

IAS39 differentiates between two stages:

- Incurred but not reported losses (IBNR)
- Objective evidence of impairment

For IBNR, it covers the calculation of risk provisions on the basis of portfolios. For each portfolio, the specific Probability of Default and Loss Given Default can be

- calculated using historical default information or it can be
- delivered from any source.

It covers the calculation of risk provisions on the basis of portfolios. For each portfolio, the specific Probability of Default and Loss Given Default can be calculated using historic default information or it can be delivered from any source. The combination of both, the loss-rate, will be applied to the Gross Carrying Amount.

For the customer specific consideration of objective evidence in the specific provisioning process two options are provided:

Recovery Cash flows can be

- imported from any source or
- captured in the [Customer Impairment Workbench](#).