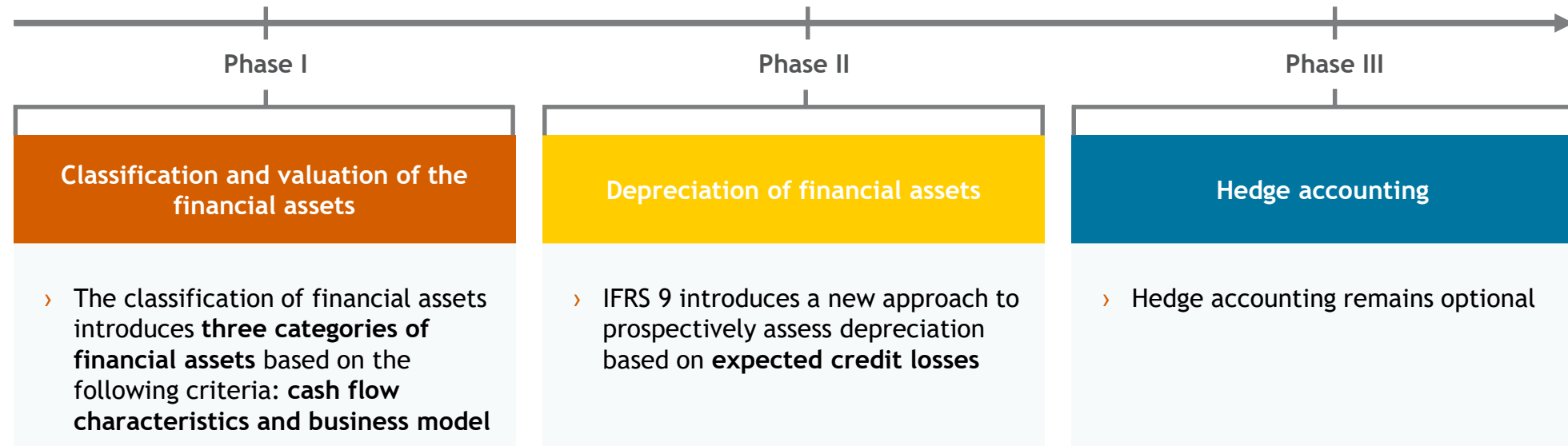


**Assistance in the adoption  
of new accounting  
standards  
IFRS & US GAAP**

# IFRS 9 - Overview

A three-step approach

- › IFRS 9 « Financial Instruments» replaces IAS 39 in order to improve financial reporting.
- › The adoption of this standard has significant impact on financial institutions



The main challenges for the implementation of IFRS 9 are in Phase 2, based on a reliable Phase 1

# Phase 1: Classification and valuation of the financial assets

› The classification of financial assets is based on the following two criteria:

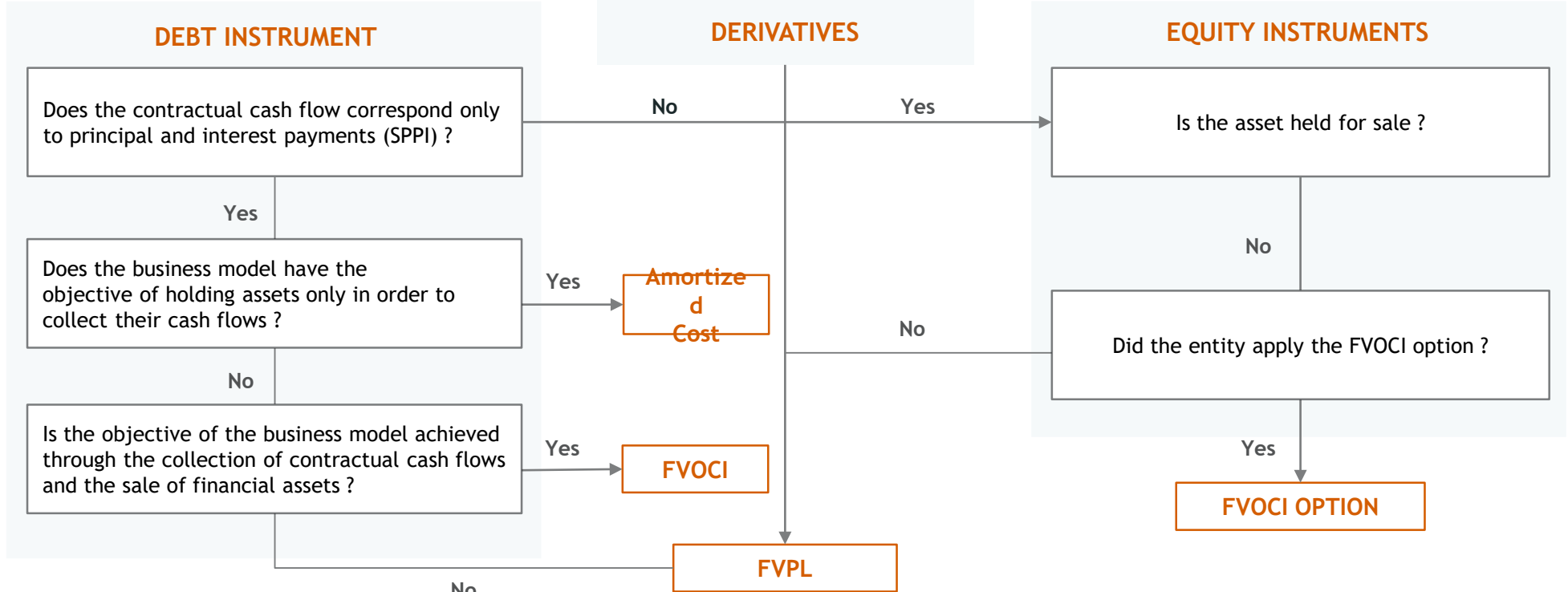
**Cash flow characteristics (CF)**

- › Contractual FTs consist solely of payments of principal and interest (SPPI)

**Business Model**

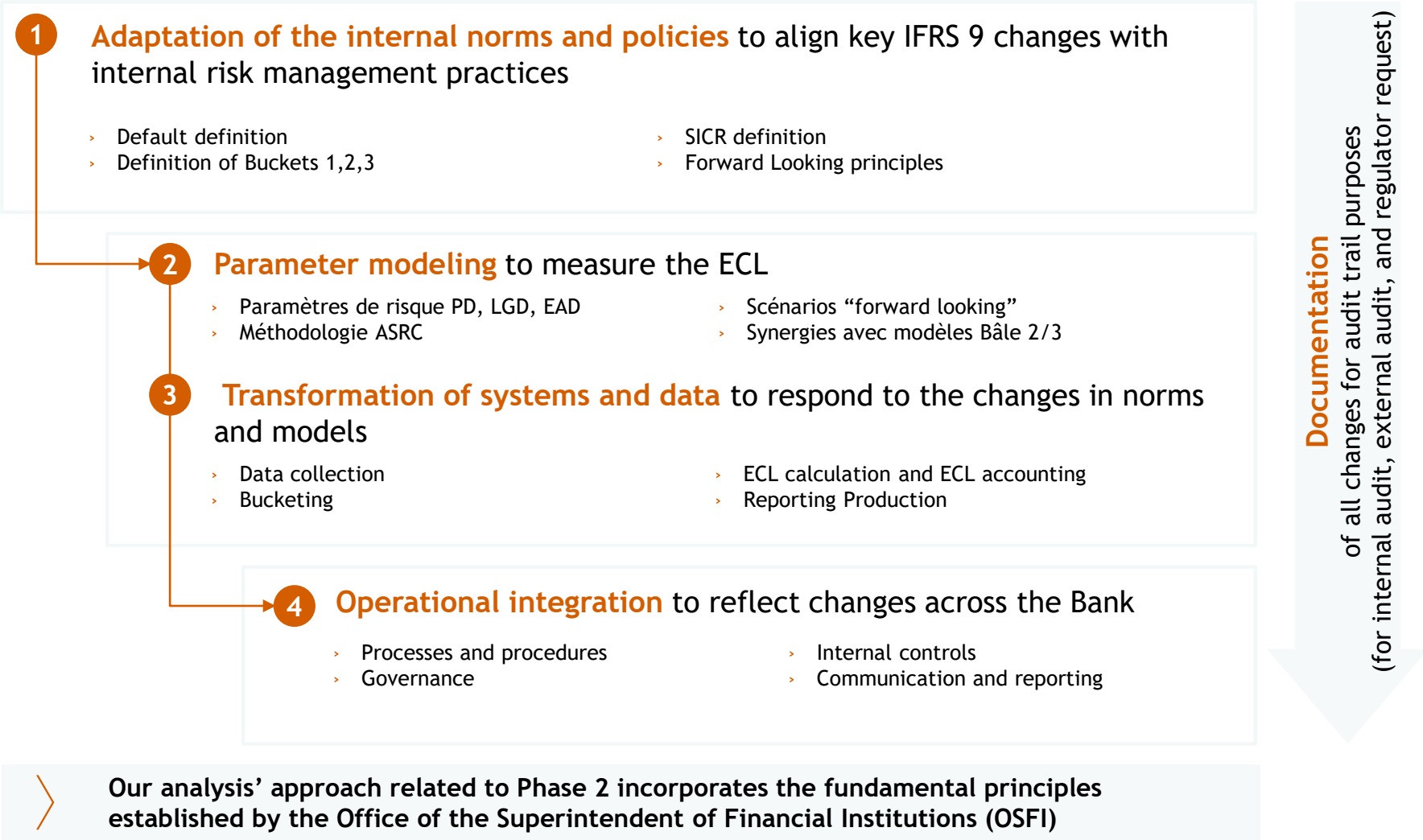
- › The objective of the business model to hold assets in order to:
  - › Collect contractuals CFs
  - › Collect the CFs and sell the asset
  - › Other

› The diagram below summarizes the methodology for classifying financial assets under IFRS 9:



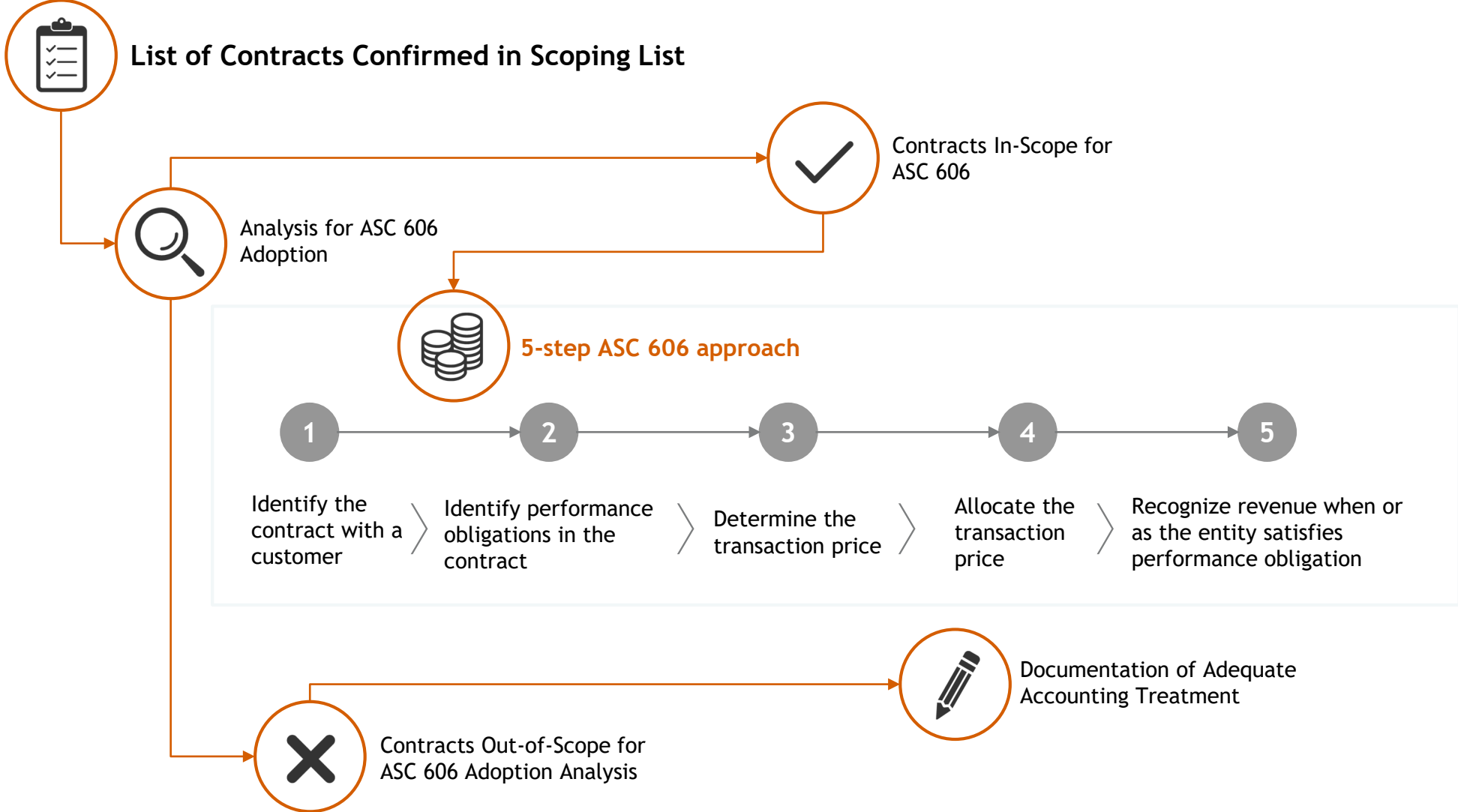
# Phase 2: Our adoption approach

The proposed analytical approach is based on CH&Co. 's experience in assisting clients in the banking sector in the adoption of IFRS 9



# IFRS 15/ASC 606: Approach Overview

The following diagram illustrates Chappuis Halder & Co.'s approach for the adoption of ASC 606 - Revenue Recognition





Geneva



London



Paris



Niort



Budapest



New York



Montreal



Hong Kong



Singapore



Frankfurt

<http://www.chappuisalder.com>