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**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: December 2008, London

Project: *IAS 39 Financial Instruments: Recognition and Measurement*

Subject: **Differentiation between credit-related impairment losses and other fair value changes of available-for-sale debt instruments (Agenda Paper 6A1) – Addendum #2(as revised 17 December 2008)**

Introduction

1. This revised addendum to agenda paper 6A1 illustrates what the disclosures about investments in debt instruments that permit comparison irrespective of the classification as available for sale, held to maturity or loans and receivables might be. **This approach reflects the tentative decisions made by the FASB this week.**
2. Disclosure of the following for all investments in debt instruments other than those classified as at fair value through profit or loss:
 - (a) pre-tax profit or loss as though the instruments had been:
 - (i) classified as at fair value through profit or loss; and
 - (ii) accounted for at amortised cost.
 - (b) the following amounts in a way that permits a comparison:
 - (i) the carrying amount in the statement of financial position;
 - (ii) fair value; and

(iii) amortised cost.

The information required by this paragraph would be presented in tabular format (illustrated below – excludes comparative information).

| Investments in debt instruments (other than those classified as at fair value through profit or loss) | | | |
|--|--|--------------------------|---|
| 20X1 | | | |
| If all investments in debt instruments (other than those classified as at fair value through profit or loss) had been: | Pre-tax profit or loss CU million | | |
| Classified as financial assets at fair value through profit or loss | X | | |
| Accounted for at amortised cost | X | | |
| 31 Dec 20X1 | | | |
| Investments in debt instruments classified as: | Carrying amount in the statement of financial position CU million | Fair value CU million | Amortised cost ^(a) CU million |
| Loans and receivables | X | X | X |
| Held-to-maturity investments | X | X | X |
| Available-for-sale financial assets | X | X | X |
| | <hr/> | <hr/> | <hr/> |
| Total | X | X | X |

(a) Amortised cost as defined in paragraph 9 of IAS 39