Appendix CA-10

Investments in Commercial Entities (not otherwise connected to the reporting bank)

Bank "x" with eligible capital of 1,000,000 after all deductions in Module CA (up to CA-2.4.24) has made investments in seven commercial entities listed below:

<u>Investee</u>	<u>Amount</u>	%age of bank's capital
a	100,000	10%
b	120,000	12%
c	150,000	15%
d	160,000	16%
e	170,000	17%
f	200,000	20%
g	<u>250,000</u>	<u>25%</u>
Total	1,150,000	115%

The amount to be risk-weighted at 800% in respect of these investments is 180,000 (A) based on the following calculation:

15% threshold (Individual basis)

Sr#	Amount	15% of Bank's	Excess over 15% of
		capital	Bank's capital
d	160,000	150,000	10,000
e	170,000	150,000	20,000
f	200,000	150,000	50,000
g	250,000	150,000	100,000

Total 180,000

60% Threshold (Aggregate basis)

Aggregate of investments after 15% deduction:

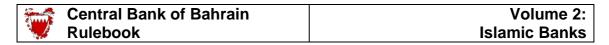
a a	100,000
b	120,000
c	150,000
d	150,000
e	150,000
f	150,000
g	<u>150,000</u>

Total 970,000 (B)

60% of Bank's capital = 600,000 Aggregate (B) =970,000 Excess =370,000

So the amount to be risk-weighted at 800% based on the 60% threshold on aggregate basis is 370,000 (C).

Total amount to be risk-weighted at 800% is 550,000 (A+C).



Remaining amount of investments 60<mark>0,000 (1,150,000-550,000)</mark> will be risk weighted under the applicable risk weighting rules.