Staff paper

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IASB® meeting

Date	**November 2026**
Project	**Statement of Cash Flows and Related Matters**
Topic	**Statement of cash flows for financial institutions—Overview of survey findings and planned work**
Contacts	Easton Bilsborough (ebilsborough@ifrs.org) Nick Barlow (nbarlow@ifrs.org)

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Objective of the paper

1. At its July 2026 meeting, the IASB discussed planned work on developing potential ways to improve the statement of cash flows for financial institutions.

2. In September 2026, the IASB launched a survey to understand how investors use cash flow information when analysing the financial statements of financial institutions, with a deadline of 25 September 2026. The survey was completed by 104 respondents, most of which were institutional investors covering only financial institutions.

3. Agenda Paper 20A *Statement of cash flows for financial institutions—Background to investors survey* provides background information about the survey and who responded to it.

4. The results from the survey are included in Agenda Paper 20B *Statement of cash flows for financial institutions—Results from investors survey*.

5. The objective of this paper is to discuss the survey findings, feedback from recent consultative group meetings and how both support and inform future work on this topic. The paper does not ask the IASB to make a decision but invites IASB members' comments and questions on the findings and planned work.

Structure of the paper

6. This paper contains:

   (a) a reminder of the IASB's previous discussion about planned work on this topic in July 2026 and a brief background to the survey (paragraphs 8–16);

   (b) a summary of recent meetings with consultative groups and regulators (paragraphs 17–19);

   (c) an overview of the survey findings relevant to the planned work (paragraphs 20–37);

   (d) staff analysis of what the survey findings tell us and what information we need to progress work on this topic (paragraphs 38–59);

   (e) an outline of how we plan to prioritise future work on this topic (paragraphs 60–73); and

   (f) an indication of next steps (paragraph 74).

7. The questions for the IASB follow paragraph 74.

Background

8. This background is structured as follows:

   (a) summary of discussions of the IASB;

   (b) summary of recent meetings with consultative groups; and

   (c) summary of discussions with prudential and securities regulators.

Summary of discussions of the IASB

9. At its July 2026 meeting, the IASB discussed the plan for future work on the statement of cash flows for financial institutions. The plan included prioritising research and stakeholder engagement on:

   (a) defining the scope of entities that would apply any potential changes to IAS 7 *Statement of Cash Flows* arising from this work; and

(b) considering possible exemptions for financial institutions from some or all of the requirements for presenting a statement of cash flows (that is, identifying the information to preserve).

Defining the scope

10. The work on scope was prioritised because it is an essential feature of any exemption and is expected to be challenging to define. As part of this work, we planned to specifically consider conglomerates (that is, entities that engage in multiple business activities). These entities have the potential to include business activities for which cash flow information is typically useful, and business activities for which cash flow information is not typically useful.

11. In discussion, IASB members commented that defining scope will require them:

(a) to identify the financial institutions for which the statement of cash flows has limited use; and

(b) to identify the features that cause the statement of cash flows of these financial institutions to have limited use.

12. The identified features could be used to explain the IASB's reasons for proposing an exemption and also be used as factors to describe those entities that will qualify for an exemption.

13. IASB members also commented on the staff's plan to consider conglomerates. Members said the staff should avoid these entities becoming the focus of its work on scope. They suggested that scoping conglomerates would fall out of the work to identify the entities and features described in paragraph 11.

Identifying information to preserve

14. The work on identifying information to preserve was prioritised because of the link between any exemption and identification of the entities to which it will apply. That is, the information a financial institution might be exempt from presenting or disclosing is likely to be influenced by the nature of the financial institution.

15. Agenda Paper 20B *Approach to the statement of cash flows for financial institutions* of the July 2026 IASB meeting set out the staff's plan to identify the cash flow information required by IAS 7 that is useful to investors and therefore should be retained.

16. The paper identified an initial list of cash flow information about financial institutions that previous research and discussions had identified as being useful to investors. This included cash flows from interest and dividends received and paid, capital raised, buybacks and options exercised. Because of the potential consequences of introducing any exemptions for financial institutions, outreach was planned:

    (a) to verify the list; and

    (b) to obtain additional insight into why investors find the information useful.

Summary of recent meetings with consultative groups

17. In October 2026 we discussed with members of the Accounting Standards Advisory Forum (ASAF) ideas about how to scope an exemption for financial institutions from some or all of the requirements for presenting a statement of cash flows. Feedback from ASAF members was:

    (a) most members agreed the IASB should determine the entities that qualify for any exemption based on business activities rather than whether they are regulated. However, some said regulation should play a role and raised concerns about an overly broad exemption.

    (b) many members supported using existing IFRS requirements and terminology to define the scope. However, some members raised concerns about the suitability of some specific examples. Many members raised concerns about using externally developed frameworks due to jurisdictional differences in application and changes over time being independent of the IASB's due process.

    (c) some members supported a high eligibility threshold for conglomerates to preserve useful cash flow information. Views varied on the use of segmental

cash flow disclosures to preserve useful information, given potential costs and complexity.

18. In October 2026 we also discussed with members of the Financial Instruments Consultative Group (FICG) ideas about how to scope an exemption for financial institutions from some or all of the requirements for presenting a statement of cash flows. Feedback from FICG members was:

    (a) some members said business activities might be a useful way to identify relevant entities. A few members said information about gross cash flows does not provide information about liquidity, credit risk or dividend capacity, which is the information users find more relevant. A few also suggested features such as having access to a central bank and customers driving gross cash movements as factors that make the statement of cash flows less useful for banks.

    (b) some members said regulation or having a banking license might be useful but did not think it should be the only factor as entities with mixed business might have a banking license but still have a statement of cash flows that provides useful information due to other activities.

    (c) some members said descriptions of providing financing to customers and investing as main activities described in IFRS 18 *Presentation and Disclosure in Financial Statements* might be useful for identifying banks and IFRS 17 *Insurance Contracts* might be useful for identifying insurance companies.

    (d) many said that banks often have multiple activities and for any exemption to be effective it would need to be able to accommodate these. However, a few members said there should be a high bar for entities that have non-financial services as an activity to qualify for any exemption.

Summary of discussions with prudential and securities regulators

19. Starting in August 2026 we have had preliminary discussions with representative groups of national prudential and securities regulators (‘regulators’) to discuss the

possibility of providing an exemption for some financial institutions from presenting a statement of cash flows. Discussions are preliminary and ongoing and we have not discussed with representatives of all relevant jurisdictions. However, in those preliminary discussions regulators have said:

(a) they do not use the statement of cash flows prepared applying IFRS Accounting Standards for prudential regulatory functions;

(b) they do not have objections to such an exemption, in principle, but would advocate for a clearly defined scope; and

(c) they have concerns that including regulatory measures in financial statements might have unintended consequences.

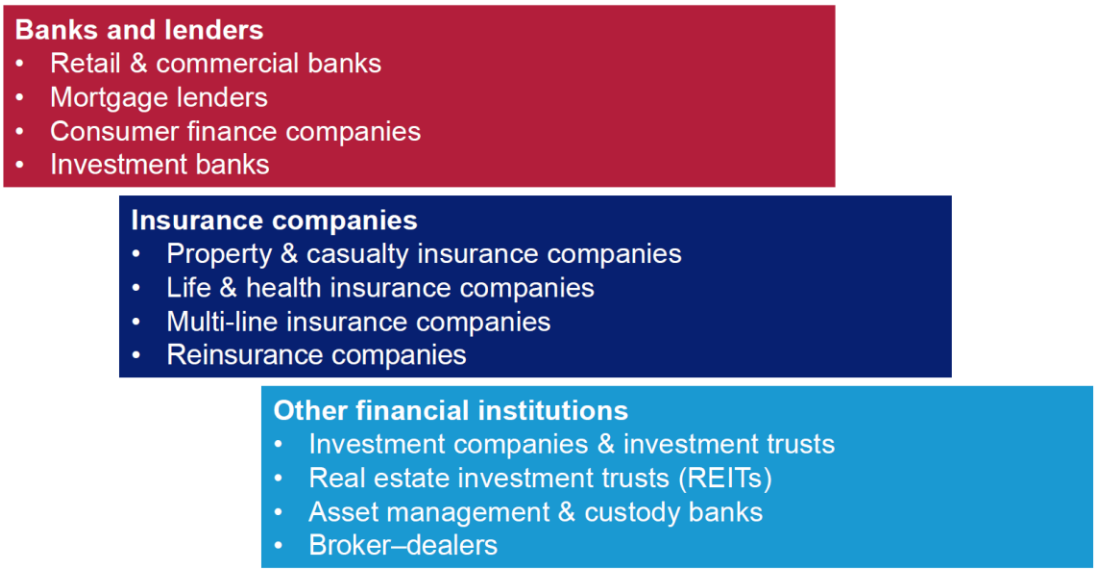
Overall findings from investors survey

20. This summary includes findings relevant to our work on defining the scope and identifying information to preserve as described in paragraphs 10–16.

21. The survey focused on whether respondents use information in the statement of cash flows of financial institutions when analysing these entities. If respondents did use this information, the survey asked what specific line items they use and how they use that information.

22. The survey grouped different financial institutions into three categories. These categories are referred to throughout this paper and are shown in Figure 1.

Figure 1—Categories of financial institutions used in the survey



Do investors use information in the statement of cash flows?

23. The survey results identify three distinct groups of financial institutions:

    (a) financial institutions where most investors do not use the information in the statement of cash flows;

    (b) financial institutions where most investors do use information in the statement of cash flows; and

    (c) financial institutions where investors are almost evenly split between those that do use the information in the statement of cash flows and those that do not.

24. Figure 2 shows how the financial institutions included in the survey are grouped.

Figure 2—Respondents' use of the statement of cash flows of financial institutions

Use of the statement of cash flows	Group	Financial institution
Most respondents do not use the information in the statement of cash flows	A	Reinsurance companies Property and casualty insurance companies Life and health insurance companies

		Mortgage lenders Investment banks Retail and commercial banks Multi-line insurance companies
Respondents almost evenly split between those that do use the information in the statement of cash flows and those that do not	B	Consumer finance companies Investment companies and investment trusts
Most respondents use the information in the statement of cash flows	C	REITs Asset management and custody banks Broker–dealers

25. In general, the financial institutions in each group are from similar categories:

    (a) insurance companies and banks and lenders are in Group A; and

    (b) other financial institutions are in Group C.

26. The exception to this is the financial institutions in Group B:

    (a) consumer finance companies—categorised in the survey as banks and lenders; and

    (b) investment companies and investment trusts—categorised in the survey as other financial institutions.

27. Some respondents said they use different cash flow information to analyse different types of financial institutions from the same category in the survey. Comments relevant to the financial institutions in Group B included:

    (a) a few respondents analysing banks and lenders said whether they use the statement of cash flows to analyse consumer finance companies depends on how these entities are funded. Specifically, the statement of cash flows is:

        (i) less useful if the consumer finance company is funded by a captive deposit base; and

(ii) more useful if the consumer finance company is funded by securitisation; and

(b) a few respondents analysing other financial institutions said they are less focused on the cash flows from operating activities when analysing investment companies and investment trusts compared with the other financial institutions in Group C.

28. A few respondents also made comments similar to those in paragraph 27(a) in relation to mortgage lenders.

Why do investors not use information in the statement of cash flows?

29. The most common reason respondents gave for not using information in the statement of cash flows of financial institutions was because the information is not relevant to their investment decisions or valuation models. The other main reason was because respondents use other sources to obtain information about cash flows, liquidity or funding. The other sources used to obtain information identified by respondents suggested they use regulatory-type information.

30. The reasons described in paragraph 29 were consistent between different financial institutions.

31. A few respondents said the statement of cash flows of banks and lenders and insurance companies is not useful because of the comingling of deposit holder and policyholder cash with shareholder cash. Similar reasons were also provided by respondents who suggested that separating cash flows arising from deposit and policyholder cash from those arising from shareholder cash would improve the statement of cash flows of these entities.

What information in the statement of cash flows do investors use?

32. The cash flow information respondents use when analysing the financial institutions in Group A varied between those respondents analysing banks and lenders and those analysing insurance companies.

33. Among respondents analysing insurance companies, the most used information was cash dividends received from joint ventures and associates and cash dividends paid. This information was used to assess the performance of group entities and shareholder returns and used only by some respondents.

34. Among respondents analysing banks and lenders, the most used information was cash flows related to capital expenditure arising from investing activities. This information was used to monitor an entity's investment in capital items and only by some respondents. Other than cash flows from investing activities, the most used information was cash flows from financing activities. This information was also used only by some respondents.

35. Some respondents analysing banks and lenders also used information about cash interest paid and received. In general, most respondents that used this information were not institutional investors, despite institutional investors being the largest group of respondents.

36. The cash flow information used by respondents analysing the financial institutions in Group B varied. Compared to respondents analysing investment companies and investment trusts, respondents analysing consumer finance companies used less cash flow information. The information used by respondents analysing consumer finance companies was very similar to the information used by respondents analysing banks and lenders described in paragraph 34.

37. Respondents analysing investment companies and investment trusts were more focused on cash flows from investing and financing activities compared to cash flows from operating activities. This difference was more pronounced among institutional investors compared with other respondents. The most used information was cash flows related to the purchase and sale of investments. This information was used to understand an entity's investment strategy and performance and how the entity's cash is being used to buy and sell investments. This information was used by many respondents.

Staff analysis

38. Our analysis considers what the survey findings tell us about:

    (a) defining the scope of a possible exemption for financial institutions; and

    (b) determining what cash flow information financial institutions should continue to present or disclose (that is, what cash flow information to preserve).

39. We then consider what additional information we will need to progress work on both areas, before discussing how to prioritise this work.

Defining the scope

Information we sought from the survey

40. The survey aimed to find out if the statement of cash flows is used by investors when analysing different types of financial institutions.

What the survey findings tell us

41. The survey findings identify a group of financial institutions where most respondents do not use information in the statement of cash flows when analysing these entities (see Group A in Figure 2 of this paper). The financial institutions included in the group indicates that the statement of cash flows of insurance companies and most banks and lenders has limited use.

42. The findings also identify that it is less clear whether the statement of cash flows of consumer finance companies and investment companies and investment trusts has limited use (see Group B in Figure 2 of this paper). This is because of the higher number of respondents than for other banks and lenders and insurance companies that said they use the information in the statement of cash flows when analysing these entities.

43. Although the findings for some financial institutions were less clear than others, they confirm there is a group of financial institutions where the statement of cash flows has limited use. Therefore, we think the IASB should continue to consider a potential

exemption for financial institutions from some or all of the requirements for presenting a statement of cash flows.

44. The findings suggest that the statement of cash flows of banks and lenders are less useful if these entities hold customer deposits. The findings also identify that comingling cash from these deposits with shareholder cash makes the statement of cash flows less useful. Similarly, the findings identify that comingling policyholder cash with shareholder cash makes the statement of cash flows of insurance companies less useful.

45. The findings also identify that the statement of cash flows of investment companies and investment trusts is less useful compared with the statement of cash flows of asset management and custody banks and broker–dealers (see Figure 2 of this paper). A key difference between these entities and investment companies and investment trusts is the holding of investors' cash. Investors' cash generally appears in the statement of cash flows of investment companies and investment trusts, but not of broker–dealers and asset management and custody banks.

Additional information we still need

46. To define the scope of a potential exemption, we need (see paragraphs 11–12):

    (a) to identify the financial institutions for which the statement of cash flows has limited use;

    (b) to identify the features that cause the statements of cash flows of these financial institutions to have limited use; and

    (c) to identify factors to describe the entities that will qualify for an exemption, informed by the features that cause the statement of cash flows to have limited use.

47. As explained in paragraphs 41–43, the survey findings identify financial institutions for which the statement of cash flows has limited use—that is, the information in paragraph 46(a).

48. The findings described in paragraphs 44–46 also provide some information about which features cause the statement of cash flows of these financial institutions to have limited use—that is, *some* of the information in paragraph 46(b). These findings suggest some of the features that cause the statement of cash flows of certain financial institutions to have limited use are related to holding customer cash. We think this can be used as a starting point for identifying these features. However, further research and analysis will be needed to confirm our understanding of these features and how they could be used to develop a practical description of the entities subject to any exemption. That is, the factors described in paragraph 46(c).

49. The feedback from ASAF and FICG summarised in paragraphs 17–18 provides some information about other factors that could describe the entities identified by the survey—that is, *some* of the information in paragraph 46(c). These include:

    (a) descriptions of business activities included in IFRS Accounting Standards such as IFRS 17 and IFRS 18;

    (b) indicators of liquidity and/or credit risk management being a significant part of its business activities; and

    (c) indicators of being subject to bank or insurance specific regulations.

50. Similar to the findings from the survey, these factors can be used as a starting point. However, further research and analysis will be needed to develop a practical description of the entities subject to any exemption.

Determining what cash flow information to preserve

Information we sought from the survey

51. The survey aimed:

    (a) to identify what cash flow information required by IAS 7 is used by investors when analysing financial institutions; and

    (b) to identify why investors find that information useful.

52. The survey also aimed to verify items of cash flow information that previous research and discussions had identified as being used by investors (see paragraph 16 of this paper).

What the survey findings tell us

Information used by investors

53. The survey identified what cash flow information is being used by investors and how they are using this information. This gives insight into what cash flow information should be preserved in a possible exemption.

54. Among the financial institutions in Group A (see Figure 2 of this paper), the cash flow information used by respondents varied depending on whether they were analysing banks and lenders or insurance companies. However, the information used by respondents when analysing financial institutions in each of these categories was similar. In general, the information most used by respondents was cash flows from investing or financing activities.

55. The findings confirm that investors analysing financial institutions in Group A are generally using a small number of specific line items in the statement of cash flows of these entities. Therefore, we think the IASB should continue to consider how to develop an exemption that preserves this information.

Inconsistency with findings from previous research and discussions

56. The information that the survey identified as being used by respondents was similar to the information identified by previous research and discussions, with one exception. Information about cash interest paid and received was previously identified as being used by investors analysing retail and commercial banks in specific situations. Although some survey respondents did use this information, most of the respondents that did so were not institutional investors.

Additional information we still need

Usefulness of information about cash interest paid and received

57. The survey findings suggest information about cash interest paid and received is used by investors less than we expected. We think it is important to understand why this information was identified as less useful, and in which situations, to ensure we have an accurate understanding when further analysing the information to preserve.

Can similar information meet user needs?

58. The survey identified cash flow information being used by investors that is similar to information available elsewhere in the financial statements. For example:

    (a) information about cash flows related to capital expenditure is similar to information required by IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*; and

    (b) information about cash flows from financing activities is similar to information presented in the statement of changes in equity, as required by IFRS 18.

59. Future discussions about what cash flow information to preserve will need to consider if other information could meet the needs currently met by the cash flow information used by investors. To inform these discussions, it would be helpful to understand what insights are provided by the cash flow information used by respondents that are not provided by similar information available elsewhere.

How to prioritise future work

60. At its July 2026 meeting, the IASB discussed prioritising work on defining the scope and identifying what cash flow information to preserve. The analysis in paragraphs 38–59 identifies information we need about both areas to progress work on this topic. We now consider how to prioritise this work.

Whether to prioritise work on defining scope or identifying what information to preserve

61. The survey findings provide information about what cash flow information should be preserved in a possible exemption and indicate some work will be required to consider how that can be done. However, this work is only relevant if we can first find a workable definition for the scope of any exemption. Consequently, we plan to prioritise work on defining the scope.

62. The survey findings indicate that the statement of cash flows of financial institutions categorised as banks and lenders—other than consumer finance companies—and insurance companies have limited use (see paragraph 24). These financial institutions are the clearest candidates for including in the scope of a possible exemption. Therefore, we plan to prioritise identifying the features of these entities and other factors to describe a scope for a possible exemption.

63. We plan to use the information from the survey about why investors do not find the statement of cash flows for these entities useful along with feedback from consultative groups in progressing this work (see paragraphs 48–50).

64. We think this will mean developing a multi-factor description centred on the business activities relevant to these entities, possibly considering:

    (a) the source of funding and role of holding customer cash (see paragraph 48);

    (b) descriptions of relevant activities in IFRS Accounting Standards;

    (c) indicators of liquidity or credit risk management being a significant part of business activities;

    (d) the role, if any, of regulatory status; and

    (e) any further information in follow-up activities about the reasons the statement of cash flows is not useful.

65. Based on survey findings and feedback from consultative groups, we think it is likely that within each of the groups of ‘banks and lenders’ and ‘insurance companies’ the

features that cause the statement of cash flows to have limited use will be similar. However, these reasons might differ between the groups and we will consider the need for differing factors for each group as we progress this work.

66. Once we have developed a description of the scope of banks and lenders and insurance companies to which a possible exemption might apply, we would then consider whether that process provides information to identify when the statement of cash flows of financial institutions in Group B—investment companies and investment trusts and consumer finance companies—are not useful and whether they should be included in any exemption.

Work on scoping conglomerates

67. We consider conglomerates as multi-activity entities and plan to consider any specific issues in relation to conglomerates after describing a scope for banks and lenders and insurance companies. We plan to approach conglomerates in the same way as those financial institutions in Group B (see paragraph 66): by first considering whether defining the scope for banks and lenders and insurance companies provides any information about when the statement of cash flows might not be useful for multi-activity entities and then deciding whether further work should be done. However, we plan to first conclude on those financial institutions in Group B before considering conglomerates to first have a complete picture of the types of financial institutions that would be included. This approach reflects comments made by IASB members about avoiding conglomerates becoming the initial focus of our work on scope (see paragraph 13 of this paper).

Effect on future work

68. Prioritising work on describing the scope of a possible exemption for banks and lenders and insurance companies represents a change to the plan discussed by the IASB in July 2026, where we set out our plan to prioritise work on defining the scope alongside identifying the information to preserve in a possible exemption.

69. We plan to come back to work on identifying the information to preserve after we have developed a feasible approach to describing scope. Given there are some differences in the information that is useful for different types of financial institutions, first describing the scope will inform which information should be retained.

How to get the information we need

70. Our analysis of what information we have and what information we need provide starting points for:

    (a) identifying the features that cause the statement of cash flows of banks and lenders and insurance companies to have limited use; and

    (b) identifying factors to describe entities that will qualify for any exemption.

71. A significant part of the work of describing the scope will be analysing those features and factors and testing how those best fit with the target population identified.

72. Many survey respondents also agreed to be contacted to discuss their response in a follow-up interview with staff. Targeted outreach with survey respondents would provide a straightforward route for understanding more about the reasons the statement of cash flows of financial institutions is not useful and for testing the effectiveness of possible descriptions of the scope.

73. We also think supplementing these follow-up interviews with discussions with preparers and investment relations professionals from banks and lenders and insurance companies could provide insights into features that users might be unaware of.

Next steps

74. As described in paragraphs 60–73, we plan to prioritise work on identifying the features that cause the statements of cash flows of banks and lenders and insurance companies to have limited use and other factors needed to describe the scope. We plan to bring the IASB a paper discussing this work in the first quarter of 2027.

Questions for the IASB
1. Do you have any comments or questions on the survey findings discussed in this paper? Specifically: a. are any findings unclear? If so, what is unclear? b. are any findings surprising? If so, what is surprising? 2. Do you have any comments or questions on the planned work on banks and lenders and insurance companies described in paragraphs 70–73 of this paper? Specifically: a. do you have any comments or questions on the plan on how to prioritise work? b. do you think the planned work will provide the information necessary for you to make decision about the scope of an exemption for these entities?