

IFRS 9 *Financial Instruments* introduces extensive new disclosure requirements for classification and measurement, impairment of financial assets and hedge accounting.

## What's the aim?

The objective of the disclosure requirements is for an entity to disclose information to enable users of financial statements to evaluate:

- the significance of financial instruments for the entity's financial position and performance;
- the nature and extent of risks arising from those financial instruments, both during the period and at the reporting date; and
- how the entity manages those risks.

## What's new?

Additional disclosure requirements arise principally in the following areas, all of which are highlighted in the following tables.

- Investments in equity instruments designated at fair value through other comprehensive income (FVOCI).
- Impairment, including:
  - credit risk management practices;
  - quantitative and qualitative information about amounts arising from expected credit losses (ECLs); and
  - credit risk exposure.
- Hedge accounting.

## What organisations are impacted?

The requirements apply to **all** entities but will be most significant for banks. The disclosures for even the most simple corporates – i.e. non-financial institutions – will be impacted.

## How will this publication help you?

The tables do not provide a complete list of the disclosure requirements under IFRS 9. Instead, they set out the principal changes to the disclosure requirements from those under IFRS 7 *Financial Instruments: Disclosures* under each of classification and measurement, impairment and hedging.

A [separate section](#) sets out the disclosures that an entity is required to make on transition to IFRS 9.

## Classification and measurement

Disclose the carrying amounts for:

- financial assets measured at fair value through profit or loss (FVTPL), distinguishing between those designated into that category and those mandatorily measured at FVTPL.
- financial liabilities measured at fair value through profit or loss (FVTPL), distinguishing between those designated into that category and those meeting the definition of held for trading.
- financial assets and, separately, financial liabilities measured at amortised cost; and
- financial assets measured at FVOCI, distinguishing between those mandatorily measured at FVOCI and investments in equity instruments designated as such on initial recognition.

### Financial liabilities designated as at FVTPL

If an entity is required to present the effects of changes in that financial liability's credit risk in other comprehensive income (OCI), then disclose:

- any transfers of the cumulative gain or loss within equity during the period, including the reason for the transfer; and
- if the liability is derecognised during the period, then the amount (if any) presented in OCI that was realised at derecognition.

Provide a detailed description of the methodologies used to determine whether presenting the effects of changes in a liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

If the effects of changes in a liability's credit risk are presented in profit or loss, then provide a detailed description of the economic relationship that it expects will result in the effects of changes in the liability's credit risk being offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL.

### Investments in equity instruments designated as at FVOCI

Disclose:

- which investments in equity instruments have been designated as at FVOCI;
- the reasons for the designation;
- the fair value of each investment at the reporting date;
- dividends recognised during the period, separately for investments derecognised during the reporting period and those held at the reporting date; and
- any transfers of the cumulative gain or loss within equity during the period and the reason for those transfers.

If investments in equity instruments measured at FVOCI are derecognised during the reporting period, then disclose:

- the reasons for disposing of the investments;
- the fair value of the investments at the date of derecognition; and
- the cumulative gain or loss on disposal.

### **Reclassifications of financial assets**

For all reclassifications of financial assets in the current or previous reporting period, disclose:

- the date of reclassification;
- a detailed explanation of the change in the business model and a qualitative description of its effect on the financial statements; and
- the amount reclassified into and out of each category.

Note that these disclosures are required in the period of reclassification and the period following reclassification.

For reclassifications from FVTPL to amortised cost or FVOCI, disclose:

- the effective interest rate (EIR) determined on the date of reclassification; and
- the interest revenue recognised.

Note that these disclosures are required for each period following reclassification until derecognition.

For reclassifications from FVOCI to amortised cost, or from FVTPL to amortised cost or FVOCI, disclose:

- the fair value of the financial assets at the reporting date; and
- the fair value gain or loss that would have been recognised in profit or loss or OCI during the reporting period if the financial assets had not been reclassified.

### **Other disclosures**

For items of income and expense and gains or losses, provide:

- an analysis of the gain or loss recognised in the statement of profit or loss and OCI arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets; and
- the reasons for derecognising those financial assets.

## Impairment

New disclosure requirements apply about the credit risk of financial instruments (and contract assets in the scope of IFRS 15 *Revenue from Contracts with Customers*) to which IFRS 9's impairment model is applied. These disclosures should be sufficient for a user to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows.

Disclose:

- Information about an entity's credit risk management practices and how they relate to the recognition and measurement of ECL – including the methods, assumptions and information used to measure ECL.
- Quantitative and qualitative information to evaluate the amounts in the financial statements arising from ECL – including changes and the reasons for those changes, in the amount of ECL.
- Information about an entity's credit risk exposure – including significant credit risk concentrations.

For financial assets such as trade and lease receivables, and contract assets for which the loss allowance is always equal to lifetime ECL, reduced disclosures apply.

Illustrative examples are provided for the following disclosures:

- a reconciliation of movements in loss allowances;
- an explanation of significant changes in gross carrying amounts; and
- information about credit risk exposures and concentrations.

### Credit risk management practices

Explain credit risk management practices and how they relate to the recognition and measurement of ECL such that a financial statement user can understand and evaluate:

- how the entity determines whether the credit risk of financial instruments has increased significantly since initial recognition, including whether and how:
  - financial instruments are considered to have low credit risk, including the classes of financial instruments to which the low credit risk exception has been applied; and
  - the presumption that financial assets with contractual payments more than 30 days past due have a significant increase in credit risk has been rebutted;
- the entity's definitions of default for different financial instruments, including the reasons for selecting those definitions;
- how instruments are grouped if ECL are measured on a collective basis;
- how the entity determines that financial assets are credit-impaired;
- the entity's write-off policy, including the indicators that there is no reasonable expectation of recovery; and

- how the modification requirements have been applied, including how the entity:
  - determines whether the credit risk of a financial asset that has been modified while subject to a lifetime ECL allowance has improved to the extent that the loss allowance reverts to being measured at an amount equal to 12-month ECL; and
  - monitors the extent to which the loss allowance on those assets subsequently reverts to being measured at an amount equal to lifetime ECL.

### **ECL calculations**

Explain the basis of the inputs, assumptions and the estimation techniques used when:

- estimating 12-month and lifetime ECL;
- determining whether the credit risk of financial instruments has increased significantly since initial recognition; and
- determining whether financial assets are credit-impaired.

Explain also:

- how forward-looking information has been incorporated into the determination of ECL, including the use of macro-economic information; and
- changes in estimation techniques or significant assumptions made during the reporting period and the reasons for those changes.

### **Amounts arising from ECL**

Provide a reconciliation for each class of financial instrument of the opening balance to the closing balance of the impairment loss allowance.

The reconciliation is given separately for loss allowances against financial assets and for provisions, unless presented together and shows the changes during the period for:

- instruments for which 12-month ECL are recognised;
- instruments for which lifetime ECL are recognised, separately for:
  - financial instruments that are not credit-impaired;
  - financial assets that are credit-impaired at the reporting date, but are not purchased or originated credit-impaired (POCI) assets; and
  - trade receivables, contract assets or lease receivables for which the loss allowances are always measured as lifetime ECL; and
- POCI assets.

Explain the changes in the loss allowances disclosed in the reconciliation.

Explain, using relevant qualitative and quantitative information, how significant changes in the respective gross carrying amounts of financial instruments during the period contributed to the changes in the loss allowances – e.g:

- originations or acquisitions of financial instruments;
- modifications of contractual cash flows that do not result in derecognition;
- derecognitions (including write-offs); and
- movements between the 12-month and lifetime ECL measurement categories (and vice versa).

### Modifications

For a financial asset that has been modified while subject to a lifetime ECL allowance (other than certain trade and lease receivables and contract assets\*), but whose modification does not result in derecognition, disclose in the period of modification the:

- amortised cost before the modification; and
- net modification gain or loss.

Until the modified financial asset is derecognised, disclose the gross carrying amount at the reporting date of financial assets whose loss allowance changed to 12-month ECL during the reporting period.

\* Note that these disclosure requirements do apply for trade receivables, contract assets and lease receivables on which lifetime ECL are always recognised, only if they are modified while more than 30 days past due.

### Collateral

For financial instruments that are subject to the impairment requirements of IFRS 9, disclose for each class of financial instrument:

- the amount that best represents the entity's maximum exposure to credit risk at the reporting date, without taking account of any collateral held or other credit enhancements;
- except for lease receivables, a narrative description of collateral held as security and other credit enhancements, including:
  - a discussion on the nature and quality of the collateral held;
  - an explanation of any significant changes in quality as a result of a deterioration or changes in the entity's collateral policies during the reporting period; and
  - information about financial instruments for which the entity has not recognised a loss allowance because of the collateral; and
- quantitative information about the collateral held as security and other credit enhancements – e.g. quantification of the extent to which collateral and other credit enhancements mitigate credit risk – for financial assets that are credit-impaired at the reporting date.

Disclosure of information about the fair value of the collateral and other credit enhancements, or to quantify the exact value of the collateral that was included in the calculation of ECL – i.e. the loss given default (LGD) – is not required.

<b>Written-off assets</b>
Disclose the contractual amount outstanding of financial assets written off during the reporting period that are still subject to enforcement activity.
<b>POCI assets</b>
Disclose the total amount of undiscounted ECL at initial recognition on financial assets initially recognised during the reporting period.
<b>Credit risk exposure</b>
<p>Disclose, by credit risk rating grades (or by past-due status if the entity uses only past-due information to assess significant increases in credit risk):</p> <ul style="list-style-type: none"> <li>– the gross carrying amount of financial assets; and</li> <li>– the exposure to credit risk on loan commitments and financial guarantee contracts.</li> </ul> <p>This information is disclosed separately for:</p> <ul style="list-style-type: none"> <li>– financial assets that are subject to a 12-month ECL allowance;</li> <li>– financial assets that are subject to a lifetime ECL allowance but that are not credit-impaired;</li> <li>– financial assets that are credit-impaired at the reporting date but are not POCI assets;</li> <li>– trade receivables, contract assets and lease receivables for which lifetime ECL are always recognised (this disclosure may be based on a provision matrix); and</li> <li>– POCI assets.</li> </ul> <p>When ECL are measured on a collective basis, an entity may not be able to allocate the gross carrying amounts (or exposures) to the credit risk rating grades for which lifetime ECL are recognised. In these cases, the entity:</p> <ul style="list-style-type: none"> <li>– provides the above disclosures for those financial instruments that can be directly allocated to a credit risk rating grade; and</li> <li>– discloses separately the gross carrying amount of financial instruments for which lifetime ECL are measured on a collective basis.</li> </ul>
<b>Impairment losses arising from contracts with customers</b>
IFRS 15 <i>Revenue from Contracts with Customers</i> requires an entity to disclose separately from other impairment losses, impairment losses recognised on trade receivables or contract assets arising from its contracts with customers.

## Hedge accounting

An entity adopting IFRS 9 may choose to continue to apply hedge accounting under IAS 39 *Financial Instruments: Recognition and Measurement* until the IASB's macro hedging project is complete. However, new disclosure requirements will still apply.

For hedged risk exposures to which hedge accounting is applied, disclose:

- the **risk management strategy** and how it is applied to manage risk;
- how hedging activities might affect the **amount, timing and uncertainty of future cash flows**; and
- the effect that hedge accounting has had on **financial position and performance**.

### Risk management strategy

Explain the risk management strategy for each risk category of risk exposures for which hedge accounting is applied. As a minimum, the disclosures provided should describe:

- the hedging instruments and how they are used to hedge risk exposures;
- how the entity determines the economic relationship between the hedged item and the hedging instrument for the purpose of assessing hedge effectiveness; and
- how the entity establishes the hedge ratio and what the sources of hedge ineffectiveness are.

When a specific risk component is designated as a hedged item, disclose additional qualitative or quantitative information about:

- how the risk component that is designated as the hedged item was determined, including a description of the nature of the relationship between the risk component and the item as a whole; and
- how the risk component relates to the item in its entirety – e.g. the designated risk component historically covered, on average, 80 percent of the changes in fair value of the item as a whole.

### Amount, timing and uncertainty of future cash flows

Disclose, by risk category, quantitative information that allows financial statement users to evaluate the terms and conditions of hedging instruments and how they affect the amount, timing and uncertainty of future cash flows – i.e.:

- a profile of the timing of the nominal amount of the hedging instrument; and
- if applicable, the average price or rate – e.g. strike or forward prices – of the hedging instrument.

An entity need not provide these disclosures if it frequently resets – i.e. discontinues and restarts – hedging relationships and, instead, uses a dynamic process in which both the exposure and the hedging instruments used to manage that exposure change frequently. In this case, an entity discloses:

- information about what the ultimate risk management strategy is in relation to those hedging relationships;



- a description of how it reflects its risk management strategy by using hedge accounting and designating those particular hedging relationships; and
- an indication of how frequently the hedging relationships are discontinued and restarted as part of the entity's process in relation to those hedging relationships.

For each risk category, describe the sources of hedge ineffectiveness that are expected to affect the hedging relationship during its term. If other sources of hedge ineffectiveness emerge in the hedging relationship, then disclose those sources and explain the resulting hedge ineffectiveness.

For cash flow hedges, describe any forecast transactions for which hedge accounting was used in the previous period, but are no longer expected to occur.

### Effect on financial position and performance – Hedging instrument

Disclose, in a tabular format (see the example below), the following amounts related to items designated as hedging instruments, separately by risk category for each type of hedge:

- the carrying amount of the hedging instruments, separating financial assets from financial liabilities;
- the location of the hedging instrument in the statement of financial position;
- the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period; and
- the nominal amounts (including quantities such as tonnes or cubic metres) of the hedging instruments.

	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for 20X1
		Assets	Liabilities		
<b>Cash flow hedges</b>					
Commodity price risk – Forward sales contracts	xx	xx	xx	Line item xx	xx
<b>Fair value hedges</b>					
Interest rate risk – Interest rate swaps	xx	xx	xx	Line item xx	xx
Foreign exchange risk – Foreign currency loan	xx	xx	xx	Line item xx	xx

### Effect on financial position and performance – Hedged item

Disclose, in a tabular format (see the example below), the following amounts related to hedged items separately by risk category for the types of hedges as follows.

#### Fair value hedges

- The carrying amount of the hedged item recognised in the statement of financial position, separating assets from liabilities.
- The accumulated amount of fair value hedge adjustments on the hedged item included in the above carrying amount.
- The location of the hedged item in the statement of financial position.
- The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period.
- The balance of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses.

#### Cash flow hedges and hedges of a net investment in a foreign operation

- The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period.
- The balances in the cash flow hedge reserve and the foreign currency translation reserve for continuing hedges.
- The balances remaining in the cash flow hedge reserve and the foreign currency translation reserve from any hedging relationships for which hedge accounting is no longer applied.

	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in value used for calculating hedge ineffectiveness for 20X1	Cash flow hedge reserve	Foreign currency translation reserve
	Assets	Liabilities	Assets	Liabilities				
<b>Fair value hedges</b>								
Interest rate risk								
– Loan payable	-	xx	-	xx	Line item xx	xx	N/A	N/A
– Discontinued hedges (loan payable)	-	xx	-	xx	Line item xx	xx	N/A	N/A
Foreign exchange risk								
– Firm commitment	xx	xx	xx	xx	Line item xx	xx	N/A	N/A
<b>Cash flow hedges</b>								
Commodity price risk								
– Forecast sales	N/A	N/A	N/A	N/A	N/A	xx	xx	N/A
– Discontinued hedges (forecast sales)	N/A	N/A	N/A	N/A	N/A	N/A	xx	N/A
<b>Hedges of net investment in a foreign operation</b>								
Foreign exchange risk								
– Long-term receivable from subsidiary	N/A	N/A	N/A	N/A	N/A	xx	N/A	xx
– Discontinued hedges (long-term receivable from subsidiary)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	xx

### Effect on financial position and performance – Hedge ineffectiveness and hedging gains or losses

Disclose, in a tabular format (see the example below), the following amounts related to hedged items separately by risk category for the types of hedges as follows.

#### Fair value hedges

- Hedge ineffectiveness – i.e. the difference between the hedging gains or losses of the hedging instrument and the hedged item – recognised in profit or loss (or OCI for hedges of an equity instrument for which an entity has elected to present changes in fair value in OCI).
- The location of the recognised hedge ineffectiveness in the statement of profit or loss and OCI.

#### Cash flow hedges and hedges of a net investment in a foreign operation

- Hedging gains or losses of the reporting period that were recognised in OCI.
- Hedge ineffectiveness recognised in profit or loss.
- The location of the recognised hedge ineffectiveness in the statement of profit or loss and OCI.
- The amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment (see IAS 1 *Presentation of Financial Statements*), differentiating between:
  - amounts for which hedge accounting has previously been used, but for which the hedged future cash flows are no longer expected to occur; and
  - amounts that have been transferred because the hedged item has affected profit or loss.
- The location of the reclassification adjustment (see IAS 1) in the statement of profit or loss and OCI.
- For hedges of net positions, the hedging gains or losses recognised in a separate line item in the statement of profit or loss and OCI.

Fair value hedges	Ineffectiveness recognised in profit or loss	Ineffectiveness recognised in OCI	Line item(s) in profit or loss and OCI (that include(s) hedge ineffectiveness)
Interest rate risk	xx	N/A	Line item xx
Foreign exchange risk	xx	N/A	Line item xx
Equity price risk	N/A	xx	Line item xx

	Separate line item recognised in profit or loss as a result of a hedge of a net position <sup>(b)</sup>	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)	Amount reclassified from the cash flow hedge reserve to profit or loss	Amount reclassified from the foreign currency translation reserve to profit or loss	Line item affected in profit or loss because of the reclassification
<b>Cash flow hedges<sup>(a)</sup></b>							
Commodity price risk				Line item			Line item
– Commodity X	N/A	xx	xx	xx	xx	N/A	xx
– Discontinued hedge	N/A	N/A	N/A	N/A	xx	N/A	xx
<b>Hedges of net investment in a foreign operation</b>							
Foreign exchange risk							
– Long-term receivable from subsidiary	N/A	xx	xx	xx	N/A	xx	xx
– Discontinued hedges (long-term receivable from subsidiary)	N/A	N/A	N/A	N/A	N/A	xx	xx
<p>(a) The information disclosed in the statement of changes in equity (cash flow hedge reserve) should have the same level of detail as these disclosures.</p> <p>(b) This disclosure applies only to cash flow hedges of foreign currency risk.</p>							
<b>Effect on financial position and performance – Reconciliation</b>							
<p>Either in the statement of changes in equity or in the notes to the financial statements, provide a reconciliation of accumulated OCI in accordance with IAS 1, separately by risk category.</p> <p>The reconciliation should differentiate, at a minimum, between:</p> <ul style="list-style-type: none"> <li>– hedging gains or losses of the reporting period that were recognised in OCI in respect of cash flow hedges and hedges of a net investment in a foreign operation;</li> <li>– the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserves into profit or loss as a reclassification adjustment (differentiating between amounts for which hedge accounting was previously used but for which the hedged future cash flows are no longer expected to occur, and amounts that have been transferred because the hedged item has affected profit or loss);</li> <li>– the amount removed from the cash flow hedge reserve and included directly in the initial cost or other carrying amount of: <ul style="list-style-type: none"> <li>- a non-financial asset or a non-financial liability that is recognised subsequent to a hedged forecast transaction; or</li> <li>- a firm commitment that results from a hedged forecast transaction for a non-financial asset or non-financial liability for which fair value hedge accounting is applied;</li> </ul> </li> <li>– the amount reclassified from the cash flow hedge reserve into profit or loss as a reclassification adjustment in relation to a loss (or a portion of it) that the entity does not expect to recover in one or more future periods;</li> </ul>							

- the amounts associated with the time value of purchased options that hedge transaction-related hedged items and amounts associated with the time value of purchased options that hedge time period-related hedged items (when an entity designates as the hedging instrument only the change in intrinsic value of the option); and
- the amounts associated with the forward elements of forward contracts and the foreign currency basis spreads of financial instruments that hedge transaction-related hedged items and amounts associated with the forward elements of forward contracts and the foreign currency basis spreads of financial instruments that hedge time period-related hedged items (when an entity designates as the hedging instrument only the change in the value of the spot element of the forward contract or excludes the foreign currency basis spread).

#### **Effect on financial position and performance – Credit exposures designated at FVTPL**

If a financial instrument, or a proportion of it, is designated as at FVTPL because a credit derivative is used to manage the credit risk of that instrument, then disclose:

- a reconciliation of each of the nominal amount and the fair value at the beginning and end of the period of the credit derivatives that have been used to manage the credit risk;
- the gain or loss recognised in profit or loss on designation of a financial instrument (or a proportion of it) as measured at FVTPL; and
- on discontinuation of measuring a financial instrument (or a proportion of it) at FVTPL, that financial instrument's fair value that has become the new carrying amount and the related nominal or principal amount.

Disclose separately the carrying amount of the financial instruments that have been so designated, either in the statement of financial position or in the notes.

If an entity uses a credit derivative to manage the credit risk of a financial asset and designates the financial asset as measured at FVTPL, then it discloses the following.

- The maximum exposure to credit risk of the financial asset (or group of financial assets) at the reporting date.
- The amount by which any related credit derivatives mitigate that maximum exposure to credit risk.
- The amount of change, during the period and cumulatively, in the fair value of the financial asset (or group of financial assets) that is attributable to changes in the credit risk.
- The amount of change in the fair value of any related credit derivative that has occurred during the period and cumulatively since the financial asset was designated.

# Transition disclosures

The transition requirements in IFRS 9 refer to the date of initial application (DIA). The DIA is the first day of the reporting period in which an entity adopts IFRS 9. It is not the beginning of the comparative period. For a December 2018 year-end, an entity that has not adopted earlier versions of IFRS 9 will have a DIA of 1 January 2018.

In the period of initial application of IFRS 9, an entity generally provides the disclosures required by IFRS 9 (as outlined in IFRS 7) and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as summarised in the tables below. Note that not all of the disclosures required by the standard are provided, only the key disclosures.

## Disclosures required under IAS 8

Disclose:

- The fact that IFRS 9 has been adopted.
- The nature of the change in accounting policy.
- The transitional provisions:
  - a statement that the transitional provisions in IFRS 9 have been applied;
  - a description of the transitional provisions adopted; and
  - the transitional provisions that might impact future periods.
- For the annual period immediately preceding the first annual period in which IFRS 9 is applied, disclose:
  - the amount of the adjustment to each financial statement line item affected; and
  - the amount of the adjustment to basic and diluted earnings per share (if IAS 33 *Earnings per Share* applies).
- The amount of the adjustment relating to earlier periods, to the extent practicable.

## Disclosures required under IFRS 9

### Classification and measurement

Disclose in the reporting period that includes the DIA:

- the original measurement category and carrying amount determined under IAS 39 or an earlier version of IFRS 9; and
- the new measurement category and carrying amount determined under IFRS 9 for each class of financial assets and financial liabilities.
  - Explain how IFRS 9's classification requirements have been applied and the reasons for any designations or de-designations of financial assets and financial liabilities as at FVTPL.
  - Disclose the amount of any financial assets and financial liabilities that were previously designated as at FVTPL but are no longer so designated, distinguishing between mandatory and elective de-designations.

If transitioning to IFRS 9 from IAS 39, disclose also the changes in classification in financial assets and financial liabilities as at the DIA, showing separately:

- the changes in the carrying amounts on the basis of their measurement categories under IAS 39; and
- the changes in the carrying amounts arising from a change in measurement attribute on transition to IFRS 9.
  - Disclose the impact of these reclassifications as follows.

Type of reclassification as a result of transition to IFRS 9	Disclosures
<b>Financial assets and financial liabilities reclassified out of FVTPL or FVOCI to amortised cost</b>	The fair value of the financial assets or financial liabilities at the reporting date.
<b>Financial assets reclassified out of FVTPL to FVOCI</b>	The fair value gain or loss that would have been recognised in profit or loss or OCI during the reporting period if the financial assets or financial liabilities had not been reclassified.
<b>Financial assets and financial liabilities reclassified out of FVTPL to any other measurement category</b>	The EIR determined as at the DIA and the interest revenue or expense recognised in the reporting period in which the entity initially applies the classification and measurement requirements for financial assets in IFRS 9. In some cases, this disclosure has to be made for each period until the financial instruments are derecognised.

- Additional disclosures are required if certain exceptions relating to impracticability are used on transition – i.e. the carrying amounts of the relevant assets are disclosed until they are derecognised.

### **Impairment**

On the DIA of IFRS 9's impairment requirements, disclose a reconciliation between:

- the closing balance for impairment allowances under IAS 39 and provisions under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the opening balances for loss allowances under IFRS 9.

For financial assets, this disclosure is provided by measurement category in accordance with IAS 39 and IFRS 9, showing separately the effect of changes in measurement category on the loss allowance at the DIA.

### **Hedging**

IFRS 9's hedge accounting requirements are generally applied prospectively.