

Course 1741 IFRS for Banks and Other Financial Institutions (3 days)

Course Summary

This highly interactive three-day course explores international financial reporting practices for banks and other financial institutions through the use of case studies, exercises, model financial statements and break-out sessions. Topics include: Classification, recognition, measurement, impairment, and de-recognition of loans and other financial instruments under IAS 39 and IFRS 9 | Financial guarantees and loan commitments | Application of the effective interest method under various scenarios | Fair value option | Derivatives and embedded derivatives | Overview of cash flow, fair value, and portfolio (macro) hedging | Investment property and repossessed assets | Recognition of fee income | IFRS 7 Financial Instruments: Disclosures | Presentation of IFRS financial statements | Brief comparison of IFRS with other GAAP | Illustrative financial statements and disclosures.

In addition, using clear explanations, we will bring you up to date with the current issues and expected pronouncements that are particularly relevant to financial institutions.

CFA Institute has approved this program for 21 credit hours. Please use promotion code "CFACPE" when booking, to ensure that CE credit for your participation will be automatically recorded in your CE Diary.

Introduction

The move to IFRS has had a major impact on the reporting requirements of financial institutions. Moreover, additional changes are on the horizon, as the IASB accelerates its efforts to replace both the accounting and disclosure requirements for financial instruments. Utilizing a highly interactive format, this course provides a comprehensive overview of the effects that the current and impending standards have on the financial statements of financial institutions. In addition, likely changes to IFRS based on the IASB's technical agenda are reviewed.

This three-day program offers invaluable guidance in meeting current and likely future international accounting rules and disclosure requirements. Coverage includes lending and repossessed assets, accounting implications of regulatory requirements, disclosures, and revenue recognition. The complex requirements of IAS 39 Financial Instruments: Recognition and Measurement are discussed and explained, as well as the new requirements of IFRS 9 Financial Instruments: Classification and Measurement. Numerous examples and illustrations are provided, including application of the effective interest method under various scenarios, retained servicing, loan commitments and financial guarantees, loan impairment and restructurings, and derivatives and hedging. Where applicable, the aforementioned IFRS accounting rules are contrasted with those under other GAAP.

The theory and application of the standards is demonstrated with illustrative examples, complemented by application of the rules in an interactive group environment utilizing case studies, model financial statements, practical exercises and break-out sessions.

This course answers questions such as:

- o What are the current and likely future IFRS reporting requirements for financial institutions?
- o When and how can financial instruments be reclassified?

- o What are the accounting requirements for loan losses, repossessed assets, and fee income?
- o How are effective interest rates calculated for various financial instruments?
- o What rules apply to the recognition, measurement, impairment, and de-recognition of financial instruments?
- o How are the disclosure requirements of IFRS 7 met in actual practice?

Prerequisites

Some familiarity with financial reporting for banks or other financial institutions under IFRS or any national GAAP. No advance preparation is required for this course.

Course Level

Intermediate

Topics

- o Applying Current IASB Standards Applicable to Financial Institutions
- o Financial Instruments
 - o Classification and reclassification of financial instruments under IAS 39 and IFRS 9
 - o Fair value option (including comparison to US GAAP)
 - o Fair value measurement (including the May 2009 IASB Exposure Draft)
 - o Recognition and measurement under IAS 39 and IFRS 9
 - o De-recognition (including retained servicing, securitizations, and REPOs)
 - o Overview of the March 2009 Exposure Draft: De-recognition (Proposed amendments to IAS 39 and IFRS 7)
 - o Financial guarantees
 - o Loan commitments
- o Loans Receivable
 - o Recognition and measurement under IAS 39 and IFRS 9
 - o Fee income and loan origination costs (IAS 18 and 39)
 - o Impairment and restructurings
 - o Interaction between IAS 21 and IAS 39
 - o Repossessed assets
- o Application of the Effective Interest Method (IAS 39)
 - o Computing the effective interest rate
 - o Applying the effective interest method under various scenarios – live illustrations
 - o Plain vanilla bonds
 - o Variable rate instruments
 - o Effect of prepayments
 - o Applying the effective interest method after recognition of impairment losses
- o Investment Property (IAS 40)
- o Derivatives and Hedging (IAS 39)
 - o Accounting for derivatives and embedded derivatives
 - o Accounting for the three types of hedges (cash flow, fair value, and net investment)
 - o Overview of portfolio (macro) hedging
 - o Hedge accounting documentation requirements
 - o Termination of hedge accounting

- o Financial Statements
 - o Financial statement presentation (IAS 1, 7, 8)
 - o Review and practical application of IFRS 7 disclosure requirements
 - o Capital disclosures required by IAS 1
 - o Review of real world IFRS financial statements
- o Brief Comparison of IFRS and other GAAP Requirements
- o Future Developments: Replacement of IAS 39

Course Benefits

- o Classify and measure financial assets according to the four categories defined in IAS 39
- o Prepare the quantitative and qualitative disclosures for financial instruments required by IFRS 7
- o Calculate impairment of loans and other financial assets
- o Calculate the effective interest rates for various financial instruments common to the banking industry
- o Differentiate embedded derivatives between those that must be accounted separately and those that do not require separation from their host instruments
- o Apply the stringent requirements for hedge accounting
- o Plan for changes in accounting and disclosure requirements by identifying likely future IFRS changes affecting financial institutions

Teaching Method

- o Live group instruction and interactive participation
- o Description and explanation of IFRS technical requirements in clear and simple language
- o Real-world financial statements of financial institutions to demonstrate IFRS presentation and disclosure requirements
- o Illustrative demonstrations for calculating effective interest rates
- o Case studies:
 - o Recognition, measurement and fair value adjustments for financial instruments
 - o Application of the de-recognition rules under IAS 39
 - o Determination of loan losses
- o Exercises to provide hands-on application practice
- o Active participation is encouraged
- o All participants receive a comprehensive binder containing copies of the presentation slides, handouts and other course materials

Continuing Professional Education (CPE)

24 hours

Venue

All of our Dubai seminars take place in 4 star professional conference facilities, usually in city-centre downtown hotels like the Marriott, Sheraton or Hilton brands.

Detailed Joining Instructions are sent to all registered delegates by email approximately one month before the

event. The Joining Instructions will confirm exact venue details and nearby (or onsite) hotel recommendations with bedroom rates where available.

Coffee and lunch will be provided.

Related courses

- o [1201: IFRS Financial Instruments Workshop \(2 days\)](#)
- o [1202: Financial Instruments Update: Are you ready for IFRS 9?](#)
- o [1208: IFRS for Derivatives and Hedging \(2 days\)](#)
- o [1801: IFRS for the Insurance Industry \(2 days\)](#)
- o [1800: IFRS and US GAAP for the Insurance Industry \(3 days\)](#)
- o [1860: IFRS - What it means for Analysts \(2 days\)](#)
- o [1225: IFRS and US GAAP Fair Value Accounting \(2 days\)](#)
- o [1742: Banking Transformation 2010 – IFRS and Process Improvement \(5-day course\)](#)

Booking Information

Duration (days): 3

Location: Dubai

Price: USD 4,700

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Available dates

28 Nov - 30 Nov 2010

22 May - 24 May 2011

27 Nov - 29 Nov 2011

Instructor(s)

Susan Thetford [28 Nov - 30 Nov 2010]

Susan Thetford is an international instructor and consultant specialising in the implementation and application of International Financial Reporting Standards (IFRS), US Generally Accepted Accounting Principles (US GAAP) and International Standards on Auditing (ISA). A specialist in bank accounting issues, she has presented conferences, seminars and workshops in over 20 countries, including the USA, the UK, France, Switzerland, Mongolia, countries in Central Asia, Ukraine, Brazil, Canada, UAE, several countries in Africa, and Bosnia. As well as teaching for IASeminars and others, Susan has written IFRS technical material for a major US publisher. She is a US Certified Public Accountant (CPA), and was previously the Regional Accountant for a Federal banking regulator in the USA. Prior to that she was a Senior Audit Manager with Deloitte & Touche, working with clients in a variety of industries, including real estate, financial institutions, manufacturing, hospitality, broker/dealers, and oil and gas exploration and development. Susan is a former Vice President and member of

the Board of Directors of the Dallas Chapter of the Texas Society of CPAs.

Instructor TBC [22 May - 24 May 2011]

The instructor for this course will be drawn from one of our core faculty of subject matter experts (see examples on <http://www.iaseminars.com/html/faculty.html>). Further details will be published at the earliest opportunity.

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For more information, please visit <http://www.iaseminars.com/en/event/?Code=1741&VenueID=21>