge (Notes 8 and 11). The Group sold [or repledged] such collateral and recognised the cash proceeds as a liability carried at a fair value of EUR _____ thousand at the end of the reporting period (2021: EUR _____ thousand). *[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.]*

[If in default, describe the situation, penalties, carrying amount of the loan, whether the breach was remedied or the terms of the loans payable renegotiated before the date the financial statements were authorised for issue, etc. Refer to IFRS 7.18]

Refer to Note 49 for disclosure of the fair value of each class of other borrowed funds. Interest rate analysis of other borrowed funds is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

25 Provisions for Liabilities and Charges

Movements in provisions for liabilities and charges are as follows:

<i>In thousands of EUR</i>	Note	Tax risks	Other	Total
Carrying amount at 1 January 2021				
Additions charged to profit or loss	35			
Additions through business combinations	52			
Utilisation of provision				
Unwinding of the present value discount and effect of changes in discount rates				
Unused amounts reversed	35			
[Effect of translation to presentation currency]				
Carrying amount at 31 December 2022				

[Comparatives are not required for movements in provisions. Adjust categories as appropriate.]

Provision for uncertain [value added] tax positions and related penalties and interest. The Group has recorded provisions of EUR ____ thousand in respect of uncertain [value added] taxes and the related penalties and interest. [Insert explanation of the specific tax matters; separate disclosures for taxes or situations that are different in nature]. The balance at 31 December 2022 is expected to be either fully utilised or released when the inspection rights of the tax authorities with respect to the relevant tax returns expire, as follows: EUR ____ thousand by the end of 2025, EUR ____ thousand by the end of 2024 and EUR ____ thousand by the end of 2023. *[Disclose movements in provisions by class.] [Provide additional disclosure as to the nature of the exposure as appropriate]*

Other provisions: Other provisions include a provision for certain legal claims brought against the Group by ____ relating to _____. The balance at 31 December 2022 is expected to be utilised by the end of 20___. In management's opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the accrued amounts. Refer to Note 43.

[For each class of provisions provide a brief description of the nature of the obligation and of the expected timing of any resulting outflows; an indication of the uncertainties about the amount or timing of those outflows (where necessary to provide adequate information, disclose the major assumptions made concerning future events, as addressed in IAS 37.48); and the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.]

Information on related party balances is disclosed in Note 51.

26 Other Financial Liabilities

Other financial liabilities comprise the following:

<i>In thousands of EUR</i>	Note	2022	2021
<i>Other financial liabilities at AC</i>			
Trade payables			
Dividends payable	37		
Debit or credit card payables			
Settlements on conversion operations			
Financial guarantees			
Loan commitments			
Performance guarantees			
Other accrued liabilities			
<i>[Expand as necessary]</i>			
Total other financial liabilities at AC			
<i>Other financial liabilities mandatorily measured at FVTPL</i>			
Foreign exchange forward contracts	48		
Precious metal forwards	48		
Other derivative financial instruments	48		
Other			
<i>[Expand as necessary]</i>			
Total other financial liabilities at FVTPL			
Total other financial liabilities			

Refer to Note 43 for analysis of exposure from financial guarantees and loan commitments by credit risk grades.

26 Other Financial Liabilities (Continued)

Movements in the provision for financial guarantees were as follows.

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total provision	Gross guaranteed amount
<i>In thousands of EUR</i>					

**Provision for financial guarantees at
31 December 2021**

*Movements with impact on provision for
credit related commitments charge for the
period:*

Transfers:

- to lifetime (from Stage 1 to Stage 2)
- to credit-impaired (from Stage 1 and
Stage 2 to Stage 3)
- to 12-months ECL (from Stage 2 and
Stage 3 to Stage 1)

Issued guarantees (fees charged)

Amortisation of deferred fee to income

Derecognised during the period

Changes to model assumptions

Unwinding of discounting

Other movements

**Total charge to profit or loss for the
year**

*Movements without impact on provision for
credit related commitments charge for the
period:*

Write-offs

FX movements

Modification of contractual cash flows

Unwinding of discount (for Stage 3)

**Provision for financial guarantees at
31 December 2022**

26 Other Financial Liabilities (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total provision	Gross guaranteed amount
<i>In thousands of EUR</i>					
Provision for financial guarantees at 1 January 2021					
<i>Movements with impact on provision for credit related commitments charge for the period:</i>					
Transfers:					
- to lifetime (from Stage 1 to Stage 2)					
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)					
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)					
Issued guarantees (fees charged)					
Amortisation of deferred fee to income					
Derecognised during the period					
Changes to model assumptions					
Unwinding of discounting					
Other movements					
Total charge to profit or loss for the year					
<i>Movements without impact on provision for credit related commitments charge for the period:</i>					
Write-offs					
FX movements					
Modification of contractual cash flows					
Unwinding of discount (for Stage 3)					
Provision for financial guarantees at 31 December 2021					

26 Other Financial Liabilities (Continued)

Movements in the provision for loan commitments were as follows.

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total provision	Gross committed amount
<i>In thousands of EUR</i>					
Provision for loan commitments at 31 December 2021					
<i>Movements with impact on provision for credit related commitments charge for the period:</i>					
Transfers:					
	- to lifetime (from Stage 1 to Stage 2)				
	- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)				
	- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)				
	Issued loan commitments – fees charged				
	Issued loan commitments – 12-months ECL				
	Amortisation of deferred fee to income				
	Transfer to ECL on loans upon loans drawdown				
	Derecognised during the period				
	Changes to model assumptions				
	Unwinding of discounting				
	Other movements				
Total charge to profit or loss for the year					
<i>Movements without impact on provision for credit related commitments charge for the period:</i>					
	Write-offs				
	FX movements				
	Modification of contractual cash flows				
	Unwinding of discounting (for Stage 3)				
Provision for loan commitments at 31 December 2022					

26 Other Financial Liabilities (Continued)

	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total provision	Gross committed amount
<i>In thousands of EUR</i>					
Provision for loan commitments at 1 January 2021					
<i>Movements with impact on provision for credit related commitments charge for the period:</i>					
Transfers:					
- to lifetime (from Stage 1 to Stage 2)					
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)					
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)					
Issued loan commitments – fees charged					
Issued loan commitments – 12-months ECL					
Amortisation of deferred fee to income					
Transfer to ECL on loans upon loans drawdown					
Derecognised during the period					
Changes to model assumptions					
Unwinding of discounting					
Other movements					
Total charge to profit or loss for the year					
<i>Movements without impact on provision for credit related commitments charge for the period:</i>					
Write-offs					
FX movements					
Modification of contractual cash flows					
Unwinding of discounting (for Stage 3)					
Provision for loan commitments at 31 December 2021					

Refer to Note 49 for disclosure of the fair value of each class of other financial liabilities. *[Adjust table above to show POCI items, eg in case such commitments and guarantees were acquired in a business combination.]*

27 Other Liabilities

Other liabilities comprise the following:

<i>In thousands of EUR</i>	Note	2022	2021
Taxes payable other than on income			
Accrued employee benefit costs			
Deferred consideration for acquisitions	52		
Contract liability – deferred income <i>[specify its nature and add related IFRS 15 disclosures if material]</i>	33		
Other <i>[Expand as necessary]</i>			
Total other liabilities			

28 Subordinated Debt

Subordinated debt of EUR _____ thousand (2021: EUR _____ thousand) carries a *[fixed]* *[variable]* interest rate of ___ % p.a. and matures on _____. The debt ranks after all other creditors in the case of liquidation.

Refer to Note 49 for the disclosure of the fair value of subordinated debt. Interest rate analysis of subordinated debt is disclosed in Note 41. Information on related party balances is disclosed in Note 51.

29 Share Capital

[For limited liability companies/partnerships refer to separate guidance to determine whether these amounts should be classified as debt. Adjust categories in the table below as appropriate, e.g. to include preference shares.]

<i>In thousands of EUR except for number of shares</i>	Number of outstanding shares <i>[in thousands]</i>	Ordinary shares	Share premium	Preference shares	Treasury shares	Total
At 1 January 2021						
New shares issued						
Treasury shares purchased						
Treasury shares sold						
<i>[Translation to presentation currency]</i>						
At 31 December 2021						
New shares issued						
Treasury shares purchased						
Treasury shares sold						
<i>[Translation to presentation currency]</i>						
At 31 December 2022						

29 Share Capital (Continued)

The nominal registered amount of the Bank's issued share capital is EUR _____ thousand (2021: EUR _____ thousand).

The total authorised number of ordinary shares is _____ thousand shares (2021: _____ thousand shares), with a par value of EUR _____ per share (2021: EUR _____ per share). All issued ordinary shares are fully paid. [The number of ordinary shares issued but not fully paid in 2022 was _____ (2021: _____).] Each ordinary share carries one vote. Each ordinary share carries equal right to participate in profits and obtain dividends, as declared from time to time by the general shareholders meeting, and to participate in net assets upon the entity's liquidation.

The total authorised number of preference shares is _____ thousand shares (2021: _____ thousand shares), with a par value of EUR _____ per share (2021: EUR _____ per share). All issued preference shares are fully paid. [The number of preference shares issued but not fully paid in 2022 was _____ (2021: _____).]

The preference shares are not redeemable and rank ahead of the ordinary shares in the event of the Bank's liquidation. [The preference shares give the holders the right to participate in general shareholders' meetings without voting rights, except in instances where decisions are made in relation to reorganisation and liquidation of the Bank, and where changes and amendments to the Bank's charter which restrict the rights of preference shareholders are proposed.] Preference share dividends are set at _____ % p.a. (2021: _____ % p.a.) and rank above ordinary dividends. If preference dividends are not declared by ordinary shareholders, the preference shareholders obtain the right to vote as ordinary shareholders until such time that the dividend is paid.

[Describe share issue(s) shares pledged and written share options. Provide a description of all non-cash movements, e.g. capitalisation of reserves.]

At 31 December 2022, treasury shares include _____ [ordinary] shares of the Bank (2021: _____ [ordinary] shares) owned by wholly owned subsidiaries of the Group. These ordinary shares carry voting rights in the same proportion as other ordinary shares. Voting rights of ordinary shares of the Bank held by the entities within the Group are effectively controlled by the management of the Group.

Share premium represents the excess of contributions received over the nominal value of shares issued.

In accordance with the [Country] legislation, the Bank distributes profits as dividends or transfers them to reserves on the basis of financial statements prepared in accordance with [Country] Accounting Rules. The Bank's reserves under [Country] Accounting Rules at 31 December 2022 amount to EUR _____ thousand (2021: EUR _____ thousand).

[Ordinary shares held by associate companies should be disclosed as balances with related parties.]

30 Perpetual Bonds

The Group issued _____ (2021: _____) perpetual bonds with a total nominal value of EUR _____ thousand (2021: EUR _____ thousand) carrying discretionary interest of _____ % p.a. (2021: _____ % p.a.). The bonds are cancellable upon a significant reduction in the entity's capital ratio. The bonds were classified as equity instruments.

31 Other Comprehensive Income Recognised in Each Component of Equity

Analysis of other comprehensive income by item for each component of equity is as follows for the year ended 31 December 2022:

	Attributable to owners of the Bank							Total	Non-controlling Interest	Total equity
	Share capital	Share premium	Perpetual bonds	Revaluation reserve for investment securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve			
<i>In thousands of EUR</i>										
Note										
Year ended										
31 December 2022										
Securities at FVOCI:										
- Gains less losses arising during the year										
- Gains less losses reclassified to profit or loss on disposal										
Translation of financial information of foreign operations to presentation currency										
Share of other comprehensive income of associates										
Income tax recorded directly in other comprehensive income										
Gains less losses on investments in equity instruments at FVOCI										
Change in fair value attributable to change in the credit risk of financial liabilities at FVTPL										
Revaluation of premises and equipment										
Remeasurements of post-employment benefit obligations										
Income tax recorded directly in other comprehensive income										
Total other comprehensive income										

31 Other Comprehensive Income Recognised in Each Component of Equity (Continued)

Analysis of other comprehensive income by item for each component of equity is as follows for the year ended 31 December 2021:

	Attributable to owners of the Bank								Total	Non-controlling Interest	Total equity
	Share capital	Share premium	Perpetual bonds	Revaluation reserve for investment securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve	Retained earnings [Accumulated deficit]			
<i>In thousands of EUR</i>											
Year ended											
31 December 2021											
Securities at FVOCI:											
- Gains less losses arising during the year											
- Gains less losses reclassified to profit or loss on disposal											
Translation of financial information of foreign operations to presentation currency											
Share of other comprehensive income of associates											
Income tax recorded directly in other comprehensive income											
Gains less losses on investments in equity instruments at FVOCI											
Change in fair value attributable to change in the credit risk of financial liabilities at FVTPL											
Revaluation of premises and equipment											
Remeasurements of post-employment benefit obligations											
Income tax recorded directly in other comprehensive income											
Total other comprehensive income											

The cumulative amounts recognised in other comprehensive income relating to non-current assets held for sale (or disposal group) are as follows:

<i>In thousands of EUR</i>	2022	2021
Revaluation reserve for securities at FVOCI		
Revaluation reserve for premises		
Currency translation reserve		

32 Interest Income and Expense

<i>In thousands of EUR</i>	2022	2021
Interest income calculated using the effective interest method		
Loans and advances to customers at AC		-
Debt securities at FVOCI		-
Debt securities at AC		
Due from other banks at AC		
Cash and cash equivalents		
Repurchase receivables – debt securities at FVOCI		-
Repurchase receivables – debt securities at AC		-
<hr/>		
Total interest income calculated using the effective interest method		
<hr/>		
Other similar income		
Debt securities at FVTPL		-
Repurchase receivables – debt securities at FVTPL		-
Cash and cash equivalents		
[Finance lease receivables]		
Other <i>[Arrange in descending order of magnitude]</i>		
<hr/>		
Total other similar income		
<hr/>		
Total interest income		
<hr/>		
Interest and other similar expense		
Term deposits of legal entities		
Debt securities in issue [Promissory notes issued]		
Other borrowed funds		
Term deposits of individuals		
Term placements of other banks		
Overnight placements of other banks		
Current/settlement accounts		
Correspondent accounts of other banks		
Other <i>[Arrange in descending order of magnitude]</i>		
<hr/>		
Total interest expense		
<hr/>		
Other similar expense		
Other borrowed funds at FVTPL		
Lease liabilities		-
Other <i>[Arrange in descending order of magnitude]</i>		
<hr/>		
Total other similar expense		
<hr/>		
Total interest expense		
<hr/>		
Net margin on interest and similar income		

[Show both income and expense as positive numbers for the purposes of this table.] [Expand or delete captions as appropriate.]

33 Fee and Commission Income and Expense

	2022			2021		
	Retail banking	Corporate banking	Investment banking	Retail banking	Corporate banking	Investment banking
<i>In thousands of EUR</i>						
Fee and commission income						
<i>Fee and commission income not relating to financial instruments at FVTPL:</i>						
- Settlement transactions						
- Cash transactions						
- Cash collection						
- Transactions with securities						
- Fiduciary activities <i>[See IFRS 7.20(c)(ii) – must be shown to indicate the size of fiduciary activities!]</i>						
- Factoring services						
- Asset management services						
- Financial guarantees issued (Note 43)						
- Performance guarantees issued (Note 43)						
- Other <i>[Arrange in descending order of magnitude]</i>						
<i>Fee and commission income in respect of financial instruments at FVTPL</i>						
- Fees charged to counterparties for selling futures contracts						
Total fee and commission income						
Fee and commission expense						
<i>Fee and commission expense not relating to financial instruments at FVTPL</i>						
- Settlement transactions						
- Cash transactions						
- Cash collection						
- Transactions with securities						
- Other <i>[Arrange in descending order of magnitude]</i>						
<i>Fee and commission expense in respect of financial instruments at FVTPL</i>						
- Fees paid to stock exchange to purchase or sell futures contracts						
Total fee and commission expense						
Net fee and commission income/[(expense)]						

[Show both income and expense as positive numbers for the purposes of this table, except for the last line. Disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114 of IFRS 15) and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8 Operating Segments [see IFRS 15 para 115]]

The group has recognised the following contract liabilities that represent performance obligations from contracts with customers. The obligations are short-term. Refer to Note 27.

33 Fee and Commission Income and Expense (Continued)

<i>In thousands of EUR</i>	31 December 2022	31 December 2021
Fiduciary activities		
Custody services		
Asset management services		
Customer loyalty program		
Other <i>[Arrange in descending order of magnitude]</i>		

Total contract liabilities

[Explain significant changes in contract liabilities as required by IFRS 15.118.]

The following table shows how much of the revenue recognised in the current reporting period relates to contract liabilities recognised in prior period. It also presents variable fee income related to performance obligations satisfied in prior reporting periods.

<i>In thousands of EUR</i>	2022	2021
<i>Revenue recognised that was included in the contract liability balance at the beginning of the period</i>		
- Fiduciary activities		
- Custody services		
- Financial guarantees issued (Note 43)		
- Performance guarantees issued (Note 43)		
- Factoring services		
- Asset management services		
- Customer loyalty program		
- Other <i>[Arrange in descending order of magnitude]</i>		
<i>Revenue recognised from performance obligations satisfied in previous periods</i>		
- Asset management services (variable fee income)		

Refer to Note 3 that describes the types of revenues recognised on a point in time basis and on the over time basis. *[Ensure accounting policies are specific on this point.]*

34 Other Operating Income

<i>In thousands of EUR</i>	Note	2022	2021
Dividend income from equity investments at FVOCI that were held at the end of the period			-
Dividend income from equity investments at FVOCI that relate to investments derecognised during the period			-
Other dividend income			
Rental income from investment properties			
Sublease operating lease income			
Income from variable lease payments not included in finance lease receivables			
Negative goodwill recognised as income	52		
Gain on disposal of premises and equipment			
Gain on disposal of investment properties			
<i>[Expand as necessary]</i>			
Other <i>[Should be less than 10%] [Arrange in descending order]</i>			

Total other operating income

[Reversals of provisions and of impairment of PP&E are presented as negative expense in Note 35.]

35 Administrative and Other Operating Expenses

<i>In thousands of EUR</i>	Note	2022	2021
Staff costs			
Depreciation of premises and equipment	18		
Depreciation of right of use assets	19		
Impairment of premises and equipment	18		
Reversals of impairment of premises and equipment	18		
Impairment of goodwill	17		
Amortisation of software and other intangible assets	18		
Utilities			
Short-term lease expense			
Low-value assets lease expense			
Other costs of premises and equipment			
Professional services			
Advertising and marketing services			
Security services			
Taxes other than on income			
Provisions for tax risks	25		
Provisions for performance guarantees	43		
Write-down of non-current assets (or disposal groups) to fair value less costs to sell	20		
Other <i>[Should be less than 10%]</i> <i>[Expand as necessary]</i> <i>[Arrange in descending order]</i>			

Total administrative and other operating expenses

Included in staff costs are statutory pension contributions of EUR _____ thousand (2021: EUR _____ thousand). *[Consider further description or breakdown of staff costs.]*

[Included in staff costs is the amount of EUR _____ thousand (2021: EUR _____ thousand), which represents share-based remuneration provided to the Group's personnel directly by shareholders.]

[These accounts do not cover share-based compensation provided by the entity or its shareholders. Review shareholder agreements and other arrangements to identify such compensation because IFRS 2, Share-based Payment, generally requires that such compensation be recorded by the entity that received the employee services even if it is funded or provided directly by the shareholders.]

Direct operating expenses for investment properties that generate rental income amounted to EUR _____ thousand (2021: EUR _____ thousand) and consisted of costs of utilities and staff costs. Direct operating expenses for investment properties that did not generate rental income amounted to EUR _____ thousand (2021: EUR _____ thousand).

36 Income Taxes

(a) Components of income tax expense / (benefit)

Income tax expense *[credit]* *[recorded in profit or loss for the year]* comprises the following: *[Note that income taxes also include withholding taxes on the Group's income.]*

<i>In thousands of EUR</i>	2022	2021
Current tax		
Deferred tax		
Income tax expense/(credit) for the year		

36 Income Taxes (Continued)

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Group's 2022 income is 21% (2021: 21%). The income tax rate applicable to the majority of income of subsidiaries ranges from _____% to _____% (2021: from _____% to _____%). A reconciliation between the expected and the actual taxation charge is provided below.

<i>In thousands of EUR</i>	2022	2021
Profit/(loss) before tax <i>[This is the IFRS profit before tax]</i>		
Theoretical tax charge <i>[credit]</i> at statutory rate (2022: 21%; 2021: 21%)		
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Income which is exempt from taxation <i>[separately disclose significant items]</i>		
- Non-deductible expenses <i>[separately disclose significant items]</i>		
- Income on government securities taxed at different rates		
- Loss/(income) earned in tax free jurisdictions		
Under/over provision of current tax in prior years <i>[Effects of different tax rates in other countries]</i>		
Changes in expected manner of recovery or settlement resulting from controlled foreign company legislation		
Unrecognised tax loss carry forwards		
Unrecognised other potential deferred tax assets		
Utilisation of previously unrecognised tax loss carry forwards		
Recognition of previously unrecognised other deferred tax assets <i>[Expand as appropriate]</i>		
Income tax expense/(credit) for the year		

(c) Tax loss carry forwards

The Group has unrecognised potential deferred tax assets in respect of unused tax loss carry forwards of EUR _____ thousand (2021: EUR _____ thousand).

The Group also has unrecognised potential deferred tax assets in respect of deductible temporary differences of EUR _____ thousand (2021: EUR _____ thousand).

(d) Deferred taxes in respect of subsidiaries, joint ventures and associates

The Group has not recorded a deferred tax liability in respect of temporary differences of EUR _____ thousand (2021: EUR _____ thousand) associated with investments in subsidiaries *[associates and joint ventures]* as the Group is able to control the timing of the reversal of those temporary differences, and does not intend to reverse them in the foreseeable future.

[Management has performed an analysis of the dividend policies at the Group's associates and joint ventures with regards to the Group's potential deferred tax liabilities where the Group does not control reversal of the temporary difference, or expects the reversal to occur in the foreseeable future. For [list of associates and JVs], management expects that the carrying value of the investments would be recovered primarily through a sale and partially through dividends. No deferred taxes relating to a future sale are recognised in respect of [list associates and JVs], because any sale would occur in a tax free jurisdiction. Deferred taxes relating to a future sale are recognised in respect of [list associates and JVs] because these are held through subsidiaries in taxable jurisdictions, [Ukraine].

36 Income Taxes (Continued)

(e) Uncertain income tax positions

Uncertain income tax positions. Current income tax liabilities include EUR ____ thousand in respect of uncertainties relating to tax deductions taken for [describe type of expenses]. Management estimates that these exposures are more likely than not to require settlement if challenged by the tax authorities. Related penalties and interest are accrued and disclosed in Note 35 as operating expenses. The balance at 31 December 2022 is expected to be either fully utilised or released when the inspection rights of the tax authorities with respect to the relevant tax returns expire, as follows: EUR ____ thousand by the end of 2023, EUR ____ thousand by the end of 2024 and EUR ____ thousand by the end of 2025.

(f) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in [Country] [and other countries] give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

	1 January 2022	Business combi- nations	Transfer to non- current held for sale	Credited/ (charged) to profit or loss	Credited/ (charged) to other compre- hensive income	Credited/ (charged) directly to equity	31 Decem- ber 2022
<i>In thousands of EUR</i>							
Tax effect of deductible/(taxable) temporary differences [and tax loss carry forwards]							
Premises and equipment:							
<i>[explain what it relates to]</i>							
Credit loss allowance of loans							
Fair valuation of securities at FVTPL							
Fair valuation of securities at FVOCI							
Credit loss allowance of securities at AC							
Fair valuation of financial liabilities at FVTPL							
Associates							
Accruals							
Tax loss carry forwards							
Other							
<i>[Adjust categories as appropriate]</i>							
Net deferred tax asset/(liability)							
Recognised deferred tax asset							
Recognised deferred tax liability							
Net deferred tax asset/(liability)							

36 Income Taxes (Continued)

In the context of the Group's current structure and [Country] tax legislation, tax losses and current tax assets of different group companies may not be offset against current tax liabilities and taxable profits of other group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity and the same taxation authority. *[Tailor wording if non-[Country] tax legislation also applies to Group entities.]*

	1 January 2021	Business combi- nations	Transfer to non- current held for sale	Credited/ (charged) to profit or loss	Credited/ (charged) to other compre- hensive income	Credited/ (charged) directly to equity	31 Decem- ber 2022
--	-------------------	-------------------------------	--	--	--	---	--------------------------

In thousands of EUR

**Tax effect of
deductible/(taxable)
temporary differences [and
tax loss carry forwards]**

Premises and equipment:

[explain what it relates to]

Credit loss allowance of loans

Fair valuation of securities at
FVTPL

Fair valuation of securities at
FVOCI

Credit loss allowance of
securities at AC

Associates

Accruals

Tax loss carry forwards

Other

*[Adjust categories as
appropriate]*

**Net deferred tax
asset/(liability)**

Recognised deferred tax asset

Recognised deferred tax
liability

**Net deferred tax
asset/(liability)**

[Ensure that the figures shown under the headings labelled are presented appropriately, i.e. with or without brackets as the case may be.]

[IAS 12.61A states that current tax and deferred tax shall be charged or credited directly to equity (or to other comprehensive income) if the tax relates to items that are credited or charged, in the same or a different period, directly to equity (or to other comprehensive income).]

[Before offset of deferred tax asset with deferred tax liability ensure that it is allowed by IAS 12 (para 71-76).] [Deferred tax asset and deferred tax liability arising in different subsidiaries which may not be netted off for tax purposes should not be netted off on the consolidated balance sheet.]

36 Income Taxes (Continued)

(g) Current and deferred tax effects relating to each component of other comprehensive income

Current and deferred tax effects relating to each component of other comprehensive income are as follows:

	2022			2021		
	Before-tax amount	Income tax (expense) / benefit	Net-of-tax amount	Before-tax amount	Income tax (expense) / benefit	Net-of-tax amount
<i>In thousands of EUR</i>						
Debt securities at FVOCI:						
- Gains arising during the year						
- Reclassification adjustments for gains included in profit or loss						
Equity securities at FVOCI:						
- Gains arising during the year						
Change in fair value of financial liabilities at FVTPL						
- Gains arising during the year						
- Reclassification adjustments for gains included in profit or loss						
Revaluation of premises [and equipment]						
Share of other comprehensive income of associates						
[Exchange differences on translation to presentation currency]						

Other comprehensive income

37 Dividends

	2022			2021		
	Ordinary	Preference	Perpetual bonds	Ordinary	Preference	Perpetual bonds
<i>In thousands of EUR</i>						
Dividends payable at 1 January						
Dividends declared during the year						
Dividends paid during the year						
[Translation to presentation currency]						
Dividends payable at 31 December						
Dividends per share (or bond) declared during the year						

All dividends or discretionary interest on perpetual bonds are declared and paid in EUR.

[If preference shares are classified as a liability, any dividends on these shares should be presented as interest expense. A separate note would be required for disclosure of such dividends if preference shares are a liability.]

38 Reconciliation of Liabilities Arising from Financing Activities

The table below sets out movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

	Liabilities from financing activities				Total
	Other borrowed funds	[Syndicated] long term borrowings from other banks	Subordinated debt <i>[Adjust as appropriate]</i>	Lease liabilities	
<i>In thousands or EUR</i>					
Liabilities from financing activities at 1 January 2021					
Cash flows					
Business combinations					
Changes in fair values					
Foreign exchange adjustments					-
Other non-cash movements					
Liabilities from financing activities at 31 December 2021					
Cash flows					
Business combinations					
Changes in fair values					
Foreign exchange adjustments					
Other non-cash movements					
Liabilities from financing activities at 31 December 2022					

[In addition, the disclosure requirement also applies to changes in financial assets, if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. Such financial assets should be included in the table above. Changes in liabilities arising from financing activities shall be disclosed separately from changes in other assets and liabilities.]

[Note: The engagement teams should be cautious and NOT use the term "net debt" in this note, to avoid potential confusion with commonly used term in capital markets transactions or debt covenants. The engagement teams should consult with Capital Markets group (CMAAS) before changing the headings to 'Net debt'.]

39 Earnings [Loss] per Share

[EPS disclosure applies if ordinary shares or potential ordinary shares are publicly traded or the Company is in the process of issuing ordinary shares or potential ordinary shares in public markets.]

Basic earnings/(loss) per share are calculated by dividing the profit or loss attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares. *[If you have a rights issue the wording above should be amended in accordance with IAS 33.]*

39 Earnings [Loss] per Share (Continued)

The Bank has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share. Earnings per share are calculated as follows: *[Note that the below does not cover disclosures for discontinued operations.] [Calculation and presentation will change if there are dilutive elements of equity, e.g. share options or convertible bonds.]*

<i>In thousands of EUR except for number of shares</i>	Note	2022	2021
Profit/(loss) for the year attributable to the shareholders of the Bank			
Less preference dividends declared			
Less undistributed profit or loss for the year attributable to preference shareholders based on terms of the shares			
Less interest payments on perpetual subordinated loan			
<hr/>			
Profit or loss for the year attributable to the ordinary shareholders of the Bank			
<hr/>			
Weighted average number of ordinary shares in issue (thousands) <i>[need to disclose calculation in separate table if complicated.]</i>	29		
Basic and diluted earnings/(loss) per ordinary share (expressed in EUR per share)			

40 Segment Analysis

[Segment information is only required if debt or equity securities are publicly traded or the entity is in the process of filing its financial statements with securities regulator. Please note that the disclosures below are illustrative only and segment reporting has to be tailored to follow internal reporting to CODM.]

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person – or group of persons – who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by [\[the Board of Directors \(management board\)\]](#) of the Group.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of [\[three\]](#) main business segments:

- Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products;
- Investment banking – representing financial instruments trading, structured financing, corporate leasing, merger and acquisitions advice.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different [\[marketing strategies and service level\]](#).

40 Segment Analysis (Continued)

Segment financial information reviewed by the CODM includes [loans and advances to customers] of the Group's subsidiaries, but not their results and other items in the statement of financial position. Regular review of these subsidiary banks is delegated to the local management teams. The CODM obtains financial statements of the Group's subsidiaries. Such financial information overlaps with segment analysis provided internally to the CODM. Management, therefore, applied the core principle of IFRS 8 "Operating Segments", in determining which of the overlapping financial information sets should form the basis of operating segments. Management considered that information on subsidiary banks is available less frequently in concluding that segments exclude details of the subsidiaries other than information about [their loan portfolios].

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on [Country] Accounting Rules adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from IFRS:

- (i) the fair value changes in securities carried at FVOCI are reported within the segments' profits or losses rather than in other comprehensive income;
- (ii) funds are generally reallocated between segments at internal interest rates set by the treasury department, which are determined by reference to market interest rate benchmarks, contractual maturities for loans and observed actual maturities of customer accounts balances;
- (iii) income taxes are not allocated to segments;
- (iv) loan provisions are recognised based IFRS 9 and interpretations issued by the NBC, and can be different from provisions reported under IFRS;
- (v) commission income relating to lending is recognised immediately rather than deferred using the effective interest method; and
- (vi) liabilities for the Group's post-employment obligations are not recognised.

The CODM evaluates performance of each segment based on [profit before tax].

(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the year ended 31 December 2022 is set out below:

<i>In thousands of EUR</i>	Retail banking	Corporate banking	Investment banking	[Other]	Elimina- tions	Total
Non-current assets held for sale (or disposal groups) Investment in associates [Other] reportable segment assets						
Total reportable segment assets						
Liabilities directly associated with disposal groups held for sale [Other] reportable segment liabilities						
Total reportable segment liabilities						
Capital expenditure						

40 Segment Analysis (Continued)

Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

<i>In thousands of EUR</i>	Retail banking	Corporate banking	Investment banking	[Other]	Elimina- tions³	Total
2022						
<i>External revenues:</i>						
- Interest income						
- Fee and commission income						
- Other operating income						
Revenues from other segments						
- Interest income						
- Fee and commission income						
- Other operating income						
Total revenues						
Timing of revenue recognition:						
- At point in time						
- Over time						
Interest expense						
Credit loss allowance						
Impairment of debt securities at FVOCI						
Provision for credit related commitments						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of debt securities at FVOCI						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						
Segment result						

³ The eliminations need to be shown separately from 'other' in the segment report.

40 Segment Analysis (Continued)

Segment information for the reportable segments for the year ended 31 December 2021 is set out below:

<i>In thousands of EUR</i>	Retail banking	Corporate banking	Investment banking	[Other]	Elimina- tions	Total
Non-current assets held for sale (or disposal groups)						
Investment in associates						
[Other] reportable segment assets						
<hr/>						
Total reportable segment assets						
<hr/>						
Liabilities directly associated with disposal groups held for sale						
[Other] reportable segment liabilities						
<hr/>						
Total reportable segment liabilities						
<hr/>						
Capital expenditure						
<hr/>						
<i>External revenues:</i>						
- Interest income						
- Fee and commission income						
- Other operating income						
Revenues from other segments						-
- Interest income						
- Fee and commission income						
- Other operating income						
<hr/>						
Total revenues						
<hr/>						
Interest expense						
Credit loss allowance						
Impairment of debt securities at FVOCI						
Impairment of debt securities at AC						
Provision for credit related commitments						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of debt securities at FVOCI						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						
<hr/>						
Segment result						
<hr/>						

40 Segment Analysis (Continued)

(e) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

<i>In thousands of EUR</i>	2022	2021
Total revenues for reportable segments		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		

Total consolidated revenues

Total consolidated revenues comprise interest income, fee and commission income and other operating income.

<i>In thousands of EUR</i>	2022	2021
Total reportable segment result		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		

Profit or loss before tax

<i>In thousands of EUR</i>	2022	2021
Total reportable segment assets		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		

Total consolidated assets

<i>In thousands of EUR</i>	2022	2021
Total reportable segment liabilities		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		

Total consolidated liabilities

40 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the year ended 31 December 2022 is as follows:

<i>In thousands of EUR</i>	Total amount for all reportable segments	[Adjust- ment 1]	[Adjust- ment 2]	[Adjust- ment 3]	[Adjust- ment 4]	As reported under IFRS
Material income or expenses for year ended 31 December 2022						
<i>External revenues:</i>						
- Interest income						
- Fee and commission income						
- Other operating income						
Interest expense						
Credit loss allowance						
Impairment of debt securities at FVOCI						
Impairment of debt securities at AC						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of investment securities at FVOCI						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						

The reconciling items are attributable to the following:

- (i) [description of each adjustment];
- (ii) [description of each adjustment];
- (iii) [description of each adjustment];

40 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the year ended 31 December 2021 is as follows:

<i>In thousands of EUR</i>	Total amount for all reportable segments	[Adjust- ment 1]	[Adjust- ment 2]	[Adjust- ment 3]	[Adjust- ment 4]	As reported under IFRS
Material income or expenses for year ended 31 December 2021						
<i>External revenues:</i>						
- Interest income						
- Fee and commission income						
- Other operating income						
Interest expense						
Credit loss allowance						
Impairment of debt securities at FVOCI						
Impairment of debt securities at AC						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of investment securities at FVOCI						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						

The reconciling items are attributable to the following:

- (i) [description of each adjustment];
- (ii) [description of each adjustment];
- (iii) [description of each adjustment];

40 Segment Analysis (Continued)

Reconciliation of material assets and liabilities at 31 December 2022 and of capital expenditure for 2022 is as follows⁴:

<i>In thousands of EUR</i>	Total amount for all reportable segments	[Adjustment 1]	[Adjustment 2]	[Adjustment 3]	[Adjustment 4]	As reported under IFRS
Assets at 31 December 2022						
Non-current assets held for sale (or disposal groups)						
Investment in associates						
Other reportable segment assets						
Liabilities at 31 December 2022						
Liabilities directly associated with disposal groups held for sale						
Other reportable segment liabilities						
Capital expenditure for 2022						

The reconciling items are attributable to the following:

- (i) [description of each adjustment];
- (ii) [description of each adjustment];
- (iii) [description of each adjustment];

Reconciliation of material assets and liabilities at 31 December 2021 and of capital expenditure for 2021 is as follows:

<i>In thousands of EUR</i>	Total amount for all reportable segments	[Adjustment 1]	[Adjustment 2]	[Adjustment 3]	[Adjustment 4]	As reported under IFRS
Assets at 31 December 2021						
Non-current assets held for sale (or disposal groups)						
Investment in associates						
Other reportable segment assets						
Liabilities at 31 December 2021						
Liabilities directly associated with disposal groups held for sale						
Other reportable segment liabilities						
Capital expenditure for 2021						

⁴ IFRS 8.28(e) requires a reconciliation of total of reportable segments amounts for every material item of information disclosed to the corresponding IFRS amount for the entity.

40 Segment Analysis (Continued)

The reconciling items are attributable to the following:

- (i) [description of each adjustment];
- (ii) [description of each adjustment];
- (iii) [description of each adjustment];

(f) Analysis of revenues by products and services

The Group's revenues are analysed by products and services in Notes 32 (interest income), Note 33 (fee and commission income) and in Note 34 (other operating income).

(g) Geographical information

Revenues for each individual country for which the revenues are material are reported separately, as follows:

<i>In thousands of EUR</i>	2022	2021
[Country]		
Czech Republic		
Poland		
Other EU countries		
Other non-EU countries		
<i>[expand as appropriate]</i>		

Total consolidated revenues

The analysis is based on domicile of the customer. Revenues comprise interest income, fee and commission income and other operating income.

Capital expenditure for each individual country for which it is material is reported separately, as follows:

<i>In thousands of EUR</i>	2022	2021
[Country]		
Czech Republic		
Poland		
Other EU countries		
Other non-EU countries		
<i>[expand as appropriate]</i>		

Total capital expenditure

The analysis is based on location of assets. Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

40 Segment Analysis (Continued)

(h) Major customers

Revenues from customers which represent 10% or more of the total revenues are as follows:

<i>In thousands of EUR</i>	Retail banking	Corporate banking	Investment banking	[Other]	Total
2022					
[Customer 1]					
[Customer 2]					
<i>[expand as appropriate]</i>					

Total revenues for 2022

<i>In thousands of EUR</i>	Retail banking	Corporate banking	Investment banking	[Other]	Total
2021					
[Customer 1]					
[Customer 2]					
<i>[expand as appropriate]</i>					

Total revenues for 2021

Management considered the extent of economic integration between entities controlled by the same local government, and concluded that entities under the control of the government are not in general a single customer for the purposes of the above disclosure. Revenues comprise interest income, fee and commission income and other operating income.

[The Group does not have customers with the revenues exceeding 10% of the total revenue of the Group.]

41 Financial Risk Management

[The disclosures below are illustrative and should be extensively tailored to the Group's circumstances while maintaining compliance with IFRS 7 disclosure requirements.]

[It is likely that the risk management policies and processes may have been amended in response to COVID-19 pandemic. Such changes should be disclosed in accordance with IFRS 7.33(c).]

[Please consider the impact of ESG matters of financial instruments disclosures, refer to the guidance in PwC's In Depth Impact of ESG matters on IFRS financial statements - 3.3 Financial Instruments: Disclosures.

Entities might have to change the way in which they are approaching their risk concentration disclosures to take into account climate-related risk - for example, more precise disaggregation of exposure to the industrial products sector based on carbon intensity. Companies will also need to consider disclosures about market risk (for example, for investments in industries impacted by climate-related risk). In some cases, enhanced sensitivity disclosures for particular risks might be relevant. As an entity's climate-related risk exposures become more significant, there could be growing pressure on an entity's debt covenants. In this context, disclosures about key covenants might become increasingly material.]

41 Financial Risk Management (Continued)

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Credit risk. The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Limits. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Limits on the level of credit risk by product and industry sector are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

[The Group established credit committees that are responsible for approving credit limits for individual borrowers:

- The senior credit committee reviews and approves limits above EUR ___ thousand and meets monthly. It is also responsible for issuing guidance to lower-level credit committees;
- The junior credit committees review and approve credit limits below EUR ___ thousand and meet weekly.]

Loan applications originating with the relevant client relationship managers are passed on to the relevant credit committee for the approval of the credit limit. Exposure to credit risk is also managed, in part, by obtaining collateral as well as corporate and personal guarantees. In order to monitor exposure to credit risk, regular reports are produced by the [credit department's] officers based on a structured analysis focusing on the customer's business and financial performance. Any significant interaction with customers with deteriorating creditworthiness are reported to and reviewed by [the Board of Directors].

41 Financial Risk Management (Continued)

Credit risk grading system. For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies two approaches – an Internal Risk-Based (IRB) rating system or risk grades estimated by external international rating agencies (Standard & Poor’s – “S&P”, Fitch, Moody’s). Internal and external credit ratings are mapped on an internally defined master scale with a specified range of probabilities of default as disclosed in the table below:

Master scale credit risk grade	Corresponding internal ratings	Corresponding ratings of external international rating agencies (S&P)	Corresponding PD interval
Excellent	[1 – 6]	AAA to BB+	0,01% – 0,5%
Good	[7 – 14]	BB to B+	0,51% – 3%
Satisfactory	[15 – 21]	B, B-	3% – 10%
Special monitoring	[22 – 25]	CCC+ to CC-	10% – 99,9%
Default	[26 – 30]	C, D-I, D-II	100%

Each master scale credit risk grade is assigned a specific degree of creditworthiness:

- *Excellent* – strong credit quality with low expected credit risk;
- *Good* – adequate credit quality with a moderate credit risk;
- *Satisfactory* – moderate credit quality with a satisfactory credit risk;
- *Special monitoring* – facilities that require closer monitoring and remedial management; and
- *Default* – facilities in which a default has occurred.

The IRB system is designed internally and ratings are estimated by management. Various credit-risk estimation techniques are used by the Group depending on the class of the asset. There are three commonly used types of such systems:

- *Model-based* – In this system, credit risk ratings are assigned by internally developed statistical models with the limited involvement of credit officers. Statistical models include qualitative and quantitative information that shows the best predictive power based on historical data on defaults.
- *Expert judgement-based* – In this system, credit risk ratings are assigned subjectively by experienced credit officers based on internally developed methodology and different qualitative and quantitative factors. This approach is based on expert methodology and judgements rather than on sophisticated statistical models.
- *Hybrid* – This rating system is a combination of the two systems above. It is developed by using historical data combined with expert input.

The Group applies IRB systems for measuring credit risk for the following financial assets: [\[corporate loans, SMEs and finance lease receivables\]](#).

The rating models are regularly reviewed by [\[the Credit Risk Department\]](#), backtested on actual default data and updated, if necessary. Despite the method used, the Group regularly validates the accuracy of ratings estimates and appraises the predictive power of the models.

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody’s and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default (“PD”) are applied for the following financial instruments: [\[interbank placements, loans to sovereigns and sub-sovereigns, and investments in debt securities \(government, corporate, municipal bonds and promissory notes purchased\).\]](#)

41 Financial Risk Management (Continued)

Expected credit loss (ECL) measurement. *ECL* is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default (“PD”), Exposure at Default (“EAD”), Loss Given Default (“LGD”) and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor (“CCF”). CCF is a coefficient that shows the probability of conversion of the committed amounts to an on-balance sheet exposure within a defined period. [The Group’s management estimates that 12-month and lifetime CCFs are materially the same.] PD is an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate (“EIR”) for the financial instrument or an approximation thereof.

Expected credit losses are modelled over instrument’s *lifetime period*. The *lifetime period* is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any. For loan commitments and financial guarantee contracts, it is the contractual period over which an entity has a present contractual obligation to extend credit. As a matter of exception from determining the lifetime exposure based on contractual maturity, for credit cards issued to individuals, the lifetime exposure is measured over a period that is based on expected life of the credit card contracts, based on internal statistics, and it is equal on average to [3] to [5] years.

Management models *Lifetime ECL*, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The *12-month ECL*, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining *lifetime period* of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward looking information*, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The ECL modelling does not differ for Purchased or Originated Credit Impaired (“POCI”) financial assets, except that (a) gross carrying value and discount rate are based on cash flows that were recoverable at initial recognition of the asset, rather than based on contractual cash flows, and (b) the ECL is always a lifetime ECL. POCI assets are financial assets that are credit-impaired upon initial recognition, such as impaired loans acquired in a past business combination.

41 Financial Risk Management (Continued)

The Group uses definition of default that is consistent with Article 178 of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR). Overdue days are defined as the number of consecutive days when the arrears of the customer facility are continuous and simultaneously above both (a) absolute threshold and (b) relative materiality threshold. For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- [the borrower is more than 90 days past due on its contractual payments;
- the bank has sold the borrower's debt or its portion at a loss due to credit deterioration;
- international rating agencies have classified the borrower in the default rating class;
- the borrower meets the unlikelihood-to-pay criteria listed below:
 - the bank was forced to restructure the debt;
 - the borrower is deceased;
 - the borrower is insolvent;
 - the borrower is in breach of financial covenant(s);
 - it is becoming likely that the borrower will enter bankruptcy; and
 - the loans were purchased or originated at a deep discount that reflects the incurred credit losses.]

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group. *[Specify the definition of default as it is used for internal credit risk management purposes for any specific class of financial instruments, if different] [Consider adding other criteria observed during the COVID-19 pandemic, eg the borrower applies for payment holidays imposed by legislation and available only to borrowers who lost their source of income].*

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of [six months]. This period of [six months] has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures. *[Specify criteria used by the Group for each class of financial assets.]*

The assessment whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an individual basis and on a portfolio basis. For [loans issued to corporate entities, interbank loans and debt securities at AC or at FVOCI], SICR is assessed on an individual basis by monitoring the triggers stated below. For [loans issued to individuals and other financial assets], SICR is assessed either on a portfolio basis or an individual basis, depending on the existence of scoring models. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the Group's [Risk Management Department]. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

The Group decided not to use the low credit risk assessment exemption for investment grade financial assets. Hence, even assets of an investment grade are assessed whether there has been a SICR.

The Group considers a financial instrument to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met. *[specify separately in case the assessment of SICR differs for specialised lending or other financial assets]*

41 Financial Risk Management (Continued)

For interbank operations and bonds issued by banks:

- [30] days past due;
- award of risk grade “Special monitoring”;
- SICR based on relative threshold based either on external ratings or internal ratings. The following thresholds are used for external ratings: decrease of rating by [2] notches, for internal ratings by [5] notches, which corresponds to an approximate increase of PD by [2.5] times.

For loans issued to legal entities and bonds issued by corporate customers:

- [30] days past due;
- award of risk grade “Special monitoring”;
- SICR based on relative threshold based either on external ratings or internal ratings. The following thresholds are used for external ratings: decrease of rating by [2] notches, for internal ratings by [5] notches, which corresponds to approximate increase of PD by [2.5] times;
- inclusion of loan into a watch list according to the internal credit risk monitoring process.

For loans to Individuals:

- [30] days past due;
- [Relative threshold defined on the basis of a portfolio for products without existing scoring models: the Group regularly monitors segments with increased credit risk (regions of higher credit risk, failed products, products on which issuing was stopped) and considers such portfolios to have a SICR;] / [Relative threshold defined on individual basis for products with existing scoring models: increase of the remaining lifetime PD compared to remaining lifetime PD estimated as of the date of initial recognition by 2.5 times. In some circumstances, the Group uses a 12-month PD instead of a lifetime PD for calculating this ratio, if the effect of using 12-month PD is not materially different.]

[Note: in the illustrative disclosure presented above, consistent criteria have been applied to each retail and corporate loan. In practice, a SICR might be determined differently for different products or portfolios within such groupings, in which case the disclosures presented above should be adapted accordingly.] [Consider adding other criteria observed during the COVID-19 pandemic, eg the borrower applies for payment holidays imposed by legislation and available only to borrowers in financial difficulties].

[Note: backstop criterion cannot be more than 30 days.]

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset’s effective interest rate to the carrying amount, net of ECL, when calculating interest income.

41 Financial Risk Management (Continued)

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed. [Specify the process for how the Group monitors SICR indicators].

ECL for POCI financial assets is always measured on a lifetime basis. The Group therefore only recognises the cumulative changes in lifetime expected credit losses.

The Group has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: internal ratings are estimated on an individual basis but the same credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio; and (iii) assessment based on external ratings. The Group performs an assessment on an individual basis for the following types of loans: [loans with unique credit risk characteristics, individually significant loans, that is, individual exposures above EUR ____ thousand and credit-impaired loans above EUR ____ thousand.]. The Group performs an assessment on a portfolio basis for the following types of loans: [retail loans and loans issued to SMEs, when no borrower-specific information is available]. This approach stratifies the loan pool into homogeneous segments based on borrower-specific information, such as [delinquency status, the historical data on losses, location and other predictive information.]. The Group also performs an assessment on a portfolio basis for [loans issued to corporate customers (standard lending, specialised lending, loans to leasing companies, etc.), interbank loans, retail loans and loans issued to SMEs.].

The Group performs assessments based on external ratings for [interbank loans, debt securities issued by banks and certain blue chip corporate customers, and loans issued to sovereigns.].

ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. The Group defines at least two possible outcomes for each assessed loan, one of which leads to a credit loss even if the probability of such a scenario may be very low. Individual assessment is primarily based on the expert judgement of experienced officers from the [Credit Risk and Non-Performing Loan Management Department]. Expert judgements are regularly tested in order to decrease the difference between estimates and actual losses.

When assessment is performed on a portfolio basis, the Group determines the staging of the exposures and measures the loss allowance on a collective basis. The Group analyses its exposures by segments determined on the basis of shared credit risk characteristics, such that exposures within a group have homogeneous or similar risks. The key shared credit characteristics considered are: [type of customer (such as wholesale or retail), product type, credit risk rating, date of initial recognition, term to maturity, the quality of collateral and loan to value (LTV) ratio.]. The different segments also reflect differences in credit risk parameters such as PD and LGD. The appropriateness of groupings is monitored and reviewed on a periodic basis by [the Risk Management Department].

[The Group should specify the distribution of the portfolio into homogeneous segments. In performing this grouping, there must be sufficient information for the group to be statistically credible. When sufficient information is not available internally, the Group can consider benchmarking internal/external supplementary data to use for modelling purposes.]

41 Financial Risk Management (Continued)

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future [month / year] during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The key principles of calculating the credit risk parameters. The EADs are determined based on the expected payment profile, that varies by product type. EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis for amortising products and bullet repayment loans. This will also be adjusted for any expected overpayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation. For revolving products, the EAD is predicted by taking the current drawn balance and adding a "credit conversion factor" that accounts for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type, current limit utilisation and other borrower-specific behavioural characteristics.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD. An assessment of a 12-month PD is based on the latest available historic default data and adjusted for supportable forward-looking information when appropriate. Lifetime PDs represent the estimated probability of a default occurring over the remaining life of the financial instrument and it is a sum of the 12 months PDs over the life of the instrument. The Group uses different statistical approaches depending on the segment and product type to calculate lifetime PDs, such as the extrapolation of 12-month PDs based on migration matrixes, developing lifetime PD curves based on the historical default data, hazard rate approach or other [Specify].

LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by the type of counterparty, type and seniority of the claim, and the availability of collateral or other credit support. The 12-month and lifetime LGDs are determined based on the factors that impact the expected recoveries after a default event. The approach to LGD measurement can be divided into three possible approaches:

- measurement of LGD based on the specific characteristics of the collateral;
- calculation of LGD on a portfolio basis based on recovery statistics; or
- individually defined LGD depending on different factors and scenarios.

The Group calculates LGD based on specific characteristics of the collateral, such as projected collateral values, historical discounts on sales and other factors for loans secured by real estate, cash and liquid securities. LGD is calculated on a collective basis based on the latest available recovery statistics for the remainder of the corporate loan portfolio and for retail secured and unsecured products.

ECL measurement for financial guarantees and loan commitments. The ECL measurement for these instruments includes the same steps as described above for on-balance sheet exposures and differs with respect to EAD calculation. The EAD is a product of credit conversion factor ("CCF") and amount of the commitment ("*ExOff*"). CCF for undrawn credit lines of corporate customers, credit cards issued to individuals and for financial guarantees is defined based on statistical analysis of past exposures at default. CCF for overdrafts is defined as [100%] since the limits can be used by the customers at any time.

Principles of assessment based on external ratings. Certain exposures have external credit risk ratings and these are used to estimate credit risk parameters PD and LGD from the default and recovery statistics published by the respective rating agencies. This approach is applied to government and blue chip corporate bonds exposures.

41 Financial Risk Management (Continued)

Forward-looking information incorporated in the ECL models. The assessment of SICR and the calculation of ECLs both incorporate unbiased and supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are provided by the Group's **[economics team on a quarterly basis]** and provide the best estimate of the expected macro-economic development over the next **[five]** years. After **[five]** years, a mean reversion approach is used, which means that economic variables tend to revert to either a long run average rate (e.g. for unemployment) **[Specify]** or a long run average growth rate (e.g. GDP). The impact of the relevant economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact that the changes in these variables historically had on the default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's **[Risk Department]** also provides other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure that non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking into account the range of possible outcomes of which each chosen scenario is representative. The assessment of SICR is performed using the Lifetime PD under each of the bases and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether a 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability-weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

[Add information about specific forward-looking information and significant period-end assumptions used for the ECL estimate.]

The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit. Such backtesting is performed at least once a year.

The results of backtesting the ECL measurement methodology are communicated to Group Management and further steps for tuning models and assumptions are defined after discussions between authorised persons.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity products, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

[Disclose here detailed processes for management of currency risks. Processes need to be disclosed in addition to objectives and policies for managing the currency risk.]

41 Financial Risk Management (Continued)

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

<i>In thousands of EUR</i>	At 31 December 2022				At 31 December 2021			
	Monetary financial assets	Monetary financial liabilities	Derivatives	Net position	Monetary financial assets	Monetary financial liabilities	Derivatives	Net position
Czech Koruna (CZK)								
US Dollars (USD)								
Polish Zloty (PLN)								
Pound Sterling (GBP)								
Euro (EUR)								
Other								
Total								

[Derivatives presented above are monetary financial assets or monetary financial liabilities, but are presented separately in order to show the Group's gross exposure.]

[Do not include above non-monetary items, including shares and derivatives on shares. Total monetary financial assets and liabilities are different from total financial assets and liabilities as shares and other non-monetary items are excluded from the table and derivatives are presented in a separate column.] Amounts disclosed in respect of derivatives represent the fair value, at the end of the reporting period, of the respective currency that the Group agreed to buy (positive amount) or sell (negative amount) before netting of positions and payments with the counterparty. The amounts by currency are presented gross as stated in Note 48. The net total represents the fair value of the currency derivatives. The above analysis includes only monetary assets and liabilities. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

<i>In thousands of EUR</i>	At 31 December 2022		At 31 December 2021	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
USD strengthening by 20% (2021: strengthening by [20]%)				
USD weakening by 20% (2021: weakening by [20]%)				
CZK strengthening by 20% (2021: strengthening by [20]%)				
CZK weakening by 20% (2021: weakening by [20]%)				
EUR strengthening by __% (2021: strengthening by []%)				
EUR weakening by __% (2021: weakening by []%)				
Other strengthening by 20% (2021: strengthening by [30]%)				
Other weakening by 20% (2021: weakening by [30]%)				
Total				

41 Financial Risk Management (Continued)

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the respective entity of the Group. [The Group's exposure to currency risk at the end of the reporting period is not representative of the typical exposure during the year. The following table presents sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied to the average exposure to currency risk during the year, with all other variables held constant:]

<i>In thousands of EUR</i>	Average exposure during 2022		Average exposure during 2021	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
USD strengthening by 20% (2021: by [20]%)				
USD weakening by 20% (2021: by [20]%)				
EUR strengthening by 20% (2021: by [20]%)				
EUR weakening by 20% (2021: by [30]%)				
CZK strengthening by 20% (2021: by []%)				
CZK weakening by 20% (2021: by []%)				
Other strengthening by 20% (2021: by [20]%)				
Other weakening by 20% (2021: by [20]%)				
Total				

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

[Disclose here detailed processes for management of interest risks. Processes need to be disclosed in addition to objectives and policies for managing the interest risks.]

41 Financial Risk Management (Continued)

The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

<i>In thousands of EUR</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 month s	More than 1 year	Non- monetary	Total
31 December 2022						
Total financial assets						
Total financial liabilities						
<hr/>						
Net interest sensitivity gap at 31 December 2022						
<hr/>						
31 December 2021						
Total financial assets						
Total financial liabilities						
<hr/>						
Net interest sensitivity gap at 31 December 2021						
<hr/>						

All of the Group's debt instruments reprice within 5 years [except fixed interest rate bonds of EUR ____ thousand, which mature in ____] (2021: all reprice within 5 years [except fixed interest rate bonds of EUR ____ thousand, which mature in ____]).

At 31 December 2022, if interest rates at that date had been 200 basis points lower (2021: [200] basis points lower) with all other variables held constant, profit for the year would have been EUR ____ thousand (2021: EUR ____ thousand) higher, mainly as a result of lower interest expense on variable interest liabilities [and higher fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been EUR ____ thousand (2021: EUR ____ thousand) higher, [mainly] as a result of an increase in the fair value of fixed rate financial assets at fair value through other comprehensive income. *[Disclose also assumptions made in calculating the sensitivities. Consider presenting sensitivities by currency.]*

If interest rates had been 200 basis points higher (2021: [200] basis points higher), with all other variables held constant, profit would have been EUR ____ thousand (2021: EUR ____ thousand) lower, mainly as a result of higher interest expense on variable interest liabilities [and lower fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been EUR ____ thousand (2021: EUR ____ thousand) lower, [mainly] as a result of a decrease in the fair value of fixed rate financial assets at far value through other comprehensive income. *[Disclose also assumptions made in calculating the sensitivities. Consider presenting sensitivities by currency.]*

[The Group's exposure to interest rate risk at the end of the reporting period is not representative of the typical exposure during the year. For the average exposure during 2022, if interest rates had been 200 basis points lower (2021: [200] basis points lower) with all other variables held constant, profit for the year would have been EUR ____ thousand (2021: EUR ____ thousand) higher, [mainly] as a result of lower interest expense on variable interest liabilities [and higher fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been EUR ____ thousand (2021: EUR ____ thousand) higher, [mainly] as a result of an increase in the fair value of fixed rate financial assets at fair value through other comprehensive income.

41 Financial Risk Management (Continued)

For the average exposure during 2022, if interest rates had been 200 basis points higher (2021: [200] basis points higher), with all other variables held constant, profit would have been EUR ____ thousand (2021: EUR ____ thousand) lower, [mainly] as a result of higher interest expense on variable interest liabilities [and lower fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been EUR ____ thousand (2021: EUR ____ thousand) lower, [mainly] as a result of a decrease in the fair value of fixed rate financial assets at fair value through other comprehensive income.] [Alternatively, if the Group prepares and uses sensitivity analysis that reflects interdependencies between risk variables, such as value-at-risk, it may replace the above disclosure with that method. The explanation of the method and its potential limitations should be disclosed [IFRS 7.41]. Overall, the disclosure should cover all the relevant financial assets and liabilities, not only “trading book”.]

The Group monitors interest rates for its financial instruments. The table below summarises interest rates at the respective reporting date based on reports reviewed by key management personnel. For securities, the interest rates represent yields to maturity based on market quotations at the reporting date:

In % p.a.	2022				2021			
	EUR	USD	CZK	Other	EUR	USD	CZK	Other
Assets								
Cash and cash equivalents								
Investments in debt securities								
Due from other banks								
Loans and advances to customers								
Repurchase receivables								
Other financial assets								
Financial assets included in non-current assets held for sale (or disposal groups)								

Liabilities								
Due to other banks								
Customer accounts								
- current and settlement accounts								
- term deposits								
Debt securities in issue								
[Promissory notes issued]								
Other borrowed funds								
Other financial liabilities								
Lease liabilities								
Subordinated debt								
Financial liabilities associated with non-current assets held for sale (or disposal groups)								

[Include all monetary assets and liabilities in the above table.]

The sign “-“ in the table above means that the Group does not have the respective assets or liabilities in the corresponding currency.

Other price risk. The Group has [limited] exposure to equity price risk. Transactions in equity products are monitored and authorised by the [Group treasury]. At 31 December 2022, if equity prices at that date had been [20% (2021: 25%)] lower (higher) with all other variables held constant, profit for the year would have been EUR ____ thousand (2021: EUR ____ thousand) lower (higher), and other components of equity would have been EUR ____ thousand (2021: EUR ____ thousand) lower (higher), mainly as a result of a decrease in the fair value of corporate shares at FVOCI (2021: corporate shares at FVOCI). *[Disclose also assumptions made in calculating the sensitivities.]*

41 Financial Risk Management (Continued)

The Group is exposed to prepayment risk through providing [fixed or variable rate] loans, including mortgages, which give the borrower the right to repay the loans early. The Group's current year profit [loss] and equity at the end of the current reporting period would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at, or close to, the amortised cost of the loans and advances to customers (2021: no material impact).

[Please disclose information about any other price risk that the Group may be exposed to.]

Geographical risk concentrations. The geographical concentration of the Group's financial assets and liabilities at 31 December 2022 is set out below:

<i>In thousands of EUR</i>	[Country]	Czech Republic	Poland	[Other EU]	[Other non-EU]	Total
Financial assets						
Cash and cash equivalents						
Investments in debt securities						
Investment in equity securities						
Due from other banks						
Loans and advances to customers						
Repurchase receivables						
Other financial assets						
<hr/>						
Total financial assets						
<hr/>						
Financial liabilities						
Due to other banks						
Customer accounts						
Debt securities in issue						
[Promissory notes issued]						
Other borrowed funds						
Lease liabilities						
Other financial liabilities						
Subordinated debt						
<hr/>						
Total financial liabilities						
<hr/>						
Net position in on-balance sheet financial instruments						
<hr/>						
Credit related commitments						
<i>[should agree to commitments footnote]</i>						

Assets, liabilities and credit related commitments have [generally] been based on the country in which the counterparty is located. Cash on hand [and precious metals] have been allocated based on the country in which they are physically held.

41 Financial Risk Management (Continued)

The geographical concentration of the Group's financial assets and liabilities at 31 December 2021 is set out below:

	[Country]	Czech Republic	Poland	[Other EU]	[Other non-EU]	Total
<i>In thousands of EUR</i>						
Financial assets						
Cash and cash equivalents						
Investments in debt securities						
Investment in equity securities						
Due from other banks						
Loans and advances to customers						
Repurchase receivables						
Other financial assets						
Total financial assets						
Financial liabilities						
Due to other banks						
Customer accounts						
Debt securities in issue						
[Promissory notes issued]						
Other borrowed funds						
Other financial liabilities						
Subordinated debt						
Total financial liabilities						
Net position in on-balance sheet financial instruments						
Credit related commitments						
<i>[should agree to commitments footnote]</i>						

Other risk concentrations. Management monitors and discloses concentrations of credit risk by obtaining reports listing exposures to borrowers with aggregated loan balances in excess of 10% of net assets. [Refer to Notes 8 and 9.] [The Group did not have any such significant risk concentrations at 31 December 2022 and 2021.]

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs, guarantees and from margin and other calls on cash-settled derivative instruments. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by [the Asset/Liability Committee] of the Group. *[Needs tailoring to the Group's circumstances.]*

The Group seeks to maintain a stable funding base primarily consisting of amounts due to other banks, corporate and retail customer deposits and [debt securities]. The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

41 Financial Risk Management (Continued)

The liquidity management of the Group requires consideration of the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans; and monitoring liquidity ratios against regulatory requirements. The Bank calculates liquidity ratios on a daily basis in accordance with the requirements of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR, as amended by Regulation (EU) No 2019/876 – CRR II). These ratios are:

- Liquidity Coverage Ratio (LCR), which compares available liquidity buffers to expected net cash outflows within the 30-day horizon under gravely stressed conditions. The ratio was ____ at 31 December 2022 (2021: ____);
- Net Stable Funding Ratio (NSFR), which is calculated as the ratio of available stable funding relative to the amount of required stable funding. The ratio was ____ at 31 December 2022 (2021: ____);

The [Treasury Department] receives information about the liquidity profile of the financial assets and liabilities. The Treasury Department then provides for an adequate portfolio of short-term liquid assets, largely made up of short-term liquid trading securities, deposits with banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

The daily liquidity position is monitored and regular liquidity stress testing, under a variety of scenarios covering both normal and more severe market conditions, is performed by the Treasury Department. *[Tailor to the Group's circumstances and the recent liquidity shortfalls in financial markets.]*

[Please provide additional information in respect of the overall liquidity position and outlook of the Group due to the effects of COVID-19 and explain what measures, if any, were taken by the Group to mitigate potential issues.]

The table below shows liabilities at 31 December 2022 by their remaining contractual maturity. The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. Financial derivatives are included at the contractual amounts to be paid or received, unless the Group expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows. For the purposes of the maturity analysis, embedded derivatives are not separated from hybrid (combined) financial instruments.

The table below shows the maturity analysis of non-derivative financial assets at their carrying amounts and based on their contractual maturities, except for assets that are readily saleable if it should be necessary to meet cash outflows on financial liabilities. Such financial assets are included in the maturity analysis based on their expected date of disposal. Impaired loans are included at their carrying amounts net of impairment provisions, and based on the expected timing of cash inflows. Derivatives are presented based on their [contractual maturities].

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

41 Financial Risk Management (Continued)

The maturity analysis of financial instruments at 31 December 2022 is as follows:

<i>In thousands of EUR</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents						
Investments in debt securities						
Investments in equity securities						
Due from other banks						
Loans and advances to customers						
Repurchase receivables						
<i>Gross settled swaps and forwards:</i>						
- inflows						
- outflows						
Net settled derivatives						
Other financial assets						
<hr/>						
Total						
<hr/>						
Liabilities						
Due to other banks						
Customer accounts – individuals						
Customer accounts – other						
Debt securities in issue [Promissory notes issued]						
Other borrowed funds						
Lease liabilities						
Subordinated debt						
<i>Gross settled swaps and forwards:</i>						
- inflows						
- outflows						
Net settled derivatives						
Gross loan commitments						
Financial guarantees						
Other financial liabilities						
<hr/>						
Total potential future payments for financial obligations						
<hr/>						
Liquidity gap arising from financial instruments						
<hr/>						

[IFRS 16.58 requires a disclosure of lease liabilities in accordance with IFRS 7.39 and B11, ie undiscounted amounts in accordance with the contractual maturity, separately from other liabilities.]

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

41 Financial Risk Management (Continued)

The maturity analysis of financial instruments at 31 December 2021 is as follows:

<i>In thousands of EUR</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents						
Investments in debt securities						
Investments in equity securities						
Due from other banks						
Loans and advances to customers						
Repurchase receivables						
<i>Gross settled swaps and forwards:</i>						
- inflows						
- outflows						
Net settled derivatives						
Other financial assets						
<hr/>						
Total						
<hr/>						
Liabilities						
Due to other banks						
Customer accounts – individuals						
Customer accounts – other						
Debt securities in issue [Promissory notes issued]						
Other borrowed funds						
Lease liabilities						
Subordinated debt						
<i>Gross settled swaps and forwards:</i>						
- inflows						
- outflows						
Net settled derivatives						
Gross loan commitments						
Financial guarantees						
Other financial liabilities						
<hr/>						
Total potential future payments for financial obligations						
<hr/>						
Liquidity gap arising from financial instruments						
<hr/>						

Payments in respect of gross settled forwards will be accompanied by related cash inflows. Customer accounts are classified in the above analysis based on contractual maturities. However, individuals have a right to withdraw their deposits prior to maturity in certain territories if they forfeit their right to accrued interest.

41 Financial Risk Management (Continued)

The Group does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Group monitors expected maturities and the resulting expected liquidity gap as follows:

<i>In thousands of EUR</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
At 31 December 2022						
Financial assets						
Financial liabilities						
Net liquidity gap based on expected maturities						
At 31 December 2021						
Financial assets						
Financial liabilities						
Net liquidity gap based on expected maturities						

The entire portfolio of trading securities is classified within demand and less than one month based on management’s assessment of the portfolio’s realisability.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

Management believes that despite a substantial portion of customer accounts being on demand, diversification of these deposits by number and type of depositors, and the past experience of the Group would indicate that these customer accounts provide a long-term and stable source of funding for the Group.
[Note: Tailor as appropriate.]

[Liquidity position discussion should be tailored depending on the Group’s particular circumstances. Significant mismatch in the liquidity position should be discussed in the financial statements with the explanation of the main reasons for such mismatch and management’s assessment of the effect of this mismatch on the Group’s ability to be a going concern and continue in operation for the foreseeable future. Need for a modification of the auditor’s report also should be considered.]

Effect of IBOR reform. Reform and replacement of various inter-bank offered rates (‘IBORs’) has become a priority for regulators. Many IBOR rates stopped being published on 31 December 2021, while certain USD LIBOR rates would stop being published by 30 June 2023.

The Group applied the practical expedients of Interest Rate Benchmark Reform – Phase 2 amendments to IFRS 9 to reflect changes to the basis for determining the contractual cash flows by adjusting the effective interest rate to *[loans and advances to customers of EUR _____ thousand that were measured at amortised cost]*.

41 Financial Risk Management (Continued)

The table below discloses amounts of non-derivative financial assets and liabilities and derivative contracts at 31 December 2022 that would be transitioned to alternative interest rate benchmarks *[Note: Please adjust the below table to include appropriate financial instrument types and IBOR rates specific to them]:*

<i>In thousands of EUR</i>	USD LIBOR	EUR LIBOR	CHF LIBOR	[...]	Total
NON-DERIVATIVE FINANCIAL ASSETS					
Due from other banks					
Investments in debt securities					
Loans and advances to customers					
Repurchase receivables					
TOTAL NON-DERIVATIVE FINANCIAL ASSETS					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Due to other banks					
Customer accounts					
Debt securities in issue					
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES					
DERIVATIVE FINANCIAL INSTRUMENTS					
Interest rate swaps: notional amounts					
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS					

The Group is exposed to a risk that the liquidity of the above financial instruments would start to decrease, as the volume of operations with traditional IBOR-based financial instruments is shrinking. The Group is also exposed to a risk of the potential arbitrage differences between IBOR interest rates and the applicable alternative rates. *[Please disclose any changes to the risk management policies and procedures due to the IBOR reform, or provide a reference to a note where such information is disclosed.]*

The Group is working with its customers and other counterparties, such as international financial institutions to perform a transition of legacy IBOR-based financial instruments to alternative benchmark interest rates and develop new financial products for its customers. The Group is also enhancing its IT systems and internal processes to ensure smooth transition from IBOR to alternative benchmark interest rates. *[Please provide additional details on the actions carried by the Group to organise the transition process.]*

[Please note that if the Group is applying hedge accounting, and the hedge relationships are affected by IBOR reform, i.e. the Group is hedging IBOR-based interest rate risk, additional disclosures are required. Please refer to the IBOR reform global illustrative disclosures for a reference.]

42 Management of Capital

The Group's objectives when managing capital are (i) to comply with the capital requirements set by *[Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR, as amended by Regulation (EU) No 2019/876 – CRR II),]* and (ii) to safeguard the Group's ability to continue as a going concern. Compliance with capital adequacy ratios set by the CRR is monitored monthly, with reports outlining their calculation reviewed and signed by the Bank's Chief Executive Officer and Chief Accountant. Other objectives of capital management are evaluated *[annually]*.

42 Management of Capital (Continued)

Under the current capital requirements set by the CRR, banks have to maintain a ratio of regulatory capital to risk weighted assets above a prescribed minimum level (Tier 1 ratio and Total capital ratio). Based on information provided internally to key management personnel, the amount of capital that the Group managed was EUR _____ thousand as of 31 December 2022 (2021: EUR _____ thousand), regulatory Tier 1 capital amounts to EUR _____ thousand (2021: EUR _____ thousand), total regulatory capital amounts to EUR _____ thousand (2021: EUR _____ thousand) and the Group and the Bank have complied with all externally imposed capital requirements throughout 2022 and 2021. *[Disclose consequences of non-compliance with any externally imposed capital requirement. See IAS 1.124B. The actual % capital adequacy ratio does not have to be disclosed. IAS 1 requires the above disclosure about capital requirements to be based on information provided internally to key management personnel. Please ensure this is appropriate reflected in the wording of the disclosure as indicated in the illustration above.]*

43 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and both internal [\[and external\]](#) professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these [\[consolidated\]](#) financial statements.

[\[At 31 December 2022, the Group was engaged in litigation proceedings with _____ in relation to _____. No provision has been made as the Group's management believes that it is not likely that any significant loss will eventuate.\]](#) *[Provide also information for 2021, if relevant]*

[\[At 31 December 2022, the Group was engaged in litigation proceedings with _____ in relation to _____. A provision of EUR _____ thousand has been made as professional advice has indicated that it is likely that a loss will eventuate. Refer to Note \[25\].\]](#) *[Provide also information for 2021, if relevant]*

Tax contingencies. Tax [\[and customs\]](#) legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decision about review was made. Under certain circumstances reviews may cover longer periods.

[Remove the transfer pricing wording only if clearly not applicable:] The transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. [\[The Management has implemented internal controls to be in compliance with this transfer pricing legislation.\]](#)

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group. *[Add where tax exposure is quantified by management or in the audit file: The Management's best estimate of the exposure to transfer pricing is EUR _____ thousand (2021: EUR _____ thousand). In addition, alternative assumptions may be used for tax calculation purposes. Therefore, this amount should not be interpreted as the final assessment of future taxes payable if tax authorities challenge the transfer prices. The Management plans to defend vigorously the Group's transfer pricing positions.]*

43 Contingencies and Commitments (Continued)

[Remove the permanent establishment wording only if clearly not applicable:] The Group includes companies incorporated outside of the [Country]. The tax liabilities of the Group are determined on the assumption that these companies are not subject to profits tax in the [Country], because they do not have a permanent establishment in the [Country]. This interpretation of relevant legislation may be challenged but the impact of any such challenge cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group.

As the tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

In addition to the above matters, management estimates that the Group has other possible obligations from exposure to other than remote tax risks of EUR _____ thousand (2021: EUR _____ thousand) *[Alternative wording:....in the range from EUR _____ thousand to EUR _____ thousand (2021: in the range from EUR _____ thousand to EUR _____ thousand)]*. These exposures primarily relate to *[Insert explanation of the specific tax matters]*. These exposures are estimates that result from uncertainties in interpretation of applicable legislation and related documentation requirements. Management will vigorously defend the entity's positions and interpretations that were applied in determining taxes recognised in these financial statements if these are challenged by the authorities.

Included in the above disclosed amount of possible obligations for uncertain tax positions are EUR _____ thousand (2021: EUR _____ thousand) *[Alternative wording: Included in the above disclosed range of possible obligations for uncertain tax positions are obligations of EUR _____ thousand to EUR _____ thousand (2021: EUR _____ thousand to EUR _____ thousand)]* for which the inspection rights of tax authorities have expired, but which may be challenged by regulatory bodies under certain circumstances. In management's estimate, no losses are anticipated from these contingent liabilities.

Capital expenditure commitments. At 31 December 2022, the Group has contractual capital expenditure commitments in respect of premises and equipment totalling EUR _____ thousand (2021: EUR _____ thousand), and in respect of software and other intangible assets of EUR _____ thousand (2021: EUR _____ thousand).

[Contractual obligations to purchase, construct or develop investment properties totalled EUR _____ thousand at 31 December 2022 (2021: EUR _____ thousand). Contractual obligations for repairs, maintenance or enhancements of investment properties totalled EUR _____ thousand at 31 December 2022 (2021: EUR _____ thousand).]

The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments. *[Also include any other commitments, e.g. funding of additional share capital to subsidiary companies in case of separate financial statements of the Bank.]*

43 Contingencies and Commitments (Continued)

Future cash outflows related to leases. Where the Group is a lessee, the future cash outflows, to which the Group is potentially exposed and that are not reflected in the lease liabilities relate mainly to:

- (i) Long-term leases of land with rent payments based on cadastral values; the rent expense recorded for such leases in 2022 is EUR_____ thousand and the remaining lease terms are between ____ and ____ years (2021: the rent expense was EUR_____ thousand and the remaining lease terms were between ____ and ____ years).
- (ii) Leases of buildings with rent annually indexed by the Consumer Price Index; the lease liability related to such leases at 31 December 2022 is EUR _____ thousand and the lease terms are between ____ and ____ years (2021: the lease liability was EUR_____ thousand and the lease terms were between ____ and ____ years).
- (iii) leases of buildings with extension options, which the Group is not reasonably certain to exercise, however this assessment may change in the future depending on circumstances; the lease liability related to such leases at 31 December 2022 is EUR_____ thousand and the extension options that are currently not included in the lease term range from ____ to ____ years (2021: the lease liability was EUR_____ thousand and the extension options that were not included in the lease term ranged between ____ and ____ years).

[Disclose also a general description of the leasing arrangements. This would include: (i) the basis on which fully variable rent payments are determined; (ii) the existence and terms of renewal or purchase options and escalation clauses; and (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.]

[Disclosure of details of significant operating leases is required.] [For capital commitments and operating lease commitments review implications of IFRS 9, specifically if the commitments are linked to a currency other than the relevant Group entity's functional currency.]

Compliance with covenants. The Group is subject to certain covenants primarily relating to its [\[borrowings\]](#). Non-compliance with such covenants may result in negative consequences for the Group including [\[growth in the cost of borrowings and declaration of default\]](#). Management believes that the Group was in compliance with covenants at 31 December 2022 and 31 December 2021. *[Refer to disclosures in IFRS 7.18-19 that must be made with respect to any identified covenant breaches.]*

[\[The Group and the Bank are also subject to minimum capital requirements established by covenants stated in loan agreements, including capital adequacy levels calculated in accordance with the requirements of the CRR. The Group complied with these loan covenants.\]](#)

[\[The composition of the Group's capital calculated in accordance with the CRR is as follows:\]](#)

<i>In thousands of EUR</i>	2022	2021
Tier 1 capital		
Share capital		
Cumulative translation reserve		
Retained earnings		
Non-controlling interest		
Other <i>(specify)</i>		
Total tier 1 capital		
Tier 2 capital		
Revaluation reserves		
Subordinated debt		
Other <i>(specify)</i>		
Total tier 2 capital		
Total capital		

43 Contingencies and Commitments (Continued)

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and, therefore, carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Outstanding credit related commitments are as follows:

<i>In thousands of EUR</i>	Note	2022	2021
Commitments to extend credit that are irrevocable or are revocable only in response to a material adverse change			
Undrawn credit lines that are irrevocable or are revocable only in response to a material adverse change			
Export letters of credit			
Import letters of credit	22		
<hr/>			
Total loan commitments			
<hr/>			
Financial guarantees issued			
Less: Provision for financial guarantees	26		
Less: Provision for loan commitments	26		
Less: Commitment collateralised by cash deposits			
<hr/>			
Total credit related commitments, net of provision and cash covered exposures			

43 Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2022 is as follows.

<i>In thousands of EUR</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Issued financial guarantees				
- Excellent				
- Good				
- Satisfactory				
- Special monitoring				
- Default				
Unrecognised gross amount				
Provision for financial guarantees				
Loan commitments				
- Excellent				
- Good				
- Satisfactory				
- Special monitoring				
- Default				
Unrecognised gross amount				
Provision for loan commitments				

Refer to Note 41 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to credit related commitments.

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. The fair value of credit related commitments was EUR _____ thousand at 31 December 2022 (2021: EUR _____ thousand). *[IFRS 7 requires fair value of the off-balance sheet instruments, including loan commitments to be disclosed. The amount disclosed should be fair value and not the committed or guaranteed amount.]*

Performance guarantees. Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts do not transfer credit risk. The risk under performance guarantee contracts is the possibility that the insured event (i.e. the failure to perform the contractual obligation by another party) occurs. The key risks the Group faces are significant fluctuations in the frequency and severity of payments incurred on such contracts relative to expectations. The Group uses historical data and statistical techniques to predict levels of such payments. Claims must be made before the contract matures and most claims are settled within short term. This allows the Group to achieve a high degree of certainty about the estimated payments and therefore future cash flows. The Group manages such risks by constantly monitoring the level of payments for such products and has the ability to adjust its fees in the future to reflect any change in claim payments experience. The Group has a claim payment requests handling process which includes the right to review the claim and reject fraudulent or non-compliant requests. The exposure and concentration of performance guarantees expressed at the amounts guaranteed is as follows:

43 Contingencies and Commitments (Continued)

<i>In thousands of EUR</i>	Note	2022	2021
[Product/Exposure 1]			
[Product/Exposure 2]			
[Product/Exposure 3]			
...			
Total guaranteed amounts			

Movements in provisions for performance guarantees are as follows:

<i>In thousands of EUR</i>	Note	2022	2021
Carrying amount at 1 January			
Initial recognition of issued performance guarantees			
Losses charged to profit or loss	35		
Additions through business combinations	52		
Utilisation of provision			
Unwinding of the present value discount and effect of changes in discount rates			
Unused amounts reversed	35		
[Effect of translation to presentation currency]			
Other			

Carrying amount at 31 December

Assets pledged and restricted. The Group had assets pledged as collateral with the following carrying value:

<i>In thousands of EUR</i>	Notes	31 December 2022		31 December 2021	
		Asset pledged	Related liability	Asset pledged	Related liability
Investments in debt securities at AC	9, 23				
Investments in debt securities at FVOCI	9, 23				
Gross receivables under currency swaps	15, 23				
Investments in equity securities at FVTPL	10, 23				
Investments in equity securities at FVOCI	10, 23				
Repurchase receivables	12, 23				
Investment properties	13				
Premises and equipment	18, 23				
Total					

At 31 December 2022, due from other banks balances of EUR ____ thousand (2021: EUR ____ thousand) are placed as a cover for letters of credit and international payment cards transactions. [In addition, mandatory cash balances with the NBC of EUR ____ thousand (2021: EUR ____ thousand) represent mandatory reserve deposits which are not available to finance the Bank's day to day operations.]

44 Offsetting Financial Assets and Financial Liabilities

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2022:

	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amount of exposure
				Financial instruments	Cash collateral received	
<i>In thousands of EUR</i>	(a)	(b)	(c) = (a) – (b)	(d)	(e)	(c) – (d) – (e)
ASSETS						
Due from other banks						
- Short-term placements with other banks with original maturities of more than three months						
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months						
Loans and advances to customers						
- Corporate loans						
- Reverse sale and repurchase agreements						
Other financial assets:						
- Trade receivables						
- Credit and debit cards receivables						
- Settlements on conversion operations						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Restricted cash						
<i>[Expand table as appropriate]</i>						
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						
LIABILITIES						
Financial derivatives						
Sale and repurchase agreements						
Trade payables						
Short sale of securities						
<i>[Expand table as appropriate]</i>						
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						

44 Offsetting Financial Assets and Financial Liabilities (Continued)

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2021:

	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amount of exposure
				Financial instru- ments	Cash collateral received	
<i>In thousands of EUR</i>	(a)	(b)	(c) = (a) – (b)	(d)	(e)	(c) – (d) – (e)
ASSETS						
<i>Due from other banks</i>						
- Short-term placements with other banks with original maturities of more than three months						
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months						
<i>Loans and advances to customers</i>						
- Corporate loans						
- Reverse sale and repurchase agreements						
<i>Other financial assets:</i>						
- Trade receivables						
- Credit and debit cards receivables						
- Settlements on conversion operations						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Restricted cash						
<i>[Expand table as appropriate]</i>						
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						
LIABILITIES						
Financial derivatives						
Sale and repurchase agreements						
Trade payables						
Short sale of securities						
<i>[Expand table as appropriate]</i>						
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						

44 Offsetting Financial Assets and Financial Liabilities (Continued)

The amount set off in the statement of financial position reported in column (b) is the lower of (i) the gross amount before offsetting reported in column (a) and (ii) the amount of the related instrument that is eligible for offsetting. Similarly, the amounts in columns (d) and (e) are limited to the exposure reported in column (c) for each individual instrument in order not to understate the ultimate net exposure.

The Group has master netting arrangements with counterparty banks, which are enforceable in case of default. In addition, applicable legislation allows an entity to unilaterally set off trade receivables and payables that are due for payment, denominated in the same currency and outstanding with the same counterparty. These fall in the scope of the disclosure as they were set off in the statement of financial position. The Group also made margin deposits with [\[clearing house counterparty\]](#) as collateral for its outstanding derivative positions. The counterparty may set off the Group's liabilities with the margin deposit in case of default.

The disclosure does not apply to loans and advances to customers and related customer deposits unless they are set off in the statement of financial position.

[Disclose description of the rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities subject to enforceable master netting arrangements and similar agreements that are disclosed in accordance with paragraph 13C(d) of IFRS 7, including the nature of those rights.]

[Refer to paragraphs B40 and B41 of IFRS 7 that define the scope of this disclosure in detail, that is, which financial instruments and collateral should be included in the tables. The disclosure requirements are set out in IFRS 7.13A to 13F.]

45 Non-Controlling Interest

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

	Place of business (and country of incorporation if different)	Proportion of non-controlling interest	Proportion of non-controlling interest's voting rights held	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest in the subsidiary	Dividends paid to non-controlling interest during the year
--	---	--	---	---	--	--

In thousands of EUR

Year ended 31 December 2022

[\[NAME OF SUBSIDIARY 1\]](#)

[\[NAME OF SUBSIDIARY 2\]](#)

[Expand table as appropriate]

Year ended 31 December 2021

[\[NAME OF SUBSIDIARY 1\]](#)

[\[NAME OF SUBSIDIARY 2\]](#)

[Expand table as appropriate]

TOTAL

45 Non-Controlling Interest (Continued)

The summarised financial information of these subsidiaries was as follows:

	Current assets	Non- current assets	Current liabilities	Non- current liabilities	Revenue	Profit/ (loss)	Total compre- hensive income	Cash flows
<i>In thousands of EUR</i>								
Year ended								
31 December 2022								
[SUB 1]								
[SUB 2]								
Year ended								
31 December 2021								
[SUB 1]								
[SUB 2]								
<i>[Expand as appropriate]</i>								
Total								

[Subsidiary 1] has outstanding borrowing from a third party bank that includes a clause restricting payment of dividends to the parent without the lender's approval. *[Disclose significant restrictions (eg statutory, contractual and regulatory restrictions) on ability to access or use the assets and settle the liabilities of the group.]*

Holders of the non-controlling interest in [Subsidiary 1] approve disposals of assets above [5%] of the subsidiary's total assets and have a right to veto any transaction with related parties with a financial effect above EUR ____ thousand. These restrictions apply to all assets of the subsidiary as disclosed above. *[Disclose the nature and extent to which protective rights of non-controlling interests can significantly restrict the entity's ability to access or use the assets and settle the liabilities of the group. Disclose the carrying amounts in the consolidated financial statements of the assets and liabilities to which those restrictions apply.]*

46 Interests in Structured Entities

(a) Consolidated structured entities

[The Group holds less than 50% of voting rights in a fully consolidated subsidiary _____. The Group has the power and exposure to variable returns of this subsidiary through contractual arrangements with _____.] [The Group issued bonds through a consolidated structured entity incorporated in the [country]. This entity was consolidated as it was specifically set up for the purposes of the Group, and the Group has exposure to substantially all risks and rewards through outstanding guarantees of the entity's obligations. The Group guarantees all obligations of this entity represented by the bonds issued of EUR _____ thousand.] *[Disclose significant judgements and assumptions made in determining that (a) The Group controls another entity even though it holds less than half of the voting rights of the other entity; and (b) it is an agent or a principal (see paragraphs B58–B72 of IFRS 10).] [Disclose the terms of any contractual arrangements that could require the parent or its subsidiaries to provide financial support to a consolidated structured entity. This applies also to securitisation transactions. Also disclose details of any support provided during the year and an intention to provide support – see IFRS 12.15-16]*

46 Interests in Structured Entities (Continued)

(b) Unconsolidated structured entities

[The Group holds more than 50% of voting rights in _____ but does not have the power over this entity due to contractual arrangements with _____, which specify that _____. Consequently _____ [entity] is not consolidated.] [Disclose significant judgements and assumptions made in determining that: (a) the Group does not control another entity even though it holds more than half of the voting rights of the other entity; (b) it is an agent or a principal (see paragraphs B58–B72 of IFRS 10); (c) it does not have significant influence even though it holds 20 per cent or more of the voting rights of another entity and (d) it has significant influence even though it holds less than 20 per cent of the voting rights of another entity.]

Information about unconsolidated structured entities is as follows:

	Year ended 31 December 2022			At 31 December 2021		
	Income from the structured entity for the year	Carrying amount of assets transferred to the structured entity during the year	Support provided to the structured entity during the year	Carrying amount of assets recognised for exposure to the structured entity	Carrying amount of liabilities recognised for exposure to the structured entity	Maximum exposure to loss from interest in structured entity
<i>In thousands of EUR</i>						

[Leasing entity]

[Securitisation vehicle]

[Expand table as appropriate]

TOTAL

[Disclose narrative text to cover the following information where material:

- the nature, purpose, size and activities of the unconsolidated structured entity;
- how the unconsolidated structured entity is financed;
- how it has determined which structured entities the Group has sponsored;
- a description of the types of income from structured entities presented above;
- the line items in the statement of financial position in which the assets and liabilities relating to unconsolidated structured entity are recognised;
- description how the maximum exposure to loss is determined;
- the type of support provided to structured entity, including situations in which the entity assisted the structured entity in obtaining financial support; and the reasons for providing the support;
- any current intentions to provide financial or other support to an unconsolidated structured entity, including intentions to assist the structured entity in obtaining financial support;
- the terms of an arrangement that could require the entity to provide financial support to an unconsolidated structured entity (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support), including: (i) description of events or circumstances that could expose the reporting entity to a loss, (ii) whether there are any terms that would limit the obligation, (ii) whether there are any other parties that provide financial support and, if so, how the reporting entity's obligation ranks with those of other parties.
- losses incurred by the entity during the reporting period relating to its interests in unconsolidated structured entities.
- the types of income the entity received during the reporting period from its interests in unconsolidated structured entities.

46 Interests in Structured Entities (Continued)

- *whether the entity is required to absorb losses of an unconsolidated structured entity before other parties, the maximum limit of such losses for the entity, and (if relevant) the ranking and amounts of potential losses borne by parties whose interests rank lower than the entity's interest in the unconsolidated structured entity.*
- *information about any liquidity arrangements, guarantees or other commitments with third parties that may affect the fair value or risk of the entity's interests in unconsolidated structured entities.*
- *any difficulties an unconsolidated structured entity has experienced in financing its activities during the reporting period.*
- *in relation to the funding of an unconsolidated structured entity, the forms of funding (eg commercial paper or medium-term notes) and their weighted-average life. That information might include maturity analyses of the assets and funding of an unconsolidated structured entity if the structured entity has longer-term assets funded by shorter-term funding.]*

47 Transfers of Financial Assets

(a) Transfers that did not qualify for derecognition of the financial asset in its entirety.

The Group transferred financial assets in transactions that did not qualify for derecognition in the current and prior periods.

Disposal of loans. At 31 December 2022, the Group had [corporate] loans of EUR ____ thousand (2021: EUR ____ thousand) that were transferred to [a related party under common control]. The Group guaranteed repayment of the nominal value of the transferred loans in case of their default after 360 days. The Group is not exposed to late payment risk as it did not guarantee payment of accrued interest. As the transfer did not meet criteria for derecognition of the loans, at 31 December 2022 the sale proceeds of EUR ____ thousand (2021: EUR ____ thousand) were recognised as borrowings and are presented in Note 24. *[Note: disclose by class of financial assets the nature of the transferred assets, nature of retained risks and rewards and description of the relationship with the related liabilities including any restrictions on the use of the transferred assets.]*

Securitisation transaction. In addition, at 31 December 2022 the Group transferred [corporate] loans of EUR ____ thousand (2021: EUR ____ thousand) to a securitisation structured entity that the Group consolidates because it acquired all of its subordinated borrowings amounting to EUR ____ thousand (2021: EUR ____ thousand). Refer to Note 24 for carrying value of the related borrowings that are represented by senior notes issued by the securitisation special purpose entity to third party investors.

Sale and repurchase transactions. At 31 December 2022, the Group has trading securities represented by [[Country] government bonds] of EUR ____ thousand (2021: EUR ____ thousand) and FVOCI securities represented by [corporate bonds] of EUR ____ thousand (2021: EUR ____ thousand) that are subject to obligation to repurchase the securities for a fixed pre-determined price. Refer to Notes 21 and 24 for the carrying value of obligations from these sale and repurchase transactions.

Securities lending transactions. At 31 December 2022, the Group had trading securities represented by [[Country] government bonds] of EUR ____ thousand (2021: EUR ____ thousand) that were provided to counterparties in a securities lending transaction in exchange for a fee.

47 Transfers of Financial Assets (Continued)

The following schedule summarises transfers where the entity continues to recognise all of the transferred financial assets. The analysis is provided by class of financial assets.

<i>In thousands of EUR</i>	Notes	31 December 2022		31 December 2021	
		Carrying amount of the assets at year end	Carrying amount of the associated liabilities	Carrying amount of the assets at year end	Carrying amount of the associated liabilities
Corporate loans					
Loans to individuals					
Debt securities mandatorily measured at FVTPL					
- [Country] government bonds					
- Municipal bonds					
- Corporate bonds					
- Investments in mutual funds					
- Promissory notes <i>[adjust classes as appropriate]</i>					
Debt securities designated as at FVTPL at initial recognition					
- [Country] government bonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes <i>[adjust classes as appropriate]</i>					
Debt securities at FVOCI					
- [Country] government bonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes <i>[adjust classes as appropriate]</i>					
Debt securities at AC					
- [Country] government bonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes <i>[adjust classes as appropriate]</i>					
Equity securities mandatorily measured at FVTPL					
- Corporate shares					
- ADRs					
- GDRs <i>[adjust classes as appropriate]</i>					
Equity securities at FVOCI					
- Corporate shares					
- ADRs					
- GDRs <i>[adjust classes as appropriate]</i>					

47 Transfers of Financial Assets (Continued)

<i>In thousands of EUR</i>	Notes	31 December 2022		31 December 2021	
		Carrying amount of the assets at year end	Carrying amount of the associated liabilities	Carrying amount of the assets at year end	Carrying amount of the associated liabilities
		Corporate bonds at FVOCI			
		- Municipal bonds			
		- Corporate bonds			
		- Promissory notes <i>[adjust classes as appropriate]</i>			
		Other financial assets at AC			
		- Trade receivables			
		- Finance lease receivables			
		- Credit and debit card receivables			
		- Settlements on conversion operations			
		- Other <i>[adjust classes as appropriate]</i>			
		Other financial assets at FVTPL			
		- FX forward contracts			
		- Precious metals forward contracts			
		- Other <i>[adjust classes as appropriate]</i>			
		Total			

The following schedule provides information about transfers where the counterparties to the associated liabilities have recourse only to the transferred assets. This is the case for the Group's securitisation transactions.

<i>In thousands of EUR</i>	31 December 2022			31 December 2021		
	Fair value of the assets at year end	Fair value of the associated liabilities	Net position	Fair value of the assets at year end	Fair value of the associated liabilities	Net position
	Corporate loans					
	Loans to individuals					
	Debt securities mandatorily measured at FVTPL					
	- [Country] government bonds					
	- Municipal bonds					
	- Corporate bonds					
	- Investments in mutual funds					
	- Promissory notes <i>[adjust classes as appropriate]</i>					
	Debt securities designated as at FVTPL at initial recognition					
	- [Country] government bonds					
	- Municipal bonds					
	- Corporate bonds					
	- Promissory notes <i>[adjust classes as appropriate]</i>					

47 Transfers of Financial Assets (Continued)

	31 December 2022			31 December 2021		
	Fair value of the assets at year end	Fair value of the associated liabilities	Net position	Fair value of the assets at year end	Fair value of the associated liabilities	Net position
<i>In thousands of EUR</i>						
Debt securities at FVOCI						
- [Country] government bonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes <i>[adjust classes as appropriate]</i>						
Debt securities at AC						
- [Country] government bonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes <i>[adjust classes as appropriate]</i>						
Equity securities mandatorily measured at FVTPL						
- Corporate shares						
- ADRs						
- GDRs <i>[adjust classes as appropriate]</i>						
Equity securities at FVOCI						
- Corporate shares						
- ADRs						
- GDRs <i>[adjust classes as appropriate]</i>						
Corporate bonds at FVOCI						
- Municipal bonds						
- Corporate bonds						
- Promissory notes <i>[adjust classes as appropriate]</i>						
Other financial assets at AC						
- Trade receivables						
- Finance lease receivables						
- Credit and debit card receivables						
- Settlements on conversion operations						
- Other <i>[adjust classes as appropriate]</i>						

47 Transfers of Financial Assets (Continued)

	31 December 2022			31 December 2021		
	Fair value of the assets at year end	Fair value of the associated liabilities	Net position	Fair value of the assets at year end	Fair value of the associated liabilities	Net position

In thousands of EUR

Other financial assets at FVTPL

- FX forward contracts
- Precious metals forward contracts
- Other *[adjust classes as appropriate]*

Total

The following schedule summarises transfers where the entity continues to recognise the assets to the extent of its continuing involvement. The analysis is provided by class of financial assets.

	31 December 2022			31 December 2021		
	Carrying amount of the assets before the transfer	Carrying amount of the assets that the entity continues to recognise after the transfer	Carrying amount of the associated liabilities	Carrying amount of the assets before the transfer	Carrying amount of the assets that the entity continues to recognise after the transfer	Carrying amount of the associated liabilities

In thousands of EUR

- Corporate loans
- Loans to individuals
- Debt securities mandatorily measured at FVTPL
 - [Country] government bonds
 - Municipal bonds
 - Corporate bonds
 - Investments in mutual funds
 - Promissory notes *[adjust classes as appropriate]*

- Debt securities designated as at FVTPL at initial recognition
 - [Country] government bonds
 - Municipal bonds
 - Corporate bonds
 - Promissory notes *[adjust classes as appropriate]*

- Debt securities at FVOCI
 - [Country] government bonds
 - Municipal bonds
 - Corporate bonds
 - Promissory notes *[adjust classes as appropriate]*

47 Transfers of Financial Assets (Continued)

	31 December 2022			31 December 2021		
	Carrying amount of the assets before the transfer	Carrying amount of the assets that the entity continues to recognise after the transfer	Carrying amount of the associated liabilities	Carrying amount of the assets before the transfer	Carrying amount of the assets that the entity continues to recognise after the transfer	Carrying amount of the associated liabilities
<i>In thousands of EUR</i>						
Debt securities at AC						
- [Country] government bonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes <i>[adjust classes as appropriate]</i>						
Equity securities mandatorily measured at FVTPL						
- Corporate shares						
- ADRs						
- GDRs <i>[adjust classes as appropriate]</i>						
Equity securities at FVOCI						
- Corporate shares						
- ADRs						
- GDRs <i>[adjust classes as appropriate]</i>						
Corporate bonds at FVOCI						
- Municipal bonds						
- Corporate bonds						
- Promissory notes <i>[adjust classes as appropriate]</i>						
Other financial assets at AC						
- Trade receivables						
- Finance lease receivables						
- Credit and debit card receivables						
- Settlements on conversion operations						
- Other <i>[adjust classes as appropriate]</i>						

47 Transfers of Financial Assets (Continued)

	31 December 2022			31 December 2021		
	Carrying amount of the assets before the transfer	Carrying amount of the assets that the entity continues to recognise after the transfer	Carrying amount of the associated liabilities	Carrying amount of the assets before the transfer	Carrying amount of the assets that the entity continues to recognise after the transfer	Carrying amount of the associated liabilities
<i>In thousands of EUR</i>						

Other financial assets at FVTPL

- FX forward contracts
- Precious metals forward contracts
- Other [adjust classes as appropriate]

[Note: adjust classes in rows as appropriate.]

Total

(b) Transfers that qualified for derecognition of the financial asset in its entirety

The Group transferred financial assets in transactions that qualified for derecognition in the current and prior periods and to which the Group retained exposure to a certain extent.

Disposal of loans. At 31 December 2022, the Group had remaining exposure to [mortgage] loans that had carrying value of EUR ____ thousand (2021: EUR ____ thousand) immediately before they were transferred to [a related party under common control]. The Group is exposed to late payment risk as it guaranteed payment of interest over a period up to 30 days from the date of transfer. The loans were derecognised in their entirety as the retained late payment risk was not considered significant.

Securitisation transaction. In addition, at 31 December 2022, the Group had remaining exposure to [corporate] loans that had carrying value of EUR ____ thousand (2021: EUR ____ thousand) immediately before their transfer to a securitisation special purpose entity that the Group does not consolidate. The loans were derecognised in their entirety because the written put option to repurchase them was deeply out of money at the date of the transfer and substantially all of the subordinated borrowings of the securitisation special purpose entity were acquired by third party investors.

The following schedule summarises information about continuing involvement in the transferred financial assets that qualified for derecognition. The analysis is provided by type of continuing involvement outstanding at 31 December 2022:

	Cash outflows to repurchase the derecognised assets or other payments	Carrying amount of continuing involvement in the consolidated statement of financial position			Fair value of continuing involvement		Maximum exposure to loss
		Derivative financial assets (Note 15)	Derivative financial liabilities (Note 26)	Provisions (Note 25)	Assets	Liabilities	
<i>In thousands of EUR</i>							

- Written put options
- Purchased call options
- Late payment risk guarantee

47 Transfers of Financial Assets (Continued)

The analysis is provided by type of continuing involvement outstanding at 31 December 2021:

	Cash outflows to repurchase the derecognised assets or other payments	Carrying amount of continuing involvement in the consolidated statement of financial position			Fair value of continuing involvement		Maximum exposure to loss
		Derivative financial assets (Note 15)	Derivative financial liabilities (Note 26)	Provisions (Note 25)	Assets	Liabilities	
<i>In thousands of EUR</i>							

Written put options
Purchased call options
Late payment risk guarantee

[Note: The 'Cash outflows to repurchase the derecognised assets or other payments' represent maximum possible future payments that the entity could be required to pay, eg exercise price of the written put option, exercise price of the purchased call option or the maximum amount that the entity could be required to pay under the late payment risk guarantee.]

The following schedule presents remaining contractual maturity analysis of the undiscounted cash flows to repurchase the transferred assets or other amounts payable to the transferee in respect of financial assets that qualified for derecognition. Where the cash flows are variable, they are disclosed based on the conditions that existed at each reporting date. The analysis is provided by type of continuing involvement outstanding at the respective end of the reporting period:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 Months	From 12 months to 5 years	Over 5 years	Total
<i>In thousands of EUR</i>						

At 31 December 2022

Written put options
Purchased call options
Late payment risk guarantee

Total potential cash outflows

At 31 December 2021

Written put options
Purchased call options
Late payment risk guarantee

Total potential cash outflows

47 Transfers of Financial Assets (Continued)

The following schedule presents gains less losses recognised on the date of transfer, subsequent gains or losses recognised on the continuing involvement and the cumulative amount of the gains or losses. The analysis is provided by type of continuing involvement.

	Year ended 31 December 2022			Year ended 31 December 2021		
	The gain or loss recognised at the date of transfer	Subsequent gains and losses recognised in the reporting period	Cumulative amount of gains and losses recognised	The gain or loss recognised at the date of transfer	Subsequent gains and losses recognised in the reporting period	Cumulative amount of gains and losses recognised
<i>In thousands of EUR</i>						
Written put options						
Purchased call options						
Later payment risk guarantee						
Total						

The transfer activity was not evenly distributed during the reporting period. The following schedule provides analysis of transfer activity by month and by type of the continuing involvement during 2022:

<i>In thousands of EUR</i>	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<i>Written put options:</i>												
Gains less losses recognised												
Proceeds from transfer activity												
<i>Purchased call options:</i>												
Gains less losses recognised												
Proceeds from transfer activity												
<i>Late payment risk guarantee:</i>												
Gains less losses recognised												
Proceeds from transfer activity												

The following schedule provides analysis of transfer activity by month and by type of the continuing involvement during 2021:

<i>In thousands of EUR</i>	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<i>Written put options:</i>												
Gains less losses recognised												
Proceeds from transfer activity												
<i>Purchased call options:</i>												
Gains less losses recognised												
Proceeds from transfer activity												
<i>Late payment risk guarantee:</i>												
Gains less losses recognised												
Proceeds from transfer activity												

47 Transfers of Financial Assets (Continued)

[Note: Where there was only a small number of transactions, the text may replace the above table, eg as follows:] [The transfer activity was not evenly distributed during the reporting period. In [month] 2022, the Group sold a portfolio of [loans] for EUR ____ thousand recognising a net gain of EUR ____ thousand. In this transaction, the Group [guaranteed late payment risk up to 30 days by agreeing to pay late payment interest for such period to the purchaser]. In [month] 2022, the Group sold a portfolio of [loans] for EUR ____ thousand recognising a net gain of EUR ____ thousand. In this transaction, the Group [issued to the purchaser a put option that was deeply out of money].

In [month] 2021, the Group sold a portfolio of [loans] for EUR ____ thousand recognising a net gain of EUR ____ thousand. In this transaction, the Group [guaranteed late payment risk up to 30 days by agreeing to pay late payment interest for such period to the purchaser]. In [month] 2021, the Group sold a portfolio of [loans] for EUR ____ thousand recognising a net gain of EUR ____ thousand. In this transaction, the Group [issued to the purchaser a put option that was deeply out of money].

48 Derivative Financial Instruments

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Group. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period. The contracts are short term in nature:

<i>In thousands of EUR</i>	Notes	2022		2021	
		Contracts with positive fair value	Contracts with negative fair value	Contracts with positive fair value	Contracts with negative fair value
Foreign exchange forwards and swaps: fair values, at the end of the reporting period, of					
		- USD receivable on settlement (+)			
		- USD payable on settlement (-)			
		- EUR receivable on settlement (+)			
		- EUR payable on settlement (-)			
		- CZK receivable on settlement (+)			
		- CZK payable on settlement (-)			
		- Other currencies receivable on settlement (+)			
		- Other currencies payable on settlement (-)			
		Net fair value of foreign exchange forwards and swaps	15, 26		

[Include in the above table the present value of foreign currencies receivable or payable on the future settlement of the foreign exchange forward contracts. The net amount is the fair value of the forwards at the end of the reporting period.]

Foreign exchange [and other] derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

48 Derivative Financial Instruments (Continued)

[At 31 December 2022, the Group had outstanding obligations to deliver precious metals with fair value of EUR _____ thousand (2021: EUR _____ thousand) and obligations to accept delivery of precious metals with fair value of EUR _____ thousand (2021: EUR _____ thousand). *[The amounts in the previous sentence are gross values. For example you disclose EUR 450k for a contract to deliver 1kg of gold for EUR 400k when price of gold is 450k/kg at the end of the reporting period.]* The Group expects to settle these forward contracts net in cash and, therefore, recognised them in the statement of financial position as an asset at net fair value of EUR _____ thousand (2021: EUR _____ thousand) and a liability at net fair value of EUR _____ thousand (2021: EUR _____ thousand). Refer to Notes 15 and 26.]

At 31 December 2022, the Group had outstanding obligations from unsettled spot transactions with foreign currencies [and precious metals] of EUR _____ thousand (2021: EUR _____ thousand). The net fair value of unsettled spot transactions is insignificant.

[The Group had outstanding obligations to deliver shares with fair value, at the end of the reporting period, of EUR _____ thousand (2021: EUR _____ thousand) and obligations to accept delivery of _____ shares with fair value, at the end of the reporting period, of EUR _____ thousand (2021: EUR _____ thousand). *[The amounts in the previous sentence are gross values, similarly to precious metals disclosure.]* These forwards were recognised in the statement of financial position as an asset at fair value of EUR _____ thousand (2021: EUR _____ thousand) and a liability at fair value of EUR _____ thousand (2021: EUR _____ thousand). Refer to Notes 15 and 26.]

[Describe any other derivatives held by the Group, e.g. share options – for example as follows:]

At 31 December 2022, the Group had outstanding [written] [purchased] put options giving [the counterparty] [the Group] the right to sell [shares] with fair value of EUR _____ thousand (2021: EUR _____ thousand) to [the Group] [the counterparty] for EUR _____ thousand (2021: EUR _____ thousand). The options can be exercised [from _____ 20XX to _____ 20XX]. The fair value of the outstanding put options was recognised as [a liability] [an asset] of EUR _____ thousand (2021: EUR _____ thousand). Refer to Notes 15 and 26.

At 31 December 2022, the Group had outstanding [written] [purchased] call options giving [the counterparty] [the Group] the right to buy [shares] with fair value of EUR _____ thousand (2021: EUR _____ thousand) from [the Group] [the counterparty] for EUR _____ thousand (2021: EUR _____ thousand). The options can be exercised [from _____ 20XX to _____ 20XX]. The fair value of the outstanding call options was recognised as [a liability] [an asset] of EUR _____ thousand (2021: EUR _____ thousand). Refer to Notes 15 and 26.

49 Fair Value Disclosures

[Note: This note should be tailored to the circumstances of each entity, eg description of valuation processes, disclosure of assumptions and valuation methods will significantly differ among entities.]

[Note: For detailed guidance on COVID-19 related issues applicable for the valuation please see:

- *FAQ 2.6.1 – Impact of COVID-19 on investment property valuation*
- *FAQ 2.6.2 – Uncertainties in cash flows and change in valuation technique for level 3 fair value measurement*
- *FAQ 2.6.3 – Additional considerations for discount rates used in Level 3 fair value measurements*
- *FAQ 3.8.1 – Determining whether a market is still active in a period of market disruption*
- *FAQ 3.8.2 – Assessing prices in inactive markets*
- *FAQ 3.8.3 – Determining whether transactions are orderly*
- *FAQ 3.8.4 – Adjustments to the quoted price in an active market*
- *FAQ 3.8.5 – Delays in the availability of information*
- *FAQ 3.8.6 – Post market closure events*
- *FAQ 3.8.7 – Uncertainties in cash flow fair value measurement of financial instruments*

49 Fair Value Disclosures (Continued)

- *FAQ 3.8.8 – Should possible future modifications be considered when determining the fair value of a debt instrument?*
- *FAQ 3.8.9 – Consideration of fair value where an entity has breached a debt covenant]*

[Note: For detailed guidance on how ESG matters may affect the fair value measurement, refer to PwC's In Depth Impact of ESG matters on IFRS financial statements - 3.4 Fair Value Measurements.

Valuation models for items not traded in an active market should be reviewed to ensure that they adequately represent market participant assumptions for the particular item being valued. Valuations involving forecasts, might also need to be adjusted to factor in climate-related risk. For example, the fair value measurement for an investment property might need to be adjusted to reflect climate impacts on rental income, occupancy rates as well as insurance cost assumptions. Climate-related risks might also impact business combination fair value exercises relating to all asset and liability categories - from provisions to customer relationships, inventories to brands and trademarks.]

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In thousands of EUR</i>	31 December 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS AT FAIR VALUE								
FINANCIAL ASSETS								
Investments in debt securities								
- [Country] government bonds								
- Municipal bonds								
- Corporate bonds								
- Investments in mutual funds								
- Promissory notes								
Investments in equity securities								
- Corporate shares								
- American depository receipts (ADR)								
- Global depository receipts (GDR) <i>[Adjust classes as appropriate]</i>								
Loans and advances to customers at FVTPL								
- Standard lending								
- Specialised lending								
- Loans to sovereigns								
- Loans to sub-sovereigns								
- Loans to SME								
- Loans to leasing companies								
- Reverse sale and repurchase agreement								
- Mortgage loans								
- Consumer loans								
- Car loans								
- Credit cards								
<i>[Adjust classes as appropriate]</i>								
Repurchase receivables at FV								
- [Country] government bonds								
- Municipal bonds								
- Corporate bonds								
- Investments in mutual funds								
- Promissory notes								
- Corporate shares								
- American depository receipts (ADR)								
- Global depository receipts (GDR) <i>[Adjust classes as appropriate]</i>								

49 Fair Value Disclosures (Continued)

<i>In thousands of EUR</i>	31 December 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other financial assets								
- Foreign exchange forward contracts								
- Precious metals forward contracts								
- Other financial derivatives								
- Other								
<i>[Expand as appropriate]</i>								
NON-FINANCIAL ASSETS								
- Premises and equipment								
- Investment properties								
TOTAL ASSETS WITH RECURRING FAIR VALUE MEASUREMENTS								
LIABILITIES CARRIED AT FAIR VALUE								
FINANCIAL LIABILITIES								
Due to other banks								
- Liability to return collateral sold or repledged								
Other borrowed funds								
- Liability to return collateral sold or repledged								
- Other structured funding								
Other financial liabilities								
- Foreign exchange forward contracts								
- Other derivative financial instruments								
- Short sales of securities								
- Liabilities designated at FVTPL at initial recognition								
TOTAL LIABILITIES WITH RECURRING FAIR VALUE MEASUREMENTS								

The investment in [company] included in trading securities ceased to be traded in an active market in [October 2021] due to the deteriorating financial markets liquidity, and was reported as a level 2 instrument in the above analysis at 31 December 2021. In [November 2022], trading resumed and the investment was reclassified and reported as a level 1 instrument in the above analysis at 31 December 2022. *[Disclose transfers between Level 1 and Level 2 and reasons for the transfers.]*

49 Fair Value Disclosures (Continued)

The Group uses a [discounted cash flow] valuation technique to measure the fair value of [currency swaps] that are not traded in an active market. However, in accordance with IFRS, the fair value of an instrument at inception is generally the transaction price. If the transaction price differs from the amount determined at inception using the valuation technique, that difference is amortised on a straight line basis over the term of the [currency swaps]. The differences yet to be recognised in profit or loss for the year ([as gains less losses on financial derivatives]) are as follows:

<i>In thousands of EUR</i>	2022	2021
Balance at 1 January		
New transactions		
Amounts recognised in profit or loss for the year ([as gains less losses on financial derivatives])		
Other		
<hr/>		
Balance at 31 December (Note 15)		

[The above reconciliation table should be provided separately for each class of financial instruments. Refer to IFRS 7.28].

The description of valuation technique and description of inputs used in the fair value measurement for level 2 measurements at 31 December 2022:

<i>In thousands of EUR</i>	Fair value	Valuation technique	Inputs used
ASSETS AT FAIR VALUE			
FINANCIAL ASSETS			
<i>Investments in debt securities</i>			
- [Country] government bonds		[Discounted cash flows ("DCF")]	[Government bonds yield curve]
- Municipal bonds		[DCF]	[Comparable prices from less active markets]
- Corporate bonds		[DCF]	[Incremental borrowing rate]
- Investments in mutual funds		[DCF]	[Applicable interest rates for underlying assets]
- Promissory notes		[DCF]	[Incremental borrowing rate]
<i>Investments in equity securities</i>			
- Corporate shares		[Market comparable companies]	[EBITDA Multiple and Revenue multiple]
- American depository receipts (ADR)			
- Global depository receipts			
<i>[Adjust classes as appropriate]</i>			
<i>Loans and advances to customers at FVTPL</i>			
- Standard lending			
- Specialised lending			
- Loans to sovereigns			
- Loans to sub-sovereigns			
- Loans to SME			
- Loans to leasing companies			
- Reverse sale and repurchase agreement			
- Mortgage loans			
- Consumer loans			
- Car loans			
- Credit cards			
<i>[Adjust classes as appropriate]</i>			

49 Fair Value Disclosures (Continued)

<i>In thousands of EUR</i>	Fair value	Valuation technique	Inputs used
Repurchase receivables			
- [Country] government bonds			
- Municipal bonds			
- Corporate bonds			
- Investments in mutual funds			
- Promissory notes			
- Corporate shares			
- American depositary receipts (ADR)			
- Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>			
Other financial assets			
- Foreign exchange forward contracts			
- Precious metals forward contracts			
- Other financial derivatives			
- Other			
<i>[Expand as appropriate]</i>			
NON-FINANCIAL ASSETS			
- Premises and equipment			
- Investment properties			
LIABILITIES CARRIED AT FAIR VALUE			
FINANCIAL LIABILITIES			
Due to other banks			
- Liability to return collateral sold or repledged			
Other borrowed funds			
- Liability to return collateral sold or repledged			
- Other structured funding			
Other financial liabilities			
- Foreign exchange forward contracts			
- Other derivative financial instruments			
- Short sales of securities			
- Liabilities designated at FVTPL at initial recognition			
TOTAL RECURRING FAIR VALUE MEASUREMENTS AT LEVEL 2			

There were no changes in valuation technique for level 2 recurring fair value measurements during the year ended 31 December 2022 (2021: none). *[Disclose nature and reason for any change in valuation technique.]*

49 Fair Value Disclosures (Continued)

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows at 31 December 2022:

	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
<i>In thousands of EUR</i>						
ASSETS AT FAIR VALUE						
FINANCIAL ASSETS						
Investments in debt securities						
		[Discounted cash flows ("DCF")]	[Government bonds yield curve]	[5.0 – 6.0% (5.5%)]	[± 10 %]	± [100,000]
- [Country] government bonds						
- Municipal bonds						
- Corporate bonds						
- Investments in mutual funds						
- Promissory notes						
Investments in equity securities						
		[Market comparable companies]	[EBITDA multiple Revenue multiple]	[7 -12 (10)] [5 -6 (5.4)]		
- Corporate shares						
- American depositary receipts (ADR)						
- Global depositary receipts (GDR)						
<i>[Adjust classes as appropriate]</i>						
Loans and advances to customers at FVTPL						
- Standard lending						
- Specialised lending						
- Loans to sovereigns						
- Loans to sub-sovereigns						
- Loans to SME						
- Loans to leasing companies						
- Reverse sale and repurchase agreement						
- Mortgage loans						
- Consumer loans						
- Car loans						
- Credit cards						
<i>[Adjust classes as appropriate]</i>						
Repurchase receivables						
- [Country] government bonds						
- Municipal bonds						
- Corporate bonds						
- Investments in mutual funds						
- Promissory notes						
- Corporate shares						
- American depositary receipts (ADR)						
- Global depositary receipts (GDR)						
<i>[Adjust classes as appropriate]</i>						

49 Fair Value Disclosures (Continued)

	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measu- rement
<i>In thousands of EUR</i>						
Other financial assets						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Other						
<i>[Expand as appropriate]</i>						
NON-FINANCIAL ASSETS						
- Premises and equipment						
- Investment properties						
LIABILITIES AT FAIR VALUE						
FINANCIAL LIABILITIES						
Due to other banks						
- Liability to return collateral sold or repledged						
Other borrowed funds						
- Liability to return collateral sold or repledged						
- Other structured funding						
Other financial liabilities						
- Foreign exchange forward contracts						
- Other derivative financial instruments						
- Short sales of securities						
- Liabilities designated at FVTPL at initial recognition						
TOTAL RECURRING FAIR VALUE MEASUREMENTS AT LEVEL 3						

49 Fair Value Disclosures (Continued)

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows at 31 December 2021:

	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
<i>In thousands of EUR</i>						
ASSETS AT FAIR VALUE						
FINANCIAL ASSETS						
Investments in debt securities						
- [Country] government bonds		[Discounted cash flows ("DCF")]	[Government bonds yield curve]	[5.0 – 6.0% (5.5%)]	[± 10 %]	± [100,000]
- Municipal bonds						
- Corporate bonds						
- Investments in mutual funds						
- Promissory notes						
Investments in equity securities						
- Corporate shares		[Market comparable companies]	[EBITDA multiple Revenue multiple]	[7 -12 (10)] [5 -6 (5.4)]		
- American depository receipts (ADR)						
- Global depository receipts (GDR)						
<i>[Adjust classes as appropriate]</i>						
Loans and advances to customers at FVTPL						
- Standard lending						
- Specialised lending						
- Loans to sovereigns						
- Loans to sub-sovereigns						
- Loans to SME						
- Loans to leasing companies						
- Reverse sale and repurchase agreement						
- Mortgage loans						
- Consumer loans						
- Car loans						
- Credit cards						
<i>[Adjust classes as appropriate]</i>						
Repurchase receivables						
- [Country] government bonds						
- Municipal bonds						
- Corporate bonds						
- Investments in mutual funds						
- Promissory notes						
- Corporate shares						
- American depository receipts (ADR)						
- Global depository receipts (GDR)						
<i>[Adjust classes as appropriate]</i>						

49 Fair Value Disclosures (Continued)

	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
<i>In thousands of EUR</i>						
Other financial assets						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Other						
<i>[Expand as appropriate]</i>						
NON-FINANCIAL ASSETS						
- Premises and equipment						
- Investment properties						
LIABILITIES AT FAIR VALUE						
FINANCIAL LIABILITIES						
Due to other banks						
- Liability to return collateral sold or repledged						
Other borrowed funds						
- Liability to return collateral sold or repledged						
- Other structured funding						
Other financial liabilities						
- Foreign exchange forward contracts						
- Other derivative financial instruments						
- Short sales of securities						
Liabilities designated at FVTPL at initial recognition						
TOTAL RECURRING FAIR VALUE MEASUREMENTS AT LEVEL 3						

49 Fair Value Disclosures (Continued)

The above tables disclose sensitivity to valuation inputs for financial assets and financial liabilities, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly. For this purpose, significance was judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.

There were no changes in valuation technique for level 3 recurring fair value measurements during the year ended 31 December 2022 (2021: none). *[Disclose nature and reason for change in valuation technique, disclose inputs used in prior valuation technique.]* Investment property represents industrial land and buildings that the Group valued using its expectation to convert them into a residential complex. *[Disclose if highest and best use differs from current use.]*

The Group has margin deposits with its counterparties, which serves as collateral for its outstanding derivative liabilities. In addition, the Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 1. The fair value of these liabilities reflects these credit enhancements. *[See IFRS 13.98.]*

The sensitivity of fair value measurement disclosed in the above table shows the direction that an increase or decrease in the respective input variables would have on the valuation result. For equity securities, increases in the EBITDA multiple would each lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value. For debt securities, increases in discount rates and PD would both lead to a decrease in estimated value. No interrelationships between unobservable inputs used in the Group's valuation of its Level 3 equity investments have been identified. However, for Level 3 debt securities, a change in the assumption used for the PD is expected to be accompanied by a directionally similar change in the discount rate. A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2022 is as follows:

Securities at FVTPL		Securities at FVOCI		Financial derivativ e assets	Financial derivativ e liabilities <i>[Expand as appro- priate]</i>
Corporat e shares	Promi- ssory notes	Promi- ssory notes	Corporat e shares		

In thousands of EUR

Fair value at 1 January 2022

Gains or losses recognised in profit or loss for the year
Gains or losses recognised in other comprehensive income
Purchases
Issues or origination
Sales
Settlements
Transfers out of level 3
Transfers into level 3

Fair value at 31 December 2022

Unrealised revaluation gains less losses recognised in profit or loss for the year for assets held at 31 December 2022

49 Fair Value Disclosures (Continued)

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2021 is as follows:

	Securities at FVTPL		Securities at FVOCI		Financial derivative assets	Financial derivative liabilities <i>[Expand as appropriate]</i>
	Corporate shares	Promissory notes	Promissory notes	Corporate shares		
<i>In thousands of EUR</i>						
Fair value at 1 January 2021						
Gains or losses recognised in profit or loss for the year						
Gains or losses recognised in other comprehensive income						
Purchases						
Issues or origination						
Sales						
Settlements						
Transfers out of level 3						
Transfers into level 3						

Fair value at 31 December 2021

Unrealised revaluation gains less losses recognised in profit or loss for the year for assets held at 31 December 2021

Certain derivatives and promissory notes were reclassified from level 3 to level 2 instruments due to the increased activity in financial markets in 2021. *[Describe significant transfers into and out of level 3.]*

Gains and losses on derivatives are *[presented separately in profit or loss for the year.] [Disclose where the gains/losses are in the profit for the year.]*

Certain derivatives and promissory notes were reclassified from level 3 to level 2 instruments due to the increased activity in financial markets in 2021. *[Describe significant transfers into and out of level 3.]*

(b) Non-recurring fair value measurements

The Group has written down its non-current assets held for sale to fair value less costs to sell. The fair value belongs to level 3 measurements in the fair value hierarchy. The valuation technique and inputs used in the fair value measurement at 31 December 2022:

	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	
				31 December 2022	31 December 2021
<i>In thousands of EUR</i>					
Non-current assets held for sale (or disposal groups)		<i>[Discounted cash flows ("DCF")]</i>	WACC Terminal growth Growth rate for years 1 to 5	<i>[5.0 -6.0% (5.5%)]</i>	<i>[5.0 -6.0% (5.5%)]</i>

49 Fair Value Disclosures (Continued)

[Non-current assets held for sale include an investment property that represents industrial land and buildings. The Group valued it using its expectation to convert it into a residential complex.] *[Disclose that highest and best use differs from current use.]*

(c) Valuation processes for recurring and non-recurring level 3 fair value measurements

Level 3 valuations are reviewed on a weekly basis by the Group's valuation committee who report to the Board of Directors on a monthly basis. The committee considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the financial services industry. In selecting the most appropriate valuation model the committee performs back testing and considers which model's results have historically aligned most closely to actual market transactions. In order to value level three equity investments, the Group utilises comparable trading multiples. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortisation (EBITDA). The trading multiple is then discounted for considerations such as illiquidity and differences between the comparable companies based on company-specific facts and circumstances.

The level three debt instruments are valued at the net present value of estimated future cash flows. The Group also considers liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

[For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity is required to disclose a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period) [IFRS13p93(g)]. To satisfy this new requirement, the illustrative example provided in IFRS 13 states that an entity might disclose information, such as the group within the entity that decides the entity's valuation policies and procedures, to whom that group reports, the frequency and methods for calibration, back testing and other testing procedures of pricing models, etc [IFRS13pIE65]. The above illustrative disclosure must be tailored to the entity's specific circumstances.]

49 Fair Value Disclosures (Continued)

(d) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

	31 December 2022				31 December 2021				
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total fair value	Carry- ing value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total fair value

In thousands of EUR

ASSETS

Due from other banks

- Short-term placements with other banks with original maturities of more than three months
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months

Loans and advances to customers at AC

- Corporate loans
- Loans to individuals – consumer loans
- Loans to individuals – entrepreneurs
- Mortgage loans
- Reverse sale and repurchase agreements
- State and municipal organisations *[Adjust classes as appropriate]*

Investments in debt securities at AC

- [Country] government bonds
- Municipal bonds
- Corporate bonds
- Promissory notes

Other financial assets

- Trade receivables
- Finance lease receivables
- Credit and debit cards receivables
- Settlements on conversion operations
- Restricted cash
- Other

NON-FINANCIAL ASSETS

- Investment properties

TOTAL

49 Fair Value Disclosures (Continued)

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value are as follows:

	31 December 2022					31 December 2021				
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total fair value	Carrying value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total fair value	Carrying value

In thousands of EUR

FINANCIAL LIABILITIES

Due to other banks

- Correspondent accounts and overnight placements of other banks
- Short-term placements of other banks
- Sale and repurchase agreements with other banks
- Overdue term placements of other banks

Customer accounts

- Current/settlement accounts of state and public organisations
- Term deposits of state and public organisations
- Current/settlement accounts of other legal entities
- Term deposits of other legal entities
- Current/demand accounts of individuals
- Term deposits of individuals

Debt securities in issue

[Promissory notes]

- Promissory notes
- Eurobonds
- Bonds issued on domestic market
- Deposit certificates
- Debentures

Other borrowed funds

- Other structured funding
- Syndicated loan maturing on
- Term borrowings from companies/government agencies

Other financial liabilities

- Trade payables
- Dividends payable
- Debit or credit card payables
- Settlements on conversion operations
- Provision for credit related commitments
- Other accrued liabilities

Subordinated debt

- Subordinated debt

TOTAL

49 Fair Value Disclosures (Continued)

[Note: Disclosure of fair value of lease liabilities is not required. Refer to IFRS 7.29.]

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

For assets, the Group used assumptions about counterparty's incremental borrowing rate and prepayment rates. *[Note: Incremental borrowing rate is the interest rate at which the counterparty could currently obtain new borrowing from an unrelated lender. Prepayment rates are a percentage of loans in the portfolio for which the bank expects the borrower to exercise the right to repay the loan in the current period before maturity.]*

Liabilities were discounted at the Group's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Group.

The Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 1. The fair value of these liabilities reflects these credit enhancements. *[See IFRS 13.98.]*

50 Presentation of Financial Instruments by Measurement Category

For the purposes of measurement, IFRS 9 "Financial Instruments" classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (c) financial assets at AC. Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition or subsequently. In addition, finance lease receivables form a separate category.

[Note: The following paragraph represents a short disclosure for simple entities. The full disclosure is on the following pages.]

[All of the Group's financial assets fell in the financial assets carried at AC measurement category except for financial derivatives. All of the Group's financial liabilities except for derivatives were carried at AC. Derivatives belonged to the FVTPL measurement category.]

50 Presentation of Financial Instruments by Measurement Category (Continued)

The following table provides a reconciliation of financial assets with these measurement categories as of 31 December 2022:

<i>In thousands of EUR</i>	FVTPL (manda- tory)	FVTPL (desig- nated)	Debt instru- ments at FVOCI	Equity instru- ments at FVOCI	AC	Finance lease recei- vables	Total
ASSETS							
Cash and cash equivalents							
Due from other banks							
- Short-term placements with other banks with original maturities of more than three months							
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months							
Investments in debt securities							
- [Country] government bonds							
- Municipal bonds							
- Corporate bonds							
- Investments in mutual funds							
- Promissory notes							
Investments in equity securities							
- Corporate shares							
- American depositary receipts (ADR)							
- Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>							
Loans and advances to customers							
- Standard lending							
- Specialised lending							
- Loans to sovereigns							
- Loans to sub-sovereigns							
- Loans to SME							
- Loans to leasing companies							
- Reverse sale and repurchase agreement							
- Mortgage loans							
- Consumer loans							
- Car loans							
- Credit cards							
<i>[Adjust classes as appropriate]</i>							
Repurchase receivables							
- [Country] government bonds							
- Municipal bonds							
- Corporate bonds							
- Promissory notes							
- Corporate shares							
- American depositary receipts (ADR)							
- Investments in mutual funds							
- Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>							
Other financial assets:							
- Trade receivables							
- Finance lease receivables							
- Credit and debit cards receivables							
- Settlements on conversion operations							
- Restricted cash							
- Foreign exchange forward contracts							
- Precious metals forward contracts							
- Other financial derivatives							
- <i>Other</i>							
TOTAL FINANCIAL ASSETS							

50 Presentation of Financial Instruments by Measurement Category (Continued)

The following table provides a reconciliation of financial assets with measurement categories at 31 December 2021:

	FVTPL (mandatory)	FVTPL (designated)	Debt instruments at FVOCI	Equity instruments at FVOCI	AC	Finance lease receivables	Total
<i>In thousands of EUR</i>							
ASSETS							
Cash and cash equivalents							
Due from other banks							
- Short-term placements with other banks with original maturities of more than three months							
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months							
Investments in debt securities							
- [Country] government bonds							
- Municipal bonds							
- Corporate bonds							
- Investments in mutual funds							
- Promissory notes							
Investments in equity securities							
- Corporate shares							
- American depositary receipts (ADR)							
- Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>							
Loans and advances to customers							
- Standard lending							
- Specialised lending							
- Loans to sovereigns							
- Loans to sub-sovereigns							
- Loans to SME							
- Loans to leasing companies							
- Reverse sale and repurchase agreement							
- Mortgage loans							
- Consumer loans							
- Car loans							
- Credit cards							
<i>[Adjust classes as appropriate]</i>							
Repurchase receivables							
- [Country] government bonds							
- Municipal bonds							
- Corporate bonds							
- Promissory notes							
- Corporate shares							
- American depositary receipts (ADR)							
- Investments in mutual funds							
- Global depositary receipts (GDR) <i>[Adjust classes as appropriate]</i>							
Other financial assets:							
- Trade receivables							
- Finance lease receivables							
- Credit and debit cards receivables							
- Settlements on conversion operations							
- Restricted cash							
- Foreign exchange forward contracts							
- Precious metals forward contracts							
- Other financial derivatives							
- <i>Other</i>							
TOTAL FINANCIAL ASSETS							

50 Presentation of Financial Instruments by Measurement Category (Continued)

As of 31 December 2022 and 31 December 2021, all of the Group's financial liabilities except for derivatives [, liabilities to return collateral sold or repledged and other structured funding designated at FVTPL at initial recognition (Note 24)] were carried at AC.

51 Related Party Transactions

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

At 31 December 2022, the outstanding balances with related parties were as follows: *[Include subsidiaries in the disclosure as a separate column if these are the Bank's separate financial statements.]*

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
Investments in debt securities (contractual interest rate: _____ – _____ %)							
Investments in equity securities (_____ % holding)							
Due from other banks (contractual interest rate: _____ – _____ %)							
Credit loss allowance at 31 December 2022							
Loans and advances to customers (contractual interest rate: _____ – _____ %)							
Credit loss allowance at 31 December 2022							
Repurchase receivables							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Investment in associates							
Other assets							
Non-current assets held for sale (or disposal groups)							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Due to other banks (contractual interest rate: _____ – _____							

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	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
(%)							

continued on the following page

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							

(continued)

Customer accounts (contractual
interest rate: _____ – _____
%)

Debt securities in issue
[Promissory notes]
(contractual interest rate:
_____ – _____ %)

Other borrowed funds
(contractual interest rate:
_____ – _____ %)

Provisions for liabilities and
charges

Other liabilities

Subordinated debt (contractual
interest rate: _____ – _____
%)

Liabilities directly associated
with disposal groups held for
sale (contractual interest rate:
_____ – _____ %)

["Other significant shareholders" are those with the power to participate in the financial and operating policy decisions of a group entity with which they transact, through controlling over 20% of the group entity's voting power, or otherwise.]

[Disclosure of information on balances and transactions with immediate parent is mandatory.]

[Common control is a defined term in Appendix A to IFRS 3. Common control requires existence of an ultimate controlling party (not parties in plural) and that the control is not transitory. Refer to IAS 24.18-19 for guidance on determining categories of related parties for disclosure purposes.]

51 Related Party Transactions (Continued)

The income and expense items with related parties for 2022 were as follows:

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
Interest income							
Interest expense							
Credit loss allowance							
Dividend income received							
Gains less losses from securities at FVTPL							
Gains less losses from trading in foreign currencies							
Foreign exchange translation gains less losses							
Fee and commission income							
Fee and commission expense							
Gains/(losses) on initial recognition of assets at rates above/below market							
Gains/(losses) on initial recognition of liabilities at rates below/above market							
Impairment of investment securities at FVOCI							
Provision for credit related commitments							
Other operating income							
Gains/(losses) arising from early retirement of debt							
Administrative and other operating expenses							
Share of result of associates							

[Disclose also any other information about the transactions and outstanding balances that is necessary for an understanding of the potential effect of the related party relationship on the financial statements.]

51 Related Party Transactions (Continued)

At 31 December 2022, other rights and obligations with related parties were as follows:

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
Guarantees issued by the Group at the year end							
Guarantees received by the Group at the year end							
Import letters of credit at the year end							
Export letters of credit at the year end							
Contractual commitments to purchase goods							
Contractual commitments to purchase services							
Contractual commitments to sell goods							
Contractual commitments to sell services							
Other commitments							
Other contingent obligations							

Aggregate amounts lent to and repaid by related parties during 2022 were:

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
Amounts lent to related parties during the year							
Amounts repaid by related parties during the year							

51 Related Party Transactions (Continued)

At 31 December 2021, the outstanding balances with related parties were as follows: *[Include subsidiaries in the disclosure only if these are separate financial statements of the Bank.]*

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
Investments in debt securities (contractual interest rate: _____ – _____ %)							
Investments in equity securities (_____ % holding)							
Due from other banks (contractual interest rate: _____ – _____ %)							
Credit loss allowance at 31 December 2021							
Loans and advances to customers (contractual interest rate: _____ – _____ %)							
Credit loss allowance at 31 December 2021							
Repurchase receivables							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Investment in associates							
Other assets							
Non-current assets held for sale (or disposal groups)							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Due to other banks (contractual interest rate: _____ – _____ %)							
Customer accounts (contractual interest rate: _____ – _____ %)							
Debt securities in issue [Promissory notes] (contractual interest rate: _____ – _____ %)							

continued on the following page

51 Related Party Transactions (Continued)

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
<i>(continued)</i>							
Other borrowed funds (contractual interest rate: _____ – _____ %)							
Provisions for liabilities and charges							
Other liabilities							
Subordinated debt (contractual interest rate: _____ – _____ %)							
Liabilities directly associated with disposal groups held for sale (contractual interest rate: _____ – _____ %)							

51 Related Party Transactions (Continued)

The income and expense items with related parties for 2021 were as follows:

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint ventures	Other related parties
<i>In thousands of EUR</i>							
Interest income							
Interest expense							
Credit loss allowance							
Dividend income received							
Gains less losses from securities at FVTPL							
Gains less losses from trading in foreign currencies							
Foreign exchange translation gains less losses							
Fee and commission income							
Fee and commission expense							
Gains/(losses) on initial recognition of assets at rates above/below market							
Gains/(losses) on initial recognition of liabilities at rates below/above market							
Impairment of investment securities at FVOCI							
Provision for credit related commitments							
Other operating income							
Gains/(losses) arising from early retirement of debt							
Administrative and other operating expenses							
Share of result of associates							

51 Related Party Transactions (Continued)

During 2022, the Group reacquired _____ [thousand] own shares from its related party, _____, for a total consideration of EUR _____ thousand (2021: related party _____, _____ [thousand shares] for EUR _____ thousand).

At 31 December 2021, other rights and obligations with related parties were as follows:

	Immedi- ate parent company	Other signifi- cant share- holders	[Entities under common control]	Key manage- ment personnel	Asso- ciates	Joint venture s	Other related parties
<i>In thousands of EUR</i>							
Guarantees issued by the Group at the year end							
Guarantees received by the Group at the year end							
Import letters of credit at the year end							
Export letters of credit at the year end							
Contractual commitments to purchase goods							
Contractual commitments to purchase services							
Contractual commitments to sell goods							
Contractual commitments to sell services							
Other commitments							
Other contingent obligations							

Aggregate amounts lent to and repaid by related parties during 2021 were:

	Immedi- ate parent compan y	Other signifi- cant share- holders	[Entities under commo n control]	Key manage -ment personn el	Asso- ciates	Joint venture s	Other related parties
<i>In thousands of EUR</i>							
Amounts lent to related parties during the year							
Amounts repaid by related parties during the year							

[Consider additional disclosures if the government is a related party. State the nature and amount of individually significant transactions and describe the collectively significant transactions.]

51 Related Party Transactions (Continued)

Key management compensation is presented below:

<i>In thousands of EUR</i>	2022		2021	
	Expense	Accrued liability	Expense	Accrued liability
<i>Short-term benefits:</i>				
- Salaries				
- Short-term bonuses				
- Benefits in-kind				
<i>Post-employment benefits:</i>				
- Defined benefit retirement scheme				
- State pension and social security costs				
- Termination indemnity benefits				
<i>Other long-term employee benefits:</i>				
- Long-term bonus scheme				
- Jubilee benefits				
<i>Share-based compensation:</i>				
- Cash-settled share-based compensation				
- Equity-settled share-based compensation				
<i>[These accounts do not cover all the disclosures about share-based compensation provided by the entity or its shareholders. Refer to IFRS 2 for guidance.]</i>				
Termination benefits				
Total				

Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

51 Related Party Transactions (Continued)

Commitments and contingent obligations towards key management personnel are as follows:

<i>In thousands of EUR</i>	2022	2021
<i>Post-employment benefits:</i>		
- Committed future retirement benefits not yet recognised as an expense		
- Committed future termination indemnity benefits not yet recognised as an expense		
<i>Other long-term employee benefits:</i>		
- Committed long-term bonuses to be provided in exchange for future services		
- Committed jubilee benefits not yet recognised as an expense		
<i>Share-based compensation:</i>		
- Unamortised balance of cash-settled share-based compensation obligation		
- Unamortised balance of equity-settled share-based compensation <i>[These accounts do not cover all the disclosures about share-based compensation provided by the entity or its shareholders. Refer to IFRS 2 for guidance.]</i>		
Unrecognised termination benefits entitlement in case of involuntary termination of employment		

Total commitments and contingent liabilities to key management personnel

[Note:

- A related party transaction is defined as a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Appropriate disclosures should be made even if no price is charged.*
- Where we have an emphasis of matter paragraph connected with related parties in the audit report, expanded description should be included.*
- Nature of the relationship with “other related parties” should be disclosed.*
- Consider disclosing the volume of transactions where the amounts are significant.*
- Consider disclosing in more detail individually significant and unusual transactions with related parties. If such transactions are disclosed in more detail elsewhere in the financial statements reference is necessary.*
- Profit oriented state controlled entities are not exempt from disclosing individually significant transactions with other state controlled entities.*
- Disclosure should be made of terms and conditions of the transactions. A statement that transactions are on arm’s length basis (or normal commercial terms) can only be made if it can be substantiated and there is audit evidence of that.*
- The revised IAS 24 also introduced reporting of related party commitments such as committed purchases of goods or services.]*

[Special consideration should be given to the nature of lending to the shareholders.]

As of 31 December 2022 and 2021, the Bank’s immediate [and ultimate] parent company was _____, and the Bank was ultimately controlled by Mr _____.

[The disclosure of ownership should be made here or in the related party note.]

[Tailor the above wording or include additional wording such that the Bank’s ultimate parent company is disclosed under IAS 1.126(c) and ultimate controlling party under IAS 24.12.] [If neither the entity’s parent nor the ultimate parent produces financial statements available for public use, the name of the next most senior parent that does so should be disclosed.] [Consider whether additional disclosure of shareholder structure either here or in share capital or related party footnotes may make the consolidated financial statements more meaningful.]

52 Business Combinations

On _____ 2022, the Group acquired _____% of the share capital of _____ and obtained control through its ability to cast a majority of votes in the general meeting of shareholders *[requirement is to describe how acquirer obtained control]*. The acquired subsidiary will increase the Group's penetration of its chosen retail and corporate markets and is expected to improve profitability through the economies of scale *[requirement is to disclose reason for the business combination]*.

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In thousands of EUR

Cash consideration paid
Fair value of new issued shares of the acquirer
Tangible or intangible assets of acquirer transferred
Liability for contingent consideration incurred

Total consideration transferred

Less remuneration for future services of the former owner
Less indemnification asset
Investment in the acquiree prior to the acquisition

Total purchase consideration and previously held interest in the acquiree

The investment in the acquiree at FVOCI held prior to the acquisition was remeasured to its fair value at the acquisition date and an accumulated gain of EUR _____ thousand was transferred to retained earnings directly in equity. The fair value of the new issued shares of the acquirer was determined on the basis of the closing market price of the ordinary shares on the acquisition date.

[The contingent consideration arrangement requires the Group to pay the former owners of the acquiree _____ per cent of the revenues of an unconsolidated equity investment owned by the acquiree, in excess of EUR _____ thousand for 2022, up to a maximum amount of EUR _____ thousand (undiscounted). The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between EUR _____ thousand and EUR _____ thousand. The fair value of the contingent consideration arrangement of EUR _____ thousand was estimated by applying the income approach. The fair value estimates are based on an assumed discount rate range of _____– _____ per cent and assumed probability-adjusted revenues in equity investee of EUR _____ thousand to EUR _____ thousand. As of 31 December 2022, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes or the assumptions used to develop the estimates had changed.] *[Describe terms and conditions of the contingent purchase consideration: (i) description of the arrangement and the basis for determining the amount of the payment; (ii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.]*

Acquisition related transaction costs of EUR _____ thousand were expensed as general and administrative expenses. The contractual acquisition arrangement included remuneration of EUR _____ thousand for future services of the former owner. This amount was separated and will be expensed as staff costs over a period of three years from acquisition. *[For transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3 disclose: (i) a description of each transaction; (ii) how the acquirer accounted for each transaction; (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.]*

52 Business Combinations (Continued)

The consideration paid by the Group was based on results of an external appraisal [by an internationally recognised investment bank] of the acquiree's business taken as a whole. However, in accordance with IFRS 3 "Business Combinations", the Group must account for acquisitions based on fair values of the identifiable assets acquired, and liabilities and contingent liabilities assumed. These two different approaches can lead to differences; and, as set out in the table below, recognition of [goodwill] [or the excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost ("negative goodwill")] immediately in profit or loss for the year (as 'excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of the business combination').

Details of the assets and liabilities acquired and goodwill arising are as follows:

<i>In thousands of EUR</i>	Note	Attributed fair value
Cash and cash equivalents		
Loans and advances to customers		
Other financial assets		
Other assets		
Customer accounts		
Contingent tax exposures		
Other liabilities		
<i>[expand as appropriate]</i>		
<hr/>		
Fair value of identifiable net assets of subsidiary		
Less: non-controlling interest		
Goodwill arising from the acquisition	17	
<hr/>		
Total purchase consideration and previously held interest in the acquiree		
Less: Non-cash consideration	26	
Less: Cash and cash equivalents of subsidiary acquired		
<hr/>		
Outflow of cash and cash equivalents on acquisition		

The non-controlling interest represents share in net assets of the acquiree attributable to owners of non-controlling interest. *[Alternatively: The non-controlling interest was measured at its market value. The fair value of the non-controlling interest was estimated by applying an income approach. The fair value estimates are based on: (a) an assumed discount rate range of [____–____] per cent; (b) an assumed terminal value based on a range of terminal EBITDA multiples between [____ and ____] times; (c) assumed financial multiples of companies deemed to be similar to the acquiree; and (d) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest.] [if a valuation technique was used, disclose it and the key model inputs used for determining that fair value].*

The fair values of assets and liabilities acquired are based on [discounted cash flow models]. The valuation of identifiable intangible assets was performed by an independent professional appraiser. Based on the appraisal report, the following items were included in the purchase price allocation:

- [core deposits intangibles valued at EUR ____ thousands;]
- [brand name valued at EUR ____ thousands; and]
- [proprietary software valued at EUR ____ thousands.]

The fair value of the acquired identifiable intangible assets of EUR ____ thousand is provisional pending receipt of the final valuations for those assets.

52 Business Combinations (Continued)

For each class of acquired receivables, the gross contractual amounts receivable and the best estimate of the contractual cash flows not expected to be collected are as follows:

<i>In thousands of EUR</i>	Gross contractual amounts receivable	The contractual cash flows not expected to be collected
Loans and advances to customers		
- Corporate loans		
- Loans to individuals – consumer loans		
- Loans to individuals – entrepreneurs		
- Mortgage loans		
- Reverse sale and repurchase agreements		
- State and municipal organisations <i>[Adjust classes as appropriate]</i>		
Other financial assets:		
- Trade receivables		
- Finance lease receivables		
- Credit and debit cards receivables		
- Settlements on conversion operations		
<hr/>		
Total		

Contingent tax exposures are attributable to [\[transfer pricing tax risks\]](#) and expire within [\[three\]](#) years from acquisition. Refer to Note 43. *[If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose: (i) the information required by paragraph 86 of IAS 37; and (ii) the reasons why the liability cannot be measured reliably.]*

The goodwill is primarily attributable to the profitability of the acquired business, the significant synergies and combined cost savings expected to arise. *[The requirement is to disclose description of factors that make up the goodwill.]* The goodwill will not be deductible for tax purposes in future periods.

The acquired subsidiary contributed revenue of EUR _____ thousand and profit of EUR _____ thousand to the Group for the period from the date of acquisition to 31 December 2022. If the acquisition had occurred on 1 January 2022, Group revenue for 2022 would have been EUR _____ thousand, and profit for 2022 would have been EUR _____ thousand.

53 Events after the End of the Reporting Period

COVID-19 developments. *[Please provide an update of COVID-19 related issues, such as: (i) status of the COVID-19 pandemic at the date financial statements are issued and its impact on the Group; (ii) any relief measures voluntarily implemented by the Group and government support programmes implemented prior to the date of issuing financial statements, if any, together with the potential effect on the Group; (iii) status of any restrictive measures (eg lock-down, travel restrictions, etc) together with the potential effect on the Group;]*

Russian invasion of Ukraine. *[Provide description of events and developments of the situation in Ukraine after the reporting date affecting the Group's operations]*

Dividends. Management proposed to the [\[Annual General Meeting of Shareholders\]](#) a dividend on ordinary shares in the amount of EUR _____ thousand (EUR _____ per ordinary share) and a dividend on preference shares in the amount of EUR _____ thousand (EUR _____ per preference share or _____% of the nominal value of the underlying preference shares). [\[On _____ 2023 an \[Annual General Meeting of Shareholders\] declared a dividend on ordinary shares in the amount of EUR _____ thousand \(EUR _____ per ordinary share\) and a dividend on preference shares in the amount of EUR _____ thousand \(EUR _____ per preference share or _____% of the nominal value of the underlying preference shares\).\]](#)

53 Events after the End of the Reporting Period (Continued)

Business combinations. *[If the acquisition date of a business combination is after the end of the reporting period but before the financial statements are authorised for issue, the acquirer shall disclose the information required by paragraph B64 of IFRS 3 unless the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue. In that situation, the acquirer shall describe which disclosures could not be made and the reasons why they cannot be made.]* On _____ 2023, the Group acquired _____% of the share capital of _____ and obtained control through its ability to cast a majority of votes in the general meeting of shareholders *[requirement is to describe how acquirer obtained control]*. The acquired subsidiary will increase the Group's penetration of its chosen retail and corporate markets and is expected to improve profitability through the economies of scale *[requirement is to disclose reason for the business combination]*.

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In thousands of EUR

Cash consideration paid
Fair value of new issued shares of the acquirer
Tangible or intangible assets of acquirer transferred
Liability for contingent consideration incurred

Total consideration transferred

Less remuneration for future services of the former owner
Less indemnification asset
Investment in the acquiree prior to the acquisition

Total purchase consideration and previously held interest in the acquiree

The investment in the acquiree held prior to the acquisition was remeasured to its fair value at the acquisition date, and a gain of EUR _____ thousand was recognised in gains less losses on disposal of *[associates]*. The fair value of the new issued shares of the acquirer was determined on the basis of the closing market price of the ordinary shares on the acquisition date.

[The contingent consideration arrangement requires the Group to pay the former owners of the acquiree _____ per cent of the revenues of an unconsolidated equity investment owned by the acquiree, in excess of EUR _____ thousand for 2022, up to a maximum amount of EUR _____ thousand (undiscounted). The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between EUR _____ thousand and EUR _____ thousand. The fair value of the contingent consideration arrangement of EUR _____ thousand was estimated by applying the income approach. The fair value estimates are based on an assumed discount rate range of _____– _____ per cent and assumed probability-adjusted revenues in equity investee of EUR _____ thousand to EUR _____ thousand.] *[Describe terms and conditions of the contingent purchase consideration: (i) description of the arrangement and the basis for determining the amount of the payment; (ii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.]*

Acquisition related transaction costs of EUR _____ thousand were expensed as general and administrative expenses. The contractual acquisition arrangement included remuneration of EUR _____ thousand for future services of the former owner. This amount was separated and will be expensed as staff costs over a period of three years from acquisition. *[For transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3 disclose: (i) a description of each transaction; (ii) how the acquirer accounted for each transaction; (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.]*

53 Events after the End of the Reporting Period (Continued)

The consideration paid by the Group was based on results of an external appraisal [by an internationally recognised investment bank] of the acquiree's business taken as a whole. However, in accordance with IFRS 3 "Business Combinations", the Group must account for acquisitions based on fair values of the identifiable assets acquired, and liabilities and contingent liabilities assumed. These two different approaches can lead to differences; and, as set out in the table below, recognition of [goodwill] [or the excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost ("negative goodwill") immediately in profit or loss for the year (as 'excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of the business combination')].

Details of the assets and liabilities acquired and goodwill arising are as follows:

<i>In thousands of EUR</i>	Note	Attributed fair value
Cash and cash equivalents		
Loans and advances to customers		
Other financial assets		
Other assets		
Customer accounts		
Contingent tax exposures		
Other liabilities		
<i>[expand as appropriate]</i>		
<hr/>		
Fair value of identifiable net assets of subsidiary		
Less: non-controlling interest		
Goodwill arising from the acquisition	17	
<hr/>		
Total purchase consideration and previously held interest in the acquiree		
Less: Non-cash consideration (items as disclosed above)		
Less: Cash and cash equivalents of subsidiary acquired		
<hr/>		
Outflow of cash and cash equivalents on acquisition		

The non-controlling interest represents a share in net assets of the acquiree attributable to the owners of the non-controlling interest. [The non-controlling interest was measured at its market value. The fair value of the non-controlling interest was estimated by applying an income approach. The fair value estimates are based on: (a) an assumed discount rate range of [____–____] per cent; (b) an assumed terminal value based on a range of terminal EBITDA multiples between [____ and ____] times; (c) assumed financial multiples of companies deemed to be similar to the acquiree; and (d) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest.] *[if a valuation technique was used, disclose it and the key model inputs used for determining that fair value].*

The fair values of assets and liabilities acquired are based on [discounted cash flow models]. The valuation of identifiable intangible assets was performed by an independent professional appraiser. Based on the appraisal report, the following items were included in the purchase price allocation:

- [core deposits intangibles valued at EUR ____ thousands;]
- [brand name valued at EUR ____ thousands; and]
- [proprietary software valued at EUR ____ thousands.]

The fair value of the acquired identifiable intangible assets of EUR ____ thousand is provisional pending receipt of the final valuations for those assets.

53 Events after the End of the Reporting Period (Continued)

For each class of acquired receivables, the gross contractual amounts receivable and the best estimate of the contractual cash flows not expected to be collected are as follows:

<i>In thousands of EUR</i>	Gross contractual amounts receivable	The contractual cash flows not expected to be collected
Loans and advances to customers		
- Corporate loans		
- Loans to individuals – consumer loans		
- Loans to individuals – entrepreneurs		
- Mortgage loans		
- Reverse sale and repurchase agreements		
- State and municipal organisations <i>[Adjust classes as appropriate]</i>		
Other financial assets:		
- Trade receivables		
- Finance lease receivables		
- Credit and debit cards receivables		
- Settlements on conversion operations		
<hr/>		
Total		

Contingent tax exposures are attributable to [transfer pricing tax risks] and expire within [three] years from acquisition. Refer to Note 43. *[If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose: (i) the information required by paragraph 86 of IAS 37; and (ii) the reasons why the liability cannot be measured reliably.]*

The goodwill is primarily attributable to the profitability of the acquired business, the significant synergies and combined cost savings expected to arise. *[The requirement is to disclose description of factors that make up the goodwill.]* The goodwill will not be deductible for tax purposes in future periods.

Non-current assets held for sale (or disposal groups). After the end of the reporting period, the Group reclassified assets which had a carrying value of EUR _____ thousand, to non-current assets held for sale (or disposal groups). Management approved a plan to sell _____ assets on _____ due to _____. The Group is actively marketing these assets and expects the sale to complete by _____ 2023. *[Describe facts and circumstances, expected manner and timing of that disposal]*

The reclassified assets belong to the [Retail] [Corporate] [Investment] banking segment operating in [Europe] [the United States of America].

Refinancing. *[Disclose post-balance sheet (a) refinancing of loans on a long-term basis; (b) rectification of a breach of a long-term loan agreement; and (c) the receipt from the lender of a period of grace to rectify a breach of a long-term loan agreement ending at least twelve months after the end of the reporting period. Refer to IAS 1.67.]*

Transactions with shareholders. *[Provide a description of ordinary share transactions or potential ordinary share transactions, other than those accounted for in accordance with IAS 33.64, that occur after the end of the reporting period and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period. Refer to IAS 33.70]*

[Consider descriptions of other significant subsequent events. If subsequent event is disclosed elsewhere in the notes then reference to the respective note needs to be made from the subsequent events note.]

[IAS 10.22 gives examples of non-adjusting events after the end of the reporting period that would generally result in disclosure, including abnormally large changes after the end of the reporting period in asset prices or foreign exchange rates.]

54 Abbreviations

The list of the abbreviations used in these consolidated financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
ADR	American Depository Receipt
CCF	Credit Conversion Factor
CRR	Capital Requirements Regulation
EAD	Exposure at Default
ECB	European Central Bank
ECL	Expected Credit Loss
EIR	Effective interest rate
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX, Forex	Foreign Currency Exchange
GDR	Global Depository Receipt
IFRS	International Financial Reporting Standard
IRB system	Internal Risk-Based system
L&R	Loans and Receivables
LGD	Loss Given Default
LTV	Loan to Value
NBC	National Bank of [Country]
PD	Probability of Default
POCI financial assets	Purchased or Originated Credit-Impaired financial assets
ROU asset	Right of use asset
SICR	Significant Increase in Credit Risk
SME	Small and Medium-sized Enterprises
SPPI	Solely Payments of Principal and Interest
SPPI test	Assessment whether the financial instruments' cash flows represent SPPI
<i>[adjust as appropriate]</i>	

APPENDIX A – FORMATTING INSTRUCTIONS

Ask secretaries to help you with formatting the document:

- The document's default format is font ARIAL, with font size of 10 pts for the text and 9 pts for the tables.
- Do NOT change the size of the margins.
- Do NOT change the size or width of tables, since all of them have a standard size, unless you really need to do so.
- Use the styles to format the document. You can find them at the top left of your screen, or you can copy them using the brush.
- Do NOT add page numbers manually in the Table of Contents. We have an automated Table of Contents. There are two ways to update it, depending on if only the page number has changed or if the notes' titles have changed also. In the first case, click on the table with the right button of the mouse, then click on "Update fields" and on "Update page number only". In the second case, click on "Update the entire table" at the last step – you might have to do a little bit of formatting in this case to have all the Notes aligned.
- When printing a portion of your document, you may save time by specifying what you want to print, for example, section 3 only (see help topic in "Print" window).
- Use the command "Replace" to change all "ABC BANK GROUP" for the name of your client ("Edit", "Replace", then specify your needs, or use "CTRL+H").
- Do not use the function "replace all" for changing "Group" to "Bank" – we are often ending up with phrases like "This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank, or national or local economic conditions that correlate with defaults on assets in the Bank."
- Note that all comments in brackets or written in Italic font should be removed or included as appropriate.

Applicable version of IFRS standards

These pro forma financial statements are based on IFRS, effective for the financial statements covering reporting year ending 31 December 2022. Early adoption of the standards or interpretations listed in Note 6 is not assumed.

First-time adoption note

These illustrative financial statements are for an existing preparer. A first-time adopter would have to replace Note 5 with IFRS 1 disclosures.

Disclaimer and key events or transactions that are not covered

These pro forma financial statements are not a substitute for reading the Standards and Interpretations themselves or for professional judgement as to fairness of presentation. They do not cover, for example:

- Hedge accounting;
- Discontinued operations;
- Embedded derivatives;
- Defined benefit plans;
- Share-based payments;
- Joint arrangements;
- Presentation of financial statements of companies with puttable shares;

and other possible disclosures required by IFRS. Depending on the circumstances, further specific information may be required in order to ensure fair presentation under IFRS and we recommend that reference is made to separate publications:

- IFRS Disclosure Checklist (available as an electronic package and as a document);
- IFRS Illustrative Bank Financial Statements;
- IFRS Illustrative Corporate Financial Statements;
- IFRS Illustrative Financial Statements – Investment Funds;
- Illustrative Consolidated Financial Statements – Investment Property;
- IFRS Illustrative Consolidated Financial Statements – Insurance.

Use of these pro forma financial statements does not exempt from completion of the IFRS disclosure checklist.

APPENDIX C – LONG VERSION OF INVESTMENT PROPERTY ACCOUNTING POLICY

Investment property. Investment property is property held by the Group to earn rental income or for capital appreciation, or both, and is not occupied by the Group.

[Include if applicable:] [Land held under a lease is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.] *[Include policy for leases here if not separately included.]*

[Tailor to reflect the actual sources used by the Group/their external valuer:] Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period. Fair value of investment property is the price at which the property could be sold in an orderly transaction in the principal market. An orderly transaction is not a forced transaction or a distress sale. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. In the absence of current prices in an active market, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

*[If, in exceptional cases, there is clear evidence when the Group first acquires an investment property (or when an existing property first becomes investment property following a change in use) that the fair value of the investment property is not reliably determinable on a continuing basis, then the Group measures that investment property using the cost model in IAS 16 *[expand further if the Group has had to apply this rule].**

If investment properties are material, refer to this long version for illustrative extended accounting policy.

Investment properties. The fair value of the Group's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification, and who have had recent experience of the valuation of property in similar locations and of similar category. *[If the valuation is done by the entity's staff, amend wording accordingly and disclose that professional valuers were not involved – see IAS 40.75(e).]*

[If a valuation obtained for a property is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.]

[Investment property that is being developed or redeveloped for use as investment property is also measured at fair value.]

Earned rental income is recorded in profit or loss for the year within *[other operating income]*. Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately. *[Gains or losses on disposal of investment property are calculated as proceeds less carrying amount. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss for the year within net gain from fair value adjustment on investment property.]*

[In certain circumstances the Group may dispose of a property other than at fair value, such as when there are special terms or circumstances allowing the parties to the transaction to obtain a benefit which would not generally be available to other market participants. In such circumstances, the carrying value immediately prior to the sale is adjusted to the estimated fair value at the disposal date, and any difference between proceeds and the carrying amount is recorded separately in profit or loss for the year within realised gains or losses on disposal of the investment property.]

APPENDIX C – LONG VERSION OF INVESTMENT PROPERTY ACCOUNTING POLICY

[If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its deemed cost for accounting purposes.]

[If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss for the year to the extent that it reverses a previous credit loss, with any remaining increase credited directly to other comprehensive income. Any resulting decrease in the carrying amount of the property is initially charged against any revaluation surplus previously recognised in other comprehensive income, with any remaining decrease charged to profit or loss for the year.]

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

[Alternative policy – cost model: Investment properties are stated at cost less accumulated depreciation and provision for impairment, where required. If any indication exists that investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs to sell. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. A credit loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to premises and equipment.

FAQ index by standard (Reference)

IFRS 9 – Financial Instruments

FAQ 3.1.1 – How will factoring or other sales of trade receivables be impacted by COVID-19? (IFRS 9)

FAQ 3.1.2 – How should a bank and a borrower account for a loan repayment holiday imposed by law? (IFRS 9)

FAQ 3.1.3 – What is the accounting treatment of a loan repayment holiday negotiated between a bank and a borrower? (IFRS 9)

FAQ 3.1.4 – When is a new loan granted to an existing borrower, in substance, a payment holiday on the original loan? (IFRS 9)

FAQ 3.1.5 – New loans granted to defaulted debtors (IFRS 9)

FAQ 3.1.6 – How to account for financial support arrangements put in place by central banks in response to COVID-19 (IFRS 9)

FAQ 3.1.7 – Monetary items forming part of the net investment in a foreign operation (IFRS 9)

FAQ 3.2.1 – Impact of COVID-19 payment holidays on ECL staging (IFRS 9)

FAQ 3.2.2 – How should modified loans, such as loans subject to ‘forbearance’, be classified within the IFRS 9 expected credit loss (‘ECL’) impairment model? (IFRS 9)

FAQ 3.2.3 – In the context of COVID-19 and ECL, what information is ‘reasonable and supportable’? (IFRS 9)

FAQ 3.2.4 – Example of a provision matrix for corporates in a COVID-19 environment (IFRS 9)

FAQ 3.2.5 – Impact of price concessions on expected credit losses of trade receivables (IFRS 9)

FAQ 3.2.6 – Cash collateral held for trade receivables or lease receivables: recognition and impact on measurement of ECL (IFRS 9)

FAQ 3.2.7 – To what extent should additional COVID-19 related information after the reporting date be included in the ECL estimate? (IFRS 9)

FAQ 3.2.8 – Aligning the definition of default: Regulatory versus Accounting (IFRS 9)

FAQ 3.2.9 – Possible revisions to ECL estimates required in a downturn (IFRS 9)

FAQ 3.2.10 – How should an entity account for changes to the cash flows on a debt instrument measured at amortised cost or fair value through other comprehensive income (FVOCI)? (IFRS 9)

FAQ 3.2.11 – Impact of prepayments on lifetime probability of default for SICR assessments (IFRS 9)

FAQ 3.2.12 – Inclusion of cash flows expected from the sale on default of a loan in the measurement of expected credit losses (ECL) (IFRS 9)

FAQ 3.2.13 – Should borrower pre-payment options be taken into account when determining the period over which to measure expected credit losses (ECL) (IFRS 9)

FAQ 3.2.14 – What discount rate should be used when measuring ECL for credit cards and other similar products? (IFRS 9)

FAQ 3.2.15 – Factors to consider in relation to ‘days past due’ for IFRS 9 ECL where a loan has been granted a payment holiday (IFRS 9)

FAQ 3.2.16 – Staging of loans where a significant increase in credit risk has occurred that cannot be identified individually or that is based on shared credit risk characteristics (IFRS 9)

FAQ 3.2.3.4 – To what extent should additional COVID-19 related information after the reporting date be included in the ECL estimate? (IFRS 9)

FAQ 3.3.1 – How do floors in variable-rate loans affect the application of cash flow hedge accounting (IFRS 9)? (IFRS 9)

APPENDIX D – ACCOUNTING IMPLICATIONS OF THE EFFECTS OF CORONAVIRUS

FAQ 3.3.2 – What factors should be considered in assessing the 'highly probable' criterion for cash flow hedges of forecast purchases or sales in light of disruptions to the supply chain or sales process as a result of COVID-19 (IFRS 9)? (IFRS 9)

FAQ 3.3.3 – Hedge accounting and payment holidays (IFRS 9)

FAQ 3.3.4 – Recoverability test for hedging reserves (IFRS 9)

FAQ 3.3.5 – Fair value hedge accounting and debt modifications (IFRS 9) (IFRS 9)

FAQ 3.5.1 – How is the accounting for supplier finance arrangements impacted by COVID-19? (IFRS 9)

FAQ 4.3 – Impairment of lease receivables (IFRS 16, IFRS 9)

FAQ 4.5 – Should a lessor in an operating lease continue to recognise lease income when its collectability is uncertain due to COVID-19? (IFRS 16, IFRS 9)

IFRS 13 – Fair value measurement

FAQ 2.6.1 – Impact of COVID-19 on investment property valuation (IFRS 13, IAS 40)

FAQ 2.6.2 – Uncertainties in cash flows and change in valuation technique for level 3 fair value measurement (IFRS 13)

FAQ 2.6.3 – Additional considerations for discount rates used in Level 3 fair value measurements (IFRS 13)

FAQ 2.6.4 – 'Determining fair value where an entity might be forced to liquidate assets' (IFRS 13)

FAQ 3.8.1 – Determining whether a market is still active in a period of market disruption (IFRS 13)

FAQ 3.8.2 – Assessing prices in inactive markets (IFRS 13)

FAQ 3.8.3 – Determining whether transactions are orderly (IFRS 13)

FAQ 3.8.4 – Adjustments to the quoted price in an active market (IFRS 13)

FAQ 3.8.5 – Delays in the availability of information (IFRS 13)

FAQ 3.8.6 – Post market closure events (IFRS 13)

FAQ 3.8.7 – Uncertainties in cash flow fair value measurement of financial instruments (IFRS 13)

FAQ 3.8.8 – Should possible future modifications be considered when determining the fair value of a debt instrument? (IFRS 13)

FAQ 3.8.9 – Consideration of fair value where an entity has breached a debt covenant (IFRS 13)

FAQ 8.2.3 – Adjusting events affecting remeasurement/impairment calculations related to assets with a measurement basis of fair value (IAS 10, IAS 36, IFRS 13)

FAQ 3.11.1 – What is a 'significant' or 'prolonged' decline in fair value below cost? (IFRS 13)

IFRS 15 – Revenue from contracts with customers

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