

To: Solvency II Working Group  
From: Prudential Regulation

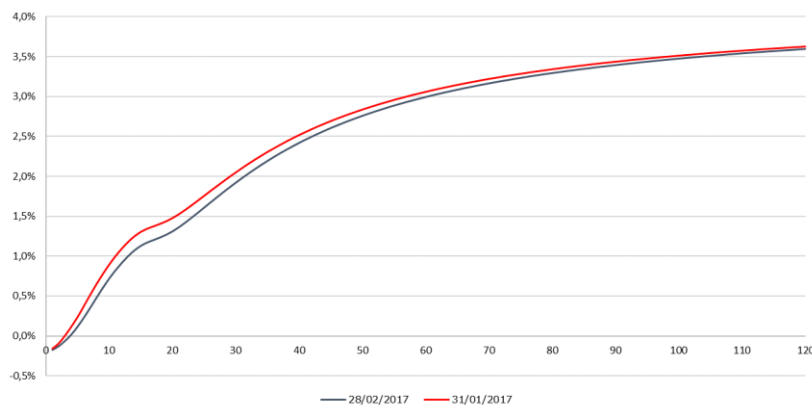
Date: 08-03-2017  
Reference: ECO-SLV-17-037

Subject: RFR monthly monitoring – February 2017

## 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 (see links to access details) monthly. The latest technical documentation for the RFR providing their methodology for calculation can be found [here](#). The secretariat monitors EIOPA's RFR curves published for the euro as well as the symmetric adjustment on a monthly basis and provides below the summary information for members (Source: EIOPA, Insurance Europe).

### 1. RFR curves (euro) as at end of February 2017 vs previous curve



<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2017</b>	0,72%	1,31%	2,99%
<b>Jan 2017</b>	0,90%	1,48%	3,06%

<i>RFR without VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2017</b>	0,58%	1,17%	2,93%
<b>Jan 2017</b>	0,74%	1,32%	2,99%

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

	<b>January</b>	<b>February</b>
<b>Volatility Adjustment (VA) (bps)</b>	16	14
<b>Credit Risk Margin (bps)</b>	10	10

### 3. Impact on discounting

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

	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Present Value using Feb 2017 RFR with VA</b>	931	771	171
<b>Present Value change from January 2017</b>	1.8%	3.4%	4.0%

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

<b>Feb 2017</b>	<b>Jan 2017</b>	<b>Dec 2016</b>	<b>Nov 2016</b>	<b>Oct 2016</b>	<b>Sep 2016</b>	<b>Aug 2016</b>
-0.23%	-1.59%	-1.44%	-4.26%	-4.31%	-4.89%	-4.70%