



Expected Credit Losses

IFRS 9 Expected Credit Losses - Overview

Stage 1	Stage 2	Stage 3
Performing assets No significant increase in credit risk	Underperforming assets Significant increase in credit risk	Evidence of impairment (e.g. >90 days delinquent)
Provision for 12 month Expected Credit Losses	Provision for Lifetime Expected Credit Losses	Provision for Lifetime Expected Credit Losses
Probability of default occurring in next 12 months x expected credit losses	Probability of default over asset lifetime x expected credit losses from all default events	Probability of default over asset lifetime x expected credit losses from all default events
Interest calculated on gross asset	Interest calculated on gross asset	Interest calculated on asset net of provisions

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