

# MFRS 9: EXPECTED CREDIT LOSS MODELS

**KUALA LUMPUR 28 SEPTEMBER 2020**

## INTRODUCTION

The new MFRS 9, effective from 1.1. 2018, would require several assets, recognised and unrecognised, to be assessment for impairment under a new credit loss assessment, namely the expected credit loss approach instead of the age-old incurred loss model.

This workshop seeks to provide guidance into the implementation of the expected credit loss model.

## LEARNING OUTCOMES

- Explain the new requirements for asset impairment as per the MFRS 9.
- Discuss the various forward-looking expected credit loss models (ECL).
- Explain the measurement of probability of default (PD), exposure at default (EAD) and the loss given at default (LGD).
- Discuss the model validation approaches to ensure the robustness of the ECL.

## WHO SHOULD ATTEND

Financial reporting accountants, auditors, regulators, financial risk managers, and finance managers, CMSRL holders and ERPs

## PRESENTER

Mr David Meow Li Hwa

All our workshops are available via in-house training.

## EARLY BIRD SPECIAL

Enjoy **10%** savings when you register online at least **one** month before the workshop date.

## EVENT DETAILS

Monday 28 September 2020

### TIME

9.00am – 5.00pm

### VENUE

CPA Australia Seminar Room  
Suite 10.01, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

FEE (inclusive of 6% Service Tax, lunch and tea-breaks)

Member: RM349.80

REP/Member staff:

RM455.80

Non-member: RM583.00

**10** SIDC CPE-approved:  
**CPE Points**



LEVEL

**COMPETENT**

CLAIM UP TO

**8 CPD HOURS**



# MFRS 9: EXPECTED CREDIT LOSS MODELS

## KEY TOPICS COVERED

### Session 1: Overview of MFRS 9's Expected Credit Loss approach in asset impairment

- Scope of impairment tests under MFRS 9: financial assets, contract assets, loan commitments, financial guarantees and lease receivables
- ECL Measurement Categories: Performing assets, Underperforming assets and Impaired assets
- Fundamental components of ECL models: probability of default (PD), credit exposure at default (EAD), loss given default (LGD), time value of money

### Session 2: Probability of default

- Forward-looking models for PD estimations
- External credit ratings approaches
- Implied PD approaches (market-based)
- Data intensive models – logistic distributions, multivariate distributions credit scoring models
- Structural models, including reduced-form

### Session 3: Credit Exposure Measurements (EAD and LGD)

- Credit exposures with considerations for 12-months horizon, contractual and lifetime horizons for various assets expected mark-to-market, expected exposure, potential future exposure, expected positive exposure and negative exposure, effective exposure, and maximum exposure.
- Compare the characterisation of credit exposure to VaR methods and describe additional considerations used in the determination of credit exposure.
- Identify factors that affect the calculation of the credit exposure profile and summarise the impact of collateral on exposure.

### Session 4: Evaluating a credit risk model

- Evaluate and compare the results obtained through several credit risk models.
- Quick preview of finding the right cut-off: the strategy curve (The ROC-curve and AUC)
- Explain the procedures to ensure that the ECL model is robust and timely and take into account criteria such as updated valuations of credit risk mitigants (and, in particular, collateral), cash flow estimates based on assessments of borrower-specific factors and current and future macroeconomic conditions, together with other relevant forward-looking information that affects the expected collectability of the entity's credit exposure

## SPEAKER'S PROFILE

MR DAVID MEOW LI HWA

MBA(UK), CFA, FRM, ACMA, CA(M), CFP

David is the managing director cum principal trainer for Via Commerce Sdn Bhd. He is involved in training and consultancy in areas related to financial reporting, finance and financial risk management. He has trained and consulted in seven countries within the region. He was involved in providing advisory and training courses for government-related regulatory bodies including Bank Negara Malaysia (BNM), Permodalan Nasional Berhad (PNB), Securities Commission, Jabatan Perdana Menteri (ILKAP), Khazanah Berhad, Employees Provident Fund (EPF), Central Provident Fund (CPF) of Singapore, financial institutions and corporations.

He has also trained financial institutions and corporations in Malaysia, Singapore, Brunei, Cambodia, Vietnam and Hong Kong.

# REGISTRATION FORM

Save 10% on workshops when you register online at [cpaaustralia.com.au/malaysiatraining](http://cpaaustralia.com.au/malaysiatraining). You can also return completed form to CPA Australia.

✉ CPA Australia (M) Sdn Bhd (291307-P), Suite 10.01, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur

☎ +603 2267 3388 📠 +603 2287 3030 @ [cpd.malaysia@cpaaustralia.com.au](mailto:cpd.malaysia@cpaaustralia.com.au)

## 1 PARTICIPANT DETAILS

<b>PARTICIPANT 1</b>		Attending as	<input type="checkbox"/> Member	<input type="checkbox"/> REP / Member staff	<input type="checkbox"/> Non-member
Full name as per I/C	(Dato' / Datin / Dr / Mr / Mrs / Ms)	CPA Australia Member ID			
Position		Email*			
Mobile		Special dietary requirements (if any)			
<b>PARTICIPANT 2</b>		Attending as	<input type="checkbox"/> Member	<input type="checkbox"/> REP / Member staff	<input type="checkbox"/> Non-member
Full name as per I/C	(Dato' / Datin / Dr / Mr / Mrs / Ms)	CPA Australia Member ID			
Position		Email*			
Mobile		Special dietary requirements (if any)			
<b>PARTICIPANT 3</b>		Attending as	<input type="checkbox"/> Member	<input type="checkbox"/> REP / Member staff	<input type="checkbox"/> Non-member
Full name as per I/C	(Dato' / Datin / Dr / Mr / Mrs / Ms)	CPA Australia Member ID			
Position		Email*			
Mobile		Special dietary requirements (if any)			

REP refers to CPA Australia's Recognised Employer Partners. View our partners at [cpaaustralia.com.au/rep](http://cpaaustralia.com.au/rep)

Member staff refers to staff from a CPA member's firm or organisation.

\*Workshop confirmation will be sent to the stated email address.

## 2 CONTACT AND BILLING INFORMATION

Contact Person		Billing Address			
Phone					
Email					
Company Billing Name		State	Postcode		
Business Registration no.		Industry			

## 3 WORKSHOP AND PAYMENT DETAILS

NO.	WORKSHOP TITLE	DATE	LOCATION	PRICE	QTY	FEE (RM)
1						
2						
3						
<b>TOTAL</b>						RM

## 4 MAKE A PAYMENT

Do you want the electronic tax invoice/receipt to be under the company's name?  Yes  No

Payment method  Credit card: Visit [cpaaustralia.com.au/malaysiatraining](http://cpaaustralia.com.au/malaysiatraining) to register and pay with your credit card with MYR.

Cheque: Make payable to 'CPA Australia (M) Sdn Bhd' Cheque number

Please indicate registrants full name, membership number and contact number on the back of the cheque.

For other methods of payment, call +603 2267 3388

Terms and conditions: 1. CPA Australia Ltd (CPA Australia) reserves the right to alter the program/s or presenter/s without further notice, however the event/s is/are intended to run as advertised. 2. CPA Australia reserves the right to cancel the event/s due to insufficient numbers. Registrants will be notified and refunded in full should this occur. 3. Registrations for events are on a first-come-first-served basis. 4. Registrations for events must be accompanied by full payment. 5. Cancellations or transfers must be advised in writing and received by CPA Australia at least 5 working days prior to the event. Registrants will otherwise be liable for payment, including in the event of non-attendance. Transfers are subject to the applicable registration rate and additional payment may be required. 6. Credit transferred must be utilised within the same year from the date of transfer. 7. Registrants who travel to attend the events are required to obtain the workshop confirmation from CPA Australia before the travel arrangement (i.e. flight, bus, hotel etc.) are confirmed. For the full T&Cs, visit [cpaaustralia.com.au/utilities/terms/event-terms](http://cpaaustralia.com.au/utilities/terms/event-terms)

By signing where indicated below, I agree that I have read, understand and accept the Terms and Conditions above and the Privacy Statement which can be found at CPA Australia's Privacy Policy [cpaaustralia.com.au/utilities/privacy/privacy-policy](http://cpaaustralia.com.au/utilities/privacy/privacy-policy).

Signature  / /