

[Company Letterhead]

[Date]

[Recipient Name]

[Recipient Title]

[Shareholder/Entity Name]

[Address]

RE: NOTICE OF DIVIDEND PAYMENT RESTRICTION DUE TO CAPITAL ADEQUACY REQUIREMENTS

Dear [Recipient Name],

This letter serves as formal notification regarding the payment of dividends for the period ending [Date].

Pursuant to [Relevant Law/Regulation/Bylaw Section] and the company's internal Capital Management Policy, the Board of Directors has determined that a restriction on dividend payments is currently required. This decision is based on the following capital adequacy considerations:

- **Capital Ratios:** The company's current capital levels have fallen below the internal [Common Equity Tier 1 / Total Capital] buffer requirement of [Percentage]%.
- **Regulatory Compliance:** To ensure continued compliance with [Regulatory Body Name] standards, capital must be retained to strengthen the balance sheet.
- **Economic Outlook:** Current market conditions necessitate the preservation of liquidity to manage potential risks and support future growth.

As a result, the dividend previously scheduled for [Scheduled Date] will be [deferred / cancelled / reduced to Amount].

The Board remains committed to returning value to shareholders and will reassess the company's capital position on [Date of Next Review]. Payment of dividends will resume once the company satisfies the required capital adequacy thresholds and receives any necessary regulatory clearances.

For further information regarding this restriction, please contact the Investor Relations department at [Phone Number/Email].

Sincerely,

[Signature]

[Name of Authorized Officer]
[Title]
[Company Name]