

IFRS 9 – Financial Instrument Recognition and Impairment for Banks

November 23, 2016 • Toronto

Course Overview

This one-day seminar will give you a deep understanding of the practical challenges faced by banks in the recognition and impairment of financial instruments.

Learning is based on a heavy use of case studies, taken from the practical discussions that the seminar leader has had with European global banks. The first half the course is devoted to explain the recognition of the main financial instruments in banks. The second half covers in detail the impairment of financial instruments.

Course Leader



Juan Ramirez is a senior professional at Deloitte in London, working on complex IFRS accounting and Basel III capital situations.

With an MBA from University of Chicago, Mr. Ramirez moved to London to work at JPMorgan and later Lehman Brothers, Barclays Capital, Banco Santander and BNP Paribas. He has devoted more than 20 years to marketing structured derivatives solutions, including commodity, credit, equity, fixed income and FX. Since the implementation of IFRS Mr. Ramirez has witnessed the practical accounting issues related to these markets.

Mr. Ramirez is the author of “Accounting for Derivatives” and “Handbook of Corporate Derivatives and Equity Capital Markets” published by Wiley.

Course Agenda

Conceptual Framework

- Introduction to IFRS 9
- Interaction with other IFRS standards

Financial Assets Recognition

- Financial assets classification under IFRS 9. Comparison to IAS 39
- Financial liabilities classification under IFRS 9. Comparison to IAS 39
- Case study: recognition of a loan at amortised cost
- Case study: recognition of a debt instrument at fair value through OCI
- Case study: recognition of equity instruments
- Reverse repos. Treatment of collateral
- Special situations

Financial Liabilities Recognition

- Accounting for repos
- The fair value option. Recognition of own debt
- The debt vs. equity classification.
- Case study: recognition of AT1 instruments

Recognition of other Financial Instruments

- Accounting for derivatives – Hedge accounting
- Accounting for financial guarantee contracts and loan commitments

Impairment – IFRS 9 Model Overview

- The three bucket model
- Case study: recognition of an impairment charge
- The link with Basel III

Impairment - Expected credit losses

- 12-month expected credit losses. Initial recognition/presentation of assets
- Lifetime credit losses
- Time value of money
- Expected life versus contractual period
- Collateral

- Undrawn commitments
- Exceptions: 12m PD as proxy for changes in lifetime credit losses, low credit risk, measurement for undrawn and drawn components of financial assets and measurement over a period longer than the maximum contractual period
- Link to Basel III

Impairment - Significant increase in credit risk

- Link with PD
- Individual vs. portfolio level. Grouping of individual items
- Missed payments vs. probability of default
- Write-offs

Impairment - Purchased or originated credit impaired debt instruments

- Definition of “credit impaired”
- Initial and subsequent recognition. Credit-adjusted effective interest rate
- Modifications
- Application of the write-off criteria to impaired assets. Interpretation of “no reasonable expectation of recovering a financial asset”

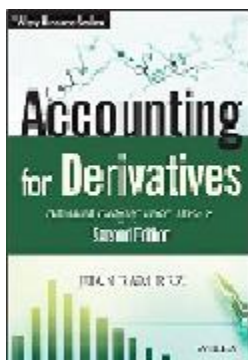
Offsetting vs. netting under IFRS 9

- Offsetting of derivatives
- Offsetting of repos
- Netting in practice

This Seminar runs from 9:00 a.m. – 4:30 p.m. including lunch as well as morning and afternoon breaks.

- *Note: The accounting considerations set out in this seminar are based on the teacher’s interpretation of IFRS. Institutions that the author is affiliated to can therefore by no means be associated with his interpretation.*

Supplementary Text Included in Course Fees



All participants receive a copy of “**Accounting for Derivatives – Advanced Hedging Under IFRS 9**” Second Edition by Juan Ramirez.



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Impairment for Banks
November 21 - 23, 2016 • Toronto

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Basel III Bank Capital Course	\$1,799.00 + HST	\$1,899.00 + HST	\$2,299.00 + HST
Both Course & Seminar	\$2,699.00 + HST	\$2,799.00 + HST	\$3,299.00 + HST
F.I. Recognition/Impairment	\$ 949.00 + HST	\$1,049.00 + HST	\$1,199.00 + HST

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Location and Timing

The conference will be held at a convenient location in downtown Toronto. Venue information and special conference pricing details will be provided upon confirmation of the venue.

Delegates can register at the Acumen service desk beginning at 8:00 a.m. on the morning of the first day of the conference.

Registration fees do not include hotel accommodation.

Cancellations

Substitutions may be made at any time. If you are unable to attend, please make cancellations in writing and fax to (416) 504-6978 **prior to 5 p.m. on November 7, 2016.** A credit voucher will be issued to you for the full amount, redeemable against any other Acumen conference. You may request a refund of fees paid less an administration fee of \$250.00.

Registrants who cancel after the above date will not be eligible to receive any credits or refunds and are liable for the entire registration fees.

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