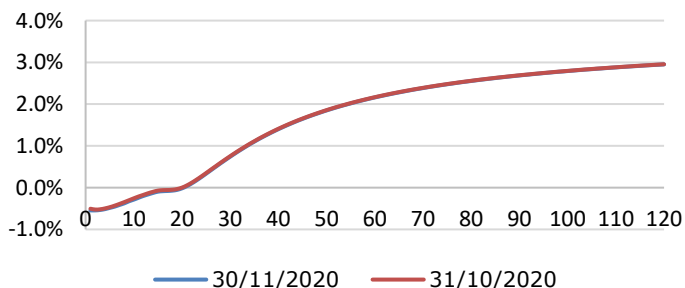


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 03-11-2020  
 Reference: ECO-SLV-20-274  
 Subject: RFR monthly monitoring – November 2020

## 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 November 2020 vs previous curve



<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Nov 2020</b>	-0.29%	-0.02%	2.16%
<b>Oct 2020</b>	-0.26%	0.00%	2.17%
<i>RFR without VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Nov 2020</b>	-0.36%	-0.09%	2.13%
<b>Oct 2020</b>	-0.38%	-0.12%	2.12%

### 2. Change in Volatility Adjustment and Credit Risk Adjustment

	<b>October</b>	<b>November</b>
<b>Volatility Adjustment (VA) (bps)</b>	12	7
<b>Credit Risk Adjustment (bps)</b>	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:

	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Present Value using November 2020 RFR with VA</b>	1029	1003	277
<b>Present Value change from October 2020</b>	0.3%	0.4%	0.4%

### 4. Symmetric Adjustment of the Equity Capital Charge

<b>November 2020</b>	<b>October 2020</b>	<b>September 2020</b>	<b>August 2020</b>	<b>July 2020</b>	<b>June 2020</b>	<b>May 2020</b>	<b>April 2020</b>
-1.73	-8.81	-6.43%	-5.58%	-7.13%	-6.72%	-8.45%	-10.00%