



1.7810

1.7765

14.56

19.10

05.14

08

Solvency II Matching Adjustment

FE FactEntry

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FactEntry Solutions for Solvency II Fixed Income Matching Adjustment Assets

FactEntry MA solutions help buy side clients identify and source, from the 500,000 bond issues, individual assets that are eligible for inclusion in the MA asset portfolio. This requires precise analysis of the terms and conditions of each individual bond to check eligibility for the Solvency II MA requirements. FactEntry can help Portfolio Managers identify eligible securities as the portfolio changes and is managed over time significantly reducing the length of process.

FEATURES

- Bond Portfolio screening for Matching Adjustment Eligibility
- Bond Call and Callability
- Make Whole Analysis
- Spens Clauses Analysis
- Redemption Features
- Redemption Clauses
- Call date and Maturity Date analysis
- Covenant and Clause Analysis for Matching Adjustment Eligibility

ADVANTAGES

- Matching Adjustment Eligibility in line with PRA Guidelines
- Independent Analysis of FI assets in portfolio
- New issues analysis of MA eligibility
- No restrictive licencing agreements
- No annual subscriptions
- Portfolios assessed and analysed (no minimum size)
- Price per security

BENEFITS FOR

- Asset Managers
- Portfolio Managers
- Insurance Companies
- Consultants for Solvency II
- Heads of Investment Risk
- Portfolios assessed and analysed (no minimum size)

BUSINESS CHALLENGE

MA asset cashflows should not give unfettered control to issuers, or third parties, unless insurers receive sufficient compensation to preserve the cashflows that they would have received if the asset cashflows had not been changed. For example, callable bonds which include a Spens and/or Make Whole clause may be considered eligible if the clauses provide adequate compensation on call.

As will bonds with market standard redemption clauses for events beyond the control of the issuer.

The MA assets must be identified and managed separately from the rest of the insurers' business and must not be used to cover losses arising elsewhere on non-MA business. Also, searching through all permutations of the entire eligible investment universe will be highly time-consuming when.