7544-1

Virtual

10 hours

Course Description:
This course provides participants with baseline knowledge of IFRS 9 in line with the CBE-related instructions issued on 26 February 2019

Target Audience:
- Banks and Financial Institutions, especially departments like "Finance, Internal
- Audit, Risk Management, etc...).
- Financial Analysts.
- Auditors of Banks / Financial institutions.

Course Objectives:
The program aims to provide a detailed overview supported by practical examples and cases on how to account for financial instruments in line with the CBE-related instructions issued on 26 February 2019 instructions for the application of the International Financial Reporting Standard (IFRS 9)".

Course Outline:

Module 1: IFRS 9 for Banks / Financial Institutions and CBE Related Regulations

Session One: IFRS 9 for banks / Financial institutions and CBE-related regulations
- Financial instrument's introduction
  - Financial instruments
  - Overview of IFRS 9
  - Background to IFRS 9
  - What is IFRS 9?
  - Key changes from IAS 39
- Classification and Measurement
  - IAS 39 versus IFRS 9
  - Financial Assets: Debt Instruments
  - Financial Assets: Equity Instruments
  - The two-step approach to the classification of financial assets

- SPPI-Criterion – Basic Lending Arrangement
- The Solely P&I (SPPI) Criterion
- 2. Guidance on specific features that affect the SPPI criterion
- SPPI: Prepayment Features
- Guidance on specific features that do not affect the SPPI criterion
- - Business Model Assessment: Key Considerations
- Business Model Assessment: Rationale
- Measurement of financial assets
- Reclassifications
- Example list of financial assets held by banks and their classification
- Financial Liabilities Designated at FVTPL: Split Presentation

Session Two: Expected Credit Loss and other related concepts:
- ECL – Formula for Computation
  - Impairment - IFRS 9 vs IAS 39
  - IAS 39 (Incurred) vs IFRS 9 (Expected)
  - Expected Credit Loss Risk Components
  - How is ECL Calculated?
  - Probability of Default – Overview
  - Lifetime PD Estimation
  - Loss Given Default – Overview
  - Example LGD Methodology
  - LGD with Collateral Allocation
  - Exposure at Default – Overview
  - EAD Approach Used
  - Measuring expected credit losses

Session Three: Continue Expected Credit Loss and other related concepts
- ECL-Other Key Concepts for Understanding Estimation
  - Understanding ECL
  - Stage Allocation
  - Loss Allowance Recognition: Illustration
  - Loss Allowance Recognition: Rationale
  - Assessment of Significant Increase in Credit Risk: Illustration
  - Assessment of Significant Increase in Credit Risk: Rationale

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- Governance Structure
- Assignment

Assessment Strategy:
Participants will be informally assessed based on their participation during sessions and finalizing assignments between sessions.

Course Language:
English

Prerequisites:
None

Instructor Bio:
Mr. Abdel Hadi Ibrahim -Audit Partner- Head of Financial Services Practice-KPMG,
Abdel Hadi has over 20 years of experience both in Egypt and the USA, specialized in banking and financial institutions audits, with the last 6 years in the capacity of a "Financial Services
Partner", This is a multi-faceted role which includes a diverse array of additional accountabilities with local, national, and international impact