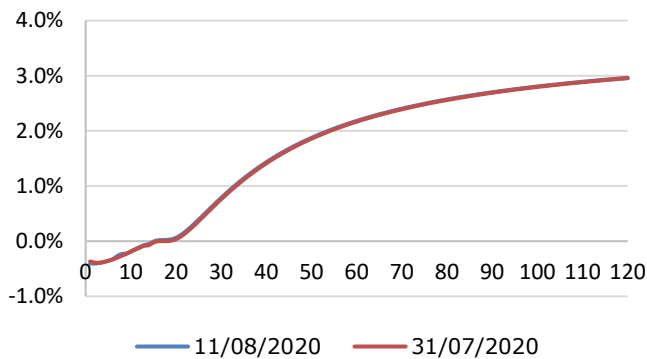


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 14-08-2020  
 Reference: ECO-SLV-20-173  
 Subject: RFR weekly monitoring – 11 August 2020

## 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 11 August 2020 vs previous curve



<u>RFR with VA</u>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>11 Aug 2020</b>	-0.18%	0.06%	2.18%
<b>31 Jul 2020</b>	-0.19%	0.04%	2.17%
<u>RFR without VA</u>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>11 Aug 2020</b>	-0.30%	-0.06%	2.13%
<b>31 Jul 2020</b>	-0.33%	-0.10%	2.11%

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

	<b>31 July</b>	<b>11 August</b>
<b>Volatility Adjustment (VA) (bps)</b>	14	12
<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 11 August 2020 RFR with VA</b>	1019	988	274
<b>Present Value change from 31 July 2020</b>	-0.1%	-0.5%	-0.8%

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

<b>11 August 2020</b>	<b>31 July 2020</b>	<b>14 July 2020</b>	<b>30 June 2020</b>	<b>16 June 2020</b>	<b>31 May 2020</b>	<b>12 May 2020</b>	<b>30 April 2020</b>
-5.07%	-7.13%	-5.68%	-6.72%	-6.31%	-8.45%	-10.00%	-10.00%