2. Accounting Policies, continued

(p) Expected credit losses and impairment, continued

Non derivative financial assets

Write-off
Loans and debt securities are written off when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have the assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in impairment losses on financial instruments in the consolidated statement of income and consolidated statement of comprehensive income. Financial assets that are written off are still subject to enforcement activities in order to company with the Group's procedures for recovery of amounts due.

Prior to April 1, 2018, under IAS 39, financial assets not classified as FVTPL were assessed at each reporting date to determine whether there was objective evidence that a financial asset or a group of financial assets was impaired. A financial asset or group of financial assets was impaired when objective evidence demonstrated that a loss event had an impact on the future cash flows of the assets that could be estimated reliably.

The Group considered evidence of impairment for financial assets measured at amortized cost (i.e. held to maturity and loans and receivable) both a specific asset and a collective level. All individually significant loans and advances and held to maturity investments were assessed for specific impairment. Those found not to be specifically impaired were then collectively assessed for any impairment. Loans and advances and held to maturity investments that were not individually significant were collectively assessed for impairment by grouping together loans and advances and held to maturity investments securities with similar credit risk characteristics.

For financial assets measured at amortized cost (i.e. held to maturity and loans and receivable), an impairment loss was calculated as the difference between the carrying amount of the financial asset or portfolio of financial assets and the respective estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment losses were recorded in the consolidated statement of income with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts.

In periods subsequent to the impairment where the impairment loss had decreased, and such decrease could be related objectively to an event occurring after the impairment was initially recognized, the previously recognized impairment loss was reversed through the consolidated statement of income. The impairment reversal was limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment was reversed did not exceed what the amortized cost would have been had the impairment not been recognized after the reversal.