Bank of England

Prudential Regulation Authority

~~Annex II~~ Chapter 10

Instructions regarding reporting templates for individual undertakings

S.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 SR.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 S.01.03.

	ITEM	INSTRUCTIONS
Z0010	Article 112	Identifies whether the reported figures have been requested under Article 112(7) [Rule 3.4 of the Solvency Capital Requirement – Internal Models Part of the PRA Rulebook], to provide an estimate of the SCR using standard formula. One of the options in the following closed list shall be used: 1 – Article 112(7) reporting 2 – Regular reporting
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, article 109 4 – Simplification grouping single name exposures, article 110 5 - Simplification of the LGD for reinsurance arrangements, article 112a 6 - Simplification for type 1 exposures, article 112b

		7 - Simplification for the risk-mitigating effect of reinsurance arrangements, article 111 9 - Simplifications not used Options 3 to 7 may be used simultaneously.
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 of single name exposure	Identification code using the Legal Entity Identifier (LEI) if available. If not available this item shall not be reported
R0110–R0200/ C0040	Type of code of the single name exposure	Identification of the code used in item "Code of single name exposure". One of the options in the following closed list shall be used: 1 – LEI 9 – None
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 – Probability of Default	The Probability of Default for each of the 10 largest single name exposure.
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.
Further details on mortgages		
R0500/C0090	Losses stemming from type 2 mortgage loans	Amount of the overall losses stemming from mortgage loans that has been classified as type 2 exposures according to Article 191 (13) of Delegated Regulation (EU) 2015/35.
R0510/C0090	Overall losses stemming from mortgage loans	Amount of the overall losses stemming from mortgage loans according to Article 191 (13) of Delegated Regulation (EU) 2015/35.