

Saptakoshi Development Bank Ltd.

Form No. 1

Capital Adequacy Table At the month end of Poush, 2076

(Rs. in '000)

| 1. 1 RISK WEIGHTED EXPOSURES | | Current Period | Previous Period |
|--|---|---------------------|---------------------|
| | Risk Weighted Exposure for Credit Risk | 2,546,526.70 | 2,455,275.68 |
| | Risk Weighted Exposure for Operational Risk | 142,124.89 | 142,124.89 |
| | Risk Weighted Exposure for Market Risk | - | - |
| Total Risk Weighted Exposures (Before adjustments of Pillar II) | | 2,688,651.59 | 2,597,400.57 |
| Adjustments under Pillar II | | | |
| SRP 6.4a | Select answer of SRP 6.4a (5) in SRP sheet | - | - |
| SRP 6.4a | Add% of the total deposit due to insufficient Liquid Assets | - | - |
| SRP 6.4a | Answer the question SRP 6.4a (7) in SRP sheet | - | - |
| SRP 6.4a | Answer the question SRP 6.4a (9) in SRP sheet | - | - |
| SRP 6.4a | Answer the question SRP 6.4a (9) in SRP sheet | - | - |
| Total Risk Weighted Exposures (After Bank's adjustments of Pillar II) | | 2,688,651.59 | 2,597,400.57 |

| 1.2 CAPITAL | | Current Period | Previous Period |
|------------------------------------|---|-------------------|-------------------|
| (A) Core Capital (Tier 1) | | 902,710.64 | 960,681.38 |
| | Paid up Equity Share Capital | 787,111.73 | 787,111.73 |
| | Irredeemable Non-cumulative preference shares | - | - |
| | Share Premium | - | - |
| | Proposed Bonus Equity Shares | - | - |
| | Statutory General Reserves | 64,678.95 | 42,583.71 |
| | Retained Earnings | 35,241.29 | 123,710.21 |
| | Un-audited current year cumulative profit/(loss) | 20,400.18 | 9,521.76 |
| | Capital Redemption Reserve | - | - |
| | Capital Adjustment Reserve | - | - |
| | Dividend Equalization Reserves | - | - |
| | Other Free Reserve | - | - |
| | Less: Goodwill | - | - |
| | Less: Deferred Tax Assets | 4,721.50 | 2,246.03 |
| | Less: Fictitious Assets | - | - |
| | Less: Investment in equity in licensed Financial Institutions | - | - |
| | Less: Investment in equity of institutions with financial interests | - | - |
| | Less: Investment in equity of institutions in excess of limits | - | - |
| | Less: Investments arising out of underwriting commitments | - | - |
| | Less: Reciprocal crossholdings | - | - |
| | Less: Purchase of land & building in excess of limit and unutilized | - | - |
| | Less: Other Deductions | - | - |
| Adjustments under Pillar II | | | |
| SRP 6.4a | Answer the question SRP 6.4a (1) in SRP sheet | - | - |
| SRP 6.4a | Answer the question SRP 6.4a (2) in SRP sheet | - | - |

| (B) Supplementary Capital (Tier 2) | | Current Period | Previous Period |
|--|---|-------------------|-------------------|
| (eligible Rs. 68554.52 thousand only) | | 69,623.70 | 38,682 |
| | a Cumulative and/or Redeemable Preference Share | - | - |
| | b Subordinated Term Debt | - | - |
| | c Hybrid Capital Instruments | - | - |
| | d General loan loss provision | 34,677.32 | 35,378.01 |
| | e Exchange Equalization Reserve | - | - |
| | f Investment Adjustment Reserve | - | 50.10 |
| | g Asset Revaluation Reserve | - | - |
| | h Other Reserves | 34,946.38 | 3,253.68 |
| Total Capital Fund (Tier I and Tier II) | | 971,265.16 | 999,363.17 |

| 1.3 CAPITAL ADEQUACY RATIOS | | Current Period | Previous Period |
|---|--|----------------|-----------------|
| Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II) | | 33.57% | 36.99% |
| Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II) | | 36.12% | 38.48% |