

TDBL'S CAPITAL INCREMENT PLAN (Summarized):

In order to cope up with the need of capital enhancement, Bank has planned to enhance the capital by using the following tools,

- Issuance of Bonus shares from the distributable profits of F/Y 2071-72 & 2072/73,
- Merger with different BFIs
- Right issuance after merger, right issuance will be done to the extent so that there will not be negative impact on EPS.
- Proposed Bonus Shares from the distributable profits of F/Y 2073/74.

The existing Capital of the Bank is Rs. 678.40 million. In order to meet the minimum capital requirement of the Bank as on 31/03/2074, Bank has planned as follows,

- i) Bank has projected to distribute 15% Bonus Shares (planned) from the distributable profits of the F/Y 2071-72.
- ii) Bank is planning to raise the capital of Rs. 800 Million through the merger or acquisition during the F/Y 2072-73. Bank has planned for merger with regional Level BFIs or National level BFIs. Priority shall be given to the BFIs having capital lower than TDBL's capital & having higher EPS. Branch location, staff and credit quality etc. will be taken into consideration. The amount to be raised through merger or acquisition will be increased by the portion of Bonus Shares of F/Y 2072-73(Planned) of other BFIs if merger happened after distribution of Bonus shares of F/Y 2072-73.
- iii) Bank has projected to distribute 16% Bonus Shares (Planned) from the distributable profit of the F/Y 2072-73 as projected above.
- iv) Bank has projected to issue right shares in the proportion of 5:1 to the existing shareholders. The ratio of right issuance may vary depending up on volume of capital raised through the merger or acquisition.
- v) Bank has projected to propose 17% Bonus Shares (Planned) from the distributable profit of the F/Y 2073-74 as projected above.

Alternatively, the Bank may opt for the merger/acquisition proposal of any Commercial Bank; if the offerer Bank has put forth a Capital Plan to fulfill the paid up capital of capital of Rs 8.00 Billion by end of F/Y 2073-74. Similarly, if any of the joint venture or foreign investment proposal or opportunity has been received during the period the Bank may opt for that option as well.

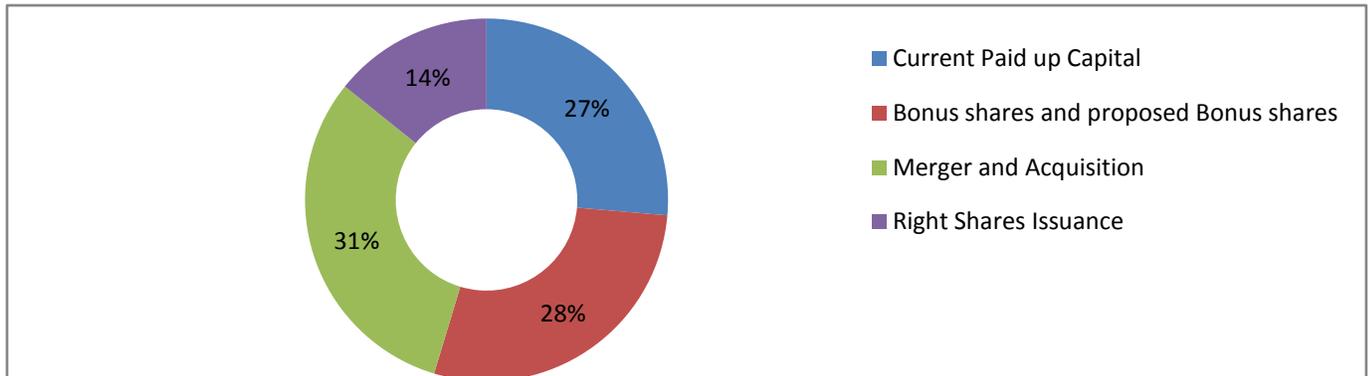
The quantitative presentation of capital plan of TDBL has been presented as below:

Capital Plan:

(Amount in Rs. Million)

S. No.	Particulars	Additional Paid up Capital	Cumulative Paid up Capital
1	Existing Capital		678.40
2	15% Bonus Share for F/Y 2071-72 (Planned)	101.76	780.16
3	Merger with other BFIs	800.00	1,580.16
4	16% Bonus Share for F/Y 2072-73 (Planned)	252.83	1,832.99
5	Right Share Issuance (5:1) (Planned)	366.60	2,199.58
6	17% proposed Bonus Shares for F/Y 2073/74	373.93	2,573.51
Total Paid up Capital as on 31/03/2074			2,573.51

The Composition of the different tools of Capital enhancement on the proposed Paid up Capital as on 31/03/2074 can be presented as follows,



Note: This capital plan has been prepared as per the requirement of NRB circular no. 2/072/73 and published as per the requirement of NRB circular no. 4/072/73.