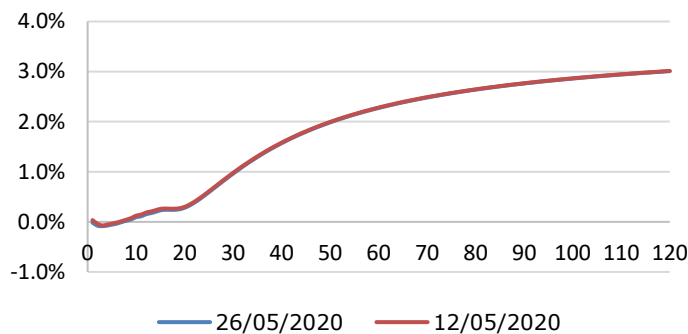


To: Solvency II Working Group  
 From: Prudential Team  
 Date: 29-05-2020  
 Reference: ECO-SLV-20-110  
 Subject: RFR weekly monitoring – 26 May 2020

## 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 26 May 2020 vs previous curve



<u>RFR with VA</u>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>26 May 2020</b>	0.09%	0.28%	2.27%
<b>12 May 2020</b>	0.12%	0.30%	2.28%
<u>RFR without VA</u>	<b>10yrs</b>	<b>20yrs</b>	<b>60yrs</b>
<b>26 May 2020</b>	-0.20%	-0.01%	2.15%
<b>12 May 2020</b>	-0.23%	-0.05%	2.13%

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

	<b>12 May</b>	<b>26 May</b>
<b>Volatility Adjustment (VA) (bps)</b>	35	29
<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 26 May 2020 RFR with VA</b>	991	945	259
<b>Present Value change from 12 May 2020</b>	0.3%	0.4%	0.5%

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

<b>26 May 2020</b>	<b>12 May 2020</b>	<b>30 April 2020</b>	<b>21 April 2020</b>	<b>14 April 2020</b>	<b>06 April 2020</b>	<b>31 March 2020</b>	<b>24 March 2020</b>
-8.93%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%