

# De-composed measurement approach for IFRS

The solution follows the philosophy of fine granular valuation elements. For details refer to "[Separation of Valuation Elements](#)".

Regarding the different measurement approaches of IFRS, the solution provides a set of various valuation elements.

IFRS-specific measurement approaches are calculated by the sum of various valuation elements like shown in the figure below:

	IFRS9 Valuation Approaches			Valuation Elements	\$\$
	AC	FVconstCS	FFV		
Remaining Debt + Interest Accrual +	X			Principal/Remaining Debt	
				Interest Accrual linear	
				Premium/Discount Amortisation EIR	IFRS9 5.4.1
				Transaction Cost Amortisation EIR	IFRS9 5.4.1
				Impairment Adjustment/Unwinding	IFRS9 B5.4.1/B5.4.2
				Forward Adjustment Amortisation EIR	IFRS9 5.5.1 and 5.4.1 (b)
				Basis Adjustment Amortisation EIR	IFRS9 B 3.1.4
				Hedge Adjustment Amortisation EIR	IFRS9 B 6.5.4
Open Amortisation =					
FVconstCS – AC =		X		Fair Value Changes, Δ Market Price related	IFRS9 6.5.10
FFV – FVconstCS =			X	Fair Value Changes, Δ Credit Spread related	IFRS9 6.5.2

Figure: Fine-granular valuation elements for IFRS9 in the solution.

For details about the valuation elements, please refer to section "[Valuation Elements IFRS 9](#)".