Risk Provisioning

FlexFinance provides data marts with values that entirely cover the calculation of risk provisions. For more information on the calculation options, please have a look at the section Workbenches for risk provisioning.

The data marts include:

- Calculated results
  - PD (Probability of Default)
  - LGD (Loss Given Default)
  - EAD (Exposure at Default)
  - ECL (Expected Credit Loss)

- Accounting-specific results based on the financial year
  - Risk provisions
  - Impairment expense
  - Write-off expense
  - Impairment income

- Detailed information regarding calculations
  - Recovery cash flow plan for deals in default
  - Drilldown to ECL calculations for each set date LGD (PIT) (= point in time)
  - Sensitivity analysis: difference compared to current ECL due to changes in macroeconomic parameters

Below are some examples of reports on risk provisioning in FlexFinance based on these data marts:

Results of the Sensitivity Analysis

		Macroeconomic Scenario:	ADVERSE				BASELINE				Grand Total		
	Stage	Portfolio	ECL Value	Difference	ECL Weighted Value	Difference	ECL Value	Difference	ECL Weighted Value	Difference	ECL Weighted Value	Difference	[%]
Base	HEALTHY	IFRS9CI BONDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
		IFRS9CI COMMITMENT CORP REV	0.00	0.00	0.00	0.00	-18,222.40	0.00	-9,111.20	0.00	-9,111.20	0.00	0.00%
		IFRS9CI CONSUMER LN	0.00	0.00	0.00	0.00	-5,560,054.42	0.00	-2,780,027.21	0.00	-2,780,027.21	0.00	0.00%
		IFRS9CI CORPORATE LN	0.00	0.00	0.00	0.00	-2,103,360.26	0.00	-1,051,680.13	0.00	-1,051,680.13	0.00	0.00%
		IFRS9CI CURRENT ACCOUNT	-129,948,285.41	0.00	-64,974,142.71	0.00	-129,948,285.41	0.00	-64,974,142.71	0.00	-129,948,285.41	0.00	0.00%
		IFRS9CI EMPLOYEE LN	0.00	0.00	0.00	0.00	-15.80	0.00	-7.90	0.00	-7.90	0.00	0.00%
		IFRS9CI GUARANTEE	0.00	86.55	0.00	43.28	-55.98	46.86	-27.99	23.43	-27.99	66.71	[redacted]
	SENSITIVE	IFRS9CI CONSUMER LN	0.00	0.00	0.00	0.00	-359,840.78	0.00	-179,920.39	0.00	-179,920.39	0.00	0.00%
		IFRS9CI CORPORATE LN	0.00	0.00	0.00	0.00	-62,076.29	0.00	-31,038.15	0.00	-31,038.15	0.00	0.00%
	DEFAULT	IFRS9CI CONSUMER LN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
	TOTAL				*-64,974,142.71*	*43.28*			*-69,025,955.67*	*23.43*	*-134,000,098.37*	*66.71*	*0.00%*
Combination Number:	1	HEALTHY	IFRS9CI BONDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Parameter	Shift		IFRS9CI COMMITMENT CORP REV	0.00	0.00	0.00	0.00	-18,222.40	0.00	-9,111.20	0.00	-9,111.20	0.00	0.00%
CPI	0.10		IFRS9CI CONSUMER LN	0.00	0.00	0.00	0.00	-5,560,054.42	0.00	-2,780,027.21	0.00	-2,780,027.21	0.00	0.00%
ECI	0.10		IFRS9CI CORPORATE LN	0.00	0.00	0.00	0.00	-2,103,360.26	0.00	-1,051,680.13	0.00	-1,051,680.13	0.00	0.00%
HOTEL ROOM OCCUPANCY	0.10		IFRS9CI CURRENT ACCOUNT	-129,948,285.41	0.00	-64,974,142.71	0.00	-129,948,285.41	0.00	-64,974,142.71	0.00	-129,948,285.41	0.00	0.00%
NON-OIL ECI	0.10		IFRS9CI EMPLOYEE LN	0.00	0.00	0.00	0.00	-15.80	0.00	-7.90	0.00	-7.90	0.00	0.00%
OIL PRICE	0.10		IFRS9CI GUARANTEE	0.00	86.55	0.00	43.28	-55.98	46.86	-27.99	23.43	-27.99	66.71	[redacted]
OIL PRICE QUATERLY YOY CHANGE	0.10	SENSITIVE	IFRS9CI CONSUMER LN	0.00	0.00	0.00	0.00	-359,840.78	0.00	-179,920.39	0.00	-179,920.39	0.00	0.00%
OIL PRODUCTION	-0.10		IFRS9CI CORPORATE LN	0.00	0.00	0.00	0.00	-62,076.29	0.00	-31,038.15	0.00	-31,038.15	0.00	0.00%
REAL ESTATE AVG RESIDENTAL PRICE	-0.10	DEFAULT	IFRS9CI CONSUMER LN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
REAL ESTATE QUATERLY YOY CHANGE	-0.10	TOTAL				*-64,974,142.71*	*43.28*			*-69,025,955.67*	*23.43*	*-134,000,098.37*	*66.71*	*0.00%*

Modelbank

Risk Provisioning

			Risk Provisioning
			010
Individual Assessment: Specific provision and Portfolio Allowance		010	4,536,751.65
	Corporate Customer	020	492,498.80
	Private Customer	030	3,797,673.68
	Staff Loans, Employee Loans, BMR-Loans	040	1,004,901.54
	Financial Customer	050	0.00
	SME	060	0.00
	Investment Corporation	070	0.00
	Commercial Real Estate	080	0.00
Collective Impairment: IBNR		100	194,011,264.96

Modelbank

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The following standard functions are also available for reports defined in FlexFinance:

- extensive drilldown possibilities
- possibility to compare the report for different posting dates
- proof of rule for reporting contents
- manual editing combined with consistency check

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