

S.26.10 - Internal model: Credit event risk – portfolio view details

General comments:

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

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 insurance and reinsurance undertakings.

The following data requirements ask for six kinds of views on the asset portfolio which is subject to credit migration and credit default risk from a portfolio perspective. All kinds of exposures are covered, especially investments and reinsurance.

The four main views are:

- Top 10 exposures in terms of impact on SCR
- Top 10 exposures in terms of market value
- Split by asset classes
- Split by credit quality steps (CQS)

Regarding the top 10 exposures, each are required in two metrics:

- ‘group’, i.e. exposure ranking among groups of connected counterparties
- ‘single’, i.e. counterparties stand alone

Example: An undertaking A has the following contractual relations with undertakings of an insurance group G. And A is not part of group G: (1) A has a reinsurance contract with undertaking R in group G, (2) A holds shares of the paid in capital for R and (3) A holds a loan issued by a life insurer L in group G in its asset portfolio. The blocks ‘group’ would show the three exposures combined. The blocks ‘single’ would show those separately: (1) and (2) combined for counterparty R and (3) for counterparty L.

CODE	ITEM	INSTRUCTIONS
<i>Top 10 exposures in terms of impact on SCR (group)</i>		
C0010/ R0030-R0120	Name Group Exposure	Names of the top 10 exposures of groups of counterparties in terms of impact on the SCR. The impact on SCR is in the column “Credit Risk Contribution”, which should be the contribution to the credit SCR, i.e. incl. diversification and the sum of entries in the column gives the credit risk SCR.
C0020/R0010-R0130	Market value	Market value in reporting currency according to the valuation used for solvency purposes of

		<ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures - in R0130 for the remaining exposures - in R0010 for the sum of all exposures
C0030/R0010-R0130	Exposure at default	<p>Amount of the Exposure at default:</p> <ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures - in R0130 for the remaining exposures - in R0010 for the sum of all exposures
C0040/R0010-R0130	Credit Risk Contribution	<p>Contribution to the credit SCR including diversification, i.e. the sum of entries in this column gives the credit risk SCR:</p> <ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures - in R0130 for the remaining exposures - in R0010 for the sum of all exposures
C0050/ R0020-R0120	Average Probability of Default (in %)	<p>Average 1Y probability of default in %</p> <ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures
C0060/ R0020-R0120	Average Loss Given Default (in %)	<p>Average loss given default in %</p> <ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures
C0070/R0010-R0130	Market value (% of total sum)	<p>Share of the market value (in %) relative to the total sum of market values of exposures to credit event risk</p> <ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures - in R0130 for the remaining exposures - in R0010 for the sum of all exposures (which should be 100%)

C0080/R0010-R0130	Credit Risk Contribution (% of total sum)	Share of the credit risk contribution (in %) relative to the total credit risk SCR <ul style="list-style-type: none"> - in R0030 to R0120 for the top 10 exposures - in R0020 for the sum of these top 10 exposures - in R0130 for the remaining exposures - in R0010 for the sum of all exposures (which should be 100%)
<i>Top 10 exposures in terms of impact on SCR (single)</i>		
C0090/ R0160-R0250	Name of Exposure	Names of the top 10 exposures of single exposures in terms of impact on the SCR. The impact on SCR is in the column “Credit Risk Contribution”, which should be the contribution to the credit SCR, i.e. including diversification and the sum of entries in the column gives the credit risk SCR.
C0020/R0140-R0260	Market value	Market value according to the valuation used for solvency purposes: <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures - in R0260 for the remaining exposures - in R0140 for the sum of all exposures
C0030/R0140-R0260	Exposure at default	Amount of Exposure at default: <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures - in R0260 for the remaining exposures - in R0140 for the sum of all exposures
C0040/R0140-R0260	Credit Risk Contribution	Contribution to the credit SCR incl. diversification, i.e. the sum of entries in this column gives the credit risk SCR: <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures - in R0260 for the remaining exposures - in R0140 for the sum of all exposures

C0050/R0150-R0250	Average Probability of Default (in %)	Average 1Y probability of default in % <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures
C0060/R0150-R0250	Average Loss Given Default (in %)	Average loss given default in % <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures
C0070/R0140-R0260	Market value (% of total sum)	Share of the market value (in %) relative to the total sum of market values of exposures to credit event risk: <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures - in R0260 for the remaining exposures - in R0140 for the sum of all exposures (which should be 100%)
C0080/R0140-R0260	Credit Risk Contribution (% of total sum)	Share of the credit risk contribution (in %) relative to the total credit risk SCR: <ul style="list-style-type: none"> - in R0160 to R0250 for the top 10 exposures - in R0150 for the sum of these top 10 exposures - in R0260 for the remaining exposures - in R0140 for the sum of all exposures (which should be 100%)
<i>Top 10 exposures in terms of market value (group)</i>		
C0010/R0290-R0380	Name Group Exposure	Names of the top 10 exposures of groups of counterparties in terms of market value.
C0020/R0270-R0390	Market value	Market value according to the valuation used for solvency purposes: <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures - in R0390 for the remaining exposures - in R0270 for the sum of all exposures

C0030/R0270-R0390	Exposure at default	<p>Amount of Exposure at default:</p> <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures - in R0390 for the remaining exposures - in R0270 for the sum of all exposures
C0040/R0270-R0390	Credit Risk Contribution	<p>Contribution to the credit SCR including diversification, i.e. the sum of entries in this column gives the credit risk SCR:</p> <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures - in R0390 for the remaining exposures - in R0270 for the sum of all exposures
C0050/R0280-R0380	Average Probability of Default (in %)	<p>Average 1Y probability of default in %</p> <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures
C0060/R0280-R0380	Average Loss Given Default (in %)	<p>Average loss given default in %</p> <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures
C0070/R0270-R0390	Market value (% of total sum)	<p>Share of the market value (in %) relative to the total sum of market values of exposures to credit event risk</p> <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures - in R0390 for the remaining exposures - in R0270 for the sum of all exposures (which should be 100%)
C0080/R0270-R0390	Credit Risk Contribution (% of total sum)	<p>Share of the credit risk contribution (in %) relative to the total credit risk SCR</p> <ul style="list-style-type: none"> - in R0290 to R0380 for the top 10 exposures - in R0280 for the sum of these top 10 exposures

		<ul style="list-style-type: none"> - in R0390 for the remaining exposures - in R0270 for the sum of all exposures (which should be 100%)
<i>Top 10 exposures in terms of market value (single)</i>		
C0090/R0420-R0510	Name of Exposure	<p>Names of the top 10 exposures of single exposures in terms of impact on the SCR.</p> <p>The impact on SCR is in the column “Credit Risk Contribution”, which should be the contribution to the credit SCR, i.e. incl. diversification and the sum of entries in the column gives the credit risk SCR.</p>
C0020/R0400-R0520	Market value	<p>Market value in reporting currency according to the valuation used for solvency purposes of</p> <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures - in R0520 for the remaining exposures - in R0400 for the sum of all exposures
C0030/R0400-R0520	Exposure at default	<p>Exposure at default in reporting currency of</p> <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures - in R0520 for the remaining exposures - in R0400 for the sum of all exposures
C0040/R0400-R0520	Credit Risk Contribution	<p>Contribution to the credit SCR including diversification, i.e. the sum of entries in this column gives the credit risk SCR:</p> <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures - in R0520 for the remaining exposures - in R0400 for the sum of all exposures
C0050/R0410-R0510	Average Probability of Default (in %)	<p>Average 1Y probability of default in %</p> <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures

C0060/R0410-R0510	Average Loss Given Default (in %)	Average loss given default in % <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures
C0070/R0400-R0520	Market value (% of total sum)	Share of the market value (in %) relative to the total sum of market values of exposures to credit event risk <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures - in R0520 for the remaining exposures - in R0400 for the sum of all exposures (which should be 100%)
C0080/R0400-R0520	Credit Risk Contribution (% of total sum)	Share of the credit risk contribution (in %) relative to the total credit risk SCR <ul style="list-style-type: none"> - in R0420 to R0510 for the top 10 exposures - in R0410 for the sum of these top 10 exposures - in R0520 for the remaining exposures - in R0400 for the sum of all exposures (which should be 100%)
<i>Split by asset classes</i>		
C0020/R0530-R0640	Market value	Total market value according to the valuation used for solvency purposes and split by asset classes.
C0030/R0530-R0640	Exposure at default	Total exposure at default and split by asset classes.
C0040/R0530-R0640	Credit Risk Contribution	Total contribution to the credit SCR (in reporting currency) including diversification and split by asset classes, i.e. the sum of entries in this column gives the credit risk SCR.
C0050/R0530-R0630	Average Probability of Default (in %)	Average 1Y probability of default in % for the assets as sorted by asset classes.
C0060/R0530-R0630	Average Loss Given Default (in %)	Average loss given default in % for the assets as sorted by asset classes.

C0070/R0530-R0640	Market value (% of total sum)	Total share of the market value (in %) relative to the total sum of market values of exposures to credit event risk and split by asset classes. Off BS and other.
C0080/R0530-R0640	Credit Risk Contribution (% of total sum)	Total share of the credit risk contribution (in %) relative to the total credit risk SCR and split by asset classes.
<i>Split by credit quality step (CQS)</i>		
C0020/R0650-R0730	Market value	Total market value in reporting currency according to the valuation used for solvency purposes and split by credit quality step.
C0030/R0650-R0730	Exposure at default	Total exposure at default in reporting currency and split by credit quality step.
C0040/R0650-R0730	Credit Risk Contribution	Total contribution to the credit SCR (in reporting currency) including diversification and split by credit quality step, i.e. the sum of entries in this column gives the credit risk SCR.
C0050/R0650-R0720	Average Probability of Default (in %)	Average 1Y probability of default in % for the assets as sorted by credit quality steps.
C0060/R0650-R0720	Average Loss Given Default (in %)	Average loss given default in % for the assets as sorted by credit quality steps.
C0070/R0650-R0730	Market value (% of total sum)	Total share of the market value (in %) relative to the total sum of market values of exposures to credit event risk and split by credit quality step.
C0080/R0650-R0730	Credit Risk Contribution (% of total sum)	Total share of the credit risk contribution (in %) relative to the total credit risk SCR and split by credit quality step.
C0100/R0740	Credit event risk ('migration and default') - 99.5%	This is the total amount of the capital charge for credit event risk ('migration and default') for 99.5% quantile.
C0100/R0750	Expected loss - mean	This is the total amount of mean of the probability distribution of expected loss for credit event risk ('migration and default').



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