

IFRS 9

Implementation Challenges

Nehmat Hantas

Head of Offsite Supervision

Banking Control Commission of Lebanon, BCCL

Banking Sector Implementation of IFRS 9



BCCL Milestones – Year 2015



Impairment Methodology

Impact Challenges

- Possible Impact on Capital (OCI) resulting from possible reclassification of Lebanese Sovereign from AC to FVTOCI
- Expected Loss Model: Impact on Profit and Loss/ Impact on Capital

Impairment Methodology

Data and Systems Challenges

- Availability of Data
- Granularity of Data
- Estimating PD & LGD
- Systems

Impairment Methodology

Size, complexity and comparability Challenges

- Readiness of banks
- Different Sizes of Banks
- Comparability for assets with similar risk characteristics in order to minimize discrepancies
- Definition of “Significant Increase in Credit Loss”

Impairment Methodology

Other Challenges

- Cross Border Implementation Issues
- Tax Challenges

Thank You