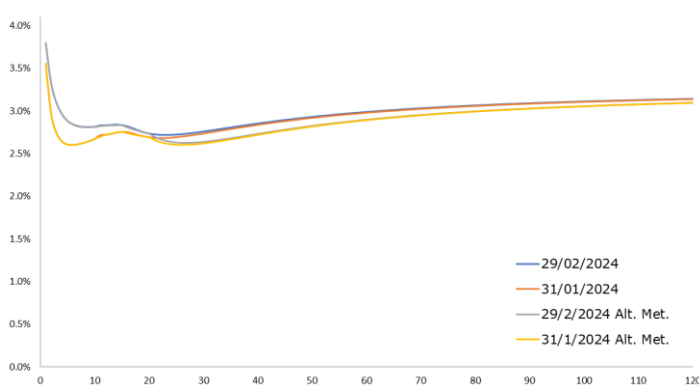


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 06-03-2024  
 Reference: ECO-SLV-24-072  
 Subject: RFR monthly monitoring – February 2024

## 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). Additional information on alternative extrapolation method proposed by the EC as part of the Solvency II review is included for reference only.

### 1. RFR curves with VA (euro) as at the end of February 2024 vs previous curve



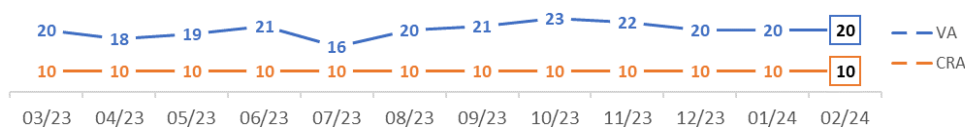
<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2024</b>	2.82%	2.74%	2.99%
<b>Jan 2024</b>	2.67%	2.69%	2.98%
<i>RFR without VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2024</b>	2.62%	2.54%	2.90%
<b>Jan 2024</b>	2.47%	2.49%	2.89%

<i>Alternative extrapolation Method*</i>			
<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2024</b>	2.82%	2.74%	2.90%
<b>Jan 2024</b>	2.67%	2.69%	2.89%
<i>RFR without VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2024</b>	2.62%	2.54%	2.82%
<b>Jan 2024</b>	2.47%	2.49%	2.82%

\*secretariat calculations based on a convergence parameter of 11% and no changes in the VA calculation

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



### 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 February 2024 RFR with VA</b>	758	583	171
<b>Present Value change from previous month</b>	-1,4%	-0,9%	-0,6%

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

