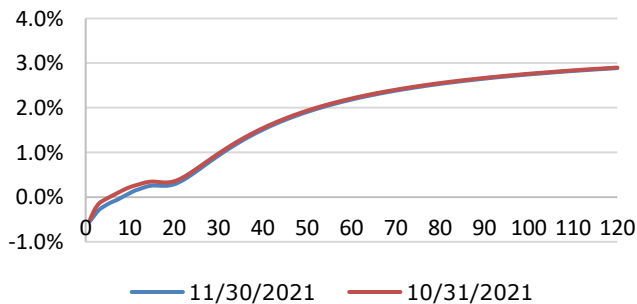


To: Solvency II Working Group
 From: Prudential Team
 Date: 06-12-2021
 Reference:
 Subject: RFR monthly monitoring – November 2021

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 November 2021 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
Nov 2021	0.09%	0.29%	2.19%
Oct 2021	0.23%	0.36%	2.21%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
Nov 2021	0.03%	0.23%	2.16%
Oct 2021	0.19%	0.32%	2.19%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	October	November
Volatility Adjustment (VA) (bps)	4	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 November 2021 RFR with VA	991	944	273
Present Value change from October 2021	1.3%	1.4%	1.4%

4. Symmetric Adjustment of the Equity Capital Charge

November 2021	October 2021	September 2021	August 2021	July 2021	June 2021	May 2021	April 2021
4.53%	7.17%	5.31%	7.19%	6.22%	5.66%	5.52%	4.55%