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Ensuring the "True and Fair View Principle" of Banks' Financial Statements after the Introduction of the Application of IFRS: The Case of Greece.

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Abstract:

In a highly volatile economic environment, like the one we are facing nowadays, there is a need, increasing day by day, for adequate and reliable information from companies of all economic sectors, in a way that everyone would be able to extract the maximum true and fair conclusions. However, emphasis is given to the banking sector, and that's because banks are considered as the cornerstone of the financial support system especially in periods that economies collapsing.

The present survey examines IFRS requirements, on how significant disclosures should appear adequately in financial reporting. The survey based on the analysis of financial figures combined with: the application of the Standards and requirements of the basic accounting principle of "true and fair view". Specifically:

- *Transactions effects and events, that are treated based on specific IFRS , are isolated and approximated using an analysis that starts from the overall picture and conclude in analysis of specific transactions.*
- *Findings and effects of transactions that led to banks financial figures, are collected and evaluated based on specific order (major influence on Bank's net position).*
- *In order to try to assess the financial information's level provided, compared with the disclosure requirements of IFRS for certain transactions and events, the financial statements of Athens Stock Exchange publicly listed Banks for the year 2009 are studied. The survey mainly focusing on events that have significant impact on the assets shown in the Financial Statements of Banks (Balance Sheet, P&L, changes in equity, cash flow) and data taken by key financial indicators as conditions. Survey's main conclusion is that the level of information provided in the published financial statements is constantly improving and tends to reflect adequately Bank's "true and fair view" without yet having reached the desired level.*

Also the survey showed that the incomplete quote mandatory disclosures set by IFRS tend to be bound by a limited number of banks. The weaknesses which have been

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properly identified classified and analyzed their impact on quality information, while emphasizing the decisive role of regulators in the development of quality of information that will contribute decisively to the emergence of financial position and operations results, as dictated the basic accounting principle and the needs of today's world economy.

Key Words: *Banks Financial Statements, IFRS application in Greek banks, True and Fair View Principle*

JEL Classification: *M41*

1. Introduction

In a highly volatile economic environment, like the one we are facing nowadays, there is a need, increasing day by day, for adequate and reliable information from companies of all economic sectors, in a way that everyone would be able to extract the maximum true and fair conclusions. However, emphasis is given to the banking sector, and that's because banks are considered as the cornerstone of the financial support system especially in periods that economies collapsing, like nowadays. Businesses face the problem of sustainability rather than inconsistency in standard operations and practices. An important issue critical in making appropriate decisions of financial/ investing content (and not only) is the production and disclosure of reliable information to the user's which must be provided (offered) by every business sector of the economy (Choi and Meek, 2010).

Views and opinions of professional and scientific Unions and Associations concerning the "true financial position," "more appropriately defined outcomes ',' full disclosure ',' required disclosures, etc., are timely and widespread these days, while the relatively recent introduction and application of IFRS in the world demonstrates the need for adjusting these positions and views (Alkafagi, 2010). The present study focuses on this subject examining the degree of adequacy of the provided financial reporting on significant disclosures required by International Financial Reporting Standards. The survey is based on an analysis of the financial figures in conjunction with application of these Standards and in light of the basic accounting principle of "fair view".

2. The Proper Meaning of "Fair View"

Financial statements should provide essential information to any interested user of financial information in order to be able to extract a reliable and true picture relevant to the financial position of its company. The international mandatory application of IFRS is a practical demonstration of the latest effort to ensure quality

information. The overriding purpose of the application of IFRS is to ensure the implementation of the "fair view" of business on the property structure, financial position and profit or loss. In particular, the principle is that the basic objective of financial statements is to show very clearly the "fair view" of the asset structure, financial position and profit or loss (MacKenzie, 2010).

In particular, the principle of fair view requires:

a) The balance sheet includes all assets and liabilities, the company had at the time of the balance sheet. We should not, ie the balance sheet includes fewer or more assets and liabilities than the company possess in reality. Also, that the funds in the account "income" actually incurred under the generally accepted accounting principles.
b) The balance of the funds generated by true and accurate quantities after specific valuation in accordance with the provisions laid down by law.
c) The aggregate balance of the funds came from aggregating uniform homogenous sub-funds.
d) The funds are properly called, ie the titles of the bills reflect the true content.
e) The assets shown in the balance sheet based on the degree of liquidation, while the liabilities according to their degree of maturity, in order to result from the balance sheet the financial position of the company.

The true picture under the light of other accounting principles does not coincide with objective truth because in some cases basic deviations from this principle appear. Thus, the rules for valuing assets are governed by the principle of prudence and do not reflect the true value of things (fixed assets at historical cost, the inventories at the lower price between purchase price and current price, etc). From the foregoing discussion it comes up that this principle establishes the absolute but not the actual picture that emerges on the basis of generally accepted accounting principles. So this principle is subordinate to the principle of prudence and the going concern principle.

In Greece, the annotated principle of "fair view" is a fundamental principle, since the provision of Article 42a § 3 Law 2190/1920 states that:

a) If the provisions of law governing the preparation of financial statements are not sufficient for showing a fair view, any additional information necessary to achieve this goal is provided.
b) If, in exceptional cases, the application of a provision of law governing the preparation of financial statements is inconsistent with the principle of "fair value", the fair value should be provided.
c) Any such departures disclosed in the notes along with the reasons and information on its effects on the asset structure, of a financial position and results of the company.

3. Scope of the Study

This study analyzes the impact of International Financial Reporting on the financial figures of publicly listed banks in the Athens Stock Exchange. It also examines the degree of adequacy of the provided financial information for specific disclosures required by IFRS. The study is based in the analysis of financial figures in relation to the implementation of certain standards, which affect the banks.

In each section of research, an attempt is made to isolate the influence of transactions and events that are addressed under specific IFRS. To approximate the effects, we used the analysis of specific transactions. Using this way, we try to draw conclusions on the combined effects of these transactions in the financial figures of banks. In addition, the review all the financial statements of listed companies in the ASE listed banks for the year 2009, trying to assess the level of financial information provided in connection with the disclosure requirements of IFRS for certain transactions and events. More specifically, we examined:

• Changes in key financial figures of banks for the years 2008-2009. Specifically:

1. In the balance sheet part, we studied the main changes compared to the previous year, in order to illustrate the overall picture of the state of financial figures.
2. The most important items of assets and liabilities for the financial periods of 2008-2009 were considered, as well as the balance between long-term and short-term components.
3. The structure of the equity of the banks for the respective years were examined and displayed, and also these changes were presented.
4. The fundamentals of the Income Statement for 2008-2009 were studied and their movements analyzed.
5. The fundamentals of Cash Flow statements for 2008-2009 were examined and analyzes in the changes between the two financial years. We also studied the method used by banks to present the Statement of Cash Flows (direct or indirect method).
6. Alternatively, key financial indicators for the use of a more profound analysis of the changes and effects were considered.

• The effects of the implementation of specific standards in financial terms, and the adequacy of disclosures of specific standards in banks financial statements.

Specifically:

1. Examination in accordance with the requirements of IFRS 2, the effect of the income and the adequacy of disclosures that banks quote in their financial statements.
2. According to the requirements of IFRS 3 and IAS 36 the effect of goodwill on acquisitions in the banking sector in the balance sheet of banks, and the information disclosed by banks in the acquisition of subsidiaries or associates of banks were

examined. Also, the depreciation of goodwill, the effect of the damages, the results and the adequacy of the disclosures were examined.

3. The held for sale and the assets and liabilities associated with them were studied, and the effect on the results of functional classification as discontinued operations. At the same time the proposed scrutiny of the adequacy of disclosures that banks quote in the Financial Statements according to IFRS5.

4. Pursuant to the requirements of IFRS 7, the requirements that banks have presented as delayed but not impaired and the adequacy of the disclosure of liquidity risk, credit risk and sensitivity analysis regarding the risk of change interest rates were discussed.

5. It is also examined whether, in accordance with IAS 1, the references to the Balance Sheet, the Statement of Changes in Equity and Cash Flows, are sufficient, with the disclosure of financial statements. Furthermore, we examined the adequacy of the explanations in the financial statements on assumptions and estimates of Management.

6. Under the provision of IAS 12, we examined the effects on the balance sheet from the recognition of deferred tax assets and liabilities, the relationship between them and the impact on the outcome of the recognition of deferred taxes. Moreover we examined whether the banks shall separate the disclosures of taxes for tax-control objectives of the unaudited periods.

7. Based on the requirements of IAS 16 & 17, the effect on the balance sheet recognition of tangible assets held through finance leases, and whether the disclosures were adequate for financial leases were examined. Similarly, under IAS 19, the effect of recognized obligations to employees and the impact on operating results from the recognition of additional provisions.

8. The adequacy of related party disclosures as required by IAS 24 and its effect on the Balance Sheet and Income Statement from the consolidation of the equity invest-ment of in subsidiaries and joint ventures, as required by the IAS 28 & 31 were examined.

9. Given the requirements of IAS 32-39, we studied the structure of financial assets, the adequacy of disclosures for financial assets, valuated at fair value through profit or loss and available-for-sale financial assets assets. In addition to the above, we examined the effects of recognition as held for sale assets and derivative financial instruments.

10. In accordance with IAS 37 we examined the effect on the balance sheet from the recognition of provisions and the adequacy of disclosures for contingent assets and liabilities. Similarly, in accordance with IAS 38, the distribution of intangible assets in key categories of intangible assets and the change between the two uses was examined.

11. We studied the effects on the balance sheet from recognition of investment property and use the results of their adjustment to fair values and the way that banks preferred to valuate property investment based on IAS 40

12. Finally, in accordance with IAS 41, we examined the effects on the balance sheet from the recognition of the biological assets and the effects on the results of their adjustment to fair value.

4. Sources of the Study

The study was conducted by collecting data and drawing on relevant information as they are reported in published financial statements of banks for the year 2009 and the disclosures and notes of all those listed banks on the Stock Exchange. It should be noted that:

• Disclosures relating to the Consolidated Financial Statements were used.
• In the case of two or more banks within the same group, only the disclosures of the consolidated financial statements of the parent-trends, which have been recorded and the disclosures of its subsidiaries were taken into account.
• The extraction of the data directly from the notes of the financial statements could not be done for all the banks, either because of lack of knowledge or because of lack of the relevant disclosures in certain statements. We should note that these cases are limited, nevertheless it was not possible to assess the significance of the omissions in connection with the figures related.
• The results were obtained from the amounts of the financial statements according to the application of specific standards. Any standard application that have not been disclosed, will bring changes to these results.
• The conclusions as to the adequacy of the information provided on the application of specific standards, resulted in combination, on the basis below:

1. The requirements of IFRS
2. The degree of materiality of disclosure in relation to the activities of the bank
3. The figures that are related to omissions
4. The general practices of banks and
5. Any points from the supervisory authorities (Capital Markets Commission, Public Company Accounting Overisght Board & The Institute of Chartered Accountants).

Finally, we note that no studies are presented on effects of per unit standards or categories where specific standards do not apply or their application does not affect substantially.

5. Effects of the Application of IFRS in ASE's Banking Sector - Findings

From the research conducted we noted the following issues:

• During the year 2009 the total assets of listed banks increased significantly (+23%), mainly due to the growth of loans (+30%).

• The liabilities of the banks had a significant increase (+23%), with significance in the change of deposits from customers by 17%.
• Total equity of banks grew by 19% mainly due to the significant increase in the share capital and their results.
• The banks sector experienced an impressive increase in net profit by 69%. The total net profit in the amount of approximately € 5 billion., Giving the return on equity at around 17%.
• The operating efficiency ratio improved in 2009 than in 2008 (about 1%) as a result of the increase in operating income of the banks.
• It is important that the banks in 2009, total decreased the bad debt provision in relation to the year 2008, despite the significant increase in their lending
• The significant changes in the allocations of the cash flows show the necessary, no issue of credit to cover the cash deficit of cash deposit in connection with the outflow of funds. At the same time, a growth in cash flows from investing activities was presented, due to emission of investment securities, leading to a significant increase in cash at the end of the year (+20%).

An approximately 65% of financial assets outside the claims of the banking group is related to items carried at fair value through profit or loss, while about 10% is valuated on data from the depreciated cost. Note that in the year 2009, total investments in securities declined to marginal rate. (About 2%).
• The compliance of banks with regard to the requirements of IFRS 7 is fairly good. However, points that can be improve is the quote maturity panel, better information regarding the credit rating requirements and the fair value of collateral claims.
• The total capital adequacy ratio averaged 11% in 2009, considerably higher than the institutional level. (About 8%).
• During fiscal year 2009 the total profits were over € 300 million from revaluation and sale of financial assets at fair value through profit or loss (IAS 39).
• As an effect after the application of IAS 40, banks recorded total profits of more than € 100 million from revaluation of investment properties in fair value.

Survey's main conclusion is that the level of information provided in the published financial statements is constantly improving and tends to reflect adequately Bank's 'true and fair view' without yet being reached the desired level. Also the survey showed that the incomplete quote mandatory disclosures set by IFRS tend to be bound by a limited number of banks.

The weaknesses which had been properly identified classified and analyzed their impact on quality information, while emphasizing the decisive role of regulators in the development of quality of information that will contribute decisively to the emergence of financial position and operations results, as dictated the basic accounting principle and the needs of today's world economy.

- When comparing the basic figures of the Balance Sheet for the fiscal year, 2008-2009, we found that during the year 2009 the total assets of the banks increased significantly (approximately 23%). This increase was mainly attributed to a

significant increase in loans to customers (over 30%). In addition to that, there was also an increase in customer deposits, but at a lower rate (17%). It should be also noted that this increase refers to on organic growth as the acquisitions of subsidiaries contributed to the augmentation of the assets in a small proportion.

- After analyzing the banks' Assets and Liabilities for the fiscal year 2008-2009, we found that the rate of loans to total assets increased by approximately (+6%), in comparison to the previous year rate, and reached a level of 65%. Along with investments in securities, loans represent more than 80% of the bank's total assets. At the same time, the client deposits and debt securities fund the banks total assets (over 60% and 10% respectively). While loans have increased, investments in securities presented a marginal decrease. In particular, the trading portfolio and other assets at fair value showed a marginal increase (of about 4%) while there was a reduction of (-14%) in the banks' investment portfolio. The main causes behind these reductions were the significant liquidations of securities and, to a smaller extent, the loss that was incurred in the banks' bond portfolio. Customer deposits which are the most important source of financing for banks grew at a lower rate than the growth rate of loans. The relative financial deficit was financed primarily by issuing new debt securities.
- An important outcome of the analysis of the Equity in 2008-2009, was that the Banks' capital increased mainly due to important augmentations in equity instead of cash.
- Another important finding after analyzing the Profit and Loss Account of 2008-2009, is that in the fiscal year 2009, banks recorded an impressive increase in profitability with net profit after tax (more than 69%) in comparison to the previous period. Factors that contributed to increased profitability are the increase of net interest income, as a result of loan growth, and the increased commission of bank and stock transactions. Moreover, it should be noted that several banks recorded significant financial profit after the liquidation of their investments. Profit was also recorded as a result a reduction in the creation of provisions for loans and a lower tax burden. Interest income remained the main source of income for banks. However, in the fiscal year, the contribution of financial results from financial transactions such as of investments' valuations increased by + 1% and amounted to about 15% of total revenue. In terms of costs, organizational costs increase was less than the increase in total revenue, thus improving the efficiency ratio. The decrease in provisions during the year resulted in a reduction of the banks' spending at a rate of about 15% of their total costs. Total operating expenses, as a percentage of revenues, decreased in the fiscal year 2009 compared to 2008, which indicates the efforts of banks to increase their functional efficiency. At the same time, in 2009, the banks formed a proportionate less provision for impairment. Thus, the ratio of loan impairment provisions to total revenue, compared with 2008, decreased approximately by 27%.
- By examining the results recognized directly in equity, we observed that, apart from earnings, equity was also reduced at the amount of profit and loss that is

recognized directly in equity. The most important reduction derives mainly from the reversal of previous years' profits from investments, which was divested during the current year as well as from the valuation of relevant investment in the current fiscal year.

- The cash-flow analysis of 2008-2009 showed that, overall, cash for the fiscal year 2009 registered a significant increase compared to those of the previous fiscal year. Moreover, there were significant rearrangements in the headings of the Cash Flow Statements which show the progress of Greek banks as far as their investment, financial and functional activities are concerned. The cash deficit from operational activities is attributed mainly to the large increase in loans and to the lower relative increase in deposits. The flows from financial activities increased significantly mainly as a result of the issuance of new debt securities. There was also a significant decrease in the total cash outflow from investing activities primarily due to significant disposals of securities of investment portfolios. Finally, Cash Flow Statements display a significant increase in the payment of dividends, which reflects the increased profitability of Greek banks.
- While analyzing the financial ratios of 2008-2009, we noted that the large increase in customer loans, together with a significantly smaller increase in customers' deposits, resulted at a rate of about 12%. Similarly, there was an increase in the efficiency ratio of the total assets of listed banking groups (more than 38%) and equity (more than 38%).
- In accordance with IFRS 2, employee benefits based on equity securities must be evaluated at fair value on the grant date and must be recognized in income partially while providing the service to the employees. Banks' net profit after taxes were charged about 3% from the application of IFRS 2. In 2009 several banks were running stock option programs to their staff. Regarding the providing of necessary disclosures as required by IFRS 2, to enable users of financial statements to understand the basis of measurement of expenses, it is observed that, in general, banks have complied with the relevant provisions.
- The requirements of IFRS 3 demand the recognition of almost all intangible assets of a bank that is acquired separately from its goodwill. During 2009, the majority of banking groups identified intangible assets thus presenting goodwill in their balance sheets. Also in the same fiscal year, there were some acquisitions which resulted in goodwill. In general, the banking sector complied with the requirements of the IFRS and provided adequate information regarding these acquisitions. Banks should perform an impairment test of their goodwill assets on a year basis. They should also include the factors used for calculating the impairment of goodwill especially as far as the creation of cash flows, the weighted average growth rate and their operations is concerned. Most of the banks that have recognized goodwill comply with these disclosures.
- After studying the application of IAS 27-28-31, we came to the conclusion that all listed banks prepare consolidated financial statements. However, it was observed that a very small number of banks did not incorporate all their

subsidiaries but they excluded those that had minor impact. The majority of banking groups have invested in affiliated banks, which are incorporated with the equity method. Investments in associates for the year 2009, presented a decrease compared to the year 2008, as a result of the clearance sale of major investment outside the financial sector.

- An analysis of the implementation of IFRS 5 showed that there was a significant decrease of assets categorized as "kept for sale" in the period ending in 2009 and the corresponding reduction in obligations of non-current assets was mainly due to the clearance part of their business from banking groups. The details of these activities were classified as held for sale since 2008 but the sale was completed in 2009. A small number of banking groups presents discontinued operations in their financial statements and the corresponding results from discontinued operations represent approximately 7% of total profits after tax of these banks.
- As demonstrated by the aforementioned analysis, IFRS 32 & 39 are the major accounting standards for banks. Listed banking groups have all investment categories listed in IFRS 39 and apply hedge accounting. IFRS 7 has a significant contribution to the quality of information as the financial risks of banks are concerned. About 70% of financial assets, apart from requirements, relate to items evaluated at fair value through the profit and loss account, 24% of assets evaluated at fair value and recognized in equity (available-for- sale), while the rest of the data is measured at amortized cost (investments held to maturity). The disclosures in the financial statements show that the minimum amount of banks has no investments in assets at their fair value through profit and loss account, while the majority of these are investments available for sale and held to maturity. During the fiscal year 2009, banks recorded earnings from the valuation and trading assets at fair value through profit or loss in an extremely increased rate compared with 2008.
- By analyzing the application of IFRS 7 we found that, in general, banks have complied with the requirements of the standard regarding their exposure to financial risks, although several areas requiring improvement have been identified. Findings on the adequacy of such disclosures by risk category are:

  i) Liquidity risk: The total number of banks presents a chronological analysis of the maturity of its obligations, as well as a brief description of how to manage liquidity risk. However, only half of the banks have complied with the new requirements of the Standard regarding the presentation of maturity based on the total future contractual payments on an undiscounted basis. In contrast, the remaining banks used accounting discounted values for the relevant disclosure.

  ii) Market risk: Information about banks' exposure to market risk was satisfactory.

  iii) Credit risk: The adequacy of information was considered satisfactory in reference to credit risk except, perhaps the providing of information regarding fair value of loans that are in delay or impaired. Shortages also are emerging in the providing of information on claims which were settled in the fiscal year.

Regarding the analysis of the credit rating of loans, it is noted that while all banks have an analysis, there were cases where banks had classified nearly all their loans into a single class or had marked a significant amount of loans to unrated. The quality of the information provided in this case requires significant improvements.

iv) Other disclosures: Most of the banks listed on the ASE, show evidence of the fair value of all-financial assets and liabilities.

v) Capital management: All banks present data on the management of the funds and their capital adequacy requirements under the requirements set in IFRS 7. It was found that the ratio of total adequacy in the year 2009 was higher than the institutional level, such that it enables most banks to adequately cover the increased activity in all sectors.

- From the analysis of the loan portfolio's quality, it was found that the portfolio of Greek listed banks presents a decrease in the category of impaired loans, due to 2009 loan write-offs. It is reported that there were deletions in banks more than twice those in previous years. There was also a significant increase in total delayed non-impaired loans. The percentage of loans in arrears more than 90 days for which no provision was made presented a low percentage of the total portfolio, whereas there was great variation in the category of impaired loans. The percentage of non-performing loans for all banking groups in 2009 was lower by about 4 percentage points compared with 2008 mainly due to loan write-offs. We should mention that in this study as non-performing loans one could identify loans that are on delay for more than 0 days and the loans are impaired and may differ, from what the management of each bank considers right. Finally, an important change occurred in loan write-offs as a percentage of loans impaired write-offs for the year 2008-2009.
- As far as the results from the application of IAS 1 are concerned, the financial statements of banking groups for the year 2009, showed significant problems in terms of adequacy of references to financial data of the balance sheet and Profit and Loss Statement. However, some banks do provide sufficient information on the assessment made by the authorities in the process of preparing its financial statements.
- An analysis of IAS 12 showed that for the year 2008, the rate of recognition of deferred tax assets were extremely high and nearly triple in size compared with the corresponding tax liabilities. This rate fell dramatically in 2009. This decrease is due to the additional recognition of deferred tax liabilities. A significant proportion of the deferred tax liabilities in respect to corresponding taxes on intangible assets arose from the acquisition of banks in accordance with IFRS 3. The most significant causes for the recognition of deferred tax assets are the estimation of bad debts that have not yet recognized and the recognition of tax liabilities for retirement benefits to staff. While the deferred tax assets in 2009 was about equal to those of 2008, deferred tax liabilities appear in approximately 50% more than those of 2008. Despite the important decrease in the net liabilities (after

the counterbalance), the problem on whether banks should counterbalance their tax assets with their tax profit in the foreseeable future still remains.

- By analyzing the application of IAS 16-17, we found that banks acquired tangible fixed assets through leasing contracts at marginal rates. In addition to loans and other core banking activities, banks have significant operations leasing activities. We examined the ratio of receivables from finance leases as a percentage of total receivables from customers and other loans and a significant increase over the comparative period of the leasing business in 2009 was shown, while the percentage of all the other requirements from customers were approximately 3% . A similar percentage was observed in year 2008. In conclusion, the demands on finance leases are still a small share of banks' business.
- The liabilities of banks due to the retirement of their staff, according to the study of the application of IAS 19, declined significantly during 2009, mainly due to allocation of these benefits to ETAT, which is a fund of predefined contribution plan.
- The degree of adequacy of disclosures, regarding transactions with related parties, as required by IAS 24, is generally satisfactory. All the Financial Statements include details of transactions with related parties, distinguished according to their relationship with each bank.
- An analysis of the implementation of IAS 37 and IFRS 4 found that, in general, the information provided on the provisions is limited as several banks avoid analyzing the nature of their provisions in the Financial Statements. Fewer deficiencies are found in the disclosure of provisions for insurance liabilities and charges. Provisions for tax audit differences as disclosed in the financial statements remained almost unchanged compared with the year 2008, while estimates for other risks not known in detail showed an increase (approximately 28%). Most banking groups have insurance sector, provide all disclosures for the management of insurance risks and in order to check the adequacy of insurance reserves undertaken.
- According to the application of IAS 33 it was found that the average of basic earnings per share of the banking group for the year 2009 shows an increase (+75%) and is in harmony with the significant increase in profitability over the same period. Several banking groups have no financial resources and are likely to cause a decrease in basic earnings per share. Therefore it is not required to provide relevant information for diluted earnings per share.
- Analysis of the implementation of IFRS 38 showed that the intangible assets that have come from local banks as a deposit base, customer relationships, distinctive titles, etc are the largest category of intangible assets, represent approximately 80% of their total value. Investment in software, which is the largest investments in intangible assets are also very important.

- Finally, the finding from the analysis of the implementation of IAS 40, is that all the banking groups hold investment property, most of which is evaluated at fair value. During 2009, banks resulted in profits of over € 100 million from the revaluation of properties at fair value. It should be noted, however, that an analysis based on data supplied by the banks themselves and some banks are likely to be recognized on profits, but not to show separately.

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