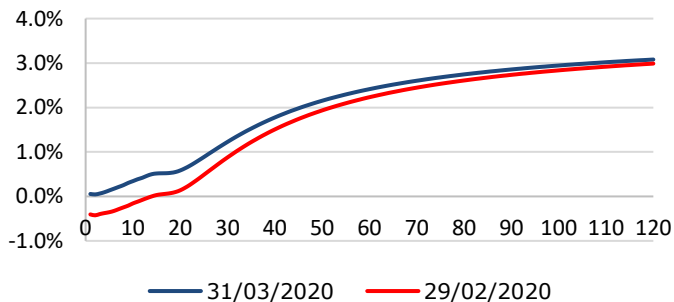


To: Solvency II Working Group
 From: Prudential Team
 Date: 06-04-2020
 Reference: ECO-SLV-20-077
 Subject: RFR monthly monitoring – March 2020

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 March 2020 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Mar 2020</i>	0.34%	0.58%	2.41%
<i>Feb 2020</i>	-0.16%	0.14%	2.23%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Mar 2020</i>	-0.12%	0.12%	2.22%
<i>Feb 2020</i>	-0.28%	0.02%	2.18%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	February	March
Volatility Adjustment (VA) (bps)	12	46
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 March 2020 RFR with VA	966	890	239
Present Value change from February 2020	-4.9%	-8.5%	-10.1%

4. Symmetric Adjustment of the Equity Capital Charge

March 2020	February 2020	January 2019	December 2019	November 2019	October 2019	September 2019	August 2019
-10.00%	-5.94%	-1.33%	-0.08%	-0.69%	-1.47%	-1.97%	-3.43%