

# **CHALLENGES IN ADOPTION OF IFRS 9 – A CASE OF PAKISTAN’S CONVENTIONAL BANKING**

**BY**

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**BS (ACCOUNTING & FINANCE)  
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## APPROVAL FOR EXAMINATION

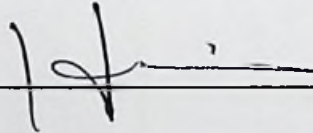
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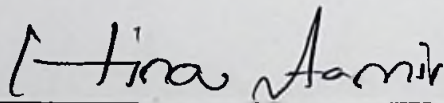
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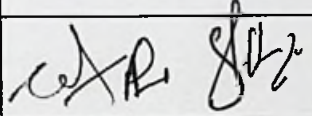
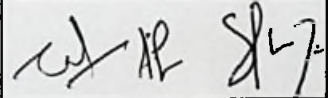
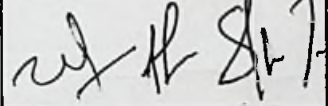
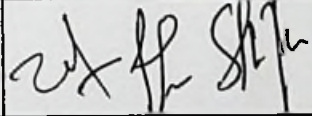
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## 1<sup>st</sup> Half Semester Progress Report

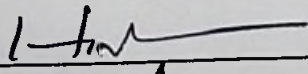
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### Supervisor Student Meeting Record

S. No.	Date	Place of Meeting	Topic Discussed	Signature of Student
	26-09-24	Cubicle 3	Topic name, variables, model, Zotero,	
	2-10-24	Cubicle -3	Model, hypothesis, financial literacy	
	12-10-24	Cubicle 3	Topic Finalized, Questionnaire, Search of Articles related to FI & other variables	
	19-10-24	Cubical 3	Model finalization, hypothesis finalization, questionnaire finalization	

Progress Satisfactory  Progress Unsatisfactory

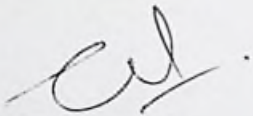
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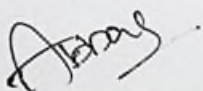
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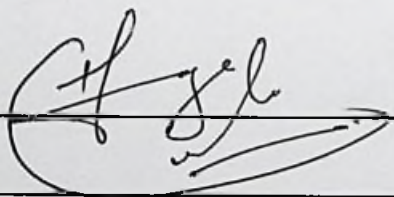
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**Declaration of Authentication**

I, hereby, declare that no portion of the work referred to in this project has been submitted in support of any application of another degrees or qualification of this university or any other institution of learning.

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## **ABSTRACT**

Adopting the International Financial Reporting Standard (IFRS) 9 has introduced significant changes in financial reporting, emphasizing a forward-looking Expected Credit Loss (ECL) model over the traditional incurred loss model. Although this change agenda intends to improve standards and mitigate cross-border risks, the adoption experience is complex in emerging markets such as Pakistan. This paper aims to identify challenges faced by conventional banks in Pakistan while adopting IFRS 9 analysis from technical, operational, and regulatory perspectives. The research methodology used in the case is a quantitative survey whereby data was obtained from 49 banking sector participants, including financial managers, accountants, and risk management professionals. This study's implications indicate that while IFRS 9 has long-term potential to enhance risk management and financial stability, the implementation process has its challenges necessitating a progressive process that can only be backed up by capacity enhancement, technological implementation, and regulatory convergence. They suggested and proposed measures to improve the level of preparedness such as increased engagement with key players in the country; training activities; and policy changes and development therefore, the study provides blueprints that can ease the implementation of IFRS 9 into the banking system of Pakistan. This study fills the research gap of IFRS 9 implementation in developing economies and provides implementational implications for similar environments.

**Keywords:** International Financial Reporting Standard (IFRS) 9, Expected Credit Loss (ECL) model, conventional banking, quantitative methodology