

SCHEDULE 2

BANKING COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 3

NOTES TO THE ACCOUNTS

Information supplementing the balance sheet

Information about fair value of assets and liabilities

66.—(1) This paragraph applies where financial instruments have been valued in accordance with paragraph 44 or 46.

(2) There must be stated—

- (a) the significant assumptions underlying the valuation models and techniques used where the fair value of the instruments has been determined in accordance with paragraph 45(4),
- (b) for each category of financial instrument, the fair value of the instruments in that category and the changes in value—
 - (i) included in the profit and loss account, or
 - (ii) credited to or (as the case may be) debited from the fair value reserve,in respect of those instruments, and
- (c) for each class of derivatives, the extent and nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

(3) Where any amount is transferred to or from the fair value reserve during the financial year, there must be stated in tabular form—

- (a) the amount of the reserve as at the date of the beginning of the financial year and as at the balance sheet date respectively,
- (b) the amount transferred to or from the reserve during that year, and
- (c) the source and application respectively of the amounts so transferred.