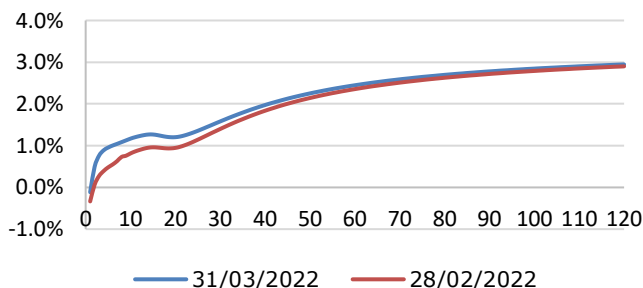


To: Solvency II Working Group
 From: Prudential Team
 Date: 07-04-2022
 Reference: ECO-SLV-22-
 Subject: RFR monthly monitoring – March 2022

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 March 2022 vs previous curve



<i>RFR with VA</i>	10yrs	20yrs	60yrs
Mar 2022	1.17%	1.20%	2.45%
Feb 2022	0.82%	0.95%	2.36%
<i>RFR without VA</i>	10yrs	20yrs	60yrs
Mar 2022	1.11%	1.14%	2.42%
Feb 2022	0.70%	0.83%	2.31%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	February	March
Volatility Adjustment (VA) (bps)	12	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 March 2022 RFR with VA	890	787	234
Present Value change from February 2022	-3.4%	-5.0%	-5.2%

4. Symmetric Adjustment of the Equity Capital Charge

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