Resolution No. (08) of 2022

Regarding

Capital Adequacy Regulations for Licensed Persons

Having Perused:

- Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments; and

- CMA Board of Commissioners Resolution passed in its meeting No. (2) of 2022 held on 19/01/2022.

The Following Was Resolved

Article (1)

Module Seventeen (Capital Adequacy Regulations for Licensed Persons) of the Executive Bylaws of Law No. (7) of 2010 is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

Appendix 6 "Regulations' Templates" of Module Seventeen (Capital Adequacy Regulations for Licensed Persons) of the Executive Bylaws of Law No. (7) of 2010 is hereby amended pursuant to Annex (2) attached to this Resolution, as follows:

- Adding Table No. (2-A) on Specific Interest Rate Risk within Market Risk.

- Adding Table No. (2-B) on the General Interest Rate Risk within Market Risk.

- Adding Table No. (2-C) on the Equity Risk within Market Risk.

- Adding Table No. (2-D) on the Foreign Exchange Risk within Market Risk.

- Adding Table No. (2-E) on the Commodities Risk within Market Risk.

- Adding Table No. (2-F) on the Option Risk within Market Risk.

- Amending Table No. (4) on the Investment Risk.

Article (3)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from the date of its issuance, and it shall be published in the Official Gazette.

Prof. Ahmad Almelhem

Issued on: 23/01/2022

Annex (1)

#	Module	Chapter	Article	Amendment Type	Text before Modification	Text after Modification
1	Seventeen	-	-	Adding a definition	“Financial Institutions” are local companies, whether listed or not, in the banking sector, insurance sector, licensed persons by the CMA sector (except for companies whose activities are limited to the following activities: Investment Advisor, Investment Controller, Valuation of Assets), and financial services companies, provided that they include at least the following: - Financing - Foreign Exchange - Debt Collection.	
2	Seventeen	Two	2-3	Amendment	Licensed persons are required to report their capital adequacy in light of these guidelines on a quarterly basis at consolidated level, and shall be required to submit the report and its templates to CMA within forty five days of the end of the financial reporting period of the report, where it has to also be reviewed by a registered auditor registered within CMA for the periodical (quarterly) reports, and audited for the annual report	Licensed Persons are required to report their capital adequacy in light of these guidelines on a quarterly basis at consolidated level, and shall be required to submit the report and its templates to CMA within forty five days from the end date of the periodical financial reporting period , and within ninety days from the end date of the annual financial period, where it has to also be reviewed by a registered auditor registered within CMA.
3	Seventeen	Two	2-7	Amendment	Any licensed persons that conducts only one or more of the following activities is exempt from the Risk Based Capital Requirements defined in these guidelines: a. Asset Valuation. b. Investment Advisor. c. Credit Rating Agency. d. Investment Controller.	Any licensed persons that conducts only one or more of the following activities is exempt from the Risk Based Capital Requirements defined in these guidelines: a. Asset Valuation. b. Investment Advisor. c. Credit Rating Agency. d. Investment Controller.

						Licensed persons whose activities are limited to the activities referred to above are also exempt from submitting quarterly capital adequacy reports for the periodical financial periods, provided that they submit capital adequacy reports for the annual financial period in accordance with the deadline specified in Article (2-3) of these guidelines.
4	Seventeen	Three	3-5	Amendment	CET 1 capital shall consist of the following items: a. Common shares issued by the licensed person that meet the criteria for classification as common shares for regulatory purposes (or the equivalent for non-joint stock companies). b. Stock surplus (share premium) resulting from the issue of instruments included in CET 1. c. Retained earnings, which is the amount of net earnings carried forward from previous financial years, and reinvested in the core business. It shall be recognised and included in the calculation of CET1. d. Accumulated other comprehensive income and other disclosed reserves, (excluding interim profits and losses). The treatment of unrealised gains shall be subject to applicable accounting practices in the State of Kuwait.	CET 1 capital shall consist of the following items: a. Common shares issued by the licensed person that meet the criteria for classification as common shares for regulatory purposes (or the equivalent for non-joint stock companies). b. Stock surplus (share premium) resulting from the issue of instruments included in CET 1. c. Retained earnings, which is the amount of net earnings carried forward as of the date on which the report is prepared, and reinvested in the core business. It shall be recognised and included in the calculation of CET1. d. Accumulated other comprehensive income and other disclosed reserves. The treatment of unrealised gains shall be subject to applicable accounting practices in the State of Kuwait.
5	Seventeen	Three	3-20	Amendment	Minority interest arising from the issue of CET 1, AT1 or T2 capital instruments issued by a fully consolidated subsidiary of a licensed person may receive recognition as CET 1, AT1 or T2 capital respectively, of the licensed person only if:	Minority interest arising from the issue of CET 1, AT1 or T2 capital instruments issued by a fully consolidated subsidiary of a licensed person may receive recognition as CET 1, AT1 or T2 capital respectively, of the licensed person only if:

					a. the instrument giving rise to the minority interest would, if issued by the licensed person, meet all of the criteria for classification as CET1, AT1 or T2 capital respectively; and, b. the subsidiary that issued the instrument is itself a licensed person.	a. the instrument giving rise to the minority interest would, if issued by the licensed person, meet all of the criteria for classification as CET1, AT1 or T2 capital respectively; and, b. the subsidiary that issued the instrument is itself a licensed person, or an existing Collective Investment Scheme (CIS) licensed by the CMA.
6	Seventeen	Three	3-22	Amendment	Licensed person must deduct Goodwill and all other intangibles in the calculation of CET 1 including any goodwill included in the valuation of significant investments in the capital of financial entities that are outside the scope of regulatory consolidation. The full amount is to be deducted net of any associated deferred tax liability, which would be extinguished if the intangible assets become impaired or derecognised under the relevant accounting standards implemented in the state of Kuwait.	Licensed person must deduct Goodwill and all other intangibles in the calculation of CET 1 including any goodwill included in the valuation of investments in associate companies with significant equity, including financial institutions that are outside the scope of regulatory consolidation. The full amount is to be deducted net of any associated deferred tax liability, which would be extinguished if the intangible assets become impaired or derecognised under the relevant accounting standards implemented in the state of Kuwait.
7	Seventeen	Three	3-27	Amendment	The regulatory adjustment described in this section applies to investments in the capital of financial entities that are outside the scope of regulatory consolidation. In addition: a. Investments include direct, indirect and synthetic holdings of capital instruments. For example, licensed persons should look through holdings of index securities to determine their underlying holdings of capital. If licensed persons find it operationally burdensome to look through and monitor their exact exposure to the capital of	The regulatory adjustment described in this section applies to investments in the capital of financial Institutions that are outside the scope of regulatory consolidation. In addition: a. These investments are classified in accordance with IFRS 9, or classified as investments in associates/joint ventures in accordance with International Accounting Standard 28 (IAS 28). b. Investments include direct, indirect and synthetic holdings of capital instruments. For example, licensed persons should look through holdings of index

					other financial institutions as a result of their holdings of index securities, the CMA requires licensed persons to include all holdings of index securities (100% inclusion). b. These investment (i.e. Capital) includes common stock and all other types of cash and synthetic capital instruments (e.g. subordinated debt where the investment in the capital instrument is a loan or security that ranks below other loans or securities with regard to claims on assets or earnings). It is the net long position that is to be included (i.e. the gross long position net of short positions in the same underlying exposure where the maturity of the short position either matches the maturity of the long position or has a residual maturity of at least one year). c. Positions held for five working days or less can be excluded. Positions held for longer than five working days must be included. d. At CMA's discretion licensed persons may exclude temporarily, with prior supervisory approval, certain investments where these have been made in the context of resolving or providing financial assistance to reorganise a distressed institution.	securities to determine their underlying holdings of capital. If licensed persons find it operationally burdensome to look through and monitor their exact exposure to the capital of other financial institutions as a result of their holdings of index securities, the CMA requires licensed persons to include all holdings of index securities (100% inclusion). c. These investment (i.e. Capital) includes common stock and all other types of cash and synthetic capital instruments (e.g. subordinated debt where the investment in the capital instrument is a loan or security that ranks below other loans or securities with regard to claims on assets or earnings). It is the net long position that is to be included (i.e. the gross long position net of short positions in the same underlying exposure where the maturity of the short position either matches the maturity of the long position or has a residual maturity of at least one year). d. Positions held for five working days or less can be excluded. Positions held for longer than five working days must be included. e. At CMA's discretion licensed persons may exclude temporarily, with prior supervisory approval, certain investments where these have been made in the context of resolving or providing financial assistance to reorganise a distressed institution.
8	Seventeen	Three	3-28	Amendment	A licensed person must deduct the amount by which the aggregate of all investments in unconsolidated financial entities as listed in article 3-27 exceeds	A licensed person must deduct the amount by which the aggregate of all investments in unconsolidated financial entities as listed in article (3-27) exceeds 10% of its CET1

					10% of its CET1 (calculated after application of all other regulatory adjustments/deductions applied in the calculation of CET1).	(calculated after application of all other regulatory adjustments/deductions applied in the calculation of CET1).
9	Seventeen	Four	4-27	Amendment	The capital requirement for equities risk applies to all equity positions classified as FVTPL excluding options and excluding positions that are investment in unconsolidated financial entities already subject to deduction as per article 3-28 or 37.5% capital charge as per article 3-29. The instruments covered include, but are not limited to the following: a. Ordinary shares. b. Convertible securities that behave like equities. c. Depository receipts (these should be converted into the underlying shares and allocated to the same country as the underlying shares). d. Any other instruments exhibiting equity characteristics or which the <u>licensed person</u> believes carries equity risk. e. Equity derivatives or derivatives based on above securities.	The capital requirement for equities risk applies to all equity positions classified as FVTPL excluding the following: 1. Options. 2. Positions that are investment in unconsolidated financial entities already subject to deduction as per article 3-28 or 37.5% capital charge as per article 3-29. 3. Positions that represent investments in investment funds, which are subject to the 30% capital charge as per article (4-61 b). 4. Positions that represent investments in venture capital or private equity investments, which are subject to the 60% capital charge as per article (4-60 b). The instruments covered include, but are not limited to the following: a. Ordinary shares. b. Convertible securities that behave like equities. c. Depository receipts (these should be converted into the underlying shares and allocated to the same country as the underlying shares). d. Any other instruments exhibiting equity characteristics or which the <u>licensed person</u> believes carries equity risk. e. Equity derivatives or derivatives based on above securities.
10	Seventeen	Four		Amendment	In order to compute capital charge for equities risk, equity	In order to compute capital charge for equities risk, equity positions

			4-28		positions should first be allocated to the country in which each equity is listed. Where an equity is listed in more than one country, one country should be chosen and used consistently. Conversion into Kuwaiti Dinars should be done at spot foreign exchange rates using mid-market prices.	should first be allocated to the country in which each equity is located. Where an equity is located in more than one country, one country should be chosen and used consistently. Conversion into Kuwaiti Dinars should be done at spot foreign exchange rates using mid-market prices.
11	Seventeen	Four	4-59	Amendment	This section covers investments that are classified as FVOCI (as per IFRS 9). Investments in Equity of Financial Institutions that are outside the scope of regulatory consolidation and not deducted from capital as per article 3-28 will be subject to a capital charge of 37.5% as described in article 3-29.	Investments in Equity of Financial Institutions that are outside the scope of regulatory consolidation and not deducted from capital as per article (3-28) will be subject to a capital charge of 37.5% as described in article (3-29).
12	Seventeen	Four	4-60	Amendment	a. Listed equity investments (classified as FVOCI as per IFRS 9) are subject to a 15% charge. b. Other unlisted equity investments (for example, venture capital and/or private equity investments) and other type of investments not captured elsewhere, are subject to a 60% capital charge, and will be reported under “High-Risk Exposures” Category.	a. Except for the investments mentioned in item (b) of this article, equity investments classified as FVOCI as per IFRS 9, or classified as investment in associates/joint venture as per IAS 28, are subject to a 15% charge. b. Investments in the following equity are subject to a 60% capital charge, and will be reported under “High-Risk Exposures” Category: - Unlisted equity investments classified as investments in associates/joint ventures as per IAS 28 - Venture capital or private equity investments. c. The CMA has the right to require licensed persons to calculate the capital charge for investment risk at a rate of 60% on investments that the CMA deems to be high in risk.
13	Seventeen	Four		Amendment	Treatment of Investment in Funds	Treatment of Investment in Funds (outside the scope of consolidation)

			4-61		a. If the licensed person can distinguish individual components (e.g. equity, bonds) that constitute the fund, then investment in funds is treated as direct investments in those components and capital charge is calculated as per treatment for each individual component. b. If the licensed person is unable to distinguish individual components that constitute the fund, then the entire investment in the fund is subject to a 30% capital charge.	a. If the licensed person can distinguish individual components (e.g. equity, bonds) that constitute the fund, then investment in funds is treated as direct investments in those components and capital charge is calculated as per treatment for each individual component. b. If the licensed person is unable to distinguish individual components that constitute the fund, then the entire investment in the investment funds is subject to a 30% capital charge.

Annex 2

Amendments on Appendix 6 “Regulations’ Templates”

MARKET RISK
Table 2-A
Market Risk Capital Requirements
For the financial period ending / /
Interest rate risk
Specific risk

<table>
<tr><th rowspan="2">Category of Debt Instruments</th><th rowspan="2">Credit Quality Grades</th><th rowspan="2">Remaining Maturity</th><th>Risk Charge</th><th>Current Market Value</th><th>Capital Charge</th></tr>
<tr><th>A</th><th>B</th><th>A X B = C</th></tr>
<tr><td rowspan="5">Government Debt Instruments</td><td>1</td><td>N/A</td><td></td><td rowspan="5"></td><td rowspan="5"></td></tr>
<tr><td rowspan="3">2 and 3</td><td>6 months or less</td><td>0.25%</td></tr>
<tr><td>Over 6 and less than 24 months</td><td>1.00%</td></tr>
<tr><td>Over 24 months</td><td>1.60%</td></tr>
<tr><td>4,5 and 6</td><td>N/A</td><td>12.00%</td></tr>
<tr><td colspan="2" rowspan="3">Fully Guaranteed Debt Instruments issued by PSEs (Qualifying)</td><td>6 months or less</td><td>0.25%</td><td rowspan="3"></td><td rowspan="3"></td></tr>
<tr><td>Over 6 and less than 24 months</td><td>1.00%</td></tr>
<tr><td>Over 24 months</td><td>1.60%</td></tr>
<tr><td colspan="2">Other Debt Instruments</td><td>N/A</td><td>12.00%</td><td></td><td></td></tr>
<tr><td colspan="5">Total Specific Risk Charge</td><td></td></tr>
</table>

Notes

1. Current market value (B):

The total market value must be filled (sum of absolute value of long and short positions) of debt instruments broken down by obligor, i.e., government, qualifying (broken down further by residual term to maturity), and others. All currencies are combined on a single schedule to arrive at the total for each category, (i.e., total of government, qualifying and others), whereby all values, whether representing long or short positions, must be positive amounts.

2. Capital Charge (C):

Multiply the current market value in each obligor category (Column B) by the associated risk charge (Column A).

MARKET RISK
Table 2-B
Market Risk Capital Requirements
For the financial period ending / /
Interest rate risk
General risk

Please repeat table for each currency Use separate schedule for each currency where position is KD 30,000 or more, and one total schedule for other insignificant currencies where position is less than KD 30,000

Time band	Long Position	Short Position	Gross Position*	Risk Charge	Capital Requirement
	A	B	C=A+|B|	D	C X D
Up to 1 month					
Over 1 to 3 months				0.20%	
Over 3 to 6 months				0.40%	
Over 6 months to one year				0.70%	
Over 1 to 1.9 years				1.25%	
Over 1.9 to 2.8 years				1.75%	
Over 2.8 to 3.6 years				2.25%	
Over 3.6 to 4.3 years				2.75%	
Over 4.3 to 5.7 years				3.25%	
Over 5.7 to 7.3 years				3.75%	
Over 7.3 to 9.3 years				4.50%	

Over 9.3 to 10.6 years				5.25%	
Over 10.6 to 12 years				6.00%	
Over 12 to 20 years				8.00%	
Over 20 years				12.50%	
Total					

* Gross Position is based on Long Position (A) and the absolute value of the short Position (B)

Table Notes

1. Allocate the market value of all debt instruments, together with other instruments that are subject to interest rate exposure (such as derivatives), into the time bands shown on the return. Show long and short positions separately (column A and B).

2. Sum the absolute value of long position and the absolute value of short position to produce a gross positions figure (column C).

3. Multiply the gross positions amounts by the respective risk charge (column D) to arrive at the risk charge figures which should be summed to give the capital requirement for general market risk.

MARKET RISK
Table 2-C
Market Risk Capital Requirements
For the financial period ending / /
Equity risk

Country	Long Positions Securities	Short Positions Securities	Long Position Derivatives	Short Position Derivatives	Gross Position	Net Position	Specific Charge	General Charge	Total Capital Charge
	A	B	C	D	E= A+(B)+C +(D)	F=A+B+ C+D	G=E* 8%	H=F* 8%	I=G +H
Kuwait									
USA									
UK									
Germany									
Switzerland									
Japan									
Other									
Total									

*Gross Position is based on long position (A+C) and the absolute value of the short position (B+D)

Notes

1. Equity positions, in securities as well as those arising either directly or indirectly through derivatives, should be allocated to the country in which each equity is listed.

2. The calculations outlined above should be applied to each country. Blank rows are left for licensed persons to mention countries not outlined in the return. For the purposes of disclosure, the terms "country " and " national market " are used synonymously.

3. In case an equity is listed in more than one country, one country should be chosen. Matched positions in each identical equity or stock index in each country may be fully

offset, resulting in a single net short or net long position to which the specific and general market risk charges will apply.

4. Long Positions (A) & (C):

For each national market (country), the long positions should be reported for both securities and derivatives.

5. Short Positions (B) & (D):

For each national market (country), the short positions should be reported for both securities and derivatives.

6. Gross Positions (E):

The gross position represents the absolute sum of the value of all long positions and the absolute value of all short position i.e., A+(B)+C+(D).

7. Net position (F):

Sum the long positions and the short positions and report the absolute value i.e., A+B+C+D.

8. Specific Capital Charge (G):

Multiply the gross positions in Column E by 8%.

9. General Capital Charge (H):

Multiply the net position in Column F by 8%.

10. Total Capital Charge (I):

Record the sum of capital charges reported in G and H.

MARKET RISK
Table 2-D
Market Risk Capital Requirements
For the financial period ending / /
Foreign exchange risk

Currency	Net Spot Position	Net Forward Position	Guarantee and similar instruments	Net Unearned Income / Expenses	Net Open Position E=A+B+C+D
	A	B	C	D	E
US dollar					-
UK pound					-
Euro					-
Swiss franc					-
Japanese yen					-
Others - Long					-
Others - Short					-
Gold					-

Sum of net open long position	F	
Sum of net open short position (expressed in absolute value)	G	
Greater of box F and box G	H	
Absolute value of open position in gold	I	
Sum of box H and box I	J	
Capital charge (8% of box J)	K	

Notes

1. All on and off-balance sheet items denominated in a foreign currency are subject to this charge.

2. Licensed persons should report separately their exposure in each foreign currency where the exposure is greater than KD 30,000. The calculation of positions in all other currencies should be performed separately and then aggregated. Structural positions should be excluded.

3. Net Spot Position (A):

For each currency, report the difference between all assets' items and liabilities items. Include the accrued interest and accrued expenses.

4. Net Forward Position (B):

For each currency, report all net amounts under forward foreign exchange transactions, including currency futures and the principal on currency swaps not included in the net spot position. Value the position at spot market exchange rates using mid-market rates.

5. Guarantees (C):

For each currency, report guarantees and other similar instruments. Guarantees must be certain to be called and likely to be irrecoverable.

6. Net unearned Incomes and Expenses (D):

For each currency, report any net unearned incomes or expenses.

7. Net Open Position (E):

For each currency, report the sum of net open positions in Column E.

8. Gold:

Record the net long or net short position in gold.

9. Required Capital Calculation:

● In box (F): record sum of the absolute value of the total net long positions reported in Column (E).

● In box (G): record sum of the absolute value of the total net short positions reported in Column (E).

● In box (H): record the greater of the absolute values of the total net long positions (F) or the total net short positions (G).

● In box (I): record the absolute value of the open positions in gold.

● In box (J): record the sum of box (H) and box (I).

● To arrive at the capital requirement for foreign exchange risk, multiply the sum recorded in box (J) by 8%

MARKET RISK
Table 2-E
Market Risk Capital Requirements
For the financial period ending / /
Commodities risk

Commodity	Long Position	Short Position	Gross Position *	Net Position	Capital Charge on Net Position	Capital Charge on Gross Position	Total Capital Charge
	A	B	C=A+[B]	D=A+B	E=D*15%	F=C*3%	G=E+F
Platinum							
Palladium							
Silver							
Copper							
Natural Gas							
Wheat							
Corn							
Canola							
Other 1							
Other 2							
Other 3							
Other 4							
Total							

* Gross Position is based on Long Position (A) and the absolute value of the Short Position (B)

Notes

1. All on and off-balance sheet commodity positions are subject to this charge. Commodities include any physical product that can be traded on a secondary market, (e.g., agricultural products, minerals (including oil), and precious metals excluding gold).

2. Licensed persons should report their exposure in platinum, palladium, silver, Oil, natural gas, wheat, corn, canola and each of the other commodities separately. Rows should be added by licensed persons to mention commodities not outlined in the return.

3. Positions in commodities should be based on the respective standard unit of measurement (e.g., barrels, kilograms, grams) and converted into Kuwaiti dinars at spot rates using mid-market prices. Commodity derivatives and other off-balance sheet positions that are affected by changes in commodity prices (excluding options) are to be converted into notional positions using the current spot prices.

4. Long Positions (A):

For each commodity, record the sum of all long positions, in equivalent Kuwaiti Dinars.

5. Short Positions (B):

For each commodity, record the sum of all short positions, in equivalent Kuwaiti Dinars.

6. Gross Position (C):

For each commodity, record the sum of the absolute values of the long and short positions.

7. Net Position (D):

For each commodity, record the sum of the long position value and short positions.

8. Capital Charge on Net Position (E):

Multiply the net positions [in column (D)] by 15%

9. Capital Charge on Gross Position (F):

Multiply the gross positions [in column (C)] by 3%.

10. Total Capital Charge on Commodity Risk (G):

Record the sum of the net position requirements [column (E)] and the gross position requirements [column (F)].

MARKET RISK

Table 2-F

Market Risk Capital Requirements

For the financial period ending / /

Options risk

Simplified Method

Position	Risk Exposure	Market Value of the options Underlying	Sum of Specific and General Market risk charges of the Underlying (%)	Market Value of Options	Amount the Option is in the Money	Capital Charge: Long Underlying/ Long Put or Short Underlying /Long Call	Capital Charge: Long Call or Long Put	Total Capital Charge
		A	B	C	D	E= (A X B) - D	F	G=E+F
Long underlying/ Long put or Short underlying/ Long call	Interest Rate position Risk							
	Equity Risk							
	Foreign Exchange Risk							
	Commodities Risk							
	Total							
	Interest Rate							

Long Call or Long Put	Position Risk							
	Equity Risk							
	Foreign Exchange Risk							
	Commodities Risk							
	Total							
Total Options								

Notes

1. This Form is to be populated in line with the 'Simplified method' for Options as per the applicable section in the guidelines.

2. Market value of the options underlying (A):

Report aggregate information on the market value of the options' underlying by position and risk exposure.

3. Sum of specific and general market risks percentages (B):

Report the sum of the appropriate specific risk and general market risk charge by referring to sections on interest rate positions risk, equity risk, foreign exchange risk and commodity risk.

4. Market value of option (C):

Calculate and report the market value of the option.

5. Amount option is in the money (D):

Report the amount by which the option is in the money. In the money means that the exercise level of a " call option " is less than the mark to market value of the underlying instrument, and for "put option" that the mark to market of the underlying is less than the exercise level of the put option.

6. Capital Charge (E) and (F):

Calculate the capital charge in accordance with the method described in the directives.

7. Total Capital Charge (G):

The total capital charge is sum of column (E) and column (F).

INVESTMENT RISK

Table 4

Capital Requirements for Investment Risk

For the financial period ending / /

Page (1) of (1)

No.	Investments in Real Estate (30%)	Total Exposure	Capital Requirement
		A	B
1	Total Investments in Real Estate		

No.	Equity investment in Financial Institutions (below threshold for deduction and subject to 37.5% charge)	Total Exposure	Capital Requirement
		C	D
1	Investments in FIs below deduction threshold		

No.	Investments in High-risk exposures (60%)	Total Exposure	Capital Requirement
		E	F
1	Investment in Unlisted Equities classified as investments in associates/joint venture		
2	Investment in venture capital or private equity		
3	Wakãlah instruments not assigned to any of the standard portfolios (article 9-6)		

4	Musharaka exposure - Investments in private and commercial projects (60% capital charge)		
5	Diminishing Musharaka expsoure - Working capital finance (60% capital charge)		
6	Other Unspecified investments		

No.	Investments in Funds (article 4-61 b) – (30%)	Total Exposure	Capital Requirement
		G	H
1	Investments in Funds		

#	Other Investments in Equities (15%)	Total Exposure	Capital Requirement
		I	J
1	Investment in equities classified as financial assets at fair value through the other comprehensive income		
2	Investments in listed equities classified as investments in associates/joint venture		

Total Investment Risks Capital Requirement (B+D+F+H+J)	