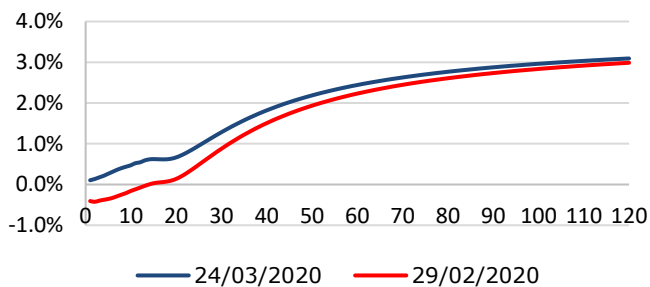


To: Solvency II Working Group
 From: Prudential Team
 Date: 30/03/2020
 Reference: ECO-SLV-20-076
 Subject: RFR weekly monitoring – 24 March 2020

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 24 March 2020 vs previous curve



| <i>RFR with VA</i> | 10yrs | 20yrs | 60yrs |
|-----------------------|--------------|--------------|--------------|
| Mar 2020 | 0.47% | 0.67% | 2.44% |
| Feb 2020 | -0.16% | 0.14% | 2.23% |
| <i>RFR without VA</i> | 10yrs | 20yrs | 60yrs |
| Mar 2020 | -0.04% | 0.16% | 2.23% |
| Feb 2020 | -0.28% | 0.02% | 2.18% |

2. Change in Volatility Adjustment and Credit Risk Adjustment

| | End-February | 24 March |
|---|---------------------|-----------------|
| Volatility Adjustment (VA) (bps) | 12 | 51 |
| 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 24 March 2020 RFR with VA | 954 | 876 | 235 |
| Present Value change from end-February 2020 | -6.1% | -10.0% | -11.6% |

4. Symmetric Adjustment of the Equity Capital Charge

| 24 March 2020 | February 2020 | January 2019 | December 2019 | November 2019 | October 2019 | September 2019 | August 2019 |
|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|-----------------------|--------------------|
| -10.00% | -5.94% | -1.33% | -0.08% | -0.69% | -1.47% | -1.97% | -3.43% |