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BHUTAN DEVELOPMENT BANK LIMITED

"Your Development Partner"



QUARTERLY NEWSLETTER

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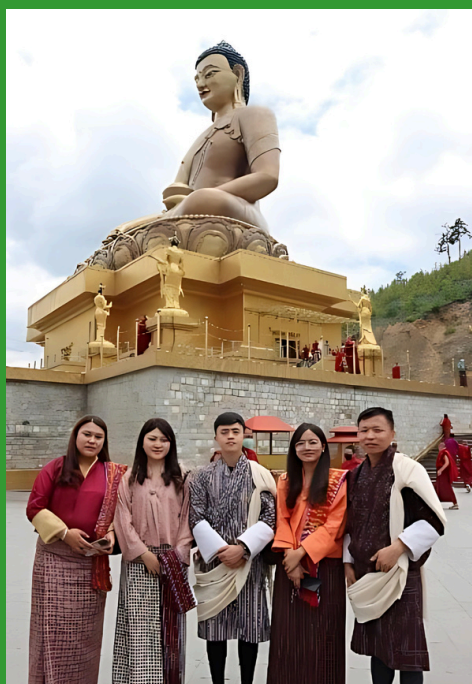
BDBL Joins National Prayer, Reinforcing Commitment to Spiritual and Corporate Values

JUNE 14, 2025



In a demonstration of deep-rooted cultural respect and spiritual commitment, the management and staff of Bhutan Development Bank Limited (BDBL), led by the Chief Executive Officer, participated in the annual Thimphu Dzongkhag Moenlam Chenmo at Kuensel Phodrang. The week-long prayer festival, which commenced on June 11, concluded on June 18, 2025, drawing devotees from across the nation.

The BDBL team attended the Moenlam Chenmo, marking a significant moment of corporate social and spiritual responsibility. The highlight of the participation was the solemn offering of a Kusung Mendrel (a ceremonial scarf representing auspiciousness and respect) to His Holiness the Je Khenpo, the Chief Abbot of Bhutan. This offering was made on behalf of the entire BDBL family, seeking blessings for the nation's prosperity, the well-being of its people, and the bank's continued success in serving the community.



The Moenlam Chenmo, or the Great Prayer Festival, is a cornerstone of Bhutanese Buddhist culture. Held annually in districts across the country, it is a time for collective prayer for peace, harmony, and the removal of obstacles to the nation's welfare. The serene environment of Kuensel Phodrang, overlooked by the majestic Buddha Dordenma statue, provided a powerful backdrop for this profound gathering of faith.

This engagement at the Moenlam Chenmo stands as a testament to BDBL's role as a development partner that truly understands and celebrates the unique ethos of the Kingdom of Bhutan. By aligning its corporate actions with the nation's spiritual aspirations, BDBL continues to build trust and reinforce its commitment to serving the people with dedication and reverence.



On 8th July 2025, Bhutan Development Bank Limited (BDBL) formalized a strategic partnership with Mountain Hazelnuts Venture Private Limited (MH) through the signing of a Memorandum of Understanding (MoU). The agreement aims to advance financial inclusion and improve access to banking services for hazelnut growers throughout Bhutan.

Mountain Hazelnuts Venture Private Limited (MH), a public-private-community enterprise, supports smallholder farmers with inputs, training, and market access. Under the agreement, Mountain Hazelnuts Venture Private Limited (MH) will identify eligible growers, coordinate group formation events, assist with documentation, and promote financial products suited to seasonal farming cycles.

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BDBL will provide procedural guidance, deploy staff for on-site account opening, and deliver financial literacy training aligned with Mountain Hazelnuts Venture Private Limited (MH)’s payment calendar. Both parties will work closely to ensure timely, transparent, and accessible banking services.

This partnership underscores BDBL’s commitment to inclusive rural finance and sustainable development.





THIMPHU MAIN BRANCH REOPENING & ANNUAL RIMDO

On August 7, 2025, the Bhutan Development Bank (BDB) held a significant day of events that harmoniously blended traditional Bhutanese values with modern progress. The day began with the annual Rimdro ceremony, a solemn ritual led by His Eminence the Tshog gi Lopen at the bank's headquarters in Thimphu. Monks offered prayers for peace, prosperity, and the well-being of His Majesty the King, the nation, and its people.

This ceremony, rooted in ancient tradition, serves to invoke blessings and dispel negative forces, ensuring a positive and harmonious start to the year.



Following the sacred ceremony, BDB officially reopened its newly renovated Thimphu Main Branch. This auspicious occasion was strategically timed to coincide with the blessings of the Rimdro ceremony, with His Eminence the Tshog gi Lopen and the Chairperson in attendance. The branch's transformation is a significant achievement in the bank's ongoing modernization efforts. The refreshed facilities and customer-friendly layout are designed to provide a better banking experience for clients in the capital, reflecting BDB's commitment to enhancing service delivery and strengthening its presence in Thimphu.



In a parallel move, BDB also unveiled key digital initiatives aimed at making banking more accessible and convenient. As part of its digital transformation journey, the bank launched a redesigned corporate website. A standout feature of the new site is an AI-integrated chatbot that provides customers with instant information and support around the clock. By introducing this modern website and chatbot, BDB is aligning itself with global banking innovations, ensuring that its services are not only efficient but also readily available to all its customers.



These combined initiatives, the traditional Rimdro ceremony, the physical renovation of the Thimphu branch, and the launch of new digital tools, underscore BDB's dual commitment to tradition and progress. The day's events set a positive tone for the year while demonstrating the bank's dedication to serving the people of Bhutan by harmonizing Bhutanese values with modern development.

This approach ensures that stability and innovation go hand in hand, contributing to the nation's continued prosperity.





NEYPHUG GOENPA, PARO

FINANCIAL LITERACY PROGRAM

August 14, 2025, at Neyphug Goenpa, Paro, and August 30, 2025, Kharchu Dratshang, Bumthang



KHARCHU DRATSHANG, BUMTHANG



Bhutan Development Bank Limited (BDBL) organized financial literacy programs for the monastic communities in Paro and Bumthang in August 2025 as part of its efforts to promote financial inclusion. The Paro branch held a session for 92 monks and nuns at Neyphug Goenpa on August 14, while the Bumthang branch conducted a tailored program at Kharchu Dratshang on August 30. Both programs provided practical knowledge on personal finance, including money management, saving, responsible borrowing, mobile banking, and scam awareness, all of which were adapted to the unique financial lifestyle of the monastic community. These initiatives underscore BDBL's dedication to empowering all sections of society with the knowledge needed to make informed financial decisions and contribute to sustainable community development. This program forms part of BDBL's broader initiative to bring financial literacy to all segments of society, ensuring that no one is left behind in Bhutan's rapidly evolving financial landscape.

UNDERSTANDING THE IMPORTANCE OF FINANCIAL LITERACY

Financial literacy is the foundation of economic empowerment. It equips individuals with the knowledge and confidence to manage their money effectively from budgeting and saving to borrowing responsibly and using digital banking services safely. In Bhutan's context, where financial infrastructure is growing and digital platforms are becoming more widespread, the need for financial awareness is greater than ever. Misunderstanding of financial products, exposure to scams, and over-indebtedness are risks that can affect any member of society, regardless of income level or occupation. Recognizing these challenges, BDBL has prioritized financial literacy as a core developmental mission, aligned with the government's national financial inclusion strategy and Bhutan's long-term socio-economic goals.

WHY BDBL IS LEADING THE WAY

As one of Bhutan's largest and most community-focused financial institutions, BDBL plays a unique role in connecting underserved and rural populations with formal banking services. With a network that reaches deep into the gewogs and villages, the bank is well-positioned to educate individuals and communities about financial well-being. BDBL's financial literacy programs are designed to:

- Empower individuals with the skills needed to make sound financial decisions
- Promote a culture of savings and responsible borrowing
- Encourage the safe use of digital financial tools, especially mobile banking
- Prevent exploitation by raising awareness of financial fraud and scams
- Support national economic resilience through informed participation in the financial system

By investing in financial education, BDBL is not only promoting the welfare of individual clients but also contributing to the country's broader vision of equitable and inclusive development.

A TAILORED PROGRAM FOR THE MONASTIC COMMUNITY

The financial literacy session this year was specifically adapted to meet the needs of the monastic community. While monks may not engage with banking services in the same way as salaried individuals, they do handle donations, personal savings, and sometimes assist in managing monastic finances. Recognizing this, the content was delivered in simple, accessible language with practical examples. A key focus was on mobile banking — helping participants understand how to access banking services safely, even from remote locations, and how to protect themselves from fraud and misinformation. This culturally sensitive and respectful approach ensured active participation and meaningful engagement during the session. Feedback from participants was positive, with many expressing appreciations for the opportunity to learn about topics they previously had limited exposure to. “Our goal is to create a financially literate society — one where every individual, whether a farmer, a student, a business owner, or a monk, can make informed and secure financial choices,” said a representative from the BDBL Bumthang branch. Bhutan Development Bank Ltd. extends its gratitude to the management and monks of Nyephug Goenpa, Paro and Kharchu Dratshang, Bumthang for their warm hospitality and openness.

BDB Signs MoA with AIT: Strengthening Partnership for Growth & Innovation



BDB Signs Addendum to MoA with AIT to Strengthen Capacity Building Opportunities

Bhutan Development Bank (BDB) has signed a Memorandum of Agreement (MoA) with the Asian Institute of Technology (AIT), marking a significant milestone in advancing knowledge, skills, and innovation.

The MoA was formally signed on 13th August 2025 in Thimphu by BDB Chairman Mr. Karma Tshering and AIT President Prof. Pai-Chi Li, in the presence of senior delegates from both sides. The ceremony was attended by members of BDB's Board and Management Team, including CEO Ms. Tshering Om, as well as a visiting delegation from AIT led by President Li.

Under the agreement, BDB employees will have access to a wide range of academic and professional opportunities at AIT, particularly for Master's and PhD programs. As part of the addendum:



- **AIT Scholarship Support:** BDB-supported scholars who meet AIT admission criteria will automatically qualify for AIT scholarships on tuition fees. Each qualified Master's degree student will be supported with 19 credits of AIT Scholarship (valued at THB 304,000 for SET/SERD/SOM programs, and THB 342,000 for SOM MBA programs).
- **Fee Structure after AIT Scholarship:** For Master's programs, students are expected to cover the remaining tuition and associated costs. After the scholarship contribution, the payable tuition fees range between THB 555,400 and THB 613,400, depending on the program. Additionally, living and miscellaneous expenses are estimated at THB 11,500–15,000 per month (approx. THB 253,000–330,000 for the full program duration).
- **Programs Covered:** The partnership covers the School of Engineering and Technology (SET), the School of Environment, Resources, and Development (SERD), and the School of Management (SOM), including MBA programs.

This landmark partnership not only provides BDB employees with access to world-class education and training opportunities but also reinforces the Bank's vision of developing a highly skilled workforce capable of driving innovation and sustainable growth in Bhutan's financial and development sectors.



Strengthening Rural and Agricultural Finance: Training of Trainers

AUGUST 18, 2025

The Royal Monetary Authority of Bhutan (RMA) and Bhutan Development Bank Limited (BDBL), in collaboration with the Food and Agriculture Organization (FAO) and the Asia-Pacific Rural and Agricultural Credit Association (APRACA), launched the second Training of Trainers (ToT) on Rural and Agricultural Finance on 18th August 2025 at Hotel Ariya, Thimphu.

The five-day program, following the success of the 2024 ToT, gathered bankers, microfinance officers, agricultural staff, and development partners. Its objective was to develop a pool of trainers capable of strengthening rural finance delivery through modern, practical, and inclusive approaches. National and regional experts facilitated the sessions, blending theory with hands-on exercises and real-life case studies.

Six core modules shaped the training. Participants practiced credit assessment techniques and cash-flow-based appraisals suited to smallholders and agri-SMEs. Modules on value chain finance and contract farming demonstrated how linking credit to markets and buyers reduces risk while improving returns. The digital solutions module showcased mobile banking, agent networks, and data-driven tools to reach last-mile clients, while green finance emphasized climate-smart lending for technologies such as solar pumps and drip irrigation.

The ToT emphasized interactive learning methods, including role plays, peer teaching, and group case studies to ensure participants could effectively transfer knowledge. Standardized scorecards, templates, and follow-up coaching plans were also provided to support future rollouts.

The key takeaway was clear: rural finance must be cash-flow centric, market-linked, digitally enabled, and climate-smart. This ToT has empowered Bhutanese practitioners to deliver inclusive and sustainable finance, helping farmers and agri-entrepreneurs access the right finance, at the right time, for the right purpose.

Contributed By: Sonam Chopel, Manager Operations, P/Gatshel Branch



BDBL Mid-Term Review 2025: A Strategic Meeting to Reflect, Reposition and Rise Together



Paro, Bhutan, August 21, 2025: The serene ambiance of Paro's Rustic Roots Hotel provided a fitting backdrop for a period of intense strategic reflection as Bhutan Development Bank Limited (BDBL) convened its annual Mid-Term Review Meeting from August 18th to 21st. The four-day gathering brought together the bank's Executive Management, Division Heads, and Branch Managers for a unified purpose: to critically assess the year's trajectory and chart a collaborative course toward achieving its annual goals under the powerful theme, **"Reflect. Reposition. Rise Together."**

The meeting commenced on an auspicious note, with blessings offered by a Tshog gi Lopen. The ceremonial lighting of butter lamps set a contemplative tone, symbolizing the illumination of wisdom and the dispelling of obstacles for the discussions ahead. This spiritual opening underscored the bank's commitment to grounding its corporate strategy in Bhutan's profound cultural values.

Madam CEO formally opened the proceedings with a compelling Keynote Address that framed the agenda for the days to come. She emphasized the critical importance of the theme, urging all participants to engage in honest introspection, adapt to the evolving financial landscape, and reinforce the spirit of collaboration that is essential for collective success. Her remarks were followed by insightful presentations from the core management team, who provided a macro-level overview of the bank's performance in the first half of the year. The meeting served as a vital platform for robust dialogue, bringing together officials from the Head Office and all Branch Offices. A meeting also devoted to deliberating on key operational challenges, particularly those faced at the branch level, ensuring that on-the-ground realities inform strategies formulated at the headquarters.



Adding valuable external perspectives, the meeting also featured guest speakers—key stakeholders who shared insights on the national economic climate and emerging opportunities in rural and agricultural finance. Staying true to the theme, the retreat was not merely a review but a strategic recalibration. The latter half of the meeting focused on actionable planning for the Bank’s repositioning, enriched by highly engaging sessions through Slido.com surveys. The 2025 Mid-Term Review concluded with a renewed sense of unity and purpose. By taking time to reflect deeply on their journey, the BDBL leadership is now strategically positioned to navigate the challenges and opportunities of the months ahead. The collective commitment forged in Paro ensures that the entire BDBL family will continue to Rise Together with our customers—driving sustainability and enhancing banking services for the people.



The CEO officially launched the new football jersey of the BDB Soccer Team ahead of the FI Cup 2025. In her address, she underscored that while winning was desirable, the team's foremost responsibility was to represent the Bank with discipline, integrity, and the spirit of sportsmanship. She encouraged the players to give their best, enjoy the matches, and bring pride to the Bank. She extended her best wishes to the team.



BHUTAN DEVELOPMENT BANK JOINS FI CUP 2025

AUGUST 31, 2025

The Financial Institutions (FI) Cup 2025 kicked off on August 31st at the Beben Football Ground in Thimphu, bringing together teams from across the financial sector for a tournament themed "Game for Unity." Team BDBL has demonstrated remarkable spirit and skill throughout their campaign.

BDBL's journey in the tournament has been a testament to its determination. The team faced initial challenges with narrow losses against NPPF (1-2) on September 6th and RMA (0-2) on September 10th. However, they quickly turned the tide with a commanding 7-1 victory over DK Bank on September 14th. This was followed by a stunning comeback against BIL on September 17th, where the team rallied to win 5-3. Their most recent match on September 24th was a hard-fought contest against TBANK, ending in a 2-2 draw.

Several players have delivered standout performances. Mr. Sonam Dendup has been a consistent threat to opponents, earning the Man of the Match award twice for his pivotal roles against DK Bank and TBANK. Mr. Dawa Tshering also earned the Man of the Match title for his incredible hat-trick that secured the victory against BIL.

After overcoming a difficult start, Team BDBL has proven its mettle with impressive victories and hard-earned points. With several crucial matches remaining in the league stage, the team is in a strong position to secure a spot in the quarterfinals.

The management and staff of BDBL extend their heartfelt congratulations to the team for their dedication, spirit, and outstanding performances. We wish them the very best of luck in their upcoming fixtures.

BDBL STAFF JOIN NATIONAL ZHABTOG TO BUILD GELEPHU MINDFULNESS CITY

The Bhutan Development Bank Limited (BDBL) actively participated in the second round of the Zhabtog (voluntary service) for the Gelephu Mindfulness City (GMC) from September 4-8, 2025. Staff from the Gelephu Branch and Sarpang Extension Office joined over 7,000 volunteers nationwide to clear and prepare 700+ acres of land for future parks and public spaces under the GMC masterplan.

This large-scale community effort reflects Bhutan's spirit of unity and service to the Tsa-Wa-Sum (King, Country, and People). For BDBL, it reaffirms our commitment not only to financial growth but to national well-being and development.

The GMC is a visionary project initiated by His Majesty The King to create a global model of regenerative, values-based urban development. Rooted in the principles of Gross National Happiness, the city aims to balance economic growth with cultural, spiritual, and environmental values.

By engaging in Zhabtog, volunteers are not only contributing to infrastructure but also building a shared legacy of mindfulness and opportunity for future generations.



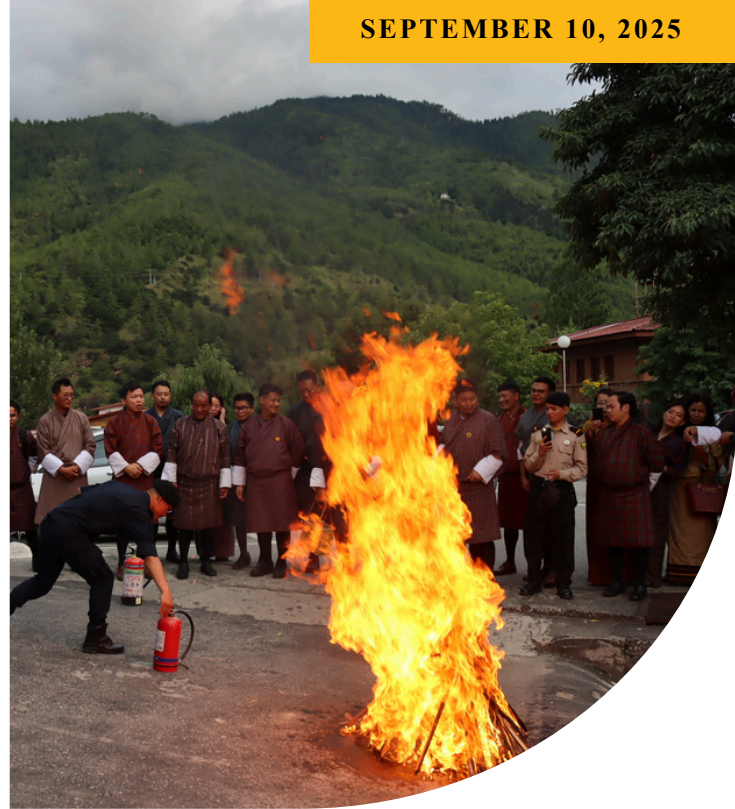
SEPTEMBER 6 to 8, 2025



FIRE SAFETY AND PREPAREDNESS DRILL CONDUCTED AT BDBL HEAD OFFICE

On 10th September 2025, at the Head Office, the Royal Bhutan Police (RBP) team conducted a comprehensive fire drill at Bhutan Development Bank Limited (BDBL) to enhance workplace safety and strengthen emergency preparedness among staff.

The drill was aimed at familiarizing employees with evacuation procedures, safety protocols, and the proper use of firefighting equipment. Staff members actively participated in the exercise, gaining valuable hands-on experience to respond swiftly and effectively in case of an emergency.



Such initiatives are an important reminder of the need for safety awareness and readiness in the workplace, ensuring that employees remain equipped to safeguard themselves and others in the event of unforeseen incidents. BDBL extends its appreciation to the RPB team for their guidance and support in fostering a culture of safety within the Bank.

1st National Financial Inclusion Steering Committee (Governing Body) Meeting

Bhutan's commitment to building a more inclusive and prosperous economy was highlighted at the 1st National Financial Inclusion Steering Committee Meeting, held on September 9, 2025, at the Royal Monetary Authority (RMA). The meeting signals a renewed focus on advancing financial inclusion and charting the course for the next phase of the nation's financial development.

Chaired by the Officiating Governor of the RMA, the meeting convened a high-level group of financial sector leaders, including CEOs from banks, insurance companies, the stock exchange, the credit information bureau, and microfinance institutions. This collaborative forum underscores the shared commitment to ensuring that all Bhutanese have equitable access to essential financial services.

A key agenda item was the review of the Financial Inclusion National Action Plan (FINAP) 2019-2023. Members meticulously examined the progress made and discussed the utilization of funds, reflecting a commitment to transparency and accountability. The insights gained from this review will be instrumental in shaping future strategies.

The meeting's primary focus, however, was on the future. The committee deliberated on the proposed FINAP 2025–2030, a strategic roadmap designed to accelerate inclusive access to quality financial services across the country. This new plan seeks to address existing gaps and leverage emerging opportunities to ensure that every Bhutanese has the tools to save, borrow, invest, and protect themselves from financial risks.



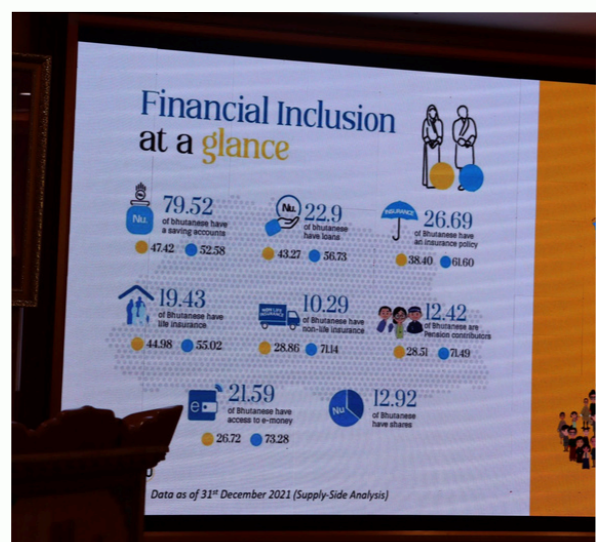


As a cornerstone of Bhutan’s philosophy of Gross National Happiness, financial inclusion is seen as a powerful tool for empowerment. The new action plan will prioritize three critical areas:

- Strengthening Financial Literacy: Equipping citizens with the knowledge and skills to make informed financial decisions.
- Expanding Digital Financial Services: Leveraging technology to overcome geographical barriers and bring financial services to remote and underserved populations.
- Enabling Inclusive Alternative Financing Schemes: Developing innovative financial products and services that cater to the diverse needs of individuals and small businesses.

To ensure the effective implementation of the new action plan, the Steering Committee also reviewed the Terms of Reference for the NFIS Governance Committee. This step aims to strengthen coordination and establish a robust governance structure that will drive the successful execution of the forthcoming plan.

The RMA, through its Financial Inclusion Secretariat, reaffirmed its commitment to working hand-in-hand with all stakeholders. By fostering a collaborative ecosystem, Bhutan is poised to advance financial inclusion as a key enabler of sustainable economic growth and shared prosperity for all its citizens. This meeting marks a significant milestone, setting the stage for a new chapter in Bhutan's journey toward a more financially inclusive future.





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