

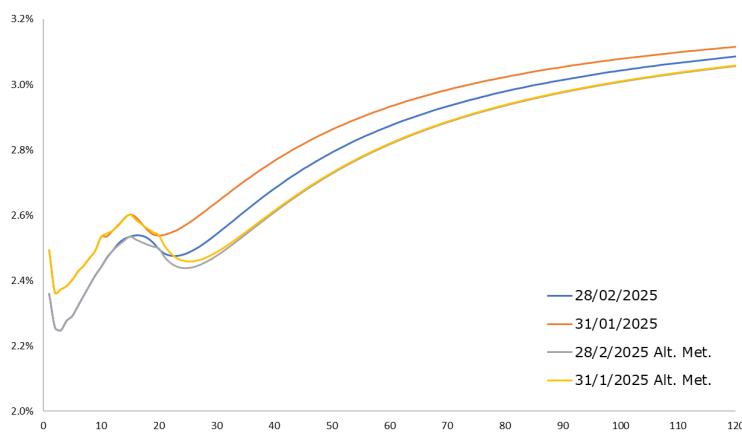
To: Solvency II WG  
 From: Prudential Team  
 Date: 05-02-2025  
 Reference: ECO-SLV-25-105  
 Subject: RFR monthly monitoring - February 2025

## 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.

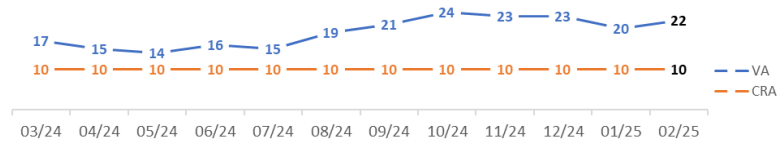
### 1. RFR curves with VA (euro) as at the end of February 2025 vs previous curve



<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2025</b>	2.44%	2.50%	2.87%
<b>Jan 2025</b>	2.53%	2.54%	2.93%
<i>RFR without VA</i>			
<b>Feb 2025</b>	2.22%	2.28%	2.78%
<b>Jan 2025</b>	2.33%	2.34%	2.84%
<b>Alternative extrapolation Method*</b>			
<i>RFR with VA</i>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Feb 2025</b>	2.44%	2.50%	2.82%
<b>Jan 2025</b>	2.53%	2.54%	2.82%
<i>RFR without VA</i>			
<b>Feb 2025</b>	2.22%	2.28%	2.73%
<b>Jan 2025</b>	2.33%	2.34%	2.74%

\*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	786	611	183
Value change from previous month	0.9%	0.8%	3.5%

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

