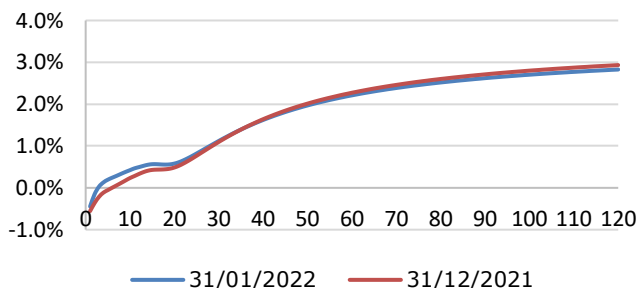


To: Solvency II Working Group
 From: Prudential Team
 Date: 08-02-2022
 Reference:
 Subject: RFR monthly monitoring – January 2022

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 January 2022 vs previous curve



<u>RFR with VA</u>	<u>10yrs</u>	<u>20yrs</u>	<u>60yrs</u>
Jan 2022	0.42%	0.58%	2.21%
Dec 2021	0.24%	0.49%	2.27%
<u>RFR without VA</u>	<u>10yrs</u>	<u>20yrs</u>	<u>60yrs</u>
Jan 2022	0.36%	0.52%	2.19%
Dec 2021	0.21%	0.46%	2.26%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	December	January
Volatility Adjustment (VA) (bps)	3	6
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 January 2022 RFR with VA	959	891	269
Present Value change from December 2021	-1.9%	-1.9%	3.7%

4. Symmetric Adjustment of the Equity Capital Charge

January 2022	December 2021	November 2021	October 2021	September 2021	August 2021	July 2021	June 2021
4.33%	6.88%	4.53%	7.17%	5.31%	7.19%	6.22%	5.66%