

Joint Investor Outreach Event • Milan

What is new in accounting for leases?

What do the IFRS 4 amendments on applying IFRS 9 for insurance companies mean for investors and analysts?

Tuesday 29 November 2016 • 14:00-18:30

Sala Convegni Intesa Sanpaolo • Piazza Belgioioso, 1 • Milan

PROGRAMME

13.30 – 14.00 Registration and coffee

14.00 – 14.10 Opening and Welcome, *Paolo Balice*, President AIAF

14.10 – 15.45 What do the IFRS 4 amendments on applying IFRS 9 for insurance companies mean for investors and analysts?

- Introduction main elements amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
 - *Fred Nieto*, Head of Investor Engagement IASB
- EFRAG seeking input on endorsement advice on amendments to IFRS 4
 - *Patricia McBride*, EFRAG Technical Director
- Round table panel discussion
 - *Facilitator: Angelo Casò*, President of the OIC Executive Board and EFRAG Board member
 - *User Panel: Elena Perini*, AIAF, Intesa Sanpaolo - *Andrea Bellucci*, AIAF - *Luca D'Onofrio*, EFFAS FAC, Bip

Issues suggested to be addressed:

- Do you welcome the IASB amendments to IFRS 4 in general?
- Companies that can both use the overlay approach and the deferral approach (temporary exemption from IFRS 9) are expected to use the approach that provides the most relevant information to users. How do you expect them to decide?
- The overlay approach allows entities to mitigate artificial accounting fluctuations in the profit or loss when using IFRS 9 before the new insurance contracts standard IFRS 17 being available. Will you make changes to your models? What companies do you expect will use the approach?
- If qualifying companies choose to defer the application of IFRS 9, what implications will this have for your work (models, comparability with other companies and industries)?
- Are the disclosures in the amendments to IFRS 4 adequate?
- What are the additional costs for users under each of the approaches?

15.45 – 16.00 **Coffee break**

16.00 – 17.55 **What is new in accounting for leases?**

- **Introduction main elements IFRS 16 Leases**
 - *Fred Nieto, Head of Investor Engagement IASB*
- **EFRAG seeking input on endorsement advice on IFRS 16**
 - *Saskia Slomp, EFRAG Director Admin & Governance*
- **Round table panel discussion**
 - *Facilitator: Alberto Giussani, member of the OIC Executive Board*
 - *User Panel: Chiara Del Prete, AIAF, Mazars – Marianna Sorrente, AIAF – Javier De Frutos, Chairman EFFAS FAC*

Issues suggested to be addressed:

- Big change: all leases on the balance sheet. How do you react?
- Have all type of contracts been identified?
- The new standard for leases contains guidance for modifications, recognising any gain or loss in P&L. This can affect a company's valuation. Is it an improvement for users?
- Lease liabilities are measured similarly to financial liabilities at amortised cost. What are your views on this measurement?
- Companies that are likely to be the most affected are those renting real estate and airlines. Will recognising leases in the balance sheet make a substantial impact on these companies' valuation? And in the cost of capital?
- Enhanced disclosures will provide more information about lessors' risks. Is this an element that will provide users with a more comprehensive understanding of the company?
- Under new US-GAAP and IFRS standards, leases are brought into the balance sheet but the cost is recognised differently. Do you expect this to be an issue?
- Does it matter that non-GAAP measures will change?
- What are the additional costs for users in applying IFRS 16?

17.55 – 18.00 **Wrapping up and closing of conference**

- *Jesús López Zaballos, Chairman EFFAS*

18.00 – 18.30 **Drinks**