IFRS Accounting

Dynamic Risk Management Webcast

The views expressed in this presentation are those of the presenter, not necessarily those of the IFRS Foundation, International Accounting Standards Board or the International Sustainability Standards Board.
Copyright © 2022 IFRS Foundation. All rights reserved.

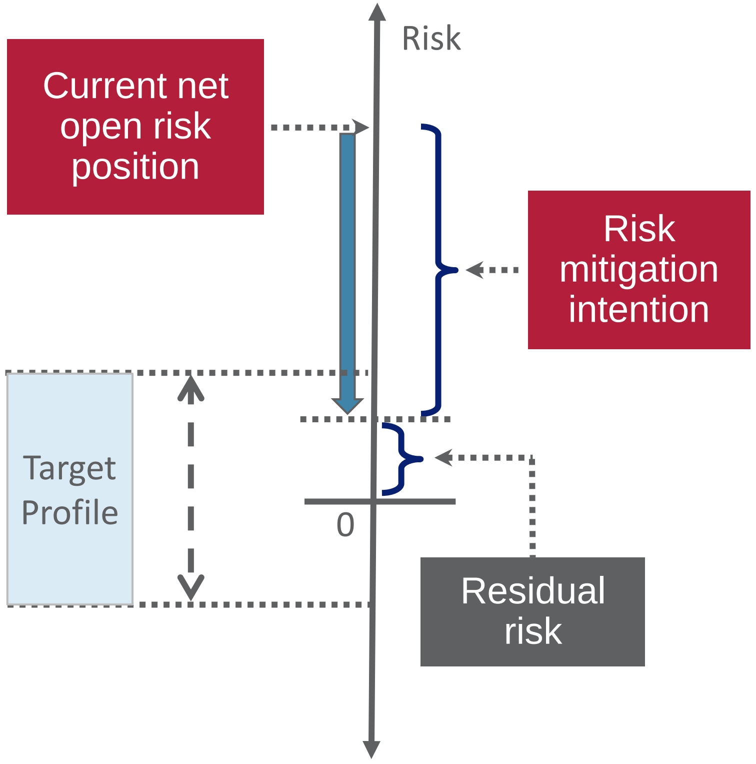
Retrospective assessment and unexpected change

The views expressed in this presentation are those of the presenter, not necessarily those of the IFRS Foundation, International Accounting Standards Board or the International Sustainability Standards Board.
Copyright © 2022 IFRS Foundation. All rights reserved.

Retrospective assessment

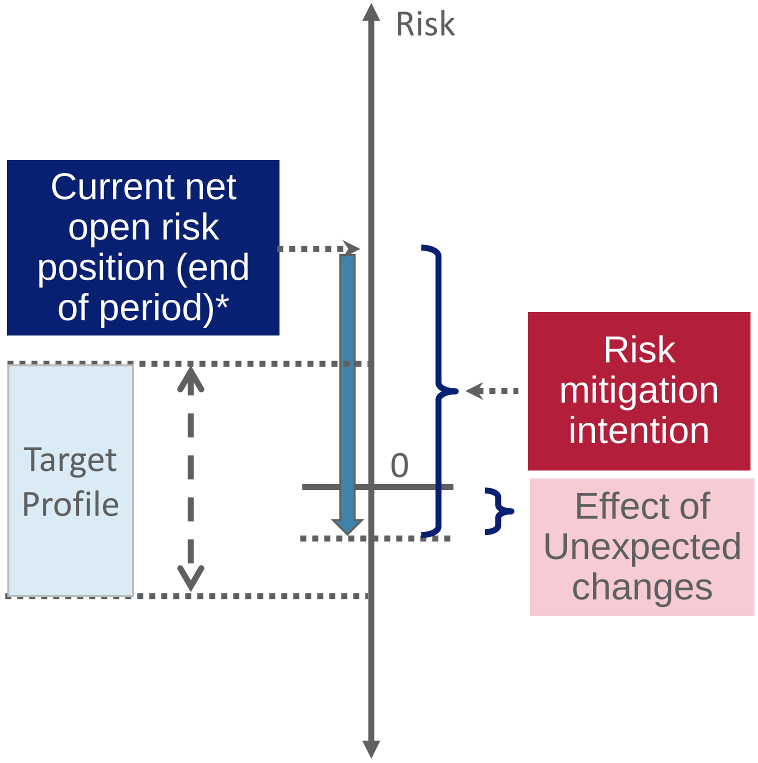
Beginning of the period

Entity work out risk mitigation intention that satisfies the prospective assessments

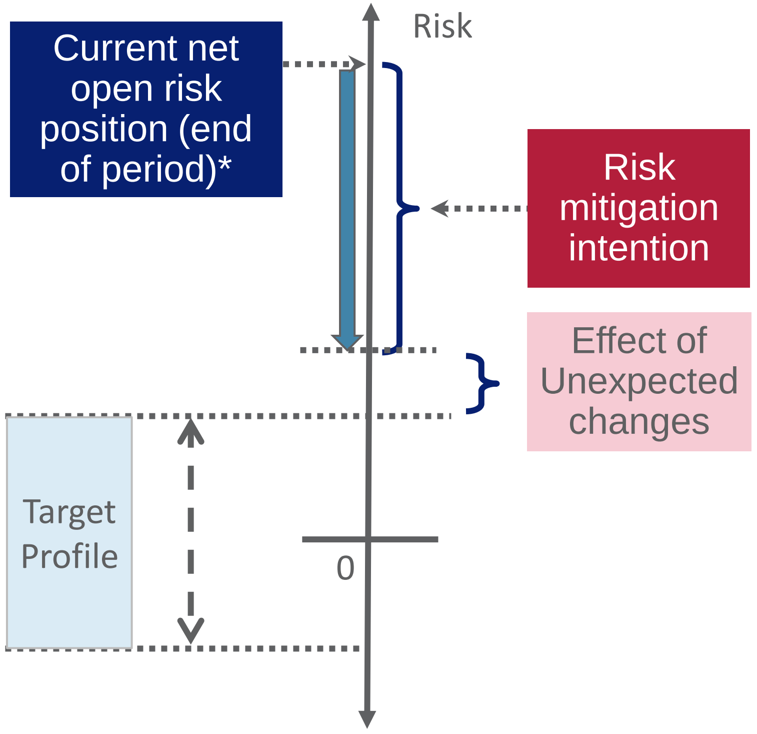


End of the period (calculate unexpected changes)

Over-mitigation: decrease in updated CNOP lead to unexpected changes.



Outside of target profile: increase in updated CNOP lead to unexpected changes.



* This is the current net open risk position at the end of the period, excluding new business generated and funding raised.

What makes the DRM model robust?

Question

- How does the DRM model achieve that balance? Specifically, what factors make the DRM model robust?

Response

- The DRM model is based on a net risk view
- Prospective assessment ensures that only existing risk is being mitigated
- Any risk mitigation intention determined needs to be evidenced by real actions in the market
- Retrospective assessment will capture impact of unexpected change

IFRS Accounting

Connect

ifrs.org

IFRS Foundation

@IFRSFoundation

IFRS Foundation