

Annex II

S.23.01. Own Funds

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 row and column number, as shown in the template in Annex I.

This Annex relates to opening, quarterly and annual submission for third country branches.

	ITEM	INSTRUCTIONS
Basic own funds before deduction for participations in other financial sector		
R0130/C0010	Reconciliation reserve - total	The total reconciliation reserve represents reserves (e.g. retained earnings), net of adjustments (e.g. ring-fenced funds). It results mainly from differences between accounting valuation and valuation according to article 75 of Directive 2009/138/EC.
R0130/C0020	Reconciliation reserve - tier 1 unrestricted	The reconciliation reserve represents reserves (e.g. retained earnings), net of adjustments (e.g. ring-fenced funds). It results mainly from differences between accounting valuation and valuation according to Directive 2009/138/EC .
R0160/C0010	An amount equal to the value of net deferred tax assets - total	This is the total amount of net deferred tax assets of the third country branch.
R0160/C0050	An amount equal to the value of net deferred tax assets – tier 3	This is the amount of net deferred tax assets of the third country branch that meet the tier 3 classification criteria. <u>Net deferred taxes should appear, if there is an excess of deferred tax assets over the deferred tax liabilities. If the deferred tax liabilities are higher than the deferred tax assets, then the net deferred tax assets should be equal to 0.</u>
Deductions		
R0230/C0010	Deduction for participations in financial and credit institutions - total	This is the total deduction for participations in financial and credit institutions in accordance with article 68 of Delegated Regulation 2015/35.
R0230/C0020	Deduction for participations in financial and credit institutions - tier 1 unrestricted	This is the amount of the deduction for participations in financial and credit institutions that are deducted from tier 1 unrestricted in accordance with article 68 of Delegated Regulation 2015/35.
R0230/C0030	Deduction for participations in financial and credit institutions - tier 1 restricted	This is the amount of the deduction for participations in financial and credit institutions that are deducted from tier 1 restricted in accordance with article 68 of Delegated Regulation 2015/35.

R0230/C0040	Deduction for participations in financial and credit institutions - tier 2	This is the amount of the deduction for participations in financial and credit institutions that are deducted from tier 2 in accordance with article 68 of Delegated Regulation 2015/35.
Total basic own funds after deductions		
R0290/C0010	Total basic own funds after deductions	This is the total amount of basic own fund items after deductions.
R0290/C0020	Total basic own funds after deductions – tier 1 unrestricted	This is the amount of basic own fund items after deductions that meet the criteria for Tier 1 unrestricted items.
R0290/C0030	Total basic own funds after deductions – tier 1 restricted	This is the amount of basic own fund items after adjustments that meet the criteria for Tier 1 restricted items.
R0290/C0040	Total basic own funds after deductions – tier 2	This is the amount of basic own fund items after adjustments that meet the criteria for Tier 2.
R0290/C0050	Total basic own funds after deductions – tier 3	This is the amount of basic own fund items after adjustments that meet the criteria for Tier 3.
Ancillary own funds		
R0340/C0010	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC - total	This is the total amount of letters of credit and guarantees that are held in trust for the benefit of insurance creditors by an independent trustee and provided by credit institutions authorised in accordance with Directive 2006/48/EC.
R0340/C0040	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC - tier 2	This is the amount of letters of credit and guarantees that are held in trust for the benefit of insurance creditors by an independent trustee and provided by credit institutions authorised in accordance with Directive 2006/48/EC that meet the criteria for Tier 2.
R0350/C0010	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC - total	This is the total amount of letters of credit and guarantees that satisfy criteria for Tier 2 or Tier 3, other than those that are held in trust for the benefit of insurance creditors by an independent trustee and provided by credit institutions authorised in accordance with Directive 2006/48/EC.
R0350/C0040	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC – tier 2	This is the amount of letters of credit and guarantees that meet the criteria for Tier 2, other than those which are held in trust for the benefit of insurance creditors by an independent trustee and provided by credit institutions authorised in accordance with Directive 2006/48/EC.
R0350/C0050	Letters of credit and guarantees	This is the amount of letters of credit and guarantees

	other than under Article 96(2) of the Directive 2009/138/EC – tier 3	that meet the criteria for Tier 3, other than those which are held in trust for the benefit of insurance creditors by an independent trustee and provided by credit institutions authorised in accordance with Directive 2006/48/EC.
R0390/C0010	Other ancillary own funds - total	This is the total amount of other ancillary own funds.
R0390/C0040	Other ancillary own funds – tier 2	This is the amount of other ancillary own funds that meet criteria for Tier 2.
R0390/C0050	Other ancillary own funds – tier 3	This is the amount of other ancillary own funds that meet criteria for Tier 3.
R0400/C0010	Total ancillary own funds	This is the total amount of ancillary own fund items.
R0400/C0040	Total ancillary own funds - tier 2	This is the amount of ancillary own fund items that meet the criteria for Tier 2.
R0400/C0050	Total ancillary own funds - tier 3	This is the amount of ancillary own fund items that meet the criteria for Tier 3.
Available and eligible own funds		
R0500/C0010	Total available own funds to meet the SCR	This is the sum of all basic own fund items and ancillary own fund items that meet the tier 1, tier 2 and tier 3 criteria and that are therefore available to meet the SCR.
R0500/C0020	Total available own funds to meet the SCR - tier 1 unrestricted	This the sum of all basic own fund items that meet the criteria to be included in Tier 1 unrestricted items and that are therefore available to meet the SCR.
R0500/C0030	Total available own funds to meet the SCR - tier 1 restricted	This the sum of all basic own fund items that meet the criteria to be included in Tier 1 restricted items and that are therefore available to meet the SCR.
R0500/C0040	Total available own funds to meet the SCR - tier 2	This is the sum of all basic own fund items, after adjustments, and ancillary own fund items that meet the criteria to be included in Tier 2 and that are therefore available to meet the SCR.
R0500/C0050	Total available own funds to meet the SCR - tier 3	This is the sum of all basic own fund items, after adjustments, and ancillary own fund items that meet the criteria to be included in Tier 3 and that are therefore available to meet the SCR.
R0510/C0010	Total available own funds to meet the MCR	This is the sum of all basic own fund items, after adjustments, that meet the tier 1 and tier 2 criteria and that are therefore available to meet the MCR.

R0510/C0020	Total available own funds to meet the MCR - tier 1 unrestricted	This is the sum of all basic own fund items, after adjustments, that meet the criteria to be included in Tier 1 unrestricted items and that are therefore available to meet the MCR.
R0510/C0030	Total available own funds to meet the MCR - tier 1 restricted	This is the sum of all basic own fund items, after adjustments, that meet the criteria to be included in Tier 1 restricted items and that are therefore available to meet the MCR.
R0510/C0040	Total available own funds to meet the MCR - tier 2	This is the sum of all basic own fund items, after adjustments, that meet the criteria to be included in Tier 2 and that are therefore available to meet the MCR.
R0540/C0010	Total eligible own funds to meet the SCR	This is the total amount of available own funds that are eligible to cover the SCR.
R0540/C0020	Total eligible own funds to meet the SCR - tier 1 unrestricted	This is the amount of unrestricted Tier 1 own fund items that are eligible to meet the SCR.
R0540/C0030	Total eligible own funds to meet the SCR - tier 1 restricted	This is the amount of restricted Tier 1 own fund items that are eligible to meet the SCR.
R0540/C0040	Total eligible own funds to meet the SCR - tier 2	This is the amount of Tier 2 own fund items that are eligible to meet the SCR.
R0540/C0050	Total eligible own funds to meet the SCR - tier 3	This is the amount of Tier 3 own fund items that are eligible to meet the SCR.
R0550/C0010	Total eligible own funds to meet the MCR	This is the total amount of own fund items that are eligible to meet the MCR.
R0550/C0020	Total eligible own funds to meet the MCR - tier 1 unrestricted	This is the amount of unrestricted Tier 1 own fund items that are eligible to meet the MCR.
R0550/C0030	Total eligible own funds to meet the MCR - tier 1 restricted	This is the amount of restricted Tier 1 own fund items that are eligible to meet the MCR.
R0550/C0040	Total eligible own funds to meet the MCR - tier 2	This is the amount of Tier 2 basic own fund items that are eligible to meet the MCR.
R0580/C0010	Solvency capital requirement	<p>This is the total SCR of the third country branch as a whole and shall correspond to the SCR reported on the relevant SCR template.</p> <p>For quarterly reporting this is the latest SCR to be calculated and reported in accordance with articles 103 to 127 of Directive 2009/138/EC, either the annual one or a more recent one in case the SCR has been recalculated <u>due to for example a change in risk profile, a breach or a risk of breaching the SCR. In case of breach or risk of breach of the SCR the SCR amount shall be calculated in accordance with</u></p>

		<p><u>Articles 103 to 127 of Directive 2009/138/EC at the reference date. The amount shall include any capital add on set by the National Supervisory Authority..</u></p> <p><u>In case no full recalculation has been performed for the purpose of the quarterly reporting but undertakings have updated the SCR via approximations, then this updated SCR can be reported in the quarterly submission.</u></p>
R0600/C0010	Minimum Capital Requirement	This is the MCR of the third country branch and shall correspond to the total MCR reported in the relevant MCR template.
R0620/C0010	Ratio of eligible own funds to SCR	This is the solvency ratio calculated as the total eligible own funds to meet the MCR divided by the SCR amount.
R0640/C0010	Ratio of eligible own funds to MCR	This is the MCR ratio calculated as the total eligible own funds to meet the MCR divided by the MCR amount.
Reconciliation Reserve		
R0700/C0060	Excess of assets over liabilities	This is the excess of assets over liabilities as reported in the Solvency 2 balance sheet.
R0730/C0060	Other basic own fund items	These are the basic own fund items included in points (a)(i) to (v) of Article 69, Article 72(a) and Article 76(a), as well as those basic own fund items approved by the supervisory authority in accordance with Article 79 of the Delegated Regulation 2015/35.
R0740/C0060	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	This is the total amount of the adjustment to the reconciliation reserve due to the existence of restricted own fund items in respect of ring-fenced funds and matching portfolios.
R0760/C0060	Reconciliation reserve - total	This the reconciliation reserve of the third country branch, before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35.
R0770/C0060	Expected profits included in future premiums (EPIFP) - Life business	The reconciliation reserve includes an amount of the excess of assets over liabilities that corresponds to the expected profit in future premiums (EPIFP). This cell represents that amount <u>gross of reinsurance and taxes (i.e. without considering their impact)</u> for the life business of the third country branch.

R0780/C0060	Expected profits included in future premiums (EPIFP) - Non-life business	The reconciliation reserve includes an amount of the excess of assets over liabilities that corresponds to the expected profit in future premiums (EPIFP). This cell represents that amount <u>gross of reinsurance and taxes (i.e. without considering their impact)</u> for the non-life business of the third country branch.
R0790/C0060	Total Expected profits included in future premiums (EPIFP)	This is the total amount calculated as expected profits included in future premiums.