

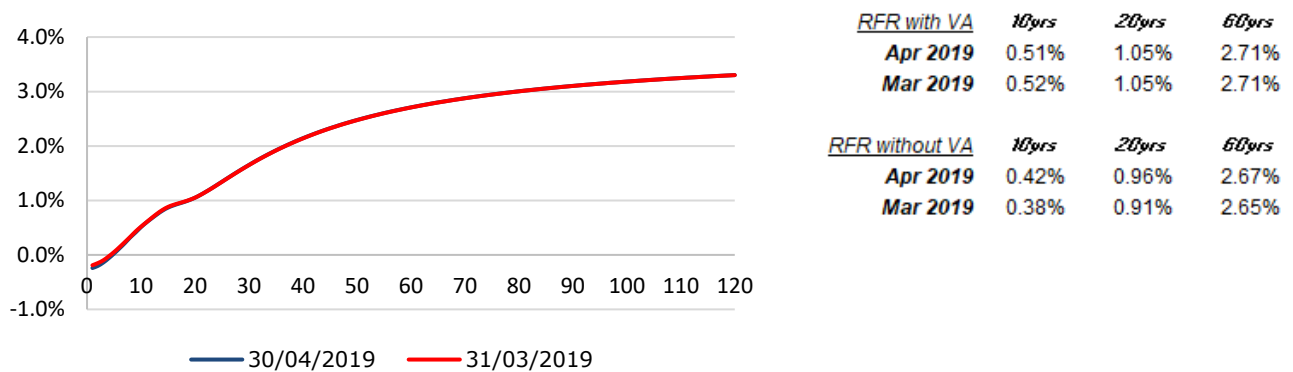
To: Solvency II Working Group  
 From: Prudential Team  
 Date: 8 May 2019  
 Reference: ECO-SLV-19-077

Subject: RFR monthly monitoring April 2019

## 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 end of April 2019 vs previous curve



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

	March	April
<b>Volatility Adjustment (VA) (bps)</b>	14	9
<b>Credit Risk Margin (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:

	10yrs	20yrs	60yrs
<b>Present Value using April 2019 RFR with VA</b>	950	811	201
<b>Present Value change from March 2019</b>	0.1%	0.0%	-0.1%

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

April 2019	March 2019	February 2019	January 2019	December 2018	November 2018	October 2018	September 2018
-0.34%	-2.20%	-2.45%	-3.69%	-6.34%	-3.44%	-3.43%	0.14%