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**ROYAL MONETARY AUTHORITY OF BHUTAN**

RMA/FISD/3-2008/6928

March 31, 2008

The Managing Director  
Bank of Bhutan Ltd.  
Phuntsholing

The Managing Director  
Bhutan National Bank Ltd.  
Thimphu

The Managing Director,  
Bhutan Development Finance Corporation Ltd.  
Thimphu

The Managing Director,  
Royal Insurance Corporation of Bhutan Ltd.  
Phuntsholing

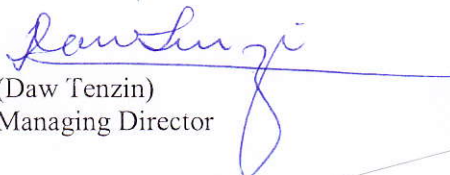
Dear Sir(s),

**Sub: Amendment to Prudential Regulations 2002 (Section 7.2 – Minimum Capital Requirement)**

Kindly find enclosed herewith amendment to Section 7.2 of the Prudential Regulations 2002, which would take effect immediately.

Further, you are requested to kindly acknowledge the receipt of this letter to the Financial Institutions Supervision Division of Royal Monetary Authority of Bhutan and ensure compliance accordingly.

Yours sincerely,

  
(Daw Tenzin)  
Managing Director

**AMENDMENT TO PRUDENTIAL REGULATIONS 2002 (Minimum Capital Requirement)**

The Minimum Capital Requirement prescribed under Section 7.2 of Prudential Regulations 2002 is hereby amended as:

**7.2 MINIMUM CAPITAL REQUIREMENT**

(i) The minimum paid-up capital for different types of financial institutions shall be as follows:-

- |     |                                |   |                 |
|-----|--------------------------------|---|-----------------|
| (a) | Bank                           | - | Nu.300 million. |
| (b) | Non-bank financial institution | - | Nu.200 million. |
| (c) | Non-bank finance company       | - | Nu.100 million. |

(ii) No license shall be issued to a financial institution until the paid-up portion of its subscribed capital amounts to the minimum prescribed level, indicated above.

(iii) All existing banks and non-bank financial institutions should raise their paid-up capital to the minimum prescribed amount indicated in (i) (a) and (b) above latest by January 1, 2009.