

The objective of the Course – IFRS 9 – Hedge Accounting & Modelling (AS)

The objective of the Course: The purpose of the Course is to have Hedge Accounting from a broader perspective. The Course would also be covering Hedge Accounting using IFRS, International Accounting Standards (IAS), and US GAAP whereby we would be covering IFRS 9, IAS 39, IAS 32, US FAS 133, and US FAS 157. The course would be also be covering Hedge Accounting Modelling as well whereby we would be covering all latest IFRS 9 Modelling like ECL, PD, ED, CE, and respective. The course is designed to keep Hedge Accounting requirements of a Corporate Entity, Bank, and Financial Institution. Course do cover IFRS 9 in Business Combinations whereby we would be covering Mergers, Acquisitions, Takeovers, Reverse Mergers, Earnouts in Corporate Books. During the Course, Corporate Entity would feel the dedicated presence of IFRS 9 on Offshore Entities like NY, Singapore, London, Luxembourg, Frankfurt, Australia, and Tokyo Markets

❖ Targetted Audience :

- Chief Executive Officers (CEO)
- Chief Financial Officers (CFO)
- Corporate Treasurers
- Corporate Controllers
- Accounting Heads
- Treasury Teams
- Bankers
- Front Desk Traders
- Proprietary Traders
- Chartered Accountants (CA)
- Cost Accountants
- Company Secretaries
- Master of Business Administration (MBA)

Course Content – IFRS 9 – Hedge Accounting & Modelling (Advanced Series) **Session I: Introduction to IFRS**

(This session would be taking you towards IFRS like what IFRS is all about and why IFRS is termed as Rule-based Standards Plus what are important principles of Hedge Accounting under IFRS?? This session would give you an introduction of the exact difference between Hedge accounting as per IFRS, US GAAP, IAS 39)

 Session II: Exposures in Books of Corporates

(This session would be covering all types of Exposures we have in the Books of Corporates. All types of exposures would be explained using live examples, Presentations, Excel Solvers)

Types of Exposures in Corporates Books:

- Forward Contracts – Plain Vanilla**
- Forward Contracts – Exotics**
- Plain Vanilla Options**
- Exotic Options**
- Options Strategies & Payoffs**
- Interest Rate Swaps (IRS) - \$ Swaps, Reverse \$ Swaps**
- Currency Swaps**
- Credit Risk Management Swaps (CRS)**

Session III: IFRS 13 – Fair Value Measurement (Valuation Hierarchy)

(This session would be covering IFRS 13 – Fair Valuation Hierarchy. The session would also be covering how Fair Valuation Hierarchy playing an important role while doing Hedge Accounting of Derivatives?? This session would also be covering a live demonstration of Financial Statements of US-based Companies like Cognizant Technologies (\$13.5 Bn, Genpact, \$ 3 Bn, Sapien Technologies, Accenture as how they are impacted by Fair Valuation Hierarchy covering Hedge Accounting of all Derivatives (including Freestanding) in their Books??)

- Observable Inputs
- Non Observable Inputs
- L1 – Mark to Market
- L2 – Mark to Matrix
- L3 – Mark to Model
- L3 Modelling using Black Scholes
- Fair Valuation of Investments Instruments
- Impact of L1, L2, L3 – P&L, Balance Sheet, Cash Flow Statements

Session IV: Hedge Accounting Methods – Qualitative vs Quantitative Hedge Accounting

(This session would be covering both sides of Hedge Accounting which would be Qualitative, Quantitative Hedge Accounting. The session would be covering all methods of both types of Quantitative hedge Accounting as well as Quantitative Methods)

Quantitative Hedge Accounting:

- Dollar Offset Method
- Long Haul Method
- Regression Method
- Hypothetical Method

Qualitative Hedge Accounting:

- Short Cut Method
- Critical Terms Match (CTM) Method

##All aforesaid methods would be covered using Excel-based Scenarios whereby one side we would be covering Exposures in the books of Corporates and second side as to how Hedge Accounting can be performed using aforesaid methods in IFRS 9??

Session V: Derecognition vs Impairment – IFRS 9

(This session would be covering as How Corporates need to have both Derecognitions, Impairment in the Exposures which are Foreign Currency Receivables, Foreign Currency Payables, Interest Rate Swaps, and Credit Risk. This session would also be covering the impact of Derecognition, Impairment about Business Combinations)

- P&L Impact – Derecognition, Impairment
- Balance Sheet Impact – Derecognition, Impairment
- Cash Flow Statement Impact – Derecognition, Impairment

Session VI: Hedge Effectiveness Testing

(This session would be covering Hedge Effectiveness Testing for a Corporate Entity. We would be covering Hedge Effectiveness Testing in the following ways)

IFRS 9 – Hedge Accounting & Modelling (Advanced Series)

- Hedge Effectiveness Testing**
 - Cash Flow Hedging**
 - Fair Value Hedging**
 - Net Investment Hedging**
- Impact in P&L, Balance Sheet, Cash Flow Statement**
- Impact on Other Comprehensive Income (OCI)**
- Notes to Accounts**

We would be covering all aspects of Hedge Effectiveness Testing covering all aforesaid Hedging types. This session would also be covering Revaluation as well as Translation Exposures in Corporates Books covering the impact of Foreign Currencies as well as Local Currencies

Session VII: Consolidation as per Hedge Accounting

(This session would be covering how Corporates are doing Consolidation under IFRS 9, IFRS 13, and IFRS 7 Hedge Accounting)

- Hedge Accounting Consolidation**
 - Subsidiary Translation Exposures**
 - Subsidiary Revaluation Exposures**
 - Consolidation at Group level**

Consolidation would also cover all legal entities in offshore locations like Singapore, Hong Kong, United States, European Union, China, Dubai, and respective entities.

Session VIII: Live Complete Cycle

(Here Treasury Consulting LLP would be sharing complete Live Cycle of IFRS 9 whereby we would be taking some data from that Corporates like Audited P&L, Balance Sheet, Cash Flow Statements, Notes to Accounts and we would be doing Complete IFRS 9 Cycle)

- International Accounting Standards (IAS)**
 - IAS 32 – Financial Instruments: Presentation**
 - IAS 39- Financial Instruments : Recognition & Measurement**
- IFRS**
 - IFRS 9 – Financial Instruments**
 - IFRS 7 – Financial Instruments: Disclosures**
 - IFRS 13 – Fair Value Measurement**
- US GAAP**
 - FAS 133 – Financial Derivatives**
 - FAS 157 – Fair Valuation Measurement**

Session IX: Quantitative Modelling using IFRS 9

(This session would be covering all Quantitative Modelling using IFRS 9 like Probability of Default, Exposures at Default, Loss Given Default using examples of Banks. In this we would be covering examples of US Banks who are under Basel III and also making consolidated financial statements as per IFRS 9 like JP Morgan Chase, Deutsche Bank)

- Probability of Default (PD)**
- Exposure At Default (EAD)**
- Loss Given Default (LGD)**
- Cumulative Default**
- Impact on Pillar 3 for Banks**

Session X: Valuation of TLAC, ECAP

(This session would be covering the valuation of Total Loss Absorbing Capital (TLAC), Economic Capital Requirements (TCAP). This session would be covering valuation of TLAC, ECAP as per IFRS 9 Model Risk Management, Basel III, and Valuation of Instruments using IFRS 13)

- Total Loss Absorbing Capital (TLAC)**
- Economic Capital Requirements (ECAP)**

Session XI: IFRS 9/ Basel III – Stress Testing Modelling

(This session would be covering Stress Testing using IFRS 9 and Basel III. In this, we would be taking the example of JP Morgan Chase and their portfolio as they their Consolidated Financial Statements)

Session XII: VAR Modelling, CVAR Modelling

(This session would be covering Value at Risk (VAR), Conditional Value at Risk (CVAR) Modelling based upon Financial Statements of Goldman Sachs, Credit Suisse. In this we would be covering how they are computing VAR, CVAR of their Portfolios)

Session XIII: IFRS 9 – Valuation Adjustments (For Banks)

(This session would be covering all Valuation Adjustments which are very much applicable to Banks when they would migrate to IFRS 9)

- Credit Valuation Adjustment (CVA)**
- Debit Valuation Adjustment (DVA)**
- Funding Valuation Adjustment (FVA)**
- Liquidity Valuation Adjustment (LVA)**
- Collateral Valuation Adjustment (COLVA or OIS)**
- Capital Valuation Adjustment (KVA)**
- Margin Valuation Adjustment (MVA)**

❖ **Course Coverage:** Course to get covered using Webinars, Skype Conference Calls, Audio, Video Calls. Sessions are highly interactive and participants are most welcome to ask any questions during the Course.

❖ **Course Duration:** Course duration is 80 Hrs + 1 Hrs of Complimentary Skype Call which to be taken within 3 months of completion of the Course.

❖ **Pricing:** Rs 100,000 (Indian Rupees)

❖ **Course Material**

- Course Presentations – 100% interactive, Screenshots, Examples
- International Bank Research Reports
- Live Corporate Case Studies
- Excel Solvers

The course is 100% Practical, Software Oriented in nature. We would be doing the Course using Course Presentation, International Bank Research Reports, Live Corporate Case Studies, Excel Solvers, Live Financial Terminals – MT4 (Meta Trader 4)

By: Rahul Magan

**Chairman, Group CEO & PE, Treasury Consulting Group (TCG)
Owner, Hedge Fund Desk (HFD), Treasury Consulting Group (TCG)**

+91 9899242978 (Handheld), +91 9818485155 (Back Office)

YouTube Channel (Foreign Exchange Maverick Thinkers) -

<https://www.youtube.com/user/rahulmagan8>

YouTube Channel (Treasury X) -

<https://www.youtube.com/channel/UChS6wQzyZd02bHd5w3S0rQg>

YouTube Channel (Impetus X) -

<https://www.youtube.com/channel/UC3bPXxADBssdFMwlkphLFFQ/featured>

Vimeo Video Channel - <https://vimeo.com/rahulmagan>