# IFRS 9 FINANCIAL INSTRUMENTS
## *Impairment Model*

**Impairment model impacts investment decisions and creates additional challenges in your accounting, modelling and reporting functions.**

- IMPAIRMENT MODEL
- EXPECTED CREDIT LOSSES
- LIFETIME LOSS ALLOWANCES
- CHANGE IN CREDIT RISK ASSESSMENT

The impairment methodology is forward-looking, requiring the reporting entity to report the changes in credit risk of financial institutions in a consistent way with the credit risk measurement methods. Particularly,Banks are expected to compute the 1 year Expected Loss for Stage 1 accounts and Lifetime Expected Loss for Stage 2 accounts, instead of just allocating for general provision.

Finalyse can assist you by bringing our expertise in Risk Management and the fields of Credit Risk Modelling, Accounting and Performance Measurement by implementing the 3-stage model in your computational and reporting streams, to fulfil IFRS 9 requirements in a timely manner.

**For more information, visit**
**www.finalyse.com/ifrs-9-financial-instruments**

## Benefits

- Finalyse designs an IFRS 9 framework catering to the bank's needs comprising of a High-level gap report, Target Operating Model and an Impact Assessment.

- During the IFRS 9 implementation phase, Finalyse focuses on the different aspects of Impairment modelling and Expected Credit Losses (ECL) estimation. The classification and measurement of IFRS 9 instruments (as per the SPPI tests) and IFRS 9 Policy documents could also be reviewed/updated as part of this exercise.

- Finalyse also supports in the Business Transition phase and ensures the IT/Systems are fully integrated in the parallel run.

## Motivation

Finalyse experts will help to choose one of the three approaches that will differ in assessing impairment requirements. You will benefit from the full monitoring of IFRS 9 impacts for P&L and capital planning purpose.

With our proven know-how in credit risk measurement and advanced modelling techniques, Finalyse experts provide support in implementation of the 3-stage model for impairment.

**Finalyse**

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