

FINANCIAL SECTOR PERFORMANCE REVIEW REPORT

March 2019



This report presents the performance of the Bhutanese financial sector on peer group basis (excluding National Pension & Provident Fund) for the period ended Q1FY'19 in comparison to the previous year's corresponding quarter. This report has been prepared by the Department of Financial Regulation & Supervision of the Royal Monetary Authority of Bhutan (RMA) and the information contained in this report is based on the returns submitted by the Financial Institutions.

**DEPARTMENT OF FINANCIAL REGULATION & SUPERVISION
ROYAL MONETARY AUTHORITY OF BHUTAN**



Overview

The Table 1 below shows an overview of performance of the financial sector as of March 2019. The Risk Weighted Capital Adequacy Ratio (RWCAR) has declined to 14.07% from 14.54% as compared to March 2018 but it is above the minimum regulatory requirement of 12.5% (including the capital conservation buffer of 2.5%). Similarly, the Gross NPL Ratio (NPL to loan ratio) has also deteriorated which stood at 16.02%, which is a 5.59% increase from the previous year 2018. With regard to the earnings of the financial sector, the financial institutions incurred a loss of Nu. 1.19 billion in March 2019. This was mainly due to increase in Non-Performing Loans and subsequent increase in provisions for the bad loans.

Table 1

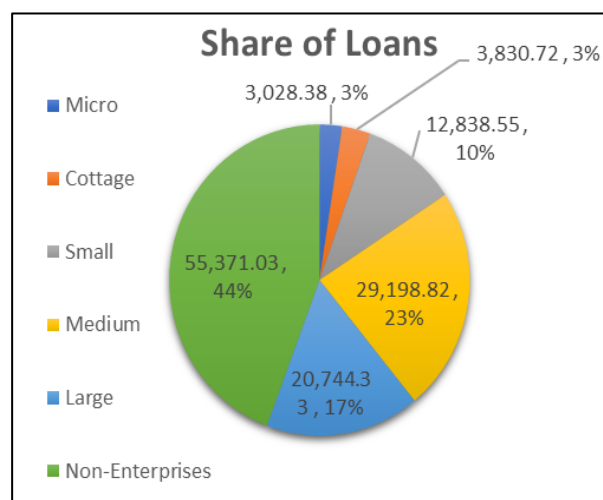
Highlights of the Financial Institutions (Financial Sector Indicators for last 1 yr)				
Indicators	Mar-18	Sep-18	Dec-18	Mar-19
Capital				
RWCAR (12.5%)	14.54%	16.26%	15.12%	14.07%
Core CAR (7.5%)	11.83%	12.61%	11.80%	11.67%
Leverage Ratio (5%)	9.01%	9.53%	9.43%	9.54%
Asset Quality				
Gross NPL Ratio	14.63%	12.43%	10.43%	16.02%
Net NPL to Net Loan	6.06%	5.12%	2.07%	
Single Largest Borrower	14.67%	14.25%	13.56%	16.64%
Provision to NPL	52.49%	51.87%	68.59%	52.95%
Ten Largest Borrower	15.35%	14.13%	13.56%	13.36%
NPL	Nu.15.56b	Nu. 14.2b	Nu. 12.54b	Nu. 20.02b
Loan	Nu.106.38b	Nu. 114.25b	Nu. 120.24b	Nu. 125.01b
Earning				
Return on Asset (RoA)	-0.89%	0.56%	0.30%	-0.74%
Return on Equity (RoE)	-6.65%	4.30%	2.29%	-5.68%
Profit After Tax (PaT)	Nu.-1.36b	Nu. 876.18m	Nu. 474.78m	Nu.-1.19b
Liquidity				
Loans to Deposits ratio	75.82%	81.77%	85.69%	88.28%
Statutory Liquidity Requirement ratio	29.92%	26.03%	22.24%	20.96%
Liquidity Position	Nu.15.75	Nu. 10.49b	Nu. 5.16b	Nu. 3.19b
Statutory Liquidity Requirement	Nu.26.15	Nu. 26.52b	Nu. 26.64b	Nu. 26.9b

The asset base of the financial sector has increased by 2.98% for the period ended March 2019. The majority of the total asset comprises of loans (net of provision and

interest in suspense) with 68.45%. Financial sector’s total loans to the economy stands at Nu. 125.01 billion, as compared to Nu. 106.38 billion in March 2018, showing an increase of 17.51%. Housing sector has the highest loan exposure with Nu. 30.31 billion, followed by Service & Tourism and Trade & Commerce sectors with Nu. 30.19 billion and Nu. 17.78 billion respectively.

As depicted in Figure 1, the share of loan to Medium enterprises constitutes 23% (Nu. 29.2 billion), followed by Large and Small enterprises with 17% (Nu. 20.74 billion) and 10% (Nu. 12.84 billion) respectively. The loans to Micro and Cottage enterprises accounted for 6% only (Nu. 6.86 billion). Remaining 44% (Nu. 55.37 billion) are loans to non-enterprises.

Figure 1



Total deposit of the banks stood at Nu. 117.18 billion, which is an increase by 2.32% as compared to March quarter of 2018. Statutory Liquidity Requirement (SLR) for banks and non-banks were maintained above the minimum regulatory requirement

of 20% and 10% respectively. For banks SLR stood at 22.37% and for non-banks it stood at 11.34%.

1. Assets/ Liabilities

As depicted in table 2, the total asset of the financial sector has increased by 2.98% (Nu. 4.74 billion), which stood at Nu. 163.99 billion in March 2019 as compared to Nu. 159.25 billion in March 2018. Around 68.45% of the growth in total assets was contributed by loans (net of specific provision and interest in suspense). In terms of asset composition, 88% of the total assets are held by banks and the remaining 12% by the non-banks.

1.1 Banks

Total assets of the banking sector have increased by 4.68%, from Nu. 137.75 billion in March 2018 to Nu. 144.2 billion in March 2019. Rapid growth in loans (net of specific provision and interest in suspense) by Nu. 16.36 billion has contributed significantly in the growth of assets of the banking sector.

1.2 Non-Banks

Total assets of non-banking sector decreased by 7.96% (Nu. 1.71 billion), from Nu. 21.49 billion in March 2018 to Nu. 19.78 billion in March 2019. The decrease in asset size was mainly due to decrease in total loans (net of specific provision and interest in suspense) by Nu. 896.65 million, decrease in cash and bank balances by Nu. 400.61 million and decrease in other assets by Nu. 435.93 million.

Table 2

Asset	Mar-18 (Nu. millions)	Mar-19 (Nu. millions)
Cash & Bank balances	38,011.30	35,652.79
Marketable securities	19,054.57	10,084.28
Loans & Advances (net of provisions)	96,788.83	112,253.33
Equity Investment	648.65	911.57
Fixed Assets	1,913.01	2,274.97
Other Assets	2,829.01	2,809.26
Total	159,245.38	163,986.21

On the liability side, substantial growth in deposits by Nu. 2.65 billion was the major contribution for the increase in liabilities of the financial sector. Around 81% of the banking sector liabilities was constituted by the deposit liabilities. Likewise, the major component of the non-banking sector was the insurance fund with 63% followed by current and other liabilities with 14%. As of March 2019, the non-banking sector had an Insurance Fund of Nu. 12.41 billion which comprised of Life Insurance, General Insurance and Group Insurance funds.

Table 3

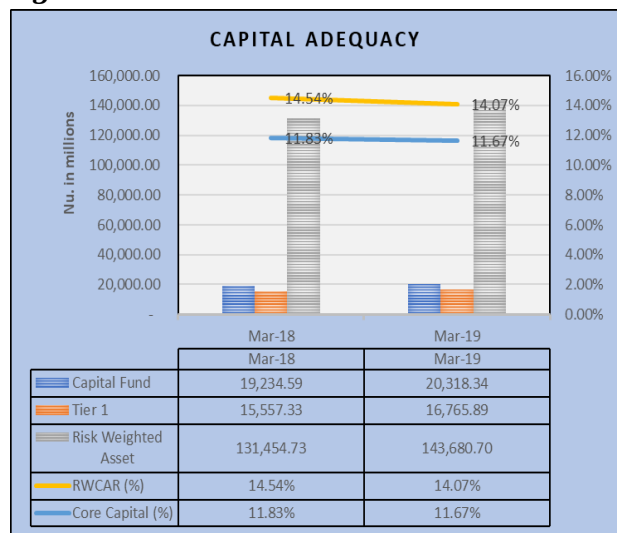
Liabilities	Mar-18 (Nu. millions)	Mar-19 (Nu. millions)
Paid up capital	8,949.25	9,517.25
Reserves	10,745.96	10,346.91
Deposit Liabilities	114,532.50	117,184.56
Bonds & borrowing	4,716.08	4,272.93
Interest provision	3,665.88	3,523.13
Insurance Fund	11,498.95	12,409.29
Other liabilities	5,136.74	6,732.14
Total	159,245.38	163,986.21

2. Capital and Reserves

Capital is the main source of financial support and acts as a buffer that enables financial institutions to absorb a level of losses without the interest of creditors and depositors being adversely affected, and thus protects the interest of the creditors and depositors in the event of liquidation. Besides absorbing the unanticipated shocks, it also signals that the institution will continue to honor its obligations.

Capital fund¹ of the financial sector for the period ended March 2019 stood at Nu. 20.32 billion, as compared to Nu. 19.23 billion in March 2018, indicating an increase of Nu. 1.09 billion. The capital fund of banking sector amounted to Nu. 18.8 billion and for non-banking sector, it amounted to Nu. 1.52 billion in March 2019.

Figure 2



¹In this case, the capital fund is the total capital fund without deducting the NPL of related party. But for calculation of CAR ratio, the NPL of related party needs to be deducted as required under section 1.5 (iv) of Prudential Regulations 2017.

²With effect from September 2016, financial institutions are required to maintain a minimum core capital of 7.5%.,

2.1 Capital Adequacy

Risk-Weighted Capital Adequacy Ratio (RWCAR) of the financial sector in March 2019 stood at 14.07% as compared to 14.54% in March 2018 showing a decrease of 0.47% (as depicted in Figure 2). The decrease in RWCAR is primarily on account of increase in NPL by Nu. 4.46 billion which requires 150% risk weights.

Similarly, Core capital ratio² of the financial sector has also decreased from 11.83% in March 2018 to 11.67% in March 2019.

2.2 Capital Adequacy, Banking and Non-banking sectors

The RWCAR³ of the banking sector has increased by 0.38% while the RWCAR for non-banks has decreased by 5.42%. In March 2019, the RWCAR of banking sector stood at 15.47% while for non-banks, the ratio stood at 6.66%.

Similarly, the core capital ratio for banks stood at 12.96% while for non-banks it stood at 4.84% during the period under review.

2.3 Leverage Ratio

Leverage ratio acts as a supplementary measure to capital adequacy ratio by ensuring that the financial institutions maintain adequate levels of capital at all times. The Leverage ratio for the financial sector for the period ended March 2019 stood at 9.54%, maintaining 4.54% above

including a capital conservation buffer of 2.5% from Tier 1 capital.

³ The RWCAR signifies the availability of capital to support the business of the financial institutions. The NPL of related parties has been deducted from the capital fund when assessing RWCAR.

the regulatory requirement of 5%. The Leverage ratio of banking and non-banking sectors stood at 10.09% and 5.38% respectively.

3. Asset Quality

Analysis on the loan classification of the financial sector indicated that both loans and NPL have increased by Nu. 18.64 billion and Nu. 4.46 billion respectively. Financial sector’s total loan to the economy amounted Nu. 125.01 billion in March 2019 while the NPL amounted to Nu. 20.02 billion. Gross NPL ratio (NPL to total loans) of the financial sector increased to 16.02% in March 2019 as compared to 14.63% in March 2018.

review. Whereas, the Gross NPL ratio for non-banking sector has increased by 19.95%, from 20.65% in March 2018 to 40.60% in March 2019.

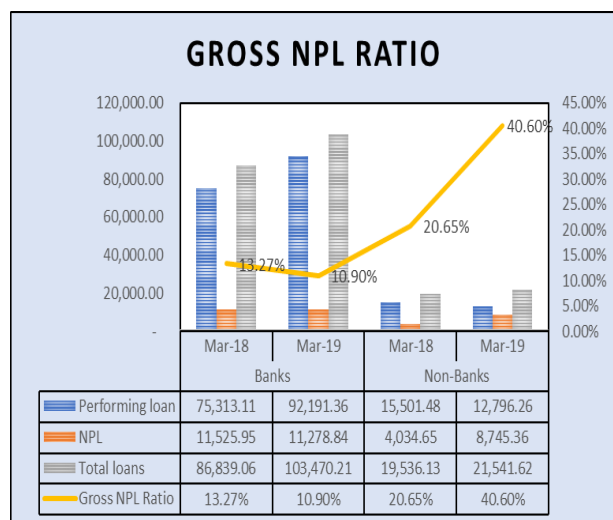
In March 2019, out of the total NPL of Nu. 20.02 billion, NPL classified under the loss category⁴ (which includes the term expired loans and loans under litigation cases) comprised of 48% amounting to Nu. 9.54 billion followed by the Substandard category⁵ with 44% amounting to Nu. 8.78 billion and Doubtful category⁶ with 8% (Nu. 1.7 billion).

3.1 Sectoral Loans and Advances

Loans and advances of the financial sector increased by Nu. 18.64 billion during the period under review. Relatively, loans are concentrated in few sectors such as Housing, Service & Tourism and Trade & Commerce sectors.

The sector-wise analysis reveals that out of the total loans of Nu. 125.01 billion, the Housing sector has the highest loans with Nu. 30.31 billion (24.24%) followed by Service & Tourism sector with Nu. 30.19 billion (24.15%) and Trade & Commerce sector with Nu. 17.78 billion (14.23%).

Figure 3



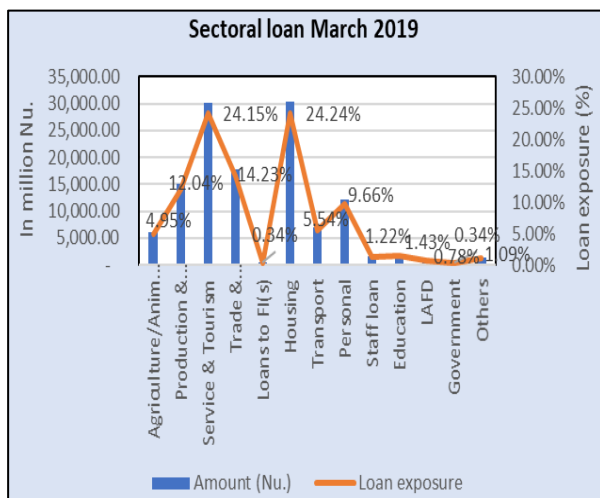
Gross NPL ratio of banking sector has decreased by 2.37%, from 13.27% in March 2018 to 10.9% during the period under

⁴principal and interest overdue by more than 365 days with 100% provisioning.

⁵principal and interest payment overdue by 91 days to 180 days with 20% provisioning.

⁶principal and interest payment overdue by 181 days to 365 days with 50% provisioning.

Figure 4



In terms of absolute increase in loans for the period ended March 2019, the loans to Service & Tourism sector experienced the most rapid increase by Nu. 6.2 billion followed by loans to Housing sector by Nu. 5.98 billion and Trade & Commerce sector by Nu. 2.93 billion.

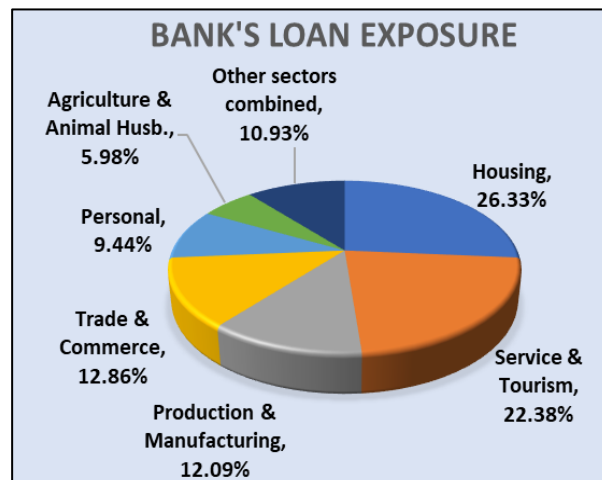
From the total loan outstanding, 83% (Nu. 103.47 billion) comprises of loans provided by the banking sector and remaining 17% (Nu. 21.54 billion) by non-banking sector. The loans of both the banking and non-banking sector has increased by Nu. 16.63 billion and Nu. 2 billion respectively.

3.1.1 Banks

The analysis of the loan portfolio for March 2019 shows that the banking sector has loans highly exposed towards Housing sector with 26.33% (Nu. 27.24 billion) and Service & Tourism sector with 22.38% (Nu. 23.15 billion), followed by Trade & Commerce sector with 12.86% (Nu. 13.31 billion) and Production & Manufacturing

with 12.09% (Nu. 12.51 billion) as illustrated by Figure 5 below.

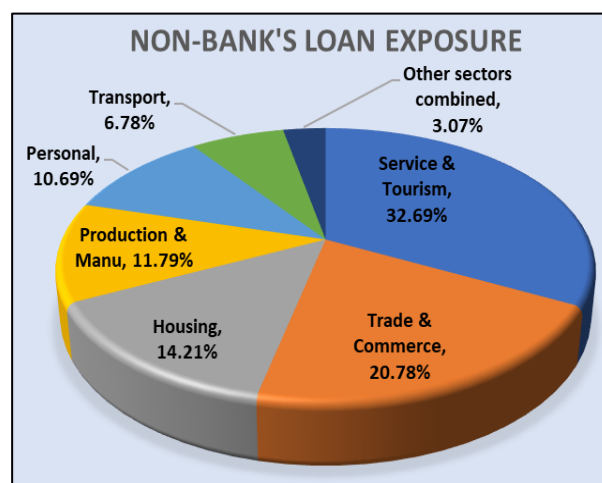
Figure 5



3.1.2 Non-Banks

For the non-banking sector, the highest loan exposure was observed in Service & Tourism sector with 32.69% (Nu. 7.04 billion), followed by Trade & Commerce and Housing sectors with 20.78% (Nu. 4.48 billion) and 14.21% (Nu. 3.06 billion) respectively as depicted in Figure 6 below.

Figure 6

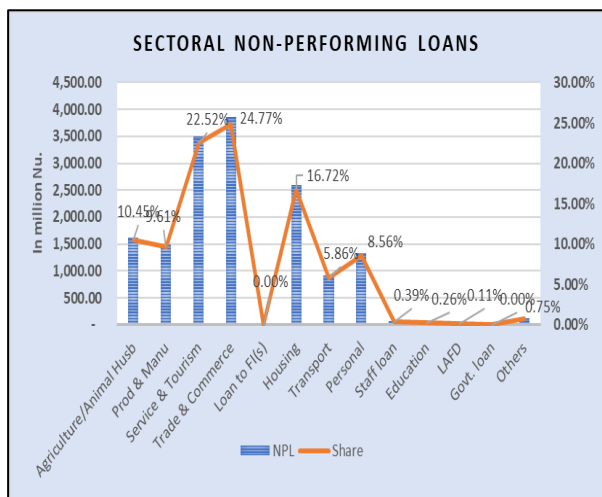


4. Credit Quality/ Sectoral NPL of Financial sector

The asset quality of the financial sector has deteriorated with the increase in NPL from Nu. 15.56 billion in March 2018 to Nu. 20.02 billion in March 2019, showing an increase of Nu. 4.46 billion.

Analysis on the sectoral NPL of the financial sector for March 2019 reveals that Service & Tourism has the highest share with 26.97%, followed by Trade & Commerce with 24.03%, Housing with 12.28% and Production & Manufacturing with 10.79%.

Figure 7

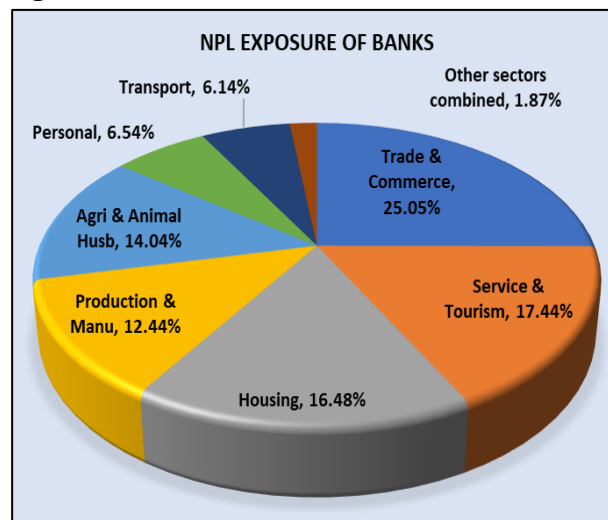


4.1 Banks

Non-Performing Loans of the banking sector has decreased by Nu. 247.11 million, from Nu. 11.53 billion in March 2018 to Nu. 11.28 billion in March 2019 against the loan growth of Nu. 18.64 billion. As depicted in Figure 8 for the banking sector, the highest NPL was seen in Trade & Commerce with Nu. 2.83 billion (25%), followed by Service &

Tourism with Nu. 1.97 billion (17%) and Housing sector with Nu. 1.86 billion (16%).

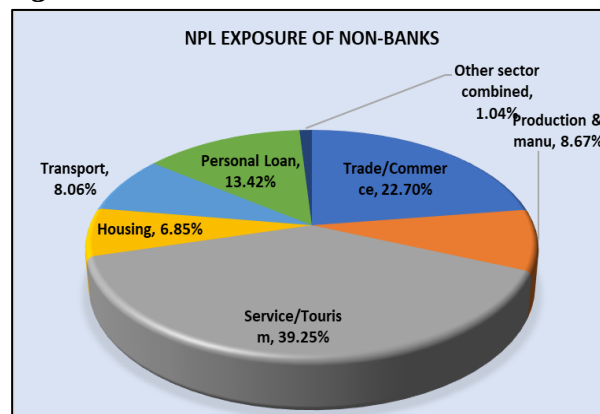
Figure 8



4.2 Non-Banks

The NPL of the non-banking sector has increased by Nu. 4.71 billion; from Nu. 4.03 billion in March 2018 to Nu. 8.75 billion in March 2019. The highest NPL during the period under review was recorded in Service & Tourism sector with Nu. 3.43 billion (39%) followed by Trade & Commerce sector with Nu. 1.99 billion (23%) and Personal loan with Nu. 1.17 billion (13%) as depicted in Figure 9.

Figure 9



5. Loans to Micro, Cottage, Small, Medium and Large enterprises (MCSML)

MCSML sector contributes significantly towards national GDP, employment generation and export earnings.

Figure 10

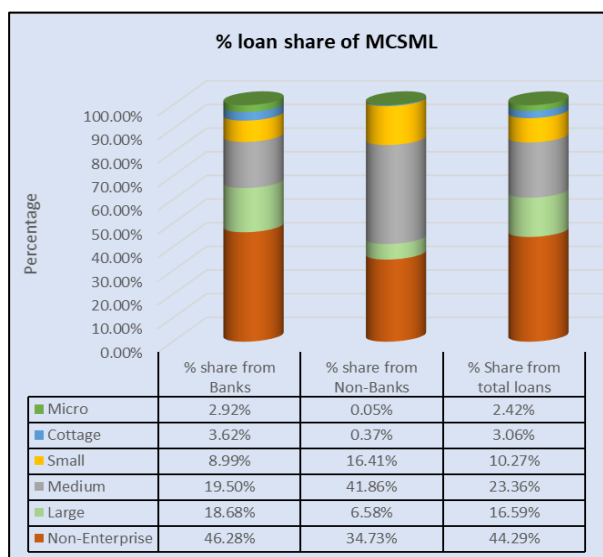


Figure 10 depicts loans to Micro, Cottage, Small, Medium and Large (MCSML)⁷ enterprises and loans to the non-enterprises⁸. As of March 2019, the loan to MCSML amounted to Nu. 69.64 billion and loan to non-enterprise stood at Nu. 55.37 billion. The loan to MCSML has increased to Nu. 69.64 billion in March 2019 from Nu. 57.83 billion in March 2018, showing a growth of 20.42% (↑Nu. 11.81 billion).

As depicted in *Figure 10*, from the total loans of Nu. 125.01 billion provided by the financial sector, the share of loans to

medium enterprises has the highest exposure with 23.36% (Nu. 29.2 billion) followed by large enterprise and small enterprise with 16.59% (Nu. 20.74 billion) and 10.27% (Nu. 12.84 billion) respectively. The loan to micro and cottage enterprises comprised of only 5.48% (Nu. 6.86 billion) of the total loans.

5.1 Banks

For the banking sector, the loan to medium enterprises constituted 19.50% (Nu. 20.18 billion) while loan to large enterprises constituted 18.68% (Nu. 19.33 billion). The loans to micro, cottage and small enterprises constituted 15.53% (Nu. 16.07 billion).

5.2 Non-Banks

For the non-banking sector, loan to medium and small enterprises constituted 41.86% (Nu. 9.02 billion) and 16.41% (Nu. 3.54 billion) respectively, while loan to large enterprises constituted 6.58% (Nu. 1.42 billion). The loan to micro and cottage enterprises have the minimum share of 0.05% (Nu. 11.76 million) and 0.37% (Nu. 80.57 million) respectively.

The analysis on the loan trend of MCSML and non-enterprise reveals that all the loans to MCSML and non-enterprise are on an increasing trend over the years. The highest increase in the trend was observed in Medium enterprise which has increased by Nu. 5.33 billion as compared to March 2018. The increase was mainly attributed to the significant increase in loans to Service &

⁷MCSML comprise of Agriculture, Production & Manufacturing, Trade & commerce, Service & Tourism and Loans to FIs sector.

⁸Non-Enterprise sector comprises of Housing, Personal, Transport, Staff loan, Education loan, Loan Against Fixed Deposits, Loans to Government and others.

Tourism by Nu. 2.93 billion and Trade & Commerce by Nu. 2.14 billion.

However, the loan to Micro enterprise has decreased by Nu. 549.4 million as compared to March 2018, and it was mainly caused by the decrease in loans to Agriculture sector by Nu. 411.41 million.

Figure 11

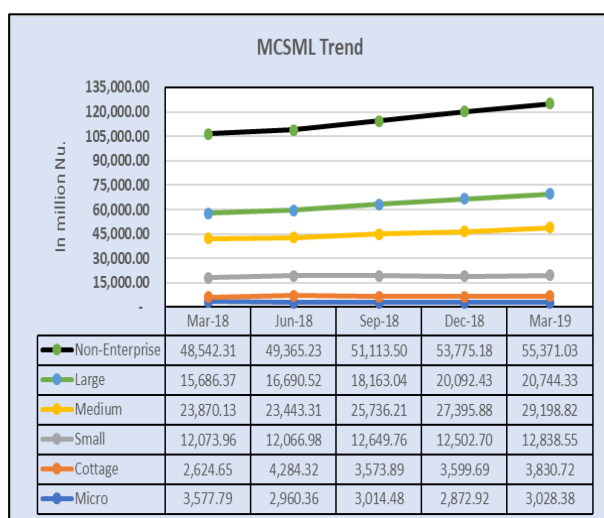


Table 4

Sectoral MCSML Loans (March 2019)				In million Nu.				% Share of Total Loan
Sl no	Sector	Micro	Cottage	Small	Medium	Large	Total	
1	Agriculture & Animal Husb.	2,577.90	2,712.03	610.82	287.49	0.00	6,188.23	4.95%
2	Prod & Manu	55.68	112.06	1,956.54	5,163.45	7,759.67	15,047.41	12.04%
3	Service	117.90	343.59	3,916.80	15,170.69	10,645.38	30,194.36	24.15%
4	Trade & Commerce	276.91	663.04	6,354.39	8,577.19	1,911.56	17,783.08	14.23%
5	Loan to FI(s)	0.00	0.00	0.00	0.00	427.72	427.72	0.34%
	Total	3,028.38	3,830.72	12,838.55	29,198.82	20,744.33	69,640.80	55.71%

6. Access to Finance through Micro Finance Institutions (MFIs)

Table 5

Loan and NPL of MFIs			
Sl no	Particulars	Mar-18	Mar-19
1	Total Loan Sanctioned	Nu. 361.44m	Nu. 675.11m
2	Total Loan Outstanding	Nu. 268.91m	Nu. 486.72m
3	Total NPL	Nu. 31.31m	Nu. 42.02m
4	Total no. of loan a/cs	4,172	6,253
5	NPL to loan ratio	11.64%	8.63%

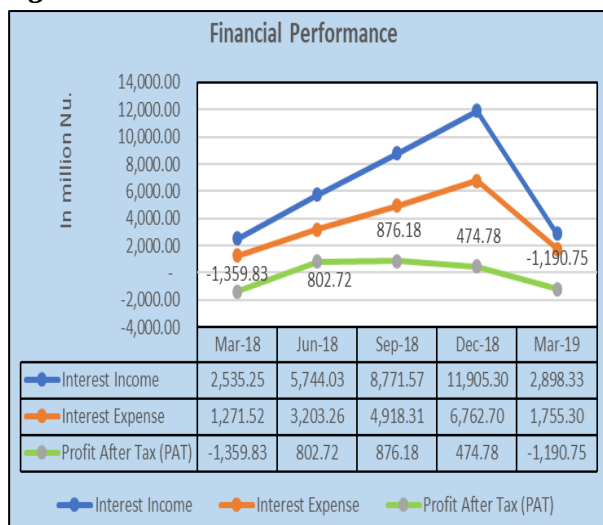
As of March 2019, RMA issued registration certificates to five Micro-Finance Institutions which include Rural Enterprise Development Corporation Ltd. (REDCL), RENEW Micro-Finance Pvt. Ltd. (RENEW), Bhutan Care Credit Ltd. (BCC), BAOWE Pelzhing and Tarayana Foundation. The MFIs currently operate in all 20 Dzongkhags benefiting both the rural and urban clients. As of March 2019, only three out of five MFIs were operational with a total loan of Nu. 675.11 million sanctioned as depicted in Table 5.

The loan outstanding grew by Nu. 217.81 million, from, Nu. 268.91 million in March 2018 to Nu. 486.72 million in March 2019. Total Non-Performing Loan of MFIs in March 2019 stood at Nu. 42.02 million indicating an NPL to loan ratio of 8.63%.

7. Financial Performance

The performance of financial sector declined with both Banks and Non-banks incurring a total loss of Nu. 1.19 billion in March 2019, as depicted in the Figure 12 below.

Figure 12



Increase in interest expense and operating expense along with increase in NPL which further requires additional loan provisions have led to the loss of the financial sector.

7.1 Banks

The banking sector incurred a loss of Nu. 751.97 million in March 2019. This was mainly due to the increase in Interest and Operating expenses by Nu. 483.78 million and Nu. 204.9 million respectively.

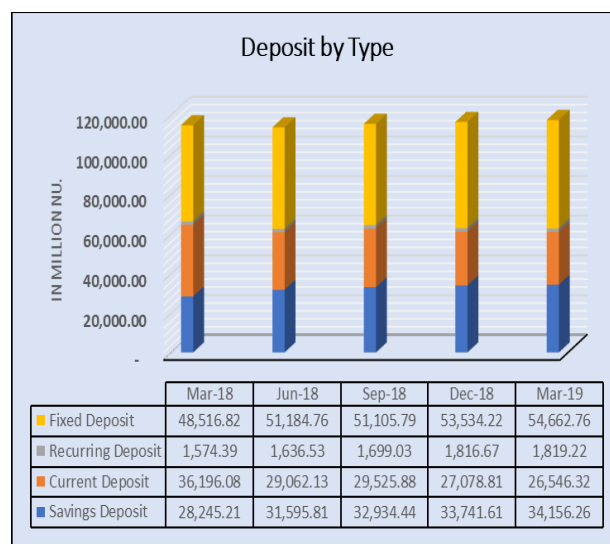
7.2 Non-Banks

The non-banking sector also incurred a loss of Nu. 438.79 million as of March 2019. The loss was solely attributed to increase in NPL by Nu. 4.71 billion with additional provisioning expenses of Nu. 668.13 million. Increase in interest and operating expenses and decrease in interest income also contributed to the loss of non-banks during the period under review.

8. Deposit (Banking Sector)

On the funding side, the deposit has increased by 2.32% in March 2019 as compared to March 2018. The total deposits stood at Nu. 117.18 billion in March 2019 as compared to Nu. 114.53 billion in March 2018.

Figure 13



The total Current Account & Savings Account (CASA)⁹, stood at Nu. 60.7 billion in March 2019. The CASA deposits have witnessed a decline by Nu. 3.74 billion during the period under review. The Individuals constituted the highest CASA deposits of Nu. 44.6 billion (73% of the total CASA Deposits).

Term Deposits, which includes Fixed, and Recurring Deposits have increased from Nu. 50.09 billion in March 2018 to Nu. 56.48 billion in March 2019 indicating a growth of 13%.

⁹ CASA is also known as Demand deposits.

Out of total deposits, Demand Deposits (Current and Saving) accounted for 52% and Term Deposits (Fixed and Recurring) accounted for 48%. To elaborate further, the Current Deposit accounted for 23% while the Saving Deposits accounted for 29% of the total deposits. The share of Fixed Deposit accounted for 47% while Recurring Deposit accounted for 2% of the total deposit.

Analysis on the deposit data reveals that customer deposits¹⁰ – which comprise 85% of total deposits have decreased by Nu. 330.82 million in March 2019 as compared to March 2018. On the other hand, deposits of financial institution (banks and non-banks) have increased by 21% (Nu. 2.98 billion).

In terms of deposits by customer type - Retail Deposits stood at Nu. 70.85 billion and Corporate Deposits at Nu. 46.34 billion. The Corporate Deposits have witnessed a growth of 36.11% while the Retail Deposits witnessed a decline of 11.98% from March 2018.

Credit to Deposit ratio of the banking sector stood at 88.28% indicating increase of 12.46% from March 2018.

9. Liquidity

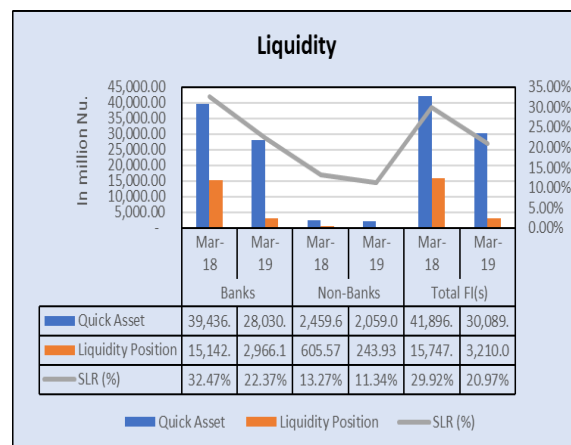
On the liquidity front, the banks and non-banks are required to maintain a minimum statutory liquidity ratio in the form of quick assets of 20% and 10% respectively. The overall liquidity position of the financial sector remained comfortable by maintaining

liquidity in the form of quick assets in excess of the regulatory requirement. The quick assets amounted to Nu. 30.09 billion against the minimum requirement of Nu. 26.9 billion indicating availability of liquidity to meet payment obligations.

During the period ended March 2019, the financial sector has maintained Statutory Liquidity Ratio (SLR) at 20.97% which has decreased by 8.95% as compared to March 2018. This drop in SLR was primarily due to the increase in total liabilities by Nu. 4.74 billion, which mainly consists of deposits.

SLR position of the banking sector stood at 22.35% and 11.33% for non-banks. When compared to March 2018, SLR position of both the banks and non-banks have declined by 10.11% and 1.93% respectively.

Figure 14



¹⁰Customer deposit includes all the current, saving, fixed and recurring deposits made by individuals, government,

corporations and private & public companies (other than banking and non-banking financial institutions)

ANNEXURE I

a) Deposit by Customer March 2018- 2019 (figures in million Nu.)

Table 1

Deposits by Customer	Total Deposits		%Change	%Holding
	Mar-18	Mar-19		
Corporate deposits	34,043.43	46,336.91	36.11%	39.54%
Government	3,499.93	9,021.60	157.77%	7.70%
Government Corp.	9,611.08	14,210.08	47.85%	12.13%
Public Companies	1,778.44	893.38	-49.77%	0.76%
Private Co.	4,692.63	4,767.63	1.60%	4.07%
Commercial Banks	7,769.16	9,263.68	19.24%	7.91%
NBFIs	6,692.19	8,180.55	22.24%	6.98%
Retail deposits	80,489.07	70,847.65	-11.98%	60.46%
Individuals	76,924.34	69,086.41	-10.19%	58.96%
Foreign Currency	3,564.73	1,761.24	-50.59%	1.50%
Total	114,532.50	117,184.56	2.32%	100.00%

b) Consolidated Loan Classification March 2018- 2019 (figures in million Nu.)

Table 2

Classification	Banks		Non-Banks		TOTAL		% Change
	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	
Performing loans	75,313.11	92,191.36	15,501.48	12,796.26	90,814.59	104,987.62	15.61%
Standard	65,427.30	81,817.28	13,224.64	10,856.41	78,651.95	92,673.69	17.83%
Watch (up to 90 days)	9,885.81	10,374.09	2,276.84	1,939.84	12,162.65	12,313.93	1.24%
Non-performing loans	11,525.95	11,278.84	4,034.65	8,745.36	15,560.60	20,024.20	28.69%
Substandard (91 to 180 days)	4,338.21	4,010.18	2,718.13	4,772.87	7,056.34	8,783.05	24.47%
Doubtful (181 to 365 days)	1,617.23	1,249.67	75.14	451.48	1,692.37	1,701.15	0.52%
Loss (366& above)	5,570.50	6,019.00	1,241.38	3,521.00	6,811.89	9,540.00	40.05%
Total	86,839.06	103,470.21	19,536.13	21,541.62	106,375.19	125,011.82	17.52%

ANNEXURE II

c) SECTORAL LOAN March 2018-2019 (figures in million Nu.)

Table 3

Sector	Banks		Non-Banks		Total Loans		% Change	% Holding
	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19		
Agriculture/Animal Husbandry	5,484.10	6,183.68	8.49	4.55	5,492.59	6,188.23	12.67%	4.95%
Trade & Commerce	10,906.83	13,307.19	3,946.04	4,475.89	14,852.87	17,783.08	19.73%	14.23%
Production & manu	11,094.07	12,507.46	2,249.22	2,539.95	13,343.30	15,047.41	12.77%	12.04%
Service/Tourism	17,989.98	23,153.47	6,001.51	7,040.88	23,991.49	30,194.36	25.85%	24.15%
Housing	21,272.56	27,244.70	3,048.95	3,061.34	24,321.51	30,306.04	24.61%	24.24%
Transport	4,793.06	5,464.55	1,171.29	1,459.79	5,964.35	6,924.33	16.10%	5.54%
Loans to FIs	152.64	427.72	0.00	0.00	152.64	427.72	180.21%	0.34%
Personal Loan	10,139.96	9,767.98	2,473.06	2,302.91	12,613.02	12,070.89	-4.30%	9.66%
LAFD	916.64	972.46	0.00	0.00	916.64	972.46	6.09%	0.78%
Education	1,570.85	1,685.67	50.15	97.31	1,620.99	1,782.98	9.99%	1.43%
Staff loan	1,284.11	1,134.44	455.85	387.20	1,739.96	1,521.65	-12.55%	1.22%
Government (short term)	481.03	430.80	0.00	0.00	481.03	430.80	-10.44%	0.34%
Others	753.23	1,190.09	131.57	171.79	884.80	1,361.88	53.92%	1.09%
Totals	86,839.06	103,470.21	19,536.13	21,541.62	106,375.19	125,011.82	17.52%	100%

d) SECTORAL NPL March 2018-2019 (figures in million Nu.)

Table 4

Sector	Banks		Non-Banks		Total NPLs		% Change	% Holding
	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19		
Agriculture/Animal Husbandry	1,625.03	1,583.22	0.91	1.83	1,625.94	1,585.05	-2.52%	7.92%
Trade/Commerce	2,858.03	2,825.76	996.05	1,985.63	3,854.08	4,811.38	24.84%	24.03%
Production & manu	1,106.43	1,403.08	389.22	757.91	1,495.64	2,160.98	44.49%	10.79%
Service/Tourism	2,280.80	1,967.16	1,223.38	3,432.92	3,504.18	5,400.07	54.10%	26.97%
Housing	1,912.29	1,859.16	690.13	599.46	2,602.42	2,458.62	-5.53%	12.28%
Transport	629.33	692.30	282.34	704.71	911.67	1,397.01	53.24%	6.98%
Loan to FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Personal Loan	951.54	737.75	381.02	1,173.44	1,332.55	1,911.19	43.42%	9.54%
LAFD	17.04	11.35	0.00	0.00	17.04	11.35	-33.39%	0.06%
Education	14.91	126.26	25.26	24.10	40.17	150.36	274.26%	0.75%
Staff loan	14.71	21.85	45.59	36.13	60.30	57.98	-3.85%	0.29%
Government (short term)	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Others	115.84	50.96	0.76	29.25	116.60	80.21	-31.21%	0.40%
Totals	11,525.95	11,278.84	4,034.65	8,745.36	15,560.60	20,024.20	28.69%	100.00%

e) Micro, Cottage, Small, Medium, Large (MCSML) and Non-enterprise loan for March 2019 (figures in million Nu.)

MCSML and Non enterprise Loan as of March 2019						Figures in Nu. Million							
Sl no.	Sector	Banks				Non Banks				Total FIs			
		Loan Outstanding	NPL	% share of each category	% share of total outstanding	Loan Outstanding	NPL	% share of each category	% share of total outstanding	Loan Outstanding	NPL	% share of each category	% share of total outstanding
(1) MICRO	AGRICULTURE	2,577.90	589.59	85.46%	2.49%	-	-	0.00%	0.00%	2,577.90	589.59	85.12%	2.06%
	PROD & MANU	54.95	19.87	1.82%	0.05%	0.73	0.14	6.19%	0.00%	55.68	20.01	1.84%	0.04%
	SERVICE	113.54	33.65	3.76%	0.11%	4.36	1.42	37.05%	0.02%	117.90	35.07	3.89%	0.09%
	TRADE&COMMERCE	270.23	106.29	8.96%	0.26%	6.68	4.26	56.76%	0.03%	276.91	110.55	9.14%	0.22%
	LOANS TO FIs	0.00	0.00	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	MICRO TOTAL	3,016.62	749.41	100.00%	2.92%	11.76	5.82	100.00%	0.05%	3,028.38	755.23	100.00%	2.42%
(2) COTTAGE	AGRICULTURE	2,710.23	774.05	72.27%	2.62%	1.80	0.85	2.23%	0.01%	2,712.03	774.90	70.80%	2.17%
	PROD & MANU	109.33	31.75	2.92%	0.11%	2.73	2.23	3.39%	0.01%	112.06	33.98	2.93%	0.09%
	SERVICE	316.60	122.56	8.44%	0.31%	26.99	11.13	33.50%	0.13%	343.59	133.69	8.97%	0.27%
	TRADE&COMMERCE	613.99	185.04	16.37%	0.59%	49.05	20.99	60.87%	0.23%	663.04	206.03	17.31%	0.53%
	LOANS TO FIs	0.00	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	COTTAGE TOTAL	3,750.15	1,113.40	100.00%	3.62%	80.57	35.21	100.00%	0.37%	3,830.72	1,148.61	100.00%	3.06%
(3) SMALL	AGRICULTURE	610.82	161.37	6.57%	0.59%	0.00	-	0.00%	0.00%	610.82	161.37	4.76%	0.49%
	PROD & MANU	1,686.34	480.82	18.13%	1.63%	270.20	145.67	7.64%	1.25%	1,956.54	626.49	15.24%	1.57%
	SERVICE	2,251.37	581.45	24.20%	2.18%	1,665.43	1,061.13	47.11%	7.73%	3,916.80	1,642.58	30.51%	3.13%
	TRADE&COMMERCE	4,754.68	1,146.67	51.11%	4.60%	1,599.70	724.12	45.25%	7.43%	6,354.39	1,870.79	49.49%	5.08%
	LOANS TO FIs	-	-	0.00%	0.00%	0.00	-	0.00%	0.00%	-	-	0.00%	0.00%
	SMALL TOTAL	9,303.21	2,370.31	100%	8.99%	3,535.33	1,930.92	100%	16.41%	12,838.55	4,301.23	100.00%	10.27%
(4) MEDIUM	AGRICULTURE	284.74	58.21	1.41%	0.28%	2.75	0.98	0.03%	0.01%	287.49	59.18	0.98%	0.23%
	PROD & MANU	3,626.46	629.98	17.97%	3.50%	1,536.99	609.87	17.05%	7.13%	5,163.45	1,239.85	17.68%	4.13%
	SERVICE	10,427.93	1,229.49	51.67%	10.08%	4,742.76	2,187.26	52.60%	22.02%	15,170.69	3,416.76	51.96%	12.14%
	TRADE&COMMERCE	5,842.73	1,226.80	28.95%	5.65%	2,734.46	1,236.25	30.33%	12.69%	8,577.19	2,463.06	29.38%	6.86%
	LOANS TO FIs	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	MEDIUM TOTAL	20,181.86	3,144.48	100%	19.50%	9,016.96	4,034.36	100%	41.86%	29,198.82	7,178.84	100.00%	23.36%
(5) LARGE	AGRICULTURE	-	0.00	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	PROD & MANU	7,030.38	240.66	36.37%	6.79%	729.30	(0.00)	51.48%	3.39%	7,759.67	240.66	37.41%	6.21%
	SERVICE	10,044.04	0.00	51.97%	9.71%	601.34	171.97	42.45%	2.79%	10,645.38	171.97	51.32%	8.52%
	TRADE&COMMERCE	1,825.56	160.95	9.45%	1.76%	86.01	-	6.07%	0.40%	1,911.56	160.95	9.21%	1.53%
	LOANS TO FIs	427.72	0.00	2.21%	0.41%	-	-	0.00%	0.00%	427.72	-	2.06%	0.34%
	LARGE TOTAL	19,327.69	401.61	100%	18.68%	1,416.64	171.97	100%	6.58%	20,744.33	573.58	100.00%	16.59%
Non-Enterprise	HOUSING	27,244.70	1,859.16	56.89%	26.33%	3,061.34	599.46	40.93%	14.21%	30,306.04	2,458.62	54.73%	24.24%
	TRANSPORT	5,464.55	692.30	11.41%	5.28%	1,459.79	704.71	19.51%	6.78%	6,924.33	1,397.01	12.51%	5.54%
	PERSONAL	9,767.98	737.75	20.40%	9.44%	2,302.91	1,173.44	30.79%	10.69%	12,070.89	1,911.19	21.80%	9.66%
	STAFF LOAN	1,134.44	21.85	2.37%	1.10%	387.20	36.13	5.18%	1.80%	1,521.65	57.98	2.75%	1.22%
	Education Loan	1,685.67	126.26	3.52%	1.63%	97.31	24.10	1.30%	0.45%	1,782.98	150.36	3.22%	1.43%
	Loan Against Fixed Deposits	972.46	11.35	2.03%	0.94%	-	-	0.00%	0.00%	972.46	11.35	1.76%	0.78%
	Loans to the Govt	430.80	0.00	0.90%	0.42%	-	-	0.00%	0.00%	430.80	(0.00)	0.78%	0.34%
	Others	1,190.09	50.96	2.49%	1.15%	171.79	29.25	2.30%	0.80%	1,361.88	80.21	2.46%	1.09%
	Non- Enterprise TOTAL	47,890.68	3,499.63	100.00%	46.28%	7,480.35	2,567.08	100%	34.73%	55,371.03	6,066.71	100.00%	44.29%
	GRAND TOTAL	103,470.21	11,278.84			21,541.62	8,745.36			125,011.82	20,024.20		