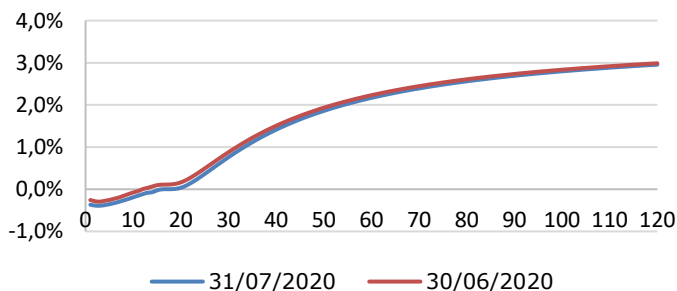


To: Solvency II Working Group
 From: Prudential Team
 Date: 05-08-2020
 Reference: ECO-SLV-20-165
 Subject: RFR monthly monitoring – July 2020

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 July 2020 vs previous curve



<i>RFR with VA</i>	10yrs	20yrs	60yrs
<i>Jul 2020</i>	-0.19%	0.04%	2.17%
<i>Jun 2020</i>	-0.08%	0.16%	2.23%
<i>RFR without VA</i>	10yrs	20yrs	60yrs
<i>Jul 2020</i>	-0.33%	-0.10%	2.11%
<i>Jun 2020</i>	-0.27%	-0.03%	2.15%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	June	July
Volatility Adjustment (VA) (bps)	19	14
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 July 2020 RFR with VA	1019	993	276
Present Value change from June 2020	1.1%	2.6%	3.8%

4. Symmetric Adjustment of the Equity Capital Charge

July 2020	June 2020	May 2020	April 2020	March 2020	February 2020	January 2019	December 2019
-7.13%	-6.72%	-8.45%	-10.00%	-10.00%	-5.94%	-1.33%	-0.08%