LETS CALCULATE - HANDS ON TRAINING

ADVANCE IFRS 9 WORKSHOP

from Classification Impairment, Financial Measurement to Credit loss Modelling, ECL and Accounting of Restructured or Modified financial Instruments with hands on Calculations

April 8th, 2026
Movenpick Hotel, Karachi

Facilatators

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Workshop Overview

This workshop equips finance, risk, and audit professionals with practical knowledge of IFRS 9 and ECL modeling. Participants will learn asset classification, PD, LGD, EAD application, and the IAS 39 transition through real-world cases and examples.

Who Should Attend

- Finance and Accounting Professionals
- Risk Management and Compliance Officers
- Internal and External Auditors
- Credit Risk and Loan Portfolio Analysts
- Financial Controllers and CFOs
- Regulatory Reporting Teams
- Data Analysts supporting credit risk modeling
- Professionals involved in IFRS transition or financial reporting

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MODULE	SUB-MODULE	DESCRIPTION
01 Background and introduction to International Financial Reporting Standard 9-Financial Instruments (IFRS 9)	IFRS 9 Journey in Pakistan	Timeline of IFRS 9 in Pakistan based on State Bank of Pakistan's guidelines
	Overview of IAS 39 versus IFRS 9	How does IFRS-9 compare with International Accounting Standard 39 - Financial Instruments Recognition and Measurement.
	IFRS 9 high-level requirements	Discussion on basic classification, measurement and impairment requirements as per IFRS 9
02 General Challenges faced in IFRS 9 transition and Subsequently	Challenges faced in IFRS 9 transition and remedies to mitigate them	Discussion of key challenges faced by the banking industry in adoption of IFRS 9. Discussion on remedies to address these challenges.
	Current challenges after IFRS 9 adoption.	Challenges faced by the industry on compliance with BPRD Circular Letter No. 16 dated 29 July 2024
03 Classification of financial instruments under IFRS 9	Solely Payment of Principal and Interest (SPPI) Test	Aspects related to the SPPI criterion assessment
	Business model assessment	Discussion on Hold to collect, sell or other business model
	Classification of Financial Assets - Debt Instruments	Classification - Amortized cost, Fair Value Through Other Comprehensive Income (FVOCI), and Fair Value Through Profit and Loss (FVTPL)
	Classification of Financial Assets - Equity Instruments	Classification - FVOCI, and FVTPL
04 Introduction to Impairment Requirements Under IFRS 9	Approaches to Impairment Calculation	Simplified and general approach under IFRS 9
05 Building Expected Credit Losses (ECL) Model	Introduction to ECL components	Brief description of ECL components and parameters
	Segmentations	Segmentation of portfolio based on risk profiles
	Change in Credit Risk	Staging requirements under IFRS 9 for 12 month and lifetime ECL calculations

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MODULE	SUB-MODULE	DESCRIPTION
06 **Methodology of ECL Model**	Probability of Default (PD)	• Different approaches used to estimate PD i.e. internal rating, DPD based, external rating, and microfinance DPD criteria • Worked examples
	Loss given default (LGD)	• Discussion on LGD methodology available for calculations, practical limitations, collateral impact and regulatory requirements. • Worked examples
	Forward-Looking Information	• Incorporation of forecasted Macro Economic Variables (MEVs) in PD using Vasicek approach. • Derivation of forward looking LGD using Jacob Frye approach.
	Exposure at Default (EAD)	Discussion on the EAD methodology available for calculation, including practical limitations. Discussion on new requirements by SBP on calculation of EAD for revolving products beyond their contractual date.
	Credit Conversion Factor (CCF) - Funded & Unfunded	Discussion on CCF calculation as defined by the regulatory & Basel framework requirements for the following: Funded revolving facilities - Calculation of expected drawn down amount till the time of default • Unfunded facilities: Calculation of conversion of off-balance exposure into funded. • Worked examples
	Weighted Average ECL	• Calculation of forward-looking unbiased probability weighted • 12-month or lifetime ECL under different economic scenarios • Worked examples
	Provisioning Basis Under IFRS 9	Application of "higher of" rule for provisioning at Stage 3 at borrower/facility level for non-retail portfolios and at segment/product level for retail portfolios

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	MODULE	SUB-MODULE	DESCRIPTION
07	**Regulatory Requirements**	Regulatory requirements for ECL calculation	Regulatory requirements for ECL calculation
		How to prepare for IFRS 9 transition?	Possible steps Banks need to take to prepare for IFRS 9
		Transition impact of IFRS 9	Financial statement account heads impacted by IFRS 9
08	**Effective Interest Rate Method**	Recognition of interest income/expense on the EIR method	Requirements of IFRS 9 on EIR method and how it differs from current interest accrual practices. Current industry challenges in adoption of EIR method and way forward.
		Measurement of subsidized staff loans	Conceptual guidance on fair value measurement of staff loans. Interaction of IAS 19 and IFRS 9 for staff portfolio. Presentation of staff loans in statement of financial position.