

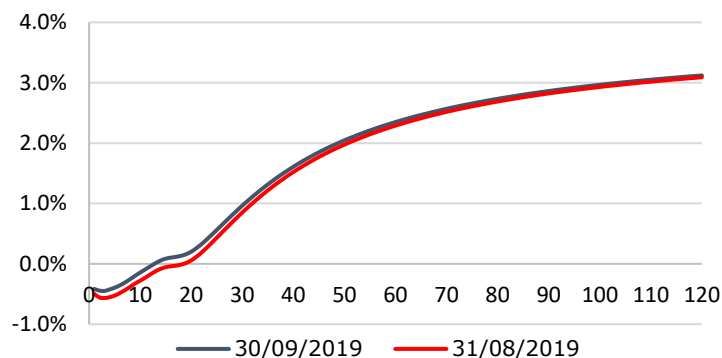
To: Solvency II Working Group  
 From: Prudential Team  
 Date: 8 October 2019  
 Reference: ECO-SLV-19-220

Subject: RFR monthly monitoring September 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 September 2019 vs previous curve



<i>RFR with VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Sep 2019</i>	-0.14%	0.20%	2.35%
<i>Aug 2019</i>	-0.28%	0.06%	2.29%

<i>RFR without VA</i>	<i>10yrs</i>	<i>20yrs</i>	<i>60yrs</i>
<i>Sep 2019</i>	-0.25%	0.09%	2.30%
<i>Aug 2019</i>	-0.38%	-0.04%	2.25%

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

	<b>August</b>	<b>September</b>
<b>Volatility Adjustment (VA) (bps)</b>	10	11
<b>Credit Risk Adjustment (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:

	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>Present Value using July 2019 RFR with VA</b>	1015	960	248
<b>Present Value change from August 2019</b>	-1.4%	-2.9%	-3.4%

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

<b>September 2019</b>	<b>August 2019</b>	<b>July 2019</b>	<b>June 2019</b>	<b>May 2019</b>	<b>April 2019</b>	<b>March 2019</b>	<b>February 2019</b>
-1.97%	-3.43%	-2.03%	-1.72%	-3.96%	-0.34%	-2.20%	-2.45%