

## S.25.01. – Solvency Capital Requirement - for undertakings on Standard Formula

### 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 opening and annual submission of information for individual entities, ring fenced-funds, matching adjustment portfolios and remaining part.

The variant S.25.01.1 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 should be reported for all sub-funds of a material RFF/MAP as identified in the second table of S.01.03.

Where the entity has MAP or RFF (except those under the scope of article 304) when reporting at the level of the whole undertaking, the nSCR at risk module level and the loss-absorbing capacity (LAC) of technical provisions and deferred taxes to be reported shall be calculated as follows:

- Where the undertaking applies the full adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level the nSCR is calculated as if no RFF exists and the LAC shall be calculated as the sum of the LAC across all RFF/MAP and RP;
- Where the undertaking applies the Simplification at risk sub-module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at sub-module level method,
- Where the undertaking applies the Simplification at risk module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at module level method.

The adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level shall be allocated (C0050) to the relevant risk modules (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non-life underwriting risk). The amount to be allocated to each relevant risk module shall be calculated as follows:

- Calculation of “q factor” =  $\frac{adjustment}{BSCR' - nSCR_{int}}$ , where
  - o *adjustment* = Adjustment calculated according to one of the three methods referred above
  - o *BSCR'* = Basic solvency capital requirement calculated according to the information reported in this template (C0030/R0100)
  - o *nSCR<sub>int</sub>* = nSCR for intangible assets risk according to the information reported in this template (C0030/R0070)
- Multiplication of this “q factor” by the nSCR of each relevant risk module (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non-life underwriting risk)

	ITEM	INSTRUCTIONS
Z0010	Article 112	Identifies whether the reported figures have been requested under Article 112(7), 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 portfolio or 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	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, e.g. S.26.02, S.14.01, S.23.01.  This item is to be completed only when item Z0020 = 1
R0010-R0050/ C0030 (A1-A5)	Net solvency capital requirement	Amount of the net capital charge for each risk module, as calculated using the standard formula.  The difference between the net and the gross SCR is the consideration of the future discretionary benefits according to article 205 of Implementing measures.  This amount shall fully consider diversification effects according to article 304 of Directive 2009/138/EC where applicable.  These cells do not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level. These figures represent the SCR as if there was no loss of diversification.
R0010-R0050/ C0040 (B1-B5)	Gross solvency capital requirement	Amount of the gross capital charge for each risk module, as calculated using the standard formula.  The difference between the net and the gross SCR is the consideration of the future discretionary benefits according to article 205 of Implementing measures.  This amount shall fully consider diversification effects according to article 304 of Directive 2009/138/EC where applicable.  These cells do not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level. These figures represent the SCR as if there was no loss of diversification.
R0010-R0050/ C0050	Allocation of RFF adjustment due to RFF and Matching adjustments portfolios	Part of the adjustment allocated to each risk module according to the procedure described in the general comments.
R0060/C0030 (A6)	Net solvency capital requirement Diversification	Amount of the diversification effects between Basic SCR net components. This amount should be reported as a negative value when it reduces the capital requirement.
R0060/C0040 (B6)	Gross solvency capital requirement Diversification	Amount of the diversification effects between Basic SCR gross components. This amount should be reported as a negative value when it reduces the capital requirement.
R0070/C0030 (A7)	Net solvency capital requirement Intangible asset risk	Amount of the capital charge, after the adjustment for the loss-absorbing capacity of technical provisions, for intangible assets risk, as calculated using the standard formula.

R0070/C0040 (B7)	Gross solvency capital requirement Intangible assets risk	The future discretionary benefits according to article 205 of the Implementing measures for intangible assets risk is zero under standard formula, hence R0070/C0040 = R0070/C0030.
R0100/C0030 (A10)	Net solvency capital requirement - Basic Solvency Capital Requirement	<p>Amount of the basic capital requirements, after the consideration of future discretionary benefits according to article 205 of Implementing measures, as calculated using the standard formula.</p> <p>This amount shall fully consider diversification effects according to article 304 of Directive 2009/138/EC where applicable.</p> <p>This cell does not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level. These figures represent the SCR as if there was no loss of diversification.</p> <p>This amount shall be calculated as a sum of the net capital charges for each risk module within the standard formula, including adjustment for diversification effect within standard formula.</p>
R0100/C0040 (B10)	Gross solvency capital requirement - Basic Solvency Capital Requirement	<p>Amount of the basic capital requirements, before the consideration of future discretionary benefits according to article 205 of Implementing measures, as calculated using the standard formula.</p> <p>This amount shall fully consider diversification effects according to article 304 of Directive 2009/138/EC where applicable.</p> <p>This cell does not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level. These figures represent the SCR as if there was no loss of diversification.</p> <p>This amount shall be calculated as a sum of the gross capital charges for each risk module within the standard formula, including adjustment for diversification effect within standard formula</p>
<b>Calculation of Solvency Capital Requirement</b>		
R0120/C0100	Adjustment due to RFF/MAP nSCR aggregation	Adjustment to correct the bias on SCR calculation due to aggregation of RFF/MAP nSCR at risk module level.
R0130/C0100 (A13)	Operational risk	Amount of the capital requirements for operational risk module as calculated using the standard formula.
R0140/C0100 (A11)	Loss-absorbing capacity of technical provisions	<p>Amount of the adjustment for loss-absorbing capacity of technical provisions calculated according to the standard formula.</p> <p>This amount should be reported as a negative value.</p> <p>At RFF/MAP level and at entity level where there are no RFF (other than those under art. 304) nor MAP:  <math>R0130/C0060 = - \max (\min (R0090/C0040 - R0090/C0030; R0500/C0080); 0)</math></p> <p>Where there are RFF (other than those under art. 304) or</p>

		MAP, this amount shall be calculated as the sum of the loss-absorbing capacity of technical provisions of each RFF/MAP and RP, taking into account the net future discretionary benefits as a top limit.
R0150/C0100 (A12)	Loss-absorbing capacity of deferred taxes	Amount of the adjustment for loss-absorbing capacity of deferred taxes calculated according to the standard formula. This amount should be negative.
R0160/C0100 (A17)	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	Amount of the capital requirement, calculated according to the rules stated in Art. 17 of Directive 2003/41/EC, for ring-fenced funds relating to pension business operated under Art. 4 of Directive 2003/41/EC to which transitional measures are applied. This item is reported only during the transitional period.
R0200/C0100 (A14C)	Solvency capital requirement (excluding capital add-on)	Amount of the total diversified SCR before any capital add-on.
R0210/C0100 (A19)	Capital add-ons already set	Amount of capital add-on that had been set at the reporting reference date. It will not include capital add-ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.
R0220/C0100 (A20)	Solvency capital requirement	Amount of the Solvency Capital Requirement.
<b>Other information on SCR</b>		
R0400/C0100	Capital requirement for duration-based equity risk sub-module	Amount of the capital requirement for duration-based equity risk sub-module.
R0410/C0100 (A14)	Total amount of notional Solvency Capital Requirements for remaining part	Amount of the notional SCRs of remaining part when undertaking has RFF.
R0420/C0100 (A14B)	Total amount of notional Solvency Capital Requirements for ring-fenced funds	Amount of the sum of notional SCRs of all ring-fenced funds when undertaking has RFF.
R0430/C0100	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	Amount of the sum of notional SCRs of all matching adjustment portfolios.
R0440/C0100 (A14A)	Diversification effects due to RFF nSCR aggregation for article 304	Amount of the adjustment for a diversification effect between ring-fenced funds under Article 304 of Directive 2009/138/EC and the remaining part where applicable.
R0450/C0100	Method used to calculate the adjustment due to RFF nSCR aggregation	Method used to calculate the adjustment due to RFF nSCR aggregation. One of the options in the following closed list shall be used: 1- Full recalculation 2 - Simplification at risk sub-module level 3 - Simplification at risk module level 4 - No adjustment  When the undertaking has no RFF (or have only RFF under article 304) it shall select option 4.

R0460/C0100 (A11B)	Net future discretionary benefits	Amount of technical provisions without risk margin in relation to future discretionary benefits net of reinsurance.
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