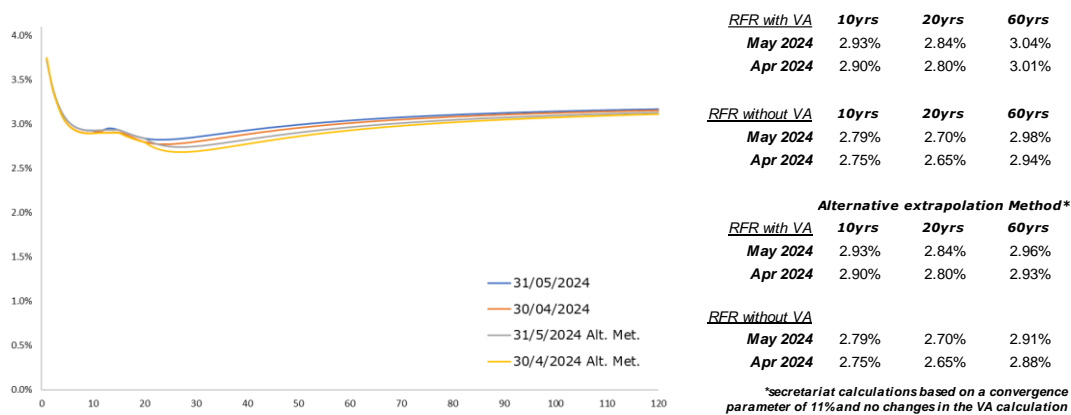


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 06-06-2024  
 Reference: ECO-SLV-24-139  
 Subject: RFR monthly monitoring –May 2024

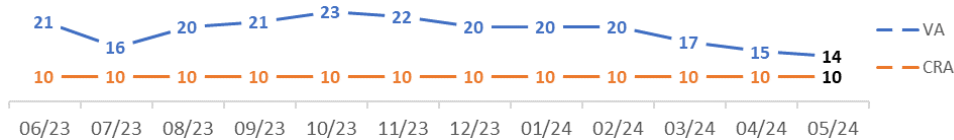
## Background

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 May 2024 vs previous curve



### 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
<b>Present Value using May 2024 RFR with VA</b>	749	571	166
<b>Present Value change from the previous month</b>	-0.3%	-0.8%	-1.8%

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

