



AASB 26 October 2011
 Agenda paper 10.2.1



Update on the IASB/FASB project

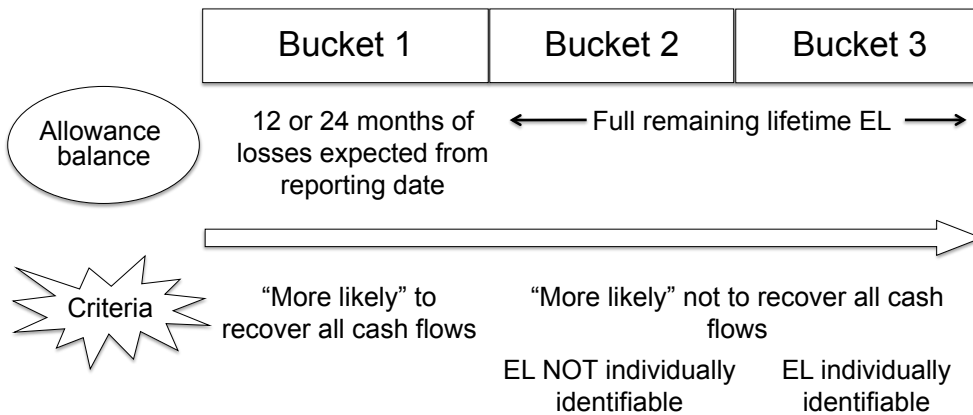
FINANCIAL INSTRUMENTS: IMPAIRMENT

by Christina Ng



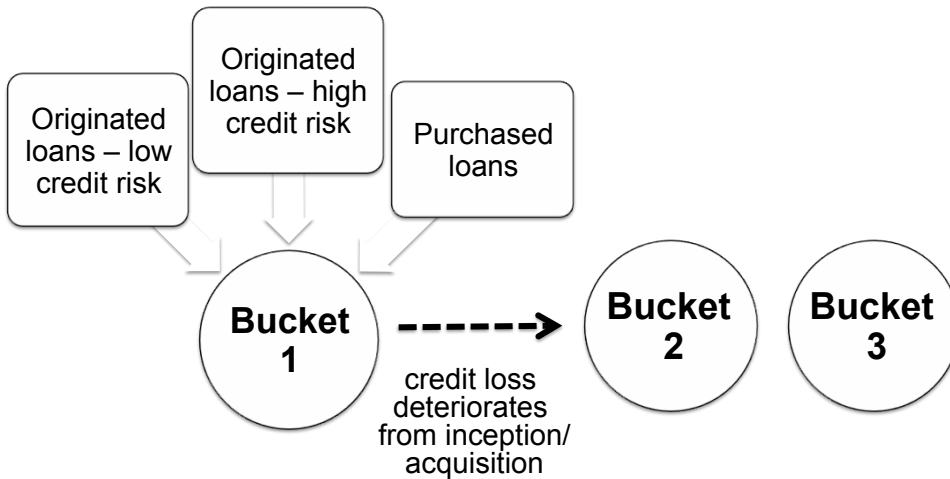
Where are we now

- Principle – reflect the general pattern of loan credit quality deterioration





What goes into Bucket 1



3

What to expect next

Direction of the project

- An 'expected but not reported' loss model:
 - Clear principles and definitions
 - Articulate thresholds and triggers for each bucket
 - Improve transparency by disclosures

Next steps

- IASB/FASB meeting on 12-16 December 2011
- Review draft or Re-expose?

4