Master’s Thesis


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Limassol, May, 2018
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Approval Form

Master’s Thesis

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ABSTRACT

In the current thesis, it will be evaluated how the replacement of accounting standard on measurement and recognition of financial instruments (IAS 39 to IFRS 9) will affect the global banking sector, with a closer look to the Cyprus Banking Sector. The guidelines of the old IAS 39 and new IFRS 9 accounting standard will be explained in detail. The variety of the financial instrument in banks’ Balance Sheet will be mentioned considering the Annual Reports of the biggest European Banks. There will be a reference to the historical events that led to the replacement of IAS 39. In the last sections, a closer look to the Cyprus banking sector will be made by referencing the estimated impact of the new measurement and recognition of financial instruments on the Cyprus banks’ Balance Sheets. A sensitivity analysis will be developed on the Balance Sheet of Bank of Cyprus by taking into consideration the new guidelines of IFRS 9. Further, discussion and conclusion based on the findings follows.