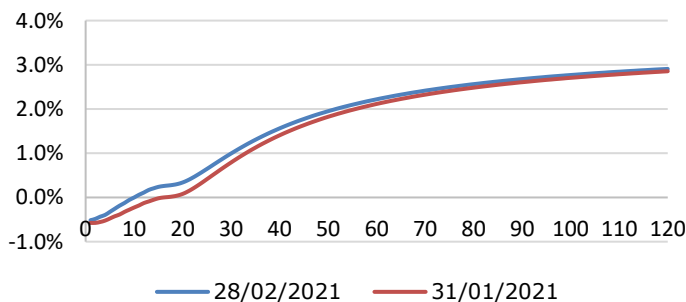


To: Solvency II Working Group
 From: Prudential Team
 Date: 03-03-2021
 Reference: ECO-SLV-21-066
 Subject: RFR monthly monitoring – February 2021

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 February 2021 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
Feb 2021	0.00%	0.34%	2.22%
Jan 2021	-0.23%	0.08%	2.12%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
Feb 2021	-0.08%	0.26%	2.19%
Jan 2021	-0.29%	0.02%	2.09%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	January	February
Volatility Adjustment (VA) (bps)	6	8
Credit Risk Adjustment (bps)	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
Present Value using February 2021 RFR with VA	1000	935	268
Present Value change from January 2021	-2.2%	-5.0%	-6.0%

4. Symmetric Adjustment of the Equity Capital Charge

February 2021	January 2021	December 2020	November 2020	October 2020	September 2020	August 2020	July 2020
0.55%	-0.95%	-0.48%	-1.73%	-8.81%	-6.43%	-5.58%	-7.13%