

Highlights:

- Support of specific approaches depending on the deterioration of credit quality and significance of a financial asset
- Separate workbench to cope with requirements of probability-weighted approaches and individual recovery-based approaches
- Risk provision traceable to individual deal level including calculation details and underlying data
- Consideration of scenarios
- Simulation before journalisation

Risk provision is an important topic in all GAAPs.

Nonetheless each GAAP answers the following questions in a different way:

- At which point in time should a risk be considered in the balance sheet and income statement?
- How much provision should be considered?

FlexFinance provides the following components as instruments for the configuration, simulation and consideration of risk provisions in financial statements:





- [Collective Impairment Workbench](#)
- [Customer Impairment Workbench](#)
- [Collateral](#)




For GAAP-specific usage, please refer to the specific sections. For IFRS 9 please refer to [IFRS 9 Blueprint Impairment](#).

The result of the risk provision process in FlexFinance are

- Debit/credit entries and
- Data marts

These data marts support detailed analyses, for example:


Standard Reports IFRS 9 [_stages \(gross basis presentation\)](#)    

IFRS 7 / Movements in allowances for credit losses, provisions / Transfers between impairment stages (gross basis presentation)
  

[Parameters](#)

Transfers between impairment stages (gross basis presentation)

		Gross carrying amount / nominal amount					
		Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
		To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3
		010	020	030	040	050	060
Debt securities	010	0.00	0.00	0.00	0.00	-680,400.00	0.00
	Central banks	020	0.00	0.00	0.00	0.00	0.00
	General governments	030	0.00	0.00	0.00	0.00	0.00
	Credit institutions	040	0.00	0.00	0.00	0.00	0.00
	Other financial corporations	050	0.00	0.00	0.00	0.00	0.00
	Non-financial corporations	060	0.00	0.00	0.00	0.00	0.00
Loans and advances	070	-16,541.34	-88,366.70	-31,308.21	-232,298.84	0.00	-45,750.28
	Central banks	080	0.00	0.00	0.00	0.00	0.00
	General governments	090	0.00	0.00	0.00	0.00	0.00
	Credit institutions	100	0.00	-5,750.28	0.00	0.00	-5,750.28
	Other financial corporations	110	0.00	0.00	0.00	0.00	0.00
	Non-financial corporations	120	0.00	0.00	0.00	0.00	0.00
Total debt instruments	Households	130	-16,541.34	-82,616.42	-31,308.21	-232,298.84	-40,000.00
	140	-16,541.34	-88,366.70	-31,308.21	-232,298.84	-680,400.00	-45,750.28
Commitments and financial guarantees given		150	0.00	0.00	0.00	0.00	0.00

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Figure: Transfers between impairment stages (gross basis presentation)

Figure: Movements in allowances and provisions for credit losses