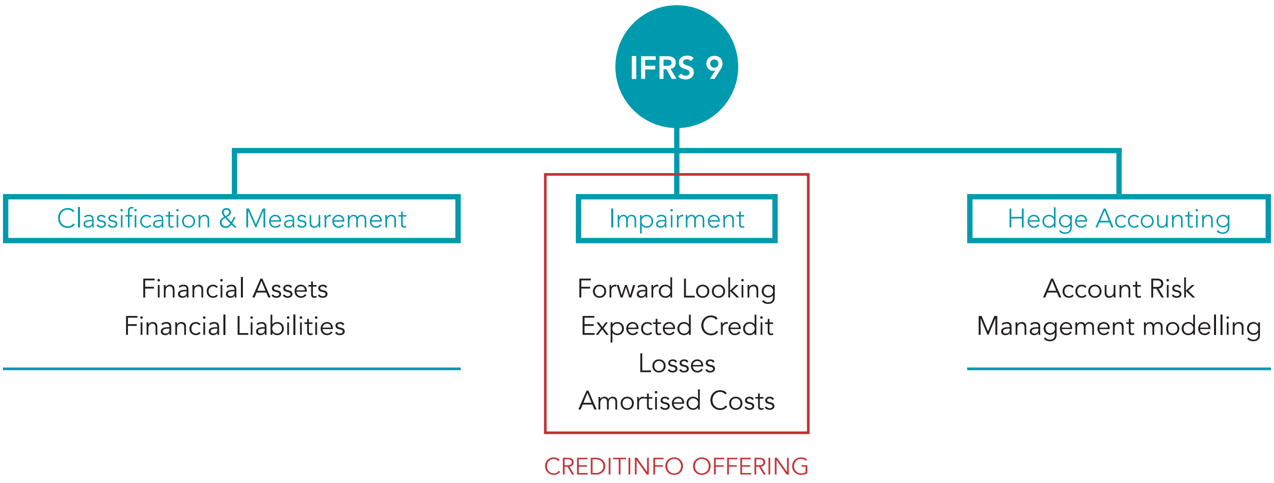
Risk Analytic Product **IFRS 9**

IFRS 9 is a new international accounting standard replacing IAS 39. International Financial Reporting Standards require a consistent reporting of financial information globally. IFRS 9 – Financial Instruments - sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. In particular, it sets requirements on the assessment of the risk of a loan portfolio, based on statistical forecasts of expected losses from defaulted loans. Whilst IFRS provides global standards, local regulators can impose specific requirements in their markets. Penalties for non compliance may also be determined by local regulators.

SCOPE OF IFRS 9

IFRS 9 requires a change in how financial assets are classified, measured and Expected Credit loss is accounted for.



Under IFRS 9, impairment is based on the calculation of expected credit loses (ECL) over the life time of the asset, not just when a trigger event has occurred. Expected credit loses should be calculated, recognised and updated to reflect changes in the credit risk of the financial asset. It should be also forward looking, using reasonable data to predict lifetime of expected credit loses. Impairment is described as the total sum of all expected credit loses. Depending on the quality of the asset, **12m ECL** or **Lifetime ECL** is required.

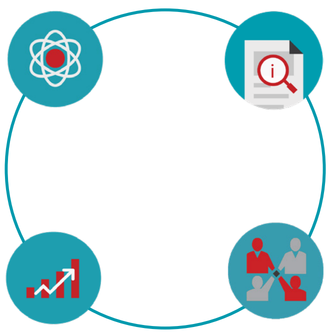
IFRS 9 PRODUCT OFFER

PD MODEL

Creditinfo offers PD to calculate financial institution's ECL and impairment levels. For example, PD at Origination, PD over 12 months and PD over Lifetime.

IFRS ADVISOR

Creditinfo offers a tool for Automation of IFRS 9 Impairment Reporting. Using IFRS Models from clients combined with our PD model and data from CB, Creditinfo can automate IFRS 9 Impairment reporting.



MACROECONOMIC RISK IMPACT

IFRS requires assessment of impact of Macroeconomic changes to credit risk across the market.

TRAINING & SUPPORT

Creditinfo offers training to our client to calibrate the internal PDs for their own portfolio.