

ISSUE 56

4TH QUARTER

DECEMBER 2024

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BHUTAN DEVELOPMENT BANK LIMITED  
QUARTERLY NEWSLETTER

Happy New



Year



*"Your Development Partner"*

# Highlights of the Quarter

October- December  
2024

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# ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING



CONTRIBUTED BY RINCHEN ZANGMO  
DATE: 26TH OCTOBER 2024  
VENUE: RMA CONFERENCE ROOM

A workshop on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) was conducted to enhance understanding of these vital regulations. AML/CFT measures are designed to prevent illicit financial flows, including money laundering and terrorism financing, which pose significant risks to the global financial system. While Bhutan faces less risk from terrorism financing, money laundering remains a considerable concern.

**Importance of AML/CFT for Banks:** AML/CFT regulations are crucial for banks to prevent being exploited by criminals who use financial institutions to launder money or channel funds for terrorism. Non-compliance can lead to severe penalties, including hefty fines, loss of licenses, and reputational damage. Effective implementation of AML/CFT measures helps banks disrupt the flow of illegal funds and ensures compliance with national and international laws.

**What Banks Should Do to Prevent AML/CFT Risks:** Banks must adhere to AML/CFT policies updated in 2024, which is aligned with Bhutan's AML/CFT Act 2018 and AML/CFT Rules and Regulations by the RMA 2022.

Key measures include:

- **Know Your Customer (KYC) and Customer Due Diligence (CDD):** Banks must verify the identity of customers before establishing business relationships and continuously monitor their activities and transaction patterns.
- **Enhanced Due Diligence (EDD):** For high-risk customers, such as politically exposed persons (PEPs), banks must gather detailed

information about their financial activities and sources of wealth.

- **Transaction Monitoring:** Banks should use automated systems to flag suspicious activities, such as large or rapid transactions, for investigation.

Banks should take a proactive role in educating their customers about the importance of money laundering prevention. Customers need to understand why it is essential to declare their income and the source of their funds. Banks should also provide guidance on how customers can secure their accounts by avoiding scams, never sharing their account details OTP with others. Educating customers on these topics helps protect both the individuals and financial system from fraudulent activities.

**Mule Accounts and Their Relevance to AML/CFT:** Mule accounts are a significant concern in AML/CFT efforts. These accounts are used to transfer illicit funds, often across multiple jurisdictions, to hide the origin of the money. In Bhutan, mule accounts are prevalent, as some account holders allow their personal accounts to be used for illegal transactions, which violates financial regulations. Banks must take extra precautions to prevent such misuse.

The workshop emphasized the importance of robust AML/CFT compliance to protect the financial system from abuse. By adopting strong KYC, CDD, and transaction monitoring practices, banks can detect and prevent illegal activities like money laundering and terrorism financing. Banks must regularly update policies, train staff, and cooperate with authorities to maintain compliance and ensure a transparent and secure financial system.

# LOAN ANALYSIS FOR MOVABLE FINANCE

CONTRIBUTED BY LUNGTEN JAMTSHO

## Introduction

A two-day training session on loan analysis for movable finance was held on November 25-26, 2024, at Le Meridien, Thimphu. The training, jointly organized by the International Finance Corporation (IFC) and the Royal Monetary Authority (RMA), was designed to improve the capacity of financial institutions to assess loans backed by movable collateral. The focus was on movable assets such as vehicles, machinery, equipment, and inventory, offering an in-depth exploration of the processes involved in these types of financing. This initiative aims to align local practices with international best standards to promote the growth of secured lending within the region.



## Objectives of the Training

The primary objectives of the training were:

- **Introduction to Movable Asset Financing:** To familiarize participants with the concept and advantages of financing movable assets as collateral.
- **Enhancement of Analytical Skills:** To strengthen the ability to analyze and manage loans that are secured against movable assets, ensuring effective risk management.
- **Understanding Legal Frameworks:** To deepen participants' knowledge of the legal and regulatory considerations in movable asset financing.
- **Practical Tools for Evaluation:** To equip attendees with the tools and techniques required for collateral evaluation and risk assessment in movable asset-backed financing.

## Key Topics Covered

The training provided a comprehensive overview of various aspects of movable asset financing, including:

- **Introduction to Movable Asset Financing**
  - **Definition and Scope:** Movable assets such as vehicles, equipment, machinery, and inventory were identified as collateral types.
  - **Benefits:** The training highlighted how movable asset financing enables access to credit, particularly for small and medium-sized enterprises (SMEs), and improves financial inclusion.
  - **Global Trends and Best Practices:** Key trends and best practices were discussed, with emphasis on how IFC and RMA contribute to the global and local promotion of movable asset financing.
- **Legal and Regulatory Framework**
  - **Legal Framework for Movable Collateral:** The training explored the Movable Property Security Act, its role in securing loans, and its practical application.
  - **Registration of Collateral:** The importance of registering movable collateral was emphasized to establish ownership and legal rights.
  - **Risk Management and Compliance:** Key

compliance strategies were reviewed to ensure adherence to local laws and international standards in managing movable collateral

- Loan Evaluation and Credit Risk Assessment
  - Evaluating Borrower Creditworthiness: Participants learned how to assess borrowers' financial health and their capacity to repay loans.
  - Valuation of Movable Assets: Methods for appraising movable assets, factoring in depreciation, market volatility, and other external influences were discussed.
  - Risk Assessment: A key component involved assessing various risks, such as the potential obsolescence of assets, the liquidity of collateral, and the possibility of borrower default.

### Case Studies and Practical Exercises

The training included hands-on exercises and case studies, where participants were tasked with analyzing real-world scenarios involving movable asset-backed loans. The exercises aimed to strengthen practical decision-making by focusing on:

- Assessing the value of collateral.
- Evaluating the financials of borrowers.
- Structuring loan agreements to mitigate risk.

These case studies provided participants with the opportunity to apply theoretical knowledge in actual lending scenarios, sharpening their ability to navigate complex loan evaluation situations.



### Conclusion and Key Takeaways

The training reinforced the critical role that movable asset financing plays in enhancing financial inclusion and fostering the growth of SMEs.

Key takeaways included:

- Movable asset financing is a valuable tool for increasing credit access and supporting economic development.
- A thorough understanding of collateral valuation, borrower risk, and the relevant legal framework is essential for effective loan analysis.
- Continuous training and the adoption of advanced tools are necessary to improve the effectiveness of movable asset-backed financing practices.

In conclusion, the training provided valuable insights and actionable strategies to strengthen the analysis and management of loans secured by movable assets, fostering a more inclusive and efficient lending ecosystem.

## FUNDIMENTAL OF BANKING OPERATION AND CUSTOMER EXCELLENCE

CONTRIBUTED BY CHENCHO

DATE: 25TH-26TH NOVEMBER 2024

VENUE: LE MERIDIAN

ORGANIZED BY: ROYAL MONETARY AUTHORITY (RMA) AND INTERNATIONAL FINANCE CORPORATION (IFC)



## FUNDAMENTALS OF BANKING OPERATIONS

Banking is the backbone of any economy, facilitating the flow of money, credit, and investments. It involves a range of operations that aim to provide financial services to individuals, businesses, and governments. Ensuring customer excellence in these operations is crucial for building trust, fostering loyalty, and sustaining growth in a competitive market.

Banking operations encompass a broad array of functions that manages financial transactions, safeguard deposits, and extends credit. Below are the key components:

- **Deposits:** Banks encourage savings by offering secure deposit options such as savings accounts, fixed deposits, and recurring deposits, ensuring safety and providing interest as an incentive. This mobilized capital is used for productive investments, spurring economic development.
- **Lending:** Banks provide loans to individuals, businesses, and governments for purposes such as business start-ups, construction, housing, seasonal, agriculture, livestock and many more. By channeling funds to those productive sectors, it generates employment, increases production and improves living standards. Lending also serves as a primary source of revenue for banks.
- **Payments:** Banks facilitates smooth financial transactions through services like checking accounts, digital payments, and credit/debit card systems. This reduces transaction costs and supports both domestic and international trade. Modern banking heavily relies on technology, such as core banking systems and mobile banking apps to streamline operations and improve service efficiency.
- **Compliance and Regulation:** Banks adhere to laws and guidelines set by central banks and regulatory authorities to ensure transparency and maintain public confidence. Examples include Anti-Money Laundering (AML) measures and combating the Financing of Terrorism (CFT) and Know Your Customer (KYC) regulations.



## CUSTOMER SERVICE EXCELLENCE

In an era of heightened competition and evolving customer expectations, delivering customer excellence has become a critical differentiator for banks. Customer service in banking is critical for ensuring customer satisfaction, trust, and loyalty, as financial services often deal with sensitive and high-stakes issues. It involves helping customers with a variety of banking needs, from account inquiries to resolving disputes, all while ensuring compliance with regulatory requirements.

Service in banking is critically important because it directly impacts customer satisfaction, trust, loyalty, and overall success in a highly competitive and regulated industry. Here's why service excellence is essential in banking:

- **Building Trust:** Banking involves sensitive financial matters, and excellent service builds trust and long-term relationships.
- **Reducing Churn:** Satisfied customers are less likely to switch to competitors, even when alternatives are available.
- **Customer retention and loyalty:** With many banks offering similar products, superior service becomes a key differentiator.
- **Enhance branch image:** Happy customers often advocate for the bank, boosting its image and market presence. Exceptional service enhances the bank's reputation, attracting new customers through word-of-mouth and positive reviews.

Service excellence in banking is not just about meeting customer expectations—it's about exceeding them to build enduring relationships, foster trust, and sustain growth. Therefore, to ensure top service delivery, it is important to prioritize on training and empowerment of staff. By prioritizing training and empowering staff, banks can create a workforce capable of delivering exceptional customer service, leading to increased customer satisfaction, loyalty, and overall operational success. Training and empowerment of staff are fundamental to achieving service excellence in banking. Well-trained and empowered employees can deliver high-quality, customer-focused service, enhance operational efficiency, and contribute to overall business success.

The fundamentals of banking operations and the pursuit of customer service excellence are deeply intertwined. While robust operational systems ensure efficiency and compliance, a strong focus on customer satisfaction fosters loyalty and drives growth. By integrating advanced technology, fostering a customer-centric culture, and continuously innovating, banks can sustain their relevance in an ever-evolving financial landscape.

## BHUTAN COUNTRY INVESTMENT ROUNDTABLE

The Bhutan Country Investment Roundtable programmed on 30th September 2024 aimed to address challenges in rural and agricultural finance. It brought together stakeholders to discuss financing gaps, policy reforms, and strategies for enhancing financial inclusion. Key topics included improving rural finance infrastructure, fostering private sector participation, and creating bankable agribusiness plans.

The Bhutan Rural Finance Training Programme, held from October 1-5, 2024, aimed to enhance the capacity of rural finance institutions in Bhutan, with a focus on addressing financing gaps in agriculture and food sectors. The training explored various aspects of rural finance, including governance, digital finance, sustainable agricultural finance, and value chain financing.





FEEDBACK CONTRIBUTED BY RINZIN DEMA

## Feedback on the Trainings

Participating in the training on Rural and Agricultural Finance in Bhutan and Bhutan Country Round Table from 30th September to 5th October 2024 was a valuable experience. Jointly organized by APRACA and BDBL, the training focused on enhancing knowledge about rural finance and exploring financing models used by financial institutions globally. Additionally, the discussions shed light on the challenges hindering the growth of rural finance in Bhutan.

The training sessions were highly relevant to my professional responsibilities. The content was structured effectively, with clear objectives and logical sequencing on the topics. Participants were actively engaged through interactive sessions enriched with real-life examples. The trainer showcased in-depth knowledge of the subject, addressed questions comprehensively, and facilitated group activities and practical exercises that simplified complex ideas. Case studies and examples further added value by providing practical takeaways.

The trainer's ability to present intricate topics in a simple and relatable manner was impressive. Their expertise and professionalism ensured the sessions were both informative and engaging. To make the sessions even more impactful, incorporating additional Bhutan-specific examples and topics would be beneficial.

The training on rural finance provided me with a deeper understanding of how to address the financial gap in rural areas. It emphasized the importance of developing inclusive financial products while tackling barriers such as limited financial literacy, infrastructure deficits, and the challenges associated with digitalizing rural finance. Moreover, the training highlighted the critical role of government policies and regulatory frameworks in advancing rural finance.



It also highlighted the functioning of cooperative loans in BAAC Bank, where cooperative groups play a pivotal role in managing and supporting the bank's operations. This model promotes collective responsibility, risk-sharing, and active participation from community members, which contributes to the



bank's sustainability and success. Adopting a similar cooperative model in our bank could be a transformative initiative, fostering stronger community engagement and reducing individual financial risks.

By establishing such cooperatives, we could empower rural communities to access financial resources more effectively, enhance financial literacy, and encourage

collaborative growth. This approach could also help build trust among borrowers and improve loan recovery rates. Exploring and implementing such a system in the near future would align with our goals of promoting financial inclusion and strengthening rural economies.

Overall, this training was an invaluable experience. It broadened my perspective on rural financial inclusion through well-structured content, insightful discussions, and the trainer's expertise. The practical solutions provided were highly relevant, and I am optimistic about applying these lessons in my work. I sincerely appreciate the effort put into organizing this session and look forward to similar opportunities in the future.

#### FEEDBACK CONTRIBUTED BY TSHERING SAMDRUP

The Bhutan Country Investment Roundtables meeting was organized by the Bhutan Development Bank Ltd in collaboration with the FAO Regional Office and the Asia-Pacific Rural and Agricultural Credit Association (APRACA). The primary objective of the meeting was to enhance rural financial services across Bhutan.

The meeting brought together representatives from the Ministry of Agriculture and Livestock, the Royal Monetary Authority of Bhutan, financial institutions, agribusinesses, and international agencies. The investment roundtable aimed to create a platform for stakeholders to address key challenges and identify actionable strategies to improve access to finance in Bhutan's agriculture sector.

Participants engaged in discussions about viable agribusiness plans, identified key challenges, and explored innovative financing solutions. In Bhutan, agribusiness development faces significant challenges, primarily due to weak collaboration between government agency, private sector participation, a lack of viable projects, and low financial literacy among farmers. These challenges have resulted in a disconnect between agricultural enterprises and financial institutions, hindering investment and growth in the sector.

Members highlighted critical issues, including low financial literacy among farmers, restrictive collateral policies, high-interest rates, the need for improved policies to promote financial inclusion and access to digital technologies in the agricultural sector.

The roundtable provided a platform for discussing these challenges and exploring potential solutions. Key recommendations from roundtable discussions included enhancing financial literacy, expanding infrastructure and networks, developing innovative financial products and services, improving policies to facilitate access to finance, and addressing high interest rates for farmers. The proposed solutions also included seeking investment from private sector partners and international development agencies to further support agribusiness development in Bhutan.



## FEEDBACK CONTRIBUTED BY SONAM CHOPHEL

The training content was highly relevant to my work and offered practical strategies that I can immediately apply. The sessions were well-organized with clear objectives and logical flow of topics engaging all the participants. The interactive session led by knowledgeable trainers, which includes real-life examples, answering doubts & queries effectively, group discussions and hands-on exercise, has greatly facilitated in understanding the concepts better. The examples and case studies presented were highly relatable and provided actionable takeaways.

The trainers demonstrated deep knowledge on the subject and delivered the sessions with clarity and professionalism. Their ability to explain complex topics with simple examples was particularly impressive. However, incorporating more topics and examples tailored to Bhutanese Context would enhance the training's relevance and applicability in our daily works.

The training was well-organized with clear communication and well prepared materials. The venue was comfortable, and the schedule provided sufficient breaks to maintain focus. However, extending the sessions slightly would provide more time to delve deeper into the key topics discussed.

The rural finance training enhanced my understanding of how to bridge the financial gap in rural areas. I learned about the importance of creating inclusive financial products and addressing barriers like financial literacy and infrastructure challenges. The case studies provided actionable insight that I can apply to design effective solutions for rural financial inclusion. I gained insights into how government policies and regulatory frameworks can promote rural finance in collaboration with Micro Financial Institutions (MFIs) and other key players in enhancing rural finance in the country. I also learned the challenges faced by MFI's like poor literacy, challenges in digitalizing the rural finance, the agri-sector being considered a high risk sector and poor collaboration. Despite the challenges the session was instrumental in equipping me with the tools to contribute meaningfully to rural economic development. I now feel better prepared to develop and implement initiatives that foster long-term financial inclusion and economic development in rural areas.





Overall, the rural finance training was an enriching experience that deepened my understanding of financial inclusion in rural areas. The content was well-structured, the trainer’s expertise was evident, and the insights shared were highly practical and relevant. I am confident that the knowledge gained will help me contribute more effectively to implementing strategies that address the financial needs of the rural communities. I appreciate the effort that went into organizing this training and look forward to participating in similar programs in the future.

**Feedback may be a gift,  
but constructive feedback is an investment**  
-Brad Boyson

**FEEDBACK CONTRIBUTED BY THINLEY WANGMO**

The Bhutan Country Investment Roundtable, held on 30th September, 2024, at Hotel Pemako in Thimphu, brought together a diverse group of policymakers, financial service providers, and agricultural experts to explore investment opportunities in Bhutan’s agricultural sector. Organized by the FAO Regional Office for Asia and the Pacific, in collaboration with the Asia-Pacific Rural and Agricultural Credit Association (APRACA), the event aimed to highlight the potential for agricultural investments and discuss the challenges and opportunities in financing the sector.

One of the key topics discussed and highlighted was the need for greater financial literacy among farmers. Experts emphasized that improving farmers’ understanding of financial services is crucial to ensuring they can access funding when needed. Participants also addressed critical issues such as restrictive collateral policies and high interest rates, which have hindered financing for genuine agricultural projects. These barriers, coupled with a lack of bankable projects and weak credit histories, have led financial institutions to be cautious in extending loans to the sector.

Despite these challenges, the roundtable also



offered a platform for practical solutions. Experts suggested strengthening data collection and analysis at the policy level, improving credit information infrastructures, and developing innovative financial products tailored to the agricultural sector. Additionally, there were calls for enhanced capacity-building for Microfinance Institutions (MFIs), the introduction of risk-sharing facilities, and the exploration of public-private partnerships in agriculture.

The roundtable concluded on an optimistic note, with participants agreeing that Bhutan’s agricultural sector holds significant potential as an investment destination. By addressing the



challenges identified and implementing the proposed solutions, Bhutan can unlock its full agricultural potential and position itself as a leading hub for investment in Asia’s rural and agricultural sectors.

In summary, the Bhutan Country Investment Roundtable was a successful platform for fostering dialogue and exploring strategies to overcome the barriers to agricultural financing. With the right interventions, Bhutan can capitalize on its rich agricultural resources and attract significant investment to drive sustainable growth in the sector.



## BDB ANNUAL PICNIC

On November 1st, 2024, the employees of BDB's Head Office gathered for a memorable picnic at Namseling Ground. The event began with the arrival of employees from 8:30 AM to 9:00 AM, each greeted with a sense of excitement and anticipation. By 9:00 AM, breakfast was served, generously prepared by the HR & Administration Division, ensuring that everyone was energized for the day ahead.

At 10:00 AM, the employees dove into the lunch preparations. Each department showcased its culinary creativity, with dishes selected through a fun lucky dip held the day before. The friendly competition among departments not only highlighted their coordination and strategies but also their skills in the kitchen.



As lunch preparations were underway, employees took part in spirited games, including Musical Chair and Balloon Dance, which added to the festive atmosphere and encouraged team bonding. These games continued until 1:00 PM, when a scrumptious buffet-style lunch was served. The meal featured a variety of dishes, with selected members, including the CEO, tasked with evaluating the three best dishes before having the feast.

After lunch, the stage was set for some entertainment. Employees who were interested had the opportunity to sing and dance, creating a lively atmosphere of joy and creativity. Meanwhile, the winners of the games and the





"Amid laughter, homemade treats, and the serenity of a peaceful park, a year-end picnic invites us to pause, breathe, and embrace the beauty around us."



best dish were announced and awarded prizes, celebrating their efforts and contributions to the day's success. As the day began to wind down, from 3:00 PM to 5:00 PM, everyone gathered around a warm bonfire. The cozy setting was perfect for enjoying evening tea and snacks, while a fun communication game (whisper-game) brought everyone together for some light-hearted interaction. The soothing music played in the background added to the peaceful ambiance, giving everyone a chance to relax and appreciate the serene beauty of the park.

Some colleagues, enjoying the peaceful moment, chose to stay behind and savour the rest of the evening by the bonfire, making the most of this special day.

## Strategic Human Resource Management and Business Leadership Training

CONTRIBUTED BY SONAM PELDEN

The Strategic Human Resource Management and Business Leadership Training was designed to enhance participants' knowledge and skills in HR management, digital transformation, AI applications in HR, and leadership communication. The training sessions covered a range of topics including strategic HR modules, technology- digital transformation of HR, emotional leadership, and business leadership strategies.

The program was structured around four key focus areas. i. Strategic Human Resource Management which includes understanding strategic thinking, organizational culture, performance management, and digital transformation in HR. ii. AI in HR and Administrative Work which portrays leveraging AI technologies like chatbots, generative AI, and tools such as LinkedIn Talent Insights, HireVue,

and TestGorilla to enhance recruitment and HR processes. iii. Leadership Communications and Emotional Leadership which includes developing effective communication strategies, emotional intelligence, and integrating AI management into HR practices. iv. Business Leadership which involves cultivating a growth mindset, strategic business framing, leadership criteria, and applying frameworks such as SOAR matrix and FIDA models for organizational growth.

The combination of lectures, examples and interactive activities made the sessions engaging and ensured effective knowledge.

The trainers demonstrated deep expertise in HR management, AI applications, and business leadership. Their ability to connect theoretical concepts with real-world examples made the sessions highly impactful.



The training provided the following actionable takeaways:

- **HR Policies & Strategy:** Application of strategic HR management tools and techniques to improve organizational culture and performance.
- **AI in Recruitment and Employee Wellness:** Integration of AI applications to streamline recruitment processes and enhance employee engagement and wellness.

- **Leadership Communication:** Improved supervisor-subordinate communication using emotional intelligence and effective feedback mechanisms.
- **Leadership Management:** Application of different leadership styles, SOAR, and FIDA models for organizational growth and strategic alignment.
- **Growth Mindset:** Transitioning from fixed to growth mindsets to foster innovation and adaptability in teams



The Strategic Human Resource Management and Business Leadership Training at AIT was an enriching and impactful experience. It equipped participants with practical tools and insights to drive HR innovation, integrate AI into administrative processes, and adopt effective leadership practices. I am confident that the skills and knowledge gained from this training will enable me to contribute more effectively to my organization’s growth and success.



I appreciate the efforts of the organizers and trainers in delivering such a high-quality program and look forward to participating in similar sessions in the future.

## My Experience

# in the Highland Festival



CONTRIBUTED BY ZANGMO GOMDEN

From 23rd to 24th October 2024, I had the incredible opportunity to represent Bhutan Development Bank Limited (BDBL) at the 7th Royal Highland Festival, which was held at 4,000m above the sea level in Laya. This annual festival is organized to celebrate the rich cultural heritage and traditional practices of the Himalayan region. The festival honors the traditions, music, dance, and crafts of the people who live in the highlands, while also highlighting the importance of preserving natural environment and sustainable practices.

The festival saw an incredible

gathering of locals from across Bhutan's mountainous regions, each proudly showcasing their unique customs, from traditional attire to culinary delights and folk music. Visitors from around the world, including representatives from various organizations, were invited to immerse themselves in this cultural celebration.

Upon my arrival in Laya, I was immediately captivated by the beauty of the landscape. Surrounded by towering snow-capped peaks, pristine rivers, and lush valleys, Laya itself seemed like a place where time had stood still, preserving centuries-old traditions. The

festival grounds were vibrant with color and energy, as the villagers, dressed in their traditional dress, greeted us with warmth and hospitality.

Throughout the festival, there were numerous activities that showcased the best of Bhutanese culture. Traditional dances, music performances, and horse-riding competitions were a few of the highlights that kept the crowd captivated. The highland people displayed their unique crafts, including hand-woven textiles, pottery, and intricate jewelry. The festival not only promotes cultural exchange but also encourages dialogue on climate change, eco-tourism, and the role of banking institutions in supporting sustainable livelihoods for remote communities.



As a representative of BDBL, it was inspiring to see how Bhutan's financial institutions play an integral role in supporting rural communities by offering sustainable financial products that promote eco-tourism, agriculture, and other green initiatives. It reminded me of the crucial role that banks and financial organizations play in empowering communities while preserving the planet's natural resources.

The 7th Royal Highland Festival in Laya was an unforgettable experience. It was an honor to witness the beauty of Bhutan's highland culture and to meet His Majesty was a blessing for me. As I return from this remarkable journey, I carry with me a renewed appreciation for the importance of cultural preservation, environmental sustainability, and the role of financial institutions in supporting these initiatives.

# Study tour/exchange program on value chain financing with Bank for Agriculture and Agricultural Cooperatives (BAAC)

CONTRIBUTED BY TASHI TSHERING

A team of 20 employees (12 from Branch Office and 8 from Head Office) attended the study tour/exchange program on value chain financing with Bank for Agriculture and Agricultural Cooperatives (BAAC), Thailand from 5th November to 8th November 2024.

During the study tour, the employees visited the BAAC Head Office located at Bangkok where the representatives of BAAC presented on the BAAC overview, financial products & services, agricultural value chain financing in Thailand, green financing & BCG credit and digital instrument/financial technology & banking agent. As a part of the study tour/exchange program, the employees of BDB and BAAC also visited Lemon me farm, Chang Hua Man Royal project, Thayang agricultural cooperative, Phetchaburi provincial office and branch and Sufficiency organic farming community enterprise.

**Lemon me farm:** The founder of Lemon me farm, Mr. Chatchai transformed his father's lime plantation to a lemon farm and integrated it with Japanese culture to successfully provide exceptional experience to all his customers. Lemon me farm focuses on both lemon farming and agricultural tourism where it serves as a training ground for other lemon farmers contributing to the broader agricultural



community and also a lemon café which provides combination of lemon with food and drinks.

**Chang Hua Man Royal project:** King Bhumibol founded the project in 2008 to support the agriculture sector in Phetchaburi which consists of many fields and livestock supporting the local farmers and has a knowledge center. The center has grown into a vital agricultural learning hub, teaching farmers sustainable farming techniques to improve livelihoods and it has not only generated employment but has also significantly uplifted the quality of life in the Nong Sua area, setting up a benchmark for sustainable development.

**Thayang agricultural cooperatives:** Thayang agricultural cooperatives was established in 1974 and has over 3000 members with a registered capital of 200 million Thai Bhat engaging in four



business areas- 1. Sourcing agricultural products for sale. 2. Processing goods into value-added products. 3. Providing loans to members for agricultural purposes. 4. Central market operations which are open 24 hours for buying and selling produce. The cooperative also provides crop insurance for members to protect against potential agricultural losses.

Thayang agricultural cooperatives sorts bananas into three quality grades: 1. Grade A (High quality and chemical free which are primarily sold in retail stores and exported to Japan. 2. Grade B (Normal quality) 3. Grade C (Lower quality which are processed into products such as dried bananas and banana paste).

Sufficiency organic farming community enterprise: The Ban Chong Sakae community enterprise has 49 members and is committed to develop the community's traditional knowledge in a way that combines with the modern technology to create mutual benefits for the community in terms of health,

economy and resources. The community comes together to learn new techniques, creating opportunities for increased income and stability and the site also serves as a hub for organic agricultural innovation, showcasing vegetables grown through smart farming systems.



# A JOURNEY OF 35 YEARS AT BHUTAN DEVELOPMENT BANK: A REFLECTION

CONTRIBUTED BY NORBU LHAM

*Farewell Gift from the Chief Manager, TMB and the CEO*



I began my professional journey with Bhutan Development Bank Limited (BDBL), then Bhutan Development Finance Corporation (BDFC) 31 years ago, starting as a Personal Assistant to the Managing Director. During those days, without the convenience of modern technology, a Personal Assistant meant drafting a wide range of correspondences and being a reliable support system. It was like having extra “eye at the back”, constantly staying alert to every detail, keeping track of schedules, and ensuring nothing slipped through the cracks. My role required not only sharp organizational skills but also the ability to anticipate need and provide timely reminders, making sure everything ran smoothly. This level of involvement was crucial in maintaining efficiency and order within the organization’s operations. This

role afforded me a unique vantage point, allowing me to interact with a diverse array of individuals both within the organization and from various sectors around Bhutan and outside Bhutan. It was a period of immense learning, as I navigated the intricate dynamics of administrative functions and developed a deep understanding of the organization’s operations and its pivotal role in the Bhutan Development Bank.

In 2014, I embraced a new challenge when I was transferred to the Customer Care Division. This transition marked a significant shift in my career, as it involved direct interaction with the Bank’s customers. My extensive administrative experience proved invaluable as I worked to enhance customer satisfaction and streamline service delivery. In this role, I became a frontline representative of the bank, ensuring that our customers received the highest standard of care and support. One of my key achievements in this role was the development of a comprehensive Customer Grievance Redressal Policy and Customer Care Manual, aligning with the requirements set forth by the Royal Monetary of Bhutan (RMA). These initiatives were instrumental in standardizing our customer service processes and ensuring a consistent, high-quality experience for our customers.



*Picture with the Management and senior staff*

Time is a curious thing. It has a way of moving swiftly, transforming days into years in a what feel like the blink of an eye. As I sit down to pen these words, I am filled with a profound sense of gratitude and nostalgia. Thirty-one years have passed since I joined the Bhutan Development Bank (BDB) then BDFC in 1992, and it feels as though it was only yesterday that I walked through those doors for the first time.

My journey with BDB began with a sense of excitement and a desire to contribute to the development of our beautiful country. Little did I know then that this institution would become such a significant part of my life, shaping my career and personal growth in ways I could never have imagined.

From my early days, I witnessed the Bank's unwavering commitment to fostering economic growth and improving the livelihoods of countless Bhutanese citizens. Every project, every initiative, was a step towards realizing a vision of prosperity and self-sufficiency for our nation. Being part of



this mission has been incredibly fulfilling.

Over the years, I have seen the Bank evolve, adapting to new challenges and seizing opportunities to better serve our community. Technological advancements, policy changes, and market dynamics have continuously reshaped our strategies and operations. Through it all, the core values of integrity, dedication, and service have remained steadfast.

The relationships I have built during my tenure are among the most cherished aspects of my career. Colleagues who became friends, mentors who provided invaluable guidance, and customers whose trust and partnership were instrumental to our success – these bonds have enriched my professional and personal life immeasurably. Each interaction, each collaboration, has contributed to a tapestry of experiences that I hold dear.

As I reflect on the past three decades, I am struck by the realization that while much has changed,



the essence of BDB's mission remains the same. The Bank continues to be a beacon of hope and catalyst for positive change in Bhutan. I am proud to have played a role in its journey and am excited to see where it goes in the future.

Last but not the least, my gratitude to BDB is profound. It has been more than just a workplace; it has been a chapter with growth, friendship, gratitude and countless memories which will be cherished forever. Thank you BDB, for maturing me and making me what I am today and what I have become is a testament to your unwavering support.

As I look ahead, I carry with me the lessons learned and the memories made. The sense of fulfillment and pride in our collective achievements will always be a source of motivation.

To my colleagues, past and present, and to everyone who has been part of this incredible journey, I extend my heartfelt thanks. It has been an honor to serve the Bhutan Development Bank for 31 remarkable years. I hope all of you will serve the institution sincerely and dedicatedly, I also recognize that nothing is permanent. Time indeed flies, but the impact we make endures. Here's to the future and to many more years of growth and success for BDB.



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*It's been an honor to witness and be part of your incredible journey at Bhutan Development Bank. Your dedication, hard work, and leadership have left an indelible mark on the organization and on all of us who have had the privilege of working with you.*

*Your contributions over the years have shaped not just the bank's success but the professional and personal growth of many individuals, including myself. As you embark on this new chapter, I have no doubt that your legacy of excellence will continue to inspire.*

*Wishing you all the best in your future endeavors. May your path ahead be as rewarding as the years you've spent here.*

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## ISO Training by Lanka Financial Services Bureau Limited

CONTRIBUTED BY SONAM CHOPHEL

The Royal Monetary Authority has moved forward with setting up the quick ISO 20022 training offered by Lanka Financial Services Bureau at Hilton Residence in Sri Lanka in response to the urgent need.

The training's primary goal is to raise knowledge of the migration process and prepare participants for what will happen starting in November 2025. The G7 nations agreed with the demand and suggested reviewing the quick payment procedure for swift.

In the evolution of financial message transition, SWIFT is a significant worldwide financial transaction medium that takes many forms.

Rapid requirements and modifications must be complied with by all financial institutions. Migration is seen as a crucial activity to keep up with the rapid development that is occurring in the swift environment.

The message system used in regular financial transactions is called an MT message, and it has distinct representation fields that must be understood and adhered to. The numbers assigned to each MT message serve as a means of distinguishing them.

The switch from MT to MX communication formats is currently happening globally. The primary distinction between MT and MX is that, while MX messages are formatted in accordance with the ISO 20022 standard and employ the XML protocol, MT messages are structured in accordance with the specifications of the ISO 20022

standard utilizing the FIN protocol.

The message structure for MT and MX are as follows:

MX Message	MT Message
The first digit indicate the message category.	Four alpha character indicates the message type.
The second digit indicates the message group.	Three alphanumeric characteristic identify the message number
The third digit specifies the message types.	Three numeric characters highlight the message variant. Two numeric characters indicates the version number.

In light of this, RMA arranged for all Swift users across all financial institutions to get training on ISO 20022 migration and swift message transformation.

As a result, I would like to express my gratitude to BDB management for offering training on the SWIFT and ISO 20022 migration for the first time since BDB's founding.

## Pre-New Year Celebration

In a heartwarming and spirited gathering, Bhutan Development Bank (BDB) hosted its much-anticipated Pre-New Year celebration at the Head Office today, marking the final moments of 2024 and setting a hopeful tone for the year ahead. The event served as an opportunity for employees across the organization to come together, celebrate the successes of the past year, and look ahead to the future with renewed energy and optimism.



The event was an occasion to reflect on the numerous accomplishments of 2024, highlighting the hard work and dedication shown by every employee throughout the year. The management took the opportunity to express their heartfelt gratitude to the entire workforce for their commitment, which has been integral to the bank's success. Their tireless efforts have ensured



that the bank continues to contribute meaningfully to Bhutan's financial sector and the community at large.

In addition to celebrating the past year, the event also carried a forward-looking message. Senior management shared a powerful message of determination, urging all employees to continue working with the same dedication and enthusiasm in 2025. With the challenges and opportunities that a new year brings, the management expressed confidence in the bank's ability to achieve even greater heights, thanks to the collective strength and unwavering spirit of the entire team.

The festive gathering was filled with moments of joy, camaraderie, and celebration. Employees enjoyed lively conversations, shared festive meals, and engaged in team-building activities, fostering a deeper sense of unity across the organization. Similar celebrations were also held across BDB's branch offices nationwide, ensuring that employees in all locations could take part in the festivities and strengthen the bonds that connect the entire BDB family.



The management team expressed sincere thanks to everyone who contributed to the success of the event. The spirit of togetherness, the lively atmosphere, and the shared enthusiasm for the year ahead were all reflections of the collaborative and positive culture within the bank.

As 2024 draws to a close, BDB is filled with hope and anticipation for the opportunities and challenges of 2025. The management extends its warmest wishes to all employees and their families for a prosperous and fulfilling New Year ahead. May the coming year bring continued growth, success, and happiness for the entire BDB family.







*Happy New Year*

## **Bhutan Development Bank Limited**

P.O Box 256

Thimphu: Bhutan

Facebook: [Bhutan.Development.Bank](https://www.facebook.com/Bhutan.Development.Bank)

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

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

**Toll Free No. 1424**