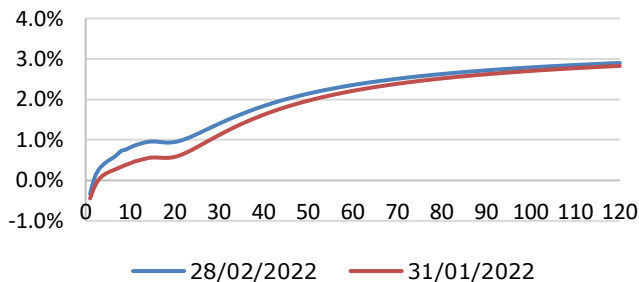


To: Solvency II Working Group
 From: Prudential Team
 Date: 07-03-2022
 Reference:
 Subject: RFR monthly monitoring – February 2022

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 2022 vs previous curve



<u>RFR with VA</u>	<u>10yrs</u>	<u>20yrs</u>	<u>60yrs</u>
Feb 2022	0.82%	0.95%	2.36%
Jan 2022	0.42%	0.58%	2.21%
<u>RFR without VA</u>	<u>10yrs</u>	<u>20yrs</u>	<u>60yrs</u>
Feb 2022	0.70%	0.83%	2.31%
Jan 2022	0.36%	0.52%	2.19%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	January	February
Volatility Adjustment (VA) (bps)	6	12
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 2022 RFR with VA	922	828	247
Present Value change from January 2022	-3.8%	-7.0%	-8.2%

4. Symmetric Adjustment of the Equity Capital Charge

February 2022	January 2022	December 2021	November 2021	October 2021	September 2021	August 2021	July 2021
1.40%	4.33%	6.88%	4.53%	7.17%	5.31%	7.19%	6.22%