

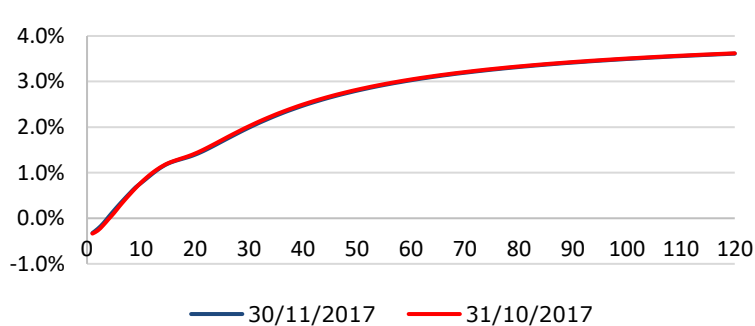
To: Solvency II Working Group  
 From: Prudential Team  
 Date: 6 December 2017  
 Reference: ECO-SLV-17-280

Subject: RFR monthly monitoring November 2017

## 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 providing their methodology for calculation can be found [here](#). The secretariat monitors EIOPA's RFR curves published for the euro as well as the symmetric adjustment on a monthly basis and provides below the summary information for members (Source: EIOPA, Insurance Europe).

### 1. RFR curves with VA (euro) as at end of November 2017 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<b>Nov 2017</b>	0,77%	1,40%	3,03%
<b>Oct 2017</b>	0,78%	1,42%	3,05%
<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<b>Nov 2017</b>	0,74%	1,37%	3,02%
<b>Oct 2017</b>	0,75%	1,39%	3,03%

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

	October	November
<b>Volatility Adjustment (VA) (bps)</b>	3	3
<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 November 2017 RFR with VA</b>	926	758	167
<b>Present Value change from October 2017</b>	0.1%	0.5%	1.0%

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

Nov 2017	Oct 2017	Sep 2017	Aug 2017	Jul 2017	Jun 2017	May 2017	Apr 2017
2.03%	3.39%	2.40%	0.87%	1.17%	0.90%	2.26%	2.10%