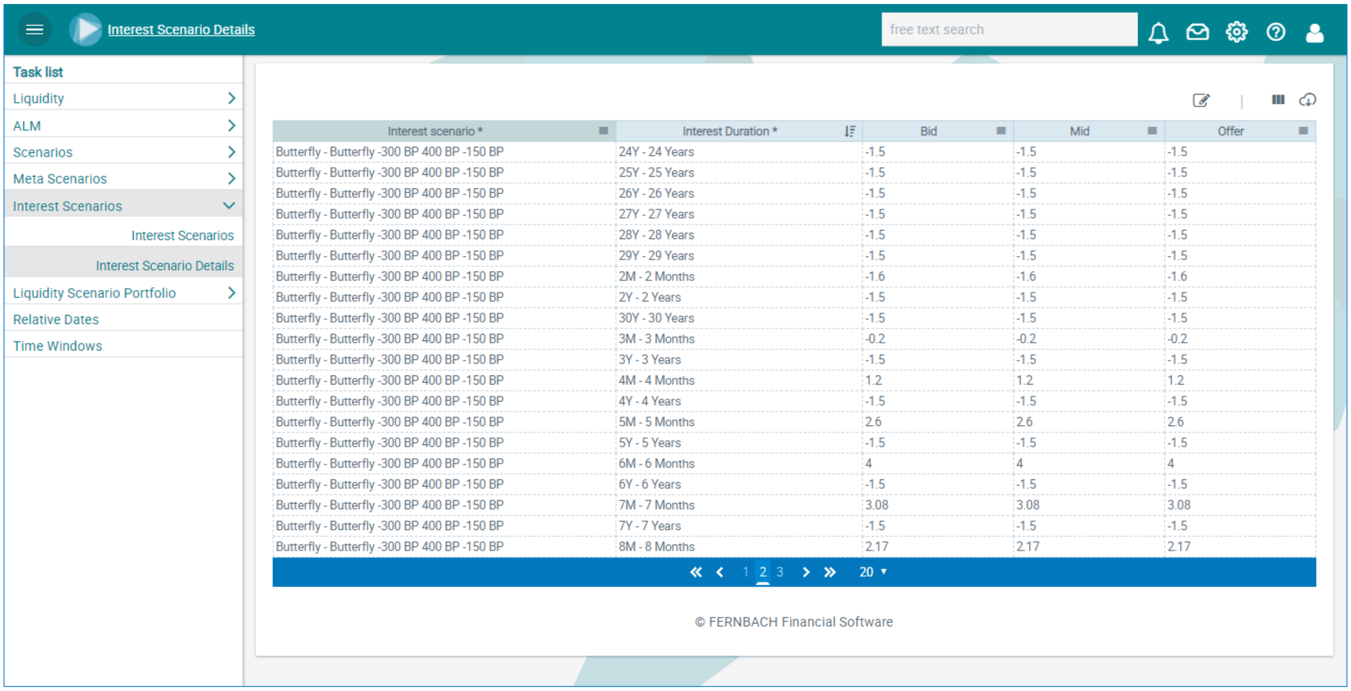
Interest Rate Scenarios

Fixing of future customer interest rates can be simulated for variable-rate products. In this case, market interest rates are simulated followed by the resulting customer interest rate. Any number of set dates with relative or absolute interest rate shifts can be defined for interest rate scenarios. Linear interpolation is used to fill any gaps in intermediate values. The yield curve to be used is determined by business criteria such as deal type, currency, source of market data (rate source). Various yield curves (multi-curve valuation) can be used for one currency.
The expected interest cash flows for the deals are re-calculated for each interest rate scenario. The corresponding changes to the capital are also adjusted for annuities or capitalised interest. Different interest rate scenarios can be analysed in parallel for a portfolio with variable-rate deals.



Interest scenario *	Interest Duration *	Bid	Mid	Offer
Butterfly - Butterfly -300 BP 400 BP -150 BP	24Y - 24 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	25Y - 25 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	26Y - 26 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	27Y - 27 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	28Y - 28 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	29Y - 29 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	2M - 2 Months	-1.6	-1.6	-1.6
Butterfly - Butterfly -300 BP 400 BP -150 BP	2Y - 2 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	30Y - 30 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	3M - 3 Months	-0.2	-0.2	-0.2
Butterfly - Butterfly -300 BP 400 BP -150 BP	3Y - 3 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	4M - 4 Months	1.2	1.2	1.2
Butterfly - Butterfly -300 BP 400 BP -150 BP	4Y - 4 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	5M - 5 Months	2.6	2.6	2.6
Butterfly - Butterfly -300 BP 400 BP -150 BP	5Y - 5 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	6M - 6 Months	4	4	4
Butterfly - Butterfly -300 BP 400 BP -150 BP	6Y - 6 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	7M - 7 Months	3.08	3.08	3.08
Butterfly - Butterfly -300 BP 400 BP -150 BP	7Y - 7 Years	-1.5	-1.5	-1.5
Butterfly - Butterfly -300 BP 400 BP -150 BP	8M - 8 Months	2.17	2.17	2.17