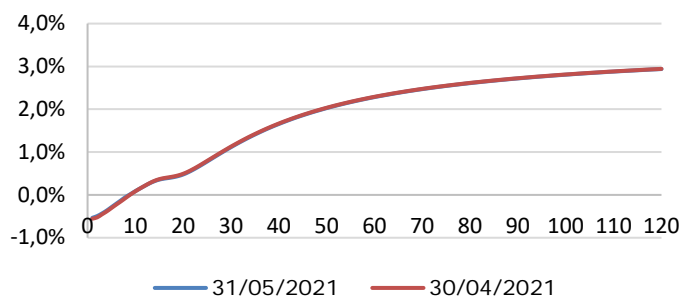


To: Solvency II Working Group
 From: Prudential Team
 Date: 03-06-2021
 Reference:
 Subject: RFR monthly monitoring – May 2021

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 May 2021 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
May 2021	0.09%	0.48%	2.28%
Apr 2021	0.08%	0.49%	2.29%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
May 2021	0.02%	0.41%	2.25%
Apr 2021	0.03%	0.44%	2.27%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	April	May
Volatility Adjustment (VA) (bps)	5	7
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 May 2021 RFR with VA	991	909	258
Present Value change from April 2021	0.0%	0.3%	0.4%

4. Symmetric Adjustment of the Equity Capital Charge

May 2021	April 2021	March 2021	February 2021	January 2021	December 2020	November 2020	October 2020
5.52%	4.55%	3.60%	0.55%	-0.95%	-0.48%	-1.73%	-8.81%