

To: Solvency II WG  
 From: Prudential Team  
 Date: 07-10-2024  
 Reference: ECO-SLV-24-246  
 Subject: RFR monthly monitoring – September 2024

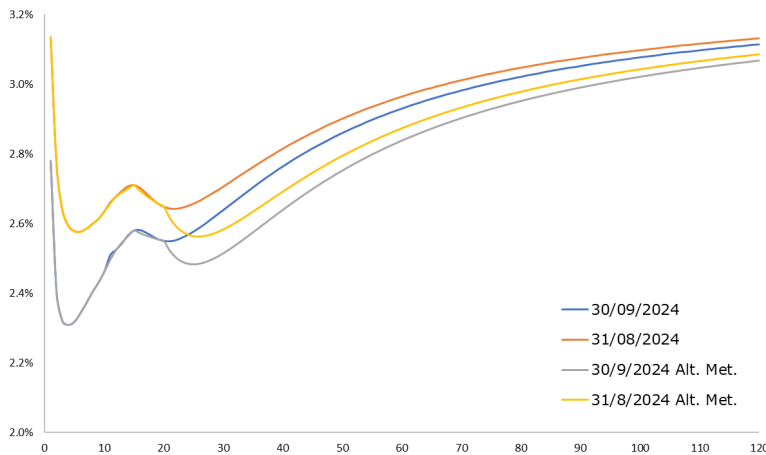
## Background

EIOPA publishes 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](#). As a reminder, the documentation was updated since last month’s RFR publication ([ECO-SLV-24-225](#)). Most notably, EIOPA will cease the publication of technical information for 11 non-EEA currencies, which it has deemed to not be material to the EU-insurance sector (from 1 January 2025).

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 September 2024 vs previous curve

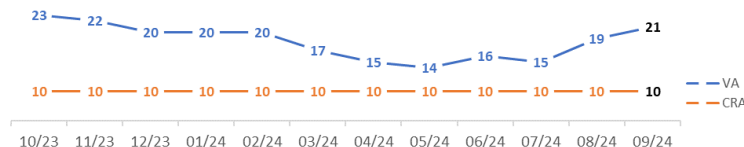


<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Sep 2024</i>	2.46%	2.55%	2.93%
<i>Aug 2024</i>	2.64%	2.65%	2.96%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Sep 2024</i>	2.25%	2.34%	2.84%
<i>Aug 2024</i>	2.45%	2.46%	2.88%

<i>Alternative extrapolation Method*</i>			
<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Sep 2024</i>	2.46%	2.55%	2.84%
<i>Aug 2024</i>	2.64%	2.65%	2.87%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Sep 2024</i>	2.25%	2.34%	2.76%
<i>Aug 2024</i>	2.45%	2.46%	2.80%

*\*secretariat calculations based on a convergence parameter of 11% and no changes in the VA calculation*

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



### 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
Value using current RFR with VA	784	604	177
Value change from previous month	1.7%	1.9%	2.0%

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

