

FINANCIAL INSTRUMENTS ACCOUNTING AND IFRS S1 & S2 SUSTAINABILITY REPORTING FOR CENTRAL BANKS



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TRAINING CENTER



Introduction

The Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks Training Course prepares central bank finance teams for two connected reporting shifts. IFRS 9 already governs how institutions classify, measure, and impair financial instruments. Now IFRS S1 and IFRS S2 add sustainability and climate disclosure to the reporting agenda. Central banks hold large securities portfolios and face growing expectations on transparency and climate risk. This course covers measurement, expected credit loss, and sustainability disclosure together. Furthermore, it applies governance, data, and assurance requirements. As a result, participants can prepare credible, comparable disclosures.

Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks Course Objectives

- Explain the classification and measurement requirements of IFRS 9.
- Apply the business model and contractual cash flow tests to financial assets.
- Measure financial instruments at amortised cost, fair value through OCI, and fair value through profit or loss.
- Apply the expected credit loss model and IFRS 9 staging criteria.
- Interpret hedge accounting and derecognition requirements.
- Explain the scope, objectives, and architecture of IFRS S1 and IFRS S2.
- Apply the TCFD-aligned climate disclosure requirements under IFRS S2.
- Identify material sustainability risks, opportunities, and metrics for a central bank.
- Assess GHG emissions measurement, scenario analysis, and transition planning.
- Design governance, data, and assurance processes for sustainability reporting.



Course Methodology

- Interactive lectures with central bank financial statement examples.
- Classification and measurement workshops using sample portfolios.
- Expected credit loss modelling exercises on securities and loans.
- Sustainability disclosure drafting and materiality assessment practice.
- Structured peer discussion with facilitator feedback on reporting challenges.

Who Should Take This Course

- Financial reporting and accounting managers in central banks.
- Chief accountants and finance department leaders.
- Treasury and investment accounting staff.
- Risk and credit analysts covering provisions.
- Internal auditors reviewing financial and sustainability reporting.
- Sustainability, ESG, and disclosure officers.

Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks Course Outlines

Day 1: Foundations of Financial Instruments Accounting

- Scope of IFRS 9 and the categories of financial assets and liabilities.
- Business model assessment and contractual cash flow characteristics.

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- Classification at amortised cost, FVOCI, and FVTPL.
- Initial recognition, measurement, and subsequent treatment.
- Derecognition and modification of financial assets.
- Embedded derivatives and hybrid contracts.
- Case study: classifying a central bank securities portfolio.

Day 2: Impairment and Expected Credit Loss

- The three-stage impairment model under IFRS 9.
- Significant increase in credit risk assessment.
- Probability of default, loss given default, and exposure at default inputs.
- Forward-looking information and macroeconomic scenarios.
- Provisioning for sovereign, interbank, and corporate exposures.
- Hedge accounting and risk management disclosures.
- Workshop: calculating expected credit loss on a securities portfolio.

Day 3: Introduction to IFRS S1 and IFRS S2

- Objectives, scope, and structure of IFRS S1 and IFRS S2.
- The concept of materiality for sustainability disclosure.
- Governance, strategy, risk management, and metrics pillars.
- Connectivity with financial statements and IFRS 9 disclosures.
- Transition reliefs, proportionality, and phased adoption.
- Interaction with ISSB standards and national requirements.
- Case study: a first-time sustainability report structure.

Day 4: Climate Disclosure and Sustainability Metrics



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- IFRS S2 climate-related risks and opportunities.
- Scope 1, 2, and 3 greenhouse gas emissions measurement.
- Climate scenario analysis and resilience assessment.
- Transition plans and targets for financial institutions.
- Industry-based guidance and sector metrics.
- Data sources, estimation methods, and limitations.
- Workshop: preparing climate metrics and disclosures.

Day 5: Governance, Data, and Assurance

- Governance structures for sustainability reporting.
- Data collection, controls, and internal reporting processes.
- Internal audit and external assurance readiness.
- Stakeholder communication and disclosure quality.
- Combining financial and sustainability reporting cycles.
- Building a reporting roadmap and implementation plan.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks, participants will gain a thorough understanding of financial instrument classification, measurement, impairment, and sustainability disclosure. They will also acquire practical skills in expected credit loss modelling, materiality assessment, climate metric preparation, and reporting governance. In addition, the course prepares them to deliver credible, comparable disclosures. Gentex Training Center delivers this programme with a strong focus on real central bank practice and measurable reporting quality.





FAQs for Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks course

Q1 What is the "Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks" course about?

It is a five-day programme covering two reporting areas for central banks. It explains IFRS 9 classification, measurement, and expected credit loss, then works through IFRS S1 and IFRS S2 sustainability and climate disclosure requirements, governance, data, and assurance.

Q2 What are the key benefits of the "Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks" course?

Participants gain the ability to prepare both financial instrument and sustainability disclosures correctly, which avoids restatement risk later. The course improves classification accuracy, strengthens provisioning quality, builds credible climate disclosure, reduces audit and assurance findings, and prepares the institution for phased adoption deadlines.



Q3 What skills will I gain from the "Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks" course?

Participants gain financial instrument classification and measurement, expected credit loss and IFRS 9 staging, sustainability materiality and climate disclosure preparation, and reporting governance, data and assurance assessment. These four skills cover both the financial and sustainability reporting obligations.

Q4 What tools, methods, or standards are covered in the "Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks" course?

The course covers IFRS 9 classification and measurement categories, the business model and contractual cash flow tests, amortised cost, FVOCI and FVTPL measurement, the three-stage impairment model, probability of default and loss given default inputs, forward-looking macroeconomic scenarios, hedge accounting and derecognition rules, IFRS S1 general sustainability disclosure requirements, IFRS S2 climate disclosure requirements, TCFD-aligned governance, strategy, risk management and metrics pillars, Scope 1, 2 and 3 greenhouse gas emissions measurement, climate scenario analysis, transition planning, and internal and external assurance readiness.



Q5 How is the "Financial Instruments Accounting and IFRS S1 & S2 Sustainability Reporting for Central Banks" course applied in real-world practice?

Participants apply the standards to their own portfolios and reports. They classify holdings, compute expected credit loss, assess sustainability materiality, build climate metrics, document governance and controls, and prepare disclosure drafts for audit and assurance review. Many leave with a reporting roadmap and disclosure templates.