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Chapter 10

Instructions regarding reporting templates

IR.05.07 – Business model analysis - financial guarantee insurers

General Comments

This section relates to annual submission of information for individual entities and third-country insurance undertakings in regard to branch operations.

The general purpose of this template is to collect sufficient information about the portfolio of securities against which financial guarantees have been given to facilitate business model analysis.

All amounts are expressed in units of the currency used for reporting in accordance with the Implementing Technical Standard on Reporting. Where an underlying issue is denominated in a different currency, the monetary amounts of exposures, premium assets and claims liabilities must be converted in accordance with Article 3 of the Implementing Technical Standard on Reporting.

The first column of the next table identifies the items to be reported by identifying the columns and lines as shown in the template.

CELL(S)	ITEM	INSTRUCTIONS
Exposures		
C0010	ID Code	An entry is required in this column for every guarantee in force at the reporting date.
		One of the options in the following list shall be used, by order of preference:
		- ISO 6166 ISIN when available
		- Other recognized codes (eg: CUSIP, Bloomberg Ticker, Reuters RIC)
		- Code attributed by the undertaking, when the options above are not available, and must be consistent over time
C0030	Item Title	Identify the reported item by filling the name of the security, with detail settled by the undertaking
C0040	Issuer Name	Legal name of the issuer, defined as the entity that offers securities for sale to investors, representing part of its capital, part of its debt, derivatives, etc.
C0050	Issuer Code	Identification code of the issuer code using the Legal Entity Identifier (LEI) if available.
		If none is available this item should not be reported.

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CELL(S)	ITEM	INSTRUCTIONS
C0070	Issuer Sector	May be left blank in respect of securities where the guarantee was entered into before 1 January 2016. Identify the economic sector of issuer based on the latest version of NACE code. The letter reference of the NACE code identifying the Section must be used as a minimum for identifying sectors (eg 'A' or 'A0111' would be acceptable) except for the NACE relating to Financial and Insurance activities, for which the letter identifying the Section followed by the 4 digits code for the class shall be used (eg 'K6411').
C0080	Issuer Group	May be left blank in respect of securities where the guarantee was entered into before 1 January 2016. Legal name of the ultimate parent undertaking of issuer. For collective investment funds the group relation is relative to the fund manager
C0090	Issuer Group Code	Issuer group identification code using the Legal Entity Identifier (LEI) if available. If none is available this item should not be reported.
C0110	Issuer Country	Country of localisation of the issuer. The localisation of the issuer is assessed by the address of the issuer. For collective investment undertakings, the country is relative to the fund manager. One of the options shall be used: - ISO 3166-1 alpha-2 code - XA: Supranational issuers
C0120	CIC	Complementary Identification Code used to classify securities, as set out in Annex IV - CIC table of the Implementing Technical Standard on Reporting. When classifying a security using the CIC table, undertakings shall take into consideration the most representative risk to which the asset is exposed to.
C0130	Type of security	Categorisation attributed by the undertaking – "Public finance", "Structured product" (or equivalent designation) is the minimum granularity of categorisation.

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CELL(S)	ITEM	INSTRUCTIONS
C0140	Type of structured product	This item should only be reported in respect of structured products. May be left blank in respect of securities where the guarantee was entered into before 1 January 2016. If the underlying security is a structured product, then identify the type of structure. One of the options in the following closed list shall be used: 1 - Credit linked notes Security or deposit with an embedded credit derivative (e.g. credit default swaps or credit default options) 2 - Constant maturity swaps (ie security with an embedded interest rate swap, where the floating interest portion is reset periodically according to a fixed maturity market rate.) 3 - Asset backed securities (ie security that has an asset as collateral.) 4 - Mortgage backed securities (ie security that has real estate as collateral.) 5 - Commercial mortgage backed securities (i.e. security that has real estate as collateral such as retail properties, office properties, industrial properties, multifamily housing and hotels.) 6 - Collateralised debt obligations (ie structured debt security backed by a portfolio consisting of secured or unsecured bonds issued by corporate or sovereign obligators, or secured or unsecured loans made to corporate commercial and industrial loan costumers of lending banks). 7 - Collateralised loan obligations (ie security that as underlying a trust of a portfolio of loans where the cash-flows from the security are derived from the portfolio.) 8 - Collateralised mortgage obligations (i.e. investment-grade security backed by a pool of bonds, loans and other assets.) 9 - Interest rate-linked notes and deposits 10 - Equity-linked and Equity Index Linked notes and deposits 11 - FX and commodity-linked notes and deposits 12 - Hybrid linked notes and deposits (it includes Real Estate and equity securities)

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CELL(S)	ITEM	INSTRUCTIONS
		13 - Market-linked notes and deposits
		14 - Insurance-linked notes and deposits, including notes covering Catastrophe and Weather Risk as well as Mortality Risk
		99 - Others not covered by the previous options
C0150	External rating	Lowest external rating for the issue reported in column C0010 that the firm is utilising in its assessment of the issue, at the reporting reference date, as provided by a nominated external credit assessment institution (ECAI) as reported in C161.
		If no external rating is available, the item shall be left blank.
		The rating should be expressed on the scale used by the nominated external credit assessment institution (ECAI) as reported in C0161.
C0161	Nominated ECAI	Identify the external credit assessment institution (ECAI) giving the external rating in C0150, by using the following closed list.
		In case of ratings issued by third country affiliates of a Credit Rating Agency Group please report the ECAI which has provided the endorsement from the closed list.
		In case a new Credit Rating Agency is registered or certified to offer Credit Rating Agency services in the UK and while the closed list is not up-dated please report "Other nominated ECAI".
		• A.M. Best Europe, Rating Services Limited
		• ARC Ratings
		• DBRS Ratings Limited
		• Egan-Jones Ratings Company
		• Fitch Ratings Limited
		• HR Ratings de Mexico
		• Kroll Bond Rating Agency UK Limited
		• Japan Credit Rating Agency
		• Moody's Investors Service Limited
		• S&P Global Ratings UK Limited
		• Scope Ratings UK Limited
		• The Economist Intelligence Unit Limited

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CELL(S)	ITEM	INSTRUCTIONS
		• Other nominated ECAI.
C0170	Expected loss given default	Percentage of loss given default used in the calculation of the best estimate of future claims within premium provisions.
C0180	Probability of default	Percentage of expected probability of default used in the calculation of the best estimate of future claims within premium provisions.
C0190	Internal rating	Any internal rating that has been assigned by the firm for the issue reported in column C0010 where the firm has formed its own rating opinion and/or modified the external rating reported in C0150. This should ideally be expressed using the same rating scale as that reported in C0150.
C0200	Watchlist	"Y" if on firm's Watchlist; "N" otherwise
C0210	Mean term	Calculate using the present value of the expected cash flows, aggregated at not less than yearly intervals.
C0220	Inception date	Identify the ISO 8601 (yyyy-mm-dd) code of the date the guarantee came into force.
C0230	Expected maturity date	Identify the ISO 8601 (yyyy-mm-dd) code of the maturity date of the security. This corresponds to the expected maturity used in the calculation of the future premium and the best estimate of future claims within premium provisions.
C0240	Currency	Identify the ISO 4217 alphabetic code of the currency of the issue
C0250	Gross par exposure	The amount guaranteed as at the reporting date, but reduced by the amount of the provision for claims. For securities performing within acceptable parameters, it may be assumed that all due payments will have been made prior to the reporting date.
Financial year end dates		

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CELL(S)	ITEM	INSTRUCTIONS
C0260-C0750	Financial year end dates	Financial year end *i* years after the reporting date, where *i* corresponds to the number in the label.
		May be left blank where no current guarantee is in force during that financial year.
		Not strictly necessary, because these dates can be computed automatically, but undertakings may find it easier to download data by reference to a financial year than by reference to a number of years after a (variable) reporting date.
Exposure analysis in each future year		
C0010	ID Code	An entry is required on this line for every guarantee in force at the reporting date.
		This must be the same code as entered in the list of exposures for the same guarantee.
C0760-C1250	Gross par exposure in future years	The amount expected to be guaranteed at the end of each subsequent financial year, but reduced by the amount of the provision for claims. For securities performing within acceptable parameters, it may be assumed that all due payments will have been made prior to the end of the respective financial year.
		May be left blank where no current guarantee is in force during that financial year.
Future cash flows - Premium receivable in each future year (undiscounted)		
C0010	ID Code	An entry is required on this line for every guarantee in force at the reporting date, for which there is a future stream of premium income.
		This must be the same code as entered in the list of exposures for the same guarantee. However, it is not necessary to enter codes for which there is no future premium.
C1260	Outstanding premium	The amount is the sum of the premium receivable in each future year, and is calculated automatically.

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CELL(S)	ITEM	INSTRUCTIONS
C1270-C1760	Premium receivable in each future year	The amount of premium receivable in each future year, according to contract, without any discounting for the timing of receipt, and before any allowance for non-receipt. Where the amount of premium receivable is not a sum certain, then the amount should be estimated on the basis of mean expected performance and should be estimated consistently with the gross par exposure in the corresponding future year. The amounts will be consistent with the aggregate cash flows reported in IR.18.01.01. May be left blank where no current guarantee is in force during that financial year.
Future cash flows - Claims payable in each future year (undiscounted)		
C0010	ID Code	An entry is required on this line for every guarantee in force at the reporting date, for which there is a future stream of claim payments / subrogation recoveries. This must be the same code as entered in the list of exposures for the same guarantee. However, it is not necessary to enter codes for which there is no provision for claims.
C1770	Provision for claims	The amount is the sum of the claims payable in each future year, and is calculated automatically.
C1780-C2270	Claims payable in each future year	Amounts payable before any reinsurance recoveries, without any discounting for the timing of payment, on a best estimate basis, for non-performing securities. The amounts will be consistent with the aggregate cash flows reported in IR.18.01.01. May be left blank where no current guarantee is in force during that financial year.