

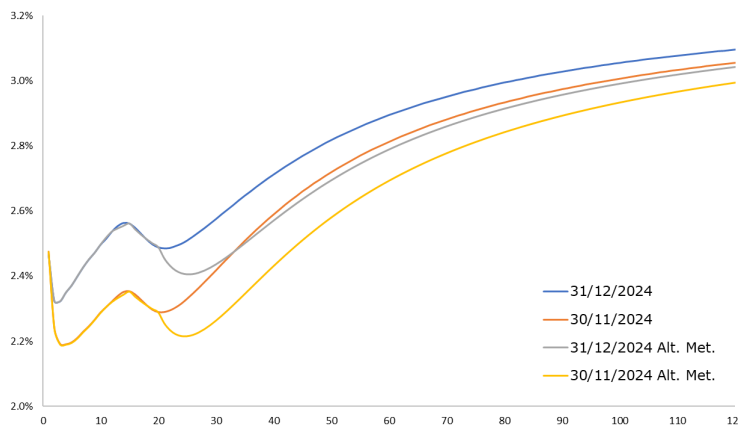
To: Solvency II WG  
 From: Prudential Team  
 Date: 07-01-2025  
 Reference: ECO-SLV-25-003  
 Subject: RFR monthly monitoring - December 2024

## 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](#).

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). Additional information on the alternative extrapolation method proposed by the EC as part of the Solvency II review is included for reference only.

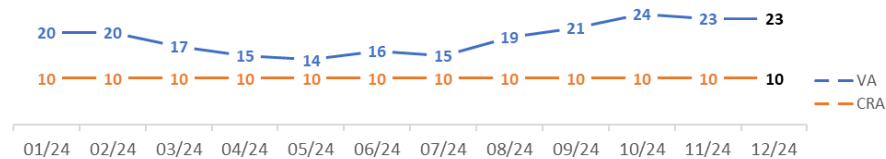
### 1. RFR curves with VA (euro) as at the end of December 2024 vs previous curve



<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Dec 2024</b>	2.50%	2.49%	2.90%
<b>Nov 2024</b>	2.29%	2.29%	2.81%
<i>RFR without VA</i>			
<b>Dec 2024</b>	2.27%	2.26%	2.80%
<b>Nov 2024</b>	2.06%	2.06%	2.71%
<b>Alternative extrapolation Method*</b>			
<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Dec 2024</b>	2.50%	2.49%	2.79%
<b>Nov 2024</b>	2.29%	2.29%	2.69%
<i>RFR without VA</i>			
<b>Dec 2024</b>	2.27%	2.26%	2.70%
<b>Nov 2024</b>	2.06%	2.06%	2.61%

\*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	781	612	180
Value change from previous month	-2.0%	-3.8%	-4.8%

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

