Appendix 2

Examples of cumulative key rates projected for 35 years applied to key rates 2, 5, 10, 20, and 30 using +10 bps flat shift and graded shift (common). Note that the very first cumulative key-rate shifts are identical to the first key-rate shifts and each subsequent cumulative key-rate shifts are the sum of prior key-rate shifts (see Table A1.2). Additionally, the final cumulative key-rate shifts is simply the parallel shift to the entire curve reducing the required runs by 2. For -10 bps, sign is changed to negative.

Table A2.1: Cumulative key rates with +10bp graded shift					
Tenor	Cum Key Rate 2	Cum Key Rate 5	Cum Key Rate 10	Cum Key Rate 20	Cum Key Rate 30
1	0.10%	0.10%	0.10%	0.10%	0.10%
2	0.10%	0.10%	0.10%	0.10%	0.10%
3	0.07%	0.10%	0.10%	0.10%	0.10%
4	0.03%	0.10%	0.10%	0.10%	0.10%
5	-	0.10%	0.10%	0.10%	0.10%
6	-	0.08%	0.10%	0.10%	0.10%
7	-	0.06%	0.10%	0.10%	0.10%
8	-	0.04%	0.10%	0.10%	0.10%
9	-	0.02%	0.10%	0.10%	0.10%
10	-	-	0.10%	0.10%	0.10%
11	-	-	0.09%	0.10%	0.10%
12	-	-	0.08%	0.10%	0.10%
13	-	-	0.07%	0.10%	0.10%
14	-	-	0.06%	0.10%	0.10%
15	-	-	0.05%	0.10%	0.10%
16	-	-	0.04%	0.10%	0.10%
17	-	-	0.03%	0.10%	0.10%
18	-	-	0.02%	0.10%	0.10%
19	-	-	0.01%	0.10%	0.10%
20	-	-	-	0.10%	0.10%
21	-	-	-	0.09%	0.10%
22	-	-	-	0.08%	0.10%
23	-	-	-	0.07%	0.10%
24	-	-	-	0.06%	0.10%
25	-	-	-	0.05%	0.10%
26	-	-	-	0.04%	0.10%
27	-	-	-	0.03%	0.10%
28	-	-	-	0.02%	0.10%
29	-	-	-	0.01%	0.10%
30	-	-	-	-	0.10%
31	-	-	-	-	0.10%
32	-	-	-	-	0.10%
33	-	-	-	-	0.10%
34	-	-	-	-	0.10%
35	-	-	-	-	0.10%