

## S.22.04 – Information on the transitional on interest rates calculation

### General comments:

This Annex contains additional instructions in relation to the templates included in Annex I of this Regulation. The first column of the next table identifies the items to be reported by identifying the columns and lines as showed in the template in Annex I.

This annex relates to annual submission of information for individual entities.

This template shall be reported by currency for which the transitional on interest rate is applied.

	ITEM	INSTRUCTIONS
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### Overall calculation of the transitional adjustment

Z0010	Currency	Identify the ISO 4217 alphabetic code of each of the currency for which the transitional on interest rate is applied.
C0010/R0010	Adjustment to risk free rate - Solvency I interest rate	The interest rate (as a decimal) as determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive.
C0010/R0020	Adjustment to risk free rate - Annual effective rate -	The annual effective rate, calculated as the single discount rate that, where applied to the cash flows of the portfolio of admissible insurance and reinsurance obligations, results in a value that is equal to the value of the best estimate of the portfolio of admissible insurance and reinsurance obligations where the time value of money is taken into account using the relevant risk-free interest rate term structure referred to in Article 77(2) of Directive 2009/138/EC.
C0010/R0030	Adjustment to risk free rate - Portion of the difference applied at the reporting date	Percentage (as a decimal) of the difference between the Solvency I interest rate (R0010) and the Annual effective rate (R0020) added to the Annual effective rate (R0020) to calculate the technical provisions (e.g. 1.00 at the beginning of the transitional period and 0.00 at the end)
C0010/R0040	Adjustment to the risk free rate - Adjustment to risk free rate	Transitional adjustment to the risk free rate expressed as a percentage (as a decimal).

### Solvency I interest rate

C0020/R0100	Best estimate – Up to 0.5 per cent	Value of the best estimate of the insurance and reinsurance obligations for which the interest rate as determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive was up to 0.5% (inclusive).
C0020/R0110 to R0200	Best estimate – Best estimate	Value of the best estimate of the insurance and reinsurance obligations for which the interest rate as

		determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive was in the correspondent interval. The lower reference is exclusive and the higher reference is inclusive.
C0020/R0210	Best estimate – Above 8.0 per cent	Value of the best estimate of the insurance and reinsurance obligations for which the interest rate as determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive was above 8.0% (exclusive).
C0030/R0100	Average duration of insurance and reinsurance obligations - Up to 0.5 per cent	Residual Macaulay duration of the insurance and reinsurance obligations for which the interest rate as determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive was up to 0.5% (inclusive).
C0030/R0110 to R0200	Average duration of insurance and reinsurance obligations – Average duration of insurance and reinsurance obligations	Residual Macaulay duration of the insurance and reinsurance obligations for which the interest rate as determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive was in the correspondent interval. The lower reference is exclusive and the higher reference is inclusive.
C0030/R0210	Average duration of insurance and reinsurance obligations - Above 8.0 per cent	Residual Macaulay duration of the insurance and reinsurance obligations for which the interest rate as determined by the insurance or reinsurance undertaking in accordance with the laws, regulations and administrative provisions which are adopted pursuant to Article 20 of Directive 2002/83/EC at the last date of the application of that Directive was above 8.0% (exclusive).