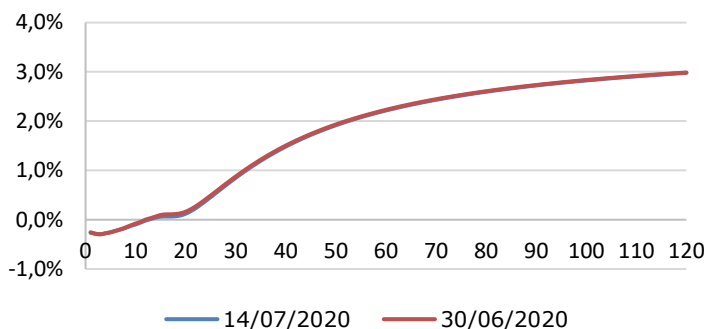


To: Solvency II Working Group
 From: Prudential Team
 Date: 22-07-2020
 Reference: ECO-SLV-20-155
 Subject: RFR weekly monitoring – 14 July 2020

Background

Due to COVID-19 outbreak, EIOPA publishes the RFR curves and symmetric equity adjustment on a weekly basis to support undertakings in the monitoring of their solvency and financial position. 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 the 14 July 2020 vs previous curve



<u>RFR with VA</u>	<u>10yrs</u>	<u>20yrs</u>	<u>60yrs</u>
14 Jul 2020	-0.10%	0.12%	2.22%
30 Jun 2020	-0.08%	0.16%	2.23%
<u>RFR without VA</u>	<u>10yrs</u>	<u>20yrs</u>	<u>60yrs</u>
14 Jul 2020	-0.28%	-0.06%	2.14%
30 Jun 2020	-0.27%	-0.03%	2.15%

2. Change in Volatility Adjustment and Credit Risk Adjustment

	30 June	14 July
Volatility Adjustment (VA) (bps)	19	18
Credit Risk Adjustment (bps)	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
Present Value using 14 July 2020 RFR with VA	1010	976	268
Present Value change from 30 June 2020	0.2%	0.8%	0.8%

4. Symmetric Adjustment of the Equity Capital Charge

14 July 2020	30 June 2020	16 June 2020	31 May 2020	12 May 2020	30 April 2020	21 April 2020	14 April 2020
-5.68%	-6.72%	-6.31%	-8.45%	-10.00%	-10.00%	-10.00%	-10.00%