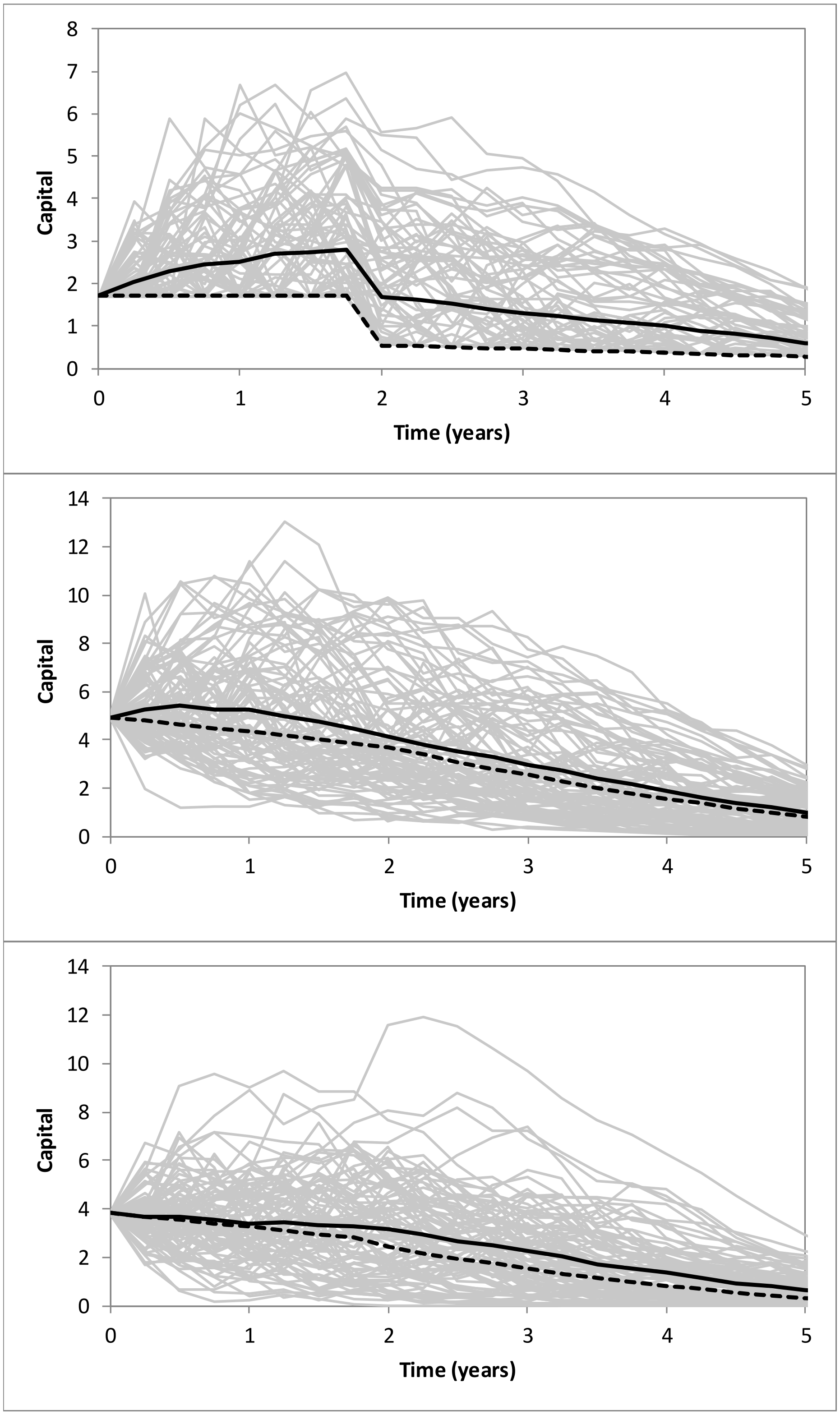

Figure 16.7 Simulations showing the evolution of counterparty risk capital for a seven-year interest rate swap with notional 1,000 using the CEM (top), SA-CCR (middle) and IMM (bottom) methodologies. The dotted line shows the projected value and the solid line shows the expected capital.

Here's a more recent example that emphasises the convexity of capital more clearly.