Quantitative assessment of further work on solvency of IORPs

EIOPA Pensions Stress Test & Quantitative Assessment Launch Event
Frankfurt, 19 May 2015

This presentation …

- … is meant to provide an overview
- … is meant to provide practical information
- Technicalities of Reporting Spreadsheet will be covered later in this event
- Questions?

Objectives of Quantitative Assessment

- Quantitative Assessment (QA) will facilitate EIOPA advice on solvency of IORPs

- QA will produce data on six examples of potential prudential frameworks based on holistic balance sheet (HBS)

QA Timeline and Process

- Participants submit data to national supervisors by **10 August 2015**

- Participants will communicate with national supervisors, not directly with EIOPA

QA Package

- Technical Specifications
- Reporting Spreadsheet
- Qualitative Questionnaire
- Supporting Spreadsheets („helper tabs“)

QA Technical Specifications (1)

- QA is based on „holistic balance sheet“ (HBS)
- Technical Specifications deal with valuation of HBS and calculation of Solvency capital requirement (SCR)
- Valuation also used for HBS in stress test

QA Technical Specifications (2)

- Examples of supervisory frameworks are derived from 2 Baseline Scenarios
- Information is requested on value of best estimate of technical provisions using adjustments to the risk free interest rate curve
- Valuation date is 31/12/2014

QA Technical Specifications (3)

- Balancing item approach
- Benefits and contributions to be included in cash-flows
- Risk Margin: More flexibility

QA Technical Specifications (4)

- Principle based approach to valuation of sponsor support
- SCR: Modified approach to calculation of loss absorbing capacity
- SCR: Not all (sub-)modules are mandatory

Qualitative Questionnaire

Spreadsheet and Word template, asking for additional information on

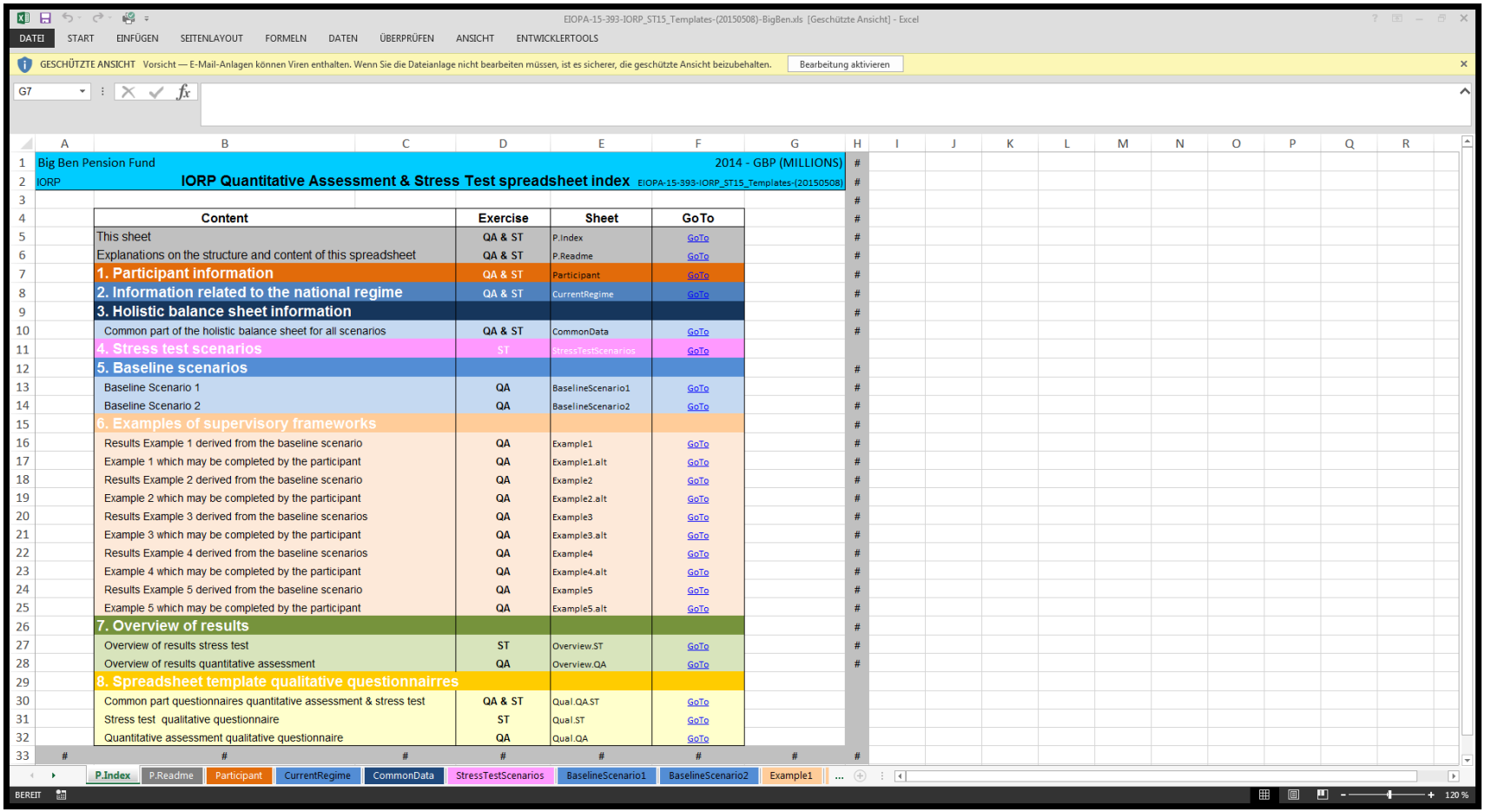
- Risk margin
- Sponsor support
- Cash flows to be included in technical provisions
- Impact of potential prudential frameworks
- Methodology of deriving values for potential future frameworks
- etc.

Reporting Spreadsheet

- Reporting Spreadsheet includes DB/hybrid stress test and QA

- In the remaining part of this presentation we will look into the part of the Reporting Spreadsheet dealing with QA

Reporting Spreadsheet - Overview



Big Ben Pension Fund — 2014 - GBP (MILLIONS)

IORP — **IORP Quantitative Assessment & Stress Test spreadsheet index** — EIOPA-15-393-IORP_ST15_Templates-(20150508)

Content	Exercise	Sheet	GoTo
This sheet	QA & ST	P.Index	GoTo
Explanations on the structure and content of this spreadsheet	QA & ST	P.Readme	GoTo
1. Participant information	QA & ST	Participant	GoTo
2. Information related to the national regime	QA & ST	CurrentRegime	GoTo
3. Holistic balance sheet information			
Common part of the holistic balance sheet for all scenarios	QA & ST	CommonData	GoTo
4. Stress test scenarios	ST	StressTestScenarios	GoTo
5. Baseline scenarios			
Baseline Scenario 1	QA	BaselineScenario1	GoTo
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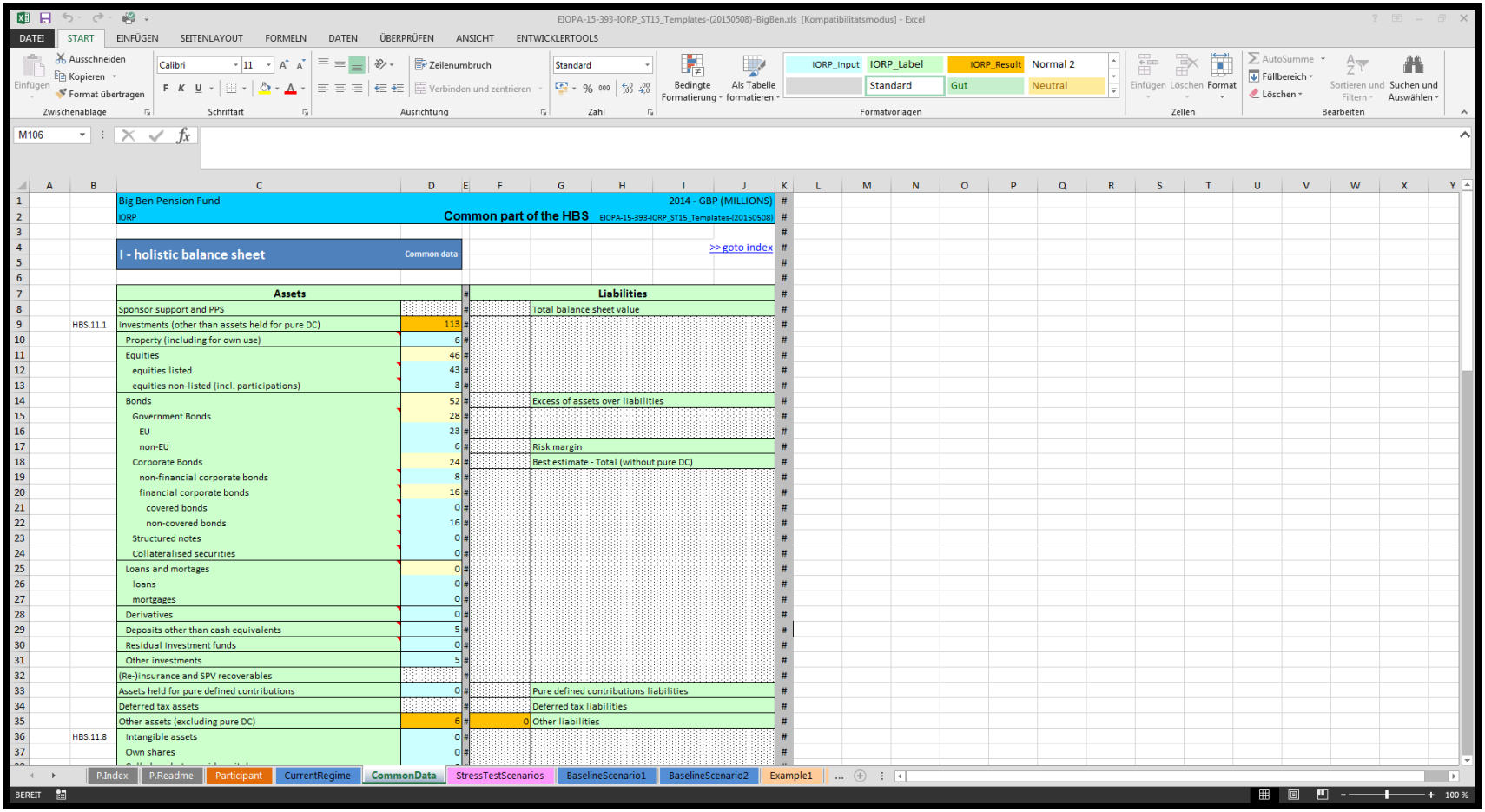
6. Examples of supervisory frameworks			
Results Example 1 derived from the baseline scenario	QA	Example1	GoTo
Example 1 which may be completed by the participant	QA	Example1.alt	GoTo
Results Example 2 derived from the baseline scenario	QA	Example2	GoTo
Example 2 which may be completed by the participant	QA	Example2.alt	GoTo
Results Example 3 derived from the baseline scenarios	QA	Example3	GoTo
Example 3 which may be completed by the participant	QA	Example3.alt	GoTo
Results Example 4 derived from the baseline scenarios	QA	Example4	GoTo
Example 4 which may be completed by the participant	QA	Example4.alt	GoTo
Results Example 5 derived from the baseline scenario	QA	Example5	GoTo
Example 5 which may be completed by the participant	QA	Example5.alt	GoTo
7. Overview of results			
Overview of results stress test	ST	Overview.ST	GoTo
Overview of results quantitative assessment	QA	Overview.QA	GoTo
8. Spreadsheet template qualitative questionnairres			
Common part questionnaires quantitative assessment & stress test	QA & ST	Qual.QA.ST	GoTo
Stress test qualitative questionnaire	ST	Qual.ST	GoTo
Quantitative assessment qualitative questionnaire	QA	Qual.QA	GoTo

Reporting Spreadsheet – CommonData (1)



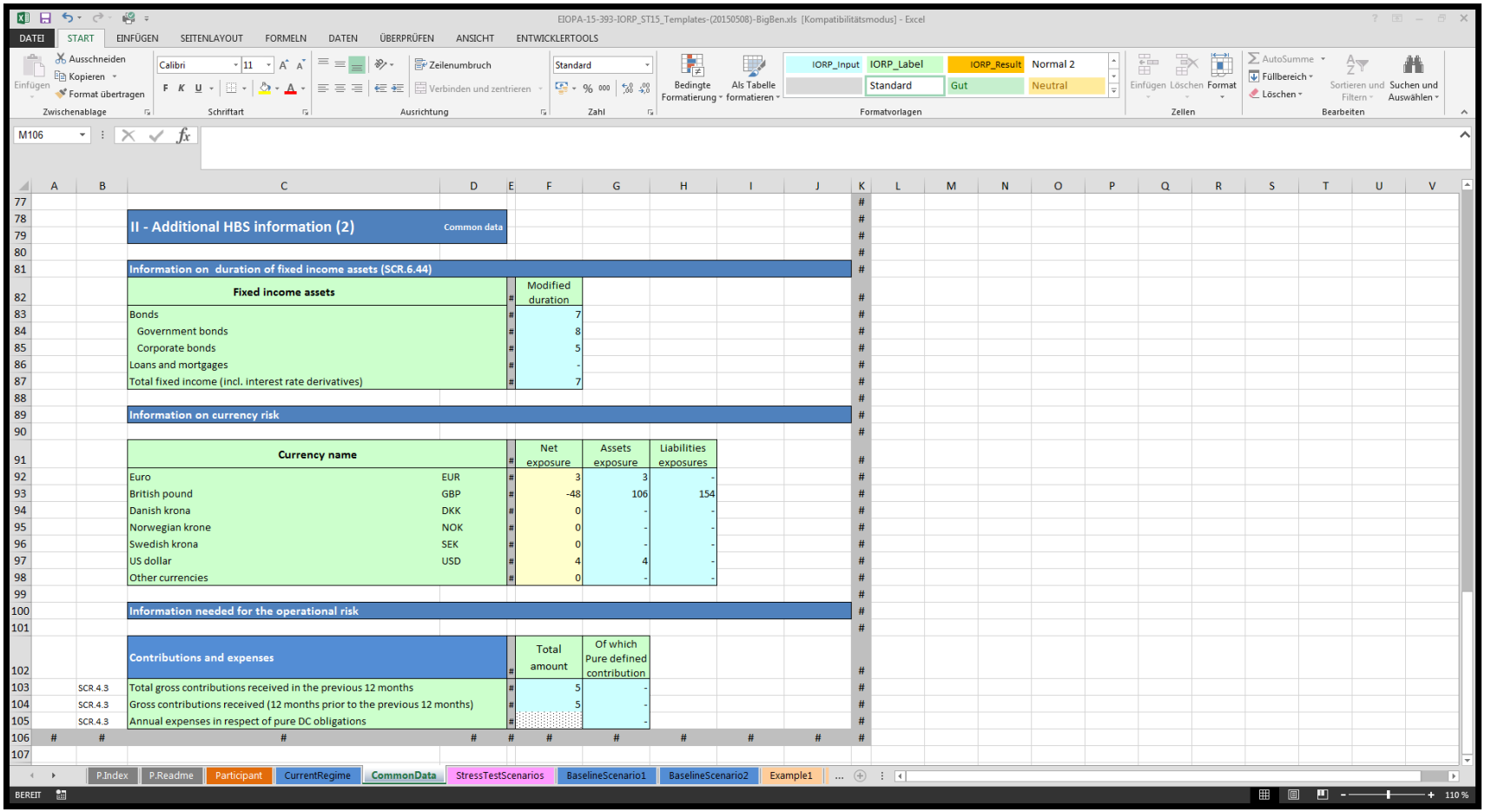
Big Ben Pension Fund | 2014 - GBP (MILLIONS)
IORP | Common part of the HBS | EIOPA-15-393-IORP_ST15_Templates-(20150508)

I - holistic balance sheet | Common data

>> goto index

	Assets		Liabilities	
	Sponsor support and PPS		Total balance sheet value	
HBS.11.1	Investments (other than assets held for pure DC)	113		
	Property (including for own use)	6		
	Equities	46		
	equities listed	43		
	equities non-listed (incl. participations)	3		
	Bonds	52	Excess of assets over liabilities	
	Government Bonds	28		
	EU	23		
	non-EU	6	Risk margin	
	Corporate Bonds	24	Best estimate - Total (without pure DC)	
	non-financial corporate bonds	8		
	financial corporate bonds	16		
	covered bonds	0		
	non-covered bonds	16		
	Structured notes	0		
	Collateralised securities	0		
	Loans and mortages	0		
	loans	0		
	mortgages	0		
	Derivatives	0		
	Deposits other than cash equivalents	5		
	Residual investment funds	0		
	Other investments	5		
	(Re-)insurance and SPV recoverables			
	Assets held for pure defined contributions	0	Pure defined contributions liabilities	
	Deferred tax assets		Deferred tax liabilities	
	Other assets (excluding pure DC)	6	0 Other liabilities	
HBS.11.8	Intangible assets	0		
	Own shares	0		

Reporting Spreadsheet – CommonData (2)



II - Additional HBS information (2) — Common data

Information on duration of fixed income assets (SCR.6.44)

Fixed income assets	Modified duration
Bonds	7
Government bonds	8
Corporate bonds	5
Loans and mortgages	-
Total fixed income (incl. interest rate derivatives)	7

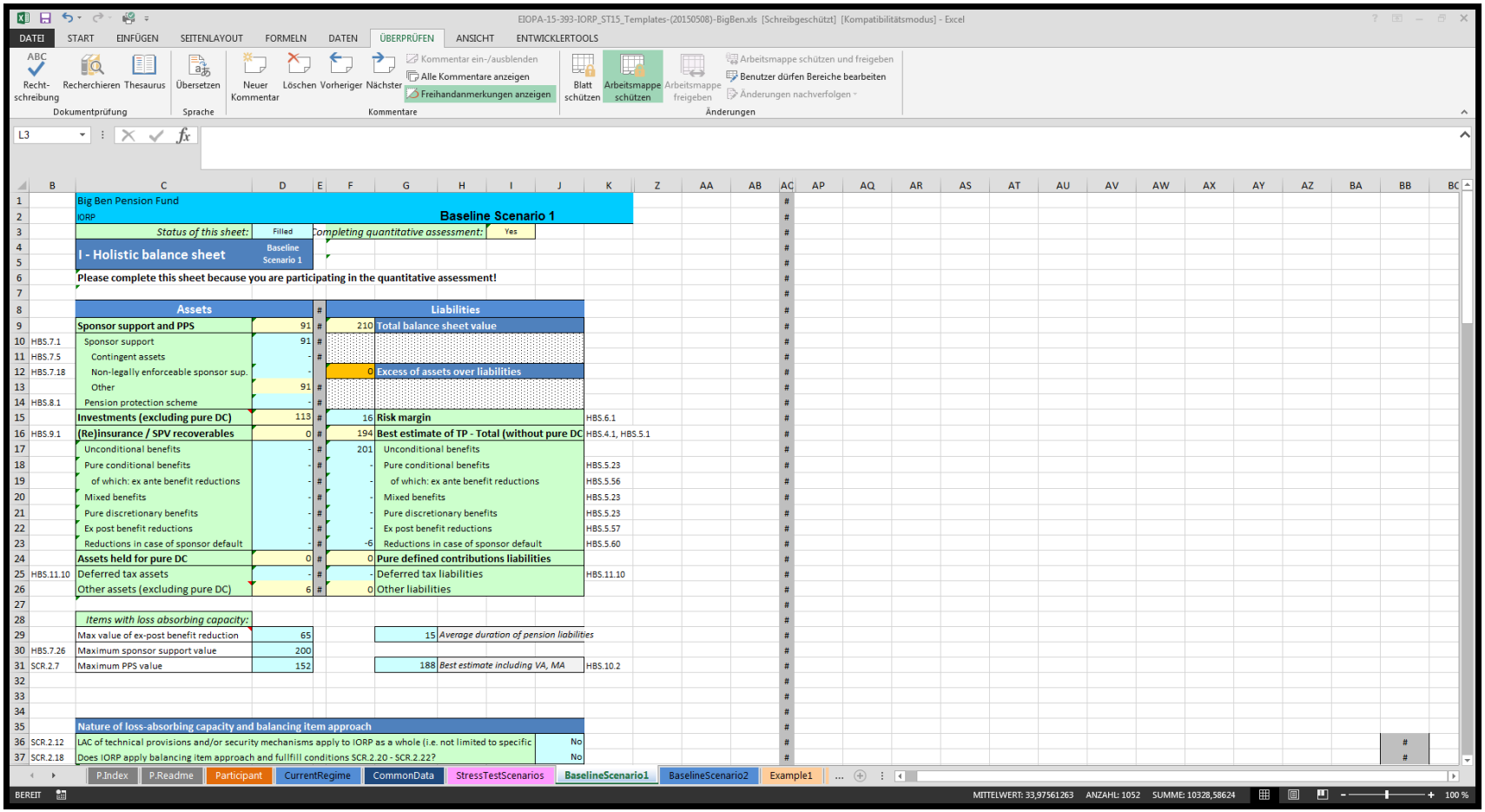
Information on currency risk

Currency name		Net exposure	Assets exposure	Liabilities exposures
Euro	EUR	3	3	-
British pound	GBP	-48	106	154
Danish krona	DKK	0	-	-
Norwegian krone	NOK	0	-	-
Swedish krona	SEK	0	-	-
US dollar	USD	4	4	-
Other currencies		0	-	-

Information needed for the operational risk

	Contributions and expenses	Total amount	Of which Pure defined contribution
SCR.4.3	Total gross contributions received in the previous 12 months	5	-
SCR.4.3	Gross contributions received (12 months prior to the previous 12 months)	5	-
SCR.4.3	Annual expenses in respect of pure DC obligations		-

Reporting Spreadsheet – Baseline Scenarios (1)



Big Ben Pension Fund
IORP
Baseline Scenario 1

Status of this sheet: Filled — *Completing quantitative assessment:* Yes

I - Holistic balance sheet — Baseline Scenario 1

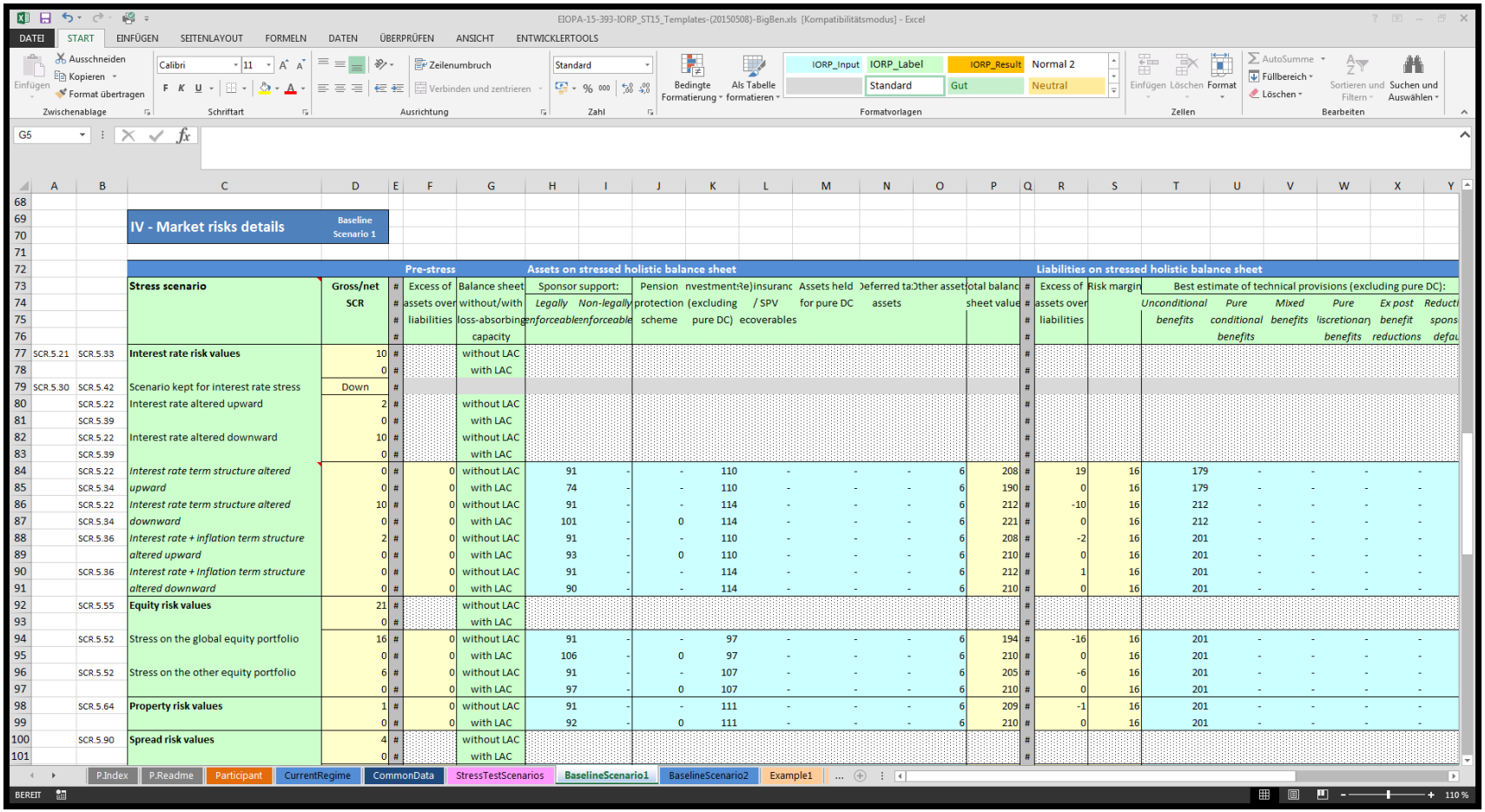
Please complete this sheet because you are participating in the quantitative assessment!

		Assets			Liabilities	
		Sponsor support and PPS	91	210	**Total balance sheet value**	
10	HBS.7.1	Sponsor support	91			
11	HBS.7.5	Contingent assets	-			
12	HBS.7.18	Non-legally enforceable sponsor sup.	-	0	**Excess of assets over liabilities**	
13		Other	91			
14	HBS.8.1	Pension protection scheme	-			
15		**Investments (excluding pure DC)**	113	16	**Risk margin**	HBS.6.1
16	HBS.9.1	**(Re)insurance / SPV recoverables**	0	194	**Best estimate of TP - Total (without pure DC**	HBS.4.1, HBS.5.1
17		Unconditional benefits	-	201	Unconditional benefits	
18		Pure conditional benefits	-	-	Pure conditional benefits	HBS.5.23
19		of which: ex ante benefit reductions	-	-	of which: ex ante benefit reductions	HBS.5.56
20		Mixed benefits	-	-	Mixed benefits	HBS.5.23
21		Pure discretionary benefits	-	-	Pure discretionary benefits	HBS.5.23
22		Ex post benefit reductions	-	-	Ex post benefit reductions	HBS.5.57
23		Reductions in case of sponsor default	-	-6	Reductions in case of sponsor default	HBS.5.60
24		**Assets held for pure DC**	0	0	**Pure defined contributions liabilities**	
25	HBS.11.10	Deferred tax assets	-	-	Deferred tax liabilities	HBS.11.10
26		Other assets (excluding pure DC)	6	0	Other liabilities	

		Items with loss absorbing capacity:			
29		Max value of ex-post benefit reduction	65	15	*Average duration of pension liabilities*
30	HBS.7.26	Maximum sponsor support value	200		
31	SCR.2.7	Maximum PPS value	152	188	*Best estimate including VA, MA* HBS.10.2

		Nature of loss-absorbing capacity and balancing item approach	
36	SCR.2.12	LAC of technical provisions and/or security mechanisms apply to IORP as a whole (i.e. not limited to specific	No
37	SCR.2.18	Does IORP apply balancing item approach and fullfill conditions SCR.2.20 - SCR.2.22?	No

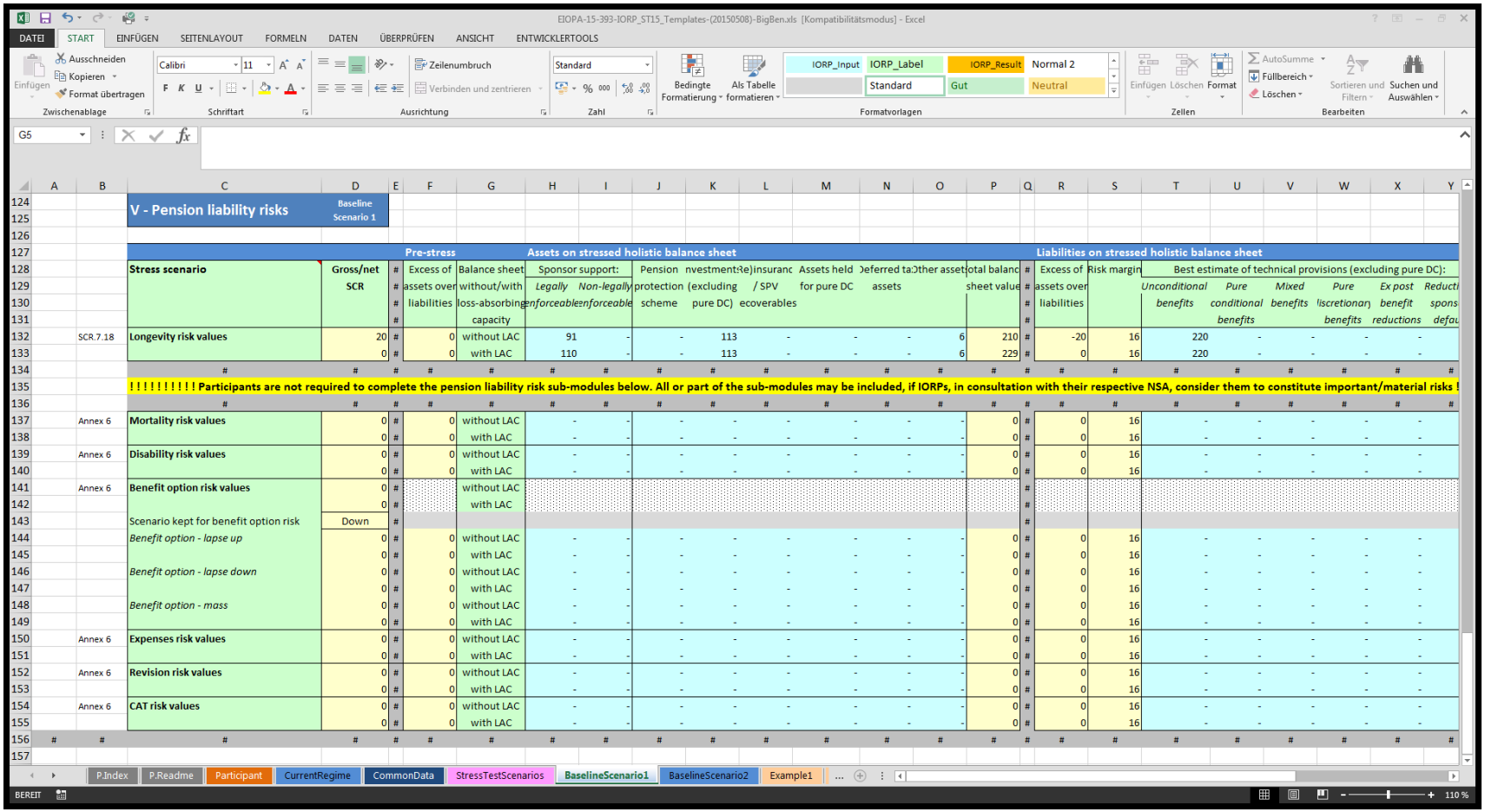
Reporting Spreadsheet – Baseline Scenarios (2)



IV - Market risks details — Baseline Scenario 1

					Pre-stress		Assets on stressed holistic balance sheet										Liabilities on stressed holistic balance sheet							
			Stress scenario	Gross/net SCR	Excess of assets over liabilities	Balance sheet without/with loss-absorbing capacity	Sponsor support: Legally enforceable	Sponsor support: Non-legally enforceable	Pension protection scheme	Investments (excluding pure DC)	Re)insurance / SPV recoverables	Assets held for pure DC	Deferred tax assets	Other assets	Total balance sheet value	Excess of assets over liabilities	Risk margin	Best estimate of technical provisions (excluding pure DC): Unconditional benefits	Pure conditional benefits	Mixed benefits	Pure discretionary benefits	Ex post benefit reductions	Reduction sponsor default
77	SCR.5.21	SCR.5.33	**Interest rate risk values**	10		without LAC																	
78				0		with LAC																	
79	SCR.5.30	SCR.5.42	Scenario kept for interest rate stress	Down																			
80		SCR.5.22	Interest rate altered upward	2		without LAC																	
81		SCR.5.39		0		with LAC																	
82		SCR.5.22	Interest rate altered downward	10		without LAC																	
83		SCR.5.39		0		with LAC																	
84		SCR.5.22	*Interest rate term structure altered*	0	0	without LAC	91	-	-	110	-	-	-	6	208	19	16	179	-	-	-	-	
85		SCR.5.34	*upward*	0	0	with LAC	74	-	-	110	-	-	-	6	190	0	16	179	-	-	-	-	
86		SCR.5.22	*Interest rate term structure altered*	10	0	without LAC	91	-	-	114	-	-	-	6	212	-10	16	212	-	-	-	-	
87		SCR.5.34	*downward*	0	0	with LAC	101	-	0	114	-	-	-	6	221	0	16	212	-	-	-	-	
88		SCR.5.36	*Interest rate + inflation term structure*	2	0	without LAC	91	-	-	110	-	-	-	6	208	-2	16	201	-	-	-	-	
89			*altered upward*	0	0	with LAC	93	-	0	110	-	-	-	6	210	0	16	201	-	-	-	-	
90		SCR.5.36	*Interest rate + inflation term structure*	0	0	without LAC	91	-	-	114	-	-	-	6	212	1	16	201	-	-	-	-	
91			*altered downward*	0	0	with LAC	90	-	-	114	-	-	-	6	210	0	16	201	-	-	-	-	
92		SCR.5.55	**Equity risk values**	21		without LAC																	
93				0		with LAC																	
94		SCR.5.52	Stress on the global equity portfolio	16	0	without LAC	91	-	-	97	-	-	-	6	194	-16	16	201	-	-	-	-	
95				0	0	with LAC	106	-	0	97	-	-	-	6	210	0	16	201	-	-	-	-	
96		SCR.5.52	Stress on the other equity portfolio	6	0	without LAC	91	-	-	107	-	-	-	6	205	-6	16	201	-	-	-	-	
97				0	0	with LAC	97	-	0	107	-	-	-	6	210	0	16	201	-	-	-	-	
98		SCR.5.64	**Property risk values**	1	0	without LAC	91	-	-	111	-	-	-	6	209	-1	16	201	-	-	-	-	
99				0	0	with LAC	92	-	0	111	-	-	-	6	210	0	16	201	-	-	-	-	
100		SCR.5.90	**Spread risk values**	4		without LAC																	
101				0		with LAC																	

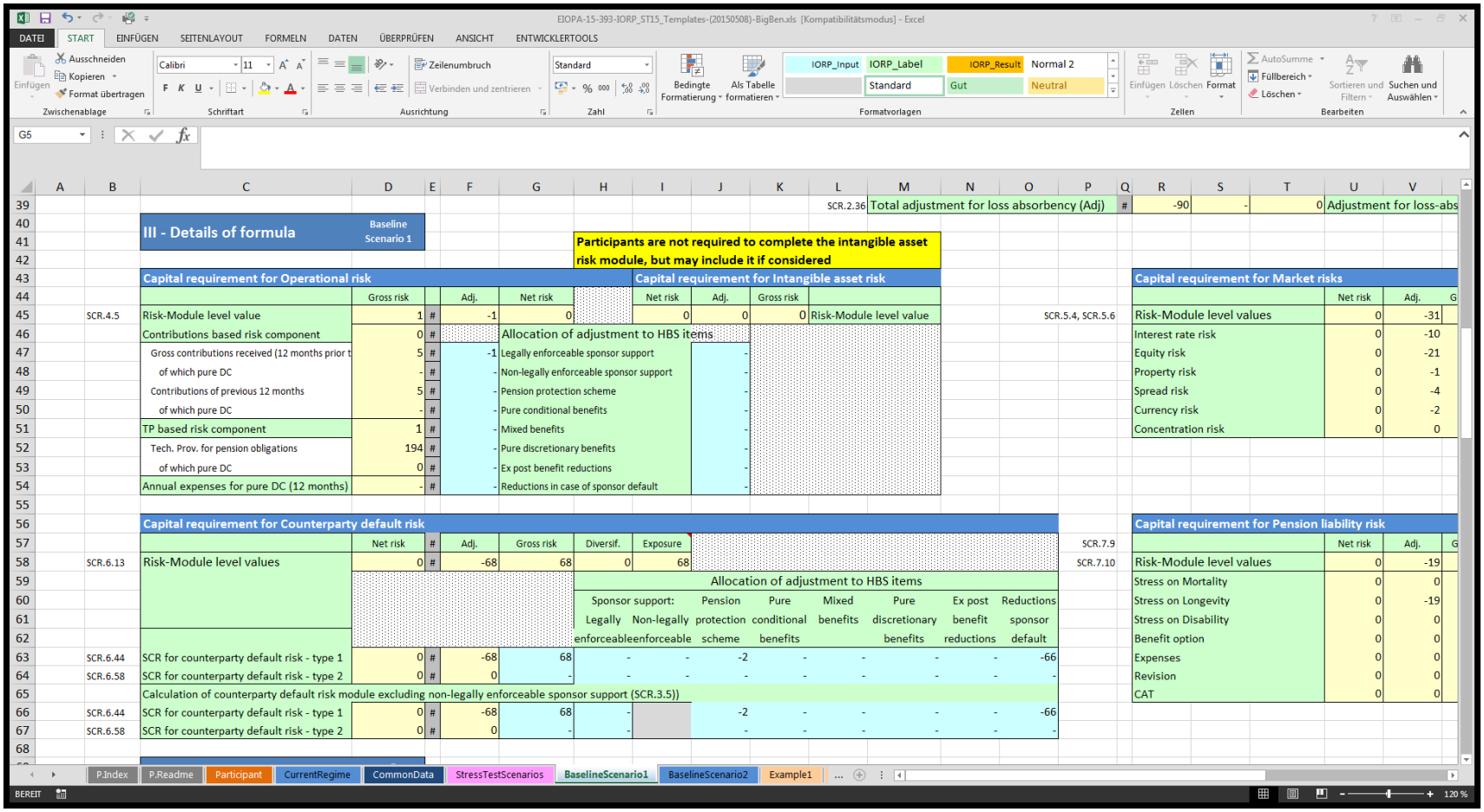
Reporting Spreadsheet – Baseline Scenarios (3)



V - Pension liability risks — Baseline Scenario 1

		Stress scenario	Gross/net SCR	Excess of assets over liabilities	Balance sheet without/with loss-absorbing capacity	Sponsor support: Legally enforceable	Sponsor support: Non-legally enforceable	Pension protection scheme	Investments (excluding pure DC)	Reinsurance / SPV recoverables	Assets held for pure DC	Deferred tax assets	Other assets	Total balance sheet value	Excess of assets over liabilities	Risk margin	Best estimate of technical provisions (excluding pure DC): Unconditional benefits	Pure conditional benefits	Mixed benefits	Pure discretionary benefits	Ex post benefit reductions	Reduct sponsor defau
				Pre-stress		Assets on stressed holistic balance sheet									Liabilities on stressed holistic balance sheet								
132	SCR.7.18	Longevity risk values	20	0	without LAC	91	-	-	113	-	-	-	6	210	-20	16	220	-	-	-	-	-
133			0	0	with LAC	110	-	-	113	-	-	-	6	229	0	16	220	-	-	-	-	-
135		! ! ! ! ! ! ! ! ! ! Participants are not required to complete the pension liability risk sub-modules below. All or part of the sub-modules may be included, if IORPs, in consultation with their respective NSA, consider them to constitute important/material risks !																				
137	Annex 6	Mortality risk values	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
138			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
139	Annex 6	Disability risk values	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
140			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
141	Annex 6	Benefit option risk values	0		without LAC																	
142			0		with LAC																	
143		Scenario kept for benefit option risk	Down																			
144		*Benefit option - lapse up*	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
145			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
146		*Benefit option - lapse down*	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
147			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
148		*Benefit option - mass*	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
149			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
150	Annex 6	Expenses risk values	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
151			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
152	Annex 6	Revision risk values	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
153			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
154	Annex 6	CAT risk values	0	0	without LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-
155			0	0	with LAC	-	-	-	-	-	-	-	-	0	0	16	-	-	-	-	-	-

Reporting Spreadsheet – Baseline Scenarios (4)



III - Details of formula	Baseline Scenario 1

Participants are not required to complete the intangible asset risk module, but may include it if considered

Capital requirement for Operational risk

	Gross risk	#	Adj.	Net risk
SCR.4.5 Risk-Module level value	1	#	-1	0
Contributions based risk component	0	#		
Gross contributions received (12 months prior t	5	#	-1	
of which pure DC	-	#	-	
Contributions of previous 12 months	5	#	-	
of which pure DC	-	#	-	
TP based risk component	1	#	-	
Tech. Prov. for pension obligations	194	#	-	
of which pure DC	0	#	-	
Annual expenses for pure DC (12 months)	-	#	-	

Capital requirement for Intangible asset risk

Net risk	Adj.	Gross risk	
0	0	0	SCR.5.4, SCR.5.6 Risk-Module level value

Allocation of adjustment to HBS items

Legally enforceable sponsor support	-
Non-legally enforceable sponsor support	-
Pension protection scheme	-
Pure conditional benefits	-
Mixed benefits	-
Pure discretionary benefits	-
Ex post benefit reductions	-
Reductions in case of sponsor default	-

Capital requirement for Counterparty default risk

	Net risk	#	Adj.	Gross risk	Diversif.	Exposure
SCR.6.13 Risk-Module level values	0	#	-68	68	0	68

Allocation of adjustment to HBS items

	Sponsor support: Legally enforceable	Non-legally enforceable	Pension protection scheme	Pure conditional benefits	Mixed benefits	Pure discretionary benefits	Ex post benefit reductions	Reductions sponsor default
SCR.6.44 SCR for counterparty default risk - type 1	-	-	-2	-	-	-	-	-66
SCR.6.58 SCR for counterparty default risk - type 2	-	-	-	-	-	-	-	-

Calculation of counterparty default risk module excluding non-legally enforceable sponsor support (SCR.3.5))

SCR.6.44 SCR for counterparty default risk - type 1	0	#	-68	68	-		-2	-	-	-	-66
SCR.6.58 SCR for counterparty default risk - type 2	0	#	0	-	-		-	-	-	-	-

SCR.2.36 Total adjustment for loss absorbency (Adj) # -90 - 0 Adjustment for loss-abs

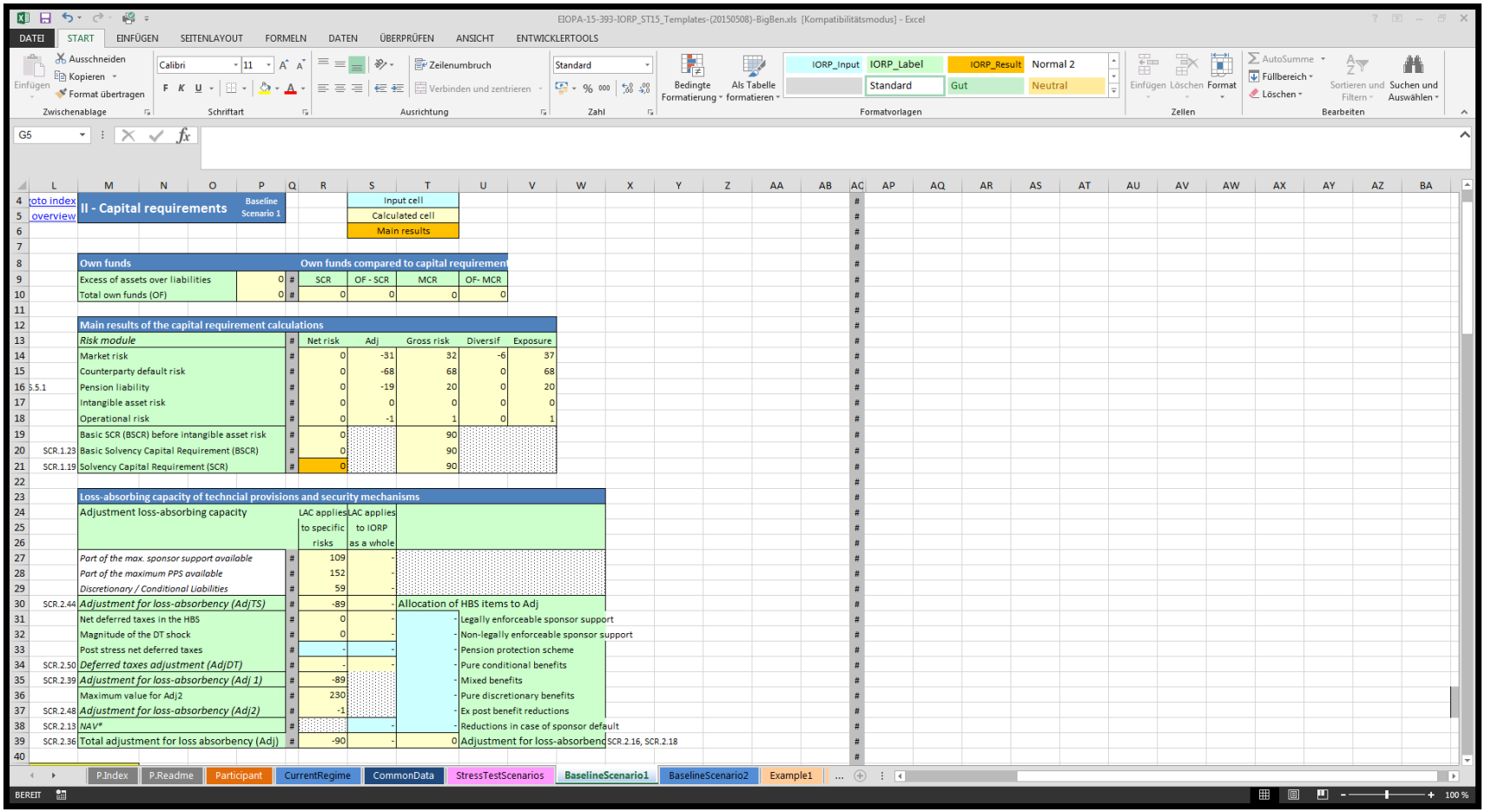
Capital requirement for Market risks

	Net risk	Adj.
Risk-Module level values	0	-31
Interest rate risk	0	-10
Equity risk	0	-21
Property risk	0	-1
Spread risk	0	-4
Currency risk	0	-2
Concentration risk	0	0

Capital requirement for Pension liability risk

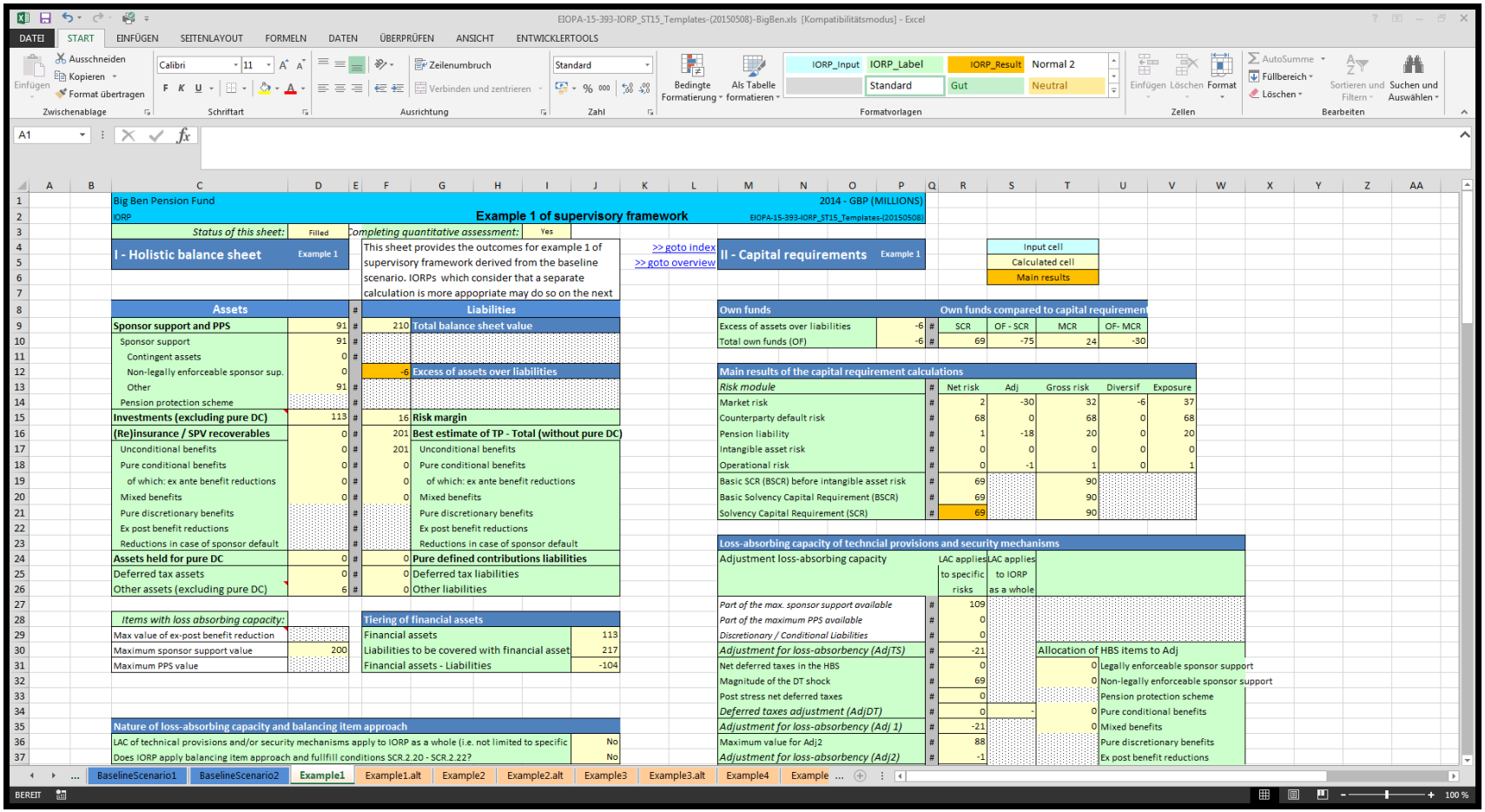
	Net risk	Adj.
SCR.7.9 SCR.7.10 Risk-Module level values	0	-19
Stress on Mortality	0	0
Stress on Longevity	0	-19
Stress on Disability	0	0
Benefit option	0	0
Expenses	0	0
Revision	0	0
CAT	0	0

Reporting Spreadsheet – Baseline Scenarios (5)



| | | |

Reporting Spreadsheet - ExampleX



Big Ben Pension Fund | 2014 - GBP (MILLIONS)
IORP | Example 1 of supervisory framework | EIOPA-15-393-IORP_ST15_Templates-(20150508)

Status of this sheet: Filled | Completing quantitative assessment: Yes

I - Holistic balance sheet Example 1

This sheet provides the outcomes for example 1 of supervisory framework derived from the baseline scenario. IORPs which consider that a separate calculation is more appopriate may do so on the next

>>goto index
>>goto overview

II - Capital requirements Example 1

Input cell | Calculated cell | Main results

Assets		#	Liabilities	
Sponsor support and PPS	91	#	210	Total balance sheet value
Sponsor support	91	#		
Contingent assets	0	#		
Non-legally enforceable sponsor sup.	0		-6	Excess of assets over liabilities
Other	91	#		
Pension protection scheme		#		
Investments (excluding pure DC)	113	#	16	Risk margin
(Re)insurance / SPV recoverables	0	#	201	Best estimate of TP - Total (without pure DC)
Unconditional benefits	0	#	201	Unconditional benefits
Pure conditional benefits	0	#	0	Pure conditional benefits
of which: ex ante benefit reductions	0	#	0	of which: ex ante benefit reductions
Mixed benefits	0	#	0	Mixed benefits
Pure discretionary benefits		#		Pure discretionary benefits
Ex post benefit reductions		#		Ex post benefit reductions
Reductions in case of sponsor default		#		Reductions in case of sponsor default
Assets held for pure DC	0	#	0	Pure defined contributions liabilities
Deferred tax assets	0	#	0	Deferred tax liabilities
Other assets (excluding pure DC)	6	#	0	Other liabilities

Items with loss absorbing capacity:	
Max value of ex-post benefit reduction	
Maximum sponsor support value	200
Maximum PPS value	

Tiering of financial assets	
Financial assets	113
Liabilities to be covered with financial asset	217
Financial assets - Liabilities	-104

Nature of loss-absorbing capacity and balancing item approach	
LAC of technical provisions and/or security mechanisms apply to IORP as a whole (i.e. not limited to specific	No
Does IORP apply balancing item approach and fullfill conditions SCR.2.20 - SCR.2.22?	No

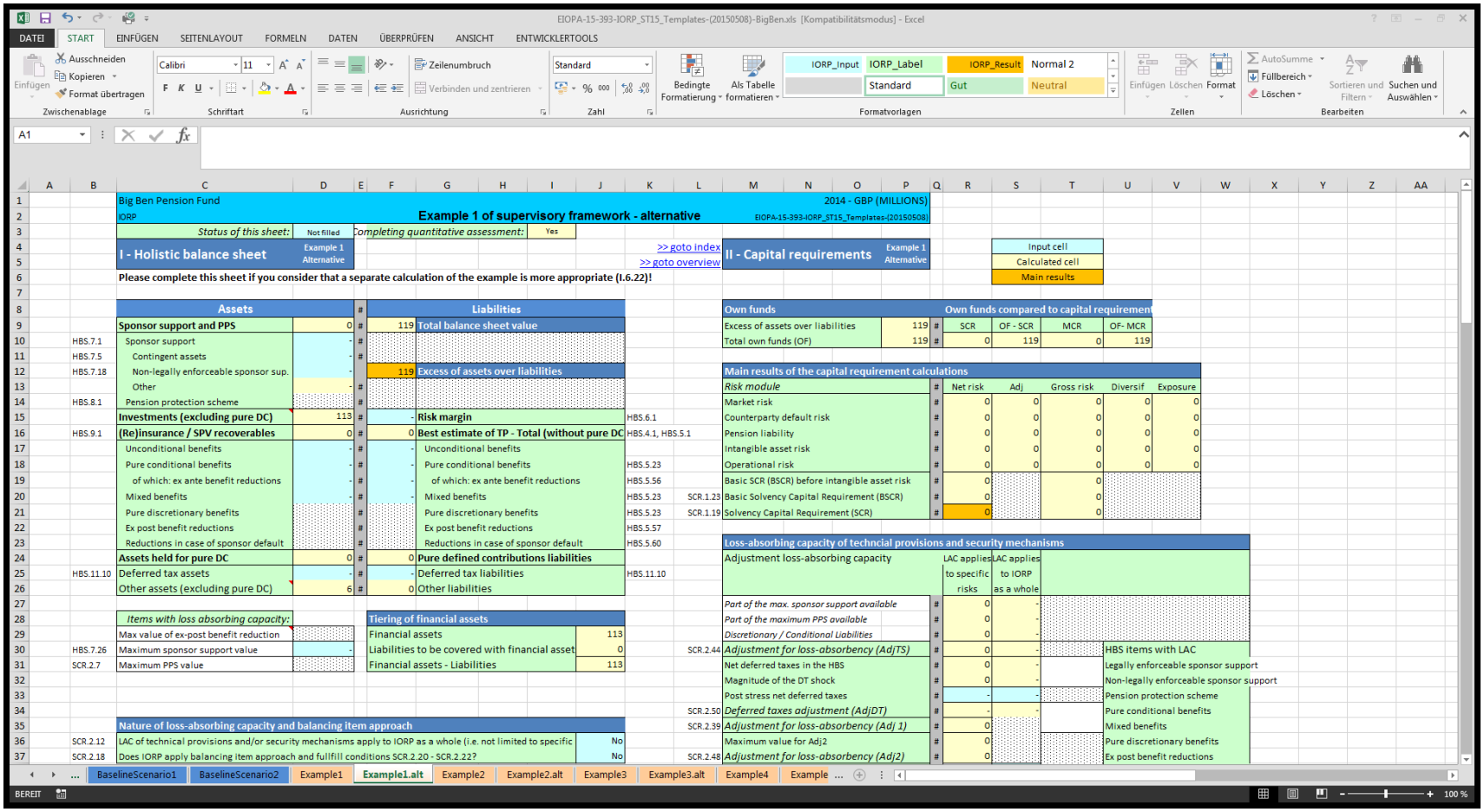
Own funds		#	Own funds compared to capital requirement			
Excess of assets over liabilities	-6	#	SCR	OF - SCR	MCR	OF- MCR
Total own funds (OF)	-6	#	69	-75	24	-30

Main results of the capital requirement calculations					
Risk module	#	Net risk	Adj	Gross risk	Diversif	Exposure
Market risk	#	2	-30	32	-6	37
Counterparty default risk	#	68	0	68	0	68
Pension liability	#	1	-18	20	0	20
Intangible asset risk	#	0	0	0	0	0
Operational risk	#	0	-1	1	0	1
Basic SCR (BSCR) before intangible asset risk	#	69		90		
Basic Solvency Capital Requirement (BSCR)	#	69		90		
Solvency Capital Requirement (SCR)	#	69		90		

Loss-absorbing capacity of techncial provisions and security mechanisms				
Adjustment loss-absorbing capacity		LAC applies to specific risks	LAC applies to IORP as a whole	
Part of the max. sponsor support available	#	109		
Part of the maximum PPS available	#	0		
Discretionary / Conditional Liabilities	#	0		
Adjustment for loss-absorbency (AdjTS)	#	-21		Allocation of HBS items to Adj
Net deferred taxes in the HBS	#	0		0 Legally enforceable sponsor support
Magnitude of the DT shock	#	69		0 Non-legally enforceable sponsor support
Post stress net deferred taxes	#	0		Pension protection scheme
Deferred taxes adjustment (AdjDT)	#	0	-	0 Pure conditional benefits
Adjustment for loss-absorbency (Adj 1)	#	-21		0 Mixed benefits
Maximum value for Adj2	#	88		Pure discretionary benefits
Adjustment for loss-absorbency (Adj2)	#	-1		Ex post benefit reductions

Sheets: BaselineScenario1 | BaselineScenario2 | Example1 | Example1.alt | Example2 | Example2.alt | Example3 | Example3.alt | Example4 | Example ...

Reporting Spreadsheet – ExampleX.alt



Big Ben Pension Fund — 2014 - GBP (MILLIONS)

IORP — **Example 1 of supervisory framework - alternative** — EIOPA-15-393-IORP_ST15_Templates-(20150508)

Status of this sheet: Not filled — *Completing quantitative assessment:* Yes

I - Holistic balance sheet (Example 1 Alternative)

>> goto index

>> goto overview

II - Capital requirements (Example 1 Alternative)

Input cell | Calculated cell | Main results

Please complete this sheet if you consider that a separate calculation of the example is more appropriate (I.6.22)!

Assets		#	Liabilities	
Sponsor support and PPS	0	#	119 Total balance sheet value	
HBS.7.1 Sponsor support	-	#		
HBS.7.5 Contingent assets	-	#		
HBS.7.18 Non-legally enforceable sponsor sup.	-		119 Excess of assets over liabilities	
Other	-	#		
HBS.8.1 Pension protection scheme		#		
Investments (excluding pure DC)	113	#	- Risk margin	HBS.6.1
HBS.9.1 (Re)insurance / SPV recoverables	0	#	0 Best estimate of TP - Total (without pure DC	HBS.4.1, HBS.5.1
Unconditional benefits	-	#	- Unconditional benefits	
Pure conditional benefits	-	#	- Pure conditional benefits	HBS.5.23
of which: ex ante benefit reductions	-	#	- of which: ex ante benefit reductions	HBS.5.56
Mixed benefits	-	#	- Mixed benefits	HBS.5.23 SCR.1.23
Pure discretionary benefits		#	Pure discretionary benefits	HBS.5.23 SCR.1.19
Ex post benefit reductions		#	Ex post benefit reductions	HBS.5.57
Reductions in case of sponsor default		#	Reductions in case of sponsor default	HBS.5.60
Assets held for pure DC	0	#	0 Pure defined contributions liabilities	
HBS.11.10 Deferred tax assets	-	#	- Deferred tax liabilities	HBS.11.10
Other assets (excluding pure DC)	6	#	0 Other liabilities	

Own funds			Own funds compared to capital requirement			
Excess of assets over liabilities	119	#	SCR	OF - SCR	MCR	OF- MCR
Total own funds (OF)	119	#	0	119	0	119

Main results of the capital requirement calculations					
Risk module	#	Net risk	Adj	Gross risk	Diversif	Exposure
Market risk	#	0	0	0	0	0
Counterparty default risk	#	0	0	0	0	0
Pension liability	#	0	0	0	0	0
Intangible asset risk	#	0	0	0	0	0
Operational risk	#	0	0	0	0	0
Basic SCR (BSCR) before intangible asset risk	#	0		0		
Basic Solvency Capital Requirement (BSCR)	#	0		0		
Solvency Capital Requirement (SCR)	#	0		0		

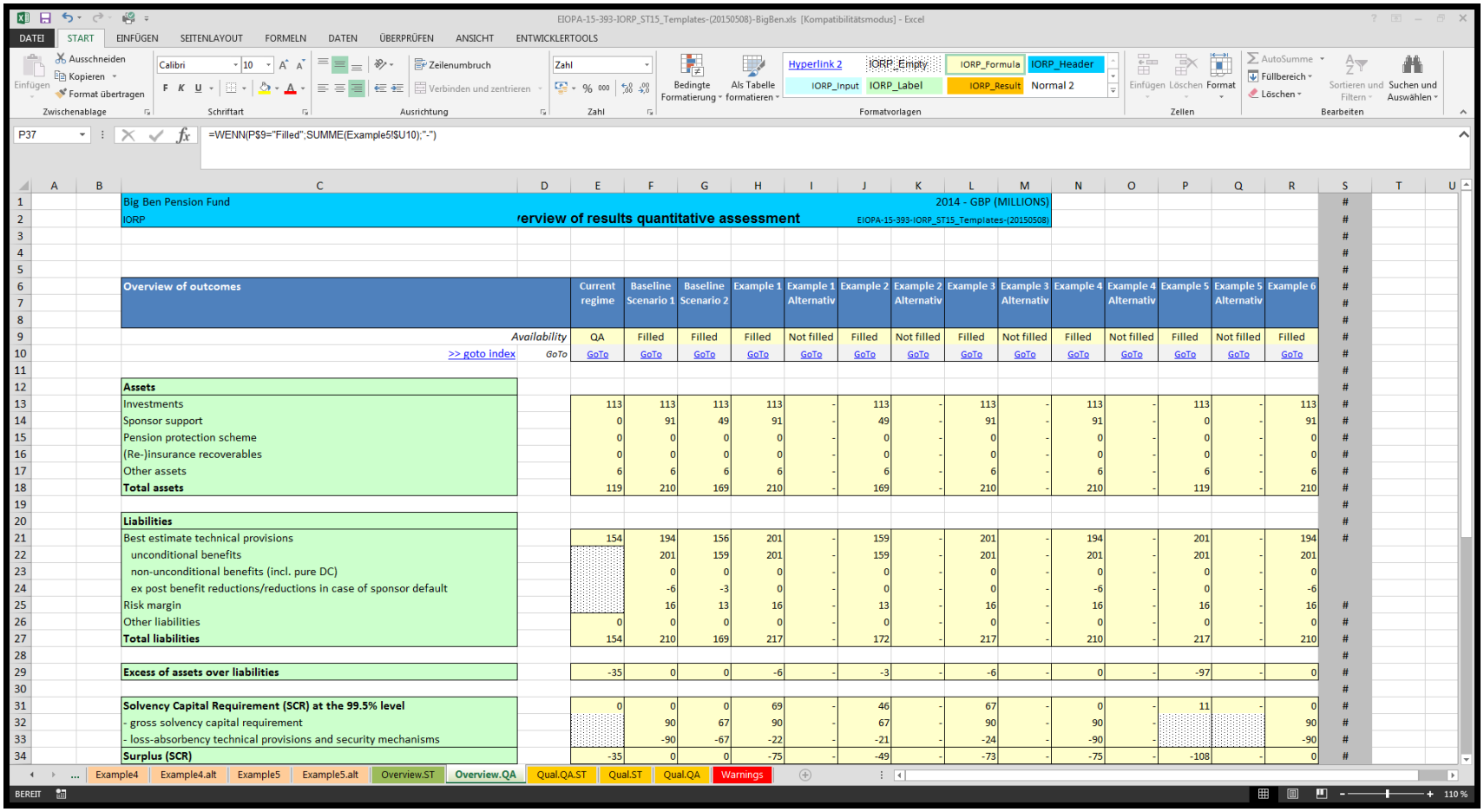
Loss-absorbing capacity of techncial provisions and security mechanisms				
Adjustment loss-absorbing capacity		LAC applies to specific risks	LAC applies to IORP as a whole	
Part of the max. sponsor support available	#	0	-	
Part of the maximum PPS available	#	0	-	
Discretionary / Conditional Liabilities	#	0	-	
SCR.2.44 *Adjustment for loss-absorbency (AdjTS)*	#	0	-	HBS items with LAC
Net deferred taxes in the HBS	#	0	-	Legally enforceable sponsor support
Magnitude of the DT shock	#	0	-	Non-legally enforceable sponsor support
Post stress net deferred taxes	#	-	-	Pension protection scheme
SCR.2.50 *Deferred taxes adjustment (AdjDT)*	#	-	-	Pure conditional benefits
SCR.2.39 *Adjustment for loss-absorbency (Adj 1)*	#	0		Mixed benefits
Maximum value for Adj2	#	0		Pure discretionary benefits
SCR.2.48 *Adjustment for loss-absorbency (Adj2)*	#	0		Ex post benefit reductions

Items with loss absorbing capacity:		Tiering of financial assets	
Max value of ex-post benefit reduction		Financial assets	113
HBS.7.26 Maximum sponsor support value	-	Liabilities to be covered with financial asset	0
SCR.2.7 Maximum PPS value		Financial assets - Liabilities	113

Nature of loss-absorbing capacity and balancing item approach		
SCR.2.12 LAC of technical provisions and/or security mechanisms apply to IORP as a whole (i.e. not limited to specific		No
SCR.2.18 Does IORP apply balancing item approach and fullfill conditions SCR.2.20 - SCR.2.22?		No

Sheet tabs: BaselineScenario1 | BaselineScenario2 | Example1 | Example1.alt | Example2 | Example2.alt | Example3 | Example3.alt | Example4 | Example ...

Reporting Spreadsheet – Overview.QA



EIOPA-15-393-IORP_ST15_Templates-(20150508)-BigBen.xls [Kompatibilitätsmodus] - Excel

P37 =WENN(P$9="Filled";SUMME(Example5!$U10);"-")

Big Ben Pension Fund															2014 - GBP (MILLIONS)
IORP															EIOPA-15-393-IORP_ST15_Templates-(20150508)
Overview of outcomes		Current regime	Baseline Scenario 1	Baseline Scenario 2	Example 1	Example 1 Alternativ	Example 2	Example 2 Alternativ	Example 3	Example 3 Alternativ	Example 4	Example 4 Alternativ	Example 5	Example 5 Alternativ	Example 6
	Availability	QA	Filled	Filled	Filled	Not filled	Filled	Not filled	Filled	Not filled	Filled	Not filled	Filled	Not filled	Filled
>> goto index	*GoTo*	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo	GoTo
Assets															
Investments		113	113	113	113	-	113	-	113	-	113	-	113	-	113
Sponsor support		0	91	49	91	-	49	-	91	-	91	-	0	-	91
Pension protection scheme		0	0	0	0	-	0	-	0	-	0	-	0	-	0
(Re-)insurance recoverables		0	0	0	0	-	0	-	0	-	0	-	0	-	0
Other assets		6	6	6	6	-	6	-	6	-	6	-	6	-	6
Total assets		119	210	169	210	-	169	-	210	-	210	-	119	-	210
Liabilities															
Best estimate technical provisions		154	194	156	201	-	159	-	201	-	194	-	201	-	194
unconditional benefits			201	159	201	-	159	-	201	-	201	-	201	-	201
non-unconditional benefits (incl. pure DC)			0	0	0	-	0	-	0	-	0	-	0	-	0
ex post benefit reductions/reductions in case of sponsor default			-6	-3	0	-	0	-	0	-	-6	-	0	-	-6
Risk margin			16	13	16	-	13	-	16	-	16	-	16	-	16
Other liabilities		0	0	0	0	-	0	-	0	-	0	-	0	-	0
Total liabilities		154	210	169	217	-	172	-	217	-	210	-	217	-	210
Excess of assets over liabilities		-35	0	0	-6	-	-3	-	-6	-	0	-	-97	-	0
Solvency Capital Requirement (SCR) at the 99.5% level		0	0	0	69	-	46	-	67	-	0	-	11	-	0
- gross solvency capital requirement			90	67	90	-	67	-	90	-	90	-			90
- loss-absorbency technical provisions and security mechanisms			-90	-67	-22	-	-21	-	-24	-	-90	-			-90
Surplus (SCR)		-35	0	0	-75	-	-49	-	-73	-	-75	-	-108	-	0

Example4 | Example4.alt | Example5 | Example5.alt | Overview.ST | Overview.QA | Qual.QA.ST | Qual.ST | Qual.QA | Warnings

EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Thank you!

Any questions?