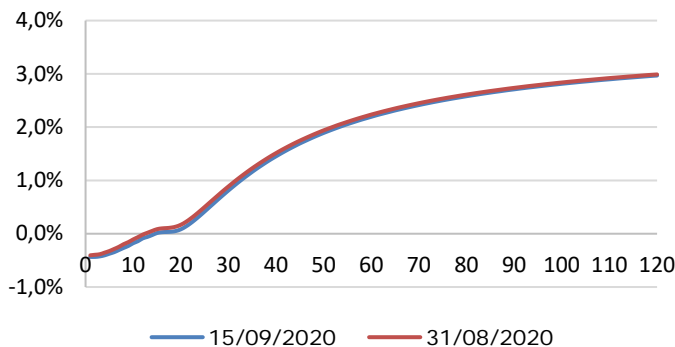


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 18-09-2020  
 Reference: ECO-SLV-20-201  
 Subject: RFR weekly monitoring – 15 September 2020

## 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 15 September 2020 vs previous curve



<u>RFR with VA</u>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>15 Sep 2020</b>	-0.18%	0.08%	2.20%
<b>31 Aug 2020</b>	-0.11%	0.17%	2.24%
<u>RFR without VA</u>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>15 Sep 2020</b>	-0.31%	-0.05%	2.14%
<b>31 Aug 2020</b>	-0.24%	0.04%	2.18%

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

	<b>31 August</b>	<b>15 September</b>
<b>Volatility Adjustment (VA) (bps)</b>	13	13
<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 15 September 2020 RFR with VA</b>	1018	984	272
<b>Present Value change from 31 August 2020</b>	0.7%	1.7%	2.4%

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

<b>15 September 2020</b>	<b>31 August 2020</b>	<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>
-5.07	-5.58%	-5.07%	-7.13%	-5.68%	-6.72%	-6.31%	-8.45%