

For significant deals, risk provisioning is calculated using information that is only provided at individual deal level.

It takes into account the available expected recovery cash flows at individual deal level. Sources for recoveries can be

- Collateral
- Regular incoming payments
- Irregular incoming payments

For more information on collateral, see the section [Collateral](#).

"Recoveries" can be delivered to FlexFinance or alternatively entered and maintained in the "[Customer Impairment Workbench](#)".

You can define in the processing setup whether the initial assignment of a significant financial asset to level 3

- triggers the immediate, fully automatic individual specific provision or
- triggers the processing of a workflow that requires manual interaction.

For details on the Customer Impairment Workbench, see "[Customer Impairment Workbench](#)".

In the case of fully automatic handling of specific risk provisioning:

a) Once objective evidence of impairment has been identified in the stage assignment, expected recovery cash flows are generated on the basis of the static data of collateral.

(b) Where no individual information has been recorded, the maturity of a recovery cash flow shall be based on the time to liquidation configured for the collateral.

When a particular workflow is initialised in the Customer Impairment Workbench.



Please note

If no individual adjustment is made, the recovery cash flow plan is equal to the one considered in the fully automated initial treatment explained above.

c) All sources of recoveries such as liquidation of collateral as well as irregular and regular payments are supported.

In both cases

- A fully automated impairment processing is provided at subsequent measurement dates
- At any point in time, recovery cash flows can be viewed and edited and simulation runs performed
- The entire functionality of the Customer Impairment Workbench is available. Please refer to section Customer Impairment Workbench