

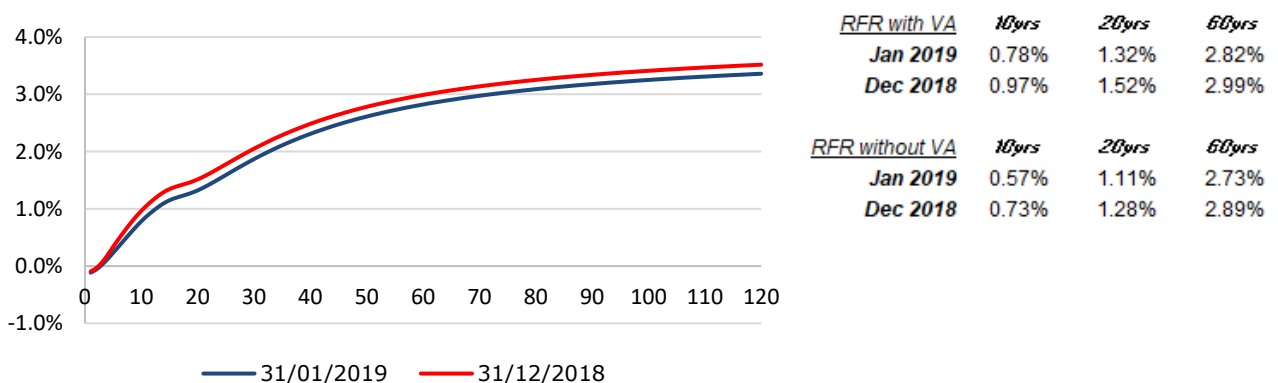
To: Solvency II Working Group  
 From: Prudential Team  
 Date: 8 February 2019  
 Reference: ECO-SLV-19-024

Subject: RFR monthly monitoring January 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 January 2019 vs previous curve



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

	December	January
<b>Volatility Adjustment (VA) (bps)</b>	24	21
<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 January 2019 RFR with VA</b>	925	769	188
<b>Present Value change from December 2018</b>	1.8%	3.9%	10.2%

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

January 2019	December 2018	November 2018	October 2018	September 2018	August 2018	July 2018	June 2018
-3.69%	-6.34%	-3.44%	-3.43%	0.14%	0.34%	1.66%	-0.11%