

Chapter 10

Instructions regarding reporting templates

IR.26.02 – Solvency Capital Requirement – Counterparty default risk

General comments

This section relates to annual submission of information for individual entities, ring-fenced funds, matching adjustment portfolios and remaining part.

Template IRR.26.02.01 has to be filled in for each ring-fenced fund (RFF), each matching adjustment portfolio (MAP) and for the remaining part. However, where a RFF/MAP includes a MAP/RFF embedded, the fund should be treated as different funds. This template shall be reported for all sub-funds of a material RFF/MAP as identified in the second table of IR.01.03.

	ITEM	INSTRUCTIONS
Z0020	Ring Fenced Fund/Matching adjustment portfolios/Remaining part	Identifies whether the reported figures are with regard to a RFF, matching adjustment portfolio or to the remaining part. One of the options in the following closed list shall be used: 1 – RFF/MAP 2 – Remaining part
Z0030	Fund/Portfolio number	When item Z0020 = 1, identification number for a ring fenced fund or matching adjustment portfolio. This number is attributed by the undertaking and must be consistent over time and with the fund/portfolio number reported in other templates.
R0010/C0010	Simplifications	Identify whether an undertakings used simplifications for the calculation of counter party default risk. The options in the following closed list shall be used: 3 – Simplification pooling arrangements, Solvency Capital Requirement – Standard Formula 7.30 4 – Simplification grouping single name exposures, Solvency Capital Requirement – Standard Formula 7.31 5 - Simplification of the LGD for reinsurance arrangements, Solvency Capital Requirement – Standard Formula 7.35 6 - Simplification for type 1 exposures, Solvency Capital Requirement – Standard Formula 7.36 7 - Simplification for the risk-mitigating effect of reinsurance arrangements, Solvency Capital Requirement – Standard Formula 7.32

		<p>9 - Simplifications not used</p> <p>Options 3 to 7 may be used simultaneously.</p>
R0100/C0070	Type 1 exposures – Net solvency capital requirement	This is the net capital charge (after the loss–absorbency capacity of technical provisions) for counterparty default risk arising from all Type 1 exposures as defined for Solvency II purposes.
R0100/C0080	Type 1 exposures – Gross solvency capital requirement	This is the gross capital charge (before the loss–absorbency capacity of technical provisions) for counterparty default risk arising from all Type 1 exposures as defined for Solvency II purposes.
R0110–R0200/C0020	Name of single name exposure	Describe the name of the 10 largest single exposures.
R0110–R0200/C0030	Code and type of code of single name exposure	<p>Identification code and type of code for the exposure.</p> <p>In order of priority, use:</p> <ul style="list-style-type: none"> - Legal Entity Identifier (LEI), unless the exposure is a Lloyd's Syndicate when (LSY) should take priority - Lloyd's Syndicate Code (LSY) - Specific code attributed by the undertaking (SC) <p>A specific code should only be used where an LEI code has not been published for the exposure or where the exposure is not a Lloyd's Syndicate.</p> <p>In case a specific code is attributed by the undertaking, the code shall be unique for the specific exposure and shall not overlap with any other code attributed by the undertaking or any published LEI or Lloyd's Syndicate 4 digit numeric code.</p> <p>The type of code used and the identification code should be reported as a single cell of data separated by a /, for example:</p> <p>LEI/XXXXXXXXXXXXXXXXXXXXX (i.e. 20 alpha numeric code)</p> <p>LSY/XXXX(ie 4 numeric code)</p> <p>SC/XXXXXXXXXXXXXXXXXXXXX</p>
R0110–R0200/C0050	Type 1 exposures – Single name exposure X – Loss Given Default	The value of the Loss Given Default for each of the 10 largest single name exposure.
R0110–R0200/C0060	Type 1 exposures – Single name exposure X –	The Probability of Default for each of the 10 largest single name exposure.

	Probability of Default	
R0300/C0070	Type 2 exposures – Net solvency capital requirement	This is the net capital charge (after the loss–absorbency capacity of technical provisions) for counterparty default risk arising from all Type 2 exposures, as defined for Solvency II purposes
R0300/C0080	Type 2 exposures – Gross solvency capital requirement	This is the gross capital charge (before the loss–absorbency capacity of technical provisions) for counterparty default risk arising from all Type 2 exposures, as defined for Solvency II purposes
R0310/C0050	Type 2 exposures – Receivables from Intermediaries due for more than 3 months – Loss Given Default	This is the value of Loss Given Default for Type 2 counterparty risk arising from intermediaries due for more than 3 months.
R0320/C0050	Type 2 exposures – All type 2 exposures other than receivables from Intermediaries due for more than 3 months – Loss Given Default	This is the value of Loss Given Default for Type 2 counterparty risk arising from all type 2 exposures other than receivables from Intermediaries due for more than 3 months.
R0330/C0070	Diversification within counterparty default risk module – net solvency capital requirement	This is the amount of net diversification effects allowed in aggregation of capital requirements for counterparty default risk for Type 1 and Type 2 exposures.
R0330/C0080	Diversification within counterparty default risk module – gross solvency capital requirement	This is the amount of gross diversification effects allowed in aggregation of capital requirements for counterparty default risk for Type 1 and Type 2 exposures.
R0400/C0070	Total net solvency capital requirement for counterparty default risk	This is the total amount of the net capital charge (after the loss–absorbency capacity of technical provisions) for counterparty default risk.
R0400/C0080	Total gross solvency capital requirement for counterparty default risk	This is the total amount of the gross capital charge (before the loss–absorbency capacity of technical provisions) for counterparty default risk.