Bank Guidelines

# Capital Adequacy Standards

# Pillar 3

CENTRAL BANK OF THE UNITED ARAB EMIRATES

December, 2017

# BASEL - II

**TABLE (2)**
(AED OOO's)

**CONSOLIDATED CAPITAL STRUCTURE UNDER BASEL II AS ON ___________________**

| | **Summary Note and References** | **Amount** |
|---|---|---|
| **Tier 1 Capital** | | |
| 1. Paid up share capital/common stock<br>2. Reserves | | |
| a. Statutory reserve | | |
| b. Special reserve<br>c. General reserve [2] | | |
| 3. Minority interests in the equity of subsidiaries<br>4. Innovative capital instruments [1] | | |
| 5. Other capital instruments | | |
| 6. Surplus capital from insurance companies | | |
| ***Sub-total*** | | |
| Less: Deductions for regulatory calculation | | |
| Less: Deductions from Tier 1 capital | | |
| **Tier 1 Capital - Subtotal** | | |
| **Tier 2 capital** | | |
| ***Less: Other deductions from capitals*** | | |
| **Tier 3 capital** | | |
| **Total eligible capital after deductions** | | |

1. Include minority interests in equity accounts of consolidated subsidiaries that take form of SPVs and moderate step-ups in instruments issued through SPV’s, as well as directly issued Tier I instruments, subject to stringent conditions (refer to Basel Committee's press release, Instruments eligible for inclusion in Tier I capital- 27 October 1988) and limited to a maximum of 15% of Tier I capital.
2. Including undisclosed reserves, revaluation reserves, general provisions/general loan loss reserves Hybrid debt capital instruments and subordinated debt.

TABLE (3a and 3b)

**CAPITAL ADEQUACY AS ON** ______________________________

<table>
<tr><td colspan="4">a) Qualitative Disclosures</td></tr>
<tr><td colspan="4">Include here a description of the approach taken by the bank to assess the adequacy of its capital to support current and future activities. For each separate risk area (e.g. credit, market, operational, banking book interest rate risk, equity) banks must describe their risk management objectives and policies as per Para 824 of Basel II.</td></tr>
<tr><td colspan="2">b) Quantitative Disclosures</td><td>Capital Charge (AED 000’s)</td><td>Capital Ratio (%)</td></tr>
<tr><td colspan="2">Capital Requirements</td><td></td><td></td></tr>
<tr><td></td><td>1. Credit Risk</td><td></td><td></td></tr>
<tr><td></td><td>a. Standardised Approach</td><td></td><td></td></tr>
<tr><td></td><td>b. Foundation IRB</td><td></td><td></td></tr>
<tr><td></td><td>c. Advanced IRB</td><td></td><td></td></tr>
<tr><td></td><td>2. Market Risk</td><td></td><td></td></tr>
<tr><td></td><td>a. Standardised Approach</td><td></td><td></td></tr>
<tr><td>or</td><td>b. Models Approach</td><td></td><td></td></tr>
<tr><td></td><td>3. Operational Risk</td><td></td><td></td></tr>
<tr><td></td><td>a. Basic Indicator Approach</td><td></td><td></td></tr>
<tr><td>or</td><td>b. Standardised Approach/ASA</td><td></td><td></td></tr>
<tr><td>or</td><td>c. Advanced Measurement Approach</td><td></td><td></td></tr>
<tr><td></td><td>Total Capital requirements</td><td></td><td></td></tr>
<tr><td></td><td>Capital Ratio</td><td></td><td></td></tr>
<tr><td></td><td>a. Total for Top consolidated Group</td><td></td><td></td></tr>
<tr><td></td><td>b. Tier 1 ratio only for top consolidated Group</td><td></td><td></td></tr>
<tr><td></td><td>c. Total for each significant bank subsidiary</td><td></td><td></td></tr>
</table>

# BASEL - III

TABLE (1)

## INFORMATION ON SUBSIDIARIES AND SIGNIFICANT INVESTMENTS AS ON ______________

**Basis of Consolidation[1] : __**

| | Country of Incorporation | % Ownership | Description [2] | Accounting Treatment [3] | Surplus Capital[4] | Capital Deficiencies[5] | Total Interests[6] |
|---|---|---|---|---|---|---|---|
| *Subsidiaries:* | | | | | | | |
| *Significant Investments:* | | | | | | | |

**Restrictions on transfer of regulatory capital within the group:**

1. Include an outline of differences in the basis of consolidation of subsidiaries for accounting and regulatory purposes.
2. A brief description of the entities within the group such as securities, insurance, other financial subsidiaries, commercial subsidiaries, significant minority equity investments in insurance, financial and commercial entities.
3. Report the accounting treatment as:
   - that are fully consolidated;
   - that are pro-rata consolidated;
   - that are given a deduction treatment;
   - those from which surplus capital is recognized, and
   - that are neither consolidated nor deducted (e.g. where the investment is risk weighted)
4. The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group. Surplus capital in unconsolidated regulated subsidiaries is the difference between the amount of investment in those entities and their regulatory capital requirements.
5. The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. they are deducted.
6. The aggregate amounts (e.g. current book value) of the licensed bank's total interests in insurance entities, which are risk-weighted rather than deducted from capital or subjected to an alternate group-wide method, as well as, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this (it's required to method) versus using the deduction or alternate group-wide method

## CONSOLIDATED CAPITAL STRUCTURE UNDER BASEL III AS ON _____________

**TABLE 2**
**AED 000**

| Details | | Summary Note and References | Amount |
|---|---|---|---|
| **Capital Base** | | | |
| **1** | **Common Equity Tier 1 (CET1) Capital** | | |
| 1.1 | Share Capital | | |
| 1.2 | Share premium account | | |
| 1.3 | Eligible Reserves | | |
| 1.4 | Retained Earnings / (-) Loss | | |
| 1.5 | Eligible amount of minority interest | | |
| 1.6 | Capital shortfall if any | | |
| | **CET1 capital Before the regulatory adjustments and threshold deduction** | | |
| 1.7 | Less: Regulatory deductions | | |
| 1.8 | Less: Threshold deductions | | |
| | **Total CET1 capital after the regulatory adjustments and threshold deduction** | | |
| | **Total CET1 capital after transitional arrangement for deductions (CET1)** | | |
| **2** | **Additional Tier 1 (AT1) Capital** | | |
| 2.1 | Eligible AT1 capital (After grandfathering) | | |
| 2.2 | Other AT1 Capital e.g. (Share premium, minority interest) | | |
| | **Total AT1 capital** | | |
| | **Total AT1 capital after transitional arrangements (AT1)** | | |
| **3** | **Tier 2 (T2) Capital** | | |
| 3.1 | Tier 2 Instruments e.g. subordinated loan (After grandfathering and/or amortization) | | |
| 3.2 | Other Tier 2 capital (including General Provisions, etc.) [1] | | |
| | **Total T2 Capital** | | |
| | **Total T2 capital after transitional arrangements (T2)** | | |

[1] Impact of changes in fair value reserve should be factored here

## CAPITAL ADEQUACY as on ________________________________

**TABLE 3A AND 3B**

| **a) Qualitative Disclosures** |
|---|
| Include here a description of the approach taken by the bank to assess the adequacy of its capital to support current and future activities. For each separate risk area (e.g. credit, market, operational, banking book interest rate risk, equity) banks must describe their risk management objectives and policies as per Basel III. |

| **a) Quantitative Disclosures** | | | | **AED 000** |
|---|---|---|---|---|
| | **Capital Requirements** | **RWA** | **Capital Charge** | Capital Ratio (%) |
| | | | | |
| 1 | Credit Risk - Standardized Approach | | | |
| 2 | Market Risk - Standardized Approach | | | |
| 3 | Operation Risk | | | |
| | a. Basic Indicator Approach | | | |
| | b. Standardised Approach/ASA | | | |
| | c. Advanced Measurement Approach | | | |
| | **Total Capital requirements** | | | |
| | | | | |
| | **Capital Ratio** | | | |
| | **a. Total for Top consolidated Group** | | | |
| | **b. Tier 1 ratio only for top consolidated Group** | | | |
| | **c. CET1 ratio only for top consolidated Group** | | | |

**TABLE 4(a)**

## Qualitative Disclosures

| **Definition of past due and impaired (for accounting purposes)** | | |
|---|---|---|
| | | |
| **Description of approaches followed for specific and general allowances and statistical methods** | | |
| **Specific**<br><br>**General** | | |
| **Discussion of Bank’s credit risk management policy** | | |
| | | |
| **Partial adoption of foundation IRB/advanced IRB** | | |
| **Approach** | **Description of exposures** | **Plans and timing of migration to implement fully higher approach** |
| Standardised Approach | | |
| Foundation IRB | | |
| Advanced IRB | | |

**TABLE 4(b)**

**GROSS CREDIT EXPOSURES BY CURRENCY TYPE AS ON**

(AED OOO's)

| | **Loans** | **Debt Securities** | **Total Funded** | **Commitments** | **OTC Derivatives** | **Other Off-Balance Sheet exposures** | **Total Non-Funded** | **Total** |
|---|---|---|---|---|---|---|---|---|
| Foreign Currency | | | | | | | | |
| AED | | | | | | | | |

**TABLE 4(c)**

**GROSS CREDIT EXPOSURES BY GEOGRAPHY AS ON** (AED OOO's)

| GEOGRAPHIC DISTRIBUTION | Loans | Debt Securities | Total Funded | Commitments | OTC Derivatives | Other Off-Balance Sheet exposures | Total Non-Funded | Total |
|---|---|---|---|---|---|---|---|---|
| United Arab Emirates | | | | | | | | |
| GCC excluding UAE | | | | | | | | |
| Arab League (excluding GCC) | | | | | | | | |
| Asia | | | | | | | | |
| Africa | | | | | | | | |
| North America | | | | | | | | |
| South America | | | | | | | | |
| Caribbean | | | | | | | | |
| Europe | | | | | | | | |
| Australia | | | | | | | | |
| Others | | | | | | | | |
| **Total** | | | | | | | | |

1. Concerning independent institutions insert the figures opposite the country that licensed them.
2. Concerning institutions that operate as branches for their H.O. insert the figures opposite the country where the H.O. are licensed.

TABLE 4(d)

## GROSS CREDIT EXPOSURE BY INDUSTRY SEGMENT AS ON

(AED OOO's )

| INDUSTRY SEGMENT | Loans | Debt Securities | Total Funded | Commitments | OTC Derivatives | Other Off-Balance Sheet exposures | Total Non-Funded | Gross |
|---|---|---|---|---|---|---|---|---|
| Agriculture, Fishing & related activities[1] | | | | | | | | |
| Crude Oil, Gas, Mining & Quarrying[2] | | | | | | | | |
| Manufacturing[3] | | | | | | | | |
| Electricity& Water | | | | | | | | |
| Construction [4] | | | | | | | | |
| Trade [5] | | | | | | | | |
| Transport, Storage & Communication[6] | | | | | | | | |
| Financial Institutions [7] | | | | | | | | |
| Services[8] | | | | | | | | |
| Government[9] | | | | | | | | |
| Retail/Consumer banking[1o] | | | | | | | | |
| All Others | | | | | | | | |
| **Total** | | | | | | | | |

1. Agriculture, Fishing and Allied Activities includes cultivation of crops, dairy and poultry farming, fishing & other activities (sheep rearing, etc).
2. Crude Oil, Gas, Mining and Quarrying include crude petroleum, natural gas and others.
3. Manufacturing includes food, tobacco, beverages, textile, leather, footwear, clothing, furniture, fixtures, other wood products, paper, paper products, printing presses, chemical, chemical products, petroleum refining, petrochemicals, basic metal products including aluminum, fabricated metal products, machinery, equipment, construction materials (brick tiles, etc.), cement, ship building, engineering works, saw mills, marble tiles and other manufacturing.
4. Construction includes construction of buildings, contractors and other construction.
5. Trade includes wholesale trade in construction materials, consumer durables, motor vehicles, non-durables and retail trade.
6. Transport and communication includes taxies, and other land transport, water transport, air transport, warehousing, storage and others.
7. Financial institutions include insurance companies, money and exchange dealers, NBFCS and other financial institutions.
8. Services include hotel and restaurants, professional services, repair work (repair of motor vehicles, a/cs, etc.), recreation services (cinemas, sports club, etc.) and other services.
9. Government includes federal government and local government.
10. Retail/consumer lending includes personal loan installments, residential mortgage loans, car loans, credit cards, other retail products, loans for investments in shares etc.

TABLE 4(e)

**GROSS CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY AS ON ______________________**

(AED OOO's)

| **RESIDUAL CONTRACTUAL MATURITY** | Loans | Debt Securities | Total Funded | Commitments | OTC Derivatives | Other Off-Balance Sheet exposures | Total Non-Funded |
|---|---|---|---|---|---|---|---|
| Less than 3 months | | | | | | | |
| 3 months to one year | | | | | | | |
| One to five years | | | | | | | |
| Over five years | | | | | | | |
| Grand Total | | | | | | | |

TABLE 4(f)

## IMPAIRED LOANS BY INDUSTRY SEGMENT AS ON

(AED OOO's)

| INDUSTRY SEGMENT | OVERDUE | | | PROVISIONS | | ADJUSTMENTS | | Total Impaired Assets |
|---|---|---|---|---|---|---|---|---|
| | Less than 90 days | 90 days and above | Total | Specific | General | Write-offs | Write-backs | |
| Agriculture, Fishing & related activities[1] | | | | | | | | |
| Crude Oil, Gas, Mining & Quarrying[2] | | | | | | | | |
| Manufacturing[3] | | | | | | | | |
| Electricity& Water | | | | | | | | |
| Construction [4] | | | | | | | | |
| Trade[5] | | | | | | | | |
| Transport, Storage & Communication[6] | | | | | | | | |
| Financial Institutions[7] | | | | | | | | |
| Services[8] | | | | | | | | |
| Government[9] | | | | | | | | |
| Retail/consumer banking[10] | | | | | | | | |
| All Others | | | | | | | | |
| **Grand Total** | | | | | | | | |

1. Agriculture, Fishing and Allied Activities includes cultivation of crops, dairy and poultry farming, fishing other activities (sheep rearing, etc).
2. Crude Oil, Gas, Mining and Quarrying include crude petroleum, natural gas and others.
3. Manufacturing includes food, tobacco, beverages, textile, leather, footwear, clothing, furniture, fixtures, other wood products, paper, paper products, printing presses, chemical, chemical products, petroleum refining, petrochemicals, basic metal products including aluminium, fabricated metal products, machinery, equipment, construction materials (brick tiles, etc.), cement, ship building, engineering works, saw mills, marble tiles and other manufacturing.
4. Construction includes construction of buildings, contractors and other construction.
5. Trade includes wholesale trade in construction materials, consumer durables, motor vehicles, non-durables and retail trade.
6. Transport and communication includes taxies, and other land transport, water transport, air transport, warehousing, storage and others.
7. Financial institutions include insurance companies, money and exchange dealers, NBFCS and other financial institutions.
8. Services include hotel and restaurants, professional services, repair work (repair of motor vehicles, a/cs, etc.), recreation services (cinemas, sports club, etc.) and other services.
9. Government includes federal government and local government.
10. Retail/consumer lending includes personal loan instalments, residential mortgage loans, car loans, credit cards, other retail products, loans for investments in shares etc.

**TABLE 4(g)**

**IMPAIRED LOANS BY GEOGRAPHIC DISTRIBUTION AS ON ___________________________________**

(AED OOO's )

| **Geographic Region** | **OVERDUE** | | | **PROVISIONS** | | **ADJUSTMENTS** | | **Total Impaired Assets** |
|---|---|---|---|---|---|---|---|---|
| | **Less than 90 days** | **90 days and above** | **Total** | **Specific** | **General** | **Write-offs** | **Write-backs** | |
| United Arab Emirates | | | | | | | | |
| GCC (excluding UAE) | | | | | | | | |
| Arab League (excluding GCC) | | | | | | | | |
| Asia | | | | | | | | |
| Africa | | | | | | | | |
| North America | | | | | | | | |
| South America | | | | | | | | |
| Caribbean | | | | | | | | |
| Europe | | | | | | | | |
| Australia | | | | | | | | |
| Others | | | | | | | | |
| **Grand Total** | | | | | | | | |

Note: Jurisdictions should not be included more than once under the geographic region

TABLE 4(h)

## RECONCILIATION OF CHANGES IN PROVISION FOR IMPAIRED LOANS FOR THE PERIOD TO

| | **Description** | **AED 000's** |
|---|---|---|
| | **Opening Balance of Provisions for Impaired Loans** | |
| Add: | Charge for the year | |
| | • Specific provisions | |
| | • General provisions | |
| Add: | Write-off of impaired loans to income statement | |
| Less: | Recovery of loan loss provisions | |
| Less: | Recovery of loans previously written-off | |
| Less: | Write-back of provisions for loans | |
| | Adjustments of loan loss provisions | |
| | **Closing Balance of Provisions for Impaired Loans** | |

**TABLE 4(i)**

## LOAN PORTFOLIO AS PER STANDARDISED APPROACH AS ON

(AED OOO's)

| ASSET CLASSES | ON BALANCE SHEET | OFF BALANCE SHEET | CREDIT RISK MITIGATION (crm) | | | RISK WEIGHTED ASSETS |
|---|---|---|---|---|---|---|
| See Basel II, June 2006, Para 50 to 81, and Central Bank National Discretions | GROSS OUTSTANDING | NET EXPOSURE AFTER CREDIT CONVERSION FACTORS (CCF) | EXPOSURE BEFORE CRM | CRM | AFTER CRM | |
| CLAIMS ON SOVEREIGNS | | | | | | |
| CLAIMS ON NON-CENTRAL GOVERNMENT PUBLIC SECTOR ENTITIES (PSEs) | | | | | | |
| CLAIMS ON MULTI LATERAL DEVELOPMENT BANKS | | | | | | |
| CLAIMS ON BANKS | | | | | | |
| CLAIMS ON SECURITIES FIRMS | | | | | | |
| CLAIMS ON CORPORATES | | | | | | |
| CLAIMS INCLUDED IN THE REGULATORY RETAIL PORTFOLIO | | | | | | |
| CLAIMS SECURED BY RESIDENTIAL PROPERTY | | | | | | |
| CLAIMS SECURED BY COMMERCIAL REAL ESTATE | | | | | | |
| PAST DUE LOANS | | | | | | |
| HIGH RISK CATEGORIES | | | | | | |
| OTHER ASSETS | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **CLAIMS ON SECURITISED ASSETS** | | | | | | |
| **CREDIT DERIVATIVES (Banks Selling protection)** | | | | | | |
| **TOTAL CLAIMS** | | | | | | |

**TABLE 5 (a & b)**

## a) Qualitative Disclosures

- For each portfolio, name of ECAIs used, plus reasons for any changes
- Types of exposure for which each agency is used

**LOAN PORTFOLIO AS PER STANDARDISED APPROACH AS ON**

(AED OOO's)

| b) Quantitative<br>Asset Class | Gross Credit Exposures | | | | | Exposures Subject to Deduction | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rated | Unrated | Total | Post CRM | RWA Post CRM | Rated | Unrated | Total | Post CRM | RWA Post CRM |
| Claims on Sovereigns | | | | | | | | | | |
| Claims on Public Sector Entities | | | | | | | | | | |
| Claims on Multilateral Development Banks | | | | | | | | | | |
| Claims on securities firms | | | | | | | | | | |
| Claims on Banks | | | | | | | | | | |
| Claims on Corporate | | | | | | | | | | |
| Regulatory & other retail exposure | | | | | | | | | | |
| Residential retail exposure | | | | | | | | | | |
| Commercial Real Estate | | | | | | | | | | |
| Other assets | | | | | | | | | | |
| Claims on Securitised Assets | | | | | | | | | | |
| Credit Derivatives (Banks selling protection) | | | | | | | | | | |
| **Grand Total** | | | | | | | | | | |

TABLE 7 (a, b & c)

## CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACH AS ON __________

### a) Qualitative Disclosures

Policies and processes covering credit risk mitigation, including summary of:

- Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting;
- Policies and processes for collateral valuation and management;
- Description of the main types of collateral taken by the bank;
- The main types of guarantor/credit derivative counter-party and their credit worthiness; and
- Information about (market or credit) risk concentrations within the mitigation taken.

(AED OOO's)

| b) | Quantitative Disclosures | Exposures | Risk Weighted Assets |
|---|---|---|---|
| | **Gross Exposure prior to Credit Risk Mitigation** | | |
| Less: | Exposure covered by on-balance sheet netting | | |
| Less: | Exposures covered by Eligible Financial Collateral | | |
| Less: | Exposures covered by Guarantees | | |
| Less: | Exposures covered by Credit Derivatives | | |
| | **Net Exposures after Credit Risk Mitigation** | | |

**TABLE 10**

**TOTAL CAPITAL REQUIREMENT FOR MARKET RISK UNDER STANDARDISED APPROACH AS ON __________**

(AED OOO's)

| **Market Risk** | **Amount** |
|---|---|
| Interest rate risk | |
| Equity position risk | |
| Foreign exchange risk | |
| Commodity risk | |
| **Total Capital Requirement** | |

**TABLE 13**
(AED OOO's )

**EQUITY POSITION IN THE BANKING BOOK AS OF ________________________________________**

## a) Qualitative Disclosures

The general qualitative disclosure requirement (Paragraph 824 of Basel II) with respect to equity risk, including:

- Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and
- Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices

As at ________, the bank's total equity investment portfolio in the banking book amounted to AED_________% of which represents quoted investments. For details of the accounting policies and valuation methodology, please refer to Note X to the consolidated financial statements under 'Significant Accounting Policies' Details of cost, market and fair value are reported in Note y to the consolidated financial statements under the heading of "Non- Trading investments.

## b) Quantitative Disclosures

**1. QUANTITATIVE DETAILS OF EQUITY POSITION:**

| Type | Current Year | | Previous Year | |
|---|---|---|---|---|
| | Publicly Traded | Privately Held | Publicly Traded | Privately Held |
| Equities | | | | |
| Collective investment schemes | | | | |
| Any other investment | | | | |
| Total | | | | |

**2. REALISED, UNREALISED AND LATENT REVALUATION GAINS (LOSES) DURING THE YEAR:**

| Gains (Losses) | Amount |
|---|---|
| Realised gains (losses) from sales and liquidations | |
| *Unrealised gains (losses) recognised in the balance sheet but not through profit and loss account | |
| **Latent revaluation gains (losses) for investment recorded at cost but not recognised in balance sheet or profit and loss account | |
| Total | |

**3. ITEMS IN (2) ABOVE INCLUDED IN TIER 1/TIER 2 CAPITAL:**

| Tier Capital | Amount |
|---|---|
| Amount included in Tier I capital | |
| Amount included in Tier II capital | |
| Total | |

**TABLE 13**
**(CON'T)**

**EQUITY POSITION IN THE BANKING BOOK AS OF __________**

**4. CAPITAL REQUIREMENTS BY EQUITY GROUPINGS:**

(AED OOO's)

| **Grouping** | **Amount** |
|---|---|
| Strategic investments | |
| Available for sale | |
| Held for trading | |
| Total capital requirement | |

**INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) AS OF _______________** **Table 14**

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability, cash flows or the fair values of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that mature or reprice in a given period. The Board of Directors has established acceptable levels of interest rate risk by setting limits on the interest rate gaps for stipulated periods. The Bank manages interest rate risk by matching the repricing of assets and liabilities through risk management strategies and monitors the positions on a daily basis to ensure they are maintained within established limits. Adherence to these limits is monitored by ALCO.

Interest rate risk is also assessed by measuring the impact of defined movements in interest yield curves on the Bank's net interest income. The following impact on the net interest income and regulatory capital for the year of an immediate and permanent movement in interest yield curves as at _

| Shift in Yield Curves | Net Interest Income | Regulatory Capital |
|---|---|---|
| +200 basis point | | |
| - 200 basis point | | |
| | | |

The above interest rate sensitivities are illustrative only and adopt simplified scenarios. The sensitivities do not incorporate actions that could be taken by management to mitigate the effect of interest rate movements.