

The automatic initial and subsequent assignment of an accounting category can be performed in step 1 by the component "Classification of financial assets".

The following diagram explains at a glance how the solution derives the reclassification according to the category changes in a period using different components with specific encapsulated functions:

which had been assigned at the last posting date and will be compared with the current accounting category by the **component "Reclassification of financial assets"**.

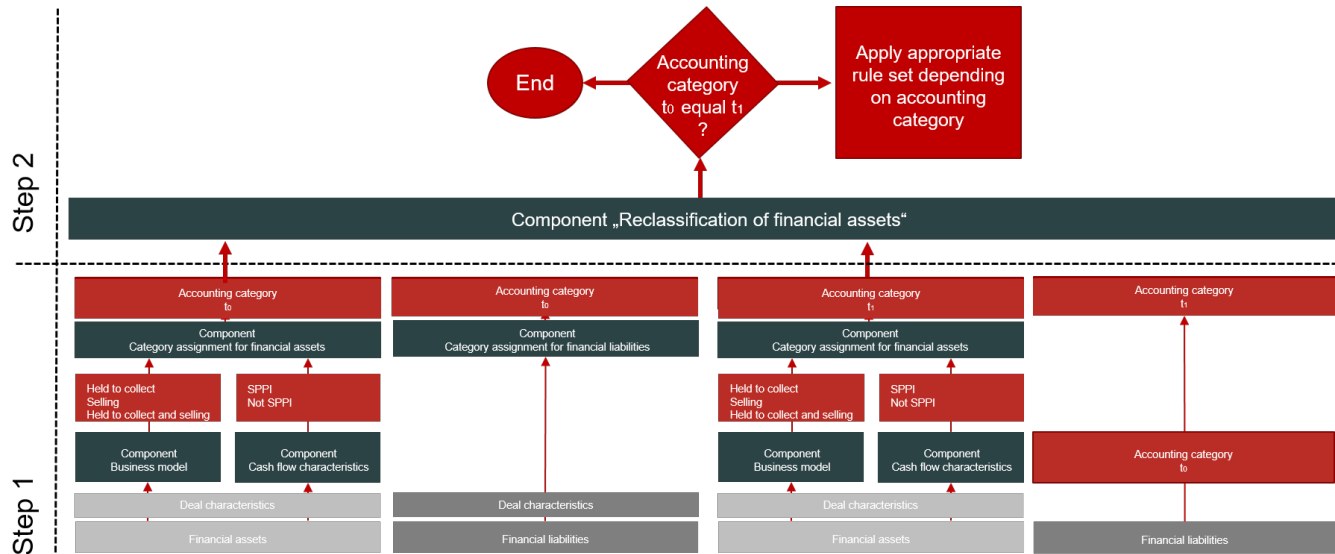


Diagram: Blueprint reclassification of financial assets

If a reclassification occurred, the solution ensures the appropriate impact on

- a) EIR,
- b) profit and loss/other comprehensive income,
- c) balance sheet and
- d) loss allowance

as well as the required output according to IFRS 7 12B-12D.