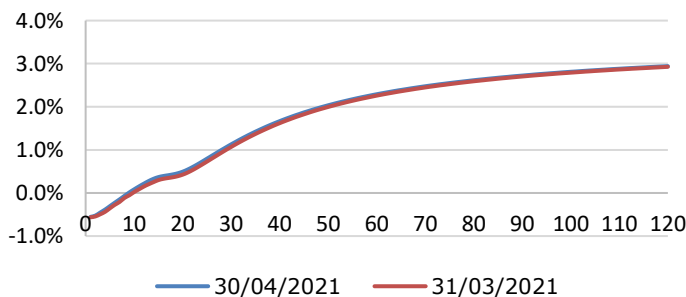


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 05-05-2021  
 Reference: ECO-SLV-21-129  
 Subject: RFR monthly monitoring – April 2021

## Background

EIOPA publishes the technical information related to [risk-free interest rate](#) (RFR) term structures for a wide range of currencies and the [symmetric adjustment](#) of the equity capital charge monthly. The latest technical documentation for the RFR which provides EIOPA's methodology for calculation can be found [here](#). The secretariat monitors EIOPA's RFR curves published for the euro as well as the symmetric adjustment and provides below summary information for members (Source: EIOPA, Insurance Europe).

### 1. RFR curves with VA (euro) as at the end of April 2021 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Apr 2021</i>	0.08%	0.49%	2.29%
<i>Mar 2021</i>	0.02%	0.43%	2.26%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Apr 2021</i>	0.03%	0.44%	2.27%
<i>Mar 2021</i>	-0.03%	0.38%	2.24%

### 2. Change in Volatility Adjustment and Credit Risk Adjustment

	March	April
<b>Volatility Adjustment (VA) (bps)</b>	5	5
<b>Credit Risk Adjustment (bps)</b>	10	10

### 3. Impact on discounting

The value after discounting a 1,000 euro cashflow at different years in the future is shown below along with the impact of changes in RFR (with VA) on these valuations:

	10yrs	20yrs	60yrs
<b>Present Value using April 2021 RFR with VA</b>	992	906	257
<b>Present Value change from March 2021</b>	-0.6%	-1.4%	-1.9%

### 4. Symmetric Adjustment of the Equity Capital Charge

April 2021	March 2021	February 2021	January 2021	December 2020	November 2020	October 2020	September 2020
4.55%	3.60%	0.55%	-0.95%	-0.48%	-1.73%	-8.81%	-6.43%