

S.25.05 – Solvency Capital Requirement - for groups using an internal model (partial or full)

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 groups, ring fenced-funds, matching adjustment portfolios and remaining part.

This template shall be reported based on availability according to the internal model architecture and risk profile when possible with reasonable effort. The data to be reported shall be agreed between national supervisory authorities and groups.

The purpose of this template is to collect data on an aggregate level and show diversification benefits between separate risk modules. All values should be reported before any tax effects unless otherwise stated.

For group reporting the following specific requirements shall be met:

- a) The information until R0470 (S.25.05.04.02) is applicable when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC;
- b) When combination method is being used, the information until R0470 (S.25.05.04.02) is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Directive 2009/138/EC.

Template SR.25.05 is only applicable in relation to RFF/MAP from undertakings consolidated according to Article 335, paragraph 1, (a) and (c) of Delegated Regulation (EU) 2015/35, when method 1 (Accounting consolidation-based method) is used, either exclusively or in combination with method 2 (Deduction and aggregation method).

Partial internal model:

All rows for C0010 refer to the amount of the capital charge for each component regardless of the method of calculation (either standard formula or partial internal model), after the adjustments for loss-absorbing capacity of technical provision and/or deferred taxes when they are embedded in the component calculation.

For the components Loss absorbing capacity of technical provisions and/or deferred taxes when reported as a separate component it should be the amount of the loss-absorbing capacity (these amounts should be reported as negative values)

For components calculated using the standard formula this cell represents the gross nSCR. For components calculated using the partial internal model, this represents the value considering the future management actions which are embedded in the calculation, but not those which are modelled as a separate component.

These amounts shall fully consider diversification effects according to Article 304 of Directive 2009/138/EC where applicable.

When 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.

Template SR.25.05 shall be reported by ring-fenced fund, matching adjustment portfolio and the remaining part for every group under a partial internal model. This includes undertakings where a partial internal model is applied to a full ring-fenced fund and/or matching adjustment portfolio while the other ring-fenced funds and/or matching adjustment portfolios are under the standard formula. This template should be reported for all sub-funds of a material RFF/MAP as identified in the second table of S.01.03.

For those groups under a partial internal model to which the adjustment due to the aggregation of the nSCR of RFF/MAP is applicable, where the entity has MAP or RFF (except those under the scope of Article 304 of Directive 2009/138/EC) 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 and the LAC shall be calculated as the sum of the LAC across all RFF/MAP and remaining part;
- 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) when calculated according to the standard formula. 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
 - o *nSCR_{int}* = nSCR for intangible assets risk according to the information reported in this template
- 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)

Full internal model:

Template SR.25.05 has to be filled in for each ring-fenced fund (RFF), each matching adjustment portfolio (MAP) and for the remaining part for every group under a full internal model. However, where an 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.

	ITEM	INSTRUCTIONS
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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	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. When item Z0020 = 2, then report “0”
C0010/R0020	Total diversification	Amount of the diversification effects between risk modules. This amount should be reported as a negative value.
C0010/R0030	Total diversified risk before tax	Amount of diversified capital charges before tax. Same as S.26.08.04 C0010/R0030.
C0010/R0040	Total diversified risk after tax	Amount of diversified capital charges after tax. Same as S.26.08.04 C0010/R0040.
C0010/R0070	Total market & credit risk	Same as S.26.08.04 C0010/R0070.
C0010/R0080	Market & Credit risk - diversified	Same as S.26.08.04 C0010/R0080.
C0010/R0190	Credit event risk not covered in market & credit risk	Same as S.26.08.04 C0010/R0190.
C0010/R0200	Credit event risk not covered in market & credit risk - diversified	Same as S.26.08.04 C0010/R0200.

C0010/R0270	Total Business risk	Same as S.26.08.04 C0010/R0270.
C0010/R0280	Total Business risk - diversified	Same as S.26.08.04 C0010/R0280.
C0010/R0310	Total Net Non-life underwriting risk	Same as S.26.08.04 C0010/R0310.
C0010/R0320	Total Net Non-life underwriting risk - diversified	Same as S.26.08.04 C0010/R0320.
C0010/R0400	Total Life & Health underwriting risk	Same as S.26.08.04 C0010/R0400.
C0010/R0410	Total Life & Health underwriting risk - diversified	Same as S.26.08.04 C0010/R0410.
C0010/R0480	Total Operational risk	Same as S.26.08.04 C0010/R0480.
C0010/R0490	Total Operational risk - diversified	Same as S.26.08.04 C0010/R0490.
C0010/R0500	Other risk	Same as S.26.08.04 C0010/R0500.
C0050/R0020-R0530	Allocation from adjustments due to RFF and Matching adjustment portfolios	<p>Where applicable, part of the adjustment allocated to each risk module and submodule according to the procedure described in the general comments. This amount shall be positive.</p> <p>Applicable only for partial internal models.</p>
C0060/R0020-R0530	Consideration of the future management actions regarding technical provisions and/or deferred taxes	<p>To identify if the future management actions relating to the loss absorbing capacity of technical provisions and/or deferred taxes are embedded in the calculation. The following closed list of options shall be used:</p> <ol style="list-style-type: none"> 1 – Future management actions regarding the loss-absorbing capacity of technical provisions embedded within the component 2 – Future management actions regarding the loss-absorbing capacity of deferred taxes embedded within the component 3 – Future management actions regarding the loss-absorbing capacity of technical provisions and deferred taxes embedded within the component

		4 – No embedded consideration of future management actions.
C0070/R0020-R0530	Amount modelled	For each component, this cell represents the amount calculated according to the partial internal model. Applicable only for partial internal models.
R0110/C0100	Total undiversified components	Sum of all components.
R0060/C0100	Diversification	The total amount of the diversification among components reported in C0030. This amount does not include diversification effects inside each component, which shall be embedded in the values reported in C0030. This amount should be reported as negative value.
R0120/C0100	Adjustment due to RFF/MAP nSCR aggregation	When applicable, adjustment to correct the bias on SCR calculation due to aggregation of RFF/MAP nSCR at risk module level. Applicable only for partial internal models.
R0160/C0100	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	Amount of the capital requirement, calculated in accordance with the rules stated in Article 17 of Directive 2003/41/EC, for ring-fenced funds relating to pension business operated under Article 4 of Directive 2003/41/EC to which transitional measures are applied. This item is to be reported only during the transitional period.
R0200/C0100	Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	Amount of the SCR, before any capital add-on, calculated in accordance with Article 336 (a), i.e. on the basis of consolidated data as referred to in points (a), (b) and (c) of the Delegated Regulation (EU) 2015/35 including data of controlled collective investment undertakings and investments packaged as funds.
R0210/C0100	Capital add-ons already set	Amount of capital add-on that had been set at the reporting reference date. It does not include capital add-ons set between that date and the submission of the data to the supervisory authority.

R0211/C0100	Of which, capital add-ons already set - Article 37 (1) Type a	Amount of type (a) capital add-on in accordance with Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It does 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.
R0212/C0100	Of which, capital add-ons already set - Article 37 (1) Type b	Amount of type (b) capital add-on in accordance with Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It does 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.
R0213/C0100	Of which, capital add-ons already set - Article 37 (1) Type c	Amount of type (c) capital add-on in accordance with Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It does 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.
R0214/C0100	Of which, capital add-ons already set - Article 37 (1) Type d	Amount of type (d) capital add-on in accordance with Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It does 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	Consolidated Group SCR	Overall capital requirement including capital add-ons for undertakings under method 1 as defined in Article 230 of Directive 2009/138/EC. It shall include all components of the consolidated SCR, including capital requirements of undertakings from other financial sectors, capital requirement for non-controlled participation, capital requirement for residual undertakings and capital requirement for collective investment undertakings or investments packaged as funds.
Other information on SCR		
R0300/C0100	Amount/estimate of the overall loss-absorbing	Amount/Estimate of the overall adjustment for loss-absorbing capacity of technical provisions, including the part embedded in the components

	capacity of technical provisions	and the part reported as a single component. This amount shall be reported as a negative amount.
R0310/C0100	Amount/estimate of the loss absorbing capacity for deferred taxes	Amount/Estimate of the overall adjustment for deferred taxes, including the part embedded in the components and the part reported as a single component. This amount shall be reported as a negative amount.
R0400/C0100	Capital requirement for duration-based equity risk sub-module	Amount of the capital requirement for duration-based equity risk sub-module. Applicable only for partial internal models.
R0410/C0100	Total amount of notional Solvency Capital Requirements for remaining part	Amount of the notional SCR of remaining part when undertaking has RFF.
R0420/C0100	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	Amount of the sum of notional SCR of all ring-fenced funds when undertaking has RFF (other than those related to business operated in accordance with Article 4 of Directive 2003/41/EC (transitional)).
R0430/C0100	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	Amount of the sum of notional SCR of all matching adjustment portfolios This item does not have to be reported when reporting SCR calculation at RFF or matching adjustment portfolio level.
R0440/C0100	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. It shall be equal to the difference between the sum of the nSCR for each RFF/MAP/RP and the SCR reported in R0200/C0100.
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 following options shall be used: 1 - Full recalculation 2 - Simplification at risk sub-module level 3 - Simplification at risk module level

		<p>4 - No adjustment</p> <p>When the undertaking has no RFF (or have only RFF under Article 304 of Directive 2009/138/EC) it shall select option 4.</p> <p>Applicable only for partial internal models.</p>
R0460/C0100	Net future discretionary benefits	Amount of technical provisions without risk margin in relation to future discretionary benefits net of reinsurance.
R0470/C0100	Minimum consolidated group solvency capital requirement	Amount of the minimum consolidated group Solvency Capital Requirement as stated in art. 230 of Directive 2009/138/EC. This item is applicable to group reporting only.
R0500/C0100	Capital requirement for other financial sectors (Non-insurance capital requirements)	<p>Amount of capital requirement for other financial sectors.</p> <p>This item is only applicable to group reporting where the group includes an undertaking which is subject to non-insurance capital requirements, such as a bank, and is the capital requirement calculated in accordance with the appropriate requirements.</p>
R0510/C0100	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	<p>Amount of capital requirement for credit institutions, investment firms and financial institutions.</p> <p>This item is only applicable to group reporting where the group includes undertakings which are credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies and they are subject to capital requirements, calculated in accordance with the relevant sectoral rules.</p>
R0520/C0100	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for	<p>Amount of capital requirement for institutions for occupational retirement provisions.</p> <p>This item is only applicable to group reporting where the group includes undertaking which are</p>

	occupational retirement provisions	institutions for occupational retirement provision and subject to non-insurance capital requirements calculated in accordance with the relevant sectoral rules.
R0530/C0100	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated undertakings carrying out financial activities	<p>Amount of capital requirement for non-regulated undertakings carrying out financial activities. This figure represents a notional solvency requirement, calculated if the relevant sectoral rules were to be applied.</p> <p>This item is only applicable to group reporting where the group includes undertakings which are non-regulated entities carrying out financial activities.</p>
R0540/C0100	Capital requirement for non-controlled participation	Amount of the proportional share of the Solvency Capital Requirements of the related insurance and reinsurance undertakings and insurance holding companies or mixed financial holding companies which are not subsidiaries.
R0550/C0100	Capital requirement for residual undertakings	Amount determined in accordance with Article 336 (1) (d) of Delegated Regulation (EU) 2015/35.
R0555/C0100	Capital requirement for collective investment undertakings or investments packaged as funds	Amount determined in accordance with Article 336 (1) (e) of Delegated Regulation (EU) 2015/35.
R0560/C0100	SCR for undertakings included via D&A method	Amount of the Solvency Capital Requirement Solvency for undertakings included under method 2 as defined in Article 233 of Directive 2009/138/EC when the combination of methods is used.
R0570/C0100	Total group Solvency capital requirement	<p>Overall SCR for all undertakings regardless of the method used.</p> <p>The total group solvency capital requirement is expected to be equal to the sum of R0220 and R0560.</p> <p>In case the minimum consolidated group SCR (R0470) is higher than the Consolidated group SCR (R0220), then the total group solvency</p>

		capital requirement is expected to be equal to the sum of R0470 and R0560.
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