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Bhutan Development Bank Limited

*"Your Development Partner"*

# QUARTERLY NEWSLETTER



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# ANNUAL WORKSHOP

March 31 to April 3, 2025, Bumthang



The Annual Workshop 2025 was held in Bumthang from March 31st to April 3rd, bringing together senior management, branch managers, and few junior officials to review performance targets and strategize for the year ahead. The workshop centered around the theme of strategic realignment and teamwork to achieve the Bank's overarching goals, a concept introduced by the CEO.

In his keynote address, the Chairman highlighted pressing financial challenges, including rising Non-Performing Loans (NPLs) and narrowing interest margins. He emphasized the need to reduce NPLs below 3%, improve branch efficiency, and accelerate the adoption of digital banking. He concluded with a strong call for collective accountability, stressing the importance of linking individual efforts to the Bank's long-term sustainability.

Beyond addresses from the Board and senior leadership, the workshop also showcased strong commitment from all participants. Key action items included the initiation of NPL recovery plans by April 30, finalization of the e-Pay revamp by October, and submission of branch optimization proposals by the end of Quarter 2.

The workshop reinforced a unified vision for 2025, grounded in financial discipline, innovation, and customer-centric growth.



*"Good Banking is produced not by good laws, but by good bankers."*

*-Hartley Withers*



## BDBL Signs MoU with Bhutan Insurance Limited (BIL)

April 16, 2025, Corporate Office, BDB



Bhutan Development Bank Limited (BDBL) signed a Memorandum of Understanding (MoU) with Bhutan Insurance Limited (BIL) on April 16, 2025, to enhance customer convenience through a one-stop platform for financial and insurance services.

Under the agreement, BDBL will promote BIL's insurance products across its branch network, while BIL will provide insurance coverage for BDBL's assets, staff, and client-financed properties. A revolving fund of Nu. 500,000 will be maintained to ensure timely premium payments, with both parties coordinating on fund management, policy renewals, and service delivery.

This partnership aims to strengthen customer service and foster a long-term, mutually beneficial relationship.



April 16, 2025  
Corporate Office  
Bhutan Development Bank

## BDBL AND RICBL SIGN BANCASSURANCE AGREEMENT

On April 16, 2025, Bhutan Development Bank Limited (BDBL) and Royal Insurance Corporation of Bhutan Limited (RICBL) entered into a Bancassurance Agreement, forming a strategic partnership that allows BDBL to offer RICBL's non-life insurance products as a non-exclusive agent.

Under the agreement, BDBL will:

- Solicit insurance business and collect premiums
- Manage and replenish a Revolving Fund
- Appoint a coordination focal person
- Monitor insurance coverage for hypothecated properties
- Update RICBL on loan status changes
- Ensure accurate information is provided by staff and prevent unauthorized actions

RICBL will:

- Appoint its own focal person
- Share policy renewal lists and manage renewals or cancellations upon notification
- Oversee the Revolving Fund
- Provide training and policy materials to BDBL staff
- Conduct property inspections before underwriting

This collaboration aims to improve customer access to integrated banking and insurance services, while enhancing operational efficiency and coordination between the two institutions, thereby offering clients secure, convenient, and comprehensive financial solutions.



# BDBL FACILITATES GELEPHU MINDFULNESS CITY BOND SUBSCRIPTION

## SUBSCRIPTION SUMMARY

Channel	Clients	Total Subscribed (units)	Total Amount (Nu)
RSEB Online	19,377	1,766,870	1,766,870,000
RICB	1,818	297,240	297,240,000
BNBL	1,648	265,990	265,990,000
BOBL	5,638	520,380	520,380,000
BDBL	3,511	290,990	290,990,000
DK BANK	3,411	205,530	205,530,000
Total			Nu. 3,347,000,000

A farmer from Mongar shared, “It felt like a way to directly support our country’s vision. I would not have been able to apply without the help of the BDBL branch near me.”

As Bhutan charts a new path of mindful, inclusive development through the Gelephu Mindfulness City, the Nation Building Bond (GNBB) initiative emerged as a vital opportunity for citizens to take part in shaping the nation’s future. In support of this vision, Bhutan Development Bank Limited (BDBL) proudly took part in the bond subscription process, serving as a broker without charging any brokerage fees, underscoring its deep commitment to nation-building.

From 2nd May to 31st May 2025, BDBL activated all its Gewog Field Offices, branch offices, and Head Office, with teams from the Finance and Accounts Sections working tirelessly to receive applications from the public. The response was overwhelming and inspiring.

Due to the tremendous interest and volume of applications, the subscription period was extended by three additional days, closing on 3rd June 2025. During this extended window, BDBL received applications from 3,511 clients, with a total subscription of 290,990 bond units, amounting to Nu. 290,990,000.

Although the government initially floated Nu. 2 billion worth of bonds to the public, the subscription volume soared beyond expectations, reaching Nu. 3.347 billion. This extraordinary public response reflects Bhutanese citizens’ trust in the country’s future vision and their strong sense of national pride. Ultimately, RSEBL (Royal Securities Exchange of Bhutan Limited), which facilitated the issuance, allotted all subscriptions in full, further ensuring transparency and equal opportunity for all.

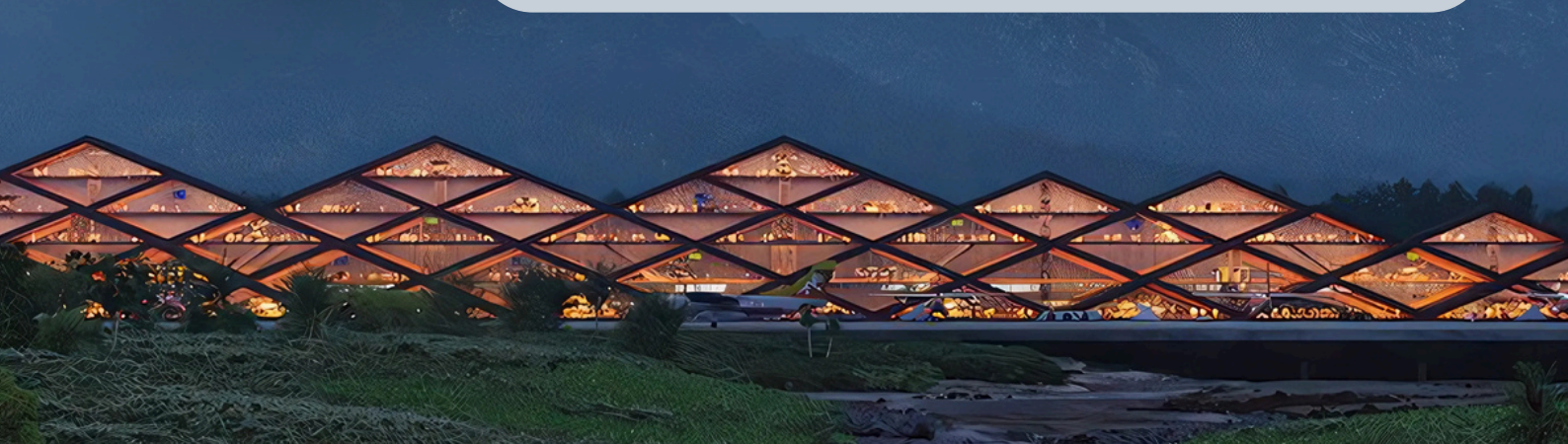
## PUBLIC SENTIMENT: A BOND BEYOND MONEY

For many Bhutanese, subscribing to the bond went beyond financial interest—it became a symbol of personal contribution to Bhutan’s growth. Citizens from rural and urban areas alike stepped forward, expressing not just confidence in the initiative but also appreciation for BDBL’s accessible and fee-free support.



## BDBL'S ROLE: A PRIVILEGE TO SERVE THE NATION

Sonam Dorji, ISS Officer, Office of CEO



From BDBL's perspective, facilitating the GNBB subscription was more than a service—it was a national responsibility. As a development bank with deep roots in Bhutanese communities, BDBL ensured wide access, professional support, and no brokerage fees, making the process seamless for all segments of society.

Ms. Kencho Wangmo, a representative from BDBL, remarked, *"This initiative was not about revenue. it was about purpose. We are honored to have played a role in enabling every Bhutanese to participate in building the future of Gelephu Mindfulness City."*

The successful participation in the Gelephu Mindfulness City Nation Building Bond marks a proud chapter in Bhutan's development journey. With over Nu. 3.3 billion subscribed and full allotment ensured, the initiative not only raised funds for a mindful future but also deepened the collective spirit of unity and purpose.

Bhutan Development Bank's role exemplifies how financial institutions can serve as true partners in national transformation—bringing the power of development finance to the people, and the voice of the people into national progress.

# INTRODUCING THE NEW TEAM MEMBERS

## Joining of Head, Office of CEO

"Leadership Reinforced: On May 10, the Office of the CEO gains fresh momentum with the arrival of its new Head, — marking a bold step toward future-forward banking."



May 10, 2025

Ms. Thinley Choden

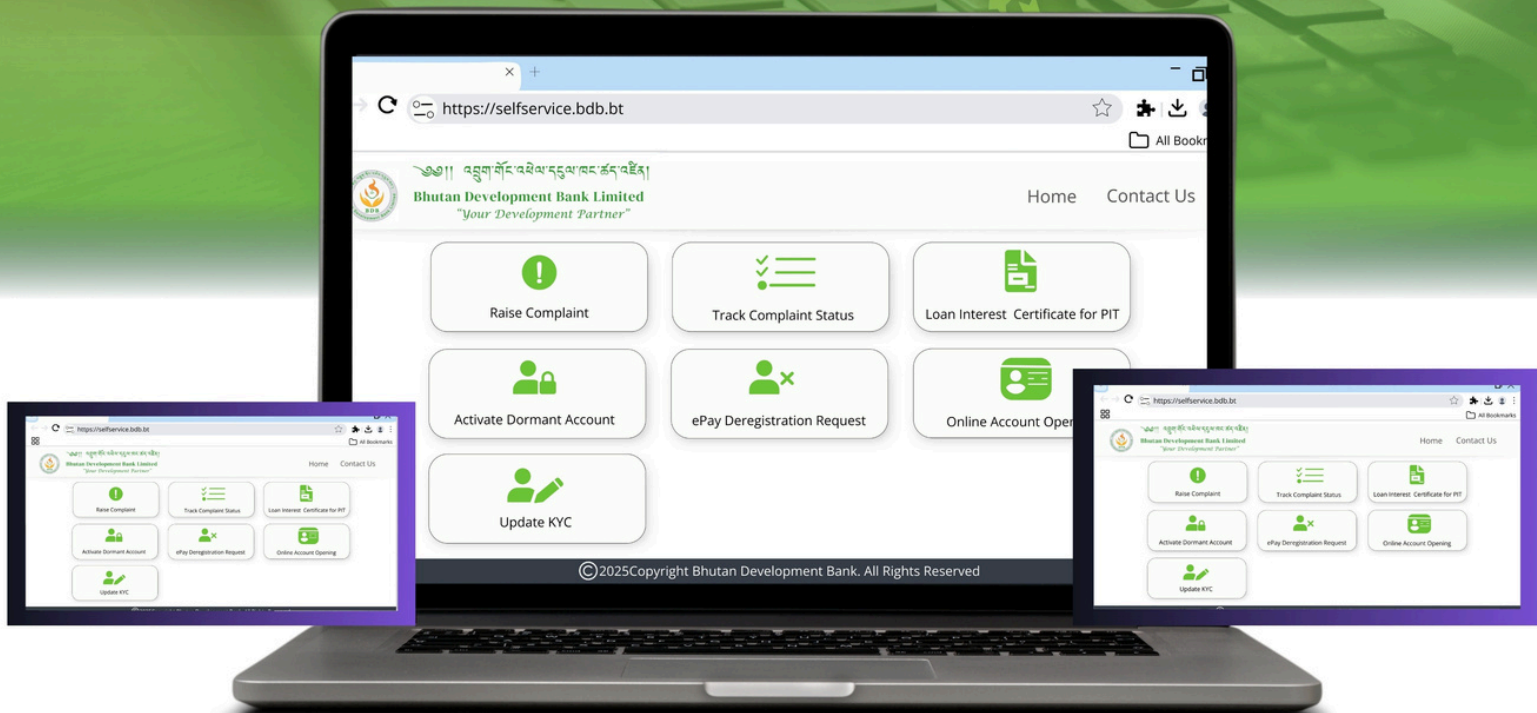


June 01, 2025

Ms. Tshering Zam

## Joining of Company Secretary

"A New Chapter in Corporate Excellence — The Company Secretary joins BDBL on June 1st to steer compliance governance, and integrity forward."



# LAUNCH OF CUSTOMER SELF-SERVICE PORTAL

May 16, 2025



Teknath Powdyel  
Retail Banking Section  
Retail & Branch Operations Division

In a significant stride toward digital transformation, Bhutan Development Bank Ltd. (BDBL) launched its Customer Self-Service Portal on 16th May 2025. The portal aims to empower customers by offering faster, more accessible banking services from the comfort of their devices.

The launch event took place in the Bank's conference hall and was graced by the presence of the CEO, management team, and other senior officials. This milestone reflects BDBL's ongoing commitment to enhancing customer experience through technology-driven initiatives.



The new self-service portal offers a range of features, including:

- Raising complaints and tracking ticket status in real time
- Re-activating dormant savings accounts
- Generating loan interest certificates for Personal Income Tax (PIT) filing
- Submitting mobile app (ePay) de-registration requests in cases of handset changes, loss, or damage
- Providing direct links for online account opening and KYC updates

The introduction of this portal marks a pivotal step in BDBL's mission to go digital and provide customers with seamless and efficient services. With this innovation, the Bank continues to deliver on its vision of being a customer-centric and forward-looking financial institution.





Thimphu, June 5, 2025 – Bhutan Development Bank Limited (BDBL) joined the global community in observing World Environment Day 2025 under the theme “Land Restoration, Desertification, and Drought Resilience.” In recognition of the importance of environmental stewardship, staff from the head office came together to participate in a one-hour cleaning campaign in and around their respective office premises.

The initiative aimed to promote awareness about the importance of maintaining a clean and sustainable environment and to demonstrate the bank’s continued commitment to social and environmental responsibility. Staff members actively took part in cleaning public areas, removing waste, and ensuring proper disposal practices were followed.

Speaking on the occasion, the management expressed appreciation for the participation and encouraged all employees to carry forward the spirit of environmental consciousness in their daily routines. “We believe that even small actions can contribute to a larger change. Our involvement in this campaign is a reflection of our values and our commitment to the well-being of the communities we serve,” said a representative from the management team.

As a financial institution with a strong mandate for rural development and social impact, BDBL recognizes the vital link between environmental sustainability and economic development. Initiatives like this cleaning campaign are part of a broader effort to align with national and global environmental goals.

World Environment Day serves as a powerful reminder that the health of our planet depends on collective action. BDBL remains dedicated to being a responsible corporate citizen by taking proactive steps to protect and preserve the environment.

# BEYOND BORDERS: INTERNATIONAL TRAINING EXPERIENCE

## A JOURNEY OF FIRSTS AND GROWTH

*Jangchuk Peldon, Associate Customer Care Officer*



I am beyond grateful to BDB Management for the opportunity to attend a five-day Advanced Customer Care Training in Bangkok, organized by Maslaw Consultants. This experience was not only a professional development milestone but also a deeply personal journey filled with unforgettable “firsts.”

It was my first time stepping into an airport, boarding a flight, and arriving in a city I had only dreamed of. As I landed at Suvarnabhumi Airport, surrounded by people from around the world, I felt overwhelmed with gratitude. In that quiet moment, I thanked God and my parents for helping me reach this stage in life.

The training was held at Furama Silom Hotel, where I rode the elevator to the 8th floor—yet another personal first. Our trainer, Mr. Asohan Bathumaly, greeted us with genuine warmth and kindness. As a certified hypnotherapist, professional trainer, and Reiki Master, his welcoming presence immediately put us at ease and created a comfortable, engaging atmosphere that carried through the days ahead.

The sessions focused on core areas such as customer interaction, service quality, types of services, toolsets, skillsets, and cultivating a customer-centric mindset. It wasn’t just theory—I actively engaged in group discussions, role plays, presentations, and actual customer conversation simulations. These made the training interactive and relevant to our real-world responsibilities.



Throughout the course, I learned practical tools and techniques to effectively handle a wide range of customer situations. More importantly, I gained confidence, a renewed sense of compassion, and the capability to approach customer service challenges with professionalism and empathy. I also gained insights into the different types of minds and the unique roles they play. The body-mind acts as a faithful servant to the subconscious mind, carrying out whatever instructions it receives.

This training was more than just a professional opportunity. It marked a personal breakthrough, a fulfilled dream, and a reminder that true growth begins at the edge of your comfort zone.



# RETAIL CREDIT, PATHUMTHANI UNIVERSITY-BANGKOK

Ugyen ChenChen. Wangchuk  
Sr. Credit Officer, Credit Officer



Attending the training program in Bangkok was a truly enriching and insightful experience. The sessions were well-structured, covering both theoretical and practical aspects of the subject matter. The facilitator was highly experienced and engaging, making the learning process both interactive and effective.

The training venue was well-equipped, and the overall organization was commendable. Apart from the academic sessions, we also had the chance to explore the local culture and hospitality of Bangkok, which made the experience more memorable and enjoyable.

Overall, the training not only enhanced our professional skills but also expanded our network and global outlook. We are confident that the knowledge gained will significantly contribute to our current role and future career development.



# Pathumthani University

## CAPACITY DEVELOPMENT TRAINING AND EXPOSURE VISIT PROGRAMME ON **Risk Management**

For  
**Bhutan Development Bank Limited**

# RISK MANAGEMENT, BANGKOK

Rinchen Zangmo, Compliance Officer, Risk Management

The Risk Management Programme Training was held at Pathumthani University, Bangkok, from 6<sup>th</sup> to 10<sup>th</sup> May 2025. The training enhanced participants' understanding and promoted collaboration in effectively managing risks.

The programme has to equip us with the knowledge and practical insights necessary to identify, assess, and mitigate potential risks in a dynamic and evolving financial environment.



The training included interactive case studies and group discussions, allowing participants to apply the concepts learned to real-life scenarios, thereby encouraging proactive risk management thinking.

The programme also helped deepen our understanding of emerging risks such as cybersecurity threats, environmental challenges, and third-party vendor exposures. It also provided insights into how Anti-Money Laundering (AML) risks are addressed using AI-based systems to monitor transactions in real time in other countries.

We extend our sincere gratitude to the management for the opportunity to participate in this valuable training.

# PROCUREMENT & INVENTORY

## My Overseas Training Experience

Kelzang Dorji, Procurement Assistant, HR & Logistics Division.



My name is Kelzang Dorji, and I serve as a Procurement Assistant under the HR & Logistics Division. I had the privilege of traveling to Bangkok, Thailand, to attend an international training program on Procurement and Inventory Management. This opportunity was both a professional milestone and a personally enriching experience.

### Purpose

The training aimed to enhance our understanding of global procurement practices and inventory management by focusing on strategic procurement planning, supplier relationship management, inventory optimization, risk mitigation, and the use of digital tools for procurement and inventory tracking.

### Professional Learning

During the training, I was introduced to global best practices in procurement and inventory management that are not yet widely adopted in Bhutan. Key takeaways included modern procurement strategies such as value-based procurement, sustainable sourcing, and vendor evaluation; effective inventory management techniques to balance stock levels, reduce holding costs, and apply forecasting methods; and the integration of advanced technologies like ERP systems to streamline procurement processes. Additionally, real-world case studies from multinational companies provided valuable insights into how various procurement challenges are addressed internationally.

### Personal Development

The training also contributed to personal growth by enhancing cross-cultural communication through interactions with international professionals, boosting confidence through active participation in group activities, and broadening my perspective on implementing innovation and efficiency in procurement practices.

### Application of Knowledge

Upon returning, I identified opportunities to enhance our procurement process, including improved supplier performance tracking, stock reduction, and better planning. I am committed to sharing these insights with colleagues to support continuous improvement. I sincerely thank the Bank for this valuable opportunity, which supports professional growth and aligns with global best practices.



# STUDY TOUR/ EXCHANGE PROGRAM:

## Value Chain Financing with Bank for Agriculture & Agricultural Cooperatives (BAAC)

Mr. Pema Khandu, General Manager, HR & Logistics

*“As the development bank of the country, BDB’s study tour hosted by the Bank for Agriculture and Agricultural Cooperatives in Thailand offered delegates not only a meaningful platform for engagement and dialogue on best practices in banking operations but also a deeper understanding of development in its truest sense,”*

Mr. Pema Khandu, General Manager, HR & Logistics Division.





*“As part of its continuous learning and development initiatives, BDB’s field visit to the durian and rubber processing facilities in Rayong, Thailand—facilitated by the Bank for Agriculture and Agricultural Cooperatives (BAAC)—offered delegates a unique opportunity to witness the real-time transformation of agricultural products from farm to factory. The visit not only deepened participants’ understanding of agro-industrial operations and value chain dynamics but also showcased how BAAC plays a vital role in empowering rural farmers and cooperatives through targeted financial assistance and inclusive banking services. This experiential learning journey underscored the synergy between practical field realities and institutional support, offering valuable perspectives for enhancing development banking practices back home.”*

*- Dendup Namgyel, Branch Manager, Lhuntse Branch*

## Bank for Agriculture and Agricultural Cooperatives (BAAC) Tree Bank and Carbon Credit.

*During an exposure visit to rural agricultural financial services in Thailand, BAAC made a presentation on one of their products, Tree Bank and Carbon Credit, where this project helps farmers earn money by planting trees in unused land and taking care of the trees. The farmer registers these trees that they plant, like teak, rubber, and fruit trees. These trees are counted as valuable assets, like savings deposits in a bank.*

*Farmers can use these registered trees as collateral to get a loan, and also encourage reforestation and help the environment. These planted trees can absorb carbon dioxide (CO<sub>2</sub>). These companies that pollute the environment and produce CO<sub>2</sub> gas need to balance their pollution. They buy carbon credits from people or the Tree Bank project, which allows farmers to earn income that reduces CO<sub>2</sub> gas and naturalizes carbon. In the future, farmers can also benefit from the trees planted; they harvest timber, fruit, and medicine.*

*The company that produces CO<sub>2</sub> gas and pollutes the environment can buy carbon credits from Tree Bank to make it carbon neutral or balance where carbon credits have been used. This is a real market where farmers and green projects like BAAC Tree Bank can earn money by planting more trees and protecting the environment.*

*-Jigme Tenzin, Branch Manager, Tsirang*





# BUILDING CAPACITY FROM WITHIN: IN-COUNTRY TRAINING FOR GROWTH

## Leadership Development Program—RIGSS



Twenty officials from Bhutan Development Bank underwent a week-long Leadership Development Program from April 6–12, 2025, at the Royal Institute for Governance and Strategic Studies (RIGSS) in Phuentsholing.

The comprehensive training featured diverse modules aimed at enhancing leadership capacity, including mindfulness and emotional intelligence, organizational culture, communication and presentation skills, and strategies for fostering an engaged and growth-oriented work environment. Participants also explored how to lead with empathy, motivation, and purpose.

The programme concluded with impactful sessions on “Negotiation Fundamentals” and “Professionalism in Public Service,” delivered by Dasho Chewang Rinzin, Vice Chancellor of the Royal University of Bhutan.



## BASIC CREDIT APPRAISAL

April 21 to 23, 2025 May 8 to 10, 2025

Mr. Pratap Rai, Jr. Engineer, HR and Logistics

Basic Credit Appraisal Training aimed at enhancing the skills and knowledge of credit officers of BDB from various branches across the country. This capacity-building program was designed to equip credit officers with essential tools and insights needed to carry out effective credit appraisals, thereby supporting the bank's goal of prudent lending and risk management.

The training covered key aspects of credit appraisal essential for sound lending decisions. Topics included payment source analysis (primary, secondary, and tertiary) to assess repayment capacity; evaluating customer reliability to determine creditworthiness; and a comprehensive approach to project appraisal, covering market, technical, management, and financial dimensions. Participants also explored the 5 Cs of credit analysis—Character, Capacity, Capital, Collateral, and Condition—as a foundation for risk assessment. Additionally, the training highlighted the critical role of the Credit Information Bureau (CIB) in providing reliable credit history data to support informed and responsible lending.

The training combined theoretical insights with practical case studies, fostering active participation and enhancing the application of learned concepts in real-world scenarios.

Coming from a different background in civil engineering, the Basic Credit Appraisal Training was an eye-opening experience for me. I gained a clear understanding of how crucial credit appraisal is, not only for the bank but also for borrowers. Proper credit appraisal helps prevent borrowers from defaulting by ensuring that loans are granted based on a thorough assessment of their ability to repay. Through this training, I have learned the fundamental concepts of credit appraisal and how to effectively communicate this basic credit-related information to borrowers. This knowledge empowers me to guide clients responsibly and set realistic expectations.

Moreover, the training improved my skills in dealing with customers as a banking staff member. I now feel more confident in evaluating credit applications and interacting with clients to support their financial needs while protecting the bank's interests.

Overall, this training has equipped me with valuable insights and practical tools to contribute meaningfully to my role in the banking sector.



# Corporate Project Financing

June 2 to June 5, 2025

Mr. Tashi Tshering, ESP

The Project Finance & Valuation Modeling Training, conducted by Bhutan Development Bank Limited (BDBL) in collaboration with Bhutan Actuarial & Risk Consultant from 2–5 June 2025 in Thimphu, was designed to strengthen institutional capacity in evaluating and financing infrastructure and capital-intensive projects through structured financial frameworks. The program aimed to equip participants with comprehensive knowledge of project finance principles, financial modeling techniques, risk mitigation strategies, and valuation metrics aligned with international best practices, but contextualized for Bhutan.



The training introduced participants to the fundamentals of project finance, focusing on the use of Special Purpose Vehicles (SPVs), cash flow-based lending, and equitable risk allocation. It covered funding sources, financial modeling techniques (including NPV, IRR, DSCR, LLCR, and PLCR), and key legal agreements such as loan and concession contracts, financial covenants, and inter-creditor arrangements. A case study on the Thimphu Multilevel Car Parking Facility highlighted real-world project structuring under a DBFOT model. The program also addressed current challenges in Bhutan's project finance landscape, such as political risks, regulatory gaps, and environmental due diligence. Overall, the training enhanced BDBL staff's capacity to evaluate, structure, and manage complex infrastructure projects in line with global best practices.



# **Bhutan Development Bank Limited**

P.O Box 256

Thimphu: Bhutan

Facebook: [Bhutan.Development.Bank](#)

Email: [info@bdb.bt](mailto:info@bdb.bt)

[www.bdb.bt](http://www.bdb.bt)

**Toll Free No. 1424**