

PROCONSULT INTERNATIONAL

IFRS 09 IMPLEMENTATION, TOOL AND REVIEW SERVICES

www.proconsulti.com

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International



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and software



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About ProConsult International

Delivering insight, fostering innovation, and creating measurable impact

ProConsult International was founded by Mr. Umar Daraz, FCA, a visionary leader with a rich legacy in the accounting profession, including a successful tenure as a Partner at Deloitte and extensive experience at PwC, KPMG, and EY. Our co-founding members from different industries and international locations have made our organization a truly multi-professional, multidiscipline international consulting company delivering exceptional services across the globe."

ProConsult International ("ProConsult") is a leading management consulting firm specializing in management advisory services, tax, audit, HR, IT, legal services, etc. Our group companies are registered in the UK, UAE, KSA, Pakistan and Afghanistan.

We take pride in our exceptional team of more than 50 seasoned professionals, including chartered accountants (CAs/ACCAs/CPAs), legal experts, tax specialists, professional trainers, human resources (HR) professionals, information technology (IT) specialists, marketing strategists, corporate affairs specialists, value and cost engineers, sourced primarily from Big 4 accounting firms and other esteemed organizations.

Shafiq Umar Daraz & Co Chartered Accountants, ProConsult International Legal Services, and ProConsult International UK are our audit, legal, and consulting firms operating in Afghanistan.

Our Dubai, ABUD management consulting, is a strategic hub for our Middle East operations, leveraging the city's unique



Staff Strength: 50 plus

Why us



Ready made IFRS 9 solution

Our experienced team has developed an automated IFRS 9 solution, based on methodologies widely adopted by leading banks and microfinance institutions in Pakistan.

The solution is fully compliant with both IFRS 9 standards and the State Bank of Pakistan's IFRS 9 implementation guidelines.

It is ready for immediate deployment and can be customized to meet the specific needs of your bank.

In addition to compliance, the solution enhances efficiency by automating key financial reporting processes, minimizing the risk of errors, and ensuring faster, more accurate results.

Right Financial Team

Our team has extensive experience in IFRS 9 implementation within Pakistan. All key members are chartered accountants with deep expertise in IFRS, particularly IFRS 9.

The team is led by Abdul Basit, a seasoned chartered accountant with 17 years of experience in Big 4 audit firms. Throughout his career, Basit has successfully implemented IFRS 9 for several commercial and microfinance banks across Pakistan.

Another key member, Shahzaib Hussain, is also a chartered accountant from a Big 4 audit firm. Shahzaib has likewise implemented IFRS 9 for numerous banks in Pakistan, further strengthening our team's expertise in this area.

Right IT team

Our software development team possesses extensive expertise in the design and implementation of tools.

The team is led by Shahid Hussain, who brings over 20 years of experience in developing and implementing data analytics and business intelligence systems for international telecoms and IT companies, including those in the FinTech and LegalTech sectors.

We have
dedicated
software
Developed team





IFRS 9 Services We Offer

01

IFRS 9 ECL Engine (tool)

02

IFRS 9 implementation and impact assessment

03

Review of existing IFRS 9 policies and models

04

IFRS 9 training and support



Unique selling point

IFRS 9 team member are chartered accountant and statistician with practical experience of implementing IFRS 9 on various financial institutions

1 IFRS 9 ECL Engine (tool)

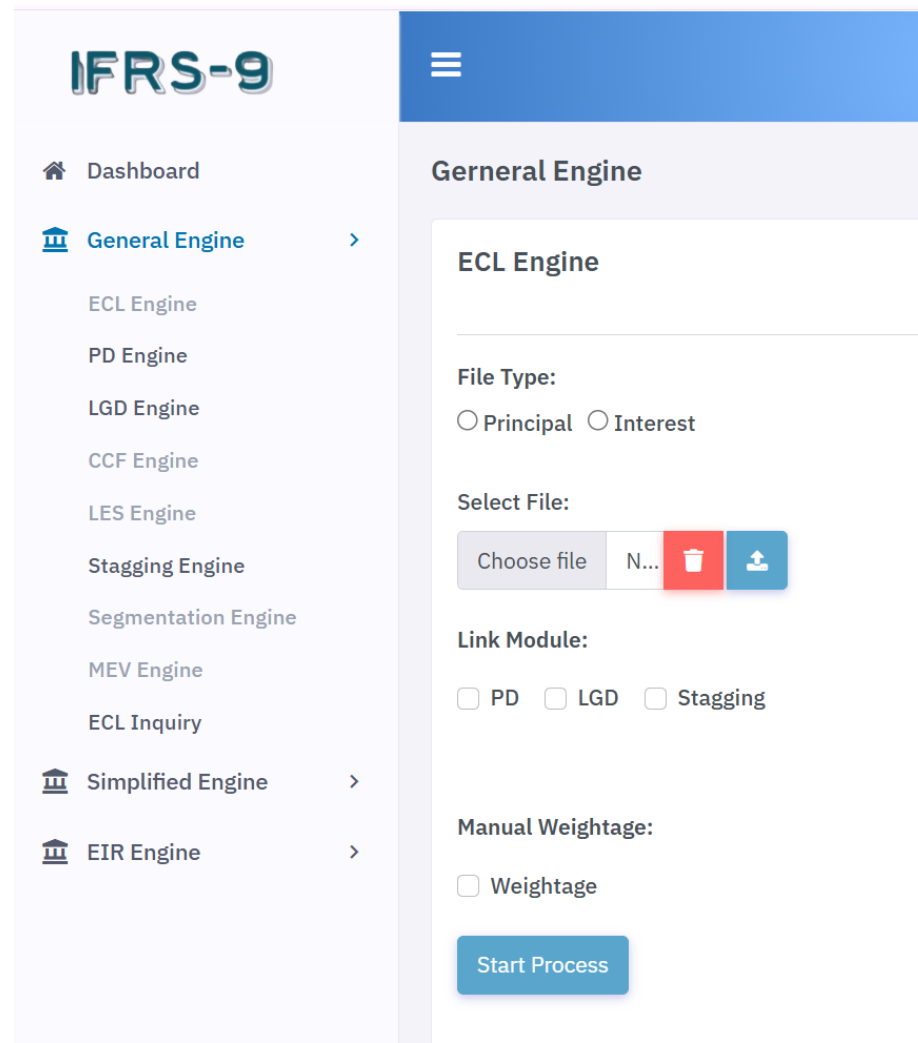
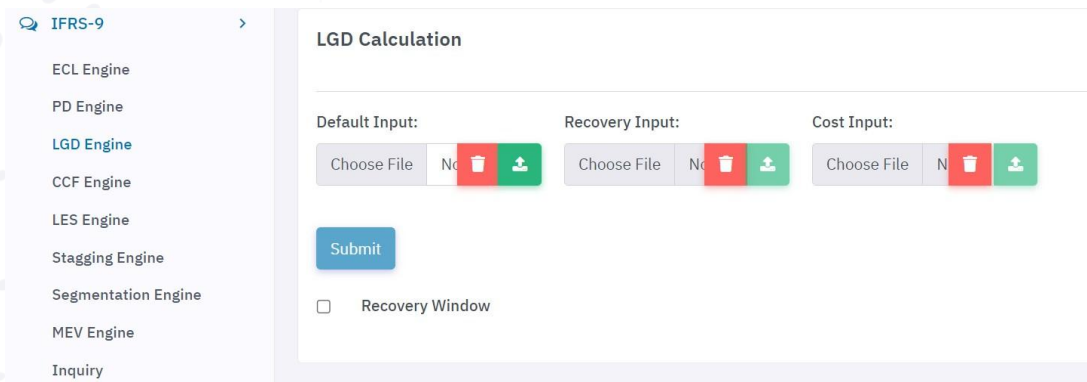
We have developed in-house IFRS 9 impairment calculation software. IFRS 9 Impairment Solution Pro (ISP) is an innovative solution designed to facilitate financial institutions in accurate computation of expected credit losses in accordance with the requirements of IFRS 9 and statutory guidelines. ISP empowers financial institutions in assessing expected losses based on forward-looking macro-economic factors. It is primarily tailored for use by financial institutions, such as commercial banks, microfinance banks, fintech's, leasing companies and non- banking finance companies.

ISP has following Core modules (engines)

1. Expected credit loss (ECL) Engine
2. Probability of default (PD) Engine
3. Loss give default (LGD) Engine
4. Effective Interest rate (EIR) Engine
5. Staging Engine

TechStack

Front end : Angular
Back end : Java (spring boot)
DB : SQL



IFRS 9 ECL Engine (tool)



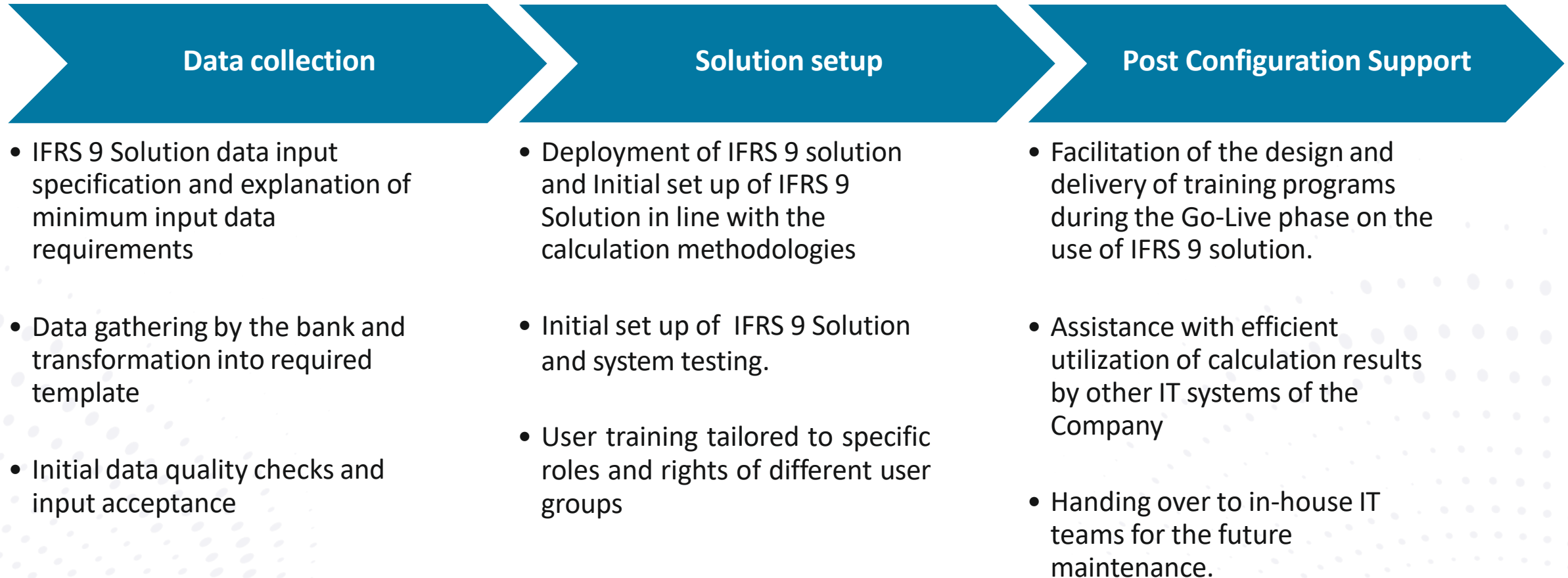
Computation Methodology of current Engines

| PD Engine | LGD Engine | ECL Engine | EIR Engine |
|--|---|--|--|
| <ul style="list-style-type: none">✓ Day past due (DPD) based migration approach✓ Capacity define default bucket of each segment✓ Capacity to compute matrix and 12 months PDs✓ Capacity to incorporate macroeconomic factors under different economic scenarios✓ Compute separate PD under each economic scenarios | <ul style="list-style-type: none">✓ Utilize historical data of defaults, recoveries and cost of recoveries✓ Apply effective interest rates on daily basis to discount recoveries and cost of recoveries✓ Application of recovery window✓ Compute LGD under different recovery windows✓ Compute segment-wise | <ul style="list-style-type: none">✓ Generate forward exposure considering repayment frequencies✓ Develop term structure for PDs✓ Convert 12-month PDs to lifetime PDs and marginal PDs✓ Apply discounting to expected losses using effective interest rates✓ Calculate separate ECL across multiple economic scenarios | <ul style="list-style-type: none">✓ Compute effective interest rate of each loan by incorporating loan processing fee and transaction cost✓ Use repayment schedule from core banking and also has ability to create repayment schedule✓ Generate daily EIR table✓ Compute modification adjustment for modified loans✓ Compute fair value and subsequent amortized cost of below market loans |

1 IFRS 9 ECL Engine (tool)



Our approach to set up tool



2 IFRS 9 implementation and impact assessment

1. We provide assistance in assessment of classification and measurement of financial instruments and we provide models for SPPI test and business model tests
2. We provide assistance in preparation of following models
 - EIR model
 - Probability of default- rating based
 - Probability of default- DPD based
 - Loss given default
 - Credit conversion factor
 - Estimation of life for revolving product
 - Expected credit loss engine
 - Macro-economic selection and application
3. We assist in preparation of financial statements disclosures as per requirement of IFRS 7 and IFRS 9
4. We prepare policies and accounting manuals related to IFRS 9
5. We assist in framing the governance structure and internal controls related to IFRS 9



3 Review of existing IFRS 9 polices and models

We provide services related to review of current IFRS 9 polices and model. Our services include:

1. Assess and review overall ECL estimation approach and methodologies
2. Review governance and controls over ECL engine
3. Analyze the appropriateness of the factors such as:
 - Amortization and life-time estimation
 - Segmentation
 - Default definition
 - SICR criteria
 - PD models and methodology
 - LGD models and methodology
 - CCF models and methodology
 - Behavioral life of revolving loans (or non-contractual loans)
 - Allocation of effective interest rates
 - Macro-economic selection and scenarios
4. Validation of ECL and rating models



4 IFRS 9 training and support



We provide customized training programs and workshops to educate finance teams, internal auditors, and other stakeholders on the principles and requirements of IFRS 9, including practical examples, case studies, and implementation best practices. Following are example of IFRS 9 related trainings:

Introduction to IFRS 9

A comprehensive overview of the key principles, objectives, and scope of IFRS 9, including explanations of the classification and measurement of financial instruments, impairment requirements, and hedge accounting.

IFRS 9 Technical Workshops:

In-depth sessions focusing on specific technical aspects of IFRS 9, such as the classification and measurement of financial assets and liabilities, impairment modeling techniques, and hedge accounting strategies.

IFRS 9 Updates and Regulatory Developments:

Seminars and webinars providing updates on recent developments related to IFRS 9, including amendments, interpretations, and regulatory changes, and their potential impact on financial reporting practices.

IFRS 9 Refresher Courses:

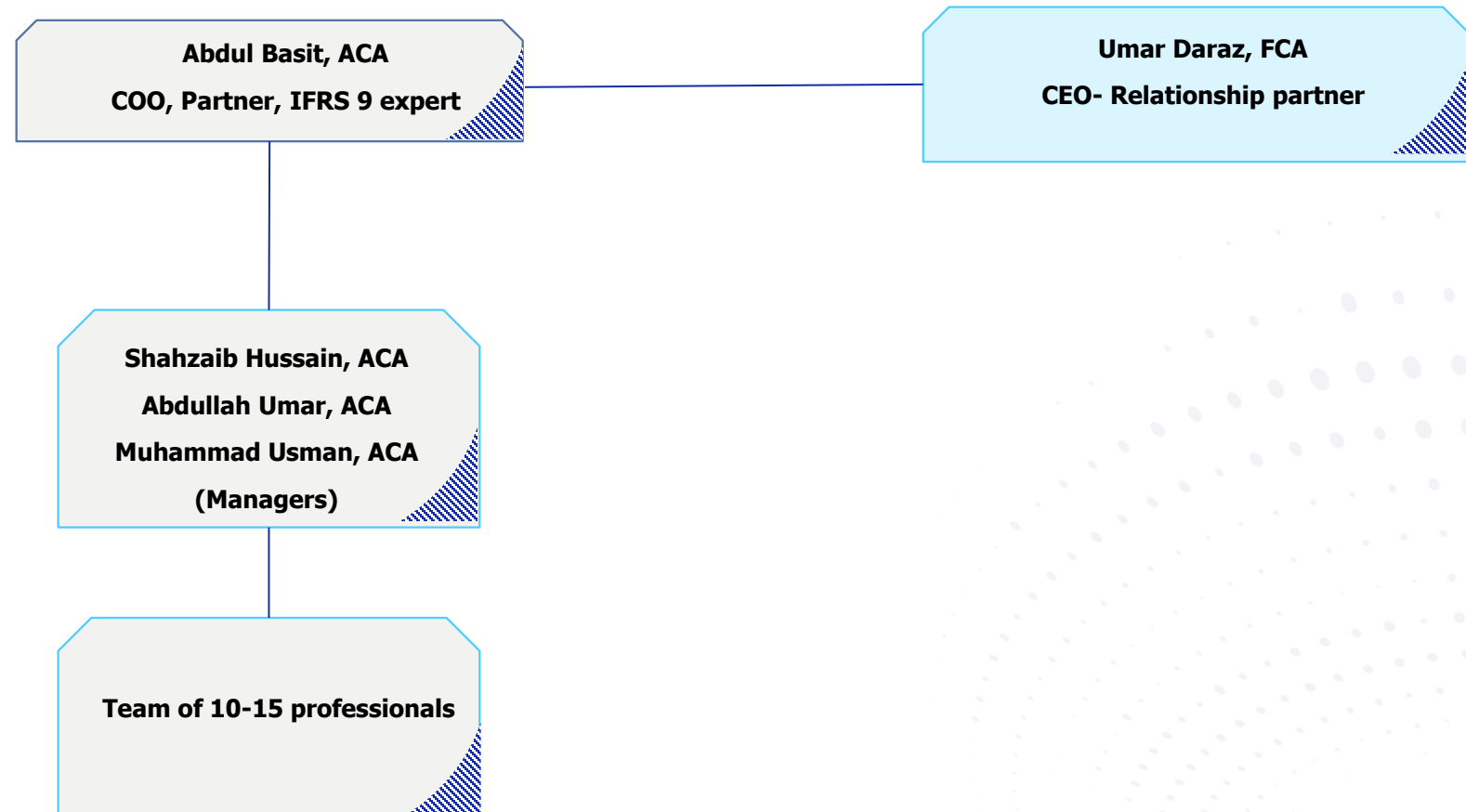
Short, targeted sessions aimed at refreshing participants' knowledge of specific aspects of IFRS 9, such as impairment accounting or hedge accounting, and addressing common challenges and misconceptions.

We provide comprehensive training materials, including workbooks, manuals, and reference guides, to supplement training sessions and serve as ongoing resources for participants to reinforce their learning.





IFRS 9 Team



Our valuable IFRS 9 clients



In addition to these clients, our core team members have served many other IFRS 9 clients during their association with BIG 4 audit firms. Please refer to attached CVs



Abdul Basit, ACA

Partner and chief operating officer, ProConsult
Partner ABUD LLC, UAE

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Profile

Abdul Basit has 17 years of professional experience in financial consultancy, financial statement audits, special audits, IFRS 9 complex credit risk modeling and fixed assets verification and reconciliation projects, spanning across regions such as Pakistan, Afghanistan, Saudi Arabia and Luxemburg. He has profound understanding of local regulatory accounting frameworks, corporate and tax laws Mapa. As a seasoned practitioner of International Financial Reporting Standards (IFRSs), Abdul Basit excels in navigating the intricacies of IFRS 9 financial Instruments.

With 15 years of service at EY, progressing from an associate to a Senior Manager, and 2 years as a Manager and Senior Manager at Deloitte, Abdul Basit has showcased his adept leadership across various financial domains. During working with these big firms abdul served clients on financial, telecom, oil and gas, development sector.

Abdul joined ProConsult in February 2024 as partner and Chief Operating Officer.

Major Clients

IFRS 9 ECL modelling projects

- U Microfinance Bank
- Bank of Khyber
- Bank of Punjab
- Mobilink Microfinance Bank Limited
- Pak China Investment Company Limited
- Allied Bank Limited
- Habib Metropolitan Bank
- Pakistan Telecommunication Limited (PTCL)

IFRS 9 quality reviewer manager

- Allied Bank Limited
- Habib Metropolitan Bank
- Meezan Bank limited
- National Bank of Pakistan

Specialization

- External Audit
- Internal Audit

Education

- Chartered Accountant (Pakistan)
- Sustainability and Climate Risk (SCR ®) by GARP

Past Experience

★ Senior Manager
EY

★ Manager and Senior
Manager at Deloitte

IFRS 9 Projects in Afghanistan

- First Microfiance Bank
- Oxus Microfiance
- Aiziz Bank
- MISFA
- Mutahid Microfiance
- Afghanistan Development Fund

Consultancy and audit clients

- Bank of AJK
- Mobilink Microfinance Bank Limited
- Khushhali Microfinance Bank Limited
- BRAC Microfinance Afghanistan
- Aqsat International Trading Co. LLC.
- Channel VAS (Private) Limited
- Pakistan Mobile Communication Limited (Jazz, VEON)
- Pakistan Telecommunication Company Limited (PTCL)

- Telenor Pakistan and its subsidiaries
- Etisalat Afghanistan
- Afghan Telecom
- ZTE Afghanistan
- China Telecom (private) Limited
- Universal service Fund
- Pakistan Telecommunication Authority (PTA)
- Mari Petroleum Company limited-external

Financial sector in EY Luxemburg office on secondment

- Spinecap Master Fund SCSp
- Hamilton Lane Global Private Assets Fund
- Colony Capital group (funds and companies)



Umar Daraz, FCA

Partner and Chief Executive

Partner: ABUD LLC



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Profile

Umar Daraz has over 23 years of professional experience including 18 years of experience with all Big 4s (Partner in Deloitte, ED in EY, Manager in KPMG, and 6 Years of Early Career with PWC). His professional experience primarily focuses on practice management, business development, auditing, consultancy, tax, outsourcing, internal audits, training, and capacity building. He was the focal point (engagement lead) for large development sector organizations like USAID, UN agencies, ADB, WB, Global Fund, EC, ECHO, DFID, and International NGOs. In commercial sector, his experience is widespread across all major industries including Central Banks (FRB NY and Da Afghanistan Bank), Aviation (Emirates, Fly Dubai, Ariana Airline), Energy and Power including IPPs, Oil and Gas, Agriculture, Tobacco (British American Tobacco), Banks and Financial Institutions (Commercial Banks and Mutual Funds), Insurance, Microfinance, Health Care, Hospitality, Manufacturing, FMCGs, Telecommunication, Media, Public Sector (Ministries and State Owned Entities) and Companies in the service industry.

Mr. Umar is known for innovative solutions to complex problems, handling complex large-scale engagements diligently, team building, startups, efficient closures, and efficient dealing with multiple stakeholders in a challenging environment.

Major Clients

Banks and Finance Institutions:

- Federal Reserve Bank New York
- World Bank
- Da Afghanistan Bank
- Bank Milli Afghanistan
- Agricultural Development Fund
- First Micro Finance Bank
- The French Medical Institute for Mothers and Children
- FINCA
- Muthahid
- MISFA
- Agricultural Development Bank
- Askari Bank
- Oxus Network
- Afghanistan Int. Bank

Specialization

- External Audit
- Internal Audit
- IFRS Implementation
- Business Consulting

Education

- Fellow Chartered Accountant (Pakistan)
- Training and Courses from AICPA USA and LUMS Pakistan

Past Experience

- ★ Partner Deloitte Yousaf Adil & Co Chartered Accountants
- ★ Executive Director EY Ford Rhodes
- ★ Senior Manager KPMG
- ★ Manager PwC

- New Kabul Bank

International Development Agencies:

- UNICEF
- UNESCO
- UNDP
- UNWOMEN
- UNHCR
- USAID
- Church of Jesus
- Global Fund
- Norwegian Church Aid

Aviation Companies:

- PIA
- Emirates
- Fly Dubai
- Ariana Airlines

Multinational Companies:

- Nestle
- British American Tobacco
- Government Entities
- IPPS
- ECHO
- DFID
- Insurance Companies
- Microsoft

Telecommunication Companies:

- Etisalat
- Transsion Holdings
- Afghan Wireless Communication Network



Muhammad Usman, ACA

Manager- ProConsult International and ABUD LLC



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Education

- Associate Chartered Accountant (Pakistan)

Past Experience

★ Senior in EY- 4 Year

Profile

Muhammad Usman has more than 4 years of professional experience in financial consultancy, financial statement audits, special audits, IFRS 9 complex credit risk modeling and Income tax filings in Pakistan. He has profound understanding of local regulatory accounting frameworks, corporate and tax laws. As a seasoned practitioner of International Financial Reporting Standards (IFRSs), Muhammad Usman excels in navigating the intricacies of IFRS 9 financial Instruments.

With 3.5 years of service at EY, progressing from an associate to a Senior (S-2), and 6 month as a Manager Financial accounting and advisory services (FAAS) at Proconsult, Muhammad Usman has showcased his adept leadership across various financial domains. During working with the big firms, Usman served clients on financial, telecom, Fast moving consumer goods (FMCG), Fintech and development sector.

Usman joined ProConsult International in February 2024 as Manager FAAS.

Major Clients

IFRS 9 ECL modelling projects

- Bank of Khyber
- Bank of Punjab
- Mobilink Microfinance Bank Limited
- Pakistan Telecommunication Limited (PTCL)

IFRS 9 quality reviewer manager

- High Noon laboratories limited
- Roshan Packages limited
- Shezan International limited
- National Bank of Pakistan
- Panther Tyre
- Rohde and Schwarz Pakistan Private limited
- Zameen Pakistan Private limited
- Da Afghanistan Bank
- Microfinance investment support fund

IFRS 9 Projects in Afghanistan

- First Microfinance Bank of Afghanistan (FMFB)
- Oxus Microfinance Bank
- Bank e Millie Afghan
- Afghanistan Development Fund

Consultancy and audit clients

- Mobilink Microfinance Bank Limited
- Khushhali Microfinance Bank Limited
- The First Microfinance Bank Limited (FMFBL)
- Channel VAS (Private) Limited
- Pakistan Telecommunication Company Limited (PTCL)

- Telenor Pakistan and its subsidiaries
- Ansaldo Energia S.p.A
- Pakistan Telecommunication Authority (PTA)
- Deutsche Welthungerhilfe Pakistan – FAAS

Specialization

- External Audit
- Internal Audit
- IFRS Implementation
- ERP Implementation
- Business Consulting
- Financial Accounting and Reporting



Shahzaib Hussain, ACA, ACCA

Manager- ProConsult International and ABUD LLC



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Education

- Chartered Accountant (Pakistan)
- ACCA UK
- B.com

Past Experience

★ Senior in EY- 4 Year

Profile

Shahzaib Hussain has more than 4 years of professional experience in financial consultancy, financial statement audits, special audits, IFRS 9 complex credit risk modeling and Income tax filings in Pakistan. He has profound understanding of local regulatory accounting frameworks, corporate and tax laws. As a seasoned practitioner of International Financial Reporting Standards (IFRSs), Shahzaib Hussain excels in navigating the intricacies of IFRS 9 financial Instruments.

With 3.5 years of service at EY, progressing from an associate to a Senior (S-1), and having experience in IFRS 9 advisory Shahzaib has showcased his adept leadership across various financial domains. During working with the big firms, Shahzaib served clients on financial, telecom, Fast moving consumer goods (FMCG), Fintech and development sector.

Shahzaib joined ProConsult International in December 2024 as Manager FAAS.

Major Clients

IFRS 9 ECL modelling projects

- U Bank
- Bank of Khyber
- Bank of Punjab
- Mobilink Microfinance Bank Limited

IFRS 9 quality reviewer manager

- Allied bank limited

Consultancy and audit clients

- Mobilink Microfinance Bank Limited
- Channel VAS (Private) Limited
- Telenor Pakistan and its subsidiaries
- Pakistan Telecommunication Authority (PTA)

- IMC Worldwide
- United Nations Development Programmes
- Servier Research and Pharma
- Tear Fund
- Defence Housing Authority
- FFBL Certifications

Specialization

- External Audit
- Internal Audit
- IFRS Implementation
- ERP Implementation
- Business Consulting
- Financial Accounting and Reporting

Contact Us, Our Global Footprint

Our Group in the Region is owned by the same professionals.

1. ProConsult International Ltd, UK
2. UHY Shafiq Umar Daraz & Co. Chartered Accountants (A member firm of UHY Global, UK) - Afghanistan
3. ProConsult International Legal Services (Legal Firm based in Pakistan)
4. ABUD Management Consulting (A UAE Based Company, Member firm of ProConsult International)

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