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Bhutan Development Bank Limited

"Your Development Partner"



BDB/CEO-02/2017/ 196)

April 4, 2017

OFFICE ORDER


The 141st Board Meeting held on 31st March 2017 approved the revised new lending rates which are attached herein. The Bank computed its final revised lending rates based on the common MLR of 6.66% as prescribed by RMA plus Bank's own credit risk premium, tenor premium and business strategy.

The revised lending interest rates will also be applied to all the existing clients on fulfilling certain terms and conditions of the Bank. The Branch should ensure that the following requirements are fulfilled in all respect for the change of interest rate to its existing Customer.

1. Receive the dully filled up application form from the client (Refer Annexure A - Attached)
2. Ensure the loans are regular without any default.
3. Execute the addendum to the existing loan agreement (Refer Annexure B – Attached)
4. Make necessary changes in the system by referring the process and procedures. (Refer Annexure C – Attached)

The revised lending rates will be implemented from April 1, 2017 and all the Branch Offices are advised to comply with the office order strictly.

The lending rates are subject to revision every 6 months.



(Phub Dorji)
Chief Executive Officer.

Cc:

1. Dy. Chief Executive Officer (Policy/Operation), BDB HO, for kind information.
2. The General Manager, Credit Department for compliance.
3. The Regional Managers (Eastern Region - Tashigang, Central Region - Gelephu and Western Region – Paro), BDB, for information and to ensure the office order is complied with by the Branch Offices within the region.
4. The Chief/Branch Managers, 33 Branch Offices, BDB, for information and compliance.
5. The GM, Internal Audit, BDB HO, for information.
6. The Head, Legal Division, BDB HO, for information.
7. Office Copy.
8. Guard File.

BHUTAN DEVELOPMENT BANK LIMITED

Product Code	Product Description	Loan Portfolio (Share %)	NPL (Share %)	Maximum Loan Term Period	Board Approval (141st - 31-03-2017)		
					Upto 5 Years	Above 5yrs-10Yrs	Above 10Yrs - 20 Yrs.
51	Seasonal Loan	1.5%	1.40%	1	11.55%		
52	Agriculture/Livestock Loan	24.5%	25.09%	10	10.25%	10.50%	
53	Small Scale Industrial Loan (upto 1 M)	0.5%	0.95%	5	11.30%	11.50%	
54	General Trade Loan	4.5%	7.71%	5	12.25%		
55	Transport Loan	6.3%	4.01%	5	12.50%		
56	Manufacturing/Industrial Loan	2.7%	4.98%	10	11.30%	12.30%	
57	Service and Tourism Loan	7.1%	8.28%	20	10.70%	11.00%	11.20%
58	Construction Loan	0.3%	0.85%	5	12.20%		
59	Commercial Housing loan	15.0%	10.81%	20	10.50%	11.00%	11.25%
	Home Loan	0.0%	0.00%	20	10.00%	10.25%	10.50%
60	Working Capital Loan	0.1%	0.45%	1	12.00%		
61	Personal Loan	3.7%	8.71%	5	13.50%		
62	Staff Loan	2.1%	0.26%	20	0.00%		
63	Employee Loan	10.8%	2.42%	5	9.50%		
70	Overdraft Loan	15.8%	19.74%	1	12.00%		
71	Group Seasonal Loan	0.0%	0.05%	1	10.00%		
72	Group Term Loan	0.5%	0.42%	5	10.00%		
76	Resettlement Seasonal Loan	0.0%	0.00%	1	10.00%		
77	Resettlement Term Loan	0.0%	0.03%	5	10.00%		
78	Working Capital Loan (OD)	1.8%	2.71%	1	12.00%		
79	Micro Enterprise loan	0.6%	1.10%	3	12.00%		
80	BCCI-SME Loan	0.0%	0.04%	3	10.00%		
81	Coop.Revolving Loan (DAMC)	0.0%	0.00%	5	10.00%		
82	Education Loan	0.0%	0.00%	5	10.00%		
83	Co-operative loan	0.0%	0.00%	5	12.00%		
85	Home Settlement Loan	0.1%	0.00%	5	9.50%		
86	Equity Financing'	0.00%	0.00%	20	12.00%	12.00%	12.00%
87	EDP Loan	0.0%	0.00%	10	10.00%		
89	Loan to purchase shares/securities	0.4%	0.00%	5	11.50%		
Average lending Rate					10.80%		

Lending rate for loan against individual/corporate Fixed Deposit is approved at 1% higher than the prescribed deposit rate and for inter Bank/FI's lending shall be based on negotiation on the basis of common MLR set out by RMA and Bank's own MLR set for 2017.

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