

**Date:** [Insert Date]

**To:**

[Shareholder Name/Board of Directors]

[Company Name]

[Address]

**Subject: Notice of Dividend Payment Restriction - Basel III Regulatory Compliance**

Dear [Recipient Name],

This formal notification is to advise that [Bank/Institution Name] is implementing a restriction on the distribution of dividends for the period ending [Date].

Pursuant to the Basel III framework and local regulatory requirements mandated by [Name of Regulatory Authority], the institution is required to maintain a Capital Conservation Buffer (CCB) above the minimum Common Equity Tier 1 (CET1) requirement.

Current assessment indicates that the institution's capital levels are as follows:

- Current CET1 Ratio: [Percentage]%
- Required Minimum Ratio (including buffers): [Percentage]%

As the capital levels have fallen within the designated buffer range, mandatory distribution constraints apply under Basel guidelines. Consequently, the maximum distributable amount for dividends is restricted to [Percentage/Amount], or suspended entirely, to ensure the preservation of capital and the continued stability of the institution.

The Board of Directors has determined that retaining these earnings is necessary to rebuild capital adequacy and ensure full compliance with international banking standards. We anticipate that these restrictions will remain in place until [Expected Timeline or Condition for Removal].

We appreciate your understanding as we prioritize the long-term financial resilience of the institution.

Sincerely,

[Signature]

[Name of Authorized Officer]

[Title/Position]

[Department Name]