

ANNEX 2

ON-LINE PRUDENTIAL REPORT

BASEL II IMPLEMENTATION

الباب الثالث عشر - الجداول والنماذج وتعليمات تعبئتها

المخاطر المصرفية
نسبة كفاية رأس المال

تابع ملحق رقم (٩)

CREDIT - THE STANDARDISED APPROACH												
Table 1- Input Sheet												
Bank :-	Date: - Prepared by:											
Asset Categories for Credit Risk	On Balance Sheet	Off Balance Sheet - Actual Outstanding Note 1										
	Actual Outstanding Note 1	Undrawn Commitments		Doc. LCs	Bid / Performance Bonds	Other Guarantees	Interest Rate Contracts			Exchange Rate Contracts		
		less than 1 year	over 1 year				less than 1 year	> 1 year and <2 years	p.a. on each additional year	less than 1 year	> 1 year and <2 years	p.a. on each additional year
1. State of Qatar/ Central Banks Note 2												
Local Currency												
Foreign Currency												
Total State of Qatar	0	0	0	0	0	0	0	0	0	0	0	0
2. Public Sector Entities (PSEs) Note 3												
PSEs in Qatar & GCC												
AAA to A+												
A+ to A-												
BBB+ to BBB-												
BB+ to B-												
Below B-												
Unrated												
Total Domestic PSEs	0	0	0	0	0	0	0	0	0	0	0	0
3. Other Sovereign / State / Central Banks												
AAA to A+												
A+ to A-												
BBB+ to BBB-												
BB+ to B-												
Below B-												
Unrated												
Total Other Sovereigns	0	0	0	0	0	0	0	0	0	0	0	0
4. Multilateral Development Banks (MDBs) Note 4												
Total MDBs	0	0	0	0	0	0	0	0	0	0	0	0
5. Banks Note 5												
AAA to A+												
A+ to A-												
BBB+ to BBB-												
BB+ to B-												
Below B-												
Unrated												
Total Banks	0	0	0	0	0	0	0	0	0	0	0	0
6. Investment Firms												
AAA to A+												
A+ to A-												
BBB+ to BBB-												
BB+ to B-												
Below B-												
Unrated												
Total Investment Firms	0	0	0	0	0	0	0	0	0	0	0	0
7. Corporate Note 6												
AAA to A+												
A+ to A-												
BBB+ to BBB-												
BB+ to B-												
Below B-												
Unrated												
Total Corporate	0	0	0	0	0	0	0	0	0	0	0	0
8. Retail												
a. Personal Loans Note 7												
b. Residential Mortgage Loans Note 8												
c. Commercial Real Estate Loans Note 9												
d. Other Retail Note 10												
Total Retail	0	0	0	0	0	0	0	0	0	0	0	0
9. Past due (over 90 days) Note 11												
Specific Provision less than 20%												
Specific Provision more than 20% to 50%												
Specific Provision more than 50%												
Total Past Due	0	0	0	0	0	0	0	0	0	0	0	0
10. Other Assets												
a. Cash on hand - local and foreign currency												
b. Gold Note 12												
c. Cash items under collection / receivable funds Note 13												
d. Others Note 14												
Total Other Assets	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BANKING BOOK	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRADING BOOK Note 15												
TOTAL ASSETS Note 16	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- All claims should be net of specific provisions. Exclude past due amounts which are reported separately under asset category 9.
- Report local and foreign currency claims on State of Qatar.
- Option 1 of Basel Accord selected. Include all entities owned 100% by the State, entities owned less than 100% should be classified under corporate.
- Include all claims on World Bank Group, ADB, African Dev Bank, EBRD, IADB, EIB, Nordic Invest. Bank, Caribbean Dev. Bank, Islamic Dev. Bank, & Council of Europe Dev. Bank
- Option 2 of Basel Accord selected
- Exclude loans to small business, which are posted as Retail. Corporates are currently risk weighted at 100%.
- Include all personal loans and overdrafts and loans to small businesses if the loan amount does not exceed QR 2.5 million
- Include all loans against the mortgage of residential property
- Include only commercial real estate loans to individuals and small businesses
- Include all loans to individuals and small businesses that do not qualify under asset category 8a, 8b, or 8c.
- Include past due amounts net of specific provision and interest suspense.
- Include only physical holdings of gold. Holdings at another bank should be reported under banks
- All cash items under collection and receivable funds outstanding after 8th working day after due settlement attract 20% risk weight
- Include all other assets (eg. premises & equipment etc) excluding trading book assets (debt/equities)
- Include all trading book assets (debt/equities)
- This figure should match with total assets reported by the bank (less specific provisions and interest suspense)

CREDIT RISK - THE STANDARDISED APPROACH
Table 2 - Credit Conversion Calculation

QR '000s

Bank :-	Date: - -										Prepared by:	Total Off Balance Sheet - Credit Equivalent
Asset Categories for Credit Risk	Off Balance Sheet - Credit Conversion Factors (CCF)											
	Undrawn Commitments		Doc. LCs (20%)	Bid / Performance Bonds(50%)	Other Guarantees / commitments (100%) Note 3/ Forward commitments Note 4	Interest Rate Contracts (Note 1)			Exchange Rate Contracts (Note 2)			
	less than 1 year (20%)	over 1 year (50%)				less than 1 year	> 1 year and <2 years	p.a. on each additional year	less than 1 year	> 1 year and <2 years	p.a. on each additional year	
1. Sovereign / State / Central Banks												
State of Qatar - Local Currency	0	0	0	0	0	0	0	0	0	0	0	0
State of Qatar - Foreign Currency	0	0	0	0	0	0	0	0	0	0	0	0
Total State of Qatar	0	0	0	0	0	0	0	0	0	0	0	0
2. Public Sector Entities (PSEs)												
PSEs in Qatar * GCC	0	0	0	0	0	0	0	0	0	0	0	0
AAA to AA-	0	0	0	0	0	0	0	0	0	0	0	0
A+ to A-	0	0	0	0	0	0	0	0	0	0	0	0
BBB+ to BBB-	0	0	0	0	0	0	0	0	0	0	0	0
BB+ to B-	0	0	0	0	0	0	0	0	0	0	0	0
Below B-	0	0	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0	0	0
Total Domestic PSEs	0	0	0	0	0	0	0	0	0	0	0	0
3. Sovereign / State / Central Banks												
AAA to AA-	0	0	0	0	0	0	0	0	0	0	0	0
A+ to A-	0	0	0	0	0	0	0	0	0	0	0	0
BBB+ to BBB-	0	0	0	0	0	0	0	0	0	0	0	0
BB+ to B-	0	0	0	0	0	0	0	0	0	0	0	0
Below B-	0	0	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0	0	0
Total Sovereign	0	0	0	0	0	0	0	0	0	0	0	0
4. Multilateral Development Banks (MDBs)												
Total MDBs	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
5. Banks												
AAA to AA-	0	0	0	0	0	0	0	0	0	0	0	0
A+ to A-	0	0	0	0	0	0	0	0	0	0	0	0
BBB+ to BBB-	0	0	0	0	0	0	0	0	0	0	0	0
BB+ to B-	0	0	0	0	0	0	0	0	0	0	0	0
Below B-	0	0	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0	0	0
Total Banks	0	0	0	0	0	0	0	0	0	0	0	0
6 Investment Firms												
AAA to AA-	0	0	0	0	0	0	0	0	0	0	0	0
A+ to A-	0	0	0	0	0	0	0	0	0	0	0	0
BBB+ to BBB-	0	0	0	0	0	0	0	0	0	0	0	0
BB+ to B-	0	0	0	0	0	0	0	0	0	0	0	0
Below B-	0	0	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0	0	0
Total Investment Firms	0	0	0	0	0	0	0	0	0	0	0	0
7. Corporate												
AAA to AA-	0	0	0	0	0	0	0	0	0	0	0	0
A+ to A-	0	0	0	0	0	0	0	0	0	0	0	0
BBB+ to BB-	0	0	0	0	0	0	0	0	0	0	0	0
Below BB-	0	0	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0	0	0
Total Corporate	0	0	0	0	0	0	0	0	0	0	0	0
8. Retail												
a. Personal Loans	0	0	0	0	0	0	0	0	0	0	0	0
b. Residential Mortgage Loans	0	0	0	0	0	0	0	0	0	0	0	0
c. Commercial Real Estate Loans	0	0	0	0	0	0	0	0	0	0	0	0
d. Other Retail	0	0	0	0	0	0	0	0	0	0	0	0
Total Retail	0	0	0	0	0	0	0	0	0	0	0	0
9. Past dues (over 90 days)												
Specific Provision less than 20%	0	0	0	0	0	0	0	0	0	0	0	0
Specific Provision more than 20% to 50%	0	0	0	0	0	0	0	0	0	0	0	0
Specific Provision more than 50%	0	0	0	0	0	0	0	0	0	0	0	0
Total Past Due	0	0	0	0	0	0	0	0	0	0	0	0
10. Other Assets												
a. Cash on hand - local and foreign currency												
b. Gold												
c. Cash items under collection /receivable funds												
d. Others												
Total Other Assets												
TOTAL BANKING BOOK	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
TOTAL TRADING BOOK												
TOTAL ASSETS	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Notes:												
1. Interest rate contract CCF is 0.5% for final maturity less than 1 year, 1% if over 1 year and less than 2 years, 1% p.a. on each additional year												
2. Exchange rate contract CCF is 2% for final maturity less than 1 year, 5% if over 1 year and less than 2 years, 3% p.a. on each additional year												
3. Commitments cancellable at anytime without prior notice or automatic cancellation will receive 0% risk weight.												
4. Forward asset purchases, forward deposits and partly-paid shares and securities which represent commitments will receive 100% risk weight												

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CREDIT RISK - THE STANDARDISED APPROACH
Table 3 - Credit Risk Mitigation / Risk Weighted Assets

QR '000s

Bank :-			Date: - -		Prepared by:		
Asset Categories for Credit Risk	On Balance Sheet	Off Balance Sheet	Credit Exposure - before CRM	Adjustment for Credit Risk Mitigation (CRM) [Notes 1 & 2]	Net Credit Exposure - after CRM	Risk Weight	Risk Weighted Asset
	Actual Outstanding from Table I	Credit Equivalent from Table II					
1. Sovereign / State / Central Banks							
State of Qatar - Local Currency	0	0	0			0%	0
State of Qatar - Foreign Currency	0	0	0		0	0%	0
Total State of Qatar	0	0	0	0	0		0
2. Public Sector Entities (PSEs)							
PSEs in Qatar & GCC	0	0	0		0	0%	0
AAA to AA-	0	0	0		0	20%	0
A+ to A-	0	0	0		0	50%	0
BBB+ to BBB-	0	0	0		0	100%	0
BB+ to B-	0	0	0		0	100%	0
Below B-	0	0	0		0	150%	0
Unrated	0	0	0		0	100%	0
Total Domestic PSEs	0	0	0	0	0		0
3. Sovereign / State / Central Banks							
AAA to AA-	0	0	0		0	0%	0
A+ to A-	0	0	0		0	20%	0
BBB+ to BBB-	0	0	0		0	50%	0
BB+ to B-	0	0	0		0	100%	0
Below B-	0	0	0		0	150%	0
Unrated	0	0	0		0	100%	0
Total Sovereign	0	0	0	0	0		0
4. Multilateral Development Banks (MDBs)							
Total MDBs	#REF!	#REF!	#REF!	#REF!	#REF!		#REF!
5. Banks							
AAA to AA-	0	0	0		0	20%	0
A+ to A-	0	0	0		0	50%	0
BBB+ to BBB-	0	0	0		0	50%	0
BB+ to B-	0	0	0		0	100%	0
Below B-	0	0	0		0	150%	0
Unrated	0	0	0		0	50%	0
Total Banks	0	0	0	0	0		0
6 Investment Firms							
AAA to AA-	0	0	0		0	20%	0
A+ to A-	0	0	0		0	50%	0
BBB+ to BBB-	0	0	0		0	50%	0
BB+ to B-	0	0	0		0	100%	0
Below B-	0	0	0		0	150%	0
Unrated	0	0	0		0	50%	0
Total Investment Firms	0	0	0	0	0		0
7. Corporate							
AAA to AA-	0	0	0		0	100%	0
A+ to A-	0	0	0		0	100%	0
BBB+ to BB-	0	0	0		0	100%	0
Below BB-	0	0	0		0	100%	0
Unrated	0	0	0		0	100%	0
Total Corporate	0	0	0	0	0		0
8. Retail							
a. Personal Loans	0	0	0		0	75%	0
b. Residential Mortgage Loans	0	0	0		0	75%	0
c. Commercial Real Estate Loans	0	0	0		0	100%	0
d. Other Retail Loans	0	0	0		0	100%	0
Total Retail	0	0	0	0	0		0
9. Past dues (over 90 days)							
Specific Provision less than 20%	0	0	0		0	150%	0
Specific Provision more than 20% to 50%	0	0	0		0	100%	0
Specific Provision more than 50%	0	0	0		0	50%	0
Total Past Due	0	0	0	0	0		0
10. Other Assets							
a. Cash on hand - local and foreign currency	0	0	0		0	0%	0
b. Gold	0	0	0		0	0%	0
c. Cash items under collection / receivable funds Note 3	0	0	0		0	20%	0
d. Others	0	0	0		0	100%	0
Total Other Assets	0	0	0	0	0		0
TOTAL BANKING BOOK	#REF!	#REF!	#REF!	#REF!	#REF!		#REF!
TOTAL TRADING BOOK	0	0					
TOTAL ASSETS / CREDIT RISK	#REF!	#REF!					#REF!

Notes:

1. For CRM, eligible collateral see Chapter 5 of the Implementation Instructions, Page 15

2. In this column include the amount arrived at in Table 4 and should be deducted from Credit exposure before CRM to arrive at Net Credit Exposure after CRM

3. All items of cash collection and all receivable funds outstanding after 5th working day to be risk weighted at 20%

Table 3.1

Eligible Collaterals Used for Credit Risk Mitigation

000 QR

Type of Collateral (Note 1)	Eligible Ratings	Amount	Haircut	Net Amount for CRM Purpose (Note 2)	Remarks (as reflected in balance sheet (Note 3)
Cash					
CD's issued by lending bank					
Debt Securities/Capital guaranteed Islamic Sukuks by State of Qatar / GCC					
Guarantees issued by State of Qatar/PSEs in State of Qatar/GCC					
Debt Securities issued by other States (AAA to AA-)			20%		
Debt Securities/Capital guaranteed Islamic Sukuks by banks or other entities (BBB)			20%		
Short-Term Debt Securities (A-3/P-3)			20%		
Guarantees issued by:			20%		
Sovereign Entities			20%		
PSEs/Banks/Securities Firm			20%		
Other entities			20%		
Equity Stock listed in DSM			60%		
Securities in foreign currency			20%		

Note- 1: Details on Eligible credit risk mitigants given in Chapter 5

Note-2: The Net amount should be used in the column for Adjustment for CRM in Table 3

Note - 3: The Amount corresponding in the balance sheet should be indicated as remarks

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Table 4- Market Risk - Standardised Method

Bank :-						Date: - -		Prepared by:	
A.1. Interest Rate Risk									
I. Specific Risk Note 7									
Risk Rating	Period to Maturity	Position	Risk Weight	Capital Charge					
State or Qatar by local currency			0.00%	0					
Government by local currency			0.00%	0					
Government by foreign currency	AAA to A-		0.00%	0					
	0 to 6 months		0.25%	0					
	6 to 24 months		1.00%	0					
	over 24 months		1.60%	0					
	Others		8.00%	0					
Qualifying	AAA to BBB		0.25%	0					
	6 to 24 months		1.00%	0					
	over 24 months		1.60%	0					
Others			8.00%	0					
Total			0	0					
I. Total Specific Capital Charge					0				
GENERAL INTEREST RATE RISK USING THE MATURITY METHOD (See Note 2 to 6 below)									
Zone	Maturity band	Individual net positions	Weighting factor	Weighted net positions	By Band	By Zone	Between Zones		
	Cpn <= 3%	Cpn < 3%		Long Short	Matched Unmatched	Matched Unmatched	Matched Matched		
A		Long Short		Long Short	Matched Unmatched	Matched Unmatched	Matched Matched		
1	<= 1 mth	<= 1 mth	0.00%	0 0	0 0	0 0	40% X1	0	
	>1-3 mths	>1-3 mths	0.20%	0 0	0 0	0 0	0	0	
	>3-6 mths	>3-6 mths	0.40%	0 0	0 0	0 0	0	0	
	>6-12 mths	>6-12 mths	0.70%	0 0	0 0	0 0	0	0	
				Short Long			40%	0	
2	>1-2 yrs	>1-1.9 yrs	1.25%	0 0	0 0	0 0	30% X2	Y1	100%
	>2-3 yrs	>1.9-2.9 yrs	1.75%	0 0	0 0	0 0	0	0	Y3
	>3-4 yrs	>2.9-3.9 yrs	2.25%	0 0	0 0	0 0	0	0	40%
				Short Long			0	0	0
3	>4-5 yrs	>3.9-4.9 yrs	2.75%	0 0	0 0	0 0	0	0	Y2
	>5-7 yrs	>4.9-5.9 yrs	3.25%	0 0	0 0	0 0	0	0	
	>7-10 yrs	>5.9-7.9 yrs	3.75%	0 0	0 0	0 0	0	0	
	>10-15 yrs	>7.9-9.9 yrs	4.50%	0 0	0 0	0 0	0	0	
	>15-20 yrs	>9.9-10.9 yrs	5.25%	0 0	0 0	0 0	0	0	
	>20 yrs	>10.9-12 yrs	6.00%	0 0	0 0	0 0	30% X3	0	
		>12-20 yrs	6.00%	0 0	0 0	0 0	0	0	
		>20 yrs	12.50%	0 0	0 0	0 0	0	0	
				Short Long			0	0	
Total		0 0			0 10%		0 100%		
General market risk charge is				0 *10%+C2*40%+K33+K44*20%+M31+M37*60%+L48*100%+N33*10					
A.1. Total Interest Rate Capital Charge					0				
A.2. Equity Position Risk Note 7									
Risk Type	Position	Risk Weight	Capital Charge						
I. Specific Risk		8%	0						
II. General Risk		8%	0	A.2. Total Equity Capital Charge					
A.3. Foreign Exchange Risk Note 8									
Foreign Currency	Position	Short	Long	Greater short/long	Capital Charge				
Euro									
Pds. Stg.									
Jap. Yen									
All Others									
Gold Note 9		0	0	0	0	A.3. Total Foreign Exchange Capital Charge			
A.4. Total Options Capital Charge Note 10					0				
A.5. Total Commodities Capital Charge Note 11					0				
TOTAL MARKET RISK CAPITAL CHARGE					0				
GUIDANCE FOR COMPUTING MARKET RISK CHARGE									
1. Include all debt instruments. There is no specific capital charge for interest rate and foreign exchange contracts and derivatives									
2. Include all interest rate derivatives in position for calculation of general capital charge									
3. 10% of the total absolute value short or long position in each time period. (Vertical Displacement)									
4. 40% of the lower of absolute short or long position within Zone 1, 30% within Zone 2 and 30% within Zone 3									
5. 40% of the lower of absolute short or long position between adjacent Zones									
6. 100% of the lowest absolute short or long position between Zone 1 and Zone 3									
7. At market value, where the specific represents total positions, and general represent total net positions. This should be included in a separate sheet									
8. Shorthand Method used. Include contingent liabilities certain to be called and net delta-based equivalent of foreign currency options - all in QAR									
9. Position in gold should be added irrespective of the sign									
10. Use Simplified Approach reflecting the risk on underlying instrument in their respective risk category									
11. Commodities Risk is not applicable at the moment in Qatar									

Treatment of Options - Note 10

Capital Charge to be computed by banks

Position	Capital Charge
Long call & Long put or Short Call & Long call*	
1 Long call or Long put**	
2 Long call or Long put**	
3 Total Options capital charge	0

Note : Each item to be computed by banks and inserted in Cell U36 and U37

* The capital charge will be the market value of the underlying security multiplied by the sum of specific and general market risk charges for the underlying less the amount the option is in the money, if any, bounded by zero

** The capital charge will be the lesser of:

(a) the market value of the underlying security multiplied by the sum of specific and general market risk charges for the underlying

(b) the market value of the option

Table 5 – Capital Charge For Operational Risk

Bank:		Date:		Prepared by:	
		Computation of Capital Charge for Operational Risk			
				000QR	
Sl.No	Details of Gross Income	Year 3	Year 2	Last Year	3 yrs Average GI
1	Net Profit				
2	Add Provisions & Contingencies				
3	Add Operating Expenses				
4	Less Realised profits / losses from sale in HTM category				
5	Less Extraordinary or irregular items of income				
6	Less Income derived from Insurance				
7	Less Any collection from previously written-off loans or income derived from disposal of real estate etc during the year under reference				
8	TOTAL GI	0	0	0	0.00
9	Operational Risk Capital				0.00
Note:					
GI is to be computed gross of any provisions, gross of operating profits, less realised profits / losses from sale of securities from HTM category, extraordinary / irregular items of income and income derived from insurance.					
The above template is based on the definiton of Gross Income = Net Profit (+) Provisions & Contingencies (+) Operating Expenses (-) Realised Profit / losses from sale of securities from HTM category (-) Extraordinary or irregular items of income (-) income from insurance activities (-) collections of previously writeen-off loans (-) income from disposal of items of real estate etc.					

Regulatory Capital			
Table 6 - Capital Adequacy calculation			
Bank :	Date:	Prepared by:	
Table 7.a.			
Capital Elements			Eligible Amount
Core Tier I Capital *			
Paid-up share Capital			
Legal Reserve			
General Reserve			
Retained Earning			
Total Tier I capital [A]			
Deductions from Tier I			
Treasury Shares			
Goodwill			
Interim cumulative losses			
Note 1			
Significant minority investments in financial entities			
Significant minority or majority investment in commercial entities			
Reciprocal cross holding of bank capital			
Investment in Insurance subsidiaries			
Total Deductions [B]			
Eligible Tier I capital C=A-B			
Tier II Capital	Actual Amount	% Applicable	Eligible Amount
Fair value adjustments (Max to 45% of +FV)			
Asst Revaluation Reserve (Max of 45%)			
Risk Reserve (Max of 1.25% of total RWA)			
Subordinated Debt (Max to 50% of Tier I)			
Total Tier II capital [D]			
Deduction			
Negative FV Adjustments			
Significant minority investments in financial entities			
Significant minority or majority investment in commercial entities			
Reciprocal cross holding of bank capital			
Investment in Insurance subsidiaries			
Total Deductions [E]			
Eligible Tier II Capital F = D - E			
Tier III Capital [G]			
Total Eligible capital (TEC) = C+F+G			0
Table 7.b. Total Risk Weighted Assets			
Risk Elements	Capital Charge	Multiple	Risk Weighted Assets
Credit Risk	#REF!	1	#REF!
Market Risk	0	10	0
Operntional Risk	0.00	10	0
	Total Risk Weighted Assets [TRWA]		#REF!
CORE CAPITAL ADEQUACY RATIO [TIER I / TRWA]			#REF!
CAPITAL ADEQUACY RATIO [TEC / TRWA]			#REF!
CONSOLIDATED CAPITAL ADEQUACY RATIO			
Items below Note 18&2 pertain to Scope of Application under Basel II implementation as given in Chapter 2			
Deduction pursuant to this section will be 50% from Tier I and 50% from Tier II. Whenever, Tier II capital is insufficient for such deduction, pursuant to this section, shortfall in Tier II may be deducted from Tier I.			