Analysis of Disclosure Requirements in AASB ED 237 *Financial Instruments: Expected Credit Losses* with a View to Determining Corresponding Tier 2 Disclosure Requirements

Only disclosure paragraphs that are included in AASB ED 237, which incorporates IASB ED/2013/3, have been included in this Analysis.

The IASB proposes to add these disclosure requirements to IFRS 7 *Financial Instruments: Disclosures*. ED 237 does not include any other proposed amendments to existing requirements in IFRS 7.

The *IFRS for SMEs* requires impairment assessments based on incurred losses. This Analysis includes any disclosure requirements in the *IFRS for SMEs* that correspond to the proposed disclosures in ED 237, or where necessary to provide context, albeit that ED 237 proposes impairment assessments based on expected losses.

The AASB published AASB ED 210 *Financial Instruments: Impairment*, which incorporates the IASB ED/2009/12 *Financial Instruments: Amortised Cost and Impairment*, and a corresponding Tier 2 Exposure Document in March 2011. It appears that IASB ED/2009/12 has been effectively superseded by IASB ED/2013/3, although it is not clear at this stage to what extent disclosures in ED/2009/12 are intended to be retained by the IASB. Some of the AASB’s proposals for Tier 2 disclosure requirements with respect to ED 210 have been included in this Tier 2 Analysis for context.

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
28 An entity shall disclose information that identifies and explains: **(a) the amounts in its financial statements that arise from expected credit losses that are measured in accordance with this [draft] IFRS; and** **(b) the effect of deterioration and improvement in the credit risk of financial instruments that are within the scope of this [draft] IFRS.**		Paragraph 28 relates to the objectives for the proposed disclosure requirements. Paragraph 28 has no direct equivalent in the *IFRS for SMEs*. It is in the nature of a general principle and does not propose specific disclosure requirements. Consistent with the exclusions and retentions of specific disclosures proposed for later paragraphs, paragraph 28 should be **excluded** from the Tier 2 disclosure requirements. [Note: Due to the general nature of paragraph 28 consideration was given to whether to rewrite it for RDR purposes, to limit it, or to exclude it. Exclusion of paragraph 28 is preferred because the disclosure requirements that are proposed to be retained in the Tier 2 disclosure requirements are considered to be sufficient to stand on their own without a general principle paragraph.]
29 To meet the requirements of paragraph 28, an entity shall consider: (a) the level of detail that is necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the disclosure requirements; (c) how much aggregation or disaggregation is appropriate; and (d) whether users of financial statements need additional information to evaluate the quantitative information that has been disclosed.		Paragraph 29 has no equivalent in the *IFRS for SMEs* and is in the nature of guidance for the application of paragraph 28, which is proposed to be excluded from the Tier 2 disclosure requirements. Based on paragraph 7 of 'Tier 2 Disclosure Principles', paragraph 29 should also be **excluded** from the Tier 2 disclosure requirements. However, paragraph RDR29.1 should be added (see immediately below).
RDR29.1 Entities applying Tier 2 disclosure requirements shall consider the following when applying the Tier 2 disclosure		

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
requirements of this Standard: (a) the level of detail that is necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the disclosure requirements; and (c) how much aggregation or disaggregation is appropriate.		
30 If the disclosures provided in accordance with the requirements in this [draft] IFRS and other relevant Standards are insufficient to meet the objectives in paragraph 28, an entity shall disclose additional information to meet those objectives.		Paragraph 30 has no equivalent in the *IFRS for SMEs* and is in the nature of guidance for the application of paragraph 28, which is proposed to be excluded from the Tier 2 disclosure requirements. Based on paragraph 7 of 'Tier 2 Disclosure Principles', paragraph 30 should also be **excluded** from the Tier 2 disclosure requirements.
31 Other Standards (eg IFRS 7) may require disclosures that may satisfy the disclosure requirements in accordance with this [draft] IFRS. Entities need not duplicate the information and are permitted to cross-refer to these disclosures.		Paragraph 31 has no equivalent in the *IFRS for SMEs*, and is in the nature of contextual material but does not add disclosure requirements. Based on paragraph 7 of 'Tier 2 Disclosure Principles', paragraph 31 should be **retained** in the Tier 2 disclosure requirements.
32 The disclosure requirements in this [draft] IFRS shall either be given in the financial statements or incorporated by cross-reference from the financial statements to some other statement, such as a risk report and disclosures, that is available to users of financial statements on the same terms as the financial statements and at the same time. Without the information incorporated by cross-reference, the financial statements are incomplete.		Paragraph 32 has no equivalent in the *IFRS for SMEs* and does not relate to a recognition and measurement difference. Based on paragraph 3 of 'Tier 2 Disclosure Principles', paragraph 32 should be **excluded** from the Tier 2 disclosure requirements. [The AASB previously proposed to exclude Paragraph BZ17 of AASB ED 210 from the Tier 2 disclosure requirements, a substantially similar paragraph to paragraph 32, based on paragraph 3 of 'Tier 2 Disclosure Principles'.]
33 The disclosure requirements in this [draft] IFRS apply to all financial instruments that are in the scope of this [draft] IFRS. However, an entity that measures the loss allowance at an amount equal to lifetime expected credit losses either for trade receivables or for lease receivables in accordance with paragraph 12–13 need not apply the		Paragraph 33 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses.

Proposed disclosure requirements in ED 237		Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
	disclosure requirements in paragraphs 35(a), 38(a), 42–43 and 45 to those financial assets. In addition, paragraph 40(a) does not apply to lease receivables.		Paragraph 33, first sentence, is in the nature of contextual material and the second and third sentences are in the nature of guidance for applying paragraphs 40(a), 42, 43 and 45, which are proposed to be retained in the Tier 2 disclosure requirements. Based on paragraph 7 of 'Tier 2 Disclosure Principles', paragraph 33, excluding the reference to paragraphs 35(a) and 38(a), should be **retained** in the Tier 2 disclosure requirements. The reference to paragraphs 35(a) and 38(a) in the second sentence of paragraph 33 should be **excluded** from the Tier 2 disclosure requirements based on paragraph 7 of 'Tier 2 Disclosure Principles', as those paragraphs are also proposed to be excluded (refer below).
34	For the purpose of the disclosures provided in accordance with this [draft] IFRS, an entity shall group financial assets, loan commitments and financial guarantee contracts into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments (including their grouping into portfolios). An entity shall provide sufficient information to permit reconciliation to the line items that are presented in the statement of financial position.		Paragraph 34 has no equivalent in the *IFRS for SMEs* and does not relate to a recognition and measurement difference. Based on paragraph 3 of 'Tier 2 Disclosure Principles', paragraph 34 should be **excluded** from the Tier 2 disclosure requirements.
35	An entity shall provide a reconciliation from the opening balance to the closing balance of the gross carrying amount and the associated loss allowance for: (e) financial assets with a loss allowance measured at an amount equal to 12-month expected credit losses; (f) financial assets with a loss allowance measured at an amount equal to lifetime expected credit losses; (g) financial assets that have objective evidence of impairment at the reporting date but that are not purchased or originated		Paragraph 35 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses. Based on paragraph 5 of 'Tier 2 Disclosure Principles', in relation to cost-benefit, paragraph 35 should be **excluded** from the Tier 2 disclosure requirements.

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
credit-impaired financial assets; and (h) purchased or originated credit-impaired financial assets. In addition to the reconciliation for these assets, an entity shall disclose the total amount of undiscounted expected credit losses at initial recognition.		
36 An entity shall provide a reconciliation from the opening balance to the closing balance of the provision for loan commitments and financial guarantee contracts consistent with paragraph 35.		Paragraph 36 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses. Consistent with the rationale relating to paragraph 35 above, that is, based on paragraph 5 of 'Tier 2 Disclosure Principles', in relation to cost-benefit, paragraph 36 should be **excluded** from the Tier 2 disclosure requirements.
37 An entity shall disclose its write-off policy (for example, the entity's indicators for write-off), including whether there are assets that have been written off that are still subject to enforcement activity. In addition to including any write-offs and recoveries in the reconciliation in accordance with paragraph 35, an entity shall disclose the nominal amount of financial assets written off that are still subject to enforcement activity.		Paragraph 37 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference. Based on paragraphs 5 and 6(d) of 'Tier 2 Disclosure Principles', in relation to user needs and accounting policy choice, the first sentence of paragraph 37 should be **retained** in the Tier 2 disclosure requirements. Consistent with the rationale in the analysis of paragraph 35 above, that is, based on paragraph 5 of 'Tier 2 Disclosure Principles', in relation to cost-benefit, the requirement up to the comma in the second sentence of paragraph 37 should be **excluded** from the Tier 2 disclosure requirements. Based on paragraph 6(f) of 'Tier 2 Disclosure Principles', in relation to transactions and other events and conditions encountered by non-publicly accountable entities, the requirement after the comma in the second sentence should be **retained** in the Tier 2 disclosure requirements.

	Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
38	An entity shall disclose at the end of the reporting period during which the contractual cash flows on a financial asset have been modified the amortised cost and the modification gain or loss for financial assets that have been modified while they had a loss allowance at an amount equal to lifetime expected credit losses. The entity shall also disclose at each reporting date subsequent to such modification throughout the remaining life of the financial asset: (i) the gross carrying amount of financial assets that have been modified during their life and for which the measurement of the loss allowance has changed from an amount equal to lifetime expected credit losses to an amount equal to 12-month expected credit losses; and (j) the re-default rate on such financial assets that have been modified while in default (ie the percentage of financial assets that defaulted again subsequent to modification). The disclosure requirements in this paragraph, other than paragraph 38(a), also apply to trade receivables or lease receivables on which lifetime expected credit losses are always recognised in accordance with paragraph 12 but only if modified while more than 30 days past due.		Paragraph 38 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses. Based on paragraph 5 of 'Tier 2 Disclosure Principles', in relation to cost-benefit, paragraph 38 should be **excluded** from the Tier 2 disclosure requirements.
39	An entity shall explain the inputs, assumptions and estimation techniques that it used when estimating the 12-month and lifetime expected credit losses. For this purpose an entity shall disclose: (k) the basis of inputs (for example, internal historical information or rating reports, including how default is defined and why that definition was selected, assumptions made about the remaining life of the financial instruments and the timing of the sale of collateral) and the estimation technique, including how the assets were grouped if they are measured on a collective basis in accordance with paragraph B25; (l) an explanation of the changes in estimates of expected credit		Paragraph 39 requires information that is dealt with at a more general level in paragraphs 122 and 125 of AASB 101 *Presentation of Financial Statements* (equivalent to paragraphs 8.6 and 8.7 of the *IFRS for SMEs*), which were retained in the Tier 2 disclosure requirements. Based on paragraph 6(c) of 'Tier 2 Disclosure Principles', in relation to measurement uncertainties, paragraph 39 should also be **retained** in the Tier 2 disclosure requirements. [The AASB previously proposed to retain Paragraph Z10 of ED 210 in the Tier 2 disclosure requirements, a substantially

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
losses and the cause of those changes (for example, severity of loss, change in portfolio composition or changes in volume of financial instruments purchased or originated); (m) any change in the estimation technique and the reason for that change; and (n) information about the discount rate that the entity has selected in accordance with paragraph B29(a), including: (i) what discount rate an entity has elected to use (ie risk-free rate, effective interest rate, or something in between) and the reasons for that election; (ii) the discount rate (percentage) used; and (iii) any significant assumptions made to determine the discount rate.		similar paragraph to paragraph 39, based on paragraph 6(c) of 'Tier 2 Disclosure Principles'.]
40 If an entity has financial assets, loan commitments or financial guarantee contracts secured by collateral or other credit enhancements, it shall disclose: (o) a description of the collateral held as security and other credit enhancements, including a discussion on the quality of the collateral held (for example, the stability of the asset value and liquidity) and an explanation of any changes in the quality as a result of deterioration or changes in the collateral policies of the entity; (p) the gross carrying amount of financial assets that have an expected credit loss of zero because of the collateral; and (q) for financial instruments that have objective evidence of impairment at the reporting date, quantitative information about the extent to which collateral and other credit enhancements reduce the severity of expected credit loss.		Paragraph 40 has no equivalent in the *IFRS for SMEs*. Sub-paragraph (a) is not regarded as relating to a recognition and measurement difference, while sub-paragraphs (b) and (c) are regarded as relating to such a difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses. Based on paragraphs 5 and 6(c) of 'Tier 2 Disclosure Principles', relating to user needs and measurement uncertainties, paragraph 40 should be **retained** in the Tier 2 disclosure requirements.

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
41 An entity shall disclose quantitative and qualitative analyses of significant positive or negative effects on the loss allowance that are caused by a particular portfolio or geographical area.		Paragraph 41 has no equivalent in the *IFRS for SMEs* and does not relate to a recognition or measurement difference. Based on paragraph 3 of 'Tier 2 Disclosure Principles' paragraph 41 should be **excluded** from the Tier 2 disclosure requirements. [The AASB previously proposed to exclude Paragraph Z11 of ED 210 from the Tier 2 disclosure requirements, a substantially similar paragraph to paragraph 41, based on paragraph 3 of 'Tier 2 Disclosure Principles'.]
42 An entity shall explain the inputs, assumptions and estimation techniques used when determining whether the credit risk of the financial instruments has increased significantly since initial recognition and when determining if it has objective evidence of impairment (see paragraphs 5, 14–15 and 25(b)). For this purpose an entity shall disclose: (r) the basis of inputs (for example, internal historical information or rating reports, including how significant deterioration in credit risk is met, how default is defined and why that definition was selected) and the estimation technique (including how the financial instruments were grouped if the criterion in paragraph 5 is assessed on a collective basis, in accordance with paragraphs B17–B18); (s) an explanation of the changes in the estimates of the credit risk and the cause of those changes; and (t) any change in the estimation technique and the reason for that change.		Paragraph 42 requires information that is dealt with at a more general level in paragraphs 122 and 125 of AASB 101 *Presentation of Financial Statements* (equivalent to paragraphs 8.6 and 8.7 of the *IFRS for SMEs*), which were retained in the Tier 2 disclosure requirements. Based on paragraphs 5 and 6(c) of 'Tier 2 Disclosure Principles', in relation to user needs and measurement uncertainties, paragraph 42 should also be **retained** in the Tier 2 disclosure requirements.
43 If an entity has rebutted the presumption that financial assets more than 30 days past due have a significant increase in credit risk, the entity shall disclose how it has rebutted that presumption (see paragraph 9).		Paragraph 43 has no equivalent in the *IFRS for SMEs* and does not necessarily relate to a recognition and measurement difference. Based on paragraphs 5 and 6(f) of 'Tier 2 Disclosure Principles', in relation to user needs, and providing

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
		information about transactions and other events and conditions encountered, paragraph 43 should be **retained** in the Tier 2 disclosure requirements.
44 An entity shall disclose, by credit risk rating grades, the gross carrying amount of financial assets and the amount recognised as a provision for loan commitments and financial guarantee contracts in a grade. An entity shall disclose this analysis separately for financial assets, loan commitments and financial guarantee contracts for which the loss allowance or provision is measured in accordance with paragraphs 4, 5, 12 and 14–15. The number of credit risk rating grades used for this disclosure shall be sufficient to enable users of the entity's financial statements to assess the entity's exposure to credit risk. The number of grades shall not exceed the number that the entity uses for internal credit risk management purposes except that an entity shall always disaggregate its portfolio across at least three grades, even if that entity uses fewer credit risk rating grades internally. For trade receivables and lease receivables to which an entity applies paragraph 12, this disclosure may be based on a provision matrix (see paragraphs B34–B35).		Paragraph 44 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses. Based on paragraph 5 of 'Tier 2 Disclosure Principles', relating to cost-benefit, paragraph 44 should be **excluded** from the Tier 2 disclosure requirements. [The AASB previously proposed to exclude Paragraph Z14 of ED 210 from the Tier 2 disclosure requirements, a substantially similar paragraph to paragraph 44, based on paragraph 5 of 'Tier 2 Disclosure Principles']
45 An entity shall disclose the gross carrying amount of financial assets and the amount recognised as a provision for loan commitments and financial guarantee contracts that are assessed on an individual basis and whose credit risk has increased significantly since initial recognition.		Paragraph 45 has no equivalent in the *IFRS for SMEs* and is regarded as relating to a recognition and measurement difference because the *IFRS for SMEs* does not require impairment assessments based on expected losses. Based on paragraphs 5 and 6(c) of 'Tier 2 Disclosure Principles', relating to user needs and measurement uncertainties, paragraph 45 should be **retained** in the Tier 2 disclosure requirements.
IE72 The following example illustrates one way of applying the disclosure requirements as set out in paragraph 35. The below reconciliation does not illustrate the requirements for financial assets for which there is objective evidence of impairment on initial recognition, and does not disaggregate the disclosures by class.		Paragraph IE72 has no equivalent in the *IFRS for SMEs* and is in the nature of guidance for the application of paragraph 35, which is proposed to be excluded from the Tier 2 disclosure requirements. Based on paragraph 7 of 'Tier 2 Disclosure Principles', paragraph IE72 should also be **excluded** from the

<table>
<tr><th>Proposed disclosure requirements in ED 237</th><th>Disclosure requirements in IFRS for SMEs Section 11 Basic Financial Instruments</th><th>Analysis</th></tr>
<tr><td>
<table>
<tr><th>Reconciliation of the gross carrying amount of those assets with the loss allowance measured at an amount equal to 12-month expected credit losses</th><th>20XX ‘000</th></tr>
<tr><td></td><td>CU</td></tr>
<tr><td>Gross carrying amount at 1 January</td><td>112,500</td></tr>
<tr><td>Financial assets changed to have a loss allowance at an amount equal to 12-month expected credit losses</td><td>3,200</td></tr>
<tr><td>Financial assets changed to have a loss allowance at an amount equal to lifetime expected credit losses</td><td>(8,500)</td></tr>
<tr><td>Interest revenue using the effective interest method</td><td>5,650</td></tr>
<tr><td>Repayments of principal and interest</td><td>(29,500)</td></tr>
<tr><td>New financial assets originated or purchased</td><td>20,600</td></tr>
<tr><td>Recoveries of amounts previously written off</td><td>650</td></tr>
<tr><td>Foreign exchange and other movements</td><td>(1,400)</td></tr>
<tr><td>At 31 December</td><td>103,200</td></tr>
</table>
<table>
<tr><th>Loss allowance measured at 12-month expected credit losses</th><th>20XX ‘000</th></tr>
<tr><td></td><td>CU</td></tr>
<tr><td>Loss allowance at 1 January</td><td>5,400</td></tr>
<tr><td>Amount charged to profit or loss</td><td>800</td></tr>
<tr><td>Other movements</td><td>(400)</td></tr>
<tr><td>At 31 December</td><td>5,800</td></tr>
</table>
<table>
<tr><th>Reconciliation of the gross carrying amount of those assets with the loss allowance measured at an amount equal to lifetime expected credit losses</th><th>20XX ‘000</th></tr>
<tr><td></td><td>CU</td></tr>
<tr><td>Gross carrying amount at 1 January</td><td>45,000</td></tr>
</table>
</td><td></td><td>Tier 2 disclosure requirements.</td></tr>
</table>

<table>
<tr><th>Proposed disclosure requirements in ED 237</th><th>Disclosure requirements in IFRS for SMEs
Section 11 Basic Financial Instruments</th><th>Analysis</th></tr>
<tr><td>
<table>
<tr><td>Financial assets changed to have a loss allowance at an amount equal to lifetime expected credit losses</td><td>8,500</td></tr>
<tr><td>Financial assets changed to have a loss allowance at an amount equal to 12-month expected credit losses</td><td>(3,200)</td></tr>
<tr><td>Interest revenue using the effective interest method</td><td>4,250</td></tr>
<tr><td>Repayments of principal and interest</td><td>(3,400)</td></tr>
<tr><td>Amounts written off</td><td>(2,000)</td></tr>
<tr><td>Modification of cash flows</td><td>(600)</td></tr>
<tr><td>Recoveries of amounts previously written off</td><td>450</td></tr>
<tr><td>Other movements</td><td>(750)</td></tr>
<tr><td>At 31 December</td><td>48,250</td></tr>
</table>
<table>
<tr><th>Loss allowance measured at an amount equal to lifetime expected credit losses</th><th>20XX
‘000</th></tr>
<tr><td></td><td>CU</td></tr>
<tr><td>Loss allowance at 1 January</td><td>13,500</td></tr>
<tr><td>Amounts written off</td><td>(2,000)</td></tr>
<tr><td>Amounts charged to profit or loss</td><td>3,900</td></tr>
<tr><td>Other movements</td><td>100</td></tr>
<tr><td>At 31 December</td><td>15,500</td></tr>
</table>
</td><td></td><td></td></tr>
<tr><td>IE73 The following example illustrates forms of application of the disclosure requirements in paragraph 44.

Gross carrying amount for consumer loan credit risk profile by internal rating grades and by the associated loss allowance
<table>
<tr><td>20XX</td><td colspan="2">Consumer—Credit Card</td><td colspan="2">Consumer—Automotive</td></tr>
<tr><td></td><td>Lifetime</td><td>12-month</td><td>Lifetime</td><td>12-month</td></tr>
<tr><td>Internal Grade 1</td><td>CUxx,xxx</td><td>xx,xxx</td><td>CUxx,xxx</td><td>xx,xxx</td></tr>
<tr><td>Internal Grade 2</td><td>xx,xxx</td><td>xx,xxx</td><td>xx,xxx</td><td>xx,xxx</td></tr>
</table>
</td><td></td><td>Paragraph IE73 has no equivalent in the IFRS for SMEs and is in the nature of guidance for the application of paragraph 44, which is proposed to be excluded from the Tier 2 disclosure requirements. Based on paragraph 7 of ‘Tier 2 Disclosure Principles’, paragraph IE73 should also be excluded from the Tier 2 disclosure requirements.</td></tr>
</table>

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis

Internal Grade 3	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Internal Grade 4	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Internal Grade 5	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Internal Grade 6	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Internal Grade 7	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Internal Grade 8	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Total	xx,xxx	xx,xxx	xx,xxx	xx,xxx

Gross carrying amount for corporate loan credit risk profile by external rating grades and by the associated loss allowance

20XX	**Corporate—Equipment**		**Corporate—Construction**	
	Lifetime	**12-month**	**Lifetime**	**12-month**
AAA	CUxx,xxx	xx,xxx	CUxx,xxx	xx,xxx
AA	xx,xxx	xx,xxx	xx,xxx	xx,xxx
A	xx,xxx	xx,xxx	xx,xxx	xx,xxx
BBB	xx,xxx	xx,xxx	xx,xxx	xx,xxx
BB	xx,xxx	xx,xxx	xx,xxx	xx,xxx
B	xx,xxx	xx,xxx	xx,xxx	xx,xxx
CCC	xx,xxx	xx,xxx	xx,xxx	xx,xxx
CC	xx,xxx	xx,xxx	xx,xxx	xx,xxx
C	xx,xxx	xx,xxx	xx,xxx	xx,xxx
D	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Total	xx,xxx	xx,xxx	xx,xxx	xx,xxx

Proposed disclosure requirements in ED 237	Disclosure requirements in *IFRS for SMEs* Section 11 *Basic Financial Instruments*	Analysis
Gross carrying amount for corporate loan risk profile by probability of default and by the associated loss allowance		

	Corporate—Unsecured		Corporate—Secured	
	Lifetime	**12-month**	**Lifetime**	**12-month**
0.00 – 0.10	CUxx,xxx	xx,xxx	CUxx,xxx	xx,xxx
0.11 – 0.40	xx,xxx	xx,xxx	xx,xxx	xx,xxx
0.41 – 1.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
1.01 – 3.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
3.01 – 6.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
6.01 – 11.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
11.01 – 17.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
17.01 – 25.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
25.01 – 50.00	xx,xxx	xx,xxx	xx,xxx	xx,xxx
50.01+	xx,xxx	xx,xxx	xx,xxx	xx,xxx
Total	xx,xxx	xx,xxx	xx,xxx	xx,xxx