

GUIDELINE FOR COMPILING THE BALANCE SHEET OF A SAVINGS AND LOAN ASSOCIATION

Assets

1. Cash

This item records the cash on hand and equivalents like cash cheques and other funds similar to cash that are held by the savings and loan association. This does not record the cash and cash equivalents of clients that has been given to a savings and loan association acting as a payment institution in connection with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act. These funds are recorded under asset item 4 "Funds of payment service clients" of the balance sheet.

Foreign currencies are recorded at the daily exchange rate of the European Central Bank on the balance sheet date. Profit or loss resulting from revaluation because of changes in the exchange rate is recorded under income statement item 7 "Net profit or loss from financial transactions".

2. Claims on the central bank

This item reflects deposits at the central bank and other claims on the central bank. This does not record the money of clients that has been given to a savings and loan association acting as a payment institution in connection with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act and that is held at the central bank. These funds are recorded under asset item 4 "Funds of payment service clients" of the balance sheet.

3. Claims on credit institutions

This item reflects deposits at credit institutions and other claims on credit institutions. This does not record the money of clients that has been given to a savings and loan association acting as a payment institution in connection with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act and that is held at credit institutions. These funds are recorded under asset item 4 "Funds of payment service clients" of the balance sheet.

3.1. Demand deposits

This item reflects overdraft accounts and overnight deposits at credit institutions.

3.2. Fixed-term deposits

3.3. Other claims

This item reflects all other claims on credit institutions that are not recorded in items 3.1 and 3.2, including collateral deposits, loans to other credit institutions, reverse repo agreements and similar transactions, such as buy/sellback agreements and securities lending agreements.

Reverse repo agreements are recorded in the same way as lending. Securities are recorded on the balance sheet of the seller, or borrower, whether or not ownership of the security is transferred to the buyer, or lender. If the buyer of the security has a contractual right to sell the security on, and uses that right, they are subject to the liability to the seller expressed in the security.

If the purchase and resale prices in a reverse repo agreement are different, the difference between the purchase and resale prices is distributed over the periods of the duration of the contract and is reflected in item 1 "Interest income" of the income statement and item 12 "Accruals and prepaid expenses of future periods" in the balance sheet.

A transaction in which the buyer is not obliged to sell back the securities purchased for the agreed price, but has the right to do so, is recorded by the lender as a reverse repo agreement as long as it is probable that the buyer will exercise this right. If it is likely that the buyer will not exercise this right, the reverse repo agreement becomes a security purchase transaction.

Transactions similar to reverse repos, such as securities buy/sellback agreements and securities lending agreements, are accounted for in the same way as reverse repos.

4. Funds of payment service clients

This item records the assets of clients and the property acquired using those assets that have been given to a savings and loan association acting as a payment institution in connection with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act. If the savings and loan association does not have an operating authorisation as a payment institution, the value is zero (zero).

5. Claims on clients

This item records claims on clients who are not credit institutions in the form of deposits invested, loans granted, and reverse repo agreements and similar transactions such as buy/sell back agreements and securities lending agreements. The item does not reflect investment in the securities of clients or claims that arise from consultation or the provision of other services. Those claims are recorded and the asset item 7 "Securities" on the balance sheet, and 12 "Accruals and prepaid expenses for future periods".

This item reflects the claims on and loans to clients until they are written off the balance sheet, even if some of them have been translated into an expense as doubtful receivables. Doubtful receivables and loans entered as expenses are recorded and the asset item 6 "Doubtful receivables" with a minus sign.

5.A. of which overdrafts

This item records the overdrafts and overnight loans issued by the savings and loan association to its clients. The difference between the credit line that is open and the overdraft credits taken from it is recorded as an off-balance-sheet liability.

5.B. of which loans secured with a mortgage

This item records the loans issued by the savings and loan association to its clients that are backed by a mortgage.

5.C. of which loans to complete payment transactions

This item also records loans given by savings and loan association operating as a payment institution to its clients to complete payment transactions in the sense of §3(1)4) of the Payment Institutions and E-money Institutions Act. If the savings and loan association does not have an operating authorisation as a payment institution, the value is zero (zero).

5.1. Claims on other financial institutions

This item records claims on financial institutions that are not monetary financial institutions, insurers, investment funds or pension funds.

6. Doubtful receivables (minus sign)

This item reflects write-downs of loans and other claims issued by the savings and loan association.

Write-downs of loans and other claims that are doubtful are recorded under income statement item 10 "Change in the value of off-balance-sheet claims and liabilities".

6.1. Doubtful receivables from credit institutions

This item reflects write-downs of claims submitted under the asset item 3 "Claims on credit institutions".

6.2. Doubtful receivables from clients

This item reflects write-downs of claims submitted under the asset item 5 "Claims on clients".

6.3. Other doubtful receivables

This item records write-downs of all of the claims that are not reflected under asset items 6.1 and 6.2.or

7. Securities

This item records all the securities of the savings and loan association and its securities sold, or lent, under repo agreements, including sale/repurchase of securities, securities lending agreements and other similar transactions. This item does not record the securities acquired using the assets of clients that have been given to a savings and loan association acting as a payment institution in connection with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act. Those securities are recorded under asset item 4 "Funds of payment service clients" of the balance sheet.

Securities are accounted for on the transaction date or the value date depending on the accounting methods employed by the reporting savings and loan association. If the reporting savings and loan association uses the value date method for recording securities, the item also records advance payments for securities.

The item does not record securities acquired under reverse repo transactions like buy/sellback agreements, securities lending agreements and other similar transactions, even though the ownership rights of those securities may be held by the reporting savings and loan association. Those securities are recorded on the balance sheet of the seller, or lender, of the securities.

The item does not record bonds issued by the savings and loan associations that have been repurchased before maturity. Repurchase bonds issued by the savings and loan association are recorded as a reduction in liabilities item 6.1 "Bonds issued".

Profit or loss resulting from revaluation of securities acquired for trading or resale is recorded under income statement item 7 "Net profit or loss from financial transactions".

Profit or loss resulting from revaluation of securities held for long term is recorded under income statement item 11 "Change in the value of long-term financial investment".

Profit or loss from subsidiaries or associated enterprises calculated using the capital share method it is recorded under the income statement item 4 "Net profit or loss from financial investment".

Profit or loss from the revaluation of short-term participation in those subsidiaries or associated enterprises that has been acquired for resale within 12 months of the date of acquisition as recorded under income statement item 7 "Net profit or loss from financial transactions".

7.A. of which repo transactions

For repo transactions, securities that are sold are recorded on the balance sheet of the reporting savings and loan association as the borrower, whether or not ownership of the security is transferred to the buyer, or lender. this item also records securities sold or a with an obligation to repurchase.

7.1. Bonds and other fixed-income securities

This item records bonds and other fixed-income securities such as money market instruments, interest-earning units and preferred shares, and other tradable rights that give the right to acquire such bonds and securities.

7.2. Shares and units

7.2.1. Shares and units of subsidiaries

This item records the participation in subsidiaries that has not been acquired for resale, and subscription rights and other tradable rights that give the right to acquire the shares and units of the subsidiary. Participation in subsidiaries that has been acquired for resale within 12 months of the date of purchase is recorded under asset item 7.2.3 "Other shares and units".

7.2.2. Shares and units of associated enterprises

This item records the participation in associated enterprises that has not been acquired for resale, and subscription rights and other tradable rights that give the right to acquire the shares and units of the associated enterprise. Participation in associated enterprises that has been acquired for resale within 12 months of the date of purchase is recorded under asset item 7.2.3 "Other shares and units".

7.2.3. Other shares and units

This item records other shares and units, subscription rights and other tradable rights that give the right to acquire those shares and units, investment fund units except interest-earning units, and securities holding certificates that are not recorded under asset items 7.1, 7.2.1 or 7.2.2.

7.3. Derivative securities

This item records the derivatives acquired by the savings and loan association that have a positive market value.

8. Intangible fixed assets

This item records the outstanding value of the intangible fixed assets of the savings and loan association. A loss on intangible fixed assets is recorded under income statement item 9 "Change in the value of real estate investments and tangible and intangible fixed assets".

This item also records advance payments for intangible fixed assets.

9. Tangible fixed assets

This item records the outstanding value of the tangible fixed assets of the savings and loan association. A loss on tangible fixed assets is recorded under income statement item 9 "Change in the value of real estate investments and tangible and intangible fixed assets".

This item also records advance payments for tangible fixed assets.

10. Real estate investment

This item records the real estate property as land, buildings or parts of buildings, or both that are owned by the savings and loan association or are leased under a capital lease, and that the savings and loan association holds primarily to earn rental income from, or for the increase in value, or for both these reasons.

If the real estate investment is assessed using the fair-value method, the profit or loss from the change in value of the real estate investment is recorded under the income statement item 12 "the operating income" and 13 "Other operating expenses".

If the acquisition cost method is used, the real estate investments are recorded at their residual value. A loss and write-down on real estate investment is recorded under income statement item 9 "Change in the value of real estate investments and tangible and intangible fixed assets".

11. Other assets

This item records:

- payments in progress, such as payment orders relating to claims and interbank settlements;
- tangible and intangible fixed assets for sale;
- dividend claims;

- movable property for which there is no balance sheet item;
- clarification of amounts.

12. Accruals and prepaid expenses for future periods

This item records:

- interest claims and interest-type claims;
- option premiums not received;
- accruals that arise from the provision of services by the savings and loan association;
- accruals that come from financial investment;
- other accruals;
- pre-payment of taxes;
- other prepaid expenses for future periods.

Advance payments include payments for future periods paid in advance by the balance sheet day, such as insurance payments and advance rent payments. Advance payments of expenses in future periods are not brought under the expenses of the reporting period.

_____ Liabilities and equity capital _____

1. Liabilities to the central bank

This item records all liabilities to the central bank.

2. Liabilities to credit institutions

This item records all debts to credit institutions, including collateral deposits, loans from credit institutions, repo agreements including sale/repurchase of securities and securities lending agreements, and other transactions similar to loans.

Repo agreements are recorded in the same way as borrowing. Securities are recorded on the balance sheet of the seller, or borrower, whether or not ownership of the security is transferred to the buyer, or lender.

If the sale and repurchase prices in a repo transaction are different, the difference between the sale and repurchase prices is distributed over the periods of the duration of the contract and is reflected in item 2 "Interest income" of the income statement and item 8 "Accruals and prepaid expenses of future periods" in the balance sheet.

A transaction in which the buyer is not obliged to sell back the securities purchased for the agreed price, but has the right to do so, is recorded by the lender as a repo transaction as long as it is probable that the buyer will exercise this right. If it is likely that the buyer will not exercise this right, the repo transaction becomes a security sale transaction.

Transactions that are similar to repo transactions are recorded in the same way as repo transactions.

3. Liabilities to clients

This item records the deposits and loans of clients who are not credit institutions. This item does not record client assets and the liabilities arising from assets acquired using those assets that a savings and loan association acting as a payment institution bears in connection with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act. Those debts are recorded under liability item 4 "Liabilities to clients of payment services" in the balance sheet.

3.2. Liabilities to other financial institutions

This item records debts to financial institutions that are not monetary financial institutions, insurers, investment funds or pension funds.

4. Liabilities to clients of payment services

This item records client assets and the liabilities arising from assets acquired using those assets that a savings and loan association acting as a payment institution bears in connection

with the provision of payment services as listed in §3(1) of the Payment Institutions and E-Money Institutions Act. If the savings and loan association does not have an operating authorisation as a payment institution, the value is zero (zero).

5. Loan resource for specific purposes

This is a resource that has been allocated to a savings and loan association for re-lending to a specific target group and/or under pre-determined conditions.

6. Securities obligations

This item records the financial liabilities of the reporting savings and loan association that are expressed as securities. It does not cover those liabilities that are recorded under balance sheet liability item 10 "Subordinated liabilities".

Profit or loss resulting from revaluation of derivatives or other securities liabilities is recorded under income statement item 7 "Net profit or loss from financial transactions".

6.1. Bonds issued

This item records the bonds and other tradable rights that give the right to acquire them and that have been issued by the savings and loan association. It also records promissory notes issued by the savings and loan association to cover its liabilities.

Bonds repurchased before maturity are recorded as a reduction in this item. The difference between the value and the acquisition cost is recorded under income statement item 2 "Interest expenses".

6.2. Derivative securities

This item records the derivatives acquired by the savings and loan association that have a negative market value.

6.3. Other securities liabilities

This item records other liabilities of the savings and loan association that are expressed as securities, such as liabilities that arise from the sale of securities acquired during reverse repo transactions, including buy/sell back of securities, securities lending agreements and other similar transactions.

7. Other liabilities

This item records:

- payments in progress, such as claims relating to payment orders and settlements;
- dividend liabilities.

8. Accruals and income collected in advance for future periods

This item records:

- interest liabilities and interest-type liabilities;
- option premiums not paid;
- liabilities to employees, including holiday pay liabilities;
- liabilities to vendors;
- liabilities arising from bonds issued;
- tax and arrears liabilities;
- other arrears;
- other prepaid income for future periods.

Advance payments include payments for future periods paid in advance by the balance sheet day, such as advance monthly rent payments. Advance payments of income in future periods are not brought under the income of the reporting period.

9. Provisions

9.1. Short-term provisions

This item shows liabilities with uncertain timing or amount that will be realised in the coming 12 months.

9.2. Long-term provisions

This item shows liabilities with uncertain timing or amount that will probably be realised after more than 12 months.

10. Subordinated liabilities

This item records the liabilities of the savings and loan association that will be settled after the justified claims of other debt holders in the event of the savings and loan association closing or being declared bankrupt.

12. Equity capital

This item records the nominal value of shares issued.

13. Premium rate (agio)

This item records the amounts received when shares of the savings and loan association are issued at above the nominal value, the difference between the acquisition cost of shares and the sale price when the savings and loan association sells its own shares, and the difference between the acquisition cost and the nominal value of the shares, from which the direct costs related to share transactions have been deducted, when the savings and loan association cancels its own shares.

14. Reserve requirement

This item records the reserve requirement set in §24 of the Savings and Loan Association Act.

15. Other reserves

This item records the other reserves that are required by law or the articles of association to be counted against profit.

16. Undistributed profit or loss from previous years

This item records the undistributed profit or loss from previous years.

17. Profit or loss for the financial year

This item records the profit or loss of the current financial year.

18. Own shares (minus sign)

This item records the repurchases of its own shares by the reporting savings and loan association at acquisition cost with a minus sign.