

Cashflow Identification Service (CIS)

The Classification of Financial Instruments According to the IFRS 9

The International Finance Reporting Standards 9 (IFRS 9) is designed to make evaluation procedures, risk provisions and hedging transactions more transparent.

As a principle-based standard, the IFRS 9 is going to replace the IAS 39 rule-based standard. The International Accounting Standards Board has decided that the new standard will be applied for the first time on 1 January 2015, but also permitted an earlier application.

In a first step, the financial instruments are evaluated and classified in respect of their:

- fair value (FV) and
- amortised cost (AC)

by taking their contractual cash flow characteristics (CCC) into consideration.

1. With focus on the IFRS 9 regulations, WM Datenservice has developed CIS to support the banks in their evaluation of the contractual cash flow characteristics (CCC).

To secure the high usability level of its database for the automated classification of financial instruments, WM Datenservice maintains close ties to auditing companies and customers.

The WM solution allows valuing the financial instruments according to approx. 100 cash flow criteria and features within the WM database and classifying the capital (share capital / outside capital). The cash flow characteristics are programmed on the basis of the regulations and evaluated automatically. The quintessence of the process is that the customer is provided with a consolidated final result which delivers an overview

of the indicators used for the fair value classification and explanatory remarks on the evaluation itself.

The process is updated on a daily basis which again allows a permanent valuation of new issues in accordance with IFRS 9.

2. Our IFRS-solution is complemented by our online application which allows a user to immediately retrieve data on individual securities and to gain access to classification details and evaluation criteria on request.

Besides giving access to a congruent database, a further advantage of this unified classification system is that it makes the evaluation process more cost and time efficient by making individual manual evaluations obsolete.

WKN/ISIN	Ranking
Description	Ranking in the Case of Securitisation
Original Issuer Number	Risk Assets
Current Issuer Number	Securities Type
Settlement Currency	Interest and Dividend Payment Particularities
Multiple Currency Option Deadline	Interest Accrual Particularities
Multiple Currency Deadline Calculation	Deviating Interest Period/Div. Entitlement ID
Warrant Segmentation	Option Right Type
Product Type	New Shares
Securities Character Identifier	Tax/Withholding Tax Type
Product Type	Application of the Investment Tax Act
Product Category	Multiplier
Instrument Type	Interest Period Type
Instrument Type, Addendum 1	Interest Rate Identifier
Instrument Type, Addendum 2	Interest Rate Linkage
Instrument Type, Addendum 3	Linkage Term Type
Instrument Type, Addendum 4	Linkage Term Number
BISTA Issuer Category	Interbank Offered Rate Spread
Redemption Type	Interest Rate Linkage in %
Planned Amortisation	Interest Rate Linkage WKN
Effective Amortisation	Day Count Basis
Tax Type	Interest Payment Period
Multiple Currency	Type of Repurchase Option
Interest Rate Type	Redemption Price
Dependency of the Interest/Dividend Amount	Call Option Type
Duration of the Interest Period	Put Option Type
Complexity Identifier	Special Call Type
Call Option Type	Special Call Price
End of Interest Computation	Conversion or Option Terms
Amount of Interest Computation Units	Currency Selection in the Case of Payments
Unit of the Interest Computation Period	Interest Period
Interest Computation Method	Conversion/Pool Factor
Planned Amortisation	Interest Rate Linkage
Effective Amortisation	Redemption Price

Description / Information	Characteristic
ISIN	DE000A1K0P7X
Description	ABAG Aktienmarkt Beteil. AG Wandelschuld v. 11(16)
Capital Classification as per IFRS 9	FK = Outside Capital
CCC-Classification as per IFRS 9	FV – Fair Value from 1 Aug. 2011 to 30 Jun. 2015 AC – Amortised Cost from 1 Jul. 2015 to 31 Jul. 2015

