The EUROPEAN SUPERVISOR EDUCATION INITIATIVE (ESE)

presents the seminar on

“IFRS vs. Basel requirements for banks”

hosted by: Banka Slovenije
Date: 1 - 3 April 2020
Venue: Center of Excellence in Finance, Cankarjeva 18, Ljubljana
OBJECTIVES

General Background
The introduction of International Financial Reporting Standards (IFRS) in Europe and the amendments of the regulatory framework (Basel II+III) lead to enhanced risk and capital disclosure requirements and requirements for risk management procedures.

Basel II conducts a move away from narrow and prescriptive rules towards a wider, more risk- and principles-based approach to regulation that focuses on the institution’s own assessment and management of risks.

Meanwhile, the International Accounting Standards Board (IASB) started to recognise risk as an integral component of IFRS financial statements, both in extending the range of disclosures and in aiming to ensure that information used by management is reflected in financial statements.

Although IFRS and regulatory reporting serve different purposes, the two are becoming increasingly aligned as supervisory authorities and the IASB seek to extend the synergies.

Effective risk and capital management are of critical importance to the market and institutions need to be able to present decision useful disclosures to present a consistent and coherent picture to stakeholders. In order to achieve this goal, IFRS rules and the corresponding Basel presentations need to be consistent. While this may be viewed as a challenge, institutions have a range of opportunities to analyse synergies that could help to reduce implementation cost, ease disruption and enhance transparency.

Speakers
This seminar on IFRS versus Basel requirements for banks will be conducted by experts from PwC and Deutsche Bundesbank.

They will provide expert information, theoretical background and practice experience from an audit as well as a supervisory perspective. The participants are invited to discuss practical implementation issues and regulatory implications and experiences.
PROGRAMME

Wednesday, 1 April 2020

13:30  Registration and coffee
13:45  Opening remarks

14:00  Basel Capital Requirements - Background and Objectives
   o  Background
   o  The European System of Financial Supervision
   o  The EU Banking Union
   o  Implementation of Basel II and III in the EU
   o  Basel III monitoring results for the EU and Germany
   o  EU implementation assessment (BCBS RCAP)

Mr Matthias Gutmann, Deutsche Bundesbank

15:00  Overview - Accounting as a basis for the regulatory perspective

Mr Christoph Himmelmann, PwC

15:30  Coffee break

16:00  Definition of capital - Own Funds
   o  Background
   o  Components of capital
   o  Regulatory adjustments
   o  Phase-in arrangements
   o  Capital buffers

Mr Matthias Gutmann, Deutsche Bundesbank

18:30  Social Event

Thursday, 2 April 2020

8:45  Registration and group photo

9:00  Classification of financial instruments
   o  IFRS 9 overview
   o  Hedge Accounting

9:30  Financial instruments - credit risk positions
   o  Incurred Loss Model vs. Expected Credit Loss Model
   o  Data Requirements for IFRS 9 calculation
11:00  Coffee break
11:30  Financial instruments - credit risk positions
      o  Default and credit impairment definitions
      o  Differences between IFRS 9 and IRBA
      o  Treatment of provisions from a regulatory perspective
      o  Requirements for Non-Performing Exposures
12:30  Lunch
13:30  Cont. Financial instruments - credit risk positions
      o  Default and credit impairment definitions
      o  Differences between IFRS 9 and IRBA
      o  Treatment of provisions from a regulatory perspective
      o  Requirements for Non-Performing Exposures
14:30  Consolidation for accounting purposes under IFRS
      o  Consolidation under IFRS
      o  Control according to IFRS 10
      
      Mr Christoph Himmelmann, NN, PwC

15:00  Coffee break
15:30  Prudential Scope of Consolidation - Basel III / CRR
      o  Scope of consolidation under CRR/CRD IV
      o  Reconciliation of IFRS and prudent scope of consolidation
      o  Consolidation methods acc. to CRR
      o  Deduction of Financial Sector Entities

      [ Optional, if time allows: Other consolidation issues]
      o  Securitisation
      o  Step-in risk
      o  Shadow banks

      Mr Matthias Gutmann, Deutsche Bundesbank

18:00  Social Event

Friday, 3 April 2020

8:15  Registration
8:30  Financial instruments - market risk positions
      o  IFRS 13 - Fair Value
      o  Prudent Valuation
      o  Trading book boundaries
9:30  IFRS Financial Statement and Disclosure
      o  Components of the IFRS financial statements
      o  IFRS 7 - Disclosure
o IFRS reporting and disclosure - Example

Mr Christoph Himmelmann, NN, PwC

10:30 Coffee break

11:30 Disclosure according to Basel III / CRR - current rules
   o Basel disclosure requirements
   o CRR / CRD disclosure requirements
   o Example: Own funds disclosure

Mr Matthias Gutmann, Deutsche Bundesbank

12:30 Lunch

13:30 Regulatory Reporting
   o Regulatory reporting
   o Financial Reporting

14:00 Wrap-Up of seminar

14:30 Outlook - The finalisation of Basel III
   o Overview
   o Changes to the credit risk framework
   o Changes to the market risk framework

Mr Christoph Himmelmann, PwC

15:00 End of seminar
ORGANISATIONAL INFORMATION

REGISTRATION
Seminar fee: EUR 750

The seminar fee includes two lunches, refreshments during the seminar and two social events. Accommodation is not included in the seminar fee.

Invoice will be issued and sent to the nominating institution after the seminar. In case a registration already confirmed by ESE is cancelled and no replacement for this place can be found, the complete seminar fee is due and will be invoiced by ESE.

Registration deadline: 5 March 2020

Please register via ESE website: http://www.ese-initiative.org

ACCOMODATION
A block booking has been arranged by Banka Slovenije from 1 to 3 April 2020 in:
Best Western Premier Hotel Slon
Slovenska 34, SI - 1000 Ljubljana
Tel: +386 1 470 11 31, e-mail address: sales@hotelslon.com
Reservation on link: https://reservations.travelclick.com/102655?userType=GRP
Reservation code: IFRS010420

Comfort Single room: EUR 108,00 per night (breakfast and VAT included; city tax is not included - EUR 3.13 per night),
Comfort Double room: EUR 123,00 per night (breakfast and VAT included; city tax is not included - EUR 3.13 per night)

The block booking is valid until 30 March 2020.

Participants are asked to book their accommodation directly with the hotel after the confirmation of participation.

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About ESE

The European Supervisor Education Initiative (ESE) is an alliance of central banks and supervisory authorities in Europe with the objective to qualify financial supervisors in Europe. Its members are Banka Slovenije, Banque centrale du Luxembourg, Czech National Bank, De Nederlandsche Bank, Deutsche Bundesbank, German Federal Financial Supervisory Authority and Oesterreichische Nationalbank.

ESE is committed to high level training based on uniform standards to enhance financial supervisors’ knowledge and skills and to promote a common European supervisory culture and practice. The initiative offers a modular seminar programme for banking, insurance and securities and markets supervisors, financial stability analysts and economists from central banks and supervisory authorities in Europe.

ESE is always open to new members or cooperation. Any contribution by European central banks, supervisory authorities or other institutions in the field of financial supervision sharing the idea that training is crucial to the success of financial supervision is highly appreciated.