

IFRS 9 Expected Credit Loss Provision Matrix: sample output

Sample company (fictional), AED, reporting date 2025-12-31. Two portfolios, three scenarios.

Checks

ID	Check	Status
C01	Listing ties to the trial balance: for every portfolio, Gross per listing less Gross per TB is within Tolerance, and every used Listing row is valid (amount, portfolio in Settings, customer, dates, currency in the rate table, bucket)	PASS
C02	Buckets sum to the listing: for every portfolio, Gross per listing less the collective and individually assessed gross in the matrix is within Tolerance (fails on rows with no bucket or a bucket override outside 1 to 7)	PASS
C03	Settings valid: reporting date, currency, tolerance, default threshold, snapshots per year, history from, TB allowances, ascending bucket bounds, portfolio rows (type, credit days, method, TB balance, no duplicates) and currency rows	PASS
C04	History valid: every used row has a portfolio in Settings, a snapshot date not after the reporting date and after the previous snapshot of that portfolio, and balances, write-offs and recoveries of zero or more	PASS
C05	Loss rates complete and documented: every bucket with a collective balance has a final loss rate, overrides are numbers between 0 and 1 with a reason, and final loss rates do not decrease with age (roll rates and method rates are within 0 and 1 by construction)	PASS
C06	Scenarios documented: every scenario row has a name, a probability between 0 and 1, a rationale when the probability is above 0 and a scalar of zero or more for every portfolio in use	PASS
C07	Probability weights sum to 1 (within 0.0001), or no portfolio is in use	PASS
C08	Credit-impaired review complete: every customer with an invoice more than DefaultDays past due is on Credit-Impaired (Individual or Rebutted), and every Credit-Impaired row is valid (portfolio, customer with listing rows, treatment, evidence, expected recovery)	PASS
C09	Movement reconciles: opening + charge - write-offs + FX and other = closing per portfolio (integrity tie), inputs are valid, write-offs agree with the History write-offs in the 12 months to the reporting date where History covers them, and the portfolio opening allowances sum to the allowance per the trial balance within Tolerance	PASS
C10	No negative allowance: no negative bucket gross, bucket ECL or specific ECL in any portfolio	PASS
C11	Disclosure totals tie: table 1 gross and allowance equal the Provision Matrix totals, and the 35H opening and closing equal the Movement totals, each within Tolerance (fails when a portfolio Type is not one of the three classes, or with C02 when a used row has no bucket)	PASS
C12	Sensitivity brackets the booked figure: the lowest scenario-alone total minus Tolerance <= booked <= the highest plus Tolerance (integrity tie when the probabilities are valid)	PASS

All checks pass: TRUE

Provision matrix summary (AED)

Portfolio	Gross per listing	Collective gross	Individually assessed	Collective ECL	Specific ECL	Closing allowance	Coverage
WHOLESALE	10,771,194.90	10,306,430.77	464,764.13	358,665.38	382,764.13	741,429.51	6.88%
PROJECTS	1,273,801.77	1,273,801.77	0.00	21,187.59	0.00	21,187.59	1.66%
Total	12,044,996.67	11,580,232.54	464,764.13	379,852.97	382,764.13	762,617.10	6.33%

WHOLESALE: Wholesale distributors, UAE and GCC

Bucket	Gross carrying amount	Loss rate	ECL allowance
Not past due	9,073,121.65	0.34%	30,571.39
1 to 30 days past due	525,497.18	5.81%	30,510.93
31 to 60 days past due	216,223.92	12.85%	27,790.71
61 to 90 days past due	110,354.46	21.24%	23,442.68
91 to 120 days past due	54,375.08	30.44%	16,554.38
121 to 150 days past due	45,229.13	41.11%	18,595.09
More than 150 days past due	281,629.35	74.99%	211,200.20

Individually assessed (credit-impaired)	464,764.13	82.36%	382,764.13
Total	10,771,194.90	6.88%	741,429.51

PROJECTS: Fit-out projects, contract assets

Bucket	Gross carrying amount	Loss rate	ECL allowance
Not past due	1,074,088.02	0.42%	4,552.17
1 to 30 days past due	98,671.69	2.51%	2,477.05
31 to 60 days past due	48,574.17	4.93%	2,393.78
61 to 90 days past due	22,214.16	9.48%	2,104.98
91 to 120 days past due	13,077.40	17.66%	2,308.99
121 to 150 days past due	6,344.11	31.00%	1,966.96
More than 150 days past due	10,832.22	49.70%	5,383.66
Individually assessed (credit-impaired)	0.00		0.00
Total	1,273,801.77	1.66%	21,187.59

Loss allowance movement

Portfolio	Opening	Charge or (release)	Write-offs	FX and other	Closing	Recoveries	Net loss or (gain)
WHOLESALE	1,180,000.00	(23,869.14)	414,701.35	0.00	741,429.51	29,111.38	(52,980.52)
PROJECTS	95,000.00	(66,339.24)	7,473.17	0.00	21,187.59	523.03	(66,862.27)
Total	1,275,000.00	(90,208.38)	422,174.52	0.00	762,617.10	29,634.41	(119,842.79)

Adjustment journal: 90,208.38, Dr Loss allowance, Cr Impairment gain (a release).

Sensitivity: closing allowance under each scenario alone and under loss-rate shocks

Case	Closing allowance
Booked (probability-weighted)	762,617.10
Base alone	731,897.96
Upside alone	680,532.04
Downside alone	868,539.04
Rates -25%	667,653.86
Rates -10%	724,631.81
Rates +10%	800,602.40
Rates +25%	857,580.35