

**378 PRUDENTIAL LIMITS AND RESTRICTIONS ON EQUITY INVESTMENTS**

The following limitations and restrictions shall also apply regarding equity investments of banks.

- a. *In any single enterprise.* The equity investments of UBs and KBs in any single enterprise shall not exceed at any time twenty-five percent (25%) of the net worth of the investing banks as defined in Secs. 121 and 103 (*Capital requirements of foreign banks, Item "b"*).
- b. *Aggregate limits.* The total amount of investments in equities in all enterprises shall not exceed the following ratios in relation to the net worth of the investing bank:

|        | UB  | KB  | TB  | RB  | Coop Bank |
|--------|-----|-----|-----|-----|-----------|
| LIMIT: | 50% | 35% | 25% | 25% | 25%       |

- c. *Exclusion of underwriting exposure from ceiling.* The exposure of a bank with UB authority arising from the firm underwriting of equity securities of enterprises shall not be counted in determining compliance with the ceilings prescribed in this Section and Sec. 376-A (*Limits on investments in non-allied enterprises*) for a period of ninety (90) calendar days from the issuance of such equity securities<sup>1</sup>.
- d. The guidelines in determining compliance with the other limitations and restrictions on equity investments of banks are shown in *Appendix 83*.

## Footnotes

1. It shall cover all new underwritten debt and equity securities issued from 15 February 2013.