IFRS 9 –
Financial Instrument Recognition and Impairment for Banks

Taking a Deep Dive on Practical Issues Demonstrated by the Use of Real Life Case Studies

September 19, 2018 • Toronto

Course Overview

This one-day intensive seminar takes a practical approach to essential aspects of IFRS 9 including how banks are tackling key judgments such as presence of sales in portfolios, prepayment features, significant increase in credit risk and the construction of scenarios in estimating losses.

The first half of the program provides hands-on expertise on how financial assets and liabilities are recognized under IFRS 9. Each type of financial instrument is dissected by using examples in which the accounting entries are covered in detail. For instance, a case study on Bank of America's credit card portfolio highlights the P&L challenges when changing prepayment assumptions on credit card receivables.

The second half of the program covers impairments which includes special emphasis on significant increase in credit risk, the challenges in using Basel III's probability of default and the challenges in building scenarios.

Course Leader

Juan Ramirez is a senior professional at Deloitte in London, advising clients on IFRS 9 and Basel III/IV issues. Juan is involved in all elements of IFRS 9: impairment, hedge accounting and financial instruments recognition/derecognition.

With an MBA from University of Chicago, Mr. Ramirez moved to London to work at the commodities trading desk at JPMorgan. Later he joined the derivatives sales teams at Lehman Brothers, Barclays Capital, Banco Santander and BNP Paribas. He has devoted more than 20 years to derivatives in front office positions, gaining a first-hand experience on market risk.

Mr. Ramirez is the author of "Handbook of Basel III Capital", "Accounting for Derivatives", and "Handbook of Corporate Derivatives and Equity Capital Markets.

Course Agenda

Conceptual Framework

- Introduction to IFRS 9
- Interaction with other IFRS standards

Financial Assets Recognition

- Financial assets classification under IFRS 9
  - -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
- Financial assets denominated in foreign currency
- Special situations in assets recognition: held to collect vs. sales, splitting portfolios, etc
- Case study: Bank of America's credit cards. Effects of changes in expected prepayments
- Reclassifications
  -

Financial Liabilities and Off Balance Sheet Items Recognition

- Financial liabilities classification under IFRS 9
- Accounting for repos
- The fair value option - recognition of own debt
- Accounting for financial guarantee contracts and loan commitments

Derivatives. Hybrid Instruments. Hedge Accounting

- Accounting for derivatives. Adjustments to the valuation (CVA/DVA, FVA, etc)
- Hybrid instruments
- Hedge accounting types and application requirements
- Micro vs. macro hedge accounting
- Application of fair value option vs. hedge accounting
- Credit risk hedging

Impairment – IFRS 9 Model Overview

- The three bucket model
- Case study: recognition of an impairment charge

Expected Credit Losses

- 12-month expected credit losses - initial recognition/presentation of assets
- Lifetime credit losses
- Practical challenges in building scenarios
- Time value of money

- Expected life versus contractual period
- Treatment of 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

Link with Basel III

- Asset recognition vs. banking/trading book under FRTB
- Differences between regulatory and accounting PDs
- Expected credit losses and standardised/IRB approaches for credit risk

Significant Increase in Credit Risk

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

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 instructor's interpretation of IFRS. Institutions that the instructor is affiliated to can therefore by no means be associated with his interpretation.*

SAVE UP TO $700
REGISTER BY
July 23, 2018!

Acumen Information Services

Priority Registration

IFRS 9 - Accounting for Derivatives in Practice

IFRS 9 for Financial Institutions

September 17 - 19, 2017 ● Toronto

Registration Fees

Registration Options		Before July 16, 2018	Before July 23, 2018	After July 23, 2018
	Derivative Accounting	$1,849.00 + HST	$1,899.00 + HST	$2,399.00 + HST
	Both Course & Seminar	$2,799.00 + HST	$2,899.00 + HST	$3,499.00 + HST
	IFRS 9 for Banks	$ 949.00 + HST	$ 999.00 + HST	$1,199.00 + HST

Pre-registration fees include all documentation, continental breakfasts, lunches and refreshments. Parking and accommodation are not included. Please make all cheques payable to **Acumen Information Services**.

o I cannot attend but please keep me informed of future events

Mr./Ms./Mrs. ___________________________________Title _________________________ E-mail:__________________

Mr./Ms./Mrs. ___________________________________Title _________________________ E-mail:__________________

Mr./Ms./Mrs. ___________________________________Title _________________________ E-mail:__________________

Company ____

Address ____

City _________________________________ Province __________________ Postal Code __________________________

Telephone ( ) ________________________Extension ___________ Fax ( ) ______________________________________

Register Now!

- Fax your completed registration form to **(416) 504-6978**; or
- Mail your completed registration form to **Acumen Information Services, Suite 1100, 151 Yonge Street, Toronto, Ontario, M5C 2W7**; or
- @ E-mail your registration to **info@acumeninformation.com**; or
- Call **(416) 504-6952** for registration assistance and additional information.

Payment Options: o **Please invoice me** o **Payment enclosed**

o Charge to my o Visa o Mastercard

Card number:________________________________Expiry date: ________ Security No. _______

Signature: ____

Travel Information: o Yes, please send me a **free** Toronto and Area Information Package **HST No. R862562543**

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.

The Acumen Guarantee

If you find that this event does not meet the high quality standards you expect from Acumen, we will issue you a letter of credit equal to the value of your fees. The individual delegate or any member of his or her company may use this letter of credit for two years from date of issue. Write us a letter describing why you were dissatisfied and direct it to the General Manager.

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 September 4, 2018**.
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.