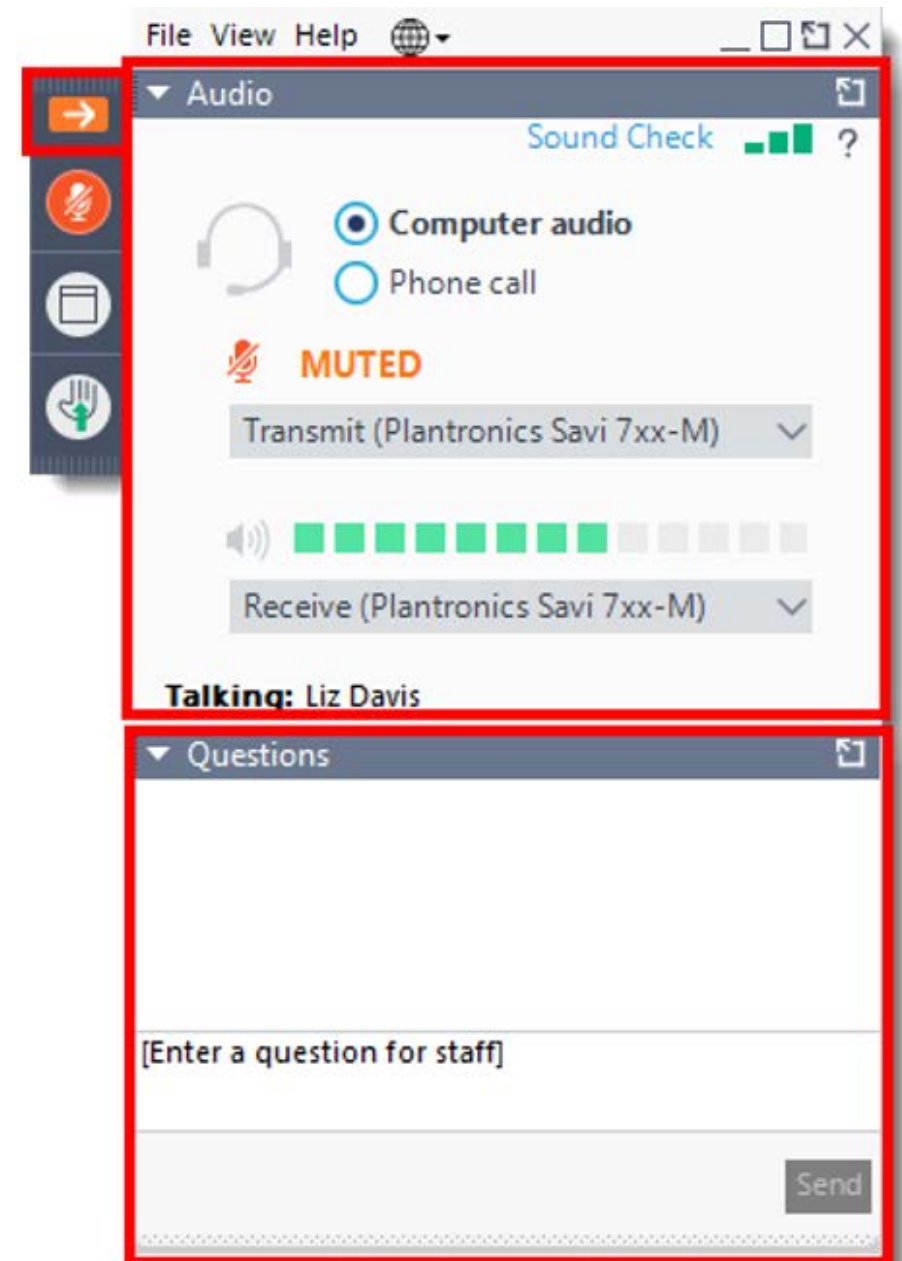


Housekeeping

- Participants' control panel - >
- All participants are muted
- Send us your questions during presentations
- Today's presentation is being recorded
- Recording will be available on demand



Contents

- 1 Introduction and polling questions
- 2 Regulatory requirements
- 3 ESEF compliance preparation process/
Challenges in practise
- 4 KPMG Nordics service offering and Nordic
collaboration
- 5 Q&A session and polling questions



Presentation of speakers and guest speakers



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Polls – before and after!



Poll 1

When do you envision starting to prepare for ESEF implementation?

- We have already started/we will start now
- In the coming month
- In the autumn 2021
- At the beginning of 2022



Poll 2

How do you envision approaching ESEF?

- In house with home-built software
- In house with external consultancies
- Independently with external consultancy as needed
- Outsourcing the whole process



Poll 3

Do you feel, you have the necessary knowledge about the requirements?

- Yes – definitely
- Almost
- No
- Not at all



02

Regulatory requirements

Jane Thorhauge Møllmann, KPMG Denmark



What is the ESEF?



ESEF Terminology

Taxonomy

Taxonomy

→ Dictionary for accounting terms to arrange and classify financial statement information

Tagging

Tagging

→ Process of attributing to the financial data the most appropriate element chosen from the taxonomy

Further ESEF Terminology

XHTML

eXtensible HyperText Markup Language

→ Human and machine-readable mark-up language and it can be opened with any standard web browsers

XBRL

eXtensible Business Reporting Language

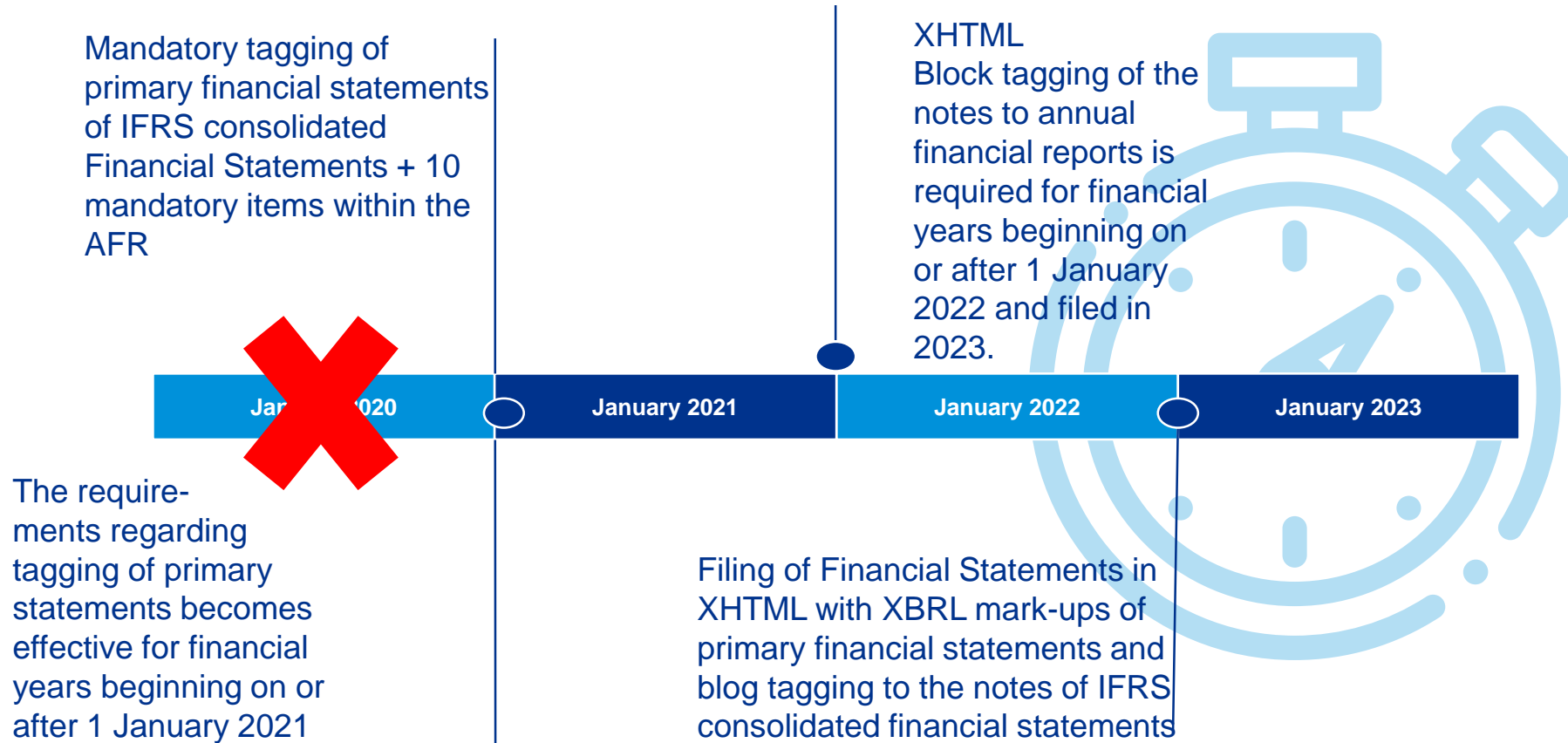
→ It is the mark-up language, which makes the disclosures structured and machine-readable

iXBRL

Inline eXtensible Business Reporting Language

→ Technology which allows XBRL benefits of tagged data being combined with the human readable presentation of the report

When will ESEF enter into Force?



IFRS taxonomy - illustrated

^ [110000] General information about financial statements	^ [110000] General information about financial statements
^ [210000] Statement of financial position, current/non-current	^ [210000] Statement of financial position, current/non-current
^ [220000] Statement of financial position, order of liquidity	Statement of financial position [abstract]
^ [310000] Statement of comprehensive income, profit or loss, by function of expense	Assets [abstract]
^ [320000] Statement of comprehensive income, profit or loss, by nature of expense	Non-current assets [abstract]
^ [410000] Statement of comprehensive income, OCI components presented net of tax	Property, plant and equipment
^ [420000] Statement of comprehensive income, OCI components presented before tax	Investment property
^ [510000] Statement of cash flows, direct method	Goodwill
^ [520000] Statement of cash flows, indirect method	Intangible assets other than goodwill
^ [610000] Statement of changes in equity	Investments accounted for using equity method
^ [710000] Statement of changes in net assets available for benefits	Investments in subsidiaries, joint ventures and associates
^ [800100] Notes - Subclassifications of assets, liabilities and equities	Non-current biological assets
^ [800200] Notes - Analysis of income and expense	Trade and other non-current receivables
^ [800300] Notes - Statement of cash flows, additional disclosures	Non-current inventories
^ [800400] Notes - Statement of changes in equity, additional disclosures	Deferred tax assets
^ [800500] Notes - List of notes	Current tax assets, non-current
^ [800600] Notes - List of accounting policies	Other non-current financial assets
^ [810000] Notes - Corporate information and statement of IFRS compliance	Other non-current non-financial assets
^ [811000] Notes - Accounting policies, changes in accounting estimates and errors	Non-current non-cash assets pledged as collateral for which transferee has right by contract or custom to sell or repledge collateral
^ [813000] Notes - Interim financial reporting	Total non-current assets
^ [815000] Notes - Events after reporting period	Current assets [abstract]
^ [816000] Notes - Hyperinflationary reporting	Current inventories
^ [817000] Notes - Business combinations	Trade and other current receivables
^ [818000] Notes - Related party	Current tax assets, current
^ [819100] Notes - First time adoption	Current biological assets
^ [822100] Notes - Property, plant and equipment	Other current financial assets
^ [822200] Notes - Exploration for and evaluation of mineral resources	Other current non-financial assets
	Cash and cash equivalents
	Current non-cash assets pledged as collateral for which transferee has right by contract or custom to sell or repledge collateral
	Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners
	Non-current assets or disposal groups classified as held for sale or as held for distribution to owners
	Total current assets
	Total assets
	Equity and liabilities [abstract]
	Equity [abstract]

Mark-ups (or Tags)

Consolidated Financial Statements

Financial Statements - Balance sheets - EUR EUR in Millions	Jun. 30, 2018	Dec. 31, 2017
Total shareholders' funds	55.619	55.136
Capital	3.267	3.267
Paid up capital	3.267	3.267
Unpaid capital which has been called up	0	0
Share Premium	23.992	23.992
Equity Instruments issued other than capital	0	0
Other equity	47	54
Retained Earnings	26.075	25.474
Revaluation reserve	11	12
Total Other Reserves	-48	-44
Reserves or accumulated losses of investments in subsidiaries,	-48	-44
Other Reserves, other	0	0
Less: Treasury shares	205	96
Profits or losses attributable to owners of the parent	2.649	3.519
Less: Interim dividends	170	1.043
Total accumulated other comprehensive income	-9.868	-8.792
Total Items that will not be reclassified to profit or loss balance	-1.311	-1.183
Actuarial gains or (-) losses on defined benefit pension plans	-1.205	-1.183

Taxonomy Elements

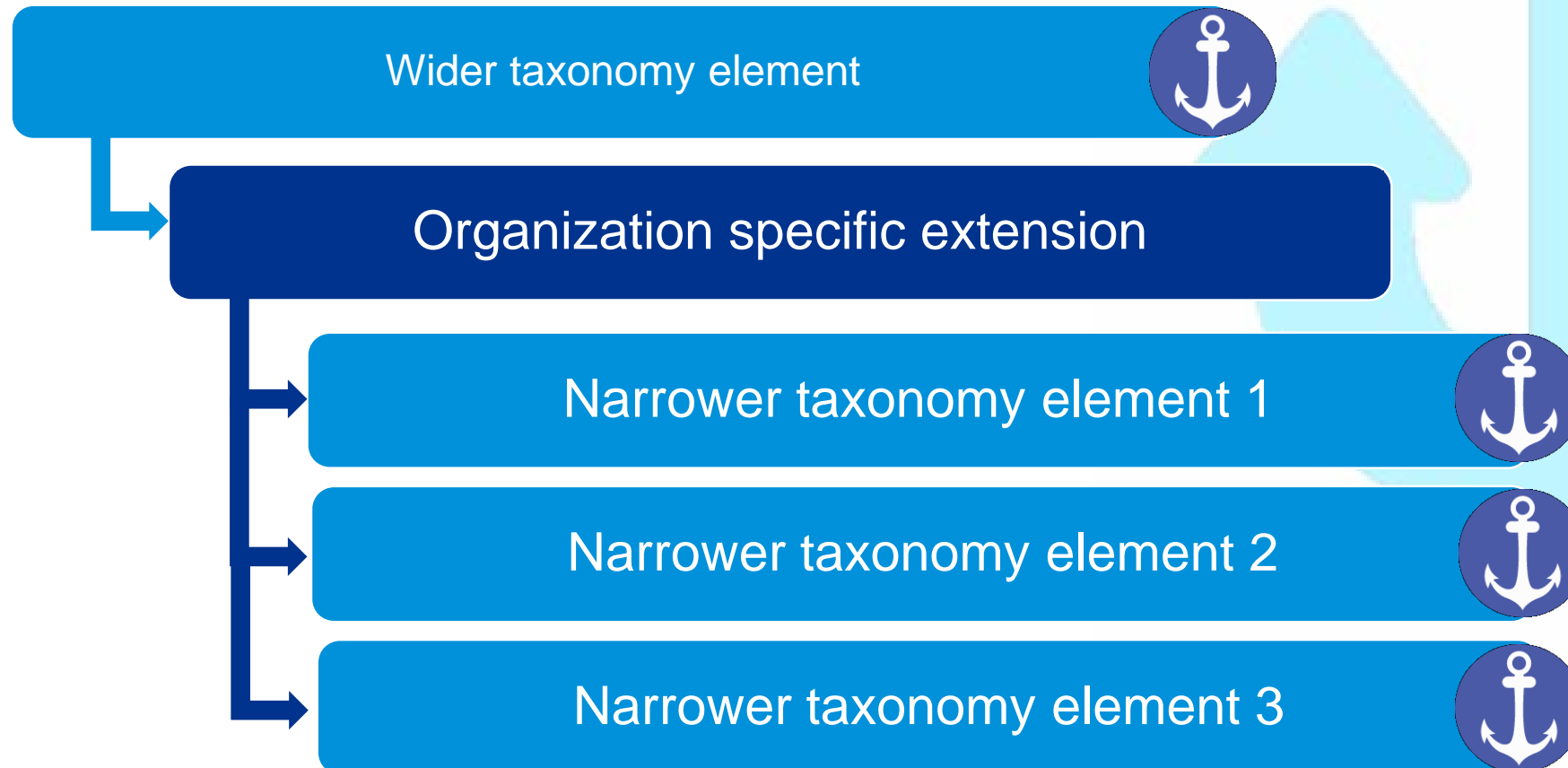
Fact Table	Fact List	Presentación	Cálculo	Dimensión	
Dimensión Relaciones					Arcrole
000200 - Statement - Financial Statements - Statements of changes in equity					
ifrs-full:StatementOfChangesInEquityLineItems					
ifrs-full:StatementOfChangesInEquityTable					all
ifrs-full:ComponentsOfEquityAxis					hypercube-dimension
bbva:ComponentsofEquityDomain					dimension-domain
ifrs-full:IssuedCapitalMember					domain-member
ifrs-full:SharePremiumMember					domain-member
bbva:EquityinstrumentsissuedotherthancapitalMember					domain-member
ifrs-full:OtherEquityInterestMember					domain-member
ifrs-full:RetainedEarningsMember					domain-member
ifrs-full:RevaluationSurplusMember					domain-member
ifrs-full:OtherReservesMember					domain-member
ifrs-full:TreasurySharesMember					domain-member
ifrs-full:EquityAttributableToOwnersOfParentMember					domain-member



Introduce tags between
financial concepts
defined by taxonomy
elements

Extensions and Anchoring

- Extensions are custom concepts that are unique to a company and not part of a ESEF taxonomy
- Anchoring connects a specific extension tag to the core taxonomy element that has the closest accounting meaning



An example report

Inline Viewer

Document

Display Options

Statement of Comprehensive Income

for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Ja
		US\$	
Fee revenue	3.1	14,516,715	
Wages and salaries		-4,616,880	
Social contributions and expenses for pensions and care		-543,684	
Personnel expenses	3.2	-5,160,564	
Other operating expenses	3.3	-5,561,990	
Other operating income	3.4	181,344	
Amortization and depreciation expense	4.5/4.6/4.7	-873,846	
Operating surplus		3,101,659	
Subsidies and donations	3.5	25,368	

Fact Properties



Concept

- (ifrs-full) Wages and salaries

A class of employee benefits expense that represents wages and salaries. [Refer: Employee benefits expense]

Dimensions

Date 1 Jan 2019 to 31 Dec 2019

Fact Value US \$ 4,616,880

Accuracy 0 (ones)

Change 7.6% increase on 1 Jan 2018 to 31 Dec 2018

Entity [LEI] 506700GE1G29...

Concept ifrs-full:WagesAndSa...

< 1 of 1 >

03

ESEF compliance preparation process

Mika Kuhanen, KPMG Finland

Heidi Tilli, Oriola

Janne Siltanen, Metsä Group



04

KPMG Nordics service offering and Nordic collaboration

Sigurvin B. Sigurjónsson, KPMG Iceland



ESEF compliance process

Phase I

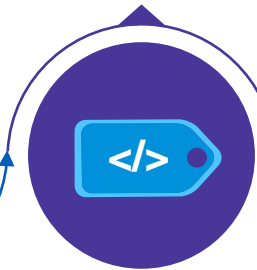
Identification of IFRS taxonomy elements

applicable to particular items of the consolidated financial statements



Phase III

Tagging/'mapping' financial statements line items using XBRL tags (incl. IFRS taxonomy, time tags, currency, scale)



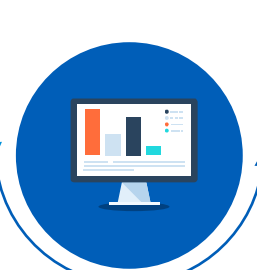
Phase V

Submission of the report in electronic format to relevant authorities



Phase II

Create taxonomy extensions that apply to entity or industry specific information presented but not included in the official taxonomy



Phase IV

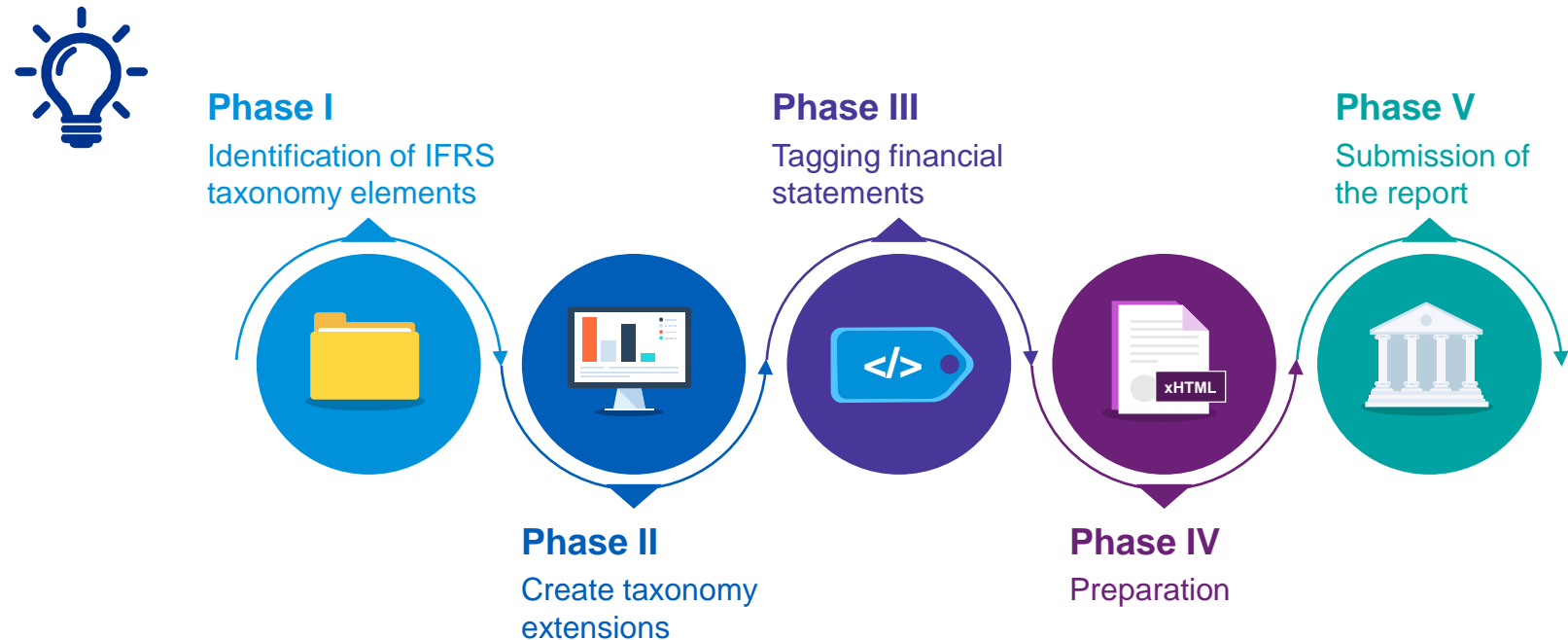
Preparation of xHTML version of the issuer's annual report, which includes, among others, consolidated financial statements tagged using the iXBRL standard



Workshop

Agenda:

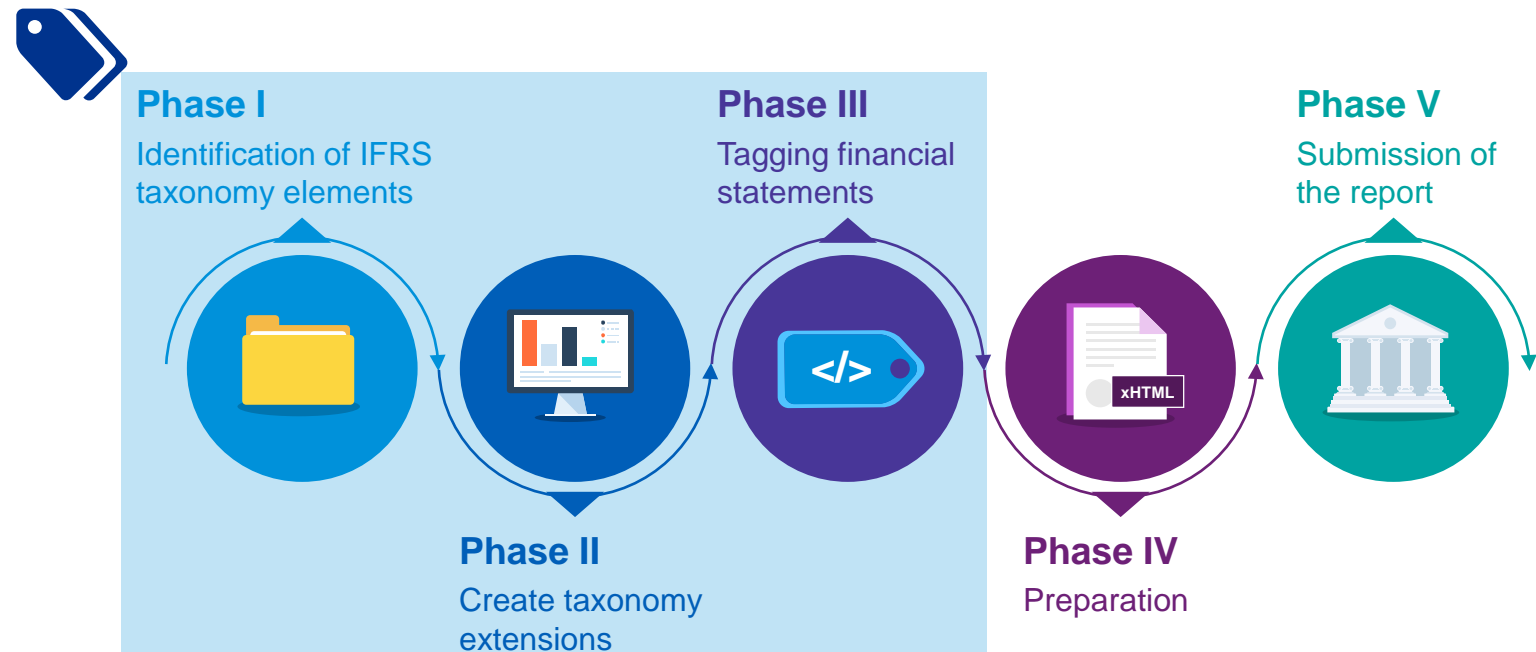
1. The requirements
2. Software available
3. Audit/assurance requirements
4. How to get prepared?



Mapping / tagging

Aim:

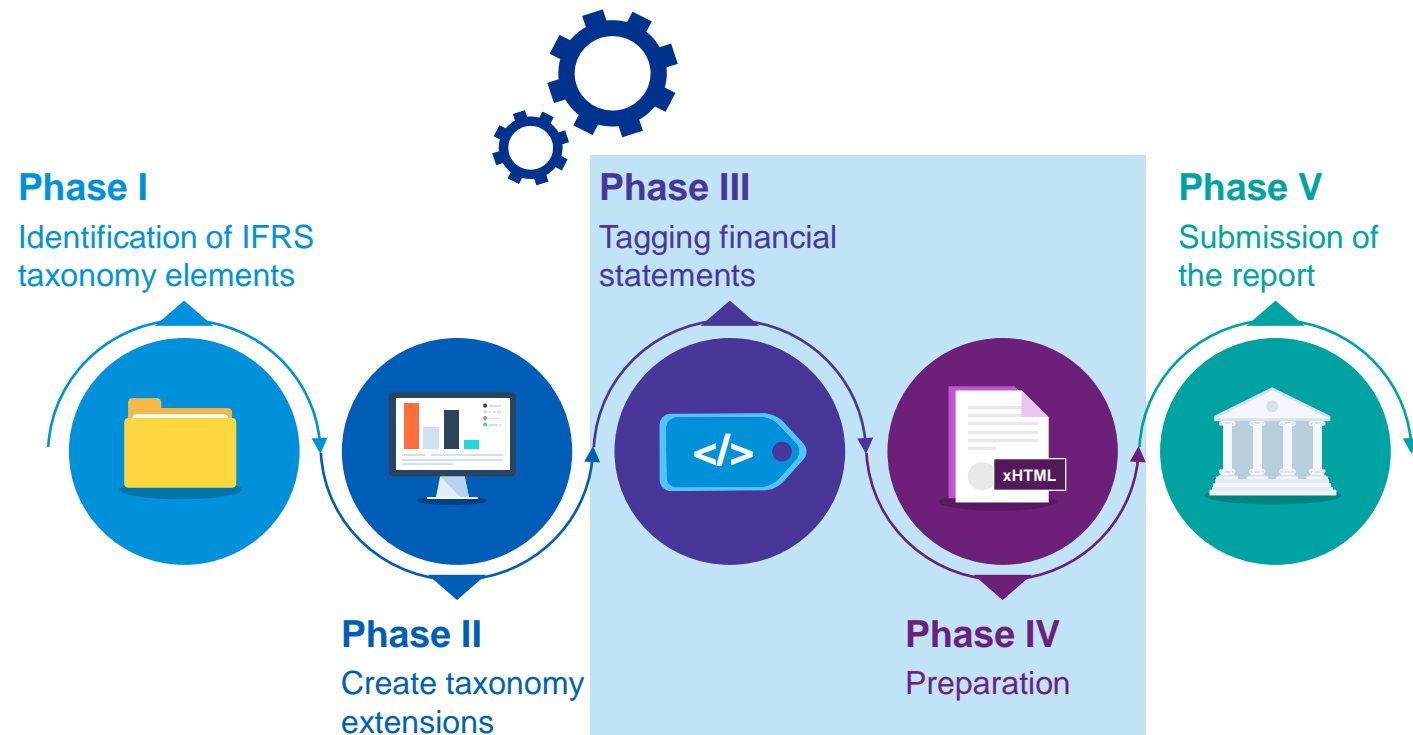
- Identifying appropriate elements in the ESEF taxonomy
- Creating and anchoring new taxonomy elements specific to your company
- Tailoring an ESEF blueprint mapping/tagging report for client use



Choice of software

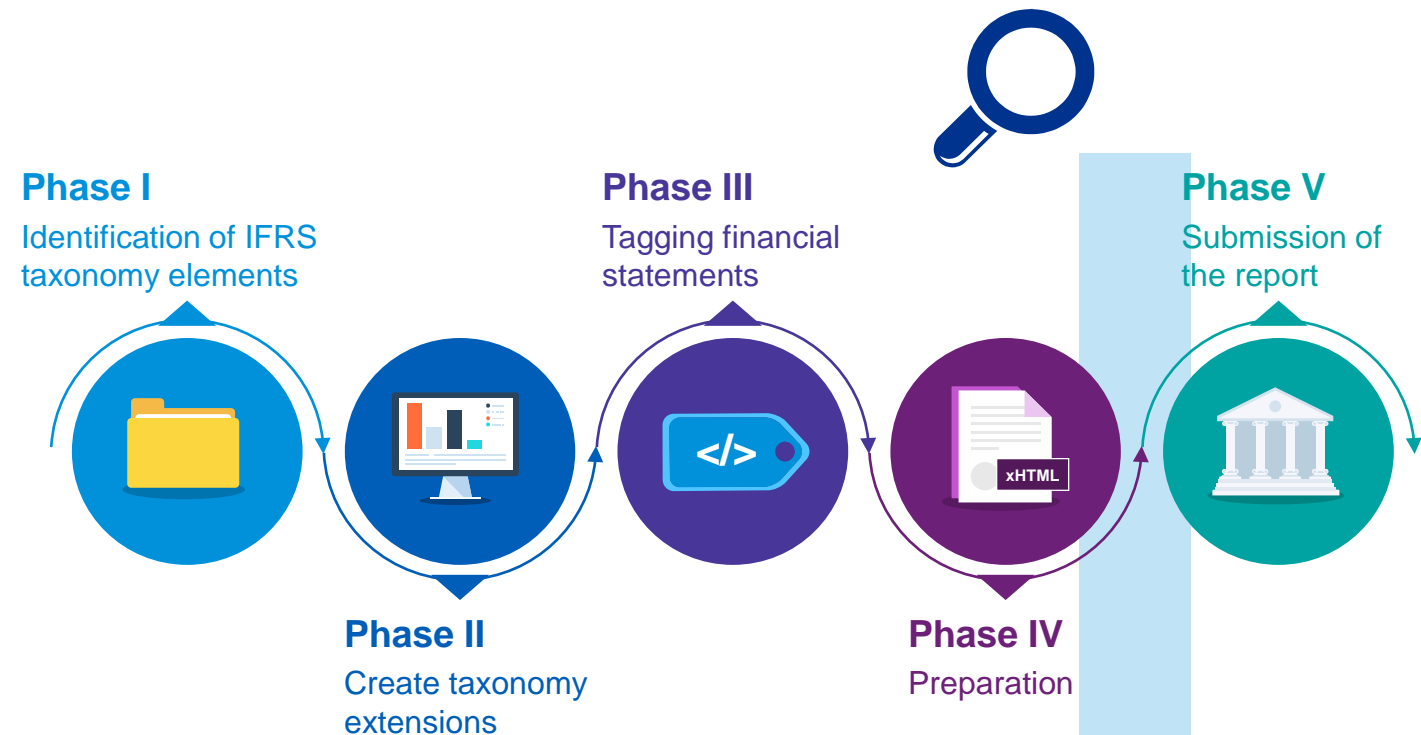
Support:

- Compare software solutions available on the market, iXBRL and/or financial consolidation software
- Facilitate vendor selection
- Assistance in software implementation for optimal efficiency



Assurance

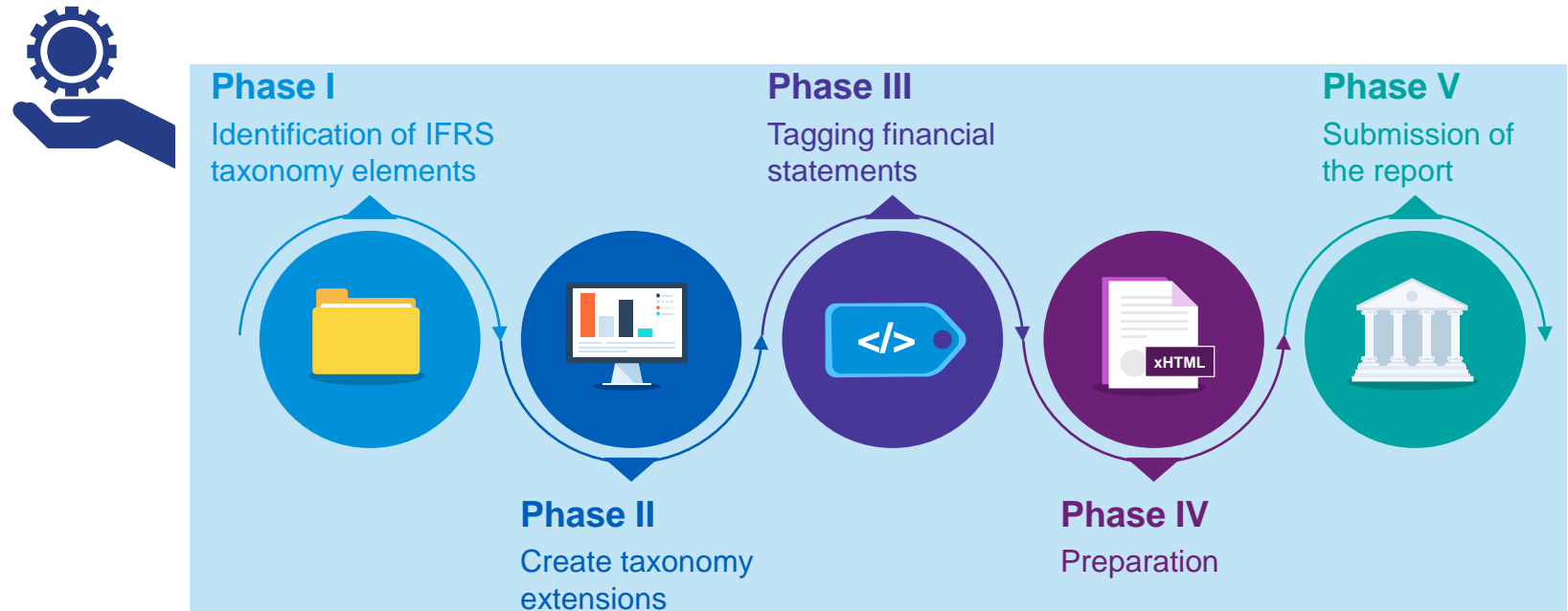
Aim: Assurance of the ESEF reports in accordance with local requirements (e.g. ISAE 3000)



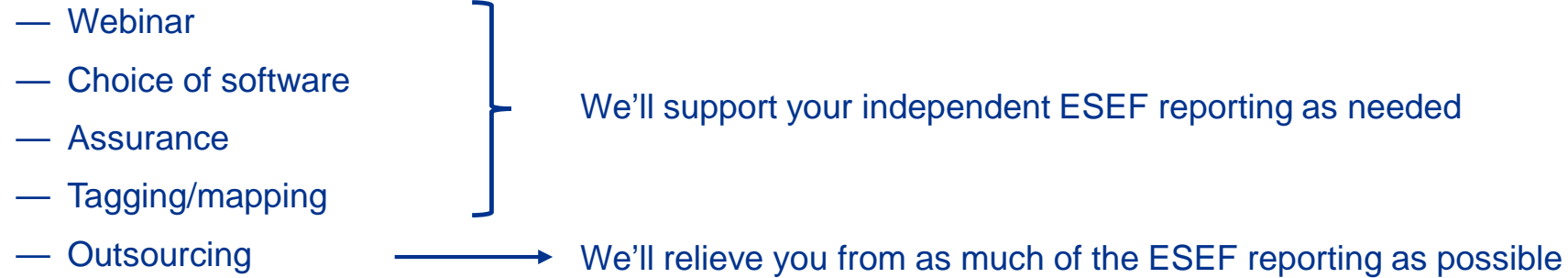
Outsourcing

Process:

1. Client sends the last year (2020) annual financial report (AFR) to KPMG
2. KPMG identifies IFRS taxonomy elements, creates taxonomy extensions & anchoring and tags the line items for client review
3. Client reviews and comments as appropriate
4. On the basis of the tagging of last year AFR, the current year (2021) AFR is efficiently prepared in line with ESEF requirements.



Service overview



We'd be happy to discuss your needs in relation to ESEF. Please be in touch with KPMG ESEF contact in your country.

05 Q&A



Polls – before and after!



Poll 4

When do you envision starting to prepare for ESEF implementation?

- We have already started/we will start now
- In the coming month
- In the autumn 2021
- At the beginning of 2022



Poll 5

How do you envision approaching ESEF?

- In house with home-built software
- In house with external consultancies
- Independently with external consultancy as needed
- Outsourcing the whole process



Poll 6

Do you feel, you have the necessary knowledge about the requirements?

- Yes – definitely
- Almost
- No
- Not at all





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