IFRS 9 EXPECTED CREDIT LOSSES (ECL): CLASSIFICATION, MEASUREMENT & IMPLEMENTATION



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Introduction

IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation Training Course prepares finance, risk and audit professionals to apply the impairment requirements of IFRS 9 in practice. Participants learn how financial assets are classified and measured, how the three-stage ECL model works, and how forward-looking information enters loss estimates. The programme covers probability of default, loss given default, exposure at default, staging criteria and macroeconomic scenario weighting. Furthermore, it addresses documentation, validation and disclosure expected by auditors and regulators. As a result, delegates can build defensible ECL calculations and explain them clearly. Gentex Training Center delivers the programme through modelling workshops and implementation case work.

IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation Course Objectives

- Apply IFRS 9 classification and measurement rules to financial assets and liabilities.
- Explain the three-stage impairment model and the transfer criteria between stages.
- Calculate expected credit losses using probability of default, loss given default and exposure at default.
- Distinguish 12-month ECL from lifetime ECL and identify when each applies.
- Incorporate forward-looking macroeconomic scenarios and probability weighting.
- Assess significant increase in credit risk and low credit risk exemptions.
- Handle purchased or originated credit-impaired assets and modified financial assets.
- Build ECL calculation models in Excel with clear documentation and audit trails.
- Evaluate model validation, backtesting and governance expectations.
- Prepare ECL disclosures and explain impairment movements to stakeholders.

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Course Methodology

The course combines technical briefings with hands-on ECL modelling workshops and implementation case work. Participants build staging logic, calculate ECL allowances and weight scenarios in Microsoft Excel. In addition, structured peer review and group discussion reinforce each technique, and every day closes with an applied ECL task.

Who Should Take This Course

- Finance and financial reporting professionals in banks and lenders.
- Credit risk, model development and validation analysts.
- Portfolio managers and collections specialists.
- Internal and external auditors reviewing impairment.
- Regulatory reporting and compliance staff.
- Accountants in non-bank financial institutions and leasing firms.

IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation Course Outlines

Day 1: IFRS 9 Classification and Measurement

- The three IFRS 9 areas: classification, impairment and hedge accounting.
- Business model assessment and contractual cash flow characteristics test.
- Amortised cost, fair value through other comprehensive income and fair value through profit or loss.
- Effective interest method and expected life considerations.
- Modification, derecognition and write-off rules.

- Interaction with IFRS 7 and IFRS 13 disclosures.
- Workshop: classifying a portfolio of financial assets correctly.

Day 2: The Three-Stage Impairment Model

- Stage 1, Stage 2 and Stage 3 definitions and consequences.
- Significant increase in credit risk and quantitative and qualitative triggers.
- Days past due rebuttable presumption and low credit risk exemption.
- Transfer criteria, cure periods and staging governance.
- Lifetime ECL application and credit-impaired assets.
- Purchased or originated credit-impaired financial assets.
- Workshop: applying staging logic to a sample loan portfolio.

Day 3: ECL Components and Calculation

- Probability of default: point-in-time versus through-the-cycle measures.
- Loss given default and recovery rate estimation.
- Exposure at default and amortisation profiles.
- Discounting ECL and the effective interest rate.
- Collective versus individual assessment approaches.
- Allowance movement and write-off recognition.
- Workshop: calculating ECL for a sample portfolio in Excel.

Day 4: Forward-Looking Scenarios and Model Validation

- Macroeconomic drivers: GDP, unemployment, interest rates and property prices.
- Scenario design, probability weighting and sensitivity analysis.

- Model validation, backtesting and benchmarking techniques.
- Expert judgement, overlays and post-model adjustments.
- Governance, documentation and audit trail requirements.
- Data quality and segmentation for portfolio groups.
- Workshop: weighting scenarios and testing ECL sensitivity.

Day 5: Implementation, Disclosures and Assurance

- Implementation project planning and data requirements.
- Systems, calculation engines and process controls.
- Regulatory expectations and supervisory review findings.
- ECL disclosures and impairment movement reporting.
- Engaging auditors and responding to challenge.
- Common implementation pitfalls and remediation approaches.
- Workshop: presenting an ECL calculation and disclosures for review.

Conclusion

By successfully completing IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation Training Course, participants will have acquired the knowledge to classify financial assets, calculate expected credit losses and implement the impairment model with confidence. They will understand staging, probability of default and loss given default inputs, scenario weighting, validation and disclosure, and they will know how to document calculations that withstand review. As a result, delegates strengthen impairment reporting quality. Gentex Training Center builds the programme around current accounting and supervisory practice.

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FAQs for the IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation course

Q1 What is the "IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation" course about?

It covers how IFRS 9 classifies financial assets and how impairment is measured. You learn the three-stage model, probability of default and loss given default inputs, scenario weighting, validation and disclosure, with practical Excel modelling.

Q2 What are the key benefits of the "IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation" course?

You gain the ability to build and defend ECL calculations rather than relying entirely on system output. You also reduce audit findings and restatement risk, improve scenario documentation, and answer supervisory review questions with clear evidence.

Q3 What skills will I gain from the "IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation" course?

You will gain IFRS 9 classification and measurement application, ECL calculation and staging analysis, forward-looking scenario and model validation skills, and impairment documentation and disclosure preparation.

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Q4 What tools, methods, or standards are covered in the "IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation" course?

The course covers the IFRS 9 business model and contractual cash flow tests, the three-stage impairment model, probability of default calculated on point-in-time and through-the-cycle bases, loss given default and exposure at default estimation, effective interest method discounting, macroeconomic scenario weighting, model validation and backtesting, and IFRS 7 and IFRS 13 disclosure requirements.

Q5 How is the "IFRS 9 Expected Credit Losses (ECL): Classification, Measurement & Implementation" course applied in real-world practice?

Graduates apply it to stage loan portfolios, calculate and review ECL allowances, weight macroeconomic scenarios, document staging judgements and overlays, prepare impairment disclosures and movement analysis, support model validation, and respond to auditor and regulator queries on impairment estimates.