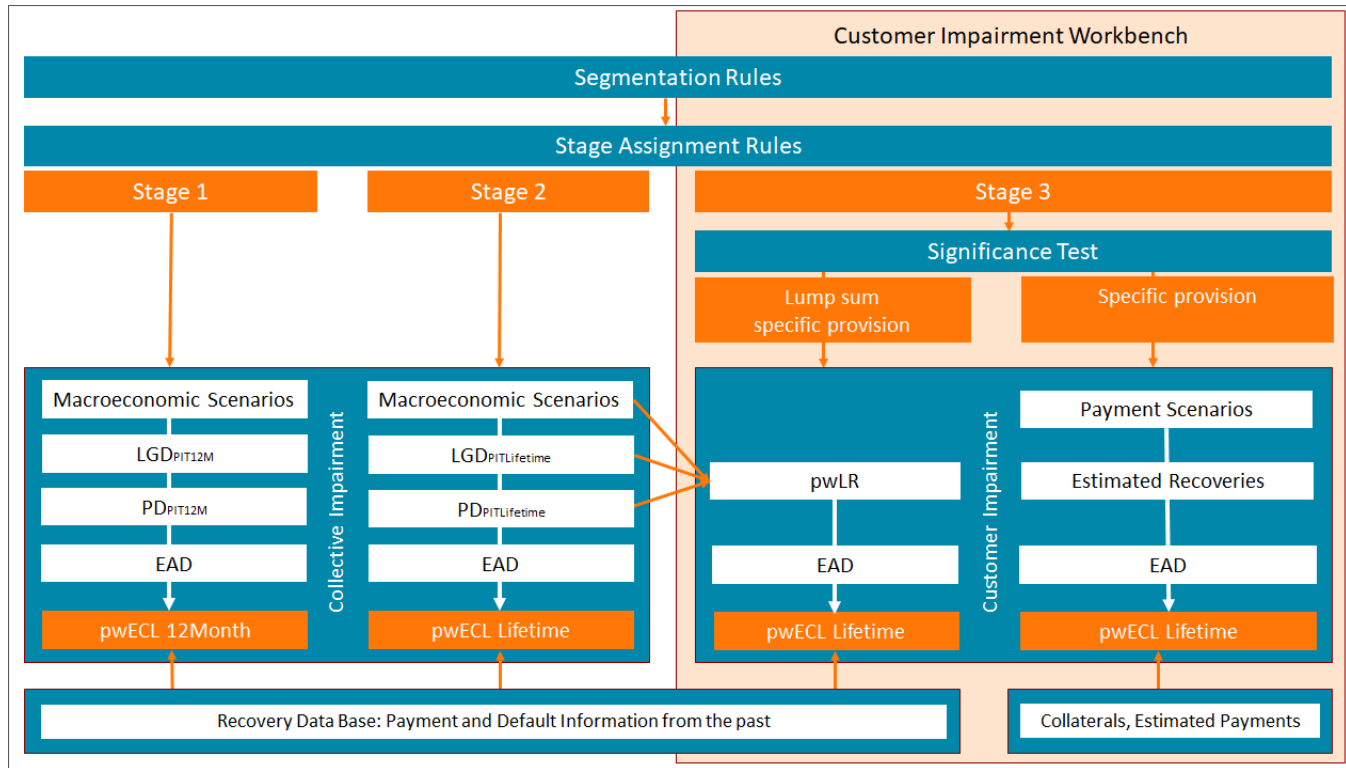


The component **Customer Impairment Workbench** can be used for

- Collateral management (refer to [Collateral](#))
- For **non-significant deals** assigned the impairment type "Lump-sum Specific Provision": Calculation and journalisation of lifetime ECLs, taking collateral recoveries into account
- For **significant deals** assigned the impairment type "Specific Provision": Calculation and journalisation of lifetime ECLs, taking recoveries of collateral, regular and irregular recoveries into account



The Customer Impairment Workbench covers all requirements related to **specific provision of significant financial assets** and for **lump-sum specific provisioning of non-significant financial assets**.

The Customer Impairment Workbench needs to be fed in general on individual deal level with the following information

- Information about of objective evidence impairment. For this purpose FlexFinance supports the automatic identification based on rule sets, Import from a source as well as manual capture of impairment trigger in FlexFinance.
- Test of Significance

For **lump sum specific provisioning** of non-significant deals it expects the delivery of a probability weighted lossrate ( $pwLR$ ). This  $pwLR$  can be provided by the Collective Impairment Workbench or imported from a source.

In general, the Customer Impairment Workbench provides **fully automated** support for significant and non-significant deals:

- Calculation of risk provision on the basis of lifetime expected credit losses:
  - Automatic calculation of risk provisions comparing the actual gross carrying amount (GCA) and the sum of expected recoveries discounted with the original effective interest rate (EIR)
  - Calculation of unwinding for subsequent measurement of impaired deals
  - Analysis of calculation runs for specific risk provisions
  - Access to calculation results for lifetime expected credit losses (ECL) at customer level, drilldown to individual deal level and to scenarios entered for recoveries
- Generation of journal entries at individual deal level:

- Generation of debit/credit entries to reflect risk provisions in the balance sheet and profit and loss account

In addition, the **Customer Impairment Workbench** supports for **significant deals**:

- **Capture and maintenance of individual deal specific recovery data for significant deals:**
  - Recoveries from different sources are supported: In addition to collateral, irregular and regular recovery expectations about future payments can be captured and maintained
  - Recovery cashflows can be
    - Automatically imported from a source
    - Uploaded manually in the UI from a source
    - Captured in the UI
    - Automatically generated based on collateral data
  - Probability-weighted scenarios support the consideration of various expectations about future payment behaviour of the customer
- **Simulation of specific risk provisions**
  - For significant deals assigned to stage 3, calculation of risk provisions used to figure out how validity and allocation rules impact risk provisioning without posting
- **Documentation of objective evidence of impairment for significant deals:**
  - Capture and maintenance of information on reasons for the objective evidence of impairment and related impairment triggers
  - Addition of documents and individual notes

Figure: Customer Impairment Workbench: documentation of objective evidence for significant deals

- **Support of organisational processes for significant deals:**
  - Intra- and inter-departmental processes can be organised using workflows and roles
  - Process notes and notifications to simplify daily work
  - Various watch lists can be configured to reflect the importance of following up a possible deterioration in the credit quality of portfolios of financial assets:
    - A watch list shows individual financial assets that are to be monitored closely.
    - A task list shows financial assets that are part of an active workflow.

Customer Impairment

Basic tool search

Stage 3 by Customer

Specific Provisions

Lump Sum Carrying Amount

Lump Sum Specific Provisions

Watchlist

Task List

Review\_30

Customer ID	Cu	Deal ID	Deal Type	Officer	Outstanding Payment	Unw...	Deal Remaining Capital	Cu	Deal Remaining Capital	Cu	L	Impairment Type	Portfolio	Risk Provisioning	S
Adelle Scheide	AA	LN BMR BASIC 014_1	EMPL LN	JOSE	0.00		0.00 JPY		0.00	0		STAGE1		0.00 0	
Adelle Fera	AA	LN PR COLL RELATION 002	CONS LN	GABRIEL	0.00		10,000,000.00 USD		7,940,000.00	0		STAGE1		228,807 13 0	
Adidas	D	LN Annuity_CUSTMP_4	CONS LN	KAYLA	93,910.18	45,220.60	1,636,791.90 USD		1,238,926.48	275		SPECIFIC_PROV		0.00 1	
Adidas	D	AC_IMPWBL_3	C-CACC	PETER	300,000.00	0.00	300,000.00 EUR		226,800.00	0		SPECIFIC_PROV		0.00 1	
Adidas	D	AC_IMPWBL_8	C-CACC	PETER	250,000.00	0.00	250,000.00 EUR		189,000.00	0		SPECIFIC_PROV		0.00 1	
AdventBank	D	LN Annuity_CUSTMP_5	CONS LN	KAYLA	33,448.21	0.00	422,730.75 EUR		422,730.75	275		SPECIFIC_PROV		33,448 21 1	
AdventBank	D	CDM_Text_IMPWBL_1	COMMIT	KAYLA	1,832,844.57	0.00	1,500,000.00 GBP		1,832,844.57	0		SPECIFIC_PROV		1,832,844 57 1	
AdventBank	D	AC_IMPWBL_1	C-CACC	KAYLA	150,000.00	0.00	150,000.00 GBP		113,400.00	0		SPECIFIC_PROV		0.00 1	
Aika Bank	AAA	LN EARLY REFAY PREPAY CPR-012_4	CORP LN	JOSE	0.00		170,000,000.00 GBP		207,723,385.14	0		STAGE2		11,541,546 12 0	
Andreas Knorr	D	20170818_L	CONS LN	KAYLA	3,711,689.46	0.00	3,676,475.07 EUR		3,676,475.07	0		SPECIFIC_PROV		3,711,689 46 1	
Apple	D	LN Annuity_CUSTMP_new_4	CONS LN	KAYLA	85,867.58	13,083.08	1,264,000.00 USD		955,584.00	275		SPECIFIC_PROV		0.00 1	
Bank of Japan	AAA	105 Annuity Loan	CORP LN	KAYLA	0.00		500,000.00 USD		378,000.00	0		STAGE1		94,912 25 0	
Bank of Japan	AAA	117 Annuity Loan	CORP LN	KAYLA	0.00		500,000.00 USD		378,000.00	0		STAGE1		94,912 25 0	
Bank of Japan	AAA	215 Forward Project Finance Loan - unexp	CORP LN	GABRIEL	0.00		50,000.00 EUR		50,000.00	0		STAGE1		1,084 08 0	
Bank of Japan	AAA	214 Forward Project Finance Loan - exp	CORP LN	GABRIEL	0.00		50,000.00 EUR		50,000.00	0		STAGE1		1,337 26 0	
CocaCola	D	LN Annuity_CUSTMP_new_2	CONS LN	KAYLA	25,886.56	8,899.68	415,466.42 EUR		415,466.42	275		LUMP_SPEC_PROV	RISK PROV LUMP SUM COLL CALC	0.00 0	
De's Bank	AAA	LN IMPAIRMENT BND 019	CORP LN	GABRIEL	0.00		80,000,000.00 JPY		798,201.24	0		STAGE1		25,324 19 0	
Deing Duck	C	LN CUSTMP-DAM COLL 01	CONS LN	KAYLA	102,000.91	713.56	150,000.00 EUR		150,000.00	0		SPECIFIC_PROV		44,530 23 1	
Deing Duck	C	LN CUSTMP-DAM COLL 02	CONS LN	KAYLA	306,002.73	0.00	300,000.00 EUR		300,000.00	0		SPECIFIC_PROV		306,002 73 1	
Deing Duck	C	CBE CARD-DASH	C-CACC	PETER	2,000.00	0.00	2,000.00 EUR		2,000.00	0		SPECIFIC_PROV		2,000 00 1	

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1 2 3 4 5 6 7 8 9 10

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